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OF THE

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CONGRESSIONAL RECORD,

SIXTY-THIRD CONGRESS, SECOND SESSION.

APPENDIX.

APPENDIX

TO THE

CONGRESSIONAL RECORD.

Eastern Waterway Needs.

EXTENSION OF REMARKS

OF

HON. J. HAMPTON MOORE,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, December 1, 1913.

Mr. GOLDFOGLE. Mr. Speaker, I ask unanimous consent to print in the RECORD the address of our associate, Mr. MOORE of Pennsylvania, as president of the Atlantic Deeper Waterways Association at the sixth annual convention in Jacksonville, Fla., November 18, 1913.

The SPEAKER. Is there objection? The Chair hears none.

Mr. MOORE said:

"Ladies and gentlemen of the convention, in submitting his annual address for the sixth time, your president congratulates the association, its members and sympathizers, upon the marked progress that has been made in promoting the Atlantic coastal waterway since the movement was organized in 1907. As was to be expected, there have been some delays and disappointments, but each of the six years of agitation has brought us nearer the goal, and the year just ended finds us in possession of full reports by the United States Army engineers upon every section of the project from New England to Florida. The recommendations accompanying the reports, while not conceding all we sought, favor as worthy and urgent, the immediate construction of certain of the sections upon which we based our strongest claims. The Federal survey authorized by the river and harbor act of March 3, 1909, has been amply justified, and the faith we then had in the merit of our undertaking has been vindicated by the official returns. Hence we are no longer 'visionaries' and 'dreamers,' as our forefathers had been for more than a century, but promoters rather of a rational and practical plan of national development, the humanitarian and commercial value of which is proven beyond dispute.

ADVANTAGE TO EASTERN STATES.

"At the New London convention of 1912 we were able to show an increasing interest in eastern waterway projects. Since then an even greater activity has manifested itself in all the States along the line, with the result that the river and harbor act of March 4, 1913, like its immediate predecessors, responded more generously to eastern claims than for many years past. The necessities of the people along such rivers as the Merrimac, the Taunton, and the Connecticut in New England; the Hudson, the Passaic, and the Delaware in the Middle States; the Potomac, the James, the Cape Fear, the Savannah, and the St. Johns in the Southern States, are beginning to be better understood, and the awakening is having its effect in Congress. Our agitation for the trunk line, therefore, has been of direct advantage to all the States affected, accelerating the movement for needed local improvements. The cohesive influence of the main project, proposing, as it does, to obtain a safe and standard inland waterway from New England to Florida, connecting with the Great Lakes and the Mississippi River via the Hudson and the Erie Canal on the north and with the Mississippi and the Rio Grande via the proposed Gulf route on the south, has quickened interest in hundreds of collateral projects, some of which may be over ambitious, but many of which, like the Connecticut, the upper Delaware, and the Susquehanna, if properly developed, would be capable of splendid public service.

ENGINEER REPORTS FAVORABLE.

"As to the main project, from Boston to Beaufort, N. C., and from Beaufort to Florida, we have to acknowledge the industry and intelligent direction of the Army engineers, headed by Gens. Bixby, Rossell, and Kingman. All of them, as division engineers or as engineers in chief, have had to do with the surveys. Before retiring from office Gen. Bixby hastened to Congress, through the War Department, comprehensive reports, the recommendations of which as to feasibility have uniformly been favorable and generally favorable as to expediency. The final report on the Boston-Beaufort section, presented in August last, was an unqualified indorsement of the Chesapeake and Delaware link as worthy of immediate improvement to a depth of 12 feet, at a cost of $8,000,000 plus the purchase cost of $2,500,000.

"The report also approved the construction of the Delaware and Raritan link across New Jersey at a cost of $20,000,000. Then in September the final report was made upon the section from Beaufort, N. C., south to the St. Johns River, inside of Cape Lookout and Cape Fear and the dangerous shoals extending beyond them. Here again the feasibility as well as the commercial and life-saving properties of the inside passage were approved. The depth suggested was 7 feet and the cost $14,400,000. Unfortunately, neither of these final reports was in hand when the last river and harbor bill was before Congress, so that the effort then made to provide for the taking over of the Chesapeake & Delaware Canal as contemplated by the New London resolutions was unsuccessful. Another opportunity to press this matter will soon be presented, however, and if the positive indorsement of the War Department is duly supported by the commercial and industrial bodies along the coast, the long-expected and long-deferred approval of Congress should permit the work to be started at once. This is one of the urgent problems to which the convention should direct its energies.

VITAL LINK TO THE CHESAPEAKE.

"So much does the success of the entire project depend upon the cut across the Delaware and Maryland peninsula that we can not too strongly emphasize its importance. First of all, it is the cheapest and, from an engineering point of view, the easiest section to construct. It is the very center of the busiest transportation belt in the United States. The existing canal is a relic of 1829, and it is so limited in depth and width as to discourage its use by modern vessels. It is owned by a private corporation whose toll charges are substantially equivalent to those by rail. In a traffic area far exceeding that of the Panama Canal, it tends to retard rather than promote trade. The Government has acquired the Chesapeake & Albemarle Canal, which opens the Atlantic coastal trunk line from the Chesapeake Bay and Norfolk south to below Cape Hatteras; it has opened and improved other waterways in harmony with the project, north and south, and the next step, and the logical step, is to cut the Chesapeake and Delaware barrier and let the commerce through. It is essential to an interchange of the commodities of the coastal States at a moderate cost to the people, and considered in connection with the Delaware and Raritan section, indorsed by President Wilson when he was governor of New Jersey, it carries the inland project on to New England. Whether or not the New Jersey section is provided for at the next session of Congress, as we hope it may be, the free and open passage across the States of Delaware and Maryland ought not be longer halted. Opened up and made free it will serve as important a function in cementing commercial bonds of two sections of the country as the Panama Canal can possibly do in wedding the two oceans.

THE CASE HAS BEEN PROVEN.

"Responding, therefore, to the usual requirements of Congress and of the River and Harbor Committee before appropriations are made, we now submit, in addition to the various other arguments that have been presented in support of the continuous coastal waterway, the reports and recommendations of the

United States Army engineers. In his address to our convention at Norfolk, President Taft said:

"When you have made your case, then I am sure the Government and Congress will respond to it. That the case can be made, I doubt not. * * * the justification of which can be shown by reference to the business now done or the business which certainly will be furnished.

"In making this statement the President of the United States was merely voicing the views so often dominating Congress. We have complied with the conditions he laid down. We have proven our case, not only by the records of terrific losses of life and property at sea, not only by evidence of traffic congestion limiting our commercial, industrial, and agricultural output, but by what is usually considered 'the last word' in the domain of rivers and harbors—the favorable report of the Army engineers.

OUR PRODUCTIVE CAPACITY LIMITED.

"Is our productive capacity limited in the East? For answer we recur to recent data of the Census Bureau. The area we seek to improve by better water facilities is the area of the thirteen original States, to which we may now be permitted to add the 'Land of Flowers.' The extent of this area is only one-twelfth of the total area of the country. The scene of our activities, therefore, is barely more than a thumb mark upon the map of the United States. In that area we have 40 per cent of the entire population of the United States and 50 per cent of all the wage earners. We produce 53 per cent of all the manufactures of the United States and 60 per cent of all the coal. We do most of the import and export business of the country, and at the four ports of Boston, New York, Philadelphia, and Baltimore we collect four-fifths of all the customs revenues. We have assisted in financing railroad enterprises affording competition for every other section, but for our own vast enterprises and responsibilities we have only 23 per cent of the total railroad mileage of the country. Let me emphasize that. Here, where industry is most productive, where our shipments are greatest, where we have one-third of the population in one-twelfth of the area, we are compelled to do business on less than one-fourth of the railroad mileage of the United States. We have suffered this handicap not only in the matter of railroads, but it has been necessary for us to keep off the waterways because of the limitations of harbor depths, the destruction of our canals, and the neglect of our rivers. Figures like these, and the process of reasoning logically deducible therefrom, are ample apology for the agitation and the vigilance of the Atlantic Deeper Waterways Association and the warning it sounds along the coast.

THE PRODUCER AND HIS MARKET.

"In consequence of our limited area, the density of our population, and the magnitude of our industries we are obliged to pay heavily for every commodity which enters into the cost of living. We have only 18 per cent of the farm area of the United States east of the Appalachian chain, yet we have so much vacant land that if it were opened up it would aid materially in solving the problems of profitable employment and cheaper food for the people. The Federal cost of protecting lands that are subject to overflow in the lower Mississippi has been quoted at $8 per acre, and it has also been stated that the difficult work of making western lands available for cultivation by irrigation costs approximately $40 per acre. In certain sections of Virginia, North and South Carolina, Georgia, and Florida we have lands of natural richness and fertility that could readily be purchased at figures ranging between the per acre cost of flood prevention and the cost of irrigation. For the price of irrigating lands it is possible to obtain abandoned or even occupied farms in Pennsylvania, New York, and New England.

"The problem of the owners of neglected eastern lands is chiefly the problem of transportation. It is the problem of the ability of the producer to get to market, a problem resulting from the concentration of population and business activity along the lines of the railroads, while vast stretches of country have suffered abandonment because the waterways that formerly served them well were not kept up to modern standards.

WHY HESITATE TO SEEK REDRESS?

"The cruel neglect of waterways and the consequent curtailment of commercial opportunity is what the Atlantic Deeper Waterways Association protests against. To remedy these conditions and to put the Atlantic seaboard on a par in transportation facilities relatively with other sections of the country has been the mainspring of our movement. We have been too complacent because we were prosperous. We did not care that the financial resources of the country were slipping away from us, but now we know that gradually and surely they have been leaving us without facilities to successfully compete with our business rivals. We were dull while the hustling brethren of the West, who had sprung from our loins, were busy as bees. We paused perchance to admire their enthusiasm and applaud their energy. We sympathized with them when the floods poured down the Mississippi Valley and inundated their farms and their cotton fields, and we voted them money for relief, but the fierce and devasting storms which swept the Atlantic seaboard, carrying precious lives and valuable property to the bottom of the sea, we permitted to pass as a one day's wonder.

"Somewhere in the Good Book it is written that 'he that provideth not for his own house is worse than an infidel.' We have been called effete along the Atlantic seaboard, but we ought not to tolerate the charge of infidelity. While we have been suffering the effects of the late October storm, for which the people in common are paying, our friends of the lower Mississippi region have been pressing a bill, which the next Congress will be asked to pass, providing an appropriation of $60,000,000 to construct levees to protect farm lands from overflow in the Mississippi Delta. The Mississippi problem has already cost the Government about half of all the appropriations that have been made for commerce and navigation the whole country over. Though there are floods and great losses of life and property due to storms in other sections of the country, we still treat the Mississippi as a problem of commerce and navigation. We gave it a special permanent commission in 1879, and since then its needs have been reported regularly as of increasing importance. In each of the last two river and harbor bills we provided $6,000,000 per annum for levee work along the Mississippi, without respect to the navigation projects, which have already mounted up to the hundreds of millions. And yet the commerce upon the mighty Mississippi itself is only a little more than twice as much as that developed upon the St. Johns in Florida.

"If our annual appropriations for rivers and harbors are not to attain the hoped-for $50,000,000 demanded by the National Rivers and Harbors Congress, and we are to continue our enormous appropriations for flood prevention and levee construction, when is the rest of the country to obtain consideration for that commerce and navigation for which it is presumed the river and harbor funds are to be expended?

FLOOD PREVENTION A SEPARATE PROBLEM.

"We concede the wisdom of dealing with the Mississippi flood problem on a national and comprehensive scale. We have agreed to that as a legislative proposition since the Mississippi River Commission was authorized by Congress 34 years ago, but we do not concede that because the problem has not yet been solved that further costly experimental operations should be continued at the expense of coastal commerce and navigation. We look to commerce and navigation as creative and revenue-producing elements in our domestic and political economy. We can not dispense with them without draining the very lifeblood of the Nation. Therefore they should be encouraged and the funds set apart, for their development should be adequate and capable of expenditure without waste. The regulation of rivers to prevent floods should be treated separately and with a definite view to completion.

"Floods are periodical and may not be anticipated by Congress, but commerce is perpetual and Congress can readily estimate with respect to it. If in its wisdom Congress should appropriate $60,000,000, as is now proposed in Washington, to erect works in accordance with plans approved by the Army engineers to hold the waters of the Mississippi in leash, perhaps the country would approve it. The specific purpose of the appropriation would be understood; but if Congress continues, as heretofore, and especially since 1879, to appropriate moderate sums in river and harbor bills 'for commerce and navigation' and a large proportion of them is diverted each year from 'commerce and navigation' to 'flood prevention,' it is patent that eastern commercial waterways will continue to be neglected, and that the flood problem of the Mississippi will continue to eat up the Nation's river and harbor revenues without securing the results our Mississippi Valley friends are striving for. We certainly hope to see the day when the untractable waters of the Mississippi, the Ohio, and the Missouri may be safely harnessed up to the uses of commerce and navigation, but we do protest that worthy eastern projects should not be suspended until that desirable object is attained.

INFLUENCE OF THE PANAMA CANAL.

"There is another phase of this question to which I shall briefly refer. We are approaching the completion of the Panama Canal, the greatest of modern waterways, and a glorious proof of American skill in engineering. The estimated cost of the canal is $400,000,000. The benefits of our enterprise in this tremendous undertaking will accrue largely to Great Britain and Germany, who are our principal international competitors for South American trade. We have not made our vast expenditure on the Isthmus without a corresponding decrease in the

supply of funds available for river and harbor improvements at home—to this extent have we yielded our necessities to our patriotism—nor were these funds removed from home centers of circulation without reducing the home supply of ready cash. This has added to the increase in the cost of living. If we had spent $400,000,000 improving the rivers and harbors of the United States, we would have secured many of the improvements of which we now stand in need, and we would ourselves have derived the benefit of our enormously increased circulation of capital, with its inevitable employment of labor at a profitable wage; but since we have constructed the Panama Canal and are proud of it, it is fair to assume that we shall now be able to obtain greater attention for our home necessities, and that, in all reasonableness we shall soon be able to increase our appropriations for important projects within the borders of the United States. Therefore we should prepare 'to provide for our own.'

STRONG REASONS FOR WATERWAY IMPROVEMENT.

"Southern rivers along the Atlantic seaboard are seeking appropriations with the view of being deepened so that they may compete with northern ports for European trade and trade expected via the Panama Canal. Because they do not now have sufficient depth of water to accommodate the larger vessels that are being constructed, the tendency is to monopolize business at one or two ports.

"The problem of dry docks and dredges is also one of increasing importance. We are sadly in need of both.

"The Alabama coal fields are capable of service to southern industrial cities, but they are handicapped for want of proper transportation facilities.

"Motor boats which ply upon inland waters have increased until there are now perhaps 300,000 of them, representing an expenditure of from $200,000,000 to $300,000,000.

"Cities like Albany and Troy on the Hudson; Haverhill and Lowell on the Merrimac; Springfield and Holyoke on the Connecticut; Wilmington, Philadelphia, and Trenton on the Delaware; Paterson and Newark on the Passaic; New Brunswick on the Raritan; Pawtucket and Providence on the Providence; Fall River and Taunton on the Taunton; Baltimore on the Patapsco; Richmond on the James; Elizabeth City, Washington, and Newbern on the North Carolina rivers; Wilmington on the Cape Fear; to say nothing of Charleston, Savannah, Brunswick, and Jacksonville—some of them more favored by natural conditions than others—are demanding adequate outlets to the sea. They have only to point to inland European cities, like Manchester, Antwerp, Amsterdam, and Hamburg, to prove at once the wisdom of providing canals or waterways to supplement the work of the railroads and to afford competitive relief for the output of our farms and factories.

TRANSPORTATION PROBLEM ACUTE.

"The eastern transportation question is acute. It is the result of eastern indifference to the get-there and get-something qualities of our western representatives. We have no word of criticism for those who have been successful in obtaining appropriations for projects of less importance than our own. The fault lies with ourselves. We have not understood the situation or we have utterly ignored it. We have been brought to realize it only because of our own necessities. If, as is frequently the case, it takes 5 days to ship freight from Philadelphia to Chester, a distance of 13 miles, or 6 days to Trenton, a distance of 34 miles, or 13 days to New York, a distance of 90 miles, it is evident the railroads need relief. It takes an hour and a half only to ship from Philadelphia to Chester by water, 4 hours to Trenton, and overnight to New York. Why, then, should the eastern business man not be provided with water transportation? Or let us instance Paterson, N. J., a thriving manufacturing city, 16 miles beyond the city of New York. Recently a cargo of freight shipped from Michigan arrived in New York in 3 days, but more than a week elapsed before it reached its destination in Paterson. The distance from Baltimore to Paterson is 190 miles, and yet a consignment of merchandise leaving Baltimore June 14 did not reach Paterson through the railroad route until June 28, or 14 days from the date of shipment. We could cite innumerable instances of this sort of delay.

EASTERN STATES AS REVENUE PRODUCERS.

"These are but a few of the disadvantages confronting commerce in the East. We have had with us always, for want of Federal appropriation, the dangers of Cape Cod. Only last month its toll of wreckage and disaster horrified the country. On one day seven lives were lost with the vessels trying to round the cape. Fortunately a private enterprise is completing a Cape Cod canal, which will be opened to traffic next year. It is noteworthy that Massachusetts, while not contributing to the Cape Cod project, is spending $9,000,000 to improve the port of Boston. Through Massachusetts the Federal Government collects in customs and internal revenue approximately $35,000,000 every year. The State was admitted to the Union in 1787, and its population exceeds 3,300,000. In all its history, with its tragic story of unchecked disaster along the coast, all it has received from the Federal Government for river and harbor improvements is less than $20,000,000. Yet Texas, the great Lone Star State, admitted to the Union in 1845, with a population only slightly in excess of that of Massachusetts, collecting customs and internal revenues amounting to less than $4,000,000 per annum, has received for rivers and harbors approximately $32,000,000. Surely, under these circumstances, the people who do business on the Atlantic coast are entitled to greater consideration than they have received for the rivers and harbors of Massachusetts. Improvements such as we are advocating will tend to liberate the thriving industrial cities of New England from a traffic thraldom unequaled in any other section of the country.

A PROTECTED WATERWAY HAS BEEN EARNED.

"The Army engineers have recommended a free and open waterway across the State of New Jersey and across the States of Delaware and Maryland, at a cost for one of $20,000,000 and a cost for the other of $10,500,000. The greatest congestion of commerce in the United States and the densest population would be affected for the better by these improvements. They would save life and property; they would give employment to labor; they would encourage industry and agriculture and they would raise revenue for the Government. The total cost of these two vital links in the Atlantic coastal chain, carrying New England's commerce inland behind Cape Cod and Cape Hatteras and carrying the cotton and raw products of the South to the northern industries and consumers, would be $30,500,000. Why hold up so promising an investment? Massachusetts alone yields $35,000,000 per annum to the Government. Pennsylvania yields $46,000,000 per annum. New York yields $255,000,000.

"And why should not New Jersey and Maryland be considered in this transaction? They have been faithful servants of the Government. New Jersey was admitted to the Union in 1787. It is a great industrial and agricultural State, with a population of 2,500,000. It yields in revenue to the Government every year more than $10,000,000. All the Government has paid back for rivers and harbors since 1787 is $7,000,000, less for 126 years than a single year's receipts. And why should Maryland not be considered? Maryland was admitted to the Union in 1788. It has a population of 1,300,000. Every year Maryland yields to the Federal Government upward of $13,000,000. All that Maryland has received from the Government for rivers and harbors since its admission to the Union is about $10,000,000. Yet Oregon and Washington, glorious stars in the brotherhood of our Union, one admitted in 1859 and the other in 1889, have received for river and harbor improvements for those brief periods approximately $33,000,000. The combined Federal collections from these two States is less than $5,000,000 per annum. It is not that Oregon and Washington are not worthy of all they get; the presumption is that they are. The wonder is that we of the East have been satisfied to get along with so little.

LIFE AND PROPERTY AT STAKE.

"I shall not pursue this inquiry further. Some of my colleagues object to it in Congress, and I find it raises criticism as smacking of the sectional. It is not sectional, nor is it intended so to be. It is simply a statement of facts which statesmen and patriots must recognize. Our friends in other sections are averse to being classified as 'infidels' who 'provide not for their own house,' and we ought not to be less considerate of our own welfare.

"The recommendations of the Army engineers show that we can obtain the two sections of our intracoastal waterway south of New England for $30,500,000. They have reported that the southern link from Beaufort, N. C., to the St. Johns River can be completed for $14,400,000. A 7-foot channel along the coast of South Carolina through Georgia into Florida is now assured in certain parts, but the link running from Beaufort Inlet, below Cape Hatteras, is not complete, and Cape Lookout and Cape Fear, with Frying Pan and Diamond Shoals, are still terrors to the mariner.

"The Almighty has pointed the way through the sounds and rivers He has provided along the seaboard, and it seems a mockery to continue to send our small craft—naval, merchant marine, or pleasure vessels—into the unknown perils of the deep. Statesmen from the mountain tops and the valleys far removed from the surf and storm, the bars and shoals, glibly tell us the ocean 'is only a biscuit throw away.' They do not know.

THE BARGE THAT SAILS THE SEA.

"The morning papers of Tuesday last—November 10—in 10-line dispatches from Beaufort, N. C., make the announcement that 'without a soul aboard, the barge *J. R. Tell*, lumber

laden, was dashed ashore at Cape Lookout Beach to-day during a raging southwest gale. The vessel's boat was lashed to the cabin top, and it is believed that the crew was taken off at sea by the tug that had her in tow.' Another dispatch informs us that the *Tell* was bound from Jacksonville to Philadelphia or New York. This brings the incident home direct to this convention. Why was this lumber-laden barge driven into the sea? The people of the Northern States are consumers of southern lumber, of southern cotton, and of southern naval stores. These are not perishable goods that have to be delivered overnight. Why, then, was this lumber-laden barge sent to sea, risking the lives of the crew and involving a property loss to both producer and consumer? The question is not sectional nor does it pertain to any State. The business that these barges do upon the high seas is interstate and national—surely as national and interstate as the construction of levees for flood prevention or for the irrigation of arid lands or for the reclamation of swamps. It is not a business proposition to send these barges to sea, whether they be laden with coal or with lumber or with farm products, because the cost of barge service by the outside route from between points like Wilmington, N. C., and New York is from $5 to $5.50 per thousand feet of lumber, whereas the cost of delivery by the inside route, through the North Carolina Sounds to Baltimore or Philadelphia, is quoted at approximately $2.50 per thousand feet. Nor does it comport with our human instincts to send these tows to sea when they could move up and down the coast more safely and more expeditiously by an inland passage; but the passage is barred by its undredged link. That is the reason the barge must go to sea.

"We are loath at this stage of our progress to believe that even the railroads which own or control the ocean-going steamships are in favor of delay.

"The record is too strong for even the sophisticated to counteract. Let me reiterate it: The toll of the sea along the Atlantic coast in the 10 years from 1900 to 1910 was 2,200 lives. The disasters numbered 5,700, involving property losses in excess of $40,000,000. That property loss alone, with a paltry few millions added, would be sufficient to link up Jacksonville with Cape Cod, in accordance with the recommendations of the Army engineers.

FLORIDA'S STRONG MEN IN CONGRESS.

"My friends, we have assembled on this occasion in the State which marks the southern extremity of the Atlantic coastal waterway—a State which stands as much in need of waterway development as any other in the Union, and much to its great credit, be it said, it has been applying to this work largely of its own resources. In addition, it is fortunate in having in Congress a delegation which has been insistent upon obtaining proper recognition by way of Federal appropriations. There is no other State, perhaps, which is quite so fortunate in this respect. Amongst its Representatives in the lower House is one who has long and diligently studied the problem of waterway transportation here and in Europe. By reason of his faithful and distinguished service he has become the chairman of the all-important Committee on Rivers and Harbors. I refer to my colleague, the Hon. STEPHEN M. SPARKMAN. In the other body, which is sometimes called the "upper House," Florida has a place upon the Committee on Commerce, which deals with the river and harbor bills. So far has this distinguished Member evinced his appreciation of the importance of a wholesome and vigorous agitation for better transportation facilities that he serves as president of the Mississippi to Atlantic Inland Waterway Association. I allude to the Hon. DUNCAN U. FLETCHER, senior United States Senator from Florida. To these gentlemen, as to our delegates and visitors, we are speaking frankly of our eastern needs, with every assurance of friendship for every other section, and with the feeling that the interests of Florida are coequal with ours and theirs. We have not drawn contrasts as between sections to injure any, but rather to aid all, for the prosperity of one section of the country can not well be advanced without every section being prospered, nor can the burdens of congested transportation be laid upon one section without ultimately affecting all."

REPORT OF THE COMMITTEE ON RESOLUTIONS OF THE ATLANTIC DEEPER WATERWAYS ASSOCIATION.

We, the delegates and members of the Atlantic Deeper Waterways Association in sixth annual convention assembled in the city of Jacksonville, Fla., congratulate the business interests of the entire Atlantic seaboard upon the favorable reports of the Government engineers with respect to the projects advocated by this association.

Six years ago we formed our organization in order to work for a better recognition of eastern waterways in the National Congress. Elsewhere in the world there existed no chain of natural bays and sounds along the coast line comparable with those extending along the Atlantic coast of the United States from New England to Florida; navigable by deep draft barges and freight carriers of every description and requiring nothing more than a few short connecting artificial waterways to bring them all together into one great transportation system with all its attendant advantages in the economical carriage of bulk cargoes, in reducing the cost of maintenance, insurance, and power, and in relieving the needs of the busiest and most closely settled portion of our country.

The construction of these short connecting waterways and their dedication to public use was urged by our association from its beginning. The feasibility of the plan was self-evident; small canals had been built in the infancy of the Republic over routes closely approximating those we advocated; but, unfortunately, having been acquired by other interests unfriendly to their development, or having been unable to form such connections as would permit the issuance of through bills of lading they had remained in their original state, while the progress of commerce and industry left them far behind, utterly unsuited to modern traffic requirements.

We called upon Congress for instructions to the Army engineers to survey and report upon routes for an intracoastal waterway to run from Boston, Mass., to Key West, Fla., passing through the bays and sounds and connecting into one system the many great navigable rivers that drain the Atlantic slope.

The reports of the engineers have confirmed our judgment as to the feasibility and desirability of the Atlantic intracoastal waterway, and have recommended that the project be undertaken by the United States Government.

The several links in the intracoastal chain of waterways from Long Island Sound to St. Johns River, Fla., have all been favorably reported upon, and it now only remains for the people and the commercial interests of the Atlantic seaboard to insist that Congress shall follow the recommendations of the engineers and authorize the construction of these several links.

One of the links, that from Norfolk, Va., to Beaufort, N. C., has been adopted by Congress. One of the early canals, the Chesapeake and Albemarle, constituting a section of this link between the Elizabeth River, Va., to Albemarle Sound, N. C., has been purchased by the Government and is now being operated as a free waterway. This Norfolk-Beaufort link is to have a minimum depth of 12 feet with appropriate widths.

With this recital of facts, the desires of the Atlantic Deeper Waterways Association for immediate progress toward the realization of its purpose are formulated in the following preamble and resolutions:

Whereas the Chief of Engineers, United States Army, has reported to Congress that "it is advisable for the United States to buy the Chesapeake & Delaware Canal, at a cost not exceeding $2,514,290, and to then enlarge it to a sea-level canal 12 feet deep and 90 feet bottom width, with the least interference practicable to existing traffic, at a cost of $8,000,000," with provision for subsequent enlargement to 25 feet depth and 125 feet bottom width; and

Whereas the Chief of Engineers has further recommended to Congress that it provide for the construction of "a lock canal of 12 feet depth and 90 feet bottom width across the State of New Jersey from New York Bay to Delaware River, provided the State of New Jersey will promptly secure and donate to the United States all rights of way necessary for a 125 feet bottom width, 25 feet depth sea-level canal along the same route, and provided that the 12 feet depth canal construction work be carried on in such a way as to allow of a greater development to a 25 feet depth canal whenever such development is found advisable; and

Whereas the State of New Jersey has provided by law an appropriation of $500,000 for acquiring the necessary right of way and has caused the same to be surveyed and marked; and

Whereas by the completion of the New York Barge Canal at a cost approximating $130,000,000 and the Cape Cod Canal at a cost of $12,000,000, which are expected to be opened to traffic during the years 1915 and 1914, respectively, New England waters and the Great Lakes will be connected by inland waterways with New York Bay; and by the completion of southern projects recommended and authorized similar communication will be opened northward as far as the head of Chesapeake Bay, and the early connection of these great waterway systems is imperatively called for:

Resolved, That we demand of Congress the immediate acquisition of the Chesapeake & Delaware Canal at the price fixed by the Chief of Engineers, and, in default of an agreement of sale by the present owners, the acquisition thereof to be promptly effected by condemnation proceedings.

Resolved, That we demand the insertion of an item providing for this purchase in the next rivers and harbors act, with a sufficient allowance for beginning the work of improvement.

Resolved further, That we demand of Congress the approval of the New Jersey Canal project and the insertion in the next rivers and harbors act of an item sufficient to begin the work and to secure the donation of the right of way from the State of New Jersey.

Resolved, That we approve as an essential part of the intracoastal waterway the improvement of the East River and the construction of the Harlem or Bronx Kills Channel, as heretofore recommended in the report of the Army engineers.

Resolved, That we urge the early completion of the improvement heretofore authorized of the upper section of the Hudson River between Hudson and Troy, so that the same shall be completed at least contemporaneously with the completion of the Erie Barge Canal. We further recommend that Congress authorize a supplemental survey of the upper section of the Hudson River, with a view of providing a still deeper channel up to the city of Troy. We further recommend the improvement of the Hudson River from Spuyten Duyvil, at the entrance of Harlem River, to the Battery, heretofore recommended by the Army engineers.

Resolved, That we recommend the construction of a canal between Fishers Island Sound and Bissells Cove, on Narragansett Bay, thereby avoiding the dangers of navigation around Point Judith and affording a safe inside route between Narragansett Bay and Long Island Sound.

Resolved, That this association is committeed to the construction of an intracoastal waterway from the St. Johns River to Key West as an integral part of the system, and as a part of such route it recommends the purchase of the existing canal of the Florida Coast Line Canal and Transportation Co., in so far as the interests of the United States may be subserved by the purchase of such canal and its appurtenances.

Resolved, That we commend to the entire Nation the paramount importance of the Atlantic intracoastal waterway among the engineering projects now under consideration by Congress as a necessary factor in the economic development of that section which is most thickly populated, has the greatest industrial output, uses the greatest bulk of raw materials, and needs the greatest supply of food from distant points.

Resolved, That the present condition of neglect in the matter of eastern waterways, the high cost of transportation due to obstructive tolls and inadequate facilities, the great loss of life and property in

coastwise traffic, the prohibitive rates of marine insurance and shrinking tonnage of coastwise shipping, alike call for immediate approval of the Atlantic intracoastal waterway and rapid progress of the work through generous appropriations by Congress.

Resolved, That we call upon business interests and trade organizations throughout the United States, and especially in the seaboard States, for such united and persistent support and agitation of these demands as will result in their sure recognition at the next regular session of Congress.

JOHN H. SMALL, *Chairman.*
WILFRED H. SCHOFF, *Secretary.*

International Neighborliness.

EXTENSION OF REMARKS
OF
HON. JAMES L. SLAYDEN,
OF TEXAS,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, December 2, 1913.

Mr. SLAYDEN. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include an address by Hon. A. J. MONTAGUE, made at a dinner given to the New York State Bankers' Association by the Bankers' Association of Canada and the Dominion Government on June 12, 1913, at Ottawa, Canada.

The address above referred to is as follows:

"Your Excellency, Ladies, and Gentlemen: The gracious hospitality of the Government and the bankers and the people of Canada is very satisfying to your southern guests who have journeyed to this beautiful capital of your Dominion.

"This meeting of international neighbors has inevitably revealed many expressions and signs of international good will. These copious and gratifying tokens of mutual regard come naturally and almost unconsciously from the common sources of our civilizations and the many common ideals of our Governments—sources and ideals recalled so obviously and distinctly by the fraternal associations of this occasion.

"From the first permanent abode of the English race on this hemisphere, at Jamestown in 1607, in my own State of Virginia, which State was also the first 'dominion' of Great Britain on this continent, to this hour and place there is a luminous record of the progress and achievement of a common race without parallel in the history of the world. Surely, therefore, I may gratefully and proudly affirm in this presence that North America is England's greatest gift to the progress of mankind and her greatest contribution to the civilization of the world.

"It is interesting and appropriate here to recall that in the first and early days of our struggles upon these new shores the English race was cooperative and unified. No lines then separated us; we were then the subjects of the same Government; we were then brothers all. Your wars—those of King William, of Queen Anne, of King George, of the French and Indian—called to us of the South as they called to you of the North. When the farseeing statesmanship of France undertook to encompass a great empire from Quebec to New Orleans our English blood became 'thicker than water.' Whatever may have been the glories of his later days, the first sparks of the genius of the great Washington were struck out as a gallant officer under the British flag at Fort Duquesne, now Pittsburgh, where, in reverent imagination, the resounding eloquence of her patron saint, the majestic Pitt, is still heard above the roar of her vulcan hammers.

"Historically we know, however, that the voice of Pitt and of Burke did not prevail. Divisions came amongst us, eventually to be marked by the bloody point of the sword. Ethnic forces did not seem applicable to the same people living in different worlds, and readjustments, even though belligerent, were inexorable. But the War of 1776 no longer carries bitterness of memory or passion of resentment. The English race has been accustomed to internecine strifes, but surviving them nearly always as a hardier and more united people. Who now remembers who wore the rose of York or the rose of Lancaster? Who was the cavalier or who the round head? Who followed grim Cromwell or foolish Charles? Indeed, Bunker Hill, Valley Forge and Yorktown, Lake Erie and New Orleans, are chiefly the signs of the courage and sacrifice of brave men, struggling to make supreme the different standards and ideals of our race.

"War has not been the supreme ambition of our race. We have fought among ourselves, but shake hands, and each then turns anew to his own immediate duties and tasks. Our race's civilization is founded upon liberty and law, indissolubly bound together. These are the chief ends of free governments. So at the end of our struggles we quickly set our faces to the healing lights of freedom and order. We therefore sought and applied the law of nations. We made treaties to express and perpetuate our better selves. One hundred years, lacking one, have come and gone since as two nations we set our solemn hands to the great document at Ghent. But we turn to our neighbor, Canada, this child of our common mother, as the most perfect and practical example of how treaties can be wrought and observed.

"We look in vain upon the Great Lakes, the great inland seas, for one frowning prow. We listen in vain for one sounding cannon. Why? Because we have kept faith with each other; we have observed our agreements, our conventions, and our treaties, submitting all differences arising thereunder to the instrumentalities of justice, of reason, of tradition, and of peace. Hear, for example, the words of the great agreement negotiated in April, 1817, at Washington by the Right Hon. Charles Bagot, for and in behalf of His Britannic Majesty, and Richard Rush, Esq., for and in behalf of the United States:

"The naval force to be maintained upon the American lakes by His Majesty and the Government of the United States shall henceforth be confined to the following vessels on each side; that is—

"On Lake Ontario, to one vessel not exceeding 100 tons burden and armed with one 18-pound cannon.

"On the Upper Lakes, to two vessels not exceeding like burden each and armed with like force.

"On the waters of Lake Champlain, to one vessel not exceeding like burden and armed with like force.

"The naval force so to be limited shall be restricted to such services as will in no respect interfere with the proper duties of the armed vessels of the other party.

"This agreement is one of the most extraordinary and serviceable understandings ever reached between two nations, for resulting therefrom no ship of war roams these seas and no armed soldier treads the boundary line between our two countries, extending for nearly 4,000 miles. Indeed, under this extraordinary agreement it is almost impossible to have any armed ships whatever upon the Great Lakes, for in the development of navies there are no longer warships of the descriptions prescribed. So really we contracted further than we saw, but we live to bless and not to regret our action.

"Nor have we forgotten the art of treaty making; nor have we lost the virtue of treaty observance. In 1909 there was perfected between our Governments a memorable treaty, to which is attached the name of one of the greatest, if not the greatest, man England ever sent to Washington, and who has just left, to the regret of every American. [Great applause.] The other signature is that of a now distinguished Senator from the State of New York, then a great Secretary of State of the United States, who for sagacity, exactness of thinking, vigor of expression, and farseeing powers has perhaps no superior in the United States. Such a treaty, made by such men as James Bryce and ELIHU ROOT [applause], must, as it does, embody practical wisdom, sound justice, and the highest international conveniences.

"Let us consider for a moment its notable and beneficent objects. Among them is the establishment of a commission with power to decide all questions concerning the use, obstruction, or diversion of the boundary waters between Canada and the United States; the jurisdiction to investigate and report on any question arising between the United States and Canada along their common frontier at the request of either country; and the further jurisdiction to hear and determine any question whatever arising between the two countries when consented to by both. Therefore the three great purposes of the treaty seem to be, first, to prevent disputes in relation to the use of boundary waters; second, to settle all questions now pending between the two contracting powers, involving the rights and interests of either in relation to the other, or to the inhabitants of the other, along this common frontier; third, to make provision for the adjustment and settlement of all such questions as may hereafter arise. This treaty substantially establishes an international tribunal of juridical qualities, an Americo-Canadian court, beneficent in conception, and practicable in administration.

"May I be permitted to tax the patience of this goodly company by calling their attention to another special agreement made between the United States and Great Britain in relation to pecuniary claims? This agreement submits to arbitration all claims outstanding between the United States and Great Britain, and at this time there is in session in this city three arbitrators, who are adjudicating and determining with diligence and justice many of these claims.

"We can not speak or think of these treaties as mere paper documents. Greater than treaties is the spirit and character of the people between whom they are made and among whom

they are to be enforced. We two peoples of the same blood, of the same language, literature, laws, and traditions, will easily observe treaties, as we will with exuberant happiness celebrate in the coming year a century's duration since our last war and our hopes for a future of unending peace.

"The Government and people of Canada have their problems as we to the south of you have ours. You have more homogeneity of race than your southern neighbor. You have practically only the French infusion—a blood full of enthusiasm, refinement, art, science, courage, glory, and achievement. It is well that they are with you. Our task is more complex. The unification in America requires more wisdom, a larger knowledge of economic and social forces, and a deeper understanding of ethnic influences, in some cases so antagonistic, to venture dogmatic prophecy. But we hope to work out in peace and righteousness the burdens and blessings of freedom and law, and we will watch with intense interest your experiments and your triumphs.

"In conclusion permit me to associate myself with the citizens of New York in felicitating ourselves in having this opportunity of meeting so many eminent, worthy, and attractive Canadian people. Many of the troubles in this world are due to the fact that we do not know each other. Commerce, transportation, bank exchanges, telegraph, and telephone make acquaintances of one people with another, but meeting face to face and hand with hand make friends." [Applause.]

Regulation of Commerce.

EXTENSION OF REMARKS
OF
HON. JEFFERSON M. LEVY,
OF NEW YORK,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, December 2, 1913,

On the bill (H. R. 9394) to amend section 6 of the act entitled "An act to regulate commerce," approved February 4, 1887, and amendments thereto.

Mr. LEVY. Mr. Speaker, in order that the railroads of the United States might receive prompt and early decisions from the Interstate Commerce Commission in all rate cases, to which they are justly entitled the same as in any suit pending before the courts of this country, I recently introduced H. R. 9394, to amend the "act to regulate commerce." In many of the judicial branches of this Government the limit for a decision is 60 days, and, in my opinion, the railroads should receive a decision from the commission within that period, as withholding it ties up an enormous amount of money and capital.

From time to time, after the railroads have made application to the commission for either increase or reduction in rates, we notice that many large and important cases are suspended six months before a hearing is accorded, and it usually takes one year before the commission finally decides the case. This is very unjust to the railroads and is interfering with the prosperity of the country. At the present time the railroads of this country are carrying mails at a great loss. Freight earnings on three of the large railroads of this country—Pennsylvania, Baltimore & Ohio, and New York Central—have increased from $340,000,000 in 1904 to $550,000,000 in 1913, an increase of $210,000,000, while the receipts from mail carried has decreased during the same period from $13,088,000 to $13,077,000, a reduction of $11,000. The prosperity of the railroads is the prosperity of the people. About 33 per cent of the inhabitants of this country are either directly or indirectly affected by the earnings of the railroads in the way of wages and income.

The gross earnings of the Pennsylvania system for 10 months of this year yere $328,254,692, and for the same period of 1912 they were $308,204,788, an increase of $20,049,904. The net earnings, after deduction of taxes, for the 10 months of this year were $61,840,965, and for the same period of 1912 they were $70,213,336, showing a decrease of $8,372,371 for this year. The gross earnings of the New York Central system for 10 months of this year were $250,968,117, and for the corresponding period of 1912 were $230,127,819, an increase of $20,568,298. The net earnings, after deduction of taxes, for the 10 months of this year were $53,199,687, and for the corresponding period of 1912 were $57,433,444, a decrease of $4,233,757 for this year. These figures show the necessity of prompt action by the Interstate Commerce Commission on the application of the eastern railroads for increase of rates.

High Cost of Living.

EXTENSION OF REMARKS
OF
HON. CHARLES G. EDWARDS,
OF GEORGIA,
IN THE HOUSE OF REPRESENTATIVES,

Wednesday, December 10, 1913.

Mr. EDWARDS. Mr. Speaker, to correct what I believe to be a great evil and to stop a great waste I have introduced a bill which provides as follows:

That after the passage of this act it shall be unlawful and a misdemeanor for any person or corporation to buy, sell, ship, or accept for shipment any female calf or calves, commonly known as heifer calves, under the age of 18 months, for transportation in interstate commerce or for transportation into foreign countries, slaughtered or for the purpose of being slaughtered.

RESOURCES AND SUPPLIES.

We hear a great deal about the high cost of living. It is due largely, in my opinion, to the wasteful and extravagant habits of the American people. It is due, too, in my opinion, to our failure to properly conserve the resources and supplies with which nature has blessed us.

I doubt seriously if Congress could pass a bill preventing slaughter of heifer calves under 18 months of age that would be constitutional; but Congress can pass a bill preventing the interstate and foreign shipment of heifer calves slaughtered, or for the purpose of being slaughtered, that will be constitutional.

It is my opinion that the States could pass measures that would prevent the slaughtering of heifer calves under 18 months of age. At any rate, if this bill is passed the evil practice of shipping heifer calves for food purposes will be stopped and the evil will be cured to a large extent.

In my opinion, if this bill passes, it will not be many years before the beef supply, as well as the milk, cheese, butter, and leather supplies, will be greatly increased, which will, of course, reduce the price of beef, milk, cheese, butter, and leather to our people. If this can be done, we have, to a measure, aided in the reduction of the high cost of living.

WASTE AND EXTRAVAGANCE.

This idea of veal for food is one of immense waste and extravagance. To satisfy the taste of people who are perhaps not suffering from the high cost of living the great packing houses of the country and the butchers are compelled to carry veal in stock. To get veal they have to kill calves. If the heifer calves are slaughtered, there is waste of beef in the life of the animal slaughtered and in the loss of the animals she would produce if permitted to live. This can not even be estimated in pounds of flesh nor in dollars and cents. Then there is the waste that comes from cutting off the milk that could be gotten after they reached the milking age, which carries with it the great waste of cheese and butter.

The packers and butchers of the country are able to buy up young calves at low prices. They are butchered and sold for veal at exorbitant figures to people who think they are getting a real delicacy, when in point of fact they are not getting as good food values as they would get from the meat of the same animal if killed later in life, and which they would be able to get at a much less price.

STOCK RAISING SHOULD BE ENCOURAGED.

The passage of this bill would not interfere with the shipment of male calves, nor would it interfere with the shipment of heifer calves for stock-raising or dairy purposes. In point of fact, the shipment of cattle for stock and dairy purposes should be encouraged in every possible way. Cattle raising should be encouraged. Beef is one of the necessities of life, so is milk, so is butter, so is cheese, and so is leather. People everywhere should encourage cattle raising, and should unite in an effort to stop the great waste that is going on in the slaughter of young calves for veal. Where a few mouths are satisfied with veal, on account of the waste entailed by furnishing veal to such consumers many other mouths are going hungry for beef, milk, cheese, and butter because of its being so scarce and high in price. This is a matter of vital interest to the American people, and will be a step toward the solution of the question of high cost of living.

FARMERS FEED AND CLOTHE THE WORLD.

The charge that the American people are wasteful is undoubtedly true, and the fact that this calf slaughter is permitted is good evidence of it. If our more wealthy brethren will begin to set lessons in economy and if the rest of us will quit trying to

"ape" the more wealthy, and if we all will endeavor to practice economy, and if we will conserve the great supplies and resources nature has given us, and if we will encourage the farmers of this country, who really feed and clothe the world, we will not be long in solving this high cost of living problem. It must be solved, too, for it is getting out of the question for people to live on moderate incomes. It is getting serious. The present administration is doing much to solve this question. The tariff bill will tend to do its part to reduce the cost of living, because it is the best tariff bill for the great masses that has passed Congress since the War between the States. The tariff, when it becomes effective, will mean an era of prosperity and give much-needed relief to the people throughout the country.

MORE TO EAT AND WEAR.

The high cost of living can not be entirely solved by the tariff, even though it will have much to do with it. There are many other things that enter into it. Largely there is the question of supply and demand. It is to increase the supply of beef, milk, butter, and cheese, as well as the supply of leather for harness and shoes, that I have introduced this bill. We can not hope to see results immediately, nor in a few months, but the results will be apparent in a few years; and it undoubtedly means, after it has time to take effect, cheaper beef, cheaper milk, cheaper butter, cheaper cheese, cheaper harness, and cheaper shoes.

If we will begin to correct our extravagant and wasteful ways in this country, there will be more for everybody to eat and wear and the prices will be less.

ROADS, RURAL MAILS, AND EDUCATION.

Just a few words about the farming industry. It is the oldest and most honorable pursuit of man. Idle farms are like a vaulted money. "A vaulted money is a dead money." Millions of acres of land that will produce abundantly are idle in this country and are producing nothing. The population is steadily increasing, which daily increases the demand for food and clothing. Farming must be encouraged. Our country could do no better thing than begin appropriations with which to build good roads—not great interstate or national highways, but good roads for practical purposes—so that the great mass of producers will be benefited. It can do no better thing than to make appropriations for the better education of those who are going to follow farming as a livelihood. It can do nothing, in my opinion, that will bring better results than to set aside large sums of money each year with which to furnish schoolbooks free of cost to those unfortunate children in this country who are unable to buy them. An educated people are an independent people. I do not mean educated in colleges and universities, but fitted for the various vocations they are to follow. An educated farmer, one who knows his soil and knows the science of agriculture, is more apt to be able to get better results through improved and modern methods than one who is not so well informed. The Government needs to lend a helping hand in this regard, and it is lending a helping hand. We must see that the farmers of the country are given a "square deal" and that the great agricultural industry is not discriminated against. We must encourage American boys and girls into liking farm life. We must find some way to stop the tendency of our young people to move to the cities. Good roads, good schools, good churches, good mail facilities, improved farm methods, and better farm equipment will all help to do it. I was reared on a farm. I know whereof I speak. Among my people I am known as the "Plowboy from Tattnall." I am proud of this nickname. I am glad I was reared on a farm and that I have been a plowboy. It enables me to keep close to the great heart of the people I represent and to know their customs and ways, to know their needs, and to better serve them, for a great portion of the district I represent is an agricultural section.

FARMERS MUST HAVE "SQUARE DEAL."

Good mail service, especially the rural mail service, adds much to the blessings of country life. The Government ought never stop until every farm home has mail delivered daily at its door. This brings the mail with letters, papers, and magazines, not to mention the privileges of the parcel-post feature, to brighten the lives of those upon whose shoulders rests the great burden of producing the food and clothing for the world. To those tillers of the soil, to those who toil that others may live, every possible consideration should be shown, and the Government ought to throw about them and about their business a strong arm that will help and encourage them.

ECONOMY NEEDED.

Our people need to know and practice economy. What saves to our people enriches the Nation. Our farms and the products from them keep the balance on the right side of the ledger on the question of exports and imports and bring foreign gold to fill our Treasury. We are greatly indebted to the farming element which is doing so much to make our country rich and great. The country can not do too much in return for this sturdy element of its citizens. The Nation and the world owe the farmer a huge debt that accumulates with new obligations each day which can not be fully paid. Let us, therefore, be mindful of this great obligation, and see to it that more encouragement is given to agriculture and to those who are engaged in its pursuit.

Pacific Coast Terminals and Review of Recent Legislation by Congress for the Development and Encouragement of Water Transportation.

EXTENSION OF REMARKS

OF

HON. CHARLES F. CURRY,

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, December 11, 1913.

Mr. CURRY. Mr. Speaker, under the leave granted me to extend my remarks in the RECORD I include an address by Hon. JOSEPH R. KNOWLAND, of California, before the Tenth Annual Convention of the National Rivers and Harbors Congress, Washington, Thursday, December 4, 1913.

The address above referred to is as follows:

An address by Hon. JOSEPH R. KNOWLAND, of California, before the Tenth Annual Convention of the National Rivers and Harbors Congress, Washington, Thursday, December 4, 1913.

Mr. President and ladies and gentlemen, to the gentleman from Pennsylvania, Congressman KELLY, who a few moments ago spoke so eloquently of that State, and to the chief executive of New York, Gov. Glynn, who has just taken his seat after fairly staggering us with an enumeration of the big things being accomplished by the Empire State—to these gentlemen I would say that I hail from the great State of California, whose beauties and wonders are indescribable. Had the ancestors of these gentlemen first landed upon the shores of that Pacific wonderland, the great Eastern States mentioned would to-day, I fear, be deprived of the valuable services of their two most able champions. Should I attempt to describe the resources of my native State, or endeavor to enumerate the great things we are accomplishing, my time would be exhausted before I touched the subject to which I am supposed to address myself. We hope, however, to welcome the delegates of this convention to California in 1915, so that you may see for yourselves what words are inadequate to describe.

Referring but briefly to the criticisms by Gov. Glynn of the expenditure of $6,000,000 and more at the Mare Island Navy Yard, located in California, I will say that modesty prevents me from directing attention to the fact that I have, until very recently, represented the district in which that yard is located, and that during my term a great part of the large sum was appropriated. Should I reply I might be compelled—although of course it would greatly embarrass me—to direct attention to the fact that the large and generous appropriations demonstrated the advisability of sending live men to Congress. Just a word, however, touching the utility of the Mare Island Navy Yard and the efficiency of its working force. Several ships have been built there, and during recent years three naval colliers or fuel ships. Sister ships in two instances were under construction at the same time at the New York Navy Yard, and when the Navy Department figured up the cost, the plans being identical, it was found that the Mare Island Navy Yard, way out in California, had built both ships for less money. But I must get to my subject.

PACIFIC COAST PORTS PREPARING FOR OPENING OF PANAMA CANAL.

The people of the Pacific coast are fully alive to the tremendous importance of immediately enlarging and otherwise improving the terminal facilities at the various ports to meet the increased demands of commerce expected with the opening, in the almost immediate future, of the Panama Canal.

Experience extending over a period of many years has demonstrated the advantages and necessity of State or municipal control as contrasted with that of corporations and individuals. This awakening has, in many localities, resulted in the institution of actions in the courts and in insistent demands for legislation aimed to place the ownership and administration of terminals in the hands of the people, where they belong, so as to accord to the smallest shipper the same advantages and facili-

ties which heretofore and in too many instances were enjoyed exclusively by favored corporations and large shippers.

CONGRESS LEGISLATES TO PREVENT THROTTLING OF WATER COMPETITION.

In so far as it exercises jurisdiction, the Congress of the United States has endeavored to assist in the movement to provide for the fullest utilization by all the people of the great rivers and harbors of the country, upon which there has been expended by the Government nearly $700,000,000. Not only has Congress provided the funds for improvement, but it has gone a step further and enacted legislation to prevent the throttling of these watercourses, the great highways of the people, where exclusive franchises and rights of way can not be granted. Much of this recent legislation aimed to maintain the competitive value of these waterways has emanated from the Committee on Interstate and Foreign Commerce of the House of Representatives. As a member of this committee and an enthusiastic advocate of the fullest development of our waterways, I am proud to say that in the framing of some of this legislation I have taken at least a small part. Before discussing the terminal facilities of Pacific coast ports, I will refer very briefly to a few of the recent legislative enactments aimed to aid in the Nation-wide movement, led by the National Rivers and Harbors Congress, for a maximum utilization of the facilities for water transportation.

LEGISLATION TO PROTECT WATER TRAFFIC PROPOSED IN BILL OF 1910 AMENDATORY OF INTERSTATE COMMERCE ACT.

In 1910, when the bill creating an interstate commerce court and amendatory of the then existing interstate commerce act was pending before the Committee on Interstate and Foreign Commerce, it contained a proposed section, known as section 12, which provided that no railroad corporation which was a common carrier subject to the act to regulate commerce should hereafter acquire, directly or indirectly, any interest of whatsoever kind in the capital stock of any railroad, or purchase or lease any railroad with which it was directly and substantially competitive. I proposed an amendment in committee adding water carriers to the inhibition, which the committee adopted. The bill as then amended provided that railroads could not acquire competing water carriers or water carriers purchase competing railroads. On the floor this section was stricken out, and I need not here mention the influences that were responsible for its elimination.

While this same bill was pending in the House I proposed the following amendment, which was adopted by a vote of—ayes 106, noes 77:

Whenever a carrier by railroad in competition with a water route or routes shall reduce the rates on the transportation of any kind of traffic it shall not be permitted to increase such rates unless after hearing by the Interstate Commerce Commission it shall be found that such proposed increase rests upon changed conditions other than the elimination of water competition.

PANAMA CANAL ACT PROTECTS SHIPPERS.

With but slight change in phraseology this amendment remained in the bill and is now a part of the interstate-commerce law. Its effect has been generally beneficial, but it did not go far enough to meet conditions that it was believed would exist with the opening of the Panama Canal. This is why there was written into the Panama Canal act, at the insistence of Pacific coast shippers, the section that prevents railroad-owned ships from passing through the Panama Canal where they "compete" with their rail lines for business. Such "competition" is fake competition aimed to minimize the competitive value of this great waterway. This provision does not deny, as some charge, railroad owned or controlled ships access to the canal when engaged in foreign trade. In line with what I regard as sound public policy, it prevents railroads from practically paralleling their own rail lines by boats, which should not be permitted if the canal is to be of any real value to shippers throughout the United States.

While we were not successful in 1910 in writing into the law an amendment preventing railroads from owning competing water lines, the Panama Canal act of 1912 squarely meets the situation. The act provides, in section 11, that after the 1st day of July, 1914, it shall be unlawful for any railroad company or common carrier, subject to the act to regulate commerce, to own, lease, operate, control, or have any interest whatsoever in any common carrier by water, operated, not only through the canal but elsewhere, with which such railroad does or may compete for traffic. It also confers upon the Interstate Commerce Commission power to extend the time during which railroads may operate such water lines if, after investigation, they are convinced that such water service is being operated in the interest of the public and is of advantage to the convenience and commerce of the people. This extension, however, can not be granted to railroads coming under this provision, which would operate through the Panama Canal, applying only to other localities.

The framers of this act, anticipating conditions likely to prevail with the opening of the canal, conferred upon the Interstate Commerce Commission additional powers, enabling that body to establish physical connections between railroads and the docks of water carriers. The commission was also empowered to establish through routes and maximum joint rates between rail and water lines; to establish maximum proportional rates by rail to and from the ports to which traffic is brought or from which it is taken by the water carrier.

If interstate railroads enter into arrangements with water carriers operating from a port in the United States to a foreign country, through the Panama Canal or otherwise, for the handling of through business between interior points of the United States and such foreign country, the Interstate Commerce Commission may require such railroad to enter into similar arrangements with any other steamship.

Vessels permitted to engage in the coastwise or foreign trade of the United States are prohibited, under this act, from passing through the canal if such ships are owned or controlled by persons or companies violating the Sherman antitrust law. The provision granting free tolls through the Panama Canal to American coastwise ships is in the interest of the water shipper.

Thus it can be seen that Congress has taken advanced steps that should give an impetus to the movement for the public control of water terminals. The Pacific coast is moving rapidly in this direction, as I shall attempt to show.

PORT OF SAN FRANCISCO.

Practically the entire harbor front of San Francisco, approximately 8 miles in length, is under State control and administered by a board of three State harbor commissioners appointed by the governor. The port of San Francisco receives no appropriations from the State or city. The State law requires that the harbor must be self-supporting, the cost of improvements, including the building of wharves, dredging, and the construction of sea walls, together with the expenses of administration, to be provided for out of the receipts. There is also a provision stipulating that harbor charges shall not exceed such rates as necessary to meet the cost of construction, operation, and maintenance. In private hands returns would be demanded upon the total value of the property and improvements, with the result that much higher rates would be charged. The belt railroad is controlled by the board. Practically no long leases have been granted, and every shipper can obtain accommodation at reasonable rates.

Prior to 1911 the State had control of the water front and tidelands of the chief harbors of California, namely, San Francisco, Oakland, Los Angeles, San Diego, and Eureka. At the session of the legislature which convened that year the State of California transferred these water fronts and tidelands, with the exception of San Francisco and Eureka, to the respective cities upon which they border.

Among the commercial bodies of San Francisco there has been considerable agitation in favor of turning over to that city the control of the water front, the claim being made that San Francisco has no voice in its management. Now, when it is desired to issue bonds for improvements on the San Francisco water front, it is first necessary to appeal to the legislature to submit to the people a bond issue, which the voters of the entire State must approve at the next general election. Even when this is done the State does not pay the interest on the bonds or retire them at maturity, although the credit of the State is pledged, which possibly makes the rate of interest less. Under the State law these bonds must be taken care of out of the funds accumulated from harbor receipts. It is charged that it might be possible for localities interested in rival harbors to retard the development of San Francisco's water front; that it is sometimes difficult to explain to the voters of the State that the large bond issues for San Francisco Harbor improvements are not a burden upon the State. It may be stated, however, that so far there has been a disposition on the part of the people of the State to grant the necessary authority for the issuance of bonds to develop California's chief port. For instance, a $9,000,000 bond issue is now available for improvements which are rapidly being made, and another issue of $10,000,000 is contemplated.

At present the piers and bulkhead wharves on the San Francisco water front offer about 5 miles of berthing space. In a recent report of the board of State harbor commissioners the statement is made that dock facilities may be so enlarged as to give 44 miles of berthing space.

OAKLAND HARBOR.

Directly across the bay from San Francisco, and on the continental side, lies Oakland Harbor, with 20 miles of available shore line. The city of Oakland has fought for years to regain control of its water front. In the early fifties the then town of Oakland made some unfortunate grants of valuable rights on the harbor to an individual. These were later transferred to a railroad corporation. It has only been within recent years that the city has obtained substantial control of its entire water front. This has been due to court decisions, legislative acts, and favorable compromises. The city has already voted $2,500,000 for improvements and has under way the building of reenforced concrete wharves and a quay wall 3,700 feet in length equipped with railroad tracks, steel warehouses, and machinery for the handling of freight. There is also being built a retaining wall across the key route basin, on the western water front, where most extensive improvements are contemplated. The city plans to eventually expend $20,000,000. The municipal belt railway system as planned will extend around the entire city front, connecting with every railroad that enters the city—three transcontinental railroads now entering Oakland—and with every wharf, with spurs leading to manufacturing plants. Under the proposed development of the water front there will be 46,000 feet of municipally owned docks and 46,000 feet of privately owned.

Col. Thomas H. Rees, the Government engineer in charge of the Oakland district, has just reported a most comprehensive plan for the fullest development of this western water front, a project that will allow of such expansion as to meet fully the growing demands of the future.

HARBOR OF RICHMOND.

The Rees plans for the east San Francisco Bay district include the harbor of Richmond lying north of Oakland. The enterprising people of this growing community have set an example of liberality in cooperating with the Government that many localities might well follow. The city has already voted $1,170,000 to be used for harbor improvements. In addition, the city has authorized the submission of another bond issue, which provides for the payment of $75,000 per annum for a period of five years to be applied toward defraying the expense of Government dredging. Part of the receipts from the harbor will be set aside for a like purpose. The entire inner harbor will be municipally controlled.

Richmond, fast becoming a manufacturing center, will offer, when the present plans are completed, fully 13 miles of berthing space. At least 7 miles of the water front will be municipally controlled.

LOS ANGELES HARBOR.

If by chance there is in this assemblage an individual hailing from a locality which nature has provided with harbor possibilities, but where there is an apparent disinclination to develop these facilities which lie at its doors, I would direct this individual's attention to the city of Los Angeles, that wonderfully enterprising community in southern California. The city of Los Angeles was originally 20 miles from the ocean. Appreciating the impossibility of bringing the great Pacific to its doors, but realizing the necessity for a water terminal, this city, with the nerve to tackle big projects, did the next best thing by extending its boundaries 20 miles to the ocean by annexing cities bordering on the water and strips of connecting territory, and did all this in order that it might vote bonds to improve the harbor now known, if you please, as the harbor of Los Angeles. Already the city has voted five and a half million dollars and has agreed to expend an additional five millions in the near future, with larger sums to follow.

The port of Los Angeles is controlled entirely by the municipality, which, through a board of harbor commissioners, makes all rules and regulations for the government of the harbor, fixes all pilotage, dockage, wharfage, and handling charges, and operates the port as a municipal enterprise.

The city owns 394 acres in the outer harbor of what was originally submerged land. Of this, 154 acres was leased by the former city of San Pedro to private parties, who have reclaimed it and improved it with wharves and warehouses. Of the balance, the city has just completed reclaiming 66 acres, which are being improved with reinforced concrete wharves and steel transit sheds, and plans are under way for reclaiming 138 acres more.

Approximately 1,300 acres of tide and submerged lands in the inner harbor were originally covered by tideland patents, the validity of which was disputed by the city and are in litigation, the city winning its suits in the superior court of Los Angeles County, and the case is now pending in the California Supreme Court.

There are now 24,905 feet of privately owned wharves along the water front held under franchises or permits, and the city has 1,985 feet of municipal wharves, most of which have been recently built. It also has under construction 3,590 feet of additional wharf, of which 2,520 feet will be of reinforced concrete, costing approximately $176 a linear foot.

The city also is constructing 1,800 feet of steel transit sheds and 1,530 feet of wood frame transit sheds, besides doing a large amount of dredging.

Because of the involved condition of titles to some of the property covered by railway terminals at the harbor and the desire of the city to open the harbor to access by all railroads, as well as by paved streets, a terminal agreement has been agreed upon which virtually makes the railroad companies and the municipality copartners in the terminal, with the city in control.

There are on present Government harbor lines approximately 20¾ miles of water front, most of it unimproved. This can be greatly increased by dredging slips, but only a few such slips have yet been definitely determined upon. The possibilities of the harbor, as shown by E. P. Goodrich, the consulting engineer for that city, will afford more than 100 miles of water front when fully developed.

SAN DIEGO HARBOR.

The legislature of 1911 granted to the city of San Diego control of its entire water front. The city has already voted a million dollars for a municipal pier, which is now nearing completion. This pier will be equipped with railroad tracks and every facility for expeditiously handling freight. The total length of bulkhead at San Diego is 50,500 feet, giving a total deep-sea dockage of 13 miles and a total coaster dockage of 6 miles. Very extensive plans have been prepared by the municipality for the future development of the harbor to meet the needs of increasing commerce. The importance of San Diego Harbor will be greatly increased with the opening of the Panama Canal, as it will be the first Pacific port in the United States for ships bound north after passing through the great waterway. The municipal wharves now under construction will be of concrete and steel. Private wharves are leased from the city, the administration of its entire harbor front being under a board of municipal harbor commissioners.

HARBOR OF CITY OF PORTLAND.

Portland is now paying dearly for its past mistakes in permitting railroads and private interests to gain control of practically its entire water front. The result is that the city is now struggling to regain control of this valuable property by condemnation proceedings. Already $2,500,000 has been voted to purchase and improve water-front property acquired by this method. It is estimated that $25,000,000 will eventually be expended. The water-front terminal property within the limits of the city of Portland extends 16 miles. Of this, 29 per cent is owned by railroads and the city owns 2½ per cent; the balance in private ownership. Fifteen miles of additional water frontage extends from the city's lower limit to the mouth of the Willamette River. About 3 per cent of this is owned by railroads and the balance in private ownership.

SEATTLE HARBOR.

Seattle claims to have one of the freest ports in the world. The present shore line of the harbor is 12 miles. This is soon to be greatly increased by improvements on Duwamish River at an expense of $1,300,000. A ship canal from Puget Sound to Lake Washington, via Lake Union, is nearing completion, this canal to cost $3,625,000. It will greatly enlarge Seattle dock frontage and afford fresh-water anchorage.

Of the 43 piers in Seattle, 20 are owned by the railroads. Of the remaining 21, 3 are owned by the Port of Seattle Commission, 1 by the city, and 17 by individuals. The Lake Washington development will afford a large additional frontage to be controlled by the municipality.

TACOMA.

Water terminals in Tacoma are owned practically by railroad companies, although the city operates a system of municipal docks for handling both freight and passenger steamers. The city owns 2,500 feet of water front in the inner waterway, on 1,000 of which municipal docks are now being constructed. In addition to the frontage on the inner waterways, the city controls, under a long lease from the State, 14 acres of deep-water frontage for ocean-terminal purposes, which is being made ready for quick development if necessary.

CONCLUSION.

From this brief review of conditions on the Pacific coast it can be seen that, with characteristic western energy and enterprise, we are preparing for that long-looked-for day when the Panama Canal will be opened. With a determination that is worthy of emulation the people of those cities on the western border of the continent, which enjoy such splendid harbor ad-

vantages, are fighting to regain control of terminal facilities of incalculable value which corporations and private individuals in too many instances have acquired, and while it is realized that all the mistakes of the past can not be rectified in a day, it is both gratifying and encouraging that I have been able to record that most substantial progress is being made along the right lines. It is a great fight, and I am certain that I voice the unanimous sentiment of the assembled delegates when I declare that all our sympathies are with these localities which are engaged in this mighty struggle—a struggle waged not alone on behalf of the people of to-day, but of equal concern to the generations of the future.

Is the Trade of Pan America Worth Having?

EXTENSION OF REMARKS

OF

HON. JOHN J. ROGERS,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, December 12, 1913.

Mr. ROGERS. Mr. Speaker, the subject to which I wish to call the attention of the Members of the House for a few moments is so closely connected with a resolution which I have recently introduced into the House that I venture, at the outset, to incorporate this resolution as a part of my remarks:

Joint resolution (H. J. Res. 167) to enable the Government of the United States to hold in 1915, in connection with the Panama-Pacific International Exposition, the second Pan-American Scientific Congress.

Resolved, etc., That the President be, and he is hereby, authorized and requested to invite the Governments of the American Republics to be represented by delegates at the second Pan American Scientific Congress to be held in Washington, D. C., or in San Francisco, Cal., as he may deem preferable, at such time in the year 1915 as he may designate, in connection with the Panama-Pacific International Exposition.

SEC. 2. That for the necessary expenses for clerks, printing (including the publication of the proceedings of the congress in English and Spanish), stationery and supplies, and other incidental expenses, including rent, and for the entertainment of the delegates, the sum of $50,000, or so much thereof as may be required therefor, is hereby appropriated out of any moneys in the Treasury not otherwise appropriated, the same to be expended under the direction of the Secretary of State.

To the casual reader this resolution may seem to be devoid of especial significance—may seem to be but one in the apparently unending series of attempts to extract from the House a greater or lesser sum of money for some convention or other. But I will venture to say that an analysis of the fundamentals upon which the resolution is based will convince any Member of this House that he will have scarcely any measure of more far-reaching importance than this to consider during the remainder of the Sixty-third Congress. The possibilities for permanent good attendant upon the passage of this resolution are enormous; the possibilities for evil attendant upon our failure to pass it are even more tremendous. I repeat to you with all emphasis that in this simple resolution—commonplace, even, in appearance—may hang the balance of the industrial and commercial prosperity or the industrial and commercial adversity of this country for many years to come. A more perfect illustration of a "multum in parvo" can not well be conceived.

But in order to realize to the full the potentiality of the resolution it is necessary to glance back at some of the events of the last decade or so.

The first impulse to the holding of scientific congresses on the part of the American Republics was given by the Argentine Scientific Society, of Buenos Aires. In 1896 this society decided to celebrate its twenty-fifth anniversary by calling together a scientific congress of the Latin-American Republics. This congress met in Buenos Aires in April, 1898, and most of the Latin-American countries were represented in the 10 days' sessions. At this congress it was decided to hold the next congress in Montevideo in 1901, and a committee of 13 prominent Uruguayans was appointed to perfect the details. The Montevideo congress held its sessions in March, 1901; it was much larger and more successful both in point of delegates attending and in respect to the number of scientific papers presented than its predecessor in Buenos Aires. The third Latin-American Scientific Congress was held at Rio de Janeiro in August, 1905, and was still more successful along practical lines than its forerunners. At the closing session it was decided to hold the fourth congress at Santiago de Chile. The month of December, 1908, was selected and an organization committee of distinguished Chilean scientists was appointed.

While the arrangements for this fourth Latin-American congress were progressing, in 1906, Senator ROOT, then Secretary of State, made his noteworthy tour of the South American Republics. Largely because of the good feeling which resulted from this tour, but also because it was becoming manifest that the United States had quite as large an interest in the scientific problems considered as any Latin-American country, it was determined to broaden the scope of the Chilean congress and to make it Pan American instead of merely Latin American. The invitation sent forth by Chile to attend the 1908 conference was cordially received by the United States, and the inclusion of our country met with a warm response in all the Latin-American countries. In a memorandum submitted by the Secretary of State, Mr. Root, to the President, dated December 19, 1907, the acceptance of the invitation of Chile was strongly urged. Mr. ROOT said:

The Government of Chile has invited the Government of the United States to join in and to be represented by delegates at the Pan American Scientific Congress, which is to assemble under its auspices at the capital city of Santiago during the 10 days beginning December 1, 1908. The work of the congress will comprehend nine sections, devoted, respectively, to pure and applied mathematics, physical sciences, natural sciences, engineering, medicine and hygiene, anthropology, jurisprudence and sociology, pedagogics, and agriculture and animal industry.

Latin-American scientific congresses were held in 1898 at Buenos Aires, in 1901 at Montevideo, and in 1905 at Rio de Janeiro. Growing out of these previous conferences the congress of 1908 will be for the first time Pan American. It will study and discuss many great subjects in which all the American Republics have in common special interests, and its aim is to bring together the best scientific thought of this hemisphere for the scrutiny of many distinctively American problems and for an interchange of experience and of views which should be of great value to all the nations concerned.

It is therefore eminently appropriate that the United States should be adequately represented at this important first Pan American Scientific Congress and should embrace this opportunity for cooperation in scientific research with the representatives of the other American Republics. It is worthy of consideration that in addition to the purely scientific interests to be subserved by such a congress, and in addition to the advantages arising from an interchange of thought and the intercourse of the scientific men of the American countries and the good understanding and friendly relations which will be promoted, there are many specific relations arising from the very close intercourse between the United States and many Latin-American countries incident to our expanding trade, our extending investments, and the construction of the Panama Canal which make a common understanding and free exchange of opinion upon scientific subjects of great practical importance.

To make our representation possible, I have the honor to recommend that the Congress be asked to appropriate the sum of $35,000, or so much thereof as may be necessary, to enable the United States to send a number of delegates corresponding to the number of sections into which the congress is to be divided, together with a secretary and disbursing officer, and to pay other necessary expenses.

Inasmuch as it is desired that all communications or scientific works to be presented to the congress be received before September 30, it is much to be hoped that provision for the participation of this Government may be made at an early date and that the appropriation be made immediately available.

Mr. Roosevelt, who was then President, sent a special message to Congress transmitting the memorandum of the Secretary of State and urging upon Congress that it make provision for the expenses of the official delegation. The message of the President, dated December 21, 1907, is as follows:

I transmit herewith for the consideration of the respective Houses of the Congress a report of the Secretary of State representing the appropriateness of early action in order that in response to the invitation of the Government of Chile the Government of the United States may be enabled fittingly to be represented at the First Pan American Scientific Congress, to be held at Santiago, Chile, the first 10 days of December, 1908.

The recommendations of this report have my hearty approval, and I hope that the Congress will see fit to make timely provision to enable the Government to respond appropriately to the invitation of the Government of Chile in the sending of delegates to a congress which can not fail to be of great interest and importance to the Governments and peoples of all the American Republics.

Congress accordingly in the sundry civil bill which was approved May 27, 1908 (35 Stat. L., p. 380, public 141), appropriated the sum of $35,000 for the purposes indicated in the above memorandum. A committee of 10 distinguished scientists of the United States was named to constitute the United States delegation, and in addition to these gentlemen about 12 or 15 others were sent as representatives of the various American universities.

At an organization meeting of the official delegation, held in the diplomatic room of the Department of State on June 15, 1908, Dr. L. S. Rowe, of the University of Pennsylvania, was chosen chairman of the delegation, and Dr. Paul S. Reinsch, of the University of Wisconsin, vice chairman.

The Secretary of State, who attended the organization meeting, pointed out that the forthcoming congress was scientific and not diplomatic, and that therefore he, representing the Department of State, had no binding instructions to give to the delegates. In his remarks, however, he brought out in a most forceful way the potential importance of the occasion to every

element in the United States. His words are so applicable to the present moment that I venture to quote a few sentences:

I am not going to keep you very long, for the errand on which you are going is scientific and not diplomatic. There is one aspect of it, however, that I want to impress on your minds. It is that in many ways the interests of the United States are very much concerned in the advance of the other American countries. The advance of knowledge and improvement of practice among them in all sanitary matters is of great practical importance to us. Closer cooperation in commercial arrangements, in the administration of the ports, of customs, and of the machinery of trade intercourse, is of great practical moment. The increase of the prosperity of all the other American countries, which gives them greater purchasing power, is of advantage to us. There are great differences in the advancement of different American countries, and it is for the interest of all of them to have the highest standard, the most complete experience, and the greatest skill attained in anyone, made the common property of all. The congress to which you are to go will afford this opportunity largely because being a congress of representatives of all the countries, the conclusions which are reached, the lessons which are learned, the things that are said there, will go to each country, not as coming from a schoolmaster, an alien schoolmaster, whose dictation or assumption of superior knowledge would be resented, but from a body in which all concerned are represented. Such a meeting affords an avenue of access to the minds of all the peoples of all the countries which can not be obtained in any other way. * * *

You know, I dare say, that there have been a number of these scientific congresses in Latin America, but hitherto they have been exclusively Latin American. For the first time, under the influence of the new Pan American entente, an all-American—a Pan American—congress is to be held, and it is very desirable that we should contribute our fair share and that the work which you do and the associations which you form should contribute toward the establishment of permanently good relations and continue the work of doing away with the misapprehensions, jealousies, and suspicions which have so largely influenced the views entertained of this country in some of the Latin-American countries. I have no doubt that your experience there will be useful in that direction.

It is not my purpose to trace the detailed progress of the preliminary arrangements or of the congress itself. It is sufficient for this purpose to say that the congress was a great success on scientific lines as well as in its more general and perhaps its more permanent side, namely, the fostering of cordial relations between the United States and the Latin-American countries. The United States delegation was handsomely entertained by the Government of Chile and every possible courtesy and attention were shown the members. Chile expended officially a sum estimated at from $100,000 to $125,000 for the purpose of the convention. The proceedings thereof, which lasted from December 25, 1908, to January 5, 1909, are recorded in 16 large volumes, which are accessible at the Congressional Library.

At the closing business session of the congress, held on the afternoon of January 4, 1909, it was decided, as an evidence of the friendliness felt toward the United States, to hold the next congress in Washington in 1912. At the farewell meeting the next day Chairman Rowe of the delegation, referring to the selection of Washington, said, in part:

The honor conferred upon my country through the designation of Washington as the next meeting place of this great assembly is the more significant because of its spontaneous character. For this demonstration of confidence, good will, and fraternal solidarity I want to thank you, not only in the name of the delegation of the United States of America, but also on behalf of that larger body of scientists and investigators who are imbued with the same spirit that has actuated this congress, and who now look forward to the privilege of welcoming to our shores the men upon whose efforts the progress of our American civilization depends. We can not hope to surpass the hospitality of this great Republic, but we can assure you that the welcome will be no less sincere and the determination to place every possible facility at your disposal no less effective than has been the case here in Chile.

Viewed in its proper perspective, this congress has been one of the most extraordinary assemblages of modern times; more extraordinary in many respects than either The Hague or the Pan American conferences. That a large group of men, representative of every section of a great continent, should be able to get together and, casting aside all petty prejudices, freely and frankly exchange the results of their careful investigations and ripe experience is not only a tribute to the culture of this continent, but is also an indication of the extent to which our ideas have advanced beyond those which we inherited from our European mother countries. * * *

And now, in closing, let me again extend the thanks of the delegation of the United States of America to you, the members of the organizing committee, for your broad grasp of the purposes of the congress and the skill with which these purposes have been made real and effective; to you, our colleagues, for your cordial reception of newcomers in your midst; and, finally, to the Government and people of Chile for the warm-hearted hospitality which we have enjoyed.

The president of the congress, in response, said:

Gentlemen, in our session yesterday we decided that the next congress shall be held in Washington in the year 1912. There, under the banner of liberty, will this congress continue its work of civilization; there, where useful science is supreme, where the enlightenment of its citizens and resourcefulness of its people every day find new fields for development; there we shall take advantage of the lessons taught by a long and laborious experience in order to attain the object of these congresses. Let us prepare therefore to carry with us to the Second Pan American Scientific Congress all the elements necessary to the betterment of our social condition.

The official report of the delegation, dated April 23, 1909, referring to this decision to hold the congress in the United States, said:

The Latin-American countries will send their leading scientists and investigators to attend this congress. It is important therefore that the program of the forthcoming congress be formulated with as little delay as possible, in order that special investigations may be undertaken, the results of which may be submitted to the congress and made the basis for the sectional discussions. Thus the Second Pan American Scientific Congress can be made one of the most potent influences in fostering closer intellectual ties between the northern and the southern sections of the continent and in strengthening the feeling of continental solidarity.

What has been done to make good the obligation thus imposed upon the United States upon every ground of hospitality and self-respect? Absolutely not one thing. An appropriation for the purpose has been inserted in one or more appropriation bills, but it has never become law, although the time set for the holding of the Second Pan American Scientific Congress has now passed. On April 12, 1912, Senator ROOT, in discussing an amendment to the appropriation bill then pending, said (CONGRESSIONAL RECORD, vol. 48, pt. 5, p. 4646):

For many years the South American countries have been having a conference, an annual or biennial conference, in which they discuss a great variety of questions that are of common interest to the different countries—sanitary questions, international sanitary questions, quarantine, the protection of countries from disease, the attempt to do away with disease that is likely to be communicated to other countries, the simplification of customs laws and of the regulations which impede intercourse, and a great variety of questions that are of very great practical importance. * * *

Some three or four or five years ago, acting under a newborn impulse of friendliness to the United States which arose about that time, they resolved to ask the United States to become a party to this regular meeting, and Congress authorized it and made an appropriation to enable the United States to take part. We sent down to Chile at that time a very strong representation, leading Americans from all parts of the country. They were very much pleased; indeed, our participation in that Congress had a very marked effect in convincing the people of South America of our respect and regard for them and our desire to cooperate with them in a friendly way, so much so that at the close of the congress it passed a resolution to meet here next.

Mr. CURTIS. May I add that 21 countries have already accepted the invitation?

Mr. OVERMAN. I am very glad to receive that information. I am heartily in favor of doing everything in our power to encourage friendly relations with South American countries, but from this language I could not understand whether the congress was ordered to be held here or whether we are now promoting it. It seems from the remarks of the Senator from New York that a resolution for the assembling of the congress has already passed, and I have no objection to the item.

Mr. ROOT. They responded in the most generous and friendly spirit to our advances, and this is to enable us to be polite and friendly toward them.

Mr. JONES. I should like to ask the Senator from New York if this conference is composed of persons officially appointed by the different Governments?

Mr. ROOT. Yes. It includes representatives officially appointed by the Governments, and it also includes representatives of the leading universities and scientific institutions of the different countries.

Mr. JONES. It is not composed purely of individuals voluntarily coming together?

Mr. ROOT. Oh, no; it is official.

Mr. WARREN. Our appropriation in 1908, let me say to the Senator from North Carolina, was $35,000. It was on the sundry civil appropriation act.

Mr. OVERMAN. I am very glad to have the information from the Senator from New York, because I think it is a very important conference, and I heartily indorse the whole proposition.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Similarly an amendment was offered by Mr. ROOT on January 9, 1913, to the diplomatic and consular appropriation bill (CONGRESSIONAL RECORD, vol. 49, pt. 2, p. 1258), to appropriate $50,000 to enable the Government of the United States to participate in the Second Pan American Scientific Congress, to be held in Washington, D. C., October, 1914. This amendment was referred to the Committee on Appropriations, but nothing ever came of it.

You will readily observe the embarrassment which this most inexcusable failure on the part of the United States to act has brought about; not only does it savor of the most extreme churlishness and lack of appreciation for courtesy and hospitality extended, but it makes an inextricable confusion as the months and years slip by, since the appointed time when the convention should have been held, as to what the future course of these conventions is to be. Prof. Hiram Bingham, of Yale University, who was one of the members of the official United States delegation to the 1908 convention, said recently:

Another unfriendly act was the neglect of our Congress to provide a suitable appropriation for the Second Pan American Scientific Congress. Latin-American scientific congresses had been held in Argentina, Brazil, and Uruguay. In 1908, when it came Chile's turn, so kind was her feeling toward Secretary ROOT, the United States was asked to join in making the Fourth Latin-American Scientific Congress become the first Pan American. Every one of the four countries where the international scientists met had made a suitable, generous appropriation to cover the expenses of the meeting. Chile felt that it was worth while to make a very large appropriation in order suitably to entertain the delegates, to publish the results of the congress, and to increase American friendship. Everything was done to make the "Yanki" delegates feel that bygones were bygones and the days of Pan American brotherhood had come.

This First Pan American Scientific Congress selected Washington as the place for the second congress, and named October, 1912, as the appointed time for the meetings. But when our State Department asked Congress for a modest appropriation of $50,000 to meet our international obligations for this Pan American gathering, our billion-dollar Congress decided to economize, and denied the appropriation. When the matter came up again during the Congress that has just finished its sessions, the appropriation was recommended by the Com-

mittee on Foreign Affairs, but was thrown out on a technical point of order.

Now, you can not make Latin Americans believe that the United States is so poor that we can not afford to entertain international scientific congresses as Argentina, Brazil, Uruguay, and Chile have done. They argue that there must be some other reason underlying this lack of courtesy. No pleasant words of profuse professions of friendship and regard can make the leading statesmen and scientists throughout Latin America forget that it was not possible to hold the Second Pan American Scientific Congress, because the United States did not care to spend the money that was involved in assuming her international obligations. Nor will they forget that Chile spent $100,000 in entertaining the First Pan American Scientific Congress, and that the 10 official delegates from the United States Government enjoyed the bounteous Chilean hospitality, and were shown every attention that was befitting and proper for the accredited representatives of the United States.

It is perfectly easy to see just how sensitive peoples like our Latin-American brothers have viewed and will view this sort of action on the part of the United States. It inevitably, in their minds, is an overt attack, a deliberate affront, and an inexcusable insult. If this were the first of such incidents, perhaps it might be passed over; but, at least in the eyes of the Latin Americans, it is but one of a long series of evidences of unfriendliness on the part of official United States.

I can refer only very hastily to some of the causes for such suspicions—and whether or not these suspicions be groundless does not enter into this phase of the discussion: The Chilean episode of 1891, which culminated in the attack upon our sailors at Valparaiso; the Bluefields incident in Nicaragua in 1894; the Venezuela boundary dispute in 1895; the Cuban protectorate and Porto Rican annexation, growing out of our war with Spain in 1898; the taking possession of the Canal Zone, until then a part of the Republic of Panama, in 1903; the Alsop controversy with Chile in 1909; all these are but scattered instances, and many more might be adduced, out of which has grown the settled opinion of South and Central American Republics that the attitude of the United States is rather predatory than unselfish, that it seeks to come among its smaller sisters as a conqueror and not as a friend. Of course, the recent Mexican policy, whether right or wrong—the so-called ultimatum to Huerta, especially—but emphasizes these convictions. Similarly, the announcement given wide publicity in the press of this country early this week that the United States would ultimately exercise a protectorate over all the countries of Central America but strengthens these convictions. It makes no difference whether the United States is right or wrong, so far as the feeling of the Latin Americans is concerned. It makes no difference whether they are rightly or wrongly informed. The important circumstance in this connection is that they have a feeling of suspicion, and I think we can agree that it is not unnatural that they should have such a feeling. Take the case which has been referred to in the newspapers but a day or two ago relative to the Dominican elections. Santo Domingo is not satisfied with the attitude of the United States in seeking to control its elections, and yet in spite of its protest it is left without redress.

I quote briefly from two or three newspapers. The New York Times of December 8 says:

Despite a protest received from the Santo Domingo Government objecting to American interference with the island's internal affairs, the State Department is not modifying its plan to watch the conduct of the elections which take place there on December 15.

Three officials selected for this purpose—Hugh Gibson, until recently secretary of legation at Habana; J. H. Stabler, of the Latin-American Division of the State Department; and Fred Sterling, recently Chief of the Near Eastern Division of the department—left Washington to-day for Santiago, Cuba, whence they will go to Santo Domingo on the cruiser *Nashville*.

Once in Santo Domingo, their duties will be largely guided by developments, though it is not expected that they will do more than watch for irregularities and report through Minister Sullivan to the State Department.

The American Minister, James M. Sullivan, has advised the Dominican Government of the coming to Santo Domingo of the American commissioners to observe the municipal elections. The Dominican Government has entered an energetic protest against any foreign intervention in its internal affairs.

The Associated Press under the same date says:

It was made plain at the legation that the presence of American agents in an official capacity would be as unwelcome to those who oppose the present Government as to the administration itself.

There are 66 election districts in the island Republic, and an official at the legation asked how 3 State Department agents, or any number less than 66, could, to quote Mr. Bryan's message to President Bordas, bear "undeniably impartial witness to exactly what happened."

Meanwhile, Messrs Stabler, Gibson, and Sterling, of the State Department, are supposed to be speeding across Cuba to Santiago, whence they will be taken aboard the gunboat *Nashville* and carried to Santo Domingo city.

And, again:

An immense meeting in favor of free and legal elections in the Dominican Republic was held in the public square here yesterday under the auspices of the committee of the Independence Party. Perfect order prevailed while patriotic speeches were being delivered by both men and women. At the same time a protest against the supervision of the elections by American commissioners was put in circulation for signatures by members of the audience.

On top of all these incidents comes the deliberate refusal on the part of the United States to recognize the sacred obligation of hospitality, to fail to live up to the declarations of its officially accredited delegates to the 1908 congress. Small wonder that the Latin Americans view us as rapacious and not benevolent, as selfish and not unselfish, as wolves in sheeps' clothing. Lay aside, if you please, our responsibility and our obligations in this matter; lay aside our duties as decent citizens, as a decent nation, and consider the economics of the question. Is the trade of Central and South America not worth our while as an industrial and commercial nation? Do we not realize that in that great region, great in trade to-day, greater in potentialities of trade to-morrow, is our most natural and most fertile field for the extension of our commerce?

On October 26 last the Department of Commerce issued a most illuminating statement relative to Latin-American commerce and the participation therein by the United States. This statement is so important and so brief withal that I desire to include it verbatim in these remarks:

Exports from the United States to Latin America in the calendar year 1913 will approximate $335,000,000, against $123,000,000 in 1903 and $87,000,000 in 1893. The growth in the decade just ending was $212,000,000, while in the decade from 1893 to 1903 the growth was $36,000,000. In the term "Latin America" are included all of South America, except British and Dutch Guiana, the Central American Republics, Mexico, Cuba, Haiti, Santo Domingo, the French West Indies, and French Guiana.

That the trend in the export trade of the United States has been in recent years distinctly toward American countries is illustrated by the fact that our exports to Latin America increased 183 per cent in the decade ending with the fiscal year 1913, while our exports to all other parts of the world meantime increased but 64 per cent. To Argentina the exports in 1913 were in round terms $53,000,000 against $11,500,000 in 1903; to Brazil, $42,500,000 against $11,000,000 in 1903; to Chile, $16,000,000 against $4,000,000 in 1903; to Mexico, $54,500,000 against $42,000,000 in 1903; and to Cuba, $70,500,000 against $21,750,000 in 1903, the figures in each case relating to fiscal years.

This growth of 183 per cent in our exports to Latin America is apparently, however, a result of the increased consuming power of those countries rather than an increase in the share which the United States supplies of their imports. Figures just completed by the Bureau of Foreign and Domestic Commerce, Department of Commerce, taken from the official reports of the countries in question, show that the share which the United States is supplying of the imports of the Latin-American countries was in 1911 no larger than a decade ago. The official publications of the various countries in this group showing their total imports and their imports from the United States indicate, when aggregated for the latest year for which statistics are available (in most cases 1911), that but 23 per cent of the imports of the group were drawn from the United States, while similar calculations covering certain earlier years show, for 1909, 24 per cent drawn from the United States; for 1905, 24 per cent; and for 1900, 23 per cent; thus indicating that, while the growth in exports from the United States to Latin America during the decade has been large, it has merely kept step with the general growth of the importations of those countries.

The total imports of the Latin-American countries in 1911 were $1,166,000,000 against $927,000,000 in 1909, $725,000,000 in 1905, and $452,000,000 in 1900. Of the $1,166,000,000 worth of merchandise imported by the group in 1911, those of Argentina were $354,000,000; Brazil, $257,000,000; Chile, $127,000,000; Mexico, $91,000,000; Uruguay, $47,000,000; and Central America as a whole, $36,000,000. The annual imports of the entire Pacific frontage of Latin America, so far as ascertainable from the latest official figures, are about $220,000,000 in value, or approximately 20 per cent of the total importations of the group designated as Latin America, and are distributed as follows: Into Chile, $127,000,000; Peru, $31,000,000; Bolivia, $23,000,000; Ecuador, $8,000,000; and Pacific ports of Colombia, Central America, and Mexico, approximately $30,000,000

Of the seventy-odd per cent of the imports of Latin America drawn from countries other than the United States, a very large proportion is from Europe—the United Kingdom ranking first, Germany second, and France third in the list of European countries from which their imports are drawn.

The significance of these figures lies, first, in their emphasis upon the magnitude and upon the rapid rate of increase of Latin-American commerce, and, second, in the striking fact that, although Latin-American imports are advancing by leaps and bounds, the share of the United States therein has, relatively, for the last 15 years remained at a dead standstill, being less than one-quarter of the total.

I have assembled from various reports of the Department of Commerce figures showing in detail the trade of the United States with the other Republics constituting the Pan American Union. The first table is culled from a pamphlet issued by the Department of Commerce and Labor in July, 1909, entitled "Statistical Record of the Progress of the United States, 1800–1908, and Monetary, Commercial, and Financial Statistics of Principal Countries," pages 48 and 49. Especially noteworthy is the large balance of trade against the United States revealed by these figures. It should be further noted that the three greatest Republics of South and Central America—Argentina, Brazil, and Chile—derive, respectively, but 13, 12, and 10 per cent of their imports from the United States. Discreditable as this table is to American commerce, it would be much more so if Mexico and Cuba, which receive from the United States approximately one-half of their very large imports, were left out of account.

Table showing total annual imports and exports of countries in Pan American Union, also total annual imports of these countries from United States and exports to United States, and percentage which imports from United States and exports to United States bear to total imports and exports.

Year is in most cases 1907, but is occasionally a year earlier or later.

	Imports.	Imports from United States.	Per cent.
Brazil	$196,694,000	$25,105,000	12.8
Costa Rica	7,036,000	3,165,000	45.
Bolivia	8,931,000	754,000	8.4
Venezuela	10,186,000	2,876,000	28.2
Argentina	275,856,000	37,483,000	13.6
Uruguay	35,626,000	3,473,000	9.7
Chile	105,451,000	11,389,000	10.8
Guatemala	7,317,000	4,244,000	58
Dominican Republic	4,949,000	2,657,000	53.7
Peru	26,838,000	5,700,000	21.5
Colombia	12,089,000	3,169,000	8.2
Honduras	2,332,000	1,562,000	67
Paraguay	6,267,000	171,000	2.7
Panama	9,564,000	5,197,000	54.3
Nicaragua	3,409,000	1,915,000	56.2
Ecuador	9,587,000	2,286,000	23.8
Haiti	3,871,000	2,747,000	71
Salvador	4,164,000	1,322,000	31.7
Mexico	110,325,000	58,383,000	52.9
Cuba	104,461,000	51,309,000	49.1
Total	944,953,000	224,838,000	23.8

	Exports.	Exports to United States.	Per cent.
Brazil	$262,939,000	$84,605,000	32.2
Costa Rica	9,103,000	5,282,000	58
Bolivia	12,995,000	27,000	.2
Venezuela	14,627,000	5,194,000	35.5
Argentina	285,837,000	10,558,000	3.7
Uruguay	34,538,000	2,064,000	6
Chile	101,264,000	9,087,000	9
Guatemala	10,174,000	2,311,000	22.7
Dominican Republic	7,628,000	3,319,000	43.5
Peru	27,971,000	6,418,000	22.9
Colombia	13,791,000	6,466,000	46.8
Honduras	2,012,000	1,808,000	89.9
Paraguay	2,695,000	7,000	.3
Panama	1,961,000	1,681,000	85.7
Nicaragua	4,231,000	2,492,000	58.9
Ecuador	11,148,000	2,927,000	26.3
Haiti	5,000,000	1,171,000	23.4
Salvador	6,527,000	1,216,000	18.6
Mexico	120,884,000	84,722,000	70.1
Cuba	104,069,000	90,775,000	87.2
Total	1,039,394,000	322,130,000	31

The next table illustrates in a general way the progress which was made in the years from 1907 to 1911. The percentage of the United States in both exports and imports increased somewhat during that period, a fact which was due in part, possibly, to the visit of Secretary Root and the friendliness engendered by the first Pan American Scientific Congress. This table is culled from the August, 1913, bulletin of the Department of Commerce of the same series as the one above cited. (See pp. 800. 801.)

The following table compiles the same figures as before, except that the year taken is here, in most cases, 1911, but is occasionally a year earlier or later:

Countries.	Imports.	Imports from United States.	Per cent.
Brazil	$256,771,000	$28,854,000	11.2
Costa Rica	8,838,000	4,093,000	46.3
Bolivia	23,057,000	3,897,000	16.9
Venezuela	20,396,000	6,236,000	30.6
Argentina	353,972,000	50,521,000	14.3
Uruguay	46,638,000	5,953,000	12.8
Chile	127,381,000	15,778,000	12.4
Guatemala	6,514,000	2,696,000	41.4
Dominican Republic	6,950,000	4,120,000	59.3
Peru	31,006,000	6,078,000	19.6
Colombia	18,109,000	5,220,000	28.8
Honduras	3,178,000	2,393,000	75.3
Paraguay	6,306,000	171,000	2.7
Panama	9,897,000	5,123,000	51.8
Nicaragua	2,864,000	1,585,000	55.3
Ecuador	8,018,000	2,253,000	28.1
Haiti	7,948,000	6,656,000	83.7
Salvador	5,284,000	1,925,000	36.4
Mexico	90,965,000	49,011,000	53.9
Cuba	118,937,000	62,429,000	52.5
Total	1,153,029,000	264,990,000	30.0

Countries.	Exports.	Exports to United States.	Per cent.
Brazil	$324,920,000	$115,731,000	35.6
Costa Rica	8,890,000	4,902,000	55.1
Bolivia	32,639,000	277,000	.8
Venezuela	25,732,000	8,368,000	32.5
Argentina	313,333,000	23,450,000	7.5
Uruguay	43,877,000	1,588,000	3.6
Chile	123,884,000	19,609,000	15.8
Guatemala	10,982,000	3,297,000	30.0
Dominican Republic	11,005,000	5,761,000	60.4
Peru	36,119,000	10,202,000	28.2
Colombia	22,376,000	9,894,000	44.2
Honduras	3,067,000	2,730,000	89.0
Paraguay	4,700,000	36,000	.8
Panama	2,863,000	2,576,000	90.0
Nicaragua	4,556,000	1,557,000	34.2
Ecuador	13,657,000	4,087,000	29.9
Haiti	18,554,000	813,000	4.4
Salvador	8,406,000	2,925,000	34.8
Mexico	148,411,000	111,608,000	75.2
Cuba	146,676,000	122,947,000	83.8
Total	1,304,647,000	422,358,000	34.7

The following table, also from the reports of the Department of Commerce, shows the extent of the commerce of the United States with the various countries of the Pan American Union for the year ending last June. Figures showing the total commerce of these countries are not yet available, so that a complete comparison can not yet be made. The figures, however, show a fair increase in exports to the Latin-American Republics, though a slight falling off from 1911 in imports from the same countries, but the balance of trade is still heavily against the United States. Fractions of 1,000 are omitted.

Foreign commerce of United States, year ended June 30, 1913.

Countries.	Imports.	Exports.
Brazil	$120,155,000	$42,638,000
Costa Rica	3,098,000	3,514,000
Bolivia	350	240,000
Venezuela	10,852,000	5,737,000
Argentina	26,863,000	52,894,000
Uruguay	2,450,000	7,522,000
Chile	27,655,000	16,076,000
Guatemala	3,106,000	3,658,000
Dominican Republic	3,728,000	5,802,000
Peru	9,666,000	7,341,000
Colombia	15,902,000	7,397,000
Honduras	3,200,000	3,195,000
Paraguay	58,000	187,000
Panama	4,234,000	24,562,000
Nicaragua	1,437,000	2,925,000
Ecuador	3,037,000	2,553,000
Haiti	874,000	6,640,000
Salvador	1,371,000	2,389,000
Mexico	77,243,000	54,571,000
Cuba	126,088,000	70,581,000
Total	441,407,350	323,119,000

It is plain from even the most casual examination of these figures that the United States is not getting anything like its proper share of the commerce of these Latin-American Republics, great and small. And everyone knows that their commerce of to-day is but a tiny fraction of their commerce of tomorrow.

I do not for one moment minimize the importance to civilization of these Pan-American scientific congresses, considered on their merits alone. They are well worth your encouragement from the standpoint of intrinsic value. They are vastly more worthy of your encouragement from the standpoint of the political and commercial results which may well flow from them in favor of the United States, by linking up to this country the sympathies and the affections of Pan America. But they are of supreme importance at this time when the United States, by every dictate of conscience, hospitality, and decency is committed to act as host.

I have said more than once that Latin America is sensitive. You will recall that a Crimean war resulted from the failure of the Emperor of the Russias to address a reigning Latin as "My brother." What may the consequences be of so serious a slight as we have been showing Latin America for the past two or three years in this connection? A great Secretary of State has referred, as I have shown, to the "misapprehensions, jealousies, and suspicions which have so largely influenced the views entertained of this country in some of the Latin-American countries." The Mexican policy of the United States, whether right or wrong, is certainly calculated to increase these apprehensions and suspicions that the United States seeks ultimately to be the dictator, if not the despot, of Pan America. We know

that the United States has no such purpose, but we must all admit that it is not sensationalism or yellow journalism to point out that such is the feeling and such is the fear of Latin America.

The resolution to which I urge your attention is a little acorn, but from it a great oak may, if it be nurtured, cast its benevolent shadow over the industries of the United States. Let us hasten to undo so far as we can the breach of hospitality and of friendliness already shown. Let us welcome to our shores the second Pan American Scientific Congress.

Additional District Judge of the United States for the State of Georgia.

EXTENSION OF REMARKS

OF

HON. CHARLES G. EDWARDS,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, December 19, 1913.

Mr. EDWARDS. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include some data concerning a bill that I introduced this morning for an additional United States district judge in the State of Georgia.

The matter referred to is as follows:

IN THE MATTER OF THE APPOINTMENT OF AN ADDITIONAL DISTRICT JUDGE OF THE UNITED STATES FOR THE STATE OF GEORGIA.

The undersigned committee begs leave to submit the inclosed resolutions and draft of a bill to be introduced in the Congress of the United States.

In the opinion of this committee the time has arrived when it is absolutely necessary, in order that the business of the United States courts shall be properly and promptly dispatched, that an additional district judge should be appointed for Georgia. We recognize fully that this is not a local question, and we desire to make our appeal for support in this movement as wide as possible.

Georgia in area is the largest State east of the Mississippi River, and stands tenth in population in the United States. The State is now divided into two judicial districts, the northern and the southern. The State of Florida, with a population of 757,139, as against Georgia's 2,609,121, has two district judges, and the State of Alabama, with a population of about 450,000 less than Georgia, has three judicial districts and three district judges.

The Northern District of Georgia has five divisions, the United States courts being held in Atlanta, Athens, Rome, Columbus, and Gainesville. The Southern District of Georgia has the same number, courts being held at Macon, Augusta, Savannah, Albany, and Valdosta. The Southern District of Georgia comprises 75 counties, which stretch entirely across the State and cover an area of more than one-half of the State.

The United States Court for the Eastern Division of the Southern District of Georgia is held at Savannah, and the eastern division comprises the counties of Appling, Bryan, Bulloch, Camden, Chatham, Effingham, Emanuel, Glynn, Jeff Davis, Liberty, McIntosh, Montgomery, Screven, Tattnall, and Wayne. This division comprehends the entire seacoast of Georgia, and in it are the two important Atlantic seaports of Savannah and Brunswick. In consequence thereof all cases coming within the admiralty jurisdiction of the United States courts are necessarily heard and determined in the eastern division of the Southern District of Georgia.

Under rule 6 of the new equity rules promulgated by the Supreme Court of the United States it is contemplated that the judge of a district court of the United States shall hold a motion day once a month in each division of his district. Under this rule the judge of each district in Georgia must necessarily devote five days of each month to visiting the divisions of his district and holding the motion day contemplated by the rule. On account of the fact that the divisions in each district are far apart, it must necessarily follow that at least a week out of each month will be devoted to this purpose, if the rule is complied with.

In addition to this, rule 46 of the new rules makes a wide departure from the old equity practice in providing that the testimony of witnesses shall be taken orally save in matters of account, in which case a reference to a master is provided for by rule 59. This will impose upon the judges of the United States courts in this State a much greater burden than has hitherto existed, where it has been the universal practice to have the testimony taken by a master.

Under these conditions it is practically impossible for two district judges to take care of the business of the State of Georgia and at the same time to comply with the spirit of the new equity rules. It is now a practical impossibility for the judge of the Southern District of Georgia to attend the terms of the courts in his district. The terms are as follows:

At Savannah, second Tuesday in February, May, August, and November.

At Macon, first Monday in May and October.

At Augusta, first Monday in April and Third Monday in November.

At Valdosta, second Monday in June and December.

At Albany, third Monday in June and December.

The circuit courts having been abolished by the new judicial code, and the jurisdiction of these courts having been vested in the district courts, in view of that fact and also of the population, territorial extent, commercial activity, and rapid growth of the State, we are entitled as a matter of right to at least three district judges.

If conditions permitted, the State ought to be divided into three judicial districts, equalized as far as possible according to population and area. However, as it is impracticable at this time to subdivide the State into three judicial districts, then we maintain that an additional judge should be located at Savannah, where the necessity is greatest, for the following reasons.

Reasons for location of district judge at Savannah:

The district judge of the Southern District of Georgia resides at Macon, which is about 200 miles from Savannah. It is well known to practitioners in the admiralty courts, where the judge is the sole judge both of the law and the facts, that it is of the supremest importance that the court should, as far as possible, hear the testimony orally. There is probably no branch of the law wherein the conflicts in the testimony of the witnesses for the opposing sides is as sharp and direct as in admiralty matters. If the testimony is taken by deposition alone, the judge loses the great advantage of observing the witnesses' conduct and manner of testifying which is derived from an oral hearing before him.

In addition to this, in the great majority of instances, as the pleadings in admiralty are speedily made up, it is possible to produce before the court witnesses which otherwise speedily become inaccessible. The ultimate aim of the admiralty law, on account of the fact that most of the witnesses are transients, is to secure a speedy hearing, which can only be done where a judge is on the ground.

There is not a port of the United States of the importance of Savannah which is cut off for almost the entire year from the services of an admiralty judge. The maritime interests of Savannah and Brunswick alone are sufficiently important and extensive to require the location of a district judge at Savannah.

Savannah is the largest port for the export of cotton on the Atlantic seaboard, and the second largest in the world, and it is the largest naval-stores port in the world.

Its maritime importance is exhibited by the following statistics.

Relative position of principal export ports of the Atlantic coast; also gain and loss of commerce for the fiscal year ended June 30, 1912, compared with 1909:

Exports.	1912	1909	Per cent of gain.
New York	$812,894,414	$807,239,481	33⅓
Savannah	104,288,887	50,900,156	104½
Baltimore	92,034,875	77,550,658	18½
Philadelphia	68,875,300	84,286,440	[1] 18½
Boston and Charlestown, Mass	69,667,494	76,157,558	[1] 8½

[1] Decrease.

In the whole country Savannah was the fourth in exports for the year ended June 30, 1912, New York being first, New Orleans second, and Galveston third

The imports at Savannah for the fiscal year ended June 30 were:

1909	2,152,441
1910	3,855,373
1911	5,296,746
1912	5,130,979

The arrival book in United States customs office at Savannah shows total arrivals of vessels in port for year ended August 31, 1912—1,354, which is an average of 113 vessels each month.

The tonnage and valuation of commerce at the port of Savannah was:

	Short tons.	Value.
1911	2,954,814	$246,678,077
1912	2,920,060	224,512,410

Coastwise steamship lines with regular schedules, passengers and freight, ply three ships each way weekly between Savannah and New York; and two ships each way weekly between Savannah and Boston; three ships each way weekly between Savannah, Jacksonville, and Baltimore; and three ships weekly between Savannah and Philadelphia. An extensive shipping business is carried on with the ports of the United Kingdom and the Continent of Europe. The Central of Georgia Railway Co., the Seaboard Air Line, and the Atlantic Coast Line have extensive docks and terminals covering about 3,000 acres of land, and many millions of dollars have been spent in their creation.

The United States Government has spent more than $8,000,000 in the improvement of the Savannah Harbor.

We have not at hand the figures showing the imports and exports of the city of Brunswick, but suffice it to say it has a splendid harbor and a large and flourishing commerce, and its shipping interests are very great.

It being apparent, therefore, that as matters now stand it will be almost impossible for the judges to hold the terms of their courts and the motion days as required, and it being the spirit and intent of the bill submitted herewith that the present judges should be aided in their labors by the new judge for whose appointment we are asking, and it being further apparent that the proper dispatch of the admiralty business would alone justify the residence of a judge at Savannah, we earnestly contend that the necessity of the measure is clearly demonstrated.

It may be urged that this is an unnecessary expense to impose upon the people. However, this expense is borne by the General Government, and will only entail an additional appropriation of $6,000 a year, the salary of the judge. In this connection it is to be noted that there is covered into the Treasury of the United States every year from fees arising from litigation in the State of Georgia, in excess of the emoluments of officers of court a sum exceeding $7,500. This is a direct tax on the people of this State and goes into the general funds of the Government.

We therefore urge the passage by Congress of the bill which we present herewith, and we earnestly request its support by the people of this State as a measure necessary to their interests.

Respectfully submitted.

SAMUEL B. ADAMS.
P. W. MELDRIM.
W. W. OSBORNE.
J. FERRIS CANN.
A. A. LAWRENCE.
A. P. WRIGHT.
T. M. CUNNINGHAM, Jr.

MAY 17, 1913.

Resolutions unanimously passed at a meeting of the bar of the city of Savannah, held May 17, 1913.

"*Resolved*, That this meeting hereby indorses the movement for the appointment of an additional district judge of the United States for the State of Georgia, who shall reside at Savannah and preside over the eastern division of the southern district.

"*Resolved*, That the attached bill embodies the views of this meeting as to the proper bill to be introduced in Congress, and that the same is hereby approved, ratified, and confirmed, and that the following gentlemen, who composed the committee who recently appeared before the Senators and the Representatives of Georgia in Congress, to wit, S. B. Adams, P. W. Meldrim, W. W. Osborne, A. P. Wright, J. Ferris Cann, T. M. Cunningham, jr., and A. A. Lawrence, be, and they are hereby, constituted a committee from this meeting and charged with securing the introduction of said bill in Congress or any modification thereof which the committee may find expedient, and shall take such steps as may be necessary to secure its passage.

"*Resolved further*, That we invite the cooperation of our brethren of the bar in other sections of the State.

"*Resolved further*, That we invoke the assistance of our Representative in Congress, the Hon. CHARLES G. EDWARDS, of the Senators from Georgia, and of the congressional delegation from Georgia, and that a copy of these resolutions shall be forwarded to the Hon. CHARLES L. BARTLETT, chairman of the congressional delegation from Georgia."

I hereby certify that the foregoing resolutions were unanimously passed at a meeting of the bar of the city of Savannah, held May 17, 1913.

FRANK P. MCINTYRE, *Secretary.*

[Copy of bill by Mr. EDWARDS, December 19, 1913.]

A bill providing for an additional United States district judge for the State of Georgia.

Be it enacted, etc., That the President of the United States, by and with the advice and consent of the Senate, shall appoint a district judge for the northern and southern judicial districts of Georgia, who shall possess and exercise all the powers conferred by existing law upon the judges of the district courts of the United States, and who shall possess the same powers and perform the same duties within the said northern and southern judicial districts of Georgia as are now possessed by and performed by a district judge of the United States in any of the judicial districts established by law, and he shall receive the same compensation now or hereafter prescribed by law in respect to other district judges of the United States: *Provided*, That after appointment the judge appointed under this act shall reside at Savannah in the State of Georgia, and shall hold the district courts of the eastern division of the southern district of Georgia: *And provided further*, That the judge appointed under this act may be assigned by the senior circuit judge of the fifth circuit, or any circuit judge within the State of Georgia, to preside in any other division of either district in Georgia whenever the public interest may require.

Linking the Atlantic and the Ohio—A Dream of Washington.

EXTENSION OF REMARKS

OF

HON. ARTHUR R. RUPLEY,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, December 19, 1913.

Mr. RUPLEY. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an address on Linking the Atlantic and the Ohio—A Dream of Washington, delivered by Representative M. CLYDE KELLY, of Pennsylvania, before the National Rivers and Harbors Congress, in Washington, D. C. Thursday, December 4, 1913.

The address above referred to is as follows:

Address on "Linking the Atlantic and the Ohio—a dream of Washington," delivered by Representative M. CLYDE KELLY, of Pennsylvania, before the National Rivers and Harbors Congress, in Washington, D. C., Thursday, December 4, 1913.

The originator of the idea of a great waterway system connecting the Middle West with the Atlantic seaboard was George Washington, who was truly immortalized as being first in peace as well as in war and in the hearts of his countrymen.

As soon as the Revolutionary War had been brought to a successful conclusion he gave himself wholly up to this commercial problem. In 1783 he made a long and dangerous journey through Pennsylvania, New York, Virginia, and the territory west, with a view to determining the best possible water routes. After thoroughly inspecting the different routes available he declared that the one preeminent plan was that of connecting the Potomac River with the Ohio, a waterway system which could be made to furnish a means of transportation between the Great Lakes and the Atlantic as well as the Gulf of Mexico.

Washington's journal of that trip states that the Monongahela River and its tributary, the Youghiogheny, form much the shortest and best route between the Ohio and the tidewater of the Atlantic. The survey made by himself shows a distance of 303 miles between Alexandria and Pittsburgh, using these two rivers as part of the connecting system.

His insistence on the improvement of the Potomac resulted in the matter being brought before the Virginia Legislature in 1784. As a result, Washington, Gen. Gates, and Col. Blackburn were named as a commission to secure concurrent action by Maryland.

A conference was held, and the outcome was a plan to form a company, Virginia and Maryland to take 50 shares each, and to "encourage individuals to embark in the enterprise." The Cheat River was named by the conference, because the colony of Pennsylvania was regarded as hostile to the undertaking on account of its probable effect in diverting traffic from Philadelphia. However, the conference report clearly shows that if it were available the Youghiogheny River route would be the much more preferable one.

The Potomac Co. was accordingly formed and the books opened in 1785. At the first meeting 403 shares, representing £40,300, were subscribed, and George Washington was made president The problem presented by Great Falls in the Potomac was a perplexing one, and the task was found greater than anticipated. Stockholders did not pay their assessments promptly and difficulties were encountered in dealing with workmen. The old records show that at one time an unusual allowance of rum was demanded by the workmen, and after considerable parleying it was granted by the company.

In 1787 the financial situation had become acute, and some of the stock, remaining unpaid, was advertised at auction, but not a bid was received. Then, on April 30, 1789, Washington became the first President of the United States, and his withdrawal from the Potomac Co. resulted in a complete cessation of work.

For many years nothing was done to accomplish the realization of this dream of Washington, but in 1821 the Virginia Legislature appointed a commission to investigate the situation. It reported that $729,380 had been expended in the effort to improve the Potomac River, and that little had been accomplished.

In 1823 the Potomac Co. expressed its willingness to surrender its charter to a new company. A commission was appointed to examine the old route across the Alleghenies marked out by Washington. A noted civil engineer, James Shriver, was sent out, and his report was a strong recommendation that the canal be completed to connect with the Youghiogheny, and thence to Pittsburgh via the Monongahela.

This report aroused great enthusiasm, and a convention was held in Washington, D. C., November 6, 1823, with delegates present from Maryland, Virginia, Pennsylvania, and the District of Columbia. Resolutions were adopted beginning:

Whereas a connection of the Atlantic and western waters by means of a canal leading from the seat of general government to the Ohio River, regarded as a local object, is one of the highest importance to the States immediately interested therein, and considered in the national view is of inestimable consequence to the future union, security, and happiness of the United States, etc.

At a banquet, which concluded the convention, John Quincy Adams, John C. Calhoun, James Shriver, and a number of other notables enthusiastically indorsed the proposal to build the canal, and urged the formation of the Chesapeake & Ohio Canal Co.

This company was accordingly incorporated in Virginia in 1824 and the next year in Maryland and Pennsylvania. It was capitalized at $6,000,000, divided into 60,000 shares at $100 each. The stock and debts of the old Potomac company were accepted at par value for stock in the new company.

The National Government appointed a commission to survey the route, and the Army engineers made a voluminous report, giving $22,000,000 as the probable amount necessary to complete the canal to Cumberland. This sum dampened the ardor of the enthusiasts, but those who visioned the future and saw the development possible in the territory continued their efforts with unabated energy. Three and a half million dollars were subscribed, and Charles F. Menes, chairman of the Committee on Roads and Canals in the National House of Representatives, was elected president.

Then came the incorporation of the Baltimore & Ohio Railroad in 1827, backed by merchants of Baltimore, who feared the effect of the canal upon the commercial supremacy of that city. A bitter warfare was begun, which has continued to the present time. The railroad company secured $4,000,000 in paid-up capital, and Phillip E. Thomas, a prominent merchant of Baltimore, was made president.

In 1828 both companies were at work, and on July 4 of that year rival celebrations were held. At Washington the ground was broken for the canal in the presence of a great crowd, and at Baltimore the foundation stone was laid for the railroad in the midst of equally enthusiastic demonstrations.

In 1836 Maryland appropriated $3,000,000 to the canal, and in 1838 the company asked for still more funds with which to

carry on the work. The response was another appropriation of $1,375,000. Still the amount was not sufficient, and in 1840 the company issued its own scrip to the amount of $555,400. A year later, when further assistance was necessary, it was refused by Maryland and work was stopped by the end of the year, not a man being engaged between Dam No. 6 and Cumberland, a distance of 18 miles.

However, in the next few years other appropriations were made and, after many discouragements, the canal was finally completed to Cumberland in 1851. It covered a distance of 185.7 miles, and the total cost was $11,071,176, or $59,618 per mile.

The completed canal came under the control of the State of Maryland, and the officials were appointed by the board of public works, thus becoming political positions, subject to many and sudden changes.

In 1889, after freshets had damaged the canal, a corrupt conspiracy was planned between railroad interests and members of the legislature and a measure was actually passed selling the canal to the West Virginia Central Railroad. However, the bondholders petitioned the courts to prevent the sale and succeeded in having the act set aside. In 1891 the trustees, under mortgage of the Chesapeake & Ohio Canal Co., began to operate the canal and have continued ever since.

That is the history of the canal to the present day, and the first question to be considered in the proposal to extend it to its original termination at Pittsburgh via the Youghiogheny and Monongahela Rivers is the one of feasibility.

That phase has been settled by the decision of every board of engineers, private and official, that has surveyed the route. United States engineers went over the ground in 1824 and again in 1876 in accordance with action by Congress. I have read these official reports in the Government records and have noted the insistence of the engineers that the plan is practicable from every standpoint. Gen. A. A. Humphrys, Chief of Engineers, United States Army, in 1876, in his report, makes the statement:

There can be no doubt of the practicability of extending the Chesapeake & Ohio Canal to Pittsburgh.

The report of that year takes up the separate phases of water supply, the summit level, inclined planes and locks, aqueduct bridges, passage of the narrows above Cumberland, and gives in full detail the proper methods to meet each contingency as it arises.

The canal proper, in the various divisions as given by the engineers, would be as follows: From the guard lock of the canal at Cumberland to Cooks Mills railroad bridge, a distance of 8.54 miles; thence to Bridgeport, 5.44 miles; thence to Southampton, 6.45 miles; thence to the summit level, 8 miles; the summit level at Meyersdale, 6 miles; thence to Garrett, 4.39 miles; thence to Mineral Point, 7.75 miles; thence to Castleman, 3.2 miles; thence to Pinkerton Tunnel, 4.5 miles; thence to Confluence, 11.45 miles; thence to Ohio Pyle, 11.25 miles; thence to Indian Creek, 9.3 miles; and thence to Connellsville, on the Youghiogheny River, a distance of 7.37 miles. The total distance from the guard lock at Cumberland to the river at Connellsville would be 95.04 miles.

Chief Engineer Humphrys gives his estimate for the cost of the entire project as follows:

Summing up the estimates, we have as follows for the total cost of a first-class canal from Cumberland, Md., to Connellsville, Pa., and of a system of locks and dams on the Youghiogheny River from the latter place to McKeesport, Pa., from which city there is a slack-water system in actual operation to Pittsburgh:

Canal proper	$21,176,795
New terminal at Connellsville	75,245
Summit reservoirs	600,000
Inclined planes	1,134,000
Total cost of canal	22,986,040
Slack-water system on Youghiogheny River	1,254,040
Total cost of project	24,240,080

The chief engineer also states that he has estimated in all cases in excess rather than below the probable cost and for dimensions larger than those of the existing canal.

The project is entirely feasible, and the next consideration is its advisability. Viewed from the standpoint of service and development, it is advisable as a simple business proposition, or, rather, as a better business proposition. This is the day of better business. Recent legislation shows that we are getting away from the idea that American business is better and stronger if hot housed and encouraged to substitute legislative conspiracies for efficiency.

I claim that anything which blocks industrial progress is a commercial calamity, and anything which will advance it is a good thing. There is no way to increase the volume of the enriching lifeblood of commerce in this Nation to compare with a comprehensive and connected system of waterways. Commerce and industry have been compelled to wait on transportation or have had unjust burdens laid upon them simply because adequate waterways were not provided.

Better business means cheapened production, and that means increased production, and that in turn means increased prosperity for all. Transportation is one of the chief factors in the cost of production. The situation of the territory along this proposed extension of the Chesapeake & Ohio Canal simply means that unnecessary burdens are placed upon production, not only in the district itself, but in almost every factory in America.

At present the railroads are transporting the coal and coke and raw materials that originate along the route of this waterway at rates which are excessive and burdensome, being at least three times greater than would be the case if the waterway system were established.

Records show that a dollar will send a ton of freight 127 miles on a railroad and 1,250 miles on a waterway. One horsepower will move 15 tons in a car on a railroad track and 100 tons in a barge on a waterway, so that the estimate of one-third is highly conservative.

The Pittsburgh and Connellsville districts produce the fuel that turn the wheels of a nation's industries. Coal and coke are especially adapted for water transportation, on account of their size and bulk. Ninety million tons of coal are handled annually in the Pittsburgh district alone, and yet less than one-tenth is carried by water. If that tonnage could be handled entirely by water, it would mean an annual saving of many millions, and counting only the difference between rail and water rates to Pittsburgh and not the difference on the tonnage shipped east from Pittsburgh.

Taking the shipments of coke from the Connellsville district and using the figures for 1912, we have the following:

	Tons.
Shipments to Pittsburgh	6,931,020
Shipments west	11,288,953
Shipments east	1,780,900
Total	20,000,873

Figuring the shipments to Pittsburgh and points west at 75 cents a ton, the lowest rail rate to Pittsburgh, and at 25 cents, the maximum estimated waterway charge, we would have a clear saving of $9,109,987 for one year. Figuring the shipments east at $2.15, the rate to tidewater, and at 70 cents, the estimated water cost, there would be a clear saving of $2,582,305, or a total saving of $11,692,292 a year solely on the coke shipped from the Connellsville district.

It is surely worth while to furnish economical and adequate facilities for the transportation of this product, especially in view of a statement recently made in an address by General Freight Solicitor Truesdale, of the Pennsylvani.. Railroad. He said:

We have in the Connellsville region a total of 40,281 ovens, with 2,218 in the course of construction. An acre of coal will produce 12,000 tons of coal or 8,000 tons of coke. Figuring on 40,000 acres of unmined coal in the Klondyke region alone, we can count on getting a total coke tonnage of 320,000,000 tons. This will require 8,648,645 cars carrying an average of 37 tons, making 192,192 train loads of 45 cars each. At the present price of coke this immense tonnage represents an almost inconceivable sum.

It is an inconceivable sum, and so would be the amount saved if this vast tonnage were handled by water as it should be. That saving would be sufficient to build the extension to the Chesapeake & Ohio Canal several times over; it would make a reduction in the cost of operation in countless plants that would mean a real reduction of the high cost of living, and it would make possible a substantial increase in the income of every man and woman and child concerned in the production of these materials—and these are all concerned in the desire for better business.

But the service given by the railroads in the vast district which borders this proposed canal extension is not only inadequate and uneconomical, but it is also unsafe, and does not meet the requirements of an aroused public conscience interested in the things of humanity, and which puts the miner above the mine, the railroader above the railroad, and the man above the money. I quote from an editorial in the Connellsville Courier, recognized as the official publication of the coke district. In its issue of December 5, 1912, it says:

The disastrous runaway wreck on the Connellsville division of the Baltimore & Ohio Railroad is unfortunately not a new experience. It is a ghastly repetition of others. These runaway accidents have been appalling in the loss of life and the destruction of property, and their net results indicate that some radical changes are necessary in the operating plans or the grades and curves of this portion of the division.

Then, after an official investigation had been made, the Courier summed up the results, in its issue of December 26, as follows:

The investigation of the Baltimore & Ohio wreck proved rather unsatisfying. The investigators were not hunting for a victim, but for a

cause, and their efforts were defeated largely because death had sealed the lips that were most likely to reveal the reasons why the air brakes refused to work.

I believe that if the railroads were half as much interested in transporting traffic safely as they are in throttling every movement looking toward legitimate competition they would be able to render more decent public service. In any case, I can not see the slightest reason for giving them a complete monopoly of the transportation of products which they can not possibly handle to the best advantage of the public.

It is a question of service, and the railroads have not met and can not meet all the demands of an adequate transportation system. They are levying an annual tribute of $151 upon every family of the United States, and their gross income this year would pay every expenditure of every township, city, county, and State in the Union, besides all the expenses of the Federal Government itself. Still they do not secure sufficient revenues, and the Interstate Commerce Commission is being deluged with pleas from the railroads for a 5 per cent increase in rates. They admit that they can not meet the present demands of transportation.

Mr. Daniel Willard, president of the Baltimore & Ohio Railroad, appearing before the Interstate Commerce Commission on November 24, on behalf of the railroads who are seeking the advance in rates, set forth his plea as follows:

> The immediate and all important question is, "How shall these railroads obtain the new capital necessary if they are to provide the needed facilities and furnish the high-class service which the public demands and to which the public is properly entitled?"

In view of the fact that 66 per cent of the tonnage carried by the Baltimore & Ohio Railroad is the product of mines, almost every ton of which could and should be water-borne business, I would say that the all-important question is much different. It is rather "How shall waterways be provided so that the railways may devote their attention to the traffic which is legitimately theirs and which they can handle with the best advantage to the public?"

But again, this proposed extension of the Chesapeake & Ohio Canal is advisable because it will furnish an Atlantic waterway for the Pittsburgh district, which is not only the workshop of the world but also the natural gateway between the East and the West. The day when we can say that Pittsburgh taps the world by rail and water will be a red letter day for America.

This Nation of ours is an entity, bound together by a thousand ties of common interest. As the great West develops an increasing demand comes to the East for its products. The more prosperous the people of the Mississippi Valley and the Pacific coast the greater the necessity for those things in which the manufacturing districts of the East excel by reason of natural causes. The greater the triumph of our manufacturers in the markets of the world the better the conditions for every American citizen.

Do you realize what the Pittsburgh district means to the commercial prosperity of this Nation? Other lands count hundreds of millions of dollars well spent in order to give facilities to manufacturing districts as much inferior to Pittsburgh as the candle is to the arc light.

Pittsburgh is the greatest port in the world, its tonnage of 168,000,000 tons being twice as much as that of New York, London, Hamburg, and Marseille combined. It is seven times as much as the tonnage through the Suez Canal and more than the entire tonnage of all the Great Lakes.

Pittsburgh produces 35 per cent of the steel output of the country. It produces 30 per cent of the total production of pig iron, 60 per cent of the tin plate, 41 per cent of the structural shapes, and 60 per cent of the glass.

That district produces 45 per cent of the raw material for the hardware business of the country, 37 per cent of the raw material for the manufacture of machinery, 44 per cent of the raw materials for the plants that manufacture agricultural implements, and 45 per cent of the raw materials for the automobile industry.

It produces more coal than the combined output of Ohio, Indiana, and West Virginia, while the Connellsville district, 40 miles away, produces half the coke of the world.

Yes, I want to emphasize the fact that when you afford better facilities for the Pittsburgh district you confer a distinct and direct benefit upon the entire Nation.

I am proud to hail from that district, with its cities and towns of smoke and smudge that soil the horizon, where the sun shines feebly through a murky haze, where the unresting traffic rattles at midnight as at midday, where flaming furnaces belch out their blazing blasts, and the red-ore dust casts its hue on all the landscape.

You may talk of its grime and grossness, but I would point you to its vigor and its virility. On its breast it bears the efficient enterprises of an empire. Ten million wheels whirl endlessly by the power of its coal, cities in every clime glow with the light born of its dynamos, its weaving rails bind ocean shores together, over its wires flash the messages of the world, and the hands of mankind grasp its tools in earth's utmost ends.

I am proud of all that, and still prouder because there the world's toilers perform miracles greater than were dreamed by the fairy-tale writers of old. There brain and brawn unite to pour out with lavish hand the countless commodities that make for greater comfort and a happier humanity. And over its army of workers, mightier and nobler than any army in all the annals of history, floats a banner on which the words are wrought, "For service."

I tell you that the prosperity of this Nation depends, in a large degree, upon the faithful toil of those who serve in the Pittsburgh district, and their highest development and that of the people of America demands that the necessaries of life exist within their reach without a single unnecessary burden; and one great step in that direction, one that will, at least, help to remove the burden of excessive transportation charges, which enter into the cost of every article of daily use, will be an adequate, comprehensive system of waterways to supplement the railways and the highways.

There are objections made to this extension of the Chesapeake and Ohio Canal, just as there are objections to every other plan with the same end in view; but in the main these objections come from those who desire a monopoly of transportation and are minimized by the selfish interests of those making them. History gives many instances of a similar attitude on the part of those controlling transportation.

In the fifteenth century the Arabs controlled the overland routes from India to the Mediterranean, and thus monopolized the spice trade. When Vasco De Gama had discovered his water route to India, however, Portugal sent out a fleet of trading ships to secure some of this commerce. The Arabs bitterly opposed the traders and put every possible obstacle in their way, and without doubt argued that they were intensely interested in serving the public welfare; but the Portuguese traders succeeded in securing cargoes of spices and brought them to Europe. The prices immediately fell off one-half and there was still considerable profit, for the Portuguese left records that they sold them at a clear profit of 600 per cent.

Those spices were only purchased by the wealthy and it was not so much a matter of public concern. But to-day, when transportation charges enter into the cost of everything the humblest citizen eats or wears, it is decidedly a matter of public interest; and still those who control transportation to-day fight every effort to afford better and cheaper facilities in order that they may lay a monopolistic toll upon all the articles of commerce.

The railroads and allied interests declare that the Chesapeake and Ohio Canal and other waterway improvements have proven failures. Their argument is like that of the heathen who was told that feathers make soft pillows. He found a feather along the road the next day, placed it on a stone, and lay down to try its luxury. His experience was disappointing and he declared the statement was a lie. He had tried a feather pillow and it was not soft.

The Chesapeake and Ohio Canal has not been proved a failure. There has not been enough of it to give it a trial.

Railroad interests have sought to block its progress ever since that day when the first shovelful of earth was removed from its channel. Legislative corruption, contemptible business practices, unfair competition have all been used to discredit this waterway and to make its success impossible. After the survey from Cumberland to Pittsburgh was made in 1824, the Pittsburgh & Connellsville Railroad purchased its right of way over the entire distance, mile by mile, covering exactly the route mapped out by Army engineers for the canal.

No; the railroads do not believe their own prophecies of failure. They know that with a fair opportunity this canal will prove an unqualified success, and that explains their bitter opposition to its completion.

I do not desire to attack the railroads, for I believe that they have a large place in the best transportation system. But I contend that there are other ways for transporting merchandise than railroads, and that the waterways are infinitely their superior in certain well-defined lines of transportation.

A fully developed waterway system would not injure the railroads. In other countries, without exception, the busiest and most profitable railroads are those which are closest to and cooperate most fully with the waterways. This country will have

the same experience once the experiment is carried into practice. It will be another benefit forced upon the railroads, just as the rate-regulation policy, so vigorously denounced by them at its inception, is now universally admitted to have worked to their benefit and advantage. Improvement of waterways will be another instance of kicking the railroads upstairs.

But I will say that I favor the extension of this canal and other just plans for waterways, even if it did mean lessened profits for the railroads. This entire question of transportation is one of development, not of dividends; of service, not of shekels. The railroads, like everything else in God's world, must meet the test of efficiency. The American people are going to have something to say about this transportation problem. They pay the whole bills of the railroads, the promoters and the frenzied financiers, the presidents and the employees, and the bills of the shippers. They are beginning to see that if dividends are paid on watered stock, if lawmakers are bribed to give franchises, and if high-priced publicity artists wield their dexterous pens for the railroads and against all competition, it all costs money and in the end increases the cost of transportation and the price of every commodity of life.

The people want their commodities moved safely, promptly, and at the least possible expense, and if they can not secure such service through private enterprises they will take over the public highways themselves and operate the railroads along with the waterways and highways solely with the purpose of advancing the common welfare.

But, then, there are those who oppose any governmental expenditure whatever on canals and improvement of waterways, on the ground that such action is an intrusion upon private enterprise, and that the Government should keep its hands off everything of the kind.

It is scarcely worth while to mention such objections, for those who make them are hopelessly out of tune with the spirit of true Americanism, which demands not that the Government shall keep its hands off everything but the preservation of peace, but that the Government shall put its hands on everything that will promote the common good of all.

The Government puts its hands on the public schools and spends about five hundred millions a year to educate the coming generations for the duties and responsibilities of citizenship. It puts its hands on the highways and spends eighty millions a year for good roads. It puts its hands on the streets of cities and spends stupendous sums every year for paved thoroughfares.

Surely the railroads, even though they be private enterprises, have secured assistance enough from the Government. They have been granted areas greater than that of the thirteen original States, having a value at the time of at least $1,000,000,000, and vastly more to-day. They have been given rebates on the tariff on imported rails; they have been given franchises by States and cities; they have been exempted from taxation levied on other property; they have been given a helping hand in their every venture; and yet they did not complain of paternalism.

But this canal and other waterways will be owned by the Government and made to serve only the welfare of the people. Such action is not paternalism; it is simply self-help in action. It is the long-considered, deep-rooted determination to make the Government an instrument to promote the common good, and, after all, that is the only just function of any government.

The wedding of the Atlantic and the Ohio was the magnificent dream of Washington. Our part is to put reality into that dream, foundation under that air castle.

The fruition of mighty conceptions has always followed the same course—"first the blade, then the ear, after that the full corn in the ear." The blade was sprouted in the dawn of a nation's morning, a century and more ago, before steel and stone and rail and river had become abundant avenues of progress, crowning the work of human hands.

But the triumphant thrust of a stupendous plan of development and service can not be brushed aside. It commands consideration through the barrier of years and over the protests of selfish interests. It forces its way through tradition's broken crust and proclaims itself invincible because it meets the test of usefulness to human kind. It is a conscience debt from another century, and we propose that the obligation shall be liquidated at the earliest possible moment by the fulfillment of the task.

We may well be thankful for the opportunity of having a part in this accomplishment, worthy of an age that flings its challenge to countless realms of conquest. In this day, when men speak strong for brotherhood and peace and contentment, and are thinking thoughts of service, we may well crave the chance to perform deeds of service. Not the least of these, I am convinced, will be the completion of the mighty task begun by the Father of his Country—the full corn in the ear being reserved for this day and generation—a continuous waterway from the Atlantic to the Gulf, which, to use the still timely language of the Pennsylvania charter of 1824—

will extend and multiply the means and facilities of internal commerce and interweave more closely all the mutual interests and affections that are calculated to consolidate and perpetuate the vital principles of the Union.

"Corn Boys and Girls" of Ohio.

EXTENSION OF REMARKS

OF

HON. TIMOTHY T. ANSBERRY,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Friday, December 19, 1913.

Mr. ANSBERRY. Mr. Speaker, I desire to have read in the RECORD of this day's proceedings an editorial from the Columbus Dispatch, one of the progressive newspapers of the great State of Ohio. It is only a sample of many other references of like character which for the past two or three weeks have been made by the newspapers of the State of Ohio relative to the visit to the Nation's Capital of the "corn boys and girls" of Ohio. These boys and girls were here as the guests of agricultural societies and of individuals who were interested in the solution of the problem of increasing the food supply of the country; as such guests they were enabled to spend a few days in Washington, enjoying the many interesting experiences which can be had upon a visit to the public buildings and institutions in this beautiful city, and added zest was given this pleasure because these boys and girls won this privilege in a contest of brain and brawn with other boys and girls of their neighborhood.

A few years ago the president of the State Board of Agriculture of Ohio conceived the idea of having contests of this character for the purpose of stimulating the interest of the boys and girls on the farm in scientific agriculture, with the hope that this interest, once aroused, would result in more of them remaining on the farm. This effort, it seems to me, is a very good way to a partial solution of the cry of which we have heard much of late, "Back to the farm"; of course the desired effect being to keep the boys and girls on the farm. Under this plan, in 1912, 92 boys produced an average of over 100 bushels per acre, and 510 boys made an average yield of 85 bushels per acre, and 300 boys and 75 of their older friends and parents made the trip to the National Capital in 1912 as a result of this contest. In 1913 contests were being held in every township in Ohio, and the girls for the first time took part in them. This year 2,650 boys and girls were busily engaged in tilling the soil with a view to winning one of the prizes. Of these, 1,210 stayed until the finish, filed their reports, and their acre of corn was passed upon by the judges appointed for that purpose. These 1,210 boys and girls raised 94,127 bushels of corn on 1,210 acres of land, or something over 77.8 bushels to the acre. One hundred and seven of them raised over 100 bushels per acre, the prize winner raising 131.7 bushels—this despite the fact that the past season was an exceptionally bad one. Flood, hail, and windstorm had put a good many of the contestants out of the race. During July and August a drought decreased the yield per acre to a great extent, as this was during the earing time, and a great many contestants reported the stalks being barren due to the lack of moisture in the soil. The district which I have the honor to represent had a goodly number of contestants, and one of them won the second prize by raising 131.52 bushels of corn on his acre of ground; and my own county has the honor of being the home of the winner of the first prize for girls, Miss Audrey Margaret Smith, the young lady in question having raised something over 116 bushels on her acre of ground, and I am willing to state here now that by reason of this accomplishment, when she arrives at her majority, she should be entitled to vote, as she has clearly demonstrated in a practical manner that she is in many respects man's superior.

I need not point out the value to Ohio or to the country at large of the lesson taught by these boys and girls, who have demonstrated beyond question that while about 37 bushels to the acre was the average yield in Ohio this year, this average can be materially increased by adopting the best modern methods of corn culture.

It is not my purpose to read to the farmers of the United States or the farmers of my own great State a lecture on corn raising; indeed, they know much more about this subject than I do, but it is plain to the ordinary observer and everyone who was permitted the opportunity of seeing these 700 boys and 60 girls who were enjoying a trip to the Nation's Capital, which they had earned by physical labor and by the application of their brains to the raising of corn, must conclude that if these boys and girls could raise from 2½ to 4 times more corn per acre than could their fathers on the selfsame land, it is time for fathers to sit up and take notice, and if the good example made their parents by their children is followed out next year, the State of Ohio should produce 150,000,000 bushels of corn instead of 100,000,000 bushels, which it produced this year, and if they do this, the lesson will have been well worth the price.

Doubtless these boys and girls brought all that was in them to this task and exhausted every method that could be suggested for the improvement of their particular acre, for it is well known that had they pursued the methods of their fathers they never could have accomplished these results.

THE OHIO CORN BOYS AGAIN.

The average yield of corn to the acre in Ohio is 37 bushels. But 200 or more boys have proved, by their achievements in the corn-growing contest, that twice that yield is easy and that 131 bushels to the acre can be produced. This exhibit in intensive farming is most important. It shows, as nothing else has recently shown, that the average farmer is not doing his best and that, in practically every portion of the State, there are opportunities for profit that have not been fathomed. The offer of prizes by the State board of agriculture and individuals who sympathize with the effort has not only brought to the winning boys a great delight, but it has pointed the way for all who till the soil. Not everybody who farms with intelligence and zeal can win a money prize or get a trip to Washington, but everybody who so farms can get the crops, and that ought to be a sufficient reward. To proclaim that truth is, of course, the purpose of these annual corn-growing contests.

Currency.

EXTENSION OF REMARKS

OF

HON. JOHN JACOB ROGERS,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, December 23, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. ROGERS. On September 18 last this House passed the currency bill and sent it on that long and wearisome road through the Senate, from which it has just returned. In voting at that time against a measure of such importance I deemed it proper to state why I was reluctantly forced to the conclusion that the bill was fraught with the gravest dangers to sound banking methods and to the people of the United States. Was my conclusion justified? The months of labor in the Banking and Currency Committee of the Senate, resulting, according to Senator O'GORMAN, a Democratic member of that committee, in the retention of but a little over 40 per cent of the House measure, seem to prove that it was. And the repeated and emphatic utterances of the best-informed Democratic Senators, including "regulars" like O'GORMAN and REED and the "irregular" HITCHCOCK, establish beyond all question that the House measure was a monument of unsoundness and menace.

Senator O'GORMAN, predisposed as he was to a measure having the administration tag, said as late as December 2 last:

Many manifestly unwise and injudicious features of the House bill were eliminated. * * * Yet there were those on the 18th day of September who advised, who urged, who recommended that this House bill be passed as a matter of form; that it was a perfect measure, when no intelligent man in public life to-day will now assert that it was a wise or a judicious measure. Every critic who has had an opportunity to examine it is agreed that it would bring about as great a calamity to this country as ever visited the United States if that bill had not been subjected to the acid test of improvement, correction, and elimination.

I caused my speech of October 18 to be circulated throughout my district as widely as possible, and, although I stated categorically my reasons why I believed the bill unsound, I have yet to hear from anyone, either in Massachusetts or in Washington, who has suggested that my position was in any respect untenable.

But now comes the question of whether the bill is to-day worthy of nonpartisan support. As I have repeatedly stated, I had much rather than not support this bill, which doubtless represents in the main the conscientious and painstaking endeavor of the majority Members of both branches of the Congress. I shall do no more than allude to the vicious caucus system which has characterized the consideration of this bill in the Senate even more than in the House. The same Bryanesque influence, with the snap of the patronage whip, was observable, though perhaps to a less degree, in the Senate.

I happened to hear a Democratic Senator say, in the course of debate last Friday—

In frankness I must say that I am not at liberty to vote for everything I favor.

The newspapers of this morning tell graphically how in the midnight struggles of the conference committee a telephone message from the White House was occasionally necessary to bring recalcitrants into line.

But this is all by the way. The great question which the seeker for light must ask himself is, Does the measure in its final form promise to work for the increased and permanent prosperity of the American people? We in the East can hardly fail, of course, to be impressed with the danger likely to result from the Bryan ascendancy. We all know that, although the voice is the voice of GLASS or OWEN, the hand is the hand of Bryan. But even this only causes us to examine more closely the actual provisions of the bill to see whether the menace of greenbackism, of free silver, or of unsound money of any kind is there; it is by no means, in and of itself, a reason for opposing it.

How did the bill as it came from the Senate three days ago compare with the bill as it left the House October 18? Let us hear what Mr. GLASS had to say. Speaking of the bill in the form in which it passed the Senate, he said last Saturday on the floor of the House:

Within six months after the passage of this bill there would be a veritable saturnalia of inflation in this country.

Again:

It would be a grave error to concur in the Senate amendments. * * * I do not believe that the bill as returned from the Senate would be a workable law.

I know there are some things in it that ought not to be in * * * contains crudities and contradictions * * * safeguards swept aside—

And so on.

Then the conference committee went to work. We have already seen what the Democratic Senate leaders thought of the House bill and what the Democratic House leaders thought of the Senate bill. We all know the functions of a conference committee; its duty is not to relegislate, but merely, where differences exist, to select either the Senate form or the House form. With these points in mind, and the haste with which the committee "agreed," can we have much hope of the result achieved? As if to sweep away whatever hope we have, Mr. GLASS is quoted in this morning's newspapers as having said that the bill had passed "without a single fundamental alteration." Whether the form thus adhered to is the House draft or the Senate draft does not appear, but in view of the attitude of the Democratic leaders it seems to be a case of Scylla and Charybdis.

As I have hitherto stated, I voiced my objections to the House measure, setting forth seven grounds of criticism which seemed to me fundamental. I am not a banker or versed in banking methods, and it may be that I overemphasized some of the points and underemphasized others. If I did, however, it has not been called to my attention. Let us see to what extent, and for better or for worse, the measure in its final form has been altered.

As objection 1, I stated:

The bill virtually makes the United States Government itself a banker, with all the duties and obligations which this status entails. The history of this country and of other countries proves this dangerous. The United States should regulate, supervise, and even control banking much as, through an Interstate Commerce Commission, it regulates railroads; it should not manage or operate.

The bill has not been improved in this respect. In some respects the United States is more of a banker than before.

As objection 2, I stated:

By section 2 "every national bank * * * shall be required to subscribe" to the capital stock of its Federal reserve bank, on pain of dissolution. There is a very great doubt of the constitutionality of this provision in the first place, but aside from that its expediency is for obvious reasons more than questionable.

This provision is substantially unchanged. See section 2.

As objection 3, I stated:

Section 11 puts enormous powers into a "Federal reserve board, which shall consist of seven members, including the Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency * * * and four members chosen by the President * * * (of whom) not more than two shall be of the same political party and at least one shall be a person experienced in banking." The powers

given this board are, as above indicated, too varied and too broad, savoring of ownership rather than of regulation; but aside from that its personnel puts a premium upon partisanship, upon ignorance, or upon inefficiency. Five of the seven will usually be of one party, and but one of the seven will necessarily know anything of the practical side of banking.

See sections 10 and 11 of the bill as passed. The new provisions are an improvement in that the Secretary of Agriculture is eliminated and that "at least two" shall be experienced in banking or finance. But it is positively worse in that it also eliminates the requirement that both political parties shall be represented. What a power to give to some Executive who may be weak, uninformed, or misled!

As objection 4, I stated:

Section 17 authorizes the issuance of Federal reserve notes and provides (p. 29, line 19) that they shall be "obligations of the United States." This saddles upon the United States the ultimate responsibility for these notes, and in time of war or panic might, as history shows, lead to grave complications. It, in effect, makes the United States Government a bank of issue.

This provision remains unchanged. See section 16.

As objection 5, I stated:

Section 17 provides (p 29, lines 21 and 22) that these Federal reserve notes "shall be redeemed in gold or lawful money," and (p. 30, line 20) for a special reserve against these notes of "gold or lawful money." These provisions resemble an insidious attempt to strike down the gold standard and a return to the free-silver heresies of 1896; it may be that the eleventh-hour amendment to section 29 tends to obviate this difficulty. I fear, however, that such amendment merely results in a conflict between the two portions of the bill. At all events there can be no sound objection to the striking out of the words "or lawful money" in the two places above mentioned.

In two places in the law as enacted does the "or lawful money" heresy persist. See section 16. Section 29 in the quotation is now section 26.

As objection 6, I stated:

The number of Federal reserve banks can not by section 2 (p. 3, line 4) be less than 12 and may be more. While I recognize the danger of having but 1 Federal reserve bank, as was provided by the Aldrich Act, there can be no such objection to a plan calling for 3, 4, or 5 of such banks. The difficulty of requiring at least 12, each with a capital (p 4, line 1) of at least $5,000,000, is that some of the 12 will be weaker than is consistent with an entirely sound fabric, and the weaker ones will be a serious burden and drag upon the stronger and upon the public.

The final form is an improvement in one respect—it makes 12 banks the maximum instead of the minimum. But as if to counterbalance this desirable change, it reduces their minimum capital from $5,000,000 to $4,000,000, potentially weakening by just so much these institutions, which should be as strong in fact and in the minds of the people as the Rock of Gibraltar.

As objection 7, I stated:

Section 26 (p. 44, lines 3 and 4) provides that certain banks "may make loans secured by improved and unencumbered farm land." Admitting the propriety of authorizing such loans, why the discrimination against other classes of real estate? Is farm land the only safe real estate security?

This provision is not broadened (sec. 24).

The net result of all this is to show that no one of my seven objections have been met; and where, as in two cases, a desirable modification has been made, an undesirable one has been coupled with it. Add to all these the presence of the specter of inflation which in the minds of many competent judges is lurking in every page of this bill, consider the unsound money doctrinaires who are known to have been interested in its conception and birth, and I confess I am at a loss to see how intelligent nonpartisan support can be accorded the bill.

The one reason which occurs to me is the vote cast in its favor by a distinguished Republican Senator deeply versed in the intricacies of the subject. But he himself stated that, in his opinion, it was "25 per cent bad." Is that a reason for a favorable vote? Do we usually eat an egg because it is only 25 per cent bad? When the prosperity of every man, woman, and child in the Nation hangs in the balance we should see to it that the germs of untold evil which may lurk in that 25 per cent should be eliminated.

Mr. Speaker, I am not a calamity howler. I hope that the bill may work weal and not woe. But I believe that if it does, it will be because of the wise administration of its provisions and not because of the bill itself. And if it be true that a wise administration can make the bill a success, so it must follow that an unwise one may involve it in failure. Yet no one can gainsay that a measure of this supreme importance should be so drawn as not to be capable of failure even in the presence of human frailty or incompetence. But we shall all, regardless of party, gladly unite in altering the bill in those respects which experience shows to be necessary. And we shall all, regardless of party, pray for the peace and prosperity under its provisions of the people of this land.

Currency Bill.

EXTENSION OF REMARKS
OF
HON. WILLIAM L. LA FOLLETTE,
OF WASHINGTON,
IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. LA FOLLETTE. Mr. Speaker, this bill as presented to the House from the conference committee may be, as the chairman of the House Committee on Banking and Currency [Mr. GLASS] says, "essentially in form as originally passed by the House," but the form is about all it does retain which bears any similarity to the original measure.

I voted against the bill as originally passed by the House on account of its many drastic and, in my judgment, unwise features. The bill has been so modified in the Senate and in conference that I feel it to now be an experiment worthy of trial, with a guaranty of elasticity that our present system seems to lack and which has occasioned much merited criticism. And while I feel, and have maintained, that we can not contrive a currency system so elastic, or gymnastic, as to take care of illegitimate stock and market gambling, I do think that probably a system such as is contemplated under this bill may, to some extent, protect the innocent public from the blighting effect of panics brought on by reckless stock and market gambling and unholy manipulation.

I maintain, Mr. Speaker, that the legitimate transactions of this or any other country never were responsible for a panic. I regret that the conferees saw fit to eliminate the deposit-guaranty feature of the Senate bill. I will grant that the guaranty provision was not as wisely considered and as efficient as the subject warrants, but it was a step in the right direction and any better enactment could have repealed the existing provision. I sincerely hope that the assurance we have received of a bill being speedily introduced and passed with an adequate guaranty to depositors may materialize, but confess that I am skeptical. I fully believe in the guaranty of bank deposits, but wish it understood that I differentiate between a guaranty by the Government and one from the banks themselves. Nothing would better insure safe and conservative banking than for every bank to have to contribute to a fund for the guaranty of deposits. Such a law would stimulate every honest banker to keep a watchful eye on the methods of his fellows.

The Senate committee in framing its bill very pertinently, in my opinion, modified the provision of the House bill requiring all national banks to subscribe 20 per cent of their unimpaired capital stock, one-fourth to be paid in cash and one-fourth within 60 days after such subscription was made, the remainder to become a liability subject to call. I feel certain that this provision was too drastic, placing a burden upon the banks that would have caused a further contraction in the already tense and panicky finances of the country.

The present bill only requires a 6 per cent subscription, paid up in homeopathic doses, that should not work a hardship at all.

To supplement the capital subscribed by banks the Senate bill provided that in case the bank subscriptions should be insufficient to provide the required amount of capital for contemplated Federal reserve banks the organization committee may offer to public subscription at par such stock as they should deem necessary to raise the required capital, the public stock subscription being subject to the same conditions as to payment and stock liability as provided for member banks, no individual, copartnership, or corporation other than a member bank of its district being permitted to hold at any time more than $10,000 par value of stock in any Federal reserve bank. This amount has been increased by the conferees to a $25,000 limit.

Mr. Speaker, the provision up to this point was wise, I think, and no doubt would have been instrumental in providing capital for Federal reserve banks were it not for the restrictions placed on this character and class of stockholders in a subsequent provision. This class of stock shares equally all liabilities, but is absolutely, under the conferees' agreement, prohibited from any voice directly or indirectly in the management of the reserve bank to the capital of which they are subscribers.

I think this is unfair, unwise, and un-American, and will practically defeat the raising of capital in that way. But there is yet another balm in Gilead and a chance for sufficient capital to inaugurate these banks. The Government itself is allowed to subscribe, or have allotted to it, such an amount of stock as the organization committee may determine as necessary to establish any Federal reserve bank. With this provision in the law there will not be any doubt as to the establishment of these Federal reserve banks, and I am also satisfied that with the liability nonvoting feature of the law as to private subscribers, the Government will long be a partner in these Federal reserve banks. The wisdom of this partnership is only conjectural and remains to be proved or disproved by demonstration and operation.

Mr. Speaker, on September 17, when the currency bill was under discussion, I offered an amendment to the bill, attempting to change the provision in section 26, which read:

That any national banking association not situated in a reserve city or central reserve city may make loans secured by improved and unincumbered farm land, but no such loan shall be made for a longer time than 12 months nor for an amount exceeding 50 per cent of the actual value of the property offered.

My amendment was to strike out "12 months" and insert in lieu thereof the words "5 years," and I offered the further amendment that "commercial paper so secured shall be subject to rediscounts by Federal reserve banks at all times."

Mr. Speaker, under the caucus-controlled majority an agreement had been reached to vote down all amendments offered by other than the committee having the bill in charge, and my amendments were promptly voted down by the caucus terrified and intimidated majority.

Mr. Speaker, when this bill came back from the other end of the Capitol it contained my first amendment as to the 5-year clause instead of the 12-months' provision carried in the House bill, and what did we witness here, Mr. Speaker? We saw the majority party in this House, when not trammeled by the caucus, overwhelmingly instruct the House conferees to insist that the 5-year clause be not eliminated. This is in itself a salient commentary on the unwise and vicious caucus control.

Mr. Speaker, I regret exceedingly that the body at the other end of the Capitol did not also insert my second amendment making farm-secured paper subject to rediscount. It is the safest and best security in the world, and if subject to the rediscount feature would have conferred a real benefit on the farmer, and while I do not agree with my colleague [Mr. MOORE] that this provision is a gold brick to the farmer I do think its benefits have been greatly minimized by failure to give these loans a rediscount status.

Mr. Speaker, I fully realize that economic and financial changes evolute slowly, and I do not believe in rejecting a thing in toto because it does not in my judgment accomplish everything at one time, and I am content to accept the best obtainable at his time with the expectation and hope that further legislation looking toward the financial betterment of our great rural population will be enacted in the not too-distant future.

Currency.

EXTENSION OF REMARKS
OF
HON. WILLIAM S. GREENE,
OF MASSACHUSETTS,
IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913.

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. GREENE of Massachusetts. Mr. Speaker, I think it important to present the views of Mr. Lincoln at this time, because at that early period in the history of our country he favored the establishment of national banks. A few months more than 21 years later he had been inaugurated President of the United States, and he became the instrument whereby the national banking system was established; and under the wise guidance of Mr. Lincoln and his official associates the Congress and the successors of Mr. Lincoln in the presidential office since that time have successfully carried out the policies which he proclaimed early in his public career.

Mr. Speaker, this great speech of the martyred President was presented to me by the late Thomas J. Henderson, a former Member of this House from the State of Illinois, who said that the pamphlet copy had been preserved by him from his boyhood.

I am a native of the State of Illinois, and the late President Lincoln practiced law in the town in which I was born, and possibly it was on this account that Gen. Henderson gave to me the remarkable document which I have the honor to present to the House.

The speech referred to is as follows:

Speech of Abraham Lincoln, at a political discussion, in the hall of the house of representatives, December, 1839, at Springfield, Ill.

Fellow citizens: It is peculiarly embarrassing to me to attempt a continuance of the discussion, on this evening, which has been conducted in this hall on several preceding ones. It is so, because on each of those evenings there was a much fuller attendance than now without any reason for its being so, except the greater *interest* the community feel in the *speakers* who addressed them *then*, than they do in *him* who is to do so *now*. I am indeed apprehensive that the few who have attended have done so more to spare me of mortification than in the hope of being interested in anything I may be able to say. This circumstance casts a damp upon my spirits, which I am sure I shall be unable to overcome during the evening. But enough of preface.

The subject heretofore and now to be discussed is the subtreasury scheme of the present administration as a means of collecting, safe-keeping, transferring, and disbursing the revenues of the Nation as contrasted with a national bank for the same purposes. Mr. Douglas has said that we—the Whigs—have not dared to meet them—the Locos—in argument on this question. I protest against this assertion. I assert that we have again and again during this discussion urged facts and arguments against the subtreasury, which they have neither dared to deny nor attempted to answer. But lest some may be led to believe that we really wish to avoid the question, I now propose, in my humble way, to urge those arguments again, at the same time begging the audience to mark well the positions I shall take and the proof I shall offer to sustain them, and that they will not again permit Mr. Douglas or his friends to escape the force of them by a round and groundless assertion that we "dare not meet them in argument."

Of the subtreasury then, as contrasted with a national bank, for the before enumerated purposes, I lay down the following propositions, to wit:

First. It will injuriously affect the community by its operation on the circulating medium.

Second. It will be a more expensive fiscal agent.

Third. It will be a less secure depository of the public money.

To show the truth of the first proposition, let us take a short review of our condition under the operation of a national bank. It was the depository of the public revenues. Between the collection of those revenues and the disbursements of them by the Government the bank was permitted to and did actually loan them out to individuals, and hence the large amount of money annually collected for revenue purposes, which by any other plan would have been idle a great portion of time, was kept almost constantly in circulation. Any person who will reflect that money is only valuable while in circulation will readily perceive that any device which will keep the Government revenues in constant circulation instead of being locked up in idleness is no inconsiderable advantage.

By the subtreasury the revenue is to be collected and kept in iron boxes until the Government wants it for disbursement, thus robbing the people of the use of it while the Government does not itself need it, and while the money is performing no nobler office than that of rusting in iron boxes. The natural effect of this change of policy, everyone will see, is to *reduce* the quantity of money in circulation.

But again, by the subtreasury scheme the revenue is to be collected in specie. I anticipate that this will be disputed. I expect to hear it said that it is not the policy of the administration to collect the revenue in specie. If it shall, I reply that Mr. Van Buren, in his message recommending the subtreasury, expended nearly a column of that document in an attempt to persuade Congress to provide for the collection of the revenue in specie exclusively, and he concludes with these words: "It may be safely assumed that no motive of *convenience* to the *citizen* requires the reception of bank paper." In addition to this, Mr. Silas Wright, Senator from New York and the political, personal, and confidential friend of Mr. Van Buren, drafted and introduced into the Senate the first subtreasury bill, and that bill provided for ultimately collecting

the revenue in specie. It is true, I know, that that clause was stricken from the bill, but it was done by the votes of the Whigs, aided by a portion only of the Van Buren Senators. No subtreasury bill has yet become a law, though two or three have been considered by Congress, some with and some without the specie clause, so that I admit there is room for quibbling upon the question of whether the administration favor the exclusive specie doctrine or not; but I take it that the fact that the President at first urged the specie doctrine, and that under his recommendation the first bill introduced embraced it, warrants us in charging it as the policy of the party until their head as publicly recants it as he at first espoused it—I repeat, then, that by the subtreasury the revenue is to be collected in *specie*. Now, mark what the effect of this must be. By all estimates ever made there are but between sixty and eighty millions of specie in the United States. The expenditures of the Government for the year 1838, the last for which we have had the report, were forty millions. Thus it is seen that if the whole revenue be collected in species it will take more than half of all the specie in the Nation to do it. By this means more than half of all the specie belonging to the 15,000,000 of souls who compose the whole population of the country is thrown into the hands of the public officeholders and other public creditors, composing in number perhaps not more than one-quarter of a million, leaving the other fourteen millions and three-quarters to get along as they best can with less than one-half of the specie of the country and whatever rags and shinplasters they may be able to put and keep in circulation. By this means every officeholder and other public creditor may, and most likely will, set up shaver; and a most glorious harvest will the specie men have of it, each specie man, upon a fair division, having to his share the fleecing of about 59 rag men.[1] In all candor, let me ask, was such a system for benefiting the few at the expense of the many ever before devised? And was the sacred name of Democracy ever before made to indorse such an enormity against the rights of the people?

I have already said that the subtreasury will reduce the quantity of money in circulation. This position is strengthened by the recollection that the revenue is to be collected in specie, so that the mere amount of revenue is not all that is withdrawn, but the amount of paper circulation that the forty millions would serve as a basis to is withdrawn, which would be in a sound state at least one hundred millions. When one hundred millions or more of the circulation we now have shall be withdrawn, who can contemplate without terror the distress, ruin, bankruptcy, and beggary that must follow.

The man who has purchased any article—say, a horse—on credit, at $100, when there are two hundred millions circulating in the country, if the quantity be reduced to one hundred millions by the arrival of pay day, will find the horse but sufficient to pay half the debt, and the other half must either be paid out of his other means, and thereby become a clear loss to him, or go unpaid, and thereby become a clear loss to his creditor. What I have here said of a single case of the purchase of a horse will hold good in every case of a debt existing at the time a reduction in the quantity of money occurs, by whomsoever and for whatsoever it may have been contracted. It may be said that what the debtor loses the creditor gains by this operation; but on examination this will be found true only to a very limited extent. It is more generally true that *all* lose by it. The *creditor*, by losing more of his debts than he gains by the increased value of those he collects; the *debtor*, by either parting with more of his property to pay his debts than he received in contracting them or by entirely breaking up his business, and thereby being thrown upon the world in idleness.

The general distress thus created will, to be sure, be *temporary*, because whatever change may occur in the quantity of money in any community *time* will adjust the derangement produced; but while that adjustment is progressing all suffer more or less and very many lose everything that renders life desirable. Why, then, shall we suffer a severe difficulty, even though it be *but temporary*, unless we receive some equivalent for it?

What I have been saying as to the effect produced by a reduction of the quantity of money relates to the *whole* country. I now propose to show that it would produce a *peculiar* and *permanent* hardship upon the citizens of those States and Territories in which the public lands lie. The land offices in those States and Territories, as all know, form the great gulf by which all, or nearly all, the money in them is swallowed up. When the quantity of money shall be reduced, and consequently everything under individual control brought down in proportion, the price of those lands, being fixed by law, will remain as now. Of necessity it will follow that the *produce* or *labor* that *now* raises money sufficient to purchase 80 acres will *then* raise but sufficient to purchase 40, or perhaps not that much. And this difficulty and hardship will last as long, in some degree, as any portion of these lands shall remain undisposed of. Knowing, as I well do, the difficulty that poor people *now* encounter in procuring homes, I hesitate not to say that when the price of the public lands shall be doubled or trebled, or, which is the same thing, produce and labor cut down to one-half or one-third of their present prices, it will be little less than impossible for them to procure those homes at all.

In answer to what I have said as to the effect the subtreasury would have upon the currency, it is often urged that the money collected for revenue purposes will *not lie idle* in the vaults of the Treasury, and, further, that a national bank produces greater derangement in the currency, by a system of contractions and expansions, than the subtreasury would produce in any way. In reply, I need only show that experience proves the contrary of both these propositions. It is an undisputed fact that the late Bank of the United States paid the Government $75,000 annually for the *privilege* of using the public money between the times of its collection and disbursement. Can any man suppose that the bank would have paid this sum annually for 20 years and then offered to renew its obligations to do so if in reality there was no *time* intervening between the collection and disbursement of the revenue, and consequently no privilege of *using* the money extended to it?

Again, as to the contractions and expansions of a national bank, I need only point to the period intervening between the time that the late bank got into successful operation and that at which the Government commenced war upon it, to show that during that period no such contractions or expansions took place. If before or after that period derangement occurred in the currency, it proves nothing. The bank could not be expected to regulate the currency either *before* it got into successful operation or *after* it was crippled and thrown into death convulsions by the removal of the deposits from it and other hostile measures of the Government against it. We do not pretend that a national bank can establish and maintain a sound and uniform state of currency in the country in *spite* of the National Government, but we do say that it has established and maintained such a currency, and can do so again, by the *aid* of that Government; and we further say that no duty is more imperative on that Government than the duty it owes the people of furnishing them a sound and uniform currency.

I now leave the proposition as to the effect of the subtreasury upon the currency of the country and pass to that relative to the additional *expense* which must be incurred by it over that incurred by a national bank as a fiscal agent of the Government. By the late national bank we had the public revenue received, safely kept, transferred, and disbursed not only without expense, but we actually received of the bank $75,000 anu-

[1] On the 4th of January, 1839, the Senate of the United States passed the following resolution, to wit:

"*Resolved*, That the Secretary of the Treasury be directed to communicate to the Senate any information he may recently have received in respect to the mode of collecting, keeping, and disbursing public monies in foreign countries."

Under this resolution the Secretary communicated to the Senate a letter, the following extract from which clearly shows that the collection of the revenue in *specie* will establish a sound currency for the officeholders and a depreciated one for the people, and that the officeholders and other public creditors will turn shavers upon all the rest of the community

Here is the extract from the letter, being all of it that relates to the question:

"HAGUE, *October 12, 1838*

"The financial system of Hamburg is, as far as is known, very simple, as may be supposed from so small a territory.

"The whole amount of Hamburg coined money is about four and a half millions of marks current, or $1,282,500; and except under very extraordinary circumstances *not more than one-half that amount is in circulation*, and all duties, taxes, and excise must be paid in Hamburg currency. *The consequence is that it invariably commands a premium of 1 to 3 per cent.* Every year 1 senator and 10 citizens are appointed to transact the whole of the financial concern, both as to receipt and disbursement of the funds, *which is always in cash* and is every day deposited in the bank to the credit of the chancery; and on being paid out the citizen to whose department the payment belongs must appear personally with the check or order, stating the amount and to whom to be paid. The person receiving very seldom keeps the money, *preferring to dispose of it to a money changer at a premium*, and taking other coin at a discount, of which there is a great variety and too large amount constantly in circulation, and on which in his daily payment *he loses nothing*, and those who have payments to make to the Government apply to the *money changers again for Hamburg currency*, which keeps it in constant motion; and I believe it frequently occurs that the bags which are sealed and labeled with the amount are again returned to the bank without being opened.

"With great respect, your obedient servant,

"JOHN CUTHBERT.

"To the Hon. LEVI WOODBURY,
"*Secretary of the Treasury, Washington, D. C.*"

This letter is found in Senate document, page 113, of the session of 1838–39.

ally for its privileges while rendering us those services. By the subtreasury, according to the estimate of the Secretary of the Treasury, who is the warm advocate of the system, and which estimate is the lowest made by anyone, the same services are to cost $60,000. Mr. Rives, who, to say the least, is equally talented and honest, estimates that these services under the subtreasury system can not cost less than $600,000. For the sake of liberality, let us suppose that the estimates of the Secretary and Mr. Rives are the two extremes and that their mean is about the true estimate, and we shall then find that when to that sum is added the $75,000 which the bank paid us, the difference between the two systems, in favor of the bank and against the subtreasury, is $405,000 a year. This sum, though small when compared to the many millions annually expended by the General Government, is, when viewed by itself, very large, and much too large, when viewed in any light, to be thrown away once a year for nothing. It is sufficient to pay the pensions of more than 4,000 Revolutionary soldiers or to purchase a 40-acre tract of Government land for each one of more than 8,000 poor families.

To the argument against the subtreasury on the score of additional expense its friends, so far as I know, attempt no answer. They choose, so far as I can learn, to treat the throwing away $405,000 once a year as a matter entirely too small to merit their democratic notice.

I now come to the proposition that it would be less secure than a national bank as a depository of the public money. The experience of the past, I think, proves the truth of this. And here, inasmuch as I rely chiefly upon experience to establish it, let me ask, How is it that we know anything—that any event will occur, that any combination of circumstances will produce a certain result—except by the analogies of past experience? What has once happened will invariably happen again when the same circumstances which combined to produce it shall again combine in the same way. We all feel that we know that a blast of wind would extinguish the flame of the candle that stands by me. How do we know it? We have never seen this flame thus extinguished. We know it because we have seen through all our lives that a blast of wind extinguishes the flame of a candle whenever it is thrown fully upon it. Again, we all feel to *know* that we have to die. How? We have never died yet. We know it because we know, or at least think we know, that of all the beings just like ourselves who have been coming into the world for 6,000 years not one is now living who was here 200 years ago.

I repeat, then, that we know nothing of what will happen in future but by the analogy of experience, and that the fair analogy of past experience fully proves that the subtreasury would be a less safe depository of the public money than a national bank. Examine it. By the subtreasury scheme the public money is to be kept, between the times of its collection and disbursement, by treasurers of the Mint, customhouse officers, land officers, and some new officers to be appointed in the same way that those first enumerated are. Has a year passed since the organization of the Government that numerous defalcations have not occurred among this class of officers? Look at Swartwout, with his $1,200,000; Price, with his $75,000; Harris, with his $109,000; Hawkins, with his $100,000; Linn, with his $55,000; together with some 2,500 lesser lights. Place the public money again in these same hands, and will it not again go the same way? Most assuredly it will. But turn to the history of the national bank in this country and we shall there see that those banks performed the fiscal operations of the Government through a period of 40 years, received, safely kept, transferred, disbursed, an aggregate of nearly $500,000,000, and that in all that time and with all that money not one dollar nor one cent did the Government lose by them. Place the public money again in a similar depository, and will it not again be safe?

But, conclusive as the experience of 50 years is that individuals are unsafe depositories of the public money, and of 40 years that national banks are safe depositories, we are not left to rely solely upon that experience for the truth of those propositions. If experience were silent upon the subject, conclusive reasons could be shown for the truth of them.

It is often urged that to say the public money will be more secure in a national bank than in the hands of individuals, as proposed in the subtreasury, is to say that bank directors and bank officers are more honest than sworn officers of the Government. Not so. We insist on no such thing. We say that public officers, selected with reference to their capacity and honesty—which, by the way, we deny is the practice in these days—stand an equal chance, precisely, of being capable and honest, with bank officers selected by the same rule. We further say that with however much care selections may be made there will be some unfaithful and dishonest in both classes. The experience of the whole world, in all bygone times, proves this true. The Saviour of the world chose twelve disciples, and even one of that small number, selected by superhuman wisdom, turned out a traitor and a devil. And it may not be improper here to add that Judas carried the bag, was the subtreasurer of the Saviour and his disciples.

We then do not say, nor need we say to maintain our proposition, that bank officers are more honest than Government officers, selected by the same rule. What we do say is that the *interest* of the subtreasurer is *against his duty*—while the *interest* of the bank is *on the side of its duty*. Take instances—a subtreasurer has in his hands $100,000 of public money. His *duty* says, "You ought to pay this money over," but his *interest* says, "You ought to run away with this sum and be a nabob the balance of your life." And who that knows anything of human nature doubts that in many instances interest will prevail over duty, and that the subtreasurer will prefer opulent knavery in a foreign land to honest poverty at home? But how different is it with a bank? Besides the Government money deposited with it, it is doing business upon a large capital of its own. If it proves faithful to the Government, it continues its business; if unfaithful, it forfeits its charter, breaks up its business, and thereby loses more than all it can make by seizing upon the Government funds in its possession. Its *interest*, therefore, is on the side of its duty—is to be faithful to the Government, and consequently, even the dishonest amongst its managers have no temptation to be faithless to it. Even if robberies happen in the bank, the losses are borne by the bank, and the Government loses nothing. It is for this reason, then, that we say a bank is the more secure. It is because of that admirable feature in the bank system which places the *interest* and the *duty* of the depository both on one side; whereas that feature can never enter into the subtreasury system. By the latter the *interest* of the individuals keeping the public money will wage an eternal war with their *duty*, and in very many instances must be victorious. In answer to the argument drawn from the fact that individual depositories of public money have always proved unsafe, it is urged that even if we had a national bank the money has to *pass through* the same individual hands that it will under the subtreasury. This is only partially true in fact and wholly fallacious in argument.

It is only partially true, in fact, because by the subtreasury bill four receivers general are to be appointed by the President and Senate. These are new officers, and consequently it can not be true that the money, or any portion of it, has heretofore passed through their hands. These four new officers are to be located at New York, Boston, Charleston, and St. Louis, and consequently are to be the depositories of all the money collected at or near those points, so that more than three-fourths of the public money will fall into the keeping of these four new officers, which did not exist as officers under the national-bank system. It is only partially true, then, that the money passes through the same hands under a national bank as it would do under the subtreasury.

It is true that under either system individuals must be employed as collectors of the customs, receivers at the land offices, and so forth, but the difference is that under the bank system the receivers of all sorts receive the money and pay it over to the bank once a week when the collections are large, and once a month when they are small, whereas by the subtreasury system individuals are not only to collect the money, but they are to *keep* it also, or pay it over to other individuals equally unsafe as themselves, to be by them kept, until it is wanted for disbursement. It is during the time that it is thus lying idle in their hands that opportunity is afforded and temptation held out to them to embezzle and escape with it. By the bank system each collector or receiver is to deposit in bank all the money in his hands at the end of each month at most, and to send the bank certificates of deposits to the Secretary of the Treasury. Whenever that certificate of deposit fails to arrive at the proper time the Secretary *knows* that the officer thus failing is acting the knave, and if he is himself disposed to do his duty he has him immediately removed from office and thereby cuts him off from the possibility of embezzling but little more than the receipts of a single month. But by the subtreasury system the money is to lie month after month in the hands of individuals; larger amounts are to accumulate in the hands of the receivers general and some others, by perhaps ten to one, than ever accumulated in the hands of individuals before. Yet during all this time, in relation to this great stake, the Secretary of the Treasury can comparatively know nothing. Reports, to be sure, he will have, but reports are often false, and always false when made by a knave to cloak his knavery. Long expe-

rience has shown that nothing short of an actual demand of the money will expose an adroit peculator. Ask him for reports and he will give them to your heart's content. Send agents to examine and count the money in his hands, and he will borrow of a friend merely to be counted and then returned, a sufficient sum to make the sum square. Try what you will, it will all fail till you demand the money—then, and not until then, the truth will come.

The sum of the whole matter I take to be this: Under the bank system, while sums of money, by the law, were permitted to lie in the hands of individuals, *for very short periods only*, many and very large defalcations occurred by those individuals. Under the subtreasury system *much larger sums* are to lie in the hands of individuals *for much longer periods*, thereby multiplying *temptation* in proportion as the sums *are larger;* and multiplying *opportunity* in proportion as the periods *are longer* to, and for, those individuals to embezzle and escape with the public treasure; and, therefore, just in the proportion that the *temptation* and the *opportunity* are greater under the subtreasury than the bank system, will the peculations and defalcations be greater under the former than they have been under the latter. The truth of this, independent of actual experience, is but little less than self-evident. I therefore leave it.

But it is said, and truly, too, that there is to be a *penitentiary department* to the subtreasury. This, the advocates of the system will have it, will be a "*king-cure-all.*" Before I go further may I not ask if the *penitentiary department* is not itself an admission that they expect the public money to be stolen? Why build the cage if they expect to catch no birds? But to the question how effectual the penitentiary will be in preventing defalcations. How effectual have penitentiaries heretofore been in preventing the crimes they were established to suppress? Has not confinement in them long been the legal penalty of larceny, forgery, robbery, and many other crimes in almost all the States? And yet, are not those crimes committed weekly, daily, nay, and even hourly in every one of those States? Again, the gallows has long been the penalty of murder, and yet we scarcely open a newspaper that does not relate a new case of that crime. If, then, the penitentiary has ever *heretofore* failed to prevent larceny, forgery, and robbery, and the gallows and halter have likewise failed to prevent murder, by what process of reasoning, I ask, is it that we are to conclude the penitentiary will *hereafter* prevent the stealing of the public money? But our opponents seem to think they answer the charge, that the money will be stolen, fully, if they can show that they will bring the offenders to punishment. Not so. Will the punishment of the thief bring back the stolen money? No more so than the hanging of a murderer restores his victim to life. What is the object desired? Certainly not the greatest number of thieves we can catch, but that the money may not be stolen. If, then, any plan can be devised for depositing the public treasure, where it will be never stolen, never embezzled, is not that the plan to be adopted? Turn, then, to a national bank and you have that plan, fully and completely successful, as tested by the experience of 40 years.

I have now done with the three propositions that the subtreasury would injuriously affect the currency, and would be more *expensive* and *less secure* as a depository of the public money than a national bank. How far I have succeeded in establishing their truth is for others to judge.

Omitting, for want of time, what I had intended to say as to the effect of the subtreasury to bring the public money under the more immediate control of the President than it has ever heretofore been, I now only ask the audience, when Mr. Calhoun shall answer me, *to hold him to the questions.* Permit him not to escape them. Require him *either* to show that the subtreasury *would not* injuriously affect the *currency*, or that we should in some way receive an equivalent for that injurious effect. Require him *either* to show that the subtreasury *would not be more expensive* as a fiscal agent than a bank or that we should, in some way, be compensated for that additional expense. And particularly require him to show that the public money *would be as secure* in the subtreasury as in a national bank, or that the additional *insecurity* would be overbalanced by some good result of the proposed change.

No one of them, in my humble judgment, will he be able to do; and I venture the prediction, and ask that it may be especially noted, *that he will not attempt to answer the proposition that the subtreasury would be more expensive than a national bank as a fiscal agent of the Government.*

As a sweeping objection to a national bank, and consequently an argument in favor of the subtreasury as a substitute for it, it often has been urged, and doubtless will be again, that such a bank is unconstitutional. We have often heretofore shown, and therefore need not in detail do so again, that a majority of the Revolutionary patriarchs whoever acted officially upon the question, commencing with Gen. Washington and embracing Gen. Jackson, the larger number of the signers of the Declaration and of the framers of the Constitution who were in the Congress of 1791 have decided upon their oaths that such a bank is constitutional. We have also shown that the votes of Congress have more often been in favor of than against its constitutionality. In addition to all this we have shown that the Supreme Court—that tribunal which the Constitution has itself established to decide constitutional questions—has solemnly decided that such a bank is constitutional. Protesting that these authorities ought to settle the question ought to be conclusive I will not urge them further now. I now propose to take a view of the question which I have not known to be taken by anyone before. It is that whatever objection ever has or ever can be made to the constitutionality of a bank will apply with equal force in its whole length, breadth, and proportions to the subtreasury. Our opponents say there is no *express* authority in the Constitution to establish a *bank*, and therefore a bank is unconstitutional; but we, with equal truth, may say there is no *express* authority in the Constitution to establish a *subtreasury*, and therefore a subtreasury is unconstitutional. Who, then, has the advantage of this "*express authority*" argument? Does it not cut equally both ways? Does it not wound them as deeply and as deadly as it does us?

Our position is that both are constitutional. The Constitution enumerates expressly several powers which Congress may exercise, superadded to which is a general authority, "to make all laws necessary and proper," for carrying into effect all the powers vested by the Constitution of the Government of the United States. One of the express powers given Congress is "to lay and collect taxes, duties, imposts, and excises; to pay the debts and provide for the common defense and general welfare of the United States." Now, Congress is expressly authorized to make all laws necessary and proper for carrying this power into execution. To carry it into execution it is indispensably necessary to collect, safely keep, transfer, and disburse a revenue. To do this a bank is "necessary and proper." But, say our opponents, to authorize the making of a bank the *necessity* must be so great that the power just recited would be nugatory without it, and that that *necessity* is expressly negatived by the fact that they have got along *10* whole years without such a *bank*. Immediately we turn on them and say that that sort of *necessity* for a *subtreasury* does not exist, because we have got along *40* whole years without one. And this time it may be observed that we are not merely equal with them in the argument, but we beat them *40* to *10*, or which is the same thing—*4* to *1*. On examination it will be found that the absurd rule which prescribes that before we can constitutionally adopt a national bank as a fiscal agent we must show an *indispensable necessity* for it will exclude every sort of fiscal agent that the mind of man can conceive. A *bank* is not *indispensable*, because we can take the *subtreasury;* the *subtreasury* is not *indispensable* because we can take the *bank*. The rule is too absurd to need further comment. Upon the phrase "*necessary and proper*" in the Constitution it seems to me more reasonable to say that *some* fiscal agent is *indispensably necessary;* but inasmuch as no *particular sort* of agent is thus *indispensable* because some *other* sort might be adopted we are left to choose that sort of agent which may be most "*proper*" on grounds of expediency.

But it is said the Constitution gives no power to Congress to pass acts of incorporation. Indeed! What is the passing an act of incorporation but the *making of a law?* Is anyone wise enough to tell? The Constitution expressly gives Congress power "*to pass all laws necessary and proper,*" etc. If, then, the passing of a bank charter be the "*making a law necessary and proper,*" is it not clearly within the constitutional power of Congress to do so?

I now leave the bank and the subtreasury to try to answer in a brief way some of the arguments which on previous evenings here have been urged by Messrs. Lamborn and Douglas. Mr. Lamborn admits that "*errors,*" as he charitably calls them, have occurred under the present and late administration, but he insists that as great "*errors*" have occurred under all administrations. This we respectfully deny. We admit that errors may have occurred under all administrations, but we insist that there is *no parallel* between them and those of the last two. If they can show that their errors are no greater in number and magnitude than those of former times, we call off the dogs.

But they can do no such thing. To be brief, I will now attempt a contrast of the "errors" of the two latter with those of former administrations in relation to the public expenditures

only. What I am now about to say as to the expenditures will be in all cases exclusive of payments on the national debt. By an examination of authentic public documents, consisting of the regular series of annual reports made by all the Secretaries of the Treasury from the establishment of the Government down to the close of the year 1838, the following contracts will be presented.

First. The last *1* years, under Gen. Jackson and Mr. Van Buren, cost more money than the first *27* did (including the heavy expenses of the late British War), under Washington, Adams, Jefferson, and Madison.

Second. The last year of J. Q. Adams's administration cost, in round numbers, 13 millions, being about $1 to each soul in the Nation; the last (1838) of Mr. Van Buren's cost 40 millions, being about $2.50 to each soul, and being larger than the expenditure of Mr. Adams in the proportion of *5* to *2*.

Third. The highest annual expenditure during the late British War being in 1814, and while we had in actual service rising 188,000 militia, together with the whole Regular Army, swelling the number to greatly over 200,000, and they to be clad, fed, and transported from point to point with great rapidity and corresponding expense and to be furnished with arms and ammunition, and they to be transported in like manner and at like expense, was no more in round numbers than *30* millions, whereas the annual expenditure of 1838, under Mr. Van Buren, and while we were at peace with every government in the world, was 40 millions, being over the highest year of the late and very expensive war in the proportion of *4* to *3*.

Fourth. Gen. Washington administered the Government *eight* years for 16 millions; Mr. Van Buren administered it *one* year (1838) for 40 millions, so that Mr. Van Buren expended *twice and a half* as much in *one* year as Gen. Washington did in *eight*, and being in the proportion of *20* to *1*, or, in other words, had Gen. Washington administered the Government *20* years at the same average expense that he did for *8* he would have carried us through the whole *20* for no more money than Mr. Van Buren has expended in getting us through the single *1* of 1838.

Other facts equally astounding might be presented from the same authentic document, but I deem the foregoing abundantly sufficient to establish the proposition that there is no parallel between the "*errors*" of the present and late administrations and those of former times, and that Mr. Van Buren is wholly out of the line of all precedents.

But Mr. Douglas, seeing that the enormous expenditure of 1838 has no parallel in the olden times, comes in with a long list of excuses for it. This list of excuses I will rapidly examine and show, as I think, that the few of them which are true prove nothing, and that the majority of them are wholly untrue in fact. He first says that the expenditures of that year were made under the appropriations of Congress, *one branch of which was a Whig body*. It is true that those expenditures were made under the appropriations of Congress, but it is *untrue* that either branch of Congress was a *Whig* body. The Senate had fallen into the hands of the administration more than a year before, as proven by the passage of the expunging resolution, and at the time those appropriations were made there were too few Whigs in that body to make a respectable struggle in point of numbers upon any question. This is notorious to all. The House of Representatives that voted those appropriations was the same that first assembled at the called session of September, 1838. Although it refused to pass the subtreasury bill, a majority of its members were elected as friends of the administration and proved their adherence to it by the election of a Van Buren Speaker and two Van Buren clerks. It is clear, then, that both branches of the Congress that passed those appropriations were in the hands of Mr. Van Buren's friends, so that the Whigs had no power to arrest them, as Mr. Douglas would insist. And is not the charge of extravagant expenditures equally well sustained, if shown to have been made by a Van Buren Congress, as if shown to have been made in any other way? A Van Buren Congress passed the bill, and Mr. Van Buren himself approved them, and consequently the party are wholly responsible for them.

Mr. Douglas next says that a portion of the expenditures of that year was made for the purchase of public lands from the Indians. Now, it happens that no such purchase was made during that year. It is true that some money was paid that year in pursuance of Indian treaties, but no more, or rather not as much as had been paid on the same account in each of several preceding years.

Next he says that the Florida War created many millions of this year's expenditure. This is true, and it is also true that during that and every other year that that war has existed it has cost three or four times as much as it would have done under an honest and judicious administration of the Government. The large sums foolishly, not to say corruptly, thrown away in that war constitute one of the just causes of complaint against the administration. Take a single instance. The agents of the Government in connection with that war needed a certain steamboat; the owner proposed to sell it for $10,000. The agents refused to give that sum, but hired the boat at $100 per day and kept it at that hire till it amounted to $92,000. This fact is not found in the public reports, but depends with me on the verbal statement of an officer of the Navy, who says he knows it to be true. That the administration ought to be credited for the *reasonable* expenses of the Florida War we have never denied. Those *reasonable* charges, we say, could not exceed one or two millions a year. Deduct such a sum from the 40-million expenditure of 1838 and the remainder will still be without a parallel as an annual expenditure.

Again, Mr. Douglas says that the removal of the Indians to the country west of the Mississippi created much of the expenditure of 1838. I have examined the public documents in relation to this matter and find that less was paid for the removal of Indians in that than in some former years. The whole sum expended on that account in that year did not much exceed one-quarter of a million. For this small sum, although we do not think the administration entitled to credit, because large sums have been expended in the same way in former years, we consent it may take one and make the most of it.

Next Mr. Douglas says that 5 millions of the expenditures of 1838 consisted of the payment of the French indemnity money to its individual claimants. I have carefully examined the public documents, and thereby find this statement to be wholly untrue. Of the 40 millions of dollars expended in 1838, I am enabled to say positively that not $1 consisted of payments on the French indemnities. So much for that excuse.

Next comes the Post Office. He says that 5 millions were expended during that year to sustain that department. By a like examination of public documents I find this also wholly untrue. Of the so-often-mentioned 40 millions, not $1 went to the Post Office. I am glad, however, that the Post Office has been referred to, because it warrants me in digressing a little to inquire how it is that that department of the Government has become a *charge* upon the Treasury, whereas under Mr. Adams and the Presidents before him it not only, to use a homely phrase, cut its own fodder, but actually threw a surplus into the Treasury. Although nothing of the 40 millions was paid on that account in 1838, it is true that 5 millions are appropriated *to be so expended* in 1839, showing clearly that the department has become a *charge* upon the Treasury. How has this happened? I account for it in this way: The chief expense of the Post Office Department consists of the payments of contractors for carrying the mail. Contracts for carrying the mails are by law let to the lowest bidders after advertisement. This plan introduces competition and insures the transportation of the mails at fair prices so long as it is faithfully adhered to. It has ever been adhered to until Mr. Barry was made Postmaster General. When he came into office he formed the purpose of throwing the mail contracts into the hands of his friends to the exclusion of his opponents. To effect this the plan of letting to the lowest bidder must be evaded, and it must be done in this way: The favorite bid less by perhaps three or four hundred per cent than the contract could be performed for, and consequently, shutting out all honest competition, became the contractor. The Postmaster General would immediately add some slight additional duty to the contract, and under the pretense of extra allowance for extra services run the contract to double, triple, and often quadruple what honest and fair bidders had proposed to take it at. In 1834 the finances of the department had become so deranged that total concealment was no longer possible, and consequently a committee of the Senate were directed to make a thorough investigation of its affairs. Their report is found in the Senate Documents of 1833-34, volume 5, Document 422, which documents may be seen at the Secretary's office, and I presume elsewhere in the State. The report shows numerous cases of similar import, of one of which I give the substance. The contract for carrying the mail upon a certain route had expired, and of course was to be let again. The old contractor offered to take it for $300 a year, the mail to be transported thereon three times a week, or for $600 transported daily. One James Reeside bid $40 for three times a week, or $99 daily, and of course received the contract. On the examination of the committee it was discovered that Reeside had received for the service on this route, which he had contracted to render for less than $100, the enormous sum of $1,999. This is but a

single case. Many similar ones, covering some 10 or 20 pages of a large volume, are given in that report. The department was found to be insolvent to the amount of half a million and to have been so grossly mismanaged, or, rather, so corruptly managed in almost every particular that the best friends of the Postmaster General made no defense of his administration of it. They admitted that he was wholly unqualified for that office, but still he was retained in it by the President until he resigned voluntarily about a year afterwards. And when he resigned it what do you think became of him? Why, he sunk into obscurity and disgrace, to be sure, you will say. No such thing. Well, then, what did become of him? Why, the President immediately expressed his high disapprobation of his almost unequaled incapacity and corruption by appointing him to a foreign mission, with a salary and outfit of $18,000 a year. The party now attempt to throw Barry off and to avoid the responsibility of his sins. Did not the President indorse those sins when on the very heel of their commission he appointed their author to the very highest and most honorable office in his gift and which is but a single step behind the very goal of American political ambition?

I return to another of Mr. Douglas's excuses for the expenditures of 1838, at the same time announcing the pleasing intelligence that this is the last one. He says that ten millions of that year's expenditure was a contingent appropriation, to prosecute an anticipated war with Great Britain on the Maine boundary question. Few words will settle this: First, that the ten millions appropriated was not *made* till 1839, and consequently could not have been expended in 1838; and, second, although it was appropriated, it has never been expended at all. Those who heard Mr. Douglas recollect that he indulged himself in a contemptuous expression of pity for me. "Now he's got me," thought I; but when he went on to say that five millions of the expenditure of 1838 were payments of the French indemnities, *which I knew to be untrue;* that five millions had been for the Post Office, *which I knew to be untrue;* that ten millions had been for the Maine boundary war, *which I not only knew to be untrue, but supremely ridiculous also;* and when I saw that he was stupid enough to hope that I would permit such groundless and audacious assertions to go unexposed, I readily consented that on the score both of veracity and sagacity the audience should judge whether he or I were the more deserving of the world's contempt.

Mr. Lamborn insists that the difference between the Van Buren Party and the Whigs is that, although the former sometimes err in *practice*, they are always correct in *principle*, whereas the latter are wrong in *principle;* and the better to impress this proposition he uses a figurative expression in these words: "*The Democrats are vulnerable in the heel, but they are sound in the head and the heart.*" The first branch of the figure—that is, that the Democrats are vulnerable in the heel—I admit is not merely figuratively but literally true. Who that looks but for a moment at their Swartwouts, their Prices, their Herringtons, and their hundreds of others scampering away with the public money to Texas, to Europe, and to every spot of the earth where a villain may hope to find refuge from justice, can at all doubt that they are most distressingly affected in their *heels* with a species of "*running itch.*" It seems that this malady of their heels operates on these *sound-headed* and *honest-hearted* creatures very much like the cork leg in the comic song did on its owner, which, when he had once got started on it, the more he tried to stop it the more it would run away. At the hazard of wearing this point threadbare I will relate an anecdote which seems too strikingly in point to be omitted. A witty Irish soldier who was always boasting of his bravery when no danger was near, but who invariably retreated without orders at the first charge of an engagement, being asked by his captain why he did so, replied: "Captain, I have as brave a *heart* as Julius Cæsar ever had, but somehow or other, whenever danger approaches, my *cowardly* legs will run away with it." So with Mr. Lamborn's party. They take the public money *into* their hand for the most laudable purpose that *wise heads* and *honest hearts* can dictate, but before they can possibly get it *out* again their rascally "*vulnerable heels*" will run away with them.

Seriously, this proposition of Mr. Lamborn is nothing more or less than a request that his party may be tried by their *professions* instead of their *practices*. Perhaps no position that the party assumes is more liable to or more deserving of exposure than this very modest request, and nothing but the unwarrantable length to which I have already extended these remarks forbids me now attempting to expose it. For the reason given I pass it by.

I shall advert to but one more point.

Mr. Lamborn refers to the late elections in the States and from their results confidently predicts that every State in the Union will vote for Mr. Van Buren at the next presidential election. Address *that* argument to *cowards* and to *knaves;* with the *free* and the *brave* it will effect nothing. It *may* be true; if it *must*, let it. Many free countries have lost their liberty, and *ours may* lose hers; but if she shall, be it my proudest plume, not that I was the *last* to desert, but that I *never* deserted her. I know that the great volcano at Washington, aroused and directed by the evil spirit that reigns there, is belching forth the lava of political corruption in a current broad and deep, which is sweeping with frightful velocity over the whole length and breadth of the land, bidding fair to leave unscathed no green spot or living thing, while on its bosom are riding like demons on the waves of hell the imps of that evil spirit and fiendishly taunting all those who dare resist its destroying course with the hopelessness of their effort; and knowing this, I can not deny that all may be swept away. Broken by it, I, too, may be; bow to it I never will. The *probability* that we may fall in the struggle *ought not* to deter us from the support of a cause we believe to be just; it *shall not* deter me. If ever I feel the soul within me elevate and expand to those dimensions not wholly unworthy of its Almighty Architect it is when I contemplate the cause of my country, deserted by all the world beside, and I standing up boldly and alone and hurling defiance at her victorious oppressors. Here, without contemplating consequences, before high Heaven and in the face of the world, I swear eternal fidelity to the just cause, as I deem it, of the land of my life, my liberty, and my love. And who that thinks with me will not fearlessly adopt the oath that I take. Let none falter who thinks he is right and we may succeed. But if, after all, we shall fail, be it so. We still shall have the proud consolation of saying to our consciences and to the departed shade of our country's freedom that the cause approved of our judgment and adored of our hearts, in disaster, in chains, in torture, in death, we NEVER faltered in defending.

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A pamphlet copy of this speech, printed soon after its delivery, in December, 1839, and from which this *reprint* was made, was preserved by me from my boyhood.

THOS. J. HENDERSON.

WASHINGTON, D. C., *March 5, 1907.*

Finance Forty Years Ago and Now.

EXTENSION OF REMARKS

OF

HON. ISAAC R. SHERWOOD,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report on the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. SHERWOOD. Mr. Speaker, on February 7, 1874, almost 40 years ago, when I was on earth the first time representing the same congressional district I am trying to represent now, I made a speech on this historic floor on finance and currency. This was immediately following the disastrous money panic of 1873, caused by a contraction of the currency. I avail myself of the special rule of the House to reprint the vital portions of that 1874 speech. At that time the national banks were limited to the aggregate issue of $344,000,000, as I remember. The Republican Party as an organization and all the leading journals east of the Allegheny Mountains held that no more paper money should be issued. It was held that no matter how great the demand for currency might be, sound finance demanded that there should be no additional paper money supply, unless the Government and the banks held sufficient "coin of the realm"—gold and silver—to redeem every paper dollar, either at the United States Treasury or over the counters of the banks.

In 1874 the so-called sound-money devotees opposed free banking. They held that no more national banks should be organized, and that the national banks already organized should not be allowed to issue any additional currency.

All those who opposed this so-called sound-money scheme were denounced as "rag-money lunatics," and they were very

generally driven out of public life. And now, after 40 years of experience in fiscal economics, with two disastrous money panics fresh in memory—1893 and 1907—we have just enacted a banking and currency law that provides for more inflation of paper currency than even the wildest "rag-money lunatics" of 1874 ever advocated, either in or out of Congress. I rejoice to know that I have lived through to the end of these 40 years to find myself now a "sound-money man," measured by my adolescent utterances on this floor in 1874.

And I had the pleasure and satisfaction 40 years after my speech in Congress as a "rag-money lunatic" to vote for a wholesome currency bill providing for more real rag-money inflation than I ever dreamed possible in the troubled days of 40 years ago; and I heard 298 yeas and only 60 nays uttered on the floor of Congress for this continental relief measure by the advanced students of fiscal economics of to-day, and no one said "rag-money lunatic" once.

Forty years ago the "sound-money" devotees, then in absolute control of Congress, held that the volume of paper money circulated must be limited to the amount of gold and silver that could be dug out of the earth. Now we have reached a period of sanity and sense, when we recognize that money is only a convenient agent for the exchange of all other values, and that the volume of paper money in circulation should be limited to the business and commercial needs of a rapidly growing country.

After wandering 40 years in the wilderness I am now in the "Promised Land" as a sound-money fiscal economist without changing my views on this distractful question.

I take a fair degree of satisfaction in reproducing from the CONGRESSIONAL RECORD the speech of February 7, 1874:

The House had under consideration the bill (H. R. 1572) entitled "An act to amend the several acts providing a national currency and to establish free banking, and for other purposes."

Mr. SHERWOOD. Mr. Speaker, my constituents need more banking facilities and more money, and my convictions are they ought to have both.

First, let me say I regard the obligation of the Government to redeem the greenback as binding, and I will vote for no measure to either depreciate the value of the greenback or impair the Government credit.

Congress in 1869, after the hue and cry of the western Democrats for repudiation had somewhat subsided, passed an act to strengthen the public credit. This act binds the Government to redeem the greenbacks at the earliest moment practicable.

At present specie redemption is not practicable. It is not even possible. The people who own the greenbacks and who are the sole judges of the question of practicability do not demand it now. The greenback is more popular than ever before, and it holds its value unimpaired amid all the clamors of all its detractors.

Upon all questions affecting the value of money legislation should be conservative. All legislation which disturbs existing values is immoral.

I represent a people whose wealth is to be realized not by loaning acquired capital but by developing our resources, a large agricultural constituency that has not yet reached its maximum development, and a commercial city—Toledo—of wonderful activity. We have all the elements of wealth. We want low taxes and cheap credits.

The Government can carry our obligations for 5 and 6 per cent. We can not assume our shares of these obligations less than 10 and 12 per cent. Our policy, therefore, is to let the Government carry our obligations until we become stronger and give us the benefit of this 4 and 5 per cent profit. We have tried to pay our debts too rapidly. The people of all sections need rest.

THE INJUSTICE OF CONTRACTION ILLUSTRATED.

Let me illustrate the injustice of contraction. In May, 1869, I borrow of a money lender in Hartford, Conn., 1,000 greenback dollars, payable in five years, at 10 per cent interest. This so-called $1,000 was worth the day it was borrowed $689 in gold. Specie payments are resumed, and in May, 1874, when my note is due, the value of the dollars I borrowed have increased 45 per cent, and besides paying my 10 per cent interest in gold or its equivalent I am also compelled to pay this Connecticut money lender $311 in gold, for which I have received no value whatever. Do I pay this money justly or am I cheated by a trick in legislation? Or say that a greenback dollar is worth 90 cents in gold to-day and I borrow 1,000 of these dollars, receiving 900 gold dollars in value, payable in one year, at 10 per cent. In the meantime specie payments are resumed, and next April, when my note is due, I am compelled to pay $1,100 in gold value for the use of $900 one year. I am thus swindled out of $100 principal and $100 interest; that is, I have paid $200 for the use of $900 one year, or over 22 per cent.

These cases illustrate the injustice the contractionists would perpetrate upon the entire debtor class of the country. There is no system of business morals or political economy that can successfully defend such a policy. It will not answer now to argue in justification that the credit class was robbed by the legal-tender act when the law was passed. That was a law of necessity and only defended as a war measure. There is no code of ethics by which the borrower of a gold dollar discharges his moral obligations by paying in a greenback worth 50 cents. The credit class was robbed in 1862, 1863, 1864, and 1865 through the necessities of war, but what can be the pretense to rob the debtor class in 1874, 1875, and 1876?

Nearly every city, town, and corporation in Ohio have contracted debts and negotiated bonds upon a depreciated currency. To elevate the standard of value now is to largely increase these obligations.

Measured by its effects, elevating a depreciated currency is more immoral than depreciating it, because the loss in the first instance, falls upon those able to bear it, while in the latter case it strikes down the struggling classes, by paralyzing trade and manufacture causes suffering to the laboring poor. The rights of both classes, debtor and credit, are sacred, and Congress has no moral right to increase the obligations of one or impair the obligations of the other.

FREE BANKING INDORSED.

A national free-banking law, with proper guards and checks, can not depreciate the value of the greenbacks. The Government debt is not increased nor are additional obligations incurred by the issue of currency based upon Government bonds already sold.

Again, the money circulation of this country should be divorced as far as possible from the control of a political majority in Congress. The question of the value of a dollar should not be debated on the stump and decided anew with every ballot. The bill holder being secured and the value of a dollar fixed, the money supply should be regulated by the immutable laws of trade. Agriculture, commerce, and manufacture should each be the sole judges of its moneyed necessities.

OUR MONETARY SYSTEM DISCUSSED.

Much is read and said here by those who desire a contraction of the currency about our gross violation of the laws of political economy. Let us examine this matter with due deference.

The Government of the United States has undertaken the critical duty of supplying the moneyed necessities of the people. It has, by imposing excessive taxes upon State banks, driven them out of existence and to-day the money supply of this country is a monopoly.

For the past five years we have been increasing and extending the business of the country with marvelous rapidity; at the same time we have been withdrawing our money supply. This precipitated a panic with immense loss of property and general paralyzation of trade.

Now, what is the remedy? I believe it lies in supplying the element, the lack of which produced the panic. Others argue that a continuance of the cause which produced the panic will work its cure.

Here we join issue. Bleeding is not prescribed by physicians for debility in the patient caused by the loss of blood. The money circulation of a country is like the blood circulation of the individual. In order to promote a wholesome life and a healthful activity it must not only be sufficient in quality and quantity but it must permeate and penetrate the remotest extremities of being.

THE FUNCTIONS OF MONEY.

What is this vital element called money, and what are its functions? Money is but a generalized agent for the exchange of values. Its potential requisites are: First, absolute solvency; second, universal recognition of its value. Our present currency is solvent. It has the complete confidence of the entire business world; but it is not equitably diffused, nor is it sufficient in volume to perform all its functions.

INEQUALITIES OF OUR SYSTEM.

Look at our condition in the West. Ohio is not the worst sufferer, and yet the lack of currency there is most seriously felt. We have credit, capital, magnificent agricultural resources, immense mineral deposits of coal and iron, central location, with markets in every direction, yet we have not adequate banking facilities. Our State banks are taxed out of existence. The General Government declines to aid us, and we are in the grasp of a money monopoly.

During the progress of this debate all history has been ransacked by contractionists for evidence to fortify their positions. All the obscure pamphleteers of the last century whose works have drifted down through cheap auctions to the Congressional

Library have been dusted out and doctored and brought to the front. I have no objection to this resurrection of these dead voices, but in the light of the experience, knowledge, genius, and practical statesmanship of to-day why should we seek oracles of obscure tombstones?

We have learned something of transportation since Moses traveled for 40 years in the wilderness. We have learned something of electricity since Franklin touched the womb of the lightning, and I believe we have learned something of government and finance since George III and Adam Smith.

McCullough, in his able contribution to the Encyclopedia Britannica, in speaking of Adam Smith and other writers so often quoted here, says:

> The opinions and theories of the eminent professors who have written on political economy have impeded the progress of the science and created a popular distrust in its established conclusions.

POLITICAL ECONOMISTS REVIEWED.

If we admit that the eminent scholars and patrons of English nobility, who have fortified the English system with their speculations, thoroughly understood the subject of finance, we have but one duty to perform—bend all the energies of legislation to secure enough of the gold of King Solomon to say to every emaciated greenback, "Thy redeemer liveth."

But while recognizing the fact that political economy is a science we do not thereby admit that the celebrated Englishmen thoroughly understood it. Political economy is the science of the laws that regulate the production, distribution, and consumption of the products of industry, called "wealth." Political economy is not the science of speculation, but of fact and experiment. The political economy of the books assumes that no medium for the exchange of commodities or values is competent to produce wealth, but some substance which of itself has value. It is argued that the greenback is a mere promise to pay money; that it only represents debt.

A distinguished Senator defines a greenback to be—

> A mendicant which the Government quarters upon its creditors in times of peace simply by assuring them that when they meet a creditor they may in turn transfer the mendicant upon him.

John Stuart Mill says:

> Paper currency is not money, because it is not a legal tender and does not close transactions.

The same author, in the same chapter, says:

> Bills of exchange and checks circulate as money and perform all the functions of money.

These are remarkable distinctions without a difference.

The paper currency described by Mill is based upon the assumption that the holder of the note can obtain the gold by presenting it at the bank of issue; the bill of exchange assumes that the holder may obtain the gold by presenting it where payable. And yet, according to Mill, the one performs all the functions of money and the other does not.

Amasa Walker, in his Wealth of Nations, says:

> Our legal-tender money transfers debts, but can not pay them. The creditor may accept the promises of the Government in place of that of an individual, but he receives no value.

Mann, in his admirable work on Paper Money, says this statement is erroneous in not recognizing the vital fact that—

> Such notes are as much money in the United States as gold in other countries.

Money derives its force from common consent. If men or governments choose to coin credits instead of gold and this credit performs all the functions of money, it is as potent to discharge debt and to produce wealth as coined gold. The same remarkable Walker, just referred to, puts a perfect nightmare of statistics into column to prove that when money is plenty interest is high. Consequently scarce money means cheap interest. On this theory a short apple crop means cheap cider and the hog cholera is the forerunner of cheap hams. If the grangers can only be made to see it, the true solution of the cheap transportation problem is to make a bonfire of about half the freight cars on our railroads, thereby reducing the freight tariff 50 per cent.

Whether we denounce the greenback as a mendicant or renounce it as a dishonored promise, it was a potent element in war, and is to-day the great mainspring moving all the machinery of Government. As an element of civilization it has taught us that there are other elements than gold and silver by which the affairs of men and nations may be conducted. And it is bound to stay with us in defiance of all the economics of all the Englishmen. Our own country, in war and peace, for the past 10 years has been conducted in defiance of every principle of military strategy and political economy laid down by the books.

The Declaration of Independence was not written in accordance with English precedent; and when the young Republic was started, as a feeble contribution to a new system of political economy, there was no celebrated Englishman to give it a send-off or a godsend with a book. And to-day, with nearly a century of successful history behind us—a century born the year Adam Smith sent into the world his Wealth of Nations—how marvelous it is that not one Englishman has fortified the Republic with a book. And yet we have not seriously felt the loss.

PAPER MONEY OF REVOLUTIONARY GOVERNMENTS.

The French assignats, the Continental money of the Revolution, and Confederate scrip are cited as evidence that money issued upon credit must eventually collapse. The French assignats, issued upon the confiscated property of the church, were the offspring of the French Revolution. They depreciated when the Austrian and Prussian veterans prepared to cross the French frontier; and when England joined the alliance, of course they went down. The Continental money of the American Revolution was born of necessity and utterly failed, because it was fortified with no central government and represented no property. The Confederate money never promised to pay anything until six months after the treaty of peace, and the treaty of peace has not yet been signed.

The John Law schemes and the South Sea Island bubbles that are injected into this discussion to illustrate the ultimate collapse of our greenback currency are not even respectable scarecrows.

The greenback is fortified by all the powers of a strong central government, and its redemption is pledged by the united property and resources of 40,000,000 people with over thirty billions of realized wealth. The greenback has been the most potent element in the march of empire, and the voice that seeks to dishonor it is inspired by the sordid greed of those who would speculate upon the misfortunes of their countrymen.

The abuses to which paper money has been subjected in times past by revolutionary and unstable governments is brought forward now as an argument against the greenback. Because the issue of paper money is liable to abuse is not a wholesome objection to our system. The power of the people to make laws through Congress often leads to unwholesome legislation; yet this is no valid argument against a Republic.

MONEY PANICS CONSIDERED.

If there had never been a money panic before the advent of the "greenback," the present howl and scowl of the book economists would be better heeded.

Adam Smith, in his Wealth of Nations, in commending a system of banking based upon gold, says of the Bank of Amsterdam, which failed soon after the book was published:

> At Amsterdam no point of faith is better established than that for every guilder circulated as bank money there is a corresponding guilder of gold or silver to be found in the treasures of the bank.

When Adam Smith wrote this, the bank which he commended and whose system of political economy he indorsed had been in a bankrupt condition for 50 years. The deposits of the bank in 1775, four years before it failed, and at the time Adam Smith wrote, amounted to thirty-five millions, and its annual business was four thousand millions.

If Adam Smith were living in this age of newspaper audacity and had ever commended Jay Cooke's system of banks, whose failure has not entailed a tithe of the loss and suffering caused by the failure of the Bank of Amsterdam, he would now be quoted as a profound scoundrel rather than as a profound thinker or political economist. There were more bank failures in this country under the old system, based upon gold, than bank-note reporters could record, and the power to detect wildcat and counterfeit money was an important feature in a business man's education, and there was never a decade without a panic.

ENGLAND'S SYSTEM DISCUSSED.

The English system of finance is held up here by the contractionists as a model, and yet England had panics in 1784, in 1793, in 1810, in 1819, in 1825, in 1837, in 1847, in 1857, in 1862, and in 1866. Still it is no fair criterion to compare this Nation with England. England is a credit nation; we are a debtor Nation. The wealth of England is realized; ours is hidden in soil and mine and is to be developed. England has been full of gold for two centuries and is constantly augmenting her supply from Australia, South America, and the United States; we are constantly parting with our already meager supply to pay our debts.

Until recently England made iron for half the world, and for nearly a century she enjoyed almost a monopoly in manufacture. During all the period of her war with France, from 1797 to 1815, England preserved the mastery of the seas, and during all that time she supplied the Continent of Europe with her manufactured articles. We must not forget that about this time science and engineering were just coming to the front with the steam engine, the spinning jenny, and the power loom.

These inventions, so successfully applied, gave England a mastery over all the nations of the Continent that defied both fate and fortune. She had within her reach the raw cotton of America, the flax of Russia, the sugar and coffee of the West Indies, and the rich commerce of the exhaustless East. She had her American, her African, her Australian, her Asiatic empires, all contributing to her wealth, all pouring gold and treasures into her lap.

The notes of the Bank of France are slightly depreciated, notwithstanding the fact that less than $600,000,000 of these notes are in circulation and the other important fact that she has $800,000,000 of gold coin.

In this country there has never been a time when we had 20 per cent of gold and silver to circulation. The percentage of specie to circulation in 1859, two years after the disastrous panic of 1857, was less than 15 per cent, and the percentage of specie to circulation that year exceeded that of any year since 1842.

CONCLUSION.

Let us put aside as unworthy of consideration the threadbare assertion that a wholesome money supply will demoralize the people by engendering speculation. This argument is based upon the theory that the business men of this country can not be trusted with their own business.

Currency is credit. This credit Webster defined as the vital air of modern commerce. The West to-day, with untold wealth to be developed, stands pleading for this credit. With this credit confidence will be restored, trade will revive, industry will start again her busy fingers, and the car of progress roll onward as before. Without it the solemn proclamation must go forth that we have reached the highest limit of our development.

Currency.

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. SABATH. Mr. Speaker, about 10 weeks ago, when the conference report on the tariff bill was being considered, I stated on the floor of this House that I considered the tariff bill then before us one of the most equitable and just tariff measures ever enacted and one that would bring about untold benefits to the American people, and that within a short space of time it would greatly reduce the high cost of living and thereby relieve the masses from the oppression of the protected interests.

During the debate some of the gentlemen on the other side, having the interests of their party nearer their hearts than the interests of their constituents and the people of the country, and not being able to criticize the provisions of that bill in any way, endeavored in each and every way possible to create in the minds of the American people the impression that the enactment of that bill would be bound to bring about a panic. No doubt they had in mind the fact that all of the special interests that have grown rich and accumulated millions and millions at the expense of the American consumer would come to their aid to bring about such conditions, but try as they might they have not succeeded.

That day on the floor of this House I also predicted that within a very short space of time the Democratic Party now in power would give the country currency legislation, which has been demanded of the Republican Party for over 20 years. I am pleased to see my prediction fulfilled. The currency measure which within 24 hours will become the law of the land is one of the greatest pieces of constructive legislation ever enacted by an American Congress.

It is true that a few of the Wall Street bankers and their understudies in other cities have endeavored to poison the minds of the American people against this legislation, believing that with their methods they would be able to defeat the honest efforts of the greatest President that ever occupied the White House and the efforts of the Democratic Congress, but they have been unsuccessful.

Mr. Speaker, for months, in their endeavor to stifle and to prevent this legislation, which will eventually free the commerce of this country from the domination of the Money Trust, these bankers have not hesitated to use all the power and influence at their command, and nothing has been too low or too mean for them to stoop to in their efforts to accomplish their purpose.

I know from my own personal experience that for over four months every bank in the United States controlled by the New York combination has waged a crusade against the credit of this country, and were it not for the timely warning and aid given by the Secretary of the Treasury they might have succeeded, as they did in 1907, in throwing the country into a panic that would have meant ruin to thousands upon thousands of business men and manufacturers of this country and disaster and hardship and misery to millions of laboring people. Their scheme was to call in all their loans, refuse to make new ones, advise their depositors against any investments, against entering into any enterprise, and refuse credit; it mattered not how good was the security offered by those seeking loans, nor how good their standing and credit had been in the past. By these unholy and damnable methods they aimed to wield such influence upon the Democratic Party that it would be forced to bow to the will of the Money Trust and refuse to enact this much-needed legislation.

Mr. Speaker, I am proud that the efforts of these money pirates were futile and that the Democratic Party has remained true to its pledges and promises and has gone ahead with this legislation, notwithstanding the scheming on the part of the New York gang of Wall Street financiers, and has passed a measure which the independent and honest bankers and business men of the country realize and recognize will release them from the clutches of the Wall Street monsters.

Representing, as I do in part, the greatest city in the world—not, perhaps, the largest in population, but the greatest in every other respect—and one which has been instrumental in forcing our commerce into every nook and corner of this globe, and to which in a great measure is due the daily increase in our exports and the fact that they now exceed our imports by more than $600,000,000 every year, I am in a position to judge the effect which the passage of this bill will have on our business. The live, energetic, and enterprising business men of our city, who have made possible its wonderful growth and progress, believe, with only a few exceptions, that this currency bill is legislation in the right direction and that it is much-needed legislation, which will bring about to our Nation new and lasting prosperity and make it free and independent of the evil influences of the past. They have the utmost confidence in its wise provisions, and so have I, and they are of the opinion that the special interests and the Money Trust will not be able in the future to prevent the honest business men and honest manufacturers from securing money at all times for legitimate enterprises and at reasonable rates.

The men who have devoted years and years of their lives to the study of the currency problem are nearly unanimous in the opinion that under this wise and prudent law panics will be a thing of the past.

Some gentlemen opposed to this legislation, as they are to all that is proposed in the interest of the people, appear to have become unduly alarmed over the fact that the Government retains so much power, for they claim that it is dangerous to the country for the Government to have control of the regional banks. In answer to this contention I will say that I would rather trust the great mass of the American people than leave the power of the regulation and control of the money of this country in the hands of a few Wall Street financiers.

I have the utmost confidence not only in President Wilson but in any man who is placed in the presidential chair by the American people, and I have the utmost faith that he, or whoever may succeed him, will not appoint as members of this reserve board men who would disregard the rights of the American people or be guilty of any act which would tend to bring about business depression or a panic. I regret to say that this is not true of the men who to-day control the money market of this country, and these latter are the very men who are seeking to create in the minds of the American people distrust of this currency reform.

Mr. Speaker, I entertain, with others on our side, the fondest hope that within a very short space of time we will be able to prove to the country beyond any doubt that no mistake has been made and that the interests of the people have been safeguarded and protected and that this law will not only restore confidence, but bring about still greater prosperity than ever before in the history of our Nation.

In conclusion, let me advise our Republican friends that instead of trying to bring about distrust and unrest they should join with us in trying to bring about peace, happiness, and

prosperity for all time to come, not only for the few but for all the people of this great and glorious country of ours.

Believing that it will be of interest, I take the liberty of inserting below a prepared statement which, in a measure, shows the most important features and provisions of the bill:

The first steps to be taken to bring into operation the Nation's new financial system will be through an organization committee consisting of the Secretary of the Treasury, Secretary of Agriculture, and Comptroller of the Currency. Banks have 60 days within which to file their applications for membership in the new system and one year's time is allowed before the Government will compel the dissolution of any national bank that refuses to join.

LOANS ON FARM MORTGAGES.

The new law will make little direct change in the operation of the present national banks, except to allow them to loan a certain amount of their funds upon farm mortgages.

Its chief purpose is to add a new piece of machinery to the banking system that will "take up the slack" during the changing business conditions of each year; that will give the banks a place to convert quickly their assets into cash in time of need; and that will bring out a new Federal currency when it is needed and retire it when money becomes "cheap."

Banks are now required to keep a certain percentage of their deposits as "reserves," part in cash in their own vaults and part of which may be redeposited in the banks of New York, Chicago, St. Louis, and other designated cities.

In times of sudden financial demands, when banks have loaned up to the full limit of their resources, these reserves furnish little relief, because if they are paid out to meet demands the banks are left in a precarious condition.

The basic principle of the new law is to get these reserve funds out into circulation when necessary without lessening the safety of any bank, and to provide a place to which local banks may rush in a crisis and get cash for the "prime commercial paper" they hold in their vaults.

This is to be accomplished through a chain of regional reserve banks or "reservoirs of reserves," in which all banks shall deposit a stated part of the money they are required to hold as reserves.

Under the new system when a financial flurry comes the banks can take commercial paper, such as notes, drafts, and bills of exchange, to these "reservoirs" and secure the use of their own reserves, or, if necessary, even the reserve of other banks, by depositing this security.

CASH FOR EMERGENCIES.

The new regional banks will receive about one-half of the bank reserves of the country. They in turn will be permitted to loan back to the banks all but 35 per cent of these reserves, so that in case of emergency millions of cash can be brought out into circulation quickly.

Banks will have to pay for a loan from any local bank, and this charge is expected to prevent the too free use of the reserves held by the regional banks.

A new form of paper currency is also provided for, to come out in case of emergency, and which is expected to go back into the hands of the Government when times are normal. These "Treasury notes" will be printed by the Government and issued through each regional reserve bank, and will bear the guaranty both of the regional bank and the Government.

If the demand for currency in any section of the country exceeds the supply of circulating money, a regional bank can secure this new money from the Government and put it into circulation, but a gold reserve of 40 per cent and commercial paper equal to the full value of the note must be held as a reserve behind each note so issued. This provision is expected to be the influence that will drive the new money back into retirement when it is no longer needed.

The following analysis presents the details of the new law without adhering closely to the technical division or language of the measure:

At the head of the system will stand a Federal reserve board at Washington, appointed by the President, and to consist of the Secretary of the Treasury, the Comptroller of the Currency, and five other members. Two of these shall be expert bankers, but none shall have banking affiliations or own bank stock during their service. This board will exercise general control over the entire system.

REGIONAL RESERVE BANKS.

The temporary "organization committee" or the Federal reserve board will select from 8 to 12 cities where regional reserve banks shall be located, and will divide the entire country geographically with these cities as the centers of districts.

All national banks in a district will be required to subscribe for the stock of the regional reserve bank in that district and to keep a portion of their reserves there.

Local banks will be known as "member banks," because they will own the stock of the regional reserve bank of their district. Each member bank will be required to take capital stock of the regional reserve bank equal to 6 per cent of the member bank's capital and surplus.

The capital of the regional bank will increase or decrease so that it always represents 6 per cent of the combined capital and surplus of all the banks of the district that have joined the system.

National banks are compelled to join, and State banks are permitted to if they bring their reserve requirements up to the standard set for national banks and submit to national examinations.

Public ownership of the stock of the regional reserve banks is permitted only in case enough banks do not join in any district to provide a capital stock of $4,000,000. In such event the public may purchase the stock in quantities limited to $25,000 for each individual, but the voting of this stock will be placed in the hands of Government representatives on the board of directors of the regional reserve bank.

EARNINGS TO BE FROM LOANS.

The regional reserve banks may do business only with their member banks, not with the public, except that certain "open-market operations," such as the purchase and sale of gold, Government or municipal bonds, and certain forms of bills of exchange are permitted. These banks will make their earnings from the loans made to member banks and from the purchase and sale of bonds and foreign bills of exchange.

Member banks will be compelled to put up in cash only one-half of their subscription to the capital of the new banks; the rest can be called for if needed by the regional bank. Dividends of 6 per cent will be paid on this stock to the member banks, and the stock will be nontaxable.

After these dividends are paid one-half of the surplus net earnings goes to create a regional surplus fund, and when this has reached 40 per cent of the regional bank's paid-in capital these earnings are to go into the United States Treasury. The remainder of the net earnings is to be paid to the United States as a franchise tax.

With the machinery thus created for a new banking system that is supplementary to the commercial banks of the country the law provides for a gradual transfer of part of the bank reserves to these new "reservoir" banks. In order not to disturb business conditions, or to withdraw too suddenly the heavy deposits of country banks in the large cities, the law provides that three years may be consumed in shifting these balances, and that, if necessary, part of the reserves transferred to the regional banks may consist of commercial paper.

THE REQUIRED RESERVE.

The amount of reserve required from every bank under the new law and the place where it must be kept are as follows:

Country banks: Total reserve required, 12 per cent of demand deposits and 5 per cent of time deposits. Five-twelfths must be kept in the bank's vaults for two years and four-twelfths after that time. For the first year two-twelfths must be kept in the regional bank, increasing one-twelfth each six months thereafter until it reaches five-twelfths of the total reserve. For three years the unallotted part of the reserves may be kept in the banks of reserve cities; after that time it must be kept either in the country bank vaults or in the regional reserve bank.

Reserve city banks: Total reserve required, 15 per cent of demand and 5 per cent of time deposits. Six-fifteenths must be kept in the bank vaults for the first two years and five-fifteenths after that time. Three-fifteenths must be kept in the regional reserve bank for the first year, increasing one-fifteenth every six months thereafter until it reaches six-fifteenths. For three years the unallotted portion of the reserve may be kept in other banks, in its own vaults, or in the regional bank; after that time, in one of the latter two places.

Central reserve city banks (New York, Chicago, and St. Louis): Total reserve required, 18 per cent of demand and 5 per cent of time deposits. Six-eighteenths must be kept in the bank's own vaults, seven-eighteenths in the regional reserve banks, and the remaining five-eighteenths in either place the bank may choose.

These immense funds of reserves from "member banks," together with Government moneys, will make up the deposits of the regional reserve banks. Each of these banks will be ad-

ministered by a board of 9 directors, 6 of whom will be elected by the banks and 3 appointed by the Federal reserve board.

The regional reserve banks may rediscount; that is, buy at a discount from its member banks "prime commercial paper" when the member banks desire to convert these assets into money. The exact terms of this important provision as to the character of paper upon which the regional reserve banks may furnish cash are as follows:

Upon the indorsement of any of its member banks, with a waiver of demand notice and protest by such bank, any Federal (regional) reserve bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions—that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used or are to be used for such purposes, the Federal reserve board to have the right to determine or define the character of the paper thus eligible for discount within the meaning of this act.

Nothing in this act contained shall be construed to prohibit such notes, drafts, and bills of exchange secured by staple agricultural products or other goods, wares, or merchandise from being eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States.

RULES TO DISCOUNT PAPER.

Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than 90 days: *Provided*, That notes, drafts, and bills drawn or issued for agricultural purposes or based on live stock, and having a maturity not exceeding six months, may be discounted in an amount to be limited to a percentage of the capital of the Federal (regional) reserve bank, to be ascertained and fixed by the Federal reserve board.

The regional banks may also discount "acceptances based on the importation or exportation of goods."

The new Treasury notes, which are to furnish the "elastic" element in the currency system, and to add to the country's circulating money in time of need, will come into use in the following way:

The notes will be printed by the Government, with a distinctive style for each regional reserve bank. One of the three directors named by the Federal reserve board for each regional reserve bank will be known as the "Federal reserve agent" for that bank, and a supply of the notes will be placed in his custody.

Should a regional bank desire to pay out more money than its cash resources will permit, the law provides that it may put some of its rediscounted commercial paper into the hands of the Federal reserve agent and receive in return the new Treasury notes.

PROTECTION BEHIND MONEY.

For each note that it puts out into circulation the regional reserve bank must set aside in gold 40 per cent of the value of the note as a guaranty for its redemption. This gold, with the commercial paper held by the Federal reserve agent, is the protection behind the new money; but these notes will also be guaranteed by the Government, and may be redeemed in gold at the United States Treasury.

Each regional bank, under the act, must keep a reserve of 35 per cent of the deposits it has received besides the 40 per cent gold reserve behind the Treasury notes it issues. If the gold reserve behind the notes falls below 40 per cent, a heavy tax is imposed on the bank, which in turn adds the tax to the rate it charges member banks for rediscounts.

This was designed to stop an overexpansion of currency. In times of sudden stress the Federal reserve board can suspend these reserve provisions in order to furnish quick relief to any community.

One regional bank can not again pay out the notes of another, except under a heavy tax. These notes are expected to return to the regional banks and be withdrawn from circulation when the need for their use passes.

None of the existing forms of currency, except the national bank notes, will be disturbed by the new law. The United States bonds, now used to secure the issue of national-bank notes, are to be taken up at the rate of $25,000,000 a year by the regional reserve banks, and new Treasury notes or short-term 3 per cent bonds will take their place. National-bank currency is expected gradually to retire.

CONTROL OVER THE SYSTEM.

The Federal reserve board will exercise final control over the entire operation of the system. It can compel one regional bank to loan another in time of need; can suspend all restrictions surrounding the reserves which regional banks must hold, and can remove directors of regional reserve banks whenever it is believed necessary.

While the banks retain control of the boards of the regional reserve banks, their connection with the Federal reserve board is only through an advisory council, made up of one representative from each Federal reserve district.

This council will meet in Washington, to confer with the Federal reserve board "on general business conditions" and to make recommendations and suggestions concerning discount rates, note issues, and reserve conditions.

An important change in national banking methods embraced in the new law will permit all national banks, except those in New York, Chicago, and St. Louis, to make direct loans on five-year farm mortgages, or up to one-third of their time deposits.

Another provision in the law permits national banks having a capital of $1,000,000 or more to open foreign branches. Similar authority is given to the regional reserve banks, the purpose being to facilitate the development of American trade abroad.

The Currency Bill.

EXTENSION OF REMARKS

OF

HON. JEFFERSON M. LEVY,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. LEVY. Mr. Speaker, in publicly announcing my purpose on September 12 of this year to vote for the currency bill as it passed the House I closed my remarks with these words:

I trust my colleagues will give due consideration to the suggestions I have made, for my earnest purpose is to see the bill, when enacted into law, receive so hearty indorsement from the whole country as to advance the material prosperity of all interests, redound to the fame and glory of its authors, and mark an epoch in the successful administration of the triumphant Democratic Party.

That day has arrived, and it affords me unbounded pleasure to cast my vote for the measure as it has come from the conference committee.

Undoubtedly some improvements were made in the Senate amendments to our bill, but, on the other hand, there were other amendments made which, except for the tact, the perseverance, and the firm decisiveness of the chairman of our House committee, supported as he was by our illustrious President and efficient Secretary of the Treasury, would have defeated the benefits we sought to give to the country through a true currency-reform measure based on sound economic principles, a measure to encourage, protect, and advance all business interests and add to the general prosperity.

I hail the chairman of the House Banking and Currency Committee as a leader. Under his leadership we have given to the country a measure which will redound to his everlasting fame and add to the unquenchable glory of the Democratic Party. In the words of the distinguished senior Senator from my own State, though he condemned this measure, I will say that we do "confidently expect" the benefits of this bill to be "available to send the lifeblood into the enterprise of every quarter of our vast country, available to enable all the young and hopeful and energetic Americans, East and West and North and South, to embark in business ventures which will lift them up from the hard conditions of daily toil." This is true democracy, and we glory in it. If it comes from "easy money," then God be praised that "easy money" can be made by our action.

And why does this distinguished and learned Senator condemn our measure? He calls the issuance of Federal reserve notes "fiat money" and rightfully pictures in glowing eloquence the unbounded evils which the teachings of history prove to us always result from the immoderate use of "fiat money."

No one can condemn in more unmeasured terms than I do the issuance and use of "fiat money," and I fully indorse the opinion of the distinguished Senator as to the dire results which may follow from such issuance. But if he had read the Federal reserve act carefully and then consulted the standard works on economics and banking, or even looked into his Century Dictionary, he could never have fallen into such an egregious error as to put Federal reserve notes and "fiat money" in the same class, and he might have thus saved himself from the agony of soul he must have endured and the depths of despair into which he entered when he contemplated the suffering and

decay and the dire disasters to which his country is doomed under the operations of this bill.

The Century Dictionary defines the word "fiat" as "a command that something be done as if from divine or creative power," giving as indisputable authority for its definition no less than the third verse of the first chapter of Genesis, in the Vulgate, "Dixitque Deus fiat lux." It defines "fiat money" as "paper currency issued by a government as money, but not based on coin or bullion."

Do reserve notes issued by the Federal reserve banks come under this definition? Is there any command or mandate connected with their issuance? Are they issued for governmental purposes? Is it not provided that 40 per cent gold reserve shall be held inviolate for their redemption? Can you imagine anything further removed from "fiat money," in the way of things used as money, than are these Federal reserve notes? Indeed, a close analysis of the provisions of the bill shows that though these notes are nominally called a governmental issue, they have none of the attributes of a Government currency, and are in reality a true bank currency, with the Government as ultimate guarantor.

I confess I do not approve of this Government guaranty. Though the notes are so well secured under this law that there is no possibility of any loss, the objection is that it encourages in the minds of men the fallacious idea that the Government can create money or value by legislation, an idea which, carried to its ultimate conclusions, would be destructive of all values, if not of the Government itself.

The Government can not issue these notes for its own purposes; they have no existence as a "credit instrument" until paid out by the banks; the banks are required to provide the gold for their redemption and to redeem them when presented out of their own assets. The governmental function with reference to their issuance is to regulate the quantity measured by commercial demand, and to require the segregation of the evidences of such demand, in the form of commercial paper, to be pledged and held as collateral security.

I am the more enthusiastic over this bill in the final form in which it is to be enacted into law, because while it does not adopt in entirety the forms of the remedial legislation I suggested in the bill I introduced, H. R. 1937, at the beginning of the extra session, and reintroduced at the regular session, H. R. 27139, it follows the principles of that bill—principles I announced as those which must be followed in any sound legislation.

I stated the problem which was to be solved, in these words: "To legislate whereby the debts of the banks may be safely substituted by the people for coin, in their daily interchange of property and service, with a reasonable profit to the banks."

To solve this problem I stated the three essential requisites to be as follows:

First. To restore the bank function of note issue.

Second. To remove from our statutes the evidences of fruitless efforts to create values by legislation.

Third. To provide some reserve source of credit.

The Federal reserve act does all these things, and hence has my hearty approval.

First. It restores the bank function of note issue, in that it provides that such issue may be made in response to a commercial demand, and limits such issuance to such demand, throwing around the circulating note such safeguards in the way of gold reserve, and the form of collateral security required prior to issuance, as to prevent any dangerous expansion, and by its requirements for redemption secures contraction, the other element of elasticity.

Second. It removes from our statutes, after a short lapse of time—in order to allow gradual adjustment—the iniquitous practice of allowing banks to convert their own debts and the debts of other banks into reserve money through the fiction of counting balances "due from reserve agent" as such reserve money.

Third. It furnishes a reserve source of credit through the Federal reserve banks, thereby constituting in each of the several districts a bank performing the same functions for its member banks that the ordinary bank performs for its customers—that is, furnishing a debt which the member banks may safely substitute for coin, either in the form of a credit on its books, which the banks may transfer in settlement of balances or a circulating note which the member bank may obtain when wanted by its customers, this substitution not being limited by capital stock nor by United States bonds required as security, but limited only by legitimate trade demands and the requirements of business.

Thus we can have no more financial panics, no dearth of currency for performing the ordinary exchanges of commodities and service and, above all, no suspension of solvent member banks.

These three essentials are thus provided, and provided in a manner giving evidence of constructive ability of a high order, for which the Banking and Currency Committees of both Houses are to be strongly commended.

In some minor provisions which I had the honor to suggest the bill is in full accord with my views, though I do not claim these provisions were made as the result of my suggestions.

Among these may be mentioned—

First. The extension of the life of the act of May 30, 1908, and providing for the reduction of the tax on the circulating notes which may be issued thereunder.

Second. Providing for the deposit of excessive Government revenues in banks, as the usual and ordinary course of business, so that the volume of the currency in circulation shall not be affected by the fiscal operations of the Government.

Third. Provision for foreign branches of banks so as to facilitate and encourage foreign commerce.

Fourth. Allowing country banks to loan to a limited extent on the security of real estate, not because it is an attribute of commercial banking, but because the great majority of country banks demanded this privilege that they might compete on fairly equal terms with State organizations.

Fifth. Requiring the public transfer of funds without charge, and requiring the banks to discontinue exchange charges for checks deposited when drawn on other banks.

This latter provision is one of the greatest benefits the Federal reserve act will confer upon the people. It gives to the deposits in the banks the same freedom of circulation at par through the medium of checks as now possessed by the circulating notes of the banks, thus giving us a parity of exchange on that portion of the circulating medium which now performs 95 per cent of the daily transfers among the people of commodities and service.

Except for the clear-cut, analytical mind of the chairman of our Banking and Currency Committee, and his persistent determination to stand for the general good, irrespective of the specious arguments of interested opponents, the country would have lost the benefit of this most valuable provision.

There was one suggestion I made which has not been incorporated with this measure, and that is the limitation of the liabilities of each bank in some proportion to its capital stock and surplus. That this is sound in principle there can be no doubt, as it fixes a point beyond which extension of credit facilities or expansion may not go. The time will come when it will be added as an amendment to the Federal reserve act, and in the meantime there are so many good things in that act, and it is such a vast improvement on the present banking system, that I cordially and heartily lend it the support of my vote and predict, as I said heretofore, that it marks the beginning of an era of great prosperity, industrial growth, and independent development of the several Federal districts, making for the whole of our beloved country a preeminence in commerce, trade, and agriculture far beyond the most sanguine expectation of its authors.

In conclusion I wish to say what I have before said in substance, that I deplore the tendency shown by some Members on this floor to decry and condemn the financial supremacy of New York City. Some of my colleagues seem to have the idea that if they can curb the influences of New York City they benefit the country, but with some confusion of thought they do not differentiate between the speculative excesses of a class known as "operators" on the New York Stock Exchange and the members of that association who as a class are men of the highest standard for probity and honor. "Wall Street" is not New York City, nor are the gamblers in stock-exchange securities necessarily members of the stock exchange nor residents of New York City. The stock exchange is what its name implies—a place or mart where stocks and other securities are exchanged or transferred; that is, a place where they are bought and sold. This operation fixes the price according to the law of supply and demand. Here sellers and buyers of the whole world meet in open market to fix the price of the securities there dealt in, and the members are merely the agents or brokers to execute the orders.

Without this fixing of price, how could values be determined? How would the capital of the country be utilized to build our steam railroads or our steamships or our trolley lines, or how could any of the great enterprises of industrial development which require large combinations of capital be financed?

Though the stock exchange performs most important functions, it is but a small part of New York. There are hundreds and thousands of men in the city who never go near the stock exchange, who are as ignorant of its operations as some Mem-

bers on this floor, being engaged in commercial and industrial pursuits and in manufacturing enterprises in which that great city excels.

There must be some commercial and financial center in every country, and the preeminence and development of such center should be the glory and pride of every citizen.

You may rest assured that New York will take the lead in the organization, operation, and influence of the Federal reserve banks. I predict that every national bank in the city and many others will become members of the Federal reserve system, and that the conservatism which has always characterized the management of the leading banks will set an example to the rest of the country by not reducing the required legal reserve to the minimum allowed by the law, but that the New York Clearing House will fix a higher standard for its members.

I tell you that New York is so far ahead in the race for supremacy that she will always maintain it, and it should be a part of our duty and our pride to assist in her development and grandeur, feeling that in doing so we are adding to the general prosperity of our great country and assisting her in her ambition to have under the Stars and Stripes the grandest, proudest, richest, and predominant city of the civilized world.

"Fiat justitia ruat coelum."

The New Banking and Currency Law.

EXTENSION OF REMARKS

OF

HON. HORACE M. TOWNER,

OF IOWA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. TOWNER. Mr. Speaker, the importance of the passage of the new banking and currency act makes it pertinent to outline briefly the events leading up to its enactment, to summarize its leading features, and to make some comment on its characteristics and the conditions on which its success will depend.

EARLY HISTORY.

The Colonies went into the Revolutionary War, many of them with paper money already in circulation, all of them making issues for the expenses of military preparations. When the Continental Congress assembled it began to issue paper. Nine millions were issued before depreciation began. From that time the descent was rapid. As Washington said, "it took a wagonload of money to buy a wagonload of provisions." In 1780 Indian corn sold in Boston for $150 a bushel; tea, $90 a pound; coffee, $12; sugar, $10; and a barrel of flour cost $1,575. The money soon ceased to circulate, debts could not be collected, and business was carried on chiefly by barter. To say a thing was not "worth a continental" became the strongest possible expression of contempt.

The Pennsylvania Bank, which was organized in Philadelphia during the Revolutionary War, was founded for the purpose of facilitating the operations of the Government in transporting supplies for the Army. It began its useful work in 1780, and continued in existence until after the close of the war.

But the need was felt of a national bank which should not only aid the Government but should also extend facilities to individuals, and thereby benefit the community as well as the State. Through the influence and exertion of Robert Morris, then superintendent of finance for the United States, the Bank of North America, at Philadelphia, was organized. It was incorporated by Congress in 1781 and by the State of Pennsylvania a few months later. Its success was immediate and complete. It not only rendered valuable and timely aid to the United States Government and to the State of Pennsylvania but it greatly assisted in restoring confidence and credit to the commercial community, and afforded facilities to private enterprise that were especially welcome.

THE FIRST BANK OF THE UNITED STATES.

On the organization of the Government under the Constitution in 1789 the lead in constructive statesmanship was taken at once by Alexander Hamilton. His plan "included a financial institution to develop the national resources, strengthen the public credit, aid the Treasury Department in its administration, and provide a secure and sound circulating medium for the people." On December 13, 1790, he sent to Congress a report on the subject of a national bank. Washington's Cabinet was divided on the proposition. Jefferson opposed it as unconstitutional. Washington, however, favored it, and through his influence the plan was adopted. February 25, 1791, the Bank of the United States was incorporated by Congress. The capital stock was placed at $10,000,000, the Government subscribing for $2,000,000. The chief bank was placed in Philadelphia, with eight branches in other cities. The bank was well managed and paid dividends to its stockholders of 8½ per cent. It received and kept the Government deposits, collected the revenue, and made payments. Its charter expired in 1811. A renewal was refused principally because foreigners had secured and held a large part of its stock.

Financial disturbance began at once following the dissolution of the bank. State banks were organized in excessive number, and issues of paper were pushed to the extreme of possible circulation. The war with England came and with it general demoralization. The Government itself could not collect its deposits. All the banks south and west of New England suspended specie payment. Mr. Dallas introduced a bill in January, 1815, to establish a second national bank. The bill passed Congress, but was vetoed by President Madison. Conditions grew worse, however, and Mr. Dallas again, in December, introduced a bill, which passed and was approved by the President.

THE SECOND BANK OF THE UNITED STATES.

March 3, 1816, the Second Bank of the United States was chartered by Congress. The capital was $35,000,000, of which the Government held $7,000,000.

When the bank opened for business in January, 1817, the country was on the brink of a great monetary crisis. No influence the bank could bring could stay the crash which followed. For two years specie payments were suspended and conditions were deplorable. The management of the bank during its first years was unwise, and aggravated rather than helped the situation. After a time wiser counsels prevailed, specie payment was resumed, and a period of financial solvency and general prosperity followed. This continued until 1829, when President Jackson, in his annual message to Congress, again raised the question as to the constitutionality of the bank. From that time the bank was in politics. A life and death struggle between Jackson and the bank ensued: It was almost the sole issue in the campaign of 1832, which ended in the triumphant reelection of Jackson and the complete defeat of the bank. The charter expired in 1836 and was not renewed.

1837–1863.

For 26 years the United States was without any national system of banking and currency. Anticipating the death of the Second Bank of the United States, State banks of issue had sprung up all over the country. An era of wild speculation followed, which soon reached a climax. The banks suspended specie payment and a disastrous panic ensued. The legislatures of the States were called in extraordinary session to devise methods of relieving the situation. Some of the States adopted wise banking laws, but many directly or indirectly fostered "wild-cat" currency and unrestrained banking. For the most part banks were unsound and the currency unsafe. It is a wonder the country managed to do business at all under the conditions that existed. In 1837, 1857, and 1861 all the State banks suspended specie payment. A bank bill good one day was worthless the next. The failure and repudiation of banks was so common as not to occasion remark.

1863–1914.

For 51 years the country has been operating under the present national banking system. It was inaugurated in 1863, under pressure of the Civil War. It was adopted on the recommendation of Salmon P. Chase, then Secretary of the Treasury, and the bill was formulated by Senator John Sherman, of Ohio. The primary objects were to furnish a stable and guaranteed currency, to provide a market for Government bonds which were to be the basis of the currency issued, and to provide an independent system of banking subject to Government control and supervision.

The system thus inaugurated not only served the country well during the period of the war, but it has grown and developed with the progress of the country until it has become the largest and in many respects the best unified system of banking in the world.

There are now about 7,500 national banks in the country. They have a combined capital and surplus of over $1,700,000,000. Their deposits are over $6,000,000,000. They are located in almost every city and town in the United States. They have over $700,000,000 in currency now in circulation, every dollar of which is redeemable in gold at any bank counter in the world.

DEFECTS OF THE PRESENT NATIONAL BANKING SYSTEM.

But while the existing system was admirably adapted in many respects, it had some grave defects which seemed impossible to remedy by mere amendments. A demand arose for an entire revision or reorganization of our banking and currency system. The subject became of great interest. It was the theme of numerous writers in the economic, banking, and financial journals as well as in the newspapers and general periodicals. It was discussed by bankers' associations and commercial bodies all over the country. Resolutions were passed denouncing the existing system as outworn and absurd, as a constant menace to the business interests of the country, and as the direct cause of panics. In these articles, addresses, and resolutions conditions were exaggerated, but enough remained of fact to form a basis for the assault. As a result a public opinion was created for currency and banking reform.

This opinion was greatly strengthened by the panic of 1907. It came under such conditions as to lead to the conclusion that our defective banking and currency system was directly responsible. It came at a time of peace and plenty. There were no dangers threatening, either external or internal. At no previous time had business of all kinds been more active and prosperous. The railroads were unable to handle the great crops; factories were running at their full capacity; workingmen were all employed at good wages. It came like a bolt out of a clear sky and greatly increased apprehension.

Following this came an imperative demand for legislation that should prevent a recurrence of such panics and protect the business interests of the country from such calamities.

LEGISLATION OF 1908.

In 1908 two acts of legislation were passed to remedy existing conditions—the Aldrich-Vreeland emergency law and the establishment of the Monetary Commission.

The object of the emergency law was to relieve any exceptional stringency in the money market and thus lessen the danger of a panic. Under its provisions banks may issue additional notes by the deposit of approved State, county, or municipal bonds up to 90 per cent of their value. Currency associations could be formed consisting of not less than 10 banks which could take out additional circulation based upon securities of a general character, including commercial paper. The total issue is limited to $500,000,000. To prevent a permanent inflation of the currency the notes thus issued were subject to a tax of 5 per cent for the first month and 1 per cent increase for each additional month outstanding until a maximum of 10 per cent is reached. This law still remains unrepealed, but is modified by the law just passed. No currency has ever been issued under its provisions, principally because no emergency has arisen and because the tax was too high.

The National Monetary Commission was created to investigate conditions and report to Congress "what changes are necessary or desirable in the monetary system of the United States or in the laws relating to banking and currency." The commission was composed of nine Members of the Senate and nine Members of the House. They made a very elaborate investigation, extending over a period of three and a half years. Their final report was filed January, 1912. The report was signed by 16 Senators and Representatives—10 Republicans and 6 Democrats—or by every member then remaining on the commission. The report proposed a plan for a banking and currency system, a text of a bill to put it into effect, and an analysis and argument in its support. It received the approval of nearly all of the bankers in the country, and most of the economists and specialists in finance and political economy approved it. In a general way the plan was approved by the business interests of the country. There were parts of it criticized, and sometimes the advisability of such a complete change in the existing system was questioned, but on the whole it was generally indorsed.

The new law, approved December 23, 1913, is in principle much the same as the plan proposed by the Monetary Commission. In fact, it is largely a rewriting of the law proposed by the commission. Large parts of the identical language are transferred to the new law. There are many changes, but the new law is built on the commission plan, and never could have been formulated as it is but for the work that had preceded.

THE NEW FEDERAL RESERVE ACT.

The principal provisions of the new law may be summarized as follows:

FEDERAL RESERVE DISTRICTS.

The bill provides that the Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency shall constitute an organization committee. This committee shall select not less than 8 nor more than 12 cities to be known as Federal reserve cities. The tributary districts shall be apportioned with due regard to the convenience and customary course of business and need not follow State lines.

Every national bank in the country is required and every eligible bank is authorized to signify in writing within 60 days from December 23, 1913, its purpose to organize and operate under the new law.

When the Federal reserve banks are designated, each bank desiring to enter the new system must subscribe to the capital stock of such Federal reserve bank 6 per cent of its paid-up capital stock and surplus, one-sixth to be paid on call, one-sixth within three months, one-third within six months, and the remainder on call, payments to be in gold or gold certificates.

The member banks are responsible for all debts, contracts, and engagements of the Federal reserve banks to the amount of their subscriptions in addition to the amount subscribed.

Any national bank failing to signify its acceptance within 60 days shall cease to act as a reserve agent upon 30 days' notice.

Any national bank failing to become a member bank within one year shall forfeit its charter rights.

Should the amount subscribed to the capital stock of any Federal reserve bank be insufficient, then the organization committee may offer to public subscription enough of stock to make up the deficiency. No individual, copartnership, or corporation shall be permitted to purchase or hold more than $25,000 of such stock, other than a member bank.

Should the amount of capital stock still prove insufficient, the United States shall take enough to make up the deficiency.

Stock not held by member banks shall not be entitled to voting power.

No Federal reserve bank shall commence business with a subscribed capital of less than $4,000,000.

FEDERAL RESERVE BANKS.

When the minimum amount of capital stock of any Federal reserve bank shall have been subscribed and the organization completed, the said Federal reserve bank shall become a body corporate and shall have power—

1. To adopt and use a corporate seal.
2. To have succession for a period of 20 years.
3. To make contracts.
4. To sue and be sued, complain and defend, in any court of law or equity.
5. To appoint by its board of directors its officers and define their duties.
6. To make by-laws regulating its business.
7. To exercise the powers granted in the act.
8. To deposit bonds of the United States and receive circulating notes therefor equal to their par value under the conditions now prescribed with relation to notes issued by national banks.

Every Federal reserve bank shall conduct its affairs by a board of directors, which shall consist of nine members. Three shall be chosen by the member banks. Three shall be chosen by the member banks and shall be persons actively engaged in their district in commerce, agriculture, or other industrial pursuit. Three shall be chosen by the Federal reserve board. One of these shall be designated as chairman of said board. No Senator or Representative in Congress shall be a member of the Federal reserve board or an officer or director of a Federal reserve bank.

DIVISION OF EARNINGS.

Stockholders shall receive, if earned, an annual dividend of 6 per cent. Net earnings above that amount shall be paid to the United States, except that one-half of the net earnings shall be paid into a surplus fund until it shall amount to 40 per cent of the capital stock.

Federal reserve banks shall be exempt from all taxation, except taxes upon real estate.

Any bank organized under Federal or State law having capital sufficient to become a national bank under existing law may be converted into a national banking association under the provisions of this law.

STATE BANKS AS MEMBERS.

Any State bank may apply to subscribe for stock in a Federal reserve bank. Under regulations prescribed by the Federal

reserve board they may be admitted upon compliance with the terms of this act.

FEDERAL RESERVE BOARD.

A Federal reserve board is created to consist of seven members, including the Secretary of the Treasury and the Comptroller of the Currency; five to be appointed by the President and confirmed by the Senate. These five members shall devote their entire time to the business of the board and shall receive a salary of $12,000 and traveling expenses. Two of the five shall be experienced in banking or finance. The term is 10 years. The board shall have power to levy an assessment on the Federal reserve banks to pay expenses and the salaries of its members and employees; to examine Federal reserve and member banks and require from them statements and reports; to require one Federal reserve bank to rediscount the discounted paper of other Federal reserve banks on the vote of five members; to suspend the reserve requirement and provide a tax upon a deficiency; to supervise and regulate the issue and retirement of Federal reserve notes; to suspend or remove any officer or director of any Federal reserve bank; to require the writing off of doubtful or worthless assets of Federal reserve banks; to suspend for violation of its duties any Federal reserve bank, take possession thereof, and if necesary administer, reorganize, or liquidate such bank; to make regulations to safeguard and carry out the provisions of this act.

FEDERAL ADVISORY COUNCIL.

Every Federal reserve district shall select a member of a Federal advisory council, which shall meet in Washington four times each year, to confer with the Federal reserve board on general business conditions, make representations concerning matters within the jurisdiction of said board, and to call for information and make recommendations regarding the affairs of the reserve banking system.

POWERS OF FEDERAL RESERVE BANKS.

Any Federal reserve bank may receive from any of its member banks and from the United States deposits of current funds in lawful money, checks, and drafts.

It may discount notes, drafts, and bills of exchange drawn for agricultural, industrial, or commercial purposes, having a maturity of not more than 90 days on general commercial paper and 6 months on agricultural and live-stock paper.

It may purchase and sell in the open market cable transfers, bankers' acceptances, and bills of exchange; deal in gold coin; buy and sell bonds of the United States or of the banks, counties, or municipalities, and establish accounts for exchange purposes.

GOVERNMENT DEPOSITS.

The general funds and current revenues of the United States may be deposited in the Federal reserve banks, which shall, upon direction of the Secretary of the Treasury, act as the fiscal agents of the Government.

NOTE ISSUES.

Federal reserve notes, to be issued at the direction of the Federal reserve board, are authorized. The said notes shall be obligations of the United States, and shall be receivable for all taxes, customs, and public dues. They shall be redeemed in gold on demand at the Treasury Department, at Washington, or in gold or lawful money at any Federal reserve bank.

Any Federal reserve bank may make application for such notes, accompanied by a tender of collateral equal in amount to the sum applied for, such collateral to be notes and bills accepted for rediscount under the provisions of this act.

Every Federal reserve bank shall maintain reserves in gold or lawful money of not less than 35 per cent against its deposits, and reserves in gold of not less than 40 per cent against its Federal reserve notes in circulation. The Federal reserve board may require banks issuing currency to pay such rate of interest on its outstanding currency as the board shall fix, and a paramount lien is established on all the assets of the bank for their redemption.

Collateral deposited as a basis for Federal reserve notes may be withdrawn upon the substitution of other approved collateral.

Federal reserve banks shall receive on deposit from member banks or from Federal reserve banks checks and drafts drawn upon any of their depositors. Nothing herein contained shall be construed as prohibiting a member bank from charging its actual expense in collecting and remitting funds, or for exchange sold to its patrons.

The Federal reserve board shall make regulations governing the transfer of funds and the charges therefor among Federal reserve banks and their branches, and may exercise the functions of a clearing house for the Federal reserve banks, or may designate a Federal reserve bank to exercise such functions, and may also require each such bank to exercise the functions of a clearing house for its member banks.

REFUNDING BONDS.

After two years from the passage of this act and at any time within 20 years thereafter any member bank desiring to retire in whole or in part its circulating notes may file an application to sell for its account, at par with accrued interest, United States bonds securing circulation to be retired. The Federal reserve board may, in its discretion, require the Federal reserve banks to purchase such bonds, not to exceed $25,000,000 each year.

The Federal reserve banks purchasing such bonds shall be permitted to take out an amount of circulating notes equal to the par value of such bonds.

BANK RESERVES.

A member bank shall hold and maintain reserves equal to 12 per cent of its aggregate demand deposits and 5 per cent of its time deposits, as follows:

In its vaults for 36 months five-twelfths and permanently thereafter four-twelfths.

In the Federal reserve bank for 12 months two-twelfths, and for each succeeding month one-twelfth until five-twelfths are thus deposited.

For 36 months thereafter balance may be held in their own vaults or in Federal reserve banks or in national banks in reserve or central reserve cities.

After 36 months balance of reserves may be held in its own vaults or in Federal reserve banks.

Other provisions are made for banks in reserve cities and in central reserve cities.

LOANS ON FARM LANDS.

Any member bank not in a central reserve city may make loans secured by improved and unencumbered farm land for not longer than five years and not exceeding 50 per cent of the actual value. Not to exceed 25 per cent of its capital and surplus may be thus loaned.

EMERGENCY CURRENCY.

The present law, enacted in 1908, providing for an emergency currency, is extended to June 30, 1915, and the tax on currency reduced as follows: For three months, 3 per cent, and one-half of 1 per cent each month thereafter until 6 per cent is reached, and 6 per cent thereafter.

COMMENT ON THE LAW.

The bill as originally introduced in the Senate and House is not now considered as a wise measure by anyone. It was greatly improved in its passage through the House, but as it emerged from that body, as we now see, the bill was an absolutely unworkable scheme. It was greatly improved in its passage through the Senate. Even at that time it contained provisions which were denounced as dangerous in the extreme. As it came from conference some of its most dangerous features were eliminated. In the form in which it became a law it was better in very many respects than at any previous time during its consideration.

I could not give my approval to the bill, even in its final form, for it still contains provisions which I think unnecessary and unwise. It is not my purpose to discuss now what I believe to be the defects of the law. If I am correct in my belief as to these imperfections, they will be made manifest in the administration and practical operation of the law. As they are disclosed, they can be corrected by amendments. If I am mistaken in my judgment, that also will be made apparent. As it is, it certainly contains many of those provisions which bankers and financiers unite in regarding as essential to real banking reform.

As I regard it, the law must depend for its success in large measure upon two things—the character of the Federal reserve board and the cooperation of the bankers. For the first we must depend upon the President. If he shall appoint men able, high-minded, and patriotic, who will regard their duty to the people as superior to every other consideration, much will be done toward making the system successful. As for the cooperation of the bankers, the indications are that such cooperation will be given without reserve. As this legislation is in answer principally to their demand, they owe it to the country to do all in their power to carry it to success.

The time for criticism has passed. It should now be considered a patriotic duty to do all that is possible to put the law into successful operation, to uphold it, and to make it an instrument of good in the progress and development of the Nation.

Suspension of Naval Construction Program.

SPEECH

OF

HON. EDWARD W. SAUNDERS,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, December 6, 1913.

The House had under consideration the resolution (H. Res. 298) to authorize the President to cooperate with the United Kingdom of Great Britain to the end that naval construction may be suspended for a period of one year.

Mr. SAUNDERS. Mr. Speaker, this debate has made one thing at least very clear, and that is that the gentlemen who are for peace by the battleship route, and to that end are eager to pay any price that an ambitious naval program may impose, are averse to securing peace without money, and without price, by the way of amicable arrangement, and international agreement.

These colleagues of ours who lean over the rim of the future, and see all the wonders that are to be, who would make the Atlantic Ocean a great American lake, with a mighty American fleet floating thereon, equal in all respects to the greatest armada that Germany may put forth, who would make the Pacific another and even greater American lake, patrolled by an imposing array of warships flying the Stars and Stripes, and bidding defiance to the utmost forces of Japan, have visions of "a far-flung battle line," and a policy of staggering responsibility which a mere commonplace mortal like myself, who does not dream dreams, or worship the new god, "equilibrium," is most unwilling to assume, in the absence of a more sufficient demonstration of its necessity.

The philosophy of the gentleman from Pennsylvania [Mr. MOORE] is not difficult to understand. Apparently he favors the construction of battleships as an economic policy, apart from any imputed military utility. How else can we interpret his language of yesterday, when he said:

I want to take up the question that is recounted in this resolution, that the construction of warships is a burden to the people. It is not a burden upon the people. It is an assistance to the people. It is an assistance to the farmers of the country. It is an assistance to the workingmen of the country, to the industrialists, and to the mechanics.

The gentleman's meaning is not far to seek. Battleships in the building call for timber from the forests, and iron from the mines. The processes of construction afford employment to labor, and thus complete the circle of benefaction. Hence in this view, a Congress that provides for additional battleships is a body of enlightened statesmen who richly deserve the plaudits of the country. The key that would unlock the unfailing fountains of prosperity has long been sought with much travail of spirit. At last this key has been found. The simple formula for national welfare, is: Build battleships, and be peaceful, secure, happy, and prosperous. Take the view of the gentleman from Pennsylvania that the construction of these ships, is not a burden upon, but an assistance to the people, and the whole aspect of the problem is immediately changed. Other speakers favorable to a great navy have sought to place their attitude on the ground of military necessity, but our friend strikes a bolder note. It may be true that he regards warships as safeguards, but that is merely one line of his defense. Drive him from that position, and he is ready to maintain that if they are not needed as instruments of war, their value as works of utility, affording employment to labor, and a market for materials, fully justifies their continued construction, on an increasing scale.

On one point at least I will not take issue with the gentleman, but will freely agree as a matter of course, that the expenditure of the vast sums required for the construction and maintenance of battle fleets, carries with it a measure of benefit to the men who toil in and about them, whether in the yards, or on the ships.

But while I concede this much to the gentleman from Pennsylvania, the concession will avail him but little. Should he rest his argument for a navy on this ground, in whole or in part, the entire fabric of his contention tends to become ridiculous. For it is apparent that the same course of reasoning would justify any form of Government enterprise, however absurd in conception, prodigal in execution, and barren of results. One and all these enterprises would furnish employment, and afford wages.

A navy is required for purposes of offense, or defense, or not at all. It is not intended either primarily or secondarily, to provide employment, or to furnish a market for the products of the mine, or the forest. It is a purely military creation, and the measure of its magnitude, may be found in the necessity which calls it into being. Exceed the limits fixed by this necessity, and the additional ships constitute a criminal waste, and a vicious extravagance.

I listened with interest to my friend from Minnesota, Mr. STEVENS, who contributed his mite of antagonism to the passage of this resolution. He stated with emphasis that Mr. Churchill, the English statesman who proposed to Germany that if she would defer the building of two battleships for one year, England in perfect good faith would defer for a like period, the construction of four ships called for by her program, had subsequently receded from this attitude. But the gentleman from Minnesota is mistaken. The Guildhall speech of Mr. Churchill, which is cited in part by the gentleman from Minnesota, affords a complete refutation of the charge that the English minister, has in anywise changed his attitude toward a cessation in naval construction. It is true that Mr. Churchill referred to the fact, that under the pressure of "unbroken development of the German and other navies," a proportionate development in the British fleet would be provided for in the estimates for the coming year, but that statement on his part in nowise justifies the conclusion that he has changed his attitude toward the propriety of a naval holiday.

So long as Germany holds unshaken to her program, England will abide by her traditional two-nation policy of naval construction, and this destructive competition will continue to the bitter end. Mr. Churchill's statement carries no other meaning. If Germany stands pat, England will do likewise. But I call the attention of the gentleman from Minnesota to the fact that Mr. Churchill was careful to add, after adverting to the necessity for an increase in his next estimates, due to his failure to come to a temporary agreement with Germany, that his Majesty's Government would ask on every opportunity for the cessation of the competition in naval armaments, the bane, and the reproach of modern times.

In other words, while he declared that Germany's action compelled him, for the time being, to ask for greater supplies of men, and money, he announced that he intended to continue the fight for a naval holiday. So that our friend from Minnesota was mistaken when he said that Mr. Churchill's attitude has been reversed. Now what is the purpose——

Mr. STEVENS of Minnesota. May I ask the gentleman a question?

Mr. SAUNDERS. Certainly.

Mr. STEVENS of Minnesota. If the gentleman had read my remarks correctly he would realize I stated it had been abandoned, and it has been abandoned necessarily, the gentleman will find, because nobody else will agree to it.

Mr. SAUNDERS. I have read the remarks of the gentleman, but do not agree with his conclusions. It is true that as a result of the action of Germany, England feels compelled to continue and provide for her two-nation policy of construction in the forthcoming estimates. The British minister makes this very clear in his speech, but in the same connection he indicates his fixed purpose to renew his pacific proposals. The controversy between me and the gentleman from Minnesota, as to Mr. Churchill's attitude, may be readily settled by allowing the latter to speak for himself, in the following brief quotation from his Guildhall speech:

But his Majesty's Government will express upon, and ask on every opportunity for the cessation of the competition in naval armaments, which is the bane and reproach of modern Europe.

Does a declaration on the part of Mr. Churchill that he will press his proposition "on every opportunity," indicate a reversal of attitude, or justify the statement of the gentleman from Minnesota, that the English Government, or the spokesman of the English Government, had "practically abandoned a position which he had previously twice taken"?

We ought to be careful in these matters to keep the record straight. Still we are not so much concerned with the attitude of Mr. Churchill, as with our own. Concede that the gentleman from Minnesota is right in this matter, and that the English minister has practically abandoned his position, does that recession on his part, afford any reason why the United States should not take up this great rôle of "peacemaker," and bring to pass "Peace on earth, good will to men," among the nations of the world? [Applause.]

Would that we could take the lead in this great movement, but for the time being we must be content to serve as allies in the cause, for Mr Churchill insists that he intends to press his suggestion on every opportunity. So be it. We can powerfully second this noble proposal. The passage of this resolution will advise the English minister that we are ready to uphold his

hands, and afford him not only moral support, but active and sympathetic cooperation. Our unqualified concurrence in the Churchill plan for naval reduction, will give impulse and virility to this movement to disenthral the nations, and divert into a hundred channels of utility, the treasures now wasted upon the machinery of destruction.

Mr. Speaker, the opponents of this resolution have carried the discussion far afield in their efforts to defeat by ridicule this hopeful scheme to reduce the burdens of armed peace. The gentleman from Alabama has not overlooked this opportunity to sound the tocsin of impending war, and proclaim the necessity for renewed activities in our navy yards. He views with alarm our supine indifference to portents of danger in various quarters. In particular he deplores our indisposition to provide a Navy that will at least equal the combined navies of Germany, and Japan. With such a Navy to keep watch and ward over our coasts, he feels assured that the country will be reasonably secure against fears within, and foes without, and airily waves aside as a trifling detail in this imperial program of armed peace, the prodigious cost of this mighty armament.

Mr. Speaker, above all things I would see my country thrice armed against any real danger. The safety of the Republic is the supreme law, and the one prime consideration. To secure our liberties, maintain our institutions, uphold our traditions, and keep our flag in the van of civilization, and progress, I am ready to make any sacrifices, and support any policy of necessary defense. But the advocates of peace, or pacificists as they are derisively styled by the militants, firmly believe that the continued increase of armaments, is not only not necessary to safeguard our interests, but is a distinct menace to the peace of the world, and an intolerable burden upon the taxpayers.

The character of the men who hold this view, directs attention to their attitude, and compels respect for their opinion. They are neither visionaries, nor fools, but constitute a body of hard-headed, clear-thinking, patriotic citizens. They are opposed to war, but are willing to vote millions for defense. They are ready to support any policy justified by a prudent regard for present conditions, and a reasonable forecast of the future, but are unwilling to squander any portion of the public funds in elaborate preparations against chimerical dangers. Their attitude is the result of a patient study of present-day problems. They are not fixed in that attitude. They are careful to preserve open minds, but they are not reeds to be blown about by every wind of fiery declamation, or furious invective. The mere fact that others hold an opposing view, or that timid people are moved to groundless alarms by the parade of fantastic theories of possible attack, does not convince them that the dangers are real, or justify a change of attitude. Nor are they unmindful of the further fact that much of this outcry for an increase in military and naval appropriations, proceeds from a thrifty patriotism which finds its ultimate reward in the material form of fat contracts. The suggestion often made that the United States is the richest Nation in the world—and for that reason ought to build the biggest navy, is a spurious appeal to our vanity—and an adroit effort of the militants to place the argument for a big navy on some other ground than that of the necessities of national defense. If the biggest navy is appropriate to our wealth and standing among the nations, why not for the same reason the biggest army in the world?

Mr. Speaker, I do not doubt that there are many men, moved thereto by a variety of reasons, who sincerely believe that the United States should maintain a mighty Navy. I do not question the sincerity of my colleagues who contend that this country is endangered by the naval programs of the countries of the Old World, and insist that our interests require that we become an entrant in this hateful competition. I do not question the sincerity of the gentlemen who proclaim that Germany, and perchance other nations, intend to challenge the supremacy of the Monroe doctrine, and who announce, with apparent confidence, that the duration of this doctrine is imperiled, unless we build more, and bigger battleships. I am unable to follow the reasoning by which these gentlemen have convinced themselves that the increase in the German navy is a challenge to our policies, or a menace to our interests in the Western Hemisphere, but what of that? Men have believed stranger things, than that we should lay aside many fruitful projects of domestic development, in order to equip ourselves against the supposed menace of Germany's navy. There are many sincere and patriotic men in Russia who believe with all their heart, that the Jews murder Christian boys to obtain their blood for ritual purposes, but the fervor and sincerity of that belief does not establish the existence of the practice. Something more is needed. The burden is on the man who affirms that the necessities of our national self-defense require increased appropriations for military purposes. Why should the men who hold a different view, abandon their cherished convictions, merely because their adversaries dogmatically assert that these appropriations are required? We challenge the militants to take the lessons of history, fairly deduced, and applying them to the actual conditions of our present relations with the world, make good in the court of reason, the contention that our liberties, or material welfare, require either a great Army, or a mighty Navy, for their maintenance.

The disconnected and unrelated facts of history may be used to justify any policy, however monstrous, or absurd. The advocates of armed peace are always cocksure of their ground, and a little disdainful of opposition. From the confidence with which they announce the secret purposes of other nations, one would gather that they had been admitted into the shrines of foreign diplomacy, and allowed to withdraw the veil from their innermost policies. At times they affect the mysterious, and intimate that if only the real facts were known, the pacificists would no longer hesitate over a mere matter of paltry dollars, or set considerations of base economy against the safety of the Republic. When called upon to produce these facts, in order that we may be acquainted with the real conditions, they produce nothing that is not within the common knowledge of all well-informed men, or which upon any fair consideration, justifies the attitude which they have assumed.

It is often urged that the maintenance of the Monroe doctrine requires a great Navy. Not at all. This doctrine has been effective from the day that it was first put forward, although it was formulated at a period when this country was ill able to maintain the same against any serious challenge by the Holy Alliance of European monarchs which constituted a positive menace to the growth of popular government, and republican institutions in the New World. In addition the Republics of the Western Hemisphere intended to be protected, were at the time puny weaklings, distracted by internal strife, incapable of union for a common defense against external attack, and but dimly aware of their interest in the maintenance of the new principle. Such were the untoward conditions surrounding the annunciation of this world-shaking doctrine. Apparently the circumstances called for feverish activity in military and naval preparations to maintain our bold challenge to the autocrats and despots of the world. Nothing of the sort took place. Neither the Army, nor the Navy was increased in contemplation of possible trouble. Such was the moral strength of our attitude, that without firing a gun, or calling out a soldier, we established a principle that has changed the whole course of history. Having in mind the essentially changed conditions since this doctrine was announced, the growth of our own power, the increasing strength of the Republics of South America, the absolute lack of impelling motive on the part of the countries of the world to put this doctrine to a trial of armed strength, it is an insult to reason to place the argument for a greater Navy on the pretense that this doctrine is in peril.

It has remained unreserved and unshaken to the present time. Never again will the argument for the creation of a great Navy to meet some supposed need of this country, find such a foundation of apparent necessity, as was afforded in the circumstances which surrounded the birth of the Monroe doctrine, a doctrine which was promulgated in an era when might made right, and no policy that was not backed by armed force seemed likely to endure.

It was not considered in those days that the new doctrine called for an increase in our military and naval establishments, or emphasized the necessity of preparedness for war on a large scale. But now when our strength is beyond measure, our riches beyond computation, our people as the sands of the sea, our resources illimitable, we are assured by the Army and Navy experts that this principle is in grave danger of overthrow, unless our fighting strength on the high seas is increased to a material degree. This is a warrior's dream. There are many things that are possible, but which are so unlikely that no nation can afford to order its policies with regard to them. It is possible that within the next 10 years Canada may be an independent republic, and England and Germany may combine to attack the United States, to capture the Panama Canal, and overrun our foreign possessions. Stranger and more unlikely things have been recorded in the history of the nations. But the man who would gravely put forward a naval program designed to meet such a contingency, and seriously insist that this country should adopt it, would be regarded as little better than a lunatic. Still we are building ships to protect ourselves against dangers that are no more real. The war games that are played by the experts afloat and ashore, are well enough in their way, and afford an innocent and harmless amusement to the participants. But they are not to be taken too seriously,

even though their conclusions may furnish scare heads for the sensational press. It may be that in these games it is demonstrated that Germany can land a force of 100,000 men at some point on the Atlantic coast, or that her navy after crossing the ocean, can overtake and crush the American fleet, but this does not mean that we are in the slightest danger, reasonably speaking, that the landing will be effected, or our fleet destroyed, or that we need lie awake at nights, devising ways, and means to avert these dreadful possibilities.

I asked the gentleman from Alabama if it was not true that the United States had made the Monroe doctrine effective throughout its entire history, without resort to arms. He demurred to this, and as an illustration to the contrary, cited Maximilian's meteoric effort to found an empire in Mexico. The citation was most unfortunate. Whatever may have been Napoleon's dreams of conquest in that unhappy Republic, he did not try a conclusion of arms with this country, but withdrew his forces at our demand. Napoleon's initial acts may have been a challenge of the Monroe doctrine, but the challenger retired discomfited, leaving the doctrine intact. Of course the gentleman from Alabama relates this withdrawal to the menace of the American Navy, then fresh from its achievements in the Civil War. But he is totally at fault in this deduction. Napoleon's action was due to quite other causes than the strength of our Navy. He had taken a gambler's chance on the issue of the stupendous Civil War then raging, in the hope that the termination of that struggle would leave a once united people divided in twain, and two hostile republics established above the Rio Grande. But when the flag of the Confederacy went down, and the flag of the Union rose triumphant over a people destined to be united forever more, Napoleon's tawdry dream of empire was rudely terminated, his high hopes faded, and the wretched Maximilian was abandoned to his untoward fate. The mere fact that the Confederacy had been overthrown, was sufficient to cause the evacuation of Mexico. If the outcome of our war had been two republics established upon the ruins of the United States, Napoleon could have pursued his schemes in Mexico unhindered, and unchallenged. Neither one of the surviving republics, under the burden of new responsibilities at home, would have been in a position to undertake the maintenance of the Monroe doctrine. But the issue of Appomattox determined Napoleon's course, and that course would have been the same, if the Atlantic had been crowded with French men-of-war, and the Navy of this country had consisted of a catboat, manned by one small boy, armed with a bow and arrow, or a popgun of generous dimensions.

The teachings of history advise us, that it is only within recent years, that our responsibility to maintain the Monroe doctrine has been put forward as an argument in favor of a greater Navy. One curious feature of this argument is, that the further we get away from the likelihood that the doctrine will be challenged, and therefore from the apparent necessity to provide a force for its maintenance, the more insistent becomes the demand in certain quarters for more battleships. At no time in our history was our ability to maintain this doctrine without a great naval force, more clearly indicated than in the famous Venezuelan incident. We were in no condition at that time to match our naval strength against that of Great Britain, with any hope of ultimate victory. But neither force, nor the threat of force, was required to bring the controversy to a happy termination. While President Cleveland's note was curt, and really offensive in its terms, Great Britain did not take umbrage, but readily agreed to remit her controversy with Venezuela to arbitration. Once again the Monroe doctrine, and its limitations upon the powers of the older world, was manifested in effective operation. I dismiss without discussion the so-called landing of Germany in Venezuela, an incident which has been cited by Mr. HOBSON as indicating an intent on the part of that nation to challenge the Monroe doctrine. There is nothing whatever in the facts of that incident to justify any reflection upon the good faith of Germany, or to indicate that she had the slightest intention of putting the Monroe doctrine in issue. But whatever may have been her secret intentions, and a reckless intimation of a sinister purpose, is a cruel charge to bring against a friendly nation, she certainly committed no overt act from which any injurious conclusions could be drawn.

Much less should the trifling circumstances of that incident, be used to project this country into the reckless rivalries in naval construction which are piling new millions of burdens upon the taxpayers of Europe, and dwarfing their capacities for social betterment. In its conception, the Monroe doctrine was a doctrine of peace. It was designed to keep the armed forces of Europe, and the operations of the Holy Alliance on the other side of the Atlantic, and allow the Republics of the western world, thus freed from the fear of foreign intervention, to work out the slow processes of popular government, and treading the ways of pleasantness, and the paths of peace, flower in time into mighty nations. But while this doctrine was intended to secure the blessings of peace for the Western Hemisphere, it seemed well calculated at the time to provoke war. It was the enunciation of a strong foreign policy. "It was a defi to the whole formidable array of Old World monarchies, far more defiant and sweeping than Jefferson's defi to Great Britain, in July 1776." It was a proclamation of "hands off," to the military rulers of Europe. It drew a ring around the Western Hemisphere, and plainly said to the Holy Alliance of crowned heads, "Keep on your side of the line." In terms, if not in words, President Monroe clearly intimated that an infraction of the new rule on the part of the powers included within its inhibitions, would be a casus belli. The men who talk the jargon of diplomacy, and juggling with words, call the process, statecraft, are fond of saying that a strong foreign policy requires an ample backing of force in the form of a great army, or a great navy, or both. What country ever played a bolder card than the United States, when she warned away the powers of Europe, singly and collectively, from this portion of the globe?

Having issued its ultimatum, this country, by every rule of the game, was presumably prepared to support the same against all comers. Let us see what were the fighting strength, and material resources of the baby Republic that thus dared to defy the Empires of the Old World, and forbid their intervention in the domestic concerns of the countries of this hemisphere. In 1823 our entire population, including the Indians, was not over 10,000,000. Our entire Army was less than 10,000. Our Navy was comparatively insignificant, including a few men-of-war, frigates, sloops, brigs, and schooners, not over 30 in all. Our commerce and manufactures were relatively insignificant.

So that neither in ships, in men, nor in money, were we prepared to make good our undertaking to keep this portion of the world clear of European complications. If nothing goes but force, then the Monroe doctrine was apparently foredoomed to failure. The Navy of that day was maintained at an annual cost of less than $1,000,000. To-day the aggregate value of our Navy is several hundred millions of dollars, and its annual cost is something like $140,000,000. It is a powerful and imposing fighting force. Still the Navy League, and the parrots that repeat its cries, are insistent upon more ships. We are at peace with the world. Our policies are the policies of peace. They are not in conflict with the hopes, the ambitions, the aspirations of other nations, whether of the Old, or the New World. We do not propose to acquire another foot of territory by armed force. It would be insanity, ruin, a blunder that would be a crime, for any nation, civilized or uncivilized, to challenge us to a trial of arms. There are other nations that have greater armies, but they can not undertake to land them on our shores. There are other nations that have greater navies, but they can not afford to risk them in a duello to the death with this country. In our relations with the world there is nothing in present contemplation, or in the reasonable likelihood of the future, that requires us to increase our military budget.

The time has come for this Nation to realize that there is no occasion for it to become a military nation, and that we are already spending upon the Army and Navy, many millions that are not required, save by the demands of an insane militarism. It is this spirit, and not the necessity to preserve the Monroe doctrine, that calls for more men, and more ships. What has been behind the Monroe doctrine at all times? What has been the sustaining and compelling force that has given it vitality, and made it effective through all the periods of our national weakness? The answer is easy. It was the moral strength of our attitude, and the lack of adequate motive on the part of the nations to challenge the new principle. To-day a new sanction has been added to this doctrine, the unparalleled might and resources of this country, a potentiality of strength that will give any power, or aggregation of powers, pause, even should an adequate motive for war exist. Such a motive is not found in the Monroe doctrine. The militarists are so fiercely resolved on the policy of a greater Navy for the United States, that they are unwilling, or unable to draw plain conclusions from the facts that they put forward. For instance, the gentleman from Minnesota, in the course of his elaborate argument against the passage of the Hensley resolution, stated that it was idle to invite Germany to participate in a naval holiday, for the reason that conditions at home compel the German Government to maintain a large military and naval force.

Concede it to be true that Germany is so ringed about by ancient enemies, that her real dangers are in Europe, then it follows that her naval preparations are for self-defense, and

do not concern this country. This is a sufficient answer to the argument often made, that our naval policy in the Atlantic should be determined by the ships building in the German navy yards, and that an increase in the battle fleet of that country, is a matter of serious import to the United States, calling for a revision of our naval program. The fact is, that an increase in the carrying trade, and merchant fleet of Germany, is a matter of far greater moment to us. A trade war with that country is more to be feared than the menace of her battleships. It is patent that if the German fleet is imperatively required in European waters to preserve the integrity of the Empire against the danger of attack from contiguous countries, ordinary prudence would forbid its use in a bootless and hazardous war with a powerful and friendly country like the United States. Such a war, prosecuted in our waters would require the full strength of the German Navy. A defeat would be ruinous. A victory would be at best of a Pyrrhic character, and entail such losses of ships and guns, as would put Germany out of the running in the naval competition now in progress between the countries of Europe. Under no conceivable circumstances of victory, could Germany strike the United States in a vital point, or secure an indemnity to discharge the terrifying cost of such a war. The continued prosecution of the struggle would introduce intolerable disorders into the commerce of that country, and on the financial side, require loans of staggering proportions. Germany realizes the inevitable outcome of a war with the United States, as well as we do, and in that fact is our assurance that she is not arming against this country. Hence we are not concerned with her naval program. This being so, Germany should be eliminated from consideration in the determination of our naval policy. As to Japan, there is even less reason than in the case of Germany, to consider her as a possible enemy. That Empire is on the verge of bankruptcy, and only a long era of peace, and industrial expansion, will place her on her financial feet. She would be utterly unable to finance a war with this country, and no one knows that fact better than the able statesmen who direct her affairs. Moreover the adequate motive for war is lacking. Japan has no clashing interests with this country, such as made her war with Russia inevitable. Having achieved a wonderful victory in that contest, and at an immense expenditure of blood and treasure, obtained an overflow area on the Asian Continent, she must husband her strength to conserve the fruits of that victory. The retention of her territory in Asia, is absolutely conditioned on the maintenance of peace with this country. In addition her trade with the United States is too valuable to be lightly thrown away. This country is her best customer, taking one-third of her exports.

A war with the United States, with the inevitable attendant losses, and bankruptcy following, would leave that country helpless before her recent antagonist, the Russian Bear, and enable him to retake at his leisure, without risk, and without loss, the coveted territory from which he was driven by the armies of the Mikado. The militarists in their efforts to arouse this country against Japan, and by that means cultivate a national sentiment for a colossal Navy, frequently intimate that she has designs upon the Philippines. Would that we could give her these islands, but the intimation that she contemplates their acquisition by force, is absurd, though it finds credence in certain quarters. If Japan is disposed to play the rôle of a modern land pirate, there are many islands in the Pacific, more desirable than the Philippines, which are ready to her hand, and may be taken with comparatively little effort, and no risk. Why should she incur the chances of a great war with the United States, to secure an undesirable possession, when she could overrun Dutch Borneo, or Java, or Sumatra without any risk of reprisals, since Holland has no navy worthy of the name, and if ravished of her territory would be compelled to endure the wrong in pathetic helplessness. As Luke Wright, one-time minister to Japan, sententiously remarked, "This talk of a war with Japan, is not even respectable nonsense." There are no sufficient occasions of war between us and Japan. Over 6,000 miles of water separate the two countries. Our wealth and material resources exceed hers twenty times over, while our population is at least twice as great. Both Germany and Japan have interests and dangers nearer home, to which their policies of naval construction are closely related. Neither country can afford to risk the costly vessels constructed with reference to those immediate dangers, in a perilous venture across the heaving oceans that respectively separate us, or rashly enter upon a war that will yield neither glory, nor any solid fruits of victory. It is well to bear these considerations in mind when we are feverishly urged to arm ourselves against the German, or the yellow peril. Mr. Speaker, the militarists tell us that as there has always been war, so there will always be war. Many persons accept this statement as a truism, and regard the burdens of military and naval preparation as necessary and inevitable. The fact is, that this so-called aphorism is simple nonsense. "War is inevitable only when we are so weak as to allow the armament makers, the scare mongers, and the men who make war their business, to direct our policies." The teachings of history are far from indicating that in the future, as in the past, the world will be a theater of continuous war, a horrid orgy of cruelty, blood, rapine, and destruction. On the contrary, they justify a very different forecast, and presage the speedy advent of the reign of universal peace. Each nation must order its affairs as it reasonably and intelligently interprets the present, and spells out the future. If it sees war ahead, it should prepare for war; if the forecast indicates peace, military and naval burdens should be steadily reduced. It is not an inevitable conclusion that the facts of the past will be repeated in the future. Mere dogmatic assertions to that effect ought not to carry conviction. I am not unmindful that the immortal Henry declared on a memorable occasion, that there is no lamp by which the feet of nations may be guided, save the lamp of experience.

Nor would I omit the use of this lamp, but there is no method of solution for present day problems more pernicious and misleading than that which settles those problems by the analogy of the past, without regard to new and modifying circumstances. The causes of war, the authorities that declare war, the motives and occasions of war, have either been completely changed, or radically altered. Public opinion has reversed itself as to the elements that constitute the true foundations of national prosperity, or the real greatness and glory of a nation. "The cause of peace has moved forward through the enlightenment of the people." Wars are no longer waged to gratify the whims and caprices, or to avenge the wounded pride of the paramours of reigning monarchs, nor are they conducted to enslave the inhabitants of conquered territory, or to furnish booty and loot for savage marauders. The future holds its own problems, but the irruptions of Huns, Goths, Tartars, and Saracens will not be repeated. The Attilas, the Tamerlanes, the Genghis Khans, those terrors of the ancient world, are a vanished type. They will not reappear, and the dangers to civilization will not take that, or kindred forms. The delimitations of frontiers are practically settled the world over. At least any readjustment on a large scale is so remote, that we need not concern ourselves with it, or seek to anticipate and provide against the same by maintaining a military establishment so onerous and oppressive, that the chances of war will be preferable to the burdens of armed peace.

The great governments of to-day are slowly turning away from war, and this will be an increasing tendency, for the reason that with the spread of knowledge, and accumulation of experience, they have all learned the lesson that in destroying the purchasing power of any one of the sisterhood of nations, they strike a deadly blow at the roots of their own prosperity. The business of a great nation, is linked with the business of all other nations. The commerce of such a nation enriches all its customers, and it is not good for business, as Benjamin Franklin once observed in his pithy fashion, to knock one's customers on the head. A few days ago, President Wilson declared in his message to Congress, that the "United States is at peace with all the world, and many happy illustrations multiply about us of a growing sense of community of interest among the nations, foreshadowing an age of settled peace, and good will." If the President has correctly taken the horoscope of the future, the dreadful forebodings of the gentleman from Alabama, and the dismal prophecies of all the adherents of that school of thought, are at fault. Manifestly both forecasts can not be correct, and in the exercise of our personal judgment, we may choose between the two opposing views, and fix our attitude toward the problems of the present, and the future, in conformity with our convictions.

If the gentleman from Alabama is right in his forecast of what the future holds in store for us, then this country is in imminent danger, and other interests must be sacrificed, in order that the United States may be placed on a basis of adequate military preparedness, as speedily as possible.

If the President has drawn the proper conclusions from present conditions, including in his survey the factors of international relationship, then the time is auspicious for a reduction in our military budget, and the military budgets of all the nations. Multiplying evidences of an era of peace, and good will, do not call for feverish activity in our navy yards, or the multiplication of superdreadnoughts. These are the appropriate equipment of a nation preparing to go forth to war, and

have no place in the program of a country seeking to adjust itself to new and hopeful conditions of universal peace, and to beat its spears into pruning hooks.

A few years ago Mr. Bryan made a notable speech at the Lake Mohonk Conference. In the course of that speech he said:

I do not believe that this Nation ought to wait for any other nation to agree to do what is right. If this Nation announced to the world that it would not spend its money in getting ready for wars that ought not to come, that as it was not going into the burglar's business, it would not equip itself with burglar's tools, do you think our Nation would suffer for that? The building of these great battleships, these preparations for Christian nations to fight one another, is a challenge to the Christian civilization of the world. I believe this Nation could stand before the world to-day, and tell the world that it did not believe in war, that it did not believe that it was the right way to settle disputes, and that it had no disputes that it was not willing to submit to the judgment of the world. If this Nation did that, it would not only not be attacked by any other nation on the earth, but it would become the supreme power of the world.

Yea verily, every man of heart will assent with a loud amen, to the concluding thought of this extract from a memorable address. There is no nation so appropriately situated as the United States, to second Mr. Churchill's stirring call for a reduction in naval armaments. Well in advance of the splendid declarations of the British Government, this country of its own volition, and without waiting to make agreements with other countries, has twice cut down the battleship program within the last two years. This was a strong and courageous action on the part of a Democratic Congress, and one for which the country has given us due credit. It was carried over the opposition of a Republican Executive, and has been fully justified by the people at the polls.

No right-thinking man believes that this step, taken upon due deliberation, has imperiled our national safety one whit. "The Nation was never so safe and so sound as it is to-day." "No existing nation could do us any injury comparable to the injury to itself arising from the loss of our friendship and our trade." So far from this being an inauspicious time, to second the memorable proposals of Mr. Churchill, as intimated by the gentleman from Minnesota, it is the psychological moment to take this step.

These resolutions undoubtedly have the full approval of the President. They will have the earnest approval of the thoughtful American public; and this is the time for our thoughtful public to speak with power. No occasion has recently offered itself as a more propitious one for united demonstration in favor of calling a halt to the world's present insanity in the matter of naval armaments and appropriations.

An arrangement of the character proposed must soon come, else, "every citizen, figuratively speaking, will be carrying a soldier on his back." Mr. Speaker, a mere civilian like myself, or the gentleman from Missouri, Mr. HENSLEY, exposes himself to a very easy and flippant criticism, at the hands of the militarists, when he inveighs against the horrors of war, or challenges the wisdom of a militaristic policy for this country. But the voice of this criticism is stilled when the gentleman from Ohio, Gen. SHERWOOD, rises to address the House. There is no occasion to ask who he is, or whether he has knowledge whereof he speaks. The reek of the smoke of many battles still hangs about his garments. He has trod all the paths of glory, heard the "thunderous roar" of battle, and in the dread sequel listened to the groans and prayers of the wounded and dying. To-day he tells us that he hates war, and the policies that in the name of peace are making the world an armed camp. There was no uncertain ring in the vigorous sentences in which he denounced the policy of a greater Navy, as a policy of "criminal waste," and militarism, as "damnable." He declared that no man of heart, or capable of thought, believes that a big Army, and a big Navy are messengers of peace. And he was right. Referring to the movement for two battleships, he vehemently declared that—

this was a movement to tax the whole American people, on everything that they wear and eat, to raise $28,000,000, in order to gratify the barbaric yawp of war-mad semilunatics.

Gen. SHERWOOD is not alone in repudiating the theory that the maximum of Army and Navy is the most effective preservative of peace.

A few years ago, a great jurist now gone to his rest, declared that the

pretense current in certain circles, that the best way to preserve peace, is to build up an enormous Navy, shows a profound ignorance of the lessons of history, and the conditions of genuine and enduring peace.

The claim preferred on behalf of battleships that they are agents of peace is an absurdity, worthy to be classed with the other delusion that the peaceful disposition of a country is developed by the multiplication of military agencies, and the cultivation of the military spirit. A large military and naval force in any country, means a military caste in that country, as is notably the case in France, Russia, Germany and other countries of continental Europe. A military caste means war talk, and war talk always and everywhere means more ships, more soldiers, more war money, and more workers withdrawn from gainful occupations. The only reason that the United States is not afflicted to-day with a huge army and a colossal navy, is that our civilian rulers have refused to adopt the suggestions of the mandarins of the War and Navy Departments. The sooner the world rids itself of the obsession that prevails in certain quarters, that elaborate preparations for war, constitute an infallible index of peaceful intentions, the nearer we will be to the era of universal peace.

The gentleman from Minnesota announced on yesterday that in recent years, the armies and navies of the war lord of Germany, have been a potent influence for peace in Europe. I challenge that assertion. The real influence for peace in Germany, is the attitude of the burden bearers, the taxpayers, the hewers of wood, and drawers of water, the tide of whose power has been steadily rising in the Reichstag. The final weight of military preparedness, armed peace as it is euphemistically called, falls upon the common people, and well the representatives of the German people know that fact. They have no desire to see that burden increased, by the appalling cost of a modern war. The growth of the socialistic party, and the increase of its representatives in the great legislative chamber of Germany, has exercised a restraining influence on the Emperor William, on more than one occasion. Their presence in that chamber is, and will be, the surest guaranty of peace in Europe. Those representatives have not been slow to manifest both their restlessness under existing burdens, imposed in the name of peace, and their indisposition to assume still greater obligations in the same name. They know full well that every increase in the army means more men withdrawn from productive industries, more mouths to feed, more salaries to be provided, and more pensions to be paid by the taxpayers.

When the opponents of the Hensley resolution tell us that it will not receive a respectful hearing abroad, I reply to them that the people in whose interest it is offered, will hear it gladly. It is no longer a joke in continental Europe, to speak of the power of the people. More and more, with each passing year, the ministries and chancelleries of those countries, reflect the wishes and attitude of the people with respect to domestic, and foreign policies. In time, they will mirror them absolutely, and when that time arrives, the era of militarism will pass. Within the last 48 hours, a ministry associated with an unpopular military policy in France, has been overthrown. The increasing intelligence of the voters gives them a fuller appreciation of their own power, and a clearer comprehension of the exactions, and sacrifices required by a policy of useless militarism. Once freed of the delusion that these burdens are necessary and inevitable, they will welcome any feasible plan of reduction. Mr. Churchill's proposal would save thirty millions to Germany, and sixty millions to England in one year, leaving the relative strength and degree of safety of the two countries, at the end of that year, precisely the same. With the repetition of this proposal, reenforced by our action, and the illuminating discussion that will follow in the meantime, there will come a fuller realization of its full meaning, and of the message of hope that it carries to the toilers, and taxpayers. The vested interests, the armament firms, the generals, and the admirals who are chiefly responsible for the military craze, may be counted in opposition to this movement, nor is the strength of this opposition to be lightly regarded, but in time sanity will prevail, and hearkening to an imperious popular demand, the governments of the world will put into effective operation, agreements that will terminate the present extravagant naval rivalry. Mr. Churchill showed a full appreciation of the momentous character of this problem, when he declared on October 18 of this year that—

it was necessary for the welfare, and even endurance of our civilization, and the existing structure of society, that the question of armaments should be boldly discussed, not only by the Government, but by the peoples.

It is fitting that this Nation, which by "virtue of its position is the safest and strongest of nations," and whose motives will be least open to injurious suspicions, should lend its powerful aid to this hopeful movement. We have no ancient antagonisms, no old and unsettled scores, that will cause us to be regarded as Greeks bearing gifts. And to every eager soul who is sick at heart over this ceaseless talk of war, and these ceaseless preparations for strife, our attitude will afford hope and encouragement that all will yet be well, and the world in time cured of this "sickness called war."

Our friends are much concerned——

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. SAUNDERS. Mr. Speaker, I ask unanimous consent to proceed for five minutes. I was entitled to recognition for an hour in my own right. I can conclude in five minutes.

The SPEAKER. Is there objection? The Chair hears none.

Mr. SAUNDERS. Mr. Speaker, I was on the point of saying that I can readily understand that any first proposition looking to a reduction of armaments and emanating from any one of the European countries, would be received with suspicion by the country to which it was addressed. These countries have long lived in an atmosphere of suspicion, of secret diplomacy, and court intrigues. The roots of their jealousies and antagonisms lie far back in the centuries. They have severally inflicted, and endured at different times, the most grievous and horrid wrongs. They are prone to suspect the worst of their neighbors. This attitude has made it easy for the military caste to play upon the fears, and quicken the apprehensions of the people, who were already surcharged with the belief that beyond the border, their one-time enemies were brooding over ancient injuries, and meditating revenge. Under these conditions huge military establishments have been a natural growth, and a specious excuse for their maintenance, at whatever cost of popular sacrifice, has been readily afforded. But these suspicions would not attach to a proposition of reduction either emanating from, or indorsed by this country. We are outside of the sphere of European cross-purposes, and have given evidence of our good faith by reducing the size of our Navy in two successive years. From a financial standpoint, we are better able to sustain this deadly competition than any of our European competitors.

Our adhesion to this movement is therefore less to be related to some immediate selfish interest, though that interest measurably exists. Why need we fear a rebuff, and if rebuffed, what of it? Should the proposal be rejected again, and still again, will such rejection bring contumely upon this country? Will it cause us either to be ashamed, or to be afraid? Will it bring humiliation in its wake? Will it cause us to lose the solid regard of any portion of the civilized world? Why then should we fear to go forward? I am amused at the tender solicitude for our President displayed by our Republican friends who are opposing this resolution. They are oppressed with anxiety lest he should unwarily fall into this pit, that his Democratic associates are unwittingly digging for his feet. Mr. Speaker, we are constructing a bridge, not digging a pit, a bridge by which the nations of the earth may escape from their present prison house of fear into the full freedom of peace triumphant. The headship, the leadership in this great movement belongs to us of right. We are told by the opposition that we are pursuing a last year's bird's nest, that Mr. Churchill's proposal has been rejected. What of it? How often has this been true of great movements that in the result have been hailed with universal acclaim. Put forward with enthusiasm by some ardent pioneer, they are received with apathy, or chilling indifference. Slowly the movement gathers strength, until in time some great surge of popular favor, or the effective influence of some great leader, carries it to the front with irresistible momentum, and at once its adherents become legion. Things that are pronounced impossible, are accomplished in the twinkling of an eye when the hour and the man meet. Once done, and the wonder is that they were not done long ago. I recall that when I first came to this House, and as a new Member timidly suggested in the cloakroom, that the then conditions might be improved if the power to appoint the committees was taken from the Speaker, I was firmly told that such a thing was impossible.

Mr. MURDOCK. The gentleman was told that such a thing would be anarchy.

Mr. SAUNDERS. Yes, I was told that such a change would produce anarchy, that the business of the House of Representatives, could not be conducted decently, and in order, if the Speaker was deprived of the power to appoint the several committees. And yet for some years, in spite of these dismal prophecies, we have proceeded very comfortably, and efficiently under the present régime, without loss of dignity, or prestige on the part of the Speaker. The Speaker is no longer a boss, throttling or advancing legislation at his pleasure, but the presiding officer of a great deliberative assembly. The roll of constructive legislation enacted by this body during the past three years, is an ample answer to the croakers who confidently announced that we would be unable to do business under the new system.

Mr. Speaker, there are many things to encourage the friends of this resolution to press the same upon the attention of the nations. The action of Germany is not a discouragement. All great movements proceed slowly, and many pourparlers must precede the final agreement. The forces behind this proposal are the slow-moving masses, the much derided common people. At present the Governments of the great powers of Europe are essentially military, and as a matter of course, hostile to a movement of this character. The pressure for the same must come from below. It must be imposed upon the rulers. All new principles are put into operation by authorities that are either in sympathy with the proposed policies, or acting under strong popular compulsion. As well expect a reactionary stand-pat protectionist to accept the first suggestion of a different policy, and agree out of hand to revise the tariff downward, as to expect the Government of the Emperor William to agree in the first instance to a proposal that carries with it the implication that the militaristic policy is at fault. But there are many influences at work throughout the world upon which the friends of peace may confidently rely, to overturn the hostile attitude of the military caste towards reduction in military and naval armaments. Chief among these is the increasing cost of these armaments. The present indebtedness of the world is, $42,000,000,000. Ten years ago it was $32,000,000,000. Forty years ago it was little more than $20,000,000,000. The entire increase is practically due to the cost of wars, or the preparations for war. It is a striking fact that no nation is apparently willing to burden itself with a great national debt to promote works of domestic development. Perhaps the largest sum ever expended by a nation on a work of commercial utility is the outlay for the construction of the Panama Canal. But even this work partakes largely of a military character, for the chief argument in its behalf was the contention that it would be an important contribution to our works of national defense.

The great powers are severally indebted as follows:

France	$6,284,000,000
United Kingdom	4,961,000,000
German Empire	4,553,000,000
Russia	4,553,000,000
Austria-Hungary	3,753,000,000
Italy	2,707,000,000
Spain	1,815,000,000
Japan	1,242,000,000
United States	1,028,000,000

The increasing intelligence of the masses, and the increasing use of national funds to secure results of social and domestic betterment, that are reflected in a higher standard of living the world over, are tending to emphasize the fact that there are alternative uses for public money of a far more fruitful and beneficent character, than the building up of huge armies, and imposing navies. The public is not indisposed to expend whatever is necessary in this direction, but they are making a searching inquiry into the alleged necessity, and are manifesting a growing distrust of expert opinion, so far as it undertakes to fix the size of the navy, or army.

The fact is, that the size of the latter is not a question of naval strategy. Nor should the size of the former be remitted to the military experts. "It is a matter for the decision of the highest statesmanship. In a civilian country, made up of civilian people, the statesmanship should be civilian statesmanship. Inside of the Army or Navy, with a view to its maintenance on the highest plane of efficiency, expert opinion ought to rule; but the relation of the Navy to the other nations, constitutes a matter mainly outside of naval judgment. We should determine whether there is any menace to us, in what our sister nations are doing, and then do whatever is needful, wise, and just. Whatever is more is waste, and waste is another name for graft." Moreover, the advocates of peace, should spread the propaganda of peace on all occasions. In this respect, they should take a lesson from the activities of the members of the Navy League. They are at work in season and out of season. Any speaker who derides the motives, and sneers at the policies of the advocates of peace, is sure of an enthusiastic hearing at their hands, and if the orator goes further and pledges his support for liberal appropriations for the Army, and Navy, the applause becomes thunderous. If one tithe of the effort that has been expended in favor of maintaining the agencies, and machinery of war, had been used to show its folly and waste, the benisons of universal peace would long since have descended upon:

Every kindred, every tribe, on this terrestrial ball.

The public has long and passively acquiesced in the prodigious appropriations for military purposes, from a feeling that it was useless to struggle against the closely organized, and well-knit forces that have conducted the propaganda for this policy, and that have been so diligent in disseminating misleading arguments, and distorted facts in its behalf. This feeling is passing, and as the real facts are becoming known, it is being rapidly replaced with a growing sense of the futility, and folly of militarism under present conditions. The vast amounts that are being expended for these "unproductive purposes," are causing the taxpayers, "furiously to think," and to make instructive comparisons. "Two superdreadnoughts will cost about

$28,000,000. This sum would build 14,000 churches at $20,000 each, would buy 7,000 farms, at $4,000 each, would furnish a college education for 14,000 young men at $500 a year."

Save the British Navy, the "American Navy is the most costly on earth. It is one of the world's most expensive institutions. It costs more each year than all the colleges of engineering, and agriculture in the world, with all the technical, industrial, and trade schools of whatever sort—the foundations of the industrial prosperity of the nations. It costs more each year than all the universities of the world—the foundations of all intellectual leadership, and social progress. Each year it reaches a higher level of expense, and for this there is no visible reason external, or internal. The annual cost of our Navy has risen from $13,000,000 in 1881, to something like $140,000,000 in 1913." No one will pretend that this country is more secure to-day, or better protected against real dangers than it was in 1881, though the size of our Navy, in relation to the navies of the other nations, is much greater now than it was at that time. We are paying over $125,000,000 a year to protect ourselves against imaginary dangers, and maintain our "fighting edge." This gigantic sum if expended on the construction of roads, would build in any one year more than 31,000 miles of first-class highways, of the most approved character. With this sum we could do "wonders in storing, and distributing our flood waters," in the maintenance and enlargement of our levee systems, in the construction of new irrigation dams, and the reclamation of our deserts, in draining our swamps, and affording new areas of fertile lands for settlement and development. These great projects are calling to us insistently. What shall our answer be to the call? On every hand we see the "multiplying evidences" of an era of peace, but the armies and the navies grow apace. This is due in part to the vested interests, to an erroneous sense of insecurity, to the unceasing efforts of the military propagandists, to the glamour that attends the possession of military and naval power, and to "outworn ideas of national glory." But there is another contributing cause, and that is the mistaken judgment of certain advocates of peace, who believe that all this waste and debt are necessary, that peace means armed peace, peace backed by a great navy, and a corresponding army. This attitude ought to be challenged on every occasion by the friends of peace, who believe that "war instruments are built for war, and that their influence tend toward its destined end." The more peaceful a nation is, as manifested by its ways, and its works, the less reason for other nations to concern themselves with what it is doing. But the construction of battleships by one peacefully disposed nation, arouses the most lively concern among the other peaceful nations.

If battleships are agents of peace, and their construction means peace, why is it that whenever a dreadnought is projected, or laid down, it becomes a subject of instant interest to every other nation that is building dreadnoughts. Dreadnoughts in some marvelous fashion seem to procreate dreadnoughts, to give birth to "new dreadnoughts at home, and abroad," always with regard to the laws of dreadnought eugenics, for the descendant is ever bigger and sturdier, and in every way more vigorous and powerful, than the ancestor. "English dreadnoughts breed German dreadnoughts. German dreadnoughts are the parents of American monsters." Our Navy is the parent of sturdy youngsters in Cuba, Argentina, and Brazil. It would be difficult to gauge the unrest, distrust, apprehension, alarm and positive dislike that the steady increase in our Navy has aroused in the Republics of South America. The road to peace is not by this way. It is by the way of promoting, "friendly relations, and friendly commerce, by stimulating science, education, sanitation, industry, national justice, economy and solvency." We should cultivate the virtues of patience, tolerance, and self-restraint, and above all reject the sophisms of "armed peace":

"To safeguard peace we must prepare for war"—
I know that maxim; it was forged in hell.
This wealth of ships and guns inflames the vulgar
And makes the very war it guards against.
The god of war is now a man of business,
With vested interests.
So much sunk capital, such countless callings,
The army, navy, medicine, the church—
To bless and bury—music, engineering,
Red-tape departments, commissariats,
Stores, transports, ammunition, coaling stations,
Fortifications, cannon foundries, shipyards,
Arsenals, ranges, drill halls, floating docks,
War-loan promoters, military tailors,
Camp followers, canteens, war correspondents,
Horse breeders, armorers, torpedo builders,
Pipe-clay and medal vendors, big-drum makers,
Gold-lace embroiderers, opticians, buglers,
Tent makers, banner weavers, powder mixers,
Crutches and cork-limb manufacturers,
Balloonists, mappists, heliographers,
Inventors, flying men, and diving demons,
Beelzebub, and all his hosts, who, whether
In water, earth, or air, among them pocket—
When trade is brisk—a million pounds a week.

The sum of the whole matter is that the United States as a peaceful Nation should maintain an adequate Navy. The test of an adequate Navy is easy. We need no ships for the purpose of offense, since this country is dreaming no dreams of conquest, or empire. Our requirements for defense are simple. "There is no power which hopes to rule over us, no enemy that dares, or cares to attack us." Our commerce enriches the world. Our virile citizenship, our available resources, our actual wealth, our commanding position, our present military and naval strength, which is far in excess of our actual needs, and the unity of our national sentiment in all that touches the vital interests of this country, afford an ample panoply of protection against any suggested attack. There is no occasion to increase either the Army or the Navy. Both may be safely reduced. Mr. Speaker, everything tells us to go forward with this great movement for the reduction of armaments. We may be rebuffed. If so, we will try again, and will not weary in well-doing in this great cause. For years, through remonstrance and diplomatic representation, we sought to improve the condition of the Jews in Russia. Finally, we repealed our treaty with that country, in the hope that betterment might come by that way. Vain hope. We have been rebuffed at every turn, our requests denied, our suggestions rejected. Have we lost standing thereby, have we lost prestige, have we fallen into a pit which we have digged for ourselves, have we been made ashamed before the nations? Ah no! The fight goes on, light is breaking, and in the end, justice will be secured for the Jewish citizens of that unhappy country. And this other fight will go forward, whether under our leadership, or that of another. In due time victory will come, for no system grounded in absurdity, rooted in folly and wrong, can endure for all the ages. In spite of the forces of active opposition, in spite of chill indifference, and envenomed attack, this movement will not fail. The day of deliverance for the nations is at hand.

It's coming yet for a' that.
When man to man the world o'er,
Shall brothers be, and a' that.

[Applause.]

Mr. Speaker, there are many encouraging indications that the era of great wars is passing. God speed its passage. In the barbarous past war has afflicted mankind with untold miseries, with woes unnumbered. It has destroyed values beyond computation, lowered all ethical standards, and degraded the high ideals of humanity. In its wake are heard the groans of strong men, and the pitiful weeping of sorrowing women. The spirit of the enlightened present is calling the Christian nations to enlist in the "common service of world-wide liberty," and civic betterment. Everywhere recruits are needed for a universal war to eradicate war, and the vicious causes that lead to war. In such a cause I am ready to enlist as a volunteer. This will be a holy war, a war for humanity, a war to banish disease, and crime, and suffering, and sorrow, a war to lift up the lowly, and bring comfort and relief to the miserable and afflicted of every degree. In time peace will win this victory, a victory more renowned than any achievement of grim-visaged war. [Applause.]

Currency Bill.

EXTENSION OF REMARKS
OF
HON. MOSES P. KINKAID,
OF NEBRASKA.

IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. KINKAID of Nebraska. Mr. Speaker, in my estimation, the Democratic Party has not made the most of the greatest political and statesmanship opportunity ever afforded a political party in the history of our country. I predict the operation of this bill will show the present majority party has been found wanting in constructive legislation. The pending bill combines good and bad features; it contains even opposing principles, and is therefore inconsistent within itself.

Mr. Speaker, except for the earnest and persevering resistance of most Republicans and Progressives, aided by a few Democrats, in opposition to provisions of the original Glass bill, from its start in the House, the sponsors of the bill, impatient of any deliberation or delay, would have forced its passage without the allowance of a single amendment. But as a result of the untiring protests of those opposed to certain provisions as the bill was introduced, covering a period of several months, many amendments have finally been secured in the Senate, the merits of which even the most ardent supporters of the bill, as it was first written, now admit to be indispensable to its successful operation. But it is yet, improved as it has been by amendments, imperfect in several respects, in details. These remaining objectionable features have been pointed out and amendments proposed which would have removed them. But these amendments have been voted down by the majority party.

Mr. Speaker, I do fear the strong political party desire to pass a bill as drafted and proposed by the majority leadership has outweighed and subordinated the more deserving purpose, that of securing a financial measure truly salutary. Certainly I grant the majority party seeks meritorious legislation. But I do fear the anxiety of its leadership to secure exclusive credit for the party for passing a currency measure has stood in the way of the best results.

Mr. Speaker, viewing the provisions of the bill as I have stated myself raises the question of what it is my duty as a Member of this House at this juncture to do, with a final vote upon the measure impending. I am frank to say if my vote against the bill would defeat it and thereby secure the striking out of objectionable features and the substitution of what would be beneficial to the measure, I should unhesitatingly now vote against it, just as I did vote when it passed the House, to encourage amendments by the Senate. But the opposition vote of all Republicans and Progressives, combined with the very few Democrats who opposed the bill, would not now prevent its passage. Therefore it is not three alternatives the situation presents, namely, this bill, the national banking system we now have, or, instead of either of these, a new and better bill. Such is not the situation. It is but two alternatives that confront me, namely, this Glass-Owen bill or our present national banking system. It is a vote for the Glass-Owen bill or a "No" vote, which should be construed that I would prefer our present system to the pending bill.

As I have in substance heretofore expressed myself, as I view it, our national banking system, while a great achievement for the time of its enactment, comparatively viewed, a great contrivance to be attained under the then existing environments, and for which Secretary Chase, Senator Sherman, and a few others were entitled to all if not more than the credit acknowledged them at the time, and, I may add, without which the Union of the States might not have been preserved, yet its operation has proven the system to be unsound in principle as to the volume of currency. Statesmen, party conventions, business men—maybe I should have first mentioned the press—and the masses generally have for a considerable period declared against it and for a better system. All concur that an elastic currency and a mobilization of bank reserves would operate for the welfare of the people. These are wanting in our existing national banking system; they are provided for, though not as well and skillfully as might be, by the pending bill. The Glass-Owen bill in these respects constitutes a material improvement upon the fundamentals of our existing system; therefore, while much of the machinery and details of the bill are objectionable to me, I find myself impelled to take a practical view of the situation, whereby I find a preponderance of advantage in favor of the pending bill in preference to a continuation of our old national banking law. I voted against the Glass bill when it was the most objectionable to me that it has been; this was when it passed the House; again I voted to concur in the amendments, just as it came from the Senate, for fear that in conference the provision for the insurance of deposits might be striken out, and so I think I voted against the bill when it was the worst it has been, and I shall now vote for it, when it is the best it has been, certainly in many respects, but I do grant that while the clause for the insurance of deposits was lost in the conference that slight gains in other respects were made.

Mr. Speaker, I very much regret the deposit insurance provision has been stricken out of the bill by the conferees. It was my fear that this might be done—this was my principal reason for voting to concur in the Senate amendments instead of permitting a conference and taking chances that this very salutary clause would be eliminated. But, Mr. Speaker, I serve notice now that if some one does not get ahead of me I shall prepare and introduce a separate deposit insurance bill just as early as I can find the time to prepare it.

Mr. Speaker, the membership of this House ought to be agreed, and I am sure all their constituents will agree, and especially the business interests of the country will agree, that political partisanship feeling should not for a moment be permitted to stand in the way of a vote expressed the best calculated to promote the welfare of all the people collectively, and with this view I shall vote for the bill by voting to adopt the report of the conferees.

Mr. Speaker, to be clearly understood, it is my position that while this bill is defective in different respects it yet contains enough good, enough of a start for an improvement in our banking and currency system, that we should pass it rather than make no commencement at all, and from time to time amend it in the places and at the points at which its operation shows it to be weak or wrong.

Currency.

EXTENSION OF REMARKS

OF

HON. S. A. WITHERSPOON,

OF MISSISSIPPI,

IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. WITHERSPOON. Mr. Speaker, upon the conference report of the currency bill, agreed on by the conferees of the Senate and the House, I voted in the negative because, after as much study and investigation as it was possible for me to give the subject, I came to the conclusion that the proposed law was contrary to the best interests of the American people.

In 1900, after much agitation and party conflict, a system of banking and currency was adopted, and this system of finances has been on trial for 13 years. The result of this long trial is that the Republicans who fastened the system upon the country, the Democrats who bitterly opposed it, Greenbackers, Socialists, anarchists, and, in short, all classes of our people, unanimously agree that it has resulted in intolerable evils, and that something else must be substituted for it.

The concentration of the wealth of the country in the hands of the favored few, the correlative increase in the multitude of the poor, the reign of uncontrollable panics, the widespread failure of business enterprises, and the monopoly of the money of the country by the idle rich and the gamblers are some of the results which have marked the progress of our financial system for more than a decade. The foundation principle of this system was laid in the act of 1890, which provided that 25.8 grains of gold should constitute the dollar which was to be the standard of value, and that other dollars should be maintained at a parity with this dollar. Silver ceased to be coined into money and a vast sum of gold, amounting to $150,000,000, was accumulated in the Treasury and has been kept there ever since for the purpose of maintaining this parity.

Having destroyed the use of silver as money, and having adopted as the sole money of the country a metal whose quantity is utterly insufficient to supply the money requirements of the country, it became a matter of necessity that something else should be substituted for money. Accordingly the banks were required to gather up and store in their vaults immense quantities of the gold and other moneys of the country, aggregating about a billion and a half dollars called their reserves, and this money they have been forbidden by law to lend or use, however much it might be needed.

The effect as well as the object of this was to give these institutions the highest possible credit, and bank credits, loaned the people to the amount of $18,000,000,000, have been effectually substituted for money as a medium of exchange. Less than 5 per cent of the business of the country is transacted with money and the use of bank credits has become almost the sole medium of exchange, and the dependence of the people upon bank credits in lieu of money explains the purpose of demonetizing silver and of adopting as the sole money of the country a metal whose scarcity made it impossible to transact the business of the country with money.

This cruel, foolish law which has forced the substitution of bank credits for money does not permit the banks to use the money in their vaults even when the destruction of confidence

makes it impossible for them to lend their credits in lieu of money. In 1907 the banks had a billion and a half dollars in their vaults, and if this vast sum of money had been put in circulation money among the people would have been so plentiful that the continuance of the panic would have been impossible, but the principle of our financial system regarded it as of the first importance to maintain the credit of the banks, and hence this vast reserve was kept in sacred idleness and even increased throughout the panic at the cost of untold suffering and widespread ruin.

With this experience to guide us and these calamitous results still fresh in our memories we have now adopted a new system of banking and currency founded on the same vicious principle of finances.

The new law provides for the establishment of 12 banks located each in one of the 12 districts into which the country is to be divided. The capital stock of these banks is to be taken and paid for by all banks that become members of the system and in these regional banks the members are to keep a part of their money on deposit. The regional bank's business will be the rediscounting of the paper of the member banks, and on this rediscounted paper as security the regional bank is authorized to issue the new currency, in the discretion of the Federal Reserve Board. This new currency, secured by the rediscounted paper, made a legal tender in the payment of public debts, and guaranteed by the Government, will constitute the money which the regional bank loans to the member banks on its rediscounted paper. It is the credit of the regional bank in the form of a note which it loans instead of money, and the amount of such credits, which it will be authorized to loan, is measured by the amount of gold and other lawful money it may be able to hoard.

The act authorizes the regional bank to issue $100 in these currency notes for each $40 it may have or $2.50 in currency for each $1 of gold or other money. In other words the regional bank must always keep in idle money 40 per cent of all the currency it lends and this is a sacred fund which must never be put to any use except to maintain the credit of the bank and thereby cause its credits, in the form of currency notes, to circulate among the people and serve as a substitute for money. The principle of this scheme is identically the same as that of the system which proved so disastrous and which we have now abandoned. The basis of it is that there is no real money but gold and that the scarcity of gold makes it necessary to collect and hoard it in the vaults of the banks to the end that this will create such confidence in the banks that their credits can be loaned to supply the place of money. This firmly establishes the autocratic supremacy of the banks and the utter dependence of the people upon them for their credits as a medium of exchange, and the whole fabric of the system rests on the delusion that one dollar in gold will make two and a half in currency notes good.

The science of money is very abstruse. The complication of its principles are difficult to comprehend, and the human reason is often bewildered in the effort to unravel its economic questions. The evil effects of a false system are often impossible to distinguish from results that might come from other sources and the magnitude of the problem should shield the honest conclusions of anyone from criticism and blame.

But we acquire most of our wisdom in this world not from reason but from our mistakes, blunders, and misfortunes, and if we can not see by the lamp of experience we will never find the truth. Men may justly differ when they resort to reason, especially on such a difficult subject as the currency; but after 13 years of trial with all the evil results that are admitted to have followed there seems to be little excuse to establish a new system on the very same principle. If this was wise, then the teachings of experience have no value. A system of finances would have been devised on a different principle if it had not involved a confession on the part of the framers of the bill that they were wrong 13 years ago; but I knew that the gold-standard theory of money was wrong then, and in the light of the disaster it has caused I could not vote for it.

In arriving at the conclusion that I ought to vote against the currency bill I considered as fundamental the question, What is the real object and function of money and banks and whether the proposed currency system carries out those objects?

MONEY.

What is the use of money and what object is it designed to accomplish? All dictionaries answer this question by defining money as a medium of the exchange of products and none of them define it as a medium of creating credits in banks.

All books on political economy accord with the definition of the dictionaries, and teach the doctrine that the sole function of money is to effect the interchange and distribution of the products of labor. This exchange is always given as the necessity for money and this use constitutes its sole value. Without money the business of the country would be impossible. When a man raises 1,000 bushels of wheat and only needs a few bushels for his own use, he would find it impossible to exchange what he can not use for the great multitude of other articles he must have, and the only method by which his necessities can be met is to sell his surplus wheat for money and then use the money in the purchase of whatever he may need. In this way money effects the exchange of these products which each man does not need for those products which he does need, and this is the function of money as expounded by all writers on the subject. I have never been able to find any book on the science of money which claims that its function and use is not as a medium of exchange but as a means of creating in banks credits to be substituted for money.

To destroy the use of money altogether and to make the people wholly dependent on the banks for their credits as a substitute for money is the prime object of the currency bill against which I voted. Under the old system, which its advocates and originators have been forced to abandon, the laws of the United States and of the States required American banks to keep as reserves in their vaults from 15 to 25 per cent of their deposits in cash, and this legal requirement resulted in the hoarding by the banks of one and a half billion dollars. This vast reserve means that much money must be idle and never be used for any purpose at any time. It had no other effect except to center in the banks the credits of the country and to make the people wholly dependent on them for their credits as a medium of exchange in lieu of money.

The new system is still worse. It requires all banks who become members of the system to keep 12 per cent of its deposits if it be a country bank, 15 per cent of its deposits if it be in a reserve city, and 18 per cent of its deposits of it be in a central reserve city lying idle and useless in its vaults all the time. In addition to this each bank must keep 5 per cent of its time deposits as a part of its reserve. In addition, each regional reserve bank must maintain two large reserves. For all deposits of money or paper it must have 35 per cent thereof in cash in its vaults, and for all currency notes it may issue it must keep 40 per cent thereof in gold or lawful money, the currency notes themselves being by implication a sort of unlawful money.

When we remember that the total amount of bank deposits in the United States is about $18,000,000,000, it is plain that if the banks conform to all the requirements of new reserves and for increased reserves, and if the banks take from their vaults all the cash required by the law for the purpose of paying for the stock in the 12 regional banks and for the maintenance of their required deposits in the regional banks, it will take about all of the $3,000,000,000 of money now in existence and thus effectually destroy the use of all money in the United States as a medium of exchange and firmly establish the dependence of the people upon the use of bank credits in the form of currency notes as a substitute for money.

Money, whether it be gold or silver or greenbacks or Treasury notes or what not, will cease to be a medium of exchange. All money will form a part of some bank reserve, and all the dictionaries and books on political economy will have to revise and change their definitions of money, and, so far as the United States is concerned, they will have to admit that from the beginning of time they have been mistaken in declaring that money is a medium of exchange, and that it was left for the modern goldbug to discover that the prime object and only function of money is to form bank reserves and create bank credits.

The unknown author of the currency bill was certainly enamored of reserves. He calls the bill itself the "Federal reserve act." He names the 12 regions into which it divides the country "reserve districts." He denominates the officers in whom the supreme power is vested "the reserve board," and the 12 regional banks are to be known as "reserve banks." Even the agents are dubbed "reserve agents." And then it effectually provides that practically all the money of the country shall be used solely for bank reserves. To him reserve seemed to furnish the answer to all financial questions, to be the whole culmination of the science of money, and to be set up as the ultima thule of real statesmanship.

If the perfection of bank reserves is the object of our currency system, I made a mistake in voting against the bill; but that idea is so antagonistic to all my conceptions of the function of money that I was unable to appreciate the wisdom of it. It may have been because my reserve of the information which I have been receiving all my life was too large to admit any further reserves into my head.

BANKS.

No institutions are more important than banks. They are as necessary as money itself. Without them money could not perform its function, and upon the proper exercise of the banking functions depends the prosperity of the country. Banks are indispensable to the distribution of wealth and the good of all classes, because they are the only institutions yet devised by which a small amount of money can be made to effect a large amount of business.

In the United States it is said that the wealth of the people amounts to $130,000,000,000, and that the annual production of wealth amounts to $30,000,000,000, all of which has to be interchanged and distributed, and we have less than $3,000,000,000 with which to effect these enormous exchanges. This is not possible unless each dollar, which may change hands and effect many exchanges every day, is used to the greatest extent. If each individual keeps his money in his pocket and it is used only when he enters into a business transaction and lies idle during the time its owner does not use it, then our supply of money would be wholly insufficient for the demands of business. In order to make $3,000,000,000 ample to do the business of the country it is indispensable that one man may be able to use the money of his neighbor, who does not for the time need it, and this is accomplished through the medium of banks. When everyone in a community deposits his money in the local bank it can all be used all the time by those who need it, and in this way only can the supply be made sufficient. Here lies the usefulness and the necessity of banks. Their main function, therefore, is to lend the money of the people, and as long as they perform this function they are a blessing to every community.

But the present law, as well as the abandoned system, instead of making the banks perform their legitimate and highly useful function of lending the money of the people, aim to make the banks in each community have a monopoly of its money to the end that money shall cease to be a medium of exchange, and that bank credits shall be substituted therefor. Not only did the old system require that the cash reserve of each bank should be increased in proportion to the loan of its credits, and not only is this requirement continued in the present system, but in addition to this each bank which becomes a member is now required to surrender a large part of its cash to the 12 regional banks, and these regional banks are required to keep two large reserves of cash, one of which is 40 per cent of the new currency notes they may issue, and the other is 35 per cent of their deposits, thereby largely increasing the amount of money whose use as a medium of exchange will be destroyed, and greatly enlarging the dependence of the people on bank credits as a substitute for money.

The new law, in fact, conditions the power of each regional bank to do business upon the amount of cash it can hoard and monopolize, because it must have a dollar in gold for each $2.50 of currency notes it issues, and the more gold and other money it can hoard the more of its credits it can lend. It is therefore under not only the temptation but the necessity of accumulating and hoarding as much money as possible. The more money it keeps idle and destroys the use of the more of its credits it can lend.

When the currency bill was under discussion the ablest members of the Banking and Currency Committee, well understanding that the object and effect of the bill was to destroy the use of money and to substitute therefor bank credits as a medium of exchange, boldly asserted in the debate that banks do not deal in money at all, but they deal exclusively in credits. This was literally true in the old system, and will be equally true under the new. It will be impossible for the banks to lend money and comply with the requirements of the law. Each bank will have to strive to become a monopoly of all the money in its community in order that it may be able to lend the largest amounts of its credits to the people.

The monopoly idea of a bank is intolerable to anyone who has the instincts of a Democrat. All private monopolies are denounced in the Democratic platform as intolerable and indefensible. A monopoly of money is the worst form of monopoly that selfishness can devise. It is worse than a monopoly of corn or wheat or cotton, because the monopoly of money blights prosperity in every walk of life and makes the welfare of the people in every country dependent upon the will and whims of the money monopolists. The potent cause of the paralysis of the transportation and mercantile business as well as of the manufacturing and agricultural and other productive industries of the country lies in the Money Trust, which has existed for many years and which is the legitimate offspring of our old banking and currency laws, and to vote for a bill which increases the monopoly of money meant a surrender of all my conceptions of the functions of money and banks and the abandonment of all my convictions as to the political evils of the day and of the proper remedy therefor. I could not do this because somebody told me to do it.

THE EXPENSE OF THE SYSTEM.

But having adopted a banking and currency system which abandons the use of money as a medium of exchange and substitutes bank credits therefor, which converts banks from money-lending into credit-lending institutions, designed to hoard and monopolize the money of the country, the question still remains, Is such a system good for the country? The answer to this question depends upon the profits it will afford the banks and the cost it will fasten upon the people.

No banking and currency system can be good unless it makes the profits to banks easy and the cost to the people low, for without profits to the banks the system will be a failure, and if its cost to the people is so burdensome as to equal the profits of commercial, agricultural, and manufacturing pursuits, material prosperity could not advance. There is no real conflict between the interests of the banks and the prosperity of the people. If the banking business is a failure, then no other enterprises can be supplied with the money necessary to success, and if the cost of the banking and currency system is so high as to absorb all profits of productive wealth, then all kinds of business must fail and involve the banks in their failure, for the measure of prosperity to the banks is the amount of wealth to be distributed.

The test, therefore, of the best banking and currency system is the one that will enable the banks, with the least possible expense, to earn a reasonable profit and to lend to the people the money of the country at the least possible cost; and the worst possible banking and currency system is the one that imposes upon the banks the highest possible expense before earning their profits, and thereby forcing them to exact from the people the most extortionate rates of interest for money.

The use of money as a medium of exchange is a necessary item of cost in both the production and distribution of wealth, and it is self-evident that the smaller that cost may be the greater will be the success of every kind of business, and the higher that cost may be the more certain will be disaster and failure. If the annual production of wealth were $30,000,000,000, and if the cost of this production were the same, and if the interest charges in that cost were a billion dollars, it is manifest that the cost of the money used was so high that no profits were left. If a farmer sells his crop of wheat for $1,000 and the expense of raising it was $1,100 and included $200 for interest, it is evident that all his profits and his loss were the result of the cost of his money. This cost of money courses through every artery and vein of business like the blood through the human system. When the manufacturer sends into the markets the product of his factory there is included in the price of each article its share of the interest and discounts which he has paid for the money used in the purchase of the material, in the payment of his laborers, and in the holding of his goods until a purchaser is found. The wholesaler and jobber who bought the goods from the factory, and every middleman through whose hands it passes, adds to the price the cost of the money he has borrowed in handling the goods. The freight which the transportation company charges for delivering the goods to the retailer is largely composed of the interest on the bonds which the transportation company owes to the Money Trust; and, finally, the retail merchant sells the goods to the consuming farmer on a credit, and is compelled to add to the price, already surcharged with interest, an additional amount of interest for carrying the farmer till his crop is ready for market. When he sells his crop, and with the proceeds settles his store account, filled with all this interest, and then pays the interest on the money he has borrowed, he finds there is no profit, and frequently a debt, to be carried the next year. He wonders why this is so, for he has without knowing paid such a high cost for the money used in his business that profits were impossible. He learns that the banker, the railroad company, and the merchant have realized great profits, but the silent, unseen effects of our money system on production are unknown to him. But it is clear to one who thinks that the most expensive currency system is the worst, and the cheapest system is the best. This is the only real true test, because it is the only one that consults the welfare of the people and the prosperity of the country.

But this new system of banking and currency ignores this fundamental principle and is constructed for other ends. The basis, the beginning, the middle, and the end of the new law are reserves. The member banks must send a large part of their cash to the regional banks, where it can never be used to accomplish any of the purposes of money, but where it must lie as idle capital to measure the amount of currency notes the regional bank may issue. In addition, the member bank must keep 12 per cent of its deposits idle in its own vaults. The

regional banks also must have 40 per cent of the currency notes and 35 per cent of its deposits idle and useless. I can not tell how much all these reserves will aggregate, but if the old law compelled the banks to hoard a billion and a half dollars of idle money, the new system will approximate three billions, or all the money in existence in the United States.

When all this idle capital is stored up in the vaults of the banks which can not use it or lend it to the people without violating the law, when they must keep it and hoard it without the possibility of any profits on it, then the banks must either fail or, when they lend their credits, created and maintained by these reserves, they must charge such rates of discounts and interest on their loans to the people as will not only compensate them for the risk and expense of the loan, but the rates must be sufficiently high to also compensate them for the vast amount of capital which the law requires them to keep idle in their vaults as reserves.

No business can succeed which is compelled by law to keep 50 or 25 per cent of its capital idle. The principle of success in every business is to make every item of capital earn something and to turn it over as often as possible.

If the law should require the manufacturer to keep half of his machines in idleness as a reserve, it would ruin him unless he could sell the product of the other half for a price twice as large as he could sell them for when operating all of them. If a law were to require a merchant to keep one-fourth of his goods as a reserve and never sell them, he would go into bankruptcy unless he were permitted to add 25 per cent to the price of that portion of his stock which he is permitted to sell. If the farmer were required by law to keep half of his plows, hoes, horses, mules, and lands idle all the time as a reserve, he would soon move to town, as so many of his neighbors have done, because not only profits but a living would be an impossibility to him unless he could sell his wheat, corn, or cotton for a double price. If the banker is forbidden by law, as the new currency bill effectually does, to deal in and lend his money, and if he must be confined to the lending of his credits in the form of currency notes, then he must charge a rate of interest to the people sufficiently high to remunerate him for all his idle money, the expenses of his business, and a reasonable rate for the loan.

The bill certainly puts it up to the American banker and confronts him with the problem of his idle money, which can yield no profit, and submits to his genius to rob his customers of enough interest on his credits to compensate him for the loss of the use of his money.

When a Federal reserve bank desires to secure $250,000 in currency notes, it must first collect and hoard $100,000 in gold or lawful money, and this, with the proper security, will get the currency notes, on which it must pay interest to the Government at such rate as the Federal reserve board may determine. It then uses the currency notes to rediscount the paper of member banks at a rate which will enable it to pay its expenses and the interest it has already paid on the notes and a profit to itself, and also compensation for its idle reserves. The member bank must pay out a rate of interest to the regional bank sufficiently high to cover these four items and is then supplied with the new currency, which it will lend to its customers.

When the farmer and the merchant and the manufacturer come to the member banks to borrow these currency notes, which are nothing but bank credits, guaranteed by the Government, or, in other words, by the people, and ask the rate of interest, the member bank must resort to a good deal of figuring. It must put down the interest it has paid to the regional bank; it must put down the value of the money it has been compelled to contribute to the capital of the regional bank on which it may never receive any returns; it must count in the value of its own reserves on which it can make no profits; it must consider its own expenses; and, lastly, it must make the rate of interest high enough to cover all these items and a profit to itself.

To one who expects to borrow this new currency and to pay the amount of interest that will make the system profitable to the Government, the regional banks, and the member banks, the outlook is alarming, but the bill gives the people the assurance that these rates of interest will be controlled, not by a money trust, as heretofore, but by a Federal reserve board, composed of the servants of the people. No doubt the Federal reserve board will exert all its power to shield the people from exorbitant interest rates and stand in strong contrast to the Money Trust which has heretofore controlled the money and credits of the country in the interest of the banks. But if the Federal reserve board constrains the banks to lend the new currency to the people at rates which will enable them to live, the banks will be unable to pay the interest they will have to pay for the use of their own credits and compensate them for their idle reserves, amounting to billions of dollars.

The good of the people will involve the system in failure and the success of the system will entail upon the people the highest possible cost of their medium of exchange.

But when the people shall borrow this new currency from the banks at a rate of interest that will pay for its use and also for the idle money they do not get, what sort of money will they have? It will be good to pay tax collectors and banks, but it can not be used to pay private debts unless the creditor sees fit to take it. The new currency is not a legal tender in payment of private debts, and if the sheriff has an execution and is about to sell the property of the citizen to satisfy a judgment, it can not be satisfied and the sale can not be stopped with this costly currency. It lacks the most valuable quality of money, and that is the legal-tender quality. If the creditor refuses to take it, the debtor must send it a thousand miles to a regional bank, or to Washington, and exchange it for lawful money.

THE CORRECT PRINCIPLE.

Our currency system should have been based on the very opposite principle from that of the one adopted. It should have aimed at giving the people the money needed in their business at the least possible cost. It should have provided for the issuance of no currency to any bank as long as it had money in its vault, and this would have forced the banks to use the actual money of the country, and the people would have gotten the use of the money without paying for idle useless money which they did not get. Whenever a bank was found to be perfectly solvent and to have loaned out all of its money and could furnish ample security, to such bank and to such bank only should the new currency be issued. The fact that provision was made by which such banks could procure more currency would have made them free to lend it, and would have reversed the tendency to increase their cash and hoard the money of the country at the approach of a panic. Under this principle the fact that a bank had loaned all of its money would prove that more money was needed, and when the bank had idle money it would show that the community did not need any more money, and thus the currency would expand or contract, according to the needs of each community, avoiding dangerous expansions and ruinous contractions.

But under the new law the amount of new currency which the banks can secure will depend not upon the needs of the people, but upon the amount of gold in the vaults of the banks. In those regions of the country where the gold is accumulated they will be entitled to issue two and one-half dollars in currency for one of gold whether an increase in currency is needed or not, making it possible for unnecessary expansion and speculation, while in those regions where actual money is scarce the new currency can not be issued no matter how much the needs of the people may demand it.

If in the preparation, consideration, and discussion of the currency bill it had seemed to me that it was an effort to adopt a currency bill which would facilitate the profits of the banks and thereby enable them to accommodate the people at reasonable rates of interest, I should have hesitated before putting up my own judgment against that of the entire Congress. But in the entire bill, from its title to its end, I could find nothing except bank reserves and the gold standard. I listened for weeks to the debate on the bill and I did not hear a single Member even contend or assert, much less try to prove, that the proposed system would reduce the expenses of banking and enable those institutions to supply the people with money at less cost than the present system, nor did anyone ever try to explain how the nonuse of the vast reserves would result either in profits to the banks or benefit to the people.

The framers and advocates of the bill seemed to have lost sight of the real object of the currency system, and to have centered their whole attention upon the correction of certain evils resulting from the former law. They claimed that it would prevent the concentration of money in New York, that it would prevent the use of such vast sums of money in gambling on the New York Stock Exchange, that it would transfer the control of money and credits from the Money Trust to a board of the people's servants, and give a flexible instead of a rigid, fixed currency. The answer to all these contentions is that the proposed bill might accomplish all these good results, and yet if it makes the cost to the people and the burden on the production and distribution of wealth greater than it was, it would be a worse system, and do more harm than good. Another answer is that all these evils could have been as easily corrected in a currency system based on the right principle as in a currency system based on a wrong principle, and I be-

lieve that defeat of this bill would have resulted in the early passage of a bill framed in the interest of the people.

The grandeur of the scheme seems to have captivated the Congress. Twelve great regional banks, conducted in stone buildings covering acres of ground, lifting their white walls and splendid domes high up toward heaven, and containing within their huge vaults all the gold and most of the other money of the country, presented to the imagination a sublime system of money in keeping and harmony with the greatness of the country, and its immense proportions afforded a favorable comparison with our great continental railroad system and the vast manufacturing and other great enterprises of the country.

Such a scheme had never been mentioned in any newspaper, magazine, public speech, or political platform, but like Minerva it leaped forth full panoplied from the brains of its sire, and the very novelty and originality of the scheme inspired the oft-repeated eulogy that it was a piece of great constructive statesmanship. If the grandeur of the conception was the object to be attained, then this bill was properly passed into law, but grandeur and power in governmental affairs do not always coexist with the good and life of the people any more than it does in the material world. Nothing is more sublime than the heaven-piercing peaks of the Alpine Mountains. Upon their huge crests the never melting snows of the centuries sleep. They lift up their great heads to see the earliest light of the morning and shake their white locks in defiance at the storm. The traveler gazes in wonder at their grandeur, and the poet and the orator struggle in vain to depict their sublimity. But mixed and mingled with all their grandeur there is no sign of life. Nature has never crowned those frozen heights with a tree or bush. No blade of grass extends from that icy bed of snow, its green tongue to catch and drink the falling dew, and no flower flings its fragrance around that cold bleak summit. All is cold, frozen, bleak, and dead, and we behold the sublimity of the earth and eternal death joined together in unending wedlock.

And so we find in history that the highest grandeur of human governments have crushed and destroyed the liberties of the people. Its huge operations often blight their hopes and undermine their patriotism and other virtues. The burden of its support may become a weight which the people can not bear, and then the Nation, like the mountain, presents the union of governmental grandeur and popular death.

Currency Bill.

EXTENSION OF REMARKS

OF

HON. J. B. THOMPSON,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913.

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. THOMPSON. Mr. Speaker, when the bill we are about to pass was first before the House and before it went to the Senate, where a number of very valuable amendments have been added, on September 16, in the few remarks I made on the bill as it then read, I said:

I do not believe this bill takes care of all the different classes of our people to the same extent. * * * I reserved the right in the Democratic caucus to vote for certain amendments if they were proposed upon the floor, and I shall do so. I shall vote for a provision against interlocking directorates. I shall vote for a provision prohibiting rediscounting of commercial paper, the proceeds of which are to be used on the stock exchange for purchasing futures on staple farm products and for gambling on the board of trade. I shall vote to extend the time provided in section 14 of the bill from 90 days to 6 months for the maturity of commercial paper secured by staple farm products, so that our farmers' and stockmen's paper will be the subject of rediscount and placed on an equal footing with the paper of Wall Street speculators.

Without going into detail, I will point out what appears to me to be a few of the improvements that have been made in the bill by the Senate.

The time for which money can be loaned to our farmers has been extended from 90 days to 6 months, making it possible for them to borrow and pay off the loan out of the proceeds of their crops. The time for which money can be loaned on farm lands has been extended from 1 to 5 years. I favored inserting these provisions in the bill when we were considering it in caucus. After a bitter struggle the friends of agriculture were able to extend the time of personal loans to farmers from 45 to 90 days. The Senate now extends it to 6 months, which is gratifying to the friends of agriculture.

After a determined effort in caucus, the time of loans on real estate was extended from 9 months to 1 year. The Senate now extends that period to 5 years, and this is also gratifying. The Senate, by these amendments, has made it possible for a farmer to secure money from the banks operating under this new system, and for this reason the Senate bill is infinitely better than the House bill.

The Senate bill carries a provision for the guaranty of bank deposits—one of the most beneficent provisions of the entire bill and a provision which, when adopted into the national banking law, will do more toward destroying panics than all the other provisions of the bill. All recognize that panics are caused by fear. The word "panic" means fear. There will be no fear when depositors know their savings are secure. There is not a bank in all this country that can not be destroyed if a "run" were made on it. The Banking and Currency Committee of the House refused to write such provision in the bill and voted down the proposition when it was proposed. The time has passed for discussion on the merits of the guaranty of bank deposits. It is now full upon us, and no matter what we may think on the subject, it is here and here to stay. In my opinion, no fairer or better plan for raising a guaranty fund is possible of devisement than that provided by the Senate amendment. The total losses to the depositors in national banks during the half century of our present national banking system—1863 to 1913—has been but a little more than $30,000,000. During that same period the Government of the United States collected from the national banks, on the 1 per cent charge for circulating privileges on national-bank notes, more than $90,000,000, or three times the amount of losses sustained by depositors in national-bank failures. It has always appeared to me that the Government should have taken one-third of the amount it collected from the banks for circulating privileges and paid the deposits of the many thousand poor people of our country whose lifetime savings were swept away by the failure of these Government-created and quasipublic institutions.

Mr. Speaker, money on deposit in a bank is just as much property as if it were invested in a stock of goods, a house, or any other kind of tangible assets. If sound business judgment dictates the insurance of tangible property, I confess that I can not understand why the same good judgment does not also dictate the insurance of money deposited in a bank. A bank requires a borrower to insure its money before it passes it out over the counter to him. He must give security for its return. The United States, the States, the counties, the cities, and the townships all require the guaranty of deposits of public funds. Every employee of every bank in the United States is bonded to faithfully and honestly discharge the duties of his position, but a cry of socialism is raised when it is proposed to insure that class of our people—depositors—who, above all others, ought to be looked after with keenest solicitude by the Government. The guaranty system, such as is proposed here, in my judgment is the most satisfactory that can possibly be proposed, for by this system the funds come out of the Government's part of the profits. If there are losses, the Government will secure less profit, and this will cause a more careful selection of the men who are permitted to go into the banking business and a more rigid and careful supervision of the banks.

The Banking and Currency Committee complain that the Senate provision setting aside a part of the profits which accrue to the Government by reason of its partnership with the national banks is not the proper method for producing this fund. The committee say the money for guaranty purposes should not come out of the Government's part of the profits, but the banks ought to pay it. No such provision, however, as the committee now suggests was incorporated when it had the bill before it. The banks, under the provisions of the Senate amendment, as a matter of fact, do produce this guaranty fund, for the profits of the regional reserve banks are earned entirely on money furnished by the banks. It is true under the provisions of the bill the Government is allowed one-half of the profits after the stockholding banks are paid 6 per cent on the investment. To allow one-half of the Government's profits to go toward insuring deposits takes nothing from the Government, but amounts merely to the Government taking less from the banks and the banks setting aside that part which the Government does not take for the protection of their depositors. The statement of the committee that a guaranty fund should be paid by the banks, in view of these facts and the further fact that there is no limitation on the amount of

interest a bank can charge, is not calculated to reassure borrowers and popularize the guaranty-fund provision, for do we not all know that whatever burdens are placed upon the banks the borrower must finally bear? If in addition to the burdens already placed by the provisions of this bill the banks are required to set aside an additional amount for guaranty purposes, that additional amount will have to be added to the interest account and finally paid by the borrower.

The Senate bill in many other respects is an improvement on the House bill, especially those provisions of the House bill which afforded scant relief to the farming and producing classes of the country. The bill, however, falls far short now of what is my conception of a complete banking and currency bill. Including the Senate amendments, it does not adequately provide for the needs of that great class of our people—the farmers—who by their patient toil produce the products that feed and clothe the unreckoned millions of the world.

Mr. Speaker, I have prepared a bill which I expect to introduce when Congress reconvenes in January. This bill will, in my opinion, place the farmers on an equal footing with all other classes of our population. The bill which I intend to introduce reads as follows:

A bill (H. R. 11524) to establish national rural credit banks for the purpose of furnishing money to the farmers on real and personal security at a reasonable rate of interest.

DIVISION OF RURAL BANKING.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby created in the Agricultural Department of the United States a separate bureau to be known as the division of rural banking, to be under the general direction and charge of a rural banking board, which is hereby created, consisting of the Secretary of the Treasury, Secretary of Agriculture, and the Secretary of Labor. The division of rural banking shall be under the immediate direction and control of a director of rural banking, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall serve for a term of 10 years, or until his successor is appointed and qualified. Such director shall receive an annual salary of $6,000, payable in monthly installments. He shall have the power to employ such agents, servants, and assistants as may be necessary to carry out the work of said division, subject to the approval of the rural banking board.

SEC. 2. That the division of rural banking shall exercise supervision and control over and make examinations of all of the national rural banks established under this act, under such general rules and regulations as may be provided for the government and management of the said division by the rural banking board, subject to the requirements and provisions herein contained. The said division of rural banking is authorized and empowered upon the recommendation of the director of rural banking to issue charters or certificates of incorporation for the establishment of local national rural credit banks, as herein provided for, and may upon like recommendation withdraw or forfeit such charters or liquidate such banks whenever necessary, and under the rules and regulations established for it.

SEC. 3. That the national rural credit bank of the United States of America and all local national rural credit banks that may hereafter be established as provided for herein shall be bodies corporate and shall, in addition to the other powers conferred upon them by the provisions of this act, have the right to contract and be contracted with, and sue and be sued

NATIONAL RURAL CREDIT BANK OF THE UNITED STATES OF AMERICA.

SEC. 4. That there is hereby created at the city of Washington, D. C., the National Rural Credit Bank of the United States of America, with a capital stock of $100,000,000, the same to be subscribed and paid by, issued to, and owned by the United States of America, and said bank shall be under the control of the rural banking board. Said bank shall act as the agent, clearing house, and depository of the local national rural credit banks hereinafter provided. It shall accept from the local national rural credit banks all bonds purchased by said banks as hereinafter provided, and advance the purchase price thereof on request of such banks when said bond or bonds are duly indorsed by such local national rural credit bank.

SEC. 5. That any number of residents or real-estate owners in any magisterial district, or county, or such other political subdivision of any State, as may be approved by the division of rural banking, not less than 100, may, on application to the division of rural banking, made on forms furnished by it, and upon compliance with its requirements, become incorporated as a local national rural credit bank.

NAME AND NUMBER.

SEC. 6. That the name "rural credit bank" shall be a part of the name or title of such institution and shall not be used by any institution other than those incorporated under this act. It shall be prefixed by such descriptive title or name as the applicants may indicate, subject to the approval of the division of rural banking. Each such bank shall also be designated by an official number provided by the division of rural banking.

SEC. 7 That the capital stock of such local national rural credit bank is hereby fixed at the sum of $2,500, the same to be subscribed and paid by, issued to, and owned by the United States of America, and said banks shall be under the control and management of the rural banking board.

SEC. 8. That any local national rural credit bank organized under the provisions of this act shall, on application of any of the organizers thereof, accompanied by a first-mortgage lien on farm land, issue to such member its bond, with coupons attached, for an amount not to exceed 50 per cent of the value of the property covered by such mortgage as certified to by an inspector appointed by the rural banking board.

SEC. 9. That any local national rural credit bank organized under the provisions of this act shall, on application of any of the organizers thereof, accompanied by a first-mortgage lien on growing crops and other personal property, issue to such member its bond, with coupons attached, for an amount not to exceed 40 per cent of the value of the property covered by such mortgage as certified to by an inspector appointed by the rural banking board.

SEC. 10. That on presentation of such bond by the holder thereof to the local national rural credit bank said bank shall accept said bond and pay to the holder its full face value in cash, or give him credit for said amount on the books of said bank in accordance with the regulations of the rural banking board adopted to provide the disposition of the proceeds of such bond for the purposes provided in this act.

SEC. 11. That no bond shall be issued on a mortgage secured by real estate unless the proceeds of such bond be used entirely in the payment in full or in part of the purchase price of said real estate or for the improvement thereof, and no bond shall be issued on a mortgage secured by crops and other personal property unless the proceeds of such bond be used entirely in the production and harvesting of such crops, and the rural banking board is hereby vested with authority to prescribe such rules and regulations as it may deem necessary to enforce the provisions of this section.

SEC. 12. That on presentation of a warehouse certificate showing the deposit of cotton, corn, wheat, or any other staple farm product in a warehouse in good condition, accompanied by a policy of insurance against destruction by any means whatsoever, said policy containing a loss clause providing that payment, if loss occur, shall be made to the holder of such warehouse certificate to any local national rural credit bank, said bank shall accept such warehouse certificate and advance to the holder thereof 50 per cent of the appraised value of such farm product, as the same may be found by an inspector: *Provided*, That in no case shall the amount advanced on such warehouse certificate exceed two-thirds of the amount of the insurance carried thereon. Any warehouse or storage plant having legal identity and existence and authorized to do business under the laws of the State, bonded and insured under the direction of the rural banking board, shall be recognized as a legal warehouse under this act. Loans made under the provisions of this section shall have a maturity of not to exceed nine months, and shall not be subject to renewal for a period to exceed a total of nine months.

SEC. 13. That the local national rural credit bank is authorized, under such rules and regulations as may be prescribed by the rural banking board, to make loans on first-mortgage liens on live stock being prepared for the market: *Provided*, That said loan does not run for a longer period than nine months: *And provided further*, That the amount advanced does not exceed 50 per cent of the value thereof as found by an inspector.

SEC. 14. That the interest charge where the bond is secured by a mortgage on real estate shall in no case exceed 5 per cent per annum, and where the bond is secured by crops and other personal property it shall not exceed 6 per cent per annum.

SEC. 15. That bonds secured by mortgages on real estate shall not run for a longer period than 30 years from the date of the mortgage, and bonds secured by a mortgage on crops and other personal property shall have a maturity of not exceeding 12 months from the date of the mortgage.

SEC. 16. That the owner of real property shall have the right at any interest-paying period after the expiration of 5 years from the date of the mortgage, first giving 30 days' notice in writing of his intention, addressed to the local national rural credit bank to which the mortgage was executed, to pay off and discharge said mortgage in full. In case the bond and all interest and amortization coupons due under the terms of the contract at the next interest-paying period thereafter are paid in full, then all of such bonds and the mortgage shall be canceled, stamped "Paid," and returned to the owner of said land.

EXEMPTION FROM TAXATION.

SEC. 17. That the stock and all other property and assets of all national rural credit banks shall be forever exempt from all Federal, State, local, or other taxation, and this exemption shall apply to all bonds issued by said local national rural credit banks without regard to the ownership thereof.

DESTRUCTIBLE PROPERTY TO BE INSURED.

SEC. 18. That wherever buildings or destructible property attached to the land is a part of the security for any real estate loan, and wherever the security for any chattel loan is the subject of insurance, the loan shall be further secured by the deposit with the bank of policies of insurance against loss by fire of such buildings or other destructible property or chattel to the extent of at least 75 per cent of the assessed taxable value of such buildings or other destructible property or chattel. Such policies of insurance to be assigned or provide that loss shall be payable to the holder of the lien thereon and the payment of premiums thereon to be protected and provided for in such manner as the division of rural banking may provide.

LOCALIZATION OF LOANS.

SEC. 19. That all loans made by local national rural credit banks shall be secured on lands or crops and other personal property located within the political subdivision where the bank is located, although this shall not prohibit the local rural credit bank from taking land or crops and other personal property outside of such political subdivision as additional security for any loan.

AMORTIZATION PAYMENTS.

SEC. 20. That every long-term real-estate loan guaranteed by any local national rural credit bank shall be further protected by provisions in the mortgage or trust deed securing the same, authorizing and requiring the amortization or gradual retirement of such loan by the maker thereof by annual or other periodic payments of stated amounts on account of the principal of such loan to the local national rural credit bank guaranteeing such loan.

SEC. 21. That all local national rural credit banks organized under the provisions of this act shall at all times carry all its time deposits and 25 per cent of its checking deposits with the National Rural Credit Bank of the United States of America, the national rural credit bank to allow the same interest on time deposits as is paid by the local national rural credit bank.

DEPOSITS.

SEC. 22. That local national rural credit banks shall receive money on time deposits, paying interest therefor at such rate as may be approved by the division of rural banking. All interest-bearing deposits shall draw interest from the date of deposit, but no interest shall be paid on fractions of a dollar. Deposits of 10 cents and upward shall be received under such regulations as the division of rural banking may prescribe. All time deposits shall be evidenced by forms of certificates of deposit, with or without interest coupons attached, or by savings pass books, or by both, or by such other evidences of indebtedness to the depositor as the division of rural banking may approve.

Check deposits may also be received by local national rural credit banks. In no case shall any local national rural credit bank pay interest on any check deposit

AUTHORITY CONFERRED ON THE RURAL BANKING BOARD TO ISSUE BONDS.

SEC. 23. That the rural banking board may from time to time issue bonds not exceeding in the aggregate the assets of the National Rural Credit Bank of the United States of America, drawing interest at not exceeding 4 per cent per annum, payable semiannually, and running for a term not exceeding 30 years, said bonds to be the obligation of the National Rural Credit Bank of the United States of America, and to be a first lien on all the assets of said bank. Said rural banking board shall have authority to dispose of such bonds and other assets belonging to the National Rural Credit Bank of the United States of America as it may deem necessary and proper for conducting the business of the system of banking hereby established.

AUTHORITY CONFERRED ON RURAL BANKING BOARD TO PROVIDE RULES AND REGULATIONS.

SEC. 24. That the rural banking board shall have authority to employ such assistants and fix their salary and to adopt such rules and regulations as it may deem proper and necessary to successfully originate, put in force, and operate the system of banking authorized under the provisions of this act.

When the banking and currency bill was before the House last September I made this statement with reference to its provisions:

The banking and currency bill which we are now considering is not a banking and currency act for the great producing masses of this country. It is a banking and currency act for those classes of our citizenship engaged in commercial occupations. I believe, as declared in the Democratic platform, that the banking and currency act should take care of the interests of every class of our citizenship—those engaged in the farming industry as well as in commercial and other industrial occupations.

Mr. Speaker, I believe the bill which I have just quoted, and which I intend to introduce, presents the only feasible and workable plan that can be adopted in this country to furnish to the 40 000,000 of our population engaged in agriculture sufficient money at a reasonable rate of interest to carry on and develop that great industry. The farmers are certainly entitled to the same consideration, the same protection, and the same accommodations as those engaged in other pursuits. They follow the oldest occupation known to history—an occupation smiled on with approval by the Creator at the very dawn of history—an occupation which can exist and prosper without the assistance and in the absence of any other of the great occupations, but an occupation which, if abandoned, would cause all others to wither and die. The farmers are not asking for special privileges. They are demanding even-handed justice. They know something is wrong when railroads, banks, and great business and industrial corporations can borrow multiplied millions of dollars at rates of interest varying from 4 to 6 per cent, while he—the producer of all wealth—is compelled to pay from 10 to 36 per cent, and I regret to say sometimes an amount that exceeds this. We all know that no legitimate business can pay such rates of interest and continue for any considerable length of time. It is foredoomed to failure, and the farming industry is now staggering under this load.

Mr. Speaker, there is no scarcity of money to loan in this country. The banks and trust companies, the savings banks, insurance companies, the funds of widows and orphans administered through our probate courts, and the money of private individuals—unreckoned millions, sufficient to satisfy the needs of every legitimate demand of commercial and industrial activity—are continually and earnestly seeking safe and legitimate loans at reasonable rates of interest. The railroads, banks, and great commercial and industrial corporations are able to borrow what they need at rates of 4 to 6 per cent, because under the present banking system their security is favored by law. If the provisions of the bill which I have here set forth are written into the laws of this country the small business man, the farmer, and the laborer—all who are really worthy of credit—can secure money for legitimate business purposes at rates of interest now enjoyed by the great business concerns of our country. This plan simply acts as a pipe line to convey the money from the man who has it and desires to loan to the man who has security and wishes to borrow. All this is done without injury to any existing business.

I have no war to make on legitimate business. I would not favor the enactment of a statute that would injure commercial banking interests. It was never intended, however, that national banks doing a purely commercial business should at the same time take care of the rural or farming business. The requirements of the one are entirely different from the necessities of the other. The framers of the banking law in 1863 clearly disclosed this by prohibiting national banks from making loans on farm lands. It may and doubtless will be said by some that this plan is socialistic; that the Government ought not to do for the citizen what the citizen can do for himself. The cry of socialism is always raised when the power of the Government is used for the benefit of all the people, but the cry is never heard when the few are being benefited at the expense of the many.

Under this plan the Government is not contributing one cent to any of its citizens. It simply provides that where a citizen has $2 of property value the Government will assist him in securing a credit of $1 on that property at a reasonable rate of interest. There is nothing new or novel in this plan. From the foundation of our Government the time of Congress and of the executive departments has been occupied in exactly this character of service, except in most cases the Government has furnished the money outright, never expecting its return.

Let us see what the Government has done for other lines of development. We have appropriated for river and harbor purposes between 1789 and 1910, $583,895,000; for fortification between 1820 and 1910, $130,625,000. We are spending to support the Army and Navy annually the sum of nearly $250,000,000. We have spent in the construction of the Panama Canal nearly a half billion dollars. Unspeakable millions have been collected from the people to build up our manufacturing industries. The Government has contributed to the railways of the country 158,294,870 acres of our public domain to assist and encourage their construction. This land at the market price to-day would amount to nearly $5,000,000,000—a sum sufficient to build and equip every line of railway in the United States. We have appropriated for furthering irrigation projects in the arid regions of the West $36,933,643.78. We are now considering on the recommendation of the President an appropriation of $35,000,000 to build a Government railroad in Alaska. Our intervention in the war between Spain and Cuba has cost us to this time approximately $1,200,000,000. The Postmaster General in his last annual report recommended the consideration of the question of acquiring title to the telegraph and telephone lines of the country as a part of the postal system, and a fair estimate of their cost is $1,140,000,000. It is now being urged upon Congress to erect residences for our ministers and ambassadors to foreign countries, at an estimated cost of about $10,000,000. All this expense can be incurred and paid without any criticism or objection, but the moment the small sum of $200,000,000—as compared with the other expenses of this Government—is proposed to aid the 40,000,000 of our people engaged in agriculture to secure money at a reasonable rate of interest the cry of socialism is raised.

The idea that "the least governed is the best governed" was an ideal statement in the infancy of our country, when the untouched natural resources and unoccupied lands became the property of any man who cared to put forth sufficient physical effort to possess them. Not so now, when practically all the lands have been taken and practically all the natural resources monopolized. Not so now, that our population is crowding on each other, and the hand of greed is always stretched forth by the strong to take by force or fraud from the weak. It is the highest duty of the Government to exert its lofty power to assist the weak against the aggressions of the strong. Our farmers in this new country have during all the years past gone on in patience and silence while the Government was extending bountiful assistance to manufacturing, to railroad building, to river and harbor improvement, to aiding in irrigation, digging the Panama Canal, and to the uplift and benefit of those who were thrust upon us by war—the people in the Philippines, Porto Rico, and Cuba. They have paid the bills; they have stood by in silence and watched the passage of a banking and currency bill which extended them no adequate relief. They now ask the passage of a bill that will afford them relief. They do not ask the shadow; they desire the substance of relief.

Mr. Speaker, I have studied, as well as my poor abilities would permit, the different systems of rural credit organizations in the countries of the Old World. I am convinced that the systems which are in most common use there are not adapted to the conditions that exist here. There are, however, in Europe a large number of countries, among which I might name Norway, Sweden, Prussia, Austria, Roumania, Hungary, and Denmark, where the rural credit banks are owned or largely subsidized by the Government. In Italy, while the Government does not own the stock, an act was passed requiring the Bank of Italy and the savings banks of Milan and Rome to furnish the money necessary to establish the rural credit banks. The systems, other than those where State aid has been extended, in general authorize the formation of rural credit banks with limited capital to be subscribed in small amounts by the people in a given territory. When a member desires a loan, he executes a mortgage on his land, if a real-estate loan, and the bank furnishes the money on the mortgage and reimburses itself by selling the mortgage. Generally the mortgage not only becomes a lien on the land of the borrower, but also a lien on all of the land located in the rural credit district. In the case of

personal loans the borrower is generally required to secure the signature of at least two other members of the society who are worthy of credit. It is possible to work a scheme like this in Europe, where conditions are favorable, but such a plan could not be successfully adopted in this country. In Europe the population is from 300 to 500 to every 640 acres of land. In this country the population is 31 to every 640 acres. In Europe all who become members are of the same race. Here in every community we have practically every race of people. There all the people are of the same religious belief. Here every community is made up of people who profess every variety of faith. There the people of the community are largely related by blood or marriage. Here they are not so related.

In Europe the people have lived in the same community and largely on the same farms for generations. Here at least one-fourth of the population of every community change practically every year. There they are intimately acquainted with the character and habits and the disposition of one another. Here they know little of each other. In Europe they are practically all small landholders and small farmers, and the loans made to them are small. Here we have every variety of farmer, from the tenant to the large landowner, and they cultivate many times the number of acres of land cultivated by their European brother, and their requirements are many times as great. I feel bold, therefore, to predict that the European system of farm credits can never be adapted to the uses of the people of this country. Any plan which provides for the organization of local national rural credit banks and requires the people of the district where the bank is organized to subscribe and pay for the stock, and which also requires these local banks to subscribe and pay for the stock before a State national rural credit bank can be established, and in turn requires the State national rural credit banks, when organized, to subscribe and pay for the stock of the National Rural Credit Bank of the United States, will be a failure in this country, in my judgment, because of the conditions that exist which I have pointed out.

There is, in my judgment, only one plan that we can adopt that will be successful, and that is the plan I have proposed in my bill. There is but one way to extend relief to the farmers in this country, and that is by making it possible for them to secure cheap money on their assets, whether these assets consist of real or personal property. This can be done by establishing a national rural credit bank, with a capital of $100,000,000, and the organization of such number of local national rural credit banks as are necessary to conveniently serve the farming population. In my judgment $200,000,000 will be amply sufficient to successfully establish and make secure this system of banking. I would make the capital of the National Rural Credit Bank $100,000,000, because that amount of capital would give high credit to this bank in the money markets of the world. Its bonds would be sought after more eagerly than railroad bonds or the bonds issued by great industrial corporations, and would find ready sale at rates of interest not to exceed 4 per cent. This would enable the central national rural credit bank to purchase the bonds issued against mortgages secured by farm lands and staple agricultural products, including live stock. One hundred million dollars additional invested in the stock of local national rural credit banks, each having a capital of $2,500, would provide for the establishment of 40,000 such banks. This is six times the number of national banks now in the United States, and a greater number of national rural credit banks than exist in any country of Europe, where the rural credit banking system has proved the greatest success. How better could the United States invest $200,000,000 than in bringing relief to the farmers of this great country?

Mr. Speaker, England within the last quarter of a century has begun to realize the importance of promoting agriculture in Ireland. Conditions among the farming class there were found to be most deplorable. The land was owned by the few and cultivated by the many. As is always true where this condition exists, production was at a low ebb. The people were dissatisfied, and riot and disorder stalked everywhere. The Imperial Government of Great Britain extended its credit to the extent of $2,000,000,000, and with this assistance the two and one-half million tenants of Ireland became landowners, and happiness has taken the place of discontent and prosperity instead of poverty is in evidence on every side. If the British Government can with profit lend the credit of the imperial treasury to the extent of $2,000,000,000 to provide and promote happiness and prosperity to two and one-half million people, is it not possible here in this great country for us to use one-tenth the amount there used to assist twenty times the number of people there benefited to secure money at a reasonable rate of interest on perfectly safe security which they can furnish and where the Government will not pay out or become liable for one cent? This system will merely engage the activities of the Government in bringing the man who desires to loan and the man who wishes to borrow together. The Government, through the national rural credit bank, will act as the middleman for a small commission, which will meet all expense. When the producer is prosperous all classes of industry flourish. When production is curtailed, its effect is reflected in every department of industry. Enact legislation that will unlock the vaults and make it possible for the producer to secure money on safe security at reasonable rates of interest and the "back-to-the-farm" movement will be solved. The farmers do not need sympathy and advice. They can solve their own problems if given an equal chance with the rest of the world.

I desire briefly to call attention to the condition of the farmers of this country, as shown by the census figures. During the 10 years from 1900 to 1910 the population of the cities increased 34.8 per cent. The rural population during the same period increased 11.2 per cent. The per cent of increase in the city population was a little more than three times that of the increase in rural population. I call attention also to the fact that in making this estimate the Census Bureau included as a part of the rural population all towns having a population of 2,500 and less. The real increase as between the two classes of population is therefore much more than the census figures show. The per cent of increase in the number of farms from 1900 to 1910 was 10.9 per cent. The increase in the number of farms and the increase in rural population was practically the same, demonstrating the necessity of increasing the farming population if the number of farms are to be increased. In 1910 there were 6,361,502 farms in the United States, and there were 2 per cent less owners and 2½ per cent more tenants living on these farms than in 1900. In 1900 31 per cent of the farms were under mortgage. In 1910 33.6 per cent were under mortgage. In 1900 there were 67,719,410 cattle, 62,868,041 swine, and 61,503,713 sheep in the United States. In 1910 there were 61,803,866 cattle, 58,185,676 swine, and 52,441,861 sheep, a decrease during the 10 years from 1900 to 1910 of 5,915,544 cattle, 4,682,365 swine, and 9,055,852 sheep—8.7 per cent decrease in the number of cattle, 7.4 per cent decrease in the number of swine, and 14.7 per cent decrease in the number of sheep—an average decrease of 10.3 per cent in the source of our meat supply as against an increase in population in the entire country, including both the city and rural districts, of 21 per cent.

In 1900 we produced 1,619,415,263 pounds of butter; in 1910, 1,491,752,602 pounds. In 1900 we produced 298,344,642 pounds of cheese; in 1910, 320,532,181 pounds, an increase of only seven one-hundredths of 1 per cent. In 1900 we exported 209,348,284 bushels of corn; in 1910 we exported 36,802,374 bushels, a decrease of 172,545,910 bushels within the 10-year period.

By comparison it will be found that the quantity of the present crops produced in the United States increased about 10 per cent between 1900 and 1910. This increase is substantially the same rate as the increase in the number of farms, which is 10.9 per cent, and the increase in the acreage, which was 9.9 per cent, the aggregate average production of these crops per farm and per acre remaining substantially unchanged during the decade, while the population of the country increased at a rate more than twice as great as the crop production and the increase in the population of our cities being three and one-half times as great. These figures need no elaboration, no comment. They speak a condition which if permitted to continue even for an inconsiderable length of time, as we reckon time, with the rapid increase of population, will bring want and hunger to the country. There were 6,361,502 farms in the United States, according to the census of 1910. Of these, 1,327,439, valued at $6,330,236,951, were mortgaged for $1,736,172,351, or 27.3 per cent of their value. The annual interest charge on this indebtedness is about $150,000,000. It is safe to say that the interest paid on loans secured by personal indorsement and by mortgages on chattels will, added to the amount paid on real-estate mortgages, mount to the large sum of $500,000,000.

The rate paid on real-estate loans, including commissions, abstract, recording and attorneys' fees, amount to from 8½ to 10 per cent, and the interest charge on personal loans amount on an average to about 11 per cent, though the rate varies in different sections of the country, some places being higher and others lower than the average.

If these interest rates can be cut in half, a result which I believe would follow the adoption of this system, there will be left in the pockets of the producers one-half of the enormous interest charge that they now annually pay. The saving in interest

to the borrowers will be but one of the benefits that will result from providing money for the producers at a reasonable rate of interest. One of the greatest handicaps that the farmer now labors under is the present system of marketing farm products. Under existing conditions he is compelled to mortgage his crop for money with which to produce it, paying a high rate of interest on a short-time loan. He is thereby compelled as soon as the crop is gathered to place his product on the market in order to raise money with which to discharge the mortgage. This results in an overfed market during the gathering season. No manufacturer of cotton or wheat or corn products purchases a sufficient supply to satisfy his demands during the entire year. The speculator steps in between the producer and the consumer, and by reason of an overfed market depresses the price of the product and purchases. Having secured control of the supply, he holds the product until the necessities of the consumer require it and sells it at a greatly increased price. Thus, both the producer and the consumer are compelled to pay tribute to the speculator. If the farmers could have warehoused their produce and extended their market period over a year instead of being compelled to sell during the gathering period, the legitimate profits of the speculator would be his and there would be no corner on the market, requiring the consumer to pay unreasonable prices fixed by the middleman. The annual value of agricultural products in the United States is about $9,000,000,000, but by the time the product reaches the consumer it costs him three or four times what it brought the producer. If three or four billion dollars can be kept in the pockets of those who earn their money by the sweat of their face, is it not the part of wisdom that this great Government extend its credit to the extent of a couple hundred million dollars to accomplish that end?

There is an abundance of money in the United States to supply every legitimate demand. There is on deposit in the 25,993 National and State banks, savings banks, and trust companies, $17,475,764,134. In addition to this, there is money in thousands of homes all over this country that has never reached the banks that would be brought out and deposited if these rural credit banks are established and made Government institutions—money which would never show itself if the banks are established and left to private control. In addition to the vast deposits of money in the banks, there are millions of trust funds being administered by the probate courts of the country, and unreckoned millions controlled by the insurance companies of the country, that would seek investment in the bonds of these rural credit banks. The statement of the New York Life Insurance Co., published on January 8, 1914, discloses that that company alone has $762,850,703 invested in different forms of securities, producing an average income of 4.54 per cent. The bonded indebtedness of cities and towns, according to the 1910 census, is $2,366,420,733. Three hundred and twelve million of this indebtedness bears interest at the rate of 3 per cent, $594,000,000 at the rate of 3½ per cent, $903,000,000 at the rate of 4 per cent, and $272,000,000 at the rate of 4½ per cent.

The bonded indebtedness of the United States in 1909 was $730,000,000 bearing 2 per cent interest, $63,000,000 bearing 3 per cent interest, and $118,000,000 bearing 4 per cent interest, the average rate being 2½ per cent. The total funded debt of all the railroads of the United States, according to the census of 1909, was $9,801,590,390, and the average rate of interest was 4 per cent.

I quote these different figures to demonstrate that it will be an easy matter for the rural credit banks established as provided in this bill to readily sell sufficient bonds to supply the needs of the farmers of the United States at the rate of interest provided, and at the same time produce a fund sufficient to take care of the expense connected with administering the banks and producing a profit to the Government.

This bill, in brief, establishes in the Agriculture Department of the United States a separate bureau charged with the special duty of looking after the interests of the farmers of the country. It establishes a national rural credit bank, to be located at Washington City, with a capital stock of $100,000,000, and authorizes the establishment of 40,000 local national rural credit banks by the farmers of the United States at such places and times as their necessities require, each local national rural credit bank to have a capital of $2,500, the bank to be organized with not less than 100 members. It authorizes the members organizing the local national rural credit bank to mortgage their property, both real and personal, to the local bank, and provides that the local banks shall issue bonds against these mortgages to the amount of 50 per cent of the value on real estate and 40 per cent of the value on personal property, and provides that the local banks shall purchase these bonds and pay cash or extend credit on their books under rules and regulations to be prescribed by the rural banking board. Loans are to be made on real estate for the purpose of paying the purchase price or a part of the purchase price of the real estate, or for making improvements thereon, and on personal property for the purpose of producing crops. The provision authorizing the payment of the money under such rules and regulations as the rural banking board may prescribe was inserted in the bill in order that the money might be expended for the purposes required by law.

The bill exempts the assets of the banks from taxation, and in this respect is identical with the provisions of the national banking and currency act which we are now passing. It also exempts bonds issued by the national rural credit bank from taxation, regardless of ownership. This is a sound economic proposition, for if these bonds were subject to taxation they would sell for just the amount of taxes, they will be required to pay less than they will sell for if free from taxation, and the borrower, of course, would be compelled on final analysis to pay this tax. The borrower always pays the original cost and all intermediate expense incurred in conveying money from the lender to himself.

The bill requires that all classes of property subject to insurance be insured for the benefit of the local national rural credit bank and the policy be left with the bank as an additional security. By inserting this provision in the bill I have but followed in the path of sound business and have done what every conservative banker does every time a loan is made. The bill provides that no loans shall be made by any local national rural credit bank on property, real or personal, located wholly without the district where the bank is located. This provision was inserted to localize the bank, because these institutions are created for the purpose of providing money to the members who reside and whose property is located within a given territory. They are organized along cooperative lines. The money advanced is to be used in purchasing property or in producing property, and it will require a careful supervision to see that the money is not misapplied. The local banks are authorized to receive money on time deposit, paying such rates of interest as the division of rural banking may provide. Every dollar deposited in this manner can be used in purchasing the bonds issued by the banks on real-estate mortgages or loaned out on real or personal mortgages, and for convenience to the farmers the local banks are authorized to accept check deposits. The local banks are required to keep all time deposits and 25 per cent of checking deposits with the national rural credit bank. This is done because the national rural credit bank is required to purchase all bonds indorsed to it by the local banks, and in order to enable it to do so it is necessary to mobilize all of these deposits in the great central institution.

The rural banking board is authorized to rediscount any bonds and dispose of any of the assets of the national rural credit bank that it may deem necessary for the purpose of carrying on the business of the bank, and it is also authorized to issue bonds, which will be the obligations of the national rural credit bank, not exceeding, however, the aggregate assets of that bank.

The bill provides that every long-term real-estate loan shall be protected by a mortgage or trust deed authorizing and requiring the amortization or gradual retirement of such loans by the maker at interest-paying periods. I regard this as one of the most beneficent provisions of the bill. Under the farm-loans system now in use money is loaned for a period of from 5 to 15 years. The interest, whatever it may be, is paid at stated periods, and at the end of the term the entire principal becomes due in a lump sum. It is practically impossible for a farmer to produce on his farm a sufficient fund and lay it aside with which to discharge in bulk the entire mortgage within a period of 5 or 10 years. Under the amortization plan, if a farmer having a loan on his real estate bearing interest at the rate of 4.3 per cent pays each year 6.56 per cent, the loan would be wiped out entirely at the end of 25 years. This practice makes the payments on the principal consistent with the income from the farm. This principle is very clearly stated in the preliminary report on Land and Agriculture Credit in Europe. (S. Doc. No. 967, 62d Cong., 3d sess.) It is there said:

Amortization is simply a method of paying off a loan by returning a little of the capital each year. These payments are called annuities and are composed of the interest and contributions to the sinking fund and the cost of conducting business. They are calculated in periods of 10 to 75 years, and at the end of the period the mortgage debt becomes extinguished and the property returns to the owner free and clear of all incumbrance. The prevailing interest rate on amortizable mortgages in France at present is 4.3 per cent, but by adding a little over 3.2 per cent to this and paying 7.5 per cent a year a French farmer can extinguish his debt within 20 years and obtain a satisfaction piece in full from his creditor. Thus, suppose he borrowed $10,000. He pays $750 annually 20 times for the interest, sinking fund, and expenses. This makes a total of $15,000, interest included, and his debt is paid off. A farmer in the Southwestern States would pay this much for interest alone and his debt would still be unsatisfied. Amortization has a two-

fold value. It lessens the debtor's burden year by year and increases in an equal ratio the security of the lender, provided, of course, the sinking fund created by the accumulated annuities be properly and honestly kept for the redemption of the debentures.

If the loan were $1,000 instead of $10,000 the farmer, by paying $75 each year, would extinguish the debt, principal and interest, at the end of 20 years. Of course, the period being 30 years under the provisions of this bill, the amount paid each year would be correspondingly less. Another result of this provision would be the accumulation of a vast fund in the central national rural credit bank, which could be used by that bank in purchasing bonds issued on mortgages by the local banks and warehouse certificates representing staple agricultural products.

I have thought it best in preparing this bill to provide only the general outline or skeleton and leave it to the wisdom of the rural banking board to work out the details. When we attempt to legislate on the details of a business transaction the legislation is apt to be unworkable. What we all desire, I am sure, is a bill that will furnish relief to the burdensome conditions that now impose themselves upon the producing masses of our countrymen.

Currency Bill—Reply to Cries of Panic and Hard Times.

EXTENSION OF REMARKS

OF

HON. GEORGE E. GORMAN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. GORMAN. Mr. Speaker, there has been so much discussion in the House concerning the approach of hard times and the bold declaration having been made by some of the Republican Members that we are now experiencing conditions of panic throughout the country, that I feel impelled to submit some suggestions by way of reply to these reckless and harmful public declarations.

The country has little regard for panic criers. The man who cries panic when there is no panic occupies the same relative position in, and performs the same relative service to, society as the man who did not know the gun was loaded or who rocks the boat, or the man who cries fire in a crowded playhouse when, in fact, there is no fire. It has always been the stock in trade of the Republican Party to cry panic just before a presidential election. They have tried to make the possibility of a Democratic victory the basis of a panic before the elections are held, and now that a Democratic administration is in power and the predictions of panic not having materialized, they are determined to force a panic if it be possible to do so by the constant cry of panic. Chanticleerlike they have so repeatedly made the boast that the sun of prosperity rises only when a Republican administration is in control that they have come to believe this fable, or appear to believe it, themselves. One of the penalties for uttering of falsehoods is that those who utter them eventually shut out from their own sight all that is good and true and become obsessed with the idea that the falsehoods which they have uttered are in reality the truth. Manifestly many of our Republican friends are thus afflicted.

During the discussion of the currency bill predictions of hard times, panic, and national disasters have found their way into the CONGRESSIONAL RECORD and the newspapers, and while the men who made these predictions have no greater reputations as prophets than they have as statesmen, and the mere predictions might be passed unnoticed, yet the frequency with which they were being made and the sources from which they came at a time when currency legislation was being enacted invite a brief consideration of the conditions which prompt these prophets of evil to prophesy. In a characteristically brilliant speech in the Senate a short time ago a distinguished leader of the Republican Party took such a gloomy view of the future and pictured a prospect so dismal that he was at once acclaimed as the logical and only available candidate for the Republican nomination for the Presidency. He became at once the "candidate of the glooms."

Distinguished Republican leaders on the floor of this House so frequently made reference to coming panic and financial disaster during the tariff debate that they felt obliged to proclaim from time to time during the past few weeks by way of vindicating their prophecy that the panic is already upon us. Some gentlemen on the Republican side of the House have occasionally informed us that certain manufacturers have closed down their factories, and, according to the logic of those who made the announcements, these manufacturers thrived upon a tax levied upon 90,000,000 of people, and upon that tax being removed their sources of revenue were gone and they were obliged to betake themselves to some occupation wherein they would render a greater service to society than that of producing economic waste.

During the recent "post mortem" over the "remains" of the late Republican Party, which was held in this city, at which time it might be observed the "jury again disagreed," as was the case in all the previous "post mortems" since the death of the party in November, 1912, a very distinguished Republican, who was formerly a Member of this House, said the prosperity lever was reversed since the Democrats came into power and that dire disaster was to be our portion; hard times were now upon us, and they would continue to grow worse until the Republican Party again came into control—which means in effect that we will never again have good times.

Now, I can readily understand how a gentleman who has been connected with the Government pay roll uninterruptedly for twenty-odd years, on being suddenly and unexpectedly jarred loose from the pay roll on which he has been thriving all those years, would very naturally experience a sensation of panic and be conscious of some distress, and these symptoms might develop to a point where he may believe that nothing could bring about a period of prosperity except his personal return to the pay roll. And I have no doubt that a return to the pay roll, after a long absence therefrom, would relieve the financial stringency complained of considerably.

In addition to what has been said by the distinguished gentleman referred to, there have been many pessimistic utterances from other sources, but they emanate from or are inspired by discarded statesmen whose conception of the country's prosperity is gauged almost entirely by their receipts from the Government pay roll and whose notions of the country's depression is determined by their own lack of pay-roll income.

The frequent gatherings of the remnant of the Republican Party, now for the purpose of discussing ways and means to regalvanize it into life, then for the purpose of presenting some suggestions with a view to inducing the former members of that party who call themselves Progressives to return to the Republican fold, again for the purpose of announcing in loud but hollow tones that a union has been effected between the Republican survivors and the Progressive repudiators of Republican doctrine, all of which are as empty of fruition as Republican promises are of redemption, have given to those who would rather see the country in panic and distress than to witness the successful prosecution of the present administration's policies an opportunity to give public expression to wishes which are but father to their express thoughts.

The great masses of the American people are naturally optimistic, and they have little patience with and less regard for the pessimistic croaking of disgruntled politicians. The election in November, 1912, resulted in a large number of statesmen being obliged to join the ranks of the unemployed, and as many of them have not found active employment up to date in other pursuits they amuse themselves and find occupation in pointing with pride to the good old days and viewing with alarm the gloomy prospects of their personal political futures.

While the tariff bill was under discussion predictions of disaster came frequently from politicians, but the American business man was complaining only of the uncertainty as to what the new rates would be and when they would go into effect. Of course, those who thrived on special privilege, the lobbyists and the Manufacturers' Association, so called, bemoaned the passing of the good old days when these Halls resounded with the tramp of feet of the advancing hosts of special privilege. But the business men who conduct their business upon economic principles and seek a free field in which to present the merits of their wares, rather than the secluded shelter of legislative monopoly, neither looked forward to nor predicted hard times or panic.

The failure of a panic to follow the enactment of the Underwood tariff law has directed the attention of the pessimist to the currency bill, and the same old prediction, still perfectly good and useful, notwithstanding its extensive use before the passage of the tariff bill, is again brought into play, and we are told that the panic which the tariff bill failed to produce is now upon us because of the combined effect of the tariff and currency laws.

While the Republicans in this Chamber and in the Senate, and those who presume to act and speak for the remnant of that party at their various gatherings, confined themselves to predictions of coming panics, there was no occasion to pay any attention to them, for time alone could answer predictions of that sort. But when they advanced boldly to the position that we are now experiencing a panic or that times are hard, money scarce, and that there is a reduction in manufactures and a decrease in output it is only fair that these claims should be subjected to the test of statistical analysis and historical review. I might very properly, by way of answer to these claims, direct the attention of the House to the panic of 1907, which occurred when the Republican Party was in full and complete control of both Houses of Congress and the Presidency, at a time when work was plentiful, the harvest abundant, the railroads busy, business conditions generally prosperous, yet like a bolt of lightning from a clear sky we found ourselves plunged into a most disastrous panic, from the effects of which this country has not yet fully recovered, a panic for which the Republicans can not hold or charge the Democratic Party with any measure of responsibility, and the blame for which the country has very properly charged up to Republican legislation and the evil effects of special privilege.

I might direct the attention of the House to the panic which began in 1892, under President Harrison's administration, and which burst in all its fury upon the country while President Cleveland was in office, and which Republicans ever since have falsely charged to Democratic inefficiency; or I might refer to the panic of 1873, when the Republican Party was in full control of all the departments of the Government. Any one of these real panics and the causes which led up to them might properly be regarded as a sufficient answer to the Republican boast that prosperity always accompanies a Republican administration; but I prefer to base the answer to claims of Republican prosperity upon an analysis of the condition of the country as shown by statistics now available and a comparison of present conditions with those boasted years of Republican prosperity.

It is only natural to expect some slowing up in industry at this time of the year—first, because it is the season of year when many industries temporarily reduce their forces because of the approach of winter; second, because the present administration has begun the process of reversing the policy which characterized preceding administrations; special privilege and the interests which thrive upon it have been notified that their day is past; and, while the beneficiaries of special privilege are few in number, they have grown powerful in recent years and their influence is being exerted to frustrate the policies of an administration which is pledged to their destruction; third, the prosperity which obtained under Republican administrations was of a kind which permitted a great many of our workingmen to find employment at different occupations which netted them sufficient wages to live from day to day while the work lasted, but an idle day meant to them a hungry day. The prosperity obtaining under Republican administrations also meant the accumulation of vast fortunes by a few stock-gambling kings and a coterie of commercial pirates operating by means of interlocking directorates along the highways of trade, and while they paid the workman his wages one day they took it from him the next day in tolls which privilege and monopoly enabled the beneficiaries of Republican rule to exact. So that while a few days of idleness may mean distress for the toiler, the agents of privilege and monopoly, glutted with the proceeds of their years of plunder, may sit in idleness and await the return of another harvest, legitimate industry and honest toil, like the patient whose circulation is made sluggish by disease, feel temporarily the lack of that proportion of the circulating medium in the channels of trade and commerce which privilege withholds.

A brief review of the industrial conditions under President Harrison's administratioin and a reference to conditions under President Taft's administration will probably be sufficient to dispose of the boasted claims of Republican prosperity. During the four years from 1889 to 1892, while President Harrison was in office, the following business failures occurred:

In 1889 the number of failures was 10,882, with liabilities aggregating $148,784,237.

In 1890 the number of failures was 10,907, with liabilities aggregating $189,856,964.

In 1891 the number of failures was 12,273, with liabilities aggregating $189,868,638.

In 1892 the last year of President Harrison's administration, the number of failures was 10,344, with liabilities aggregating $114,044,167.

Among the concerns that went to the wall during those years of national disaster, and which brought others to ruin with them, may be mentioned, because of their prominence in the industrial and commercial world of those days, the following concerns:

Barker Bros.' Banking House, Philadelphia.
Citizens' Savings Bank, of Philadelphia.
The North River Bank, of Philadelphia.
Union Rolling Stock Co., of Chicago.
Jamieson & Co., of Philadelphia.
The Ohio Iron & Steel Mills, of Pittsburgh.
Meyer & Co., of New Orleans.
The Scotdale Rolling Mills.
Charlotte Furnace Co., of Philadelphia.
The American National Bank, of Kansas City.
The Spring Garden National Bank.
The Pennsylvania Trust Co.

And in 1892 occurred what was merely a reflection of the disturbed industrial condition throughout the country, but which has remained to this day as the country's crowning industrial disaster—the terrible and never-to-be-forgotten Homestead strike at the Carnegie Mills, of Homestead, Pa., which were presided over by the great apostle of protection, manufacturer of armor plate and blowholes, and founder of many libraries—Andrew Carnegie.

During the year 1907, with a Republican President, a Republican House and Senate, and the protective tariff on the statute books, the number of failures, according to Bradstreet's reports, was 10,285, with liabilities aggregating $371,342,692, the largest in the history of the country.

In 1908, another year of so-called Republican prosperity, the total number of failures was 15,690, with liabilities aggregating $222,315,684.

The number of failures during the first nine months of the year 1912, the last year of President Taft's administration, and before the election was held, the number of commercial houses that failed total 15,299, with liabilities aggregating $202,219,352.

The prosperity of our national banks is generally regarded as a good index of our industrial conditions as well as the general condition of the country. In 1907, up to October 31 of that year, 7 national banks had failed, with liabilities totaling $5,597,604.

In 1908, 24 national banks went to the wall, with liabilities totaling $22,565,838.

Up to the 31st of October, 1912, which is generally regarded by Republicans as a very prosperous year, there were 8 national-bank failures, with liabilities totaling $4,498,926.

And during the 10 months ending October 31, 1913, during which period Republican legislation was still on the statute books, the Democratic tariff law not having taken effect until October 3, 6 national banks went to the wall, with liabilities totaling $2[illegible],809,434.

The country can very well afford to dispense with this brand of Republican prosperity. There is no occasion for a panic now. There will be no panic now, unless the efforts of the calamity howlers succeed in precipitating one. The condition of the country was never better than it is to-day. According to the reports of the Department of Agriculture, the farm value of all crops for the year 1913 is $6,100,000,000. The total farm value of all animals sold and slaughtered and of animal products for the year 1913 was $3,650,000,000, making a total of $9,750,000,000, the greatest crop in the history of the country, with the average price level for staple crops 9.3 per cent higher than the average price level for the last five years.

According to the circulation statement issued January 2, 1914, by the Treasury Department, the general stock of money in the United States was $3,775,464,096. Our population, estimated to be 98,181,000, makes the per capita circulation of the country, according to the same statement, $35.11, the highest in the country's history. The World Almanac for 1913 reported money on deposit in savings accounts in the various banks of the country during the year 1912 amounting to $4,451,818,522. The report of the Comptroller of the Currency for the year 1913 reports the amount of money in savings accounts in all the banks throughout the country for the year 1913 amounting to $6,972,069,227. This is a larger savings account than any other country in the world and the largest in the history of this country.

The report issued by the Department of Commerce shows that imports into this country for November, 1913, amounted to $148,222,733. This, it will be observed, was after the Underwood tariff law took effect. And for the month of November, 1912, the imports were $153,094,898, nearly $5,000,000 more imports in 1912 under a protective tariff than for the same month in 1913 under the Democratic revenue tariff. Our exports for November, 1913, according to the same report, amounted to $245,550,392, and for November, 1912, $278,244,191, a decrease of nearly thirty-three millions. During the five months, July

to November, inclusive, of 1913, our exports were $35,000,000 more than for the corresponding period of 1912. And a comparison of our exports with our imports for 1913 as compared with the exports and imports of 1912 for the five months from July to November, inclusive, shows a trade balance in our favor for 1913 of $355,681,454. The total exports of our manufactures for November, 1913, were nearly $13,000,000 below those of November, 1912, but were $6,000,000 in excess of our exports for November, 1911. The total exports of manufactures for the five months' period, July to November, inclusive, of 1913, was approximately $4,500,000 less than for the same period of 1912, but it was almost $80,000,000 more than that of 1911.

This report of our exports and imports after the Underwood tariff law went into effect ought to be comforting to those calamity howlers who during the tariff debate pictured ships at the ports of France, England, Germany, and other European countries taking on cargoes of manufactured goods to be dumped upon our shores at prices that would destroy our manufacturing industries. An editorial in one of the leading daily papers recently contained the following, which is here appropriate:

> Berlin has had the gloomiest holiday season known for nearly a century—shops empty, traders facing bankruptcy, 100,000 idle men parading the streets, want in the poorer quarters that public and private charity can only palliate. Throughout the German Empire banks are refusing loans and manufacturers are cutting down their force. In Austria-Hungary conditions are worse, though the world hears less about them.
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> In Italy State enterprises are halting for lack of money and the ministry is engaged in a vain search for something new to tax. Hunger is a regular winter guest in some parts of Russia, but his name is always "blacked out" by the censor. Despite the revival of business during the last two years distress continues to be severe in London; and France, probably most prosperous of all European great powers, is at her wits' end over problems raised by the new military loan.
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> It should be clear to anyone that some world-wide cause is responsible for such world-wide results.
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> That cause is not far to seek. At least a thousand million dollars was burned up in the Balkan wars. Nearly as much more has been withdrawn from productive enterprises by recent military increases in Germany, France, and Russia. Add to this the cost of the Italian conquest of Tripoli, the waste in Mexico, and the unparalleled extravagance of commercial and social life for the past decade and the "season of short fare" now prevailing is pretty thoroughly explained.

If this editorial correctly describes the conditions existing abroad, we may very properly regard them as a reflection of world conditions generally, but they should not necessarily cause any alarm here. Europe is an armed camp, and the devastation caused by war is manifesting its terrible effects there now. Mexico may continue its process of self-destruction until wisdom dictates a better pursuit. But while other countries are pursuing a policy of destruction or expending their energies in building engines of war we can profitably pursue those peaceful pursuits for the encouragement of which our Government was formed and find prosperity and contentment in furnishing food, clothing, and manufactures for the world.

This noisy clamor of coming panic is indulged in at a very critical time. We are now engaged in a herculean task. In response to the mandate of the people the Democratic Party has undertaken to correct evils which resulted from excessive tariff duties. That party in its national platform promised to remedy these abuses by reducing the tariff. The Progressive Party was also pledged to a downward revision of the tariff. Out of the 15,000,000 votes cast at the presidential election, approximately 10,000,000 were cast for the two presidential candidates whose party platforms declared in favor of a downward revision of the tariff. So that it is in response to the demands of 10,000,000 of voters that the revision of the tariff was undertaken.

Every revision of the tariff has a tendency to unsettle business conditions, and it is not only unpatriotic but grossly contemptible for the Republicans to cry panic and hard times at a time when business is unusually sensitive because of the changes in tariff rates. That the Republicans fully realize the advantage to be gained by this cry of panic during the enactment of tariff legislation is clearly shown in President Taft's famous speech at Winona. Mr. Taft, during the course of that speech and having reference to his speeches made in the congressional campaign in Maine in 1896 and having in mind the disturbance of business due to the revision of the tariff, said:

> I pointed out the difficulty that there always was in a revision of the tariff, due to the threatened disturbance of industries to be affected and the suspension of business in a way that made it wise not to have too many revisions.

Everybody knows that changes in the tariff schedules have a tendency to make business sensitive, but it remains only for Republican leaders at such times to cry panic and disaster with a view to scaring the country into a respect for protection policies, regardless of how disastrous those policies may be.

In addition to the tariff legislation already enacted the Democratic Party is about to present to the country a measure which has been characterized by many Members of the House and Senate, as well as distinguished economists and financiers, as the greatest piece of constructive legislation enacted since the Civil War. The currency law, which is about to be replaced, was designed chiefly to guide the Nation through its greatest crisis, and so well did it perform that service that it ill becomes the legislator of to-day to replace the currency law of the sixties without reverend salutation to the genius and statesmanship of its authors and the expressed hope that the new law will serve its intended purposes as faithfully and well as the old law served the purposes of the Republic in the hour of its greatest peril.

The enormous growth of the country in population, business, commerce, and manufactures; its enormous increase in wealth and the growing needs of the commercial community render necessary the enactment of legislation which will provide greater elasticity to our currency and render less liable to recurrence those disastrous panics which in times past have paralyzed our industries and brought suffering and destitution to many of our people. That there is need for such legislation is not in controversy, but the question whether the bill which is now being enacted into law will accomplish that purpose has been the subject of prolonged and illuminating discussion. The bill has been thoroughly discussed and analyzed, not only in the House and Senate but also in the press and before conventions and assemblies of business, commercial, and banking associations throughout the country. Further discussion of it is useless. It is about to be subjected to the acid test of experience, and those who have indulged in prophecy concerning its effects will soon see their prophecies realized or come to naught. The debate on the bill has not been free from partisan bias, but it is gratifying to Democrats to know that it was supported when it passed the House in its original form by many Republicans and Progressives, and that in its final form it will have the support of as great, if not a greater, number, of those who occupy seats on the other side of the Chamber.

The Glass-Owen currency bill is not a partisan measure, and the opposition to it was not in all respects partisan. Throughout the debate we heard frequent references to the Aldrich currency bill and the Monetary Commission report. Many of those who were opposed to the Glass-Owen bill in the House, in the Senate, and those outside of the House and Senate who had sufficient influence to have their views expressed through the newspapers, seemed never to weary of contrasting the Aldrich and Glass-Owen bills to the disadvantage always of the Glass-Owen bill. While it was conceded by the bankers and advocates of the Aldrich plan generally that the Aldrich currency plan had many vices, it possessed one virtue in the estimation of the banking fraternity which amply compensated for all its vices, and that is the central bank plan. Almost any kind of currency system would be acceptable to the banking fraternity, apparently, if it comprehended a central bank as part of its scheme. Nearly all the argument against the Glass-Owen bill was openly directed against the regional bank system for which it provided, or was masked behind criticism of other features of the bill.

Again and again we were told in the literature of the central bank lobbyists of the excellent system which prevails in England, and the Bank of England was held up to our view as the model which we should adopt. It counted for little with those who flaunted the virtues of the Bank of England at us to suggest that a king also does well in England but he would not be tolerated here at all. The Reichsbank of Germany was also held up to our view as a coaxer, and we were told a similar institution would do admirably in America. But would those who admire the German banking system be in favor of an emperor here also? Canada, we were told, had an excellent banking arrangement, and if the Bank of England or the Reichsbank of Germany would not do, why not adopt the Canadian plan? Canada, however, is content to be a colony and its people subjects, while nothing less than sovereignty would be acceptable to America, and there are no subjects here. But these institutional differences are of no consideration to the advocates of the central bank plan.

The division on the Glass-Owen measure may be said to show clearly the advocates of a central bank and those who are opposed to it. During the course of the debate the opponents of the regional bank plan have caused the specter of inflation to flit across the legislative stage and the ghost of free silver has been trotted out and made to gallop aroun' the forensic arena. And while the same logic which injects them into the debate on the pending measure could with equal force disport these specters through the provisions of the Aldrich currency plan, the plain purpose of these prophets of evil was to scare away the regional bank proposal and bring about the substitu-

tion of the central bank plan. The fight for the regional bank plan was the fight of the people against plutocracy—the struggle of the many against monopoly—and to the extent, at least, that the central bank proposition has been eliminated, the people have won. But this is only one battle. The war is not ended. There will be a cessation of hostilities for a time, but the contest will be resumed.

One of the most admirable features of the old law is its absolute freedom from monopoly, in so far as relates to persons engaging in the banking business, and this feature is retained in the new law. But while the door was open, permitting all who wished and possessed the necessary capital to enter the national banking system, this freedom from monopoly ended there. That monopoly of the banking business prevailed among those who were engaged in that business is clearly and unequivocally stated by a distinguished banker who acknowledged himself a party to that monopoly. Mr. George M. Reynolds, president of the Continental & Commercial National Bank of Chicago, while testifying before the Pujo committee, was asked if he had made the following statement:

I believe the money power now lies in the hands of a dozen men, and I plead guilty to being one, in the last analysis, of those men.

And he answered:

Yes, sir; my purpose in making that statement was this: I talked extemporaneously and perhaps was not as explicit as I should have been in making my explanation. I have no desire to in any way disclaim responsibility for it, however, because I have reiterated it fifty times since, and I believed it, and still believe it.

If a condition such as Mr. Reynolds acknowledges was developed under a law which was designed to prevent monopoly in the banking business, a condition which could only be built up after a hard struggle, painstaking effort, and a long process of years, and the maintenance of which could only be possible as a result of constant effort and with the possibility of frequent clashes with the authorities or with those who in a competitive way sought to break down the system or be declared a party to it, we can readily understand why the banking monopoly was eager to have its existence legalized and its grip on the credit of the country securely riveted; and one does not have to go outside the circle of those who control the credit of the country under existing conditions to trace the lobby in favor of a central bank to its source.

I am not opposed to the central-bank plan because it is not a good plan; I am opposed to it because it is undemocratic and un-American. The central-bank scheme has worked out satisfactorily in England, France, Holland, Germany, Canada, and elsewhere, and it would probably work successfully here; but a central bank means centralization of credit, which in turn means centralization of power. The war of the American Revolution was a protest against centralized power. Every line of the Federal Constitution breathes the spirit of opposition to centralized power. The division of the functions of government into executive, legislative, and judicial; the division of the country into States, each sovereign within its territorial limits, portrays clearly and powerfully the spirit of American opposition to centralized power. The central-bank plan because of its identification with and affinity for centralized power is out of harmony with the spirit of American independence, is in conflict with the genius of American institutions, and violative of the uniform trend of American law.

This currency law is in a measure an experiment. If there are defects in it they will appear as time goes on, and any suggestion looking to an amendment or change in it will, I venture to predict, be accompanied by a demand for the adoption of the central bank plan. The claim will again be made, as it has heretofore been made, that the central bank will be under the joint control of the Government and the banks, but this so-called joint control will in time degenerate into bank control, for in time such an institution will be absolutely dominated by one man. Emerson has said that "every successful institution is the lengthened shadow of a man," and a central bank will only vindicate the wisdom of Emerson's assertion. The establishment of one central bank will, in my judgment—if it is ever established—mark the first step in our national deterioration. It must be fought as vigorously as we would fight pestilence. "Eternal vigilance is the price of liberty," and we should never relax our vigilance against the encroachments of a central bank.

As these two great reforms, the reduction of trust-fostering tariff rates and the curbing of the money trust, are being accomplished, those who vainly sought to prevent the enactment of this legislation raised the false cry of panic and hard times. The motive which prompts the outcry is clearly understood by the great masses of the American people. This clamor will deceive no one. President Wilson has won the confidence of the American people, and while the professional politicians may try to encompass the defeat of his policies, the great American public are with him and will sustain him. He is not the President of a party; he is the President of the American Republic. He is not the representative of a class; he is the representative of all the American people. The laws which have been enacted have ceased to be the policies of a party; they are the laws of the land, and the rank and file of the American public consider themselves not only bound by, but they embrace them. Those who thrive on agitation may continue their agitation, but the law-abiding citizen will pursue the even tenor of his way. When national elections come on we will again divide ourselves into parties, and the spirit of partisan loyalty will claim a measure of our attention. But in the carrying out of great national policies, in the accomplishment of great national reforms, "none are for the party and all are for the State." This was the spirit that animated and sustained the men of 1776, the men of 1812, the men of 1846. This was the spirit that guided and sustained Lincoln in 1861–1865. It was the spirit that sustained McKinley in 1898. And, unless I have grossly misjudged the temper of my fellow citizens, it is not only the dominant quality of the American spirit of to-day but it will always be the guiding spirit of the American public in every national undertaking throughout all the vicissitudes of our national life in the years that are to come.

Currency Bill.

EXTENSION OF REMARKS

OF

HON. WILLIAM E. WILLIAMS,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. WILLIAMS. Mr. Speaker, the subject is of such importance that I prefer to submit my remarks from manuscript, rather than to indulge in an extemporaneous discussion which would involve greater latitude, and occupy more time than I am allotted for the presentation of my views on the pending currency legislation. And in the presentation of the subject, I shall confine myself in a general way to the main features of the bill without an attempt to minutely analyze them or go into any detailed discussion of the subject.

Every debate necessarily assumes certain bases or premises, and I propose here to take it for granted and assume that there is a pressing need for currency legislation in this country. Our banking law was the product of an emergency, as also has been every attempt to change it during the 50 years that it has been in operation. The national-bank law now in force was born of the conditions attending the Civil War, and perhaps was, during that period, as good a system as the conditions justified. As time went on, the necessity of amendment became apparent, and alterations have been made and the system patched up to meet changing conditions from time to time, but, like repairs to an old building, such amendments have rather tended to continue in operation and use an inadequate and inconvenient structure than to hasten the substitution of a new one more suited to the requirements of trade and commerce. So pressing became the need for a general revision, or rather a new banking and currency law, that in 1898 the Indianapolis Monetary Commission advised a general revision, and offered very valuable suggestions, which were never acted upon. Later the American Bankers' Association drafted a bill, making fundamental changes, which was introduced in Congress, but never became a law. Following this came the Lovering bill, and later the Fowler bill, both of which failed of passage; and, finally, following the panic of 1907, the Vreeland-Aldrich bill, providing for an emergency currency in time of financial stress, was enacted and is still in force, but will soon expire by its own limitations. Within recent years Congress authorized the appointment of a Monetary Commission, to investigate the whole subject and to report a scheme or plan for a new law in the light of present-day requirements and of the systems in vogue in European countries. After an exhaustive research, that commission made a report which demonstrated conclusively that an entirely new system in this country is necessary, and that the sooner a comprehensive banking and currency law is

adopted the safer will be the financial and business interests of the country.

I do not find fault with the delay which has characterized the progress of this bill, for I realize the importance of the subject and the advisability of the greatest care and consideration in adopting a fundamental change so minutely affecting every banking concern, business interest, and individual in the entire land as does this measure. Some criticism has been indulged that this bill was hurried through the House and that the President has urged undue haste in the Senate. I may say this bill was most thoroughly considered in the House, and no little presumption should be given the arduous labors given the bill in its preparation by the very efficient committee which reported the same to the House. This committee and the House had the benefit of all prior proposed schemes and of the prolific researches and investigation of the Monetary Commission as the basis for action, and while the bill may not be perfect in many of its details, I undertake to say in its fundamentals it is sound. The overwhelming vote by which the bill passed the House, after a most thorough and exhaustive debate, receiving as it did so large a Republican and Progressive vote, together with an almost unanimous Democratic vote, indicates that the good in this bill so far overbalances its faults as to render it reasonably acceptable to the country in the form that it left the House. It no doubt has been been materially improved by the modifications and amendments adopted in the Senate and in conference, and I believe that the bill now pending final passage in the House on the conference report is as nearly complete as could be hoped for any measure of so comprehensive a character. But whatever of defect or imperfection there may be, and whatever of deficiency may be demonstrated by actual operation and experience, can be, and I assume will be, promptly remedied from time to time by the Congress.

It is said by many that currency legislation is not a party question, and much criticism has been indulged by the opposition that this bill comes forth as a party measure, and during its various stages has been promoted by party influence. This is true, but this fact does not detract from the merits of the bill. Ours is necessarily a government by party, and an administration charged with the responsibility of government must operate through party machinery. The Republican Party has been so impotent to remedy existing financial and currency evils, or so unwilling to do so, that the new administration, on its advent to power, found it advisable to proceed in the usual way and propose a new bill through the expediency of party machinery, and a very efficient Democratic majority in the House and Senate have fathered and promoted this measure, and the very limited, weak, and ineffective opposition which has developed on the Republican side clearly demonstrates that the administration has not proceeded upon any very wrong theory or assumed any unwarranted responsibility.

The real source of opposition has come from the bankers and not from the country at large or from other business interests; and by this I do not mean the bankers generally, but the big institutions in the great commercial centers, which have had such complete sway and absolute control of the money system of the country that they are loath to surrender their ancient privileges without at least a show of resistance, to the end that they may secure as many concessions and favorable amendments as possible. I can not believe that the show of opposition is in all respects sincere and genuine, but such opposition, it appears to me, flows from selfish motives and purposes rather than deep-seated conviction or sincere opposition to the measure as a whole.

We have been in this country the victims of recurring panics such as not experienced in any other civilized country on the face of the earth. The reason why becomes a pertinent inquiry. The answer can be found only in our banking and currency system, which has placed the volume and control of our currency so largely in the hands of banking institutions, which have sometimes, it is believed, administered the finances of the country rather to their own gain and profit than to the welfare of the country; and yet I can not say that these concerns have been so wholly selfish as to utilize every advantage which the system affords them and to abuse every right which the law guarantees them. It is always a dangerous thing to place power in the hands of individuals or corporations, and it speaks well for the integrity and patriotism of the great banks of the country that the system has not been more abused and utilized more for private gain than has generally been the case.

The greatest fault with our present system has been the concentration of the currency in Wall Street and other financial centers, and its use in speculative operations, to the impoverishment of other sections of the country where money was most needed for legitimate use, and this has resulted often in a currency famine and high rates of discount, to the detriment and disadvantage of legitimate business everywhere, sometimes precipitating panics of fatal and far-reaching consequences. The proposition urged by many for the creation of one central reserve bank would not, in my judgment, remedy this evil as effectively as hoped for by this bill, which provides for a number of regional reserve banks, judiciously located with reference to the course of trade and exchange in the various sections and the business and financial centers of the country. To this end this bill provides for the establishment of from 8 to 12 regional reserve banks and for the mobilization of Government funds and bank reserves, and for the transfer of same from one regional bank to another under the management and control of a Federal board, so as to maintain a proper distribution of these reserves and their convenient accessibility to the sections of the country where most needed from time to time. No elaboration of this provision in the pending bill would seem to be necessary. The mere statement of the proposition carries with it the arguments in its favor.

The bill provides for an elastic currency, under the control of the Government, more responsive to the demands of trade than afforded by our present system. In fact, under the national-bank act our currency has proven so inelastic that financial stress, resulting in currency famine, has at times proven disastrous to trade and commerce and business interests generally in various sections of the country removed from the congested money centers where money was accumulated and used in stock-gambling speculation, and no means provided by which it could be supplied for the wants of legitimate trade elsewhere. The rediscount provision of this bill, by means of which any member bank owning stock and becoming a part of a regional reserve bank may obtain currency on commercial paper and other liquid assets, we believe supplies a deficiency in the present system of inestimable value, and that it affords a means by which any solvent banking institution which may become a part of the system will be enabled to promptly realize upon its assets and meet all demands made upon its resources, and reduce to the minimum the possibility of bank failures and the attendant direful results which follow in the wake of such catastrophies. I have followed the course of the debate in both the House and the Senate on this bill, and I am convinced, if ever in doubt, that a currency responsive to the demands of trade, expanding and contracting automatically with the law of demand, is one of the requisites of a safe currency system, and I know of no better means than that authorized by this bill to provide such a currency.

There are 25,000 banks in operation in the United States. This number includes national banks, State banks, and private banks, and embraces trust companies and savings banks. National banks are under the control and supervision of the Federal Government, while each State has a separate banking law, and in most, if not all, the States private banking is tolerated if not sanctioned by law. We have no comprehensive uniform system under proper supervision and control.

One of the purposes, if not the essential feature, of this bill is to correlate these banks and to enable or compel them to cooperate in one uniform system, all under Government supervision and control. I would not question the integrity of the men who conduct private banks, but I do believe that such banks should be under National or State supervision, subject to proper inspection, and that every bank in the country, great and small, should eventually be compelled to reorganize under a law such as is provided in this bill and become a part of a great common system, all more or less directly under the supervision and control of the Federal Government. A way is provided in this bill by which any banking institution may avail of its provisions, and I can foresee no hardship that would result from compulsory cooperation on the part of all banks, whether private, State, or National, and the establishment of one common, uniform, comprehensive banking system, all under Federal or joint Federal and State control.

Agriculture constitutes the first, the prime, and the most important industry in the country. All others are secondary, and yet our present banking system discriminates against securities based on agricultural products and live stock, and recognizes only commercial paper in clearing-house transactions. This, again, has tended to rob the rural sections of currency and to concentrate the same in the commercial centers, to the financial embarrassment and great inconvenience of agricultural pursuits during seasons of the year when money is most needed to move the crops. This bill affords a remedy against this condition of things by expressly providing that securities based upon farm products and live stock, and of a longer maturity period, shall be considered prime paper and subject to rediscount to the same effect and advantage as so-called commercial

paper, by means of which the farmer's and the stock dealer's paper may be readily converted into cash, and currency supplied to rural districts as required to meet the demands during stock-feeding and crop-moving seasons.

These are some of the most important provisions of the bill, and time forbids that I consider others or discuss these more in detail.

Mr. Speaker, I have no patience with the insinuations of gentlemen of the opposition, who undertake to discredit this bill because it is a party measure promoted by the administration, and who undertake to disparage its provisions by relating them to the so-called heresies of the campaign of 1896. Nor do I deem it of importance to discuss the issues of that campaign or to answer such arguments. It is sufficient to say that conditions are materially different now than then, and the same arguments, except in principle, do not apply. We are concerned with the present. The present administration is abreast of the times and offers legislation that meets present-day requirements. I have absolute faith in the integrity and character of the President, and am in entire accord with the aims and the hopes and the aspirations of his administration. This bill, important as it is, is but a part of a general comprehensive plan to meet the trade and financial conditions of the present, and I confidently predict that this bill when it becomes a law will be found adequate for every emergency, and establish a sound currency system and form the basis of a lasting and uninterrupted prosperity unequaled in the past. I deprecate the cry of politicians, who, without consideration for the business interests of the country, predict a panic and business depression as a consequence of this bill if it shall become a law. I question the sincerity and motives of these gentlemen. I do not believe they are in good faith; I do not believe they expect evil consequences to follow; but some of them are so hidebound, so partisan, and so mean as to challenge the welfare of the country by treasonable utterances more calculated to breed a panic than all the evil legislation which could be enacted. The purpose is manifest and twofold. These men would force the hands of the administration and compel amendments to this bill demanded by Wall Street, and, if need be, would precipitate a panic for political advantage. They see no hope for their party in the future, save calamity, which some of them are mean enough to fondly anticipate and even hope for.

With tariff revision a realized fact and currency legislation within sight, I hope and believe that we have passed the pitfalls and the breakers and are about to enter upon an era of unprecedented prosperity. I confidently hope and believe that these two great measures bespeak for the Democratic Party continued supremacy, and will mark the administration of President Wilson, as it so far justly deserves, the greatest in a half century.

The New Federal Reserve Act.

EXTENSION OF REMARKS

OF

HON. ALBERT JOHNSON,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. JOHNSON of Washington. Mr. Speaker, after an all-summer struggle—in caucus, in committee, in House and Senate—the currency bill now becomes a law, and the general American attitude toward the new financial system will be that of unqualified effort to bring the new plan to a perfect working system. Every person hopes for this. Everyone will do his part. If we are to have the most powerful banking organization in all the world, we want it to be a success in every detail.

The delay in the preparation of the bill has been for the betterment of the bill. Had the measure been jammed through as proposed last June it would have been a measure far inferior to the act which now becomes law. Almost every day in recent weeks has seen changes in the bill looking to its betterment. Even in the last week changes vitally important have come thick and fast.

WARNINGS BY AUTHOR OF MEASURE.

Here in the House when the bill has come from the Senate, supposedly finished, we hear the author of the measure, Hon. CARTER GLASS, calling out in sharp tones of warning these words:

The House, after full discussion, decided that we would not embark on that uncertain and reckless proposition of permitting 7,500 national banks and, it may be, 18,000 State banks, scattered all over the country, to engage in the acceptance business—that is to say, in business involving contingent liabilities—without one dollar of reserve behind them as a safeguard. That is one of the provisions of the Senate amendment. * * * That involves nobody knows how great an expansion of credit.

And the author of this bill issues the following further warning against changes which have been made:

The required cash reserve in member banks has been so reduced as to practically amount to no reserve at all. Is the House willing to approve that? Within six months after the passage of this bill there would be a veritable saturnalia of inflation in the country.

And in spite of pressure his words have been heeded and these and other offending clauses corrected—partially, at least.

My regret, Mr. Speaker, is that the Republican members of the conference committee were not permitted to take part in the business of the last few hours. That would have checked the cry of partisanship and would have gained the bill more votes on this side of the House. These last changes in the bill were very important. It is unfortunate that less than half a day was permitted for discussion and explanation of these changes. Four hours was not enough. The Democracy, with its overwhelming majority in the House, should have granted a few more hours for explanation and discussion of what it has produced with so much heavy labor—with effort so stupendous that other congressional work has been practically at a standstill for all of these months.

OPPORTUNITY FOR ACTIVITY OVERLOOKED.

I contend, Mr. Speaker, that while the Senate was engaged, day and evening, all these fall and early winter weeks the Democratic caucus could have lifted the rule of its own making and permitted those of us, on both sides of the Chamber, who had remained here in Washington to have discussed at length and with profit the Alaska railroad bill, the bill for the restriction of immigration, the question of Asiatic exclusion, the educational measures, and many other question on which debate must now be, of necessity, greatly limited.

But the time for criticism is past. The bill is on the books. The measure is the law as soon as it shall have been signed by the President. No one pretends entire satisfaction with it. Examination of the details of the new law in comparison with the currency bill in its evolutionary forms can be postponed. There remains only to be considered the all-important matter of supervisory management and control which is vested in the Federal reserve board. Congress has devolved a tremendous responsibility upon the seven men who constitute this board, and while the practical workings of the system will be largely in the hands of the bankers of the country, the fate of the new departure will be determined by the governing body.

COOPERATION IS PLEDGED.

Already the bankers of the country, both large and small, are pledging cooperation, and this, Mr. Speaker, is true Americanism.

In the bill itself the United States has in characteristic fashion drawn the experience of all older countries and created a device which is like systems of older countries, but, nevertheless, different. The regional plan of organization sets up several central banks, united through a Government board of control, so that reserves may be more effectively mobilized, as in other lands, while with the help of these banks and the provision of a currency in contact with the seasonal or abnormal variations of business credits may be rendered liquid, as they never have been in the past.

One may rest content that if the future discloses imperfections in the measure, they can and will be speedily corrected. The thing now is to get it into speedy operation, which, even with cooperation on every hand, must be a slow process. But business need not stand back a moment. Enough of the good clauses of the present banking act have been improved upon and temporarily retained, so that the mobility so long desired is at last at hand—available even while the machinery authorized by the Glass Act is being assembled.

I ask permission to insert as part of my remarks a concise digest of the salient features of the currency bill as amended in its final form.

THE NEW CURRENCY ACT.

Authorizes at least eight regional reserve associations, each with a regional bank. Will probably be 12.

Constitutes the Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency the organization commission to fix boundaries of districts and reserve cities.

Entire system under the control of the Federal reserve board of 7 members—the Secretary of the Treasury and the Comptroller of the Currency, ex officio, and 5 others appointed by the President.

National banks must signify their intention to join the association within 60 days or they can not act as reserve agents thereafter.

They must enter within a year or forfeit their charters.

State banks may join by meeting requirements for Federal inspection.

Total capital stock of the regional reserve associations, $106,000,000, or 6 per cent of capital and surplus of all national banks.

Stock open to the national banks first and then to the public.

Dividends on the regional bank stock, 6 per cent.

ADVANTAGES OF NEW SYSTEM.

Will give expansive or elastic currency, facilitated by the ready mobilization of reserves.

Will prevent panics.

Provides after two years for the gradual retirement of national-bank notes and refunding of 2 per cent Government bonds. Substitution of 3 per cent gold bonds without circulation privilege, to run 20 years, or 3 per cent Treasury gold notes for 1 year, renewable annually for 30 years.

Authorizes the Government, through the Federal reserve banks, to issue notes against collateral approved by the Federal reserve board redeemable at the Treasury in gold and at regional banks in gold or lawful money at election of banks.

Requires gold reserves of 40 per cent in the Treasury Department against outstanding reserve notes. Provides tax against depletion.

Every regional reserve bank managed by 9 directors—3 chosen by the Federal reserve board, 6 elected by member banks, but 3 of whom shall not be bankers.

Provisions of the Aldrich-Vreeland emergency-currency act extended until July 1, 1915, with modification of the high tax on emergency notes issued under the law.

The Currency.

EXTENSION OF REMARKS

OF

HON. SILAS R. BARTON,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. BARTON. Mr. Speaker, when the Glass currency measure passed the House I voted against it and stated my reasons for so doing. It seems by the bill presented for our consideration that the Senate concurred in that belief, as evidenced by the many changes made.

In constructive legislation of this character it is entirely impossible to draft a bill that would in all its parts be acceptable to each and every Member of the House and Senate. It is also true that all political parties, the bankers, and the people in general have declared for a change in our monetary system. This being true, it is my opinion that to comply with their desires some measure should be adopted.

I shall vote for this measure, not that I think it perfect, but on the ground that the people have declared for a change and that I think the good outweighs the bad and that in placing its machinery into operation the defects will be cured by legislative enactments.

The organization of the Federal reserve system in the House bill was purely political, naming the Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency as the board. The Senate bettered this condition by adding two other members of the Federal reserve board, but in the conference, where the Republican conferees were not admitted, the Senate amendment was stricken out and the political construction as outlined in the House bill prevailed. In my remarks criticizing the House bill I made the point that our western banks were discriminated against, as the assessment was solely on the capital stock and not on capital and surplus, and that 5 per cent on call and 5 per cent in 60 days, as provided in the House bill, might invite stringent conditions. I am sure that the bill as it now becomes a law, assessing 6 per cent on capital and surplus, 1 per cent on call, 1 per cent in 3 months, 1 per cent in 6 months, and the remainder, 3 per cent, on call when needed, is not only more equitable for our western banks, but better for the entire country.

The House bill made no provision for stock ownership in these banks by any other than banks or bankers; in fact, it was purely a bankers' bill. An effort was made in the Senate to throw this stock subscription open to the people. The present bill provides that if the banks do not take the stock it can be then sold to the public. A very small concession; but when you take into consideration these individual stockholders are not permitted direct representation, the condition presents itself as in mutual insurance companies controlled by proxies of a make-believe representation.

I have not yet heard one good reason why the people should not have the privilege of owning these Federal banks. I can not understand why the bankers should have a preference over the farmer, the merchant, or any other business man. The resources of the Government will be behind this structure, and I am firmly of the opinion that the banks should be owned and controlled by the people outside the banking business, thus making it a Government bank, in which the resources of the Government would be used in the interests of the people, and not for any particular class of people.

The House bill provided that the Federal reserve board should consist of the Secretary of the Treasury, Secretary of Agriculture, Comptroller of the Currency, and four members appointed by the President to serve two, four, six, and eight years, respectively. This made the administration of the banks a matter of pure political partisanship control. This bill as it will now become a law provides that the Secretary of the Treasury, Comptroller of the Currency, and five members for 10-year terms, which makes it a better bill, for at the time for the inauguration of a President the majority personnel of the board can not be changed at once. It can under this bill be changed, and no doubt will be, as proven by the political changes made now in the several Federal departments where changes are being made to reward the faithful instead of adhering to the merit and efficiency system, but I believe the people will revolt against such partisanship and that eventually these men will be chosen for their fitness rather than their political service, and that the entire corps of workers under this great system will be placed under civil service and that legislation will be enacted making this board at least bipartisan.

The Hitchcock committee bill was the only one that placed these important places above politics.

While I know this bill has been copied to a great extent from the Aldrich bill, and the chief point of difference that has been urged is the central bank idea, yet it seems to me in the provision contained here that five members of the Federal reserve board can compel Federal reserve banks to rediscount the discounted paper of other Federal reserve banks that the idea of a central bank has been applauded, for this does exactly the thing that a central bank would do. What is this combination after all but one big bank controlled by the Federal reserve board.

Senator La Follette's amendment providing that no Senator or Representative in Congress shall be a member of the Federal reserve board, a director of a Federal reserve bank, or an officer or a director of any member bank, and further, that no director of class "B" or of class "C" shall be an officer, director, employee, or stockholder of any bank. This seemed to me to be good law. The Senate thought so and adopted his amendment, but the Democratic House conferees succeeded in having these words stricken out: "Or an officer or director of any member bank," and in the second part "or of class 'C.'" I can not think of one intelligent reason for this change, but certainly would be charitable enough not to say that this was on account of prominent Members on the House and Senate committee occupying positions of the character that this controlled.

This bill is better than the House bill, as it now permits, under certain conditions, banks to make farm loans and permits six months' paper, based on agricultural products, to be rediscounted, but at the same time I do not see where, with the placing of all of this Government money, the farmer will get his interest rate reduced, and inasmuch as the Government now only receives 2 and 3 per cent on its funds I was greatly in hopes that an arrangement would be made that would give the farmer direct benefits.

The Hitchcock wing of the Senate committee had, in my opinion, one very commendable and important feature that was eliminated, as follows: To prevent loss by depositors in bank failures they proposed, after paying 5 per cent dividends to the stockholders and after the required 20 per cent reserve is earned, that one half of the excess profits should go into the Nationl Treasury and the other half constitute a trust fund for the insurance of the depositors of the member banks. These funds are earned by the depositors' money and the sav-

ings of the depositor should have a substantial guaranty. The failure of a national bank in my district brings this matter close home. The real sufferers are the depositors who placed their money for safekeeping and who now are compelled to loose their deposits. The amount to return them the money they lost through the failure of this bank to this system would be infinitesimal, but to the depositors it means in many cases all. The Government is to a degree subject to censure, for this bad condition did not come in one day, and the true conditions surely was on record with the Comptroller of the Currency.

I deeply regret that this important provision was eliminated and sincerely trust that before this session ends arrangements will be made to protect the depositors.

In this rambling discussion there are many points untouched, many changes made which makes this a better bill than the one presented to the House. The increased reserve requirements from 33⅓ to 40 per cent, the manner of retiring Government bonds, and so forth, I shall not endeavor to cover the bill completely, for we know it will pass in its present form, and all patriotic citizens are hoping for its success. I would like to have had incorporated insurance of deposits, a section forbidding interlocking directorates in all banks, a more liberal policy of farm and farm products credits, a nonpartisan board, civil service protection for the employees of the system, all of them to be started under a merit system, but knowing that a Member can not have his way in detail and as this bill is a blending of all currency bills to date, I feel that we should respond to the demands of our constituents and believing it will make a better condition than the one now prevailing, I shall vote for the measure.

Banking and Currency Bill.

REMARKS
OF
HON. MICHAEL K. REILLY,
OF WISCONSIN,
IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. REILLY of Wisconsin. Mr. Speaker, it is now a half century since the enactment of our present national banking and currency law. This law was a child of necessity—a war measure. It was not designed by its authors for the purpose of establishing a sound and elastic currency or to meet the then needs of a growing and expanding country. The vital problem of that day was to finance the Civil War and save the Union.

During the past 50 years there has been a wonderful growth in population and marvelous expansion in the industrial and commercial life of our country, and yet during all that time there has not been a single fundamental change in our banking and currency system.

In almost every convention of bankers, business men, commercial men, and leaders of economic thought held in the past decade or more our present national banking and currency system has been denounced as unscientific, dangerous, and a veritable panic breeder.

Foreign critics and authorities on banking have called our money and banking system "barbarous." Textbook writers and students of finance in all countries have united in denouncing our unscientific and out-of-date currency laws.

Bankers, business men, and students of finance at home and abroad are a unit, almost, in the opinion that the financial and industrial disasters that have visited our country in recent years are chargeable to a defective banking and currency system.

It would appear that the ideal banking and currency system for this or any other country is a system that would provide for a sound currency and at the same time for the automatic expansion and contraction of the volume of the currency as the economic needs of the country demanded.

A currency that is larger than is needed at any one time, and which can not be automatically contracted, results in a useless and needless accumulation of reserves, for a time at least, and the consequent stimulation of unhealthy speculation.

Our present national banking system has not responded to the demands of the commercial and industrial world or to the demands of our growing population. It would seem that there has been no relation at all between the currency demands of the country and the increase or decrease of the amount of national-bank notes in circulation.

From 1883 to 1891 the national bank-note circulation decreased from $361,000,000 to $167,000,000, or 53 per cent. This decrease was due to the fact that an overflowing National Treasury provided means for the redemption of United States bonds, the basis of our national banking system.

This contraction in our currency took place at a time of great industrial prosperity and expansion; at a time when the clearing-house exchanges showed an increase from $36,000,000,000 in 1883 to $53,000,000,000 in 1891.

Again, from 1892 to 1896, the panic period, the national bank-note circulation increased from $174,000,000 to $235,000,000, notwithstanding the fact that during that same period there was a shrinkage in the business activities of the country and consequently a decreased demand for money.

Within the past 10 or 15 years bill after bill has been presented to Congress aiming at a radical revision of our banking and currency laws, but for some reason or other each and every one of these bills failed to become a law.

The panic of 1907 gave impetus to the agitation for banking and currency reform in this country. The experiences of 1907 taught the American people that the so-called reserves of our national banks allowed by law to be kept in the reserve banks of our country were no reserves at all.

In the fall of 1907, when the country bankers attempted to get their reserves from the reserve centers, they found out that there was no money to be had, and that the only real reserves of their banks were the reserves required by law to be kept in their own vaults.

As a result of the panic of 1907 the so-called Fowler bill, providing for fundamental changes in our banking and currency system, was introduced in Congress.

After the Fowler bill was before Congress for several months and had been much discussed and criticized, it was suddenly put aside, for some reason or other, and in its place was passed the Aldrich-Vreeland bill, an emergency currency measure.

The Aldrich-Vreeland bill was passed in 1908, and it has practically been a dead letter since, except as used by Secretary of the Treasury McAdoo recently in putting out among the banks of the country $50,000,000 for the purpose of assisting in moving the crops.

The Aldrich-Vreeland bill provided for a monetary commission, composed of nine Senators and nine Representatives. This commission was authorized to study the banking and currency systems of the entire world and to report to Congress such a bill, based upon said study and investigation, as would, in the judgment of the commission, meet the peculiar geographical, industrial, and commercial conditions of our country.

In January, 1912, after four years of investigation and study, and after the expenditure of almost $300,000, this committee reported a banking and currency reform bill known as the Aldrich bill, which bill was introduced into the United States Senate by Senator Aldrich the early part of 1912.

The Aldrich bill, while purporting to establish a Government bank or currency association under the control of the National Government, practically turned over to private individuals the control of the banking and currency facilities of this country. The bill was so monopolistic in its tendencies and had within it possibilities of such unlimited currency expansion that it never got very far in Congress.

The Baltimore platform committed the Democratic Party to a systematic revision of the banking laws of the country, and President Wilson in interpreting that platform pledge laid down in a special message to Congress on the currency question the lines to be followed in framing a new banking and currency law.

The President says:

We must have a currency not rigid as now, but readily elastically responsive to sound credit, the expanding and contracting credits of everyday transactions, the normal ebb and flow of personal and corporate dealings. Our banking laws must mobilize reserves; must not permit the concentration anywhere in a few hands of the monetary resources of the country or their use for speculative purposes in such volume as to hinder or impede or stand in the way of other more legitimate, more fruitful uses. And the control of the system of banking and of issue which our new laws are to set up must be public, not private; must be vested in the Government itself, so that the banks may be the instruments, not the masters, of business and of individual enterprise and initiative.

This bill, now known as the Glass-Owen bill, is in substantial compliance with the platform pledges of the Democratic Party and the recommendations of President Wilson.

Under this bill the United States is to be divided into not less than 8 nor more than 12 districts, the said districts to be formed with due regard to the convenience and customary course of business of the community and without any reference to State boundaries.

Each national bank located within a given district is obligated to subscribe to the capital stock of the reserve bank located therein in a sum equal to 6 per cent of its paid-up capital stock and surplus, one-sixth of the subscription being payable on call, one-sixth in three months and one-sixth in six months, and the remainder of said subscription, or any part thereof, shall be subject to call when deemed necessary by the Federal reserve board.

The national banks are also obligated to keep on deposit in the different Federal reserve banks of their respective districts a certain portion of their legal reserves, which deposits, together with the general funds of the National Government that may be deposited with the Federal reserve banks, will constitute all the deposits of the said Federal reserve banks.

The reserve requirements of this bill are as follows: country national banks, 12 per cent of their demand deposits and 5 per cent of their time deposits; reserve city banks, 15 per cent of their demand deposits and 5 per cent of their time deposits; central reserve city banks, 18 per cent of their demand deposits and 5 per cent of their demand deposits.

Of the above legal reserve this bill requires after three years that the country national banks shall keep four-twelfths of their reserve in their own vaults, five-twelfths with their Federal reserve bank, and three-twelfths in their own vaults or with the Federal reserve bank, at their option; that the reserve city bank shall keep five-fifteenths of their reserve in their own vaults, six-fifteenths in their Federal reserve bank, and four-fifteenths in their own vaults or with the Federal reserve bank, at their option; and that the central reserve city banks shall keep six-eighteenths of their reserve in their own vaults, seven-eighteenths with their reserve bank, and five-eighteenths in their own vaults or with their Federal reserve bank, at its option.

Thus by the terms of this law after three years it is contemplated that all the reserve of the national banks and such other banks as may see fit to join the Federal reserve system shall be held in the vaults of the individual banks or with the Federal reserve banks.

It is estimated under the above requirements that the Federal banks to be established under this act will have at the outset an aggregate capital stock of about $53,000,000 deposits belonging to the member banks of about $350,000,000, and Government deposits of about $150,000,000, making in all resources to the amount of approximately $550,000,000.

The subscribing banks, called member banks, will receive 6 per cent dividends on their capital stock subscriptions. They will receive no dividends on their deposits. All the earnings of the Federal reserve banks, after payment of the running expenses of the bank and the 6 per cent dividends on capital stock, go to the National Government after the accumulation of a reserve fund of 40 per cent of the capital stock of the individual reserve banks.

These Federal reserve banks may loan their capital stock and deposits to member banks and on good security. The loaning will be accomplished through the rediscounting for member banks of promisory notes based on genuine commercial paper.

Loans to member banks through rediscounting operations will ordinarily be made from funds of Federal reserve banks composed of the capital stock and deposits, but in case the funds of reserve banks should become low and the demands of industry and commerce should require more money, a Federal reserve bank may apply through the Federal reserve agent of the district to the Federal reserve board for Federal notes and in case its application should be approved by the Federal reserve board the said board will order Federal notes to be delivered to the Federal reserve bank asking for the same.

The Federal reserve bank being required to retain in its vaults a gold reserve of 40 per cent against the Federal notes issued and rediscounted commercial paper to the full amount of the notes issued.

Each Federal reserve bank will be governed by a board of nine directors—six to be chosen by the member banks and three appointed by the Federal reserve board.

The board of directors of a Federal reserve bank have the ordinary powers usually conferred upon the board of directors of a bank, except that the acts of the board of directors of the Federal reserve bank are subject to the approval of the Federal reserve board.

The Federal reserve board provided for in this act is composed of the Secretary of the Treasury, the Comptroller of the Currency, and five other members to be appointed by the President of the United States.

This board has in each reserve district a Federal reserve agent representing it and the Government in its dealings with the reserve banks.

This Federal reserve board has large and important powers. It appoints three of the nine directors of each regional bank; it has power to remove any officer or director of a Federal reserve bank; to permit or require one reserve bank to rediscount for another reserve bank; to suspend for 30 days the reserve requirements of the law; to superintend and regulate the issue and retirement of Federal notes to Federal reserve banks, and to fix the rate of interest on said notes; to permit national banks to act as trustee, executor, administrator, or registrar of stocks and bonds; to cause Federal reserve banks to be examined; and to review and determine the rate of discount to be charged by Federal reserve banks.

Each reserve bank, by the terms of this law, will be required to maintain in gold or lawful money a reserve of not less than 35 per cent against its deposits and a reserve in gold of not less than 40 per cent against its Federal reserve notes in actual circulation.

In addition to its dealings with the member banks and the Government, the Federal reserve bank is permitted to engage in certain so-called open-market operations, such as purchasing cable transfers, bankers' acceptances, and bills of exchange.

Under this bill national banks are permitted to loan money on farm mortgages to the extent of 25 per cent of their capital and surplus, or one-third of their time deposits, the time of the loan not to extend longer than five years and the amount of the loan not to exceed 50 per cent of the actual value of the property.

Provision is also made for a Federal advisory council, which shall consist of as many members as there are Federal reserve districts, each Federal reserve bank having the power to select one member of said council.

This council shall hold meetings in Washington at least four times in each year, and its duties shall be principally to advise the Federal reserve board on general business conditions as they exist in the various Federal reserve districts.

From the foregoing general outline of this bill it is apparent that it aims to bring about fundamental, radical, and beneficial reforms in our present banking and currency system.

It provides for the taking of the bank reserves of the country out of the large industrial centers, where they are now admittedly used to a large extent in stock speculation, and the mobilizing of the said reserves in Federal banks in the different sections of the country, where the said reserves can be used for the industrial and commercial requirements of the section from which they were gathered.

It gives to the Government and not to the banks power to issue emergency currency, thereby recognizing the sovereign right of the Government to issue money.

It gives to the National Government power to fix the rate of discount to be charged on the hundreds of millions of dollars of resources of Federal reserve banks, thereby enabling the Government and not the banks to become the controlling factor in every movement to increase or decrease the currency supply of the country. It is also the belief of the friends of this bill that it will destroy forever the power of the money trust that has been dominating the financial and industrial world of our country for many years.

It is not claimed that this bill will prevent stock gambling in New York and other large cities, but it is contended that this bill will prevent the bank reserves of the national banks of this country from being used for stock-gambling purposes.

Wall Street will undoubtedly continue to gamble after this bill is a law, but after 36 months have passed Wall Street will have to carry on its operations with funds other than the reserves of the national banks of this country.

Notwithstanding the dire prophecies that have been made by some of the leading bankers of this country, who fear a large shrinkage in their deposits because of the ultimate withdrawal of the reserves of the country bankers, that the requirements of this bill as to the transferring of the present reserves now held in the large reserve cities to the Federal reserve banks to be created by this bill will cause an industrial upheaval such as we have never known before, it is a belief of the friends of this bill that the transferring of the reserves provided for in this bill can be accomplished without any great disturbance of existing loans or any curtailment of the loaning powers of the national banks.

The fact of the matter is after this bill becomes a law and the system is in operation there will be more money available for loaning purposes by many millions than there is available to-day. The reserve requirements of this law are such as will liberate and make available for loaning purposes approximately $200,000,000 more than is available under the reserve requirements of the present law.

I am aware that there are not a few bankers who are opposed to this bill who will not suffer in any way by the loss of their deposits when the bill becomes a law. They claim that the compulsory feature of the bill is unjust; that they ought not be compelled to join the system; and that the reserve requirements of the bill are such as would make it impossible for them to come under the law without loss to their stockholders, for the reason that at the present time they get 2 per cent on the part of their reserves that they are now permitted to keep in the reserve banks of the country, which they will lose if they join the proposed system.

The bankers of this country have sanctioned in their conventions at one time or another almost all the important features of the present bill except Government control and the withdrawing of the reserve funds of the country from stock-speculating centers. The Aldrich bill, that the bankers did so much to boost, provided for capital-stock subscription by the banks, and the Aldrich bill was in reality just as much a compulsory measure as the proposed bill, as far as coercing the banks to join it. It provided indirectly what this bill provides directly.

The Aldrich bill contemplated rediscount operations on the part of national banks, the only difference being that the fund provided for rediscount purposes in the Aldrich bill was much smaller than the fund provided in this bill.

The fact of the matter is that big bankers of the large cities, who are opposed to this bill and who have been responsible for much of the opposition that has been in evidence, are opposed to it because it is different from the Aldrich bill in three important features:

First. The bill takes away from the banks the right to issue money and lodges this power with the Government, where it belongs.

Second. It gives power to the Government to control the discount rates of the Federal reserve banks.

Third. It will destroy the system that permits New York, in part, to become the legal custodian of the reserve funds of the banks of this country and the use of said reserve funds for stock operations in Wall Street.

The argument made against this bill because it makes it compulsory for national banks to join a Federal reserve bank or to surrender their charters has no foundation whatever.

The bill aims at the establishment of a banking and currency system for the whole country that will be more directly under the control of the National Government than is the present system and more responsive to the industrial and commercial demands of the country.

If we are going to have a currency system in this country under the control of the National Government, it is manifestly impossible to operate successfully and satisfactorily such a system with part of the national banks out of the system and part of them within the system.

The great important question to be determined is whether or not the proposed bill, if enacted into law, will give us a banking and currency system that will be the best for all the country; and having determined that the proposed bill does provide for an adequate, sound, and elastic banking and currency system that will meet the industrial and commercial demands of our country, there is nothing else left to do but to declare that all banks desiring to operate under the authority of the National Government should come within the provisions of the law or else surrender their charters as national banks. To provide otherwise would be to invite disaster and defeat at the very beginning of this attempt to fundamentally change our banking and currency laws.

While it is true that the bankers will lose the 2 per cent that they now receive on the reserves that they are permitted by law to keep on deposit in certain reserve cities, it is also true that the bankers will have more money to loan under the terms of this bill than under the present system, and they will also have greater stability in the financial world, as a result of which they will be enabled to make up for the loss of interest on their reserves.

The authors of this bill do not claim that it is a perfect currency bill. It would be asking too much of Congress to expect a perfect currency bill in the first law to be passed upon the subject within half a century. When you consider the fact that in the past 20 years numerous attempts have been made to modify and amend our national banking laws, and that all said attempts have resulted in failure, you will have some idea of the difficulties that are met with in trying to harmonize divers views as to what is the proper kind of currency legislation for this country.

This bill passed the House several months ago with almost the unanimous indorsement of its Democratic membership and with the votes of a large number of the opposition. It now comes back to this House from the conference committee a better bill in my judgment than when it left here on its way to the Senate, or when it left the Senate on its journey back to this House.

The conference committee has retained the meritorious amendments to the bill made by the Senate and has eliminated the objectionable amendments, thereby making the bill, as I have stated, a better bill than when it first passed this House.

Recently the National Citizens' League, an organization of business men having representatives in almost every important city in the Union and formed for the purpose of securing banking and currency reform, sent out the following announcement in its publication, Banking Reform, under date of November 1, 1913:

The work of the National Citizens' League has been completed. On November 1 the office of the league in Chicago was closed. An acceptable law has not been passed, but such legislative progress has been made that there is no shadow of doubt that legislation is certain. * * * A banking reform bill admitted to be 80 per cent good has passed the lower House of Congress.

If this bill was 80 per cent good when it passed this House last October, it is at least 90 or 95 per cent good as it comes to us from the conference committee.

To be able in about seven months to secure the enactment into a law of a currency and banking bill, radically and fundamentally changing a system a half a century old, is certainly a wonderful achievement for a President and his party, especially so when the proposed law commands the support of such a large element of the party of opposition.

While there appears to be considerable opposition at the present time to this bill on the part of a great many bankers of the country, I am firmly of the opinion the more the bankers study this bill the more they will be convinced that it provides for this country a safe, sound, and elastic currency.

I have too high a regard for the patriotism of our bankers, and particularly for the patriotism of our country bankers, to believe that as a class they desire any special favors at the hands of Congress. I believe that they are willing to unite with their fellow men in all the various walks of life, in urging Congress to give us a banking and currency bill that will be for the best interests of all the country; a banking and currency bill that will meet the requirements of the industrial and commercial life of every section of our country; and not a bill that will be favorable to the bankers, the farmers, or the manufacturers.

The time has passed in this country when any industry, banking or otherwise, will be heard in an appeal to Congress for legislation beneficial to that particular interest.

The criterion by which to judge of the merits of this bill is not whether it will be for the best interests of stock speculators, or of the big bankers in our great cities, or of the country bankers, or of the manufacturers, or of the farmers, but the one and single inquiry should be, "Will it be for the best interests of the commercial and industrial life of the whole country"?

The question is, whether this bill if enacted into law will give us a sound and elastic currency that will prevent a recurrence of the industrial disturbances which we have been subject to under present conditions, and at the same time adequately provide banking facilities for every section of our country and for all the industries of our country.

The advocates of this bill believe that it is a long step in the right direction. They believe that the General Government and not the bankers should have the power to issue money, and that the Government also should have power to fix the rate of interest to be charged on bank reserves in this country, which, under the terms of this bill, will be mobilized in the Federal reserve banks. They also believe that the mobilizing of the hundreds of millions of dollars of bank reserves in this country in not less than eight regional banks, where the said funds can be made available for legitimate, industrial, and commercial enterprises instead of being available, as they are at the present time, for stock speculating purposes, is a vital and essential reform in the interests of the industrial and commercial development of our country.

The Federal Reserve Act.

EXTENSION OF REMARKS
OF
HON. EDMUND PLATT,
OF NEW YORK,
IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. PLATT. Mr. Speaker, the Federal reserve act is founded on the "Aldrich plan," prepared by the National Monetary Commission of which ex-Senator Aldrich, of Rhode Island, was the chairman. It is a clever and able adaptation of the "Aldrich plan" to the Democratic platform, which declared against a central bank or reserve association. Students of banking are practically agreed that a central reserve association or bank would be stronger and safer than the divided plan of the Glass-Owen Federal reserve act, but there is no good reason why the latter should not work well, in my judgment, if the President appoints the right men on the Federal reserve board which is to supervise and regulate the new system.

The Federal reserve act, or "currency bill," provides for the establishment of not less than 8 nor more than 12 reserve banks, in which a part of the reserves of all national banks and of as many State banks as decide to join are to be pooled. These Federal reserve banks are to be depositaries of the general funds, receipts from customs, internal revenue, and so forth, of the United States Government, which will place in their vaults some $400,000,000 in addition to the reserves from the member banks. They are also authorized to deal in Government and State bonds, to buy and sell gold, and so forth, and to issue notes on the security of United States bonds, so they will have ample resources.

The main purpose of the establishment of the Federal reserve banks is to prevent panics and to afford the member banks a place to go for help in time of stress or of extraordinary demand for loans. In order to obtain help a member bank puts its own indorsement on some of the notes of merchants or farmers for whom it has discounted and sends them to the Federal reserve bank of the district for rediscount, receiving back the proceeds with which to extend further accommodations to its home patrons. This is stating the operation in its simplest terms, and perhaps rather more simply than it will work in practice. The proceeds of such rediscounting will probably not be remitted to the member bank, as a rule, but will more generally be placed to its credit in the Federal reserve bank. In either event the amount can be counted as additional reserve upon the strength of which accommodation can be extended at home considerably beyond the proceeds of the notes rediscounted. The limit upon this is the requirement that the Federal reserve bank itself must keep a reserve "in gold or lawful money" of 35 per cent against its deposits; that is, $35 out of every $100 placed to the credit of member banks. There is undoubtedly possibility of inflation in these provisions, but good management will guard against it.

It is expected that the present bank notes based on Government bonds will be gradually superseded by the new Federal reserve Treasury notes authorized. These notes are to be issued to the Federal reserve banks on the security of commercial paper by the Federal reserve board through the Federal reserve agent in each bank. This process is awkward and indefensible, except as an effort to comply with the Democratic platform. On its face, as I have stated, it appears to be a loan to the banks of Government notes. Practically, however, the notes are to be bank notes, as the Federal reserve banks are required to keep a 40 per cent reserve in gold against them. These notes, or rather the machinery provided for their issue and the form they are to take, constitute one of the worst features of the bill. It amounts to a compromise with greenbackism, but was the best that Mr. Bryan and his friends could be got to agree to. I see no reason why any Republican should vote for a bill containing this deceptive provision, which should be eliminated; but if the people understand that it was adopted only for political reasons and is not to be too literally construed, it may do no serious harm. That at least is my hope, after having done my best to get it made right, both in the Banking and Currency Committee and on the floor of the House in debate.

Mr. Speaker, I have avoided as much as possible going into elaborate details, such as the provisions for organizing the new banks, the reserve requirements of member banks, and so forth, and have endeavored to set forth plainly the main features of the bill. I think the Democratic administration has made a serious mistake in conveying the impression that the wheels of industry will begin to hum the moment the bill is passed. It contains no magic. It will do little, if anything, to help the country out of any business depression brought on by the tariff or other causes, though I believe it will effectually prevent a panic. It should be remembered that a panic and a business depression are two different things, and that we may have the latter without the former. In a business depression there is no extra demand for money; quite the opposite, in fact. At such a time money piles up in the banks, because business men do not care to venture it in new enterprises or in the enlargement of their businesses. At such a time the new banking system would probably be of no assistance whatever, and restoration of confidence would depend upon other things which I need not mention at this time.

Currency Bill.

EXTENSION OF REMARKS
OF
HON. JOHN W. LANGLEY,
OF KENTUCKY,
IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913,

On the conference report to the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. LANGLEY. Mr. Speaker, I take advantage of the privilege granted of extending my remarks in the RECORD in order to explain my reasons for voting against the agreement of the conferees on the currency bill. I voted to concur in the Senate amendments, just as many others did who were against the bill as a whole, because I thought those amendments made it a better bill than it was when it left the House, and, of course, I wanted to minimize its evils as much as possible. A good many Republicans voted for the conference report because they felt that while it contained many errors it embodied more good than evil and was, on the whole, an improvement upon the existing law; and I think a number of Democrats who supported it shared the view of a distinguished member of that party who said that in his opinion it contained 60 per cent that was good and 40 per cent that was bad. Indeed, I confess that with me it resolved itself into a question of percentage; but I reached the conclusion that the bad features of the bill more than overbalanced the good. I may have been mistaken about that—time only can determine—but it was a candid conviction based upon the best light that I could get upon the question. My views upon the bill when it was under discussion in the House are, in the main, still applicable to the bill as agreed to in conference, because most of the features of the House bill that were objectionable to me are still in it. I quote the following from my argument against it when it was pending in the House:

There are some gentlemen so partisan that they think there is neither virtue, wisdom, nor patriotism in any party except their own. I am thankful to the good Lord that he created me so that I do not belong to that class. I concede that there are some good provisions in this bill. Indeed, I think it is the product of the highest order of wisdom and patriotism of which the Democratic Party as now constituted in the House is possessed. [Applause on the Democratic side.] Neither do I think the defects in the bill are due to any lack of Democratic patriotism, but rather to the defective methods of thinking and legislating with which Democracy is sometimes handicapped when it is in control of our national affairs. [Applause and laughter on the Republican side.]

The banking business of our day is the outgrowth of centuries of experience and evolution. There are just two interests represented in a bank—the bank itself, which, of course, includes its stockholders, and the people with and for whom it does business. The banks in a community represent in a peculiarly intimate way the credit of that community, and therefore any legislation which affects injuriously the interests of the banks is of necessity injurious to the community itself. No legislation bearing upon currency or upon banking that meets with the opposition of the banks and the people interested in them—nay, more, that has not their active support—can be successful in operation any more than a tariff bill professedly in the interest of the farmer can win his enthusiastic commendation if in reality it puts a serious burden upon him in the pursuit of his calling.

There are defects, and perhaps abuses, incident to the banking business which can and ought to be cured, but it ought to be done without

putting such a severe strain on the gold reserve and the credit of the Government as this bill would do. It seems to me that it ought to be done by direct legislation instead of punishing the innocent in order to reach the guilty, which will, I fear, be the effect of this bill. There ought to be more rigid Federal supervision of national banks, but I do not think we ought to go so far as to put the Government in the banking business, thus making it responsible for their operation and obligations. I am not a banker nor an expert on the currency question. I have listened patiently and carefully to all the arguments presented here by the sponsors and supporters as well as by the opponents of this bill, trying to get all the light I could; and when I come to record my vote on the measure I shall do so according to my best judgment, uninfluenced, I trust and believe, by any partisan purpose, for it is not properly a political question and ought not be made one here. At the present it is my purpose to point out what appear to me as some defects in this bill which have been, to my mind, pretty well established in this debate. With this I must be content, for I know full well the futility of offering any amendment with the hope of having it accepted.

First of all, it places all the banking facilities in the country in the grasp of the President of the United States. It is true the President is the chief officer of the Government, but it must be remembered that he is also the chief of his party. What he says "goes," to use a vulgarism. Striking proof of this fact has been given of late in the manipulation of this as well as the tariff bill. The President, if this bill becomes a law, will appoint every member of the Federal reserve board, which will have the whole banking business of the country absolutely in its power, or at least that part of it which becomes a part of the machine constructed by this measure. It is true, an advisory board is provided for, but for all practical purposes it is utterly powerless. It can make suggestions but it can not enforce them. It will know of the acts of the Federal reserve board just what that body chooses to let it know; so much and no more. It is as useless as a fifth wheel on a wagon so far as aiding to move this gigantic vehicle is concerned.

The next step in the erection of this political pyramid is the constitution of the boards of directors of the Federal reserve banks. Each reserve bank is to have nine directors. Three of them are to be elected by the member banks, three representing the agricultural and commercial interests of their respective districts, and three to be selected by the Federal reserve board. It is to be noted, however, that the members of the second group are removable at the pleasure of the Federal reserve board. The directory of a reserve bank, therefore, has six directors, over whose tenure of office always hangs the Damocles sword of the will of the Federal reserve board.

That is not all. The chairman of the board of directors of a reserve bank, denominated reserve agent, is selected by the Federal reserve board, and is removable at its pleasure without notice.

Can you imagine any machinery which could more completely place the operation of all banks embraced in the proposed system under the immediate, direct control of the President, if there should be at any time one with a sufficiently despotic disposition to use his power? There is no other nation that places such unlimited control of the banking business of the country in the hands of the Government. I will mention only the three most important ones. The Bank of England is a private corporation, the Government's fiscal agent, but not subject to the Government's control in the management of its business in any manner whatsoever.

The Bank of France is a joint-stock corporation, with more than 30,000 stockholders, 10,000 of whom own no more than one share each. While under government supervision, because of its fiscal relations and issuing notes for general circulation, the control of its business rests with the general council, consisting of 15 regents and 3 supervisors, elected by 200 of the largest stockholders. The governor and deputy governor are appointed by the President of the Republic upon the recommendation of the minister of finance. The bank has over 400 branches and agencies, the managers of which are appointed by the President from a list submitted by the governor. The regents fix the weekly discount rate and the supervisors examine the business of the bank. The shareholders meet once a year, receive the report of the bank's business, and elect the general council.

The Reichsbank of Germany is under the supervision of the State, but its 40,000 shareholders take part in the administration of its business through a central committee, elected at a general meeting, annually. When in 1899 it was proposed to transform the institution into a State bank, the Imperial Government, the Reichstag, and the governments of the States, comprising the German Empire, opposed the proposition "on political, economic, and financial grounds." That is precisely the objection lying against the pending bill. It is political in principle and practice, and, viewed from an economic standpoint, it is bad policy for the Government to issue notes and thus become a debtor.

Another serious fault of this bill is its compulsory character in seeking to force existing national banks to take stock in the reserve banks, the only alternative being for a bank to surrender its charter if it refuses to accept terms that are not to its liking. A bank is required to subscribe to the capital of the reserve bank to the extent of 20 per cent of its capital stock, one-fourth of the subscription being payable within 60 days. This will impose so great a hardship upon banks with limited capital and surplus that many of them will surrender their charters and either operate under State charters or as private banks. The bill also provides for the compulsory transfer of funds from one reserve bank to another, the transfer being directed according to the judgment and on the order of the Federal reserve board. This is a dangerous interference with individual property rights, for it must be remembered always that the Federal reserve bank handles the money of its stockholders, the subscribing banks, which in turn are custodians of the money of their depositors. The individual depositor, while willing to intrust his funds to a bank in the integrity and judgment of whose officers he has confidence, may well object to the transfer of those funds to the custody of persons or institutions of whom he knows nothing.

Right here is another point where the danger of these banking operations being influenced by political considerations becomes apparent. Let us suppose that the district of one of these reserve banks is suffering under monetary stringency and that it is a district whose voters and political representatives are in harmony with the political views of a majority of the Federal reserve board. The board, either on its own volition or acting under pressure from above, could order the reserve bank of another district to transfer some of its funds to the district in distress, even against the protest of the former and in utter disregard of the injury it might inflict upon the bank so directed. I am loath to believe that such a thing will occur, but the danger, the possibility, of such action is unquestionably imbedded in the provisions of this bill, and that danger, that possibility, should never be permitted to find lodgment in such a statute.

Mr. Chairman, I think this bill will work injury to the section of country I represent for another reason. It is the greatest coal field in the world. Millions of dollars are being expended there in the building of railroads and in the development of those coal fields. The money necessary to do this is not and could not be furnished by the local banks. It is obtained from outside sources, from sources with which the men engaged in that development have established financial connections and which this bill will tend to impair. If the facilities of the promoters for raising this money are thus impaired the development will necessarily be retarded. If this should happen the local banks would likewise suffer, for they not only do not furnish the money but are direct beneficiaries of it.

Another trouble with this bill is that it will break up old banking associations and connections. The country banks know now where to get their money, and that is true also of the capitalists who are developing our section of country. They have their balances in Cincinnati, New York, or other convenient places. When the call comes to these small country banks for their subscriptions to the Federal reserve banks and their cash reserve is exhausted thereby and their surplus impaired they will have to cut down those balances, and in many instances, as I have already stated, will have to borrow to replace the funds withdrawn for these subscriptions. Therefore instead of helping the country banks the proposed legislation is likely to do them great damage. Moreover, the cutting down of those balances will necessarily impair their credit in these large banks, for, after all, the banking business is, in a measure, reciprocal. In still another direction this call for money reserve bank stock will work hardship. It is almost inevitable that the country banks will have to call in loans made to farmers, to the serious inconvenience and, I fear, in many cases, to the serious injury of the latter. As I have already pointed out, the provision of this bill calling for the payment of 10 per cent of the reserve bank subscriptions within 60 days will cause a tremendous contraction of credits under the operation of which the little fellows, as is always the case, will suffer the most. I will not undertake to say to what extent liquidation of assets will be necessary to raise these hundreds of millions, and I am certainly not going to pose willingly as a prophet of evil and predict that this liquidation will be the cause of a great panic, but I seriously apprehend a condition which would closely approximate such a catastrophe.

Great injustice is done the member banks in the scheme for the distribution of the earnings of reserve banks. The section of the bill dealing with the subject provides for an annual dividend of only 5 per cent. I know of no bank anywhere that does not get at least 6 per cent on its loans, for while there are two or three States where the legal rate is only 5 per cent, in all of them a higher rate, in some as high as 12 per cent, can be charged by special contract. To the amount of 1 per cent at least on the amount of reserve bank capital subscribed, therefore, every member bank is made a loser, and to that extent the possible earnings of its stockholders are curtailed. Incidentally it may well be asked in this connection what inducement there is in such a condition to a State bank or a private bank to respond to the invitation to enter the system. But coming back to the national banks subscribing to the capital stock of the reserve banks, it can hardly be called a square deal to first club them into membership, as it were, and then give them less on their money than they would have received if they had not so invested it. The underlying principle of it is fundamentally wrong, and it is not creditable to our Government to indorse it.

Another serious objection is found in the section relating to rediscounting. The paper presented to the reserve banks for rediscount must have a maturity of not more than 90 days, except in certain special cases it may be 120 days. Now, it is well known that what are usually spoken of as country banks, with, say, a capital stock of from $25,000 to $50,000, have frequently to take for discount paper running from four to six months, often with the understanding that there are to be renewals, so that it is practically a loan for a much longer period in many instances. Therefore these small banks would be largely excluded from the benefits of this rediscount provision that will be enjoyed by the larger banks which give accommodation for not longer than 90 days. In other words, the country banks would relatively pay the highest for the privilege of membership and gain the least by it.

A good deal has been said on the subject of rediscounting commercial paper by the Federal reserve banks. There are two cogs in that wheel that are liable to break at any time and leave in a bad fix those who count upon the wheel's moving. Let us assume that a country bank desires to rediscount some of the paper which it has received from its regular customers in the course of business. Let us assume, furthermore, that a number of other banks in the same district are also in a condition which makes it necessary for them to appeal to the Federal reserve bank for rediscount. Let us assume still further that this Federal reserve bank at the time that this extraordinary demand is made upon it by these member banks finds itself short of funds and unable to relieve the necessities of the applying banks. What then? The banks have broken off their former connections and have now no source from which they can draw the necessary funds whereby to relieve their necessities. The inevitable result of this condition is that the individual banks will be compelled to refuse to their customers the customary accommodation to carry on their business, and that, therefore, there arises in that district not only a monetary stringency, but a more or less serious handicap on business generally. The other cog that may fail is the possible refusal of the Federal reserve bank to accept for rediscount the paper presented by its member banks. The right so to refuse is conferred upon the Federal reserve bank by the provisions of this bill. Thus it will be seen that the rediscounting feature of the bill does not confer upon the country banks the inestimable benefits which have been so loudly heralded. It is the big banks that in the end are going to be the chief beneficiaries of the rediscount feature.

While I am glad to see that this bill makes provision for some accommodation in the way of loans by country banks to farmers, I fear that these provisions do not go far enough. In the first place, the time allowed for loans to farmers—not exceeding 12 months—is hardly sufficient in most cases, and again I doubt if the interest rate the farmers now have to pay would be materially lessened under the operations of this bill. Nevertheless, I am glad that the committee gave some thought to the farmers, and I hope that at the regular session it will bring in a bill providing for a comprehensive system of rural credit banks, taking as a model the admirable systems now in operation in Germany and France.

The organization of this new banking and currency system is to be begun within 90 days after the passage of this act. It may be safely assumed that by the end of that period the organization will have proceeded to the point where the national banks will be called upon for their subscriptions to the capital stock of the regional reserve banks. They will be required to pay, within 30 days after that demand is made, an amount equal to 5 per cent of their capital stock, and the same amount in another 30 days. In 60 days they will have paid in a sum equal to 10 per cent of their capital stock, and another 10 per cent becomes a liability of these banks, to be called for at the pleasure of the respective Federal reserve banks. It has been estimated that the total cash to be withdrawn from the banks under this provision within the 60 days will be between two hundred and two hundred and twenty-five million dollars.

In the majority of cases the cash reserves of national banks to-day are either below or dangerously close to the legal requirement, and in many instances the subscriptions to the reserve banks' capital will not only exhaust this reserve, but will necessitate encroachment upon the surplus. The inevitable result will be a drastic calling in of loans in order to make good the depleted surplus and provide the legal cash reserve. One need not be an expert financier to realize the effect that such a contraction of loans will have immediately upon the business of the country. Perhaps in a year or so business conditions will readjust themselves, but I am fearful that in the meantime there will be serious disturbances in business circles, attended with disaster to some. It may be that I am mistaken in this regard; indeed, I hope that I am mistaken; but I can not help but feel that it would have been the part of wisdom and prudence to have spread these withdrawals of cash from the banks over a longer period than 60 days.

One of the principal aims of the framers of this bill—so it has been generally proclaimed and understood—was to curtail the power of the New York banks. It was firmly believed that in the organization of the Federal reserve banks, distributed through different sections of the country and concentrating, it was hoped, all available banking funds in the respective districts, the means had been found to keep these funds from flowing into the great money reservoir of the commercial metropolis of the country. How utterly futile this hope will prove to be has been shown even before this bill was passed through the initial stages of legislation. Quite recently it was proclaimed with a loud flourish of trumpets that the Secretary of the Treasury stood ready to distribute from fifty to one hundred million dollars to the banks of the West and South to facilitate the movement of crops. Something over $25,000,000, I believe, has actually been distributed. Where is that money to-day? Not in the country banks, Mr. Speaker, but more than half of it has already found its way to New York, and, if current report can be believed, has found its way across the border into Canada, aiding and assisting and developing various enterprises over there. This incident illustrates as forcibly as anything that could be said the utter lack of wisdom which has characterized thus far the manner in which this important undertaking of providing a better currency and banking system for the United States has been managed. The authors of this bill seem to have ignored entirely the fundamental principle that capital, like everything else in the world, seeks its legitimate level. You might just as well try to prevent water from flowing downhill as to prevent the accumulation and concentration of banking funds in the financial center of the country.

Section 17 of this bill is calculated to raise serious apprehensions in the breast of every man who rejoiced when in the year 1900 the Congress definitely placed the currency of the United States upon a gold basis. This section makes the Federal reserve notes to be issued under the provisions of this bill "obligations of the United States and * * * receivable for all taxes, customs, and other public dues," and provides furthermore that, "they shall be redeemed in gold or lawful money." Lawful money? Why, that is the silver dollar with 60 cents worth of silver in it; such are the silver certificates and greenbacks in circulation. If the Government has the option to redeem these Federal reserve notes in gold or silver or Treasury notes—all lawful money—then our gold standard has become an iridescent dream, and bimetallism and greenbackism have become a fixed fact, notwithstanding the declaration of the closing part of this bill, that nothing in this act "shall be construed to repeal the parity and provisions" of the act of March 14, 1900. That declaration will not, in my judgment, prevent the Treasury from taking advantage of the privileges specially granted by section 17 to redeem in "lawful money," notwithstanding the view of the able and distinguished gentleman and Republican from Ohio [Mr. FESS] who raised the question and who voted for the bill because that declaration was inserted at his instance; and if the Treasury does so construe it and takes advantage of it, no believer in the gold standard will question the bad results that will follow. In any event, I think it would have been infinitely safer to have omitted the fateful words "or lawful money" from that section.

The practical effect of this section, moreover, will be to drain the country of gold. At present customs dues are payable in gold. It is expected that under the new tariff law importations will be greatly increased. Duties amounting to hundreds of millions of dollars will be paid annually. The importations themselves must be paid for in gold. Now, if the Federal reserve notes are receivable for customs dues and the Treasury gold stock can be depleted, as naturally it will be, by the presentation of these notes for redemption, where shall we finally find ourselves? Shall we again sell bonds, as we did in the Cleveland administration, to get gold, and shall we again set in motion the endless chain?

I do not think I could more appropriately conclude this discussion than by the following quotation from a letter I have received from Mr. Fon Rogers, president of Pikeville National Bank. Mr. Rogers is one of the leading bankers of eastern Kentucky, and I think his views are fairly representative of the views of most of the bankers in that section. At any rate, he unquestionably points out some very serious defects in this bill. He says:

"The currency question should be settled right. The passage of the present act will leave the country in worse shape than we now are. There will be dissatisfaction with it that will not down until the law is made square with right and justice. The wisdom of the world as crystalized by the old countries points to a central bank of issue which does not rest upon the credit of the Government, but the legitimate commerce of the country instead. This is the only way to settle that question and there will be agitation until the system is adopted. The plan of the proposed bill is cumbersome and will not work much better, if any, than the law proposed and enacted by the Republicans as a temporary expedient.

"They provide that national banks shall put up the capital, every penny of it, but shall not have the direction of the business; this shall be done by the agents of the President who in all instances—judging by our every-day observations—are politicians. This is rotten to the core. It is the worst sort of taxation without representation, and I dare say could not stand the judicial test. They provide that national banks shall, without the consent of the banks, subscribe for 20 per cent of their capital in the new bank. They propose to pay the banks only 5 per cent on their investment. They put up the money and should have at least a legal rate of interest on their investment.

"They also provide that member banks shall deposit in the reserve bank at least 5 per cent of their cash reserve required by law, and shall deposit without compensation of any character. A bank whose deposits amount to $50,000 daily (with the reserve bank) contributes $83.33 per month to the Government bank—figuring its balance worth as much as we now get with reserve agents. This is wrong. It is taking the bank's earnings away without consideration and against its will. If a bank is to be established along the ideas of the present bill, it should deal honestly and squarely with its constituents and not fraudulently by subterfuge. The 25,000 banks of the country demand a square deal, and there will be the most unsettling agitation until an honest policy toward these banks is established. They are in close touch with the people. They are the arteries of commerce. Their rights and privileges should not be restricted by adverse legislation, for such will bring stagnation. The great heart of commerce should be allowed to beat in the normal way. The present measure before your body is abnormal and will hinder instead of advance our financial interests.

"I can better express my feeling fully in the statement that we would gladly welcome a nation-wide movement of national banks to reorganize into State banks rather than submit to such an imposition. The more I consider the proposition the less good I see in it. It is founded wholly on theory by theorists and not bankers. I can not conceive of an idea more preposterous than that shown by the Democrats in absolutely ignoring the banks and banking interests. We grow proficient through years of toil and thought and experience. Man develops in the line of his activity. Why the theorists seek to take the direction of this bank from bankers is beyond me. But that idea is in keeping with the general plan of the bill."

I shall pursue the subject no further. I have attempted to the best of my ability to point out some of the pitfalls which, in my opinion, the passage of this bill opens for our people.

Mr. Speaker, it is perfectly apparent to me, and I have never heard it denied, that the administration and its advisers expected more or less commercial depression to follow the enactment of the Underwood tariff bill, and hoped to avert what might otherwise have been a serious panic by adopting this radical and untried scheme of banking. In the Executive mind these two bills appear to be as inseparably linked as were the Siamese twins. The two are put forward as a joint panacea for our ills. It is therefore entirely proper and logical to discuss both of them together. I took some part in the discussion of the Underwood bill when it was pending in the House, and I want to repeat here most of what I said then. On April 25, 1913, while the House was in Committee of the Whole House on the state of the Union and engaged in general debate on that bill, I said:

Mr. Chairman, I am very proud indeed to have the privilege of addressing so large and enthusiastic an audience. [Applause.] I hope my genial friend from Alabama [Mr. UNDERWOOD]—and I am glad that he and the distinguished gentleman from Missouri [Mr. CLARK] both honor me with their presence and attention—will pardon me if I become personal to the extent of saying that, although I greatly admire the superb qualities of leadership possessed by the gentleman from Alabama and hold him in the highest personal esteem, I was, nevertheless, in favor of the nomination of my old friend CHAMP CLARK for the Presidency. [Applause.]

Millions of honest voters had been persuaded into the firm conviction that protection was unconstitutional and a robbery; that it was a handicap to capital, a burden to the masses, and beneficial only to plutocrats and other selfish enemies of the common people. I felt that the gentleman from Missouri [Mr. CLARK], having been the star performer in that well-staged drama, ought to have been the chief beneficiary of Democracy's ill-gotten gain. [Laughter and applause.] But the Democratic Party is sometimes ungrateful, as Republics are proverbially said to be, and my friend was "turned down." The manner of the "turning down" and the reason for it have nothing to do with the tariff question, and therefore it is not proper that I should discuss the subject here.

Mr. AUSTIN. But he will come back again, I will say to the gentleman.

Mr. LANGLEY. I hope he will. I do not know whether I shall favor his nomination four years from now or not; but one thing is certain, and that is that if the popularity of the gentleman from Alabama [Mr. UNDERWOOD] continues to grow in this country, as a result of his authorship of this bill, as it is now growing in the countries across the sea, where they are looking with longing eyes to our rich markets, which the bill will open up to them, then his political future is assured and the attainment of the goal of his ambition certain. [Applause.] Then nothing can keep him out of the White House. Even fusion between Wilson and Bryan and LA FOLLETTE and CLARK and Roosevelt, with the Socialist vote thrown in, could not stop him. [Laughter and applause.]

But will the American people like him as well "after taking" as they do "before taking"? [Laughter.] That is the momentous question. He is not exceedingly popular just now down in the district which I have the honor to represent. My constituents like him well enough, but most of them fear the effect of his bill. However, I will tell him how he can make himself a hero in the tenth district of Kentucky. We raise a good deal of cattle and hogs there, and we also consume a good deal of beef and pork and bacon. We produce a great deal of coal and lumber, but we also use a great deal of those commodities, and the same is true with reference to many other articles I could mention. If he can so shape this bill that he can maintain the price of cattle and hogs and at the same time reduce the price of beef, pork, and bacon to the consumers of those articles; if he can keep up the present price of coal and lumber to the producer and at the same time cheapen them to the consumer; in a word, if he can devise some sort of automatic process, working both ways, whereby the wages of

labor can be maintained as well as the prices of what labor produces and at the same time these products can be cheapened to the consumer, then, indeed, I am almost willing to concede that he could come very near carrying that rock-ribbed Republican district as the nominee for the Presidency in 1916.

I earnestly hope that he can do these things, because I want to see all the people of my district get a square deal and their share of the beneficence of this bill. I confess that I entertain serious doubts as to whether all this is possible, although I really think that you Democrats are in earnest about it and really believe that you can accomplish this devoutly wished-for result. I give you credit for the utmost good intentions, but I beg to remind you that there is a certain road which is said to be paved with that kind of material.

I will admit that I used to be quite considerably prejudiced against Democrats, and sometimes I even doubted the patriotism of some of them. When I was a boy and heard that good old camp-meeting song—

"Show pity, Lord! O Lord, forgive!
Let a repenting rebel live—"

I thought it was a generous plea of a righteous Republican to the good Lord to be merciful to a poor penitent Democrat. But in recent years I have developed very largely the spirit of tolerance. I think the gentleman from Alabama and his followers earnestly believe that this bill will work out great good for the country. On the other hand, I am just as firm in my belief that it will curtail home production, embarrass capital, lower the wages of labor by reducing the demand for it, driving many out of employment, lower the prices of farm products and of labor's products generally, and halt the industrial progress of the Nation. Should it turn out that I am mistaken, my disappointment will be compensated by the gratifying knowledge that more good has come to the country.

I want to say to my distinguished Democratic friend from Kentucky in front of me here [Mr. STANLEY] that I will not agree to join his party in that event, because it is wrong in too many other things; but if you Democrats make times better by this bill I will take off my hat to you and admit that for once you have guessed right.

I shall not attempt, Mr. Chairman, to point out all the defects, great and small, in this bill. Life is too short for that. I shall content myself with pointing out some of its most striking shortcomings. Everyone within the reach of my voice and millions of people throughout the country will remember how for years the Democrats, in season and out of season, have berated the Republican Party for not giving the farmer a square deal, and how they swore by high heaven that things should be different if their party ever got into power. Every Democratic platform since the close of the Cleveland administration has been ringing and reverberating with promises that the farmer and his interests should be properly cared for if the Democratic Party obtained control of the Government. This was one of the leading issues upon which that party appealed to the voters of the country for confidence and support.

Well, the party is in power now, and the very first thing it has done, in spite of those promises, has been to give the American farmer the worst slap in the face that has ever been administered to him since the foundation of this Government. It taxes the raw material and lets in free the finished product. It taxes wheat, but lets in flour free. It taxes cattle and hogs, but lets in free beef and pork and bacon, thus transferring to foreigners the employment involved in converting the raw material. If ever any class of producers in our country was discriminated against by legislation, it has been done in the case of the farmers in this bill. It was bad enough in the so-called farmers' free-list bill, which proposed reciprocal trade in agricultural products between the American farmer and the Canadian farmer, but this bill is infinitely worse, because it invites the Canadian farmer to dump all of his surplus products into the United States and gives the American farmer nothing in return. I know it is contended that Canada to-day has no agricultural products to spare, but it is well to bear in mind the fact that up in Alberta and other Provinces enormous wheat fields are being cultivated in ever-increasing numbers and that in the natural course of events that wheat will seek the American market. I opposed reciprocity with Canada, although it was favored by a Republican President, because I feared the conditions which I have just described, and with all the more vigor do I oppose the present bill, which aggravates these adverse conditions beyond compare.

Our Democratic friends declare that while it is true that the farmer's profits on his crops may be scaled down by the free entry of the products of competing agriculturists, he will be benefited by the lower prices of the things he consumes. They seem to forget, however, that it makes very little difference how cheaply an article may be bought if the would-be purchaser has not the money with which to buy it. It will make very little difference to the American farmer whether he can buy his clothing and the clothing for his family for 25 per cent less than he has been paying for it if his own income is cut down 50 per cent, or even more, as the result of this tariff legislation. It will make very little difference to him that agricultural implements can be imported free of duty if production on his acres has to be curtailed because no longer profitable.

Coal is put upon the free list in this bill. I am opposed to that. I do not believe that the price of coal will be cheapened thereby in such a degree as to make a material difference to those who use the domestic product. I do know that free coal is certain to result in the lowering of wages of the men employed in American mines. I am sure that it will affect most injuriously the coal-mining industry of Kentucky and West Virginia for the reasons already stated, and also because of the fact that a large part of the northern market now supplied from the mines in those States will hereafter be supplied by Canada and Nova Scotia by reason of the cheap water transportation from those Provinces as against the more expensive rail transportation from the States I have named. I assert, Mr. Chairman, that this is a most inequitable arrangement. We allow Canada to bring her coal into the United States; we make her a present of this great market and we ask nothing in return. In all conscience it would be bad enough to allow the free importation of coal under any circumstances, but it appears to me as extremely poor statesmanship to permit this to be done without obtaining at least some reciprocal advantage from Canada. It violates every fundamental principle of economic wisdom, and can not be excused even upon the score of expediency.

I know it is contended that putting coal on the free list will not reduce the wages of the labor employed in the coal industry in this country. I have had no practical experience in the business, and can not therefore speak from personal knowledge, but I would like to introduce a witness who has had vast experience in the business and ought to know what he is talking about. I refer to no less a personage than the Hon. Henry Gassaway Davis, of West Virginia, whom you Democrats nominated for Vice President a few years ago. Mr. Davis appeared before the Committee on Ways and Means in 1893 (Fifty-third Congress), of which Mr. Wilson, of West Virginia, was chairman, and of which the Hon. William Jennings Bryan, of Nebraska, was a member. It so happened that Mr. Davis was being interrogated by the Nebraskan with regard to the effect of putting coal on the free list. In answer to one of Mr. Bryan's questions Mr. Davis made this very significant statement:

"That is the district of your chairman—the second West Virginia. There are 3,000 or 4,000 people there who are depending almost entirely upon the digging of coal and getting it to market. Make coal free and you take from them their bread."

Your arguments now contradict this distinguished witness, although you tried to elect him to the great office of Vice President after he had taken this stand. This may be Democratic consistency, but it is certainly not a jewel.

Mr. Chairman, the lumber industry is also an important one in my district, and I am opposed to free lumber for the same reasons that I am opposed to free coal. I have heretofore stated pretty fully my views on free lumber, and as I expect to debate it, as well as free coal, under the five-minute rule, I shall not go into these matters further now, except to venture the prediction that this bill will injure both industries and to protest against its enactment.

We have heard much, Mr. Chairman, about the wonderful benefits to be derived in consequence of this legislation by the "ultimate consumer." One would think that the ultimate consumer was in a class by himself. The family name of the ultimate consumer is "everybody." The tailor is the ultimate consumer of the shoemaker's product; the miller is the ultimate consumer of the man who sells him the machinery for his mill. What one man produces another consumes. Production and consumption are interlocking facts. You can not separate the one from the other. You can no more segregate the effect of the one upon the other than you can set apart cause and effect in any other operation, whether natural or artificial. We are all producers and we are all consumers. If one of us is inordinately benefited, some one else is necessarily inordinately injured. It is an endless chain. In the view of economic legislation the ultimate consumer is a myth.

In order to furnish the Treasury a compensating revenue for the loss resulting from the lowering of the tariff duties the Underwood bill provides an income tax. I have always favored such a tax as a proper means for raising revenue for the support of the Government. I voted to submit the constitutional amendment to the States, and I am glad that it has been ratified so as to enable this Congress to impose the tax. It is no more than right that the wealth of the country should bear its proper share of the expense of Government. The burden of such expense ought to be placed upon those best able to bear it, and for the protection of whose interests most of that expense is incurred. The "unearned increment" ought to be made a factor in providing for the needs of the Nation. The principle of this kind of taxation has long been recognized as absolutely correct by other nations, and has been carried into practice much more drastically than this bill proposes. I have no fault to find with the scale adopted for the imposition of this tax. I do not care how large the amount of revenue which may be derived from it. The industrial and social progress of the Nation will call for ever-increasing expenditure on the part of the Government. As the country grows its needs will grow. We are accustomed in the United States to doing things upon a liberal scale, and we shall never change in that respect. When the first billion-dollar Congress passed into history a great cry was set up over the alleged Republican extravagance of that day. Since then we have come to the billion-dollar session, and our Democratic friends have appropriated considerably more than a billion dollars in one session without turning a hair. I am not finding fault with them for that; I predict that while they are in power they will probably exceed the limit of appropriations of the last session.

Many things remain to be done in the legitimate functions and through the legitimate expenditures of the Government. Millions of dollars can be profitably expended every year in the construction of good roads. I heartily approve of the proposed creation of a committee of this House to whose care is specially to be confided the subject of providing comprehensively for a system of public highways with Federal aid in their construction and maintenance. It is one of the great needs of the American farmer, upon whom rests an unnecessary burden of hundreds of millions of dollars every year in the matter of carrying his produce to market over the worst roads of any civilized country. The American farmers, Mr. Chairman, are very much more concerned and directly interested in the improvement of roads than they are in the improvement of rivers and harbors, however necessary the latter may be. We have heard quite a good deal of late about several proposed enterprises to be undertaken by the Government looking to the construction of inland waterways that are to link the Great Lakes to the Gulf and make it possible for great steamers to pass from the Lakes to the ocean. I have no objection to the prosecution of such enterprises, but I maintain that of greater importance than these is the building of good roads, which are the primary avenues of transportation for the farmers.

It will be expensive, it is true, but it will make up the unequal distribution that has occurred heretofore in Federal appropriations and do justice to a class of our citizens—the farmers—who are most in need of this assistance; and the burden on the taxpayers will be many times compensated by the advantages that will accrue to them and to the whole country. If the country is to be so greatly benefited, as is generally supposed, by the new markets that the building of the Panama Canal is to open up to our surplus products, this public highway improvement is the only substantial way in which the farmer can get an adequate return for the share of the expense of the canal which he has borne. Mr. Chairman, I have been advocating Federal aid in the construction of public highways for many years. I have made it one of the chief issues of my campaigns for Congress. So persistent have I been in its advocacy that I was dubbed "Turnpike John" by my Democratic friends. I have always been rather proud of the name, because I regard it as a token of honor rather than of ridicule, as it was originally intended, and I am glad to see the Democrats and the country generally coming around to my views on the question.

No matter how large the revenue may be which is to be derived from this income tax, there are many other perfectly legitimate ways in which it can and will have to be expended. I need but point to one of these to make good my assertion—the Navy. It may be, Mr. Chairman, that the millenium is right at our door and that the era of everlasting peace between the nations of the earth is at hand. I per-

mit myself, however, to entertain some gentle doubts as to this perfect consummation. At any rate, as the most reliable insurance of peace for our country and against any hostile designs on the part of any foreign nation there is no better or more obvious investment than a navy which shall be in all respects the equal of any other, excepting always, of course, the navy of Great Britain. For these reasons and many others which I do not regard as necessary to state I favor the income tax, and, to use a popular phrase, "you may go as far as you like" with it, provided always that you do not thereby destroy the protective system which enables American industrial life to hold its own against the cheaper methods of other nations and which sustains the better standard of living which differentiates the American wage earner from his fellow in any other country. Under this protective system our country has flourished for more than half a century. I believe, nay, I feel certain, that you can not subvert the principle of protection nor lessen its application without grave danger to the best interests of our people.

Mr. Chairman, this bill carries joy to the heart of every importer in exact proportion to the sorrow and apprehension which it stirs in the breasts of American manufacturers and wageworkers. The importer's business will flourish exuberantly under its operation, because foreign goods of every kind, now restrained by the protective tariff, will pour in at every port. We shall see imports growing in corresponding ratio to the curtailment of domestic production. While the American manufacturer and wage earner see their profits and earnings shrinking day after day the importer will reap the rich harvest which this bill insures him. Not only the importer is rubbing his hands in glee at the prospect thus opening up before him, but foreign manufacturers are already singing paeans of joy in view of the impending breaking down of the tariff barriers which thus far have kept the American market free from the floods of cheap-labor products.

British and German trade journals and the daily press of both those countries have been fairly shouting the good tidings to their readers. And let me say right here that even those of our own newspapers which have been persistent propagandists of free trade or of a tariff for revenue only have not hesitated to say, since the provisions of this bill have become known, that it can not fail to injure many domestic industries, while some, as sugar and wool, will be practically destroyed.

There is a strong sentiment—and it is becoming stronger every day—that we shall have to enact legislation which will check the influx of immigration, especially of that class whose inevitable effect is to lower the standard of wages and the standard of living of the American workingman. This fact is recognized in nearly every State, and this feeling has found expression in many a petition to Congress asking for appropriate legislation, and numerous bills have been introduced both here and in the Senate with the view to checking the tide of undesirable immigrants. Mr. Chairman, there are more ways than one to kill a dog. Suppose that we were to enact a law to keep out the kind of immigrants that preeminently get into destructive competition with our wage earner; what will it profit those wage earners if we let down the tariff bars so far that they will have to compete against the products of that same kind of labor brought from abroad? So far as the effect upon economic conditions is concerned, the one process is almost as bad as the other; but if I had to make a choice between the two evils, I would prefer to take goods manufactured abroad by cheap labor rather than see the cheap laborer himself imported into this country and by his presence and activity lessen the opportunities of the American workingman for employment and for earning the wages he is now accustomed to receive, and at the same time lower our standard of civilization and patriotism. In its ultimate effect upon economic conditions there is very little difference between the policy of a low tariff and lax immigration laws, and I fail to see any consistency in the action of a Democratic House in passing a drastic anti-immigration law and then tear down the walls that give us protection from the ruinous competition of the cheap labor of the very same class of people.

Right here I can not forbear to express my sympathy with the action of the California Legislature and the attitude of California's governor in respect of the tenure of agricultural lands by alien Japanese in that State. I want to register my most positive dissent from the policy of the present administration on that subject. Almost from the day when Commodore Perry introduced Japan to the knowledge of the civilized world—certainly ever since Japan has taken on the garb of western civilization—she has been a land-grabber. Japan is taking a leaf from the colonization book of her good friends, England and Germany. Like them she has adopted the motto, "Wherever you see land, grab it." She has become an industrious colonizer. Her population is increasing at such a rate that an outlet must be found for the surplus. Whether it be the forcible annexation of Korea or the joint occupation with Russia of Manchuria or the insidious acquisition of land in the States on our Pacific coast or the flooding of Hawaii with Japanese, the aim and purpose of every movement is the same—to wit, to extend Japanese influence, Japanese customs, and Japanese methods. We would be blind indeed if we were to shut our eyes to these facts and to the further portentious one that Japan means to extend her Empire at the cost of any nation whom she may deem weaker than herself. If Japan to-day were ready for a combat with the United States, she would not care the value of a tinker's dam whether she had a treaty of peace and amity with us or not. I do not think we ought to let Japan or any other nation bluff us, and I do not think the American people will stand for it, either. All this, of course, is incidental to the general subject of my remarks.

I do not flatter myself with the belief that anything said in criticism of this bill by anyone on this side of the House, or on either side, for that matter, will have the slightest effect upon its status. I am perfectly well aware that I am now performing a useless function, and I should not undertake to perform it but for the fact that this bill deals a staggering blow to the industries of our country. That blow will be felt in my district and in my State as in all others.

Men of the South, no section of the country will be a greater sufferer under this bill in the long run than the Southland. We are in the transition stage from a purely agricultural to a large manufacturing community. There is hardly a State south of the Potomac that is not benefited by protection. When the people of these States realize that their onward march in industrial enterprise is checked as a result of the enactment of this bill, as I believe it will be, I shall be surprised if many of those States do not turn to the safe old captain who for so many years has guided the good ship Prosperity safely through storms and breakers. When the Republican Party returns to power, as surely it will, mark my words, it will be because the electoral votes of some of the Southern States are cast for the Republican nominee. [Prolonged applause on the Republican side.]

I also took some part in the discussion of the bill when it was being considered under the five-minute rule. The following are extracts from the RECORD:

Mr. LANGLEY. Mr. Chairman, it is not my purpose to offer an amendment to this lumber schedule, because I realize that it is useless to do so. Nor is it my purpose to take up but two or three minutes of the time of the committee in discussing it, because I realize that is also useless for this side to discuss it further.

We have not the acute situation with reference to Oriental competition in my State that the gentlemen from the Northwest who have spoken have, but we sympathize with them. We are interested in the lumber industry in Kentucky. We have thousands of men employed in that industry and hundreds of thousands of dollars invested in it. I wish the gentleman from Alabama [Mr. UNDERWOOD] and those who are helping him in this assault upon the lumber industry could take a look into the humble homes of the men who are earning their daily bread for themselves and their families. They would realize that this question about cheaper lumber for the home builders is a two-sided one. In every race I have made for membership in this body in that district I have contended that if Democracy obtained the power to do so it would injure the lumber industry and the coal industry. I have contended also that the party is utterly opposed to the principle of protection in any shape. Many Democrats in that district who are interested in the development of the great resources that we have there have denied that proposition. I am glad that the gentleman from Alabama [Mr. UNDERWOOD] and the gentleman from Pennsylvania [Mr. PALMER] and other leaders of the Democracy have made it perfectly clear now that I was correct when I said that they are opposed entirely to the policy of protection. It will relieve me of the necessity of rearguing that question when I run again.

Mr. HAMILTON of Michigan. Does the gentleman say that he will not make an occasional casual reference to it in the course of his campaign?

Mr. LANGLEY. Yes; I guess I will; and I will also have my distinguished friend from Michigan [Mr. HAMILTON] come down there and help me do it. He does it so handsomely. [Laughter]

Mr. Chairman and gentlemen, mind what I tell you, when this bill goes into operation the lumber industry and the coal industry will suffer. Leaders of Democracy in Kentucky contend that taking the duty off of coal will not reduce the price to the consumer, and putting lumber on the free list will not reduce the price to the consumer. If that is so, then why take the duty off of these articles and give up that much revenue, which you say you were after in framing this bill? In the name of the people——

Mr. HARDWICK. Will the gentleman yield to me?

Mr. LANGLEY. No. The gentleman never yields to me, and I take great pleasure in declining to yield to him. [Laughter.]

In the name of the great industrial district which I represent, which is just now starting on an era of prosperity that will be almost unparalleled if they are let alone, I desire to protest against this lumber schedule as well as many other schedules in the Underwood bill that will deal a staggering blow to my district and State. [Applause on the Republican side.]

Mr. LANGLEY. Mr. Chairman, earlier in the day I said I was not going to take up any of the time of the committee, because I knew it was useless; but as we proceed step by step in this bill you are rubbing it in so hard on many of the industries of the district which I represent that I am bound to say a few words more.

Cattle raising is one of the great industries of our State. To my mind it is an economic absurdity to put a duty on cattle and then put on the free list that which cattle are converted into. The effect of it, as I view it, is to bunco the farmer and whipsaw the packing industry of the United States and the laboring men employed in that industry. Watch the price of cattle go down after this bill goes into operation.

Mr. Chairman, I shall say nothing further at present, but I want to have read in my time a resolution adopted at a recent nonpartisan mass meeting in the city of Buffalo, attended by about 2,500 citizens, in which they expressed their views upon this matter. I send it to the Clerk's desk.

The Clerk read as follows:

APRIL 26, 1913.

Hon. JOHN W. LANGLEY,
House of Representatives, City.

DEAR SIR: The city of Buffalo is up in arms over the provision——

Mr. LANGLEY. I only asked to have the resolution read.

SEVERAL MEMBERS. Read it all.

Mr. LANGLEY. I have no objection to the Clerk reading it all.

The CHAIRMAN. What was the request of the gentleman from Kentucky?

Mr. LANGLEY. My request was that the Clerk read the resolution adopted at that meeting.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

"Whereas we, the citizens of Buffalo, in a mass meeting assembled this 23d day of April, 1913, upon consideration of the proposed changes in tariff schedules now pending in Congress as affecting wheat, oats, wheat flour, cereals, live stock, and dressed meats, by which all raw materials in each case would be left subject to a substantial tax, while the finished products of such materials would be admitted to this country free of duty; and

"Whereas we are advised and believe that the certain effect of such legislation would be to destroy live stock, milling, and packing industries in this city and elsewhere now engaging vast amounts of capital and employing thousands of workmen; and

"Whereas we believe that the Congress of the United States would not wittingly enact such disastrous legislation if the situation were thoroughly understood: Therefore be it

"*Resolved*, That if flour, cereals, and meats are admitted free, then the raw materials—wheat, oats, and live stock—should also be admitted free; and be it further

"*Resolved*, That we do earnestly protest against legislation that imposes a duty on wheat, oats, and live stock, while permitting free entry to this country of wheat flour, cereals, and dressed meat, and we beseech Congress to give further serious consideration to the far-reaching effects of such legislation, and not to pass a tariff bill containing such unjustifiable and disastrous measures."

Mr. LANGLEY. I commend these resolutions to the prayerful consideration of the distinguished gentleman from Buffalo.

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Mr. LANGLEY. Mr. Chairman——

The CHAIRMAN. Under the practice, the Chair will recognize the gentleman from Alabama.

Mr. UNDERWOOD. I want to see if we can agree on time on this wheat proposition.

Mr. MANN. Let us see how many gentlemen want three minutes each.

Mr. LANGLEY. Mr. Chairman, I took the floor for the purpose of offering an amendment.

Mr. UNDERWOOD. I think there were five gentlemen rose on that side.

Mr. HAMMOND. I should like four or five minutes.

Mr. UNDERWOOD. I ask unanimous consent that debate on this paragraph close in half an hour.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that debate on this paragraph and all amendments thereto close in 30 minutes.

Mr. MANN. Will not the gentleman include the request that the recognitions be for 3 minutes instead of 5?

Mr. UNDERWOOD. I have two gentlemen on this side who would like to speak. The gentleman from Minnesota [Mr. HAMMOND] said he would like three or four minutes.

Mr. HAMMOND. I would like four or five.

Mr. UNDERWOOD. I ask that the recognitions be for four minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that debate on this paragraph and all amendments thereto close in 30 minutes, and that the recognitions shall be for 4 minutes instead of 5.

Mr. MURDOCK. Reserving the right to object——

Mr. LANGLEY. Reserving the right to object——

Mr. LA FOLLETTE. Reserving the right to object——

Mr. MURDOCK. I should like to point out that there are now over 10 Members on their feet.

Mr. UNDERWOOD. We must get along with this bill. They can not all speak at one time.

Mr. MURDOCK. There will be more controversy over this than there will if you let us have the time.

Mr. UNDERWOOD. I will tell the gentleman that if he will not take it he will not get it. I want to move along with this bill, and every man can not speak on every item.

Mr. LANGLEY. The Chair having recognized me for the purpose of offering an amendment, I desire to inquire if I am entitled to the floor for four minutes after this agreement is reached?

The CHAIRMAN. The Chair will state that if it is left in the power of the Chair he will recognize the gentleman.

Mr. MANN. The gentleman has the floor.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. LANGLEY. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Kentucky offers an amendment, which the Clerk will report.

The Clerk read as follows:

"In line 15, page 51, strike out '10' and insert '25.'"

Mr. LANGLEY. Mr. Chairman, it seems to me that this provision and other similar ones in this bill violate the traditional policy of the Democracy as I have always understood it. At to-day's session I read some resolutions that were adopted by the citizens of Buffalo, in which they asserted that the provision to which these resolutions referred, including this one, would seriously cripple, if not destroy, a home industry in that city, and either drive out of employment or greatly reduce the wages of thousands of laboring people employed therein.

I desire now to read a telegram from the secretary of the Chamber of Commerce of Cincinnati along the same line. It is as follows:

"CINCINNATI, OHIO, *April 30, 1913.*

"Hon. J. W. LANGLEY,
"*House of Representatives, Washington, D. C.:*

"By unanimous vote the board of directors of the Cincinnati Chamber of Commerce, at a meeting held April 29, adopted the following resolution, which is respectfully submitted for your attention:

"Whereas the Underwood tariff bill imposes a duty of 10 cents per bushel upon foreign wheat and admits duty free the foreign-milled products of such foreign wheat;

"Whereas this discrimination in favor of the foreign manufacturer is in contradiction alike of all accepted economic doctrine of the established tariff policy of all political parties and of all nations and in effect pays a bounty to the foreign miller on all products of wheat sold by him in the markets of the United States; and

"Whereas if American flour millers have to pay a tax upon foreign-grown wheat, then a simple justice requires that the foreign-milled products of such wheat shall pay an equivalent tax, and if foreign-milled wheat products are admitted duty free, foreign wheat should be admitted duty free: Therefore be it

"*Resolved*, That, believing the proposed legislation would inevitably destroy one of the most important manufacturing industries in the United States and that it would further result in most serious injury to the American farmer, the Cincinnati Chamber of Commerce, through its board of directors, records itself as unalterably opposed and earnestly urges upon the President and Congress of the United States the necessity of placing both wheat and its products upon terms of absolute equality.

"*Resolved*, That copies of this preamble and resolution be forwarded immediately to the President of the United States, Senators and Congressmen from Ohio, Indiana, and Kentucky, the members of the Senate Finance Committee and the Ways and Means Committee of the House of Representatives.

"CINCINNATI CHAMBER OF COMMERCE,
"W. C. CULKINS, *Executive Secretary.*"

Mr. Chairman, our daily mail is filled with protests like this, from commercial bodies, corporations, firms, and individuals, appealing to us to protect them against the results of what they assisted in bringing about when they put the Republican Party out of power and placed our friends on the other side in power. If I desired to be ugly and revengeful about it, I might say that they deserved a few heroic doses of free trade for having brought about that result. I sympathize heartily with the people of Cincinnati in the sentiments which they express through this telegram, although I can not refrain from reminding them that this is what they get for turning out of Congress men like the able, patriotic, and distinguished Nicholas Longworth [applause] and men of that kind, who were their friends and champions, and putting in their places men who are here making assaults upon the industries of the great State of Ohio. I hope the good Lord will give them more light and that they will have the foresight next time to correct the grievous error they made last fall. [Applause on the Republican side.]

Mr. THOMAS. Mr. Chairman, as I understand it, the gentleman from the tenth district of Kentucky [Mr. LANGLEY] has introduced an amendment to raise the tariff on wheat from 10 cents to 25 cents. As a matter of fact, the gentleman knows nothing about wheat, because they do not raise any in his district, and but little corn, the most of which is made into moonshine liquor. [Laughter.]

Mr. LANGLEY. Does not the gentleman like the finished product? [Laughter.]

Mr. THOMAS. Mr. Chairman, I admire the products, but not more than the gentleman admires his own products, and I do not use them one-half as much. [Laughter.]

Mr. LANGLEY. I will leave that to our associates.

Mr. THOMAS. If there is anybody upon the face of this earth that ought to be for free corn and free wheat it is the gentleman from the tenth district of Kentucky, for the greatest use that they make of corn and wheat in that district is to make liquor out of it, and they need corn and wheat shipped into that district for bread, and they ought to get it just as cheaply as possible.

Mr. LANGLEY. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. Certainly.

Mr. LANGLEY. Was the gentleman ever in the tenth district in his life?

Mr. THOMAS. Many a time.

Mr. LANGLEY. Then the gentleman did not observe very much.

Mr. THOMAS. And the next time the gentleman runs for Congress I will be up there. [Laughter.]

Mr. LANGLEY. That is why I got a large majority, and the next time he comes it will be unanimous. [Laughter.]

Mr. THOMAS. No; I have never been up there in the campaign when the gentleman was running for Congress, and when I do I will run him out of the district. [Laughter.]

Mr. LANGLEY. Well, the gentleman will certainly not do it while the moonshine lasts.

Mr. SWITZER. Mr. Chairman, will the gentleman yield for a question?

Mr. THOMAS. One at a time.

Mr. SWITZER. I would like to inquire whether the business of making moonshine whisky is a growing business in Kentucky?

Mr. THOMAS. In the tenth district it is. [Laughter.]

Mr. LANGLEY. We make it to some extent in my district, but it is consumed largely in the gentleman's district, I understand.

* * * * * * *

Mr. LANGLEY. Mr. Chairman, I hope that the few remarks I am going to make will be in order. I tried a moment ago to get recognition to say a word in defense of the American hen, but the gentleman from Alabama cut me off with his motion to close debate. Eggs are a very important product, and valuable product, in my district. The hens down there frequently lay them in the hay; and I think, therefore, that a discussion of the question will be in order upon this hay paragraph. [Laughter.] The hen is a very generous, good-natured fowl, and we ought to be kind to her and protect her. I am reminded of a limerick that went the rounds in the days of Henry Ward Beecher which illustrates the noble generosity of the hen, which ran something like this:

"Said a Congregational preacher
To a hen, You are a beautiful creature.
And the hen, just for that,
Laid an egg in his hat,
And thus did the hen reward Beecher."

[Laughter.]

If we want to encourage the egg industry in this country we ought not to be too hard on the hen and her product. [Applause.]

Mr. UNDERWOOD. Mr. Chairman, I move that all debate on the paragraph and all amendments thereto now close.

* * * * * * *

The Clerk read as follows:

"234. Poultry, live, 1 cent per pound; dead, 2 cents per pound."

Mr. LANGLEY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

"On page 57, line 16, after the word 'live,' strike out 'one' and insert 'three,' and after the word 'dead' strike out 'two' and insert 'five.'"

Mr. LANGLEY. Mr. Chairman, my genial friend and colleague from Kentucky [Mr. THOMAS] seems to have the impression that moonshine is the chief product of the district I have the honor to represent. I do not know whether the wish is father to the thought or not, but I beg to assure my associates here that it is not the chief product by any means of that district or of our State.

Mr. BUTLER. What is moonshine?

Mr. LANGLEY. I refer the gentleman to my colleague. He probably knows. There are many important industries in the tenth Kentucky district, and among them is the chicken industry. We raise, consume, and sell a good many chickens in that district, not only hens, but spring chickens and roosters, and all classes of fowls, and, as I said yesterday, we have a flourishing egg industry also.

I feel that this provision in the Underwood bill reducing the tariff so radically on chickens dead and living would be an injustice to my district because, if you Democrats are going to reduce the price of chickens and eggs, you will seriously cripple that important industry. For that reason I have offered this amendment to restore the rates provided by the existing law.

* * * * * * *

Mr. LANGLEY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

"Page 108, paragraph 460, amend by striking out the paragraph."

Mr. HARRISON of New York. Mr. Chairman, I ask unanimous consent that all debate on the paragraph and amendments thereto be closed in 10 minutes.

Mr. MANN. Mr. Chairman, several gentlemen wish to be heard on this side, and coal is a very important item in the bill.

Mr. HARRISON of New York. Well, I will say 15 minutes.

Mr. LANGLEY. I suggest to the gentleman that he make it 25 minutes at least.

Mr. HARRISON of New York. Mr. Chairman, I will modify my request and make it 25 minutes.

The CHAIRMAN. The gentleman from New York asks that all debate on this paragraph and all amendments thereto shall close in 25 minutes. Is there objection?

There was no objection.

Mr. LANGLEY. Mr. Chairman, I shall not detain the committee but two or three minutes. I shall not attempt to go into this question in

detail now, because I covered the matter rather fully in my remarks in general debate. The coal industry is the greatest one in my district. Something has been said in this debate about looking to the interests of the country in general rather than to our own local interests. My opinion is that you can not injure any great industry in the country without on the whole injuring to some extent the whole country. So far as I am concerned, I shall endeavor to represent, so long as I am a Member of this body, what I believe to be the best interests of my own State and district. I have tried to do this ever since I have been here. If there is a Member of this body who is willing to sacrifice any industry in his district for the benefit of some other section of the country, I would like to see the color of his hair. [Laughter.] My experience here has been that if you do not look out for your own section no one else will do it for you. In my district there is one of the greatest coal fields in the world. It is my opinion that when you transfer coal from the dutiable list to the free list you necessarily injure that industry more or less.

I have heard gentlemen, and particularly the gentleman from Massachusetts [Mr. PETERS], boast that this bill will give the people of the country free coal. If there was anything to boast of in that connection it must have been that it will reduce the price of coal to the consumer. You can not reduce the price to the consumer without affecting the capital and the labor invested and employed in producing coal.

I have listened attentively to most of the speeches delivered during this debate, and I have listened intently and earnestly, because I was extremely anxious to find out, if I could, by what process you gentlemen on the other side expect to reduce the cost of anything to the consumer and at the same time not affect adversely the interests of the producer. I would ask my distinguished friend from Illinois if he can explain it, but I fear he would answer me like he did the gentleman from Iowa [Mr. GOOD], by asking me what I thought about it, or propound the ancient and perplexing interrogatory "How old is Ann?"

Therefore I shall refrain from asking him or any of his colleagues how they propose to reduce to the consumer the price of coal and at the same time not affect the producer of coal. Numerous efforts on this side to get that information have been futile, and I do not wish to waste time. I shall content myself with protesting against free coal.

Mr. HELM. Mr. Chairman, will the gentleman yield?

Mr. LANGLEY. Certainly; with pleasure.

Mr. HELM. The district that the gentleman represents is 500 miles from any coast line, is it not?

Mr. LANGLEY. It is quite a distance. I do not recall the exact number of miles.

Mr. HELM. From what foreign country would coal be imported which would affect the price of the Kentucky coal, which has to pay a freight rate on 500 miles of railroad?

Mr. LANGLEY. I will say to my colleague that the gentleman from Massachusetts the other day admitted that with free coal there would be large importations of coal from Nova Scotia, and that would increase the supply and reduce the demand for domestic coal, and——

Mr. HELM. But Massachusetts is right along the coast line.

Mr. LANGLEY. Mr. Chairman, I can not yield any further. The gentleman asks another question before he permits me to complete my answer to the question he has already propounded.

Mr. HELM. Kentucky has not any coast line at all.

Mr. LANGLEY. The gentleman is asking a useless question. I take it for granted that he knows where Kentucky is located and how it is bounded.

Mr. HELM. I want to inform the gentleman that it is 500 miles from any coast line.

Mr. LANGLEY. I know that is substantially correct. Now, Mr. Chairman, I decline to yield further, because I have not enough time left now to complete the statement I wanted to make. Coal coming from Nova Scotia will necessarily come in competition with the coal now shipped into New England and to the Atlantic coast market, particularly from West Virginia, and that will necessarily divert that coal to the markets to which we are sending our coal from the Big Sandy, the Licking, and the Kentucky River valleys. But, Mr. Chairman, the chief damage to the coal industry of the country will be not so much from foreign competition in the coal business itself as from the commercial depression throughout the country resulting from the general provisions of this bill, which embody an assault upon nearly all of the great industries of the country, and I predict——

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

* * * * * * *

The CHAIRMAN. Are there any further amendments on paragraph 648? If not, the next paragraph is 650. Are there any amendments to paragraph 650?

Mr. LANGLEY. Mr. Chairman, I understood yesterday that some one else had reserved the right to offer an amendment to this paragraph. I was so informed by the gentleman from Alabama, and therefore I did not prepare an amendment to it.

The CHAIRMAN. It is reserved, and amendments are in order.

Mr. LANGLEY. Then, Mr. Chairman, I desire to move to strike out the paragraph.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 8 minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this paragraph and all amendments thereto close in 8 minutes.

Mr. FORDNEY. I would like 2 or 3 minutes.

Mr. UNDERWOOD. I will make it 13 minutes, then; 10 minutes to be controlled by the gentleman from Illinois and 3 minutes by myself.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on the paragraph and amendments thereto close in 13 minutes, 10 minutes to be controlled by the gentleman from Illinois [Mr. MANN] and 3 minutes by the gentleman from Alabama [Mr. UNDERWOOD]. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. MANN. I yield 3 minutes to the gentleman from Kentucky [Mr. LANGLEY].

Mr. LANGLEY. Mr. Chairman, before proceeding to discuss for a moment or two this paragraph, or rather my motion to strike out the paragraph, which would leave the existing law in operation, I wish to express my appreciation of the courtesy of the gentleman from Alabama, who I must say is very generous in the matter of yielding us additional time on this side of the House when we desire to discuss a matter. Of course, the time is so short we do not get a chance to say anything, but at the same time I appreciate his courtesy.

Mr. AUSTIN. I think the gentleman should also express his appreciation for the numerous amendments that he has permitted us to make to the bill.

Mr. LANGLEY. I might add, also, that he has permitted us to correct so many of the imperfections of this bill that I think he is entitled to the thanks of the Republican side of the House, and as a fellow Kentuckian, because the distinguished gentleman is a native Kentuckian, I feel very proud of the record which he has made here in charge of this bill. Of course, I know that the gentleman——

Mr. DYER. Is the gentleman going to approve of this legislation before he gets through with his speech?

Mr. LANGLEY. If my distinguished colleagues from Tennessee and Missouri will permit me to use the remaining minute that I have, I will state my position in regard to the paragraph. [Laughter.]

My judgment, Mr. Chairman, as I have said before, with regard to coal, and also with regard to lumber, is that placing these products upon the free list will injure those industries. I concede that in the matter of lumber the cost of transportation is so great that there will not be that direct competition with Kentucky lumber that there will be with lumber interests in sections of the country in closer proximity to competing lumber countries. But, Mr. Chairman, I still believe in the philosophy of Patrick Henry—that the way to judge the future is by the past. Lumber was placed on the free list once before and as a result the price of lumber in the mountains of Kentucky went down. I recall that the price of crossties went down until the industry was practically suspended. I think the same thing will result again. Perhaps it may not be so much by reason of direct competition with foreign products as from the general industrial depression which will prevail throughout the country following the enactment of the bill which strikes at so many of our important industries. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

* * * * * * *

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that debate on this amendment close in five minutes.

Mr. LANGLEY. I would like to be heard on the amendment. If you would make it 10 minutes I would be obliged to you.

Mr. UNDERWOOD. I will make it 10 minutes.

The CHAIRMAN. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that all debate on this amendment close in 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. UNDERWOOD. I will say to the gentleman that there is no doubt in the minds of the committee as to the constitutionality of a graduated income tax. But if it should fail it might cause a loss of approximately $20,000,000 that would otherwise be raised, and there is sufficient revenue in the Treasury at this time to take care of it, and then it would only be necessary to increase the normal income tax about a quarter of 1 per cent to cover the difference. But I do not have any apprehension about the constitutionality of the graduated income tax.

Mr. PAYNE. The gentleman need not worry over that, I will suggest, because they retain the provision for the issuing of bonds in case they are needed. [Laughter on the Republican side.]

Mr. BRITTEN. Mr. Chairman, I urge the adoption of my amendment. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. LANGLEY. Mr. Chairman, I entered the Chamber just as the gentleman from Illinois [Mr. BRITTEN] was explaining his amendment. I am not quite certain that I caught the exact purport of it, but I understood him to say that it was designed to help relieve some of the burden of an income tax upon married men who are supporting their wives—excuse me, I mean their wife. [Laughter.]

If that, Mr. Chairman, is the purpose of the amendment, then I am opposed to it, because women are so much better than men, that a man who has the privilege and the honor of supporting a wife ought to be willing to bear any reasonable additional burden that the Underwood bill may impose upon him. [Laughter and applause.] And, so far as I am personally concerned, I am also heartily in favor of any burden that the bill may impose upon married men who are not supporting their wives. [Applause.]

Mr. AUSTIN. Mr. Chairman, may I ask if this is in return for the amendments which the gentleman from Alabama [Mr. UNDERWOOD] permitted the gentleman to write into this bill? [Laughter.]

Mr. LANGLEY. Mr. Chairman, I did not quite catch what the gentleman from Tennessee [Mr. AUSTIN] said, but he has been heard so abundantly on this bill and these amendments, while I have had but few hearings, that I hope he will not interrupt me further. [Laughter.]

I hope, also, Mr. Chairman, that I may be permitted to depart a little from the strict line of this discussion and touch on a topic which under the rules might not be entirely germane to this amendment, and I will agree to make this my valedictory, so far as this debate is concerned. [Laughter.] This afternoon the gentleman from Illinois [Mr. MANN] paid a very beautiful and a most deserved tribute to the distinguished chairman of the Ways and Means Committee, Mr. UNDERWOOD. I most heartily agree with all that he said concerning that distinguished gentleman. I do not agree with his bill, except the income-tax provision, but personally I take off my hat to the amiable and courteous gentleman whose skilled leadership has guided his party in this battle.

I want to say, further, that I have had now a number of years' service in this great body, and I also had the pleasure and the honor of the personal acquaintance of a great many of its Members before that period of service began, and during that time I have formed the acquaintance and the friendship of many men on both sides of the House, and that acquaintance and friendship have left upon me an impression that I shall never forget and memories that I shall cherish to the end of my days. I have learned to appreciate, aside from and above partisanship, the high character and ability and patriotism of the membership of this body.

The gentleman from Illinois [Mr. MANN] stated that 51 years ago a distinguished Democrat [Mr. UNDERWOOD] first saw the light of day. Thirty-seven years ago another distinguished Democrat first saw the light of day, and that gentleman is also a Member of this body. I feel that I am privileged as a southerner, as a Republican, and as a citizen of a neighboring State to say a word in praise of that gentleman. I am sure that Members on both sides of the Chamber will agree with me when I say that we have never had to preside over the Committee of the Whole House on the state of the Union under such circumstances as these and during such a sharply contested debate as this has been a man who has been more courteous, more impartial, nor one who has presided with more dignity and more intelligence and fairness than the distinguished gentleman [Mr. GARRETT of Tennessee] who is now presiding over this committee. [Prolonged applause.]

Mr. Speaker, whether the currency bill is to accomplish the purpose for which it was in part designed—that is, to minimize the commercial depression that was expected to follow the Underwood bill—remains to be seen; but the fact that something is needed for that purpose is already evident. While some gentlemen on the Democratic side are loudly proclaiming that there is already unbounded prosperity throughout the country as a result of Democratic legislation, and while still others on that side are significantly silent, their distinguished leader [Mr. UNDERWOOD] admits that there is industrial depression, and seeks to relieve his party from responsibility for it by alleging that it has existed for more than a year, and predicts that before the coming elections next fall there will be an awakening of the great business interests of the country which, to use his language, "will put the croakers who preach hard times and bad business to shame." How he can reconcile his admission as to the existing conditions of depression with what some of his party associates have said I am unable to see. They certainly do not gibe with what the gentleman from Illinois [Mr. FOWLER] says about the industries "blossoming like roses" in his State. Neither are his predictions and prophesies about the prosperity that is shortly to be upon us borne out by the indisputable facts which the gentleman from Washington [Mr. HUMPHREY] and the gentleman from Wyoming [Mr. MONDELL] and others on the Republican side have brought out. On the contrary, it is shown that the industrial depression continues to increase as factories, mills, and mines close down and capital continues to seek more hiding places, while enrollment in the army of the unemployed grows daily larger. This is merely a statement of facts and not a preachment of disaster, as the gentleman from Alabama [Mr. UNDERWOOD] would term it. Of course, all patriotic Americans hope that the crest of the evil tide is passing, but we will have to wait and see.

Tuesday, January 13, 1914.

Mr. UNDERWOOD. Mr. Chairman, I will ask the gentleman from New York to conclude his time.

Mr. PAYNE. Mr. Chairman, I yield five minutes to the gentleman from Kentucky [Mr. LANGLEY]. [Applause.]

Mr. LANGLEY. Mr. Chairman, I have always claimed to be a tolerably liberal-minded Republican. I do not wish to be unfair to the Democratic Party——

SEVERAL MEMBERS (on the Democratic side). No!

Mr. LANGLEY. Later on in this session I shall perhaps ask the indulgence of the House for the purpose of showing the effect, good or bad, which this new tariff law has had upon the people and the industries of my State and district. Some reference has been made here to-day to the Democratic promise to reduce the high cost of living. I am willing to give the Democrats a fair chance and a little further extension of time in which to redeem that promise to the people. That is one of the reasons why I do not wish to discuss the question fully now. I want to say in passing, however, that they have not done it yet, so far as prices to the consumers in my district are concerned. The gentleman from Illinois [Mr. FOWLER] says that the coal operations in his district are running full time and are prospering, and that the people of his State are prosperous and happy. Mr. Chairman, there are many coal operations in my district. Before this Underwood tariff bill went into effect they were working all the men they could get and were even sending out agents to other parts of the country to get additional men. Now many have closed out and others have curtailed their output, and hundreds of the men are leaving. Whether that is the result of this tariff law I do not know. I shall investigate and try to inform the House later. I am even liberal enough to give the Democratic Party credit for having taken a step in the direction of redeeming its promise to reduce the high cost of living so far at least as one item is concerned, although it was apparently necessary for them to sacrifice the jobs of a good many people in order to bring that about. I have here an article published a few days ago in a leading journal of the country, the Washington Post. You gentlemen on that side have said that we quote Republican newspapers only. This paper, I believe, is classed as independent, but it is owned and managed by a distinguished Democrat, the Hon. John. R. McLean, of Ohio. This article, which I shall ask to be read at the Clerk's desk in my time, indicates that the Democratic Party has redeemed its promise to reduce the high cost of living, at least to the extent of reducing the price of soup in the city of Chicago from 10 to 2 cents a bowl. [Laughter and applause on the Republican side.]

The CHAIRMAN. The Clerk will read the article desired.

The Clerk read as follows:

"RAID BY HUNGRY MEN—CHICAGO CAFÉS INVADED AND FOOD DEMANDED—BREAK IN UPON REVELERS—UNEMPLOYED ALSO PARADE STREETS, SMASH WINDOWS, AND PUNCTURE AUTOMOBILE TIRES—'WE WANT WORK, NOT CHARITY,' MOTTO ON THEIR BANNER—HOTEL FOR HOMELESS OPENED AND FILLED IN TWO HOURS.

"CHICAGO, *January 1.*

"Entering restaurants and demanding food, breaking windows, and puncturing automobile tires, a crowd of nearly 500 unemployed men early this morning marched through Chicago's business district. They furnished a strange contrast to New Year revelers who were leaving the cafés and restaurants.

"The men marched in State Street four abreast, carrying a banner which read, 'We demand work, not charity.'

"The army halted cars and cried to passengers that they wanted work. At Van Buren Street the police halted the marchers, but they soon re-formed their line farther down the street.

"'Hey, you bums, what's up?' shouted a pedestrian from the curb.

"'You are drunk and we are hungry,' replied one of the leaders.

"The band finally broke up into small groups.

"OPEN HOTEL FOR UNEMPLOYED.

"The Rufus F. Dawes Hotel, Chicago's first endowed home for unemployed men, was thrown open to-night, and two hours later its capacity of 305 guests was reached.

"In midafternoon a small knot of men gathered in front of the new building. They formed two lines of ragged humanity, which grew until it extended for a block in either direction. There were more than a hundred in line when the last bed was taken.

"The doors were opened by Charles G. Dawes, former Comptroller of the Currency, who built the hotel as a memorial to his son, who was interested in sociological work. The junior Dawes was drowned more than a year ago.

"FOOD AT SMALL PRICES.

"Before retiring each guest was required to bathe and was given a nightdress and slippers. Clothing of the lodgers was placed in steel lockers, which were superheated to destroy all life. A bed and a bath are furnished for a nickel, and there are rooms for a dime for more particular guests. A bowl of soup may be obtained for 2 cents, pie for 3 cents, coffee for 2 cents, and rolls for 1 cent.

"Mr. Dawes and his daughter sat before the fireplace in the lobby and listened for several hours to stories of fruitless job hunting. Over the fireplace was a large flag with the inscription, 'Don't give up the ship.' It was made by Miss Hattie Stewart, granddaughter of Margaret F. Stewart, who made the original historic flag, and donated by J. L. Pelton, of Erie, Pa. The hotel is three stories high and was erected at a cost of $100,000."

Mr. LANGLEY. Mr. Chairman, I see my time is up, but I want to say, in concluding, that I commend this statement of facts, which stands uncontroverted, to the prayerful consideration of the distinguished gentleman from Illinois who spoke so fervently and eloquently a few moments ago about the happiness and prosperity which he says exists in his State.

Immigration.

EXTENSION OF REMARKS

OF

HON. JAMES B. ASWELL,

OF LOUISIANA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, January 17, 1914.

Mr. ASWELL. Mr. Speaker, with reference to H. R. 6060, now pending before the House, I desire to present some records and data bearing upon this question.

This bill passed the last Congress by a decisive vote only to be vetoed by President Taft. I have here a telegram asking me to take the view of this 58-page bill that ex-President Taft took in his 12-line veto message. I have also my reply to the telegram. They are as follows:

[Telegram.]

NEW ORLEANS, LA., *January 15, 1914.*

Hon. J. B. ASWELL, M. C.,
Washington, D. C.:

Your letter of the 13th received. Please advise us of your position on Burnett-Dillingham immigration bill. Extremely important that people of Louisiana, who are interested in proper promotion of colonization of their farm lands, should know how their Representatives regard a measure which so vitally affects their interests. Please wire at our expense.

NEW ORLEANS ASSOCIATION OF COMMERCE,
By M. B. TREZEVANT, *General Manager.*

[Letter.]

WASHINGTON, D. C., *January 15, 1914.*

Mr. M. B. TREZEVANT,
New Orleans, La.

DEAR SIR: Replying to your telegram and three letters to-day, on various subjects, I have the honor to state that they will receive earnest and proper consideration along with letters, appeals, and petitions from the great laboring people of New Orleans. I am devoting myself earnestly to the various questions that will come before Congress, and shall vote on each as my best, honest judgment dictates in the interest of the great people of the eighth district whom I have the honor to represent.

Yours, truly,

J. B. ASWELL.

From all over my district, which is some 200 miles from New Orleans, I have received many letters from farmers, of which the following is typical:

Congressman J. B. ASWELL,
Washington, D. C.

MY DEAR CONGRESSMAN: Having been informed that certain big, selfish interests are opposing certain legislation of vital importance to the farmers and the people of this country as a whole, such as laws curbing gambling in cotton and the like, I beg to urge your aid and support of the following legislation:

A more liberal appropriation for agricultural purposes;

The extension of the parcel-post law by a further lowering of rates and increase in the weight limit;

The inclusion of the farmer in the currency bill and a genuine rural credit system;

The establishment of a real division of marketing; and

The restriction of foreign immigration.

The Farmers' Union of Louisiana is well organized and a growing institution, alive to every interest of the farmer, although not able to control the columns of certain large subsidized newspapers, and it demands a just consideration at the hands of its Representatives. I dare say that some of those who have been retired are aware of that fact.

Respectfully, yours,

I have received many communications from the farmers of my district in favor of this 58-page immigration bill, which was prepared by a congressional commission after a four years'

searching investigation at home and abroad that cost Uncle Sam over a million dollars.

The bill has many desirable provisions in it that no one except the selfish interests affected can possibly oppose. For instance, it excludes paupers, imbeciles, insane persons, criminals, and the like much more effectively than does existing law. Among other things, it heavily fines the foreign steamship companies for bringing such undesirables here when their undesirability could be ascertained at the time of purchasing ticket and embarking; authorizes the placing of doctors, inspectors, and matrons on board vessels for the purpose of better caring for and looking after the welfare of the immigrants, as well as improving steerage conditions.

But all this is much more ably presented by the distinguished members of the House Committee on Immigration, which has had charge of the whole matter, familiarized themselves with the 42 volumes of the commission's report, held hearings, and finally, after much hard work and the most careful consideration, reported this 58-page bill again to the House with the recommendation "that the bill be passed." From their enlightening and extensive report I want to quote the following paragraphs, in order to show the many splendid provisions the bill contains:

Another important change from the existing law is that penalizing steamship companies for bringing in insane aliens, and increasing the fine on the steamship companies for bringing in insane and other excludable aliens from $100 to $200.

The insane under the present law can be excluded, but there is no law which now imposes a fine on the steamship companies for bringing them in. The result of this is that the insane asylums of New York are being filled with alien insane, and it is costing that State nearly $4,000,000 a year to take care of them.

The same is true in a less degree of several other North Atlantic States.

The Commissioner of Immigration in his report for the fiscal year ended June 30, 1911, has this to say in regard to the question:

"One of the most useful provisions of the present statute is section 9, by which a fine of $100 is assessed against any steamship line that brings to a United States port an alien afflicted with a loathsome or dangerous contagious disease, or with tuberculosis, or with idiocy, imbecility, or epilepsy. During the past year such fines were assessed in 246 cases, the aggregate amount being $24,600, of which $23,700 was on account of the first, $100 on account of the second, and $800 on account of the third class, respectively. It is believed this statute would be much more effective, however, if the amount of the fine were made considerably larger—sufficiently large to compel the transportation companies as a measure of self-protection to use greater care in the medical inspection of embarking passengers. The fine should also be made to cover cases of insanity, a class omitted from the present statute probably by inadvertence."

On page 9, report of New York State board of alienists for the year ended September 30, 1911, is the following:

"It must be remembered that foreign countries look with favor upon the emigration to America of diseased and defective persons. Examination by American officials at the ports of embarkation in Europe has been strenuously opposed by certain foreign Governments, and it is a notorious fact, commented upon in every annual report of the Commissioner General of Immigration, that the steamship companies make only the most perfunctory medical examination of passengers upon their departure for America. Thus there are no obstacles in the way of diseased persons embarking for this country. In the case of those returning, however, the conditions are reversed. The passengers are carefully scrutinized by ships' surgeons at the gangway as they embark at the port of New York, and those who do not satisfy the steamship officials or the representatives of foreign Governments stationed on such ships are peremptorily refused passage, even although they have been only a short time away from the countries to which they still owe allegiance. Cases are not decided individually upon their merits, but as soon as it is learned that an applicant for passage has been in an institution for the insane he is at once rejected. It can be seen that with an unimpeded flow of inferior immigrants to this country, and with an outflow which is so carefully regulated that only the prosperous and sound can return, we must ultimately become the asylum for an increasing number of those unable to sustain themselves."

On page 22 of the same report is the following:

"For the first few years after the commencement of that remarkable migration of the races of southern and eastern Europe to this country (to which Austria-Hungary, Italy, and Russia have contributed nearly 500,000 persons a year) it is noted that the increase of patients of those nationalities in the State hospitals was gradual. By 1905, however, it was possible to predict that when the effects of the 'new immigration' commenced to be felt the 'old immigration' (of Germans, Irish, and Scandinavians) would be outdone in the numbers of insane added to the foreign-born population of our State hospitals. To-day that prediction is fulfilled, and during the year more than 55 per cent of the aliens deported by the United States Immigration Service were natives of those three countries."

The New York Times of March 28, 1912, says:

"INSANE ALIENS.

"The Times is informed by Secretary McGarr, of the State commission in lunacy, that of the 31,432 insane patients under treatment in the 14 State hospitals on February 10 last, 13,163, or 41.9 per cent, were aliens. Foreign-born patients have increased since the Federal census of December 31, 1903, by 1,552, or 13.4 per cent. In the two State hospitals for the criminal insane there were 1,230 patients on February 10, of whom nearly 44.4 per cent were of alien birth; the Federal census of 1910 showed a percentage of aliens to total population in this State of 29.9 per cent.

"The prevalence of insanity among immigrants is evidently much greater than among the native born. Of the 5,700 patients admitted to the civil hospitals for the year ending September 30, 1911, 2,737, or 48 per cent, were aliens, and 1,481, or 26 per cent, were of alien parentage, while only 1,224, less than 26 per cent, were of native stock. Of the whole number, the nativity of but 218, which is 3.8 per cent, was not ascertainable. Insanity among the foreign peoples of this city occurs in a still larger percentage of cases. Of the first admissions to the hospitals, 2,006 out of 3,221 residents of the city were of foreign birth; that is 64.1 per cent, although the foreign-born population is but 40.4 per cent of the whole."

Another important change in the present law is that which provides for the exclusion of stowaways and deserting alien seamen.

The Commissioner General of Immigration, in his report for the fiscal year ending June 30, 1911, has this to say:

"Table 20 is a compilation of figures covering alien seamen reported by masters of vessels as having deserted. They are known to be very inaccurate. For the past three years it has been impossible to obtain from the steamship lines accurate information concerning deserters. The decision of the Supreme Court in the Taylor case (207 U. S., 120), and the fact that a suit in which it was attempted to enforce the payment of head tax on account of deserting seamen was decided adversely to the Government, tend to encourage noncompliance with the provisions of rule 22 of the immigration regulations. The very serious nature of this matter is illustrated by the wholesale violations of law discovered in the case of the Hellenic Transatlantic Steam Navigation Co. In that case the immigration officers at New York, acting in conjunction with the United States attorney's office in Brooklyn, obtained very substantial results both as regards fines and imprisonments in connection with an investigation of the unlawful bringing to the port and landing of aliens placed upon the articles of the ship as employees, as set forth in the report of the commissioner at New York (p. 149).

"In addition to the showing of this table, it should be stated that during the year over 30,000 Chinese seamen have come into the ports of the United States on merchant vessels, and many desertions have occurred. Moreover, Table 21 shows 528 stowaways brought to the United States ports during the past year, as compared with 474 for the preceding year. A bill (H. R. 32441) was introduced at the last session of Congress which, if enacted into law, will go a long way toward the abatement of these grave evils * * *."

The investigations of the Immigration Commission disclose that there is a practice of articling seamen simply for the voyage from a foreign country to the United States, and that men so articled are in many instances aliens who would be deported if coming as passengers. Under the decision in the Taylor case the immigration law does not apply to such aliens. This fact, and the fact that the number of desertions is increasing, creates a serious situation which requires legislation.

Closely related with this subject is that of stowaways, whose treatment has been a disputed question for years. The bill provides for their exclusion, but permits their admission under the discretion of the Secretary of Commerce and Labor. The committee deem both the exclusion and the exception wise—the exclusion because in a majority of cases stowaways are liable to become public charges, and the exception because in some cases they are political refugees, and there should be discretion permitting their admission.

Another change of the old law provided for by this bill is that which permits the Secretary of Labor, when he deems it necessary, to detail immigrant inspectors and matrons for duty on vessels carrying immigrants or immigrant passengers to or from the United States. This is not made imperative but is left to the option of the Secretary of Labor. We think this is in the interest of better and more humane treatment of the immigrants or immigrant passengers.

The bill also provides for the exclusion of aliens who advocate or teach the destruction of private property; also for the deportation of such persons and for the deportation of alien anarchists and those advocating or teaching the unlawful destruction of property, or advocating or teaching anarchy or the overthrow by force or violence of organized government or the assassination of public officials.

The only apparent provision to which any definite objection is made is the so-called illiteracy test, which is as follows:

That after four months from the approval of this act, in addition to the aliens who are by law now excluded from admission into the United States, the following persons shall also be excluded from admission thereto, to wit:

All aliens over 16 years of age, physically capable of reading, who can not read the English language, or some other language or dialect, including Hebrew or Yiddish: *Provided*, That any admissible alien or any alien heretofore or hereafter legally admitted, or any citizen of the United States, may bring in or send for his father or grandfather over 55 years of age, his wife, his mother, his grandmother, or his unmarried or widowed daughter, if otherwise admissible, whether such relative can read or not; and such relative shall be permitted to enter. That for the purpose of ascertaining whether aliens can read the immigrant inspectors shall be furnished with slips, of uniform size, prepared under the direction of the Secretary of Labor, each containing not less than 30 nor more than 40 words in ordinary use, printed in plainly legible type in the various languages and dialects of immigrants. Each alien may designate the particular language or dialect in which he desires the examination to be made, and shall be required to read the words printed on the slip in such language or dialect. No two aliens coming in the same vessel or other vehicle of carriage or transportation shall be tested with the same slip. That the following classes of persons shall be exempt from the operation of the illiteracy test, to wit: All aliens who shall prove to the satisfaction of the proper immigration officer or to the Secretary of Labor that they are seeking admission to the United States solely for the purpose of escaping from religious persecution; all aliens in transit through the United States; all aliens who have been lawfully admitted to the United States and who later shall go in transit from one part of the United States to another through foreign contiguous territory.

With reference to this particular provision, the Farmers' Union, which has an extensive membership in my district, as well as organized labor, the congressional commission, and other experts and persons qualified to speak are in accord. I have here a letter and inclosure from the national secretary of the Farmers' Union which fully explain that influential organization's attitude:

FARMERS' EDUCATIONAL AND
COOPERATIVE UNION OF AMERICA,
OFFICE OF THE SECRETARY-TREASURER,
Rogers, Ark., December 1, 1913.

Hon. JAMES B. ASWELL, M. C.,
Washington, D. C.

HONORED SIR: Inclosed find copies of resolutions passed by the national union of the Farmers' Educational and Cooperative Union of America at the annual session held in Salina, Kans., September 3, 4, and 5, 1913.

I hope that these resolutions coincide with your views upon the important matters mentioned and that you can actively support measures intended to secure the legislation needed as expressed by these resolutions.

Respectfully, yours,

A. C. DAVIS,
Secretary-Treasurer.

REPORT AND RESOLUTIONS ADOPTED BY NATIONAL FARMERS' UNION IN NATIONAL CONVENTION AT SALINA, KANS., SEPTEMBER 4, 1913.

Your committee on immigration beg to respectfully submit the following report:

"One year ago it was reported to the national convention that the congressional Immigration Commission, composed of three Senators, three Congressmen, Government officials, and others, after a four-year investigation at home and abroad, costing over a million dollars, had presented to Congress a 42-volume report of 500 pages per volume, recommending the very legislation which the Farmers' Union had been urging for years, and that it was pointed out the chairman of the commission, Senator DILLINGHAM, had introduced in the Senate on August 7, 1911, a 58-page bill—Senate bill No. 3175—containing the legislation that we had been urging and that had been recommended by the commission. The bill was reported to the Senate by the Senate Immigration Committee on January 17, 1912, and after three months' consideration and many days' debate passed the Senate on April 19, 1912, with only nine votes in opposition.

"It will be recalled that the commission found that 'many undeniably undesirable persons are admitted to this country every year' as a result of our weak laws and the shift in the source of our immigration by the profit-making steamship companies to southern Europe and western Asia, that 'there is a dangerous and apparently growing criminal element in the country, due to immigration,' and that the nine distinguished members of the commission unanimously concluded that 'substantial restriction is demanded by economic, moral, and social considerations,' recommending legislation that would give this country some such laws as other new countries have and as would tend to force the steamship companies to shift the source partially back to north European countries.

"The voluminous report of the commission completely vindicated our previous demands for this legislation, for it showed that this country has the feeblest immigration laws of any new country and that our feeble laws accounted for our getting such an enormous number of undesirables, in spite of the efforts of our immigration inspectors. In this connection your committee feels that it ought to call your attention to the fact that last year 1,427,237 aliens entered this country, practically 90 per cent of whom came from southern Europe and western Asia, and most of whom were adult males coming merely to sojourn only temporarily, and only 15,000 of whom were 'farmers,' while the steamships report carrying back 611,924 aliens.

"Senate bill No. 3175 aimed at sifting out from this enormous stream the undesirable and at improving a little the quality of this enormous annual alien influx of nearly a million and a half. Having passed the Senate on April 19 1912, and being reported to the House by the House Committee on Immigration June 7, the bill came up in the House for consideration under a special rule on December 14, 1912, shortly after our resolution of one year ago indorsing it was communicated to Members of the House by our faithful national secretary, and after continuous consideration for several days the bill was passed with an amendment on December 18 by a vote of 201 to 64.

"The Senate bill having been amended by the House necessitated a conference between the two Houses for adjusting their differences. After many conferences the bill was finally agreed upon and was passed again by the House and Senate, and was sent on February 3, 1913, to the White House for President Taft's signature and approval. On February 6, in fulfillment of his preelection promise to certain persons and without precedent, the President held a public hearing in the east room of the White House, at which attorneys for the foreign steamships, certain employers and importers of cheap labor, and other large interests appeared in opposition to the bill, and your national legislative committee, together with the representatives of the American Federation of Labor and others, appeared in favor of the approval of the bill.

"To the surprise of everyone, President Taft on February 14, 1913, the last day and at the very last hour, returned to the Senate the 58-page bill with a 12-line message, saying that he did so 'with great reluctance,' but that he could not 'make up' his 'mind to sign it.'

"Four days later the Senate, after two days' debate, passed the bill over the veto by a vote of 72 to 18. The bill came up in the House the next day, February 19, 1913, but failed to receive the necessary two-thirds required by the Constitution, the vote being 214 for the bill to 113 against it, showing that a change of only 4 votes would have put the bill on the statute book.

"The same identical bill has been introduced recently in the Senate by the chairman of the Senate Committee on Immigration and in the House by the chairman of the House Committee on Immigration, both of whom have been in conference with the President and the Secretary of Labor, and who say that the bill will pass Congress the first thing next session and will certainly be signed by President Wilson.

"Therefore your committee respectfully recommends that the following resolution be adopted:

"Whereas the Immigration Commission, after years of investigation and a 42-volume report, recommended certain legislation contained in a 58-page bill that passed the Senate and House during the last Congress, only to fail by a few votes to receive the necessary two-thirds in the House needed to make it a law over a 12-line veto, after it had passed the Senate by the decisive vote of 72 to 18; and

"Whereas the same bill has been introduced recently in the Senate by the chairman of the Senate Committee on Immigration and in the House by the chairman of the House Committee on Immigration: Therefore be it

"Resolved by the Farmers' Educational and Cooperative Union of America in national annual convention assembled at Salina, Kans., this 4th day of September, 1913, representing over 3,000,000 members throughout 33 States, That we reiterate our earnest demand for this needed legislation and urge upon the President and Members of the Senate and House that this bill, which is Senate bill No. 2453 and H. R. 6060, be put upon the Federal statute books at the earliest possible opportunity; and be it

"Resolved further, That the national secretary send this resolution to President Woodrow Wilson, Secretary W. B. Wilson, and Members of the Senate and House.

"Respectfully submitted.

"R. F. DUCKWORTH, *Georgia, Chairman.*
"A. J. MARTIN, *North Carolina.*
"H. F. MCNAUGHT, *California.*"

The attitude of this organization, which has locals in 32 States and State organizations in 22, claiming over three and a half million members, is more fully explained in the last two issues of its official national organ, the National Field, published at Atlanta. The articles are such classics that I beg to call them to the attention of the Members of this House. They are:

[From the National Field, Jan. 8, 1914.]

LEGISLATION WE WANT.

Practically every single, solitary piece of so-called progressive legislation, enacted or proposed, originated with the Farmers' Alliance or Farmers' Union. How well do we all remember the derision and ridicule with which parcel post, postal savings, direct elections, rural delivery, regulation of railroad rates, and every other proposal was met by the interests, the subsidized press, and even the politicians and statesmen who now claim such reforms as partisan achievements and party platform planks. It took years, and years that were long, for we had to wait them through, until those beneficent reforms were placed on the statute books. So may it be with reference to our present legislative demands.

We want a real, genuine division of marketing. No pretense will do.

We want gambling in farm products stopped. It is immoral, uneconomical, and vicious. No half-hearted palliative will do.

We want sure-enough rural-credits legislation. Our credit has got to be made available as well as that of the business man and speculator, and we will "roll" the buncombe political faker who tries to palm off a soft-soap proposition on us.

We want better roads, and there is no reason under the sun why the Federal Government should not render financial assistance in the building and maintenance of business roads that will get the farmers out of the mud. The Federal Government has just spent $500,000,000 digging a ditch in a foreign land. It spends millions dredging harbors and rivers for the steamships. It has built good roads in the Philippines for the "brown brothers." And it is high time it did something for our own—our farmers, the backbone of our Army in time of war and the foundation of our prosperity in time of peace.

We want the restriction of undesirable immigration. The splendid immigration bill, H. R. 6060, that has just been reported to the House, containing the very legislation we have been urging for years and that has been found necessary by the congressional immigration Commission after a four years' investigation at home and abroad, should pass at once.

We want more liberal appropriations for agricultural purposes. Uncle Sam spends annually over a billion dollars, only one-fortieth of which is for agriculture.

We want these things. Brother, have you told your Congressman and Senator so? You know how busy the opposition is to defeat these needed legislative proposals from reading about the Mulhall lobby investigation, so get busy. Write your Congressman at once.

[From the National Field, Jan. 15, 1914.]

ON THE LITERACY TEST APPLICABLE TO IMMIGRANTS.

"There has never been advanced a single substantial or just argument in favor of basing the desirability of immigrants on the ground of their ability to read and write," says a magazine professedly wanting some "sane" immigration policy.

No "sanity" has yet come to light which offered any definite solution. Hiding behind vague generalities the wiseacres remain quiescent while the tide flows in with no test of desirability worth considering at all, and become clamorous opponents of any measure which would be restrictive.

The Farmers' Union has repeatedly urged the educational clause. It would be strange indeed if an organization representing the bulwark of national life and committed to "equity, justice, and the golden rule" indorsed a measure without having a "single substantial or just argument" to advance.

It would be weirdly strange if other organizations, far and wide, took the same position and had no earthly reason for it.

And when you consider the fact that all of these include not merely descendants of foreigners, but men and women who themselves came here so recently as to leave many friends and loved ones in the Old World, these indorsements would reach the pinnacle of selfishness and absurdity if such foreign-born men and women entertained an "insane" prejudice against their own blood.

Why, we all came over—or our fathers or our grandfathers or great-grandfathers did. And were we merely "ins" wanting to exclude the "outs" we would be ingrates and renegades. Fundamentally men and women do not change. The types of immigrants who builded a civilization here are just as welcome to-day as ever, and just as needed. But conditions change, and the educational test, so long advocated, as stated, and recently confirmed after long and costly investigations, is the first practicable solution of the problem—one that, without injustice, meets the changed conditions.

Education is no test of individual character—granted; but it is a mighty good test of the enlightenment prevailing in the country from which an immigrant comes. Neither the aged nor the young are bound by it. If any country is allowing its poor to live their mature years in ignorance of their own written tongue, it is shifting the burden of education to our shoulders, or giving us an element which is helpless for several years in the hands of—well, mostly the cunning, educated, foreign-born, contract laborite, the fleecer, the sweatshop and factory exploiter, the liquor dealer, and the "cadet." Who are now the chief victims of wage and so-called "white slavery"? And who are expected to be the victims of the land serfdom of the future? Why, the ignorant foreigner, of course. He can't protect himself on landing, and before he is able to learn our language, maybe, it is too late.

Social workers can do very little at the docks. Their work of informing the prospective citizen should have been done before he sailed. If he can not read or write, how can he be reached in time?

Urban and mining centers are filled with wretched foreigners who came to an alleged "land of opportunity" only to find a misery infinitely greater than they left. Of the unprotected, illiterate immigrant girl why speak? Every intelligent person knows of the awful revelations which have been going on for years in regard to commercialized vice which feeds upon such. If these could read and write, they could be warned, directed to the safe places, which, unaided, all too many never find. They simply "disappear."

The fortunate immigrants who have relatives and real friends awaiting them are comparatively safe. Yet it is just these relatives and these real friends who advocate the educational clause, knowing it will work no hardship to any and will confer blessings on the mass.

If there be no "sanity" in these arguments, then sanity does not exist.

Considerable slush is sloshing around about the "good mother" who can not read or write. It appears that a woman who could read and write would become quite a vicious mother, quite an unfit person altogether.

These poor "good mothers," women who never had a chance and never will be given a chance to know anything but dull drudgery just exactly so long as the Governments abroad regard them as nothing more than a combination between a plow horse and a perambulating incubator. For shame that this Nation of decency and chivalry should have any misrepresentatives who fail to see what a boon it would be to all foreign women, and necessarily to their children and homes, and necessarily to all social life if it were known abroad that here we would refuse to tolerate such needless ignorance as is the lot of the average peasant-class woman of Europe. Schools would open. All boys and girls would go to them. One boy of the peasant flock would not be selected for the "educated" member of the family and the rest of his brothers and sisters compelled to toil for his tuition and remain peasants.

Even at present, should the law go into effect to-morrow, it does not take long to learn the simple rudiments of reading and writing. While these prospective emigrants are saving money for the voyage, as nearly all must, they could be instructed, then informed, and come partially equipped to protect their own rights and thus assist in protecting the general rights. They would not come, as multitudes have come, "dumb, driven cattle," to be numbered, ground into the mills and mines and shops, robbed, ruined, and terrorized and used as tools by crooks and exploiters.

"Only a wopp," No. —, is killed in some construction work and hauled to the potter's field; only a "contract" laborer, just one of a gang. Nobody knows, nobody cares. Certainly the "sane" restrictionists shed no tears.

What of the children of immigrant parents who can not read or write? The children readily learn. Every juvenile officer, running down waywardness and youthful vice and crime, is finding the same condition of affairs. The family discipline prevailing abroad is broken down. The sophisticated juniors are dictating to parents; lying to them; having their own way. They are like ducklings hatched by a hen. They gaily sail around in the social puddles, while these "good mothers" some people rave about are utterly puzzled and helpless.

If any of us expect to even visit a foreign country we straightway get all the maps, guide books, information, and data available, and lay in some reserve cash. Yet these nearly penniless immigrants come here to live, neither knowing our language nor how to read or write in their own. The printed page is meaningless. Translations are nil. Interpreters may, or may not, be honest.

What other tests would we have? Health, of course. Well, ought not these people to be informed in advance what tests are required? Should any sick and disabled be allowed to come only to be heartbroken because of inevitable deportation? Besides, physical tests are already in vogue, mostly superficial. They do not serve to protect the public adequately from disease, and they are carried out with considerable disregard of the immigrants, who huddle in quarantine or are passed by with a casual look over. Those diseases which are the outcome of insanitary or immoral modes of life are precisely the disasters which ignorance fosters. And those diseases which are not such outgrowth have necessarily no particular bearing upon the "moral character" of the afflicted. Ignorance, poverty, and disease are a triune. No blame attaches to those who would escape the countries which keep masses subject to this triune; but why should we not insist upon those other countries correcting their own wrongs, not casting the results upon us, while continuing to maintain undemocratic conditions—their dear love of a perpetual "peasant class"?

When it comes to finding out a stranger's "moral character" we pause. If there is any way to be sure of it, it has never been proclaimed. If we say that disobedience to law is immoral, what becomes of our boasted protection of the oppressed? We couldn't take the stranger's word. He'd have to show "papers" in a test of that sort. The result of that would be exactly this: The criminal elements that any foreign Government has always been glad to get rid of, or order banished, would be insured very favorable "papers." We couldn't go over and look up his record. He'd bring a clean sheet. But the hapless man or woman, persecuted, and whom a despotic government desired to bring back and punish, would never get a passport. Consequently he could show nothing, favorable or unfavorable. Therefore he'd be deported—sent right back to the wolves.

We will never stand for an inquisition here. We will never call any man or woman "undesirable" because he or she has fought for the rights of free speech and a free press or any other fundamental human liberty.

No better citizens have ever come here than the true liberty lovers who were driven out or who escaped or who were dead tired of oppressive conditions and wanted a chance under the American flag. We propose to give them that chance. And we propose, by forcing their own Governments to educate them or requiring them to seek out education for themselves to come here equipped to meet conditions that have changed from the pioneer days to the present ones of an awful competition for existence, where the odds, God knows, are heavy enough for the literate and hopeless for the illiterate.

Time was when the generality of people could not read or write in any language, and in that time no shame attached to them or anyone else, except the despotisms which needed ignorance in their business. The same despotic spirit is behind all this piffle about "the honest, the industrious, the moral" type. Much they care for the real welfare of this type.

What they want is plenty of cheap laborers. After trustifying the industries through special-privilege legislation on one hand and pauperized labor on the other hand, they are now turning to the blessed vision of "trustifying" agriculture.

Corner any of these big business rascals on the immigration problem and he always talks of "putting them on the land"—land they can not buy; land from whose homesteading and desert-claim privileges they are excluded as unnaturalized citizens for a period of five years; land which they could not rent, even. "Back to the land," then, how? The proccss is very simple. Let capitalists buy up whatever tracts they haven't now scooped, and herd these immigrants on the land like serfs in fee simple. And then? The farmer who owns his land, the farmer who is trying to own his, can no more compete with the agricultural trust than the proverbial village blacksmith could compete with the Steel Trust.

The individual farmer, therefore, will simply have to sell out to the trust, and go to work at whatever the trust will pay. He will not have a home. He will have one of a hundred one-room "shacks" and he will work, his wife and his children will work, under the eye and even the lash of the overseer.

Against the cold-blooded "interests" and a few misinformed, misguided sentimentalists the immigration bill must fight. For the sake of all humanity, in your land and other lands, won't you work for the passage of this bill as long as your voice can speak or your hand be lifted in its defense?

I have here also several other articles quoted by the Farmers' Union national legislative committee before the House Committee on Immigration and taken from the State Farmers' Union papers of Mississippi and Georgia that contain additional reasons for the stand that organization has taken in this matter, and which show conclusively that it is not only the national organization, but the membership of individual States and other Southern States, such as Mississippi and Georgia, as well as Louisiana, that urge this legislation. The articles are well worth the careful reading and study of every Member of this House having at heart the welfare of the farmers and the people as a whole.

[Editorial from the Mississippi Farmers' Union Advocate, published at Jackson, Miss., May 25, 1910.]

AGITATING IMMIGRATION FOR MISSISSIPPI.

WHAT THE NATIONAL UNION SAYS ABOUT IMMIGRATION.

Whereas it is proposed to distribute and divert foreign immigrants to the agricultural districts of the South and West; and
Whereas a Federal bureau has been established and State immigration bureaus are proposed for that purpose; and
Whereas we are unalterably opposed to such and to the present enormous alien influx as detrimental to the best interests of the farming communities and the welfare of our whole country: Therefore be it

Resolved, That the Farmers' Educational and Cooperative Union of America in national convention assembled at Memphis, Tenn., this 8th day of January, 1908, and representing 2,000,000 farmers, urge upon Congress the immediate abolition of the Federal bureau of distribution and the speedy enactment of laws substantially excluding the present enormous alien influx by means of an increased head tax, a money requirement, the illiteracy test, and other measures; and that we call upon our public and especially our State officials to prevent the agricultural section from becoming a dumping ground for foreign immigrants.

WHAT THE MISSISSIPPI UNION SAYS ABOUT IMMIGRATION.

Whereas the distribution of aliens from northern cities and their diversion from abroad to the South is being agitated; and
Whereas the United States Immigration Commission is now investigating the attitude of the South toward these proposals, and there is need of the farmers of Mississippi making known their wishes: Therefore be it

Resolved, That the Farmers' Educational and Cooperative Union of the State of Mississippi is irrevocably opposed to the present tide of undesirable immigration now pouring into this country from sections of Europe, Asia, and Africa, which until recently sent us no immigrants, and that we urge all our officials and legislators, both State and national, to use their influence in every possible way to make clear our opposition and to secure reports and legislation that will exclude the present alien influx, which is detrimental to our best interests and to the welfare of our country; and be it further

Resolved, That a copy of these resolutions be sent to our Congressmen and Senators and to the Immigration Commission at Washington;

Resolved, That the State presidents and lecturers emphasize this one question, and that copies of this resolution be furnished the press.

[Adopted at the Mississippi Farmers' Union State meeting, July 8, 1908.]

WHAT WE THINK ABOUT THIS IMMIGRATION MOVEMENT IN MISSISSIPPI.

For a number of years there has been a strenuous effort made in Southern States east of us to establish, at the taxpayers' expense, State bureaus of immigration for the ultimate purpose of inducing foreigners. Various conferences and conventions were first held, apparently, at the suggestion of local commercial bodies and old-time residents. The arguments advanced had around them a progressive atmosphere and lauded development of every kind, picturing increased bank deposits, larger commerce, better prices, and enhanced land values.

Virginia, North Carolina, South Carolina, and even Tennessee yielded, and established an immigration department with a commissioner in charge and appropriated a certain amount of the public funds for furthering the purposes of the department. In South Carolina the movement was then openly fathered by the cotton-mill men and transportation interests. Some $25,000 or $30,000 was raised by these interests, and, together with an appropriation by the State legislature, State Commissioner of Immigration E. J. Watson was sent abroad to carefully select several shiploads of immigrants, which in due course of time arrived on the *Wittekind*. To make a long story short, one year ago last March the State Legislature of South Carolina abolished the State bureau of immigration and by affirmative statute forbade a "State official to attempt, directly or indirectly, to bring immigrants into South Carolina." Virginia and North Carolina took similar action by refusing to appropriate funds.

In view of the current discussion now going on in this State, it seems opportune to call attention to the attitude of such a progressive trade paper as the Manufacturers' Record, of Baltimore, which is purely and solely a factory, transportation, and financial organ. In no unmistakable editorials it has repeatedly called attention to the foreign interests, foreign steamships, and even foreign Governments back of this proimmigration movement, and has repeatedly and in the strongest terms warned the South, its commercial bodies, and its good citizens against being used by these selfish interests in their profit-making and dastardly schemes to dump upon us not only the inflowing undesirable tide, but to distribute the foreign dregs now congesting the large cities of the Northeast, which are clamoring to Congress for restrictive legislation such as Canada, Australia, Cape Colony, Natal, and other countries have.

In the movement, the farmers of this State have many interests which should be watched with untiring care. A copy of the House hearings on immigration has just come to hand. On page 405 it is pointed out by Congressman BURNETT, of Alabama, that in 1908 Mr. ——— ———, of ———, N. C., went to Paris, France, and argued

before a big conference of European cotton-mill men that the only way to "increase adequately the world's cotton supply" was "by developing cotton growing in the Southern States," and that the "requirement for such development" was "an increased labor supply." This, he went on to say, could only be accomplished by their doing all they could to help them stimulate and divert foreigners to the cotton belt.

Mr. ——— at that time was the head and tail of the American Cotton Manufacturers' Association. He personally owns many cotton and oil mills throughout the South. He, ——— ———, and other cotton-mill men went abroad during the summer of 1907 and got up that famous European millmen's conference which was held at Paris in June, 1898, and at which he made it clear that the only way to keep down the price of cotton and neutralize the efforts of the Farmers' Union was to stimulate foreign immigration to the Southern cotton-growing States.

Such an attitude is quite unworthy of the American cotton-mill men. Their mill investments have yielded them handsome dividends and enormous salaries. They ought to be willing to share their fabulous profits with the growers of the raw products. They, of all, ought to stand willing and every ready to guard against undesirable immigration.

But if reliable information and such counselors as the Manufacturers' Record are to control our attitude, the so-called Southern Commercial Congress, recently established at Washington, D. C., is nothing but another phase of this anything and everything for the almighty dollar. Merely a scheme for unloading upon the South foreign flotsam and jetsam. Banquet after banquet has been held at our National Capital. Meeting after meeting has been held. Speaker after speaker has been sent throughout the South and West arousing the people to the "need of developing their resources." "A greater Nation through a greater South" is the cry.

How? By immigration—foreign immigration. Establish State bureaus at State expense, stir up your local commercial clubs, etc. Of course, the railroads naturally join in anything that means more traffic. Local boosting clubs are easily organized by an appeal to local pride and patriotism. And so the movement grows. But what is the use of all this hot haste to develop every one of our resources, to mine every ton of Alabama's coal, to cut down every tree in Mississippi, to raise every possible pound of cotton? There was a time when we were exploitation mad and everyone seemed crazed with the idea that man was made for work and not work for man, our resources for destruction rather than conservation. What about our children's children?

What is the use of putting a cotton planter on every acre of cultivable cotton land in Mississippi? We may be a little old-fashioned, but we do not feel like flying from our present "ills," whatever they may be in the minds of some of the exploiters, to ills we know not of. The country, and particularly the South, has had a pretty tough experience with one stimulated immigration of an alien race, somewhat off color, in order to satisfy a similar exploitation and labor argument, and now that it is somewhat recovered from—but never will be over—the effects thereof, we would suggest that we don't play with this immigration business any more. Let us not bring it upon ourselves at any rate. If some good people from the northwestern part of the United States want to come down here, they will come, and we will welcome them if they take to us, our ideas about local matters such as the negro, etc., but we do not favor a State movement to get them, nor the expenditure of State funds to attract them; because just as sure as that once gets started it will not only bring in some we don't want, but there will be a demand on the part of some to turn it to bringing in the foreign immigrant.

We ought to profit by the experience the Northeast is suffering from, the attitude of old South Carolina, and the advice of such a capitalistic paper as the Manufacturers' Record.

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[Editorial from Farmers' Union News, of Union City, Ga., June 29, 1910.]

PRESIDENT HIGHTOWER THWARTS IMMIGRATION SCHEMERS.

With the demand of Northeastern States for the restriction of the present new enormous foreign influx of brownish races from southeast Europe and western Asia and the crowding of so many good Americans across into Canada, largely as a result of immigration evils, a series of systematic State immigration conventions and southern conferences, and even organizations, have followed in rapid succession.

Virginia, North Carolina, Maryland, South Carolina, Georgia, Florida, Alabama, Tennessee were called together in convention assembled, apparently by local commercial bodies and old residents, to discuss ways and means for bringing in a class of desirable white immigrants. "A greater State," "A larger population," "Development of our resources," and other similar pridesome slogans were the cry.

Somewhat belated, the fad has just struck Mississippi. Last week it had a "State-wide immigration convention." The call was issued by the governor, at the suggestion, apparently, of the Natchez Commercial Club. Every local commercial body and each city was invited to send delegates. The Farmers' Union of the State and other representative organizations most entitled to speak the wishes and record the true sentiment of the whole people were completely ignored in the call. Of course, the railroads were in the game. According to the Jackson Union Advocate, they were "the whole thing," and, according to the "official program," they provided the speakers for the two days and nights sessions.

These transportation interests went there from all parts of the country, assisted by certain large millmen and land speculators, with the whole thing cut and dried. But they had reckoned without their host. At the proper time President G. R. Hightower and Vice President J. M. Boatwright appeared upon the scene, protested against the scheme to make the South the dumping ground, the unrepresentative character of the meeting, and by threatening to call a State meeting that would be composed of 25 tillers of the soil for every one of the 138 railroad, millmen, and others present compelled the packed affair, in spite of itself, to organize, not a proforeign immigration association, but a "land-development association," and to pass, among others, the following resolution:

"*Resolved*, That this convention does hereby respectfully memorialize Congress to pass legislation restricting the present alien influx of ignorant, thriftless, and of undesirable people now pouring into the United States from southern Europe and western Asia, and that we urge upon our Senators and Congressmen to use every possible effort to bring about this desirable legislation and the abolition of the Federal bureau of distribution, in order that this objectionable tide may not be diverted to and distributed over the South, and particularly Mississippi."

Mississippi and the whole South owe a most profound debt of gratitude to President Hightower and Mr. Boatwright for nipping in the bud this affair, which would have been used next winter, when the Immigration Commission makes its final report and legislative recommendations, as a conclusive argument in favor of distributing and diverting the present brownish influx to the Southland instead of properly restricting it, in order to relieve the Northeast of its intolerable immigration evils.

The "development" scheme is doomed to failure. Such has been the history of identically similar movements in other Southern States, North Carolina and Virginia have abandoned their State appropriations. Tennessee and Alabama have never appointed their State commissioners of immigration. South Carolina abolished her bureau of immigration, after one expenditure of $30,000 in bringing in two shiploads of "carefully selected" foreigners, and affirmatively enacted by statute March 4, 1909, that no State official should "directly or indirectly attempt to bring immigrants into the State."

These movements have been weighed in the balance and found wanting, not only in each Southern State, but in similar affairs, pretending to embrace and represent the entire South. The Manufacturers' Record, of Baltimore, editorially, on March 4, 1909, commented at length upon these so-called southern commercial congresses, parliaments, conventions, etc., and said:

"We have in our archives complete records of every one of these attempts made during the past 10 years. It appears from these records that there is almost something more than mere coincidence in the means adopted, and even the language employed, in trying to persuade representative southern men to give them countenance."

In speaking of one of these in particular, the editor says:

"A later gathering, into which an alien element dominantly, but in cloak, entered, was in reality the outcome of a plan originating in Italy to flood the South with Sicilians. The Manufacturers' Record knows that representative Southerners would be astonished to learn how close they have come in southern gatherings of various kinds with the witting or unwitting agents of these alien-fostered immigration schemes directed against the South and its best interests."

I find also that a number of Southern States have memorialized Congress as follows:

Whereas the United States Immigration Commission, after four years' investigation and the expenditure of $1,000,000, has made a 40-volume report to Congress; and

Whereas it is being proposed that the immigration evils from which the Northeastern States are suffering be relieved by diverting and distributing the aliens now crowding into and congesting the slums, sweatshops, and city centers of the Northeast; and

Whereas the Immigration Commission clearly points out that this is the only country with any considerable net foreign immigration, our laws and administrative policy are the weakest of any new country, and that "substantial restriction is demanded, through economic, moral, and social considerations," and the illiteracy test is recommended "as the most feasible single method for excluding undesirable immigration": Therefore be it

Resolved by the State Senate of Tennessee, That we hereby memorialize Congress to immediately enact some such illiteracy test as is recommended by the Immigration Commission, as is law in Australia, New Zealand, and other new countries, pass other needed legislation along the lines of the Immigration Commission's suggestions, and do not pass any legislation looking to the diversion and distribution of the kind of alien population that is now congesting the northeastern cities and causing so many evils there; and be it further

Resolved, That a certified copy of this resolution be sent by the secretary of the senate at once to the President of the United States, to our two United States Senators, and each of our Representatives at Washington, D. C., with the request that it be presented to Congress and properly referred.

I hope to see an amendment adopted providing that any alien who commits a felony within 10 years after his arrival in this country shall serve his term of punishment and be immediately deported to the country whence he came and be forever barred from the United States; and that immigration agents at every port in the United States shall be required to furnish every immigrant upon his arrival with a copy of this provision, so that each immigrant will immediately recognize that to live in the United States means to be a law-abiding citizen.

This provision, in my opinion, would have much to do with encouraging good immigrants and discouraging the criminal or the criminally inclined.

Vocational Education.

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, January 19, 1914.

Mr. SABATH. Mr. Speaker, unlike most of my colleagues who have preceded me, I do not represent a rural district, but a district wholly within the limits of a great city, yet I am heart and soul in favor of the pending bill, which has for its object cooperative extension work between the agricultural colleges in the several States and the Department of Agriculture, in order to aid in diffusing among the people of the United States useful and practical information on subjects relating to agriculture

and home economics and to encourage the application of the same.

Mr. Speaker, I am satisfied that not only will this law be of great aid and benefit to the farming communities of our country, but it must of necessity be of incalculable benefit to all of the people of our land, including the great masses that reside in our large cities. Anything that tends to reduce the cost of production of our food supply and anything that tends to improve farm conditions redounds to the advantage of all of the people of this country, who of necessity must and do depend upon the products of the farm to feed and clothe them.

This great Government of ours is expending over a billion dollars annually, only a small portion of which sum is being expended by the Department of Agriculture, and I venture to say that not a single department has produced greater results and done more for the people, considering the amount of money expended, than has the Agricultural Department. I have been, and am now, opposed to the large and increasing expenditures for the conduct of our Government, but in this instance I believe, judging the future by the past, that the money expended will be returned to us many times over, and that a better investment could not be made.

Mr. Speaker, I have from time to time read with great interest the reports from the agricultural experimental stations, and I have sent out many of these, as well as other publications, to the residents of my district, and I do not know of any documents published by the Government that are more eagerly sought for and read with greater interest than those issued by the Department of Agriculture, containing as they do such valuable information.

I consider this measure of great merit, and one which, as I have already stated, will be of great benefit, not only to the farming communities, but to the people in the cities as well.

National Aid to Vocational Education.

REMARKS

OF

HON. FRANK PARK,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, January 20, 1914,

On Senate joint resolution 5, providing for the appointment of a commission to consider the need and report a plan for national aid to vocational education.

Mr. PARK. Mr. Chairman, I wish to say a few words on Senate joint resolution 5, "providing for the appointment of a commission to consider the need and report a plan for national aid to vocational education."

As I see it, the resolution is for naming a commission of educational experts to make investigation and report; and while investigation is not restricted to particular vocations, I understand the object in view is primarily an aid to training along lines whereby the masses earn a living.

I favor, Mr. Chairman, any well-meaning effort to unlock the doors of skill to the unskilled, and teach awkward minds useful, practical knowledge.

The great need of our country is more trained minds to direct better trained hands.

The masses are awakening to the needs of the hour, and competition in all vocations proclaims the deeper meaning of training and skill.

We have reduced the tariff on many necessities and resulting conditions call for better training and skill if we expect, as we do, to meet successfully world-wide competition.

A short time back in my little home city of Sylvester a house was being built; I talked with some laborers who were hauling sand and brick and other materials. I asked how much they earned, and they told me $2 a day for a man, wagon, and horse, and $3 a day for a man, wagon, and two horses; on the building were laborers getting $3 to $4.50 a day laying brick. The man with the wagon was of the dominant race; the man with the trowel of another race. One was trained, the other not.

I favor legislation to point a way and plan to increase the value of a man's services from $2 to $4 a day.

Increased skill means increased earnings, and resultingly better fed and clad wives and children, more prosperity, and greater contentment.

In the old "blue back speller" is the picture of a mother holding her child by the hand and pointing along the road that leads up to the "hall of fame," over whose portals are writ the talismanic words, "knowledge is power." Unconsciously the child draws inspiration from the picture, his soul fires with ambition's hopes as his ears catch encouragement from the loving lips of her who gave him life.

Our great country is neglectful of her children when she permits them at 21 years of age to begin life's journey without inheritance of lands, money, or chattels and without training or skill.

And I declare to this body it is no appeal to the patriotism of the masses when we willingly expend $15,000,000 for a beautiful street from the Capitol to the Union Station in Washington and balk at incurring an expense of a thousandth part of that sum to find a way for national aid to train our boys and girls.

I favor any measure to procure national aid to train our girls in sewing, cooking, and housekeeping; that will fit them for capable housewives and mothers, the foundation of every Nation's strength.

I venture to say that not 1 woman in 25 of our country can make a good biscuit or a tempting cup of coffee, or can measure and make a neat-fitting shirt for her husband.

I favor national aid in training our boys to properly perform ordinary tasks and pursue with profit the ordinary vocations of life; that will train them to use with skill the saw and trowel, the plow, the paint brush, and the shop hammer; that will teach the boy the way to plan a home and build it and care for the mate who is to share his joys and sorrows.

From the Great Lakes to the Gulf, from the Atlantic to the Pacific, comes a call to Congress to consider the need and report a plan for national aid to train our children to lead better and more useful lives.

Let us answer them as they have a right to expect.

Let us show them whenever we can that this Government cares more for the flesh and blood, the brain and brawn, of the plain people than for ornamental sidewalks, plazas, and streets even of our proud and beautiful National Capital.

Show them that we are more heedful of the welfare of the humble plowboy, far remote though he be from the seat of government, than we are of plaudits of foreign nations for the architectural beauty of our public buildings and grounds.

Let us provide a plan to aid vocational education whereby the knotted hand of the untrained, overworked laborer may point with joy to the golden gateway of equal opportunity for his ambitious son and the bent back of the overworked mother can straighten with enthusiastic hope as her shining eyes behold the equal chance offered her cherished child.

When every citizen is made to feel and know that our Government watches and cares and provides for his peace and prosperity and values him as an asset and a unit of this great Nation, then will we know that our country occupies among nations the sole place that she should, the real land of equal opportunity, the land of liberty, the land of the truly free.

Let us open the doors of opportunity to all. Let us convince the worker on the farm, in the shop, in the factory, on the railroad, and in all the vocations that we really care for his interests.

Let us prove to rich and poor in all the vocations that this Government is the common guardian of all, extending equal rights and opportunities to all and special privileges to none of her children.

When our Government loves every citizen, regardless of section, and convinces him of the fact by aiding him to become better and more useful, then will all our citizens love our Government and willingly sacrifice for it, and not till then.

Whether the resolution should pass with an appropriation for expenses or not is a trifling matter. What is to be most desired is the united voice of this Congress affirmatively recognizing the resolution and showing intention by its action to aid the people.

By vocational education we specialize and concentrate the scattered strength of brains and hands along definite lines of thought and development, which can but make for the common good.

We must progress; action along progressive lines means breath and life to our Nation; inaction is retrogression, paralysis, and death.

Let us help our country live daily on a broader, loftier plane of development, and may our votes on the resolution favor the masses who are calling for aid and guidance to this great Congress.

On the Retirement of Superannuated Federal Employees.

EXTENSION OF REMARKS

OF

HON. WILLIAM M. CALDER,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, January 15, 1914,

On the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. CALDER. Mr. Chairman, in listening to the debate on the Post Office appropriation bill I am reminded of an incident that occurred several weeks ago in New York City which it would have been well for every Member of this body to have witnessed. It was a public meeting scheduled to be held in the Hippodrome, the largest theater building in the city known and famed for its great structures. The day of the meeting, which was a Sunday, was one of the stormiest days that the city experienced in years, and the date was November 16, 1913.

Having accepted an invitation to be present I wended my way to the hall with many misgivings, believing that I would find very few who would brave the cold and rain and discomforts incident thereto to attend a public meeting.

It was a meeting called to discuss the question of a retirement law for superannuated employees of the Government. Would that I could draw a mental picture of what I saw and heard, in order that you could get the benefit of my experience. That great building, well named the Hippodrome, was filled from pit to dome with as highly intelligent an audience as it has ever been my pleasure to look upon; a sea of faces filled with animation and anxiously drinking in the remarks of the several speakers, and many of them for the first time receiving the information as to the manner in which this great Government treats its civil servants when they can no longer do justice to their work; wondering, too, of the reasons that caused their legislators to denounce corporations and railroad companies as soulless and without conscience, and yet these very corporations treating their employees in a far more considerate manner than does the Government its employees.

In order that no misapprehension might exist in the minds of my colleagues, I will endeavor to explain briefly the class of people who composed that vast audience. There were business men, representing large manufacturing concerns, leading bankers of the great metropolis, professional men, tradesmen, mechanics, and laboring men. There were men and women interested in every movement for the uplift and betterment of the human race, and there were old, worn-out veterans of the Government, many of whom wore anxious looks, while others bore a stamp of resignation, wondering if it were possible that something would be done to grant them a few years of peace and contentment before they were called to the great beyond.

Mayor Kline presided, and on the platform were men of national reputation, who were there to give expression to their views on the question of retirement. Those who spoke on the subject were Mayor Kline; Police Commissioner Waldo; Rev. Francis J. Sullivan; Frank A. Vanderlip, president of the National City Bank; Miles W. Dawson, the well-known actuary; Rev. Dr. Van De Water; Street Cleaning Commissioner Edwards; Congressman LATHROP BROWN; Herbert N. Casson; Andrew W. McKee; Congressman JAMES A. HAMILL; and Mr. George W. Perkins, a man whose manifold business interests mark the value of his time as priceless. The speech delivered by Mr. Perkins was logical and convincing and represented the views of a man of large experience in the business world. It is worthy of the attention of the Members of this House, and I will insert it in the RECORD for your information.

Adding inspiration to the occasion was as well drilled a band, discoursing the sweetest music as it has been my pleasure ever to have listened to, and it was composed entirely of letter carriers.

Scattered through the audience was a fair percentage of ladies, which added a charm to the occasion and made one forget the elements that were raging on the outside.

As one of the speakers of the meeting, I gave my views on the subject, which are well known to the Members of this body. I am, however, a stronger advocate of a retirement law on account of the impression made on my mind on the afternoon of November 16 at the Hippodrome.

Three old veteran letter carriers sat on the platform in their uniforms of gray. One could see at a glance that they were proud of the uniform as well as their long record of honorable service. But, me thinks, what will happen when they can no longer cover the districts assigned them? Echo answers that they should by right and justice be permitted to live their declining years in peace and contentment on annuities allowed for long, loyal, and faithful service. Strange to say, however, in this land of patriotism and progress that such is not the case, and that they will be thrown on the charity of the world when they are forced to resign on account of superannuation. Would that every Member of Congress could have been present at that meeting and have seen for himself what I looked upon that Sunday afternoon. Had they been there, I feel satisfied that this session of Congress would see the enactment of a law that would make proper provision for the retirement on annuities of our superannuated Government employees.

We can not delay action on this question much longer. It is a problem that must be solved in the interest of efficiency in the conduct of the business of the Government. As the question possesses great merit as well as justice I sincerely hope that Congress in its wisdom will meet it in the proper spirit at an early date and will work a solution of a problem that should be solved in the interests of humanity.

The address follows:

[Address delivered by Mr. George W. Perkins at the Hippodrome, New York City, Sunday, Nov. 16, 1913, at a mass meeting held by Branch No. 2, National Association of Civil Service Employees, for the purpose of directing the attention of Congress and the public to the necessity of retiring superannuated Federal employees after 30 or more years' service.]

Mr. GEORGE W. PERKINS. Mr. Mayor, ladies and gentlemen, I take it from the care with which you listened to the last speaker and your generous applause of his sentiments that you will agree with me, as you did with him, that, wicked as Uncle Trusty may be in some respects, he has been better to you than Uncle Sam has been. [Applause.]

I believe in your cause. I believe in such meetings as this as a method of furthering your cause. I believe in pensions, not because I have read about them in books and studied them as a theory, but because I have seen them in actual practice. [Applause.]

I believe in aroused public opinion and in informed, enlightened public opinion, not because we have all been taught since childhood that it is the fundamental principle upon which our Government is founded, but because it has times without number succeeded when all other methods have failed.

I do not believe, however, in looking upon pensions as gratuities, as a nice thing to do for somebody, as a gift for which the recipient should be duly grateful and the giver pat himself on the back for having bestowed. I believe in pensions on principle; believe in them as a just compensation for actual services rendered; believe in them as promoting efficiency of service and establishing better relations between employer and employee. [Applause.]

Long experience with a vast number of men in various lines of industry has convinced me that no man worthy to be called a man wants something for nothing. [Applause.] He prizes his manhood too highly for that; but what he does want is a fair, square deal [applause], an opportunity to work under an arrangement that is fair and right. Given such conditions, I am convinced that, except in very rare cases, employees can be relied upon at all times to stand by the business or the occupation in which they are engaged, and in place of being envious and jealous of capital continue, as occasion arises, to discharge their duties and make at least as great a sacrifice to further the interests of the occupation in which they are engaged as will those representing capital. [Applause.]

Too much stress can not be laid on the fact that pensions are not gratuities. [Applause.] The word "pension," through misuse, has come to convey an erroneous impression to the average mind. It is almost universally thought of as something that is done to take care of the poor and decrepit, of those who have been shiftless and improvident and who are to be taken care of by kindly disposed people as a matter of charity. This view of it is all wrong and must be eradicated from the public mind, must be banished from our calculations in considering this great question.

The pension is just as much a part of proper compensation as is the monthly salary. [Applause.] It is just as much a fixed charge on any business as is the sum that is set aside for depreciation of machinery or building [applause], and a business of any sort that does not proceed on this basis is being condemned to-day by public opinion.

No merchant, no manufacturer, no owner of a 20-story building would think that he was calculating his profits on a conservative basis unless he set aside each year a certain percentage of his earnings for depreciation, maintenance, and repair,

said sum to be used for just that and no other purpose at some future date.

In precisely this same manner a merchant should set aside each year a certain percentage of his earnings for the maintenance, repair, and depreciation of those serving with him in his business. [Applause.]

By maintenance, as applied to human beings in industry, I mean better sanitary conditions under which men and women work. By repair, as applied to human beings in industry, I mean better provision for their disability in case of accident. By depreciation, as applied to human beings in industry, I mean pensions for old age. [Applause.]

All these things should be a part of the fixed charges against any business or any governmental calling, and my firm belief is that they are not only right and should be done because they are right, but because they pay purely as a cold-blooded proposition. [Applause.]

I have watched the working out of this problem in industrial, railroad, and other lines of business, and have yet to see a case where beneficial results have not followed where the principle has been applied properly, honestly, and equitably.

In my judgment, the beneficial results have been at least as great to the employer as to the employee.

The most modern, up-to-date factory, equipped with the latest and best machinery, is idle and useless and will not produce one cent of return unless some human beings are handling and directing the machinery. In other words, no matter how up to date and perfect a factory may be, it is useless until the human touch is given to direct its operations, and the more efficient you can make that human touch, the more genuine, hearty interests you have behind it, the more efficient will be your machinery, the less depreciation you will have to write off, the more excellent will be the quality of the output.

This being so, any and every proper method should be used to enhance the interest of the employees in the business in which they are engaged, to the end that they will find genuine pleasure and satisfaction in work in place, as is often the case, of looking upon the daily work as a grind and a piece of drudgery. The ordinary, everyday wage, with nothing to look forward to except possible incapacity through accident or old age, with small, if any, savings to depend upon, is not conducive to a lively, keen interest in each day's work; and the merchant or the government that does not realize this is working against his or its own pecuniary interest, to say nothing of taking unjustified profits out of human beings. [Applause.]

In the large corporations with which I have been connected there is no longer any question about the increased efficiency that has come from the policy of providing better sanitary conditions, better compensation for accidents, and adequate pensions for old age. That is admitted. [Applause.]

These plans were gone into purely in a business spirit, believing that they would so knit together vast organizations of men and women, would so stimulate individual initiative and interest in work, would so strengthen and develop esprit de corps as to make it possible to increase business and increase earnings, and with the spirit of being willing to share such increased success with employees.

Where lack of interest formerly existed, where men were dull and listless, new life and interest has sprung up, and men vie with one another for improvement in their work. This means additional profits to the business, additional profits both to capital and to labor.

Among the number of unforeseen benefits at the beginning that have since developed and which we have followed, those above referred to have been for us more important than the lengthening of service of the average employee. In many lines of industry great waste exists through the constant changing of employees. A man or woman works a year or two in one business and then leaves to enter some other business for a slight increase in wage or better working conditions. The waste in this one practice alone has been enormous—enormous to the employer, enormous to employee. On the average, there is a distinct loss to a business in continually changing employees. There is no efficiency in business as effective as that which comes from a force of men and women who have worked together for a long time, who know one another, cooperate with one another, and who work as a compact, well-organized body. [Applause.]

Statistics clearly show that a substantial percentage of this waste can be eliminated where the business has adequate and proper accident and pension plans as a part of its methods for compensating employees. Considering the strides that have been made in recent years among the railroads and the industrials and in the business life of the country generally, in readjusting the method of compensating people so as to include, as a matter of just and proper compensation, sums to provide for accident and old age, it is surprising that our Government has done so little. In this respect, our Federal Government is not only far behind our business world, but is woefully behind practically all civilized Governments, for to-day Venezuela and Haiti and the United States are alone, I believe, as laggards in this movement, having no pension plans for civil employees. [Applause.]

Our Government has something over 250,000 employees in the classified civil service. The average salary is approximately a thousand dollars a year, possibly a trifle under. This means that there are a great many employees who receive a great deal less than this sum per annum, which means that for them to provide against accident and old age out of their pay is practically an impossibility.

During the four years preceding 1912, in the letter-carrier service in this city, there were seven deaths from accidents while on duty, and it is estimated there were 500 weeks of sickness as the result of accidents while on duty. In this service a man draws no pay while ill, even though his illness is the result of injury or exposure received while on duty in the Government's service. Men who meet with accidents while on duty in the post-office buildings through flaws in the equipment or through derangement of machinery receive no pay whatever while recovering from any such accidents. For instance, I was recently told of a letter carrier in a down-town office in New York who was injured through the breaking of a stool that the Government furnished him to sit upon. The injury kept him from work for over three months, during which time he received no pay.

Employees in this branch of the Government work who perform their duty faithfully year after year and finally reach old age, are no longer able to work, are obliged to retire from the service without any means whatever of support save as they may have been able to lay aside a few dollars during their period of service.

Working under such conditions as these is not conducive to efficiency. A man must necessarily have constantly in his mind that if he is injured physically he is also going to be injured financially, and if he is fortunate enough to live to old age he will be unfortunate enough to have little or nothing to live on in his old age.

This method of compensating employees has cost the Government through inefficiency far more money than it would have ever spent in providing proper compensation for accidents and pensions. [Applause.]

Statistics show that there have been over 90,000 voluntary resignations in a period of eight years among civil-service employees, mostly of men who have been in the service less than 10 years. This, of course, means that these men were young men, active men, men whom the Government really needed in its business, and that the men who remained were old men, less active, less ambitious, somewhat less efficient. The younger and more active men naturally sought other fields where their labors would be more properly compensated—where compensation covered not only service rendered day by day, but protection against accidents and provision against old age. This change has been more rapid in recent years because of the changing policy toward this matter by corporations of various kinds. The Government alone has suffered.

How can the Government, for instance, expect to recruit its ranks in the civil service with able and ambitious men when the great industrial concerns of the country are offering fairer, broader, more equitable terms of employment? And how can the men now in the service enter it with the zest and the interest that they should in order to give the Government the high order of efficiency necessary when they know that private concerns are the better recognizing their services?

My attention was recently called to the case of a man in this city who was appointed to the Post Office Department in 1862. He remained in the service for 50 years in good and regular standing. He has recently had to resign, owing to continued ill health, and is now dependent for support upon a daughter.

I would like to ask our Government, which is so zealously persecuting our large industrial and railroad organizations, if in any one of these concerns it can find an instance where an old and faithful employee, after 50 years of service, has received such treatment as this. [Great applause.]

At the present time the agreement between our Government and the post-office employees of this city, for instance, is, in effect, that if a man meets with an accident while on duty, even though the accident occurs clearly through the fault of the Government, he has absolutely no compensation or redress. He can not even bring a suit to recover damages.

Now, if any one of the large corporations that the Government is to-day proceeding against engaged its men on any such terms as these, the Government would be pointing to the practice as one of the great iniquities of the trusts. [Applause.]

The case is perfectly clear; the Government is wrong, and you are right. [Applause.] The wonder is that there should be any delay whatever on the Government's part in correcting the position it now occupies. Anyone familiar with the whole question can think of no reason whatever for delay, but some of us who have been studying this question and many other questions that have to do with governmental action realize that there are causes that account for the delay, and that these causes are deep-seated and must be removed as causes before the problem in which you are directly interested and many other problems in which our people are to-day interested can be properly solved.

One reason given for not adopting proper disability and pension plans on behalf of the Government is their cost. A reason like this from some of the Congresses that have recently been spending our money seems too ridiculous to treat seriously. [Laughter and applause.]

And so, as I said in opening, I am for your cause and for your method of furthering it, by arousing public opinion, by presenting the justice of your cause on every possible occasion for the consideration of our intelligent and thoughtful citizens.

There is no weapon so powerful in correcting evils, in bringing about better conditions, as aroused public opinion. Aroused public opinion alone has corrected more abuses in corporate management in the last 10 years than all the dissolution suits under the Sherman law. [Applause.]

Our people are preeminently successful, sensible, and intensely practical. They are beginning to realize the many inconsistencies of our governmental policies in recent years. They are after the substance and not the form of things; they are already looking with suspicion on legislators who, for instance, will not lend a hand to enact a law to give pensions to civil employees, but who will lend both hands to enforce an old law in order to destroy corporations that are giving pensions to employees and in many other ways successfully meeting and coping with modern industrial problems in such a way as to bring the broadest and best results to labor, consumer, and competitor alike.

Your way out of your problem, the business man's way out of this problem, the country's way out of many of its problems is to send to our legislative bodies more unselfish and public-spirited representatives [applause], men with sufficient intelligence to cope with the economic questions of the day and solve them for the benefit of the whole people, and not for the benefit of themselves alone [applause]—above all, men of vision and patriotism who realize the magnitude of our country and the place it must take in the nations of the world. I thank you. [Great applause.]

Requiring Manufacturers to Certify to the Materials of and Place their Names upon the Products they Produce.

EXTENSION OF REMARKS

OF

HON. PHILIP P. CAMPBELL,

OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, January 21, 1914.

Mr. CAMPBELL. Mr. Chairman, under leave granted me to extend my remarks in the RECORD, I insert the following statement made by me before the Committee on Interstate and Foreign Commerce in urging a favorable report on the bill referred to:

Mr. CAMPBELL. Mr. Chairman and gentlemen of the committee, I introduced a bill in the Sixty-first Congress requiring manufacturers to place their names upon the products they produced. In the Sixty-second Congress I introduced a bill covering the subject, with an amendment to the old bill, to the effect that where it was impracticable to place the name of the maker on the article itself that the name might be placed upon the wrapper or the article containing it. In this, the Sixty-third Congress, I introduced a bill on April 17, which is H. R. 2970, requiring the name of the manufacturer upon the article or the wrapper container as might in any particular case be most feasible, and also, in addition to that requirement, requiring that the maker state the product of which the article is made, placing it upon the same standard as the pure-food law. I have had from the beginning no particular manufacturer in mind. I have had many in mind.

The shoe dealers are here, and it may not be out of place to say in their presence what I have had in mind in regard to the shoe trade. Every shoe dealer knows, and if the dealer does not know every wearer of shoes knows, that many shoes are sold that are made of a split leather or of an inferior leather that is braced up with some sort of treatment that breaks down as soon as it gets wet. The soles of many shoes are toned up with some sort of treatment that makes the sole look firm and sound until it gets wet, then it becomes soft and absorbent and is a source of cold and damp feet, resulting many times in serious illness to the wearer. In addition to that, manufacturers put out shoes that have, instead of leather, a product similar to paper for the insoles. I have made an investigation, so far as it has been possible for me to do so, and I have found that every shoe made of the character that I have described does not contain the name of the maker nor the place where it was made nor a statement of the nature of the product entering into the manufacture of the shoe; and I feel very sure that no manufacturer would place his name upon a shoe such as I have described.

Mr. GOEKE. Your motion would be that in the manufacture of shoes, the manufacturer should indicate somewhere on the shoe itself or boot, or whatever it might be, whether it contained anything other than pure leather?

Mr. CAMPBELL. Yes, sir; and it should also contain his name.

Mr. GOEKE. The manufacturer's name is frequently there, but not the material that the shoe is made of?

Mr. GOEKE. I want to get your idea on this a little bit further and see how far that would be practicable. Do you think it would be sufficient if the manufacturer stamped on the shoe or boot "Pure leather" or "Not pure leather"? Would that be sufficient, in your judgment?

Mr. CAMPBELL. That is a detail.

Mr. GOEKE. When you go on in your bill and state that he shall give the substance, that might be a pretty difficult thing to do, might it not?

Mr. CAMPBELL. Oh, no. He could say: "This is made of oak tan leather," or "The sole of this shoe is a composite made as a substitute for leather."

Mr. GOEKE. Under the terms of this bill would you not have to give the ingredients of that substitute, unless you designated particularly what should be put in the shoe?

Mr. CAMPBELL. That could be done as a label attached to the shoe—placed in the shoe.

Mr. GOEKE. It might be some secret process?

Mr. CAMPBELL. It might be, but the public has the right to know, just as the consumer of an article of food has the right to know, or the consumer of an article of medicine has the right to know.

Mr. GOEKE. I am trying to get at the practicability of the plan.

Mr. CAMPBELL. I think it is entirely practicable. I do not think any man has the right to filch money from the public with a product that is not what it purports to be and is not worth the money that it costs.

Mr. GOEKE. We do not disagree on that. I am not talking about that proposition. We all agree on that. The proposition I am trying to get at is how far it is practicable to state on the article itself the ingredients of the material from which it is made.

Mr. CAMPBELL. That is not practical on many articles; but it can be stated in connection with the article, as is done here on a certain pair of shoes. Here is a label that goes with a shoe, telling people all about it, what it is made of, and what its wearing qualities are, and all that sort of thing.

The CHAIRMAN. Do you think in order to make this proposition safe it ought to go that far?

Mr. CAMPBELL. It ought to go that far; yes.

When a shoe manufacturer can place a label or certificate like that I have just shown the committee, he can also state upon a similar label what the shoe is made of. There is nothing impracticable about it.

Now, to pass on to other matters, because the bill does not relate solely to the shoe trade, but relates to the products of manufacture generally; I can take up any branch of manufacture—buggies, harness, organs, pianos——

Mr. GOEKE. Before you go to that, let me ask you one more question about this tag proposition.

Mr. CAMPBELL. Yes, sir.

Mr. GOEKE. Do you not think it would be safer to require the shoe manufacturer, if this plan should be adopted or passed, to show upon the shoe itself, on the inside, for instance, what it

contains? It would be easy to counterfeit or forge these tags that are attached loosely.

Mr. CAMPBELL. I do not think it is impracticable at all to do that sort of thing. I have noticed this, that when a manufacturer establishes a reputation for an article and has a trade-mark, that he protects that trade-mark just as he would protect his diamonds, if he had any.

Mr. GOEKE. He has no trouble in putting that on?

Mr. CAMPBELL. He has absolutely no trouble in putting that on. If it is a liquid, in the form of a bottle of medicine, he gets his name connected with that in such a way as to protect what he regards as a valuable article of commerce. And there is no trouble about it. A manufacturer who has an oil that he puts up in bottles can imitate the manufacturer of patent medicines, if he wants to get his name out in connection with it.

The name can be blown in the bottle, and manufacturers do blow it in the bottle when they have an article that they are willing should go upon the market with their name and reputation. And manufacturers state what is in a product now, if it is an article of medicine or food, under the pure food and drugs law, and it has worked no great hardship, and from year to year it is becoming more and more advantageous and beneficial to the public.

The health conditions of the community are becoming better and better because poisonous articles of food and drugs are kept off of the market, because manufacturers of these products of food are required to state what they are composed of and place their name upon them. Many articles of food, however, do not contain the name of the maker nor his address, but do contain the substance of which the article is made. I am sure that what has come to my observation and experience has come within the observation and experience of almost every man who has mingled a bit and is a part of the great consuming public.

You will find advertised in catalogues buggies for $40, and the advertisement states that this particular buggy is like the buggies that you pay $85 for in the local market; and if you will just send them the $40 they will send you the buggy, and you will get a buggy for $40 that would cost you $85 from the dealer at home. The buggy comes. There is no name upon it at all, and in about three weeks the paint begins to come off and in three months the wheels, and the young man who expected to have a buggy that would last him a year or two has a broken-down buggy that was not worth 40 cents in the first place. He does not know where to have his wrongs righted. He has parted with his money and he can not get an answer to the letters that he writes with regard to it.

The manufacturer is absolutely unknown to him, and there was no certificate as to what the wheels were made of or whether the buggy was painted or simply touched up to make it look like paint. The same is also true of organs and of pianos. It has been discovered that pianos were put up in poplar boxes instead of the kind of hardwood usually used in the construction of pianos. Cheap, worthless pianos and organs are yearly placed upon the market at the cost to the public of millions of dollars, and the public is defrauded because the name and certificate of the maker are not placed upon their products, so the public can not hold him responsible for putting upon the market the spurious product that he does put upon it. The same thing is true in the manufacture of clothing.

The CHAIRMAN. Let me ask you, before you get away from buggies, organs, and pianos, what suggestion would you make as to the character of the label and scope of the label that would be put upon any buggy, organ, or piano?

Mr. CAMPBELL. The label that should be placed upon the buggy could be put upon a plate and state: "The wheels of this buggy are made of second-growth hickory; the hubs are hard maple. It is painted with such and such paint; the top of this buggy is made of leather; or, the wheels of this buggy are made of sap oak; one of the fellies is made of hard pine and the other made of poplar." The plate should state what materials enter into the construction of the buggy, and the plate should state the materials that enter into the construction of the piano or of the organ.

The CHAIRMAN. Take a piano, for instance, which is made of, possibly, 100 different sorts of things. That may be an exaggerated number, but no doubt the different materials that go into the making of a piano are numerous. Would you undertake to describe each particular article that went into the manufacture of the piano, or undertake in general terms to describe the wood of which they made the body of the piano, or the material of which they made the strings?

Mr. CAMPBELL. Offhand, I should think, the principal thing about a piano would be the wood of which the framework is made and the body was made, and the nature of the strings entering into it.

Mr. GOEKE. Do you think your bill is broad enough in language to require such statements?

Mr. CAMPBELL. I think so. If not, I will say this, Mr. Chairman, I have absolutely no pride of authorship in this bill. I am anxious for amendments that will improve the bill. What I want to see is the commerce of our country filled with articles that are what they purport to be.

Mr. GOEKE. I think we all agree on that subject and are trying to find some way to do it.

Mr. CAMPBELL. I say this: It is not an easy subject to deal with. I have been working on it for four years, and I think if I were rewriting this bill to-day that I could make some improvements in it over the copy that I prepared on April 17. I know that I have improved on it from time to time since it was first introduced some four years ago.

Another thing that I have had in mind is the matter of clothing. There are many articles of wearing apparel that are to-day made under conditions that are so insanitary that no one, with our present knowledge of the manner in which diseases are communicated, would wear any of these articles if it were known under what circumstances and conditions they were made. But the name of the maker and his address is not known. There is nothing to indicate who made this shirtwaist that is offered for sale at $1.49. There is nothing to indicate who made the undergarments for the child that are offered for 19 cents, and these articles of wearing apparel are purchased and put on very much to the danger of the health of the wearer in many instances. They are made in sweatshops. They are made under insanitary conditions that make it dangerous to have them as articles of commerce and of wearing apparel. My contention is that if the provisions of this bill were complied with we would rid ourselves very largely of the productions of the sweatshop. We would elevate manufacture in our country as a whole to the very high level that much of our manufactured products occupy to-day.

Mr. DECKER. It seems to me that that is the greatest part of all, to get a bill in any way to at all cover that. For instance, take it out there where you and I live. Supposing the dirtiest sweatshop that ever existed put a lot of goods out and stamped on them the name of the maker or where they came from. I have never been to New York; lots of people out there would not know any more about it after the manufacturer's name was on it. Have you any other suggestions? Can you suggest any other way of reaching it? I thought perhaps there should be some law requiring the strict inspecting of that kind of goods before they put them out.

Mr. GOEKE. That is in one of the bills, I think.

Mr. DECKER. That seems to me the hardest proposition of all.

Mr. CAMPBELL. That should be done, and I have no doubt it would materially promote the modern idea of maintaining the health of the community. It is a very difficult thing to deal with. We are dealing with avarice on the part of the man who uses the sweatshop. The manufacturer does not place his name upon them; but suppose he did, and gave the address, the factory inspector could look him up and inspect his factory. It is discovered that his products are made in these sweatshops. The bill would enable the inspector of factories to find out the conditions under which an article was produced.

The shoe dealer wants to be let alone, but he wants to be sure that his wife and children are not imposed upon by those who deal in other products of manufacture, just as those who deal in these other products of manufacture may want to be let alone, but they want to be sure that the shoes they get are what they purport to be, and it is a matter in which the whole community have an interest that rises far above the personal interest or convenience of a given manufacturer.

The CHAIRMAN. In connection with the clothing, Mr. CAMPBELL, I want to ask you what your suggestion is in reference to this: Your idea is not only to compel the manufacturer to put his name on the garment. For instance, you take a suit of clothes, an overcoat, and a pair of trousers. It is an easy matter for the manufacturer to put the name of his factory inside of that suit of clothing somewhere. In addition to that, what would you require as to the labeling of that suit of clothes or that overcoat so as to give the contents?

Mr. CAMPBELL. My bill requires that the label state also the nature of the material entering into the suit of clothes.

The CHAIRMAN. But take wool, cotton, or half wool and cotton, or shoddy or some other material.

Mr. CAMPBELL. Yes; let him state what it is.

The CHAIRMAN. There appears to be a difficulty not with reference to the clothing but with the goods of which the clothing is made, which is sent out in the bolt, for instance. How are you going to show the quality of the bolt?

Mr. CAMPBELL. Most of the goods that are now consumed are purchased ready to wear. Our mothers used to make our shirts and our trousers and all our clothes. They do not do it any more. My bill simply requires that the products that enter into an assembled article be labeled and holds the man who makes that article responsible for its contents. He is responsible for the body of the goods, for the lining, and for the making.

The CHAIRMAN. Take goods out of which tailors make clothing, which come to them in the bolt, unmanufactured, simply the goods. How would you label a bolt of goods? Would you put the label at the end of the bolt?

Mr. CAMPBELL. Yes; at the last end, just as it is now.

The CHAIRMAN. How is it possible for the label to follow the bolt until the bolt is entirely exhausted?

Mr. SNYDER. I am a merchant tailor. That is our object in being here to-day. We would like to have all the cloths that go into our business properly labeled, stating what they are composed of. That would be a very simple matter. Suppose we get a bolt of cloth 10, 15, or 20 yards. That cloth should be labeled by the importer.

The CHAIRMAN. Do you want to be heard here at length?

Mr. SNYDER. I just wanted to answer this one question. Then we could have a ticket, one similar to the tickets placed on these shoes, and have it put on the cloth by the dealer that we purchase our cloth from—the importers, for instance—and that ticket should state what these goods are composed of. We leave that ticket on there until the cloth is entirely cut up. We put it on the white end of the cloth, and we cut off to the end.

The CHAIRMAN. That was the question I was getting at, whether or not a bolt of cloth out of which men's suits were made, or silks, or calico, or any other article sold in the bolt to the merchant and measured out by him to his customers, whether that label could be put in a place where it would show for itself as long as the bolt lasted.

Mr. SNYDER. It can be done by stamping it on the whole length.

Mr. LAFFERTY. The bolt is all on the inside, and the tag is on the latter end——

Mr. SNYDER. The tag remains on there until every yard is cut. You will take the celebrated manufacturer of Clay, in England, for instance; he stamps his cloths every 3 yards; every suit pattern has a stamp on it.

Mr. LINDQUIST. But he does not put the percentage of wool on it, does he?

Mr. SNYDER. But he guarantees that—that it is first-class in every respect. But as far as the label is concerned, that would be a very different matter.

Mr. CAMPBELL. I am very glad to have that statement from Mr. Snyder in this connection. Now, what is said of shoes, and of buggies, and of wagons, and of harness, and musical instruments, and of clothing is equally true of the thousands of articles that are daily manufactured and enter into the commerce of our country. Since I took up the subject I have had many interesting articles sent to me dealing with the subject. It has been called to the attention of German manufacturers that the American people are beginning to take the view of manufactured products that long has been the custom in Germany. We are further behind in this particular than is any other country that pretends to be a great manufacturing and commercial country. Germany and France and England have long required the highest possible standard of every product of manufacture that enters into their commerce, and the manufacturer is held strictly to account for the nature of the article he produces, and he gives his name and address and holds himself responsible to the public for every article that he places upon the market.

The CHAIRMAN. What percentage, Mr. CAMPBELL—if you have any information about the subject—what percentage of clothing and the goods out of which clothing is made is misrepresented? I mean represented to be all wool, for instance, which is not all wool?

Mr. CAMPBELL. As a matter of fact, the nature of the garment is cunningly concealed by the gloss of finish and by the arguments in its favor by a good salesman; and I am very sure, as I am sure the chairman and every member of the committee is, that a very large percentage of the clothing worn to-day by our people is not what it purports to be. Much of the clothing that is purchased upon the assumption of the purchaser that he is getting an all-wool article is less than one-half wool and in many instances contains little or no wool at all; but it does contain a shoddy. The unfortunate thing about it is that the people who are least able to afford it are most imposed upon in this particular. A good-looking suit of clothes, at first glance, is advertised for $8 or $10. In many cases it is not worth one-half the money, because it does not contain any wool at all. It is a mere shoddy that will not last the wearer at all as he had supposed it would. He parts with his money, and he has had a few weeks' or, at most, a few months' wear of the article and it is gone—the first time it gets wet. I do not know what percentage there is.

The CHAIRMAN. Do you think it is a very large percentage?

Mr. CAMPBELL. I think it is a very large percentage; I should say much more than one-half, numerically speaking. I am very sure that among the people generally more than one-half of them are imposed upon in the matter of clothing; that they do not get what they think they are getting; and that they are simply cheated out of their money when they buy much of the clothing they do buy.

The CHAIRMAN. How would you go about including articles of jewelry, for instance, under a general bill like yours? That is a subject in which there is almost as much fraud as there is in clothing.

Mr. CAMPBELL. Perhaps more. I do not know whether the chairman was a Member of the House or not when the late Mr. Olmsted, of Pennsylvania, discussed the subject of jewelry upon the floor.

The CHAIRMAN. No; I was not.

Mr. CAMPBELL. He showed the gross frauds perpetrated upon the public in the manufacture of jewelry. Millions upon millions of dollars are taken from the public every year with spurious articles of jewelry that do not even contain a wash of what purports to be gold that is sold for gold—filled stuff—and, of course, the bill I have here applies to the manufacture of jewelry just as it applies to the manufacture of shoes or clothes. The certificate of the manufacturer should accompany and be on every article.

It is doubtful if that would stop entirely the frauds that are perpetrated in connection with jewelry, but it would help. I am not expecting the millennium during the time I am on earth, am not expecting that all species of frauds will cease, and that every practice in which the public is imposed upon will be stopped, but I do think that from year to year we have made much advancement toward the betterment of these subjects, and I think that the work that is now undertaken by this committee is but another step forward, and that if we raise the plane of manufacture in this country to a higher standard, we will put honest stuff into every article that is produced. Many manufacturers will produce cheap articles, but they should say so. There should be a discrimination easily made by the purchaser when he goes in to buy between the article that is cheap and spurious and the article that is made of the best materials of which such articles are made.

Mr. LAFFERTY. Have you ever considered the question, Mr. Campbell, as to the advisability of including in your bill a short provision giving the Secretary of Commerce the power to prescribe rules and regulations necessary for the practical working out of this act?

Mr. CAMPBELL. I think that should be done. I think in the operation of a law of this character that it will be discovered that many things were not anticipated by the lawmakers, and those who have to do with the enforcement and execution of the law should be authorized to make, from time to time, such rules and regulations as are proper.

Mr. LAFFERTY. Reasonable rules and regulations?

Mr. CAMPBELL. Such reasonable rules and regulations as are necessary for the enforcement of the provisions of the law itself.

Mr. LAFFERTY. Is there any reason in your mind why an act of this character—which I heartily approve, I will say by the way—should not be made to include all articles of commerce and require full disclosures, as far as practicable, as to their contents? I mean thereby articles of food and drugs, as well as articles of other kinds; and has it ever occurred to you that this section 1 of your bill might be construed to include food and drugs?

Mr. CAMPBELL. If it does not include food and drugs, it comes short of the intention that I had when the section was drawn, because I fully intended it should include both food and drugs, and other articles.

This section reads:

It shall be unlawful for any person, firm, company, or corporation to place upon the market for interstate or foreign commerce any product of manufacture without accompanying the article with a certificate setting forth the material or materials of which the article is made, etc.

The words "material or materials" there might be held to include only clothing, boots, shoes, jewelry, etc., and, to make it clear, you might say "ingredients," because that is the term there applied.

Mr. CAMPBELL. I think the word "ingredients" might well be inserted there.

The CHAIRMAN. I would not suggest that the word "ingredients" take the place of "material," but that it be added.

Mr. CAMPBELL. That it be added is what I assumed the gentleman from Oregon suggested.

Mr. GOEKE. What effect would that have on the existing drug and pure-food law?

Mr. CAMPBELL. It would be supplemental to that law.

Mr. GOEKE. Would it not weaken rather than strengthen that law? Is it not stronger now?

Mr. CAMPBELL. No; it lacks just that element of strength. The manufacturer of many articles of food now does not place his name upon the article, and I have had more letters of indorsement, I think, from the manufacturers of articles of food products who do place their names upon their products than from any other kind of manufacturers, and they say that all manufacturers of food products should be required to place their names and certificates upon them or upon the packages containing them.

Mr. LAFFERTY. Then, if this covered drugs, it would certainly add to the strength of the present so-called pure food and drug act, because it would require a statement of the materials entering into the compound?

Mr. CAMPBELL. Yes, sir.

Mr. LAFFERTY. Which we do not have now. People buy drugs and compounds every day and do not know what enters into them.

Mr. CAMPBELL. I have taken much more time than I had intended. I simply want to say this. I have not introduced this bill and am not urging it out of any unfriendly feeling toward any industry, any manufacturer, wholesale or retail. I have prepared and introduced this bill and have been for years urging its passage, because for years I have believed it would be beneficial to our whole country—the manufacturer, the wholesaler, and the retailer, as well as the public generally—and I believe that every shoe dealer and every clothing dealer and every implement dealer and every drug dealer and every dealer in food will occupy a more secure position in the community in which he lives, and hold the regard of that community and the trade of that community better by having every article made by a reputable manufacturer who is not afraid to have his reputation and the reputation of his industry stand upon the article that he produces by having his name and reputation go with it to the wearer, to the user, and to the consumer.

I thank you, Mr. Chairman.

Mr. LAFFERTY. I have just one more question before you sit down. Your bill is very broad, and I heartily favor the bill. I should like to see it favorably reported, or one similar to it. I should like to know what you think of this proposition to require canned fish, or salmon, which we can in Oregon, to have the year on the label in which they are canned or packed. I should like to have your opinion on that point.

Mr. CAMPBELL. That might be done, and that brings up another matter. The wholesale grocers were against my bill the first time it was introduced. The association in their annual convention denounced the bill. The next year the annual convention indorsed the bill. Many large grocers have their own names placed upon the article; the name of the canner is not upon it, and in many instances the name of the wholesale grocer appears upon the can instead of the name of the canner.

Mr. LAFFERTY. Your bill authorizes both names now?

Mr. CAMPBELL. Both names now; and the attitude of the grocers has very materially changed toward the bill in the last three years.

The CHAIRMAN. That brings up a question I wanted to ask. I think it is true that a great many articles of commerce are manufactured where the name of the manufacturer is not placed upon it, but the jobber has a trade-mark of some kind that is placed upon it for him by the manufacturer, or placed upon it by him after he obtains it. How would you treat that situation? Would you require the original manufacturer to put his name upon the article, and if the jobber wanted his trade-mark on it would you put it on it?

Mr. CAMPBELL. Certainly. The bill provides for that. I thank you, gentlemen. I have taken up a great deal of your time.

District of Columbia.

EXTENSION OF REMARKS

OF

HON. FRANK O. SMITH,

OF MARYLAND,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 22, 1914.

Mr. SMITH of Maryland. Mr. Speaker, I ask unanimous consent for leave to print in the RECORD a few remarks on a bill (H. R. 12175) I have just introduced relative to the District of Columbia as a municipality of the United States and concerning the expenses thereof.

Mr. Speaker, I have just introduced a bill of the following tenor:

A bill relating to the District of Columbia as a municipality of the United States and concerning the expenses thereof.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled—

SECTION 1. That the revenue from every source received or collected by the District of Columbia, the municipal corporation created by Congress for purposes of government within the District that is the seat of government of the United States, is hereby declared to be revenue of the United States derived from the District of Columbia, and it shall be covered into the Treasury of the United States.

SEC. 2. That Congress, for the expenses of the municipality of the District of Columbia, shall appropriate from the Treasury of the United States the amount in which the estimates relative to the municipality, made and transmitted to Congress as provided by law, shall be approved of by Congress.

SEC. 3. That the provisions of this act shall become effective on the 1st day of July, 1915.

In connection with this bill I wish to put into the RECORD, for the benefit of persons interested in the subject and as explanatory of the bill, an article which I have in my hand on the relation of the District of Columbia to the Federal Government. This article was prepared with special reference to showing the connection which ought properly to exist between the District Government and its revenues and the Federal Treasury. The article was given a week or two ago to the Washington Post to be used, either as a signed communication or as the basis of an interview on the subjects therein discussed; but the Post has not found it practicable to use the article in either capacity. The article strikes me as a very clear and convincing statement about a subject of present interest connected with matters of legislation now pending concerning the District of Columbia.

This article, Mr. Speaker, under the leave which I have to print, I will incorporate in the RECORD as part of my remarks and thereby afford to my colleagues an opportunity to read what I am sure will be helpful to them in their further consideration of the subject to which the bill I have just introduced addresses itself.

The article is as follows:

HALF-AND-HALF PLAN NOT ESSENTIAL TO DISTRICT'S WELFARE—LOCAL SELF-GOVERNMENT, IN ITS PROPER SENSE, CAN NOT BE HAD AT THE SEAT OF THE NATIONAL GOVERNMENT—CONTROL, CARE, AND GOVERNMENT OF THE DISTRICT IS A NATIONAL MATTER.

All revenue raised by taxation in the District ought to be covered into the Treasury of the United States, and Congress, from the Treasury of the United States, ought to make all requisite and needful appropriations for the municipality which is the seat of Government of the United States.

Taxes in the District, levied according to a fixed rate upon property valued according to just principles of assessment, ought to be revenue of the United States, collected from the people of the District as due to the Government under which they live, and the taxes so levied and collected ought to constitute for the people of the District a full discharge of all local liability to the United States for good government in the District.

John Altheus Johnson, of the Washington bar, discusses the District of Columbia as the seat of the Federal Government.

EDITOR WASHINGTON POST:

The people of the District of Columbia occupy a position in the citizenship of the country which is both peculiar and anomalous. A community of American citizens, without suffrage, without power to control the local government under which they live, and without a voice in that government. Such a situation is certainly without a counterpart in a country in which the basic principle of government is, and from the beginning has been, that a people have the right to govern themselves; to manage their own affairs, either directly or through agents of their own choosing.

But this anomalous condition in the District of Columbia is not a thing of accident or oversight. Its cause, and likewise its vindication, is to be found in the very structure of the Federal Government. When the makers of our dual form of government were at work, they recognized that the State and the United States were to be the complement, the one of the other, each sovereign and supreme within its own sphere and jurisdiction, but each correlating the other, the two together necessary to the complete whole. But should the Federal Government, a Union of States, have its capital in territory over which a State had authority or dominion? Read the provision that was made,

and written into the fundamental law, concerning a place for the Capital City which the States and the people of the States desired for the Government they were making:

"The Congress shall have power to exercise exclusive legislation in all cases whatsoever over such District (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of Government of the United States."

In that provision there is no possibility of statehood or of dual or divided authority, but power over the seat of Government so plenary that it is well nigh absolute, equaling the powers of a State legislature and of the National Legislature combined, and that power to be exercised by the Congress, which represents the States and the people of the States; and into that Congress not even a people in training for statehood have ever had a vote, although permitted to have a voice when the deliberations of the Congress affected their own affairs. Into that Congress and into the Federal Government may come future States and their peoples; indeed, as to the vast domain belonging to the United States where States did not exist, except potentially, it was expressly written into the Constitution that Congress should have the power to make "all needful rules and regulations," thereby providing for the care and the government necessary to the making of future States; but the district which should become the seat of the Federal Government was made to be void of power in that Government which was composed of States and which derived its powers from States and from the people of States. In a State the people can by their suffrages dominate and control every part of the machinery of their government, remaking it, if need be, from top to bottom. In the District of Columbia the people of the District are altogether devoid of political power and can exercise none, unless it be given to them by a government of which they are not factors and into the control of which they can not enter. Autonomous government by the people of the District of Columbia is not possible under the Constitution of the Federal Government, and why should a person in the District clamor, like a child for a plaything, for what he sees in use by his countrymen in the States? Why cry for something which is beyond his effective use and which, if given to him in form, would, with all its fruit, though fair to the eye, be if touched by the American Congress as tasteless to him and and as deceptive as the apples of Sodom. The States and the people of the States are supreme in the District of Columbia, the seat of their National Government.

In the District of Columbia in 1871 there existed the city of Washington and the city of Georgetown, each a municipal corporation, with a mayor and common council, and there existed also the levy court, which by reason of its functions outside of Washington and Georgetown was likewise a municipal corporation; but all those agencies of government in the District were abolished in that year (act of Cong. of Feb. 21, 1871; 16 Stat. L., 419–429) and the District of Columbia was itself constituted by Congress a municipal corporation and provided with a governor and legislative assembly. Congress put the governor and legislative assembly out of business in 1874 (act of June 20, 1874; 18 Stat. L., 116–121) and put the municipality provisionally into the hands of three commissioners as a governing board. Later, by act of June 11, 1878 (20 Stat. L., 102–108), the system was established, which has ever since obtained, of administering the affairs of the municipality by a board of three commissioners.

By this act of 1878 the commissioners are required, among other things, to submit annually to Congress, through the Secretary of the United States Treasury, an itemized statement and estimate of the amount necessary to defray the expenses of the government of the District of Columbia for the next ensuing fiscal year, and also a statement showing in detail the work proposed to be undertaken by them during the fiscal year and the estimated cost thereof, and in the act is the following provision (20 Stat. L., 104):

"To the extent to which Congress shall approve of said estimates Congress shall appropriate the amount of 50 per cent thereof; and the remaining 50 per cent of such approved estimates shall be levied and assessed upon the taxable property and privileges in said District other than the property of the United States and of the District of Columbia."

The provision just quoted is the "half-and-half plan," so called, according to which Congress has appropriated for the government of the District of Columbia since 1878.

As already stated, it was in 1871 that Congress made of the District of Columbia a municipal corporation in whose name and authority local government in the District was to be administered, blotting out the existence and authority of the several municipal corporations which theretofore had exercised governmental functions in different parts of the District; and ever since 1871 the corporation known as the District of Columbia has been the sole and only municipal corporation within the limits of the territory that constitutes the seat of the Federal Government.

The "half-and-half plan," so called, exhibits the District of Columbia not only as a municipality for local government in the District of Columbia, but as having a treasury of its own, as municipalities usually have, to be supplied by local taxation; and then appears the fact that this municipality, for the purposes of local government, seeks and receives from the Treasury of the United States aid to as large an extent as the fund raised by its own local taxation.

At once, by reason of the very terms in which we are expressing ourselves, arises a necessity for entering upon what the advocates of the half-and-half plan call a "campaign of education." The people of the States know that municipalities, which are only agencies for local government in some phase or other, bear their own expenses, and that it would not be tolerated that the people of a local community should be chronically calling on the treasury of the State for subsidies to help maintain, exploit, or develop themselves locally. And when you have explained the situation in the District of Columbia in such a way as to show that the expense of maintaining local government ought not wholly to fall upon the private owners of taxable property in the District, but ought, in part, to be borne by the General Government, whose property of every kind, including the property of the District of Columbia, is wholly exempt from taxation, then you are under the necessity of further explaining what proportion of the expense ought to be borne by the General Government. But in the District of Columbia it is not possible to separate or disentangle the common interests of the local and the General Government, or, viewing the two Governments as separate and distinct the one from the other, to apportion between them with exactness the expenses of the municipal upkeep. Public and private property alike, to a large extent, are served by the same facilities. And if a proportion were fixed as proper at one time, regard being had to conditions and circumstances then existing, the proportion would need, on similar considerations, to be refixed at another time.

It might therefore be a thing of some difficulty to educate the people of the country to a proper appreciation of the half-and-half plan as a relief measure for the people of the District of Columbia, the matter appearing in the aspect of the United States paying money into the treasury of the District to defray for the people of the District the expenses of local government in the District.

But let us for a moment clear the situation of all such notions as imply that the people of the States and the people of the District are in a kind of partnership for the government of the District, and that rights and equities exist which it is necessary to consider carefully and adjust, lest in such government one of the partners should get the better of the other. Suppose it were made to appear to the people of the States that there was no municipal treasury in the District of Columbia; no municipal government except as an agency of the Federal Government, the Government of their own creation; that into the Treasury of that Government went all the money that was raised by taxation in the District of Columbia; and that from that Treasury must come all the funds that go to the development, the care, and the government of their Capital City and the Federal municipality. Think you, under such circumstances, the District of Columbia would suffer, or the Capital City, which is growing and expanding in every part of the District according to the plan originally designed for the city of Washington, whose boundaries as a municipal corporation no longer exist, the very name of Boundary Street having become Florida Avenue?

Suppose a legislature were created by Congress and put into the hands of the people of the District for legislation local to the District, would not its acts, no matter on what subject, if not pleasing to Congress, be by Congress nullified, set aside, and modified at pleasure? Would it not soon, if suffered by Congress to continue to exist, be so stripped of power that nothing would be left to it except the remains, perhaps, of a little of the "police power" of which Congress for the United States is possessed in the District of Columbia? And of that power the Commissioners of the District, under the present system of government, have been given not a little, enabling them in some cases to make regulations which amount to legislation of a pretty substantial sort. Is it possible to detach and say of any part of legislation in the District of Columbia that it is non-Federal? Is not the whole District of Columbia and everything within it, so far as government and legislation are concerned, Federal in character? And why should people in the District cherish the notion that the District is or can be a local self-governing municipality, to be managed by the people of the District, in the government of which, however, they would want the help, pecuniarily, of the United States Government? Why not recognize that Washington as the Capital City of the United States is not like any other city, in that its purposes and character as the Federal City prevent, at the hands of the people who reside in it, either local control or local development, in the sense in which we talk when speaking of other American cities? In the States municipal government is the means by which the State permits to the people, within the scope and purview of the charter or powers granted, the right to manage their own local affairs. In the District of Columbia municipal government is the means by which the United States governs the District which is the seat of the Federal Government.

Does not Washington, planned in the beginning for the seat of government of the United States, stand already as a Capital City unrivalled among the nations of the earth, developing according to a scale so magnificent that the realization of it would have remained but a dream except for a city planned for and to be maintained by a Government that should grow to be both great and powerful? And what better typifies the magnitude, the power, and the dignity of this Government, composed of Commonwealths which stretch from ocean to ocean, than the magnificent city that unfolds itself at its Capitol?

When the owners of land in the District outside of the original cities of Washington and Georgetown, to meet the requirements of a growing population, began to plat and to subdivide and to record their subdivisions, did not Congress speak by an act entitled "An act to regulate the subdivision of land within the District of Columbia" and say:

"SEC. 5. No future subdivisions of land in the District of Columbia without the limits of the cities of Washington and Georgetown shall be recorded in the surveyor's office of the said District unless made in conformity with the general plan of the city of Washington." (Act of Aug. 27, 1888; 25 Stat. L., 451.)

And did not Congress thereupon direct that the surveyor of the District be required to establish and permanently mark points of reference for the extension of streets and avenues throughout the District?

And, as if that were not enough, did not Congress a few years thereafter, by an act entitled "An act to provide a permanent system of highways in that part of the District of Columbia lying outside of cities," authorize and direct the Commissioners of the District "to prepare a plan for the extension of a permanent system of highways over all that portion of said District not included within the limits of the cities of Washington and Georgetown"?

And in this connection direct as follows: "The highways provided in such plans shall not in any case be less than 90 feet nor more than 160 feet wide, except in cases of existing highways, which may be established of any width not less than their existing width and not more than 160 feet in width."

And was not the direction also "to lay out at the intersections of the principal avenues and streets thereof circles or other reservations corresponding in number and dimensions with those now existing at such intersections in the city of Washington"?

And was not the map thus prepared, showing the plan of the streets and avenues of the Capital City as extended throughout the limits of the District of Columbia, directed to be filed and recorded in the office of the surveyor of the District of Columbia; and did not Congress, having regard to such map, declare "no further subdivision of any land included therein shall be admitted to record in the office of the surveyor of said District, or in the office of the recorder of deeds thereof, unless the same be first approved by the commissioners and be in conformity to such map"? (Act of Mar. 2, 1893; 27 Stat. L., 532–537.)

Many cities contain large factories and have within their limits industrial plants of many kinds, on which they largely thrive, but in Washington smoke is declared to be a public nuisance, Congress, by an act entitled "An act for the prevention of smoke in the District of Columbia," having declared:

"That on and after six months from the passage of this act the emission of dense or thick black or gray smoke or cinders from any smokestack or chimney used in connection with any stationary engine, steam boiler, or furnace of any description within the District of Columbia shall be deemed, and is hereby declared, to be a public nuisance: *Provided*, That nothing in this act shall be construed as applied to

chimneys of buildings used exclusively for private residences." (Act of Feb. 2, 1899; 30 Stat. L., 812.)

Other cities, managed by local constituencies, may permit the erection of such freaks in architecture as buildings that rise in height to 40 stories and more, but for Washington Congress, by an act entitled "An act to regulate the height of buildings in the District of Columbia," declared in section 4 of the act:

"In no case shall a building exceed 90 feet in height on a residence street nor 110 feet on a business street, as designated by schedule approved by the Commissioners of the District of Columbia, except on business streets and business avenues 160 feet wide, where a height not exceeding 130 feet may be allowed." (Act of Mar. 1, 1899; 30 Stat. L., 922.)

By the act of June 1, 1910, "buildings that shall front or abut on the plaza in front of the new Union Station are not to exceed 80 feet in height, and a height of not exceeding 160 feet is permitted to buildings on the north side of Pennsylvania Avenue between First and Fifteenth Streets NW." (36 Stat. L., pt. 1, 452–455.)

What local community ever conceived for execution, or sought to execute, a city on the plan of that designed for the seat of government of the United States? Would it be possible for a local constituency to have charge of, maintain, and govern the Capital City of the American people?

But the House of Representatives is becoming dissatisfied with the "half-and-half plan" of appropriating for the expenses of the District of Columbia, as is evident from a provision inserted by the House Committee on Appropriations in the District appropriation bill which is now before the House for consideration (bill H. R. 10523, 63d Cong., 2d sess.), that provision being as follows:

"SEC. 8. That to the extent the revenues of the District of Columbia for the fiscal year 1915 shall exceed the proportionate part of the appropriations made in this or any other act and chargeable against said revenues the same shall be covered into the Treasury of the United States to the credit of 'Miscellaneous receipts.'"

The dissatisfaction in the House of Representatives is further manifested in the Crisp bill, so called (bill H. R. 9417, 63d Cong., 2d sess.), which seeks to repeal outright the half-and-half plan of appropriating for the government of the District. Whatever the reasons are that have been given in support of the Crisp bill, the underlying principle of the bill is correct. That bill, rephrased, is now on the calendar of the House of Representatives, with a report from the Committee on the District of Columbia recommending its passage with an amendment. The amendment proposed is that the estimates which are made to Congress relative to appropriations for the District of Columbia shall not, for any year, exceed the revenues of the District for that year. A better amendment would be a provision that all taxes hereafter assessed and collected upon property in the District of Columbia shall be revenues of the United States and be covered into the Treasury of the United States as revenue derived from the District of Columbia.

Such an amendment would leave untouched and wholly unaffected the form of government established for the District by the act of June 11, 1878. The Commissioners of the District, appointed under that act, would, as heretofore, submit their estimates; the Congress, as heretofore, would approve or not, just as it pleased, and, as heretofore, would appropriate according to its approval, the appropriating act omitting, of course, such words as the following, which are now used, namely, "the other half [of the following sums] out of the revenues of the District of Columbia."

All taxes collected by the District are now, as a matter of fact, as required by the act of June 11, 1878, deposited with the Treasurer of the United States, but are not technically "covered" into the Treasury as revenue of the United States.

If a State were to appropriate to itself funds which a municipality of its own creation had raised, and the municipality was thereby embarrassed in the discharge of the obligations it had lawfully incurred, the question might arise, at the instance of the parties dealing with the municipality, whether such act on the part of the State was permissible in view of the provision of the Federal Constitution that "no State shall pass any law impairing the obligation of contracts"; but no such question could arise in connection with Congress and the District of Columbia, because Congress is under no such inhibition, and because, the District deriving from Congress its authority to make contracts, Congress would see to it that all contracts by and in the name of the District, properly made, were properly fulfilled. Indeed, by express act of Congress, the Commissioners of the District of Columbia "have no power to make contracts to bind said District to the payment of any sums of money except in pursuance of appropriations made by law, and not until such appropriations shall have been made."

The District of Columbia as a municipality, unless authorized by Congress, can neither raise, hold, nor expend money; and funds belonging to the treasury of the municipality, raised by taxation in the District, are as absolutely under the control of Congress as if the name of the municipality did not figure in the matter. The officers and agents of the municipality have no other or greater authority than is conferred upon them by Congress. The municipality of the District of Columbia is but an agency of the Government of the United States created by Congress for purposes of government in the territory that constitutes the District of Columbia.

The assurance in the present system of administrative government that the needs and wishes of the District, considered locally, shall be brought to the attention of Congress, whether in estimates for appropriations or otherwise, is to be found in the following provision of the act which established for the District the present form of government, namely:

"The two persons appointed from civil life shall, at the time of their appointment, be citizens of the United States, and shall have been actual residents of the District of Columbia for three years next before their appointment, and have, during that period, claimed residence nowhere else." (20 Stat. L., 103.)

It would be no change of the system to make the civilian commissioners elective instead of appointive; and Congress, if it were so desired, might very easily and very properly make such a change and permit the people of the District by ballot to select the two civilian commissioners; and then, as heretofore, the commissioners could make their recommendations; but, as heretofore, their favorable recommendation would not be a guaranty of the passage of a measure nor, on the contrary, would their adverse report on a measure be a guaranty of its nonpassage.

It would seem also, along this line of bringing to the attention of Congress the needs and wishes of the District considered locally, that the people of the District might very properly be permitted to select by ballot a Delegate whose voice in Congress and among the Members thereof on affairs touching the District would be the voice of one specially indorsed by the people of the District as authorized to speak in their behalf.

Until the Congress shall plainly write into the statute books the true and basic relation of the District to the Federal Government involving the maintenance within the District of local or municipal government by the United States all expenses thereof to be paid from the Treasury of the United States, and, as an incident thereof, the perception by the United States of all revenues raised by taxation in the District, there will be disputes and difficulties about the situation; about the proportion of expenses proper to be borne by the United States and by the District, respectively, and about the rate of taxation in the District as related to such proportion.

A general rate upon property, according to which persons may properly be required to pay taxes to the Government under which they live, would be much more easy to fix than the relative and varying proportions in which in the District of Columbia public and private property, respectively, should be assessed for the expenses of government in the District. If the rate of taxation in the District, fairly fixed, be stable, and if the valuation of property in the District for taxation be according to just principles of assessment, then there ought to be no special cause for concern on the part of property owners and taxpayers in the District.

Congress in considering appropriations for the District might not indorse, to the extent of making an appropriation therefor, every scheme proposed in the interest of social reform or civic uplift or local development, but every work or enterprise of a municipal character entered upon in the District of Columbia needs the approval of Congress, with an appropriation, and the character of all municipal improvements in the District is determinable by Congress. It would seem, therefore, to be proper, the rate of taxation remaining stable and uniform, that Congress should provide the funds for all such varying improvements and enterprises as in a self-governing municipality find expression from year to year in varying tax rates. Or at the utmost, if the work or enterprise were of a kind of which Congress would approve and still of a kind the expense of which ought to be wholly borne by the District considered as a local community, then Congress knowing the estimated cost thereof might, by a species of plebiscitum, inquire of the people of the District whether they wished a special levy to be made for the proposed work or enterprise; and, if they voted in favor of the tax, Congress could make the requisite appropriation, the special tax, however, being an item additional to the regular and fixed tax rate and going, like all other taxes in the District, into the Treasury of the United States. It would seem to be proper for Congress, if it so desired, to provide a means by which the people of the District could definitely make known their will, if Congress in any particular matter, for the purpose of determining its own action in the premises, should desire to know what that will was.

The tax rate upon real estate in the District as prescribed in the act of June 11, 1878, was fixed with reference to a maximum rate, as follows:

"That the rate of taxation in any one year shall not exceed $1.50 on every $100 of real estate not exempted by law: *Provided*, That upon real property held and used exclusively for agricultural purposes, without the limits of the cities of Washington and Georgetown, and to be so designated by the assessors in their annual returns, the rate for any one year shall not exceed $1 on every $100." (20 Stat. L., 105.)

The rate was made absolute (agricultural land disappearing from view) by the act of July 1, 1902, which is still the law, as follows:

"That hereafter all real estate in the District of Columbia subject to taxation, including improvements thereon, shall be assessed at not less than two-thirds of the true value thereof, and shall be taxed 1½ per cent upon the assessed valuation thereof." (32 Stat. L., pt. 1, p. 616.)

Under the conditions of the Federal Constitution it is not permitted to the people of the District of Columbia to exercise more of local self-government than merely to be able to make their wishes known to the Congress of the United States, whose action in the premises is beyond control, one Congress, however, not being able constitutionally to bind or control another.

Post Office Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. SILAS R. BARTON,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 23, 1914,

On the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. BARTON. Mr. Speaker, the Postal System of this country is one of the largest business enterprises in the world. It is the only branch of the Government that is self-sustaining. This system is the pride of the American people, and it should be the desire of all to further extend its service and better its efficiency.

We pride ourselves on the splendid organization that we have builded, and in this day of the exceeding high cost of living we should not in making up this budget forget the men who are responsible for the splendid service given.

My colleague has stated that there have been 85 changes or advances in the various classifications, all receiving $100 advance except 3, and among the 3 not receiving their just advance is the rural letter carrier.

His city brother, performing the same kind of work where he is not exposed to such an extent to the elements, is given a uniform and an allowance of three or four hundred dollars for equipment, but the rural carrier, under much greater ad-

verse conditions, must provide his own conveyance, and in this day in handling the parcel post it means different and more expensive equipment, which he out of his own funds must provide. It has developed in the course of this argument that practically his minimum expense in equipment, feed for his horses, and natural incidentals that he can not have more than $600 for a livelihood. He goes through rain and storm, through snow and mud. He does his duty like the soldier he is, and, gentlemen, compare his wages with that of other arms of the Government service or with that of the employees of other big business and you will know that he is underpaid. The increase asked for is only $100 per annum. This does not equalize him with his city brother who is rendering exactly the same kind of service. The men he serves pay first-class postage on most of their business. Their business makes the surplus in this great Post Office Department besides taking care of the deficiency created by the second-class matter sent from the cities, and I believe in pure justice that he should have this $100 increase, thereby taking one small step in adjusting the great inequality now existing.

I also hope the Reilly amendment will prevail. We have demanded that corporations make provision for their injured, and in other departments of the Government we make this provision; and while I know it will meet with opposition, I shall vote for the amendment and believe that the good judgment of the House will write it into law.

Underpaid Rural Carriers Hauling Tons.

EXTENSION OF REMARKS

OF

HON. ALBERT JOHNSON,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 23, 1914,

On the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. JOHNSON of Washington. Mr. Speaker, can it be possible that this paragraph granting carriers on rural routes a picayunish increase in pay of $50 a year is being stricken from the Post Office appropriation bill by the advice and with the consent of the Democratic Party? The party, it seems, has ordered that this increase shall not be, and the party will pay the penalty.

The gentleman from New York [Mr. FITZGERALD] has just said:

> There are a great many places where the men (rural carriers) are living in a luxury they never heretofore dreamed of living in.

The gentleman from New York adds—

> And that is not alone true of the rural carriers; it is true of the city carriers. * * * It is a farce to compare the conditions of the carrier in a city like New York or Chicago with the conditions in a city of 100,000 or of 50,000 population. The cost of living is infinitely different. The conditions of life are infinitely different.

Mr. Speaker, I believe that statement will be resented by city and rural carriers everywhere. With all due respect, I desire to say that I know it does not fit the situation as regards any carrier on any route in the far West.

It is a fact, Mr. Speaker, that on one route running into Shelton, Wash., copper miners are shipping ore to the smelter at Tacoma by parcel post, finding it cheaper than to freight the ore, but breaking the back of the carrier.

On another route, running north from Moclips, grocery men are shipping canned provisions, sugar, and other commodities in such quantities that the carrier is simply staggering under the load. This rural carrier went into the service under bond, taking a contract which called for one horse and a long trip over a hard trail clear up into the Queets country. Now he is required to use five horses; and hay is $25 a ton out there, and oats $32 a ton. Why, Mr. Speaker, that man is not receiving enough salary to pay for the feed of his horses. And your Democratic Party refuses to permit the trifling increase provided in this bill.

Your spokesman, the gentleman from New York [Mr. FITZGERALD], says:

> I do not believe, Mr. Chairman, that this is the year for the Democratic Party to be indulging in wholesale increase of compensation. This provision only meant a difference of $50 a year to each individual, but it meant $2,700,000 added to the expense of the postal department. Among the pledges made by the Democratic Party in the last campaign, sometimes somebody should remember that one of them was a pledge to conduct the Government economically

Great guns! New embassadorial situations provided in Paraguay and Uraguay, just as easy as one, two, three—no word said as to economy—and then when it comes to adding a trifle to these rural carriers' pay—the addition should be $300 a man, instead of the poor little $50 which has been proposed and knocked out—we are met with a cry of economy.

Let the rural carriers spread the news. And, believe me, they will. Let the rural route man, running out of Puyallup, or any other town, with three horses, two wagons, and $400 to $500 necessary equipment expenses out of his $1,100 salary for a hard 25-mile route, tell that a sudden notion for Democratic economy, hit him at this particular point of the Post Office appropriation bill. Let him carry that news, along with the messages of good cheer; along with the letter from the struggling boy away at school or at work; along with the agricultural documents which tell how to achieve success at this and that; along with the franked speeches of statesmen, who have hitched their wagons to the stars and forgotten the underpaid employees of the Government; along with the pesky little packages of free seeds from this great and generous Government; along with the 50-pound packages of ore; along with the 10-pound salmon, the tub of sauerkraut, the sack of apples, the samples from the mail-order houses, and all the other things that go and come under the new 50-pound parcel-post rule.

Mr. Speaker, under that rule the rural route men are carrying tons, not pounds, and they are denied an increase in pay of $50 a year. What does this overwhelming Democratic majority think of it?

Post Office Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. AUGUSTINE LONERGAN,

OF CONNECTICUT,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 23, 1914,

On the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. LONERGAN. Mr. Speaker, the bill under consideration in the main meets with my approval. It has many excellent features. It liberally provides for our rapidly expanding and efficient Postal Service. The section providing for compensating employees for injuries received, without their neglect, while on duty, and similarly for the payment of sums of money to their representatives in case of loss of life during hours of employment, is in line with modern progress.

The paragraph providing for experimental village delivery service in towns and villages having post offices of the second and third class that are not by law now entitled to free delivery service should stand. The residents of the country have the rural free delivery and those of the larger communities the city free delivery. Residents of many of our towns and villages do not have free delivery service, but they are entitled to it. The fact that they do not reside in towns with a population of 10,000 or over or that the post-office receipts in their town did not amount to $10,000 at the close of the fiscal year ought not to preclude them from free delivery service. The experimental service is working satisfactorily and should be continued.

I note that an increase for rural free delivery carriers is provided for, but it is insufficient. In the district which I have the honor to represent six carriers report as follows:

Length of route and net annual income.

21 miles	$486.00
22.3 miles	390.54
21.5 miles	497.00
24.3 miles	712.00
22.1 miles	476.93
24.8 miles	649.40

As the laborer is worthy of his hire, the next appropriation bill from this committee should provide more liberally for these men. Day after day, in fair weather and in stormy, from morning until night, they serve the patrons along their routes, and it is only justice that the faithful service of these daily messengers should be adequately compensated.

I am opposed, however, to section 6 of the bill. Not because I believe the civil service is administered as claimed by some of the gentlemen—but because I think its permanency is established, and for the further reason that the highly efficient Postal Service ought not to be tampered with.

On examination we find that 47,999 employees are in the classified service who received their classification without examination. It strikes me that this is unfair and unjust, especially as in some cases, at least, others have qualified for positions so classified but were not given appointments. All positions in the classified service which are not filled by persons who attained the required standing in competitive examinations should be thrown open to examination and filled by those succeeding in competitive tests. No one should receive an appointment by the spoils system and hold it by the merit system.

The civil service is adopted by many industrial and commercial organizations as well as municipal and State governments. Such a system now obtains in Connecticut. A further evidence of the growth of the popularity of the system is found by the action of Senators and Representatives in holding preliminary examinations for candidates for appointment to Annapolis and West Point. I have made satisfactory tests of this plan.

I was among those who voted to remove deputy marshals and deputy revenue collectors from the classified service, because the marshal and collector have several deputies for whose official action they are held responsible, a responsibility similar to that of a county sheriff for the official acts of his deputies, and they ought never to have been included under the provisions of the civil-service law; but that case is not parallel to that of a postmaster and his assistants. In the former there is no special knowledge required and no supervisory authority over an entire office and its force and daily contact with the public such as is demanded of an assistant postmaster. The latter is, in part, an executive. In many cases his services to a new postmaster are indispensable. If he is an incompetent or undesirable, he may be demoted or dismissed from the service. His retention in the classified service means an incentive to the post-office clerks and an assurance of a continuance of the classification system in the Post Office Department.

The present administration has established a reputation with the people of the country for constructive legislation. It has enacted into law two great measures, with others soon to follow. While reforms in the civil service are needed, not the least of which is that more sensible examinations be given, this Congress ought not to weaken what is accepted by the American people as a permanent institution.

Rural Carriers.

EXTENSION OF REMARKS

OF

HON. JAMES W. BRYAN,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, January 22, 1914,

On the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. BRYAN. Mr. Speaker, there is not the slightest room for difference of opinion as to the merits of the proposition to raise the salary of the rural carriers. I do not propose to burden the RECORD with a long statement about the matter, but I believe the proposition is so meritorious that the Committee on the Post Office and Post Roads will bring in a special bill that will not be subject to the point of order.

I was elected here as a representative of my State at large. We have a big rural population, and the rural carrier is not paid the salary he is entitled to receive. My attention was first called to the position of the rural carrier at a meeting of postal employees at Everett, Wash., last winter. I do not remember the name of the rural carrier who spoke, but he made plain the burdens and the meager salary of the rural carrier, and it seemed to me there could be no question raised here. Of course the parcel post has increased his work, but it must be remembered that these carriers going through the rural districts each day are able to spread good news or bad news. If they feel that they are mistreated by the Government, they will not give the best service.

ASSISTANT POSTMASTERS.

I am glad the President has put his foot down so emphatically upon the effort of certain members of the Democratic Party on the floor of this House to reintroduce the spoils system by throwing off the classified civil-service list the assistant postmasters. If the civil service is not fairly administered, it is the duty of the present administration to correct all existing irregularities. The time will come, and it will come soon, in my opinion, when the postmasters are all covered into the civil service. The people of the country get no advantage from the scramble of party men for the spoils of office. We have, in part at least, advanced away from that system, and it will be a sad day for the country when we return to it.

COMPENSATORY TIME FOR SUNDAY WORK.

I was glad to see the provision which was designed to amend the present Sunday compensatory time law, because the effect of the amendment would have been to abrogate the principle of the weekly rest day, so recently established in the service, by legalizing continuity of service. The present 6-day rebate limit is entirely satisfactory to the employees, because it insures a period of rest immediately following the Sunday worked. A 30-day rebate limit might mean, if the mails were heavy, continuous service for two, three, or four weeks. The employees prefer one day each week rather than two days every second week or three days every third week.

In effect the present law has had the desired result of minimizing Sunday work in the post offices, which has long been the aim of the department and the wish of the people throughout the country. Supervisory officials, mindful of the fact that Sunday work must be compensated within the following six days, have reduced crews to a minimum—just men enough to distribute the important mail. But were the 6-day inhibition removed, were the rebate latitude extended, the natural inclination of the supervisory official would be to bolster up the present Sunday crews and trust to a lull in the mails within 30 days to permit of a lawful rebate.

Practically the only Sunday work now done in post offices is the distribution of mail. Thus the rebate law affects only distributors—men who work nights, holidays, and irregular hours, and whose compensation is no greater than those who are relieved altogether from Sunday work in the service. If the change in the law is contemplated because of a desire for economy as the department states, it necessarily follows that this economy is practiced at the expense of these self-same distributors, whose services are so valuable that they can not be granted a fixed day of rest.

The proposed 30-day rebate limit is unsatisfactory to the department and the employees. The argument that it will cover the holiday mail rush by permitting greater leeway in rebating adds nothing to its value, because the present 6-day rebate law was found elastic enough during the recent Christmas congestion. In most of the large offices of the country the department technically violated the law by allowing no rebate time during Christmas week. The employees, realizing, as faithful public servants, the necessity of keeping the holiday mail in motion, uttered no protest. This proof of the elasticity of the law, the employees argued, effectually removes the only possible weakness its opponents could find in it.

While the difference between a 30 and a 6 day rebate may not seem apparent to one outside the service, yet from the viewpoint of the men affected the weekly rebate limit is much more desirable. It has been in successful operation for almost a year, and its abrogation on the plea of economy is scarcely justifiable in view of a reported surplus of $3,800,000 for the postal service. A 30-day rebate, it may be said, will not be construed to the disadvantage of the employees; yet they know from past experience that their surest safeguard is an explicit legislative act of Congress, defining in unmistakable terms the intent of that body. For this reason they want the present 6-day law rather than the 30-day, as proposed.

COMPENSATION IN CASE OF INJURIES.

There has been considerable discussion here as to compensation for postal employees in case of injury or death. I have already stated that the amount of the compensation is entirely too low. The act as it passed allows $2,000 in case of death, unless the postal employee was guilty of contributory negligence. The friends of the employees ought to look after this matter and see to it that an effort is made to induce the Senate to entirely abrogate this ancient doctrine of negligence. The compensation is for the widow and children and other dependents, and it is too late after a railway mail clerk, for instance, has been killed to raise the question of negligence.

I had the privilege on one occasion quite recently to ride on the mail car a considerable distance with a railway mail clerk. The result of this was that I became convinced that, whatever may be said of other branches of the Postal Service, the railway mail clerk is the boy that earns his pay.

Post Office Bill.

EXTENSION OF REMARKS
OF
HON. ALLEN T. TREADWAY,
OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, January 24, 1914,

On the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. TREADWAY. Mr. Speaker, in common with the other speakers on the subject, I am in thorough sympathy in the effort being made by the friends of the rural carriers to increase their rate of compensation. No class of Government employees are subjected to greater hardships than are these faithful men who are daily the link between many isolated sections and the outside world.

In my district, in the hills of western Massachusetts, they perform their arduous task during the winter season, showing great hardihood in the face of inclemency of weather, over snow-drifted roads and while the temperature is very low. Within two weeks the thermometer in our section has reached 30° below zero, and on several occasions did not go over the zero mark throughout the day.

The editor of the Rural Free Delivery News is to be congratulated on his method of furnishing the Congressmen the statements of carriers in various sections. Some of these sent to me show that four horses are necessary to perform the work, which must be purchased, fed, and maintained, vehicles supplied, and the carrier's salary also secured from the munificent sum of the Government rate of from $770 to $1,100 a year. One carrier received, in my district, as his net salary last year $248.75 and another $264.15. I have made up the following figures from statements received from the carriers in my district, which will give a good idea as to the expenses they are under and the compensation they receive at the present time.

The average investment that these carriers had to make at the start was $514.50.

The average gross salary per year for the carriers was	$1,009.55
The average expense during the year was	503.55
Making an average net salary for each carrier of	506.00

I am very glad to corroborate the statements of other Members in behalf of the rural carriers, and urge a liberal increase in the salaries of these men.

Post Office Appropriation Bill.

REMARKS
OF
HON. ALFRED G. ALLEN,
OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 23, 1914,

On the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. ALLEN. Mr. Speaker, the pending amendment in the main seeks to extend to post-office clerks, city and rural letter carriers, post-office inspectors, and special-delivery messengers the provisions of the existing law as to railway postal clerks. I have given the question a great deal of consideration, and as chairman of the subcommittee to which it was originally referred reported same favorably to the full committee, which in turn incorporated it in the bill now under discussion. Nothing which has been said in opposition thereto during this debate has caused me to change my views. In fact, I am even more strongly convinced than ever before that it should be enacted into law.

Why should not the Government pay its employee injured in line of duty a small compensation for his loss of time? It is limited to a year's salary, if his disability continues that long, but if longer it does not exceed a half year's pay additional, even if he be permanently injured and never able to again perform a day's labor. In case of death resulting from injuries received while in performance of his duties, then it provides for the payment of the sum of $2,000 to the wife, children, or other dependent relative, if any, of such employee. But in no case is the Government liable where the injury or death is the result of negligence on the part of such employee. I have in mind a case in my own city of a clerk who was severely and permanently injured by a heavy sack of mail falling upon him and injuring him about the back and spine so that he was unable to perform manual labor for more than four years and never has been able to resume his former position. Upon presenting the facts to members of the Claims Committee I was advised that it would be useless to introduce a private bill in his behalf, as the committee would not report favorably, there being no precedent, but that there ought to be a general law on the subject to cover all such cases. Now, we here propose the general law for the Post Office Department. It should pass, and now is the time to do it.

Let me now take a few minutes to discuss the postal employee, the Postal Service, and this bill generally.

To procure a position in the Postal Service it is necessary for one to file an application in writing and take a competitive civil-service examination. Should he pass the required test, his name is placed on an eligible register in the order of his percentage. If his name is reached and his personal vouchers are O. K. and he meets the approval of the postmaster, he is sworn in with much dignity and ceremony and informed that he must furnish a bond before he takes up his duties. If the position he seeks is that of a letter carrier, he is also instructed to procure a uniform for himself at his own expense.

When these necessary requirements are attended to, he reports to the supervisory officer in charge and receives the information that his position is that of a substitute, and he is told to learn the different details of his position in order that he may become accustomed to the work and be prepared to fill an assignment when called upon. This breaking-in period lasts about one week, during which time he works much, learns little, and receives nothing by way of compensation. He is then assigned to the waiting list with a number of other substitutes, and when his turn arrives and there is a temporary vacancy caused by one of the regular employees being off duty, he is assigned to the place and paid at the rate of 40 cents an hour. Should the assignment be for vacation or auxiliary work the rate of pay is 30 cents an hour. His earnings during this substitute period, which averages about four years and which might be termed his apprenticeship, are uncertain and, to say the least, provides a very precarious living.

When he receives a regular appointment, he is notified to call at the office of the postmaster, where he is again sworn in with much solemnity and is informed that he will have a regular assignment at a salary of $800 per annum. If he is diligent and punctual in performing his duties and his record warrants it, he can be promoted one grade of $100 each year until he reaches the $1,000 grade in second-class offices and the $1,100 grade in first-class offices. His automatic promotions stop here, and no matter how efficient he may be or how diligently he performs his duty he can not reach the highest grade in his office unless the postmaster sees fit to recommend him in preference to another employee. The reason for this is that a policy was adopted by the second session of the Sixtieth Congress which only made provision for promotion of 50 per cent of the employees to the highest grades.

It might be well to state that the famous Hitchcock economy administration was in a large measure responsible for this policy, for they not only made the recommendation to the Post Office Committee but stated also that not more than 50 per cent of the employees actually earned promotion to the highest grade. It might also be well to state that the first session of the Sixtieth Congress provided for the promotion of every eligible postal employee, but I am informed that then First Assistant Postmaster General Grandfield resorted to every means within his power to deprive men of promotions which they had justly earned. To illustrate, the recommendations of postmasters in all parts of the country were returned to them from the office of the First Assistant, and they were politely informed that the lists should be curtailed, as the officials were of the opinion that there were too many men recommended for promotion. It was only in offices where postmasters insisted that their recommendations were based entirely on merit and where they refused to assume the responsibility of cutting the names of employees off the list that the promotions were allowed. Hundreds of employees throughout the country, who had justly earned promotion, were deprived of it that year through the action of the First Assistant Postmaster General, a man who never worked a day inside of a post office and knew nothing whatever of the practical work performed by a post-office clerk or a letter carrier.

The custom of promoting 50 per cent was followed by each Republican Congress, but the Sixty-second Congress, which was Democratic, adopted my amendment providing for the promotion of 75 per cent of these employees. There has been much dissatisfaction with this policy, which naturally causes discrimination, although not, of course, so much since the proportion of promotions was increased. Men whose records are perfect and who are by every fair method of reasoning entitled to promotion are deprived of it. It is a system that should be remedied, and provision should be made for the promotion of every employee whose record for efficiency will warrant his postmaster in recommending him. To this end I have introduced a bill for automatic promotions to higher grades, which I hope to have enacted into law during this Congress. The promotion should be regulated entirely on merit and not on the personal preference of any postmaster or supervisory official. When we take into consideration the four years' substitute period, with its small and uncertain income, and the fact that it takes from six to seven years for an employee to reach the highest grade, he should not be deprived of that which he has justly earned because there has not been a sufficient appropriation made by Congress to advance him.

And now, Mr. Speaker, in looking over the Post Office appropriation bill I find that each year great progress is being made in the way of reforms and extensions of the Postal Service. It speaks well for the Congress, and is the best evidence of the interest taken in the only branch of the Government service that comes in close contact with the people. The Sixty-first Congress enacted a law for the establishment of postal savings banks, and during the period of time that the legislation was pending many well-meaning citizens predicted all sorts of dire consequences should such radical legislation be enacted into law. The very people who were most outspoken against postal savings bank legislation are now its strongest supporters, and they have admitted that they were mistaken in their former views.

The Sixty-second Congress enacted a parcel-post law, which has been in effect since January 1, 1913. This legislation met with strong and determined opposition, and great stress was laid on the hardship that would accrue to the small merchant, and that no benefit would be had by the residents in rural communities. The fallacy of these arguments is now admitted, as it has been proven beyond the question of a doubt that the farmer and the rural citizen are the greatest beneficiaries of the law. The success of this new parcel-post law has surpassed the original claims of its stanchest advocates and supporters, and its future possibilities can only be surmised by the most optimistic advocate of the parcel post.

Another and more advanced idea is now becoming prevalent in the public mind, and that is the establishment of the telephone and telegraph service as an adjunct of the Postal Service, and the trite argument that if it has been found advantageous and, in fact, necessary for the Government to handle the written message, then why not the spoken, may well be given most careful consideration.

With all these new additions to the Postal Service, which require the best thought and ingenuity of those in immediate charge to outline plans for the proper enforcement of rules and regulations governing this immense service, it is pleasing to note that the Congress has taken into consideration the additional responsibilities that have been placed on the employees who are intrusted with the real hard work of the service and have on each occasion recommended legislation to improve the working conditions of the men.

And now, recurring again to the pending amendment to provide compensation for employees who are injured or killed in the performance of their duties, it is, to my mind, just and in keeping with the progress of the times. While there is a Federal compensation law on the statute books—the act approved May 30, 1908—and separate laws protecting employees of the Life-Saving Service and the Railway Mail Service, yet none of these laws, strange to say, makes any provisions for the city or rural letter carriers, the post-office clerks, or special-delivery messengers. Railway mail clerks have had the benefit of a compensation law since 1900, but their occupation is of such a hazardous nature that they should be protected to the fullest extent. Sea post clerks and post-office inspectors have been covered in the act which provides for railway mail clerks, and it is well that this is so. The committee has deemed it wise to go a step further this year, and we are now given the opportunity to extend the compensation act to provide for city and rural carriers and post-office clerks and special-delivery messengers.

By the act of May 30, 1908, the United States Government established a system of compensation for industrial accident for the majority of its industrial employees, this being the first general accident-compensation law of this country. However, the principle of accident compensation had been recognized much earlier through the enactment of laws for the protection of employees in the Life-Saving Service, the act of May 4, 1882, and the Railway Mail Service act of June 2, 1900.

The principle of providing compensation to injured employees is now an established one, as is attested by the enactment of laws by the legislatures of the several States. In this respect it seems to me, Mr. Speaker, that the Federal Government is behind the times, as there are a great number of our civil-service employees who are without any protection whatever in the event of meeting with accidents in the course of their employment that incapacitate them from performing their duties. There are a number of bills now pending in Congress that will remedy this condition, and I trust that a fair compensation bill will be reported to the House at an early date, and that such a bill will be enacted into law before this session of Congress adjourns.

Post Office Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. WILLIS J. HULINGS,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 23, 1914,

On the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. HULINGS. Mr. Speaker, I have reports from 24 rural mail carriers employed in my district.

The average rate of pay is $1,080 a year; the average cost of vehicles and equipment, $470 a year; the average cost of operating equipment, $503 a year; interest on cost of equipment, $28 a year; net pay per year, $549; net pay per day for 312 days, $1.76.

These men are employed in the northwestern part of Pennsylvania, where the country is generally rough and hilly. The routes average 24 miles in length.

A moment's reflection will convince anyone that a daily trip of 24 miles over the average road delivering mail and packages with a team or single horse will occupy the entire time of the carrier.

These men go rain or shine. Day in and day out, in summer heats or the blasts of winter, the carrier plods his way.

Last fall this matter of compensation of these men was brought to my attention.

This winter we had an unusual snowfall, from 2½ to 3 feet deep. Through much of that country it still lies drifted in places for the space of half a mile 6 to 8 feet deep, and the hauler is obliged to leave the roads and take to the fields. The temperature throughout that section frequently falls to 20° below zero and lower.

These men, exposed to all the inclemencies of a climate of great extremes, are performing a service of more value and more highly appreciated by the people served than that of any other branch of the public service.

The service costs the Government nothing. It is understood that the Post Office Department is now on a self-sustaining basis. Except that the carrying of magazines is done at a loss, the balance of the business done by the Post Office Department is a source of profit to the Government. The people who buy the stamps pay the bills. Unlike the military, a pension, or almost any other kind of an appropriation, neither the Government nor any person is taxed or contributes a penny except the persons who are served, the purchasers of the required stamps.

And yet the United States Government expect these men to serve it and the people faithfully for the pittance of $1.76 per day.

Mr. Speaker, it is not only for the rural carrier that I speak.

I am acquainted with the city carriers in my home city. I wish to bear testimony here to the patient endurance, the efficiency, and the high character of these men. There is no class of men in the public service anywhere that are more deserving, and, all things considered, there is no class of men in the public service so poorly paid as the carriers.

I have seen them, late and early, trudging to their tasks with a burden of 50 to 100 pounds swinging from their shoulders, whether in the sweltering heat or the bitter cold.

I have seen them this winter breaking the road through 2½ feet of snow when the entire street car service was stopped.

I am in favor of economy, but since I have become informed of the character of the service performed by these men and observed the steady, persistent, patient, and efficient service of the carrier, whether on the city deliveries or the rural routes, I regard the compensation paid them as parsimonious, approaching a public scandal.

I also desire to be recorded in favor of the extension of deliveries to towns where the service has not yet been installed.

Deliveries are already made several times daily in the cities and larger towns.

The rural deliveries serve the people in the country daily.

Experimental deliveries have been made in the smaller towns. In every case coming under my notice this service has been highly appreciated wherever installed.

Upon the petition of some of my constituents to have such deliveries established, I have been informed by the department that the experiments have not proved satisfactory, and the appropriation for the purpose was so nearly exhausted that further extension would not be made by the department.

I am persuaded that these deliveries are so beneficial that the appropriation for the purpose should be increased and the department required to carry the experiment to more definite conclusions, so that, if at all practicable, the remaining 20,000,000 of our people not now served by daily deliveries may be so served and put upon a common footing in this respect with citizens living in the country and those living in the cities.

Post Office Appropriation Bill.

REMARKS

OF

HON. THOMAS M. BELL,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 23, 1914,

On the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. BELL of Georgia. Mr. Speaker, it is sorely regretted that the Rules Committee failed or refused to report a rule providing for the passage of new legislation which is carried on the Post Office appropriation bill, which includes a small increase in compensation for rural letter carriers. It has been suggested that the Rules Committee's failure to do its duty in this regard was due to Executive or departmental influence. We can hardly bring ourselves to the conclusion that the head of this great Government, through its departmental agencies, would halt from the great problems which ordinarily engage the attention of a successful administration in its duty and obligations to the country to refuse in any degree whatever a small increase of pay to so worthy and needy a class of employees as the rural letter carriers. But if the conclusions reached are correct, the responsibility rests somewhere other than with the majority of the membership of this House, because it is evident that this item carried in the bill would be almost unanimously voted in if we had the privilege of a vote. It has been the prevailing rule for 40 years that new legislation for the Postal Service has been carried on the Post Office appropriation bills, and it is unfortunate at this time that we, with a Democratic majority of 140, can not, on account of Executive or departmental interference, provide for a good-roads bill in the interest of the great masses of the people in the rural sections of the country or give the smallest possible increase of pay to the rural letter carriers, who to-day receive less pay in proportion to the work done and expenses incurred than any class of Government employees.

The Rules Committee in justice to itself and to this committee and to the time-honored custom of legislation, should have adopted a rule whereby this legislation could have been enacted without endangering its passage by the objection of one man, who felt called upon to make the point of order against this item, as did the gentleman from New York [Mr. FITZGERALD]. No excuse has been given for the point of order being made against the proposed increase for rural letter carriers, and none can be legitimately offered, except that it is new legislation.

The rural letter carriers are compelled to face all kinds of weather and conditions, and no class of employees deserve more recognition at the hands of this great Government than these people. The salaries of these carriers have been increased from time to time in the same manner in which your committee now makes the attempt, but we are met with the cry of a point of order, and that made by a gentleman from the great metropolis whose citizens are not interested in the rural letter carriers.

In my judgment, Mr. Speaker, the rural delivery of mail to the millions of worthy people who till the soil and otherwise make their living by honest labor, is one of the greatest blessings given to a people in modern times, and it becomes our duty as a legislative body to see that the employees in this service, as well as the people they serve, are as generously treated as any other class of American citizens, and as an humble member of the Post Office and Post Roads Committee it is my intention in the future to continue to use my best offices along these lines. Mr. Speaker, I ask permission to incorporate in my remarks an editorial from the veteran editor of the Louisville (Ky.) Courier-Journal, Mr. Watterson, in defense of my amendment, which is a part of this bill to increase the pay of rural carriers, in which he ably defends this proposition, and which speaks for itself:

The House Committee on the Post Office and Post Roads is said to have decided upon an increase of salary for rural carriers.

This increase, it is said, will amount to about $50 a year on standard routes and will be applied to other routes in proportion. Assuredly, there is no branch of the service in which the employees are more deserving of consideration in connection with salary enlargement.

The rural carriers work for the money they get, and the establishment of the parcel post has added materially to their labors. They are compelled to furnish their own wagons, and the augmented bulk of the mail they are carrying will make it necessary in many instances for them to provide larger vehicles than they are using at present.

The carriers are assigned about as much territory as they can cover adequately, and with due regard for promptness, under the most favorable conditions. A route that is carried easily during the long summer days and at seasons when the country roads are in their best condition assumes a very different aspect in winter when the weather is severe and the roads are muddy or covered with snow or sleet. It is during the winter that the energies and resources of the carriers are most strongly taxed.

In the days of many star routes, before the Rural Free Delivery System had been established, the contractors got rich, while the men who actually carried the mails scarcely were paid enough to keep body and soul together; but the iniquitous system prevailed for many years before it was discarded.

The rural carriers are paid salaries, and consequently fare better than did the star-route carriers. There can be no disputing the fact that they earn all that they are paid. They get no "easy money" at any stage of the game, and, in view of the additional burden that has been imposed by the parcel post, it is no more than fair that they should have some additional compensation.

I also desire to incorporate as a part of my remarks some statements made by some of the carriers in my district in defense of my proposition submitted for the consideration of the committee. I know these carriers personally and know that their statements are entitled to full faith and credit, because they are among the best people in Georgia:

Statement No. 1.

Number of horses 2, cost	$440.00
Number of vehicles 1, cost	60.00
Harness, etc	15.00
Total investment	515.00
Interest on amount invested	41.20
Depreciation	50.00
Feed of all kinds	336.00
Shoeing, medicine, veterinary, etc	9.60
Repairs to vehicles, harness, etc	8.00
Incidental expenses	5.00
Total cost for the year	449.80
My annual salary	1,100.00
Net salary	650.20

Present price of corn, $0.98; oats, $0.65; hay, $25; bran, $1.75.

Statement No. 2.

Number of horses 2, cost	$300.00
Number of vehicles 2, cost	137.50
Harness, etc	22.00
Total investment	459.50
Interest on amount invested	34.05
Depreciation	106.00
Feed of all kinds	288.00
Shoeing, medicine, veterinary, etc	12.00
Repairs to vehicles, harness, etc	41.15
Incidental expenses	3.80
Total cost for the year	485.00
My annual salary	1,100.00
Net salary	615.00

Present price of corn, $1; oats, $0.57; hay, $35; bran, $1.75.

Statement No. 3.

Number of horses 2, cost	$300.00
Number of vehicles 2, cost	168.96
Harness, etc.:	
3 sets	37.00
1 pair extra	9.00
Total investment	514.96
Interest on amount invested	41.19
Feed of all kinds	376.00
Shoeing, medicine, veterinary, etc	15.00
Repairs to vehicles, harness, etc	12.00
Total cost for the year	444.19
My annual salary	1,056.00
Net salary	611.81

Present price of corn, $1; oats, $0.60; hay, $1.50; bran, $1.60.

Statement No. 4.

Number of horses 1, cost	$125.00
Number of vehicles 2, cost	125.00
Harness, etc., 1 set	15.00
Total investment	265.00
Interest on amount invested	21.20
Depreciation	66.25
Feed of all kinds	135.00
Shoeing, medicine, veterinary, etc	10.20
Repairs to vehicles, harness, etc	8.35
Incidental expenses	30.00
Total cost for the year	271.00
My annual salary is	770.00
Net salary	499.00

Present price of corn, $0.90; oats, $0.65; hay, $28; bran, $2.

Statement No. 5.

Number of horses 2, cost	$350.00
Number of vehicles 2, cost	125.00
Harness, etc	25.00
Total investment	500.00
Interest on amount invested	40.00
Depreciation	75.00
Feed of all kinds	300.00
Shoeing, medicine, veterinary, etc	20.00
Repairs to vehicles, harness, etc	50.00
Incidental expenses	25.00
Total cost for the year	510.00
My annual salary	880.00
Net salary	370.00

Present price of corn, $1.10; oats, $0.60; hay, $1.35; bran, $2.

Statement No. 6.

Number of horses 2, cost	$400.00
Number of vehicles 2, cost	120.00
Harness, etc	25.00
Total investment	545.00
Interest on amount invested	43.60
Depreciation	100.00
Feed of all kinds	300.00
Shoeing, medicine, veterinary, etc	10.00
Repairs to vehicles, harness, etc	40.00
Incidental expenses	50.00
Total cost for the year	543.60
My annual salary	1,100.00
Net salary	556.40

Present price of corn, $0.90; oats, $0.60; hay, $300 per 100 bundles.

I have other similar statements, but will not print them at the present time.

It appears from these statements that the average compensation of rural carriers, after deducting actual expenses, is less than $600 per annum. The city carriers receive more salary than rural carriers, with no expense of teams, vehicles, or depreciation of values, and yet I do not believe that city carriers are paid in excess of their duties and responsibilities.

The good-roads bill, which your committee confidently expected a rule in order to enact into law, is one which will reach and benefit the most deserving of all classes of people—the farmer, the tiller of the soil. This Government can afford to appropriate the amount called for in this provision in order to inaugurate a system of good roads throughout the country, especially if the States interested will appropriate an equal sum. There is nothing, in my opinion, Mr. Speaker, which would enhance the property values of our country as much as a good system of public roads, and nothing more needful for the benefit and convenience of humanity, and, in my candid judgment, Congress will be derelict in its duty if we do not legislate along these lines in the near future, and I sincerely trust it will not be delayed beyond this session.

Post Office Appropriation Bill.

REMARKS

OF

HON. J. M. C. SMITH,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 23, 1914,

On the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. J. M. C. SMITH. Mr. Speaker, under the privilege granted me when the Post Office appropriation bill was under consideration in the House, I desire to say that I am in favor of granting an increase of salary to the rural letter carriers of our country, and hope that their pay may be increased now according to the provisions of the bill at $1,150 per annum and ultimately to $100 per month. In stating my reason for this position I not only consider that the exacting services required by them entitles them to more pay, but also in the interest of equality there is no valid reason why the city carrier should receive more pay than the country carrier, who performs heavier work and is under vastly more expense. The city carrier, and he is not overpaid, now receives $100 per month and can eat his meals at home, while the rural carrier must furnish and maintain his own equipage, pay for his dinner and horse feed while on the route, and stand all repairs. If a conveyance is needed for city delivery, the same is usually furnished by the department. Why should the pay of the rural carrier not now be increased since under the parcel post he is now delivering as much again as formerly and at the same pay, with a present prospect of increased number of parcels and greater weight to be added, prospectively, to 100 pounds. Free delivery must be given to towns and villages to make the service uniform.

The argument made by some that if the rural carriers do not want the position or can not do the work for the wages they now receive they can resign and there are plenty who will take their places is without force. The same might be said of the President, our Senators or Representatives, and all other postal officers and persons holding official positions. It is simply a question of proper pay for the valuable services rendered by our rural carriers. The other public officials above enumerated have had their day, and this question is not open to them in this bill or discussed here.

In this connection I wish to present a letter just received from the rural carriers of Kalamazoo, Mich.:

KALAMAZOO, MICH., *January 22, 1914.*

Hon. J. M. C. SMITH, *Washington, D. C.*

DEAR SIR: You no doubt will have in your possession in the near future, if you have not already, a copy of an expense account of rural carriers from this district. I note in those blanks there was no space for loss of horses by death. This matter was brought most forcibly to my attention on January 20. On going to the barn to feed my horses I found the one I expected to drive dead in the stall, which the day before, so far as I knew, was as healthy and vigorous a horse as there was in the service. This is the fourth horse that has died for rural carriers with routes emanating from this office in the last 12 months. Figuring at a nominal price of $125 each, we have a loss of $500. Some of these horses were worth more than that and some perhaps not quite so much. This added to the already high expense leaves but very little on which to support a family. Then, taking into consideration the increased volume of mail on account of parcel post, then add to that the carrying out of large amounts of city mail, which the department has required us to do for some time past, we therefore, as American citizens, would respectfully request that you, as our Representative, use your influence for the passage of some act that will materially increase the compensation of rural carriers. We ought to have at least $250 for horse maintenance.

Sincerely, yours,

F. S. Smith, No. 1; Henry Koster, No. 2; Henry H. Betka, No. 3; Alex. Fisher, No. 4; James Daniels, No. 5; L. P. Stafford, No. 6; John W. Allen, No. 7; E. S. Ludwig, No. 8; G. Stryker, No. 9; J. S. Carr, No. 10; C. T. Barnes, No. 11; Geo. L. Smith, No. 12.

This is but the common experience of every rural carrier, and no one will say that this experience is unusual or the request unreasonable. Another letter states, "Let Uncle Sam furnish his own horses. We must go every day regardless of weather." And why not? Only one reason, and that is that it is cheaper for Uncle Sam to have the carriers furnish the horses, and it requires two horses to do the work.

I am also in receipt of the expense account of many rural carriers from my district, and it will be of much interest to see just what net salary each carrier receives and just what it costs him to perform his services, and a careful comparison may be of much benefit in determining what compensation

should be paid. The difference in the net amount received by each carrier may in some instances be on account of accidents, breakage, and conditions not common or incident to each other. But with the weight limit of the parcel post increased to 100 pounds and its increasing utility and usefulness, new rigs and heavier equipage must be used and extra expense incurred for performing the duties of our rural carriers.

A summary of the expense account follows:

Carrier.	Post office.	Investment.	Annual maintenance.	Net salary.
John I. Taylor	Marshall	$200.00	$430.70	$669.30
Seward Cleveland	Coldwater	347.00	441.82	659.18
A. J. Feurguson	do	372.00	473.47	626.53
Chas. L. Van Orsdal	do	(1)	398.00	702.00
H. E. Crum	Hillsdale	415.00	424.90	675.10
Leon H. Norris	do	440.00	370.00	730.00
E. W. Osborn	do	450.00	345.00	755.00
James G. Whipple	do	427.00	382.62	717.38
Weston M. Sexton	Olivet	359.00	330.54	769.46
Murray G. Ogden	Augusta	365.00	764.49	335.51
Thomas L. Howe	Oshtemo	520.00	462.20	637.80
Arby R. Lovell	Vermontville	475.00	558.25	541.71
Fred L. D'Graff	Albion	355.00	586.63	513.37
Frank Etting	Tekonsha	410.00	545.98	554.02
A. G. Towne	Augusta	345.00	618.25	481.75
George L. Chambers	Charlotte	476.00	438.46	661.54
G. Stryker	Kalamazoo	345.00	580.70	475.30
Henry Koster	do	500.00	465.00	591.00
John W. Allen	do	405.00	449.30	650.70
Edw. S. Ludwig	Kalamazoo	370.00	594.20	461.80
James Daniels	do	465.00	569.00	499.10
James L. Carr	do	550.00	633.00	467.00
Edward Green	Bellevue	570.00	575.45	524.55
Fred W. Fitzgerald	do	458.00	487.48	612.02
Jay E. Cushing	do	432.00	572.99	527.01
John L. Hoyt	do	718.00	681.18	418.82
A. E. Jackson	Yorkville	360.00	206.65	453.85
Harry C. Williams	Alamo	370.00	426.25	433.92
Alexander Fisher	Kalamazoo	(1)	365.83	624.17
Albert V. Reed	Albion	335.00	568.10	531.90
Bert Wright	do	380.00	664.00	536.00
Orville L. Biggs	do	225.00	415.04	684.96
Rufus J. Wyllys	Hillsdale	430.00	492.40	607.60
Jno. H. Breckenbridge	Litchfield	370.00	355.20	745.80
Chas. Derr	do	425.00	391.50	708.50
Wilbur P. Lemon	Charlotte	190.50	488.50	611.50
Frank E. McLaughlin	do	190.50	499.50	600.50
Guy A. Pitcher	do	630.00	513.80	586.20
Earl B. Fox	do	(1)	372.50	728.50
W. R. Cerrow	Coldwater	300.00	421.60	678.40
M. J. Gowdy	do	365.00	421.85	678.15
J. M. Smith	do	365.00	419.00	681.00
D. Alden Harris	do	365.00	451.66	648.34
Jos. L. Heisrodt	do	365.00	455.40	644.60
Gardner Low	Albion	365.00	493.90	606.10
Frank A. Stevens	Moscow	490.00	410.40	689.60
James Shepard	Alamo	430.00	358.60	392.54
James W. Fulton	Vicksburg	560.00	605.31	494.69
Robt. Ryan	Bronson	381.00	763.16	336.84
E. Z. Shook	do	200.00	695.97	404.03
E. A. Clark	do	242.50	509.55	590.45
Albert Quick	do	(1)	644.20	455.80
A. T. Dubendorff	do	(1)	623.11	476.89
Geo. A. Britten	Battle Creek	461.27	561.27	538.73
D. S. Elwood	do	415.00	445.90	654.10
Orson R. Simons	do	425.00	448.50	651.50
Jas. P. Upton	do	460.00	552.60	547.40
Clarence O. Mace	do	450.00	567.60	522.40
H. A. Daniels	do	450.00	559.50	540.50
W. F. Grassman	do	485.00	524.75	575.25
S. N. Chidester	do	450.00	544.10	555.90
D. Stephen Smith	Marshall	(1)	439.00	661.00
Charles R. Joy	do	(2)	.....	298.53
F. G. Burlingame	do	(2)	.....	366.00
C. B. Newland	do	(2)	.....	431.00
Jno. R. Smith	do	[1] 475.00	.....	367.50
Fred D. Haller	do	(3)	.....	512.50

[1] Livery. [2] Livery and Auto. [3] Auto.

Accompanying the above lists is a letter of Mr. Brown, the editor of the R. F. D. News, in which he says:

From these you will see that the average cost of equipment maintenance of your carriers who have reported is $537; average salary, $1,098; leaving net salary, $561.

43,000 rural carriers have invested in equipment approximately	$20,000,000
Interest on investment, at 6 per cent	1,200,000
Depreciation, 20 per cent (very conservative)	4,000,000
Feed of only 1 horse per route, $150 per year; 43,000 routes	6,450,000
Total cost per year	11,650,000

As a matter of fact, the average requirement is two horses per route and the cost of feed per horse more than as shown above, not including repairs to vehicles, etc.

The expense indicated by the inclosed statements cover only parcel post weight of 20 pounds. What will they be with the present weight of 50 pounds and the 100-pound limit now in sight?

The rural carriers travel a total daily combined distance of 1,028,603 miles, or a distance each day of twice the distance to the moon and back. They carry not only ham and eggs, but also pigs and chickens. It is estimated that the parcel post increases the tonnage of the mails about one-fourth, and the largest part of this extra burden falls upon the rural carriers.

The Post Office appropriation bill contains a provision for paying the rural carriers $1,150 per year. This is subject to a point of order, but the honorable chairman of the committee, feeling that it should be paid them, will introduce a special bill for this amount, which it is hoped will be enacted into law this session.

These names and figures are given for comparison. An invitation is hereby extended to the employers of any other governmental department to make detailed statement of their net income, and we venture none will give a smaller amount received for the services rendered. Surely the salary of these faithful servants and good citizens was not made to meet any very high cost of living, and bran and cornstalks is not very good feed for post horses.

The average pay per day, according to the above table, would be very small pay with which to support a wife and family of children, and educate them, and pay many overhead and fixed charges. I do not think it was intended, and certainly ought not to be expected, that the rural carriers would carry the parcel-post packages even cheaper than a freight train, but that is precisely what they are doing. They have received no increase in salary since the parcel-post system went into operation. They are carrying the mail, with the parcel post added, for the same salary they formerly received for carrying only the mail. And so they are carrying the parcels for nothing, compared with their former pay.

Mr. Speaker, there is not a more complete or perfect system in any department of Government than the Post Office Department. It commands the very best talent and draws from our best young men. It is operated under such a system that renders the service prompt and efficient. To this department is intrusted the business affairs of the Nation. To the mails the most valuable and confidential messages are consigned. It pays its own way and provides a surplus. It makes us near neighbors. Its utility is incomprehensible. The farmer as well as the tradesmen of the metropolis is entitled to it. Our best citizenship has been connected with farm life. The farmer has done his patriotic duty always, and contributed to every emergency and every improvement. These splendid young men carry the news of the world to his door through bleak weather and storm, never faltering. They perform their part well now; let us perform ours and compensate them and encourage them in their splendid service.

Alaskan Altruism.

EXTENSION OF REMARKS

OF

HON. J. HAMPTON MOORE,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, January 28, 1914,

On the bill (H. R. 1739) to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

Mr. MOORE. Mr. Speaker, this is an altruistic age, and foremost amongst the national altruists stands the United States. Our generosity as a nation has been due to our success as a nation, and the people generally have approved our foreign experiments, because they believed them to be patriotic and benevolent. In this Alaskan railroad matter we are brought face to face with another altruistic experiment. The lure of gold and the hope of fortune has attracted many adventurous souls to Alaska. They are settling the country and they want to develop its resources. We are told there are 35,000 of them altogether. In numbers, therefore, they do not exceed the population of Fitchburg, Mass., Quincy, Ill., Racine, Wis., or Tampa, Fla. We have as many people in one ward of Philadelphia as the total white population of Alaska. Yet despite the fact that private capital has been discouraged from entering Alaska, we are now called upon to make the people of the United States financially responsible for railroad construction there to cost $35,000,000 at the start and to run on to a possible $100,000,000, with the cost of operation and maintenance added.

THE PEOPLE PAY FOR ALTRUISM.

I am opposed to this proposition, because I believe the time has come for the people of continental United States to pay a little more attention to their own necessities and a little less to

precarious enterprises involving expenditures of the people's money where the returns are not warranted by commerce or humanity. I submit that our altruism in other respects has reached a point where it is reasonable to stop and consider our own welfare.

In 1907 Mr. Taft, then the Secretary of War, gave us an insight into our national altruism which it is well worth remembering. He told us that in the Cuban War we had expended altogether about $300,000,000, for which we got no thanks from Cuba nor anyone else. About $170,000,000 was spent to establish order in the Philippines. It is doubtful if what we did and have since done in this respect has been appreciated. We did all this, as we believed, in the interest of humanity. Every dollar thus spent was a charge upon the American people. We could have used that vast sum of money in the United States to the great advantage of our own people, but, of course, we would not have had the satisfaction of being the real altruists we think we are to-day.

Our expenditures upon the Panama Canal up to date are approximating $400,000,000. Here is a proposition treated as a military necessity, with expectant commercial possibilities chiefly justified by our faith in the good will of other nations. Glorious as has been our achievement at Panama, the burden of this great work has been borne by the taxpayers of the United States, who have taken upon themselves a responsibility for maintenance which will be enormous and without an immediate equivalent in tolls or commercial advantage. We can not relieve ourselves of the responsibilities of the Panama Canal now that it is nearing completion any more than we can honorably cast off the Philippines as an unprofitable bargain.

THE MISSISSIPPI FLOOD PROBLEM.

In the light of our experience in these and other undertakings why should we involve ourselves in the dubious problem of railroad ownership in Alaska? Our experience in other directions should lead us to be cautious about any such enterprise even if the facts that have been laid before us in support of the proposition were at all convincing. When our enthusiasm carries us into new schemes such as have been described interest in our home enterprises suffers. Our own public convenience is postponed and sometimes neglected not only because our investments have gone afield, but because of actual expenditures taken out of our home resources.

It is true that Alaska belongs to the United States and that we should have a friendly consideration for it; but if 30,000,000 people along the Atlantic seaboard are waiting for needed Federal improvements to reduce the cost of transportation because of a lack of transportation facilities, it seems, in justice to ourselves, we should not vote away the money that would set our own house in order for the benefit of 35,000 who have chosen to wander off thousands of miles from home. The great problem of the Mississippi Valley to-day is the regulation of flood waters. An expenditure of $30,000,000 rebuilding the banks of the Mississippi would save enough arable land capable of the highest cultivation to accommodate all the people of Alaska a hundred times increased in number.

PLENTY OF FARM LAND EAST.

It has been argued in the long debate over the Alaskan bill that agriculture might be made to thrive for a few months a year in Alaska if the ground were cleared at a cost of from $125 to $200 per acre. Why, gentlemen, there is scarcely a State along the Atlantic seaboard east of the Appalachian chain that would not gladly yield up enough fertile ground, much of it improved, for anywhere from $15 to $30 per acre to take care of every one of the white settlers in Alaska and give them the best market in the world.

When one recalls that the total acreage of improved farm land in the 13 original States in 1910 (census) was 83,000,000, out of a total of 161,000,000 acres, it is amazing, climatic and soil conditions considered, along with the market facilities, that the remaining 78,000,000 acres at ridiculously low prices should have no attractions for those who are willing to take their chances in a frozen country, where the initial cost of clearing the land is from five to ten times greater than they could obtain it for at home. And then, again, when we look at it from this angle, it may not be so amazing that those who have gone to Panama or to the Philippines or to Alaska should seek Government aid to give them employment, or, figuratively, in the individual sense, welcome "a remittance from home."

It is not unusual that the boy who has left the farm because the work was hard, to seek his fortune in some other country, has written home for a little help from the old folks. We have not been altogether indifferent as a Nation to our offspring in Alaska, but it is a grave question whether, because of the failure of individual operators to successfully exploit that country, we should involve the people of the United States in the hazardous undertaking of Government ownership of railroads in Alaska merely to find out whether we have gold or coal which may some day be profitable to us.

OUR PHILIPPINE RAILROAD EXPERIMENT.

We have had one experiment in Government railroad building which serves us an object lesson. We are morally but not financially responsible for the Government railroads in the Philippines. Our moral responsibility arises in consequence of investments of American capital in Philippine Railroad bonds, which have depreciated about 35 or 40 per cent. We authorized the Philippine Government to contract with the Philippine Railway Co. for the construction of railroads, and the people have been induced to put their money in an enterprise to the extent of $8,500,000. The result of this transaction is discouraging, and, the railway company being unable to keep up with its part of the contract, the interest payments, amounting to 4 per cent, are being paid by the Philippine Government, and must continue for 30 years. Therefore, in the last analysis, as the Philippine Government is financially responsible for deficiencies in the railroad management, the United States Government is morally responsible for authorizing the enterprise. The Alaskan situation is different in that the United States Government assumes direct responsibility for the success or failure of Alaskan railroads; and if this bill passes, the people of the United States will pay the loss, if there be any, out of resources which must necessarily be taken from worthier enterprises nearer at home and of more direct benefit to a greater number of people.

Funeral Exercises of John T. Chancey.

Addresses of Rev. Henry N. Couden, Chaplain of the House of Representatives, and Rev. John T. Huddle, of St. Paul's English Lutheran Church, at the funeral exercises of John T. Chancey, January 26, 1914.

EXTENSION OF REMARKS

OF

HON. JAMES R. MANN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, January 28, 1914.

Mr. MANN. Mr. Speaker, under leave granted me to print, I insert the following addresses delivered at the funeral exercises of the late John T. Chancey, who for nearly 60 years served this House with absolute fidelity, and who was one of its most valued employees:

ADDRESS OF REV. HENRY N. COUDEN.

Every soul that passes through this world leaves in its wake a history and takes with it only the character which has been woven into its tissues.

Life is real! Life is earnest!
And the grave is not its goal;
Dust thou art, to dust returnest,
Was not spoken of the soul.

We are born for a higher destiny than that of earth. There is a realm where the rainbow never fades; where the stars will be spread out before us like the islands that slumber on the ocean; and where the beautiful beings that here pass before us like visions will stay in our presence forever.

Death is not, therefore, a calamity, since it does not break the continuity of life; it is only an incident, an epoch in the grand, eternal march of existence. Capt. Chancey's character was striking in its simplicity, noble in its candor, pure in its motives, honest, faithful, just. If the real history of his life could be written, it would be not only intensely interesting, but it would be a valuable contribution to the history of our country. Think of it; nearly 60 years he was a picturesque and striking figure on the floor of the House of Representatives—a period in the history of that body when our country passed through some of the most trying conditions connected with its life. What a galaxy of stars, whose names and acts illumine the pages of its history; what intellectual power met in the forum, bringing to bear the most consummate skill, the most invincible logic in the problems which confronted them, the settlement of which were most vital in the progress of a nation! Always present, always active, always ready, and ever alert, he knew what was required of him, and never failed to measure up to those requirements. Sincere, devoted, faithful, he did his whole duty. His departure will be mourned by hundreds throughout the length and breadth of the Union, since he was beloved and respected by the Representatives, employees, and

pages in each succeeding Congress, and to some of us Congress will never seem quite the same.

But we are not here to pronounce an eulogy. Capt. Chancey has pronounced his own eulogy in the service he rendered to his country, more grand and beautiful than the most facile pen could write or the most gifted orator could pronounce. His work is done, and well done; his soul goes faring on and has heard the words, softer than falling flakes, sweeter than all music, "Well done, thou good and faithful servant; enter into the joy of thy Lord." His home life was as gentle and sweet as it was pure. We will not enter into those sacred precincts lest our tears stir too deeply the hearts of the loved ones he has left behind.

The stars shine over the earth,
The stars shine over the sea;
The stars look up to the mighty God,
The stars look down on me.

The stars have lived a million years,
A million years and a day;
But God and I shall love and live
When the stars have passed away.

ADDRESS OF REV. JOHN T. HUDDLE.

I know it is regarded as vain to try to gild a grief with words, and yet I can not help but feel that in sincere eulogy there is comfort. Somehow it soothes our sorrow to know before we lay our loved ones away that others share our appreciation of their worth. And so the funeral service is more than an empty form. Death is the touch that makes all men akin, and the sympathy it calls forth is a staff to those who are left in loneliness in the valley of the shadow.

We are gathered here to-day not only to pay our tribute of regard to the dead but to show the living that we share their loss and to lift up a voice of consolation and cheer in the darkness. Our subject is one that calls for no evasion. This life, so far as we know it, was honest and frank and pure, with nothing about it that could not be laid open to the eyes of men. It was characterized by faithfulness to duty in every relation and a desire to measure up to the high standards of strong, earnest manhood. Some one said of Capt. Chancey that his life was lived according to the golden rule; and those who knew him best will testify that this was true. He was a gentleman of the old days, and had a high regard for the rights and feelings of his fellow men. There was no duplicity in his nature, but with open countenance and honest heart he went about his duties, treating everyone with unfailing courtesy and kindness, and in time commanding the confidence and respect of all.

For 58 years he mingled with the Nation's distinguished men at the Capitol, and his conduct and services have been such that an honor has been given him perhaps never granted before to an employee. Several Members of the House are here to represent that body in a last tribute of respect to his memory. This exhibition of fine fellow feeling on the part of our legislators is not only a source of comfort to the family and friends but a source of satisfaction, no doubt, to the country at large. So long as we have men in high places who, in the words of Kipling, "Can walk with kings nor lose the common touch," our Nation's interests are in safe hands. This is complimentary not only to the worth of Capt. Chancey but to the sincere courtesy of the body he served. To hold one position for 58 years and win and retain the confidence of practically two generations of Congressmen and many generations of mischievous pages shows an evenness of temper, a kindness of heart, a patience of spirit seldom met with.

And it should be recalled that his goodness was not simply negative; it consisted of something more than an amiable, companionable disposition. It is said that he was a sort of missionary to the young men of the Capitol, and by his words of wholesome advice and sympathy kept them from lowering their ideals. During those years he has had hundreds and hundreds of pages under his supervision, and eternity alone will tell the influence for good he has had over the lives of these young fellows by his fatherly counsel. He derived one of his greatest pleasures from the letters he received from them after they went out and established themselves in the world, and not a few acknowledged that his wisdom and sympathy had saved them at a critical period and had been responsible for their success.

Nor were his associations limited to the Capitol, but he was connected in one way or another with several fraternal orders and came in close touch with men in the various walks of life. Everywhere he exhibited the same genial good nature and considerate helpfulness. Men liked him because he was optimistic, sincere, and genuinely good; because be was lenient with the faults of others and praised their merits instead of criticizing their failings; and because he was unobtrusively charitable to the needy and considerately thoughtful of the troubled.

But though he was a man's man and found pleasure in mingling with men, he liked his home best. Around the hearthstone all disguises are laid aside and men and women show what they really are. The disposition that can stand the tests of domestic life and keep the even tenor of its forbearance and consideration is as beautiful as it is rare. Those who knew the deceased best, say that he never had an enemy; that he did not indulge in gossip; that the serenity of the home was never disturbed by any evidences of impatience on his part; but that he was a kind father, an affectionate husband, a good neighbor, and a loyal friend.

Not one, but several people in speaking of him have said he was a good man. And whence, we ask, did this goodness spring? I am convinced that it was not simply superficial graciousness, but had its source in the deeps of life. He made no special pretensions to religion, but he was a religious man. His people were Friends, and he cherished that belief and followed the inner light. Morning and evening found him on his knees in earnest prayer. It was from his daily communion with God that the peace and serenity came that dignified his bearing; that disciplined his patience; that disposed his heart to fraternal feeling and his hand to friendly helpfulness. During his last illness he suffered intensely, but he endured it with cheerful, stoical courage; was unfailingly appreciative of attention; faced death without fear, sustained by fine faith in Him in whose hands are the keys of life and death. Without a struggle he closed his eyes, wrapped the drapery of his couch about him, and laid down to pleasant dreams in full assurance that the morning would come, that the birds would sing again, and that his eyes would open on a larger, fuller life.

Leaving this outgrown shell by life's unresting sea, his spirit has gone on to occupy the more stately mansions of the soul. Beside this lifeless clay there lingers in this home and in all his haunts a stainless memory, and you who mourn his loss have this precious heritage as a comfort in your sorrow. When the days of loneliness come and you miss the familiar footfall and long for the touch of the vanished hand, recollection will bring back the sweet associations of other days and you will find blessed companionship in your memories. And not only so, but, looking forward, you will have the inspiration of anticipation, the strength which comes from the assurance of individual immortality and of recognition in that great reunion beyond. Wherefore, comfort ye one another with these thoughts, go bury your sorrow with your dead, face the future with brave hearts in the cheering companionship of the Comforter, and when life's outer gate opens for you there will greet you those whom you have loved and lost awhile.

Railroads in Alaska.

EXTENSION OF REMARKS
OF
HON. JAMES WICKERSHAM,
OF ALASKA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, January 28, 1914,

On the bill (H. R. 1739) to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

Mr. WICKERSHAM. Mr. Speaker, in his speech in opposition to the bill to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, the gentleman from Oklahoma [Mr. FERRIS] introduced a copy of a letter from certain members of the Alaska Legislature, directed to the Secretary of the Interior, as proof that the people of the Territory of Alaska were not in favor of the bill. He said:

The Alaska Territorial Legislature have expressed themselves on this proposition, and in a letter directed to the Secretary of the Interior on April 13, 1913, signed by the president of the senate and six senators, have expressed the gravest doubt about the advisability of the construction of the railroad by the Federal Government.

I will insert this letter in the RECORD at this point:

SENATE CHAMBER,
ALASKA TERRITORIAL LEGISLATURE,
Juneau, Alaska, April 13, 1913.

To the SECRETARY OF INTERIOR,
Washington, D. C.

SIR: We are informed that it is a general opinion prevalent at Washington that the people of Alaska are unanimously in favor of a Federal Government owned, constructed, and operated railroad in Alaska.

The majority of the people, in our opinion, are opposed to the principle of Government ownership.

It is true, however, that in order to prevent the depopulation of Alaska we are in favor of any plan or system that will result in the

immediate construction of trunk-line railroads in Alaska, as an imperative necessity to the development of our vast mineral resources and extensive coal fields.

We consider "transportation" the key to the present situation in Alaska.

Yours, respectfully,

L. V. RAY,
President of the Senate.
ELWOOD BRUNER,
Senator Second Division.
B. F. MILLARD,
Senator Third Division.
CONRAD FREEDING,
Senator Second Division.
H. T. TRIPP,
Senator First Division.
J. M. TANNER,
Senator First Division.
HENRY RODEN,
Senator Fourth Division.

Hon. FRANKLIN K. LANE,
Washington, D. C.

I call the attention of the House to the fact that while this letter is signed by one who represents himself to be the president of the Alaska Senate and six others who sign themselves as "senators" from different divisions of Alaska, the document does not purport upon its face to be an official act of the legislature of the Territory. Every man who signed this letter was a member of the upper house of the Territorial legislature. Not a single member of the lower house, or the popular branch of the legislature, signed it. The Legislature of Alaska is divided into two bodies, the senate and the house. The senate consists of 8 members and the house consists of 16 members. Out of 24 members of the legislature, 7 have thus sought to prevent the passage of the Alaska railway bill by sending this communication to Washington to be used in debate at the moment when it would do the Territory of Alaska the greatest amount of harm by the opponents of the bill to authorize the President to build a railroad in Alaska out of the resources of her public lands.

It is the history of every new Territorial legislature in the West that the big interests attempt to get control of one or the other of the bodies composing the legislature so as to prevent the passage of legislation detrimental to their interests. In Alaska the smaller body is the senate. It is more easily controlled than the house, because fewer individuals must be procured to betray their constituents.

Not only did these members of the Territorial senate make and send this letter to Washington to prevent the passage of the Alaska bill, but the president of the Alaska Senate, on May 14, 1913, sent this telegram to the chairman of the Senate Committee on Territories in opposition to the railway bill:

SEWARD, ALASKA, *May 14, 1913.*

Hon. KEY PITTMAN,
Chairman Committee on Territories, Washington, D. C.

Alaska people oppose Government ownership railroads. Fear extension pernicious system, stilling individual enterprise. Prefer private ownership; Government aid open coal.

L. V. RAY,
President Alaska Senate.

In addition to these documentary evidences of opposition to the Alaska railway bill the members of the Alaska Senate, for some reason known to them but not included within the power given them in the law creating the legislature, concluded to send a lobby to Washington. It had no authority to appoint such a lobby and no fund out of which to pay their expenses if appointed. There is nothing in the act of Congress creating the Alaska Legislature which authorizes the appointment of an Alaskan lobby, and no probability that Congress or the Territory of Alaska would pay their expenses. The efforts to secure a joint resolution in the Alaska Legislature for the appointment of such a lobby was defeated unanimously in the lower house. Thereupon the upper house, by a senate resolution, which was carried by the votes of the seven men signing the letter heretofore put in the RECORD, authorized the president of the senate to appoint four of its members to come to Washington as a lobby. At least two of them are here. They are two of the gentlemen who signed the letter. A third one was Mr. Henry Roden. It was he who introduced the proposition in the Alaska Legislature of sending the lobby to Washington, and he is one of the signers of the letter. Mr. Roden is the attorney, in fact, in the Territory of Alaska for one of the Guggenheim corporations. It is understood that the president of the senate was employed by one of the railroad companies in opposition to the Alaska railway bill. At least one other of the members signing the letter was employed by another corporation in alliance with the Alaska Syndicate. Hereto attached is a certified copy of Mr. Roden's appointment and acceptance, and I think it is quite typical of the general influence which has drawn those members of the Alaska Legislature to Washington and induced seven of them to betray the trust which their constituents had imposed in them:

Know all men by these presents that Yukon Gold Co., a corporation duly organized and carrying on business under the laws of the State of Maine, hereby consent to be sued in the courts of the District of Alaska upon all causes of action arising against it in said District, and that service of process may be made upon Henry Roden, a resident of said District, residing at Iditarod, therein, and that such service, when so made on such agent, shall be valid service upon the corporation or company, and that the residence of the said agent is at the principal place of business of this corporation in the District.

In witness whereof the said Yukon Gold Co. has caused these presents to be signed in its name by its president and by its secretary and its corporate seal to be affixed this 29th day of March, 1912.

[SEAL.] YUKON GOLD CO.,
By S. R. GUGGENHEIM, *President.*

Attest:

C. K. LIPMAN, *Secretary.*

I, the undersigned, hereby consent to act as agent of Yukon Gold Co. for all purposes set forth in the foregoing certificate.

May 25, 1912.

(Signed) HENRY RODEN.

UNITED STATES OF AMERICA, *Territory of Alaska, ss:*

I, Charles E. Davidson, secretary of the Territory of Alaska, do hereby certify that the annexed copy is a full, true, and complete copy of the original appointment and consent of agent of Yukon Gold Co., a foreign corporation organized under the laws of the State of Maine, which instrument was filed in this office under date of June 26, 1912, in accordance with the provisions of chapter 23, Civil Code of Alaska, approved June 6, 1900.

In testimony whereof I have hereunto set my hand and affixed the great seal of Alaska, at Juneau, this 20th day of November, A. D. 1913.

[SEAL.] CHARLES E. DAVIDSON,
Secretary of Alaska.

Who pays the expenses of these men in Washington I do not know. Certainly the Territory of Alaska does not. Their letters and telegrams disclose their purpose here.

It is a matter of great regret to me that this record is to be made, and it would not have been necessary if the gentleman from Oklahoma [Mr. FERRIS] had not included their letter in his speech in opposition to the Alaska railway bill.

Government Railroad in Alaska—An Inevitable Step.

EXTENSION OF REMARKS

OF

HON. ALBERT JOHNSON,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, January 28, 1914,

On the bill (H. R. 1739) to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

Mr. JOHNSON of Washington. Mr. Speaker, I have gone with some detail into the pioneer steps which peopled the great Northwest. I desire, under permission granted, to extend my remarks. I desire to reaffirm, Mr. Speaker, that Alaska is to-day, beyond all doubt and notwithstanding all that has been said by the distinguished Member from Oklahoma [Mr. FERRIS] and others, the greatest asset the United States possesses. Guard it well. Do not let it lie dormant at a time when the opening of the Panama Canal is about to divert a great immigration to our Pacific Ocean ports. Open Alaska and it will give our new population a chance. Also, it will give our hardy and adventuresome young men a chance; they will help to people Alaska. There prevails to-day the same spirit that started our ancestors west from the original Colonies across the Alleghenies to people the Ohio Valley, then the Mississippi Valley, then the prairies, and finally the far Western States—all in less than a century—occupying and making habitable the territory from ocean to ocean. In all the history of mankind there is nothing that bears comparison with it.

Note the population figures. In 1776, about 2,500,000 people in the United States; in 1790, the first census gave us 3,929,214. Since then we have doubled every 25 years. In 1910 the actual population was 91,972,267. For a long time the bulk of the population went to the land. Lately circumstances have driven it to the cities. How to start the flow once more to the farms is the question. Open Alaska. Open that Territory with a railroad and with revised land laws that will once more give the poor man a chance. This is the opportunity, and it is almost providential, coming as it does at a moment of great unrest.

Alaska is not all frozen. Less than one-half lies above the Arctic Circle. At one point a single range of glacial mountains

run down to the south coast, where mountains of ice fall into the sea. There—at the location of Muir Glacier—tourists see enough ice to make them believe forever that all Alaska is frozen.

But that same glacial range runs down into my balmy Puget Sound country—western Washington—where the thermometer has never fallen to zero and rarely drops below the freezing point—32°—not even in the dead of winter.

Mr. Chairman, the real reason this railroad will be built by the Government is because such a step is absolutely necessary in the chain of events that since the beginning of this Nation have guaranteed to the United States the control of its own destiny.

This step, the authorization of the building by the Government of a $35,000,000 railway in rich and neglected Alaska, is no more startling, no more revolutionary, than any of the great acts of Congress which have made this the all-powerful, ever-advancing Nation that it is.

AN EVER-ADVANCING NATION.

From the signing of the Declaration of Independence the United States has never faltered when the time had come for the addition to or the development of its natural territory. At the time Alaska was purchased no one ever dreamed that the time would come when Alaska, lying at the top of the peaceful Pacific, should be destined to play a great part in the development of a new Pacific, which is made possible by the opening of the Panama Canal.

The extent to which the Panama Canal has focused the attention of the world on the Pacific coast is shown by the fact that the London Times published on December 31 a special number, of which 54 pages are devoted entirely to the Pacific coast of the United States, Alaska, and Canada, and to the effects of the Panama Canal on its development.

The Times discusses exhaustively the bearing the canal will have on transportation lines, and predicts a great readjustment. It tells in a series of articles all about the institutions, industries, and resources of Alaska and the far West, about the harbors and waterways and the steps being taken for their improvement. Alaska receives particular attention, and is declared to be "on the eve of a great renaissance in commerce and all the arts and industries of civilization." Government-aided railroad development in western Canada is described, as is the new city on the north Pacific, Prince Rupert, and talks of what is expected of this place, which is now little more than a frontier camp.

WORLD MOVEMENTS ON PACIFIC.

Mr. Speaker, of great import to the Pacific are the several great world movements now in progress. These are—

(1) The construction of the Panama Canal.

(2) The awakening of Asia.

(3) The opening of Alaska.

And I might add a fourth great movement—almost of world import—

(4) The end of trust control in development of great mining properties.

These great movements are noteworthy for these reasons:

(1) There are no more continents to bisect.

(2) There are no more great world majorities to come out of the sleep of ages.

(3) There are no more great domains on this northern continent to populate and develop.

(4) The settlement of trust control in the development of new territory means ultimate relief from a conservation too heavy to be borne by the people of the West and of Alaska.

On the Pacific the events of the next decade will be decisive. If Alaska is to play her part, we must not delay.

Let us in five minutes run through our school history and note how one great step in the physical and material advancement of the United States has interlocked with another. And why was this so? Was it superior intelligence of the Presidents and of the Congresses that have gone before, or was it the irresistible march of the United States to its destiny?

LOUISIANA PURCHASE.

Start with the Louisiana Purchase in 1803. Jefferson sent Monroe to France to buy the island of New Orleans for the purpose of commanding river navigation. Monroe was instructed to offer $2,500,000. Napoleon, hard pressed by war, needed money and offered the whole vast domain of Louisiana for $15,000,000. In those days that was a stupendous sum for a young Nation of scant 4,000,000 souls to pay. Napoleon demanded an immediate answer, and Monroe and the American minister accepted the offer and then notified Jefferson. Neither Monroe nor Jefferson hesitated. Thus the United States secured the great empire lying between the Mississippi and the Rocky Mountains. Most of us at first, though wrongfully, place nearly everything west of the Mississippi in the Louisiana Purchase.

But it took many more steps to secure what we now call the West. In 1804 Jefferson sent Lewis and Clarke to explore the new country. They started from St. Louis, then a town of 800, followed the Missouri River to its source, went westward over two ranges of mountains, found the upper reaches of the Columbia River, down which they boated to its mouth, which had been discovered and named in 1792—12 years before—by Capt. Robert Gray. They were gone two and one-half years. They traveled more than 8,000 miles and brought back great stories of resources and of values, which were received very much as the reports of Alaska's actual wealth and prospects are received by some nowadays.

ACQUIRING THE NORTHWEST.

But after Lewis and Clarke had crossed the Rocky Mountains neither Capt. Robert Gray, for whom my home port, Grays Harbor, was named, nor the explorers, Lewis and Clarke, were in the territory of the United States. Many more steps were necessary before that great Northwest became ours. Strangely enough, the most important of these was the purchase of Florida from Spain in 1819 for $5,000,000. That was President Jackson's doing, and was considered a headstrong and foolish act. Spain threw in all claim to the country lying north of the forty-second parallel and west of the Louisiana Purchase. From this region we have made the States of Washington, Oregon, and Idaho, but we would not have received title to what Spain willed to us had it not been for Capt. Gray and for Jefferson's explorers, Lewis and Clarke. See how all of these actions dovetailed in helping the United States to the ultimate control of its own destiny.

ALASKA PRECIPITATED THE MONROE DOCTRINE.

The Monroe doctrine comes in at this point, and, strangely enough, Alaska was responsible for the Monroe doctrine.

When in June, 1823, John Quincy Adams, Secretary of State, informed Baron de Tuyll, the Russian minister at Washington, that the American Continents "are henceforth not to be considered as subjects for future colonization by any European powers" and "that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety," the Eastern States were notified that there was a Pacific coast over which we must stand guard, and what was vaguely called the "Oregon country" began to be an issue in American politics.

The warning carried by Secretary Adams's words in the summer of 1823 was directed primarily against Russia, as that country had taken possession of what was then known as Russian America, the Alaska of a later day, which we purchased from her in 1867, and she was extending her settlements southward along the Pacific coast. This was the germ of the Monroe doctrine, as enunciated at greater length and more circumstantially in that President's message to Congress half a year later, but Secretary Adams was its real author, so far as any one man deserved that name, for the principle was proclaimed by Washington in his Farewell Address of 1796 and found expression in some of Jefferson's later state papers also.

SHADOWY TITLE.

Thus, almost before it was a local habitation or a name, the so-called "Oregon country" let the rest of the world know that it was a locality to be reckoned with. Spain renounced all pretensions to it in the treaty of 1819, by which it gave up Florida to us, and we promised that we would not attempt to assail any claims which Spain might assert to the region west of the Sabine, the Texas of a later time. After Secretary Adams's prompting to Tuyll, Russia in 1824 surrendered her shadowy title to "Oregon," leaving England and the United States as the only contestants for ascendancy there. Between those two countries the dispute was left open for 20 years longer, by which time colonization had gone to the rescue of the United States, and in 1846 England withdrew from all the territory south of the forty-ninth parallel. Perhaps the United States ought to have retained the whole "Oregon country" up to 54° 40', or Alaska, but as we were about to engage in war with Mexico, in which we gained territory which was more immediately valuable, many persons at the time thought we made a fairly good bargain.

THIS CLINCHED NECESSITY FOR MONROE DOCTRINE.

Here we see that what is now Alaska really provoked the Monroe doctrine of December 3, 1823. Part of the declaration was incited by the purpose of the Holy Alliance, the leading spirit in which was Czar Alexander I, of Baron de Tuyll's coun-

try, which had for its object the overthrow of the independent Governments set up by Mexico, Peru, Chile, Bolivia, and the other Latin-American nations which had broken away from Spain in the two or three previous years. These reactionary countries were Russia, Prussia, Austria, and the France of the restored Bourbons. Under the direction of the allies, France had already invaded Spain in the summer of 1823 for the purpose of upsetting the constitutional government which the Spanish people had created, and some of the allies, France among them, were to send armies over to the western side of the Atlantic and assail Mexico and her partners south of the Rio Grande.

This was an audacious scheme, and might have succeeded had not the United States called a halt in the conspiracy. The Latin-American countries were poor and feeble, and were wrangling among themselves. But the Government at Washington had the sympathy of England in this matter, which wanted to retain the profitable trade which it had gained with the new nations. The United States promptly sent out its note of warning, the plot was defeated on December 3, 1823, and hands off the American Continent became henceforth a cardinal principle in United States diplomacy.

But after the purchase of Florida we did not own what is now the United States. Texas and the country through to and including all of California were still outside. Texas came into the Union of her own accord, followed by war and by boundary troubles, which were settled by the United States going to the Rio Grande. That did not secure California to us, but John C. Freemont, the pathfinder, was out that way and promptly claimed that country for us. Mexico then sold California and New Mexico to us for $15,000,000 and shouldered onto us debts amounting to $3,000,000. A little later we completed the Gadsden purchase, to settle the Mexican boundary question, and paid $10,000,000 for a tract of land but 45,000 square miles *in extent.*

ALL WERE GREAT PROBLEMS.

All of these bargains did not go through without great dissension and discussion in Congress. Many men of great prominence were doubtful. How simple all of these steps seem now when we read them as recorded in the plain paragraphs of a grammar-school history. California in a few years found enough gold to pay the whole bill, while in the Gadsden purchase has been mined a very large part of the ore of the United States.

In my opinion the next step in the chain of progress was the opening of Japan by Commodore Perry in 1854. That was the magic touch that aroused old Mother Asia from the slumber of centuries and quickened force that should cause us to be ever alert.

Next comes the purchase of Alaska itself, in 1867, from Russia, for $7,200,000. How Seward was abused! What bitter speeches were made on this floor! Had Russia held Alaska I am inclined to believe that to-day the situation on the Pacific would be different from what it is now, and very different from what it will be 20 years hence.

Next were the opening of the land-grant railroads and the development of homesteads. Every step added to the resources and the prosperity of the Nation.

We annexed Hawaii in 1898. Then Porto Rico and the Philippines were ceded to us. One at the eastern approach of the canal, the other to the west. Was a Divine Providence guiding us?

Next the Alaska boundary problem was settled by arbitration, the new line following the mountain crests 10 leagues back from the ocean instead of crossing the leads of inlets, as the Canadians asked. This step was just as important as all which had preceded it.

Then came the discovery of great beds of coal in Alaska. And then attempt of great capital to control and develop these finds. Next the withdrawal of these, bringing to an end forever the development of new and pioneer territory by aggregations of capital.

FINAL NECESSARY STEP.

And since development can not be without great capital, what is the next step? It is a Government railroad, built as a pioneer line, which does not and can not mean an entering wedge for the General Government ownership of all railroads in continental United States. Not a bit of it. This railroad means that Alaska, unlocked, shall be opened, peopled, and made prosperous, to take its place as our sentinel and our key to the new Pacific.

Immigration—Why Conserve the West and Leave Front Door Open?

EXTENSION OF REMARKS

OF

HON. ALBERT JOHNSON,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 30, 1914,

On the bill (H. R. 6060) to regulate the immigration of aliens to, and the residence of aliens in, the United States.

Mr. JOHNSON of Washington. Mr. Speaker, my colleague on the Committee on Immigration, the gentleman from Illinois [Mr. SABATH], calls my attention to the statistical statement that the population of the United States averages only 30 per square mile. I beg to suggest that these figures take no account of the millions of acres conserved and laid aside for posterity.

Think of it, more than 90 per cent of all of Arizona, 87 per cent of Nevada, more than 80 per cent of Idaho, 80 per cent of Utah, almost 70 per cent of Wyoming, 65 per cent of Montana, 62 per cent of New Mexico, half of Oregon, half of California, half of Colorado, and 40 per cent of my own State, Washington, all conserved, together with their resources, for posterity. Who's posterity? Ours or for children of southern Europe and Asia yet unborn?

Strike these vast areas from the total before you begin to figure population per acre. Remember, too, that the population in New York runs into thousands per city lot, and in Chicago nearly as bad. Remember that the plain people of these and other great cities are hungry for the land, but can not get it. They have the same longing for the freedom that goes with the ownership of broad acres as does yon serf-born peasant, who follows the primitive plow in far-away Russia.

My colleagues, but for the accident of birth I might have been that poor serf—unlettered, helpless, and almost without hope—and were I that poor creature, with my back bent to the plow, and with my thoughts turned to free America, which, not alone because of my inability to read 40 words, but because of abject poverty, I could never reach, should I ask you, the Congress of the United States, to hold open the doors, not to me, but to my children and my children's children? In fairness, I should not ask it; but you, my colleagues, by this very bill do that very thing. All that you ask in this bill is that he who comes henceforth shall show that little degree of education necessary for the reading of any 40 simple words in his own language or jargon, and that he shall be upright and free from disease.

Ah, my colleagues, were I that peasant, I could not be so far from the hope that God plants in every breast that I would think that my descendants would never read at all; that would be my hope, which would mean that the gates of the great United States would be open to them if not to me.

I have contended, in the rooms of the Committee on Immigration and here as well, by the presentation of a special report, that this test is not enough. I still hold to that opinion, but I do not fight this bill. This form of restriction is something. It will help if it shall keep out but 200,000. We have come years to get even this much restriction.

OPPONENTS FEAR FURTHER RESTRICTION.

I am told that many who oppose this bill so bitterly—opponents outside of Congress, let me make it clear—do so because of fear of further restrictive measures. They hope that by strenuous opposition to this bill they can make those who advocate heavier and more certain restriction feel that it can not be had. This explains why the plan for an absolute and positive restriction on a percentage basis finds such opposition.

And, remember, for every one who has come to these shores and found liberty—even the liberty of a congested ghetto in New York City—there are countless thousands who would come but can not. Literacy test or no literacy test, they can not come. Poverty forbids.

And, gentlemen of the Congress, the same poverty, in less degree, beyond a doubt exists in the United States—a poverty just as fatal when one desires to move his habitation in the hope of bettering the conditions of his children—the same galling, blighting poverty fetters the people of our own cities, who would, if they could, move to the land. Why, even now we are talking of governmental agricultural credits for those who get to the farms and who then can not go ahead for lack of money

to buy seed, lack of money to buy plows, lack of money to buy live stock, and lack of money to build even the humble roofs that shall shelter them in their great endeavor.

I know that the question of opening and peopling Alaska will be brought into this debate in argument against what I have said about the land.

But remember that this bill does not stop immigration. Thousands upon thousands still will come, and through the Panama Canal they will reach our Pacific shores; yes, on ships through the canal they will be carried even to the gate of Alaska itself.

Also, it must be apparent that the natural growth of our own 100,000,000 people will help to populate Alaska. The more hardy of our stock will go to Alaska as soon as a trunk line of railroad is constructed and adequate land laws provided. Their places will be taken by those who can get out of the cities. Oncoming generations will clamor for the lands now conserved—yes; that land will be even needed for the present generation.

As Sedgwick said 120 years ago, we can not forever be an asylum for the oppressed of all the world. The time must come to end that doctrine, beautiful as it is and as beneficent as it has been. In my opinion, the time is here. In fact, it arrived the day we locked up our natural resources in the 11 Western States which I have named.

SHALL ALL OF THESE COME?

Suppose for a moment that to-day there were on the way to the United States the 6,000,000 oppressed Jews of Russia and Roumania, two or three million half-starved, beaten, and distressed Mexican patriots, a few million Brazilian half-breeds, other millions of wretched low-caste Hindus, who have nowhere in all the world to turn except the United States—not even to the sister lands of their vast Empire of Great Britain—a few million Japanese, who are so thick in their own land that they crowd each other for actual living space. Suppose, if you dare, that all of these, whose eyes, as we well know, turn with hope to the United States, should find means with which to arrive on our shores this very year of our Lord 1914. What kind of an outcry do you think would be heard in this land of liberty—in this asylum for the oppressed of all the world?

I contend that the Republican Party made a mistake in maintaining a tariff wall for the men who pay wages and neglecting to put up an immigration wall for the men who earn wages.

I am inclined to wonder, since the Democratic Party has torn down the tariff wall, what kind of a position would this party have been in if, instead of the goods made abroad which a few months ago packed our bonded warehouses to bursting—if instead of the goods the foreigners who made the goods had themselves been in the warehouses, ready to pop into the country on the passage of that bill. Why, if all the Japanese men, women, and children who had made the chinaware, the silk goods, the cotton goods, and the matting which has come in since the President signed the Underwood tariff bill were themselves to come here to live the roar of protest would have been something terrific.

But that has nothing to do with this immigration bill, 6060. We can partially restrict the incoming millions by passing this bill, and if the tariff bill is not satisfactory we can make one that will be. Thus, and thus only, can we have protection for the wage payer and the wage earner. Thus only can we relieve the American fathers and mothers of this generation who are actually, as Speaker CLARK puts it, "Lying awake nights wondering where their children shall find homes."

Restriction of Immigration.

EXTENSION OF REMARKS
OF
HON. GEORGE W. LOFT,
OF NEW YORK,
IN THE HOUSE OF REPRESENTATIVES,

Monday, February 2, 1914,

On the bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States.

Mr. LOFT. Mr. Speaker and gentlemen of the House of Representatives. As an employer of the Italian and Hebrew race I desire to enter my protest against this un-American measure.

If you will trace back the ancestry of the Members of this House, how many of your forefathers could read and write?

I employ upward of 1,000 men and women of the Hebrew and Italian race, and as an employer of these races of people I want to say to you that no better workmen or working women could be found in the whole world.

At the present time in the city of New York some of our largest contractors are men of the Hebrew and Italian race. Our largest merchants to-day are men of the same race. If the gentlemen from the Middle West and the gentlemen from the South will look up the records of the towns in which they reside, they will find but few, if any, Italians or Hebrews in the poorhouses.

And can America forget her distinctive indebtedness to foreigners? This country owes to Italy the old debt and more. May she not well remember that it was the son of a Genoese wool comber whose unflagging spirit revealed her existence to Europe; that the Florentine, Amerigo Vespucci, was her godfather; and that the voyages of the Cabots and Verrazano first traced the North American coast line and cleared the way for pioneer immigration.

Is it possible that the men of this House are going to vote against the country of such men in the world as Michael Angelo and other illustrious Italians, to whom the world owes a debt in almost every art and science? I have traveled through Italy—yes, all parts of it—not by the beaten path of the railroad, but by walks and by automobile, and know the class of people that you are trying to keep out, and instead of trying to keep them out we should open the doors and allow them to come in. You will remember that in this House a short time ago there were resolutions passed condemning the Russian Government for the atrocious treatment inflicted upon the Jewish people, asking them to come and we would open our doors to them. Now, in the same breath, you want to say to these same people, "Go away; we don't want you." How can you gentlemen be consistent in attempting to pass a bill of this kind?

I wish I had more time to go into the subject more fully, but the time allotted to me is limited, therefore I will plead with you gentleman to vote as a unit against this un-American bill. For the reasons I have stated I shall vote against this bill.

Appropriations for the Post Office Department.

REMARKS
OF
HON. ADDISON T. SMITH,
OF IDAHO,
IN THE HOUSE OF REPRESENTATIVES,

Friday, January 23, 1914,

On the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. SMITH of Idaho. Mr. Chairman, I offer the following amendment in lieu of section 9.

The CHAIRMAN. The gentleman from Idaho offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 30, after line 19, insert:

"That each letter carrier in the Rural Free Delivery Service shall receive, after July 1, 1914, an allowance equal to 25 per cent of the salary he now receives, to be paid each month, for providing and maintaining the equipment used by him in transporting the mails in the discharge of his official duties as such carrier."

Mr. SMITH of Idaho. Mr. Chairman, there is no branch of the public service which affords more convenience and comfort to the people than the Postal Service; and there is no branch of the public service where the employees have more arduous and responsible duties to perform or where so much is expected of the employees than in the Postal Service. During the last few years provision has been made for slight increases in the compensation of the clerks in post offices and in the Railway Mail Service, but the compensation is still quite inadequate for the service rendered and is very much lower than is provided for employees in other departments of the Government. Regardless of this fact, the men and women in the Postal Service loyally perform their duties and faithfully serve the public, hoping that Congress will in the near future provide the relief to which they are entitled.

I wish to speak especially for the rural carriers and the star-route contractors, upon whom unusual and unexpected burdens have been imposed because of the great increase in the weight of the mails. The further increase in the weight of the mails which will result because of the more liberal regulations contemplated by the Postmaster General in connection with the parcel-post system must also be taken into consideration.

I was greatly surprised to observe when the bill was reported to the House that a liberal provision had not been made by the committee to meet the unreasonable and almost impossible conditions which had been imposed upon these carriers.

There is no good reason why a rural carrier should not be given an allowance, as are the city carriers, for equipment and the maintenance thereof. Suburban city carriers are allowed from $25 to $30 per month for maintenance of equipment, where only one horse is required, while the rural carrier is allowed nothing for maintenance, although many of them in a rough country require four or more horses to perform the service, as the horses can not stand the daily trips and must rest on alternate days.

It has been demonstrated that there is a large profit accruing to the department as a result of the inauguration of the parcel-post rates, and because of the hardships imposed upon the rural carriers incident to transporting the ever-increasing weight of the mails they should have first consideration and be given immediate relief. The weight of mail the city carrier is supposed to handle is necessarily limited, but the rural carrier is expected to be prepared to transport any amount of mail that he may find confronting him when he starts upon his route.

The increased weight of the mails is making it necessary for him to purchase larger and stronger wagons and additional horses, and if no provision is made this session for these worthy employees many of them will be forced to resign their positions, as it is impossible for them to purchase and maintain equipments and support their families on the compensation allowed.

Many of the rural carriers in my district have furnished me with information regarding their needs, which I have classified for the information of the Members, an examination of which will disclose the fact that a very small margin is left after paying the expenses of providing and maintaining the equipment necessary to transport the mails and render satisfactory service.

Route from—	Carrier's salary per month.	Length of route.	Hours on route.	Families served.	Horses required.	Value of equipment.	Horse feed per month.	Expenses of maintenance per year.	Depreciation per year.	Net yearly proceeds.
		Miles.								
Acequia	$74.16	16½	5-7	86	2	$425.00	$20.00	$120.00	$85.00	$455.00
Burley	91.67	28	9	234	3	420.00	23.00	218.00	84.00	608.00
Do	91.66	26½	9	146	3	400.00	23.00	218.00	80.00	612.00
Do	91.66	28	9	163	3	450.00	23.00	230.00	90.00	590.00
Blackfoot	91.66	26	6	156	2	185.00	14.00	205.00	37.00	758.00
Do	91.66	27	7	270	2	325.00	21.50	272.00	65.00	663.00
Do	91.66	25	7	151	2	295.00	12.00	376.00	59.00	665.00
Do	91.66	24	7	153	2	310.00	12.00	288.00	62.00	650.00
Caldwell	91.66	26	8½	205	3	350.00	25.00	332.00	70.00	598.00
Do	91.66	27¾	7½	180	3	400.00	20.00	276.00	80.00	642.00
Do	91.66	25	7½	189	2	290.00	14.00	198.00	58.00	752.00
Do	91.66	27	7½	125	3	425.00	22.00	372.00	85.00	543.00
Coeur d'Alene	91.66	25	7½	179	3	430.00	33.00	513.60	86.00	400.40
Cambridge	91.66	25	7	147	3	410.00	20.00	348.60	82.00	570.00
Driggs	88.00	22½	.....	75	3	750.00	25.00	328.00	150.00	522.00
Downey	91.67	25½	8	81	3	450.00	30.00	396.00	90.00	514.00
Emmett	91.67	24¾	8	209	3	300.00	30.00	468.00	60.00	372.00
Do	91.67	28	8	125	3	300.00	25.00	408.00	60.00	532.00
Filer	91.67	26	7½	164	4	575.00	20.50	351.00	115.00	434.00
Gooding	91.67	28	7-8	100	3	475.00	16.00	276.00	95.00	579.00
Greenleaf	82.50	21½	9	135	2	250.00	15.00	216.00	98.00	584.00
Genesee	91.67	28	6½	120	2	465.00	26.00	402.00	93.00	505.00
Heyburn	91.67	25½	8	150	3	500.00	45.00	564.00	100.00	336.00
Ilo	91.67	27	7	100	4	300.00	38.00	538.00	60.00	355.00
Do	91.67	25½	8	80	4	400.00	38.00	552.00	100.00	348.00
Idaho Falls	91.67	28½	7	202	2	450.00	30.00	504.00	110.00	388.00
Do	91.00	25	9	160	2	200.00	25.00	396.00	40.00	564.00
Juliaetta	73.33	18½	5½	50	2	247.00	17.00	264.00	50.00	386.00
Kimberly	91.67	26	8	188	2	474.00	18.35	328.00	94.50	577.30
Kuna	91.67	25½	8	102	2	280.00	15.00	276.00	56.00	668.00
Lewiston	91.67	24	8	110	2	420.00	20.00	288.00	84.00	628.00
Lenore	91.67	27½	8	119	6	1,177.00	49.50	660.00	235.00	205.00
Lorenzo	91.67	31	8	225	4	665.00	26.00	408.00	133.00	459.00
Moore	47.67	22½	5½	71	2	142.00	10.50	144.00	35.00	285.00
Moscow	91.67	24½	6	135	2	218.00	16.00	262.00	44.00	450.00
Do	91.67	26	6½	116	2	400.00	30.00	324.00	60.00	616.00
Do	91.67	24½	6	137	2	265.00	17.00	306.00	55.00	639.00
Do	88.00	22½	5½	82	2	250.00	15.00	210.00	50.00	360.00
Do	91.67	26½	6	82	2	200.00	18.00	276.00	40.00	690.00
Mohler	91.67	21	7	100	4	600.00	40.00	624.00	120.00	310.00
Marysville	51.34	24	6	53	2	350.00	10.00	216.00	70.00	240.00
Nezperce	91.67	30½	10	85	4	540.00	.....	276.00	108.00	516.00
Do	91.67	26½	10	90	4	515.00	30.00	468.00	103.00	429.00
Nampa	11.67	24¾	8½	68	4	450.00	32.00	504.00	90.00	406.00
Do	91.67	28	8	185	3	800.00	25.00	360.00	160.00	360.00
Do	91.67	25	8	182	3	375.00	15.00	336.00	75.00	539.00
New Plymouth	91.67	26½	8½	186	4	628.00	27.00	408.00	77.00	515.00
Do	91.67	25	8	142	4	550.00	22.00	408.00	126.00	466.00
Post Falls	91.67	25½	6	198	3	450.00	23.00	366.00	110.00	524.00
Potlatch	82.50	20½	6½	110	6	500.00	30.00	396.00	100.00	394.00
Payette	82.50	25	9½	324	2	300.00	20.00	360.00	90.00	550.00
Do	82.50	28½	9	274	3	345.00	22.78	342.00	69.00	598.00
Preston	82.50	27	7½	108	2	275.00	35.00	381.00	69.00	550.00
Parma	82.50	28¾	6½	175	2	435.00	25.00	288.00	75.00	637.00
Do	82.50	26	12	203	4	625.00	25.00	378.00	87.00	535.00
Rexburg	82.50	24½	7½	111	3	450. 0	17.50	480.00	125.00	395.00
Rupert	82.50	26	9	155	3	490.00	20.00	270.00	90.00	540.00
Do	82.50	25	8½	140	3	550.00	20.00	312.00	98.00	590.00
Rathdrum	82.50	29	8	110	3	420.00	25.00	300.00	110.00	590.00
Do	82.50	26	8	115	3	540.00	28.00	420.00	84.00	496.00
Shelley	91.67	26½	6½	186	2	375.00	30.00	552.00	108.00	340.00
Do	91.67	25½	6	151	3	375.00	30.00	456.00	75.00	469.00
St. Anthony	91.67	26½	8½	135	3	500.00	30.00	456.00	75.00	469.00
Sugar City	73.27	25	3	101	2	250.00	20.00	420.00	100.00	480.00
Southwick	73.27	20	5	76	3	435.00	28.00	336.00	110.00	554.00
Troy	91.67	25½	8	105	4	250.00	25.00	422.00	87.00	491.00
Weiser	91.67	27½	7½	182	3	375.00	21.00	384.00	50.00	566.00
Do	91.67	24¼	8	238	4	400.00	20.00	288.00	70.00	542.00

All classes of citizens agree that some relief must be afforded to these loyal employees of the Government, and the press of the country has recognized the justness of their claim, as is evidenced in the following editorials:

[From the Courier-Journal, Louisville, Ky.]

The rural carriers work for the money they get, and the establishment of the parcel post has added materially to their labors. They are compelled to furnish their own wagons, and the augmented bulk of the mail they are carrying will make it necessary in many instances for them to provide larger vehicles than they are using at present.

The carriers are assigned about as much territory as they can cover adequately, and with due regard for promptness, under the most favorable conditions. A route that is carried easily during the long summer days and at seasons when the country roads are in their best condition assumes a very different aspect in winter when the weather is severe and the roads are muddy or covered with snow or sleet. It is during the winter that the energies and resources of the carriers are most strongly taxed.

Here is what James M. Pierce, in the Farmer and Stockman of January 1, says:

"I regret exceedingly to learn that the plan to increase the pay of rural mail carriers is likely to meet with defeat in Congress. No man

deserves better of his employer. Through all sorts of weather, day after day, week after week, the rural free delivery carrier makes his rounds, connecting the farm with the near-by town and far-away city, bringing tidings of great joy and of great sorrow, carrying the welfare of individuals and of townships in his cart or wagon. The roads may be bad, the winds of winter may be blowing, the thermometer may register below zero, no matter what the conditions, faithfully and regularly comes the cheery rural free delivery man. And now, in the interest of so-called economy, the raise in pay which he so richly deserves is to be denied him.

"There is no branch of Government work which has so justified itself as the Rural Free Mail Delivery Service. Pessimists predicted dire failure for it; the experiment was tried with fear and trembling; there were even some farmers who worked and argued against it in the early days. There is not a farmer to-day who does not compliment the Rural Free Delivery Service, who would not fight to retain it. Thanks largely to the splendid type of men chosen for the work, and to the loyalty with which they have performed their task, the Rural Free Delivery Service stands as an object lesson of accomplishment. And now they propose to add to the carrier's duties by making him deliver parcel-post packages, not only in the country, but in the town from which his route emanates, without increasing his pay. It is altogether wrong.

"I believe in paying every man according to his just deserts, whether he be farmer, letter carrier, printer, or what. The rural free delivery carrier has not only done everything required of him, he has done it so faithfully and so well that an experiment, of which much was feared, has succeeded beyond the fondest expectations. The man in front of the mail sack deserves credit from his country fully as much as the man behind the gun. Reward good labor wherever it is performed and still better results will be forthcoming. Give the rural free delivery carrier the pay he deserves."

W. R. Hearst, owner of a string of newspapers from New York to San Francisco and in the South, has taken up the cause of the rural carrier. In a recent editorial, appearing simultaneously in all his papers, he says:

"In providing for the extension of the usefulness of the parcel post by increasing the weight of the package that may be carried, the Postmaster General and Congress should not overlook the rural free delivery carrier.

"This postman of the backwoods, who drives from 18 to 25 miles a day over rough country, is paid on a basis of the amount of ground he covers. For a 25-mile route he receives $1,100 a year. He must provide his equipment, which generally consists of an open wagon, a covered one for bad weather, and a sleigh when sleighing is possible.

"He is postman, money-order clerk, weigher of packages, seller of stamps, and registrar of letters. He must provide his own horses, feed and shoe them, and make an average of 4 miles an hour or report why when late. Sometimes—in fact, frequently—he is compelled to keep as many as three horses because of the strain on horses in mountainous districts. Many of them are now driving teams because of the parcel post.

"For $3 a day he must furnish a team to the Government, drive 25 miles in all kinds of weather over roads of all kinds, and may not even earn an extra dollar through carrying the chance passenger into the back country without running the risk of facing charges.

"Why should not the Government provide the horses and wagons and give to the rural carrier a chance to live? When the cost of horse feed, shoeing, wear and tear on harness and rigs, and depreciation is taken into consideration, the rural postman is lucky if he has 50 per cent of the money paid to him to keep his family.

"Thousands of these men quit the service last year, at a time when the Government was extending their usefulness at their expense. How many more of these faithful servants will be driven out when the weight of the package is made 50 pounds?"

The following news items from Idaho papers portray conditions which may be surprising to those who have given this matter no consideration:

[From the Spokesman Review.]

MAIL CARRIER UP AGAINST IT.

SPOKANE, WASH., *January 13.*

Post-office inspectors received to-day telephone calls from worried rural delivery carriers asking aid.

The carriers who ride horseback from Paradise, Oreg., to Anatone, Wash., 18 miles, notified the inspectors that a man at Paradise is ready to ship 3,600 pounds of timothy seed by parcel post.

The carrier at Elk City, Idaho, telephoned that mine owners had three carloads of concentrated ore ready for shipment by parcel post to the smelter, a distance of 60 miles over mountain roads.

—

[From the Grangeville (Idaho) Globe.]

SHIPPING ORE BY PARCEL POST.

Information comes to us this week that shipments of ore are now being made from the Ten Mile country to the Butte and Anaconda smelters in Montana, and that the Jumbo mine in the Buffalo Hump country is also preparing to ship concentrates from their mill.

These mines come within the second zone, and under the new postal regulations a ton of ore can be shipped to the points named for $23 and a fraction. Thus, by sorting the ore carefully, there are dozens of the mines in the districts contiguous to Grangeville that can furnish tons upon tons of ore that will make their operators a nice clean-up at the end of a few months. In many of the mines the ore boxes are full, it is said, and all that will be required is proper sorting and sacking to get it ready for transportation to the smelters. After they make connection with the mail service, your Uncle Samuel has pledged himself to do the rest. Lord help the mail carriers, for the Government isn't doing much of it.

—

[From the Idaho Daily Statesman.]

TON OF FLOUR BY THE PARCEL POST.

As a result of the increase in weight to 50 pounds in the first and second zones by the parcel post, over a ton of flour in 50-pound sacks was shipped through the Boise post office to-day to different points in Idaho. A large number of other bundles ranging in weight from 25 to 50 pounds were shipped out and the day was one of the heaviest here since the parcel-post law went into effect.

I have scores of letters from rural carriers in Idaho urging relief, but will only quote from a few, as the evidence of the necessity of making provision for these employees would simply be cumulative. I quote from one letter:

One thing I wish to emphasize, and that is that the vehicle which travels the full length of the route must go 9,210 miles annually. At the end of the second year it is ready for the ash heap. Do not forget that we plow through miles of drifted snow to the axle, and ofttimes not a farmer will break a single mile of the road. Where a carrier suffers an accident, like a runaway or the death of a single horse, he has incurred a loss which will require a whole year to recover from.

Here is another:

With the present salary we are not able to lay up anything for the time in the future when we must depend upon what we have done in the past. Many of us have families depending upon us and are as good and loyal citizens as those in other walks of life, and I believe should have our just deserts for service earnestly and effectively performed. While I stay in the service I shall conscientiously perform my duties, but if no relief comes I am not expecting to stay on the job for a great length of time.

Another:

The indications are that the mail will be very heavy on my route this summer, as the melon growers are preparing to send out 50-pound crates of canteloupes, which will mean that I shall have to buy a larger and heavier wagon and use four horses all the time, two making the trip one day and the other two the next.

Another:

By March 1 I will have to use at least one more horse, and before next winter two more. My rigs are already inadequate, and it will cost me about $200 to buy new ones and the harness required. Some days I have 25 or 30 pounds, and the next day I may have between 300 or 400 pounds. We have to be prepared all the time for the heavy mail.

Another:

I wish to say to you that I have used 11 horses since I went on this route, one year ago last June. As it has taken all I could make to buy horses with since I went on this route, I do most assuredly hope we may get bigger wages, as we are getting awfully discouraged with our jobs, as it takes the children all summer to make enough money to pay up what we go behind in the winter.

Another:

It must be taken into consideration that the mail carriers are taking chances on accidents, loss of horses, and have to work at home extra to take care of their horses. Being out in all kinds of weather, we are more apt to get sick and have to pay doctor bills. We are out on our routes six to seven hours and have to work at the post office mornings and evenings about two hours besides. The majority of us are trying to get along the best we can, but there is a time coming when all will have to do differently. I bought this year one extra horse and got my wagon enlarged twice for the parcel post and have to do this again. The expenses come higher every time. The length of our routes are made so that we can get around with a light wagon, but are too long for heavy wagons. Besides this the insured parcel-post packages have to be delivered within half a mile off from the route, like registered mail, which gives us much extra driving.

Another:

When all the items of expense are taken into consideration, together with depreciation, I find I have less than $50 left to feed and clothe my family and pay an occasional doctor bill. Experience is the best teacher, and I now know what I doubted before I entered the service—that the letter carrier had a hard time to keep even.

What better or more convincing proof should be required to show the immediate necessity of making ample provision for this deserving class of employees? Is it not the duty of Congress, regardless of expense involved, especially in view of the fact that the service is being conducted at a profit, to make ample provision for reimbursing them for expenses incurred in the maintenance of equipment necessary in the performance of their official duties?

STAR-ROUTE CONTRACTORS.

The relief provided for in the bill for star-route contractors is far from adequate, and a more liberal schedule for compensating them, because of the increased weight of the mails, should be adopted. Packages which have heretofore been carried by them as express or freight they are now required to carry free. In making their bids for carrying the mails they made a low estimate, because of the charge which they could make for transporting packages by freight, but since the packages which they had heretofore carried for hire now go by mail they are in numerous instances forced to carry the mails at a loss under the penalty of having their bondsmen required to perform the service.

Of course, when their contract term expires they will be relieved from the embarrassment which now confronts them, as their new bids can be estimated upon the approximate amount of weight of the mails to be carried, but during the remainder of the present contract term there should be frequent weighing of the mails, and a liberal compensation given them for carrying the extra weight so as to prevent them being forced into bankruptcy.

Post Office Appropriation Bill.

EXTENSION OF REMARKS
OF
HON. WILLIAM W. GRIEST,
OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 23, 1914,

On the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. GRIEST. Mr. Speaker, supplementary to my remarks on town and village mail delivery, delivered in the House January 16, 1914, I desire to present additional testimonials which have been received by courtesy of and through Members of the House in commendation and indorsement of the experimental mail delivery now in operation in the districts of these Members. These letters, taken in connection with those previously presented, show that the experimental mail-delivery system is a pronounced success, and they refute the information received by the gentleman from New York [Mr. FITZGERALD], who on the day of the adoption of the paragraph in the Post Office appropriation bill relating to town and village mail delivery is reported in the RECORD as saying:

Representatives in the House who live in such communities have informed me that they know this service is of no special benefit.

Among the 114 Members who have this service in their districts I have been unable to discover a single one who does not commend it and demand its retention by the Government. The letters now presented for publication, and those heretofore published, indicate a unanimous desire on the part of "Representatives who live in such communities" for the permanent establishment of a service which, it is now demonstrated, is regarded as indispensable and to the benefits of which from 15,000,000 to 20,000,000 are of right entitled.

Hon. SERENO E. PAYNE, representing Dundee, N. Y., writes:

I certainly think this service should be extended to villages of the same class where a single carrier can do the work and larger ones where two carriers can do it.

Congressman PAYNE also furnishes a letter from Mr. E. Vreeland, of Dundee, who says:

The people appreciate the service and desire to have it continued and improved. The residences should be ordered numbered and collection boxes erected. Should the service be taken away a vigorous protest will result. With the constant increase of postal business, especially the growth of parcel post, it is almost imperative that a way be provided for the quick disposition of mail matter. Otherwise larger quarters and additional help will be needed to properly conduct the business even in a third-class office.

Hon. H. H. SELDOMRIDGE, representing Littleton, Colo., writes:

I have just received a letter from the postmaster at Littleton, Colo., which substantially confirms the report made by the postmaster at Ephrata, Pa. The postmaster states that the service has been satisfactory in every way. The carrier there is handling over 18,000 pieces of mail each month. The service has grown to the extent that over 780 patrons are being served. There has been full and complete cooperation between the people and the postmaster, and a discontinuance of the service would be greatly deplored.

Hon. SAM R. SELLS, representing Elizabethton, Tenn., writes:

I have been to Elizabethton a few days ago and find that the statements of the postmaster with reference to this service are correct. The patrons of the office are very much in favor of the continuance of this delivery, and I trust that arrangements to that effect may be provided for in the annual Post Office appropriation bill.

Congressman SELLS also submits a letter from Mr. E. E. Hathoway, who says:

The patrons are well pleased with the village free delivery that we have at this office and ask that you use your influence to make it permanent. I believe that it has increased the receipts of this office. I have had a number of the patrons who are served by this delivery to ask that you do what you can to make it permanent, that it saves them time running to the office for the mail, and the business men are more than delighted with it. I hope you will do all you can for us.

Hon. THOMAS L. RUBEY, representing Lebanon, Mo., transmits a letter from F. J. Swett, who says:

In reply, permit me to say that my experience with the establishment of five rural routes justifies me to believe that the attempt to deliver mail in towns of this size, in view of the time established, is an absolute success. In other words, if this service is made permanent, in a few years there will be no demand at the general-delivery window except by transients. My conclusion regarding the delivery of mail in Lebanon is as follows: The certainty of receiving and collecting mail at regular hours will have a most beneficial effect upon the patrons of the office in saving them time and systematizing their mail, and without additional expense to the service.

Hon. JAMES A. HUGHES, representing Princeton, W. Va., writes:

I want to say that the postmaster, the city council, and all of the business interests at Princeton are enthusiastically in favor of this service, and, in fact, this service now has become a necessity. This particular town is strung out about 3 miles in length.

Congressman HUGHES submits a letter from Mr. Wirt A. French and a resolution signed by Mayor J. D. Scott as adopted by the City Council of Princeton.

Mr. French writes:

We have between 6,000 and 7,000 inhabitants within our corporate limits at this time, and I should say that the post office serves at least 7,500 people in and outside of the corporate limits. I beg to report further that the delivery system in use in our city has been of the greatest benefit to all our citizens, and we feel that if anything should occur to deprive us of same that it would indeed be the worst calamity that could possibly befall us.

The resolution reads:

Whereas it appears that our present city delivery of mails is only temporary and dependent upon the Congress of the United States for an appropriation for its continuance; and

Whereas that city delivery has been in use in our city for about 11 months, and has proven so entirely satisfactory that our business concerns and residents have become dependent upon same to such an extent that to discontinue same would, in our opinion, be nothing short of a calamity, and would result in irreparable injury to the best interests of our city and the whole citizenship of same * * *.

Resolved, That a copy of these resolutions be spread upon the minutes of our city, and that the recorder be requested to furnish two copies of same to Wirt A. French, postmaster of our city, with the request that he forward same to our Senators and Members of Congress.

Hon. BURTON L. FRENCH, representing St. Maries, Idaho, advises:

I would say that as far as the experiment has gone I am advised that it has proven a decided success. The experiment has been seriously handicapped on account of the fact that the service has been allowed but one carrier, and he has not been provided with equipment such as mail bags, etc., that would have best served him as carrier. There has been no provision made for street letter boxes, and as a result of this many people have had to go to the St. Maries post office to mail their letters who had no other reason for making the trip. The postmaster at St. Maries, Mr. Edgar T. Hawley, advises me that it is his judgment that the delivery system that has been tried experimentally at St. Maries would be a decided success in such post offices if a sufficient number of carriers with equipment could be provided and letter boxes for the collection of mail placed at suitable points. He advises that he believes that the public at St. Maries have been profited far beyond the cost of maintaining the system there, and that the general idea is a good one.

Hon. E. A. MERRITT, Jr., representing Norwood, N. Y., writes:

For the past two years the village of Norwood, N. Y., in the congressional district which I represent, has been designated as one of those for experimental test of mail-delivery service in towns and villages not eligible under the present law to receive city delivery service. The service in Norwood has proven highly satisfactory to the patrons of the office, has been of great assistance to the business men of the town, and I am informed that the postal receipts since its inauguration have increased. I therefore am most heartily in favor of that item in the Post Office appropriation bill appropriating $200,000 for continuation of this service, and also would favor any plan providing for the proper extension of this service so that all villages where it would be beneficial might be included. Therefore any assistance that I can render to that end I shall be most pleased to do.

Hon. JAMES F. BYRNES, representing Blackville, S. C., sends a letter from Mr. B. J. Hammet, who reports:

It affords me pleasure to state that the patrons of this office are much pleased and delighted with the city delivery service.

Hon. JAMES A. FREAR, representing Durand, Wis., incloses letters from Messrs. August Ender and H. A. Miles, who say that the mail-carrier service "is highly satisfactory to the patrons."

Mr. Ender writes:

In regard to your interesting inquiry, will say the city delivery is working wonders here, and our people could hardly get along without it. The revenues of the local post office have increased, and there is such a friendly feeling that we have used our paper to urge people to be still better patrons of Uncle Sam.

Mr. R. P. Wilton, chief burgess of Wrightsville, Pa., writes:

Learning of the contemplated plan of the Post Office Department to discontinue the free mail-delivery service established in 114 towns and villages throughout the United States, and realizing that the discontinuance of this service would seriously affect the welfare of the town, I called a special mass meeting of citizens to protest the action of the department and to petition Congress. This mass meeting was held Tuesday evening, January 20, and the inclosed sworn copy of resolution will convey, in a measure, the sentiment of the town. Surely, a resolution signed enthusiastically by more than 700 citizens must carry great weight.

The resolution, signed by 751 citizens of Wrightsville, reads:

Realizing that the discontinuance of free mail-delivery service established in Wrightsville, Pa., in February, 1913, would interfere seriously with the growth and welfare of the borough, and to express our appreciation of this service as now enjoyed and found necessary, it is

Resolved, That we, the citizens of Wrightsville, Pa., in special mass meeting assembled, do petition Congress and the Post Office Department to take such action that will insure a continuance of this very valuable and appreciated service.

Hon. R. W. AUSTIN, representing Lenoir City, Tenn., presents the following from S. F. Carroll:

The village delivery service for Lenoir City has proven entirely satisfactory in every respect and has been well received and patronized. The receipts of the office have increased over last year.

Hon. FRANK PLUMLEY, representing Ludlow, Vt., after careful inquiry, writes:

Extending my answer of the 7th instant to yours of the 29th ultimo, wherein you sought information concerning the operation of the experiment of mail delivery service in towns and villages, in the town or village of Ludlow, Vt., being one of those experimental tests made by the Post Office Department, I am now prepared to say to you that careful inquiry disclosed the fact that beginning with July, 4,483 pieces were delivered; August, 7,186; September, 8,310; October, 10,536; November, 9,919; December, 13,600, being a progressive and rapidly increasing use of the facility offered, and constituting a total for the six months ending December 31 of 54,034 pieces. This service was all rendered by one man, except on Christmas week, when a clerk was furnished and a team to help out a carrier, and with this assistance everything was kept cleared up each day. Collections were made by the carrier, as patrons handed him their mail as he passed by.

It being known that I was making some inquiry to get information concerning the operation of this method of helping out in their village, and a rumor having started that there was danger that the village would lose the privilege they had through it, voluntary letters have come to me from merchants and business men and citizens expressing strong commendation of the service, saying that many of the merchants patronized it; that it is the greatest benefit to ladies and people living a long distance from the office; that the village is served by a very efficient carrier, and everybody would hate very much to give up their great accommodation, and further saying that if Congress wants to take the free delivery away the people in Ludlow must enter a protest. Another asks me most earnestly to support the retention of the free-delivery proposition for Ludlow and other places like it; it is said by this person that "the experiment here is proving a great convenience and is appreciated by all our people. We hope you will see your way clear to indorse the privilege recently granted." Another says: "I certainly hope that the appropriation bill for letter carriers in towns like Ludlow will be carried through. I certainly have enjoyed having my mail and parcel post delivered. It would be a great disappointment to me to have our carrier discontinued. It saves time and is so convenient. I am sure this is the case with everyone in town. Any part you may take in favor of continuing our carrier will be appreciated by me and everyone in town." Another says: "I find upon investigation that a goodly number are taking advantage of the arrangement. I feel that there will be much inconvenience felt by a goodly number should the present arrangement be discontinued. One of the rural free delivery carriers stated that if the increase in the use continued it would not be long before a second carrier would be needed."

I will say, further, that the other information which I have from Ludlow is along the same line, and substantiates fully the quotations which I have made, and having a deep interest in every step which brings to the people their mail most readily and efficiently, and which tends, as I believe, to the development and betterment of the conditions in our towns and villages of modern size, I heartily favor the continuance and extension of village mail delivery.

If there is anything which I can do to aid you in your appreciated efforts along this line, I offer my services, and remain,

Hon. WILLIAM KENT, representing Willits, Cal., submits a letter from Mr. Charles Whiteel, who writes as follows:

Relating to experimental city delivery, would state that it is giving good satisfaction, and if it is not made permanent it will be a great disappointment to the patrons of the delivery. It has increased the receipts and made the service more thorough.

Hon. SCOTT FERRIS, representing Wynnewood, Okla., transmits an interesting letter from Mr. H. S. Shackelford and a largely signed petition from patrons of Wynnewood, which reads:

We, the citizens of Wynnewood, Okla., patrons of the Wynnewood post office, now being served as such through the experimental village free delivery, respectfully petition your honor to work for and aid in securing the continuation of same for this as well as other villages and towns of like size. We are decidedly in favor of this branch of the service, because it enables us to enjoy the same privilege that our rural neighbor enjoys, as well as our neighbors living in a city where the receipts of the office are such that they are permitted to have regular Free Delivery Service because of said regulations.

The service in this town has been very efficient and has proven beyond a doubt that the Post Office Department has made no mistake in establishing said service, and we are loath to give up this highly appreciated service.

Mr. E. E. Norvell, of Wynnewood, Okla., also writes as follows:

This service has been in operation in this city since March 1, 1913, and recently a petition was circulated for its continuation, and only one man in the whole city refused to sign the petition, yet his wife was very enthusiastic in asking for the continuation of the service.

This service fills a long-felt want by the women and children of these towns and cities, which enables them to get the daily papers, instead of them being carried to the business houses and thrown down, and perhaps never carried to the residences by their husbands and fathers, thereby depriving them of the educational advantages they would get by the reading of the daily newspapers.

The women and children of our city are the loudest in their praises of the service they are getting through this branch of the service. We have a population of 2,800, and practically the entire town is being served by the village carrier and the two R. F. D. carriers out of this office. We have been unable to ascertain whether the collection of mail has been greater than would have been mailed at the post office or not because the department has failed to furnish mail boxes for the streets.

I shall soon retire from the service as postmaster of this city, but I am very enthusiastic in my support of the village delivery service for small towns. I also take a pride in the fact that my office was the second in the State of Oklahoma to have this service established.

I also present a letter from Hon. Daniel C. Roper, First Assistant Postmaster General, who has kindly submitted data as to the number of different towns represented by applications, petitions, and inquiries filed in the Post Office Department concerning the establishment of town or village mail-delivery service:

POST OFFICE DEPARTMENT,
FIRST ASSISTANT POSTMASTER GENERAL,
Washington, January 23, 1914.

Hon. W. W. GRIEST,
House of Representatives.

MY DEAR MR. GRIEST: Referring to your letters of December 22, 1913, and January 19, 1914, I take pleasure in inclosing the data relative to experimental mail delivery service you request, showing by States the number of applications received for the institution of the service, on which no action has been taken, and the number of inquiries received on the subject of delivery at the different towns.

I very much regret that through a misunderstanding this data was not furnished you more promptly.

Yours, very truly,

DANIEL C. ROPER,
First Assistant Postmaster General.

Applications filed in Post Office Department in re experimental mail-delivery service on which no action has been taken.

State.	Number of petitions filed.	Number of applications received.	Number of inquiries received.	Total communications regarding service at different offices.
Alabama	1	11	1	13
Arizona		1		1
Arkansas	1	17		18
California		8	0	8
Colorado		2	0	2
Connecticut		6	0	6
Delaware	1	1	0	2
Florida		5		5
Georgia	3	22	1	26
Idaho		1		1
Illinois	1	35	7	43
Indiana	5	32		37
Iowa	1	19		20
Kansas		14		14
Kentucky		18	1	19
Louisiana	2	2		4
Maine	1	12	2	15
Maryland	2	11		13
Massachusetts	2	19	1	22
Michigan	2	21	18	41
Minnesota		8	6	14
Mississippi	4	26		30
Missouri	11	68	12	91
Montana		1		1
Nebraska	3	14		17
New Hampshire		3	2	5
New Jersey	1	21		22
New Mexico		2		2
New York	3	31	9	43
North Carolina	1	18		19
North Dakota		2		2
Ohio	2	29		31
Oklahoma		9	3	12
Oregon		5		5
Pennsylvania	6	57	3	66
Porto Rico		2		2
South Carolina	4	17	3	24
South Dakota		4		4
Tennessee	1	25	4	30
Texas	4	41	5	50
Utah		3		3
Vermont	1	4		5
Virginia		6	2	8
Washington	1	1		2
West Virginia		5	2	7
Wisconsin	2	17		19
Wyoming		1		1
Total	66	677	82	825

NOTE.—By "application" is meant the number of different towns requesting institution of the service. By "petitions" is meant the formal request by a number of citizens for the service. By "inquiries" is meant the number of communications received in addition to the petitions and applications.

Restriction of Immigration.

EXTENSION OF REMARKS

OF

HON. SILAS R. BARTON,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 3, 1914,

On the bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States, and for other purposes.

Mr. BARTON. Mr. Speaker, to listen to the discussion of this bill one would naturally think that all it contained was a literacy test; but an examination will show that it provides for the exemption of idiots, imbeciles, feeble-minded, epileptics, insane, paupers, persons likely to become a public charge, beg-

gars, vagrants, persons afflicted with tuberculosis or other dangerous diseases, persons having physical or mental defects of such a nature as to affect their making a living, those who have committed a felony, persons who practice or believe in polygamy, persons who teach the unlawful destruction of property, prostitutes, procurers, contract laborers, and other provisions. It also provides a test of literacy—one must be able to read 40 words in their own language. Provisions are made in applying this test that any admissible alien or any alien heretofore or hereafter admitted or any citizen of the United States may bring in or send for his father or grandfather, his wife, his mother, his grandmother, his unmarried or widowed daughter, even if they can not read. The alien who must submit to this test is required to read 40 words in his own language, and I would not desire to so insult the people who inhabit northern Europe as to plead that they could not meet this requirement.

It is known and admitted in the discussion on the floor of this House that the only people this test affects is the people from southern Europe. To be more explicit, the Greek and southern Italians. We have received in this country 1,500,000 aliens from one of these countries of southern Europe and 850,000, or 54 per cent, of them can not read or write, and only three-tenths of them have become naturalized. From the 15th day of February, 1910, to December 31, 1913, we have received 4,278,889, making a total of 17,794,775 persons in this country of foreign birth on January 1, 1914.

The American Federation of Labor, with a membership of more than 2,000,000 wage earners; the United Mine Workers of America, with 450,000 members; the Farmers' Union, with a membership of 3,000,000 men; the National Grange, the Farmers' National Congress, the Railway Trainmen's Association, the Brotherhood of Locomotive Engineers, Conductors and Firemen, and practically every patriotic organization of this country has asked for this legislation.

In most of our States we have compulsory educational laws. We expend millions of dollars in educating our children, and it seems to me, while I do not believe that this test is the true test of a man, that we are not entirely unjust when we seek to keep up our high standards of literacy by requiring the alien to have at least enough education to read 40 words in his own language, and, further, that with this development it is reasonable to suppose that he is better prepared to grasp the genius of American Government and American institutions.

The argument is advanced that had this test been applied a hundred years ago our forefathers could not have been admitted. The ones who put forward this argument seem to forget that there is a great difference in the education of mankind from that period until now. One hundred years ago education was a luxury; now a necessity. Then difficult to secure; now almost thrust upon you. If we would make a comparison of the school systems, methods of transmission, periodicals, and all the things that go to make education of that period and now, we can then readily grasp the inconsistency of the men whose arguments are that our forbears could not have been admitted had they been forced to pass this test.

My forefathers, in common with others, probably could not have passed this test, and yet I am constrained to think, knowing their fortitude and character, had they known this test was to be applied that they would have prepared and qualified, for our people of a hundred years ago were made of that kind of stuff. My father's people were from the old sod, those of my mother from the fatherland, and I would not to-day insult the intelligence of those races to say that the great body who knock at our doors for admission can not read 40 words in their own language. An examination of the report of the Commissioner of Immigration will prove conclusively that a very small percentage of the people of northern Europe will be excluded.

I do not believe, as urged by some, that it will affect the Jewish people, who are a race of much intelligence, and whose children are taught the language of their Bible at an early age; and mighty few there would be over the age of 16 that could not read 40 words from their own Bible; and even if they can not, and make the statement that they are entering this country to escape a religious persecution, they, under this bill, can be admitted.

My colleagues who are protectionists and oppose this bill are certainly inconsistent. You stand for a tariff high enough to protect America's laboring men, their standard of wages, their standard of living, and yet by opposing this bill invite the hordes from southern Europe to swarm into this country to take away the positions from the American laborer, lower the price of his wages and his standard of living, the thing that you would avoid in the first instance.

I am not opposed to an immigrant who comes to this country for the purpose of making his home who is of sound mind and body and of good moral character and one that can be assimilated, but I am opposed to permitting bodies of men to come to this country for the purpose of taking the wages that belong to our American laborers and carrying them back to his country in time of war, as had been so recently demonstrated. There are so many good features in this bill that I propose to vote for it, believing in so doing I am casting my vote for American laborers, American home builders, and American institutions, which means a prosperous America.

Some Features of the New Income-Tax Law.

EXTENSION OF REMARKS

OF

HON. GEORGE F. BURGESS,

OF TEXAS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 4, 1914.

Mr. BURGESS. Mr. Speaker, it affords me a pleasure to ask unanimous consent to have printed in the RECORD a notable address by that much loved colleague of ours, Hon. CORDELL HULL, of Tennessee, delivered last week in New York City before the State Bar Association of New York State, in which he discusses some features of the new income-tax law.

ADDRESS OF HON. CORDELL HULL, OF TENNESSEE.

Mr. President and members of the State Bar Association, I desire to express my sincere thanks for your invitation to be present on this occasion and for the high privilege of participating in the proceedings of this, the largest State bar association in the United States. May I also express the great respect and admiration which I, in common with the lawyers of other States, entertain for the high professional standard, ability, probity, and learning which have always characterized the legal profession of the State of New York.

During the past year the Congress of the United States has enacted a number of laws of Nation-wide interest and importance. As a part of the legislation designed to establish a new national fiscal policy, an income-tax law has been enacted. I ask the indulgence of this distinguished assemblage while I briefly comment upon some of the features of that law.

It must be admitted that the history of all taxation reveals a constant struggle between classes, each striving to shift the chief burden of taxation upon the other. Taxation is coeval with organized society. The income tax is the outgrowth of centuries of tax legislation throughout the world. By universal consent it more nearly approximates justice in taxation than any other general tax method yet devised. More than 50 countries and States have adopted this method of taxation, and none have repealed it. To-day it is in operation in every leading country in the world save France, and she is in the act of adopting it. The same permanency may be predicted for the new law here. The incorporation of this tax as a part of the newly adopted fiscal policy of this country marks the culmination of a contest that has been waged in its behalf throughout the Nation for 20 years. Our former income-tax laws should never have been repealed. During the early seventies, when the war taxes were being gradually abolished, the ablest statesmen of that time earnestly opposed the abandonment of the income tax upon the ground that it was the most just and equitable tax then levied by the United States, and, in the language of John Sherman, because it—

Was the only discrimination in our tax laws that will reach wealthy men as against the poorer classes of people.

The income-tax law of 1894 was declared invalid by the Supreme Court upon the ground that a tax imposed upon income derived from real estate or invested personalty was a direct tax, and must therefore be levied by the rule of apportionment. From this decision the friends of the tax respectfully appealed, and sought to overturn it by securing an amendment to the Constitution of the United States. This amendment was adopted in February, 1913. Strange to say, Congress in drafting and submitting this amendment to the States, instead of dealing with this subject after the manner of the eleventh amendment to the Constitution, by making the amendment declare that "taxes imposed on incomes from whatsoever source derived shall not be construed to be direct taxes," and thereby classifying this tax, simply submitted an amendment relating alone to the method of laying a tax on incomes, and so ex-

empted the tax from the rule of apportionment. In the light of this amendment and the decision in the Pollock case, would a tax on income derived from real estate or invested personalty now be considered a direct or an indirect tax? The weight of opinion expressed in the Senate at the time this amendment was considered was to the effect that it would continue to be a direct tax. If this view be correct, under what, if any, rule shall the tax be laid? The Constitution only requires duties, imposts, and excises to be laid according to the rule of uniformity. These terms are understood to embrace all the indirect forms of taxation. Since a general income tax is no longer subject to the rule of apportionment, it can not be contended, upon the other hand, that the rule of uniformity will apply unless this tax should be treated as having been restored to the category of indirect taxation by virtue of the recent amendment to the Constitution. It is probable that in the future the courts will, as they did prior to 1894, treat a tax imposed upon income derived from real estate and invested personalty as an excise tax, otherwise its levy would not necessarily be subject to either rule prescribed by the Constitution.

Our national tax system has been justly considered inequitable, instable, and inflexible. The present Congress therefore turned to the income tax as the wisest, fairest, and most feasible means of equalizing the burdens of taxation and securing for the Government an elastic and flexible system of revenue. Unlike the intangible, indirect tariff tax, this method enables every citizen to see and know the exact amount of taxes he contributes to the Government, and to know that every dollar he pays goes into the Federal Treasury.

Edmund Burke once said:

> You can tax the shirt off a man's back by indirect taxation without serious complaint on his part.

With the income tax as a permanent part of our fiscal system, Congress can readily prevent a deficit or reduce a surplus in the Treasury without disturbing business by the simple lowering or raising of the income-tax rates. Furthermore, the cost of collecting this tax will be less than that of either the tariff or internal-revenue taxes proper.

The new law in a measure follows the English law with respect to the method of graduation and collection at the source of the income. The provisions of paragraph A, subsection 1, which impose the normal or basic tax upon individuals, is almost as broad in its scope and meaning as the English law. Some discussion has arisen relative to the application and effect of the latter provision of this subdivision upon the income of nonresident aliens derived from property owned or business, and so forth, carried on in the United States with respect to corporate interest received from this country. The question has also been raised as to the nature and extent of the jurisdiction of the United States Government thus to impose a tax that would affect the person of a nonresident alien. It may be noted here that similar provisions in the laws of most other countries has given rise to occasional controversy. A few such laws prescribe lower rates for the alien. Apart from the policy involved, this law as it affects nonresident aliens generally has always been somewhat difficult of enforcement with respect to certain classes of income. Strong grounds can be urged both for and against its provisions relating to domestic-interest income due to nonresident aliens. This law would be more acceptable to an investing nation than to those in need of capital. Citizen investors in domestic securities are opposed to giving the foreigner any advantage An international agreement prescribing as nearly as possible a standard of uniformity would be impossible at this time. Some $6,000,000,000 of foreign capital is invested in the United States, comprising stocks, bonds, mortgages, and real estate. Undoubtedly this Government has not the jurisdiction to impose a capitation or poll tax upon a nonresident alien, nor upon his income received from a foreign country. An income tax, however, while properly termed a personal tax, is a tax merely levied upon a person because of his income and according to its amount. The tax is measured by net income and taken from the general property of the citizen. Would a tax laid upon the income of nonresident aliens derived from interest on our domestic bonds which they own be within the jurisdiction of this Government? The joint opinion of Mr. Justice Bradley and Mr. Justice Harlan in United States *v.* Erie Railway Co. (106 U. S., 703) seems to be sound and appears to state the correct law on this point. Their decision was in effect that Congress may impose the tax in question and assess it against the interest income in this country due such nonresident alien bondholder, and require the tax to be retained out of the income by the debtor corporation. The receipt of income from this country is the basis for such jurisdiction.

Those foreign owners of our domestic bonds who are not content with an exemption of their interest from income taxation under recent Government rulings seem to resent the requirement that only a slight showing shall be made as to their ownership as a prerequisite to securing the exemption. This assumed attitude on their part seems to have given concern to some of our chambers of commerce. I do not think that this latest phase calls for serious consideration.

Paragraph A, subdivision 2, of the new law imposes a graduated additional tax upon that portion of the total net income of all individuals in excess of $20,000. The statutory exemption of $3,000 and $4,000 applicable to the normal tax is not allowed with respect to the additional tax. The income subject to the additional tax may be the aggregate amount of three items, namely, income upon which the normal tax is withheld at the source, income embraced in a personal return for the purpose of the normal tax, and income derived from dividends received from corporations subject to the same normal tax upon their annual net profits.

A clause in subdivision 2 which imposes the additional tax reads as follows:

> All the provisions of this section (the income-tax law) relating to individuals who are chargeable with the normal tax, so far as they are applicable and are not inconsistent with this subdivision of paragraph A, shall apply to the levy, assessment, and collection of the additional tax imposed under this section.

From this provision it is clear that no provisions of the law relating to the levy, assessment, and collection of the normal tax as to individuals can to any extent modify or otherwise affect any provision of subdivision 2, which imposes the additional tax, in any case where the former is inconsistent with the latter or where the former is not applicable to the latter. Paragraph B, subdivision 1, broadly defines dividends as taxable income. Naturally all dividends received from corporations paying the normal tax upon their entire net profits are not again subject to the same normal tax in the hands of the stockholder. Under no theory, however, can they escape the comprehensive provision of the additional tax section embracing "total net income," which is even a broader term than "total taxable net income." Any provision relating to the normal tax upon individuals must give way to this requirement of the additional tax law. It should also be remembered that the law nowhere exempts dividends from the normal tax. It only provides against their double normal taxation. The supplemental provision designed to subject the undistributed profits of corporations to the additional tax, in certain cases, is in harmony with the views I have just expressed.

Although some of the Senators of Congress expressed a contrary view, the fact should not be overlooked that the Government has full power to impose and collect an income tax with respect to the undistributed profits of a stockholder. The Supreme Court so held in the case of Collector *v.* Hubbard (12 Wall., 1). This doctrine comes from a different line of decisions from those relating to controversies between stockholders and corporations.

Paragraph C, relating to the exemption, has given rise to much discussion and difference of construction. This paragraph as finally written was agreed upon in the conference committee of the House and Senate after protracted discussion and earnest controversy. As not infrequently occurs under such circumstances, the language of the paragraph is not clear, nor is it quite in harmony with the assessment provisions of the law. It is obvious that with paragraph C eliminated from the law the net income of every man, woman, and child from $1 and over would be subject to the normal tax of 1 per cent. The laws of all Governments, after providing the method of computing the net income of a taxable person, also contain a provision allowing an exemption of a fixed amount of the same. Our former income-tax laws have allowed different amounts as exemptions. Most all of the 52 income-tax laws in operation throughout the world prescribe the family as the basis of income and unit of taxation and provide a statutory exemption that may be deducted from the aggregate net income of the family, consisting of husband and wife or husband and wife and minor children. Our former income-tax laws contained a like provision. In but rare instances has this rule, which long experience has approved, been departed from by any Government. For this tax law to go inside the family and allow each individual member—husband, wife, and each minor child—an exemption of $3,000 throws wide open the door to evasion and fraud. Any member of the family receiving income from investments might during the period of assessment easily make such distribution among members of the family as would satisfy his or her conscience and enable each to secure exemption and thereby evade taxes. The exemption is intended for the member or members of the family furnishing the income, whether husband, wife, or child, or all jointly and ratably.

Paragraph C of the present law allows each taxable person an exemption of $3,000. In case of a husband and wife living together, only one of whom has taxable income, he or she making return of same is allowed $1,000 additional exemption. Furthermore, the proviso at the end of paragraph C imposes a restriction or limitation upon the main provision with respect to the amount of exemption to be allowed a husband and wife living together in all cases where each has taxable incomes. But this does not interfere with the right of husband and wife to be taxed as individuals under the additional tax provisions. The language of the proviso, "that only one deduction of $4,000 shall be made from the aggregate income of both husband and wife when living together," can have but one meaning, and that is that the normal tax fastens itself upon the amount of the aggregate income of such husband and wife in excess of $4,000. The law is plain in its provisions that every dollar of the net income of both husband and wife, when living together, is subject to the normal tax except to the extent of the exemption to be had under authority of paragraph C. As just stated, the benefit of the exemption can only be had upon condition that their net income shall be aggregated, and only one deduction of $4,000 is then allowed to be made therefrom. If no return of such income should be made as directed by paragraph D, and if no assessment of taxes should be made upon the same as provided by paragraph E, the collector may make return for them under sections 3173 or 3176, Revised Statutes, or an action of debt would lie each year under section 3213, Revised Statutes, in favor of the Government against such husband and wife for the amount of the taxes accruing upon that portion of their aggregate net income in excess of $4,000, with costs of the proceedings. This is true regardless of the question as to whether any liens would attach or penalties accrue. An assessment is not a prerequisite to the collection of taxes legally imposed. It is seen from the foregoing that one view makes the family the basis of income and the unit of taxation and the other the individual. The new law is a compromise of both views.

The income-tax laws of all countries allow the taxpayer certain exemptions and deductions in computing his net taxable income. To frame a law providing for such deductions as are usually allowable and which can be administered with ease and convenience at the outset is not free from difficulty, by reason of the complex business conditions existing in this country. There is also naturally much difference of opinion with respect to the amount of exemption that should be allowed a taxpayer. Most foreign laws allow a statutory exemption ranging from $50 to $250. England and a few minor States allow a larger exemption.

A model or scientific income-tax law would embrace a graduated tax imposing the lowest rate at a point just above the amount of net income reasonably necessary to support an average family, and likewise imposing the higher rates upon each successive category of income. This view is based upon the experience and the teaching that a family is entitled to subsist before being compelled to pay taxes to the Government; otherwise it would have to ask Government charity in return. The weight of opinion in Congress was that a statutory exemption should be fixed at $3,000 to $4,000 at present for more than one reason. In the first place, this tax is only one source of Government revenue and should therefore be dealt with as only a part of our general revenue system. The overwhelming portion of our other national taxes and of our State, county, and municipal taxes, amounting to much more than $2,000,000,000, are paid by those who are not subject to the present income tax. It was therefore believed that the present exemptions would so apply to the taxpayers of the country as more justly to equalize the tax burdens. Furthermore, it was not deemed wise in the beginning to enact a law of almost universal application, because, like all new laws, it must first be understood by the people and become adjusted to the intricate business conditions of the country before its administration could be expected to prove entirely convenient and satisfactory. This was true of the recent corporation-tax law, the pure-food laws, the general property-tax laws of the States, and the income-tax laws of other Governments. To suddenly apply to 90,000,000 people a comprehensive income-tax law, with very low exemptions or none at all, and with all the extensions, classifications, qualifications, and so forth, necessary to be embraced in a law of such tremendously wide application, might result in the breaking down of its administration. In the future, when the revenue demands from this source shall become greater and the present law becomes thoroughly understood and adjusted to business conditions, it will be easy to lower the exemption, further extend the provisions of the law, and otherwise round it into more comprehensive and permanent form.

This is essentially a tax on gains and profits. Naturally, all laws prescribe the allowance of certain deductions necessary in the computation of such gains and profits. The legitimate expenses and losses of a business or businesses from which profits are derived always constitute a proper deduction; interest on indebtedness, State and other taxes, and like annually recurring items of expense fall within the same category of deductions.

The question has been asked, Why does the new law contain the method of collecting a substantial portion of the tax at the source of the income? The law would be complete in its administrative provisions with this provision eliminated. One answer is: To avoid the unsatisfactory conditions existing in virtually all the States under the operation of their general property-tax systems, the result of which has been that only 20 per cent of the value of all personalty, including but a nominal portion of intangible personalty, and less than one-half of the value of all realty has been given in by the taxpayer for assessment. The State and local tax burdens are thus harsh and inequitable and measurably limited to those either honest and willing enough to disclose their full property values for taxation or those whose property is not concealable. A taxpayer is practically penalized for being honest. Most European countries require a personal return for the purpose of income-tax assessment. The fact should not be overlooked, however, that the successful administration of this method is necessarily so drastic, and in some respects so inquisitorial, as likely to render the tax law unpopular in a country like ours. Human nature is such that it is more disposed in the beginning to antagonize a tangible than an intangible tax, however just the former and however unjust the latter. Foreign laws requiring a personal return would derive but a comparatively small amount of taxes unless the law should be enforced in a most rigid and drastic manner. When the English Government adopted the system of collection at the source the tax rates were reduced one-half, and yet the amount of revenue derived was the same as under the former higher rates. This method greatly reduced inquisitorialness. The inexpediency of depending upon a personal return of the taxpayer has been thoroughly demonstrated in the administration of our State property-tax systems. More than $60,000,000,000 of our national wealth consists of personalty. By far the larger portion of this huge amount is intangible personalty, most of which has always been concealed from the tax gatherer. According to a late report of the Kentucky Tax Commission, the amount of deposits in the banks of the State on January 1, 1912, was given in, under oath, for assessment at $12,847,868, whereas the true amount of deposits, according to the report of the banks, was $133,339,871. A Kentucky law imposing a tax on dogs yields a larger revenue to the State treasury than that derived from the entire bank deposits.

The report of the New York State Board of Tax Commissioners in 1910 showed that the ratio which the assessment of personal property bore to the total assessment had fallen to 5.65 per cent in 1909. The assessed value of real estate in 13 States for the year 1910 was $9,708,731,821, while its estimated true value was $28,285,821,708. This but illustrates the ill-balanced and unsatisfactory tax conditions in most of the States. Their general property tax systems have almost broken down.

Moreover, there are 30,000 Americans residing in France alone—most of them wealthy—who draw their incomes from this country. Many nonresident Americans annually receive as much as $500,000 income from interest on our corporate bonds alone. No tax method has heretofore been devised that would reach this class of persons or that would successfully reach the resident owners of our more than $40,000,000,000 of intangible personalty. In the light of the facts I have enumerated, it was deemed both wise and necessary to insert in the new law a method by which the Government might intercept the tax on certain large classes of income before it reached the owner and taxpayer. England, Italy, and other countries have long employed this method with splendid results. A number of States now successfully operate it to a limited extent. The English method of retention at the source was adopted in a modified form under the new law. It is completely applied to income derived from corporate interest due to individuals and only partially applied to other fixed annual income accruing to individuals. To require the tax to be withheld on all fixed annual income derived from rent, salaries, and other sources, as in England, regardless of amount, would necessitate the return of a large amount, either by refund or abatement of the assessment, in view of the high exemption of $3,000. England annually refunds many millions on account of exemptions, abatements, and deductions. The new law will secure the substantial benefits of collection at the source and at the same time avoid any refund of taxes on account of exemptions, and also

satisfy almost all claims for deductions at the source of the income by abating the assessment. Every individual taxpayer has a number of remedies for securing the benefit of both exemptions and deductions. There will be only a limited number of instances in which the tax will be withheld upon the entire taxable income of an individual; in most cases he will have other income of which he will be required to make a personal return, and in all such cases he would naturally claim and secure the benefit of his exemptions and deductions in connection with income embraced in his personal return.

In those instances wherein the tax is retained upon his income at the source he may at any time within 30 days prior to March 1 of each year file claims for deductions with the collector of the district in which his tax is thus retained and immediately secure an abatement of the proposed assessment, the collector notifying the person withholding the tax of the amount thereof; or if the taxpayer should prefer, he may file with the person withholding the tax for him claim for deductions, accompanied by statement of any other taxable income, which will be forwarded to the district collector, and his entire tax transaction would thus be dealt with as in case of a direct personal return to the district collector. Even where the tax is withheld at the source upon the chief amount of one's income, if the taxpayer has a sufficient amount of other income from which to subtract his exemption and deductions, he would thus secure the benefit of the same in his personal return to be made by March 1. But only in those limited instances where such other income is too small to permit the deductions will the taxpayer make claim for the latter, accompanied by a disclosure of his other income, 30 days prior to March 1, under the first proviso of paragraph E.

This method of collection reaches every item of fixed annual income exceeding $3,000, and not only secures the normal tax upon the entire amount to the Treasury but locates and discloses all such taxable income for the purpose of the assessment and collection of the additional tax. Whenever fixed income accruing to an individual from any source under an annual business relationship, or a business relationship continuing without limitation as to time, exceeds $3,000 the normal tax will be withheld upon the entire amount unless exemption should be claimed or unless the district collector should upon a claim for deductions abate the assessment in whole or in part.

There has been much discussion of this method of collecting the tax due on corporate interest. To the fact that the larger portion of our corporate interest is represented by coupons and the additional fact that in a great many cases the debtor corporation has an outstanding agreement with the bondholder to pay all taxes required to be withheld were due one of the chief difficulties in framing and administering the law. It may be remarked that this condition is no more the fault of the law than the fault of the peculiar and intricate business conditions which have been so contrived as to render it impossible for the States and their subdivisions to reach this class of property for taxation, save to a nominal extent.

Two substitute methods have been suggested for that provision of the law applicable to the collection of the tax on corporate interest. One prescribed information at the source instead of collection at the source. While information at the source in some respects appears to be feasible, the fact should be borne in mind that this method would require more detailed information as to the identity of the bond owner, the description of the bond and of the debtor corporation, than is required under collection at the source. Information at the source could not apply to corporate interest accruing to nonresident Americans. Information at the source, if applied to fixed rent, salaries, and other fixed income, would necessarily embrace all items of income from about $1,000 and over, with the result that the expense and inconvenience to the citizen furnishing the information would be as great, if not greater, than the law now entails, while the expense and inconvenience to the Government would be very much increased. In the language of Prof. Seligman, "stoppage at the source is the chief cause of the great success of the English income tax," and, in my judgment, it should not be abandoned here, at least until given a thorough and practical test. England, after 50 years' trial, retains collection at the source. She has carefully examined other methods of other Governments and unhesitatingly rejected them. Whichever method may be finally and permanently adopted here, we should remember that the bondholder is very apprehensive lest the States, counties, and municipalities should thereby be enabled to reach his bonds for taxation. The State and local tax rates seem to be imposed upon the theory that only 10 per cent or 15 per cent of the entire value of intangible personalty will be reported for taxation. The other substitute method proposed for collection at the source is to tax the corporation income as a whole and require the corporation to distribute the tax among its bondholders and stockholders, deducting the same from interest and dividends. This method perhaps could not be made practicable within any short period of time, unless the corporations should actually deduct the tax from the usual rate and amount of interest and from the regular dividends, or from the interest at least. If the corporation should merely pay this tax for the bondholders and stockholders without deduction, as just stated, but treating the tax as a general expense of the business, many years would be required in which to readjust and neutralize the relative interests of the stockholders and bondholders.

I am firmly of opinion that any satisfactory tax law must maintain a check on the taxpayer such as would be afforded by either collection or information at the source. When considered in the light of experience, the former seems entirely preferable, as a rule. Congress and the country would naturally prefer the method proving most effective and convenient. The policy of other countries, universally acquiesced in, does not contemplate that a tax law shall undertake completely to adjust itself to every complex and intricate business condition, especially if it was contrived to evade taxes, but that business people should make a reasonable effort, without material injury, to conform to the law. I am highly gratified to be able to say that the business people of the United States, regardless of their views as to the merits of the new income-tax law, thus far have manifested a disposition of acquiescence in the law and of readiness to lend their hearty and unreserved cooperation to the Treasury Department in an effort to make the law as thoroughly adjustable to business conditions and as practical and convenient in its administration as possible. In so doing they have shown a spirit of patriotism characteristic of true American citizens. Persons have no right to criticize a law unless they offer a better substitute method. No better method of administering this law has yet been offered.

There are two methods of computing net income—what is known as the book or credit or accrued basis, and the cash basis. Differences of opinion among Members of the two Houses of Congress and expert accountants and others are responsible for the lack of harmony of terms prescribing in each instance the exact basis upon which accounting shall be made. I think the accrued or credit basis will apply to corporations and associations with most convenience, and the cash basis will be more desirable for individuals. The taxpayer is entitled to employ the same basis in accounting for his income and in making claim for deductions, otherwise an injustice would result. I have the impression that the Treasury Department will administer the law on the accrued or credit basis.

The corporation excise-tax law was merged into the new law. The same administrative machinery and substantially the taxing provisions of the former are retained. Only a few changes were made. One change is designed in effect to impose a graduated tax upon corporations holding stock in other corporations, by reason of the superior business advantages derived therefrom. This is not an unreasonable graduation. All that class of corporations falling without the scope of the excise-tax law are embraced under the new law. The existence of a large number of corporations best adapts any country to the successful administration of the income tax. Their agency can be utilized to secure the safe collection of the income tax from the stockholders, bondholders, and their employees. Probably one-half the large incomes of the country are derived from corporate dividends. There are more than 300,000 corporations in the United States and less than 50,000 in England.

An income tax looks to the individual according to his ability to pay. Ability to pay, as demonstrated by world-wide experience, is best measured by net income. The abilities of persons are infinitely varied. The many complications of business that arise in this country require a law of great range, administered through flexible Treasury regulations. The new law undertakes to reach every item of gain or profit intended to be taxed by its general provisions, and leaves to the regulations to apply them in a manner most convenient to the Government and the taxpayers. Foreign laws are far more complex than our law. When carefully read, it is less intricate than Schedule K, or the cotton, or silk schedules of our tariff, or many of the State general property-tax systems. It is somewhat complex, because only a law containing numerous safeguards can successfully reach the hidden wealth of the country and render certain the payment of its fair share of the taxes. All other tax laws have failed to accomplished this end. The public mind will not longer accept taxation that is unfair, harsh, discriminating, and immoral, upon the theory that there may be more convenience in its assessment and collection.

The income-tax method embraces the largest single feasible taxing power of the Government. If the present English peace rates were applied here, the revenue yield would easily reach $500,000,000. The largest tariff yield was $333,000,000. To-day this country possesses more than $175,000,000,000 of national wealth—an amount so fabulous as to be beyond human conception. Its income is greater than many have believed. The present tax, in my judgment, will yield from last year's assessment several millions more than have been estimated. Under the rules of computation prescribed by the new law there are, in my opinion, more than 700,000 incomes in the United States of $3,500 and over. The new tax will be paid by several million stockholders under the corporation provision and by 500,000 to 600,000 other individuals.

Decisions construing our former income-tax laws have often been narrow and harshly technical. The tax was then in its infancy. Now that this law in comprehensive form is to become an important and permanent part of our fiscal system, it should be dealt with along correspondingly broad and practical lines, so as to give proper effect to its legitimate scope and application.

To those disposed to criticize the law upon the theory that it is too complex, I may reply that it would be easy to cite as many and as strong criticisms that have been made against every other method of taxation as have been offered against the income tax. While denying the justice of other taxes, none deny the fairness of this tax, but only object to certain of its administrative features. This objection was strenuously urged for years against the English income tax. However, we find that later it was acquiesced in and pronounced as satisfactory in its administration as any other tax law. Mr. Gladstone, who had opposed it during earlier years, pronounced the income tax "an engine of gigantic power." A later English statesman characterized it as "in reality the center and sheet anchor of our financial system."

The people should not be too impatient in their effort to apply this law to every intricate business condition in advance of the revised Treasury regulations and reasonable time in which to understand it. This course has been necessary as to all new laws.

I am well aware that in the past the greatest opposition to an income tax in the United States has come from the eastern section of the country upon the theory that it would unjustly contribute more taxes than any other section. From this view I respectfully dissent, for the reason that New York, for example, is the great center of commerce of the Nation. It is a great distributing center. Hundreds of thousands of citizens of other States come here to reside. Her great incomes are drawn from all sections of the country. These concentrated profits are chiefly the product of the great industries throughout the Nation. I deny the right of wealth anywhere to segregate itself and then upon the plea of segregation to exempt itself from its fair share of taxes. The people of other sections do not envy New York and other States similarly situated their good fortune. It is only asked that while enjoying these and other superior blessings their people shall cheerfully acquiesce in a tax law everywhere conceded to be just and fair.

In conclusion I would say that in my judgment this law will here, as it has elsewhere, commend itself to the best thought, conservative citizenship, and patriotism of the country.

And having faith in the entire good will and the sound sentiment of the enlightened public with respect to this sincere effort to lighten and fairly to distribute the burdens of taxation, I expect an approving public opinion will soon dismiss all thought of the faultfindings and precipitate judgments of those who in most cases harboring a hostile spirit have not taken the pains to learn and understand the law.

Naturalization Holdup at Philadelphia.

EXTENSION OF REMARKS

OF

HON. J. HAMPTON MOORE,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, February 2, 1914,

On the bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States, and for other purposes.

Mr. MOORE. Mr. Speaker, the necessity for appointing a new Federal judge at Philadelphia has been pointed out to this House on several occasions. There is a tremendous congestion of business there owing to the continued illness of Judge Holland and the excess work that has thus been piled up upon Judge Thompson and the officers of the court. This pressure ought to be relieved in order that the business of those who seek justice in the court may be expedited.

There is another side to the question, which it is now appropriate to discuss—the delay in the naturalization of aliens who seek to become citizens of the United States. In this respect a positive hardship is being worked upon thousands whose opportunities of citizenship are being denied. From a statement of Mr. Shear, chief examiner of the Naturalization Service, Department of Labor, Philadelphia, I am able to present a few facts which show the urgency of immediate action upon the Philadelphia Federal court bill.

At the present time there are approximately 3,000 petitions filed and ready for hearing in the United States district court. At the rate of 50 per day—a fair average—it would take 60 days to clear the docket.

There are also on file in the said court approximately 4,500 applications to file petitions for naturalization. The force of clerks employed file approximately 100 petitions per week when so engaged exclusively, at which rate it would take 45 weeks to file petitions on the applications now on hand.

On days when the court is engaged in naturalizing no petitions are filed, as the time of the clerks is fully occupied in work incident to the hearing, and a certificate of naturalization must be subsequently made for each person admitted to citizenship. It will thus be seen that the 3,000 petitions on file and ready to be heard by the court and the 4,500 applications awaiting action in the clerk's office, approximately 7,500 in all, together with the court work and the time occupied in making out certificates, and so forth, will consume at least one year, and doubtless the greater part of the next two years, and that during that time no new applications can be acted upon. In other words, an applicant now presenting himself at the clerk's office must wait at least one and perhaps two years before his petition can be filed and an indefinite time thereafter, the court now being engaged in hearing petitions filed in December, 1912.

The common-pleas judges of Philadelphia will not take jurisdiction in naturalization cases, so that the Federal court is the only place to which those seeking citizenship may go.

I trust the House will speedily come to the relief of the Federal court at Philadelphia.

Restriction of Immigration.

EXTENSION OF REMARKS

OF

HON. BEN JOHNSON,

OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 3, 1914,

On the bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States, and for other purposes.

Mr. JOHNSON of Kentucky. Mr. Speaker, every argument which the human mind can conceive has been brought into service and used against the passage of this bill. Not only has every legitimate reason been brought to bear, but subjects which have no place in the consideration of this measure have been injected. Religious bigotry and race prejudice have found their way into this discussion in order to influence some to vote against the bill.

It has been urged that Catholics should vote against the bill because an anti-Catholic organization favored it. In determining for ourselves how we should vote upon this or any other bill I believe we should look over the heads of those who can see only religious favoritism or religious prejudice as a reason for supporting or opposing the measure and contemplate only the future of America, bearing in mind always that we live and our descendants are to live after us under a Constitution which gives to every man the sacred right to worship God according to the dictates of his own conscience.

That Constitution will live forever. I have not even heard of any American who would annul that provision of our organic law if he had it in his power so to do.

Some seem to believe that unless the influx into this country of the natives of other countries where the Catholic faith overwhelmingly or largely prevails is stopped, that ultimately Catholics will predominate in the United States and bring about a union of church and state. If there are those who really believe this, and are thereby moved to favor the passage of this

bill, all that is necessary to be said is, they are mistaken; and because they are mistaken and are supporting the bill as a result of misconception is no reason why those who know better should oppose them upon that ground alone instead of looking further for genuinely existing conditions as well as for arguments which are material. Those who would create religious prejudice direct their suggestions of apprehended union of church and state toward the Italian immigrant, because he comes from a country where the Catholic faith prevails among an overwhelming majority of its people.

They forget that while Italy is the residence of the temporal head of the Catholic Church, and is, as I have just said, overwhelmingly Catholic in numbers, it has not a union of Catholic Church and state. France also is overwhelmingly Catholic. Yet the Catholics of that nation only a few years ago separated church and state. It is not pretended by anybody that any provision of this bill is aimed at Catholic France, or at Ireland, or at Holland, or at Germany. Neither is it aimed at England, where there is a union of church and state. Those who favor this bill out of apprehension of a union of church and state in this country are without argument, while those who oppose it simply because the others are for it are not sufficiently broad and do not search for potent and substantial reasons beyond those fallacies.

Only a few weeks ago I attended in this city a function where William Jennings Bryan and Cardinal Gibbons were the speakers. In his address the cardinal came out flatly against a union of the Catholic Church with any nation, asserting that Catholics desired nothing more than a freedom to worship as they saw fit. He said the Catholic Church had tried both and that union nowhere had been best for the church. He emphasized that declaration by telling of the fellow who said:

> Honesty is the best policy; I have tried both.

And then he said:

> Separation of church and state is best; the church has tried both.

The Catholic can save his soul just as easily in Italy as he can in America; and the Catholic Church, as such, is not interested in the proposition of where he saves it, but only in that he save it.

Now let us dismiss the goblin feature of this discussion and turn to serious questions.

In arriving at a determination to cast my vote for this bill, I have looked beyond conditions of to-day, although I believe that the present demands its passage.

The rich everywhere—all the world over—can take care of themselves. That is the case in the United State. It is the poor who should have our solicitude. The poorest of our fellowmen are those who have to do hard, manual labor for a daily wage in order to support their families. They must have employment, and their earnings must not be minimized by those of other countries who have our sympathies. Every nation first owes support to its own deserving poor and assistance to its own struggling wage earners. Our country must observe that rule.

Our immigration laws have been so liberal that those from other countries have come to our shores in such numbers that those who have come during a very few years equal the total number of those who were in the territory of the United States when the British yoke was thrown off and this Government established.

Our Revolutionary ancestors themselves were immigrants. But they came to a vast and almost uninhabited land to build a nation. Those against whom this bill operates most wish now to come to a well-populated country to make it more difficult for those who have built it to earn bread. It is charged and admitted that this bill will affect Greeks and Italians more than those of any other nationality. And, strange to say, it is the "literacy test" which will exclude their largest numbers.

Thousands of years ago Greece and Rome stood head and shoulders above all of the known world in the arts and sciences and in letters. If we exclude only those of them who can neither read nor write their own language, then we have excluded only those who seek to come here to do manual labor. Those who can read and write their own language may under the provisions of this bill continue to come. When they have come they may enter into competition with the better-paid clerical class of our own. But he who can neither read nor write must of necessity drive out the American laborer, and the American laborer and his family are the very first to whom the American Government owes a national obligation. In the battle of life in this age the rich are the strongest, the poor are the weakest. Our own poor must have our attention before we cross the seas to find others upon whom to bestow it.

In determining to give this bill my support I feel that I have but determined to first help our own. Our own struggling poor should not be driven out of employment to give cheap labor to our powerful and rich manufacturers, or to enrich the transporting steamship companies, even though the laborer of another country be incidentally benefited.

I wish to declare that I stand for our own poor first and the others afterwards.

Providing Aid to States in Construction and Maintenance of Roads.

EXTENSION OF REMARKS

OF

HON. JAMES F. BYRNES,

OF SOUTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, February 5, 1914,

On the bill (H. R. 11686) to provide that the United States shall, in certain cases, aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads.

Mr. BYRNES of South Carolina. Mr. Speaker, I wish to call attention to the provisions of House bill 11686, providing aid to the States in the construction and maintenance of roads.

Primarily, I believe it is the duty of a State to build and maintain its roads, and I am opposed to any proposition that would result in transferring this primary duty from the State to the Federal Government. It is essential that the State shall retain jurisdiction over its roads, and if it is to retain jurisdiction and control of its roads it must necessarily assume the fundamental obligation of construction and maintenance. But while I am satisfied as to the primary obligation of the State, it is equally clear to my mind that if the Federal Government is to use the roads of the States in discharging its governmental functions of carrying and delivering the mails, it should aid and cooperate with the States in the construction and maintenance of roads which are devoted even in part to the uses of the Federal Government. This sentiment has grown during the last decade; formerly there was strong opposition to the Federal Government aiding in highway improvement. In the South there were many who regarded it as paternalism and as an encroachment upon the powers of the States, while in other sections, as well as in the South, it was argued that constitutionally the Government could not aid in the construction of highways. A still larger body of men contended that if the Government ever embarked upon such an undertaking it would go into bankruptcy. In recent years, however, these constitutional objections have disappeared. It is conceded that the Government has power to construct and maintain post roads, military roads, and roads used in the transportation of interstate commerce, and if it has the power to construct them it has power to aid the State in constructing such roads. The pork-barrel fears have also been so greatly allayed that to-day the sentiment in favor of Federal aid is as universal as the enthusiasm for good roads.

This sentiment has found its expression in the platforms of the great political parties. The platform adopted by the Progressive Party last year declared:

> We recognize the vital importance of good roads and we pledge our party to foster their extension in every proper way, and we favor the early construction of national highways. We also favor the extension of the Rural Free Delivery Service.

The Democratic Party unequivocally declared in its platform:

> We favor national aid to State and local authorities in the construction and maintenance of post roads.

And while the Republican platform contained no reference to the subject at all, we know that the rank and file of that party favor road legislation, because it is fair to assume that the Members of the National House of Representatives represent the views of their constituents, and in the last Congress a majority of the Republican Members voted for such legislation.

In endeavoring to carry out the wishes of the people as expressed in these platform declarations the Committee on Roads has framed and presented to you bill H. R. 11686.

So varied are the physical conditions of the States and so different are the constitutions and laws of the States that it is exceedingly difficult to devise a cooperative plan that will work with equal success in each State of the Union. This bill is not what I would have it, if it were left entirely to me to frame a bill on the subject, nor is it the expression of the views of any other one man. It represents the composite views of the com-

mittee reached in a spirit of compromise and after most careful deliberation.

The basis upon which the fund is apportioned between the States is equitable and just. The provision that the State shall be the smallest unit with which the National Government will cooperate is an exceedingly wise one, because, manifestly, it would be impossible for the National Government to cooperate with the local subdivisions. At the same time this bill, if enacted into law, would result in the establishment of an efficient highway department in every State of the Union. In 24 States such a department is now in existence; and, as under one of the plans proposed, a State could not participate in this Federal aid except through its highway department, and under the other plan the absence of such a department would result in the loss of 10 per cent of its fund, every State would in the course of a very short time establish a road department and place itself in position to secure this assistance from the National Government. If the bill accomplished this and nothing else, it would be of inestimable value in the improvement of our highways.

The bill provides two plans in which Federal aid will be given to the States, and allows the State to elect under which of the two plans it will operate. The first of these two plans is set forth in section 3. Under this plan the State highway commission, after consultation with the road commissioners of the counties, will select the roads to be improved during the next fiscal year; and when such work has been agreed upon by the State highway commission and the Secretary of Agriculture and the State has made available an amount equal to that apportioned to the State by the Federal Government, the State's share of the fund will be placed to the credit of the State. For instance, the State of South Carolina under this bill would be entitled to about $400,000 per year. Whenever the State shall have made available $400,000, derived from State revenues or by assessments levied upon the counties in which certain road work is to be done, a similar amount will be placed to the credit of the State by the National Government, making a total of $800,000 available for this cooperative work.

In South Carolina and in other Southern States, a road properly constructed of sand-clay mixture has proved most durable and desirable, and such roads can be constructed with free labor at $1,000 a mile, and with convict labor at a cost not exceeding $600 a mile. It can be readily seen that with an annual expenditure of $800,000 it would be but a short time before that State would be covered with a network of magnificent roads, an improvement more essential to the happiness and prosperity of the people than any I can conceive of.

Under section 4 of the bill the roads are classified, and the State will receive for such roads as come up to the specifications set forth in class A the sum of $60 per mile per year, for each mile in class B the sum of $30 per mile per year, and for each mile in class C the sum of $15 per mile per year. Under this as well as under the other section the State must cooperate, and before payment is made it must be shown that a similar amount has been spent during the previous year upon the roads approved of, either in construction, maintenance, or extension.

The bill is based upon the idea that while the Government should aid the States in the improvement of roads it should aid only those States that are willing to do something for themselves. If the State is unwilling to spend upon its own roads an amount equal to that it asks and accepts of the Federal Government, it should not receive any aid at all from the National Government. This requirement will also act as an automatic check upon the demands of the States for increased appropriations.

Under this bill the National Government does not acquire any jurisdiction over the roads of the States. It is given only such power as will enable it to see that the money which it contributes to this joint construction of roads shall be spent upon the roads for which it is given. This power it is essential the National Government should have. Essential also is the inspection by the National Government provided for in section 4 of the bill. The object of that section is to induce the States to construct better roads. Where the roads are constructed in accordance with the specifications set forth in the bill the National Government will pay to the States the amounts provided for in that section, and by inspection alone can it be determined which roads of a State do come up to the specifications.

Now, some gentlemen seem to be alarmed that this bill should provide for an expenditure of $25,000,000. We pay the railroads about $50,000,000 annually for the transportation of mail, which is at the rate of about $206.50 per mile. Part of this, of course, is compensation merely for the use of the roadbeds. For the pneumatic-tube service installed in the larger cities in recent years the Government paid $925,636.40 for the fiscal year 1912. For railway mail cars our annual appropriation is about $5,000,000. The people are entitled to have their mail delivered as promptly as possible, and an appropriation for pneumatic-tube service or any other service that will facilitate the delivery of mail in the cities is doubtless a wise and proper expenditure, but the Government should not be willing to appropriate money for such facilities in the cities, and then, when it comes to paying a reasonable rent for the purpose of facilitating the delivery of mail upon the rural routes, refuse to do so, and "sponge" upon the States.

We can gather an idea as to the universality of the benefits to be derived under this bill from the fact that to-day the Rural Delivery traverses 42,000 different highways of the Nation, and comes into contact with 20,000,000 people living in the rural districts. We have in the United States 2,199,645 miles of public highway, of which 190,767 miles, or 8.66 per cent of the total, are improved. The Office of Public Roads estimates that 90 per cent of the travel over our public highways is confined to 30 per cent of our roads, and the improvement of 440,000 miles of public roads would practically meet the present demand throughout the Nation. It is therefore evident that the improvement of what may be called the rural-delivery roads, with a total of 1,010,000 miles, will more than meet the present demands of the country.

In the early struggles of the railroads in this country, when they were being constructed, the Government donated to them millions of acres of our public lands, valued at over $2,000,000,000. Since 1875 we have appropriated $592,395,000 for rivers and harbors. For pensions, our annual appropriation is about $180,000,000. We have appropriated for public buildings, up to June 3, 1911, $213,376,000, and for the purpose of road building in the Philippines and our other possessions, $800,300,000. During this period we have appropriated for the building and improvement of public highways in the United States not one cent.

Anxious as are the people of the cities for appropriations for public buildings, I believe that the business men of every city recognize that the improvement of the highways approaching the city is of greater benefit to them than the erection of an ornamental post-office building, and gladly would they consent to have a part of this immense public-building fund diverted to the improvement of the rural free delivery roads.

The failure to improve our highways results annually in a great economic waste. Three billion dollars of farm products are hauled annually. The average haul is 9 miles in the country, and the average cost 23 cents per ton per mile, which makes the total cost of hauling farm products $600,000,000 a year. According to the estimates of the Director of Public Roads, the cost of transportation over the magnificent roads of England, Germany, and France by wagon is only 10 cents per ton per mile. Even if it were half the cost of transportation in this country, it is evident that if we would improve our roads to the standard of the European roads we could save for the American people in a single year $300,000,000.

If we had such a system of good roads throughout the country the farmers would save on the transportation of the cotton crop $5,760,183; of the wheat crop, $10,256,058; of the corn crop, $12,709,278.

The average haul of cotton is 12 miles; the average load is 1,800 pounds, or four bales of 450 pounds each. At 23 cents per ton per mile the cost of transporting a 500-pound bale of cotton is therefore 69 cents a bale.

In order to appreciate these figures let me say to you that the State of South Carolina, in which I reside, last year produced 1,500,000 bales of cotton weighing 500 pounds each. At 69 cents a bale, it cost the farmers of that State $1,035,000 to transport this crop to market. Of course, this does not take into consideration the hauling of the cotton to the gin and back to the farm. It includes only the cost of hauling from the farm to the market. If the roads were improved to the standard of the European roads we would save one-half of this, or $517,500. In addition we produce something like 838,647 tons of cotton seed. It cost $3 a ton to transport it, or for the entire crop $2,515,941. The improvement of our roads to the European standard would save one-half of this, or $1,257,970.

It is estimated that the farmers of our State use several hundred thousand tons of commercial fertilizers a year, and the cost of transporting it from the railroad to the farm is more than $1,500,000. If our roads were improved, one-half of this amount, or $750,000, could be saved.

It cost the farmers of South Carolina $1,444,000 to transport their corn to market. If one-half of this could be saved by the improvement of the roads, it would be a saving of $722,000.

So that, without taking into consideration the hauling of farm supplies, it is evident that improved roads would revolutionize the profession of the farmer and greatly increase his profits.

It is not only in the reduction of the cost of transportation that the farmer will benefit by improved roads, for we all agree that a good road increases the value of the land adjoining it, the increase being estimated at from $2 to $9 per acre. In South Carolina we have 19,565,800 acres of land, and if our roads were improved so that the value of the land adjoining it increased but $1 per acre it would mean an increased wealth of $19,000,000, the taxes upon which would greatly aid in the maintenance of the roads.

In a statement by the chairman of the county commissioners in Mecklenburg, N. C., where a perfect system of roads has been constructed, he says:

As to the increase in value of real estate, we can hardly estimate it. Before we had any macadam roads to amount to anything, say, 15 years ago, land could be bought along the old dirt road at from $5 to $10 per acre. Now the same land will cost from $50 to $75 and even higher in places.

Good roads contribute not only to the financial profit of the farmer, but also to his educational advancement. Where we have good roads we have good schools and good attendance upon those schools. According to the statistics of five States where good roads prevail, the average attendance is 59 out of 100.

It is true that a man does not want to move into a community where the roads are poor. It is one of the first questions asked when he goes home seeking. The census figures show in 25 counties taken at random where 40 per cent of the roads are improved that the average increase of population is 30,000 to the county. In 25 counties showing only 1 per cent of the roads improved the average loss of the population was 3,000 to the county.

While good roads mean more to the farmer than any anyone else because he uses them more, it is the problem of the city man, whether he be merchant or laborer, just as much as it is the problem of the farmer. It is the problem of the consumer as well as the producer, because the cost of transportation enters into the cost of every commodity when it is placed on the market, and the increased cost of such commodity makes the consumer share with the farmer the burden of the bad-roads tax.

For several years we have heard the "back to the farm" movement. I believe that good roads in the country will do more to solve the problem of keeping the boys on the farms than all the organizations and movements that have been inaugurated in recent years and at the same time will assist in the solution of the problem of the high cost of living. This is a practical measure. It removes the road question from the realm of discussion to the realm of action, and when your votes shall have been cast for or against it the farmers of the country will be able to tell whether or not you have been sincere in your promises to aid in the improvement of the public roads.

Railroads in Alaska.

EXTENSION OF REMARKS

OF

HON. AARON S. KREIDER,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, February 5, 1914,

On the bill (H. R. 1739) to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

Mr. KREIDER. Mr. Speaker, the enactment into law of the pending measure before the House, which authorizes the Federal Government to issue $40,000,000 of bonds and makes immediately available a portion of the appropriation for railroad construction in Alaska, is, I fear, being considered from a sentimental and theoretical standpoint rather than from a practical or business point of view. I believe in the development of Alaska and am as anxious as anyone on the floor of this House to legislate for the benefit of its people.

RESOURCES.

We are told by those who favor the passage of this bill about the wonderful resources of the country, about its value to the United States, of its scenic beauty, about its gold, silver, copper, tin, iron, and other mineral products; about its immense coal lands, its fisheries, its forests, and its adaptabilities for agriculture.

Our attention is called to its vast area and its climate, and comparisons are made with the climates of Norway and Sweden and with Minnesota, the Dakotas, and Canada.

Our attention is called to the fact that we paid only $7,200,000 for the country in 1867, and that it is shown by official report that in 1912 its products were valued at over $40,000,000, all of which we accept as correct. We are told, however, that these vast natural resources in this rich and fertile country are so bottled up that their development is impossible in the natural, normal, and usual way, and if the Government intends to do anything for the people of Alaska now is the time. I am not unmindful of the fact that President Wilson seems to be of this opinion, and in his first message to Congress said:

Alaska as a storehouse should be unlocked. One key to it is a system of railways. These the Government should build and administer.

But before we reach a conclusion let us consider the facts and actual conditions in the case from an impartial standpoint with an open mind.

ALASKA AS IT IS.

In the first place, Alaska is a land of immense distances and great natural obstacles. I need not call your attention to its immense glaciers, high mountains, wide and turbulent rivers, and its extreme cold in the interior, 70° to 80° below zero, and its eight months of solid winter, except for a small strip of country along the southeast coast affected by the warm Japan Current, and a population of only about 35,000 white people scattered over a vast territory about one-fifth the size of the United States, principally along the rivers and along the coast line; two-thirds are men, and came from everywhere, principally from the Pacific coast and gold-producing States.

If it be true that all that is required to unlock this immense storehouse is means of transportation, let us for a moment consider the means now available. Let us first consider the navigable rivers, which are acknowledged to be the most economical known means of transportation.

Alaska has immense rivers that are navigable about five months in the year, and I notice that steamships are now operating over 4,000 miles of these rivers, as follows:

On the Yukon River, starting at St. Michael, for a distance of 2,000 miles, extending through the very heart and entire length of Alaska into British Columbia to White Horse.

In the interior on the Tanana River from Tanana to Fairbanks, a distance of 275 miles, in the very best portion of the country.

On the Kuskokwim River from Bethel to Tocotna Forks, a distance of 520 miles

On the Innoko River from Holy Cross to Diskaket, a distance of 370 miles.

On the Iditarod River from Holy Cross to Dikeman, a distance of 320 miles.

On the Koyokuk River from the mouth of Koyokuk to Wiseman, a distance of 620 miles.

In addition to those enumerated the Alaska Steamship Co., the Alaska Coast Steamship Co., and the Pacific Coast Steamship Co. ply on the inside route between Ketchikan, Juneau, Skagway, Valdez, Cordova, and westward along the Alaskan Peninsula as far as Nome.

In addition to these, not less than five different steamship companies operate boats between Skagway and the smaller settlements of the archipelago.

Mr. Speaker, I simply call attention to these water routes to show that the people of Alaska are not entirely without means of transportation, and that this vast storehouse is not locked up so securely as might be imagined from statements made here.

As to railroads, which is directly at issue in this bill, we find that there are a number of different roads mentioned in the reports, some of which are quite important.

The most important and successful is the White Pass and Yukon route from Skagway to Dawson. This route lies entirely in Canadian territory with the exception of 20½ miles from the seaboard to White Pass. At White Horse, 111½ miles from Skagway, the railroad connects with river steamers on the Yukon River, to which I have already referred.

Next is the Alaskan Northern road. This road was projected to open Matanuska coal fields, with Fairbanks as its ultimate terminus, but it fell into financial difficulties and work was abandoned. Its present terminus is Kern Creek, 72 miles from Seward, its ocean terminus.

The Copper River and Northwestern Railroads were completed to Chitina, in the Copper River Valley, a distance of 131 miles, and from there a branch 65 miles long, of lighter construction, was built to Kennicott mines.

The Nome & Seward Peninsula Railroad was constructed for a distance of 104½ miles, but I understand it is not operated, the traffic being insufficient to pay even operating expenses.

In addition, there are a number of short lines, the principal one being the Tanana Valley Railway, 45 miles long. Of the others, most have been abandoned and are not operated; as a matter of fact, I am informed there is only one railroad in Alaska except the stretch of 20½ miles of the White Pass and Yukon route that is not in the hands of a receiver, and most of the roads in the hands of receivers are not operated, and some have been abandoned. This is really the situation now. What can we do to improve it?

Some think we should pass this bill and make a trial of Government ownership and operation of railroads. I am not convinced that Government ownership of railroads is a good thing, but to those who are and want to give it a trial I would say do not try it here when you may know the proposition will be a failure, but try it out under favorable conditions, and give it a fair trial or none at all. Before we go to building railroads let us see what the Government has done to assist the pioneers to develop the country.

The natural obstacles are always great in any new and undeveloped country, and they are especially so in this land of the far north. The great fishing industries and the discovery of gold, silver, and copper, tin, coal, and so on, has had its unusual effect in bringing to this country a certain class of people in considerable numbers. Certain syndicates—among them the Guggenheims and others—secured certain valuable claims and mines and rights of way, and the Federal Government immediately withdrew these lands and canceled a large number of the claims. So far I thoroughly approve of the action of the Government, as I am a thorough believer in conservation; but the Government has adopted "reservation" in the name of and instead of "conservation." They not only withdrew these lands entirely from the public, but levied at the same time a tax of $100 per mile on the railroads. This is what forced them into the hands of receivers and caused many to be abandoned, to which I have referred.

Owing to the very light traffic and small tonnage, due to the undeveloped conditions of the country and the extreme high cost of labor and operating expenses—even though they did charge 20 cents and upward per mile for passenger service and any old rate for freight—they could not operate at a profit, and when the tax of $100 per mile was added they were simply put out of business.

What has been done to encourage agriculture, which is very essential in the development of all countries? No doubt some people have been led to believe that Uncle Sam was going to give them a fine farm in Alaska; but when they got there they found it almost impossible to secure title to a homestead. Little, practically no land has been surveyed, and the homeseeker is obliged to have a private survey made, at a cost of from $300 to $500, and then take the chance of the Government issuing a deed or patent. Large farms are out of the question; it costs too much to clear them, with labor at from 50 cents to 75 cents per hour. Bear in mind this ground is frozen from the bottom up and all the heat must come from the rays of the sun. No matter how deep you go down, it is frozen. Were you to sink a shaft 1,000 to 2,000 feet, it would still be ice or frozen ground.

The moss that grows nearly everywhere is a complete protector from the rays of the sun; if you strike a pick into it, you will think you have struck rock. Clear off the moss or other vegetation and the sun will draw out the frost about 1 foot the first year. Break this up and the next year it will thaw out deeper, and in a few years ground will thaw out so that you can raise some truck, such as cabbage, potatoes, strawberries, and so forth; but the process is expensive. With the high cost of labor, it makes an expensive farming proposition; it will cost about $125 per acre to do it; 80 acres would cost $10,000. And who would go to farming in Alaska if he had $10,000? So I do not think Alaska will be a great agricultural country for years to come. But what can we do for Alaska? Let us abandon our policy of "reservation"; adopt the policy of true conservation, which is proper and economical use. I am as much opposed to giving any syndicate, whether it is the Guggenheims or any interests, a monopoly of mines, coal lands, or railway right and terminals as anyone here, and will go as far as anyone to prevent it. I most heartily approve retaining absolute control of these resources by the Government for the benefit of the people, and thereby conserve their interests. But it is not necessary that the Government lose control in order to develop the resources of the country. A leasing system on a royalty basis, with such restrictions and regulations as may seem wise, can be adopted and railway rights and terminals can be granted, all of which can be put under the control of a commission appointed for that purpose, with absolute and well-defined powers, so that no undue advantage can be taken by any syndicate or combination, but which will be subject at all times and under all conditions to any ruling of this commission, which should and must have the power and authority to change the rates from time to time as the development of the country may warrant and who will see that the operators and the Territory of Alaska and Federal Government are fairly and honestly dealt with.

BILL IS DANGEROUS.

I feel that this legislation is ill considered and dangerous in another respect. We are told that it will cost $48,000 per mile to construct and equip standard-gauge railroads in Alaska. Is it possible that anyone believes that it will be done at this price? According to statistics, the lowest cost of building and equipping any kind of a standard-gauge railroad in the United States is about $60,000 per mile, and for the first-class road, with 90-pound steel rails and first-class rolling stock, is over $75,000 per mile. It has cost in Canada, in her railroad-building operations, over $72,000 per mile for the year 1912. In Germany, under Government contract, it has cost over $113,000 per mile; and in all Europe the average cost is said to be $121,000 per mile, while in England statistics show that the railroads cost $275,000 per mile. Notwithstanding these facts and figures, our Government engineers say that it can be done for less than $48,000 per mile. Consider for a moment—here in the United States, where labor is readily available and where steel rails and bridge material and railroad ties, and so forth, are to be had at lowest cost, without added transportation charges and delays, and where cost of living, high as it is, is still less than one-half of what it is in Alaska, where working conditions are favorable, where work can progress uninterruptedly for the entire year—and it costs at least $60,000 per mile to construct and equip a railroad. Do you mean to tell me it can be done in Alaska, where the wages, according to the Government report of 1912, for mechanics are from $5 to $10 per day, for common laborers from $3 to $8 per day, and where the transportation charges are in many instances more than the actual cost of material? I repeat, do you mean to say that under these conditions the railroads can be built for $48,000 per mile, when it costs here in the United States at least $60,000? The statement is absolutely ridiculous on the face of it.

ENGINEER ESTIMATES.

We are told it is the estimate given by the Government engineers. Well, the truth is the records of the Government show that we have had experience with estimates before given by Government engineers. Let me call your attention to a report of ex-Secretary of the Interior, Mr. Garfield, and Mr. Pinchot, who was Chief of the Bureau of Forestry, under the law providing for the construction of irrigation projects, in which they presented figures and estimates of the engineers on 32 different projects and stated the cost would be $48,000,000, and later when the representatives of those projects appeared before the committee of the House they admitted that $75,000,000 had been spent and not one of the 32 projects had been completed, but stated that $75,000,000 more will be needed to complete them.

Mr. Speaker, this $40,000,000 is not the issue, but the principle of the proposition and the hundreds of millions that will be demanded and insisted upon later is.

This bill provides that the Government has the privilege to lease these lines for a period of 10 years if they see fit. This is not at all practical. Talk of leasing a project for a period of only 10 years that costs not $40,000,000, but no one knows how much, in a country so utterly undeveloped as Alaska is, and at such a rate as to pay the interest on the bonds, is all nonsense.

I am willing that the Federal Government shall assist the people of Alaska in the proper way, at the proper time, and as the country is being developed, but not in the way it is proposed in this bill.

RESOURCES.

I do not say that the glowing picture of the future Alaska has been overdrawn, but I do say, that if Alaska is the great storehouse of natural wealth and resources, even if it does not have the agricultural possibilities as presented on the floor of this House, nothing will or can stop its development if the Federal Government will only permit it. Let us take off the shackles and give it a chance.

It has been stated that the Treadwell mine, which has produced over $60,000,000 worth of gold with gold quartz worth only $2.35 per ton, will be duplicated in various parts of Alaska, but can not now for want of transportation facilities, and that if the Treadwell mines did not happen to be located at tidewater, they never would have proved profitable. This is no doubt true, and it is no doubt true that many more mining properties will be discovered the quartz of which will be of various

degrees of value, not only mines producing gold, but silver, copper, tin, and other mineral products, and it is also true that Alaska has plenty of coal ranging in quality all the way from lignite to anthracite, many of which can not be operated profitably until the additional means of transportation are supplied. Notwithstanding these facts, my contention is that it will be much better for Alaska that development should come gradually and permanently, even if it be slowly; but the Federal Government should encourage such development by offering to the people an equitable leasing proposition, and abandon its present policy and the tax of $100 per mile on railroads and give the owners a chance to operate the lines already built and such other lines as they care to build, under the control of a commission, and then if we do not make satisfactory headway it will be time enough for the Government to build a railroad. The proposition is premature. When we speak of the resources of Alaska and its products as amounting to about $40,000,000, bear in mind that of this over $16,000,000 was gold and silver, over $15,550,000 were canned salmon, about $1,500,000 more was other salmon, fish, and fish products, leaving less than $7,000,000 of all other articles and commodities. No one will contend, I think, that you need railroads to bring the fish and fish products to the water, and the silver and gold is mostly mined at tidewater and is not locked up for want of transportation facilities, so that in the last analysis there is no development in Alaska at this time, nor any in sight, that can possibly warrant such a tremendous outlay of money as is provided for in the bill and will follow its passage.

There is no use, at this time, of building railroads at a cost of over $100,000 per mile, and I take it that no standard-gauge railroad can be built and equipped for less in that country, and the probabilities are that it will cost more.

As to actual cost of railroad construction, it is commonly reported, and I think generally accepted as true, that the line of the Copper River and Northwestern Railroads, of 196 miles, cost $20,000,000. The bridge crossing the Copper River cost $1,000 per foot; it is 1,500 feet long and cost $1,500,000, and even now this very bridge is said to be doomed on account of a glacier which is now only about 1,200 feet away and coming closer every year.

What Alaska needs first is many miles of cheap roads, rather than a few miles of expensive roads. So long as the travel is perhaps a dozen or less passengers per day, a full train, with conductor, brakeman, engineer, fireman, trackmen, station agents, and interlocking signals and switches, are not needed, and where freight traffic is perhaps a few thousand tons per year, 50-ton steel cars that weight 25 tons when empty, with a large mogul engine to pull them on a track laid on a roadbed and bridges especially built to carry them at high speed is not necessary. Three or 5 ton trucks will handle the freight on a 2-foot track, and it may be more economical that they be drawn at the start by a string of mules or perhaps by electric motor. Where rivers must be spanned or perhaps mountains tunneled, swamps filled in, hills cut through, a miniature line with steep curves and heavy grades is very much cheaper to build and to operate than a standard-gauge road.

The rule of the sane and successful business man is not to invest $1,000,000 to accomplish a result that can be accomplished with an investment of one-half or perhaps one-fourth the amount, and especially where the upkeep is a large factor. It seems to me that the time has come when our legislators should apply business principles to governmental affairs the same as they would in their own private business enterprises, and make an effort for economical administration of public affairs.

It is this inclination of voting millions upon millions of dollars of the people's money to be used for the special benefit of a certain section and for the benefit of a few people and only a few that causes the great majority of our people to become disgusted with us, and justly so. I notice that upon the passage of this bill by the Senate that the people of Seattle had a public demonstration celebrating its passage. Why? I see no such evidence of satisfaction in any other city. Why? Simply because the people of Seattle expect a direct and immediate benefit and the others do not. It is all right to appeal to our sentiment and patriotism on sentimental and patriotic matters, but this, Mr. Chairman, is a business proposition pure and simple, and should be legislated on from a business point of view, along proper and economical lines, having in view the interests of the people of the entire Nation, whose moneys we are appropriating. I certainly hope the days have gone by when upon any pretext men can come to Washington and induce the Congress to vote millions of dollars of the people's money to be used in uncertain, ill-considered, premature, and sectional enterprises.

Restriction of Immigration.

EXTENSION OF REMARKS

OF

HON. WYATT AIKEN,

OF SOUTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 4, 1914.

On the bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States, and for other purposes.

Mr. AIKEN. Mr. Speaker, while the section of country that I have the honor to represent has not as yet been affected by undesirable immigrants, the future may hold greater dangers from unrestricted immigration there than in any other section of the Southland, or perhaps of the United States.

South Carolina is the second cotton-manufacturing State in the Union. The people who operate the mills are our neighbors and friends, bone of our bone and flesh of our flesh. They are descended from the sturdy races of northern Europe, and their forefathers helped to wrest the country from British tyranny. Our people may not be spoken of in terms of caste or class. We are one people, loving the country that we have built up from savage wilds, respecting the laws of the land, growing in wealth, and looking ever forward for better things, intellectually and morally.

Mr. Speaker, we do not want these ideal social and business conditions to be disturbed by the influx of a lot of undesirable foreigners. Already certain sections of this country have been overrun by a large foreign population, so large that foreign ideas and foreign issues have displaced true American principles, and fed and fostered socialism and anarchy.

Of course, I would not close the door absolutely against the intelligent, well-meaning immigrant. This would be inconsistent with the principles on which this Government was founded. Furthermore, such a step would be not only impracticable but impossible. The comity of nations requires that our alien laws be reasonable, as the laws of other nations must be reasonable toward us.

If England should enact a law prohibiting any American from taking up residence within her borders, we would meet the insult with arms. But England may very reasonably prohibit the lame, the blind, the insane, the pauper, the anarchist, yes, and the illiterate, of this country from becoming citizens of her domain. And why? Because they become a charge, a tax on her better citizenship. They become disturbers of the peace. They become tools in the hands of designing men to drive honest labor out of employment. This country, then, should not permit the illiterate hordes of Europe to drive our own good people out of employment.

The one main feature in which the bill under discussion differs from the present law is the test of literacy; and in my judgment this is one of the strongest features of the bill. The intelligent foreigner is not willing to work at starvation wages. It is the illiterate class, those who have not the intelligence to depend on their wits, who could be herded like cattle into our factories to drive out our home labor that we need to dread most. And I may add, further, that it is the illiterate class of foreigners from whom our foreign criminals come.

I live in a section of the country where fully half the people are negroes. The crime for which so many negroes pay the death penalty outside the law is accountable, I believe, in large measure to the illiteracy of that race. Negroes with a smattering of education commit forgeries, but they rarely assault white women. It is a question with our people, then, whether it is better to educate the negro and elevate the character of this offense or leave him an ignorant brute prone to that greatest offense which means his death at the hands of the good white people of the country. There is nothing so sacred to the southern white man as the honor of the southern white woman; and believing that in giving the negro some education we lessen his brutal tendencies, or we at least increase his dread of certain vengeance, we have written a 3-mill school tax in our constitution, the proceeds of which we divide with that race. Now, this burden is on us. The negro was put in the South by the hand of destiny. Shall we look for further burdens by admitting the illiterate foreigner, who comes with his ideas of anarchy and immorality, to mix with and contaminate our purer American citizenship?

It has been said if a lion ate beef and pork and lamb it all became lion, and a critic wisely replied that if the lion ate

spoiled beef, pork, and lamb he would likely be a sick lion. Just so, if this country takes in the worthless foreign element that is yearly vomited from Europe, there will be congestion in our cities and anarchy and crime on every hand.

I repeat that this country should never close its doors to the upright, healthy, intelligent foreigners, and I may add that this country will grow less and less attractive to the better element of foreigners as the country itself grows older and more like the mother countries. Free lands are a thing of the past here, and foreign farmers of the type that have built up the mighty West, now that the Panama Canal is opened, will seek homes in the Temperate Zone of South America.

The ignorant laborer and the city drone are the classes of people who will seek to come in ever-increasing numbers; and if we would preserve our institutions, if we would protect ourselves and our children in the heritage they have carved out of the wilderness, we must raise the bars against the worthless foreign element. [Applause.]

Restriction of Immigration.

EXTENSION OF REMARKS
OF
HON. JOHN R. CONNELLY,
OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 3, 1914,

On the bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States, and for other purposes.

Mr. CONNELLY of Kansas. Mr. Speaker, I want to speak upon this subject of restricting immigration because I believe that this bill should pass. I have in my district a very considerable number of Germans and French and Russians. But, sirs, they are not the class of Germans and French and Russians who think more of the land of their birth than they do of the land of their adoption. They are loyal to the land they now call their home, its laws, its traditions, and its flag. They hold in grateful remembrance the shores of their native land, but their homes are here, their children are being educated in our schools and our colleges, they uphold the rights of the boy and girl now here before those of any place in the world besides. If you would hear some of these gentlemen who are opposed to this legislation speak, you would be justified in surmising that they were sitting in a congress of the world instead of in the Congress of the greatest and best Nation that ever the sun shone upon, the United States of America. I say, Mr. Speaker, that the gentlemen who fail to vote for this limited restriction to immigration because of the fear of offending those constituents at home who were born under another flag pay these constituents a mighty poor compliment as citizens of this great country. I refuse to believe that these men and women in my district are less patriotic than I am or that they are not just as anxious for legislation that will be for the good of the people of this country as are those who can count a longer residence here. I hear a great deal of sympathy expressed for the oppressed and the unfortunate of other lands.

Mr. Speaker, I have never been accused of being an aristocrat. I have always belonged to and lived among that class of people who were not ashamed that they labored with their hands for a livelihood. All of my sympathy and all of my training has been with the humble and the poor. I want to give encouragement to the oppressed of every land, but I want the people now here to be considered first. I want every boy and every girl who now lives under the folds of Old Glory, whether he or she is from parents born here or from parents who immigrated here from other lands, to make this their abiding place—I want these to be considered first when it comes to legislating here. I have no sympathy for that sentiment that would drag its charity across the sea to the huts of the Greek, the dago, and the Asiatic to find expression so long as there is one boy or one girl here who is denied the privilege of placing their hands to an honest job at living wage. I have but little respect for him who would turn the hungry man from his door, whether worthy or unworthy, so long as he can give of food and raiment without taking from the actual need of his own brood. But I have less respect for him who, having cause for charity at home, leaves it in want while he parades his benevolence in foreign lands.

Mr. Speaker, I hear gentlemen contend that we have need of these unlettered immigrants who come here to take the work of the American workmen, because we have reached the place in our national life when our young men refuse to labor with their hands. They say that our young men refuse now to go out in the marts of actual toil and the fields of legitimate enterprise and labor with their hands as did their fathers before them. Mr. Speaker, I hope in this that they are mistaken. I hope it is not true now; I hope it will never be true. When that can be truthfully said, Mr. Speaker, then the age of true greatness in this country will have gone. I fear for that civilization that tells its growing youth that it is not honorable to callous his hands with honest toil or earn his bread in the sweat of his brow. If our young men have gotten the grievous and erroneous idea that it is a crime to work or that it is shameful to labor with their hands, I fear it is because they have so often seen labor robbed of its recompense, and this often because of sharp competition with the greaser, the Greek, and the dago.

Mr. Speaker, there is one system of protection that I believe in and another system that I do not. That system that says to every American boy, whether his parents came here a year ago or his ancestors came a hundred years ago, you shall have a fair and square chance in the great race of life; you shall not be handicapped by being chained by the side of the benighted sons of southern Europe—sirs, that protection I stand for. That other protection that takes $4 from the consumer and gives it to the manufacturer in the fond hopes that 25 cents of it will in some way be passed on to labor—that protection I detest and despise.

Mr. Speaker, I am going to vote for this bill. It has been said by many that it does injustice to people of other lands. I am more concerned that it does justice to the thousands of our own people whom it is our duty to protect and defend. If this law works good to the boys and girls of the land who are born of American parentage, it can not but also be good for that other class of boys and girls whose ancestors are of the sturdy stock who have made recent pilgrimage here from other lands and who are now entitled to all of the blessings and benedictions of this country. I do not doubt that in casting my vote for this measure that I am casting a vote in the interest of every man, woman, and child in my district.

Miss Wilson's Wedding Gift from the Representatives of the People.

EXTENSION OF REMARKS
OF
HON. JAMES R. MANN,
OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, February 7, 1914.

Mr. MANN. Mr. Speaker, under leave to print granted me, I insert the following memorandum for Members of the House who contributed to the Miss Wilson wedding gift fund:

On October 23 the Members of the House who were in Washington proposed that the Members of the House should present a wedding gift to Miss Jessie Woodrow Wilson, daughter of the President, on the occasion of her wedding, November 25, and authorized Speaker CLARK to appoint a committee, of which he should be chairman, to call to the attention of Members of the House the proposal, and it was decided to limit the contributions to $5.

The committee appointed by the Speaker consisted of the following: CHAMP CLARK, OSCAR W. UNDERWOOD, JAMES R. MANN, VICTOR MURDOCK, HENRY A. COOPER, ROBERT L. HENRY, PHILIP P. CAMPBELL, THOMAS W. HARDWICK, ROBERT N. PAGE, BEN JOHNSON, A. MITCHELL PALMER, RICHARD W. AUSTIN, EDWARD W. TOWNSEND, H. ROBERT FOWLER, WALTER M. CHANDLER.

A notice was sent by this committee to each Member of the House stating the proposition. At a meeting of the committee ROBERT N. PAGE was selected as treasurer, and Messrs. MANN, PAGE, HARDWICK, FOWLER, and CHANDLER were appointed as a subcommittee to select the gift.

The gift which was selected is described in the following statement, which was made by the chairman of the subcommittee:

The committee carefully studied the many suggestions and designs made by jewelry and silversmith houses in Washington, Baltimore, Philadelphia, Chicago, New York, and elsewhere, as well as made a personal examination of many of the articles suggested. The committee also had the benefit of the advice and aid of Miss Clark, the daughter of the Speaker, who, at the request of the committee, studied designs both here and in New York City. Many beautiful pieces and sets of silverware were suggested and were very attractive, but the committee finally determined to select something with more of an individual and special character than the conventional tea and coffee service with its accompanying silver pieces—something which the lady will learn to love more and more with time—an ornament of personal

use which will give constant pleasure to the owner; a thing of rare and singular beauty, neither ostentatious nor glaringly ornate. The committee has accepted a special design prepared by Mr. Shaw, of Shaw & Brown, of this city, of a diamond pendant attached to a chain to encircle the neck.

As the love and respect of the whole American people will go with Miss Wilson through her entire life, this unique reminder of that love will always be with her, undimmed and untarnished by the lapse of years.

The pendant in outline is pear shaped and contains 85 small diamonds and 1 large canary diamond in the center. This large stone weighs 6¼ carats and is perfect in every particular. The smaller diamonds are placed around the large stone in concentric rings, which is built up of delicate lace work and mounted in platinum. The contrasting colors of the blue white in the small diamonds and the brilliant yellow in the canary diamond gives it distinction and beauty. The chain around the neck is also set with diamonds in delicate platinum work.

The gift will include, in addition to the diamond ornament, a very handsome silver jewel box, with the following engraved inscription: "Presented to Jessie Woodrow Wilson by the Members of the United States House of Representatives as a token of their affectionate interest and regard on the eve of her marriage with Francis Bowes Sayre, November 25, 1913."

Accompanying the gift when presented to Miss Wilson was the following memorandum:

The Representatives of the people in Congress send this gift to Miss Jessie Woodrow Wilson, with their sincerest and best wishes, as an evidence of the tender interest and hearty good will of all the people on the happy occasion of her marriage to Mr. Francis Bowes Sayre, November 25, 1913.

CHAMP CLARK, OSCAR W. UNDERWOOD, JAMES R. MANN, VICTOR MURDOCK, HENRY A. COOPER, ROBERT L. HENRY, PHILIP P. CAMPBELL, THOMAS W. HARDWICK, ROBERT N. PAGE, BEN JOHNSON, A. MITCHELL PALMER, RICHARD W. AUSTIN, EDWARD W. TOWNSEND, H. ROBERT FOWLER, WALTER M. CHANDLER,
Committee of the Members of the House of Representatives.

The gift was acknowledged by Miss Wilson in a gracious letter to the Speaker, which was as follows:

THE WHITE HOUSE,
November 21, 1913.

MY DEAR MR. SPEAKER: May I not express to you very warmly my deep feeling of the honor the Members of the House have paid me in presenting me with the beautiful diamond necklace which was brought to me yesterday in a setting worthy of its beauty? I shall treasure this gift all my life as an evidence of generosity not only but of singular courtesy and thoughtfulness on the part of yourself and the other Members of the House. I beg that you will convey to the Members my sense of deep obligation and lasting pleasure.

Mr. Sayre joins me in warm appreciation and thanks.

Cordially and sincerely, yours,

JESSIE WOODROW WILSON.

All of the fund collected has been paid over to Messrs. Shaw & Brown.

The following-named Members each contributed $5:

ALABAMA.

George W. Taylor.
S. H. Dent.
Henry D. Clayton.
F. L. Blackmon.
J. Thomas Heflin.
Richmond Pearson Hobson.
John L. Burnett.
William Richardson.
Oscar W. Underwood.
John W. Abercrombie.

ARIZONA.

Carl Hayden.

ARKANSAS.

T. H. Caraway.
William A. Oldfield.
John C. Floyd.
Otis T. Wingo.
Henderson M. Jacoway.
Samuel M. Taylor.

CALIFORNIA.

William Kent.
John E. Raker.
Charles F. Curry.
Julius Kahn.
J. I. Nolan.
Joseph R. Knowland.
D. S. Church.
Everis A. Hayes.
C. M. Bell.
William D. Stephens.
William Kettner.

COLORADO.

George J. Kindel.
H. H. Seldomridge.
Edward T. Taylor.
Edward Keating.

CONNECTICUT.

Augustine Lonergan.
B. F. Mahan.
Thomas L. Reilly.
Jeremiah Donovan.
William Kennedy.

DELAWARE.

Franklin Brockson.

FLORIDA.

Stephen M. Sparkman.
Emmett Wilson.

GEORGIA.

Charles G. Edwards.
Charles R. Crisp.
William C. Adamson.
William Schley Howard.
Charles L. Bartlett.
Gordon Lee.
Samuel J. Tribble.
Thomas W. Hardwick.
Dudley M. Hughes.

IDAHO.

Burton L. French.
Addison T. Smith.

ILLINOIS.

Martin B. Madden.
James R. Mann.
George E. Gorman.
James T. McDermott.
Adolph J. Sabath.
James McAndrews.
Frank Buchanan.
Thomas Gallagher.
Fred A. Britten.
Charles M. Thomson.
Ira C. Copley.
John C. McKenzie.
Clyde H. Tavenner.
Claudius U. Stone.
Louis FitzHenry.
Frank T. O'Hair.
Charles M. Borchers.
Henry T. Rainey.
James M. Graham.
W. N. Baltz.
Martin D. Foster.
H. Robert Fowler.
W. E. Williams.
L. B. Stringer.

INDIANA.

Charles Lieb.
William A. Cullop.
William E. Cox.
Lincoln Dixon.
Ralph W. Moss.
Charles A. Korbly.
John A. M. Adair.
Martin A. Morrison.
John B. Peterson.
George W. Rauch.
Cyrus Cline.
Henry A. Barnhart.

IOWA.

Charles A. Kennedy.
I. S. Pepper.
Maurice Connolly.
Gilbert N. Haugen.
James W. Good.
S. Kirkpatrick.
S. F. Prouty.
Horace M. Towner.
William R. Green.
Frank P. Woods.
George C. Scott.

KANSAS.

Daniel R. Anthony, jr.
Joseph Taggart.
Philip P. Campbell.
Dudley Doolittle.
J. R. Connelly.
Victor Murdock.

KENTUCKY.

R. Y. Thomas, jr.
Ben Johnson.
Swagar Sherley.
Arthur B. Rouse.
James C. Cantrill.
Harvey Helm.
W. J. Fields.

LOUISIANA.

Albert Estopinal.
H. Garland Dupré.
John T. Watkins.
L. Lazaro.
J. B. Aswell.

MAINE.

Asher C. Hinds.
Daniel J. McGillicuddy.
John A. Peters.
Frank E. Guernsey.

MARYLAND.

J. Harry Covington.
J. Fred. C. Talbott.
J. Charles Linthicum.
Frank O. Smith.
David J. Lewis.

MASSACHUSETTS.

Allen T. Treadway.
Frederick H. Gillett.
S. E. Winslow.
John J. Rogers.
Augustus P. Gardner.
M. F. Phelan.
F. S. Deitrick.
Ernest W. Roberts.
William F. Murray.
Andrew J. Peters.
James M. Curley.
John J. Mitchell.
Edward Gilmore.
William S. Greene.
Thomas C. Thacher.

MICHIGAN.

Frank E. Doremus.
Samuel W. Beakes.
John M. C. Smith.
Edward L. Hamilton.
Carl E. Mapes.
Louis C. Cramton.
Joseph W. Fordney.
James C. McLaughlin.
Roy O. Woodruff.
Francis O. Lindquist.
William J. MacDonald.
Patrick H. Kelley.

MINNESOTA.

Sydney Anderson.
W. S. Hammond.
Charles R. Davis.
Frederick C. Stevens.
George R. Smith.
Andrew J. Volstead.
Halvor Steenerson.
James Manahan.

MISSISSIPPI.

Ezekiel S. Candler, jr.
Hubert D. Stephens.
Benjamin G. Humphreys.
Thomas U. Sisson.
Samuel A. Witherspoon.
B. P. Harrison.
P. E. Quin.
James W. Collier.

MISSOURI.

James T. Lloyd.
William W. Rucker.
Joshua W. Alexander.
Charles F. Booher.
William P. Borland.
Clement C. Dickinson.
Courtney W. Hamlin.
Dorsey W. Shackleford.
Champ Clark.
Richard Bartholdt.
William L. Igoe.
L. C. Dyer.
Walter L. Hensley.
Joseph J. Russell.
P. D. Decker.
Thomas L. Rubey.

MONTANA.

Thomas Stout.
John M. Evans.

NEBRASKA.

John A. Maguire.
C. O. Lobeck.
Dan V. Stephens.
Charles H. Sloan.
S. R. Barton.
Moses P. Kinkaid.

NEW HAMPSHIRE.

E. E. Reed.
R. B. Stevens.

NEW JERSEY.

William J. Browning.
J. Thompson Baker.
Thomas J. Scully.
Allan B. Walsh.
William E. Tuttle, jr.
Archibald C. Hart.
R. G. Bremner.
Eugene F. Kinkead.
Walter I. McCoy.
Edward W. Townsend.
J. J. Eagan.
James A. Hamill.

NEW MEXICO.

Harvey B. Fergusson.

Lathrop Brown.
Denis O'Leary.
H. H Dale.
James P. Maher.
William M. Calder.
John J. Fitzgerald.
J. H. O'Brien.
H. A. Metz.
Daniel J. Riordan.
Henry M. Goldfogle.
George W. Loft.
Jefferson M. Levy.
Michael F. Conry.
P. J. Dooling.
J. F. Carew.
Walter M. Chandler.
Jacob A. Cantor.
Henry George, jr.
Henry Bruckner.
J. A. Goulden.

John H. Small.
Claude Kitchin.
John M. Faison.
Edward W. Pou.
Charles M. Stedman.

H. T. Helgesen.
George M. Young.

Stanley S. Bowdle.
Alfred G. Allen.
Warren Gard.
J. Henry Goeke.
Timothy T. Ansberry.
Simeon D. Fess.
J. D. Post.
Frank B. Willis.
Isaac R. Sherwood.
Robert M. Switzer.

Bird S. McGuire.
Dick T. Morgan.
James S. Davenport.
Charles D. Carter.

William C. Hawley.

William S. Vare.
George S. Graham.
J. Hampton Moore.
G. W. Edmonds.
Michael Donohoe.
J. W. Logue.
Robert E. Difenderfer.
William W. Griest.
John R. Farr.
J. J. Casey.
Robert E. Lee.
John H. Rothermel.
W. D. B. Ainey.
E. R. Kiess.
John V. Lesher.
F. L. Dershem.
A. S. Kreider.

George F. O'Shaunessy.
Peter G. Gerry.

Richard S. Whaley.
James F. Byrnes.
Wyatt Aiken.
Joseph T. Johnson.

C. H. Dillon.
Charles H. Burke.

Richard W. Austin.
John A. Moon.
Cordell Hull.
William C. Houston.
Joseph W. Byrns.

H. W. Vaughan.
James Young.
Sam Rayburn.
Jack Beall.
Rufus Hardy.
Alexander W. Gregg.

Joseph Howell.

Frank L. Greene.

William A. Jones.
E. E. Holland.
A. J. Montague.
W. A. Watson.
E. W. Saunders.

William E. Humphrey.
A. Johnson.
William L. La Follette.

NEW YORK.

Woodson R. Oglesby.
B. I. Taylor.
Edmund Platt.
George McClellan.
P. G. Ten Eyck.
James S. Parker.
Samuel Wallin.
Luther W. Mott.
Charles A. Talcott.
George W. Fairchild.
John R. Clancy.
Sereno E. Payne.
Edwin S. Underhill.
Thomas B. Dunn.
Henry G. Danforth.
Robert H. Gittins.
Charles B. Smith.
Daniel A. Driscoll.
C. M. Hamilton.

NORTH CAROLINA.

Hannibal L. Godwin.
Robert N. Page.
Robert L. Doughton.
Edwin Y. Webb.
James M. Gudger, jr.

NORTH DAKOTA.

P. D. Norton.

OHIO.

Clement L. Brumbaugh.
John A. Key.
William G. Sharp.
George White.
William B. Francis.
William A. Ashbrook.
John J. Whitacre.
Ellsworth R. Bathrick.
William Gordon.
Robert J. Bulkley.

OKLAHOMA.

Scott Ferris.
William H. Murray.
Claude Weaver.

OREGON.

N. J. Sinnott.

PENNSYLVANIA.

Warren Worth Bailey.
A. R. Brodbeck.
Charles E. Patton.
A. L. Keister.
W. N. Carr.
H. W. Temple.
M. W. Shreve.
A. Mitchell Palmer.
J. N. Langham.
W. J. Hulings.
Stephen G. Porter.
M. C. Kelly.
James F. Burke.
Andrew J. Barchfeld.
J. M. Morin.
A. H. Walters.
F. E. Lewis.

RHODE ISLAND.

Ambrose Kennedy.

SOUTH CAROLINA.

David E. Finley.
J. W. Ragsdale.
Asbury F. Lever.

SOUTH DAKOTA.

Eben W. Martin.

TENNESSEE.

Lemuel P. Padgett.
Thetus W. Sims.
Finis J. Garrett.
Kenneth D. McKellar.

TEXAS.

George F. Burgess.
James P. Buchanan.
Robert L. Henry.
John N. Garner.
William R. Smith.
D. E. Garrett.

UTAH.

Jacob Johnson.

VERMONT.

Frank Plumley.

VIRGINIA.

Carter Glass.
James Hay.
Charles C. Carlin.
C. Bascom Slemp.
Henry D. Flood.

WASHINGTON.

J. A. Falconer.
J. W. Bryan.

WEST VIRGINIA.

Matthew M. Neely.
William G. Brown, jr.
S. B. Avis.
H. H. Moss, jr.
James A. Hughes.
Howard Sutherland.

WISCONSIN.

Henry A. Cooper.
Michael E. Burke.
John M. Nelson.
William J. Cary.
William H. Stafford.
M. K. Reilly.
John J. Esch.
E. E. Browne.
Thomas F. Konop.
James A. Frear.
Irvine L. Lenroot.

WYOMING.

Frank W. Mondell.

PORTO RICO.

Luis Muñoz Rivera.

PHILIPPINES.

Manuel Earnshaw.

Restriction of Immigration.

EXTENSION OF REMARKS

OF

HON. CLEMENT BRUMBAUGH,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 4, 1914,

On the bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States, and for other purposes.

Mr. BRUMBAUGH. Mr. Chairman, it is very apparent to everyone that both branches of Congress will pass now, as they have in the past by great majorities, this immigration bill. Realizing the above action to be inevitable, and because I desire to see the very fairest bill possible to every race and creed pass this House, I shall seek to amend this bill. Having that object in view, and having done what I consider just in that direction, I shall in the end support and vote for this bill.

I think that all, Mr. Speaker, whether friend or foe of the bill, recognize the justice and desirability of restricting certain kinds of immigration, but I do not think that restriction should be made or measured by the literacy test. I therefore desire to state that while supporting the bill I nevertheless am opposed to the literacy provision in the bill.

I regret most exceedingly, Mr. Speaker, that in this case, as with many other great measures coming before this House, it does not seem possible to eliminate the good from the bad and that sometimes they are so blended that it is difficult to differentiate between them.

If this bill were aimed at or offered any opposition to any race, creed, or religious belief, as such, I would oppose it to the last and vote against every part of the bill, but after most careful study and scrutiny of the bill I can not see that it does or intends this, or that the bill will have the effect that some fear on these lines; and therefore, on account of the many good features of this bill, which all of us, whether in favor or opposed to the bill, admit to be necessary and desirable to meet present conditions, I shall, as stated, vote against the literacy test of the bill and then, as I consider it my duty to do, support and vote for the final passage of the bill thus amended, as I trust it will be amended by this House.

Mr. Speaker, this is a bill of more than 60 pages. With many of its provisions we all agree, such as those provisions and parts of the bill that would exclude the following classes of immigrants:

Those with foul and contagious diseases.
The insane and idiotic.
The paupers and criminals.
The anarchist and those who preach and teach anarchy.
The atheist and those who preach and teach atheism.
Those who believe in assassination of those in authority.
Those who preach against and denounce all forms of government.

I take it every man on the floor of this House will favor to this extent the provisions of this bill. And again I desire to point out that it may be best, even for those opposed to all legislation on this subject, to yield to a bill like this, which is not intended to be drastic, before much more drastic legislation shall be provoked and be demanded by the great mass of the people of the United States.

But, Mr. Speaker, my objection to the literacy test is that it will not do what it is intended to do, and that is, keep out the objectionable classes enumerated in this bill, but it will tend to let in a larger comparative per cent of this very class; for, as has been so well said on the floor of this House, ignorance and

the inability to read upon the part of the immigrant, who has had no chance to acquire this education, is no crime, and neither is the ability to read or the literacy test any proof of character. The educated crook, the atheist, and anarchist university graduate will know how to conceal his real views and will have a broader field of entrance and I fear, therefore, a larger per cent of admission, while the honest, hardworking, illiterate man of purest motive and highest ideal will be too frequently barred by such a literacy test.

HISTORICAL POSITION OF DEMOCRACY REGARDING IMMIGRATION.

Historically speaking, I want to remind you gentlemen that democracy, and I use the term in its broadest and general sense, has always been in favor of immigration, assimilation, and regulated universal suffrage, and I shall regret to see anything done now upon the part of the Democratic Party, that has always been the champion of democracy, that shall violate the spirit of democracy as expressed throughout our entire history as a Nation.

GOV. ALLEN'S FAMOUS DEFINITION OF DEMOCRACY.

Away back about 1840 a young United States Senator from Ohio was taunted by an old and famous Senator of that day to give him a definition of democracy, and the young man stood up unabashed and unafraid and gave the definition that has met the approval of mankind and has stood the test of time, and it made that young Senator, who later became the great governor of Ohio, the grand old Rise Up Bill Allen, whose statue stands in yonder hall, immortal, because he spoke an immortal truth, and in the consideration of this literacy test I want to read you that definition, because it is a jewel that we should wear in our very heart of hearts. Replying to the demand for a definition of democracy, Senator Allen responded, in words that shall live forever, as follows:

Democracy is a sentiment not to be appalled, corrupted, or compromised. It knows no baseness, it cowers at no dangers, it opposes no weakness. Fearless, generous, and human, it rebukes the arrogant, cherishes honor, and sympathizes with the humble. Destructive only of despotism, it is the sole conservator of equal rights and equal obligations. The stupid, the selfish, and the base in spirit may denounce it as a vulgar thing; but in the history of our race the democratic spirit has developed and illustrated the highest moral and intellectual attributes of our nature.

THE GREATER QUESTION INVOLVED.

My friends, let us ponder well these words now. We can not afford to consider this literacy test in any spirit of selfish self-sufficiency, because the greater question of Christianity, humanity, and the spirit of the Golden Rule is all wrapped up in it, and it is from this standpoint of view that we should consider this question.

TO WHOM BELONGS THE CREDIT FOR US BEING AMERICAN CITIZENS.

It is nothing that we individually have done that causes us to be here in this God's best land on earth, rather than in some downtrodden, oppressed land beyond the seas. The credit is due to some heroic, possibly illiterate, ancestor of ours, who took his life and fortune in his hands, broke the tenderest ties of earth, and, with supreme faith in God and the future, struck out upon, to him, a trackless sea, and became the Abraham of a generation in this land of promise and of freedom. To this immigrant and to the God of all the races of the children of earth we owe the favor of where we are and what we are, and let us not forget it. [Applause.]

THE PLANK OVER THE GULF.

It is because I fear this literacy test would remove the plank on which our ancestors walked that spans the deep gulf that separates Old World tyranny and oppression from New World liberty and opportunity that I oppose this literacy test.

I do not want to deny the lifeboat that our ancestors used to other storm-tossed immigrants.

I do not want to turn his face back again to the night of despair.

I do not want to blot out the rainbow of promise from his sky of hope.

I want to help him to lift up his head into the sunlight of a new hope, to thank God, and to take on a new courage.

I do not want to deny him that blessed boon that was granted my German-Swiss-Irish ancestors, a people with whom liberty has been a passion, and of whom Cæsar said when his Roman legions overran them: "They are a brave people, who love home and liberty and are willing to die to be free." I thank God they have been willing always to grant to others that same priceless liberty they so dearly cherished for themselves.

THE IMMIGRANT IN THE HISTORY OF OUR COUNTRY.

Had I the time, Mr. Speaker, I would love to go into the history of our country and show you what havoc this literacy test would have caused our country; what it would have withheld from our country had it been in force in the past. Why, sirs, it would have turned back the parents of Andrew Jackson six months before he was born, and that great life would never have blessed his father's adopted country. It would tear from us the deathless names of history—names that have shed undying luster on every page of American history.

I wish I had time to follow my inclination and desire and go into this and show you what the immigrants have contributed to our growth and development and glory as a Nation. I would like to speak of the Irish, the German, the Swiss, the Swede, the Polock, the Hungarian, yes, and the Italian immigrant and all the others whom I have not the time to enumerate.

In many of us run the mingled blood of these, and the mingled blood of these give us our great citizenship and give us to-day the typical American citizen of the United States. Let our door be opened to all the good of these and be closed only to the undesirable of these; open to those who come to make America their homes and closed to those who come to prey upon our country and its institutions, who come to beat down wages, lower the standard of American living, and to take out of the country the wages paid them, and have no thought of becoming with us fellow American citizens, to uphold and protect the honor of our flag and perpetuate our institutions. This class, I think, should be denied entrance into our country, but not the honest immigrant who comes with an earnest desire to become one of us and who is willing to pledge his heart's blood to uphold our institutions and the honor of our flag, as so many of them have done on every battle field of the Republic in the years that have passed. [Applause.]

OUR NATION CAN AFFORD TO BE GENEROUS AS WELL AS JUST.

Gentlemen, this Nation can afford to be generous as well as just, and I hope we will never take a narrow, selfish view of our opportunities and our duty and obligation to mankind. Nations, like men, may have one of two different views of life. They may have that view of life which they please to term the survival of the fittest, which in reality teaches this doctrine: Get all you can, keep all you get, and keep on getting. I will not expand this thought; it is all summed up in that prayer of the selfish soul that made his petition as follows: "Lord, bless me and my wife, my son John and his wife, us four and no more."

Nations and men may have the other view of life—the view of duty, obligation, and gratitude; a view of life far above the view even of a square deal; the view of the helping hand, which teaches us these sentiments:

Lend a hand to one another
In the daily toil of life;
When you meet a weaker brother
Let us help him in the strife;
There are none so rich but may
In their time be forced to borrow,
And the rich man of to-day
May become the poor to-morrow.

Lend a hand to one another;
When malicious tongues have thrown
Dark suspicions on a brother
Be not prompt to cast a stone.
There are none so good but may
Run adrift in sin and sorrow,
And the good man of to-day
May become the bad to-morrow.

Lend a hand to one another
In the race for honor's crown;
Should it fall upon your brother
Let not envy tear it down.
Lend a hand to all, we pray,
In their sunshine or their sorrow,
And the prize they have won to-day
May become your own to-morrow.

GOD'S ELECTRIC LIVE WIRE OF TRUTH AND JUSTICE.

Gentlemen, I like this sentiment. It is a rule of action and conduct for nations as well as for men. I like it because it is the better view of life for nations as well as for men; because it is the safe view and has upon it the promise of the skies, for I believe that for nations, as well as for men, through God's future, there is stretched God's electric live wire of brotherhood, truth, and justice to all men, and sometimes nations, as well as men, reach out in greed and avarice and clutch that wire and die.

OUR COUNTRY'S PROUD AND EMINENT POSITION.

Gentlemen, let me remind you in closing that the United States is what it is to-day largely because of the immigrants and the immigration laws of the past. As a Nation we stand upon the highest eminence of national greatness, having carried into successful operation a system of self-government, uniting personal liberty, freedom of opinion, and equality of rights with national power and dignity.

We have a Government founded upon the hearts of men, built by the people for the common good. We have a long and glorious history, a past glittering with heroic deeds, an ancestry full of high and imperishable examples. We have a land

flowing, as it were, with milk and honey, bordered by oceans and favored by Heaven. Its wide extent and great domain has become one vast temple and hallowed asylum, sanctified by the prayers and blessings of the persecuted of every sect and the wretched of every clime. Through our gates pour the multitudes from the corners of the earth; our homes are happy, our workshops busy, our barns are full; liberty is our birthright. This has come about under the immigration laws of the past, and the God of nations has smiled down upon us in all our past. We journeyed in safety through the wilderness of foreign oppression and crossed over in triumph the red sea of civil strife, and the foot of Him who has led us has not faltered nor the light of His countenance been turned away.

Gentlemen, let us ever keep America in all its future what it has been in the past—the land of refuge for the oppressed of every race, and the persecuted of every clime; the land of welcome to God's poor of earth—and thus have vouchsafed to this Nation for the future, as in the past, the gracious favor of the Father of all the children of man. [Applause.]

Restriction of Immigration.

EXTENSION OF REMARKS

OF

HON. AUGUSTUS P. GARDNER,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 4, 1914,

On the bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States, and for other purposes.

Mr. GARDNER. Mr. Speaker, I asked unanimous consent to extend my remarks on section 38 of the bill in order to make the following record for future use in the various stages of this bill.

Section 38 is the repealing clause. The acts repealed are:

The white-slave and procurer amendment to the immigration law approved March 26, 1910. (This we reenact in section 3 and section 19.)

The immigration act of 1903, except section 34.

The immigration act of 1907, except section 34.

Section 34 of the immigration act of 1903 refers to the sale of liquor in the Capitol Building of the United States.

Section 34 of the act of 1907 refers to the appointment of a commissioner of immigration at New Orleans.

The first proviso in the repealing section is to the effect that this bill shall not be construed to alter the Chinese exclusion law or the navigation laws.

The second proviso is a repetition of section 27 of the existing law, except that the following words are inserted:

Except as mentioned in the last proviso of section 19 hereof.

This clause is designed to validate the future deportation of persons already here in this country, even though under existing law they may not be subject to deportation.

Restriction of Immigration.

EXTENSION OF REMARKS

OF

HON. AUGUSTUS P. GARDNER,

OF MASSACHUSETTS.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 4, 1914,

On the bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States, and for other purposes.

Mr. GARDNER. Mr. Speaker, I did not wish to take up the time of the committee in an intricate discussion, and therefore under the permission granted me to extend my remarks on section 22 of the bill, I submit certain comments on this section as a matter of record and for future reference.

Section 22, with one slight change, repeals the provisions of the act of 1907 with reference to the privileges which may be accorded to wives and minor children seeking to join aliens domiciled in this country. The Bureau of Immigration has more than once criticized the wording of the law and has suggested that the provision of the act of 1903 was changed through inadvertence. Such is not the case, however, as clearly appears from the report made on House bill 17941, Fifty-ninth Congress, first session, House of Representatives Report No. 3021. The bureau, moreover, suggests in connection with this section that wives and minors seeking to join resident aliens shall not be admitted for temporary hospital treatment unless the contagious disorder first manifested itself on board ship. The Committee on Immigration did not think it best to impose this limitation.

Restriction of Immigration.

EXTENSION OF REMARKS

OF

HON. BENJAMIN I. TAYLOR,

OF NEW YORK.

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 3, 1914,

On the bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States, and for other purposes.

Mr. TAYLOR of New York. Mr. Speaker, we all realize the necessity of restricting immigration and keeping from our shores the criminal, insane, weak-minded, debilitated, and immoral of other communities. It makes no difference whether we are native or foreign born, whether we be taxpayers or only residents, we all join in recommending legislation that will keep this class of people out. They are useless and become a burden on our taxpayers.

We are divided as to the best method of restricting immigration. I am heartily in accord with the provision of the bill which increases the fine or penalty to be paid by the steamship companies in the event of their bringing to our shores undesirable immigrants. The provision which extends the period of deportation is a good one, nor can any fair-minded man complain about that provision which requires that one or more physicians and nurses shall accompany each ship carrying immigrants for the purpose of observing them during transportation, with the view of detecting those who are weak-minded, idiotic, diseased, and so forth. These are wholesome provisions, and tend to strengthen our present immigration laws and should be enacted into law.

The only provision in the bill that I disagree with is that which requires the so-called literacy test.

Previous to the Revolutionary War Benjamin Franklin, who was a wise and learned statesman, declared that the time had arrived "when great hordes from Germany should be refused admission into this country." Samuel Otis, one of our great Revolutionary statesmen, declared before the Legislature of Massachusetts at the time of the Revolutionary War that the country would soon be overrun with those of the Irish race, and that they should be excluded. Practically continuous, I believe, from that time efforts have been made to restrict immigration. There have always been found a certain number of people who declare for an unreasonable restriction of immigration and seem to be impressed with the fact that this continent was made solely for them. We all feel thankful now that the ideas of both Franklin and Otis were not put into execution. If they had, this country would have been deprived of many of its greatest statesmen, lawyers, doctors, surgeons, and generals.

When President Lincoln issued his proclamation calling for men to fight for the Union thousands of men of foreign birth joined the ranks and fought as valiantly for the preservation of the Union as those who had been born and reared here, and many of them rose to the first ranks and became officers of note.

Abraham Lincoln, while he was seeking the office of President of the United States, during his speeches in Boston, took a firm stand in favor of immigration. At that time he called the attention of the people to the fact that there were vast areas of our country unsettled and which should be populated, so that our country might grow and become the greatest on earth and contended, as many had before and since, that the man and woman who had the courage and hardiness to leave their birthplace and cross the ocean to an unknown land would, if allowed to develop this courage, make our Nation a contented and prosperous one.

Our country is growing fast and is considered more progressive and up to date than any other country in the world, which, in my belief, is due to the fact that this continuous stream of immigrants have not only brought here but have exercised this courage which they had and infused new life and activity into us as a Nation.

It was contended in Franklin's day that our country was not able to assimilate these men and women of foreign birth and

that unless immigration was restricted they would gain control and that the Anglo-Saxon race would no longer rule. This contention has been advanced ever since. Still it must be admitted that the country has assimilated these vast armies of immigrants and our original customs, forms, and method of government still prevail, and that these immigrants have not only acquired our habits, but have become loyal, patriotic citizens. Our schools to-day are filled with their children, some of whom were born in this country and many of whom were born on foreign shores. Daily they are taught to sing our national hymns and anthems and to salute the Stars and Stripes. It is a common custom to witness the struggles of the parents of foreign birth to keep their children in our public schools and give them that which they were not able to obtain—an education. The children as they grow up become Americanized and acquire American habits.

The strong, healthy, sober, industrious immigrant lands upon our shores with his family and at once begins the task of providing for them. They soon save their money, acquire a small piece of land, and become taxpayers, and in the meantime their children are being sent to our schools and shortly they are working in our factories, following different trades and vocations, and become industrious young men and women. They generally belong to the poorer classes, their income is small, and they spend practically all they receive. In this manner our domestic market has become the greatest in the world and we have become a thriving, industrious Nation.

Municipal improvements such as gas, water, sewers, and so forth, are never extended to the rural districts for the reason that they are so sparsely settled the cost of these improvements would be too burdensome to the few taxpayers. As the community grows and new families move into the village it then becomes possible to have these improvements because of the great number of taxpayers to share the cost. This same idea applies to our country. With a large population we can obtain such improvements as new railroads, good roads, and benefits of this character which make life worth living. If we had shut our doors against immigration at the time Benjamin Franklin decreed, to-day we would be a stagnant, unprogressive Nation.

It costs the taxpayers and people of this country billions of dollars a year to educate their children, thousands of whom are being graduated from our schools, colleges, and universities yearly. If you should suggest to the fathers and mothers who have deprived themselves of many of the necessities of life that their son and daughter upon graduating from high school, for example, should go out into the world and dig a ditch, they would feel insulted. It is proposed, by means of this literacy test, to shut out from this country the strong, sober, industrious man and woman of foreign birth. It is this class of men and women who are now performing our heavy and manual labor. They are digging our ditches, building our subways, extending and reconstructing old and building new railroads, and their ranks are being recruited by new allotments of immigrants who are entering our shores. The children of these immigrants attend our public schools, become educated young men and women, and absolutely refuse to take up a pick and shovel. They rightly believe that the education they have received entitles them to a higher position in life. If we shut our doors against this class of immigrant, who are we going to get to do this work? How are we going to recruit the ranks of this class of unskilled labor?

It is not the illiterate man we fear—it is the educated man. He is the fellow that is the head and brains of the Black Hand and white-slave societies, and by means of his schooled and skilled mind formulates the plans and executes the crimes that we all deplore. In my estimation, we are too prone to condemn those of foreign birth because of the crimes committed by a few of their numbers. We fail to take into consideration that there is no nation on earth that has not good and bad men and women, and we often fail to give these people credit for the good they do, for the great doctors, lawyers, surgeons, and educators, and men and women of attainment, that they have produced, for many of our most learned men to-day are either of foreign birth or of foreign-born parentage. These men and women have done a great deal toward adding to the fame of this country as a great Nation.

I do not speak this way with the idea of defending some foreign-born member of my immediate family, for the reason that among my ancestors will be found those who landed from the *Mayflower*, signed the Declaration of Independence, fought in the Revolutionary War, War of 1812, and every war that we have had. These facts are of no particular importance, except to show, as a full-blooded American, I deplore the stand taken by some in this body in favor of this bill who are themselves of foreign-born parents and have permitted bias, religious bigotry, and prejudice to paralyze their minds and warp their judgments on this subject. I do not like this spirit, and regret it should have been injected into this legislation.

I have listened with attention to the debates upon this bill. Many of the speakers have contended that these foreign immigrants have no idea of the principles of our Government, no conception of what they stand for, never did and never can become acquainted with them; that many of them become agitators and seek to destroy our form of government. It is true we have had, and I assume we always will have, labor troubles, and many men and women whose ideas, if carried into execution, would destroy our form of government. These conditions are not confined to men and women of foreign birth. We frequently find in their ranks those of American birth, and when we take the trouble to investigate we find that these agitators, when they are foreigners, are not the ignorant, illiterate foreigners, but men and women of education, every one of whom could pass the literacy test; and, after all, this is the weak point in the test. It keeps out those we want and lets in those we do not want.

I do not mean by this that I am not in favor of education and that I do not believe the educated man can not dig a ditch or do hard, laborious work. I am firmly convinced that the man who has a trained, intelligent mind can do more with a set of strong, powerful muscles than the man with only the muscles and without a trained mind. People in general do not take this view of things, as is evidenced by the fact that so many of our young men and women are leaving the farms and seeking employment in our cities and villages.

There was a time in this country when we produced in an agricultural way more than we consumed. To-day we consume more than we produce, and as our population grows the amount of agricultural and food provisions which we produce is growing less in proportion, and now it is proposed to still further hamper our producing powers by depriving our farmers and agriculturists of the labor they so much need. It is claimed that these immigrants never go to the farms; that they crowd in cities like New York, Boston, and Philadelphia. The literacy test would not remedy these conditions. Legislation looking toward the more equal distribution of these immigrants about the country and directing the location where the steamships shall land them would be proper and wholesome legislation, and really meet these objections and still give us the labor that we need.

The idea of a literacy test is not a new one. It has been proposed and discussed for many years.

President Cleveland vetoed an immigration bill, and accompanying his veto he expressed himself as follows:

> The ability to read and write, as required in this bill, in and of itself affords, in my opinion, a misleading test of contented industry and supplies unsatisfactory evidence of desirable citizenship or a proper apprehension of the benefits of our institutions. If any particular element of our illiterate immigration is to be feared for other causes than illiteracy, these causes should be dealt with directly instead of making illiteracy the pretext for exclusion to the detriment of other illiterate immigrants, against whom the real cause of complaint can not be alleged.

President Taft vetoed a similar bill, and used the following language:

> I can not make up my mind to sign a bill which in its chief provision violates a principle that ought, in my opinion, to be upheld in dealing with our immigration. I refer to the literacy test. For reasons stated in Secretary Nagel's letter to me, I can not approve that test.

The following is an extract from the report of Secretary Nagel, referred to by President Taft in his veto memoranda:

> With respect to the literacy test, I feel compelled to state a different conclusion. In my opinion, this is a provision of controlling importance, not only because of the immediate effect which it may have upon immigration and the embarrassment and cost it may impose upon the service, but because it involves a principle of far-reaching consequence with respect to which your attitude will be regarded with profound interest. * * *
>
> WOULD COST A MILLION DOLLARS.
>
> In the administration of this law very considerable embarrassment will be experienced. * * * Furthermore, the force will have to be very considerably increased, and the appropriation will probably be in excess of present sums expended by as much as a million dollars. The force of interpreters will have to be largely increased, and, practically speaking, the bureau will have to be in a position to have an interpreter for any kind of language or dialect of the world at any port at any time. Finally, the interpreters will necessarily be foreigners, and with respect to only a very few of the languages or dialects will it be possible for the officials in charge to exercise anything like supervision.
>
> TEST WOULD CAUSE SUFFERING.
>
> Apart from these considerations, I am of the opinion that this provision can not be defended upon its merits. It was originally urged as a selective test. For some time recommendations in its support upon that ground have been brought to our attention. The matter has been considered from that point of view, and I became completely satisfied that upon that ground the test could not be sustained. The older argument is now abandoned, and, in the later conferences at least, the ground is taken that the provision is to be defended as a practical measure to exclude a large proportion of undesirable immigrants from certain countries. The measure proposes to reach its result by indirection, and is defended purely upon the ground of practical policy, the

final purpose being to reduce the quantity of cheap labor in this country. I can not accept this argument. No doubt the law would exclude a considerable percentage of immigration from southern Italy, among the Poles, the Mexicans, and the Greeks. This exclusion would embrace probably in large part undesirable, but also a great many desirable people, and the embarrassment, expense, and distress to those who seek to enter would be out of all proportion to any good that can possibly be promised for this measure.

ILLITERACY OFTEN DUE TO OPPRESSION.

My observation leads me to the conclusion that so far as the merits of the individual immigrant are concerned the test is altogether overestimated. The people who come from the countries named are frequently illiterate because opportunities have been denied them. The oppression with which these people have to contend in modern times is not religious, but it consists of a denial of the opportunity to acquire reading and writing. Frequently the attempt to learn to read and write the language of the particular people is discouraged by the Government, and these immigrants in coming to our shores are really striving to free themselves from the conditions under which they have been compelled to live.

PROPER DISTRIBUTION NEEDED.

So far as the industrial conditions are concerned, I think the question has been superficially considered. We need labor in this country, and the natives are unwilling to do the work which the aliens come over to do. It is perfectly true that in a few cities and localities there are congested conditions. It is equally true that in very much larger areas we are practically without help. In my judgment no sufficiently earnest and intelligent effort has been made to bring our wants and our supply together, and so far the same forces that give the chief support to this provision of the new bill have stubbornly resisted any effort looking to an intelligent distribution of new immigration to meet the needs of our vast country In my judgment no such drastic measure based upon a ground which is untrue and urged for a reason which we are unwilling to assert should be adopted until we have at least exhausted the possibilities of a rational distribution of these new forces.

Practically all of the heads of our institutions of learning have declared that this test is not the test required and will not accomplish what it is supposed to or remedy the evils that it is attempting to legislate against, of which the following are a few illustrations:

[Harry Pratt Judson, LL. D., president University of Chicago, Chicago, Ill.]

If we can establish a test which will exclude those who are really undesirable—that is, who are unlikely to make intelligent, industrious, and law-abiding citizens—such test I shall approve. I do not believe that the literacy test conforms to that condition.

—

[Bernard J. Otting, S. J., president St. Louis University, St. Louis, Mo.]

I can not respect the intelligence of the man who can make literacy the test of fitness, and I am driven to suspect some underlying motive which he is ashamed to make public in the statesman who would make this test the law.

—

[Edward Cummins, S. J., president Spring Hill College, Mobile, Ala.]

Read the roster of our great men these days and you will find them children of men that came over here to escape persecution without, perchance, the knowledge of the alphabet.

—

[Lyon G. Tyler, LL. D., president College of William and Mary, Williamsburg, Va.]

Illiteracy is a mere accident that may affect a family in one generation, but be conspicuously absent from succeeding generations.

—

[George Lewis Mackintosh, president Wabash College, Crawfordsville, Ind.]

Unquestionably, immigrants who could not measure up to the most rudimentary test of literacy may yet be industrious, honest, and very desirable men.

—

[George S. Davis, LL. D., president Normal College of the city of New York.]

It [the literacy test] would be inadequate and misleading, often resulting in the exclusion of worthy and desirable additions to our population.

—

[John Cavanaugh, C. S. C., president University of Notre Dame, Notre Dame, Ind.]

I am convinced that the effort to restrict immigration by a literacy test is un-American as well as unwise.

—

[James A. B. Scherer, LL. D., president Throop College of Technology, Pasadena, Cal.]

I used to incline toward a belief in much stricter immigration laws, but upon becoming acquainted with the sons and daughters of possibly objectionable immigrants I saw that the "melting pot" does its work effectively and advantageously.

—

[Stephen M. Newman, D. D., president Howard University, Washington, D. C.]

Some of the best immigrants who ever came to America could not read when they landed, but settled down into helpful American lives. I do not believe that a literacy test should be enacted.

—

[Herbert L. Stetson, LL. D., president Kalamazoo College, Kalamazoo, Mich.]

I believe that immigrants fleeing from religious and political persecution should not be subjected to a literacy test, should such test be enacted.

—

[Winthrop E. Stone, LL. D., president Purdue University, Lafayette, Ind.]

There are many valuable men and women who could be of service in this country who possibly can not read and write.

I have not viewed this question with the prejudice and feeling that many of the Members of this House have viewed it. I have no prejudice one way or the other. I believe we can find good and evil in every man, and our Christian duty imposes upon us the obligation of trying to seek, find, and improve the good. We are often too willing to judge others, and we forget, "Judge not, lest ye be judged." We all have our weaknesses and faults. Some contend that the illiterate man and woman have greater faults than those of the more intelligent. I do not believe this, as I have known men and women who could neither read nor write, who were bright, active, and industrious people, and we have all become acquainted with that type of intelligent man and woman more prone to crime, their very intelligence making them criminals.

It has been contended that this test should be passed because of the unsanitary conditions of our factories and industrial institutions, which are due to the uncleanliness of the foreigner, and that the numerous accidents which happen are due to the illiterate, stupid foreigner. Experience has taught me that the unsanitary conditions of our manufacturing establishments are due to the greed and avarice of the employer, who is not willing, first, to construct a sanitary manufacturing plant, and, second, his unwillingness to keep it up to date with modern improvements. Legislation can remedy these defects and not the literacy test. We all know that there are just as many stupid educated people as there are stupid illiterate people.

There are those who believe this bill, if passed, will help union labor. I do not see how it can. It will not help the mechanics, such as carpenters, masons, painters, machinists, and so forth. They are skilled laborers. This bill seeks only to keep out unskilled labor, and there is constantly such a demand for this class of labor that their unions can not cope with the situation. I believe in unions, union labor, and the right of men and women who labor to join together for their mutual protection, and am willing to do everything in my power to limit the Sherman antitrust law so it will not apply to organized unions, as it never should have been construed to apply to labor organizations. I say this as evidence that I am a friend and not an enemy of labor.

For these reasons, Mr. Speaker, I can not vote for the literacy test, and hope that it will not be enacted into law.

Rural Post Roads.

SPEECH

OF

HON. CHARLES M. THOMSON,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, February 7, 1914,

On the bill (H. R. 11686) to provide that the United States shall, in certain cases, aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads.

Mr. THOMSON of Illinois. Mr. Speaker, one of the things to which we can not point with pride as a nation is our country roads. With the exception of a very few States which are favored by fortunate surrounding conditions, the state of the roads which traverse our rural districts is deplorable, and in not a few sections of the country this condition of the roads amounts to a disgrace.

The reasons for this are numerous. Some of them are present in all communities and some are not. In some districts the condition is due to mismanagement of available funds; in others it is due to a lack of such funds; while in still others it is due to the fact that necessary materials are not available in the immediate neighborhood and must be transported some distance at great cost. In practically all instances no doubt local communities would improve their roads if given the administrative machinery and the money necessary for the purpose.

The bill now before us for consideration proposes to extend Federal aid to the various States in the matter of the construction and maintenance of good roads. It appropriates not to exceed $25,000,000 in any fiscal year and specifies the method by which that money shall be made available to the various States. I approve of those provisions of the bill which in substance provide that the Federal Government is to extend financial help to those communities which help themselves in this matter of building good roads and is to bear a share of the burden of meeting the cost both of their initial construction and of their maintenance, not in any case to exceed one-half of that cost. Upon referring to the report which the Committee

on Roads has submitted to the House on this bill I note that my State, Illinois, may claim a maximum amount of $1,501,250 in any year, any portion of which may be used, with a like sum made available by the State, in the construction and maintenance of rural post roads.

While I shall vote for this bill, I do so in spite of some of its features of which I do not approve. In examining some of the other "good-roads" bills which have been introduced here I have noted features not included in the bill reported by the committee which seem to me to be very desirable. This fact is especially true with reference to H. R. 10404, introduced by Mr. WOODRUFF of Michigan.

The features of the Woodruff bill which commend it to me very strongly and which I wish the committee had incorporated in the bill reported to the House by them are these:

It places the bureau which would have to do with this question in the Post Office Department, which is vitally interested, as the efficiency of the Rural Mail Service would be very materially affected by this road improvement.

It requires that the director of this bureau be a practical engineer of road construction.

It puts the highway inspectors under the classified service, while under the provisions of the committee bill there is offered an opportunity to build up political machines through the office of State highway commissions and boards.

Under the terms of the Woodruff bill the designation of the roads which are to participate in the benefits afforded by the terms of the proposed law rests with the geographical unit in which the roads lie, while under the terms of the bill before us such designation can be made by the State highway board.

Under the pending bill no aid is afforded a community which may have been enterprising enough or prosperous enough or for other causes enabled to have already made such road improvement as would enable them to participate in this aid afforded by the Federal Government, if their improvement had been made after the law was passed, while under the Woodruff bill, provision is made for such aid to a community which has built a road of such construction and capable of such maintenance as will bring it within one of the classes of roads designated in the bill. The funds thus secured by a community would be available for further road improvement. However, in spite of the fact that these features which, in my judgment, make the Woodruff bill preferable to the one now before us, I shall vote for the passage of this bill, as I said a moment ago, for I realize that if we are to get good roads legislation in this session we must adopt the bill which has been reported by the committee.

Mr. Speaker, as a candidate for a seat in this House in the tenth district of Illinois, I subscribed to the principles of the Progressive Party, of which I have the honor to be a member. The platform of that party states, among other things, that—

> We recognize the vital importance of good roads and we pledge our party to foster their extension in every proper way.

As this debate has proceeded, Mr. Speaker, I have noted that a number of the Members of the House who come from districts in the large cities are not supporting the bill. Whether they will vote against it, I do not know. To quote from the platform of my party again, I would remind them that—

> The development and prosperity of country life are as important to the people who live in the cities as they are to the farmers. Increase of prosperity on the farm will favorably affect the cost of living and promote the interests of all who dwell in the country and all who depend upon its products for clothing, shelter, and food.

So I am supporting this bill because of the declarations of my party in its platform. But apart from those declarations I shall vote for the bill because I favor the principle of Federal aid in the matter of the construction and maintenance of rural roads.

The district which I have the honor to represent in this House lies partly within the city of Chicago and partly without that city. It includes some of the rural part of Cook County and all of Lake County. This part of the district contains a number of enterprising, prosperous cities and towns, and beyond and about them an agricultural section which is second to none.

In voting for this bill, I consider that I am availing myself of an opportunity to render a service primarily to the agricultural part of my district, but also, and quite as important, to the part of my district lying within the great city of Chicago. But our service here on general bills like this should not be measured by the needs of individual districts. This bill, seeking to afford Federal aid in the construction of rural post roads, will prove of great value not only to the country districts of the Nation, but to all the cities as well.

During a service of some years in the council of my home city I experienced much to confirm my idea of the importance of well-paved and well-cleaned streets to the well-being of a community. This fact, with reference to city streets, applies also with reference to the roads of the country. As a member of a delegation from our city council I had the opportunity of visiting the city of Detroit a few years ago, the purpose being to see the results that had been achieved in the treatment of certain streets there and also to see the up-to-date roads that had been constructed in Wayne County, through the country districts surrounding Detroit. Those country roads in Wayne County, Mich., were a revelation. With the advantage of such roads over which to reach their markets the position of the men and women of the farms was vastly improved.

The roads are the arteries of the country districts, and those districts will improve or suffer directly as the condition of the arteries is good or bad.

If the bill before us becomes a law, as I trust it may, the operation of that law will doubtless disclose imperfections. But these may be remedied as they are disclosed. The fact that the bill is not perfect does not furnish a reason for opposing it. It is a step in the right direction, and that being so, it is a step that should be taken.

Rural Post Roads.

EXTENSION OF REMARKS
OF
HON. WILLIAM P. BORLAND,
OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 10, 1914,

On the bill (H. R. 11686) to provide that the United States shall, in certain cases, aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads.

Mr. BORLAND. Mr. Speaker, under the leave given to extend my remarks in the RECORD I herewith offer a letter written by me to the president of the National Old Trails Road Association, showing that I anticipated the exact attack that would be made on me if I dared attempt to improve this bill, which is labeled "A bill to aid in constructing good roads," but which should be labeled "A bill to aid in the construction of political fences."

FEBRUARY 4, 1914.

HON. J. M. LOWE,
Kansas City, Mo.

MY DEAR JUDGE: I am sending you herewith a copy of a bill which I intend to offer as a substitute for the Shackleford bill. The worst features, in my judgment, about the Shackleford bill are—

First. That it reintroduces the element of paying rental on post roads, a plan which can not fail to degenerate into a mere pork barrel and which will cost the Government an increasing amount of money without any corresponding improvement in the roads. There will be constant political pressure to raise this rental, in the face of the fact that 80 per cent of the taxes now spent upon public roads are lost in the process of administration and only 20 per cent gets upon the road itself.

Second. The bill proposes to give the governor a choice between this plan and a very vague and indefinite system of cooperation by agreement with the Federal authorities. It is highly improbable that any satisfactory agreement can be made under such circumstances, so that in the last analysis the bill is reduced to a rental proposition.

Third. The bill is drafted nominally to provide post roads, in accordance with the Democratic platform, but it is apparent that this is only a verbal badge, because the work is all put under the Department of Agriculture, and there is no requirement that the roads shall be actually used as post roads.

Fourth. The bill leaps over the State authorities and proposes to deal directly with the civil divisions of the State, which is contrary to the expressed policy of the Department of Agriculture, the Secretary of Agriculture having said that the smallest unit with which the Federal Government ought to deal is the State. It is contrary, also, to the fundamental principle of State's rights, State's power, and State's duties. It is destructive, also, of the growing and beneficent influence of the State highway departments. It can have no purpose but to aid in the building up of a local machine through the assistance of local road bosses.

What the people of this country want is roads and not politics. I learned that the bill will be brought in under a special rule at the earliest possible moment. I think they will not be able to bring it in before to-morrow night, and there is an agreement for 7 hours' debate, of which I am entitled to 30 minutes. I do not think they can vote on it sooner than Monday, but they may force a vote as early as Saturday.

I do not know that the views expressed in my bill are entirely in line with yours, but they are, in my judgment, infinitely better than the Shackleford bill, and possibly stand a show of getting more votes in the House than a straight-out appropriation for Government construction of roads, which you have asked for.

In any case, I intend to make the best fight I can in the House for the amendment to the bill, without, I am sorry to say, very glittering prospects of success and with the full knowledge that I shall be denounced as a joy rider, an automobile agent, and the enemy of the poor, downtrodden farmer.

With kindest regards, I am, yours, truly,

WM. P. BORLAND.

I also submit some newspaper comments:

[From the Independence (Mo.) Examiner, Feb. 9, 1914.]

PORK-BARREL ROADS.

The National Congress of the United States has not yet discovered the change of sentiment among the voters. In a debate held last week, in which the Shackleford pork-barrel road appropriation of $25,000,000 to be distributed among the States was up for discussion, only a very few of the Members of Congress had the courage and foresight to oppose the bill. It is gratifying to this district to know that our Member of Congress, the Hon. WILLIAM P. BORLAND, was among those who pointed out the criminal foolishness of such a measure.

There must be something in the atmosphere of Washington, some microorganism or some other peculiar form of madness, which takes away the judgment of the men who stay in the Capitol of the United States. The people of the United States have come to recognize the pork-barrel method of grabbing out national funds. The legislatures of the States have followed the Washington method and have also used the appropriation bills for the purpose of making themselves solid with their home voters. Legislation in Washington and in the State legislature is secured by trades. If one district wants an appropriation for a public building or for any other purely local purpose, the Representative from that district must trade with the Representatives from other districts who are after the same thing. In this manner sufficient votes are secured to hang a lot of appropriations on the bill, and each one grabs his share of the spoils out of the Public Treasury.

Here in Jackson County we have a fine idea of the spoils method of building roads. For 25 years this county has been expending an annual appropriation ranging from $200,000 to $600,000 on the roads. Of course we are proud of the roads which we have, but they have cost us an outrageous amount of money. In the process of building they have put fortunes in private pockets, corrupted men elected to office, have served as bribes for voters, have been the center around which have circled the vultures of politics and the machine which has nominated the tickets. Congressman SHACKLEFORD knows that such an appropriation as his bill provides would be uselessly scattered in thin spots over the United States, and that no good results could possibly come from the expenditure of this immense amount of money. If Missouri should get $2,000,000 of the appropriation in a single year, at the end of a short time the money would be gone and nobody could point out an improvement in the road system under the conditions which it would be expended.

The hope of those who want to see real first-class government and are anxious for good roads is that the President will not sign any such bill. We should be able to stop this appropriation in the United States Senate. United States Senators are just as human as the Members of Congress and are just as much politicians, only more so.

—

[From the Kansas City Star, Feb. 9, 1914.]

THE WRONG KIND OF "FEDERAL AID."

In opposing the "pork-barrel" road bill in Congress Representative BORLAND is proving again that he is a servant of the people and a foe of the machine politicians.

To distribute $25,000,000 among all the crossroads overseers and courthouse politicians of the Nation would be a neat "hand-out" to "the boys," but it probably would not build one mile of good roads.

The farmers, of course, would be the worst sufferers of all, because they are the ones who most of all need good roads and who most of all do not want machine politicians.

That $25,000,000 of "pork" would not come out of "thin air." It would come out of the pockets of the people—mostly out of the pockets of the farmers—and it would go into the pockets of the politicians.

The pending Shackleford bill is labeled a bill for Federal aid to roads; it is in reality a bill for Federal aid to political machines.

Restriction of Immigration.

EXTENSION OF REMARKS

OF

HON. FRED A. BRITTEN.

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, January 31, 1914,

On the bill (H. R. 6060) to regulate immigration of aliens to and the residence of aliens in the United States, and for other purposes.

Mr. BRITTEN. Mr. Speaker, I am opposed to this bill, and shall vote against it because of the literacy test it contains. I somehow can not bring myself into that frame of mind, apparently possessed by so many Members who are strenuously advocating the passage of this bill, when I must regard men with strong hands, stout hearts, good morals, and high ambitions, who desire to come to this country, eager to work for themselves and for the industries of the United States, as a sort of pest ordinarily kept out by quarantine regulations.

As a son of foreign-born parents I feel strongly the injustice of this bill.

When my father and his widowed mother, with his several brothers and sisters, arrived in this country in 1861 they were not confronted by an examination of their ability to read and write. And a year later, when the call had gone out for men to save the Nation and my father and his brother, Peter Britten, enlisted for service in the United States Army and were sent to the front, there to fight side by side with the native born, I am sure they were not questioned as to their ability in this direction. And when my father cast his first vote for Abraham Lincoln, in 1864, I am also certain that a test of his character and newly acquired citizenship was not demonstrated by his ability to read and write. And in the years of successful commercial life that followed, and they were counted among the leading business men of their respective communities, I am sure that those Britten boys were never questioned as to their ability to pass such a literacy test as you have incorporated in this bill.

I am opposed absolutely and unalterably to any weakening of our immigration laws whereby it would become possible for the undesirable classes now excluded to enter this country; and, so far as I am informed, I do not think it is necessary to legislate further in this direction; but when a bill is offered to this body in which is included a provision making it a condition for admission to the United States that the immigrant must have had just those advantages and opportunities which he comes here to seek, both for himself and his children, I feel that I must protest both by my voice and vote against this injustice.

There are so many things to be said against certain sections of this bill that I hardly know where to begin. You are proposing to exclude sober, honest, industrious, sound, healthy men and women—just the sort of people who helped to make this country what it is. If the bill is passed, it will be passed by the votes of men who have had the least opportunity to mingle with and observe the foreign-born American. It seems to me that you Democrats ought to pause and weigh carefully the testimony of those who come from the parts of the country where these people whom you are legislating against live and work out their appointed destiny.

A few days ago, in a speech made in Philadelphia, President Wilson said:

> I feel that it would be inconsistent with our historical character as a nation if we did not offer a hearty welcome to every honest man and woman who comes to this country to seek a permanent home and opportunity.

And yet you Democrats are preparing to pass this bill, which includes a test in violation of the fundamental principles of free institutions. Never, so long as I am a Member of the House, will I refrain from protesting against a test that will exclude immigrants for want of an equal opportunity in life. I am opposed to a reorganization of human rights upon any basis of title, station, wealth, or advantage of opportunity. I am in favor of a test of character, of morality, of honesty, of brain and sinew, of industry, enterprise and thrift, of honest motives and a laudable ambition of devotion to home and family, of patriotism and loyalty to our institutions; but I am against any test that directly violates the principles of the equality of all mankind.

In our constant association with the most advanced educational advantages we are prone to forget that the people of many of our foreign countries have not the same opportunities. Our State governments have taken pains not only to make a rudimentary education available to every child, but to force it upon him by means of compulsory-education acts. For a 16-year-old boy or girl to be unable to read or write in this country is in most cases evidence either of complete mental deficiency or of a willingness to evade or violate the law.

But this is far from being so with a great many of our foreigners. Their Governments take no pains for their education, and their illiteracy is no evidence of personal incapacity. That they come to seek work under the United States shows that they realize the shortcomings of the system under which they have grown up. It is a demonstrated fact that the very immigrants most wholly ignorant of the rudiments of learning in their own tongues are most eager to learn to read and write in English. My personal knowledge of purchasers of real estate in the ninth district of Illinois, which district I represent, and in which there is a large proportion of foreign-born citizens, is that certain thrifty immigrants who purchased property on the installment plan soon after their arrival in this country at the time of purchase could make their signatures upon the mortgage known only by a mark. A little later, desiring to sell or transfer the property, they proudly affixed their signatures to the new instrument and exhibited the utmost pleasure and satisfaction in the fact that they had not only learned to read but to write.

During the debate on this bill many illustrations have been cited of the effect of this regulation had it been in operation for the last half century. At least one Cabinet officer and several Members of Congress are pointed out who would have been excluded had this test been applied to them when they came knocking at our doors. It is asserted that organized labor, or a great part of it, favors the bill, but its exactions would, it has been asserted, have excluded Mr. Gompers, the head of the American Federation of Labor, and many other labor leaders.

Many advocates of this bill seem to lose entire sight of the fact that inability to read and write does not imply the same mental and moral inefficiency in men bred in certain foreign countries that it would in the case of men who grew up in the United States. It is no doubt true, Mr. Speaker, that our alien population presents many social and economic problems. The immigrant is the new material of our civilization. It is for us to take him and work him over until the finished product is fitted for our needs. He does not, nor should we expect him to come in perfected form. At the present time he is America's man of all-work.

Eighty-five per cent of all the labor in the slaughtering and meat-packing industries is done by alien laborers. They mine seven-tenths of our bituminous coal. They do 78 per cent of the work in all the woolen mills, nine-tenths of all the labor in the cotton mills, and make nineteen-twentieths of all the clothing. Immigrants manufacture more than half the shoes in the country. Half the collars, cuffs, and shirts are made by them. They turn out four-fifths of all the leather output, make half the gloves, four-fifths of our furniture, half the tobacco and cigars, and nearly all the sugar.

And we need the men who are eager for work. That from time to time temporary depressions may produce in our land the sad spectacle of the eager man out of work does not affect the general principle that in the long run work is here for all who are fitted to do it. The Nation needs the worker and the completed work. To bar the worker from our country is as great folly as it would be for the manufacturer to think that his factory would run better if he turned out less goods.

I am convinced, Mr. Speaker, that ability to read, however desirable an accomplishment, is not sufficiently important to determine whether an immigrant is a desirable or an undesirable.

The time is coming when this great Government, seeking to place its stamp of approval or disapproval upon not only him who would come but him who would be permitted to stay, will apply a test the most important evidence of which will not be ability to read, but that of character and loyalty.

The literacy test is no test at all. Never before have I heard it argued that inability to read is a badge or a sign of bad character or bad morals. Illiteracy is no crime, nor is it a badge of crime. It is a misfortune, and any law that places a penalty on a person that has been so unfortunate as to be in such surroundings where that person could not obtain an education is unjust and wrong.

If a man's health and morals are good, do not test his ability to read and write in order to establish his value as a future citizen.

Since the beginning the United States has been known as the home for the oppressed of every land. For over a century we have maintained an open-door policy. Our forefathers, many of them, came to our shores singing the hymns of their native lands, and to-day we, their posterity, are singing, "My Country, 'Tis of Thee." These men as they came built homes; they cleared away the forests; they plowed the prairies; they made our cities vast hives of industries; and when the very existence of our country was at stake and the call came for men to save the Union, none responded more loyally than our foreign-born population. Thousands of them gave up their lives that this Nation might live. No literacy test was applied to them. When they responded to a call of duty no one tested them as to whether or not they could read.

Under the open-door policy we have prospered and grown. We have advanced in science, industry, and education. An analysis of the progress and advancement in different sections of our country will show that advancement has been greatest where the immigrant has settled, and the proposition to prescribe the literacy test to the immigrant to-day is nothing short of an insult to the immigrant of old.

In the district which I have the honor to represent 65 per cent of the population are either foreign born or the children of foreign-born parents. We have the German, the Irishman, the Swede, the Norwegian, the Italian, the Englishman, and the Jew, and the majority of them are honest, God-fearing citizens, as good as you or I. A very large percentage of the population of Chicago is foreign born, and the schools in the parts of the city where foreign-born population is most numerous are crowded with foreign children, who learn quickly, and the night schools are filled with foreign adults eager to assimilate the English language. I can take you to a night school in Chicago, Mr. Speaker, and show you room after room packed with adults who can not speak a word of English. They bring with them their children, 5 and 6 years old, and have them beside them while they try to learn the language of this country. Many of them can not read or write in any language. Later those children go to the public schools and graduate at the age of 14 and 16 years. They grow up and take the civil-service examinations, and an inquiry at the local or United States Civil Service Commission at any time will show you that their names are at the top of every civil-service list in every large city, and you can not keep them off. Do you not suppose their fathers and mothers would have done equally as well if they had had the chance?

As a contractor and builder for the past 20 years, I have had considerable experience with our foreign population, both in my building operations and in real-estate transactions, and, as a rule, I have found them thrifty business men, good citizens, supporters of education, and a discriminating electorate. They do not allow themselves to become fixed factors in annual elections, but discriminate year by year as to men, measures, and parties, and in that way show the highest grade of useful citizenship. We think of them as possessors of these qualities rather than of the mere ability to read and write.

In a bulletin just issued, Commissioner of Education Claxton states that "the least illiterate of our population are the native-born children of foreign parents." And, again, he says, "illiteracy among the children of American-born parents is three times as great as that among children of foreign parents."

Mr. Speaker, that our country is the wonder of civilization is due to immigration. Its population came to us from all quarters of the globe and is made up of all the nationalities. We have here all races, all religions, all nationalities. They represent the class that had the courage to leave their native country and the homes of their birth, their kindred, and their friends, to set out for an unknown land, where the language they spoke was not understood, and with nothing to beckon them on but the beacon light of human liberty. They aimed to establish themselves where the tyranny of monarch, the oppression of caste, and the insolence of titled wealth would not place a heavy hand upon their throats. They brought with them their courageous hearts and adventurous spirits, their strong arms, their industry, their genius and wisdom, resulting from centuries of civilization in the lands beyond the seas, and they gave them here to us, and we have become the wonder and the envy of the world.

At another point in his speech in Philadelphia the other day the President said that we ought to revere our ancestors, the people who made this country. At the same time another speaker stated that 75 per cent of these people were illiterate. Yet they made the greatest country on earth, and the result of their action has affected every nation on earth in the direction of bettering their condition. That is the result of the earnest work of the illiterates.

Had I the time, Mr. Speaker, I would like to go into the history of our country and show what havoc this literacy test would have caused, what it would have withheld from our country, had it been in force in the past. It would tear from us the deathless names of history—names that have shed undying luster on every page of American national life.

I wish that I had time to follow my inclination and desire to go into this and show you what the immigrants have contributed to our growth and development and glory as a nation. I would like to speak of the German, the Irish, the Swede, the Italian, the Jew, and the others, almost too numerous to enumerate.

In many of us run the mingled blood of these, and this mingled blood gave us our great citizenship and gives us to-day the typical American citizen. Let our door be opened to all the good of these and closed only to the undesirable; open to those who come to make America their homes and closed to those who come to prey upon our country and its institutions, who come to beat down wages, lower the standard of American living, and to take out of the country the wages paid them, and have no thought of becoming American citizens, to uphold and protect the honor of our flag and perpetuate our institutions. This class should be denied entrance into our country, but not the honest immigrant of sound body and mind who comes with an earnest desire to become one of us, and who is willing to pledge his heart's blood to uphold our institutions and the honor of our flag, as so many of them have done on every battle field of the Republic in the years that have passed.

The cry is going up from all sections for farm hands. Middle West, South, far West, all are sending out the Macedonian cry, "Come over and help us." The land that is already occupied can not be tilled for lack of labor, and millions of acres of undeveloped land, wonderful in its opportunities for agricultural and mineral wealth, stretch out on every side of us. The advantages of our American educational system are placed at the disposal of every farmer boy. He embraces his opportunities, and as he acquires knowledge he longs for a larger field of endeavor. The activities of the city, ever seeking the able, the strong, the best, allure him, and the agricultural districts are robbed of their honest heritage of labor. Who shall take his place if not the immigrant—the man who longs for labor, he who has been

denied the opportunities of education, but comes to us with clean hands, a stout heart, a perfect physical equipment, and a desire only for honest work, and an opportunity to make a home for himself and his family? And yet you men of the South, the men representing States in which there are thousands of uncultivated acres, would bar him because he can not read 40 words. Surely there ought to be other tests which will enable us to properly restrict immigration, and other ways to judge of the desirability of a foreigner becoming an American citizen with a right to rear his children here, and with them become a factor in developing this wonderful land of ours.

Ability to read is not and can not be regarded as a test of capacity for labor. On the contrary, sturdy manhood is the only test—a sound mind in a sound body and a moral sense whose development must lift its possessor always to a higher plane of living and thinking.

In closing, Mr. Speaker, I would like to emphasize the fact that I believe that the United States is what it is to-day largely because of the immigrant and the immigration laws of the past. As a Nation we stand on the highest eminence of national greatness, having carried into successful operation a system of self-government uniting personal liberty, freedom of opinion, and equality of rights with national power and dignity.

And when we consider all this it seems almost incredible that a political party that has so recently come into power should present to this body and strenuously advocate the passage of a bill which provides for a law which says to the man from foreign shores seeking admission to this country, "No matter how willing you are to become a good citizen, no matter how industrious you may be, no matter how strong you may be, mentally, morally, and physically, you can not become one of us unless, regardless of your lack of opportunity, you have learned to read."

Mr. Speaker, there are many admirable provisions in this bill, but my opposition to the literacy test is so strong that I shall have to vote against it.

Rural Post Roads.

REMARKS
OF
HON. FRANK PARK,
OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 10, 1914,

On the bill (H. R. 11686) to provide that the United States shall, in certain cases, aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads.

Mr. PARK. Mr. Speaker, this Congress will be distinguished from past Congresses, and probably future Congresses, for the vast amount of new legislation upon pioneer and untried lines it has enacted.

The Shackleford bill now under consideration is new and distinct legislation.

While the bill provides for national aid to the States and their civil subdivisions in the construction and maintenance of rural post roads in an amount not exceeding $25,000,000 in any fiscal year—the bill declaring distinctly for post roads—still, we know the post road is the public road, and the real design is to assist in the construction and maintenance of public roads without violating the letter or the spirit of the Constitution.

No measure has been before Congress that will influence development of our country more than this, if it becomes a law.

While the apportionment of the fund to the States is designed upon a unique basis, still, when we come to consider the great difference in density of population among the States, as well as the great difference in the number of miles of post roads in the States, due to physical area, we are forced to the conclusion that while crude in its provisions it is nevertheless equitable and just.

To apply the rule to Georgia, the State which in part I have the honor to represent. Suppose the full amount of $25,000,000 shall be expended in the year 1914 in all the States; then one-half the $25,000,000 will be expended on a population basis and the other half on a post-road-mileage basis.

Let Georgia have, in round numbers, 2,000,000 population, and let the United States have 100,000,000 population, then Georgia has one-fiftieth, or 2 per cent, of the population of the United States, and Georgia will receive of the first half of the $25,000,000 one-fiftieth of $12,500,000, or the sum of $250,000, for her share on the population basis, the calculation being based upon the next preceding Federal census.

Again, suppose that Georgia has 3 per cent of all the post-road mileage of the United States, then Georgia would get 3 per cent of the $12,500,000 set apart for good roads on the post-road-mileage basis, or the sum of $375,000, and together she would receive from the entire fund the sum of $625,000.

The State having the greatest number of population to the square mile receives a greater proportion of half the fund, and the State having the greater proportion of post-road mileage receives the greater proportion of the other half of the fund, and this in a crude way balances things up.

There is no procrustean or common-law rule by which we can measure and build new legislation, hence we must construct on an equitable basis, and, while crude in its method, this apportionment is apparently equitable.

It is provided in section 2 of the bill that on or before the 1st day of January of each fiscal year the governor of a State, in conformity with the laws of his State on the subject of roads, and in the absence of any laws on the subject of roads in his State, may choose whether his State shall receive the aid of the United States under the provisions of section 3 or under the provisions of section 4 of this act, or both.

If the governor of any State shall fail or refuse to act, then the Secretary of Agriculture of the United States will act and will choose for him.

Under section 3 of the bill the Secretary of Agriculture will cooperate with the lawful authorities of each State in the construction and maintenance of rural post roads, and during the first half of the year they may jointly consider and determine under this section the roads in such State which shall be built and maintained during the next fiscal year, as well as the material, character, and manner of such construction and maintenance.

The construction and maintenance to be conducted under such supervision as shall have been previously agreed upon by the Secretary of Agriculture and the State officials.

Under section 3, which we are considering, the United States is not to bear over one-half the cost of any road built and maintained under this section. And no joint construction of any road in the United States shall be begun in any State until the portion of the cost thereof which is to be provided otherwise than by the United States becomes available.

Under section 3 the State and the Federal Government act together in planning for the construction and maintenance of public roads in the State; and it is wise and will be expedient for the legislatures of the several States to make laws in harmony with the workings of this bill when it becomes a law. When the National Government helps the States, then the States must plan to cooperate with their civil subdivisions so as to make a harmonious plan throughout.

Section 4 of the act provides a different plan, and the States may choose this in preference to the plan outlined in section 3. The rural post roads are to be divided into three classes, A, B, and C; the general characteristics of the three classes are proper drainage, and they shall have no incline steeper than is absolutely necessary in view of the natural topography of the locality; and the main difference is that class A shall have a road track composed of macadam or other material of equal utility and cost, and shall have a smooth, firm surface. For this class of roads the Government is to furnish $60 per mile. Class B shall have a road track composed of shells, gravel, or a proper combination of sand and clay or other material of equal utility, but less expensive than macadam. This is the class of roads we have in south Georgia, and the Government is to contribute $30 per mile for their construction. Class C is to have a roadbed of nondescript material, just anything that is nearest at hand to build it with, but its general shape is to be as the others, and it is to be kept crowned and compacted by dragging or other adequate means, so that it shall be reasonably passable for wheeled vehicles, and upon this class the Government is to expend $15 per mile.

Section 4 makes the further provision that by the 1st day of March of each year the governor may file a statement in the office of the Secretary of Agriculture of the United States setting forth the location and the number of miles of each road and the total mileage of all the roads in his State which he claims come, respectively, under classes A, B, and C; and if the State has a highway department, then the governor's statement may be accompanied by a report from such department showing the total number of miles of road in the State of the several classes named, giving the location of such roads and a description in detail of their physical features, the material, manner, and, as far as may be, the cost of construction and the manner and the cost of maintenance after construction.

When the Secretary of Agriculture receives this report he shall consider and determine for himself which of the roads belong to class A, B, and C, or neither, and shall then make a

report of his determination, the respective governors of the several States filing such statements not later than the following June.

No charge shall be made for considering and determining the statement of any governor when the same is accompanied by the report of the State highway department of such State, but in all other cases shall be deducted 10 per cent of the amount that shall be payable on account of the roads in said State under the provisions of this act. If Georgia shall be entitled to $500,000 from the United States under the road law which I am considering, and shall have no State highway department to send in a statement accompanying the governor's report of the number, kind, and quality of the roads, then Georgia is penalized, as it were, 10 per cent of her half million dollars, or $50,000, which the Government takes and pays out in order to ascertain what the governor and the highway commission should already know.

"It behooves every State to proceed speedily with legislation of a local nature that will bring the road-working machinery of the State into perfect accord and harmony with the plans of the Government in order that the greatest and earliest benefits may be derived."

The whole scheme of the bill is to provide a cooperative plan by which the National Government can aid the States, and in no event will the National Government, under the scheme proposed, aid any State unless and until said State first tries to aid itself. In no event will the Federal Government pay out a cent to any State on any mile of the three classes A, B, and C until the State has covered into its treasury the money to pay at least an amount equal to that proposed to be given by the Government. To the diligent belongs the greatest benefit and help. And like the parable of the talents, the Government proposes to assist most the one who is in position to receive the most assistance, and the one that fails to use the opportunity given it shall have that which he hath taken from him and returned to others who have used their talents to advantage.

The Secretary of Agriculture is to formulate the rules upon which the workings of this system are to be based and operated.

The bill provides, further, that bridges and culverts shall be classed as parts of the road on which they are. The act is to become law and to take effect on July 1, 1914, so we have little time to get ready to act thereunder if we are to cooperate fully with the Government in this great work.

The Federal Government demands fair and complete cooperation from all the States that are to be benefited thereby. The only serious criticism I have so far heard of the bill is that there will necessarily be created a horde of officeholders to put into effect and operate the law; and that is not so serious, because it takes many offices to run any department, and we already have in the various counties and States many officers working at variance and in a thousand different ways on the same subject, whereas with this plan we will not have more officers, but will necessarily have more efficient officers.

The scheme and the plan proposed is gigantic. It pleats the United States with roads north and south, east and west, like the warp and woof of cloth, and it will soon put every man in close or remote touch with every other man in the country, because every home sits on some street or road that joins with every other street and road in the United States.

With a system of roads that can in a few years be in effective operation, and with the telephone in every rural home, and with the parcel post and postman coming daily to every man's door, our country will go by leaps and bounds where heretofore it has crawled by inches.

Restriction of Immigration.

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 4, 1914,

On the bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States, and for other purposes.

Mr. SABATH. Mr. Speaker and gentlemen of the House, in that brave band of mariners that sailed with Christopher Columbus on his memorable voyage there were men representing nearly all the nations of southern Europe, but after scanning the list from top to bottom I fail to find such names as Burnett, Gardner, Dies, or Austin.

The gentleman from Alabama may have had more and better opportunities to investigate this than I have, and therefore it may not be out of place for me to inquire of him how many of the gentlemen from his State or the adjoining States whose sentiments he seems to express can trace their ancestry to these courageous adventurers who risked their lives in the discovery of the Western Hemisphere.

Strange as it may seem, I am unable to find among the names of the men in charge of the various expeditions in the 30 or 40 years following the discovery of this continent any that would indicate that the ancestors of the gentleman from Alabama had anything to do with the early colonization of our country. However, I do find the names of men coming from nationalities which the gentleman from Alabama [Mr. BURNETT], as well as some of the other gentlemen who are supporting this measure, have seen fit to class as undesirable, and whose admission to this country they are seeking to prevent.

Mr. Speaker, I wonder whether it was the intention of Queen Isabella and those others who assisted in financing these expeditions which resulted in the discovery of a new world, that the lands so discovered should remain dormant for centuries and centuries because of a lack of people to till the soil? Was it not, on the contrary, their aim to urge the migration of people to these shores and give an equal opportunity to all those who desired to come and make this country their home? Were not the Pilgrims, the Puritans, the Huguenots, and the Quakers all seeking to escape oppression, and did they not search out a country where they would be free from persecution? Yet we find to-day men so narrow-minded and so bigoted that they would deny admission to thousands of honest, hard-working immigrants of this day and age, who, for similar reasons, are leaving the countries of their birth and coming to our shores. They would refuse these immigrants admission merely because they have been so unfortunate as to be raised in a country which denied them an opportunity to receive an education.

I am inclined to believe that if the gentleman from Alabama had been present at the drafting of the Declaration of Independence he would have insisted that in our struggle for freedom we should refuse the aid and assistance and the advice and counsel of such despicable foreigners as Alexander Hamilton, Lafayette, Rochambeau, Von Steuben, Pulaski, Kosciusko, and those thousands of others who came here to battle so valiantly in our behalf during our struggle for freedom and liberty. Doubtless he would also have insisted that no matter in what dire financial straits we might find ourselves we should accept no assistance from such "undesirables" as Morris, Levy, and the many others of foreign birth who nobly placed their fortunes at the disposal of those in command when the outlook was so dark and when it was nearly impossible to secure sufficient funds to continue the struggle. It is indeed gratifying to know that the gentleman from Alabama does not voice the sentiments of the great mass of the American people.

Mr. Speaker, I feel confident that no one who has studied the growth and development of this country can deny that to the foreign-born people and their descendants belongs the credit for our progress. But, even had they not contributed so much to our country's welfare, should we not extend a welcome to those who seek freedom and emancipation from governmental oppression and despotism? Our Government guarantees, under and by virtue of the Constitution, liberty; and liberty is the goal which the alien strives to reach and which, when reached, serves as an incentive for improvement. He is ideal material for American citizenship, and it is only a short time until he becomes one of us, second to none in his loyalty and patriotism.

Mr. Speaker, the gentleman from Alabama has stated that the organized labor of this country demands this restrictive legislation, and I am satisfied that others in their advocation of this unreasonable, unfair, unjust, and un-American measure will appeal to your loyalty to the cause of labor. They will, as did the gentleman from Alabama, maintain that immigration is detrimental to the labor of this country and inimical to the best interests of our Nation.

I have the honor to represent in part the greatest manufacturing city and the greatest labor center in the world, and the strongest labor-union city in the United States, and yet I have not heard a single labor organization of my city advocating the passage of this bill. For nearly seven years I have been a Member of Congress, and during that time I have worked for and voted for every measure that I believed would better the conditions of the laboring people of this country. During my 12 years on the bench I demonstrated that I was not unfriendly to organized labor; in fact, many labor organizations have passed resolutions approving of my views and commending my stand in their behalf. I can say, without fear of successful contradiction, that my record in behalf of organized labor will stand out more prominently than the record of any gentleman

who is advocating the passage of this bill on the grounds of friendship for that cause; so it can not be said that I am opposing this measure because I am a foe of organized labor.

If I thought for one moment that immigration was detrimental to our country or to the interests of the laboring people of our country, I would rather resign my seat, yes, I would rather lose the power of speech, than to advocate the defeat of this measure; but I am fully convinced that immigration has been and is of inestimable benefit. Are not labor conditions better to-day than they were 20 or 30 years ago; are not wages higher, have not living conditions improved, does not the laboring man work shorter hours?

The gentleman from Alabama has frequently quoted from the testimony of Mr. Morrison, the secretary of the American Federation of Labor, as adduced at the hearings before the Immigration Committee some few weeks ago. I will now read a few questions that I asked Mr. Morrison during these hearings, and the answers he gave:

Mr. SABATH. Has the standard of living of the laboring man in this country improved any in the last 10 years?

Mr. MORRISON. Oh, yes; in the last 10 or 15 years the conditions have improved, with their shorter hours and better wages, those that secured them; yes, sir.

Mr. SABATH. In general the conditions are much better to-day, living conditions and standards of living, among the laboring people of this country than 10 or 15 years ago, are they not?

Mr. MORRISON. Yes.

Mr. SABATH. Notwithstanding that the immigration is the greatest in the history of the United States the conditions of labor have improved, have they not?

Mr. MORRISON. The organized workers; yes, sir.

Mr. Morrison's statements are substantiated by the statistics compiled by the Bureau of Labor, and some of these I will now read. The following table shows, by percentage, the decrease in hours of work and increase in wages from 1890 to 1912 in several prominent lines of industry.

	Decrease in hours, 1890-1912.	Increase in wages, 1890-1912.
	Per cent.	*Per cent.*
Silk goods	5.8	18.8
Lumber manufacturing	3.8	29.0
Millwork	5.0	33.4
Furniture manufacturing	7.3	34.4
Boot and shoe manufacturing	6.4	34.8
Hosiery and knit goods manufacturing	7.9	36.1
Woolen and worsted goods manufacturing	6.3	49.7
Cotton goods manufacturing	8.1	61.5
Average	6.3	37.2

Now, let us compare the daily wages of the railroad employees for 1911 with those of 1892. In 1892 we find the section foremen received $1.76; in 1911 they received $2.07. The carpenters were then receiving $2.08; now they receive $2.54. Other shopmen were paid $1.72 in 1892; in 1911 we find them receiving $2.24. Trainmen formerly were paid $2.29; now they are getting $2.88. The firemen formerly worked for $2.08 a day; now they receive $2.94. Machinists formerly were content with $2.08; now they receive $3.14. Enginemen were paid $3.08 in 1892; in 1911 we find their average daily compensation amounting to $4.79; and, lastly, conductors who formerly worked for $1.90 are now receiving $4.16.

At the Thirty-ninth National Conference of Charities and Corrections Mr. Cyrus L. Sulzberger, of New York, delivered an exceedingly interesting address, entitled "Is immigration a menace?" and because of the valuable information which it contains with regard to the effect of immigration upon labor conditions I take the liberty of reading a portion of this address. Mr. Sulzberger said:

During the last 20 years, covering the period of high immigration of the so-called undesirable races, this country has undergone an economic development so tremendous in its character and importance that the mind staggers in the attempt to grasp the figures. During that time the population of the country has increased about one-half. The production of coal, which is the measure of economic activity, is almost three times what it then was. In other words, the economic growth of the country has been six times as great as its numerical growth. The output of our factories has increased in 10 years from $11,000,000,000 to over $20,000,000,000, and the number of wage earners engaged in producing that output increased from 4,700,000 to 6,600,000. During precisely the period when the so-called undesirable immigration was greatest wages advanced most rapidly. The average wages in all industries in 1880 were $344. According to the census of 1910, taken the year previous, when the effects of the panic of 1907-8 were still felt, average wages had advanced to $518, being an increase of exactly 50 per cent. That the immigrant is a factor in lowering wages is an argument that can not be sustained by any ascertainable figures.

Continuing, Mr. Sulzberger said:

In Illinois average wages in 1909 were $588; in New York, $555; in North Carolina, $275; in South Carolina, $282; and in the whole United States, $518. That is to say, in Illinois wages are 14 per cent above the average for the whole country; in New York they are 5 per cent above the average; in South Atlantic States they are 30 per cent below the average; in the south Central States they are 20 per cent below the average.

Also, in this connection, I desire to insert some figures compiled by the Hon. O. P. Austin, Chief of the Division of Statistics, Bureau of Foreign and Domestic Commerce, which appeared in an article by Mr. Austin, entitled "Progress of American commerce and industries, 1870 to 1912."

Statistical statement comparing conditions in 1870 with those of the latest available year.

	1870	1911
Population	38,558,371	95,410,503
Wealth, estimated (latest official figures)	$30,068,518,000	$130,000,000,000
Money in circulation	$676,284,427	$3,276,786,613
Per capita	$17.51	$34.26
Individual deposits in all banks	$2,182,512,744	$15,906,274,710
Deposits in savings banks	$549,874,358	$4,212,583,599
Depositors in savings banks	1,630,846	9,597,185
Imports, total	$435,958,408	$1,653,426,174
Exports, total (domestic and foreign)	$392,771,768	$2,204,222,088
Manufactures for use in manufacturing, exported	$13,711,708	$309,151,980
Manufactures ready for use, exported	$56,329,137	$598,367,852
Manufactures, total (except foodstuffs) exported	$70,040,845	$997,519,841
Farms	2,659,985	6,361,502
Farms and farm property, value of	$8,944,857,749	$40,991,449,000
Farm produce, value of	$1,958,030,927	$8,417,000,000
Manufactures produced, gross value	$4,232,325,442	$20,672,051,870
Wages paid in manufacturing	$775,584,343	$3,427,037,884
Spindles in operation in cotton mills	7,132,000	29,523,000
Coal mined.....gross tons	29,496,054	447,853,900
Petroleum produced.....gallons	220,951,290	8,801,354,016
Pig iron produced.....gross tons	1,665,179	23,649,547
Iron and steel manufactures, exported	$13,483,163	$230,725,352
Railways, mileage in operation	52,922	249,992

It can readily be seen from these statistics that the wonderful development which this country has undergone is due to a great extent to the large numbers of people who have come from other countries to establish themselves in the United States. Should we now enact legislation which would halt our progress as a nation?

Mr. Speaker, let us consider further the claim that immigration is detrimental to organized labor. To whom does organized labor owe more for its existence than it does to that wise and fearless leader, Samuel Gompers, for many years the president of the greatest labor organization in the world, and pray tell me, was he not an immigrant? Was not John Mitchell, who has devoted his life to the cause of the miners of this country, born in Wales? Was not the Secretary of Labor born in Scotland? The majority of the executives of the American Federation of Labor were immigrants, and not only the officers of that great organization but fuly 50 per cent of its members are of foreign birth or foreign parentage. If credit were given to those who deserve it, we would find that immigrants have been instrumental in the organization and development of practically all of the great labor organizations of this country.

Mr. Speaker, for years I have heard gentlemen on the floor of this House demanding the passage of bills similar to the one we now have under consideration, and I notice that, with very few exceptions, the gentlemen who plead the hardest for the passage of these measures, which they claim will so materially benefit the cause of labor, have no labor problems to contend with in their districts, have no immigrants in their districts, and not only are not in a position to judge as to the merits of this legislation, but would not be affected by it were it enacted. These gentlemen point to the overcrowded conditions in the large centers, the congestion in such cities as New York, Chicago, Philadelphia, Boston, St. Louis, Baltimore, Pittsburgh, and the far-away San Francisco. Oh, what great solicitude do these gentlemen display for the residents of these cities!

Have you ever heard any Representative from the cities that I have mentioned, or from any of the other large cities, demand the passage of these restrictive measures? I have not. Why, then, do these gentlemen from the rural districts take such a great interest in this question, when in fact the passage or defeat of this measure would in nowise affect them; is it because they are such humanitarians? Oh, no, Mr. Speaker; for if they were they would be pleading for the elimination of the hardships to which the poor immigrants are now subjected, instead of seeking to impose still greater ones upon them and subjecting them to tests which will make it impossible for thousands upon thousands of the most deserving to gain admission to this great country.

Mr. Speaker, I honestly and sincerely believe that the labor organizations which have declared themselves in favor of this legislation have been misled and that they are being taken advantage of by designing forces that have but little in common

with them; forces that for years and years have endeavored to secure the passage of laws that would close the doors of our country to the thousands and thousands of honest men and women who come to our shores fleeing from oppression and persecution and seeking refuge and liberty. These forces were active long before the existence of organized labor in this country. In years gone by the people banded together with this object in view were called the Know-Nothings, later on they bore the title of the American Protective Association, and now in order to mislead the American people they are parading under the name of Junior Order of American Mechanics. There is another order founded and maintained for the same purpose, and this is known as the Patriotic Order of Americans, while we have also the Immigration Restrictive League and the American Farmers' Union.

For years these organizations have maintained a paid lobby in the Capital for the purpose of conducting a campaign in favor of restriction, and they have stopped at nothing in their efforts to create prejudice in the minds of the American people, not only against immigration but against the foreign-born citizens of this country as well. Unfortunately these organizations and these individuals have been fairly successful in their efforts to create a false conception of the results of immigration, and I regret to say that many statesmen, who through lack of time have been unable to give this vital question the study that it deserves, have been led astray by these false and misleading articles and now stand ready and willing to enact legislation which must appear to any sound-thinking and unprejudiced man as ridiculous.

Mr. Speaker, upon a careful study of this subject we find that 100 years ago the same arguments were interposed in support of restrictive measures as we find advanced by the men advocating the passage of the Burnett bill, for the immigration restrictionists of those days classed the people coming to this country then as undesirable and favored their exclusion. The same arguments were made as to the tendency of the immigrants to congest in the cities, and it was maintained that the effect of immigration was to reduce wages and lower the standard of living.

The report of the Immigration Commission quotes the following from Nile's Register of 1817:

> The immigrants should press into the interior. In the present state of the times we seem too thick on the maritime frontier already.

Consider that statement carefully, gentlemen, for you must remember that it was made when there were only about 5,000 immigrants coming to our shores each year.

Again, the commission's report quotes from the Second Annual Report of the Managers of the Society for the Prevention of Pauperism in New York City, 1819:

> As to the emigrants from foreign countries, the managers are compelled to speak of them in the language of astonishment and apprehension. Through this inlet pauperism threatens us with the most overwhelming consequences.

In the year following this report there were only 8,385 immigrants who came to make this country their home, and yet we find these men speaking of this immigration in language of "astonishment and apprehension."

It would seem, as years went by, it was discovered that, after all, no difficulty had been experienced in the assimilation of these immigrants that had been the cause of such great apprehension, and therefore they were immediately classed as "desirables," whereas those seeking admission a few years later were still regarded as a menace. In a paper entitled "Imminent Dangers to the Institutions of the United States of America through Foreign Immigration," and so forth, published in 1835, the author compares the immigration of earlier years with that of his day and says:

> Then we were few, feeble, and scattered. Now we are numerous, strong, and concentrated. Then our accessions of immigration were real accessions of strength from the ranks of the learned and the good, from enlightened mechanic and artisan and intelligent husbandman. Now immigration is the accession of weakness, from the ignorant victims of the priest-ridden slaves of Ireland and Germany, or the outcast tenants of the poorhouses and prisons of Europe.

Remember, these are the sentiments expressed in the year 1835, when there were less than 50,000 people admitted to this haven of refuge.

At a meeting of the delegates of the Native American National Convention, held in Philadelphia on July 4, 1845, there was published an address in which occurs the following statement:

> It is an incontrovertible truth that the civil institutions of the United States of America have been seriously affected, and that they now stand in imminent peril from the rapid and enormous increase in the body of residents of foreign birth, imbued with foreign feelings, and of an ignorant and immoral character.
>
> The almshouses of Europe are emptied upon our coast, and this by our own invitation, not casually or to a trivial extent, but systematically and upon a constantly increasing scale.

In 1845, the year this address was delivered, there were some 114,000 immigrants who came to make this country their future home.

All of the above articles from which I have quoted refer to a class of immigrants which to-day even the most rabid restrictionists refer to as "desirable." It would seem that, as at one time in our history, the dead Indian was regarded as a good Indian, the restrictionists have only regarded as good immigrants those that did not seek admission to this country.

The birth of the Republic and the inception of the agitation for the exclusion of immigrants were coeval. The demand has been insistent, unreasonable, and unsubsiding. Born of prejudice, this desire to shut out foreigners grew up with eyes closed to the light, blindly ignoring all knowledge that would demonstrate the folly of its reasoning. In the earlier days its advocates stubbornly refused to read with unprejudiced eyes a single page of the country's history upon which was chronicled a patriotic deed or which recited an achievement of any character that was the contribution of the class marked for their disfavor. Impelled by motives that were completely out of harmony with the fundamental principles of the Republic, this element never gave thought nor consideration to the economic effect of exclusion or restriction of immigration, but persisted with a zeal that bordered upon the fanatical in its attempts to foist upon the country views that were narrow and ill-advised. Statesmen of every decade of our national life have been confronted with this question, but to their everlasting credit those clothed with power and exercising influence in shaping legislation have turned deaf ears to the prayers and threats of the exclusionists and continued the liberal policy adopted by their forefathers.

Mr. Speaker, some of the supporters of this bill have maintained that our country is becoming too thickly populated, that we have already within our borders nearly all the people we can accommodate, and that for this reason it is imperative that immigration be restricted. This statement, like so many others, emanating from the opponents of immigration, is most misleading. The fact of the matter is that in 1910, according to the Bureau of the Census, the density of population of the United States, or, in other words, the average number of people per square mile throughout the United States, was only 30.9. Contrast this average density with that of some of the individual States, such as Illinois, with a density of 100.6; Ohio, with a density of 117; Maryland, with a density of 130.3; Pennsylvania, with a density of 171; Connecticut, with a density of 281.3; and Massachusetts, with a density of 418.8. They talk of this country being overcrowded. Why, 125 years ago the density of population of Maryland was greater than that of the United States to-day, and in 1810 there were six States whose density of population was greater than that of the United States to-day. These restrictionists rave about our country becoming too thickly settled. Let us consider some of the European countries. In the German Empire we find there are approximately 312 people to every square mile; in Italy, 315; and in the United Kingdom, 374. Just think, gentlemen, with a population of only 300 per square mile this country could support over 900,000,000 people. Is it not the height of absurdity to claim that immigration should be restricted because we have not room for these people?

Mr. Speaker, it has also been stated by those favoring the passage of this measure that the incoming immigrants all flock to the large cities, there to increase the present congestion. This is not true. It may be a fact that these immigrants go first to the cities, but their residence there is only temporary. Gentlemen, I state without fear of contradiction that there is nothing closer to the heart of the incoming immigrant than his desire to become possessed of a piece of land which he can call his own, and he does this at his very first opportunity. Hundreds—yes, thousands—of these people are leaving the cities each year and settling on farms. The statistics will show that a large percentage of the people residing in the rural districts of the northern, western, and northwestern sections of our country are of foreign birth or foreign parentage.

I have before me figures taken from a report of the Bureau of the Census which show that in 1910 in the States of New York, New Jersey, and Pennsylvania 31 per cent of the rural population was of foreign birth or foreign parentage; in the States of Ohio, Indiana, Illinois, Michigan, and Wisconsin 32 per cent was of foreign birth or foreign parentage; in Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas 40 per cent of the people residing in the rural districts were of foreign birth or foreign parentage; in the States of Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada we find the parentage the same—40 per cent of the rural population is foreign born or of foreign parentage; and lastly, in the States on the Pacific coast—Washington, Oregon, and California—we find that over 42 per cent of the

people who are making their homes on the farms are of foreign birth or of foreign parentage.

Now, Mr. Speaker and gentlemen of this House, I ask you if this is not conclusive proof that the immigrant does go on the farm; that he does not remain in the larger cities; and that he is one of the pioneers in the "back-to-the-land" movement?

For the further edification of the gentlemen who are of the opinion that this influx of immigrants is harmful to our country, I wish to read some additional statistics taken from a report of the Director of the Census, which show that in the States of Ohio, Indiana, Illinois, Michigan, and Wisconsin 75.4 per cent of the farm land is improved, whereas in Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida you will find but 46.7 per cent improved. In the States of Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas you will find 70.6 per cent of the farm land improved, as contrasted with 53.9 per cent in Kentucky, Tennessee, Alabama, and Mississippi.

You will find that in those States where there is a large percentage of the farm land improved there is also a large percentage of the rural population composed of these same "undesirable" foreigners, as my friends from the South choose to call them, while in the Southern States, which have such a large percentage of native-born whites, you will find a very small percentage of the farm land improved.

This again emphasizes the fact that wherever you go you will find that the farmer of foreign birth or foreign parentage is thrifty, industrious, and a willing worker. He should be considered a national asset of inestimable value. Before immigration commenced millions and millions of acres of land in the Middle West, Northwest, and West were dormant and unproductive. These lands could have been purchased then for $2 or $3.00 an acre; now one hundred times that will not buy them. The thousands upon thousands of honest, thrifty, and industrious immigrants who amid untold hardships settled upon the prairies and swamps of this country have converted these lands, heretofore useless and of practically no value, into veritable gardens, and large and enterprising cities have sprung up almost overnight. Our country has unlimited resources, which it will take centuries to develop, and we have thousands upon thousands of acres of land lying idle now for lack of sufficient people to till them.

Mr. Speaker, I am satisfied that the gentleman from Alabama [Mr. BURNETT], the gentleman from Mississippi [Mr. HARRISON], and the gentleman from Tennessee [Mr. AUSTIN] are expressing the views of a certain element in the South which is opposed to immigration, but I am glad to know that there are some southerners who recognize the value of immigration. Only a few months ago the Southern Commercial Congress convened in Washington, and I will now read short extracts from the remarks on immigration of some of the gentlemen attendant upon this convention. We find Gov. William E. Glasscock, of West Virginia, *stating* that:

> Perhaps this mixture of the various branches of the Aryan family may bring forth the finest race that civilization has yet known, and who knows but what the people we are now wont to call the dregs of Europe may not add to that civilization some element not to be found in the so-called stronger nations?

A careful investigation developed the fact that in the 16 States represented by the committee there were 200,000,000 acres of unimproved farm lands and nearly one-half as much more of so-called wet lands, which are reclaimable by drainage for agricultural purposes. Therefore about one-half of the unimproved farm lands in the United States are in these 16 Southern States. In fact, the unimproved farm lands of the South are of greater area than the improved farm lands. Having this in mind, Mr. F. H. La Baume, agricultural and industrial agent of the Norfolk & Western Railway Co., said:

> We must educate the South to the advantages that are to be obtained through foreign immigration. * * * The South, due to its small foreign population, is not familiar at all with the foreigner.

This conference finally adopted resolutions to—

> Recommend to the several States of the South the urgent necessity of establishing in each State a State immigration bureau for the purpose of disseminating reliable information regarding the resources, the possibilities, and opportunities of the South, to be supported by the State's machinery and money under the indirect supervision of the governor of each State, with a good, practical business man in charge, whose duties shall be to cooperate with the United States Government, the transportation companies, the commercial bodies, the real estate men, the press, and the Southern Settlement and Development Organization in placing the country properly before the people of the world; and that said State bureau, if found expedient and practical to do so, add to its functions a farm-labor department, with a further view of placing good, able-bodied men and women, who are experienced farmers, upon the land, to the end that we may produce more food for the nonproducer and aid the welfare and happiness of the people.

Now, Mr. Speaker, in the past this prejudice against immigrants has not been confined to the South. Only three years ago 20 Bulgarian farmers, between the ages of 18 and 31, all in perfect health, were denied admission by Mr. Keefe, who was then the Commissioner of Immigration, on the grounds that they were "undesirables." Yet, within the past year or so the world has looked with awe and admiration on the remarkable battle waged by these people in their struggle for liberty and freedom from religious oppression. Will anyone to-day claim that these people, although strange to us, are "undesirables" and that they should be denied admission to our shores?

These inhabitants of southern and southeastern Europe surely deserve our sympathy rather than our condemnation. It goes without saying that some of them are guilty of criminal offenses, but you will find in these races as great a proportion of law-abiding citizens as in any others. Humanity was never destined to be perfect, and we must allow for a certain percentage of weaklings in any nationality. Every nation numbers among its citizens a certain proportion of criminals, while statistics will show that there is less crime in the districts where foreign-born citizens reside than in sections tenanted almost entirely by our so-called "pure" Americans. I desire to quote in this connection some pertinent statistics contained in a special report of the Census Bureau, published in 1907:

White prisoners of known nativity.

	Per cent native.		Per cent foreign born.	
	1890	1904	1890	1904
Continental United States	71.8	76.3	28.3	23.7

These figures are based upon investigations which were made in 1904, and conclusively demonstrate that the percentage of foreign-born inmates of our reformatory and penal institutions has been constantly decreasing, for they show that while the foreign population has increased, the percentage of offenders has decreased. On the other hand, the percentage of native prisoners has increased. And this report shows that the crimes of a grave nature committed by foreign-born prisoners is extremely small, most of the convictions being upon minor charges, usually the infraction of municipal ordinances. I have frequently heard certain gentlemen before our committee charge that the present immigration is below the standard of the immigration which we received prior to 1890; that it fills our charitable and penal institutions. These are but bare statements, unsupported by facts, and are easily disproven by the statistics prepared by the Bureau of Immigration, and in proof of my assertion I desire to quote here some figures taken from the report of the Commissioner General of Immigration for 1912, showing that the deportations for the fiscal year 1911–12 were as follows:

African (black)	16
Armenian	1
Bohemian and Moravian (Czech)	6
Bulgarian, Servian, and Montenegrin	4
Chinese	11
Croatian and Slovenian	18
Dalmatian, Bosnian, and Herzegovinian	3
Dutch and Flemish	22
East Indian	3
English	138
Finnish	19
French	42
German	152
Greek	33
Hebrew	90
Irish	56
Italian (north)	20
Italian (south)	138
Japanese	4
Lithuanian	6
Magyar	20
Mexican	109
Polish	81
Portuguese	2
Roumanian	4
Russian	14
Ruthenian (Russniak)	15
Scandinavian (Norwegians, Danes, and Swedes)	46
Scotch	18
Slovak	14
Spanish	9
Spanish-American	3
Syrian	8
Turkish	4
Welsh	1
West Indian (except Cuban)	6
Other peoples	6
Total	1,142

This is conclusive proof that the opposition to the present-day immigration, as voiced by the professional restrictionists and my Republican friends HAYES, GARDNER, and AUSTIN and

my Democratic friends BURNETT and DIES, is unjust and unfair, for the percentage of deportations among immigrants regarded by the restrictionists as belonging to the so-called "desirable" races—the English, French, etc.—is far in excess of that among the races that are classed by the gentlemen whom I have just named and other restrictionists as belonging to the "undesirable" races.

The prejudice against the immigrant from southern and southeastern Europe which now asserts itself is identical with that which was prevalent in the early days of German and Irish immigration; restrictive legislation is being urged by that selfsame element which in the past leaped to conclusions without familiarizing itself with pertinent facts and data. The good qualities of these immigrants were not known at that time, but to-day who can deny that the Germans and the Irish possess the very best qualifications for American citizenship? Within the last 50 years, since the inception of Bohemian and Polish immigration, these people have conclusively demonstrated their worthiness of American hospitality. Five years ago I succeeded in overcoming the prejudice and bias which had previously been exhibited toward Bohemian immigrants by showing that they are far above the average in education, industry, and thrift.

I dare say that no one can successfully contradict the assertion that the Germans, the Irish, the Bohemians, the Poles, Swedes, and Norwegians, and the Danes are desirable immigrants. They have all proven beyond doubt their worthiness, and their citizenship has given us eminent satisfaction. Every student of economics knows that Jewish immigration has greatly aided and benefited our country by opening and enlarging our commercial marts and finding new markets for our products. The progressiveness of the Jewish immigrant has in numerous other ways resulted advantageously to the entire country.

Then there is the Polish immigrant, ever loyal, sincere, and industrious. Long before the emigration of the Pole to America was his worth and desirability demonstrated, for in the days of the Revolution those eminent and valiant Poles, Gen. Thaddeus Kosciusko and Count Casimir Pulaski, whose statues were unveiled in this city a few months ago, together with many of their countrymen fought by the side of the immortal Washington for our freedom from the despotism and oppression of England.

Mr. Speaker, the problem of immigration is one which settles itself. Our present laws are strict enough in every respect. We now exclude idiots, imbeciles, feeble-minded persons, epileptics, insane persons, paupers, persons likely to become a public charge, professional beggars, persons afflicted with tuberculosis or a loathsome or contagious disease, persons mentally or physically defective, persons who have been convicted of a crime or misdemeanor involving moral turpitude, polygamists, anarchists, prostitutes, contract laborers, assisted aliens, and, at the discretion of the Secretary of Labor, children under 16 years of age unaccompanied by one or both of their parents.

As an example of the increasing severity of our laws, let me state that while in 1892 only 1 alien out of every 600 was barred, to-day we find that 1 alien out of every 52 is denied admission, an increase of nearly 600 per cent. This, too, notwithstanding the fact that the examinations conducted prior to their embarkation are much stricter than formerly.

Mr. Speaker, the Democratic Party—the party that has survived since our independence—the party that stands for justice and freedom, for progress, and for personal, civil, political, and religious liberty, was nearly continuously in control of our Government from the time of our independence until 1860, and, although many efforts were made by the various political parties to pass restrictive legislation, especially between the years of 1820 and 1860, the Democratic Party stood firm for broad and liberal policies. It stood then, as it should stand to-day, for the fundamental principles of our free Government. We have been, and I hope we will continue to be, in favor of the policy that this land of ours should ever be a refuge for the oppressed and persecuted of every nation.

In upholding the sacred traditions of the country and of the Democratic Party, the Democratic platform of 1884 contained the following:

We oppose sumptuary laws which vex the citizen and interfere with individual liberty.

In reaffirming the declaration of the Democratic platform of 1856 that the liberal principles embodied by Jefferson in the Declaration of Independence and sanctioned in the Constitution, which makes ours the land of liberty and the asylum of the oppressed of every nation, have ever been cardinal principles in the Democratic faith.

And in the platform of 1892 we had the following:

We condemn and denounce any and all attempts to restrict the immigration of the industrious and worthy of foreign lands.

Are we now to renounce the broad and liberal attitude that we have assumed and enact a measure which will bar from our shores countless thousands of worthy and deserving immigrants?

When, some years ago, a measure similar to the one which is now before us was presented to that great statesman and illustrious Democrat, Grover Cleveland, for his signature, he returned it without his approval, and I wish to read here the message which accompanied it:

MARCH 2, 1897.

To the House of Representatives:

I hereby return without approval House bill No. 7864, entitled "An act to amend the immigration laws of the United States."

By the first section of this bill it is proposed to amend section 1 of the act of March 3, 1891, relating to immigration by adding to the classes of aliens thereby excluded from admission to the United States the following:

"All persons physically capable and over 16 years of age who can not read and write the English language or some other language; * * *."

A radical departure from our national policy relating to immigrants is here presented. Heretofore we have welcomed all who came to us from other lands except those whose moral or physical condition or history threatened danger to our national welfare and safety. Relying upon the zealous watchfulness of our people to prevent injury to our political and social fabric, we have encouraged those coming from foreign countries to cast their lot with us and join in the development of our vast domain, securing in return a share in the blessings of American citizenship.

A century's stupendous growth, largely due to the assimilation and thrift of millions of sturdy and patriotic adopted citizens, attests the success of this generous and free-handed policy which, while guarding the people's interests, exacts from our immigrants only physical and moral soundness and a willingness and ability to work.

A contemplation of the grand results of this policy can not fail to rouse a sentiment in its defense, for however it might have been regarded as an original proposition and viewed as an experiment, its accomplishments are such that if it is to be uprooted at this late day its disadvantages should be plainly apparent and the substitute adopted should be just and adequate, free from uncertainties, and guarded against difficult or oppressive administration.

It is not claimed, I believe, that the time has come for the further restriction of immigration on the ground that an excess of population overcrowds our land.

It is said, however, that the quality of recent immigration is undesirable. The time is quite within recent memory when the same thing was said of immigrants who, with their descendants, are now numbered among our best citizens.

A careful examination of this bill has convinced me that, for the reasons given, and others not specifically stated, its provisions are unnecessarily harsh and oppressive, and that its defects in construction would cause vexation and its operation would result in harm to our citizens.

GROVER CLEVELAND.

Mr. Speaker, in my humble way I have endeavored to prove by my arguments and by the statistics I have submitted that immigration has been of great benefit to our country. I believe that, notwithstanding all of the charges and accusations which have been made against the immigrant and against immigration, I have produced enough evidence to convince any unprejudiced man that my contentions are correct. I have shown that the wages in the last 10 years have been materially increased, hours of labor decreased, the standard of living improved, and the standard of citizenship maintained on its high level.

The enemies of immigration claim that the educational test will keep out the ignorant, and they maintain that these illiterate aliens do not assimilate as quickly as the literate. I believe that the statistics will show that the gentlemen are in error as to this conclusion, for it is a well-known fact that there is a higher percentage of literates among the children of illiterate parents of foreign birth than among the children of literate immigrants or even among the children of the native born.

It is maintained that the literacy test will keep out between 25 and 30 per cent of the immigrants. For the sake of argument I will admit that this estimate is a fair one; but I ask you gentlemen if it is just to endeavor to accomplish indirectly what could be brought about directly. If you desire to restrict immigration, why hide behind the subterfuge of the literacy test? Why not come out openly and declare that you are opposed to immigration and that you propose to limit it in some way? Is it fair, is it equitable, to discriminate against a class of people merely because, through no fault of their own, they have been prevented from securing an education in their own countries? Is it right that we should say to them that because, on account of political and religious oppression in their countries, they have been denied the advantage of an education they shall not enter our shores?

But, Mr. Speaker, why should I argue on the merits of the literacy test when I have before me the statements of the greatest men in this country, men whose opinions should and will carry much greater weight than mine?

A few moments ago I read the message of President Cleveland vetoing a bill containing the literacy test. Now I desire to read an extract from President Taft's veto message last year, when he returned the Burnett bill without his signature. President Taft said:

I can not make up my mind to sign a bill which in its chief provision violates a principle that ought, in my opinion, to be upheld in dealing with our immigration.

When asked as to his views on this question, Cardinal Gibbons made the following statement:

I am not in favor of any educational test as applied to immigrants desiring to enter the United States. Such a law, if passed, would, in my opinion, work great harm, for illiteracy is by no means always ignorance. If the immigrant is industrious and thrifty he will make a useful citizen, whether he be literate or illiterate. The educated schemer is in more ways than one more dangerous than the honest workman, even though he be illiterate.

Secretary Nagel, in his letter to President Taft advising him to veto the bill, directs his attention to the fact that—

The people * * * are frequently illiterate because opportunities have been denied them. * * * Frequently the attempt to learn to read and write the language of the particular people is discouraged by the Government, and these immigrants in coming to our shores are really striving to free themselves from the conditions under which they have been compelled to live.

Prof. Emily Greene Balch, Wellesley College, at a meeting of the American Economic Association at Washington, D. C., expresses herself as being opposed to the literacy test, and, further, says:

I believe that it is a fact that most Americans have an entirely false conception of the real significance of peasant illiteracy, which need not connote a lack of either energy or intelligence.

At a hearing before the Immigration Committee, Miss Grace Abbot, of Chicago, widely known as a deep student of sociology, testified that—

The literacy test is no guaranty of character, and it seems to me its adoption would be a departure from American traditions which would not be beneficial to the American industrial situation.

Herman Stump, former Commissioner General of Immigration, delivered himself of the following views on the subject of immigration when testifying before the industrial commission:

A young, able-bodied man who comes from a foreign land to settle here, with energy and willingness to work, is an acquisition to the country, and while we do not want him to occupy the positions which education would enable him to occupy, we want him to occupy the positions where it does not matter much whether he knows his A B C's or the simple rule of three or anything else.

Not only have prominent individuals throughout the country gone on record as being opposed to this unjust and unreasonable test, but various newspapers and periodicals have contained strong editorials urging the elimination of this provision. I now propose to quote extracts from some of these editorials.

The New York Christian Work had the following to say:

There could hardly be a more deceptive test of real worth. * * * The test of immigration should be health and morality.

We find this in the editorial columns of the Philadelphia (Pa.) Telegraph:

We have a cure for illiteracy in our public schools, and in every immigrant family there is a passionate desire to embrace that opportunity. Exclude the physically and morally unfit, if you will, but do not put up the bars against the untaught of Europe, who still look to America as a land of refuge and opportunity.

The New York Sun made the following comment upon this test:

Keep out, as far as human sagacity will do it, the criminal, the crazed, the diseased, the defective. Will, energy, industry, honesty, these are not dependent on spelling out aloud or sprawling a few words with a pen. * * * Men, women, and children who can work and save, these are always needed, and no pedantry of Congress should keep them cooling their heels at the gates.

The following I quote from the Washington Post:

It would be poor national economy to turn healthy white immigrants back from our ports simply because they can not read or write. Most of them realize what they have lost in having had no opportunities for education in their own country, and they inculcate in the minds of their children the realization of the inestimable benefit of education. Some of our finest stock would be lost to us if the literacy test ever became effective.

Now I read from an editorial in the Chicago Examiner:

The errors committed in efforts to regulate immigration spring usually from an entire misconception of the worth of the immigrant as a factor in our progress. * * *

Our Nation was founded by immigrants, though we call them more politely "Pilgrim Fathers" or "first settlers." It has been maintained and built up by the steady inflow of the eager and ambitious of every nation. To change the policy by which this great annual contribution of humanity has been made welcome is dangerous.

I also quote below extracts from a translation of an editorial appearing in the Jewish Morning Journal, of New York City:

The hundreds of thousands of immigrants who are already here control the tide of immigration much better than it could be done by law, because they come into constant personal relations with those who want to come here, and they inform the would-be immigrants when there is work for them here, when the country really needs immigrants. Those who arrive at present come to relatives or friends, and they come only when their American friends understand that the conditions at the place where they live can bear an increase in population through immigration. When times are bad in a certain locality or in the entire country fewer immigrants come to our shores. When the tide of immigration is large, that in itself indicates that there is a great demand for the kind of work which these immigrants do. If these conditions were not true, our country would not be able to absorb so easily a million immigrants in one year. The economic argument against additional restrictions is stronger now than it was at the time when a great number of the newcomers had no friends to whom to turn the first day they came. * * *

We all know that the question of illiteracy is nothing but an excuse. No one is foolish enough in Washington or elsewhere to believe that a man who can not read or write can not be a painstaking and useful workman or that he can not become a useful citizen. Everybody agrees that the literacy test is only an excuse, a means to reduce immigration in general. Were it only practicable, an attempt would be made to exclude red-haired or brown-eyed people. Every exclusion of a considerable number of people under such a subterfuge must enrage the entire foreign-born population, and this time their rage will take a more definite political course than has been possible on former occasions.

Time will not permit of my reading all of the numerous resolutions, petitions, and letters which I have received protesting against the passage of this bill, but I will quote brief excerpts from a few of these.

The resolution adopted by the Workmen's Circle says in part:

Whereas it is a violation of the moral law to exclude any human being from the opportunity of escaping from economic, political, or religious oppression, * * * Now, therefore, be it

Resolved, That the Workmen's Circle, representing over 45,000 members in good standing, protests against the Burnett immigration bill (H. R. 6060) as an unjust measure which militates against the best ideals of this Republic.

The following is from a letter addressed to me by the Italian Journal, a large Italian newspaper in New York City:

The Italian Journal, voicing the sentiments of all of the Italians in the United States, favors the enactment of stringent laws for the exclusion of criminals, but maintains that the Burnett bill, while not improving to any extent the existing provisions against the immigration of criminals, will prevent the admission of healthy, industrious, and law-abiding immigrants whose useful labor would be a considerable contribution to American prosperity.

The president of the American Association of Foreign Language Newspapers, in expressing the views of this national association, says:

This bill is calculated to place a restriction upon desirable immigration and is based upon a test false in its purpose and iniquitous in its effect. * * * Strong and healthy immigrants (so sorely needed to continue their fundamental labor in developing the great resources of this country) would be debarred by this inappropriate and unjust literacy test.

I received a protest from the German-American State Alliance of Ohio and the German-American State Alliance of Kentucky, assembled in joint session, representing 60,000 American citizens, and this is what they have to say with regard to this legislation:

We are of the opinion that the men and women engaged in the labor of producing and upbuilding the wealth of our Nation do not require an educational test. What we need are physically well-built men and women, desirable immigrants, who on account of their moral worth would improve the citizenship of our country.

The board of commissioners of Cook County adopted resolutions strongly protesting against the passage of this bill, and from these resolutions I now quote:

Whereas the conditions in some of the countries of Europe are such that moral, honest, and industrious men and women can not secure an education, and seek to come to this country in the hope of improving themselves under the beneficent influence of free institutions and our free Government: Therefore be it

Resolved, That we hereby cheerfully give testimony to Members of Congress, before whom the new restrictive immigration measures are pending, that the foreign-speaking citizenship of our community is a most desirable element, and that neither the paupers nor disturbers come from the moral, honest, and industrious peasant, artisan, or craftsman of Europe, who, although they may not be sufficiently schooled to pass educational or literacy tests, come here and make worthy and desirable citizens.

The United Lithuanian Societies of Chicago, representing 50,000 Lithuanian Americans of Illinois, in their protest say:

Whereas we feel convinced that the educational or so-called literacy test is not a true test of character, integrity, or general fitness of the individual who may seek admission to this country: Therefore be it

Resolved, That we protest against the enactment of an immigration law requiring an educational test.

The citizens of Cincinnati were so aroused over this proposed legislation that they assembled in a mass meeting, and I quote below a brief extract from the resolutions which they adopted:

Be it resolved, That all legislation restricting immigration beyond keeping out the criminal and the diseased is both unjust and unwise, and in flagrant contradiction to the principles laid down in the Declaration of Independence.

The Polish National Alliance, representing 110,000 Polish Americans residing in the United States, in its protest says:

We feel convinced that literacy or educational tests would and do in no wise indicate morals, conscience, honesty, integrity, and industry of those that desire to come to our land from foreign shores. * * *

The present immigration laws and restrictions * * * are sufficient to keep out of our country all unhealthy, vicious, and undesirable elements.

Mr. Speaker, as the chairman of the Immigration Committee has said, the passage of this bill would not to any great extent affect the class of people in whom I am directly interested. I venture to say that the people whom I represent would suffer very little, as I have no Italians, no Sicilians, no Greeks in my

district. The majority of the people there come from a section of the country that statistics will show has only a small percentage of illiterates. Only a little over 1 per cent of the Bohemians are illiterates, and the same thing is true of the Germans, the Irish, the Swedes, and the Hollanders. There may be a larger percentage of illiterates among the Jewish and the Polish people; I can not give the exact figures as to these races.

My motive for presenting the cause of these people before you arises purely from a desire to see justice and fair play. The literacy test provided in this bill will not serve to keep out the viciously inclined, the criminal, or the really undesirable alien, and I certainly believe that it would be a grievous mistake to place an embargo on willing hands and brawny muscle. How much more desirable it would be to increase the efficiency of our existing machinery for distributing the arriving aliens, so that the supply might reach our vast and scattering demands.

Before I conclude I wish to emphatically deny the truth of certain statements which have been made with regard to the stimulation of emigration by the foreign Governments. Several times it has been charged that the foreign countries, especially Austria-Hungary, Germany, and Italy, are encouraging and aiding emigration to this country. Those accusations, like many others made by the restrictionists, are not based on facts.

The truth of the matter is that these Governments are using every effort to prevent emigration, and they have been especially active during the past six months. Several steamship companies which were charged with being instrumental in stimulating immigration have had their agencies closed and have been compelled to stop soliciting business. These Governments claim that the majority of the able-bodied men and women are emigrating, and that only the weak, the feeble, and the aged remain at home, and therefore they are doing all within their power to reduce this emigration to a minimum, recognizing that through it they are losing their most desirable citizens. A careful examination of the report of the Commissioner General of Immigration will show that during the last 10 years 88 per cent of the immigrants that came to this country were between the ages of 14 and 45. In other words, we are getting the very cream of the other nations, and yet of these picked immigrants there were over 16,000 debarred during the fiscal year of 1911–12.

Mr. Speaker, in conclusion I can but repeat my assertion that the passage of this bill will mean the closing of our doors to thousands upon thousands of honest, industrious, law-abiding immigrants who would make citizens of which any nation might well be proud. It is sincerely to be hoped that the Members of this House will vote to continue this country as the haven of refuge for the oppressed and persecuted of all nations.

Rural Post Roads.

EXTENSION OF REMARKS

OF

HON. HANNIBAL L. GODWIN,

OF NORTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, February 12, 1914.

On the bill (H. R. 11686) to provide that the United States shall, in certain cases, aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads.

Mr. GODWIN of North Carolina. Mr. Speaker, I was denied the privilege of being on the floor of the House during last Tuesday when the final vote on the Shackleford good-roads bill was taken. I was called away to my home in North Carolina on the saddest mission of my life—that of attending the funeral of my mother—and was therefore unable to return in time to be present when the vote was taken. I have been told that the bill passed the House by a vote of 284 for the bill to 42 against it.

The majority by which the bill was passed shows, in my judgment, the sentiment of the country in favor of good roads.

I would not attempt to make any remarks at this time except for the fact that I have been, during my services in Congress, a firm believer in good roads. I believe that good roads, good schools, and good drainage will do more than any other three measures to better conditions of rural life and insure the peace and happiness of our people in the country. Therefore I feel that I would be unmindful of my duties should I let this opportunity pass without a word in behalf of one of the most important questions that is now being considered by the people of this country.

Nothing is more essential to the prosperity, the intelligence, and the happiness of the people than easy and convenient ways of travel and transportation. The degree of a country's civilization may, in a measure, be gauged by its highways.

The term highway is not to be limited to mere roads, but must be held to embrace oceans, rivers, canals, railways, and every other means over which people or property may be carried.

No country has a more extensive and adequate system of highways than the States of this Union. With their vast coast line, indented by multitudinous harbors; their canals; their innumerable rivers, with unbounded possibilities for navigation; their millions of miles of well-constructed and efficiently maintained railways; their more than 2,000,000 miles of roads of varying degrees of perfection, the American people may well be proud of their possessions and their achievements in the matter of highways.

Whatever doubts may have formerly existed, it is now generally conceded that the Federal Government has authority to construct and maintain roads which are used for Federal purposes. This granted, it follows that it also has authority to aid the States in the construction and maintenance of roads which are in part devoted to Federal use.

There are at least three sources from which Congress gets power to legislate in relation to roads: First, to provide military roads; second, to provide post roads; third, to provide roads over which interstate commerce may be carried.

Primarily it is the duty of the States to provide their inhabitants with roads, and it would be a long step backward if congressional legislation should afford them any means for avoiding this fundamental obligation. On the other hand, to provide an adequate system of roads lays a heavy burden upon the taxpayers of a State, and it is no more than justice that the Federal Government should contribute to the upkeep of the roads of the States which it uses in the performance of Federal functions.

It can not be doubted that an overwhelming majority of the people want Federal road legislation; but, unfortunately, they radically differ in opinion as to what such legislation should provide.

Many of us have worked for a number of years trying to create a sentiment in favor of Federal aid to road building and road maintenance. For several years I have been an ardent advocate of this proposition. While I favor contributions by the National Government, at the same time I think the roads should be under State control. The sentiment in the House in favor of good roads has grown so rapidly that to-day we have a Committee on Roads in the House. That important committee has worked out a plan that in my opinion should become a law at this Congress, and the people of the country will get Government aid for building and maintaining their roadways.

Good roads will mean new rural routes. Rural routes mean good mail service to the people in the country. It brings the people of our country into closer touch with each other. The vast amount of reading matter, daily papers, weekly papers, magazines, and the like, go out to the people who do not reside in towns and cities, and thereby they are enabled to keep abreast with the times. The value of this Rural Free Delivery Service to the country can not be estimated in dollars and cents. There should be no hesitation on the part of any Member of the House to put this service upon a sure footing. The country needs and must have that efficiency in the Postal Service which will give our people every convenience. Our Postal Service should be second to none in the world. We should be first among the nations of the earth in the service that means so much to the happiness, peace, and prosperity of our citizens.

Coupled with the extension of the Rural Free Delivery Service we have also given to the people the Parcel Post System. The farmers of the country were clamoring for the parcel post. In certain quarters merchants thought they were opposed to it. It has developed, however, that since it has gone into operation and has proven to be such a wonderful success and of such great convenience to everybody the merchants, farmers, and all other classes are praising it. In this connection might be mentioned the Postal Savings Bank System which we have given to the people and which, in my opinion, will be a great success.

There is a great demand for the reduction of the postage rate. If I had an idea that to reduce the postage rate would impair the efficiency of the Postal Service, I would not favor the reduction. I am convinced, however, that to adopt a plan that will give the people a 1-cent postage rate will not impair the efficiency of the service, and it will result in a great saving to the people of the country. It is another benefit they should reap.

What the American people want is efficient service. In making recommendations regarding vacancies in postmasterships in the district I have the honor to represent I have at all times kept the question of efficiency in mind, in order that the people might have the very best possible service. The good of the public is paramount to individual ambition. The people of the country will not be satisfied with anything short of the very best mail service. In order to insure the best mail service and to get the best and most efficient postmasters, it occurs to me that it would be an excellent idea if the Postmaster General and his assistants were required to effect a readjustment of the salaries of the postmasters of the country, from the smallest to the largest offices. "The laborer is worthy of his hire." In many cases the salaries of the postmasters in some of the smaller country post offices are so ridiculously small that the postmasters can not afford to devote their time to the discharge of the duties of the office.

The result is that in many cases the public is put to an inconvenience and denied efficient service. With the establishment of the parcel post and its enlargement additional and greater burdens have been placed upon the postmasters of the country and upon the rural free-delivery carriers. In order to get the most efficient service it will be, in my opinion, necessary to increase the salaries of the rural free-delivery carriers, as well as the salaries of the postmasters.

But to return to the Shackleford bill, which provides for national aid for the several States in the construction and maintenance of rural post roads, it is deserving of the most careful consideration. It involves the sum of $25,000,000 to be distributed under certain conditions to the States, equally in the ratio of their population and the total number of miles of post roads within their borders. This method of apportionment is a most natural, and at the same time a most logical, plan. The element of population measures to an extent the need of highway betterment and the mileage of existing post roads, verifies this need, and at the same time indicates the degree to which the people of the respective States have progressed in road building. We have come to realize that public roads are a most essential feature of country welfare. We know that along with road improvement in the rural districts go better schools, better farms, and more attractive country life. We also realize that farm products are not at present marketed quickly and cheaply by the farmer, and that this fact tends to inconvenience the farmer and cause fewer people to engage in agricultural pursuits.

The bill emphasizes the intimate connection of agriculture and highways by placing the administration of the provisions of this act in the Department of Agriculture.

I am in favor of this bill. It is a natural extension of the great highway movement that began several years ago by the establishment of State aid for highways. Those who have followed the history of the State-aid movement realize that it has been increasingly successful from year to year, so successful, in fact, that nearly all of the States of the Union have established highway departments and have made appropriations for some form of State aid. More than 25,000 miles of first-class highways have been created by the State highway departments. These roads constitute only a portion of the system of highways that is so much needed and which this bill will help to complete.

When it is realized that a saving of a few cents per ton-mile in the marketing of produce of farms and forests in this country will mean an economic saving to the people on this one item of $25,000,000 annually, the question of the desirability of an investment of national funds for road construction is answered.

There are nearly 3,000 counties and several thousand townships in the country, and they have contributed most liberally to their roads. Until the advent of the State-aid principle, local officials have been forced to build their roads as best they could. They have spent since the year 1904 about $1,000,000,000 in this work, and the existing condition of local roads to-day is conclusive evidence that more money and better methods are needed. The provisions of this bill not only make available financial aid from the Federal Treasury, but they go further; they establish a system for country highway work and they provide for competent leadership and continuing progress in that work.

This bill approaches the subject in a spirit of cooperation. In section 3 the Secretary of Agriculture is authorized to cooperate with the officers of the several States in the construction and maintenance of rural post roads. The Secretary of Agriculture and the State officers jointly determine the roads in each State which may be constructed and maintained during the fiscal year with the funds allotted by section 1 to that State. The section provides that the construction and maintenance shall be under the supervision agreed upon by the Secretary of Agriculture and the State officers. It wisely provides that the United States shall bear no more than one-half of the cost of any construction or maintenance work. This provision alone eliminates the possibility of any raid upon the Federal Treasury, because where the money in the several States must be spent equally with the funds of the Federal Treasury it will be spent wisely and carefully on the roads in that State which most need improvement.

The operation of this section is carefully protected by the provision that no work shall commence until the portion of the cost to be borne by the locality has been made available. There is every reason to believe that under the provisions of this section there can go forward the construction and improvement, according to the best modern methods, of a yearly increasing mileage of main and market roads throughout the country. It is perhaps surprising that this action has not been taken sooner. The example set by the States in their successful work along almost similar lines is ample to demonstrate the success of the principle. There can be made available to every State in the Union the skilled services of trained highway engineers from the Federal Government whenever requested, and under the joint agreement of the Secretary of Agriculture and the State officials.

Section 2 of this bill provides that the governor of each State, on or before the 1st day of January in each fiscal year, in the absence of any law of the State, shall elect whether Federal aid for the construction and maintenance of rural post roads in that State shall proceed under the provisions of section 3, which I have outlined, or under the provisions of section 4, or partly under both sections.

Section 4 provides for the classification of the post roads in the respective States into three classes, and provides that when the mileage of each class has been determined by the governor and the State highway department, and verified by the Secretary of Agriculture, that the United States shall pay, on account of these roads, the sums of sixty, thirty, and fifteen dollars per mile of such road in the respective classes, and that these payments must be applied to the construction, maintenance, or extension of such roads to which paid, and that the State or civil subdivisions thereof shall expend an equal amount on the said roads. By the provisions of this section there should result a wholesome influence on a large mileage of roads in those States where the upkeep of long stretches of country road is particularly burdensome. The aid on this classified mileage is essentially a maintenance feature, and particularly for roads in class B and in class C, if wisely administered, should improve the existing methods of maintenance and repair.

The people of this country expect the National Government to aid them in the construction and upkeep of their roads. Their attention has been sharply directed to the importance of road conditions by the introduction of the Rural Delivery Service and by the establishment of the parcel post. The full benefits of these wise provisions can only be realized by the establishment and maintenance of good highways. The several States and their subdivisions are anxious to cooperate in this work, and this bill will mark the beginning of a period of highway betterment which can not fail to have a profound influence on the economic life of the Nation. I hope it will become a law before the end of this session of Congress.

The Immigration Bill.

EXTENSION OF REMARKS

OF

HON. L. C. DYER,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 4, 1914.

On the bill (H. R. 6060) to regulate the immigration of aliens to, and the residence of aliens in, the United States, and for other purposes.

Mr. DYER. Mr. Speaker, the last census of the United States—1910—gave the population as 91,972,266. This did not include Alaska, Hawaii, Porto Rico, and persons in military and naval service stationed abroad. These amounted to 1,429,885. The population of the United States to-day is, of course, much greater and is most likely nearer to 100,000,000 than to that shown at the last enumeration. Of this population 81,731,957 were put down as white and 9,827,763 were put down as colored. Of the white portion of the people 13,515,886 were foreign born, 12,916,311 had foreign parentage, and 5,981,526 were of a parentage that either the father or the mother was foreign born. These figures show that a very great portion of

the people of our country were either foreign born or were of foreign parentage.

Therefore, in passing laws for the whole people of this country, it is our duty to give consideration to the citizens of foreign birth and foreign parentage as much as to the native born. Let us not enact laws that will bring discredit upon any portion of our people, but be fair and square to them all. From personal observation and knowledge, and from reading the history of my country, I am fully convinced that the foreign born, and those of foreign parentage, have made as splendid citizens, and exhibited as great a patriotism for this Nation, as have the native born. It is no sin that many of those who have come to our shores were uneducated. History has shown that they readily adapted themselves to the conditions and institutions of the United States, and that they and their children have and are making splendid progress in acquiring useful knowledge that has better fitted them to discharge the duties of American citizens. The greater the wrong would be if our Government, National and State, should not afford every opportunity for the education and training of the mind and the heart of all our people to do their duty in assisting to continue this great free Government that we now have—the best under the sun, and the greatest haven and hope to the downtrodden and oppressed of foreign lands.

During this debate not much has been said concerning one large part of the population of our country. I refer to the colored people. That this people should receive patriotic and careful consideration, I propose to point out briefly at this time. The thirteenth census (1910) of the United States gives the total population of our country at 91,972,266, and 9,827,763 of them as colored. So large a portion of our total population ought to and does deserve the careful consideration of the Congress of the United States. This people have been here since they were forcibly brought to America in 1619, and sold as slaves. From that small beginning slavery grew rapidly in the Southern States, especially, and when President Lincoln issued his proclamation, declaring the colored people free men and women, their number had increased and multiplied till there was a total of 3,953,760 slaves, and 487,970 free, making a total at that time of 4,441,730.

Now, Mr. Speaker, let us see what this people have done since they were given their freedom. It has been 50 years, and a long enough time for them to test their fitness to become and to be fairly treated as a part of our great American citizenship. Have they shown themselves worthy? Have they proven their loyalty and love for this country, its Government, and institutions? I say they have, Mr. Speaker, without hesitation, and the proof is abundant. In the first place, I want to show this by their progress and what they have accomplished in education. Let us apply the literacy test to them. When they were freed they had no property and no education. What they have done, therefore, in educating themselves has been in the past half century. In my judgment, when all things are considered, they have accomplished wonders.

The first public school for colored children was opened in March, 1864. In 1868 North Carolina and South Carolina established public-school systems. The public-school system of Georgia was established in 1870. The first report of enrollment, however, was for the year 1876–77, when 571,506 colored children were reported as enrolled. During the year 1911–12 about 2,000,000 colored children were enrolled in the public schools. The Census Bureau reported that in 1910 there were 3,422,157 colored children of school age in the United States. The number of colored public-school teachers in the States is about 30,350.

The Commissioner of Education reported for 1911, 150 public high schools for colored persons. These schools had 513 teachers, 2,021 elementary students, and 9,641 secondary students, a total of 11,662.

In 1910 there were 2,227,731 illiterate colored people in the United States. The percentage of colored illiterates 10 years of age and over was, in 1890, 57.1; 1900, 44.5; 1910, 30.4. In urban colored population the percentage of illiterates in 1910 was 17.6; in rural population 36.1. The percentage of illiterates in colored population of the North was 18.2; South, 48; West, 13.1. The highest percentage of illiterates in colored population, 48.4, is in Louisiana; the lowest percentage, 3.4, is in Minnesota and Oregon.

There are more than 540 institutions devoted to the secondary, higher, and private training of the colored people. Many of these institutions are elementary schools. The investigation now being made by the Phelps Stokes Fund and the United States Bureau of Education will determine the grade of colored educational institutions. The statistics for 238 colored schools are: Teachers, 3,398; total students, 70,095; elementary students, 40,945; secondary students, 23,834; collegiate students, 3,227; professional students, 2,089; students being industrially trained, 35,402. Of the total number of students 58.3 per cent are in elementary grades and 4.6 per cent are taking collegiate courses.

Among the first of our colored people to graduate from college in the United States were John Brown Russwurm, who graduated from Bowdoin College; Theodore S. Wright, from Princeton Theological Seminary; and Edward Jones, from Amherst College. About 700 have graduated from northern colleges. Oberlin has graduated a larger number than any other northern university or college. In northern colleges and universities, on a whole, they have made good records and have carried off many honors. Alain Leroy Locke, of Philadelphia, Pa., graduated from Harvard University, A. B., magna cum laude, 1907. This same year he won the Rhodes scholarship from Pennsylvania to Oxford University, England, where he was a student for three years. For two semesters, 1910–11, he was a student at Berlin University. He is now assistant professor of English and instructor in philosophy and education at Howard University. The degree of doctor of philosophy, which is the highest earned degree conferred by educational institutions, has been conferred by American universities upon colored men as follows: Edward A. Bushet, Yale University, 1876; William L. Bulkley, Syracuse University, 1893; W. E. B. Du Bois, Harvard University, 1895; Pezavia O'Connell, University of Pennsylvania, 1898; Lewis B. Moore, University of Pennsylvania, 1896; T. Nelson Baker, Yale University, 1903; James R. L. Diggs, Illinois Wesleyan University, 1906; Charles H. Turner, University of Chicago, 1907; Richard R. Wright, jr., University of Pennsylvania, 1911; George E. Haynes, Columbia University, 1912; C. G. Woodson, Harvard University, 1912.

The first colored man to be regularly admitted to the practice of law in the United States was Macon Allen. He was admitted to the bar in Maine.

The first admitted to practice before the United States Supreme Court was John S. Reck. On motion of Charles Sumner he was admitted February 1, 1865.

The first colored woman lawyer was Charlotte Ray. She graduated from Howard University in 1872.

The churches have also played a great part in the education, development, and betterment of the colored people. This has been in addition to the benefit they have and are receiving from a religious standpoint. Some of the most splendid churches in the land to-day are owned and used by the colored people, and through the influence and agencies of these churches over $1,000,000 is annually collected for the cause of education. The colored man and colored woman has also entered and established reputations for themselves as musicians, artists, painters, sculptors, poets, actors, and inventors. I have not the time to enumerate and point out the great things they have accomplished along these lines.

When it comes to the various trades, we find that the colored man and the colored woman are making splendid headway; 62.2 per cent of them are engaged in gainful occupations. In agricultural pursuits there are 2,143,176; in professional service there are 47,324; in domestic and personal service there are 1,324,160; in trade and transportation there are 29,154; and in manufacturing and mechanical pursuits there are 275,149. The number of colored farmers has also increased. The 1910 census gave the number as 893,384, and as occupying in acreage of land a total of 42,609,117 acres.

During these past 50 years the colored people have accumulated property to the value of $600,000,000; they have established banks, and they now have in existence 62 banks, and do a banking business amounting to $20,000,000 a year. No other people, no other race, can point to the progress made by the colored people in the same length of time. When they were freed they had no property and no education, and all that I have pointed out as having been accomplished by them has been in a remarkably short time.

I have not been able to go into the matter fully, but I commend to the Members of this House a careful study of this great race of people, their history, their progress, and their future. Let us consider carefully in legislating, to the end that every opportunity may be given them to advance in the various pursuits of business. The same help should be given to the colored farmer as to the white farmer in making him acquainted with the best and most up-to-date methods in agriculture as well as in the various other trades and ways of business and the professions.

The same consideration should also be given the colored people in the education of their children. They should have good schools, good teachers, and the necessary facilities for teaching should be provided. There should be trade schools, agricultural colleges, and the most modern and up-to-date methods af-

forded them for taking their places in the great avenues of business.

I do not believe it is necessary to point out the fact that the colored people of this Nation love the country, its flag, and its institutions as well as any other Americans, but for the benefit of some who perhaps do not know how patriotically the colored man has stood by his country in the hour of danger let me call your attention for a few minutes to some things that have been done by the colored man along that line.

They were found in all branches of the patriot Army. They generally served in the same regiments with the white soldiers. Connecticut, however, had one complete company of colored soldiers, and Rhode Island a complete regiment. According to an official report, there were in the Army, under Gen. Washington's immediate command, on the 24th of August, 1778, 775 colored soldiers. It is estimated that there was an average of 35 colored soldiers in each white regiment. This does not appear to include the colored troops furnished by Connecticut, New York, New Hampshire, and Rhode Island. There were altogether about 3,000 colored soldiers.

Some of the most heroic deeds of the War of Independence were performed by colored men. The first martyr in the Boston massacre, March 5, 1770, was Crispus Attucks. Samuel Lawrence, a prominent white citizen of Groton, Mass., led a company of colored soldiers to the Battle of Bunker Hill. It was the colored man, Peter Salem, who, at the Battle of Bunker Hill, fired the shot that mortally wounded Maj. Pitcairn. Solomon Poor, another one, so distinguished himself at the Battle of Bunker Hill that a petition was drawn up by some of the principal officers to secure him recognition by the Massachusetts Colony. Austin Dabney, another, rendered such conspicuous service in the Revolutionary War that he was freed and the Federal Government granted him a pension. The State of Georgia also granted him a considerable amount of land. The Black Legion, organized in 1779 in St. Domingo by Count D'Estaing, consisted of 800 young freedmen—blacks and mulattoes. At the siege of Savannah on the 9th of October, 1779, this legion, by covering the retreat and repulsing the charge of the British, saved the defeated American and French Army from annihilation.

A large number of colored sailors were in the Navy during the War of 1812. It is estimated that one-tenth of the crews that manned the vessels on the Great Lakes were colored. They served faithfully in all the battles of the Great Lakes and in the Battle of Lake Erie rendered very effective service. In the celebrated picture of Perry's victory on Lake Erie is seen a colored sailor.

Gen. Andrew Jackson, September 21, 1814, issued a call to the free colored men of Louisiana to enlist. As a result 500 of them were organized into two battalions. These battalions distinguished themselves in the Battle of New Orleans. The Legislature of New York, October 24, 1814, authorized the raising of two regiments of men of color. As a result, 2,000 colored men were enlisted and sent forward to the Army at Sacketts Harbor.

One hundred and seventy-eight thousand nine hundred and seventy-five colored soldiers were enlisted in the War of the Rebellion. These made up 161 regiments, of which 141 were infantry, 7 were cavalry, 12 were heavy artillery, and 1 light artillery. The first colored regiments to be organized were the First South Carolina, in which the first enlistments were made May 9, 1862; the First Louisiana Native Guards, September 27, 1862; the Fifty-fourth Massachusetts, February 9, 1863; the Second Carolina Volunteers, February 23, 1863.

July 28, 1866, Congress passed a law that colored regiments should be a part of the Regular Army. Under this act the Ninth and Tenth Cavalry, and the Thirty-eighth, Thirty-ninth, Fortieth, and Forty-first Regiments of Infantry were organized. March 3, 1869, a consolidation act was passed, and the Thirty-eighth and Forty-first were reorganized as the Twenty-fourth Regiment of Infantry; the Thirty-ninth and Fortieth were reorganized as the Twenty-fifth Regiment of Infantry. These regiments were stationed on the frontier and rendered valuable service in the military operations against the Indians, extending from Dakota to Mexico. The Ninth and Tenth Cavalry won the reputation of being the best Indian fighters on the frontier.

At the outbreak of the Spanish-American War in 1898 the four colored regiments were among the first troops ordered to the front. Here again they won great distinction by their bravery and daring. Colored soldiers took a more conspicuous part in the Spanish-American War than in any previous war waged by the United States. At the first battle in Cuba, Las Guasimas, the Tenth Cavalry played an important part by coming to the support of Col. Theodore Roosevelt and the Rough Riders. The Twenty-fifth Infantry took a prominent part in the Battle of El Caney. The Ninth and Tenth Cavalry and the Twenty-fourth Infantry rendered heroic service in the famous Battle of San Juan Hill.

No less have the colored people shown themselves worthy in times of peace. There are of record many instances of heroism displayed by them, and many medals for bravery have been awarded to them in time of peace as well as in war.

I am one of those anxious to do everything in my power to help and assist these 10,000,000 people to progress and become of greater use and benefit to themselves and to the Nation. I want to see them enter useful occupations and want them to have the opportunity to fit themselves properly for same. To that extent Congress can and should render the necessary help and assistance, and the States of the Union should also do their part, to the end that proper consideration for the worth and achievement of the colored people may be realized and fulfilled.

Rural Post Roads.

EXTENSION OF REMARKS

OF

HON. GEORGE F. O'SHAUNESSY,

OF RHODE ISLAND,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 10, 1914,

On the bill (H. R. 11686) to provide that the United States shall, in certain cases, aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads.

Mr. O'SHAUNESSY. Mr. Speaker, I am against this bill. I rise more particularly for unanimous consent to have inserted in the RECORD a certain report, and reports supplementary thereto, by the United States Department of Agriculture, Office of Public Roads, made to Hon. Aram J. Pothier, governor of Rhode Island. The Office of Public Roads was appealed to when criticism was made of certain roads in Rhode Island. I submit that the reports which I will print in the RECORD show gross incompetency on the part of those charged with road building in Rhode Island. They show that the State of Rhode Island has been careless of the people's money in so far as political and not business methods have obtained in the building of roads. The roads have been poorly built and their maintenance terribly neglected.

It is shown by the reports that rock excavation was paid for twice—once as rock excavation and once as earth excavation. It is shown that a large quantity of tar was purchased on the simple specification that it should be similar to a material previously furnished, when no records were available to show what the character of the previously furnished material had been. A former contractor, not an engineer, was employed as State engineer. Some members of this engineer's family were awarded contracts by the State board. No explanation has ever been given by this State board why all the automobile registration and license fees, which were legally designated for the purpose of maintenance, were not used when requests for additional funds were being made. I am compelled to ask this question: Has there been graft or incompetence, or both, in the building and maintenance of public roads in Rhode Island? What is the answer of the Republican Party in Rhode Island to this question? What is the answer of the voter to that question? He can not answer unless he registers on or before June 30, 1914. If he registers, his answer can be placed in the ballot box in November. Do you want to have a voice in the election of the next governor of Rhode Island? Do you want to take part in the selection of a Congressman to represent you? Do you want to be a vital force in determining National and State policies? To do so you must register on or before June 30, 1914.

NOVEMBER 10, 1913.

Mr. VERNON M. PEIRCE,
Chief Engineer, Office of Public Roads.

DEAR SIR: In compliance with your order based upon the request of the Hon. Aram J. Pothier, governor of Rhode Island, in a letter dated July 23, 1913, for a report upon the cost of construction, present condition, and future construction for the roads of the State of Rhode Island, the following is respectfully submitted:

The State road board of five members was provided for by chapter 982 of laws of 1902 later amended giving to each member of the board a salary of $500. The salary was augmented in 1909 by $500 for each member of the board from automobile fund.

The automobile law was passed April 13, 1904, and provided for administration by the secretary of state, but section 8 reads, "All moneys collected * * * shall go to the support of the public roads in this State under the direction of the State board of public roads * * *." This was amended May 26, 1908, by chapter 1592, which shifted

administration to the State board of public roads, and section 19 reads, "All moneys collected * * * shall be turned over to the general treasurer to be used for the repair and maintenance of State roads and highways in this State * * * ." Amendment was made in 1909 providing for payment annually, from the moneys collected, of $500 to each member of the board and $1,500 for clerical assistance. This was amended in 1910 raising the amount that could be paid "for clerical assistance and other expenses that may be necessary * * *" to $3,500, "the balance to be used for the repair and maintenance of State roads and highways * * *." Amendment in 1912 raised the amount for clerical assistance, etc., to $4,000, and amendment in 1913 to $5,000. It will be noted that until 1908 the money accruing from automobile licenses, etc., could be expended for construction or maintenance, but after this date on repair and maintenance only. Reference to the table below will show that since 1908 all of the money available for maintenance has not been spent for that purpose.

Year.	Receipts.			Disbursements.	
	Appropriations by general assembly.	Paid by towns for extra width.	Automobile registration and license fees.	Construction.	Maintenance, including oiling roads.
1903	$100,000.00	$8,068.37		$88,648.89	
1904	100,000.00	2,609.25	$2,322.00	122,026.87	
1905	125,000.00	7,206.21	1,684.00	97,017.68	$3,321.86
1906	225,000.00	8,065.56	2,146.00	207,604.83	9,178.86
1907	430,000.00	3,224.90	2,330.00	249,317.17	20,580.23
1908	80,000.00	11,706.58	32,030.50	327,379.04	16,315.74
1909	300,000.00	15,384.36	50,265.90	339,860.90	21,403.81
1910	330,000.00	17,956.64	66,056.33	338,810.85	57,233.88
1911		2,182.28	82,764.28	24,256.19	81,593.49
1912	854,166.37	213.86	104,689.08	364,885.87	96,058.50
	2,544,166.37	76,618.02	344,288.09	2,159,808.29	305,686.37

Total disbursements for construction	$2,159,808.29
Contracts let 1912, work done 1913	257,884.69
Grand total	2,417,692.98
Total disbursements, for maintenance, including oiling roads	305,686.37
For reconstructing, in 1912, roads previously built by the State	240,722.55
Grand total	546,408.92

The above table shows appropriations made. Of the State money made available other than from automobile license, the following amounts were from 30-year-term bond issues: 1906, $200,000; 1907, $400,000; 1909, $300,000; 1910, $300,000; 1912, $600,000. The 1912 issue was for construction, reconstruction, and maintenance, the others for construction only. Appropriations from current revenues were made in 1903, 1904, 1905, 1906, 1907, 1908, and 1912 for construction, maintenance, and improvement; in 1910, for maintenance and improvement; in 1913, for repair, reconstruction, and maintenance, and for construction of connecting links.

In 1913 an act was passed by the general assembly ordering an especial election on June 3, 1913, to approve or reject propositions to issue bonds for charitable institutions and for $700,000 for construction and maintenance of State highways; the issue for highways was rejected.

For an inspection of the roads and an investigation of the records a visit was made to Rhode Island. A general inspection was made of every road built by the State board of public roads. Several roads constructed in 1912 were selected and an investigation made of the records. In the case of the Putnam Pike Road, in the town of Gloucester, the investigation was thorough. The length of the road is 4.86 miles; width of surfacing, 14 feet; depth of surfacing, 6 inches. The estimated cost as given by the road board in its 1912 report is $43,320.10; the amount expended, about $55,500, or about $11,600 a mile. The survey notes show that the surveys were fairly well made; but the work was not sufficiently thorough to enable the preparation of proper plans. In some heavy cuts cross sections were not sufficiently extended; an insufficient amount of culvert information was obtained. To the preparation of plans sufficient study was not given. Not enough care was taken in balancing adjacent cuts and fills; the proposed work is not shown in sufficient detail; the stationing of structures and detailed plans for them are partially missing; the location of rockwork is not shown or platted on cross sections with sufficient definiteness to enable an approximate estimate to be made of quantity or to give contractors a good idea of its location. Without assistance, it is impossible to tell by the cross sections to what lines construction was done. It is said that as soon as the office men have time the extra lines on the cross sections will be taken off and then the platted slopes will show the lines to which the contractor is supposed to have done his work. Sufficient care was not taken in the preparation of estimates to provide for all construction work; this is evidenced by the large amount of extra work paid for. The specifications are very loosely written and inadequate to accomplish their purpose. A few defects are—no statement as to what shall be paid for under the head of grading—quality of broken stone not properly specified; quality should be determined by board and not by contractor. Specifications call for side ditches, plans do not. Specifications lack a clause to prevent payment for same excavation as both rock and earth. There is no description of how to build the bottom course of the road; the bottom course must be solid and unyielding, yet nothing is said, as should be, about filling it before rolling, with sand, gravel, or stone screenings; it can not be properly filled after the top course is put on. The method of treating the top course is described but little better. The specifications should have been clear and explicit, describing in detail each class of work and the method of performing it. All vagueness raises doubt in the minds of prospective bidders, and the result is higher prices.

The advertisement for proposals was not sufficiently wide or of sufficient duration. The advertisement calling for bids states that the plans and specifications would be on exhibition from April 3 to April 10, 1912, from 10 a. m. to 3 p. m., except on Saturday and on Sunday. The only engineering paper in which the advertisement could be found is the Good Roads Magazine of Saturday, April 6. This advertisement was for 25 roads, some for construction and some reconstruction. Five days between the hours of 10 a. m. and 3 p. m. is not sufficient time for a contractor to go over the plans of 25 projects, and a much greater time is insufficient, if it is impossible, as was the case, for the contractor to get copies of the plans to take with him when he goes over the proposed location. The class of road advertised was water-bound macadam for the Putnam Pike; a unit price for bituminous surfacing was requested, but no yardage given. The low bidder was Amos D. Bridges Sons (Inc.), at $37,093.88; the next was Bonfiglio Perini, at $37,807.13; Bridges bid 19 cents a square yard for bituminous surfacing and Perini 10 cents. Using these prices for bituminous work and a square yardage of 39,931, Perini's lump sum became the lower. The contract was let to Perini to build a bituminous macadam road at $41,800.23. The price for bituminous surfacing did not include the material, as it was furnished by the State. Perini's final estimate amounted to $41,058.03; 5,802 square yards bituminous surfacing unbuilt, at 10 cents, equal to $580.20, and 1,350 linear feet of subdrain unbuilt, at 12 cents, equal to $162, made up the difference between contract and final payment. This is less than the final estimate would have been had Bridges been awarded the contract. Nevertheless had bids to build a bituminous road been asked for and quantities for bituminous surfacing stated, the contract might have been let for less.

Before construction the road was staked out, but no levels were taken afterwards. No levels were taken on rock excavation. There was a little over 5,000 cubic yards paid for. The appearance of the exposed slopes does not indicate a rock excavation of 5,000 cubic yards. No levels were taken for partial or final estimates. These estimates were made in the main office from the inspectors' weekly reports. Upon termination of the work the contractor was paid the full amount of his contract, except as stated above. Contract earth excavation was figured to a 1½ to 1 slope; there will be found some earth slopes which were excavated to a steeper slope than this, though the difference is not great. In the estimate for grading the full amount of excavation was given, no deduction being made for the included rock, which was arbitrarily put at 5,000 cubic yards. The full excavation was paid for, and so was the 5,000 cubic yards of included rock; 5,000 cubic yards of grading was paid for at 67 cents a cubic yard ($3,350), and also as rock at $1.65 a cubic yard ($8,250).

The extra work for which the contractor was paid amounted to over $6,500. This consisted of earthwork, the building of drains, culverts, bank walls, etc. The subdrain, at 12 cents a linear foot, provided in the contract was cut out and a V drain substituted, at a cost of about 80 cents a linear foot, paid for as extra work on force account.

Surveys, plans, estimates, specifications, letting of contracts, and supervision of construction are all inadequate. The conditions on the above road are typical. On contract work no force accounts are kept except for the extra work. It is therefore impossible to say whether labor paid for as extra was not engaged in doing work paid for in the contract estimates or on work paid for as extra on the unit-price basis. On one contract there was objection made by the inspector to the payment of a bill for extra labor which he claimed did work that was paid for on the unit-price basis. For extra work the specifications state that the contractor shall be paid the actual cost of all materials furnished, as shown by paid vouchers, and for labor and teams at the price bid or agreed to plus 15 per cent. Some of the extra work was paid for upon the unit-price basis and some on force account. Although the 15 per cent contract allowance was upon labor only, a considerable number of bills were found with 15 per cent added to charges for materials furnished. In one instance there is a charge for cement furnished and for freight on cement, to both of which 15 per cent was added. Many bills were paid for extra work that does not appear on inspectors' weekly reports. These bills, though sometimes rendered from six to eight months after work was done, usually have the name of the inspector written on them.

The contractors' estimates were prepared by the drafting department, passed to the bookkeeper for entry in his books, presented to the board for approval at one of its weekly meetings, and transmitted to the State auditor for payment. The auditor's books only show total charges against the separate appropriations. The books of the board's bookkeeper show charges against the various projects, with the exception of engineering charges, which are entered separately. The bookkeeper's books have not been balanced up for the last fiscal year, on account of lack of time to do the work. It was stated that this work would be done later, at a less busy time. In going over road vouchers, one payment for a small amount was found duplicated. There is an instance where a mistake of $4 was made in carrying out an extra-work item, viz, "1 man 2 hours, at 22.22 cents, $4.44." There is an extra-work item of 40 hours of single-team hire at 25 cents an hour overcharged (contract No. 1251, voucher of June 25, 1913). The vouchers of but few roads were gone over. One road was advertised as bituminous bound and built water bound; tar was delivered to the road and sent away again; the contractor shipped to the road machinery to build a bituminous road and shipped away again; the result was two bills for extra work and freight charges on tar. On this road, which was but 1 mile long (contract 1268), 181½ cubic yards of grading were paid for as rock, at $3 a yard, and as earth, at 90 cents a cubic yard. On the Exeter-Richmond Road (contract 1260) 1,731 cubic yards of excavation were paid for as rock, at $2 a cubic yard, and as earth, at 55 cents. On one road, Foster (contract 1262), after contract had been let and work in progress for some time, it was concluded that some of the unit prices were too high, and attempt was made to shift to carrying on the work by force account. This work is still in progress, but whether it will be paid for on unit-price basis or force account I was unable to ascertain.

I was informed that at times during construction members of the board gave to contractors orders which were contradictory to those given by its engineers. About 930,000 gallons of tar were purchased without proper specifications, received, and used without previous test by the board. The only specification was "that the material shall be similar to the tarvia furnished to the State Board of Public Roads of Rhode Island in 1908 for construction of south section on Boston Neck Experimental Road." I was unable to find any record of any test of the material furnished in 1908. This tar was delivered at different points throughout the State. Sometimes too much was delivered at one point and had to be shipped to some other point. Stone was furnished and used without test. There is no laboratory for the making of tests. Extras on many of the contracts run from 15 per cent of the amounts paid on the contracts to much higher percentages. I would also call attention to the fact that during 1912 the man occupying the position of engineer to the board was the father of some of the members of one of the contracting concerns that were awarded several contracts. This, to say the least, seems to me to have been unwise.

The construction work done in 1912 was of a road 6 inches in thickness, the top 2 inches of stone and tarvia mixed usually in a

cubical mixer. No flush coat was used. As early as the late fall of 1912 some sections of the work which had been laid during 1912 began to ravel badly, and to prevent complete disintegration a flush coat of tarvia was applied. More raveling took place in the spring of 1913, and there was extensive criticism by the citizens of the State. The work that had raveled or showed signs of raveling was given a surface application of heavy cut-back oil-asphalt and stone screenings or gravel. About 42 per cent of the 1912 work was thus treated and now appears to be in good condition. Some of the work required extensive patching before it was possible to put on the surface coat. On account of the expense of this and other extra work, it was necessary to curtail some of the work remaining uncompleted and complete some sections in water-bound macadam.

The failures in 1912 construction, as nearly as can now be determined, were due to one or more of the following causes, namely, use of an insufficient quantity of bitumen, lack of proper grading of stone, lack of specifications and tests to insure delivery of proper bitumen, lack of tests to insure use of proper stone, careless manipulation of the top course, and lack of a flush coat.

Reference to the table on page 2 will show that the general assembly provided a considerable amount of money which could have been used for maintenance but was not. This seems strange, in view of the repeated statements in the annual reports of the board calling attention to the necessity for maintenance. That insufficient maintenance work has been done is shown by the condition of practically all but the roads recently built. In some cases, the present condition of the other roads is only fair, and sometimes even bad, and unless an efficient and comprehensive system of maintenance is at once established, it will soon be necessary to rebuild many of such roads. The surfaces of these poor roads are in some cases badly worn and must be replaced before they may be efficiently maintained; in others the surfaces are wearing rapidly and prompt measures must be taken to prevent the necessity of resurfacing in the near future. This statement is based upon an inspection of every road in the State built by the State board of public roads.

The present system of maintenance is to send men over the roads in the early spring to clean out all holes, fill them with broken stone and stone chips, and give the entire road surface a light coating of coarse sand and fine gravel. Later in the season all the roads are oiled once, and some of them twice, with very light road oil—this year, Standard No. 4. The roads are not swept previous to the application of the oil, which is at the rate of about one-third of a gallon per square yard. As a result there is on the surfaces of the roads a layer from one-eighth to one-half inch deep of oily sand and dust, except where there is considerable automobile traffic, in which case the sand and dust is swept off, the stone left bare, and disintegration follows.

It is evident from the above that the cost of construction has been in excess of what it should have been, and that the present condition of the roads is not such as should be expected with an organization controlled by a board in existence since 1902 without any change in personnel. During 1910 some of the road work was well done, but the experience then gained seems not to have been used in 1912. In proper progress toward a more efficient conduct of work experience must guide in order that there may be an orderly advance toward the development of the higher type of construction demanded by changing conditions of traffic. I believe it necessary to recast the whole scheme of road organization in order to secure for Rhode Island the best results for the future, and I make the following recommendations:

1. Make no more appropriations for construction work until the roads which have already been constructed have been properly repaired and put in condition for economical maintenance.

2. Maintain the roads which have been constructed in such a manner as to prevent deterioration.

3. Issue no more bonds, either for construction or maintenance.

4. Impose a direct tax of 1 mill for purpose of construction, reconstruction, and maintenance.

5. Amend the automobile law, raising the rates for automobile trucks, and specify that the funds derived be applied to road maintenance solely, except for such an amount as is necessary to pay the expenses of conducting the automobile division of the department.

6. Establish a State highway department with a single responsible head, to be appointed by a committee of three, consisting of the governor of the State, the chief justice of the Supreme Court of Rhode Island, and the professor of civil engineering in a reputable university of the State, and removable by the governor for malfeasance in office.

It does not seem necessary to make any statement in favor of recommendation No. 1. It is self-evident that what has been constructed should be properly maintained, and that if a road is in such condition that maintenance cost is excessive, it should be put in shape to be maintained economically In order to carry out this recommendation the legislature should not be asked to appropriate a sum of money without a detailed statement as to just how it is proposed to expend it. Detailed statements should be given for each road upon which it is proposed to do work. Specific appropriations for this work should be made by the general assembly. The method of doing the reconstruction work should be left to the head of the State highway department. In general he should pursue the following course: (a) Divide the roads now constructed into 5-mile sections; (b) make a thorough inspection of each section and prepare a list of those needing reconstruction and those in condition for efficient and economical maintenance; (c) arrange the list of those needing reconstruction in the order in which they should be reconstructed; (d) after proper examination of the sections prepare estimates in detail, showing quantities and amount of money needed to put each section in condition for efficient and economical maintenance; (e) prepare an estimate showing the amount of money needed for the maintenance of the balance; (f) if the total of the estimates obtained in (d) and (e) falls within the amount which may be made available, a copy of the estimates in detail should be transmitted to the general assembly, requesting appropriation; if the totals are excessive, first cut down the reconstruction work and increase the maintenance until the total of the estimates falls within the amount that may be made available and then forward as amended, leaving the balance of the reconstruction work until the following year; (g) as soon as the money is made available prepare specifications covering all the work to be done, advertise for a period covering at least 20 days in local papers, engineering papers, and magazines, let contracts, and proceed with the construction.

Recommendation No. 2 may be more easily carried out if No. 1 has been followed. In this case appropriation should be made by the general assembly for maintenance only, and the requests to it should show the amounts needed for the maintenance of each road as stated in No. 1. The system of maintenance should be left to the head of the State highway department. It is likely that he will establish a patrol system on roads difficult of maintenance, using one patrolman on each section of 5 miles, and a gang system on those roads which require little attention; in both cases he will insist upon continuous inspection. He should generally dispense with the use of light road oils and use instead a heavy grade of bitumen to be covered with good stone screenings

Recommendation No. 3: Bond issues, serial or otherwise, should not be made to raise money to pay for temporary work. The State issued bonds in 1906, and with the proceeds of the sale built certain roads. Some of those roads have just been reconstructed and others are badly in need of it; yet taxpayers must continue for over 20 years paying interest and sinking fund charges on this bond issue—must continue paying for something that has disappeared. The general assembly even authorized the use of money from the 1912 bond issue for reconstruction and maintenance.

Recommendation No. 4 follows No. 3 of necessity. The roads are being built for present use and should be paid for from current revenues. Future generations should not have saddled upon them the expense of constructing a road which they must reconstruct. The present tax rate in Rhode Island is very low and is on a 60 per cent rate of valuation. With the addition of 1 mill the rate will still be lower than in most of the other States. A little over $500,000 a year will thus be provided, which, together with the money obtained from the automobile tax, should be sufficient.

Recommendation No. 5: The automobile truck is as destructive, if not more so, than the lighter passenger machine and should be taxed in accordance. The amount needed for State road maintenance will always be in excess of the receipts under the automobile law, and these receipts should all be expended for such maintenance except as specified above. This is especially true, because the money thus employed is largely used to repair the damage done by automobiles.

Recommendation No. 6: This is the main recommendation. The law of 1902 created an organization with no responsible head. Responsibility can not be definitely fixed in a board with five heads. It will be found that in practically every case where an enterprise is semi-successfully carried on by a board or commission that one member dominates and the other members become either subordinates or useless. Where there is no dominant spirit there is no policy; there is vacillation, and progress, if attained, is accidental. Whatever progress has been made in the Rhode Island road work has been made in spite of the board's existence, not because of it. The surveys, plans, estimates, specifications, etc., are not sufficiently thorough and definite, because the directing body is unfamiliar with requirements or lack unanimity in arriving at directions to be given. In order that the road work and the automobile bureau may be efficient and economically progressive, they must be conducted by one man, who should be a civil engineer proficient in highway work. The United States Government in its treatment of the Panama Canal question was forced to one-man control after costly experiments in the other direction. Rhode Island is now paying $5,000 a year in salaries to the board, together with a considerable sum for traveling expenses. There is, in addition, a chief engineer, who receives a salary and expenses. The chief engineer and the responsible head should be one and the same person, and he should be paid the salary to which the position entitles him. The present bill limits the allowance for engineering and clerical assistance. Some of the results of this are the unbalanced books, uncompleted plans, and minor mistakes made in vouchers by conscientious but overworked office men. The law should give the departmental head the power to appoint all of his subordinates, subject to any civil-service regulations, and to fix their salaries, subject to the approval of the governor. He should be empowered to employ a firm of certified accountants to install a proper accounting system for both road work and automobile bureau work. A well-equipped laboratory, with a chemist in charge, should also be installed to make tests of all materials before they are used in a road.

After reorganizing legislation there should follow legislation enabling the head of the State highway department to make use of all the able-bodied male convicts in the State on the State highways. This legislation should be so framed as to prevent interference with the work by the prison authorities. The convicts should be used in stone quarries to prepare crushed stone and stone screenings for use on the roads. It will be found that this use of the convicts will not only enable the doing of work which would otherwise remain undone, but it will build up these derelicts physically, mentally, and morally so that when their terms of confinement are at an end they may be discharged in such a sound condition that they shall be fully able to take a useful place in our industrial organization. The State of Rhode Island with its small compact area is better able to make use of its convicts than most of the other States.

It will be noted that little has been said about future construction. All of the money necessary should go toward putting the roads already built into condition for maintenance and maintaining them. Whatever is left over should be appropriated for new construction and only so appropriated after the submission of estimates in detail showing just where and how the money is to be expended. The method of doing the construction work should be left to the head of the State highway department, but in general he should pursue the following course: A list should be prepared of the roads upon which construction work may be done, and the roads should appear upon this list in the order of their importance. Surveys should be made of these roads in the order in which they appear upon the list, and plans, specifications, and estimates prepared. This work should be done just sufficiently far ahead to prevent delay in submitting estimates to the general assembly for appropriations. The class of road to be built should be left to the judgment of the head of the department. He should decide this by the importance of the road as determined by the character and volume of traffic that it will be called upon to bear.

I wish to express my appreciation of the courtesy shown by the members of the State board and the employees who were all most kind in furnishing every opportunity for a complete examination.

Very respectfully,

T. WARREN ALLEN.
Senior Highway Engineer.

Additional information furnished in a letter to the governor of Rhode Island in response to his request of December 1, 1913:

DECEMBER 6, 1913.

Hon. ARAM J. POTHIER,
Governor of Rhode Island, Providence, R. I.

DEAR SIR: I have the honor to acknowledge receipt of your letter of December 1, relating to the recent report on the highways of Rhode Island made to you by this office.

The six questions you ask relating to the highways of Rhode Island have been fully considered and answered below as well as it is practicable to do so:

1. What sections of the State highway system in Rhode Island appear to be most satisfactorily constructed?

It is the opinion of the representatives of this office who have inspected the State highways of Rhode Island that the work principally done in 1910, as exemplified by the Jamestown-Narragansett Avenue Road, the East Greenwich Road, and the Cumberland-Lincoln Road, is distinctly superior in results to any other. These results are quite obvious to anyone making even a general inspection. The roads constructed during this year were by the mixing method, which consisted in mixing the stone with tar before it was placed on the road and then sealing the top, after rolling with an oil-asphalt coating. It was ascertained that during this year careful records were kept of the materials used and check analyses and tests made on the tar and oil-asphalt. The following year the laboratory conducting these tests was abolished.

2. How do the State highways of Rhode Island compare with those of other States in point of—

(a) Construction.
(b) Durability.
(c) Materials used.
(d) Cost of construction.
(e) Efficiency of maintenance.

It is impossible to answer this question fairly and intelligently without an investigation in each State with which comparison is made of practically the same nature as that made in Rhode Island, and even with that data such a comparison would be of little significance. The only fair criterion is an ideal condition for each road, in so far as it is possible to conceive of it. For instance:

(a) As regards the construction in Rhode Island, it might be inferior to that of Connecticut, but superior to that of Vermont, and still be far below the standard of the best.

(b) The durability of your best roads and of those of other States is still unknown; the durability of some of your roads was short lived, as some have been rebuilt and others are in need of it; the same statement applies to roads in many other States.

(c) The stone used, although unsatisfactory for water-bound macadam, is satisfactory for bituminous macadam; this may or may not be true in other States. The bituminous material used in the roads referred to in answer to question No. 1 would appear to be all right. I would not care to venture an opinion as to the bituminous material used in 1912, because there were no specifications, no adequate tests made, and the period of use has been too short to judge by it. It is impossible to make a comparison of bituminous material used with that used in other States on account of absence of analyses.

(d) The cost of construction, as stated in the former report, was greater than it should have been, and for the reasons stated, but these costs per mile may be less than the cost per mile of some Massachusetts roads or greater than some in New York. Such a comparison is unfair, however, because, as stated, conditions are dissimilar. Take the Putnam Pike, for example: This road cost more than it should, one reason being that the rock excavation was paid for both as rock and earth excavation. This road cost approximately $11,000 a mile, yet it might be found that a road in Massachusetts of the same length cost $14,000 a mile, perhaps because on the Massachusetts road there was a much larger quantity of grading or a more expensive type of construction.

(e) The system of maintenance which obtains in Rhode Island could be greatly improved, but this is equally true of every other State in the Union. It is the lack of maintenance throughout the United States which brings more of a burden upon our taxpayers than any other phase of our road problem.

3. Is Rhode Island using the most approved and up-to-date methods in adapting its State highways to the increasing traffic and the changed conditions in traffic as they now exist?

The type of construction employed in Rhode Island—that is, the mixing method, including a seal coat, and lately the penetration method—we consider thoroughly modern, but often the manner in which this method has been applied has not been of the best.

4. What construction materials do your engineers consider most durable, practical, and economical?

The materials which should be used in road building should depend upon the character and volume of traffic to which each individual road is subjected, with a reasonable allowance for an increase. The information which we have on hand indicates that the traffic on most of the roads of Rhode Island is and will be largely that of automobiles, with a considerable increase in automobile trucks and horse-drawn vehicles of the average type. For such roads we recommend a top course of broken stone of the best varieties, cemented with a good bituminous binder, flushed with a suitable asphaltic material, and finally covered with a layer of clean stone screenings, such roads to be laid on a foundation capable of sustaining the increased weights of motor trucks. Recommended specifications are attached for the bituminous-macadam wearing surface. Where the traffic is excessive it is economy to use more expensive types of construction similar to those of city streets.

5. What construction materials does your office recommend for trunk roads as best suited to withstand the heavy through traffic?

The answer to this question is the same as that to question No. 4. This office tests the qualities of road materials free of charge for any State.

6. What should be the cost approximately per mile of constructing such a trunk road?

It is impossible to estimate the cost of constructing any road, even approximately, until a survey, plans, and specifications have been made and quantities computed. It is not infrequent for the cost of grading alone to exceed the cost of all other items of construction. The average length of haul for the materials of construction is frequently a serious item of expense.

We would add that until the reorganization recommended is effected there should be little trouble in following recommendations Nos. 1, 2, and 3 of the report. We believe it will be a serious mistake in proceeding with any of the construction until the roads have been put in proper condition for economic maintenance, and as this work should be paid for by direct appropriation, there should be no delay in its prosecution. If in our report you read "road board" where the "chief" of the recommended organization is referred to, there will be little difficulty in following out the recommendations before new legislation becomes effective.

I have the honor to be, sir, your very obedient servant,

L. W. PAGE, *Director.*

JANUARY 28, 1914.

Hon. ARAM J. POTHIER,
Governor of Rhode Island, Providence, R. I.

DEAR SIR: I am in receipt of a "statement" addressed to you by the Rhode Island State Board of Public Roads January 6, 1914, which constitutes a reply to its critics on the part of the board. I have reviewed this statement with considerable interest, and since a large part of it is written with an evident purpose of discrediting our report forwarded to you November 26, 1913, I deem it advisable to offer an explanation of some of the questions raised. I therefore offer the following reply to some of the paragraphs under "Discussion of Federal Report," beginning on page 13 of the statement.

WHERE IS INFORMATION COMPILED BY MESSRS. VOSHELL AND REEVE?

My letter of November 26, transmitting the report of Mr. T. Warren Allen specifically stated that this report included information obtained from the investigations made within the State of Rhode Island by Mr. J. T. Voshell, senior highway engineer, and Mr. C. S. Reeve, chemist. For some reason this statement does not appear to have been given publicity. The report of Messrs. Voshell and Reeve was not furnished you originally, as it only covered the subjects of construction and maintenance, and your request for an investigation by this office included also an investigation of administration. In consequence Mr. Allen was assigned to review the investigation made by Messrs. Voshell and Reeve, and also to investigate the administration by the State board in order that a complete report might be prepared. My letter of November 26 also stated why it was impracticable to employ one man continuously on the investigation. In view of the fact that the State board tends to raise the question that information has been withheld, I take pleasure in handing you herewith a complete copy of the original report of Messrs. Voshell and Reeve, which I think you will find to be entirely consistent with the report of Mr. Allen and that he simply provided additional information as a result of his investigation.

METHODS OF CONSTRUCTION IN 1910 ARE STILL IN USE.

In a general way this is true; in a specific sense the reply of the board is decidedly misleading. The 1910 work, which was complimented by the representatives from the Office of Public Roads, consists of a wearing surface of crushed stone and tar prepared by the mixing method, which after being thoroughly compacted was finished by the application of a seal coat of heavy oil asphalt, and screenings. In the 1912 work the very essential seal coat was omitted. That the seal coat is essential was very evident, as without it the roads began to ravel and were rapidly disintegrating. It seems that the board recognized this fact, and early in 1913 applied a cut-back, oil-asphalt seal coat to about 42 per cent of the 1912 construction, and members of the board expressed themselves as intending to later apply a seal coat to the balance of the 1912 construction. It is therefore evident that the board omitted one of the vital factors of the 1910 construction and did not revert to it until forced to do so in an effort to save their 1912 work.

FALSE STATEMENT REGARDING TESTS IN 1912.

On page 9 of Mr. Allen's report is the following sentence, to which the board presumably refers:

"About 930,000 gallons of tar were purchased without proper specifications, received, and used without previous test by the board."

This statement is true. That we had information regarding the fact that tests were made is shown by reference to page 17 of the report of Messrs. Voshell and Reeve, from which I quote the following:

"Reports of 15 tests of this material were found in the office of the State board—8 of which were reports of analyses made by the manufacturer furnishing the material; 3 by Calder and Strickland, of Providence, R. I.; 3 by Lawrence Experiment Station; and 1 by the Office of Public Roads."

Our information, however, did not go to show that any of the tests made by the board were made previous to the acceptance and use of the material, but rather on account of the fact that the material being used was varying in character and that some member or members of the board deemed it advisable to have a few tests made. The attitude of the board with regard to testing materials is indicated by our correspondence with their assistant engineer, Harold E. Miller, in 1912. On February 23 he wrote requesting information relative to the procedure to secure the services of this office for making tests of bituminous materials, and was advised under date of February 26 that while it was not our purpose to undertake all general routine testing for public-service bodies, we are at all times glad to make a reasonable number of tests from time to time. Blanks and instructions for shipping samples of bituminous materials were sent him. Only one sample of the material contracted for during that year was ever submitted in acceptance of the above offer. While tests of the various shipments used would have proven valuable as matters of record, it is questionable whether a material could have been rejected on the basis of tests, since the "contract for the same did not call for a definite specification." The above quotation is from a letter from Assistant Engineer Miller, under date of July 25, 1912.

QUALITY OF STONE NOT DETERMINED BY CONTRACTOR.

A reference to page 15 of the report of Messrs. Voshell and Reeve probably makes this criticism clearer and more accurate. The omission of any statement as to the kind of stone proposed for use by the contractor would permit of gross irregularities in that he could base his price, for instance, on Connecticut trap rock, and afterwards substitute, by verbal assent, a cheaper local stone.

LABORATORY FOR TESTING MATERIALS.

While a testing laboratory may not be a sure guaranty against difficulty in securing first-class materials, it is a guaranty against the use of inferior materials. I think that the quotation from the 1912 annual report of the Massachusetts Highway Commission supports this contention.

UNFOUNDED CLAIM REGARDING ADVERTISEMENTS.

In regard to the above, I can only state that after a careful search of the Engineering News of April 4, 1912, and the Engineering Record of March 30, cited by the board as the dates which they advertised in these two journals, no such advertisements can be found. The only mention is in the contract news of the papers. We did make an oversight in stating that the board had advertised in the Good Roads Magazine, as we find that the only mention in that journal is in the contract news. The only statement regarding this advertisement made by Mr. Allen has not been answered:

"The advertisement for proposals was not sufficiently wide or of sufficient duration. The advertisement calling for bids states that the

plans and specifications would be on exhibition from April 3 to April 10, 1912, from 10 a. m. to 3 p. m., except on Saturday and on Sunday. * * * This advertisement was for 25 roads; some for construction and some for reconstruction. Five days between the hours of 10 a. m. and 3 p. m. is not sufficient time for a contractor to go over the plans of 25 projects, and a much greater time is insufficient if it is impossible, as was the case, for the contractor to get copies of the plans to take with him when he goes over the proposed location."

On page 16 the board discusses in a rather sarcastic manner the "criticism of insignificant errors," but they fail to discuss the much larger error, that of paying twice for rock excavation—once as rock excavation and once as earth excavation. They fail to discuss the purchase of a large quantity of tar on the simple specification that it should be similar to a material previously furnished, when no records were available to show what the character of the previously furnished material had been. They also fail to explain the peculiar situation resulting from their employment as State engineer a former contractor who is not an engineer, some members of whose family were awarded contracts by the board. They also fail to explain why, when continually requesting additional funds for maintenance and complaining that the roads were not properly maintained because of lack of sufficient funds, they did not use all the automobile registration and license fees which were legally designated for that purpose. I feel that these questions are of far greater importance than those which are discussed in the "statement," which has caused this communication to be sent you. In criticizing my letter of December 6 to you, the board comments upon my replies as being evasive, and their failure to detect in the replies any specific criticism regarding their methods of construction and maintenance. In this connection I respectfully call your attention to my replies to your questions No. 1, No. 3, No. 4, and No. 5, and contend that my answers thereto are in no sense evasive. Questions No. 2 and No. 6 are of such character as to not permit of definite and specific replies, as noted in the beginning of my answer to each of these questions. As to the inability of the board to detect any specific criticism in my replies, I may say that there was no intention of offering criticisms, since I did not understand your questions to invite them. Such criticism had been fully accomplished in the report previously sent you.

I trust that the above discussion will serve to place the results of our investigation before you in a better light, and that it may be given such publicity as it deserves, for the purpose of removing any discredit which may attach to our work as the result of the statement of the board.

Very respectfully,

——— ———,
Director.

(Inclosure: Report V. & R.)

Rural Post Roads.

EXTENSION OF REMARKS
OF
HON. AUGUSTINE LONERGAN,
OF CONNECTICUT,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 10, 1914,

On the bill (H. R. 11686) to provide that the United States shall, in certain cases, aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads.

Mr. LONERGAN. Mr. Speaker, the Democratic platform of 1912 denounced the profligate waste of money taken from the people through lavish appropriations of recent Republican Congresses. I am opposed to the appropriation called for in the bill under consideration. In my opinion the already established appropriations impose enough responsibility upon the country, and the added burden which will result from this entering into new fields in road construction is unnecessary and inadvisable. I believe that I voice the sentiments of my constituents in opposing this bill; therefore I shall register my vote against it.

The action of Congress in regard to the Alaskan railroad project can not be urged as a precedent justifying the expenditure called for in this measure. There is no parallel in the cases, because in the Alaskan case a bond issue of $35,000,000 is authorized by the act, and no appropriation is required. The Alaskan bill provides for a redemption fund into which shall be paid 50 per cent of all money derived from the sale of public lands, and into which shall go the net earnings of the railroads above maintenance charges and operating expenses.

In this age the building of highways is a matter for State control and direction. Believing that it was a State's business and duty to improve its own roads, many of our States have spent millions during years past on their systems of highways, while other States have not been nearly so interested and active in road building. Under this bill, how do those States fare which have their roads already established? Are those States rewarded for their progressiveness? Why not provide for the maintenance of roads already built?

CONNECTICUT'S ROAD POLICY.

For instance, take the State of Connecticut, which I have the honor in part to represent. That State has been following a definite policy in highway improvements for years. The last session of the Connecticut General Assembly appropriated $1,500,000 for road construction and repairs. The appropriation was apportioned as follows:

Five hundred thousand dollars per year for the improvement of State aid roads, by which is meant those highways for the improvement of which the towns contribute a portion of the expense. This contribution is based on the grand list of the individual towns. Towns having a grand list of $1,250,000 or less pay one-eighth of the cost of improvement, while towns having a grand list over $1,250,000 pay one-quarter of said cost. The law provides that not more than $20,000 shall be allotted to any one town for a period of two years, but the law does permit the expenditure of the two years' appropriation in one year. The maximum amount allotted to any town under the appropriation of 1913–14 was $10,000, although the greater number of towns received only $8,000. The reason for this is that while there was $1,000,000 to allot, the requests from the towns aggregated nearly $2,800,000, so it became necessary to scale the allotment to come within the amount available.

In addition to the State aid fund there is an appropriation of $1,000,000 a year—$2,000,000 for the two years ending September 30, 1915—for the construction and maintenance of trunk-line highways. This trunk-line fund has been divided so that $1,000,000 has been set apart for the construction of trunk-line highways and $1,000,000 for the maintenance of trunk-line highways already built and those which are to be constructed during the term ending September 30, 1915.

Figures are given herewith to make clear just what Connecticut has appropriated on its roads during the past 19 years:

APPROPRIATIONS.

Table I shows the annual appropriations made by the Connecticut highway commission for State-aid roads for a number of years. In addition to this, the sum of $5,500,000 has been allotted during the same period for the improvement and maintenance of the trunk-line highways. Of this $3,000,000 ($1,000,000 in the State fund and $2,000,000 in the trunk-line fund) represent the appropriations available October 1, 1913.

TABLE I.—*Annual appropriations.*

1895–96	$450,000
1897–98	400,000
1899–1900	350,000
1901–2	450,000
1903–4	450,000
1905–6	459,000
1907–8	1,000,000
1909–10	1,000,000
1911–12	1,000,000
1913–14	1,000,000
Total	6,559,000

Table II shows the maximum amount allotted to each town during the above term of years.

TABLE II.—*Maximum amount allotted.*

1895	$2,940
1896	2,850
1897	3,000
1898	3,000
1899–1900	4,500
1901–2	5,200
1903–4	5,670
1905–6	5,250
1907–8	7,872
1909–10	10,000
1911–12	9,000
1913–14	8,000

A comprehensive idea of the Connecticut method is given in the following extracts from a paper read by Connecticut State Highway Commissioner Charles J. Bennett before the Connecticut Society of Civil Engineers, in Hartford, February 11, 1914:

A STATE DEPARTMENT.

It seems necessary first to emphasize the fact that this department is a State department acting for the benefit of the whole rather than for any particular part, and as a State department should act independently from any county, city, or town government. The general idea of the public in regard to this department has been that the highway commission has existed for the purpose of developing roads in different towns with the view rather to the benefit of the town system of highways than of the State system. The above idea is natural and follows closely the system of small-town government which obtains in this State, but it seems to the writer that there is a broader conception of the subject which should develop and establish itself, beginning at once. This conception should be the idea of a State highway system which should benefit first the State as a whole and through this benefit the individual component parts thereof.

A GENERAL SYSTEM.

With this idea in view, therefore, the highway department of Connecticut has been developed to establish a general system of highway construction for the State; to maintain these highways after construction and gradually to bring conditions to such a point that the system will be connected link by link, so that the roads will serve all parts of the State with the greatest benefit to the greatest number of people. Speaking plainly, this is a very difficult proposition, to be approached with great care and considerable study. In order to reach the desired end there must be an organization formed which shall be complete and self-operative, and the mind of the executive must be comparatively free to cope with the larger phases of the problem and to secure the very best solution.

PURPOSES OF APPROPRIATIONS.

The road appropriations made by the State are for two purposes: First, for trunk-line roads, and, second, for State-aid roads. The oper-

ation of the trunk-line law requires that all trunk highways which are designated definitely by the legislature shall be constructed by the State alone—that is, the towns do not contribute toward the expense of construction, nor do they have any voice in the type of roads or location thereof. These roads are a portion of a highway system to connect the different parts of the State one with the other, and to connect also with the trunk highways of other States. The endeavor must be to connect these trunk highways so as to secure as many continuous highways as is possible.

OPERATION OF STATE LAW.

The State-aid roads are to be built by the State with the aid of the town; that is, the State pays three-quarters of the cost in case the town has a grand list of over $1,250,000 and seven-eighths of the cost where the town has a grand list of less than $1,250,000. The operation of the State-aid law is difficult, for each town, no matter how small a portion of the money it may be required to contribute, feels that it should have the entire voice in the location of the road to be built and in the expenditure of the money, etc. This spirit, however, is not so strong in the State of Connecticut that it works to material disadvantage, for it is possible, with some few exceptions, to convince the towns that the ultimate benefit to the State requires the expenditure of money on certain roads which do not entirely meet with the town's approval.

DIVISION OF DEPARTMENT.

The department itself is divided in three parts: Division of construction, division of repairs, and division of accounts and records. Each one of these parts is directly under the supervision of an official who has complete charge of all the work in that branch and who reports directly to the highway commissioner. It must not be considered, however, that these departments are independent, for they touch at many points and overlap frequently. Therefore there must be a complete understanding between the three departments; that is, each must know what the other is doing, and each must be in complete accord personally with the other

WEEKLY REPORTS.

The division engineers or inspectors themselves make weekly reports to the office of the progress of the work in their charge. The progress is shown graphically on a chart upon which is plotted a curve showing the theoretical progress of the work. The actual weekly progress of the work is plotted on this curve, and it is easy for the deputy commissioner to see how the progress of any contract compares with the time set for the completion thereof. The department has also arranged to collect a penalty for the noncompletion of work within certain specified time, and has given the contractor an allowance for the number of days bid for the completion of the work. Thus the man who bids the shortest time gets a material advantage.

CONSTRUCTION DEPARTMENT.

The construction department is organized entirely along engineering lines, and with the reports of progress and monthly unit estimates it is possible to keep track of the expenditures of money and to turn over to the accounting department such information as will enable them to keep close watch of the department's expenditures.

MOST IMPORTANT FEATURE.

Second, the section of repairs. It is considered that this is the most important feature of the highway department's work. There is a large amount of money invested in highways in the State of Connecticut, and full benefit must be secured from this investment by repairs to the roads made continuously until the condition of the road is such that it will be economical to entirely rebuild rather than keep in repair. The above actually exemplifies the policy in connection with the repairs of highways. The repair department is organized in the same manner as the construction department, with an engineer at the head, who has charge of the repairs of all highways, both trunk line and State aid.

HOW STATE IS DIVIDED.

The State itself is divided into eight divisions, not politically but along lines which make it possible for the division engineer to reach each part of his division easily from headquarters. The division engineers make surveys and plans for roads to be constructed; have supervision of contract work and have charge of the inspectors, who are kept on the work during construction. They also make out monthly estimates of the cost of the work done, which are submitted to the office and checked by the office before final payment.

WORK OF ENGINEERS.

The work of the division engineers has been broadened considerably during the past year, and their authority increased. In the first place, there has been practically no survey work done by outside engineers. The department's own forces have carried on this work, and to good advantage. When surveys were made by private engineers, either by contract or by the day, there was a large amount of slipshod and poor work, plans which gave insufficient information for advertisement and which were incorrect in many instances. When the man who makes the survey has to carry out the work he will be more careful with his work and will give information enough so that his estimates can be easily and correctly made.

ON THE UNIT SYSTEM.

All the work of the State on highways has been put upon the unit system; that is, instead of securing prices per foot for the construction of roads, the work is now done by the unit—that is, cubic yard, square yard, ton, etc. The installation of this unit system has made it easier for the contractor to figure the work, and although increasing the overhead charge for engineering has materially decreased the cost of the work. The installation of the unit system also has made it possible for the engineer to modify lines or grades and to extend the work slightly without making supplementary agreements changing the original specifications.

A system of inspection is gradually being built up whereby a corps of inspectors is continuously employed, making it possible to get experienced men and to keep them interested in the work and to secure the best results. The value of experienced inspectors on construction work is evident, and in order to secure experienced men the work must be continuous and sure.

CHARTS OF EXPENDITURES.

In addition to the system of bookkeeping there are graphic charts of expenditures kept. On these the total appropriation is platted with a theoretical curve of expenditures in which the ordinates are expenditures in dollars and the abscissæ are time elapsed. At the end of each month the actual expenditure of money is platted graphically on this chart and a visible comparison reached immediately, so that we can see at a glance just how our rate of progress compares with the theoretical progress that we have planned. The endeavor in working this accounting department is to secure a system whereby it is practically impossible for the department to overexpend on any appropriation.

SPENDING OF APPROPRIATIONS.

In the spending of the two appropriations we have devised certain graphical means of showing how much the appropriations are in each town and how much work is being carried on, whether trunk line or State aid. Two maps have been prepared, one of which shows at a glance the amount of appropriation available in different towns for State-aid roads and the other shows the distribution of work over the State, whether trunk line or State aid, the number of active contracts, the number of inactive contracts, and the number of proposed surveys. This map also shows graphically the date of last inspection by the commissioner or the deputy commissioner of any particular piece of work. These maps are valuable for the general supervision of the department, giving an immediate idea of conditions which exist at any particular time.

UNDER CIVIL SERVICE.

The above in general has outlined the organization of the highway department. There are some general features in connection with our work which need comment. In the first place, the department has recently been put under civil service. The operation of any civil-service law is difficult, providing the civil service commission has the voice in the employment of certain men who have passed examinations. There is nothing difficult, however, in the operation of the civil-service law if the authority in charge of the department is given the right of removal for cause. The best means of getting good work from a man is his knowledge that the right of removal lies with his superior officer, and this is the only clause in the civil-service law which should be made plain. The operation of this law in this department will make it possible for the employees to hold their positions through changes in political administrations, which is wise and will give good results.

The Treaty with the Qui-nai-elt Indians—How Fare the Fish-Eaters?

EXTENSION OF REMARKS

OF

HON. ALBERT JOHNSON,

OF WASHINGTON,

Tuesday, February 17, 1914,

On the bill (H. R. 12579) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1915.

Mr. JOHNSON of Washington. Mr. Speaker, in connection with the consideration of House bill 12579, the Indian appropriation bill, I desire to present a copy of the treaty between the United States and the Quinaielt and Quillehute Indians; concluded on the Quinaielt River, in the Territory of Washington, July 1, 1855, and at the city of Olympia, January 25, 1856; ratified by the Senate March 8, 1859; proclaimed by the President of the United States April 11, 1859:

JAMES BUCHANAN, PRESIDENT OF THE UNITED STATES OF AMERICA.

To all and singular to whom these presents shall come, greeting:

Whereas a treaty was made and concluded on the Quinaielt River, in the Territory of Washington, on the 1st day of July, 1855, and at the city of Olympia, also in said Territory on the 25th day of January, 1856, between Isaac I. Stevens, governor and superintendent of Indian affairs in the Territory aforesaid, on the part of the United States, and the hereinafter named chiefs, headmen, and delegates of the different tribes and bands of the Qui-nai-elt and Quil-leh-ute Indians, on the part of said tribes and bands, and duly authorized thereto by them, which treaty is in the words and figures following, to wit:

Articles of agreement and convention made and concluded by and between Isaac I. Stevens, governor and superintendent of Indian affairs, of the Territory of Washington, on the part of the United States, and the undersigned chiefs, headmen, and delegates of the different tribes and bands of the Qui-nai-elt and Quil-leh-ute Indians, on the part of said tribes and bands, and duly authorized thereto by them.

ARTICLE 1. The said tribes and bands hereby cede, relinquish, and convey to the United States all their right, title, and interest in and to the lands and country occupied by them, bounded and described as follows: Commencing at a point on the Pacific coast, which is the southwest corner of the lands lately ceded by the Makah Tribe of Indians to the United States, and running easterly with and along the southern boundary of the said Makah Tribe to the middle of the coast range of mountains; thence southerly with said range of mountains to their intersection with the dividing ridge between the Chehalis and Quinaielt Rivers; thence westerly with said ridge to the Pacific coast; thence northerly along said coast to the place of beginning.

ART. 2. There shall, however, be reserved for the use and occupation of the tribes and bands aforesaid a tract or tracts of land sufficient for their wants within the Territory of Washington, to be selected by the President of the United States, and hereafter surveyed or located and set apart for their exclusive use, and no white man shall be permitted to reside thereon without permission of the tribe and of the superintendent of Indian affairs or Indian agent. And the said tribes and bands agree to remove to and settle upon the same within one year after the ratification of this treaty or sooner if the means are furnished them. In the meantime it shall be lawful for them to reside upon any lands not in the actual claim and occupation of citizens of the United States, and upon any lands claimed or occupied if with the permission of the owner or claimant. If necessary for the public convenience, roads may be run through said reservation on compensation being made for any damage sustained thereby.

ART. 3. The right of taking fish at all usual and accustomed grounds and stations is secured to said Indians in common with all citizens of the Territory, and of erecting temporary houses for the purpose of

curing the same; together with the privilege of hunting, gathering roots and berries, and pasturing their horses on all open and unclaimed lands: *Provided, however*, That they shall not take shellfish from any beds staked or cultivated by citizens: *And provided also*, That they shall alter all stallions not intended for breeding and shall keep up and confine the stallions themselves.

ART. 4. In consideration of the above cession, the United States agree to pay to the said tribes and bands the sum of $25,000, in the following manner—that is to say: For the first year after the ratification hereof, $2,500; for the next two years, $2,000 each year; for the next three years, $1,600 each year; for the next four years, $1,300 each year; for the next five years, $1,000 each year; and for the next five years, $700 each year. All of which sums of money shall be applied to the use and benefit of the said Indians under the directions of the President of the United States, who may from time to time determine, at his discretion, upon what beneficial objects to expend the same; and the superintendent of Indian affairs, or other proper officer, shall each year inform the President of the wishes of said Indians in respect thereto.

ART. 5. To enable the said Indians to remove to and settle upon such reservation as may be selected for them by the President, and to clear, fence, and break up a sufficient quantity of land for cultivation, the United States further agree to pay the sum of $2,500, to be laid out and expended under the direction of the President, and in such manner as he shall approve.

ART. 6. The President may hereafter, when in his opinion the interests of the Territory shall require, and the welfare of the said Indians be promoted by it, remove them from said reservation or reservations to such other suitable place or places within said Territory as he may deem fit, on remunerating them for their improvements and the expenses of their removal, or may consolidate them with other friendly tribes or bands, in which latter case the annuities, payable to the consolidated tribes, respectively, shall also be consolidated; and he may further, at his discretion, cause the whole or any portion of the lands to be reserved, or of such other land as may be selected in lieu thereof, to be surveyed into lots, and assign the same to such individuals and families as are willing to avail themselves of the privilege and will locate on the same as a permanent home, on the same terms and subject to the same regulations as are provided in the sixth article of the treaty with the Omahas, so far as the same may be applicable. Any substantial improvements heretofore made by any Indians, and which they shall be compelled to abandon in consequence of this treaty, shall be valued under the direction of the President, and payment made accordingly therefor.

ART. 7. The annuities of the aforesaid tribes and bands shall not be taken to pay the debts of individuals.

ART. 8. The said tribes and bands acknowledge their dependence on the Government of the United States, and promise to be friendly with all citizens thereof, and pledge themselves to commit no depredations on the property of such citizens; and should any one or more of them violate this pledge, and the fact be satisfactorily proven before the agent, the property taken shall be returned, or in default thereof or if injured or destroyed, compensation may be made by the Government out of their annuities. Nor will they make war on any other tribe except in self-defense, but will submit all matters of difference between them and other Indians to the Government of the United States, or its agent, for decision, and abide thereby; and if any of the said Indians commit any depredations on any other Indians within the Territory, the same rule shall prevail as is prescribed in this article in cases of depredations against citizens. And the said tribes and bands agree not to shelter or conceal offenders against the laws of the United States, but to deliver them to the authorities for trial.

ART. 9. The above tribes and bands are desirous to exclude from their reservations the use of ardent spirits, and to prevent their people from drinking the same, and therefore it is provided that any Indian belonging to said tribes who is guilty of bringing liquor into said reservations or who drinks liquor may have his or her proportion of the annuities withheld from him or her for such time as the President may determine.

ART. 10. The United States further agree to establish at the general agency for the district of Puget Sound, within one year from the ratification hereof, and to support for a period of 20 years, an agricultural and industrial school, to be free to the children of the said tribes and bands in common with those of the other tribes of said district, and to provide the said school with a suitable instructor or instructors, and also to provide a smithy and carpenter's shop, and furnish them with the necessary tools, and to employ a blacksmith, carpenter, and farmer for the term of 20 years to instruct the Indians in their respective occupations. And the United States further agree to employ a physician to reside at the said central agency, who shall furnish medicine and advice to their sick, and shall vaccinate them; the expenses of the said school, shops, employees, and medical attendance to be defrayed by the United States, and not deducted from their annuities.

ART. 11. The said tribes and bands agree to free all slaves now held by them and not to purchase or acquire others hereafter.

ART. 12. The said tribes and bands finally agree not to trade at Vancouver Island or elsewhere out of the dominions of the United States, nor shall foreign Indians be permitted to reside on their reservations without consent of the superintendent or agent.

ART. 13. This treaty shall be obligatory on the contracting parties as soon as the same shall be ratified by the President and Senate of the United States.

In testimony whereof, the said Isaac I Stevens, governor and superintendent of Indian affairs, and the undersigned chiefs, headmen, and delegates of the aforesaid tribes and bands of Indians have hereunto set their hands and seals, at Olympia, January 25, 1856, and on the Quinaielt River, July 1, 1855.

ISAAC I. STEVENS.
Governor and Superintendent of Indian Affairs.

DESIGNATED FOR ALL FISH-EATING INDIANS.

EXECUTIVE MANSION, *November 4, 1873.*

In accordance with the provisions of the treaty with the Quinaielt and Quillehute Indians, concluded July 1, 1855, and January 25, 1856 (Stats. L., vol. 12, p. 971), and to provide for other Indians in that locality, it is hereby ordered that the following tract of country in Washington Territory (which tract includes the reserve selected by W. W. Miller, superintendent of Indian affairs for Washington Territory, and surveyed by A. C. Smith under contract of Sept. 16, 1861) be withdrawn from sale and set apart for the use of the Quinaielt, Quillehute, Hoh, Quit, and other tribes of fish-eating Indians on the Pacific coast, viz: Commencing on the Pacific coast at the southwest corner of the present reservation, as established by Mr. Smith in his survey under contract with Superintendent Miller, dated September 16, 1861; thence due east, and with the line of said survey, 5 miles to the southeast corner of said reserve thus established; thence in a direct line to the most southerly end of Quinaielt Lake; thence northerly around the east shore of said lake to the northwest point thereof; thence in a direct line to a point a half mile north of the Queetshee River and 3 miles above its mouth; thence with the course of said river to a point on the Pacific coast, at low-water mark, a half mile above the mouth of said river; thence southerly, at low-water mark, along the Pacific to the place of beginning.

U. S. GRANT.

TREATY NOT KEPT.

Mr. Speaker, the terms of this treaty have not been kept by the United States Government. I desire to present a letter from the Clallam Tribe of Indians:

PORT GAMBLE, WASH., *January 5, 1914.*

Hon. ALBERT JOHNSON, M. C.,
Washington, D. C.

DEAR SIR: We, the Clallam Indians of the State of Washington, beg to call your attention to the fact that we sent, a year ago at this time, Messrs. Andrew P. Peterson and Charles Fitzgerald as delegates from the Clallam Tribe. We have a claim against the United States Government in that they failed to fulfill their part of the treaty of Point No Point, that of January 26, 1855 (12 Stat. L., 933).

On January 6, 1913, dated at Washington, D. C., our delegates presented a petition to the honorable the Secretary of the Interior. They were promised an answer in a week or 10 days. They were, however, compelled to leave the National Capital before this was given them. Early in March, 1913, the present honorable the Secretary of the Interior, according to the Seattle papers, decided to allot all (fish-eating) Indians of the Pacific Northwest that are unallotted at the present time on the Quinaielt Reservation. We beg you to use your good office with the Secretary of the Interior. We ask for a commission to be appointed to look into our claims and to prove to us conclusively that the United States Government has fulfilled their part in the treaty with the Clallams. We have witnesses living at present that were present at the time of treaty.

Hoping that what we humbly ask of you will receive your due consideration, we beg to remain,

Respectfully, yours,

THE CLALLAM TRIBE,
Per PETER E. JACKSON,
Port Gamble, Wash.

CUSHMAN INDIAN SCHOOL,
Tacoma, Wash., March 29, 1913.

Mr. PETER JACKSON,
Port Gamble, Wash.

SIR: I have your letter of the 24th instant, making inquiry as to the allotment of Clallam Indians. The Secretary of the Interior, under date of March 5, 1913, rendered a decision that the Clallam and other "fish-eating" Indians of western Washington were entitled to allotment on the Quinaielt Reservation. I have not as yet received instructions as to how to proceed with the enrollment of these Indians. When I receive proper instructions I will communicate with you again.

Very respectfully,

H. H. JOHNSON,
Superintendent and Special Disbursing Agent.

In reply to this and other requests the following statement was prepared early this year in the office of the Commissioner of Indian Affairs:

JANUARY 19, 1914.

Mr. PETER E. JACKSON,
Port Gamble, Wash.

MY FRIEND: I am in receipt, by departmental reference, of your letter of December 28, 1913, with which you transmitted a copy of a letter from Charles Fitzgerald and Andrew P. Peterson, addressed to the Secretary, regarding allotments to the Claliam Indians on the Quinaielt Reservation.

Prior to the early part of 1913 the office advised members of the Clallam, Cowlitz, and other "fish-eating tribes of the Pacific coast" that in order to obtain allotments on the Quinaielt Reservation it would be necessary for them to become affiliated by enrollment with the Indians of that reservation. On a further examination of the treaties with the respective tribes in the State of Washington and the provisions of the Executive order by which the Quinaielt Reservation was created the office was led to conclude that those members of the Clallam, Cowlitz, Squaxin Island, and Port Gamble Bands and other "fish-eating Indians of the Pacific coast" who had not been provided with land elsewhere were entitled to allotment on the Quinaielt Reservation without the necessity of showing affiliation with the Quinaielt Tribe proper or enrollment therewith by adoption or otherwise. That is, membership in one of the "fish-eating bands of the Pacific coast," coupled with the fact that the applicant was unallotted, would entitle him to an allotment on the Quinaielt reserve, as that reservation was specifically created by Executive order to provide for such Indians, in addition to the Hohs, Ozettes, Quillahutes, and Quinaielts. Accordingly the matter was presented to the department, and on March 5, 1913, the recommendations of the office were approved.

With this in view it will not be necessary for unallotted members of the Clallam Band to procure adoption by the Quinaielt Indians as members of that tribe in order to obtain allotments on that reservation, but it will be necessary for the unallotted members of the Clallam Band to produce satisfactory evidence showing their right to membership in the Clallam Band and that they have not heretofore received an allotment as such. Mr. Charles Fitzgerald, of the Clallam Tribe, was advised to this effect by office letter of September 11, 1913.

With reference to your request for the appointment of a commission to look into your claims attention is invited to office letter of August 5, 1913, wherein it was pointed out that the provisions of the treaty of Point No Point (Jan. 26, 1855, 12 Stat. L., 933) with the Clallam and other tribes of the Pacific coast have been carried out by the Government, and that there seems to be no additional moneys arising therefrom due these Indians. While all of the Indians, members of the tribes parties to this treaty, have not yet been allotted, it is believed that sufficient land for allotment purposes can be found on the Quinaielt Reservation and the unallotted members of these bands of "fish-eating Indians" will receive lands there, it is hoped, when the valuable timber

within that reservation has been marketed and the remaining tribal lands thereby made available for allotment purposes.

The copy of the communication inclosed with your letter from Messrs. Peterson and Fitzgerald, as delegates of the Clallam Tribe, indicates that these Indians are willing to forego the demand for a cash settlement of their claims against the Government, which, as above stated, are without foundation if the department will authorize allotments to the Clallam Tribe, on the Quinaielt Reservation, giving them patents in fee and including in such allotments all timber growing thereon.

When Mr. Charles Fitzgerald and Mr. Andrew P. Peterson were in this city during the early part of 1913 they suggested this matter to the office and were advised orally that there was no authority under existing law which would enable the department to allot and simultaneously issue patents in fee simple for lands within the Quinaielt Reservation; that if made, the allotments would be subject to the provisions of the general allotment act, which provides for the holding of the lands allotted in trust for a period of 25 years from the date of the original patent for the benefit of the allottee, or, in case of his decease, for the benefit of his heirs, determined according to the laws of the State of Washington. It was pointed out, however, that other legislation authorized the issuance of patents in fee to Indians found competent, but that existing laws do not permit of the issuance of trust patents to Indian allottees, to be followed immediately thereafter by the issuance of patents in fee, without satisfactory competency to receive the same being shown.

As delegates of the tribes, these two Indians were further advised that under the general allotment act we are confined to a given number of acres of agricultural or grazing lands, and that such law did not contemplate the allotment of lands chiefly valuable for timber purposes; that timber valuable for commercial purposes was regarded as a tribal asset, to be administered for the benefit of the tribe at large rather than given to individual Indians by an allotment of land in severalty. It was stated, further, that the office hoped to market this timber at a satisfactory price, and, when the timber had been removed, to allot the lands to Indians then found entitled, according to their character and value for agricultural and grazing purposes.

Inadequate transportation facilities within and adjacent to the Quinaielt Reservation renders it difficult to find a ready and satisfactory market for the valuable timber there, and until these conditions are improved, or until the price of lumber per thousand feet increases materially, it is doubtful whether it would be wise to dispose of this timber in the immediate future. If by holding on for two or three years longer the price per thousand feet can be doubled, it will augment greatly the income of the Indians from this tribal asset.

Allotments have heretofore been made to some 690 Indians within the Quinaielt Reservation, covering, in the aggregate, some 54,989 acres. A special allotting agent was on this reservation with a view of continuing the work there, but owing to the number of Indians entitled, and the fact that practically all the agricultural and grazing lands had theretofore been allotted, it became necessary to suspend field operations until the timber on the tribal lands can be disposed of.

The office desires to assure you, however, that it has the interests of the Indians of this reservation constantly before it, and from a careful perusal of this letter, in conjunction with the correspondence heretofore had with you, it will be seen that we desire to cooperate with you fully, in order to protect your rights.

For his information a copy of this letter has been furnished Special Agent McChesney, now in charge of the Cushman School.

Your friend,

E. B. MERITT,
Assistant Commissioner.

Now, note the situation. The outside Indians want land, as provided in the treaty. That part of the land in the Quinaielt known to be agricultural has been allotted. Further allotting has been stopped. The office will not sell the timber until it is worth double its present price. The Indians do not want the denuded land. The reservation has poor transportation facilities. It even has no bridge at the entrance to it. It has no tribal funds of consequence. The reservation is supposed to contain oil. Indians who have received allotments are without means. Only recently one head of a family owning more than 800 acres of valuable timber was obliged to borrow $200 from the Government in order to care for his wife, who was dying of consumption. The delay was so great that she died about the time he had completed the transaction. Is this right? Is it fair?

I submit one letter, which is a sample of many received:

PORT WILLIAMS, WASH., *February 6, 1914.*

Hon. ALBERT JOHNSON,
Washington, D. C.

DEAR SIR: * * * What good do you really think the logged-off land will do us?

If this timber is to be sold and we get nothing for the timber, as I understand it, how are we to go ahead to improve this land without funds, because we, as Clallams, are financially embarrassed, so to speak, and particularly the older members of the tribe? There are two that I know of who have to beg in order to exist. Mr. Johnson, it seems a pity. My very heart aches for these two old men, and what makes it more so, more pitiful, is when one thinks all this part of the Northwest belonged to them at one time. Now, at Dungeness, when these very same Clallams want to fish they are not allowed to unless they pay for the privilege. Yet they are Government wards. These Clallams have great faith in you, and seem to think you will do more for them than anyone has done yet.

I wish I could talk with you. I could tell you better just what the Clallams have received by the agents of the Government; how their village was completely burned at Port Townsend by a Government agent and were forced to the Hoods Canal to live. The Clallams did not, however, remain there. This was about 45 years or so ago, as my mother was a girl at the time and remembers all this. Laying all this aside, I am sure you will do the best you can for us.

Respectfully,

Mrs. T. MAHER.

In my opinion, Mr. Speaker, the condition of the Quinaielt Indians is steadily growing worse. This year a bridge leading to their reservation, a bridge which was built entirely at the expense of the county, is out. One of the county commissioners writes to me that the county is not disposed to rebuild the bridge. Here is his letter:

ABERDEEN, WASH., *January 21, 1914.*

Hon. ALBERT JOHNSON,
Washington, D. C.:

Your letter of the 15th received. The county commissioners considered the matter of the Moclips Bridge on the Quinaielt Indian Reservation at our last meeting (the 19th), and have practically agreed to do nothing further about it. It would be useless for us to build a bridge if the Indian Department will not build a road to connect it with the beach above. As I wrote you, the former agent said this would not be done.

Inasmuch as these Indians have plenty of property, which they should use for their own purpose, we will let them furnish their own bridge or get none. The only business done north of the Moclips is for the Indians and a couple of traders. The lack of a bridge and the extra expense will, no doubt, serve to reduce the price the Siwash will get for their fish

The way the affairs of these Indians are handled makes it apparent the quicker they are starved to death the better they will be off—get them out of their misery. Uncle Sam is a generous and protective old gentleman, but he is wonderfully nearsighted. Under his watchful eye these Indians go on short provisions, while he saves their money. Fifty years from now the Quinaielt Indians will be public charges of this county and their property will be frittered away in "administration expenses."

I take a great interest in this tribe, as I have known them since 1890; know most of them by their first name, in fact, and am very sorry that the general treatment received by them is so bad.

Yours, sincerely,

PHIL S. LOCKE.

NO UNITED STATES MONEY FOR BRIDGE.

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, February 12, 1914.

Hon. ALBERT JOHNSON,
House of Representatives.

MY DEAR MR. JOHNSON: I have your letter of the 12th instant, forwarding one from Mr Phil S. Locke, of Aberdeen, Wash., requesting that the Government assist Chehalis County in reconstructing the Moclips Bridge across the Moclips River, the north end of which rests upon the Quinaielt Indian Reservation.

I have to advise you that the available balances in the applicable funds for expenditure for the benefit of the Quinaielt Indians will not permit of an expenditure therefrom sufficient to assist the county commissioners in reconstructing the Moclips Bridge, as outlined in Mr. Locke's letter.

However, I am taking the matter up with the superintendent of the Quinaielt Reservation and asking for a full report upon the matter. Upon its receipt I will be very glad to give the matter careful consideration and advise you further. In the event that Government assistance is given the county commissioners in reconstructing this bridge, a special appropriation would be necessary, owing to the depleted condition of the agency funds, as stated above.

Very truly, yours,

CATO SELLS, *Commissioner.*

THE PROPOSED FISH HATCHERY.

Now, then, a word as to the proposed fish hatchery. For the Quinaielts the appropriation is as follows:

For support and civilization of the Quinaielts and Quillehutes, including pay of employees, $1,000.

Which means that the employees will get that sum, and the civilization of the Quinaielts will be advanced by means of ozone. The bill provides $400,000 for teaching Indians agriculture, horticulture, and the care of green timber. Why should not a little be spent in showing them how to continue the supply of the fish on which they have lived all these years? Efforts have been made to provide a hatchery, as the following correspondence will show:

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, February 6, 1914.

Hon. ALBERT JOHNSON,
House of Representatives.

MY DEAR MR. JOHNSON: I have your letter of January 16, 1914, in regard to the necessity of establishing a fish hatchery on the Quinaielt River in order to replenish the supply of salmon in that river and its tributaries.

The bill (H. R. 2485) introduced in the first session of the present Congress was not referred to this office for report, as the location of the proposed hatchery is not on Indian land. I am informed that it was referred to the Commissioner of Fisheries, who made a favorable report on it.

The importance to the Indians of maintaining the run of salmon in the Quinaielt River is realized by this office, and I shall be glad to do whatever is possible to further the establishment of the station.

Inclosed herewith is a copy of a letter written to-day to the Commissioner of Fisheries.

Very truly, yours,

E. B. MERITT,
Assistant Commissioner.

FEBRUARY 6, 1914.

Hon. HUGH M. SMITH,
Commissioner of Fisheries, Washington, D. C.

MY DEAR MR. SMITH: My attention has been called to H. R. 2485, to establish a fish-cultural station in the State of Washington, which was introduced during the first session of the Sixty-third Congress. I understand this bill was referred to you and received favorable report.

My purpose in writing you now is to call your attention to the vital importance to the Indians of the Quinaielt Reservation of maintaining the run of salmon in the Quinaielt River and its tributaries. Those Indians make the greater part of their living from the fish taken from

these streams, and if opportunity offers I shall be glad to join with you, if that is permissible, in urging favorable action thereon.

Very truly, yours,

E. B. MERITT,
Assistant Commissioner.

Mr. Speaker, without criticism of the Committee on Indian Affairs or of anyone connected with the management of Indian affairs, I desire to reaffirm that conditions of the Quinaielt and allied tribes of Indians are in a tangled and unsettled condition and rapidly growing worse instead of better. With the probable discovery of oil in commercial quantities on the reservation, a firm hand will be needed there. The Indian agent at the Cushman School, Tacoma, has endeavored to look after the Quinaielts. He has done and is doing his best. He is 150 miles away, and, owing to the condition of the country, he might as well be 3,000 miles away. An agent is needed on the ground, with authority to provide some kind of policy for Indians who are rich yet poor, who are helpless, and who are led to believe they are not helpless. Mr. Speaker, these Indians are our wards. As guardians, what are we doing for them?

Rural Post Roads.

EXTENSION OF REMARKS

OF

HON. MICHAEL K. REILLY,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 10, 1914.

On the bill (H. R. 11686) to provide that the United States shall, in certain cases, aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads.

Mr. REILLY of Wisconsin. Mr. Speaker, this bill appropriates $25,000,000 for the purpose of assisting the various States in the construction and maintenance of rural highways.

I am a firm believer in good roads, and I am entirely in accord with the purpose of this bill.

In voting Federal aid to the various States for the construction and maintenance of country roads this Congress is but keeping a party pledge, made in its national platform.

The Baltimore platform pledged the Democratic Party, if intrusted with power, to the extension of national aid to State and local authorities in the construction and maintenance of post roads.

The passage of this measure does not mean in any sense the inauguration of a new policy on the part of the National Government. It simply means the extension of an old policy long pursued by our Government.

The National Government has almost, since its very foundation, been expending money for the purpose of improving the transportation facilities of the country. Millions have been voted from the Public Treasury for the improvement of rivers, harbors, and for the construction of railroads, highways of commerce, for the purpose of facilitating and cheapening the cost of transportation.

We have in this country something like 2,300,000 miles of country roads that are no less highways of commerce than our railroads, our rivers, or our lakes.

Over these country roads are carried each year the products of an industry representing an investment of about $40,000,000,000 and constituting the most valuable and important product of our Nation.

While we are developing into a great manufacturing Nation, still agriculture is, and must necessarily continue to be, our greatest industry, and more vitally important to all the people of this country than any other industry.

This bill marks a new departure on the part of the National Government only in the sense that it is the first time that the Government has made any large appropriation for aid of the improvement and betterment of our country highways. For more than a century the agricultural population of this country has been contributing in taxes for the improvement of other highways of commerce, and in this bill, for the first time, the general funds of this country are to be used with the view of bettering the rural highways.

The constitutional authority for this law is found in the power of the National Government, under the Constitution, to provide post roads.

We have in this country to-day about 35,000 rural carriers, employees of the National Government, who travel each day about 1,000,000 miles of rural post roads.

The rural mail carriers are, of course, vitally interested in the good-roads movement and in securing the enactment of the bill into a law. These patient, hard-worked, underpaid servants of Uncle Sam know the highways of our country better, probably, than any other class of our citizens. Day in and day out, no matter what the condition of the weather or the roads, their duty compels them to go forth and travel the country highways in delivering the looked-for letters and newspapers to the residents of our rural communities, and it seems that Congress would find ample justification in expending national funds in making less difficult the task of our army of rural mail carriers, whose services are so essential in the life of a modern rural community.

Under the terms of this bill the $25,000,000 appropriated will be apportioned among the various States as follows: One-half in the ratio which the total population of the State bears to the total population of all the States, and one-half in the ratio which the total mileage of the rural post roads of a State bears to the total mileage of the rural post roads in all the States.

Section 3 of this bill provides one method whereby the part of this appropriation which will go to any State may be utilized by the said State, and reads as follows:

SEC. 3. That the Secretary of Agriculture is authorized to cooperate with the officers of the several States, having lawful authority in that behalf, in the construction and maintenance of rural post roads. That between the 1st day of February and the 30th day of June in each fiscal year the Secretary of Agriculture and the officer, or officers, of each State having lawful power to act for the State, may jointly consider and determine the roads in such State which, under the provisions of this section, may be constructed and maintained during the next fiscal year and the material, character, and manner of such construction and maintenance; that the several States shall afford such inspection and supervision of said construction and maintenance as shall be required by the Secretary of Agriculture; that in no case shall the United States bear more than one-half of the cost of the construction and maintenance of any road under the provisions of this section; that the Secretary of Agriculture shall not commence such joint construction of any road in any State until the portion of the cost thereof which is to be provided otherwise than by the United States has been made available.

This section of the bill, it will be seen, provides for the expenditure of the money received from the National Government, together with a like sum appropriated by the State, for the improvement of such highways in the State as may be determined by the Secretary of Agriculture and the proper officer or officers of the State.

Under this section it will be possible for the State to improve highways selected by the proper officers and the Secretary of Agriculture in any way or according to any plan that may be agreed upon by said officers and the Secretary of Agriculture, the only limitation being that the National Government shall not pay more than one-half the cost of the roads constructed.

Section 4 of this bill provides another method whereby the money appropriated by the National Government may be used in the improvement of highways in any State. The material part of section 4 reads as follows:

SEC. 4. That certain roads in the States which are adapted to use by the United States as rural post roads shall be divided into three classes to be known as class A, class B, and class C.

Class A shall embrace roads upon which no incline is steeper than is reasonably necessary in view of the natural topography of the locality, well drained, with a road track composed of macadam or other material of equal utility and cost, constructed and maintained in such manner that it shall have a smooth, firm surface.

Class B shall embrace roads upon which no incline is steeper than is reasonably necessary in view of the natural topography of the locality, well drained, with a road track composed of shells, gravel, or a proper combination of sand and clay or other material of equal utility but less expensive than macadam, constructed and maintained in such manner that it shall have a smooth, firm surface.

Class C shall embrace roads upon which no incline is steeper than is reasonably necessary in view of the natural topography of the locality, with adequate drainage and ample side ditches, with a roadway constructed so as to quickly shed water into the side ditches and kept crowned and compacted by dragging or other adequate means so that it shall be reasonably passable for wheeled vehicles.

* * * * * * *

That at the end of each fiscal year the United States shall pay on account of the roads so determined to be in classes A, B, and C, as follows: On each mile in class A the sum of $60, on each mile in class B the sum of $30, and on each mile in class C the sum of $15: *Provided*, That if in any State the aggregate of said sums would exceed the amount which for that fiscal year has been apportioned to such State under this act to be expended under the provisions of this section, then said sums per mile shall be reduced pro rata so that their aggregate shall not exceed said amount.

* * * * * * *

That such payments shall be made, to such officers in the respective States as the governors thereof shall indicate as being lawfully entitled to receive the same, by the Treasurer of the United States upon warrants drawn upon him by the Secretary of Agriculture: *Provided*, That this act shall not be construed as authorizing any governor to create any new office.

* * * * * * *

The bill provides that the governor of the State may select under which section his State will participate in the funds provided by this bill, and in case he should fail to make a selection

the Secretary of Agriculture may make the selection for the State.

Under section 4 the roads improved must be rural post roads, and the amount contributed by the United States will be $60 per mile for roads in class A, $30 per mile for roads in class B, and $15 per mile for roads in class C, with the proviso also the same as in section 3—that the State must provide an equal amount.

Under this section the bill aims at the expending of National and State funds in the improvement and maintenance of all the roads traveled by rural mail carriers. This section is designed to meet the requirements for a great many States where there are no macadam or expensive highways and where the most desirable and satisfactory roads are those of clay or gravel.

The provisions of this bill are to be carried out under the direction of the Secretary of Agriculture with the heads of the road departments of the various States.

Under the terms of this measure the State of Wisconsin, which I have in part the honor of representing, will receive approximately $750,000 from the National Government to be used in improving the rural highways of the State.

Wisconsin has already done a great deal in the way of improving country roads, and there are few States in this Union that have a better system of country roads than the State of Wisconsin. In many sections of Wisconsin the farmers take great pride in their roads, and the result is that, without any outside assistance at all, many agricultural districts of Wisconsin have some of the best rural roads in the country.

The good-roads movement, born about a decade ago, has spread rapidly all over the country, with the result that in almost 40 States of the Union there are departments of public highways, and many State governments have gone directly into the work of assisting local communities in the construction of roads.

In the matter of good roads the United States is away behind many of the countries of Europe. In ancient days Rome was famous for her magnificent country highways, and in modern times many of the leading countries of Europe have spent large sums in building and maintaining the many rural roads. Germany, in particular, has been successful in constructing what is probably the best system of rural highways in the world, and it is probably this one fact as much as anything else that is responsible for the stability of the rural population of that country.

The good-roads movement in our day is no sentimental affair, but it is the result of a conclusion based upon study and investigation that better roads in our agricultural districts will result in an enormous saving to the people.

It is said by those who have investigated the question that it costs 25 cents per ton-mile to transport farm produce over country roads to market, 7 mills per ton-mile to transport the same produce over railroads, and from 1 to 3 mills per ton-mile over water routes. Thus it will appear that the problem of transportation is a vital one from the standpoint of economy in marketing the products of the soil.

Good roads will mean not only cheaper transportation and lower cost of living, but they will also mean more social life, more religious life, more educational opportunities, and better conditions for those living in the country.

We are living in an age when the rural sections of our country are being depopulated by a constantly increasing stream of humanity passing from the farm to the city.

The telephones, the rural mail, the parcel post have all contributed to the making of rural life more inviting, and there can be no doubt at all but that better roads will play an important part in turning back the stream of youth that is now depopulating the rural sections of the country.

In recent years there has been a movement known as the "back to the farm" movement. This movement is fathered principally by those living in the cities, and is indicative of the deep concern felt by a great many leaders of thought in this country regarding the best conditions that should exist in the rural communities.

What we want to-day is not necessarily a movement back to the farm, but rather a movement that will tend to keep the boys and girls born and reared in the country and trained in agricultural life on the farm, and if we are going to keep the young men and women of to-day who have grown up on the farms in the same line of work pursued by their fathers and their mothers, we must improve and make more attractive the conditions surrounding life in rural communities.

I can not agree with the gentlemen representing large cities who have opposed this bill, that the results to follow from its enactment will not be for the interests of those who live in the city as well as for those who dwell in the country.

While this bill necessarily aims at the improving of the pike that passes the farm, and does not take into consideration the street in front of the humble homes of residents of our cities, still the money expended in improving the country roads in its results will be just as beneficial to city life as to country life.

The inhabitants of the cities look to the farmer for their food supply. Short crops, poor crops, poor methods of farming, and depopulated rural districts all mean higher cost of living for the toilers of the city.

While it is true that along the highways to be improved will be found only the homes of farmers, it is also true that at one end of every rural highway there is a consumer who is deeply and vitally interested in the conditions that exist at the farmer's end of the highway, and who is also deeply interested in the facilities provided for transporting the farmer's product to his table. This law, if taken advantage of by the various States, will be instrumental in increasing the rural population, and thereby increasing the number of producers, to the direct benefit of the consumer, no matter where he may reside.

This bill does not call for the expenditure of State and National funds in the construction of a great national highway from ocean to ocean. The purpose of this bill is to improve and make passable at all seasons of the year the rural highways, so that the millions of dollars worth of products of our farms can be transported to the market as readily and economically as possible, and not the building and maintenance of expensive boulevards over which pleasure trips may be taken, and over which those who are not engaged in the great work of transportation may find easy and pleasant access from State to State or from ocean to ocean.

This bill is fundamentally designed to help the farmer, to make his life the more pleasant, to make his surroundings more inviting, to make it possible for him to keep his boys and girls at home, and to make for the betterment of all our country by making possible the building up in this country of a prosperous, contented, and efficient agricultural population, the backbone of the Nation.

Rural Credits.

EXTENSION OF REMARKS

OF

HON. WILLIAM S. HOWARD,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 17, 1914.

Mr. HOWARD. Mr. Speaker, the bill which I have introduced is designed to create a system of agricultural banking owned, managed, and controlled by the farmers of the country, and designed primarily to help the small farmer who needs assistance.

Under this bill a small number of farmers in a given section can organize a local rural bank with a small capital, whose operations are confined to a small district. This is the foundation principle of the system. The farmers can help themselves, without waiting for outside help. They can create an institution of a size and scope to meet their needs. Owning the stock of this institution and having a double liability as stockholders, they will most carefully guard their loans. Familiarity with local conditions will enable them to fairly appraise the value of lands offered as security for loans, and to see that the money borrowed is used for the improvement and upbuilding of the farm. Personal knowledge of the needs of the individuals in the restricted district to which their operations are confined will insure an intelligent and neighborly interest in the needs and operations of the bank's customers, and local pride and self-interest will insure their active attention to and support of the institution, whose success means success for the community, and whose failure means personal loss to each stockholder. The inability to make loans outside of the restricted area prevents any tendency to speculation; and the personal familiarity with land values, coupled with the liability for any loss, tends to secure a fair and conservative appraisement of values, which, after all, is the real foundation on which the security of land-bank bonds must rest.

The local banks can only pay a restricted dividend, and this also will tend to promote conservatism of management. The dividend authorized is a fair return for the money invested, and

the surplus profits, instead of being dissipated in extra dividends, are accumulated and are ultimately used to buy in at par and cancel the outstanding stock of the bank. Thereupon the local bank becomes mutualized, and the subsequent profits are available to the customers of the bank, thereby, in effect, reducing the rate of interest on farm loans, and furnishing the farming community with cheaper money and lower interest rates as the bank grows stronger.

The amount of stock in a local bank that may be owned by one individual is limited, and adequate provision is made to prevent the control becoming vested in any set of individuals, and to prevent the exploitation of the bank's credit and resources for the benefit of any individual or set of individuals.

These local banks are permitted to make long-term mortgage loans—that is, loans for not less than 5 years nor more than 35 years, secured by first mortgage on farm lands at not exceeding 50 per cent of the appraised value in the case of improved lands, and not exceeding 40 per cent in other cases—such loans in all cases containing an amortization provision, requiring the repayment of the loan in small periodic payments—to the extent of fifteen times their capital and surplus. In addition, they are authorized to make short-term mortgage loans—that is, first-mortgage loans running for less than 5 years, and without the amortization provision—to the extent of five times their capital and surplus. These local banks also have the right to carry on a regular banking business only to the limited extent that seems necessarily incident to the exercise of the above privileges.

Each local bank is required to invest a part of its capital and surplus in the stock of a State national farm-land bank and a part in stock of the United States farm-land bank, in which the State farm-land banks are also required to invest to some extent. Thus the local banks are owned and controlled by the farmers, and these local banks in turn own and control the State banks and the central or United States farm-land bank. In this way the farmer controls, manages, and operates the entire system designed for his benefit. He is aided to the extent that he needs aid, and he can secure the aid by his own act, when he desires to secure it. The control can not be taken from him. On his small investment in stock of the local bank he receives a fair return. The extra profits of the system all come back to him in the shape of lower interest rates, and coincidentally with this his original investment, with interest, is returned to him.

The long-term mortgages taken by a local bank are indorsed or guaranteed by it, and forwarded to the State bank, which represents the combination of a proportion of the capital and credit of all the local banks in that State. These long-term mortgages are then guaranteed by the State bank and forwarded to the central bank, known as the United States land bank. The central bank then takes these mortgages, each of which is guaranteed by a local and by a State bank, deposits them as a trust fund, and against the security of these mortgages issues and sells its national land-bank bonds. These national land-bank bonds are issued in series, and the mortgages securing a series must all be on land in the same State, because of the varying laws in the different States as to registration, conveyancing, taxation, foreclosure, and so forth, of land. The total profit to the local, State, and central banks can not altogether exceed an annual charge of 1 per cent of the balance due on the mortgages. That is to say, that if the central bank can sell its national land-bank bonds at par on a 4 per cent basis, then the rate of interest paid by the farmer on his mortgage can not be more than 1 per cent in excess of that rate. The farmer in such case could not be charged over 5 per cent on the loan, and would also have to make the amortization payments annually or semi-annually, which payments would be used to retire and pay off the principal. On a 35-year loan in the instance above this would not exceed an annual charge of 1 per cent of the principal. So that a farmer borrowing $1,000 for 35 years, under the conditions above, would not have to pay over $30 every six months, or at the rate of 6 per cent per annum. This amount would, at the end of the period, have paid off not only the interest but the principal as well.

The system which my bill proposes involves a central bank, and I appreciate that there is a strong sentiment in this country against any central-bank idea. Upon fully understanding the matter, however, I am persuaded that the American people will become convinced that the central-bank idea is unquestionably desirable in agricultural banking, which is entirely distinct from commercial banking.

The whole theory of the mortgage bank is to give to the individual borrower the benefit of the collective credit of the community, so as to secure for him the best terms and the lowest interest rate. Under the bill which I have introduced this idea is carried to its logical conclusion, so that each farmer who borrows money on mortgage gets the benefit of the collective credit of all the other farmers of the country, through the system of guaranties above outlined, and through the instrumentality of the central bank, which is owned and controlled by himself and the other farmers.

The danger of centralization in commercial banking is the danger from the influence and control of a large part of the cash of the country by a few individuals. The central bank in agricultural banking represents collective credit, not collective cash. The commercial bank gathers together, holds and controls the cash of the community, and by the control of that cash may exercise an undue influence. The agricultural bank collects together the credit of the community, puts it in shape, guarantees it, and then sells its obligations, representing this collective credit, to the investor, immediately distributing the proceeds to the farmer borrower. How could a bank exercise control over my actions by holding my obligations, due 35 years from now, and which, when it reached maturity, would have been liquidated by the small semiannual payments that I had made in the meantime? I am convinced that the American farmer will see that the arguments against a central commercial bank do not apply to a central agricultural bank; that if he wishes to borrow on the best terms and at the lowest interest rate he should utilize the collective credit, not only of his own community and State, but also of all the farmers in the country, through a central bank; and that the bogy man of danger to his interests from the control of a central bank will be quickly dissipated when he understands that he himself is to have and exercise this control, of which he is asked to be afraid.

Under the bill I have introduced the local banks can guarantee long-term mortgages to the extent of fifteen times their capital and surplus. The State bank can then in turn guarantee these mortgages, each of which has already been guaranteed by the local bank, to the extent of one hundred times its capital and surplus. The mortgage then goes up to the central bank, which issues land-bank bonds against the same.

The security of the mortgage held by the central bank therefore consists, first, of the land itself, at not exceeding 50 per cent of its appraised value, such appraisement being made by local parties, familiar with the land, and who will be liable and lose money in case of an improper appraisement; second, of the guaranty of the local bank, with the double liability of its stockholders; third, of the guaranty of the State bank, with a large capital, and representing, in large part, the collective credit of the local banks of the State; and, fourth, of the amortization provisions, required to be inserted in each mortgage, by which periodic payment of principal is required, so that when the mortgage becomes apparently due, according to its face, it has already been paid off by these small annual or semiannual payments, and no liability is left for the guaranteeing bank or banks.

The purchaser of land-bank bonds of the central bank has all of the above security, and in addition has the security of the resources and credit of the central bank, representing in a large degree the collective credit of the farmers of the country.

The provisions of the bill as to the business to be transacted by each of the banks, as to the supervision and control of the same by the Federal Government, and as to all the details of operation, have been carefully worked out, and will, I believe, receive favorable consideration, as they are fully understood. I believe that the bill is correct in its basic principle, because it enables each farmer to get the benefit of the collective credit of all the farming population; because it permits only one central bank to issue land-bank bonds, thereby tending to standardize the same, and tending toward greater uniformity in interest rates to farmers throughout the country; because it removes competition between individual banks representing different States and sections for investment of money, which must mean higher interest rates for the farmer; and because the system of banking outlined in this bill starts with the farmer and ends with the farmer. He controls the local bank, the State bank, and the central bank. He can not be ousted from the control. He gets the profits. He manages the system and must himself suffer if he mismanages. The system is based on co-operative action of the farmers. If they want improved facilities, they can get them. If they do not want them, they do without. Their personal interest, their work, their money, and their credit must be enlisted. Without these, no system will succeed. Agricultural banks must be owned and run by the farmer in order to succeed—and this is what is provided for in the bill I have introduced.

DETAILED REVIEW OF BILL H. R. 12746.

The general plan of the bill which I introduced in the House of Representatives on January 31, 1914 (H. R. 12746) involves:

1. The creation in the Treasury Department of a division of farm-land banking, to be under the general direction and charge

of a farm-land banking board, composed of the Secretary of the Treasury, as chairman, Secretary of Agriculture, and the Comptroller of the Currency, the work of the division to be under the direct charge of a director of farm-land banking, to be appointed by the President, by and with the advice and consent of the Senate, and who shall serve for five years and be eligible for reappointment. The salary of the director is placed at $7,500, and an assistant director at $6,000 per year is provided for. The director of farm-land banking is authorized to employ the necessary clerks and assistants, and is required to make an annual report to Congress in regard to farm-land banks. The salaries and operating expenses of the larm-land banking board and of the director of farm-land banking, his assistants and employees, are to be provided for in the appropriation for the Treasury Department.

The general duties of the farm-land banking board are to formulate and adopt rules and regulations governing the operations for farm-land banks, and these rules and regulations are to be enforced by the director of farm-land banks. Provision is made that the rules and regulations shall be adopted and the directors shall be appointed within 90 days after the passage of the act.

Power is given to the division of farm-land banking, upon the recommendation of the director, to issue charters for local and State national farm-land banks, as provided for in the act; to exercise supervision and control over all farm-land banks established under the act, under general rules and regulations and under like general rules to withdraw or forfeit the charters of local and State farm-land banks or liquidate them when necessary.

Power is also given the division of farm-land banking, by general rules and regulations, to specify the conditions under which the privileges, or certain of them, authorized in the act shall be extended to local and State farm-land banks, and to provide for the extension of such privileges, or certain of them, only to those local and State farm-land banks operating in those States which have met the requirements of the division of farm-land banking as to the simplification of land-title registration and conveyancing; as to simplification and economy of methods of securing farm loans and foreclosing the same; as to the removal of any taxation upon mortgages; and as to the removal or waiver of any exemptions in regard to farm mortgages.

2. The creation of a system of national farm-land banks, comprising:

(a) Local banks, such as "Doeville National Farm Land Bank," limited in their operations to a county or other small political subdivision of the State.

(b) State banks, such as "Virginia National Farm Land Bank," limited in their operations to a given State, and acting as a clearing house and reserve agent for the local banks in that State.

(c) A central bank, to be known as the "United States National Farm Land Bank," to act as a clearing house and reserve agent for all the State and local farm-land banks, and to alone issue and sell collateral trust bonds or national land-bank bonds. These national land-bank bonds will be the obligations of the central bank, issued against the deposit of mortgages or deeds of trust on farm lands at not more than 50 per cent of the appraised value of such lands, when the lands are improved, and at not more than 40 per cent of the appraised value of other farm lands. The mortgages or deeds of trust, before being used by the central bank as collateral security for its national farm-land bonds, must be in each case guaranteed both as to principal and interest by the local bank of the county or other subdivision where the land is located, and must be then likewise guaranteed by the State bank of that State. Moreover, all such mortgages or deeds of trust must contain a mandatory provision for the repayment of the principal by the amortization plan; that is, by the payment, annually or semiannually, of small amounts on account of the principal, which payments will be sufficient to pay off the mortgages or deeds of trust at their maturity.

The general powers incident to corporations are given to all farm-land banks, including the right to continue for 50 years and reserving the right of change, amendment, or repeal of the charters so granted by Congress, provided that the rights of creditors of such banks are not affected by such action.

The bill enumerates certain general provisions applicable to all farm-land banks, as follows:

1. The capital stock, the income derived therefrom, the mortgages held by said banks, and the national land-bank bonds issued by the central bank are exempted from all taxation.

2. Every bank is prohibited from lending money upon the stock of any other farm-land bank, and no bank is allowed to lend to any one individual more than 20 per cent of its capital and surplus; but this latter provision does not apply to the guaranty of real-estate loans of local and State banks.

3. Each director is required to take a proper oath for the faithful performance of his duties.

4. Examinations by the directors are required by each bank at least once every three months.

5. Examinations of the affairs of each bank by examiners appointed by the director of farm-land banking are provided for substantially as examinations of national banks are provided for under the Federal reserve act.

6. In the case of every farm-land bank the director of farm-land banking is required at the time of organization to designate some individual who is not an officer or director of the bank and who is not objectional to the directors as Federal fiduciary agent, to be the representative in that bank of the division of farm-land banking.

The duties of this Federal fiduciary agent are specifically defined at great length in the case of local and State banks as well as in the case of the central bank. This agent practically acts as the Government representative to see that the requirements of law are complied with as regards farm-land loans:

A. In the case of local banks this agent is required—

(1) To certify that each mortgage or deed of trust is properly recorded and that the same is a first mortgage, and to certify that each note or bond purporting to be secured under such mortgage or deed of trust is so secured.

(2) To have joint possession or control with the local bank of all amortization payments or payments on the principal of mortgages held by the banks, so long as such payments remain in the possession of the banks, and to see that proper credits are made upon the mortgages or deeds of trust when such principal payments are received. No disposition of such amortization or principal payments can be made without his consent in writing.

(3) To have supervisory control over all entries in the mortgage ledger, where a detailed statement of all mortgages held by the bank as an evidence of long-term loans is kept.

B. In the case of State banks—

(1) To have joint possession and control with the bank of the mortgages sent to the State bank by the local bank after being guaranteed by the local bank.

(2) To have joint possession and control with the State bank of all amortization payments coming into its possession from the local banks. Such amortization payments made on mortgages sent by the local bank to the State bank must be forwarded by the local bank to the State bank.

(3) To have supervisory control of the mortgage ledger kept by the State bank.

C. In the case of the central bank—

(1) To certify to each collateral trust bond or national land-bank bond issued by the central bank against mortgages deposited with it, which mortgages have previously been guaranteed by a local and a State bank.

(2) To have joint possession and control of the mortgages held by the central bank, each of which has been guaranteed by a local and State bank. No mortgages can be withdrawn or changed without his consent in writing.

(3) To have joint control with the central bank of the amortization payments on such mortgages. These amortization payments are forwarded from the State bank to the central bank when the mortgages on which they are made are held by the central bank as a security for national land-bank bonds. The amortization payment under this plan goes from the local bank to the State bank and from the State bank to the central bank, always resting with the last guarantor of the mortgage.

(4) To have supervisory control of all entries in the mortgage ledger kept by the central bank.

D. To perform such other duties as the director of farm-land banking may prescribe. The salary of each Federal fiduciary agent is fixed by the joint agreement of the bank and of the director of farm-land banking and is paid by the bank.

7. The seventh general provision for farm-land banks prescribes what real estate may be purchased, held, and conveyed. The requirements are the same as in the case of national banks.

8. The eighth general provision, relating to farm-land banks, prescribes that the par value of the stock shall be $100 per share. The provisions regarding the stock are substantially the same as in the case of national banks, except that no person can vote in person or by proxy more than 10 per cent of the outstanding stock at any stockholders' meeting.

9. The ninth general provision provides for an increase of capital for any bank substantially as with national banks.

10. The tenth provision provides for a decrease of capital for any bank substantially as with national banks, except that no reduction can be made which will reduce the proportion that the

capital and surplus of the bank bears to the outstanding guaranteed mortgages below the proportion provided by the act.

11. The eleventh general provision provides that the affairs of each local and State bank shall be managed by not less than five nor more than nine directors. It also specifies the requirements as to citizenship and residence of the directors and requires that each director in a local bank must own at least two shares of stock; otherwise the provisions are substantially similar to those in the case of national banks.

12. The twelfth general provision provides for the election of president and vice presidents from the membership of the board.

13. The thirteenth general provision provides for double liability on the part of stockholders of local banks.

14. The fourteenth general provision defines this liability in the case of executors, and so forth, substantially as with national banks.

Sections 10 to 13, inclusive, provide for the incorporation of local banks by any number of natural persons not less than 10. It is specified that the name "National Farm Land Bank" shall be a part of the title of every local and State bank under this act, and that these words shall not be used by institutions other than those incorporated under the act. Local institutions are to be prefixed by a descriptive title and followed by the name of the county and State in which the bank is to operate. The other information to be contained in the articles of association is specifically outlined, and provision is made for acknowledging and filing the certificate.

It is provided that each local bank shall, upon being organized, have the following powers:

(1) To accept and pay interest on postal savings deposits and other time deposits from the National Government; to accept and pay interest on State time deposits, on time deposits of public funds, and on time deposits from individuals or corporations.

(2) This is the principal and distinguishing feature of the farm-land banks: To guarantee the payment of loans upon farm lands located within the county or other political subdivision in which such local bank is operated, provided—

(a) That such loans run for not less than five years.

(b) That such loans are secured by a first mortgage on farm lands located within such county, or are used to retire existing mortgages so as to make them a first lien. Mortgages on lands outside of the county can be accepted as additional security, and provision is made for loans on land lying partly in two counties.

(c) That such loans do not exceed 50 per cent of the appraised value of productive farm lands or 40 per cent of the appraised value of other farm lands.

(d) That every such loan contain a mandatory provision for amortization by annual or semiannual payments.

(e) That every such loan may be paid off in whole or in part, upon reasonable notice, at any interest period, after such loan has continued for five years under rules prescribed by the division of rural banking.

The local banks are also authorized to sell and trade in mortgages guaranteed by it, and to invest its deposits in short-term farm loans, maturing within five years, which comply with the requirements of (b) and (c) next above. The local bank can also guarantee such short-time loans, and sell, buy, and trade in the same.

The local bank can also use its capital stock, surplus, and deposits as a revolving fund for the temporary purchase or holding of long-term first-mortgage loans or short-term first-mortgage loans complying with the above requirements; or it can use the same for the purpose of buying and holding temporarily national land-bank bonds of the central bank, but the capital, surplus, and deposits can be permanently invested only in United States bonds, in bonds of the State in which the bank is located, or in other securities approved by the division of farm-land banking.

The local banks can also do such general banking business as is incident to the foregoing.

Section 14 provides certain limitations upon local banks, as follows:

(1) The local bank can guarantee long-term mortgages not exceeding fifteen times its capital and surplus, and short-term mortgages not exceeding five times its capital and surplus.

(2) The capital and surplus of each bank are liable—

(a) For its guaranties on long-term mortgages.

(b) For its guaranties on short-term mortgages.

(c) For its deposits or other obligations.

This provision gives added strength to the long-term mortgages and discourages deposits except as an incident to mortgage loans.

(3) The administration charge or profit on long-term loans is limited to an annual charge of 1 per cent upon the amount unpaid on the loan. This entire 1 per cent may be retained by the local bank if the guaranteed loan is then sold. This encourages the securing of local investment in mortgages guaranteed by the local bank. If the mortgage, so guaranteed, is sent to the State bank, then one-half of this profit goes to the State bank for its guaranty. If the State bank guarantees the mortgage and sends it on to the central bank, then the State bank gets only one-fourth of the profit, the central bank gets one-fourth, and the local bank keeps one-half.

(4) The payments to be made by borrowers must, in all cases, be sufficient to pay the interest upon the loan, the administration charge or profit, and the amortization payments sufficient to retire the loan by the time it matures.

(5) Dividends to stockholders of local banks are limited to 6 per cent. Surplus earnings, after the payment of dividends, are used to create an earned surplus until the same is double the amount of paid-in capital. When the earned surplus is double the amount of paid-in capital, then the capital is bought in by the bank at par and paid for out of the surplus. Thereafter the earnings of the bank go to the depositors and borrowers in proportion to the business done under rules provided by the division of farm-land banking. This means the ultimate mutualization of the bank, the repayment to the stockholders of the money invested in the bank, and reduced interest rate to the farmer borrowers, for after the bank is mutualized the profits go to them. The farmer borrowers have created the surplus out of the interest charges which they have paid. The investor in the stock of the local bank has received 6 per cent on his investment, and the investment is tax free. When the surplus earnings are sufficient the investor in the stock receives back his money, and thereafter the farmer borrower gets the benefit of any profits.

The value of this provision can hardly be overestimated. It will insure to the investor a good return on his money and the ultimate repayment of his investment. It insures to the farmer constantly decreasing interest rates. It appeals to local pride and encourages safe and conservative management, because the farming population itself is ultimately to get the benefit of this management.

Section 15 provides for the appraisement committee, who are to appraise all property on which mortgage loans are made and are to make a written report.

Section 16 provides for insurance on any buildings upon the farm which are considered in the appraisement of the property on which a mortgage loan is made, and further provides that in appraising property for long-term loans buildings and destructible property shall not be valued at more than 20 per cent of the total appraisement.

Section 17 prohibits the operation of branches by local banks.

Section 18 provides for the conversion of existing land-mortgage companies and other State institutions into local farm-land banks.

Section 19 authorizes local farm-land banks to receive on deposit postal savings deposits, and to place as security for such deposits the national land-bank bonds issued against mortgages in the State where the local bank is situated. The local bank is authorized to buy these national farm-land bonds for the purpose of so using them.

This provision creates each local bank as a purchaser of the land-bank bonds issued by the central bank, and thereby helps to create a market for the national land-bank bonds. The purchase of these national land-bank bonds under this provision by the local bank does not exhaust its reserves materially, because such national land-bank bonds are immediately used as security for the deposit of postal savings funds. In effect, the local banks obtain deposits of postal funds and use these funds for the purchase of national land-bank bonds, which bonds are then placed as security for such deposits.

It is a serious question as to whether the Government should invest postal savings funds directly in national farm-land bonds. Under this provision the Government simply deposits the postal savings funds with the local banks and takes as security therefor the national land-bank bonds issued by the central bank. These national land-bank bonds must be issued against mortgages on lands in the State where the local bank is situated. These mortgages must be guaranteed by a local bank, and the assets of the local bank are primarily liable on this guaranty. The mortgages must then be guaranteed by the State bank and forwarded to the central bank. The central bank issues its land-bank bonds against these mortgages at par. The local bank can then buy these national land-bank bonds, and deposit them as security for postal savings deposits with the local

banks. The mortgages guaranteed by the local banks are being constantly reduced by amortization payments. As these mortgages are so reduced, the national land-bank bonds, issued by the central bank, are proportionately retired. The deposits of postal savings must be constantly secured by these national farm-land bonds at such figure or percentage as the postal savings trustees may decide.

Section 20 provides for the reserves to be held by local banks, and provides what proportion of such reserves may be held with the State bank or with the central bank.

Section 21 provides that each local bank upon its organization shall invest 10 per cent of its capital and surplus in stock of the central bank, and 20 per cent of its capital and surplus in stock of its State bank. The proportion of capital and surplus so invested must be always maintained, and the stock of the State and central banks so held by local banks must be held as a permanent investment and not sold, collaterated, or disposed of. This stock is to be carried on the books of the local bank at its book value.

By this means the farmers own the local banks, the local banks own the State banks, and the local and State banks own the central bank. Thereby all the profits of the entire system drain back in the local banks. These profits are used—

First. To pay a fair return of 6 per cent, free from tax, to the investors in the local bank;

Second. To repay the amount of their investment to such investors; and

Third. After this is done the profits of the local bank go to the borrowers and depositors from the local banks, thereby, in effect, reducing the rate of interest paid.

Section 22 provides for the organization of a State bank in each State as soon as 30 or more local banks have been organized in that State.

Section 23 outlines the details of such organization and the statements to be contained in the articles of association. The minimum capital is placed at $60,000, which would be 20 per cent of the capital of 30 local banks each organized with the minimum capitalization of $10,000.

Section 24 provides for the acknowledgment and preservation of the organization certificate.

Section 25 outlines the specific powers of State banks, as follows:

(1) To act as a clearing house for local banks in that State, to accept deposits from them, and pay the same rate of interest on all such deposits.

(2) To guarantee long-term loans as herein provided which have been first guaranteed by a local bank, provided that the amortization payments on such mortgages so guaranteed are turned over to the State bank, to be by it turned over to the central bank when the State bank sends on such mortgage guaranteed by it to the central bank.

(3) To rediscount short-term farm loans guaranteed by local banks having not more than two years to run; but the rate of rediscount must be the same to all local banks in the State. The State bank can hold such rediscounted short-term loans as a temporary investment, can sell the same with or without its indorsement, and afterwards buy back and resell the same.

(4) To use its capital stock, surplus, and deposits as a revolving fund for the temporary purchase or holding of long-term or short-term mortgage loans guaranteed by a local bank, and to use the same in buying in national land-bank bonds of the central bank. The capital and surplus can not be permanently invested in anything except United States bonds, bonds of the State in which the bank is located, or other securities approved by the division of farm-land banking.

(5) To exercise such general banking powers as are incident to the foregoing powers and to act as broker in selling short-term mortgage loans.

Section 26 outlines the limitations on State banks, as follows:

(1) The amount of long-term loans guaranteed by a State bank shall not exceed a hundred times its capital and surplus.

(2) The administration charge of the State bank for guaranteeing such long-term loans shall not exceed an annual charge of one-fourth of 1 per cent of the amount unpaid on the loan, another one-fourth going to the central bank.

(3) The commissions of the State bank for acting as broker in selling short-term loans and its rates of rediscount to local banks shall be subject to the supervision of the division of farm-land banking.

(4) The amount of short-term mortgage loans which can be guaranteed by a State bank shall not exceed five times its capital and surplus.

Section 27 provides for the investment of 10 per cent of the capital and surplus of the State bank in the capital stock of the central bank, as above outlined.

Section 28 provides for the election of directors for the State bank, each local bank having one vote. It also provides for the election by the local banks from the board of directors of a president and vice president for the State bank.

Section 29 provides for the reserves to be maintained by the State bank and provides what proportion of such reserve must be kept within its own vaults and where the balance may be kept.

Section 30 provides for branches of the State bank within the State and for the keeping of reciprocal accounts with other banks.

Section 31 incorporates the central bank under the name of "United States Farm Land Bank," with a capital of not less than a million dollars, and with the right of indefinite increase. Its principal place of business is fixed at Washington, and its charter continues for 50 years, with the right of renewal and subject to amendment or repeal by Congress, provided that the rights of creditors are not thereby affected.

Section 32 outlines the specific powers of the central bank, as follows:

(1) To act as a clearing house and reserve agent for State and local banks and to pay the same rate of interest on deposits from such banks. Also, to receive postal savings and other governmental deposits.

(2) To have general banking powers, including the power to discount short-term farm loans for local banks, maturing within two years and guaranteed by State banks; to trade in short-term mortgage loans and paper guaranteed or indorsed by it; to buy and sell Government and State bonds; and to act as a broker in handling Government, State, county, municipal, and similar securities.

(3) To issue, sell, and trade in its national land-bank bonds provided—

a. That the mortgages against which such bonds are issued have been first guaranteed by a local and State bank.

b. That such mortgages comply with this act.

c. That its national land-bank bonds so issued are subject to call at par at any interest period or after a specified time (not longer than five years from date of issue), as may be provided in such bonds.

d. That such national land-bank bonds shall always be protected by the deposit of an equal amount in face value of first mortgages, maturing not less than five years after that date, and guaranteed by a local and State bank.

e. That all amortization payments on mortgages so held as security for such national land-bank bonds shall be forwarded to the central bank, held in the joint possession of the bank and the Federal fiduciary agent, and used in retiring its national land-bank bonds issued against such mortgages, so that the amount of national land-bank bonds shall never exceed the amount of the mortgages held as security therefor.

f. That as amortization payments are credited upon the mortgages a corresponding amount of national land-bank bonds shall be called in and paid.

g. That the mortgages held as security for such national land-bank bonds shall at all times be in the joint possession and under the joint control of the central bank and of the Federal fiduciary agent for said bank.

h. That the national land-bank bonds issued by the central bank shall be issued in series. All the national land-bank bonds of a given series must be secured by mortgages on lands in one State.

(This provision will enhance the selling value of the land-bank bonds, because the laws governing registration, foreclosure, exemption, etc., of the mortgages securing the same will be the same in the case of such mortgages and because each of such mortgages covers land in the same State.)

i. That no land-bank bonds shall be issued against a mortgage maturing earlier than five years after its date.

(This provision insures the issue of land-bank bonds only against mortgages containing an amortization requirement.)

(4) To use its capital stock, surplus, and deposits as a revolving fund for the temporary purchase or holding of mortgages guaranteed by a local and State bank until land-bank bonds can be issued against same; or to use its capital and surplus for trading in its national land-bank bonds, so as to maintain the price of the same; or to use them in rediscounting short-term mortgage loans guaranteed by a local and State bank, and maturing at not longer than two years, provided that such capital and surplus can only be permanently invested in United States Government securities.

(5) To act as a depository for the National Government, and particularly to receive deposits of postal savings funds and to invest the same or such portions of the same as it may by law be authorized to invest in Government, State, county, and municipal bonds, or in long-term, first-mortgage, farm bonds.

(6) To rediscount for national banking associations farm loans held by them, and to rediscount with such association short-term farm loans held by it which comply with the provisions of section 24 of the Federal reserve act. Such rediscount by a national banking association of short-term farm loans is to be considered and treated as a farm loan under section 24 of the Federal reserve act.

It seems probable that the farm loans authorized under section 24 of the Federal reserve act will probably be small in number and amount, as a commercial bank will naturally not desire to tie up its funds in farm mortgages. This provision enables the commercial banks to rediscount for the central bank, taking short-term farm loans held by it, which have been guaranteed by a local and State bank, and treating these as loans under section 24 of the Federal reserve act. The practical effect of this will be to make available some of the funds in the national banks for the use of short-term farm loans through a system of rediscount; whereas it seems improbable that any large amount of relief will come to the farmers by reason of the direct operation of said section 24 of that act.

Section 33 provides for the reserves to be kept by a central bank.

Section 34 provides for the management and control of the central bank by a board of governors, consisting of nine members. Four of these are appointed by the President, by and with the advice and consent of the Senate, to serve for life or during good behavior. Vacancies among these four will be filled in like manner. The remaining five governors are selected by the stockholding banks, and arrangement is made for their serving for eight years. The election of these five governors is held by the State bank, each State bank casting as many votes as there are local banks in the State, and each local bank having the right to instruct how its vote shall be cast.

From the five governors selected by them the stockholding banks select two, and also select one of the four named by the President. From these three so selected the President must name one as president and two as vice presidents of the central bank, and a new election for president and vice presidents takes place every eight years. In case of a vacancy in the office of president or vice president, the board of governors fill the vacancy for the unexpired term from among their number.

The salaries are fixed as follows:

Each member of the board of governors, $10,000 per year; each vice president, $12,000 per year; the president of the bank, $15,000 per year.

All governors are required to devote their entire time to the work and are prohibited from being interested financially in any local bank. Each governor is required to give a bond for $100,000.

The foregoing seems to be a fair and just method of selecting the directors of the central bank. The majority of the directors are chosen by the stockholding banks, and each of these directors serves for eight years. A minority is appointed by the President and the Senate and hold office for life. This insures a permanence in office of some of the members, while the control rests with the farmers themselves through the local banks which they own and control.

Section 35 provides that the central bank shall not be permanently organized until at least 12 State banks have been organized. Provision for a temporary organization of a central bank, under the direction of the farm land banking board, is made in this section.

Section 36 provides for the creation and operation of branches of the central bank, both within and outside of the United States, under the direction of the division of farm-land banking.

Section 37 enumerates certain privileges granted to national land-bank bonds, issued by the central bank, by making them available for the following purposes:

(1) As security for the deposit of postal savings funds in any farm-land bank.

(2) As a local investment for trust funds and estates administered by United States courts.

(3) As a security for loans from national banking associations to farm-land banks under the provisions of section 24 of the Federal reserve act, as above outlined.

But these privileges are extended only to national farm-land bonds of the central bank issued against mortgages on lands located in a State which—

(a) Exempts such mortgages from all State taxation or assessment, direct or indirect;

(b) Withdraws or cancels or waives the right to claim any exemption of such mortgages;

(c) Provides for registration of land titles, for conveyance, and for foreclosure, so as to give reasonable protection to the holders of mortgages in the opinion of the division of farm-land banking; and

(d) Accepts the land-bank bonds of the national farm-land banks, issued against mortgages in its State as a local investment for the funds of saving investors in that State, of trust funds and estates controlled by the courts of that State, and as a local investment for the reserves of insurance companies in that State.

Section 38 provides that any borrower may pay off his mortgage, or any part thereof, on any interest period after the first five years, in cash or by presenting to the bank the national land-bank bonds of the same series as those issued against his mortgages. It also provides that the central bank can buy in its national land-bank bonds, cancel them, and, at the same time, release a corresponding amount of mortgages; but the central bank, when it calls in such land-bank bonds for payment, must pay for them at par.

This provision is obviously fair, and encourages the individual farmer to invest in national land-bank bonds of the series in which his mortgage is used.

Section 39 exempts national land-bank bonds from all taxes, assessments, or charges.

Section 40 places all matters relating to the organization and operation of farm-land banks under the division of farm-land banking.

Section 41 appropriates a million dollars to be temporarily invested in the stock of the central bank until this stock can be taken up by State and local banks. This money is to be repaid to the Treasurer of the United States, with interest at 2 per cent, in amounts of not less than $50,000 each, as and when stock in the central bank is taken up by the local and State banks.

The necessity for first incorporating the central bank before the State and local banks is obvious. Until the State and local banks are organized, the control of the central bank is under the farm land banking board. As the State and local banks are organized, this money is repaid to the Treasury.

Section 42 appropriates $100,000, to be expended under the direction of the farm land banking board in organizing the central bank and in helping to organize local and State banks.

Section 43 provides for offenses committed under this act.

Section 44 repeals all acts inconsistent with this act.

Address of Hon. S. D. Fess Before Alumni of Brown University at Annual Meeting Held in Boston January 28, 1914.

EXTENSION OF REMARKS

OF

HON. GEORGE F. O'SHAUNESSY,

OF RHODE ISLAND,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, February 19, 1914.

Mr. O'SHAUNESSY. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include an address of Hon. S. D. FESS before the alumni of Brown University at its annual meeting held in Boston January 28, 1914.

The address is as follows:

ADDRESS OF HON. S. D. FESS BEFORE THE ALUMNI OF BROWN UNIVERSITY AT ITS ANNUAL MEETING HELD IN BOSTON JANUARY 28, 1914.

Mr. Chairman Lingham, President Faunce, and men of Brown, next to the honor of being a member of your association is to be invited to a Brown dinner. I esteem it more than an ordinary honor to be invited to be here at this time. As a student of our history, as well as a practical educator up to within the last year, I have been fairly familiar with the great work in the world of better living that your great institution represents. In the truest sense it has been a center of culture, a real seminary of ideas, a training ground for leadership. I will not be guilty of the common error of the stranger coming to you to tell you of your achievements. That had better be left to those more familiar with your progress. Neither will it be expected that I shall call the honored roll of your distinguished alumni. However, if the greatest discovery ever made, either by individual or institution, is a man, it would be an inspiring theme to examine this part of the activity of Brown.

Without reaching back into your history, but limiting ourselves to the present generation, it would be easy to point to a dozen leaders in various departments of life's activities who have admirably held aloft the banner of your alma mater. Just now I am thinking of an honored alumnus whose great powers have exalted every post he has occupied, first as a leading barrister in the Nation's metropolis, then as the fearless chief executive of the Empire State, and now the bench of the highest judicial tribunal of earth. If he would care to leave that post, it would not require a credulous mind to predict still a higher rank, dependent upon his willingness to accept the call. Every son of Brown is proud of Justice Charles E. Hughes.

Over in my State of Ohio we love to share with Brown the honor of claiming a leader in another field, the late John Hay, in my judgment America's greatest diplomat. It is easy to allow the enthusiasm of the hour to carry one beyond prudential utterance, but I guard my words when I say this son of Brown, introduced to the international world by McKinley, took higher rank as an international statesman than any other American. That rank rests not alone with his ability to induce a much-provoked European concert to withhold its desire, if not determination, to partition China, and thereby to preserve the integrity of the Celestial Empire, within whose grasp is wrapped the future of the millions of the Orient, but it also bears the stamp of peaceful adjustment by the treaty which bears his name. The Hay-Pauncefote treaty superseded the unfortunate Clayton-Bulwer treaty of 1850 and gave us carte blanche authority to begin and complete the world's greatest engineering feat. In this treaty we accomplished by peaceful methods what other great international minds had failed to do even by the threat of war, and at a time when the adverse contracting party held the whip hand, because of the well-defined desire of our people to undertake the gigantic task. It now remains for our Congress to show its appreciation of this achievement of this son of Brown by respecting the terms of the agreement.

In the field of university administration this country is inclined to look upon the rise and progress of the great Michigan University, whose alumnæ figure prominently in every center in the Nation, as the earliest and one of the best examples of what a State university should be. Of all the great university presidents in our land President Angell, another son of Brown, stands as the Nestor. A similar influence is operative on the far Pacific coast, where Dr. Benjamin Ide Wheeler, another son of Brown, directs the university activities of California's great State university. All Brown men honor such men as E. Benjamin Andrews, J. Franklin Jameson, and scores of others, but with due regard for the splendid achievements of the later Brown men, I surely do not indulge in irresponsible vaporing when I assert that the most illustrious son of your famous alma mater was the educational statesman, Horace Mann.

Only a short distance from where we now sit, in front of the capitol of his native State, with its gilded dome, stands a superb statue of Horace Mann; and near by it stands a second statue of an equally historic figure, his great contemporary, Daniel Webster. Of all the many great sons of Massachusetts, native or adopted, heroic in war and peace, the Pilgrim State saw fit to give an equal recognition with the Nation's "expounder of the Constitution" to the Nation's greatest educator.

When Horace Mann entered Congress, in 1848, as the successor to John Q. Adams, it was the case of an educator whose reputation had extended to Europe succeeding the most notable political figure in America.

Adams had been educated in Europe, and had served his country in the Diplomatic Service for years. He had held honorable positions in his State, was premier in Monroe's administration, and was in turn his successor as President from 1825 to 1829.

In 1831 his most important service was begun when he entered Congress, where he remained the most distinguished factor in the period of the development of an organized public opinion for human freedom. At his death, in 1848, a less distinguished man, but equally brilliant as a speaker and superior as a scholar, Horace Mann, the educator, succeeded him.

The educator was enjoying the acme of his popularity at the time. A son of Brown, in which he became in rapid succession a tutor in Latin and Greek, then a student of law in the famous Judge Gould School at Litchfield, Conn., a brilliant young barrister, with rare prospects before the bar; a constructive legislator in both the lower and upper house of the Massachusetts General Court, being speaker of the upper house, then the head of the State Board of Education from 1837, the author of the State system of hospitals, the founder of the common-school system of Massachusetts, the normal-school system of the United States, and the district library system of his State; the author of a dozen voluminous reports which attracted attention in Europe, some of them being translated in French, and at least one ordered printed by the German Emperor and gratuitously distributed to all the schools of Prussia; the editor of the School Journal for 10 years, the popular lecturer upon educational themes before the country, the author of the Modern Teachers' Institute, Horace Mann, the educator, the editor, the reformer, the scholar in politics, the educational statesman, came to his public duties as a Congressman in 1848 with a better equipment than the best of his contemporaries. His four years as a Member of the lower House were distinguished by the same devotion to the higher instincts of the race which his career as an educator had foreshadowed.

All his energy was devoted to measures of a constructive and a remediable character. His independence of party for the mere sake of party fealty had won opposition from the old line or regular party leaders. His heroic attack upon Webster after his 7th of March speech, which is a classic in American political satire, was at once pronounced by friend and foe a great performance, but the price of his political defeat in a nomination convention.

The Webster influence in 1850 succeeded in defeating his renomination by a single vote. Then the distinguished educator-statesman declared he would be bound by no party ties and would compel the people of his State to pass verdict upon his conduct in Congress. He accordingly entered the race as an independent, in opposition to the regular party nominee, and was triumphantly reelected over the powerful influence of Senator Webster and friends.

On September 15, 1852, he was nominated by the Free-Soil Democracy for governor of his State, the party that sent Charles Sumner to the Senate as Webster's successor in the same year.

On the same day he was elected president of Antioch College in Ohio, just then opening its doors. His choice of the head of the college rather than the head of his State has been one of the crowning incidents in the chapter of altruism in American life. The choice meant the leaving of the center of culture and a host of friends, numbering Sumner, Parker, Emerson, and the Concord School, to go West, upon the confines of civilization, to take up the work of the educator, which was destined to cost not only his health but his life, as future events proved.

The choice was dictated by the same altruistic, constructive impulses that had been his dominating traits from the beginning. His passion was accomplishment for humanity. He claimed that man's greatest enemy was ignorance, and the true remedy, the only remedy, was education. As ignorance was the race's worst crime, knowledge, spiritual and intellectual knowledge, was its greatest boon. His conception of education was so comprehensive that he amazed his friends at his grasp and his enthusiasm over its possibilities. His yearning to discover the latent possibilities of childhood to each child became a ruling passion with him. His conception of the final reaches of human endeavor, spiritually and intellectually speaking, was not spasmodic. It was the result of sane conviction.

His graduating theme at Brown at the age of 23 was "The Progressive Character of the Human Race." This proved the bent of the young collegiate's mind.

When as a young man he was invited to address a concourse of New England people on a patriotic occasion, July 4, he chose as his theme "The Debt Each American Owes to Posterity."

These suggestions throw light upon the ruling motives in his public career. Indeed, his whole life was but an enlargement of these ideas expressed in youth.

The sight of a hopeless cripple, mentally as well as physically, induced in his mind an inquiry into the cause, with a possible plan for relief. He instituted an inquiry as to the number of such unfortunates in his native State. After fortifying himself with an overwhelming array of facts, a practice invariably followed by him, he sprung a surprise by supporting a bill to establish the State hospital. This called out virulent opposition in which Mann was ridiculed as the schoolmaster. One politician charged him with the enthusiasm of the sophomore. The end of the contest was the hospital at Worcester, the first of a system that now covers the entire country as with a mantle of hope for the helpless.

A fundamental principle with him was, if the race is elevated it must begin with the child, not the adult. In other words, there was more in formation than in reformation in character building.

Another principle fundamental was that the process of cleaning up a boy must begin with his mind rather than with his body. Seek self-respect first, with an assurance that other desirable results will follow. Consequently the greatest boon to mankind is a possible practical common-school system to which will be admitted all children, without discrimination between the

poor and the well to do. He demanded the doors of the schools must swing wide to the very least well to do.

The steps in perfecting this system were:

1. Common schools supported by taxation.
2. Normal schools to train teachers.
3. School committees to be paid.
4. County institutes to be established.
5. Survey by school registers was inaugurated.
6. Cooperation of home and school by library system.
7. Popular education through the lyceum.
8. Carrying it to the people by means of the educational journal.

In 1837, at the age of 41, he accepted the position of secretary of the State board of education. One of his friends expressed his surprise that he would deflect a brilliant career as a lawyer for the work of the educator. Mr. Mann, in reply, began to unfold the field open before him as a builder of character, until his friend was convinced of the wisdom of his step. However, his friend insisted that he should change his title from secretary for one that meant something, to which the educator said:

If my title does not mean enough, it is my duty to make it mean more. I much prefer to be a creditor to a title rather than a debtor.

To another friend who deplored the fact that the law was to lose a brilliant advocate he replied, "Let the next generation be my client."

To his great Scotch friend, George Comb, the author of the "Constitution of Man," he wrote "henceforth all my energies shall be devoted to the youth of my State."

During his 10 years' service in the Massachusetts Legislature he showed his disgust for the tactics of the practical politician, the mere timeserver. To-day he would probably be called an insurgent or an irregular party man. While he recognized the importance of teamwork, he refused to bury his individuality or to lose his identity. He despised the modern caucus method, which binds a Representative in Congress to vote with his party for party regularity sake as against his own judgment. It was along these lines against which he rebelled and was read out of the party. Such a thing as permitting some one else to do his thinking was inconceivable.

From these facts it can be readily understood why he declined the governorship of his State to accept the presidency of Antioch College. Before he accepted he had to be assured that the authorities would agree to certain conditions which he named. He required its doors open to men and women alike without any discrimination. This was a strange doctrine in 1852. He demanded it to stand for religious education upon a nonsectarian basis. At this time it was not thought that a religious institution could be presided over by a layman. He required that it must accept students without discrimination between the races. That was regarded as a most vicious innovation by most of the educated people of all nations. He also required the introduction of the elective system in the college course.

The first catalogue of Antioch has a footnote explaining the meaning in college circles of the word "election." He also insisted that entrance requirements should not permanently exclude those who could not meet all the requirements. He also required means for the education of the poorer young men and women on the grounds that the brightest talent will most often be found among the youth of least means. The children of the well-to-do would not need the help of the State as those of the poor. The latter by education could be made self-supporting and often leaders of men.

The greatest service to mankind will be rendered by that institution that will take these future wards of the State and place them upon their own feet, and virtually convert them into real constructive forces for the Nation. With this conviction dominant, he named his own conditions, which were met at once.

For six years, his last years, he labored in the field of higher education. He introduced many features then unknown, now universally accepted. He emphasized the value of health and introduced the teaching of physiology; also the value of outdoor sports, the precursor of the modern athletics. It may be of interest to know that the national game of baseball was started upon the campus of Antioch by the first game played between the Cincinnati Reds and the college team. This was after the death of President Mann.

The last days of the educator were somewhat distressed by the burdens of the college finances. His wonderful life was realizing the climax in the materializing of his great principles.

These principles were set forth in his masterful address, his inaugural address, 1853, upon the occasion of his installation as the head of the college. This address is still pronounced as one of the most notable ever delivered upon the subject of education in this or in any other country.

To a friend he said: "If these buildings should save a single boy to a useful life, they would be paid for." His friend expressed his surprise at his enthusiasm, when Mr. Mann answered: "If the boy that was saved were my boy, I would not give him up for all the money required to erect these buildings."

Perhaps no man of the Nation has so many and varied achievements attached to his record for the constructive uplift of humanity as Horace Mann. He thought not only in the problem of state, but rather in that larger sphere of cosmopolitan philanthropy that included in his public concern the future generations.

He seemed to abhor the theory that a thing is good simply because it is old or to be avoided simply because it is new. His force fully exemplified Lowell's dictum that new occasions demand new duties and time makes ancient good uncouth.

He was a reformer of the truest type, whose chief concern could not be limited by the present, but must extend to the future. This principle kept his gaze fixed upon the youth of the country and his education as the chief function of the State. He broke with tradition and invited the fiercest condemnation of the self-satisfied.

When he urged the establishment of the State hospital system to care for the unfortunates he was opposed by some would-be statesmen and ridiculed by others as an impractical theorist, espousing measures with the enthusiasm of the sophomore that had no place in the statute books.

When he took a determined stand in favor of laws for the suppression of intemperance and traffic in lotteries he was again ridiculed as an erratic reformer who believed he could make men moral by law.

When at the age of 41 he voluntarily left the practice of law to take up the work of building the school system of his State even his very best friends doubted his wisdom and his enemies questioned his sincerity.

In that day, as to-day, men could not understand how any but a money consideration could be the determinant in the choice of a life work.

To both opposition and ridicule he had but one answer. Man's success is not measured by what he gets out of life, but by what he puts into it. No work limited to the time, no matter how remunerative, can be compared with that for the generation to come, no matter how poorly appreciated.

His proposals for the establishment of the common-school system, including the normal schools for training teachers, were attacked as a wicked waste of the people's money, to do what was better done by private schools at no expense to the State. Nor did this opposition cease with the success of the enterprise. His greatest struggle was to save the system against the attacks of its enemies after it had been established. Strange to say the most bitter struggle came from the educators of his own State, and especially from the city of Boston, where the schoolmasters united to bring his efforts to ridicule.

Is Benjamin Kidd justified in his statement that the most persistent and bitter opposition to reform comes from the educated classes of a country? The answer might be sought in legislation both in State and Nation.

When he was urged to enter the race for Congress in 1848, after he had been at the head of the educational movement for 11 years, he agreed to do it, provided he would not be compelled to leave off altogether the direction of his reforms in education.

In Congress his first speech indicated his future activities in that body. It was the right of Congress to forbid the existence of slavery in a Territory, the position taken by Seward in 1850, two years later, and by Lincoln so forcibly in his debate with Douglas 10 years later, when Lincoln declared to a protesting friend that he was seeking larger game.

In this field he proved himself a worthy successor to the "Old Man Eloquent."

His abandonment of further political life to resume the work of the educator as the first president of Antioch College is also in keeping with this high type of altruism which abhors mere salary and position when it is at the expense of the greatest service for mankind.

The various innovations he introduced in higher education, called by him the "New experiment," have become so universally accepted by all educators that it would appear they never had any opposition.

In this rôle he is not only the country's highest type of the altruist, but one of the most signally successful constructive figures in American life.

On the monument standing upon the campus at Antioch, where his body rested for two years, are placed these words, taken

from his address to his students and which best reflect the purpose of his wonderful life:

Cherish in your hearts these my parting words, be ashamed to die until you have won some victory for humanity.

I have here but merely sketched the actual achievements of this wonderful man, a son of Brown, yea, Brown's most distinguished alumnus, as well as the country's greatest educator.

I speak with some feeling of this man and his work for higher education. I am now president, serving without salary, of the college which he opened and gave the last six years of his life to its upbuilding.

When at home I tramp almost every day over the campus made sacred by his feet. I live in the house in which he died. I breathe the college air still surcharged with his spirit. I daily hear his standards referred to in the work of character building. I will therefore in this presence of Brown Alumnæ, to which he belonged, be excused for expressions of appreciation of his nobility of life.

Now, I beg you to indulge me a moment on a theme of most interest to me outside the future of Antioch, his "great experiment."

In addition to the wonderful program this man had in mind, much of which he lived to see universally accepted, he hoped the Government would fulfill the desires of Gen. Washington to establish at the capital of the Nation a national university. It is perhaps not in order upon this occasion and with this presence for me to speak of this at length. Suffice it to say that Gen. Washington left $25,000 to begin the enterprise. Had that sum been placed on compound interest it would amount by this time to something like $4,000,000. Gen. Washington's wishes were indorsed by official recommendations by Presidents Adams, Jefferson, Madison, Monroe, John Quincy Adams, and Jackson. It was revived by President Grant and repeated by President Hayes. It has been recommended by Supreme Court judges, Cabinet officers, members of the Army and Navy, professional and business organizations, and women's clubs. It has been urged by the National Educational Association, representing the most important body of molders of public opinion in the Nation. It is also backed by the Association of State University Presidents.

I have introduced a bill looking to the consummation of this long-deferred hope. I anxiously await the approval of an effort to make our capital, already the greatest scientific center of the earth, the mecca of the world's research students. We do not mean to multiply learners so much as to increase learning. Not to increase scholars as much as augment scholarship. When Sir Humphrey Davy was asked what his greatest discovery was, "Michael Faraday," replied the great scientist, without a moment's hesitation.

If Brown's greatest find is a great scholar, then America's greatest duty is to assist your great work of discovery. I hope to see the day when Brown, in her training ground for leadership, finds a rare figure, he need not go to Berlin for the advanced expert research, but he may come to Washington as a better place. I hope you will give me your moral support to induce our Government to unlock her rare museums, bureaus, laboratories, and stations for expert training, to the promising men and women, and make it possible for such to spend their lives in the discovery of new truths of science and philosophy. Is there any greater function of government? This is what Germany has done, and is in part the explanation of the high rank that Empire has taken since the establishment of the great university at her capital. Of course such an institution could not injure any other as Brown, since its very existence must depend upon these institutions which must feed it. The national university—a purely graduate research institution, not conferring degrees—and the more than 400 other institutions of higher learning must be mutually helpful, each largely dependent upon the other. It is neither to duplicate nor to supersede but to supplement your work.

No fear either of partisan or sectarian control need be harbored. What political or sectarian influence would be able to wrongfully influence a group of research scholars made up of men of the type of your distinguished President Faunce or our Nation's distinguished President Wilson. Such men, on the contrary, would exert a most salutary influence upon the life of the Capital.

What will be done, if the university can be established, is suggested by what has been accomplished by the Smithsonian Institution since its founding in 1846. To-day it has to its record not less than 12,000 titles, representing its contributions to the advancement of knowledge. It is in correspondence with at least 60,000 people, representing all parts of the world. It has an official affiliation with every learned society of the earth. Starting with the munificent gift of $515,000, it has not only preserved the original gift but it has added through friends of knowledge additional gifts, until it now has a million dollars at its disposal. Besides, it has buildings which will amount to almost, if not altogether, that sum. It also has collections, procured by governmental exchanges at small cost, to the value of another million. All this with no hint of influence of partisan or sectarian bias. If such an institution, under such management, with a half million endowment to start with, can accomplish so magnificently, what might be expected from a national university for research, with an unlimited fund at its disposal?

While I did not come here to speak of this, it is what is in my mind, and I trust I have not offended the amenities of the occasion by intruding this note which is dominant in my thinking just now. I repeat that I esteem it as no small honor to be invited to be with you at this time. I have had a taste of the Brown life, for which I sincerely thank you. Good night.

Railroads in Alaska.

EXTENSION OF REMARKS
OF
HON. CLEMENT BRUMBAUGH,
OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Wdnesday, February 18, 1914,

On the bill (S. 48) to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

Mr. BRUMBAUGH. Mr. Speaker, the Committee on the Territories of the House of Representatives gave long and careful study during the past summer to the bill which is now, through the honored chairman of the committee, presented to this House for the development of the great, rich wonderland of Alaska.

The committee invited and held extensive hearings, hearing freely and fully at great length experts and others from all parts of the United States, Canada, Alaska, and the world at large.

The results of our labors—the complete reports of the hearings—are printed in book form and have been available to all. It is but fair to state that the committee approached the consideration of this great subject with open minds, and that those of the committee who could or would attend the hearings, and thus make up their decision from the evidence in the case and the facts deduced, have given their support to this measure, moved to that position wholly by the justice and benefits of this great measure both to all the people of the United States as well as to the people of Alaska themselves.

PRESIDENT WILSON'S STATEMENT FOR ALASKA.

We are more than gratified that our position is so completely sustained by our great President, whose wonderful grasp of affairs and fine statesmanship has not only met every delicate emergency with consummate ability, but whose keen sense of right and justice is leading the thought of the world to higher planes and better things.

You all heard what he said in his masterly address before the House and Senate December 2 last on the subject of the need, the benefits, and the justice of Alaskan development. The President speaks of Alaska as a great storehouse, and points out that the development of Alaska is an imperative duty that confronts us. I want to refresh your minds with his clear, logical, and forceful statement, based on reports obtained from most minute and thorough inspection of all parts of Alaska. The President says:

A duty faces us with regard to Alaska which seems to me very pressing and very imperative; perhaps I should say a double duty, for it concerns both the political and the material development of the Territory. The people of Alaska should be given the full Territorial form of government, and Alaska, as a storehouse, should be unlocked. One key to it is a system of railways. These the Government should itself build and administer, and the ports and terminals should itself control in the interest of all who wish to use them for the service and development of the country and its people.

But the construction of railways is only the first step; is only thrusting in the key to the storehouse and throwing back the lock and opening the door. How the tempting resources of the country are to be exploited is another matter, to which I shall take the liberty of from time to time calling your attention, for it is a policy which must be worked out by well-considered stages, not upon theory, but upon lines of practical expediency. It is part of our general problem of conservation. We have a freer hand in working out the problem in Alaska than in the States of the Union, and yet the principle and object are the same, where we touch it. We must use the resources of the country, not lock them up. There need be no conflict or jealousy as between State and Federal authorities, for there can be no essential difference of purpose between them. The resources in question must be used, but not destroyed or wasted; used, but not monopolized upon any narrow idea of individual rights as against the abiding interests of

communities. That a policy can be worked out by conference and concession which will release these resources, and yet not jeopard or dissipate them, I for one have no doubt, and it can be done on lines of regulation which need be no less acceptable to the people and Government of the Nation at large, whose heritage these resources are. We must bend our counsels to this end. A common purpose ought to make agreement easy.

A FAIR, JUST MEASURE.

We believe the bill herewith presented is a fair, just, and reasonable measure that merits the favorable action of this House. The bill is not only a measure for the development of Alaska, but, as conditions now exist in Alaska, it is a measure for the very preservation and salvation of Alaska.

PRESIDENT ROOSEVELT'S GREAT SERVICE.

President Roosevelt did a great service to future generations when he pried the hands of the special interests of greed and avarice, who were planning to take and appropriate this richest country on earth, loose from the throat of Alaska. But to stop there and to continue in the resultant cessation of activities would and must mean the destruction of Alaska.

We must start Alaska on a new life of industrial freedom and development, or, more properly speaking, simply give Alaska a chance to start and give her that assistance to start that any sensible Government has always given any frontier land; just as the United States in the past has given every new frontier part of the United States assistance to start. And then let Alaska free to work out her own destiny, and Alaska will work it out and answer the call of the future with fine American States, of fine American citizens to safeguard the Pacific coast and make all possible future wars with the Orient impossible. [Applause.]

GIVE ALASKA UNBIASED CONSIDERATION.

I trust this great question will be considered by this Congress—as all great questions ought to be considered—without party or sectional bias or interests, but with an eye single to the honor and glory of our great land we all love so well and to the great needs of this great Alaska, of such splendid and wonderful possibilities, whose trustees we are, and bound, therefore, by every honor and tradition of the past to treat her fairly, as we have been treated in like cases in every part of our national domain by the Government of the United States.

Mr. Speaker, we know so little about the real Alaska, and the little we know has been all so incorrect, that it may be appropriate to describe briefly the Alaska we would develop.

FALSE CONCEPTIONS OF ALASKA.

Possibly no country on earth has suffered so much by the conception held of the whole land as obtained from the parts of it which are usually visited as has Alaska. The traveler sails along the 7,000 miles of coast line and sees nothing but a high range of snow-capped mountains, with but three gateway valley inlets through them into the great interior beyond, or he visits the Klondike, one of the worst climatic regions on earth, and comes away saying and thinking that like these is all Alaska. He does Alaska the same injustice that a traveler would do the United States who saw only the eternal snow-capped Pikes Peak of Colorado, knew nothing of the beautiful world beyond, and went away saying and thinking like Pikes Peak is all of the United States.

ALASKA DESCRIBED BY COMPARISON.

Possibly the best way to describe Alaska is by comparison. To continue thinking of Alaska as a glacier field of snow and ice and mountain limitless wastes is to do violence to truth and ordinary intelligence. Alaska has wide areas of valley lands and timber, with as many varieties of climate as can be found in the northern parts of the Middle States. The warm Japan Ocean Current does for many parts of Alaska exactly what the Gulf Stream does for Great Britain, Ireland, Norway, and Sweden, and many parts of Alaska have a northern temperate climate, where people can live in all the comforts of the northern Temperate Zone.

ALASKA A WONDERLAND OF WONDERFUL POSSIBILITIES.

We must wake up to the truth and to the fact that here is a great tract of land larger than Norway and Sweden, capable of outranking in population and wealth both of these combined, with a much better climate and much better farm lands, infinitely richer mineral deposits, with rivers navigable more miles than the Mississippi or the Ohio, with valleys where future American States can be planted, where ten to twenty millions of people can live just as comfortably and successfully as they can in northern Minnesota, Wisconsin, the Dakotas, or Canada. In fact, Alaska is a great slumber land awaiting the awakening touch of development; ready to give happy, comfortable homes to millions of people; ready to give and guarantee a cheaper coal supply to all the people of the United States for centuries to come; ready to give us the greatest copper, gold, and silver mines the world has ever known; ready to grow a future brave, strong, hardy race of men and women such as inhabit Norway and Sweden, future American citizens to safeguard our Pacific coast, to defend the Government that will nourish it into life, and to give back to us and to do for us infinitely more than we can or need to do or give to Alaska. With this view and conception of its future let us think of Alaska, and thus come to know the possible Alaska of the future and appreciate the grandeur and patriotic responsibility of our part in this great measure now before us.

ALASKA BY COMPARISON.

Alaska's importance and value to the United States can best be comprehended by comparison with other lands of like climate and soil. As a history-making epoch event the purchase of Alaska stands second in importance only to that great epoch-making event in history known as the Louisiana Purchase. The Louisiana Purchase consummated by Jefferson doubled the then existing area of the United States and gave us the great domain of the Union along the Mississippi River from the Gulf of Mexico to Canada and out to the mountain ranges and beyond, and therewith gave us full possession and ownership of the great Mississippi River and its tributaries. The consummation of the Louisiana Purchase by that great future-seeing President and statesman, Thomas Jefferson, was one of the great epoch-making events in the history of the world, and has been regarded by the world as the very flower of consummate statesmanship. It changed the map of the world and the destiny of the Governments of the earth.

Second only in importance to this momentous event of history is the purchase of Alaska from Russia, consummated by Secretary Seward in 1867. During the darkest days of the Civil War, when we feared that England would declare for the South, Russia's mysterious fleet stood out to sea. Later Secretary Seward desired to find a way to pay our moral financial obligation, and he found the excuse to pay the debt by buying from Russia, for $7,200,000, what was supposed to be worthless Alaska. It has turned out to be like buying a hidden gold mine with a copper 1-cent piece, and our income, measured in dollars and measured in benefits and blessings to all, will prove a like prosperous investment and return on every dollar spent to develop Alaska.

Mr. FESS. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman yield?

Mr. BRUMBAUGH. I regret I can not. I have but a little time. When I have finished I will yield to the gentleman with pleasure.

Mr. FESS. I wanted to ask the gentleman about the ridicule that Mr. Seward suffered when he bought Alaska.

Mr. BRUMBAUGH. I thank the gentleman. I remember very well that history so states that fact; Seward's folly they called it, I believe.

ALASKA HOLDS THE FUTURE GOLD SUPPLY OF THE WORLD.

We gave $7,200,000 for Alaska. Last year we took out of Alaska, in gold alone, about $22,000,000. In the last 14 years we have taken out of Alaska, in gold, silver, copper, coal, fish, and furs, about $475,000,000. On account of the lack of shipping and railroad facilities, we have hardly begun to scratch the surface of Alaska. No one can estimate the billions of undiscovered wealth awaiting us in this undeveloped, unknown wonderland. In fact, Alaska holds the future gold supply of the world. The Transvaal now furnishes 40 per cent of the world's supply of gold. When we shall have permitted Alaska to develop in a normal, natural way, Alaska will furnish 40 per cent of the world's supply of gold.

COMPARISON AS TO SIZE, CLIMATE, VALLEYS, HOMES, AND OPPORTUNITIES.

Any attempted description of this wonderland must necessarily be both brief and very incomplete. Alaska in size: The shape of Alaska is that of a large rectangle with two long, broad wings. If Alaska were imagined to be placed upon the map of the United States, the first wing would begin at Columbia, S. C., and the body of Alaska would cover the States of Illinois, Missouri, Kansas, Iowa, Nebraska, Wisconsin, Minnesota, and North and South Dakota. The second broad, long wing would reach from Illinois down through the States, through Texas, and out into the Pacific Ocean. The body of Alaska lies alongside of British Canada; it almost touches the Empire of Russia, while its wing reaches down from out of the Western Hemisphere into the Eastern Hemisphere, sweeping north of the Empire of Japan. In square miles Alaska is larger than Norway, Sweden, Finland, England, Scotland, and Ireland combined. It is one-half larger than the thirteen original States; it is as large as the United States east of the Mississippi River; it is twelve times the size of the State of New York; and in its present undeveloped condition, with but few of its known gold mines imperfectly worked, it produces yearly as much gold as

the great gold-producing State of California. It has a climate as varied as that of Texas and Dakota, while it holds in its great area the greatest gold and copper mines and coal fields on earth and waits to house and home millions of American citizens. Its climate is more inviting, its soil more productive, with more acres of farm lands, than that of the great nations of Norway, Sweden, or Finland, which house and home more than 11,000,000 of the earth's hardiest, healthiest people. The rivers abound with valuable fish; one-half of the world's supply of salmon comes from Alaska. On account of the Japan Current the valleys have the same climate as the northern parts of the United States or Canada. The summers there are long enough to permit the crops to ripen nicely. The winters for the interior valleys are about like the Dakotas or Minnesota and adjoining Canada.

Alaska's great river, the Yukon, is navigable more than 2,000 miles, and is said to discharge one-third more water than the Mississippi. The Tanana River is the Ohio River of Alaska. Alaska has more coal in her hills than Pennsylvania, Ohio, and the Virginias; more copper than Montana and Arizona; more gold than California and Colorado; more tin than Wales; more fish than the balance of the waters of America.

THE POSSIBLE ALASKA—FARMING AND AGRICULTURE.

From Government reports—not statistics furnished by the "interests" or by their paid lobby—let us see what Alaska might become in a very few years as an agricultural country. In Europe and Russian Provinces lying north of altitude 60°, like Alaska as to latitude—Alaska lies between 54° 30′ and 71°—the census statistics show us that there are now living in such valleys as they have fit for cultivation, together with the population of the cities, more than 11,000,000 people. There is under cultivation 8,373,000 acres of land, which produce yearly as follows: Wheat, 6,000,000 bushels; rye, 36,000,000 bushels; barley, 26,000,000 bushels; oats, 120,000,000 bushels; potatoes, 110,000,000 bushels; and about 8,000,000 tons of hay. The live stock is as follows: Horses, 2,000,000; cattle, 6,000,000; sheep, 4,000,000; hogs, 2,000,000; goats, 400,000; reindeers, 500,000.

FUTURE ALASKA COMPARED WITH NORWAY AND SWEDEN.

Compared with the above, let us see what Alaska could do. A study of the topography, climate, native plants, and crops shows that the conditions are very similar in the two regions, with the advantages in favor of Alaska. All the above could be produced in Alaska and more. In 1910 Prof. C. C. Georgeson, a man of wide practical experience, whom all agree is thoroughly trustworthy and reliable, estimated the tillable and pasture land of Alaska at 64,000,000 acres, as against 8,000,000 acres in the above Provinces, which sustain more than 11,000,000 people. Mr. J. W. Neal, who is in charge of the Government agricultural experiment station farm at Fairbanks, Alaska, states that by actual survey there are 9,700,000 agricultural acres of land in the Valley of the Tanana. This valley alone could, therefore, support more people and raise more agricultural products than the Provinces of Norway and Sweden and Finland, with all the live stock, crops, and people above mentioned.

AGRICULTURAL POSSIBILITIES OF ALASKA.

Most people are incredulous when told of the fine agricultural possibilities in Alaska, because they imagine that the country lacks sunlight. They forget that every spot on the earth's surface during the course of the 12 months has the same amount of sunshine. The shortest day in Alaska is the 22d day of December, when it has not more than 2 or 3 hours of sunshine, but 6 to 8 workable hours of twilight. On the 22d day of June the Tanana Valley has from 21 to 22 hours of direct, vigorous sunshine and heat; and all the crops mentioned above are grown, matured, and harvested in the 4 months of this most constant sunshine and heat. During these 6 months the Tanana Valley has three-fourths of the year's sunshine—more sunshine in a like period of time than any point on the earth's surface south of it; more sunshine than California, Ohio, Georgia, or Florida has in the same period of time.

Mr. Speaker, I know the facts I have stated and the deductions I have made about the climatic conditions and the agricultural possibilities of Alaska possibly will be doubted by some and disputed by others. I have not given statistics furnished by the agents or interests of the Morgan-Guggenheim Syndicate, but statistics furnished by the departments of the United States Government itself. Of the immense, inexhaustible mineral deposits of coal, gold, copper, tin, lead, zinc, and so forth, there can be no dispute, and I therefore omit reference to these. I want to back up these statistics by the best possible evidence—the testimony of uninterested parties who know Alaska from personal observation. I believe it is reliable information we all want, and that when we find these things to be true that our sense of right, justice, as well as of national security and profit, will lead us to vote for this bill.

In the Washington Post of January 12, 1914, there appeared an interview with the Rev. Dr. P. T. Rowe, Bishop of Alaska. The reverend bishop resides at Sitka, Alaska, and I desire to here insert his testimony on Alaska as given in said interview. The reverend bishop spoke as follows:

CHATS OF VISITORS AT THE CAPITAL.

"Alaska and Alaskans are becoming impatient at the continued attitude of the Federal Government in retarding development of the Territory," declares the Rev. Dr. P. T. Rowe, of Sitka, Bishop of Alaska, at the Raleigh. "With a generous policy toward Alaska, even as liberal a policy as the Government has shown toward the Philippines, Alaska will not only go forward with giant strides, but will profit the rest of the country as well as itself.

"Two things are necessary in the course to be pursued by the General Government—a change in the opposition to the extension of transportation facilities and the releasing of the coal lands. I know these are hackneyed subjects in Washington, but they are live ones in Alaska, and Alaska will not become the great Territory that is possible until the Government has changed its tune. The possibilities in Alaska lie not only in its great mineral deposits—gold and copper—but in its coal and fisheries and its agriculture, and the last named is by no means the least. Prof. Georgeson, the Government agent at Sitka in charge of farm experiments, told me recently that the Tanana Valley alone is capable of producing sufficient crops to take care of 5,000,000 people. And the Tanana is not the only agricultural land in Alaska.

"It is well known that the coal deposits in Alaska are enormous. Our industries are crying for it, but it has been locked up securely in the name of conservation. We have to get our coal now from Australia, and to pay $25 a ton for it. While I was in Nome, not long ago, two great freighters reached port with several thousand tons each. The Government established a naval base at Seward, but what good is it without coal? Suppose we were to have a war with some eastern country, where would we get our coal? We could get all we need in Alaska at $5 a ton.

"Instead of encouraging the extension of transportation facilities, the Government imposed a tax of $100 a mile annually for the operation of the little narrow-gauge roads that were built to provide a route to the mining regions, and, of course, these roads had to stop work. The Guggenheim-Morgan road, which runs for a distance of 198 miles, has discontinued extension work because it costs too much, I suppose, for fuel.

"All we want is a fair chance in Alaska, as liberal a policy as that shown to the Philippines, and the Territory will discover remarkable development. The gold production has not shown any falling off in the last year despite the obstacles placed in the way of development by the Government, but the population has remained stationary. The best part of the gold output is that it has disclosed quartz mines, which proves that it is permanent."

SECRETARY LANE'S STATEMENT.

I want to call attention to the statement of Secretary Lane, a thoroughly informed man on Alaskan affairs. In a letter to the Senate committee, among other things, Secretary Lane says:

DEPARTMENT OF THE INTERIOR,
THE SECRETARY OF THE INTERIOR,
Washington, May 15, 1913.

MY DEAR SENATOR: My opinion is requested as to Senate bills 48 and 133. These measures, in a word, provide for the construction by the National Government of a railway system in the Territory of Alaska.

I favor the adoption of this policy. I believe it to be that under which Alaska will develop most safely and most speedily, and under which the resources of that Territory will most certainly become available to the whole people.

There is but one way to make any country a real part of the world—by the construction of railroads into it. This has been the heart of England's policy in Africa, of Russia's policy in western Asia, and is the prompting hope of the new movement in China. Whoever owns the railways of a country determines very largely the future of that country, the character of its population, the kind of industries they will engage in, and ultimately the nature of the civilization they will enjoy. The policy of governmental ownership of railroads in Alaska seems to me to be the one that will most certainly make for her lasting welfare.

To many of our people Alaska is little more than a land of natural wonders, here and there dotted with mining camps and fishing villages. If Alaska is to be nothing more, it is almost a matter of indifference as to who builds her railroads. I have talked with many who know that country well, and I am convinced that we should think of Alaska as a land not only of mines and fisheries, but of towns, farms, mills, and factories, supporting millions of people of the hardiest and most wholesome of the race. If this conception of a possible Alaska is a true one, our legislation should be such as to most surely bring about this possibility, and it seems to me there is less of hazard as to Alaska's future if the Government of the United States owns the railroads which will make its fertile interior valleys accessible from the coast and bring its coal, iron, copper, and other mineral resources within the reach of the world.

This is a new policy for the United States. Very true. This is a new part of the United States. And policies properly change with new conditions. The one determining question in all matters of government should be: What is the wise thing to do? The ancient method of opening a country was to build wagon roads. The modern method is to build railroads. To build these railroads ourselves and control them may be an experiment, but such a plan does not suggest scandals more shameful or political conditions more unhealthy than many we have known in the new portions of our country under private ownership. And in the end we will be free to establish and maintain our own chosen relationship between Alaska and the rest of the United States unhampered by threats of confiscation or the restraining hand of any merely selfish influences. We can only secure the highest and fullest use of Alaska by making her railways wholly subordinate to her industrial and social life and needs—true public utilities.

Respectfully,

FRANKLIN K. LANE.

Hon. KEY PITTMAN,
Chairman Committee on Territories, United States Senate.

These are the words of a statesman, words of patriotic statesmanship. [Applause.]

I desire to further verify the statements I have quoted concerning climatic conditions and agricultural possibilities of Alaska from another witness. I want to briefly quote from the facts condensed and published by Mr. R. H. Stretch, whom, I am informed, is a gentleman of wide experience, trustworthy, conservative, and reliable.

I herewith desire to insert quotations from his compilation of facts on Alaska:

THE VALUE OF ALASKA TO THE UNITED STATES.

Alaska is a land whose area is equal to one-fifth of the United States, or 12 times that of the State of New York. Its production of gold for the year 1912 was $17,398,943; that of our gold State, California, whose population is 37 times as great, was only $19,928,500.

Alaska's per capita production of copper, the mining of which is only begun, is now equal to the per capita production of Montana. It has coal fields of greater area than those of Pennsylvania and arable lands greater than the entire State of Oregon. Tin, iron, gypsum, and oil are found in commercial quantities, and its marble quarries rival those of Vermont.

The reindeer industry, established in 1902 with 1,280 head, has spread until the 47 herds number 38,000 head and promises to become a valuable source of food supply, while the extent of its fishing grounds exceed those of all the States combined and are excelled nowhere in the world.

Its undeveloped water power exceeds that of the entire Pacific Coast States.

On an investment of $7,200,000 Alaska has given us in return, since 1867 (and by far the greater portion since 1899, or only 14 years), as shown in the reports of the United States Geological Survey, Director of the Mint, and other official documents:

Gold	$213,018,719
Silver	1,824,364
Copper	13,377,194
Coal	355,489
Other minerals	993,119
Fisheries and furs	240,830,168
Total	470,399,053

And produced in 1912, as per preliminary estimates:

Gold, silver, and copper	21,580,000
Other minerals	360,000
Fish and furs	18,120,132
Miscellaneous	394,046
Total	40,354,178

The commerce of Alaska for 1912 was:

Imports	26,758,341
Exports	45,982,719
Total	72,741,060

These results have been obtained at a cost to the Government of about $13,000,000 over and above the revenues collected in 45 years, showing a profit to the Nation of practically $450,000,000 on an investment of $20,000,000. Contrast this with the money spent in the Philippines on an alien nation, and with the results which will not bear comparison. If Alaska has achieved so large a measure of success under adverse conditions of every kind, what may not the results be under more favorable auspices?

SCENIC ALASKA.

Alaska is a country unique in its geographical situation, unique in its climate, and unique in its physical beauties. Point Barrow, its northernmost cape, is warmer than any point in the world as far north of the Equator, and its southern shores, bordering the North Pacific Ocean, are likewise warmer than any point in the world in similar latitudes during the winter months, as the result of the beneficent influence of the Japan Current.

* * * * * * *

CLIMATE.

Alaska has its mountain areas, with their snow fields and glaciers, with the loftiest summits in the Union, and broad expanses of mossy tundra, but it has also wide areas of valley lands and timber, and nearly as many varieties of climate as can be found in the Eastern and Middle States, controlled largely by the principal mountain ranges and by the Japan Current, which does for Alaska what the Gulf Stream does for Great Britain, Ireland, and Norway. The following remarks are as true to-day as when written some years ago:

* * * * * * *

It is not possible to judge of the climate of a country by a look at a map to see how far north it is of the Equator. When many people in the Eastern States, who are more or less acquainted with the inhospitable coast of Labrador, find on a map that the bulk of Alaska lies north of Labrador they appear to conclude that the conditions of life must be infinitely worse up there and that the stories of its ice and snow must be true. The town of Fairbanks, in Alaska, with its mines, farms, electric lights, and all the comforts of modern life, is more than 1,500 miles north of New York and 300 miles north of the southern tip of Greenland at Cape Farewell.

* * * * * * *

CLIMATE PROVINCES.

(Authority, maps of the U. S. Weather Bureau.)

Special features easily divide the Territory into six natural subdivisions, according to rainfall, temperature, and latitude, the details of which are shown in the accompanying tables.

First. Southeast Alaska, 300 miles long by 125 miles in width, and the coastal region as far west as Cook Inlet is characterized by a heavy rainfall and moderate temperature, the average of the latter for the three winter months being similar to that of Boston and New York. The southeastern portion covers the Alexander Archipelago of some thousand islands, heavily timbered, possessing many available garden spots and a rank floral vegetation. In a narrow belt, lying between the ocean and the Chugach Mountains, this region extends westerly to Cook Inlet, and all its ports for the entire distance of 900 miles are open the year round to the commerce of the world.

Second. The second region covers the southern coast of the Alaska Peninsula, has a moderate rainfall and similar temperature, but it is almost timberless, the forests giving place to grazing lands. Like the first region, its harbors remain open during the winter.

Third. This covers the entire coastal region of Bering Sea from Unalaska to Point Barrow and beyond, and is characterized by wide areas of tundra and treeless plains, but, like many parts of Arctic Russia, is capable of supporting great herds of reindeer. As might be expected in its 2,000 miles of coast line, the rainfall and temperature vary greatly, both diminishing as we go northward. Including the snowfall, the total annual precipitation ranges from 84 inches at Unalaska to only about 7 inches at Point Barrow, where the average snowfall is only about 13 inches, showing that a far-north latitude does not necessarily involve great depths of snow.

Fourth. The Copper River Valley, being protected from the heavy rains of the coast by the lofty Chugach Mountains, possesses a comparatively dry climate, with colder winter conditions, and is much less thinly timbered than the first region lying to the south.

Fifth. The Kenia-Susitna region offers a compromise between the first and fourth regions, the rainfall being moderate and the average summer temperature about 54°. Much of this region is heavily timbered and contains large areas of good farming land.

Sixth. This covers the central area, containing the great valleys of the Yukon and Tanana. Protected as it is on the south by the lofty Alaskan Range, with its extensive snow fields, it is well watered, although the average precipitation ranges from only 13 to 20 inches, while the thermometer in summer climbs to 90° or over in the shade, and the average summer temperature is about 58°, or somewhat higher than any other of the five regions, while the average of the low summer temperature is only slightly less than in southeastern Alaska.

The meaning of the foregoing details may be better appreciated from the following items, taken from the daily reports of the Weather Bureau, January 6, 1912, covering 43 cities of the United States and southern Canada, and many such days might be duplicated:

Dutch Harbor reported a minimum of 20° above zero; 20 places in the United States reported lower.

Eagle reported 16° below zero; 6 places reported lower.
Nome reported 4° above zero; 12 places reported lower.
Sitka reported 34° above zero; 33 places reported lower.
Tanana reported 4° below zero; 3 places reported lower.
Valdez reported 18° above zero; 18 places reported lower.

Los Angeles and San Francisco were the same as Sitka, while Denver (22° below zero), Huron (18° below), and Winnipeg (30° below) were colder than any place in Alaska.

Sitka had a larger maximum in a list of 45 than 25 other places, among which were Chicago, Kansas City, Montreal, St. Louis, Denver, and St. Paul. Few people realize the ameliorating influence of the Japan Current.

The length of the day at all latitudes is the same on March 21. On June 21 the length of the day at various places in Alaska is closely as given below:

	Degrees.	Hours.	Minutes.
Ketchikan and Prince Rupert, latitude about	55	17	20
Skagway, Cordova, Valdez, and Steward, latitude about	60-61	18	50
Fairbanks, Eagle, Ruby City, Nome, latitude about	64-65	22	00
Bettles and Coldfoot	67	24	00

NOTE.—The places mentioned are approximately in the latitudes given.

I have dwelt upon the climatic conditions because you will be told by some who follow me that the Japan Current has no effect on Alaska.

Table of Government experimental stations. Climate compares very favorably with towns in Minnesota, Wisconsin, the Dakotas, Washington, and Canada.

Table of Alaska temperatures.

[From maps of the United States Weather Bureau.]

	Highest record.	Average summer.	Average summer minimum.	Average winter.	Lowest.
SOUTHEAST ARCHIPELAGO.					
Timber and garden products:	°F.	°F.	°F.	°F.	°F.
Metlakatla	80	.....	47	32	− 5
Wrangell	93	56	49	30	−14
Juneau	88	55	48	27	−10
Pyramid Harbor	82	56	45	25	−22
Skagway	94	56	48	25	−21
Killisnoo	84	.....	.....	32	−10
Sitka[1]	87	54	46	35	− 4
Valdez, Fort Liscum	86	51	45	20	− 2
SOUTHWEST COAST.					
Grazing and garden products:					
Kodiak[1]	85	54	46	32	−12
Coal Harbor	79	50	44	29	−12
Unalaska	76	49	43	32	− 7
BERING SEA COAST.					
Reindeer land:					
Port Moller	68	48	43	29	−17
Ugashik	86	52	43	24	.....
Nushagak	81	53	.....	18	−10
St. Michaels	77	52	44	.....	−55
Nome	78	48	43	3	−32
Point Hope	60	40	.....	−12	−41
Point Barrow	65	37	33	−16	−53

[1] Government experimental stations.

Table of Alaska temperature—Continued.

	Highest record.	Average summer.	Average summer minimum.	Average winter.	Lowest.
COPPER RIVER VALLEY.					
Farming and garden products:	°F.	°F.	°F.	°F.	°F.
Copper Center [1]	79	54	38	10	−45
KENAI-SUSITNA REGION.					
Farming, cattle, timber:					
Sunrise	79	53		20	−29
Kenai [1]	87	52	49	20	−48
Tyonek	82	55	47	10	−27
YUKON-TANANA VALLEY.					
General farming and gardening:					
Anvik	82	55		−5	−57
Tanana [1]	+90	58	45	−13	−76
Rampart [1]	+90	58	43	−13	−68
Fort Yukon	+90	55	47	−23	−68
Circle City	+90	58	47	−15	−57
Forty Mile	+90	58	45	−15	−66
Fairbanks [1]	+90	58	47	−13	−65

[1] Government experimental stations.

FISHERIES.

VALUE, $17,391,578 FOR 1912—TOTAL VALUE TO 1912, $167,420,118.

[Report of governor in 1911.]

Seventeen thousand nine hundred and thirty-two persons were employed in the fishing industries and the capital invested was:

In vessels of all kinds	$5,559,534
Sea fishing apparatus	27,782
Shore fishing apparatus	724,383
Shore property	7,564,023
Cash capital	8,795,665
Total	22,671,387

Of this sum, $19,931,215 was invested in the salmon cannery industry, producing 2,823,817 cases of salmon, valued at $14,593,237. In 1912 the product was 4,060,189 cases, valued at $15,551,794.

The value of mild-cured salmon was	$419,138
The value of pickled salmon was	203,988
The value of fresh salmon was	108,922
The value of frozen salmon was	18,024
The value of codfish was	240,030
The value of halibut was	822,370
The value of herring was	201,909
The value of whales was	104,084

SEALS.

VALUE, $416,992.40 FOR 1911—TOTAL VALUE TO 1912, $52,252,135.

The immense herds of seals which annually resort to the Pribilof and St. George Islands in Bering Sea for breeding purposes was estimated at 123,600 on a recent count, being a slight increase over the previous year, and was estimated to consist of mature males, 3,885; young males from pups to 3 years old, 35,781; mature females, 41,480; young females from pups to 2 years old, 42,454; or a total of 39,666 males and 83,934 females.

The former leasing system has been abandoned, and the islands are now under the direct management of the United States Government. The following details are from the annual report of the Department of Commerce and Labor.

	1910	1911
Number of sealskins taken	12,920	12,002
Gross receipts for same	$435,083.90	$415,992.40
Average per skin	$33.68	$34.74
Net receipts for same [1]	$403,946.94	$383,862.28
Estimated receipts to United States under old lease system	$131,007.00	$122,720.45

[1] From which must be deducted the costs of management.

These herds, numbering 123,600, are all that are left of the 4,000,000 to 5,000,000 which formerly made these islands in Bering Sea their summer rendezvous. Overkilling, raids by poachers of various nationalities, and pelagic, or open-sea, killing having wrought the destruction. Under present conditions and the stoppage of pelagic sealing the herds seem to be increasing in number.

FURS.

VALUE FOR 1912, $370,519—TOTAL VALUE TO 1912, $22,216,872.

While the number of fur-bearing animals in Alaska is undoubtedly much smaller than in the days of Russian occupation, the annual output of skins is still an important industry, as may be judged from the following official table covering the year ending December 31, 1912:

	Number.	Value.	Average value.
Bear, black	618	$5,676	$9.18
Bear, brown	23	864	37.65
Bear, cinnamon	9	90	10.00
Bear, glacier	1	10	10.00

GRAIN CROPS AND GRASSES.

[United States agricultural reports and C. C. Georgeson, in charge of experimental stations.]

That oats, barley, and rye can be grown successfully has been demonstrated at the experimental stations in the Yukon-Tanana Valleys, as well as in that of the Copper River, and also by the farmers around Fairbanks and in the Susitna Valley, who have cut barley for hay, giving 3 tons to the acre. Much time has been devoted to the study and growth of all kinds of grain from northern countries, and the end is not yet. In the rooms of the bureau may be seen handsome sheaves of all these grains and their cleaned products, 60-day and Finnish oats, as well as hull-less and beardless barley.

The rapid growth of grain applies also to the grasses. Timothy springs up wherever imported hay has been fed to stock, and is rapidly becoming acclimated. Among the 40 native grasses redtop attains a growth breast high in 30 to 40 days, and also seems to be the richest in nitrogen among its congeners. It grows everywhere, but is said to rebel against annual cutting, so that cropping every other year is recommended.

Several kinds of vetches and peas make excellent wild fodder, but do not take kindly to cultivation, so that experiments are being made with varieties of alfalfa from Siberia living under conditions similar to those in Alaska, the same being the case with Siberian wheat.

VEGETABLE CROPS.

[United States agricultural reports and C. C. Georgeson, in charge of experimental stations.]

It is possible to grow magnificent vegetables in all parts of Alaska, except on the tundras and mountains. To Alaskans they are no novelty, but to strangers unacquainted with the country they are a constant surprise. They include all the products of the Temperate Zone in America, and the bureau has in its exhibit potatoes, turnips, beets, rutabagas, sugar beets, carrots, parsnips, kohlrabi, celery, rhubarb, radishes, onions, cabbage, cucumbers, peas, and even tomatoes, and in one or two very favored spots, even melons have ripened. The samples, both for size and quality, will compare with the markets of New York, although grown more than 1,500 miles north of that city. Every family can have its garden, which will not only furnish the necessities of life, but will beautify the home with a wealth of flowers. These facts have become so well known that notice of them has practically disappeared from the reports of the agricultural stations; but as the potato is so important an item in the daily menu, every effort is being put forth to secure those varieties best adapted to the climatic conditions of rainfall and sunshine. The following facts are from the latest reports of the station located at Fairbanks, in the Tanana Valley, only about a hundred miles south of the Arctic Circle.

Twenty-seven varieties of potatoes yere cultivated during the season of 1911, of which three were planted on June 1, nine on June 9, and the remainder on June 10. They matured between September 11 and 22, with a yield at a rate varying from 7,260 to 18,876 pounds per acre on the experimental plats. In the open field three varieties produced 5 tons per acre after sorting and grading on second-year unfertilized ground. The character of the potato depends much on the kind of soil and method of cultivation. The best results are said to be secured by allowing the potato to sprout and setting them out on the surface of the ground with plenty of room between the rows, then covering with about an inch of dirt, to be subsequently well ridged up. On a gentle southern exposure of silty soil, such as is favored by the birch, potatoes grow to a large size and possess a fine mealy texture.

Cabbages from department seed made heads weighing from 8 to 12 pounds. Cauliflower was as fine as grown in any country. One gardener claims to have sold 16 tons of cabbage from half an acre in 1910.

There are several notices of the growth of sugar beets (but no information as to their sugar content), and these, with other root crops such as rutabagas and carrots, can be grown in quantity for winter feed to stock.

Summing up the question, C. C. Georgeson, the best of all authorities, says: "All these vegetables can be grown and are grown as far up as the Arctic Circle and beyond. This is not saying that they can be grown with equal success in all places and in all conditions, for on this point the elevation, rainfall, soil, and local conditions as to climate are important factors. Nor do I say that there is not now and then a cold summer, in which only the hardiest of these things make satisfactory growth. But under normal conditions and with good culture all of these vegetables are grown successfully even beyond the Arctic Circle."

WILD FRUITS.

Alaska is a land of berries, not only in the profusion of fruit but in the great variety of species.

Currants, both red and black, abound in southeast Alaska, and in lesser degree elsewhere, and both are remarkable for the size of the fruit and the length of the bunches, rivaling, if not excelling, the best of the cultivated forms.

Strawberries of good size and excellent flavor abound in and on the coast belt from Yakutat to the Copper River Delta, and have been crossed with cultivated varieties, producing plants of more luxuriant growth than either of the parent forms both as to foliage and fruit. Some hundred varieties of these hybrids are under cultivation at the Government experimental stations.

Raspberries are characteristic of the interior regions, especially of the Yukon and Tanana Valleys.

Blueberries are universally distributed and fruit in profusion, the berries attaining a diameter of half an inch. So abundant are they that two ladies near Nome put up 119 gallons in one season.

Huckleberries abound through the Pacific coast and interior regions and form attractive pasturage for bears, both black and grizzlies.

Cranberries, both high and low bush, are characteristic of the interior plateau and Seward Peninsula.

Salmon berries grow luxuriantly in all the coast regions bordering on the Pacific Ocean.

If further proof of the climatic conditions and the agricultural possibilities or the wisdom of Alaskan development were needed, the following report should be to all fair-minded people conclusive:

In the fall of 1912, by act of Congress, the Alaskan Railway Commission was appointed. The personnel of this commission was as follows: Jay J. Morrow, major, Corps of Engineers, United States Army;

Alfred H. Brooks, United States Geological Survey; Leonard M. Cox, civil engineer, United States Navy; Colin M. Ingersoll, consulting engineer.

Briefly, the duties of this commission were defined by the act of Congress to examine railroad routes from the seaboard to the coal fields and to the interior and navigable waterways, and to recommend in respect to most available routes for railroads in Alaska, which will best develop the country and the resources thereof for the use of the people of the United States.

In their conclusions they state that "the commission is unanimously of opinion that this development should be undertaken at once and prosecuted with vigor; that it can not be accomplished without providing the railroads herein recommended under some system which will insure low transportation charges and the consequent rapid settlement of this new land and the utilization of its great resources." They state further that "the data presented shows that the United States possesses in Alaska a frontier territory of great size and of wonderful industrial possibilities. The commission believes that its climate is favorable to permanent settlement and to agriculture; that its mineral resources are vast and as yet but little exploited; that its population is sparse, but only by reason of its inadequate transportation facilities; and that its people are of the same type of hardy pioneers that have carried the United States frontier to its present limits."

The commission's report to Congress is embraced in House Document No. 1346, Sixty-second Congress, third session.

Does any sincere, candid man think that this commission would have so reported if Alaska were the bleak, useless country its enemies would have you believe it is?

Mr. Speaker, the opposition to Alaskan development has been very severe, and painted a very dark picture of Alaska. But has not this been the same with every new part of the United States? Read the speeches of Congressmen and Senators when the development west of the Mississippi River was contemplated. Daniel Webster thought it could never be inhabited. Other Senators said nothing can grow there—a vast worthless land. And so we have the critic and pessimist to-day. What charlatans this Government board, to state the above if Alaska is what the opponents of Alaskan development say it is!

Mr. HARDY. Will the gentleman permit an interruption right there for a very brief question?

Mr. BRUMBAUGH. If it will not be taken out of my time. I want to finish within the limit of my time.

The SPEAKER. The Chair will state that it will be taken out of the gentleman's time.

Mr. HARDY. Does it not appear to the gentleman that the whole question before the House is whether we shall give the resources of Alaska away to private parties or build these railroads and own them ourselves?

Mr. BRUMBAUGH. That is the whole thing in a nutshell. I have prepared some tables from Donaldson's great work on the public domain, and I wanted to read them to show what the Government has done for the newer parts of the United States in the past, but the table is so long that I omit it.

DEVELOPMENT OF ALASKA—WHY AND HOW.

The question very naturally arises, first, why should the United States spend the people's money to develop Alaska; second, if we consider development, how shall we develop—by Government control, by Government assistance, by gift, or subsidy? In answer to the question why the Government should assist in the development of Alaska, it can be argued that in fairness we owe this to ourselves and to Alaska as well; that every consideration of duty, obligation, and wisdom demands it, as well as every consideration of national security and national gain. If the development of Alaska is properly safeguarded and the people's rights protected, then the citizens of the United States as well as the Government can hardly fail to realize $100 for every $1 expended on Alaska.

SAFEGUARD THE FUEL SUPPLY OF THE FUTURE.

By taxation all the people of the United States helped purchase and pay for Alaska; Alaska therefore belongs to all the people of the United States. The fuel supply of the future is so essential to future generations that these deposits should always be safeguarded to the people of Alaska and the people of the United States, and never be surrendered to corporate or private interests to promote any scheme of development of Alaska. Why, even those representing the interests admitted before the committee that we could get 10,000 miles of railroad built in Alaska if we would give Alaska away to have it done. Do you suppose the syndicate interest would do this in a useless and worthless land?

Again, it can be argued that the Government has always assisted to develop its frontier or its Territories; that this has been the policy of the Government in the past.

Donaldson, in his great work on Public Domain, a book of over a thousand pages, sets forth in detail what the United States has done to assist the development of different parts of the United States. I had thought to present a table dealing with this subject, but I find the United States has done so much for so many sections to assist in their development that the entire book is full of tables setting forth the work and the amounts expended.

GOVERNMENTAL HELP TO FRONTIER SECTIONS.

The Government began by assisting in the building of the first railroad in the United States—the old Baltimore & Ohio—from tidewater at Baltimore through the forests to the Ohio River; and this road, with assistance of the old national pikes, told the story of the future greatness of Ohio, Kentucky, Indiana, Illinois, and the other great interior States. Later the Government assisted the great Territories of the West in building the Pacific Railroad, which told the story of the great West.

LET THE GOVERNMENT SPEND MONEY TO ASSIST THE PEOPLE RATHER THAN ON BATTLESHIPS.

In fact, the Government can always and everywhere afford to expend the people's money where that expenditure gives protection to life and property, security to homes and home builders, assistance in opening up new fields to labor that helps to make the necessaries of life more plentiful and cheaper. In fact, the millions that the Government yearly puts into the building of battleships that float the seas in idleness, at great constant expense, to challenge quarrels, can better be spent in opening up such a land as Alaska, providing cheap homes for pioneers, and in assisting its citizens in the flood-swept districts of the country to make safe their homes and the lives of their little ones by assisting in building fortifications to prevent such disasters as befell the cities of Ohio and Indiana and other sections of the United States in the recent great flood which devastated some of the best portions of our fair land.

RAILROAD DEVELOPMENT IN ALASKA.

The prime essential in the development of Alaska centers, of course, is railroad building. There has been already constructed in Alaska about 500 miles of railroad. This is all owned by private interests and does not penetrate the interior, and renders, therefore, little aid to the great interior development desired by all.

The consensus of opinion is that some railroad should be built from the south sea of Alaska up through the interior, so that by branch lines it would open the great coal fields and gold fields of the country and the great river valleys for home builders, ending at some great river navigable to the western ocean. Such a railroad, if but one is built, can be constructed with about 400 miles of trackage, with a cost of about $20,000,000, that will give over 7,000 miles of traffic by railroad and water, not to speak of the branch lines of the railroad, thus opening up to civilization the great valleys that are able to house and home millions of settlers, support great cities, and give outlet to the greatest coal fields of the world. Such a road, accomplishing such great results, would cost no more than two battleships, or less than one-fortieth of that spent on the Panama Canal, or less than we yearly spend on the Philippines.

THE GREAT ADVANTAGE AND VALUE OF SUCH RAILROAD DEVELOPMENT.

The desirability and immense value of such development and its supreme importance to the United States is most apparent to all. Consider a few of the great results that would come therefrom. The southern shores of Alaska furnish the best sea harbors for our vessels and battleships on the western coast, better than at Seattle or Hawaii. These immense, unusued harbors on the southern coast of Alaska are on the shortest line by over 1,500 miles from San Francisco and Seattle to the Philippines, Japan, or the Orient. These unusued harbors would provide the best and safest defenses for our Navy. It costs this Government $3,000,000 a year to ship the coal from the United States used by our vessels on the Pacific, while within 25 miles of these harbors we have coal in inexhaustible supplies—six years' shipping coal bill will build the Alaska railroad.

FUTURE FUEL SUPPLY OF THE UNITED STATES.

Again, consider the fuel supply of the United States. There are used in the United States yearly 400,000,000 tons of coal. There are used 85,000,000 tons per year more coal west of the Mississippi River than is mined west of the Mississippi River. It is plain, therefore, to all that the price of coal is fixed by the few Atlantic States for all the people of the United States. Coal is selling on the western coast for from $8 and $10 to $12 per ton. Government experts, who have made an examination of the situation, report that at our present consumption of coal there is enough coal in Alaska, now explored, of the finest quality, to say nothing of the unknown coal fields of Alaska, to supply our needs for 500 years. In Alaska there is one coal field in area as large as the coal area of the State of Pennsylvania. Now, should we make it possible for Alaska coal to come out to the ocean by this railroad, and then into the United States, a few Atlantic States could not fix the price of coal for all the people of the United States, and should it save but $1 per ton on the price of coal, it would save in our coal bill to the people of the United States $400,000,000 yearly, or twenty times the cost to build the railroad each year, to say nothing of the value of the railroad in opening up the great valleys to home settlers from the United States and the coal supply for our fleet on the Pacific coast.

Having been designated by the chairman of the committee to prepare a report on the quantity and quality of coal deposits in Alaska, I desire herewith to insert one page of that report:

On the 20th instant I directed a letter of inquiry to the Navy Department, asking for information in regard to any tests of any kind that may have been made by that department in the past concerning the quality of coal deposits contiguous to the southern coast of the Territory, and also the coal deposits in the Matanuska coal field, together with any information concerning the quantity of said coal deposits. On the 23d instant I received the following reply:

NAVY DEPARTMENT,
Washington, September 23, 1913.

Hon. CLEMENT BRUMBAUGH, M. C.,
House of Representatives, Washington, D. C.

MY DEAR MR. BRUMBAUGH: In answer to your letter of the 20th instant, the tests of the Bering River coal are not yet completed. The final test is now being conducted at the engineering experiment station at Annapolis, Md., and upon its completion the complete report of the investigation of the Bering River field will be sent to the Congress.

No detailed reports have yet been received from the expedition in the Matanuska field. The test of the coal from this field will not be completed until next summer. The department regrets, therefore, that it is not yet in possession of any first-hand facts on this latter field.

Sincerely, yours,

JOSEPHUS DANIELS.

At the same time information was requested from the United States Geological Survey, Department of the Interior. On September 25, 1913, I received the following communication from the Hon. Alfred H. Brooks, geologist in charge:

DEPARTMENT OF THE INTERIOR,
UNITED STATES GEOLOGICAL SURVEY,
Washington, September 25, 1913.

Hon. CLEMENT BRUMBAUGH,
House of Representatives.

MY DEAR MR. BRUMBAUGH: Referring to your request for reports dealing with the coal resources of Alaska, I am sending herewith a copy of a summary report on the coal of Alaska, entitled "Alaska coal and its utilization" (Bulletin 442 J). This contains information in regard to all the coal fields of Alaska in concise form. The tonnage estimates are only near approximations, but the data on quality and occurrence of coal is a summary of all the information at hand. The information contained in this report was the basis of the matters relating to Alaska coal fields contained in the report of the Alaska Railroad Commission. On the last pages of this report you will find a bibliography giving a list of publications issued by this survey relating to the coal resources of Alaska.

I am also sending you a copy of a report on railway routes in Alaska, in which there is some reference to the occurrence of coal along the various routes described. This report is entitled "Railway routes from the Pacific seaboard to Fairbanks," and is contained in Bulletin 520 A. This report does not differ materially from that of the Alaska Railroad Commission; it was, however, published previously, and is not as detailed, but emphasizes the commercial conditions.

I am also sending you a copy of a detailed report on the Bering River coal field. This is contained in a publication entitled "Geology and mineral resources of the Controller Bay region" (Bulletin 335). The Matanuska coal field is described in a report on the geology and coal fields of the lower Matanuska Valley (Bulletin 500), which is included with the other publications.

A report entitled "The Bonnifield region" (Bulletin 501) includes a description of the Nenana coal field, which contains only lignitic deposits and occurs on the south side of the Tanana Valley, about 50 miles south of Fairbanks. This is one of the fields which will be traversed by several of the proposed railways.

A general map of Alaska, included in Bulletin 520 A, shows the distribution of the coal fields of Alaska so far as they are known. A reference to the bibliography contained in Bulletin 442 J shows that the members of the Geological Survey have published nearly a hundred different reports and articles dealing with the Alaska coal fields. I think, however, that the reports referred to above and which are sent herewith will probably be all that you will be interested in for your present purposes. I need hardly add that if there are any other of the reports which you desire I shall be glad to send them to you promptly.

Yours, very truly,

ALFRED H. BROOKS, *Geologist in Charge.*

Those most competent to speak with authority, on account of years of study and investigation of Alaska and its resources, regard the bulletins referred to by Mr. Brooks in the above communication as the most reliable reports available on this subject. They are recommended, therefore, to those desiring more complete information on this subject than is proper to attempt in this report.

Attention is called to the following extracts from said bulletins discussing the quantity and quality of Alaska coal deposits. It is not deemed important to discuss the quantity and the quality under separate headings, as the application is easily discernible.

In an address on "The future of Alaskan coal," delivered before the American Mining Congress in 1911, Alfred H. Brooks, one of the greatest living and most reliable authorities on Alaska, discussing coal deposits of Alaska and some proposed railroads at that time, spoke as follows:

"As is now generally known, the chemical quality of the coal of the Bering River and Matanuska fields leaves little to be desired. These fields include high-grade steaming and coking coals comparable to the best coals of the East, and also some anthracite.

"The character of the Matanuska coal is less well known, as but few openings have been made on the beds. Locally these appear to be somewhat less disturbed than the coals of Bering River field, but this may be offset in cost of mining by the fact that a large number of intrusives are present. While there are differences of opinion as to the percentage of coal from these two fields that can be commercially mined under present conditions, the fact remains that they include much workable coal of a higher grade than any in that part of the North American Continent tributary to the Pacific Ocean."

The consensus of opinion appears to be that the best way to insure the building of the railroad without scandal, collusion, quarrels, and delay is to put the matter entirely in the hands of the President, authorizing him to locate the road and construct the same. No President has ever won and held the love and confidence of the people more fully than has our great President, and men of all parties feel that this great trust and responsibility is safe in Woodrow Wilson's hands.

ALASKAN DEVELOPMENT INEVITABLE.

Alaskan development is bound to come in some form or other. It is inevitable. If we do not provide for it, some more just and sensible Congress will. We should not let our incorrect knowledge and information of Alaska work to the detriment of this great undertaking. Because Alaska is not now settled and developed like Norway and Sweden argues nothing. Oklahoma was the same for centuries. The geographies of our grandfathers had Illinois and Missouri marked "The Great American Desert," and little development occurred therein until the Government gave assistance. Kansas, Nebraska, Colorado, and the great Oregon country remained undeveloped until the Government assisted in the construction of the Pacific Railroad. The poet Bryant, in his "Thanatopsis," compared Oregon to the Barcan Desert of Africa in these words:

Take the wings
Of morning, pierce the Barcan wilderness,
Or lose thyself in the continuous woods
Where rolls the Oregon, and hears no sound
Save his own dashings—

And so forth.

OBJECTIONS AND THE OBJECTORS.

Mr. Speaker, the objectors to Alaskan development may all be classified under two general heads or classes—the constitutional argument need hardly be referred to: First, Government ownership of railroads. Those who say they fear that Alaskan development would commit the Government to Government ownership of railroads. The Government-ownership problem is not in this question at all. Because the United States Government in the past assisted many, many times in many places did not commit the Government to the policy of Government ownership of railroads, and neither will this great commendable statesmanship and humanitarianlike piece of work commit the Government in any way to the policy of Government ownership of railroads.

THE FELLOW WHO JUST OBJECTS.

Second. Those who object to the Government doing anything anywhere except in their own locality, but do not object to it there. In fact, when I hear some of these Representatives of sections of our country where the United States Government has done so much, talk, I marvel that they have it in their hearts to do so poorly by Alaska. They just object. The great Jefferson found them crying unconstitutional and objecting to the expense of the Lewis and Clark expedition that made known to the world another world west of the Mississippi River, but the great Jefferson, with faith in the right and the future, did just what his great successor, President Wilson, is now recommending to be done.

THE LOGICAL POSITION OF THE OBJECTORS.

What is the logical position of the objectors who would prevent Alaskan development? For the defeat of railroad building either prevents Alaskan development or hands Alaska over to the syndicate to exploit—a prey to the interests—because without railroads by the Government none but the syndicate can get in or out of Alaska. Everyone must be aware of this. Without meaning to impugn the motives of anyone, yet it appears to me their position, logically, is this:

Those who would defeat railroad building in Alaska are willing and would continue the useless expense of $3,000,000 a year shipping coal to our Pacific Fleet. They would continue to expend millions on naval harbors at Hawaii, far out from our coast in the ocean, where coal must be hauled at great expense, and leave unused the fine natural harbor nature has made for us on the south Alaska coast with inexhaustible coal within 25 miles.

They would continue to leave our Pacific Fleet in peril; continue to buy coal from Japan and Australia; ship it from West Virginia and Pennsylvania, playing thus into the hands of the coal monopoly and Shipping Trust. They would leave the coal monopoly go on with the demand resting on West Virginia and Pennsylvania, largely, and let the high prices of coal continue for all time. They would be willing to leave our Pacific coast open to all the dangers of attack which our foolish policy of nondevelopment of Alaska invites.

They would keep out of Alaska all settlers, all home builders, all but the "interests." They would say to the people of Alaska,

as brave a race of pioneers as ever braved pioneer dangers in any land or any age, "Bone of our bone, blood of our blood, leave the land where sleep your dead, or stay and starve."

They would say to the United States Government, "Pull down the flag of progress in Alaska, scuttle the ship of enterprise, beat the retreat on a magnificent opportunity, and abandon a magnificent responsibility."

Gentlemen, it will not be done; Alaskan development is bound to come. If we can not see the opportunity and do it, then some wiser Congress will; for God in His wisdom, I believe, would not permit Alaska to be forever blighted by such senile senility and such supine stupidity as such action as nondevelopment would imply and impose. [Applause.]

We should develop Alaska, because it opens up future homes for future American citizens, and we are legislating well when we open up cheaper homes for the poor. We can thus draw from our congested places in our great cities and solve the labor problems there. The farmers of the United States can find added markets in Alaska and Alaska can furnish the farmers and the business enterprises of the United States with the great fuel supply of the future and prevent coal monopoly and coal famines of the future.

We should develop Alaska, because it gives the needed harbors and the greatest security to our ships at sea necessary to guard the Pacific coast. The Pacific coast defense is of the utmost importance, and coal is the one great essential. The United States is now purchasing coal in Japan and Australia and we are shipping coal from the coal fields of West Virginia and Pennsylvania to our Pacific Fleet. Our naval vessels use 250,000 tons per year on the Pacific coast. In case of war we do not have and could not get enough coal to our fleet on the Pacific coast to last 60 days, for coal is a contraband of war, and during time of war could not be sold to us by any other country. Still more serious is the fact that our coal is carried almost entirely in foreign built and owned vessels, which could not be done in time of war.

We should develop Alaska, because we are pledged to that policy by the Baltimore platform of 1912, which promises immediate development of the resources of Alaska. In fact, platforms of all parties have promised this for the last 25 years. Besides, this has been the policy of the Government in regard to all the new parts of our country in the past. The Government spent $8,000,000 in the building of the old dirt roads or pikes over the Alleghenys through Pennsylvania; it assisted Kentucky, Ohio, and other interior States by building the old Baltimore & Ohio from Baltimore to the Ohio River; it assisted the Territories of the West by giving the immense sum of 155,504,904 acres of land up to the year 1868 as a bonus to railroads through the West. In the Government's policy of the past referred to its help was purely a gift and it owned no part of the road in the end, but in now assisting in the development of Alaska the Government can get all its money back and not be out one cent; still own its own railroad, and can then operate it, lease it, or sell it as it may desire, and leave open this great country to future civilization for millions of American settlers and good, cheap homes for the future poor.

We should develop Alaska, because it speaks and indicates the growing life of the Nation. Any nation growing is safe. Any nation standing still is in danger. For us to take the latter course, when the former is open to us with every inducement of profit and sentiment and patriotism, would be most foolish and unwise.

We should develop Alaska, because the trifle spent, in comparison to the benefits to be derived both to us and to Alaska, would never be felt or noticed. For should the Government announce that this railroad would be built, cities would spring up as by magic and the town sites of such cities alone would reimburse the Government for the money spent in constructing the railroad, while the cheapening in the Nation's coal bill for the people of the United States would repay all the money spent in building the railroad ten times over a year.

We should develop Alaska, because thereby we avoid the probability of any naval defeat in the Pacific Ocean, and therefore remove the temptation to attack us at any time, and thus avoid all the calamities of war.

We should develop Alaska, because we would thus perform a service and put in motion a movement for which future generations would rise up and call us blessed. We would make a bigger, better, stronger United States of America, where labor would be lighter, life sweeter, and the earth a better place to live upon; and upon our work, if consummated in justice, honor, and honesty, would rest the gratitude of future races to be and the benign benedictions of the skies. [Applause.]

Railroads in Alaska.

EXTENSION OF REMARKS

OF

HON. JAMES T. LLOYD,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 18, 1914,

On the bill (S. 48) to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

Mr. LLOYD. Mr. Speaker, Alaska was purchased from Russia in 1867 for $7,200,000. It has an area of 577,390 square miles, about the size of the States of Texas, California, and New Mexico combined; an area eight times as large as the State of Missouri. It has a variety of climate. It is astounding to those who are not familiar with it. There are places in Alaska where it is so warm in winter that they can not secure ice enough for summer use, and there are other places away from the coast so cold that ice is found in summer within a few inches of the top of the ground.

Alaska has proven to be a valuable asset to the United States. There are fully developed at the present time along the western shores the finest salmon fisheries in the world, the output of which amounts to more than $10,000,000 annually. Alaska furnishes the greatest number of fur seals of any country; these are confined to the waters about Pribilof Islands, and are worth more than one-half million dollars annually. The seals have been unnecessarily destroyed in the last few years, so that this industry has been languishing, but under existing laws and the careful surveillance of the United States the seal is now being protected, so that this industry will be much more profitable in the future.

Vast sums of gold have been secured from that Territory. There is obtained from the mines there from fifteen to twenty million dollars per annum. There are other mines in that Territory of great value; the copper district is supposed to be as good as could be found in any other place on the globe. These are being developed and about $1,000,000 per year is being produced. A railroad 200 miles long has been constructed, which connects these mines with the seashore.

There are vast deposits of coal in that Territory, much of it supposed to be of a superior character. These fields have not been developed, first, because private ownership could not be acquired, and, second, no satisfactory system of leasing has been devised. The general impression seems to be that if the coal fields were opened up to private ownership, or if a satisfactory system of leasing was provided, that private enterprise would build the necessary railroad from the coast to these mines. About 175 miles of road is all that is necessary to reach these mines.

In my judgment the Government should do that which is necessary to give the people of the United States the benefit of the Alaskan coal production, and I am gratified to know that legislation looking to this end is now being framed and will soon be presented to Congress for action. I am anxious to see Alaska developed. These coal fields ought to be mined, and some kind of system ought to be adopted by which this valuable asset in Alaska could be profitably utilized.

At the present time the industries named almost entirely cover the field of activity. Much is said about Alaska as an agricultural possibility, and it may be that the beautiful picture of agricultural development and farming population may be realized in the years to come, but thus far farming as a business enterprise in Alaska has not been a success. There have been experiments made to show what that country could produce, and there can be no doubt but that under proper conditions crops that mature quickly and vegetables of the same character can be raised in Alaska. But the trouble is at present it costs too much to prepare the land for cultivation. I quote from the report of Seth Mann, who was the personal representative of the President on a tour through Alaska, and in his report he makes this statement:

The land is covered with a thick growth of small timber, consisting of spruce, birch, poplar, cottonwood, and aspen. Owing to the freezing of the soil in the winter season, the trees in this section have very shallow roots, reaching down only about a foot or so below the surface of the soil. The trees are small and valueless except for fuel. They are easily uprooted, and when the clearing is completed the cover of moss and tundra, about a foot in thickness, must be removed and the soil exposed to the summer sun. The initial expense in preparing the ground is in many cases considerable, reaching as high as $125 per acre.

With this condition existing one could hardly expect this country to be developed for farming purposes by the class of people who are now seeking homes in the United States. What is desired by our people is cheap homes for those who need them; but in this cold climate, where there are but a few months of the warm period, one could hardly expect to make farming a success where it was necessary to make an expenditure which might amount to $125 per acre in preparing the lands for cultivation.

We have in our part of Missouri splendid lands and in good state of cultivation, and yet these lands to-day, with their improvements, can be purchased on an average for much less than $125 per acre. So that the man who desires to farm will naturally remain in the States, where he can get cheaper land and enjoy the benefits that come with permanent settlement.

The President makes a beautiful statement in his message with reference to conditions in Alaska, and says that it is necessary to unlock the interior, and that the railroad is the key which will unlock it. Speaking for myself, I am perfectly willing to unlock at once the vast deposits of coal which may be utilized at once by constructing railroads to the coal fields, and this can be done with an expenditure of about $8,000,000 and the building of 175 miles of railroad. I can see no excuse for any other expenditure in railroad building at the present time. As I have explained, the other purpose for which railroads would be builded would be to open the agricultural lands to settlement and make possible the location of farms in that far-away country. But, as I have also explained, this is at present impracticable. As the lands grow more valuable in the States there will be greater likelihood of Alaskan lands being used. But, aside from the development of the coal fields, there seems to be no possibility of business enterprise being sufficient to meet the operating expense of any railroad that might be built, much less to meet the interest that might accrue on bonds or pay any part of the investment.

It is claimed by some that Alaska is now under the control of the Alaska Syndicate, the stockholders of which syndicate are the Guggenheims and Morgans, and that something should be done to remove their grasp and secure for the people the whole of Alaska. It is urged by those who make this contention that the Alaska Syndicate now owns the transportation lines between the States and Alaska; that it holds and controls the salmon fisheries; that it has secured the fur trade with the Pribilof Islands; and that they own large copper mines in the interior, and a railroad now constructed which leads to those mines, which road has been built at the expense of nearly $10,000,000.

It is claimed, further, that they own the boats on the Yukon and Tanana Rivers. If this be true, they are the owners at present of nearly every important enterprise in that vast Territory, and the development of Alaska by Government aid would result in greater benefit to the Alaska Syndicate than to anyone else. In fact, it would seem that at the outset, at least, the Alaska Syndicate would be the real beneficiary of any aid that may be extended by the Government, excepting the coal-mining industry, which has not been developed and in which they have no interest and can secure none. A railroad constructed so as to open up these mines would be of benefit and would develop an industry which would not be controlled by the Alaska Syndicate.

Mr. Mann, the President's representative, further stated in his report:

> There are two primary requirements for the opening up and development of Alaska: First, the construction of railroads, roads, and trails, and, second, the opening up of the coal fields. These two projects should go forward with equal steps, since each is dependent upon the other.

I am perfectly willing to accept this view and have provision for the construction of railroads to the coal fields, and then secure the passage of laws which will utilize the coal fields for the consumption of those who need coal. I think that these two projects should go hand in hand, and if the pending bill were so amended as to provide for the building of 175 miles of railroad, to cost not exceeding $8,000,000, I would support the bill; but I can not see my way clear to support the proposition which provides for the construction of 733 miles of railroad at the expense of $35,000,000. My vote will be cast in accordance with this conviction, but I will support an amendment to the bill or a motion to recommit the bill which will limit the expenditure to the construction of 175 miles of railroad.

We are in need of the building of public roads in the United States, and the Government is disposed to give aid in their construction. We are needing for the people living in the basin of the Mississippi Valley levees for the protection of the people and the lands, and these levees, if constructed, would result in untold benefit to the American people and would open up for cultivation as fine lands as there are on earth. Much can be done in irrigation of arid lands and in expenditure for conservation of the various resources of the country, and my judgment is that we would first better provide for the States and the development of the interests of the States rather than to make investments in far-away territory which can only result in profit in the distant future, if ever.

The salmon fisheries are on the coast; the fur-seal industry is about the islands of the sea; the copper mines already have a road which connects them with ocean harbors; there are splendid transportation facilities between the States and the Territory of Alaska, and at present there seems to be no special need for the construction of a railroad, excepting for the purpose of developing the coal fields, and, as I have repeatedly stated, I will take pleasure in supporting a bill for the construction of a road to these coal fields.

I am aware of the fact that the most important thing to do at present in securing the development of Alaska is to unlock the door of opportunity to those who wish to enter its lands or secure the right to develop its mines.

It is almost impossible to secure a homestead in Alaska. Mr. Mann, in his report, referred to above, said of one farmer, as an illustration for the rest:

> One farmer on the Yukon kept at the problem of proving up on his homestead for five years, and then gave it up.

Then he says:

> Everywhere one hears a similar story.
> The complaint is general throughout Alaska, both along the coast and in the interior, that the process of proving up on Government land is always interminable, with one inspection following another, and all of them reported back to Washington, and with mail communication between Washington and the interior of Alaska very infrequent during seven months of the year, when the rivers are frozen.

I dislike to differ from the chairman of the Territories Committee, Mr. HOUSTON, one of the most conscientious and honorable men we have in the House, but I am fully convinced that I would not be warranted in supporting this measure and thus provide for so large an expenditure of money for which there could be no return, and on account of which, if the railroads that are built other than to the coal fields are operated, they must be operated at a loss.

I do not wish to practice economy to the extent of parsimony. I do not wish to be considered an obstructionist to any kind of progress, but it seems to me at the present time that the passage of this bill and the building of the 733 miles of road at an expense of $35,000,000 is providing for the wasting of at least $27,000,000. And since I view the matter as I do I must, as a matter of conscience, vote against this bill unless it is so amended before final passage as to provide only for railroads leading to the coal mines, but in order to secure the railroads leading to the mines I do not feel warranted in voting for the foolish expenditure of $27,000,000. In other words, I do not feel at liberty to vote for a proposition which carries the expenditure of $35,000,000 in order to secure a needed improvement of $8,000,000.

I shall take pleasure when opportunity offers in voting for provisions which will open up the coal mines for the benefit of the American people. I will be pleased to vote for a change in the land laws which will make the securing of a homestead in that country easy. I wish to cast my vote for every proposition which looks toward the building up of Alaska. I am especially interested in the platform declaration affecting that Territory, which provides that the people of Alaska shall be given the full enjoyment of the rights and privileges of the Territorial government. I wish in every way I can to secure to them the management of their own affairs and the enjoyment of the full rights and privileges of American citizens, and I hope to see everything done that may be legitimately done to help them to develop Alaska and to make it more profitable to the people who live in that Territory and the States of the Union.

The white population of Alaska is about 35,000, so that it is proposed in this bill to expend an amount equal to $1,000 for every permanent white settler in it. This investment, it seems to me, is entirely out of proportion with present demands and is not warranted either from a business standpoint or from the standpoint of economy to the Treasury, because unless we practice economy somewhere there is sure to be a deficiency in the Treasury next year, and this I am sure the people of the United States would be glad to avoid.

Construction and Ownership of Railroads in Alaska by the Federal Government.

SPEECH

OF

HON. JOHN H. SMALL,

OF NORTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, January 28, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 1739) to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

Mr. SMALL. Mr. Chairman, I am opposed to this bill, and in what I hope will be a brief time I shall endeavor in a modest way to give some of the reasons which have brought me to that conclusion.

But it may be wise at this stage of the debate to refer to the bill which is under consideration, to the powers which it contains, and to the purposes which it is intended to effectuate. This bill I shall attempt, therefore, to analyze briefly.

In it the President is given the power to name the railroads, to employ officers and agents, to detail any engineer officer in the Army or in the Navy or any civilian official for service without extra pay, to locate routes for a standard-gauge road or roads connecting one or more open Pacific harbors on the south coast of Alaska with the interior navigable rivers or coal fields yielding coal sufficient in quality or quantity for naval use. It is specified that such roads are intended for the development of the agricultural, mineral, and other resources of Alaska; to induce the settlement of the public lands; to provide for the transportation of coal, munitions of war, and troops. The President is further authorized to construct a standard-gauge railroad or railroads of about 1,000 miles; to exercise the power of eminent domain; and, further, to exercise all of the powers heretofore granted by acts of Congress relating to railroads in Alaska; to purchase all necessary equipment; to build docks and terminals and all other necessary structures; to fix rates of transportation for freight and passengers, subject to the supervision of the Interstate Commerce Commission; to perform all the usual duties of a common carrier for hire; to lease said railroads for a term not exceeding 20 years, and in default of leasing, to operate the same until the further action of Congress; to lease, purchase, or condemn any existing railroads in Alaska; to make joint traffic agreements with other railroads or steamship lines; and to transfer any equipment of the Panama Canal for the construction of such railroads.

Section 2 gives the Interstate Commerce Commission jurisdiction over said roads. Section 3 authorizes the President to borrow $35,000,000, or so much thereof as may be necessary, and issue bonds payable in 30 years, but redeemable after 10 years, at 3 per cent interest, and appropriates temporarily $1,000,000, to be refunded out of the proceeds of the bond issue.

Section 4 creates the Alaska redemption fund, into which shall be paid 50 per cent of sales of lands and minerals, plus the net earnings of said railroads, to be used in paying interest on bonds and redeeming bonds.

Section 5 provides for annual and other reports, and section 6 authorizes the President "to do all other lawful acts and things to carry out the purposes of this act."

I give this analysis of the bill in order that it may be seen that it is nothing more nor less than an embarkation by the Government of the United States upon the construction, ownership, and operation of railroads. Under this bill Congress gives authority for the construction of railroads in Alaska, authority for their operation and all of the incidental powers possessed by a common carrier for hire.

I am opposed to this bill because it does embark us on a policy of Government ownership of railroads and because no reason justifying it appears upon the face of this bill or in the records; nor, in my humble judgment, can any reason be found to make an exception to that policy in the case of Alaska. I believe that the people of the United States are opposed to the nationalization of our railways in any State or Territory.

If we should pass this bill and it should become a law, it would mean substantially the beginning of Government ownership of railroads in the United States. I further believe it is a fair statement to make that no Member of this House can unreservedly vote for this bill who is not in favor of Government ownership of railroads.

Mr. STEPHENS of Texas. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. SMALL. I do.

Mr. STEPHENS of Texas. I desire to ask the gentleman if he is not the author of a bill providing for the expenditure of several million dollars for an intracoastal canal to run along the Atlantic seaboard, and does not the gentleman favor that bill?

Mr. SMALL. I have the honor to have been somewhat active in support of an intracoastal waterway, but the improvement of waterways and harbors is an entirely different proposition from governmental construction of railroads. For years the Federal Government and the Congress have been committed to the construction of waterways.

Mr. STEPHENS of Texas. For what purpose?

Mr. SMALL. For the purpose of promoting interstate commerce.

Mr. STEPHENS of Texas. The transportation of commodities from one point of the country to another under Government ownership.

Mr. SMALL. I understand the gentleman to contend that Government construction and ownership of railroads is on a parity with the improvement of waterways?

Mr. STEPHENS of Texas. Is not that intracoastal canal largely to be built through the gentleman's State and along the Atlantic seaboard?

Mr. SMALL. It is to be along the entire Atlantic seaboard. But I do not wish to be diverted to talking about any waterway project in the United States, whether it is in the Mississippi Valley or in the State of Texas or along the Atlantic seaboard. And I take it that the gentleman is not opposed to improvement of waterways.

Mr. SIMS. Mr. Chairman, may I ask the gentleman a question?

The CHAIRMAN. Does the gentleman yield?

Mr. SMALL. Certainly.

Mr. SIMS. If this bill passes, will the gentleman regard it as committing us to the policy of Government ownership of railroads?

Mr. SMALL. I fear so; and I hope to give some substantial reasons, if I may, before concluding, for contending that there is no more reason for the Government constructing and operating railroads in Alaska than in other sections of the country.

Mr. STEPHENS of Texas. Mr. Chairman, will the gentleman yield for a question?

Mr. SMALL. I will yield for a brief question.

Mr. STEPHENS of Texas. I understand the gentleman believes in building roads, dirt roads, in the States by the Federal Government, does he not?

Mr. SMALL. I have not reached a satisfactory conclusion on that question. I would favor Federal aid under proper conditions. The gentleman certainly knows, though, that it is within the constitutional power of Congress to construct post roads either independently or in cooperation with local communities and States.

Mr. STEPHENS of Texas. Will the gentleman tell us the difference, then, between the United States Treasury paying out funds for the purpose of building roads in his State and building railroads in Alaska for identically the same purpose—for the benefit of the country and the benefit of the people?

Mr. SMALL. I am opposed to Government ownership and operation in any part of the country, and if I understand the gentleman from Texas [Mr. STEPHENS], he is in favor of the Government ownership and operation of railroads. To that extent we differ.

Mr. STEPHENS of Texas. The gentleman misunderstands me. I have said nothing that would lead him to make that statement.

Mr. SMALL. I hope to convince the gentleman that there is no reason for the Government owning or operating railroads in the Territory of Alaska.

Mr. HOUSTON. I believe the gentleman has said that there is no question of the authority of the Government to build post roads. Is not a railroad a post road? Has it not been so declared time and again?

Mr. SMALL. Mr. Chairman, in the brief time I have for the discussion of this bill it is not my purpose to enter upon the constitutionality of this measure. I am going to assume that Congress has the right to build and operate railroads in Alaska if it desires to do so. I assume that for the purposes of my argument.

I was adverting to the dangerous innovation which we are making in providing for the construction and operation of railroads in Alaska, and that I feared it was the beginning of the nationalization of railroads, and I desire to call your attention to some of the results that policy carries with it.

We have in the United States to-day railroads with a total mileage of 248,888 miles. The railroad employees in 1911 were 1,668,809. The employees of the telegraph, telephone, and express companies numbered 322,044, together making 1,990,853, or nearly 2,000,000 salaried employees.

The taxes which are paid annually by the railroads to the State and local communities now amount to $103,873,193. Any legislation which shall open the door and give a plausible excuse for Government ownership of railroads throughout the country is fraught with danger to our institutions, danger to the perpetuity of our form of government, and an economic wrong which can not be justified.

It may be said here in passing, simply by way of comment, that not only is the consensus of sentiment in the United States against Government ownership of railroads, but that it favors the maintenance of private ownership under present Government regulation. I believe, and I take it that every Member of this House believes, in the strict regulation of common carriers, to the end that the public shall receive the most efficient service, without discrimination against any section or any individual. Under that policy we have the most efficient service. We have the lowest rates, and, with a few conspicuous exceptions, we have the best management of railroads of any country in the world.

Mr. LAFFERTY. Will the gentleman yield for a question right there?

Mr. SMALL. Certainly.

Mr. LAFFERTY. Has the gentleman any statistics to back up the statement he has just made? If he has, will he put them in the RECORD?

Mr. SMALL. Oh, yes; even a superficial reading of records and official reports will furnish the gentleman this information and corroborate my statement. I do not care o be diverted to that now, but I am sure the statement I have just made can be justified by the highest authority, much of it official, and that it can not be controverted.

I ask, What reasons are given why we should make an exception in favor of Government construction and ownership of railroads in Alaska? I take it there are many Members of this House like the gentleman from Texas [Mr. STEPHENS], as I understood him to say a moment ago, who are opposed to Government ownership and who are yet in favor of this bill for the construction of railroads in Alaska. Let us look for a few moments and see what reasons are given for making an exception.

They say that railroads are necessary to open up Alaska. Who closed Alaska, if it is closed? It is a fact that during the history of Alaska there have been only two completed patents for coal lands, amounting to less than 200 acres. During that entire time there have only been 163 patents of homesteads in Alaska. About 8 or 10 years ago, under the spur and inspiration of the then chief of the Forest Service, Mr. Pinchot, after the discovery that there were valuable minerals in Alaska, this Government adopted what has been termed intense conservation or ultra conservation. Under that policy we have absolutely closed up every avenue for the development of the resources of Alaska. We do not have conservation there. We have, as some have expressed it, reservation, so that the Government has reserved unto itself every one of those resources out of which products are to come which are to make traffic for the railroads which are to be constructed. A policy of fear, timidity, and quiescence, under the guise of conservation, has been adopted in that distant Territory for these last 10 years, and now we hear lamentations and wails because the resources of Alaska have not been developed, and now, as usual, we are disposed to lay the blame elsewhere than on ourselves. Apparently the easiest way out of this dilemma is to borrow money and build railroads. Shall we search ourselves for the truth, shall we maintain our mental poise, or shall we follow the hungry crowd on the Pacific coast and vote millions for railroads in a vast frozen area with a meager population of only 35,000 white folks?

Railroads in themselves do not make for commerce or for traffic. There must be some resources to be developed—forests, minerals, soils to be cultivated—something which must come out of the earth in one form or another, or out of the sea, which shall be made into valuable products for the use of man and thereby create products for traffic of any railroad. Here it is proposed while Alaska is still bottled up, while no man except under such conditions as make it impracticable, may enter a homestead in Alaska, where no man, however strong his desire may be to obtain a patent of coal lands in Alaska can get one, it is proposed, in the first instance, to put the cart before the horse and build a railroad at a cost of $35,000,000 into that Territory.

It has been urged most insistently and seriously by the Delegate from Alaska [Mr. WICKERSHAM] that greedy monopolists are attempting to monopolize the resources of Alaska. It may be said by way of parentheses that very few of the resources of Alaska have been permitted to get into private hands and there is very little to monopolize. But insistently, and evidently with entire sincerity, he refers to the Alaskan Syndicate and other monopolistic combinations of corporations in Alaska, and insists that they stand as a barrier in the development of its resources. He said they were monopolizing the wagon roads, constructed for public use. He enumerated the eating houses, and to take literally the statement of the Delegate from Alaska, there is scarcely a public utility in that Territory which is not monopolized in the manner which he describes. And he insists that by reason of this condition primarily the Government ought to construct railroads there.

It has been urged as another reason that the 463 miles of railroad which are now in existence in Alaska were monopolies and not operated in the interest of the public. That is given as another reason why the United States should build railroads there. Others have said, and the majority report of the committee amplifies that proposition, that these railroads should be built by the United States for governmental uses. What governmental uses are there to justify an expenditure of $35,000,000? Great emphasis has been laid on the proposition that coal for our Navy could be obtained from the interior coal fields of Alaska; and yet it appears, and I will insert it in my remarks—clipping from a recent issue of the Star—to the effect that tests have been conducted by the Navy of 600 tons of coal from the Bering River coal fields, and that it is inefficient and not of proper quality for use on our naval vessels:

ALASKA COAL A FAILURE—VALUELESS FOR NAVY, ACCORDING TO OFFICIAL REPORT OF TESTS.

Preliminary tests of Alaskan coal from the Bering River district have been very discouraging to officials who hoped they might develop a new fuel supply for the Navy. Rear Admiral Griffin, in charge of the investigation, has reported to the House Naval Affairs Committee that the Bering River coal tested has fallen so far under expectations in practical use as to be of no value, but that from the Matanuska fields and other sections of the Bering district, from which coal is yet to be tested, the Navy is hoping for better results.

Chemical tests of the Bering River coal indicated that it contained a higher efficiency of thermal units than the Pocahontas coal of West Virginia, but when put to firing tests in the Navy, notably aboard the cruiser *Maryland*, it developed only 43 per cent of the same efficiency and caused a great deal of trouble. It made immense clinkers, which clogged the furnaces and covered the grate bars with a molten substance like tar, which shut off the draft and hampered steaming.

Congress has appropriated $75,000 for experiments with coal from the Matanuska district, and these will be carried on.

Those who are opposing the Alaska railway bill, now being debated in both Houses of Congress, are pointing to the admiral's testimony before the Naval Committee as an added argument in their favor. One of the arguments advanced by the supporters of the bill is that a Government railroad is needed to tap the northern coal fields and bring a fuel supply to tidewater for the Navy.

As was said the other day, in a large degree our ships of the Navy are to be operated in the future with petroleum as a fuel. There is only one other coal field in Alaska, and that is the Matanuska field, which, it is contended, will furnish naval coal. That has not been tested. Let us hope that at least one of these fields, when it is finally reported upon, will show that its coal is efficient and of proper quality for use on our naval vessels.

I submit that there are no governmental uses which justify the investment of this large sum of money and the construction of railroads in Alaska.

But it has been said that the United States Government owns Alaska, and, therefore, it should build the railroads and develop its own property. I have not been able to understand the consistency of that proposition. For what purpose does the United States own the public lands? Is it a part of its policy to exploit them? Shall it mine for coal, as the gentleman from Washington [Mr. BRYAN] said that he favored? Shall it engage in Agriculture? Shall it establish fisheries? For what purpose does the United States own its public domain? For only one purpose, and that is to vest it into the hands of its citizens, under proper conditions, so that the settler may obtain grants for farm lands, if any can be found fit for profitable agriculture, and so that its coal and mineral lands may be leased or otherwise conditionally granted. Thus may the resources of Alaska be developed under terms of genuine conservation. In a general way this has been the policy of the United States regarding the public domain from the beginning, and that ought to be the policy of the United States in this great domain of Alaska, comprising one-fifth of the territory of continental United States.

Therefore, coming back to the proposition of the effects of conservation, the policy which ought to be adopted is one which would open up these mineral lands, these agricultural lands, if there are any, and the other resources of Alaska, so that the initiative of enterprise and public spirit of the American citizen

might utilize and exploit them for their own profit and for the profit and wealth of all the people in the country. [Applause.]

I said I did not understand why gentlemen could seriously advocate the proposition that because the United States owned more than 90 per cent of the lands of Alaska that, therefore, it should build railroads for the purpose of developing those lands. Let me submit another query. Is it the purpose of the Federal Government, under the theory of unearned increment of lands, to build railroads there, then to develop alternate sections of mineral and agricultural lands, and thereby add to the value of the lands before putting them on the market, or is it the proper policy for the Federal Government to permit its citizens to get patents to alternate sections of agricultural or mineral lands or otherwise secure some degree of title to the resources of Alaska and develop them and let our citizens, the men of thrift, create an added value for the remainder of the lands still reserved by the Government?

The policy which we ought to adopt in connection with the opening up of Alaska is for Congress to pass remedial laws by which the resources, in so far as they may be attractive and valuable, shall be opened to citizens of the United States, and not under such paternal policy as is sought to be adopted in this bill. I want to make this proposition, and if any gentleman in the Chamber can controvert it, I want him to do so: There is not an evil condition, there is not an economic or industrial wrong existing in Alaska which has been mentioned during this debate as justifying the construction of railroads by this Government in Alaska which it is not within the power of this Congress to remedy by legislation other than the building of railroads. If there is a single one of these conditions which Congress has not the power or which it may not in a practical way remedy, then I ask any advocate of this bill to name it now. I pause for an answer to this challenge. If there has been monopoly of railroads there, monopoly of wagon roads; if there has been any attempt to exploit Alaska to the injury of the people there or to the injury of the people of the whole country; if there has been a single reason given in this debate reciting evil conditions in Alaska, I ask any Member who has advocated the construction of railroads by the Government as a remedy for these evils to answer the question whether by appropriate legislation, other than the building of railroads, a proper and complete remedy may not be afforded? The proposition is unanswerable. I state again, and I state it emphatically, that every evil condition which exists in Alaska to-day, every monopolization of its resources or of public utilities which have been urged as a handicap to the development, growth, and progress of Alaska, that it lies within the power of this Congress to provide a remedy for, other than the building of Government-owned railroads. If during the brief time which I shall occupy the floor a Member can think of a single one of those evils which we have not the power to remedy, I hope he will so state.

What are the resources of Alaska about which so much has been stated? I am in sympathy with the desire to utilize the resources of Alaska for the benefit of all the people of this country. I desire its development. I am willing to vote for any legislation which does not violate the settled policy of this country and which involves no economic error for the development of Alaska. But what are the resources there which we are asked to develop? I do not desire to disparage or minimize its resources. Probably they are greater than I conceive them to be, but certainly no one could have listened the other day to the gentleman from Oklahoma [Mr. FERRIS], who described the agricultural conditions in Alaska and the possibilities of cultivation and the development of that soil for production of crops, without being deeply impressed with the thought that agriculture in Alaska for any development of any pretensions was a long way in the future. I think it may be stated with entire truthfulness that the only possibilities for agricultural development in Alaska are such as may arise around mining towns or other industrial communities there for the purpose of supplying local demand. Even the personal representative of the President, Mr. Seth Mann, stated that it could not be foreseen when there would be sufficient agricultural products in Alaska for export, and for many years, at least, not sufficient to meet the local demand of the people of Alaska.

The CHAIRMAN. The Chair will state to the gentleman that he has five minutes left.

Mr. SMALL. Mr. Chairman, I am assuming that the mineral resources of Alaska are varied and valuable. I do not care to go into the details of that. The point I wish to reiterate is that whatever resources are there are bottled up by the policy of preceding administrations and of this administration, and that every avenue to open them up is closed by the inaction and indifference of the Congress of the United States, and that before we undertake the building of railroads to develop these mineral resources or any other resources in Alaska we ought first to open the door of opportunity wide to the people of the United States and of other countries, as it may be, who desire to settle in Alaska to obtain a foothold by purchasing the lands of the Government, to mine its mines, to take out its minerals, cultivate its lands, and in other ways to do the work which has always fallen to the lot of the hardy pioneer.

In conclusion, I would like to emphasize the statement that no reason has been given why railroads should be constructed by the Government in Alaska that will not apply to many other sections of the United States, that every evil which exists there, every economic wrong, every one of the allegations made, and which have been urged as justifying the construction of railroads, may be removed, and new and appropriate conditions restored by appropriate legislation upon the part of Congress.

Now, the gentleman from Oklahoma [Mr. FERRIS], who made such a clear and informing talk upon this proposition, stated that in his opinion the remedy was the leasing of the mineral lands upon such conditions as would enable the lessees to obtain the minerals in sufficient quantities for profitable production, and at the same time to surround the leases with such conditions as to prevent spoliation and to preserve them or conserve them in an appropriate degree for the use of the people of the United States and to posterity. That, it seems to me, was a proposition which was well taken and which must appeal to the good judgment of Members of this House. What we should do is through the appropriate committees of this House to propose and enact legislation which shall first open up Alaska, which shall permit its agricultural lands to be obtained, which shall permit its coal and mineral lands to be obtained and leased under proper conditions, thereby attracting settlers, which settlers, just as they have done in the Rocky Mountain States, just as they have done on the Pacific coast, just as our forefathers did in the great Mississippi territory, be left alone to work out their salvation and in doing so to develop the resources of Alaska.

Mr. Chairman, I regret that I felt constrained to oppose this bill. It appears that the Secretary of the Interior, Mr. Lane, has advocated it, advocated it because, as I understand him, he does not care to be bound by any past policy, but because he says we have new conditions, and we must meet new conditions with new policies. The question of the unsoundness of the policy of Government ownership apparently did not appeal to him. I regret it further because the President of the United States, who is one of our greatest Presidents, and whom we greatly admire, said in his message to Congress that railroads were only the key to the opening up of Alaska. Yet my own convictions were so strong that I could not yield them, and I believe I also represent the views of my constituents. In my judgment it would be the entering upon a policy fraught with such danger to our institutions and to the future commercial and industrial growth of the United States that it is a precedent which should be honored in the breach. Right in the beginning we should realize its great dangers, right in the beginning we should thwart those who are seeking to adopt Government ownership, and right in the beginning we should resolve that the Congress of the United States will embark upon a policy of Government ownership and operation of railroads in no part of our country. [Applause.]

Railroads in Alaska.

EXTENSION OF REMARKS

OF

HON. BRYAN F. MAHAN,

OF CONNECTICUT,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 18, 1914.

On the bill (S. 48) to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes

Mr. MAHAN. Mr. Speaker, I shall vote for this bill. Alaska contains about one-fifth the area of the whole United States and is owned practically in its entirety by this Government. We have been the proprietors of this great expanse for nearly 50 years, and to-day its population is only about 30,000.

It is argued that Alaska is not growing in population and can not be developed. To prove that we are prone to mistakes in that respect it is only necessary to cite the case of our sturdy young neighbor on the north, a large section of which up to a

few years ago was supposed to be uninhabitable. That theory was shattered by the introduction of the railroad, and so, too, I believe, will be the popular conception of Alaska.

That Territory cost us seven millions in 1867 and we have since taken from her more than $400,000,000; yet the surface has been hardly scratched. Alaska is a country of vast possibilities, rich in gold and silver and containing apparently inexhaustible mines of coal.

Mr. Speaker, it is claimed by those opposed to this measure that the use of the millions required to build this road can not be justified. Our experience in the past does not bear out this view of the situation. In the construction of our transcontinental lines large subsidies of money and lands were freely given by the Federal Government.

The results of this policy, I think, speak for themselves. Private capital alone could not have accomplished the task any more than to-day private construction of an Alaskan railroad is to be thought of.

We have not been miserly, to say the least, in providing transportation facilities within our own immediate borders. In addition to the subsidies to which I have referred and the more recent liberal expenditures of millions on the Panama Railroad, we are appropriating annually nearly $50,000,000 for the improvement of our rivers and harbors, with a grand total to date of three-quarters of a billion.

Let us dwell for a moment on the most recent accomplishment of the Canadian Government, with a population of 8,000,000 people. Beginning at the Atlantic and crossing the Provinces of New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia, ending in a $2,000,000 dock at Prince Rupert, on the Pacific, the Dominion has practically built the Grand Trunk Pacific Railroad. The eastern half of the road was paid for outright by the Government, and the first-mortgage bonds of the western were guaranteed by it.

Along much of this ocean-to-ocean line, 100 miles on either side, there is no human habitation and the foot of a white man had seldom trod upon it until the building of the road.

I do not need to tell you of the transformation which this deserted region has since undergone.

And here are we, representatives of a Nation of 100,000,000 people, actually shivering at the thought of investing a fraction of what our little neighbor did to develop our northern treasure house. I venture a prediction that some of the younger Members of this House will look back on their legislative careers and feel that in voting for this bill they achieved a real stroke of statesmanship. And we of Democratic faith who favor it will have the knowledge of having upheld a principle of the Baltimore platform and of carrying out an expressed wish of President Wilson.

I agree with Secretary of the Interior Lane, when he says:

> I favor the adoption of this policy. I believe it to be that under which Alaska will develop most safely and most speedily and under which the resources of that Territory will most certainly become available to the whole people.

Mr. Speaker, I believe that we, as representatives of the people, owe it to ourselves, our constituents, and to the Territory of Alaska to expedite the development of that great storehouse of wealth by providing for rapid increase of population through easy communication with the outer world.

Construction and Ownership of Railroads in Alaska by the Federal Government.

EXTENSION OF REMARKS

OF

HON. WALTER ELDER,

OF LOUISIANA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 18, 1914,

On the bill (H. R. 1739) to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

Mr. ELDER. Mr. Speaker, I am opposed to giving $36,000,000 to start a railroad in Alaska, for several reasons, any one of which is sufficient, in my mind, to defeat the proposition. It is well recognized that, owing to outside pressure, the final passage of this bill is assured. However, pressure without sound reasons should not be sufficient to pass bills in this House, and if some here had backbones instead of cotton strings we would come nearer being a Congress representing the American people than puppets in the hands of some others. No doubt many of you are voting for this bill from pure, conscientious belief and reasoning, and to such, while I differ with you, you have my respect and admiration; toward the others I had perhaps best not express an opinion.

In the first place, there is no necessity for this expenditure. We hear a great deal about the corporations grabbing Alaska, and that this is the only method to keep them from it. Because the Government may own and operate at the cost of maintenance a railroad in Alaska it will not prevent corporation control of the mines and all its other resources. We can unlock Alaska by a leasing system which will return a fair yield to both the Government and the investor. We can prevent the corporations gobbling up Alaska by providing that no corporation or person can directly or indirectly own or operate above a certain amount of land in that country, and put such a penalty for violation, both civil and criminal, that no man would dare to violate the law. For such a law I would gladly and readily vote.

In the second place, I can not bring myself to believe in the Government ownership of railroads. I know of at least one bill which will follow this urging the Government's operation of a railroad in Michigan, using this bill as a precedent. However, even if I believed in Government ownership of railroads, I would not support this bill because the operation of the railroads in Alaska can not be a financial success owing to climatic conditions. They would have only about three or four months in the year in which to operate, and the only tonnage of any size which they could possibly haul would be the coal deposits, which have not yet, in spite of two tests by the Government, proven a success as a heating proposition. We do not need the coal of Alaska at this time and should leave its development to the future generations that may need it.

The Government reports show we have already discovered and located enough coal to run this country for 7,000 years, which is far enough ahead, at least for my mind to calculate and provide for. They will have to operate through mountains of snow and ice and haul only a few trainloads for each season. They say we will haul out on this railroad, when built, a great deal of gold. Up to this time Alaska has been only a placer-mining country, and all the millions of gold which have been brought out of Alaska could be brought in two or three carloads, the freight on which, from a hauling standpoint, would have perhaps brought the Government a thousand or fifteen hundred dollars. However, if I was sure that billions and not millions of gold would be mined in Alaska by ten or fifteen thousand promoters and gold diggers, who would leave this country for the chances of those barren fields, and would bring back these billions of gold with them, from an economic standpoint, and looking at it from the standpoint of the poor people of my district, I could not vote for it. The larger the production of gold the higher the cost of living. Unquestionably, from an economic standpoint, if all the gold of Alaska was dumped into the banks of America to-morrow, what we would buy to-day for a dollar would to-morrow cost us $2, and the only ones who would secure any benefit out of this money would be those who risked their time, their lives, and their pleasure in digging it, and those who would follow in their trail on the Great White Way of New York City. They would have produced no actual material wealth, and the payment would be made by the people of the country who are the producers. If it would develop a great agricultural country, there might be some reason for it, but every month in Alaska, leaving out the small territory on the coast, and which the railroad would not benefit, there is a killing frost, the ground is frozen to the depth of 50 to 200 feet, and agriculture is impossible, except under hothouse conditions. If agriculture could be produced that would help to feed and clothe the world, then it would be of some economic value, and the Government would get its pay not out of the railroad but out of the production of material wealth in the country.

In the third place, there are only about 40,000 white people in Alaska. We start by giving them an expenditure of almost a thousand dollars per capita, and it is not denied that it is going to take about $150,000,000 additional appropriations to give them anything like the roads they say they need and that we know they desire. If you would give me $1,000 per capita, I would not need the four or five thousand which we are undoubtedly going to spend on them per head; but give me $1,000 per capita for the people of my district and I could macadamize every public road there, build a $5,000 schoolhouse in every precinct, and drain a territory 80 miles wide and 100 miles long made of the finest alluvial deposits; the soil is as rich as any in America or as rich as the valley of the Nile, a country, when drained, sufficient to support a million people and sufficient to produce enough agricultural products to feed the

entire State of New York and at least ten times as much agricultural products as all that bleak Alaska can possibly produce when it has been fully developed. That is not all. It would leave a sufficient sum to pay our State and parish debts, and the interest of the remainder would pay all the State and parish taxes of that district forever. Instead of that you give us $15 a mile for post roads and Alaska $100.000 a mile for railroads. To the man who is an humble citizen of this country, living his toilsome life, paying his taxes and supporting the Government, and receiving small benefit therefrom, away from the use of the public buildings and from many interesting things of city life, a man who is always subject to the call of his country, you give a paltry sum, a sum that he has paid in taxes many times over in his life; but to the man who is daring and bold, and who is not satisfied to stay at home and make the ordinary sort of citizen, but who wishes the wild dreams of millions for his work, and who can not possibly produce anything that will economically enrich the rest of his country, you are starting out by giving a thousand dollars apiece, which we all know will be increased several times in amount. The comparison, in my mind, does not seem fair. Some of you have heard the whispering of the leaves, some of you are profoundly sincere in these beliefs, and I regret that my judgment causes me in this matter to differ with a majority of this House.

Railroads in Alaska.

EXTENSION OF REMARKS

OF

HON. WILLIAM J. FIELDS,

OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 18, 1914,

On the bill (S. 48) to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

Mr. FIELDS. Mr. Speaker, I am opposed to the passage of House bill 1739, which proposes to authorize the construction of a railroad in Alaska at the expense of the Federal Government, which means at the expense of the taxpayers of this country. In opposing this measure I will not go as far as some gentlemen have gone who have said that the time will never come when it will be either feasible or profitable for the Government to open Alaska by constructing a railroad across or into her territory, but I do not consider it proper to do so at this time, nor do I believe it will be the act of good judgment or economy to do so for many, many years. And we, Mr. Speaker, who hold the purse strings of the Nation should exercise business judgment and sound discretion in the expenditures of the public funds intrusted to our management by the constituencies who send us here.

Now, there is not a single valid reason why we should expend $40,000,000 of the peoples' money on this project, and every reason why we should not do so.

First, we are under no platform pledges to do it because our party has not spoken upon this subject, and every man is at liberty to think and act and vote according to the dictates of his own conscience and the will of his constituency without violating any political obligations or repudiating any platform promises made to the country. It is a new proposition with which we are confronted, and should receive the careful thought of each Member of this body before it is written into law; for in my opinion the $40.000,000 proposed to be expended by this bill is only the beginning of an expenditure of countless millions that will be expended on Alaska, on which we will never receive an adequate return. That is one phase of the proposition, and the next phase of it is that we are endangering the Federal Treasury, which may result in a bond issue to meet the current public expenses; and history teaches us that that is a dangerous proposition for any political party, and has resulted in the undoing of every administration which has had to resort to it.

The next phase of this question is whether or not it is the proper field in which to invest if we have the money to spare, and with this phase I shall deal more extensively. The proponents of this bill claim that by building railroad lines into the coal fields of Alaska we shall be able to make the Pacific coast a naval base by reason of the fact that it will enable us to get a coal more cheaply and with less delay with which to supply our Navy. But that argument has been undermined by the recent report of the Secretary of the Navy, which shows that Alaskan coal is unfit for naval use. This information was received from the Secretary of the Navy by the gentleman from Oklahoma [Mr. DAVENPORT], who is a member of the committee which framed this bill, and I quote same that it may go into the RECORD. It reads as follows:

NAVY DEPARTMENT,
Washington, December 15, 1913.

Hon. JAMES S. DAVENPORT,
Committee on Territories,
House of Representatives, United States.

MY DEAR MR. DAVENPORT: The report of the coal investigations in the Bering River fields have not yet been completed. At the present time the progress is as follows: The conditions in the Bering River field have been observed and a large sample of coal mined. It has been estimated that the field contains an adequate supply. The sample of run-of-mine coal contained a much larger percentage of ash than former investigations of the field indicated, and possibly on account of this large ash content and the clinkering of the coal the test by the U. S. S. *Maryland* proved that run-of-mine Bering River coal is unsuitable for naval use. A portion of the coal was screened and washed at the naval engineering experiment station, Annapolis, Md., and an evaporate test will be made on December 17 and 18 to show whether the washed and screened coal from the Bering River field is suitable for naval use.

The department regrets that your letter was not received in time to forward you this information at the hour requested by you.

Sincerely, yours,

JOSEPHUS DANIELS.

And, Mr. Speaker, after they made this test at Annapolis, the Acting Secretary of the Navy on December 27, 1913, made the following report:

NAVY DEPARTMENT,
Washington, December 27, 1913.

Hon. JAMES DAVENPORT,
House of Representatives.

MY DEAR MR. DAVENPORT: The preliminary report of the tests of Bering River washed and screened coal at the engineering experiment station, Annapolis, Md., notes that under similar conditions Bering River coal produced only about 75 per cent of the power gotten with Pocahontas.

The department therefore notes with regret that the Bering River coal sample has thus far proved unsuitable for naval use.

Sincerely, yours,

FRANKLIN D. ROOSEVELT,
Acting Secretary of the Navy.

Mr. Speaker, I deem it advisable to give some consideration to this report of the Secretary of the Navy, especially since the argument in favor of a naval base on the Pacific coast is the greatest argument in favor of the construction of these railroads in Alaska by the Government. And another argument against the contentions that we should expend this money to secure Alaskan coal for our Navy is the fact that all of our most modern battleships are steamed with oil, and those now under construction will be steamed with oil when put into service. The Navy is rapidly passing from the use of coal as a fuel. Therefore the expenditure of this vast sum of money for the purpose of securing Alaskan coal for the Navy, which is unfit for use in the Navy, and which will not be needed within a short time, even if it were of superior quality, is absolutely unwarranted, and can there be a single argument advanced that the opening of the Alaskan coal fields would cheapen the price of coal for home consumption in the continental United States by the people who are to bear the burdens of this taxation? No; not one. If any man will disprove my statement I will support the bill, for I am anxious to see the consuming public get their fuel at the cheapest price possible.

But let us make a brief comparison between the coal fields of Alaska and the coal fields of this country, which are operated in 31 States of the Union. There are three coal fields in Alaska. Two of them, the Bering and Manatuska, are down on the coast region, where they already have water transportation, and where the proposed railroad would not improve their value. The other, the Nenana coal field, is in the interior of Alaska, and its value would be greatly enhanced by the construction of a railroad into it if the coal was of such a character as to stand long shipment. But the Nenana coal is a lignite coal, the quality of which is so inferior that it is not fit to ship a great distance. In support of this statement I wish to read from the hearings a portion of the testimony of Dr. Alfred H. Brooks, of the Geological Survey, who was a member of the railroad commission. Dr. Brooks has long been a resident of Alaska and was of such prominence that President Taft appointed him on this railroad commission; and, whether you are for the bill or against it, you must concede that Dr. Brooks is authority on Alaskan coal fields. In the testimony Dr. Brooks said, in speaking of the Nenana field:

I have measured coal about 20 feet in thickness in this field. That is about the workable limit of commercial mining. So I prefer to think there is no coal quite so thick as indicated by the picture, because I do not think it would be worth much. But whatever may be said about the thickness of any individual bed, there is an enormous amount of coal in the field. Our party made an estimate on the basis of the actual quality in sight—and our surveys were not detailed—of some 9.000,000,000 tons, which is more lignite coal than we estimated in all Alaska at the time we made the report of the Conservation Commission. There is an abundant supply of coal there. So far as we know,

it is all lignite—a fair grade of lignite—and can be used to advantage in local industries.

But, Mr. Speaker, does any man on this floor believe that a ton of lignite coal is of such quality as to warrant its haul across Alaska to the coast and then stand a 2,000-mile water haul to the United States? This proposition is absurd, and no man would attempt to defend it from an economic point of view when we have in the State of Wyoming alone, as shown by the 1908 report of the Geological Survey, enough coal to last this country 1,000 years at the rate of 400,000,000 tons consumption a year, and this field is from 2,000 to 4,000 miles nearer our western coast cities than the Alaskan fields. In addition to the Wyoming fields, we have the fields of Washington and California, Idaho and Nevada, Utah and Colorado, Iowa and Kansas, all closer to any point on the western side of the country than the fields of Alaska.

We have in the continental United States, according to the last report of the United States Geological Survey, enough coal to last this Republic 7,000 years; and, as I have previously said, it is distributed throughout the length and breadth of the land, as shown by a table from the Geological Survey on the coal production of the United States in 1911, which reads as follows:

Coal production of the United States, 1911, by States.

[Value per ton and price per ton per employee.]

States.	Tons.	Average per ton.	Tons per employee.
Alabama	15,021,332	$1.27	662
Arkansas	2,106,789	1.61	372
California and Alaska	11,647	2.00	.....
Colorado	10,157,383	1.45	710
Georgia and North Carolina	165,330	1.49	.....
Idaho and Nevada	1,821	2.68	.....
Illinois	53,679,118	1.11	701
Indiana	14,201,355	1.08	670
Iowa	7,331,648	1.73	442
Kansas	6,254,228	1.54	538
Kentucky	13,706,839	.99	628
Maryland	4,685,795	1.11	779
Michigan	1,476,074	1.89	444
Missouri	3,760,607	1.71	376
Montana	2,976,358	1.79	770
New Mexico	3,148,158	1.54	788
North Dakota	502,628	1.43	.....
Ohio	30,759,986	1.03	688
Oklahoma	3,074,242	2.05	350
Oregon	46,661	2.32	.....
Pennsylvania (bituminous)	44,754,163	1.01	860
Tennessee	6,433,156	1.12	601
Texas	1,974,156	1.66	.....
Utah	2,864,667	1.69	821
Virginia	6,864,667	.91	929
Washington	3,572,815	2.29	550
West Virginia	59,831,580	.90	896
Wyoming	6,744,864	1.56	851
Total	405,757,101	.....	.....

Mr. Speaker, the Federal Government has spent almost incalculable millions of the peoples' money in the improvement of our waterways, and in railroad grants to extend lines of transportation into these various fields, that their products might be carried not only to the markets of this country, but to the markets of the world. And we can purchase our coal from these fields more cheaply than we can ever hope to purchase it from the fields of Alaska. We can purchase it from the fields of the continental United States cheaper than we could freight it from the inland fields of Alaska if it were given to us there loaded on the car. Therefore this proposition is a farce from the standpoint of coal for consumption in the United States.

Mr. OLDFIELD. Mr. Speaker, will the gentleman from Kentucky yield for a question?

The SPEAKER. Will the gentleman from Kentucky yield to the gentleman from Arkansas?

Mr. FIELDS. I yield to the gentleman.

Mr. OLDFIELD. The gentleman said a moment ago that we could get coal more cheaply from our own fields than we could get it from Alaska if it were mined and loaded there free of cost. Does he think that the city of Seattle, Wash., could purchase and transport its supply of coal from Pennsylvania more cheaply than it could transport it from Alaska if on his proposition it was loaded on car there free of cost?

Mr. FIELDS. Well, Mr. Speaker, that might not be the case as between Seattle and the coal fields on the eastern side of the country, but fortunately for Seattle there is much coal in the United States lying hundreds of miles nearer to it than either the fields of Pennsylvania or Alaska; and I apprehend that Seattle will not suffer for coal before the Alaska fields are ready to supply it over the railroad, the wind work of which we are now erecting, or buy it any cheaper after the real railroad is completed, notwithstanding the fact that it will have cost $40,000,000 of the money that belongs to the taxpayers of this country.

Mr. Speaker, there is not one single point upon which the proponents of this measure can hang their defense of it from the standpoint of cheaper coal for this country. Then where and how can they defend it? Can they do it on the ground that the commerce between the States and Alaska will justify it? Of course they can not. The statistics on the commerce will not bear them out in any contention of that kind, even though we have heard some glaring statements about the products that come from Alaska. But mere statements are one thing, and facts are another; so let us see what the facts are.

The total products that have come from Alaska from 1868 to 1911 were $428,000,000. Two hundred and six millions of this amount were mineral products, including coal, gypsum, marble, and tin. Two hundred and twenty millions, or over half of it, were sea food and furs, which does not need a railroad, for it comes by water, and that class of goods will continue to come by water after your much-desired railroads are completed.

Mr. Speaker, a great deal has been said about the precious metals of Alaska. But that is no argument for the construction of a railroad, for precious metals do not amount to anything in tonnage, and the prosperity of a railroad depends upon the amount of tonnage it handles. So, what have we left to justify the expenditure of this money? Nothing but the agriculture possibilities of Alaska. Let us take the testimony of Prof. Piper in the hearings, who is another member of the railroad commission, and who had charge of the Alaska Agricultural Station for many years. Prof. Piper says:

> The devolopment of the Copper River region anticipated at the time that the station was there established did not materialize.
>
> When it comes to predicting the future agriculture of Alaska from these experimental results, backed up by the results of many farmers scattered over Alaska, one is confronted with a difficult problem. Before I touch on that, I may state that most of the work done at those experiment stations has been done on small plats. The yield of oats has varied from 50 up to 60 bushels per acre, and of barley from 50 to 60 bushels. Yields of 50 to 60 bushels of barley were, I understand, secured last season at Fairbanks in pretty large-sized fields. No wheat, so far as I know, has yet been grown in fields of any area, or at least where considerable fields have been planted the winter killing has been so severe that the yields have been small.
>
> There can be no question from these results that there is a possibility of the production of grains in the agricultural lands of Alaska. Just here I may say that the amount of tillable land in the interior of Alaska has been estimated by most of the men who have attempted to make an estimate of about 30,000 square miles, of which it is assumed that at least one-third is tillable, and that of that tillable land probably more than two-thirds is in the interior. So there is a very large area of land which, if capable of raising profitable crops of grain, would furnish a large amount of freight. As I said a moment ago, I do not think there is any question as to the possibility of growing these grains, especially the oats, barley, and rye. In fact, I think there can be no doubt that sufficient of them will be grown for all local needs. As to whether quantities will be raised that could be exported, I am very far from being sanguine. There is, as I understand, in the interior of Alaska no large area of land on which a farmer can go and plow up as he could on our western prairies. I therefore do not see any chance for rapid development of that region in the matter of grain production such as is taking place in Alberta to-day, and which took place in our western prairie States.

Mr. Speaker, the testimony of Prof. Piper, that eminent expert on Alaska soil, is sufficient to convince any farmer that Alaska is not an agricultural country. He says they can raise rye and oats and barley up there, have already produced these crops in small quantities, and he feels confident that they can produce enough of these crops for home consumption after they get their lands cleared; and we can all realize that the clearing is a matter of small concern, as it only costs from $50 to $200 per acre to do it. And after it is done, the farmer only has to wait from a year to two years for the soil to thaw out to a depth of a foot or two, which enables him to plow and plant his crop.

Mr. Speaker, the testimony of Prof. Piper is a beautiful inducement to hold out to the American home seeker, and in my imagination I can see in the not far-distant future great delegations of our stalwart men rushing northward with their eyes closed to the 3,000,000 acres of public lands in the United States, thousands of acres of which are unexcelled in fertility anywhere, to take up their abode in the ice-laden and moss-covered regions of Alaska—the land of rye and barley. And after they have spent from $50 to $200 per acre clearing their land and waited a year or two for it to thaw out so they can farm it, they can probably produce enough of these precious staples, rye and barley, to supply their local demands. And then, Mr. Speaker, they can sit back and enjoy six months of winter darkness and think of their brethren whom they have left behind them to till the soil of their native land, the Egypt of the West, and grow rich from its bounteous crops.

Mr. Speaker, I do not think that any good business man or any successful farmer would take the action that it seems

that this Congress is determined to take in this matter. Nor do I believe that there is a Member of Congress who would do so were he in possession of both the United States and Alaska. I believe, sir, that should any Member be in absolute control of both countries he would decide that he could spend his $40,000,000 to a better advantage in many ways in the continental United States. I fancy that before going to Alaska to break the Ice Trust by building a railroad through it, he would take a look at his two and a half million miles of public roads in this country that need improvement so very much.

I think, sir, that before he attempted to build a railroad for the special attraction of the handful of farmers in Alaska he would heed the urgent demands of the 6,000,000 farmers of this land who are begging for Federal aid for their public roads so that they may get their produce to the markets with greater dispatch and less cost. Before he would go into Alaska to employ men to build a railroad he would spend his time and means devising and putting into operation new appliances and new improvements on the rolling stock of his railroads here that would lessen the loss of life and limb among the employees of the railroads of this country. Before he would delve into Alaska's earth to take therefrom her useless coal he would look with greater care than this Government has exercised into the problem of conserving human lives in American mines. Before he proceeded to extend post roads into the unpeopled regions of Alaska he would give more attention than this Government is giving to the postal facilities of this country. And, Mr. Speaker, if he were looking for an opportunity to spend his money for charitable purposes, he would not go to Alaska to spend it lavishly upon a few while the hand of charity is reaching to him from every side for assistance to the suffering millions around his own door. Mr. Speaker, I repeat what I have said. I do not believe that there is a Member in either branch of Congress who would entertain the proposition for a moment if it applied to his own individual business; and I feel that we, in acting collectively for the people, should be as much concerned as to the general welfare as we would be if acting individually for ourselves. And, acting in that spirit, I am compelled to vote against this bill, and I hope it will fail to pass. [Applause.]

Drainage of Swamp Lands.

REMARKS

OF

HON. CHARLES G. EDWARDS,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 24, 1914.

Mr. EDWARDS. Mr. Speaker, one of the most vital questions that confronts this country, and one which has been ignored and neglected by Congress, is that of the drainage of the swamp and wet lands of the United States.

In a speech delivered by me on this subject in the House of Representatives on February 10, 1911, I pointed out that in Senate Document No. 443, Sixtieth Congress, first session, on the subject of "Swamp Lands of the United States," that it is shown there are in the United States 79,005,023 acres of wet land, and in addition to that there are 150,000,000 acres of what are now known and occupied as farm lands which are too wet for the most profitable cultivation and whose production would be increased 20 per cent by proper drainage. These figures are enormous, and to one who has not given the matter considerable study, I may add that they are surprising.

Showing how the 79,005,023 acres of unreclaimed swamp and overflowed lands are distributed, I wish to read the following, taken from the Senate document that I have just referred to:

The following is an estimate of the number of acres of swamp and overflowed lands in the several States which may be reclaimed for agriculture, exclusive of the coast lands which are overflowed by tidewater. The acreage given is that obtained from the most recent information secured by correspondence with officials of the counties in the States represented:

	Acres.
Alabama	1,479,200
Arkansas	5,911,300
California	3,420,000
Connecticut	30,000
Delaware	127,200
Florida	19,800,000
Georgia	2,700,000
Illinois	925,000
Indiana	625,000
Iowa	930,500
Kansas	359,380
Kentucky	444,600
Louisiana	10,196,605
Maryland	192,000
Maine	156,520
Massachusetts	59,500
Michigan	2,947,439
Minnesota	5,832,308
Mississippi	5,760,200
Missouri	2,439,600
Nebraska	512,100
New Hampshire	12,700
New Jersey	326,400
New York	529,100
North Carolina	2,748,160
North Dakota	200,000
Ohio	155,047
Oklahoma	31,500
Oregon	254,000
Pennsylvania	50,000
Rhode Island	8,064
South Carolina	3,122,120
South Dakota	611,480
Tennessee	639,600
Texas	2,240,000
Vermont	23,000
Virginia	800,000
Washington	20,500
West Virginia	23,900
Wisconsin	2,360,000

The lands above enumerated are not all permanently unfit for cultivation in their natural state, but part of them are swamp or are subject to such frequent overflows from streams as to be entirely unproductive, while a part are only periodically rendered unfit for cultivation by reason of their wet condition. The lands named in the foregoing list are properly those which may be wholly reclaimed from either a permanently or periodically swamp or overflowed condition.

It will be observed that Georgia has 2,700,000 acres of swamp and overflowed lands that are susceptible of improvement and reclamation.

It is my information that the Government this year will spend $23,000,000 for irrigating the arid lands of the West. With the exception of the mere pittance that is being used in the Agricultural Department with which to investigate the question, which will not amount to a hundred thousand dollars a year, the Government is doing absolutely nothing toward this great question. If it is right to irrigate the arid lands, it is right that the wet lands should be drained. If it is not right to drain the wet lands, it is not right to irrigate the arid lands. The reasons for drainage are much stronger than for irrigation. Once the lands are drained the expense is practically at an end, for the seasons in the sections needing drainage are such that the land can be cultivated and made to add millions each year to the country's wealth in annual productions. These swamp lands are located where the rainfall will be sufficient, with other favorable climatic conditions, to make crops at a much less cost than in the arid country. To drain the swamp and wet lands of the country would serve the triple purpose (1) of reclaiming at least 75,000,000 acres of fertile land at a reasonable cost; (2) of adding approximately a billion dollars a year to the country's agricultural productions if the lands were reclaimed and put into cultivation; and (3) of going a long way toward eradicating malaria in this country.

This Congress has passed a bill over my feeble protest to build a railroad to open up the possibilities of Alaska. This will cost at least $35,000,000, and perhaps a hundred million, on the theory that we need new territory and resources opened up, and yet we can not get a nickel out of the Treasury to open up and help develop our millions of acres of waste and undeveloped lands in our own country.

On the subject of malaria, upon which drainage has a direct bearing, I wish to quote the remarks of Dr. William H. Deaderick, of Hot Springs, Ark., secretary, section on malaria eradication of the National Drainage Congress, as follows:

THE NECESSITY FOR A CAMPAIGN AGAINST MALARIA.

The discovery of malaria was not accomplished with the dramatic suddenness of that of hookworm disease; it does not sweep the country in devastating epidemics as did formerly yellow fever and smallpox nor is its case mortality so appallingly high as that of cerebrospinal meningitis, but in economic importance, through loss of time, money expended, diminished efficiency and earning capacity, reduction of real estate values, difficulty of inducing immigration, retardation in schools, etc., it must be placed at the head of the list of diseases in the localities in which it prevails.

Malaria is caused by an animal parasite which infests the red-blood cells of man. It is transmitted from one patient to another by anopheles mosquitoes.

Though there are no accurate statistics available, it is probable that there are upward of 4,000,000 cases of malaria annually in the United States. Though the mortality of malaria is low, it causes man deaths and besides the high morbidity it leaves its subjects anemic and neurotic and is responsible for inertia, loss of will power, intemperance, and general mental and moral degradation.

The use of screens is largely preventive; therefore the disease occurs especially among the poor class and the rural population, the negroes, and the ignorant whites.

The annual economic loss through malaria has been variously estimated as follows:

Texas (Woldert)	$5,333,320
Missouri (Harris)	3,000,000
Southern States (Deaderick)	50,000,000
United States (Harris)	100,000,000
United States (Howard)	100,000,000

There exists widespread ignorance among the people as to the cause and prevention of malaria and apathy among a considerable proportion of the medical profession as to the importance of preventive measures.

No campaign has ever been conducted for the eradication of malaria from the United States. Not a dollar is or has ever been available for such a campaign.

Malaria is a curable disease. For its treatment quinine is more nearly a specific than is now known for any other disease.

Malaria is preventable. A break in the life cycle of the parasite at any point from patient to patient prevents the disease. Malaria may be prevented by destroying mosquitoes, by preventing the access of mosquitoes, and by destroying the parasites in the blood by the use of the specific.

Results of preventive measures against malaria are numerous and striking. The reduction in the malaria death rate of Habana is shown as follows:

	Deaths.
1899	909
1900	325
1901	151
1902	77
1903	51
1904	44
1905	32
1906	26
1907	23

At Ismailia, on the Suez Canal, where prior to 1903 there were 1,800 cases annually, the disease has been completely eradicated.

The campaign at Klang and Port Swettenham, in the Federated Malay States, was very fruitful. Klang had 3,576 inhabitants in 1901. Port Swettenham, 5 miles away, had about 700. The population of the district surrounding the two towns was about 14,000. The antimalaria campaign was confined to the two towns and began in 1902. The following table shows the mortality from malaria within the towns as compared with that of the unprotected district:

	1900	1901	1902	1903	1904	1905
Towns	259	368	59	46	48	45
District	173	266	227	230	286	351

The prevalence and economic importance of malaria, together with its preventability, constitute a sufficient excuse for urging a campaign against the disease, and it is believed that the time has never been so propitious as at the present. The public-health movement has arrived, as evidenced by the loosening of the purse strings of philanthropy, legislation and appropriations by legislatures, health platforms of political parties, and the space devoted to health topics by the press.

The prospective campaign against malaria must be divided into two stages: First, getting the funds necessary to finance the movement; secondly, spending them efficiently and economically. The first is much the more difficult problem.

The appropriating bodies of our cities, counties, and States are still too inattentive to the health needs of their citizens to be depended upon to supply the hundreds of thousands of dollars necessary. Our only hope then lies in philanthropy and our first efforts must be directed toward putting the matter up to the private giver who is anxiously awaiting an opportunity to benefit a large portion of the public by the prevention of disease, which is a much greater service than the endowment of a hospital or a medical school.

While all legitimate avenues of publicity must be used, we must depend chiefly upon the lay press. It is believed that a few articles in lay publications had more to do with obtaining funds for the hookworm campaign than the thousands of pages which had been contributed to the medical press. The contribution of these articles should not be a matter of individual inclination, but an organization should make it its duty to solicit a number of popular articles with illustrations and to place them in suitable periodicals. "It is the constant dropping of the water of publicity that wears away the stone of indifference."

Concrete facts elicit a louder appeal than do indefinite generalizations, and such facts relating to the prevalence of malaria in particular localities and the economic loss estimated in dollars, where possible, should be collected and given the proper publicity.

A system of publicity would serve the twofold purpose of attracting givers and enlightening the public and can be begun without money.

Informing one person on the etiology and economic importance of malaria would avail more than the distribution of a pound of quinine. Even better than doing the thing is getting it done.

Publicity in such a campaign should differ only from commercial advertising in that it should tell the truth absolutely. Literary dignity should become secondary to the importance of the end to be attained. The appeal to givers should have the ring of the want column.

There are a number of forces in this country which should be marshaled in this publicity campaign against malaria. These are the United States Public Health Service, the malaria section of the National Drainage Congress, the Commission for the Study and Prevention of Malaria, and the various State, county, and city health organizations.

The following is an effort to correlate the efforts of these forces and to outline a program:

A national publicity committee should be one appointed jointly by the malaria section of the National Drainage Congress and the Commission for the Study and Prevention of Malaria. This committee should obtain a number of illustrated articles in popular style, dealing especially with the economic side of malaria, and place them with publishers, who would be glad to receive them. The influence of the magazine is stronger and more permanent than that of the newspaper, but the latter may be very profitably used. This committee should also take up with the large film concerns the production of moving-picture films relating to malaria, as has already been done with tuberculosis and infant mortality.

The United States Public Health Service is having made in various States malaria surveys, which should be used for full value. These surveys are destined to supply us with the concrete facts which have hitherto been well-nigh lacking and physicians should cooperate in every way possible with this work. Reports of these surveys will probably be published in the Public Health Reports, and it is possible that reprints may be obtained in large numbers for distribution. If properly approached, it is not unlikely, that lacking a Federal board of health, the Public Health Service would detail an officer to standardize and coordinate the antimalaria work of the State boards of health.

Several of our State boards of health are already in position through their monthly bulletins and annual reports to conduct efficient educational campaigns, and a large part of their efforts might be turned into antimalaria channels. The use of the State papers and cooperation with the State board of education would be beneficial, and it should be one of their duties to try to influence legislative appropriations. Exhibits at State fairs and public symposia on malaria at the State medical society meetings should be held. The work of the county and local health officers would be stimulated and supervised through the State board.

The county and city health officers, being in close touch with the people and local conditions, are in position to do good service. Every local paper should have a health column. It should be the duty of these officers to give school lectures and cooperate with women's clubs and civic organizations and to keep in touch with local physicians through the county medical societies.

By thus making use of the forces at hand the day will be hastened when the antimalaria campaign will boast of a field force, laboratories, publications, exhibit cars, and the other machinery necessary to the modern health campaign. Publicity is the forerunner of efficiency.

Hay-Pauncefote Treaty.

EXTENSION OF REMARKS

OF

HON. WILLIAM KENT,

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 24, 1914.

Mr. KENT. Mr. Speaker, I recently wrote to Hon. Joseph H. Choate, who was ambassador to England at the time of the ratification of the Hay-Pauncefote treaty, requesting that he should inform me as to his views of the wording of the treaty and of the intent of those engaged in making the treaty. In reply, he referred me to an address which he had delivered before the Chamber of Commerce of the State of New York on February 13, 1913. I desire to publish this address for the information of Congress.

REMARKS OF THE HON. JOSEPH H. CHOATE BEFORE THE CHAMBER OF COMMERCE OF NEW YORK FEBRUARY 13, 1913.

Mr. President and gentlemen, I come here to-day as a member of the Chamber of Commerce, hoping to help it to decide right in the matter that is now before it, because I consider a wrong decision would be not only a serious blow to the good name and honor of the Chamber of Commerce but of the country itself.

It is true that I had something to do with the negotiation of this treaty. In the summer of 1901—you will remember that this treaty was ratified by the Senate in November, 1901—I was in England until October and was in almost daily contact with Lord Pauncefote, who on his side represented Lord Lansdowne, the foreign secretary, and was also in very frequent correspondence with Mr. Hay, our Secretary of State, under whom I was acting. As the lips of both of those diplomatists and great patriots, who were each true to his own country and each regardful of the rights of the other, are sealed in death, I think it is quite proper that I should say what I believe both of them, if they were here, would say to-day—that the clause in the Panama Canal bill exempting coastwise American shipping from the payment of tolls is in direct violation of the treaty.

It is true, as Mr. Douglas has said, that we can not decide this question, but we can decide whether, as men of conscience and honor constituting this Chamber of Commerce, we shall support Mr. Root's motion to strike out a single provision of that Panama Canal bill, which is believed by him and by us and by the almost unanimous voice of the American press, I think, to be in conflict with the treaty. Why, the merest schoolboy can pass upon the question.

I am going to read you the two clauses, and I would like to challenge any member to show how they can possibly be reconciled:

The canal shall be free and open to the vessels of commerce and war of all nations on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise.

That is what the treaty says. In the canal bill the clause covered by Mr. ROOT's motion to amend by striking out is this:

No tolls shall be levied upon vessels engaged in the coastwise trade of the United States.

Can you put those two things together and reconcile them in any possible way? Of course it is an utter impossibility, and even Mr. Douglas has not ventured to show how the two could by any possible construction mean the same thing.

No newspaper, no President, no public authority whatever that I have heard of has ventured to take the plain words of the treaty and the plain words of that clause of the canal bill and say that the two mean the same thing.

I hope you will give Mr. Douglas a chance to expatiate further beyond his half hour to show how those two things mean the same thing. If he can convince you of that, he will carry his motion to lay upon the table; otherwise not.

I venture to say now that in the whole course of the negotiation of this particular treaty no claim, no suggestion, was made that there should be any exemption of anybody. How could there be in face of the words they agreed upon? Lord Pauncefote and John Hay were singularly honest and truthful men. They knew the meaning of the English language, and when they agreed upon the language of the treaty they carried out the fundamental principle of their whole diplomacy, so far as I know anything about it, and in the six years I was engaged with them their cardinal rule was to mean what they said and to say what they meant. [Applause.]

They had something to guide them. You will remember that in the previous year there was a canal treaty arranged between Mr. Hay and Lord Pauncefote which was so amended in the Senate that another treaty was negotiated and substituted for it and took final form in the treaty that is now under consideration. Mr. Cushman K. Davis, who was chairman of the Committee on Foreign Relations in the Senate, made a report which was very direct on this particular subject, and I read now from Mr. ROOT's argument in the Senate delivered very recently:

In view of that report [the report of Cushman Davis], the Senate rejected the amendment which was offered by Senator Bard, of California, providing for preference to the coastwise trade of the United States.

That is pretty direct authority, is it not? That motion was made in the Senate, on the discussion of the previous Hay-Pauncefote treaty, which never was finally approved by the Senate. This is the amendment which was proposed:

The United States reserves the right in the regulation and management of the canal to discriminate in respect of the charges of trade in favor of the vessels of its own citizens engaged in the coastwise trade.

That was pretty direct, was it not? Mr. ROOT adds:

I see the Senate rejected that amendment upon this report which declared the rule of universal equality without any preference or discrimination in favor of the United States as being the meaning of the treaty, and the necessary meaning of the treaty.

That was something they had to act upon, and there was a great deal else besides.

From the time that this question of a canal through the Isthmus or a canal from the Atlantic to the Pacific, whether through the Isthmus or by way of Nicaragua or Tehuantepec or anywhere else, was agitated, the universal declarations of public men, of Presidents and Secretaries of State, and other public men on both sides of the Atlantic, were to the effect that the canal, if it ever should be built, should be built for the benefit of mankind, on principles of universal equality of the vessels of all nations, and without any discrimination in favor of any.

Another thing: They had a direct ruling of our own Government under the treaty of 1871. That was the treaty, you remember, under which the Alabama claims were finally disposed of. They inserted in that treaty as one of its later clauses a provision almost exactly like this, bearing on the same subject, in respect to the canals, that constituted a part of our great waterways through the Lakes, the Welland Canal on the British side, and the St. Claire Canal, I think it was, on this side; and it was stipulated in that treaty, as I recall it—you gentlemen will correct me if I am wrong—that the vessels of both nations should have equal rights, without discrimination, and have the right to use the canals on both sides for their traffic on terms of complete equality and without discrimination in favor of either. After a while our Government found that Canada, although charging 20 cents per ton, I think it was—the rate fixed by the treaty or by the agreement between the two Governments—was remitting on its own traffic in Canadian vessels to Canadian ports 18 cents and remitting nothing on American traffic to American ports passing through the same canals, the result of which was that while our traffic paid 20 cents the Canadian traffic paid only 2 cents. This being brought to the attention of the Government of the Dominion, that exemption was abandoned; they took the American view of the subject, and from that day to this the vessels of both nations have passed through these canals on terms of perfect equality. [Applause.]

That is sound American doctrine. It was asserted by us to be the only honest interpretation of that treaty, and that interpretation was accepted by the other side.

It has been said that in this connection we have nothing to do with the question of arbitration. I say we have everything to do in this connection and on this occasion with the subject of arbitration. What country has been the champion and leader in the cause of arbitration since the very foundation of our Government? Why, the United States, of course. We have insisted, first, last, and always, not only by the voice of the people as represented by the press, but by joint resolutions of the Senate and House of Representatives, by declaration of every President from John Quincy Adams down, that arbitration is the only mode in which there can be a settlement of international disputes without resort to war. I do not believe that England has any disposition to resort to war. I do not believe that under any circumstances you could provoke either England or America to go to war with each other. All possibility of that has been left behind us for a hundred years.

We made a treaty in 1908 which is still existing. It was made by Mr. ROOT as Secretary of State. The treaty provided that when a difference arises between the two countries which is incapable of settlement by diplomatic means that it shall be referred by arbitration to the court at The Hague, always provided that the independence or the honor or the vital interests of either nation be not involved.

Nobody can pretend that the vital interests or the independence or the honor of the United States is involved in this question. What is involved? Why, a few paltry hundred thousands of dollars a year; that is all. If the trade goes on increasing as the last speaker has said, it may amount to a few millions a year; but what is that to a nation that is spending over a billion dollars every year and is likely, so far as I can see, to spend two or three billions unless somebody calls a halt? [Applause.] We are bound to submit this question under the treaty which was made by Mr. ROOT and the British Government in 1908. President Taft has said that the possibility of the question being decided against us is no reason at all why we should not arbitrate it. That is all the more reason why we should take the first opportunity to arbitrate it. [Applause.]

To my mind there is no reason that will hold water against the passage of the resolution offered by this committee. There is no reason why we should not be honest and fair and courageous in our dealings with other nations. [Applause.]

We are now about to celebrate the one hundredth anniversary of peace, continued and unbroken peace, between the United States and England. How have we maintained that peace? Why, I believe by treating each other fairly on both sides; and there have been questions ten times as difficult, ten times as important, as this, and we have never failed to settle any of them by arbitration. [Applause.] That is the way we have got to settle this, whether we like it or not. We have agreed that it shall be arbitrated. Somebody says the treaty expires in June of this year. I do not think the people of the United States will tolerate any attempt to sneak out of it in that way. [Loud applause.] Nor do I believe that the people of the United States will tolerate, upon serious consideration of this matter, any attempt to break faith with Great Britain or with any other country. [Applause.]

I was asking you how we have kept faith with them so long. It is by dealing fairly with them. Here is a question of the interpretation of language used in a treaty upon which important men differ. I will agree to that. Mr. Douglas and I differ and Mr. Taft and Mr. O'GORMAN differ from Mr. ROOT, but we have positively agreed by the treaty of 1908 that if such a question comes up and it can not be settled by diplomatic means it shall be settled by arbitration. Everybody seems to think that if it is referred to arbitration, no matter whether the arbitration is to The Hague Court, or to any local court in the city of New York, or to the Supreme Court of the United States, or to The Hague Tribunal, all we have to do is to get up and read these two clauses, the clause from the treaty and this clause from the bill which we consider so obnoxious. The tribunal would then decide against us. Which is better for us, to have an arbitration which will almost inevitably decide against us, or, like men, settle the matter ourselves? [Applause.]

Let us admit we have made a mistake and go forward and reverse it, and support our noble Senator, to whom we can not by any possibility give too much praise for his effort to have it stricken out.

Address by Hon. William M. Calder, of New York, on the Future of the Progressive Party.

EXTENSION OF REMARKS

OF

HON. EDMUND PLATT,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, February 21, 1914.

Mr. PLATT. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech by my colleague [Mr. CALDER] delivered in a debate with Mr. Bainbridge Colby on February 7, 1914, at the Logan Club, Brooklyn, on "The future of the Progressive Party"

The SPEAKER. The gentleman from New York [Mr. PLATT] asks unanimous consent to extend his remarks in the RECORD by printing an address made by his colleague [Mr. CALDER]. Is there objection?

There was no objection.

ADDRESS BY CONGRESSMAN WILLIAM M. CALDER AT THE LOGAN CLUB (PROGRESSIVE), BROOKLYN, N. Y., FEBRUARY 7, 1914.

[Subject: "*Resolved* There is need for the continuance of the Progressive Party." Mr. CALDER spoke in the negative.]

Mr. Toastmaster, ladies, and gentlemen, it is a great pleasure for me to be present this evening and participate in the celebration of the birthday of Gen. John A. Logan. As your Representative in Congress it has been my privilege to associate with men who were his intimates during his service in both Houses of Congress. I have often talked with such men as the late Senator Cullom, of Illinois, the late Senator Hoar, of Massachusetts, former Speaker Cannon, of Illinois, and others who knew him well. All of them join in praise of the character of the man, and for that reason it is a source of great pleasure for me to be a member of the club that bore his name. I have been a member of the Logan Club for many years, and, as many of you know, was its president some ten years ago. I have retained my membership with you, for I feel confident that after a while the club will return to its old political affiliations. While it is true there are only a few of the old members of the club who were active in the days when it was a factor in the Republican politics of Brooklyn, nevertheless the traditions of those days still encourage me to believe that at some time in the future we may again agree.

When your president invited me to speak here this evening on the question "There is need for the continuance of the Progressive Party," I gladly accepted, for it afforded me an opportunity of speaking frankly with men who for many years had been my political associates, and it occurred to me that I might say something to them that would bring them to understand that there was very little difference fundamentally between the rank and file of the Republican and the Progressive Parties; and I was particularly pleased when I learned that my good friend, Mr. Bainbridge Colby, would discuss the other side of the question. We have worked together before, Mr. Colby and I. In the recent municipal campaign he managed the campaign of Mr. McAneny and I managed that of Comptroller Prendergast. We learned that it was possible for both of us to stand on the same platform, to use the same kind of language, and to advocate the same principles. In fact, we discovered that we were just two plain citizens of the great city of New York, anxious to obtain for the people of our city the best kind of government. Although a Republican, I feel quite sure that Mr. Colby did not notice that I possessed horns, nor did I argue from any different premises than did he, and during the campaign at least I learned that we were really for about the same thing.

As for myself, I have no quarrel with any living thing. I have been elected oftener to Congress than any man of my party in this city since the party began, and despite the candidacy of a Progressive in the 1912 election, who received 9,300 votes, I received a plurality of 8,400 votes. I approach this discussion with the sincere hope that in a friendly way I may say something that will convince my hearers that there is no further need for the continuance of the Progressive Party. In what I say it is my intention to refrain from discussing individuals or dealing in personalities.

Following the usual practice, Mr. Colby has discussed some of the men who have been and are to-day active in the Republican politics of this State and Nation. He did not refer, but I will, to former Senator Crane, of Massachusetts, for 20 years an intimate friend and associate of Theodore Roosevelt, who stood for everything that Mr. Rosevelt favored except that he would not agree to his renomination. For that reason is he to be condemned?

Let us take the senior Senator from this State, Hon. ELIHU ROOT, recently awarded the Nobel prize as a recognition of his great work in favor of universal peace between all the nations of the world. Mr. Roosevelt himself said that Mr. ROOT was the greatest statesman of this decade, and in the Senate, among men of every political party, he is looked upon as the most profound statesman in that body.

Mr. Colby has mentioned Senator PENROSE, in whom I have no interest whatever. He was defeated in the Republican primaries in his State in 1912, and I have not heard that he has regained control of his party in that State. I believe it is Senator PENROSE'S purpose to submit himself to the people of Pennsylvania at the elections the coming fall, and they will decide whether or not he is entitled to their confidence.

There has been talk of Mr. Barnes, of this State, with whom I have not always agreed, but who, every man who loves a fighter knows, is perhaps one of the best in any political party in this Nation. He was a good man once, appointed to office by Mr. Roosevelt, but now is the most denounced of any hereabouts. My Progressive friends know that Mr. Barnes did not control the organization of the assembly this year, and he says he did not try to. Be that as it may, the man he would have favored was not selected as speaker.

I am not going to criticize some Progressive leaders whom I have in mind at this very moment, and who in times past have stooped to the smallest kind of politics. It would not be an illumination of the subject we are talking about and would only cause controversy and would do no good.

In what respect are we really at variance?

Let us discuss for a moment the difference between the national platforms of 1912 of the Republican and Progressive Parties. Except for a difference in language, both parties are for a protective tariff and for the appointment of a nonpartisan tariff commission. The only practical difference between the platforms in this respect is in the method of expression.

On the question of trusts the difference in the platforms is hardly worth commenting on.

The question of primaries is a State matter, and nearly every State in the Union, through the agency of the Republican Party, has on its statute books a direct primary law of the most advanced character; and in this State the Hinman-Green bill would have been a law long before the Democratic Party considered the question had it not been for the active opposition of the then chairman of the Republican State committee. By the way, he was my very dear friend and your late county chairman.

It is true that the Progressive platform deals at length with the social uplift of the people. These are questions that every man favors. Everyone favors an eight-hour workday; everybody is in favor of preventing accidents; everybody is in favor of abolishing child labor; everyone is in favor of protecting our girls and women; every decent human being favors all the things that will make the race better, cleaner, stronger.

There is no difference of opinion in regard to a parcel post, direct election of United States Senators, a Department of Labor, a local self-government for the Territory of Alaska, publicity of campaign contributions, an effort to obtain an international agreement or the limiting of naval forces, enactment of legislation providing for the physical valuation of railroads under authority of the Interstate Commerce Commission, legislation seeking to conserve the resources of the Nation and continuing as a part of the public domain the remaining forests, oil and coal lands, water power, and other natural resources of the Nation by the Federal Government; also legislation affecting the operation of the Panama Canal and forbidding its use by ships owned by transcontinental railroads, and the provision that American ships should use the canal free of tolls. All of these were secured largely by the action of Republicans in Congress and every one of them was favored by the speaker.

In the matter of woman suffrage, advocated by the Progressive Party, the Republicans of this State in convention assembled, and the Republican members of the legislature at Albany, in compliance with the mandate of that convention, have voted for a submission of a referendum to the voters of this State on this question in the elections of 1915. This is the only way it could possibly be considered.

I could discuss all of the provisions of both of these platforms with you and would come down finally to but a few fundamental things upon which we really differ.

From the viewpoint of some people we seem to differ, for instance, as to how far we are willing to go on the initiative and the referendum. This is only a question of degree, for in this State for many years we have had a referendum on some of the greatest questions, and I am sure that every reasonable

man, when he stops to think, will agree that we have gone quite far enough, at least in the matter of referendum.

Let us take the vote on the constitutional amendments referred to the people in the election of 1913. There were four of these amendments. The second one, which dealt with the question of workmen's compensation, was the most discussed and in every corner of the State it was considered, and still the total vote cast both for and against this amendment was only 605,411 votes, barely 40 per cent of the total vote cast for the respective candidates for chief justice of the court of appeals. Can one contend that when so grave a question as this stirs such a small degree of interest that the people are prepared for its further extension? I am rather a believer in the theory that the people would much prefer to elect their representatives to the legislature and hold them personally responsible for the working out of these different theories of legislation. You can trust the judgment of the people on the men they elect to public office nine times out of ten, but you can not, as has been evidenced many times, induce the people to come out and even express a preference on these great questions when referred directly to them. It seems to me, therefore, that this subject can be passed without more discussion as a thing which at least the people of this State are not really interested in. I am told by those who have studied this subject that only about the same degree of interest is expressed in other States in the Union.

We will come to what really seems to separate us:

On the question of the recall of judges and judicial decisions, personally I am absolutely and unequivocally opposed to submit to the people in the heat of passion the question of whether a judge who has decided a grave question should be removed from office for so doing. It is a matter of such great import to the stability of our Government that I can not for a moment concede it is for the best interests of the people. The country has lived through stormy times, and while the courts have occasionally displeased, still no man can successfully challenge their integrity. We have laws on the books to-day which provide for the trial of corrupt judges. Let us strengthen them if you will, but do not, for the sake of the permanency of our institutions, depart from the system that has for so long a period preserved the stability of the Union. Let us not drag down one of the strong arms of this Government, but rather teach the youth of the country a greater respect for the judiciary than we have been wont to in some of the recent years.

RECALL OF JUDICIAL DECISIONS.

There is undoubtedly a good deal of misconception regarding this particular question. Some people have the idea that this recall of judicial decisions refers to any character of question which might be submitted to the courts. Of course this is erroneous. As I understand it, the basis of the Progressive claim is explained in Col. Roosevelt's article upon the Progressive Party, which appeared in the November Century. This holds, "that the people themselves should have the right to decide for themselves, after due deliberation, what laws are to be placed upon the statute books, and what construction is to be placed upon the Constitutions, National and State, by the courts, as far as it concerns all laws for social and industrial justice." This is a general statement. The time which should elapse before a decision made by a court could be acted upon by the people is not stated. In fact, I do not believe any specific plan which has received the sanction of party authority has ever been promulgated. I am aware that Col. Roosevelt says that anyone who does not subscribe to this doctrine can not be a Progressive, for adherence to this particular principle must be a part of the general party creed. Now, I am not so sure whether we differ so very much upon this question or not, and I have been impelled to this thought by reading an editorial which appeared in the Evening Mail of Saturday, January 24, 1914. I presume the Evening Mail can be relied upon to correctly expound Progressive principles. In this editorial the action of the people in voting upon the constitutional amendment last November, under which a workmen's compensation act could be based, is very strongly commended. The article goes on to say that there is no valid reason why other matters vitally affecting the people's interests should not be treated at the polls in the same way when occasion requires. It also says, "It was a deliberate and orderly proceeding, fraught with no peril to the State." Far from being perilous, indeed, such a recall stands for safety to the State's highest interest. Not one word of protest has been spoken against the proceeding, even by the 194,497 voters who opposed the amendment.

Now, I hope you will bear in mind that this orderly proceeding to which the Mail refers is the same constitutional method which has been in force in this State for many years, under which the people have brought about changes in their constitution. I also want to remind you that in declaring the previous workmen's compensation act unconstitutional, Judge Werner, who wrote the opinion, pointed out the way in which the constitution should be amended in order to make such an act legal. The matter then passed through the different stages of legislative sanction in two successive sessions and was then submitted to the people. If the Mail thinks that this is the orderly method for recalling judicial decisions, then I do not disagree with the Mail nor with any Progressive who holds the same view.

I want to ask you why, if this method of changing our constitution has worked so beneficially in the case of the workmen's compensation act, what justification is there for any different method? The Progressives must agree that when any changes are to be effected in the constitution they should be entered upon with deliberation. Col. Roosevelt subscribes to that idea. Now, what kind of deliberation must it be? Could there be any better method of deliberation than to insist that the measure should be acted upon at two successive sessions of the legislature and then submitted to the people? This is exactly what we have been doing in this State for years. It has been found efficacious. I ask you again, Why is there any necessity for changing this practice? What better results can you secure under any other method? This method is one which has been tested by experience. What human experience justifies the general plan of recalling judicial decisions which my Progressive friends have been advocating?

I might discuss our troubles of 1912 and the Republican convention of that year at Chicago. All of this is a matter of history. Let us, however, compare the organization of the Progressive Party in 1912 with the period that produced the birth of the Republican Party. The Republican Party was founded on the demand for the abolition of human slavery and the preservation of the Union. It did not come into life simply as a result of a difference of opinion between a few men on questions that were not really fundamental. The Republican Party is the constructive party, and will continue to be the constructive party, moved from time to time by the necessities of changed conditions to advocate and put into effect such progressive legislation as is needed to meet the needs of the country. The Republican Party is not a reactionary party. Its history from the beginning up to the present time indicates that it is not. All of the most important legislation which has been enacted since the Civil War was put through as a result of its labors.

Upon what is the Progressive Party actually founded? The chagrin of many people of this country over the failure of the Republican convention to nominate Theodore Roosevelt. I regard him just as highly personally as any man in this room. The large vote for him was cast because of the sincere regard in which a large portion of the people of this country held him, and the additional fact that, whether right or wrong, the opinion was prevalent that he had not had a fair deal at Chicago. Everyone in this room knows that if he should pass away tomorrow his party would die. He received a great vote for President, the second both in popular and electoral vote. This was simply a vote for him personally and not founded upon any great principles.

Let us look into the situation and see what has happened since to indicate that I am right and the American people have treated it as such. As expressed in the elections last fall, they indicate a tremendous falling off of the Progressive vote compared with that cast for Col. Roosevelt in practically every locality where there has been a recent election, with the possible exception of Massachusetts; but even in that State, aside from the gubernatorial contest, there was a decided slump. On the other hand, the Republican strength has correspondingly increased over the Taft vote of 1912. It is true, however, that while the Progressive vote has dwindled in many instances it has been sufficient to accomplish the defeat of Republicans and elect Democrats.

An election was held in the State of New Jersey in November last for governor and other State officers. The Democratic nominee was James F. Fielder, the Republican candidate Edward C. Stokes, and Everett Colby was the standard bearer of the Progressives. The Progressives were very hopeful that Colby would at least obtain second place, and many of the Progressives of the Nation campaigned the State.

In discussing the situation prior to this election one of the shrewdest political writers in the United States, Mr. Samuel G. Blythe, in an article in the Saturday Evening Post, which paper has been extremely friendly to the Progressive cause, made these observations touching the New Jersey situation:

It is claimed by political experts that Mr. Roosevelt's Progressive Party is steadily losing ground, that such elections as there have been have shown retrogression instead of progression. And these experts say

that this means that the men who voted for Roosevelt in 1912 are returning to the Republican Party. Of course, there will be no adequate test of this, except in New Jersey this fall, where Colby, Progressive, is running for governor against Stokes, Republican, and Fielder, Democrat. That vote will show how well the Progressives in New Jersey are holding in line. There will be no test in Massachusetts that will be of particular value.

The result in New Jersey was as follows:

Fielder, Democratic nominee, who was elected, received 173,148 votes; Stokes, Republican nominee, 140,298 votes, while the vote of Colby, the Progressive nominee, was 41,132, nearly 100,000 less than the vote of Stokes, the Republican nominee. The vote of Roosevelt in New Jersey in 1912 was 145,410. The Taft vote in November, 1912, was 88,835, the vote of Stokes showing a Republican gain of over 50,000. The test in New Jersey clearly demonstrated that the Progressives in that State are returning to the Republican Party.

In Pennsylvania justices of the superior court only, a State court, were chosen in the recent election. Under the law candidates for judicial offices go upon the ballot without a party designation. This precluded a State-wide test of the relative strength of the three principal parties. The registration, however, disclosed that in practically every section of Pennsylvania the Progressive vote had fallen off between 60 per cent and 80 per cent. In Philadelphia, for instance, over 100,000 Republicans registered and but 14,000 Progressives. In the recent city election the Democrats and Progressives united against the Republicans. The fusion ticket was defeated by a majority of nearly 30,000, the Republicans making a clean sweep. In Pittsburgh, Armstrong, the Republican candidate, won for mayor over Congressman PORTER, the candidate supported by the Progressives, by a substantial majority, although PORTER, reading the signs of the times, registered as a Republican. PORTER had the active support of William Flinn, who led the Roosevelt forces in Pennsylvania in the 1912 primaries and general election. In nearly every instance Republicans won, the Bull Moose candidates running as bad thirds. The condition of business throughout the State is having the effect of strengthening the Republican Party. Thousands of workingmen have been laid off in the various manufacturing establishments, which is charged to the Democratic tariff.

A United States Senator was chosen in Maryland at the November elections. As this was one of the first States to elect a Member of the upper House of Congress under the constitutional amendment recently adopted providing for the direct election of Senators, more than ordinary interest was manifested in the campaign. BLAIR LEE was the Democratic nominee. He was opposed by Thomas Parran, Republican, and ex-United States Senator George L. Wellington ran as the regular nominee of the Progressive Party. As Wilson carried Maryland in 1912 by a plurality of 54,000, it was expected that LEE would be elected. The chief significance of the election was the complete rout of the Progressives, who, prior to election were loud in their claims, predicting that the vote of Wellington would show a large gain for the Bull Moose Party. Parran, the regular Republican nominee, obtained a vote of 73,000. The vote of Wellington, the Progressive, was only 7,033, a falling off from the Roosevelt vote of 1912 in Maryland of 50,753. Roosevelt ran ahead of Taft in this State. On the other hand, the vote of Parran, the Republican, exceeded that cast for Taft in 1912 by 19,244. The Maryland returns have resulted in a Progressive stampede to the Republican Party.

The result of the recent State election in Massachusetts, Progressives claim, was a great victory for the third party. Charles S. Bird, Progressive nominee for governor, ran, according to official returns, 11,050 votes ahead of AUGUSTUS P. GARDNER, the Republican candidate. As a result of the Republican disaffection, the Democratic nominee, David I. Walsh, was elected by a plurality of 55,512. A careful analysis of the vote makes it somewhat doubtful whether the Progressives have much cause for jubilation. In the first place, Gov. Eugene N. Foss ran as an independent, receiving 20,171 votes. Recently Foss repudiated the Democratic Party, declaring himself a protectionist. Formerly a Republican, Foss, running upon a platform favoring protection, naturally drew Republican votes, having antagonized every Democrat in the State by publicly repudiating that party. Congressman GARDNER, the Republican candidate, had a very bitter fight at the primaries, winning over his opponent by a very close vote. As soon as nominated GARDNER repudiated the then chairman of the Republican State central committee, requesting him to resign, and thereby antagonizing many Republicans.

When the Republican State convention met to frame a platform the instrument agreed upon did not suit GARDNER, his anger being aroused by a refusal of the gathering to incorporate some of the radical planks he suggested. Bird, the Progressive candidate, is a manufacturer of large means and a man of very high character. I am informed that in towns where he spoke he presented a large American flag to each community. In citing the vote of Bird over GARDNER, Progressives are careful not to direct attention to the vote for other State officers. In every case the Republicans outdistanced their Progressive opponents by excess votes of between 40,000 and 70,000, far exceeding the 11,000 lead of Bird over GARDNER, although every State Democratic candidate was elected. For instance, the Republican candidate for lieutenant governor, Goetting, ran 45,943 votes ahead of Cosgrove, the Progressive. For secretary of state the Republican candidate had a majority over his Progressive opponent of 50,573. In the contest for attorney general, Swift, the Republican, received 76,003 votes more than his Progressive opponent, Newton. These figures are significant in showing which is the dominant minority party in Massachusetts.

There was one congressional contest in Massachusetts to fill a vacancy in the third district, caused by the death of Representative Wilder. In this election the Republicans won, although the Progressives put up a stiff fight. The following is the vote in this district: CALVIN PAIGE, the Republican, received a vote of 11,173; O'Connell, the Democratic candidate, 10,831 votes; and the Bull Moose candidate, Marshall, 5,284 votes.

In the State of California, the home of Gov. Johnson, the Progressive candidate in 1912 for Vice President, in the party registration held recently for the first 30 days nearly 70,000 Republicans enrolled, but 45,000 Progressives and 33,000 Democrats. Despite the vote cast for Mr. Roosevelt in California in 1912, the Republican enrollment is far in excess of that of the Progressive Party. Every careful student of politics in California knows that at the election next fall a Republican United States Senator and governor will undoubtedly be elected, despite the great personal popularity of Gov. Johnson.

NOTE.—Since this speech was delivered an election for Representative in Congress was held in the second Iowa district. In 1912 Mr. Roosevelt's vote in this district was 13,602 and Mr. Taft's vote was 8,303. At the election referred to, held on February 10, 1914, the vote cast for Hull, Republican, was 10,608, and for Hanley, Progressive, 3,718, a Progressive loss of 9,930 and a Republican gain of 2,532 votes. It is true that the Democrat, Mr. VOLLMER, was elected by about 1,800 votes over the Republican candidate, but the vote cast for Mr. VOLLMER was one-half the vote cast for Mr. Pepper, Democrat, who was elected in 1912.

Need there be any further evidence than this to indicate that the Progressive Party in the great Middle West is fast receding and the Republican Party is coming back into its former position?

In our own State everywhere the Republicans made substantial gains. They control the assembly, having 79 members to 71 for all other parties, including both Democrats and Progressives. The significance of this result is apparent when it is recalled that the last assembly had two-thirds Democratic majority, which was overturned. The total vote cast in the Democratic column last year for chief justice of the court of appeals was 564,834 votes; the vote for Judge Werner under the Republican emblem was 597,357, and for Judge Hand, under the Progressive column, 195,097 votes. This vote for Judge Werner indicates that in this State there was an increase in the vote in the Republican column of 32 per cent and a decrease in the Progressive column of 50 per cent, an unanswerable indication, I am sure, that in this State, at least, the Progressive Party is fast receding, while the Republican Party is just as surely coming back into control of politics here.

Let us look at the condition in this county. In 1912 the vote was as follows:

Wilson	107,748
Roosevelt	71,173
Taft	51,239

In 1913 the vote for chief justice of the court of appeals in Brooklyn, eliminating the vote for Judge Bartlett in the Independence League column, leaves the vote cast for the respective candidates in the Democratic, Republican, and Progressive columns as follows:

Bartlett	81,000
Werner	83,492
Hand	29,173

This shows an increase in the Republican vote in Brooklyn of over 60 per cent and a decrease in the Progressive vote of about the same amount, the Progressive vote in Brooklyn being only about twice the vote of the Socialist Party; in fact, in at least two assembly districts here the vote of the Socialists nearly equaled the Progressives.

In the twelfth assembly district, in which this club is located, in 1912 Wilson received 5,489 votes, Roosevelt received 3,597 votes, and Taft received 3,080 votes. In the recent election in

this district the Democrats and Progressives united on a member of assembly, their candidate, Mr. Sullivan, receiving 4,813 votes, and the Republican candidate, Mr. Simpson, received 6,345 votes, a majority for the Republican candidate of 1,532 votes, while in 1912 the total vote for Wilson and Roosevelt exceeded Taft by nearly 6,000 votes, a change in majorities of 7,500 votes.

As Comptroller Prendergast has well said in a recent statement:

The votes cast for the respective presidential candidates of the Republican and Progressive Parties can not be accepted as indicating the relative strength of the two organizations. The votes cast for the congressional candidates would be a much safer test of party strength, and this vote undoubtedly shows that while many Republicans had voted for either the Progressive or Democratic candidate for President, they had maintained their party loyalty as far as other candidates upon the Republican ticket were concerned. For one, I have never believed that the vote received by the Progressive presidential ticket was any indication of third-party strength. With many others, I have always believed that its vote represented the great popularity of Col. Roosevelt and the influence of his tremendous personality.

In less than a year we will elect a new House of Representatives. There are men who now propose that the Progressive Party should nominate straight Progressive candidates in every congressional district. Is it not evident that any such plan will mean the return of another overwhelming majority for the Democratic Party in the next Congress? The people are best governed when the margins of strength of the two dominant parties are slight. No one will dispute that the Republican Party presents to-day the most cohesive, effective force with which to combat the Democratic Party. The question before us is, Shall we concentrate our strength upon this most effective fighting force and make a real effort to carry the next Congress or dissipate our strength upon unnecessary candidacies and organizations? I for one am emphatically in favor of the first course and shall work to accomplish it.

Every Progressive who stops to think must concur in what the comptroller has said if he really believes in perpetuating the things that he at heart hopes will come about. In Washington during this session of Congress the Republicans and Progressives have in nearly every instance acted together. Practically all of us opposed the Underwood tariff bill, which has proven so disastrous to the business interests of the country. The Progressives at Washington are, in the main, our kind of people. They talk the same language and think the same things. I wonder have the people in this audience stopped to consider just the condition of the business of the country and the complete resumption that would come about if the morning after the next election it was demonstrated that the Republican Party had gained control of the House of Representatives. I presume you have read the report of the bureau of charities of the city of New York, published in the New York papers last Tuesday morning, which indicates that nearly 300,000 men were walking the streets of New York unemployed, most of them heads of families, and that nearly 1,000,000 men, women, and children depended upon these idle workers for their very existence; and I wonder how many of you have read the reports for December, 1912, of the imports and exports of this country, as compared with those of 1913. Let me tell you this condition of affairs:

December, 1913.		*December, 1912.*	
Imports:		Imports:	
Free, 63 per cent	$117,339,147	Free, 51 per cent	$90,051,367
Dutiable	$66,395,589	Dutiable	$64,044,077
Total	$183,732,736	Total	$154,095,444
Exports for December, 1913	$233,488,512	Exports for December, 1912	$250,315,807
Average ad valorem on dutiable goods, per cent	32.4	Average ad valorem on dutiable goods, per cent	37.86
Average ad valorem on all goods imported, per cent	11.7	Average ad valorem on all goods imported, per cent	15.73

This shows a shift in the balance of trade under the Underwood law for the month of December alone of over $46,000,000, and if this continues during the year it would mean a loss of trade to the people of this country of $552,000,000.

Mr. Colby in his remarks has referred to the southern representation in the Republican national convention of 1912, and severely condemns the action of the Republican national committee because of the seating of these delegates. He also finds fault with the recent action of the national committee when it sought to reduce this representation, and he states that it has only been reduced by one-third. Now, the facts are that at the recent meeting of the Republican national committee in Washington a plan was adopted which reduces the representation from the Southern States, where there is a very small Republican vote cast, almost one-half what it was formerly; and, ladies and gentlemen, permit me to call your attention to something Mr. Colby has not told you. At the Republican national convention in Chicago in 1908 a resolution was offered by Mr. BURKE of Pennsylvania providing for the representation in the Republican national convention to be held in 1912. The resolution in effect reduced the representation from the Southern States more than one-half. A careful canvass was made of the convention, and it seemed on the evening before the vote was to be taken that enough pledges had been obtained to pass it and forever after end the scandal arising from this outrageous system. Next morning, however, word reached the convention from the White House and orders were delivered that President Roosevelt did not wish to have this representation from the Southern States disturbed. A fight was made on the floor of the convention, which lasted all morning, and had it not been for a break of the delegates from California the motion of Mr. BURKE would have prevailed and the story of the convention of 1912 might have been different. This is all attributable to the attitude of Mr. Roosevelt, and I am confident, if submitted to him, he would not deny it. I voted in that convention as a delegate from this district for the motion of Mr. BURKE.

I do not need to recall to any man here the condition of politics of this State and the low level to which it has sunk. Every man in this room recalls with pride the administrations of the Republican governors of this State, from Morton to Hughes. We have no apologies to make for Morton, Black, Roosevelt, Odell, Higgins, or Hughes. We point with equal pride to the administration of the distinguished Republican district attorney of New York County, Hon. Charles S. Whitman, and the distinguished Republican district attorney of Kings County, Hon James C. Cropsey. I have been informed that both Mr. Whitman and Mr. Cropsey voted for Theodore Roosevelt, but both felt that the future of the State could best be served through their continuance in the Republican Party.

Let us just look at the last three years of government in this State and the scandal surrounding it. This is Democratic government. How long is it to continue? Will the rank and file of the Progressive Party in this State stand for a continuance of this kind of government? The recent elections indicate that the Republican Party is again in the ascendency in this State and the Progressive Party is a very minority. Will the leaders in that party throw their influence in favor of the nomination of a third candidate this fall and the continuance of Democratic domination here?

Let me say to all of you, particularly the members of this club, actuated as I believe they are with a desire for the best possible government for this State, just as sure as you attempt to bring about a condition of affairs that will encourage the Democratic Party in this election, just so sure will the people of the State repudiate you, and just so sure will you be left without a following among the rank and file of the people. There is no doubt, in my judgment, of the success of the Republican Party in New York this fall, but we want you back to share the success. We want you back to participate in direct primaries which we now have, where every man is given an equal right to aspire for office and have the votes counted that are cast for him. I have been for these reforms all my life, and so has the very best element in the Republican Party.

I hope that something I may have said this evening will have convinced the people of this community that there is no further need for the continuance of the Progressive Party. I am sure, from a careful observation of all these matters of government, that the very best interest of all the people will be served if your party, the Progressives, should determine to leave the field. You have contributed much in your short life in many directions. I think that you have served your purpose.

Address of Hon. William E. Humphrey, of Washington, at the Lincoln Day Dinner, at Indianapolis, Ind., February 12, 1914.

EXTENSION OF REMARKS

OF

HON. C. BASCOM SLEMP,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, February 26, 1914.

Mr. SLEMP. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein an address delivered by Hon. WILLIAM E. HUMPHREY, a Member of Congress from the State of Washington, at the Lincoln Day dinner at Indianapolis, February 12, 1914.

CONGRESSMAN HUMPHREY'S GREAT SPEECH AT LINCOLN DAY REPUBLICAN EDITORIAL BANQUET.

In his letter of acceptance that great statesman and great Republican, Benjamin Harrison, said the free trader "studies maxims not markets." It was one of the striking traits of his

greatness that Benjamin Harrison had the genius to state the entire case in a sentence. In four words he expressed the fatal weakness of the free trader. He is still studying maxims and not markets. This is true to-day from the scholarly President down to the lowest worshipper of this theory. Studying maxims and not markets is what is the matter with the country to-day. If we could get the Democratic Party to study markets our deliverance would be at hand.

THE FARMER.

From the days of my youth I have heard our Democratic friends declaim that a protective tariff was a benefit only to the manufacturer; that it was a fraud and a delusion to say that it benefited the farmer. The farmer of America to-day is eating the bread of experience. Under a Republican tariff practically no farm products were brought into this country. For the first time in the history of this Republic we are largely buying our food from abroad. I ask the American farmer to study these figures of the farm products that have been brought into the country under the new tariff law.

IMPORTS OF FARM PRODUCTS 1913.

Cattle, value, November, 1913, $3,306,723.
Cattle, value, October, 1913, $3,398,000.
Fresh meats, October, 1913, 5,752,207 pounds.
Fresh meats, November, 1913, 10,998,732 pounds.
Potatoes, October, 1913, 80,000 bushels.
Potatoes, November, 1913, 401,063 bushels.
Wheat, October, 1913, 233,000 bushels.
Wheat, November, 1913, 127,033 bushels.
Oats, October, 1913, 2,524,793 bushels.
Oats, November, 1913, 5,132,308 bushels.
Corn, October, 1913, 473,000 bushels.
Corn, November, 1913, 1,632,643 bushels.

The value of the corn imported in November was $1,182,673. Three million bushels of corn have already come into the United States since the new tariff law was placed upon the statute books. Ten million bushels will be sent from Argentina from this year's crop. This means $9,000,000 worth of corn bought from the foreigner. This means more than $9,000,000 worth of corn consumed by the American producer that the American farmers will not furnish. This means $9,000,000 in gold sent abroad that should have been kept at home.

In spite of all these great importations of foodstuff I ask if any consumer in America has noticed a decrease in the cost of living. I ask any candid man to study the facts and figures and give an honest interpretation of the story they tell. When are we favored? When we feed the other nations of the world or when the other nations of the world feed us, which condition spells prosperity for this Nation?

Our Democratic friends tell us that the present tariff law will enable us to capture the markets of the world. This is a Democratic catch phrase. Yet since the present law went upon the statute books, for the first time in 16 years, for the first time since the other Wilson tariff law was repealed the balance of trade has been against us. In December, 1913, the Nation lost in revenue, as compared with December, 1912, $6,000,000. In December, 1912, we sold $17,000,000 more abroad than in December, 1913. In December, 1912, we bought abroad $29,000,000 less than we did in December, 1913. In that month, the last for which the figures can be obtained, the balance of trade against us was $46,000,000. If December, 1912, be an index, the balance of trade for 1914 will be more than $350,000,000 against us. For many years under a Republican administration the balance has been more than $500,000,000 annually in our favor. If this is the Democratic way of capturing the foreign markets, then we should pray that they would give us some plan for the foreigner capturing our markets.

The President declared that what the American producer needed was to have his wits sharpened by competition with the rest of the world. Free trade personified: "Studying maxims, not markets." We have tried it, and we have had both our wits and our appetites sharpened.

DEMOCRATIC PROMISES.

If ever there existed in a civilized nation an aggregation of learned, self-satisfied, scholarly dreamers and theorists, then those directing the destiny of the Democratic Party can certainly claim that distinction. They have no doubts upon any question; that is, they did not have nine months ago. They had convinced themselves that if prosperity did not follow the reduction of the tariff that it would be because the American people were too stupid or too obstinate to take advantage of their opportunities. They declared that if any business depression came after they had revised the tariff that it would be due to a political conspiracy. Even the President seems to have been impressed with this belief. In a speech in New York he warned such offenders that he would build for them a scaffold as high as Haman's. Secretary Redfield, the great "efficiency" expert of the administration, declared that he would investigate if any mills dared to close and give the real facts in relation to the matter. Secretary Wilson, of the Department of Labor, announced that he would help to bring before the bar of public opinion any manufacturer that reduced wages or shut down his mills by helping in such investigation. Mr. UNDERWOOD, the distinguished leader of the majority on the floor of the House, declared in debate that any manufacturer that closed his establishment and gave as his reason adverse legislation would be investigated. He warned the country that the Secretary of Labor had power to make such investigation, and that it would be exercised. The President expressed himself as in entire accord with this proposition as proclaimed by Mr. UNDERWOOD and his Cabinet officers. Mr. UNDERWOOD further declared that after the Secretary of Commerce had made such report, after an honest investigation, that if any injustice had been done any legitimate industry, that the Democratic Party would rectify that wrong by changing the law.

Were these threats made in good faith, or simply for political purposes? I felt it was a patriotic duty to put these threatening Democrats to the test. If such declarations were made in good faith then their attention should be called to closed mills in order that the law might be changed. If they were made for political purposes, then their attention should be called to the closed mills to expose their hypocrisy.

On the 16th day of last December I read upon the floor of the House and placed in the RECORD a list of 194 shingle mills in my State, more than 60 per cent of all the mills in the State of Washington, and in producing capacity representing almost half of all the shingle mills in the United States. I also gave a list of 33 idle lumber mills. I gave the name, the location, and the owner of each mill and asked the administration to see whether these mills had closed for industrial or for political reasons.

On the 14th of last month I called the attention of these same gentlemen to a list of 123 stacks that had blown out since last March in the iron and steel mills of the country. I gave the names of the mills, the names of the owners, and their location. These 123 stacks represent 38 per cent of the entire steel production of the country. I called attention to the fact that the closing of these iron and steel mills had thrown out of employment more than 1,000,000 men.

I called attention to the automobile industry, where more than 50,000 men had been thrown out of employment.

I called attention to the fact that 270,000 miners were idle.

I asked that an investigation of these various industries be made and the truth given to the country. The country is waiting for the report.

The New York Times, a leading Democratic paper, published the list of steel mills that I named and wired the owners to know if my statements were correct. My figures were confirmed in every instance. So far no mistake has been found in the facts I gave.

I hold in my hand a telegram received by me since I began speaking. It tells its own story, and sufficiently answers the statements of those who claim that if there has been industrial depression, it is now at an end. It comes from the principal publication of the iron and steel trade in this country:

CLEVELAND, OHIO, *February 12, 1914.*

Hon. W. E. HUMPHREY,
Claypool Hotel, Indianapolis, Ind.:

Replying to inquiry, we feel it is no exaggeration to definitely state that fully 50 per cent of men employed one year ago in iron, steel, and machinery trade of United States are now idle, and the country is running at one-half capacity in those industries. Since January 1 there has been slight increase in blast-furnace and rolling-mill activity, due to effort of owners to secure business for future delivery by quoting low prices very often, especially in pig-iron and steel business, at less than cost. In the iron and steel industries at large there are still hundreds of thousands of men idle and working short time. The future is entirely dependent upon the confidence that investors may have in propositions submitted for their consideration and the feeling that our Government is anxious to build up and encourage rather than disorganize and disintegrate business. Sentiment is improving slowly, but actual orders in many lines are at their lowest ebb.

DAILY IRON TRADE.

The country wants to know whether the owners of these mills and these factories closed them, lost their money, and forced their men into idleness to discredit the administration, or whether it has been done because of business conditions.

The country is waiting to know whether the Democratic Party is going to keep its promise, whether it will change the tariff law or execute these malefactors.

I may have some selfish motive in urging these investigations. My State is the greatest timber State in the Union, and if every man in the country who has closed his mill or reduced wages or decreased his output is to have built for him a gibbet 50

cubits high, as the President promises, it will certainly start a boom in the lumber business in my country.

I have reason to believe that I have done a great public service in calling the attention of the country and Congress to the business condition of the Nation at the time I did. I have reason to believe that it gave pause to those in power in regard to carrying out the program that they had mapped out. It was time some one told the truth. Is it a patriotic part for public men to keep silent and sound no word of warning until the whole country is done to industrial death by academic doctors and efficiency experts, by gowned theorists and scholarly dreamers, by pedantic pundits, Chautauqua performers, and learned illusionists?

FOREIGN POLICY OF THE PRESENT ADMINISTRATION.

I realize that in talking of foreign affairs the question should be approached with caution and spoken of in terms of moderation. It takes some effort to observe this rule in talking of our present foreign policy. It is hard to approach vaudeville with solemnity.

Our foreign policy seems to have been formulated by the President with a college textbook on international law and the latest volumes on the rules of rhetoric, backed by the great premier of State, with a lecture on peace in one hand and a bottle of grape juice in the other.

Mr. Bryan, the preacher of direct primaries, of the rule of the people, was elected by the votes of the Democrats of Nebraska as a delegate to the Baltimore convention and instructed to vote for CHAMP CLARK for President; but the expressed will of the people and a majority of the convention was betrayed and CHAMP CLARK was defeated by the most amazing exhibition of human selfishness and human ingratitude in the political history of this country. But verily Mr. Bryan has received his reward, for he has been appointed to an office where he can draw $12,500 per year, without in any way interfering with his Chautauqua performances. I do not think it can be fairly said of Mr. Bryan that he would not well fill the office of Secretary of State. He simply can not find time to try. It was freely predicted that Mr. Bryan would be the thorn in the flesh of this administration and that he would interfere in legislation and would stir up opposition in Congress. Behold the shrewdness and the wisdom of the President. He put Mr. Bryan in his Cabinet and kept him out of Washington City.

I am violating no state secrets when I say that it is generally understood that Mr. Bryan has expressed an anxious willingness to visit Mexico and deliver his lecture on "Peace" to each of the contending forces—just as soon as they can guarantee the regular prices. After he does this I suggest that he visit some battle field and there listen to the groans of anguish and agony of the wounded and dying and look upon the white upturned and bloated faces of the dead with the waiting vultures circling above him and there deliver the one, "The price of a soul," then see if he can not reconcile himself for a brief season to forego popular applause and money getting and devote himself in this hour of his country's great need to the mighty responsibility of his great office.

In dealing with foreign nations here at home there should be no party and no partisanship, but there can be no higher form of patriotism than to protest against the action of any party or person that is likely to lead us into trouble with foreign nations and lessen our prestige and standing or endanger our interests.

If those who do not approve of the present foreign policy of the administration should longer remain silent and trouble should come, then they could, and with some show of justice, be charged with the most arrant cowardice for not speaking before the event occurred. They would in such case be charged with simply taking advantage of what had happened to criticize when before, either through ignorance or cowardice, they kept still when the result might have been avoided if they had but protested.

Considering the provocation, I certainly think that great restraint has been exercised by those not approving our foreign policy in not criticizing it. But the last few days have brought about conditions in which the highest interests of the country seem to be threatened, and the situation should not longer be silently endured.

Our foreign policy has been weak and vacillating from the very beginning. Almost immediately after the party came into power it announced that it would not place the influence of this country behind loans made in China. This was the reversal of the policy formerly pursued in that country. By this action we lost trade and prestige in China. The administration announced that this new policy was established as a matter of principle. A few days thereafter, in expressed terms, a different policy was declared in relation to Mexico. What difference in the atmosphere makes right in Mexico what is wrong in China? The methods of the Chautauqua circuit seems to have been followed too largely in our foreign policy. It has been apparently too much influenced by popularity and applause instead of the best interests of our country in the years to come.

When the administration came into power it was entirely free to deal with the Mexican situation as it desired. Huerta had just assumed control. The Republican administration wisely and properly left the matter entirely open.

The administration saw fit to disregard either the assistance or the suggestion of the ambassador of Mexico or to make use of his information. The President's personal representative was a certain Dr. Hale, an ex-minister who quit preaching to become a professional muckraker. He is an expert on scandal. He was not accredited to this country nor a credit to the country. It was through this yellow medium that the President saw the situation at the time in Mexico.

The Committee on Foreign Relations in the Senate contains such illustrious names as Senator Bacon, who has seen many years of service; Senator LODGE, who perhaps knows more of foreign affairs than any other man in the United States; ELIHU ROOT, a man of great learning and great ability, who at one time occupied the office of Secretary of State; and many other distinguished Senators. The committee of the House of Representatives also has among its members eminent men. None of these was consulted in regard to what we should do in Mexico, a departure from long-established policy of the Presidents.

But solely upon their own responsibility, from information apparently furnished from private individuals, the President and the Secretary of State established our Mexican policy. Such action showed a sublime self-assurance or an amazing ignorance of the situation.

The policy then announced, stripped of all diplomatic language, was, first, that this Nation would not recognize Huerta; second, that we would not intervene; third, that we would not permit other nations to interfere. And in this circle we have been traveling ever since. It was not long until Congress and even the President and the Secretary of State awoke to the fact that the situation was a serious one. Members of the Senate and House were then consulted, but an irretrievable mistake had already been made. We had been placed in a helpless position from which there was no escape. By this attitude the President placed himself where he was practically at the mercy of Huerta. He could not force him to resign nor control his conduct while he remained in power. The President, under his declaration, was helpless to restore order in Mexico, and at the same time he insisted that no other power should do it. He had taken an attitude that took from Huerta the strongest incentive to establish order. In this position the only reply that the President could make to American citizens appealing for help to protect their lives and their property was for them to leave the country. The citizens of other nations in Mexico were left in the same position. In taking the position that other nations should not interfere in Mexico and that we would control the situation, the President had the unanimous backing of the American people, but surely other nations had the right to believe that we would not abandon Mexico to its fate.

To-day, so far as the two nations are concerned, it has almost degenerated into a personal quarrel between the President and Huerta. The Mexican people ask with great force what authority did the President have to dictate affairs in Mexico? When did his jurisdiction extend to that country? If he could tell Huerta that he must not be a candidate for President, then he could dictate who should be. If he could exclude one candidate, he could exclude all. It is almost inconceivable that the President could have expected Huerta to obey his commands, especially as he coupled with them the expressed avowal that he would not intervene to enforce them.

After Huerta, then what? If the same rule applies to those who are to follow, when will the end come? It is popular and it pleases the public to talk about free and fair and honest elections in Mexico. We all approve such sentiment, but we know that no such thing ever has occurred in that country and there is not the slightest hope that it will occur in years to come.

Days, weeks, and months have gone by and the condition in Mexico has remained the same—one of indescribable horror. Huerta still remains in power. Famine, murder, robbery, and plunder still devastate the unhappy country. Other nations are impatient. But we must wait until the country is completely exhausted or all but one faction completely exterminated. This is called the euphemistic policy of "watchful waiting." But how long are the other nations going to submit to this program? Their rights are daily in danger. Let the President and the

Secretary of State preach their policy of peace. We all believe in it and like to hear it; but while doing this, must we daily drift aimlessly toward war with no apparent effort to avoid it? It appears now that while Bryan has talked and the President has waited the other nations of the world have not been so content.

We are just completing the Panama Canal. It was built on American soil. The American flag floats over it. The American people paid for it. We have expended almost half a billion dollars in its construction and will continue to spend millions in relation to it so long as the Nation shall stand. More than 10 years ago we made a treaty with Panama. It was known to all the world. For 10 years we proceeded to expend our millions without a word of protest from any nation. When we passed laws regulating the use of the canal one of the provisions in that act prevented vessels owned by the Canadian Pacific Railway from having the same advantages as American vessels. Canada paid nothing, but wanted every privilege. The Canadian Pacific Railway is largely the Government of Canada. A delegation was sent to England from Canada. England wanted Canada to build battleships. Then for the first time, after 10 years of acquiescence, England contended that we had violated the Hay-Pauncefote treaty when we made our treaty with Panama. Then for the first time she contended that we had violated that treaty when we gave preference to American ships in the coastwise trade, although for more than a century she had taken exactly the opposite position.

The question was thoroughly discussed. Congress decided against this contention of Great Britain, and wrote their declaration into law. The Democratic Party decided against this contention in convention and wrote it in their platform. The American people decided against this and recorded their repudiation at the polls. But the other day the people were startled by the announcement of the President that this provision should be repealed. What grave necessity has arisen that he would suggest this disregard of the platform promises of his party, of the action of Congress, and of the expressed will of the people? Why this proposed complete and humiliating surrender to the Canadian Pacific and other great transcontinental railways?

It seems that while we were indulging in "watchful waiting" that Japan and Great Britain had not been unmindful of their great opportunities in Mexico. Japan had been secretly increasing her influence in that country. Her note to the State Department has remained unanswered since last August while Mr. Bryan was dividing the shekels and the applause with the tango artist and the alpine yodeler. Now comes from her the significant statement that there are "other ways" than correspondence to settle disputes. Great Britain taking advantage of the situation now demands as the price of her friendship that she be given equal rights with us in the use of the Panama Canal.

The administration has made an irretrievable mistake and now attempts to save itself with the Hay-Pauncefote treaty.

It will not do to say that the President takes this position because he now believes that we violated that treaty. That would be to accuse him of lack of sincerity and candor. If the Hay-Pauncefote treaty has been violated, it was violated when the Democratic Party met in convention and declared, "We favor the exemption from toll of American ships engaged in the coastwise trade passing through the canal." These are plain words and can not be misconstrued. If the Hay-Pauncefote treaty has been violated, it was violated when Mr. Wilson became a candidate upon that platform. That provision brought him many votes. It will not do to say that he kept silent for political purposes when it was his duty to speak. Certainly the friends of the President will not contend that it was not his duty as a candidate to yield his opinion to that as expressed by his party platform, or else plainly proclaims that fact when he was nominated. This is a law so plainly written in American politics by public opinion that it has never been violated. In justice to the President we must assume that conditions have changed and that only the gravest of reasons would persuade him to thus disregard the expressed position of his party, of Congress, and of the American people. But when before were we ever compelled to purchase the influence of another country? When before have we been placed in a position when we must buy friendship? When before have we ever been placed in the humiliating position of yielding to the demands of another nation after Congress and the people had specifically repudiated such demands? As one citizen I refuse to remain silent and see my country brought to such low estate. As a citizen of the Pacific coast I refuse to remain silent and see my section of the country robbed of the measureless benefits of the Panama Canal and see these benefits given to British Columbia. I refuse to remain silent and witness this disgraceful surrender to the great transcontinental railroads. I refuse to remain silent and see in shame and humiliation the interest of my country sacrificed to purchase the friendship of England, to conceal the egotistical stupidity of this Democratic administration.

Fortunate, indeed, will be the American people if the future does not disclose that the most humiliating, if not the most discreditable, chapter in our history is now being written.

Do not misunderstand my position. I am protesting in the interest of my own country. In any contest with any other country, like every other Republican, I will stand by the President without question and will vote to give him any power or any sum of money he may desire. When it passes beyond the stage of diplomacy then I believe in that grand old toast, "My country, may she ever be right; but, right or wrong, my country."

THE HIGH COST OF LIVING.

The Democratic Party promised if it went into power that it would reduce the cost of living. Has it kept that promise?

The Democratic Party is guilty of procuring the votes of thousands of people in this country under false pretenses. They told the people, and so declared in their platform, that the tariff was responsible for the high cost of living. Who believes this statement to-day?

The Democratic Party has lowered the tariff, but what change has there been in the cost of living? They placed leather and leather goods and shoes on the free list. How much cheaper are shoes?

They placed wool on the free list. The farmer receives less for his wool; his flocks are disappearing. How much less do you pay for a suit of clothes?

They greatly reduced the tariff on oats. The price of oats to the farmer has been greatly decreased. How much less are you paying for your breakfast food?

They placed wheat and flour on the free list. How much less are you paying for bread?

They placed corn on the free list. It is claimed that by this action they have already given to the corn-food products combine, supposed to be owned by the Standard Oil Co., more than $3,000,000. The whisky distillers of the United States have profited by free corn more than $2,000,000. Do you buy your meal or your whisky for less, although perhaps I should not ask that last question of this audience.

They placed cattle and meat on the free list. How much less do you pay for a beefsteak?

Foreign products are flooding the country. The Government is losing more than $6,000,000 per month in revenue. Who is being benefited by it?

But they reply, "Give us time." Well, they have had time to turn the balance of trade against us. They have had time to close mills and factories. They have had time to throw millions of men out of employment. Everyone but a partisan Democrat knew that these things must come first.

When the Democratic Party promised to lower the cost of living and increase wages it was either insincere or insane, or both.

When we remember that 90 per cent of the value of everything we eat, of everything we drink, of everything we wear is represented by the labor that it takes to produce it, how absurd and insincere to talk about greatly reducing the cost of living without reducing wages.

The high cost of living, I believe, will be reduced. I believe we are on the road; the general business depression prevailing is the first step. I will tell you when the high cost of living will be reduced. It will be when the farmer is impoverished; when land is cheap; when farms are being sold under mortgage; it will be when wages are reduced and when labor is in beggary and want. Then and not until then will the cost of living be reduced.

A protective tariff has nothing to do with increasing the cost of living except as it increases general prosperity.

The Democratic Party was guilty of pretense and hypocrisy when it preached that the high cost of living was in itself a calamity.

High prices and prosperity are synonymous.

High prices and progress are synonymous.

High prices and civilization are synonymous.

As the nations have advanced prices have advanced. The cost of living has advanced. This is true now. It has been true from the dawn of civilization. In the days of early Greece people protested because they had to pay a dollar for an ox. That was barbarism. One hundred years later they protested because they had to pay $4 for an ox. They were progressing.

In Shakespeare's time they protested because they had to pay 4 cents for a hen. They declared that in the good old days they could buy them for 2 cents. They were becoming civilized.

All through the centuries high prices have been a measure of progress. The cost of living grows higher as people live higher physically, morally, and mentally, and it will always be so.

Where do we have the most starvation, misery, and want? Where prices are low.

Where do we have panic and poverty and bankruptcy? Where prices are low.

Where do we have the most progress and prosperity and happiness? Where prices are high.

Where do we have high prices in this world? In the United States, in South America, and in Canada.

Where do we have low prices? In India, in China, and other Asiatic countries.

The countries of low prices are poor; the countries of high prices are rich. The community with high prices is prosperous; the community with low prices is poverty stricken.

We had low prices in this country once. Four years of starvation and misery have burned those low prices into my mind until I can never forget them. I lived in Seattle in those days. I spent much of my time looking for a place where I could get the most to eat for 15 cents, and so did many of you. It was under the other Wilson law. Those were days of cheapness. Food was cheap, clothing was cheap, men were cheap. Millions of bushels of wheat sold for 15 cents per bushel. Potatoes sold for 10 cents per bushel. Salmon, the best fish in the world, sold for one-half cent per pound. One morning I stood on the streets of Seattle and saw 1,500 men march by in one line. Were they complaining of the high cost of living? Were they demanding an increase of wages? Not so. They were begging for an opportunity to work for their bread.

There was one billboard that I used to see in those days that I can never forget. It was on the side of a little wooden building that then stood where now stands the office of one of the greatest daily newspapers in the world. It contained the bill of fare of the little restaurant within, and it read:

BILL OF FARE.

Soup, one kind of meat, potatoes, bread, one kind of pie, one cup of coffee. Price for meal, 5 cents.

There were 3,000 people in the city of Seattle that stopped, read that sign, and went away hungry. They did not have the nickel.

God grant that these days of cheapness may never come again. But that they are coming seems certain. We can not buy the products of other nations without impoverishing our own. When we give our work to foreign labor we place our own in idleness and rags.

THE PARALLEL.

Between the administrations of President Harrison and President Taft there is a most striking parallel. I took part in the Harrison campaign in Indiana, as I did in the Taft campaign in Washington. Under the administration of Benjamin Harrison all the mills and factories were running; all the fires and furnaces were blazing; the farmers were getting better prices than ever before; they were growing independent faster than ever before; wages were higher than ever before; more men were employed than ever before; the purchasing power of a day's wages was greater than ever before; this country was more prosperous than any other nation in the history of the world had ever been before. Just exactly the conditions that existed under the Harrison administration existed under the Taft administration. The description of the one precisely describes the other. The world had never seen such prosperity as blessed this land at the close of the Taft administration after 16 years of Republican rule.

In the Harrison campaign as in the Taft campaign the Democratic Party was preaching free trade. They were arraying class against class. They were crying out that the tariff was the mother of trusts; that the tariff was a tax; that the tariff increased the cost of living. They made exactly the same speeches in the Harrison campaign that they did in the Taft campaign.

In the Harrison campaign Blaine, Reed, and McKinley, and other great Republicans, pleaded with the people not to desert the policy of protection. They told them what the result would be, that depression and ruin must follow.

I have recently reread Blaine's great speech in that campaign, in which he pictured in detail what would be the result of Democratic success. He said that business depression would follow; that we would have panic and hard times and that the mills would close; that wages would be reduced; that men would be thrown out of employment; and that misery and poverty and ruin would follow. If that great genius were living and standing before you to-night, he could not more truthfully and accurately describe the conditions that came in the Cleveland administration than he did in that speech when he warned the people not to vote for free trade. This speech has been called Blaine's prophecy. It was not a prophecy. It was simply familiarity with the history of his country. He was simply pointing out what history demonstrated. Such results must follow the adoption always of the free-trade policy.

Remember that 90 per cent of the value of every article is labor. When labor is prosperous, the country is prosperous. When labor is poorly paid, poverty is nation wide. Whenever any man can show me that I can buy an article made abroad and not at the same time rob the American workman of just that much work and that much wages, and not at the same time send that much money out of the country, and to that extent enrich some other nation and give that much wages and that much work to the foreigner, then I am ready to become a free trader.

By his single illustration, that when we buy a ton of steel rails from England that England has the money and we have the steel, but when we buy a ton of steel at home we have both the money and the steel, Lincoln answered every free-trade argument that ever has been made or ever will be made.

In an editorial a few days ago the News, of this city, said that if we could purchase a manufactured article cheaper in Europe, that we had the right. If we do this, what becomes of the men that work in the factories and the mills of this country? Where are they going to get their work and their wages? Where are they going to get bread? How long will we buy cheap goods from the foreigner after he controls our markets?

If we have a right to purchase cheap goods abroad, why should we not purchase cheap labor? If the argument be true in the one case, why not in the other? If the argument of the News is correct, then we should lose no time in changing our exclusion laws. Across the Pacific are countless millions of honest and patient toilers upon whom the highest blessing this world could bestow would be to permit them to come here and do all the work of the field, the mine, and the factory for a fraction of what American labor will do it for. If we have a right, as the News argues, to buy where we can buy cheapest, we should welcome these oriental laborers. If we have the right to buy what cheap labor produces, why not the right to buy the labor that produces it?

I challenge the News to point to a single illustration in the history of this Nation where a protective tariff has ever been placed upon an article that it increased the price. I point to tin plate and steel rails and to every one of the thousands of articles upon which a protective tariff has ever been placed as demonstrating the truth of the statement that it always decreases the price. The entire history of this Nation shows that we can manufacture goods for less than we can buy them from foreign countries and at the same time keep our work and our wages at home.

We have a recent striking illustration on the seas of the ways of the foreigner. A few years ago the Navy Department employed foreign ships to carry coal from the Atlantic to the Pacific. Then there were a few American ships left. Foreign ships charged from $3 to $3.25 per ton. Now the American ship has disappeared. The foreigner now fixes the price by agreement. The foreign ship now charges from $6 to $8 per ton. The foreigner never sells for less than we can produce at home only to secure the control of our market.

I am surprised at this argument of the News. Few free traders even have the courage to-day to advocate it. I fear that the plain story of disaster told in the Treasury figures, which the News quoted in the same article, forced the editor into this indefensible and un-American position. But exactly this same argument was the principal one made in the Harrison campaign by the News more than 20 years ago. You will remember that it then claimed that American brain and American ingenuity could not make tin plate. The News said we could buy it cheaper abroad and it was our privilege to do so. The people, in an evil hour forgetting the history of their country, as they forgot it in the last campaign, listened to these Democratic sophistries and Democratic promises urged by the News and other free traders 20 years ago and placed that party in power. Democratic success then, as does Democratic success now, withered our prosperity as does the hot winds of the desert the blossoming harvest. Certainly no person now living who passed through it can forget the panic and poverty of the last Cleveland administration.

With the change of the administration and the threat of free trade there came fear and distrust and uncertainty. Banks closed their doors; business houses assigned; the balance of

trade was against us; bonds were issued; labor was forced into unwilling idleness; we had deserted mills, smokeless factories, and silent machinery; the ship swung at anchor; the loom stood silent in the mill; the pick lay unused in the mine; the hammer rusted on the anvil; the reaper rotted in the field; we had tramps and beggars and soup houses and industrial armies, the pale faces of starving women, children crying for bread; at a million hearthstones sat white-lipped famine, pitiless and cruel; millions of men were out of employment and asking for work to earn bread to feed the starving lips of those they loved.

William McKinley was elected, the system of protection was restored, and in less than 90 days a million idle men had gone to work.

Can any parallel be more striking or more deadly? We had a Dr. Wilson then. We have a Dr. Wilson now. We had a Wilson free-trade law then. We have a Wilson free-trade law now. Could a more illuminating example, a more complete illustration of history repeating itself be found in all the records of the race? Let us follow that parallel further.

I have tried to paint you a picture of the conditions of free trade during the Cleveland administration. What of to-day under the Wilson administration?

EFFECT OF PRESENT TARIFF LAW.

Remember that the Democratic Party did not get into power until last March, so that the year 1913 included two months of Republican administration and nine months of a Republican tariff law. And then listen to these figures of comparison between 1912 and 1913, and forget not that practically all of the disaster that has come upon the country has been within the last four months. I can not obtain the figures separately for months, so will compare 1912, the last Republican year, with 1913, nine months of which were Democratic.

The bank clearances in 1912 were $4,175,000,000 greater than in 1913.

The number of corporations recorded in 1912 show $713,000,000 more than those recorded in 1913.

There were 171,700 more idle men on the 1st day of January, 1914, than there were on the 1st day of January, 1913.

The United States Steel Corporation on January 1, 1913, had orders for 7,850,000 tons of steel. On January 1, 1914, it had orders for 4,250,000 tons.

On the 1st day of January, 1914, 123 stacks in the steel and iron plants of the country, representing 38 per cent of the entire productive capacity of the country, were blown out.

On the 1st day of January, 1914, $125,000,000 was invested in idle iron and steel plants.

More than 1,000,000 men in the steel and iron industries were idle.

More than $2,000,000 in wages each day was wiped out.

An annual pay roll of $746,000,000 gone.

More than 270,000 miners are idle that were earning $12,000,000 per month.

Seventy-five thousand men in the automobile industry are out of work.

The wage earners of this Nation in January, 1913, were earning $4,000,000 more each day than they earned in January, 1914. This vast sum of $4,000,000 each day is taken from the channels of trade. This means disaster to every business.

There are 325,000 idle men in New York, 150,000 idle men in Chicago, 100,000 idle men in Pittsburgh, 50,000 idle men in Detroit, 25,000 idle men in San Francisco, 25,000 idle men in St. Louis. And the soup house and bread line is in every city.

Ten months of Democracy, the "New Freedom," and free trade. Look at that record. Yet when the Republican Party went out of power less than a year ago all these mills were running and all these men were working.

Every day that the present tariff law has been upon our statute books this Nation has gone in debt more than a million dollars. Every day that law has been upon our statute books we have lost in foreign trade more than half a million dollars. Every day that law has been upon the statute books the business of this Nation has decreased more than $10,000,000. Every day that law has been upon our statute books mills and factories have closed. Every day that law has been upon our statute books the wage earners of this country have lost more than $2,000,000. Every day that law has been upon our statute books more than 10,000 men have been forced into idleness.

A certain distinguished, and also extinguished, gentleman last campaign dramatically exclaimed—

Pass prosperity around.

Certainly the party he helped to place in power has passed poverty around.

PREACHING CALAMITY.

Our Democratic friends claim that we should not call attention to these closed mills and idle men. They dare not dispute the facts, but they say it is preaching calamity and that such talk injures business. They do me too much honor. The Democratic Party of this country for 16 years in continuous unbroken chorus howled calamity. Their tales of woe made the lamentations of Holy Writ sound like pæans of praise. Yet during those 16 years we enjoyed the greatest prosperity in all the world's history. Democratic calamity howls alarm no one. They only preach it in times of prosperity. But to-day, amid the gloom and silence of closing mills and dying fires, for the first time in 20 years they begin to preach prosperity.

The Democratic Party to-day reminds me of an old man I knew in the days of my youth. He was something of a philosopher. He suffered much with the toothache. One day I met him and I said, "Uncle Rease, how is your toothache?" He said, "Well, you know I have had the toothache so long that I never notice it any more unless the damned thing stops."

Our Democratic friends claim to-day that there is no business depression, and then with true Democratic consistency say the times are going to improve. Every Democratic paper and every Democratic speaker now declares that business is getting better. It may be so. It is a "consummation devoutly to be wished." But how can the patient get well if it has never been sick?

The Democratic Party declares that present conditions are not due to the tariff, just as they always claim that Republican prosperity was not due to the tariff. They assure us that these conditions are due to natural causes. It may be so, but how unfortunate that the Democratic Party always gets into power just ahead of a panic. But in Democratic times does the glorious sun cease to shine, the life-giving rain to fall; do the seasons fail to come and go, the harvest to bloom and ripen? Does the friendly earth lose its fertility?

The first man as he lay in his den devouring the quivering flesh of his dying victim heard the roar of the thunder; he was filled with fear and dread, and in his terror he cried out that it was the voice of an angry god. He did not know and he could not understand. When the first man crawled from his cave and through his matted hair with blinking eyes looked upon the majestic sun, when he saw all nature burst into throbbing life and beauty under its glorious rays, he fell down and worshiped it. He did not know and he could not understand. When the first man walked forth at night and looked upon the glories of the starry firmament he thought each light of beauty was a wandering spirit. He did not know and he could not understand.

And so it has always been, and when the Democratic Party declares that Democratic disaster and Republican prosperity are due to Providence they give to them the tribute that ignorance and credulity always pay to what they do not know and what they can not understand.

One thing we do know, and that is that when the Democratic Party is in power we have panic and poverty, and that when the Republican Party is in power we have prosperity and plenty.

REPUBLICANS WILL UNITE.

If any of you are cast down and faint-hearted, I ask you to remember the history of your country. Our Democratic friends are constantly shouting that a majority of the people declared for the policies of that party at the last election. As a matter of fact, the Democratic Party is not a majority party. President Wilson is not a majority President. The majority of the American people to-day are opposed to the tariff policy of the Democratic Party.

There is but one thing that will prevent overwhelming Republican success at the next election, and that is a division in our own ranks. The issue of the coming campaign will be the soup house and the bread line. It will be to give employment to our idle men. It will be to give our work and our wages and our markets to our own. It will be to establish the system of protection. This issue of prosperity will overshadow all others, and upon this issue Republicans of all factions and all beliefs can unite.

THE PROGRESSIVES.

The Progressives are protectionists. Their candidate for President in the last campaign declared that if Wilson was elected and a Democratic tariff law placed upon the statute books that it would bring upon the country the greatest industrial disaster in the history of this Nation. The experience of the last few months has largely demonstrated the correctness of his prophecy.

The Progressives believe in the great principles of the Republican Party. They are proud of its traditions and its memories and its mighty achievements. They are proud of its glorious history. They are proud of its great leaders—Lincoln, and Grant, and Harrison, and Blaine, and McKinley. They believe in the teachings of these great men as we believe in them. They believe in the principles for which these men fought. The

rank and file of the Progressive Party are now and always have been Republican. Their differences with the Republican Party has been one of method more than of principle, one of procedure more than of policy.

With the great issue of protection, the Progressives will again proudly take their places under the banner of the grand old party. Most of them are under that banner now. Most of them left the Republican Party because of personal admiration for Col. Roosevelt, and because they were misled by a few selfish papers and a few selfish, disappointed, discredited, repudiated, and self-appointed leaders. Of course, these leaders, whose only hope of office and of political preferment lies in keeping the Republican Party divided, are preaching that there must be no uniting of parties. Do not blame these leaders for this. It is a case of life or death with them. But the great rank and file of the Progressive Party are honest, sincere, and intelligent men and women. Not many of them will be deceived again. They know that they must choose between the Democratic and the Republican Party; that they must choose between prosperity and disaster. Their self-selected leaders will fail to deceive the rank and file again.

A Progressive is not a Democrat and he is not going to help keep that party in power. The leaders who call themselves progressive and made possible the election of a Democratic President and helped to bring upon us all the disaster that has followed will discover the truth in Lincoln's words, "That you can fool some of the people all the time; you can fool all the people some of the time; but you can not fool all the people all the time." These gentlemen will discover the day after the next election that they have fooled very few.

FUTURE OF THE REPUBLICAN PARTY.

I remember the dark days following the defeat of Harrison as vividly as I remember those that have followed the defeat of Taft. I remember that I was at that time much discouraged. At that time I left Indiana and went to the West. There seemed to be no hope for the future of the Republican Party. Many of its strongest followers had lost faith, as some have done to-day. Had I known the history of my country as well then as I know it now my faith would have remained unshaken. In four short years the people discovered, as they are discovering now, that the Democratic Party is only a party of opposition; the people have discovered once more that the foundation policy of the Democratic Party is free trade. It is again being demonstrated that our Nation can not prosper under a Democratic tariff law. After four years of experience the people, looking upon the universal depression, upon the idle men, upon the closed mills and smokeless factories, upon an empty Treasury, will again in those unhappy days remember the history of their country; they will remember Republican prosperity; they will remember the Republican Party. They will again place that party in power. Again the system of protection will be restored, as it was under McKinley. Again the dust of idleness will disappear. Again the wheels of industry will be set in motion. Again the door of opportunity will open wide to both labor and capital. Again the balance of trade will be in our favor. Again the golden stream will flow into the National Treasury. Again we will see the eager sails of commerce whitening the seas, the cattle on a thousand hills, the golden harvest laughing in the sun, the smoke of industry painting the sky. Again there will be work and bread for all. And again the Republican Party will enter upon another 25-year period of unbroken power.

Never was my faith stronger in the Republican Party than at this hour.

I may fall in the ranks, but I will never be shot as a deserter.

Standing here to-night in the land of my birth on the day Lincoln was born, with the memories of Harrison and Hay and Morton and Wallace, and of the other great Indiana Republicans crowding in upon me, in the land it made free, in the country it kept prosperous, beneath the flag it made stainless, I am proud to belong to the Republican Party.

LINCOLN AND THE FLAG.

I can not close without a word of tribute to him, the foremost name of all Americans, whose birthday we celebrate to-night, the first of all Republicans—Abraham Lincoln.

The greatest orator that ever pronounced the English language used these words:

Lincoln, the greatest of our mighty dead. His memory is as gentle as the summer breeze that blows when reapers sing amid the gathered sheaves.

The story of his life makes us proud of our party and of our country. It brings to us new faith and new hope. It strengthens our love of the Republic, of the institutions of our country, and our faith in the American people and in humanity.

I believe that the world grows better. I believe that this is the best day that ever dawned, but I believe that to-morrow will be better than to-day. I believe that the men of to-day are as honest, as brave, as patriotic, as any that have gone before. I believe that the women of to-day are the brightest and best, the most beautiful and true, of all the daughters of Eve. I believe that most men are honest, that most women are virtuous. For every man that betrays a trust there are a hundred that walk upright to the end of life in spite of all temptations, weaknesses, and snares. For every woman that falls there are a hundred that remain true—angels of purity and faithfulness. Let us not forget these things.

If no man is honest, if no woman is virtuous, if there is no patriotism, if there is no love, then may I never know the truth.

I have faith in my country. I have faith in the institutions of my country. I have faith in the men and women of my country. I believe that the Stars and Stripes still float over the grandest heritage of the human race. I believe that more men are ready to die for the Old Flag than ever before.

The flag of our country! How fitting the colors! The red, the passionate red of the queenly rose, blushing beneath the amorous kisses of the wooing sun. The red, the sacred red of the heart's blood of the hero that stains the field of battle as he dies in defense of home and country. The white, the perfect white of the unsunned snow. The white, the pure white of the beautiful lily with its golden heart of fire. The blue, the beautiful blue in woman's eyes, in the eyes of the one we love. The blue, the true blue of the infinite heavens that arch above us. With stars as stainless as those that shine in the fathomless abyss of a cloudless night. This is your flag and my flag.

Your flag and my flag, and how it flies to-day;
In your land and my land and half the world away;
Rose red and blood red its stripes forever gleam;
Snow white and soul white the good forefathers dream;
Sky blue and true blue, with stars that gleam aright;
A gloried guidon of the day; a shelter thro' the night.

Your flag and my flag, and oh how much it holds!
Your land and my land secure within its folds;
Your heart and my heart beat quicker at the sight;
Sun kissed and wind tossed, the red and blue and white;
The one flag, the great flag, the flag for me and you;
Glorified, all else beside, the red and white and blue.

Railroads in Alaska.

SPEECH

OF

HON. TIMOTHY T. ANSBERRY,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, January 28, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 1739) to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

Mr. ANSBERRY. Mr. Chairman and gentlemen of the committee, I agree with my colleague from Ohio [Mr. WHITE] on the proposition that a great many exaggerated statements have been made with reference to this subject. I believe, however, my colleague should have said further that these statements were not confined to one side of this question. I confess that I had always thought it was the consensus of the best opinion in America—in fact, I have never heard it disputed before this bill was discussed on the floor of this House—that Alaska is rich in almost every desirable resource; rich agriculturally, rich in minerals, and rich in all the things that are thought desirable in any country. But after listening to some of these pessimistic gentlemen, notably to the gentleman from Oklahoma [Mr. FERRIS], I reached the conclusion that there could be absolutely nothing grown in Alaska with the exception of potatoes, and those of a very poor quality. In spite of that fact, I intend to vote for this bill. [Applause.]

I do not believe that the success of the operation of this railroad in Alaska depends upon the agricultural wealth of Alaska. I think that if a railroad was projected into any country, even the Desert of Sahara, if it was contiguous to America, if it was as near the United States as Alaska is, and had the water outlets and ports that Alaska has, so that we could transport by water over the intervening sea, the Sahara Desert—and that is the most extreme illustration I can think of—would furnish enough tonnage to make that railroad a paying proposition eventually.

The gentleman from Oklahoma [Mr. FERRIS] made a statement here which I am going to accept as a fact, on the theory,

that he is an adverse witness, testifying to a fact that he thought supported his contention. He told us that the great transcontinental railroads that were aided by governmental subsidy of lands were given a kingdom which would now be worth over $1,000,000,000. If that be true, and I assume that it is, the men who gave that $1,000,000,000 of land to encourage the building of these transcontinental railroads did the right thing, in my opinion, according to their lights. In other words, they recognized this fact, which is admitted as the result of 75 years of experience, that, next to the printing press, the railroad is the greatest civilizer and the greatest developer of a new country. Therefore, despite the fact that these men gave away land the value of which they did not begin to realize, I think it has been worth that sum of money, though it be $1,000,000,000, to the great country west of the Mississippi River which was opened up by the building of these railroads. [Applause.]

But, fortunately, we do not need to go to that extreme. It is not necessary for us, sitting here on behalf of the American people, to vote that stupendous sum of money to procure a railroad to open Alaska. And when we do that, it has been well said that we are only developing that which is our own, for practically all of this great country is owned by the Federal Government.

Some one said that the expenditure of that $1,000,000,000 worth of land in the way of a subsidy to these railroads produced about 6,000 miles of track. This being true, it follows, then, that these railroads have cost more per mile than any other railroads, either Government or individually owned, which have been constructed, not excepting those which were built in Great Britain, and they cost in the neighborhood of $300,000 per mile. The difficulty is that, in spite of the fact that the Government of the United States paid a thousand million dollars for these transcontinental railroads, the Government has no more interest in them than it has in railroads built in Ohio or in any other State that were built without Government aid; that is to say, that although the Government paid more in land than it would cost to reproduce them, the Government does not own them. Viewed in this light, it strikes me that it would be good business policy to keep our land in Alaska, pay for the construction of the railroads out of the Public Treasury, and then recoup ourselves by the sale of the land at the enhanced price which will be the natural consequence of the construction of the railroad. It matters not if it be true that these railways will not pay, and that is the contention of the gentlemen who oppose this proposition in the House. It is not a matter of the first importance whether the railway pays or not. Does the owner of a large tract of undeveloped land expect a highway which he constructs upon this land to pay a dividend? No; the owner of the land has no such narrow vision; it is clear enough to him that he will get his benefits out of the sale at an increased price of his land by getting it in touch with the market, so that its timber, its coal, its oil, and all of its natural wealth can be brought in closer touch to a market by the construction of a highway to it. His carping neighbors, who point to the pennies he spent on road construction, can not understand his folly, as they term it, for they know that the highway as such will not pay dividends, whereas the wise landowner counts the dollars he earns in a larger way, and so it is with the United States in this Alaskan railway venture. We care not for dividends, because we are only developing our own land; for every acre of land that is privately owned in Alaska the Government owns uncounted thousands.

RAILWAY OWNERSHIP ABROAD.

The gentleman from Michigan [Mr. FORDNEY] has spoken against this bill. Time was when I doubted my own judgment after listening to the gentleman from Michigan when he spoke on this floor on economic and governmental questions; but if the things that he has spoken of heretofore and his conclusions thereon are no better founded in fact than his statements with reference to railroads that have been governmentally built, owned, or purchased, then my doubts, caused by his statements, have been ill founded. I will preface my remarks concerning Government ownership by saying that I do not go as far as the gentleman who preceded me [Mr. BRYAN].

Indeed, I do not think that question is necessarily involved here, and it need not be involved in a correct solution of this problem; and I term a correct solution of this to be voting "aye" on this proposition. You need not be in favor of governmental ownership of all the railroads in the United States in order to vote "aye." Usually the men who are opposed to Government ownership of railroads base that opposition on one of two theories. The first is that they fear that it would bankrupt the Government because of excessive cost of construction and operation. The second, because they fear that the millions of employees of the railroads in the United States would control the political parties of this country, and thus would dominate the actions of this Congress, practically making their own wages, hours of service, and so forth. We must all confess that we sometimes have bowed our unwilling heads to organizations which seemed to be backed by the individual votes of its members; but, fortunately, such incidents are rare and can generally be accounted for on the broad general ground of humanitarianism.

ALLEGED DANGER TO GOVERNMENT.

There can be no question but that there is a great deal of danger in the second proposition—that is, that nearly 1,700,000 men now employed by the American railroads if employed by the Government in this same employment would present questions not easy of solution. However, fortunately, that question is not involved in the Alaskan proposition, for indeed none of the citizens of Alaska have very much to say in the conduct of governmental affairs. We have only the experience of foreign countries to guide us on this phase of the question, and, unfortunately, conditions are not the same politically, and in fact in many other ways which might have a bearing on this question. Prussia has no trouble of this kind, for the reason that the Prussian lawmaking bodies, one of which is hereditary and the other elective, are not affected by the same four hundred thousand and odd railway employees.

In the lower house, elective though it is, the electors are divided into classes according to their wealth, and under this arrangement about one-sixth of the voters have two-thirds of the voting strength, and of course you know that these one-sixth are not engaged in the laborious work incident to railway employment; and the minister of public works has but one constituent, the Kaiser, and his tenure of office is for life. However, I do not believe that either of these objections are insurmountable; indeed, I might say that they are not involved at all in the solution of this question so far as it pertains to Alaska.

I believe the Government of the United States, whether it purchases anything, whether it buys a man's labor, material, or constructs a building, pays more than it would cost most anyone else, but I also believe and know that when the Federal Government builds anything, when a State government builds anything, when a city government builds anything, it builds it better, it builds it more durable, it builds it not for one generation but for generations to come; and for that reason they use the very best materials obtainable; and of course a man who is carrying out the will of the Government, expressed by an act of Congress or of the legislature, is not spending for himself, weighing every penny—he is prodigal rather than parsimonious; and for these reasons anything that the Federal Government or any other government builds is the best that money can buy, and of course costs more. But even though the principle of Government ownership of railroads were involved in this, it would make little difference. Look, if you will, at the extra money the Government pays for the building of railroads, for the building of public buildings, and contrast it with the large sums of money that have been wasted, that have found their way into the pockets of promoters and into the pockets of men who juggle great railroads in this country, and there are very few railroads that have not been juggled in the way I point out. There are very few railroads that have not been milked for the benefit of the few. If we eventually do come to the Government ownership of railroads in this country—and I do not fear it as much as some of my colleagues seem to fear it—it will be due to the fact that the people of the United States, patrons of the railroads, outraged, as they have been, by every possible excess of frenzied financiers, will awake and demand the right of transportation for themselves and commodities at reasonable prices and on an equable basis, and will be refused at the hands of the men who control the trunk lines of the country for the alleged reason that the alleged excessive charges are necessary to produce money sufficient to pay dividends and interest on outstanding securities, even though a large proportion of these securities represent not money expended in construction or betterment, but money diverted from that purpose into individual pockets.

RELATIVE COST OF AMERICAN AND FOREIGN RAILROADS.

Whatever may be said relative to the increased cost of Government-constructed as compared with privately constructed works or buildings, the fact remains that it would require an extremely vivid imagination to picture a railroad which the Government might construct, in Alaska or elsewhere, which would cost more per mile than the privately constructed railroads in America, if the capitalization and securities which are liens on such railways are any criterion by which to judge their cost; and of course these securities draw interest or dividends must be

earned for them, as they are now firmly lodged in the hands of innocent third parties who were duped into purchasing them. Of course, there are some railroads in America whose capitalization per mile—indeed, I think the average capitalization per mile of the American railway—is lower than the Government-constructed railroads of continental Europe; and, for that matter, they are proportionately lower also than the privately constructed railroads of continental Europe, and cost a great deal less than did the privately constructed railroads of Great Britain.

The point, of course, being that rates both for merchandise, products of the soil, and passenger fare must be sufficiently high to take care of these securities, and any securities which have been issued in excess of the actual cost of the road, of course, is an additional burden upon the public.

HIGH FINANCE.

The history of railroad financing in the United States is a story of exploitation without parallel—a story of frenzied financing running riotously mad—and we need not search in the dim past for its origin, for some of the wildest kind of financing has been carried on during the past few years, notably a great system in the New England States, while in the not too distant past looms large the Frisco deal, the Alton scandal, and others equally as bad. And so, it seems to me, it requires a great deal of a peculiar brand of courage for Members of this body to raise the bugaboo of excessive cost of Government-constructed railroads as a reason for voting against this bill. It is my expectation that the Government will construct this road or the roads authorized by this bill out of the best possible materials and equip them with the best obtainable cars and engines at a cost well within the capitalization of any of the trunk lines of this country; and, in view of the fact that the Government will not be operating these roads for profit, but for the exploitation of Alaska in the interests of the whole people, excessive rates will not be charged for transporting freight and passengers.

GERMAN STATE OWNERSHIP A SUCCESS.

The gentleman from Michigan [Mr. FORDNEY], in speaking against this bill some time since, sought to injure this great project by condemning the policy of Government ownership and apparently feared that support of this bill meant the support of the entire proposition of Government ownership of all the railroads in this country. As I have stated, one need not be in favor of the principle of Government ownership of all our railroads in order to favor this proposition, but even though this were so, he did not produce any facts to show that Government ownership of railroads in Germany was not successfully conducted. It is true he cited Germany as a horrible example of the economic folly of Government ownership of railroads. I suppose anyone who has ever read anything on this question, and who has ever given it serious thought, would have cited Germany as the one great power in this world that owns its own railways and which has made these railways and their operation a success. I do not say, because I do not know, that the same system would operate in the United States in the same way it operates abroad, but I am too good an American to doubt that we could not administer the affairs of the railroads of this country as well as they are administered by any other nation. Our railroad managers understand their business and know more about the science of railroading and are more efficient in that line than are the same class of men in any other country of the world; and, of course, even under Government ownership, the railroads would not work automatically, but would be managed by the selfsame gentlemen who are managing them now. The gentleman from Michigan laid down the proposition that the railroads in Germany charge a higher rate—I believe he quoted it at $0.123 per ton-mile, whereas in this country it is $0.076 per ton-mile. I say to you, gentlemen, that that statement can be easily shown to prove nothing, because the railroads of Germany—perhaps I should say the railroads of Prussia, as Prussia dominates the railroads of the German Empire—out of a total of 34,500 miles of State-owned and 2,200 miles of private-owned railroads, two-thirds of the State-owned, or, to be accurate, 23,335 miles, is owned by the State of Prussia. Out of all the railroads operating in Germany, 91 per cent are publicly owned by the State. I think there is about 2,500 miles owned by the Empire in common. They are in Alsace-Lorraine, and they took them over after the Franco-Prussian War. Those are operated in connection with the Prussian railway system. The railways of Germany, perhaps, do get a total of $0.123 per ton-mile, as compared with the railroads of America, which get $0.076 per ton-mile. But that proves nothing, for the reason that in Germany they have, perhaps, developed the canals and rivers for transportation purposes to a greater degree than any other country in the world, except France. The canals of Germany carry a large portion of the low-grade freight—that is to say, the products of the soil, both mineral and cereal. Such being the case, it restricts the railways to the highest class of freight, and that explains the apparent high cost of freight in Germany of $0.123 per ton-mile, compared with American railroads at $0.076 per ton-mile.

PARCEL POST IN GERMANY.

Then, it must not be forgotten that in Germany there is very little traffic by express. Many shippers in Germany practically discard the railways and transmit entirely by parcel post. Particularly is this true with those who deal in fancy or light goods. Because of this fact the German parcel post does a vast amount of the small-parcel business, which in America is done by the express companies. The railway companies receive a very high tonnage revenue, which the German railroads do not receive, for the reason that early in the history of railroad construction in Germany one of the conditions inserted for the protection of the State in railroad charters was that the German railways were obliged to carry postal matter either without charge or at very low rates, this being one of the conditions on which the private companies by whom the lines were originally constructed obtained their concessions. In 1875 the position was more clearly defined by a Prussian law which provided that each train forming part of the ordinary service should carry, when required to do so by the post office, one mail car, which was provided by the Government, free of charge. All sorts of mail matter, including parcel-post packages, could be carried in this car, with the exception of parcel-post packages which weighed more than 22 pounds. This restriction on the size of parcel-post packages that could be carried in the free transported car did not work out in practice as it was thought it would, for the shippers simply, when desiring to ship 100 pounds, made it into five 20-pound packages, so that the railways were not only working for the post-office department at a loss—in fact, absolutely free—but it also suffered the loss of revenue incident to having the high-class package business which they should have received for transportation in the regular way at high transportation cost.

I assume I need not point out the relationship between this and the question of the difference in tonnage per mile cost on American and Prussian railways. Of course, the American railways transport at a high cost the tonnage of the express company.

Mr. BRYAN. Will the gentleman permit me to suggest further that the railroad haul in Germany is 70 miles, while here it is 244 miles?

Mr. ANSBERRY. The gentleman properly says that the average haul in Germany is much shorter than in the United States. It is something under 70 miles, and the average haul in the United States is something over 244 miles, although some authorities give the average length in the United States as but 138 miles. The significance of that is the terminal charges, and the terminal charges have been estimated by some writers, and I do not doubt it, to amount to about half the total charge.

Mr. HARDY. In connection with that, is the gentleman prepared also to state what amount of revenue the Prussian railway pays to the Prussian Government as a profit?

Mr. ANSBERRY. I will come to that in a few moments, and I thank the gentleman for the suggestion. As I have pointed out to the committee, they have no express in Germany except this: There is a provision whereby you can have freight carried—and, of course, it must be very high-class freight—for four times the ordinary charge, the carriage to be by fast train. Of course, that goes to make the average price of transportation in Germany higher per ton-mile. Also, in that connection, the German railroads are operated primarily for the good of the German Empire. They are operated for the good of the north German ports and to encourage exports. In other words, 63 per cent of the total tonnage of the German railways goes at a rate lower than the rate given to the ordinary shipper; that is, at a preferential rate.

Mr. BRYAN. To stimulate exports?

Mr. ANSBERRY. Exactly; to bring trade from Russia, from Austria, from Switzerland, across to the German ports, rather than to the French, Dutch, Belgian, and the ports on the Adriatic. So that 63 per cent of the tonnage gets a preferential price. Then, again, they are operated at an immense profit. Those railroads were taken over, I believe, somewhere between 1880 and the present day, and they were paid for, I think, on the basis of 8 per cent more than they cost, or 8 per cent more than the capitalization. The cost per mile was about $110,000. Despite the facts that those railroads cost about twice as much as Government railroads built in New Zealand, in Australia, in India, in South Africa, and Government-aided railroads in the Dominion of Canada, the tonnage charge compares very favor-

ably, when you take all of these things into consideration, with the American tonnage charge.

Mr. BRYAN. And the rates in Germany are about one-third of what they are in England under private ownership.

Mr. ANSBERRY. Yes; that is true. But it is not exactly fair to state it in that way, for the reason that the railroads in England do more for the people who have to transport goods over the railroads than do the railroads of Germany. I think it is the custom of British railways to call for and deliver freight. They give them better facilities for warehousing. They give them a great deal better delivery, and in England I think they get the best delivery of any railroads in the world. The English railroad must charge higher rates, however, for another reason. The English railroads cost more than $300,000 a mile to build, because of the extremely high cost of real estate and for other reasons that do not appear on the face of an ordinary discussion of this kind. I did not see any difference, so far as accommodations for passengers are concerned, between English and German, or, for that matter, any continental railroad, either privately or State owned, except I think the Belgian roads are below the standard for passenger transportation anywhere.

PRUSSIA'S LARGE PROFITS.

Now, as to the profits of those German railroads taken over between 1880 and this time. Those railroads, despite the fact that they are giving a service which I have attempted to describe at the price which I have stated, have turned into the German treasury nearly as much as, and some writers say all of, the money that they cost the Government. They were paid for in Government 3, 3½, and 4 per cent bonds. The last year we have a report on, 1910, I think, they turned into the public treasury more than $150,000,000. It has been said that had all of the net earnings been used to reduce the capital debt it would have been substantially wiped out, but that at least one-fifth of all of the needs of Prussia have been paid from the railroad earnings. However, the railway debt has been steadily reduced. The policy of the management toward the men has been liberal for Prussia; about 40,000 houses have been built near the right of way for employees whose work demanded that they live close to it. And a liberal pension policy has been inaugurated. The policy of the railway was formulated by Prince Bismarck, and it was only a part of his policy, the keystone of which was the solidifying of the German Empire, although his enemies held that it was merely the glorification of Prussia. It was his announced intention not to run the railroad for a profit, but to gradually lower the rates as it was found expedient to do so. As has been pointed out, a part of this policy was abandoned, although freight rates as well as passenger rates were materially reduced.

TAXATION.

Under a law passed in 1853 the private railways then in existence in Prussia were required to pay a tax, the proceeds from which were to accumulate to form a fund for the eventual purchase of the lines by the State. However, in 1859 the Government being in need of funds, this money was diverted and applied to general State purposes, and this plan was abandoned.

It is said that there is no taxation on German railroads and there is on American railroads. In 1909 the American railways paid about $90,000,000 in taxes. In Germany they pay only a local tax, and that local tax is assessed not on the value of the property but on the number of men that are employed in connection with the railway in the city, town, or district, and they paid the same year about $4,500,000 in local taxes. There is also an imperial tax on railway consignment rates and passenger tickets. They have about one-tenth as much mileage as we have in this country, and therefore under similar conditions they should pay only about one-tenth of the taxes that we pay in this country. That would make about $9,000,000. Compare that $9,000,000 with the $170,000,000 which they turned into the public treasury and you must conclude that the Government ownership of railroads in Germany, no matter what it might be in this country, has been a marvelous success from every viewpoint.

The Prussian State railways pay 8 per cent on an actual cash investment of approximately $2,250,000,000. However, as they are carried on the books of the Government on a 4 per cent basis, their capitalization is called $4,500,000,000. The 13 privately owned railroads of Germany do even better, from an earning point of view, as indeed they should, for they charge higher rates. On the whole, I think that nowhere in the world can railways be built as cheaply as in the United States, and nowhere is labor more efficient. Fuel is cheaper, and no roads are better equipped to haul the traffic of the country economically than are the railroads of the United States. No problem of railroad management is better understood elsewhere than here by the experts who manage the railways of the United States, and still I think I have shown beyond question that the average cost per ton-mile, when you take into consideration the difference in the distances of the average haul and the quality of the freight, that the cost of transportation is as low in Germany as it is in America.

Our railroads employ 1,700,000 men; the Prussian railways, with about one-ninth of the mileage, employ 400,000 men. The Prussian freight cars average about 26 feet in length, and most of them have a capacity of but 15 tons. The passenger-car density in Prussia is about 222 per 100 miles of track, and they have 84 locomotives for every 100 miles of track, while in the United States we have but 20 passenger cars and 25 locomotives for every 100 miles of track. I submit that the American railways, with all of these advantages, do not make a favorable comparison with the railways of Prussia.

The Prussian railways have more employees per mile than have the railways of the United States; they have more cars per mile, both passenger and freight. It is true that these cars will not carry as many passengers or tons of freight as will the American cars, as most of the freight cars are of a very low tonnage, 35 per cent of them having a capacity of but 10 tons, 60 per cent 15 tons, and 4 per cent 20 tons, as compared with the American cars with many more times that capacity, and it is generally admitted in Germany that if the German railroads were equipped with locomotives and cars of the great capacity of those in the United States the cost of transportation by rail in Germany would be materially reduced. Another feature which I have not heretofore referred to is the difference in passenger transportation in Prussia and America; the Prussians in a given year transported on the Government-owned railroads 112,000,000 more passengers than did the railways of the United States, at a considerable less charge. It is true that a large percentage of these passengers traveled under conditions that Americans would not tolerate, but, on the other hand, passenger trains in Germany have very comfortable quarters for second-class passengers at a lower rate than first-class passenger service in America, and there is just as much comfort in a second-class coach as in a first-class coach—indeed, I have traveled in a car which was divided into first and second class compartments, and, of course, the second class was as good and comfortable, if not as exclusive, as the first. I would compare our first class as about equal to their second class, and our Pullman to their first class.

Yes, gentlemen, public ownership of railroads has been a success elsewhere, and, as I said before, I do not know what it might be in this country, and I am not prepared to state that.

Mr. BRYAN. The gentleman better get ready to do it. The Democratic Party will have that in its platform in 1916.

Mr. ANSBERRY. I do not know as to that. I do not know that I shall try to keep it out or that I shall try to put it in; that depends somewhat on the settlement of the question as to what we shall do with the 1,700,000 American railway employees and their connection with the Government; but I believe the gentleman is correct when he states that we must all meet that issue, and soon.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ANSBERRY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Indian Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. JOHN H. STEPHENS,

OF TEXAS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, February 20, 1914.

On the bill (H. R. 12579) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1915.

Mr. STEPHENS of Texas. Mr. Speaker, page 10, lines 6 and 7 of the Indian appropriation bill, reads as follows:

For expenses of the Board of Indian Commissioners, $4,000, including not to exceed $300 for office rent.

When this item was under discussion on February 17, 1914, the following colloquy took place (CONGRESSIONAL RECORD, p. 3788):

Mr. COX. The question I should like to ask is, whether or not this commission still consults the Commissioner of Indian Affairs in regard to the purchase of Indian supplies? Does the commission advise with them in any way?

Mr. STEPHENS of Texas. I have been present at one of the lettings at Chicago, which occurred last fall, and there was none of them there, and I have never seen a member of that commission before the Committee of Indian Affairs in my 17 years' service except when they wanted their appropriation increased.

Mr. COX. Can the gentleman tell what beneficial purposes they serve as far as the Indians are concerned?

Mr. STEPHENS of Texas. The gentleman has asked me a question I can not answer. I do not think they serve any beneficial purpose.

Mr. MANN. Will the gentleman yield?

Mr. COX. Yes; I want information.

Mr. MANN. Has the gentleman happened to see the last report of the commissioners, issued a few days ago?

Mr. COX. No; I have not.

Mr. MANN. In the last report it was stated, and I know it to be true, that a member of the board, by direction of the board, was in Chicago at the time of the letting, at St. Louis at the time of the letting, and one of the members went to San Francisco. They have watched quite carefully the letting of the contracts for the Indian Service.

Mr. Speaker, this colloquy raises a plain question of veracity between myself and the gentleman from Illinois [Mr. MANN]. I asserted that I was at Chicago at the letting last fall and that no member of the board was present. Mr. MANN denies this and asserts that a member was present, and he says that I know it to be true, meaning that he [MANN] knew it to be true. Mr. Chairman, as proof of the fact that I am correct when I said that I was present at the letting at Chicago last fall and that none of the commissioners were there, I offer the following statement of Mr. Vaux, chairman of the commission, found on page 234 of the hearings on this bill.

I as chairman of the subcommittee asked Mr. Vaux this question about letting the said contract at Chicago:

The CHAIRMAN. How much work did you do in September of this year?

Mr. VAUX. I was not able to do anything in September this year. I was not well myself and was away from home under the doctor's orders.

The CHAIRMAN. Did the commission have anyone there?

Mr. VAUX. The commission had no one present at that time.

The CHAIRMAN. Both Houses of Congress were represented there—meaning at the letting of the contracts.

Mr. VAUX (interposing). Yes, sir; but, of course, you understand that we are serving without pay and many of us are busy men, and when I am trying to conduct my law business at the same time I am not always able to make my professional engagements fit in with the dates fixed by the Commissioner of Indian Affairs.

Mr. Speaker, I submit that Mr. Vaux's statement clearly proves that I was correct in stating that I was at Chicago last fall—September being a fall month—and that no member of the commission was there at the letting of the contracts. Mr. Speaker, the gentleman from Indiana [Mr. Cox] asked me, as I have before stated, this question:

Mr. COX. Can the gentleman tell what beneficial purposes they (meaning the Indian commissioners) serve as far as the Indians are concerned?

I replied:

I do not think they serve any beneficial purpose.

Mr. Speaker, it follows, if I am correct, that this appropriation should be stricken from this bill, and in my judgment this should be done. It is a useless waste of public money. Mr. Speaker, I further stated to the gentleman from Indiana [Mr. Cox] that in my 17 years' service on the Indian Committee of the House that no member of this commission had ever appeared before the committee except for the purpose of getting a larger appropriation for their use. This was the purpose of Mr. Vaux, chairman of this commission, who, on page 233 of the hearings on this bill, appeared before the subcommittee and made this voluntary statement, viz:

Mr. VAUX. If I may be permitted, Mr. Chairman, I would like to request that the committee in framing the bill depart from the report submitted by the department and increase that item not to $5,000, but to $15,000. The board, as you are all aware, dates back to 1869, when it was created by a few lines in the Indian bill, within a few weeks after President Grant came into office; the object being to form an outside commission that might stand in a sense between the Government and the American people and the Indian, with the idea of strengthening Indian administration along proper lines in all directions. The powers that were originally conferred were broad, and really were in conflict with those that are allotted to the Indian Bureau at the present time. Subsequently the powers were somewhat reduced, because with the improvement of administrative methods in the Indian Bureau there has been not the same broad work for the Board of Indian Commissioners to perform. At the present time the duties of the board are largely advisory, and, as we report directly to the Secretary of the Interior, they are largely advisory to the Secretary, and also to the Commissioner of Indian Affairs. The board has powers of visitation and examination on the various reservations and in the branches of Government that have to do with the administration of Indian affairs; and it is also the duty of the Commissioner of Indian Affairs to consult with this board respecting the purchase of supplies for the Indian Bureau.

The Book of Estimates for the current year (see above hearings, p. 224) contains the following statement relative to this appropriation:

The estimates contain an item for an appropriation of $5,000 for the Board of Indian Commissioners. Congress has heretofore for a number of years appropriated $4,000 for this board. The act of May 17, 1882, modified sections 2039 to 2042 of the Revised Statutes and subsequent acts of Congress relating to this board, and provided as follows (22 Stat. L., 70):

"For the expenses of the commission of citizens, serving without compensation, appointed by the President under the provision of the fourth section of the act of April 10, 1869, $4,700, to be distributed as follows, namely: For secretary, $2,000; for messenger, $600; for rent of office, $400; for traveling expenses of the commission, $1,500; and for contingent expenses of office, $200. And hereafter the commission shall only have power to visit and inspect agencies and other branches of the Indian Service, and to inspect goods purchased for said service, and the Commissioner of Indian Affairs shall consult with the commission in the purchase of supplies. The commission shall report their doings to the Secretary of the Interior."

Mr. Meritt, Assistant Indian Commissioner, on page 224 of the hearings, stated, in reply to a question in regard to the duties of this Board of Indian Commissioners, as follows:

This board had at one time under the Grant administration very large authority, but its authority has been very materially limited by the act just quoted, and the only duties required by the law are to confer with the Commissioner of Indian Affairs in connection with the purchase of supplies and to visit and inspect agencies and other branches of the Indian Service.

The CHAIRMAN. What have you to suggest as to the number of times they have visited agencies, or what they have done to carry out the provisions of this act, as far as you know?

Mr. MERITT. The board, up to very recently, has not been very active. Prof. Morehead, one of the members of the board, did some good work in connection with an investigation of the White Earth Reservation, and he and Mr. Vaux have also made some investigations in Oklahoma.

The CHAIRMAN. Does this act authorize them to make these investigations?

Mr. MERITT. The act provides that hereafter the commission shall only have the power to visit and inspect agencies and other branches of the Indian Service, and to inspect goods purchased for such service.

The CHAIRMAN. Has the Government been paying out of the $4,000 appropriated their expenses in going to and from these agencies, hotel bills, etc.?

Mr. MERITT. Yes, sir.

The CHAIRMAN. What other duties have they performed or do they have to perform for the purpose of letting contracts for goods?

Mr. MERITT. Mr. Fry could answer that question better than I can, because he has been more intimately connected with that work.

Mr. FRY. Well, as stated before, when I attended the lettings of 1902 to 1904, or thereabouts, I was given the impression that not very much real benefit resulted from the presence of the representative of the board. So far as I could see, he devoted some little time to the work allotted him and carried it through, but my understanding is that he did not follow up the work at the lettings as closely as has been done lately. That, at least, was the idea I obtained. Since Mr. Vaux has been attending these lettings he has gone into the matter very thoroughly. He has been one of those assisting in making the awards. In fact, he has determined some of the awards himself, subject to the approval afterwards of the former acting commissioner.

The CHAIRMAN. Is he an expert along the lines that he is acting?

Mr. FRY. Oh, no; but he had the expert advice of the inspectors who were on the job. He was acting more as an administrative officer than as an expert in any particular line. He is a lawyer by profession, and so far as I know has had no particular training in the purchasing of supplies, but is very observant.

The chairman and Mr. BURKE asked this witness the further question (see p. 226 of hearings):

The CHAIRMAN. Would it be possible for the office to get along without his assistance or without the assistance of any of these commissioners?

Mr. FRY. The office did get along without their assistance for several years, so I understand, and I presume could get along without their assistance again.

The CHAIRMAN. Do you know of any other department of the Government that has a board to supervise its purchases—for instance, the Army or the Navy? Do you know of any other department that has to be supervised in this way?

Mr. FRY. No, sir; I know of none having supervision through outside commissions or boards such as this.

Mr. BURKE. The commissioners serve without compensation?

Mr. FRY. Yes.

Mr. BURKE. And their function, so far as inspecting is concerned, is in the nature of being there for the purpose of making it more certain that there will be no lettings where there might not be good inspection or where there might be corruption? That is really their function?

Mr. FRY. Yes, sir.

Mr. BURKE. They were not to be an administrative force to aid in any way, but theoretically it was thought there ought to be somebody to watch these lettings not directly connected with the Indian Service.

Mr. FRY. You know this has been a sort of hand-me-down proposition; that is, referring to my understanding as to what their duties were. I got my information from those who preceded me in office, and I have always understood that the Board of Indian Commissioners was organized originally because in the earlier days there was graft in the Indian Service in the purchase of supplies.

Mr. BURKE. And the sentimentalists, generally, who take an interest in Indian affairs have sort of looked upon this commission as a desirable thing, as I understand it?

Mr. FRY. Yes, sir.

Mr. BURKE. Now, I wish you would furnish for the record, in connection with your justification, the names of the present commissioners.

Mr. MERITT. The names and addresses of the members of the Board of Indian Commissioners are as follows:

George Vaux, jr. (chairman), 1606 Morris Building, Philadelphia, Pa.
Edward E. Ayer, Railway Exchange Building, Chicago, Ill.

Isidore B. Dockweiler, Los Angeles, Cal.
Samuel A. Eliot, 25 Beacon Street, Boston, Mass.
Dr. Merrill E. Gates, 1309 Rhode Island Avenue, Washington, D. C.
Rev. William H. Ketcham, director Bureau of Catholic Indian Missions, Washington, D. C.
Frank Knox, Manchester, N H.
Warren K. Moorehead, Andover, Mass.
Daniel Smiley, Mohonk Lake, N. Y.
William D. Walker, 367 Elmwood Avenue, Buffalo, N. Y.

Mr. Speaker, the Quarterly Journal of the Society of the American Indians, published in this city, on page 337 of its last publication, gives its views in regard to this Board of Indian Commissioners, for whose support we are asked to make this appropriation of $4,300. The editor, a real Indian, expresses his views of this commission as follows, viz:

THE ANTIQUE BOARD OF INDIAN COMMISSIONERS.

Every morning when the editor alights from the elevator that takes him to his office he sees in a glass museum case the figure of a fish. It is not a real fish, and nothing like it lives now. It is a painted plaster restoration of the *Coccosteus dicipiens*, which lived during the Devonian period of geology. It is a fish with a particularly large head and a peculiarly long, whip-like tail. No doubt it used to lash the water with great fury. Once it was a very good fish, a splendid fish. Its head indicates a great capacity for brain; its whip-like tail is long. Nowadays we only know this *Coccosteus* as a fossil. Scientists with iron-rimmed spectacles and long whiskers dig up this fish now and then and find it cemented so tightly in the Devonian rock that it is a part of the rock. It no longer lives or moves. It is only a petrified placoderm—an ancient fossil.

Once upon a time, in the age of "Grant's peace policy," there was a Board of Indian Commissioners created. It had great capacity for thinking. It has a long tale and it has lashed the waters with fury. But, my friends, to-day it seems to be a fossil body. Long ago the environment for which it was created passed away. This is a new era. Practical men, who need no glasses, gaze upon this placodermal commission and wonder why it still is kept in the aquarium. What good is it; what does it do; what is there for it to do except to perpetuate its own memory? Shall it be placed on the shelf of some paleopolitical museum? Or, after all, is this creature "playing possum," and like the fabled toad will burst its marble walls, unseal its eyes, and move? If it would only move a fin, draw in oxygen with its gills, we would apologize for our lack of appreciation. We wish to cooperate with things that move and move with definite purpose. We would then be glad to be "in the swim" with *C. dicipiens*, providing we surely knew that there was not a Jonah inside pulling strings to make the fins wiggle.

Mr. Speaker, this now useless and antiquated Board of Indian Commissioners was created by act of April 10, 1869, 45 years ago, and have been paid out of the Treasury of the United States several hundred thousand dollars, for which great sum of the people's money this commission has never been able to show how they have rendered any services of any value to the Indians. The Indians themselves have repudiated them, as is shown by the above editorial. The Society of American Indians, through their secretary and treasurer, Mr. Arthur C. Parker, himself an Indian, in the following letter to me, of date January 26, 1914, repudiated this Board of Indian Commissioners:

[The Society of American Indians, a national organization of Americans organized at Ohio State University April, 1911. Membership: Active, associate, and junior. Active: Persons of Indian blood only. Headquarters: Washington, D. C., Barrister Building.]

WASHINGTON, D. C., *January 26, 1914.*

Hon. JOHN H. STEPHENS,
Chairman of House Committee on Indian Affairs,
House of Representatives, Washington, D. C.

MY DEAR SIR: The Society of American Indians is an organization of progressive Indians, most of them fully acquainted in their various localities with Indian affairs and conditions. It prosecutes investigations at its own expense and holds an annual conference in which constructive measures are discussed.

The consensus of opinion of the executive board of this society is against the continuance of the Board of Indian Commissioners, and as secretary of this society I wish to register my sentiment as against the further support by Congress of the Board of Indian Commissioners. My reasons for this objection are as follows:

1. The Board of Indian Commissioners has outlived the usefulness that demanded its creation under the Grant administration. Conditions have not only changed, but the public now has many avenues of information on Indian matters not open 40 years ago.

2. If it is argued that the Board of Indian Commissioners stands as the intermediary between Indian welfare and the designs of crooked politicians, I would bring to your notice that there are other organizations that occupy this position as effectually, if not more efficiently, than this board, and that if the said board is justly entitled to appropriations, that every other organization instituted for like purposes is entitled to an appropriation.

3. If other organizations are able to carry their financial responsibilities without appropriations from Congress, then this Board of Indian Commissioners should be able to do so likewise if, in fact, the commissioners and their friends are as earnest in their endeavors as are members of this Society of American Indians and others.

4. The opinion is quite prevalent that the Board of Indian Commissioners as presently constituted is not organized in such a way as to give any great value to its deliberations or recommendations, notwithstanding the high quality of citizens represented on that board. It would therefore appear that this board is acting like sand in the wheels of good administration rather than as a lubricant, as originally intended.

5. The very fact that the Board of Indian Commissioners is lending its influence, weight, approval, and association with the so-called Wanamaker expedition of citizenship is very good evidence of its lack of good judgment, for it appears that this so-called expedition is a clever advertising scheme and not really intended for the uplift and the advancement of the Indian or for better administration. A close examination of the real facts in the case of this so-called Wanamaker-Dixon expedition reveals many ridiculous and presumptuous actions entirely discreditable to the Indian, to the Government, and to Mr. Wanamaker. These charges I can substantiate by witnesses, documentary evidence, and affidavits.

6. It is not publicly known, nor is there any demonstration of the fact that at present there is needed a Board of Indian Commissioners, and its continued existence would seem to indicate a simple design to perpetuate a memory, justified solely by the Grant administration creating such a commission. The expungement of this Board of Indian Commissioners would in no way hamper Indian administration or cause any lack of efficiency, vigilance, or defeating of justice for the Indian, and no just argument can be produced, as far as this organization knows, which would be of sufficient weight to demand its continued existence.

7. It is not shown that the Board of Indian Commissioners has assisted the Indian Office during the past few years in the way of suggesting constructive measures or pointing out abuses, and if it has responded to those requirements, other organizations and other individuals have been more than equally vigilant and respondent. Some of these organizations, we believe, have done more in the way of suggesting constructive measures than the Board of Indian Commissioners, and we point out the annual conferences of this society, its annual platform, as an evidence that an organization composed of American Indians has pointed out publicly and circulated widely through the press, through its own magazine and literature, great measures and valuable ideas. This it has done entirely at its own expense as a voluntary factor. This organization has not come upon Congress demanding that Congress appropriate a salary for its secretary or for its printing, nor have other organizations equally valuable.

8. It appears to the thinking Indians of the United States, most of them members of this society, many of them citizens or prominent men in their respective tribes, that the personnel of the Board of Indian Commissioners, with few exceptions, notwithstanding its high standing in citizenship, indicates that it is incapable of thoroughly understanding the Indian situation, since only a small portion of their time is devoted to study of the Indian, since many of them represent interests that prejudice open-mindedness and complete understanding; many of them occupy positions so far remote from the Indian country and the interests of the Indians that their vision is far from clear.

This society, therefore, as I understand its sentiment, would demand the total abolition of the Board of Indian Commissioners in the interest of good government, more efficient administration of Indian affairs, and of economy.

Very respectfully,

ARTHUR C. PARKER,
Secretary-Treasurer.

Mr. Speaker, I further desire to add to the above objections of Indians the testimony of the leading and greatest of all Indian educators, Gen. R. H. Pratt, the founder of the Carlisle Indian School, to show the misguided activities of this useless Board of Indian Commissioners. His letter is as follows, viz:

THE KENESAW,
Washington, D. C., January 26, 1914.

Hon. JOHN H. STEPHENS,
Chairman House Committee on Indian Affairs,
Washington, D. C.

DEAR SIR: I ask the attention of your committee to the affinity existing between the Board of Indian Commissioners and the so-called Rodman Wanamaker Expedition of Citizenship to our Indians.

In a few days there is to be an exhibition at the Bureau of Ethnology of the vast collection of moving and other pictures taken by Dr. Dixon, the manager of that expedition, during its trip to all the tribes. Three members of the board are to be present and take part in addition to Dixon.

I am widely informed from all parts of the field in regard to the incidents and quality of this expedition, and its purpose is plainly apparent in the overshadowing greed for pictures of costumed Indians. Dr. Dixon's great effort was to picture extreme Indianism, and many of his utterances in that connection are scandalous sophistry.

His claim that our flag is first carried by him to our Indian tribes or to any one tribe is not true. Every Government Indian school in every Indian tribe has had the American flag flying and given lessons therefrom to Indian youth in patriotism. Scarcely an Indian tribe but has sent soldiers and scouts into our Army service to follow the flag to the death. What preposterous arrogance, then, for Dr. Dixon to multiply assertion and publish everywhere that he is the first to carry the flag and its message to all of our Indians.

I have said all this that you might see the unwarranted connection between the Board of Indian Commissioners and this hypocrisy. The chairman of the board and its secretary stand alone as the officials or semiofficials of the Government present to give welcome and indorsement at the return ceremonies in New York Harbor at the close of the expedition.

Nothing that the Rodman Wanamaker expedition has so far accomplished has in any way advanced our Indians' respect and confidence in our civilization, but has had rather the contrary effect. The moving pictures and photographs of feather bedecked and alleged wild Indians so eagerly sought everywhere will only serve to keep the public mind confused and misinformed about the Indian race.

I protest that the participation of members of the Board of Indian Commissioners in these deceptions and the officious efforts of the board's secretary in promoting them discredits the high purpose of the law creating the board and renders it a useless and even hurtful body.

The law provides that the members of the board shall be "men eminent for intelligence and philanthropy." These qualities should voice truth only and protect both the Indians and the public from misrepresentation, else they fail in the great opportunity given them and their duty to harmonize the races.

Very truly, yours,

R. H. PRATT.

Mr. Speaker, the last issue of The Quarterly Indian Journal, before alluded to by me, on page 363, gives the Indian side of this Dixon-Wanamaker (and Indian commission) advertising expedition. This editorial fully sustains the just criticism of Gen. Pratt—that grand old man—who has spent the best years of his eventful and useful life in behalf of Indian education and Indian welfare. The editorial is as follows:

THE GREAT ADVERTISING HOAX HAS FLAGGED CIVILIZATION.

The "Wanamaker expedition of citizenship to the Indian" has returned to its Philadelphia store. The plan was for a certain Mr. Dixon to give a flag to every reservation in the country and pledge the Indians to loyalty. This was an assumption that the Indians were not loyal. Newspapers said that the Indians had never seen a flag. This is an absurdity, and the whole expedition was a flagrant insult to the United States authorities and an insult to the Indian, all for the benefit of Wanamaker advertising. We suppose now that the Tobacco Trust will start "The Dukes Mixture expedition of Christianity to the Indian" and present a Bible to every tribe on the assumption that missionaries and educators have not done their duty or that Indians are not Christians. We venture to say that Maj. McLaughlin is disgusted with the job the Government gave him of being Dixon's lackey. We venture that Mr. Dixon does not love the Indian more despite his protests of affection. He is a pretty good fakir. A short time ago he called the Crow Indians together and photographed "The last grand council of the American Indian." A Crow council convened by Dixon is hardly the last council of Indians. The Crows are not the only Indians, even though they are good ones. But the late Mr. Barnum's maxim will hold good.

Lo, the poor Indian; Lo, the deceived Government, but all hail the "prince of advertisers."

Mr. Speaker, I desire in this connection to most emphatically protest against educating the American people—by means of such fake expeditions as above described and like fake moving-picture shows—to believe that the Indians of our common country are yet a race of ignorant, vicious, uncouth barbarians. Nothing is further from the truth. But, Mr. Speaker, I do again most seriously object to paying $4,300 per annum to this Board of Indian Commissioners, which in the language of the law are "to consist of not more than 10 persons, to be selected by him—meaning the President—from men eminent for their intelligence and philanthropy," and so forth. I am sure that each of the 10 men now and heretofore composing this board would swear that they are men of intelligence and philanthropy; but, Mr. Speaker, the question is, What has this body ever done to earn the money we are annually appropriating for their support?

Mr. Speaker, in my judgment this board as now constituted is, in addition to being a useless body of pap suckers, a decided hindrance to the proper administration of the Bureau of Indian Affairs. As now organized, they are a body of faultfinders, using their semiofficial influence to discredit the activities of the present officials composing that bureau. As evidence of this fact, it is only necessary to state that Mr. F. H. Abbott, former acting and for a long time Assistant Indian Commissioner in said Indian Bureau, has been recently, by the present Secretary of the Interior, removed from his position in said bureau for reasons satisfactory to the official head of the bureau. This Board of Indian Commissioners have selected and elected this discredited, disgruntled, and discharged employee as their secretary, and thus he is the resident representative of that body in this city. If we arm—by passing this appropriation—this discharged employee with this semiofficial authority, he will be able to use his official prestige to demoralize the Indian Service and to hinder its successful operation by the party in power. Can any Democrat vote for such a measure?

Mr. Warren K. Moorehead, one of these commissioners, shows clearly that he would abolish the Indian Bureau at Washington and substitute his commission for it. But, Mr. Chairman, I will insert his own language in an address before the last Mohonk conference, and let the country judge for itself whether I am right in my conclusion that this man is an avowed enemy of the Washington Indian Bureau, and would overthrow it and substitute his commission for it if he could do so. His language is as follows, viz:

For more than two generations we have had Commissioners of Indian Affairs at Washington, and in spite of their best efforts the same problem confronts us to-day. The only salvation of the Indian lies in a total change of policy; the abolition of the Commissionership of Indian Affairs, the appointment of a commission of nine men—the best obtainable men in the United States, and men who understand Indians, and no political appointees. This commission should be appointed for at least 10 years and if possible 15. It should publish its findings every three months, and all its hearings should be public. It should have in its charge every Indian person and all cash belonging to Indians or tribes, farm lands, mines, oil wells, and other properties. The rulings of this commission should be absolute and final. It should eliminate all educated and competent Indians, making of them citizens.

It is clear that because of the interference of interested persons, through Congress and otherwise, it is utterly impossible for one man to manage successfully the intricate problems connected with Indian welfare in this country.

Mr. Speaker, this man Morehead never raised his voice against the Indian Bureau while his Republican associate Abbott and others were in charge of it. Not until administrations changed and Abbott and some of his henchmen were expelled from office did he ever suggest that the Indian Bureau should be abolished and his commission, or one the same as his own, as he describes it, substituted for the discarded Democratic bureau. This man Morehead also, in a report to the Secretary of the Interior, used language slandering the Democratic Members of this House and of the Senate from the State of Oklahoma. This language was so abusive, unwarranted, and untruthful that the Secretary of the Interior refused to receive and print it. Is not this the probable reason that this man wants this bureau abolished and his commission or one like it substituted for it? Will any Democrat lend his aid to such a transparent scheme by voting to keep on the pay rolls of this Government such a body of Democratic defamers?

Mr. Speaker, this commission should be abolished because of the hostility of Mr. Abbott, its secretary. Mr. Chairman, to show the total unfitness of this man Abbott to hold said office I desire to read the following statement made by the secretary of a similar association in its thirtieth annual report. The statement is as follows, viz:

[From the Philadelphia Public Ledger, June 13, 1913.]

IS THE AMERICAN INDIAN BEING ROBBED?—CAUSTIC CRITICISM OF A SERVICE "WEAK IN THE HEAD, WEAK-EYED, AND HARD OF HEARING"—ABUSES EXPOSED.

(Specially written for Public Ledger by M. K. Sniffen, secretary of the Indian Rights Association.)

The thirtieth annual report of the association, recently published, summarized the situation as follows:

"Corruption and inefficiency have for years past held a strong hold upon the Indian Service. We have been greatly hampered in our work by the efforts of certain officials who endeavored to protect employees in the service and others who preyed upon the Indian from just exposure and removal.

"One of the greatest drawbacks to the service is the pernicious effect of political influence, which still curses the whole bureau in one form or another. Theoretically, the civil-service rules now cover all positions in the department, with the exception of the commissioner, his assistants, and a few holders of confidential positions, but in reality many of those under the commissioner do not seem able to get away from the old idea that their loyalty goes first to some influential backer outside of the service and then to their immediate superior officer. Commissioners come and go, but the bureaucrat wants to remain forever." * * *

"Many inspectors do not inspect, especially if the one they are sent to investigate has any 'pull'; or, when they do inspect and unearth unsavory conditions, it is possible for some of the bureaucrats to hold things back, or so misrepresent the situation that nothing is accomplished—unless some one not connected with the bureau knows enough about the particular case vigorously to oppose such influences and show the commissioner the plain, ugly truth."

Naturally, such a condition has greatly demoralized the service. There are hundreds of honest and efficient employees who are sincerely interested in their work, but they have been made to feel, from the experience of others, that it is better to be blind and dumb to service abuses that may be flourishing under their very eyes than to attempt to have them corrected. For example: Only a few months ago one of the best employees in the service hearing that a certain school superintendent was seeking appointment as Commissioner of Indian Affairs gave to our association some facts indicating the applicant's unfitness for the place, and we, therefore, filed a protest with the President. The superintendent in question is a close friend of Acting Commissioner Abbott, and the latter has since been endeavoring to force the removal or demotion of our informant, because of his desire to protect the service. In other words, the acting commissioner was more concerned with the alleged "disloyalty" of the informant than with purifying the service.

Mr. Speaker, this man Abbott is now the secretary of the Board of Indian Commissioners, and, according to Mr. Sniffen, was trying to protect Supt. Freeman, of the Carlisle Indian School, who since that time has been fully investigated by the joint commission of the Senate and House, the charges against him fully sustained, and his removal requested by that commission from the Indian Service. And he has been suspended as superintendent of that school by the Indian Bureau, and may yet—as he should—be entirely dismissed from the service. Mr. Sniffen's charge against Abbott has thus been fully sustained.

Mr. Speaker, many other charges have been made against Mr. Abbott for incompetency, misfeasance, and malfeasance while in the service of the Indian Bureau. On this subject I desire to submit the following letter from another former employee of the Indian Bureau, viz, Mr. William E. Johnson, of Westerville, Ohio. The letter and charges therein contained are as follows:

THE NEW REPUBLIC,
Westerville, Ohio, January 29, 1914.

Hon. JOHN H. STEPHENS,
Chairman Committee on Indian Affairs,
Washington, D. C.

MY DEAR MR. STEPHENS: As you know, I was for five years chief officer of that section of the United States Indian Service which has to do with the suppression of the liquor traffic among Indians. I am writing you these suggestions as to definite points which, in my judgment, should be made a matter of inquiry by your committee in its consideration of the proposed reorganization of the Indian Service, and especially in considering the abolishment of the Board of Indian Commissioners, which, while originating in a laudable purpose, has degenerated into a mere political machine to balk the efforts of the present administration to carry out sorely needed reforms in the service.

All of these points relate to the conduct of Frederick H. Abbott, now secretary of this so-called Board of Indian Commissioners, but formerly the political Assistant Commissioner of Indian Affairs. I believe that the information to substantiate affirmatively each and all of these points can be obtained from the files of the Indian Office, and I urge that you formally call upon Hon. Cato Sells, Commissioner of Indian Affairs, for any and all information that may be in his office relating to these specific items. I have the fullest confidence that Mr. Sells and his associates will, without evasion and without favoritism, seek to aid you to the limit in your search for the exact truth.

Inasmuch as many of these items involve the present inspection force of the office, which has not yet been reorganized, I earnestly suggest that in case the committee finds need of special help in investigating these matters that some one independent of that force, some one of known integrity, ability, and fearlessness, like E. B. Linnen, of the Interior Department, be called in to pursue any further needed research.

The specific points to which I call your attention and ask that you call upon the commissioner for information in respect thereto are the following:

(1) Did not Mr. Abbott use Government transportation to go to his home in Nebraska to vote at an election while acting as assistant commissioner?

(2) If Mr. Abbott had not arranged to attend the last Republican national convention in Chicago on Government transportation and was prevented from doing so by reason of being summoned as a witness before the Graham investigating committee of the House of Representatives.

(3) Has not Abbott spent thousands of dollars of Government funds traveling around over the country on the pretense of Government business, but, in fact, was he not busy for three years in building up a political organization in the Indian Service and undermining Valentine, former Commissioner of Indian Affairs? And did he not by his actions thoroughly disorganize the Indian Service and bring about a deplorable and chaotic condition in that service?

(4) Has not Abbott carried his family with him around the United States on his alleged trips to the Indian country, which were in fact trips building up a political machine at great expense to the Government and without authority of law?

(5) Has he not kept his family on Indian reservations at expense to the Government and without expense to himself for months at a time, namely, at the Mescalero, the Navajo, the Tulalip, and other reservations, and has he not crossed the continent from Washington to visit his family at Government expense, but while on alleged visits to the Indian country?

(6) Investigate and report whether or not a detailed statement of Mr. Abbott's traveling expenses and his trips will not show a disclosure of wrongful and corrupt expenditure of Government funds sufficient to warrant his indictment and prosecution by the Department of Justice?

(7) Did not Mr. Abbott use his official position to retain in the service Charles H. Bates, an allotting agent, at a large salary for months after he had been indicted and admitted his guilt of introducing intoxicating liquor on the Pine Ridge Indian Reservation, and even after he was convicted of the offense and sentenced by the court to 60 days in jail? Did he not use his official influence to balk justice by aiding in securing a pardon for Bates in return for the political influence of a former Senator, then chairman of the Indian Committee, and in return for the further political influence of said Charles H. Bates in the attempt to make Mr. Abbott Commissioner of Indian Affairs?

(8) Did not Mr. Abbott render a wrong and corrupt decision in the Tiebolt heirship case from the Winnebago Agency, involving property worth more than $10,000, to favor a certain Senator, an attorney in the case, who was his political backer, and certain other political henchmen in Nebraska? Will not the record in this case disclose sufficient evidence of practicing before the department while a United States Senator to constitute a violation of law which imposes a fine and a penitentiary offense, and is not this case similar to the case which resulted in Senator Burton, of Kansas, going to jail and being heavily fined?

(9) Did not Mr. Abbott order former Supt. Johnson, of Cushman Indian School, recently dismissed for scandalous conduct, and other superintendents of the Government service to Washington last winter at Government expense in order to do political work for Abbott and try to land him the appointment as commissioner?

(10) Did not Mr. Abbott appoint J. L. Norris, former chairman of the Oklahoma Republican committee, superintendent of the Wind River Reservation in Montana as compensation for the political influence of Norris in behalf of Abbott, and in order that Norris might do certain political stunts for the political machine of Wyoming?

(11) Did not Abbott permit Supt. Norris, the Republican politician, to spend more than $6,000 for a house for himself on the Wind River Reservation, which money was needed for Indian school purposes by school officials of the Indian Service?

(12) Did not Abbott appoint his father-in-law a forest guard at Tongue River Reservation and permit him to draw a per diem in addition to his salary while he lived at the agency and performed no services as forest guard? And did not Supt. Eddy, of Tongue River, get frightened at the time of the change of administration on that reservation and as a result of which Abbott transferred his father-in-law to the jurisdiction of his faithful political henchman, Norris, where he is now employed?

(13) Did not Mr. Abbott order Supt. Eddy, of Tongue River Reservation, Mont., another political henchman, to Washington, where he spent months last winter at Government expense, doing political work for Abbott? And is it not true that Supt. Eddy was away from his agency about one-third of the time during the last year of Abbott's administration a part of the time traveling at Government expense doing political work for Abbott?

(14) Did not Abbott permit his political henchman, Supt. Eddy, of Tongue River Agency, to expend about $7,000 for the purpose of building a palatial residence for himself, which money was needed for providing school facilities for Indians out of school?

(15) Was not Supt. Nicholson appointed superintendent of the Menominee sawmills at a big salary without ever having had any experience in sawmill work, solely for political purposes? And did he not supplant a faithful Democrat? Is it not a fact that this position is not under civil service? Have not the Menominee Indians protested against Supt. Nicholson and asked for his removal for incompetence?

(16) Is it not true that Supt. Nicholson was ordered to Washington, in fact, to do political work for Abbott at Government expense; and did not Nicholson spend a month in New York State doing political work for Abbott; and as a result of this work did not Abbott promote Nicholson in salary several hundred dollars a year?

(17) Did not Abbott retain in Washington, drawing a per diem of several dollars each day, officials in the Indian Service, and divided the per diem of such officials by renting rooms in his (Abbott's) residence at high rates? For example, Chief Supervisor Holcombe, Irrigating Inspector Hill, and other Indian Office officials.

(18) Did not Abbott accept the political and professional services of a certain Washington attorney and attempt to repay him by giving him a $5,000 contract with certain Indians; and is not this the same attorney who, as an inspector of the Indian Service, recommended giving certain leasing privileges at a ridiculously low rental, and which Commissioner Valentine refused to consider, and later leases the same grazing rights for more than $100,000 in excess of what this inspector recommended; and did not this man, after he was forced out of the Indian Service, subsequently represent these same Crow lessees as their Washington attorney; and did not Abbott extend to these Crow lessees and this Washington attorney special favors and considerations?

(19) Did not Abbott's family spend a summer as the guest of one of these Crow lessees who had received special favors from Abbott?

(20) Did not Abbott misrepresent the law and facts in his speech before the last Lake Mohonk conference regarding the rights of the Navajo Indians who have taken allotments on the public domain off the Navajo Reservation; and does not the CONGRESSIONAL RECORD of a recent date and the speech of Senator ASHURST, of Arizona, disclose that Abbott was a complacent and willing tool of the railroads in the matter of the attempted exchange of worthless railroad lands within Indian reservations for exceedingly valuable lands on the public domain?

(21) Is not Abbott using the Board of Indian Commissioners as a cloak of respectability under which to carry on his crooked political work in an endeavor to retain in the Indian Service his crooked political henchmen, and also to embarrass the Indian officials in an endeavor to reform the service and make more efficient Indian administration?

(22) Did not Mr. Abbott use his influence to retain in the service Clinton N. Crandall, former superintendent at Santa Fe, N. Mex., after it was shown that he was an illicit liquor dealer at the same time, and after it was proven that the Indians under his jurisdiction had suffered serious abuses for nine years, had been despoiled of thousands of acres of land under his mismanagement or connivance? Is it a fact that Mr. Abbott continued to protect Crandall after all these things had been proven and after Commissioner Valentine had demanded and received Crandall's resignation on account of this malfeasance in office? I suggest that in this connection you specifically call for the report and accompanying papers and affidavits presented to the Secretary of the Interior by Shelby M. Singleton, attorney for the Chicago Citizens' Association, who made a searching official investigation of three months into this matter for the Secretary and recommended Mr. Crandall's immediate dismissal from the service.

(23) Is it not true that Clinton N. Crandall asked for and received authority to expend $1,000 of Indian money to "improve the roads in and about the Indian pueblos," and that, in fact, he expended this money in the construction of an automobile speedway for politicians at La Bajada Hill, N. Mex., which is 9 miles from the nearest Indian or Indian pueblo and on a road less used by the Indians than Pennsylvania Avenue in Washington? And did not Mr. Abbott condone and use his official position to protect Mr. Crandall in this misapplication of Indian money?

(24) And because the Santa Clara Pueblo Indians protested against these abuses, protested against their being robbed of their lands by the politicians, and protested because Mr. Crandall sold liquor contrary to law, is it not true that Mr. Abbott, in order to punish the Santa Clara Indians, planned to deprive them of 30,000 acres of executive-order reservation lands and to turn the same over to all of the Tehaus Indians?

I believe that there is evidence within the reach of the Indian Office itself to substantiate each and all of these items, and that if you will call upon the Commissioner of Indian Affairs for reports on each of these items that the facts will be forthcoming.

Respectfully,

WILLIAM E. JOHNSON,
Former Chief Officer United States Indian Service.

Mr. Speaker, a few days after receiving the above letter I received the following supplemental letter from the same person, together with a memorial from the Santa Clara Pueblo Indians, and the resolution of the Territorial Convention of the Woman's Christian Temperance Union of New Mexico, all of which tend to substantiate some of the charges made against Mr. Abbott in his (Johnson's) first letter to me.

These documents are as follows:

THE NEW REPUBLIC,
Westerville, Ohio, January 29, 1914.

Hon. JOHN H. STEPHENS,
Chairman Committee on Indian Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. STEPHENS: On January 24 I wrote you at some length, making suggestions as to matters upon which I believe you could secure valuable information from the Indian Office. Item No. 23 of these specific points refers to the construction of an automobile speedway at La Bajada Hill, near Santa Fe, N. Mex.

The facts regarding this particular item are these: The automobile owners of Santa Fe and Albuquerque had combined to bring about the construction of an automobile road or speedway between the two cities. Clinton J. Crandall, now Indian superintendent at Pierre, S. Dak., was then Indian superintendent at Santa Fe, N. Mex., while this speedway scheme was being worked out. Crandall asked for and secured two different authorizations from the Indian Office—one of $1,000 and the other of $500—to be used in "improving the roads in and about Indian pueblos." The $1,000 was expended on the construction of this speedway along La Bajada Hill.

I am mailing you herewith a photograph showing the exact spot where this $1,000 was expended. This speedway is 9 miles from the nearest Indian pueblo. It is very seldom, if ever, used by the Indians, and was not constructed for the Indians. This particular spot where the $1,000 was expended is on the estate of THOMAS B. CATRON, now United States Senator from New Mexico.

Mr. Crandall was superintendent of these Indians for about nine years. By his social abilities and political intrigue, by the judicious disposal of fat Indian contracts, he secured considerable popularity among a certain class of politicians in New Mexico. The Indians, however, complained lustily and vigorously against the abuses to which they were subjected in Mr. Crandall's administration. This squandering of $1,000 of their money to build this automobile speedway was only one of the long category of their complaints. At different times inspectors were sent down there to investigate the Indian complaints. The inspectors would inspect in the usual way that was in vogue in the Indian Service inspection. They would go to Crandall's home as his guests and remain there during the time they were carrying on their inspection. They would not go near the Indians, and pay little or no attention to the getting at the facts. They would simply go there on a visit to Crandall.

Assistant Commissioner Abbott himself went down there in the winter of 1911-12. He became also Crandall's guest and went around with Crandall conducting a pretended investigation, denouncing at the same time the complaining Indians, telling them that they were wrong, and demanding of them that they cease their complaints and do as Crandall ordered them to do. Mr. Abbott's report was only another coat of whitewash upon this situation.

Secretary Fisher thereupon requested Shelby M. Singleton, of Chicago, secretary and attorney for the Chicago Citizens' Association, to go to New Mexico and make a thorough investigation as his personal representative. Singleton did so, spending a couple of months or so in the work. His report, dated June 20, is the result of the first real investigation that had been made into Pueblo affairs and revealed such a scandalous condition of affairs that Secretary Fisher suppressed the report, even refusing access to it by Members of Congress and the Committee on Indian Affairs.

But while suppressing, and thereby discrediting, this report he made haste to carry out nearly every reform recommended by Mr. Singleton. He recommended the immediate dismissal of Supt. Crandall from the service. In a supplemental telegram to the Secretary of the Interior Mr. Singleton reported that he found Crandall of such a character that he would not believe him under oath.

Commissioner Valentine afterwards went to New Mexico, looked into the matter personally, and demanded and received Crandall's resignation.

Assistant Commissioner Abbott, however, fought the acceptance of this resignation and brought so large political pressure to bear on Crandall's behalf that a compromise was made whereby Crandall was transferred to a superintendency at Pierre, S. Dak., where he now is.

I recommend that you call upon the Indian Office specifically for the report of Shelby M. Singleton, dated June 20, 1911, and all the papers accompanying the same, including Singleton's supplemental telegram to the Secretary of the Interior, written from Albuquerque, N. Mex., and from other points in the Southwest, relating to this same subject. I also suggest that you call for a report made by Dr. Joseph A. Murphy, medical supervisor, to E. P. Holcombe, chief supervisor, dated October 27, 1910, in reference to correspondence regarding Dr. Martin. The subject matter of this letter was a liquor-selling drug store at Santa Fe, organized by Crandall, who became president of the corporation. The Indians' complaints regarding the scandals connected with this drug store was one of the subject matters of Mr. Singleton's report.

I am mailing you herewith copy of one of the memorials of the Santa Clara Pueblo Indians, dated October 11, 1911. I am also inclosing you copy of the resolutions adopted at the territorial convention of the New Mexico Women's Christian Temperance Union, held at Las Vegas, October 19, 20, and 21, 1911.

I am also mailing you a copy of a pamphlet, written by myself, the story of Juan Cruz, which treats of one phase of this scandal. I am also mailing you various copies of the New Republic, containing articles referring to Mr. Abbott and his habitual protection of crooked employees of the Indian Office when they have had a political pull.

Respectfully,

W. E. JOHNSON.

MEMORIAL OF THE SANTA CLARA PUEBLO INDIANS.

ESPANOLA, N. MEX., *October 11, 1911.*

DEAR FRIEND: We are forced to make an appeal to you in hope of securing some redress of grievances and wrongs which we have suffered and are suffering at the hands of the Indian Bureau.

We own several thousand acres of well-watered land. Part of this is an Executive-order reservation and part is fee-simple land owned by ourselves under a Spanish grant confirmed by the United States courts.

For seven years something like a thousand head of cattle belonging to politicians have overrun our lands, eating up our pasture, breaking down our fences, destroying our crops, devastating our fields, and depriving us of our principal means of livelihood. The Indian Office compels us to submit to these wrongs.

Several months ago the Secretary of the Interior sent an honest man down here to investigate—Mr. Shelby M Singleton, attorney for the Chicago Citizens' Association. He reported fully the outrages perpetrated upon us by representatives of the Indian Office, and not only recommended but personally pleaded that justice be done us. Mr. Singleton's report was suppressed by the politicians and he was disgraced for recommending that the abuses be corrected. We beg of you to call upon the Indian Office for a copy of Mr. Singleton's report and get the whole truth.

We solemnly protest against a notorious liquor dealer, who is president and director of a drug store in Santa Fe which we have repeatedly caught selling liquor unlawfully, being retained as superintendent of the school where we have to send our children.

We plead with you to call for and make public the report of Mr. Singleton and help us protect ourselves against the wrongs heaped upon us by the Indian Office in the interest of corrupt politicians and liquor dealers.

Santiago Naranjo, governor of Santa Clara Pueblo; Victoriano Sisneros, lieutenant governor; Florentino Sisneros, captain of war; Candito Tafoya, sheriff; Jose Maria Naranjo, cacique; Jose Manuel Naranjo, priest of the Winter Clan; Leandro Tafoya, ex-governor; Francisco Naranjo, ex-governor and chief of the General Federation of Pueblo Indians; Manuel Tafoya, principale; Pedro Cajete, principale; Pedro Baca, principale; Ulogio Naranjo, principale; Jose Domingo Ogustierrez, councilman; Vida Ogustierrez, councilman; Valentine Naranjo, councilman; Severo Naranjo, councilman.

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Resolutions adopted at the Territorial Convention of the New Mexico Woman's Christian Temperance Union, at Las Vegas, N. Mex., October 19, 20, 21, 1911.

Be it resolved, That this convention congratulates the Indians of Santa Clara Pueblo on their attitude in the liquor-suppression question, and commends that village for its splendid record of nearly 300 Indians who have become total abstainers through the reform movement instituted in New Mexico by Chief Special Officer of the Indian Bureau W. E. Johnson.

We deplore the present conditions of the liquor-suppression department of the new State, resulting from official departmental hindrances and an effort to sustain in position over the Indians men of notorious character and men directly interested in the unlawful sale of intoxicants.

We deem the matter of sufficient importance to warrant the widest publicity of our sentiments, and shall supply to the officials in charge of Indian affairs, the Secretary of the Interior, and the chairman of the Indian Committee in the House and Senate copies of this resolution.

Mr. Speaker, Mr. Johnson's last letter says that the Indian Office—then presided over by Mr. Abbott, as I understood—refused access to the Singleton report then on file in that office. This charge is within my personal knowledge true, and I believe that the charges made by these Indians and the Woman's Christian Temperance Union ladies are also true; and I am certain that Mr. Abbott did everything in his power to shield this man Crandall, as charged by Mr. Johnson. Mr. Johnson is a man in whose veracity I have the greatest confidence. I also state that I have the photographs of the road built out of Indian funds, over their protest, and for the benefit of Mr. Crandall's and Abbott's white friends, which photos I received from Mr. Johnson, as stated by him in his letter to me.

Mr. Speaker, since Mr. Abbott retired from the Indian Office I have been permitted to examine the Singleton report mentioned in Mr. Johnson's letters, and I made a copy of that part of the report mentioned in Mr. Johnson's letter touching the culpability of Supt. Crandall and his alleged collusion with and protection by Mr. Abbott, then Assistant Indian Commissioner. These excerpts from this report are as follows:

[From Singleton's report, bearing date of June 20, 1911.]

Recommendation 15, on page 41:

The headquarters of the agent in charge of the Pueblos in the Santa Clara district should not be located in Santa Fe, but at Espanola, from which place a number of the Pueblos are readily accessible. On account of the long period of neglect and misrule which these Pueblos have experienced at the hands of their superintendent there is a crying need for a close personal supervision from the new superintendent, who should visit each pueblo frequently.

It is clear that a superintendent is needed who will cheerfully live where he can best devote all his time to personally looking after the interest of the Indians under his charge. A man who is unwilling to actually live among the Pueblos, where he will be comparatively free of the political and social influences which have worked to the detriment of the Pueblos heretofore, is not fit to be intrusted with this responsible position under the present conditions. I am informed that a building or buildings amply sufficient for storing supplies needed for the Pueblos can be temporarily had at Espanola or at the Santa Clara pueblo and that a rough warehouse for permanent storage purposes can be constructed at Espanola without heavy expense.

Recommendation 17, page 43:

Since Clinton J. Crandall, by numerous acts of commission or omission, has shown his utter unfitness for the position which he has held heretofore and the one which he now holds, I emphatically recommend that he be entirely eliminated from all official connection with the Pueblo Indians.

Mr. Crandall has incurred so many animosities and has so thoroughly forfeited the confidence of the Indians that his continued connection with their affairs in any capacity will be a disturbing and detrimental factor which will retard the proper solution of the Pueblo problems.

In my opinion Mr. Crandall has richly earned summary dismissal from the service.

HEALTH CONDITIONS IN THE PUEBLOS.

On page 26 of Mr. Singleton's report he says:

In his annual report for 1910 Superintendent Crandall says: "This school and agency has been comparatively free from tuberculosis; in a few of the smaller pueblos there is possibly one, if not more, cases of tuberculosis." In conversation with Mr. Crandall he made about the same statement and also spoke rather lightly of the seriousness of trachoma, which he admitted was prevalent in the pueblos, but which he said was not as dangerous as it was formerly thought to be.

I was informed by Miss Elizabeth Richards, the highly competent day-school teacher at San Ildefonso pueblo, that there had been at least four or five deaths from tuberculosis in that pueblo during the last two years in a population of about 120. Miss Richards stated that when she was sent to the pueblo two years ago she was informed that it had a population of 150. She found that the actual population was only 118, and learned that about 40 of the inhabitants of the pueblo had died during the preceding two years. So far as she had learned there had been no epidemic in the village during this time, and its 40 deaths had resulted merely from the fact that "the Indians had not had enough to eat." According to Miss Richards, every child in the pueblo had been found to be suffering from trachoma, and all have been carefully treated for that disease by Miss Richards during the entire school year.

I was informed by the mother superior of St. Catherine's Catholic Mission School, at Sante Fe, where 300 Indian children are being educated, that tuberculosis has been and is a great scourge in all of the pueblos, and that it is especially prevalent, according to her knowledge, in San Ildefonso and Cochiti. This very intelligent woman, who is evidently devoted to her work, said in part:

"Tuberculosis is extremely prevalent in the pueblos, and I have known of a number of deaths from that cause. Recently there was a death in a home at San Ildefonso, from which one of our girls comes. She will go back there soon and live in the same room in which her father lingered for months, probably without any steps having been taken to eradicate the germs of the disease. Probably one-fourth of our pupils were found by Dr. Harrison to be suffering from trachoma."

Last sentence on page 27.

In my opinion conditions among the pueblos have not materially improved during the 12 years I have been cognizant of them.

On page 28.

I was informed by Dr. A. H. Dunn, the Government physician stationed at Jemez, that out of 57 school children examined at Jemez at least 55 were found to have trachoma, and that similar conditions prevailed in the other pueblos. Dr. Dunn stated that he had found many persons who had become blind from trachoma in the pueblos which he

had visited. I am informed by Dr. Dunn, although many Indian deaths are not reported, the reported number of deaths at Jemez per annum during the years 1906–1910, inclusive, was 48 per 1,000, while at Cochiti pueblo it was 52 per 1,000, and at San Domingo was "even higher." It would seem that such an enormous death rate in a region possessing one of the most healthful climates in the world could be greatly reduced by intelligent and humanitarian effort.

On page 30.

THE LIQUOR SITUATION.

I am informed that until within the last year most, if not all, of the pueblos have been fearfully demoralized by drunkenness. Yet in his annual report for 1910 Supt. Crandall says:

"Little or nothing has been done during 1910 to break up the liquor traffic in the pueblos. * * * The pueblos of Taos, Picuris, San Juan, Santa Clara, San Ildefonso, Nambe, and Tesuque are among those under me that are given more or less to drink. No regular arrests have been made outside one, perhaps, at Santa Clara." Supt. Crandall also adds that during the year there were no convictions, no seizures of liquor, and no confiscations.

During the last year a remarkable change has taken place in the attitude of several of the pueblos, notably Santa Clara and San Ildefonso, toward the liquor traffic. As a result of the missionary work done in these two pueblos by Miss True, and by efficient work under her direction and that of Chief Special Officer Johnson in suppressing the sale of liquor to the Indians in the vicinity of these two pueblos, the Indians in these two villages have practically ceased to use intoxicating liquors. I was told by the headmen at Santa Clara that there are now only three men in this village of 300 persons who use liquor at all. Such a striking change within such a short time indicates that the evils resulting from the liquor traffic might have been materially decreased in these villages in former years if vigorous steps toward suppression had been taken by the superintendent.

On page 31.

There seems to be a general complaint upon the part of the pueblos that the superintendent has habitually shown indifference to their complaints in regard to tresspasses upon their lands, and other grievances.

Miss Richards, whom Mr. Crandall told me was a good teacher, is emphatic in declaring that the superintendent has seriously neglected the Indians of the San Ildefonso pueblo.

INDIANS NOT TAUGHT FARMING.

Although these Indians are wholly dependent upon agriculture and stock raising as a means of livelihood, little or nothing has been done or is being done by Supt. Crandall to teach them better farming methods or to aid them in improving their stock.

On page 32.

EFFORTS TO BETTER CONDITIONS SUPPRESSED.

I regret to say that as the result of a careful study of the evidence taken by Assistant Commissioner Abbott last fall, and of my personal investigation, I can not avoid the conviction that Supt. Crandall, because of his arbitrary tendencies and because he disliked to have attention called to unpleasant conditions in the pueblos, has habitually resented the attempts of his subordinates to call bad conditions to his official notice. This unfortunate attitude has caused him to discourage, and where it was possible, to suppress such efforts. This indictment is supported by the fact that Mr. Crandall has antagonized and apparently lost the good opinion of such capable subordinates as Miss True, Miss Dissette, Miss Richards, Miss Ross, and Mr. Dagenette, all persons possessing, I believe, initiative and force of character and actuated by an earnest desire to better conditions among the Indians. In summing up the manner in which Supt. Crandall has performed his duties as superintendent of the pueblos allotted to his care, Mr. W. E. Johnson, who accompanied me during a greater portion of my trip of investigation, said, "Mr. Crandall's management of these pueblos constitutes the worst case of maladministration that I have ever seen in the Indian Service." Permit me to say that, although I am not as familiar as Mr. Johnson with Indian affairs, I emphatically share this opinion.

Mr. Speaker, this is not the first effort to dispense with the services of this commission, composed of 10 persons described in the law creating the commission as men "eminent for their intelligence and philanthropy." Many like efforts have been made to repeal this law. These men, so philanthropic and eminent for their intelligence, have well shown their superior intelligence by always preventing the repeal of the law creating the commission, and thus they have kept their hands in the United States Treasury and extracted therefrom several hundred thousand dollars, thus demonstrating the well-known fact that it is much easier to create than to dissolve a commission.

Mr. Speaker, this commission—created 55 years ago for a temporary purpose only—are so philanthropic and intelligent that no Congress has ever been powerful enough to pry them away from the national pie counter. An unsuccessful effort of this kind was made on March 1, 1882. The House on that day had the Indian appropriation bill under consideration, when the Clerk read the following paragraph (CONGRESSIONAL RECORD, 47th Cong., 1st sess., p. 1531):

For the expenses of the commission of citizens serving without compensation, appointed by the President under the provisions of the fourth section of the act of April 10, 1869, $5,000, to be distributed as follows, namely: For Secretary, $2,000; for clerk, $1,200; for messenger, $600; for office rent, $1,000; and for contingent expenses of office, $200.

Mr. HUTCHINS of New York. I move to strike out that clause. I make this motion for the purpose of obtaining some information from the gentleman who has this bill in charge. The act under which 10 eminent citizens were appointed by the President to see to the distribution of $2,000,000 among the Indians provided the sum of $25,000 to pay the expenses specified in this paragraph. I wish to ask the gentleman who has reported the bill whether that amount of $25,000 has been used and whether this sum of $25,000 is an addition to the sum appropriated by the original act?

Mr. RYAN. I will answer the gentleman by saying that the sum of $25,000 he speaks of was appropriated to defray the expenses of the board at the time the board was created. That was 13 years ago. It was to pay their expenses for the current year for which the appropriation was made; and in every succeeding year since that time an appropriation has been made by Congress to defray the expenses of this board until the last Congress. The last Congress at its last session refused to appropriate anything whatever for the expenses of this board. And I want to state, so far as the history of that is concerned, that the action of this House was intended at the time to abolish the board enirely, but the Senate dissented.

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Mr. HOOKER. I move to strike out the last word. The gentleman from New York [Mr. Hutchins] has anticipated me in making the motion to strike out the clause in the bill to which he refers. The original act was passed in 1869, and I have had occasion in speeches heretofore made in Congress to demonstrate that the purpose and object of the act of 1869 was to create a temporary board, acting in conjunction with the General of the Army. A specific appropriation of a very large amount of money was made, an appropriation of $2,000,000, and the Pesident was authorized to appoint a board of commissioners of eminent citizens, who were to serve without compensation. It was evidently the purpose and object of the act to create this board for a specific purpose, and when that purpose was accomplished the board was then functus officio—had no duties to perform, possesed no powers, and ought not to have been continued beyond the time when the first appropriation was expended.

I send to the Clerk's desk to be read section 4 of the law originally passed by Congress, so that the committee will see from that section precisely what is the character of the board as originally created.

The Clerk read as follows:

"*And be it further enacted*, That there be appropriated the further sum of $2,000,000, or so much thereof as may be necessary, to enable the President to maintain peace among and with the various tribes, bands, and parties of Indians and to promote civilization among said Indians and to bring them, where practicable, on reservations to relieve their necessities and encourage their efforts at self-support, a report of all expenditures under this appropriation to be made in detail to Congress in December next. And for the purpose of enabling the President to execute the powers conferred by this act he is hereby authorized, in his discretion, to organize a board of commissioners, to consist of not more than 10 persons, to be selected by him from men eminent for their intelligence and philanthropy, to serve without pecuniary compensation, who may, under his direction, exercise joint control with the Secretary of the Interior over the disbursement of the appropriation made by this act, or any part thereof that the President may designate. And to pay the necessary expenses, transportation, subsistence, and clerk hire of said commission while actively engaged in said service there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $25,000, or so much thereof as may be necessary."

Mr. HOOKER. It will be seen that this was an act creating a commission to act in conjunction with the Secretary of the Interior for a specific purpose, and it appropriated $25,000 to carry out that purpose. Now, you might as well say that the power would have been continued in the Secretary of the Interior and in this board if no appropriation was made as to say that this board was authorized by law to continue from year to year. A specific amount of $25,000 was appropriated at the time to pay the expenses of the commission, which amount has long since been exhausted. Now, though the purposes for which the act was passed have long since passed away, though the Indians have become peaceful and civilized, comparatively speaking, yet for 13 years there has been an annual appropriation of $10,000 for the support of this peace commission, a commission acting without bond and without any other authority than simply the nomination of the President. It was clothed with authority to act in conjunction with the Secretary of the Interior in simply expending the $2,000,000 which was originally appropriated for the purpose of securing peace among the Indians, and also clothed with authority to expend the $25,000 and no more which was appropriated for their expenses. Yet for 13 years successively this appropriation of $10,000 has been made for the support of this commission. I say that if we have officers of the Government to expend the money appropriated by us, they should be bonded officers, and they should expend it under the sanction of law and the responsibility of their bond. They were appointed to serve without compensation—the $25,000 was simply to pay their expenses—and yet for 13 years we appropriated $10,000 annually to pay the expenses of this commission. That annual appropriation was made without question until two years ago, when we in this House made the first assault on this commission, and showed what an irresponsible body of men it was, unknown to the law, created for a specific purpose, and that purpose having been performed no longer in office. * * * I have but a few more words to say.

As I have said, it will be observed that the law which I have caused to be read by the Clerk created this commission for a specific purpose, and that purpose having been accomplished, this commission or board has had no existence except what it obtained by virtue of its recognition for 13 years by Committees on Appropriations of Congress. It therefore has been kept alive simply by the appropriations which we have made. It will be seen by the very section which I have caused to be read that this commission was directed to make a special report of their action to Congress in the next December, showing clearly that it was the purpose and intent of the legislative mind when that appropriation was passed to make it a temporary board created for a specific purpose. And when that purpose was accomplished the board could no longer have existed without further action by Congress. And for 13 years and more it has been kept in existence by this appropriation. The very clause reported by this appropriation committee demonstrates that if $5,000 will pay their expenses, then for 13 years we have given them $10,000 a year when we should have given them but $5,000. The very same argument which shows the propriety of cutting down the extravagant appropriation heretofore made for traveling expenses, clerk, office rent, etc., of this irresponsible board applies still more strongly in favor of absolutely sweeping the board out of existence.

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Mr. ATKINS. I move to strike out the last word, and I yield to the gentleman from North Carolina, Mr. Scales, so much of my time as he may desire.

Mr. SCALES. I thank the gentleman for his courtesy. I want to give a little history of this matter for the benefit of the House. We attacked this commission about three years ago, and expenses have been coming down by degrees ever since. From $15,000 we have reduced the appropriation to $5,000. They die hard. First this House took action abolishing the board, but when the bill went to the Senate a provision for the continuance of the commission was put on, which came back here and was passed, without the knowledge, without notice, so far as

I am informed, of the change of this House. At the last session we again voted to abolish the commission. The bill went to the Senate, and in conference it was agreed that the commission should be continued without any appropriation whatever. Now, I ask Members of this House, without distinction of party, whether it is necessary to throw away the sum of $5,000, for I grant that if the commission was at all necessary $5,000 would not be too large. But I contend that there is no necessity for the existence of this board, as the experience of 13 years has demonstrated. The Committee on Indian Affairs, after investigation, determined in the Forty-sixth Congress that this commission was unnecessary and wrong and should be abolished, and this House has affirmed the action of the committee, and for three consecutive years past voted to abolish the whole thing. I hope, therefore, the House will complete the work which it has been doing for the last three years, that it will strike down the commission by cutting off the appropriation. Do not put these men as a watch over your officers, as honorable, it may be, as they and much more responsible. To be consistent the House should appoint a similar commission with similar powers to watch over your Post Office Department. Are there not frauds there? Are there not "straw bids and straw bonds there"? Are there not "ring" men who cheat and defraud the Government?

If this commission has done good work, let another be appointed to assist in ferreting out the frauds and robberies practiced on the Post Office Department. But they will do no such thing for this department, nor for the War or Navy Departments; they know it will accomplish nothing. But these wealthy citizens are in; they like the position; they have influence; and an effort is made in every Indian appropriation bill to retain them. But I defy them, as I have heretofore, to point to any work, yea, or even one act, which they have done to justify the continuance of the appointment and appropriation.

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Mr. HOOKER. Section 2041 defines the duties of these commissioners. It says:

"The board of commissioners mentioned in section 2039 shall supervise all expenditures of money appropriated for the benefit of Indians within the limits of the United States and shall inspect all goods purchased for the Indians, in connection with the Commissioner of Indian Affairs, whose duty it shall be to consult the commission in making purchases of such goods."

Now, sir, it is evident that the second of these sections which I have read violates the very principle upon which this board was created. They were to be selected from men of great philanthropy, and I doubt not many of them have been men of great philanthropy. I doubt not a great majority of that board have been such men. But they are but human beings, subject to all the influences, passions, and emotions that sway mankind at large. And would it not be a good thing to appoint another board to watch that board? You might get them better—more philanthropical—you might have a superior race of men to select from. If the principle is a correct one, then you ought to have a board of supervisors to supervise the purchase of Navy supplies, a board of supervisors to supervise the purchase of Army supplies, a board of supervisors over every department of the Government, without bond, without salary, without pay, and without any other responsibility save that which is to be derived from their high character and standing.

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The question being taken on the motion to strike out the paragraph, there were ayes 33, noes 54; so the amendment was not agreed to.

Immigration.

Common sense requires us to keep immigration within strict bounds. We shall lessen immigration, not because we wish to do so, but because we *must* do so in defense of the American standard of living.

EXTENSION OF REMARKS

OF

HON. AUGUSTUS P. GARDNER,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 25, 1914.

Mr. GARDNER. Mr. Speaker, under the permission granted me on February 25, 1914, I present herewith a series of extracts from my remarks made while the immigration bill was under consideration on January 31, February 3, and February 4, 1914.

For the purpose of lucidity, I have slightly changed the text in a few unimportant particulars. I have also inserted additional subheadings wherever they seemed necessary.

The matter referred to is as follows:

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States, and for other purposes.

Mr. GARDNER. * * *

The policy of the American people for the greater part of our history has been to admit every able-bodied immigrant of good character. For a good many years, however, we have recognized the necessity of departing from that policy. Accordingly we have passed a succession of more or less inadequate laws designed to prevent the admission of laborers under contract and to hinder the introduction of immigrants who do not come here of their own initiative. Further than that we have never yet gone; but for many years past an effort has been afoot to secure legislation which will result in a substantial reduction in the volume of our immigration, even if we are obliged to exclude many desirable men and women.

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HISTORY OF THE LITERACY TEST.

The efforts of those who desire this reduction have, for the most part, been centered on the passage of a law which requires an immigrant at least to be able to read in his own tongue. Such a bill has four times passed the Senate and three times passed the House. Twice it has reached the President only to encounter a veto. President Cleveland vetoed the bill in 1897. The House passed it over his veto, but the Senate upheld the President. President Taft vetoed the bill in 1913. This time the Senate passed it over the veto, while the House upheld the President.

THE ISSUE.

We are now once more face to face with the great problem. Let us not attempt to befog the issue by a discussion of details. The real question is this: Has the time come when we ought to restrict immigration for the express purpose of reducing the number of immigrants, good, bad, or indifferent?

If you believe that the country needs and ought to receive every able-bodied man and woman of good character, you will have no hesitation in voting against this bill. If, on the other hand, you believe that we are admitting too many immigrants every year, I shall have no difficulty in persuading you to vote in favor of this bill, even though you may think that some plan for restriction better than the literacy test ought to be devised.

COMMON GROUND.

In order to clear the ground of unnecessary encumbrances, I am willing to concede the truth of statements made on this floor to the effect that the foreigners who came to us between 1820 and 1870 have been successfully assimilated and that the immigration of that period has proved a blessing. I also concede that much of the immigration which comes to us to-day is likely to prove a blessing. I am also prepared to admit it as my belief that there is an annual shortage of labor on farms at certain seasons of the year and an occasional shortage of labor in other industries.

STATISTICAL—WHO WILL BE EXCLUDED?

Before embarking on my argument I invite your attention to a few figures. It appears from the report of the Commissioner of Immigration that 1,427,227 aliens were admitted to this country in the year ending June 30, 1913, and 611,924 aliens departed from this country during the same period, leaving a net increase of over 800,000 in our population.

The report of the Commissioner of Immigration shows that of the aliens over 14 years of age admitted last year, 300,108, or about 24 per cent, were unable to read in any language. The ratio of illiteracy varied from 45 per cent in the case of Lithuanians, down to less than 1 per cent in the case of English, Irish, Scotch, and Scandinavians.

So you see that this bill, if passed, will exclude 45 per cent of the Lithuanians, over 40 per cent of Sicilians, and less than 1 per cent of the English, Irish, Scotch, and Scandinavians.

The report of the Commissioner of Immigration also shows that from September 30, 1819, down to June 30, 1903, a period of nearly 84 years, 21,095,614 immigrants came to this country, whereas during the 10 years from June 30, 1903, to June 30, 1913, no less than 9,713,330 immigrants have arrrived. Think of it! Nearly one-third of all the immigration of the last 100 years has arrived since June 30, 1903.

The Canadian and Mexican figures are necessarily very incomplete. The proposed literacy test would affect Mexicans to a very marked extent. It would scarcely touch immigrants from Canada.

HISTORIC ARGUMENT.

So far as I understand it, the historic argument in favor of unlimited immigration is this: Time has proved that is was a wise policy to admit an unrestricted flow of immigration from foreign lands when this country was unsettled and when we had thousands of square miles of arable land to give away; therefore, it must still be a wise policy to admit an unrestricted flow now that the country is settled and no free available land remains.

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THE DEMAND FOR LABOR.

How about these claims as to the necessity of vast supplies of labor to develop the Nation? To be sure, in times of prosperity we could give employment to hundreds of thousands more Europeans if we could only get them to work cheap enough.

If we were only willing to admit the Chinese, we could employ millions of them building railroads, factories, and all manner of good things. If some one could only import a race which would

work for even less than the Chinese, every cent of capital and credit in the world would be commandeered for the promotion of enterprises on which they would be employed. The demand for their labor would be almost inexhaustible. But how about the rest of the workingmen in the country? Where would they find their jobs? A few of them, of course, would become foremen and shopkeepers, but how about the vast majority?

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DISTRIBUTION.

Every year at certain seasons, when we hear of the demand for farm labor, gentlemen on this floor will pull long faces and solemnly express an opinion that a proper distribution of immigration would solve the problem. I venture to predict that until the employing farmer can offer a steady job to all whom he employs we shall never be free from this cry as to the shortage of farm labor. As to distribution, for eight years we have had a law intended to encourage it. South Carolina has tried it. She imported direct some 700 immigrants. All of them left her. Distribute men to your heart's content. They will not stay distributed. They will go where natural forces draw them.

WHEN TWO MEN ARE LOOKING FOR ONE JOB.

If I were to tell my manufacturing friends in Massachusetts that competition does not lower prices, they would start to discourse on the incapacity of Members of Congress. Yet those very manufacturers will turn around and tell me that immigration has no effect on wages in the textile industries. Perhaps they may be right; but if so, labor is the only commodity in the wide, wide world whose price is not reduced by competition. To be sure, in flush times the effect of immigration may only be to keep wages from rising as fast as they otherwise might. When two jobs are looking for one man no amount of immigration will lower wages; but wait until two men are looking for one job and then see what happens.

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SUMMARY.

To sum it all up, Mr. Chairman, 1,400,000 people came into this country from abroad last year—1,400,000 men and women thrust in a single year into our labor market as present and future competitors.

To be sure, many of them were birds of passage, who competed with our people only for a season. Six hundred thousand aliens returned home, but 800,000 remained as a permanent addition to our population.

They are good men and women, I dare say, but they are used to a poor standard of living. They are willing to accept a poor standard of living. They are willing to go to work for less wages than our own people ought to work for. Do you think that American workmen can raise their standard of living while we are admitting each year over a million competitors to cut it down? If you know anything about workingmen's problems, you must realize that it is hard for them to maintain their present standard of living. Of course it is hard. In the last 10 years we have admitted 10,000,000 people to help keep it down.

Some one has convinced many of our foreign-born voters that they want their cousins to come over here. All right; let the cousins come; but do our foreign-born voters want 1,400,000 cousins every year? Is not 700,000 a year quite enough for us to assimilate and educate up to our standard of living?

You, sir, sitting in the gallery listening to this debate, are earning $12 per week. You would like to get $14 per week. You think that you are worth it, do you not? How do you expect to get $14 a week, if we admit 1,400,000 cousins a year who are willing to take your job at $10 per week?

We legislators are not merciless; we have the deepest sympathy for the alien who has never had the chance to learn to read. We wish him well; nevertheless, we are not sent here to legislate for him, but for our own people.

If an immigrant is afflicted with undeserved disease our pity goes out to him; but we think of our own people for whose health we are responsible, and sadly we close the gates.

Likewise if an immigrant is poor and ignorant and desires to better his condition our pity goes out to him as well and to the extreme limit of safety we welcome him; but when the poor and the ignorant come to us in such numbers that their poverty and their ignorance become a menace to the welfare of our own people, then we conceive it to be our duty to stem the tide. The hour has now arrived not to close the gates but to narrow the passage and control the flood.

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WHAT THIS LITERACY TEST IS.

Mr. Chairman, just what is this literacy test for immigrants? It provides that any immigrant over 16 years old must be able to read a little in his or her own language. Even to this mild restriction there are generous exceptions. Families are not to be broken up. If only one of them can read, he or she can bring in pretty much all the rest of the household, except grown-up sons. If a reading test had been in force last year for aliens over 14 years of age, some 300,000 of those aliens who came in here would have been excluded. That is a pretty big slice to exclude, I think. Of course the steamship companies would probably have brought quite a number of other immigrants in place of those excluded. That would have lessened the dimensions of the slice, to be sure. On the other hand, many an immigrant untruthfully told the inspector that he was able to read, and no one was able to show up his ignorance. Unfortunately, no provision exists in our laws for verifying the truth of an immigrant's assertion as to his reading capacity. If the literacy test reduces immigration by 300,000 per annum, that is the most which can be expected of it.

No man in his senses would claim that the literacy test is an ideal contrivance for sifting immigration. Everyone knows that such a provision of law will admit many a bad man and will exclude many an honest one. The real question is whether the literacy test will exclude more that are undesirable and less that are desirable than will other suggested methods of restriction.

WHY THE LITERACY TEST WAS PROPOSED.

A dozen years ago every restrictionist favored a different method of restriction, and every pretended restrictionist stoutly asserted his abiding belief in some method or other of restriction which stood no chance of adoption. Gradually the restrictionists in the House and in the Senate came to see that the literacy test could command the greatest amount of support. Meanwhile the labor organizations came to the same conclusion. Along in 1907 the Immigration Commission was appointed, nine experts in all. At first Prof. Jenks, of Cornell, and Dr. Neill, of the United States Bureau of Labor, both members of the commission, were doubtful about the literacy test. Finally, after two years of study eight out of the nine commissioners joined in recommending the literacy test as the most important step to be taken. That it is perfect no one will contend, but surely we must all admit that 300,000 aliens who can read would probably make better citizens than the 300,000 illiterate aliens whom we admitted last year. To hold otherwise is to indict our common-school system. However, the commission recommended the literacy test, not as a selective measure but as a means of curtailing the congested oversupply of unskilled labor. The superiority of the individual immigrant under this system was regarded as a fortunte incidental advantage.

For many years I have listened to the argument that the anarchist and the gunman and the procurer can read, while many a horny-handed honest laborer does not possess that accomplishment. I freely admit the fact. It is also true that honest men can be found in gambling houses and that thieves can be found in church. Yet for all that I should not recommend the passage of any legislation based on the supposition that the frequenters of gambling houses are more desirable citizens than are the churchgoers.

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BIGOTRY.

"Bigotry is at the bottom of this demand for the restriction of immigration," says some one. Bigotry, forsooth! Was it bigotry which impelled the legislatures of 17 States to petition for the literacy test? Was it bigotry which guided the footsteps of Samuel Gompers to our committee room, when he came to plead for this law? Was it bigotry which caused the American Federation of Labor time and again to call upon Congress to enact this very same measure which we are now considering? Is there bigotry in the heart of Edward Dwyer, of Brooklyn, N. Y., secretary of the Irish-American Societies? Have you all forgotten his open letter to William Sulzer, praying for support for this same measure?

Call us all bigots if you so desire. Let our motives be as contemptible as you choose. Our motives, good or bad, can not add one jot to the argument against this legislation nor detract one tittle from the arguments in its favor.

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A "YANKEE" CONSTITUENCY.

The gentleman on my right has spoken jauntily to the effect that it is easy enough for me to support this bill because, as he puts it, I represent a Yankee constituency. A Yankee constituency I surely represent, but not in the sense in which he uses the word "Yankee." I believe it to be the fact that less than half the voters of my district are of English or Scotch descent. More than half, I suppose, are either Irish or French Canadians by descent, but we are all so mixed up together that it is pretty hard to tell the difference except by our names. We do not

have much of this race or religious prejudice business down our way.

Of course the Irish and the French Canadians would not be affected to any extent by this literacy test. All Irish and Canadian children are taught to read nowadays, and the old people would be admitted anyway, whether they could read or not, provided that any of their family could read.

It is different with the Jews, however, and there are a good many Jews in my district. About one Jew in five who comes to this country is unable to read, so this restriction strikes home in Jewish circles. There is no denying the fact that this legislation would exclude a good many pretty wholesome Jews who might desire to come over here. On the other hand, it would protect many an equally wholesome American Jew against an overstocked labor market.

All honor to the Jew who desires that his brother in Russia should share in the liberty and prosperity of the United States. All honor to the Italian who is willing to risk an oversupply of the labor which is his only capital if he may but share his opportunities with his own race. Such men as these may be prejudiced; they may be unjust to us who disagree with them; but at least they are unselfish. The seekers after cheap labor are indeed fortunate to have such allies.

The Late Representative Roddenbery, of Georgia.

MEMORIAL ADDRESS

OF

HON. J. THOMAS HEFLIN,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Sunday, February 8, 1914,

On House resolution 407, paying tribute to the memory of Hon. S. A. RODDENBERY, late a Representative from the State of Georgia.

Mr. HEFLIN. Mr. Speaker, again the flag above the House of Representatives hangs at half-mast and another Member of this body has answered his last roll call.

Judge RODDENBERY has answered the summons that awaits us all. In the midst of life we are in death. His service here was brief, but he crowded into that brief service industry and ability of a high order and served his people faithfully and well. He was enthusiastic and thorough in whatever he undertook to do. He was an untiring worker, and I fear that he overtaxed his strength. He was an able lawyer and one of the best parliamentarians in the House. He was a splendid debater and a conscientious, fearless, and faithful representative of the people.

The House mourns his loss and deeply sympathizes with his good wife and children and the people that he represented so ably and loved so well.

Fisheries in International Waters between United States and the Dominion of Canada.

EXTENSION OF REMARKS

OF

HON. CYRUS CLINE,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, March 2, 1914,

On the bill (H. R. 13005) to give effect to the provisions of a treaty between the United States and Great Britain concerning the fisheries in waters contiguous to the United States and the Dominion of Canada, signed at Washington on April 1, 1908, and ratified by the United States Senate April 13, 1908.

Mr. CLINE. Mr. Speaker, I am in favor of the passage of this bill for several reasons. First, it is the evidence of that good faith that ought always to be kept with reference to our treaty relationship with other powers. This treaty was ratified by the United States April 13, 1908, and particularly provided that there should be a commission appointed that should draft regulations for the purpose of protecting food fishes in the waters contiguous to the United States and Canada.

There was a provision in that treaty providing that immediately upon the ratification of the treaty the two Governments would perfect the commission provided for in the treaty, and that thereupon the commission should proceed to establish regulations that should provide a uniform system of international regulation for the protection and preservation of the food fishes in the waters prescribed in article 4 of the convention. It is further provided that these regulations should be approved by the two Governments. Immediately upon the publication of the treaty the regulations set out in the bill were formulated and were approved by the Canadian Government. Nothing up to this time has been done by the United States to carry into effect the treaty. Canada threatens that unless the United States proceeds in good faith to carry out the agreement in the treaty that it will rescind its indorsement of the regulations and proceed to withdraw from the treaty. This will leave the fisheries in international waters without any regulation whatever. They will be left wholly to the mercy of men who care nothing about protecting this article of food; and the labor of formulating a new treaty with consequent new regulations will have to be gone over again, during which time the international waters will be largely depleted of the various fish products that the States bordering upon these waters, as well as the Federal Government, seek to protect. The necessity for protecting the fish products is shown by the fact that the five or six Commonwealths of the United States bordering upon these waters have passed the most stringent legislation for the protection of food fishes. Another significant fact is established in that this bill has the indorsement of fish and game wardens of all of these States, as well as that of the Federal fish commissioner.

It has been asserted by gentlemen who are opposed to this bill that it is unfair to the United States and was written in favor of Canadian interests. Not a single point was made by any of the objectors to this bill to illustrate that it was unfair to the United States, and no specific objection was pointed out. It has been said that the small fisherman engaged in the business along the south shore of Lake Erie would be driven out of business. How that result would be accomplished is not apparent. That the bill has the general indorsement of the patriotic fisherman engaged in the business is shown in the hearings by the testimony of Dr. Smith, the Commissioner of Fisheries, representing the United States on the commission. I quote from the hearings, page 9, as follows:

Mr. HARRISON. Now, these regulations, attached to this bill, would be really a part of the law if passed—are they along the same lines with respect to the tentative understanding between the various States and those Provinces in Canada, or is there much difference between these rules and the regulations that the States have tried to put in force?

Dr. SMITH. The laws of the different States were adopted by the internal commissioners, and are incorporated in this section. There is no radical departure from existing legislation on behalf of the States. In some cases the States were unable to act, but as far as they do these regulations have really been strongly indorsed by the States. I have letters from the proper officials of all the boundary States, with perhaps one exception, strongly advocating this bill or a similar bill that will give effect to the treaty

Mr. HARRISON. Is there much opposition from parties fishing in these waters to this legislation?

Dr. SMITH. No more than there would be on the part of interests affected by legislation generally. There is always some opposition on the part of the fishermen to any kind of legislation, but I am not advised that it is particularly strong in these waters.

Mr. HARRISON. Are some of the fishermen in favor of the legislation?

Dr. SMITH. I think that the vast majority of independent fishermen, who have large interests at stake, would like to see something of this kind done.

It is a matter of common knowledge that there is a class of fishermen who object to any regulation whatever and who have fought every attempt of the States bordering upon international waters to restrict their depredations upon the fisheries that belong to these countries. A free and unrestrained hand to loot the waters of the fish products they contain is what a certain class of fishermen denominate as their rights that ought not to be interfered with. The very fact that some of the most valuable food fishes have been *depleted* 80 per cent of their volume, and which fact is not disputed by the opponents of the bill, is a sufficient reason why some restriction should be laid down. The men who are fighting this regulation are the men who employ the most effective devices—those that will come the nearest in the shortest possible time of exterminating the fish resources. It has been said that the fishermen along the southern shore of Lake Erie are so well acquainted with the habits of certain species of fish like the black bass, the sturgeon, whitefish, and lake trout that they constantly watch these respective species as the spawning time arrives, invade the spawning grounds, and take every possible fish within the limit of the law, regardless of the effect such taking will have upon the future quantity of the specie. As I said before, they use the most scientifically constructed nets and traps, so that it is practically impossible for a school of fish to escape these marauders of international waters. And this is the class of fishermen that makes it necessary restrictive legislation.

This bill ought to pass, because it would be at least a belated exhibition of our intention to keep good faith with other governments in our agreements and treaty relationships entered into with them.

Speech of Gov. Hatfield, Delivered at Charleston, W. Va., February 25, 1914.

EXTENSION OF REMARKS

OF

HON. JAMES A. HUGHES,

OF WEST VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 3, 1914.

Mr. HUGHES of West Virginia. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include an address by Gov. Hatfield delivered at Charleston on Wednesday, February 25, 1914.

The address is as follows:

PARTY HARMONY INSISTED UPON BY GOV. HATFIELD—POWERFUL APPEAL DELIVERED AT REPUBLICAN COMMITTEE MEETING—SAYS PLEDGES MADE MUST BE FULFILLED—NEEDS OF THE STATE AND METHODS FOR PROVIDING THEM FULLY DISCUSSED BY THE CHIEF EXECUTIVE—SOME PARTY HISTORY AND PARTY PROMISES RECALLED.

In addressing the meeting of the Republican State committee at Charleston on Wednesday, Gov. Hatfield said, in part:

"Mr. Chairman, gentlemen of the State committee, and fellow citizens, I thank you for the privilege of speaking to you on this occasion. I am glad to see so many present, representing every section of the State. Your presence will prove an inspiration to the committee to go ahead in the important work before us in the campaign now upon us. You gentlemen of the committee were chosen in a primary election, the first ever held in the State for the purpose. This is an added reason why it is your duty, as I doubt not it is your pleasure, faithfully to represent and carry out the sentiment of the majority. Political party committeemen, like all public officers, are the servants of the people who chose them.

"A fundamental, vital need is more revenue. Our State institutions are stinted for lack of funds, while the profit arising from the exploitation of our natural wealth is making thousands rich.

"We need much more money for the public institutions we already have, and funds to build and equip several we need, must have, but have not. And good roads—where are the counties and the State to obtain the great sums of money so much needed for this great development? No one can compute the almost infinite benefit that would accrue from a network of improved highways covering every county of the Commonwealth. But we must first have the money, for good roads can not be built for nothing. There are many other objects for which we need more money that I have not time to mention. To make this situation stand out more gravely before us, we have to take into consideration that the State's present revenue will be decreased by more than $600,000 when the prohibition law goes into effect next July."

Referring to the need for additional revenues for State purposes, the governor said:

"A fair tax on production of our natural resources and on royalties received from such production would yield us a handsome sum. I know of hundreds of thousands of dollars in coal, oil, and gas royalties going out of the State, the lands producing which were purchased in some instances at 25 and 50 cents per acre, and even less, as forfeited and unappropriated lands. The recipients of these royalties pay no taxes to our State, but live in other States and other nations and care nothing for our future. Hundreds of thousands of acres that have been acquired in the same way, still undeveloped, are held by large corporations of other States, from which this State is receiving only a paltry tax consideration yearly. The holdings of these corporations that were purchased a few years ago for a mere song have multiplied and are multiplying in value. A very large portion of these great natural products as they are being developed are transported in their raw condition without our State. Indeed, very few industries of the finished-product class are located within our borders.

"If our forefathers had not given away for a mere song this great natural wealth, placed here by the Creator for the benefit of all, we could do as Minnesota is now doing—run our free schools on the income from coal, oil, and gas lands that the State practically gave away. Had the State retained these valuable lands, they could have been leased and the immense income therefrom would go far to supply present needs and provide for the future generations.

"While we can not undo what has been done, we can do something along the lines I have indicated. If we do not, coming generations, when these vast resources shall have been exhausted and there is left only the empty shell, will rightfully blame us for such a course of folly. We were the legal heirs of this heritage, to be handed down by us in turn to our posterity. I want to say to you, and through you to send a message back to the people of the State, that this is the beginning of the battle for the fair rights of the people in this regard—a battle we shall carry on with malice toward none, but with justice and a square deal for all. We purpose to be just to the owners of this vast natural wealth, and we purpose that they shall be just to the State.

"I believe the great majority of Republicans in our State are in favor of the true progressive policies, and not only in this State, but in the Nation as well. I believe we can accomplish those great objects sooner through the Republican Party than any other way. Especially do I believe this to be true in West Virginia. When my party refuses to stand for these great principles, then will I fail to stand with it—then, and not until then. I do not believe that the Republican Party has outlived its usefulness. Ever since its birth it has been the progressive party of the country. Its deeds and achievements are illustrious.

"Some of the Progressive leaders in this State are most intemperate in denunciation of the Republican Party, a party to which they belonged all their lives until a few short months ago. Why this passion and hate? We can not escape the conviction that they come—perhaps unconsciously in some cases—from personal enmity, envy, unsuccessful ambition, or the like. They say that if we want progress we must adopt their name and march under their banner.

"The national committee has gone to the very limit of its power and authority to change and reform the regulations of our party respecting the constituting of our national conventions. It proposes to cut down the representation from the Southern States more than 80 votes. Had this been done previous to 1912, we would to-day have a Republican national administration and West Virginia would have had its choice for President. It is worthy of note that this basis of representation, which it is now proposed to change radically, has existed since 1860, when Abraham Lincoln was nominated for President. Notwithstanding the fact that persistent efforts have been made since 1880, at least, to cut down the representation from Southern States, and the fact that the committee on basis of representation in the national convention of 1884 made a report in favor of it, which report was favored in committee and concurred in by the member of the committee from West Virginia, nothing has been done. This unjust basis continued under Garfield, Harrison, Blaine, McKinley, and Roosevelt. Upon this basis each of these great leaders received his nomination for President.

"Other reforms proposed by the national committee is to put it in the power of every State to elect their delegates to national conventions in any fair way they please, especially by primary election. The committee has divested itself of the power that is inherent in every committee that calls a convention, of making up a temporary roll of the delegates, and proposes that each State shall decide all of its own contests, this to be done, of course, by law. Many States already have presidential preference primaries. It is believed that practically all the remaining States, especially Republican States, will, before 1916, enact such laws. Certainly West Virginia will do so. I feel sure she will if our Progressive brethren will join with us in electing a legislature.

"I am ready to do service in helping to eliminate those who have crept into our party and who have abused their position for selfish motives and have hindered the progress of our party and catered to bossism and domination rule. I am opposed to such tactics, and stand ready to help eliminate the arbitrary class which has heretofore directed in part the administration of our party. I am quite sure that a majority of the voters can be depended upon to do this at all times. There is no reason why we should transfer our banner to some other party because we have had a few self-constituted bosses. It seems to me to be the patriotic duty of our party to eliminate those who stand for a rule by the minority. Very few, indeed, you will find of this class occupying positions of trust and confidence in the Republican Party to-day, for the reason that the people are strong enough to eliminate all who may be found unworthy, and it will be accomplished long before the convention of the party in 1916. Was this not effectually impressed in the last campaign? Has this fact not been admitted by the national committee in their unprecedented revolutionary actions in the meeting at Washington in December, 1913?

"Let us consider for a moment what has been done since 1912 in fulfilling the pledges we made to the people in the Huntington platform.

"The 'blue-sky' law was enacted, a distinctly progressive measure, preventing our people from being plundered by 'get-rich-quick' concerns and other like dishonest practices. It is being vigorously enforced.

"A legislative referendum bureau has been established, and we have a man at its helm who is second to none in ability.

"The workmen's compensation law, another progressive measure, just in its provisions, is a success. With a few amendments, one of which will be to make this department self-supporting, it will be almost perfect in its operation. Basing my statement upon the recorded facts, I can assure you that there is no question as to its success. The comfort it will bring to the home of the unfortunate family that may be deprived by fate of him who is its sole support can not be told in cold words.

"The public-service commission law has brought a new era to our citizens. The broad and liberal construction given to this statute by our supreme court, I am sure, has met with the hearty approval and commendation of the citizens of the State. This construction of the supreme court guarantees the power of regulation of rates and adjustment of schedules of all public-service corporations, including those which supply water, light, and heat to the homes of the people, which will eliminate unjust burdens and bring about conditions of equity and fairness—a relief long looked for by the great masses of the people.

"The gas corporations of our State have in the past submitted to no regulation. The people were at their mercy. But the dawn of better days is at hand. The citizen is now assured that regulation of gas companies will be forthcoming, and that while they will be permitted an equitable and fair rate upon their investment, unjust charges and extortion will not be permitted.

"The hydroelectric law was passed in the nick of time by the last session of the legislature. The repeal of the power of eminent domain by water companies places our great wealth of water power in a condition to be protected, so it can not be bartered away and gobbled up by a few, as has been the case with our other natural resources.

"The State is abreast with other States in moral trend and civic righteousness. The prohibition law is left to us for execution, and I assure you it will be an extreme pleasure for me to see the will of the people carried out with all the power at my command. I have the assurance of the support of the people, and when I feel that I am doing their bidding I accept the task regardless of its strenuosities. I am eager to go forward with this work. The time is rapidly approaching when the people will rise up in their might and eliminate this evil which is destroying more human lives, directly and indirectly, than all other causes combined.

"There remains much to be done; many promises we made to the people are yet unfulfilled. Most earnestly and sincerely do I want to see every one of these pledges fulfilled, not only in the letter, but in the spirit of them. I made my campaign upon the platform containing these pledges. I now appeal to the people and shall appeal to them in the campaign now opening up to aid me in carrying out the program we entered upon in 1912 as contained in the Huntington platform of May 16, and also in the Charleston platform of July 30. There is, indeed, but little difference between the two. I can see no reason why any Progressive or Republican should not stand faithfully by me in the purpose of accomplishing the pledges that we made to the people.

"I appeal to my Progressive Party brethren that if they are sincere in the claim they make, they join with the State administration and those who are in sympathy with these reforms, and let us march forward for the realization of these great purposes, to which they helped to commit us in the last campaign. This campaign must go forward. If we lose, it shall not be my fault. I propose to do my whole duty. Never were we in better condition to fulfill the promises made to the people if we stand united. Why should we falter? We started out in 1912 at Huntington undivided and with a common program to which we are all committed. The work is unfinished, but it ought to be and must be accomplished. If there exists divisions nationally, still our pledges abide; these divisions do not release us from the obligations we took upon ourselves. United for the purpose, we can fulfill our pledges. Why should we divide? There is no issue between us. We can accomplish the enactment of these pledges by continuing united, but should we be divided, our chances will be meager—in fact, hopeless. If this division results in our defeat, which will result in a victory for the Democratic Party, where will the blame lie? I am determined it shall not lie with me."

Not One Good Argument in Favor of War with Mexico.

EXTENSION OF REMARKS

OF

HON. ARTHUR B. ROUSE,

OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 3, 1914.

Mr. ROUSE. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include an editorial from the Kentucky Post, Covington, February 27, 1914.

The editorial is as follows:

NOT ONE GOOD ARGUMENT IN FAVOR OF WAR WITH MEXICO.

Without having any inside information as to his state of mind, but judging solely by his public statements and acts, President Wilson is not going to send the United States Army into Mexico unless he is forced to do so by an irresistible public sentiment.

As a Nation we have absolutely nothing to gain by war with Mexico.

As individuals we have nothing to gain by war with Mexico, excepting those few of us who have invested some of our millions in Mexican mines or railways.

As a Nation and as individuals we have everything to lose by a war with Mexico.

The cost to us in lives and money of such a war is beyond computation.

We have every confidence in the intention and ability of President Wilson to keep the United States Army on this side of the border where it belongs.

The great danger in the situation is that the men whose financial interests will be served by a war with Mexico will take advantage of some untoward event, such as the killing of Americans or other foreigners in Mexico, to create a war sentiment in this country which even so strong a man as President Wilson will not be able to resist.

As we view the Mexican situation, we can scarcely conceive of anything happening on the other side of the border that would justify the sacrifice of the lives of thousands of Americans that would inevitably result from sending the United States Army into Mexico.

That the Mexican situation is fraught with grave danger to this country must be admitted by every man who analyzes it even superficially.

The situation calls for cool-headedness on the part of every loyal American from the President down.

Let us all keep cool and not lose sight of this vital fact: A Mexican war will mean thousands upon thousands of dead and crippled Americans; thousands upon thousands of broken-hearted American women; thousands upon thousands of fatherless American children; hundreds of millions of dollars added to the tax burden, every dollar of which must finally be paid by the working people of this country.

We are about due for some eagle-screaming speeches in Congress by men who will be in their clubs when the fighting is being done.

Let us not be carried away by any of that sort of "argument."

Safety Appliances for Railroads.

EXTENSION OF REMARKS

OF

HON. S. HUBERT DENT, JR.,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, February 28, 1914.

Mr. DENT. Mr. Speaker, I ask the indulgence of the House for a few minutes to submit some remarks upon the subject of safety devices as applied to railroad transportation. The subject is becoming more and more important because of the large number of recent frightful railroad wrecks throughout the country.

I submit a table from the reports of the Interstate Commerce Commission showing the number of accidents, the number of people killed, the number of people injured, and the damage to road and equipment and the cost of clearing the wrecks from

the year 1902 to the year 1913, both years inclusive. This table is as follows:

Year.	Number of accidents.	Killed.	Injured.	Damage to road and equipment and cost of clearing wrecks.
1902	2,156	45	1,110	$1,739,005
1903	2,662	72	1,233	2,139,043
1904	3,163	93	1,346	2,565,930
1905	3,612	90	2,244	3,446,053
1906	4,098	80	2,410	3,144,209
1907	4,706	117	2,909	3,745,142
1908	4,211	82	2,392	3,262,619
1909	3,342	52	1,791	2,577,735
1910	3,855	82	1,967	3,139,309
1911	4,049	121	2,249	3,386,534
1912	5,724	170	3,963	4,706,493
1913	6,325	119	3,475	5,004,966
Total	47,903	1,123	27,089	38,857,038

Mr. James T. Andrew, of Montgomery, Ala., claims to have invented a device which will either entirely prevent or greatly minimize accidents due to derailments. His invention has been patented according to law. This device may be described in the language of the inventor as follows:

A train of the standard railroad at present has nothing to protect it from serious results when a derailment takes place. Derailments are very frequent for the reason that too much dependence is put upon the little flange of 1 inch on the inside of each regular wheel to hold the rolling stock on the rail. If a flange of a wheel should break, that pair of wheels would leave the rails and there is nothing to prevent their going onto the crossties, and, as these crossties are usually very rough, the bumping of the wheels on them usually places the trucks crossways of the track. Of course the momentum of the train tears the trucks from the center plate fastenings of the car, or the wheels which are off the track run off of the crossties entirely and the cars are turned over. Therefore anyone can see the need for supplying a method of preventing disastrous results from derailments. To do so this appliance supplies extra or auxiliary wheels on the inside and outside of the regular wheels to take the place of the regular wheels when they become derailed and prevent them from getting onto the crossties and sluing the trucks. In other words, the purpose of the appliance is to hold the train to the rails upright on the track as safely and securely as when it was rolling along on its regular wheels before a derailment took place. Every pair of regular wheels fitted with this appliance has an inner pair of auxiliary wheels securely fastened to them and to the axles. Under each journal box on the outside of each pair of regular wheels there is also a small wheel. Each auxiliary wheel has a face of 10 inches. The regular wheel has a rail face of only 6 inches. Therefore a pair of wheels equipped with this appliance has a face of 26 inches instead of 6, as is now the case. It is a physical impossibility, when a derailment occurs, for the car to jump to one side or the other far enough for one of these auxiliary wheels to fail to catch the rail, and as the appliance automatically applies the air to the brakes of the whole train it is gradually brought to a stop upright on the rails with none of the wheels down on the crossties. Every auxiliary wheel takes the place of its regular wheel on the rail, and they support the weight of the cars and engine. On the occurrence of a derailment the inner auxiliary wheel takes one rail and the outer (the one under the journal box) takes the other. The auxiliary wheels under the journal box, upon contact with the rails, rise up half an inch and open air valves which apply the air brakes automatically to the entire train. This appliance will entirely prevent derailments which are caused by the following seven kinds of accidents: Broken axles, broken journals, loose wheels, dropping brake shoes, dropping brake beams, broken arch bars or equalizers, and broken center bolster rigging. It will protect the train against the harmful results of the following nine kinds of accidents: Broken flanges, crushed wheels, broken rails, spread tracks, broken frogs, bad road crossings, bad alignment of track due to expansion and contraction of the rails, broken switches, and low joints or bad fishplate connections. In addition to the auxiliary wheels, this appliance supplies auxiliary axles which encircle the regular axles and prevent them from flapping about when they break. There are also auxiliary equalizer beams and a base-uniting beam which passes directly under the brake riggings from one side of the truck to the other, preventing any part of the brake equipment from dropping down in front of the regular wheels which often causes derailments. This base or uniting beam not only prevents harmful results from dropping brake rigging, but it unites the base of the trucks and prevents loose wheels and broken axles from causing trouble by holding the back of the journal box against the face of the wheel and preventing a spread of wheels.

I have introduced two bills—H. R. 4929 and H. R. 4930—one providing for the adoption of the Andrew safety appliance, in so many words, and the other providing for the adoption of a device that will accomplish the results claimed for the Andrew safety appliance.

It is objected to the bill which names the Andrew Safety Appliance that it seeks to create a monopoly. The Constitution itself gives monopolies to inventors, and is, therefore, one of the exceptions in the law in this regard. But aside from this, the companion bill is equally satisfactory, in that it will ultimately compel the railroads to put on the appliance in accord with the claims presented by the patentee and owners of the patent. This bill is drafted in line with the Ash-pan Act, approved May 30, 1908, the Sill-step, Hand-brake, and Grab-iron Act, approved April 14, 1910, and the Automatic Coupler Act, approved March 2, 1903.

The material difference between the bills introduced upon this subject and the bills referred to is that, in the beginning, it is proposed to give the railroads the right to charge an additional compensation when this device is adopted.

In the year ended June 30, 1911, according to the Statistics of Railways in the United States, published by the Interstate Commerce Commission, the passenger traffic in the United States amounted to 33,201,694,699 passengers carried for 1 mile, and the average rate charged was $0.01974. The following table shows what revenue was earned by this passenger traffic and the increment which would be earned if the rate were increased by 2½ per cent, 5 per cent, and 10 per cent, respectively:

33,201,694,699 passenger miles, at $0.01974	$655,401,453.36
Increase in earning if rate is increased by 2½ per cent	16,385,036.33
Same if rate is increased by 5 per cent	32,770,072.66
Same if rate is increased by 10 per cent	65,540,145.32

According to the same publication, there were at that time in the United States 14,301 locomotives and 49,818 cars engaged in passenger traffic. Mr. Andrew gives the cost of his safety appliance as $200 for cars and $500 for locomotives.

14,301 locomotives, at $500	$7,150,500
49,818 cars, at $200	9,973,600
Total	17,124,100

The bill provides for an increase of 10 per cent of the present rate of railroad fares, but this is merely tentative, and a comparison of the two foregoing tables, showing how much the 10 per cent increase would earn for the railroads and how much it would cost them to equip their rolling stock with the Andrew safety appliance, serves to show that 10 per cent is entirely too much. In fact, it is doubtful if any increase should be allowed in view of the great saving this appliance will give to the railroads on account of damage suits for personal injuries and loss of property.

I have submitted these facts because I have personally observed the operation of this appliance in a number of tests made to the committee of Congress in charge of this measure and to a board of experts selected by the Interstate Commerce Commission, and have seen its successful operation. I am not an expert mechanic, but "seeing is believing."

In view of the loss of life and destruction of property from accidents due to defective equipment, both in the trains and the roadways of the country, and in view of the liberal provisions of the bill, I know of no reason why Congress should not compel the railroads to adopt this device, as they have in many other instances, several of which I have referred to above.

If the committee in charge of the bill objects to it because it would grant a monopoly, I have only to answer that the Constitution itself does this in favor of those whose brains have worked out some useful invention for the sake of humanity and the betterment of mankind. But, in addition, I may say that the Ash-pan Act and others referred to, while not specifically naming the inventions, gave to those who owned the devices monopolies, because, in fact, the inventions had no competition. Such the hearings show to be the situation of the Andrew Appliance.

Centennial Celebration of Union Chapter, No. 7, Royal Arch Masons.

EXTENSION OF REMARKS

OF

HON. EDWARD W. TOWNSEND,

OF NEW JERSEY,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 5, 1914.

Mr. TOWNSEND. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include a historical address on New Jersey, which I, a guest, delivered at a banquet in Newark, N. J., held as the centennial celebration of Union Chapter, No. 7, Royal Arch Masons.

The address is as follows:

SOME HIGH PLACES IN NEW JERSEY HISTORY.

In 1676 Gawen Lawrie, a London merchant, who had settled in Elizabethtown in 1674, and Nicholas Lucas, a maltster, of Hertford, England, and William Penn, wrote to their Quaker brethren in England a joint letter, known to historians as the Penn, Lawrie, and Lucas epistle. This epistle was designed to set the real facts concerning New Jersey before the Quakers of England, and it is interesting to note that the distinguished authors of the epistle, after quaintly saying:

That there is such a Province as New Jersey is certain—

Added this early testimony to the excellence of our State:

That it is reputed of those who have lived and have traveled in that country to be wholesome of air and fruitful of soil, and capable of sea trade, is also certain; and it is not right in thee to despise or dispraise it, or dissuade those that find freedom from the Lord, and necessity, put them on going.

This quaintly worded testimony to the excellence of our State, written only 12 years after James, the Duke of York, received the grant of New Jersey from his brother, Charles II, could be repeated with good taste to-day as a rebuke to those who have thought it right to despise or dispraise New Jersey.

In rummaging through old historical data of New Jersey, one with a taste for that sort of work finds it difficult to make rapid progress. Constantly you come upon interesting early evidence of certain characteristics of the State observed by writers as long as 250 years ago which a present-day writer would be likely to make note of. An unknown author published in London in 1681 a paper relating to New Jersey, which he called "The Present State," and, speaking of the farmers, he says:

The increase of their corn being considerably greater than in England, of which they make good bread; and brew good beer and ale for their use.

I am informed by those competent to testify that even unto this day there is excellent beer and ale brewed in New Jersey for the use of those who care for those beverages.

The same historian finds that provisions are plentiful:

As fish, fowl, deer, pork, beef; and many sorts of fruits, as grapes, peaches, apricots, cherries, and apples of which good cider is made.

Two and a half centuries nearly have passed, and yet even unto this day New Jersey is noted for the apples from which good cider is made, and another beverage distilled from cider, variously known as "applejack" or "Jersey lightning."

NEW JERSEY'S AID TO GEN. WASHINGTON.

It has often seemed to me that the sufferings and sacrifices of the people of New Jersey during the Revolutionary War have been but slightly dwelt upon. This may be because other States have supplied more historians to tell of the sacrifices their people made. It seemed to me well, in browsing through odds and ends of historical writings, to extract a few sentences to show under what sufferings New Jersey soldiers remained loyal to the cause of Washington. I read in a little publication issued by one of the State's historical clubs, relating to Washington's retreat from Howe across our State, that—

Hessians and Tories were let loose under orders from Gen. Howe, who directed that all salted and meat provisions which may be judged to exceed a quantity necessary for the subsistence of an ordinary family is but considered a magazine of the enemy and seized for the King.

The farmers throughout the whole section of the country were compelled to deliver over their stores into the hands of the British. Buildings were plundered and frequently fired; barns were torn down to supply timber, and some of the most wanton cruelties were inflicted. In New Brunswick the British troops burned the Presbyterian church.

These outrages, you will bear in mind, were committed on the persons and properties of noncombatants, but they had the material effect of making combatants of many of those who suffered. Maj. Stockton, an ancestor of the present distinguished family of that name in this State, organized a force consisting in part of these outraged farmers, attacked a British fortified post under circumstances which read more like one of Kipling's accounts of some daredevil charge than the story of a midnight performance by New Jersey farmers. History tells us that on that occasion one British captain, several subordinate officers, and 55 privates were taken prisoners and a quantity of munitions of war were captured. It is pleasant to read that Gen. Washington issued an order highly complimenting the commanding officer of this affair and "the secrecy with which he had executed this most successful expedition."

It is worth while just here to note that such successful expeditions as I have briefly referred to delayed the British general, Howe, and gave Washington his opportunity to recruit his forces and plan his future movements. One historian remarks:

The mighty train of Revolutionary events rolled on to its end. The battles of Trenton, Princeton, and Monmouth have taken their place in the history of the greatest revolution of modern times. The events which took place in and about New Brunswick contributed in no small degree to the independence of the United States.

Had Washington failed in New Jersey, there would never probably have been a surrender at Yorktown. It was within a radius of 30 miles of the district I represent that American independence was won. It should not be forgotten that the losses to New Jersey, in proportion to her population and wealth, were greater, probably, than to any other member of the Confederacy. It was within her borders that Washington encountered his greatest distresses and difficulties. It was here that the patriots fought half starved and almost naked, that the light of freedom should shine for their posterity.

OATH OF NEW JERSEY PATRIOTS.

There is nothing theatrical, nothing sensational, in the mere expression of patriotism, perhaps; and yet, to my mind, such expressions may be made under circumstances which entitle those who make them to be mentioned, even if one is talking about the high spots of history. I have referred briefly to the way the farmers in the northern part of our State harassed Howe's army and delayed it when Washington was making his retreat toward the Delaware. The farmers and others of the southern part were no less sturdily patriotic. I was pleased when I came across, in some historical collections of our State, to find that just when things looked darkest in the Revolutionary period, in 1778, before the Battle of Monmouth, a time and place when to deny allegiance to the King was almost equivalent to signing one's own death warrant, 85 citizens of Cape May County, in order that all men might know where they stood and what their sympathies were, gathered together, and each signed this brief but splendid oath:

I do sincerely profess and swear I do not hold myself bound by allegiance to the King of Great Britain, so help me God. I do sincerely profess and swear that I do and will bear true faith and allegiance to the government established in this State under the authority of the people, so help me God.

This oath, it was a little personal pleasure to me to find, was signed by three men named Townsend; and I hope that my further investigations may show that they not only took that excellent oath, but that they then took down their muskets and joined Washington when he returned into our State to fight the Battle of Monmouth.

CAPT. MOLLY PITCHER.

No sketch of the history of New Jersey, even so slight a one as this, would be complete without a reference to Molly Pitcher. Certainly that hearty woman is one of the most picturesque figures of all of the picturesque persons of the Revolution, and, unlike most heroines, the exact truth as to what she did in the Battle of Monmouth Courthouse, although somewhat different from the earlier stories, does not in any way distract from the glory which is Molly's. She seemed to have loved the military from the first, because she had married when quite young an artilleryman named John Hayes. He gave up his life for his country, and then Molly became the wife of Sergt. George McCaulley, of the Artillery. You recall that on the day of the Monmouth battle the heat was almost unbearable and the artillerymen, especially, suffered from the heat; and so Molly, according to the old stories, brought her husband's battery water from a well or spring. And, indeed, to-day a mile west of Freehold there is, or not long ago was, a signboard with these printed words thereon, "Molly Pitcher's well."

As a matter of fact, the fearless woman carried water from Wenrock Brook, which flowed then as it flows to-day, at the base of Combs Hill. She supplied the men serving her husband's command with water until her husband, Sergt. McCaulley, fell, whereupon Molly ceased to fetch water, and took her husband's place and continued to do his work in serving that cannon throughout the remainder of the battle. Washington never did give her a commission as a lieutenant, as is sometimes asserted, but he personally complimented her for her bravery and, as Molly, when she was presented to Washington, wore a military coat, it is quite probable that Gen. Washington called her "Captain," and so she was known until the day of her death.

NEW JERSEY'S GREAT CONSTITUTIONALIST.

Following independence came the work of providing a suitable instrument for the government of the independent colonies. Washington presided over that great Constitutional Convention in Philadelphia in 1787, and one of the ablest members there was a delegate from New Jersey—William Paterson. It is not State pride which makes me declare that Paterson was one of the ablest members of the Constitutional Convention. President George Washington, who had unequaled opportunity to study him in the convention, afterwards appointed Paterson an Associate Justice of the Supreme Court of the United States, and in making the appointment wrote to Paterson a letter of peculiarly high praise, a letter which I have seen but which, in my recent hurried search, I could not find. William Paterson was not a native Jerseyman, for, according to W. J. Mills, the editor of Paterson's papers, Paterson was born in County Antrim, Ireland, in 1745. According to other authorities he was born at sea, while his parents were voyaging to this country. He was a Jerseyman in all other respects but birth; he was graduated from Princeton College, was a member of the colonial legislative council, was our attorney general, our delegate to the

Continental Congress, and, as I have said, one of our delegates to the National Constitutional Convention. He was a Senator from New Jersey, was our governor, and finally was New Jersey's representative upon the bench of the Supreme Court of the United States, appointed by Washington in 1793, and serving on the Supreme Court until he died in 1806.

Students of the Constitution will recall that in the Constitutional Convention Paterson proposed a form of government which has become famous in constitutional history as the New Jersey plan. I assume that you are all familiar enough with that to make it unnecessary for me to describe it, but I can not refrain recalling to you that Paterson's plan provided for a Supreme Court to be elected by Congress, not to be appointed by the President. This is too delicate a subject for a politician to touch upon; perhaps, nevertheless if that part of Paterson's plan had been adopted it may be fair to assume that we would not have had to wait so many years before Congress succeeded in framing a law to tax incomes, which would be found constitutional by the Supreme Court.

PRINCETON'S PATRIOTISM.

There is something very emphatic in much that can be found of utterances of New Jersey patriots during the Revolutionary War and the critical times which preceded it. One of the early presidents of Princeton College, John Witherspoon, held that office during the revolutionary period. It is almost inevitable, in reading of Witherspoon, to compare him with a later president of Princeton, for we find that Witherspoon was more than a teacher. "He was," writes Dr. Lyman Powell, "a practical statesman. He seems to have brooded more on the rights of man than on human depravity, more on law than on theology." In the convention which framed the constitution of New Jersey he amazed the other delegates by his knowledge of administration, and led in their constructive labors; he assisted in the overthrow of William Franklin, the royal governor, was elected to the Continental Congress, and in the critical hour spurred all the lagging Members who hesitated to take the fatal step of authorizing their President and Secretary to sign and issue the Declaration of Independence. Upon that occasion, with solemn emphasis, he declared:

> For my own part, of property I have some, of reputation more. That reputation is staked, that property is pledged on the issue of this contract; and although these gray hairs must soon descend into the sepulcher, I would infinitely rather that they descend thither by the band of the executioner than desert at this crisis the sacred cause of my country.

With such a President, is it not to be wondered at that Princeton College was aflame with the fires of patriotism? It must be remembered that the Tory influences, both in New York and in Philadelphia, affected New Jersey and undoubtedly kept many of the prominent families from espousing the cause of the patriots. This sort of influence, one would suppose, would keep Princetonians not only out of Washington's army, but out of the service of the new Government of patriots. Such was not the fact. Besides the great number of Princetonians who fought for independence there were many who devoted their services to the cause along civil lines. In the 10 years from 1766 to 1776 Princeton College graduated 12 who sat in the Continental Congress, 6 who sat in the Constitutional Convention, 1 President of the United States, 1 Vice President, 24 Members of Congress, 3 judges of the Supreme Court, 1 Secretary of State, 1 Postmaster General, 3 Attorneys General, and 2 foreign ministers. I do not recite this as a tribute to Princeton, but rather to show what all the influences in New Jersey produced. Our State has lacked poets and historians to do justice to all her services to our country when services were most needed, and it seems to me that the mere recital of the occupations preferred by the men who were in Princeton during that decade is evidence that the controlling passion in this State at that time was one of intense and deep patriotism, and in spite of strong Tory influences.

NEW JERSEY'S SOLDIERS.

In the War with Mexico, New Jersey wrote brilliant pages in her history, and names which are familiar to every Jerseyman appear in that chapter. Gen. Stephen Watts Kearny, who had served in the War of 1812, in our War with Mexico established civil government in Santa Fe, and fought the Battle of San Pasqual; and the manner in which he fought that battle made him a major general. In 1847 Gen. Kearny was appointed governor of California. Commodore Robert F. Stockton, of that Jersey family some members of which have been prominent in every war and almost every battle in American history, joined with Gen. Frémont in the conquest of California. It was Stockton who captured Los Angeles and organized a government there.

This is not the occasion to tell the splendid story of New Jersey in the Civil War. It is well, however, to recall that, in response to a call for three-months volunteers, the New Jersey brigade which was mustered into the service in response to that call was the first brigade to reach Washington, and that when, a year later, Lincoln called on New Jersey for three regiments, enlisted for three years, New Jersey's governor promptly responded, "The regiments are ready and awaiting orders." The total call upon New Jesey for troops during the Civil War was 78,248, and she responded with 88,305. Just this word as to the reputation Jerseymen made when they were called upon to fight. When Gen. Phil Kearny was intrusted with a particularly desperate enterprise he asked that he might select the men who were to follow him, and when his superior officer asked what troops he wanted, Kearny responded, "Give me Jerseymen; they never flinch." Our war governor was Joel Parker. During the Confederate invasion of Pennsylvania, Gov. Parker sent several regiments there, and for his promptness and vigor in thus aiding the administration he was warmly thanked by President Lincoln.

CAUSE FOR STATE PRIDE.

In this little sketch I have sought, by selecting a variety of historical incidents, to emphasize the fact that at all times New Jersey has been prompt to furnish loyal men, willing to fight and to die for their State; that at all times New Jersey has been able to supply for the Nation great statesmen and great jurists; that at all times New Jersey has had in the country's battle fields brilliant and dashing officers to command men who never flinched. If by directing your attention to these facts I shall have aroused a little more State pride, I will have accomplished what is close to my heart. A proper kind and degree of pride is good in a whole people as it is in an individual. It has sometimes seemed to me that, with all our just cause for pride in our State, we have not always felt the degree of it which we should. Possibly too many of us in north Jersey divide our State feeling with New York; too many in south Jersey divide our State feeling with Pennsylvania. I wish that we all knew more about, felt more, and cared more than perhaps some of us do for our own State, because New Jersey is worthy of the affection, the pride, and loyalty of any man; because having that affection and pride and loyalty she would respond to it with greater and more splendid progress in the future—yes, even with more of that splendid progress which has so notably marked her in the past.

Sensational Indictment of Mexican Policy.

EXTENSION OF REMARKS

OF

HON. W. D. B. AINEY,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 5, 1914.

Mr. AINEY. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include an article written for the Public Ledger by Cassius E. Gillette, former major of Engineers, United States Army, and at present largely interested in Mexico.

The article is as follows:

SENSATIONAL INDICTMENT OF MEXICAN POLICY—MAJ. GILLETTE SEES IN "WATCHFUL-WAITING" POLICY OF THE ADMINISTRATION A SCHEME TO FORCE HUERTA INTO INITIATIVE TO CREATE "WAR PRESIDENT" OF UNITED STATES—EFFORT TO OVERCOME THE PARTY PLEDGE AGAINST A SECOND TERM FOUND IN ATTITUDE TOWARD LATIN REPUBLIC—"TO SAVE HIS FACE" IS REGARDED AS AN IMPOSSIBLE EXPLANATION OF TACTICS SO FAR PURSUED—PART PLAYED BY THE OIL INTERESTS—SPECIFICATIONS PRESENTED WHICH FORM A VERY STARTLING CULMINATION OF CURIOUS ACTIONS.

[Written for the Public Ledger by Cassius E. Gillette, former major of Engineers, United States Army, and at present largely interested in Mexico.]

For almost a year the world has wondered what President Wilson's policy toward Mexico really was.

At first, owing to the skillful press-agent work of Sherburn G. Hopkins, carried on almost under the shadow of the White House, the world assumed it was simply a high-minded resolve not to recognize a man who had achieved the Presidency of a Latin-American Republic by assassinating his predecessor.

Later, when Europe generally recognized Gen. Huerta and the truth began to permeate that he was neither a traitor, assassin, nor usurper, directly or indirectly, and the awful aspects of what nonrecognition by the United States under the

Monroe doctrine extended really meant to Mexico, being partially appreciated, people attributed adherence to his remarkable attitude to a somewhat enlarged determination or obstinacy.

Nonrecognition prevented Mexico from borrowing money, while savages like Villa, who do not need to borrow money, since they loot, rob, and extort ransoms like other bandits the world over, gradually destroyed the country.

Then, the mysteries of real diplomacy and the natural desire of public men and editors to uphold the hands of the President, together with the deference almost necessary in connection with still undistributed patronage, gave an apparent public sanction to a policy still unknown.

Then the newspaper men, at least, came to the conclusion he had no policy at all, and never had had one, his unswerving determination to "oust Huerta" being due merely to a desire to appear infallible and "save his face." But that theory is untenable. It does not fit the character of the man. No human being with believable instincts possibly could contemplate the suffering and destruction of property with the determination with which President Wilson has watched the results of his keeping the civilized faction from borrowing the money absolutely necessary to protect civilization from savagery merely to "save his face."

The President even has reversed himself in Mexico. The recent recognition of Peru and Haiti are a complete reversal of all his avowed reasons for refusing to recognize Mexico. So that will not account for his unyielding obstinacy in Mexico.

PREELECTION AGREEMENT.

The following sequence of events may suggest the true reason:

When Mr. Bryan became convinced at Baltimore that he could not be nominated this time, he forced the nomination of Wilson, previously "tying his feet" with the provision committing the party to a single term. No President who has fought a war during his first term has ever been refused a second, and, if he were a peace lover like McKinley, it did not take much of a war. There was nothing in sight that would give the necessary wave of popularity to overcome this plank in the Baltimore platform, except to be "unwillingly" forced into intervention.

To encourage the "patriots," while the good press-agent work of Hopkins, counsel for the Maderistas and the Waters-Pierce Oil Co., keeps the American people in the preposterous belief that those bandits, essentially Geronimo's Apache band over again, were patterned after our revolutionary sires; to nag Huerta until some overt act like the sinking of the *Maine* should inflame the American people so much that even a real lover of peace could not stop them, just as they overrode McKinley; these were natural methods. Then another quick, sharp war and an overwhelming election to a second term.

THE PRESIDENT'S ACTS.

The following is a list of the striking things Mr. Wilson has done to Mexico. Every one of them fits the above explanation and they fit no other:

First. Prompt refusal to recognize Huerta. This occurred only three days after the inauguration. It had been determined upon. Mr. Wilson's closest adviser right along has been Mr. Cleveland H. Dodge, the largest contributor to his campaign fund and a director in the National City Bank, a Standard Oil institution. Mr. Hopkins, counsel for H. Clay Pierce, wanted recognition refused.

Everyone who knows anything about Mexico realizes that had Huerta been recognized promptly, and thereby been permitted to borrow money, all this carnage, destruction, and outrage would have been avoided.

Incidentally, Huerta seems stronger to-day than before. American injustice has united the civilized elements with him.

Second. President Wilson paid no attention to information and warnings on the subject. I myself wrote him the true situation in March and warned him that unless he recognized Huerta he would soon have to give up the Monroe doctrine or start an unjust, expensive, and bloody war.

I repeated this in a long letter from Mexico in August, giving him the facts of my fresh observations. Doubtless hundreds of others did the same thing. He refused to discuss Mexico even with Congressmen of his own party, for which he must have had some secret personal reason.

RECOGNITION REFUSED.

Third. He was really the State Department "when foreign affairs were concerned." Whatever Mr. Bryan did or refused to do was presumably in compliance with Mr. Wilson's wishes. In March I spent more than two hours with Mr. Bryan, explaining to him that the real trouble in Mexico was due to the fact that the peons owned no land; that this was due wholly to the fact that only lands actually cultivated were taxed; that even Diaz had not felt able to tackle this problem, since the congressmen were the landowners; that only an outside power could correct this; and suggested that he here had an opportunity to do more for real democracy than he ever had done or ever could do by sending John Lind down there to promise recognition provided the leaders would promise to put a graduated tax on uncultivated land, that in, say, 10 years would be large enough to force its cultivation or sale. His answer was we could not have "conditional recognition." Now we see John Lind down there peddling "conditional recognition" and offering assistance to get loans as a bonus, but under impossible conditions. The four Wilson requirements which John Lind demanded of Huerta were as preposterous as if he had asked him to jump over the moon. Yet to Americans, unfamiliar with the real conditions and misled by the oil press agent, they seemed quite reasonable and on the lines of true democracy.

John Lind could not be sent down there to lay the ground for a future democracy, but could be commissioned to nag Huerta into doing something to justify intervention.

GOADING HUERTA.

Fourth. The systematic efforts to irritate Gen. Huerta are remarkable.

The secret sending of William Bayard Hale, formerly a clergyman, is a case in point. This man did many things to irritate Mexico, coming as a secret sort of an ambassador, using the embassy code, and officially intruding in many disagreeable ways.

Then went John Lind, bearing impossible requirements; a Scandinavian from the far North, speaking no Spanish, and with a point of view as far as possible removed from that of the Latin races, and therefore slow to realize and sympathize with the difficulties of governing turbulent Mexico; a man too old to go to see the horrors of Durango, Torreon, or Chihuahua, and at the mercy of local American influences in Mexico City—and there are many there who, for personal reasons, want intervention, while rumors and lies there are as thick as dust in a March wind.

Although Mexico City is as safe as Philadelphia, and with a delightful climate the year round, he keeps John Lind sweltering in the discomforts of the hamlet of Vera Cruz under the guns of our warships, as though in fear of his life—irritating to Mexico and misleading to the rest of the world.

In this work of "super irritation" the President is most ably assisted by Mr. Hopkins, the oil press agent, who, by telegrams and misleading views given out by the "junta" from his office, does everything possible to irritate Gen. Huerta, especially by misleading the American people.

Pages of this could be given, but not one misleading statement from this source has been corrected by Mr. Wilson or his State Department, so far as I can find; and, although Mr. Hopkins's work is notorious and calculated above all things to bring on intervention, not once has he been rebuked or even mentioned. If the President did not really want intervention, would he not do something to inform the people about this?

THE WARNING TO AMERICANS.

Fifth. Last August he ordered all Americans posthaste out of Mexico, furnishing them with cattle-boat passage or a second-class ticket on the regular lines. This precipitate action has never been explained. Is not the desire to make a lot of ruined Americans demand intervention the best reason in sight?

Sixth. He has made strenuous personal efforts to prevent the established Government getting loans. He lifted the embargo on arms to be "fair to the constitutionalists." Why did he not then be fair to the civilized side by stating that he would do nothing subsequently to interfere *with the* payment of loans made to the Mexican Government? The constitutionalists do not borrow. They steal. To bolster up the weaker side and weaken the stronger paves the way to intervention.

He personally directed the Postmaster General to press Mexico for a settlement of about $1,000,000 difference in the postal matters. To weaken the stronger side?

Seventh. Henry Lane Wilson won the admiration of everybody by the masterly way he handled the situation during the time Madero and Huerta were fighting Felix Diaz last February. Yet the President dismissed Mr. Wilson in disgrace because his recommendations were not in accord with "the policy" (sic) of the administration. Had these recommendations been followed, intervention would have been impossible. Was not that the real clash of policies?

Eighth. Professing a horror of war, he has maintained near the border a large army, only one-third of it used to maintain the embargo on arms. The remainder is at Texas City ready for emergencies. Does "watchful waiting" mean waiting for some one to "sink the Maine"? Does the maintenance of 14 warships on the Mexican coast look like preparation for war?

They were kept there under courtesy of Mexico until October 1. Now "wearing out their welcome" seems another intentional irritant—a chip on the shoulder.

Ninth. For 48 hours after the capture of Victoria, a city of 15,000 people, Mr. Wilson "viewed the situation with complacency." The facts have never come out, but beyond doubt the savages were allowed the regular 24 hours of "liberty" immediately after the capture. This "liberty" means license to loot and rob, and there is no reasonable doubt that during those 48 hours of complacency not less than 1,000 young girls and women suffered. The known proportions at Durango would make it more than this. Could any human being stand for this merely to "save his face"? No; it must be a profoundly important reason, like a second term of the "New Freedom."

SUGGESTIONS REPELLED.

Tenth. Last August, about the time Carranza probably died and his unknown brother was slipped into his place for press-agent purposes, the junta in Washington was much discouraged and ready to quit. An American acting for them sent a letter to the President that if he would send John Lind to Carranza and ask him in the name of the United States to lay down his arms, he would do so. All he wanted was to save his face.

This letter was ignored totally, and some weeks later, when the writer of it informed the President in writing that he could suggest a feasible plan to promptly end all the bloodshed (it was by getting Porfirio Diaz to return), he was sent, by direction of the President, to see Secretary Bryan on the subject. Bryan grossly insulted him while his guest in the State Department carriage before he had his plan half stated. The President, although promptly informed of the matter, did nothing to relieve himself of the charge of sending a gentleman to be insulted by his Secretary of State. This was not merely to "save his face."

UNJUST STRICTURES ON HUERTA.

Eleventh. He deliberately has misled the American people in his official messages. He has called Huerta a "usurper," which he is not, and President Wilson must know he is not. He said in December, "There is no government in Mexico"—carefully weighed words. Yet at that time all the functions of government were going on normally over two-thirds of the area and five-sixths of the population of Mexico. The courts were in session, the Congress was in session, every executive function was normal. In Mexico City, Guadalajara, Morelia, Puebla, Guanajuato, Oaxaca, San Luis Potosi, Tampico, Pachuca, Manzanillo, and Merida, large and important cities, all was peace and quiet, and also in the rich and populous States in which they are located, barring a few stray bandits, lesser lights than Mr. Zapata, who is frequently "storming the gates of Mexico City" in the Hopkins type of news, just as he has been storming them every few months, during Madero's régime and all, ever since Madero started him on the warpath. The storming consists in sneaking out of the surrounding mountains 25 to 40 miles from the city, murdering a few peons and robbing a few henroosts, and then sneaking back to his mountain hiding place.

Mr. Wilson must know these things. Can any other reason be advanced for his bold statement that "there is no government in Mexico" except to lay the foundation for a future unwilling intervention?

EMBARGO ON ARMS.

Twelfth. The embargo on arms was never really effective, and Gen. Bliss so stated in his annual report last July. It could with ease have been made perfect. Why was it not done?

Lifting it only made it easier for the bandits to get arms, and made it possible to get cannon, against which the embargo had been effective.

The embargo prevented the 2,000 Federals cooped up in Ojinaga, whence they had come from Chihuahua, to save the women from Villa's "patriots." A nation can not very well smuggle arms like "patriots" of the Villa stripe do. Had the embargo been lifted a little sooner they could have gotten plenty of ammunition and held their ground. Now, we have an official boarding house for 5,000 of them, including the fugitive women and children.

So long as arms were only smuggled no claim could be urged against the United States for damages done with those arms to Mexican citizens and others. Now, the case is exactly parallel with the Alabama claims our people collected from England. Can we be consistent and not pay such claims? In international law the legality of Huerta's becoming President cuts no figure. England might have asserted Lincoln was not legally elected, as a great many of the States did not vote, but such a proposition was never even suggested. A pretty bill we will have to pay. Why was this cruel and expensive move made except to make intervention necessary?

Thirteenth. Chargé d'Affaires O'Shaughnessy was required to hold President Huerta responsible for newspaper criticism of President Wilson. What does President Wilson do to stop the atrocious lying about President Huerta that the press agent works into our papers? But the action is calculated to irritate Huerta.

INQUIRY SUGGESTED.

Fourteenth. A congressional investigation into Mexican affairs on the ground would have cleared the matter up long ago. It has been proposed several times. Somebody smothers it. The President never has lifted a finger to further it. Why not, if he felt he was right?

Fifteenth. He has worked, tooth and nail, to undermine Huerta by saying that he was "crumbling"; that the "end was coming"; that his real condition would "presently be revealed." This was last August. The "revelation" has not arrived yet, but it has helped to prevent Mexico from borrowing money so that "intervention presently will be revealed."

Sixteenth. Propositions for Pan American good offices to settle the trouble have never been favored by Mr. Wilson. They would be futile, in fact, but not if the situation were in line with his actions and speeches. Why has he not furthered it?

THE BENTON CASE.

Seventeenth. He has done many things to keep England from intervening. There would be no glory in that for the New Freedom. Sir William Tyrrel assented to his request to "let him handle it," but said England will look to the United States, not to Mexico, for every dollar of damage and every English life lost."

That is what is bothering now in the Benton case. Hopkins, naturally, does not want the succession to go to Villa. He is impossible and his oil sentiments are unknown. Carranza (real or "ringer") is more civilized, more possible, and more tractable. Since he sent many Hopkins-like telegrams from Nogales, when he actually was 600 miles from that point and 200 miles from a telegraph office, he easily sent the other day a message revealing a knowledge of diplomacy and international law possessed only by specialists. It takes an unwonted time to get his as yet unreceived reply to Bryan's response—probably has to import it from Washington.

Eighteenth. The Panama Canal was built large at enormous cost to develop our West and our East by reducing the freight rates between. To put a toll on our coastwise trade is precisely equal to the abandonment of a part of the canal or a part of its value. Even self-stultification cuts no figure. England must go into Mexico only through President Wilson.

DEBTS AND CLAIMS.

Nineteenth. The floundering for a reason for not recognizing Huerta has taken some curious slides. At first it was pure altruism; peaceful change of Governments. Two lives had been lost. Balance them with the thousands lost since, the hundreds of millions of bridges, public buildings, and other property destroyed, and the real beauty of this altruism appears.

A few months later Senator SWANSON, of Virginia, a member of the Senate Committee on Foreign Affairs and close to the late chairman of that committee, about the only man with whom the President appears to have consulted with on Mexico, told me, "The reason we won't recognize Huerta is because he has incurred debts, and recognition would put those debts ahead of our claims."

Shades of dollar diplomacy! Can that be a real reason? Some reason was necessary or intervention would not follow.

Later, in the beautiful Mobile speech, the reason had taken another plunge downward. It was concessions, and oil concessions at that. Is there enough oil this side of the South Pole to justify the destruction of a nation that our oil kings may get it?

But it served as an excuse for nonrecognition.

BENTON AND VERGARA.

Twentieth. The State Department has maintained a most remarkable silence on things Mexican. I believe they have records of about 135 Americans being killed since American money helped Madero to "break out"—all killed by bandits who are trying to destroy Mexico, not by Mexico. If those are "let out" suddenly and attributed to "Mexico" after some Constitutionalists posing as "Federals" shall have "sunk the Maine," it would make intervention certain and a scholarly but unwilling "war hero" would be born and maybe reelected.

Note the difference between the energy of the administration to-day in the Benton and Vergara cases. "General" Villa, the leader Mr. Wilson is supporting, undoubtedly foully murdered this well-known, prominent Englishman. The administration has piffled over the matter until decomposition has destroyed the evidence. On the other hand, Clemente Vergara,

good old Yankee name, an American citizen whose picture does not look like it, is alleged to have been decoyed across the river by some horsethieves, who posed as Federals, and "maybe" killed him. Gen. Huerta is 1,200 miles away and can not exercise jurisdiction because we permitted a "revolution" against his country by a man who said he got his money from Standard Oil, and because we are helping bandits to destroy his jurisdiction. Yet far more diplomatic energy has been spent to make Gen. Huerta account for that farce than was put on Benton's real case right under our noses, while all the other Americans that Villa seems to have murdered in the last month are almost in "innocuous desuetude."

Have you not noticed that every time Villa does something unspeakable the press agent "coppers it" with something similar on Huerta? When Villa thoughtlessly murdered every prisoner he captured in Juarez, that just as soon as there was time to concoct the scheme a written order was found in the same vicinity purporting to be an old order of Huerta to do the same thing? Gen. Huerta is a soldier and a gentleman, trained at the West Point of Mexico. If he were brute enough to order such a thing, do you think he would be fool enough to put it in writing? Verily we are easily fooled. But do you think the President was fooled? With his sources of information he ought not to be; but such things help to bring on intervention.

AFTER HUERTA, WHAT?

Twenty-first. The very plans or lack of plans to answer the question, "After Huerta, what?" are illuminating. President Wilson's only expressed plan is a "hope"—and a futile, queer hope at that. He said at Mobile some months ago, speaking of Gen. Huerta:

> By a little every day his power and prestige are crumbling, and the collapse is not far away. We shall not, I believe, be obliged to alter our policy of watchful waiting; and then, when the time comes, we shall hope to see constitutional order restored in distressed Mexico by the concert and energy of such of her leaders as prefer the liberty of their people to their own ambitions.

This "crumbling," mind you, was to be done by the atrocious Villa. How many leaders of concert and energy, think you, would Villa leave to displace him in power? The only "concert" possible would be the low bass rumble of revolvers fired into the stomachs of those energetic leaders, like poor Benton, but the only music about it would be to ears waiting to intervene, since armed force alone could then have any influence in that distracted land.

Even to-day the President is "making it very plain" that drastic measures may soon be necessary. Has not enough appeared to justify the belief that if Huerta personally, instead of Villa, had shot into Benton's stomach, drastic measures would have been taken already?

Gen. Huerta is carefully guarding the American Club in Mexico City. He will not let fakers "sink the Maine" there. But the possibilities are potential; and I earnestly entreat the American people and our representatives in Congress to take no action on anything that may be charged to the "Federals" in Mexico without the most calm and searching investigation.

The *Maine* was blown up from the outside, but no sane person now believes Spain had anything to do with it.

Agricultural Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. WILLIAM P. BORLAND,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 5, 1914,

On the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. BORLAND. Mr. Speaker, since it has been published that I have introduced a resolution in Congress demanding a full and fair investigation of the charges of Representative SHACKLEFORD that money is being raised and a lobby maintained to subsidize the press and influence Senators and Members of Congress in opposition to the road bill I have been requested by various parties interested to see that they were given a hearing. This is a very proper and honest request, and I am very glad to aid in giving a square deal to any man or organization affected. Those who come forward promptly and join in the demand for an investigation give evidence of their good faith and prevent what should be a great beneficial movement in favor of good roads from degenerating into a mere personal or political squabble. Let us try to clear away this smoke of battle and see whether there is not, after all, only a mere difference of opinion as to methods.

Among others I have received a letter from Hon. John A. Wilson, president of the American Automobile Association. Mr. Wilson is a brother of President Woodrow Wilson. My acquaintance with him is slight, as I am not now and never have been a member of the American Automobile Association or any other similar association. However, I have no hesitation in complying with the courteous request of Mr. Wilson to permit him to state his side of the case:

MARCH 3, 1914.

Hon. WILLIAM P. BORLAND,
House of Representatives, Washington, D. C.

MY DEAR SIR: As the head of a nation-wide body of road users, speaking in organized form for a million and a quarter motor-car owners, my attention has been called to the extraordinary attack on the American Automobile Association recently made in the House of Representatives by the chairman of the Committee on Roads. In noting that you propose a committee of inquiry in connection with Mr. SHACKLEFORD's statements and allegations, I am prompted to ask your assistance in answering at once the insinuations and other misinformation contained in the address of the Missouri Member. This matter would have received prompter attention on the part of myself and fellow officers if a prolonged business trip had not kept me away from the American Automobile Association's Washington headquarters.

The quite general editorial criticism that spontaneously came forth against the so-called Shackleford bill unquestionably was prompted almost entirely by the inclusion in it, in an optional form, of the untenable Shackleford roads rental plan. Mr. SHACKLEFORD overcomplimented us when he charged that the American Automobile Association was responsible for the protest that arose in every section of the country. The press has made and undoubtedly will continue to make sufficient reply to the amusing insinuations relating thereto.

It is my belief that many who voted for the committee's compromise bill did so because of the feeling that section 4, referring to "roads rental" would be eliminated by the Senate, and that there would also be a "tightening up" of section 3, whereby cooperation between the highway department of a State and the Secretary of Agriculture would guarantee a positive and economical progress in improvement.

In every important road convention in which the American Automobile Association has been concerned in the past three years we have never failed to give Mr. SHACKLEFORD an opportunity of putting forward what he considers the correct plan for national good-roads legislation, for while we have disagreed with him there has been no objection on our part to a thorough consideration of the subject from every angle. Since there are a great many people even in Missouri who disagree with Mr. SHACKLEFORD'S ideas, it would appear that the motorists of the country in an organized form have a similar right to express themselves and contend for that which they believe will best meet the needs of the situation.

It is the evident desire of Mr. SHACKLEFORD to make it appear that we have used our organized strength in an antagonistic attitude toward Members of Congress who do not agree with us in roads legislation. Outside of the trouble which Mr. SHACKLEFORD is having in his own State, we are not aware of any similar condition of affairs elsewhere in the country, in so far as it relates to a Member of Congress.

In an association which has over 500 local and State organized units it is neither possible nor desirable that the parent body should intrude itself into the affairs of a district club. If the majority of the people in any civil subdivision are not in accord with the procedure of their Representative, it is fair to assume that they have a right to convey to him their wishes. If he does not see fit to regard these wishes, the matter is one which concerns the voters and the one elected to office. If a Member of Congress from Missouri has a difference of opinion with the citizens of that State over a matter which concerns the Commonwealth as a whole—and assuredly that is the case in the roads question—it is inevitable that the two parties will settle their own argument either before or on election day. Apparently Mr. SHACKLEFORD is serving his own district to its satisfaction, though some sections of his State may not look upon his congressional services as being such as one should expect from a national Representative.

If President H. D Train, of the Kansas City club, saw fit to contend that a Congressman from Missouri should not be returned because of his attitude on Federal roads aid, that matter would be one to be passed upon by the Missouri club. Certainly the national body had no participation in the premises except that the Missouri club was, like some 500 other clubs, a member of the American Automobile Association, and as such followed out the policies laid down by the association as expressed in annual meeting or through the work of the several national boards, one of which has a distinctive good-roads function.

It is undoubtedly true that Mr. Train exaggerated the efforts of the American Automobile Association in what happened to the Shackleford measure of 1912 when it reached the Senate as a "rider" on the Post Office appropriation bill, and at that time glaringly stood forth unclad and unashamed as a "pork barrel" roads rental plan. True it was that the American Automobile Association clubs wrote to Senators in protest against such a ridiculous Federal form in which to hope for roads betterment. One only has to read the speeches in the Senate to realize the extent of the feeling at the time against roads rental. Senator JOHN SHARP WILLIAMS quite adequately sized up the matter, and this extract from his address is typical of what others said. Thus did the Senator from Mississippi contend:

> "I believe that the Government of the United States ought to devote its surplus revenues to road building. I am opposed to the provisions in the House bill because they are at once dribbling and driveling, and until something substantial can be done I am in favor of the Government not attempting to do anything.
>
> "You must make one road good, then you must make another good, and then a third, and then a fourth. There must be some scheme whereby that could be done with fairness to the States and the several sections of the country"

A previous American Automobile Association president, Robert P. Hooper, was urged by Mr. SHACKLEFORD to get the automobilists to support the rental plan, which its author insisted would be signed by President Taft, as he could not avoid so doing if it passed the Senate in the form of a "rider." It is worthy of note to remember that at an automobile club dinner in New York City Mr. Taft had not hesitated to say that the Federal authority existed to engage in roads building, but he put forth a plea not to do so, for the Government could not afford to enter into such an undertaking at that time.

HEADQUARTERS IN NATIONAL CAPITAL.

With need for national cooperation in most things, every national organization has to have headquarters in some city, and not a few bodies have naturally selected the Capital of the country for clearing-house offices. The American Automobile Association certainly has a similar right. Furthermore, it is reasonable to deduct that as a national association of road users we should present the views of our membership in the now important matter of highways when the subject is approached from the standpoint of participation by the National Government. We need offer no apology for our headquarters in Washington, nor for the work of our duly appointed officers in the proper accomplishment of securing those things which are desired by our membership.

Neither highways nor railroads end at State lines. Railroads are now under the supervision of the Interstate Commerce Commission. We can not conceive any inconsistency in the American Automobile Association seeking the free use of the roads in the several States, and surely the proper place to strive for this result is the seat of the National Government. A decade hence road travel will have multiplied many fold because of the transportation required in the interchange of commodities between city and country and for travel facilities generally. The subject is of such incalculable importance to the welfare of the entire country that the political expedient of hindering its development by the petty distribution of Federal funds is a kind of statesmanship that is slowly but surely passing.

AMERICAN AUTOMOBILE ASSOCIATION KIND OF "LOBBYING."

If in the campaign of education which we have carried on all over the country, in seeking both big and little roads, in contending through our State associations and local clubs for State highway departments and positive attention to county and township roads; if in the vast quantity of publicity that has gone to the hundreds of daily and farm papers throughout the country putting forth the logic of effective and economical roads construction and maintenance; if our interrelated work of this character can be designated as "lobbying," then we stand willingly convicted. And we only hope that as a result we shall be compelled, with thousands of others, to travel over miles of highways connecting community and country, towns and cities, and the States of our great country.

It will be our pleasure to have the opportunity to appear before any committee of inquiry the House may name, for it will make it possible for us to demonstrate our great interest in this great subject, which we approach from the standpoint of any good citizen. Furthermore, it will give an opportunity for the American Automobile Association to completely refute the oft-repeated and untruthful assertion that the association is for special-built highways, which it wants in advance of everything else and to the sacrifice of the other roads that must be included in a comprehensive system.

METHOD OF APPROACH ONLY DIFFERENCE OF OPINION.

Difference of opinion in the roads question now is simply from the method of approach. All are agreed that a comprehensive plan necessarily must embrace, in so far as it is possible to do so, both the big roads and the little roads which connect even the back-roads farm with the nearest market place. What the farms on the back roads produce counts as a substantial percentage of the total food supply of the whole country.

It is nothing more than a simple case of self-preservation on the part of the urban dweller to see to it that every load of farm products possible reach the consumer as cheaply as possible. The country dweller and the city resident are plainly interdependent. One class raises or manufactures what the other must have in order to exist—farm products to the market place and manufactured articles from the market place to the farm.

In a scientific distribution of roads expenditures all four civil subdivisions must be concerned. It is plainly a logical sequence that the township and county units should look to the State not only to be relieved of those roads which assume an intercounty character but also for added cooperation in connection with the smaller market laterals and township feeders.

If the State has financial cooperation from the central source, a large part of the money could be expended on the most-used commercial roads connecting with similar roads in adjoining States. All of which simply means that the State would then have a greater amount of money to distribute through its county and township units on essential roads connecting market with farm.

Roads opinion has not yet crystallized to obtain this logical procedure, to reach which there may have to come a national innings of experience similar to that through which have passed all States that have succeeded in some degree in equitably distributing the growing burden of highways cost, both as to construction and maintenance.

We shall continue to strive for that which will bring lasting accomplishment, cooperating with bodies having similar aims, and accepting a consensus of judgment when it will secure real results. Our membership includes thousands who serve from pure enthusiasm, with absolutely nothing to gain except as they share with others in the fruits of this great work of "threading together the energies of the Nation."

Very truly, yours,

JOHN A. WILSON,
President American Automobile Association.

Rural Post Roads.

SPEECH

OF

HON. HUBERT D. STEPHENS,

OF MISSISSIPPI,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, February 10, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 11686) to provide that the United States shall, in certain cases, aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads.

Mr. STEPHENS of Mississippi. Mr. Chairman, during the last Congress I made a speech on the subject of "Good roads," in which my views on the right of the Federal Government to aid the States in road building and the expediency of its doing so were fully expressed; therefore I shall not detain the committee very long, especially as it is apparent that this bill will pass by a large vote.

The last national Democratic platform declared that—

We favor Federal aid to State and local authorities in the construction and maintenance of post roads.

The agitation on the subject of good roads and the demand for consideration of the subject by Congress became so strong that at the beginning of this, the Sixty-third Congress, a Committee on Roads was organized. Owing to the fact that the good-roads question is a live issue and affects every individual and every section, this new committee was at once regarded as one of the most important and desirable committees of the House, and a place on it was eagerly sought.

Several Members left other important committees to take a place on it. Among the number were Hon. D. W. SHACKLEFORD, of Missouri, who was on the Ways and Means Committee; Hon. E. W. SAUNDERS, of Virginia, who was on the Committee on Appropriations; Hon. J. J. WHITACRE, of Ohio, who was on the Committee on Agriculture; and Hon. J. F. BYRNES, of South Carolina, Hon. R. L. DOUGHTON, of North Carolina, and myself, who were on the Committee on Banking and Currency. Each one who left one of the great committees for a place on the new one was prompted to do so by the belief that he could perform more direct and greater service to the people whom he represented.

For the past few years there has been considerable discussion in regard to improving our highways. This agitation of the question has come from several sources, and differing views have been expressed. Discussing this matter last fall at Detroit before the American Roads Association the chairman of our committee, Mr. SHACKLEFORD, said:

It can not be doubted that an overwhelming majority of the people want Federal roads legislation; but unfortunately they radically differ in opinion as to what such legislation should provide. They are divided into two general classes which, for the purpose of this discussion, may be designated as the "touring-roads" class and the "business-roads" class. The "touring-roads" class is marching under a banner upon which is inscribed in letters of gold: "See America first." The "business-roads" class is marshalling its forces under a flag which bears the legend: "Cheaper transportation and lower cost of living."

The "touring-roads" class is largely made up of rich automobile owners who desire to spend a part of their leisure in touring the country. These are reenforced by manufacturers of road machinery and road materials who regard Uncle Sam as "good pay," a liberal buyer, and one who would be a valuable customer if only he would embark in the business of building "national roads."

The "touring-roads" class demands that the United States shall limit its road activities to the construction and maintenance of a few ocean-to-ocean and across-country highways of great perfection and then leave the rest of the people to build their own roads or do without, as they may choose.

The "business-roads" class believe that in dealing with roads we must keep in mind their functions and the relation which they bear to the general transportation system of the country; that as the harbor is the terminus of the river and the railroad, so, for practical purposes, the railway station is the terminus for roads; that neither freight nor passengers will ever be carried long distances over roads as cheaply as they could be over railways, and that it is an idle dream to imagine that autotrucks and automobiles will take the place of railways in the long-distance movement of freight or passengers; that the proper function of roads is not to connect antipodal oceans nor the distant capitals of far-away States, but to make easy communication between the farms on the one hand and the towns and railway stations on the other, to the end that the farmer may market his crops at less expense and the town dweller may get farm products more easily and at less cost. They therefore favor a general system of roads radiating from the towns and railway stations out among the farms.

Mr. Chairman, I am willing for those who want to travel for pleasure to have good roads to ride over, but I am more concerned in improving the roads for the use of those who use them in carrying on their business and work. As between the "touring roads" and "business roads," it can be easily determined which would prove more beneficial to the greatest number of the people. Of course, the "business roads" would do this; therefore we should direct our efforts and attention toward that class of roads.

One of the great problems of the age is that of transportation. This is not confined to railroads or water transportation, but it includes every means by which is made the exchange and interchange of commodities between the many millions of the Nation. This, of course, includes rural roads, and they are in reality one of the prime factors.

If the money that has been wastefully and extravagantly expended by the Government for the past 25 years had been used in building roads, we would have a system that we would be proud of. Not only this, but such a system would have saved several billions of dollars. It is estimated that it costs the farmers $1,500,000,000 to haul their produce to market, about one-sixth of the value of the annual production of agricultural products. The per ton-mile cost of marketing such products in this country is estimated at 23 cents. In some of the foreign countries where they have improved highways and where the

Government lends aid to the local communities the per ton-mile cost of transportation is from 9 to 12 cents. The cost is lessened by the saving of wear and tear of both the team and conveyance and also by the saving of time.

Some time ago a joint committee on Federal aid in the construction of highways was appointed. Its membership was composed of five Senators and five Congressmen. Much information of interest and importance was gathered. It was shown that there is no nation of any consequence that has not given assistance to the local communities in the construction and maintenance of highways. There has been much more attention given roads in foreign countries than in our own, consequently those countries have better roads than we have. As early as 1776 France, by a decree of the council of States, classified the main roads into four classes and prescribed the width to be, respectively, 42, 36, 30, and 24 feet. As a result France has the best roads in the world, and this fact has contributed largely to make that country one of the most prosperous of all the nations.

We can figure reasonably well the amount of revenue that will be collected each year. It is certain that every dollar of this money will be appropriated for some purpose. In my judgment, millions of dollars are wasted every year on the Army, Navy, rivers and harbors, and many other things. When the people of this Nation once see the benefits that come to them from Federal aid in the matter of constructing and maintaining roads, then the demands for larger appropriations for this purpose will be so strong that they can not be denied. As the money in the Treasury will not be enough to supply all demands, and millions will be asking for money for roads, while a much smaller number will be crying out for these other matters, Congress will be forced to increase the appropriations for roads and decrease appropriations for useless, wasteful, and extravagant purposes. Thus the tax money of the people will be returned to them in beneficial improvements and the squandering of funds will cease.

Instead of spending $150,000,000 for the Navy, $100,000,000 for the Army, $45,000,000 for rivers and harbors, and many other millions for purposes that are absolutely useless and give no returns whatever, I hope to see a large part of this money used in building a system of roads that will bring large interest to the people in the form of easier and cheaper transportation, as well as in the pleasure that comes from good roads.

The era of national aid to State roads is upon us. Millions of acres of public lands have been given to the railroad companies; vast sums of money have been appropriated to construct canals and improve rivers and harbors; the Panama Canal is just being completed at an expense of nearly $400,000,000; millions have been spent on irrigation projects and the reclamation of desert and arid lands; and we expend yearly many millions on the Army, Navy, and public buildings.

The time has come when something must be done for the benefit of the whole people. No better means can be devised than by making provision for better and cheaper transportation. One phase of the transportation question has been solved by the parcel post; another will be reached by improving the rural roads.

While the bill will not meet the demands, yet it will go far toward the mark. It will aid every community through which a rural or star route runs; it will have a stimulating effect upon road improvement, and will encourage systematic work along this line.

Good roads will benefit every section and every class. The man in the city as well as the man in the country will be helped. Cheaper transportation means cheaper food for the one who buys; it means that the producer can reach market more easily and more readily. Good roads will make life more pleasant for the farmer; and they, with the benefits that come with them, will do much to make life more attractive, and will help to turn the tide back toward the farm and away from the commercialism of the cities.

Sections 3 and 4 of the bill related to the selection of roads on which this money is to be expended. Section 3 provides that in no case shall the United States bear more than one-half of the construction and maintenance of any road under the provisions of this section. Section 4 provides that certain roads in the States which are adapted to use by the United States as rural post roads shall be divided into three classes, to be known as class A, class B, and class C.

Class A shall embrace roads upon which no incline is steeper than is reasonably necessary in view of the natural topography of the locality, well drained, with a road track composed of macadam or other material of equal utility and cost, constructed and maintained in such manner that it shall have a smooth, firm surface.

Class B shall embrace roads upon which no incline is steeper than is reasonably necessary in view of the natural topography of the locality, well drained, with a road track composed of shells, gravel, or a proper combination of sand and clay or other material of equal utility but less expensive than macadam, constructed and maintained in such manner that it shall have a smooth, firm surface.

Class C shall embrace roads upon which no incline is steeper than is reasonably necessary in view of the natural topography of the locality, with adequate drainage and ample side ditches, with a roadway constructed so as to quickly shed water into the side ditches and kept crowned and compacted by dragging or other adequate means, so that it shall be reasonably passable for wheeled vehicles.

Under the latter section there will be an allowance of $60, $30, and $15 per mile, according to the class under which the road falls.

This bill will give nearly $500,000 to my State. It will be of considerable benefit to us, and the benefits will be increased as the appropriations for this purpose increase, as they undoubtedly will if the money is properly expended and it is demonstrated that the people approve of national aid in this regard. Divided among the counties of the State this will give several thousand dollars to each county.

Mr. Chairman, if improved highways mean, as they undoubtedly do, easier, better, and cheaper means of transportation; if they mean better country communities, higher prices for land, larger attendance upon schools and churches; if they mean lighter work, a saving of time, and a saving of horse flesh and vehicles; if they mean a saving of temper and an increase of pleasure to those who use them; if they mean that both the social and commercial life will be benefited, there can be no good reason for anyone to oppose this bill. [Applause.]

Mr. Chairman, one of the objections raised by the gentleman from Texas [Mr. SLAYDEN] was that the States could construct these roads for 65 per cent of what the cost would be if the Federal Government were to construct them. I shall not argue that proposition, because it does not enter into this matter in the least. It is not a question of which can do the work at less expense, because this work will not be done by the Federal Government, but it will be done and controlled by the States themselves.

Some opposition to this bill arises out of the fact that it is feared that the Federal Government will exercise too great authority over the roads. It is not intended that jurisdiction of the States over roads shall be disturbed. There is nothing in the bill that affects such jurisdiction. Roads are local concerns, and they are no less local because the Federal Government contributes to their construction or maintenance. The specter of Federal interference with State or local control is simply conjured up by those who oppose national aid for roads. It causes me no alarm, because there will be no such interference under the provisions of this bill.

Now, in regard to the substitute offered by the gentleman from Missouri [Mr. BORLAND], I have to say that I am opposed to that amendment for this reason: This bill has been carefully studied by the committee. They have worked out a scheme that it seems meets the demands in regard to rural routes.

And let me say here that the purpose of this bill is simply to deal with post roads, such roads as are traversed in carrying the mails, either over rural routes or over star routes.

There are about 2,000,000 miles of roads in the United States. This bill proposes to deal with about 1,100,000 miles, confining itself, as I say, to the roads used by the Government in the transportation of its mails. The purpose of the substitute offered by the gentleman from Missouri [Mr. BORLAND] is simply to open it up not only to the post roads, but to all the roads in the country. It embraces them all. It destroys the classification provided for in this bill.

What would be the situation if we were to undertake to appropriate money to construct 2,000,000 miles of road? How far would this $25,000,000 go? It would not build more than one-fourth or at best one-half mile of road in each county in the United States. The greatest good that can come from this bill, it seems to me, is not so much the amount of money that we intend to appropriate, but it arises from the fact that it is to be an inspiration and incentive as well as a help to the people in the rural communities. [Applause.]

Suppose we built one-fourth of a mile of road in each county. What would that amount to? Absolutely nothing. In a former session of Congress the sum of $500,000 was appropriated for the purpose of experimenting in road building, to build 1 mile of road in each State or in certain parts of the State as an example to the whole people on the subject of road building. It amounted to absolutely nothing. Many of the States refused to accept the money, or, at least, failed to accept it.

Mr. WOODRUFF. Will the gentleman yield?

Mr. STEPHENS of Mississippi. I will.

Mr. WOODRUFF. I will state that while some of the States refused to accept their proportion which was allotted to them, which I believe was something like $10,000——

Mr. STEPHENS of Mississippi. Yes.

Mr. WOODRUFF. It was due entirely to the fact that the laws of the States precluded their accepting the money under the conditions laid down by the department. Under a ruling of the department, made since that money was appropriated, any civil subdivision of any State has been able to secure the amount allotted to that State by complying with the conditions imposed by the department. At this time there is something like $18,000 remaining in that fund, and there have been many applications for that money from the civil subdivisions of the several States, but the department are not allowing that money to leave the Treasury at this time, because they want to be in a condition to complete any roads already in process of construction.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. [Applause.]

Slashing Arsenal Appropriations.

EXTENSION OF REMARKS

OF

HON. J. HAMPTON MOORE,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, March 6, 1914,

On the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. MOORE. Mr. Speaker, the Democratic desire for peace and economy is manifested in the fortifications bill and the bill making appropriations for the Army, both of which recently passed the House. The principle of Government ownership and direction, as against private enterprise, is also fairly well established in both bills. We are to have more matériel manufactured in Government arsenals, but with less aggregate appropriations. Several times in the course of debate on these bills it has been charged, even by Democrats who have some notion that the country is facing serious problems, that any retrenchment just now in the supply of the munitions of war would be in the nature of a "penny-wise and pound-foolish" policy. I am inclined to agree with these suggestions.

In the matter of ordnance manufactured in arsenals, there have been reductions in appropriations that mean a lessening of what is termed "the reserve supply" of arms, ammunition, and so forth. Some of these reductions will fall heavily upon the Frankford Arsenal, Philadelphia. This is one of the real money-making institutions in which the Government has its capital invested, since in 1912 alone it saved approximately a million dollars to the Government on the manufacturing cost of small-arms ammunition and the like, as heretofore explained to the House. Despite this splendid showing, however, the committees in charge of both the fortifications and Army bills are so well satisfied with our military status that in many instances the supply of matériel for the use of the Army and Navy is to be curtailed and the Frankford Arsenal, along with others, is to suffer reductions.

I call attention to the fortifications bill, where the total appropriation was cut from approximately $9,000,000 asked for by the War Department to about $5,000,000; and also to the Army bill, which in the matter of "ordnance service" was actually reduced from last year's appropriation of $300,000 to $250,000. In "ammunition" the reduction was from $200,000 to $125,000, and in "small-arms target practice" from $825,000, asked for by the department to keep up to the standard set for target practice, to $750,000. I mention these three items, because all of them bear upon the work at the Frankford Arsenal which has made such an excellent record for economy and efficiency.

The citizens of Frankford, who are naturally proud of the arsenal, have interested themselves in the matter of appropriations, but they are no different in this respect and are no more subject to criticism for desiring continuous employment than are the people of Benicia, Cal., whose case was ably presented a few days ago by the gentleman from California [Mr. CURRY], or the people of Rock Island, Ill., and vicinity, who managed in the last session to obtain a $250,000 appropriation for an additional building, and who were spoken for in this session by the gentleman from Illinois [Mr. TAVENNER].

In behalf of the Frankford Arsenal I wish also to say this: If it is the War Department's best money saver, it ought to have better treatment in the extension of its buildings and grounds. The employees of the arsenal are crowded into insufficient buildings and the operation of the establishment is badly in need of additional ground space. Rock Island may boast of its nearly 900 acres with ample buildings, some of which are unused, but it is inequitable and dangerous for the employees of Frankford Arsenal to continue in their present cramped quarters. Whether or not the Democratic Party realizes the wisdom of being prepared for war with sufficient men and matériel, it can readily afford to yield the few additional accommodations to safeguard life and limb in the Philadelphia institution, which is capable of saving the Government a million dollars annually in manufacturing costs, and I trust it will do so. In serviceability and labor cost, the Frankford Arsenal will compare favorably with any of the other arsenals and will certainly stand comparison as to fuel or power cost with the best of them.

Mr. Speaker, there are several ways of looking at this question of war supplies. One is strategic and another involves the element of labor. When the new administration announced its Mexican policy "peace" was the dominating thought. A few months of "watchful waiting" on the peace basis have brought us to a point where instead of dealing solely with Mexico we would seem to be concerned with other and more powerful nations. No sane man would willfully plunge this country into war with Mexico or any other power. But what if, by reason of new conditions, we should be forced into war? Where would intervention lead us under the complications that seem to have arisen since the death of Benton, the Englishman? Economy in labor cost in the arsenals, or even in private factories, would be poor economy indeed if when the blow came in spite of all our peace professions we should find ourselves wanting in arms and ammunition. I hope the clouds that have been lowering about Mexico and Panama may be dispelled, but the mere fact that these clouds have been sufficient to induce the President to speak to Congress of "implications graver and more far-reaching" than those contained in any of his other addresses leaves little room to doubt the wisdom of being ready for whatever emergency may confront us as a Nation.

If problems of such gravity are actually upon us, it would not be true economy to save a few thousand dollars by cutting down the labor rolls at the arsenals. It would be far better to keep labor employed in the peaceful work of the arsenals than to send labor to war without supplies. Moreover it is fair to our fighting men who may be so unfortunate as to be suddenly called to battle on the ships or in the field, that they have the assurance that our Government is amply supplied with arms and ammunition to back them up in whatever task may be assigned to them. This we owe to our men of war no matter how solicitous we may be about peace.

The fighting man has been criticized severely for suggesting the need of more ships and more supplies, and some of the things said in debate have not been calculated to fire his ardor to die for his flag, but that is the old story of "Tommy Atkins":

"O it's Tommy this, an' Tommy that, an' Tommy go away;
But it's 'Thank you, Mister Atkins,' when the band begins to play,
The band begins to play, my boys, the band begins to play,
O it's 'Thank you, Mister Atkins,' when the band begins to play."

Mr Speaker, I am moved to make these remarks at this time, because of the trend of the economy program of the new administration as it affects certain Federal institutions in Philadelphia and vicinity. We feel it in the dismissal of customhouse employees—the saving of a few dollars in wages to make up for the loss of thousands in customs duties. We feel it in the failure to duly appreciate the advantages of our great navy yard. We observe it in other ways which I shall not now take time to dwell upon. In the Army bill we have a concrete example of how the economy program works. We are interested at Frankford Arsenal in the manufacture of ordnance supplies for the Army and the Navy. I believe we make all the small-arms ammunition for both. To illustrate the manner in which the economy plan affects these productions, I append appropriation tables, which speak for themselves.

Current expenses (ordnance service).

Act of Mar. 3, 1911	$337,000.00
Act of Aug. 24, 1912	301,018.30
Act of Mar. 2, 1913	300,000.00
Act of 1914	250,000.00

Manufacture of ammunition and materials for small arms.

Act of Mar. 3, 1911	$500,000
Act of Aug. 24, 1912	250,000
Act of Mar. 2, 1913	200,000
Act of 1914	125,000

Ammunition, targets, etc., small-arms target practice.

Act of Mar. 3, 1911	$1,000,000
Act of Aug. 24, 1912	800,000
Act of Mar. 2, 1913	750,000
Act of 1914	750,000

Convict Labor Made Goods.

EXTENSION OF REMARKS

OF

HON. JAMES L. SLAYDEN,

OF TEXAS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 4, 1914,

On the bill (H. R. 1933) to limit the effect of the regulation of interstate commerce between the States in goods, wares, and merchandise wholly or in part manufactured, mined, or produced by convict labor or in any prison reformatory.

Mr. SLAYDEN. Mr. Speaker, for more than 20 years I have been actively interested in such measures as this, by which it is intended to reduce to the smallest possible degree the competition of convict slaves with free laborers. It is an unfair but in some degree, I admit, an unavoidable competition.

We can not afford to keep convicts in idleness. That would be cruel to the prisoners themselves and a needless burden on society at large. The convict should be self-supporting, but in earning the cost of his keep due regard for the welfare of other and better men must not be forgotten.

I have always thought that the proper employment of convicts is on the highways. In nearly every State and in nearly every community of the States road betterment is urgently needed. Road work is for the good of all the people, and the competition of convict with free labor in road building is negligible.

If the shipment of convict-made goods from one State to another can be regulated, and the sale hampered until it shall cease to be profitable, the result will be to force convicts into road construction; at least that will be the tendency.

It is almost exactly 17 years since I presented a bill in Congress "to make goods, wares, and merchandise made in whole or in part by the labor of convicts subject to the laws of the State or Territory into which they may be transported."

I offered the same bill in the six succeeding Congresses, the only change made in it in all that time being the addition of the words "or reformatories." When the original bill was drawn, I quite forgot that reformatories were penal institutions.

Of course, Mr. Speaker, I support this measure. I feel a sort of proprietary interest in it, for, so far as I am advised, mine was the first bill of this nature ever offered in the American Congress. It was presented by me to the Fifty-fifth and all subsequent Congresses, down to and including the Sixty-first, and would have been offered by me in the Sixty-second Congress if some one else, inspired by the same zeal for reform in this matter, had not anticipated me. Being content to have the law enacted, I did not press my own bill, but am quite ready to support this and hope to see it enacted.

Hog Cholera.

SPEECH

OF

HON. JOHN A. MAGUIRE,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, February 16, 1914.

The House had under consideration the bill (S. 3439) appropriating funds for the purpose of investigation, treatment, and eradication of hog cholera.

Mr. MAGUIRE of Nebraska. Mr. Speaker, an examination of the hog industry would reveal a very great loss yearly from hog cholera throughout the country. Figures show that there have been some fifty or sixty million dollars' loss each year due to the disease. This is due almost entirely to the loss by hog cholera, as it is practically the only disease that affects that animal. I know something about the very great loss in my own State.

Mr. KIRKPATRICK. Will the gentleman allow me to correct him, to his advantage?

Mr. MAGUIRE of Nebraska. Yes.

Mr. KIRKPATRICK. Ninety-two million dollars' worth of hogs died last year from hog cholera, instead of fifty millions as the gentleman said.

Mr. MAGUIRE of Nebraska. I may have been too conservative in my estimate, but one thing certain the loss is very heavy. The Committee on Agriculture, of which I have the honor to be a member, reported this bill and recommend favorable action by the House at once. It comes almost in the form of an emergency, which is fully recognized by the committee and justified in the conditions which prevail among the farmers of the whole country. The bill provides $500,000 for the purpose of investigation, treatment, and eradication of hog cholera. It could have waited and been included as an item in the Agricultural appropriation bill, but the money would not, under the ordinary course of legislative procedure, become available till July 1 of this year.

Last year I had occasion to introduce an amendment to the Agricultural appropriation bill, and when it was finally enacted carried $75,000 for the purpose of "demonstrating the best methods of preventing and eradicating hog cholera." Four separate areas were located in the States of Indiana, Iowa, Missouri, and Nebraska, and the Department of Agriculture instituted the necessary machinery to demonstrate in these areas that the disease could be stamped out under proper regulations by the use of serum. One of these areas is located in my own district and it is expected that the results and benefits will soon extend even to surrounding counties.

The appropriation which the committee now presents is not alone to carry on and continue the work begun last summer and fall but to extend the field of demonstration and broaden the scope of inspection and cooperation with the States.

The purpose of the appropriation is to look immediately to the reduction of the appalling loss of hogs due to the widely contagious disease of hog cholera and to project a program whereby the farmer, with the aid of the Department of Agriculture, can ultimately stamp out the disease.

Hog cholera is prevalent in every State in the Union, and no locality has any assurance that it will not occur and recur each year. In fact, it is quite likely to occur each year in the great hog-producing States. It is therefore a nation-wide animal disease, and affects not alone the farmer and producer of hogs but likewise indirectly affects every consumer. The economic loss is national and touches the welfare of every home. Pork is the meat food of the average individual, and is in more common use than all other meat products. It probably furnishes the largest article of necessary food which makes up the food supply of the average individual. The disease is not an epidemic which appears and reappears only through long intervals of years, but makes a drain on the food supply of fifty to eighty million dollars each year, bringing great loss and often disaster to the individual producer of hogs.

Mr. Speaker, the committee believes this is a question for national action and a proper subject for legislative relief by this Congress. It is a problem not of the Government doing the work, but, rather, of bringing the results of careful investigation and research of the Department of Agriculture actually to the farmer, demonstrating the efficacy of the treatment and furnishing a program to be followed. It is useless for the Government to carry on the investigations and scientific research and then let the results of the discoveries lie dormant in a Government laboratory or remain a monopoly in the heads of investigators, when its application on the farm and among the herds would save millions annually to the people. If $500,000 can be used to put forth an effective program of extermination and prevent this great drain on the Nation's wealth, I think there is nothing to which we, as legislators, can better turn our efforts in working out the economy of our national welfare.

For the purpose of getting our proper bearing, let us look a little into the history of the disease and the investigations made. The disease began to take on serious form and permanent annual loss as long back as 40 years ago. For many years, through one agency and another, the disease had been investigated, but not until 1889 did the Department of Agriculture begin systematic study. From that time even the actual expenditures were small, often amounting only to eight or nine thousand dollars a year, but the department was making some progress and reaching some conclusions as to the causes, character, and treatment of the disease. In 1906 the Department of Agriculture discovered and formulated a serum remedy. The hog is inoculated by the application of serum through hypodermic injection and made immune from the disease.

The department does not claim that the serum treatment is an actual remedy for sick animals, but rather an effective preventive when properly applied. Since 1906, when the formula was patented in behalf of the public, but little investigation along new lines has been carried on, except to further perfect the soundness of the formula and encourage its application.

For several years the department conducted experiments with the serum formula among selected herds under different conditions and stages of the disease. However, the loss over

the country seemed not alone to continue, but yearly increase. The Department of Agriculture continued to have full confidence in the serum application as a preventive when properly applied; but the hog raiser knew little about the treatment, and even when brought to his attention felt little confidence in its success. The department ascribed the failures to several reasons. Often impotent serum was placed on the market or the best serum sent out was not properly applied or perhaps administered to hogs already sick which had no chance of recovery. These and many other reasons were given by the department for failure of the public to accept it. The result of it all was that the public failed to accept the claims made for it, and the loss due to the disease continued or even increased.

With an available remedy for the prevention of the disease and the failure still of relief to the hog raisers it seemed that some program ought to be inaugurated to bring about an effective application. The most feasible plan seemed to be to allow the Department of Agriculture full power to effectually demonstrate on the farms or over given areas under its own regulation the efficacy and practicability of its discovery.

The appropriation, however, was not available for use till July 1, 1913, and the season was well advanced or nearly over when the organization work was perfected in all four of the areas selected, as many obstacles had to be encountered in instituting a completely new line of work. The department at the outset found the small plant which it had used for the manufacturing of its serum for earlier experiments entirely inadequate to supply the serum necessary. Preliminary surveys, history of infected areas, and cooperation with farmers all had to be worked out.

At the beginning of this session of Congress the Committee on Agriculture held quite exhaustive hearings on the subject with two men from the department, Dr. A. D. Melvin, Chief of the Bureau of Animal Industry, and Dr. M. Dorset, of the same bureau, before the committee. I call your attention to pages 21 and 22 of the hearings before the Committee on Agriculture of the House for December 9 and 10:

Mr. LEE. What per cent of the animals die that are not treated?
Dr. DORSET. Of hog cholera?
Mr. LEE. Yes.
Dr. DORSET. I should say from 75 to 100 per cent of hogs in an affected herd would die.
Mr. JACOWAY. What is the cause of hog cholera?
Dr. DORSET. Hog cholera is caused by a germ that exists in the blood of the infected hog. It is an organism that is apparently so small that the most powerful microscopes do not show it; though it is easy to demonstrate its presence by inoculating a small part of the blood from a sick hog into a well one, thus producing hog cholera.
Mr. HAWLEY. And you think the serum you now have is the best remedy?
Dr DORSET. So far as we know there is nothing else that will prevent the disease; I do not know of anything else.
Mr. MAGUIRE. What per cent of those hogs you treat are finally cured or recover?
Dr. DORSET. I have some figures made up from the results of the work this summer. Of hogs actually sick we lost 25 per cent. Of well hogs in diseased herds, 2.8 per cent died, and of hogs in exposed herds only about 0.7 per cent died. In an infected herd there are always a certain proportion of hogs that are well when the inspector gets there. The inspectors examine the hogs and take the temperature of all hogs in the herd, and thus separate the sick from the well.
* * * * * * *
Mr. JACOWAY. What does it cost to treat the average hog?
Dr. DORSET. For a 100-pound hog, around 30 cents, probably. I think 30 cents would be a liberal estimate.
Mr. HAWLEY. The treatment is by hypodermic injection?
Dr. DORSET. Yes, sir.
* * * * * * *
Mr. TAYLOR. You said it would not be your idea to distribute this serum free. What is your idea about that?
Dr. DORSET. My idea has been that we ought to look forward to a control of hog cholera and to its elimination from the country, not to repeated treatments of hogs every year with the serum, because the serum costs a good deal of money, and it costs a good deal to apply it. The object we have is to get rid of the disease.

Also to page 28:

Mr. MAGUIRE. You are confident that this is an absolute preventive, are you?
Dr. MELVIN. Yes, sir; I am.
Mr. CANDLER. Is this serum manufactured from a formula furnished by the Bureau of Animal Industry?
Dr. MELVIN. You could hardly call it a formula. It is a serum produced from what are termed hyperimmunized hogs.

I think sufficient reference is here made to the hearings to give you some idea of the work of the department. A program is offered which looks to the ultimate extermination of hog cholera in the United States. The country is suffering from a heavy loss from the disease, and the committee believes that the public wants the work of extermination carried on. I believe that we are guided well in our wisdom when we commend this Government to the program of assistance in this large field of work. The resulting benefits to the farmer are certainly assured. More than all this, the actual demonstration areas thus far seem to fully confirm the claims of the department that hog cholera can be stamped out, or at least the loss reduced to a minimum.

This Government is appropriating liberally for public activities along practically every line. The great fundamental industry of agriculture and its development should at no point be neglected. It is the industry to which every citizen must look, either directly or remotely, for individual subsistence, while the whole population is inseparably coupled with its welfare. Its encouragement seems to me to be of first consideration. The products of the soil furnish us the largest element of our national resources and our national strength. If we, as a people, should neglect our opportunity and fail to keep our constant attention turned to the farm and its production, we would then begin to find our industrial dependence asserting itself. I believe that this House fully recognizes the importance of this subject and the need of favorable action on the bill now.

Memorials from the Legislature of the State of Mississippi.

EXTENSION OF REMARKS

OF

HON. PERCY E. QUIN,

OF MISSISSIPPI,

IN THE HOUSE OF REPRESENTATIVES,

Monday, March 9, 1914.

Mr. QUIN. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include the following memorials from the Legislature of the State of Mississippi:

House resolution.

Whereas there is now pending in the Congress of the United States of America a bill known as the Shackleford bill, providing for the aid of the States and the civil subdivisions thereof, in certain cases, in the construction and maintenance of rural post roads; and
Whereas this measure has passed the House of Representatives and is now pending in the Senate, and in the event such a measure becomes a law the State of Mississippi will be benefited to a great extent; and
Whereas we realize that good roads in this State is one of the most important projects for the prosperity and welfare of the people of our great State: Therefore be it

Resolved, That the house of representatives hereby heartily indorses and approves of House bill No. 11686, known as the Shackleford bill, now pending in the Senate of the United States of America.

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STATE OF MISSISSIPPI,
HOUSE OF REPRESENTATIVES.

I, Stokes V. Robertson, the undersigned clerk of the house of representatives in and for said State, do hereby certify that the above and foregoing is a true and correct copy of a resolution introduced in the said house of representatives by the Hon. Robert L. Genin, chairman of the house special committee on good roads, and unanimously adopted by the house on March 2, A. D. 1914, as shown by the house journal for said date.

In witness whereof I have hereunto set my hand on this March 2, A. D. 1914.

STOKES V. ROBERTSON,
Clerk of the House of Representatives of Mississippi.

House concurrent resolution No. 27. A concurrent resolution memorializing Congress to return to the State of Mississippi cotton-tax money erroneously collected in 1866 and 1867 as a war-debt claim from the cotton raisers of the cotton-growing States, and providing for its distribution.

Whereas the Supreme Court of the United States has, in its wisdom, decreed said assessment and collection of the cotton tax above referred to was unconstitutional, and therefore null and void, it therefore follows that said tax should be returned to those who paid it; and
Whereas it appears that it would be utterly impossible for those who paid this tax to make the necessary proof of their claims; and
Whereas it appears that the old Confederate veterans are the only class of people now living in this country who were old enough to have paid the cotton tax referred to: Therefore be it

Resolved by the house of representatives (the senate concurring), That the Members of the United States Senate from this State and the Representatives in Congress of the United States from this State be requested to use every effort in their power to have returned to the State of Mississippi her pro rata share of said cotton tax thus erroneously assessed and collected by the United States, said sum of money, if returned as above requested, to be used by the State of Mississippi, under the proper legislative enactment, as a permanent pension fund for the support and maintenance of the old Confederate veterans and their widows of the State of Mississippi.

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STATE OF MISSISSIPPI,
HOUSE OF REPRESENTATIVES.

I, Stokes V. Robertson, the undersigned, clerk of the house of representatives, hereby certify that the foregoing is a true and correct copy of house concurrent resolution No. 27, as the same passed the house on January 28, 1914, and the senate February 17, 1914, as shown by the journals of the two houses and by the original copy of said resolution on file in my office and the enrolled copy thereof on file in the office of the secretary of state.

In witness whereof I have hereunto set my hand on this February 28, 1914.

STOKES V. ROBERTSON,
Clerk of the House of Representatives.

Mississippi Choctaws under treaty of Dancing Rabbit Creek.

SPEECH

OF

HON. WILLIAM H. MURRAY,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, February 20, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 12579) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1915.

Mr. MURRAY of Oklahoma. Mr. Chairman, these gentlemen make this claim for the Mississippi Choctaws on the basis of the fourteenth article of the Dancing Rabbit Creek treaty of 1830. I am going to argue, for the most part, the legal and equitable phases of this claim. On October 18, 1820, a treaty was made between the Government, represented by Gen. Jackson, and the Indians, represented by Apush-ma-ta-ha. This was a treaty in which the grant for the lands west was made, and was the first instance of a fee-simple title given to Indians. The treaty of 1830 was but to provide settlement of their interests east of the Mississippi and to effectuate their removal. Both of those treaties outlined the boundaries of the land.

It will be found in the treaties of 1820, 1825, and 1830 that the Government was mistaken about the boundary. Apush-ma-ta-ha at the time stated that he had been over this country from 1812 to 1815; that he "had sometime chased the Comanche and the Comanche had sometime chased him"; and that Gen. Jackson did not know the country. You will notice in the third article of the treaty of 1820 a provision to prevent dispute upon "the subject of boundaries." I have had occasion to read both Gen. Jackson's report and the history of this transaction from a splendid work written by Cushman, and I refer to that report of Gen. Jackson as to what was intended by the several clauses in the grant of the lands west and for the removal of these Indians from Mississippi. The central object in all these treaties, in the mind of the Indian, was to enable him to go somewhere where he could frame a government of his own choosing, independent of any State or Territorial law, and running through all of these treaties you will find in unmistakable terms these objects. You will find granted to them in the Atoka agreement of 1897, which provided for the allotment of their lands in severalty, further stipulation of the formation for State government of the Five Civilized Tribes. It was for these benefits that they went into that western country, then surrounded by hostile Indians, into unhealthy swamps, and which caused them to take up that irksome march from their homes in Mississippi, through the uninhabited swamps in Arkansas, to their homes in the West. The 4,000 graves along the roadside—the last resting place of those who died on the march—are but silent witnesses to this solemn promise of the Government, and to guarantee to them, or that number of them who would move and in good faith reside upon the land deeded to them. Some of the mixed-blood Indians of power and wealth did not desire to remove west, as did the great body of the most ignorant and helpless element of the tribe. It was essential, therefore, to place in the treaty the stipulation of the fourteenth article, which I shall later analyze in the light of its text and the history surrounding its making. It was realized by all that those who went west—since its date was prior to the Texas revolution—would be surrounded by many difficulties, and it was also known that many desired to remain. I call attention especially to the fact that all of the lands west of the Mississippi in the Choctaw and Chickasaw Nations, the portions open to allotment, consist of but 11,000,000 acres; but they left in Mississippi almost an equal amount of land—to wit, 10,000,000 acres—for homes for those who desired to remain. Then it was thought at the time that if the great body of the tribe went west it might have a disastrous effect in the matter of protection of those who remained in Mississippi, hence the stipulation in the fourteenth article under which the Mississippi Choctaws claim.

So the Government provided in the fourteenth article that of those who remained the head of the family might get one section of land, each child over 10 years of ago a half section, and those under 10 years of age a quarter section; but, mark you, in that article it says that these "persons" shall not lose their "privilege" to become citizens if later they remove west. Why this stipulation? Because in the treaty of 1820, as well as in that of 1830, the grant of this land was to the "nation, their heirs and successors." In every other place in the Dancing Rabbit Creek treaty, as was the case in 1820, the expression was "heirs and successors," while in the fourteenth article the word "persons" was used. Those who did not want to be included were permitted to put in the word "persons," and it certainly did not mean "heirs and successors." You never saw a deed written to a "person" only.

Before going into the rights under the treaty let us quote its provisions to determine whether this grant was made to the individual Indians or whether to the "nation," and why was the "nation" named in the preamble of the treaty of 1830, which was signed by 104 members in their full council. We find this language:

James Monroe, President of the United States of America, by Andrew Jackson, of the State of Tennessee, major general in the Army of the United States, and Gen. Thomas Hines, of the State of Mississippi, commissioner plenipotentiary of the United States, on the one part, and the mingoes, headmen, and warriors of the Choctaw Nation, in full council assembled, on the other part, have freely and voluntarily entered into the following article:

ARTICLE I. To enable the President of the United States to carry into effect the above grand and humane objects, the mingoes, headmen, and warriors of the Choctaw Nation, in full council assembled, in behalf of themselves and said nation—

Note the word—

do, by these presents, cede to the United States of America all the land lying and being within the boundaries following, to wit: * * *

ART. II. For and in consideration of the foregoing cession on the part of the Choctaw Nation and in part satisfaction for the same, the commissioners of the United States, in behalf of said States, do hereby cede to said nation—

Mark the word "nation"—

a tract of country west of the Mississippi River situate * * *.

Under the above stipulation, it must be granted that this title was granted to the "nation." I now recite from the Dancing Rabbit Creek treaty of 1830, which was signed by a full council composed of 173 persons, as follows:

ART. 2. The United States, under a grant specially to be made by the President of the United States, shall cause to be conveyed to the Choctaw Nation a tract of country west of the Mississippi River, in fee simple to them and their descendants, to inure to them while they shall exist as a nation and live on it, beginning near Fort Smith, where the Arkansas boundary crosses the Arkansas River, running thence to the source of the Canadian Fork, if in the limits of the United States, or to those limits; thence due south to Red River, and down Red River to the west boundary of the Territory of Arkansas; thence north along that line to the beginning, the boundary of the same to be agreeably to the treaty made and concluded at Washington City in the year 1825, the grant to be executed so soon as the present treaty shall be ratified.

Mark you, there was doubt as expressed in this treaty as to the boundaries. The history and report of its making shows that Apush-ma-ta-ha told Andrew Jackson that the Canadian Fork rose in Colorado, and therefore he was trying to sell them the Panhandle of Texas, then undisputed Mexican territory; hence they used the language "if in the limits of the United States, or to those limits," and which carried them westward to its "limits," which was the Panhandle of Texas. You will also note in this section that it was a grant "in fee simple to them and their descendants, to inure to them while they shall exist as a nation and live on it." Article 3 then provides for speedy removal; article 4 for self-government; article 5 for the protection of the Indians against the Plains Indians; article 6 provided for extradition for crime; article 7 for delivery up of criminals; and article 12 for removal of intruders. I submit to the House that under this language the grant was made to the "nation," their descendants and successors, so long as they "exist a nation and lived on" the land, and the converse of this is that those "who do not live on it" are not to be beneficiary of it. Neither in law nor in the construction of the English language can any other interpretation be placed upon this treaty.

Now, let us see what the "nation" consists of, because it is evident that the grant of the entire lands west was to the "nation," and the intent of the treaty shows that the "nation" went West, and no element of the "nation" remained in the State of Mississippi. What is the "nation"? The Choctaw Nation to-day consists of 17,396 Indians, some full bloods, most of them mixed bloods, some few Cherokees, Chickasaws, Alabama Creeks, and Kansas Indians, but are "living and residing on the land." The "nation" further contains 1,634 Mississippi Choctaws, granted by the "nation" having a sympathy for them in consequence of the treatment the State of Mississippi had given to full-blood Mississippi Choctaws. It also includes 10 white persons, who had been their friends and "lived on the land," adopted by legislative act. The "nation" also consists of 1,650 persons who have married Indians by blood—the "nation's" method of naturalization—and, last, it consists of 5,900 freedmen—ex-slaves and their descendants. So the "nation" comprehends not only Indians by blood but all classes

that may be adopted by the tribe in council under their constitution and law—Indians by blood, including various tribes, white people, and negroes, with the limitation that they must "live on it." On the other hand, any of these classes who moved away and did not "live on it," but moved to another State "expatriated" (changed their citizenship), losing every right, including the right of property, just as surely as an American citizen would lose his right to homestead the American public domain by expatriating and becoming a British subject. Now, as to the equity. Is it fair to compel these Indians to take care of all the Indians of other tribes who have moved among them, and 1,660 white persons and 5,900 negroes, keeping faith with the treaty, the stipulation of grant which inures to those who "live on it," and at the same time compel them to take care of those who have not moved to and "lived on" the land? In view of the further fact that they left in Mississippi 10,000,000 acres of land, almost equal to their land west, to provide homes for those who remained, and the Government, after making that provision, only paid them $2,000,000 for the residue over and above the amount taken for homes.

I submit as a matter of equity it is all in favor of the members of the "nation" that moved west. They went into a barren country, carved their homes out of the forest, built improvements, just as the American homesteaders on public domain. It is manifestly unjust to force them now to divide their property with those who did not share with them their burdens in observing the old Indian treaty. They have this land by the right of settlement, if nothing more. Who would think now of introducing and supporting a bill in Congress to enable the people who did not go west and homestead the public domain now to step into Kansas or Nebraska or Minnesota or Iowa or any other of the Western States and divide with them their property just because it was originally common property of the whole Republic and because these new claimants, like the settlers, have the blood of American citizenship? Likewise, what right have Indians by blood who would not go with the immigration and would not bear the hardships to step in now and divide with those who did go west their rights to their homes?

I will grant you that these people—these Mississippi Choctaws—are entitled to our sympathy; they are entitled to the correction of the wrong perpetrated upon them by the Government of the United States when they permitted them to be robbed both by the governing power and the individual grafter in the State of Mississippi. But should the Indian members of the "nation" now residing in Oklahoma be compelled to correct the wrong done by the Government and permitted by the Government, after showing that the title in them is to the "nation"? Now, let us determine what rights and privileges any of the other individual members possess under the treaty. The "fourteenth article," under which the Mississippi Choctaws claim, is in these words:

ART. 14. Each Choctaw head of a family being desirous to remain and become a citizen of the States shall be permitted to do so by signifying his intention to the agent within six months from the ratification of this treaty, and he or she shall thereupon be entitled to a reservation of 1 section of 640 acres of land, to be bounded by sectional lines of survey; in like manner shall be entitled to one-half that quantity for each unmarried child which is living with him over 10 years of age; and a quarter section to such child as may be under 10 years of age, to adjoin the location of the parent. If they reside upon said lands, intending to become citizens of the United States, for five years after the ratification of this treaty, in that case a grant in fee simple. Said reservation shall include the present improvement of the head of the family or a portion of it. Persons who claim under this article shall not lose the privilege of a Choctaw citizen, but if they ever remove are not to be entitled to any portion of the Choctaw annuity.

I have quoted the entire section in full, but mark the last paragraph by the use of the word "persons" and the word "privilege." This word "privilege" is not synonymous with right. They have lost their right to citizenship. In other words, they had expatriated by remaining, because they did not "live on it." The word "person," as stated before, unlike the grant, was not to these persons and "their heirs," but to the "persons" only. I submit that it is significant that in every other case in the three treaties of 1820, 1825, and 1830 the words "they and their heirs" were used. The report of the United States commissioners who executed this treaty, together with Cushman's history, shows that this was put here with absolute design and understood by the members of the "nation" as well as those who remained in Mississippi to constitute a limitation excluding their heirs. Let me call your attention to the fact that many years subsequent to the treaty of 1830 the Chickasaw Nation bought an equal undivided interest in the whole landed property of the "nation" west of Mississippi River, paying therefor $530,000 in gold when they bought it. Could they be held to give up any portion of the property in which they owned an equal undivided individual interest to any person who did not come within the legal terms of the grant under which they purchased? But the admission of the Mississippi Choctaws would take proportionately from the Chickasaws a portion of the property of which they are innocent purchasers, and they are entitled to all of the reasonable construction of the obligations on that property, and in addition thereto they are entitled to all of the limitations in their favor against all persons having a "privilege" as those "persons" contemplated in article 14, since they are all dead and the terms of the treaty did not include "their heirs." So it may be safely said that there was no grant either of citizenship, property rights, or of "privilege" to any Indian remaining in Mississippi except such of those "persons" now living.

Let us consider which of the "persons" granted this "privilege" under the fourteenth article of the treaty of Dancing Rabbit Creek can now claim. Manifestly none, except those that may now be alive. Such "persons" who sought to remain in Mississippi would now be 105 years of age, if 21 years old in 1830, and such "person" if 1 year old at that time now must needs be 85 years old, so we can assume they are all dead. I admit, however, if any of these "persons" to whom only this "privilege" granted in the "fourteenth article" are yet living, they should be entitled. It is true that some of their descendants have since been admitted, but this because of the generosity of the "nation" west and not because they had either a legal or equitable right.

Four thousand court claimants, some calling themselves Mississippi Choctaws, but not from Mississippi, and some calling themselves Chickasaws, nearly all of whom then resided in Oklahoma, were eliminated by the citizenship court, composed of Judges Adams, of North Carolina; Weaver, of Ohio; and Foote, of California, and that judgment upheld by the Supreme Court of the United States.

Reference is sometimes made that a subcommittee of the House Committee on Indian Affairs in a former Congress unanimously reported in favor of these Mississippi Choctaws. I had an occasion to look up the brief of those claimants filed at the time, and I unhesitatingly say that under the "statement of fact" the committee could not have done otherwise. The brief was a bundle of falsehoods. I observe that they said the Indians removed the Mississippi Choctaws from Oklahoma as intruders. On the contrary, they were invited to come west. This statement is a falsehood of the whole cloth. Not a witness could be had that would swear to that statement in a court where impeachment could under the law legally be lodged against him, because the court claimants lived in Oklahoma at the time. The most of them still remain there, and they are not part of those living in Mississippi. While on the brief of the Mississippi Choctaws, permit me to review it further. I read a brief filed this winter where they set up that under the laws in the State of Mississippi a contract made between an Indian or any other laborer could not be broken without subjecting the laborer and his new employer to a criminal prosecution. In other words, if A hired B and C in turn offers to hire B away, C has committed a crime in making the offer and B has committed a crime if he breaks the first contract. They boldly recite this system of peonage legislation as an argument to admit the Mississippi Choctaws.

Very few of the 1,634 Mississippi Choctaws would have been enabled to go to Oklahoma but for the land agents—sometimes called grafters—of Oklahoma, who went to Mississippi, bought off their contracts and paid off their debts and their way to Oklahoma. Notwithstanding this, many of them have returned to Mississippi. Mr. J. W. Gillette, one of the most prominent Oklahoma land agents, stated that when he went to Mississippi he was compelled, upon account of the peonage system I here recited, to pay off all their debts and buy off their labor contracts, in addition to paying for their transportation. These people were afraid to go without this being done, rightly fearing prosecution under the Mississippi peonage laws. Of course, Mr. Gillette was recouped for their expenses by a lease upon their allotments in Oklahoma.

They further state in that brief that the State of Mississippi has never provided them with schools, a thing that Oklahoma has provided for all the Indian children in our State, and we have more than one-third of all the Indians of the United States. I submit this detestable policy in the State of Mississippi, together with the recitation of the criminal graft in that State, does not constitute an argument authorizing Congress to rob the Indians of Oklahoma or to overcome the laws that inure only to the Choctaw Nation. The advocates of the Choctaw claimants, not only Members of Congress but Webster Ballinger, Crews, and

Cantwell, and other attorneys, who are going over this Republic securing letters to be written to the Congress urging their Congressmen to reopen the rolls, plant themselves on the word "privilege" in the fourteenth article and seek to give it validity without compelling the "person" holding the "privilege" to comply with other performances. Admitting, for the sake of argument, that the benefits inured to the "descendants" without compelling that "person" to move on and "live on" the land, let us see where it will lead to.

If the contention of the Mississippi Choctaws be correct, we never could close the rolls and there would be an "endless chain" of this Indian difficulty. I might also cite that since the rolls were closed in 1902, 12 years ago, nearly all of the members of the tribe have from one to five children born since that date, and there are more of these "newborn" who are not on the rolls than there are Mississippi Choctaws. On account of the evils that would flow from the reopening of the rolls, as much as the Indians desire to enroll their children, they are willing to close the rolls against these children if it would mean speedy settlement; and yet under the Harrison amendment you would enroll ultimately not only the 2,000 full bloods in Mississippi, Louisiana, and Alabama, but 20,000 claimants from all the Southern States, most of whom would have no Indian blood. In whatever light you consider this Mississippi Choctaw claim, it leads to disaster. There is only one solution for the full bloods of Mississippi, and that is to buy that class homes in Mississippi, congregate them in one settlement where they would remain—for they will not live in Oklahoma—and the Government furnish them a school, which the State of Mississippi has never done. To give them money would be but to permit them to live in luxury and intemperance for 6 or 12 months and then to return to penury and want. They have had the experience before of having more land than we get in Oklahoma, but the Mississippi grafters have long ago robbed them of it. The only service for them is to give them a home and "tie it down at both ends" so this fraud can not be repeated.

In the Civil War, moreover, both the Chickasaws and Choctaws, the owners of the "nation" west, joined the Confederacy. The Government treated that act as an act of forfeiture of their property, and when they came to make the treaty known as the "treaty of 1866," between the Chickasaws and the Choctaws and the United States Government, you will find the Government compelling, in article 30, a stipulation on behalf of 10,000 Kansas Indians identical with the "fourteenth article" of the treaty of 1830, which is as follows:

ARTICLE 30. The Choctaw and Chickasaw Nations will receive into their respective districts east of the 98° of west longitude, in the proportion of one-fourth in the Chickasaw and three-fourths in the Choctaw Nations, civilized Indians from the tribes known by the general name of the Kansas Indians, being Indians to the north of Indian Territory, not exceeding 10,000 in number, who shall have in the Choctaw and Chickasaw Nations, respectively, the same rights as the Choctaws and Chickasaws, of whom they shall be the fellow citizens, governed by the same laws, and enjoying the same privileges, with the exception of the right to participate in the Chickasaw and Choctaw annuities and other moneys, and in the public domain, should the same, or the proceeds thereof, be divided per capita among the Choctaws and Chickasaws, and among others the right to select land as herein provided for Choctaws and Chickasaws, after the expiration of the 90 days during which the selection of lands are to be made, as aforesaid, by said Choctaws and Chickasaws; and the Choctaw and Chickasaw Nations pledge themselves to treat the said Kansas Indians in all respects with kindness and forbearance, aiding them in good faith to establish themselves in their new homes, and to respect all their customs and usages not inconsistent with the constitution and laws of the Choctaw and Chickasaw Nations, respectively. In making selections after the advent of the Indians and actual occupancy of land in said nation, such occupancy shall have the same effect in their behalf as the occupancies of Choctaws and Chickasaws; and after the said Choctaws and Chickasaws have made their selections as aforesaid the said persons of African descent mentioned in the third article of the treaty shall make their selections as therein provided, in the event of the making of the laws, rules, and regulations aforesaid, after the expiration of 90 days from the date at which the Kansas Indians are to make their selections as therein provided, and the actual occupancy of such persons of African descent shall have the same effect in their behalf as the occupancies of the Choctaws and Chickasaws.

It will be observed that it gave these Kansas Indians the right to go anywhere in either of the two nations which composed their habitable territory east of the ninety-eighth meridian, and did not use the weaker term "privilege" as used in the "fourteenth article of the treaty at Dancing Rabbit Creek," but used the words "right of citizenship," "the same rights as the Choctaws and Chickasaws, of whom they shall be fellow citizens," the same condition of removing to the tribe, giving only preference to the Choctaws and Chickasaws of making the first selections, and some of them moved into this section and are now a part of the "nation," and by the same process of reasoning in favor of the Mississippi Choctaws the law would yet compel the Choctaw and Chickasaw "Nation" to divide their property with the remaining 10,000 Kansas Indians.

Judge CLAYTON, who was senior in service at the time of the passage of the enabling act for statehood, and recognized as the ablest jurist ever sent to the Territory, has ruled in every decision in line with my contention. His only error, in my opinion, was that he maintained that any Mississippi Choctaw who would come to the Choctaw Nation and "live on it" up until allotment was entitled to enrollment, and everyone who has complied with this provision has been provided for, but this was a liberal construction in favor of those who had expatriated, and could have been made only on the theory that the Choctaw Nation was not a "sovereignty," and therefore not entitled to be relieved of laches limitation and estoppel because, as Blackstone lays down the rule, "laches and estoppel never run against the sovereign." He based his ruling upon the fact that the Nation had invited the Mississippi Choctaws to come out as late as the seventies and early eighties. In this I think Judge CLAYTON erred, because the Choctaw Nation was a sovereign in a greater sense than the States. None of their laws between themselves, however harsh and exacting and however confiscatory, could be questions in the Federal courts. The Federal nationality only existed over those Indian nations so far as the general Federal law, and in no sense, as long as the tribal nation remained, could there be a question raised in any Federal court on the question of constitutionality or confiscation of property by legislation as could and has been raised in the States; and if the Choctaw Nation was a sovereign, then it was not bound by the doctrine of estoppel or laches or limitation; but the tribe has agreed to and even accepted the liberal construction placed upon the treaty laid down by Judge CLAYTON, and this doctrine is held to in the higher courts in the Jack Amos case as being sound. Considering the Chickasaw purchase, I submit that if you pass this law in favor of the Mississippi Choctaws, the Chickasaws can by injunction prevent the Interior Department from paying out a cent of this fund, which will only go to a delay of final settlement. I repeat that so far as the claim goes against the Choctaw and Chickasaw Nations, there is neither law nor equity of claim against them; and I repeat again that whatever obligation or sympathy may be due the Mississippi Choctaws is against the United States Government for its neglect, particularly in permitting the State of Mississippi and its long, lank criminal grafters to rob these people and strip them of their patrimony. The question only remains, Will you attempt to enact this legislation and thus delay the final settlement, and thus destroy business in the east half of our State, and thus rob those Indian tribes of property guaranteed to them and to which they hold a fee-simple title? I repeat what I repeated before: To reopen these rolls would mean a delay of settlement and a beclouding of Indian titles and a disturbance of business in the east half of our State beyond the imagination of man. It would be no less than a crime.

Agricultural Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. SAM R. SELLS.

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 5, 1914.

On the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. SELLS. Mr. Speaker, it is a matter of regret to me that the time allotted by the House for general debate on this bill, vitally affecting so large a class of our citizenship, should have been largely consumed by Members on both sides in the discussion of matters purely political and having no relationship whatever to the merits of the bill. Personally, I entertain no sort of doubt that the farmers of this country were grossly discriminated against in the enactment of the Underwood tariff, and that as time passes its effects upon our agricultural interests will prove more and more disastrous. But it is certain, no matter what the effect, that no relief can or will be given by the present Congress, and any discussion of its defects now will be useless. Rather it seems to me that we should for the moment lay aside our political prejudices and all hope of partisan advantage and address ourselves to the serious consideration of legislation designed for the protection and welfare of the American farmer.

I think I am justified in saying that the situation, as it relates to the agricultural interests of this country, is a serious one, and one which bespeaks the careful and painstaking con-

sideration of Congress. No legislation of greater importance, nor so vitally affecting the whole body of our citizenship, will be presented for our consideration than this bill making appropriations for the maintenance of our Department of Agriculture in its efforts to improve conditions under which our farmers live and labor. No department of our Government so closely touches and affects our national life; no department is treated with such miserly and niggardly consideration. The amount of the appropriation as carried in this bill for the maintenance of this great work for the next fiscal year is, in round numbers, about $18,000,000, or about 18 cents for each man, woman, and child in the Nation. The naval appropriation bill, which I am informed is to be introduced within the next few days, will appropriate $140,000,000 for the upbuilding of a Navy whose chief function is to appear on dress parade and prepare for wars that will never come. Here alone is an expenditure of $1.40 per capita. The military bill will carry an amount approximating $100,000,000, or $1 per capita; the pension bill, $180,000,000, or $1.80 per capita. We propose to spend, as a nation, during the next year a sum far in excess of $1,000,000,000, and of this nearly $700,000,000, or about 72 per cent, is in payment of debts of our wars of the past and in preparation for imaginary wars of the future. President Wilson never delivered a wiser or more patriotic utterance than that recently in which he said that this country would never again seek territorial expansion, or the extension of its authority beyond its present domains. And as long as we adhere to that policy no serious complications can arise to justify our enormous expenditures for the maintenance of our Army and Navy.

We spend millions every year dredging creeks and rivers that can never be made navigable, and which make those responsible for the expenditures ridiculous in the eyes of the people. I have in mind now a river in the South which every year receives an appropriation of hundreds of thousands of dollars, and I am in a position to know that the total value of the cargoes which it has carried during the last 10 years would not equal one of our annual appropriations for its improvement, and the river is no more navigable now than when the first appropriation was made.

But to return, our national extravagances have reached a per capita expenditure of nearly $11, or a tax of about $55 on each family in the Nation. The census for 1910 shows that 53.7 per cent of our population is rural, the remaining 46.3 per cent urban. It is fair to assume that the farmer bears his proportionate share of this tax burden, and, as the head of the family, pays directly or indirectly into the Federal Treasury nearly $55 each year. And then, when we have exhausted our ingenuity in the contrivance of schemes to waste and misuse the public funds, we pass him back annually the princely sum of about 90 cents and tell him what a faithful friend he has in us and how sacredly and conscientiously we are safeguarding his interests. With the money annually wasted by Congress we could give to every farmer boy between the ages of 15 and 20 years in this country a thorough and practical agricultural education that would fit him to take up his life work intelligently and understandingly, with added pleasure and profit to himself and to the betterment of society generally.

I have recently made a study of agricultural statistics as revealed by the census of the three last decades. They reveal a situation anything but inspiring. They show a steady migration from the farm to the city. In 1900 there were living on the farms of the country 45,197,390 people, whose number had increased to 49,348,883 in 1910, or a net gain of 11.2 per cent. During the same period the population of our cities had increased from 30,797,185 in 1900 to 42,623,383 in 1910, or a net gain of 34.8 per cent. Out of an addition to our population during this decade of 15,977,691, more than 11,000,000 had been added to our consuming and less than 4,000,000 to our producing classes.

But while our rural population increased during this period 11.2 per cent, our cereal crop, including wheat, corn, oats, rye, and barley, increased in bulk but 1.7 per cent, while the per capita production actually declined. The acreage devoted to the production of these crops had risen from 184,982,220 in 1900 to 191,395,963 in 1910, an increase of 6,413,743 acres, or 3.5 per cent. So that when we compare the total production in bushels with the total acreage, we find that our acreage yield has decreased from 24 bushels in 1900 to 23 bushels in 1910.

This, then, is the situation: A rural population failing to increase in a ratio with our total population, a decreased per capita production, and a decreased acreage production. I think I shall not be branded as an alarmist if I say that the situation is alarming and should appeal to every thoughtful man whose actions to-day are regulated in part by a realization of the needs of the future and who desires to correct a condition already acute and bound in the very nature of events to become steadily and rapidly worse, except by the discovery and application of a proper remedy.

We are accustomed to speak of the United States as the greatest agricultural country on earth, and if we consider it from a standpoint of its potentialities and possibilities the assumption is correct. But in some respects we are far behind European countries less favored by climatic conditions and natural soil fertility than ours. Against an average yield of wheat in the United States of 14 bushels per acre, Canada produces nearly 30, Austria 20, the United Kingdom 33, and Germany 35 bushels. We grow potatoes at a rate of 96 bushels, while the average yield of foreign countries reaches as high as 200 bushels per acre. In crop production of every kind we are trailing far in the rear.

One of the main sources from which our national wealth has been derived has been our farms, producing through a century a surplus which has been exchanged for European gold for the enrichment of every class of our people. I desire briefly to present for your consideration statistics concerning our exports and which reveal our decadence as an agricultural Nation. Let us take corn for an example. Our exports of this cereal reached high-water mark in 1906 with a total of more than 117,000,000 bushels. In 1912, the last year for which figures are available, the total had fallen to 40,000,000 bushels. On a basis of the present market price here was a net loss to the Nation of more than $60,000,000 on this one item alone.

In 1902 we exported 154,800,000 bushels of wheat, for which we received the enormous sum of $112,875,000; but in 1912 we shipped abroad but 30,100,000 bushels, for which we received $28,400,000, a net loss of nearly $85,000,000. In 1906 we exported 46,000,000 bushels of oats, of the value of $16,000,000, and in 1912 our surplus had dropped to 2,100,000 bushels, for which we were paid $1,135,000. On these three crops alone there was a loss in exports in 1912 of $160,000,000 as compared to those of less than 10 years ago.

In 1906 we sent abroad 567,000 cattle, for which we were paid $42,000,000. In 1912 we shipped but 105,000, and the amount received was $8,800,000. The value of our exports of all live stock amounted to $49,139,568 in 1906 and to but $15,447,987 in 1912. Nor is this all. Whereas the figures show a steady decrease in volume and value of agricultural exports, they likewise show a similar steady increase of our imports. The excess of exports over imports, constituting a balance of trade in our favor, is not only steadily decreasing but has practically reached the vanishing point. Our imports of corn alone during the last four months have been more than 7,000,000 bushels. At the present rate of decrease another five years will witness the balance of trade in agricultural products not only entirely wiped out but, great as we are and rich as we are in agricultural possibilities, we shall be forced to import farm products from abroad for the support of our population.

Not only have our exports decreased, but our production has failed to keep pace with the increase of our population. The average yearly production of corn during the five-year period from 1903 to 1907, inclusive, was practically the same as during the period from 1908 to 1912. The same is true of wheat, the crop of 1912 being the smallest, with one exception, in the last 10 years. The number of beef cattle had declined from 69,335,832 in 1900 to 63,682,648 in 1910, a net loss of 5,653,184. The same decrease was had in the number of hogs, the decline being 5,212,000, and of sheep, 8,896,000. With an increase in our population of 21 per cent, our meat supply decreased on an average of a little more than 10 per cent; or, to state it differently, in 1900 we had in this country 195,000,000 cattle, sheep, and hogs, with a population of a little less than 76,000,000, or an average of nearly 2¾ meat-producing animals for each inhabitant. In 1910 the same animals had decreased in number to 175,000,000 and our population had increased to 92,000,000, or about 1⅝ animals per capita. Here was a net loss of nearly 1 animal per capita in 10 years, a decrease in our meat supply of nearly one-half.

The foregoing statement is a correct analysis of agricultural conditions, and it might be amplified and extended indefinitely. It is a condition affecting not only the American farmer but every man, woman, and child of this Republic. It not only interests but appals. Low tariffs or high tariffs may depress or stimulate, as the case may be; the money supply, as it is scarce or plentiful, may make business good or bad; but the problem of our meat and bread supply is vital and absolutely essential to civilization.

How much the Federal Government can or may do toward a solution of these problems is a question, but one thing is certain, it can do far more than it is doing or has ever done, and in no other way will the expenditure of a dollar bring so great

return. For experiment work and investigations we have been making fairly liberal appropriations, the amount carried in this bill being about $1,600,000. This is as it should be, for the farmer has no time, equipment, nor training for questionable experimentation. He is not following his vocation out of curiosity, nor will his yearly profits permit risks the success of which is questionable. Our Department of Agriculture has undertaken this work for him, and its investigations have been of inestimable value. Nevertheless, the processes through which this information has been disseminated have been defective and inadequate, and the great bulk of it has never reached the farmer for effective and profitable utilization. I am no advocate of extravagant appropriations, but there ought to be an annual expenditure of $10,000,000, and the amount is insignificant by comparison with other expenditures authorized by Congress, to send men trained in the science of farming and acquainted with its practical problems into each county of the Nation to demonstrate by practice and in theory the value of improved methods of cultivation and all that pertains to progressive agriculture. Agents of this department have in some sections, through the organization of boys' corn clubs, demonstrated the possibility and practicability of quadrupling our corn production per acre at an increased cost trivial in comparison to the increased returns. There is not a crop grown on our farms that will not yield the same profitable increase by the application of better methods, developed by painstaking investigations at our experiment stations.

I hope to see the day when the Federal Government will, by a thorough and complete system of financial aid to the States, give to each farm boy in the Nation a practical and scientific agricultural education. We educate boys to fight, and every year make liberal appropriations for the maintenance of our Army and Navy schools for the sole purpose of teaching the science of war and how to kill widely and effectively. And yet when danger threatens it is not to the graduates of these institutions that we look for our defense, but to the boys of the country, without military education, but who, out of the abundance of their patriotism, have not yet failed to rally to the defense of the flag and the maintenance of the supremacy of the Nation. For these boys out on the farm, toiling for the support of 100,000,000 of people, and whose existence is our main reliance, both in peace and war, I plead for a square deal at the hands of Congress and a recognition in some degree commensurate with the services they render. As we educate and strengthen them, so do we strengthen the fabric of our institutions and guarantee the permanence and freedom of this Republic. An enlightened citizenship is a country's best defense, and each dollar expended in this direction will give greater protection to our country and its citizenship than ten times the amount devoted to military education and the support of immense armies and navies.

In the cities of this country are bred the germs of discontent and anarchy. If the black flag of anarchy is ever raised, it will be by the vicious and unemployed, who are the products of our city life. And if such a condition should arise, it will be the boys bred in the pure air of our country homes who will come from every hill and valley of this broad land to uphold the majesty and glory of our flag and keep inviolate the principles of civil and religious liberty.

Mr. Speaker, this question is a broad one, and occupies a place second to none that will come before us for consideration. Too long has it been neglected. The drift from the country to the town and city must be stopped, and the proper place to begin this movement is here and now. Place within the reach of every farm boy an opportunity to educate himself according to the demands and necessities of his vocation, and within the next decade the problem of our food supply will have been solved, and with it other problems of lesser importance. Carry out to the farmer himself, who is struggling in an effort to improve his methods and better his condition, information which has been developed by the practical men of our Department of Agriculture, show him how it is possible and practicable "to make two blades of grass grow where but one grew before," and you will have rendered a service more permanent and patriotic than you have yet rendered in your capacity as guardians of the Nation.

Oliver Goldsmith possessed a breadth of vision which gave him a thorough understanding and appreciation of the importance of country life in its relationship to national life when he wrote:

> Ill fares the land, to hastening ills a prey,
> Where wealth accumulates and men decay;
> Princes and lords may flourish or may fade—
> A breath can make them, as a breath has made;
> But a bold peasantry, their country's pride,
> When once destroyed can never be supplied.

Indian Appropriation Bill.

SPEECH
OF
HON. CLAUDE WEAVER,
OF OKLAHOMA,
IN THE HOUSE OF REPRESENTATIVES,
Friday, February 20, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 12579) making appropriation for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1915.

Mr. WEAVER. Mr. Chairman, while the House is considering the Indian appropriation bill I desire to raise my voice in an appeal for justice for the Indian citizens of my State. I am the representative in this Congress of more than a hundred thousand Indians who live in Oklahoma who possess a threefold citizenship. They are members of the Five Civilized Tribes, citizens of the State of Oklahoma, and citizens of the United States. I am the representative also in this House of the sovereign State of Oklahoma and of all its population, now approximating two millions of people. A right solution of the Indian question involves the welfare alike of the Indian people and of the white people—the welfare of all the people of the great American Commonwealth of Oklahoma.

This House is a great business organization. It legislates by committees. Its Members are specialists. If you except the members of the Committee on Indian Affairs, the Oklahoma delegation, and a few other Members who have given the subject particular study, I make the broad statement that this House does not know the Indian question. The House knows better our Territorial possessions—the frozen wastes and glaciers of Alaska—and our insular possessions—Porto Rico, the Hawaiian Islands, and the far-away Philippines; it knows better the government and the peoples of continental Europe, and of the Orient—of India, China, and Japan—than it knows the Indian people and the white people of the State of Oklahoma.

Gentlemen of the House, I was born on the Indian Territory border. From my earliest childhood I lived a neighbor to the Choctaw and Chickasaw people. I was a guest, a welcome guest, in their homes in the days of my boyhood, and when I became a man I moved to their country, and have lived among them for 20 years. I know the Indian history, the Indian character, the Indian people. That is my apology, if apology be needed, for speaking to-day in their behalf.

On yesterday and again this morning, with interest intense, I listened to the debate on the point of order—made by the gentleman from Mississippi [Mr. HARRISON], in whose district reside the Mississippi Choctaws—against the proposed per capita payment of $100 each to the Indians of the Choctaw and Chickasaw Nations. My colleagues from Oklahoma, who are members of the Committee on Indian Affairs [Mr. CARTER and Mr. MURRAY], presented the arguments on our side of the question with such clearness and power that the distinguished Chairman, now presiding, the gentleman from Tennessee [Mr. BYRNS], sustained their contention and overruled the point of order. May I not apply in commendation of that able decision of the Chairman of this committee upon a delicate and difficult question of parliamentary law, may I not apply to him the exclamation of Shylock to Portia at the famous trial of the cause of Shylock versus Antonio:

> A Daniel come to judgment; yea, a Daniel;
> O upright judge, how I do honor thee!

And now the gentleman from Mississippi [Mr. HARRISON] moves to strike out from the bill the per capita payment clause, and that is the question before the committee.

I have prepared an amendment increasing the per capita payment from $100 to $200, as follows:

AMENDMENT PROPOSED BY MR. WEAVER.

On page 33, line 22, strike out "$100" and insert "$200." The paragraph would then read:

That the Secretary of the Interior be, and he is hereby, authorized in his discretion to make a per capita payment of $200 to the enrolled members of the Choctaw and Chickasaw Indians of the Five Civilized Tribes entitled under existing law to share in the funds of said tribes, or to their lawful heirs, out of any moneys belonging to said tribes in the United States Treasury, or deposited in any bank, or held by any official under the jurisdiction of the Secretary of the Interior, same to be made under such rules and regulations as he may prescribe: *Provided*, That in cases where such members are Indians whose restrictions have not been removed, the Secretary of the Interior may, in his discretion, withhold such payment and use the same for their benefit.

I had intended to offer this amendment, for it is just and ought to be adopted; but I will not offer it now, because I feel

that there is, perhaps, a sentiment here hostile to such increase. I will content myself with urging the $100 per capita payment unanimously recommended, after full hearing, by the Committee on Indian Affairs.

With hypnotic eloquence and

* * * with all the zeal
That young and fiery converts feel—

the gentleman from Mississippi, Mr. SISSON, and the gentleman from Mississippi, Mr. HARRISON, have urged the cause of their Mississippi Choctaw constituents before this House, and doubtless have awakened a deep sympathy for those Indians in the breasts of gentlemen always prone to sympathize and to side with the weak and the unfortunate. I do not censure, I do not criticize, the able Representatives from the State of Mississippi. Rather, I commend them for their devotion to a cause which they consider just.

But, Mr. Chairman, I say that the claims of the Mississippi Choctaws will not bear the light of day. Their claims have been tested in one court after another, for the Mississippi Choctaws neither respect nor fear the time-honored doctrine of res adjudicata. When the courts decided against them, they appealed to Congress, and time and again Congress has made them the beneficiaries of gratuities, measured with a generous hand, piled up and running over. If Congress wants to give the Mississippi Choctaws further bounties out of the Public Treasury, that is a question to be decided when we reach it; but I want to register now my bitter opposition to the Congress giving to the Choctaw Indians of the State of Mississippi the moneys and property belonging to the Choctaw and Chickasaw Indians of the State of Oklahoma. To do that is dishonest, and I will fight it to the last ditch. I want this House to know the true facts. I can establish four propositions conclusively to the satisfaction of any fair-minded man.

PROPOSITIONS.

First. The Mississippi Choctaws have no interest whatever in the property of the Choctaw and Chickasaw Indian Nations of Oklahoma.

Second. This per capita payment proposed does not come out of the public funds of the United States Treasury. It comes out of the tribal funds belonging to the Choctaw and Chickasaw Nations of Indians.

Third. The amount of the per capita payment proposed will not affect the rights of the Mississippi Choctaws, for conceding, for argument's sake, that theirs is a valid claim, the partial payment leaves an unexpended balance sufficient to satisfy such claims multiplied many times.

Fourth. The Choctaw and Chickasaw Indians of Oklahoma, to whom this bill gives a wretched and miserable pittance of their own money, are, in common justice, entitled to this payment as wards from their guardian, the Government of the United States, because these Indians are not savages, but are possessed of intelligence, strength of character, and business capacity.

EARLY HISTORY OF THE CHOCTAWS AND CHICKASAWS.

A short historical retrospect may help us to a more accurate understanding of the status of the Mississippi Choctaws and to a better knowledge of the advancement in civilization attained in our day by the Choctaw and Chickasaw Indians of Oklahoma.

If some great American writer like Washington Irving or William H. Prescott were living now, he could find no labor more worthy the genius of a great historian than to write the history of the Choctaw and Chickasaw people. I like the phrase "The history of a people." Madame Roland wrote: "In the history of nations and empires I look for the human heart." Possessed of what absorbing interest are books like Green's History of the English People, Woodrow Wilson's History of the American People, as compared to the dead chronicles of wars and intrigues, courts, and kings.

The Choctaw and Chickasaw Tribes of Indians are of a kindred stock, belonging, with the primitive Creeks and Seminoles, to the great Muskhogean family. When the first Europeans came to the Atlantic coast the Muskhogean Tribes were confined chiefly to the Gulf States east of the Mississippi, occupying almost all of Mississippi and Alabama and parts of Tennessee, Georgia, Florida, and South Carolina. According to a tradition held in common by these tribes, they formerly lived on the upper Red River, in what is now western Oklahoma, from whence they migrated eastward to their historic seats east of the Mississippi River. The Choctaws located in western Georgia and southern Alabama and Mississippi, and the Chickasaws in what is now the northern part of the State of Mississippi, where the headwaters of the Tombigbee meet those of the Yazoo River and its affluent, the Tallahatchie. Their famous landing place on the Mississippi River was at Chickasaw Bluffs, where Memphis now stands. The Chickasaws were a brave, independent, warlike race, engaged in almost constant fighting with the Osages, Cherokees, and Shawnees, and attacking not infrequently their kinsmen, the Choctaws. The Choctaws were preeminently an agricultural people.

A considerable knowledge of these tribes, their habits, manners, feelings, and way of life, is obtained from a study of the tribal treaties with the Government of the United States, called by the Indians the Great White Father.

Taine, the philosopher, profoundly observes:

> What is your first remark on turning over the great stiff leaves of a folio, the yellow sheets of a manuscript—a poem, a code of laws, a confession of faith? This, you say, did not come into existence all alone. It is but a mold, like a fossil shell, an imprint, like one of those shapes embossed in stone by an animal which lived and perished. Under the shell there was an animal, and behind the document there was a man. Why do you study the shell, except to bring before you the animal. So you study the document only to know the man. The shell and the document are lifeless wrecks, valuable only as a clue to the entire and living existence.

What will these treaties teach us of these aborigines?

EARLY CHICKASAW AND CHOCTAW TREATIES.

When Washington became President he set about accomplishing a cherished object—the forming of treaties with the various Indian tribes. He knew the Indian character better perhaps than any man in our history, with the exception of Houston. The Indians revered and loved Washington, and he was ever their faithful friend.

In January, 1786, Benjamin Hawkins, Andrew Pickens, and Joseph Martin, acting for the United States, negotiated the Hopewell treaties—the one with the Choctaws, the other with the Chickasaws. These treaties fix the boundary lines of the Indian country, guarantee to keep intruders from the Indian lands; give to the United States the exclusive right of regulating trade with the Indians and of managing their affairs; and declare that the hatchet shall be forever buried and the Indians received into the favor and protection of the United States.

Other treaties with the Choctaws were negotiated in December, 1801; in October, 1802; and in November, 1805; and in October, 1816. Treaties with the Chickasaws were agreed on in June, 1805; in September, 1816; and in October, 1818. They were all treaties of cessions of lands from the Indians to the Federal Government in consideration of goods, moneys, and annuities. All express the great friendship of the Indians for, and their dependence on, the Great White Father. These treaties show the tender care of the Indians for their poor, for their old women, their orphan children, their aged warriors, and tribal chiefs. The Chickasaw treaty of June, 1814, made a reservation 4 miles square at the Salt Lick Springs on the Sandy River for the benefit of the poor and warriors of said nation, and by it annuities of $100 each were given to many of their chiefs, Mingoes, and warriors. It provided, too, for the payment of the sum of $1,089 to Maj. James Colbert, the Indian interpreter, being the amount of a sum of money taken from his pockets in the month of June, 1816, at a theater in Baltimore.

PROGRESS OF THE INDIANS IN CIVILIZATION.

In the period of nearly 30 years between the date of the first treaty and the date of the trade of the Indian lands east of the Mississippi for the country west of the Mississippi, the Choctaws and Chickasaws made great progress in the useful and domestic arts and approximated more and more toward the life of their white neighbors. Licensed traders had stores among them; the Indians themselves engaged in barter; Christian missionaries came into their country and taught the pure doctrine of the Nazarene, and many Indians embraced that religion. White men intermarried with the Indian women and a process of amalgamation began—slow in the beginning but continuing until the present day—that will result in the ultimate complete absorption of the Indian by the white race.

In the War of 1812–1815 the Choctaws and Chickasaws refused to join the great Shawnee warrior, Tecumseh, and the hostile Creeks in their alliance with Great Britain. The Choctaws and Chickasaws remained friends to the United States, had no part in the terrible massacre at Fort Mims, and many of them, under the leadership of Pushmataha, fought with Andrew Jackson at Horseshoe Bend.

After the War of 1812 a tide of immigration from the Atlantic States poured westward into the Indian country, and the Indians began to long for the pathless and virgin West where their forefathers had lived.

THE CHOCTAW TREATY OF 1820.

So that in the year 1820, at the treaty ground in the Choctaw Nation, near Doak's Stand, on the Natchez Road, the Choctaw chiefs and warriors met in council and negotiated with the United States commissioners the treaty of 1820. Andrew Jackson and Thomas Hinds represented the United States and Push-

mataha, a full-blood Choctaw chief, warrior, statesman, and orator, was spokesman for his people.

Jackson make a long speech to the Indian warriors, telling the purpose of the President in making the treaty, and drawing an attractive picture of the country beyond the Mississippi. He said:

To enable the President to effect this great national and very desirable object to accommodate the growing State of Mississippi, and thereby secure greater safety and protection to the Choctaws and their seminaries of learning at home, it was proposed by him to exchange for a small part of their lands here a large country beyond the Mississippi River, where all who live by hunting and will not work and who, by the nature of their mode of life, are widely scattered, may be collected and settle together in a country of tall trees, many watercourses, rich lands, and high grass, abounding in game of all kinds—buffalo, bear and deer, antelope, beaver, turkeys, honey, and fruits of many kind—in this great hunting ground they may be settled near together for protection and to be able to pursue their peculiar vocation without danger.

Pushmataha knew the country that Jackson described better than Jackson did, for he had hunted over it in years gone by. He gave an account of its resources very different from that of the hero of New Orleans, and described it to be fertile in part, but in the far west trackless and sandy deserts, and closed by saying that a part of it was an undefined portion of Mexican territory. Jackson showed him a map marking the Mexican boundary on the west, but Pushmataha said, "That paper is not true," and he proceeded to mark out on the ground with the handle of the pipe hatchet which he held in his hand the Canadian and upper branches of Red River, and showed that the country Jackson offered to trade extended far over into the dominion of the Mexican Republic. "You must be mistaken," said Gen. Jackson. "At any rate, I am willing to make good the proposition I have named."

So the treaty of 1820 was made, and in 1825 a second treaty, and in 1830 a third treaty, called the treaty of Dancing Rabbit Creek, between the Choctaw Nation of Indians and the United States, and these three treaties contain the agreements whereby the Choctaw Nation ceded to the United States the entire country east of the Mississippi and the United States ceded to the Choctaw Nation of Indians the country west of the Mississippi now a part of the State of Oklahoma.

RIGHTS OF THE MISSISSIPPI CHOCTAWS.

Let us now investigate the rights of the Mississippi Choctaws, for whatever rights they have are secured by these three treaties.

In July, 1912, Hon. JOHN H. STEPHENS, chairman of the Committee on Indian Affairs, referred H. R. 19213, entitled "A bill to reopen the rolls of the Choctaw-Chickasaw Tribe and to provide for the awarding the rights secured to certain persons by the fourteenth article of the treaty of Dancing Rabbit Creek, of date September 27, 1830," to the Department of the Interior for an opinion as to the merits of the bill. He received in reply a most interesting letter from Hon. Samuel Adams, First Assistant Secretary, reviewing the history and defining the status of the Mississippi Choctaws, and expressing the opinion that the bill should not be enacted into law.

I will read from that letter some extracts giving the historical facts:

STATEMENT OF HON. SAMUEL ADAMS.

* * * a review is necessary of the pertinent facts concerning the origin of the claims of the Mississippi Choctaws and the efforts heretofore made by the Government to adjudicate the rights of such persons.

These claims are based upon Article XIV of the treaty of September 27, 1830 (7 Stat., 333, 335), which reads as follows:

"ART. XIV. Each Choctaw head of a family being desirous to remain and become a citizen of the States shall be permitted to do so by signifying his intention to the agent within six months from the ratification of this treaty, and he or she shall thereupon be entitled to a reservation of one section of 640 acres of land, to be bounded by sectional lines of survey; in like manner shall be entitled to one-half that quantity for each unmarried child which is living with him over 10 years of age, and to a quarter section to such child as may be under 10 years of age, to adjoin the location of the parent. If they reside upon said lands intending to become citizens of the States for five years after the ratification of this treaty, in that case a grant in fee simple shall issue. Said reservation shall include the present improvement of the head of the family or a portion of it. Persons who claim under this article shall not lose the privilege of a Choctaw citizen, but, if they ever removed, are not to be entitled to any portion of the Choctaw annuity."

When the commissioners representing the United States attempted to negotiate the treaty of 1830 they encountered much opposition from many members of the tribe, because of the reluctance of a large number of the citizens to give up the land which they had occupied for many years and to abandon the graves of their ancestors, as would be necessary in view of the removal of the tribe to lands west of the Mississippi River, as provided by the terms of the treaty. The principal purpose of the Government in negotiating this treaty was to induce Indians to go west, and it appeared for a time that the efforts of the commissioners, for the reasons stated, would be fruitless. However, at the suggestion of one of their chiefs, Greenwood Leflore, Article XIV was inserted in the treaty. By the terms of this article the Indians were allowed to elect whether they would remain in Mississippi or remove west. Finding that they were to have this privilege the opposition to the treaty vanished, and the negotiations were completed to the satisfaction of the Government.

Pursuant to the terms of the treaty a large number of Choctaws were transferred to the country west of the Mississippi, later known as Indian Territory. These Choctaws and their descendants now constitute the main body of what is known as the Choctaw Nation. The removal of the people was effected by the United States at various times by contractors who conducted the several migrations.

The great majority of the fourteenth-article claimants remained in Mississippi. Some of them, however, drifted into neighboring States and others finally made their way west and joined the main body of the tribe in Indian Territory. It should be noted in this connection that by various acts the Choctaw Council recognized the right of the Absentee Mississippi Choctaws to remove to the nation, and actually invited them to do so.

Those who removed to the Indian Territory were allowed to settle upon the lands of the tribe, and some of them were recognized and enrolled by the tribal authorities either by acts of the council or decrees of the tribal courts. A number of them, however, appear to have enjoyed the substantial benefits of Choctaw citizenship, but without establishing by any legal procedure their right to enrollment.

The commission to the Five Civilized Tribes having been created for the purpose of negotiating with those tribes plans looking to the allotment of their lands and the breaking up of the tribal governments, rendered a report to Congress under date of January 28, 1898, setting forth what the commission deemed to be the rights of the Mississippi Choctaws in the lands occupied by the main body of the tribe in Indian Territory. This report appears on page 10 of the printed report of the commission to the Five Civilized Tribes for one year, 1898. After reviewing the history of the Mississippi Choctaws, and certain laws relating to them, the commission stated its conclusion, as follows:

OPINION OF THE DAWES COMMISSION.

It follows therefore from this reasoning, as well as from the historical review already recited and the nature of the title itself, as well as all stipulations concerning it in the treaties between the United States and the Choctaw Nation, that to avail himself of the "privileges of a Choctaw citizen" any person claiming to be a descendant of those Choctaws who were provided for in the fourteenth article of the treaty of 1830 must first show the fact that he is such descendant and has in good faith joined his brethren in the Territory, with the intent to become one of the citizens of the nation. Having done so, such person has a right to be enrolled as a Choctaw citizen and to claim all the privileges of such a citizen except to a share in the annuities; and that otherwise he can not claim as a right the "privilege of a Choctaw citizen."

To the claim, as thus defined, the Choctaw Nation has always acceded, and has manifested in many ways its willingness to take into its citizenship any one or all of the Mississippi Choctaws who would leave their residence and citizenship in that State and join in good faith their brethren in the Territory, with participation in all the privileges of such citizenship, save only a share in their annuities, for which an equivalent has been given in the grant of land and citizenship in Mississippi.

When as a practicing lawyer I am called upon to present a law question to the court, I count myself fortunate if I can substitute a case in point for my own processes of legal reasoning. So to-day, instead of giving you my interpretation of the meaning of the fourteenth article of the Dancing Rabbit treaty I will cite the decision of a judge invested by the Congress of the United States with jurisdiction over the persons and the subject matter—the case of Jack Amos versus the Choctaw Nation, decided by the United States Court for the Central District of the Indian Territory. Jack Amos and 2,500 other Mississippi Choctaw Indians made application to the Dawes Commission for enrollment as citizens of the Choctaw Nation under the act of Congress March 3, 1893, creating that commission and directing it to enroll the members of the Five Civilized Tribes. The Dawes Commission denied the application and they appealed to the United States court, and that court affirmed the decision of the Dawes Commission. The precise question involved was as to the right of citizenship of those Choctaws who under the treaty of 1830 decided to remain in the State of Mississippi, called Mississippi Choctaws, and who had not since removed into the Indian Territory. The opinion was rendered by Judge William H. H. Clayton, well known to the Representatives here from the State of Arkansas as well as those from the State of Oklahoma as a great lawyer and as an upright judge. I will read you a part of his decision:

JACK AMOS ET AL. V. THE CHOCTAW NATION.

In this case the proof shows that the claimants are Choctaw Indians by blood now living in the State of Mississippi; that neither they nor their ancestors have ever removed into the present Choctaw Nation.

The claimants base their right to be enrolled as Choctaw citizens upon the terms of the second and fourteenth articles of the treaty negotiated at Dancing Rabbit Creek on September 27, 1830, and of the conditions of the patent to the lands of the Choctaw Nation executed by President Tyler in the year 1842. (Durant Ed. Choctaw Laws, p. 31.)

Articles 2 and 14 of the treaty of 1830 are as follows:

"ART. 2. The United States, under a grant specially to be made by the President of the United States, shall cause to be conveyed to the Choctaw Nation a tract of country west of the Mississippi River in fee simple to them and their descendants, to inure to them while they shall exist as a nation and live on it, beginning near Fort Smith, where the Arkansas boundary crosses the Arkansas River, running thence to the source of the Canadian Fork, if in the limits of the United States, or to those limits; thence due south to Red River and down Red River to the west boundary of the Territory of Arkansas; thence north along that line to the beginning, the boundary of the same to be agreeable to

the treaty made and concluded at Washington City in the year 1825; the grant to be executed so soon as the present treaty shall be ratified.

"ART. 14. Each Choctaw head of a family being desirous to remain and become a citizen of the States shall be permitted to do so by signifying his intention to the agent within six months from the ratification of this treaty, and he or she shall thereupon be entitled to a reservation of 1 section of 640 acres of land, to be bounded by sectional lines of survey; in like manner shall be entitled to one-half of that quantity for each unmarried child which is living with him over 10 years of age, and a quarter section to such child as may be under 10 years of age, to adjoin the location of the parent. If they reside upon said lands, intending to become citizens of the State, for five years after the ratification of this treaty, in that case a grant in fee simple shall issue. Said reservation shall include the present improvements of the head of the family or a portion of it. Persons who claim under this article shall not lose the privilege of a Choctaw citizen, but if they ever remove are not to be entitled to any portion of the Choctaw annuity."

The conditions of article 2 of the treaty, that the land should be conveyed "to the Choctaw Nation in fee simple to them and their descendants, to inure to them while they shall exist as a nation and live on it," are carried into the patent and are the only portions of that instrument which shed any light on the question now being considered, and therefore article 2 and the conditions of the patent may be considered together.

The whole object of the treaty of 1830 was to procure the removal, as far as practicable, of the Choctaw people to the lands west of the Mississippi which they now occupy. The Supreme Court of the United States, in the case of the Choctaw Nation *v.* United States (119 U. S., 36), after reviewing the treaties of 1820 and 1825, says:

"In the meantime, however, under the pressure of the demand for settlement of the unoccupied lands of the State of Mississippi by emigrants from other States the policy of the United States in respect to the Indian tribes still dwelling within its borders underwent a change, and it became desirable by a new treaty to effect, as far as practicable, the removal of the whole body of the Choctaw Nation, as a tribe, from the limits of the State to the lands which had been ceded to them west of the Mississippi River. To carry out that policy the treaty of 1830 was negotiated."

Again in the case, page 27, the court says:

"It is notorious as a historical fact, as it abundantly appears from the records of this case, that great pressure had to be brought to bear upon the Indians to effect their removal, and the whole treaty was evidently and purposely executed not so much to secure the Indians the rights for which they had stipulated as to effectuate the policy of the United States in regard to their removal."

Article 3 of the treaty of 1830 stipulates that the Choctaws agree to remove all of their people during the years 1831, 1832, and 1833 to those lands. (7 Stat. L., 333.)

Article 14 of the treaty, however, provides for certain privileges and rights for those who might choose to remain in Mississippi with a view of becoming citizens of that State. They and their descendants were to receive certain lands and after living on them for five years, intending to become citizens of the State, those lands were to be granted to them in fee simple. Then follows this very peculiar clause:

"Persons who claim under this article shall not lose the privilege of a Choctaw citizen, but if they ever remove are not to be entitled to any portion of the Choctaw annuity."

The difficulty in construing this clause of the treaty is to ascertain the meaning of the word "remove." To what does it relate, and how shall we give it meaning? It certainly does not propose to impose a penalty on the Choctaw, who may choose to remove for removing, and for that reason forfeit his right to the annuity, because so long as he remained in Mississippi he was not entitled to any annuity, and therefore by removing he could not forfeit that which he did not have. If he removed he was to have no annuity, and if he remained he was to have no annuity. It is evident therefore that the word was not used for the purpose of forfeiting the annuity on case of removal. Then, what are its uses? The very object of the treaty was to procure a removal of these people. The whole of the Choctaw Nation, with all its sovereignty, its powers, and its duties, was to be transferred beyond the Mississippi. It was to exercise its powers, confer its privileges, and maintain the citizenship of its people in another place. Those who were left behind not to maintain this Choctaw citizenship, but only the "privileges of a Choctaw citizen"—that is, that when they put themselves into a position that these privileges could be conferred upon them they were to have them—and under the purposes and conditions of this treaty how would it be possible for them to put themselves in such a position without first removing within the territorial jurisdiction of the Choctaw Nation and within the sphere of its powers? What privilege would it be possible for the Choctaw Nation to confer or a Mississippi Choctaw to receive so long as he remained in Mississippi and out of the limits of the Choctaw Nation? By the very terms of the treaty they were to become citizens of another State, owing allegiance to and receiving protection from another sovereignty. If one Mississippi Choctaw were to commit a wrong against the person or property of another, the right would be enforced and the wrong redressed under the laws of Mississippi. The Choctaw Nation would be powerless to act in such a case. The Choctaws in that State can not vote, sit as jurors, or hold office as a Choctaw citizen or receive any other benefit or privilege as such. They can not participate in the rents and profits of the lands of the Choctaw Nation, because by the very terms of the grant the Choctaw people and their descendants must live upon them. If they do not, it is an act of forfeiture, made so by the provisions of article 2 of the treaty of 1830 and also of those of the patent to their land afterwards executed.

The title of Choctaw people to their lands is a conditional one, and one of the conditions of the grant, expressed in both the second article of the treaty of 1830 and the patent, is that the grantee shall live upon them. And who are the grantees? Who are these people who are to live upon the land? Unquestionably the Choctaw people and their descendants; for while the grant is to the Choctaw Nation, the people seem to be included, both as grantees and beneficiaries. The language of the treaty is, and it is carried into the patent:

"The President of the United States shall cause to be conveyed to the Choctaw Nation a tract of country west of the Mississippi River, in fee simple, to them and their descendants, to inure to them while they shall exist and live as a nation on it."

The Choctaw Nation is not "them," and can not have "descendants." And while it may exercise its sovereignty and its national powers within certain defined territorial limits, it can not "live on land." Those expressions of the grant which are expressed in the plural and attach to "descendants," and which require as a condition that the land shall be lived on, beyond doubt refer to the Choctaw people and their descendants. Whatever effect upon the title the limitation upon the right of alienation expressed in the patent, so that the lands can not be sold except to the grantor or by its consent, may have, there can be no question but that the second article of the treaty of 1830, negotiated 12 years before the execution of the patent, and in which no limitation on the right of alienation is expressed, was intended to convey a fee-simple title, burdened by two conditions subsequent, the one that the grantees should continue the corporate existence of their nation, and the other that the people of that nation and their descendants should forever live upon the land. A failure of either would work a forfeiture of the title to the grantor.

Now, why was it that this fee-simple title was to be burdened by the condition that the grantee must live on the land? In the light of the knowledge of the conditions that then existed, the answer is plain. The policy of the Federal Government at that time relating to the Indian tribes was to move them upon a reservation and keep them there; and if the Indian, either singly or in numbers, should stray off, soldiers with guns and bayonets were used to drive them back. This very treaty was negotiated with the Choctaws for that very purpose. Hence the condition in the grant that they should live on the land or it should be subject to forfeiture to the United States. This condition was inserted for two reasons: First, to compel the grantees to remove upon the lands; and, second, to compel them to remain on them after removal. It was not intended that some should go and locate on the lands and hold the title for themselves and also for the others who should choose to remain. This would defeat the very object of the condition.

To permit men with, perchance, but a strain of Choctaw blood in their veins, who 65 years ago broke away from their kindred and their nation, and during that time or most of it, have been exercising the rights of citizenship and doing homage to the sovereignty of another nation, who have borne none of the burdens of this nation and have become strangers to the people, to reach forth their hands from their distant and alien home and lay hold of a part of the public domain, the common property of the people, and appropriate it to their own use would be unjust and inequitable.

It is therefore the opinion of the court that the absent Mississippi Choctaws are not entitled to be enrolled as citizens of the Choctaw Nation.

The action of the Dawes Commission is therefore affirmed, and a decree will be entered for the Choctaw Nation.

What can I add to the force of this reasoning? The court had jurisdiction of the persons who voluntarily came before it. It had jurisdiction of the subject matter, and it was by the express terms of the act of Congress made the final arbiter—a court of last resort. That decision is the law of that case. It is the law of this land. Congress is bound by it and can not change it if it would. Congress has not unbounded license of power. There is a court above it. The property rights of the people of the Choctaw and Chickasaw Nations in their own funds and their own domain in the State of Oklahoma, once the old Indian Territory, are guaranteed to them by public treaties, by solemn covenants, by the public faith of this Nation. The Supreme Court of the United States in the case of Choate *v.* Trapp (224 U. S., 665) held that Congress has no power to take from the Indians a property right vested by treaty, and that, therefore, the act of May 27, 1908, making the Indian lands alienable and subjecting them to taxation was, in so far as it sought to subject said lands to taxation, absolutely void.

In my argument I have now given you, in the first place, the views of the Assistant Secretary of the Interior, who, after exhaustive study from the viewpoint of a high public functionary, with no interest except to render a just decision, has in the discharge of the duties of his office given it as his deliberate conclusion that the Mississippi Choctaw Indians have no property interest in the tribal funds or lands of the Oklahoma Choctaw and Chickasaw Nations. I have given you the same conclusion as reached by the Dawes Commission, an impartial tribunal created by act of Congress, of which the late Senator Dawes, of Massachusetts, was chairman, and which had for its membership men like Gov. Stanley, of Kansas; Thomas Needles; Tams Bixby; A. S. McKennon; and Clifton R. Breckenridge, once a Member of this House and afterwards minister to Russia. My good friend and colleague, the gentleman from Arkansas, Hon. H. M. JACOWAY, was for years the secretary of that commission. And I have read you the decision of the Federal court in the Indian Territory to which the Congress gave jurisdiction to try the cause and determine the rights of the Mississippi Choctaws. From these authorities and from the history of that memorable exodus of the Choctaw people the following salient and illuminating facts stand out from the record:

First. It was the policy of the Government of the United States, the public policy, to remove this nation of Indians from the State of Mississippi so that the State of Mississippi might be developed, settled, cultivated, controlled, and governed by the white men, who were invading and monopolizing the Indian country.

Second. It was the public policy of the Government that this nation of Indians should move west into a section remote and almost inaccessible, far beyond the white man's country, where these Indians, unmolested, could have a government of their own and a country of their own with their own manners, cus-

toms, ways of life, tribal laws, and from which the white men were to be excluded by the Federal Government.

Third. The treaty was so understood by the council, the Mingoes, the chiefs, the warriors, and the masses of the Choctaw people, and acting in accordance with its terms and its meaning and its policy, the tribe pursued its journey, like the wandering tribes in their migration from Egypt, back to the wilderness.

Fourth. It was the policy and the intention of the Government that each Choctaw head of a family desirous to remain in Mississippi should become a citizen of that State, and thereupon be entitled to a homestead of 640 acres of land, and all unmarried Choctaws and all children over 10 years of age should receive 320 acres of land, and all under 10 years of age 160 acres of land.

Then there is no escape from the conclusion that it was intended that those Choctaw Indians who remained in Mississippi should forever lose their identity with the migrating nation, becoming identified with the white citizenship of the land where they chose to live by the graves of their ancestors.

Fifth. But it was contemplated that some of those who remained in Mississippi might become discontented and want to join the tribes in the new country, so the concluding paragraph of the fourteenth article was inserted:

Persons who claim under this article shall not lose the privilege of a Choctaw citizen, but if they ever remove are not to be entitled to any portion of the Choctaw annuity.

For whose benefit and protection was this clause written? It was written for the benefit of those persons living at that time. Inasmuch as this clause is the basis of the claim of the Mississippi Choctaws asserted now, and inasmuch as it was written for the benefit of persons who were living in Mississippi in 1830, and inasmuch as those persons are now all dead, it is obvious that the Mississippi Choctaws now living can claim no benefits under this provision. But what is the meaning of the phrase "privilege of a Choctaw"? That meaning is clear, namely, that the discontented Indian remaining in Mississippi, who had abandoned his tribe or whom the tribe had abandoned, whichever way you put it, might, by migrating to the West and joining his people, have all the privileges of a tenancy in common of the Choctaw lands in the Indian Territory and a participation in the tribal government there, but he was to forfeit all interest in the annuities received from the Government of the United States.

Sixth. The Mississippi Choctaw claimants have contributed nothing to the laws, the government, the social life, the industrial development, the agricultural improvement, the progress in civilization of the Choctaw people of the Indian Territory. The Indians who migrated left comfortable homes back in Mississippi, where they had improved places, cattle, and slaves. They settled in the primeval solitude, exposed to hardships, suffering, and danger, and to constant attacks from the nomadic and savage Indians of the plains. The development of the Choctaw and Chickasaw people in the old Indian Territory from semi-barbarism to civilization is a miracle of modern history, but in their dangers, privations, toil, and achievements the Mississippi Choctaws had no share.

I have now established my first proposition, namely, that the Mississippi Choctaws have no interest whatever in the property of the Choctaw and Chickasaw Indian Nations of Oklahoma. Their existence as a part of the Choctaw Nation of Indians is swallowed up and lost by the night of oblivion that closed over the 10 lost tribes of Israel.

GRATUITIES TO MISSISSIPPI CHOCTAWS.

It is true that the Indians who remained in Mississippi in 1830 suffered injustice. The agent to enroll them was harsh and abusive. Only a few received allotments. Many were denied their just rights. To remedy this injustice the Congress passed an act, in 1837 and again in 1842, for commissions to investigate the claims of Indians who were denied allotments in Mississippi. All who made application to these commissions and were found entitled to enrollment were awarded scrip in lieu of the land which should have been allotted them under article 14 of the treaty of 1830. This scrip gave the applicants the right to enter public lands in certain Southern States. Later the portion of the scrip not delivered was commuted by a money payment. But it will be seen that never at any time has the Congress appropriated for the benefit of the absent Choctaw Indians, those who remained in the State of Mississippi, any portion of the funds or of the property of the Choctaw Nation of Indians in Oklahoma without the consent of that nation. The Choctaw people in the Indian Territory passed many acts and resolutions inviting these absent Choctaws to move into their country, and on one occasion appropriated a considerable sum of money to assist them on their journey, and on December 24, 1889, the General Council of the Choctaw Nation passed a resolution requesting the United States Government to make provisions for the emigration of said Choctaws from their eastern homes to the Choctaw Nation.

By the Atoka supplemental agreement of July 1, 1902, the Choctaw and Chickasaw Nations agreed that all persons identified by the Commission to the Five Civilized Tribes as Mississippi Choctaws shall be entitled to allotments in the Choctaw or Chickasaw Nations by removing in good faith and continuously residing there for a period of three years. Some 2,500 were identified by the commission as Mississippi Choctaws, and of these, 1,070 persons failed to remove. So the record proves, and it is the impartial verdict of history, that the United States Government, and the Choctaw and Chickasaw Nations as well, have always been generous to the absent Mississippi Choctaws. The right of citizenship in the Choctaw Nation, conferred on the Mississippi Choctaws upon condition of their moving to the Indian Territory by the Atoka supplemental agreement of July 1, 1902, was a gratuity. That was the legal opinion delivered by Philander C. Knox, Attorney General of the United States and one of the greatest lawyers our country has produced (vol. 24, p. 689, Opinions of Attorneys General), and that is substantially the holding of the Supreme Court of the United States. (Choctaw Nation *v.* The United States, 119 U. S., p. 1.) The question of what the Congress will do with the claim of the Mississippi Choctaws it will be time enough to decide when we reach it, but the question before the House now is whether it will give to the Choctaw and Chickasaw Indians of Oklahoma a per capita payment of $100 of their own money. The Congress can withhold the money because it has the power to do so; but between the power to do a thing and the right to do a thing there is—

> A gulf profound as that Serbonian bog
> Betwixt Damiata and Mount Casius old,
> Where armies whole have sunk.

The Congress should remember in Shakespeare's immortal drama the despairing cry of Claudio, unjustly doomed to die:

'Tis excellent to have a giant's strength, but tyrannous to use it like a giant.

THE TRIBAL PROPERTY OF THE CHOCTAW AND CHICKASAW INDIANS.

In January, 1837, the Chickasaws, having determined to move west, entered into a treaty with the Choctaw Indians, the United States being also a party, by which the Chickasaws paid to the Choctaws the sum of $537,000 and were ceded the Chickasaw Nation, to which they at once removed. This treaty gave them equal rights with the Choctaws in the Choctaw and Chickasaw country excepting the right to participate in the Choctaw annuities. For years the Choctaw Nation and the Chickasaw Nation had the same government in the old Indian Territory, but before the Civil War the Chickasaws formed a government of their own and each tribe had a separate government. By the Atoka supplemental agreement, approved by Congress July 1, 1902, it is stipulated that the proceeds arising from the sale of coal and asphalt lands and the coal and asphalt deposits shall be deposited in the Treasury of the United States to the credit of said tribes and paid out per capita to the members of said tribes, with other moneys belonging to said tribes, in the manner provided by law. As I stated to-day when I interrupted the gentleman from Virginia [Mr. SAUNDERS], there have been four per capita payments already made to the Choctaw and Chickasaw Indians. In 1904 there was a per capita payment of $40; in 1906, a per capita payment of $35; in 1908, another per capita payment of $20; and in 1911, from the general fund, a per capita payment of $50. This per capita payment proposed does not come out of the public funds of the United States Treasury. It does come out of the tribal funds belonging to the Choctaw and Chickasaw Nations of Indians. The amount of the per capita payment proposed is but a small part of the total fund and total property of these two nations, and if this payment is made the rights of the Mississipp Choctaws, conceding that they have rights, to their pro rata part upon an equitable accounting would be jeopardized in no wise. Let us see what is the value of this tribal property.

The Choctaw and Chickasaw tribal attorneys recently prepared a statement showing the funds belonging to the Choctaw and Chickasaw Indians now in the hands of the United States Government to be as follows:

CHICKASAW.	
In the Treasury	$603,460.06
On deposit in State and National banks	852,939.88
Total	1,456,399.94
CHOCTAW.	
In the Treasury	1,918,798.69
On deposit in State and National banks	2,274,439.19
Total	4,193,237.88
Grand total	5,649,637.82

The unallotted lands of these two nations which has been sold during the last two years brought a total of $10,137,094.85, of which there has been paid by the purchasers $4,891,310, leaving a balance due on deferred payments of $5,245,784.85.

In the hearings before the Senate Committee on Indian Affairs, Sixty-second Congress, third session, on H. R. 26874, pages 313 and 314, J. George Wright, Commissioner of the Five Civilized Tribes, February 8, 1913, testified that the property of the Choctaw and Chickasaw Tribes undisposed of was worth approximately as follows:

Sale of surface of coal and asphalt lands	$4,000,000
Value of mineral deposits in coal and asphalt segregation	12,000,000
Value of timber reserve	3,500,000
Total	19,500,000

Adding to this the total cash now on hand, $5,649,637.82, and the deferred payments still due on the sale of the unallotted lands amounting to $5,245,784.85, makes the total tribal property of these two tribes amount to $30,395,422.67.

There are about 27,000 persons enrolled as citizens of the Choctaw and Chickasaw Tribes entitled to share in these funds, and a payment of $100 per capita, as provided by the present Indian appropriation bill, will amount to approximately $2,700,000. If this payment is authorized, there will still remain over $27,500,000 worth of tribal property yet undisposed of.

These figures are based upon the estimate of the unsold timber and mineral lands at nineteen and a half millions of dollars, when in truth, considering the discovery recently of new oil fields and gas fields in Oklahoma of incalculable value, these bodies of land—450,000 acres of mineral lands and 1,300,000 acres of timberlands—are worth, in my judgment, at a conservative valuation, at least a hundred million dollars.

We have now reached the conclusion—for the conclusion is inevitable from the admitted facts—that the Mississippi Choctaw Indians have no interest in the tribal property of the Oklahoma Choctaw and Chickasaw Indians. We have seen that the payment proposed is but a fractional part of what is due by the Government, for we have the inventory of the tribal moneys and we know that the payment proposed is not out of the public funds of the United States, but it is a payment to the Indians of their own money; so that the sole question remaining is, Shall they be trusted to receive it? Now, the Indians classed as full bloods, called by the Indian Bureau "incompetents." I frankly concede should have the guardianship and protecting care of the Federal Government, and this bill by express terms protects that class by the following proviso:

That in cases where such members are Indians whose restrictions have not been removed, the Secretary of the Interior may, in his discretion, withhold such payment and use the same for their benefit.

But what reason has been given, what reason can be given, why Indians not belonging to this incompetent class shall be denied a payment of which many are in sore need? I said in beginning my speech that these Indians are not savages; that they are possessed of business capacity, of intelligence, of strength of character.

THE PROPHECY OF PUSHMATAHA.

Representatives, I have told you the story of how Pushmataha, the Choctaw chieftain, traded the lands of his people east of the Mississippi River for the lands west of the Mississippi River, where now is my own State of Oklahoma—a land richer, more beautiful, than the promised land flowing with milk and honey that greeted the rapt vision of Moses from the heights of Nebo.

I pause to pay tribute to this Indian warrior, statesman, orator, and prophet. The inscription upon his tombstone is no false epitaph:

Pushmataha was a warrior of great distinction. He was wise in council, eloquent in an extraordinary degree, and on all occasions and under all circumstances the white man's friend.

He was born to command, and though not the son of a chieftain was elevated to lead his race by his own restless energy, extraordinary talents, indomitable will, and strength of character. No greater orator ever lived. He was a giant in size, but exquisitely molded, and his face, the mirror of all human passions, reflected the intense soul within. He had a voice of melting music, whose harp strings were a lute, and in his own native tongue he was master of the grand harmonies of human speech. The oration delivered to the great Choctaw council of 1811 under the open sky, far in the forest wilds of Mississippi, made in answer to the fiery appeal of Tecumseh—the oration of Pushmataha that kept the Choctaws from rebellion and maintained their friendship with the Americans, could it have been preserved, would have made him immortal as the old Greek, whose eloquence stirred the Athenian rabble with one voice to exclaim: "Let us arise and go against Philip." Pushmataha was the true forest-born Demosthenes.

The story he told to Gen. Jackson of his supernatural origin recalls in the myths of cloud and storm of the Hellenic races the fable of Minerva—sprung from the brain of Jove, full-orbed and glorious in her divine wisdom and radiant beauty.

When Pushmataha was asked what made him distinguished among the Choctaw warriors, he answered:

If the white chief must know, tell him that Pushmataha was not born of woman; that he has neither father nor mother nor kinsman upon the earth. Tell him that once upon a time, far away from here in the great forests of the Choctaw Nation, a dark cloud arose from the western horizon, and with astonishing velocity traveled up the arched expanse; across its dark face the bright lightning played in incessant flashes, while the rolling thunder reverberated in muffled tones from hill to hill amid the vast solitudes of the surrounding forests. Swiftly and majestically it climbed the western sky, while the lightning flashed, followed by the thunder's roar in successive peal after peal. In silence profound, all animate nature stood apart; soon the fearful cloud reached the zenith, then as quickly spread its dark mantle o'er the sky entire, shutting out the light of the sun, and wrapping earth in midnight gloom, lighted only in lucid intervals by the lightning's fitful glare, followed by peals of thunder in deafening roar. Then burst the cloud and rose the wind; and while falling rains and howling winds, lightning's gleam and thunder's roar, in wild confusion blended, a blinding flash blazed athwart the sky as if to view the scene, then hurled its strength against a mighty oak—an ancient monarch of the woods that for ages had defied the storm with his boasted power—and cleft it in equal twain from utmost top to lowest bottom, when, lo! from its riven trunk leaped a mighty man; in stature, perfect; in wisdom, profound; in bravery, unequaled—a full-fledged warrior. 'Twas Pushmataha.

Pushmataha died in Washington City in 1824. He was here as a delegate of his nation, with other Choctaw chiefs, in the interest of his people. He was taken sick, and said to his red brothers:

I am dying, and will never return again to our native and loved land. But you will go back to our distant homes, and as you journey you will see the wild flowers of the forest and hear the songs of the happy birds of the woods. But Pushmataha will hear and see them no more. When you return home you will be asked, "Where is Pushmataha?" and you will answer, "He is dead." And it will fall upon their ears as the sound of the mighty oak falling in the solitude of the woods.

His dying words were, "When I am gone let the big guns be fired over me." His request was complied with. The minute guns were fired on Capitol Hill, and a procession of more than a half a mile in length marched to the Congressional Cemetery, and there the Choctaw chief and warrior lies buried.

A little while ago I stood by his grave. A magnificent forest tree casts its shade there in summer days, and the spot is marked by an ancient and weather-beaten stone fast crumbling to decay. But there is a monument in the State of Oklahoma to the great Choctaw that will endure. A county in the old Choctaw Nation bears the name of the chieftain. It is a wild and rugged, broken, and beautiful country, where the swift Kimichi River rushes through the pine-clad mountains and the voice of the wind is a coronach to the memory of Pushmataha.

The very gale his name seems sighing,
The waters whisper of his name,
The woods are peopled with his fame.

His spirit spans the dusky mountain,
His memory sparkles o'er the fountain,
The meanest rill, the mightiest river,
Rolls mingling with his fame forever.

Before I describe the advancement of these Indians I will tell you of an Indian prophecy. We believe that the age of prophecy is gone, for Miriam, the sister of Moses, sleeps in the dust of the desert; Elijah, in his chariot of fire, long ago scaled the crystal battlements of heaven; and Delphi and Dodona are silent and their oracles are dumb. But I will give you the prophecy of an Indian chieftain, made a hundred years ago, concerning his own people—a prophecy with inspiration surpassing the nine Sybils of old Rome—the prophecy of Pushmataha.

When Pushmataha was speaking to the council of his nation, when the treaty of 1820 was made, he said:

I most solemnly declare that on my part the sacred words "perpetual friendship," included in the last article of the treaty, shall never be violated or suffer the slightest infringement. We have made many treaties with the United States, all conducted in peace and amicably carried out, but this last one, the greatest of all, has been peculiar in its stipulations, giving another and a stronger proof of the fostering care and protecting intentions of the United States toward their Choctaw friends. In all our treaties we have been encouraged by them to institute schools, urging us to prepare ourselves as fast as possible to become citizens and members of that great Nation. In the treaty which has been concluded to-day the subject of schools has been more particularly urged and appropriations more extensively provided than any other former treaty. The applauding murmurs on that subject have passed through the camps of the red people. It meets their approbation. They will most certainly succeed. It is a peculiar trait in the Choctaw character that all the national movements turn out to be successes. I am pleased to hear so many speaking favorably of school institutions. It tells me that they will have them. It is a national sentiment, and I here venture the prediction—for I am considered a sort of a prophet, anyway—that the time will come, and there are many children and some grown men here to-day who will live to see it—when the highly improved Choctaw shall hold office in the councils of that great Nation of white people, and in their wars with the nations of the earth mixed up in the armies of the white man the fierce war

whoops of the Choctaw warrior shall strike terror and melt the hearts of an invading foe. Mind that. Pushmataha has this day declared it. clared it.

The prophecy of Pushmataha has been fulfilled. The Five Civilized Tribes, transplanted from their eastern homes to trans-Mississippi solitudes, have in less than a hundred years attained a high civilization. The love of liberty is as strong in the Indian as in the Saxon race, and his was the boast of the free-born Robin Hood:

I am as free as nature first made man,
Ere the base laws of servitude began,
When wild in woods the noble savage ran.

The Chickasaws, the Choctaws, and the Cherokees, in the experiment of self-government, will compare favorably with the governments of the Western States, created by the hardy pioneers who conquered the wilderness. They had written constitutions and written laws. They had legislatures composed of two houses, and a tribal chief, or governor, as the executive. They had courts and trial by jury to administer old-fashioned, plain, and simple justice. The Indians early learned the great truth that Alexander Campbell expressed in the maxim, "To educate the citizen is the first and imperative duty of the State." They spent large sums of money to establish free and common schools, founded academies of higher learning, and appropriated public moneys to educate the brightest youths of the nation in the higher education of eastern universities.

I lived in the Indian Territory when the Atoka agreement of 1898 was made. The delegates of the Choctaw government were Green McCurtain, J. S. Standley, N. B. Ainsworth, Ben Hampton, Wesley Anderson, Amos Henry, D. C. Garland, and A. S. Williams, and those of the Chickasaw Nation were R. M. Harris, I. O. Lewis, Holmes Colbert, P. S. Mosley, M. V. Cheadle, R. L. Murray, William Perry, B. H. Colbert, and R. L. Boyd.

I lived in the Indian Territory when the Atoka supplemental agreement was made, in 1902. The Choctaw representatives were Gilbert W. Dukes, Green McCurtain, Thomas J. Sanquin, and Simon E. Lewis, and the Chickasaw representatives were Douglass H. Johnston, Calvin Grant, Holmes Willis, Edward B. Johnson, and Benjamin H. Colbert.

I knew these men—nearly all of them—some on the terms of close intimacy and personal friendship. Some of them are living still, honored in their own land, and others have crossed the River of Silence, "to where beyond these voices there is peace."

I speak no panegyric of them when I say that—Indians though they were—for business ability, unsullied honor, far-seeing statesmanship, aye, in all the attributes of the noblest manhood, they were peers of the Members of this House of Representatives.

The tribal attorney for the Chickasaws is Reford Bond, a Chickasaw Indian. The tribal attorney for the Choctaws is Will F. Semple, a Choctaw Indian. The tribal attorney for the Cherokees is W. W. Hastings, a Cherokee Indian, and if they were not men of spotless integrity and great ability as lawyers they could not hold their high places for a day.

True, these Indians are representative of the highest type, but the rank and file of the Choctaw and Chickasaw Indians of Oklahoma of less than half Indian blood—the great majority in number—are wide-awake, competent business men who have no more need of guardianship over their affairs than have the white citizens of the State of Oklahoma or any other State in this Union.

In the War between the States the Choctaw, Chickasaw, and the Cherokee warriors leagued with the soldiers of the South to repel the northern invader and to make common cause with their true friends, the southern people, in the defense of their native land.

With the coming of the railroads after the Civil War white settlers swarmed into the Indian country, and the Indians gave them generous welcome. The old Indian Territory was an ideal poor man's country, for here farmers could get the use of fertile land for low rent or none. The Indian courts, all powerful over the tribal members, had no jurisdiction over white men. The whites and Indians for years lived together in an anomalous social state, with no government, no court, no taxes, and a man who would not pay his just debts was ostracised, for the obligation of honor was more binding among these primitive people than the attachment and sequestration writs of the boasted jurisprudence of the States.

The estimate that rated the Indian Territory as the Alsatia of refuge for criminals of other States did gross injustice to the population. The bandits and desperadoes were few in number, erratic and ill-starred characters, transient bubbles on the still stream, most of them killed by one another, like the armed men who sprang from the dragon's teeth upon the Theban plain. The people in the general mass were peaceful and law-abiding, shrewd merchants, industrious and thrifty farmers, and cattlemen who prospered by grazing vast herds on the luxuriant native grasses.

When the government of the new State of Oklahoma was in the making Choctaw, Cherokee, and Chickasaw Indians were in the legislature, were members of the constitutional convention, and were elected by the votes of white people to hold the highest offices in the State.

To-day the Register of the Treasury of the United States is a Choctaw Indian. The ranking member of the Committee on Indian Affairs in this House, who for nearly eight years has rendered service so distinguished to the Indian people, to the State of Oklahoma, and to this great Nation, is a Chickasaw Indian, and when Oklahoma is represented in the hall of fame in this Capitol, if the choice of the people of Oklahoma shall be reflected, there will stand there for future generations the statue of a Cherokee Indian, the Senator from Oklahoma, ROBERT L. OWEN.

Here were two of the primitive races of mankind—the red man and the white man—whose contact made them friends, not enemies, the one fitted by age-long environment to wrest a livelihood from the waste and the wild, the rock and the bramble, the other bearing in its hands the tribute of all the ages and wearing on its brow the jewels torn from the diadem of every civilization. Their blended race in Oklahoma has produced a material development and an evolution in arts and government the wonder and the admiration of the world. With its immeasurable mineral wealth—oil, asphaltum, coal—hidden in the womb of earth; with great forests of hardwood timber and long-leaf pine; with rich soils, the raw material of agriculture; with its independent and self-relying white population; with its Indian races, proud, generous, and brave, the old Indian Territory contributed its full share to the glories of the Commonwealth of Oklahoma and to the luster of the twin star that burns brighter than the gold band of Orion in the constellation of American States.

PROBLEM OF TAXATION IN OKLAHOMA.

I had intended to speak at some length to-day to this question of taxation, the right exercise of which is essential to all government and the abuse of which is destructive of all government. But I fear to tax the patience of those who hear me, and of my good friends in Oklahoma who will read my speech, so I will defer the tax discussion for another day.

It is well that the Members of this House shall sometimes forsake the narrow way of the partisan to walk the broad way of the patriot. I congratulate my colleague from Oklahoma [Mr. MORGAN] on the very excellent speech that he made yesterday on the subject of the exemption from taxation of Indian lands in Oklahoma, and I rejoiced exceedingly when from the 435 Members of this House not a single voice was heard to protest against the clause of this bill which appropriates the sum of $275,000 to be expended in the discretion of the Secretary of the Interior, under rules and regulations to be prescribed by him, in aid of the common schools in the Cherokee, Creek, Choctaw, Chickasaw, and Seminole Nations in Oklahoma during the fiscal year ending June 30, 1915.

Though the Indians were made the target for the arrows of unjust censure for refusing to pay the taxes imposed by the government of Oklahoma upon their lands, I do not blame them for contending for their treaty rights. In the Atoka agreement of 1898 is this language:

All the lands allotted shall be nontaxable while the title remains in the original allottees, but not to exceed 21 years from date of patent.

To preserve this right the Indians were compelled to appeal from one court to another until at last they found the highest tribunal, the Supreme Court of the United States, to be the shadow of a great rock in a weary land. The wrong that was done was to the white people when the Federal Government by the organic act that made Oklahoma a State failed to make compensation to the State for the revenues lost from the nontaxable lands.

Years ago I foresaw, and in many public speeches in Oklahoma I foretold, the blight and ruin to our people from unequal and unjust taxation with which the Federal Government had burdened us.

When the act of Congress of June 16, 1906, admitted Oklahoma into the Union I was the first to announce as a candidate for Congress. I need not apologize, my good friends, for my tardy appearance among you. "Barkis was willin'." It was in the old convention days, and to give you the details of my shipwreck would be an unprofitable story now. In my platform in 1906 I said:

INDIAN PLATFORM OF CLAUDE WEAVER IN 1906.

The State of Oklahoma is confronted in the dawn of its existence with conditions unnatural, perilous, and peculiar. In the formative period

of a State the burden of taxation is always oppressive. That burden will fall on old Oklahoma with crushing weight for the reason that in the Indian Territory the great body of the land is nontaxable. This rank injustice should be at once eradicated. Moreover, in the Indian Territory these nontaxable lands can not now be sold. A domain vaster and more magnificent in wide extent of rich valleys and fertile plains than that which the Norman conqueror divided among his robber soldiery is held inalienable; a condition which is an absolute bar to the growth, the development, and the prosperity of that section of our State.

If elected to Congress, it will be my first endeavor to remedy these evils, and to do so I shall advocate the following changes in the law:

First. I advocate the immediate removal of the restrictions on alienations of homesteads owned by intermarried citizens of white blood.

Second. The removal of all restrictions on land owned by persons of mixed blood, except homesteads.

Third. The removal of all restrictions on the sale of lands of all full bloods except homesteads, but such sales to be under the supervision and approval of the Department of the Interior, and the proceeds of such sales to be devoted to permanent and substantial improvements on the homesteads.

Fourth. The nonalienable homestead to consist of not more than 80 acres of average land.

Fifth. All lands in Oklahoma to become equally taxable at once upon the passage of the foregoing law.

Thereby:

First. The Indian Territory would bear with old Oklahoma equally the burden of State taxation.

Second. The farm lands would divide the burden of county taxation with city property.

Third. The homeless and landless tenant farmers in the Indian Territory, who have largely created its material prosperity, could buy homes and obtain a permanent foothold in the soil where they have toiled for so many years for the enrichment of Indian landholders.

Fourth. Thousands of farmers from other States would move to the Indian Territory part of Oklahoma to buy farms and add to the population and wealth of our State.

That was a good platform in 1906—that is a good platform in 1914. Is it better for each Indian to possess 320 acres of land and not cultivate it at all, or 160 acres of land and cultivate it poorly, or 80 acres of land and cultivate it well?

In Oklahoma County where I live I know American, German, and Bohemian farmers who will take 80 acres of land and in a little while, as if by magic, you will see on that 80-acre farm good houses and big barns and the seven great staple crops—cotton, corn, kaffir corn, broom corn, wheat, oats, and alfalfa—all growing in the same fields, and there will be chickens and sheep and hogs and horses and cattle, and in the springtime the air will be heavy laden with odors of orchard blossoms. Such farmers are the bone and sinew of a nation.

> Princes and lords may flourish or may fade,
> A breath can make them as a breath has made;
> But a bold yeomanry, their country's pride,
> When once destroyed, can never be supplied.

Let the full-blood Indians have an 80-acre homestead, inalienable, and for the other Indians break the chain that binds them to a far-away government, and you will settle the tax problem in Oklahoma, and the burden of taxation will be borne by all the people in proportion to the benefits received. Then the State will be divided into small farms where the home owner will live and till his own land, and you will see an agricultural development, a prosperity among the farming people such as exists to-day in rural France and nowhere else in the world.

The Indians need their money to improve their allotments. They are land poor. They lack the means of financing a profitable agriculture. If a part of their lands could be sold, leaving them a homestead on which they can build good houses and substantial improvements, if they had money to buy agricultural implements, horses to plow with, and a few cattle and hogs these Indians would in a little while be prosperous, where now they pine and perish in the midst of abundance. So Tantalus was mocked by golden and delicious fruits forever beyond his reach, and fountains of living water that forever fled his thirsting lips.

The policy that denies these Indians their own is a short-sighted policy, disgraceful to American statesmanship, injurious and unjust alike to the Indians and the white people of the State of Oklahoma. Why not give them their money? It belongs to them just as much as the salary of the ranking member of the Committee on Indian Affairs, Mr. CARTER, of Oklahoma, belongs to him. Suppose when the gentleman from Oklahoma, Hon. CHARLES D. CARTER, on the 4th day of March presents his salary check for $625 to the Treasurer for payment that official would answer, "Yes; it is due you as a Member of the House of Representatives, but I can not trust you with the money; you are a Chickasaw." Suppose when Gabe Parker presents his check for payment the Treasurer would say, "Yes; it is your salary. You are the Register of the Treasury of the United States, and every piece of money printed by the Government bears your signature, but I can not trust you with this money; you are a Choctaw." Suppose when ROBERT L. OWEN presents his check for payment the Treasurer would say, "Yes; this money is yours. You are a Senator from the State of Oklahoma. The greatest constructive piece of legislation of modern times, the Owen-Glass currency bill, bears your name. You have been merchant, lawyer, banker, farmer, cattleman, publicist, statesman—successful in every field of endeavor, but I can not pay you the money; you are a Cherokee."

Do you not see to what a miserable position you are driven? What an ignoble policy has dominated? Do you not see how you find youself in the wilderness of error, recalling the lines with which the great Italian poet begins the Divine Comedy:

> In the midway of this our mortal life,
> I found me in a gloomy wood astray.

CHOCTAW AND CHICKASAW TREATY RIGHTS.

The Choctaw and Chickasaw Indians of Oklahoma stand to-day on the same high ground where they have stood from the beginning. They are asking from the Government no special benefits, no bounties nor gratuities nor charity, but only that the Government shall keep its plighted faith and observe its solemn covenants with the Indian people.

How are the treaties—the agreements between the United States and the Indians to be construed? They are to be construed from the standpoint of the Indians as they were understood by the Indians. The Supreme Court of the United States has so held. The court said in the case of Worcester *v.* Georgia (6 Pet., 515):

> The language used in treaties with the Indians should never be construed to their prejudice. If words be made use of which are susceptible of a more extended meaning than their plain import, as connected with the tenor of the treaty, they should be considered used only in the latter sense. * * * How the words of the treaty were understood by this unlettered people, rather than their critical meaning, should form the rule of construction.

And again, in the case of the United States *v.* Kagama (118 U. S., 375):

> These Indian tribes are the wards of the Nation; they are communities dependent on the United States, dependent largely for their daily food, dependent for their political rights. They owe no allegiance to the States and receive from them no protection. Because of the local ill feeling the people of the States where they are found are often their deadliest enemies. From their very weakness and helplessness, so largely due to the course of dealing of the Federal Government with them and the treaties in which it has been promised, there arises the duty of protection, and with it the power. This has always been recognized by the Executive and by Congress and by this court whenever the question has arisen.

And again, in the case of Choctaw Nation *v.* United States (119 U. S.):

> The recognized relation between the parties to this controversy, therefore, is that between a superior and an inferior, whereby the latter is placed under the care and control of the former, and which, while it authorizes the adoption on the part of the United States of such policy as their own public interests may dictate, recognizes, on the other hand, such an interpretation of their acts and promises as justice and reason demand in all cases where power is exerted by the strong over those to whom they owe care and protection. The parties are not on an equal footing, and that inequality is to be made good by the superior justice which looks only to the substance of the right without regard to technical rules, framed under a system of municipal jurisprudence formulating the rights and obligations of private persons equally subject to the same laws.

Now, what was in the mind of the Choctaw and Chickasaw people when they ratified the Atoka agreement of 1898 and the supplemental agreement of 1902? The controlling consideration and thought with them was that they were to surrender and abolish their tribal governments; that they were to become citizens in fact as well as in name of the United States and of the new-born American Commonwealth to be erected in their Territory; and that the Federal Government without delay and at a time when the Indians who made and the Indians who ratified the treaty were still living to enjoy its fruits—that the Government would give them their land and their money. That was the treaty; and how has the Government kept it? Like the black, perfidious, uncanny, foul, and evil witches who greeted Macbeth and Banquo on the road to Forres—

> And be those juggling fiends no more believed
> That palter with us in a double sense;
> That keep the word of promise to our ear
> And break it to our hope.

The Government, with jealous care, observes its treaty obligations to the great powers of the world. We are ready to repudiate a party platform, and I think we ought to repudiate a party platform, that stands between us and the sacred preservation of the public faith. Why will not the Government redeem its covenant with the Indian people as well as with a world power like the Empire of Great Britain? Let the Federal Government scrupulously keep its treaties with the Indians, and there will be no Indian problem. There is but one solution to the Indian question, and that is to give to the Indians their property while they are alive and can enjoy it.

A Roman senator closed every speech with the saying, "Carthage must be destroyed," and I will close my speech with the solemn appeal to the Representatives of the American people here assembled, Be honest with the Choctaw and Chickasaw Indians of Oklahoma; give to the Indian his own.

Resolutions Adopted by the Legislature of Massachusetts.

EXTENSION OF REMARKS
OF
HON. ALLEN T. TREADWAY,
OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, March 14, 1914,

On the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. TREADWAY. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include resolutions adopted by the Legislature of Massachusetts.

The resolutions are as follows:

THE COMMONWEALTH OF MASSACHUSETTS, 1914.

Resolutions relative to certain payments by the United States Government in aid of the Massachusetts Nautical School.

Whereas by an act of Congress passed March 4, 1911, entitled "An act for marine schools, and other purposes," it was provided that a sum not exceeding $25,000 should annually be paid by the United States to any State or municipality which maintained a marine or nautical school and annually appropriated therefor a sum not less than $25,000; and

Whereas this Commonwealth maintained during the years 1911, 1912, 1913, and intends hereafter to maintain, a nautical school, and appropriated therefor the sum of $68,000 in each of said years, and has appropriated a like sum for the current year: Be it

Resolved, That payment to the Commonwealth of the said sum of $25,000 for each of the years 1911, 1912, 1913, and 1914 is hereby requested.

Resolved, That the Senators and Representatives in Congress from Massachusetts are hereby requested to procure, if possible, the payment to the Commonwealth of the said sum.

Resolved, That copies of these resolutions, together with the twenty-second annual report of the commissioners of the Massachusetts Nautical School, be sent by the secretary of the Commonwealth to the Secretary of the Navy of the United States and to the Senators and Representatives in Congress from Massachusetts.

In house of representatives, adopted, March 2, 1914.
In senate, adopted, in concurrence, March 5, 1914.
A true copy.
Attest:

FRANK J. DONAHUE,
Secretary of the Commonwealth.

In accordance with the wishes expressed in these resolutions I have communicated with the Secretary of the Navy and the following is a copy of letter addressed to him:

MARCH 14, 1914.

Hon. JOSEPHUS DANIELS,
Secretary of the Navy, Washington, D. C.

DEAR MR. SECRETARY: Resolutions have been adopted by both branches of the Legislature of the State of Massachusetts requesting the payment to the Commonwealth of the sum of $25,000 for each of the years 1911, 1912, 1913, and 1914, in accordance with chapter 265, third session, Sixty-first Congress, approved March 4, 1911, entitled "An act for the establishment of marine school, and for other purposes."

In each of the years designated the Commonwealth of Massachusetts has appropriated $68,000 for maintenance of a nautical school. In accordance with the resolution above referred to I respectfully ask that whatever course of procedure is necessary to secure this payment to the Commonwealth should be undertaken by the Navy Department. Kindly inform me at your early convenience what action will be recommended.

Sincerely, yours,

ALLEN T. TREADWAY.

I have acknowledged the resolutions in a letter addressed to the president of the Massachusetts senate, of which the following is a copy:

MARCH 14, 1914.

Hon. CALVIN COOLIDGE,
President of Senate, Statehouse, Boston, Mass.

DEAR SIR: I beg to acknowledge receipt of the resolution adopted by the house of representatives and the senate relative to certain payment by the United States Government for aid of Massachusetts Nautical School.

I beg to state I have to-day called upon the Bureau of Navigation, and find that under chapter 265, third session, Sixty-first Congress, no provision is made for the appropriation required by this act, and that no payment has ever been made under it. I have formally presented the claim to the Secretary of the Navy, in accordance with letter of which I inclose copy. As soon as the matter is taken up by the department and answer made to this letter I will again communicate with you about the subject.

Assuring you of my interest in an effort to secure this sum for the Commonwealth, I am,

Sincerely, yours,

ALLEN T. TREADWAY.

I also include the act of Congress referred to in the resolutions:

[Chapter 265, Sixty-first Congress, third session.]

FEDERAL AND STATE LEGISLATION.

AUTHORITY OF THE UNITED STATES.

[H. R. 24145. Approved March 4, 1911.]

An act for the establishment of marine schools, and for other purposes.

That the Secretary of the Navy, to promote nautical education, is hereby authorized and empowered to furnish, upon the application in writing of the governor of a State, a suitable vessel of the Navy, with all her apparel, charts, books, and instruments of navigation, provided the same can be spared without detriment to the naval service, to be used for the benefit of any nautical school, or school or college having a nautical branch established at each of the following ports of the United States: Boston; Philadelphia; New York; Seattle; San Francisco; Baltimore; Detroit; Saginaw, Mich.; Norfolk; and Corpus Christi, upon the condition that there shall be maintained at such port a school or branch of a school for the instruction of youths in navigation, steamship marine engineering, and all matters pertaining to the proper construction, equipment, and sailing of vessels or any particular branch thereof.

SEC. 2. That a sum not exceeding the amount annually appropriated by any State or municipality for the purpose of maintaining such a marine school or schools or the nautical branch thereof is hereby authorized to be appropriated for the purpose of aiding in the maintenance and support of such school or schools: *Provided, however*, That appropriations shall be made for one school in any port heretofore named in section 1 and that the appropriation for any one year shall not exceed $25,000 for any one school.

SEC. 3. That the President of the United States is hereby authorized, when in his opinion the same can be done without detriment to the public service, to detail proper officers of the Navy as superintendents of or instructors in such schools: *Provided*, That if any such school shall be discontinued, or the good of the naval service shall require, such vessel shall be immediately restored to the Secretary of the Navy, and the officers so detailed recalled: *And provided further*, That no person shall be sentenced to or received at such schools as a punishment or commutation of punishment for crime.

SEC. 4. That all laws and parts of laws in conflict herewith are hereby repealed.

Statement Prepared by Judge D. C. Beman, of Denver.

EXTENSION OF REMARKS
OF
HON. H. H. SELDOMRIDGE,
OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, March 14, 1914,

On the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. SELDOMRIDGE. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include a statement prepared by Judge D. C. Beman, of Denver, in reference to the appropriation for the migratory bird law.

The statement is as follows:

"The Federal migratory bird act and the regulations thereunder, prepared by a committee of the Biological Bureau, went into effect October 1, 1913.

"It is most revolutionary in character, and undertakes to nullify at one stroke all the statutes of the several States not in harmony therewith.

"Whether it is valid, and if so, what it means, are important questions to the sportsmen and game-bird propagators of the country.

"The country is divided into two zones, called the 'breeding' zone and the 'wintering' zone. Colorado is placed in the breeding zone, along with Montana and the northern States touching the Canada line. Kansas and Utah are placed in the wintering zone, along with Texas and other States touching the Gulf of Mexico.

"Although some migratory birds breed in Colorado, as they do in all the States, it no more belongs to the breeding zone than does Kansas or Utah. In fact, the north boundary of Utah is many miles north of that of Colorado. Somebody evidently had it in for Colorado.

"Instead of dealing with migratory birds as a class, a designation easily understood and defined, the act protects by name certain birds and then protects generally 'all other migratory game and insectivorous birds which do not remain permanently the entire year within the borders of any State or Territory.'

"It is well known that there are many kinds of game and insectivorous birds of the migratory class (not specifically named in the act) which remain in Colorado and other States the year round, and never, in fact, attempt to migrate. These birds, although in the migratory class, but not being specifically named in the act, are therefore without protection under its terms, and it would seem that in an action as to killing one of them it would be incumbent on the prosecution to prove that the bird in question was not one of these permanent residents. This would involve a practical impossibility and shows the lack of care in drawing the act.

"The regulations give a long list of protected birds, called migratory insectivorous birds, and adds that 'all other perching birds which feed entirely or chiefly on insects' are also protected.

"How many sportsmen know what a 'perching' bird is or whether it feeds chiefly on insects?

"Natural history says that perching birds constitute such a large and difficult group that ornithologists do not agree on their classification.

"Yet the sportsman must at his peril decide the question, and if he decides wrong he is a criminal.

DOVES "UNKNOWN QUANTITY."

"It seems to be generally understood that doves are not specifically protected by the regulations, although they are classed as, and no doubt are, migratory birds. Whether this is a blunder of the regulations or merely a trap set for the innocent sportsman under the term 'perching' birds, I dare not decide.

"Doves are protected under Colorado laws, and no one will contend that they should not be protected.

"While the regulations prohibit night shooting, they do not protect eggs or nests, provide any bag limit, or have any other sensible and necessary provisions contained in the game laws of Colorado and most other States.

"The act also generously provides that the States may enact laws to render 'efficient' the regulations made under the act. This is an admission that the regulations are not expected to be 'efficient,' and the States are left to do just what the promoters of the act have contended that the States have failed to do.

"It is also elemental that criminal laws should be plain and easily understood. This act is anything but plain.

"The regulations not only prohibit spring shooting, but also make a five-year closed season on shore and other birds, many of which are worthless as food, but are ravenous feeders on the small fish in our lakes and reservoirs, and materially lessen that important and growing food supply.

"One common argument against spring shooting is that the killing of a female duck in her spring flight means the destruction of immature eggs. The fact, however, is that the mating and breeding of migratory birds does not ordinarily begin until migration is completed and a nesting place selected.

"In any event, if the female duck had been killed the fall before, the egg shortage would have been the same.

"It has been suggested that the storks as common carriers of babies are within the interstate-commerce powers of Congress. This seems unanswerable.

"Many years ago migration in the West was chiefly along the valleys of the Mississippi and Missouri Rivers. Feed was scarce, the spring flights were long, and ducks in poor flesh.

"Now, however, conditions have changed and the greater spring flight is over the plains just east of the Rocky Mountains, where there are now thousands of acres of stubble fields of scattered grain for food, and hundreds of reservoirs, furnishing frequent resting places. These induce short flights, and the ducks are generally in good flesh here in the spring. Just east of and near the front range in Colorado there are now over 100 large reservoirs, where there were none 30 years ago. Many of these are supplied from seepage and other warm underflow, and are partly open the year round.

"This increase of food supply and resting places has unquestionably caused an earlier spring flight. As I write this article, the last of February, the spring flight of ducks has reached the region about Denver.

"In Colorado practically all the canvasback and redhead shooting is in the spring, as they seldom stop in their fall flight.

"If the sole object of the game laws is simply to preserve the game, then it can be done best by prohibiting all shooting.

"If, however, there is a double purpose, to preserve the game as much as practicable with its use as food and as furnishing reasonable recreation to the people, there are two sides to the question.

FEW OPPONENTS ARE SPORTSMEN.

"A canvass of the opponents of spring shooting will probably show that few of them are sportsmen or shoot at all.

"Spring recreation to the sportsman who has been housed all winter is far more acceptable and valuable than in the fall after a summer of outdoor work. Lessening the spring bag limit, if thought best, will not be opposed by sportsmen.

"A ban on spring shooting will close many shooting clubs of people of limited means, who have time to spare in the spring but are busy in the fall, while those of the wealthy can afford a year's clubhouse expense for a short fall shoot.

"The main argument in support of the legality of the act is that as migratory birds, being transitory, do not generally remain in any one State the year round, therefore they do not belong to the State and can not be legislated about by the States. By the same sign, as many of them do not stay in the United States the year round, but go to Canada and elsewhere, they do not belong to and can not be legislated about by the United States.

"It is also true that many people of the North and East migrate to Florida and California in the winter, but there has been no difficulty in subjecting them to the laws of any State through which they pass or are in for the time being; nor has Congress as yet undertaken to control the local police regulations of these States. The air, water, and sunshine are also transitory, if not migratory, yet while within its boundaries their use is controlled by each State.

"The act fails to provide for the collection or keeping of birds of any kind in public parks, or as house pets, or by people engaged in game-bird propagation. There are thousands of people in the East and some in Colorado engaged in the propagation of game birds, and this is encouraged and protected by the game laws of Colorado and some other States, and thousands of dollars are invested in it. It is a coming and important industry.

"Extensive game-bird propagators in the East have taken this failure up with the Biological Bureau without effect. I have a letter from one of the largest game-bird propagators in the East, in which he says that if the law is to be literally construed it will work a great hardship on game propagators and experimenters who are doing so much good work. This failure is one of the worst features of the act and is absolutely inexcusable. If it should be held valid, it wipes out hundreds of pages of State game laws, the result of years of work by game protectors familiar with local conditions, and leaves the whole question in hopeless chaos.

"It is also proposed in personal letters from the bureau to the State game commissioners that they furnish names of their deputy wardens to be appointed by the bureau to enforce the act for a slight compensation.

"Whether this proposal arises from thoughtlessness as to the situation in which it would place State officers, or is a cunning device intended to induce them to favor the Federal law, is uncertain; but it is certain that State game commissioners' and wardens' duty and oath require them to obey and carry out the State law in relation to game. Hence they can not enforce Federal law where it conflicts with State law without being false to their duty and oath. In any event, an effort to influence State officers to violate their plain duty is beneath the dignity of the National Government and its representatives and should meet public condemnation.

"No State game commissioner or warden can lawfully make or accept such an appointment.

SUPREME COURT FAVORS STATES.

"The Supreme Court of the United States has, over and over again, decided that the people of the States own and have the power of control over the game and fish while within their respective borders. In fact, this ownership and control has never been denied by any court in the land.

"Perhaps the strongest case in favor of State control is that of Ward versus Racehorse, decided by the United States court in 1896. In that case a treaty between the United States and the Bannock Indians provided that the Indians might return to their former reservation in Wyoming and hunt so long as the game lasted. Wyoming was then a Territory and under absolute Federal control. Afterwards it was admitted to the Union and passed a game law which Racehorse, a Bannock Indian, violated by killing an elk out of season. Being prosecuted for the violation, he pleaded the treaty provision in his defense.

"The Supreme Court decided that the game laws of Wyoming annulled the treaty in that respect, saying that if the treaty was allowed to control 'Wyoming would have been admitted to the Union not as an equal member, but as one shorn of a legislative power vested in all the other States of the Union, a power resulting from the fact of statehood and incident to its plenary existence.'

"The attorney general of the State of New York in November last rendered an opinion to the State conservation commission that the act in question was unconstitutional and beyond the power of Congress to enact.

"It is a duplicate of an act proposed by Representative Shiras in 1904, which was discussed through the sportsman's journals at the time by myself and other lawyers, without, I believe, finding one who believed it was valid.

"At the same time Mr. Shiras proposed acts giving Federal control of all migratory game and fish, based, like the bird act, on sentimental reasons. Both failed to pass, but if this bird act should be sustained we may look for one on migratory game quadrupeds and fish, so that Kansas catfish and suckers migrating to Colorado via the Arkansas River will enjoy the dignified protection of the Federal Congress, while the people of Alaska are left to chew the thistles of discontent and congressional neglect.

"The reasonable protection of all of our game and insectivorous birds is favored by all right-thinking people, and it has pro-

gressed in a remarkable degree by the action of most of the States, and they should be left to complete it in terms applicable to the conditions in each State.

"The act is another example of how easily harmful or illy digested measures may be put through under the influence of a laudable purpose and a lot of sentimental journalists and others led to approve them and condemn offhand those who hold different views.

"My prediction, perhaps I should say guess, is, however, that this migratory bird act will find an open season in every court to which it goes, and will be shot to pieces as incomprehensible and unconstitutional.

"DENVER, COLO., *February 28, 1914*."

Canal Treaty History.

EXTENSION OF REMARKS

OF

HON. J. HAMPTON MOORE,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, March 14, 1914,

On the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. MOORE. Mr. Speaker, Congress is being bombarded with speeches, briefs, resolutions, and other forms of expression relating to Panama Canal tolls, but nowhere have I seen a more comprehensive historical statement of this mooted problem than that I now present under leave to extend my remarks. The author of this paper is Mr. Wilfred H. Schoff, secretary of the Commercial Museums of Philadelphia, who for many years has been a careful student of South American conditions. Mr. Schoff adopts the view of Dr. Nicholas Murray Butler and other scholars who have expressed themselves in favor of a repeal of the free-toll clause of the Panama Canal government act, and in the course of his reasoning groups together briefly certain data which should be of great value at this time. Here is what he says:

THE PANAMA "FREE-TOLLS" CONTROVERSY AND ITS DEPENDENCE UPON ANTECEDENT TREATIES.

"The question of 'free tolls' to American coastwise shipping in the Panama Canal depends upon the Hay-Pauncefote treaty of 1901 and the Clayton-Bulwer treaty of 1850, but also upon numerous treaties in colonial times, which affect both British and American rights in Central America.

"In the Clayton-Bulwer treaty of 1850 it was agreed by the Governments of the United States and Great Britain that neither one would 'ever obtain or maintain * * * any exclusive control' over an American interoceanic ship canal or would fortify or occupy or colonize the adjacent Central American coast, and that both Governments would jointly guarantee protection to any parties undertaking the construction of such a canal and would maintain equal rights and privileges in the canal for the subjects of each nation.

"In the Hay-Pauncefote treaty of 1901 the question of having a canal constructed by private parties was abandoned, as it had become evident that only a national government could carry the enterprise through successfully, and that the British Government was not disposed to undertake it, while the United States Government desired to do so. That treaty, therefore, provided that the canal should be 'constructed under the auspices of the Government of the United States,' and that the said Government should 'have and enjoy all the rights incident to such construction as well as the exclusive right of providing for the regulation and management of the canal.' The treaty further provided that the canal should be neutral, and embodied the convention of Constantinople of 1888 relating to the Suez Canal, agreeing that the canal should be 'free and open to the vessels of commerce and of war of all nations * * * on terms of entire equality,' so that there should be 'no discrimination * * * in respect of the conditions or charges of traffic.'

"That is to say, the principle of neutrality originally agreed upon as between the United States and England was now extended to include all nations, while the advantage gained by the United States was of sole ownership and operation, but not of special privilege.

"The United States Congress, in enacting regulations for operating the canal, provided that the coastwise shipping of the United States should pass through free of tolls, on the assumption that such shipping was not included within the terms of the treaty, which was interpreted as referring either only to vessels engaged in international trade or to vessels of other nations than the United States.

"Current discussion of this question has usually begun with the Clayton-Bulwer treaty of 1850, and many persons in the United States have asserted that treaty to have been an unfair measure, by which England gained from the United States privileges to which she was not entitled. In order that the question may be fully understood upon its merits, it is necessary that the circumstances antecedent to that treaty be fully examined.

"At the time of the Clayton-Bulwer treaty the relations between United States and England were seriously strained, owing to conflicting claims not only in Central America but in the Vancouver region and elsewhere, and it was only after much anxiety that war was averted by mutual concessions, leading to the establishment of the boundary between the present State of Washington and British Columbia and the acknowledgment of equal interests in Central America. In the negotiation of this treaty under the conditions ruling at that time the United States really gained more than might have been hoped for—in all probability much more than might have been gained through a war.

"As regards the dispute in Central America, while at that time the possibility of a canal at Panama was recognized the principal interest was in the Nicaragua route, utilizing the Nicaraguan lakes and the San Juan River. For the construction of a canal over that route the United States had secured an exclusive concession from the Republic of Nicaragua, including possession of the islands in the Gulf of Fonseca, the proposed western terminus of the canal; but sovereignty over its eastern terminus was claimed by England under treaties with the Mosquito Indians, who inhabited practically the entire Atlantic coast of Nicaragua. Back of each privilege was the assertion of full sovereign right to grant it, and the validity of such rights depended on the condition of Spanish power in colonial times, the Nicaraguan Republic having inherited whatever rights Spain relinquished in the war of independence, and England having acquired whatever rights the Mosquito Indians might have maintained against the Spaniards, whose sovereignty they never recognized and to whom they never had become subject.

"By right of original discovery, confirmed by the papal demarcation, Spain possessed the West Indies and the American Continent lying west of the mouth of the Amazon. Later territorial disputes raised the question of how far these original rights had been established by settlement and occupation. The Spaniards made their great conquests in Mexico and Peru and along the coasts of what is now Colombia and Venezuela. Their lines of interoceanic transit were at Panama and across southern Mexico. Along the Pacific coast and in the mountain valleys of Central America they made a few settlements, but never occupied that region in force because it was not rich in precious metals and was peopled by hostile Indians, whom they did not find it worth their while to subdue. Particularly along the Atlantic coast of Central America, which was low and unhealthy, the Spanish power was feebly asserted, and this coast became the rendezvous for buccaneers and pirates of almost every European nationality, but particularly English, French, and Dutch.

"English privateers were active in the Gulf of Honduras throughout the Elizabethan wars. The town of Truxillo, now in the Republic of Honduras, was taken and sacked by the English privateer Barker, in 1576, and there were further raids by Newport in 1591–92 and Shirley in 1596–97. The first actual settlement of Englishmen on the coast seems to have been made in 1638 by the English buccaneer Willis, whose name is perpetuated in the modern Belize in the colony of British Honduras. In 1630 King Charles I issued to an English company a grant of two small islands off the Mosquito coast which still bear English names—St. Andrews and Providence—although now belonging to the Republic of Colombia; and from these islands British trade was extended over the entire Mosquito coast. The company maintained a trading station on the coast and received privileges from the Indian king, who sent his son on a three years' visit to England.

"In 1655 an English force took possession of Jamaica and the island was ceded by Spain to England in a treaty made in 1670, which explicitly recognized all English settlements in that region and provided that the British Crown should 'keep and always possess in full right of sovereignty all the lands, countries, islands, colonies, and other places, be they what they will, lying and situate in the West Indies or in any part of America which the said King of Great Britain and his subjects now hold and possess.' Subsequently Spain tried to interpret this treaty as referring only to Jamaica and adjacent islands, but Great Britain claimed that it included English settlements in Hon-

duras and Nicaragua as well, and such claim seems to be fully justified by the language of the treaty above quoted.

"Soon after the British occupation of Jamaica the Mosquito king, probably the same prince who had visited England, placed his country under the protection of Great Britain, acknowledged British sovereignty, and became subject to the governor of Jamaica. Similar embassies of submission from the Mosquito Indians visited Jamaica in 1687 and in 1725, and from that period the Jamaica government continuously appointed justices of the peace in the Mosquito territory. In 1739 the Mosquito king concluded a new treaty of alliance, in which he 'resigned his country to Great Britain.' In 1741 a resident agent was sent from Jamaica, and in 1742 two British forts were built—one on the island of Ruatan and the other on the mainland at Black River.

"By the peace of Paris in 1763 England agreed to demolish forts 'in the Bay of Honduras and other places of the territory of Spain in that part of the world.' The settlements, however, continued, and in 1775 there was a council of government, a court of common pleas, and a bench of justices of the peace in the Mosquito territory. In 1782 the Spaniards attacked the colonists at Black River, who were reinstated five months later by troops from Jamaica.

"In 1780 British interest in a canal at Nicaragua was so aroused that Lieut. Horatio Nelson, who later became admiral of the British Navy and destroyed Napoleon's fleet at Trafalgar, was sent with troops to take possession of Lake Nicaragua. The expedition suffered severely from the local malaria and was withdrawn the following year.

"In the treaty of 1783 England and Spain agreed that the English settlers should leave 'the Spanish continent or dependent islands' and should retire within the limits of the present colony of British Honduras; and by the convention of London, in 1786, it was further agreed that the British colonists should evacuate the Mosquito territory on the stipulation that the Spaniards should treat the Indians with kindness. These treaties of 1783 and 1786 were, however, broken by Spain in 1798, when Spanish forces, without notice or declaration of war, made a determined attack on the British colonists at Belize, and after a hard fight on land and sea were beaten off and British occupation changed from one by sufferance to one by right of conquest. In 1816 the status quo ante 1783 was fully resumed when the king of the Mosquito Indians was crowned in Belize. In 1847 the British Government openly declared the Mosquito king to be under the protection of the British Crown.

"Such was the state of affairs when conflicting claims to possession of the interoceanic canal route brought the United States and England to the verge of war. The Republic of Nicaragua had inherited the Spanish claims to the Mosquito coast, but Spanish settlers within the territory had always been extremely few, Spanish power had never been recognized by the natives, and Nicaraguan administration had never been successfully asserted within the Indian territory. The Nicaraguan Government had, therefore, only a vague and shadowy claim to the sovereignty over the Atlantic terminus of the canal, whereas the British Government had treaties with the Mosquito Indians running over a continuous period of more than two centuries, with British sovereignty over that coast interrupted only once, by the treaties of 1783 and 1786, which were broken, not by England, but by the treachery of Spain.

"This act of Spanish treachery, under all diplomatic usages, canceled the treaties of 1783 and 1786 and left British sovereignty over the Mosquito territory in exactly the condition existing before those treaties—under the Mosquito treaty of 1739, by which the country was 'resigned to Great Britain' and a regular form of government instituted there.

"By the Clayton-Bulwer treaty of 1850 England agreed to abandon her claim to sovereignty on the Nicaraguan coast on condition that the United States should abandon any similar claim to sovereignty in Central America, and this agreement was carried out by British treaties with Honduras in 1859 and with Nicaragua in 1860, by which British territorial claims were relinquished to those Republics, and the question of Indian self-government was referred to arbitration of the Emperor of Austria, who made his award in 1881 to the effect that Nicaraguan sovereignty over the Mosquito territory was not full and unlimited, but was limited by the rights of self-government secured to the Indians by the earlier treaties.

"It has been asserted by some persons in the United States that English maintenance of the colony of British Honduras was an infraction of the Clayton-Bulwer treaty. Such an assertion can hardly be maintained. The treaty bound England and the United States jointly not to colonize in Central America, but did not bind either power to give up colonies already established. The colony of British Honduras was recognized as early as 1667 and 1670 in treaties between England and Spain, again in the treaty of Utrecht in 1713, and in the treaties of 1783 and 1786. As already explained, the existence of the colony by Spanish sufferance was converted into a possession by conquest after the treacherous attack of 1798. Nothing in the Clayton-Bulwer treaty obligated England to relinquish this colony. That treaty extended specifically to Nicaragua, Costa Rica, and the Mosquito coast, and related to future and not past action.

"Reduced to its lowest terms, the Clayton-Bulwer treaty was an agreement that if England would give up here territorial claims at the eastern entrance to the proposed privately built canal the United States would not assert such claims at the western end, and that both powers would jointly guarantee the neutrality of the canal. The British side of this agreement was fulfilled in advance by the relinquishment of British claims to the Mosquito coast. The subsequent negotiation of the Hay-Pauncefote treaty changed the agreement only to the extent of permitting the United States to build and own the canal, while it went further than the Clayton-Bulwer treaty in guaranteeing equal treatment to the vessels of all nations, not merely to those of the two contracting powers, as had been the case with the treaty of 1850.

"The subsequent change in the location of the canal from Nicaragua to Panama made no change in the existing obligations of the United States with respect to the canal.

"The design of the Clayton-Bulwer treaty was defined in article 6 as 'that of constructing or maintaining the said canal as a ship communication between the two oceans, for the benefit of mankind, on equal terms to all, and of protecting the same'; and in article 8 the treaty was extended to 'any other practicable communications, whether by canal or railway, across the Isthmus which connects North and South America'; among which specific mention was made of Tehuantepec and Panama.

"These stipulations were unchanged by the Hay-Pauncefote treaty, the object of which was declared to be 'to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans by whatever route may be considered expedient.'

"The treaty with the Republic of Panama did not modify these conditions. Sovereignty over the Canal Zone was not passed to the United States; it was a grant in perpetuity, a leasehold from the sovereign power, and article 18 provided that the canal should be 'neutral in perpetuity' and operated upon the terms of the Hay-Pauncefote treaty."

OPPOSITION OF IRISH-AMERICANS.

In this same connection, Mr. Speaker, I desire to say that while I have had numerous communications from leading constituents urging the repeal of the free-toll clause, many leading trade bodies and societies have forwarded messages and resolutions in opposition, which I have already submitted in the regular way. The Irish-American societies have been conspicuous amongst those. A few nights ago, at the Academy of Music in Philadelphia, the Clan-na-Gael, which met to listen to an address upon Robert Emmet by an eloquent colleague, the gentleman from Rhode Island [Mr. O'SHAUNESSY], took occasion, also, to pass upon this subject. I append the resolutions with an explanatory letter from the secretary of the meeting:

726 SPRUCE STREET,
Philadelphia, March 5, 1914.

Hon. J. HAMPTON MOORE,
House of Representatives, Washington, D. C.

DEAR SIR: Inclosed find a copy of resolutions which were unanimously adopted at an overflow meeting held in the Academy of Music, Wednesday evening, March 4, 1914, under the auspices of the Clan-na-Gael of Philadelphia, to commemorate the one hundred and thirty-sixth anniversary of the birth of Robert Emmet, and to which I respectfully request you to give your considerate attention. I would also respectfully ask you to request that the inclosed resolutions be inserted in the CONGRESSIONAL RECORD.

Yours, very truly,

WILLIAM J. BRADLEY,
Secretary.

At a monster celebration, held under the auspices of the Clan-na-Gael of Philadelphia, in the Academy of Music, 4th of March, 1914, to commemorate the one hundred and thirty-sixth anniversary of the birth of Robert Emmet, the following preamble and resolutions were unanimously adopted:

"We, the Clan-na-Gael of Philadelphia, assembled to honor the memory of Robert Emmet, reaffirm our belief in the principles and policies for which he gave his life and our determination to make Ireland an independent nation.

"We affirm that Ireland's right to a separate and distinct national existence is God-given and inalienable. She has never forfeited that right, and the history of her connection with England from the time of Strongbow to the present day proves conclusively that nothing short of complete national independence can ever make her people happy or enable them to repair the havoc wrought by English rule.

"We denounce as an unwarrantable presumption Mr. Redmond's oft-repeated assertion that the Irish in America will prove false to their citizenship and work for an Anglo-American alliance out of gratitude for a measure which is aimed to perpetuate and consolidate English authority in Ireland and blast for all time Ireland's hope of real free-

dom. We pledge the united efforts of all true nationalists in America to the work of achieving complete national independence for Ireland until the last link that binds her to England shall have been broken, and we shall continue to oppose with all our powers and resources England's efforts to entrap the United States into an alliance fraught with danger and dishonor to this Republic.

"We are justified in asserting that the allegiance of the Irish race to this Republic and their loyalty to the policies bequeathed to it by George Washington will not be weakened in the smallest degree by an act of the British Parliament or by any other European consideration.

"We call on Congress to defeat all attempts to repeal that part of the Panama Canal act which exempts American coastwise shipping from the payment of tolls. England, who claims that the exemption is a violation of the Hay-Pauncefote treaty, flagrantly violated the Clayton-Bulwer treaty by annexing Belize, now known as British Honduras, and her object is to place American shipping at a disadvantage in competition with her own subsidized vessels.

"*Resolved*, That copies of this declaration be sent to the President and Vice President of the United States, the Secretary of State, the Speaker, and the Senators and Representatives of Pennsylvania, with a request that it be inserted in the CONGRESSIONAL RECORD."

WILLIAM J. BRADLEY, *Secretary*,
726 Spruce Street, Philadelphia.

A BUSINESS VIEW OF THE PROBLEM.

I also submit a self-explanatory letter and resolution giving a business view of the situation:

PHILADELPHIA BOURSE,
Philadelphia, Pa., March 12, 1914.

Hon. J. HAMPTON MOORE,
House of Representatives, Washington, D. C.

MY DEAR SIR: I beg to hand you herewith a copy of resolution originally adopted by the Philadelphia Bourse November 29, 1911, on the subject of Panama Canal tolls, which at our meeting held March 11, 1914, was reaffirmed. We are sending you this thinking that it may be of some value to you in the discussion which will probably take place on H. R. bill 1922, proposing to repeal a portion of the Panama Canal act.

Yours, very truly,

EMIL P. ALBRECHT, *Secretary.*

Re Panama Canal tolls. Resolution originally adopted by the Philadelphia Bourse November 29, 1911; reaffirmed March 11, 1914.

Resolved, That to cover actual cost of operation of locks, maintenance, terminal, and other facilities, a tonnage tax should be imposed, which should be based on the actual displacement of the vessels and should be equal per ton of displacement for all vessels in all trades: *Provided*, That vessels flying the American flag engaged in the domestic trade of the United States shall be entitled to a refund of 50 per cent of the tonnage tolls paid: *And further provided*, That when such vessels are owned, controlled, or operated, directly or indirectly, by any land transportation line or lines which are operated in competition with such water lines no refund shall be paid to the vessels so owned, operated, or controlled.

Of course, Mr. Speaker, I reserve the privilege of expressing my own views upon the Panama Canal toll question when the bill comes up in the House.

Agricultural Appropriation Bill.

EXTENSION OF REMARKS
OF
HON. CHARLES H. SLOAN,
OF NEBRASKA,
IN THE HOUSE OF REPRESENTATIVES,
Saturday, March 14, 1914,

On the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. SLOAN. Mr. Speaker, I hope this appropriation in the aid of Louisiana sugar planters may pass. It is one of the humane measures of the Agricultural Committee in its capacity as red-cross relief corps palliating the wrongs, and to some extent overcoming the damage and destruction, committed by the Ways and Means Committee

We have all read with some interest and approval of the chivalrous highwayman who, having taken the horse, purse, and valuables of his victim, hands back a crown piece to insure him lodging at the next inn.

Modernly we are told that at Monte Carlo, the world's greatest gambling place, that after the players' pockets have been drained by the remorseless wheel into the coffers of the great casino, the officers give him a gold piece to tide him over unto the morrow and mayhap save him from the river.

Shall we be less considerate and humane than they? Louisiana sat in the game at Baltimore. She now knows that the wheel was fixed against her. Still, for all that, the Government, vouching in a way for the masters of Baltimore, should stake her. The plank which stated that legitimate industries should not be injured has been repudiated over the protest of the home producer, while the toll plank is to be reversed at foreign behest. How potent in trade and diplomacy has the voice beyond the seas become. How weak and ineffective is the clamor of the American multitude, though it swell to Niagara's roar. The Louisiana people now know that the three great sources of damage to agriculture in this country are the hog cholera, cattle tick, and the Ways and Means Committee. We have an efficient serum against the first, an effective dip for the second, but to meet and overcome the ravages of the third we have no present serum and no dip into which it can be submerged before the first Tuesday after the first Monday in the coming November. This proposed appropriation should, therefore, be granted.

It is suggested by my colleagues that this will be another discrimination against the North, as the appropriation for sugar beets is quite small. Well, with the following discriminations, I think that we can stand this much more.

The Underwood tariff bill discriminates against the Northwest.

Free list: Meats, cattle, corn, eggs, wool, wheat (under conditions).

Protected: Rice, tobacco, peanuts, Angora goat hair, mica, cotton fabrics.

Protected: Eighty per cent of the products of New Jersey, 36 per cent of the products of the territory west of the Mississippi River.

It is not Louisiana's fault. It is, however, in the main, the majority side's confession.

Rural Post Roads.

SPEECH
OF
HON. JAMES S. DAVENPORT,
OF OKLAHOMA,
IN THE HOUSE OF REPRESENTATIVES,
Friday, February 6, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 11686) to provide that the United States, in certain cases, aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads.

Mr. DAVENPORT. Mr. Chairman, if the bill under consideration becomes a law, it will, in my judgment, materially benefit more people than any bill that has originated in this House for many years. It will enact legislation that will affect all of the people in the United States. It is not political in its nature, and in the discussion of its provisions no one can be charged with supporting the measure because he is a candidate for reelection or because his political party is the only party that has advocated the passage of such legislation.

I am indeed anxious to see this bill become a law, for the reason it is right and it is legislation that is in the interest of all of the people. During the Sixty-second Congress many bills were introduced providing for Government aid in the construction of rural post roads, and we passed a measure in the House, but it failed of passage in the Senate. The provisions of the pending bill are similar to the provisions in the bill we passed in the Sixty-second Congress.

This bill provides for three classes of roads to be constructed by the Government, and these classes are defined in section 4 of the bill, as follows:

SEC. 4. That certain roads in the States which are adapted to use by the United States as rural post roads shall be divided into three classes, to be known as class A, class B, and class C.

Class A shall embrace roads upon which no incline is steeper than is reasonably necessary in view of the natural topography of the locality, well drained, with a road track composed of macadam or other material of equal utility and cost, constructed and maintained in such manner that it shall have a smooth, firm surface.

Class B shall embrace roads upon which no incline is steeper than is reasonably necessary in view of the natural topography of the locality, well drained, with a road track composed of shells, gravel, or a proper combination of sand and clay or other material of equal utility but less expensive than macadam, constructed and maintained in such manner that it shall have a smooth, firm surface.

Class C shall embrace roads upon which no incline is steeper than is reasonably necessary in view of the natural topography of the locality, with adequate drainage and ample side ditches, with a roadway constructed so as to quickly shed water into the side ditches and kept crowned and compacted by dragging or other adequate means, so that it shall be reasonably passable for wheeled vehicles.

This bill also carries an appropriation of $25,000,000 to be expended by the Government in conjunction with the several States and subdivisions thereof upon the post roads through the United States. Oklahoma has 1,099 rural mail delivery routes and there are many more being established each year. The aggregate length of mileage of the rural routes in Oklahoma is 29,616 miles. The average length of each route is 26.94

miles. Oklahoma also has 321 star routes, with an aggregate length of mileage of 4,482.97. The average length of each star route is 13.97. Under the provisions of this bill Oklahoma's share of the $25,000,000, based upon the aggregate mileage of rural and star routes, will amount to $572,500, quite a handsome sum, and if properly expended in connection with the amount the State or subdivisions will be required to expend will assist very materially in road building in Oklahoma. All other States of the Union will share proportionately according to their aggregate mileage of rural and star routes. By the terms of this bill it is intended to and, in my judgment, will in an equitable manner, distribute to the 48 States of the Union a portion of the revenues of the Government. We all admit that this is a new undertaking on behalf of the Government, yet we all agree that it is one of the most important; and no time should be lost in carrying out its provisions. We have in this House a bill pending providing for Government construction and ownership of a railroad or railroads in the Territory of Alaska, which provides that $35,000,000 may be expended by the President of the United States in the construction of such railroad or railroads.

Many gentlemen upon this floor earnestly advocated the passage of the Alaska railroad bill; but I have not favored that bill, for the reason I do not think it opportune, and I felt the necessity of first aiding the thickly populated rural districts throughout the United States in the way of constructing dirt roads, in order to enable the farmer to get his product to market and bring his supplies from railroad points. In other words, I have contended that before we should venture into a sparsely settled Territory of the United States we should first turn our attention to the rural districts, where there are millions of people living on farms who stand in great need of improvement of rural roads in order to get to and from the market. Every man on the floor of this House must depend upon the products of the farm, and the cheaper you can bring these products to the door of the consumer the better off we will all be. Therefore it seems to me that the pending bill now under consideration is the wisest piece of legislation we have had before us for some time, and I wonder why the Government of the United States has neglected this proposition for such a great number of years, as it has been assisting every other enterprise, as I will show before I conclude my remarks, but so far has overlooked the construction of dirt roads in rural communities. This Government has constructed roads in our Territorial and insular possessions and has expended millions in constructing roads and trails in Alaska. It has expended great sums in the Canal Zone, Porto Rico, and the Philippines, and we have now reached the point where we should assist the people at home by extending aid in the construction and maintenance of rural post roads, which are now established and used by the Government under the supervision of the Post Office Department for the carrying of mail. This aid will have the direct effect of benefiting all those who reside in the rural communities in the way of providing a means for the farmer to get his products to market, and those residing in the cities and towns will have the benefit of getting the products delivered to their doors daily.

The United States is the only progressive Nation in the world that has not given great consideration to the construction of its highways and the improvement of its internal traffic. All of the progressive nations of Europe are giving national aid to their highways, while this Government has neglected to extend aid, and has thereby imposed a burden of millions of dollars annually on our producers. Quite a different condition exists in the countries of Europe. There a splendid system of roads has been inaugurated. During the days of Napoleon, following the example set by the Roman Empire, an extensive system of road building was established throughout France, and many millions of dollars are expended yearly by that Government in the construction and maintenance of their roads.

The improvement of our inland highways by our Government not only cheapens the necessities of life but furnishes employment for many thousand of laborers who need the work. The farming population of this country constitutes about 35 per cent of the total population of the United States, and it is unfair to expect this large per cent to construct, unaided, the highways of this country. They should not be required to construct the roads over which they must haul their product to the consumer; at least the consumer should be required to contribute his share of the expense, as he receives as great a benefit as the farmer. All must admit that the farmer is the real producer of the Nation, and all must admit that he creates the wealth of the Nation, which largely finds its way into the pockets of other people, yet the producer has been required, unaided, to maintain and construct his roads over which he travels to the commercial centers of the United States.

Anyone who desires to be fair, even though he may reside in a city, will concede that there is no unfairness or unjustness in an appropriation by the Government to construct and maintain highways, and I rejoice to see the Members of this House who reside in city districts giving their aid to this bill. It shows conclusively that the city Members are patriotic and fair-minded business men and view this question in an economical way, and they realize all must be benefited by this appropriation. At no time in the history of our Government has there been as close relation between the people on the farms and the people in the cities. The rural-mail routes and the rural telephone has done much to bring the country and city together, and the effect of this bill, should it become a law, will result largely in causing the young men and young women of the country to remain at home, as they will have all the advantages of the city life, and at the same time enjoy the free out of doors and pure open air. At this time the high cost of living renders it important that we should seriously consider the question of transportation, and we should do all in our power to bring the cost of transportation to the lowest minimum. Transportation is now a paramount question. All civilized countries of the world have progressed rapidly along this line, and the great change made in the last decade is wonderful.

We have but three methods of transportation, viz: Water navigation, railroads, and wagon roads. Each of the three depend largely upon the other. The railroad can not exist without the aid of the wagon road, and neither the wagon road or the railroad can properly perform their functions of upbuilding a nation without water transportation. Each of these methods has an important duty to perform, not only in the local community, but in an interstate and foreign commerce. Two of these methods of transportation are owned and controlled largely by private corporations and are operated for gain. The third method, or the wagon-road transportation, is controlled by the State and is free to all of its citizens.

Our Government imposes a duty on many articles of life, an internal revenue and corporation tax, which in all respects places an additional cost upon the articles and fixes a charge on the article by the corporation paying the tax. All of our citizens are taxed in one way or the other and proportionately to the amount they purchase and consume.

The railroads of the United States have grown in magnitude and efficiency until we have perfected the greatest railroad system in the world. Our navigable streams and Great Lakes are crowded with vessels large and small ,all engaged in interstate traffic. Rivers and harbors are provided for annually by our Government, and large appropriations are made yearly for their improvement; and we also make large appropriations annually for the construction of public buildings throughout the United States. In the past our Government has donated millions of acres of land as a subsidy to railroad companies to induce them to construct railroads, yet practically nothing has been done for the improvement of dirt roads or national highways. We have to-day in the United States daily rural delivery service, which traverses about 42,000 miles of different highways of the Nation, coming in daily contact with more than 20,000,000 people living in the rural districts. I do not anticipate that anyone will seriously oppose the passage of this bill in the House; but if they should do so, I desire to invite their attention to the fact heretofore mentioned that in the early construction of railroads throughout the United States land was donated to the railroads as an inducement to the corporations to construct their lines, at an estimated value now of more than $1,000,000,000. There has been appropriated for rivers and harbors since 1875, $592,395,000; for the building of levees alone to June, 1902, $16,582,000; for the construction of public buildings up to June, 1911, $213,376,000. Again, we have expended nearly $400,000,000 on the Panama Canal; for the construction of roads in Porto Rico, the Philippine Islands, and the Territory of Alaska, $8,300,000.

The United States now has an estimated mileage of rural roads and highways amounting to 2,199,645, of which only 190,769 miles are improved. When you mention the number of miles of highways in the United States those who are disposed to oppose an appropriation for the improvement of rural roads may suggest that it would bankrupt the Government if we undertook to lend aid to the States in the improvement of roads; but is is estimated by the Office of Public Roads that 90 per cent of the traffic is confined to less than 30 per cent of the roads, and that the improvement of 440,000 miles of public roads would practically satisfy the demands of the country. If this estimate of the Office of Public Roads is correct, the improvement of our rural roads is not an undertaking so gigantic

as one would suppose; at least, it is not as great an appropriation as Federal pensions and the maintaining of our Army and Navy, nor would the appropriation reach a sum as great as was added to the Federal pension rolls a few days ago, which passed the House without any serious objection; and in that connection I might say that I was heartily in favor of the recent pension bill and supported it, because I believe it to be right and believe the Government should look to the protection and convenience of those who fought for it in time of war, keeping in mind all the time the merit and efficiency necessary to maintain the Government.

I now think the time has come when we should consider the interest of those who live in the rural communities and provide for the improvement of our internal highways, so that those living in the rural district may reap as great benefit from the Government as those living in cities, on railroads, and navigable streams.

The report of the Secretary of the Treasury for 1910 discloses that the tariff revenue aggregated $331,683,445; and the Government census of 1910 shows that we have 18,400,000 families in the United States. If you will apportion this tariff revenue among the families of the United States, each family is entitled to $18.13. The report of the Interstate Commerce Commission of the gross earnings of the railroads for the same period shows an aggregate of $2,787,266,136. Divide this amount by the number of families in the United States and you will find that each family paid a tax to the railroads for transportation of $151.48. The total amount of freight handled by the railroads for the fiscal years 1906 and 1907 was 1,100,000,000 tons. It is estimated that at least one-half of this tonnage was hauled to and from the railroad by wagons, and it would be fair to estimate that as much as one-third more was hauled to the consumer by wagons, on what may be termed a "second hauling," making a total of 800,000,000 tons hauled by wagons. In addition to this, a large bulk of the cotton crop, which amounts to practically 3,000,000 tons annually, is hauled from the farm to the gin, thence back to the farm, and finally to the railroad or to water navigation. It should also be stated that large quantities of agricultural, forest, and miscellaneous products are first hauled in their crude state over the rural roads before they reach the railroads and waterways, thus necessitating a rehauling of these products. So it is perfectly fair to estimate that the per capita transportation tax on the people of this country amounts to $53.37, as against a tariff tax of $18.13.

It is estimated by Mr. Page, the director of the Office of Public Roads, who is an expert on road building and wagon transportation, after a careful study of the question, that the cost of wagon transportation over the improved roads of England, Germany, and France by wagon, is only 10 cents per ton per mile, but eliminating any doubt as to the cost of these countries of transporting a ton a mile by wagon we will say that it amounts to 12½ cents per ton. If by the construction of good roads in this country we can reduce the cost of wagon transportation from 25 cents per ton per mile, which it now costs, to 12½ cents per ton per mile, we will save the people of our country on this item alone, at the very least calculation, $500,000,000 yearly.

Investigation shows that the cost to the American farmer is about 1.6 cents more to haul a bushel of wheat a distance of 9.4 miles from his farm to the neighboring railroads than it does to ship it from New York to Liverpool, a distance of 3,100 miles. If we had a system of good roads throughout the country, the farmers would save in the cost of wagon transportation of the cotton crop yearly $5,076,183; of the wheat crop, $10,256,058; of the corn crop, $12,709,278; whereas it now costs for wagon transportation to get these three great crops to market twice this sum.

The question of reduction in the cost of getting the crops to market is not the only benefit to be derived from good roads throughout the rural districts, because statistics show that good roads in a community add from $2 to $10 per acre to the land value, and the total area of farm lands in the United States in 1900 was shown to be about 850,000,000 acres. If an estimated increase of $5 an acre should be added to the value of the land by the construction of good roads, it would enhance the taxable value of the farm lands $4,250,000,000.

The great disadvantage that now confronts the American farmer is that he must market his crops when the roads are good, and he is not permitted to hold them until the demand is the greatest and the price is the highest. The present condition of rural roads throughout the United States renders it practically impossible to market his crops during the winter months. It matters not what price he is paid he must market his crops when the roads are passable.

Another great item to be considered in this matter is that the farmer is required to do his hauling when the roads are good, and when the roads are good it is usually pretty weather and he should be devoting his time to the fields. If good roads are established, the farmer will be permitted to do his hauling when his fields are too wet to work, and thus save him a large amount of time which he would otherwise lose.

For the last few years we have been continually hearing the cry from every source "Back to the farm." The intelligent boys and girls of our rural districts are seeking to escape the social conditions prevalent in the country during the long, dreary winter months of the year, attributable almost entirely to the bad roads. The drift of our population from the rural districts to the cities is really becoming alarming, yet if we improve the roads we will remedy this condition and largely eliminate this desire to get to the cities. The telephone and rural free delivery has done much to satisfy those who live on the farm, and if we would lend aid in the construction of public roads, instead of the dreary winter months in the rural communities, farm life would be more enjoyable and profitable. Bad roads prevent attendance at school and church; they make literary societies, social gatherings, club and lodge meetings practically impossible during the bad weather.

I have had an opportunity to learn personally of the conditions that exist in the rural districts, and have had actual experience and know of the inconveniences that go with country life a distance from the railroads. I was born and reared quite a distance from the railroad, and I know how difficult it is to get to and from the market places over unimproved roads.

Another great benefit to all of the people, regardless of citizenship in any State, which will be derived is the good effect it will have upon the rising generation in the rural communities, and, in my judgment, the improvements of country roads will make country life more pleasant, more enjoyable, and more profitable, and will be the strongest inducement to cause the young boys and girls to remain on the farm, and the question of supply and demand and high price of food products will almost be solved. I feel that within a few generations we will have improved roads throughout the United States, and few, I take it, will prefer the crowded city life to the freedom of outdoors in the country.

Another great benefit to be derived is that it provides better facilities and better opportunities for school and church attendance, and this means, of course, a stronger and better government. If we make a provision for the improvement of roads, it will increase the attendance at schools and churches and will in every way tend to upbuild the intellectual and moral standards of every community in the United States. There is no good reason that can be urged against the passage of this bill. No one who knows anything at all about country life can doubt that internal improvements is one of the best assets a country can have, and this improvement will advance and establish better government, better morals, better citizens, and promote social intercourse. The passage of this bill will materially cause the people in the country and the people in the cities to come closer together.

I want to see the day when every farmer can haul his product to market over good roads without being forced to drive in mud up to the hub of his wagon. I want to see the day when every farmer can travel with pleasure the same as the man in the city who has the advantages of paved streets. It is nothing more than right that we should assist in the improvement of the post roads as provided in this bill.

There is one other advantage to be gained by the passage of this bill which I desire to touch upon, and that is the relief it will extend to the rural mail carriers and the star-route carriers. These men are compelled to expose themselves daily to all kinds of weather. The passage of this bill will lessen their burdens and lessen the wear and tear on their teams and equipment. I want to see the improvement of the post roads for that reason; and, another thing, I want to see the day when these rural mail carriers are given sufficient wages to compensate them for the great amount of labor they are performing. Take into consideration the fact that these carriers are required to expose themselves and perform their duties in season and out of season, and compare that fact with the compensation they are now receiving and I think you will agree with me that they should be paid better wages.

I therefore trust that this bill may pass without any serious opposition and will soon become a law, and that the people residing in the rural districts throughout the United States will commend its passage and heartily cooperate with its provisions and give their aid to the improvement of the rural roads leading into the different post roads which will be improved by the passage of this bill.

Gov. Woodrow Wilson, Presidential Candidate, Speaks to Farmers in Favor of Free Tolls and Against Railroad Domination of Canal, Upholding Democratic Party Platform.

EXTENSION OF REMARKS

OF

HON. JOSEPH R. KNOWLAND,

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, February 28, 1914.

Mr. J. R. KNOWLAND. Mr. Speaker, I wish to extend my remarks by inserting in the RECORD a speech delivered by President Wilson to 2,500 farmers at Washington Park, N. J., August 15, 1912, in which he deplores the nonexistence of an American merchant marine and directs attention to the Panama Canal, which he says will allow the farmers to ship their products to the Pacific by way of Atlantic ports in coastwise steamers. He then points out that the House and Senate have passed a bill for free tolls for American ships through the canal and prohibiting ships to operate through the waterway owned by American railroad companies, declaring that everything done in the interest of cheap transportation is done directly for the farmer. He winds up by stating that the platform is not molasses to catch flies, and that gentlemen who talk one way and vote another are going to be retired to private and quiet retreat.

[From the Philadelphia Record, a Democratic paper, Aug. 16, 1912.]

Gov. Wilson said, in part:

"Now, there is another matter you know, we are digging a tremendous ditch across the Isthmus of Panama. It is predicted by the engineers in charge of that colossal enterprise that we shall be able to open it to the ships of the world by the year 1915. What interest have you in opening it to the ships of the world? We do not own the ships of the world. By a very ingenious process, which I would not keep you standing in the hot sun long enough to outline, the legislation of the United States has destroyed the merchant marine of the United States. The chief road by which your crops travel to the Orient is through the Suez Canal. They do not go around by the Pacific. Most of your maps do not show you the short road to the Orient, because they are spread out flat.

"If you will get a globe and draw a circle around the globe you will see your short road is through the Suez Canal, not across the Pacific, and that the Western farmer, therefore, has to ship his crops across the continent in order to reach the ships that are to take that road. And when his crops reach the port, do they find American ships waiting for them? Not at all. In most years not a single ship carrying the American flag goes through that canal carrying freight.

"Some ships carry the American flag through that canal, but they are mostly private yachts. A friend of mine who has just traveled around the world told me that he did not see the American flag once between New York and Hongkong, going by the way of the canal, until he reached the Island of Ceylon, and then saw the flag of Mr. James Gordon Bennett's yacht. If the shipowners of the nations carry your grain and cargoes they are going to carry them by routes and to markets which suit them, not the routes and the markets which are chosen by you.

"One of the great objects in cutting that great ditch across the Isthmus of Panama is to allow farmers who are near the Atlantic to ship to the Pacific by way of the Atlantic ports, to allow all the farmers on what I may, standing here, call this part of the continent, to find an outlet at ports of the Gulf or the ports of the Atlantic seaboard, and then have coastwise steamers carry their products down around through the canal and up the Pacific coast or down the coast of South America.

"Now, at present there are no ships to do that, and one of the bills pending—passed, I believe, yesterday by the Senate as it had passed the House—provides for free toll for American ships through that canal and prohibits any ship from passing through which is owned by any American railroad company. You see the object of that, don't you? [Applause.] We don't want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent.

"The farmers of this country are, in my judgment, just as much concerned in the policy of the United States with regard to that canal as any other class of citizens of the United States. Probably they are more concerned than any other one class, and what I am most desirous to see is the farmers of the country coming forward as partners in the great national undertakings and take a wide national, nay, international, view of these great matters, feeling all the pulses of the world that beat in the great arteries of their own life and prosperity. Everything that is done in the interest of cheap transportation is done directly for the farmer as well as for other men. So that you ought not to grudge the millions poured out for the deepening and opening of old and new waterways. * * *

"Our platform is not molasses to catch flies. It means business. It means what it says. It is the utterance of earnest and honest men, who intend to do business along those lines and who are not waiting to see whether they can catch votes with those promises before they determine whether they are going to act upon them or not.

"They know the American people are now taking notice in a way in which they never took notice before, and gentlemen who talk one way and vote another are going to be retired to very quiet and private retreat."

Columbus, the World's Benefactor—The Man of Destiny, Who Conquered Through Faith in an Overruling, Guiding Providence.

EXTENSION OF REMARKS

OF

HON. CLEMENT BRUMBAUGH,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, March 16, 1914.

Mr. BRUMBAUGH. Mr. Speaker, as Columbus Day is now very properly and fittingly observed everywhere throughout the Nation, and as the House of Representatives of the United States is now in session on the day that such exercises are being held, I ask unanimous consent of the House to be permitted to address the House and submit some words of praise in honor of and in commemoration of the life, services, and fame of Christopher Columbus, the world's great benefactor, the man of destiny, who conquered through his sublime faith in an overruling, guiding Providence.

Representing a congressional district that has within it the largest city of the world bearing the honored name of Columbus, I have thought that I might appropriately ask the time and attention of this great legislative body of the Nation to present a few remarks in commemoration not only of Columbus Day, now so fittingly observed throughout the Nation, but also to commemorate the life and fame of this great and good man.

Mr. Speaker, there are some great benefactors whose services to mankind have been so transcendently great that we honor ourselves by remembering to honor them. This is eminently true of Columbus.

Christopher Columbus was one of the greatest souls that ever wore the clay of earth about him. To rightly estimate the superb dimensions and nobility of this great character we must study his life in connection with the beliefs and prejudices of the age in which he lived.

Because he lived on the mountain top of faith and vision, above the fog and ignorance of his age, he was misunderstood, maligned, and often persecuted.

With supreme courage, heroic endurance, and with an unfaltering faith in God he combated the superstitions of his day, became the benefactor of the ages, and bathed his name in immortality. [Applause.]

COLUMBUS, THE GREAT STAR IN THE HEAVENS OF FAME.

Every age has her great characters, every land her great heroes. Backward across the centuries of the past we can see yet a few sunken mountain peaks jut out from oblivion's sea.

The telescope of time as it sweeps the historical heavens still shows here and there those great stars whose magnitude is unabating through the cycling ages. Among the greatest is the name of Christopher Columbus.

The greatest souls of all history are those who, like Columbus, have conquered in the face of every adversity—those who have defied fate and all that fortune, death, and danger dare—throwing all in the balance, have hitched their chariots to the

star of hope, led victory captive, and snatched immortality from the ruins of ceaseless time. This did Columbus.

Few men win immortal fame, or even respect, amidst the applause of the people of their age, but this does not condemn them in history.

Seven cities claimed Homer dead
Through which the living Homer begged his bread.

The world yet ponders over the witticisms of Diogenes, yet Diogenes had no better bed than his ever-present tub.

The eloquence of Cicero still thrills the world, yet Cicero lost his life while pleading the cause of right and justice for the people who slew him.

Moreover, the greatest events of history often have been accomplished by men out of touch with their times and not only in the face of ridicule, but contrary to the wisdom and teachings of their age.

They were always doing the impossible.

Hannibal did the impossible when he crossed the Alps.

Cæsar conquered contrary to all military rules of his time.

Thus lived and died and became immortal Demosthenes, Socrates, Plato, Galileo, and the One who was greater than man—the Christ—the Savior of men.

THE FALSE CONCEPTIONS AND TEACHINGS CONCERNING THE FORM, DIMENSIONS, MYSTERIES, AND SUPERSTITIONS ABOUT THE EARTH.

Columbus sailed in the face of all the learning of his age, contrary to the religious thought of the world, and against the accumulated wisdom of mankind.

No one can understand the propelling purposes in the life of Columbus, the supreme courage and faith of the man, or even the history of the age in which Columbus lived without first thoroughly understanding the conceptions and teachings the people of the world held, both before and at the time Columbus lived, concerning the form, size, and dimensions of the earth, and also the superstitions that filled the minds of all men concerning the powerful mysterious forces that governed the earth, the lives of men, and even determined the destiny of the souls of men.

It is most interesting and also necessary to notice the conceptions the people held concerning these things to understand the struggle through which Columbus passed and the great work that he accomplished for all men of all times.

CHINESE CONCEPTION OF THE FORM OF THE EARTH.

The Chinese geography taught that China was the center of the world and covered the face of the earth, the other lands being small islands in the seas. The sky was held up by seven pillars in the center and rested down on the land at the rim of the horizon.

HINDU THEORY OF THE EARTH'S FORM.

The Hindus taught that the world rested upon four elephants. The elephants stood upon the back of a huge world-wide tortoise. To carry the investigation below the tortoise was profanity.

Plato at first taught that the world was a cube—a six-sided figure. And so each nation of antiquity had its own peculiar view of the earth, to dispute which stamped the offender as impious to the gods and a heretic in religion.

THE CONCEPTIONS OF THE ANCIENTS AS TO THE FORM OF THE EARTH.

And here, as throwing a flood of light upon Columbus and his times, as well as explaining the religious and scientific theories concerning the earth's form, shape, and dimensions, let us digress to notice the teachings of the ancients in regard to our earth from the time of their first crude conceptions of its form and dimensions till the truth blossomed forth centuries later in the knowledge of the earth's rotundity.

Doubtless the first man, as he stood alone upon the earth and looked into the face of the silent stars, speculated as to what this world was, its extent, and its sustaining force.

THE FIRST CONCEPTION—THE EARTH A PLANE.

The first and oldest conception of the world's shape, as taught by the ancients, was that the earth was a plane. The first theory was something like this: They looked upon the earth as a plane stretching away beyond the Ægean Sea. Around the plane ran the broad, deep River Oceanus. Beyond Oceanus was the region of fire and the abode of the spirits of the dead and the realm of darkness. Here Hemera, Earth, joined his brother, the heavens, and here beyond the river was the dreary house of death. This conception of the earth was substantially the common belief of the people for centuries, and must be noted to understand Columbus and his time. This was the conception of that wonderful people, the Greeks.

There is preserved to us a tale told by the Satyr Salinus to the King of Phrygia. This speech was made 400 B. C. It is such a vivid description of their conception of the earth and contains sentences of such surpassing beauty and full of such historic suggestiveness that I shall take the privilege of repeating it here. The Satyr delivered himself as follows. I quote.

The ocean sea circumscribeth and surroundeth the island named Europe, Asia, and Liberia. Beyond this ocean there is a continent of dry land infinite and unmeasurable, with green meadows and pastures, sundry big and mighty beasts. In the borders adjacent to the country is a perilous place; a gaping gulf, a bottomless pit, and the ground openeth like the mouth of insatiable hell. It is neither perfectly lightsome or absolutely darksome, but the air hangeth over with a certain kind of cloudy redness. Here two floods set their courses that way. One of sorrow and one of joy, and about each stream grow trees. The tree which grows by the flood of sorrow yieldeth its fruit, and if any man taste thereof a stream of tears flows from his eyes like a river and the whole race of their lives is turned into lamentations in so much that weeping and wailing he knitteth his carcass in winding sheets for the greedy grave to swallow and devour.

The other tree, which prospereth upon the banks of the flood of pleasure, bears fruit clean contrary to the former, for whoever tasteth thereof he is presently weaned from the power of his ancient appetite and desires so that the remembrance of them is quite abolished. But also, little by little, he recovers the years of his youth and becomes young again. The forwardness and crookedness of old age is first shaken off. The amiableness and loveliness of youth begin to bud, in so much that they presently put on the estate of striplings, then become boys, then change to children, then reenter infancy, and at length, in great happiness, death maketh a final end of all.

Such was their conception of the earth and the spirit land beyond. What a picture! This was their theology, their geography, their view of the after life—the tree of good and evil, a material hell to shun and a glorious eternity to gain. Such was the belief that filtered down through the minds of the ancients down to Columbus's time. Ancient literature and mythology are full of such conceptions of the world and of the future life.

Mythology taught that somewhere in the plains of the valley of death was a little stream, a sip of whose waters caused all forgetfulness of all sin and pain to the troubled spirits of the departed souls.

THE RIVER OF FORGETFULNESS AND THE SPRING OF YOUTH.

Moreover, all the world believed that somewhere was the spring of youth, where you would bathe and not only be whole but young again. Just where this spring was no one knew, but it was the duty of the good to search for it. Popular imagination of Columbus's day said it was in that marvelous diamond-robed India. These views were not idle imagination, but thoroughly believed by the people.

Later we find the repenting old man, Ponce de Leon, searching for this spring of youth among the evergreen foliage of Florida. About the time of Plato and Aristotle they began to conceive of a different shape for the earth.

THE SECOND CONCEPTION OF THE FORM AND SHAPE OF THE EARTH—THE EARTH A SPHERE.

The second conception of the earth was that of the sphere. This was a natural outgrowth of the idea of a plane. Who first promulgated the theory that the earth was a sphere is not known. Pythagoras we know believed it; Aristotle taught it and made it orthodox among the learned of his age, while Hipparchus and Ptolemy made it at last a part of the religion of the Greeks. The Greeks transmitted it to the Romans, and Rome, through the teachings of Pliny, Virgil, Ovid, and Cicero, impressed it upon barbaric Europe. It passed into the books of the Middle Ages and filtered its way down to Columbus's time, and thus made possible the invention of the magnetic needle, the navigation of the world, and the discovery of America.

THE NEXT GREAT STEP—THE EARTH'S DIVISIONS AND INHABITANTS.

After this belief became settled the next step in the development naturally came in the form of the questions which they asked themselves. If the earth is a sphere, first, how is it divided; second, are the unknown parts of it inhabited? You will see at once that these were momentous questions. Upon their answer determined the destiny of the world. First, is it divided? How was this question worked out?

The Arabs upon the plains of Assyria were our first astronomers. In their silent tents at night they had watched the stars in their courses and listened to the music of the spheres. They had divided the heavens into circles. It was a near thought to transfer these circles to the earth and divide the earth by circles into five zones. This great thought is credited to Pythagoras.

THE MYTHOLOGICAL FABLES.

The Greeks believed then in two temperate zones, each capable of sustaining life, but that no life existed in the other zones. As to the division of land and water, some held that one ocean covered the whole earth, and that the land was an island. The other theory was that the earth was so large that it held the sea in a hollow form. To this latter theory belong those beautiful fabled stories of Atlantis holding the heavens up.

The pillars of Hercules.

The golden apples in the gardens of Hesperides.

The feats of Hercules, who held up the heavens for Atlantis while Atlantis went off on a ramble for the golden apples watched over by the fair goddess in the Garden of Hesperides.

THE UNKNOWN INHABITANTS.

Was the unknown earth inhabited? Columbus was not the first, of course, to believe that it was inhabited.

Pythagoras held that the whole world must be inhabited.

Aristotle proved that the Southern Hemisphere must have its temperate zone.

Pliny taught that there were antipodes on the other side of the globe.

In Cicero's Republic the younger Scipio, long since dead, is made to relate a dream. The hero of that name, Scipio Africanus, dead centuries before, takes Scipio the younger up to the Milky Way of the sky to show him the vanity of human fame. He tells him that there were places where his authority could never reach although he should conquer the whole known earth. "Dost thou see in how few places the earth is inhabited and that tribes live directly off from you on the other side?"

THE MARVELOUS INDIA.

Such was the Greek thought of the world.

To the north were the happy land of the Hyberborians beyond the blasts of Boreas. To the east was wondrous India. To find a waterway to this marvelous India became the mainspring of all of Columbus's action. To the south was Ægean, which ran into unknown Oceanus. But the west! What was it? The west was all the world beyond the pillars of Hercules or the Straits of Gibraltar. There was the great land of fables. Here the great Atlantis held up the curtains of the sky. Here were the Elysian fields, the home of heroes exempt from death, and those dying in battle—a thought very like the Indians' happy hunting grounds. Of these fields the Poet Pindar sang thus in beautiful strains:

Those who have had the courage to remain steadfast and to keep their souls altogether from wrong pursue the road of Zeus to the castle of Cronas, where o'er the isles of the blest ocean breezes blow, flowers gleam with gold, and with these they entwine their hands with bracelets and make crowns for their heads.

Such was the song. Illustrious Pindar! Magnificent barbarian!

EARLY LIFE OF COLUMBUS.

Such in brief was the conception of the earth when Columbus came on the stage of action.

In his early life and up to the age of 35 there is nothing of importance or promise of greatness. His father was a poor wool comber; some of his kindred sea rovers. These sea rovers were pirates and robbers. They hired themselves out to fight and plunder for any potentate who wished to employ them. With these desperate characters Columbus was sometimes forced to associate. From the age of 14 to 35 his home was a ship; his life was that of a rover of the seas.

It was with these sea robbers that the great captain learned the art of navigation; learned the power of control; learned how to carry himself in fight when with sword in hand he sprang over the board of the hostile vessel. The story of one of these sea fights off the coast of Portugal is preserved to us by Columbus's son, Ferdinand. The fight lasted, we are told, from morning till night. Early in the engagement the fighters had linked their ships together with iron grapplings never meant to be loosened. No quarter was ever asked or given. Late in the day both vessels became enveloped in a sheet of flame of fire, and the only escape was to jump overboard. Columbus plunged into the sea and, being an expert swimmer, swam by the help of an oar 8 leagues to land.

Such was the life of Columbus up to his thirty-fifth year. Wild and roving, but more humane always than his companions with whom fortune and circumstance forced him to associate.

GOD MOVES IN A MYSTERIOUS WAY HIS WONDERS TO PERFORM.

Mighty forces were converging, and Columbus was the man upon whom, by past training and the decree of Providence, these mighty forces were to converge. Columbus, by that destiny that shapes our ends, was changing with it, destined to play his part in the world's greatest drama since the life of Christ on earth.

THE RELIGIOUS PERIOD OF COLUMBUS'S LIFE.

At the age of 35 a sudden change occurred in Columbus's life. He suddenly left his seafaring life, settled down to deep study concerning the earth and the religious condition of the Holy Land, then in the hands of the infidels. An Italian by birth, he accepted the religious faith of his land and age and became a devout Catholic.

A great religious impulse now seized him and never left him. He believed that the world would come to an end in about 100 years; that before that time the Scriptures must be fulfilled; that the gospel must be carried to the heathen; that he was the chosen agent of Heaven to do that work. Moreover, to do this work Columbus reasoned that the Holy Land and the sepulcher of our Savior, Jerusalem and Palestine, now all in the hands of the Turks, must be taken and redeemed to Christianity. To do this he must lead an army to India.

THE TRADE WITH INDIA.

It will now be necessary to note the condition and enterprises of the world at this time, when Columbus's great purpose was moving his soul. All the courts of Europe were one giddy round of extravagance. The court ladies demanded the precious jewels, perfumes, and spices of India, and a brisk trade between every court in Europe and India sprang up to meet this demand. But the voyage could only be made by a long and perilous journey—a journey through deserts and mountain cliffs beset by desperadoes and robbers.

Yearly the caravan of travelers, with their camels, made this perilous journey, and yearly these mountain desperadoes, who made a business of murder and piracy, grew more desperate. But the demand was great, and many companies of men lost their goods, their camels, and their lives in the efforts to supply that demand. At last Constantinople, the last natural passway, fell into the hands of the Turks, and the last gateway to India was closed. The problem now arose whose attempted solution finally led to the discovery of America.

A WATER ROUTE TO INDIA.

The burning question now arose how to reach India by water. Columbus, by his study, had come to the conclusion that he could reach India by a sea route due westward. Should he do this, he knew that he would become the greatest benefactor of the world; for, according to his conception of the size of the earth, he would then have carried the Gospel all over the earth and have prepared the earth for the coming of the Kingdom of Heaven. Besides, according to the customs of the times, whoever opened up the way to India would not only redeem its people, but be the rightful possessor not only of the people but of all the marvelous wealth of fabulous India. To this end Columbus devoted his life with a perseverance which nothing but death could stop.

Columbus's mistake was not in the form, but in the size, of the earth. Aristotle states that the mathematicians of his day placed the circumference of the earth at 400,000 stadia. Later Strabo figured it down to 180,000 stadia.

Columbus accepted the views of Strabo. He believed that Europe covered four-fifths of the earth's surface and that only a narrow sea separated them on the west. The thought that between India and Italy to the west was the great Atlantic, then the great American Continent, and then still the vast Pacific Ocean never entered his head. He was sure that it was only a short trip from Italy to India through this western sea of horrors; that the way could be found by any navigator with the courage to defy the terrors of the western seas and steer due westward to India. India, then, by his conception, completed the circuit of the earth. The thing seemed so feasible and plain that Columbus became possessed with the idea to do it. He always believed that he had done it, and went down to his grave in that belief.

FINDING A WAY TO INDIA.

And why should all the nations of the earth desire to find a waterway to India, a desire which was not only manifest in Columbus's life but in that of every sailor for 300 years after him. I have already alluded to the great demands of trade for precious gems, perfumes, and spices, and the perils of the journey and the final stopping of the last passway by the capture of Constantinople by the Turks.

But, beyond all this, India was believed by the people to be a veritable paradise, a land in wealth and pleasure beyond the loftiest imagination of the mind of man to conceive.

About this time Sir John Mandeville and Marco Polo had written some wonderful stories of India, which had stirred the popular mind to feverish excitement. It is necessary to see what they thought India to be in order to understand Columbus or the history of the times. Take the story of India as given by Polo, a brief part of which I here relate:

POLO'S STORY OF THE KINGDOM OF FABULOUS WEALTH, INDIA.

First, to start with, he affirmed that in the Far East had reigned for centuries a line of mighty monarchs of the race of Kublai Khan. Their Kingdom was made up of many Provinces or States, one of which was Mangi, bordering upon the sea. Let us for our purpose just consider this one Province. In this Province, Marco Polo said, were 12,000 cities, all within a few days' travel of each other. As a sample of what the people believed of all India let us take the description of one city of the 12,000 cities of this one Province of the Kingdom, Quinsai. Quinsai was 100 miles in circumference; 30,000 soldiers guarded

it; 100,000 police were on duty within it; the main street of the town was 40 paces wide and 33 miles long; at the distance of every 4 miles market places, each 2 miles in compass, and 40,000 to 50,000 people met here to trade daily. The streets were all paved with pure stone. The waterworks were so arranged that twice a day the river was conducted through the streets, sweeping the filth into a great pool beyond and then into the sea. The city had free hot and cold baths and trained fire department. The palace of the King, with its wide terraces and courts, filled a space of 10 miles, and here on the days sacred to the gods 12,000 guests were feasted at a time. The people of Quinsai were so wealthy that a part of each day was spent on the lakes in pleasure barges for banqueting, a part in driving through the parks, and a part in resting under inviting bowers, whose branches sent off perfumes at every sway of the branches.

INDIA A PARADISE.

Such was the description of this one city of the 12,000; "a city for the excellence thereof," declares Polo, "the world hath no equal. It hath so many pleasures a man would think he were in paradise." The description of the whole Kingdom was in keeping with the above.

Polo continues: "Throughout the Kingdom radiated roads all magnificently paved. Out of the soil sprang waters which cured all diseases." I shall not weary you with a description of the King's winter palace of pure white marble, roofed with gold; 10,000 picked soldiers always acted as bodyguard, and his army was like the sands of the sea and the generals sat in chariots of solid silver. Such was the description of this wonderful India. The people believed this story. The people believed that in India priceless pearls were scattered like pebbles. Mountain peaks of jasper pierced the sky; palaces were roofed and floored with gold. In India rivers for healing for all diseases sprang out of the ground. The climate was so luxurious that every tree, as it swayed in the breezes, sent off an incense that filled the air with sweetest perfume. Such was in part the fairy story of the traveler and such was the belief of the people of the world in the age Columbus lived.

And now, after the blockade of the pass at Constantinople, commenced that great movement to find a water route to this rapturous India that resulted in the discovery of America, for that nation which should discover this route could, by the customs, claim the people and their riches for the service of God and the true church.

THE TWO GREAT UNKNOWN WHO GAVE COLUMBUS THE ESSENTIAL INFORMATION AND HELP.

The great truth, the invaluable information which became his, was furnished Columbus and worked out in the gallant, patient struggles of two men hardly known to the pages of history.

THE TWO GREAT UNKNOWN FRIENDS—PRESTRELTO AND PRINCE HENRY OF PORTUGAL.

Prestrelto had been a brave sailor under Prince Henry. He had braved the western sea of horrors; had made charts, maps, and journals of his trips. Columbus, by his marriage to Dona Prestrelto, on the death of her father came into possession of these invaluable maps. It was this that gave Columbus his first conception of a water route to India and explains the great change in the life and habits of Columbus.

PRINCE HENRY OF PORTUGAL AND THE WESTERN SEA OF HORRORS.

The other man was the gallant Prince Henry of Portugal, who built his home by the sea, where its roar, as he said, would ever be in his soul. He called all the wise men about him. He had rejected the teachings of the wise men regarding the possibilities of navigating that fearful western sea of horrors. And what and where was this sea of horrors that played such a part in the world's development? It was all the unknown waters beyond the pillars of Hercules, or the Straits of Gibraltar—our Atlantic. The wise men taught and the people believed that in this western sea of terrors was a heated region beyond the boundary line of which no one could breathe the air and live.

THE WESTERN SEA OF HORRORS—THE SEA OF FIRE AND DEATH.

The Poet Pindar had said, beyond its gates no man, however brave, might navigate. Only a god might voyage these waters. The people believed this sea to be presided over by the spirits of fire, death, and darkness. Such was the belief that chained and bound navigation for centuries and which played such a great part in the world's development, whose terrors kept sailors for centuries in the Mediterranean, blocked the progress of the world, and all but made the sailors on the voyage with Columbus compel him to turn back when almost in sight of America. But Prince Henry said: "We'll cross that line," and he did. And in doing it he gave the world, I think, its greatest example of physical courage and broke one of the greatest cords of bondage that ever bound the human mind in the darkness of ignorance. Prince Henry was the liberator of the world's greatest superstition. Columbus got the benefit and praise of the completed work of this great heroic deed.

From these two sources Columbus got all his practical valuable information. From his conception of the size of the earth the shortest way to India would be to the west. He now became thoroughly satisfied that the kingdom of the great King Khan and all that wonderful India could be reached by any navigator bold enough to defy the fancied terrors of this sea and sail for 30 or 40 days to the west, and for the accomplishment of this he dedicated his life. The western sea of darkness had no terrors for him. Prince Henry had smashed that superstitution.

THE ONE OBJECT OF COLUMBUS.

Columbus, in the words of Shakespeare, now realized that—

There is no darkness but ignorance.

He felt and realized that the blackest darkness is ever the superstitions of ignorance.

He now became a man wrapped in only one thought. His conception was first and foremost to carry the gospel to India and second to take the riches of India to equip an army which should take and redeem Jerusalem, the Holy Land, and the sepulcher from the hands of the infidels, the Turks, and thus bring the whole earth under the saving influence of the church. This was the sublime conception that filled his mind and thrilled his soul. This is what he thought he had done when he discovered America.

He held on to his purpose through 18 years of disappointment, starvation, and ridicule with the faith and determination of a martyr. For this great work he believed God had singled him out and set him apart. He said:

My name is Christopher, which means Christ bearer. Therefore I am to bear the gospel to the ends of the earth.

He was a diligent student of the Bible and studied its prophecies. He believed that the end of the world would come when the gospel had been carried to these lands. Moreover, he believed that the time of the end was close at hand; that in one century the end would have arrived.

Listen to the following. I quote his own words. Speaking after his voyage to America, in profound ignorance of what he had done, he says:

God made me the messenger of the new heavens and the new earth spoken of by St. John in the apocalypse after having spoken of it by the mouth of Isaiah, the prophet.

And he adds:

He showed me where to find it.

Further, as showing his belief, he says:

Our Lord wished to do a miracle by my voyage to India.

It was necessary to hasten his purpose, for—

By my calculations there only remained 100 years till the end of the world.

THE HEROIC, PATHETIC, STRUGGLING PERIOD OF HIS LIFE.

This purpose once conceived, nothing but the hand of death could still that great determination which beat in his soul. For 18 years he tramped all over Europe talking to anybody and everybody who would listen to his wonderful scheme. Every court was harangued and bored by this enthusiast of his age talking to them what they termed "unintelligible stuff." Defeated in one court, footsore and weary, he took up his tramp to another.

His method of procedure was something like this: With his charts, maps, and drawings he would tramp to the capital of a kingdom. There he lived partly by drawing and selling maps and partly by begging his bread, talking all the time to everybody who would give him attention, until gradually he got nearer to the King. When the circle of interest he had generated reached the King, Columbus would be admitted to his presence.

With a new ray of hope Columbus presented himself before the monarch. Here he made the same eloquent plea, describing in glowing terms both the honor and wealth that would come to that kingdom which should send him forth. The monarch, usually ignorant, but always moved with interest, would then submit the question to the learned men of the court. Before the court of the nation's collected wisdom Columbus next appeared to tell the story that burned in his soul, and here Columbus was always sure of defeat. In regard to him the wise men differed, as wise men always do; some believed him crazy, others thought him a harmless crank, while others thought him a smart impostor hatching out some heretical scheme.

In regard to his theory that the world could be sailed around they were all of the same opinion. It was too absurd for consideration. The idea that the world was round, that on the other side were men who went about with their heels over their heads, the wise men declared to be positively funny, and they held their sides as they roared in derision at this sad-eyed,

pious, determined crank. But, further, said they, if the world is round, there is another sky where snow and ice fall upward, and that, cried they, is blasphemy. So they all advised the King to have nothing to do with this ridiculous, absurd scheme and to invite this pest of the court to move on. And thus, with a perseverance which nothing could wear out and a patience absolutely unconquerable, Columbus waited, toiled, and suffered for 18 years.

He first asked aid of Genoa, his native city, and was refused. Next he turned to King John of Portugal, the successor of the great Prince Henry. He told John of the nearness of time, his heavenly mission, and assured him that he could give him India in two months.

After having been made a football of ridicule by the wise men of the court, Columbus left Lisbon and went back to Cordova to lay the matter before Ferdinand and Isabella, but they were then engaged in a civil war driving out the Moors and had no time for his scheme. Columbus, to gain their favor, joined the army and was a soldier at the fall of Granada. At last he gained a hearing and suffered defeat at the hands of Ferdinand and Isabella. It was with a sad heart that he turned away from his last hope. Now occurred one of the darkest hours in Columbus's life. There are hours so dark in human life that even hope seems to have left our breast. Such an hour had come to Columbus.

THE TURNING POINT.

There are times when the success of human life and destiny of the world hangs upon a straw. I propose to show that it was the happening of the most insignificant event that not only decided the destiny of Columbus's life, but the fate of the world in the discovery of America.

Columbus, on his journey from the court of Ferdinand and Isabella, stopped, footsore and weary, at the gates of a convent to get a morsel of food for his starving little son, whom he led by the hand. This is not an event history would stop to note, you say. Aye! But that determined the future life of the great discoverer. With Lowell we may say: "How small an arm may turn the iron helm of fate."

"Give me food and drink for my starving boy," cried Columbus. The good monk, touched to the heart with pity, gave him food and insisted that Columbus stay for the night.

There are times so full of bitter disappointment that we long for a place and friend, that we may lay open our very heart. Columbus had found such a place and such a friend in the presence and at the fireside of the good monk.

Columbus, as he sat by the fire and talked the night away, seemed inspired. He wrapped the monk in wonder. Some of that light that never was on sea or land shone about him. As he told this religious man of the coming of the kingdom his face lit up with angelic brightness. But what of the outcome? It was a turn of the wheel of fate. Little knew Columbus that upon this talk this night fortune would smile upon him and mark him for her own. This convent became Columbus's home henceforth in all his dark and trying hours, but vastly more important by far than this was the seed sown and the later harvest.

THE PINZON BROTHERS.

Now, there lived by the convent three remarkable brothers, very pious and very wealthy. They were learned, wealthy, religious, and influential. They took up Columbus's scheme with as much zeal as if it had been their own.

It was the Pinzons that made Columbus's success possible.

It was the Pinzons that got him the ear of Ferdinand and Isabella again.

It was the Pinzons that furnished Columbus his money; and when at last he sailed it was the Pinzons that commanded the other two ships in which he sailed.

The Pinzons lived at Palos, and now the schoolboy knows why his history has this sentence:

Friday, the 3d of August, 1492, Christopher Columbus set sail from Palos, Spain, with three ships, manned by 120 sailors. He knelt on San Salvador October 12, 1492.

HONOR TO WHOM HONOR IS DUE.

It was after the Pinzons became sponsor for him that Isabella said: "Call him back; he shall sail if I have to pawn my jewels." "Honor to whom honor is due." The honor is due the Pinzons. Columbus returned to court with all haste. The articles were soon drawn up, the Pinzons furnishing Columbus's part of the expenses. Now began the search for ships. But who would rent a ship to go upon that western sea of horrors? No one but the Pinzon brothers could get the ships. When he finally succeeded in getting his ships the question arose, Where are you going to get your crew? Who would be such a fool as to peril life in certain death upon the sea of darkness, death, and fire? The people looked upon the intended trip as the wild vagaries of a madman or a crazy lunatic.

THE CREW FOR THE VOYAGE.

There were only two men in all the Kingdom who could be depended upon.

Martin Alonzo Pinzon would take the ship *Pinta*.

Vincente Yauze Pinzon would take the ship *Nina*.

Columbus himself would take the *Santa Maria*.

But where is the crew? That was the burning question. Who for pay or the love of fame and glory would sail out into a sea guarded over by the spirits of the dead, whose atmosphere of fire no one could breathe and live? No one. Criminals were offered their liberty if they would go. They refused, but were at last pressed into service. When those ships left Palos there was weeping and wailing, for even bad men have hearts and feared the pictured sea of terrors.

THE VOYAGE.

Volumes of thrilling interest have been written about that voyage, that first trip of Columbus and his three crude ships, battling with death on the briny deep; the criminal crew, the hardships, the mutiny, the dangers to Columbus, his prayers, and his Christian faith in God that held him true to duty in the face of every danger.

I have read of these things with unabating interest. I should like to tell something of it, but for want of time I can not go into that thrilling subject now.

We only know this: The stars must have looked down in wonder on this brave man on that strange scene, and we know that God looked down upon it with divine approval.

As descriptive of this trip, as well as the sublime purpose of the great Columbus, the wonderful poem on Columbus from the pen of that grand old poet of the Sierras, Joaquin Miller, has always seemed to me both very beautiful as well as very appropriate. I always love to quote it, because it always seems to me to breathe the breath of faith and inspiration. Here it is:

Behind him lay the gray Azores;
Behind, the gates of Hercules;
Before him not the ghost of shores;
Before him only shoreless seas.
The good mate said: "Now must we pray,
"For lo! the very stars are gone;
"Brave Admiral, speak; what shall I say?"
"Why say, 'Sail on; sail on; and on!'"
"My men grow mutinous day by day;
"My men grow ghastly, wan, and weak"—
The stout mate thought of home; a spray
Of salt wave washed his swarthy cheek.
"What shall I say, brave Admiral, say,
"If we sight naught but seas at dawn?"
"Why, you shall say at break of day,
'Sail on; sail on; and on; and on!'"
They sailed and sailed as winds might blow,
Until at last the blanched mate said:
"Why, now not even God would know
"Should I and all my men fall dead.
"These very winds forget their way,
"For God from these dread seas is gone.
"Now speak, brave Admiral, speak and say"—
He said, "Sail on; sail on; and on!"
They sailed. They sailed. Then spake the mate:
"This mad sea shows its teeth to-night.
"He curls his lips; he lies in wait;
"He lifts his teeth as if to bite!
"Brave Admiral, say but one good word,
"What shall we do when hope is gone?"
The words leaped like a leaping sword:
"Sail on; sail on; sail on; and on!"
Then pale and worn, he paced the deck,
And peered through darkness. Ah, that night
Of all dark nights! And then a speck—
A light! A light! At last, a light!
It grew. A starlit flag unfurled!
It grew to be Time's burst of dawn.
He gained a world. He gave that world
Its grandest lesson: "On; sail on!"

[Applause.]

THE RETURN TO SPAIN.

Six months later Columbus entered the same port amidst a halo of glory, such as had never shone around any other mortal man. Columbus advanced to court with his sailors amidst shouts and over strewn branches and garments.

The King and Queen hesitated as to whether they should receive him as a human man or as a messenger from Heaven, for Columbus came back to tell that he had sailed around to India; had opened the water route; had three strange-looking men, whom he said he had picked up off the coast of India; had redeemed the world and prepared the way for the coming of Christ. This is what Columbus always believed he had done and this is what the people for a while believed he had done. Aye, fickle fortune, this same conquering hero must come again in this same port in disgrace and in chains.

The people went wild with joy "All India is ours." "Acres of jewels are ours." Everybody who could sell property sold all and put to sea, and when the spell broke saw that they had lost all. They came back paupers, their homes gone.

They sat around the court wretched indeed. When the King appeared they held up their rags and cursed the King for being imposed upon by a man whom everybody has suspected of being a fool. When Columbus's sons appeared they stoned them.

With cursing they demanded the arrest of the man whose lies had brought them from wealth to want. Isabella being dead, the weak Ferdinand yielded and signed that warrant for the arrest of Columbus which throughout all times must ever stand a blot upon his name. But while the truth became apparent to the people, with Columbus the spell never broke. He never so much as suspected that he had discovered the great American Continent; that thought never entered his mind.

HIS GREAT BELIEF.

When we consider his great, noble conception, we see how cruel it would have been to have undeceived him. A merciful Providence, who patiently deals with all our follies, let him go down to his grave in the sublime faith that he had carried the Gospel all over the earth and prepared the world for the second coming of our Savior; that he truly was the great Christ bearer, spoken of in the Scriptures.

He required every sailor on board the ships before landing to take oath that he had been on the coast of Asia. Cuba he was positive was Japan. As he stepped upon San Salvador he was sure that he had redeemed all Asia.

No wonder he fell prone on his face in the dust on San Salvador and gave thanks to Almighty God, who had, in Columbus's own words, "made him to conquer over his enemies and had given him India." When he saw the natives he at once said, "Here are the inhabitants of India." When he saw the rings in their ears he said, "A proof of their riches." When the natives pointed inland, said at Cabamacan was much gold, he was sure that Cab-a-ma-can was the Indian way of saying Kublai Khan.

Before him arose the splendor and opulence of those thousands of cities of gold, those lakes of pearls, those rivers of healing, and the coming of Heaven. What a dream! How cruel to disturb the sweet joy of the sleeper. It would have been like reaching up into the skies and pulling back the glorified spirit to dull and sinful earth. He never understood how he could have deceived anyone. When he asked for his fetters, after having been carried home like a villain in chains, he said he was determined to keep those fetters as a memorial of his reward for his many services. He hung those fetters on the walls of his chamber, and six years later they were laid with him in his grave.

But the prison was not destined long to detain this great spirit. His soul was soon to become a citizen of the skies; his soul was soon to leave the world he sought to redeem and stand in the presence of the Redeemer; his soul was soon to partake of that real stream of life and find the real spring of youth and find that real youth in immortality. [Applause.]

COLUMBUS, THE IMMORTAL.

Carlyle says that biography is the only true history as well as the most interesting study of history. Columbus believed in the guiding hand of a divine Providence. He also believed in astrology. He believed the stars foretold for him a glorious destiny.

Who of us shall dispute his faith? Who of us shall say that he did not, like Joan of Arc, hear the silent voices speaking to the listening soul down out of the skies—voices that have ever called to duty, to service, and destiny?

Whose blood does not run faster and warmer when he reads the faith and struggles of this great man?

Christopher Columbus! The storm-tossed life over which rolled all the bitted waves of hate; against which beat all the biting winds of persecution; whose ship of life sailed every sea of sorrow, through every night of despair, without a friendly star of hope.

With sublime courage and supreme faith Columbus sailed a trackless sea. We know the silent stars must have looked down with wonder upon this new strange sight of his three crude ships struggling with death in the briny deep of an angry unplowed sea; and we know that the God who rules both wind and wave looked down upon him with his approving smile.

By his supreme faith in Providence he became the divine instrument to blaze the pathway that marks the destiny of time.

His name is revered by all mankind. The very honor of having the resting place of his mortal body has been contended for by the nations of the earth.

His ashes repose in the America he discovered, his fame walks the pathway of the stars, and his soul rests in the presence of God. [Applause.]

Bureau of Labor Safety.

EXTENSION OF REMARKS

OF

HON. FINLY H. GRAY,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 11, 1914,

On the bill (H. R. 10735) to create a bureau of labor safety in the Department of Labor.

Mr. GRAY. Mr. Speaker, the necessity and pressing need of legislation to conserve the health and safeguard workmen against accident and death is most apparent when we come to consider statistics relative to casualties and vocational diseases. Out of the 34,000,000 workmen engaged in industry there are more than 38,000 deaths, 2,000,000 accidents, and more than 500,000 of which are of a serious nature, all estimated as entailing an annual economic loss of $40,000,000. In addition to these accidents and casualties there are 3,000,000 cases of illness directly attributable to vocational causes which are preventable and entailing a loss of $200,000,000 annually.

Estimating the economic value of the laboring man at $2,000, which is less than was often placed upon human beings under involuntary servitude, the annual loss entailed by accidents, casualties, and vocational diseases, most of which are preventable or possible of being greatly minimized of their serious character, exceeds $350,000,000. But this sum constitutes the least important item to be considered. More than 15,000 widows and 45,000 orphans are left helpless upon the world without a breadwinner, and human health and limb and life are sacrificed, the value and consideration of which is impossible of estimate or measurement in money or economic value.

But appalling as is this economic loss, the physical suffering and sacrifice of human life, we must still add to this awful waste by reason of accident, disease, and death the blight in the development of the physical body and the distraction and impairment of the mind resulting from the din of the workshop and the mad pace of production urged on by the commercialism of to-day filling our almshouses with the indigent and our asylums with the insane.

It is certainly time for this belated legislation. With bureaus created and supported by liberal appropriations for investigation, research, and development to be made in aid of more rapid production, the increase of trade, and the promotion of profit and gain, there is and can be no excuse for a further delay in the enactment of this law. It is a reproach upon our civilization and the policy of our Government that consideration of human health and of life and limb should have been thus postponed for property and profits.

Rural Transportation System.

EXTENSION OF REMARKS

OF

HON. FINLY H. GRAY,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, March 14, 1914.

Mr. GRAY. Mr. Speaker, while a rural transportation system in some form is inevitable as an economic necessity of the times, it can not be hoped that it will come all at once or as a momentary transformation or as a sudden industrial revolution. It will come as a growth gradually and in the progress of orderly economic development. It will be tried out in experimental stages until the service required is formulated and ascertained. While no such industrial movement can be advanced beyond the economic conditions calling for the same, the remedies to meet such conditions are often delayed and postponed. The conditions making rural transportation a vital necessity have long existed, and improved highways must precede the establishment of such transportation facilities in the natural order of things.

Nor will such increased transportation facilities revolutionize business, nor dispense with needed merchants nor useful mercantile pursuits, nor the employment and occupation of men to store, hold, and distribute the multiplicity of articles and commodities now required for use and consumption in everyday life. Such a rural transportation system will work to the advantage of those engaged in mercantile pursuits as well as the masses engaged in production and the great consuming public. It would enable business men to make a greater income at a lower rate of profit by a greater volume of trade and thereby performing a greater economic use and service to the people and a greater duty to the public in the industrial system of the country.

Which Shall We Construct, Asphalt Pavement for Automobilists from Ocean to Ocean or Good Dirt Roads for the Farmer from His Home to Market?

SPEECH

OF

HON. J. B. THOMPSON,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, February 7, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 11686) to provide that the United States shall aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads.

Mr. THOMPSON of Oklahoma. Mr. Chairman, in announcing my candidacy for Congress in 1912 I set forth clearly and distinctly what I stood for and the measures I would strive to have enacted into law if the people should honor me with a seat in this body. I then promised that, if elected, I would favor Government aid in the construction and maintenance of good roads; that I would favor the enactment of such laws as would reserve for the benefit of all the people the natural resources of the country and its territorial dependencies; that I would favor the passage of an immigration law that would exclude from the United States all foreigners who did not belong to the Caucasion race and restrict those belonging to that race, so as to prohibit the admission of all who were criminals or brought here under contract to compete with the laboring people of our country.

The Democratic national convention held at Baltimore, at which the present occupant of the White House was nominated, spoke in its platform on two of these subjects. It was there declared on the subject of good roads:

We favor national aid to State and local authorities in the construction and maintenance of post roads.

On the subject of conservation the Baltimore platform declared:

We believe in the conservation and the development for the use of all the people of the natural resources of the country. Our forests, our sources of water supply, our arable and our mineral lands, our navigable streams, and all the other material resources with which our country has been so lavishly endowed, constitute the foundation of our national wealth. Such additional legislation as may be necessary to prevent their being wasted or absorbed by special or privileged interests should be enacted and the policy of their conservation should be rigidly adhered to

And it was further declared in that platform:

Immediate action should be taken by Congress to make available the vast and valuable coal deposits of Alaska under conditions that will be a perfect guaranty against their falling into the hands of monopolizing corporations, associations, or interests.

I am one of those who believe that a promise made before election should be kept after election. Service in this House will grow less attractive to good men as time passes if they can not respond and live up to personal promises and platform pledges. I am a firm believer in the rule of the people. I believe the people have capacity, especially the Anglo-Saxon race, for self-government. Heretofore it has been my pleasure to utter certain words on the floor of this House calling attention to the amount appropriated by this Government for shipbuilding and appropriations for war as against the small and insignificant amount appropriated to develop and promote the interests of our farming and laboring people. On September 6, in speaking on the urgent deficiency appropriation bill, I called attention to the alarming increase in the cost of government; the stupendous sums appropriated for the support of the Army and Navy, and I pointed out the small sums expended for the benefit of our agricultural and laboring population.

The people of this country will sustain this Democratic administration in making the necessary appropriations for the public service economically administered. They will approve of all appropriations that will assist in making this Nation a better place in which to live, all appropriations that will add to the happiness of our people and afford them wider opportunities to improve and better their condition in life. They will approve of this good-roads bill and the appropriation it carries. They will do so because this bill more than any other piece of legislation enacted at this session will add to the Nation's wealth and the happiness of the Nation's people. They will not approve of all that part of the more than one thousand million dollars that will be appropriated which goes toward supporting an army of useless employees, toward supporting and maintaining a large number of useless Army posts, and toward building battleships and maintaining a large Navy in times of peace. I am informed that the appropriation for our Navy will approximate $140,000,000. I have just read in the news dispatches from Tokyo, Japan, the following Associated Press bulletin:

Clubs and sabers in police hands subdued anti-Government agitators and 200 were arrested in fierce rioting throughout the city to-night. Many men were injured by the officers. Shortly after midnight 500 policemen charged a mob of several thousand antitax advocates who were clamoring against the Diet for sustaining the Government in the naval scandal. Several opposition newspapers, which criticized the Government, have been suppressed and their editors jailed. The Government, encouraged by the defeat in the Diet of the resolution of want of confidence, is adopting drastic means to put down rioting, and the police and troops are armed with authority to use any force necessary to disperse mobs.

This dispatch discloses a condition in Japan that will shortly exist in our country if a halt is not called in the wild extravagance of the past. The naval scandal referred to was an appropriation of about $60,000,000 as against nearly two and one-half times that amount here. The antitax referred to is, as I understand it, a tax on the wages of the working people. If the expenses of this country continue to increase for the next three decades as they have grown during the past 30 years, the laborer will be required to surrender a part of his wage for the support of this Government, and it requires no prophet to foretell what will occur when that day comes. It is pleasing to hear fine words spoken of our civilization, our monuments, our museums, our public libraries, our fine public buildings, our battleships speeding around the world, and our diplomats housed in magnificent homes befitting the dignity of this great Nation.

But, Mr. Chairman, beautiful words and poetic allusions will not solve the great questions which now press themselves upon us. We must do something that will be of real and substantial benefit to the people of the country—something that will inspire all with confidence that there are no favored classes here, but that all men are measured by the same standard; that we are not indulging in extravagance for pomp and ceremony's sake and merely to please the fancy and satisfy the pleasure of those who know no toil.

And, again, on December 22, 1913, in the course of my remarks on the subject of rural credits I called attention to the discrimination against the farming and laboring classes of our population. I do not do this, Mr. Chairman, for the purpose of arousing antagonism between those of our people engaged in different occupations. I do so that laws may be enacted that will insure every man every penny that he by his industry honestly earns; laws that will prohibit the taking of one penny from any man to enrich another who has not honestly earned it.

It is a demonstrated fact that consumption of farm products is increasing at a much more rapid rate than production. If this consumption continues to increase in proportion to the production during the next three decades as it has during the past three, we will be face to face in this country with famine. If we, as we should, are willing to look into the future and face this problem, we will begin at this time to encourage and promote every movement that looks toward making farm life more pleasant and agricultural pursuits more profitable. I do not believe there is any other one thing that would more promote a "back-to-the-farm" movement than the building of good roads. It has been often said that we have in the United States the best railroads in the world and the poorest dirt roads, and this is true. We have been, during all the history of this country, neglecting the farmers of the country, the source from which originates all wealth, and giving our attention, governmental and otherwise, to the promotion of the interests of those engaged in other lines of business.

I am in favor of this bill because by its provisions every community within the United States that seeks to improve its roads will secure governmental aid in proportion to the amount it is willing to advance for the same purpose; and though the amount we spend will be small, the effect of the appropriation on the people of the country generally will result in the improvement of the roads throughout the entire country. In France and in practically all the countries of the Old World the Government builds, or largely assists in the building of, dollar has ever been contributed toward assisting the farmers

good roads. Here in the United States, where the Government uses more than one-half of the total mileage of the roads in the delivery of mail, either on the rural or star routes, not one in building and maintaining their roads. On the contrary, the Government has threatened and has oftentimes discontinued the delivery of mail over its rural and star routes because the farmers did not maintain the roads in that condition which the post-office inspector considered sufficient.

I was glad to hear the chairman of this committee say that in framing and presenting this bill he had prepared, or sought to prepare, a bill which would extend aid to every community in the United States that would take advantage of its provisions and enable the farmers of any community to secure governmental assistance in building and improving the roads to their nearest railroad station. We have two classes of advocates in the building of good roads in the United States. One class is commonly know as the automobile class, who advocate a great national thoroughfare from Canada to the Gulf and from the Atlantic to the Pacific—a thoroughfare which after it is constructed will be of little practical value except to those who are rich in purse, proud in spirit, and who are able to travel from one part of the country to the other in an automobile. I would be glad to have such highways as these for the pleasure of those who are able to enjoy them, but I am not in favor of the Government aiding in the construction of such highways until the farmers of our country, who produce the wheat, corn, and cotton that feeds and clothes the people of our country and the millions in other parts of the world, are able to haul at least a decent load over the roads which connect their farms with the railroad stations.

Mr. Chairman. I want to quote from the remarks of the chairman of the Good Roads Committee [Mr. SHACKLEFORD] to show what means are and will be used to defeat those who stand for the people and against those interested in good roads from a selfish and commercial standpoint—to create a greater demand and larger sale of automobiles. Mr. SHACKLEFORD said:

Before it is read I desire to make this statement: In the last Congress we passed in the House what was called the "Shackleford good-roads bill." I sent a copy of it to various parts of the country, among others to the members of the Automobile Club of St. Louis. The Automobile Club of St. Louis passed a resolution indorsing the bill. As time went along that bill was defeated in the Senate, and the letter I have sent to the Clerk's desk will explain how it was defeated in the Senate, as the writer of that letter understands it. When the Sixty-third Congress met I introduced that bill again. The writer of that letter, a member of the committee on resolutions which passed these resolutions of the American Automobile Association and vice president of that association and member of its executive board, wrote that letter to the president of the Automobile Club of St. Louis. I would like to have the Clerk read the letter.

The Clerk read as follows:

KANSAS CITY, MO., *September 3, 1913.*

Mr. EDWARD M. FLESH,
President Automobile Club of St. Louis,
Planters' Hotel, St. Louis, Mo.

DEAR SIR: I understand that at one time last year your club, through the influence of Mr. Roy Britton, passed a resolution indorsing what is known as the "Shackleford road bill."

This bill, as you probably know, carries with it an appropriation of $15 per mile for dirt roads through the rural free-delivery districts of the United States. We consider this bill the biggest joke ever introduced into Congress. The American Automobile Association, through its influence, beat this bill once in the Senate after it had been passed by the House.

Mr. SHACKLEFORD has shown throughout his course to be antagonistic to the automobilist and to automobile interests both in this State and in the United States. The probabilities are that he will continue to create trouble as his mental make-up leads him altogether in that direction.

I consider Mr. SHACKLEFORD a joke, and we look for him to be retired in the district in the coming election.

If this resolution was passed at a regular meeting of your club and not by a few members, or by its directors, I would like to have a resolution, if possible, ordered passed rescinding the former action taken and reported as the action of your club.

The American Automobile Association, of which you are a member, is doing everything in its power to beat this man for the coming term.

Yours, respectfully,

H. D. TRAIN, *President.*

Mr. Speaker, that is one letter that by accident came to my attention. How many others like it have been sent out over the country no man can tell. Looking at that thing, I should say that men who have dared to vote in favor of a community system of roads that will aid in hauling the products of the farm to the nearest town or railroad station are marked. Wherever Mr. Train and others like him can do anything to put some of those members out of commission it will be done. They have not many votes in my district, and I do not know to what method they would resort to defeat me at the coming election, as he says they have determined to do, except by putting their hands down into their treasury and fill the papers of my district and my State with canned editorials against me. This is an outrage, but they can not defeat me. My people may retire me some time, and surely will if I do not carry myself circumspectly. I call the attention of this House and the country to the nefarious methods that are being resorted to in order to defeat legislation in which all of the people are interested. [Applause.]

The man who wrote that letter I happen to know, as does my friend from Missouri [Mr. BORLAND], He is no weakling. He is a business man. He knew what he was doing. He never intended that letter for my eye. It was his expression of a deliberate purpose. Mr. Harry D. Train, the author of that letter, never wrote it spasmodically or without consultation with his fellows. And now, let me warn some of you country-road advocates, look out! There will be somebody in your district, too. You may not be fortunate enough to get hold of a letter, but all of you "knights of the dirt roads" who attempt to go against the edict of this association, look out! [Applause.] Who leads their forces here in this Capital, where they have established headquarters in order to influence the action of Congress? Not Mulhall, He was discredited long ago. They must get another leader if they would be effective here.

With 451 subordinate associations from whom they are collecting funds they must every year get hundreds of thousands of dollars, which they are expending in pushing their scheme for national highways. I have never heard of their spending a dollar on a road, but they spend all they collect.

Now, there are a number of other road associations. This is the joy riders' concern. They want to try out the automobiles from New York to San Francisco in order to see which one can win the race. They want a road that is adapted to their purposes, and they want the farmer down on the muddy roads in my district and yours to pay the expenses of this peacock lane over which these peacocks shall strut in luxurious automobiles [Applause].

Now, I take up another road association. I do not know its methods. I have not any letters that I can use against it like the one which I have just read, but I am going to call attention to its fundamental organization. I speak now of the National Highways Association. That association is fairly well organized, like this "Three A" association. They have different grades of members—some who are high up and some who are high privates in the rear ranks, with no duty to perform except to pay their dues and do the bidding of those above them.

Mr. Speaker, I take the liberty of calling the attention of the Members of this House to the different varieties of membership in that association, and let each one of them look at his own pocketbook and determine to what class of these memberships he will belong. The founder members make a payment of $25,000 each. Those founder members are limited in number to 53, each one of whom puts in $25,000. Fifty-three times $25,000—I have not time now to calculate. Take it home with you, sleep with it, and figure it out yourself. Next, they have a national member. The national member pays $10,000. Next comes the collective member He pays $2,500 for his membership. And next comes the life member. He pays $1,000 for his membership. Then comes the sustaining member. We are getting down now, Mr. Speaker, into the pond where the suckers swim. [Laughter.] A sustaining member pays $100. Then what? They take his $100 in order to put across national roads in this House and in the Senate, against the wishes of the people that these Members here are sent to represent.

Then, coming on down to smaller suckers, they have contributing members, who pay $10 each, and then they have assisting members, who pay $5 apiece. Lastly, in order that no man, however humble, shall be permitted to escape this dragnet for funds relied upon to prosecute this propaganda for the rich and special interests, they have a subscribing membership for a dollar apiece. And then, in order to get the other fellow who has a little vanity in him, they have what they call an "associate membership," who gets down to 50 cents apiece. [Laughter.] They have spread this net out all over this country, taking in every man, from the fellow willing to pay $25,000 for a founder's membership down to the man who pays 50 cents in order that he may wear upon the lapel of his coat the badge of an apostleship in the peacock-lane propaganda. [Laughter.]

Mr. Chairman, I may not be sent back to Congress, but I would prefer defeat and to be left at home fighting the battles of the common people than come back here wearing the servile collar of plutocracy.

I believe the first governmental aid should be extended to the producers and consumers of our country, and not to those, who by reason of their wealth, are able to spend their time in traveling by automobile and other modern methods of conveyance. The farmer will not alone be benefited by Federal aid in the construction of good roads from the farm to town. The merchants will be likewise benefited; the landowner and every class engaged in toil will be benefited by the construction of good roads. Farm lands now worth from thirty to fifty dollars per acre will double in value; the merchant who during rainy weather and muddy roads is now compelled with his force of clerks to stand idle behind the counters will be able to sell to his country trade, for with good roads bad weather will not prevent a visit to town. The farmer will be benefited in the saving of wear and tear of his wagons and harness, and in the time necessary to market his crop and haul out his produce. By reason of the fact that there are good roads he can haul two and three times the tonnage he is able to convey over bad roads.

I am not unmindful, Mr. Chairman, that in taking this position I am inviting powerful opposition—opposition that will not hesitate to spend large sums to defeat those who believe the people who reside in the country community, and not the tourist, should enjoy good roads.

I live in one of the greatest agricultural districts, not only in Oklahoma but in the whole of our great country. The people, all classes, bankers, merchants, farmers, and laboring people are among the most intelligent, the most progressive, and the most patriotic people in all this country. They are deeply interested in this great question as they are interested in all matters that will promote the prosperity and happiness of our country. The farmer and the laboring man, the merchant and the banker, all are striving to give their children, their girls and boys, better opportunities than they themselves were afforded. It is the wish of the farmer to give his children the best educational advantages, and the lack of school privileges

in the country is driving thousands to our cities and towns. Good roads will make consolidation of rural district schools possible and thereby bring to the farmer what he has heretofore been compelled to seek by removing to the town or city. The families of our farmers enjoy their social gatherings, their Sunday schools, prayer meetings, and church services quite as much as those who live in town or city. Good roads will make possible these activities during all seasons of the year. The people can now attend such gatherings only during fair weather.

Another idea which will justify this legislation is the dead time it will save. During periods of protracted bad weather the farmer is practically housed in his home, unable to travel over the bad roads from home to market. With good roads he could do his hauling at that time. What would the banker, the merchant, or those engaged in any other line of business think—what would they do—if their places of business were closed when the weather grew bad? This Congress long ago would have given them relief. The rural routes in the country to-day, I believe, are, on an average, 26 miles in length. If good roads are constructed, these routes can be lengthened until they reach an average of 30 miles or more, and the amount saved to the Government by lengthening these routes will, in great part, if not wholly, take care of the appropriation of $25,000,000 per year carried in this bill.

The two greatest virtues of this bill, in my opinion, are: First, it extends aid to those who help themselves, by advancing a dollar from the Federal Treasury every time the State or local authorities advance a like sum, thereby establishing a system of cooperation which will be most helpful by arousing the citizens' interest in the subject. Second, the aid goes to the neighborhood road, where the farmer and the local business man will secure the benefit, by enabling the transportation in all seasons of farm products to the local market.

This bill is so conservative in the amount appropriated, so fair in the amount it requires the States and the legal subdivisions to advance in order to participate in its benefits, so just in distribution among the people—Oklahoma receiving $572,000, which will be about $7,500 to each county—and of such universal value to all classes of our people, it seems to me, it ought to pass without a dissenting vote.

SHALL WE PERMIT CHEAP LABOR AND LOW STANDARD OF LIVING FROM EUROPE AND ASIA TAKE CHARGE OF OUR FARMS AND FACTORIES, OR SHALL WE PRESERVE THE UNITED STATES FOR OUR OWN FARMERS AND LABORING PEOPLE?

Mr. Chairman, the subject of immigration has long been a question of serious interest to the American people. When the country was yet young, laws were enacted prohibiting the further importation of the African, and as early as 1828 Congress began the consideration of petitions and memorials asking the colonization in a distant land of the free colored people. That great Senator, Henry Clay, filed many of these memorials and spoke frequently on the subject, expressing the view that all history teaches, that no two races can for any great length of time occupy the same country and engage in business in competition who can not amalgamate and become homogeneous by intermarriage. When competition becomes keen and one race is pushing the other out of business race riots and bloodshed will follow and the weak will give way to the strong. The views then expressed by Mr. Clay are being demonstrated as correct almost daily in different parts of the world, and I might add here in our own country. We witnessed it in the case of the Chinese immigrant on the Pacific coast until Congress passed the Chinese exclusion act. We have it now in the Japanese situation in California. For this reason I am in favor of excluding from our shores all Asiatics, which includes Japanese, Chinese, and Hindus. I am also in favor of excluding all Africans. If we are to continue to advance as a Nation, we must preserve the purity of the Caucasian race. The mingling by intermarriage of two dissimilar races, such as the Caucasian with the Malay, the African, or the Asiatic, produces a progeny that has all the vices of both races and the virtues of neither. Statistics of those countries in South and Central America where the population is made up in part of the descendants of the Caucasian, the Asiatic, and the African mixed show that this mongrel race furnishes almost the entire criminal population of those countries, though the percentage of mixed breeds is small when compared with the entire population. It will invariably be noticed that those who control the country—who manage its business and maintain its civilization—are the descendants of ancestors who have maintained their racial purity by refusing to intermarry with a dissimilar race. If this view, Mr. Chairman, is correct, and both science and history bear unanimous testimony that it is, then those races with which the Caucasian can not amalgamate without serious danger to its continued dominant and controlling position in history should be excluded from our shores. We had according to the latest census in the United States, exclusive of outlying possessions, 91,972,266 people, and, including Alaska, Hawaii, and Porto Rico, which are permanently a part of our country, 93,402,151 people distributed among the different races as follows:

Caucasian or white race, 81,997,640, and this includes the American Indian, for experience has demonstrated that intermarriage between the whites and Indians has resulted in injury to neither the white nor the Indian. On the contrary, a mixture of blood between them has developed a citizenship which is a credit to both races.

There were 2,545 Hindus, 71,531 Chinese, 72,157 Japanese, 9,827,763 Africans, a total of 9,973,996 people.

It will be seen that more than 11 per cent of our population belong to races that can never amalgamate and become a part of a homogeneous population.

If we do not close the ports of our country to these people it does not require an imaginative person to foretell the serious consequences of immigration from Asia, now inhabited by nearly 1,000,000,000 of Hindus, Chinese, and Japanese, all seeking entrance to this country to compete with our farmers and wage earners. When they come the price of the farm products will decrease in value and the wage of our workingmen will be reduced, for these people do not possess the high standard of living of the American farmer and the American workingman. It is estimated by competent authority that they can and do live on about one-twentieth what it costs our people. Mr. Chairman, in practically every paper we read we find that thousands of our people are out of employment and walking the streets, unable to secure work, living off the bounty of charitable organizations. The papers tell us of a great public meeting held just the other day in New York in the interest of the army of unemployed and describe in detail the weeping of those who attended while listening to recitals of the misery, the hunger, and the suffering of those who could find no work to do.

Practically every national Republican platform since 1876 has carried a declaration in favor of restricting immigration, and the same is true of the national Democratic platforms of 1876, 1884, and 1892. President Cleveland vetoed a bill restricting foreign immigration, and the demand was left out of the succeeding platform and our party went to defeat. The demand for the enactment of legislation restricting foreign immigration has not by any means been confined to the two great political parties. From 1840 until the Civil War came along and diverted the minds of the people to other issues there sprang up in this country what was known as the "Know Nothing Party," whose bid for popularity and votes was based chiefly on opposition to foreign immigration. After the discovery of gold in California and the consequent rush of immigration to this country the Know Nothing Party became a serious political contender for the suffrage of the American people. At one time this party had 43 Members of this House and the governors of five States. For nearly 100 years the people of the United States, by petitions, memorials, platform demands, resolutions adopted by patriotic societies, farmers' and labor organizations, have asked Congress to exclude undesirable foreigners. At the last meeting of the National Farmers' Congress resolutions were passed favoring the restriction of immigration. They said:

Whereas the congressional Immigration Commission's report of 40 volumes has just been published and recommend the very measures which this organization has been advocating in its resolutions for years to judiciously restrict undesirable immigration:

Resolved, That we enthusiastically approve the commission's legislative recommendations that the head tax be increased, the illiteracy test be enacted, the foreign steamships be fined for bringing undesirables, and that other judicious measures be adopted, which are hereby urged upon the Congress of the United States.

The Farmers' Educational and Cooperative Union, the most powerful farmers' organization in the country, with a membership of more than 3,000,000 American farmers, at a recent meeting passed resolutions expressing the view of this great body of our citizenship on this subject. The resolution said:

Whereas the Immigration Commission, after a four years' investigation at home and abroad, involving an expenditure of a million dollars, reports that "many undeniably undesirable persons are admitted every year"; that "there is a growing criminal element in this country, due to foreign immigration"; and that "substantial restriction is demanded by economic, moral, and social considerations"; and

Whereas that commission recommends increasing the head tax, excluding illiterate adults, requiring some visible means of support, fining the foreign steamships for bringing undesirables that could be rejected on the other side, and other measures, law in other new countries, and urged for years by this organization in its resolutions, before congressional committees, and otherwise; and

Whereas it is proposed to relieve the Northeast of its intolerable immigration evils and to continue the unloading of undesirables upon this country by diverting and distributing the incoming, ever-increasing influx from southern Europe, Asia, and northern Africa over the agricultural sections of the South and West.

And the resolution, after further recital, concluded by asking Congress to prohibit further immigration of undesirables. The United Mine Workers of America, the National Grange, the Railway Trainmen's Association, Brotherhood of Conductors and Firemen, American Federation of Labor, International Brotherhood of Locomotive Engineers, Junior Order of American Mechanics, Knights of Labor, and other farming and laboring organizations have from time to time and whenever an opportunity was presented been asking Congress to amend the laws and restrict immigration.

This bill provides for the exclusion of all idiots, imbeciles, feeble-minded, epileptics, insane, paupers, persons likely to become a public charge, beggars, vagrants, persons afflicted with tuberculosis or other contagious diseases, persons having physical or mental defects of such a nature as to affect their making a living, those who have committed a felony, persons who practice or believe in polygamy, persons who teach the unlawful destruction of property, prostitutes, procurers, contract laborers, and persons who are unable to read 40 words in their own language—this last provision being commonly known as the literacy test. Is it right to exclude these classes of immigrants? I think so, and am ready to give the reasons for the faith that is in me. I assume it is not necessary to advance an argument in support of the exclusion of all those classes enumerated in the bill except the illiterate. Acting on this assumption, I will quote the literacy test carried in this bill so that all may know how extremely liberal are its terms in that respect. It is as follows:

That after four months from the approval of this act, in addition to the aliens who are by law now excluded from admission into the United States, the following persons shall also be excluded from admission thereto, to wit:

All aliens over 16 years of age, physically capable of reading, who can not read the English language or some other language or dialect, including Hebrew or Yiddish: *Provided*, That any admissible alien or any alien heretofore or hereafter admitted, or citizen of the United States, may bring in or send for his father or grandfather over 55 years of age, his wife, his mother, his grandmother, or his unmarried or widowed daughter, if otherwise admissible, whether such relative can read or not; and such relative shall be permitted to enter. That for the purpose of ascertaining whether aliens can read the immigrant inspectors shall be furnished with slips, of uniform size, prepared under the direction of the Secretary of Labor, each containing not less than 30 nor more than 40 words in ordinary use, printed in plainly legible type in the various languages and dialects of immigrants. Each alien may designate the particular language or dialect in which he desires the examination to be made, and shall be required to read the words printed on the slip in such language or dialect. No two aliens coming in the same vessel or other vehicle of carriage or transportation shall be tested with the same slip. That the following classes of persons shall be exempt from the operation of the literacy test, to wit: All aliens who shall prove to the satisfaction of the proper immigration officer or to the Secretary of Labor that they are seeking admission to the United States solely for the purpose of escaping from religious persecution; all aliens in transit through the United States; all aliens who have been lawfully admitted to the United States and who later shall go in transit from one part of the United States to another through foreign contiguous territory.

Mr. Chairman, we have heard a great deal of this literacy test. We have been appealed to from every angle—patriotism, sympathy, and philanthropy. We all, I am sure, have been deeply touched by these appeals so earnestly and ably made. That we can not close our eyes to the misery of the world and discharge our duty to mankind I am willing to concede. While this is true, our highest duty is to the citizenship of our own country. This duty ought to be fully discharged before we reach out and assume new and greater burdens. We ought to look to the future happiness and welfare of our own people before we extend our vision oversea to view the unfortunate condition of people who live in other lands. In my State, and my information is that the same is true of a majority of the States, we have a compulsory educational requirement for the children and an educational test before a citizen can cast his ballot. If we apply these tests to our own citizens, I do not see how we can be fairly criticized if we apply the same test in much milder form to those who seek admission here. This bill specifically exempts from the educational test the victims of religious persecution. If it did not, I might vote against the test, for this country was settled by those who sought an asylum from religious persecution, and I would turn no religious refugee back who answered all other requirements of the bill merely because he or she could not read.

Mr. Chairman, the population of continental United States is now seeking location in other lands. Reliable statistics show that 200,000 of the very highest type of our citizenship, sturdy, home-building, family-loving men, men in sympathy with the ideals of the Republic, and who cherish its institutions, for want of sufficient opportunity here have crossed our frontier and gone into Canada to secure homes. Is it sound economically to give up this part of our people and at the same time accept more than a million people annually from all parts of the world? The greater part of these immigrants never become citizens of our country, and from 30 to 40 per cent of them finally drift back to the country of their birth.

Out of more than a million foreigners who land on our shores each year about 300,000 are illiterate. When President Taft was considering a bill carrying the literacy test in 1912 the prosecuting attorney of Somerset, N. J., addressed him a letter, from which I quote the following:

My duties as prosecuting attorney of Somerset County, N. J., have given me an excellent opportunity to check up in one important particular the investigations and conclusions of the Immigration Commission with reference to the literacy test. During the last two years I have kept a careful record of the last 114 criminal cases that I have prosecuted against aliens, with the following interesting results:

	Illiterate.	Literate.
Homicide	3	.....
Atrocious assault and battery	34	6
Simple assault and battery	9	2
Larceny	14	2
Sexual crime	7	1
Perjury	2	1
Excise	11	5
Marriage	3	1
Frauds	2	4
Miscellaneous	6	1
Total	91	23

The following conclusions are deducible from the above:

(1) Of the 114 crimes committed by aliens 54 were acts of personal violence; and of these 54, 46 were committed by illiterates, while only 8 were chargeable to those able to read and write.

(2) Of the 46 committed by illiterates, 3 were homicides, 34 were atrocious assaults (by maiming and wounding with a deadly weapon), and only 9 were simple assaults, showing conclusively that the illiterate alien 37 times out of 46 makes use of a deadly weapon in order to avenge his wrongs, fancied or real.

(3) Out of 16 cases of larceny (stealing of all kinds), 14 defendants were illiterate.

(4) Out of 8 sexual crimes, 7 were committed by illiterates, 3 of these being carnal abuse of infants under 10 years of age.

(5) Out of 3 perjury cases, 2 were against illiterates; that is, of those brought to justice.

(6) Out of 16 cases for violation of excise laws, 11 were illiterates showing an utter disregard for laws.

(7) Of the 4 crimes against the institution of marriage, 3 were illiterates.

(8) Only in cases of fraud did the literate exceed the illiterate.

I am, Mr. President, sincerely, yours,

FREDERICK A. POPE,
Prosecutor of Pleas, Somerset County, N. J.

The facts with reference to insanity are equally as startling. The New York Times of March 23, 1913, carried this news item:

INSANE ALIENS.

The Times is informed by Secretary McGarr, of the State commission in lunacy, that of the 31,432 insane patients under treatment in the 14 State hospitals on February 10 last, 13,163, or 41.9 per cent, were aliens. Foreign-born patients have increased since the Federal census of December 31, 1903, by 1,552, or 13.4 per cent. In the two State hospitals for the criminal insane there were 1,230 patients on February 10, of whom nearly 44.4 per cent were of alien birth; the Federal census of 1910 showed a percentage of aliens to total population in this State of 29.9 per cent.

The prevalence of insanity among immigrants is evidently much greater than among the native born. Of the 5,700 patients admitted to the civil hospitals for the year ending September 30, 1911, 2,737, or 48 per cent, were aliens, and 1,481, or 26 per cent, were of alien parentage, while only 1,224—less than 26 per cent—were of native stock. Of the whole number, the nativity of but 218, which is 3.8 per cent, was not ascertainable. Insanity among the foreign peoples of this city occurs in a still larger percentage of cases. Of the first admissions to the hospitals, 2,006 out of 3,221 residents of the city were of foreign birth; that is 64.1 per cent, although the foreign-born population is but 40.4 per cent of the whole.

Mr. Chairman, the opposition to this bill does not come from the American people, for they desire its passage. It comes from the Steamship Trust, which has thousands of agents scattered through every country in the Old World gathering from all quarters immigrants of every class and description and transporting them to our shores for the $100,000,000 which they rake into their coffers by the transaction. The passage of this bill will be a distinct triumph for the people and a slap at the Shipping Trust.

I consider this one of the most important bills that will be acted on in this Congress. During every hour of the 24—day and night—more than 100 persons, born in foreign lands, are being landed on our shores—more than 30,000,000 within the

last 90 years. By refusing to pass this bill we choose that which is producing a plutocratic class of idle nobodies resting upon the industrial slavery of a great mass of imported and low standard of living wage earners. By restricting immigration we influence the bringing about of a condition that will give to a large body of our citizens a decent and comfortable standard of living.

SHALL THE GOVERNMENT BUILD A RAILROAD IN ALASKA AND PRESERVE ITS RESOURCES FOR ALL THE PEOPLE, OR SHALL THE MORGAN-GUGGENHEIM SYNDICATE BUILD IT AND MONOPOLIZE THE MINES AND FORESTS FOR PRIVATE GREED?

Mr. Chairman, I shall take advantage of the latitude allowed by the rules in general debate and express my views on the subject of building a railroad in Alaska by the Government. When this subject was first presented to Congress I was inclined to oppose it. When the bill was reported, accompanied by majority and minority reports, the minority report being signed by my colleagues from Oklahoma [Mr. FERRIS and Mr. DAVENPORT], I was all the stronger inclined to oppose the proposition on account of the respect I have for the high character and great ability of these gentlemen. I realize that by favoring the bill and voting in favor of constructing the road a political issue will be raised, but since listening to the debate and acquainting myself with the subject as much as possible by reading such articles and data on the subject as I could secure, I have become convinced that the bill ought to pass, and the Government ought to construct the railroad. Having convinced myself that it is the right thing to do I shall not count the cost nor look about me to ascertain the result of my vote. I shall follow what I think is the right and proper thing to do and rest content by giving the reasons that have controlled my actions.

Let us analyze the reasons advanced in opposition to the bill. Its opponents say they are against it because, first, they are opposed to Government ownership and, second, because there is nothing in Alaska that will justify the expenditure of the sum of money appropriated to construct the railroad. I do not intend to enter upon a discussion of the merits of Government ownership as compared with private ownership at this time. It is not involved in this legislation. The question here is vastly different. No friend of Government ownership ought here to be drawn into a discussion of that question. This Alaska project can prove either a success or failure and not in the least change the economic questions involved in Government ownership in countries already thickly populated and having freight and passenger traffic sufficient to insure a tonnage that will yield an income large enough to guarantee financial success. I might say, however, in passing, that I do not belong to that class who become frightened when Government ownership is mentioned. Mr. Bryan, the great Secretary of State, on his return from a trip around the world, in a speech delivered at Madison Square Garden, New York, said:

> I have been slow in reaching this position, and I can therefore be patient with those who now stand where I stood for years, urging strict regulation and hoping that that would be found feasible. I still advocate strict regulation and shall rejoice if experience proves that that regulation can be made effective. I will go further than that and say that I believe we can have more efficient regulation under a Democratic administration with a Democratic Senate and House than we are likely to have under a Republican administration with a Republican Senate and House, and yet I would not be honest with you if I did not frankly admit that observation has convinced me that no such efficient regulation is possible, and that Government ownership can be undertaken on the plan outlined with less danger to the country than is involved in private ownership as we have had it or as we are likely to have it. I have been brought to regard public ownership as the ultimate remedy by railroad history, which is as familiar to you as to me. Among the reasons that have led me to believe that we must, in the end, look to Government ownership for relief, I shall mention two or three. First and foremost is the corrupting influence of the railroad in politics. There is not a State in the Union that has not felt this influence to a greater or less extent. The railroads have insisted upon controlling legislatures; they have insisted upon naming executives; they have insisted upon controlling the nomination and appointment of judges; they have endeavored to put their representatives on tax boards that they might escape just taxation; they have watered their stock, raised their rates, and enjoined the States whenever they have attempted to regulate rates; they have obstructed legislation when hostile to them, and advanced by secret means legislation favorable to them.
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> Another reason which has led me to favor Government ownership is the fact that the people are annually plundered of an enormous sum by extortionate rates; that places are discriminated against and individuals driven out of business by favoritism shown by the railroads. You say that all these things can be corrected without interference with private ownership. * * * Is there any Democrat who is not willing to go as far as President Roosevelt and admit the necessity of Government ownership in case the people are convinced of the failure of regulation? I can not believe it.

Prof. Parsons, a high authority on the subject of freight rates in this country and abroad, after studying here and in Germany, has furnished a comparison of the rates charged on Government owned and operated roads in Germany with those charged on privately owned and operated roads in the United States. He says:

> After studying Government freight rates on the ground and comparing them with American rates for similar distances and shipments, I found that the German per ton-mile rates on local traffic are generally less than one-third of ours.

Local rates in Germany and America compared.

Item.	Miles.	Average rate per ton-mile.	
		American railways.	German railways.
Iron ore	327	0.492	0.474
Structural steel	398	.73	.45
Cast-iron fittings	377	.69	1.28
Structural steel	63	2.22	1.17
Fertilizer	18	5.28	1.56
	36	3.33	1.20
	40	2.75	1.14
	22	4.55	2.75
Raw cotton	44	3.18	2.16
	39	3.08	2.24
Portland cement	65	2.15	1.16
	69	1.96	1.13
Hay	42	3.81	1.39
	98	2.45	1.04
Potatoes	34	3.53	1.21
	94	2.98	.92
Linseed oil	38	4.21	1.50
	39	3.59	1.50
	43	3.72	1.46
	78	2.05	1.34
Milk	20	18.40	5.18
	70	5.94	4.26
	31	9.68	4.81
	65	7.69	4.29

It may be said, however, that the comparison between Germany and the United States is not a fair comparison; that these countries are not on the same hemisphere; that conditions are different; that wage scales are not the same. To avoid this criticism, we will compare the rates on Government-owned roads in Germany and privately owned roads in England. No criticism can be made that the conditions in these two countries are dissimilar. The following appeared in a recent English journal:

> It costs $5.72 to transport a ton of hardware from Birmingham to London, while the rate for the same class of goods over the same distance in Germany is about $2.25. Cotton goods from Manchester to London costs, per ton, $8.76; in Germany, the same distance, $4.86 to $5.60. General machinery from Leeds to Hull costs $6.09; in Germany, over precisely the same distance, $1.09 per ton.

I have just had an opportunity to review the report of Postmaster General Burleson to the Senate in response to a resolution of that body asking for information collected on the subject of Government ownership of telephone and telegraph lines. The facts disclosed by this report relative to the charges for services over Government lines and private lines are so pronounced, so startling, that I desire to call the attention of the country to the comparison. The charges for telephone service over continental lines owned and operated by the Government and the Bell Co. lines, privately owned and operated, in the United States are shown by the following table:

Comparison of continental with Bell Co. rates.

25 MILES.	
Average continental rate	$0.07
Bell Co. rate	.25
100 MILES.	
Average continental rate	.16
Bell Co. rate	.60
300 MILES.	
Average continental rate	.30
Bell Co. rate	1.80
400 MILES.	
Average continental rate	.36
Bell Co. rate	2.40
500 MILES.	
Average continental rate	.37
Bell Co. rate	3.00
700 MILES.	
Average continental rate	.45
Bell Co. rate	4.26

If we strike an average, it will be found that the rate on private lines is a little more than seven and one-tenth times as much as it is on Government-owned lines. The great reduction of rates over Government-owned as compared with private telephone lines holds good in the telegraph monopoly. The rate for sending a telegram over private telegraph lines in the United States is 25 cents for 10 words and 2 cents for each additional word. The rate over Government-owned lines is: Germany, 11.9 cents and 1.1 cents for each additional word; Belgium, 9.6 cents for 15 words and 1.9 cents for each additional word; Denmark, 13

cents for first 10 words and 1.3 cents for each additional word; France, 9.6 cents for first 10 words and 1.9 cents for each additional word; Great Britain, 12.1 cents for first 12 words and 1 cent for each additional word; Italy, 9.3 cents for first 15 words and 1 cent for each additional word; Norway, 13.4 cents for first 10 words and 1.3 cents for each additional word; New Zealand, 12 cents for first 12 words and 1 cent for each additional word. This ratio holds good for all the countries where the Government owns and operates the telegraph business. The taking over by the Government of the telephone and telegraph business is shown by this report to have proved a financial success. In Germany the profit to the Government in operating the post office and the telephone and telegraph lines was shown to be $22,678,361, and in other countries it was shown to be as follows:

Austria	$720,270
Belgium	3,989,489
Denmark	1,099,577
France	8,922,676
Great Britain	22,330,417
Hungary	5,561,687
Italy	5,342,213
Japan	15,326,863

We are told by the great captains of industry that corporations, combinations, and trusts are necessary in this day and age. They say the operation of all the railroads of the country under one management makes for economy, that it reduces expenses, that it eliminates useless employees, that it prevents disastrous rate wars, that it destroys useless duplication of both rolling stock and trackage. In making this contention the operators of these public-service utilities advance a most powerful argument for Government ownership and control. If their contention is true and centralization of control is necessary for economical and satisfactory service, I, for one, am unwilling to permit private greed to exercise that control for their own selfish ends. My philosophy of government is that this world was created for all the people; that the interest of all the people should be placed above the interest of a few of the people. I believe in individualism, but I do not believe in a system of laws that will permit one individual or a combination of individuals to absorb all the property of the Nation. There must be some scheme devised whereby a limit can be placed on the amount of property any one man may acquire and use for private purposes. The thinking rich are fast having the necessity for such a provision impressed upon them. No system of government can long endure where one man can accumulate unspeakable wealth and multiplied thousands become beggars on the streets. Judge E. H. Gary, president of the Steel Trust, had this in mind when he said in an address before the Lehigh Club, of New York, that our Nation faces a crisis, and unless the rich realize it the mob will help them. When less than 10,000 of our population draw yearly incomes of nearly two thousand millions of dollars, while nearly 95,000,000 enjoy incomes of less than $600 per year, it is time serious thought was given the subject and a remedy provided for the evil. The peril of these gigantic fortunes is being considered by the public men of this day, and when the American people let it be known that they demand legislation that will insure a more equitable distribution of the wealth of the country that legislation will be forthcoming. Senators CLAPP, NORRIS, WILLIAMS, SUTHERLAND, and BORAH have had occasion to refer to this impending danger in speeches delivered in the United States Senate. Senator CLAPP said:

The people have too much of the thought in this country that prosperity consists of a few men sitting around the banquet board heaped so high with the good things of life that a few crumbs must fall to the floor, and the gathering of these crumbs by the rank and file constitutes prosperity.

Having tolerated a system under which these accumulations have been made, we should tax them; yet I can not help but feel that taxation and the receipt of these benefactions from great, overgrown fortunes serve to enslave the American mind and make us more tolerant of conditions, which it should be the primary thought and effort of every American patriot to see if there is not some way to so adjust the situation that instead of that banquet board thus being heaped overhigh and the crumbs falling to the masses, there might be a banquet board around which all could sit with a fair equation of opportunity.

Senator NORRIS had this to say:

It has often been said during the course of the debate in this Chamber on the income-tax provisions, and I have not heard it contradicted here or elsewhere, that immense swollen fortunes are an evil and a detriment not only to our Government but to humanity. Here everyone agrees, as far as I know, that these immense fortunes are an evil and a menace; but when we come to any method that would in any way interfere with their being entailed from generation to generation and made still larger, then we are going to fall out about the method we are going to do it.

I have nothing in the world against Mr. Vincent Astor. As far as I know, he is a perfectly honorable and honest gentleman. I know that I would not harm him if I could. I would not take away from him one single cent that I believed I had no right to take. But who is there, here or elsewhere, who will say that he ever so much as crooked his finger toward the accumulation of the $80,000,000? He is the son of the man who owned it, who in turn got it from his father, and so on. That is his only claim for it.

Senator WILLIAMS said:

I do not know to what extent inequalities of fortunes are a menace to the Republic. I do know that they are a menace to a large extent; I do know that our ancestors acted wisely when they abolished primogeniture and entail; and I think I know that the time will come when there must be a limitation put upon the amount that may be inherited or left by bequest or devise to any one person or purpose. I especially fear a sort of habit that has grown up among a few of the great rich families of America of not permitting their fortunes to be divided equally between their children, but leaving them to the best money-grubber in the family.

Senator SUTHERLAND said:

I entirely sympathize with the Senator's view with reference to the evils which result from the amassing of vast fortunes. I think it is one of the great evils which we have in this country to-day. To my mind there are indeed two great evils: First, of putting into the hands of few men a vast sum of money or a vast deal of property, and, then, the evil which lies at the opposite pole, the depriving of a vast number of people of even common necessaries of life. Those are the two things in our civilization that I think very greatly threaten it; and I would sympathize with any legitimate effort for breaking up both conditions of affairs to which I have referred.

I think it is a very great evil for any man in this country to have as much as $50,000,000, or to accumulate in a single lifetime as much as $50,000,000. It is a menace in and of itself, and will turn out to be so as it comes to be more and more understood. It is a menace to our scheme of civilization. I think if the holding of such vast fortunes were impossible it would be a very wholesome thing. I have not the slightest doubt about it. That has been my opinion for a good many years.

Senator BORAH made the statement:

One individual in this country is represented to receive an income of twelve millions a year. He lives most of the time abroad. In my judgment, he does not pay as much toward the support of the National Government, under the present laws, as one of his employees.

Mr. Chairman, I have wandered from the line of thought I desire to develop. I think, however, in view of the criticism that has been leveled against Government ownership and especially the severe arraignment of this Alaskan project, I am justified in these few general observations.

Alaska is an unorganized territory of the United States. It was purchased from Russia in 1867 for the sum of $7,200,000. It lies principally between the sixtieth and seventieth parallels of latitude and contains an area of 590,834 square miles, or 378,133,760 acres. It is about one-fifth the size of Continental United States; contains an area equal to 20 of the present States of the American Union, and greater by 290,000 square miles than the 13 Colonies at the time of the formation of our Government. It is more than eight times as large as Oklahoma, and contains a greater area than Norway, Sweden, Finland, Denmark, England, Wales, Scotland, and Ireland combined. If its extreme southeastern point were placed at Atlanta, Ga., the northwestern islands that reach far out into the sea, toward Russian Siberia, would find a place on our map near San Francisco.

If its northernmost point in the Arctic Circle were placed at our Canadian border, its southern boundary would rest along the northern limits of Oklahoma. It has more than 35,000 miles of coast line on the Pacific Ocean, Bering Sea, Bering Strait, and the Arctic Ocean. The Yukon River is navigable from northern Canada to where it empties into the Bering Sea, a distance of more than 2,000 miles—a greater distance than the Mississippi. There are more than 6,000 miles of navigable inland streams. These rivers all run in a northwest direction and empty their waters either in the Bering Sea or the Arctic Ocean. The building of this railroad will connect these inland streams with the ports on the Pacific Ocean. It is a country of matchless natural resources. It contains forests having an area three times as great as Oklahoma, and of an estimated value of more than $300,000,000. There can be found in abundance game and fish and fowl of every variety and description. In 1891 the United States Bureau of Education imported a little more than 1,000 reindeer from Siberia and turned them upon the Alaskan ranges. They number now nearly 40,000. They live on mosses gathered from the mountain sides above agricultural possibilities or the grazing lands of cattle. They do not require feed at any season of the year and furnish a fine meat supply. It is estimated by competent authority that there is sufficient range on the mountain sides, valuable for no other purpose, to support more than 2,000,000 reindeer. I quote from the great speech delivered by the Delegate from Alaska [Mr. WICKERSHAM] relative to climatic conditions. He said:

The most serious objection made to the passage of the bill before the House has the least basis of fact to support it. That objection is that the climate of Alaska is so harsh and rigorous that people can not live there in comfort, can not raise gardens or agricultural products sufficient to subsist on, and that a railroad could not be operated in the winter even if constructed with Government aid. The data with respect to the climate of Alaska is so abundant, so exact, and so at variance with the general opinion, that it is offered to the House in the hope that this objection can be effectually and finally disposed of.

North of the Equator, and, of course, in the United States and in Alaska, the date of the winter solstice, December 21, is the shortest day of the year. The sun on that date has reached its farthest point south and begins its return journey toward the north. On the date of the

vernal equinox, March 21, it has reached the mid-point of its northern journey, and on the date of the summer solstice, June 21, it reaches its most northern point, stops, and begins its retreat. On September 22 it crosses the Equator on the autumnal journey south, and continues its retreat to the winter solstice on December 22. Those movements of the sun's light and shade produce the four seasons—spring, summer, fall, and winter—and determine the periods in which vegetation may grow for beautifying the earth and providing food for men and animals. We are so familiar with these movements of the sun, with the resulting day and night and the seasons of the year, that few people give consideration to them beyond their effect in the production of their crops. Twice each year, when the sun crosses the Equator, the length of the day and night is everywhere equal, but when the sun is north or south of the Equator days and nights are never equal, though at the end of the solar year the total amount of day and night is everywhere the same. In short, every spot on the earth's surface, in the course of the solar year has the same amount of day and night. Your attention is now directed to a graphic chart representing the years division of sunshine and shadow at Fairbanks, in the Tanana Valley, the central distributing point in the interior of Alaska. Fairbanks is on latitude 65° north, and on December 22, the date of the winter solstice, the low southern sun skirts the horizon for only two hours and sinks out of sight. It is in the date of the northern midnight.

Immediately after December 22 the sun begins to rise, and from day to day its course across the southern heavens is higher, until on March 21 the day and night at Fairbanks are exactly equal in length. But we are now to have compensation for its long absence during the winter, and it continues to rise until on June 21 its highest culmination is reached and the Tanana Valley is ablaze with 22 hours of sunshine and heat. Not only does nature thus compensate us for the hours of sunshine lost in the winter, but she puts vigor and activity into plant life in an equal measure. Our crops have the same number of sunlit hours for growth that similar crops have in more southern climes, though in a less number of days. In 100 days, between May 20 and September 1, the growing season in the Tanana Valley, the sun shines 1,800 hours, while during the same 100-day period in Oklahoma it shines but 1,500 hours, or one-fifth less time than in the Tanana. For every 5 days' sunshine and heat in Oklahoma during that 100 days the Tanana Valley has 6. Our crops grow in equal proportion—where Oklahoma crops grow 5 units ours grow 6 in the same period of time.

During May, June, July, and August, the summer season of the Tanana, the whole earth is ablaze with the glory of the solstitial sun. During that period the Tanana Valley has more hours of sunshine than sunny California, and more hours of summer than Ohio or any other State in the Union. The gardeners and farmers are at work early and late, crops grow vigorously in the long hours of sunshine and heat, and the valleys, the birch-clad hills, and the mountains of the northland respond to the magic touch of the life-giving sunlight.

Between the 21st day of March and the 22d day of September—the summer six months—the sun shines exactly 70 per cent of the total time, including both day and night. Out of 4,500 hours of time, day and night, the sun shines 3,150 hours. No valley in the United States has that many hours' sunshine in the growing season, and these long hours of sunlight, heat, and growing force give the Tanana its wonderful climate and great agricultural productivity.

There is in the northern Pacific Ocean a stream known as the Black Stream or Japanese Current, which carries the warm waters of the Equator north along the eastern shores of Asia until it strikes Japan, where it is deflected north and east and continues its journey until it strikes Alaska. The effect of the warmth of this stream on Alaska is exactly the same as the effect of the Gulf Stream on England and Norway and Sweden. England is in the same latitude as Labrador, and if it were not for the influence of the Gulf Stream it would be a bleak and barren waste of ice and snow. Norway and Sweden are in the same latitude as Greenland and Iceland, and if it were not for the Gulf Stream there, too, would be perpetual winter. The mean annual temperature of Juneau, the capital of Alaska, is 42.3; of Christiania, the capital of Norway, 41.5; of Stockholm, the capital of Sweden, 42.3; and of St. Petersburg, the capital of Russia, 39.6. In Norway and Sweden more than 10,000,000 sturdy, enterprising, enlightened people, who support themselves mostly by agriculture, make their homes. Alaska is in the same latitude; and with a railroad that will open up that country so that our people can go there and develop its great possibilities, it, too, within a marvelously short time, will be teeming with a happy, sturdy, self-sustaining American citizenship. Crops are not produced in the winter months anywhere, so far as I am informed. It makes no difference how cold it becomes during the winter on the growth the following summer. It is almost, if not quite, as cold during the winter months in Montana, Dakota, Minnesota, and Canada as it is in Alaska; but I take it we could find no one who would say these States are not suited to agriculture. But why should I or any other man who has not lived in Alaska and made a study of the soil, the climate, and the conditions of that country attempt to furnish information on the subject, in face of the fact that our Agriculture Department has had its trained agents in that country for more than 10 years making observations and experiments for the purpose of determining accurately its agricultural possibilities? Dr. Walter H. Evans, Chief of the Division of Insular Stations in the Office of Experiment Stations in the Department of Agriculture, who is thoroughly familiar with conditions in Alaska, after many years of experiment and observation and a careful study of conditions of soil and climate in Norway, Sweden, Finland, and the Russian Provinces lying in the same latitude as Alaska, has prepared a comparative official statement, which I desire to insert here as a part of my remarks. Dr. Evans said:

As a result of the investigations at Sitka, Rampart, and Fairbanks, supplemented by hundreds of letters from settlers, it can be safely asserted that in almost any part of Alaska south of the Arctic Circle hardy vegetables of good quality can be produced, so far as the climate is concerned. A list of these vegetables would embrace radishes, turnips, kale, mustard, lettuce, carrots, parsnips, parsley, peas, cress, cabbage, cauliflower, Brussels sprouts, kohl-rabi, onions, spinach, endive, leeks, beets, potatoes, and rhubarb, and, among the herbs, caraway, catnip, mint, and thyme. In specially favored localities and in favorable seasons, asparagus, beans, celery, cucumbers, squash, and salsify have been grown by taking advantage of warm sheltered spots with exposures toward the sun. Under ordinary conditions, corn, melons, tomatoes, eggplant, and pumpkins have proved failures.

In the interior valleys grain can be successfully grown, and there has not been a year since 1900 when the majority of the varieties of oats, barley, and rye have not ripened at the Rampart station (lat. 65° 30′ N.). Wheat, both fall and spring sown, has ripened some years. Similar results have been secured at Fairbanks in the Tanana Valley, but the work has not been in progress for as many years. In 1909, out of 60 varieties of grain of all kinds, 55 ripened their entire crop, as follows: Spring wheat 1, winter wheat 1, winter rye 7, spring rye 1, spring emmer 1, spring barley 29, and spring oats 15.

AGRICULTURE IN NORTHERN EUROPE.

In order to further establish the possibility of agriculture in Alaska a comparison has been made of the countries of Norway, Sweden, Finland, and the Russian Provinces of Archangel, Vologda, and Olonetz. All the countries lie between latitudes 58° and 70° north, and for the most part they are north of 60°, the approximate latitude of the northern reach of the Gulf of Alaska. In Europe, within the above limits, are embraced over 985,000 square miles, or about 599,450,000 acres. Alaska, with its 570,390 square miles, or 365,049,000 acres, extends from latitude 54° 30′ in southeastern Alaska to more than 71° at Point Barrow. A study of the topography, climate, native plants, etc., shows that the conditions are not very dissimilar in the two regions, whatever advantage there is in climate being probably slightly in favor of the European countries. In these countries of Europe more than 11,000,000 people are living, while the census of 1910 reports 64,356 as the population of Alaska. Recent statistics show in the three countries and three Provinces in Europe which lie mostly north of 60° that 8,373,000 acres of land were producing cereals of all kinds, the total yield being: Wheat, 6,683,840 bushels; rye, 36,509,640 bushels; barley, 26,963,545 bushels; oats, 109,036,780 bushels. In addition, potatoes to the amount of 100,321,100 bushels and 7,871,119 tons of hay were reported. Live stock are returned for these countries as follows: Horses, 1,516,251; cattle, 6,110,476; sheep, 4,033,578; hogs, 1,484,124; goats, 368,021; and reindeer, 564,732.

The area reported under cultivation varies from less than 0.01 per cent in Archangel and 0.5 per cent in Norway to 4.1 per cent in Sweden. In Finland, Vologda, and Olonetz only about 1 per cent of the total area is in cultivation, as the term is commonly used. In nearly every country there are natural meadows of large extent used as pasture and for haymaking, so that the total under agricultural use is probably about double the figures quoted above. On a basis of 1 per cent of the total area available for crops and 2 per cent for crops, pastures, and haying, there should be over 3,650,000 acres capable of cultivation, or 7,300,000 acres available for possible agricultural development in Alaska. In 1894 the Director of the United States Geological Survey, in a letter to the House Committee on Agriculture, estimated the area of tillable land in southeastern Alaska, in the Cook Inlet country, the Alaskan Peninsula, and adjacent islands at from 3,000 to 5,000 square miles, or 2,000,000 to 3,000,000 acres. In 1900, after traveling repeatedly throughout Alaska and comparing estimates from various sources, Prof. C. C. Georgeson estimated the tillable and pasture land of Alaska at 100,000 square miles, or 64,000,000 acres. In 1910 Mr. J. W. Neal, who is in charge of the agricultural experiment station near Fairbanks, made a reconnoissance survey of the Tanana Valley, and he estimated the agricultural and grazing lands of that valley and the small valleys leading from it at about 15,000 square miles, or 9,700,000 acres, or more than the total area reported under crops in the specified countries of Europe.

With the same development of agriculture in Alaska as in Europe, to supplement its mining, fisheries, and other industries, Alaska should support a population almost equal to that of Europe north of 60° latitude and a commerce of equal or of greater importance.

Comparative area of some European countries.

	Latitude north.	Population.	Total area.	Area cultivated to cereals.	
	° ′ ° ′		*Acres.*	*Acres.*	*Per cent.*
Norway	58 30 to 70 30	2,000,917	76,226,000	402,000	0.5
Sweden	56 30 to 68 0	4,919,260	101,563,000	4,113,900	4.1
Finland	60 0 to 70 0	2,335,916	82,025,000	1,578,300	1.9
Russian Provinces:					
Archangel	62 0 to 70 0	413,500	208,680,320	162,200	.075
Vologda	58 0 to 65 0	1,565,800	99,369,600	1,656,930	1.7
Olonetz	60 0 to 64 30	422,200	31,587,200	359,770	1.1

Crop production in some European countries.

	Wheat.	Rye.	Barley.
	Bushels.	*Bushels.*	*Bushels.*
Norway (1905)	318,880	951,360	3,357,120
Sweden (1905)	5,769,520	16,929,120	13,134,000
Finland (1907)	147,000	11,661,000	5,415,000
Russian Provinces:			
Archangel (1909)	5,700	451,940	1,395,250
Vologda (1909)	431,640	5,037,700	3,053,400
Olonetz (1909)	11,100	1,478,520	608,775

Crop production in some European countries—Continued.

	Oats.	Potatoes.	Hay.
	Bushels.	*Bushels.*	*Tons.*
Norway (1905)	9,562,880	25,033,400	2,572,920
Sweden (1905)	65,046,860	50,654,730	3,361,390
Finland (1907)	21,822,000	19,836,000	.....
Russian Provinces:			
Archangel (1909)	226,200	752,880	295,153
Vologda (1909)	9,567,110	2,923,140	1,216,482
Olonetz (1909)	2,211,730	1,121,040	425,174

Live stock in certain European countries.

	Horses.	Cattle.	Sheep.	Hogs.	Goats.	Reindeer.
Norway (1906)	172,468	1,094,101	1,393,488	318,556	296,442	142,623
Sweden (1906)	566,227	2,628,982	1,021,727	878,828	65,300	288,360
Finland (1906)	327,817	1,491,264	904,447	221,072	6,279	133,749
Russian Provinces:						
Archangel (1908)	62,050	118,675	133,096	253	.....	.....
Vologda (1908)	313,872	622,619	464,138	60,957	.....	.....
Olonetz (1908)	73,817	154,835	116,682	4,458	.....	.....

Mr. Chairman, we have taken from Alaska since we acquired title to it in 1867: Gold, $228,512,471; silver, $2,037,280; copper, $16,074,625; gypsum, $647,345; marble, $555,443; tin, $88,062; coal, $340,189; sealskins, $52,042,528; aquatic furs, $12,616,937; land furs, $9,537,081; walrus products, $368,053; whalebone, $1,707,410; fishery products, $182,569,625; a total of $507,097,049, and we are just beginning to touch the top of the unthinkable wealth of that vast empire. Dr. Brooks, of the Geological Survey, speaking in reference to coal in Alaska, page 50 of Bulletin 442, says:

About one-half of the known tonnage of Alaska coal is lignite, a little over one-fifth is anthracite and high-grade bituminous coal, the rest falls into the bituminous and subbituminous classes. It is fair to assume that these ratios will hold for the coals of the areas on which no tonnage estimates are possible.

The anthracite of the Bering River and Matanuska fields is but little below that of Pennsylvania in composition. * * * The coals classed as semianthracite are of about the same composition as the Loyalsock or Bernice Basin coals of Pennsylvania. The higher grade bituminous (semibituminous) coals of the Bering River and Matanuska fields are comparable in composition and heating power with the Georges Creek, New River, and Pocahontas coals of the East. * * * The lower grade Alaska bituminous coals compare favorably in composition with the coals of Japan, Vancouver Island, Washington, and Australia. This is an important point, as these are the fuels with which the Alaskan coal must come into competition.

On page 50 Mr. Brooks says:

As only about one-fifth of Alaska has been surveyed geologically, it is evident that any estimate of the area of the coal fields serves only as a measure of the minimum area. With these limitations on the accuracy of the figures, the total known coal fields included an area of about 12,667 square miles. It is not impossible that future surveys may prove that the coal fields embrace many times this area.

On page 68 Mr. Brooks further says:

On the other hand, the Bering River and Matanuska fields furnish the only known source of high-grade fuels near either the eastern or the western shore of the Pacific Ocean, unless such fuels may be had from the inland coal fields of China. They have, therefore, a great importance to industries of the Pacific coast. From them must come the high-grade steaming and coking coals and anthracite needed by the growing population of the Pacific seaboard States. Unless they are utilized the manufacturing and smelting industries and the Navy must depend largely on foreign fuels, except as coal may be brought around Cape Horn or until after the completion of the Panama Canal. Alaska's own need for high-grade coal can be supplied only from these two fields, unless it is furnished by such foreign fuel as is transported for a thousand miles or more.

Railway construction is necessary before the Bering River and Matanuska coals can be brought to tidewater. (See pp. 73–76.) The lack of railways is one of the causes which has delayed the development of these coals, as a large investment of capital is necessary before any returns can be expected. Moreover, it increases the cost of the product and places the coal at a corresponding disadvantage with that of such fields as those of Vancouver Island, New South Wales, and some of China and Japan.

It furnishes more gold than any other country in the world. Its salmon supply is unequaled. The world looks to it for its future supply of seal furs. With these known products and with untold and unspeakable riches yet unknown—for it must be remembered only one-fifth of this country has been geologically surveyed—what shall we do? Shall we build this road or turn this country over to private greed? Shall we build it by the Government and develop this country in the interest of all the people of the United States, to whom it belongs, or shall we turn it over to the Morgan-Guggenheim-Alaskan Syndicate for private exploitation?

Since 1906, when it was discovered that Morgan-Guggenheim were by the aid of dummies trying to monopolize all the rich copper and coal mines, and President Roosevelt withdrew these lands from entry, the country has been locked up. We must do one of three things: We must keep it locked up, or we must unlock it ourselves by building this road and opening up and operating the rich coal and other minerals located on public land and give the settler a chance to go there and establish a home, or we must turn it over to the Morgan-Guggenheim Syndicate to be opened up and looted for private gain. Which shall we do? I think we can best answer this by determining what you or I would do if Alaska belonged to either of us. If it were mine, I certainly would not keep it locked up, nor would I turn it over to the Morgan-Guggenheim Syndicate to be looted. I would place a mortgage on it and open it up for my own use. That is just what we are proposing to do by the passage of this bill. The bill proposes to build the road out of public funds and reimburse the Treasury for the cost of construction out of the proceeds of the sale of public lands and other property there which belong to the people of the United States. The Guggenheims and Morgans are ready and willing to build this road, if the Government will turn over to them the coal mines. Shall we repeat the mistake we made when we gave away more than 158,000,000 acres of our public domain and $65,000,000 in money to encourage the building of railroads through the country west of the Mississippi and to the Pacific coast? The land and money given to aid in building these roads would have constructed and equipped every mile that was built by the companies to whom we extended the aid. Are we to repeat what we did then by turning over the rich resources of Alaska to private monopoly?

Shall we permit private monopoly to construct the roads out of the property we give them and own both the property and the road? I for one am unwilling to do so. I think a great mistake was made when land grants were made in 1864 to the Union Pacific and the Northern Pacific to induce them to construct their lines through the West. If the Government had kept the 158,000,000 acres of land and the $65,000,000 it gave to aid in the construction of less than 5,000 miles of road and constructed those lines out of funds from the Treasury the amount would have been returned twice over from the sale of the lands and the people would now own the roads. We made a mistake then, let us not repeat it now. Mr. Chairman, if I had my way I would reserve all the mineral wealth on all the public domain for the benefit of all the people. The natural resources of the Nation should be preserved for all the people and not monopolized by a few. If this policy had been followed in the past and our forests, our gold, silver, copper, coal, lead, zinc, and all other minerals, our water power and all other natural resources reserved, the public lands of our country would now be in possession of farmers instead of the Guggenheim syndicate and the lumber barons. We would have fewer millionaires, it is true, but our taxes would also be less. If the income from all these natural resources were flowing into the National Treasury instead of the pockets of monopoly, the people of the country would be relieved from taxation. The income from these sources would be sufficient to support the Government. There would be no wrong to any individual in this, for neither the hand nor the genius of man created them. When they lie beneath the earth's surface, a part of the public domain, they belong to all the people and the people have been quite generous enough when they, without price, grant the surface of the land.

Mr. Chairman, the apostles of despair in prophesying disaster to this enterprise are not without company, for when Alaska was purchased we had some doleful complaints. They are so like those we now for more than a month have listened to that I will quote from a few. Hon. Hiram Price, in the course of his remarks, said:

There, the gentleman from Massachusetts pointed out to me, the fish with which these waters swarm—no, sir; I beg pardon; not swarm; there is no room for them to swarm; they are piled up, fish upon fish, pile upon pile, solid columns of fish; no human arithmetic can compute their numbers. And sir, such fish—shad, salmon, cod—according to the description a foot and over through the shoulders, with sides and tails to match. As I stood there, Mr. Chairman, listening to the gentleman from Massachusetts, with fish to the right of me, fish to the left of me, fish all in front of me, rolling and tumbling, I had to acknowledge that the picture as painted made Alaska a good country—for fish.

These remarks, made in the spirit of sarcasm at the time, I am sure the most bitter oponents of the bill will not repeat now.

Mr. Loan, of Missouri, was another who ridiculed the resources of this, now admitted, rich mineral land. He said:

That it is an utterly barren waste, wholly incapable of supporting a population of civilized people, is substantially admitted by those who speak most earnestly in favor of its acquisition, and that it is entirely worthless for any useful purpose is not seriously denied.

It is true that we have had most glowing descriptions given us by some who favor this appropriation of the beautiful scenery of Alaska; of the salubrity of its climate; of the productiveness of its soil; of its azure skies and balmy breezes; of its boiling springs and brimstone vapors; of its vast mineral wealth; of its great deposits of coal, iron, and copper; of its mines of cinnabar, silver, and gold, and of the brilliant diamonds of the largest size and purest water lying around in the utmost profusion; and I acknowledge the pleasure derived from listening to these graphic descriptions drawn from the prolific imaginations of some of our most gifted orators. * * * Why buy Alaska for the

sake of its contingent mines, that could, if they exist, only be worked in eternal snow and ice? Alaska is utterly worthless, and if it were otherwise we have no earthly use for it.

Mr. Ferriss, of New York, was even more positive that nothing good could come out of the purchase, and presented a disagreeable, cold, bleak, and repulsive picture of that distant country. He said:

Alaska, with the Aleutian Islands, is an inhospitable, wretched, and God-forsaken region, worth nothing, but a positive injury and encumbrance as a colony of the United States.

Against these dark and discouraging prophecies we have but to call attention to what has come out of that great northwest Territory—more than five hundred millions in products from mine and sea and land—and to what remains that is known to man—three hundred millions in lumber, the greatest gold supply in the world, the richest copper mines, more salmon than in the Columbia, and the world's supply of seals—and only one-fifth of its vast extent geologically known. The history of Alaska, Mr. Chairman, is but the history of the development of our own great West told again. We were not without prophets of evil when the Oregon country was made a part of our domain. This was in the day of Daniel Webster, and even so great a man as he could see nothing good in that rich country on our Pacific coast. He said:

What do we want with this vast worthless area, this region of savages and wild beasts, of deserts, of shifting sands and whirlwinds of dust, of cactus and prairie dogs? To what use could we ever hope to put these great deserts or these endless mountain ranges, impenetrable and covered to their base with eternal snow? What can we ever hope to do with the western coast, a coast of 3,000 miles, rock-bound, cheerless, and uninviting, and not a harbor on it? What use have we for such a country? Mr. President, I will never vote one cent from the Public Treasury to place the Pacific coast one inch nearer to Boston than it is now.

Senator McDuffie, in describing the Oregon country which now constitutes the three great States of Oregon, Washington, and Idaho, and a part of the States of Montana and Wyoming, said:

As I understand it, about 700 miles this side of the Rocky Mountains is unhabitable, where rain scarcely ever falls, a barren, sandy soil. There are three successive ridges of mountains extending toward the Pacific and running nearly parallel, which mountains are totally impassable except in certain parts, where there are gaps or depressions to be reached only by going some hundreds of miles out of the direct course. Well, now, what are we to do in such a case as this? How are you going to apply steam? Have you made anything like an estimate of the cost of a railroad from here to the mouth of the Columbia? Why, the wealth of the Indies would be insufficient! You would have to tunnel through mountains 500 or 600 miles in extent.

It is true they have constructed a tunnel beneath the Thames, but at a vast expenditure of capital. With a bankrupt Treasury and a depressed and suffering people, to talk about constructing a railroad to the western shore of the continent manifests a wild spirit of adventure which I never expected to hear broached in the Senate of the United States. And is the Senate of the United States to be the last intrenchment where we are to find this wild spirit of adventure which has involved the country in ruin? I believe that the farmers, the honest cultivators of the soil, look now only to God in His mercy and their own labor to relieve them from the wretchedness in which the wild and visionary schemes of adventure have involved them. * * * Why, sir, of what use will this be for agricultural purposes? I would not, for that purpose, give a pinch of snuff for the whole territory. I wish to God we did not own it! I wish it was an impassable barrier to secure us against the intrusion of others. This is the character of the country. Whom are we to send there? Do you think your honest farmers in Pennsylvania, New York, or even Ohio or Missouri will abandon their farms to go upon any such enterprise as this? God forbid! To any man who is to go to that country, under the temptation of this bill, if he was my child, if he was an honest, industrious man, I would say to him, "For God's sake, do not go there! You will not better your condition; you will exchange the comforts of home and the happiness of civilized life for the pains and perils of a precarious existence." But if I had a son whose conduct was such as made him a fit subject for Botany Bay, I would say, "In the name of God, go!" This is my estimate of the importance of the settlement.

Oregon in 1910 contained a population of 672,765. There were 45,502 farms with an acreage of 11,685,110. The farm property was valued at $528,243,782, and the farm land was worth on an average of $35.23 per acre.

Washington, according to the 1910 census, contained a population of 1,141,990, and 56,192 farms with an acreage of 11,712,235, farm property valued at $637,543,411. The average value of farm land was $44.18 per acre.

Idaho at the same time had a population of 325,594, with 30,807 farms, with an acreage of 5,283,604, farm property valued at $305,317,185, and an average value of farm land per acre of $41.63.

These three States comprising the greater part of the Oregon territory sustain a population of 2,140,349 sturdy, enterprising, and patriotic American citizens. It may be well also to draw attention to the fact that only 28,680,949 acres of a total area of 157,310,080 acres is now in farms and the larger part of this is not listed as improved. Think of the possibilities of those three States with 128,629,131 acres not listed as farm land. This is but a part of the story of the wonderful resources of this wonderful section of our country.

Oregon produced agricultural products for the year 1909 having a value of $49,041,000. Washington during the same year produced crops of the value of $78,927,053, and the farm products of Idaho for the same period amounted in value to the sum of $34,358,000.

There were in Idaho, according to the census of 1910, 453,807 cattle, 197,772 horses, 4,036 mules, 178,346 swine, and 3,010,478 sheep; and in Oregon, 725,255 cattle, 271,708 horses, 9,927 mules, 217,577 swine, and 2,699,135 sheep; and in Washington, 402,120 cattle, 280,572 horses, 12,185 mules, 206,135 swine, and 475,555 sheep. These figures but in part represent the vast wealth already developed there, and, great as it is, it is but a mite when compared with the possibilities of the future.

All this, Mr. Chairman, in a region which so great a genius as Daniel Webster less than three-quarters of a century ago pronounced fit only for the habitation of savages and wild beasts. I am as sure as that I live to-day that all the evil prophecies we have heard on this floor will in the end result as did the vision of Webster.

Mr. Chairman, the present Secretary of the Interior, Hon. Franklin K. Lane, in his latest annual report strongly recommended the building of this railroad by the Government, and in speaking of Alaska, its present and its future possibilities, said:

The largest body of unused and neglected land in the United States is Alaska. It is now nearly half a century since we purchased this Territory, and it contains to-day less than 40,000 white inhabitants, less than 1,000 for each year it has been in our possession. The purchase was made as a means of protection against the possible aggression of a foreign nation and without the hope that it would be even self-supporting. In the intervening 46 years we have given it little more than the most casual concern, yet its mines, fisheries, and furs alone have added to our wealth the grand sum of $500,000,000.

For almost a generation it was the rich harvest field of a single company. Individual fortunes have been made in that country larger than the price paid to Russia for the whole Territory. How rich its waters are we know, because they have been proved, but how rich its lands are in gold and copper, coal and oil, iron and zinc no one knows. The prospector has gone far enough, however, to tell us that no other section of our land to-day makes so rich a mineral promise. And in agriculture the Government itself has demonstrated that it will produce in abundance all that can be raised in the Scandinavian countries, the hardy cereals and vegetables, the meats and the berries off which 9,000,000 people live in Norway, Sweden, and Finland. It has been estimated that there are 50,000,000 acres of this land that will make homes for a people as sturdy as those of New England. Whether this is so or not, it would appear that Alaska can be made self-sustaining agriculturally.

This vast and unsurpassed asset lies almost undeveloped. A territory one-fifth the size of the United States contains less than a thousand miles of anything that can be called a wagon road. It has a few inconsiderable stretches of railroad, which terminate, with one exception, either in the wilderness or at a private industry. Only the richest of its mines can be worked, and one of its resources of greatest immediate value to the people—its coal lands—lies unworked.

The one constructive thing done by this Government on behalf of Alaska in nearly half a century was the importation of reindeer for the benefit of the Eskimo on the border of the Arctic Ocean. For the white man we have done nothing—so little, in fact, that to mention what we have done is matter for chagrin and humiliation. I have thought that, perhaps, the scandals that have developed in Alaska have been in some part the result of a feeling that it was a no-man's land, where the primal instincts and powers were the only law.

This unfortunate condition can not be explained on the ground of the inhospitality of the Alaskan climate. A careful study of isothermal lines shows that some of southeastern Alaska has a climate more temperate and more equable than that of this city, while much of the greater portion to the north has a kindlier climate than Stockholm or St. Petersburg. Moreover, our people are not stayed in their quest for homes or wealth by the rigors of a long winter. The spirit and purpose which brought them from Europe to Virginia and to Massachusetts take them to-day to Montana and Saskatchewan. The United States lately opened to entry a tract of land in Montana for which there were 46,000 applicants for registration, and only 7,000 of these could be given an opportunity to homestead. There is more railroad building 500 miles north of the Canadian border than there is for the same distance south of it.

Why has not this land been developed? The frank answer is that we did not realize until within a few years that it was worth developing. As soon as we discovered its value as a national asset we became alarmed and drew back, affrighted at the thought that we might lose it, or, at least, that it would become the property of those who would exploit it, without respect to the public interest. Since then we have been waiting to make up our minds as to what wisely could be done. We have hesitated and halted out of the very keenness of our appreciation of what Alaska might become. It has rather been in complement to Alaska than in derogation of her value that we have done so little for her in late years. It was a new land, to be opened under new conditions. The mistakes made there and here we did not wish to repeat. But now, after a long pause, it would seem to be the sense of the people that we shall proceed at once and in a large way to deal with the problem of Alaskan development.

We have withdrawn Alaska from the too-aggressive and self-serving exploiter. What have we to substitute as a safer servant of public interest? To this question I have given much thought, and my conclusion is that if we are to bring Alaska into the early and full realization of her possibilities we must create a new piece of governmental machinery for the purpose. We should undertake the work in the spirit and after the method of a great corporation wishing to develop a large territory.

The coal fields should be opened not to speculators but to operators. Those should have these lands who will use them. None should be opened as a basis for a gamble in future values. If these premises express a sound public policy, there appears to me but one conclusion that can be reached as to the manner in which they may safely be

turned over to the public—under a leasing and royalty system similar to that under which the State of Minnesota leases its ore lands and the States of Montana and Colorado their coal lands.

Mr. Bryan commended Mr. Lane in a signed statement, as follows:

The Senate by a large majority has passed the bill providing for the building of a Government railroad in Alaska. It is quite certain that the House will also pass the measure, and the President stands ready to sign it.

The chief objection made to the project is that it is an experiment in Government ownership. This is hardly a fair objection, because the public character of the ownership is not a matter of choice but a matter of necessity. The conditions which exist in the United States do not exist in Alaska. Here there is a certain amount of competition in the building of railroads, but in Alaska it is merely a question whether the Government will construct the road in the interests of the people of Alaska or allow it to be constructed by a corporation intent upon monopolizing the country's possibilities. The experience under Government ownership in the construction and operation of the Alaskan railroad may be useful as a guide, but it can hardly be taken as a precedent for Government ownership in the body of our country.

Secretary Lane deserves credit for the formulation of the plan and for the legislative victory which has been won in connection with it.

The President, in his address delivered to a joint session of the Congress on December 2, 1913, referring to Alaska—and I quote from his address as it appears in the CONGRESSIONAL RECORD of that date—said:

A duty faces us with regard to Alaska which seems to me very pressing and very imperative; perhaps I should say a double duty, for it concerns both the political and the material development of the Territory. The people of Alaska should be given the full Territorial form of government, and Alaska, as a storehouse, should be unlocked. [Applause.] One key to it is a system of railways. These the Government should itself build and administer [applause], and the ports and terminals it should itself control in the interest of all who wish to use them for the service and development of the country and its people.

But the construction of railways is only the first step; is only thrusting in the key to the storehouse and throwing back the lock and opening the door. [Applause.] How the tempting resources of the country are to be exploited is another matter, to which I shall take the liberty of from time to time calling your attention, for it is a policy which must be worked out by well-considered stages, not upon theory, but upon lines of practical expediency. It is part of our general problem of conservation. We have a freer hand in working out the problem in Alaska than in the States of the Union, and yet the principle and object are the same wherever we touch it. We must use the resources of the country, not lock them up. [Applause.] There need be no conflict or jealousy as between State and Federal authorities, for there can be no essential difference of purpose between them. The resources in question must be used, but not destroyed or wasted; used, but not monopolized upon any narrow idea of individual rights as against the abiding interests of communities. That a policy can be worked out by conference and concession which will release these resources and yet not jeopard or dissipate them, I for one have no doubt, and it can be done on lines of regulation which need be no less acceptable to the people and governments of the States concerned than to the people and Government of the Nation at large, whose heritage these resources are. We must bend our counsels to this end. A common purpose ought to make agreement easy.

Mr. Chairman, I do not contend that the opinions of these great and patriotic men who have given careful consideration to this subject should be conclusive, but I do say they should be most persuasive. They are charged with great responsibility in administering this trust, and unless, after careful consideration, I conclude they have erred in judgment I would follow their lead. I am happy to say that the limited investigation I have been able to give this subject has convinced me they are right, and I shall cast my vote for this bill.

I shall vote for this bill because a railroad in Alaska will develop for the benefit of all the people the matchless resources of that distant land.

I shall vote for this bill because its passage will prevent a monopoly of the rich mines of gold and copper and coal, the quarries of marble, the fish and furs of the sea, and the timber on the land for the benefit of the greed and selfishness of the Morgan-Guggenheim Syndicate.

In Opposition to the Proposed Freight Increase in the Eastern District.

EXTENSION OF REMARKS

OF

HON. THETUS W. SIMS,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 17, 1914.

Mr. SIMS. Mr. Speaker, on the 16th of January last I addressed the House in opposition to the then and now pending proposed increase in freight rates by all the railroads in the eastern district, also called "official classification territory," embracing all that part of the United States north of the Ohio and Potomac Rivers and east of the Mississippi River, embracing within these boundaries that portion of our country served by the best-equipped railroads in the United States, where the traffic is dense and the amount per mile of line is greater than in any other part of our country. Since the delivery of that speech I have received hundreds of letters from all parts of the United States, from ocean to ocean and from the Lakes to the Gulf, strongly approving my contention against the proposed increase. These letters are not from theorists or railroad baters, but from conservative business men, who would not under any circumstances deny to the carriers reasonable rates.

It is urged by the carriers that the labor costs and the costs of supplies have increased, while no increase in freight rates of the carriers has been permitted; that net earnings have been so materially reduced that the credit of the carriers has been materially impaired.

Mr. Speaker, it is certainly interesting in this connection, and I beg to call the attention of the House and the country to the fact that only a few days ago the Louisville & Nashville Railroad Co. and the Nashville, Chattanooga & St. Louis Railroad Co., without State or National compulsion and without court decree, voluntarily reduced the passenger fares from 3 to 2½ cents per mile, thus reducing passenger rates 16⅔ per cent. These roads have kept pace by way of improvements, maintenance, and new construction with any of the great railroads in the eastern district asking to be permitted to increase their freight rates in a gross sum that for that district alone will amount to more than forty millions of dollars per annum, while the increase in labor costs and for materials in the section of the country served by the Louisville & Nashville and Nashville & Chattanooga Railroads have been relatively just as great as in the eastern district. We find these two great railroads instead of asking for a 5 per cent increase on rates are voluntarily reducing existing passenger rates, not 5 per cent but 16⅔ per cent.

As the letters I have just referred to are very illuminating in connection with the proposed increase of rates in the eastern district, I will read a few of them for the information of the House and the country.

[The Van Dusen-Harrington Co., Atlas Elevator Co., Star Elevator Co., Crescent Elevator Co., Home Grain Co., Inter-State Grain Co., Mann Lumber Co., National Elevator Co., Pioneer Steel Elevator Co., Atlas Lumber Co., G. W. Van Dusen & Co.]

OFFICE OF TRAFFIC MANAGER,
Minneapolis, Minn., February 13, 1914.

Hon. THETUS W. SIMS,
House of Representatives, Washington, D. C.

DEAR SIR: I have just had the pleasure of reading your speech of January 16 in opposition to the proposed increase of freight rates in official classification territory, and wish to say that, in my judgment, you could not have covered the ground more clearly, more thoroughly, or more correctly.

I do not think that anyone interested in the movement of tonnage would object to an increase in rates if an increase was necessary, provided the increase was so made as not to disturb the present adjustments to and from competing markets, and any increase on a percentage basis is bound to throw out of line the present adjustments.

Under the proposed adjustment Buffalo, N. Y., for example, would get an advance on grain of about one-half of a cent per 100 pounds, while Chicago would get an advance of nine-tenths of a cent to Boston, and Minneapolis would get an advance of 1¼ cents per 100 pounds.

The campaign carried on by the carriers for the moulding of public opinion has certainly been an expensive one, and undoubtedly has created the impression among those who are not familiar with the conditions that all carriers must have more revenue if they are to operate successfully. Because of this sentiment it is going to be difficult to create any general opposition to the advance, even though the carriers may not be justified in asking for an advance at this time.

I have charge of a movement of tonnage approximating 90,000 carloads per year, and am certainly interested in the general prosperity of the carriers, but disclosures indicating improper management of several large railway systems during the past few years raises a doubt as to the advisability of permitting any increased rates until laws have been enacted that will define clearly just what a common carrier will be permitted to do with its earnings.

If you will consider these expressions as confidential, it will be appreciated very much.

Yours, truly,

H. A. FELTUS.

[John C. Haddock & Co., exclusive agents for the Plymouth Coal Co., Whitehall Building, 17 Battery Place. John C. Haddock, president; Elbert A. Bennett, treasurer; Emil W. Kahn, tidewater sales agent.]

NEW YORK, *February 19, 1914.*

Hon. T. W. SIMS,
House of Representatives, Washington, D. C.

MY DEAR SIR: The writer's attention has just been called to your debate on January 16 before the House relative to the application of the railroads for an increase in freight rates. I have read over same with a great deal of interest and note that you are fully aware as to the peculiar methods and practices that have existed and now exist on the part of the railroads. Their questionable methods still continue and in their efforts to harass and annoy they will not stop at anything.

The Interstate Commerce Commission is no doubt overworked, but from recent developments I am quite sure that they are making a thorough investigation that may have some beneficial results in the long run.

The writer is engaged in the anthracite coal business, and from certain facts which the commission has brought out in its hearings held at Philadelphia recently they have disclosed conditions as to the

methods of the anthracite coal carrying roads in their attitude toward individual operators and their efforts to control the anthracite situation in every possible way. The transportation rates on anthracite coal have been notoriously exorbitant for many years, and through the maintenance of excessive rates they have succeeded in stifling competition to a minimum, and after expending millions in improvements they have paid handsome dividends and accumulated comfortable surpluses besides.

For the anthracite roads to be a party to ask for a general increase of 5 per cent is an imposition upon the intelligence of the general public. The records of the Delaware, Lackawanna & Western Railroad, the Philadelphia & Reading, the Delaware & Hudson, the Jersey Central, and the Lehigh Valley Railroad will show that their enormous earnings have come principally from the extraordinary profits in coal transportation. It may be true that some classes of freight are carried at practically cost, and possibly, in some instances, at a loss, and while a readjustment may be in order on this class of transportation, on the other hand, from the facts developed by the Interstate Commerce Commission, transportation rates on anthracite coal will stand for a very radical reduction. In fact, the Interstate Commerce Commission has filed an exhibit which shows that the actual cost of performing the service as related to anthracite coal to tidewater is materially less than 75 cents a ton, whereas the rates exacted run as high as $1.40 to $1.58 per ton.

The publicity bureau of the railroads is actively engaged in hoodwinking the public, and it is barely possible that the newspapers that lend themselves to these corporations are controlled in some way by them. These, of course, are facts which would have to be developed.

Probably the main difficulty that the commission has had to contend with in the past is the fact that there are so many commercial jokers in the railroad situation that take time and effort to develop and the commission probably has not received very much assistance from the business community in developing these commercial jokers. This has probably been caused through fear on the part of the average business man. In fact, I doubt very much, even with the present effort that is being made by the administration to give the honest business man every opportunity to make good, even under these conditions it is almost impossible for the average merchant to lay himself open to the peculiar methods and tactics that would be resorted to by the railroads if he dared to complain about them.

Railroads like the Delaware, Lackawanna & Western, the Pennsylvania, and the New York Central have lavishly expended millions of dollars that could have been put to much better use if judiciously expended, and especially so in the case of the New York Central and the Pennsylvania Railroad. All of the roads in general are undoubtedly doing a good business, and while it has been made to appear that their expenditures are heavy, it is due in a large measure to extraordinary improvements that are going on—improvements that will carry them for years to come, and instead of the railroads showing a disposition to care for these improvements out of some of their surplus earnings, it is evidently their idea to have the public pay for these improvements through increase in freight rates.

I hope that your efforts will be successful in preventing a general increase in freight rates, and that in instances where extortion exists that there will be a radical reduction and in other instances where the business is done at cost or at a loss that there will be a readjustment.

The anthracite freight monopoly is the most vicious combination that has ever existed. This has been developed during the past 20 to 25 years, during which time many individual operators have fallen by the wayside and several of the largest have been bought up by the anthracite roads at fabulous prices. If the anthracite roads had met the situation fairly and honorably there would have been no need for the Erie Railroad purchasing the Pennsylvania Coal Co. for double the amount that the properties were worth at the time of acquiring. Neither would there have been any reason for the Lehigh Valley to purchase Coxe Bros. & Co. and the Delaware, Susquehanna & Schuylkill Railroad, which Coxe Bros. & Co. had built to protect themselves against extortion and discrimination. Neither would there have been the necessity for the formation of the Temple Iron Co. to purchase the interest of Simpson & Watkins, large and influential miners, who were projecting the building of another road to carry anthracite coal to tidewater at reasonable rates.

Your, very truly,

EMIL W. KAHN.

[John C. Haddock & Co., exclusive agents for the Plymouth Coal Co., Whitehall Building, 17 Battery Place; John C. Haddock, president; Elbert A. Bennett, treasurer; Emil W. Kahn, tidewater sales agent.]

NEW YORK, *February 21, 1914.*

Hon. THETUS W. SIMS,
House of Representatives, Washington, D. C.

MY DEAR SIR: I am in receipt of yours of the 20th, in reply to mine of the 19th, and note what you say. You are at liberty to use my letter in any way that you may see fit, and I leave it entirely in your hands.

If there is any other way in which I can be of assistance in bringing railroad matters to your attention, I shall be very glad to do so. I wish that it were possible to convince the average business man that now is his opportunity to speak out and aid the Government in what it is trying to do to correct the notorious conditions that have existed for many years. I can readily see that the timidity that has been forced upon business men is likely to continue, and, of course, the "hired men" who are delegated to manage the railroads will take every advantage of this condition.

On May 23, 1912, I happened to be present at a dinner given by the Economic Club, at which President Wilson was one of the speakers, his subject being "Government in relation to business." His remarkable address is still fresh in my memory, especially his very forceful remark that no honest business man need fear if he will take the Government into his confidence. It appears that at that time he was still governor of the State of New Jersey, and without disclosing details he referred to the fact that some very prominent business men in his State had approached him and acquainted him with conditions that existed, but forced upon him the seal of secrecy, as they feared the consequences if their names were revealed. President Wilson's address was a most able one, given to a representative body of men, and no doubt the impression that it made with me was shared by many others who were present at that time.

Yours, very truly,

EMIL W. KAHN.

[John C. Haddock & Co., exclusive agents for the Plymouth Coal Co., Whitehall Building, 17 Battery Place; John C. Haddock, president; Elbert A. Bennett, treasurer; Emil W. Kahn, tidewater sales agent.]

NEW YORK, *February 28, 1914.*

Hon. THETUS W. SIMS,
House of Representatives, Washington, D. C.

MY DEAR SIR: I beg to acknowledge receipt of the pamphlet containing complete copy of your speech in the House of Representatives on January 16 last, for which please accept my thanks.

I have carefully read same, and the additional interesting facts which it contains demonstrates that your opposition to the proposed increase in freight rates is based on the soundest principles and with a knowledge regarding the situation that is quite unusual as related to men in public life. The newspaper accounts of your speech, which I had previously read, contained only a synopsis of the more emphatic parts, and the figures which appear in the pamphlet which you sent are not alone interesting but make an effective finale to a most convincing argument.

Would it be possible to send me a number of copies of the speech, as I would like to bring it to the attention of quite a number of my friends.

I note your comments regarding the creation of the commission and the authority which it now possesses. As you may be aware, in the earlier days the powers of the commission were very limited, and it was not until after 1906 that the commission began to come into its own, and while the interstate-commerce law was amended to give that body additional power which it so very much needed, I am of the opinion that the result of the present investigations that are going on will develop facts that will warrant Congress in further extending the powers of this important body.

The writer was an ardent admirer of Franklin K. Lane, now Secretary of Interior, for with his thorough knowledge of the railroad situation I have always felt that his guiding hand had much to do with the decision of the commission when it declined to grant the request made by the railroads three years ago, and I have felt for some time past that the present move on the part of the railroads was made because Mr. Lane was no longer a member of that body, and that the railroad interests felt that the opportunity for obtaining an increase was more favorable.

While the net earnings of the railroads have diminished, Mr. Lane's judgment has been vindicated, and if the present railroad managers are not capable of producing satisfactory results based upon their present gross earnings, they should be succeeded by men who possess the ability to do so.

The evils which you have exposed open up in a limited way how low these railroads will stoop to accomplish their purposes. There is no limit to what they will do to wreck and ruin, if necessity demands it. The favored interests will always line up with them, and since the advent of the "community of interest" idea the railroads have played the game to the limit. Controlled, as they are, by a coterie of financiers and interlocking directors, the term "competition" is unknown among the railroad world. In the earlier days, when ruinous competition among them was a fad, the question of requesting an increase was not even considered. It was simply a case of the survival of the fittest.

Does it not seem curious that with the enormous profits that have been made by some of the roads mentioned in your tabulations that all of them should ask for an increase simultaneously, and that among these roads are some of the most prosperous in this country?

Your careful subdivision of the anthracite carriers and the synopsis you give of the net results to their stockholders proves the fallacy of that particular group in requesting an increase. In this connection it is not necessary to pass any extended comment on the earlier history of the Erie and the New York, Susquehanna & Western and the particular reason for their lack of prosperity as compared with other anthracite carriers.

In the case of the New York, Ontario & Western, the shiftless management of that road stands out in striking contrast to the others in that particular group.

Why should any shipper or shippers join in the petition to grant the request of the railroads? What is the motive for it? Have they considered who finally pays the increase? I believe that some have used the argument that if freight rates are increased that the prosperity of the railroads will be helpful to business. Why should an increase in freight rates stimulate business, when certain important commodities are now burdened with transportation rates that are extortionate? Certainly the Consolidation Coal Co. does not present such a petition in good faith, for the records show that the Interstate Commerce Commission has ordered numerous reductions in rates on coal in various sections of the country. If the Consolidation Coal Co. were not in some way allied with the railroads they would be clamoring for a decrease rather than an increase. Shippers, manufacturers, and dealers who sell to the railroads have been sandbagged into the belief that before they can expect to obtain their usual share of business they must further the interests of the railroads by urging that the advances be granted.

With reference to your remark that the railroads have been conducting their campaign of publicity in order to overwhelm the commission, allow me to say that every obstacle that the railroads can throw in the way of the commission is being resorted to, the result being that that body is now so overtaxed with the complaints that are being filed from day to day, which are increasing so rapidly in number, that the time is coming when the shipper who requests relief from burdensome conditions will suffer very materially through the inability of the commission to grant early hearings or to render timely opinions.

As you also stated in your speech, the carriers are already earning a margin of profit on certain commodities which, compared with the cost of the service, is grossly out of proportion to what it should be. This is particularly so in the case of the rates on anthracite coal, and I believe that the commission has already developed facts in that particular investigation which should result in as radical a reduction in rates on coal as was ordered in the case of the express companies as related to their charges.

The railroad managers are fully aware that their present attitude is a false one, but, inasmuch as they are only "hired men," they must do the bidding of their masters or lose their jobs. All lines of business have their periods of depression, and railroads are not an exception to the rule. Extravagance and waste in railroading prevails, and if such a condition is permitted to exist indefinitely there is only one result. Why should the public be requested to pay for this extravagance and waste? The Pennsylvania Railroad, in its efforts to locate its terminal

in New York City, has built a monument that stands for the most remarkable waste in railroading that has ever occurred.

The New York Central, to go the Pennsylvania one better, tears down an expensive terminal which it had completed only a few years prior and replaces it with one that cost millions of dollars. In this case, however, there will be some satisfactory return in the future; but instead of the railroad showing a willingness to pay for this out of its profits it practically asks the public to do so by requesting an increase in rates.

The Delaware, Lackawanna & Western has been expending money on a lavish scale, and, notwithstanding their efforts to conceal their real earning capacity, the net results for 1913 are such that under no circumstances is that road justified in asking for any increase whatever.

For some time past repeated efforts have been made to break up the so-called Anthracite Coal Trust. All of these efforts have proved failures in the past, and, legally, I doubt if anything can be done to prove the existence of a trust. It is true that each of the anthracite railroads controls coal companies, and the relationship between the respective railroads and their coal companies is a matter that will stand for correction rather than an attempt to prove that there is a coal trust in general among these anthracite roads.

What really exists is an anthracite freight monopoly, and for many years the coal departments of these anthracite roads were operated at a loss, inasmuch as the profit came out of the transportation, and by keeping transportation rates at high figures it acted as a check on individual operators from competing successfully. The result was that many operators were sandbagged into selling their product at the mouth of the mine to the anthracite coal roads, with the result that the number of individual operators left is such a small percentage that they are hardly a factor in the situation, and, harassed and annoyed, very few dared to make a complaint, fearing retaliatory measures on the part of the railroads to embarrass them still further. It is rather strange that this condition should have been developed since the advent of the interstate-commerce law, but that is the condition; and with the facts that are now being developed by the commission in its anthracite inquiry many of the abuses are now being brought to light.

If you will be good enough to send me as many copies of your speech as you can spare, I shall very much appreciate it.

Yours, very truly,

EMIL W. KAHN.

[H. M. JACOWAY, fifth district of Arkansas. Committee on Agriculture.]

HOUSE OF REPRESENTATIVES,
Washington, February 26, 1914.

Hon. THETUS W. SIMS,
House of Representatives, Washington, D. C.

MY DEAR MR. SIMS: I am just in receipt of the inclosed from the secretary of the Board of Trade of Little Rock, Ark., and would like greatly to receive your opinion on same. Kindly return the inclosures with your reply.

Thanking you cordially in advance, I am,

Very truly, yours,

H. M. JACOWAY.

[Little Rock Board of Trade, Rail and River Transportation. Officers: Charles S. Stifft, president; W. W. Dickinson, vice president; C. A. Pratt, treasurer; George R. Brown, secretary; August Probst, assistant secretary; William F. Manglesdorf, M. D., chemist; Dan Daniel, grain inspector and chief weigher; S. J. Storthz, mineralogist. Directors: J. J. Mandlebaum, Ad Hamberg, Robert E. Wait, Charles J. Kramer, John F. Boyle, jr., W. S. Mitchell, Guy C. Smith, Max Mayer, Morris M. Cohn, George W. Rogers, G. C. Byrd, T. P. Murrey, Harry M. Ramey, H. L. Remmel, L. B. Leigh, John M. Rose.]

LITTLE ROCK, ARK., *February 17, 1914.*

Hon. H. M. JACOWAY,
Member of Congress, Washington, D. C.

MY DEAR FRIEND: Recently we received from Hon. T. W. SIMS, of Tennessee, a copy of his speech on "In opposition to the proposed increase of freight rates in official classification territory." We referred the speech to Mr. A. R. Bragg, of the Merchants' Freight Bureau, for a report. Thinking you might desire to show it to Mr. SIMS, it is herewith inclosed. Kindly return to me with information as to comments he may make.

Yours, truly,

GEO. R. BROWN, *Secretary.*

[The Merchants' Freight Bureau, organized by the merchants and manufacturers of Little Rock for their mutual protection. Board of trustees: J. J. Mandlebaum, chairman; T. H. Bunch, J. T. Beal, W. W. Dickinson, Max Mayer, Adolph Geyer, J. T. Jarrell. A. R. Bragg, traffic manager. Office: Moore & Turner Building.]

LITTLE ROCK, ARK., *February 13, 1914.*

Mr. GEORGE R. BROWN,
Secretary the Board of Trade, Little Rock, Ark.

DEAR GEORGE: I return herewith the speech of the Hon. THETUS WASHINGTON SIMS, of Tennessee, in the House of Representatives, regarding the proposed increase in freight rates in Central Freight Association territory. The argument made by Mr. SIMS is well taken. It is a well-known fact that the railroads throughout the country are seeking to increase their present rates, both east and west of the river.

Personally, I think the railroads in what is known as official-classification territory are entitled to some increase, and I believe they will eventually get it, but it will affect our rates to the extent that the western railroads will attempt to increase the through rates, instead of absorbing the difference, as they should, as the rates on classes and commodities west of the Mississippi are about 100 per cent higher, considering the mileage, than they are east of the Mississippi. What I mean is that rates in western classification territory are very much higher per mile than rates in official classification territory. As an illustration: The first-class rate from New York to East St. Louis is 88 cents per 100, official classification; first-class rate under western classification from East St. Louis to Little Rock is $1 per 100—about one-third the distance.

I do not believe that all the speeches that can be made in Congress will remedy the evil or equalize this apparent discrimination. The whole question of increase in rates east of the Mississippi is now before the Interstate Commerce Commission for consideration, but the advance is being opposed by nearly all the commercial bodies in the large cities, as well as by manufacturers, and it is hard to tell what the ultimate result will be.

Yours, truly,

A. R. BRAGG, *Traffic Manager.*

[Southern Hardwood Traffic Bureau, 1628–1629 Exchange Building. Telephone, Main 2380. Annual shipments, over 100,000 cars. Officers: George D. Burgess, president; Walker L. Wellford, first vice president; C. D. Hendrickson, second vice president; John W. McClure, treasurer; John R. Walker, attorney, Washington, D. C.; J. H. Townshend, secretary and manager. Governing board: L. E. Brown, W. B. Burke, W. S. Darnell, C. B. Dudley, Frank F. Fee, C. M. Green, O. M. Krebs, S. C. Major, Frank May, John W. McClure, W. B. Morgan, D. D. Nellis, S. M. Nickey, W. A. Ransom, James E. Stark.]

MEMPHIS, TENN., *February 28, 1914.*

Hon. THETUS W. SIMS,
House of Representatives, Washington, D. C.

DEAR SIR: Am very much interested in your speech before the House of Representatives on January 16 in connection with proposed increase in freight rates in official classification territory.

We are pleased to know that we have such an able friend in Congress, and will appreciate it greatly if you will send each member of this association shown on the back of letterhead a copy of your speech; also send the writer about a half dozen copies.

Would be pleased to have you advise about what date you will mail these, as we desire to issue a circular to all members calling their particular attention to your speech, urging them to give same close study.

Yours, very truly,

J. H. TOWNSHEND,
Secretary-Manager.

[Sheffield-King Milling Co., 38 Chamber of Commerce.]

MINNEAPOLIS, MINN., *March 4, 1914.*

Hon. THETUS W. SIMS,
House of Representatives, Washington, D. C.

DEAR SIR: We have had the pleasure of reading your speech of January 16 in the House of Representatives in opposition to the proposed increase in freight rates and wish to compliment you on covering the matter so thoroughly.

We would like to get a few copies of this—10 or 12, if possible, or less, if that is too many—to distribute. Will you kindly put us in the way of getting these? If it is possible to get them from the Public Printer we will be pleased to send him a check for the number that he can spare us.

Thanking you for your kindness, we beg to remain,

Yours, truly,

SHEFFIELD-KING MILLING CO.,
H. H. KING, *President.*

[San Francisco Chamber of Commerce. Transportation department. Cable Address-Exchange.]

FEBRUARY 16, 1914.

Hon. THETUS W. SIMS,
House of Representatives, Washington, D. C.

MY DEAR MR. SIMS: I have read with deep interest and approval your speech of January 16 in opposition to the proposed increase of freight rates in official classification territory, and wish to congratulate you upon your timely action.

It occurs to me that if copies of your speech could be mailed to the various members of this organization, such action would go a long way toward revealing to them the fact that the articles which appear from day to day in certain journals in support of the proposed advance do not represent the unanimous views of the country. Therefore I am taking the liberty of inclosing the latest mailing list of our membership, with the request that you be so good as to direct that copies of your speech be mailed to each member. I would also like to have a dozen or so for this office.

Thanking you for your attention to this request, I remain,

Very truly, yours,

WM. R. WHEELER,
Manager Traffic Bureau.

(Inclosure.)

[The Globe Soap Co.]

CINCINNATI, OHIO, *February 9, 1914.*

Hon. THETUS W. SIMS,
Member of Congress, Washington, D. C.

DEAR SIR: We have read with interest your speech before the House of Representatives on the subject of increased freight rates in official classification territory, and feeling that you are interested in this subject, we are taking the liberty of sending you, merely as a matter of information, a copy of our letter of even date to the Interstate Commerce Commission.

Yours, very truly,

THE GLOBE SOAP CO.,
FRANK VAN SLYCK,
Traffic Manager.

FEBRUARY 9, 1914.

GEORGE B. MCGINTY,
Secretary Interstate Commerce Commission,
Washington, D. C.

DEAR SIR: Referring to the investigation that is now being conducted by the commisison under I. & S. Docket No. 333, regarding rate increases in the official classification territory, the railroads ask the shipping public to pay increased freight rates aggregating between $45,000,000 and $50,000,000 annually, and justify the increase by the claim that they can not continue to operate under present rates without danger of bankruptcy, or at least without inability to give efficient service or keep their roads up to the proper standard, on account of lack of credit, thereby curtailing their purchases of necessary equipment and material.

We desire to call the attention of the commission to several ways in which we think the carriers could practice economy, and believe that much could possibly be saved in these directions toward making up to the railroads the $45,000,000 or $50,000,000 annually which

they claim it is necessary for them to have. It may be that these matters have already been suggested to the commission, but on the chance that they have not been brought to your attention, we respectfully beg to submit them for your consideration and investigation, if you deem best, and even if they have been brought to your attention before, we feel that they are of sufficient importance to justify a reconsideration.

First. Expensive passenger terminals. We are heartily in favor of improvement in terminal facilities, but we respectfully suggest that if the railroads are so hard up as they would lead the shipping public to believe, they are not justified in spending so many millions of dollars as they have spent in the past for building extensive passenger terminals in various large cities in our country. It is true that these terminals are beautiful and very convenient to the public, and we enjoy them ourselves when we have occasion to pass through such cities, but beyond being an ornament to the particular city in which they are located, or an advertisement of the particular railroad that erects them, they can not be productive of revenue, but merely take up many millions of dollars. If the railroads could afford to stand these many millions for erecting beautiful and artistic edifices, they should certainly be entitled to credit for their efforts in helping to beautify the city, but if done when the railroads are nearing bankruptcy (so they say), we think that in cases where new passenger terminals are necessary that the garment should be cut to fit the cloth, and an equally convenient but much less expensive terminal should be made, and the balance should be turned in to help pay for the new rails and equipment that they so badly need, but can not float stock or bonds to pay for.

Second. Uptown ticket offices: The railroad companies maintain ticket offices at their passenger stations, for the sale of both railroad and Pullman tickets, but in all cities of any size and consequence so-called "uptown ticket offices" are also maintained. The latter are almost invariably located in the heart of the business portion of the city, on streets where rents are of the highest and usually in the most modern skyscrapers, and, not satisfied with being located in the more expensive buildings in the city, they occupy the corner room on the first floor if possible. Such offices are usually fitted up with mahogany furniture and marble floors and trimmings, and while they are without doubt a credit to the community, it seems to us that if the railroads really desired to practice economy here is an opportunity where hundreds of thousands of dollars, if not millions, could be saved by doing away altogether with these "uptown ticket offices" and selling their tickets at the depot, or if, in their desire to accommodate the public, they consider that the public demand convenient facilities uptown for securing transportation and sleeping-car reservations, the result could be just as easily attained by locating their "uptown ticket offices" in less expensive quarters, or by maintaining a joint city ticket office, as they do in union depots. As a matter of fact, if they maintained a joint city ticket office, it could be located on any by-street and at a very reasonable expense for rent. There would be no question but what the public would turn into a street a few steps farther around the corner if there was only one office. These "uptown ticket offices" are not a source of revenue except as they enter into competition, one line with another, and while there may be reasons why they should be kept separate, there is certainly no reason why they should always be located in the most expensive quarters in the city. Nothing whatever is gained, as one road usually has practically as elaborate quarters as another, and therefore if all of these offices were maintained in a more economical way the same result would accrue in the end to all.

As we stated before, some of these ticket offices are a credit to the railroad company and city, but they are a luxury, as now maintained, rather than a necessity, and if the railroads are as hard up as they claim, and can unite in efforts to secure an increase in freight rates, they should be able to easily get together on a question of economy such as this, and save hundreds of thousands of dollars annually that they are now practically wasting on these beautiful, but more ornamental than necessary, offices.

Third. Automatic stokers on locomotives: A large number of freight and passenger locomotives are fired and stoked by hand, although the locomotives otherwise are models of the latest mechanical and engineering skill. The average manufacturing plant has installed automatic stokers and self-feeders. Even many of the older plants have been remodeled with such improvements. No manufacturer would consider his boiler room up to date without automatic stokers, and, while the railroads claim to be up to date and, in fact, are up to date in many other things, they are still using old-style methods of firing engines by hand with a corresponding waste of fuel, which would amount in the aggregate to a very fair portion of the sum that the railroads now claim is necessary for them to have to continue operating efficiently. Granting, for the sake of argument, that the railroads need more money for the purchase of equipment, rails, etc., why not attain the same end by reducing the operating expenses instead of increasing the gross revenues?

The advertisement of one company in a recent number of the Railway Review says that one locomotive fired by their stoker is doing passenger work which formerly required two shovel-fired locomotives. The railroads claim that they have practiced economy, but here is one case where they could save a very neat sum in the loss of fuel. We understand that there are at least four or five automatic stokers of approved design, and that are practical, and we suggest that your commission ascertain why the railroads have never generally adopted any of those designs and made an effort to stop this waste of fuel. Certainly it can not be possible that railroads, or those controlling them, are interested in increasing the consumption of coal. If not, then why should not the carriers, if they are sincere in their claims that they are practicing economy, put some of these devices into general use; and if they are not desirous of practicing economy, then why should the shipping public at large be asked to contribute an additional $50,000,000 annually under such circumstances?

Feeling that your commission desires to get to the bottom of this matter, we offer the three suggestions mentioned above for your consideration, and if they are of any service to your honorable body in your investigations or tend to throw any light on the subject, then this letter will have served its purpose.

Yours, very truly,

THE GLOBE SOAP CO.,
FRANK VAN SLYCK,
Traffic Manager.

[The John Dulweber Co. Hardwood lumber. Office: Southwest corner Findlay and McLean Streets. B. F. Dulweber, president and treasurer; J. E. Dulweber, vice president. Capital stock, $225,000. Mills: Ohio, Kentucky, Mississippi, and Louisiana. Distributing yards: McLean Avenue, from Findlay to Poplar Streets, extending north of Bank Street, on Cincinnati, New Orleans & Texas Pacific Railway.]

CINCINNATI, *February 9, 1914.*

Hon. THETUS W. SIMS,
House of Representatives, Washington, D. C.

DEAR SIR: It is with much pleasure that I have just read your speech before Congress on the pending application of the railroads for an increase of freight rates in official classification territory. While I do not pose as a transportation expert, the cost of transportation in my business is so great that I have, perhaps, given this question more consideration than the average active business man, and it is very gratifying to find one, who has studied the situation as thoroughly as you evidently have, so closely in accord with the views I have long held. I hope you will pardon the intrusion upon your valuable time, but I am taking the liberty of inclosing copies of two letters I have recently written on this subject, and a perusal of same, I believe, will develop the same line of thought and reasoning as is in evidence in your speech, although not quite so well expressed.

I should like to have a few additional copies of your speech, as I have a few friends whom I would like to have read it, and if you can provide me with about a dozen additional copies, same, I assure you, will be greatly appreciated.

Respectfully,

B. F. DULWEBER.

FEBRUARY 7, 1914.

Mr. W. H. WILLER,
Secretary the Hardware Manufacturers' Association of the United States, Cincinnati, Ohio.

DEAR SIR: Replying to your favor of the 4th instant, relative to my views on the proposed 5 per cent advance in freight rates, I am inclosing copy of a letter which I have written to Mr. George W. Weedon, assistant general passenger agent, Pennsylvania lines, in response to a pamphlet that was mailed to me by Mr. Weedon. I am also inclosing herewith copy of said pamphlet, which will perhaps prove interesting to you. My reply was directed to Mr. Weedon, as it does not appear from the pamphlet itself who is responsible for its publication, but same has evidently been prepared at the request and expense of some railroad company.

As to whether or not the railroads are entitled to an increase in revenue, I have not fully made up my mind. It appears from the reports of the first eight months of the last fiscal year (unfortunately I have no later report before me) that there has been an increase in net operating income per mile of 9.7 per cent over the corresponding period of 1910. Observe that the increased wage scale and other expenses does not enter into this, as the increase quoted is net. In 1910, the year with which the comparison was made, the Interstate Commerce Commission decided that the rates in effect at that time were adequate, and going on the assumption that the question was fully investigated at that time, and that the decision of the commission was correct, it would not appear that any increase is justified at this time. On the other hand, I admit the possibility that when the condition of the railroads is taken into consideration in connection with the effect that it has on the general business condition and development of the entire country, that possibly, from a standpoint of policy, it would be advisable to give them a reasonable increased revenue, but I am unalterably opposed to granting this increase by means of a general advance in all rates. The increase, if it is deemed necessary or advisable, should be secured by advancing those rates which are now much below what they should be, and I am sure that the necessary increase can easily be obtained in this manner. The rates on lumber are very much too high, considered on a basis of comparison with rates on other commodities, and I believe that eventually a united effort by all lumber interests will have to be made to secure lower and more equitable rates if we are to successfully cope with the constantly increasing competition of other materials.

Yours, truly,

——— ———.

FEBRUARY 5, 1914.

Mr. GEORGE W. WEEDON,
A. G. P. A., Pennsylvania Line, City.

DEAR SIR: I am in receipt of a pamphlet, "Are the wages we pay the railroads high enough?"

I can not learn from the pamphlet who is responsible for its publication, and since it has evidently come to me through your courtesy I am addressing my response to you.

The pamphlet is most interesting and is a splendid argument for a readjustment, but not a general advance in rates. A careful perusal of the facts submitted would convince any reasonable person that the railroads are entitled to higher freight rates on some commodities.

Observe that the relation of the cost of transportation per 1,000 miles to the value of the commodities handled, according to figures compiled by railroad accountants, are approximately as follows:

	Per cent.
Hammers	1.8
Shoes	.6
Clothing	.4
Shirts	.9
Underwear	1.0
Motorcycles	1.7
Harness	1.25
Hats	1.0
Shotguns	0.15
Overcoats	.3
Umbrellas	1.0
Typewriters	.4
Saws	.6

The above commodities are largely handled by less than carload freight, necessitating handling through freight depots, which must be maintained for less than carload service, loading into the cars by carriers, and unloading therefrom at destination into depots. The cost of handling freight in this manner is necessarily great, and when the loss, breakage, and damage is taken into consideration it becomes evident that none of the above rates, and, in fact, I might say, none of the many others contained in your pamphlet are adequate. All of these rates, I firmly believe, could be materially advanced without detriment to anyone.

I observe that the commodity in which I am most interested—lumber—is not included in your pamphlet. I presume that this was excluded for the very good reason that it already contributes more than its proportion to railroad maintenance and profit, the average revenue to the carriers on lumber for the same distance for which the figures on

your other commodities were compiled being 35 per cent, or about 70 and 75 times greater than on clothing and shoes. This enormous rate is made despite the fact that this commodity can be transported more cheaply than any other freight that is handled, no special terminal facilities or depots being required, no special equipment or service, and practically no loss or damage.

Railroad rates on individual commodities have always been made without any regard to the cost of transporting that particular commodity. As a result there are unquestionably many articles which are handled by the railroads at a tremendous loss. While it is true that there are no accurate cost systems being maintained by the railroads today, so that the loss or profit on any given commodity can be definitely ascertained, there are some rates that are so glaringly insufficient, at least when compared with other rates, that it becomes instantly evident that the handling of such commodities is unprofitable. On the other hand, the rates on lumber are as far out of line in the other direction, as will also become evident when comparison is made with rates on other commodities. When a carload of live stock, worth approximately three times the value of a carload of lumber, and requiring special equipment, special facilities for loading, special service, delivery on a certain schedule of time, stopping for feeding, watering, etc., together with the tremendous loss and damage that accrue from the handling of live stock, is handled by the railroad companies at approximately 40 per cent of the revenue derived from a carload of lumber, it must be admitted that one rate or the other is very much out of line.

I will not discuss with you the question of whether or not the railroads are entitled to an increase in their revenue. I believe that the railroads should be supported liberally, and that their revenue should be sufficient to enable them to give good service, and to be a sufficiently attractive investment to encourage the development of new roads and the improvement of those now in existence. I am, however, opposed to the railroads obtaining an increase in revenue by a general advance of all rates. If this is done, even though the increase were 100 or even 200 per cent, I believe that there would still be many commodities that would be handled at a loss. Each commodity should pay its full proportion, and the increase should be secured by a readjustment of the rates on a basis that will yield a fair profit on every commodity that is handled.

Yours, truly, ——— ———.

Hydroelectric Power.

EXTENSION OF REMARKS
OF
HON. GEORGE R. SMITH,
OF MINNESOTA,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 17, 1914.

Mr. SMITH of Minnesota. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include a petition from the Minneapolis Civic and Commerce Association on the subject of hydroelectric power. The petition is as follows:

To the Congress of the United States:

On behalf of the city of Minneapolis, State of Minnesota, the Minneapolis Civic and Commerce Association respectfully urges upon the Congress the early consideration of H. R. 2966, Sixty-third Congress, first session, "To authorize the Secretary of War to make an agreement with the Municipal Electric Co., a corporation, for the disposal of the hydroelectric power developed by the dam between St. Paul and Minneapolis, Minn.," for the following reasons:

1. That delay in the use of electrical energy in connection with the navigation of the upper Mississippi and the operation of the docks incidental thereto must seriously handicap the project of such navigation.

2. That the great work of the Government dam in the gorge between the two cities after many years of work is now in a 90 per cent state of completion.

3. That as this work effects the opening of navigation as far as Minneapolis, it is imperative that construction be begun upon the hydroelectric plant designed to operate and light such Government lock and dam, as well as the municipal docks at St. Paul and Minneapolis.

4. That such docks are now available at St. Paul.

5. That the Legislature of the State of Minnesota having heretofore authorized the city of Minneapolis to own and operate river terminals and docks and to issue $300,000 of bonds for such purpose, the council of Minneapolis has now authorized the issuance of $100,000 of such bonds for such terminals and docks.

6. That these municipal docks in the two cities will require the use of a large amount of electrical energy for hoisting, lighting, etc., and for motive power for dock railroads.

7. That in furtherance of the governmental project the cities of Minneapolis and St. Paul have both agreed to give valuable tracts of park land which will be overflowed by the operation of the Government dam.

8. That the State of Minnesota by legislative action has authorized the Municipal Electric Co., a public commission, to contract for and make use of the electrical energy to be generated, and that such electrical energy can now be made available for the use of the University of Minnesota and the municipalities of St. Paul and Minneapolis.

We therefore urge the earliest consideration of the Stevens bill.

We consider its authorization imperative to meet the unique situation here presented if the prime objects in the construction of this Government work—river navigation and such incidental dock projects as these cities require—be not needlessly delayed.

The reservations of amendment or repeal in the bill now urged wholly safeguard the Government in respect of the grants of power which it contains.

[SEAL.] MINNEAPOLIS CIVIC AND COMMERCE ASSOCIATION,
By HOWARD STRONG,
Secretary.

Management of the National Soldiers' Homes.

EXTENSION OF REMARKS
OF
HON. RICHARD W. AUSTIN,
OF TENNESSEE,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 17, 1914.

Mr. AUSTIN. Mr. Speaker, while we have the pension bill under consideration I desire to call attention to proposed legislation looking to a transfer of the management of the national soldiers' homes to the War Department and to enter my protest against the proposed change. These homes should be officered and managed by men who have served either in the war for the preservation of the Union or in the Spanish-American War and not under the strict military discipline of the War Department, through the officers of the Regular Army.

I believe I voice the sentiment of a large majority of the ex-soldiers who are members of the various homes in stating that they are decidedly opposed to the proposed transfer to the War Department. In matters of this kind affecting the interest, welfare, and comfort of the ex-soldiers their wishes should be respected by Congress.

There may be some abuses, though I know of none, in the management of some of the homes, but they can be corrected, and, I am sure, will be if called to the attention of Col. J. W. Wadsworth, the president of the board of managers.

I am personally acquainted with the officers in charge of the home near Johnson City, Tenn., and at Hampton, Va., and can say, without fear of contradiction, that there are no better managed institutions, public or private, in this country. In this connection I wish to submit for the consideration of the House and the members of the Committee on Military Affairs a letter from Col. James Sample, who for the past three years has been a member of the home in Tennessee. Col. Sample has a splendid record as a soldier and a citizen, and any statement he makes on this subject deserves favorable consideration.

NATIONAL MILITARY HOME, TENN.,
Mountain Branch, March 15, 1914.

Hon. RICHARD W. AUSTIN, M. C.,
Washington, D. C.

MY DEAR SIR: For the good of my comrades and for what is just and right to the veterans of the Union Army who came out of the Southern States when secession and hell was rampant in the destruction of our glorious United States and the Stars and Stripes, the men who went in at the start without pension or bounty, who could not go to their homes until the war was fought to a finish, am I making this appeal to you as our Representative in Congress to see that this, our home—the Mountain Branch—is not made a cat's-paw for designing politicians and others.

From time to time lately there has been some misleading and false statements uttered by Members of the House and published in the CONGRESSIONAL RECORD and other journals in regard to this branch of the National Military Home of which your humble servant has refuted to the best of his ability.

There seems to be a great degree of ignorance on the part of the general public in the North, and by some of their Representatives in Congress in regard to this branch of the National Military Home.

Few understand how many men there were in the Southern States who were loyal to the National Government in its darkest days and what it cost those men to be loyal to it, and that now many of them are aged and infirm.

To those people who are antagonizing this branch it seems as if it did not amount to much of anything; because there has been a loss of membership in some of the northern branches the Mountain Branch should be closed. * * *

Because there may have been mismanagement in other branches of the National Military Home, there is no reason that the Mountain Branch management should be coupled with those branches, as stated by Representative ANTHONY (see clippings inclosed)—"I have received hundreds of letters from old soldiers from the home at Johnson City, Tenn., containing serious and continued complaints," etc.

The writer has been a member of the Mountain Branch for over three years continuously—never out on a furlough—has seen all the changes

that take place in that time, which are many. During all that time he has been the editor of the military page of the Sunday Journal and Tribune, of Knoxville, Tenn. He has circulated freely among the members. He is well known by all the officers and everyone in and about the home. He knows all the old members on sight and their peculiar characteristics, and of all the conditions in the home; and he will venture to say there is not in this whole land to be found another institution of the magnitude conducted and managed as well as this one of the Mountain Branch. He will guarantee to pay Mr. ANTHONY $5 for every complaint that has been made to him by a member of the Mountain Branch that could not have been settled to the entire satisfaction of the complainant if the same had been made to our governor, Col. John P. Smith, provided the same was made by a sober, steady person, not a lunatic or an alcoholic fiend.

As to the matter of placing all the branches under the direction of the War Department, this has been attempted heretofore, and the last two past Secretaries of that department, after thorough investigation, reported they could not do any better for the veterans than the Board of Managers had done for them these many years past.

In regard to the men who compose this Board of Managers, I wish you to know and remember they are old soldiers and veterans themselves—know how to deal with their comrades, the volunteer, and there is a great difference between a volunteer soldier and a professional soldier. War Department management may do for Regulars of the Regular United States Army, but not for the citizen soldier.

* * * * * * *

I am asking you to give this matter your most earnest consideration, and not this only, but to combat all the attempts to change the present system at this home. I have the honor to be,

Yours, most truly,

JAMES SAMPLE.

Abraham Lincoln.

EXTENSION OF REMARKS

OF

HON. MARTIN B. MADDEN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 17, 1914.

Mr. MADDEN. Mr. Speaker, in a log cabin on the banks of the Sangamon River—a small stream emptying into the Illinois River—there lived, about 83 years ago, a long, lank, homely, sad-eyed rail splitter, unknown save only to his parents and a few scattering neighbors who, like himself, were eking out by the hardest kind of labor a mere existence in a then wild and unpromising section of this the home of the free and the land of the brave. He was not employed by the hour, day, week, month, or year, nor did he receive a daily wage as compensation for his labor. He worked from sunup to sundown, and when he had piled up 400 rails he received from a poor widow, in exchange therefor, enough homespun cloth to make him or his father a pair of trousers.

He was a Kentuckian by birth, and moved when a young man, with a worthless father, a carpenter by trade, to the State of Indiana, and after sojourning there for a short time came on to Illinois, where they built a log cabin on a bluff near the River Sangamon, when the young man soon became famous not only as the champion rail splitter of his county but also for his ability to dispatch hogs with lightninglike rapidity, and for which service he received the munificent sum of 30 cents per day.

His rail-splitting and hog-killing proclivities did not constitute all of the qualifications which this young man possessed and which made him the envy of his many rural competitors. He could run faster, jump farther, strike harder, and could throw down with great ease any man bold enough to question his physical superiority, and although at this time his mental strength did not keep pace with his physical greatness, he could read, write, and cipher, and, above all, he could be relied upon and was absolutely honest, a characteristic which, like the rugged mountain peak, rises majestically above the clouds.

Young Lincoln gave up the rail-splitting industry to engage in the grocery business, but having an inborn dislike for business precision and indoor confinement he speedily abandoned that avocation to engage in the more agreeable pastime of fighting Indians. He had himself elected captain of a military company in 1832, and proceeded to put his company in condition to end the Black Hawk War forthwith, and although it is not recorded that he ever saw an Indian during that engagement, it is a matter of record that his failure to meet the enemy was no fault of his.

Having political ambition and being popular with his neighbors, who for the most part were a sorry lot of very poor people, he in 1833, by such methods as are perfectly familiar to those who are in politics, and in the same way now employed—we have not improved much upon Lincoln's manner of doing politics—ingratiated himself into the good graces of his Congressman and was appointed postmaster, in which position he familiarized himself with current happenings by reading to his patrons newspapers, postal cards, and other publications which came into his official hands for distribution and delivery. His office, as can well be imagined, was a meeting place for all sorts of quaint characters, who came in crowds to listen with admiration to the witty and wise sayings of their foremost fellow citizen. The official duties of this governmental dignitary were not arduous—in fact, it is said he carried the mail in his hat, and when transporting even his heaviest mail in this way there was ample room for a head destined in the near future to furnish intelligence enough to rule with matchless splendor and success the greatest Nation on the face of the earth.

Lincoln at this time had, of course, no intimation of his ultimate greatness, and it is doubtful if he had ever dreamed of representing in an official capacity a greater number of his fellow citizens than were then residing in the little village over which he presided with great dignity as postmaster. The germs of greatness were in him, however, and were being slowly developed by Almighty God to fit him, when the emergency should come, to grapple with and master the greatest and most complicated national problem that has ever fallen to the lot of man to solve. True, he was ambitious, and wisely seeing that his manly character and his native wit had given to him a place of political prominence among his fellow townsmen, it was perfectly natural that he should seek still higher ascendancy in the political firmament, and having natural inclination to orate he became a candidate for the State legislature in 1832 and took the stump. It is written down that his speeches were calculated more to amuse than edify, but with a persistency characteristic of all western men of ambition, and remembering the precept that "Where ignorance is bliss, 'tis folly to be wise," he sailed in and told his rustic hearers all about the affairs of government and a lot more. The following was his maiden speech as a candidate for the legislature: "Fellow citizens, I am humble Abraham Lincoln. My politics are short and sweet, like the old woman's dance. I am in favor of a national bank, of internal improvements, and a high protective tariff. These are my sentiments. If elected, I shall be thankful; if not, it will be all the same."

He was defeated, but having taken on considerable knowledge by his experience and the persistent reading of books, he did not complain or cuss his successful competitor for this high office, but like a good American citizen he went to work and bided his time. Again he tried the grocery business, and again he failed. Somehow, he seemed to be unfitted for the business of selling the products of the soil. Possibly the alluring smile of his customers when they saw the scales tip in their favor had something to do with it. Anyhow, he failed. Anybody less easily discouraged would have, after so many adversities, gone back to the rail-splitting business. Not so with Lincoln. He took to the study of the law, and by so doing he hoped to add to his political success, and at the same time to fit himself so as to render competent legal services to some unfortunate fellow man after he should have mastered the intricacies of human jurisprudence. His great aim in life was to help his brother man, and to do this he was ever ready to give up his life. While studying law, it being necessary to keep body and soul together, he became an assistant surveyor, and by hard study equipped himself to perform the services of such an employee in six weeks. About this time the sun began to shine through the dark clouds of despair which had hung over him, and Lincoln grew more optimistic—he never was a pessimist, but always seemed sad. He purchased a decent suit of clothes, the first he had ever had, made the acquaintance of prominent men, and profited by their acquaintance.

In 1834 the people of the State of Illinois elected a new legislature and Lincoln was one of the successful candidates. The State capital was then located at Vandalia, and Lincoln was prominent in having enacted into law a bill removing it to Springfield. Aside from this bit of wise legislation, nothing was done in which he played a prominent part calculated to create an impression that he was soon to become in fame second only to Washington, but in the succeeding legislature, to which he also was elected, he and his colleague, Daniel Stone, the two members from Sangamon County, introduced the famous resolution declaring that the institution of slavery "was founded on both injustice and bad policy."

In 1837 Lincoln was admitted to the bar and moved to Springfield, a village of some 1,500 people. In 1838, at the age of 29, he was again elected to the legislature, where he continued assiduously, by wise legislation, to better the condition of the people. He found time to carry on the practice of law and was

reputed to be a good lawyer, although his services as such, being respectable, were not great.

Lincoln was a born politician. His heart was in the work, and it was in this prolific field that his great achievements were accomplished. He did not like the technicalities of the law, but rather preferred to make political speeches, in which particular occupation his genius shone with great brilliancy.

In 1840, during the Harrison presidential campaign, Lincoln stumped the State in behalf of the Whig cause, and it was during this canvass that he came in contact with the great scholar and political debater, Stephen A. Douglas.

In 1843 Mr. Lincoln was defeated for Congress, to which high position he had long aspired. He was more successful in 1846, however, when he received a majority of the votes cast in the congressional contest and was elected to a seat in the National House of Representatives. As a Congressman Lincoln's record was but fair. He made some three or four speeches, devoted more to wit and humor than sound reasoning, although questions of great moment were during those days demanding the attention of leading statesmen.

Many biographers have given too much time and attention to Lincoln's domestic life, which was all but pleasant, as is well known to everybody. It is the public services of great men rather than their private affairs that receive and merit the attention of the public, and this incomparable man's public life is so filled with brilliant achievements that to deviate therefrom would avail nothing intellectual and would be doing that which, to say the least, would be unwise.

As I have said before, Lincoln's ability as a lawyer did not shine with any particular brilliancy. He did not become famous through his practice of the law, as a State representative, or as a Congressman. Neither could he compare in eloquence with Douglas, Clay, Webster, or Calhoun as a public speaker. It was his matchless moral character, the prominent part he played in a great cause, and his marvelous leadership that will cause his name to be honored and revered throughout the ages.

His great political career really began in 1854, notwithstanding he had served two years in Congress, 1847–48.

It was the attempt of southern statesmen to compel Congress to extend slavery in the Territories that aroused the great indignation of Lincoln and which, indirectly, made him the leader of the opposition to the movement to establish slavery in territory belonging to the United States, an institution declared by him to be "founded on both injustice and bad policy."

Henry Clay's great compromise bill succeeded in quieting for a time the bitterness that was engendered by this inhuman attempt. It was but the calm that precedes a storm, however, and was short lived. An attempt to pass the fugitive-slave law was regarded as a national outrage by northern men, and the protest that was registered when man hunters seized trembling fugitives and took them back to a life infinitely worse than death was of a nature to cause public men to tremble. The whole North became alive with righteous indignation at this barbarous and unspeakable act of inhumanity. Newspapers protested, orators thundered, excitement exceeded all bounds. More fuel to the flames was added about this time by Stephen A. Douglas, a United States Senator from the State of Illinois, by the introduction of his famous Kansas-Nebraska bill, the purpose of which was to open up the vast territory of Kansas and Nebraska to the introduction of slavery, providing that the people of these Territories should so favor. The South needed this Territory, and Douglas, who had presidential aspirations, was playing into their hands.

The attempt to put the bill on the statute book opened the eyes even of some Democratic leaders of the North and a united outcry of protestation from the press, the platform, and the pulpit was raised in one great scream of wrath, which no doubt could be distinctly heard south of Mason and Dixon's line.

It will not be necessary for me to recount the many crimes committed in the Territory of Kansas by armed ruffians from Missouri, who elected by fraud a legislature favorable to slavery in that Territory. Nor will it be necessary for me to discuss the decision of the Supreme Court in the Dred Scott case. You are all familiar with these matters. Suffice it to say that these triumphs were exceedingly pleasing to the southern cause, and that the question now was, Shall slavery advance into new territory? The North said no, the South said yes.

At this stage of the contest Lincoln came upon the scene and his career as a national character began. He crossed swords with Douglas, reputed to be the most powerful advocate of Democratic principles in the North. They were both candidates for the United States Senate—Lincoln the Republican candidate and Douglas the Democratic nominee. The debates which took place between these two giants became world famous. Lincoln, filled with indignation at the wrongs that had been perpetrated upon humanity, seemed to be inspired as he combated the arguments of the trained political debater Douglas. His battle cry was "The Government can not endure half slave and half free," and that "A house divided against itself can not stand." He did not go beyond the constitutional limits, however, but admitted that the South had a right to a fugitive-slave law, but he never missed an opportunity to let it be known that he despised the institution of slavery. His speeches during this contest attracted such universal attention that he was invited to speak in Eastern States, which he did in such splendid syle as to add increased glory to his fame as an orator.

Following his contest with Douglas, which attracted so much attention throughout the civilized world, the people of the North demanded the nomination of Lincoln as President. The Republican Party heeded the call and in 1860 made him its standard bearer. After the election, which waged furiously in all sections of the country, Lincoln was elected. The North had triumphed over the South. Cannons roared, bells were rung, brave men cried with joy, and the prayers of the oppressed ascended to high heaven. Great was the victory and great was Lincoln.

The South immediately set up the cry that the election was a "sectional and minority election," and between election day and the date when Lincoln was to be sworn into office several of the Southern States seceded from the Union and set up a government of their own at Montgomery, Ala. They seized Federal forts, arsenals, customhouses, post offices, and everything else they could appropriate which would aid them in a war which was sure to follow.

On the 4th of March, 1861, Abraham Lincoln was inaugurated President of the United States. How I should love to have seen that ceremony and listened to the words of wisdom as they fell from his lips during his inauguration address. What a privilege it must have been to look into his sad and pensive face as he counseled his countrymen to remain cool during the pending crisis. His whole address was summed up in two short paragraphs:

> The power confided in me will be used to hold, occupy, and possess the property and places belonging to the Government and to collect the duties and imports, but beyond what may be necessary for these objects there will be no invasion, no use of force, among the people anywhere.
>
> In your hands, my dissatisfied fellow countrymen, and not in mine is the momentous issue of civil war. The Government will not assail you. You can have no conflict without being yourself the aggressors.

The South became the aggressors and inevitable war followed. The trials and tribulations of the great Lincoln were many during these dark and uncertain days; but out of his tribulations came patience, and out of patience came experience, and out of experience came hope, according to the Scriptures. His love for man seemed to grow in the very face of the fiercest war that has ever been waged. A war between father and son, brother and brother—a horrible, unthinkable war. Lincoln well knew, however, that the end justified the means, and realized that out of the awful slaughter of men and loss of treasure would come a reunited country and lasting peace; and, far more important than either reunion or peace, he knew that the shackles which bound in servitude a race of people would fall from bruised limbs and 4,000,000 souls would march erect into the bright sunlight of sweet freedom. Thank God, the great emancipator lived long enough to witness this, his crowning achievement.

Some writers hold that Lincoln's death was timely, in that it prevented a possible political error during the reconstruction period, which might have sullied in some degree his illustrious services. I do not believe it, and I am sorry he did not live to know that even the most radical of southern sympathizers now rejoice in the delivery from bondage of a race of human beings into the glorious realm of liberty; and I am persuaded that had the fatal bullet never been fired from the pistol of the assassin Booth no public act of his, had be lived to this good day, would have resulted in anything but good to his fellow man. His great foresight and his inborn love for justice would have precluded such a result. The present universal admiration for his matchless services frowns upon the very intimation of such a thing. He was too great, too sympathetic, too farseeing, too wise, and too just to enter into any arrangement whereby anything but the full measure of justice would result to all.

Commemoration of the Nation's heroes is not only proper but it is wise. It fosters patriotism, without which no country can be great.

Lincoln's life was one of purest patriotism; it was devoted unselfishly to the promotion of the country's good. He was the friend of mankind; he believed in manhood; he wanted to see

this a land of freedom in fact as well as in name. He worked to that end. He assumed a great burden when he took the Presidency; he met the responsibilities with courage and a heart full of charity, but he met them and overcame every difficulty; he conquered the foes of free government and made this a Government of manhood suffrage.

When this Government was formed it was the most gigantic experiment of the kind ever attempted by man; it was given no place in the political considerations of the world; it was thought to be but a passing illusion. No one believed the experiment would succeed; failure was freely predicted. A government by the people, it was said, was impossible. But Washington's Government still lives. It has grown and prospered. It has become a great world power. It thrills with potent life and exalted hopes. The Civil War was the one test needed to prove the ability of the people to govern themselves; and never was the Nation so full of life, so filled with courage, so encouraging to the friends of freedom, so menacing to the foes of the Republic as when the sun of Appomattox shone upon its banner and revealed within its azure ground the full galaxy of its stars.

Through the instrumentality of the martyred Lincoln and his patriotic followers were fought the battles for the preservation of the Union, and we of the present day are enabled to live in a land where every citizen is a sovereign, and every man, woman, and child is free to worship God according to the dictates of his own conscience; a land whose inventions lead the world; where the printing press and the church follow close upon the march of empire; where caste is ignored; where the humblest child of poverty may aspire, unrebuked, to the highest place in the gift of the Nation.

Men from the worn-out monarchies of Europe can but discern that the noblest trend of human progress lies in the direction of republics. In this form the latent possibilities of the human race may best find expression, and America will stand before the nations of the world forever to exemplify the life and strength of this the greatest of all republics, and the name and works of Abraham Lincoln emblazoned upon the pages of our country's history will forever be handed down to a grateful posterity and be applauded by the generations that are to people this continent in the ages to come as the greatest instrumentality the world has ever seen in the dissemination of the principles of universal liberty.

Government Aid to Good Roads.

EXTENSION OF REMARKS

OF

HON. WYATT AIKEN,

OF SOUTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 18, 1914,

On the bill (H. R. 11686) to provide that the United States shall, in certain cases, aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads.

Mr. AIKEN. Mr. Speaker, it is not that I expect my remarks or the score or more of speeches made on the subject to change sentiment the least in the House, for sentiment here is overwhelming in favor of the measure.

Since nearly all the main public roads of this country are used by rural carriers for 10 or 15 miles out from every town of consequence, the mere working of post roads, roads used by the United States Government in carrying the mails, will serve the great majority of people of the rural sections and cover a large per cent of the most important roads throughout the United States.

This Government has just recently gone into the express business—a step which I heartily approve—and the real burden of the Parcel Post System falls mainly on the rural carrier. The Parcel Post System will be a great revenue producer, and the revenue will be derived from exchange of products between country and town. If, then, the carrier must go into the express or drayage business, the Government should help give him roads suited to the weight of his new burdens.

What justification was there for the Government granting great areas of western lands to railway corporations to aid in building railroads across the continent except the fact that these railways would hasten the settlement of the West and increase the general wealth of the Nation?

Again, how else can the Government justify its act in artificially watering the western desert except on the broad principle that the lands would be settled by individuals who would contribute to the sum of national wealth? In neither of these instances did the National Government have constitutional warrant for spending the people's money; and yet, I am frank to say, I believe the money was wisely appropriated.

In contributing to public road building the Government has the fullest constitutional warrant—"to facilitate transportation of the mails."

In no way can the National Government benefit the whole people so effectually as by improving public roads. Good roads reduce the cost of transportation from 28 cents per ton to not more than 10 cents per ton per mile.

It has been objected that this legislation is in the interest of the rural sections.

Mr. Speaker, every good-roads movement that has been agitated throughout my section is heartily indorsed by the towns and cities of the country. The man who lives in the town or city is shortsighted indeed if he can not see that whatever reduces the cost of production and transportation reduces the price to the consumer. The city man is wholly a consumer. He of all men should seek to reduce the cost of production and transportation. If it costs 10 cents per pound to carry butter from the producer to the home market, and then 10 cents per pound to carry it from the home market to the city market, the city purchaser finally pays the whole freight. And I can say just here that millions of pounds of surplus butter are annually withheld from the market because producers are not willing to trudge through the mud to market. Scarce butter makes high prices, and it is so with every other product of the farm. Considering the farmer's opportunities for marketing he gets very little for what he sells. If he had a more accessible market, he would sell more products, sell them cheaper, and make more profit. This bill is fair in the distribution of Government funds in aid of road building. It is based on the per cent of population as compared with the total population of the United States, and then on the total road mileage of a State as compared with the road mileage of the United States. And then, too, it will stimulate the States to greater effort, for no appropriation will be made to a State that does not appropriate a like amount.

One of the greatest problems now before Congress and the country for solution is, How shall we provide better roads over which to haul the products of the farm to market at less expense and transport United States mail with more facility and at less cost?

There is a fierce struggle going on just now as to what character of roads in the States shall receive Federal aid. One class is of the opinion that the United States should limit its road activities to a few very high class "ocean-to-ocean" and "cross-continent" highways. Another class believes that aid should first be given to a general system of good roads connecting the farms with the near-by towns and railway stations. The views of this second class are set forth with much clearness in statements made by Secretary of Agriculture Houston and Gov. Majors, of Missouri, before the House Committee on Roads in hearings had on the Shackleford road bill.

Secretary Houston said:

The roads which the Nation most needs to have improved are those that lead from the farm to the nearest railway station. My imagination, of course, is impressed by the picture of a system of roads that would connect all of the leading cities and enable a man to go comfortably to any part of the country, and in time I suppose we shall have such a system, but it seems to me that we should begin with the local road leading from the farms to the nearest railway station. * * * I suppose everybody will agree that the railroad is the national road for a vast majority of people. The man who has an automobile and who has the time will go great distances, but the great mass of the people of the country will take very short trips, and mainly for business purposes.

Gov. Majors said:

The public highways of a country have ever marked by distinct epoches its civilization and progress. It has marked it in the life of our country. In the construction of railways we stand at the zenith. Our waterways, with which we have been blest more than any other nation, have been neglected, while our highways are practically in the beginning, and until these highways stand abreast our broadest civilization, we will not be living up to our best privileges and the highest standard we can maintain in our civic and commercial life.

With the matter practically settled that Congress is in favor of granting Federal aid in the construction and maintenance of highways, the question naturally presents itself to our minds, In what way should aid be given, and what character of roads should be constructed, improved, or maintained?

Men who have not studied the subject or given the proposition much thought will immediately think about the construction and maintenance of macadam, concrete, and brick roads and highways of like character. In other words, they see a mental picture of roads which represent the acme of construction but which are much limited in their service in handling the commerce of the Nation. But, gentlemen, while we favor the construction of these splendid traffic ways, yet these are not the roads which mean most to the whole people. It is the dirt road representing the first leg of the journey, and over which moves the traffic of the Republic, that serves the Nation most; the road which enables William Smith, John Jones, and James Brown to bring more products to the railway stations and to the first markets of the country; the road that enables them to double the size of the haul, make the

transit in less time, save wear and tear of harness and wagons, and the lives of horses; the road that will bring additional hundreds of thousands of acres under cultivation; the road that will increase the value per acre of all the land through which it passes; the road that will save hundreds of thousands of dollars in shrinkage in the delivery of live stock to the markets; the road every tendency of which is to improve community life and make it better morally, civilly, and commercially. As you build up the community you build up the county, as you build up the county you build up the State, and as you build up the State you build up the Nation. So the real progressive and commercial achievements, brought about by good roads, in the finality must rest upon the dirt roads in those sections producing the agricultural products and the live stock that feed the country and bring to the Nation its balance of trade.

The macadam, concrete, and brick roads are great highways and serve their useful purposes as trunk lines in certain sections and under certain conditions and circumstances. Where the commerce between cities and territory adjacent thereto requires this character of roads, the people are building them, and that without Federal aid. We are building them in Missouri, and wherever you find a wealthy and progressive citizenship, and the business interests justify it, the same will continue to be builded no matter whether Federal aid be given or not. Federal aid, however, will enable us to build more of them, and we wish such aid to that end. There are hundreds of men in public life who are championing the cause of these kinds of roads, but few men, however, are championing the cause of dirt roads, the real roads serving the people. The dirt roads are the most important of all roads because these roads reach out like tentacles into country life and over them is moved the products representing the real commerce of the Nation, and the improvement of these roads will mean more to the Republic than any other one achievement which can be brought about.

For these reasons I propose to address myself to the subject of dirt roads and advocate at this time their cause in the securing of Federal aid for construction and maintenance. Those dirt roads are the real highways of commerce. They are in the great majority and without them you would have little or no use for the macadam roads or other highways of like character. I address myself to the subject of dirt roads because I believe in beginning at the bottom in building up the road fabric. As the dirt roads are improved year by year, by process of evolution, when necessity requires a certain percentage of them will become trunk lines and be converted into macadam, concrete, or brick roads. This will come about when the betterment of the dirt roads has so improved the agricultural and other communities through which they pass that the wealth, population, and commerce justify it.

You reach the kernel when you advocate a system of road improvements which begins at the bottom. The country gravel, concrete, and macadam roads serve their useful purpose, but the dirt roads serve a hundred where these roads serve one. These highly improved ways are of small benefit to the men living in the agricultural sections who are struggling and toiling to increase the volume of commerce reaching the markets, and to place same in the markets at a reduced cost for transportation.

Where the roads from the farm to the railway station are partly bad dirt roads and partly good macadam roads, the farmer, when he makes a haul, must gauge his load not by the macadam road over which he passes a part of the distance, but by the bad dirt road he must travel. What we should do is to improve the road, gauging the load the producer must haul. If he has to struggle with bad dirt roads, he is the man we wish to serve. These roads are the arteries of the commerce of the soil, and our very life, credit, prosperity, educational, church, and future interests depend upon them. The closer we place the producer to the markets the lower will be our cost of living. The roads which serve the producer to-day are the dirt roads, and 50 years from now the great majority of roads serving the producer will still be dirt roads—it will never be anything else. So, when it comes to determining what character of roads shall receive Federal aid, I ask what are you going to do about the dirt road, the real road of the people. It is a concrete, open proposition, and more good can be obtained in giving the major portion of your moneys to the improvement of these roads rather than to others.

Pensions.

EXTENSION OF REMARKS
OF
HON. GUY T. HELVERING,
OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 17, 1914.

On the bill (H. R. 14234) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

Mr. HELVERING. Mr. Speaker, in introducing this measure for the consideration of the House, I wish to state that the committee has very diligently and with conservatism arrived at the amounts allowed in the different cases contained in this bill.

It has been charged by some that members of the committee were taking advantage of their position on the committee by securing favorable action on their own bills. This assertion I wish to emphatically deny.

I have here in my hand a complete list of the membership and the number of cases that have been allowed each Member. While some Members have no soldiers to speak of in their districts, and therefore have but few claims, the other districts in which reside a large number of soldiers have all been treated on a uniform basis, as nearly as possible, if their claims have been properly presented and the evidence submitted to the clerk of the committee.

Nearly every day on which pension bills are considered men will rise and ask, Why not enact general legislation to meet these cases? Why not put all soldiers and the widows of old soldiers on an equal basis? As far as I am personally concerned, I would be pleased to see some general legislation passed by this House that would provide for the old soldier or his widow in such a way that they would not be subjected to want and privation, now that they have reached that age in life where the country which they perpetuated and saved has an opportunity to show its appreciation of their sacrifices.

The Sherwood Act was a great law. All over this country are many grateful hearts that are praising that great man for the gallant fight he has made in their behalf and secured for them the legislation that permits the Government to carry out its contract with the soldier, although in some cases it may come as a tardy justice. That grand old man will long live in the memory of all American soldiers.

You who question this bill do not question his motives, you do not question his sincerity, you do not question his loyalty to the flag and to the country. I am indeed proud of the privilege of serving on a committee presided over by so able, so patriotic, and so considerate a gentleman as Gen. SHERWOOD.

But you must admit, and you will admit if you lay aside your prejudice, that general legislation can not meet conditions in all cases. I have often said in the committee and on the floor of this House that we can not gauge the effect of wounds or the resulting conditions of disease. The same causes very often result in vastly different conditions. It is to meet these diverse results that we must resort to special legislation. Gentlemen have in the past, and undoubtedly will in the future, charge that it is politics that actuate Members to support these bills. I hope that no man on the floor of this House will ever be guilty of prostituting his honor, his patriotism, or his oath of office by such a thought or action. My prayer is that we may never so far depart from the ideals of our fathers as to be guilty of so base a deed.

We are men selected to carry out a sacred trust; may we never allow our faculties to become besmirched by so sordid and despicable a coating of selfishness as to prevent us from doing our duty as men and patriots. No man should prey upon the Public Treasury to promote selfish ambitions.

Who are these men and women that will receive the benefits of the passage of this bill? We might ask the question, Who were the defenders of this country in its hours of distress and distraction, and answer it by saying the men whose names you see here. What of those men? What of their loving wives, who in those days suffered in many cases, more than the loyal defender of the flag who was at the front of the battle?

Can a question of this kind ever be discussed without paying a tribute to the Union soldier? Whether his name is enrolled among the living or marks the modest headstone on some sloping hillside of the sunny Southland we honor and respect him. His great work is done. He fought a worthy fight against a gallant and courageous antagonist. History for centuries will record his deeds and assign him the place he deserves. His well-done deeds guarantee that. But to-day—what of to-day—while many of them are still with us? I say let us do our duty to the living while the privilege is ours.

Some men have been heard to remark that "it was only the stay-at-homes and the boys who went on a vacation at the end of the war" that now benefit by the liberal pension policy of our Government. I am glad to know that they at least admit it is the attitude of this great Government to have a liberal pension policy.

It is not my purpose to recall the bitter struggle, the animosities, and bitter enmities engendered by that fierce war, but when men will ridicule the patriotism, the bravery, and the fortitude of those soldiers, then I feel justified in calling attention to the conflict, the fiercest in the history of the world; and, having done so, I would ask if those who engaged in it have not paid the price for the privileges which we enjoy to-day?

I have recently read where it is estimated that there were some 2,730 battles during this war. The slain of the Union Army numbered 5,000 officers and 90,000 men, with over 180,000 who died of disease, a total of nearly 300,000 men. How does this compare with other wars and conflicts famous in history?

The losses during the Revolutionary War, including the killed, wounded, and captured of both the American and British Armies, were about 22,000 men. The loss of either the Union or Confederate Armies at the Battle of the Wilderness or Gettysburg exceeded that number.

Referring to history's pages we find that Frederick the Great lost only 6½ per cent of his force at the great Battle of Lignitz. Napoleon's loss at Austerlitz was less than 15 per cent and at Waterloo about 12 per cent.

How do these figures compare with Gettysburg, where the losses were more than 30 per cent, and at Spotsylvania, where the loss was nearly 35 per cent? Do not these figures tell a story? Do they not refute the idea that we are to-day rewarding services not well performed?

Oh, it was a glorious patriotism that carried these men through that ordeal, and it is a blessed privilege that we are to-day able to reward them for it.

Why Some Farmers Move to Canada.

Last year Jefferson County received from its 730,000 acres in the forest reserve the sum of $602 in lieu of taxes. The assessable area of that gigantic million-acre county is but 280,000 acres.

EXTENSION OF REMARKS
OF
HON. ALBERT JOHNSON,
OF WASHINGTON.

IN THE HOUSE OF REPRESENTATIVES,

Saturday, March 14, 1914,

On the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. JOHNSON of Washington. Mr. Speaker, a dozen years or so ago a sturdy, industrious, and frugal man worked in the logging camps of Grays Harbor, in the State of Washington. Having married, he desired to gain something for his young family and went to the Queets River, in Jefferson County, and took up a homestead. Painfully he cleared up a small portion of his lands and with much labor erected a neat house out of cedar shakes.

The man proved up on his land, and by continuous labor he was enabled to support his family at least in comfort. Now he says that the rapid increase in taxes has created a burden which it is impossible for him to meet. His assessment this year amounts to $92.50, and when a man lives on a ranch up in the Queets country and supports a family and is then enabled to pay $92.50 cash for taxes he has performed a wonderful work. It is almost beyond the power of any man to do it, and there is little surprise in the fact that he has gone outside to work and is now endeavoring to sell his property for what he can get, as he feels that as the years go on the burden will increase until his farm is confiscated and his children left penniless.

This man lives in a county of which more than three-fourths is in a great forest reserve. Jefferson County has an area of 1,747 square miles, or 1,078,400 acres, of which 730,000 are in the reserve. Last year Jefferson County received from the Forest Service as its share of the famous 25 per cent sales the munificent sum of $602. In other words, Jefferson County derived as revenue from 730,000 acres the sum of $602. The lands outside of the reserve had to pay for the upkeep of Jefferson County. The area of assessed lands in that gigantic million-acre county is but 280,000 acres. This is why the settlers are being crumpled up. This is why they can not celebrate Christmas. The burden is heavy for the big owners; it simply kills the small owners.

Ordinarily such a proposition as this man had would have proved attractive. The country is beautiful, the soil prolific, and, while there are no markets, because there are no roads, hard work suffices to provide the necessities of life for his family, but it is impossible to earn almost $100 in cash to contribute to the support of this beneficent Government.

This man is trying to sell, and he is only one of hundreds. In a letter to a prominent citizen of Grays Harbor he writes:

I have 149 acres of good river-valley land in township 25, range 10 west, section 26, adjoining the River Queets, in Jefferson County. The county cruise of timber is two and three-fourths million, principally spruce. I have a good six-room, two-story house, painted white. I split the timber from the tree and dressed it by hand. Also have a good bearing orchard. The ranger's statement of improvements was estimated at $3,000 in 1912, when I proved up, which all of my witnesses testified to.

My taxes increased last year from $69.13 in 1912 to $92.38 in 1913, an increase of about 33⅓ per cent per year. I am getting old. I lost 12 years of the best of my life, with untold hardships, which you know are too numerous to mention here, trying to improve a home for my children. I saw no hope, gave up in despair, and moved out. Now I can not support my family and pay rent for a farm outside and pay my taxes.

If I should take sick and see death facing me (which would probably be the only relief), it would be of no use for me to make a will, for at this rate of increase in taxes the place would be sold and a debt against it for more than it was worth when my youngest child became of age.

They tell me the tax is on the timber and improvements, and as there is a strict law against burning timber or improvements, I naturally expect the increase to continue. I can not cut all the timber down and let it rot, as I am too old.

I suppose timbermen are not kicking about taxes, as they are able to pay them, and it does a poor farmer no good to complain, for his voice never rises above his hat, and if he should attempt to present his views, his Representative will likely tell him he has an excellent memory and remembers him. That's about all it ever amounts to.

I note that commercial clubs and chambers of commerce are trying to boom the country to bring new settlers in. In my feeble judgment, their time spent in reducing taxes, by bringing about expedient legislation, would tend to keep acclimated farmers, as well as all other citizens, in the State, instead of driving them into the bread line, which means a sure increase of taxes in the future, for those hungry people must be fed by the taxpayers.

I can not desert my family and have them join the pension roll, which would mean more taxes. If I should, I would be arrested and convicted under the lazy-husband act, and the twentieth-century lash would hasten my final roll call.

I am offering my place, all told, at $3,000. Have advertised it in various papers and can not find anyone fool enough to buy. What will you give me? I will agree to remove all improvements, so as to make the tax as light on you as possible.

If you will only give me enough to pay me and my family's way across the line into Canada, where a farmer that tries to improve his place is protected, please let me hear from you; and if you do not care to buy it, would you be so kind as to call some one's attention to it that might want to buy.

Cordially, yours,

L. G. KERNS.

Mr. Speaker, I have a hundred or more letters in similar vein. During this debate I have presented several. They came from those who have pioneered for the sake of opening a great country; men who have given from 10 to 20 of the best years of their lives and who are now being slowly ground to death between two gigantic millstones—overmuch conservation and overmuch taxation.

As a pall over all stands the great, gloomy forest, containing countless millions of trees which will rot, fall, and die three times over before that forest pays a single dollar—150 or 200 years hence.

Parcel Post Limitations.

EXTENSION OF REMARKS
OF
HON. SAMUEL W. SMITH,
OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, March 21, 1914.

Mr. SAMUEL W. SMITH. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include an article from the Dry Goods Economist, of New York, Saturday, February 28, 1914.

The article is as follows:

PARCEL POST LIMITATIONS.

Valuable as is the work performed by the Post Office Department in connection with the transportation of small packages, the Government should beware of so extending it as to deprive the business community of the indispensable service rendered by private concerns.

That the express companies are fulfilling a necessary function, one which is not performed by the parcel post and in all probability can not be, is the contention of William A. Marble, president of the Merchants' Association of New York.

In an extremely interesting an instructive article in the New York Herald of last Sunday, Mr. Marble shows clearly the wide difference between the service performed by the parcel post and by the express companies.

Inasmuch as it was the Merchants' Association of New York which three years ago organized a Nation-wide movement for the regulation of the express companies, resulting in the reform of the express companies' methods and exerting an important influence toward the establishment of the parcel post, it would be safe to assume that its president has no bias in favor of the companies, even if the absence of such a feeling were not clearly apparent in Mr. Marble's article.

An accurate presentation of the facts in the case is of great value at the present time, in view of the tendency on the part of the Post Office Department to extend the operations of the parcel post even further than it has been carried by recent new regulations. It is to be hoped that President Marble's statements will receive all the consideration they so well deserve at the hands of the Washington administration, as well as from business men throughout the country.

That the parcel post is an immense public benefit President Marble freely admits. He recognizes that the operations of the express companies are, in the main, restricted to the lines of the railways, and that prior to the establishment of the parcel

post all of the population not living in or adjacent to railroad towns was without effective means for cheap and speedy transmission of parcels. Furthermore, the gap between the 60,000 post offices and the 32,000 express offices has been bridged by the parcel post.

In addition, the parcel post charges for small packages are, in the main, materially lower than those imposed by the express companies. There is a reason for this, however. The express companies furnish facilities which are not provided by the parcel post. They collect parcels and give a receipt therefor. They assume responsibility for loss or damage—without extra charge up to the $50 limit, and to any extent in excess of that sum on payment of an additional insurance charge.

All this means a great increase in the express companies' expenses, since an elaborate and complete accounting system is needed to keep track of each of the millions of packages transported.

The Post Office gives no receipts, makes no record of individual parcels, and thus does not require waybills, delivery sheets, or vouchers. It has no detailed accounts with the railroads, but pays them on a basis of bulk weight, computed, by weighing, once in four years. It assumes only a limited responsibility and this only on prepayment of an additional fee.

But, more than this, the parcel post does not provide for the transportation of perishable articles, while certain others are wholly excluded from the mails. All parcel-post packages, too, are subject to opening and examination by the post-office clerks. Again, the parcel post makes no safe provision for the transportation of valuable papers, currency, coin, bullion, jewelry, and similar articles, the movement of which is large; nor does it provide for the safe transportation of fragile packages, which are carried by the express companies in safety trunks.

These disadvantages of the parcel post could not be offset by lower rates. The new express rates on packages of four pounds and upward, as Mr. Marble points out, are approximately as low as, and in some cases lower than, the parcel-post charges; and they include all the costs attaching to a shipment, while the parcel-post charges include only a part of them.

Mr. Marble further points to the indispensability of the express service to merchants in particular. That over 90 per cent of all the express shipments leaving New York are merchants' shipments is largely accounted for, he says, by the comparison above made between express and parcel-post facilities. Merchants need to have their outgoing packages "picked up" by a collection service. They must be protected by receipts. Precautions must be taken against damage, and the safety of valuable packages must as nearly as possible be assured. Indemnity against loss and against damage must be given. Provision must also be made for the transportation of articles of every class, fragile, perishable, and so forth.

To what, then, could merchants have recourse if the express companies were to be driven out of business, is a question which calls for the most serious consideration. And that the express companies would be driven out of business were the Government's facilities extended so as to make the companies' operations unprofitable is easy of demonstration.

In Mr. Marble's opinion, the mere raising of the parcel post weight limit to 100 pounds—which has already been suggested—would sufficiently lessen the volume of traffic available to the express companies to make their business profitless and force their retirement.

The result, as above suggested, would be a serious loss of transportation facilities to the business world. Nor would this loss be offset by the feeling that a "grasping monopoly had been put out of business." The defects, abuses, and excessive rates of the express companies, Mr. Marble asserts, have been thoroughly ironed out. Their efficiency is higher than ever before. Their rates are prescribed by process of law and are as nearly reasonable as it is practicable to make them until they have been tried out through actual operation during a reasonable period of time.

On the other hand, the actual cost of the parcel post is not known. We are glad that Mr. Marble has touched on this point, because it is a fact, as the Economist has endeavored to show, that the Government is not proceeding on a proper business basis in connection with the extension of the parcel post.

The Economist has more than once referred to the injustice done the railroads by the absence of increased payment for the increased service they are compelled to render the Government. Mr. Marble states that thus far the railroads have been paid almost nothing for parcel-post transportation. It is obvious that the outlay in this direction must be increased, and enormously so. The entire machinery of the Postal Service must also be greatly enlarged. There will be need of new terminal buildings and wagon service, of new post-office buildings, and of an army of new employees. "Not until all of these expenses have fully accrued can the true cost of the parcel post be known; and until it is known and the actual revenues are likewise known it is idle," says Mr. Marble, "to contend that the new service is paying its way. To venture further into a far wider field and to assume far greater risk until the financial results of the present undertaking are positively developed would be the wildest financial plunging."

We are satisfied that the merchants and manufacturers will indorse this view. The parcel post, though doubtless it enables the mail-order houses to still further encroach on the trade of the smaller retailers, is, up to a certain point, an advantage to our citizens as a whole. And, as the Economist showed by its recent canvass, much of the harm that would be done even to the smaller merchant is eliminated by the zone system. Granting all this, however, it is equally obvious that so long as the express companies "behave themselves"—and they are now compelled to do so by the Interstate Commerce Commission—there is no good reason for the extension of the Government's activities in the merchandise transportation field. And this is all the more the case if, as seems only too sure, this extension would entail the destruction of transportation agencies which, it is very evident, the Government is in no position to replace.

District of Columbia Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. WILLIAM J. CARY,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 24, 1914.

On the bill (H. R. 10523) making appropriations to provide for expenses of the government of the District of Columbia for the fiscal year ending June 30, 1915, and for other purposes.

Mr. CARY. Mr. Speaker, in the course of my remarks on December 19, 1913, in replying to a statement by the gentleman from North Carolina [Mr. PAGE] concerning the purchase of automobiles for District officials, I said that the gentleman probably was unaware of the fact that the purchase of the machine to which he referred was "never authorized for the engineer commissioner, but for the superintendent of street sweeping." A little later, the gentleman from Mississippi [Mr. SISSON] declared that the appropriation act of 1911 specifically authorized the "purchase and maintenance of an automobile for the official use only of the engineer commissioner and the assistant engineer commissioner," and set apart $2,400, or so much of that sum as might be necessary, for that purpose. Then the gentleman from Illinois [Mr. MANN], in his remarks upon the subject, stated that—

there are no assistants to the heads of departments who ride in the automobiles unless they own them. The Government does not provide motor vehicles for the heads of departments, much less for their assistants.

Now, Mr. Speaker, what are the facts concerning this matter? Let us see. In their estimates for the fiscal year ended June 30, 1911, the commissioners made a request, as follows:

For the purchase and maintenance of one motor vehicle for use in inspection by the assistants of the engineer commissioner, or so much thereof as may be necessary, $2,400.

In the hearings before the subcommittee of the Committee on Appropriations they renewed the request. (See House hearings, pp. 71, 93, 94, and 95.) In the hearings upon this bill before the subcommittee of the Committee on Appropriations of the Senate they renewed this same request in identical language. (See Senate hearings, p. 66.) But one machine was asked for and but one was authorized, and it, as the commissioners stated, was to be used officially by the assistants of the engineer commissioner. There was absolutely no understanding by the members of the House or Senate committee that the machine was to be used by the engineer commissioner. How, then, is the statement made by the gentleman from Mississippi [Mr. SISSON] to be explained? Simply in this way: When the bill was taken up by the conferees the words "of the engineer commissioner and" were juggled into the bill, making the entire paragraph read as follows:

For the purchase and maintenance of one motor vehicle for the official use only of the engineer commissioner and of the assistants to the engineer commissioner in inspection work, $2,400, or so much thereof as may be necessary, to be immediately available.

Why and at whose suggestion was this done? What was to be gained by such procedure? Here are five words injected

into the appropriation act. They are not there as an amendment proposed by the Senate, but were inserted absolutely without authority from either branch of Congress.

Soon after July 1, 1910, when the appropriation for the District became available, the machine was purchased and turned over to Capt. Markham, one of the assistants to the engineer commissioner, and used by him, and by him alone. At no time did the engineer commissioner use it. After the retirement of Capt. Markham it was turned over to Capt. Schley, his successor, and since then he alone has used it.

Mr. Speaker, it is time that a halt be called upon such legislation. No wonder that Members of this House and even residents of the National Capital are strongly inclined to favor the abrogation of the half-and-half compact. Without expressing my own views on that subject, I do not hesitate to say that it would be infinitely better to abolish the existing arrangement than to maintain it under the present questionable methods of administration.

ENGINEER COMMISSIONER'S AUTOMOBILE.

In their estimates for the fiscal year ending June 30, 1913, the commissioners asked for an automobile for the superintendent of street cleaning, the cost of which was specifically fixed by them at $2,000. (See Book of Estimates for the fiscal year 1913, p. 468.) Here, it will be observed, there was no reference to the engineer commissioner. And yet when the money for the purchase of this machine became available Engineer Commissioner Judson bought an automobile for his own use, for which he paid $2,350, which was $350 more than Congress appropriated. Instead, however, of turning the machine over to the superintendent of street cleaning, as they told the committees of Congress they intended to do, it was appropriated by Engineer Commissioner Judson and used by him. It is now used by the present engineer commissioner, Col. Harding. Here we have, Mr. Speaker, another case of juggling in conference. I would have you bear in mind, however, that I am not charging the conferees with deliberate wrongdoing in this matter. I am willing to concede that they acted honestly. But I can not avoid the conclusion that they were deliberately misled, and that but for outside influences—in plain terms, official misrepresentation by the District Commissioners—the changes in the law which I have pointed out would not have been made. Certain it is that without the semblance of authority the appropriation act, as it went from this House and as it came from the Senate, was altered in a manner which enabled the commissioners to use money appropriated for specific public purposes illegally. The evil consequences of such legislation—if it may be dignified by that name—are seen in the fact that, under the shelter afforded by the change made in the bill, the commissioners later purchased five additional automobiles—one for the superintendent of street cleaning, one for the first assistant superintendent, one for the second assistant (a man who has been illegally employed for more than a year), one for the chief inspector, and one for the foreman of repairs. There is not a member of either the House or Senate Appropriations Committee who ever saw in writing or heard expressed in words a request for money with which to purchase these machines, or any one of them. The transaction was illegal from start to finish, and was the outgrowth of the juggle in conference to which I have referred and of dishonesty on the part of the late Board of District Commissioners.

Now, Mr. Speaker, as further showing the illegal use of public funds by the District authorities, let me call special attention to the case of the second assistant superintendent of street cleaning, a man named F. C. Bamman. I have had occasion to refer to him before. In their estimates for the fiscal year 1914, under the head of "Salaries, street-cleaning department," the commissioners submitted an item for a new office, that of "second assistant superintendent (submitted), $1,400." (See Book of Estimates, 1914, p. 712.) Congress flatly refused the request. It was plain that there was no necessity for saddling upon the Government and the District this additional expense. During the incumbency of the predecessor of the present superintendent the department had been economically and very efficiently conducted with but one assistant. There had been perfect supervision of every branch of the work, without imposing the slightest hardship upon any member of the force. But in the face of the refusal of Congress to create this new office the commissioners, wholly without authority of law, appointed F. C. Bamman second assistant superintendent at a salary of $4.50 per diem, equal to about $1,600 a year. Let the fact be kept in mind, Mr. Speaker, that Congress refused to create this new office and that not one penny had been appropriated for the purpose of paying an additional superintendent. Yet, in defiance of Congress and in direct violation of law, the commissioners put the name of this man Bamman on their pay roll at a compensation equal to $1,600 a year, and have kept it there, for he is still employed. He is holding the job now, although the commissioners have known for some time that there was objection to his appointment and employment on the ground that it was not authorized by law. Were the Doorkeeper of the House to appoint an extra page at $75 a month without authority for such action, he would be promptly called to account. But the District Commissioners, ignoring the will of Congress, created an unnecessary office and selected a man to fill it at a salary about twice as large. Out of what fund is this man paid for his services, or, rather, for putting in his time?

The committees of Congress are careful to say what the moneys appropriated for District purposes shall be used for. Now, let some one tell me where the commissioners are getting the $1,600 which they are handing out to this man Bamman. Who can do it? Not satisfied, however, with this illegal expenditure, they have provided Mr. Bamman with an automobile, the purchase of which Congress never authorized. Mr. Speaker, I believe in dealing fairly with the District, but I also believe that the District, through its officials, should deal fairly, truthfully, and honestly with Congress. Just now certain Members of this body are being held up by the Washington newspapers and through printed circulars sent to every section of the country as the enemies of the National Capital, and this in face of the fact that men appointed to administer District affairs have pursued methods which in most places would be called crooked.

ILLEGAL PURCHASE OF STREET-SWEEPING MACHINES.

But let me go back a little. Three years ago I called attention to the illegal purchase by the commissioners of a number of street-sweeping machines. Reference to the Senate hearings on the District bill for the fiscal year ended June 30, 1912, pages 32 and 33, will show that the commissioners appeared before the committee and made a request for an appropriation of $6,500 for the purchase of street-sweeping machines, which they had already purchased and which were secretly stored away in a certain stable. In my remarks I pointed out to the House at that time that the District authorities deliberately deceived the committee. Here are the facts:

Some time before, when the street-cleaning department was under the direction of John A. Johnston, one of the civil commissioners, that official purchased 16 street-sweeping machines. Ten of them were bought and paid for out of a fund specifically set apart by Congress for the removal of snow and ice from the streets, a fact of which Commissioner Johnston was fully cognizant. In other words, this was another case of the illegal use of public money. When the machines reached Washington they were hidden away, first in a building in the southwest section of the city and later in a barn located in an alley in the northwest section. It seems that the commissioner was anxious that it should not become known that they were in Washington.

But now, Mr. Speaker, I come to the point to which I invite special attention. Four weeks after these machines had been illegally bought and paid for the commissioners, as I have said, appeared before the subcommittee of the Senate Committee on Appropriations and requested and urged an appropriation of $6,500 for the purpose of purchasing street-sweeping machines which they had already purchased and had caused to be secretly hidden away. They sought, and succeeded in their effort, to create the impression that the transaction was one in contemplation, whereas it had been consummated some weeks previously. What name shall I give this ugly transaction? What, in your opinion, should it be called? Using the mildest terms applicable to it, I brand it as a case of obtaining money and property by false pretenses. As a result of this misrepresentation and false pretense Congress added $10,000 to the District appropriation bill. In justice to Engineer Commissioner Judson, it should be said that he did not specially concern himself with this transaction, which was doubtless too small to interest him. In other words, it was not large enough to insure satisfactory financial returns.

Here we have a case where the commissioners actually purchased 16 street-sweeping machines without any authority in law, and there was no authority in law for their use, even if they had been legally purchased. They were stored away and never used until the 1st of July, 1911. The act of Congress approved May 18, 1910, appropriated the sum of $10,000 "for cleaning snow and ice from streets, sidewalks, crosswalks, and gutters, including services," which appropriation, as you see, carried with it no authority whatever to purchase machinery of any description. The cost of 10 of the machines was charged to that appropriation. The secret manner of putting this deal

through is seen in the following order sent out by the property clerk:

JANUARY 7, 1911.

Inclosed is a voucher made out in your favor concerning the machines in question, and if you will please sign at the place indicated by pencil (x) and forward to me marked "personal," I will see that settlement is made in due course after the machines are received. Please acknowledge receipt of this order and advise date and route of shipment, if accepted.

Yours, very respectfully,

M. HARGROVE,
Property Clerk, District of Columbia.

No bids were ever solicited for the purchase of these machines, as the law requires, and the price paid by the commissioners was largely in excess of what the firm offered to sell them to the District for in case the order came in the regular legal way, through the superintendent of the street-cleaning department. The firm of Hvass & Co., New York, sent their representative to Washington on or about the 8th of January, 1911, and urged that the order come to them in the regular way, and asked who was to get the "rake-off," as the price allowed was the same as paid by the city of New York, which was at least $50 per machine more than the firm would charge the city of Washington on a large order, such as this, for 16 machines.

President Taft was advised of this illegal transaction—was fully informed as to its illegality—but took no action whatever, except to refer the matter to the commissioners, who proceeded to pigeon-hole it. This is a sample of the way they do business in this alleged "best-governed city in the world."

ILLEGAL USE OF PUBLIC VEHICLES.

Every District of Columbia appropriation act for the past 10 years has carried a provision under the title "Contingent and miscellaneous expenses," prohibiting the commissioners from using public vehicles for any purpose except the public business. In the act approved May 18, 1910, the proviso was as follows:

Provided, That horses and vehicles appropriated for in this act shall not be used by the commissioners for any other purpose than to visit such points within the District of Columbia as it may be necessary to visit in order to enable them to inspect or inform themselves concerning any public work or property belonging to the said District or to do any other act necessary to the administration of its affairs.

The following affidavit will show how one of the commissioners—John A. Johnston—complied with this strict provision of the law:

AFFIDAVIT OF JAMES GORDON.

CITY OF WASHINGTON, *District of Columbia, ss:*

Personally appeared before me, a notary public in and for the District of Columbia, James Gordon, who, being first sworn, deposes and says:

That he drove the official carriage assigned to Commissioner Johnston for his official use at the District Building from October 4, 1910, to December 30, 1910; that during said period of time he received all his orders from Commissioner Johnston; that his duties consisted in driving Mr. Ralph B. Pratt from his residence in Brightwood, D. C., to the District Building and back; in driving Mrs. Pratt from her residence in Brightwood to market and back and on her various shopping tours throughout the city and on her various visiting trips in Mount Pleasant and about the city and in hauling their colored servant to such points as she desired to go.

My pay was $50 per month, and the above-named work consumed practically all of my time.

I have been informed that other drivers of the horse and carriage performed similar duties.

Commissioner Johnston never rode anywhere in the carriage to my knowledge.

As soon as this unlawful use of the horse and carriage got noised about in public I was dismissed from the service.

(Signed) JAMES GORDON.

Subscribed and sworn to before me, a notary public in and for the District of Columbia, this 20th day of March, 1911.

[SEAL.] HORACE R. GEORGE,
Notary Public, District of Columbia.

Here, Mr. Speaker, we have a commissioner of the District, a man who knew the law and whose duty it was to enforce it, deliberately violating it by the use of public property for private purposes. The sworn statement of his driver, a man of good repute, whose services had been entirely satisfactory until misuse of the District's horse and carriage started some unsavory and dangerous gossip, shows how this District official, this inflated "general," who won his title amid the terrors of an executive session of the Senate with the help of Theodore Roosevelt, regarded the mandate of the highest lawmaking body in the world. Expressed in dollars and cents, Johnston's brazen egoism was costing the Government and the taxpayers of the District $1,100 a year. Perhaps that was not much. It all depends upon the point of view. To the fair-minded legislator it was enough, if attention had been called to it at the time and action taken concerning it, to warrant a demand for the immediate removal of Capt. Johnston from membership in the Board of Commissioners.

Why, Mr. Speaker, when Capt. Johnston asked for an increase of $1,000 a year in his salary Congress refused the request on the ground that he and his associates were already sufficiently compensated for the services they were rendering to the District. There might have been some justification for increasing the compensation of the triumvirate of which Capt. Johnston was a conspicuous and shining light, for they were public servants, chosen after prolonged and painful consideration by the President of the United States; but what excuse can be found for such flagrant and unauthorized use of the people's money as that of which this second-hand and self-important "general" was guilty?

Johnston had the use of two District horses, one open carriage, one closed coupé, and a driver. The driver drew $50 a month, or $600 a year, while for horse feed, repairs, and other expenses the cost amounted to $500 a year. These items make up the $1,100 a year to which I have referred. Johnston's use of this outfit was confined to a single ride from the residence of his wife to the District building the day following his induction into office. At no other time during his three and a half years of service did he use a public conveyance. Now, to what use were the two horses and two carriages put? Gordon, in his affidavit, says that he drove Mr. Pratt, Johnston's private secretary, once a day and back from his residence in Brightwood to the District building; that they were used by Mrs. Pratt, who, with the knowledge and approval of Johnston, went about the city in making marketing and shopping trips and in paying and returning social calls. Finally, Mr. Speaker, this public property, maintained at public expense and set apart for official use only by the commissioner, was used by the colored servant of Mrs. Pratt in traveling from place to place in the District. Now, let my friend from North Carolina—and other gentlemen from the sunny South—when he returns to his constituents tell the good people of his district, when once again he seeks their suffrages, that he voted for a measure appropriating public money for the use of negro servants.

Bear in mind, Mr. Speaker, that all this took place in this town, where they say they have "a model city government"—it all took place in this "best governed city of the world."

SWINDLING THE GOVERNMENT OUT OF $60,000.

Mr. Speaker, I have shown how Members of Congress have been deceived by the District Commissioners in order to secure appropriations for illegal purposes. I wish now to turn to a little local history of recent date and show the Members of this House how the commissioners have carried on their unlawful practices in matters with respect to which Congress could have no knowledge. Some time prior to the appointment of John A. Johnston as a District Commissioner, it was discovered by the superintendent of street cleaning that certain contractors had annually received thousands of dollars for services which they had not rendered. Large overpayments had been made to them for work they had not performed. This related to the alley and machine-swept sections of the city. In the summer of 1909 the superintendent of street cleaning laid the matter before the Hon. Henry L. West, commissioner in charge of street cleaning, who directed him to lose no time in ascertaining the amounts of the overpayments, to the end that restitution might be made to the District. Before anything further could be done, however, Mr. West resigned on November 28, 1909, and in January, 1910, John A. Johnston was appointed to take his place. The official records of the street cleaning department having been destroyed by former Supt. John T. Twohey, a request was made in March, 1910, by the superintendent of street cleaning to Alonzo Tweedale, auditor for the District, for the temporary use of the duplicate street and alley-cleaning daily reports, then in his office, in order that overpayments made to certain contractors might be figured out and the amounts recovered and turned into the Treasury. Tweedale orally consented to the loan of the reports, but suggested that the request for their temporary use be put in writing. Deputy Auditor Daniel J. Donovan also verbally approved the request, but suggested that it be put in writing, and said he would approve it when it came to him in that shape. The suggestion made by the auditor, and also by his deputy, was complied with by the superintendent of street cleaning, and the written request was made to the auditor for the loan of the machine-sweeping and the alley-cleaning reports. Thereupon, on receipt of the request in writing, the deputy auditor, Donovan, wrote an indorsement that the request of the superintendent of street cleaning be denied, which indorsement was approved and officially signed by Auditor Tweedale, who forwarded the same to Commissioner Johnston—he at the time having general supervision over the street cleaning department and the auditor's office—who, in turn, approved the official duplicity and trickery of the auditor and his deputy. As a result of the concerted action by these three District officials it was impossible for the superintendent of street cleaning to ascertain the amounts of these overpayments to contractors,

and the District was swindled out of a sum of money conservatively estimated at $60,000.

SUBSIDIZING THE LOCAL PRESS.

Mr. Speaker, when the District of Columbia appropriation bill was under consideration in the House, on the 19th of last December, I offered an amendment of the following tenor:

On page 17, line 7, after the figures "$4,700," insert the words: "*Provided*, That hereafter all general advertising, including tax and school notices and notices of changes in regulations, shall be published in one daily newspaper of wide circulation published in the District of Columbia and be let to the lowest bidder: *Provided further*, That the Commissioners of the District of Columbia are hereby authorized and directed to invite proposals to carry out the provisions of this amendment: *And provided further*, That all laws and parts of laws inconsistent with the provisions of this act are hereby repealed."

This amendment went out on a point of order that it was new legislation. It was offered by me for the purpose of curing one of many local evils, namely, of preventing the commissioners from farming out the city advertising in about equal proportions to each of the four daily papers published here, which proceeding amounts to a subsidy to each of these papers. So rank has this abuse become that it is impossible to get fair treatment at the hands of one of these papers. It is so rank, indeed, that, in my judgment, if the late lamented Col. Judson and his fellow commissioners of easy consciences had sold the Municipal Building and divided the proceeds not one of the local papers would have dared insert a news item concerning it.

These same newspapers are daily clamoring against the abrogation of the half-and-half plan, and yet not one of them dares to come out in its news or editorial columns and advocate honesty in the management of local affairs. On the 19th of last December I showed on the floor of this House how the office of one of the departments of the local government had been conducted at a cost of $5,700 per annum while it was under one of the civil commissioners, whereas after the same office had been transferred to the military commissioner the cost of conducting it jumped to $12,240 per annum, or more than double. Local taxpayers paid $2,850 per annum while the office was conducted by one of the civil commissioners, whereas they are now forced to pay $6,120 per annum, or more than twice as much, for the same service, because it is handed out to them by the military arm of the local government. No local paper would pay any attention whatever to this wasteful expenditure—this reckless use of the public funds—because by so doing it might endanger the organic act. In other words, they are so subsidized as to become blinded, and so married to the organic act that they will in no manner assist any one of us in our efforts to secure something approaching common honesty in the management of local affairs.

KLINGLE FORD VALLEY STEAL.

Before closing my remarks on the shortcomings of Col. Judson and other members of the Board of Commissioners I desire to briefly call your attention to what is known as the Klingle Ford Valley steal. In order that Members may have a clearer and better understanding of this matter as I proceed, I will ask that they kindly bear in mind that it was currently reported about the city, and especially in exclusive circles about the financial district, that Col. Judson was to get one-third of the proceeds in case he succeeded to buncoing Congress out of $300,000 for some waste land that was absolutely useless and unsalable. Having failed in his effort, the quantity of land originally offered was increased by 4½ acres, but the price dropped $110,000, being a drop of $10,000 more than the rake-off which Col. Judson was supposed to get. Here is the evidence from the record:

In the Book of Estimates for the fiscal year ending June 30, 1912, at page 466, will be found an estimate, as follows:

For the purchase of 24½ acres of land in Klingle Ford Valley, $300,000.

At the hearings on this proposition, held on December 15, 1910, before the subcommittee of the Committee on Appropriations of this House, Col. Judson said:

The reason why it is necessary to get it in now is that if we do not get it now we never can get it.

Mr. Burleson asked:

Was this project started by the commissioners, or were you instigated by somebody else?

Col. Judson answered:

This was started by us. This section is all building up, and if you do not get it pretty soon you can not get it at all.

Mr. TAYLOR. You think you will have to do it now in order to do it at any time?

Col. JUDSON. Yes.

Furthur on Judson said:

Now, this proposes to take the waste land for public use. It proposes to take the most undesirable land, * * * which is a hole in the ground.

On November 29, 1910, a committee of three local architects, at Maj. Judson's request, wrote him favoring the project. See House hearings, pages 172, 173, 174, 175, 176.

This steal was exposed in the House and went out of the bill.

Thereafter Maj. Judson strenuously endeavored to get the Senate Committee on Appropriations to insert the item in the bill, which they did, but it was exposed and died on the floor of the Senate. In his dying appeal before the Senate committee, Maj. Judson said:

This is our last chance to get that particular piece. I have held them off—

Meaning real estate men—

for six or eight months from filling it up.

See Senate hearings, pages 133, 134, 135.

But the hole is still there, nor has there been the slightest move in the direction of filling it up. Why? I leave the answer to the question to you. The hair on the head of the youngest man in this House will be as white as snow before it is filled up.

In their estimates for the fiscal year ending June 30, 1913, at page 501, will be found an estimate as follows:

For the purchase of 28½ acres of land in Klingle Ford Valley, $190,000.

Maj. Judson requested that this amount be further reduced to $180,000. See House hearings on District of Columbia appropriation bill, 1913, at page 228. The option under which he was probably working the previous year had doubtless expired. Maj. Judson made no explanation whatever to the subcommittees of the Committees on Appropriations of the House and Senate as to why he was asking for only $180,000 for the purchase of 28½ acres, while the previous year he had begged for the sum of $300,000 for the purchase of 24½ acres, saying "this is our last chance to get that particular piece." Suddenly, in the short space of 12 months, he had increased the amount of land to be taken by 4½ acres and decreased the purchase price of this increased amount of land by the sum of $120,000. All this happened in face of the fact that land everywhere in the District of Columbia was constantly increasing in value. If 24½ acres were, as Judson said, worth $300,000, then, at the same rate, 28½ acres would be worth $351,852, or $171,852 more than his second estimate called for.

Now, Mr. Speaker, let me go back again to the present agitation over the half-and-half plan in the District by calling attention to a stirring appeal, in the shape of an unsigned special notice, which appeared in the issue of the Evening Star under "Special notices," of Wednesday, March 4, 1914, on page 3. In this appeal the people of Washington are urged to "please talk with your Member at once and tell him our people are not grafters and our municipal government is honestly conducted."

How does this statement, this appeal in the Evening Star, tally with the facts, the record evidence, I have laid before you? Why have not the people of the District, the men who are front and foremost in its affairs, been as quick and as prompt to detect frauds—such frauds as I have shown you and of which there is abundant proof—as they are when they feel that there is danger of losing the half-and-half plan, to besiege Congress with protests against such action, based on the honesty of the local government?

In the Book of Estimates for the fiscal year ending June 30, 1914, at page 768, will be found an estimate as follows:

For the purchase of 28½ acres of land in Klingle Ford Valley, $190,000.

In the hearings before the subcommittee of the Appropriations Committee of the House, the engineer of the Chevy Chase Land Co. admitted that of the 28½ acres to be taken about 9 acres belong to that company. Said he: "It takes all the low ground." In other words, it was proposed to purchase "all the low ground" owned by that company at that point, or, as Maj. Judson put it, "the waste land," a "hole in the ground."

No appeal was made by Maj. Judson or by either member of the board to keep the item in the bill.

In their estimates for the fiscal year ending June 30, 1915, the commissioners make no mention whatever of this Klingle Ford Valley steal.

JUDSON AND THE CANAL ZONE JOB.

Mr. Speaker, I have here a clipping from the Washington Herald of March 20, 1914, which, I feel sure, was a source of gratification to more than one Member of this House. It is headed—

JUDSON NOT TO GET CANAL JOB.

Col. Goethals came to Washington yesterday from New York, and after conferring with Secretary of War Garrison about Panama Canal matters returned to New York, whence he will sail to-day for Panama.

Recommendations of Col. Goethals for filling the important positions in the permanent government of the Canal Zone, which goes into effect

April 1, have been approved by Secretary Garrison. It is expected that announcement of these details will be made to-morrow.

It was learned yesterday that Lieut. Col. William V. Judson, former Engineer Commissioner for the District, who has been on duty with the Canal Commission for the last year, will not have a place in the permanent zone government.

Mr. Speaker, it is noteworthy that Col. Judson is not to be a member of the cabinet of Col. Goethals, especially in view of the fact that some months ago his record as an official of the District government was forwarded to Col Goethals, and also placed in the hands of the Secretary of War and the President of the United States.

LEGISLATION BY EXECUTIVE ORDER.

In conclusion, Mr. Speaker, I make the statement, which I do not doubt will surprise Members of this House, that legislation for the District which affected the engineer department has been secured by executive order. For years it has been the custom of the engineer commissioner, when he wished to create a new office as a means of increasing official patronage, to come to Congress with a request for the appropriation of a considerable sum for an additional employee to be carried on the annual roll. If, however, the committees of the House and Senate, not being able to see the necessity for such action, refused to make the recommendation asked for by the engineer commissioner, the latter proceeded to create the office anyway, and to appoint a man to fill it at a per diem salary, always much larger than the annual salary requested. Then at the next session of Congress the commissioner again gets into the District estimates an item asking for the creation of the same office for which request had previously been made, but which in the meantime had been created by executive order and filled by appointment at an excessive per diem salary, basing his appeal upon the ground that favorable action upon it would result in a large saving to the Government and the District, because the annual salary for the new official would be much less than the daily compensation allowed him when figured out for the entire year. In this way, Mr. Speaker, Congress has been repeatedly fooled into making appropriations which its committees had refused to sanction at former sessions. This, I must say, however, has, so far as I know, been confined exclusively to the engineer department of the District government. I do not know that the civil commissioners have ever resorted to such trickery to accomplish their ends.

RECORD OF COL. WILLIAM V. JUDSON.

On January 2, 1913, Senator JACOB H. GALLINGER, of New Hampshire, testified as follows at the investigation of the insurance companies of the District of Columbia:

This is the first time I ever have criticized Col. Judson in my life. In thinking the matter over, I recalled the fact that a certain prominent citizen of the District said to me not long ago, "Col. Judson is a very able man, but his mind is so queerly constituted that no one but Infinite Wisdom can understand it." Now, I do not know whether that is so or not. I think he is a little difficult to understand at times; but whether it is so or not, I have come to the conclusion that his restless spirit, after he has attended to his affairs as commissioner, leads him to interfere with the business of pretty much everybody else in the District of Columbia. Col. Judson is a martinet. He is a military man. He is a dominant man. He likes to control affairs and men; and I think I would not transgress the proprieties if I said that I think he is something of a marplot, as some military men are. And so he reaches out and takes control of things which perhaps he might well leave alone. Now, because of this restless activity of Col. Judson, this great desire of his to control things, he sometimes gets the dendrite of the brain a little twisted. That is rather an unusual word, "dendrite," but it was one I learned a great many years ago in a medical college; and if you will take a medical dictionary, you will find out what it means. I say that he gets the dendrite of his brain a little mixed, so that he does not see things straight, nor think along straight lines, nor act on straight lines.

Now, think of what Col. Judson did. Here is a young man who was supporting his widowed mother and supporting a wife and a child. He had made an honorable record. He had made mistakes, no doubt, and only Heaven knows who has not made mistakes; I do not know. And yet this entire investigation was precipitated without the Commissioners of the District of Columbia saying a single word to that young man concerning it. Col. Judson went to the extent of writing a resolution, which he asked his associates to pass, to depose this young man from his position. Why, they do not do that in the departments in Washington with reference to a watchman. The man who sits at the door of one of our departments has a right to be heard and has a right to present his side of the case. But Col. Judson proposed to take this young man, with his widowed mother dependent upon him and his own family dependent upon him, and throw him out of his office without an opportunity to say a word in his own defense. It is a most extraordinary procedure, the most extraordinary procedure that has come under my observation, and I do not think it can be too severely condemned. If the young man ought to be driven out from the office, let it be done decently and in order, and let him have an opportunity to be heard in his own defense and give his side of the case before such drastic action is taken. It is greatly to the credit of Col. Judson's associate commissioners that they refused to pass that resolution, which would have been, to my mind, a wicked thing. (Insurance Investigation, Doc. No. 5, pp. 439, 440, 441.)

On February 5, 1913, at a meeting of the subcommittee of the Committee on the District of Columbia investigating charges filed by Col. Judson against the commissioner of fire insurance, Mr. Charles F. Carusi, in a written motion, declared that "a public official, Engineer Commissioner Lieut. Col. Judson," was serving as the instrument of a deliberate conspiracy to wreck certain insurance companies of the District." (Doc. No. 28, Insurance Investigation, p. 2003.)

On February 10, in the course of an argument before the same committee, Mr. Charles A. Douglas referred to Col. Judson as "a man whose mind is filled with suspicion of everybody and everything excepting himself." (Doc. No. 28, p. 2063.)

On the following day, resuming his argument, Mr. Douglas, after declaring that "this attack was brought on these companies as the result of a deliberate conspiracy to ruin them," charged that the originator of the plot

put the torch in the hands of Col. Judson and made out of him a willing tool to do this work. * * * I charge that the split that took place between Mr. Rudolph and the two other commissioners grew out of the fact that Rudolph would not lend himself to this attack without hearing, would not lend himself to this charge without an investigation, and when Rudolph refused to join hands with them they took the insurance department out of his hands bodily and took it to themselves. (Doc. No. 28, pp. 2089, 2090.)

On February 12, Mr. James S. Easby-Smith, addressing the committee, said:

Gentlemen, I shall not attempt to characterize the conduct of Col. Judson in this case. The course of dishonor which he has pursued in this case is irrevocably and imperishably bound up in these printed pages, which speak silently but more eloquently than any human tongue may speak of that dishonor. It is useless to apply epithets to a man who has dealt doubly with every man with whom he came in contact, who has viciously misled a member of this committee [Mr. Redfield], who has over and over again in the same breath called a man his friend and has traduced him—a man who has been repeatedly contradicted by every reputable witness who has appeared before you in this case. I doubt not that Col Judson would have hesitated long in entering upon his course of action in this case had he realized that the searchlight of truth would be turned upon his accusation and that the X ray of cross-examination would penetrate the innermost and darkest recesses of his insinuating and suspicious soul. (Doc. No. 28, pp. 2111, 2112.)

[Extract from testimony given by H. H. Darneille, under oath, and statement made by Hon. BEN JOHNSON on January 24, 1913, at the hearing before a subcommittee of the Committee on the District of Columbia, investigating the insurance department and certain local insurance companies.]

Mr. Darneille, under oath, said:

Col. Judson has said to me that Mr. LOBECK was a crook, Mr. CARY was a grafter, and that BEN JOHNSON was absolutely insane. He has also said to me that "we (meaning the commissioners) would get our increase of pay if Burleson was toting fair, but that he was not."

Thereupon the Hon. BEN JOHNSON, chairman, said:

Before going further with this I feel that I am entitled to say something. As to whether or not I am crazy, I shall have no argument with Col. Judson or with anybody else, because that may be true. I am not ready to accept for any purpose that the gentlemen named are corrupt. If everybody who differs with Col. Judson in his high-handed methods of doing things here is to be called crazy, I believe that nine-tenths of the people of the District of Columbia would be put in the insane asylum. The question arises as to Col. Judson as a witness and as to his credibility as a witness. If it could be established that he is not entitled to credit on oath because of a lack of veracity, I think that would be admissible. If it can be established that he is a common traducer, without regard to truth, I think that would be admissible. It occurs to me from what I have seen of Col. Judson's conduct in this matter and others that he is entirely too free with the use of other people's names. In addition to the names just mentioned, Col. Judson has told me, in this room, that Mr. O'SHAUNESSY, of the District Committee, was a common crook. He has also told me that another member of this committee, when a candidate for reelection two years ago, had gone among his creditor constituents and had said to them that if he could be reelected to Congress he would be made chairman of the District Committee, from which source he would get money enough to pay his debts. I have spoken to the Member upon the subject, and he has asked me not to mention his name, and in consequence of that I will not do so. I heard Col. Judson and Mr. C. C. Glover sit here and testify the other day, and I saw the utmost good faith upon the face of Mr. Glover when he testified as to Col. Judson having told him, over and over again, that it had been necessary for him (Col. Judson) to defend Mr. Glover's good name around the Capitol, when, in fact, Col. Judson himself was the only man that I ever heard defame the name of Mr. C. C. Glover. He did so in this respect:

Col. Judson told me—not once, but three different times—that Mr. Glover had told him over and over again that it was his way of doing things; that he would seek Members of the Senate and Members of the House of influence and that he would lend them money, if desired, and would induce them to purchase property in the District that the assessments might be kept down and the improvements kept up; and many times he has spoken to me disparagingly of Mr. Glover in that respect. I do not think that I ever had a conversation with Col. Judson of 10 minutes' duration that he did not bring in the name of somebody of whom he would speak disparagingly. I see Mr. Frizzell in front of me, the president of one of the citizens' associations here. I do not think that I ever talked with Col. Judson when Mr. Frizzell was about the committee room, or when any matter was under consideration in which Mr. Frizzell was interested, that he did not always belittle him and traduce him. I received only a few days ago from Col. Judson a communication containing the names of several gentlemen suggesting that they be called to testify as to the value of the site on which the Southern Building stands. One of the names was Mr. William Corcoran Hill. Upon a former occasion Col. Judson had told me that William Corcoran Hill was one of the biggest fools in town. I could not see very well how these two things could be true—that Col. Judson should tell me that Mr. Hill was one of the biggest fools in town and at the same time send his name here to be subpœnaed to come in and testify as to the value of the site upon which the Southern Building stands. It has occurred to me that in view of the character which Col. Judson has established for himself in this committee and, to my certain knowledge, out of it as being a common traducer, and inasmuch as the commissioner of fire insurance now complains that his character is being traduced by Col. Judson, I am bound to say for myself that I believe that is competent evidence and I hope it will not be expunged.

River and Harbor Bill.

EXTENSION OF REMARKS
OF
HON. CHARLES G. EDWARDS,
OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 24, 1914,

On the bill (H. R. 13811) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. EDWARDS. Mr. Speaker, internal improvements of merit benefit our country and our people. I have never voted for a proposition except as my conscience dictated that it was right to do so. I am opposed to anything that would mean a waste of public money.

Worthy waterway improvement, like public-roadway building, is a progressive movement and in the interest of the whole people. It makes for the development of our country and the prosperity and happiness of its citizens. I have never voted for the improvement of "small rivers and streams that have no commercial value." Any statement to that effect is untrue. The great committee of which I have the honor to be a member has never favored such an unwise policy. On the contrary, I have worked with that committee in saving to the country millions of dollars by opposing every proposed improvement that was not meritorious and in the interest of the public good. Since I have been in Congress I have seen no evidence of "logrolling," so far as appropriations for any purpose are concerned. I have recently seen in print a statement that an ex-Member of this distinguished body says his "brief service in Congress has convinced him that millions of dollars of the Government's money are annually wasted by Congressmen who logroll with one another to secure appropriations that have no merit." That is a grave charge to be made against the character of honorable men, even though the appropriations are for the people they represent and not for the Congressmen themselves.

There are over 400 gentlemen in Congress. Not an honest one was here, except the gentleman who had a "brief service," is the inference to be drawn from the alleged experience of this "paragon of virtue." It is a serious matter to impugn the honesty and patriotism of our public officials, yet demagogues do this thing as glibly as taking a drink of water, thinking only of their own selfish political ends. I can conceive of no greater wrong than to question the motives and patriotism of our public officials in "generalities" and by innuendo.

The people select men to represent them because of their fitness for the particular service to be performed. Honest men are invariably chosen because of their good standing among the people who elect them. A wholesale charge is made that "Congressmen logroll with one another to secure appropriations that have no merit," and thus the honor of every Member of Congress is assailed.

Such "character assassins," and there are many of them throughout the country, would deliberately destroy the confidence of the people in the men who make the country's laws by holding them up as a bunch of "logrolling" thieves, who would betray the trust reposed in them and join in a "raid on the Treasury." It is hardly possible or conceivable that any sane man should think, let alone charge, such a thing against the present Democratic Congress. Not only is the indictment against the Congress, but it is also an unwarranted slur at the present successful Democratic administration.

Now, the purpose of such wild and demagogic statements on the part of these "holier than thous" is not to correct any real evils, but if possible to fasten themselves upon the public pay roll by stepping into office over the ruin and wreckage of human character made by their false charges.

This Government confronts no more serious condition than the wholesale slander of public men as made by "political pirates," sensational writers, and demagogues.

It will be a sad day in this country's history when the people lose confidence in their public servants. That day will hardly come. The people are waking up to the seriousness of this situation, and are putting their "stamp of disapproval" upon such "anarchistic" and "demagogic" methods. If there are dishonest, disreputable, or corrupt men in Congress, let charges be made against them specifically and let them be impeached. Let each man stand or fall upon his own merit. On the other hand, if Members of Congress are worthy and faithful, the public should stand up in their defense and the "wholesale slanders" of reckless "character sharks" should be condemned. Such charges should not be made in "generalities," but should be "specific" as to men and items, so that the truth might be known and that justice might be done by the public and by the official charged. Those seeking to destroy the confidence of the people in their public officials ought to have the manhood and the fairness to specify when they make serious charges, giving facts as to the man and as to the complaint. To do otherwise is cowardly. If they can not be specific, then they ought to have common decency enough to withdraw their "blunderbuss" and false charges against the whole United States Congress. I defy any man to point out any appropriation for which I have voted that was not meritorious and in the interest of the people. So much, then, for this phase of the matter.

I wish now to refer to a few items of interest to the section I represent, carried in this bill because of their merit and because of their great benefit to our progressive citizens, and for the development of south Georgia, and because of their importance to the commerce of the entire country.

THE ALTAMAHA SYSTEM.

The Altamaha, Oconee, and Ocmulgee Rivers, upon which 24 Georgia counties border, and which will open navigation from Brunswick and Darien as far up as Macon and Milledgeville, is one of the most important river systems in the South, and is navigable for 490 miles right through the heart of Georgia and through the most splendid agricultural section in the South. Its importance to the people can not be overestimated.

The assessed valuation of real estate in these 24 counties is $55,000,000. The population, by the last census, is 415,483, and shows a gain of 20 per cent in the last decade. There is no town in this region exceeding 40,000 inhabitants, and all but one of them are much smaller. The population is rural. Farm products for the year 1910 exceeded $36,000,000 in value. These are products that have to be moved to be marketed, and there is the source of a large freight business here. Through business is, of course, the most valuable as a freight regulator and freight saver. From quite accurate and complete information furnished by the Macon Chamber of Commerce, it appears that the annual freight movement to and from that city is 2,000,000 tons, one-half of which is directly to and from the seacoast. It is generally conceded that at least one-third of this could advantageously be carried by boat. If it were carried by boat cheaper than by rail, it ought to fix the rate charged for the whole. If only 10 per cent of the rates at which this 300,000 tons is carried to and from the coast were saved, it would amount to an annual freight reduction of about $100,000. This would be enough to pay the cost of annual maintenance, to pay an interest of 4 per cent on the entire cost of the improvement, and to furnish a sinking fund which would extinguish the whole indebtedness in less than 20 years. This makes no allowance for the through business furnished by Milledgeville, Dublin, Hawkinsville, Abbeville, Lumber City, and other incorporated towns, to say nothing of the 150 landing places where freight is now received or shipped, to some extent, along the river.

In the district I represent this improvement will be of vast benefit—to McIntosh, Liberty, and Tattnall Counties—and will mean cheaper freight rates.

At present the people in that whole section affected by this improvement are suffering from high freight rates. This improvement will regulate and greatly reduce the freight rates, and will materially aid in the development of that great section.

You very rarely hear of railroads advocating waterway improvements. As a general thing the railroads do not care to be compelled by competition or otherwise to reduce their rates.

OGEECHEE RIVER.

A survey is carried in this bill for the Ogeechee River. This is another improvement that will prove of interest to thousands of farmers and others who will get cheaper freight rates, as the railroads will be compelled to meet the water rate, which is the cheapest known transportation. Of this proposed improvement the engineer says:

"It appears that the Ogeechee River has always been regarded as a navigable river. The town of Louisville, the former capital of the State of Georgia, is situated upon this river at what was long ago regarded as the head of useful navigation. The State of Georgia, for a number of years after the adoption of the Constitution, expended money for the improvement and maintenance of the navigation of this river, and in 1824 it incorporated a company known as the 'Savannah, Ogeechee & Altamaha Canal Co.,' having for its purpose and object to construct, among other things, a canal connecting the Ogeechee River with the Savannah River at the city of Savannah. * * *

"This canal was, in fact, constructed and completed about the year 1830. This canal opened a short route, only about 16 miles in length, from the Ogeechee to the Savannah River at Savannah. This must have been a very valuable water route, for there is no harbor at the mouth of the Ogeechee River at Ossabaw Sound, and the present distance from the entrance to the canal, via the inside water route, to Savannah is nearly 50 miles greater than via the canal.

"Up to the time of the Civil War this canal appears to have been extensively used, but during the Civil War and the disturbed period which followed the canal was suffered to fall into decay, so that its use was very difficult; and finally a majority of the stock is said to have passed into the control of the railroad which parallels the river, and this railroad company has made no effort whatever to keep up the canal, and it is now emptied of water, its lock gates decayed, and its banks broken in many places. In short, the company has failed to conform with the principal requirement of its charter, and the charter could doubtless be taken away from it and the State could gain possession of the right of way.

"With the decay and deterioration of the canal followed a deterioration in the river. Snags were not removed, leaning trees grew far out over the channel, and now the river is useless for anything larger than a skiff. The river rises in a good farming country, a region which furnishes material for transportation in considerable quantities. The following is a list of towns along the river near enough to it so that they might ship their commodities by water, and opposite each town is placed the average amount of cotton annually shipped and the rate per bale charged by the railroad, namely:

Town.	Bales.	Rate.
Louisville	9,000	$1.35
Midville	3,000	1.25
Herndon	900	1.20
Rogers	.....	1.20
Millen	10,000	1.15
Scarboro	2,000	1.10
Rocky Ford	2,300	1.10
Ogeechee	3,000	1.05
Dover	1,100	1.05
Cameron	600	1.05
Halcyon Dale	7,000	.95
Oliver	.....	.90
Egypt	.....	.85
Tusculum	125	.80
Guyton	.....	.75
Pineora	100	.70
Eldora	400	.....
Emmalane	100	1.40

"These rates are very high, apparently making the cost of bringing cotton less than 100 miles to Savannah greater than the cost of shipping it across the Atlantic. The railroad rates appear to be from about 5 to 7 cents per ton-mile. If the river and canal were available for this shipment, so that flatboats, towed by small power launches, could be conveniently used, a very considerable saving could be effected to these producers. I have no record of the return freight, but it must consist of commercial fertilizers, groceries, agricultural implements, etc."

The counties in the first Georgia district to be directly affected and benefited by this proposed improvement are Bryan, Effingham, Liberty, Bulloch, Screven, Jenkins, and Chatham. If navigation can be reestablished on the Ogeechee, which the ablest engineers of the country say is feasible, it will cut freight rates in half, because the railroads will be forced to meet the river rate. The engineers say the improvement can be done with a small sum, and the resulting benefit to the people will be beyond calculation.

RIVER BETWEEN AUGUSTA AND SAVANNAH.

The Savannah River between Savannah and Augusta is a great artery of commerce, and has proven of much value to the people in Effingham, Screven, Burke, Chatham, and Richmond Counties, to say nothing of the rest of the vast area affected by its improvement. For a long time this was the only means of transportation to the people in the great Savannah Valley, and is yet a deciding factor in fixing cheap freight rates upon the cotton, fertilizers, and other articles shipped to and from that great section.

INLAND WATERWAY.

The inland waterway from Savannah to Fernandina is a much-needed improvement, and means cheaper freights and better facilities to the people in the section which it penetrates.

OTHER STREAMS.

Items are carried in this bill for the improvement of Generals Cut at Darien, Ga., and for surveys of Sapelo, White Chimney, Julington, North Sapelo, and other equally important rivers of that section.

SAVANNAH HARBOR AND BETTER PRICES.

The improvement of Savannah Harbor is being carried on. It is Georgia's greatest port. It is the most important South Atlantic port. It regulates and reduces freight rates in that entire section. Not only does it reduce freight rates but it literally brings the markets of the world to our Georgia cotton fields and gives us better markets and better prices for our products. I shall not burden the House with statistics, but suffice it to say that the Government has undertaken no improvement anywhere that is more worthy or more productive of commerce for the amount expended than this port. The expenditures on this port and other projects in that section are well spent and are in the interest of the people and the general public good.

OTHER SECTIONS.

What I have said with regard to the projects in the section from which I come can also be said of waterway improvements in other sections of the country. The improvement of our waterways is a progressive movement, and will help to make our country great. I am for all internal improvements that are meritorious and in the interest of the people, and I am opposed to every unworthy project and appropriation that has no merit.

Exemption of Tolls.

EXTENSION OF REMARKS

OF

HON. EDWIN S. UNDERHILL,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 26, 1914.

Mr. UNDERHILL. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I publish a letter from a well-known publicist connected with Cornell University, at Ithaca, in my district—Prof. George Lincoln Burr.

The letter is as follows:

THE PRESIDENT WHITE LIBRARY,
CORNELL UNIVERSITY,
Ithaca, N. Y., March 2, 1914.

Hon. E. S. UNDERHILL,
Washington, D. C.

DEAR SIR: Though personally a stranger, I venture to write you upon a matter of public business. My excuse must be that it is one which falls somewhat within the field of my own studies.

You may possibly remember my name as that of the "historical expert" to President Cleveland's commission for the investigation of the Venezuelan boundary. It is my only claim to the attention of a man in public life, and, slight though it is, I trust it is enough to assure you of my seriousness as a student and my maturity.

When year before last the matter of the Panama tolls reached decision in Washington I found myself in London engaged in research, and had ample opportunity to know the surprise and the harsh criticism with which the action of our Government was received, not only in Great Britain but everywhere in Europe. I did not take this too seriously, for I had had occasion to know that even so general a censure may prove unwarranted, and I had given too little attention to the question to feel myself entitled to an opinion. I therefore avoided discussion of the matter, and as soon as I reached home in September I set myself at study of the records to find what basis there really was for the charges made. To my chagrin and dismay I seemed to find the matter even worse than it has been represented. I could not escape the conviction that we were deliberately breaking an engagement about whose meaning there was, at the time it was made, not the slightest doubt or difference of view.

Even yet I found it almost impossible to believe my own eyes and reason in the matter, and when, in November, I found myself gathered in New York with the other officials of the American Historical Association for our annual business meeting, about a board at which sat also ex-President Theodore Roosevelt, I took occasion to lay the question before him. Without hesitation he confirmed all my conclusions. He told us all that there had been not the slightest doubt in any mind that the canal was to be open to all nations on practically equal terms; that America had not only conceded this for answering concessions, but that she had received from Great Britain her quid pro quo—the recognition of our right to fortify the canal. Mr. Roosevelt added, indeed, that he believed it still open to America to seek the consent of the other powers to the exemption of her coasting trade from tolls, and that he trusted this would be done; but without such consent, he said with emphasis, we had not a ghost of right under our treaties to exempt our trade from tolls.

The body to which these words were spoken included many notable leaders of historical work in America—the Hon. Andrew D. White, Admiral Mahan, Mr. Charles Francis Adams, Mr. James Ford Rhodes, and nearly all the university professors who bear a leading part in the organization of that work. Not one of these expressed the slightest dissent or raised a question, and in conversation with many of them, then and afterwards, I found them all of one mind as to the question. Indeed, although my acquaintance with students of history is large, I have not yet found one who holds a different view.

Dining again with Mr. Roosevelt at Boston during the Christmas holidays, at the table of Mr. Rhodes, I found opportunity to ask him if his words as to this matter might freely be published, and he assured me that they might. That, nevertheless, I have not given them to the press or taken any part in print in the discussion of this question is because the clear exposition of the matter later by Senator Root seemed to leave no necessity for further words, and because, even after

permission had been gained, I shrank from using in public debate words spoken at a private gathering.

It seems to me, however, only fair that you should share the knowledge of a constituent in this matter, and that you should know as well how heavily with some of your constituents this matter weighs. I know something of the views of my Cornell colleagues, and among them, too, I know of no divergence in this matter. At the last presidential election a majority of them—though hitherto the majority has always been Republican—cast their ballot for Mr. Wilson and for a Congress in sympathy with his views. And it is true, I believe, of many of them, as of myself, that no consideration weighed more heavily in this than our feeling that President Taft and his Congress had in this matter broken the plighted faith of the Nation, and our trust that President Wilson and his supporters would take what seemed to us a manlier stand.

* * * * * * *

Believe me, dear sir, most respectfully, yours,

GEORGE L. BURR.

MARCH 14, 1914.

When 12 days ago the inclosed letter was begun, I thought to complete and mail it at once; but a fall sprained my right hand and made writing so slow and painful that I could add but a sentence or two at a time. And in the meantime there appeared the ringing message of President Wilson, which made me doubt whether any further plea could be needed. But now that my letter is done, it shall go, if only to show that we at home, too, are interested, and to give you a God-speed in the good work doing.

G. L. B.

Panama Canal Tolls.

Fear not my countrymen, it is not our honor, but the honor of Great Britain that is at stake.

SPEECH

OF

HON. SAMUEL W. SMITH,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Friday, March 27, 1914.

The House had under consideration the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. SAMUEL W. SMITH. Mr. Speaker, volumes have been written and spoken on this subject.

I voted for free tolls May 23, 1912, and it passed the House—yeas 147, nays 128 Seventy-two Democrats voted for free tolls and 95 against. It passed the Senate August 7, 1912, 44 Senators voting for free tolls and 11 against. The following are the Senators who voted against free tolls: Brandegee, Burton, Crane, Fall, Gronna, Lodge, Nelson, Oliver, Penrose, Root, and Wetmore.

With due respect to the President and all others who differ with me, I want to say that the more I study the question the more I am convinced that I voted correctly.

The President is quoted as saying that the bill was not passed by a majority of Democrats but by the aid of Republicans. Surely there were no Republicans voting in the Democratic convention at Baltimore when the tolls plank was adopted by the convention, and, so far as we can learn, without any opposition. The plank reads as follows:

"We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal. We also favor legislation forbidding the use of the Panama Canal by ships owned or controlled by railroad carriers engaged in transportation competitive with the canal."

The following is the plank in the platform of the Progressive Party:

"The Panama Canal, built and paid for by the American people, must be used primarily for their benefit. We demand that the canal shall be so operated as to break the transportation monopoly now held and misused by the transcontinental railroads by maintaining sea competition with them; that ships directly or indirectly owned or controlled by American railroad corporations shall not be permitted to use the canal, and that American ships engaged in coastwise trade shall pay no tolls."

After the convention Gov. Woodrow Wilson, candidate for President, speaking to 2,500 farmers at Washington Park, N. J., August 15, 1912, in favor of free tolls, and against railroad domination of canal, and upholding the Democratic platform, said, in part:

"Now, there is another matter you know, we are digging a tremendous ditch across the Isthmus of Panama. It is predicted by the engineers in charge of that colossal enterprise that we shall be able to open it to the ships of the world by the year 1915. What interest have you in opening it to the ships of the world? We do not own the ships of the world. By a very ingenious process, which I would not keep you standing in the hot sun long enough to outline, the legislation of the United States has destroyed the merchant marine of the United States. The chief road by which your crops travel to the Orient is through the Suez Canal. They do not go around by the Pacific. Most of your maps do not show you the short road to the Orient, because they are spread out flat.

"If you will get a globe and draw a circle around the globe you will see your short road is through the Suez Canal, not across the Pacific, and that the western farmer, therefore, has to ship his crops across the continent in order to reach the ships that are to take that road. And when his crops reach the port do they find American ships waiting for them? Not at all. In most years not a single ship carrying the American flag goes through that canal carrying freight.

"Some ships carry the American flag through that canal, but they are mostly private yachts. A friend of mine who has just traveled around the world told me that he did not see the American flag once between New York and Hongkong, going by the way of the canal, until he reached the Island of Ceylon, and then saw the flag of Mr. James Gordon Bennett's yacht. If the shipowners of the nations carry your grain and cargoes, they are going to carry them by routes and to markets which suit them, not the routes and the markets which are chosen by you.

"One of the great objects in cutting that great ditch across the Isthmus of Panama is to allow farmers who are near the Atlantic to ship to the Pacific by way of the Atlantic ports, to allow all the farmers on what I may, standing here, call this part of the continent, to find an outlet at ports of the Gulf or the ports of the Atlantic seaboard, and then have coastwise steamers carry their products down around through the canal and up the Pacific coast or down the coast of South America.

"Now, at present there are no ships to do that, and one of the bills pending—passed, I believe, yesterday by the Senate as it had passed the House—provides for free tolls for American ships through that canal and prohibits any ship from passing through which is owned by any American railroad company. You see the object of that, don't you? [Applause.] We don't want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent.

"The farmers of this country are, in my judgment, just as much concerned in the policy of the United States with regard to that canal as any other class of citizens of the United States. Probably they are more concerned than any other one class, and what I am most desirous to see is the farmers of the country coming forward as partners in the great national undertakings and take a wide national, nay, international, view of these great matters, feeling all the pulses of the world that beat in the great arteries of their own life and prosperity. Everything that is done in the interest of cheap transportation is done directly for the farmer as well as for other men. So that you ought not to grudge the millions poured out for the deepening and opening of old and new waterways. * * *

"Our platform is not molasses to catch flies. It means business. It means what it says. It is the utterance of earnest and honest men, who intend to do business along those lines and who are not waiting to see whether they can catch votes with those promises before they determine whether they are going to act upon them or not.

"They know the American people are now taking notice in a way in which they never took notice before, and gentlemen who talk one way and vote another are going to be retired to very quiet and private retreat."

You will observe that the President was very solicitous concerning the farmers. What has since arisen to change his mind?—and I ask this question in all kindness and with the best of intentions. I sincerely wish he would make free and bold to tell the country his reasons for his present position.

On the 5th of March, this year, he delivered a message at a joint session of the two Houses of Congress, four minutes in length. He startled me when he said:

"We ought to reverse our action without raising the question whether we were right or wrong."

This made a deep impression upon me, for I was being asked, along with other Members, by the President of this great Republic to reverse my vote whether it was right or wrong. I was still thinking of this when he concluded his message with the following:

"I ask this of you in support of the foreign policy of the administration. I shall not know how to deal with other matters of even greater delicacy and nearer consequence, if you do not grant it to me in ungrudging measure."

What is the foreign policy to which he refers? This language clearly implies some hidden and unexplained meaning. If, for one moment, I thought if I did not change my vote I was going to plunge my country in war, I might take a different view of the situation. If there is danger from any quarter, although the President and Secretary of State have since been quoted as saying "we have nothing to fear," why does not the President take Congress, if he does not want to take the country at large, into his confidence at this time and explain more explicitly the last two sentences of his message?

Others will recall with me that previous to the Spanish War Members of Congress, including many Republicans, honestly differed with President McKinley as to certain policies. He invited the Members of Congress by States to visit him at the White House, and there a heart-to-heart talk was had. The situation was freely and frankly discussed in confidence, and more than one Member changed his mind, after listening to President McKinley, and with every opportunity to ask and answer questions.

I have hoped that the President would pursue a similar course, in view of his most earnest appeal to us "to reverse our vote—right or wrong." If he did not feel like taking Republicans into his confidence, he could have invited Democrats and explained to them, for they seem to be quite as much in the dark as to what is meant by the closing words of the message, as are other people.

But some people assert that we ought to vote against free tolls because of this paragraph in the third article of the treaty:

"The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable."

The words "all nations" do not include the United States, as is clearly shown by Senator LODGE, than whom there is no higher or better authority. I quote from the CONGRESSIONAL RECORD, July 17, 1912:

"Mr. LODGE. Mr. President, some time ago I started to say something in regard to the question of tolls charged on vessels passing through the Panama Canal, which was under discussion here the other afternoon when I was unfortunately absent. I now renew the attempt. The question of canal tolls has arisen in connection with representations made by the Government of Great Britain in regard to our rights in fixing tolls. It so happened that I was in London when the second Hay-Pauncefote treaty was made, and, although the draft was sent from this country, that treaty was really made in London. I mention this merely to show that I had some familiarity with the formulation as well as the ratification of that treaty. When the treaty was submitted by the President to the Senate it so happened that I had charge of it and reported it to the Senate.

"The second Hay-Pauncefote treaty, as Senators will remember, embodied in substance the amendments which the Senate had made to the first Hay-Pauncefote treaty. England had refused to accept those amendments, and then the second treaty was made embodying in principle all for which the Senate had contended.

"When I reported that treaty my own impression was that it left the United States in complete control of the tolls upon its own vessels. I did not suppose then that there was any limitation put upon our right to charge such tolls as we pleased upon our own vessels or that we were included in the phrase 'all nations.'"

Note the last clause of the Senator's statement. Can language be clearer as to our right to charge tolls upon our own vessels as we please or that we were included in the phrase "all nations"?

Even the British Law Review, the most authoritative legal publication in Great Britain, holds that free tolls does not violate the treaty.

Many other men and statesmen have expressed similar views. Time will not permit me to quote them, except as to one—Lewis Nixon:

"NO ARGUMENT AGAINST FREE TOLLS.

"Lewis Nixon, eminent naval architect, close student of the world's shipping and shipping laws, writes as follows to the New York World, which has gone completely daft in its eagerness to surrender American rights in the Panama Canal to British demands:

"As the result of years of study I am satisfied there is nothing in the Hay-Pauncefote treaty to prevent the remission of tolls on American vessels by the United States, acting in good faith.

"I have said, and can still say, that I have never seen a sincere or logical argument to uphold the Hay-Pauncefote treaty provisions against remission of tolls.

"Mr. Nixon does not occupy solitary ground. No one else has ever seen a logical argument directed against the right of the United States to remit tolls on its coastwise shipping. It isn't in the woods to make one.

"We admit that there are two sides to the economic question—the side of the transcontinental railroads, whose officials have been demanding protection against the canal, since they can not control it outright, and the side of the people, who are the consumers. But we do not admit that any right anywhere exists to question the authority of the United States to act as it pleases.

"These questions have been settled by the Congress of the United States, which has declared against the insolence of the transcontinental railways and, for the purpose of insuring low freight rates between the Atlantic and Pacific coasts, has permitted independent steamship lines to use the canal free of tolls. In arriving at this decision, Congress established the right of the United States to regulate its interstate commerce without outside interference. And Woodrow Wilson himself, when a candidate, stood squarely upon this ground.

"What foreign nation has questioned this right?"

"Not Germany, not France. No nation has questioned it save England alone, and England has no leg to stand on for this reason: A ton of freight going from Philadelphia to San Francisco constitutes interstate commerce, and it remains interstate commerce no matter whether it is carried in the box car of a railroad or in the hold of a steamship. England can not carry that ton of freight under any circumstances whatever. It is a piece of insolence—nothing else—on the part of England to assume to control in any manner the handling of that ton, to insist that $1.20 in tolls shall be charged upon it, which is to say $1.20 added to the cost to the consumer.

"The canal has been built and is owned outright by the United States. It requires a most unusual stretch of the imagination to hold that the United States can not use that canal for its own domestic purposes in any manner it sees fit. When we place the shipping of foreign nations upon a basis of equality—treat England and Germany and France precisely alike—we fulfill our treaty obligations. That is all there is to the treaty, and the Democratic Congress and the Democratic convention and the Democratic President (when a candidate) have all so declared.

"Come, now, you gentlemen who are about to record the will of the administration, be honest about it. You are not advocating tolls because the treaty has been violated by remitting them, for you know, and have so recorded your votes, that there is no treaty violation. You are swallowing your own convictions, you are abdicating your independence of thought, you are blindly closing your eyes and surrendering, "right or wrong," to save the face of the administration in a mistaken Mexican policy which, for its utter childishness, has been the butt of every world's capital."

If we vote against free tolls, will not our constituents justly charge that our course has been a most humiliating one and that we were selling out our own country?

If we have not the right to grant free tolls to coastwise vessels, then it occurs to me that we had no right to fortify the canal. Such being the case, after going to the great expense of doing so, shall we, at the dictation of Great Britain or any other nation, remove the fortification? And must our battleships pay toll when passing through the canal?

"OUR NAVY AND THE CANAL.

"Let not those Members of Congress who are going to follow the administration, 'right or wrong,' in its astonishing surrender of American rights in the Panama Canal entertain the notion for one moment that they can draw a distinction between vessels of commerce and naval vessels.

"If Congress concedes the right of England to demand tolls upon coastwise steamships, it concedes that battleships can be similarly treated.

"Only such an astonishing mind as is possessed by Chairman ADAMSON, of the House Committee on Interstate and Foreign Commerce, can split the words of the Hay-Pauncefote treaty so that they shall have two distinct meanings.

"'The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules,' reads the treaty, and then follows the provision that such nations shall be treated alike as regards tolls.

"Solidly linked together are the 'vessels of commerce and of war.'

"If a cargo carrier can not pass through the canal free of tolls, neither can a battleship of the United States, according to the wording.

"And this isn't all, by any means. If the expression 'all nations' includes the United States—which, of course, it does

not, since no proprietor of an enterprise cuts himself off from the full enjoyment of his own property—then we should be violating the treaty if we defended the canal with our own warships if we were involved in war. Let us recall these excerpts from the treaty:

"Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay, in accordance with the regulations in force and with only such intermission as may result from the necessities of the service.

"No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

"The provisions of this article shall apply to waters adjacent to the canal within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

"If the United States is to be included as among 'all nations observing these rules,' then every rule must apply to it precisely as it applies to any foreign nation.

"You can not split hairs or draw lines.

"Therefore if this Nation went to war it would become a 'belligerent,' and under the treaty would be bound by the restrictions above quoted.

"This journal has no patience with the plea that there is treaty violation when we relieve American coasting vessels of tolls. It believes that American battleships can use the canal as they see fit without the permission of England; that as 'belligerents' they can take possession and fight off the other 'belligerents.'

"But if the treaty is to be so construed that the United States must personally submit to the rules provided for 'all nations,' then the battleship has no more right in the canal than the coastwise steamer—not a bit more.

"And the Member of Congress who votes for tolls on American coasters surrenders a great principle at the behest of England."

ARBITRATION.

Why has not the President suggested that the matter be submitted to arbitration? Why submit to the dictation of Great Britain without offering to arbitrate; and then, why so much haste? Why not put it off until the next session and let us see how our people at home feel about it? Evidently all the people, or practically all, were with the President when he was for free tolls. Have they all changed their minds? For one, I would like an opportunity to find out.

I have given the views of the President when he was seeking an election, and I now give you the opinion of ex-President Taft:

FROM MR. TAFT'S MESSAGE.

In his message of August 18, 1912, written after receipt of the first formal British protest against tolls exemption, after the passage of the bill by the House of Representatives, Mr. Taft said:

"After full examination of the treaty and of the treaty which preceded it, I feel confident that the exemption of the coastwise vessels of the United States from tolls and the imposition of tolls on vessels of all nations engaged in the foreign trade is not a violation of the Hay-Pauncefote treaty.

"I am sure that it is not the intention of Congress to violate the Hay-Pauncefote treaty or to enact anything inconsistent with its provisions, and that it certainly is not its purpose to repeal, by subsequent enactment, the treaty in so far as it represents the law of the land."

On Tuesday at New Haven Mr. Taft said he had "seen no reason" to change the views then expressed.

And here are the views of ex-President Roosevelt; and I might quote many others, Democrats as well as Republicans, who entertain similar views:

COL. ROOSEVELT'S VIEWS.

"I believe that the position of the United States, as to the Panama Canal, is proper as regards this coastwise traffic. I think that this does not interfere with the rights of any other nation. No ships but our own can engage in coastwise traffic, so that there is no discrimination against other ships when we relieve the coastwise traffic from tolls. I believe that the only damage that would be done is to the Canadian Pacific Railway. * * * We are benefiting the whole world by our action at Panama, where every dollar of expense is paid by ourselves. In all history I do not believe you can find such great and expensive work as the Panama Canal, undertaken not by a private corporation, but by a nation, as generously put at the service of all mankind."

No; we built the Panama Canal by American brains and energy, upon American soil, with the money of the American taxpayer, and it is distinctly an American waterway, and is subject to the exclusive sovereignty and jurisdiction of the United States, and it is for us to make the rules and regulations governing the same, so that all nations may know what they can and can not do respecting the same. Such being the case, what more is there to be said, and what more remains to be done except to vote for free tolls? My colleagues, do you fully realize the significance and effect of what you are about to do? By your votes you will construe a treaty, and your action will be final. Let us hope you will have no regrets in the future.

In conclusion, I say, let us do the right thing. As Americans, representing Americans, vote for free tolls.

An Answer to the Erroneous Statements Made in the Minority Report on the House Naval Bill.

EXTENSION OF REMARKS

OF

HON. FRED A. BRITTEN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, March 20, 1914.

Mr. BRITTEN. Mr. Speaker, I desire to submit a statement purporting to have been made by Sir Arthur Balfour on "German territorial expansion," appearing in the Nord and Sud:

GERMAN TERRITORIAL EXPANSION.

[An analysis by Arthur Balfour of the German preparation for war.]

The external facts of the situation appear to be as follows: "The greatest military power and the second greatest naval power in the world is adding both to her army and to her navy. She is increasing the strategic railways which lead to frontier States—not merely to frontier States which themselves possess powerful armies, but to small States which can have no desire but to remain neutral if their formidable neighbors should become belligerents. She is in like manner modifying her naval arrangements so as to make her naval strength instantly effective. It is conceivable that all this may be only in order to render herself impregnable against attack. Such an object would certainly be commendable, though the efforts undergone to secure it might—to outside observers—seem in excess of any possible danger. If all nations could be made impregnable to the same extent, peace would doubtless be costly, but at least it would be secure. Unfortunately, no mere analysis of the German preparations for war will show for what purpose they are designed. A tremendous weapon has been forged; every year adds something to its efficiency and power; it is as formidable for the purposes of aggression as for purposes of defense. But to what end it was originally designed, and in what cause it will ultimately be used, can only be determined, if determined at all, by extraneous considerations.

"I here approach the most difficult and delicate part of my task. Let me preface it by saying that ordinary Englishmen do not believe, and certainly I do not believe, either that the great body of the German people wish to make an attack on their neighbors or that the German Government intends it. A war in which the armed manhood of half Europe would take part can be no object of deliberate desire either for nations or for statesmen. The danger lies elsewhere. It lies in the coexistence of that marvelous instrument of warfare which embraces the German Army and Navy with the assiduous—I had almost said the organized—advocacy of a policy which it seems impossible to reconcile with the peace of the world or the rights of nations. For those who accept this policy German development means German territorial expansion. All countries which hinder, though it be only in self-defense, the realization of this ideal, are regarded as hostile; and war, or the threat of war, is deemed the natural and fitting method by which the ideal itself is to be accomplished."

Mr. Speaker, I also desire to answer the erroneous statements made in the minority report of the naval appropriation bill recently submitted to the House.

WHAT CONSTITUTES BATTLE STRENGTH.

The statement which follows compares the *Oregon*, which is over 20 years old, with recent dreadnaughts like the *Wyoming*, and states that the old 13-inch gun of the *Oregon* is only effective at a range of 3,000 yards, while the 12-inch gun of the *Wyoming* is effective at 12,000 yards.

It explains why the battle strength of the Atlantic Fleet would be diminished by the presence on the battle line of ships of the class of the *Oregon*.

It shows clearly that by 1917 our fleet of dreadnaughts will number but 12, but that before that date—in 1916—the German fleet will contain 19 dreadnaughts and 7 dreadnaught cruisers, or a total of 26 ships of the dreadnaught type and battle cruisers.

A review of the statements made in the minority report of the Committee of the House on Naval Affairs contained in pages 64 to 67, inclusive, of the report, displays the following fundamental errors from lack of knowledge of what constitutes battle strength, and these errors underlie the whole argument:

(1) It was assumed that the caliber of a gun gives the exact measure of its power; hence, all that is needed to compare the power of fleets is to count their guns caliber by caliber.

(2) It was assumed that all guns of a fleet, whatever their caliber, count in action.

(3) It was assumed that gun power alone counts in action, and speed, torpedo power, protection, maneuvering power were negligible quantities.

(4) It was assumed that all ships are effective battle units so long as they have guns of given calibers mounted on them, irrespective of the actual power of the guns or the condition of the ships.

(5) A misconception of what does or does not constitute what is technically known as a "dreadnaught."

These errors will be briefly discussed before pointing out the many actual misstatements contained in the report, in which errors of figures are used to deduce false conclusions.

Taking them in order—

(1) Caliber is only one of several elements that constitute the power of a gun. Its other main elements are the construction of the gun itself, its length, the weight of projectile, and the muzzle velocity. All these combined give the penetrative and destructive power of the gun, which is its true power, and may be roughly measured by the muzzle energy. If caliber alone were considered, our 15-inch guns of Civil War period might be counted as formidable weapons now.

We have mounted on the three ships of the *Oregon* class, the two of the *Kearsarge* class, and the three of the *Alamaba* class thirty-two 13-inch guns of 35 calibers, with a muzzle velocity of 2,000 foot-seconds. These guns sound formidable when considered from the point of view of caliber alone; but their penetrative power at 6,000 yards is slightly less than that of the modern 8-inch gun—the one being 9.8 inches of armor and the other 9.7 inches—and only slightly greater at 9,000 yards—the one being 7.7 inches of armor and the other 8.1 inches. Both the modern 8-inch and the old 13-inch would be ineffective at battle ranges. To get effective penetration of a modern battleship's armor with our old 13-inch guns requires a reduction of range to 3,000 yards, when its penetration is about 14 inches, which is about equivalent to the penetration of our 12-inch 50-caliber guns at 12,000 yards. This illustrates the absurdity of comparing guns by caliber alone.

(2) The minority report states, page 66:

> If, instead of counting the broadsides of only the big guns, he had taken the broadsides of all the guns in the battle fleet, it is evident the muzzle energy of our guns would have been greater.

The only guns that count in a fleet action are the guns that will penetrate and so inflict vital injury on the enemy. Minor caliber guns, mounted in the open or behind only light armor, are intended for other purposes. To man and use them in a fleet action between battleships would only invite the destruction of their crews without accomplishing anything against the enemy. Hence, such guns are never taken into consideration in comparing strength of battleships against battleships, as they neither add to nor subtract from that strength. The only guns that count in such a combat are the guns with power to pierce.

(3) The only comparison made in the minority report is based on guns. Torpedoes are not mentioned, nor are speed, protection, and maneuvering qualities, which form such a large element in the classification of ships. In this way the very decided superiority of the German ships in torpedo fire is ignored, as is also their advantage in the matter of homogeneity in maneuvering qualities and speed.

(4) The assumption throughout the argument that all ships since our first battleship, the *Indiana*, are effective battle units is based on a false conception of what an effective battle unit is. An effective battle unit is one that adds strength to the fleet. To add an *Oregon* or an *Indiana* to the battle line, with their ineffective guns and low speed, not only does not add strength to the line, but materially diminishes its fighting efficiency by reducing the speed and tactical mobility of the whole, while putting on the rest of the line the extra burden of protecting such weak and ineffective units. Added to a battle line composed of the predreadnaught ships of the Navy, the three *Oregons* in their present state would reduce the fleet by at least 2 knots, a most serious tactical handicap, without adding any strength in gunfire at battle ranges. Added to the dreadnaught division of the fleet, the tactical handicap would be at least 6 knots. Any ship is obsolete and outworn when it weakens and handicaps the battle line instead of giving it strength. Our first three battleships, the *Oregon*, *Indiana*, and *Massachusetts*, are in this class in fact, irrespective of when laid down or completed. Experience both in our Navy and in foreign navies has shown that, as near as general law can be arrived at, a battleship reaches that condition after 20 years of life in the fleet, or about 24 from the date of authorization. Hence, to maintain a fleet at a fixed numerical fighting strength, a new ship to replace one obsolete would have to be authorized 20 years from the authorization of the original. This is absolute law in Germany and Russia, and is closely followed in England; and, in computing strength of navies, vessels of over 20 years' life—or 24 years from authorization—are considered and are negligible.

(5) The term "dreadnaught" was taken from the ship of that name completed in England in 1906, the first ship of a new type. This was a ship of 21 knots speed, 18,000 to 22,000 tons displacement—light or loaded—armed with a main battery of ten 12-inch guns and a number of small guns for torpedo defense, and a very complete armor protection. Since that date all navies have followed this general type, and all ships of 20 or more knots speed with a main battery of one large caliber capable of piercing armor at battle ranges have been called "dreadnaughts." The calibers of dreadnaught guns in the British Navy have varied from 12 to 15 inches. The same in the Italian. In the German Navy from 11 to 12, and they are now going to 15 inches. With us it has been from 12 to 14 inches. The numbers of main battery guns have also been variable. But the accepted requisites in all navies to constitute a "dreadnaught" are (1) a main battery of a single large caliber of gun capable of piercing armor at battle ranges, and (2) a speed of 20 or more knots, necessary to be capable of acting with other dreadnaughts.

No ship of ours previous to the *Delaware* fulfills both these requisites. The *South Carolina* and *Michigan*, claimed by the minority as "dreadnaughts," have eight 12-inch guns each in the main battery, but in hull construction, speed, size, and all maneuvering qualities class with the six ships of the *Connecticut* class and the five ships of the *Virginia* class. They are, in all essentials, improved *Connecticuts* with the intermediate battery of that class replaced by two 12-inch turrets. In no sense are they "dreadnaughts," being lacking both in speed and size, and to attach them to the dreadnaught division means the tactical sacrifice of that division of over 2 knots speed.

What has been previously said answers fully this remark found in the minority views, top of page 65:

> This table, like the one the Secretary (Mr. Daniels) has discussed before the committee, puts two of our dreadnaughts in the battleship class, includes four German battleships with 11-inch guns in the dreadnaught class, omits three of our battleships altogether.

The two of our battleships—the *Michigan* and *South Carolina*—which the minority erroneously classes as dreadnaughts are put in the battleship class because they are battleships and not dreadnaughts. The four German dreadnaughts—the *Nassau*, *Westfalen*, *Posen*, and *Rheinland*—with main battery of twelve 11-inch guns each, and of 20 knots speed, are classed as dreadnaughts because they are dreadnaughts, having the speed, size, and battery of dreadnaughts, their 11-inch guns being high-powered guns of 3,254 foot-seconds muzzle velocity and capable of penetrating armor at battle ranges. In fact, the Germans have always claimed, though this claim is not conceded by the British, that these guns are superior to the British 12-inch guns. The three omitted battleships from our list—the *Indiana*, *Oregon*, and *Massachusetts*—do not come in the class of effective ships, having been authorized 24 years ago, and being obsolete, and having been shown to be a source of weakness instead of strength to a battle line composed of our other ships from the uselessness of their guns at battle ranges, and the reduction of the fleet speed which would be entailed by their presence.

Following this the minority makes an even more erroneous and misleading statement in regard to cruisers when it states:

> omits the same four armored cruisers that are omitted in the table about which the Secretary had made his statement, gives us 14 cruisers, though the yearbook gives us a list of 24, and therefore we can see nothing in this table to show German superiority.

The fact is that we possess exactly 11 armored cruisers less than 20 years old, while the Germans possess 9 armored cruisers. In addition to this, we possess three—not four—large protected cruisers, mounting only 6-inch guns, the *Charleston*, *Milwaukee*, and *St. Louis*, and these are presumed to be what the minority claims to be the four omitted cruisers. These three are omitted in the tables from the armored-cruiser class because they are not armored cruisers, but are given as large cruisers in a class by themselves, and the total of our large cruisers, including the 11 armored and 3 protected cruisers as given in the lists, of less than 20 years is 14. In the Intelligence tables the cruisers are entered as 11 armored cruisers and 14 cruisers. This 14 includes the three protected cruisers spoken of above and 11 of a smaller size that might be of some value. This makes the total serviceable cruisers of all classes 25 and not 24, as the minority states; but in the comparison in the hearings these smaller cruisers were not included.

The inference from the minority's statement is that a number of our cruisers were concealed in order to make a false com-

parison of strength. In the comparison only cruisers that are usually spoken of as "first class" were considered. If we count the lesser units—which the minority believes to have been concealed—in our Navy, we will have to count the equivalent in the German Navy, when the disparity becomes more marked. Of these vessels completed and serviceable Germany has 9 armored cruisers and 40 cruisers, and we have 12 armored cruisers—1 obsolete and not included in the tables—3 large protected cruisers, and 12 cruisers—1 over 20 years old and not included in the tables. (Note.—The 4 German dreadnaught cruisers are not included in this, as they come under the dreadnaught class).

The minority further states that the tables "give us only 4 monitors, though we have 10." In the comparison made in the hearings monitors were not included at all, as they are of no fighting value to the fleet. Four of the 10 monitors listed are armed with semimodern 12-inch guns; the other six are armed with old low-powered 10-inch 30-caliber and 12-inch 35-caliber guns. In the table of the British Navy League Annual quoted by the minority, the four monitors armed with semimodern guns were entered as "of questionable fighting value." The other six with obsolete guns were not considered by the British authority as of even sufficient value to be entered under any head. The equivalent obsolete coast-defense ships of the German Navy, like our six obsolete monitors, were not considered of sufficient value by the British authority to be entered at all, also. There was no concealment in this. The British authority entered in their tables all ships they considered of any fighting value.

The remarks of the minority contained in the last two paragraphs on page 65 and all of page 66 and top of page 67 indicate a complete confusion in the minds of the minority as to how the comparison between the two fleets was drawn.

Only ships actually completed at the beginning of this year—the *New York* and *Texas* being considered completed for this purpose—were taken into consideration in the comparison for either fleet. It was a comparison of the fleets ready for war at the present time, our own fleet being given the extra advantage of counting the *New York* and *Texas* in, as they are practically complete, and could be gotten ready promptly in an emergency.

None of the ships building were included in the computation for either fleet; therefore the statement of the minority, on page 66—

> Since he left out six of our dreadnaughts, to wit, the *South Carolina, Michigan, Oklahoma, Nevada, Pennsylvania,* and *No. 39,* and only two of the German dreadnaughts building * * *

is a total misstatement of facts. Considering the *New York* and *Texas* as completed, the only dreadnaughts we have building are the *Oklahoma, Nevada, Pennsylvania,* and *No. 39,* and they are not included in the computation.

On the other hand, instead of there being only two of the German dreadnaughts building left out, as incorrectly stated by the minority, all the German dreadnaughts building were left out, including six dreadnaughts and three dreadnaught cruisers, or a total of nine, to wit, the *Grosser Kurfurst, Markgraf, Konig, Ersatz Brandenburg, "T," Ersatz Worth, Derfflinger, Ersatz Kaiserin Augusta,* and *Ersatz Hertha.*

The *South Carolina* and *Michigan* are left out in the computation of the fire of the dreadnaughts, for reasons already stated, since they are not dreadnaughts; but they are included in the fire of the predreadnaughts, where they belong; and it is to be noted that while the minority makes much of their being omitted from the dreadnaughts in their discussion on page 66, they fail entirely to mention the fact that they are included and their fire counted in the predreadnaught fire, discussed on page 65, and that their full fire is included in the total.

On page 65 the minority states:

> It therefore becomes imperative that in comparing the dreadnaught ships of the two navies the German superiority should be shown, and he accomplishes this by comparing 8 of our dreadnaughts with 17 of the Germans', and thus shows the German superiority. It would have been just as easy to take 17 of our ships and compare them with 8 German ships.

This last, of course, is false reasoning, as we could not take 17 of our ships that were dreadnaughts, since we have only 8, and this 8 includes the *New York* and *Texas,* which, though about completed, are not yet in the fleet. The comparison made was between existing ships, and not ships of the imagination.

The total American dreadnaught fleet existing consists of the *Delaware, North Dakota, Florida, Utah, Arkansas, Wyoming, Texas,* and *New York,* a total of 8.

The total German dreadnaught fleet existing consists of the *Nassau, Westfalen, Posen, Rheinland, Ostfriesland, Helgoland, Thuringen, Oldenburg, Kaiser, Friederich der Grosse, Kaiserin, Prinzregent Luitpold,* and *Konig Albert*—13 dreadnaughts—and the *Von Der Tann, Moltke, Goeben,* and *Seydlitz*—4 dreadnaught cruisers, or a total of 17.

It was the above-mentioned 17 and 8 ships that were compared; and there is no other comparison possible, since they constitute all the completed dreadnaught ships of both navies at the present time. To have added our 4 and the German 9 dreadnaught ships building would have been a false comparison at the present time, but would have emphasized the increasing superiority of Germany in dreadnaught ships in the near future, as by 1917 Germany will have added 9 to our 4.

By 1917 our fleet of dreadnaughts will number 12, and nothing that we can now do can increase that number unless we should buy of other nations.

Before that date—in 1916—the 9 German ships of dreadnaught type will be completed and the German fleet will contain 19 dreadnaughts and 7 dreadnaught cruisers, or a total of 26 ships of dreadnaught type.

No amount of juggling figures can alter these facts.

The statement of the minority on page 66:

> He also takes the 13 German dreadnaughts now built, including 4 with 11-inch guns, and also 4 of the 6 German dreadnaughts now building, as to which he says it is impossible to procure the data, and then compares these 17 German ships built and building with the 8 of ours, built and building—

And so forth,

Partly explains the error into which the minority has fallen. They had failed to grasp what ships constitute the 17 German ships and the 8 American that were being compared, or the fact that in neither lot were any ships building included, or that the comparison was a comparison of the fleets as they actually exist to-day of such ships as both nations could now put in the battle line. With the present building programs of the two nations, German superiority is progressively increasing as just shown by the comparison in 1916.

This error on the part of the minority in failing to grasp what ships were being compared also explains to a great extent the numerous errors in the count of the guns contained in the last part of the top paragraph on page 66, in which the minority states:

> * * * he also finds that the 17 German dreadnaughts have eighty-two 12-inch guns, when, in fact, the 17 dreadnaughts he selects have one hundred and thirty-eight 12-inch guns. He also finds that the 4 German ships that he includes to make the 17 have seventy 11-inch guns, when, in point of fact, as anybody can see who will look on page 832 of the Yearbook, they have only 44. This confusion and mixing of the number of guns on both sides makes the comparison as worthless as the selection of the ships.

There is evidently a great "confusion and mixing" of numbers, but on the part of the minority and not in the statements made in the hearing. The numbers and calibers of the guns given in the hearing for the 17 German and the 8 American ships under comparison were absolutely correct.

The main battery broadside of the 8 American dreadnaughts being compared consist of twenty 14-inch guns and sixty-four 12-inch guns, as given in the hearing.

The main battery broadside of the 17 German ships being compared consists of eighty-two 12-inch guns and seventy 11-inch guns, as given in the hearings. It was the muzzle energy of these two broadsides of ships built and ready for battle that was compared, and the only errors in any of the figures which are quoted in the minority views from the hearings are in the total foot-tons of energy for each navy. The minority took its figures for both the predreadnaught and the dreadnaught ships from the original uncorrected entry in the hearing which gave—

	German.	American.
Predreadnaught muzzle energy	5,007,500	7,741,565
Dreadnaught muzzle energy	13,943,830	9,678,200
Total	18,951,330	17,419,765

All of these figures should have been divided by 2, there having been an arithmetical error in the original computation, MV^2 having been used instead of $\frac{1}{2}$ MV^2 for energy, and were corrected in the final corrections to the hearings. Since the ratio is in no way affected by this, however, as the division is the same for both fleets, the relative strength of the two fleets is not affected whether the double figures quoted by the minority are used or the corrected figures gotten by dividing this by 2.

To obtain the comparison which the minority attempts to deduce at the top of page 67, including the *Oklahoma, Nevada, Pennsylvania,* and *No. 39* in the American fleet, would necessitate another computation which would not be correct until *No. 39* is completed in 1917; and by that time the German strength would have to be added to by including six dread-

naughts and three dreadnaught cruisers they are now building, and would be proportionally greater.

NOTE.—A dreadnaught cruiser is a ship with a dreadnaught battery in which some of the protection and guns have been sacrificed to obtain greater speed. Only England, Germany, and Japan at present possess ships of this type, though Russia is building some. They are ships of from about 27 to 30 knots speed, with main batteries of dreadnaught type and power. They are given great speed for tactical advantage and great batteries to fight in the line with other dreadnaughts. They are a distinct type from what are known as "armored cruisers"—of which we have 11 and Germany 9—with small batteries of 8 to 10 inch guns, thin armor, and inferior speed of 22 to 23 knots, and are classed in all navies as ships of the first order with the dreadnaughts.

Panama Canal Tolls.

EXTENSION OF REMARKS
OF
HON. J. D. POST,
OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, March 28, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. POST. Mr. Speaker, when the act to provide a government for the Panama Canal Zone was under consideration in the House I was paired against the provisions of the bill permitting the free use of the canal to the vessels owned by citizens of the United States engaged in coastwise trade. I believed then, as I do now, that the plank in the Baltimore platform advocating the free use of the canal to those vessels of our merchant marine engaged exclusively in our coastwise trade is repugnant to our treaty obligations to Great Britain and directly opposed to the economic principles always adhered to by the Democratic Party. I then had confidence in my position, and the intervening time has strengthened my faith in the correctness of my attitude upon this great question. I hope I fully appreciate the gravity of a platform declaration; yet, notwithstanding this, I believe that the obligations of a binding contract, solemnly entered into, constitute a rule of conduct more sacred than the precepts of a party declaration. In this connection it may be consoling that another great party, born on the windy shores of Lake Michigan, in the commercial metropolis of the State of Illinois, coming in on the wings of a cyclone and destined to go out like the disappearance of a gentle zephyr on a blushing May morn, committed the same error, if mistake it be.

Any discussion of this momentous controversy must necessarily revolve around certain provisions, phrases, and words contained in the treaty between this country and Great Britain, entered into and ratified on November 18, 1901, the Hay-Pauncefote agreement, and incidental thereto the Hay-Pauncefote treaty of February 8, 1900, as well as the Clayton-Bulwer agreement of April 19, 1850.

In English jurisprudence intention is the polestar by which we are guided in the construction of contracts, no matter whether they relate to the agreement of ordinary commercial transactions between individuals or deal with international affairs. If the intention can not be gathered from the four corners of the instrument, if its terms are uncertain or dubious, or are ambiguous, or for any other reasons there is doubt as to its true meaning and import, then it is a rule of both municipal and international law that resort may be had to the history of the transaction and to the facts and circumstances leading up to, as well as those surrounding, the consummation of the agreement or convention, and thus to arrive at the correct construction. Let us apply these salutary rules to the momentous question under consideration, and first look to the history of the transaction leading up to the ratification of the Hay-Pauncefote convention.

Let me first say that it was the constant, insistent policy of the United States from time immemorial, whenever treating the subject of connecting the two oceans through the Isthmus of Panama by means of a canal, that such connection should always be neutral and should be equal for the use of the vessels of the citizens of all nations upon just and equal terms.

As early as May 8, 1826, Henry Clay, then Secretary of State, in a letter written to the representatives of this country to the Panama Congress—in fact, instructing such representatives—wrote:

What is to redound to the advantage of all America should be effected by common means and united exertions, and should not be left to the separate and unassisted efforts of any one power. If the work should ever be executed so as to admit of the passage of sea vessels from ocean to ocean the benefits ought not to be exclusively appropriated to any one nation, but should be extended to all parts of the globe upon the payment of a just compensation or reasonable tolls.

At this early day Mr. Clay was speaking for the United States, and no one can doubt that, from the language employed, a canal connecting the two great oceans should be appropriated to the equal use of the citizens and subjects of all nations, subject only to the payment of just compensation or to a charge of reasonable tolls.

On the 3d of March, 1835, the Senate passed a resolution requesting the President to consider the expediency of negotiating with other nations, particularly with the Governments of Central America and New Granada, to protect those who might undertake to open communication between the two oceans upon the Isthmus by means of a ship canal and of extending forever the free and equal right of navigating such canal to all such nations on the payment of reasonable tolls to compensate the capitalists who might undertake and complete such work. Under this resolution every nation agreeing to protect capitalists who would undertake and complete the construction of the canal and pay the proper tolls should have the free and equal right to its navigation.

In 1839 this House unanimously passed a similar resolution, but somewhat more comprehensive. The resolution was reported by the Committee on Roads and Canals. Like the Senate resolution, it requested the President to open up or continue negotiations with other nations to determine the practicability of the construction of a ship canal across the Isthmus and of securing forever by suitable treaty stipulations the free and equal right of navigating such a canal to all nations. No one can doubt the import of the phrase, "the free and equal right to navigate such canal to all nations."

President Polk, in his annual message to the Congress, spoke in no indefinite terms upon this question:

That either of these Governments—

Referring to Great Britain and France—

would embrace the offer can not be doubted, because there does not appear to be any other effectual means of securing to all nations the advantages of this important passage but the guaranty of great commercial powers that the Isthmus shall be neutral power. The interests of the world at stake are so important that the security of this passage between the two oceans can not be suffered to depend upon the wars or revolutions which may arise among different nations.

Language in favor of both equality and neutrality could not be more direct. No one will doubt but that these many solicitations and invitations to other nations on the part of the United States to connect the two oceans by means of a canal culminated in the agreement of April 19, 1850, commonly known as the Clayton-Bulwer treaty. This contract in unquestioned language defines the purpose for which a ship canal is to be constructed. In article 5 it is provided that the canal "may forever be open and free." In article 6 it is stipulated that—

the contracting parties likewise agree that each shall enter into treaty stipulations with such of the Central American States as they may deem advisable for the purpose of more effectually carrying out the great design of the convention, namely, that of constructing and maintaining said canal as a ship communication between the two oceans for the benefit of mankind, on equal terms to all, and of protecting the same.

Article 8 contained a provision to the effect—

that the same canals or railroads, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other State which is willing to grant thereto such protection as the United States and Great Britain afford.

These historical facts by their terms point with unerring aim to only one conclusion, and that is that the terms and conditions of use of an interoceanic canal should be the same to all comers.

The Clayton-Bulwer convention was sought to be superseded by the Hay-Pauncefote agreement of February 5, 1900, but failed of ratification. It was superseded, however, by the Hay-Pauncefote convention of November 19, 1901. Before looking to the provisions of these two instruments to determine what I contend has always been the fixed policy of the United States in maintaining that any canal constructed across the Isthmus should be open upon equal terms to the citizens and subjects of all nations; let us see what transpired in the half century between the execution of the Clayton-Bulwer and Hay-Pauncefote treaties.

I insist that it has been the policy of our Government throughout its history to maintain the freedom of the seas. This doctrine has been carried from the open seas to the bays, inlets, straits, and navigable rivers the world over. It was

upon our initiative that the Government of Brazil, in 1866, opened to navigation to the vessels of all nations the Amazon and other rivers of that country. At our suggestion the Orinoco and the Plata were added to the list of the free rivers of the world. We established this principle as to the Yukon River, in Alaska, by making it navigable on equal terms to vessels engaged in British trade with those of our own. The formative discussion which led to the ratification of the Clayton-Bulwer and the Hay-Pauncefote treaties are conclusive of the attitude of this Government in this regard. The representations made through the Department of State of the United States from time to time to the British Government and the interpretations made of various State papers by illustrious Secretaries of State was to make and render any means of communication between the two great oceans, either by railway or by canal, to all intents and purposes upon equal terms to the commerce of all nations and all peoples.

Secretary of State Cass, shortly after the ratification of the Clayton-Bulwer treaty in 1857, placed this country's construction upon that instrument in the following language:

> The United States, as I have before had occasion to assure your lordship, demand no exclusive privileges in this passage, but will always exert their influence to secure their free and unrestricted benefits, both in peace and war, to the commerce of the whole world.

Secretary of State Blaine, in giving instructions to our minister at the Court of St. James, Mr. Lowell, in 1881, with a view to obtaining a modification of the Clayton-Bulwer treaty, exemplifies the intention of this Government as to the character and nature of the canal in the following language:

> The United States recognizes a proper guaranty of neutrality as essential to the construction and successful operation of any highway across the Isthmus of Panama, and in the last generation every step was taken by this Government that it deemed requisite in the premises. Nor, in the time of peace, does the United States seek to have any exclusive privileges accorded to American ships in respect to conditions or tolls through an oceanic canal any more than it has sought like privileges for American goods in transit over the Panama Railway, under the exclusive control of an American corporation. It would be our earnest desire and expectation to see the world's peaceful commerce enjoy the same just, liberal, and rational treatment.

Can anyone doubt that by these representations made in behalf of the United States by James G. Blaine, that it was not the intention of the United States that its vessels, whether engaged in over-sea traffic or coastwise trade, was to have precedence in toll or any other respect over the vessels of all the nations of the world? The intention of this Government was fully exemplified by Mr. Blaine in the representations which I have quoted in comparing the privileges sought to be accorded to American ships with the privileges upon American goods in transit over the Panama Railway.

The Panama Railway is a New York corporation; was built by three Americans; built in 1854 and operated as an American institution until its acquisition by the French Maritime Interoceanic Canal Co., and operated by the latter company until its acquisition by the United States. It was completed and operated under the conditions of the Clayton-Bulwer treaty and the convention between the United States and the Republic of Colombia. It is significant that in its operation for one-half a century no demand was ever made for discrimination in freight charges or any other conditions; no demand was ever made, or even an intimation of a desire, that our vessels engaged in the coastwise trade transshipping over the Panama Railroad should receive any discriminations whatever relative to freight or other charges. It was conducted upon the same principles of equality as applied to the Panama and Suez Canals.

The ancient exactions and restrictions of the seas have been so far removed by modern diplomacy as to firmly establish the peace of the waters. So insistent has our policy been for this principle that, by agreement with great Britain, we have applied it to the canal at Sault Ste. Marie in return for like privileges in the Welland Canal.

That this principle was carried into the convention of 1901 I have not the slightest doubt. It was made to remove any objection that might arise out of the convention of April 19, 1850, and without impairing the "general principle" of neutralization established in article 8 of that convention. The general principle of neutralization mentioned in the preamble is specifically defined in article 3, and included the principle of equality, though the two subjects are entirely distinct.

By section 2 the United States may construct the canal, and subject to the provisions of the treaty—

> shall have and enjoy all the rights incident to such construction, as well as the exclusive right to regulate and manage the canal.

It is widely contended that, from the fact we obtained complete sovereignty over the territory upon which we have constructed the canal, that the treaty would not be applicable. But I call attention to the preamble, which recites, "by whatever route may be considered expedient," and "the construction of a ship canal to connect the Atlantic and Pacific Oceans," clearly contemplating any route that would pierce the Isthmus. It is seriously contended that, from the fact that, under article 2, the United States are to have the rights incident to the construction, regulation, and management of the canal, that our authority to regulate and control is unlimited. But I call attention to the fact that such authority is subject to the provisions of the treaty; and by the next section of the agreement we adopted certain enumerated rules embodied in the treaty by the powers of Europe, the Sultan, and the Khedive, for the free use of the Suez Canal at all times and for all the powers. Six of these rules were adopted, the first of which provides that—

> The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect to the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

The subsequent rules adopted by the treaty relate exclusively to the neutralization of the canal.

Article 1 of the convention respecting the free navigation of the Suez Canal, ratified at Constantinople, October 29, 1888, provides—

> The Suez Maritime Canal shall always be free and open, in time of war as in time of peace, to every vessel of commerce or of war, without distinction of flag. Consequently, the high contracting parties agree not in any way to interfere with the free use of the canal, in time of war as in time of peace.

Under the Suez agreement, the vessels of commerce and war, without distinction of flag, are to be accorded the free use of the canal, while under the Hay-Pauncefote convention it is only the vessels of commerce and war of all nations observing these rules that are to be entitled to the free privileges of the Panama Canal. It is palpable that the rules to be observed are those included in the five sections relating to the neutralization of the canal. The language employed in section 2 of the Hay-Pauncefote treaty to effect the equalization of traffic passing through the canal could not have been more definite or explicit. "Shall be free and open" is imperative. "Vessels of commerce and war" include known designated classes of vessels. "All nations" is broad and comprehensive enough to include any form of recognized government. Yet, upon this term the whole controversy seems to hinge. The canal should be free and open "in terms of entire equality." The adjective "entire" in this connection is significant. "Entire equality" would imply that there should be no impartiality whatever. Again, there shall be no discrimination against any nation entitled to the free use of the canal; and this clause can only be important in reinforcing the terms of entire equality. There shall not only be entire equality, but no discrimination against such nation. But these are applied to the citizens and subjects of such nations. The conditions and charges of traffic must not only be just and equitable, but must be administered on terms of entire equality.

The right conferred upon the Government incident to the construction of the canal can have no bearing upon the right to provide for the regulation and management of the canal, and these rights are restricted by the provisions of section 1, article 2, as to the canal being free and open to all vessels on terms of entire equality, and that the conditions and charges for traffic must be just and equitable.

From the course of our conduct, the facts leading up to the consummation of this treaty, the established policy of this country as respects the freedom of the waters for the purposes of navigation and the peace of the seas, and a careful analysis of the context of the instrument itself, it seems to me that the inevitable conclusion must be impressed upon the mind of any fair-minded thinker that the intention of the high contracting parties to this convention is scarcely susceptible of any contention. The history of the transaction shows that the Clayton-Bulwer treaty probably originated with the letter of Mr. Clay as far back as 1826, that that treaty was sought by the United States and not by Great Britain, that it was modified upon the request of the United States, that both were the culminations of negotiations long previously begun and of resolutions passed by both the Senate and House of the American Congress, of representations made to various governments by several Secretaries of State, throughout all of which representations were made by the United States that it did not seek any selfish advantage, but that a canal connecting the two great oceans should be open to the impartial use of all the nations of the world. I assert that this was the policy of this Government always up to the passage of the canal act on August 24, 1912. That policy was to make the canal a great open highway, to bring remote nations and peoples into more intimate relations with one another for the promotion of human happiness and the dissemination of the blessings of civilization. The stupendous sacrifice of human

energy and enormous expenditure of public money, amounting to a figure in excess of $400,000,000, in the building and fortification of the canal, a critical study of the diplomatic history of the many canal projects from 1835 down to the passage of the canal act will prove conclusively was proffered to be sacrificed and expended for no other purpose. To construct this great highway, "open and free" to the commerce of the world, as an exalted agency of peace, had occupied the dreams of our foremost statesmen from the earliest dawn of our history to the date of that act. To selfishly appropriate the canal as a national monopoly or to legislate its use to the exclusive benefit of a particular class of our citizens was never even remotely intimated on our part in the diplomatic correspondence. England from the earliest times had been ever watchful of her interests in the New World and was vitally interested in the question of transportation over the Isthmus. Her possessions in the Western Hemisphere were numerous. She possessed the vast continental empire known as the Dominion of Canada, larger than the United States; Newfoundland, in the extreme north; the Falkland Islands, to the extreme south, at the southern limits of South America; Bermuda; the Bahamas; Barbados; Jamaica; the Leeward Islands; Trinidad; the Windward Islands; and in the central part of the continent, near the Isthmus, British Honduras; and upon the Continent of South America, British Guiana. Her island possessions in the neighborhood of the canal comprise a territory of 19,500 square miles, and that on the continent 98,800 square miles.

In addition to this, Great Britain is the greatest maritime nation of the world, and so much of her energy and capital has found its way into the ocean-carrying trade that her vessels do about half of the shipping business of the world. Her vessels pay more than half of the tolls of the Suez Canal, and when the number and the tonnage of her merchant vessels are taken into consideration it is not at all improbable that her vessels will pay a large amount of the tolls of the Panama Canal. In 1912 Great Britain had more than 10,000 sea-going steamers, while the United States had less than 1,200, and the tonnage of the British vessels was more than twelve times that of the United States. In view of these facts it is not at all improbable that British vessels will pay more than ten times the amount of tolls in passing the canal than will be paid by vessels of American register. From these facts it can not be doubted that Great Britain was vitally interested that any connecting waters between the Atlantic and the Pacific Oceans on the Isthmus should be dedicated to the peaceful commerce of the world, under the guaranty of its permanent neutrality by this Government and all the nations using the canal in recognition of the freedom of the seas. In any construction to be given to the Hay-Pauncefote convention not only the course of conduct, the varied interests involved, but the intention gathered from such conduct and interests affected must be taken into consideration. It is argued in many quarters that the phrase in the Hay-Pauncefote treaty, "all nations," in the sentence, "The canal should be free and open to the vessels of commerce and of war of all nations," does not include the United States, and that "all nations" means all other nations than the United States. As I have heretofore said, the two controlling features of the treaty is the complete neutralization of the canal, which of course applies only to a condition of war, and that of equalization. How could you have a state of "entire equality of all nations" without including the United States? The guaranty of neutrality in time of war to the vessels of commerce and of war, as well as the guaranty of entire equality to all such vessels, is most generous, but the proposition that these generous promises of our treaty undertaking would be satisfied by preserving equality of condition among all other nations than ourselves and reserve to ourselves substantial advantages does extreme violence to the language employed. The adjective "all" signifies every, so that every nation using the canal and observing the rules adopted by the United States in the treaty must of necessity be included. If the United States is not embraced in the "all nations" clause it seems to me that pertinent language should have been employed to that effect. Article 8 of the Clayton-Bulwer treaty is certainly elucidating upon this point, which provides:

> The Governments of the United States and Great Britain having not only desired, in entering into this convention, to accomplish a particular object, but also to establish a general principle, they do hereby agree to extend their protection by treaty stipulations to any other practical communication, whether by canal or by railway across the Isthmus which connects North and South America. In granting, however, their joint protection to any such canals or railways, it is always understood by the United States and Great Britain that the parties constructing or owning the same shall impose no other charges or conditions of traffic thereupon than the aforesaid Governments shall approve of as just and equitable, and that the same canals and railways being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other state which is willing to grant thereto such protection as the United States and Great Britain engage to afford.

The condition that the canals and the railways shall be open to the citizens and subjects of the United States and Great Britain on equal terms shows conclusively that there should be no distinction in the toll charges for the use of the canal or railroad made between the citizens of each country. No one can doubt that had the canal been constructed under the stipulations of this treaty jointly by the two Governments, or by individuals or corporations under their protection, that its use should have been compensated by equal tolls to the citizens and subjects of each country, and by the citizens of every other nation granting such protection as the two Governments engaged to afford. Then in the third article of the Hay-Pauncefote treaty the United States adopts substantially the same language, and provides that all nations observing these rules shall have the use of the canal on terms of entire equality. Anyone, on the very first reading of the "all nations" clause, will instantly say that there is no ground for supposing the United States is excluded from its provisions. Were the six rules adopted by the United States in the treaty for the neutralization of the canal to apply to other nations and not to include the United States? No one at all familiar with the ordinary rules of construction would answer this interrogative in the affirmative. If the United States is included in five of the adopted rules and bound by their provisions, some very subtle reasons must exist to exclude them from the first or all-nations rule. Such a construction would be to admit that equality is a policy peculiar to the Old World and inappropriate to the new.

Again, in article 3 of the Hay-Pauncefote convention, the United States adopts as the basis for the neutralization of the canal the following rules, substantially as embodied in the Constantinople convention for the free navigation of that canal, and which by its terms was to always be free and open to the vessels of all nations without distinction of flag, and which had been opened for many years and used by the vessels of commerce and war of all nations without any discrimination whatever in the payment of tolls, may it not be reasonably presumed that the two nations in adopting the rules for the use impressed them upon the Panama Canal? And then, in the twelfth article of the Constantinople treaty, the principle of equality as regards the use of the canal is particularly emphasized, and it seems reasonable that in the use of like language in the Hay-Pauncefote agreement a similar construction should prevail.

There is another principle, applicable alike to municipal and international law, that should be taken into consideration in the solution of this vexed question. The canal is strictly a public-service utility, and much more of the nature of an international public calling than domestic.

By the express terms of the Hay-Pauncefote treaty the United States was authorized to construct the canal at its own cost, or by gift or loan of money to individuals or corporations. Suppose the canal under this stipulation had been constructed by a domestic corporation, would there be any doubt but that exact and equal conditions and tolls would have been exacted from the citizens of this country whether engaged in the oversea traffic or the coastwise trade? And if the canal had been so built, the duty of treating all vessels, whether American or foreign, on the same basis of entire equality would have been enforced by the United States against every nation, including itself. It is eminently unfair to say that either of the high contracting parties in using the language employed it in any other than in the ordinary signification, or employed it contrary to the rules both of municipal and international law governing like subjects. The treaty was made in days when equality was and still is the only ideal of justice, and most emphatic language should have been employed to show that a rule of inequality was intended absolutely hostile to the words of that convention and the spirit of the times in which it was made. Is it any wonder that President Wilson, on March 5, in his address to the joint Houses of Congress, declared "that everywhere else the treaty is given but one interpretation"?

In the construction to be given to any contract it is well to look to the consideration moving the parties to enter into its stipulations. In this respect the Clayton-Bulwer treaty provided for a joint construction and control of any canal piercing the Isthmus of Panama. The United States could not with that treaty subsisting construct a canal connecting the two oceans. In order to get rid of this obstacle the treaty was superseded by the Hay-Pauncefote convention. Great Britain gave up her right to participate in the construction and control of a canal and the United States gained the exclusive right to its construction, and for the relinquishment of the joint right of construction and control Great Britain certainly received the assurance that the canal should be open to British and United States vessels upon terms of equal treatment.

There is another rule of property peculiarly applicable to the Panama Canal. When an individual or other owner dedicates

property to a public use and the public accepts it for such use, the public thereby requires an easement in the property for such purposes. Only two things are requisite to create such an easement—dedication on the part of the owner and acceptance by the public. This principle is recognized as a rule of international as well as municipal law. A dedication may be effected in various ways, usually by words or acts of the proprietor, or by long-continued use acquiesced in by the owner. The United States for decades has held out to the entire world that any canal across the Isthmus should be dedicated to an international use. It has consistently declared, reiterated, and emphasized such an intent for more than 75 years. The nations of the world, by every act and utterance on our part, have been led to believe that the canal should be dedicated to an international use. Such a rule would not destroy our rights as owner to impose reasonable tolls, or deprive us from making and enforcing reasonable regulations for the protection, preservation, and maintenance of our property, but would impose upon us a positive duty of serving the entire public without discrimination and upon terms of entire equality. I need not repeat the early declaration of Mr. Henry Clay and of the many succeeding eminent Secretaries of State, the resolutions of the Senate and House, the provisions of the Clayton-Bulwer convention, the two Hay-Pauncefote treaties, the Constantinople agreement, and the Colombian agreement, to prove the declared intent on the part of this Government to dedicate the canal to an international use. Another maxim is that where property is once dedicated to a public use, such dedication can not be revoked; and when, as I have shown, the whole world has relied upon our sacred promise and declared intent to dedicate the canal to the world's commerce upon terms of exact equality, how can we now, without stultifying the national honor, revoke our promise and avoid our dedication? Our offer has been accepted and our dedication complete, and both accomplished before the passage of the canal act.

Let us consider this question in the light of rule of another law. The modern tendency is to establish the principle that navigable waters in times of peace must be treated as international waters not subject to exclusive national control. The exception to this rule is that if the navigable water is useful to the commerce of only one or two States through which it passes or upon which it borders, then such States may exercise sovereignty over it. The general rule has arisen out of the fact that water, covering the greatest part of the surface of the earth, is the great medium for international communication. That the waters of the earth should be free to the commerce of the world as a means of communication is so vital to the prosperity of the nations of the world that this principle is universally recognized. The Panama Canal is a waterway vital to the vessels of commerce of all maritime nations. It is a waterway connecting two great bodies of water, both of which are highways of commerce of all nations, and, if it was a natural way, would fall clearly within the rule. Though an artificial waterway, I feel most certain it comes clearly within the principle. Its international use is so paramount and vital to the commerce of the world that its subjugation to the domination of any one nation would be abhorrent to the civilized world.

Much stress is laid in some quarters upon the decision of the Supreme Court in the case of Olsen *v.* Smith (195 U. S., 332). It is claimed that the phrase "upon terms of entire equality" has in this case received a judicial definition, and under its designation we would be at liberty to exempt vessels of our citizens engaged in the coastwise trade through the canal from the payment of tolls. An analysis of the treaty with Great Britain, under which this decision was made, will show conclusively the correctness of the decision, as well as the futility of the contention. This decision was made relative to a treaty between Great Britain and the United States entered into in 1815. Smith was a duly licensed pilot for the port of Galveston under the laws of the State of Texas. Olsen was not so licensed, but offered his services to pilot vessels in or out of the port of Galveston bound to or from foreign ports. Smith sued for damages, and one of the claims relied upon was that the laws of the State of Texas, subjecting vessels of Great Britain to charges of pilotage, was contrary to the express terms of the treaty of December 22, 1815. The State law exempted coastwise vessels from pilotage dues. The Federal Supreme Court held that a law subjecting all vessels, domestic and foreign, engaged in foreign trade to pilotage regulations, but which exempted coastwise vessels of the United States is not in conflict with the provisions of the treaty between the United States and Great Britain to the effect that British vessels shall not be subject to any higher pilot regulations than vessels of the United States

Article 1 provides, "The inhabitants of the two countries shall have liberty freely and securely to come with their ships and cargoes to all such places, ports, and rivers in the territories aforesaid to which other foreigners are permitted to come, to enter the same, to remain, and reside in any port of the said territories, respectively—the merchant and traders of each nation, respectively, shall enjoy the most complete protection and security for their commerce, but subject always to the laws and statutes of the two countries, respectively."

The territories referred to are designated as the territories of the United States and all the territories of His Britannic Majesty in Europe. It will be perceived that the complete protection and security of the merchants and traders of the two countries was always to be subject to the laws and statutes of each country, and this being so the pilotage law of the State of Texas would be expressly exempt by the terms of the treaty.

Article 2 provides that no higher duties or charges shall be made upon articles of export or import of either country than are payable on like articles of any foreign country, thus placing the commerce of each country upon an entire equality with every other nation. It is also provided that no higher or other duties or charges shall be imposed in any of the ports of the United States on British vessels than those payable in the same port by vessels of the United States nor in the ports of British territories than shall be payable in the same ports by British vessels. All foreign vessels entering the port of Galveston were required to pay pilotage dues by the Texas law, and only vessels of the United States engaged in the coastwise trade exempted. At the time of the decisions merchant ships of Great Britain engaged in her coastwise trade were not required to pay these dues, so that the treatment of United States vessels at Galveston was in direct accord with her own policy, and each country was within its rights under the stipulations of the treaty. It is further expressly stipulated that the vessels of the United States shall not engage in the coastwise trade of British territories, and that British vessels shall not engage in the coastwise trade of the United States. In the light of these various provisions of the treaty the Federal Supreme Court could render no other decision than holding that the law of the State of Texas did not violate any of its provisions, but that the pilotage duty was governed by the local law. This is no strained construction, and the advocates of free tolls for the vessels of our nationals engaged in the coastwise trade through the canal can receive little comfort either from the provisions of the treaty or the decision in the Olsen-Smith case.

There is another view of the case to which I wish to call attention. Private property is always subject to the needs of the public. Of course, just remuneration must be made for its taking. But when the public is vitally interested the private owner must yield his property to that demand. I think it must be conceded that the Panama Canal will, from its very nature, be an international waterway. Courts whenever exercising English law have always held that when private property is used in a manner to make it of great public convenience it then becomes clothed with a public use. If effected with a public use, and that use was the innocent commerce of the world, why should it not be opened to all comers upon equal terms? It might be said that a railroad company expending its energy in the construction of its road, spanning rivers and piercing mountains, all upon its own property and with its private funds, should belong to it exclusively to do with it as it pleases; but such a contention can not prevail under municipal law against the necessities of the public. The individual who constructs a hotel with his private means and conducts a business for the accommodation of the public impresses upon his property a public use and must treat all comers upon equal terms. It matters not, then, that the Panama Canal was constructed by American genius never excelled, with American money, and through soil over which the United States has undoubted sovereignty. If the private property of the individual citizen of a State may be effected with a public use so that the State may compel its use upon equal terms to all members of the public, may not the individual property of a State become effected with an international use when the commerce of the world is so vitally interested?

We are not without examples illustrative of this principle. The Straits of Magellan, wholly within the sovereignty of the Republic of Chile, on account of their practicability for the use of the world's commerce have been impressed with an international use notwithstanding the objections of that Republic. The Rhine and the Danube are instances of rivers now devoted to the world's commerce, though not connecting two open seas, but traversing the States having sovereignty over them, that were neutralized for the benefit of the world's commerce, in spite of the opposition of those States. The international use is further evident from the fact that the United States acquired the canal strip from the Republic of Panama to construct a waterway for the use of all nations. It is reenforced from the fact that

the Canal Zone is no part of the coast of the country. It is wholly disconnected from any of the country's coast line, acquired to be devoted exclusively to a waterway connecting the two oceans, and with no intention to devote it to any other purpose. All nations so understood the purpose of this acquisition, and now to divert it to national policies for selfish ends would be a violation of many of the rules we have contended for not only in national but in international affairs. We acquired the fee-simple title to the Canal Zone, built the canal for the benefit of mankind and the extension of civilization, and we must forever hold it charged with an international use for the promotion of humanity, or its usefulness will be largely impaired and the very purpose of its construction defeated.

I have said that the Canal Zone is no part of our coast line. It is a strip of land across the Isthmus of Panama and wholly within the confines of a foreign Government. It was purchased of the Republic of Panama at a cost of $10,000,000, to be devoted to a particular use. That use is defined by the terms of three treaties—the Panaman, Colombian, and the Hay-Pauncefote. The use to which a waterway was to be devoted, constructed under these conventions, was to be for the benefit of the citizens and subjects of all nations on terms of entire equality without any discrimination as to charges for such use.

A great deal of confusion has arisen from the fact that the United States purchased the Canal Zone, and under such purchase it is asserted was given absolute sovereignty over the canal strip. In this there is a misconception. That the United States under the treaty has the fee-simple title to the Canal Zone, I believe there can be no question. But superimposed upon this title are certain conditions enumerated in the treaties I have mentioned. It occupies a similar position to the owner of the title of lands encumbered by a highway. Such owner is vested with the fee-simple title to the lands, may be compelled to pay taxes upon it, and do other things relative to it. In other words, he owns the land subject only to the right of the public to improve it to make it useful for public travel and the public's right to such use. So it is with the Canal Zone; the United States owns the land, and has the right to do with it as it pleases, subject only to the binding covenants of the treaties relating to it, and which run with the enterprise. Every right of title is enjoyed by the United States except such rights as are defined by our treaty obligations. The United States may fortify, police, maintain, and make conditions for the traffic using the canal, and exercise many other acts of ownership, being hampered only by its obligations solemnly entered into. Those who argue from the standpoint of ownership brush aside the covenants which run with the enterprise.

Again, it is sought to apply a principle of international law to the effect that a change in sovereignty taking place after the ratification of a treaty or such a change in conditions may take place as to make the treaty not obligatory upon the parties applicable to the canal situation. As to the latter, no conditions have changed; and as to the former, the framers of the Hay-Pauncefote treaty forestalled any such a contention by expressly providing "that no change of territorial sovereignty or of the international relations of the country or countries traversed by the aforementioned canal shall affect the general principle of neutralization or the obligations of the high contracting parties under this treaty."

So much for the legal sides of the controversy. Let us consider the question from an economic standpoint, and for the sake of argument let us assume that we bought and paid for the Canal Zone and built the canal with our own money, and that it is absolutely nobody's business how we use it, should we adopt the policy of permitting the use of the canal to the traffic of those vessels of American register engaged in the coastwise trade free of charge? As I have said, the purchase of the Canal Zone, the French concessions and material, the construction and fortification of the Canal Zone will cost in excess of $400,000,000, every dollar of which will be paid out of the Treasury. For one I believe the people of this great country should, if possible, be reimbursed for the enormous outlay. That they ever will I have most serious doubts. Those claiming freedom of the canal for the vessels of our citizens engaged in coastwise trade must concede that such citizens are now most highly favored by our navigation laws. In fact, they have a complete monopoly of the coastwise trade. We by law prohibit any vessel not of American register and not flying the national flag from engaging in such trade. We give them material for building ships free of customs duties and favor them in many other respects. Besides this it is conceded by those familiar with the coastwise trade that that business is and always has been upon a healthy paying basis and is a most profitable business. Those being the conceded conditions as to the situation of the coastwise trade, those of our citizens so engaged need no subsidy or recourse upon the National Treasury. That free tolls is in the nature of a subsidy will admit of no doubt.

It is sought to justify the position upon the grounds that our coastwise vessels should have the free use of the canal in order to compete with the transcontinental railroads; that such competition would lessen railroad freight rates and thus benefit the whole people. That there will be competition, and that it will lessen railroad freight rates, I have not the slightest doubt. But without the freedom of the canal such competition will still exist, and such freedom, if permitted, will not augment competition.

The charge as proclaimed by President Taft is $1.20 a vessel ton, or, in other words, $1.20 a hundred cubic feet of vessel space. Those familiar with vessel tonnage estimate that this will amount to about 50 cents a freight ton, or about 2½ cents per 100 pounds. This small charge would make little difference to the ultimate consumer, even if he received the benefit of it. But he would not receive it. This is evident, for the reason that the coastwise vessel owner can pay the small toll and yet carry freight much cheaper than the railroads. Hence it follows that placing the use of the canal into the hands of this already favored class of our citizens is taking their just share of the tolls from the pockets of the people to enlarge their profits.

Our people have been alarmed for years on account of the decadence of our merchant marine. This fact is most deplorable, and the flag, now so seldom seen upon vessels engaged in deep-sea traffic, should be restored to its ancient grandeur in our foreign commerce, so vital to the prosperity of the Nation. The greater part of the vast foreign commerce of the United States, amounting in exports and imports in the year 1912 to $3,857,587,343, should be carried in American bottoms, manned by American seamen, and the great occupation restored to its former prestige. But, sirs, the granting of free tolls to coastwise vessels will lend no incentive to our foreign-carrying trade. Such a policy would not swell the sails of our vessels and send them laden with our products into the ports of all nations and the marts of the world to return to our shores laden with the riches of every clime. It would not add one iota of aid or assistance whatever in rehabilitating our foreign-carrying trade. What will be the charges against the Panama Canal? It is estimated that it will lay a burden of $3,500,000 annually upon the Treasury to operate and maintain the canal, $500,000 to keep the Canal Zone in a proper sanitary condition and for zone government, $250,000 yearly to meet our treaty obligations with the Republic of Panama, a grand total of four and a quarter million dollars. These are the items of necessary expense incident to the conduct of the canal, and must be met by charges or drawn from the Federal Treasury. But in all fairness the people of the United States are justly entitled to interest upon their generous expenditure of $400,000,000 upon this great enterprise. This would add an additional charge of $12,000,000 annually against the tolls received at the canal. Sound business principles would annex to these figures an amortization fund of at least 1 per cent on the cost of the canal, or $4,000,000 yearly, making legitimate charges aggregate the sum of $20,250,000 annually. Prof. Emery R. Johnson, of the University of Pennsylvania, selected by President Taft as special commissioner on Panama traffic and tolls, in his most excellent report estimates that during the year 1915 our coast-to-coast vessels will carry through the canal 1,000,000 tons, while vessels engaged in the foreign trade will carry 9,500,000 net tons, in all a total of 10,500,000 tons. The gross revenue upon this tonnage at $1.20 per ton amounts to $12,600,000, a sum $7,650,000 short of the legitimate charges against the canal. But if the coast-to-coast vessels are to be exempted, to this shortage must be added $1,200,000, making a deficit of $8,850,000 annually. In view of these estimated facts and from an economic standpoint, the coastwise vessels should not be exempted from the payment of tolls. Prof. Johnson also estimates that in the next decade the tonnage carried through the canal by our coastwise vessels will increase to 2,000,000 tons in 1925.

Should there be no lowering of the rate imposed, a thing not improbable on account of the competition of the Suez Canal, the tolls, if imposed upon this tonnage, would amount to $2,400,000 annually, quite a generous sum to donate to those of our citizens who will be engaged in this profitable business. He further estimates that by 1925 the total tonnage passing through the canal will amount to 17,000,000 tons, and if all vessels are treated upon terms of entire equality and charged tolls, the rate remaining the same, the collections at the canal will aggregate $20,400,000, a sum a little in excess of all legitimate charges. But if the coast-to-coast traffic is exempted from the payment of tolls, then there would still be an annual deficit of $2,250,000. These figures clearly exemplify the fact that if the coast-to-coast traffic is to be exempted from the payment of tolls the canal will be a continual burden upon the general taxpayers of the country. If a decade hence the charges at the canal will

not defray the annual outlay for operation, zone sanitation, and government, and the interest upon the money invested and bonds issued for its construction by charging tolls to all in its use, then I submit it is a very bad business proposition to make any exemptions. I believe all will agree with me that the canal should be made, if possible, self-supporting, and not be a draw upon the taxpayers of the country. The interest and principle of this great investment ought to be paid from charges at the canal, and not from general taxes derived from the Federal Treasury. Those who derive an immediate benefit from the use of the canal should be required to pay a reasonable compensation for the benefits enjoyed by them. Such a policy is dictated by every principle of sound methods of public financiering and political prudence.

It sounds euphonious to say that coast-to-coast vessels should be exempted from the payment of tolls in order to effect proper competition with all rail traffic from the Atlantic to the Pacific coast. Let me remind those who so contend that at this very moment the railroads of the country are knocking at the doors of the Interstate Commerce Commission for an increase in freight rates, upon the theory that they can not exist without some relief. It must be conceded that coast-to-coast water transportation will be much cheaper than inland rates by the railroads of the country after the canal is in operation. The difference will be so great that the railroads will be deprived of a great deal of their traffic. Now there is transported from the Pacific slope to the Atlantic coast 1,000,000 tons of fruit annually.

The great bulk of this tonnage will pass through the canal when in operation. The best data obtainable show that it costs to carry this freight across the continent by railroad in the neighborhood of $26 per ton, and that it can be carried by the waterway profitably at a freight charge not in excess of $7 per ton. Here is a margin of $19 per ton in favor of the owner of the coastwise vessel, and the addition of a toll charge of 40 or 50 cents a ton will not destroy his ability to carry in competition with the rail carrier. The land and water freight charges of other merchandise will not differ materially from that of fruits, and it is most palpable that the shipper will add the tolls to the price of his commodities, while neither the producer nor the consumer will profit by free tolls, and the vessel owner will take the toll as an additional profit to his already thrifty business.

It is strenuously insisted by those who favor the exemption that to repeal the clause of the Panama Canal act granting the exemption would be in direct opposition to a long-continued policy of the United States in making free our rivers and harbors and the like. It is true we expend millions upon our rivers and harbors and that they are free to the vessels of commerce, but the difficulty lies in the comparison. Our rivers and harbors are either all inland or coastwise, while the canal is neither, but hundreds of miles distant and constructed through the territory of a foreign Republic. Rivers and harbors are clearly national, while the canal is just as clearly international. I am in favor of the repeal because I am thoroughly convinced that the exemption from tolls of our coastwise vessels is in direct conflict with our treaty obligations, not in harmony with our previous declarations, and contrary to our long-established claims that the waters of the earth impressed with an international use should be free and open upon terms of entire equality to the citizens and subjects of all nations.

I am in favor of the repeal because the exemption is an ingenious grant of a ship subsidy, a doctrine against which the Democratic Party has pronounced time and time again, because methods of public financiering and political prudence dictate such a course, and because such a step will uphold the honor and dignity of the Nation by showing a generous spirit, which prefers the welfare of mankind and the benefits to civilization to the glory or the gain of the Nation.

Mexico and Asiatic Menace.

EXTENSION OF REMARKS

OF

HON. WILLIAM H. MURRAY,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, March 27, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. MURRAY of Oklahoma. Mr. Speaker, we are extremely unfortunate in our foreign policy, growing out of a lack of information of the peoples to be dealt with and the subject at hand. Indeed, a foreign policy must needs be as varied and as different as governments must be, both in form and substance, with the differences in peoples. For no system of government or of diplomacy can be founded purely upon the academic or theoretical view. Indeed, government can not be founded upon philosophy. To be practical, wholesome, or permanent it must meet the conditions, the intelligence and heart throbs, the hopes and ambitions, the customs and fashions, the races and religions of the citizens whom such government is to serve. For the most part racial distinction marks the boundaries of governments of the world. I regret to find myself at variance with the President upon his entire international policy, particularly as it applies to Mexico and Panama Canal tolls.

In the framing of a foreign policy I believe in all that the old Democratic doctrine of "free ships, free seas, and sailors' rights" implies. This comprehends the doctrine of free passage of American vessels in all the waters of the Republic, the free right to build those ships anywhere they can be constructed at best advantage, and the protection of the American sailors, as well as other citizens, wherever cruising or sojourning.

On July 22, 1913, I introduced in this House a resolution providing for armed intervention in Mexico, the taking possession of all public property, including the customhouses and ports, the opening up of public schools to prepare the Mexican people for citizenship, and giving full authority to the President to formulate such policy as would break down the landed aristocracy, the creature of plutocracy such as has characterized that Republic under the Diaz régime of paupers on one side and plutocrats on the other. It is the only country in the world whose essence of its civilization is a pure plutocracy, and peace can never be established so long as this system exists, and it can never be broken up by any of the forces existing in Mexico.

That resolution referred to is as follows:

THE MURRAY RESOLUTION.

Whereas the Monroe doctrine, proclaimed in the early history of this Republic, having in view its own perpetuity by vouchsafing that of its neighbors, Mexico and the Central and South American Republics, by prohibiting any part of this continent's becoming subjected to colonization plans of the monarchies of the Old World, which doctrine, being so interwoven with the forces that go for the perpetuity of American institutions, can never be surrendered, but adherence to this doctrine carries with it the moral obligation to aid in the perpetuity of civil government, of law and order, and of the inalienable rights of life, liberty, and the pursuit of happiness. A just regard for the welfare of our own citizens or those of foreign countries, resident or sojourning in these Republics, owning and holding property therein which, if left unprotected or to the vicissitudes of war and banditti revolutionists, some foreign nation, for the protection of its citizens, would intervene. Our failure, refusal, or neglect to carry out these moral obligations contained in the wholesome declaration of the Monroe doctrine as a part of the international law would seem to them to justify such foreign intervention; and

Whereas in the organization of civil government the forces which bind the citizen to the social compact are the inalienable right of life, liberty, and the pursuit of happiness; and when government becomes destructive of these ends it is the right, both of its citizens and its protectorate, to alter or abolish it, founding new administration and adopting other forms of social compact, and that without regard to former dominion, that will reestablish and guarantee these rights; and

Whereas there exists neither law nor government, neither the inalienable rights of man nor peace or order, within the boundaries formerly embracing and known as the Republic of Mexico—revolution liberated that Republic through the guiding genius of Francisco I. Madero, its last President and rightful ruler. Through duplicity, treachery, and murder, Huerta, the usurping marauder now proclaiming himself the rightful ruler of Mexico, has nullified its constitution, destroyed all lawful authority and government, and has committed upon the person of the President and his family a black-handed murder, paralleled in all history only by the pusillanimous cruelty of the dark ages with all its superstitious fanaticism and dastardly deeds of rapine and murder—there remains neither rights of government nor of belligerent powers such as could be respected or recognized in international law; but the rule of Huerta has become a contending mass of brute force, a banditti of incendiarism, rapine, and murder which should no longer be tolerated at our door; and

Whereas there were sojourning and residing in Mexico some 40,000 American citizens, colonized and holding valuable concessions under special invitation and grant of the Mexican Government with the privilege of reserving their citizenship in the United States, under which grants and concessions they have established homes, builded fortunes, established schools and public roads in their several colonies, and begun the first step to a higher civilization—all which has been destroyed by the Mexican revolutionary banditti; and

Whereas many American citizens domiciled in Mexico have been subjected to imprisonment, blackmail, and murder, their homes burned, their property destroyed, the virtue of womanhood and the sacred rights of family violated by first one or another of roving military bands who might gain ascendency within a given community; and

Whereas the United States Government has not, and can not, recognize either as a Republic or Government the assumed and arbitrary brute force of Huerta, or his occupancy of the ancient capital of that Republic, a régime founded upon duplicity, treachery, and murder; and

Whereas we believe in keeping platform pledges and in the declaration of the Baltimore platform, wherein it most solemnly declares: "The constitutional rights of American citizens should protect them on our borders and go with them throughout the world, and every American residing or having property in any foreign country is entitled to and must be given the full protection of the United States Government, both for himself and his property": Therefore be it

Resolved by the Senate and the House of Representatives of the United States of America:

First. That the United States recognize the fundamental principles in the foregoing preamble, and will welcome the reestablishment of

such government, law, and order as will vouchsafe these ends, either comprising the territory of the ancient Republic of Mexico or any part thereof.

Second. That the President of the United States be, and is hereby, authorized by proclamation to give notice, both to the Huerta régime and to all other military leaders or banditti in Mexico, and to all persons whomsoever, that the life, liberty, family, and property of every American citizen, and of every citizen of any foreign nation sojourning in Mexico, shall be respected, and that any violation of their rights or of this order by any band, military rule, or leader of any one of the contending bands of revolutionists constituting the Mexican anarchy shall be punished, and that full, complete, and just compensation shall be paid to such American or any foreign citizen for any and all trespass upon the person or property, or any other violation of his rights, and that any revolutionary leader or other military bandit or any of his associates or followers will be held personally responsible, and that this Government will pursue such offending person to the utter ends of the earth to effect his capture and punishment for such offense, and that the resources of Mexico shall compensate such American or other foreign citizen whose rights have been in any wise violated.

Third. That in the event such proclamation fails to restore order within 30 days, the President of the United States be, and is hereby, authorized to intervene, establish peace, order, and civil government, and take possession of all public property of the former Republic of Mexico, and hold the same until every item of expense and all damages for the deprivation of liberty or the destruction of the property of any American citizen or citizen of any other nation has been fully compensated out of Mexican revenues; and all necessary power to reestablish and rehabilitate government, law, and order, including the preparation of the Mexicans for self-government by the opening of public schools, is hereby authorized; and the President is authorized to use the land and naval forces of the United States for the accomplishment of all such purposes.

EVENTS JUSTIFY MY RESOLUTION.

Since the introduction of that resolution some eight months ago subsequent events have confirmed all I then had in mind.

Again, on November 7, 1913, I delivered an extended speech, argumentative in form, supported by historical references and further examples to justify the course sought, in which I announced that I approved the President's policy with reference to his nonrecognition of Huerta, but that "moral suasion" would not dislodge him; that embargo of arms was an erroneous policy, and should have been raised on the 4th of March; that it was just, proper, and right to protect American lives and property upon the high seas and in foreign lands. Since the delivery of that speech the President has raised the embargo on arms, an admission that "moral suasion," however high and noble be such a course, is impractical in dealing with a semibarbarous people. So much of my prediction has come true. I further said that intervention was inevitable, and that when it came, if we did not intervene then, it would probably come by reason of complications with foreign countries. This almost proved true in the murder of Benton, the British subject, and the excitement growing therefrom. Now, I repeat again, intervention is inevitable, and the quicker it is done and over with the better it will be with all concerned.

In the 7th November speech I pointed out other conditions worse than war, particularly domination of the Anglo-Saxon by inferior races. I pointed to the danger of the oriental problem and the threatened settlement of this continent by Chinese, Japanese, and Koreans, and the necessity for the extension of the Monroe doctrine in line with the Lodge resolution dealing with the Magdalena Bay controversy, to prevent subjecting America not only to colonization by monarchies of Europe but to the colonization schemes of the Asiatics. In this connection I desire to quote a press dispatch of March 10:

A Japanese syndicate, headed by Baron Takahasha, president of the Yokohama Specie Bank, and Baron Matsui, governor of the Bank of Japan, has been formed with a capital of $300,000,000 to exploit Mexico's resources and colonize large sections of the country, according to to-day's issue of El Imparcial.

Two days thereafter, or on March 12, appeared the startling statement, as follows:

Secretary Bryan stated that such a colony did not, in his opinion, violate the principles of the Monroe doctrine. He was assured, Mr. Bryan said, that the Japanese who would settle there are not soldiers of the Mikado's army.

President Huerta of Mexico is in accord with the plan to establish Japanese colonies in his country. Calexico is in the country which Huerta controls.

Ambassador Chinda issued this statement:

"I wish to make it plain that the Japanese Government is not concerned in this matter, except as to the welfare of the Imperial Government."

Secretary Bryan issued a statement which confirmed the interview of Baron Chinda. He stated explicitly that the United States had given permission to Japanese to cross American soil.

It would thus seem that we have a new American policy—that this Government connived at and aided Japanese colonization of Sonora, Mexico, where is found some of the richest lands in the world.

There can be no doubt of this attempt, and I do not use this example of danger like Mr. HOBSON and others, as an argument for a larger Navy. We do not need a large Navy. We need only to control our own continent, to husband the resources at our own door, and to rid ourselves of the Philippines and of foreign expansion, to hold our Navy to a minimum. This done, and our Navy could be sunk to the bottom of the sea and we could yet sustain ourselves against any and all attempts to conquer us, but without this our Navy would prove a pigmy against the overpowering naval strength of Japan. I read in the press dispatches of March 12 the startling statement that Ambassador Page, at the Court of St. James, made sport of the Monroe doctrine by saying, in substance, that its intent was to tell the monarchies of Europe that we did not "prefer" their gaining any more land in America, with the further felicitation of his audience that we had built the canal to aid England more than ourselves, and doubtless this is the purpose of our proposed repeal of free American ships, thus denying ourselves the continued right to control our own private property and admit American coastwise ships free of duty through the gates of the canal, just as we admit them through the Cumberland and Ohio Rivers. I observe that the ambassador has explained his speech by calling this "pleasantry." The Monroe doctrine, and the safeguards and wholesome policy vouchsafed by that doctrine, is too serious to our Republic to permit an ambassador or official representatives to make a "butt of wit" of it or use it in "pleasantry," and such unjustifiable use should not only be condemned but should be grounds for rebuke.

TRUE AMERICAN DOCTRINE.

This foreign policy is in keeping with one fundamental academic, but impractical, doctrine. Such doctrine contemplates the abandonment of the old-time Democratic doctrine—American doctrine—even the doctrine of the Democratic platform at Baltimore, to protect the lives and property of American citizens on the high seas and in foreign lands. I desire to repeat the statement in my 7th of November speech as to the true American policy:

A sound, just, and comprehensive American policy consists in this: A well-equipped and thoroughly trained but relatively small Army and Navy; the extension of American commerce to all seas and ports of the world; peace, honest friendship, and commerce with all nations, entangling alliances with none; adherence to and maintenance of the Monroe doctrine as the sheet anchor of protection of republican institutions in the Western Hemisphere; the protection of American citizens, their property, homes, and families, whether found in America, upon our borders, or in foreign lands throughout the world; the preservation and integrity of the Nation and the glory of the flag; the encouragement of liberty everywhere and the extension of republican governments and democratic institutions throughout the two Americas—all this by peaceful diplomacy if possible, by force if necessary.

This has always been the American doctrine as well as a Democratic doctrine, and although every breeze from the border, every wind that sweeps over the Rio Grande brings to us the unwelcome tidings of fresh outrages upon American citizens—even American home, family, and womanhood are not exempt—how much longer is this "watchful waiting," this beautiful policy for the vultures perched upon the peaks and mountains of Mexico, "watchful waiting" to devour the flesh from the bones of the American dead; but, oh, how distasteful to an intelligent, self-respecting American citizenship.

I find myself disagreeing both with the President and with some of the prominent Republicans upon what should be done in the Mexican crisis. I heartily agree with the President's policy in not recognizing either of the contending banditti, but disagree with his inactivity and lack of an effort to enforce his demands. I conceive that political intervention, such as for months conducted in Mexican affairs, to be less justifiable and more likely to provoke hostility on the part of Mexico and the Latin Republics to the south of us than armed intervention to protect American citizens and their property.

I do not agree with those prominent Republicans who would recognize Huerta, because such recognition would mean a continuation of the Diaz régime of pauperism and plutocracy, with all of the landed estates granted in concessions to foreign syndicates, and would ultimately lead to the colonization and settlement of Mexico by Asiatics.

TEXAS RANGERS.

When the Associated Press dispatches announced the daring deeds of the Texas Rangers—I am fond of that name, "Texas Rangers," organized by Gen. Sam Houston, who gave to us the Lone Star State, and in the early organization of which my father was a member, and I remember how he thrilled me in childhood with the stories of their adventures, privations, and heroism—I was reminded of the teachings of old John H. Reagan, at whose feet I have been fond to sit to learn of the true wisdom of republican institutions. Years gone now and anon some one in Texas would start a propaganda for division of the State. Reagan would immediately respond by urging that the State never be divided, predicting that as nationality would grow beyond proper proportions and become so centralized as to destroy the local self-government of the States, that that nationality would cease to protect the citizen at home or from foreign aggression, but would be used to oppress the individual

citizen, and argued wisely that a great standing Army would, as nationality grew, become larger in time of peace, and that an ambitious and selfish President might attempt to overthrow the Republic or some of its sacred institutions, and that when that time came, Texas, by the very largeness of its boundaries, would be the only State capable of sustaining a great population and thereby becoming a "balance wheel" between the powers of the Federal Government and the interest of the people, and that therefore no true Texan ought ever to countenance a division of the State, even for the temporary advantage of increasing its representatives in the United States Senate.

This invariably ended the argument, and Reagan went to his grave believing the time would come to prove his prediction. How quickly I thought of this when I observe the lack of protection accorded American citizens by this strong nationality—grown too strong by continued effort to usurp State powers already—neglecting the rights of American citizens, their homes, their property, and their families, to see the spirit of old John H. Reagan, through the Texas Rangers, proving true his prophecy. Therefore, I can but applaud their valor and deeds of heroism to protect the American citizens upon our border.

NAPOLEON AND SLEEPING GIANT.

When Napoleon Bonaparte made his quick and successful conquest of the Pyramids and Asia Minor, at Mount Tabor, one of his aides pointed to the east and observed to the man of destiny: "There lies Asia." He quickly responded, wisely saying: "Yes, and there lies a giant asleep in Asia. Don't disturb him. Let him sleep." But we woke up that giant with the making of Perry's treaty with Japan in the fifties, and the opening of her ports with our Navy in 1863, and with the "open-door policy" in China. From that day this powerful giant woke up and became aroused. We must grapple with that giant either across the ocean or permit him to come on our own shores in direct personal competition.

With the religious superstition of Brahmanism against digging in the earth they have left their coal and iron fields, quite as extensive as ours, undeveloped and untouched until the German concession of recent years. In a few years they will be making steel at 9 cents while we make it at $9. So we can not compete with him in the industrial field. The 40 centuries of their civilization with the 4,000 years of history behind them show they have lived in peace, civilized, sustaining themselves upon agriculture alone until they are prepared in the industrial world with hand labor to compete with and overthrow our machine-made goods and American inventive genius. That history further shows that they assimilated every race going among them. Every migration into China has crumbled by assimilation into Chinamen. We can not compete with him in a hand-to-hand conflict, either in the industrial or labor world or in the struggle for supremacy of race. We must grapple with that giant, forcing him to remain upon his own shore, sustaining ourselves by an extension of territory upon our own continent and by a greater development of agricultural production. To permit him to come to our continent or any portion of it, to the extent of controlling the Government, or of becoming the dominant influence by reason of numbers, whether it be Mexico or elsewhere, means the destruction of the Anglo-Saxon American citizen by assimilation and making Chinese of them—all this as surely as fate.

EXAMPLES OF ORIENTAL CHEAP LABOR.

Apropos our power to compete with the oriental races, I quote from a work by F. H. King, formerly professor of agricultural physics in the University of Wisconsin. The title of this book is "Farmers of Forty Centuries, or Permanent Agriculture in China, Korea, and Japan," which work I can recommend to every student of agriculture, of statecraft, or of our sociological needs. On page 118 of that splendid work you find the startling statement that in Shanghai there was constructed, in 1910, an annex to the Astor House. Upon this house there were employed 18 Chinese laborers for a period of 88 days, and the contractor's total cost for this labor was $205.92. With these conditions the engine-driven pile driver could not compete.

THE MACHINE CAN NOT COMPETE WITH THEM.

We also find that in Chekiang Province farm laborers employed by the year receive not over $30 and board. Do you think that the American farm laborer could compete with this? He also says that at Tsingtao a missionary was paying a Chinese cook the highest wage per month, which, including the man for general work and for the cooking, his wife for doing the mending and other family services, and living at home and feeding themselves, all this for $9.03 American money, which included, in addition, the care of the garden and the lawn as well as the work for the house. Think ye that American domestic servants can compete with this? We are also told on page 20 of that work, to quote his exact language:

> Everywhere we went in China the laboring people appeared generally happy and contented, if they have something to do, and showed clearly that they were well nourished. The industrial classes are thoroughly organized, having had their guilds, or labor unions, for centuries, and it is not at all uncommon for a laborer who is known to have violated the rules to be summarily dealt with and even disappear with no questions being asked.

Hence, it is assumed that these people with such control over their labor organizations and the complete masters of their own wage are satisfied. Think ye that American labor can compete with such a wage?

Let us go a little further in this book and ask ourselves the question whether American industry can compete with China. Dr. King says:

> In Chihli, as elsewhere, the Chinese are skilled gardeners, using water for irrigation whenever it is advantageous. One gardener was growing a crop of early cabbage, followed by one of melons, and these with radish the same season. He was paying a rent of $6.45 gold per acre; was applying fertilizer at a cost of nearly $8 per acre for each of the three crops, making his cash outlay $29.67 per acre. His crop of cabbage sold for $103 gold, his melons for $77, and his radish for something more than $51, making a total of $232 per acre, leaving him a net value of $202.53.

That in other crops they go as high as $400 an acre net, which is a greater net earning than produced on any 40-acre tract of land in any State of the American Republic, except in growing alfalfa and some classes of fruits. Can our farmers compete with that?

He further says, on page 344:

> As to the price of labor in this part of China, we learned through United States Consul General Williams that a master mechanic may receive 21.5 cents and a journeyman 7.75 cents gold.

Farm laborers receive from $8.60 to $12.90 per year, with food, fuel, and presents, which make a total of $17.20 to $21.50 cost to the employer a year, which is a great deal less for an entire year than we pay for a month or even sometimes a week to efficient farm labor. He further says that there is relatively little child labor in China, due to the cheapness of other labor. Think ye that American citizens can compete with such conditions? Let us quote again to determine whether an American restaurant keeper can compete with this yellow race. Dr. King states:

> It was on this ride from Moji to Nagasaki that we were introduced to the attractive and very satisfactory manner of serving lunches to travelers on the trains in Japan. At important stations hot tea is brought to the car windows in small glazed earthenware teapots provided with cover and bail and accompanied with a teacup of the same ware. The lunches were very substantial and put together in a neat, sanitary manner in a three-compartment wooden box, carefully made from clear lumber joined with wooden pegs and perfect joints. Packed in the cover we found a paper napkin, toothpicks, and a pair of chopsticks. In the second compartment there were thin slices of meat, chicken, and fish, together with bamboo sprouts, pickles, cakes, and small bits of salted vegetables, while the lower and chief compartment was filled with rice cooked quite stiff and without salt, as is the custom in the three countries. These lunches are handed to travelers in spotless thin white paper daintily tied with a bit of color, all in exchange for 12.5 cents. Thus (with tea) for 15 cents the traveler is handed through the car window, in a respectful manner, a square meal which he may eat at his leisure.

On page 2 of that book we find the following startling facts: That Japan in 1907 had a population of 46,977,003 persons, supported on 20,000 square miles of cultivated field, which is less than one-third of the area of the State of Oklahoma. This is at the rate of nearly 4 people to every acre of land, or 2,349 persons to the square mile. Do any of you believe that the American farmer can compete with the Japanese farm methods? I may call attention to the fact that to-day Japan has nearly 60,000,000 people and about 15,000 square miles more of land capable of being reduced to agriculture, and this after expensive terracing on the mountain sides, just enough to maintain one more generation, after which she must either die of self-competition, commit race suicide, or secure more land, even if she has to fight for it. Do you not imagine that her cabinet now is secretly studying the problem of expansion? Is this not a reason for their furnishing the money for Japanese to buy land on this continent, and can you doubt but that she will get all of the concessions possible in Mexico? Is this not also true of China? You let twenty or thirty million of those Asiatics settle in Mexico under Mexican concessions—a policy succeeding a like policy of Diaz—and they will be in a position to dispute with us every claim for expansion on our own continent, because she could then organize an army on this continent that will keep us busy while she, by the combined use of the merchant marine of China and Japan, can land more soldiers on the western coast of Mexico after they by their combined naval power, now stronger than ours and likely to continue, have destroyed the American fleet. We can only compete with the Asiatics by keeping them on the other side of the ocean. In case of war it is a matter of physical impossibility, with them on the other side of the ocean, to land

soldiery enough even to interest us in a war upon our own land. Should they use the battleships and merchant marine of the world they could not land them faster than we could capture and conquer them with a cordon of American soldiers stretching from Vancouver to Panama even though they destroyed our naval fleet.

LOSS OF BRITISH COLUMBIA.

I grow impatient of a pusillanimous peace policy of "watchful waiting" when I remember from history that which many old men remember from experience—the old ante bellum Democratic cry, "Polk and Dallas 54-40 or fight," meaning 54 degrees and 40 minutes north of forty-ninth parallel or fight for it; when I recall the criminal negligence on the part of an American Secretary of State and Secretary of War, who then said we had no need of any more territory, and when warned by an American trader that the sending to Alberta, Saskatchewan, and British Columbia of a United States flag and 25 soldiers—the same way we acquired Oregon—would have guaranteed to us a strip of territory 5 degrees and 40 minutes farther north than we now own—a territory equal to one-fourth of the continental territory of this Republic and wherein lies the greatest wheat belt in the world and into which upward of 300,000 of the sturdiest Americans have gone annually for more than 10 years—lost forever under a negligent policy under the assumption that we needed no more land. I grant you that 70 years ago we had all the land west of the Mississippi River almost without settlement, and that it did look like we needed no more land, but with that area now settled, what do you think will be needed 70 years hence or even one generation hence? Do you not think we need now or will need quickly every foot of land on the American continent, and especially the rich valleys and plains of Mexico?

When we find farm land selling for as high as $250 an acre in Illinois and Iowa; when we find a quarter section of 160 acres of Oklahoma school land, unimproved, selling at the highest bid at public auction at $19,500; and land elsewhere selling at still higher prices, it is too scarce and too high for a poor man to have a hope of buying a home. The outlet and the opportunity for a poor man can be found by the annexation of Mexico.

I will agree with all of those who advocate getting rid of the Philippines, because a territory not upon this continent will prove a source of military weakness; but possession of Mexico will not only give us land that we need but it will increase our military strength whereby, in case of military competition on the Pacific between us and the Chinese, Japanese, and Koreans, we could throw a cordon of soldiers upon the Pacific slope from Vancouver to the Panama Canal and hold at bay and conquer and capture every shipload of Asiatics as fast as they attempted to land; but once let them get possession of Mexico and settle a few of their millions there, then they will be in a position to dispute with us. Those millions of citizens would respond to resounding of arms and combat with us upon our own soil while their combined navy destroyed every American man-of-war on the ocean. This done, they could land their additional troops on the west coast of Mexico sufficient to conquer us or our posterity.

I state candidly that I am for intervention in Mexico because I know that American citizens will quickly follow the flag and settle its rich domain until it will be as thoroughly American as Arizona and New Mexico and that Old Glory will float there forever, or so long as it waves over this Republic. If we now fail to comprehend and take advantage of our opportunity, the mistake that caused us to lose British Columbia will be insignificant when compared to the crime we commit on posterity by forcing them to compete upon their own soil with these Asiatic races. Whether posterity may be overcome by such catastrophe, that will wreck not alone the Republic but our civilization, depends largely upon what we now do. The Monroe doctrine should not only be continued but should be extended to include the further modern doctrine that the North American Continent shall never become subject to the colonization schemes of the Asiatic races.

CHANGING CENTER OF MAN'S ACTIVITIES.

The student of history will recall that the center of human activity has changed locations since the dawn of civilization. For 3,000 years it was centered upon and around the Persian Gulf, and then was changed to the Mediterranean Sea, remaining there the center for twelve or fifteen hundred years, or until the discovery of America, since which time for 500 years this human activity has been on the Atlantic Ocean. In 1823, when the President proclaimed the Monroe doctrine, that "America should not be subject to the colonization schemes of the monarchies of the Old World," we were then in the midst of republican competition with the monarchal Governments of Europe. Since that time we have grown strong and no such danger is any more imminent. The statesmen of that period of our Republic had the courage and foresight to place us upon a footing of permanent security, but now all has changed. The center of human activity is upon the Pacific Ocean, making necessary the digging of the Panama Canal, and we are brought in direct competition with the Chinese, Japanese, and Koreans, constituting one-third of the entire population of earth, and the menace now upon us is the struggle of race and the threatened destruction of our civilization, which is infinitely more important than the preservation of republican government.

VISIONS OF THE FUTURE.

When I turn mine eyes to the Pacific and the Orient and stare at the dark and shadowy gauze that binds human vision; when I get a glimpse of the beyond, methinks I see groping forms and shadows of millions of Asiatics pouring into Mexico under Huerta grants for settlement and permanent occupancy. I see these millions growing opulent and independent. I read upon the canvas the international disputes that follow, the diplomatic notes exchanged between our future Secretary of State and these Asiatic nations. I read of the ultimatum given and declined—of the declaration of war. I feel the awe of impending race struggle for survival. I hear the command from the Federal Capital for the mobilization of the American Navy. I see the Atlantic Squadron set sail and quickly pass the gates and locks of the Panama Canal. I see them mobilized on the bosom of the Pacific. I see the steady strident step of the future George Dewey of the American Navy as he, with field glasses, sights the horizon to locate the enemy as the combined naval power of China, Japan, and Korea hove in sight. I hear his clarion voice commanding, "Make ready for action!" I witness the first signal for bombardment on each side. For a moment I stand hopeful of the issue in awe-stricken admiration of the unerring marksmanship of the American gunners; but five, six, or a dozen more to one, I feel the terrible inequality of the conflict. I hear the clangor, like an earthquake, as at one moment the allied enemies' long range rapid-firing guns belch forth spontaneously shot and ball that penetrate every arm of the American fleet afloat. I see the fire and the smoke as I witness sinking beneath the waves the entire armament of the American Navy—in one bombardment our military arm and power is swept from the seas. Faint, hopeless, and weary, I turn mine eyes to Mexico. I observe the last man of the Asiatic millions who have poured into those rich and fertile plains for settlement, and now controlling it, responding to the bugle call of war. I see them marching toward the Rio Grande ere we have formed our lines of battle. I see the Asiatic merchant marine impressed into service, landing into Mexico, unopposed by the American Navy, now sleeping at the bottom of the sea, their millions of soldiery, who disembark under the command of "Double-quick, march!" I see them hurried across the border, just as the American commander reviews his battalions and judges their strategic position, ready to swing the old guard of the Republic into line. Just then he discovers coming in the distance the Blucher of the allied Asiatic forces. I see the pallor on his cheek. I see him throw up his hand in despair and murmur, "This is our Waterloo." Not a Waterloo of a general or an army, nor of prince or emperor, but the Waterloo of a Republic; the exile of our civilization; the St. Helena of the Anglo-Saxon race. Would you now preserve posterity by meeting the conflict, as awful as is war, or continue to hug the delusive phantom of "watchful waiting" until it is everlastingly too late?

In conclusion, I warn you this responsibility is upon the Sixty-third Congress. Four centuries of Americans contemplate your action. With mixed emotions of applause and curses, posterity awaits your decision.

Panama Canal Tolls—"Free Ships and Free Seas."

EXTENSION OF REMARKS

OF

HON. WILLIAM H. MURRAY,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, March 28, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. MURRAY. Mr. Speaker, gentlemen of the House, I can not better explain the whole group of policies—and it involves a group—which I have in mind in opposing the repeal of the clause granting to coastwise vessels free transportation through

the Panama Canal than to say I favor the policy, and all that is implied, from the shibboleth: "Free ships, free seas, and sailors' rights." The meaning of this old-time Democratic Party cry, briefly defined, is the right to construct American ships anywhere to best advantage, free of tariff or other legal restrictions; to give those ships passage free of duty through all rivers, canals, and into all ports and waters of the Republic, or free water trackage for transportation; and to protect the sailors, as well as other citizens, wherever cruising, or sojourning.

The underlying policies intended by this old-time doctrine are consistent with one another, and under this doctrine, in the very infancy of the Republic, and continuing for many years, grew up the largest merchant marine ever known in our history. At that time ships bearing the American flag were found upon every ocean and in every port and harbor of the world, giving greater advantages to the commerce of the American merchant, lower transportation, wider markets, and better comparative prices for the products of the farm and the field. Now, except in our coastwise trade, the American flag and our merchantmen are not seen anywhere in all the world, resulting in higher transportation charges in the carrying of agricultural products to distant mills and factories and markets. What was the cause of this change? The only answer to the inquiry is that we have changed the policy which gave us this large merchant marine. Five statutes upon our law book, together with the abandonment of the old principles of this Government, have driven the American flag and merchant marine off the high seas and out of every foreign port and harbor. Indeed, we have abandoned every detail of this old-time doctrine, except "free seas," or free water transportation, and we are now urged to do that. The policy now sought to be inaugurated by the repeal of the exemption in favor of American coast-line vessels would complete that unwholesome abandonment of policy, driving the only remaining merchant marine thus carrying coastwise trade from off American waters. It has always been the American policy of permitting every American ship and sailing vessel passing through any American canal or river, any lock or dam, or to enter any port free of duty. This is the policy applied to the Columbia River or the Ohio River, or every other river and canal, and every other public water thoroughfare owned, operated, or under the control of this Government. This is also our policy as to travel upon our public roads and turnpikes. Why should we now make an exception as it applies to the Panama Canal? Would it not be wiser to return completely to the old doctrine and give us a larger merchant marine? But I hear the superficial objection of some one saying that a large merchant marine would require a larger Navy. Not so; because during the period of our largest merchant marine we had the smallest Navy, and, indeed, the larger a merchant marine a country enjoys, not only is the trade of that country benefited, but it tends to lower the necessity for a large Navy in time of peace or large, expensive naval establishments. Why is this true? It is true because it gives to America a greater number of men engaged in sea business, inured to the sea, whose services in time of war could be utilized to aid in the operation of a naval fleet. Instead of a large merchant marine making necessary a large Navy the reverse is true. Indeed, it will always require some naval power; this country has never been without a reasonably sized Navy. It never should be and never will be without a Navy. Hence we may as well get the benefits of a merchant marine.

The next great problem, in my opinion, is to increase our merchant marine, and we should enact every law and grasp every policy that will vouchsafe a large merchant marine, except to pay a direct subsidy. I make this exception for the reason that nothing can be permanent that stands upon a subsidy alone for its existence. All we need to do is to return to the policies implied in the old doctrine of "free ships, free seas, and sailors' rights." This will bring us a great merchant marine as it did before. It will bring to us ships that will carry our trade and our agricultural products to all seas and ports of the world. But I hear the reply that "to exempt American ships is a subsidy." If so, then every exemption of duty in the tariff bill is likewise a subsidy. In other words, every item on the free list is likewise a subsidy.

Such statements are but cant. Moreover, these gentlemen who use this sophistry forget that whatever extra charge you place on a common carrier, whether it be a ship or a railroad, must in the end fall upon the people who use the carrier in the transportation or shipment of goods, and that as you make possible the reduction of the expenses of the transportation or transmission company you make possible lower freight and passenger tariffs upon such carriers. I should expect the man making any other claim to contend that the importer paid the tariff.

Free tolls would greatly aid the South, especially the ports of Galveston and New Orleans, while at the same time doing good to the East and ports of New York and Boston. A small sailing vessel such as characterizes the coastwise carrying ships can not afford to pay toll through the Panama Canal and operate between Galveston or New Orleans and the Pacific slope. What would be the result if they did not; or what would be the result of an increased cost of $1.20 per ton? This can be readily analyzed. It would certainly inure to the benefit of the transcontinental railroads, both in the United States and in Canada, who would carry all the goods from the East to the Mississippi Valley and to the Pacific slope, and there would be no competition by water route with these great rail thoroughfares, who, in a measure, do not compete with one another, because they are largely under the same interlocking board of directors and the same management. I do not care to offer a monopoly to the transcontinental railroads in the matter of freight rates by charging $1.20 per ton to American coastwise ships, which constitute the only competition with them.

A ship that does business between any port of the United States and one of a foreign country is known as a ship doing an international commerce. "Coastwise ships" are those which carry goods and passengers through the rivers, canals, and other waters of our own country, or from one port to some other port of our country; and it is these "coastwise" which are exempted under the law from paying tolls on the Panama Canal. Now, suppose a ship from New Orleans, Galveston, or New York or Boston with a cargo going through the canal to San Francisco or some other point on the western coast could carry freight at $5 a ton, and we were to add a charge of $1.20 per ton—the same charge as applied to foreign ships—is there a man who would contend that this ship would not charge the man owning the cargo of goods an extra amount of $1.20 to pay this toll? And he in turn would charge the purchaser of his goods not only the extra amount, but profit on this toll. To argue otherwise would be tantamount to the argument that the importer pays the tariff. So, after all, the people would have this extra toll to pay. Would it not be wiser, since Great Britain, Germany, and other nations pay a subsidy to all of their ships—and they pay the toll directly to the ship owner charged by the Suez Canal—would it not be wiser for the Government of the United States to ascertain the cost of the sanitation, the upkeep, and the governing of the canal, and instead of paying it out of American taxation charge this against foreign ships and let the foreign nations pay it by making such rate as would compensate us therefor?

I am not one of those ready to make of this Nation an eleemosynary institution to dispense charity to other nations and other peoples. All of the elements of charity I want for our own citizens, and I want this Nation retained as an American Nation for American citizens.

I ask, too, is it not a significant fact that Carnegie, who deceives us by calling it the "peace endowment fund," as admitted by his managers, spent more than $23,000, in addition to the use of Senator Root's senatorial frank, to carry literature to all the business men, commercial clubs, and commercial organizations, to the farmers and farm organizations, to the laborer and labor organizations, in an effort to deceive the public and convey misinformation upon the subject of Panama Canal tolls? I ask, is this not significant? And about this there can be no dispute, because they admitted it under oath just a few days ago to the Senate committee investigating the question of lobbying. The great body of the people are not furnished with a campaign fund of more than $23,000 with which to promote this old-time American, this primitive Democratic doctrine of "free seas," or free water transportation.

Some days ago the Capital was startled with a statement of Walter Hines Page, Ambassador to the Court of St. James, London, wherein in effect he stated that the Monroe doctrine is not a fixed policy nor urged as a part of international law, but merely a desire on the part of this Government expressed to European countries, and that in the digging of the Panama Canal "it added to the pleasure of constructing that great work to know that it would benefit Great Britain most by its use." I have not been surprised at this expression because of a book this man Page wrote some years ago entitled the "Southerner," wherein he lionizes the negro as compared with the white man, and said that the negro morally, politically, and intellectually was the equal of the Southern white man, and remembering an approval of this statement by Carnegie and the position of Carnegie himself in saying that he intended to devote his life toward uniting the United States with Great Britain, and that he regretted the separation of this country from Great Britain. Considering this statement in connection with proof that his so-

called "peace endowment" had spent $23,000, and had more to spend, to repeal the American ship exemption in the matter of Panama Canal tolls, and further considering the connection Page bears, by affinity, with this group, it would occur to an analytical mind that this statement of Ambassador Page was but inspired, and was in keeping with a fixed policy on their part to wipe out the last vestige of the old-time American doctrine of "free ships, free seas, and sailors' rights," which comprehends the abandonment of the Monroe doctrine, and that we abandon the practice of protecting American citizens "at home and abroad." Is it not pertinent to ask if the book inveighing against the Monroe doctrine written by Prof. Bingham and circulated free to Members of Congress was not paid for out of Carnegie's "Peace Foundation"? In other words, that this country shall become solely a great commercial Nation, not to protect the citizen but to exploit him, and to become an engine of oppression rather than a Nation of protection.

QUESTION OF NATIONALITY.

Aside from the economic, there is a larger and broader view in which to consider this question, and that is the construction in the midst of this controversy to be placed upon the Hay-Pauncefote treaty, and I want to announce in the beginning that rather than repeal this toll, whatever may be urged as economic argument, or whatever other reason whatsoever that could be marshaled in its favor, a wise American policy would be to pass through both Houses of this Congress a resolution construing that treaty, and to say to Great Britain and the rest of the world that in construing the Panama Canal treaty, the Panama Canal Zone is American property, purchased, as was the canal constructed, by American funds, and being the private property of this Nation it is as much subject to our independent control and management under international law as would be the private property of a citizen of this Republic, and under that citizen's control to do with it as he pleases, and that we give the world notice now that we have the fundamental, inherent, and legal right under the treaty and international law to exempt every American ship, and under the treaty that we are subject to but one limitation, and that is to give all foreign nations equal privileges, but as far as the American interest is concerned, we might exempt from toll every American ship, whether coastwise or otherwise, and that we would have the right to blow up the canal or stop passage through it of any ship, whether American or foreign, if the American Government chose to do it.

With the passage of such a resolution as this, while the controversy over its construction is going on, would settle forever the nationality of this question. If we bow now to the demands of Great Britain and to her false construction, we will lose the national control over this canal and it will cease to be the private property of this Republic or future attempt to assert our control would bring upon us an unnecessary war. If we had intended a joint control and a joint operation and the same treatment toward our own interest and our own ships as that to be accorded Great Britain or any other nation, why did we pay every cent of its cost? Why did we construct it at our own expense without inviting England or any other country to aid us? Why did we provide that we should pay to Panama in perpetuity $250,000 annually for the zone through which the canal was dug? Why did we spend four hundred million on its actual construction? Why do we assume the obligation to pay for its sanitation, its government, and its control if we are not to be the beneficiaries of that private property as a Nation the same as an individual in this Nation would have over his own private property?

The treaty of 1850, known as the Clayton-Bulwer treaty, designed a joint ownership in the canal with Great Britain, and in this it was a surrender of the Monroe doctrine; and by reason of this fact the canal in its construction was delayed for half a century. Every President since 1850 has inveighed against digging the canal jointly with England or any other country, so that the treaty of 1901 was made in order that it might be constructed wholly by the United States and owned by her; and the first provision of that treaty, known as the Hay-Pauncefote treaty, provides that the United States shall have all of the "rights incident to its construction." And I might add that two years thereafter when a treaty was made with Panama to buy the land, which we now own and over which we exercise complete sovereignty, that we also have all of the rights incident to ownership; and that therefore the only question that may concern other nations as to its use is the treaty right of "equal privileges" and charges between other nations who have no interest or ownership in it. Nor is its control subject matter for arbitration any more than the use of property by an individual is subject matter for a court. As citizens we appeal to the courts to determine ownership, but never to determine the use to which we put our own property. The right of ownership in the canal in the private property of the American Nation stands on equal footing. I make this reply to those who have said that we must either yield or subject the question to arbitration. Besides, there are some things, whatever may be our peace policy, that ought never to be subject to arbitration. Among these are the Monroe doctrine, the construction of our Constitution, the principles of republican government; and in this connection I reply to those who say that foreign nations are united in their construction against ours on Panama tolls—I say that they are likewise all united against our contention of the Monroe doctrine, and have always been so, as they are united against our form of government. Aside from these considerations it is fundamental that the power who makes rules and charges can not be itself bound by those rules and charges, and it is granted on all sides that the United States alone has the power to make rules governing the canal and to fix charges for going through it.

PROVISIONS OF THE TREATY.

Let us analyze the language of the Hay-Pauncefote treaty of 1901 and the treaty of 1850, known as the Clayton-Bulwer treaty, in the light of the law, the policy, and circumstances at the time they were executed. It will be remembered, by reference to it, that the treaty of 1850 contemplated the possible building of the canal at Nicaragua either by Great Britain or the United States, or jointly, and in a measure this was true of the Hay-Pauncefote treaty; but subsequent to its making the American Government chose to select the Panama route, to buy it and pay for it. In any event, whether it should be constructed by either England or by the United States, it was unnecessary to have placed conditions in the language of the treaty that would inure to either of them who solely undertook its construction. Let me illustrate by an example of personal ownership and control of property. Suppose the Speaker of this House owned a tract of land in a community, and for the convenience and happiness of the community he were to announce to the citizenship of the community: "I will construct a park upon this land, place walks, fountains, shrubbery, flowers, and everything else that will make it attractive and beautiful, and I will agree with all of the citizens of this community that every citizen shall share equal privileges to the park; that whatever rules I make shall be subject to everybody alike." Now, suppose that after the park was constructed too many sought to walk upon the grass plots and pull too many of the flowers, and especially the roses, thereby lessening the beauty and attraction of the park; and suppose the Speaker would then put up a "public notice" that hereafter no person shall walk upon the grass plots in the growing season and no person shall tramp upon the flowers and shrubbery nor pull roses from the park, would anybody contend for a moment that such restriction would apply to the Speaker, who owned the property, and that restriction would prohibit him from pulling the roses when he got good and ready, or from walking upon the grass plots for any reason that to him was sufficient to justify it? Hence, considered in this light, it would have been absurd for the Government of the United States to have placed in the treaty any provision in its own behalf, and subsequent consideration of this treaty by the United States Senate proves conclusively the contention of this argument when an amendment was offered to it by Senator Bard, of California, and it was defeated, as the Senators state and as the RECORD shows, because it was unnecessary to insert such a provision—unnecessary because it was the private property of the United States. The specific language upon which England bases her claim is found in a portion of article 3 of the treaty itself, and I here quote that portion:

> The United States adopts as the basis of the neutralization of such ship canal the following rules, substantially as embodied in the convention of Constantinople, signed the 28th of October, 1888, for the free navigation of the Suez Canal, that is to say: 1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination of its citizens or subjects in respect of the conditions of charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

It is clear from the reading of this language that it was the purpose to prevent discrimination against other nations and not to apply to any favoritism or exemption either of American ships or Navy or any ship doing a coastwise trade, because what is true of the merchant ships must be applied under that language with equal force to "vessels of war," and it would logically follow that if the United States permitted her own war vessels to pass through the canal free that she would be compelled to admit the navy of every other nation to go through free, and if she sought to fortify this canal any other nation would have equal right—and, as a matter of truth, Great Britain does not want its fortification by the United States solely—whether that be a commercial use of the canal or a

strong fortification of it. Let us suppose such a condition arose as would be shown by this illustration should we place this construction upon the treaty at this time: That the United States should carry through the canal her own Navy, and some other nation with whom the Government was expecting war would send her navy immediately to follow ours and should desire to pass through the canal to obtain a strategetic position. Seeing and fearing this, suppose the Government of the United States were to decline to permit that nation's navy to pass through the canal; would not that nation have the right immediately to invoke our construction of the treaty by saying, "We have a treaty right, according to the construction placed upon this treaty by the Sixty-third Congress of the United States when they repealed the exemption clause, because of that construction raised by Great Britain, to pass through it." And suppose the Government would then continue to refuse; would not that nation have the right, and would it not receive the sanction, under such a construction, of the other nations of the world to say, "We have got the treaty right, and we are going through if we have to bombard the gatekeeper or force our way through this canal"? It will require but little thought to determine where such a policy would lead us upon the pure question of nationality. Our only safety lies in the construction that a former Congress has placed upon this treaty. Again, this treaty was made, according to its own terms, as "embodied in the convention of Constantinople, signed the 28th of October, 1888, for the free navigation of the Suez Canal," and since the nations of the world have not considered that they were violating the rules in the use of the Suez Canal by rebating tolls to vessels flying their own flag, and the Japanese Government gives a direct rebate or subsidy to its merchant marine. In the light of these facts, suppose we place this construction upon this treaty now by its repeal, as urged by the President, and it is found later that an economic necessity demand a free toll, the argument would then be used for a direct ship subsidy, and we would be driven to the doctrine of subsidy, which I am sure the American people neither seek nor desire.

SUPREME COURT CONSTRUCTION.

There is another phase to this question. This treaty was made in the light of American law at the time. In 1815 the Government made a treaty with Great Britain, providing that "no higher or lower duties or charge shall be imposed in any ports of the United States on British vessels than those payable in the same ports by vessels of the United States." This was stronger language and a direct restriction against American vessels at a time when we had a merchant marine of great strength, and it appears that subsequent to that time the State of Texas authorized the admission of coastwise vessels into certain ports free of duty, and the Revised Statutes of the United States, section 4444, exempting coastwise vessels from the payment of "pilotage charge," the question was raised in the Supreme Court of the United States as to the violation of this treaty of 1815 which was made with Great Britain that "no greater charge should be made against British vessels than those in the same ports by vessels of the United States," and that decision will be found in the case of Olsen *v.* Smith (195 U. S., 332). The court held that this treaty was not violated. Mr. Justice White, now Chief Justice, in that opinion, said:

> Nor is there merit in the contention that as the vessel in question was a British vessel, coming from a foreign port, the State laws concerning pilotage are in conflict with the treaty between Great Britain and the United States, providing that "no higher or other duties and charges shall be imposed in any ports of the United States on British vessels than those payable in the same ports by vessels of the United States." Neither the exemption of coastwise steam vessels from pilotage result from the law of the United States nor any lawful exemption of coastwise vessels created by the State law concerns vessels in the foreign trade, and therefore any such exemptions do not operate to produce a discrimination against British vessels engaged in foreign trade and in favor of the vessels of the United States in such trade. In substance the proposition but asserts because by the law of the United States steam vessels in the coastwise trade have been exempt from pilotage regulations, therefore there is no power to subject vessels in foreign trade to pilotage regulations, even though such regulations apply without discrimination to all vessels engaged in such foreign trade, whether domestic or foreign.

This decision was rendered because of the fact that the United States law did not and does not now permit any foreign vessel to do a "coastwise trade." This being true there was no discrimination, and likewise there is no discrimination of the verbiage of the Hay-Pauncefote treaty in exempting American vessels doing a coastwise trade, because no other nation under our law can do a coastwise trade, and could not at the time the treaty was made. Hence a literal construction of the treaty made in the light of the American law shows that the contention of a former Congress to make that exemption was a true and correct one. In this connection I desire to quote from extracts from the CONGRESSIONAL RECORD and a public document compiled by the Hon. JOSEPH R. KNOWLAND, of California, as follows:

> The Panama Canal is being built on territory which was purchased by the Government of the United States. We will expend in its construction upward of $400,000,000, and are obligated by treaty to pay the Republic of Panama in perpetuity the sum of $250,000 annually. We occupy the position of sovereign proprietor of the canal and the Canal Zone, a relation that none of the nine powers signatory to the convention of Constantinople sustained with reference to the Suez Canal. The Hay-Pauncefote treaty should be construed in the light of these facts, and when so construed the minority can not escape the conclusion that in signing, ratifying, and proclaiming this treaty to the world we were merely agreeing to the terms and conditions upon which the United States, the sovereign owner of the canal, would permit its use by the other nations of the world, its citizens or subjects.

Hence, in construing the Hay-Pauncefote treaty we must consider it in the light of the law then existing. In 1884 we adopted a statute governing the question of free navigation of American waters, which has always been an American policy, and in section 4 of that statute you will find this language:

> No tolls or operating charges whatever shall be levied upon or collected from any vessel, dredge, or other water craft for passing through any lock, canal, canalized river, or other work for the use and benefit of navigation now belonging to the United States or that may be hereafter acquired or constructed.

Is it possible that we are brought to the humiliating position in our nationality that we are compelled to reverse the policy of this Government of free navigable waters or, as we used to say prior to the Civil War, "free seas," just because Great Britain seeks and desires to gain the greatest possible benefits from the canal? I am unwilling to believe that the American people or that their Representatives in this Congress are willing to violate that policy, to say nothing of the violation of the platform of the Democratic Party adopted at Baltimore. I for one will not subscribe to such doctrine, even at the solicitation or demand of the President. I desire further to quote from the Hay-Pauncefote treaty, as follows:

> Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary, and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.
>
> No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

VESSELS OF COMMERCE AND WAR.

Now, note and analyze this language: If the contention of Great Britain be correct as to merchant vessels, why is it not also correct as it applies to the British Navy, and would we not be denied, under this provision last quoted, to fortify the canal and in war to "revictual" or "take any stores in the canal," or "disembark troops, munitions of war, or warlike materials," or to do anything else looking to the strength of the canal or the military strength of our Nation in case of war? Such a contention is absurd. It would place us in the position of paying the bill for this canal and then being unable to use it, even for self-defense. In every light in which you analyze this treaty, in the light of the conditions surrounding it, it is absurd to place any other construction upon it than the construction by the former Congress, to the effect that the American Government had the right to make any exception in favor of itself, its citizens, or its sailing vessels.

This Government has always adhered to the policy of not permitting foreign ships to do a coastwise trade, and this is not an exclusive policy of the United States. All nations pursue the same policy. To permit an English ship, a Japanese ship, or any other nation's to sail up the Mississippi, to go through the locks of the Cumberland, the Ohio, or any of the other interior waterways of this Republic would but permit such a Government to take soundings as to the depth and all of the conditions of our interior waterways, so that in case of war they would be absolutely prepared to destroy us. This is the reason why this Government, as well as other Governments, has adhered to the policy of prohibiting any foreign ship to do a coastwise trade or to sail through the interior waterways of the country. I have heard it intimated—not in this House, to be sure, but by men on the outside who did not know—that this causes a monopoly, which is not true; but, to say the least of it, to do otherwise would expose the cities and towns and all of the waterways lying along the river fronts of this Republic to the dangers of foreign aggression.

AUTHORITIES ON CONSTRUCTION.

I desire to quote some of the eminent American public men on this question. Senator LODGE said:

> I took a somewhat active part in the two Hay-Pauncefote treaties, as they are called. I voted against the Bard amendment. I voted against it in the belief that it was unnecessary; that the right to fix tolls, if we built the canal or it was built under our auspices, was undoubted. I know that that was the view taken by the then Senator from Minne-

sota, Mr. Davis, who was at that time chairman of the committee. I certainly so stated on the floor.

Senator Davis, referred to by Senator LODGE, was an eminent authority on international law. A like position was taken by Senator HOKE SMITH on August 7, 1912, and JAMES E. MARTINE, of New Jersey, on January 22, 1913, referring to the exemption of American coastwise trade, says:

I believe that such a policy on the part of this Government with reference to the Panama Canal would rehabilitate our merchant marine, and that within a few years we would command the carrying trade of this hemisphere. * * * As I said heretofore when this question was before this body for consideration, I now repeat that I favor free tolls for American craft, both ocean and coastwise.

On August 7, 1912, Senator JOHN SHARP WILLIAMS said:

I shall vote for the exemption of the coastwise vessels of the United States, because I think we have a right to do it. I think the principle laid down by the Supreme Court is a correct principle in municipal and international law.

Hon. Joseph G. Cannon, former Speaker of the House of Representatives, in a speech May 18, 1912, says:

I was greatly interested and I applauded when he [Representative J. R. KNOWLAND] said that the waterways of the great Republic were without tolls for American ships in the coastwise trade and interstate-commerce trade. I was aware that that was the case, and I am glad it is. They will always be free so far as my vote is concerned.

Senator ALBERT B. CUMMINS, of Iowa, in the Senate, August 7, 1912, said:

I believe, and it can be conclusively shown, that the treaty contains no promise on the part of the United States that it will extend to the other nations of the world the same tolls and the same conditions that we give to our own shipping. There is no such promise in the treaty. There was no such promise in the treaty. It was never intended that there should be any such promise in the treaty.

In a speech on May 16, 1912, the Hon. FRANK DOREMUS, of Michigan, chairman of the Democratic congressional committee of the Democratic caucus of this House, said:

To my mind, this is the most important and far-reaching question that has come before Congress in a generation. The naked issue before the House is whether the Panama Canal is to be run in the interest of the taxpayers and consumers of the United States or in the interest of the transcontinental railroads, that have always opposed the canal and would now destroy its beneficial use to the American people.

In addition to these authorities of eminent statesmen and jurists, made prior to my coming to Congress but at the time this exemption of tolls was up for consideration, I might quote equally as strong and equally as emphatic declarations of the Speaker of this House, the Hon. CHAMP CLARK, and the majority leader of this House, the Hon. OSCAR UNDERWOOD, and the Republican leader, the Hon. JAMES R. MANN, and the Progressive leader, the Hon. VICTOR MURDOCK, all supporting the contention that we place the right construction upon this treaty at the time the former act was passed, and that it would be both detrimental to our economic interest and dangerous to our nationality now to recede from the position then taken. In addition to these American authorities I can but refer you to some British authorities, eminent lawyers of the British Empire, to the effect that the British claim is an absurd claim, not warranted in the treaty or international law. Among these British authorities I name Edward S. Cox-Sinclair, in an article entitled, "The international status of the Panama Canal," in the Law Magazine and Review, published in London; another, under the title of "The Panama Canal act," by C. A. Hereshoff-Bartlett, LL. D. Both of these are eminent British authorities both in British law and international law. I may add to these a statement from the paper read by the Hon. Richard Olney, Secretary of State under President Cleveland, at the annual meeting of the American Society of International Law, Washington, D. C., April 25, 1913, in which he says:

The claim sometimes made that by building and owning the canal the United States engages in a public calling and thereby undertakes to serve all comers without discrimination and at a reasonable rate would seem to have no application to the present case. The principle affects only the users of the public work and only prescribes entire equality as between them; it in no way prevents the owner of the work or those for whom it holds the work in trust, from using it in any way or to any extent that the legal or beneficial owner or owners may determine.

Besides, so far as international law on the subject can be regarded as settled, the rule is that "while a natural thoroughfare, although wholly within the nation that constructs an artificial channel may annex such conditions to its use as it pleases. (3 Moore, 268; The Avon, 18 Int. Rev. Record, 165.)

In the light of all these authorities I see absolutely no argument for a surrender on the part of the American Nation to the interest of Great Britain.

Moreover, gentlemen, aside from these considerations there is a moral political obligation upon every Member of this House, because every political party in its most recent platform declarations has announced a like position.

PRESIDENT WILSON AND PLATFORM PLEDGES.

The Democratic platform adopted at Baltimore contains these words on the Panama Canal controversy:

We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal.

We also favor legislation forbidding the use of the Panama Canal by ships owned or controlled by railroad carriers engaged in transportation competitive with the canal.

As to my duty to the Democratic Party—which I may say is in keeping with my own view on the subject—and as to the economic necessity, together with the benefits to inure to the farmers of Oklahoma, who could ship their products to Galveston and thence through the Panama Canal to the western shores of South America or the Orient, instead of sending them to New York by long-distance rail and thence over the Atlantic, through the Mediterranean Sea and Suez Canal, and on the Indian Ocean to the Orient, I leave President Wilson to make this argument, whose utterance is so clear, language so pure, and logic so convincing that I can not hope to equal his, as made by him immediately following the adoption of the platform and his nomination at Baltimore in 1912 for my reasons for following him then and not following him now.

[From the Philadelphia Record, a Democratic paper, August 16, 1912.]

Gov. Wilson said in part:

"Now, there is another matter. You know we are digging a tremendous ditch across the Isthmus of Panama. It is predicted by the engineers in charge of that colossal enterprise that we shall be able to open it to the ships of the world by the year 1915. What interest have you in opening it to the ships of the world? We do not own the ships of the world. By a very ingenious process, which I would not keep you standing in the hot sun long enough to outline, the legislation of the United States has destroyed the merchant marine of the United States. The chief road by which your crops travel to the Orient is through the Suez Canal. They do not go around by the Pacific. Most of your maps do not show you the short road to the Orient, because they are spread out flat.

"If you will get a globe and draw a circle around the globe, you will see your short road is through the Suez Canal, not across the Pacific, and that the western farmer, therefore, has to ship his crops across the continent in order to reach the ships that are to take that road. And when his crops reach the port, do they find American ships waiting for them? Not at all.

* * * * * * *

"One of the great objects in cutting that great ditch across the Isthmus of Panama is to allow farmers who are near the Atlantic to ship to the Pecific by way of the Atlantic ports, to allow all the farmers on what I may, standing here, call this part of the continent, to find an outlet at ports of the Gulf or the ports of the Atlantic seaboard, and then have coastwise steamers carry their products down around through the canal and up the Pacific coast or down the coast of South America.

"Now, at present there are no ships to do that, and one of the bills pending—passed, I believe, yesterday by the Senate as it had passed the House—provides for free tolls for American ships through that canal and prohibits any ship from passing through which is owned by any American railroad company. You see the object of that, don't you? [Applause.] We don't want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent.

"The farmers of this country are, in my judgment, just as much concerned in the policy of the United States with regard to that canal as any other class of citizens of the United States. Probably they are more concerned than any other one class, and what I am most desirous to see is the farmers of the country coming forward as partners in the great national undertakings and take a wide national, nay, international, view of these great matters, feeling all the pulses of the world that beat in the great arteries of their own life and prosperity. Everything that is done in the interest of cheap transportation is done directly for the farmer as well as for other men. So that you ought not to grudge the millions poured out for the deepening and opening of old and new waterways. * * *

"Our platform is not molasses to catch flies. It means business. It means what it says. It is the utterance of earnest and honest men, who intend to do businesss along those lines and who are not waiting to see whether they can catch votes with those promises before they determine whether they are going to act upon them or not.

"They know the American people are now taking notice in a way in which they never took notice before, and gentlemen who talk one way and vote another are going to be retired to very quiet and private retreat."

Public Lands—Decision as to Rights of Heir on Death of Entryman.

EXTENSION OF REMARKS

OF

HON. ALBERT JOHNSON,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 10, 1914.

On the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. JOHNSON of Washington. Mr. Speaker, under leave given to me during the debate on the Agricultural appropriation bill, March 10, to extend my remarks, I desire to place in the RECORD a recent decision by the District of Columbia Supreme Court in a mandamus case against the Secretary of the Interior, which is of much interest to homestead entrymen in the West. This decision sets aside a ruling by the last administration in a homestead case, upon which many other cases depended. The department has decided not to appeal from

this decision, but to return to the ruling which obtained for nearly 40 years. I append the decision:

SUPREME COURT OF THE DISTRICT OF COLUMBIA.

United States on Relation of Newton Rule *v.* Franklin K. Lane, Secretary of the Interior.

PUBLIC LANDS; HOMESTEAD ENTRY; DEATH OF ENTRYMAN; RIGHTS OF HEIR.

1. Where a homestead entryman dies within six months after making his entry and without establishing residence on the land, his heirs may complete the entry by proof of cultivation and improvement of the land for the necessary period and without the establishment of residence on the land.

2. In such a case, the heir of the deceased entryman has a vested right in the land, under the long-continued decisions of the Land Department and the Secretary of the Interior, and the law as determined by the courts, and under the statutes, of which vested right he can not be deprived by the action of the Secretary of the Interior in reversing the decisions made by his predecessors in office.

No. 56351. Law. Decided December 31, 1913.

Hearing upon a petition for mandamus against the Secretary of the Interior to compel him to grant a rehearing, and so forth.

Demurrer to Secretary's answer sustained.

Mr. Samuel Herrick, Washington, D. C., for the relator.

Mr. P. C. West, Assistant Attorney General, Mr. C. E. Wright, assistant attorney, and Mr. F. W. Clements for the respondent.

Mr. Justice Barnard delivered the opinion of the court:

THE FACTS.

The relator avers that on June 28, 1904, his son, Highlan N. Rule, made a homestead entry upon the said land, at the United States land office at Alliance, Nebr. That immediately thereafter he commenced preparations to establish his residence on said land; but in the midst of his preparations, and while actually journeying to the land, with his household goods, he became ill, and died on July 29, 1904.

That on September 12, 1904, the relator, as heir of his son, with his family, removed to said land and lived thereon until December 19, 1904. That during the years 1905, 1906, 1907, 1908, 1909, and 1910 he cultivated a portion of the said tract of land, the amount cultivated being increased each year, until in the year 1910 it amounted to 40 acres; and that he used it also for the grazing of stock. That he improved it with a house, barn, fencing, outhouses, corrals, and other improvements, at an expense of more than $1,500; and that on August 15, 1910, he submitted final proof on said entry, as required by the statutes.

That on June 18, 1910, one Allen G. Fisher filed a contest against the said homestead entry, alleging that the entryman had died without establishing residence on said land, and that settlement upon the land had not been made by any person.

That said Fisher refused to pay the fees of witnesses offered by said relator; and notwithstanding the testimony of said witnesses was not taken, the United States local land officers at Alliance, Nebr., decided that the contestant had not proven his case and that the heirs of the entryman had gained title to the land by five years' cultivation, and recommended that the contest be dismissed.

An appeal was taken to the Commissioner of the General Land Office, and he affirmed the said decision on September 27, 1911.

Thereupon appeal was taken to the Secretary of the Interior, and the Assistant Secretary, on February 28, 1913, reversed the said decisions of the local land office and of the said commissioner and held that the death of said Highlan N. Rule before establishing residence on said land terminated the entry and that his heirs succeeded to no right whatever in said land.

That the relator filed a motion for rehearing, and on April 17, 1913, the Assistant Secretary denied the said motion; and on May 2, 1913, the said entry was canceled in the General Land Office.

On May 13, 1913, the relator filed before the Interior Department a petition for relief and presented argument in support thereof, both orally and by brief; and on July 19, 1913, his petition was denied by the First Assistant Secretary of the Interior.

HOMESTEADER'S CONTENTIONS.

That prior to the said decision of February 28, 1913, the Interior Department had, since the year 1875, consistently, continuously, and uninterruptedly held and decided that upon the death of a homesteader within six months after entry, and before establishing residence, his rights passed to his heirs; and that they could complete title and secure patent by cultivating the land without residence upon it; and that these rulings constituted a rule of property for more than 37 years upon which the relator had a right to rely.

He avers that it was the plain, unqualified, absolute, and peremptory duty of the said Secretary, by virtue of his official position, to order a dismissal of the said contest brought against said entry by said Fisher, and to hold the said entry intact by virtue of the relator's compliance with the law since the death of the entryman; and to direct the local land officers at Alliance, Nebr., to issue final certificate and patent upon the said homestead entry and the final proof made thereon, and notwithstanding relator's right to such final entry and patent, said Secretary refuses to order such final entry and patent.

That it was not competent for the said Secretary to entertain or sustain the contest filed against said entry, or to direct its cancellation, or to deny the motions presented by the relator, because the record before him showed that said Highlan N. Rule died only 31 days after making said entry, and while engaged in preparations to establish his residence on said land; and that his heir thereafter cultivated and improved the said land for more than five years, as required by sections 2289 to 2297 of the Revised Statutes.

That it was not competent for the said Secretary to apply a different rule from that followed by the office for nearly 40 years previous, and to make it retroactive so as to deprive the relator of his right to a patent; and he having submitted final proof, and having thereby gained title to said land, and become entitled to a patent, under section 2291 of the Revised Statutes of the United States, it was not competent for said Secretary to cancel said entry, and refuse to reinstate the same.

DEPARTMENT'S CONTENTIONS.

On the filing of this petition, a rule to show cause was issued, and in response the Secretary filed a return, stating that the decision of all such questions is exclusively within his jurisdiction and not reviewable by mandamus. That he, in the exercise of his jurisdiction, and after due notice, exercising his judgment and discretion, decided that the homestead entry by Highlan N. Rule, under which the relator claims, could not, under the law and the facts appearing in the record before him, be allowed to go to patent; therefore he directed the cancellation of said entry, and the same was canceled.

He further says that legal title is in the United States, and that the latter is a necessary party to this or any other suit whereby its title is sought to be devested, and he therefore asks that the rule be discharged.

To this return the relator has filed a demurrer.

COURT'S DECISION.

It does not appear from the return of the respondent to the rule to show cause just what the record was that was before him when he decided that the homestead entry of Highlan N. Rule could not be allowed to go to patent. If, however, this record is different from the facts stated in the petition it should have been inserted in the answer, so that the court might know what was before the respondent at the time. It not having been inserted, the court may properly assume that the facts appearing in the petition are correctly stated.

A long line of decisions of the Land Department has been cited by the relator showing that for nearly 40 years the department has held that the heirs of an entryman were entitled to succeed to the rights of the entryman on his death before the completion of the time in which he was required to reside upon the property in order to secure a patent.

LONG LINE OF RULINGS RE HEIRS.

This line of decisions seems to clearly hold that when a homestead entry is made and the fee is paid the entryman is given a reasonable time to remove to the land, six months having been considered a reasonable time to effect such actual residence; and the question in this case is—

Was the heir of Highlan N. Rule entitled to complete his entry upon his death, after making the entry and payment of fees, but before reaching the land in question to establish actual residence thereon?

It appears that after making the entry the decedent began his preparations to remove to the land, and while in the actual course of moving he was taken sick and died, before reaching the same, leaving his father his sole heir; and that his father, within less than six months from the date of entry, entered upon said land and thereafter cultivated the same, for the time necessary to entitle him to a patent, under the statutes and the then existing rules of the Land Department.

RULE OF PROPERTY ESTABLISHED.

The petition not only shows that a portion of the land was cultivated, as required, but that actual improvements were placed upon it in good faith, amounting to more than $1,500; and the point is now made, that the long line of decisions of the Land Department, awarding the rights of an entryman to his heirs on his death, entitled the relator to take the steps that he has taken to secure this title, and that he has expended his money in good faith, on the strength that these decisions amounted to a rule of property, and that it is now too late for the Secretary of the Interior to change that rule of property and make it retroactive so as to deprive him of his vested rights.

Assuming that he has complied fully with the law as to cultivation and occupation, under the statutes and this line of decisions, it would follow that in equity his title was complete; but the evidence of legal title is the patent which the Government issues to purchasers of the public lands. Assuming that this is true, should the Secretary not direct the patent to be issued, and should he not refuse the contest which has been allowed on the allegations of said Allen G. Fisher?

POWER OF THE SECRETARY LIMITED.

I can find no statute charging the Secretary of the Interior with the administration of all laws, and with the execution of all duties appertaining to the purchase, sale, care, and disposition of the public lands of the United States, as claimed in the return to the rule in this case.

The sole duty of the Secretary is that of supervision and direction. The executive duties of sale, survey, patents, homestead entries, and so forth, are required to be performed by the Commissioner, or other independent officers under the Commissioner and in discharging these duties they act in a judicial character when they hear and decide contested matters.

Mr. Justice Brown, in delivering the opinion of the Supreme Court of the United States in the case of United States *v.* Alabama Railroad Co. (142 U. S., 615), used this language:

It is a settled doctrine of this court that in case of ambiguity the judicial department will lean in favor of a construction given to a statute by the department charged with the execution of such statute, and, if such construction be acted upon for a number of years, will look with disfavor upon any sudden change, whereby parties who have contracted with the Government upon the faith of such construction may be prejudiced. It is especially objectionable that a construction of a statute favorable to the individual citizen should be changed in such manner as to become retroactive and to require from him the repayment of moneys to which he had supposed himself entitled, and upon the expectation of which he had made his contracts with the Government. These principles were announced as early as 1827, in Edwards's Lessee *v.* Darby (12 Wheat., 206–210), and have been steadily adhered to in subsequent decisions. (United States *v.* State Bank of North Carolina, 6 Peters, 29–39; United States *v.* Macdaniel, 7 Peters, 1; Brown *v.* United States, 113 U. S., 568; United States *v.* Moore, 95 U. S., 760–763.)

In the same case the court held that a construction given by the executive department for nine years, through six different administrations of that department, should be considered as decisive, and affirmed the judgment of the lower court on that principle.

TITLE PASSED TO HEIRS.

There are a number of authorities that hold that the substantial title passes to the heirs of the entryman after they have completed the residence or cultivation of the land for the length of time required without the actual issue and delivery of the patent. These show that in such case the land is no longer public land to be sold by the Government to some other party.

In Bernier *v.* Bernier (147 U. S., 242), where a patent was issued to a portion of the heirs of an entryman, it was held, in conformity with well-settled law, that where a patent is issued by mistake, inadvertance, or other cause, to parties not entitled to it, they will be declared trustees of the true owner, and decreed to convey the title to him, thus recognizing the vested rights of those who have earned the patent by fulfilling the conditions of the homestead law.

In the case of Cornelius *v.* Kessel (128 U. S., 456) it was held that an order canceling an entry of public land which was made in accordance with law might be treated as void; and it was held that the Commissioner of the General Land Office, who exercises supervision over the register and receiver of the local land offices, can only exert such supervision when an entry is made upon false testimony or without authority of law, and he can not exercise such supervisory powers so as to deprive a person of land lawfully entered and paid for.

The same argument would apply to the Secretary of the Interior with reference to his supervisory powers over the Commissioner of the General Land Office.

WHEN MANDAMUS LIES.

In the case of Butterworth, Commissioner of Patents, *v.* United States ex rel. Hoe (112 U. S., 50) it was held that the supervision and direction which the head of a department may exercise over his subordinates in matters administrative and executive does not extend to matters in which the subordinate is directed by statute to act judicially.

In that case the Secretary had directed the commissioner not to issue a patent which the commissioner had decided was proper to be issued, and the court held that in such case a mandamus should issue, requiring the patent to be granted, notwithstanding the order of the Secretary to the contrary.

In the case of Garfield, Secretary of the Interior, *v.* United States ex rel. Goldsby (211 U. S., 249) it was held that the acts of public officials which require the exercise of discretion are not subject to review in the courts, but if such acts are purely ministerial, or are undertaken without authority, the courts have jurisdiction, and mandamus is the proper remedy.

Mr. Justice Day said in his opinion, on page 261:

NO PLACE FOR ARBITRARY POWER.

It is insisted that mandamus is not the proper remedy in cases such as the one now under consideration. But we are of opinion that mandamus may issue, if the Secretary of the Interior has acted wholly without authority of law. Since Marbury *v.* Madison (1 Cranch., 137), it has been held that there is a distinction between those acts which require the exercise of discretion or judgment and those which are purely ministerial or are undertaken entirely without authority, which may become the subject of review in the courts.

The subject was under consideration in Noble *v.* Union River Logging Railroad (147 U. S., 165–171), and Mr. Justice Brown, delivering the opinion of the court, cites many of the previous cases of this court, and speaking for the court, says:

"We have no doubt the principle of these decisions applies to a case wherein it is contended that the act of the head of a department, in any view that could be taken of the facts that were laid before him, was ultra vires, and beyond the scope of his authority. If he has no power at all to do the act complained of, he is as much subject to an injunction as he would be to a mandamus if he refused to do an act which the law plainly required him to do."

Again, Mr. Justice Day says, on page 262:

There is no place in our constitutional system for the exercise of arbitrary power, and if the Secretary has exceeded the authority conferred upon him by law, then there is power in the courts to restore the status of the parties aggrieved by such unwarranted action.

The entry in this case was made in pursuance of the act of April 28, 1904 (33 Stats., 547), allowing 640 acres of arid lands, entries to be made from and after 60 days after the approval of said act.

Highlan N. Rule was prompt in making his entry at the earliest moment and seems to have been diligent in attempting to establish his residence on the tract, and the relator was prompt to establish his residence and to cultivate the ground succeeding the death of his son.

PREVIOUS DEPARTMENTAL DECISIONS.

In an opinion given by Acting Secretary Ryan on May 23, 1904 (32 Decisions of Department of Public Lands, 653), these words were used:

It is well settled by a long line of decisions that where a homestead entryman dies within six months after making his entry, and without establishing residence on the land, his heirs may complete the entry by proof of cultivation and improvement of the land for the necessary period and without the establishment of residence on the land.

In this case the Secretary cites Swanson *v.* Wisely's heirs (9 L. D., 31), Stewart *v.* Jacobs (1 L. D., 636), Brown *v.* Naylor (14. L. D., 141).

To the same effect is the decision of Secretary Chandler, on September 2, 1892, reported in Grinnell *v.* Wright (15 L. D., 252).

VESTED RIGHTS.

Under the decisions of the Land Department and of the Secretary of the Interior for many years, and under the law as determined by the courts, and under the statutes, I am forced to the conclusion that the relator had vested rights in the property in question by virtue of the said entry, and his settlement and cultivation and proof thereof such as entitled him to a patent for the said land; and in my opinion the Secretary was mistaken in supposing that he had power to change the ruling of his department reversing his predecessors for so many years, and making his judgment retroactive, so as to deprive said relator of his vested rights; and therefore that the relator is entitled to the relief prayed for in his petition.

HOMESTEADER'S DEMURRER SUSTAINED.

It follows that the demurrer to the return herein must be sustained.

Boston Harbor.

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 26, 1914,

On the bill (H. R. 13811) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. TREADWAY. Mr. Speaker, I desire to submit the following details and statistics relative to development of Boston Harbor undertaken at the expense of the Commonwealth of Massachusetts.

Letter from chairman of the directors of the port of Boston:

BOSTON, *March 23, 1914.*

Hon. ALLEN T. TREADWAY, M. C.,
Washington, D. C.

MY DEAR CONGRESSMAN TREADWAY: Briefly summarized, the situation is as follows:

Commonwealth Pier 5: This is the big Commonwealth Pier, the largest in the country; dimensions, 1,200 feet long, 400 feet wide, which is to cost, with approaches and appurtenances, approximately $3,250,000. All the contracts for this work have been let. Half of the pier has been in use since May 31, 1913, and the whole pier is 90 per cent finished and will be entirely in use before July 1.

Dry dock: Contracts for preparing the site of the dry dock, involving over $400,000, have been let and the work has been in process since September, 1913. The plans and specifications for the dock itself have been prepared by an officer in the Navy Department detailed for the purpose and are now before the board, and bids will be asked for very shortly. The estimated cost of the dock itself, over and above the cost of preparing the site, is $2,800,000. This dry dock is the largest yet built or projected. Its length over all is 1,200 feet and its width 133 feet, large enough to take in any merchant or naval vessel yet built or projected or likely to be built or projected for many years to come.

Commonwealth Pier 1, East Boston: Ten acres of water-front property in East Boston have been taken by right of eminent domain and settlement has been made with the owner of most of the property for $725,000, and plans are being made for a pier 900 feet long with 40 feet of water alongside. Two contracts have been let and work has been in progress since the 1st of January. The total cost of this pier, including land taking, will approximate $2,000,000.

East Boston flats: In another part of East Boston 60 acres of land and flats have been taken by eminent domain to make available for reclamation and terminal development some 600 acres and flats already owned by the State. Settlement has been made for only a small portion of the property taken. It is expected that the property damages will reach $350,000, maybe higher.

You will see by totaling these four headings that the $9,000,000 appropriation of 1911 is entirely committed, and that contracts for the construction work involved either already have been let or are just about to be.

In addition, the State has just completed Commonwealth Pier 6, the fish pier, at South Boston, which is opening for business this week. The State has invested $1,000,000 in this property, and the tenants—the Fish Market Corporation—have invested $2,000,000 in property.

The million dollars invested by the State in this pier was from quite another appropriation from the $9,000,000 appropriation of 1911.

Very truly, yours,

HUGH BANCROFT, *Chairman.*

[Extract from report of directors of port of Boston to the Legislature of Massachusetts for the year ended Nov. 30, 1913.]

NEW STEAMSHIP LINES.

This year witnessed a remarkable increase and improvement in the steamship services at Boston, among which may be enumerated the following:

1. The Hamburg-American Line, under its contract with the directors, instituted in May a direct service twice a month between Boston and Hamburg, calling eastward at Plymouth and Boulogne and westward at Boulogne and Southampton. This service was maintained by the steamships *Cleveland* (16,900 tons) and *Cincinnati* (16,339 tons), also the steamers *Blucher*, *Hamburg*, and *Moltke*. In the spring of 1914 the *Amerika* (22,622 tons) is to be added to the service.

2. The Cunard Line has announced a weekly service for 1914, instead of the fortnightly service operated heretofore between Boston and Queenstown and Liverpool, adding the *Caronia* (19,687 tons) and the *Carmania* (19,524 tons) to the *Franconia* (18,150 tons) and the *Laconia* (18,099 tons). The service through the winter is being maintained by the new steamers *Alaunia* and *Andania* (13,000 tons), built in 1913.

3. The North German Lloyd Line began a service from Bremen to Boston in September, with a sailing every three weeks.

4. The Russian-American Line began in October a monthly service between Libau and Boston.

5. The Navigazione Generale Italiana began in July a monthly service between Italian ports and Boston.

6. During the year the Warren Line to Liverpool fitted out its steamers to carry passengers as well as freight. This line also has two steamers under construction, intended for this service.

7. The Allan Line to Glasgow has placed on the route for the winter season steamers much superior to those employed in previous years, including the *Hesperian* and *Grampian*, and next summer intends to replace the *Numidian* with the *Pretorian*, a steamer twice its size.

8. The first sailing from Gothenburg of the new monthly service of the Sweden-Norway Line, operated jointly by the Norway-Mexico Gulf Line and the Swedish America-Mexico Line to Boston from Gothenburg and Christiania, is scheduled for January 15, 1914.

9. The United Fruit Co. begins a new weekly service from Boston to the Panama Canal on January 1, 1914, with the steamers *Sixaola*, *Carrillo*, and *Tivives*, each of 5,000 tons.

10. The firm of John S. Emery (Inc.) has organized a steamship line to operate through the Panama Canal from Boston to the Pacific coast, with a fleet of eight steamers, including two now building at Boston.

11. The American-Hawaiian Steamship Co. has started a new service from the Pacific coast to Boston, transshipping via Tehuantepec. The first steamer arrived at Boston December 7, 1913.

12. The Savannah Line has improved its Boston-Savannah service by adding the 5,000-ton steamship *City of Atlanta*.

13. The Clyde Line has increased its service between Boston, Charleston, and Jacksonville from weekly sailings to sailings twice a week.

14. The Plant Line to Halifax added the new 5,000-ton steamer *Evangeline* to its fleet.

In addition, other steamship lines have plans not yet fully matured for improvements in their Boston services. The most important of these is the White Star Line, which is planning for material betterments in its services in connection with obtaining increased facilities for its business at Commonwealth Pier No. 5.

THE YEAR'S COMMERCE.

The tonnage of shipping entering the port during the calendar year 1913 recorded a satisfactory increase. Entrances in the foreign trade were 3,196,233 net tons, against 3,061,733 net tons for 1912, an increase of 134,500 tons.

Entrances in the coastwise trade were 12,374,664 gross tons, against 12,258,030 gross tons in 1912, an increase of 116,634 tons.

The value of the foreign trade for the fiscal year ending June 30, 1913, showed a substantial gain. The value of foreign trade, domestic imports and exports only, was $216,149,640, against $198,985,187 in 1912, an increase of $17,164,453. Including the Canadian in-transit business, the value of foreign trade for the year ending June 30, 1913, was $260,482,097, against $234,918,975 in 1912, an increase of $25,563,122, and the largest figure in the history of the port.

The total trans-Atlantic passenger movement through the port eastbound and westbound combined was, for the calendar year 1913, 134,315, against 105,663 for the year 1912, and 96,262 for the year 1911.

Restriction of Immigration.

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, February 4, 1914,

On the bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States, and for other purposes.

Mr. SABATH. Mr. Speaker and gentlemen of the House, in that brave band of mariners that sailed with Christopher Columbus on his memorable voyage there were men representing nearly all the nations of southern Europe, but after scanning the list from top to bottom I fail to find such names as Burnett, Gardner, Dies, or Austin.

The gentleman from Alabama may have had more and better opportunities to investigate this than I have, and therefore it may not be out of place for me to inquire of him how many of the gentlemen from his State or the adjoining States whose sentiments he seems to express can trace their ancestry to these courageous adventurers who risked their lives in the discovery of the Western Hemisphere.

Strange as it may seem, I am unable to find among the names of the men in charge of the various expeditions in the 30 or 40 years following the discovery of this continent any that would indicate that the ancestors of the gentleman from Alabama had anything to do with the early colonization of our country. However, I do find the names of men coming from nationalities which the gentleman from Alabama [Mr. BURNETT], as well as some of the other gentlemen who are supporting this measure, have seen fit to class as undesirable, and whose admission to this country they are seeking to prevent.

Mr. Speaker, I wonder whether it was the intention of Queen Isabella and those others who assisted in financing these expeditions which resulted in the discovery of a new world, that the lands so discovered should remain dormant for centuries and centuries because of a lack of people to till the soil. Was it not, on the contrary, their aim to urge the migration of people to these shores and give an equal opportunity to all those who desired to come and make this country their home? Were not the Pilgrims, the Puritans, the Huguenots, and the Quakers all seeking to escape oppression, and did they not search out a country where they would be free from persecution? Yet we find to-day men so narrow-minded and so bigoted that they would deny admission to thousands of honest, hard-working immigrants of this day and age, who, for similar reasons, are leaving the countries of their birth and coming to our shores. They would refuse these immigrants admission merely because they have been so unfortunate as to be raised in a country which denied them an opportunity to receive an education.

I am inclined to believe that if the gentleman from Alabama had been present at the drafting of the Declaration of Independence he would have insisted that in our struggle for freedom we should refuse the aid and assistance and the advice and counsel of such despicable foreigners as Alexander Hamilton, Lafayette, Rochambeau, Von Steuben, Pulaski, Kosciusko, and those thousands of others who came here to battle so valiantly in our behalf during our struggle for freedom and liberty. Doubtless he would also have insisted that no matter in what dire financial straits we might find ourselves we should accept no assistance from such "undesirables" as Morris, Levy, and the many others of foreign birth who nobly placed their fortunes at the disposal of those in command when the outlook was so dark and when it was nearly impossible to secure sufficient funds to continue the struggle. It is indeed gratifying to know that the gentleman from Alabama does not voice the sentiments of the great mass of the American people.

Mr. Speaker, I feel confident that no one who has studied the growth and development of this country can deny that to the foreign-born people and their descendants belong the credit for

our progress. But, even had they not contributed so much to our country's welfare, should we not extend a welcome to those who seek freedom and emancipation from governmental oppression and despotism? Our Government guarantees, under and by virtue of the Constitution, liberty; and liberty is the goal which the alien strives to reach and which, when reached, serves as an incentive for improvement. He is ideal material for American citizenship, and it is only a short time until he becomes one of us, second to none in his loyalty and patriotism.

Mr. Speaker, the gentleman from Alabama has stated that the organized labor of this country demands this restrictive legislation, and I am satisfied that others in their advocation of this unreasonable, unfair, unjust, and un-American measure will appeal to your loyalty to the cause of labor. They will, as did the gentleman from Alabama, maintain that immigration is detrimental to the labor of this country and inimical to the best interests of our Nation.

I have the honor to represent in part the greatest manufacturing city and the greatest labor center in the world, and the strongest labor-union city in the United States, and yet I have not heard a single labor organization of my city advocating the passage of this bill. For nearly seven years I have been a Member of Congress, and during that time I have worked for and voted for every measure that I believed would better the conditions of the laboring people of this country. During my 12 years on the bench I demonstrated that I was not unfriendly to organized labor; in fact, many labor organizations have passed resolutions approving of my views and commending my stand in their behalf. I can say, without fear of successful contradiction, that my record in behalf of organized labor will stand out more prominently than the record of any gentleman who is advocating the passage of this bill on the grounds of friendship for that cause; so it can not be said that I am opposing this measure because I am a foe of organized labor.

If I thought for one moment that immigration was detrimental to our country or to the interests of the laboring people of our country, I would rather resign my seat, yes, I would rather lose the power of speech, than to advocate the defeat of this measure; but I am fully convinced that immigration has been and is of inestimable benefit. Are not labor conditions better to-day than they were 20 or 30 years ago; are not wages higher, have not living conditions improved, does not the laboring man work shorter hours?

The gentleman from Alabama has frequently quoted from the testimony of Mr. Morrison, the secretary of the American Federation of Labor, as adduced at the hearings before the Immigration Committee some few weeks ago. I will now read a few questions that I asked Mr. Morrison during these hearings, and the answers he gave:

Mr. SABATH. Has the standard of living of the laboring man in this country improved any in the last 10 years?

Mr. MORRISON. Oh yes; in the last 10 or 15 years the conditions have improved with their shorter hours and better wages, those that secured them; yes, sir.

Mr. SABATH. In general the conditions are much better to-day, living conditions and standards of living, among the laboring people of this country than 10 or 15 years ago, are they not?

Mr. MORRISON. Yes.

Mr. SABATH. Notwithstanding that the immigration is the greatest in the history of the United States the conditions of labor have improved, have they not?

Mr. MORRISON. The organized workers; yes, sir.

Mr. Morrison's statements are substantiated by the statistics compiled by the Bureau of Labor, and some of these I will now read. The following table shows, by percentage, the decrease in hours of work and increase in wages, from 1890–1912, in several prominent lines of industry.

	Decrease in hours, 1890-1912.	Increase in wages, 1890-1912.
	Per cent.	*Per cent.*
Silk goods	5.8	18.8
Lumber manufacturing	3.8	29.0
Millwork	5.0	33.4
Furniture manufacturing	7.3	34.4
Boot and shoe manufacturing	6.4	34.8
Hosiery and knit goods manufacturing	7.9	36.1
Woolen and worsted goods manufacturing	6.3	49.7
Cotton goods manufacturing	8.1	61.5
Average	6.3	37.2

Now, let us compare the daily wages of the railroad employees for 1911 with those of 1892. In 1892 we find the section foremen received $1.76; in 1911 they received $2.07. The carpenters were then receiving $2.08; now they receive $2.54. Other shopmen were paid $1.72 in 1892; in 1911 we find them receiving $2.24. Trainmen formerly were paid $2.29; now they are getting $2.88. The firemen formerly worked for $2.08 a day; now they receive $2.94. Machinists formerly were content with $2.08; now they receive $3.14. Enginemen were paid $3.08 in 1892; in 1911 we find their average daily compensation amounting to $4.79; and, lastly, conductors who formerly worked for $1.90 are now receiving $4.16.

At the Thirty-ninth National Conference of Charities and Corrections Mr. Cyrus L. Sulzberger, of New York, delivered an exceedingly interesting address, entitled "Is immigration a menace?" and because of the valuable information which it contains with regard to the effect of immigration upon labor conditions I take the liberty of reading a portion of this address. Mr. Sulzberger said:

During the last 20 years, covering the period of high immigration of the so-called undesirable races, this country has undergone an economic development so tremendous in its character and importance that the mind staggers in the attempt to grasp the figures. During that time the population of the country has increased about one-half. The production of coal, which is the measure of economic activity, is almost three times what it then was. In other words, the economic growth of the country has been six times as great as its numerical growth. The output of our factories has increased in 10 years from $11,000,000,000 to over $20,000,000,000, and the number of wage earners engaged in producing that output increased from 4,700,000 to 6,600,000. During precisely the period when the so-called undesirable immigration was greatest wages advanced most rapidly. The average wages in all industries in 1880 were $344. According to the census of 1910, taken the year previous, when the effects of the panic of 1907–8 were still felt, average wages had advanced to $518, being an increase of exactly 50 per cent. That the immigrant is a factor in lowering wages is an argument that can not be sustained by any ascertainable figures.

Continuing, Mr. Sulzberger said:

In Illinois average wages in 1909 were $588; in New York, $555; in North Carolina, $275; in South Carolina, $282; and in the whole United States, $518. That is to say, in Illinois wages are 14 per cent above the average for the whole country; in New York they are 5 per cent above the average; in South Atlantic States they are 30 per cent below the average; in the south Central States they are 20 per cent below the average.

Also, in this connection, I desire to insert some figures compiled by the Hon. O. P. Austin, Chief of the Division of Statistics, Bureau of Foreign and Domestic Commerce, which appeared in an article by Mr. Austin, entitled "Progress of American commerce and industries, 1870 to 1912."

Statistical statement comparing conditions in 1870 with those of the latest available year.

	1870	1911
Population	38,558,371	95,410,503
Wealth, estimated (latest official figures)	$30,068,518,000	$130,000,000,000
Money in circulation	$676,284,427	$3,276,786,613
Per capita	$17.51	$34.26
Individual deposits in all banks	$2,182,512,744	$15,906,274,710
Deposits in savings banks	$549,874,358	$4,212,583,599
Depositors in savings banks	1,630,846	9,597,185
Imports, total	$435,958,408	$1,653,426,174
Exports, total (domestic and foreign)	$392,771,768	$2,204,222,088
Manufactures for use in manufacturing, exported	$13,711,708	$309,151,980
Manufactures ready for use, exported	$56,329,137	$93,367,852
Manufactures, total (except foodstuffs) exported	$70,040,845	$907,519,841
Farms	2,659,985	6,361,502
Farms and farm property, value of	$8,944,857,749	$40,991,449,090
Farm produce, value of	$1,958,030,927	$8,417,000,000
Manufactures produced, gross value	$4,232,325,442	$20,672,051,870
Wages paid in manufacturing	$775,584,343	$3,427,037,884
Spindles in operation in cotton mills	7,132,000	29,923,000
Coal mined, gross tons	29,496,054	447,853,900
Petroleum produced, gallons	220,951,290	8,801,354,016
Pig iron produced, gross tons	1,665,179	23,649,547
Iron and steel manufactures exported	$13,483,163	$230,725,352
Railways, mileage in operation	52,922	249,992

It can readily be seen from these statistics that the wonderful development which this country has undergone is due to a great extent to the large numbers of people who have come from other countries to establish themselves in the United States. Should we now enact legislation which would halt our progress as a nation?

Mr. Speaker, let us consider further the claim that immigration is detrimental to organized labor. To whom does organized labor owe more for its existence than it does to that wise and fearless leader, Samuel Gompers, for many years the president of the greatest labor organization in the world, and pray, tell me, was he not an immigrant? Was not John Mitchell, who has devoted his life to the cause of the miners of this country, born in Wales? Was not the Secretary of Labor born in Scotland? The majority of the executives of the American Federation of Labor were immigrants, and not only the officers of that great organization, but fully 50 per cent of its members are of foreign birth or foreign parentage. If credit were given to those who deserve it, we would find that immigrants have been instrumental in the organization and development of practically all of the great labor organizations of this country.

Mr. Speaker, for years I have heard gentlemen on the floor of this House demanding the passage of bills similar to the one we now have under consideration, and I notice that, with very few exceptions, the gentlemen who plead the hardest for the passage of these measures, which they claim will so materially benefit the cause of labor, have no labor problems to contend with in their districts, have no immigrants in their districts, and not only are not in a position to judge as to the merits of this legislation, but would not be affected by it were it enacted. These gentlemen point to the overcrowded conditions in the large centers, the congestion in such cities as New York, Chicago, Philadelphia, Boston, St. Louis, Baltimore, Pittsburgh, and the far-away San Francisco. Oh, what great solicitude do these gentlemen display for the residents of these cities!

Have you ever heard any Representative from the cities that I have mentioned, or from any of the other large cities, demand the passage of these restrictive measures? I have not. Why, then, do these gentlemen from the rural districts take such a great interest in this question, when in fact the passage or defeat of this measure would in nowise affect them; is it because they are such humanitarians? Oh, no, Mr. Chairman; for if they were they would be pleading for the elimination of the hardships to which the poor immigrants are now subjected, instead of seeking to impose still greater ones upon them and subjecting them to tests which will make it impossible for thousands upon thousands of the most deserving to gain admission to this great country.

Mr. Speaker, I honestly and sincerely believe that the labor organizations which have declared themselves in favor of this legislation have been misled, and that they are being taken advantage of by designing forces that have but little in common with them; forces that for years and years have endeavored to secure the passage of laws that would close the doors of our country to the thousands and thousands of honest men and women who come to our shores fleeing from oppression and persecution and seeking refuge and liberty. These forces were active long before the existence of organized labor in this country. In years gone by the people banded together with this object in view were called the Know-Nothings, later on they bore the title of the American Protective Association, and now in order to mislead the American people they are parading under the name of Junior Order of American Mechanics. There is another order founded and maintained for the same purpose, and this is known as the Patriotic Order of Americans, while we have also the Immigration Restrictive League and the American Farmers' Union.

For years these organizations have maintained a paid lobby in the Capital for the purpose of conducting a campaign in favor of restriction, and they have stopped at nothing in their efforts to create prejudice in the minds of the American people, not only against immigration but against the foreign-born citizens of this country as well. Unfortunately these organizations and these individuals have been fairly successful in their efforts to create a false conception of the results of immigration, and I regret to say that many statesmen, who through lack of time have been unable to give this vital question the study that it deserves, have been led astray by these false and misleading articles and now stand ready and willing to enact legislation which must appear to any sound-thinking and unprejudiced man as ridiculous.

Mr. Speaker, upon a careful study of this subject we find that 100 years ago the same arguments were interposed in support of restrictive measures as we find advanced by the men advocating the passage of the Burnett bill, for the immigration restrictionists of those days classed the people coming to this country then as undesirable and favored their exclusion. The same arguments were made as to the tendency of the immigrants to congest in the cities, and it was maintained that the effect of immigration was to reduce wages and lower the standard of living.

The report of the Immigration Commission quotes the following from Nile's Register of 1817:

> The immigrants should press into the interior. In the present state of the times we seem too thick on the maritime frontier already.

Consider that statement carefully, gentlemen, for you must remember that it was made when there were only about 5,000 immigrants coming to our shores each year.

Again, the commission's report quotes from the Second Annual Report of the Managers of the Society for the Prevention of Pauperism in New York City, 1819:

> As to the emigrants from foreign countries, the managers are compelled to speak of them in the language of astonishment and apprehension. Through this inlet pauperism threatens us with the most overwhelming consequences.

In the year following this report there were only 8,385 immigrants who came to make this country their home, and yet we find these men speaking of this immigration in language of "astonishment and apprehension."

It would seem, as years went by, it was discovered that, after all, no difficulty had been experienced in the assimilation of these immigrants that had been the cause of such great apprehension, and therefore they were immediately classed as "desirables," whereas those seeking admission a few years later were still regarded as a menace. In a paper entitled "Imminent Dangers to the Institutions of the United States of America through Foreign Immigration," and so forth, published in 1835, the author compares the immigration of earlier years with that of his day and says:

> Then we were few, feeble, and scattered. Now we are numerous, strong, and concentrated. Then our accessions of immigration were real accessions of strength from the ranks of the learned and the good, from enlightened mechanic and artisan and intelligent husbandman. Now immigration is the accession of weakness, from the ignorant victims of the priest-ridden slaves of Ireland and Germany, or the outcast tenants of the poorhouses and prisons of Europe.

Remember, these are the sentiments expressed in the year 1835, when there were less than 50,000 people admitted to this haven of refuge.

At a meeting of the delegates of the Native American National Convention, held in Philadelphia on July 4, 1845, there was published an address in which occurs the following statement:

> It is an incontrovertible truth that the civil institutions of the United States of America have been seriously affected, and that they now stand in imminent peril from the rapid and enormous increase in the body of residents of foreign birth, imbued with foreign feelings, and of an ignorant and immoral character.
>
> The almshouses of Europe are emptied upon our coast, and this by our own invitation, not casually or to a trivial extent, but systematically and upon a constantly increasing scale.

In 1845, the year this address was delivered, there were some 114,000 immigrants who came to make this country their future home.

All of the above articles, from which I have quoted, refer to a class of immigrants which to-day even the most rabid restrictionists refer to as "desirable." It would seem that, as at one time in our history, the dead Indian was regarded as a good Indian; the restrictionists have only regarded as good immigrants those that did not seek admission to this country.

The birth of the Republic and the inception of the agitation for the exclusion of immigrants were coeval. The demand has been insistent, unreasonable, and unsubsiding. Born of prejudice, this desire to shut out foreigners grew up with eyes closed to the light, blindly ignoring all knowledge that would demonstrate the folly of its reasoning. In the earlier days its advocates stubbornly refused to read with unprejudiced eyes a single page of the country's history upon which was chronicled a patriotic deed or which recited an achievement of any character that was the contribution of the class marked for their disfavor. Impelled by motives that were completely out of harmony with the fundamental principles of the Republic, this element never gave thought nor consideration to the economic effect of exclusion or restriction of immigration, but persisted with a zeal that bordered upon the fanatical in its attempts to foist upon the country views that were narrow and ill-advised. Statesmen of every decade of our national life have been confronted with this question, but to their everlasting credit, those clothed with power and exercising influence in shaping legislation have turned deaf ears to the prayers and threats of the exclusionists and continued the liberal policy adopted by their forefathers.

Mr. Speaker, some of the supporters of this bill have maintained that our country is becoming too thickly populated, that we have already within our borders nearly all the people we can accommodate, and that for this reason it is imperative that immigration be restricted. This statement, like so many others, emanating from the opponents of immigration, is most misleading. The fact of the matter is that in 1910, according to the Bureau of the Census, the density of population of the United States, or, in other words, the average number of people per square mile throughout the United States, was only 30.9. Contrast this average density with that of some of the individual States, such as Illinois, with a density of 100.6; Ohio, with a density of 117; Maryland, with a density of 130.3; Pennsylvania, with a density of 171; Connecticut, with a density of 281.3; and Massachusetts, with a density of 418.8. They talk of this country being overcrowded. Why, 125 years ago the density of population of Maryland was greater than that of the United States to-day, and in 1810 there were six States whose density of population was greater than that of the United States to-day. These restrictionists rave about our country becoming too thickly

settled. Let us consider some of the European countries. In the German Empire we find there are approximately 312 people to every square mile; in Italy, 315; and in the United Kingdom, 374. Just think, gentlemen, with a population of only 300 per square mile this country could support over 900,000,000 people. Is it not the height of absurdity to claim that immigration should be restricted because we have not room for these people?

Mr. Speaker, it has also been stated by those favoring the passage of this measure that the incoming immigrants all flock to the large cities, there to increase the present congestion. This is not true. It may be a fact that these immigrants go first to the cities, but their residence there is only temporary. Gentlemen, I state without fear of contradiction that there is nothing closer to the heart of the incoming immigrant than his desire to become possessed of a piece of land which he can call his own, and he does this at his very first opportunity. Hundreds—yes, thousands—of these people are leaving the cities each year and settling on farms. The statistics will show that a large percentage of the people residing in the rural districts of the northern, western, and northwestern sections of our country are of foreign birth or foreign parentage.

I have before me figures taken from a report of the Bureau of the Census which show that in 1910 in the States of New York, New Jersey, and Pennsylvania 31 per cent of the rural population was of foreign birth or foreign parentage; in the States of Ohio, Indiana, Illinois, Michigan, and Wisconsin 32 per cent was of foreign birth or foreign parentage; in Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas 40 per cent of the people residing in the rural districts were of foreign birth or foreign parentage; in the States of Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada we find the parentage the same—40 per cent of the rural population is foreign born or of foreign parentage; and lastly, in the States on the Pacific coast—Washington, Oregon, and California—we find that over 42 per cent of the people who are making their homes on the farms are of foreign birth or of foreign parentage.

Now, Mr. Speaker and gentlemen of this House, I ask you if this is not conclusive proof that the immigrant does go on the farm; that he does not remain in the larger cities; and that he is one of the pioneers in the "back-to-the-land" movement?

For the further edification of the gentlemen who are of the opinion that this influx of immigrants is harmful to our country, I wish to read some additional statistics taken from a report of the Director of the Census, which show that in the States of Ohio, Indiana, Illinois, Michigan, and Wisconsin 75.4 per cent of the farm land is improved, whereas in Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida you will find but 46.7 per cent improved. In the States of Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas you will find 70.6 per cent of the farm land improved, as contrasted with 53.9 per cent in Kentucky, Tennessee, Alabama, and Mississippi.

You will find that in those States where there is a large percentage of the farm land improved there is also a large percentage of the rural population composed of these same "undesirable" foreigners, as my friends from the South choose to call them, while in the Southern States, which have such a large percentage of native-born whites, you will find a very small percentage of the farm land improved.

This again emphasizes the fact that wherever you go you will find that the farmer of foreign birth or foreign parentage is thrifty, industrious, and a willing worker. He should be considered a national asset of inestimable value. Before immigration commenced millions and millions of acres of land in the Middle West, Northwest, and West were dormant and unproductive. These lands could have been purchased then for $2 or $3 an acre; now one hundred times that will not buy them. The thousands upon thousands of honest, thrifty, and industrious immigrants who amid untold hardships settled upon the prairies and swamps of this country have converted these lands, heretofore useless and of practically no value, into veritable gardens, and large and enterprising cities have sprung up almost overnight. Our country has unlimited resources, which it will take centuries to develop, and we have thousands upon thousands of acres of land lying idle now for lack of sufficient people to till them.

Mr. Speaker, I am satisfied that the gentleman from Alabama [Mr. BURNETT], the gentleman from Mississippi [Mr. HARRISON], and the gentleman from Tennessee [Mr. AUSTIN] are expressing the views of a certain element in the South which is opposed to immigration, but I am glad to know that there are some southerners who recognize the value of immigration. Only a few months ago the Southern Commercial Congress convened in Washington, and I will now read short extracts from the remarks on immigration of some of the gentlemen attendant upon this convention. We find Gov. William E. Glasscock, of West Virginia, stating that:

> Perhaps this mixture of the various branches of the Aryan family may bring forth the finest race that civilization has yet known, and who knows but what the people we are now wont to call the dregs of Europe may not add to that civilization some element not to be found in the so-called stronger nations.

A careful investigation developed the fact that in the 16 States represented by the committee there were 200,000,000 acres of unimproved farm lands and nearly one-half as much more of so-called wet lands, which are reclaimable by drainage for agricultural purposes. Therefore about one-half of the unimproved farm lands in the United States are in these 16 Southern States. In fact, the unimproved farm lands of the South are of greater area than the improved farm lands. Having this in mind, Mr. F. H. La Baume, agricultural and industrial agent of the Norfolk & Western Railway Co., said:

> We must educate the South to the advantages that are to be obtained through foreign immigration. * * * The South, due to its small foreign population, is not familiar at all with the foreigner.

This conference finally adopted resolutions to—

> Recommend to the several States of the South the urgent necessity of establishing in each State a State immigration bureau for the purpose of disseminating reliable information regarding the resources, the possibilities, and opportunities of the South, to be supported by the State's machinery and money under the indirect supervision of the governor of each State, with a good, practical business man in charge, whose duties shall be to cooperate with the United States Government, the transportation companies, the commercial bodies, the real estate men, the press, and the Southern Settlement and Development Organization in placing the country properly before the people of the world; and that said State bureau, if found expedient and practical to do so, add to its functions a farm labor department, with a further view of placing good, able-bodied men and women, who are experienced farmers, upon the land, to the end that we may produce more food for the nonproducer and aid the welfare and happiness of the people.

Now, Mr. Speaker, in the past this prejudice against immigrants has not been confined to the South. Only three years ago 20 Bulgarian farmers, between the ages of 18 and 31, all in perfect health, were denied admission by Mr. Keefe, who was then the Commissioner of Immigration, on the grounds that they were "undesirables." Yet, within the past year or so the world has looked with awe and admiration on the remarkable battle waged by these people in their struggle for liberty and freedom from religious oppression. Will anyone to-day claim that these people, although strange to us, are "undesirables" and that they should be denied admission to our shores?

These inhabitants of southern and southeastern Europe surely deserve our sympathy rather than our condemnation. It goes without saying that some of them are guilty of criminal offenses, but you will find in these races as great a proportion of law-abiding citizens as in any others. Humanity was never destined to be perfect, and we must allow for a certain percentage of weaklings in any nationality. Every nation numbers among its citizens a certain proportion of criminals, while statistics will show that there is less crime in the districts where foreign-born citizens reside than in sections tenanted almost entirely by our so-called "pure" Americans. I desire to quote in this connection some pertinent statistics contained in a special report of the Census Bureau, published in 1907:

White prisoners of known nativity.

	Per cent native.		Per cent foreign born.	
	1890	1904	1890	1904
Continental United States	71.8	76.3	28.3	23.7

These figures are based upon investigations which were made in 1904, and conclusively demonstrate that the percentage of foreign-born inmates of our reformatory and penal institutions has been constantly decreasing, for they show that while the foreign population has increased, the percentage of offenders has decreased. On the other hand, the percentage of native prisoners has increased. And this report shows that the crimes of a grave nature committed by foreign-born prisoners is extremely small, most of the convictions being upon minor charges, usually the infraction of municipal ordinances. I have frequently heard certain gentlemen before our committee charge that the present immigration is below the standard of the immigration which we received prior to 1890; that it fills our charitable and penal institutions. These are but bare statements, unsupported by facts, and are easily disproven by the statistics prepared by the Bureau of Immigration, and in proof of my assertion I desire to quote here some figures taken from

the report of the Commissioner General of Immigration for 1912, showing that the deportations for the fiscal year 1911-12 were as follows:

African (black)	16
Armenian	1
Bohemian and Moravian (Czech)	6
Bulgarian, Servian, and Montenegrin	4
Chinese	11
Croatian and Slovenian	18
Dalmatian, Bosnian, and Herzegovinian	3
Dutch and Flemish	22
East Indian	3
English	138
Finnish	19
French	42
German	152
Greek	33
Hebrew	90
Irish	56
Italian (north)	20
Italian (south)	138
Japanese	4
Lithuanian	6
Magyar	20
Mexican	109
Polish	81
Portuguese	2
Roumanian	4
Russian	14
Ruthenian (Russniak)	15
Scandinavian (Norwegians, Danes, and Swedes)	46
Scotch	18
Slovak	14
Spanish	9
Spanish-American	3
Syrian	8
Turkish	4
Welsh	1
West Indian (except Cuban)	6
Other peoples	6
Total	1,142

This is conclusive proof that the opposition to the present-day immigration, as voiced by the professional restrictionists and my Republican friends HAYES, GARDNER, and AUSTIN and my Democratic friends BURNETT and DIES, is unjust and unfair, for the percentage of deportations among immigrants regarded by the restrictionists as belonging to the so-called "desirable" races—the English, French, etc.—is far in excess of that among the races that are classed by the gentlemen whom I have just named and other restrictionists as belonging to the "undesirable" races.

The prejudice against the immigrant from southern and southeastern Europe which now asserts itself is identical with that which was prevalent in the early days of German and Irish immigration; restrictive legislation is being urged by that self-same element which in the past leaped to conclusions without familiarizing itself with pertinent facts and data. The good qualities of these immigrants were not known at that time, but to-day who can deny that the Germans and the Irish possess the very best qualifications for American citizenship? Within the last 50 years, since the inception of Bohemian and Polish immigration, these people have conclusively demonstrated their worthiness of American hospitality. Five years ago I succeeded in overcoming the prejudice and bias which had previously been exhibited toward Bohemian immigrants by showing that they are far above the average in education, industry, and thrift.

I dare say that no one can successfully contradict the assertion that the Germans, the Irish, the Bohemians, the Poles, Swedes, and Norwegians, and the Danes are desirable immigrants. They have all proven beyond doubt their worthiness, and their citizenship has given us eminent satisfaction. Every student of economics knows that Jewish immigration has greatly aided and benefited our country by opening and enlarging our commercial marts and finding new markets for our products. The progressiveness of the Jewish immigrant has in numerous other ways resulted advantageously to the entire country.

Then there is the Polish immigrant, ever loyal, sincere, and industrious. Long before the emigration of the Pole to America was his worth and desirability demonstrated, for in the days of the Revolution those eminent and valiant Poles, Gen. Thaddeus Kosciusko and Count Casimir Pulaski, whose statues were unveiled in this city a few months ago, together with many of their countrymen, fought by the side of the immortal Washington for our freedom from the despotism and oppression of England.

Mr. Speaker, the problem of immigration is one which settles itself. Our present laws are strict enough in every respect. We now exclude idiots, imbeciles, feeble-minded persons, epileptics, insane persons, paupers, persons likely to become a public charge, professional beggars, persons afflicted with tuberculosis or a loathsome or contagious disease, persons mentally or physically defective, persons who have been convicted of a crime or misdemeanor involving moral turpitude, polygamists, anarchists, prostitutes, contract laborers, assisted aliens, and, at the discretion of the Secretary of Labor, children under 16 years of age unaccompanied by one or both of their parents.

As an example of the increasing severity of our laws, let me state that, while in 1892 only 1 alien out of every 600 was barred, to-day we find that 1 alien out of every 52 is denied admission, an increase of nearly 600 per cent. This, too, notwithstanding the fact that the examinations conducted prior to their embarkation are much stricter than formerly.

Mr. Speaker, the Democratic Party—the party that has survived since our independence—the party that stands for justice and freedom, for progress, and for personal, civil, political, and religious liberty, was nearly continuously in control of our Government from the time of our independence until 1860, and, although many efforts were made by the various political parties to pass restrictive legislation, especially between the years of 1820 and 1860, the Democratic Party stood firm for broad and liberal policies. It stood then, as it should stand to-day, for the fundamental principles of our free Government. We have been, and I hope we will continue to be, in favor of the policy that this land of ours should ever be a refuge for the oppressed and persecuted of every nation.

In upholding the sacred traditions of the country and of the Democratic Party, the Democratic platform of 1884 contained the following:

We oppose sumptuary laws, which vex the citizen and interfere with individual liberty

In reaffirming the declaration of the Democratic platform of 1856 that the liberal principles embodied by Jefferson in the Declaration of Independence and sanctioned in the Constitution, which makes ours the land of liberty and the asylum of the oppressed of every nation, have ever been cardinal principles in the Democratic faith.

And in the platform of 1892 we had the following:

We condemn and denounce any and all attempts to restrict the immigration of the industrious and worthy of foreign lands.

Are we now to renounce the broad and liberal attitude that we have assumed and enact a measure which will bar from our shores countless thousands of worthy and deserving immigrants?

When, some years ago, a measure similar to the one which is now before us, was presented to that great statesman and illustrious Democrat, Grover Cleveland, for his signature, he returned it without his approval, and I wish to read here the message which accompanied it:

MARCH 2, 1897.

To the House of Representatives:

I hereby return without approval House bill No. 7864, entitled "An act to amend the immigration laws of the United States."

By the first section of this bill it is proposed to amend section 1 of the act of March 3, 1891, relating to immigration by adding to the classes of aliens thereby excluded from admission to the United States the following:

"All persons physically capable and over 16 years of age who can not read and write the English language or some other language; * * *"

A radical departure from our national policy relating to immigrants is here presented. Heretofore we have welcomed all who came to us from other lands except those whose moral or physical condition or history threatened danger to our national welfare and safety. Relying upon the zealous watchfulness of our people to prevent injury to our political and social fabric, we have encouraged those coming from foreign countries to cast their lot with us and join in the development of our vast domain, securing in return a share in the blessings of American citizenship.

A century's stupendous growth, largely due to the assimilation and thrift of millions of sturdy and patriotic adopted citizens, attests the success of this generous and free-handed policy which, while guarding the people's interests, exacts from our immigrants only physical and moral soundness and a willingness and ability to work.

A contemplation of the grand results of this policy can not fail to rouse a sentiment in its defense, for however it might have been regarded as an original proposition and viewed as an experiment, its accomplishments are such that if it is to be uprooted at this late day its disadvantages should be plainly apparent and the substitute adopted should be just and adequate, free from uncertainties, and guarded against difficult or oppressive administration.

It is not claimed, I believe, that the time has come for the further restriction of immigration on the ground that an excess of population overcrowds our land.

It is said, however, that the quality of recent immigration is undesirable. The time is quite within recent memory when the same thing was said of immigrants who, with their descendants, are now numbered among our best citizens.

A careful examination of this bill has convinced me that for the reasons given, and others not specifically stated, its provisions are unnecessarily harsh and oppressive, and that its defects in construction would cause vexation and its operation would result in harm to our citizens.

GROVER CLEVELAND.

Mr. Speaker, in my humble way I have endeavored to prove by my arguments and by the statistics I have submitted that immigration has been of great benefit to our country. I believe that, notwithstanding all of the charges and accusations which have been made against the immigrant and against immigration, I have produced enough evidence to convince any unprejudiced man that my contentions are correct. I have shown that the wages in the last 10 years have been materially increased, hours

of labor decreased, the standard of living improved, and the standard of citizenship maintained on its high level.

The enemies of immigration claim that the educational test will keep out the ignorant, and they maintain that these illiterate aliens do not assimilate as quickly as the literate. I believe that the statistics will show that the gentlemen are in error as to this conclusion, for it is a well-known fact that there is a higher percentage of literates among the children of illiterate parents of foreign birth than among the children of literate immigrants or even among the children of the native born.

It is maintained that the literacy test will keep out between 25 and 30 per cent of the immigrants. For the sake of argument I will admit that this estimate is a fair one; but I ask you gentlemen if it is just to endeavor to accomplish indirectly what could be brought about directly. If you desire to restrict immigration, why hide behind the subterfuge of the literacy test? Why not come out openly and declare that you are opposed to immigration and that you propose to limit it in some way? Is it fair, is it equitable, to discriminate against a class of people merely because, through no fault of their own, they have been prevented from securing an education in their own countries? Is it right that we should say to them that because, on account of political and religious oppression in their countries, they have been denied the advantage of an education they shall not enter our shores?

But, Mr. Speaker, why should I argue on the merits of the literacy test when I have before me the statements of the greatest men in this country, men whose opinions should and will carry much greater weight than mine?

A few moments ago I read the message of President Cleveland vetoing a bill containing the literacy test. Now I desire to read an extract from President Taft's veto message last year, when he returned the Burnett bill without his signature. President Taft said:

I can not make up my mind to sign a bill which in its chief provision violates a principle that ought, in my opinion, to be upheld in dealing with our immigration.

When asked as to his views on this question, Cardinal Gibbons made the following statement:

I am not in favor of any educational test as applied to immigrants desiring to enter the United States. Such a law, if passed, would, in my opinion, work great harm, for illiteracy is by no means always ignorance. If the immigrant is industrious and thrifty he will make a useful citizen, whether he be literate or illiterate. The educated schemer is in more ways than one more dangerous than the honest workman, even though he be illiterate.

Secretary Nagel, in his letter to President Taft advising him to veto the bill, directs his attention to the fact that—

The people * * * are frequently illiterate because opportunities have been denied them. * * * Frequently the attempt to learn to read and write the language of the particular people is discouraged by the Government, and these immigrants in coming to our shores are really striving to free themselves from the conditions under which they have been compelled to live.

Prof. Emily Greene Balch, Wellesley College, at a meeting of the American Economic Association at Washington, D. C., expresses herself as being opposed to the literacy test, and, further, says:

I believe that it is a fact that most Americans have an entirely false conception of the real significance of peasant illiteracy, which need not connote a lack of either energy or intelligence.

At a hearing before the Immigration Committee, Miss Grace Abbot, of Chicago, widely known as a deep student of sociology, testified that—

The literacy test is no guaranty of character, and it seems to me its adoption would be a departure from American traditions which would not be beneficial to the American industrial situation.

Herman Stump, former Commissioner General of Immigration, delivered himself of the following views on the subject of immigration when testifying before the industrial commission:

A young, able-bodied man who comes from a foreign land to settle here, with energy and willingness to work, is an acquisition to the country, and while we do not want him to occupy the positions which education would enable him to occupy, we want him to occupy the positions where it does not matter much whether he knows his A B C's or the simple rule of three or anything else.

Not only have prominent individuals throughout the country gone on record as being opposed to this unjust and unreasonable test, but various newspapers and periodicals have contained strong editorials urging the elimination of this provision. I now propose to quote extracts from some of these editorials.

The New York Christian Work had the following to say:

There could hardly be a more deceptive test of real worth. * * * The test of immigration should be health and morality.

We find this in the editorial columns of the Philadelphia (Pa.) Telegraph:

We have a cure for illiteracy in our public schools, and in every immigrant family there is a passionate desire to embrace that opportunity. Exclude the physically and morally unfit, if you will, but do not put up the bars against the untaught of Europe, who still look to America as a land of refuge and opportunity.

The New York Sun made the following comment upon this test:

Keep out, as far as human sagacity will do it, the criminal, the crazed, the diseased, the defective. Will, energy, industry, honesty, these are not dependent on spelling out aloud or sprawling a few words with a pen. * * * Men, women, and children who can work and save, these are always needed, and no pedantry of Congress should keep them cooling their heels at the gates.

The following I quote from the Washington Post:

It would be poor national economy to turn healthy white immigrants back from our ports simply because they can not read or write. Most of them realize what they have lost in having had no opportunities for education in their own country, and they inculcate in the minds of their children the realization of the inestimable benefit of education. Some of our finest stock would be lost to us if the literacy test ever became effective.

Now I read from an editorial in the Chicago Examiner:

The errors committed in efforts to regulate immigration spring usually from an entire misconception of the worth of the immigrant as a factor in our progress. * * *

Our Nation was founded by immigrants, though we call them more politely "Pilgrim Fathers" or "first settlers." It has been maintained and built up by the steady inflow of the eager and ambitious of every nation. To change the policy by which this great annual contribution of humanity has been made welcome is dangerous.

I also quote below extracts from a translation of an editorial appearing in the Jewish Morning Journal, of New York City:

The hundreds of thousands of immigrants who are already here control the tide of immigration much better than it could be done by law, because they come into constant personal relations with those who want to come here, and they inform the would-be immigrants when there is work for them here, when the country really needs immigrants. Those who arrive at present come to relatives or friends, and they come only when their American friends understand that the conditions at the place where they live can bear an increase in population through immigration. When times are bad in a certain locality or in the entire country fewer immigrants come to our shores. When the tide of immigration is large, that in itself indicates that there is a great demand for the kind of work which these immigrants do. If these conditions were not true, our country would not be able to absorb so easily a million immigrants in one year. The economic argument against additional restrictions is stronger now than it was at the time when a great number of the newcomers had no friends to whom to turn the first day they came. * * *

We all know that the question of illiteracy is nothing but an excuse. No one is foolish enough in Washington or elsewhere to believe that a man who can not read or write can not be a painstaking and useful workman or that he can not become a useful citizen. Everybody agrees that the literacy test is only an excuse, a means to reduce immigration in general. Were it only practicable, an attempt would be made to exclude red-haired or brown-eyed people. Every exclusion of a considerable number of people under such a subterfuge must enrage the entire foreign-born population, and this time their rage will take a more definite political course than has been possible on former occasions.

Time will not permit of my reading all of the numerous resolutions, petitions, and letters which I have received protesting against the passage of this bill, but I will quote brief excerpts from a few of these.

The resolution adopted by the Workmen's Circle says in part:

Whereas it is a violation of the moral law to exclude any human being from the opportunity of escaping from economic, political, or religious oppression, * * * Now, therefore, be it

Resolved, That the Workmen's Circle, representing over 45,000 members in good standing, protests against the Burnett immigration bill (H. R. 6060) as an unjust measure which militates against the best ideals of this Republic.

The following is from a letter addressed to me by the Italian Journal, a large Italian newspaper in New York City:

The Italian Journal, voicing the sentiments of all of the Italians in the United States, favors the enactment of stringent laws for the exclusion of criminals, but maintains that the Burnett bill, while not improving to any extent the existing provisions against the immigration of criminals, will prevent the admission of healthy, industrious, and law-abiding immigrants whose useful labor would be a considerable contribution to American prosperity.

The president of the American Association of Foreign Language Newspapers, in expressing the views of this national association, says:

This bill is calculated to place a restriction upon desirable immigration and is based upon a test false in its purpose and iniquitous in its effect. * * * Strong and healthy immigrants (so sorely needed to continue their fundamental labor in developing the great resources of this country) would be debarred by this inappropriate and unjust literacy test.

I received a protest from the German-American State Alliance of Ohio and the German-American State Alliance of Kentucky, assembled in joint session, representing 60,000 American citizens, and this is what they have to say with regard to this legislation:

We are of the opinion that the men and women engaged in the labor of producing and upbuilding the wealth of our Nation do not require an educational test. What we need are physically well-built men and women, desirable immigrants, who on account of their moral worth would improve the citizenship of our country.

The board of commissioners of Cook County adopted resolutions strongly protesting against the passage of this bill, and from these resolutions I now quote:

Whereas the conditions in some of the countries of Europe are such that moral, honest, and industrious men and women can not secure an education, and seek to come to this country in the hope of improving themselves under the beneficent influence of free institutions and our free Government: Therefore be it

Resolved, That we hereby cheerfully give testimony to Members of Congress, before whom the new restrictive immigration measures are pending, that the foreign-speaking citizenship of our community is a most desirable element, and that neither the paupers nor disturbers come from the moral, honest, and industrious peasant, artisan, or craftsman of Europe, who, although they may not be sufficiently schooled to pass educational or literacy tests, come here and make worthy and desirable citizens.

The United Lithuanian Societies of Chicago, representing 50,000 Lithuanian Americans of Illinois, in their protest say:

Whereas we feel convinced that the educational or so-called literacy test is not a true test of character, integrity, or general fitness of the individual who may seek admission to this country: Therefore be it

Resolved, That we protest against the enactment of an immigration law requiring an educational test.

The citizens of Cincinnati were so aroused over this proposed legislation that they assembled in a mass meeting, and I quote below a brief extract from the resolutions which they adopted:

Be it resolved, That all legislation restricting immigration beyond keeping out the criminal and the diseased is both unjust and unwise, and in flagrant contradiction to the principles laid down in the Declaration of Independence.

The Polish National Alliance, representing 110,000 Polish Americans residing in the United States, in its protest says:

We feel convinced that literacy or educational tests would and do in no wise indicate morals, conscience, honesty, integrity, and industry of those that desire to come to our land from foreign shores. * * *

The present immigration laws and restrictions * * * are sufficient to keep out of our country all unhealthy, vicious, and undesirable elements.

Mr. Speaker, as the chairman of the Immigration Committee has said, the passage of this bill would not to any great extent affect the class of people in whom I am directly interested. I venture to say that the people whom I represent would suffer very little, as I have no Italians, no Sicilians, no Greeks in my district. The majority of the people there come from a section of the country that statistics will show has only a small percentage of illiterates. Only a little over 1 per cent of the Bohemians are illiterates, and the same thing is true of the Germans, the Irish, the Swedes, and the Hollanders. There may be a larger percentage of illiterates among the Jewish and the Polish people, I can not give the exact figures as to these races.

My motive for presenting the cause of these people before you arises purely from a desire to see justice and fair play. The literacy test provided in this bill will not serve to keep out the viciously inclined, the criminal, or the really undesirable alien, and I certainly believe that it would be a grievous mistake to place an embargo on willing hands and brawny muscle. How much more desirable it would be to increase the efficiency of our existing machinery for distributing the arriving aliens, so that the supply might reach our vast and scattering demands.

Before I conclude I wish to emphatically deny the truth of certain statements which have been made with regard to the stimulation of emigration by the foreign Governments. Several times it has been charged that the foreign countries, especially Austria-Hungary, Germany, and Italy, are encouraging and aiding emigration to this country. Those accusations, like many others made by the restrictionists, are not based on facts.

The truth of the matter is that these Governments are using every effort to prevent emigration, and they have been especially active during the past six months. Several steamship companies which were charged with being instrumental in stimulating immigration have had their agencies closed and have been compelled to stop soliciting business. These Governments claim that the majority of the able-bodied men and women are emigrating, and that only the weak, the feeble, and the aged remain at home, and therefore they are doing all within their power to reduce this emigration to a minimum, recognizing that through it they are losing their most desirable citizens. A careful examination of the report of the Commissioner General of Immigration will show that during the last 10 years 88 per cent of the immigrants that came to this country were between the ages of 14 and 45. In other words, we are getting the very cream of the other nations, and yet of these picked immigrants there were over 16,000 debarred during the fiscal year of 1911–12.

Mr. Chairman, in conclusion I can but repeat my assertion that the passage of this bill will mean the closing of our doors to thousands upon thousands of honest, industrious, law-abiding immigrants who would make citizens of which any nation might well be proud. It is sincerely to be hoped that the Members of this House will vote to continue this country as the haven of refuge for the oppressed and persecuted of all nations.

Panama Canal Tolls.

EXTENSION OF REMARKS
OF
HON. CLAUDE L'ENGLE,
OF FLORIDA,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. L'ENGLE. Mr. Speaker, I desire to extend my remarks in the RECORD by inserting a copy of a letter written to one of my constituents in explanation of my position relative to the repeal of the free-tolls provision of the Panama Canal act.

Letter to Hon. J. J. Dickinson, Sanford, Fla.:

MARCH 31, 1914.

Hon. J. J. DICKINSON,
Sanford, Fla.

MY DEAR SIR: I have your letter of the 28th relative to my position on the Panama Canal tolls question, and I thank you for writing me, because it gives me the opportunity to present the matter to you as I see it.

I am going to begin by admitting that your statement to the effect that I am in bad company is somewhat true, because I have felt rather guilty when I saw that most of the plute papers of the country were for the first time on my side. A number of other progressive Democrats, who think as I do on public questions, are in the same company with me. But the fact that some men with whom I have seldom agreed upon public questions view this question as I do would not deter me from doing what I conscientiously believe to be right.

I do not think the people of Florida would have elected me to Congress had they not thought I had at least some ability to think for myself and judge right from wrong. I have consistently and unfalteringly upheld the President upon every question coming before Congress up to this time, and, except in cases like this that violate the Democratic platform, I shall continue to support the progressive Democratic policies which he is endeavoring to enact into the laws of our country.

The effort of the yellow journals to create the impression that we Democrats who are opposing free-tolls repeal are endeavoring to split the Democratic Party is absolutely unfounded. When this question is settled you will find myself and other Democrats who voted against the President on this question falling back in line and supporting every worthy measure.

When I became a candidate for Congress before the Democratic primaries in Florida, I took a solemn oath that I would support the Democratic Party, both national and State. There was also an implied oath that I, as a Democrat, would adhere to the Democratic principles as promulgated in the platform adopted at Baltimore. That platform says: "We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal. We also favor legislation forbidding the use of the Panama Canal by ships owned or controlled by railway carriers engaged in transportation competitive to the canal."

A specific and later declaration like the above can not be annulled or abrogated by a former declaration of general principles.

Speaking of this provision in the Democratic platform, President Wilson, at Washington Park, N. J., on August 5, 1912, said:

"One of the great objects in cutting that great ditch across the Isthmus of Panama is to allow farmers who are near the Atlantic to ship to the Pacific by way of the Atlantic ports.

"Now, at present there are no ships to do that, and one of the bills pending—passed. I believe, yesterday by the Senate as it had passed the House—provides for free tolls for American ships through that canal, and prohibits any ship from passing through which is owned by any American railroad company.

"You see the object of that, don't you? We don't want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent.

"Our platform is not molasses to catch flies. It means business. It means what it says. It is the utterance of earnest and honest men, who intend to do business along those lines and who are not waiting to see whether they can catch votes with those promises before they determine whether they are going to act upon them or not."

The President is but human; he changed his mind; but I believed in that plank of the Democratic platform when it was adopted and I believe in it now. I do not think that because one man changes his mind that another should be expected to do so.

Years ago I adopted as the motto of my paper: "If it is right, we are for it." I believe I am right in this, and I believe my judgment will be backed by the opinion of the country when the question is fully understood. Nor will you want to have your Representative in Congress violate the pledge on which he was elected at the dictation of any man, even though he be the President of the United States. I do not believe that you would want your Representative in Congress to violate the principles of the platform on which he was elected, still believing that those principles are right.

In 1908 the Republican platform specifically declared for downward revision of the tariff. A Republican President and Republican Congress violated that provision of their platform, that solemn contract with the American people upon which they were elected. The result you well know. When they came before the people they met with a well-merited rebuke.

William Jennings Bryan, whom I have always considered the greatest exponent of true Democracy living, is quoted as having said:

"If a man after election finds that his platform contains something which he can not honestly support, what ought he to do? * * * He should resign and let the people select a man to do what they would have him do. * * * A platform is binding upon every honest man."

Representative HENRY, of Texas, who was the lieutenant in the House of the President in this fight, relative to violating platform promises, said:

"A party that violates its platform pledges is unworthy and deserves the scorn of honest men. * * * When my party acts, whether its actions be right or wrong, so long as I remain a member thereof, I shall steadfastly support its platform demands."

President Wilson on this same subject says:

"Our platform is not molasses to catch flies. It means business. It means what it says. It is the utterance of earnest, honest men, who intend to do business along those lines and who are not waiting to see whether they can catch votes with those promises before they determine whether they are going to act upon them or not."

John Hay, Secretary of State when the Hay-Pauncefote treaty was signed, says there is nothing in that treaty denying the United States the right to exempt its coastwise vessels from the payment of tolls.

The Supreme Court of the United States, the highest judicial authority in this country, says the same thing.

Able lawyers throughout the country hold the same views.

England contends that we have no right under the Hay-Pauncefote treaty to exempt our own vessels from payment of tolls, but England did not always so construe this treaty, because as late as July, 1912, the accredited representative of Great Britain wrote to our Secretary of State as follows:

"If the trade should be so regulated as to make it certain that only bona fide coastwise traffic which is reserved for United States vessels would be benefited by this exemption, it may be that no objection could be taken."

But even if it was a question and the Hay-Pauncefote treaty did deny us the right to control our waterways constructed with our own money, I contend that honor, like charity, begins at home. The first duty of the American Government is to the American people. The Democratic Party pledged the American people that if elevated to power it would give the American coastwise vessels free passage through the Panama Canal. When the American people at the polls elevated the Democratic Party to power the contract was completed. It was signed, sealed, and delivered. It became a more binding obligation than any treaty with any foreign power.

For many years the Government has been spending money to deepen and open and make navigable the St. Johns River in Florida, in order that the people of Sanford and other cities down in Florida might receive the benefits of lower freight rates. When Congress is asked to make appropriations for the improvements of our waterways, there is no charge that the improvement is being made for any shipping trust, any steamboat combine, even though I believe only one steamboat line runs vessels regularly upon the St. Johns River as far as Sanford.

The assertion is made that free tolls on American ships is a subsidy and a special privilege. If I thought this was true, I might be tempted to violate the Democratic platform or any other thing to destroy a special privilege. I regard the obligation of every man representing the people to destroy special privilege as paramount. I have said many times on the stump and elsewhere that special privilege is the greatest evil that the people of this country are afflicted with.

But it is not a subsidy or a special privilege to grant free tolls to United States owned ships, because everybody in the United States can own ships and get the benefit of this exemption. In order to be a subsidy or a special privilege, it must be confined to a class of citizens. This exemption is open to all American ships owned by American citizens which by competition will destroy the monopoly now said to be enjoyed by the alleged Ship Trust.

As long as Congress sees to it that everybody has the same chance under every law passed, Congress does its duty to the people. And this free-tolls exemption does apply to every citizen of the United States.

It is estimated that American coastwise vessels, if required to pay tolls passing through the Panama Canal, will contribute to the National Treasury about $20,000,000 a year. There can be no question in any man's mind but that the transcontinental railways will take advantage of this charge and just $20,000,000 more will be charged the American people in freight rates by these railroads.

In discussing this phase of the question, Speaker CLARK said:

"Who would be the chief beneficiaries of this repeal bill? The same transcontinental railroads—the Canadian Pacific and the Tehuantepec National Railway heading the list. It would be many millions of dollars in their capacious pockets annually. To do a thing to enable them to hold up their old rates is altruistic generosity run mad and an outrage on the American people. I refuse to indorse any such program."

No one contends that the United States Government does not have the right to control and fix rates upon any canal dug by it through any State or Territory, and the Panama Canal is just as much the property of the United States as the St. Johns River, the Mississippi, or any other great waterway or canal.

I have not written thus at length with the expectation of winning you to my viewpoint. I concede to you the right to every honest opinion upon every public question. I ask the same concession in return. I hope that you will find yourself able to agree with me in view of the light that I now give you.

Very truly, yours,

CLAUDE L'ENGLE.

Panama Toll Bill.

EXTENSION OF REMARKS

OF

HON. WILLIAM M. CALDER,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. CALDER. Mr. Speaker, I propose taking advantage of the leave to extend my remarks on the subject of the Panama toll bill by printing in the RECORD the following resolutions adopted by the Democratic Association of New York County. The resolutions were introduced by County Clerk William F. Schneider, a well-known Democrat of New York City, and recently elected county clerk of New York County on the fusion ticket:

Resolutions adopted in favor of free canal tolls, adopted by an organization representing 100,000 independent Democrats, who voted for President Wilson, were forwarded to the White House to-day.

The action was taken at a meeting held in the rooms of the Cleveland Democracy, No. 1939 Madison Avenue. The resolutions reaffirm the Democratic platform relative to exempting coastwise American ships from canal tolls.

The meeting was called by Chairman Selden, of the Democratic Association of New York County, and the resolutions were introduced by County Clerk Schneider and seconded by Gustavus A. Rogers.

"We represent over 100,000 independent Democrats who voted for President Wilson," said Mr. Schneider in offering the resolutions, "and we believe that internal-commerce regulations should not be read into treaty obligations."

The resolutions follow:

"Whereas Congress has passed a regulation exempting American ships employed in coastwise trade from paying tolls on passing through the Panama Canal, and under an act of Congress no ships but those owned by citizens of the United States are allowed to engage in coastwise trade; and

"Whereas the territory through which the Panama Canal passes is a part of the United States, acquired by treaty and purchase; and

"Whereas the Panama Canal was purchased and built by the United States with its own money and is now under the control and supervision of the War Department, an administrative department of the Federal Government, we consider that such exemption is nothing more than an interstate regulation, similar to railroad regulations, and no more subject to treaty regulations with foreign powers than any other departmental order; and

"Whereas the Democratic delegates, in convention assembled, at Baltimore, Md., in June, 1912, adopted the following paragraph relative to exemption of tolls, reading as follows: 'We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal'; and

"Whereas our loyal and sincere support of the candidates of the Democratic Party contributed largely to their election; and

"Whereas President Wilson in his campaign speeches reaffirmed again and again the principles of the Democratic platform, and particularly that section relating to the Panama Canal: Be it

"Resolved, That we, independent Democrats of the county of New York, reaffirm the principles of the Democratic platform as adopted by the Democratic national convention at Baltimore in June, 1912, and subsequently indorsed by President Wilson, particularly that paragraph reading as follows: 'We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal'; be it further

"Resolved, That a copy of these resolutions be sent to the President, the Democratic Senator from New York, the chairman of the national Democratic committee, the chairman of the State Democratic committee, the governor of the State, and the press."

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. WILLIAM J. CARY,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. CARY. Mr. Speaker, the amendment to the Panama Canal act, introduced by "Executive plea," approved by highbrow toryism, and forced to hasty consideration in this House, is the most offensive piece of legislation that has been brought before this body in the memory of men now living.

The arguments against the repeal of the free-tolls provision of the Panama Canal act are so numerous that a mere recital of them would fill a volume; they are so plain and simple that the veriest tyro in political, national, and international history can not fail to understand them; and they are so entirely unanswerable that it is hardly necessary to state them.

It is, however, a certainty, apparently, that the repeal bill will be passed. The old, old spirit of mugwumpery is still with us, and although the House now sitting holds its majority by reason of a nation-wide protest against gag rule and boss domination, it appears evident that a sufficient number of Members will bend to the whip of the master and "sneeze when he takes snuff."

The three great parties who contended for control of the Government two years ago differed on many issues. They differ to-day on many questions, and will continue to differ on policies and issues, but on any issue affecting the honor of our country, the absolute sovereignty of our right to govern what is our own, the three great parties did not differ one iota two years ago, do not differ now, and never will differ as long as parties are controlled by American men with American minds and souls.

The Progressive Party, the Republican Party, and the Democratic Party platforms declared in unmistakable terms that they favored the exemption from tolls of American ships engaged in coastwise shipping passing through the Panama Canal. The American people of every party in every section of the country indorsed and applauded this declaration, and there is not a case on record in the history of this country where the whole country indorsed a backdown on any question, and they are not going to do it this time.

And now, without any reason for so doing, with no argument at all, we are asked to give our support in "ungrudging measure" to an abject surrender of American rights, to a humiliating confession that we can not or will not take care of our own property or manage it as we see fit, but need help from outside sources. Have you forgotten history? Is it possible that America is decadent and that we have bred a race of degenerates? Is it possible that the America that forced the Monroe doctrine down the unwilling throats of combined Europe when we were only a handful of people will now yield to a single country that we licked before we were out of short pants?

I do not believe it for one moment; nor do I believe that the American people will countenance this reversal of all our past policies, all of our glorious traditions, and all of our recent platform promises.

I hear gentlemen prate of the honor of our country. Is it honorable to break a solemn promise made to the people? The present Secretary of State stated:

If a man after election finds that his platform contains something he can not honestly support, what ought he to do? * * * He should resign, and let the people select a man to do what they would have him do. * * * A platform is binding on every man.

The President himself stated:

Our platform is not molasses to catch flies. It means business. It means what it says.

Yet now the administration asks us to reverse our own honest opinions, to dishonor the pledges we all, aye, every one of us of every party who was true to his party, made and help him shatter not only his party platform, but ours as well. A majority perhaps will help him do this deed of shame and dishonor, but there are some left here of every party who are willing to be counted on the other side. We may be beaten, but in the words of an inspiring little poem I read some time ago—

And if you are beaten to earth, what's that?
Come up with a smiling face,
'Tis no shame to you to be knocked down flat,
But to lie there, that's disgrace.
The harder you're thrown, the higher you bounce,
Be proud of your blackened eye,
For it isn't the fact that you're licked that counts,
But how did you fight, and why?

Every kind of foul abuse has been heaped upon the men who are standing out for our country's honor and our country's right. We are told that the shipping interests control us; that it is a Wall Street move. Do the really intelligent Members of this House believe you can make the people swallow such palpable bosh as that? Do you think that the people of the West, the farmers who ship grain and hogs, the plain people who pay the high cost of living and know where most of the profit goes have never heard of the transcontinental railroads? Do you think for one moment that everybody in the Northwest does not hear daily of the Canadian Pacific Railroad, the ships it controls now, and the ones it is building for the Panama Canal trade, whose tolls will be paid by the British Government?

Abraham Lincoln's famous saying, "You can fool most of the people some of the time, and some of the people all the time, but you can't fool all of the people all of the time," is very pertinent to this question, and when the people have the next chance to make themselves heard on this question they will give no "ungrudging measure of support" to a policy dictated by the financiers of London nor the American Tories who humbly do their bidding here.

The American people are known as a people who are intensely practical. They are justly celebrated as being possessed of what is popularly known as "horse sense," and I submit that there is about as much sense in allowing English capital and English political power to dictate how we should manage a canal built by American labor, on soil bought and paid for by American money and controlled by American law, as there would be in England making rules and regulations to govern traffic on the Three Rivers in Milwaukee.

I have said the American people are a practical people, but those who know them are also fully aware that the average American citizens are also a sentimental people. Their hearts still beat in rythmic time to the "Battle Cry of Freedom." American eyes still moisten when the Stars and Stripes flutter in the breezes that blow on God's own country, and in spite of the millions that have been spent by his lordship of Skibo in libraries and colleges to teach America that our most bitter enemy is our best friend, Americans still remember Bunker Hill and Yorktown Heights; they still remember the desecration of the United States Capitol, the *Alabama*, the attempt to block the Alaska purchase, the bribery of Indians in the Northwest, the countless snobbish sneers of British visitors who accepted American hospitality and repaid it with boorish abuse.

The hypocritical interests back of this unspeakable bill may fool some statesmen, may possibly deceive some sections of the country, but the people of Milwaukee remember the saying of Bismarck, "Speech is silvern, silence is golden, but to say one thing and mean another is Britannia metal."

Back of all the sanctimonious talk of treaty obligations and our honor with the rest of the world is the sinister desire of the nation who desires to control the commerce of the world, to crush the most dangerous rival she has, and make Old Glory trail behind the Union Jack on the oceans of the world. I vote against this proposed repeal; I vote against it for American economic reasons, for American political reasons, and above all for American patriotic reasons.

American commerce, American agriculture, American manufacture, and above all American honor demand a stubborn and unyielding opposition to this and any other attempt to coerce us by outside pressure.

The precedent that this repeal would establish would be a blow at American prestige in the eyes of the world that it would take years to wipe out. Unborn generations will blush with shame at the action of this House to-day, and I make a most solemn prediction that any Member who casts his vote for this repeal of free tolls will in after years regret his action.

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. BENJAMIN I. TAYLOR,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. TAYLOR of New York. Mr. Speaker, my vote for the repeal and against free tolls is predicated upon two distinct grounds: First, that free tolls in favor of our coastwise shipping is a violation of a solemn treaty we, as a nation, made with all the nations of the world, as it is a "discrimination against any such nation or its citizens or subjects." Second, legislation granting free tolls to our coastwise shipping is in violation of one of the basic principles upon which our Government is founded, in that this is a Government of the people, by the people, and for the people, and not one of the interests, by the interests, and for the interests.

Under article 3 of the Hay-Pauncefote treaty, signed by Mr. Roosevelt as President, you will find general language employed which reads as follows:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded nor shall any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military policy along the canal as may be necessary to protect it against lawlessness and disorder.

You will observe that very general language has been used in these sections. It is commonly understood that this was a treaty with Great Britain. In the first line of section 1 you will note these words are used: "The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality." From this language it is clear that this is a treaty made for the benefit of every nation on earth, giving and granting to them the right to use the canal "on terms of entire equality." If the words "all other nations" had been employed, then the United States would have been excepted, but "all nations" surely includes the United States, as it is a nation.

Granting free tolls to our coastwise shipping gives them a preference. In this respect "the vessels of commerce of all nations" are not given the right to use the canal "on terms of entire equality." This language is bad enough, but let us con-

tinue—"so that there shall be no discrimination against any such nation or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise." Again, very general and liberal language is used. Can anybody contend that granting free tolls to our coastwise shipping is not "discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise"? Surely this is a discrimination against any such nation, because it is a discrimination in favor of our shipping and consequently in favor of our subjects. Again, general language was used, which militates against us, as follows:

Such conditions and charges of traffic shall be just and equitable.

Tolls charged for the use of this canal will be so regulated that the Government should charge and receive money enough to pay all interest, maintenance charges, and so forth, incurred from year to year. If our coastwise shipping goes through free, then the foreign ships will be required to pay tolls sufficient to pay the entire cost of maintaining the canal, cost of construction, and so forth. What they really say to us is this:

We are willing to let you violate the treaty—let your coastwise vessels go through the canal free—but the tonnage of each ship going through free must be measured and paid for by the Government or somebody—we do not care who—so that we will receive credit on the toll rates we pay for this tonnage.

In the second section of this article, you will observe, we have no right to fortify the canal. All we can do is to put police there. We have fortified the canal, even in the face of this treaty, and nobody said a word about it.

We are now confronted with this serious question: All the nations of the world claim that in view of the broad language used this treaty is for their benefit, and have understood that, as far as toll charges are concerned, it should be lived up to. What is President Wilson going to do under these conditions? Is he going to throw down the glove and say we will fight the world, or is he going to take the position that this is a written agreement made by his predecessor in office, Mr. Roosevelt, and we are bound by it? Remember he did not make this treaty. It was made by Mr. Roosevelt. If any rights were given away and our use of the canal curtailed, those rights were given away and this use curtailed by Mr. Roosevelt when he signed this agreement. Why should President Wilson be blamed for what Mr. Roosevelt did?

When it is stated we spent $400,000,000 upon this canal, and therefore should do as we like with it, bear in mind that this agreement was signed and proclaimed to the world before we spent one penny of it. In this common crisis, when all nations of the world are making demands upon us, should we not have respect for the President of our country and stand by him? What kind and manner of men are we? Has all sense of decency gone from us? Are we but slaves to prejudice and partisanism? We should at this, of all times, in the hour of trial, stand by the President and proclaim to the world that he is our leader.

Now, let us discuss this proposition from a taxpayer's standpoint.

I look upon the canal as a business venture, in which the Government has embarked. In order that this canal should be built, the United States has been or will be bonded for about $400,000,000. These bonds must be paid, with interest, at maturity. In order to pay these obligations, together with the cost of maintaining the canal, it will be necessary for us to either collect money in tolls from the ships or collect the money in taxation from the American people. As it is a business venture, I believe the Government should conduct it as such, and charge every ship, except our warships, that have occasion to use it.

It is estimated that each coastwise vessel, if charged tolls, will pay about $4,000 every time it goes through the canal. There being about 250 of these vessels, one trip of each through the canal free of charge would mean a loss to the American people of $100,000,000, or a yearly total of about $2,500,000. What reason is there for me, as a Representative, to vote the taxpayers' money away in this manner? What excuse can I give? I may as well propose to allow the Standard Oil Co. the free use of the mails, which is a Government business. What difference is there between letting this combine use the mails free and allowing these ship and railroad combines to have free use of the canal?

Great Britain makes about $13,000,000 a year out of the Suez Canal. Of this sum she pays $9,000,000 to her shipping as a subsidy. If we make a profit out of this canal, then let us go to the American people and say, "We want to create a subsidy, to subsidize our ships, and are going to pay a portion of our profits from the canal to our ships." No one could find fault with this position. What I object to is the attempt to take this money out of the taxpayers' pockets in this indirect manner.

It can not be argued that we are building up our merchant marine by allowing this money to go to these ship combines, for the simple reason that only American ships can engage in this coastwise trade, and therefore they are not subject to foreign competition. It is proposed that we give our ships engaged in foreign trade a subsidy so as to counteract the difference between the wages paid our seamen and the small wages paid seamen on foreign vessels. If this is the case, then let us give the taxpayers' money in the form of a subsidy to our ships engaged in foreign trade, but do not be foolish enough to give it to our domestic shipping, that now has a monopoly of the trade and no foreign competition.

I believe we should have the friendship of all the world, and the only way to acquire it is to be open and aboveboard.

We are manufacturing to-day more than we use. In an agricultural sense we are producing less than we consume, which means that we must deal with foreign countries—buy their products and sell to them our manufactured goods. We want to break into the South American trade and compete with the English and Germans, who now have full control there. That is the reason we sent Mr. Bryan, Secretary Knox, and why Mr. Roosevelt is traveling through South America now. We want to get their friendship. How under the sun can we ever get it if we are going to be dishonorable ourselves and squabble over little things? I am sure you would not do business with a man you did not trust, and whom you knew was going to break his honest obligations every time he had a chance. How are we going to instill confidence of other countries and their people in us if we are going to do the little thing?

The canal was constructed outside of the boundaries of the United States. The world assumed, according to the wording of Mr. Roosevelt's treaty, that when we constructed it everybody was to have the right to use it, provided they paid a fair toll for this privilege.

No one disputes our right to fortify the canal, which we have done at a cost of $20,000,000, meaning thereby that we can keep our enemies out and have control over it. No one disputes the right to have our warships go through the canal free of charge.

How thoughtlessly we proclaim our patriotism and express the desire to turn loose the dogs of war.

The violation of this treaty means that either we shall back down or all the nations of the world shall humiliate themselves at our feet. It must be remembered that the financial interests of the nations of the world who expect to use this canal are just as greedy and persistent as those in this country, and that they stand as ready to force the issue as the interests in our country. We may be young, strong, and ambitious, but have we strength enough to battle with the world? Would it not be an unjustifiable sacrifice of the flower and youth of our country and a destruction of our property and wealth to enter upon a struggle in which we are wrong at the beginning? The Civil War, which cost us millions of our young men and millions of dollars in property, hindered the growth of this country beyond the comprehension of man.

The position we hold, after all, is one of responsibility equal to that of the President of the United States, in view of the fact that he has placed that responsibility up to us. Shall we be real patriots and do the right thing, and say to the world in clear, bold words we have made an agreement and we are honorable and manly enough to stand by it? After all, is this not true patriotism and is it not the spirit we should all manifest?

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. M. E. BURKE,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal, and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. BURKE of Wisconsin. Mr. Speaker, the Panama Canal tolls bill, so called, now pending and under debate in the House of Representatives, is a most important measure, filled with the greatest consequences. In my humble opinion it is one of the most important measures presented to the American Congress

for its consideration since the Civil War. The consequences that are bound to flow from whatever decision is rendered by this Congress will be weighty, far-reaching, and continuing through generations to come. To its study and solution we must devote our most diligent and patriotic effort. With patriotic hearts and serious minds we must confront it; with a high spirit of Americanism, clear judgment, and conscience we must face it. Anxious and expectant millions of our countrymen are watching our action and awaiting our decision. Let us do our duty as intelligent, farseeing, and patriotic Americans.

MY PREVIOUS VOTE.

In the second session of the Sixty-second Congress, the House Committee on Interstate and Foreign Commerce reported a bill providing for the opening, maintenance, protection, and operation of the Panama Canal, and the sanitation of the Canal Zone. This committee was composed of 14 Democrats and 7 Republicans. The bill as reported contained no provision for allowing American coastwise vessels to pass through the Panama Canal, free of tolls. The majority report was signed by a majority of the Democrats on that committee, while a majority of the Republicans signed the minority report.

During the debate or discussion upon that bill in the House, the gentleman from Michigan, Mr. DOREMUS, still a Member of this House, proposed an amendment to the fifth section of that bill, worded in the following language:

No tolls shall be levied upon vessels engaged in coastwise trade of the United States.

On the 23d of May, 1912, by a vote of 147 in favor of this amendment, to 128 against the same, the amendment was adopted, and was retained in the bill until it became a law on the 24th of August, 1912. On this vote 90 Democrats of the House of Representatives voted against the Doremus so-called free-tolls amendment, and 70 Democrats in favor. The amendment was adopted, however, by reason of a large majority of the Republican Members, voting for it.

I then voted against the so-called Doremus free-tolls amendment, and my vote is recorded on page 7019, volume 48, of the CONGRESSIONAL RECORD for the Sixty-second Congress, second session. My vote on that occasion was not an indifferent, or haphazard vote. At that time, as now, I had absolutely no expression of their sentiments, from any of my constituents upon that subject, either by petitions for or remonstrances against, by letter, or by any other means of communication. My constituents then, as now, seemed to be indifferent. At least, not a single one of them has manifested his or her wishes, choice, or interest in the matter. Then, as now, I gave the subject the best study and thought that I was capable of; then, as now, I considered that the granting of free tolls to American coastwise vessels in passing through the Panama Canal, did not violate the spirit, or letter of the Hay-Pauncefote treaty. Then I cast my vote against free tolls solely upon economical grounds or reasons. Now I shall cast my vote for the repeal of the provision in the Panama Canal act which grants free tolls to such American vessels. The questions to be considered in the discussion of this bill are now the same as then, excepting that now a new complicated international question is added.

RESPECT FOR OPINION OF CONSTITUENTS.

My constituents have given me no instructions, or directions respecting this all-important bill. Not a line has been received by me from a living soul relating to it. They have left me to my own resources and judgment. If they had expressed their sentiments one way or the other, my task would be easier to fulfill and my responsibility lighter. A year and ten months have elapsed since this matter was voted on in the House. A new and important feature has been added to the situation since then. To endeavor to avoid any mistake, and to test the opinion which I formed before casting my previous vote, I have again completely restudied, rereviewed, and reconsidered all the facts and circumstances relating to the questions presented by this bill to us, that have been accessible to me.

Now, I find that there are four important problems to be considered in arriving at a decision. They are:

First. Economic reasons or grounds.

Second. Effect of a free-tolls provision for American coastwise vessels upon the Hay-Pauncefote treaty.

Third. International complications arising since my previous vote.

Fourth. A plank in the 1912 Baltimore Democratic platform declaring in favor of free tolls.

Again, I find, after restudy, review, and reconsideration, that my views and convictions upon this question, from an economic standpoint and from the standpoint of the alleged violation of the Hay-Pauncefote treaty, are the same as those I entertained previously.

FREE-TOLLS PLANK IN THE BALTIMORE PLATFORM.

After I voted upon this question on the 23d of May, 1912, and on the 2d of July in that year, the Democratic Party, in national convention assembled at Baltimore, placed in its national platform a plank relating to the subject of free tolls, and it was unanimously adopted by that great Democratic national convention. Its language is as follows:

We favor the exemption from tolls of American ships engaged in coastwise trade passing through the canal. We also favor legislation forbidding the use of the Panama Canal by ships owned or controlled by railroad carriers engaged in transportation competitive with the canal.

The provision in this platform prohibiting the use of the canal by ships owned or controlled by competitive railroad carriers is not now in controversy. The administration does not intend—neither do any of the great political parties—to repeal or modify this provision relating to railroad-owned ships, but it is proposed directly by the bill before us to disregard and ignore that part of the Baltimore platform which says:

We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal.

It is proposed to reverse our position upon that important platform plank.

I have always, do now, and will continue to think that every plank in a party's platform upon which the candidate makes his appeal to his constituents, and upon which he is elected, is a contract with the people and made to be kept and not disregarded. I have time and time again, in and out of campaigns, advocated a strict adherence to every plank in our party platforms while the platform is in force. I allow no man to excel me, in my devotion to my party's creed as promulgated in its national platforms; yet I am called upon as a member of the Democratic Party to disregard and ignore that plank declaring in favor of the exemption from tolls of American coastwise ships using the Panama Canal. The President calls solemnly and seriously upon my Democratic brethren and myself to sever our adherence to that plank and to follow him. He, too, was aware of this plank in our platform when he was a candidate for President in the last campaign, for he spoke to the people of the great benefits which he expected would be derived by the American people from the enforcement of such a law; yet he has not been expressly authorized by the national convention to change any plank in its platform.

BY WHAT RIGHT?

By what right are we called upon to forsake our allegiance to that plank in the Democratic national platform? By what right and authority are we called upon to reverse our positions, and to refrain from putting in force the principles of free coastwise shipping through the canal which we declared for?

If we read and study his message upon this subject delivered in the House of Representatives on the 5th of last March, we will learn. We find from that message that he calls upon us to forsake our allegiance to that important plank and to reverse our campaign attitude, not as the candidate or leader of the Democratic Party, but he calls upon us in the name of his high office.

He is by the Constitution exclusively clothed with the power to deal solely with our international problems; he has by the voice of the American people been empowered with the guardianship of our welfare, our flag, and our international relations. He is not only Commander in Chief of the Army and Navy forces of our country, but he is peculiarly and solely the guardian of our foreign affairs. He is, in all international affairs, the representative of American sovereignty. Whatever from a foreign source threatens the welfare, dignity, and sovereignty of our Nation, he is the sole representative of all the American people, regardless of parties and party platforms. His great authority is not a coincidence or a collateral issue of the Presidency, but he is expressly charged by our Constitution with the guardianship of all our international affairs. By that same Constitution all foreign affairs are first brought to his attention, and not to the Senate or House of Representatives. He is by that Constitution made the sole judge of making public or keeping secret the mighty international affairs and problems, which may confront or embarrass the Nation, and, in my humble opinion, the fathers of the Constitution wisely concentrated the duty and power over these matters in whoever should be President and the head of the Nation.

WORLD PROBLEMS.

These great complicated world problems sometimes suddenly and unexpectedly arise to confront the life of a nation. So long as human ambition, greed, and passion is what it is, and it is now what it has been from time of earliest human history, so long there will be danger of the sudden appearance of these great problems. They can not be foreseen, hence political parties in

their national platforms can not provide for them. They sometimes arise so suddenly and unexpectedly and travel with such force that they may create an international emergency which will throw out of place and render inadvisable the best planks of the wisest platform builders. These international emergencies arise at not infrequent periods and perplex the wisest statesmanship of every nation. They can no more be foretold and provided against in party platforms than the weather man can foretell and provide against tornadoes and cyclones for a period of four years. The history of all the world has shown at times these international clouds of danger. Every intelligent and thinking person who is familiar with history and who gives the subject thought and study realizes that sudden and unexpected international storms will arise, in the face of which a plank in a party platform or in all party platforms will be no protection against or guidance through impending crises, but, on the contrary, may invite and impel them on the Nation.

The national platforms of our political parties during all of the Nation's history have never attempted to prescribe a rule by which these unforeseen and unexpected international emergencies can be controlled or solved. There is, and there always has been, and there always will be about every national platform an implied license and command to the party candidate in case he becomes President of the United States to discharge the duties and responsibilities of his great office in a manner most advisable, in the presence of any international emergency confronting him, and an intelligent public so reads and understands our party platform declarations.

Neither the Democratic, Republican, or Progressive Parties in their last national conventions foresaw or prophesied the development of the great international emergencies that now surround and envelop our Nation. These disturbing conditions have arisen not on account of any act of omission or commission of the present administration, but in spite of them, and most of them had their origin in a previous administration.

PLATFORMS DO NOT PROVIDE FOR UNFORESEEN EMERGENCIES.

In 1896 neither the Democratic nor the Republican national platforms contained any plank or provision directing the course of their respective parties in relation to the Cuban rebellion. When the explosion of the *Maine* occurred, instantaneously the whole Nation arose and demanded that Congress proceed to defend the dignity and honor of the Nation. The Republican administration at that time could find nothing in its platform of 1896 to direct and guide it upon that subject, although for years previous to their 1896 platform, hundreds of Americans had lost their lives in Cuba, and millions of their property were wantonly destroyed. What did the Republican Party do then? Did it say we can do nothing, because there is no plank in our last national platform guiding and directing us upon this international question? No. On the contrary, they exercised the implied license which every national platform gives the successful party the right to do, namely, to act without directions and instructions in the face of the international emergencies and dangers which had arisen. Neither did they call together their Republican brethren in convention to outline a policy for them, but with their President at the head they proceeded to defend the honor of the Nation. They then realized, as every party in power must realize, that when such complications arise the administration is impliedly empowered to do what is necessary for the safety and protection of the country, regardless of political platform planks.

The same conditions existed at the outbreak of the Civil War. Neither the Republican nor the Democratic platforms of 1860 directed what their candidate should do in case he became President, in case of secession being attempted by any State. There was an implied license in the Douglas and Republican platforms that in case secession was attempted, the President should exercise all the great power invested in him by the Constitution in time of war. According to all the practices of nations from time immemorial, no rule or law will be permitted to embarrass or hamper the will of the Nation in its efforts of self-preservation.

It may be admitted that these illustrations are true, but that they are not applicable to the present situation. Let us see. Let us close our eyes upon all our outside and foreign national matters excepting those we have seen in poor distracted Mexico during the last two years. There we have seen revolution, murder, and anarchy; we have seen revolution follow revolution; we have seen hope after hope of that nation extinguished; we have seen our people residing there harassed, outraged, murdered, and their property destroyed by the millions; we have seen the care and caution with which the President has tried to protect our people in that unfortunate land; we have seen him strenuously endeavoring to preserve the Monroe doctrine as to Mexico during her days of turmoil and distress; we have seen with what care and caution the administration has moved so as to maintain peace between the two nations during this exciting period; we have seen opposition to his policy gradually grow until now in many sections of the country it is vigorously assailed, and even on the floor of this House, criticism is made by partisan Members.

It has become apparent to a large portion of the fair and intelligent American citizens that the time is not far distant, when we must intervene in Mexico to prevent disturbance, murder, and revolution and to restore to the Mexican people a civilized and just form of government. Such an intervention, however, will call for the services of hundreds of thousands of American soldiers, and the sacrifice of scores upon scores of thousands of American troops, besides the expenditure of great sums of money; and everyone admits that when that dark hour comes there will be no way of withdrawing from Mexico, until we have sacrificed thousands of lives and spent millions of dollars, and have kept our troops for a long time in that land.

When we shall have intervened, then let us open our eyes and take a panoramic view of our international affairs, and what do we find? We find on the one hand all of the commercial interests and Governments of Europe disappointed and dissatisfied, rightfully or wrongfully, with that provision in the Panama Canal act which grants discriminating rates, by way of free tolls, to the American coastwise trade. We find England, with the most powerful fleet in the world, acting as spokesman for Europe. We turn to the other side, and what greets our gaze? The Japanese Empire offended, resentful, and revengeful, because of the treatment which her citizens have received in portions of our country. She has protested loudly, forcibly, and repeatedly to the present occupant of the White House against such treatment. The President has done his utmost to pacify the people of California and other portions of the country, for such length of time as might be necessary to secure an alteration of the treaty between this country and Japan; but unthinking, prejudiced, passionate Americans have not listened to his words of counsel, discretion, and wisdom. They have disregarded them, and proceeded as if they could act regardless of our foreign treaties and affairs. It is easy for them to do so, so long as they can call upon the Nation at large to defend them against the Japanese revenge, which has been provoked by their provocation. Every living and observing man realizes that Japan is eager and ambitious to extend her dominion, and ready to take advantage of the first opportunity to seize the Philippines, and such other of our lands and possessions as are easiest of conquest. She has made repeated vigorous protests and demands against the treatment that has been accorded her citizens on the Pacific coast. We have protested against her colonizing in Mexico.

Now, let us remember that Europe is in a state of hostility arising from the Panama Canal controversy. I do not believe for one moment that the people of England would ever knowingly permit their country to engage in war with America, but with Japan in the striking attitude and revengeful mood that she is now in, and with more than a year to elapse before the Panama Canal can be fortified or finished, so as to permit the passing of our war vessels from one ocean to the other, and with our Army generally unprepared for war operations, and besides intervening in Mexico to restore peace, with all of those mighty troubles on our hands, all that England's high authorities have to do is to give the wink to Japan. When that is done, the full force of her navy and army will fall upon the Philippines, Alaska, and perhaps our own western coast before we are able to make the necessary preparations to defend ourselves. This threatening situation can clearly be seen by everyone who has paid close attention to our international affairs during the last two years. This threatening situation must be clear and apparent to the President. He sees the threatening clouds carrying death to thousands of our people, waste to millions of our property, and humiliation to the Nation. To avoid these threatening international dangers and to solve international emergencies, he calls upon the Representatives in Congress, regardless of party, as the President of the whole people, to follow a course which will avoid the impending dangers and complications, by repealing the Panama Canal tolls exemption, which is without doubt one of the most dangerous, provoking causes of our present international complications.

Let us ask ourselves, if the Baltimore platform makers could foresee the present threatening situation? It must be evident to every person of intelligence that they did not. Does any patriotic citizen think for a moment that the President is not to act at all upon threatening international situations unless his

party platform directs his course? Must he fold his hands behind him and stand mute, because his party has not spoken of such situations in its platform, simply because the platform in another part has directed him to do a thing which is one of the most provoking causes of our Nation's troubles? Shall he perform the smaller things, upon which the party in its platform has spoken, and leave undone the immense things he should do, because the party in its platform has not directed his course upon such unseen emergencies?

I believe I hear the patriotic and intelligent citizens of the United States, millions in the majority, cheering the President forward in the discharge of his constitutional duties, in this serious international situation.

He is so situated by virtue of his high office as to obtain the best information. He submits it to his counselors—the Cabinet members. It is of such a serious nature that it is incompatible with the public interests to make it public, for the reason, among others, that by so doing every nation with whom complications exist will know and see his hand. The American people placed him in this all-important position to guard our welfare, dignity, and our flag. He is our sole leader in these foreign matters, and if we follow him, we will be saved. If we follow a leader, we will be led to victory; and if we follow more than one leader, we are liable to be led astray. In one leader there is unity, harmony, and strength. As God steadied the arm, and guided the brain of the immortal Lincoln through the dark and gloomy years of the Rebellion, so God has been, is, and will continue to steady the arm and guide the brain and judgment, in all international affairs, of every man whom the American people shall elevate to the Presidency. In those peculiar and important matters, the armor of heaven protects each occupant of the presidential chair from disloyalty and treason. Such occupants are invulnerable to sentiments, and thoughts of disloyalty and treason.

Some of the President's ways and sayings may be, or seem to be, mysterious to us. To some of us he may seem to be asking a great sacrifice in the repeal of the free-tolls provision, but I believe that what he asks for is imperatively necessary. Whatever threatening it is that he sees, it is of such gravity and importance that in his honest wisdom and judgment he does not consider it wise to make it public at this time. Its great importance and serious nature is conclusively proved by the fact that he appeals to this Congress for support, regardless of parties or political platforms. He appeals as an American President and not as a party President. I believe that he is to the core sincere and truthful when he tells us that this repeal is necessary to his foreign policy. I am sure that he would not imperil the bright prospects of his party, if he did not think that the success of this bill was necessary for the happiness and protection of the Nation. I can see most of his reasons. I can see most of his way, and I, for one, am going to trust and follow him the rest of the way by voting for this bill, providing for the repeal of exemptions of the American coastwise vessels from payment of tolls in passing through the Panama Canal. International necessities and emergencies excuse our observance of the plank, in the Baltimore platform, calling for free tolls.

From my viewpoint, if this bill passes, we do not foreclose our right in the future, when experience may show the wisdom of that course, to provide exemptions for American coastwise vessels from the payment of tolls. It is a question which can be reopened at any time, if we find it necessary or prudent. I believe that down in the President's heart it is his intention to only temporarily repeal this provision, and to let the future take care of itself. It is to avoid the present emergencies. It is to give us time to finish the Panama Canal, so that we can pass our war vessels from the Atlantic to the Pacific and back, and thereby double the effectiveness of our naval power. He does not by his message commit this Nation to a permanent policy of levying tolls upon our coastwise vessels passing through the canal. It can be solved in the future as our experience suggests.

Let us apply to the present international crisis confronting the Nation the principle expressed in the motto, "Discretion is the better part of valor," for this is true, not only when applied to men, but when applied to nations. Only temporary relief of a short duration is necessary at the present time. If with discretion and sound judgment, the President fails to overcome the obstacles confronting him, then it will be time enough to incur the risk of war. Let me assure those who honestly differ with us upon this question, or who prefer to twist the lion's tail instead of using discretion, that when discretion and sound judgment fail, we who now advocate this repeal bill will be found moved by as much genuine patriotism as those who favor free tolls. If sacrifice of lives, blood, and treasure becomes necessary, we shall be found shoulder to shoulder, and breast to breast with them, in facing our country's foes.

HAY-PAUNCEFOTE TREATY.

About December, 1898, the Governments of Great Britain and the United States appointed and authorized representatives to enter into a treaty relating to the construction and use of a canal, connecting the Pacific and Atlantic Oceans through the then Province of Panama. They met and prepared such treaty, which was submitted to their respective Governments. This treaty was ratified by the Senate of the United States about November 18, 1901, and on the 22d of February, 1902, President Roosevelt issued his proclamation making such treaty effective, at a time when we had a Republican President and a Republican majority in both branches of Congress. Whatever imperfections or disadvantages have been impressed upon our country by this treaty, are chargeable to the Republican Party alone, and it does not now lie in the mouth of that party to make a political issue of this question.

Before casting my vote upon this question previously, and now, and without the light of others' views, I became convinced that the granting of free tolls to American coastwise vessels was not in itself a violation of that treaty. This question is to me quite plain, and I venture to say that a majority of lawyers of average experience in this country will without hesitation interpret the language and meaning of that treaty to be such as to permit the passage of coastwise vessels free through the canal without causing a violation of the treaty. The language of the Hay-Pauncefote treaty, so far as it pertains to this discussion, is as follows:

HAY-PAUNCEFOTE TREATY BETWEEN THE UNITED STATES AND GREAT BRITAIN TO FACILITATE THE CONSTRUCTION OF A SHIP CANAL.

Signed at Washington, November 18, 1901.
Ratification advised by the Senate, December 16, 1901.
Ratified by the President, December 26, 1901.
Ratified by Great Britain, January 20, 1902.
Ratifications exchanged at Washington, February 21, 1902.
Proclaimed, February 22, 1902, by the President of the United States of America.

A PROCLAMATION.

Whereas a convention between the United States of America and the United Kingdom of Great Britain and Ireland, to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the "general principle" of neutralization established in article 8 of that convention, was concluded and signed by their respective plenipotentiaries at the city of Washington on the 18th day of November, 1901, the original of which convention is word for word as follows:

"The United States of America and His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the 'general principle' of neutralization established in article 8 of that convention, have for that purpose appointed as their plenipotentiaries:

"The President of the United States, John Hay, Secretary of State of the United States of America;

"And His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British dominions beyond the seas, King, and Emperor of India, the Right Hon. Lord Pauncefote, G. C. B., G. C. M. G., His Majesty's ambassador extraordinary and plenipotentiary to the United States;

"Who, having communicated to each other their full powers, which were found to be in due and proper form, have agreed upon the following articles:

"ARTICLE 1.

"The high contracting parties agree that the present treaty shall supersede the aforementioned convention of the 19th April, 1850.

"ARTICLE 2.

"It is agreed that the canal may be constructed under the auspices of the Government of the United States, either directly at its own cost or by gift or loan of money to individuals or corporations, or through subscription to or purchase of stock or shares; and that, subject to the provisions of the present treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

"ARTICLE 3.

"The United States adopts, as the basis of the neutralization of such ship canal, the following rules, substantially as embodied in the convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal; that is to say:

"1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

"2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military

police along the canal as may be necessary to protect it against lawlessness and disorder.

"3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary, and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

"Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

"4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials, in the canal, except in the case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

"5. The provisions of this article shall apply to waters adjacent to the canal within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible, but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

"6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof for the purpose of this treaty and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents and from acts calculated to impair their usefulness as part of the canal.

"ARTICLE 4.

"It is agreed that no change of territorial sovereignty or of the international relations of the country or countries traversed by the before-mentioned canal shall affect the general principle of neutralization or the obligation of the high contracting parties under the present treaty.

"ARTICLE 5.

"The present treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty, and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date hereof.

"In faith whereof the respective plenipotentiaries have signed this treaty and thereunto affixed their seals.

"Done in duplicate at Washington the 18th day of November, A. D. 1901.

"JOHN HAY. [SEAL.]
"PAUNCEFOTE. [SEAL.]"

And whereas the said convention has been duly ratified on both parts and the ratification of the two Governments were exchanged in the city of Washington the 21st day of February, 1902:

Now, therefore be it known that I, Theodore Roosevelt, President of the United States of America, have caused the said convention to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this 22d day of February, A. D. 1902, and of the Independence of the United States the one hundred and twenty-sixth.

[SEAL.] THEODORE ROOSEVELT.

By the President:
JOHN HAY, *Secretary of State.*

I have not, however, relied upon my own experience, judgment, and conscience in construing and interpreting this treaty. I have read and had the aid of the opinions of several noted international lawyers upon the proper interpretation of this treaty. Time and space do not permit and it is not necessary for me to present my own views in detail. I will, however, set forth herein several of the many views, and opinions of counselors noted for their skill and experience in the construction of international treaties. Therefore I omit my own views and present an extract from the opinions of a few authorities upon international subjects of this character:

Ex-Secretary of State Olney's opinion of our rights under the Hay-Pauncefote treaty has been expressed in clear and concise terms. In an address upon the Panama Canal tolls legislation, and the Hay-Pauncefote treaty, read before the American Society of International Law at Washington, D. C., on April 25, 1913, he said:

On the grounds, and in view of the considerations above stated, the United States may contend, and it is believed can rightfully contend, that the Hay-Pauncefote treaty of November, 1901, does not, as justly interpreted, prevent the United States from exempting its coastwise shipping from the payment of tolls for the use of the Panama Canal.

This is the construction that was given it by ex-President Roosevelt, by Mr. Taft when he was President, and by Mr. Knox when he was Secretary of State.

Mr. Butte, an experienced German international jurist, in an article published at Heidelberg, at every point upholds the American contention. Summing up the respective claims, he says:

From the standpoint of abstract justice, the pretention of Great Britain that she should be put on the same footing as respects the use and enjoyment of the Panama Canal as the United States seems presumptuous.

Equally strong is a well-written article by an able English jurist, Edward S. Cox-Sinclair, in the London Law Magazine and Review. Summing up, he says:

The United States can support its action on the precise words of the material articles of the treaty; its case is strengthened by reference to the preamble and context, and its case is difficult to challenge on the grounds of natural justice.

Another English jurist, Mr. C. A. Hereshoff Bartlett, in discussing the question, says:

There is no evasion of the rule of equality where all foreign vessels are subject to the same duties and liabilities under similar circumstances. The treaty could never have been intended to prevent the Federal Government from arranging and regulating its domestic or coastwise commerce and in the use and enjoyment of its own property as it saw fit. No such restriction could have been in view in adopting "as the basis for neutralization" a rule that the canal should be free and open to vessels of commerce and of war of all nations on terms of entire equality. It would be absurd for the United States to solemnly declare that its own vessels of war might openly and freely navigate its own landlocked waterways and enjoy the privileges that belong to the nation as a sovereign power in the use of its own territory. The use of the words "vessels of war" shows plainly that the word "vessels" as used refers only and exclusively to those of all nations other than those of the United States, and that the word "nations" was restricted to foreign nations; that is to say, nations foreign to the United States.

Count Reventlow, a noted German international authority, says:

The canal bill interprets the Anglo-American treaty from a certain view point, but is in no sense an evasion thereof. That the United States had a right to construe the treaty as Taft did can not be doubted.

Ex-President Roosevelt, about a year ago, voiced the following sentiments in relation to this treaty when he said:

I believe that the position of the United States is proper as regards this coastwise traffic. I think we have a right to free bona fide coastwise traffic from tolls. I think that this does not interfere with the rights of any other nation, because no ships but our own can engage in coastwise traffic, so that there is no discrimination against other ships when we relieve the coastwise traffic from tolls. I believe that the only damage that would be done is the damage to the Canadian Pacific Railways.

In all history I do not believe you can find another instance when as great and expensive a work as the Panama Canal, undertaken not by a private corporation but by a nation, has been as generously put at the service of all the nations of mankind.

When the Hay-Pauncefote treaty was made and submitted to the President and Senate of the United States, the territory through which the canal was to be built was foreign territory. Dr. Hannis Taylor wrote on the question. No one doubts his claim as an authority on international law. I call your attention to his words, spoken in April, 1913:

The conclusion is irresistible that by the radical changes wrought in conditions existing at the time the Hay-Pauncefote treaty was made, through subsequent purchase of the Canal Zone by the United States, the treaty as a whole became voidable. Or, to use the words of Prof. Oppenheim, that the vital change wrought by the subsequent purchase of the Canal Zone rendered an otherwise "unnotifiable treaty" notifiable. Under the universally accepted rule of construction, so luminously expounded by the greatest of the recent English publicists, we have the right and Great Britain has the right to call a diplomatic conference in order to make such modifications in the terms of this voidable or notifiable treaty as either party may desire.

None of the land or territory through which the United States proposed to construct a canal at Panama belonged to the United States at the time of the completion and ratification of the Hay-Pauncefote treaty. It was nearly two years afterwards, in 1903, that the Province of Panama revolted from Colombia and established an independent Republic of its own. Then it ceded, for a valuable consideration, this Panama Canal Zone to the United States, and the moment it became ours there attached to it that sovereign power which goes with ownership; and the nation which challenges our right says to us: "We want to limit your sovereignty and impose a servitude upon the territory which belongs to you."

Various other authorities and American statesmen, too numerous to mention, support this view.

AMERICAN COASTWISE VESSELS.

Since 1817 there has been upon our statute books and in force, a law prohibiting all foreign vessels from engaging and competing in American coastwise trade; that is, the trade between one American port and one or more or all other American ports. This prevents Great Britain and all other nations from participating in such shipping trade. It is apparent, therefore, that there can be no competition between American coastwise vessels and English vessels engaged in American coastwise trade, for the reason that such English and foreign vessels are not allowed to carry on a shipping business in American coastwise trade. Such being the case, there could be no competition between American coastwise vessels and English ships in passing through the Panama Canal, for the reason that there is and can be no competition between foreign ships and American coastwise ships where the foreign ships are not permitted to engage in such coastwise trade. Time and space, however, forbid me from pursuing the alleged violation of the Hay-Pauncefote treaty further.

ECONOMIC REASONS FOR PASSING THIS REPEAL BILL.

By the time that the Panama Canal is finished it will have cost this Nation about $400,000,000. Every section of the Nation contributed its share of money to this vast enterprise. The coast and Gulf sections will receive a direct and positive benefit

from the construction of that canal. Other sections, like the great north half of the Mississippi Valley and Great Lakes regions will receive no appreciable advantage from its construction and use. Such is the situation of the district or constituency which I have the honor of representing. My constituents will not receive any benefit, direct or indirect, from it and can not hope to whether American coastwise vessels are permitted to pass through the canal free of toll charges or whether the statutory fee per registered ton of $1.20 is collected from them. This would be true, even if there were no restriction by trusts and other unlawful methods of water freight charges or rates.

Let us, however, for the sake of argument admit that that provision of the Panama Canal act, which prevents the use of the canal by vessels operated in violation of the Sherman anti-trust act, will be enforced, and that there will be full, free, and natural ship competition between the Atlantic and Gulf coasts on one side and the Pacific coast on the other; yet there is no way in which my constituents nor the people of the great Northwest will be benefited, even to the extent of one cent.

Now, if the free-tolls exemption for such vessels passing through the canal is not repealed, the revenue derived from the use of the canal will not be sufficient to pay the cost of operating and maintaining the canal, and in that case the deficiency must be paid out of the Treasury of the United States from money to which my constituents, and those situated like them in the great Northwest and Great Lakes regions, have contributed their share. But from this economical standpoint I could easily overlook and dismiss from consideration the fact that we receive no benefit from this canal, if it were not for certain other important facts which I will refer to later.

Our opponents contend that with free tolls the American coastwise vessels will be enabled to carry freight from the Atlantic and Gulf coasts to the Pacific coast, and back for $1.20 per registered ton cheaper than with tolls, and that when such vessels carry on free trade, without the payment of canal tolls, that the consumer gets the direct and full benefit of free tolls. They further contend that it will cause the transcontinental railway lines to reduce their freight rates on all their lines. This would be a good and sufficient reason for voting for free tolls if it were true. We can not, and do not deny that theoretically and naturally, the result of free tolls would be to benefit a majority of the consumers of the country, but the practice in recent years has been the reverse, because the 85 lines carrying on an American coastwise trade are in a monopoly, conference, and other combinations which screw up and maintain exorbitant freight rates. By giving such shipping combinations and monopolies, the benefit of free tolls they would be reaping the entire benefit of the remission of $1.20 per ton, and would continue to fix their freight rates at a figure just below the railway rates, so as to enable such ships to secure all the water freight they can carry the year around. By imposing a toll of $1.20 a ton, as now fixed by United States law, for passage through the Panama Canal these vessels would still have a wide margin of profit, and the $1.20 per ton will be applied by the Government to the payment of cost of operating and maintaining the canal.

Expert rate authorities have figured, that even with the payment of tolls upon coastwise traffic, that vessels engaged in that traffic can carry the average freight from the Atlantic and Gulf coasts to the Pacific and return for one-third of any self-sustaining minimum rate, which the transcontinental railway lines may charge, and pay a reasonable profit on their investment.

Great boasts and bright prophecies are made by our opponents of the immense benefit that is to be derived by the American people by reason of permitting the American coastwise vessels to pass through the Panama Canal free of tolls. I am a member of the Committee on Merchant Marine, which has had under consideration for the past two years the so-called Shipping Trust, and of necessity I know something about their methods. The committee has completed its investigation and made its report to this House. That report is the unanimous report of the committee. Let me read a few lines from this report, which is not yet in general circulation but which has just been filed by our committee, to show who will be the beneficiary of free tolls.

TOLLS AND FREIGHT.

The question of freight involves the transportation interests of the farmers, manufacturers, producers, and consumers of the Middle West and Great Lakes region, and they will not look favorable upon a policy that discriminates in favor of the Atlantic, Pacific, and Gulf coasts of the country against the middle of the country.

Dr. Emery R. Johnson, who was appointed special commissioner of Panama traffic and tolls by the Secretary of War under President Taft and upon the recommendation of Col. George W. Goethals, Corps of Engineers of the United States Army, and chief engineer of the Isthmian Canal Commission, governor of the Canal Zone, and president of the Panama Canal Railroad Co., because of his profession and of the extended and exhaustive study that Dr. Johnson had already given to the subject, in his report on the Panama Canal traffic and tolls, says:

It is earnestly argued by those who favor relieving American shipping of Panama tolls that the policy should be adopted in order to give further aid to the American merchant marine. When subjected to analysis this argument loses force. Our shipping employed in the foreign trade needs assistance, but our coastwise marine has a monopoly of the coastwise trade and does not need further aid. In 1911 there were 3,537,750 tons of American ships enrolled for the domestic trade on the Atlantic, Gulf, and Pacific seaboards. The increase during the preceding decade had been 38 per cent. There is thus a relatively large and healthy increasing tonnage of coastwise shipping, and the opening of the Panama Canal will undoubtedly bring about a large addition to the coastwise fleet. Our coastwise marine is now given sufficient aid and protection by our navigation laws. (P. 199.)

1. In managing the Panama Canal and in fixing tolls the usefulness of the waterway to commerce and industry should be given first consideration. The policy as regards tolls and revenue should not be allowed to limit the traffic usefulness of the waterway.

2. The Panama Canal should be made commercially self-supporting. Tolls based upon the value of the service rendered by the canal are justifiable. Those who use the waterway may justly be required to make some compensation for the benefits received. Tolls, not unduly restricting the commercial usefulness of the waterway, may be levied that will yield revenue enough to meet operation, maintenance, sanitation, government, annuity, and interest charges.

3. The same rate of toll should be charged upon American as upon foreign vessels, because—

(a) The omission or repayment of tolls on American shipping would be of assistance mainly to our coastwise shipping, which does not need aid and would be of but little help to American vessels engaged in the foreign trade.

(b) Such subsidies as are given the American merchant marine should be paid to vessels employed in our foreign trade; but the remission or repayment to vessel owners of Panama tolls on American ships in the foreign trade would be an ineffective subsidy that might invite retaliatory measures by foreign Governments.

(c) The exemption of coastwise shipping from Panama tolls would inure mainly to the benefit of the costwise carriers and only partially to the benefit of shippers and consumers. Neither the rates of the steamship lines nor the charges of the rail carriers will be appreciably higher if tolls are charged on coastwise shipping than they will be if such shipping is relieved from the payment of tolls.

4. The United States should adhere to business principles in the management of the Panama Canal. The Government needs to guard its revenues carefully. Present demands on the general budget are heavy and are certain to be larger. Taxes must necessarily increase. Those who directly benefit from using the canal, rather than the general taxpayers, ought to pay the expenses of operating and carrying the Panama Canal commercially.

5. The tolls at Panama should be such as to enable the canal (a) to divert from the Straits of Magellan all the traffic of the Pacific coast of South America, (b) to prevent the use of the Cape of Good Hope route by the commerce between the Atlantic-Gulf coast of the United States and Australia, (c) to divert from the Suez Canal the trade between the eastern seaboard of the United States and the Orient east of Singapore, and (d) to compete with the Suez Canal for a portion of Europe's commerce with the Far East. (Page 201.)

Of the 4,000,000 tons of freight annually carried back and forth across the United States the Middle West furnishes a large share.

On each coast there is what is known as a competitive zone, or region extending back into the interior of the country from the ocean and Gulf coasts in which water-carried freight competes with rail-carried freight. Of course under honest competition within this zone, the consumers will be benefited by freight carried in coastwise vessels through the Panama Canal. This zone, however, on the east does not extend any farther west than to about Pittsburgh, and does not extend any farther east from the Pacific coast than Salt Lake City, and on the Gulf coast no farther north than St. Louis. It is an unjust policy for the Government to discriminate by special favors to special interests against some sections of our country in favor of other sections of our country by enlarging the area of trade for some parts of our country and diminishing the area of trade for other parts of our country. Here is one of these statements:

OUR ATLANTIC AND GULF AND COASTWISE TRADE.

On this leading water highway of American commerce practically all the large regular steamship lines are either controlled by railways or are subsidiaries of one of two large shipping consolidations, the Eastern Steamship Corporation and the Atlantic, Gulf & West Indies Steamship Lines. Exclusive of some very small and purely local lines, 28 lines, representing 235 steamers with a total of 549,821 gross tons, handle practically all of the traffic along the entire Atlantic and Gulf coasts. Of the 235 steamers and 549,821 gross tons referred to, the lines controlled by the railroads represent 54.5 per cent and 61.9 per cent, respectively; the lines of the Eastern Steamship Corporation, 11.3 per cent and 10 per cent; and the lines of the Atlantic, Gulf & West Indies Steamship Lines, 18.2 per cent and 22 per cent. In other words, the steamers of the railroad-controlled lines, combined with those of the Eastern Steamship Corporation and the Atlantic, Gulf & West Indies Steamship Lines, number 199, or 84.7 per cent of the above-mentioned

total for the 28 lines, and represent 516,055 gross tons, or 93.9 per cent of the foregoing total gross tonnage.

Not only do the railroads and the two shipping consolidations dominate over nine-tenths of the tonnage, but it is significant that very few of the principal routes on our entire Atlantic and Gulf coasts are served by more than one regular steamship line. (Page 369 of the report.)

It is estimated that these shipping combinations will secure as a gift from the Government by reason of free tolls not less than $2,000,000 a year. Let us read a little further from that committee's report upon this subject, and we find the following language used:

The foregoing chapters discuss the control of regular-line services in the most important divisions of this country's domestic commerce. With the exception of the Pacific coast trade proper, it was shown that the line traffic is handled by comparatively few companies, and that these are largely controlled by railroads and shipping consolidations. Thus, in the entire Atlantic and Gulf coastwise trade, exclusive of all inland-waterway and purely local carriers, 28 lines, representing 235 steamers, of 549,821 gross tons, furnish the line service. Of this number of lines 10 are railroad owned and represent 128 steamers of 340,084 gross tons, or 54.5 per cent of the total number of steamers in the trade and 61.9 per cent of the tonnage. Seven lines operating 71 steamers of 175,971 gross tons in the coastwise trade belong to the Eastern Steamship Corporation and the Atlantic, Gulf & West Indies Steamship Lines, and represent in the aggregate nearly 30 per cent of the total number of steamers and 32 per cent of the tonnage. Combining the two interests, it appears that the railroads and two Atlantic coast shipping consolidations control nearly 85 per cent of the steamers and nearly 94 per cent of the gross tonnage engaged in the entire Atlantic and Gulf coastwise trade. Attention may be called again to the fact that very few of the routes between any two ports on the entire Atlantic and Gulf coasts are served by more than one line. (Page 403 of report.)

Under these conditions there can be no question but that free tolls will result in a direct gift of $2,000,000 a year to be covered into the pockets of the shipping combinations, and that but little, if any, benefit will be derived from a gift of free tolls to such vessels by the people of the country. The Democratic Party has always been against subsidies of every kind, and in my opinion free tolls to American coastwise vessels would be an indirect subsidy. Besides, some reliable authorities estimate that the exemption from the payment of tolls of such vessels will cause an annual deficit of the revenue necessary for the operation of the canal of $2,250,000 a year. In justice the American people should derive from the Panama Canal, in addition to the operation and maintenance expenses, the interest upon the $400,000,000 which they have invested in the canal. This interest alone would add an additional charge of $12,000,000 annually. If this canal were to be operated upon strict business principles, it would be necessary to increase the rates of tonnage so as to produce $12,000,000 more annually so as to pay the interest upon the amount invested by our Government.

It is estimated by Prof. Emery R. Johnson, of the University of Pennsylvania, selected by President Taft as special commissioner on Panama traffic and tolls, in his official report, that during the year 1915 our coast-to-coast vessels will carry through the canal 1,000,000 tons, while all vessels engaged in the foreign trade will carry through the Panama Canal 9,500,000 tons, in all a total of 10,500,000 tons. The gross revenue upon this tonnage at $1.20 per ton amounts to $12,600,000, a sum $7,650,000 short of the total legitimate charges against the canal, composed of interest, $12,600,000; operation, fortification, protection, and guarding the canal and miscellaneous expenses, $7,600,000; total, $20,250,000.

But if the coast-to-coast vessels are to be exempt from the payment of tolls, to this amount must be added $1,250,000, making a shortage of $8,850,000 annually. In view of these reliable estimated facts, and from an economic standpoint, the coastwise vessels should not be exempt from the payment of tolls. Prof. Johnson also estimates that in the year 1916 the tonnage carried through the canal by our coastwise vessels will increase 2,000,000 tons.

Should there be any lowering of the rates imposed, which is quite likely to be the case, in view of probable competition with the Suez Canal, the tolls, if imposed upon this increase of coastwise tonnage, would amount to $2,400,000 annually.

He further estimates that at the end of 10 years the total tonnage passing through the canal will amount to 17,000,000 tons, and if all vessels are treated upon terms of entire equality of charged tolls, the rates remaining the same, the collections at the canal will aggregate $20,400,000, a sum but little in excess of all legitimate charges. But it must be remembered that this is the estimate for 10 years from now. So if the coast-to-coast traffic is exempted from the payment of tolls, then there would still be an annual shortage of $2,250,000. These figures clearly show that if the coast-to-coast traffic is to be exempt from the payment of tolls, the canal would continue to be supported in part by the general taxpayers of the country, and while some taxpayers would receive indirectly a benefit from this exemption, if coastwise traffic were carried on honestly, yet whether carried on honestly or dishonestly, our people in the north half of the Mississippi Valley and Great Lakes region can under no circumstances receive any benefit, but must under all circumstances contribute to the support of the canal in case of free tolls.

There is no question but that freight can be carried by ship from the Atlantic to the Pacific coast much cheaper than by rail, but our contention is that the benefit goes into the pockets of the shipowners, and not into the pockets of the people.

As showing the ability of such shipowners to pay this toll of $1.20 per registered ton, let us, for example, take the case of transporting fruit from the Pacific slope to the Atlantic coast. There is each year, by all kinds of freight, about 1,000,000 tons of fruit transported to and from the Pacific coast to the Atlantic coast and return. Whether such transportation is subject to the payment of tolls or not, the great bulk of the same will pass through the canal when in operation. The best data available show that it costs to carry this freight across the continent on an average $26 per ton, and that it can be carried by water profitably at a freight charge not to exceed $7 per ton. Here is a margin of $19 per ton in favor of the owner of the coastwise vessels, and a toll charge of $1.20 per registered cubic ton will not destroy his ability to carry in competition with the rail carrier. The land and water freight charges of other merchandise will not differ materially from that of fruit, and it is most clear that the shipper will add the amount of tolls to the price of his commodities, while neither the producer nor the consumer will profit by free tolls, and the vessel owner will take the tolls as an additional profit to his already thrifty business.

TRANSPORTATION ON THE GREAT LAKES.

There are now situated between the United States and Canada, between Lake Superior and Lake Huron, two canals known as the American Soo Canal, belonging to America, and the Canadian Soo Canal along the side of it, belonging to Canada and upon Canadian soil. There is also a canal extending west of Niagara Falls, connecting Lake Erie with Lake Ontario, known as the Welland Canal. The Canadian Government is now actually engaged in widening and deepening the Welland Canal to a depth of 30 feet, thus making it available for use by most all of the largest ocean and lake going vessels.

The Canadian Government has also completed a survey and plans for the construction of a canal from Georgian Bay southeast across lower Canada to Montreal, on the St. Lawrence River. It is intended that this proposed canal shall be 30 feet in depth and large enough to accommodate the largest lake and most of the ocean-going vessels. Many of the moderate-sized vessels on the Great Lakes often pass with cargoes down through Lake Erie, through the Welland Canal, Lake Ontario, and the St. Lawrence River to the ocean, and at times moderate-sized ocean vessels carry cargoes from the ocean ports down the St. Lawrence River, through Lake Ontario, the Welland Canal, Lake Erie, and to their destination. By a treaty between Great Britain and the United States, since 1871 the American shipping interests on the Great Lakes enjoy the privileges of the Welland Canal, located upon Canadian territory, upon an equality with British vessels. It would appear that the American Soo Canal is not at times large or deep enough to accommodate the American trade, and that it is necessary during the open season for many American vessels to pass back and forth through the Canadian Soo Canal. Both the Canadian and American Soo Canals are covered by a like international agreement providing for equal terms for both American and Canadian vessels. Last year, according to statistics, American ships carrying 38,000,000 tonnage passed through the Canadian Soo Canal upon the same terms as the Canadian vessels. Nearly all of the great north one-half of the Mississippi Valley and Great Lakes regions are directly interested in and benefited by lake shipping. The Canadian Welland and Soo Canals are of the greatest importance to the American shipping interests on the Great Lakes. Yet we of the Northwest must when we pass through the Canadian canal pay tolls, and Canada when passing through our Soo Canal must pay tolls to us. But the people of both nations are treated upon an entire equality. The amount of tonnage upon the Great Lakes is enormous. The crippling of any portion of our commerce upon those lakes would be seriously felt by the farmers of the Northwest. The amount of tonnage which was necessarily sent through the Canadian Soo Canal last year was as large as that which will pass through the Panama Canal in the first year. This shows that all of our people in the Northwest are directly interested in preserving an equality of treatment at the Soo and Welland Canals with Canada.

WHAT WILL HAPPEN?

What would happen if the American coastwise vessels were permitted to pass through the Panama Canal free of tolls, regardless of whether we can in justice and equity to our treaty obligations permit it to be done? We will then in a way be discriminating against certain English and Canadian vessels. What will the result be? Every impartial and intelligent man will at once answer: Why, of course Great Britain and Canada will abrogate the treaty between that nation and the United States granting the American ships on the Great Lakes equal privileges with Canadian ships in Canadian canals and waters. That would spell ruin to a majority of the Great Lakes commerce, and it would also spell reduction in value and profits to the farming and business interests of the West.

Last year the Canadian Soo Canal carried nearly 38,000,000 tons of American freight. It carried more American freight than was carried by our own American Soo Canal, because it is a little deeper. Last year the Welland Canal carried nearly 1,000,000 tons of American freight. But the new 30-foot Soo Canal will carry more freight and the new 30-foot Welland Canal will also carry more American freight, and Canada is preparing her locks at the Soo for future sea traffic from the Lakes to the Atlantic, and has completed surveys for another 30-foot canal from Georgian Bay, on the north of Lake Huron, to the St. Lawrence River near Montreal.

There will undoubtedly be much commerce from the west coast of Canada through the Panama Canal to the American ports on the Gulf and Atlantic coasts, carrying freight in competition from the west ports of Canada to the American ports on the south and east. If we discriminate against Canada at the Panama Canal, Canada will claim the right to discriminate against us; and if Canada discriminates against us, every bushel of grain, iron ore, lumber, and other freight shipped east from the northwest section of the United States through Canadian canals will bear its share of the burden of that discrimination in payment of increased freight rates, and every acre of land in that section will be reduced in value. When the farmers of the Middle West begin to count the cost to themselves of free tolls to subsidized special interests they may not be over in love with the Representatives from that section who vote for free tolls at the Panama Canal, thereby causing such discrimination.

AMERICAN COASTWISE VESSELS NOT IN NEED OF FREE TOLLS.

President Wilson, on the 5th of February, 1914, in a letter written to William A. Marbury, of Baltimore, stated in part:

> With regard to the question of canal tolls my opinion is very clear. The exemption constitutes a very mistaken policy from every point of view.
>
> It is economically unjust. As a matter of fact, it benefits—for the present at any rate—only a monopoly.

Upon this subject President Wilson, in advocating the repeal of that part of the law which provides for free tolls to American coastwise vessels passing through the canal, said in part in his message to Congress, delivered in person on the 5th day of March, 1914:

> I have come to ask you for the repeal of that provision of the Panama Canal act of August 24, 1912, which exempts vessels engaged in the coastwise trade of the United States from the payment of tolls and to urge upon you the justice, wisdom, and the large policy of such a repeal with the utmost earnestness of which I am capable.
>
> In my own judgment, very fully considered and maturely formed, that exemption constitutes a mistaken economic policy from every point of view * * *. But I have not come to urge upon you my personal views. I have come to state to you a fact and situation * * *.

Under the laws of the United States vessels constructed, owned, and operated by American citizens are given a monopoly of our coastwise trade. The Panama Canal is considered as a part of the coast of the United States. Other vessels, both foreign and those operated by United States citizens in the foreign trade, are prohibited from engaging in the coastwise trade or any part of it. (Rev. Stat., 4347.)

Therefore the coastwise carrying corporations and vessels have an absolute monopoly of all the coastwise business, and the farmers of the country and all the business interests of the great Northwest will scarcely approve of a policy that will tax them still further to pay a subsidy to an already prosperous monopoly. Public attention can not be diverted by waving the flag and twisting the lion's tail, from the fact that when we deprive the Government of revenue with which to operate the canal, and give it to a monopoly that it will force the people to make up the difference by taxing themselves.

The canal will cost the people of the United States for operation, maintenance, protection, and interest on investment fully $25,000,000 a year. Free tolls to American coastwise vessels it is estimated will reduce freight rates by water from coast to coast from 25 to 50 per cent. A toll rate fixed at $1.20 per net registered ton will amount to only 40 or 60 cents for a cargo ton, or from 2 to 3 cents a hundred pounds. It is doubtful if any consumer residing within the coast zone, where there may be water and rail competition, will be able to buy any commodity one cent cheaper by reason of free tolls to coastwise vessels. On the other hand, it is certain that if our enormous coastwise tonnage were permitted to go through the canal free, the American people would make up the loss on the canal income by taxation.

We often hear expressions of regret that our merchant marine is so weak and inconspicuous upon the seas; but these remarks are not directed to that part of the merchant marine which is engaged in American coastwise traffic, but refers solely to that part of the American merchant marine which is engaged in foreign traffic. That part of our merchant marine really needs assistance, and if the proposition were to give free tolls at the Panama Canal to that part of the American merchant marine it might be justifiable.

Paying $400,000,000 to build the Panama Canal, and operating and defending it at the rate of $25,000,000 a year for all time, and then permitting the Shipping Trust, which now has a monopoly by law of the coastwise trade, to use it free of tolls, does not appeal to either the pocketbook, the wisdom, or the patriotism of my constituents. The average citizen feels that we have done enough when the Nation has put up the capital to construct a canal for the use of shipping interests that reduces the average voyage of the coast-to-coast trip about 8,000 miles, without having to pay the expense of conducting their ships through the canal. On the other hand, the shipping interests must have an insatiable appetite, after we have shortened the coastwise trip 8,000 miles on the average voyage, to ask the people to pay the expenses of conducting their vessels through the Panama Canal by the granting of free tolls.

SURRENDER OF SOVEREIGNTY.

When our opponents are argued into a corner on the wisdom of passing the pending repeal bill, their final resort is to denounce this bill as surrendering the sovereignty of the United States in part, over the Panama Canal. This contention does not even rise to the dignity of the weakest kind of argument. It is pure assertion, without foundation in fact or law. There is no dispute between this country or any other country about the right of all nations' vessels of commerce and of war to use the Panama Canal. The claim of Great Britain, however, extends a little further in that she claims by the Hay-Pauncefote treaty there shall be no discrimination in favor of any kind of American vessels, whether of commerce or war, as against the vessels of commerce or war of Great Britain or any other nation. Grant, for the sake of argument, that Great Britain's construction or interpretation of that treaty is correct, then all the right that she has in the Panama Canal is a right to insist that there shall be no discrimination in rates charged for the passage of the vessels of war and commerce of the world, including the United States, through that canal. If this be a surrender of a part of our sovereignty over the Canal Zone that is worth complaining about, then, indeed, we are in a sad plight; then, indeed, the American people have been blind all these years, for the President and their Senate have continually sanctioned from the foundation of our Government such part surrender of sovereignty. Not only that, but in the past history of our Nation we have induced other nations to surrender as great a part of their sovereignty to the United States.

Since the earliest history of our Nation, down through all the years to the present time, and now, we have granted, by international treaties, the right to ships of foreign nations to make use of the bays, ports, sounds, rivers, and waters of the United States upon the same terms as our own ships. The bottom of our rivers, the bottom of the oceans and Gulf to a distance of 3 miles from shore, and the waters submerging the same, and many of our bays and sounds are under the exclusive sovereignty of the United States, excepting as surrendered conditionally by treaty in giving the vessels of foreign nations the right to use such waters as ourselves, excepting in the coastwise trade. Under these treaties all foreign vessels have a right to enter our ports, anchor, load and unload, repair, equip, and do such other things as may be necessary for their successful and safe navigation. Our Nation enjoys like rights in the ports of other nations by virtue of treaties. If this be a surrender of sovereignty in part, then history proves that such surrenders have been of mutual benefit to all nations, including our own. It is utter nonsense to contend that the use of the Panama Canal on terms of equality by vessels of all nations, including our own, is a surrender of sovereignty in part. No British or

other flag will fly from the ramparts of the Canal Zone fortifications. The flag of Great Britain and of every other nation, on vessels passing through the canal will dip to the Stars and Stripes, and the Lion will bow to the Eagle.

If the United States has an entire and exclusive sovereignty over the Panama Canal Zone, why have we entered into an agreement with, and to pay as annual rental $250,000 to the Republic of Panama?

For these and other reasons, which time and space forbid me from presenting at this time, I shall stand, not only with the President, but for those national and domestic policies which will result in the greatest good to the greatest number of our citizens, by voting for this bill.

Panama Canal Tolls.

EXTENSION OF REMARKS
HON. HENRY BRUCKNER,

OF

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Monday, March 30, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. BRUCKNER. Mr. Speaker, it is about 350 years ago since the idea of a canal which would connect the two great oceans—the Atlantic and the Pacific—was first discussed. Ever since then until it became a reality idealists have dreamed while men of affairs and statesmen have labored to bring about its realization. All kinds of difficulties have been encountered. Financial in the first place, for to finance a project of this kind required immense sums of money, and after the money could be had, then came the political barriers, which have been such a stumbling block in the road which led to the final achievement. The United States and the Republic of Panama finally made a treaty which removed all the political and legal obstacles in the way of beginning this great work, which was to change the map of the world, and open a waterway by which all the water routes of the world were to receive benefits, and the wildest dreams of our forefathers were to be realized. Then the United States Government went at this enterprise only as Americans can. It is the work of the United States alone—no other nation has aided in its creation.

This, the greatest engineering feat of mankind, a work that will go down in history as a monument to American skill, enterprise, ingenuity, and pluck, is the $400,000,000 Panama Canal, paid for entirely by the American people. In a few months it will be opened to the world; vessels of commerce will pass through from the Atlantic to the Pacific. Experts declare that within a year after its opening 10,000,000 ton, net tonnage, will use the canal, and that about one-fourth of this tonnage is engaged in the American coastwise trade.

Under this new condition the Panama route will have almost absolute control of the traffic of the west coast of North and South America, with perhaps the extreme southern part of South America. The distance between New York on the east coast and San Francisco on the west coast of the United States by a water route will be shortened about 8,000 miles, while the distance between New York and Australia will be one-half the present routing. Thus the saving of time and money to those engaged in the world's commerce by the use of the Panama Canal can not be calculated.

Since the dawn of civilization the countries of the world have been fighting the battle for the control of commerce. The prosperity of a people or a country largely depends upon its commerce. The countries that have forged ahead and taken their places with the great powers of the world are those who have strained every nerve and fiber to develop and expand their trade.

Cheap transportation is the great secret that develops the trade of a nation. Unreasonable charges for transportation have often destroyed the commerce of a nation and placed it at a distinct disadvantage, so that it was on an unequal basis and unable to compete with those nations that have endeavored to place their rates at the very lowest.

The American merchant marine to-day is only a shadow of what it formerly was. Why? Because we are at a disadvantage. Our standard of tonnage is about 20 per cent higher than that of other countries. All the other countries of the world have a uniform standard which is lower than ours. If our vessels go into foreign ports, the port charges, based on the tonnage, are 20 per cent higher than all other competitors.

You may ask why not regulate our tonnage according to the port when our vessels are docking in foreign ports? This can not be done, for the reason that the charges are fixed according to the certificate issued by the Government under which the vessel is registered, and these charges must be paid accordingly. Hence you can readily see what a distinct disadvantage we are placed in.

Ninety-two per cent of our imports are brought to this country in vessels flying foreign flags. England's ships in the foreign trade more than outnumber ours 10 to 1. Did anyone in their wildest moments imagine that we built this canal for our foreign trade? Would it have been wise to go to this enormous expense for this trade? With our merchant marine reduced to almost nothing, could anyone think that we built this canal for anything but our coastwise trade, in which no other but an American vessel can engage? When we glory in American pluck, enterprise, and progressiveness, surely we have not our merchant marine in mind. How can we remedy this condition? How can we place the American flag on the high sea of commerce, to attain that proud position it occupied in years gone by? Why not let us begin at home, Mr. Speaker?

Of all the great questions that have come before the American Congress to be discussed and acted upon, I do not think there is one that has so engrossed the public mind as this great question of the Panama Canal tolls. In the office, factory, on the highways, and in the press it is the main topic.

I have read every line that is available on this all-important subject. I have listened attentively to the arguments for and against the exemption of our coastwise vessels from the payment of tolls, and my mind is clear on the subject. I shall vote against repeal and in favor of the exemption of American ships passing through the canal from the payment of tolls. I think that every American who has the interest of his country at heart should do likewise. The Panama Canal belongs to the people of the United States. It was built with their money and it will be maintained at their expense. It was built on their property, and the people of the United States are entitled to such benefits as should accrue from its ownership.

Having constructed the canal through our own territory at an enormous cost, and undertaken such a lasting burden, this country naturally assumed that as an attribute of ownership we were entitled to deal with it as we thought best, so far as its use pertained to our internal and domestic affairs. And so, having in mind the benefits that might accrue from such a course, Congress enacted legislation exempting from the payment of tolls on their passage through the canal American ships engaged in the coastwise trade.

You may raise the issue of violating treaty rights—which, I admit, is a very delicate question—but let me ask whether the condition concerning the treaty is any different to-day than it was in 1912, when this law was passed?

President Roosevelt, who was the Chief Executive of the Nation at the time the Hay-Pauncefote treaty was signed, does not interpret it as the men who are to-day advocating the repeal of this law; and his opinion on the matter is entitled to consideration in view of the fact that Mr. Hay was the Secretary of State in his cabinet at the time. He said:

> I believe that the position of the United States—as to the Panama Canal—is proper as regards this coastwise traffic. I think that this does not interfere with the rights of any other nation. No ships but our own can engage in coastwise traffic, so that there is no discrimination against other ships when we relieve the coastwise traffic from tolls. I believe that the only damage that would be done is to the Canadian Pacific Railway. * * * We are benefiting the whole world by our action at Panama, where every dollar of expense is paid by ourselves. In all history I do not believe you can find such great and expensive work as the Panama Canal, undertaken not by a private corporation, but by a nation, as generously put at the service of all mankind.

President Taft, in his message of August 18, 1912, written after the receipt of the first formal British protest against tolls exemption, after the passage of the bill by the House of Representatives, said:

> After full examination of the treaty and of the treaty which preceded it, I feel confident that the exemption of the coastwise vessels of the United States from tolls and the imposition of tolls on vessels of all nations engaged in the foreign trade is not a violation of the Hay-Pauncefote treaty.
>
> I am sure that it is not the intention of Congress to violate the Hay-Pauncefote treaty or to enact anything inconsistent with its provisions, and that it certainly is not its purpose to repeal, by subsequent enactment, the treaty in so far as it represents the law of the land.

The cry has been raised by some that if we do not repeal this law the Shipping Trust will be the only beneficiary by the completion of the canal; that the Shipping Trust and the railroads are one combine.

But do not overlook the fact that section 2 of the existing canal law prohibits all trust and railroad owned, or controlled,

vessels from using the canal at all. If this law is enforced—and we must assume that it will be—how can the trusts and railroads benefit by free tolls? What better way could be devised to break up a shipping trust, so far as the coastwise trade is concerned? If no trust-owned ships could use the canal, how could the Shipping Trust benefit by it?

If this great canal was built, as has been stated upon the floor of this House, for the use of a private monopoly, then what a bunco game has been played on the American people.

What a pity that some one did not state that fact 12 years ago, when this great project was started, and we were providing for the expenditure of an unlimited sum of money on a great waterway to benefit a Shipping Trust.

To my mind, the one great object of the canal was to secure competition with the railroads; and now, after 10 years of hard work, worry, and sacrifice, we are told by those who favor repeal that there is to be no competition.

It is claimed by the proponents of this bill that even if we do give free tolls to our own coastwise ships the people will not get the benefit. They shout loudly against the Shipping Trust.

To talk about a Shipping Trust upon a transportation route that is free to all our ships is ridiculous. You might as well talk about an automobile trust on the highways of the country. There has been no Shipping Trust on the Great Lakes, the Sault Ste. Marie Canal, nor upon our great rivers. Why, then, should there be one on the Panama Canal? The freer it is the surer it is that no such trust can ever be maintained, as it is less liable to create a monopoly.

An instance that shows how we have been trying to build a merchant marine is the clause that this Congress put in the present tariff law, a provision giving a 5 per cent rebate on the duty imposed on foreign goods when such goods are carried in American bottoms. The ships engaged in our coastwise trade are not in competition with the ships of other nations. Our coastwise traffic is limited to American ships. The vessels of no other nation can engage in this trade. It is ours alone.

A vessel taking on a cargo at New York and sailing for San Francisco, or vice versa, whether that ship goes by the way of Cape Horn or through the canal, is engaged in domestic commerce just as much as if the same cargo was loaded on freight cars at New York and carried across the continent by one of the transcontinental lines.

What is the treatment that the ships of the world receive at the Suez Canal, which is owned by a stock company and practically controlled by Great Britain? This canal was opened in 1869 and is about 100 miles long, requiring about 17 hours to pass through it.

The Panama Canal is a little over 50 miles long, and it takes about 12 hours to pass through it. The Suez is about 28 feet deep, while the Panama is about 40 feet deep.

In 1910 the stock of the Suez Canal paid a dividend of about 30 per cent. The tolls on the canal are $1.30 per net ton on ships with cargo, while that of the Panama Canal will be $1.20 per net ton.

Up to 1910 the expenditures of the Suez Canal amounted to about $127,000,000; the Panama Canal cost $400,000,000. We give better service, passing a ship through in less than 12 hours as compared with nearly 18 hours to pass through the Suez Canal.

Surely no country in the world can complain of the charges, and all must admit that they are much cheaper than those of the Suez.

Free tolls is a doctrine of the Democratic Party, because it was believed that it would make food cheaper and otherwise benefit consumers by cheapening the rates of transportation between the Pacific coast and the Atlantic seaboard.

One of the primary objects in building the canal was to develop water competition with the transcontinental railways.

If a vessel of 5,000 tons burden, bringing food supplies from southern California to New York, is charged $6,000 tolls in going through the canal, that $6,000 will not only be added to the price of every ton of food but a ratable addition will be made to the price of every ton of food transported by the railroads across the continent, because the water rate will be fixed by the land rate.

It has been claimed that if we do not repeal section 5 of this act we will be charged with not keeping faith with the nations of the world.

Who has ever questioned the honor or integrity of the United States? Is there an act of the past that can be questioned? Why question our honor now?

Because we do not see things as some would like to have us see them, is that breaking faith?

I am in receipt of resolutions from civic organizations in my congressional district on this question which I beg to insert as a part of my remarks:

The North Side Board of Trade of the City of New York, which is the chamber of commerce of the borough and the county of The Bronx, with a membership of 625, representing the commercial interests of 600,000 people, at a regular meeting held in their building at Third Avenue and East One hundred and thirty-seventh Street, on the 25th day of March, 1914, adopted the following resolutions:

BOROUGH OF THE BRONX, N. Y., *March 26, 1914.*

At a regular monthly meeting of the North Side Board of Trade held on Wednesday evening, March 25, 1914, the following resolution was adopted, and the secretary authorized to send you copy of same:

"Whereas the question of tolls for American vessels is now before Congress:

"*Resolved*, That the North Side Board of Trade favors the exemption of American coastwise vessels from such tolls on the Panama Canal when going to or between American ports; and be it further

"*Resolved*, That a copy of this resolution be forwarded to our Representatives in Congress at Washington, D. C."

Yours, very truly,

[SEAL.] CHARLES E. REID, *Secretary.*

Resolutions unanimously adopted at a regular monthly meeting of the Bronx County Property Owners' Association (Inc.), at their headquarters in the Courtlandt Casino, No. 597 Courtlandt Avenue, Borough of the Bronx, New York City:

Whereas the Panama Canal has been built solely with American money and by American mechanical and engineering genius through territory over which the United States exercises the rights and sovereignty; and

Whereas the exemption from the payment of tolls in said canal of American vessels engaged in the coastwise trade does not discriminate against any foreign nation, because such nation can not engage in our coastwise trade; and

Whereas such exemption violates no treaty, but, on the contrary, is a measure tending to the upbuilding of our seaports, our commerce, our naval power, and our national strength: Therefore be it

Resolved, That the Bronx County Property Owners' Association (Inc.) hereby protests against the repeal of said exemption, commends and thanks Congressmen JOSEPH A. GOULDEN and HENRY BRUCKNER for their votes cast against the repeal of said exemption, and respectfully urges the Hon. ELIHU ROOT and the Hon. JAMES A. O'GORMAN, Senators in Congress from New York State, to vote against said repeal when the question comes before the Senate. And be it further

Resolved, That a copy of this resolution be forwarded to Hon. JOSEPH A. GOULDEN, Hon. HENRY BRUCKNER, Representatives in Congress, and to Hon. ELIHU ROOT and Hon. JAMES A. O'GORMAN, Senators from New York State.

A true copy.

Attest:

[SEAL.] H. B. TENET, *Secretary.*

Die Vereinigte Deutsche Gesellschaften der Stadt New York, an organization in the city of New York composed of 110 societies and a membership of 11,000, at a meeting of its executive board passed resolutions, a copy of which was sent me with a letter from the president:

NEW YORK, *March 28, 1914.*

Hon. HENRY BRUCKNER, M. C.,
Washington, D. C.

MY DEAR CONGRESSMAN: I was gratified to see you recorded against the "gag" rule, which I consider the second blunder committed by the President and his advisers.

I beg to inclose a copy of resolutions passed by the above-named organization by a vote of 66 to 3. This organization is composed of 110 societies, with a membership of 11,000. Although most of the delegates present are German-born citizens and were informed that Germany was not in favor of free tolls and would benefit by the repeal, they almost unanimously supported the American position in this vital question.

I trust you will be found upholding the Democratic position; and as a Democrat who has never voted any other ticket, I would urge you to use your personal efforts to defeat the attempt to repeal free tolls, because I consider such free tolls fraught with danger to the Democratic Party.

If free tolls are repealed, it is not unreasonable to prophesy that President Roosevelt will welcome it as an issue upon which to go before the people in the November elections. With an election cry that the Democratic Party had surrendered American rights to Great Britain, Mr. Roosevelt would crystallize the outspoken and the latent position to England in every part of this country and sweep the Democratic Party from power. I can say for myself that I would support him in this fight and for the first time forsake the Democratic Party, and I am not saying too much when I declare that thousands would follow my lead.

This would be deplorable, but it is better to have a party turned out of power than a country losing its self-respect and surrender its rights to a foreign nation. With best wishes.

Sincerely, yours,

A. G. KOELBLE.

Whereas the Panama Canal has been built by Americans with $400,000,000 of American money upon American soil and is therefore an American waterway, through which American vessels engaged in domestic trade should be as free from tolls as are any other American ships using any other American inland waterway; and

Whereas the right of American coastwise ships to free tolls has been upheld by Roosevelt and Taft, Republican Presidents; by two Senates and three Congresses; by Olney, Democratic, and Knox, Republican, Secretary of State; by the United States Supreme Court; by high American authorities; and even by a note of the British legation in 1912; and

Whereas Congress in 1912 exempted American coastwise ships from tolls and the three great political parties and 13,000,000 voters approved such exemption; and

Whereas Hon. Woodrow Wilson, as a candidate for President, standing upon the Democratic platform and individually, pledged himself to free tolls; and

Whereas the British Government alone protested against such exemption, the country which has violated every treaty it ever had with America or any other nation, and whose interpretation of any treaty should, in the light of history, be viewed with distrust and suspicion:

Resolved, That while we do not question the good faith of our President, we, as American citizens, declare for an American and against a British interpretation of the Hay-Pauncefote treaty.

Resolved, That we call upon the President of the United States to withdraw his appeal to Congress to repeal the free-tolls provision and afford the people of this country, who unanimously declared in favor of the American interpretation of the Hay-Pauncefote treaty, an opportunity at the November elections either to reverse themselves or redeclare their approval of the American interpretation of the Hay-Pauncefote treaty.

Resolved, That in any event we call upon all the Members of Congress, and specifically upon those of the State of New York, to uphold the American interpretation of that treaty and so prevent a misguided though well-meaning President from inflicting a loss to national dignity upon this country and from surrendering American rights to our traditional British enemy.

It is claimed that the national honor is at stake, and I grant you that it is, but not along the lines laid down by the most vociferous shouters for the national honor. It is just the opposite, for the national honor can only be degraded by a surrender of American rights and not by a manly adherence to the principles and policies which have up to this time governed this country in her dealings with foreign nations, to permit no meddling with our purely domestic affairs. American commerce, American agriculture, American manufactures, and, above all, American honor, demands a stubborn and unyielding opposition to this or any other attempt to coerce us by outside pressure.

I am as jealous of the honor of my country as any man on this floor, and do not yield to any man in my loyalty and devotion to the Stars and Stripes. I will do my duty as I see the right, which compels me to differ with some of my party. I will vote against repeal and in favor of allowing vessels in the American coastwise trade to pass through the canal free of tolls.

Un-American Surrender of Our Panama Canal Rights.

EXTENSION OF REMARKS

OF

HON. ALBERT JOHNSON,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. JOHNSON of Washington. Mr. Speaker, in the permission granted me to extend my remarks I desire to present 10 concisely stated reasons why Congress should not forever surrender at Great Britain's demand our Panama Canal. These reasons are added as an appendix. I desire to call especial attention to the great patriotic speeches made to-day by Speaker CHAMP CLARK and by the Republican floor leader, Hon. JAMES R. MANN, against this un-American surrender. I desire to say that if any of my constituents desiring to read in full the speeches of these two able statesmen will write to me, I will see that copies of both speeches are mailed to them.

Mr. Speaker, in this time of stress and storm and disputation over the question of what the Hay-Pauncefote treaty means and does not mean it is in order to consider what John Hay thought it meant.

It will be recalled at the time of the Hay-Pauncefote negotiations that Mr. Hay submitted a treaty which the Senate rejected. Then a second treaty was negotiated and presented to the Senate for ratification. It is the present much-mooted treaty.

STATEMENTS OF SECRETARY HAY.

In submitting it to the Senate Mr. Hay said:

In the new draft of treaty the provision superseding the Clayton-Bulwer treaty as a whole was made the subject of an independent article and presented as the first article of the treaty.

And as to management, control, and defense Mr. Hay, in a memorandum to the Senate Foreign Relations Committee, said:

The whole theory of the treaty is that the canal is to be an entirely American canal. The enormous cost of constructing it is to be borne by the United States alone. When constructed it is exclusively the property of the United States and is to be managed and controlled and defended by it.

And as to American responsibility:

The United States alone, as the sole owner of the canal, as a purely American enterprise, adopts and prescribes the rules by which the use of the canal shall be regulated and assumes the entire responsibility and burden of enforcing, without the assistance of Great Britain or of any other nation, its absolute neutrality.

STATEMENT OF SECRETARY OLNEY.

Hon. Richard Olney, formerly Secretary of State, in a paper read before the American Society of International Law, April 25, 1913. After quoting the clause which promises that the canal shall be open on equal terms to the vessels of all nations observing these rules, Mr. Olney says:

The words under construction are, in substance, the first of a set of six rules adopted by the United States as the basis of the neutralization of the canal.

But the other five certainly apply only to parties other than the United States, so that there is the strongest reason for holding that the first of them is to be given a like application.

And if the British construction be correct, instead of liberating the United States from all foreign control of the canal and from all duties to foreign powers in respect of its use—except not to discriminate between them—the Hay-Pauncefote treaty compels the United States to reverse its established policy and to devise a plan for subsidizing its own vessels in order that they may have such free and other use of the canal as the United States may decide to be demanded by United States interests.

BRITISH ADMIT OUR RIGHTS.

All should read the oft-quoted note of A. Mitchell Innes, of the British Embassy—

Admitting at that time our right to exempt the coastwise trade from the payment of tolls, but doubting our ability to frame regulations that would confine the benefits of the exemption to the coastwise trade.

OF MORE VALUE TO ALL OTHER NATIONS THAN TO UNITED STATES.

Mr. Speaker, the canal, if the administration's policy goes into effect, will be of infinitely more value to every other large nation in the world than it will be to the United States. Indeed, in many ways it will give foreign nations a larger advantage over this country than they now enjoy.

It will be of no practical value to our shipping in the foreign trade, for the very good reason that we have no such shipping and are not likely to have so long as it costs 50 per cent more to operate an American ship in the foreign trade than it does a foreign ship, and Congress refuses to do anything to compensate for that difference.

It will be of no value in our domestic trade, because that trade is to be deliberately handicapped for the benefit of foreign countries. The imposition of tolls upon American coastwise shipping will add little to the revenues of the canal, because the tolls imposed will operate to keep American coastwise shipping out of the trade.

In November, 1913—

Says Robert Dollar—

three great lines sailed from San Francisco on the same day. One of them was a Pacific Mail ship. One was a Spreckel's ship. These two were American. The other was a ship of a Japanese line, which has a subsidy of a million and a quarter a year for carrying the Japanese mails. The two American ships beat the Japanese ship to Asia. But the Japanese vessel carried the United States mail. That company has the contract, given to it by the authorities at Washington. Congress gives away the mail contracts and tries to balance up the loss by offering a little 5 per cent discount under conditions which no shipowner can accept.

OUR FOREIGN COMMERCE DONE IN FOREIGN BOTTOMS.

Do Americans realize that foreign commerce of the United States for the fiscal year ended June 30, 1913, totaled in value $3,857,587,344, of which $3,431,470,423 was carried by sea, and of which American vessels carried less than 10 per cent—imports and exports of a value of but $323,451,565—leaving to foreign vessels the carrying of over 90 per cent, of a value of $3,109,018,858, and that your Government has expended for the building of this canal some four hundred and fifty million good American dollars?

For what purpose?

That the charity of this splendid Nation to foreign steamship interests may go on, increase, and multiply.

TEN REASONS WHY CONGRESS SHOULD NOT YIELD OUR PANAMA CANAL AT GREAT BRITAIN'S DEMAND.

First. If Congress repeals the act granting American domestic commerce free use of the Panama Canal, the only power in the world hampered and shackled as to the use of the canal will be our own country that alone built and owns the canal. Any foreign power may remit the tolls paid by its own ships. Spain has already decided to do so. England, Japan, and Germany pay enormous subsidies to their shipowners.

Second. The Clayton-Bulwer treaty has no bearing on the controversy. The Anglo-American canal contemplated in that treaty was never built, for the simple reason that England never fulfilled her part of the understanding. The Hay-Pauncefote treaty 51 years later superceded and abrogated the earlier treaty. The Panama Canal then became an exclusively Ameri-

can enterprise. The only reason for the Hay-Pauncefote treaty was the repeal of the older one.

Third. Article 2 of the new treaty says that the United States shall enjoy all the rights of ownership except as indicated in the treaty, shall enjoy exclusive control and power over the canal, and shall make all rules and establish the rates. This article is never quoted by the advocates of Great Britain's claims. But it is controlling. The next article (3) provides:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation in respect of the conditions or charges of traffic or otherwise. Such conditions and charges shall be just and equitable.

In other words, the United States adopts the rules, and it guarantees equality not with itself to all other nations, but equality of all the nations obeying its rules. The "discrimination" between the United States and other nations, i. e., the difference between the tenants and the landlord, is in the terms of the treaty itself.

Fourth. If the contention of Great Britain that it is not an American canal, but an Anglo-American canal, is true, then it must necessarily follow that the warships of the United States are upon exactly the same footing as the warships of Great Britain, because the treaty provides that "vessels of war of a belligerent shall not revictual nor take any stores in the canal." If it is true, the United States is at once reduced to the rank of mere gatekeeper and toll collector of the Panama Canal and is not its rightful owner.

Senator HENRY CABOT LODGE has stated that if such an interpretation as Great Britain now makes—supported by President Wilson—had been expressed at the time, he would never, as chairman of the Senate Committee on Foreign Relations, have reported the Hay-Pauncefote treaty to the Senate, and it could never have been adopted.

Fifth. Free tolls to our coast-to-coast shipping does not discriminate against foreign ships, because no foreign ships are permitted to engage in that trade. No foreign ship can clear from any American port with a cargo for any other American port.

Sixth. One of the primary objects in building the canal was to develop water competition with the transcontinental railroads.

Seventh. Great Britain has never interpreted her own treaties regarding equality of rates and port charges as she now seeks to compel the United States to interpret the Hay-Pauncefote treaty.

Eighth. The United States has always held that "vessels of a nation," or even "vessels," as used in treaties, by long-continued custom and acquiescence are universally accepted as not embracing vessels engaged in the coasting trade. See treaty between the United States and Denmark.

Ninth. The provisions of the treaty of 1815 have already been judicially interpreted by the Supreme Court of the United States. See opinion written by Justice White in Olsen *v.* Smith (195 U. S., 344.)

Tenth. Even as late as the Hay-Pauncefote treaty, in 1901, it was expected that an interoceanic canal would be built by private enterprise under the protection of the United States Government. A Wall Street syndicate, headed by Morgan, with Frederick Cromwell as counsel, was then organizing to do this work as a private enterprise. But private enterprise proved unequal to it. The United States Government took up the task. Instead of being a mere guardian of neutrality, the United States became itself the sole owner and sovereign of the soil over which this great waterway is built. By treaty and purchase the United States acquired the land and the 10-mile strip of territory across the Isthmus of Panama. Even if one did not approve the method by which that strip was acquired, it is today as much United States territory as is Alaska or Texas or the Gadsden strip.

WHAT THE PRESIDENTS HAVE SAID.

Concerning an isthmian canal, all of our Presidents of recent years have spoken. Gen. U. S. Grant's words were:

I commend an American canal, on American soil, to the American people.

President Hayes, in March, 1880, said:

The policy of this country is a canal under American control. The United States can not consent to surrender this control to any European power. It is the right and duty of the United States to assert and maintain such supervision and authority over any interoceanic canal across the Isthmus that connects North and South America as will protect our national interest.

President Harrison, referring to an Atlantic-Pacific waterway, said:

Our national policy, now more than ever, calls for its control by this Government.

President Roosevelt, in December, 1901, said to Congress:

In this treaty the old Clayton-Bulwer treaty * * * is abrogated. It (the new one) specifically provides that the United States alone shall do the work of building and assume the responsibility of safeguarding the canal, and shall regulate its neutral use by all nations on terms of equality without the guaranty or interference of any outside nation from any quarter.

In January, 1913, Col. Roosevelt said:

I believe that the position of the United States is proper as regards this coastwise traffic. I think that we have the right to free bona fide coastwise traffic from tolls. I think that this does not interfere with the rights of any other nation, because no ships but our own can engage in coastwise traffic, so that there is no discrimination against other ships when we relieve the coastwise traffic from tolls.

President Taft said, in December, 1912:

After full examination of the Hay-Pauncefote treaty and of the treaty which preceded it, I feel confident that the exemption of the coastwise vessels of the United States from tolls and the imposition to tolls on vessels of all nations engaged in the foreign trade is not a violation of the Hay-Pauncefote treaty.

In July, 1912, the Democratic national platform said:

We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal. We also favor legislation forbidding the use of the Panama Canal by ships owned or controlled by railroad carriers engaged in transportation competitive with the canal.

On August 15, 1912, Hon. Woodrow Wilson, governor of New Jersey and candidate for President, said to an audience of farmers at Washington Park, N. J.:

One of the great objects in cutting that great ditch across the Isthmus of Panama is to allow farmers who are near the Atlantic to ship to the Pacific by way of the Atlantic ports.

Now, at present there are no ships to do that, and one of the bills pending—passed, I believe, yesterday by the Senate as it had passed the House—provides for free tolls for American ships through that canal and prohibits any ship from passing through which is owned by any American railroad company. You see the object of that, don't you? We don't want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent.

On March 5, 1914, the same Woodrow Wilson, now President of the United States, appeared before a joint assembly of the two Houses of Congress with a short and sharp command to Congress to repeal the free-tolls clause of the Panama Canal act. His message was in part as follows:

I have come to ask you for the repeal of that provision of the Panama Canal act of August 24, 1912, which exempts vessels engaged in the coastwise trade of the United States from payment of tolls.

In my judgment, very fully considered and maturely formed, that exemption constitutes a mistaken economic policy from every point of view, and is, moreover, in plain contravention of the treaty with Great Britain concerning the canal concluded on November 18, 1901.

The Hay-Pauncefote treaty of 1901 says:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

Candidate Wilson in August, 1912, must have believed free tolls for American coastwise vessels were not in violation of that clause. The United States has paid out almost four hundred millions and will expend two hundred millions more, and such expense must in some way be equalized in order to have charges "just and equitable," as called for in the treaty.

WOULD VINDICATE AMERICAN DIPLOMACY.

I desire to quote from a newspaper report of the speech of Hon. FRANK E. DOREMUS, of Michigan, author of the repeal bill in the Sixty-second Congress, and at present chairman of the Democratic national congressional committee.

Mr. DOREMUS said that the Carnegie Peace Endowment, with a $500,000 income from Steel Trust bonds, "was most active in rescuing the national honor by promoting the repeal of the law that Great Britain had admitted we had a treaty right to enact.

"There are no doubt some estimable gentlemen connected with the Carnegie Peace Endowment," said Mr. DOREMUS, "but as an institution it does not justify its right to exist by antagonizing our own Government in an international controversy."

Mr. DOREMUS devoted considerable attention to the transcontinental railroads and the necessity of competing with them by water transportation through the canal. If tolls are paid at the canal, he argued, they will be but added to the freight rate paid by the American people. He disagreed that free tolls meant "subsidy."

"Our merchant marine in the foreign trade is very weak, and, if we accept the British interpretation of the Hay-Pauncefote treaty, it always will be," said Mr. DOREMUS, in conclusion. "While Great Britain will not hesitate, if occasion requires, to subsidize her ships using the canal by direct appropriations, our national prejudice against subsidies will prevent us from adopting that policy. If we can not grant free transit to our ships through the canal, its benefits will accrue to England and not to ourselves.

"I do not believe that by the treaty we bartered away to Great Britain the constitutional power of Congress over interstate commerce through the canal. If the American people had suspected that the treaty gave Great Britain equal rights with us in the Panama Canal, not a shovelful of dirt would have been turned on the Isthmus. I stand for a construction of the treaty that vindicates American diplomacy and safeguards our sovereign rights."

"CHANGING AMERICA."

LONDON, *March 30.*

Speaking on "Changing America" before a distinguished audience last night, S. K. Ratcliffe, an eminent English sociologist, warmly eulogized President Wilson, whom he characterized as a cultivated gentleman thoroughly steeped in English law, history, and politics, and "who at heart is an English whig."

On the immigration question, he declared "America is not a melting pot, but a pot of varnish. The one unmistakable product of immigration is a vast new proletariat living under conditions which repeat and intensify the industrial serfdom of Europe."

Rural Post Roads.

SPEECH

OF

HON. TIMOTHY T. ANSBERRY,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Friday, February 7, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 11686) to provide that the United States shall, in certain cases, aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads.

Mr. ANSBERRY. Mr. Chairman, the evolution of this great country of ours from feeble colonies in revolution against the mother country has been the marvel of the age. In the short space of 138 years we have traveled farther in most directions than all the nations of which history has preserved the record. It is true we have sat as humble learners at the feet of the civilization of Europe and we have imbibed much of value by reason thereof, but we have paid our tuition with interest in the new application of old ideas, so that all the countries of the world have been the gainers by the intercourse.

Our rapid growth, the pressing need of the absolute necessities for our individual and national wants kept us for most of our career very busy in providing these necessities, and indeed this is not to be wondered at, for it is but the repetition of the history of every new country, with the exception as first stated by me, that none have gotten out of their swaddling clothes in such a short period of time. It would seem that the subject under debate might be properly classified as a necessity, for good roads are necessary for that intercourse and communication between communities and individuals that makes for true progress, but our necessities of a more pressing character prevented us from making provision as a Nation until this day for national participation in road construction. There are those who maintained that it was not the province of the Federal Government to concern itself with the construction of good roads, and while they did not seriously maintain that the Federal Congress had not the right to provide for road construction by Federal legislation, still they argued that by reason of the fact that the railroads did most of the transporting of the mails that provision of the Constitution which authorized the Federal Government to provide for post roads had in effect been carried out and was being carried out by the construction and operation of railroads. This seemed to be a reasonable construction to place upon that section of the Constitution, but in view of the fact that we now have thousands of miles of State and county roads over which the mails are being transported, it would look as though we were coming back to a place where we could utilize that provision as it was intended to be utilized by the framers of the Constitution. It is said that we have over a million miles of Rural Delivery Service in this country, and more than 156,000 miles of star routes that would be affected by one of the sections of this bill, under the provisions of which the post roads of the United States are divided into three classes, and the amount of money that can be expended on these roads depends upon the state of their improvement. So that in a measure the States which heretofore have improved their roads will be granted a reward in getting the larger share of this $25,000,000 which this bill carries.

It is said that France, Germany, and other countries of Europe have the best roadways in the world, and anyone who has been over them or who has traveled much in France or in Germany will subscribe to this proposition. I have been over many of the roads in both France and Germany, and in traveling more than 2,500 miles by automobile I did not find a single stretch of roadway in either country that could be called bad. Of course, the difficulties which we have relative to good roads are not met with in France, because of our dual form of government; but Germany is a federation of States, with both imperial and local governments, so that this is not an insurmountable obstacle to the construction of good roads. In passing I want to suggest a thought that occurs to me as I recall the beautiful roads in Europe. It is the practice—at least in France—to plant shade trees on both sides of the road, so that in the heat of summer the wayfarer is protected from the rays of the sun, and these trees, when from age or because of storms have become uprooted, are carefully husbanded for their timber. We do not feel the pressing need of being economical with our wood timber in this country as yet, and I trust that we will be foresighted enough so that the need will never be pressing, and many thousand feet of wood timber can be utilized from the waste that would result from the timber which would grow along our roadsides if we were to borrow the French idea, to say nothing of the comfort that travelers would derive in journeying under the protection of their shade. Some one with a mind for mathematics has figured out that the cost of transporting a ton per mile over the roads of France and Germany from the farm to the market is about 12 cents per ton per mile; whereas in the United States, where on the average our roads are not highly improved, it costs the farmer to haul his products from the farm to the market about 28 cents per ton per mile.

Of course, statistics can be quoted to prove anything, but there can be no dispute but that the cost of transportation over the roads of France and Germany is considerably less than the cost for the same service in America; and when you come to consider that, at some stage or other, everything we eat and everything we wear is transported by wagon or some other vehicle over the roads between the farm and the market or the farm or the factory, it needs no philosopher to discover that good roads would greatly decrease the cost of living, and in doing so would not decrease the profit of the farmer or anyone else who stands between him and the ultimate consumer. This difference in cost now is but a dead loss, which benefits no one. However, there is no need to marshal facts to prove to anyone the economic value to the whole people of good roads. Everyone concedes this proposition, and, in view of the fact that they are constructed and paid for by the public, it seems that it is only a question of bookkeeping whether the Federal or the State Government should pay the cost of construction. But this bill provides that the roads already constructed by the State and other political subdivisions thereof shall participate in the distribution of the $25,000,000 provided for in this bill in proportion as their roads have been improved and as they are used by the National Government in the distribution of the mails. This may not be an ideal way to distribute this money. However, the bill has another section, under the provision of which State and National cooperation for the improvement and building of good roads can be effected. And this seems to be the desired end; that is, that both National and State governments shall participate in this good work. The Democratic Party has been in control of the Federal Government and responsible for legislation for a little more than 11 months, and during that time it has placed upon the statute books constructive legislation which should guarantee their possession of the Government for many years. The most notable legislation of this character, of course, is the tariff and currency legislation. The Alaskan railway bill should be included in this category, to say nothing of the half million dollars appropriated for the prevention and cure of hog cholera.

In addition to this legislation to which I have referred much other beneficial legislation has been enacted. And there can be no question but that this bill, whose aim is to produce cooperation between the State and Federal Governments in the construction of better roads for this great country of ours, to the end that we can transport ourselves and our products with the maximum of comfort and time at the minimum of cost, is entitled and will rank high as constructive legislation when the story of the achievements of the Democratic Party during this administration is being written. It will not do for gentlemen to say that this legislation is class legislation because it is wholly in the interest of the farmer, when every thoughtful person knows that the farmer is by no means the only beneficiary of this legislation. I have pointed out before that to the cost of everything we eat and everything we wear is added the cost of transportation from the place where it is raised to the place it is loaded aboard the cars or delivered to the market. It follows, of course, if we can materially decrease the cost of this transportation we will materially decrease the cost of these necessities to all who must purchase them, and that means, of course, practically to all of our people.

Because of these reasons I shall cast my vote for this bill, and in doing so I do not feel that I would be doing my full duty to the good people whom I have the honor to represent if I did not rise in my place and give expression to my views with reference to this bill. As I said before, I do not claim, neither do I think the men who framed this legislation think, that this is ideal or that it could not be improved upon; it is a departure, and from time to time this and succeeding Congresses can correct or add to this legislation. The point is that we have inaugurated a policy which commits the Federal Government to the expenditure of a part of its income on internal improvements beneficial to the whole people.

Spanish-American War Widows.

REMARKS

OF

HON. JOHN A. M. ADAIR,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, April 1, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 13044) to pension widows and minor children of any officer or enlisted man who served in the War with Spain or the Philippine insurrection.

Mr. ADAIR. Mr. Speaker, I have always favored a generous and liberal pension policy toward those who fight the battles of our country. On the floor of this House two years ago I had charge of the most liberal pension bill affecting the soldiers of the Civil War that was ever enacted into law in our Nation's history, and now I come to you asking that this bill granting pensions to the widows and minor children of soldiers of the Spanish-American War be placed upon our statute books in justice to the men who fought not for the protection of their homes, not for conquest, but for the cause of humanity the world over.

The bill under consideration provides a pension of $12 per month for a widow of a Spanish-American War soldier who served 90 days and was honorably discharged, provided such widow is without means of support other than her daily labor and without an actual net income not exceeding $250 per year. It also provides a pension of $2 per month for each minor child while under 16 years of age.

Mr. Speaker, our Government has been good and generous to the soldiers of the Civil War and their widows, now let us do our duty to those who fought the battles of the War with Spain. While the soldiers of the Civil War endured great hardships and suffered from all kinds of exposure, the soldiers of the Spanish-American War not only risked their lives in defense of their country, but were exposed in an extraordinary degree to suffering and death in fever-stricken swamps and foul miasmatic jungles of the Tropics. While not a great many were killed or wounded in battle, practically all returned with their constitutions undermined by diseases peculiar to the climates in which they served and will go through life physical wrecks. Although handicapped by broken health these brave boys will care for their wives and children while living, but when they are gone, it is the duty of the Government they served to care for their widows and children.

Mr. Speaker, we are a rich and powerful Nation. We can well afford to provide a liberal policy toward those who sacrifice home, health, and everything for our Nation's good. I am more than glad to vote liberal pensions for those who served in the Spanish-American War and just as glad to extend such benefits to the widows and children of such soldiers. It was the first time our soldiers ever served in the Tropics under climatic conditions unusual to them. They were paid no bounty or substitute money and were not drafted for service. To not provide pensions for the widows and children of these men would be an unjust discrimination and a disgrace to our Government.

Mr. Speaker, I am in hearty sympathy with the purposes and provisions of this bill. The men who served in the War with Spain are entitled to this consideration. Let us pass it without a dissenting vote and show the world that the American Nation is made up of a grateful people. Let us do this in behalf of as brave and patriotic a soldiery as ever lined up on the field of battle.

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. HORATIO C. CLAYPOOL,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914.

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. CLAYPOOL. Mr. Speaker, it is indeed true that men equally honest and possessing practically the same facts often, by different processes of reasoning, arrive at very different conclusions. But when, in addition to the different processes of reasoning just mentioned, we add different motives we make it practically impossible to arrive at an agreement.

Those who favor charging all who use the canal a reasonable toll defend their position, first, because we solemnly agreed in the Hay-Pauncefote treaty to do so, and second, because even aside from said agreement they believe as an economic proposition the American people, having invested in the canal $400,000,000 and will be called upon annually for $25,000,000 more for its maintenance, there is no plausible reason for permitting vessels the free use of it whether they belong to a Shipping Trust or a foreign nation.

All the talk about America "truckling" to England is simply "jingoism" run to seed, and is the assumed argument of those who can define no legitimate reason for robbing the American people for the benefit of special privilege and who desire to arouse national prejudices and thus conceal their true motives and gain a political advantage. Listening to the speeches of those jingoists one would suppose England had actually threatened to fire on American ships or fortifications, and that for the sake of peace President Wilson had hauled down the American flag.

But what are the facts? Instead of even suggesting war England has in the most friendly manner called attention to the written agreement between the two nations known as the Hay-Pauncefote treaty. They call attention to the provision of that written agreement wherein we join in saying the canal shall be open to the vessels of commerce and war of all nations observing certain rules on terms of entire equality. They go one step further and say if the words "terms of entire equality" need be construed, let us submit our cause to The Hague and let that decision be final. Why do we not submit our cause to an unbiased and disinterested court do you ask? Simply because the written words of our agreement with England, "terms of entire equality," admit of but one construction, and we find it more honorable to recede from our former position than to be ignominiously defeated in the court of nations.

Let any fair-minded American read clause 1 of article 3 of said written agreement between the United States and England and see what a reasonable construction of the language is. That clause is as follows:

That the canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or its subjects, in respect of the conditions and charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

Can we misinterpret the language used in our written agreement with England? Could the "terms of entire equality" be more concise? Dare we contend that to permit coastwise American vessels go free while charging all others toll is complying with the above agreement? Those who contend for the exemption dare not face these facts, and as a subterfuge shout in thunder tones, "We are taking down our flag to England." Dare they face any American audience with such a pretense of argument? When the advocates of free tolls declare the canal is ours and we have a right to do what we please with it they overlook the fact that the canal was not built on American soil but on foreign land acquired for the express purpose of building a canal thereon and accepted with certain express restrictions. For illustration, when we acquired said property rights we agreed with Panama as follows: The canal, when constructed, shall be open upon terms provided in the Hay-Pauncefote treaty. Again agreeing in express terms that its use by all nations shall be upon terms of entire equality.

I wish to call your attention to one further fact which seems to be overlooked in the heat of argument. The ground upon

which the canal is built, as well as the canal itself, has been paid for by the American people. But are these vessels, for which some are now asking the free use of the canal, the property of the American people? Not by any means. They are the property of speculators who do business for profit and charge for freight all that competition will justify.

But there is one other feature to which I must call your attention. By the Hay-Pauncefote treaty, which is simply a written agreement between the United States and England, the American people, as a nation, were not obliged to take the money out of the Treasury with which to build the canal. They had several options. One was that our Government might permit corporations to construct the canal. Suppose we had done so; would anyone contend that those corporations had a right to grant free use to some corporations and charge toll to others, thus plainly discriminating against some vessels while favoring others, in violation of the express terms of the agreement above quoted? And if these corporations had thus discriminated and the offended nation had complained, would those same jingoists have still shouted, "We are truckling to England"? But suppose it were Holland that complained; you would not have heard one word from those same advocates of free toll. Not at all. But as a political proposition it looks good to raise a shout against England, just as schoolboys do after reading an account of Lexington and Bunker Hill, except for a very different purpose. In this matter they are hoping to divert the attention of the American people from the Shipping Trust while they favor them with free tolls and gain a political advantage on the other hand by arousing American hatred against England, and thus obtain votes.

And, again, it is contended that the American marine needs the encouragement of free tolls. Let me call your attention to the further fact that none are permitted to engage in coastwise trade but our American ships, thus giving them an absolute monopoly of the very trade in question. Then shall we give them a further advantage of free tolls which amounts, in fact, to a ship subsidy? And when, I ask you, did the Democratic Party ever indorse ship subsidies?

But there is another phase of this question which lies close to the American people. Through their agents they have invested $400,000,000 in the Panama Canal. They anticipate being called on annually for an additional amount to maintain and operate it. It is estimated that these vessels now asking exemption, if required to pay toll will be called on annually for about three millions, for the canal must be maintained and operated. Now, this three millions must be collected either from the vessels engaged in coastwise trade or from the American people. Now, let me put the question squarely to you: Who should pay this three millions now being considered—the Shipping Trust, who use the canal and collect the profits of their enormous business, and who by use of the canal are saved thousands of miles by avoiding the Cape Horn route, or the American people, who have already made an enormous investment, and who will be called on to pay the freight bills, and whose savings derived from the canal will be so small as never to be perceptible? Answer that question for yourselves and you will forget the cheap declarations of war against England made by some wordy politician who quietly visits a battle field long after the war is over and reads the names of the fallen heroes inscribed on the monuments. If we were to propose to build a transcontinental railroad from New York to San Francisco, and after completing it at a cost to the American people of $400,000,000 say to some railroad magnates, "Place your rolling stock on our road and use it free of charge, and, in addition, we will keep the road in good repair," how many American people would indorse that proposition? But no doubt some "spellbinder" would insist that all this is necessary in order that an American company may successfully compete with a Canadian railroad which parallels our proposed road from the Atlantic to the Pacific. In all these propositions the fellow who works with his hands six days in the week and who is seldom thought of pays most of the freight. But in this Panama deal let us be fair to him and insist that the great steamship lines pay their small portion, at least, and not evade the real issue by indulging in an imaginary war with England, who has not even frowned, but quietly stood upon her rights, as recorded in our written obligation, of which there can be no dispute.

But, Mr. Speaker, it has for long years been extremely popular in legislative circles to raise a hue and cry against railroads. Those who assume the guardianship of the interests of the Coastwise Shipping Trust first resort to a mimic war with, and surrender to, England. But lest they fail in this subterfuge they couple with it a secondary war against railroads. They feel morally certain that if they fail in the war cry against England they will be at least able to draw public attention to their pretended war against railroads long enough to allow the Shipping Trust to steal from the people's pockets $3,000,000 annually for all time in the free use of the Panama Canal, which all the American citizenship has built and paid for.

Mr. Speaker, I represent the eleventh district of Ohio. We are situated 500 miles from the Atlantic seaboard and more than 2,000 miles from the Pacific. Our congressional district has practically one million of hard-earned money to-day invested in the Panama Canal, enough money which, if properly spent, would have given us one of the best public-road systems in the world. We are not complaining that you have taken this money away from us and invested it 2,000 miles to the south, but you must pardon our frowns when you threaten to turn over our investment to the free use of those engaged in a Shipping Trust who attempt to attract our attention by their cries of war on England and the railroads while they rob the American people.

Panama Canal Tolls.

EXTENSION OF REMARKS
OF
HON. WILLIAM R. GREEN,
OF IOWA,

IN THE HOUSE OF REPRESENTATIVES,
Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. GREEN of Iowa. Mr. Speaker, when the proposition to make the Panama Canal free of tolls was first submitted to this House I voted against it and I have heard nothing in this discussion which leads me to change the views which I then entertained. At that time the subject was not befogged by false issues, by appeals to prejudice and passion, and by considerations of political advantage. While free tolls were then adopted, no one heard or thought that if they had been refused that the sovereignty of the canal was involved, or our right to fortify it, and in case of war against our country to maintain belligerent rights therein could in any way be affected.

But I shall not stop now to consider why on this occasion new questions have been raised where no doubt before existed, and new difficulties found which the most discerning could not see before. I shall content myself with setting forth the real issues joined, which are so simple and plain that he who runs may read, if his attention is not distracted by scare heads in relation to matters as to which there never has been any question or which have long since been settled.

There are two, and only two, questions involved in this bill before the House to repeal the provision in exempting our coastwise vessels from canal tolls. These questions are:

First. Is this exemption economically wise and proper?

Second. Is the exemption permissible under our treaty with Great Britain?

As to the first proposition, I have yet to meet a person outside of the regions which it is thought would be benefited by this subsidy who claimed it was economically wise or defensible in practice. Does the distinguished gentleman from Illinois [Mr. MANN], who has so ably presented the arguments against the bill, claim that free tolls as an independent proposition is justifiable? No. Does our distinguished Speaker make any such claim? No. He says that the bill repudiates the Democratic platform, a matter which has no bearing on my vote. I might go through the list of the prominent advocates of free tolls and, save and excepting those from the coast States, not one has ever attempted to justify the proposition standing by itself. Their arguments are on other grounds, which I shall consider later. Nor is it strange. Our American vessels are given the sole privilege of carrying on the coastwise trade. The law forbids foreigners to engage in it. This law, in effect, makes this trade a highly subsidized monopoly; but those concerned in it have not been satisfied with the special privileges thereby granted them. The steamship lines concerned in it are not under the control of the Interstate Commerce Commission, and fix rates at their will. The testimony taken before the committees of this House shows without controversy that our coastwise trade is in the hands of a combination the members of which neither compete with each other nor with the railroads, but cheerfully, everywhere and upon all occasions, pile on all

the charges which the traffic will bear. I respectfully submit that it requires an amount of gall and nerve, found only in circles where this kind of business is thought legitimate, to ask that the people of Iowa be taxed to add to the swollen fortunes of the owners of this shipping. The most imaginative and flamboyant supporter of this subsidy can not conceive how Iowa would receive a grain of benefit from this exemption. If anything, it would have a tendency to raise our railroad rates. The railroads will, in any event, lose all the slow freight from coast to coast.

The great transcontinental lines that cross our State must make up for this loss in some direction. They have this traffic at present and it adds largely to their business and revenues, yet they are insisting that they ought to be permitted to raise their rates, and if the reports are correct the Interstate Commerce Commission seems inclined to agree with them. We knew all this when we provided for the building of the canal, but Iowa did not hesitate. Her Congressmen voted the $400,000,000 necessary to construct it, of which the share of my State is many millions. The canal will not begin to pay interest and expenses connected with it, even if all pay tolls. Iowa must help make up the shortage. Is not this enough? We have given the coast cities millions for their harbors and added millions for the rivers of the coast States, while we in Iowa have been getting nothing worth mentioning, and still they come for more.

In reality there is no reason to expect that the shipping monopoly will lower its rate one cent below a point necessary to take the heavy freight from the railroads, and it will be able to do this easily and pay tolls. The remission of tolls will benefit no one and simply enable the combination to secure an extra profit of $2,000,000 annually, which is the amount generally estimated as due from them if they paid the same rates as others. If it were proposed in this House to grant the owners of these lines an annual subsidy of $2,000,000, how many votes could it obtain? Very few, I imagine, and I do not believe that such a proposition would be supported by a solitary voter among my constituents; yet there is not the slightest difference in effect, either as to the shipowners or the United States Treasury, between the proposition to grant them a subsidy of $2,000,000 and the provision for the remission of canal tolls. I am not in favor of such a subsidy and can not cast my vote for it.

While the economical conditions that I have set forth are sufficient in themselves to cause me to support the present bill, I shall briefly refer to the provision of the treaty which applies to the subject under consideration. Article 3, section 1, of the treaty is as follows:

> The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

I have not the time to enter into a full discussion of this section in its legal phases and shall not undertake to present them. I can only say that the words "entire equality" have always seemed to me to admit of but one meaning, and my study of the question in all its bearings as a lawyer has only served to confirm my view that this language meant what it said. I shall, however, refer to one matter which, in my judgment, determines what construction we ought to put upon the treaty in order that it may be said that we make no demands upon other nations which we would not ourselves concede. We have had for many years a treaty with Great Britain relative to the canals and channels of the Great Lakes. In that treaty Great Britain granted to the United States the use of the Canadian canals on "terms of equality" just as the United States by this treaty granted to Great Britain the use of the Panama Canal, and in the same words. Great Britain and Canada at first contended that this provision did not apply to their coastwise trade, but we insisted that these words included all vessels no matter in what trade they were engaged, and after some years of contention we finally obtained the concession which we had demanded. The canals to which these words applied were built upon Canadian soil with Canadian money. In every way the circumstances were similar. Shall we now, after having made this demand and obtained by virtue of the construction which we ourselves put upon these words a most important concession—far more important than anything now involved—shall we now say that the language in the treaty means one thing when it is in our favor and the opposite when it is against us? Do any of us do business in this manner personally and can any nation survive that will thus conduct its foreign relations? What name would be applied to the private individual who conducted his business in this way and what name do we deserve if we so conduct our transactions with other nations?

It ought to be understood in this connection that the treaty rights which we have in the Canadian canals have been of immense value to the Middle West by reducing the rates on grain, and that with the completion of the Georgian Canal, connecting Lake Huron with Lake Ontario—a canal which will carry more traffic by far than will ever move over the Panama Canal—still greater benefits will be received. Inevitably, if we deny British vessels an equality in the Panama Canal, we must expect similar treatment on the Canadian canals, to the great loss of a section which has paid so much toward the construction of the Panama Canal without any possibility of receiving any benefit therefrom.

It has been asserted that the questions involved in this repeal are far-reaching and of highest importance. I agree, because I believe that nothing is of greater importance than national honor; but I am at a loss to understand how the right to grant a subsidy to the interest now most favored of all in this country can be for a moment weighed in the balance against our reputation for consistency, integrity, and fair dealing. What is this great privilege that we are to give up and this wonderful concession that we are to make, as some would have us believe? We are merely depriving ourselves, if you consider it a deprivation, of the privilege of making a donation of $2,000,000 to an odious monopoly, and for this privilege gentlemen say, bombastically, they are willing to go to war, if need be, with any nation. This is too much. There will be no war, as everyone knows. There is no occasion for hurling defiance at anybody. We are in no more danger of war with Great Britain over this matter than we are with the inhabitants of Mars, and everyone knows it. Great Britain has never intimated anything of that kind. There would not be the difference to England in a decade that a day's war would cost. It required some courage when we were a young and struggling Republic to defy the greatest power of Europe, but now that our riches and resources, in money and men, exceed that of any other nation, it is the part of a braggart and bully to talk about defying nations which merely peaceably protest against what they believe to be a violation of their rights

I know there are some who say that we are yielding up the sovereignty and control of the canal by this repeal. If these statements were not made by some gentlemen high in position and place, they would not receive a particle of attention. If there is anything that is settled internationally, it is that we have both in right and in fact the sovereignty and control of Panama. Nobody has ever questioned it, unless it be these gentlemen who are now making such suggestions. The only other party to our contract, Great Britain, has expressly admitted it, and we have settled the proposition forever by fortifying the canal and announcing that we would defend it, while not a voice in the wide world has been raised in protest, nor is our right to so do disputed. It might as well be said that we are in danger of losing New York Harbor because British vessels are granted certain privileges therein. It is true that our sovereignty over New York Harbor was conceded by England more than a century ago, and in this respect it has precedence of our control of the Canal Zone, but this is the only advantage. Let me ask these gentlemen who say that by conceding to England equal privileges as to canal tolls at Panama we will lose the sovereignty and control of the canal to say whether, when Canada conceded us the right of equal tolls in the "Soo," St. Lawrence, and Welland Canals—built, as I have said, on Canadian soil and with Canadian money—she thereby yielded to us the sovereignty and control of these canals? To this inquiry I invite the prayerful consideration of gentlemen who have been making these amazing declarations, for I do not expect an answer.

It is said that if we put upon the treaty a construction forbidding free tolls that we must also concede that the other provisions of the treaty would prevent our Navy, in case of war with any other power, from using the canal for belligerent purposes; but such a claim ignores a fundamental of international law that treaties are abrogated in case of war. It would be as reasonable to say that because we have a treaty with England admitting British ships to our ports under certain conditions, that in case of war with that power we were still bound to admit them. The rule of international law is settled beyond controversy as to this point. It is that in case of war treaties are abrogated between the powers at war, and of necessity this rule would apply to any nation claiming a right under a treaty whether or not it was a contracting party. On this question there never can be any dispute among lawyers. And here again the only party with whom we have any contract has conceded and fully admitted our belligerent rights in the canal in case of war with any other power; and like the claim of loss of sovereignty, the suggestion that we might lose our belligerent rights

in the canal in case of war comes singularly enough from gentlemen of this House. No foreigner of any standing has ever asserted it.

I voted against the rule which cut off debate upon the bill and forbade any amendments to be offered, because I believe that a full and free discussion ought to be permitted and that amendments should be allowed.

As the matter stands, the only change that can be made is through a motion to recommit, and only one motion of that kind is permitted. I am informed that such a motion will be made, but I have been unable to learn what form it will take. I will gladly vote to add to the bill a declaration that our present action is not to be taken as a construction of the treaty, and that any difference as to tolls upon the coastwise trade should be submitted to arbitration, because I admit that there is room for argument as to how the treaty should be construed, although satisfied that it is a mistaken policy to grant this subsidy. I will not, however, vote to make a declaration that we have the sovereignty and control of the canal. The publication of such a statement would be to admit that there had been some question or dispute as to our rights in this respect. I do not admit this, but deny it. That we have the complete sovereignty and control over the canal, subject only to our treaty obligations, I am certain, and no one has ever disputed our right thereto. If our sovereignty and control is to be questioned, it will remain for the gentlemen who introduced such a motion containing this declaration to question it for the first time. I am aware that a partisan advantage might be derived by supporting such a proposition, but I will not subordinate my principles to party profit, or endanger the honor and sovereignty of my country by making an assertion of a power in a manner which makes it seem that there are some who doubted or disputed it.

The matter before us is one upon which it is easy to excite passion and stir up feeling by appeals to old prejudices. My vote may not be a popular one, but it involves the duties and principles of myself as a Congressman and of our people as a nation, and upon such a question I can not hesitate or falter.

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. AUGUSTUS P. GARDNER,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, March 30, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

THE QUESTION IN A NUTSHELL.

Mr. GARDNER. Mr. Speaker, two years ago we passed a law which provided that all foreign vessels and all American vessels engaged in the foreign trade must pay certain traffic charges called "tolls" when they journey through the Panama Canal. That law exempted American steamships in the coastwise trade from paying any tolls. In other words, we arranged it so that foreign steamships and ocean-going American steamships and the American taxpayer must pay the entire cost of maintaining and operating a canal, while our great, prosperous coastwise steamship lines get off scot free.

Now comes President Wilson and says that the arrangement was a foolish one anyway. What is far more important, he declares that we never had a right to pass any such law, because it violates an agreement which we made with Great Britain. The agreement which we made with Great Britain before we began to dig the canal was called the Hay-Pauncefote treaty. This is the contract which we made:

Article 3, rule 1. The canal shall be free and open to the vessels of commerce and war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise.

It is hair splitting to say that the expression "all nations" in rule 1 does not include the United States. We made a bargain. We ought to live up to it. That is all there is to the business.

WHY NOT EXEMPT THE STEAMSHIP LINES FROM TAXATION?

When all is said and done our coastwise shipping is highly protected anyway. No foreign vessel is permitted by law to enter our coastwise trade. It is a thriving business. It does not need any more special favors and exemptions. I should just as quickly vote to relieve our coastwise steamships from their taxes as from their tolls. Why should not those great coastwise steamship companies pay their share toward the cost of maintaining and operating the Panama Canal, I should like to know?

What ails us? Are we afraid that some one will think us bought up by the railroads or toadying to England, or some rubbish of that sort?

IN THE NAME OF THE CONSUMER.

To be sure, it will cost the steamship companies 60 cents less to carry a ton of flour from San Francisco to New York if we are kind enough to operate the canal at the people's expense, without charging tolls to our coastwise trade. How much of that saving of 60 cents per ton do you suppose that the consumer will get after the steamship companies and all the middlemen have taken their shares?

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. LADISLAS LAZARO,

OF LOUISIANA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. LAZARO. Mr. Speaker, we all realize that the Panama Canal tolls question now before this Congress is one of great importance to the American people. Whether the exemption clause of the Panama Canal act violates the Hay-Pauncefote treaty or not, I shall not attempt to say that I know. I do know, however, that some of the greatest constitutional lawyers of this country are divided on the question.

The President of the United States told us in his message a few days ago that he had not come before us to inject his personal views, but had come as the representative of our people, to say to us that all the other nations of the world were unanimous in their interpretation of the treaty, and that is that the free-tolls clause is a violation of our treaty, and that the United States could not afford to ignore a world protest against what the world regards as a breach of our obligation; and he appealed to us to uphold his hands, so that in the future he would be in a position to go forward in his dealings with the nations of the world for the welfare and prosperity of our people.

Mr. Richard Olney, former Democratic Secretary of State, in a letter to Hon. ANDREW J. PETERS, Representative from Massachusetts, says:

I have your favor of the 25th instant, asking my views as to how a Representative in Congress should vote on the bill to repeal the free-tolls provision of the Panama Canal act.

If I were in your position, I am very certain I should feel that I ought to stand by the President.

The situation is peculiar. Here is a treaty unquestionably obscure and susceptible of two opposite interpretations, as conclusively shown by the conflicting views of two Presidents of the United States and by the irreconcilable differences of opinion among eminent lawyers, without regard to their political affiliations. Recognizing this situation, and though he might have proposed arbitration, the President, in effect, declares that the merits of the issue are immaterial, and that the repeal of the act which raises the issue is absolutely essential to our good standing with the great powers of the world and to the proper conduct of our foreign relations. He makes this declaration as President and as that branch of the National Government especially charged with our foreign relations, and takes the responsibility of assuring Congress and the country that, as compared with the results to be gained by repeal, all other matters involved are of slight account. Now, this declaration of the President must be accepted as made in good faith, with absolute sincerity, and with an intimate knowledge of foreign relations that Congress can not pretend to know. What else, therefore, is there to do but follow the President's lead upon a matter upon which he is entitled to lead, both by reason of superior acquaintance with the subject and because our frame of government requires him to lead? It must be borne in mind that for Congress not to support such an urgent appeal as the President has made in this instance is not merely to defeat a measure which may be, and which he deems to be, required both by the honor and the well-being of the Nation. It is to discredit him for the future, it is to weaken and prejudice him in his subsequent intercourse with foreign nations, it is to give them notice that he is rather a figurehead than a real factor in the National Government, and that dealings with him are hardly to be regarded as very serious affairs.

Other pertinent considerations leading to the same result might be mentioned, but in the precise situation now confronting Congress they may, I think, be safely passed over, because those already given ought to be regarded as decisive.

This is the first reason given why we should vote with the President; and I believe, with Mr. Olney, that weighty consideration should be given to the President's lead in this matter.

It is said by some that, in following the President, we violate the plank in the Democratic platform which declares for free tolls to American ships engaged in coastwise traffic. In reply to this, an overwhelming majority of the Democrats quote another plank of the same platform, which reads as follows:

We believe in fostering, by constitutional regulation of commerce, the growth of a merchant marine which shall develop and strengthen the commercial ties which bind us to our sister Republics of the south; but without imposing additional burdens upon the people, and without bounties or subsidies from the Public Treasury.

These two clauses—one opposing ship subsidy in clear terms, and the other favoring ship subsidy disguised and concealed in the cloak of free tolls—are inconsistent declarations. Both can not be given effect; one must stand and the other must fall.

And this brings us to the economic side of the question. While this is not a direct subsidy, nobody will deny that it is an indirect subsidy, pure and simple. It makes no difference whether payments are made from the Treasury of the people, or payments which are due the Treasury of the people are not collected; the result is the same upon the Treasury, the same upon the private interests to be benefited, and the same upon the taxpayers of the country; in principle and in fact they are the same. In other words, free tolls is a ship subsidy in disguise, and disguised in a way to secure the indorsement of what had always been condemned by our Democratic Party.

In considering this question let us not forget the fact that these so-called American ships do not belong to the American people, but that they belong to a few shipowners who constitute one of the most gigantic monopolies in the United States. Let me call your attention to the report made recently by Judge ALEXANDER, chairman of the Committee on Merchant Marine, of which I am a member, which shows that 94 per cent of all the Atlantic and Gulf coastwise shipping is owned directly by railroads or shipping combinations, and that this combination has eliminated all competition and controls our coastwise shipping absolutely. Some claim that if we let this monopoly pass their ships free of charge through the Panama Canal it will enable them to lower the transportation rates, and thereby bring competition against the transcontinental railroads, and in that way be of benefit to the people. But the only way to judge the future is by the past, and judging from the past, as shown by the recent investigation of the Shipping Trust, it is absurd to believe that this shipping monopoly would lower their freight rates as a result of free tolls, when we know that they work hand in hand with the railroads for their own selfish gains.

We spent $400,000,000 in the construction of the canal, and the interest on this debt will amount to ten millions every year. This interest charge will be added to an expenditure of ten millions more to maintain an army on the Isthmus, four millions for the operation of the canal, one million to maintain it, and $250,000 rent to the Government of Panama; and it is nothing but fair that all ships passing through the canal should pay tolls so as to make it self-supporting, and in that way reimburse the American people in a measure instead of being a continued additional burden on them for the benefit of the Shipping Trust. I see no reason why this monopoly operating coastwise ships should be given privileges that no other American can enjoy. It violates the old Democratic doctrine of "equal rights to all and special privileges to none."

When the Hay-Pauncefote treaty was before Congress for ratification, an amendment in the Senate exempting American coastwise vessels from tolls was defeated by a sweeping vote. Subsequently, under the Taft administration, the bill for the remission of tolls to such ships was passed. But when this Panama Canal act exempting these ships from the payment of tolls was passed in the Sixty-second Congress, a majority of the House Democrats voted against it. I propose to vote with the majority of Democrats in this House now to repeal it.

Panama Canal Tolls and the World's Peace.

EXTENSION OF REMARKS

OF

HON. CLEMENT BRUMBAUGH,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. BRUMBAUGH. Mr. Speaker, the Panama Canal tolls proposition, now under discussion before this House, furnishes the most difficult question with which this Congress has had to deal. I have had more difficulty in arriving at a conclusion as to how I should register my vote on this proposition than on any other question and, I might add, on all other questions combined that have come before the entire Sixty-third Congress.

MY FIRST IMPULSE.

My first impulse was to register my vote against the proposition. I suppose my German-Swiss-Irish combination naturally gave me this impulse; and I may add that if, after careful consideration of this entire subject and after hearing all that has been said both for and against this proposition, I thought for one moment that the United States was yielding to a demand of any foreign nation or yielding any of our national sovereignty over the canal, I would not hesitate to vote against this proposition, regardless of our President's request notwithstanding, much as I respect his judgment and believe in his patriotism and much as I naturally should hate to take such a course. Furthermore, no one who knows of my effort in the past in the Ohio Legislature in behalf of the Boer Republic or my position in regard to home rule for Ireland will accuse me of truckling to British demands.

MUCH MISLEADING JINGO TALK.

Mr. Speaker, there has been much misleading jingo talk in this debate. Every candid man in the United States will realize that the most of it has been put forth for political effect. It is singular, indeed, that the most rancorous jingo talk and savage criticism of the President has come from our Republican friends, who two years ago voted the other way and now reverse themselves and hold the President up to ridicule and even question the sincerity of his motives.

THE FACTS OF THE SITUATION.

The true facts of the situation, Mr. Speaker, are easily and readily discernible, however much some of us may be inclined to regret them; nevertheless they exist, and we, having become one of the parties to a treaty contract, can no more honorably disregard our contract and obligations, which we thereby agreed to, than any honorable, honest man could disregard his contract, which he had entered into and agreed to. An individual may afterwards regret the terms of a contract, but when his fist is to it and his name has been signed to it his honor compels him to stand by it. This Nation made a treaty contract. We put our fist to it, we signed it, and our honor binds us to it. That is all there is to the situation, regret it however much we may.

Furthermore, we asked for the treaty contract; we even suggested the nature of the treaty contract; we were anxious to have it to enable us to obtain the opportunity to begin the construction of the canal. We may regret the contract, but I do not see how we can in honor repudiate it.

I can not in the short time allotted me discuss all the treaties leading up to the Hay-Pauncefote treaty, but the whole thing is boiled down and told in two short paragraphs, which recently appeared in one of the great Ohio daily newspapers—the Ohio State Journal—and I here incorporate the editorial in said paper, with the brief comments relating thereto from one of Ohio's greatest newspaper editorial writers, who is not only a student of history, but a veteran of the Civil War, and happens to be a Republican in politics. The editorial is as follows:

THE FACTS ABOUT TOLLS.

The section of the Hay-Pauncefote treaty that has caused all the toll turmoil is as follows:

"The canal shall be open to the vessels of commerce and war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic."

Several years after this treaty was signed by the United States and Great Britain, the United States Congress, in 1912, enacted a law discriminating against other nations by exempting our vessels operating in the coastwise trade from the payment of tolls. All other nations regarded it as a violation of the treaty. England wanted to refer it to The Hague, but that we would not consent to. Then President Wilson went before Congress and asked the repeal of the law. Here is what the President said:

"I have come to state to you a fact and a situation. Whatever may be our own differences of opinion concerning this much-debated measure, its meaning is not debated outside the United States. Everywhere else the language of the treaty is given but one interpretation, and that interpretation precludes the exemption I am asking you to repeal. We consented to the treaty; its language we accepted, if we did not originate it; and we are too big, too powerful, too self-respecting a Nation to interpret with too strained or refrained a reading of words of our promises just because we have power enough to give us leave to read them as we please."

These two quotations, the treaty and the message, give to the candid reader all that he needs to know to form a correct opinion of the matter. The President's statement is an insurmountable argument in behalf of repeal.

MY ATTITUDE AND MY VOTE.

Mr. Speaker, although, as above indicated, I am casting my vote against my somewhat natural inclination in the matter, still, when I view this question from our treaty obligations, which we entered into, and also from the standpoint of the larger good to be obtained, it is plain to me that I should vote

to sustain the President and to grant his request, which he so earnestly implored this Congress to grant him.

OBLIGATION TO PARTY.

If I view this question from a strictly party obligation, my duty remains the same. I was elected to this Congress as a Democrat, to support the policies of a Democratic President, and it has been a pleasure to me to follow and support our great President in all of his wise, constructive, and progressive policies of the past. With all of these policies I have been in entire accord and have given them willing support. To be in a position to do this, I have been here constantly since Inauguration Day, March 4, 1913. I have believed in the past that the footsteps of our great President and our great Secretary of State will lead us in the right direction, and I sincerely trust that it may prove true in this case. [Applause.]

SUBSIDY AND PLATFORM.

There are many arguments on both sides of this proposition. In passing I want to very briefly refer to but two. First, expense of upkeep of the canal and ship subsidy. Second, the plank in the Democratic platform.

It cost practically $400,000,000 to dig the canal. It will cost $25,000,000 yearly to pay the interest on the bonds and to take care of the canal. The cost of building the canal and the $25,000,000 every year expense on the canal must be met in some form of taxation. If we charge no tolls, then the people in all parts of the United States, who never use the canal and will never be directly benefited by the canal, must pay the cost and yearly expense for those who use the canal and will make great profit out of the canal. Is this fair? If it is, then they should pay no tolls. If it is not fair, then those who use the canal should pay some toll for the upkeep of the canal.

THE COASTWISE SHIPPING TRUST.

Again, the coastwise ships have for many years been one of the most powerful trusts and monopolies in the world. The ships that operate only along the coast and do not cross the seas are termed coastwise ships. The coastwise shipowners, by uniting, own and control the docks, ports, harbors, and wharves on the Atlantic and Pacific coasts, and have been able to form and operate one of the most oppressive and exclusive monopolies in the United States. They have swept out of existence and kept out of existence all rivals and competitors. Even when lumber was plentiful in the United States they so controlled the shipping rates that they made lumber high to the home builders all over the United States, and they have kept coal and fuel high in the same way. By sworn testimony it is stated that their income is more than 18 per cent on their stock, and it is claimed that it is watered stock, at that. These coastwise vessels, therefore, forming this Shipping Trust and monopoly, now earning possibly 20 per cent and more, desire to be exempt from paying tolls to pass through this canal built by taxing all the people $400,000,000 to build it, and which must be kept up by taxing all the people $25,000,000 a year—this Shipping Trust wants to use the canal free of tolls. Is it right; is it fair; is it just to the people of the inland States? The toll proposed to be charged is only $1.20 displacement ton, or for each 100 feet cubic capacity. Every time a ship goes through this canal, counting the average ship capacity at $1.20 per ton displacement capacity, the ship would pay into the Treasury to help meet the $25,000,000 expense on the canal from $5,000 to $10,000 in tolls. If these tolls are remitted and the ship goes through toll free, then this gift or subsidy to the Shipping Trust must be met by taxation on all the people of the United States. Is this fair; is it just?

CANAL EXPENSE FOR EACH CONGRESSIONAL DISTRICT.

Take a simple illustration of the great expense of the Panama Canal. Divide the expense to dig the canal and also divide the $25,000,000 expense per year to maintain the canal by the number of congressional districts in the United States, and each congressional district in the United States has invested about $1,000,000 in the construction of the canal and will spend about $60,000 per year each year in the future to maintain the canal.

In other words, Franklin County, or the twelfth congressional district, has about $1,000,000 invested in the construction of the canal and will be called on each year to furnish about $60,000 to support and maintain the canal. Should the citizens of Franklin County pay all this and let the ships belonging to the coastwise Shipping Trust use the canal free of toll and pay nothing toward the yearly expense for operating and maintaining the canal?

I do not think there is a single citizen in my district who is in any way connected with the shipping interests that will use this canal. Should I vote to tax him $10,000 every time a ship goes through this canal and take the money out of his pocket by taxing him and give it to a ship subsidy and monopoly that is now making over 20 per cent on its more or less watered stock? I do not believe I would be voting in the interest of my constituency to do this.

THAT PLANK IN THE DEMOCRATIC PLATFORM.

Just a brief notice concerning the charge that we are repudiating a plank in the Democratic national platform.

Mr. Speaker, this plank that we are charged with repudiating needs a word of explanation. First, How did it get in the Democratic platform?—because it is stray timber and in strange company. Moreover, it is in violation of all the planks in our Democratic platforms for a hundred years. This plank, declaring for exemption of tolls for coastwise vessels, was inserted after a 10 days' nerve-racking, mind-exhausting national convention, and it violated another plank in that same Democratic platform which pledges us against all forms of taking money out of the pockets of the people by taxation for any sort of subsidizing. It is strange that Democrats do not look to this old, seasoned Democratic plank that has been in all our platforms of the past that forbids subsidizing, rather than to look to this new, strange plank of spurious, worm-eaten, subsidizing foreign timber. A careful reading of the platform is earnestly commended by anyone having any doubt as to this matter and by all who talk about the repudiation of the Democratic platform.

When we vote against this ship subsidy and its free tolls for coastwise vessels we are keeping the faith of the fathers and voting in line with all the Democratic platforms from Thomas Jefferson down to the present time, although in so doing we may be removing this new spurious plank in a Democratic platform which crept in without due consideration in the turmoil accompanying the close of the exhaustive 10 days' national convention at Baltimore.

The Baltimore national platform of 1912, as stated above, contains two planks on the same subject, and they flatly contradict each other. The first plank, declaring against subsidy for any purpose, is genuine, Democratic doctrine and is in line with all past Democratic planks in Democratic platforms of the past on this subject. The second plank is spurious and was stealthily inserted, declaring for subsidy for the coastwise shipping monopoly, being in direct conflict with the Democratic plank in the same platform preceding it and violating the doctrines of the Democratic Party from the beginning of its history. No man in Congress or out of Congress can vote on this subject without repudiating one or the other of these two planks. I have been talking and voting against trusts and monopolies for years, and I propose to vote that way now. I propose to vote against this spurious, stealthily inserted, undemocratic, subsidizing plank, and to vote in accordance with the old Democratic plank in the same Democratic platform that rings true to all the Democratic platforms of the past on this subject—that keeps the faith of the fathers and that contains one of the cardinal principles upon which Democracy is founded, as expressed by Jefferson, the founder of the party, "Equal rights for all and special privileges to none." [Applause.]

MISLEADING TALK ABOUT SURRENDERING THE UNITED STATES SOVEREIGNTY OVER THE CANAL AND YIELDING TO GREAT BRITAIN.

Mr. Speaker, there has been much misleading talk about surrender of United States sovereignty over this canal and about yielding to the demands of Great Britain. Those who are loudly talking about this should remember that there was nothing surrendered in our recent vote the other day that was not surrendered years ago by our solemn treaty agreement contract in the Hay-Pauncefote treaty and ratified by our Republican friends. All that took place before I was elected to Congress or before this Congress convened.

THE PLAIN FACTS.

What are the plain facts of the situation? Back, prior to 1850, we began talking about digging a canal to connect the Atlantic and Pacific Oceans. On May 22, 1850, we made a treaty with Great Britain known as the Clayton-Bulwer treaty. I quote one clause of that treaty:

> The Governments of the United States and Great Britain hereby declare that neither the one nor the other will ever obtain or maintain for itself any exclusive control over said ship canal, agreeing that neither will ever erect nor maintain any fortifications commanding the same, or in the vicinity thereof, or occupy or fortify, or colonize, or assume or exercise any dominion over Nicaragua, Costa Rica, the Mosquito Coast, or any part of Central America.

Under this treaty, so signed and ratified, nothing was done for many years by either Government, but the Spanish War and the trip of the *Oregon* made the canal question a vital issue in American politics, and the United States, through its then Secretary of State, John Hay, took the initiative to bring about a modification of the Clayton-Bulwer treaty. We desired it, of course, modified in our interest. As a result a new treaty was

made, known as the Hay-Pauncefote treaty, one clause of which reads as follows:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

If ever language was clear, this language is clear. If this clause does not mean what it says, it means nothing. Until the coastwise shipping monopoly saw a chance to grab millions of dollars per year at the expense of the National Treasury no one ever pretended that it meant anything else than what it plainly said. [Applause.]

Hay is dead and Lord Pauncefote is dead, but Joseph H. Choate, who at the time was our American ambassador to Great Britain and who helped to negotiate the treaty, is still alive. No other living man is so well qualified to give testimony as to the meaning of this provision, and this is what Mr. Choate says:

I venture to say that in the whole course of the negotiations of this particular treaty no claim, no suggestion, was made that there should be any exemption of anybody.

The whole civilized world expects the United States to abide by its treaty. If we do not do so, then, as Senator LODGE says, we are threatened with the stigma of an outlaw nation which has no respect for its solemn word or its solemn pledges. The President of the United States, in urging Congress to repeal the special canal privilege granted to coastwise monopoly in violation of our treaty contract, has said:

I ask this of you in support of the foreign policy of the administration. I shall not know how to deal with matters of even greater delicacy and nearer consequence if you do not grant it to me in ungrudging measure.

KICKING UP A DUST TO HIDE THE REAL ISSUE.

All this talk of British influence and surrender to Great Britain is no more than so much dust kicked up to hide the real issue and to prevent the people from seeing that they were to be taxed millions every year for the benefit of the Coastwise Shipping Trust.

Great Britain owns the Canadian Soo Canal, the Welland Canal, and the Suez Canal. Because of a treaty contract our ships go through these three British-owned canals on exactly the same terms as do the ships of Great Britain. Will anyone be so foolish as to argue that Great Britain by this reason surrendered any national sovereignty to the United States thereby, and if we keep the terms of our solemn treaty contract obligations and let British ships pass through the Panama Canal on terms of equality with our ships, just as Great Britain does with us in her three canals and as we agreed to do in the Hay-Pauncefote treaty, why should anyone be so unfair as to argue that thereby we surrender any national sovereignty over the Panama Canal to Great Britain? Are not the two cases exactly similar and parallel in every way?

On this point the Secretary of State, Mr. Bryan, has well said:

The friends of free tolls gave conclusive proof that they were conscious of the weakness of their position when they attempted to appeal to prejudice rather than to reason. Every time our party has attempted to reduce the tariff we have been confronted with the charge that in lowering the tariff we were surrendering our markets to foreign manufacturers. "The-surrender-to-England" argument is being used now just as it has been used in the past for the benefit of the same selfish interests, and now that the people have secured tariff reduction they can no longer be frightened by this subterfuge.

SHALL WE GIVE THE PEOPLE'S MONEY GOTTEN BY TAXATION TO THE COASTWISE SHIPPING TRUST AS SUBSIDY OR SHALL THE COASTWISE SHIPPING TRUST HELP PAY FOR THE USE OF THE CANAL?

Mr. Speaker, it is plain that $25,000,000 for the expense of this canal must be raised every year. Shall we take the people's money by taxation to this extent from all parts of the United States to meet this expense and let the Shipping Trust use the canal without bearing any part of this expense, or shall we charge this Shipping Trust that uses the canal a small toll as proposed, which shall go into the Public Treasury to help meet the $25,000,000 yearly expense on this canal? I should think the Shipping Trust would feel that the people at large in the United States were generous enough to them when they spent $400,000,000 to dig this canal, and that the Shipping Trust would be glad to show its appreciation by paying this toll fee.

It should always be remembered that this toll exemption so fiercely demanded is not to be given to all American ships, but only to those American ships doing a coastwise business; only those ships belonging to the American Shipping Trust. American ships that go through the canal and carry the produce of our farms and factories to foreign markets, and thereby give us a market for all sales abroad, are not exempt from payment of tolls, but must pay tolls the same as foreign ships. There could be no quibble on this point. Why should this distinction and favor be shown to a certain class of American ships? Are not these American ships that cross the seas with American produce also built with American money, owned by American citizens, manned by American sailors, and fly the American flag?

If we are to have free tolls and the taxpayers of the country are to foot the bills, then let us have free tolls for those American ships that carry the produce of the farms and factories across the seas and thus give us a market and outlet for the products of the farm and factory. Surely free tolls would at least be as justifiable for these American ships that increase and widen the trade and commerce of the United States, and thus benefit and serve all the people of the United States, as free tolls to the ships belonging to the coastwise Shipping Trust. [Applause.]

BETTER USE OF THE PUBLIC MONEY THAN SUBSIDIZING A SHIPPING TRUST WITH FREE TOLLS.

Let the Shipping Trust pay this toll money into the United States Treasury and we can use it to good account. The United States Treasury needs it. We need it to help in our system of building good roads for the benefit of all our citizens. The United States Treasury can better expend its money in promoting our contemplated system of building good roads for the benefit of all the people, and in building fortifications along our rivers and harbors to prevent floods and overflows and to protect the lives and homes of our people, rather than in subsidizing a shipping trust and paying out the people's money to make a present of free tolls to a shipping trust that is now making more than 20 per cent on its investment.

THE LARGER GOOD—THE PEACE OF THE WORLD.

No one who heard the President in his great plea to both branches of Congress on this matter could fail to note the intense earnestness and the serious manner in which he made that plea to Congress to grant his request. No one understood the facts of the past concerning this question more fully than did the President, and no one could understand so fully the serious necessity of the future as could the President. In his solemn judgment he considered it absolutely necessary, and he pled with us to grant his request. Under all the surrounding circumstances I do not feel that I would have been justified in voting to refuse to grant the President's request.

The President spoke seriously and solemnly of the larger good to be accomplished. If by granting his request and thereby proving to the nations of the world our due regard for treaty obligations solemnly entered into by us, we shall be able to have that concerted action upon the part of the friendly nations of the world that will enable us to accomplish those things by peaceful means that otherwise would compel this Nation, under our construction and obligation of the Monroe doctrine, to wage a bloody war to accomplish—if it shall turn out in the future that that larger good shall prevent the sands of Mexico from being dyed with the blood of American youth, if it shall keep from our fair land the horrors of war, who shall then say that the President did not act wisely, nobly, and well? [Applause.]

While we all recognize that war to maintain our Federal Union, to repel invasion, to defend our liberties, our honor, and our flag, as well as war for humanity's sake, is, when necessary, justifiable war, yet, Mr. Speaker, at no time in the history of the world should war between Christian nations be so impossible and so unnecessary as at this time. This Nation has its face set toward the morning of the dawning of peace—world-wide and universal. It would be a monumental calamity to turn about and face the dark night of bloody war.

Recently this Congress had under consideration a naval holiday proposition or a suspension of naval construction program. On Saturday, December 6, 1913, I addressed the House on this proposition, and the remarks made by myself on that date I desire to herewith incorporate as a part of this discussion.

SUSPENSION OF NAVAL CONSTRUCTION PROGRAM.

SPEECH OF HON. CLEMENT BRUMBAUGH OF OHIO, IN THE HOUSE OF REPRESENTATIVES, SATURDAY, DECEMBER 6, 1913.

The House had under consideration House resolution (H. Res. 298) to authorize the President to cooperate with the United Kingdom of Great Britain to the end that naval construction may be suspended for the period of one year.

Mr. BRUMBAUGH. Mr. Speaker, this occasion seems to me to be a most opportune time to consider and to vote upon this great resolution. We have recently listened to, and there is yet fresh in our minds, one of the greatest presidential messages ever delivered by any President of these United States. [Applause.] A message that will have a far-reaching effect for good, a message that will live in history, a message that in its human side wherein it deals with man's obligations to his fellow men, to quote the President's own words uttered on another occasion, "seems like a breath out of God's own presence."

Mr. Speaker, it is surely a matter of congratulation to the country and to us all, regardless of political affiliations, to observe how grandly and with what consummate ability our great President is meeting and measuring up to every delicate emergency. He is leading the thought of the world to higher planes and better things. I believe that in the future our school readers will contain, and the youth of the land will commit to memory, his great speeches for their classical diction, their literary eloquence, and their patriotic inspiration, just as they now commit the speeches and sayings of the immortal Jefferson and the immortal Lincoln.

It is a strange observation to note that when Lincoln delivered his great Gettysburg oration it took the country some time to appreciate it, and we came to know it in its full force and beauty only after the great magazines of the country had pointed out to us its grandeur and sublime eloquence.

The magazines of the country are beginning to point out to us that President Wilson's recent great oration at Gettysburg is a fitting companion piece to Lincoln's immortal oration delivered there 50 years ago. They form the milestones of 50 years that mark the Nation's loftiest thought and purest aspirations.

Mr. Speaker, this resolution seeks to have the great nations of the world agree to suspend naval operations for one year; or, in other words, to take a naval holiday. I shall most gladly support this resolution, because it points to the beginning of that better day for which prophets have prayed, poets have sung, and humanity has longed for; that day when we can beat our swords and implements of warfare into plowshares, and when men shall learn the trade and art of war no more forever. That grand and sublime condition of human brotherhood among all God's children is a consummation devoutly to be wished.

There has not been, nor do I think there can be, any real justifiable argument presented against the grand and almost holy purposes of this resolution.

The horrors of war all admit; the burdens of war in blood and money fall upon all, but are necessarily heaviest on the unoffending, the innocent, the laborers, the workingmen, and the poor.

Think of it, $15,000,000 to build and equip just one battleship. With that great amount of money spent for just one battleship the Nation can build a good-roads highway of trade and commerce from ocean to ocean and, better still, thus preferring to build, would be building a highway of righteousness through the hearts of all mankind.

With that money spent for just one battleship we can succor and support every worthy old man or old woman, in their sunset of life, in the United States. But, my friends, the stupendous waste and folly is only apparent when we stop to ponder that it is not just one battleship, but two or four, per year; and, as the matter now stands, in this insane, wicked waste and folly we must build in the future not 1 but 24 battleships to equal either of our great rivals—England or Germany. And then keep going on.

Not only is the cost of a single battleship stupendous, but the cost to equip and maintain it while it floats in idleness the seas to challenge quarrels is enormous. I speak not of the wages paid the poor sailors. These are too low and are only a small pittance compared with other expenses.

Look at these figures as furnished by the Navy Department of the Government. We have the battleship, itself costing from $12,000,000 to $15,000,000 each. Just stop and think how much money that is and what different good and mighty things we could do with $15,000,000. But $15,000,000 is the cost of only one battleship. We are told that we should have 24 more battleships in addition to what we already have.

On each and every battleship we must have ten 14-inch 45-caliber guns. The cost of each gun, manufactured at our own navy yard, is over $51,000. These guns can be fired only about 175 times each; then the gun must be relined at a cost of $15,000 per gun. Every time one of these guns is fired in target practice the ammunition costs $240 per gun. Every time one of these guns is fired in battle the ammunition costs $780 per gun. The cost to fire 10 guns one round in battle is about $8,000.

We now have 12 battleships of the first line, 19 battleships of the second line, 10 armored cruisers, 10 monitors, 31 destroyers, 27 gunboats, 28 torpedo boats, 22 submarines, besides tugs, cruisers, converted yachts, transports, and other boats; a grand total of 323 ships, of which only 26 are unserviceable for war purposes.

All this cost in the past to meet this enormous expense has been taken from the pockets of the people—the laboring people, the farmers, the merchants, the day laborers, the mechanics, and the producing class of all kinds—by taxation through our past unjust and unequal tariff laws, and a study of these facts will go far to explain why our taxes are so high and why the armor-plate and Steel Trust concerns still want more battleships built, to be paid for through taxation out of the pockets of the people.

How long will labor and the people stand to be thus taxed to make up such stupendous tax burdens and wicked folly?

The amount of money expended for war preparations among the nations of the world, even while they are now at peace with each other, is appalling to contemplate. In the United States the amount expended for battleships and maintaining a warlike preparation exceeds the amount expended in support of our schools and colleges, our courts and public roads, the support of our churches and the promulgation of the gospel in foreign lands.

I make no reference to the Nation's pension expense account, because the Nation's pension expense account is the Nation's debt of honor and of gratitude to its defenders, and must always be sacredly paid; and this national debt of honor should not be associated with the character of such expense as we are considering here. [Applause.]

The amount of money expended among the nations of the world at large is not only appalling to contemplate, but staggers the imagination. Forty-two billions of dollars is the sum placed upon the backs of labor and the poor to equip and maintain the navies of the nations of the earth. The interest on this tremendous sum at 4 per cent amounts to more than one and one-half billions yearly, which equals the wages of more than 3,000,000 workingmen at the rate of $600 per annum.

Nations are like men. One goes armed, the other feels that it must go armed. One nation builds four battleships, the other nation feels that it must build four battleships. And so the rivalry in building instruments of death and destruction goes on. These battleships, we are told, only last four or five years until they are obsolete, out of date, and only fit for the junk pile, and new, more costly, and more deadly battleships take their place.

Some of the nations of the world are now approaching bankrupty and national-debt repudiation. Every nation on earth feels its heavy burden and great drain in taxation, which rests most heavily upon the laboring people and the poor. This rivalry in battleship building must stop some time—why not now? [Applause.]

It has been argued that this resolution, Mr. Speaker, can do no good. It is sufficient answer, I think, to say that it can do no harm, and yet I do believe that it will in the end do great good. I believe we will so arrest the thought and attention of the world by this resolution and discussion that this agitation will go on, and I would not be surprised to see, and in fact I expect to see, the great political parties in the next convention, in 1916, incorporate a plank in the party platform dealing with this same great resolution. It has been argued that this resolution might lead to some humiliation to us from some quarters. It is sufficient answer to say, Mr. Speaker, that no real humiliation can come to any man or nation for attempting to do the right thing at any time or any place. As Lowell has so well put it:

Not failure but low aim is crime.

[Applause.]

It has been argued, Mr. Speaker, that this proposition has been withdrawn by Mr. Churchill. If that be true, then all the more reason why we should start it anew and be the pioneers in this laudable undertaking. It is not simply the ministers of the gospel and the reformers who are interested in this great matter. The men on the farms—the place where liberty has its home and patriotism its abiding place—are deeply interested in this proposition. The laborers and the labor organizations of the country are also deeply interested in this proposition. The farmers and laborers in factory, shops, stores, and mines make up the bone and sinew of our country, and they are all deeply interested in this proposition, because when war comes they furnish the blood and pay the taxes and carry the burden.

It has been argued, Mr. Speaker, that this might throw some men—the men employed in armor-plate factories—out of employment, and some are very solicitous upon that score. Why, that same argument can be advanced in favor of any proposition that we might want to discontinue. One speaker asked, What will we do with the wood and the steel now used in the construction of battleships? How will we use all of these articles? We can easily find use for the wood in construction of homes; use for the steel in building steel cars on our railroads for the comfort and protection of the traveling public and the safety of the people. We could easily pension every man engaged in the manufacture of armor plate with a magnificent pension and then save large sums of money. The cost of one or two battleships would pension every man engaged in this industry for the balance of his life; and as for employment

of the men themselves, we can use them in our great undeveloped domain in the United States or in that great wonderland of Alaska, the country that holds the future coal supply of the world, the country that has eight times more cultivable acreage than Norway and Sweden, which support a population of from 12,000,000 to 15,000,000. We can use them all in developing that great country.

Mr. Speaker, we are getting over some of the old shibboleths of the past. Why, it used to be argued that even dread war was necessary for civilization and the education of the people. A great soldier once said that a little bloodletting now and then was a good thing. I thank God we are getting away from such ideas as that. [Applause.]

Mr. Speaker, it was long ago said by a wise man that "war is a game which, were their subjects wise, kings could not play at." It is not necessary in arguing this question to claim that all of the wars of the past were unnecessary, but it will be a sad commentary upon the efficacy of our education and our religion if future wars shall be necessary in our dealings with our fellow men. I will not say, Mr. Speaker, that there are those now who would favor war simply for the thrill of famous victories or to be the heroes of those famous victories, but that, we know, was the low plane upon which many of our wars of the past were fought. No one has so fittingly described that low plane as the poet Southey, and if I can recall his lines I want to repeat them, for they show how fickle and unjustifiable are often the alleged grounds for war. The poet tells it thus:

It was a summer evening,
Old Kaspar's work was done,
And he before his cottage door
Was sitting in the sun,
And by him sported on the green
His little grandchild Wilhelmine.

She saw her brother Peterkin
Roll something large and round,
Which he beside the rivulet
In playing there had found;
He came to ask what he had found
That was so large and smooth and round.

Old Kaspar took it from the boy,
Who stood expectant by;
And then the old man shook his head,
And with a natural sigh,
"'Tis some poor fellow's skull," said he,
"Who fell in the great victory.

"I find them in the garden,
For there's many here about;
And often when I go to plow
The plowshare turns them out,
For many thousand men," said he,
"Were slain in that great victory."

"Now tell us what 'twas all about,"
Young Peterkin, he cries;
And little Wilhelmine looks up
With wonder-waiting eyes;
"Now tell us all about the war,
And what they killed each other for."

"It was the English," Kaspar cried,
"Who put the French to rout;
But what they killed each other for,
I could not well make out;
But everybody said," quoth he,
"That 'twas a famous victory.

"My father lived at Blenheim then,
Yon little stream hard by,
They burnt his dwelling to the ground,
And he was forced to fly;
So with his wife and child he fled,
Nor had he where to rest his head.

"With fire and sword the country 'round,
Was wasted far and wide;
And many a nursing mother then,
And newborn baby died;
But things like that, you know, must be
At every famous victory.

"They say it was a shocking sight
After the field was won;
For many thousand bodies here
Lay rotting in the sun;
But things like that, you know, must be
After a famous victory."

Yes, this is the cost of famous victories, but it is yet more than this. War stalks the earth to the music of widows' moans and orphans' sighs. It means broken homes, orphaned children, distracted country, and an embittered land. It has been fittingly described by the great soldier, Gen. Sherman, as hell let loose on earth, and the sad thing about it all is this: That those who are so willing often to plunge the countries and nations of the world into war are usually far removed from deadly shot and bursting shell, and that it so often happens that it is the weak, the innocent, and the unoffending who are the real sufferers.

The strong, brave, contending soldiers are not the only sufferers of war. There are other wounds than those made by shot and bayonet. The wives, the mothers, the fathers, the sisters—these necessarily are the keenest sufferers. No comradeship of tent or field, nor music of fife or drum can steal away their pain or heal their aching wound. [Applause.]

The maid who binds her warrior's sash
And, smiling, all her pain dissembles,
The while beneath the drooping lash
One starry teardrop hangs and trembles,
Though Heaven alone records the tear,
And fame shall never know her story,
Her heart has shed a drop as dear
As e'er bedewed the field of glory!

The wife who girds her husband's sword,
'Mid little ones who weep or wonder,
And bravely speaks the cheering word,
What though her heart be rent asunder,
Doomed nightly in her dreams to hear
The bolts of war around him rattle,
Has shed as sacred blood as e'er
Was poured upon the field of battle!

The mother who conceals her grief
While to her breast her son she presses,
Then breathes a few brave words and brief,
Kissing the patriot brow she blesses,
With no one but her loving God
To know the pain that weighs upon her,
Sheds holy blood as e'er the sod
Received on Freedom's field of honor.

Mr. Speaker, it has been said of old that it is braver and better to dry a tear than to make a wound, and that is what this resolution will attempt to do. [Applause.]

If we do away with armed conflict—which God grant in His own good time we may—let none lament that courage will decline in the hearts or lives of men.

We will have need for all our bravery and courage on other battle fields—the battle fields of life, where the hot flashes of injustice and inequity and wrong dance along the nerve tracks of pain. If with an honest purpose we strive on these battle fields, we can be assured of this: That angel hands out of the skies will fan the weary brow, and the blessings of the Christ of peace will thrill our souls. [Applause.]

Mr. Speaker, with me the world's peace is not an iridescent dream. I believe firmly that the world will yet be ruled by the principles of Jesus of Nazareth, and that that peace which the angels sang to shepherd ears on Judean hills of peace on earth, good will toward men, shall yet come true. Through the dark night of the past we can see hope's constant star, and through the storm clouds of war we can see the rainbow of promise bathed in the sunlight of universal peace. [Applause.]

Mr. Speaker, this resolution is appropriately before the attention of the whole world at this season of the year, the season when the bells will soon be ringing out to all the land the story of Bethlehem. May we not hope that here now by this resolution we may begin a movement that shall be like a new star of Bethlehem, whose influences for good shall go round the world ringing and singing the old new song of peace on earth, good will to men, until righteousness shall look down from heaven and peace and justice and love shall cover the earth as the waters cover the sea? [Loud applause.]

Agricultural Appropriation Bill.

SPEECH

OF

HON. JOHN A. MAGUIRE,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, March 14, 1914,

On the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. MAGUIRE of Nebraska. Mr. Speaker, the Committee on Agriculture, of which I have the honor to be a member, recommended this bill making annual appropriations for the Department of Agriculture for the next fiscal year. The bill was prepared only after exhaustive hearings. The Secretary of Agriculture and all bureau and division heads who might supply us with information on the administrative features or research work were before the committee. In fact, all others who might be able to furnish information or suggest the needs of the country were welcome, and in many cases appeared. These hearings are printed in a limited number, and, taken in connection with the rather fully explained "departmental estimates," the House is in possession of quite a full supply of information.

The bill carries $18,327 232 and an additional $620,000 for miscellaneous items, making a total for the department of $18,947,232. The following table, taken from the committee

report, shows the distribution of this amount among the various bureaus and offices:

Appropriations, 1915, United States Department of Agriculture.

Bureau or office.	Appropriation, 1914.	Bureau or office estimate, 1915.	Department estimate, 1915.	Reported by House committee.
Office of the Secretary	$303,820	$337,236	$332,380	$329,830
Weather Bureau	1,707,610	1,673,660	1,670,270	1,668,270
Bureau of Animal Industry	2,031,196	2,968,476	2,380,406	2,245,026
Bureau of Plant Industry	2,667,995	3,087,815	2,713,655	3,053,975
Forest Service	5,399,679	5,531,402	5,543,256	5,543,256
Bureau of Chemistry	1,058,140	1,307,940	1,116,481	1,076,481
Bureau of Soils	334,020	513,440	358,440	359,235
Bureau of Entomology	742,210	931,670	813,660	792,560
Bureau of Biological Survey	170,990	380,860	265,090	220,090
Division of Accounts and Disbursements	104,570	78,670	59,920	61,320
Division of Publications	184,660	190,290	189,840	189,240
Bureau of Agricultural Forecasts	243,680	301,230	300,680	274,180
Library	43,520	130,620	45,360	45,360
Miscellaneous expenses, Department of Agriculture	106,066	110,000	110,000	106,000
Rent in the District of Columbia	98,329	115,829	115,829	108,329
Office of Experiment Stations	1,901,260	2,055,670	1,912,535	1,901,020
Office of Public Roads	279,400	575,890	394,390	353,060
Total, Department of Agriculture, for routine and ordinary work	17,376,945	20,274,194	18,322,192	18,327,232

By including other items of permanent annual appropriations and special acts, which should be recognized as going toward agriculture, it would be necessary to include the permanent item of $3,000,000 for meat inspection and an item for printing which will be included in the sundry civil bill and for which an estimate of $515,000 is made. An amount of $50,000 a year is also paid direct from the Treasury to each State and Territory in aid of colleges of agriculture provided for in the laws of 1890 and 1907, and amounts in all to $2,500,000. The acts of 1887 and 1906 of $15,000 each for each State and Territory for the United States experiment stations amounts to $1,440,000.

In so far as the Federal Government carries on the investigations into agriculture it operates through the machinery and under the direction of the Department of Agriculture. Our Government looked very little to the needs of agriculture till along in the eighties, when the conditions and tendencies revealed the necessity of examination into the needs of our agricultural resources. Up to that time there was no real need for any public agency looking to the approaching problems of this industry. The fields of virgin soil were either at hand or to be found on the areas just beyond on the frontier, inviting the farmer to settle and till the soil and turn loose his herds on the boundless pastures. Through most of our period of development up to the present time the policy of the Government has been to encourage settlement on the public lands, and in consequence of this policy the older settled regions were going through a process of abandonment by the movement to the West.

The program of the Government in its relation to agriculture up to the present time has been one of investigation and scientific research into the problems of the farm. But we as a people have progressed and developed so rapidly that we find ourselves suddenly face to face with the problems of the "new agriculture." A new era is opening upon us in which the conditions demand not alone investigations in the scientific laboratories, but also the demonstration on the farm. The application of knowledge is always the most difficult, and that is the task now inseparably connected with our successful and continued agricultural development. Research is carried on by scientists, but the application and more complete extension of results must have the cooperation of both scientists and the millions who are actively engaged in the great field of agriculture. The discoveries in agricultural science are in no measure complete till the results are actually brought to the farm and field and home.

What benefit is it to the citizen and the public if the scientific results are to remain in the heads of investigators or in the numerous public laboratories and experimental workshops? This applies not alone to the Government, but to the schools, great universities, and other institutions of learning. The scientific information is available now only to a limited number. Why not make the reservoir of information the asset of all and for the use of everyone. The Government should not only cope with the theories of to-morrow, but likewise apply the available information of to-day. The next logical step is the bringing of the discoveries of the scientific laboratories and workshops to the farm and herd and make them the common knowledge of all. The numerous scientists and investigators employed by the Government in the Department of Agriculture confidently believe in the results of their own research; still the public know little of the scope of the research and have a doubting faith in its effectiveness.

The next step is therefore farm and field demonstrations through practical farm demonstrators trained in the scientific field of preparation. In other words, they might be called county agriculturists. There were some 200 of those county demonstrators scattered over the United States in the past year, and the increasing demand for such field work is greater than the supply of well-prepared men. The practice is to have these county demonstrators located in some central point in the county the whole year and travel over the county much of the time demonstrating, investigating, consulting with farmers, and in touch with everyday farm life. He should always be at the command of the people under some immediate local authority.

The Committee on Agriculture reported and the House passed a bill a short time ago, known as the Lever agricultural extension bill, looking to the gradual application of the best farm practices. Perhaps the farm is overstocked and undercropped or in many other ways clear out of line with what might be termed well-balanced farming. An experienced farm demonstrator might readily offer suggestions which would increase profits. Breeds of stock may not be well graded or dairy herds may be made up of milch cows which ought to be excluded from dairy purposes. This could be easily revealed by a few milk tests for butter fat; or perhaps some of the animals may be afflicted with tuberculosis and the symptoms could be detected by a trained observer. Stock judging offers a very wide field looking to the culling and redirecting of herds and improvement of breeds and the general toning up of mixed farming. The general quality of domestic animals is taking on a radical improvement under such standarizing and tests. While the agricultural colleges are doing much along this line for those who actually attend, still the stock experts are not numerous enough to fully direct the improvement of the herds to a high-grade basis.

Congress has provided means and the department has put forth every effort to get the available information disseminated through agricultural bulletins and publications, and while much is being accomplished, still the results are incomplete. The publications furnish the printed information based on a given set of conditions and the principles that guide, but they fail in the actual diagnosis and application of remedies to varied farm problems. Of course, the new program will not be taken on rapidly at first, and cooperative demonstration will take on form only after the farmers and demonstrators approach a common working understanding. The every-day problems, of course, will continue difficult and often perplexing, but of the ultimate benefits to the farmer of wider cooperation there can be no doubt. Much of the theory, of course, will have to be discarded and only that information employed which is applicable.

A very good illustration of what can be done along a single line is found in the bill which the Committee on Agriculture favorably reported and the House passed a short time ago, appropriating $500,000 for demonstrating the efficacy of serum in the treatment of hogs for cholera. Experts and demonstrators will go to single counties to apply the serum where necessary, with a view of stamping out the disease, while others will be assigned to the several States to cover in a more general way the work of cooperation and inspection. The general public will soon be informed and the results of such treatment will soon become the every-day knowledge among the hog raisers.

The investigational energies of the Department of Agriculture for a long time were confined primarily to problems of farm production and its increase, but it became apparent at once that closely related to production at nearly every point is the problem of food nutrition and consumption. The conservation of our food supply and its best uses are at once interdependent on food production. The food production and supply promises to become one of increasing importance, and therefore the extension of this helping arm of the Government is justified in the investigations of both production and consumption. While the farmer was first a producer in the ordinary sense, still he is likewise coming more each year to be classed as a very large consumer.

While up to the present time the department and the Government dealt mainly with the problems of agricultural production and somewhat with the subject of food supply and consumption, still the problems of distribution seem now to loom up very large. Methods or failure of methods of transportation and distribution are seriously hindering the advantages of increased farm production, and to the extent of a nation-wide magnitude. A concrete example is before us in the form of large amounts of wasted perishable farm products, wide difference of prices received by farmer and those paid by the consumer, with resulting

loss to both and a waste of productive energy for the whole country.

The bill last year carried $50,000 for an office of markets in the Department of Agriculture, and it is here increased to $200,000 in response to a very strong demand for an enlarged field of work. The demand is that the Government should further investigate and impartially furnish information on markets and market conditions, supply and demand, packing of products for shipping, storage and warehouses, routing of products, and related fields. The total received by the producer of farm products is more than doubled when the consumer pays for it. In other words, the farmer receives less than half of that paid by the consumer of these products. Frequently vegetables, fruits, poultry, dairy products, and other products of the farm are, through failure of information, headed into some central or terminal market by the producers when that market is glutted and perhaps has no warehouse or storage conveniences. The resulting loss might have been avoided by the shipment of such products to another point where there was a heavy demand. Several consignments without knowledge of each other by shippers are routed to the same market when information supplied would distribute part of the shipments to some other markets.

Then, there is a very encouraging field of investigation looking to the better preparing and packing of fruits, vegetables, eggs, poultry, garden truck, and other farm products, in order to better and more profitably conform to the best shipping conditions, market regulations, and trade requirements. Of course the jobbers and wholesalers and exchanges are now in possession of this information, but the general public is not. Many large producing associations in the field of fruit and truck gardening are now cooperating in securing this information. The farmers' cooperative organizations offer quite a field of mutual self-help, which becomes impossible when attempted individually.

The purpose of the department is to investigate market conditions and furnish to the public, particularly the producing public, the information now confined to a few. The information could be made available more particularly to small shipping points and local markets. The local telephone systems could be put to good use as a means of conveying this information. Some of the market conditions, for example, on general demand for certain products, storage, warehouses, railroad trackage, could become general information for a larger period, while information on shifting conditions would have to be more frequently secured.

That the wide range between the producer and consumer of these products could be very much narrowed with advantage of higher prices and more profits to the producer and lessened cost to the consumer, is not in doubt. The whole field of investigation and scope of work will have to be approached step by step with intelligent direction and a comprehensive knowledge of a wide range of industrial and economic conditions. It is not, by any means, an easy field of solution, but it does offer a reasonable measure of results for intelligent and well-directed efforts. The field of its limitations is perhaps as important as that of its extension. In the scope to be covered there ought to be reasonably well-defined boundaries over which the Government should not go. The field of investigation should be along the line of market conditions and related subjects, and the supplying of that information in a practical way to the public.

Agricultural colleges and experiment stations are carrying on an effective and well-directed program of investigations and the dissemination of knowledge within their respective States. They are meeting the public expectations and following the purposes of the acts creating them. Of necessity a large amount of duplication is being carried on in the investigational work in these colleges, but with a closer cooperation and coordination between these several institutions much of the lost energy will disappear. Through farmers' institutes and rural courses of study, they are directing and extending information into the farming localities with a large measure of success.

Intelligent and well-directed efforts are being put forth by these colleges, State universities, and other schools looking to the general dissemination of knowledge on domestic science, household economics, and problems affecting home life. It is indeed encouraging to find that young women are in large and increasing numbers attending these schools and taking the courses of study.

Well-arranged courses are offered in cooking, sewing, care of sick, household sanitation, dairying, poultry raising, gardening, floriculture, landscape gardening, home architecture, and allied subjects. These, of course, are properly combined with courses along very much different lines of training. Such combinations of studies are beginning to be recognized among the essentials in the training and preparation of a rounded education for one who presides over a home, and more and more each day contributes to the civic and social welfare. The earlier idea of education looked more to the mental training, but to-day a well-balanced society requires that the heart, the hand, and the mind be trained. The physical and applied sciences are coming more and more into the everyday welfare of the average man, woman, and child. To this extent the purely cultural training must yield to the larger utilitarian demands of our social and industrial readjustments.

Problems of soil fertility and soil depletion are beginning to be of first consideration. Impoverished soil means certain and perpetual low-grade agriculture. Soil surveys are being made by the Department of Agriculture, in cooperation with local authorities, to learn of the character and needs of the soils and supply the public with the information.

The nations of history that have deteriorated in agriculture have quite uniformly lost in power and wealth at home and prestige abroad through neglect or ignorance of the soil itself and failure to conserve its fertility. The soil is a rightful heritage of the future, and in the large conception only its use is ours and not its destruction. The nations and peoples of modern Europe, however, are no longer overlooking the conservation of the soil, but are making a desperate effort to recuperate and enrich it as the surest foundation for the present food supply and in justice to the generations to come.

For us in the past the question of soil fertility did not arise, for we had an abundance and wealth of soil in its original fertility, but our soil problems have begun to take on a magnitude which threatens our economic and industrial welfare. At the beginning of our development there was a new and undeveloped country of almost boundless agricultural possibilities. The early settler along the Atlantic seaboard took from the soil its fertility and the succeeding generations, as they passed on westward in the conquest of the wilderness, did likewise. There was all the time bountiful virgin public land just beyond on the frontier inviting the settler, but now our available public land is practically gone. We must, therefore, out of justice to ourselves as a people, stop long enough to take an inventory of our soil and farm conditions. The spirit of the pioneer of onward over mountain and valley and prairies must find itself arrested and directed to the problems of intensification and conservation of soil wealth. The courage and optimism and dominant spirit of that epoch, now somewhat blending into the later development, must be turned to the new agriculture with the same zeal and determination that characterized the pioneer and early settler in the winning of the wilderness.

Agriculture is beginning more and more to play a larger part in our urgent needs. The disappearance of our public lands, the comparative increase of city over rural population, and the occupational movement into industrial life other than farming, makes the question of farm products and food supply of great importance. Probably no other occupation has so broadened into the many-sided life of our industrial welfare, not alone in production but consumption and distribution as well.

We hear much of the "back-to-the-farm" movement, but it is more of a hope than a realization. A "stay-on-the-farm" slogan ought also to be added But the difficulty probably lies deeper than can be reached by the offering of advice. We will have to get back to the economic and social causes which contribute to the tendency. The attractions, inducements, and, in many cases, the opportunities of the city centers must in a measure be made a part of the country life, and this we must realize is in only a small measure possible. The returns on labor in the city are quicker, with more certain demand the year round for those who follow trades. The original home activities, such as baking, laundering, butter making, and other activities, are more and more carried on away from the home and in village or city centers, and labor therefore of necessity follows. In the economic and industrial readjustment it seems that our country life ought to be compensated in some way looking to the increase in the productive powers of agriculture for the benefit of the whole country.

Perhaps a reference to some of the figures would show our tendency and indicate the need of a greater production on the farms. In 1890 our urban population was 22,000,000 and rural 40,000,000, while in 1910 the totals shifted to 42,000,000 of urban and 49,000,000 of rural population. The city population in 20 years increased 20,000,000, while the rural increased but 9,000,000. The value of our farm property in 1890 was $16,000,000,000, and in 1900 it was $20,000,000,000, while in 1910 it had increased to $40,000,000,000. While the farm wealth and farm production shows flattering returns, still the farm production is yielding a constantly diminishing return. For example, the

value of farm property increased 100 per cent from 1900 to 1910, while the farm production yearly increased from $5,000,000,000 to $9,000,000,000, or about 80 per cent increase in the same period. Wealth of farms increased about 10 per cent a year, while production increased only 8 per cent. In other words, the profits or returns from the farms each year during that period are proportionately decreasing.

The staple articles of food for the average American citizen in most common use are worked out of the farm products—corn, wheat, cattle, hogs, sheep, dairy cows, poultry and poultry products, fruit, and vegetables, including potatoes. The production of corn from 1890 to 1910 increased about 3 per cent yearly, and wheat through the same period increased about 2¼ per cent yearly. During the period 1900 to 1910 cattle, hogs, and sheep all showed a decreasing tendency. Out of these products come the pork, the beef, the mutton, and bread in its varied forms. The increase of butter production of late years was very favorable, while with milk the production does not show up so well. An examination of the production of poultry and eggs shows up very favorably, more than in keeping with the increase of population. The production of potatoes and also fruits, with the exception of the falling off in apples, makes a good showing. In getting a further basis of comparison we find that the population for 1900 of continental United States was about 76,000,000, and for 1910 about 92,000,000, or over one and a half millions a year increase.

I call attention to these figures on population and production because they seem to have a rather important bearing in the examination and deductions we are making. These are the main products of our food supply. From these come the supply of the breakfast table of the workingman as he starts out on his daily toil; from these come the supply of the average American home, with its daily routine of food.

All of this leads us very readily to an examination of the deeper and more far-reaching problems of the unbalancing conditions and tendencies between production and consumption. Production is falling behind with the increase of population and with the amount of wealth invested in the industry of agriculture. The average American citizen lives better and has a higher standard of living than the people of any other nation on the globe, and rightfully so. His conveniences are more numerous, his food and clothing and shelter better, and his multiplied activities and advantages are more common. He is a real part of the progress of our civilization. This all makes of him a greater consumer and increases his drafts on production. But agricultural production is not making increases to correspond with these heavy consuming demands. This is probably more forcefully seen in the examination and comparison of production and consumption of food than in any other way.

It is entirely proper for us as legislators to take notice of these conditions and tendencies and treat them as proper subjects of national consideration. The food supply of our farms becomes our greatest asset not alone in times of peace but is more powerful than armies and navies in times of war. Stop the plow and the millions in American homes would soon clamor for the bread line. Let a general drought come, and not alone the food supply would disappear but the anvil would cease to ring and the wheels of industry would become silent. Let a famine or a plague strike at the herds and flocks on the farms and the meat supply would soon minimize the capacity and power of every wage earner and every citizen. Stop any industry and, of course, the effect would be felt; but strike at the productive power and stop the production on the American farm, and you have not alone paralyzed every other industry and occupation but you have struck at the vitality, the power, the happiness of every citizen and every home. Agriculture holds a fundamental and unique place in our social, industrial, and economic welfare because it supplies the food for the world.

Panama Canal Tolls.

EXTENSION OF REMARKS
OF
HON. CLARENCE B. MILLER,
OF MINNESOTA,
IN THE HOUSE OF REPRESENTATIVES,

Monday, March 30, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. MILLER. Mr. Speaker, we have reached the completion of the greatest engineering feat in all human history—the Panama Canal—and are now confronted with questions affecting its operation and maintenance. The part performed by America in this gigantic project must excite the admiration of the world and stir patriotism in the breast of every American. The part America is about to play in the operation of the canal must not be such as to turn applause to censure, pride to shame. In constructing the canal American genius was on trial; in operating it American honor is involved.

We must, in determining whether or not to exempt our coastwise shipping from the payment of tolls, look squarely at a few things. The first that confronts us is the fundamental American principle that the seas of the world shall be open to the ships of the world on terms of equality. That was one of the first principles America ever announced as a national policy and one which she has ever since maintained with tremendous vigor. Every schoolboy knows how the nations of the world sought to maintain jurisdiction over certain seas, channels, and ocean areas. We contended that waterways should be open to the ships of the world. We asserted this often with vehemence and backed it up with armed force. In fact, the first 40 years of our history were occupied largely in fighting for and securing open waterways for our ships. When Jefferson sent a squadron to annihilate the Barbary pirates—a glorious feat of nerve and dash that still thrills the American youth—he simply wrote one of many chapters in the history of this fundamental American contention.

We have lived to see this principle now the controlling one in the policies of all nations respecting the seas. This viewpoint it is necessary that we keep in mind in order to understand the American attitude always maintained respecting the control of any canal across the Isthmus.

In 1849 gold was discovered in California. A tremendous rush of people to that region immediately followed. To cross the Great Plains west of the Mississippi was an undertaking so difficult that thousands paid for the effort with their lives. Some other route was sought. Panama attracted attention. A railroad was soon built across the Isthmus, and we began to think of a canal. But England had also for many years been thinking of a canal. She had extensive possessions in the West Indies, immediately adjacent, and had acquired certain important rights to the entire Mosquito Coast. She had plans for a canal. She had certain rights acquired over the zone through which the canal would run. America did not want England to construct as a governmental undertaking a canal across the Isthmus. We started negotiations, and in 1850—very promptly, indeed—there followed the treaty between England and the United States known as the Clayton-Bulwer treaty. This did not contemplate that either England or America should construct the canal, but that it should be built by some private concern. England there and then gave up her right to dig the canal and gave up certain of her claims. She certainly gave a consideration for the treaty. Our main interest to-day in this treaty is in its historical aspects and in its enunciation of the long-asserted American doctrine of equality and freedom. In this connection freedom, of course, means absence of any discrimination in favor of the ships of one nation as against the ships of the other nation. In other words, freedom, when applied to the canal, clearly means equality.

Article 5 of the Clayton-Bulwer treaty contains the following:

So that the said canal may forever be open and free, and the capital invested therein secure.

Again, in article 6 is the following:

And the contracting parties likewise agree that each shall enter into treaty stipulations with such of the Central American States as they may deem advisable, for the purpose of more effectually carrying out the great design of this convention, namely, that of constructing and maintaining the said canal as a ship communication between the two oceans for the benefit of mankind, on equal terms to all, and of protecting the same.

At the very end of the treaty occurs this reenunciation of the principle of equality:

And that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other State which is willing to grant thereto such protection as the United States and Great Britain engage to afford.

From the above we clearly see the kind of canal it was proposed to be constructed across the Isthmus. It was the kind of canal America had ever fought to secure elsewhere in the world.

No canal was ever constructed under this treaty. After the lapse of 50 years conditions had so changed that the United States desired to build the canal as a governmental undertaking. But there had never been any change in the American idea of the kind of canal it should be, as regards equality of treatment of the vessels of all nations. In 1881 Mr. Blaine, then Secretary of State, took up with Great Britain the negotia-

tion of a new treaty under which a canal could be built. No treaty was then made, but Mr. Blaine then clearly expressed the historic American principle as the one upon which America desired to dig the canal. In his instructions to our ambassador to Great Britain, Mr. Blaine said:

Nor does the United States seek any exclusive or narrow commercial advantage. It frankly agrees and will, by public proclamation, declare at the proper time in conjunction with the Republic on whose soil the canal may be located, that the same rights and privileges, the same tolls and obligations for the use of the canal shall apply with absolute impartiality to the merchant marine of every nation on the globe.

This is the American spirit tersely expressed. It is an emphatic enunciation of the American principle. Furthermore, it is the exact principle controlling throughout the treaty which thereafter we did make, the Hay-Pauncefote treaty of 1901.

The War with Spain in 1898 taught us several things. One was that, as a military necessity, a canal must be built. The long voyage of the *Oregon* around South America convinced us that we needed a canal across the Isthmus. Negotiations were again opened, and there was made the treaty with England ever since known as the Hay-Pauncefote treaty, finally agreed to in 1901.

That treaty is a remarkably short document. It supersedes the Clayton-Bulwer treaty with the express reservation that the "general principle" of neutralization, as provided in that treaty, shall not be impaired. The main paragraph of the treaty is the following, and it is about the whole thing in this controversy:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

If the English language means anything at all, there is no room for debate over the meaning of that paragraph. Whether we like the language or whether we do not, that is the language of the treaty. It is the language of our treaty. We made it deliberately. It is our contract. We must stand by it.

It is the embodied spirit of America's claim for the high seas during the early years of the infant Republic; it is the embodied spirit of the instructions given by one of the most ardently patriotic Americans that ever lived—James G. Blaine.

This paragraph means we shall not discriminate in favor of any vessels of any nation observing the rules to govern the canal. The words "vessels of commerce and of war of all nations" must and do include vessels engaged in the coastwise commerce of the United States.

Further light is thrown upon the matter by an incident that occurred when the Senate of the United States was considering the ratification of the Hay-Pauncefote treaty of 1900, which contained this paragraph. Senator Bard, of California, when the treaty was being considered, offered the following amendment:

ARTICLE 3.

The United States reserves the right, in the regulation and management of the canal, to discriminate in respect of the charges of traffic in favor of vessels of its own citizens engaged in the coastwise trade.

Here is an amendment offered to the proposed treaty covering our identical proposition. California then, as now, desired coastwise shipping to be favored in the matter of tolls. This amendment was presented. What happened to it? It was voted down by the Senate of the United States, and voted down emphatically, there being 27 in favor of it and 43 against it.

No refinement of distinction, no sophistry of reasoning can distort the treaty as adopted to permit a discrimination in favor of coastwise trading vessels. It is not a question of doing what we please with our own canal; it is a question of living up to our treaty, of maintaining inviolate the contractual obligations of the United States. Some of the advocates of this exemption have sought to gain support to their cause by closing their eyes to the treaty, ignoring it, and shouting patriotism. Most unfortunate move! American partiotism never has consisted, and it should not now consist, in urging America to commit a monumental wrong. Rather does it consist in maintaining the honor of America, in keeping sacred her obligations. The utter coward is the one who is afraid to do right. He who would do wrong because he has the power is both a coward and a bully. The brave man is he who does the right, and the true patriot is he who shields his country from dishonor. If I enter into a contract with my neighbor I can not and I should not repudiate it at my pleasure. If my country enters into a solemn contract she should not repudiate it, and were I to vote for that repudiation I would cover myself with shame and dishonor.

Independent of the treaty, Mr. Speaker, and entirely apart from it, I do not believe in exempting coastwise traffic from payment of tolls. To do so is unsound economy. This canal has been a huge undertaking. It has cost a tremendous sum. Four hundred million American dollars have been used in its building. To operate the canal heavy expense will necessarily occur. Without regard to securing interest on our investment in tolls, we will doubtless not secure enough to pay the ordinary operating expenses and upkeep for at least a great many years to come. Even if every ton of coastwise trade pays tolls, the cost of operation will not be met at first. Common sense, then, requires that we impose the tolls on all boats using the canal.

It has been asserted that freight rates will be reduced by exempting coastwise trade from tolls. A look into the facts shows the claim to be ridiculous. Boats engaged in coastwise trade using the canal are not going to charge just as low freight rates as they possibly can. No transportation company on earth ever did any such thing. They will charge as high as competition will permit. They will be in competition with transcontinental railroads, but on all through freight there will hardly be competition. It costs by railroad to send a ton of freight from one coast to the other from $16 to $28. Boats can carry a ton of freight from New York to San Francisco, using the Panama Canal, for about $7. Plainly and emphatically, any remission of tolls will be absorbed by the ships and will never appear in reduced freight rates. We have given to our vessels a monopoly of our coastwise trade. Foreign ships can not engage in it. That is the only monopoly ever created by law in the United States. It is now proposed to grant to this legalized monopoly a distinct subsidy, for a remission of tolls is nothing but a thinly disguised subsidy.

Parties interested in the granting of this subsidy have sought to conceal the real purpose of the moment by raising a cry of false patriotism. But the American people are not unthinking children. Through the dust that is raised they can see the fat figure of monopoly greedily grasping for subsidy.

Thus, Mr. Speaker, does the situation present itself to me. Our own internal affairs, our own economic interests, are squarely opposed to the coastwise exemption. It is un-American from every aspect and should be vigorously voted down.

It is squarely prohibited by a treaty which we made and by the whole course of American history. To repeal the exemption is demanded by every principle of national honor, by every consideration of economic welfare, and should be supported by every patriot who would shield his country from disgrace, who would hand his country's name down to posterity as spotless and unsullied as he received it.

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. PETER G. GERRY,

OF RHODE ISLAND,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914.

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. GERRY. Mr. Speaker, there can be no doubt that that section of the Panama Canal bill exempting some of our coastwise shipping from the payment of tolls should be repealed if it conflicts with the Hay-Pauncefote treaty, and arguments based upon the pecuniary loss that the United States may suffer from such action cannot be considered as of weight in the scales when a matter like this, touching our national honor, is in the balance.

The Hay-Pauncefote treaty is as follows:

HAY-PAUNCEFOTE TREATY—1901.

The United States of America and His Majesty Edward VII, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the "general principle" of neutralization established in article 8 of that convention, have for that purpose appointed as their plenipotentiaries:

The President of the United States, John Hay, Secretary of State of the United States of America;

And His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, the Right Hon. Lord Pauncefote, G. C. B., G. C. M. G., His Majesty's ambassador extraordinary and plenipotentiary to the United States;

Who, having communicated to each other their full powers, which were found to be in due and proper form, have agreed upon the following articles:

ARTICLE 1.

The high contracting parties agree that the present treaty shall supersede the aforementioned convention of the 19th April, 1850.

ARTICLE 2.

It is agreed that the canal may be constructed under the auspices of the Government of the United States, either directly at its own cost or by gift or loan of money to individuals or corporations, or through subscription to or purchase of stock or shares, and that, subject to the provisions of the present treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

ARTICLE 3.

The United States adopts as the basis of the neutralization of such ship canal the following rules, substantially as embodied in the convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal; that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary, and the transit of such vessels through the canal shall be effected with the least possible delay, in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in the case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of this article shall apply to waters adjacent to the canal, within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purpose of this treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents, and from acts calculated to impair their usefulness as part of the canal.

ARTICLE 4.

It is agreed that no change of territorial sovereignty or of the international relations of the country or countries traversed by the beforementioned canal shall affect the general principle of neutralization or the obligation of the high contracting parties under the present treaty.

ARTICLE 5.

The present treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty, and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date hereof.

In faith whereof the respective plenipotentiaries have signed this treaty and thereunto affixed their seals.

Done in duplicate at Washington, the 18th day of November, in the year of our Lord one thousand nine hundred and one.

JOHN HAY. [SEAL.]
PAUNCEFOTE. [SEAL.]

You will notice in the preamble in referring to the Clayton-Bulwer treaty it says:

Without impairing the "general principle" of neutralization established in article 8 of that convention.

Here is the article 8 referred to:

CLAYTON-BULWER TREATY (1850), ARTICLE 8.

The Governments of the United States and Great Britain having not only desired, in entering into this convention, to accomplish a particular object, but also to establish a general principle, they hereby agree to extend their protection, by treaty stipulations, to any other practicable communications, whether by canal or railway, across the isthmus which connects North and South America, and especially to the interoceanic communications, should the same prove to be practicable, whether by canal or railway, which are now proposed to be established by the way of Tehuantepec or Panama. In granting, however, their joint protection to any such canals or railways as are by this article specified, it is always understood by the United States and Great Britain that the parties constructing or owning the same shall impose no other charges or conditions of traffic thereupon than the aforesaid Governments shall approve of as just and equitable; and that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other State which is willing to grant thereto such protection as the United States and Great Britain engage to afford.

When we read this section of the Clayton-Bulwer treaty in conjunction with paragraph 1, article 3, of the Hay-Pauncefote treaty, how can we construe the words "that the canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality," and so forth, as meaning anything else than that the United States is included in the words "all nations"? As further proof that this interpretation was intended and understood in the Senate at the time when the treaty was ratified I refer to an amendment offered by Senator Bacon, of Georgia, on December 16, 1901, which was to strike out certain words of the preamble, viz, "without impairing the general principle of neutralization established in article 8 of that convention." This was not agreed to, and the following amendment, offered by Senator Bard, of California, was also rejected:

That the United States reserves the right to the regulation and management of the canal, to discriminate in respect to the charges of tariff in favor of vessels of its own citizens engaged in the coastwise trade.

It thus seems very clear that there was no misunderstanding at the time as to the meaning of the words in the treaty and there need be no such misunderstanding now if people are willing to admit what is said in plain English. Having these convictions, there can be but one course for me to pursue, to vote for the repeal of the free-tolls section, and this I intend to do.

It is said that to vote for this Sims bill will be to break a pledge in the Baltimore platform. The plank referred to is this:

We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal.

From its very wording it is not a pledge but the approval of a policy, the recommendation of a program that the party is to follow, but from the nature of the question matters over which we had no control could intervene. Much, therefore, was necessarily left to discretion, and a statement of the wishes of the convention was made. The President, however, found that our actions were being misconstrued in Europe, and that our refusal to comply with the treaty was injuring us with all foreign nations, making them believe that we were a Government without honor, incapable of living up to our agreements, and, under these circumstances, considered it wise that the policy of free tolls be abandoned.

To show how little consideration was given this plank, it is only necessary to refer to another plank under the same section, which reads:

We believe in fostering by constitutional regulation of commerce the growth of a merchant marine which shall develop and strengthen the commercial ties which bind us to our sister Republics of the south, but without imposing additional burdens upon the people and without bounties or subsidies from the Public Treasury.

It is impossible to consider the exemption from Panama tolls which certain of the coastwise traffic was to receive in any other light than a subsidy, in a very thinly veiled form, if veiled at all. We therefore have two policies in direct contradiction of each other. Which are we to follow? The one against subsidies should certainly have precedence of seniority, for it is a very old Democratic doctrine; but it does not seem to me that this question has to be decided, for the disregarding of the toll plank is not breaking a party pledge, it being, as I have said before, clearly only a recommendation, and therefore can be disregarded if the exigencies of the case are sufficient to demand it, even if it were not in conflict with other statements in the platform.

There is unquestionably much doubt as to the soundness of the contention that the American people would profit greatly by free tolls, for this exemption would affect only certain coastwise shipping and would increase the amount that would have to be paid by our ships trading in foreign countries, and this would mean another rock in the path of our ocean-going merchant marine, which we hope to build up by removing the legislative restrictions now throttling it. Our present coastwise ships are protected by law, for no foreign vessels are allowed to compete with them. Is it wise to give them this additional aid at the expense of our other future shipping? Are the American people as a whole going to get commodities cheaper from foreign countries if the ships in whose bottoms they are carried have to pay a higher toll? It is not conceivable to think so. Even as a matter of economics it is doubtful if the doctrine of free tolls is sound.

There has been an attempt made to befog the issue by crying that we were giving way to English coercion, and that we lacked courage. But, Mr. Speaker, I have no doubt as to what the verdict of the American Nation will be in this matter, for I know that the sterling qualities of independence, honesty, and belief in the doctrines of fair dealing to all mankind, which were the moving forces of our forefathers in 1776, still exists to-day, and that the people, when this free-tolls provision is repealed, will feel that a stain has been wiped from their shield, and that they will again go forward like an upright man, rejoicing that they have upheld their honor, not because of any coercion or any fear, but because of their belief in doing what was right.

Panama Canal Tolls.

EXTENSION OF REMARKS
OF
HON. AUGUSTINE LONERGAN,
OF CONNECTICUT,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. LONERGAN. Mr. Speaker, since it became known that Congress was to deal with the matter of the repeal of toll exemptions, as provided in H. R. 14385, an act to amend section 5 of the act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, I have keenly felt the great responsibility that devolves upon me in my representative capacity. I assure you that I approached this highly important question with caution. No act of my lifetime has given me such concern. I have carefully studied the subject during the past few weeks, and have been constantly in attendance upon the sessions of the House during the able discussions by the gentlemen who have taken the floor in favor of and against the proposed legislation.

It appears to me that the vital question involved is whether or not the United States Government has violated a treaty agreement with Great Britain. In my judgment it has not; therefore I shall vote against the pending bill.

I regret that in so doing I find myself in disagreement with our great and beloved President, who as our Chief Executive has astonished the world by his masterly achievements in the enactment of constructive legislation. Realizing, as we do, his broadness of view and his keen sense of justice in considering the views of others, irrespective of whether or not they are in accord with his own conclusions, we can say, with confidence and pride in our Chief Executive, that he would be the last man to expect anyone to cast a vote against his conscience on any matter, and especially on a matter of such supreme moment as the Panama Canal toll question.

I hold that under the solemn oath which I took before the bar of this House that my first duty is to my conscience. Any other action would not be in conformity with what is expected of a Representative in the great American Congress.

The bill now under discussion in this House provides in section 1:

That the second sentence in section 5 of the act entitled "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation and government of the Canal Zone," approved August 24, 1912, which reads as follows: "No tolls shall be levied upon vessels engaged in the coastwise trade of the United States," be, and the same is hereby, repealed.

In the consideration of this bill we must look carefully into the provisions of the Clayton-Bulwer treaty of 1850, the Hay-Pauncefote treaty of 1901, and the Panama treaty of 1903.

HISTORICAL.

A brief history of the Panama Canal negotiations is proper at this time. The United States and Colombia entered into a treaty in 1846 under which a right of transit over the Isthmus of Panama from sea to sea was granted to the United States. As a result of the treaty the Panama Railroad was completed nine years after the treaty was signed.

A treaty between the United States and Nicaragua was entered into in 1849, and this treaty provided for the construction of a ship canal from Greytown, San Juan, on the Atlantic coast, to the Pacific coast by way of the Lake of Nicaragua.

The Atlantic end of the canal would have been in the territory of the Mosquito Indians. Great Britain claimed a protectorate over these Indians, and insisted that it alone should name the conditions under which the canal could be opened. This claim of the British involved complete disregard of the Monroe doctrine, and an official protest was made by the United States minister at London. Later, Secretary of State Clayton (of President Zachary Taylor's Cabinet) and Sir Henry Bulwer, the British minister at Washington, entered into negotiations, and in 1850 concluded the Clayton-Bulwer treaty.

This treaty stipulated that neither Great Britain nor the United States should ever obtain or maintain for itself any exclusive control over the canal or erect fortifications upon it, nor occupy or exercise any dominion over any part of Central America; and that in event of war the vessels of Great Britain and the United States must be permitted to pass unmolested, and that both nations would guard the canal and preserve its neutrality. This treaty was very unsatisfactory to the United States, for its terms made the building of the canal by the United States an absolute impossibility.

The unsatisfactory Clayton-Bulwer treaty continued in force until 1901, when it was superseded by the Hay-Pauncefote treaty—the treaty which figures so prominently in the canal tolls discussion.

The Hay-Pauncefote treaty sets forth the desire of the United States and Great Britain to bring about the construction of a ship canal by such route as may be considered expedient. The second article refers to the constructing and financing of the canal under the auspices of the United States, and specifies that this country "shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal."

In 1903 the Senate of the United States ratified the Hay-Herran treaty, between this country and Colombia. The plans at that time contemplated a payment of $10,000,000 to the Colombian Government, with an annual rental of $250,000. Later, the Colombian Government sought to repudiate the promise of its representatives, yet indicating that it would ratify the treaty if it were paid $25,000,000. Indignant at prospects of losing the benefits sure to accompany the construction of the canal, the people of Panama revolted against the Colombian Government, and Panama seceded from Colombia and established a provisional government.

The United States, Great Britain, and France quickly recognized the new Republic of Panama. In 1903 the treaty of Panama was ratified, and under this treaty there was granted to the United States in perpetuity a zone of land and land under water for the construction, maintenance, operation, sanitation, and protection of the canal of the width of 10 miles, beginning in the Caribbean Sea and extending to and across the Isthmus of Panama into the Pacific Ocean, with the exception of the cities of Panama and Colon. In addition, there were grants of certain other territory and islands.

This treaty grants the United States "all the rights, power, and authority" within the zone mentioned "which the United States would protect and exercise if it were sovereign of the territory within which the said lands and waters are located, to the entire exclusion of the Republic of Panama of any such sovereign rights, power, and authority." Article 5 of this treaty grants to the United States in perpetuity a monopoly for the construction, maintenance, and operation of any system of communication by means of canal or railway across its territory between the Caribbean Sea and the Pacific Ocean. In return, the United States agrees to maintain the independence of the Republic of Panama and to pay Panama $10,000,000, and from nine years after the date of the treaty to make an annual payment of $250,000 while the treaty remains in force.

It will be noted that in the preamble of the Hay-Pauncefote treaty it is provided that the United States of America and the Kingdom of Great Britain, "being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the 'general principle' of neutralization established in article 8 of that convention, have for that purpose appointed their plenipotentiaries."

The proponents of this bill claim that the expression "without impairing the general principles of neutralization in article 8 of that convention" impairs the right of the United States to control the Panama Canal. Article 8 of the treaty of 1850 sets forth the following provisions:

The Governments of the United States and Great Britain, having not only desired in entering into this convention to accomplish a particular object, but to establish a general principle, they hereby agree to extend their protection, by treaty stipulations, to any other practicable communications, whether by canal or railway, across the isthmus which connects North and South America, and especially to the interoceanic communications—should the same prove to be practicable, whether by canal or railway—which are now proposed to be established by the way of Tehuantepec or Panama. In granting, however, their joint protection to any such canals or railways as are by this article specified, it is always understood by the United States and Great Britain that the parties constructing or owning the same shall impose no other charges or conditions of traffic thereupon than the aforesaid Governments shall approve of as just and equitable, and that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other State which is willing to grant thereto such protection as the United States and Great Britain engage to afford.

It is admitted that this is the only article of the Clayton-Bulwer treaty which affects the construction of the Hay-Pauncefote treaty. How? Can it affect the subject of tolls,

traffic, or regulation of the canal by the United States? Clearly not. As to the question of "general principle of neutralization," the canal was about to be built by the United States Government and it was to be free and open to the commerce of the world, both in peace and in war. If the canal is so opened, will not the principle of neutralization mentioned in article 8 of the Clayton-Bulwer treaty be complied with? I think so.

The clear statement of the gentleman from Michigan [Mr. DOREMUS] covers this point. In further support of my contention that the Hay-Pauncefote treaty does not guarantee to Great Britain equal rights with the United States in the canal, I call attention to the significant fact that the words of the Clayton-Bulwer treaty declaring that the canal shall be "open to the citizens and subjects of the United States and Great Britain on equal terms" disappear in the later treaty. Can there be any doubt that if the Hay-Pauncefote treaty was intended to give Great Britain equal rights with the United States in the Panama Canal the intention would have been expressed in the same clear and unequivocal terms that are found in the Clayton-Bulwer treaty? The language of that treaty guaranteeing equal rights to both countries had constituted a continuing contract for half a century. It was before the respective representatives of the two Governments when they negotiated the Hay-Pauncefote treaty, and the failure to incorporate the language in the new treaty is significant, to say the least.

In their report accompanying this bill the majority of the Committee on Interstate and Foreign Commerce, following the interpretation of Sir Edward Grey, contend that the "general principle" of neutralization in article 8 of the Clayton-Bulwer treaty, which was not impaired by the later treaty, guarantees equal rights to Great Britain in the canal.

A careful reading of this article in connection with the other provisions of the Clayton-Bulwer treaty will disclose that it lays down no principle of neutralization at all, but merely applies the rules of neutralization established in the preceding articles for the Nicaragua Canal to routes that were at that time being *proposed* via Panama and Tehuantepec.

In other words, the principle of neutralization was made general by applying it to all interoceanic communications across the Isthmus, but the principle was established in the articles that preceded article 8. The neutrality guaranteed by the Clayton-Bulwer treaty undoubtedly meant that the canal should be protected from interruption, seizure, or unjust confiscation, as stated in article 5 of the Clayton-Bulwer treaty, so that the canal should forever be open and free and the capital invested therein secure. The United States and Great Britain having engaged with each other to guarantee that neutrality, they provided in article 8, as a condition of such guaranty, that the canal should be open to the citizens and subjects of both countries upon equal terms, and also provided that it should be open on like terms to the citizens and subjects of every other State which was willing to unite with the United States and Great Britain in a joint protectorate over the canal. To assert that the general principle of neutralization established in the Clayton-Bulwer treaty refers to a system of equal tolls, which in that treaty was conditional upon joint protection, does violence to the meaning of the word "neutralization" as it has been understood from time immemorial.

In Moore's International Law Digest "neutralization" is defined as follows:

> Strictly speaking, the term "neutralization" when applied to a canal refers to a condition under which the canal would be closed to the ships of war of belligerents. The term, however, has come to be used in a broader sense than this, so as to include an arrangement whereby protection is sought to be guaranteed against hostile attack or hostile interruption, while the same freedom of use is sought to be assured in war as in peace.

Unless the word "neutralization" is to be given a new and strange meaning, the general principle established by the Clayton-Bulwer treaty has not been impaired by the act of August 24, 1912. The canal will be free and open on terms of entire equality to the vessels of commerce and of war of all nations that observe the rules the United States has laid down for the neutralization of the canal.

To support their claim that Great Britain has equal rights with the United States in the Panama Canal, the opponents of free tolls are obliged to change the plain and well-understood meaning of words, read into the new treaty the language of a superseded convention, and ignore the fundamental rights of the United States as the sovereign proprietor of the canal and the sole guarantor of its neutrality.

Whatever differences may exist as to the right of the United States to exempt its foreign shipping from the payment of tolls, I do not see how other nations are concerned in any preference we may give to our coastwise trade. For nearly a hundred years that trade has been reserved by law to vessels of the United States, and no foreign ship can engage in it. In his note of November 11, 1912, Sir Edward Grey, in trying to demonstrate the inability of this Government to confine the exemption to the coastwise trade, used the following illustration:

> To take an example, if cargo intended for a United States port beyond the canal, either from east or west, and shipped on board a foreign ship, could be sent to its destination more cheaply through the operation of the proposed exemption by being landed at a United States port before reaching the canal and then sent on as coastwise trade, shippers would benefit by adopting this course in preference to sending the goods direct to their destination through the canal on board the foreign ship.

Without discussing the question whether such a practice as Sir Edward Grey suggested would ever be adopted, the point was well met by Secretary of State Knox in his note of January 17, 1913, when he said that it rested upon conjecture as to what may happen rather than upon approved facts. If the practice of unloading foreign goods at an American port at either side of the canal and reloading them upon an American vessel for passage through the canal as coastwise trade were attempted, there is no doubt of the ability of this Government to frame regulations that would effectually stop the practice. The mere suggestion, of course, that such a thing might be attempted is not an argument showing or tending to show that the present law violates the treaty, nor does it afford any justification for its repeal.

Sir Edward Grey is apprehensive that the remission of tolls to our coastwise trade would violate the rule that the tolls levied shall be just and equitable by requiring foreign shipping to pay an unjust share of the cost of the upkeep of the canal. He holds, therefore, that his Government is entitled to demand that all vessels passing through the canal, whatever their flag or character, shall be taken into account in fixing the amount of the tolls. It would seem to be a complete answer to this argument that all vessels were taken into account in fixing the amount of the tolls. It would also seem to be a complete answer to this argument that all vessels were taken into account in fixing the maximum toll in the Panama Canal act of $1.25 per net registered ton.

Subdivision 1 of article 3 of the Hay-Pauncefote treaty provides:

> 1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

This rule simply says that all those nations observing the rules laid down by the United States will be treated without any discrimination, the one against the other. This is in harmony with the "general principle" contained in section 8 of the Clayton-Bulwer treaty. The United States is the only Nation upon which any obligations are imposed in connection with the construction, operation, protection, and maintenance of the canal. All other nations are free from any obligations of any kind, and according to that "principle" the nations without obligations are to be treated alike, while the nation with obligations may receive different treatment.

It seems to me there is no room for argument and no room for construction.

While the meaning of this article and of this rule must be arrived at from the language used, the construction that I have given to it is confirmed by what would result from any different construction. If we are to hold that the United States can show no preference to American vessels, then we must say to the people of this country that their money has built the canal; they must maintain it and operate it at their own expense; they must protect it from disorder, from lawlessness, and from damage; they must maintain its neutrality at the possible expense of blood and treasure; and, notwithstanding all this, the vessels of war of the United States can not go through the canal except upon the same conditions, with the same restraints, and the same charges which the vessels of war of any other nation must bear and pay, and that the vessels of citizens of the United States can not go through the canal without paying the same charges that are paid by the vessels of the citizens of other countries who have no obligations and who have been to no expense in connection with the canal.

For the first time in American history it is proposed to hold up at a tollgate an American vessel engaged in interstate trade and exact from it the same tribute we demand from a foreign vessel flying a foreign flag.

Former President Taft, in an effort to place upon the Hay-Pauncefote treaty a construction which would make it adaptable to the changed conditions which have resulted since the acquisi-

tion of the Canal Zone by the United States, treated the words "all nations," used in subdivision 1 of article 3 of the Hay-Pauncefote treaty, as excluding the United States.

The fundamental fact in reference to which the Hay-Pauncefote treaty was made was that the canal was to be constructed in territory alien to the United States. The Hay-Pauncefote treaty did not even definitely decide upon the Panama route, but provided for the construction of a ship canal to connect the Atlantic and Pacific Oceans "by whatever route may be considered expedient." The treaty contemplated merely that the canal should be constructed "under the auspices" of the United States, not in the territory of the United States. That the United States did not contemplate the actual acquisition of the territory in which the canal was to be constructed is conclusively evidenced by the fact that the Senate ratified the treaty with Colombia, which merely provided for constructing the canal "under the auspices" of the United States, and did not contemplate the cession of territory to the United States. The failure of Colombia to fulfill the promise of its accredited representative, the bitterness and spirit of revolt which that refusal engendered among the people of the State of Panama, led to the revolution which resulted in the secession of Panama from Colombia.

The United States having been betrayed by Colombia, President Roosevelt took the action which resulted in the United States securing the grant from Panama. Under that grant the Canal Zone became part of the territory of the United States and subject to its sovereignty, and the United States from that time on possessed the same exclusive rights over it that it possessed in reference to any other territory which it acquired by cession or conquest.

In that, since 1817, the law has been that no foreign vessels can engage in coastwise trade in the United States, where is the discrimination against foreign vessels when they are charged a toll? If our vessels of commerce are to pay toll, will not our vessels of war have to pay toll? "The canal shall be free and open to the vessels of commerce and of war of all nations," and so forth, being subdivision 1 of article 3. The language applies to both. Therefore I ask do the words "all nations" apply to the United States? I think not. Is it seriously contended that the United States Government must pay tolls on its war vessels, or on other vessels, for that matter? Such a claim can not be sustained, and yet other Governments using the Panama Canal are obliged to pay such toll. It was not the passage of ships of commerce that moved this country to action. The dominant thought was one of military strategic importance. The power to build the canal rests in the war power of the United States. It was not the question of commerce, but the question of protection for our country. The Nation knew how helpless it would be if, with its Navy in the eastern waters, it were attacked upon the Pacific coast. But with her Navy in the Panama Canal and the northern waters a great element of strength would be added to our power and usefulness and ability in the line of self-defense. We are a peace-loving Nation, Mr. Speaker, but we must be prepared to defend our rights and possessions.

The inland lake of the canal provides a harbor of refuge for our Navy, which may attack at either ocean. It is perfectly clear that if we can not prefer vessels of commerce we have no authority to keep a war vessel in time of war with any other country within 3 marine miles of either end of the canal. If during war with a foreign power we find an enemy's man-of-war in the canal, we can not drive it out; and if it leaves, we must wait 24 hours before following. If engaged in war, our ships must leave the canal within 24 hours.

If the reasoning applied to vessels of commerce must be applied to vessels of war, of what value is the canal to the United States in time of war if such a contention is sustained? Its value is lost. That no such thing was contemplated may be determined by reading article 2 of the Hay-Pauncefote treaty.

Article 3 of the Hay-Pauncefote treaty provides that:

The United States adopts as the basis of neutralization of such ship canal the following rules, substantially as embodied in the convention of Constantinople, signed the 28th of October, 1888, for the free navigation of the Suez Canal; that is to say—

And so forth.

You will note the omission of reference to Great Britain in that paragraph. To my mind that is significant. We therein agreed not to use the canal to favor any other country, the rules to be applied by and to other nations as the condition under which we will allow them to use the canal.

We have the exclusive right of providing for the regulations and management of the canal.

A highly important phase of the situation are the rights and obligations of the United States in the treaty of November 18, 1903, known as the Hay-Bunau-Varilla treaty. This was entered into nearly two years after the Hay-Pauncefote treaty was signed, the United States being represented in both instances by Secretary Hay.

The voice of Great Britain was not raised in protest. The Republic of Panama granted to the United States all the rights, power, and authority within the zone mentioned and described in article 11 of the treaty, and within the limits of all auxiliary lands and waters mentioned and described in said article 11 which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority.

Every true American is supremely proud of the accomplishment of the United States in successfully constructing the Panama Canal. The work is one of the greatest engineering achievements of mankind. It is a monument to the industry, resourcefulness, and skill of the Nation which constructed it. And it represents an expenditure of the enormous sum of $400,000,000. It is estimated that within a year of the time it is opened a net amount aggregating 10,000,000 tons will pass through the canal. The Panama route will have a monopoly of the traffic of Hawaii and of the west coast of North and South America, with the exception of a small part of the trade of southern Chile. The canal will cut down the distance from New York to San Francisco about 8,500 miles, and from New York to Australia about 4,000 miles. A 9-knot vessel going from New York to Chile will save 23 days. The saving of time and money which will result to those engaged in the world's commerce by the use of the Panama Canal will be indeed difficult to estimate.

Our sovereignty over the Canal Zone is complete. Therefore, the Panama Canal is constructed through our territory and becomes a part of our coastwise highway—connecting the Atlantic and Pacific. The question of our absolute exclusive control of coastwise traffic admitted, what is there at issue that can be construed as anything but of a national character? I can see nothing.

Then may we ask, how is a foreign power concerned? As is our right we can and will deal with regulation and management of the canal, so that there shall be no discrimination against any other nation observing the rules prescribed by the United States for such regulation and management of the canal without violating any treaty or surrendering any rights as a Government, and yet retain the exclusive right to manage, control, and operate as part of our own territory, for our own benefit, without impairing the general principle of neutralization established in article 8 of the Clayton-Bulwer treaty and without violating the Hay-Bunau-Varilla treaty.

Originally it was contemplated that corporations, and not governments, should build the Panama Canal. Examination of the reports of the debates in the United States Senate on this question affords a vast quantity of enlightening information, and those who consequently believe that there is no violation of the Hay-Pauncefote treaty find in these Senate debates the strongest kind of support for their conclusions.

It has been urged that the transcontinental railroads and other private interests have from the beginning been eagerly welcoming discord over the tolls question. It is clear that the higher the water rates will be, the higher the rates by rail, and the converse is also true. It is urged that the consumer will get the benefit of free tolls, for the reason that all freight rates are charged against the commodities transported.

The platform promises of the Democratic Party regarding free tolls for the Panama Canal are to be sustained, unless we have violated our treaty with Great Britain, which I do not believe we have done. Therefore, I think that the action of the Sixty-second Congress providing for free tolls should not be undone.

I note that my predecessor, Mr. Henry, voted affirmatively for the resolution for free tolls.

It is provided by law that no railroad-owned or trust-controlled ship can use the canal. The Democratic Party will be able to cope with the situation in event of attempted abuse of this provision.

A VIGOROUS AMERICAN CANAL POLICY ADVOCATED BY FORMER PRESIDENTS OF THE UNITED STATES.

PRESIDENT PIERCE.

It would be difficult to suggest a single object of interest, external or internal, more important to the United States than the maintenance of the communication by land or sea, between the Atlantic and Pacific States and Territories. It is a material element of the national integrity and sovereignty. (President Pierce, in message to Congress, May 15, 1856.)

PRESIDENT BUCHANAN.

The Government of the United States can never permit these routes to be permanently interrupted, nor can it safely allow them to pass under the control of other rival nations. It can never consent to be made tributary to their use to any European power. (President James Buchanan, in message to the United States Senate, Apr. 5, 1860.)

PRESIDENT HAYES.

The policy of this country is a canal under American control. The United States can not consent to the surrender of this control to any European power or to any combination of European powers. * * * The United States must exercise such control as will enable this country to protect its national interests. * * *

An interoceanic canal across the American Isthmus will essentially change the geographical relations between the Atlantic and Pacific coasts of the United States and between the United States and the rest of the world. It would be the great ocean thoroughfare between our Atlantic and our Pacific shores, and virtually a part of the coast line of the United States. Our merely commercial interest in it is greater than that of all other countries, while its relations to our power and prosperity as a nation, to our means of defense, our unity, peace, and safety, are matters of paramount concern to the people of the United States. No other great power would, under similar circumstances, fail to assert a rightful control over a work so closely and vitally affecting its interest and welfare.

Without urging further the grounds of my opinion, I repeat, in conclusion, that it is the right and the duty of the United States to assert and maintain such supervision and authority over any interoceanic canal across the Isthmus that connects North and South America as will protect our national interests. This, I am quite sure, will be found not only compatible with but promotive of the widest and most permanent advantage to commerce and civilization. (President Rutherford B. Hayes, in message to Congress, Feb. 10, 1880.)

PRESIDENT GRANT.

In accordance with the early and later policy of the Government, in obedience to the often-expressed will of the American people, with a due regard to our national dignity and power, with a watchful care for the safety and prosperity of our interests and industries on this continent, and with a determination to guard against even the first approach of rival powers, whether friendly or hostile, on these shores, I commend an American canal, on American soil, to the American people. * * *

During my administration of the Government I endeavored to impress upon the country the views I then formed, and I shall feel that I have added one more act of my life to those I have already recorded if I shall succeed in impressing upon Congress and the people the high value as a commercial and industrial enterprise of this great work, which, if not accomplished by Americans, will undoubtedly be accomplished by some one of our rivals in power and influence. (Signed article by former President Grant, appearing in the North American Review, February, 1881.)

PRESIDENT ARTHUR.

The questions growing out of the proposed interoceanic waterway across the Isthmus of Panama are of grave importance. * * * This Government learned that Colombia had proposed to the European powers to join in a guaranty of the neutrality of the proposed Panama Canal—a guaranty which would be in direct contravention of our obligation as the sole guarantor of the integrity of Colombian territory and of the neutrality of the canal itself. My lamented predecessor felt it his duty to place before the European powers the reasons which make the prior guaranty of the United States indispensable and for which the interjection of any foreign guaranty might be regarded as a superfluous and unfriendly act. (President Arthur, in message to Congress, Dec. 6, 1881.)

PRESIDENT M'KINLEY.

That the construction of such a maritime highway is now more than ever indispensable to that intimate and ready intercommunication between our eastern and western seaboards demanded by the annexation of the Hawaiian Islands and the prospective expansion of our influence and commerce on the Pacific, and that our national policy, now more imperatively than ever, calls for its control by this Government, are propositions which I doubt not the Congress will duly appreciate and wisely act upon. (President McKinley, in message to Congress, Dec. 5, 1898.)

PRESIDENT ROOSEVELT.

I believe that the position of the United States is proper as regards this coastwise traffic. I think that we have the right to free bona fide coastwise traffic from tolls. I think that this does not interfere with the rights of any other nation, because no ships but our own can engage in coastwise traffic, so that there is no discrimination against other ships when we relieve the coastwise traffic from tolls. I believe that the only damage that would be done is the damage to the Canadian Pacific Railway. Moreover, I do not think that it sits well on the representatives of any foreign nation, even upon those of a power with which we are, and I hope and believe will always remain, on such good terms as Great Britatin, to make any plea in reference to what we do with our own coastwise traffic, because we are benefiting the whole world by our action at Panama, and are doing this where every dollar of expense is paid by ourselves. In all history I do not believe you can find another instance where as great and expensive a work as the Panama Canal, undertaken not by a private corporation but by a nation, has ever been as generously put at the service of all the nations of mankind. (Extract from letter of Theodore Roosevelt in Outlook, Jan. 18, 1913.)

PRESIDENT TAFT.

I am very confident that the United States has the power to relieve from the payment of tolls any part of our shipping that Congress deems wise. We own the canal. It was our money that built it. We have the right to charge tolls for its use. Those tolls must be the same for everyone. But, when we are dealing with our own ships, the practice of many Governments in subsidizing their own merchant vessels is so well established in general that a subsidy equal to the tolls, or an equivalent remission of the tolls, can not be held to be a discrimination in the use of the canal. (President Taft, in message to Congress, Dec. 21, 1911.)

THE TREATIES.

Following will be found the full text of the various treaties relating to the Panama Canal:

CLAYTON-BULWER TREATY.

Convention as to ship canal connecting Atlantic and Pacific Oceans, 1850. (Clayton-Bulwer treaty.) Concluded April 19, 1850; ratification advised by the Senate May 22, 1850; ratified by the President May 23, 1850; ratifications exchanged July 4, 1850; proclaimed July 5, 1850. (Treaties and Conventions, 1889, p. 440.)

ARTICLES.

1. Declarations as to control of canal, occupation of territory, and commercial advantages.
2. Neutrality of canal in case of war.
3. Protection of construction.
4. Mutual influence to facilitate construction.
5. Guaranty of neutrality.
6. Cooperation of other States.
7. Mutual encouragement to speedy construction.
8. Protection to other communications.
9. Ratification.

The United States of America and Her Britannic Majesty, being desirous of consolidating the relations of amity which so happily subsist between them, by setting forth and fixing in a convention their views and intentions with reference to any means of communication by ship canal which may be constructed between the Atlantic and Pacific Oceans by the way of the River San Juan de Nicaragua and either or both of the Lakes of Nicaragua or Managua to any port or place on the Pacific Ocean, the President of the United States has conferred full powers on John M. Clayton, Secretary of State of the United States; and Her Britannic Majesty on the Right Hon. Sir Henry Lytton Bulwer, a member of Her Majesty's Most Honorable Privy Council, Knight Commander of the Most Honorable Order of the Bath, and envoy extraordinary and minister plenipotentiary of Her Britannic Majesty to the United States, for the aforesaid purpose; and the said plenipotentiaries having exchanged their full powers, which were found to be in proper form, have agreed to the following articles:

ARTICLE 1.

The Governments of the United States and Great Britain hereby declare that neither the one nor the other will ever obtain or maintain for itself any exclusive control over the said ship canal; agreeing that neither will ever erect or maintain any fortifications commanding the same, or in the vicinity thereof, or occupy, or fortify, or colonize, or assume or exercise any dominion over Nicaragua, Costa Rica, the Mosquito Coast, or any part of Central America; nor will either make use of any protection which either affords or may afford, or any alliance which either has or may have, to or with any State or people for the purpose of erecting or maintaining any such fortifications, or of occupying, fortifying, or colonizing Nicaragua, Costa Rica, the Mosquito Coast, or any part of Central America, or of assuming or exercising dominion over the same; nor will the United States or Great Britain take advantage of any intimacy, or use any alliance, connection, or influence that either may possess with any State or Government through whose territory the said canal may pass, for the purpose of acquiring or holding, directly or indirectly, for the citizens or subjects of the one, any rights or advantages in regard to commerce or navigation through the said canal which shall not be offered on the same terms to the citizens or subjects of the other.

ARTICLE 2.

Vessels of the United States or Great Britain traversing the said canal shall, in case of war between the contracting parties, be exempted from blockade, detention, or capture by either of the belligerents; and this provision shall extend to such a distance from the two ends of the said canal as may hereafter be found expedient to establish.

ARTICLE 3.

In order to secure the construction of the said canal, the contracting parties engage that if any such canal shall be undertaken upon fair and equitable terms by any parties having the authority of the local Government or Governments through whose territory the same may pass, then the persons employed in making the said canal and their property used, or to be used, for that object shall be protected from the commencement of the said canal to its completion by the Governments of the United States and Great Britain from unjust detention, confiscation, seizure, or any violence whatsoever.

ARTICLE 4.

The contracting parties will use whatever influence they respectively exercise with any State, States, or Governments possessing or claiming to possess any jurisdiction or right over the territory which the said canal shall traverse, or which shall be near the waters applicable thereto, in order to induce such States or Governments to facilitate the construction of the said canal by every means in their power; and, furthermore, the United States and Great Britain agree to use their good offices, wherever or however it may be most expedient, in order to procure the establishment of two free ports—one at each end of the said canal.

ARTICLE 5.

The contracting parties further engage that when the said canal shall have been completed they will protect it from interruption, seizure, or unjust confiscation, and that they will guarantee the neutrality thereof, so that the said canal may forever be open and free, and the capital invested therein secure. Nevertheless, the Governments of the United States and Great Britain in according their protection to the construction of the said canal and guaranteeing its neutrality and security when completed, always understand that, this protection and guaranty are granted conditionally, and may be withdrawn by both Governments or either Government, if both Governments or either Government, should deem that the persons or company undertaking or managing the same, adopt or establish such regulations concerning the traffic thereupon, as are contrary to the spirit and intention of this convention—either by making unfair discriminations in favor of the commerce of one of the contracting parties over the commerce of the other, or by imposing oppressive exactions or unreasonable tolls upon passengers, vessels, goods, wares, merchandise, or other articles. Neither party, however, shall withdraw the aforesaid protection and guaranty without first giving six months' notice to the other.

ARTICLE 6.

The contracting parties in this convention engage to invite every State with which both or either have friendly intercourse, to enter into stipulations with them similar to those which they have entered into with each other to the end that all other States may share in the honor and advantage of having contributed to a work of such general interest and importance as the canal herein contemplated. And the contracting parties likewise agree that each shall enter into treaty stipulations with such of the Central American States as they may deem advisable for the purpose of more effectually carrying out the great design of this convention, namely, that of constructing and maintaining the said canal as a ship communication between the two oceans for the benefit of mankind on equal terms to all, and of protecting the same; and they also agree that the good offices of either shall be employed, when requested by the other, in aiding and assisting the negotiations of such treaty stipulations; and, should any dif-

ferences arise as to right of property over the territory through which the said canal shall pass—between the States of Governments of Central America—and such difference should, in any way impede or obstruct the execution of the said canal, the Governments of the United States and Great Britain will use their good offices to settle such differences in the manner best suited to promote the interests of the said canal and to strengthen the bonds of friendship and alliance which exist between the contracting parties.

ARTICLE 7.

It being desirable that no time should be unnecessarily lost in commencing and constructing the said canal, the Governments of the United States and Great Britain determine to give their support and encouragement to such persons, or company, as may first offer to commence the same, with the necessary capital, the consent of the local authorities, and on such principles as accord with the spirit and intention of this convention; and if any persons or company should already have, with any State through which the proposed ship canal may pass, a contract for the construction of such a canal as that specified in this convention—to the stipulations of which contract neither of the contracting parties in this convention have any just cause to object—and the said persons or company shall, moreover, have made preparations and expended time, money, and trouble on the faith of such contract, it is hereby agreed that such persons or company, shall have a priority of claim over every other person, persons, or company to the protection of the Governments of the United States and Great Britain, and be allowed a year from the date of the exchange of the ratifications of this convention for concluding their arrangements and presenting evidence of sufficient capital subscribed to accomplish the contemplated undertaking, it being understood that if, at the expiration of the aforesaid period, such persons or company be not able to commence and carry out the proposed enterprise, then the Governments of the United States and Great Britain shall be free to afford their protection to any other persons or company that shall be prepared to commence and proceed with the construction of the canal in question.

ARTICLE 8.

The Governments of the United States and Great Britain having not only desired in entering into this convention to accomplish a particular object but also to establish a general principle, they hereby agree to extend their protection, by treaty stipulations, to any other practicable communications, whether by canal or railway, across the isthmus which connects North and South America, and especially to the interoceanic communications—should the same prove to be practicable, whether by canal or railway—which are now proposed to be established by the way of Tehuantepec or Panama. In granting, however, their joint protection to any such canals or railways as are by this article specified it is always understood by the United States and Great Britain that the parties constructing or owning the same shall impose no other charges or conditions of traffic thereupon than the aforesaid Governments shall approve of as just and equitable, and that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other State which is willing to grant thereto such protection as the United States and Great Britain engage to afford.

ARTICLE 9.

The ratifications of this convention shall be exchanged at Washington within six months from this day, or sooner, if possible.

In faith whereof we, the respective plenipotentiaries, have signed this convention and have hereunto affixed our seals.

Done at Washington the 19th day of April, A. D. 1850.

JOHN M. CLAYTON. [SEAL.]
HENRY LYTTON BULWER. [SEAL.]

HAY-PAUNCEFOTE TREATY.

Treaty between the United States and Great Britain to facilitate the construction of a ship canal. Signed at Washington, November 18, 1901; ratification advised by the Senate, December 16, 1901; ratified by the President, December 26, 1901; ratified by Great Britain, January 20, 1902; ratifications exchanged at Washington, February 21, 1902; proclaimed, February 22, 1902.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas a convention between the United States of America and the United Kingdom of Great Britain and Ireland, to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the "general principle" of neutralization established in article 8 of that convention, was concluded and signed by their respective plenipotentiaries at the city of Washington on the 18th day of November, 1901, the original of which convention is word for word as follows:

The United States of America and His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, King, and Emperor of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of principle" of neutralization established in article 8 of that convention, have for that purpose appointed as their plenipotentiaries—

The President of the United States, John Hay, Secretary of State of the United States of America;

And His Majesty Edward VII, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, the Right Hon. Lord Pauncefote, G. C. B., G. C. M. G., His Majesty's ambassador extraordinary and plenipotentiary to the United States, who, having communicated to each other their full powers which were found to be in due and proper form, have agreed upon the following articles:

ARTICLE 1.

The high contracting parties agree that the present treaty shall supersede the aforementioned convention of the 19th April, 1850.

ARTICLE 2.

It is agreed that the canal may be construed under the auspices of the Government of the United States, either directly at its own cost, or by gift or loan of money to individuals or corporations, or through the Government of the United States, without impairing the "general subscription to or purchase of stock or shares, and that, subject to the provisions of the present treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

ARTICLE 3.

The United States adopts, as the basis of the neutralization of such ship canal, the following rules, substantially as embodied in the convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal; that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of this article shall apply to waters adjacent to the canal, within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purposes of this treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents and from acts calculated to impair their usefulness as part of the canal.

ARTICLE 4.

It is agreed that no change of territorial sovereignty or of the international relations of the country or countries traversed by the before-mentioned canal shall affect the general principle of neutralization or the obligation of the high contracting parties under the present treaty.

ARTICLE 5.

The present treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty; and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date thereof.

In faith whereof the respective plenipotentiaries have signed this treaty and thereunto affixed their seals.

Done in duplicate at Washington, the 18th day of November, in the year of our Lord one thousand nine hundred and one.

JOHN HAY. [SEAL.]
PAUNCEFOTE. [SEAL.]

And whereas the said convention has been duly ratified on both parts, and the ratification of the two Governments were exchanged in the city of Washington on the 21st day of February, 1902:

Now, therefore, be it known that I, Theodore Roosevelt, President of the United States of America, have caused the said convention to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this 22d day of February, in the year of our Lord 1902, and of the independence of the United States the one hundred and twenty-sixth.

[SEAL.] THEODORE ROOSEVELT.

By the President:

JOHN HAY,
Secretary of State.

PANAMA TREATY.

[Copy of convention between the United States and the Republic of Panama for the construction of a ship canal to connect the waters of the Atlantic and Pacific Oceans.]

PANAMA—SHIP CANAL.

CONVENTION

BETWEEN THE UNITED STATES AND THE REPUBLIC OF PANAMA FOR THE CONSTRUCTION OF A SHIP CANAL TO CONNECT THE WATERS OF THE ATLANTIC AND PACIFIC OCEANS.

Signed at Washington, November 18, 1903.
Ratification advised by the Senate, February 23, 1904.
Ratified by the President, February 25, 1904.
Ratified by Panama, December 2, 1903.
Ratifications exchanged at Washington, February 26, 1904.
Proclaimed, February 26, 1904.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas, a convention between the United States of America and the Republic of Panama to insure the construction of a ship canal across the Isthmus of Panama to connect the Atlantic and Pacific Oceans, was concluded and signed by their respective plenipotentiaries at Washington on the 18th day of November, 1903, the original of which convention, being in the English language, is word for word as follows:

ISTHMIAN CANAL CONVENTION.

The United States of America and the Republic of Panama, being desirous to insure the construction of a ship canal across the Isthmus of Panama to connect the Atlantic and Pacific Oceans, and the Congress of the United States of America having passed an act approved June 28, 1902, in furtherance of that object, by which the President of the United States is authorized to acquire within a reasonable time the control of the necessary territory of the Republic of Colombia, and the sovereignty of such territory being actually vested in the Republic of Panama, the high contracting parties have resolved for that purpose to conclude a convention and have accordingly appointed as their plenipotentiaries—

The President of the United States of America, John Hay, Secretary of State; and

The Government of the Republic of Panama, Philippe Bunau-Varilla, envoy extraordinary and minister plenipotentiary of the Republic of Panama, thereunto specially empowered by said Government, who after communicating with each other their respective full powers, found to be in good and due form, have agreed upon and concluded the following articles:

ARTICLE 1.

The United States guarantees and will maintain the independence of the Republic of Panama.

ARTICLE 2.

The Republic of Panama grants to the United States in perpetuity the use, occupation, and control of a zone of land and land under water for the construction, maintenance, operation, sanitation, and protection of said canal of the width of 10 miles, extending to the distance of 5 miles on each side of the center line of the route of the canal to be constructed; the said zone beginning in the Caribbean Sea 3 marine miles from mean low-water mark and extending to and across the Isthmus of Panama into the Pacific Ocean to a distance of 3 marine miles from mean low-water mark, with the proviso that the cities of Panama and Colon and the harbors adjacent to said cities, which are included within the boundaries of the zone above described, shall not be included within this grant. The Republic of Panama further grants to the United States in perpetuity the use, occupation, and control of any other lands and waters outside of the zone above described which may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said canal or of any auxiliary canals or other works necessary and convenient for the construction, maintenance, operation, sanitation, and protection of said enterprise.

The Republic of Panama further grants in like manner to the United States in perpetuity all islands within the limits of the zone above described, and in addition thereto the group of small islands in the Bay of Panama, named Perico, Naos, Culebra, and Flamenco.

ARTICLE 3.

The Republic of Panama grants to the United States all the rights, power, and authority within the zone mentioned and described in article 2 of this agreement and within the limits of all auxiliary lands and waters mentioned and described in said article 2 which the United States would possess and exercise, if it were sovereign of the territory within which said lands and waters are located, to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority.

ARTICLE 4.

As rights subsidiary to the above grants the Republic of Panama grants in perpetuity to the United States the right to use the rivers, streams, lakes, and other bodies of water within its limits for navigation, the supply of water, or water power, or other purposes, so far as the use of said rivers, streams, lakes, and bodies of water, and the waters thereof may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said canal.

ARTICLE 5.

The Republic of Panama grants to the United States in perpetuity a monopoly for the construction, maintenance, and operation of any system of communication by means of canal or railroad across its territory between the Caribbean Sea and the Pacific Ocean.

ARTICLE 6.

The grants herein contained shall in no manner invalidate the titles or rights of private land holders or owners of private property in the said zone or in or to any of the lands or waters granted to the United States by the provisions of any article of this treaty, nor shall they interfere with the rights of way over the public roads passing through the said zone or over any of the said lands or waters unless said rights of way or private rights shall conflict with rights herein granted to the United States in which case the rights of the United States shall be superior. All damages caused to the owners of private lands or private property of any kind by reason of the grants contained in this treaty or by reason of the operations of the United States, its agents or employees, or by reason of the construction, maintenance, operation, sanitation, and protection of the said canal or of the works of sanitation and protection herein provided for, shall be appraised and settled by a joint commission appointed by the Governments of the United States and the Republic of Panama, whose decisions as to such damages shall be final and whose awards as to such damages shall be paid solely by the United States. No part of the work on said canal or the Panama Railroad or on any auxiliary works relating thereto and authorized by the terms of this treaty shall be prevented, delayed, or impeded by or pending such proceedings to ascertain such damages. The appraisal of said private lands and private property and the assessment of damages to them shall be based upon their value before the date of this convention.

ARTICLE 7.

The Republic of Panama grants to the United States within the limits of the cities of Panama and Colon and their adjacent harbors and within the territory adjacent thereto the right to acquire by purchase or by the exercise of the right of eminent domain, any lands, buildings, water rights, or other properties necessary and convenient for the construction, maintenance, operation, and protection of the canal and of any works of sanitation, such as the collection and disposition of sewage and the distribution of water in the said cities of Panama and Colon, which, in the discretion of the United States may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said canal and railroad. All such works of sanitation, collection and disposition of sewage, and distribution of water in the cities of Panama and Colon shall be made at the expense of the United States, and the Government of the United States, its agents, or nominees shall be authorized to impose and collect water rates and sewage rates which shall be sufficient to provide for the payment of interest and the amortization of the principal of the cost of said works within a period of 50 years and upon the expiration of said term of 50 years the system of sewers and waterworks shall revert to and become the properties of the cities of Panama and Colon respectively, and the use of the water shall be free to the inhabitants of Panama and Colon, except to the extent that water rates may be necessary for the operation and maintenance of said system of sewers and water.

The Republic of Panama agrees that the cities of Panama and Colon shall comply in perpetuity with the sanitary ordinances whether of a preventive or curative character prescribed by the United States, and in case the Government of Panama is unable or fails in its duty to enforce this compliance by the cities of Panama and Colon with the sanitary ordinances of the United States the Republic of Panama grants to the United States the right and authority to enforce the same.

The same right and authority are granted to the United States for the maintenance of public order in the cities of Panama and Colon and the territories and harbors adjacent thereto in case the Republic of Panama should not be, in the judgment of the United States, able to maintain such order.

ARTICLE 8.

The Republic of Panama grants to the United States all rights which it now has or hereafter may acquire to the property of the New Panama Canal Co. and the Panama Railroad Co. as a result of the transfer of sovereignty from the Republic of Colombia to the Republic of Panama over the Isthmus of Panama and authorizes the New Panama Canal Co. to sell and transfer to the United States its rights, privileges, properties, and concessions, as well the Panama Railroad and all the shares or part of the shares of that company; but the public lands situated outside of the zone described in article 2 of this treaty now included in the concessions to both said enterprises and not required in the construction or operation of the canal shall revert to the Republic of Panama, except any property now owned by or in the possession of said companies within Panama or Colon or the ports or terminals thereof.

ARTICLE 9.

The United States agrees that the ports at either entrance of the canal and the waters thereof, and the Republic of Panama agrees that the towns of Panama and Colon shall be free for all time so that there shall not be imposed or collected customhouse tolls, tonnage, anchorage, lighthouse, wharf, pilot, or quarantine dues or any other charges or taxes of any kind upon any vessel using or passing through the canal or belonging to or employed by the United States, directly or indirectly, in connection with the construction, maintenance, operation, sanitation, and protection of the main canal, or auxiliary works, or upon the cargo, officers, crew, or pasengers of any such vessels, except such tolls and charges as may be imposed by the United States for the use of the canal and other works, and except tolls and charges imposed by the Republic of Panama upon merchandise destined to be introduced for the consumption of the rest of the Republic of Panama, and upon vessels touching at the ports of Colon and Panama and which do not cross the canal.

The Government of the Republic of Panama shall have the right to establish in such ports and in the towns of Panama and Colon such houses and guards as it may deem necessary to collect duties on importations destined to other portions of Panama and to prevent contraband trade. The United States shall have the right to make use of the towns and harbors of Panama and Colon as places of anchorage, and for making repairs, for loading, unloading, depositing, or transshipping cargoes either in transit or destined for the service of the canal and for other works pertaining to the canal.

ARTICLE 10.

The Republic of Panama agrees that there shall not be imposed any taxes, national, municipal, departmental, or of any other class, upon the canal, the railways and auxiliary works, tugs and other vessels employed in the service of the canal, storehouses, workshops, offices, quarters for laborers, factories of all kinds, warehouses, wharves, machinery, and other works, property, and effects appertaining to the canal or railroad and auxiliary works, or their officers or employees, situated within the cities of Panama and Colon, and that there shall not be imposed contributions or charges of a persona character of any kind upon officers, employees, laborers, and other individuals in the service of the canal and railroad and auxiliary works.

ARTICLE 11.

The United States agrees that the official dispatches of the Government of the Republic of Panama shall be transmitted over any telegraph and telephone lines established for canal purposes and used for public and private business at rates not higher than those required from officials in the service of the United States.

ARTICLE 12.

The Government of the Republic of Panama shall permit the immigration and free access to the lands and workshops of the canal and its auxiliary works of all employees and workmen of whatever nationality under contract to work upon or seeking employment upon or in any wise connected with the said canal and its auxiliary works, with their respective families, and all such persons shall be free and exempt from the military service of the Republic of Panama.

ARTICLE 13.

The United States may import at any time into the said zone and auxiliary lands, free of customs duties, imposts, taxes, or other charges, and without any restrictions, any and all vessels, dredges, engines, cars, machinery, tools, explosives, materials, supplies, and other articles necessary and convenient in the construction, maintenance, operation, sanitation and protection of the canal and auxiliary works, and all provisions, medicines, clothing, supplies, and other things necessary and convenient for the officers, employees, workmen, and laborers in the service and employ of the United States and for their families. If any such articles are disposed of for use outside of the zone and auxiliary lands granted to the United States and within the territory of the Republic, they shall be subject to the same import or other duties as like articles imported under the laws of the Republic of Panama.

ARTICLE 14.

As the price or compensation for the rights, powers, and privileges granted in this convention by the Republic of Panama to the United States, the Government of the United States agrees to pay to the Republic of Panama the sum of $10,000,000 in gold coin of the United States on the exchange of the ratification of this convention and also

an annual payment during the life of this convention of $250,000 in like gold coin, beginning nine years after the date aforesaid.

The provisions of this article shall be in addition to all other benefits assured to the Republic of Panama under this convention.

But no delay or difference of opinion under this article or any other provisions of this treaty shall affect or interrupt the full operation and effect of this convention in all other respects.

ARTICLE 15.

The joint commission referred to in article 6 shall be established as follows:

The President of the United States shall nominate two persons and the President of the Republic of Panama shall nominate two persons, and they shall proceed to a decision; but in case of disagreement of the commission (by reason of their being equally divided in conclusion) an umpire shall be appointed by the two Governments, who shall render the decision. In the event of the death, absence, or incapacity of a commissioner or umpire, or of his omitting, declining, or ceasing to act, his place shall be filled by the appointment of another person in the manner above indicated. All decisions by a majority of the commission or by the umpire shall be final.

ARTICLE 16.

The two Governments shall make adequate provision by future agreement for the pursuit, capture, imprisonment, detention, and delivery within said zone and auxiliary lands to the authorities of the Republic of Panama of persons charged with the commitment of crimes, felonies, or misdemeanors without said zone, and for the pursuit, capture, imprisonment, detention, and delivery without said zone to the authorities of the United States of persons charged with the commitment of crimes, felonies, and misdemeanors within said zone and auxiliary lands.

ARTICLE 17.

The Republic of Panama grants to the United States the use of all the ports of the Republic open to commerce as places of refuge for any vessels employed in the canal enterprise and for all vessels passing or bound to pass through the canal which may be in distress and be driven to seek refuge in said ports. Such vessels shall be exempt from anchorage and tonnage dues on the part of the Republic of Panama.

ARTICLE 18.

The canal, when constructed, and the entrances thereto shall be neutral in perpetuity, and shall be opened upon the terms provided for by section 1 of article 3 of, and in conformity with the stipulations of, the treaty entered into by the Governments of the United States and Great Britain on November 18, 1901.

ARTICLE 19.

The Government of the Republic of Panama shall have the right to transport over the canal its vessels and its troops and munitions of war in such vessels at all times without paying charges of any kind. The exemption is to be extended to the auxiliary railway for the transportation of persons in the service of the Republic of Panama, or of the police force charged with the preservation of public order outside of said zone, as well as to their baggage, munitions of war, and supplies.

ARTICLE 20.

If by virtue of any existing treaty in relation to the territory of the Isthmus of Panama, whereof the obligations shall descend or be assumed by the Republic of Panama, there may be any privilege or concession in favor of the Government or the citizens or subjects of a third power relative to an interoceanic means of communication which in any of its terms may be incompatible with the terms of the present convention, the Republic of Panama agrees to cancel or modify such treaty in due form, for which purpose it shall give to the said third power the requisite notification within the term of four months from the date of the present convention, and in case the existing treaty contains no clause permitting its modifications or annulment, the Republic of Panama agrees to procure its modification or annulment in such form that there shall not exist any conflict with the stipulations of the present convention.

ARTICLE 21.

The rights and privileges granted by the Republic of Panama to the United States in the preceding articles are understood to be free of all anterior debts, liens, trusts, or liabilities or concessions or privileges to other Governments, corporations, syndicates, or individuals, and consequently, if there should arise any claims on account of the present concessions and privileges or otherwise, the claimants shall resort to the Government of the Republic of Panama, and not to the United States, for any indemnity or compromise which may be required.

ARTICLE 22.

The Republic of Panama renounces and grants to the United States the participation to which it might be entitled in the future earnings of the canal under article 15 of the concessionary contract with Lucien N. B. Wyse, now owned by the New Panama Canal Co., and any and all other rights or claims of a pecuniary nature arising under or relating to said concession or arising under or relating to the concessions to the Panama Railroad Co. or any extension or modification thereof; and it likewise renounces, confirms, and grants to the United States, now and hereafter, all the rights and property reserved in the said concessions which otherwise would belong to Panama at or before the expiration of the terms of 99 years of the concessions granted to or held by the above-mentioned party and companies, and all right, title, and interest which it now has or may hereafter have in and to the lands, canal, works, property, and rights held by the said companies under said concessions or otherwise and acquired or to be acquired by the United States from or through the New Panama Canal Co., including any property and rights which might or may in the future, either by lapse of time, forfeiture, or otherwise, revert to the Republic of Panama under any contracts or concessions with said Wyse, the Universal Panama Canal Co., the Panama Railroad Co., and the New Panama Canal Co.

The aforesaid rights and property shall be and are free and released from any present or reversionary interest or claims of Panama, and the title of the United States thereto upon consummation of the contemplated purchase by the United States from the New Panama Canal Co. shall be absolute, so far as concerns the Republic of Panama, excepting always the rights of the Republic specifically secured under this treaty.

ARTICLE 23.

If it should become necessary at any time to employ armed forces for the safety or protection of the canal, or of the ships that make use of the same, or the railways and auxiliary works, the United States shall have the right, at all times and in its discretion, to use its police and its land and naval forces or to establish fortifications for these purposes.

ARTICLE 24.

No change either in the government or in the laws and treaties of the Republic of Panama shall, without the consent of the United States, affect any right of the United States under the present convention, or under any treaty stipulation between the two countries that now exists or may hereafter exist touching the subject matter of this convention.

If the Republic of Panama shall hereafter enter as a constituent into any other government, or into any union or confederation of states, so as to merge her sovereignty or independence in such government, union, or confederation, the rights of the United States under this convention shall not be in any respect lessened or impaired.

ARTICLE 25.

For the better performance of the engagements of this convention and to the end of the efficient protection of the canal and the preservation of its neutrality, the Government of the Republic of Panama will sell or lease to the United States lands adequate and necessary for naval or coaling stations on the Pacific coast and on the western Caribbean coast of the Republic at certain points to be agreed upon with the President of the United States.

ARTICLE 26.

This convention, when signed by the plenipotentiaries of the contracting parties, shall be ratified by the respective Governments and the ratifications shall be exchanged at Washington at the earliest date possible.

In faith whereof, the respective plenipotentiaries have signed the present convention in duplicate and have hereunto affixed their respective seals.

Done at the city of Washington the 18th day of November, in the year of our Lord 1903.

JOHN HAY. [SEAL.]
P. BUNAU-VARILLA. [SEAL.]

And whereas the said convention has been duly ratified on both parts, and the ratifications of the two Governments were exchanged in the city of Washington on the 26th day of February, 1904;

Now, therefore, be it known that I, Theodore Roosevelt, President of the United States of America, have caused the said convention to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In testimony whereof I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 26th day of February, in the year of our Lord 1904, and of the independence of the United States the one hundred and twenty-eighth.

[SEAL.] THEODORE ROOSEVELT.

By the President:
JOHN HAY, *Secretary of State.*

Spanish-American War Widows.

EXTENSION OF REMARKS

OF

HON. JAMES A. HAMILL,

OF NEW JERSEY,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, April 1, 1914,

On the bill (H. R. 13044) to pension widow and minor children of any officer or enlisted man who served in the War with Spain or the Philippine insurrection.

Mr. HAMILL. Mr. Speaker, I do not think there is any necessity for a long debate on this bill. It is, in my judgment, not necessary to dwell on it for any length of time to enable us to understand its meaning and purpose.

It is a simple proposition to pay a pension to certain widows and minor children of veterans who served for 90 days or more during the Spanish War or Philippine insurrection. I will gladly support it, because I consider it a very just measure.

It is 15 years since the commencement of the Spanish-American War. Of those who enlisted to serve in it a considerable number have died, and as time goes on the list of those who pass away will, of course, grow steadily larger. Most of these men are survived by dependent widows and children, for whose maintenance the Government makes no provision whatever in the way of pension. The pending bill authorizes the payment of a pension in such cases. Why should it not become a law?

The measure is, in the first place, directly in line with the general pension policy of the Government. So far as it applies it follows the existing act relating to the widows and children of veterans of the Civil War. Under the present law widows and minor children of veterans of the War of the Rebellion are entitled to pension, and the widow receives this pension without regard to the amount of her income at the time of her husband's death. Whether that income be large or small does not in the least affect her title to a pension. Proof of death is all that is requisite to validate her claim.

The scope of this pension bill is much narrower. It allows a pension at the rate of $12 per month to only those widows whose annual income does not exceed $250. It pensions minor

children at the rate of $2 per month until they attain the age of 16 years, though in case of disability, as, for instance, insanity, the payment is continued during the lifetime of the child or until the disability is ended.

At the present time the widows and children of veterans of the Spanish War and the Philippine insurrection have to be provided for by the various camps of Spanish War Veterans. It is manifestly unjust for them to be compelled to shoulder a burden which ought to be willingly assumed by the Government.

The Spanish War, and the Philippine situation which arose out of it, presented to our Army and Navy peculiar and unfamiliar difficulties and dangers. The perils which our soldiers had to encounter were not so much those of actual battle as they were of climate. They did not fear to encounter the military forces of Spain, but they dreaded to fight tropical disease. Thousands who had never engaged in actual combat came out of the service with health impaired and constitutions shattered as a result of the hardships they had to endure in tropical camps. It was the first war this Nation ever waged under a tropical climate and conditions, and it was a costly experience.

Just like all our other wars so was the Spanish-American War fought mostly by volunteer soldiers. It was fought by men who were members of the National Guard, or who enlisted as new recruits to serve in it. It was fought by men who came from the shops, the farms, or the offices, by men who for the most part worked for daily wages, and who have, as a rule, very little to leave when they die.

These soldiers went forth to war unselfishly. They were paid no bounties; they obtained no substitute moneys; they were not called to the colors by compulsion through the operation of a draft. They voluntarily answered the summons for troops and marched to war wholly out of motives of patriotism and out of a spirit of devoted loyalty to the Nation.

The total number of men who enlisted in both Army and Navy during the Spanish War and the Philippine insurrection was 434,000. There were 826 battles and skirmishes, and in 525 of these men were killed or wounded. About 12,000 men died either as the result of actual fighting or owing to hardships and suffering incidental to war and service. There are now about 4,000 widows who could claim pension under this bill. These figures are the result of an investigation conducted by the various camps of Spanish War veterans. Taking into account widows and children there should be about 10,000 claims for pension presented during the first year that this act will be in operation. The cost of carrying out this law will be, during the first year, about one and a half million dollars, and for some years later there will be a slight increase.

This is the first request ever made on Congress by the Spanish War veterans for the enactment of pension legislation. There can be no doubt of the justice contained in the contention of those who advocate the passage of this bill. It asks relief only for the helpless who are not able to render help to themselves.

The enactment of this measure will give another incentive to patriotism and will tend to refute the charge that Republics are ungrateful. These veterans whose widows and children are affected by this bill brought glory to the Nation. Their brave service proved that in the stress of war the reliance of the Nation can be confidently placed in the loyalty of its citizen soldiers. These soldiers were generous to the Government, and the Government ought to be at the very least just to them. [Applause.]

Panama Canal Tolls.

EXTENSION OF REMARKS
OF
HON. LATHROP BROWN,
OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914.

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. BROWN of New York. Mr. Speaker, to elucidate the question before the House I will print in parallel columns rule 1 of article 3 of the Hay-Pauncefote treaty, which was ratified in 1901 by the United States and Great Britain, and a portion of the Panama Canal tolls act, which was passed by the Congress of the United States and signed by President Taft in 1912. It is this portion of the Panama Canal act which the bill now before the House seeks to repeal:

[Rule 1, article 3, Hay-Pauncefote treaty.]

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, *so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise.* Such conditions and charges of traffic shall be just and equitable.

[From section 5 of the Panama Canal tolls act.]

No tolls shall be levied upon vessels engaged in the coastwise trade of the United States.

Who can reconcile these two conflicting acts?

Great Britain, as is her unquestioned right, has suggested to the United States that the portion of the Panama Canal act which I have quoted above is in violation of the Hay-Pauncefote treaty. A treaty is an international agreement, and under the Constitution is the law of the land and superior to subsequent contradictory legislation for so long as the treaty shall be in force and effect. I have not heard anybody express any desire to abrogate the Hay-Pauncefote treaty, by the terms of which and subject to the terms of which the United States acquired the right to build the Panama Canal. Therefore the question resolves itself down to this: Is the Panama Canal act in violation of the Hay-Pauncefote treaty? If it is, the canal act should be repealed; if it is not, the question is still open as to whether Congress, for economic reasons or for reasons of public policy, desires to repeal it.

WHAT THE OPPONENTS SAY.

Before proceeding to argue why the Panama Canal act should be repealed, I desire briefly to mention the chief reasons offered by those who claim that it should not be repealed.

Certain newspapers have endeavored to create prejudice against the repeal of the Panama Canal tolls act by stating that England desires it to be repealed, and because England desires that it should be repealed America should not repeal it. If these papers also suggested that because England makes a proposition that we should not pay our coastwise shipping monopoly a subsidy of a million dollars a year, we should therefore pay it, would the question then have been viewed from the same prejudiced standpoint? I think not. Those opposed to the repeal of the Panama Canal tolls act further state that the repeal would be a surrender of our sovereign rights over the canal to Great Britain. To this I make the plain answer that what rights the United States has in the Panama Canal are the result of treaty stipulations, one treaty being the Hay-Pauncefote treaty, made with England in 1901, and the other the treaty made with the Republic of Panama in 1903, which latter treaty is contingent upon our living up to the stipulations contained in the Hay-Pauncefote treaty.

Repeal of the canal act instead of meaning the surrender of our sovereign rights means equality of treatment to the vessels of Great Britain, as stipulated in the Hay-Pauncefote treaty. Finally, those opposed to the repeal of the canal act state that the Democratic platform contains a plank advocating the freedom of our coastwise vessels from toll charges. To this I will briefly reply that the Democratic platform just ahead of this plank contains another plank disagreeing to any new form of ship subsidy, which this exemption obviously is. Therefore any Democrat may take his choice of which plank he will support. How the free-tolls plank came to be in the Democratic platform is not material to this argument. It is the sworn duty of a Member of Congress to support the Constitution and the laws of the land, and a treaty while in force is *part of the law of the land.* Therefore if a Congressman believes that a treaty is being violated, he has but one course to take.

PETTY POLITICS OF OPPOSITION.

Before proceeding further, Mr. Speaker, I desire to state that it has struck me very forcibly that the Republicans and Progressives who have opposed the repeal of the Panama Canal tolls act have scarcely endeavored to make any argument in support of their contention, but have made of international obligations a football of politics in their endeavor, by insinuation and subterfuge, to divide the responsible majority party of this Government. I can well understand a minority party playing politics in matters concerning the internal affairs of the United States, but I think it unwise of the minority not to consider the United States as an entity among the nations, just as a State is an entity within the United States of America, and give to this question the calm thought and mature deliberation which properly should be expressed by one of the legislative branches of Congress in considering the international relations of our country. Under the Constitution the President is vested with

authority to conduct international relations, by and with the consent of the Senate. Not once in a decade does the House of Representatives participate directly in the making or interpretation of treaties. I hold that at the boundaries of the United States politics should invariably cease and patriotic statesmanship should rule.

To come now to the constructive portion of my argument, Mr. Speaker. I shall briefly review the events leading up to the Hay-Pauncefote treaty. I shall discuss the interpretation of the treaty. I shall show a precedent for what I believe the proper action of the House, and shall conclude with the brief discussion of the economic questions involved.

CONDITIONS PRECEDENT TO THE HAY-PAUNCEFOTE TREATY.

Ever since the discovery of the Pacific Ocean by Balboa "from the peaks of Darien" in 1513, the eyes of the civilized world have been focused on the narrow isthmus dividing the Atlantic from the Pacific Ocean. Immediately upon the signing of the Guadalupe-Hidalgo treaty of 1848 with Mexico the problem of a direct waterway communication between our eastern and southern boundaries with our newly acquired territory, now partly included in the State of California, impressed itself upon our statesmen. In those days we were a weak Nation just recuperating from a bitter and expensive struggle with Mexico. The Monroe doctrine forbidding further encroachments by European powers on either American continent was the policy of the Nation, so that we could not but look with aversion at the prospect of England or any other nation acquiring an exclusive right to build a canal across the Isthmus of Panama. England had set up rights of sovereignty over the entire Mosquito coast, which included the mouth of the San Juan River, which was one of the entrances of any proposed canal; and had also set up claims of possession over various islands in the near neighborhood. The United States was in no position financially to undertake the construction of the canal alone, even if she should be able to acquire the territorial rights to a canal zone; and, as I have stated, England held possession of one end of what appeared to be the only practicable field of operations. In this emergency there were negotiated without the sanction of the then Secretary of State by our chargés d'affaires two unofficial, unratified treaties, one with Nicaragua by Mr. Heis and the other with Honduras by Mr. Squires. In both treaties the exclusive right to build a canal between the two oceans was granted to the United States.

If the United States had been in a position in 1849 to construct such a canal, it is fair to assume that the canal would have been in operation for the past 50 years. At that time we apparently were not able to do so, and these two treaties though unratified were frankly used as an argument with Great Britain why Great Britain should surrender her claims to sovereignty over the Mosquito coast and her other territorial possessions in the neighborhood, and enter into what is known as the Clayton-Bulwer treaty, which provided for the joint protection with the United States of any proposed canal that might be built. It is therefore obvious that the United States sought the Clayton-Bulwer treaty, and by this treaty, in a peaceful manner, persuaded England to give up such claims as she had on the American Continent which the United States believed to be contrary to the principles of the Monroe doctrine.

I append to my remarks the Hay-Pauncefote treaty, article 8 of the Clayton-Bulwer treaty, and two planks from the Democratic platform of 1912. I desire at this time to quote briefly from article 8 of the Clayton-Bulwer treaty, as follows:

> In granting, however, their joint protection to any such canals or railways as are by this article specified, it is always understood by the United States and Great Britain that *the parties constructing or owning the same shall impose no other charges or conditions of traffic thereupon than the aforesaid Governments shall approve of as just and equitable* * * *.

The Clayton-Bulwer treaty was ratified in 1850.

We are now approaching the time when the expressions of the most eminent statesmen of the United States for the previous half century are about to take definite shape in an agreement with Great Britain by which it was stipulated that there should be no discrimination in tolls or charges of traffic between the two nations.

During the 50 years after the signing of the Clayton-Bulwer treaty only two particular events need be noticed. The one is that Great Britain surrendered her sovereignty over her possessions in the neighborhood of the proposed canal, as provided by the Clayton-Bulwer treaty, and the other is that the Dominion of Canada endeavored to discriminate against the United States in the Welland Canal, which is owned by Canada but operated under the treaty of 1871, which treaty is practically similar to the Hay-Pauncefote treaty in its terms as regards no discrimination in tolls. The United States objected to this discrimination as being in violation of the terms of the treaty; Great Britain refused to recede; the United States continued to object, and Great Britain receded. It is but fair to state that Great Britain never officially admitted that she had ever violated her treaty obligations, but her actions speak louder than words. I shall again refer to this matter at a later period, because *the shoe is now on the other foot.*

In 1898, as a result of the Spanish-American War, it appeared indispensable to the United States for military reasons to be in a position to construct a canal through Panama without any proprietary interest therein on the part of Great Britain, *so that the United States could defend the canal against its enemies in time of war.* Accordingly Secretary Hay instructed Mr. Henry White, at London, to confer with Lord Salisbury on this matter. After a conference with Lord Salisbury, Mr. White wrote Secretary Hay as follows:

> A brief, informal conversation followed, during which Lord Salisbury said nothing to leave me to suppose that he is unfavorably disposed—much less hostile—to the construction of the canal under our auspices, *provided that it is open to the ships of all countries on equal terms.*

In this way negotiations were begun with the clear understanding on the part of both Great Britain and the United States that the ships of all nations would be allowed the use of the canal on equal terms, and negotiations were concluded on the part of the United States by the Hon. Joseph H. Choate, who has this to say about the negotiations, speaking before the Chamber of Commerce of the City of New York on February 13, 1913:

> It is true that I had something to do with the negotiation of this treaty. In the summer of 1901—you will remember that this treaty was ratified by the Senate in November, 1901—I was in England until October, and was in almost daily contact with Lord Pauncefote, who on his side represented Lord Lansdowne, the foreign secretary, and was also in very frequent correspondence with Mr. Hay, our Secretary of State, under whom I was acting. As the lips of both of these diplomatists and great patriots, who were each true to his own country and each regardful of the rights of the other, are sealed in death, I think it is quite proper that I should say what I believe both of them, if they were here, would say to-day—that the clause in the Panama Canal bill exempting coastwise American shipping from payment of tolls is in direct violation of the treaty. * * *
>
> I am going to read you the two clauses, and I would like to challenge any member to show how they can possibly be reconciled:
>
> "The canal shall be free and open to the vessels of commerce and war of all nations on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise."
>
> That is what the treaty says. In the canal bill the clause covered by Mr. ROOT'S motion to amend by striking out is this:
>
> "No tolls shall be levied upon vessels engaged in the coastwise trade of the United States."
>
> Can you put those two things together and reconcile them in any possible way? Of course, it is an utter impossibility. * * *

So much for the point of view of Great Britain in agreeing to the Hay-Pauncefote treaty, and so much for the point of view of our officials who negotiated it. Their minds without doubt had met. It now only remains to prove that the Senate of the United States in ratifying the treaty understood the plain meaning of the English language in the same way as did those who presented the treaty to them for ratification.

CONSTRUCTION OF THE TREATY.

In 1900, when the first draft of the Hay-Pauncefote treaty was under consideration in the Senate, Senator Bard, of California, offered an amendment reserving to the United States the right to discriminate in respect to the charges of traffic in favor of vessels of its own citizens engaged in the coastwise trade. This amendment was promptly voted down by 43 votes to 23, and Senator Bard did not even see fit to offer it again when the final draft of the treaty was being adopted. Furthermore, when the first draft of the Hay-Pauncefote treaty was being amended, Senator Davis offered an amendment which to my mind forever settles the much-talked-of question as to whether "all nations," in rule 1 of article 3, includes the United States. The Davis amendment, which was adopted by a vote of 65 to 17, reads as follows:

> It is agreed, however, that none of the immediately foregoing conditions and stipulations in sections Nos. 1, 2, 3, 4, and 5 of this article shall apply to measures which the United States may find it necessary to take for securing by its own force the defense of the United States and the maintenance of public order.

Since rule 1 of article 2 of the first draft is substantially rule 1 of article 3 of the Hay-Pauncefote treaty, it is perfectly obvious that the Senate in adopting this amendment clearly had in mind that "all nations" included the United States, except where the United States expressly reserved to itself some right not reserved to Great Britain. Therefore I claim that the minds of the two countries have met. I claim that the words of the much-disputed rule 1 of article 3 of the Hay-Pauncefote treaty are in themselves perfectly plain. I claim

that even if there is doubt as to the interpretation of the words, the context of the treaty makes it perfectly plain what they mean when construed in connection with the entire treaty. I claim that even if both these propositions should be in doubt, the events leading up to, and the thoughts in the minds of, those who negotiated and ratified the treaty leaves not the slightest doubt that the true meaning of the treaty is *no discrimination* in toll charges as between vessels of the United States and vessels of Great Britain.

THE SHOE IS NOW ON THE OTHER FOOT.

What is the discrimination referred to in this treaty? It is a charge against the vessels, the citizens, or the subjects of one nation which is not charged against the vessels, the citizens, or the subjects of the other nation. The question naturally arises, if by law no foreign ship can participate in the coastwise trade of the United States, how can it be discrimination against any other ships to let American coastwise vessels go through the canal free of tolls when the ships of no other country can do the coastwise business of the United States? The answer is very simple. If the tolls for the upkeep of the canal are figured with any idea of paying expenses and meeting interest charges, then to exempt one class of vessels and to put this added burden on other vessels to make up the difference is the rankest sort of discrimination.

But this is not the point. The real answer is that Great Britain has coastwise vessels running from the eastern part of Canada to the western part of Canada, just as we have vessels which might run from Bath, Me., to Seattle, Wash. Suppose a Canadian ship of 10,000 tons register started from Montreal for Vancouver with a cargo of goods. Suppose an American ship of equal tonnage started from Boston bound for Seattle with an exactly similar cargo. Each ship is engaged in coastwise trade. The Canadian ship on the basis of a toll charge of $1.20 per ton would be put to an expense of $12,000 over the American coastwise ship in going through the canal in order to reach their respective ports in the same vicinity. Could a British subject expect to compete in the sale of his goods with an American citizen whose cargo could be carried for $12,000 less than that of the British subject? Of course he could not It is discrimination of a very glaring sort, exactly the discrimination that the treaty was drawn to prevent.

In 1871 Great Britain and the United States entered into the treaty of Washington, which provided, in substantially the same terms as the Hay-Pauncefote treaty, that there should be no discrimination in the use of the Canadian-owned Welland Canal between the subjects of Great Britain and the citizens of the United States. In 1888 the Canadian Government passed a local law exempting cargoes bound for Montreal or points east from all but a nominal payment of tolls through the Welland Canal, charging 2 cents a ton as against 20 cents a ton for cargoes bound elsewhere. The United States held that this was discrimination, not against vessels of the United States, because presumably all vessels could go to Montreal if they wished and so be exempt from the higher toll rate, but that it was a discrimination against the citizens of the United States in that it favored Canadian citizens and Canadian trade routes. For some little time Canada refused to agree with this contention of the United States, whereupon the United States proposed retaliation by denying Canadian vessels free passage through the St. Marys Falls Canal, which is owned by the United States.

As I have before stated, the Canadian Government immediately repealed its acts with regard to the Welland Canal. Opponents of this bill are trying to discriminate against Great Britain just as Great Britain tried to discriminate against the United States. Great Britain could no more sustain that contention then than can the United States sustain this contention to-day.

In this connection I wish to suggest that the estimated coastwise American tonnage which will use the Panama Canal for the first few years is about 1,000,000 tons per annum, while American tonnage going through the Canadian canals is now over 20,000,000 tons per annum. Should anyone wish to know what would be the commercial advantage to the United States under a policy of discrimination, the answer is, that for every ton saved to a coastwise vessel at Panama there would certainly be over 3 tons and perhaps as high as 20 tons lost to American vessels in the trade on the Great Lakes. What might happen commercially to the United States under a policy of discrimination after Canada completes her proposed canal between Georgian Bay and Lake Ontario or the Ottawa River can better be imagined than described.

ECONOMIC ASPECT OF CONTROVERSY.

This brings me to the true statement of what this exemption of tolls on "American ships" going through an "American canal" really means to the American people who are taxing themselves to the extent of $375,000,000 to build the canal. I have already stated that the Panama Canal is American only in so far as the United States, having built it, regulates its management, fortifies it, *and in time of war defends it against any enemy*, but it does not own it in the matter of making discriminatory rates against Great Britain. "American ships" means the ships owned by Americans, which by law are the only ships permitted to carry freight and passengers from one American port to another American port. Now these ships are owned on the Atlantic seacoast up to 94 per cent by two protected monopolies, who so divide the coastwise business of the Atlantic and Gulf ports between them that they do not even call at the same ports. "American ships" means ships owned by one one-hundredth of 1 per cent of the people of the United States.

The people of the United States are taxed for the estimated difference of *$15,000,000 a year* between the cost of operating the canal and the amount received from tolls. This tolls exemption would therefore legally pick the pockets of 100,000,000 Americans for the 10,000 Americans who would be benefited. Even if the 100,000,000 people of the United States chose to tax themselves to remit the tolls on the ships owned by one ten-thousandth part of their number, under the treaty they could not do so by remitting the tolls. They can do so by subsidizing these same ships to the amount of the tolls. I know of no man so foolhardy as to suggest to the hundred millions of people of the United States that they grant to the most complete monopoly existing on this continent a subsidy in addition to the monopoly already granted these coastwise vessels. With free tolls would prices to the consumer be lowered? If so, there might be some justification for a subsidy. As a matter of fact the toll charge of $1.20 per net registered ton is the equivalent of between 40 and 60 cents per cargo ton, which is between 2 and 3 cents per cargo hundredweight, which to the consumer buying a dozen oranges, we will say, is nothing. Even if the shippers and the transportation companies desired to subdivide to the consumer the 2 or 3 cents per cargo hundredweight in the saving in transportation charges, it would be physically impossible to do so Furthermore, I do not think that any sane man could expect to find the amount of the tolls remissions in anybody's pocket except that of the one one-hundredth of 1 per cent of the people who already enjoy the coastwise shipping monopoly.

CONCLUSION.

Mr. Speaker, in conclusion I wish to say that I consider my duties in this House do not begin and end with representing the people of the first congressional district of the State of New York. I conceive that my duty here requires me to protest against the time-dishonored Republican doctrine of insidious subsidy, and in so far as the United States is concerned to support the ancient Democratic doctrine of "equal rights to all and special privileges to none." As a Representative of one congressional district I shall refuse to subsidize a monopoly which would benefit but one man in 100,000 of our population.

Ours is a proud Nation, victorious in war, too big, too strong, too just to perform any act as a Nation which no handful of our citizens would be so base as to perform as individuals. I shall not betray my trust to my constituents and to my country by voting to retain upon our statute books a law so subversive of true economic principles and so destructive of our national honor. Mr. Speaker, I vote to repeal the free-tolls clause.

ADDENDA.

Article 8 of the Clayton-Bulwer treaty, which was ratified in 1850, is as follows:

The Governments of the United States and Great Britain having not only desired in entering into this convention to accomplish a particular object, but also to establish a general principle, they hereby agree to extend their protection, by treaty stipulations, to any other practicable communication, whether by canal or railway, across the isthmus which connects North and South America; and especially to the interoceanic communications—should the same prove to be practicable, whether by canal or railway—which are now proposed to be established by the way of Tehuantepec or Panama. In granting, however, their joint protection to any such canals or railways as are by this article specified, it is always understood by the United States and Great Britain that the parties constructing or owning the same shall impose no other charges or conditions of traffic thereupon than the aforesaid Governments shall approve of as just and equitable; and that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other State which is willing to grant thereto such protection as the United States and Great Britain engaged to afford.

The Hay-Pauncefote treaty, which superseded the Clayton-Bulwer treaty and refers to article 8 above, was ratified in 1901 and is as follows:

The United States of America and His Majesty Edward VII, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the "general principle" of neutralization established in article 8 of that convention, have for that purpose appointed as their plenipotentiaries:

The President of the United States—John Hay, Secretary of State of the United States of America.

And His Majesty Edward VII, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, the Right Hon. Lord Pauncefote, G. C. B., G. C. M. G., His Majesty's ambassador extraordinary and plenipotentiary to the United States;

Who, having communicated to each other their full powers, which were found to be in due and proper form, have agreed upon the following articles:

ARTICLE 1.

The high contracting parties agree that the present treaty shall supersede the aforementioned convention of the 19th April, 1850.

ARTICLE 2.

It is agreed that the canal may be constructed under the auspices of the Government of the United States, either directly at its own cost or by gift or loan of money to individuals or corporations or through subscription to or purchase of stock or shares, and that, subject to the provisions of the present treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

ARTICLE 3.

The United States adopts as the basis of the neutralization of such ship canal the following rules substantially as embodied in the convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal; that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force and with only such intermission as may result from the necessities of the service. Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of this article shall apply to waters adjacent to the canal within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof for the purposes of this treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents, and from acts calculated to impair their usefulness as part of the canal.

ARTICLE 4.

It is agreed that no change of territorial sovereignty or of the international relations of the country or countries traversed by the before-mentioned canal shall affect the general principle of neutralization or the obligation of the high contracting parties under the present treaty.

ARTICLE 5.

The present treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty; and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date hereof.

In faith whereof the respective plenipotentiaries have signed this treaty and thereunto affixed their seals.

Done in duplicate at Washington, the 18th day of November, in the year of our Lord 1901.

JOHN HAY. [SEAL.]
PAUNCEFOTE. [SEAL.]

The two conflicting planks in the Democratic platform of 1912 are as follows:

We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal.

* * * * * * *

We believe in fostering, by constitutional regulation of commerce, the growth of a merchant marine, which shall develop and strengthen the commercial ties which bind us to our sister Republics of the south, but *without imposing additional burdens upon the people and without bounties or subsidies from the Public Treasury.*

Panama Canal Tolls.

EXTENSION OF REMARKS
OF
HON. VICTOR MURDOCK,
OF KANSAS,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914.

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. MURDOCK. Mr. Speaker, in 50 years no question has arisen with as many elements involved as this. This has resulted not only from the nature of the proposition, but also from the time and the manner of its presentation. The proposal affects vitally (first) our international relations, and touches intimately (second) our major domestic economic policies, and finally reveals in something of a new light (third) our governmental processes.

On the side of our international relations the monarchial powers will read in our action here our future attitude toward them. For repeal of the toll-exemption law will appeal to those powers as a marked and significant relaxation of the attitude of virile challenge the western democracy has maintained toward Europe for over 100 years. And this, in turn, will be interpreted to mean that our commercial ambitions in the Pacific are not of great concern to the rest of the world, and that the United States has inaugurated a policy which purposes ultimately an abandonment of democratic guardianship over the Western Hemisphere embodied in the Monroe doctrine.

On the side of our domestic policies we have (a) a material change in our policy of the regulation of internal waterways, regulation which in the past has placed no embargo on interstate water traffic; (b) a recognition of the more than national aspect of our railroad freight rate problem, for the repeal of the toll-exemption law registers unmistakably the power of our transcontinental railroads against domestic regulation when the Canadian transcontinental railroads choose to intervene in their behalf; (c) the ultimate inclusion of foreign vessels to full participation in our coastwise trade, or the removal of all toll charges at the canal. For a charge on any portion of our interstate commerce, if it can not be extended to all, will in the nature of things be removed from all. That is, if we can not exempt our domestic traffic from the payment of tolls when it is between New York and California, whereas we do exempt it when it is between Pennsylvania and Louisiana, the inevitable result will be to find equality by removing all restrictions.

On the side of our governmental processes the present situation records a change of great moment. The success of the bill for the repeal of the toll-exemption law marks a distinct stage in the decline of the power of the legislative branch of government in its relation to the executive branch. For the triumph here in the repeal of the toll-exemption law is undeniably that of the executive branch of the Government.

All these elements are involved in the controversy which centers in an interpretation of the terms of the Hay-Pauncefote treaty of 1901.

THE INTEREST OF EUROPE IN THIS QUESTION.

Within the lives of the youngest of us Europe has materially changed the maps of the two outlying continents of the Eastern Hemisphere—Africa and Asia—and there has been added to the powers of first rank in that hemisphere a new and potent member—Japan. South America, Central America, and Mexico have been saved from division by the powers only through our policies and the doctrine which have safeguarded them. Meanwhile we have come into possession of Alaska, bounding the Pacific on the north, the Philippines in the east, and the Hawaiian Islands in the midst of the vast western ocean. Control over the Panama Canal, therefore, becomes to us an indispensable factor in our situation in the Pacific, an advantage which the diplomats of the world fully understand. Our position in the Pacific is viewed with jealousy, and the Monroe doctrine was never more unpopular with the powers of the Eastern Hemisphere than it is to-day; and I believe that if we show either an inability or unwillingness to maintain it we will open the door to disorder of tremendous extent and degree. I stand for peace, and peace is best insured to us if we, as a Nation, are firm, definite, determinate in our policies in time. An ounce of resolution to-day is worth a pound of armament to-morrow. No proposal to surrender our control over the canal can

be entertained with prudence which does not give consideration to the attitude of the Governments of the world toward us, not alone in time of peace and in the matter of commercial rivalry, but also in time of war when our position would be necessarily isolated and our need of every natural defense correspondingly great.

THE PART OF THE TRANSCONTINENTAL RAILROADS.

International relations aside, the control of the canal enters at once into our domestic economic policies. We have granted from the beginning free passage on our waterways. We have spent millions in deepening channels, in canalizing rivers, in dredging harbors. We have never placed the cost of these improvements upon the carriers. The Ohio River has locks and no tolls are charged. Traffic between the States has been free. Now we propose to make the traffic between the States which use this one canal pay an embargo. This departure emphasizes the part the transcontinental railroads play in the problem. Much of our internal water traffic has survived, if at all, then only precariously, against the power of the railroads, hundreds of miles of which to-day occupy the beds of old canals which were driven out of business. In the coastwise trade the railroads have not been so successful, and in defense have in the past taken over lines of vessels to wipe out competition. But from the beginning the transcontinental railroads recognized that independent lines of ships plying through the Panama Canal from Atlantic to Pacific States would be effectual competitors, because they anticipated that laws would be passed barring railroad-owned ships from the canal, a thing which has been done. For many years these railroads opposed successfully the building of the Isthmian Canal; but finally, under President Roosevelt, the construction of the canal was begun. It is about to be completed. The Congress in August, 1912, passed a law exempting American vessels engaged in coastwise trade from the payment of tolls. This threatened actual and effectual competition. It had in it the certainty of growth of new independent shipping between the Atlantic and the Pacific. Thereupon the transcontinental railroads of the United States called for help upon the transcontinental railroads of Canada and the Canadian railroads called upon Great Britain, which protested against the act of toll exemption.

RAISING THE CRY OF SUBSIDY.

The passage of this act repealing that act will be a demonstration that the transcontinental railroad situation is not in our charge as a Government, and it will bring a new and interesting complication in the fact that, while under the law a ship owned by an American railroad can not use the canal, a ship owned by a Canadian railroad can—a situation which will give Canadian railroads a dominating position in traffic charges. This is of the future. For the present the American transcontinental railroads are triumphant. They are about to win over the powers of this Government to regulate. Several of them were built on our Government's gratuities, which adds obloquy to their conduct in impairing the use of a great Government work by calling to their assistance foreign allies.

The transcontinental railroads also called to their aid the cry of subsidy. If the American vessels were exempted from the payment of tolls in coastwise traffic, it was claimed this was a subsidy. Craft may pass through the locks on the Ohio without paying tolls. No claim has ever been made that this was subsidy. The coastwise shipping has had exclusive right to trade between domestic ports, free from foreign competition, for nearly a century. No claim has ever been made that this was subsidy. But exemption of tolls in the Panama Canal was suddenly branded as indefensible subsidy, and it has served as a stalking-horse since—a herring drawn across the trail—to divert discussion from the real issue—our sovereign rights over the waters of our own domestic waterway at Panama. I have always voted against subsidies here. This was no subsidy. It was a perfectly normal continuation of the national policy of keeping our waterways free to our own carriers. That we will pursue this policy I have no doubt. Events themselves will compel it, for the charge against coastwise vessels at Panama will force, ultimately, free tolls at the canal for all or the destruction of the coastwise laws.

Let us take, for instance, a situation which will soon develop. By virtue of law American seamen work under better conditions than foreign seamen; are paid better, and the rates for service in American bottoms, for that and other reasons, are higher than in foreign bottoms. Under the new conditions about to be imposed at Panama, lumber on a German tramp steamer, a cheap bottom, from Vancouver, British Columbia, can be laid down in New York for less than lumber loaded at Seattle, Wash., in a high-priced American bottom, can be laid down in New York. One is a voyage in which all foreign vessels can compete. The other is coastwise traffic restricted to American shipping. Both must pay tolls. This, together with other advantages Canadian interests will enjoy if this bill passes, will in time bring shippers to demand free shipping. Nor is it likely that the seacoast States—East, South, and West—will ever let rest in peace a policy which puts a charge against interstate traffic. Either the coastwise laws will be broken down or the canal made free.

NOTABLE INSTANCE OF THE GROWTH OF EXECUTIVE POWER.

Equaling in interest both the international aspects and the domestic economic sides of this issue is the view it has given, in a most dramatic way, of the shifting powers of the executive and legislative branches of our Government. In the Constitution the powers of Congress are enumerated first. But it can not be contended successfully that the Congress has maintained its equality of power with either the executive or the judicial branch, and while the present situation is no more than an incident in a long decline, the incident is large. The House which passed the toll-exemption law in 1912 was Democratic; the Senate which concurred was Republican, as was the President. There was no partisan color in the transaction, and if there had been it would have been lost in the platform assertion of the victorious Democratic Party in favor of the proposition. The action which passed the toll-exemption law was therefore nonpartisan, a normal exercise of the congressional function.

The act was in no sense a careless legislative error. It was done with much scrutiny and deliberation. Consequently when the President, on March 5, asked Congress to rescind its action he requested an act that was obnoxious to the Congress as a law-making body and considered quite apart from its partisan divisions. The floor leader of the Democrats, Mr. UNDERWOOD, of Alabama, did not follow the President, nor did the Speaker, Mr. CHAMP CLARK, of Missouri, the two men around whom the Democratic machine in the House is built. There is little doubt that at this early stage of the transaction the President did not have a majority with him, and it was in the process of developing this majority that the great power of the executive office has been so dramatically shown. The ordinary method of caucus coercion was set aside. The Democratic Party platform's plain declaration in favor of toll exemption made caucus coercion impossible. The thing relied upon was the President's influence, exercised directly and with dispatch. So much emphasis was put upon the necessity of dispatch that careful consideration of the rivers and harbors bill, which met a challenge from two Members—Mr. FREAR, of Wisconsin, and Mr. CALLAWAY, of Texas, the first for toll exemption and the second against—was set down as a deliberate filibuster by the President's friends. It was not a filibuster. The next step by the President's lieutenants was to proclaim their purpose to adopt an extreme cloture rule, the most obnoxious form of control. Fifteen hours were to be extended for general discussion under the special rule, and the Sims bill for the repeal of toll exemption was closed against amendment, with the mere right extended for a single motion to recommit. Later, under pressure, the 15 hours' period was increased to 20, and 3 hours in lieu of the usual 40 minutes given for the discussion of the rule itself. The Republicans in the past have clotured both tariff and appropriation bills.

THE PROTEST AGAINST THE USE OF CLOTURE.

The Democrats avoided cloture on the tariff, but have used it in other instances. But no party had ever before attempted cloture upon a measure so momentous and so simple and so unpartisan in its nature. It was a daring thing to attempt. A hundred Democrats or more owe their seats in the House to a national revolt against the abuse and misuse of the processes of representative government in the House. Most of these made their campaigns with this a leading issue and with a pledge, specific or implied, that they would not vote to continue the custom in the House. Here was an invitation not only to break a plank in the party platform but to go back upon a personal pledge. The rule was proposed. Debate on the rule followed for a portion of an afternoon. The following morning there appeared in the newspapers an interview with Speaker CLARK, denouncing the rule. He said:

I am dead against the rule on the tolls question and intend to vote against it. I will not stultify myself by voting for any such rule. I led the fight to liberalize the rules and practices of the House, thereby imperiling my political future. We won that long and bitter fight, and it was the first Democratic victory in 18 years.

Time and time again I declared that I would not advocate a thing when in the minority that I would not advocate in the majority.

The Democrats won the House in 1910, the first time in 16 years. I was unanimously nominated for Speaker, and duly elected by every Democratic vote in the House, with the hearty good will of every Republican, because they believed that I am a truthful man.

In order to liberalize the rules and practices of the House, I voluntarily relinquished a large portion of the powers of the Speaker, which I could have retained by making a fight, but I honestly believed that the Speaker had too much power under the old system for the good of the House and of our institutions.

Among other things, I declared that I was in favor of throwing bills open to ample discussion and amendment, and I am going to keep the faith, come what may. If I were to vote for the pending rule, I could not look the House in the face. When I made that statement I was speaking particularly of tariff bills, but my statement is equally applicable to all great bills. Here is the situation:

We have a rule reported on a bill on the greatest question presented in my 20 years in the House, beside which tariff bills sink into insignificance—a bill which, if passed, will change our foreign policy which we have maintained for 125 years.

Only 20 hours for debate is permitted under this proposed rule, and the right to amend is absolutely prohibited, and no intervening motion permitted except one motion to recommit. On such an important and far-reaching measure there should have been at least a week for debate, with the unlimited right of amendment. Surely there is nothing sacred about the Sims bill, and there is no reason for this mad rush. I will not be a party to ramming such a rule down the throats of Members.

When the House met in great excitement at noon, the floor leader of the majority, Mr. UNDERWOOD, spoke warningly to his Democratic colleagues against the adoption of the cloture rule.

IMPORTANCE OF THE FIRST VOTE IN THE HOUSE.

Then came the test of the power of the President. The first vote was on the previous question on the rule. A Member who voted for the previous question was voting against any change in the rule—for complete cloture. For had the previous question been voted down, the rule could have been changed, time of debate extended, and amendment permitted. There have been other votes touching this measure since the initial one, and there will be others on the passage of the bill; there will be none and can be none as important as the first vote on the previous question on the rule. By that vote the House registered its complete surrender to the Executive in this matter, and suffered itself to be fettered against freedom of action. The vote was as follows:

Party.	Aye.	No.	Present.	Not voting.
Democrats	200	55	2	32
Republicans	8	103	1	11
Progressives	.....	19	.....	1
Independent	.....	.....	.....	1
Total	208	177	3	45

The total membership of the House is now 433. There are two vacancies, one in the twelfth Massachusetts and one in the seventh New Jersey. The political complexion of the House is now: Democrats, 289; Republicans, 123; Progressives, 20; Independent, 1.

Two hundred of the 289 Democrats in the House voted for the previous question on the adoption of the Henry rule. The other 89 Democrats, included 55 who voted against the adoption of the rule, 2 who were paired and voted "present" because the men with whom they were paired were absent, and the other 32 were absent and not voting.

The 55 Democrats who voted against the adoption of the previous question were:

Bruckner, Carew, Dale, Conry, Dooling, Driscoll, Fitzgerald, Goulden, Griffin, Maher, O'Leary, Patten, Difenderfer, Donohoe, Lee, Logue, Gorman, Graham, McAndrews, McDermott, Stone, Williams, Aiken, Finley, Ragsdale, Brockson, Broussard, Dupré, Elder, Morgan, Caraway, Taylor of Arkansas, Wingo, Deitrick, Mitchell, Murray of Massachusetts, Phelan, Doremus, Eagan, Harrison, Helm, Igoe, Clark of Missouri, Jones, Kindel, Taylor of Colorado, Kirkpatrick, L'Engle, Mahan, Murray of Oklahoma, O'Shaunessy, Raker, Sherwood, Underwood, Thomas.

Only one member of the Progressive Party was absent and not voting. He was Mr. COPLEY, of Illinois, who, however, was paired with Mr. BLACKMON, of Alabama, a Democrat. The other 19 Progressives all voted against the previous question. They were:

Bell, Nolan, Stephens of California, Thomson of Illinois, Hinebaugh, Murdock, Woodruff, MacDonald, Lindbergh, Chandler, Temple, Hulings, Rupley, Walters, Kelly, Lewis, Lafferty, Bryan, Falconer.

The eight Republicans who voted for the previous question were:

Bartholdt, Browne of Wisconsin, Gardner, Gillett, Madden, McKenzie, Steenerson, Stevens of Minnesota.

AN UNUSUAL MESSAGE FROM THE PRESIDENT.

The victory gains emphasis because of the manner in which the President made his proposal in the five-minute message of March 5. He said:

Gentlemen of the Congress, I have come to you upon an errand which can be very briefly performed, but I beg that you will not measure its importance by the number of sentences in which I state it. No communication I have addressed to the Congress carried with it graver or more far-reaching implications as to the interest of the country, and I come now to speak upon a matter with regard to which I am charged in a peculiar degree, by the Constitution itself, with personal responsibility.

I have come to ask you for the repeal of that provision of the Panama Canal act of August 24, 1912, which exempts vessels engaged in the coastwise trade of the United States from payment of tolls, and to urge upon you the justice, the wisdom, and the large policy of such a repeal with the utmost earnestness of which I am capable.

In my own judgment, very fully considered and maturely formed, that exemption constitutes a mistaken economic policy from every point of view, and is, moreover, in plain contravention of the treaty with Great Britain concerning the canal concluded on November 18, 1901. But I have not come to urge upon you my personal views. I have come to state to you a fact and a situation. Whatever may be our own differences of opinion concerning this much debated measure, its meaning is not debated outside the United States. Everywhere else the language of the treaty is given but one interpretation, and that interpretation precludes the exemption I am asking you to repeal. We consented to the treaty; its language we accepted, if we did not originate it; and we are too big, too powerful, too self-respecting a nation to interpret with a too strained or refined reading the words of our own promises just because we have power enough to give us leave to read them as we please. The large thing to do is the only thing we can afford to do, a voluntary withdrawal from a position everywhere questioned and misunderstood. We ought to reverse our action without raising the question whether we were right or wrong, and so once more deserve our reputation for generosity and for the redemption of every obligation without quibble or hesitation.

I ask this of you in support of the foreign policy of the administration. I shall not know how to deal with other matters of even greater delicacy and nearer consequence if you do not grant it to me in ungrudging measure.

The concluding words of the President created an unusual sensation. The matters of "greater delicacy and nearer consequence" were plainly definite difficulties in the President's mind. They were, on fair presumption of the meaning of his words, of greater moment than our interest in the canal, and were imminent. What the difficulties were the President did not divulge. On that score Congress was left in the dark. Both the Senate and the House can avail themselves of the protection of secret sessions. This was not invited. The rumor with which Congress had to content itself was only a rumor—that Huerta, President of Mexico, enjoyed the support of Japan, which, in turn, has a fast alliance with Great Britain, and that the President, by inducing the Congress of the United States to show marked friendliness to Great Britain, would have Great Britain's influence over Japan in preventing complications in the accomplishment of the President's desire for the elimination of Huerta.

WAS CONGRESS GUILTY OF A BREACH OF FAITH?

When the President declared that Congress ought to reverse its action without raising the question whether we were right or wrong, he asked the seemingly impossible of a body given to habitual debate. And when he asked the men before him to support his foreign policy in this particular matter in ungrudging measure, that he might know how to deal with other matters of "even greater delicacy and nearer consequence," he awoke immediately an antagonism which, quite apart from partisanship, springs spontaneously in an assembly of men, insatiable of facts, and of more or less pride in their skill in establishing them, when they are denied access to avenues of information. No explanation of the intensity of this debate is complete without this view. The President was dealing with an international question—one that quickly transcended the plane upon which the general run of domestic and necessarily partisan questions are discussed. Congress had at a previous date exempted coastwise vessels of the United States from the payment of tolls in the Panama Canal. As an economic question, this issue might have been made a matter of renewed dispute, despite the indorsement of the policy by all three parties, and the Congress would have continued in its accustomed ways of debate. But the question was not raised as an economic issue. It came to us as an international one. Great Britain contended that the Congress was guilty of a breach of faith. We were charged, as a Nation, with breaking our word. We were asked to acknowledge the commission of a cheap error in legislation, or to confess an act of deliberate national dishonor.

THE MAIN ISSUE TURNS ON THE TREATY.

Whatever men may think of the economic justification of toll exemption, it can not be said that the act of the Senate and the House and the President in 1912, in writing toll exemption into law, was done unknowingly or dishonestly. The act, on the contrary, was written into law in the belief that it did not violate the treaty with Great Britain.

Confronted with the assertion that it did violate the treaty and challenged to reverse its action, without raising the question of right or wrong, Congress faced forthwith the moral duty of confession and restitution. There was no other honorable course open if we were wrong. But if we were right, confession would be dishonor and surrender insufferable.

The main issue, then, turned on the treaty itself. Had Congress and a President misread it? Had the delegates of three great national party conventions, by their indorsement of toll exemption, blundered and broken the Nation's pledge?

I think the great majority of men in Congress, under the challenge of the President on March 5, approached the question in

this mental attitude. And in the confusion and contentions which have followed since, however men may vote, or from whatever motive, this remains the issue.

The question will not be settled on that issue. Collateral and subordinate issues, individual fears and aspirations, considerations of temporary political advantage, personal and otherwise, play the determining part here.

But while these elements, important only for a day or for a man, may prevail, they can not change the facts. While temporary exigency and political necessity may surrender our rights over the canal, they can not alter the truth about the treaty, for time will prove that the British interpretation of the treaty is untenable; that the concessions which we did not make in fact, which we could not make in justice, we can not maintain in safety. The canal is for military as well as commercial purposes, and a surrender of our sovereignty over its waters commercially now will inexorably lead to the necessity of a future effort to preserve our military rights there.

THE HAY-PAUNCEFOTE TREATY NOT AGAINST THE UNITED STATES.

The treaty which John Hay made for us in 1901 puts no such embarrassment and embargo upon this Nation. Its terms give us control in commerce and in military affairs, and a reading of its lines proves it.

The treaty in full is as follows:

HAY-PAUNCEFOTE TREATY BETWEEN THE UNITED STATES AND GREAT BRITAIN TO FACILITATE THE CONSTRUCTION OF A SHIP CANAL.

Signed at Washington, November 18, 1901.
Ratification advised by the Senate, December 16, 1901.
Ratified by the President, December 26, 1901.
Ratified by Great Britain, January 20, 1902.
Ratifications exchanged at Washington, February 21, 1902.
Proclaimed, February 22, 1902, by the President of the United States of America.

A PROCLAMATION.

Whereas a convention between the United States of America and the United Kingdom of Great Britain and Ireland, to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the "general principle" of neutralization established in article 8 of that convention, was concluded and signed by their respective plenipotentiaries at the city of Washington on the 18th day of November, 1901, the original of which convention is word for word as follows:

"The United States of America and His Majesty Edward VII, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the 'general principle' of neutralization established in article 8 of that convention, have for that purpose appointed as their plenipotentiaries:

"The President of the United States, John Hay, Secretary of State of the United States of America;

"And His Majesty Edward VII, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, the Right Hon. Lord Pauncefote, G. C. B., G. C. M. G., His Majesty's ambassador extraordinary and plenipotentiary to the United States:

"Who, having communicated to each other their full powers, which were found to be in due and proper form, have agreed upon the following articles:

"ARTICLE 1.

"The high contracting parties agree that the present treaty shall supersede the aforementioned convention of the 19th April, 1850.

"ARTICLE 2.

"It is agreed that the canal may be constructed under the auspices of the Government of the United States, either directly at its own cost or by gift or loan of money to individuals or corporations, or through subscription to or purchase of stock or shares; and that, subject to the provisions of the present treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

"ARTICLE 3.

"The United States adopts, as the basis of the neutralization of such ship canal, the following rules, substantially as embodied in the convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal; that is to say:

"1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

"2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

"3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary, and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

"Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

"4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in the case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

"5. The provisions of this article shall apply to waters adjacent to the canal within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible, but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

"6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof for the purpose of this treaty and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents and from acts calculated to impair their usefulness as part of the canal.

"ARTICLE 4.

"It is agreed that no change of territorial sovereignty or of the international relations of the country or countries traversed by the before-mentioned canal shall affect the general principle of neutralization or the obligation of the high contracting parties under the present treaty.

"ARTICLE 5.

"The present treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty, and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date hereof.

"In faith whereof the respective plenipotentiaries have signed this treaty and thereunto affixed their seals.

"Done in duplicate at Washington the 18th day of November, A. D. 1901.

"JOHN HAY. [SEAL.]
"PAUNCEFOTE. [SEAL.]"

And whereas the said convention has been duly ratified on both parts and the ratification of the two Governments were exchanged in the city of Washington the 21st day of February, 1902:

Now, therefore be it known that I, Theodore Roosevelt, President of the United States of America, have caused the said convention to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this 22d day of February, A. D. 1902, and of the Independence of the United States the one hundred and twenty-sixth.

[SEAL.] THEODORE ROOSEVELT.

By the President:
JOHN HAY, *Secretary of State.*

THE CONTENTION OF THOSE FAVORING REPEAL.

There is among the proponents of the Sims bill an easy disposition to read a single paragraph in the Hay-Pauncefote treaty, regardless of its context, its history, its relation to the contract and its evident purpose, in support of Great Britain's contention that the United States can not exempt its coastwise traffic from the payment of tolls. This paragraph is rule 1 of article 3, as follows:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

This rule, standing alone, would be conclusive of the whole controversy in Great Britain's favor but for the inclusion of the six words "observing these rules" and "and of war." But the rule does not stand alone. It is only a part, and a small part, of the treaty which must be read as a whole, and it has behind it a long history which determines its meaning and saves the rule itself, containing the words "observing these rules" "and of war" from contradiction. To explain:

The history back of the rule which I have quoted starts with the Bulwer-Clayton treaty in 1850. At that time there was a possibility of the construction by a private corporation of a canal across Nicaragua. Great Britain had a protectorate over the Mosquito Coast, which embraced the eastern terminus of the projected work. The United States and Great Britain undertook to establish the neutralization of the proposed canal. In the eighth article of the Bulwer-Clayton treaty the parties agreed:

The Governments of the United States and Great Britain having not only desired, in entering into this convention, to accomplish a particular object, but also to establish a general principle, they hereby agree to extend their protection, by treaty stipulations, to any other practicable communications, whether by canal or railway, across the Isthmus which connects North and South America.

In granting, however, their joint protection to any such canals or railways as are by this article specified, it is always understood by the United States and Great Britain that the parties constructing or owning the same shall impose no other charges or conditions of traffic thereupon than the aforesaid Governments shall approve of as just and equitable; and that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other State which is willing to grant thereto such protection as the United States and Great Britain shall engage to afford.

THE CHANGE FROM THE OLD TO THE NEW TREATY.

Fifty years after the Bulwer-Clayton treaty the United States made a new treaty—the Hay-Pauncefote treaty—with Great

Britain. In this latter treaty the purpose of the two Governments "to establish a general principle," that is, neutralization, appears not in the body of the instrument but in the preamble. The new treaty came to the Senate and was amended. Later still another new treaty came to the Senate and was ratified. The last form of the treaty was made public by Theodore Roosevelt February 22, 1902. The treaty itself was not a mere radical modification of the Bulwer-Clayton instrument; it was a new treaty, and it superseded in terms the Bulwer-Clayton treaty. That treaty had been drawn in the presumption that the canal would be constructed by a private corporation either of America or Great Britain, and the responsibility for its neutralization was mutual, with an agreement that neither Government would erect or maintain fortifications commanding the work. The Hay-Pauncefote treaty by its language admitted the possibility of the construction of the canal by the United States as a Government, and the responsibility for its neutralization was shifted from the shoulders of both nations to those of the United States alone, for the United States was granted "all rights incident to such construction as well as the exclusive right of providing for the regulation and management of the canal." And as a basis of the neutralization of the canal the United States, under this exclusive right, adopted the rules. In the first form of the Hay-Pauncefote treaty, which the Senate rejected, both the United States and Great Britain were to adopt the rules. In the second form of the treaty, which was ratified, Great Britain withdrew from the responsibility of adopting the rules and of protecting the canal. Here, then, was a radical change from the basis of neutralization established in the Bulwer-Clayton treaty. In that instrument both nations stipulated to protect the canal, by whomsoever constructed, and in return for that protection there was to be equality of treatment. The mutual relation was complete. Each was equal in responsibility and equal in benefits to be derived; but in the Hay-Pauncefote treaty the relation of mutuality was no longer complete. The United States, either of itself or through a private corporation of its citizens, was to build the canal; the United States assumed the responsibility for its protection. It could fortify the work. And this change from complete mutuality to sole responsibility was given even greater emphasis by the circumstance that in the Bulwer-Clayton treaty and in the first form of the Hay-Pauncefote treaty the two Governments united in bringing the treaty to the notice of other powers and inviting them to adhere to it. In the last form, the ratified treaty, this mutual function of ratification was omitted. The United States, which was to construct the canal, protect it, adopt rules for its management, and notify the world, had become the party of the first part. So, speaking to the world, the United States announced the six rules appended "as the basis of the centralization of such ship canal," and for no other purpose.

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of this article shall apply to waters adjacent to the canal within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purposes of this treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents, and from acts calculated to impair their usefulness as part of the canal.

UNITED STATES NOT ONE OF THE NATIONS OBSERVING THESE RULES.

Now to address myself to the first rule. None of those who contend that we have no right to exempt our coastwise traffic from the exemption of tolls, because under rule 1 it would be a discrimination against Great Britain, assert as yet that we can not discriminate in favor of our own vessels of war, for to charge our vessels of war tolls would be to pay ourselves, to take money out of our Treasury and put it back again—an absurdity. And if, under the language of rule 1, we stipulate that the canal is to be free and open on terms of entire equality as to vessels of war—and there is of necessity discrimination—how then do those who uphold the contention of Great Britain read that there shall be no discrimination against vessels of commerce? They must read the rule one way for vessels of war and another way for vessels of commerce. The history of the treaty, its text, and its purpose make one reading of the rule possible in the case of both vessels of commerce and vessels of war—the reading which proves that the United States is the owner of the canal and lays down the terms under which all nations may use the canal. Sir Edward Grey has admitted that the other rules in article 3, chiefly relating to war conditions, do not apply to the United States when the United States is at war. The admission is fatal to the contention of the British interpretation. Rules 2, 3, 4, and 5 relate particularly to conditions of war. No act of hostility may be committed in it, according to rule 2. War vessels of a belligerent may not revictual in it, according to rule 3. No belligerent may disembark troops in the canal, according to rule 4. No vessel of war may remain within 3 marine miles of either end for longer than 24 hours. Now, when the treaty was before the Senate John Hay sent a memorandum explaining that in event of war the ordinary effect of war upon treaties was to restore both nations to their natural rights of self-defense. That is, in case the United States was at war it could close the canal against its foe. If that is true, then "the belligerent" referred to in rules 2, 3, 4, and 5 is not the United States and can never be the United States. For the United States, if at war, can (2) commit acts of hostility in the canal; (3) can revictual there; (4) can disembark troops; (5) can remain within the 3-mile limit. Certainly if we are at war, we are not one of the nations "observing these rules." If we are not at war, we are not a "belligerent"; we are at peace and these rules do not apply to us.

THE ONLY WAY TO AVOID DISCRIMINATION.

But does rule 1 nevertheless apply to the United States? Rules 2, 3, 4, and 5 do not apply to us either in war or peace, as we have just seen. Does rule 1? In that rule we say that "the canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality." If we were at war with Great Britain we could not close the canal to her if the United States is to be included among the nations "observing these rules." But we would close the canal to Great Britain in war. We would not in that event be one of the nations observing rule 1. If, then, we are in war not one of the nations observing rule 1, are we in time of peace one of the nations observing rule 1? If we are, then we would charge tolls on our vessels of war; we would pay ourselves. That is, in times of peace, as one of the nations "observing these rules," and rule 1 in particular, we would take money out of our Treasury for the passage of our vessels of war and pay it back again; we would take money out of the British Treasury for a British vessel of war and put it in our Treasury. We would be the richer by that amount and England the poorer. What, then, would become of the pledge supposedly in rule 1 that the canal shall be free and open to the vessels of war on terms of entire equality, so that there shall be no discrimination? We are not one of the nations "observing these rules," any one rule or all of them, in time of peace or in war. If we are, then there is discrimination.

Those who contend for the British interpretation of the treaty, in their anxiety to have us keep one pledge will force us to break another. There is only one way to read the treaty and read it consistently, and that is by excluding the United States from the phrase "all nations observing these rules."

JOHN HAY'S IDEA OF THE TREATY.

The natural elements surrounding the canal itself, its construction, possession, fortification, control, management, the holding of the land through which it runs, uphold the fact of our sovereignty. And the treaty, its provisions, and its practical operation without friction confirm that sovereignty. That is, the crowning emphasis in the establishment of this view is extraneous to the treaty itself but confirmatory nevertheless. The Hay-Pauncefote treaty was drawn in the presumption that the canal was to be constructed by the United States, protected by the United States, and regulated by the United States, but through alien territory. It was constructed, instead, on land which was granted to us in perpetuity and is virtually our own. The Republic of Panama made over to us the Canal Zone. It is ours to govern, to develop, to protect. We would resist foreign invasion of it as quickly and with as much warrant as we would resist an invasion of New York. The shore lines of the canal are our coast lines as much as those of Maine or California. The ownership of the canal, its responsibility, its management,

possession, protection has added to it sovereignty. There is a principle of international law that all treaties are concluded upon the condition that if vital changes affecting the subject matter of a treaty take place so that it can not be said that the parties contracted in reference to the changed conditions, the treaty is by implication abrogated. But it is not necessary to call that principle to our aid. Conditions have changed in respect to the canal, but the spirit of the treaty itself upholds us in our assertion. There is evidence that John Hay so understood the treaty. In submitting it to the Senate, Mr. Hay said:

The whole theory of the treaty is that the canal is to be entirely an American canal. The enormous cost of constructing it is to be borne by the United States alone. When constructed it is exclusively the property of the United States and is to be managed and controlled and defended by it.

As to our responsibility over it, he said:

The United States alone, as sole owner of the canal, as a purely American enterprise, adopts and prescribes the rules by which the use of the canal shall be regulated, and assumes the entire responsibility and burden of enforcing, without the assistance of Great Britain or of any other nation, its absolute neutrality.

When Hay, later in 1902, made a treaty with the Republic of Panama he wrote into that treaty a provision that the vessels of Panama should pass through the canal toll free, a thing he would not have done had he believed it was in contravention of the treaty with Great Britain. This treaty is now in force. The same view was held in our State Department when, in 1909, Elihu Root concluded a treaty with Colombia which gave Colombia preferential rights in the canal.

THE CERTAIN COMPLICATIONS OF THE FUTURE.

The people registered their will through the only vehicle open to them to make their wishes known to Congress—the party platform. The circumstances surrounding the negotiation of this treaty confirm the American view of the extent of neutralization we have undertaken—like treatment of Great Britain with all other nations. The weight of American diplomatic authority sustains this view. The action of the American Congress has followed this course. Every consideration of national interest demands that we shall not lightly or weakly relinquish our own.

Yet we are asked to surrender our sovereignty over the canal, not to suspend the operation of the toll exemption law for a period pending further negotiations with Great Britain, or possible arbitration, but to accept the contention of Great Britain without question. This view may prevail here and in the Senate, but the contention we have made against it will be vindicated by the future, for the future, with its unavoidable embarrassments, its certain complications, its inevitable injury, will bring vindication in an hour, perhaps, when we will pay with our strength the debt our weakness makes to-day.

THE PLEDGES IN THE PARTY PLATFORMS.

The view I uphold to-day had the indorsement of 13,000,000 voters in 1912. The law exempting American coastwise vessels from the payment of tolls was approved by President Taft August 24, 1912. Before that date the three political parties had drafted their platforms. The Republicans stood in indorsement of President Taft's administration, of which this was a part, although he had not yet signed the act. The Democrats were unequivocal. Their platform pledge was as follows:

We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal. We also favor legislation forbidding the use of the Panama Canal by ships owned or controlled by railroad carriers engaged in transportation competitive with the canal.

This plank was enunciated at Baltimore July 2, 1912.

The Progressives, in their platform adopted at Chicago August 7, 1912, declared:

The Panama Canal, built and paid for by the American people, must be used primarily for their benefit. We demand that the canal shall be so operated as to break transportation monopoly now held and misused by the transcontinental railroads, by maintaining sea competition with them; that ships directly or indirectly owned or controlled by American railroad corporations shall not be permitted to use the canal, and that American ships engaged in coastwise trade shall pay no tolls.

THE CAMPAIGN POSITION OF ROOSEVELT, WILSON, AND TAFT.

The presidential candidates of all three parties have upheld the idea. The position of Theodore Roosevelt, candidate of the Progressive Party, is shown in a letter to the Outlook Magazine of January 18, 1913. It is as follows:

I believe that the position of the United States is proper as regards this coastwise traffic. I think that we have the right to free bona fide coastwise traffic from tolls. I think that this does not interfere with the rights of any other nation, because no ships but our own can engage in coastwise traffic, so that there is no discrimination against other ships when we relieve the coastwise traffic from tolls. I believe that the only damage that would be done is the damage to the Canadian Pacific Railway. Moreover, I do not think that it sits well on the representatives of any foreign nation, even upon those of a power with which we are, and I hope and believe will always remain, on such good terms as Great Britain, to make any plea in reference to what we do with our own coastwise traffic, because we are benefiting the whole world by our action at Panama, and are doing this where every dollar of expense is paid by ourselves. In all history I do not believe you can find another instance where as great and expensive a work as the Panama Canal, undertaken not by a private corporation but by a nation, has ever been as generously put at the service of all the nations of mankind.

Woodrow Wilson, the Democratic candidate, said in a speech to the farmers gathered in convention at Washington Park, N. J., on August 15, 1912:

One of the great objects in cutting that great ditch across the Isthmus of Panama is to allow farmers who are near the Atlantic to ship to the Pacific by way of the Atlantic ports.

Now, at present there are no ships to do that, and one of the bills pending—passed, I believe, yesterday by the Senate as it had passed the House—provides for free tolls for American ships through that canal and prohibits any ship from passing through which is owned by any American railroad company. You see the object of that, don't you? We don't want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent.

President William Howard Taft said, in December, 1912:

After full examination of the Hay-Pauncefote treaty and of the treaty which preceded it, I feel confident that the exemption of the coastwise vessels of the United States from tolls and the imposition of tolls on vessels of all nations engaged in the foreign trade is not a violation of the Hay-Pauncefote treaty.

THE CASE OF THE RIGHTS OF THE UNITED STATES.

Despite frequent protestation of fidelity to platform pledges by the two old parties, Republican and Democratic, each succeeding year discovers both parties in greater and greater degree unable or unwilling to keep faith with the people. In this debate the Democratic pledge is completely ignored by many Democrats, who refuse to give it even an incidental bearing on the issue. Other Democrats attempt, pathetically, to read a contradiction in the plain terms of their pledge. The contradiction is not there. Like the Republican leaders who violated the platform of 1908, which pledged a revision of the tariff downward, and revised the tariff upward, these Democrats are seeking only convenient excuse. The helplessness of both old parties in the matter of platform pledges is inherent in them—is part and parcel of the weakness inevitable in partisan organizations made up of conflicting elements, for the conflicting elements in each of the two old parties can be held together only by compromises, and in the compromises faith with the people can not be kept and is not kept.

The violation of platform pledges, however, is no new thing in America. Succeeding elections may bring rebuke and reparation in ordinary issues; but this is an extraordinary issue, and no future election, however it may reprimand, can restore the position we hold in the canal to-day and which we are about to relinquish. Surrender now is surrender forever.

To summarize and to conclude, I am against the repeal of the law exempting American coastwise vessels from the payment of tolls in the Panama Canal because the repeal is—

A violation of our rights under the terms of the Hay-Pauncefote treaty.

An unwarrantable surrender of our sovereignty over a canal which we constructed at a cost of $400,000,000.

A confession of a dishonorable legislative act by the American Congress not warranted by the facts.

An assumption of supineness in the Western Hemisphere before the nations of the world which will bring embarrassment and peril.

An indefensible relaxation in our maintenance of the Monroe doctrine.

A change in our attitude toward the agencies of transportation which will have vital and far-reaching economic results in our domestic affairs.

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. LAWRENCE B. STRINGER,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. STRINGER. Mr. Speaker, the Hay-Pauncefote treaty of 1901, entered into between the Governments of the United States and Great Britain, is primarily responsible for our present situation in this matter of the exemption of Panama Canal tolls to our coastwise trade.

The crux of the whole question involved in this discussion is the interpretation that is to be placed upon the provisions of this treaty of 1901, with reference to such proposed exemption.

As a Democratic Representative from Illinois I am not responsible for this treaty nor its terms, for, in common with those who occupy seats in this House for the first time, I had nothing whatever to do with it.

For this treaty President Wilson is not responsible; Secretary Bryan is not responsible; the Democratic Party is not responsible, for at the time it was entered into neither President Wilson, Secretary Bryan, nor the Democratic Party were in power in this Nation.

The President under whom the treaty negotiations were begun was William McKinley. The President under whom it was completed and whose signature it bears was Theodore Roosevelt. The Secretary of State who negotiated it was John Hay. The United States Senate which ratified and approved it was a Republican body, with an active working Republican majority.

This treaty was a solemn, sacred international obligation, into which the United States Government entered, through its regularly elected and constituted authorities, and by this treaty the United States is bound.

Whether or not, primarily, Great Britain had any rights in the construction of this canal, I do not now care to discuss, for whether she had or not, the United States, by entering into this treaty with her concerning the canal, recognized that she had rights therein, stipulated with reference thereto, and we are now estopped from denying their existence.

If a blunder was made in recognizing rights in Great Britain in the canal, Woodrow Wilson did not make that blunder, Secretary Bryan did not make it, the Democratic Party did not make it.

If we are now foreclosed from denying British rights in the canal, it was a Republican President, a Republican Secretary of State, and a Republican Senate who foreclosed us in that regard.

If it was desirable that the coastwise vessels of this country should be allowed to pass through the canal without payment of tolls, then the fact that the treaty did not so provide is not the fault of the Democratic Party, for it was a Republican Senate which specifically voted down an amendment to the treaty which would have allowed this exemption.

If any sovereignty in the Panama Canal has been "surrendered" by entering into this treaty, neither President Wilson nor the Democratic Party did this "surrendering." The surrender, if such there was, was and is a Republican surrender pure and simple.

I am not saying that there was a "surrender," but the term has been used so frequently in this discussion that I am simply seeking to locate the responsibility for "surrender," if perchance any such "surrender" has really been made.

I am simply showing that the oft-repeated criticism of President Wilson and the Democratic majority of Congress in this behalf is unwarranted, unjust, and indefensible.

The Democratic Party did not make the Hay-Pauncefote treaty, had nothing to do with it, is not responsible for it; but, coming into power, the Democratic Party has found it part of the organic law of the land and is compelled to make the best of a bad situation.

Coming into power, the Democratic administration finds that the administrations preceding it, by and under the authority vested in them by the people, had entered into treaties, agreements, and contracts with a foreign power in reference to the neutralization of this canal, and recognizing the sacredness of treaties so made, regards it a patriotic duty to comply with the same and thus protect the national honor.

THE CLAYTON-BULWER TREATY WAS ABROGABLE.

If it be urged that the Hay-Pauncefote treaty of 1901 was necessitated by the existence of the Clayton-Bulwer treaty of 1850, it may also be urged that a half century had elapsed since the Clayton-Bulwer treaty had been entered into; that in the meantime conditions had absolutely changed, the map of Central America had undergone a complete transformation; and in 1901, when the Hay-Pauncefote treaty was signed, the circumstances which had made the Clayton-Bulwer treaty of 1850 necessary had passed away.

There is a doctrine of international law, well established and well understood, that when in the lapse of time the conditions under which a treaty was made have completely changed, its provisions shall no longer be binding, and the treaty may be abrogated.

Why did not President McKinley and President Roosevelt take advantage of this doctrine of international law, have the obsolete and antiquated Clayton-Bulwer treaty abrogated as not being applicable to the new conditions, proceed to buy or appropriate (as we did with the Panama strip) land upon which this canal should be dug, and dig the canal "on our own land," conduct and regulate it "in our own way," without consulting or entering into agreements with England or "any other country on earth"?

It is not for me to furnish the answer. Suffice it to say, they did not do it. They proceeded to recognize the Clayton-Bulwer treaty as an active, living entity. They recognized the rights of Great Britain in the construction of this oceanic canal. They contracted with her with reference to those rights. They revivified them with new life, placed the stamp of further approval upon them, and gave them new sanction.

And now that they have done this thing the political partisans of these former Presidents heap vials of abuse upon President Wilson, who had nothing to do with these agreements or treaties, but who is doing the only thing an honest, God-fearing President possibly could do, namely, make good the plighted word and faith of the Nation as sacredly given forth by his predecessors in official station.

SACREDNESS OF TREATIES.

Treaties between nations have always been regarded as the most solemn, binding, and sacred of all contracts known to mankind. Blood has been shed, lives sacrificed, and treasure spent to enforce, uphold, and preserve inviolate the sacredness of international contracts.

Failure to observe treaties because of superior brute power to do so, regardless of the questions of national honor involved, renders the nation doing so an outlaw among the nations of the earth.

To say that because we are great and powerful and strong we can ruthlessly disregard solemn obligations at will is the doctrine of the cave dwellers and does not belong to twentieth-century civilization. Even the American Indian recognized the sacred obligations of tribal compacts and agreements.

The Hay-Pauncefote treaty having been entered into, it is now a sacred, binding contract between the United States and Great Britain, and must be observed.

Whether the terms gave us an advantage or inflicted a disadvantage is not the question here. Whether we personally like or dislike the other contracting party, or whether we approve or disapprove of their objects and motives, is not pertinent to this discussion.

The question is, Shall we live up to our sacred pledges? Shall we violate our international contracts? Shall we brand ourselves as international outlaws? Are we a nation of honorable, treaty-abiding people?

There is only one answer. Whatever the result, we must at all hazards comply with every treaty obligation made. To do otherwise would be a national disgrace and an everlasting and eternal dishonor. To even intimate that we would do otherwise is an insult to an honorable and law-abiding people.

WHAT THE HAY-PAUNCEFOTE TREATY DID.

What, then, did the Hay-Pauncefote treaty do, and what are its provisions?

In its preamble it provides that the new treaty is made to facilitate the construction of an interoceanic canal, by whatever route may be considered expedient, but "without impairing the general principle of neutralization established in article 8" of the old Clayton-Bulwer treaty.

By reference to article 8 of the Clayton-Bulwer treaty this "general principle of neutralization" is found to be that the canal shall be "open to the citizens and subjects of the United States and Great Britain on equal terms."

If no other provision existed in the treaty, this provision alone would bar the United States from exempting tolls in the matter of its coastwise trade, unless at the same time it exempted the tolls for vessels of the other contracting party as well, for the equality of terms is applied unrestrictedly to the "citizens and subjects" of both countries and no distinction is made as to citizens who are engaged in the coastwise trade as against those engaged in the foreign trade.

But the treaty does not stop here. It proceeds by the adoption of six rules as "the basis of the neutralization" of the canal and the first of these rules specifically declares that "the canal shall be free and open to the vessels of commerce and war of all nations observing these rules on terms of entire equality, so there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise."

This language seems to be clear and unmistakable and is susceptible of but one construction. "All nations" means all nations, and includes the United States as well as other nations. Had it meant all other nations, it would have said so. If it had intended to have excepted the ships of the United

States, coastwise or otherwise, it would have excepted them by specifically doing so.

When we entered into a similar treaty with Nicaragua prior to the making of this Hay-Pauncefote treaty, we likewise provided for "equal tolls for the vessels of all nations," but desiring to exempt the coastwise trade of both countries we added the clause, "excepting the vessels of the contracting parties engaged in the coastwise trade." With this treaty as a precedent, had we intended to except our coastwise trade in the Hay-Pauncefote treaty, we would have specifically so declared it.

It is practically conceded that to exempt from canal tolls our foreign trade, by the passage of law to that effect, would be a clear violation of the treaty. Hence that has not been attempted, for the law passed by the last Congress, and now sought to be repealed, exempts from tolls only our coastwise trade and leaves our foreign trade to toll charges.

If the term "all nations" meant all other nations except the United States, then, under the terms of the treaty, we have as much right to exempt our foreign trade from tolls as we have our coastwise trade, and there would be far greater justice in doing so.

THE EXEMPTION NEGATIVED.

But not only did we stipulate in the treaty for entire equality of treatment for the vessels of all nations, but by the action of the Senate during the consideration of the treaty we expressly negatived any intention to make an exemption from tolls of our coastwise trade.

Before any treaty goes into effect it must first be ratified and approved by the American Senate. If the provisions of the treaty do not suit this body, it has the power to modify or amend them.

When the Hay-Pauncefote treaty was before the American Senate Senator Bard, of California, representing a State directly interested in the coastwise trade, offered the following amendment to the proposed treaty:

> The United States reserves the right in the regulation and management of the canal to discriminate in respect of the charges of traffic in favor of vessels of its own citizens engaged in the coastwise trade.

This amendment to the treaty was thereupon voted down by the United States Senate by a vote of 43 to 23, as shown by Senate Document No. 85, of the Fifty-seventh Congress.

This vote in the American Senate indicates:

First. That it was clearly understood that the term "all nations" in the Hay-Pauncefote treaty included the United States.

Second. That the treaty as it now stands was understood not to give a right to the United States to exempt tolls for its coastwise trade unless similar exemptions were given the ships of all other nations.

Third. That it was clearly the intention of the United States Senate to make no distinction in the treaty between vessels in our coastwise trade and vessels in the foreign trade, whether the vessels belonged to us or to foreign nations.

TESTIMONY OF AN EYEWITNESS.

If testimony is needed as to what was intended by the terms of the Hay-Pauncefote treaty as to the coastwise trade, that testimony has been furnished by Joseph H. Choate, the American minister to England at the time the treaty was adopted.

The signatories of the treaty, John Hay and Lord Pauncefote, are both deceased. Mr. Choate therefore is the one man living who can speak authoritatively as to the treaty. In an address delivered before the Chamber of Commerce of New York, February 13, 1913, Mr. Choate said:

> It is true that I had something to do with the negotiation of this treaty. In the summer of 1901—you will remember that the treaty was ratified by the Senate in November, 1901—I was in England until October and was in almost daily contact with Lord Pauncefote and was also in very frequent correspondence with Mr. Hay, our Secretary of State, under whom I was acting.
>
> As the lips of both of these diplomatists and great patriots, who were each true to his own country, and each regardful of the rights of others, are sealed in death, I think it is quite proper that I should say what I believe both of them, if they were here, would say to-day, that the clause in the Panama Canal bill exempting coastwise American shipping from the payment of tolls is in direct violation of the treaty. I venture to say now that in the whole course of the negotiation of this particular treaty, no claim, no suggestion, was made that there should be any exemption of anybody.

A PLAIN ILLUSTRATION.

As a plain, everyday illustration of how a law which exempts our coastwise trade from tolls violates the terms of a treaty guaranteeing equality of terms for all nations in the canal, and providing against discrimination against the subjects of other nations, a succinct example here follows:

A vessel owned by foreign citizens loads with lumber at Vancouver, on the Pacific coast, bound for New York. When it reaches the canal it is required to pay tolls to the amount of a possible $10,000 before it can pass through. An American vessel loads with lumber at Seattle, a few miles distant from Vancouver, but on American territory, and it is likewise bound for New York. It passes through the canal tolls free. The discriminative difference is the matter of the $10,000 tolls to the disadvantage of the foreign citizen as against our own.

Can it be said that such a discrimination does not violate a treaty which provides that the canal shall be open to vessels of commerce of all nations on terms of "entire equality," with "no discrimination against the citizens or subjects of other nations in respect to the charges of traffic or otherwise"? The English language can admit of no such construction.

THE TERMS UPON WHICH WE OWN THE CANAL.

But it is said that it is our canal; that we dug it and we can do with it just as we please. This is a catchy, but nevertheless a demagogic statement, born either of lack of information or in some cases an intention to deceive.

It is true that this is our canal and that we dug it, but it is not true that we can do with it as we please. One may own a horse, but he can not abuse it; one may own a house, but he can not set fire to it. All ownership is limited by laws regulating the control of same in the interest of the common weal.

Treaties are part of the law of the land, and have as binding an effect as a statute duly passed and proclaimed. Our ownership of the canal is subject to the limitations set forth in treaties which we have made with foreign powers concerning it.

It must be remembered that the canal was not dug on land that was primarily our own or on land that is now free from conditions which run with the land. The conditions running with the land must always be observed.

We may pass over the question of the flaw in our title to the Canal Zone in consequence of the high-handed manner in which we appropriated this zone from Colombia.

We may even dismiss consideration of the fact that we had a treaty with Colombia guaranteeing her integrity; that we not only stood by and saw her despoiled of her integrity in violation of treaty obligations by us sacredly made, but we actually aided and abetted in that despoilation. We may dismiss all this by saying that because we violated one treaty is no reason why we should deliberately proceed to violate another.

But even under our title, such as it is, we became owners of the zone under certain conditions and for certain specified purposes.

THE TREATY WITH PANAMA.

Conceding, then, that our title to the zone comes from the Republic of Panama, and this will not be denied, this title has its origin and authenticity in a single document, namely, in a treaty entered into with the Republic of Panama November 18, 1903.

Outside of this treaty with Panama we have absolutely no right, title, or ownership of any kind or character, under the sun, to the land upon which this canal was dug. By this treaty our rights to ownership and control rise or fall. This treaty is our sole authority and by its conditions and limitations we are absolutely bound.

Strange it is that those who claim that we would be justified in violating our treaty with Great Britain in our control of the canal are compelled to rely upon a treaty with another power to find authority to control the canal at all.

What, then, are the provisions of this international deed of the Canal Zone by the Republic of Panama to the United States, under which we get all the rights we have in the Panama Canal?

In the first place, the Canal Zone grant to us by the Republic of Panama is not an absolute and unconditional grant of territory. The granting words are not "to have and to hold." The granting words which give us title to the Canal Zone are especially limited in the treaty with Panama to "the use, occupation, and control" of the zone of land described. It is not a deed absolute.

This "use, occupation, and control" is granted in perpetuity to the United States, but for a certain purpose and a certain purpose alone, namely, "for the construction, maintenance, operation, sanitation, and protection of a canal." Should this land be used for any other purpose, or should we cease to use it for the purpose designated, it reverts back to the original grantor, namely, the Republic of Panama.

It is not, then, our land, to do with as we please. It is our land to use, occupy, and control for the purposes of a canal, which is to be subject to provisions thereafter provided for in the treaty deed. And these provisions specify how the canal shall be regulated and controlled.

In other words, with our deed to the Canal Zone run certain binding covenants which limit our ownership of the soil and all the appurtenances thereto.

These covenants are expressed in article 18 of our treaty with the Republic of Panama, and read as follows:

The canal, when constructed, and the entrances thereto shall be neutral in perpetuity, and shall be opened, upon the terms provided for by section 1 of article 3 and in conformity with all the stipulations of the treaty entered into by the Governments of the United States and Great Britain on November 18, 1901.

In other words, the very treaty with Panama which gives us any rights to the canal at all actually reads into its covenants the Hay-Pauncefote treaty, which we are now asked to disregard.

The only document by which the United States has any right under the sun to dig, maintain, and control the canal makes it a condition precedent for our ownership and control that we shall observe the Hay-Pauncefote treaty in all its terms, and especially emphasizes the fact that ownership is conditioned upon our observance of the particular section which declares that the canal shall be—

open to the vessels of all nations on terms of entire equality, without discrimination against the subjects of any nation in respect of the conditions or charges of traffic or otherwise.

Violation, then, of the terms of the Hay-Pauncefote treaty is eo instanti a violation of our treaty with Panama through which we acquire our rights in the canal, and likewise constructive abrogation of the Hay-Pauncefote treaty is constructive abrogation of the treaty with Panama, and abrogation of the treaty with Panama cuts from under us our title to the canal and the Canal Zone and the whole enterprise reverts back to the Republic of Panama.

The Hay-Pauncefote treaty and the treaty with Panama are interwoven into one document and by both taken together our rights in the canal are determined.

Therefore, while we dug the canal and it is ours, our ownership and control is subject to the easement of all nations to receive for their ships passing through the canal the same treatment which we accord to our own.

If, then, we exempt our own shipping from the payment of tolls, which we have a perfect right to do, we must likewise exempt from payment of tolls the shipping of all other nations; but on the other hand, if we charge tolls to other nations we must charge tolls to our own shipping whether coastwise or otherwise.

This is the plain language of a treaty which has likewise been made the condition of the other treaty upon which our occupancy of the canal is based, both in its inception and in its continuity.

And again I say that if these conditions seem unsatisfactory and unpleasant it is not the present administration that is to blame. The responsibility rests upon the shoulders of those administrations who made and entered into the Hay-Pauncefote treaty of 1901 and the Panama treaty of 1903.

NO NEW RULE.

The rule adopted in the Hay-Pauncefote treaty, to which we agreed, that the canal "shall be open to all nations on terms of entire equality," without discrimination "as to charges of traffic," is no new rule to the nations of the world. It is substantially the same rule agreed to by England and adopted in the convention of Constantinople for the free navigation of the Suez Canal, which is substantially a British waterway.

Under that provision all the nations of the world, including the United States, has construed the term "all nations" as meaning to include England. England has agreed to that construction and her ships pay tolls through what is substantially her own canal on terms of equality with American ships, and there is no exemptions allowed for her coastwise trade.

THE TABLES TURNED.

Let us turn the tables for a moment. Suppose England had purchased the canal strip herself and dug the canal. Suppose that, prior to the purchase, England had entered into a treaty with us and we had given her consent to dig the canal upon the conditions that our ships were to be allowed equality of terms with her ships in the use of the canal. And suppose, after the canal was dug, England would have passed a law that her ships going from England through the Canal Zone owned by her, to her Indian and Australian possessions, should be allowed to navigate the canal toll free, while our coastwise ships would be compelled to pay tolls, would we not have protested that such an exemption was in plain violation of the treaty? And would we not be right in our contention?

WE SHOULD BE CONSISTENT.

There is such a thing as being consistent in the matter of nations as well as individuals. We should not ask that foreign nations interpret our treaties with them in one way and then proceed on our part at another time to interpret similar treaties in an entirely different way.

By the treaty of 1871 with Great Britain our citizens were to have the use of the Welland, St. Lawrence, and other Canadian canals "on terms of equality with the inhabitants of the Dominion of Canada."

In 1888 Canada fixed the tolls on the Welland Canal at 20 cents per marine ton, but provided that if the merchandise was exported from Montreal, or east of it, a rebate of 18 cents per ton was to be allowed, and that if it was transshipped in Canada this rebate should be allowed, but if transshipped to the United States the rebate should not be allowed.

Our Government protested against this discrimination against our shippers as being in violation of the treaty agreement providing for equality of terms of Americans with Canadians in the use of these Canadian canals.

After a great deal of discussion and exchange of diplomatic notes, together with threats of reprisals, the Canadian Government receded from its position and the American contention prevailed, and still prevails to-day.

We protested at that time that where a treaty gave us "equality of terms" with Canadians on canals built by them on Canadian soil, that a rebate given to the Canadian coastwise trade was unfair and in violation of "the equality of terms" provided for in the treaty.

But in this matter of the Panama Canal it is sought to rebate the entire amount of the tolls of our coastwise trade in a case where a treaty specifically provides that there shall be "no discrimination against any nation, its citizens or subjects, in respect to charges of traffic," but that the canal "shall be open to the vessels of all nations," not on "terms of equality" merely, but, to use the term of the treaty, "on terms of entire equality."

Is it not evident that if we persist in interpreting treaties in a manner which will discriminate in our favor in the Panama Canal, that other nations will interpret our treaties with them in such a way as to discriminate in their own favor, in their own waterways, as against our commerce and trade?

THE CHARGE OF SURRENDER.

Among other unfair methods adopted in this controversy is the one which seeks to get some one to believe that in repealing this bill we are surrendering sovereignty or something or other to Great Britain which we ought not to surrender.

There is no question of sovereignty involved here and nothing in the nature of surrender. The crux of the whole question is the interpretation and construction of a treaty. By a bill passed in the last Congress the treaty was interpreted one way. After a representation by the other party, and before it has been attempted to put the interpretation into effect, we have concluded that our former interpretation was erroneous and now seek to correct that interpretation.

An admission of a mistake, when mistake is made, is not surrender. It is merely reparation. To refuse to correct an error, when the error is apparent, is not a sign of bravery, but is indicative of moral cowardice.

When Canada receded from her position in the matter of the Welland Canal, upon our insistence that the treaty had been violated by a discrimination in rebate against our vessels, Canada did not surrender. She simply changed her interpretation of the treaty to agree with ours.

In a thousand cases questions of interpretation of treaties have been discussed between the chancellories of the nations. Sometimes one nation has receded from a position, sometimes another, but in no case have these recessions been denominated surrender, unless where it has been done by some demagogue, who, running out of legitimate argument, decides to call names and appeal to prejudice.

In legislative matters between the two Houses of Congress, one House will propose an amendment, the other House will disagree to it. A conference committee results, and one or the other House recedes from its position. It is absurd to say that such recession is a surrender.

The claim that the repeal of the canal exemption law is a surrender is made with an obvious purpose. The scheme of hiding beneath the flag the efforts of special interests to secure special privilege is an old game. It has been worked before. But it deceives no one, for the bristles of special interests protrude through the flag and give the scheme away.

A noted author has said "Patriotism is the last refuge of scoundrels." I would not be so harsh, but I would say that patriotism is often the last refuge of those who seek partisan advantage irrespective of the merits of a controversy.

In repealing this bill providing for tolls exemptions we are not surrendering any right we now have. The only question is, What rights do we really possess in view of our treaty obligations?

No one denies for a moment that we have a right to exempt from tolls either our coastwise or foreign ships or both if we desire to do so. No one is attempting to deny it. But if we do exempt our ships from tolls our treaty obligations are such that we must give the ships of all other nations similar treatment.

We had the right in the first place either to enter into treaty or not to enter into treaty. We had the right to pledge ourselves to give the vessels of other nations the same treatment in the canal which we give our own or we had the right to refuse to do so.

We saw fit to enter into treaty pledges that we would do the former. We were not forced to do this. We did it voluntarily and willingly because in line with our policy for a century. Having agreed to do so, we are therefore morally bound to keep our pledges.

If it be represented to us by the other contracting party that we were about to violate the provisions of that pledge, and we are satisfied that such is the case, a reversal of that policy is in no sense of the word a surrender. It is simply common, everyday honesty.

APPEALS TO PREJUDICE.

Efforts have also been made to arouse racial prejudices by demagogic talk about favoring British contentions. This is not the first time that this attempt has been made to cloak and hide the efforts of the special interests in their attempts to secure special privilege.

In the days of President Cleveland, when the Democratic Party sought to break down the barriers of special privilege as represented in a high protective tariff and declared for a tariff for revenue only, the cry was raised all over the country that the Democratic Party was favoring "British free trade" and was opening its market to British merchants, and that British gold was being used to accomplish this purpose.

The object was obvious. It was an appeal to racial prejudices of long standing. The same object is sought in this discussion with regard to this bill, but as the object failed before, it will also fail here. The motive is too apparent to succeed.

It is not a question of England here, but a question of all the nations of the civilized world. The treaty happened to be made with England, but the world is the beneficiary, and all other nations are silently acquiescing in her representations. In this matter England is but the agent of other nations.

If England fails in her efforts, we will probably hear from the others later. If in no other way, we will hear from them in retaliatory interpretations of similar treaties we have with them, to the loss and injury of our own trade.

By exempting our coastwise trade we are not following out an anti-British policy, but an antiworld, as well as an anti-American, policy, for we have always stood for equal rights of American ships in all foreign waters.

In reference to this feature of the discussion I would quote the language of Representative KEATING of Colorado, a distinguished Irish-American Member of this House, in his recent discussion of this bill. Mr. KEATING said:

I am bound to the people of Ireland by the tenderest of sentiments. My father fought for Irish freedom, and when he lost fled to this country with a price upon his head. I know the Irish people would make any sacrifice that men should make to gain freedom for the little green isle.

But they can not be turned from their lofty purpose to be used as tools by an avaricious Shipping Trust, which is seeking to occupy Uncle Sam's property without paying rent.

Twisting the lion's tail was used in the last generation to catch the Irish vote, and that is why it has been revived on this occasion, but I warn the gentlemen that they sadly underestimate the intelligence of the men of Irish blood who are citizens of this country. They can not be caught by the chaff gentlemen are spreading before them. They will resent this arrogant affront to their intelligence and chastise the cheap demagogues who seek to play upon their feelings.

When I return to my constituents I want to be able to say that when the battle lines were forming I found on one hand the black flag of special privilege, and under it the remnants of an army which once followed Cannon, Barnes, and Penrose, and that on the other hand I saw the white banner of the new freedom, under it the militant hosts of progressive Democracy led by Woodrow Wilson, and that I cast my lot with Woodrow Wilson and his policies.

WRONG POLICY WITHOUT REGARD TO TREATY.

But if it were true that, without violating treaty provisions, we would have the right to exempt our coastwise trade from the payment of canal tolls, I would still be unalterably opposed to such exemptions, and for the following reasons:

First. Such exemption would be in the nature of a ship subsidy and would violate a cardinal tenet of Democratic faith.

Second. Such exemption would be the granting of a special privilege to a very favored few at the expense of the many, a position likewise abhorrent to Democratic ideas.

Third. Such exemption would be a discrimination in favor of our citizens engaged in the coastwise trade as against those of our citizens engaged in the foreign trade.

Fourth. Such exemption would be an advantage to the citizens of the Atlantic and Pacific coasts as against the great mass of the people residing in the Middle West.

Fifth. Such an exemption would inure purely to the benefit of the Shipping Trust and a few independent shipowners and would not benefit the general public.

Sixth. Such an exemption is in violation of our historic policy of demanding of other nations equal rights with their vessels in their canals and waterways and would place us in the inconsistent position of applying one rule as to the treatment to be accorded our ships in foreign waters and setting up a different rule as to foreign ships in our waters.

Seventh. Such an exemption would result in foreign nations retaliating by likewise discriminating against us in their waters and thus destroy our commerce the wide world over.

Eighth. Such an exemption would be such an example of national selfishness as to make our Nation an object of ridicule and derision in the eyes of the whole world.

DISCRIMINATION AGAINST OUR FOREIGN TRADE.

There is a popular error abroad that the law we seek to repeal guarantees an exemption from tolls in the canal for every vessel flying the American flag. This is not true. The present law gives this special privilege of exemption only to our vessels engaged in the coastwise trade, but compels our vessels in the foreign trade to pay the tolls.

The great injustice of this discrimination is apparent. Under our law no vessel of a foreign country is allowed to engage in the American coastwise trade. The coastwise vessels have an absolute monopoly of the coastwise trade as far as foreign competition is concerned, and by the organization of the Shipping Trust they have also eliminated competition at home.

Not so with our vessels in the foreign trade. They meet the competition of the world; they meet a competition which enjoys subsidies and are compelled to compete against these subsidies. And yet we propose to allow the coastwise vessels, which are protected from all competition abroad and who combine against competition at home, free passage through the canal, while our foreign vessels, which are compelled to compete with the world, are burdened with the payment of tolls. Let us take a succinct example:

You and I are citizens of New York and we desire to engage in the shipping trade. Both of us are American citizens and have paid equal proportions of the cost of digging the canal and will bear proportionally the cost of maintaining and operating it.

We both invest an equal amount of money in having ships built for us. We have our ships built just alike, at the same yards, and capable of carrying the same tonnage. Both ships are completed at the same time and both are loaded with the same amount and the same character of merchandise.

We both set sail at the same time, but I intend to take my cargo direct to San Francisco. You decide to stop first at Lower California and leave a portion of your cargo or take on additional merchandise and then journey on to San Francisco, your final destination being the same as mine.

We both reach the canal at the same time. You disclose your intention of stopping at Lower California en route and you are immediately classified as being in the foreign trade and are required "to dig up" $10.000 in tolls before you can pass through the canal. On the contrary, I am classified as being in the coastwise trade and the locks are open to me and the engines tow me through from Atlantic to Pacific without the payment of a single penny of tolls.

In other words, you are discriminated against to the amount of the $10.000 tolls and required not only to pay these tolls but to contribute your proportion of the cost of operating and maintaining a canal in order that I may use it free of cost.

If this does not constitute special privilege to a favored few, a policy at variance with every declaration of Democratic faith, I do not understand the plain logic of everyday things.

A DISCRIMINATION AGAINST THE PEOPLE.

But the discrimination does not end here. The discrimination is much greater when we consider the thousands of our population who will never use this canal, may never see it, and yet have paid for its digging and will be called upon to pay for its maintenance and operation.

The canal cost in round numbers $400,000,000. The annual interest charges on the bonds will be about $10,000,000; the annual operation expenses four millions more; the annual maintenance expenses another million; and the policing by our military about ten millions—in all, something like an annual expenditure of about $26,000,000.

The original investment has been paid by all the taxpayers of the country, and this annual expenditure will also have to be met by them, less the amount received from tolls. The annual

amount of expenditure will far exceed what is received from tolls, and this deficit will have to be contributed in the way of taxes by the people at large.

Every vessel using this canal free of tolls thus in effect takes the amount which it would otherwise pay from the pockets of the American people. In other words, the farmers of Illinois, the merchants and laborers of the Middle West, who receive no benefit from the canal and who may never even see it, are to be taxed in perpetuity in order that the vessels of the Shipping Trust may go through the canal free, and add to their already large profits what they would otherwise have to pay in tolls.

In addition to contributing to the cost of digging this canal and the annual cost of maintenance and operation these same farmers, merchants, and laborers are biennially contributing millions of dollars to keep up the harbors of the country for this coastwise trade.

For all this expenditure they receive substantially no benefit at all, but those who do receive the benefits, those whose vessels have the distance from the Atlantic to the Pacific shortened for them by many thousands of miles, those who will grow rich and affluent in the profits accumulated in the use of this canal, not only seek to appropriate the benefits of all that has been done by the people in constructing and operating this canal, but they claim the further right to carry their cargoes through the canal at will, without contributing even enough to purchase grease to lubricate the gates of the locks and the dam.

Grant this bonus to them, and before long they may further demand that the farmers, merchants, and laborers of Illinois shall contribute to furnish their vessels with free coal and pay the wages of their crews in order to stimulate and strenthen "our merchant marine."

THE SHIPPING TRUST THE CHIEF BENEFICIARY.

It may also be pertinent to inquire who will be the chief beneficiaries of this coastwise trade exemption of tolls. Who will receive the benefits?

The Committee on Interstate Commerce recently investigated the Shipping Trust in its relation to the coastwise trade. They made an exhaustive investigation and had extended hearings. They found and reported that the overwhelming majority of American coastwise vessels were owned either by the railroads or by the Eastern Steamship Corporation or the Atlantic, Gulf & West Indies Steamship Lines. In their report they say:

> Combining the two interests, it appears that the railroads and the two Atlantic coast shipping consolidations control nearly 85 per cent of the steamers and nearly 94 per cent of the gross tonnage engaged in the entire Atlantic and Gulf coastwise trade. Attention may be called again to the fact that very few of the routes between any two ports on the entire Atlantic and Gulf coasts are served by more than one line.

And yet this is the trust combination and monopoly that we are asked to free from tolls, asked to subsidize, asked to confer special privileges upon, at the expense of the whole people, and asked to do it in violation of treaty pledges solemnly and sacredly made. And this also in view of the fact that these same combinations, already, without the benefit of canal or free tolls, are declaring dividends to their stockholders of over 15 per cent.

POSSIBILITY OF RETALIATION.

I have before adverted to the fact that interpretation of treaties by us leading to discrimination in our favor will result in interpretation of other treaties by other nations in their favor as against us. John Bassett Moore has well said:

> A discriminating policy as to tolls will provoke retaliation in some form and prove in the end to be impracticable.

We have some thirty or forty treaties with other nations providing for "equal treatment" of our citizens with theirs. We have negotiated a dozen or more treaties with nations of Central and South America with reference to the Panama Canal, pledging equal treatment.

The foreign trade of this country amounts annually to nearly $4,000,000,000. More than a billion represents manufactured goods competing with the goods of other nations. More than three millions of American money is invested in other nations. These nations would welcome an excuse to discriminate against us. Shall we give them this excuse by misinterpreting the plain provisions of a treaty in a selfish way for our own benefit?

We have insisted that the term "equality of treatment" in our treaty with Great Britain as to Canadian canals meant equal rights for American vessels with Canadian vessels in those canals. Upon our insistence and in view of that treaty, Canada receded from her position granting discriminating rebates to her coastwise vessels in her canals.

If we now give a different interpretation to the term "equality of treatment" in the matter of the Panama Canal and insist upon freedom from tolls for our coastwise trade, while insisting upon the payment of tolls for the Canadian coastwise trade in Canadian canals, what is Canada likely to do in the new premises?

Will she not be likely to go back to her old construction of our treaty with reference to the treatment of our vessels in her canals? Is she not likely to reenact the discriminatory rebate in favor of her own vessels in her own canals in retaliation for our discrimination against her vessels in the Panama Canal? And if she does, can anyone blame her?

And let us see what that would mean. There passed through the Canadian Soo Canal year before last 6,500 vessels with a marine tonnage of about 32,000,000 tons. It is estimated that 75 per cent of this was American coastwise trade, or about 24,000,000 tons. There passed through the Welland Canal in Canada about 775,000 tons of American coastwise trade.

The highest estimate of the tonnage of our coastwise trade which will pass through the Panama Canal is a single million of tons. We are thus endangering our commerce of 24,000,000 tons in the Canadian canals to give a benefit to 1,000,000 tons to our seacoast trade. Is there any sense or economic reason in this?

Most of this twenty-four millions of commerce through the Canadian canals is commerce originating in the Middle West, in a territory tributary to Chicago. Is it the part of wisdom for an Illinois Representative to barter away advantages in twenty-four millions of Middle West trade to help out a trade of a single million on the Atlantic and Pacific seaboards, thousands of miles away?

Is it the part of wisdom of an Illinois Representative to discriminate against interior trade in the interest of a seaboard trade, giving the seaboard trade all the advantage?

Is it the part of wisdom to do so when by so doing he assists in violating sacred treaty obligations, trails national honor in the dust, refuses aid to the President in his foreign policy, assists a monopoly to reap particular benefits, fastens a subsidy on the American people, and confers special privileges on a favored few? I have decided that it is not.

Canada is contemplating an artificial waterway through the Georgian Bay, through which vessels loading at the ports of the Great Lakes can pass direct to Liverpool without breaking bulk, reducing the cost of transportation materially. The right of American vessels to pass through this canal on equal terms with Canadian vessels means millions of dollars to the American farmers of the West; but if we discriminate against Canada in the Panama Canal can we expect anything else than that Canada will discriminate against us in the Georgian Bay Canal?

Discrimination by us at Panama will be met by retaliatory discrimination against us in Canada, which will reduce the value of every bushel of American wheat and the value of every acre of land in the Middle West. Will it pay, either morally or commercially?

THE RAILROAD QUESTION.

But it is urged that by giving exemption of tolls to our coastwise trade it can compete more strongly with the railroads. By the same argument it could be said that if we give them free coal and pay their sailors' wages they would still be more able to compete with the railroads.

Of course the taxpayers would have to go down into their pockets to pay for this free coal and free wages, but they will have to go down into their pockets also to make good a deficit in the expense of operating the canal, caused, in part, by an exemption of tolls. It is as broad as it is long.

And why should we thus aid by subsidy the Shipping Trust in their competition with the railroads? We have given the Shipping Trust the benefit of a canal in the first place, and they can pay the tolls and then have an immeasurable advantage against the railroads in the matter of competition.

Exemption of coastwise tolls will not, in the ultimate analysis, aid the consumer one iota. The tollage of $1.20 per vessel-ton—a vessel-ton being 100 cubic feet and not 2,000 pounds, being based on space occupied rather than weight—would amount to about 50 cents a freight-ton, or one-fortieth of a cent per pound.

This small charge would be of no consequence to the consumer even if he actually received it. But he would not receive it, for a vessel can carry a cargo from New York to San Francisco by the canal for one-fourth what it costs a railroad to carry the same cargo transcontinentally.

The coastwise vessel owner can easily pay the tolls and then have all the advantage in the world over the railroads. If the vessel owner does not have to pay the tolls, he will simply be the amount of the tolls ahead, which will be added to his profit, and the consumer will reap no benefit.

Those who talk about railroad and shipping competition should remember that it is the canal itself, shortening the distance, as it does, from Atlantic to Pacific by 8,000 miles, which worries the railroads and not the matter of 50 cents per freight-ton tolls.

THE PANAMA RAILROAD.

In giving instructions to Mr. Lowell, our minister to England in 1881, with a view to securing a modification of the Clayton-Bulwer treaty, Secretary of State James G. Blaine said:

The United States does not seek to have any exclusive privileges accorded to American ships in respect to conditions or tolls through an oceanic canal any more than it has sought like privileges for American goods in transit over the Panama Railroad.

Secretary Blaine has here raised a pertinent suggestion. The Panama Railroad belongs to the United States. It is as much our railroad as the canal is our canal. It runs parallel to the canal. Like the canal, it connects the seaports of the Atlantic and Pacific. Like the canal, it is constructed on American territory.

If coastwise vessels are to go through the Panama Canal without payment of tolls, why not allow American freight to be shipped over the Panama Railroad free of charge on the theory that it is also coastwise trade? Why not allow American passengers from Colon to Panama on this railroad to ride free of fare?

The Panama Railroad is a paying proposition. If American freight and passengers were allowed to use it free of cost, there would be a deficit in its operation. The people would be required to make good this deficit by the payment of taxes. But at that the situation would be no more different than the present canal proposition, for here it is proposed to exempt charges for coastwise freight; a deficit will result and the people will be called upon, through the avenues of taxation, to make good this deficit that special interests may have special privileges accorded them.

The United States has recently appropriated $35,000,000 to build a railroad in Alaska. It is expected that the freight tolls will pay for the operation of the road and the interest on the bonds. If, however, the exemption of canal tolls to our coastwise trade is a proper precedent, why not carry all freight offered for the Alaskan railroad free of charge and let the people make up the deficit? That this would be palpably unfair goes without saying, and yet it is no more so than the proposition to exempt coastwise vessels from the payment of tolls.

THE TALK OF "OUR SHIPS."

Again, it is said that this is our canal and we want our ships to go through it free from tolls. True, it is "our canal," but who is meant by the preposition "our"? "Our canal" does not mean that it is the shipowners' canal, that it belongs to the Shipping Trust, or that it is the special property of a favored few.

True it is that it is "our" canal, but that means it belongs to all the people. That should mean that no limited class of men shall be allowed to use it free of cost when all the people, all the taxpayers, who have paid for its construction will have to pay for its maintenance and operation as well.

We talk of "our ships" as if they belonged to the people. They are not "our ships." They are the shipowners' ships. They are the Shipping Trust's ships. They are "their ships," and not "our ships," and they want to use "our canal" for "their ships" without paying one cent for the upkeep and operation of the canal, when it was constructed by all and for all.

If these ships are "our ships," then the railroads of the United States are "our" railroads, should also receive special favors, and should be subsidized to the same extent that this law subsidizes "our ships." By the same token the Standard Oil Co. is "our" oil company, and the United States Steel Trust is our dearly beloved Steel Trust, and all should be likewise given special favors.

If the Government is to lift the coastwise vessels over the Continental Divide at the Isthmus free of cost, then the railroads have a just claim to have their trains lifted at public expense over the Continental Divide in Colorado.

Why should not the railroads and the oil companies and the Steel Trust and the ships pay their own way, as the farmer does, as the merchant does, and as the laborer is compelled to do?

The distinction between the coastwise vessels and other vessels is not the proper distinction to draw in the matter of tolls. Vessels—all vessels—which use the canal should help to bear the expenses of operation and maintenance. It is the use of the canal and the reaping of the direct benefits which should govern, and not the question of where the vessel comes from or whither it is going. It is the going through the canal that should count.

THE DEMOCRATIC PLATFORM.

But we are told that we are repudiating the Democratic platform adopted at Baltimore in our effort to repeal the exemption clause of the Panama Canal law, because that platform contained an incidental clause favoring such exemption.

How this clause got into the Democratic platform or who was responsible for it I do not know nor do I care to speculate about it. But this much I know, that whether in the Democratic platform or not it is undemocratic in every detail and does violence to the Democratic faith.

From time immemorial it has been a fundamental tenet of the Democratic Party that special privilege extended to a favored few is abhorrent to the principles upon which this Government was founded.

"Equal rights to all and special privileges to none" has been the Democratic slogan since the days of Jefferson, and any proposition which advocates granting to the beneficiaries of one of the greatest monopolies and trusts privileges not vouchsafed to all people is undemocratic whether in a Democratic platform or not.

If a plank had been inserted in the Baltimore platform declaring for the principle of high tariff protection, no matter in what disguise it may have appeared, I would feel myself duty bound as a consistent Democrat to repudiate that plank.

The general time-honored principles of the party predominate over specific declarations at variance with the general principles, especially when the specific declaration has not received consideration at the hands of the Democratic masses.

The proposition declaring for exemption of tolls for special interests had never been discussed by the people at large, had not found its way into any Democratic State platform that I know of, no delegation had been instructed to favor it, and it had not been indorsed by the majority of any representative Democratic body before its insertion in the Baltimore platform.

The proposition had passed a Democratic Congress, it is true, but it was passed by Republican votes, with a majority of the Democratic Members of Congress voting against it.

The same platform declared that "a private monopoly is indefensible and intolerable." To encourage, aid, and abet such a monopoly by granting it special privileges is also "indefensible and intolerable." The Shipping Trust, which was given special privilege by the exemption of its tolls at the Panama Canal, is one of the most "indefensible and intolerable" of all monopolies.

The same platform declared against "bounties and subsidies from the Public Treasury." The exemption of tolls for our coastwise trade is in the nature of a subsidy to the shipping monopoly. It frees the coastwise trade from paying into the Public Treasury what our vessels in the foreign trade are required to pay, and the deficit thus created has to be made up by the people who receive no benefits from the exemption at all.

Call it subsidy, if you will, or subvention, if you may, at all events it is special favors to the privileged few and is in violation of the Democratic faith.

Where two contradictory declarations appear in a Democratic platform and I am compelled, as in this case, to choose between the two, I have no apology to make when I choose the principle that is a time-honored and traditional declaration of Democratic faith rather than a minor declaration which does violence to every Democratic principle known.

STAND BY THE PRESIDENT.

And this, gentlemen of the House, leads me to my concluding observation.

President Wilson, in the plenitude of his authority as the selected guardian of the foreign policy of our Nation, appeared before this Congress and requested the repeal of this exemption law.

He did not badger nor browbeat nor seek to dictate nor control. He issued no orders, delivered no ultimatums, and made no demands. He simply asked and requested, as he had a perfect right to do. He simply appealed to the sense of justice of an American Congress. He said, in part:

I have come to ask you for the repeal of that provision of the Panama Canal act of August 24, 1912, which exempts vessels engaged in the coastwise trade of the United States from payment of tolls and to urge upon you the justice, the wisdom, and the large policy of such repeal with the utmost earnestness of which I am capable.

He then proceeded to state that in his judgment the exemption was a plain contravention of the Hay-Pauncefote treaty, but added that he had not come to urge upon Congress his own personal views.

Having inside information, which, for diplomatic reasons, could not be given to the country at large, he stated that everywhere outside of the United States this exemption was considered a plain violation of a sacred treaty; that we could not

afford, as a Nation, to be placed in this position; and that we should reverse our action. He then added:

I ask this of you in support of the foreign policy of the administration. I shall not know how to deal with other matters of even greater delicacy and nearer consequence if you do not grant it to me in ungrudging measure.

And for this he has been denounced as a dictator, an enemy to his country, and a truckler to foreign influence and power. He has ben charged with being "unpatriotic," "un-American," and "bartering away the people's rights."

The issue has been changed from one of the interpretation of a treaty or an economic policy to one as to whether the President shall be sustained or whether lack of confidence in his honor, patriotism, and integrity shall be registered in this vote.

In such a situation I have no hesitancy in taking my stand.

I have followed the President's lead long before he was chosen to the high office he now so creditably fills.

I followed him when, as governor of New Jersey, he cleaned the Augean stables of that State of political corruption and inaugurated the new freedom.

Having myself been the victim in Illinois of a combined effort to thwart the will of the people as expressed at the primary polls in a senatorial contest, I followed the President when, as governor of New Jersey, he forced an unwilling legislature in that State to record the popular will.

I was among the very first in my State who espoused the cause of his nomination to the office of President by the Democratic Party.

In the contest that followed I ignored my own candidacy for nomination for Congress in a State-wide effort to secure the indorsement of my State for his nomination.

Since his election as President I have stood with him in my capacity as a Member of this Congress in every policy which he has advocated and in every reform in which he has led. I have done so willingly and enthusiastically.

And now that his honor, patriotism, and integrity have been challenged, irrespective of what other considerations are involved in this bill, I do not hesitate to come to his support.

In this crisis in his administration I desire it to be known, and by my vote it shall be recorded, that the confidence that I have always had in his patriotism and integrity has not been diminished in the slightest degree.

In the campaign which I expect to wage for myself in Illinois this fall I desire it to be understood, now and all times, that I stand for Woodrow Wilson and his policies, and that by these policies I expect to rise or fall.

CONCLUSION.

Mr. Speaker, in order to vote against the repeal of his exemption I find myself in this position and in this situation:

I would be compelled to vote a dishonorable repudiation of the solemn pledges made by my country in a sacred and binding treaty with another power, on behalf of all the other powers of the world.

I would be compelled to vote a subsidy to a particular industry at the expense of all others and aid a conscienceless trust in its further efforts to prey upon the people.

I would be compelled to vote to discriminate against the commerce of my own section in favor of a seaboard traffic, and take money from the taxpayers of my State to make more profitable an already profitable trade.

I would be compelled to advocate a policy which would discriminate against our foreign trade, discriminate against our interior trade, discriminate against the great majority of our own people, discriminate against our South American and Canadian neighbors, and discriminate against the civilized world.

I would be compelled to repudiate the Democratic doctrine of "equal and exact justice to all and special privileges to none," and to violate every cardinal tenet of a time-honored Democratic faith.

I would be compelled to aid in a reversal of the established policy of my country in a century's dealings with the powers of the world and give the lie to our ancient contention for equal treatment for all nations, including ourselves, in the waterways of the globe.

I would be compelled to go back for my inspiration to the era of the cave dwellers and antediluvian times, when might made right and brute power ruled supreme in all lands.

I would be compelled to aid in obstructing the onward march of the world to a higher and nobler destiny and civilization, based upon the eternal brotherhood of man.

And, to all this, I would further be compelled to vote a lack of confidence in the honor, patriotism, and integrity of a President in whom I have implicit trust and faith.

Gentlemen of this House, the price that is asked is too great to pay. I shall stand by the President.

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. GILBERT N. HAUGEN,

OF IOWA,

IN THE SENATE OF THE UNITED STATES,

Saturday, March 28, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. HAUGEN. Mr. Speaker, inasmuch as the time for general debate on the tolls bill was limited, I now avail myself of the privilege granted to print.

Much has been said about using the canal as a rate regulator, and that therefore we should have free tolls. The Government in the past, through its land grants, has aided materially in the building of railroads, yet, so far, nobody has suggested that after building the railroads the Government should maintain them. If we build a canal at the expense of $400,000,000, and maintain and operate it without expense to those availing themselves of its use, will the land-grant railroads not have the same right to demand that Uncle Sam maintain railroads partly built by the Government in order to regulate rates? Certainly if Uncle Sam should maintain one or more land-grant roads running across the continent, it would have a tendency to reduce the rates on parallel lines, but no one has suggested that, nor would it seem fair to tax all the people for its maintenance to benefit those directly and materially benefited.

It is also contended that the exemption of tolls to American ships going through the Panama Canal will reduce transportation rates in general. The toll to be charged under the bill will probably be fixed at a dollar per net registered ton, a registered ton equaling about two and a half tons by weight; hence the rate will be about 40 cents per ton or 2 cents per hundred pounds. When we stop to consider that railroad transportation rate from New York to San Francisco on first class is $3.70 per hundred pounds; second class, $3.20; third class, $2.65; fourth class, $2.25; fifth class, $1.90; and commodity goods in carload lots ranging from $1.10 down to 80 cents per hundred pounds and that the rate from Seattle to points in Iowa is: On first class, $3.30 per hundred pounds; second class, $2.85; third class, $2.38; fourth class, $2; fifth class, $1.98; and commodity goods in carload lots ranging from $1.10 down to 70 cents per hundred pounds, the proposed toll of 2 cents per hundred pounds, or ton toll of 40 cents per ton by weight sinks into insignificance. Were it not for the impregnable, selfish, and uncontrollable coastwise Shipping Trust, it is possible that free tolls might affect transcontinental rates and result in a slight reduction, but certainly not in inland rates. It is a well-known fact that whenever transcontinental rates are reduced, the rates between intermediate points are increased correspondingly. In other words, they rob Paul to pay Peter. Under our Constitution and laws, on the whole, the railroads are entitled to just and reasonable rates. The railroads are now contending that they are being underpaid and that rates should be increased. If so held by the commission, or if transcontinental rates are reduced on account of free tolls, inland rates go up to correspond. If so, what happens to the Middle Western States, who have so generously contributed toward the construction of our four-hundred-million-dollar canal? Some have estimated the amount contributed by the State of Iowa alone as high as $30,000,000. They will not only be taxed with a large portion of the cost of the canal and its maintenance, but will also be called upon to pay increased transportation rates over those already too high—as, for instance, the maximum carload rate on lumber from the Pacific coast to my home town is now about $500, which I believe is excessive and which, as well as other inland rates, evidently will have to be increased rather than decreased if the commission holds that the railroads are underpaid or if transcontinental rates are to be reduced.

Furthermore I am in doubt about the shipper on the coast obtaining any benefit from the free tolls. The testimony before Congress shows conclusively, and without controversy, that our coastwise trade is in the hands of a combination without competition from railroads or any source whatever, and that it pursues the same policy generally pursued by monopolies—to charge all that the traffic will bear. If a trust—and there seems to be no question about that—my knowledge of trusts has led me to believe, as many others believe, that a trust with a monopoly such as the shipping combination has takes all it can get, and I fear

that the proposed free tolls, which will probably aggregate $2,000,000 annually, will wind its way into the treasury of the shipping combine instead of inuring to the benefit of commerce, therefore, a ship subsidy, pure and simple, and like other ship subsidy bills proposed in the past not to encourage a merchant marine to stimulate competition but to subsidize 25,000 steam and sail ships now in existence, owned and controlled by a flourishing monopoly of our coastwise trade—one already receiving a subsidy for carrying our mail, and enjoying special privileges. For a half a century our merchant marine, this powerful combine engaged in coast trade, has had a monopoly, as our laws forbid foreign ships engaging in our coastwise trade. Not even a passenger may be carried from one American port to another directly or by way of a foreign port in any but an American ship under a penalty of $200, nor are foreign ships permitted to take a New York cargo to Seattle from coast to coast, nor would they be with free tolls, hence our coastwise ships have an absolute monopoly, not only in freight but in passenger traffic as well.

Therefore, so far as competition goes, there is nothing to be gained by granting free tolls, as, in my opinion, the only ones benefited by the free tolls would be the special interests. If so, if the combine is the only one to be benefited, and even if the coast commerce would be benefited to some extent, now that the canal has been built by all the people, it seems just and fair that the special interests directly benefited should pay at least a part of the expense of maintaining it. It hardly seems fair that the people who have so generously contributed toward its construction, as, for instance, the people of Iowa, who will receive practically no benefit commercially from it, should now be called upon to pay a proportionate share of all the expenses of maintaining it in all time to come, without any remuneration whatever by the combine directly and most benefited by it.

My understanding is that we have a commission whose duty it is to fix just and reasonable rates for railroads, express companies, and so forth. If transportation rates are high, and there is no question about that, why are they not reduced? Have the American people lost confidence in our Interstate Commerce Commission? Is it to be abolished as was the Commerce Court? Of course if the commission should grant the demand for increase asked by the railroads, and that in the face of its own report for 1913, there would be cause for complaint. The report is as follows:

Summary of monthly reports of revenues and expenses of steam roads reporting total annual operating revenues in excess of $1,000,000.

Item.	Year ended June 30—		Average per mile of road operated.	
	1913	1912	1913	1912
Average number of miles of road operated	221,748.58	219,666.45	.....	.....
Operating revenues:				
Freight	$2,134,583,675.86	$1,902,742,853.03	$9,626.14	$8,661.96
Passenger	678,487,867.25	641,594,147.09	3,059.72	2,920.77
Other transportation	210,804,502.14	195,837,469.81	950.65	891.52
Nontransportation	33,287,717.53	28,789,383.52	150.11	131.06
Total	3,057,163,762.78	2,768,963,853.45	13,786.62	12,605.31
Operating expenses:				
Maintenance of way and structures	407,171,756.34	351,583,429.82	1,836.19	1,600.53
Maintenance of equipment	501,671,011.01	439,997,245.83	2,262.34	2,003.02
Traffic	61,391,495.37	59,203,342.86	276.85	269.52
Transportation	1,074,943,310.41	994,986,281.00	4,847.58	4,529.53
General	73,408,323.39	69,190,051.34	331.04	314.98
Total	2,118,585,896.52	1,914,960,350.85	9,554.00	8,717.58
Net operating revenue:				
Rail operations	$38,577,866.26	854,003,502.60	4,232.62	3,887.73
Outside operations	1,379,130.21	475,163.90	6.22	2.16
Total net operating revenue	939,956,996.47	854,478,666.50	4,238.84	3,889.89
Taxes	124,356,024.17	116,419,026.43	560.80	529.98
Operating income	815,600,972.30	738,059,640.07	3,678.04	3,359.91

It will be seen that its own report gives net operating revenue on railroad carriers operating 221,748.58 miles of road as $939,956,996.47 for 1913, which is $85,478,329.97 in excess of net operating revenue for 1912.

Certainly rates will not be increased on such a showing. But if the commission should give credit to the contention that railroad rates should be increased because of the falling off of revenue by reason of the depression in business, short and light trains now running, and the thousands of empty cars rotting on the sidetrack, and conclude that it is the function of Uncle Sam to guarantee just and reasonable returns on watered stocks and bonds, to provide railroads with traffic, to see that cars are filled and large trains are run, in order that railroads may reap reasonable and fair returns on investments, then that is a different thing. But if so, and if practical and wise to do that, why not have a commission to see that farmers and merchants are also given fair returns on their investments? If railroads are to be reimbursed for losses sustained by reverses in business, in the falling off of traffic, as, for instance, in eggs, butter, and wheat, shipped direct from foreign countries, carried in foreign ships instead of by our railroads, why should the farmer be overlooked? Why not make up his loss due to the falling of prices on his eggs, butter, and cattle, on account of the large importations from foreign countries? If true, as reported, that the President is in sympathy with the proposition to increase railroad rates, why not a message to Congress suggesting a commission to see that the farmers are reimbursed one way or the other? No one denies that prices of eggs, butter, and fat cattle have gone down. Many believe it due to recent tariff legislation. The statistics show that beef, butter, and eggs are being imported. I quote from a letter from Rice Bros., live-stock commission men, Chicago, dated March 19, 1914, which reads as follows:

> The first load of Argentine dressed beef reached Chicago this week, forwarded by Armour & Co. just as a test. The quality was above expectations, comparing favorably with steers selling here from $8 to $8.40.

It will be seen that the quality of the Argentine beef is much above what has been contended, and that it compares with our best corn-fed beef. I have returns of a sale of cattle, sold for me in Chicago, March 25, 1914. Cattle that had been on feed since last October, averaging about 1,100 pounds, sold, some at $7 and some at $7.40. Evidently the Argentine beef is much above our average, and Argentina has some 30,000,000 cattle, increasing 25 per cent or seven and a half million head annually, which increase is in excess of the number slaughtered in our packing houses. In view of the vast supply and superior quality of Argentine beef likely to be imported, I take it that if the removal of tariff has not already affected the prices on cattle, it will as importations increase. If so, not only railroads, but farmers in general will suffer through this unfortunate legislation, and if one is to be reimbursed, why not the other? But I take it that the provision in our Constitution and laws to protect against the confiscation of property will not be construed as a guaranty of prices or profits. Under the circumstances, and having confidence in the commission, I can not believe that the commission can nor will grant the demand. In my opinion, to do so would be to add to the burden already heavy and would not be tolerated. But if in the opinion of Congress just and reasonable rates can not be had through the commission, a 2-cent toll on a hundred pounds from ocean to ocean, is not going to squeeze water out of watered stocks and bonds, nor reduce excessive rates aggregating hundreds of millions; hence, another remedy must be found, be it through abolishing the Interstate Commerce Commission and building and operating railroads by the Government, as proposed by some, or the regulation of stock and bond issues, or whatever it may be, one thing is certain and that is that $2,000,000 donated annually to the coastwise combine is not going to solve the problem; therefore I believe that the free-toll proposition is unjust and unwise economically.

As to our treaty obligations involved in this question, to say the least, it is an open question; it has been discussed pro and con, and there has probably been more hairsplitting and contention over the legal phase of the question than any other this Congress. My worthy colleague from Iowa, Judge GREEN, who has given the subject much thought and consideration, has, in my opinion, stated the question clearly and concisely, and I will content myself by referring to his remarks on the subject, which I quote in part:

> I shall briefly refer to the provision of the treaty which applies to the subject under consideration. Article 3, section 1, of the treaty is as follows:
>
> "The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable."
>
> I have not the time to enter into a full discussion of this section in its legal phases and shall not undertake to present them. I can only say that the words "entire equality" have always seemed to me to admit of but one meaning, and my study of the question in all its bearings as a lawyer has only served to confirm my view that this language meant what it said. I shall, however, refer to one matter which, in my judgment, determines what construction we ought to put upon the treaty in order that it may be said that we make no demands

upon other nations which we would not ourselves concede. We have had for many years a treaty with Great Britain relative to the canals and channels of the Great Lakes. In that treaty Great Britain granted to the United States the use of the Canadian canals on "terms of equality" just as the United States by this treaty granted to Great Britain the use of the Panama Canal, and in the same words. Great Britain and Canada at first contended that this provision did not apply to their coastwise trade, but we insisted that these words included all vessels no matter in what trade they were engaged, and after some years of contention we finally obtained the concession which we had demanded. The canals to which these words applied were built upon Canadian soil with Canadian money. In every way the circumstances were similar. Shall we now, after having made this demand and obtained by virtue of the construction which we ourselves put upon these words a most important concession—far more important than anything now involved—shall we now say that the language in the treaty means one thing when it is in our favor and the opposite when it is against us? Do any of us do business in this manner personally and can any nation survive that will thus conduct its foreign relations? What name would be applied to the private individual who conducted his business in this way and what name do we deserve if we so conduct our transactions with other nations?

It ought to be understood in this connection that the treaty rights which we have in the Canadian canals have been of immense value to the Middle West by reducing the rates on grain, and that with the completion of the Georgian Canal, connecting Lake Huron with Lake Ontario—a canal which will carry more traffic by far than will ever move over the Panama Canal—still greater benefits will be received. Inevitably, if we deny British vessels an equality in the Panama Canal, we must expect the same treatment on the Canadian canals, to the great loss to a section which has paid so much toward the construction of the Panama Canal without any possibility of receiving any benefit therefrom.

It has been asserted that the questions involved in this repeal are far-reaching and of highest importance. I agree, because I believe that nothing is of greater importance than national honor; but I am at a loss to understand how the right to grant a subsidy to the interest now most favored of all in this country can be for a moment weighed in the balance against our reputation for consistency, integrity, and fair dealing.

A word as to the gag rule adopted and the proposed repudiation of the Democratic platform. Inasmuch as it is not my rule or platform, I assume no responsibility. That an outrage was committed in the adoption of the rule and that the passage of the bill is a repudiation of the Democratic platform, no one seems to deny. It is not strange that those foremost in the fight against a gag and autocratic rule in the House now refuse to follow the Democratic Party in perpetrating the outrage. Speaker CLARK is reported in the press, "I will not be a party to ramming such a rule down the throats of Members." In his speech, March 31, page 6312, CONGRESSIONAL RECORD, referring to the fight on the autocratic rule adopted in the House, he states—

I often think of the 172 Democrats and thirty-odd insurgent Republicans who achieved our great victory on March 19, 1910, which started a political revolution. I love those men too well to quarrel with them now. [Applause.] You and I, Mr. Speaker, happened to be the Democratic leaders in that historic parliamentary contest, and among House Democrats you and I have been the chief beneficiaries. You owe the leadership of the House and I owe the Speakership to the fact, fortunate to us, that we were the Democratic leaders on that memorable occasion, but I have asserted a thousand times, and I do now reassert, that every man of the 172 Democrats and thirty-odd Republicans who fought with us on that bloody field is entitled to his full share of honor. In the immortal words of Admiral Winfield Scott Schley, "There was glory enough for all." With such men I will not quarrel. Indeed, the dignity of the high position which I hold by the partiality of the House forbids that I quarrel with any Member. I refuse to degrade the Speakership by so doing.

I assume that every Member will vote honestly the way his intellect and his conscience dictate; but why should I be denied the same privilege? No man here should be a "rubber-stamp" Congressman. [Applause.] I refuse absolutely to be either a "rubber-stamp" Representative or a "rubber-stamp" Speaker. [Applause.] If I did, you would have no respect for me. I stand for the dignity, the privileges, immunities, prerogatives, and the good name of the House of Representatives. I do not want to see this House degraded by passing, right or wrong, without any tenable reason, a bill which reverses our solemnly recorded action of two years ago, and which the Democrats indorsed at Baltimore.

There has been much felicitation among the supporters of this bill about their tremendous victory on the adoption of the rule. When it is remembered that the majority was only 28 on the rule and that a change of 15 votes would have defeated it in a House with 144 Democratic majority the grounds for their self-congratulation are hard to discover.

When Pyrrhus, King of Epirus, was walking over a battle field whereon he had won a hard-fought victory and observed the number of dead and wounded among his own soldiers, he mournfully exclaimed: "Another such victory and we are undone!"

I am willing to follow where he leads so long as he is in the White House and so long as he does not ask us to repudiate a plain platform declaration, and there I draw the line. [Laughter.]

Under our system a national convention is the grand inquest of a political party, the highest authority for the declaration of party principles, higher than President or congressional caucuses; indeed, higher than President and congressional caucuses combined. There is no question about that.

The fathers also devolved upon Congress certain duties which we are sworn to discharge faithfully and well, duties which we can not shirk or fail to discharge without self-stultification and the condemnation of the people and of our own consciences.

The President discharges his duties. The question is, Have we the wisdom, the courage, and the patriotism to discharge ours? If not, we should make way for men imbued with the spirit of '76, to the end that we may transmit our priceless heritage of liberty to our children and our children's children unimpaired. [Applause.]

The declaration in favor of free tolls for our coastwise trade was writ large in the Baltimore platform. It is in these words:

"We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal"

Was there ever a plainer sentence written since writing was invented? [Applause.]

We went to the people on that platform containing the free-tolls plank; headed by President Wilson himself, we all indorsed it; standing on it, we appealed to the voters of the land for their support; and they, responding to our Macedonian cry for help, enabled us to sweep the land from sea to sea by amazing majorities in the Electoral College. And now it is proposed that we reward their faith in us and their support of us by repudiating one of the planks of that platform on which we achieved that astounding victory, a plank so clear that there could be no misunderstanding about it, no possible misconstruction of it. I refuse absolutely to be a party to any such performance. [Applause.] Tell it not in Gath, proclaim it not in the streets of Askalon, that the Democratic Party will not keep faith with a confiding public.

Mr. UNDERWOOD, on March 27, page 5957, CONGRESSIONAL RECORD, speaking against the adoption of the rule, said:

In my judgment you are making a serious mistake to adopt this cloture rule, and I would not be worthy to hold your commission as the leader on this side of the House if, believing that you are making a serious mistake, I did not have the courage to stand here and tell you so in spite of everything.

Mr. MURRAY of Oklahoma, on the same day, states:

Mr. MURRAY of Oklahoma. Mr. Speaker, like the gentleman from Alabama [Mr. CLAYTON], I take this position because I am a Democrat. [Applause.] Evidently between us there is a difference in the definition of "Democracy." He doubtless takes the Democracy of this Nation to be the President. I do not. I deny the right either of the President or of this Congress to determine what is Democracy. Democracy is made in a representative convention duly assembled by the people. [Applause.]

We are here asked to violate our pledges twice in the same transaction—first, by a "gag" rule that will not permit the bill to be amended or an amendment to be offered, a thing that every Democratic nominee down to road overseer denounced in the campaign of 1912.

I am opposed to this "gag" rule, moreover, because if we are to stab our own party to death and a national policy of free "sees" of 100 years, we ought to have more time in which to commit the murder. [Applause.]

I take it no one will question this authority and that there can be no question as to the purpose of the rule adopted or as to the proposed repudiation of the Democratic platform. Believing and contending, as I always have, in freedom of speech and action, and having fought against autocratic and gag rule in this House for all these years, of course I would not support it, and at the request of the gentleman from Alabama [Mr. HEFLIN] for a pair, I paired with him against the rule, granting him a courtesy generally granted, and was recorded against the adoption of the rule, which, of course, in fact amounts to the same as if both had been present and voting.

I voted against the exemption of tolls to American coastwise ships in the act of August 24, 1912, and now, not being responsible for the Baltimore platform nor under any platform obligations on the subject, after giving the matter further consideration and investigation, which has fully convinced me that I was right in voting against the exemption, I felt it my duty to vote for its repeal.

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. FINLY H. GRAY,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, March 28, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. GRAY. Mr. Speaker, at the time the United States determined upon the construction of the Panama Canal the Panama Canal territory was owned and held under the jurisdiction and sovereignty of Colombia, and by the stipulations of the treaty of 1856 with England, a then subsisting international obligation, the United States was not only without right to construct this canal, but was affirmatively precluded from entering upon such work within that territory, even though such territory be acquired from Colombia for such purpose. Before we could construct this canal we must not only acquire the territory from Colombia, but we must secure a modification of the Clayton-Bulwer treaty and a grant from England of the right to construct the canal across the Panama territory. The controversy over free tolls in its international character can not be understood or properly considered without

a full realization of our treaty obligations respecting the construction of the Panama Canal. The right to construct the canal through the Panama territory forms the one important and essential international chapter in the history of that great engineering project affecting the question of tolls.

We had absolutely no right under the treaty of 1856 to construct this canal. We had not only agreed in that treaty that we were without any right to build this canal, but we had bound ourselves affirmatively by our solemn obligation not to do so. We could not have even surveyed the route, nor stuck a pick in the ground, nor excavated a single goot of earth, nor took a step looking to prosecution of the work without first obtaining the consent and authorizatio nof England. That consent and authrization was obtained from England by the Hay-Paucefote treaty modifying all existing treaties respecting the construction of the Panama Canal, and, in consideration of this right granted to the United States, England exacted a provision obligating the United States to impose equal charges and equal terms upon the ships of the citizens of all nations without discrimination against any nation or its citizens.

After receiving this grant of the right to construct the canal, and in consideration for such grant obligating ourselves to impose equal tolls upon all ships passing through the canal, it is folly to prate about English domination or to ask such questions as "Whose canal is this?" and "Why should we consult foreign nations in the management of our own affairs?" It is a question of our national honor, of our respect for our treaty obligations, and if this treaty is to be ignored and disregarded in order to favor a few shipowners what assurance have we to offer to the world that other treaties will be better observed or more respected.

But even if the terms of the treaty now in dispute could be made to bear the construction claimed by the coastwise shipping interests; even if its provisions did not specifically preclude the United States from discriminating against the ships of other nations in respect to toll charges; even if the coastwise ships would reduce their freight rates in the amount of the tools remitted; even if international peace would not be jeopardized by our construction of the treaty, which is denied by every other nation; yet we could not afford to maintain this construction nor take advantage of the same.

We are a great and growing commercial nation. We are reaching out for the markets of the world. We are expending large sums to gain the trade of foreign countries. We are exerting our skill and dipolmacy to open up foreign ports and foreign markets to the products of our farms, factories, and mines. We are gaining the confidence and good will of foreign merchants and foreign consumers. We are succeeding in this great undertaking, and our export trade is fast becoming a valuable national asset and forms the basis for a great commercial future.

But our construction of this treaty has not only hatled the growth and development, the confidence, and good will in our commercial relations with the nations of the world, but it has brought us into controversy, distrust, and antagonism with foreign countries. Already heretofore friendly and reciprocating nations are resenting our attitude by declining to participate in our international exposition to be held at San Francisco more than in a mere formal way. But this reluctance of foreign nations to participate in the Panama Canal exhibition is of minor importance and concern compared to the effect which our attitude will inevitably have upon our foreign trade and our commercal relatons wth the world.

The growth of our foregn trade will be halted. The trade we now enjoy will be jeopadized. The confidence and good will we have thus far gained will be broken. The work of a generation to open up the ports of foreign nations to our products will have been lost and defeated. And all this, too, will be that we may tax all our people for the benefit of a few shipowners who now already enjoy a monopoly. Why should we be made to suffer such a great commercial disadvantage in order to favor the few and burden the many? We can only maintain the construction contended for by the coastwise shipping interests at an incalculable loss—loss of our national honor and integrity, loss of confidence and good will, loss of commerce and the markets of the world, loss in every character and in every capacity in which we have striven to gain, and loss to the great body of the people, as among ourselves, to favor a few shipowners already enjoying a monopoly of our domestic carrying trade.

The disputed provision of the treaty under consideration was to preclude discrimination by the United States favoring any certain ships to the disadvantage of other ships passing through the Panama Canal. Nothing is more obvious from the language used than that the provision exacted of the United States in consideration for the grant of the right to construct the canal through the Panama territory was to prevent discrimination in favor of our own ships. It certainly could not have been contemptaed that the United States would discriminate in favor of ships other tha nour own, and instead of the provision excluding our own ships, as is no wclaimed by the coastwise shipping interests, it is plain that it was intended to apply to our own ships especially, as well as other ships generally.

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. FRANK BUCHANAN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. BUCHANAN of Illinois. Mr. Speaker, I am in favor of the repeal of free tolls to ships engaged in American coastwise trade. I voted against free tolls two years ago. I believed then that I was right, and I am now even more convinced of the justice of my position. I am opposed to free tolls on purely economic grounds, although I also believe we should uphold our treaties and agreements with other nations. There can be no doubt about the meaning of the language used in section 1 of article 3 of the treaty we have with Great Britain. It is binding upon this country both in honor and in law, and in view of this fact, I feel obligated to vote against free tolls for coastwise ships. The people of the United States are too honorable, too great, and too just to do anything about the propriety of which there can be the slightest doubt.

In the short time that this question has been before the people since the intention to repeal the free tolls law was announced, the country has been beset with an overflow of sentimental oratory, and an abundance of newspaper reports, appealing to the patriotism of the people. This four-flushed agitation by the trust-controlled newspapers of the country is intended to falsely arouse the national pride of the people and thereby mislead them from the real issues involved in this question. The principle underlying the repeal of free tolls to coastwise ships is an economic one; the matter of our treaty with England is secondary, while the argument that we are surrendering rights to Great Britain or any other country is absolutely ridiculous and absurd.

We must all admit that there is a clause in the last Democratic platform favoring free tolls to American ships engaged in coastwise trade passing through the canal, but this proposition is as out of place in the Democratic platform as a fish out of water. The plank in the Baltimore platform was made a part of the resolutions of that convention without attention, without notice, and without consideration or debate in any manner whatever. It was smuggled in and accepted until its true character was revealed, and now that it has been discovered it is turned out as obnoxious and antagonistic to true Democratic principles. There is no principle of the Democratic Party more firmly established than that *opposing ship subsidies* or subsidies of any kind. The principle is fundamental and is the very foundation of equal rights to all and special privileges to none. It has been reaffirmed for many years in the platforms of our party, and if the Democrats should now favor the proposition of free tolls, then, indeed, could they be charged with violating party pledges.

It has been argued that toll exemption is not in the nature of a subsidy, but I maintain that it is a subsidy, pure and simple. It makes no difference whether payments are made from the Public Treasury or whether payments which are due the Public Treasury are remitted, the results are the same upon the Treasury, upon the interests to be benefited, and upon the taxpayers. They are identical both in principle and in fact. Free tolls is merely a subsidy disguised in order to secure the Democratic indorsement of a principle which they have always condemned and repudiated.

This Government has already extended great favors to the coastwise shipping trade. It has shut out the foreign shipper from our local business and given them a monopoly. But they were not satisfied with this exhibition of generosity. They

divided the ports of the country among themselves so that only one line entered any port, so as to eliminate competition, to which the people of this country, who made these concessions to their interests, are entitled. But the greed of this trust was not yet satisfied. They were not satisfied with a monopoly of the coastwise trade, nor with dividing off the ports so as to eliminate competition, which enabled them to collect extortionate freight rates that in the end must come from the consuming people, but they have asked us to violate the highest law of the land for their selfish interests. They have asked us to go down in our pockets and pay the interest on the immense cost of the canal; they have asked us to assume the cost of operating and maintaining the canal; and now they have the unspeakable nerve to demand that we pay for them the price of passing through the canal.

The people of the United States have spent $400,000,000 to build the Panama Canal. Why ought we to discriminate in favor of any class of business that reaps the benefit of so large an expenditure contributed from the earnings of all the people? Furthermore, the benefits of the canal could not be equitably distributed. The people on the coasts have a natural advantage over those of the interior. The people of the interior contributed to the building of this canal, and why should we put them to a still further disadvantage by loading them with a burden of its upkeep and operating expenses which the coastwise shipper ought to pay? I believe in all cases that those who receive the benefits should pay for them, and the Coastwise Shipping Trust ought to be willing to pay its just share of the cost of operating and maintaining the canal.

Panama Canal Tolls.

EXTENSION OF REMARKS
OF
HON. TIMOTHY T. ANSBERRY,
OF OHIO,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. ANSBERRY. Mr. Speaker, I want to take this opportunity of stating my position with reference to the pending bill. On the 23d of May, 1912, I cast my vote in this House against free tolls, and that vote is consistent with the votes I cast on this bill. At that time I concluded to vote against the Doremus amendment, because I felt that it amounted to giving away $1.20 per ton to the alleged monopoly which controls the coastwise shipping industry, and I could see no reason why I should vote a special privilege to these organizations, particularly since the canal was built for the best interests of all of the people and not in the interest of the few people who control this alleged shipping monopoly. I recall at that time conversing with Members on this side of the House as to the motives which impelled me to cast my vote against free tolls, and I said to them, as I say now, that in voting on this or any other question, if the Members of the House who seek to cast a Democratic vote would take the trouble to apply the question before the House to known Democratic principles, they would ordinarily meet with but little difficulty in arriving at a correct solution. And so I voted to make not our vessels, but vessels owned by a few of our citizens, pay tolls, and by so doing increase the revenues of the canal nearly a million dollars and decrease our taxes that amount.

Some of my Democratic friends and colleagues voted for the Doremus amendment despite the fact that it violated a Democratic principle and now at this late day they are patriotically reversing themselves because they feel that the President of the United States would not come to this Chamber and ask them to repeal that law unless he had strong reasons for so doing, and while their vote is proof of their patriotism, still I can not help indulging the reflection that careful application of a Democratic principle in May, 1912, when the Doremus amendment was passed, would have saved them the necessity for reversing themselves. In this connection I desire to print in the RECORD a letter which I received recently from an honored citizen of my great State which, in my opinion, reflects the sentiment of the thoughtful people of the district which I have the honor to represent. Judge Glenn, who wrote this letter, was on the common pleas bench in Ohio as a Republican, and his letter is in the nature of testimony from an adverse witness.

VAN WERT, OHIO, *March 11, 1914.*

HON. T. T. ANSBERRY:
House of Representatives, Washington, D. C.

DEAR SIR: As far as the thick hide of a life-long Republican can be penetrated I must say that I see in President Wilson many commendable qualities as well as actions. The maximum of manliness and statesmanship has been reached in the President's position on the Panama Canal tolls repeal bill. Patriotism prevails over platform dictation and party fetters.

Should you find it desirable to support this measure and peanut politicians seek to make capital out of the fact of any apparent disregard of party obligations at least one Republican in your district will do all he can to explain and to commend the patriotic and manly attitude you assumed when you so voted.

Respectfully,

H. C. GLENN.

Resolutions of Protest Against the Surrender of American Rights at Panama.

EXTENSION OF REMARKS
OF
HON. JOSEPH R. KNOWLAND,
OF CALIFORNIA,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. J. R. KNOWLAND. Mr. Speaker, I insert in the RECORD the following resolutions and petitions protesting against the surrender of American rights at Panama:

Resolutions by Lincoln Republican Club, Santa Ana, Cal.

Whereas the American people have expended $400,000,000 upon the construction of the Panama Canal, thereby furnishing to the maritime traffic of the world the greatest improvement in the world's history, and

Whereas this great enterprise, being constructed with American money and through American territory, opened a legitimate avenue long needed for assisting the rapidly decaying American merchant marine by permitting the passage of American ships engaged exclusively in coastwise trade through the canal free of tolls, which course was adopted by a Republican administration and indorsed in the platforms of all other great political parties of this Nation, including the Democratic Party; and

Whereas President Wilson has suddenly found cause to reverse his position on the subject of free tolls and has demanded of Congress that this policy be repealed; and

Whereas in accordance with President Wilson's orders the Interstate and Foreign Commerce Committee of the House of Representatives has recommended the passage of a bill repealing free tolls to American ships, and the administration forces in both Houses of Congress are determined to accomplish the passage of this bill; and

Whereas the repeal of free tolls would not only remove a great and needed incentive to American shipping interests, but would also add a corresponding amount of freight to the articles transported from coast to coast in our own country, thereby benefiting the great railway systems to the detriment of the entire balance of the Nation; therefore, be it

Resolved, By the Lincoln Republican Club, of Orange County, that we are unalterably opposed to any policy looking to the repeal of free tolls, and that we condemn the present attempt to do so as un-American and a violation of the trust imposed in the Democratic Party by the people of this country.

NEW ORLEANS ASSOCIATION OF COMMERCE,
March 26, 1914.

The New Orleans Association of Commerce, the largest commercial organization in the South, is strongly opposed to the repeal of canal-toll exemptions for American coastwise vessels. We believe we voice the sentiment of the thinking people of the Gulf coast ports in this matter. We fail to see how the repeal of this clause would in any way benefit foreign shipping. We also fail to see how the retention of this clause could in any way harm foreign shipping, due to the fact that it involves coastwise or domestic commerce only and in which foreign shipping is debarred from competing in any event. We think not sufficient stress has been laid upon this essential distinction. American ships passing through the canal and trading in foreign ports will pay the same tolls as ships of foreign nations with which they compete. While we have every proper respect for the opinion and wishes of the President of the United States, we differ with him vitally in this matter. New Orleans is deeply concerned in the rehabilitation of the American merchant marine, and we feel that this unnecessary repeal, if put into effect, would deal a staggering blow to American aspirations for a return of maritime importance. We hope that the fight now waging against the attempted repeal will be successful, and desire to have our protest recorded in Congress. Senator JOSEPH E. RANSDELL, of this State, is familiar with this organization and our attitude on this question, as is Representative and Senator-elect ROBERT F. BROUSSARD, and other Members of the Louisiana delegation in the Senator and in the House.

We can not see in what possible manner the Hay-Pauncefote treaty is involved in a question which concerns American domestic commerce only. We earnestly hope you will vote against the repeal of this clause.

NEW ORLEANS ASSOCIATION OF COMMERCE,
By M. B. TREZEVANT, *General Manager.*

INTERNATIONAL ASSOCIATION OF MACHINISTS, OF OAKLAND, CAL.

Resolved, That we, the members of Lodge 610, International Association of Machinists, of Oakland, Cal., as citizens of these United States, do hereby protest against the repeal of the free tolls provisions of the Panama Canal act, and be it further

Resolved, That we are opposed to any arbitration on any question relating to the operation of the canal, as the building of said canal was made possible by American brains and financed by American coin, and be it further

Resolved, That we commend the stand taken by our Representative in Congress, Hon. JOSEPH R. KNOWLAND, in this matter as explaining our sentiments as American citizens, and that a copy of these resolutions be forwarded to Congressman JOSEPH R. KNOWLAND, a copy to the press and to the Central Labor Council of Alameda County.

The above resolutions were adopted in regular meeting at strike headquarters, Eighth and Pine Streets, Oakland, Tuesday, March 10, 1914.

C. J. FOLEY, *President.*
GEORGE ADAMS, *Secretary.*
L. T. STEVENSON, *Past President.*
J. J. DIGNAN, *Past President.*
A. L. SCHILLING,
Delegates to Central Labor Council, Alameda County.

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BUTTE, MONT., MINERS' UNION.

At the regular weekly meeting of the Butte miners' union last evening resolutions were adopted protesting against the policies of President Wilson in regard to the Panama Canal, the Hay-Pauncefote treaty, and free tolls.

The resolutions, introduced by Jerry Egan, Pat Lee, and T. J. Leary, as committee, follow:

"Whereas a bill is before Congress providing for the repeal of the free-tolls provision of the Panama Canal act; and

"Whereas this bill has been introduced at the dictation of a foreign power and in consonance with the wishes of the transcontinental railroads of the United States and Canada; and

"Whereas we do not think the said free-tolls provision conflicts in any way with the so-called Hay-Pauncefote treaty; and

"Whereas we believe the retention of the said free-tolls provision will result in building up the merchant marine of the country and in lower transportation rates and cheaper food for the people: Therefore be it

"*Resolved*, That we, the officers and members of Butte Miners' Union, No. 1, of the Western Federation of Miners, are unalterably opposed to the repeal of the free-tolls provision of the Panama Canal act.

"*Resolved*, That we protest against the interference of any foreign nation in our domestic affairs, as fraught with danger to our self-respect and independence.

"*Resolved*, That copies of these resolutions be sent to the Senators and Representatives from Montana for presentation to the Senate and House of Representatives of the United States."

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MASS MEETING OF CITIZENS OF NEW YORK CITY.

Resolutions introduced by Mr. Louis A. Van Doren, president of the Bronx County Bar Association, and adopted unanimously.

Whereas the Panama Canal has been built upon American soil by American energy and paid for by the money of the American taxpayer, and is, therefore, an American waterway; and

Whereas this waterway is subject exclusively to the sovereignty and jurisdiction of the United States, and the American Congress has provided that it shall be open to the commerce of the world upon fair and reasonable terms, and has exempted from tolls American coastwise trade, with which, under existing laws, foreign nations can not compete; and

Whereas Great Britain has demanded the repeal of this law, which involves solely a regulation of domestic commerce, and bases its demands upon the Hay-Pauncefote treaty, notwithstanding the facts that that treaty was made on the understanding that the canal should be built in territory alien to the United States and that since that time the United States has acquired by purchase from the Republic of Panama the rights of sovereignty over the territory through which the canal has been constructed; and

Whereas the British claim, if recognized, involves not only the surrender by the United States of sovereignty over its own territory and of the right to regulate its own domestic commerce, but also the assertion of an Anglo-American control over the canal; and

Whereas the present administration at Washington has refused to maintain the American right and has constituted itself the champion of the British claim as set forth in the protest of Sir Edward Grey, and advocates the complete repudiation of the attitude assumed by the last administration in reference to the canal: Therefore be it

Resolved, That we, citizens of New York, in mass meeting assembled in Carnegie Hall, this 20th day of March, 1914, denounce the proposal to repeal the free-tolls provision in the Panama Canal act in compliance with the demand or protest of any foreign power as an unjustifiable surrender of American rights in the Panama Canal and an unwarranted abdication of American sovereignty over American territory;

Resolved, That we denounce it as a breach of the Monroe doctrine, carrying with in by implication the recognition of the British claim that the canal is an international body of water, and not an American waterway, and the admission that it should in the future be subject to Anglo-American control.

Resolved, That we denounce as intolerable to patriotic American citizens the attitude or suggestion that the exemption of coastwise trade is anything but a regulation of domestic commerce, or that the policy to be adopted in reference to such commerce should be determined or affected by any power but the United States alone.

Resolved, That we commend the course of the Hon. JAMES A. O'GORMAN, United States Senator from New York, and the other Senators and Representatives who have courageously opposed the proposed repeal, and commend them for placing loyalty to their country above obedience to party leaders, who, although acting contrary to the platform of their party, now seek to coerce the legislative branch of the Government into a surrender of American rights.

Resolved, That we call upon the Representatives from the State of New York, regardless of party divisions, to stand by the exclusive right of the American people and the American Government to decide for themselves a question that vitally affects the commercial interests of this chief American port.

Resolved, That a copy of these resolutions be sent to each House of Congress and to the President. Finally, be it

Resolved, That we call upon the Congress of the United States to repudiate decisively these insolent demands of a foreign power and to stand like adamant against all attempts thus to surrender the vital interests of our country, whether these attempts be made by another branch of the Government, betrayed into panic by cleverly inspired fears of imaginary dangers, or suggested by those whose snobbish subserviency to certain foreign opinion makes them, as it made the Tories of the days of the Revolution, and as it makes the ambassador of today, look upon English claims as superior to American rights, and who seek in every controversy that arises between the two countries to serve England by the betrayal of America.

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We, citizens of Butte, Mont., in public meeting assembled, protest against the repeal of the free tolls provision of the Panama Canal act, which was passed after full and adequate discussion by Congress, signed by a Republican President, approved in the plaforms, and distinctly accepted by the candidates of the Democratic and Progressive Parties, and made binding by the votes of over 13,000,000 American citizens in the presidential election of 1912. To repeal it now, at the dictation of England, who violated the Clayton-Bulwer treaty on the false ground that it is a breach of the Hay-Pauncefote treaty, would be an unparalleled humiliation to this Republic and dishonoring to President Wilson, whose acceptance of it before his election was clear and unequivocal.

The free tolls provision is necessary for the protection of our coastwise shipping against the competition of the subsidized vessels of Europe, and especially those of England, whose cruisers—carrying the Confederate flag, but built in English shipyards, armed with English guns, manned by British seamen, and sent to sea in violation of international obligations, in defiance of the protests of the Federal Government—swept American commerce from the sea, and thus created the monopoly which England now seeks to maintain to the serious disadvantage and injury of this country.

The free-tolls provision is also necessary to protect our coastwise shipping from a combination of American and Canadian transcontinental-railroad corporations which want to crush all competition in the carrying trade. It is at the bidding of England and these railroad monopolies that the President is now endeavoring, by undue and improper pressure on Senators and Representatives, to make them sacrifice the interests of the American people on a false and unfounded allegation that the free-tolls provision is a violation of national honor.

If Congress should, in an hour of weakness, surrender American interests in the matter of canal tolls, the same improper and untenable interpretation of the Hay-Pauncefote treaty will also involve the dismantling of all fortifications in the Canal Zone and forbid the American fleet to use the canal in time of war, except on the same terms as the warships of other nations, including the country at war with the United States. We therefore call on Congress to maintain the honor, the interests, and the national dignity of this Republic by rejecting any bill which proposes to repeal the free-tolls provision of the Panama Canal act. We also urge the Senate to refuse to refer the question to arbitration.

We congratulate Senators CHAMBERLAIN, O'GORMAN, BRISTOW, POINDEXTER, and their colleagues who have stood with them in defending the true interests of the American people in face of gross and unfair attacks on and misrepresentation of them in a section of the New York press which notoriously holds a brief for England and never fails to take sides with her against their own country. We especially condemn and repudiate the World, the Times, and the Evening Post, and emphatically deny that they represent public opinion in this country.

Resolved, That copies of this declaration be sent to President Wilson and all the members of the Cabinet, to the Vice President for presentation to the Senate, and to the Speaker for presentation to the House of Representatives.

Resolution adopted by the Associated Chambers of Commerce of the Pacific Coast January 24, 1914.

Whereas on October 2, 1911, the Associated Chambers of Commerce of the Pacific Coast, at a meeting at which were present representatives of the Chambers of Commerce of San Francisco, Los Angeles, San Diego, Oakland, Portland, Tacoma, Seattle, and Spokane, adopted the following preamble and resolutions by a unanimous vote; and

Whereas the building of the Panama Canal was undertaken by the people of the United States in pursuance of the great national policy, amongst other things, of providing for the national defense, of opening up the shortest possible water route between the respective coasts of the United States and foreign countries, to provide through natural methods and to prevent monopoly of transportation means for transportation between the various sections of the Union at the lowest possible cost, to build up and expand our commerce with foreign nations, and, incidentally, to encourage the upbuilding of a now decadent merchant marine: Be it

Resolved, That it is the sense of this meeting that there should be no tolls charged through the canal to vessels coastwise flying the American flag;" and

Whereas Congress in due time passed a law for the regulation of the Panama Canal, which includes the provision exempting American ships engaged in the coastwise trade from the payment of tolls for the passage of ships through said Panama Canal; and

Whereas a protest has been filed by the Government of Great Britain against this provision, upon the ground of the provision of the Hay-Pauncefote treaty which reads, "The canal shall be free and open to the vessels of commerce and war of all nations observing these rules, on terms of entire equality"; and

Whereas for the reason that ships flying a foreign flag have not been and are not now permitted by law to engage in the coastwise trade, and are therefore not affected by any concession which the United States Government may desire to extend to American vessels engaged in the coastwise trade, and such concession is not in contravention of the treaty; and

Whereas the rivers and harbors act of 1884, section 4, uses the following language: "No tolls or operating charges whatever shall be levied upon or collected from any vessel, dredge, or other water craft for passing through any lock, canal, canalized river, or other work for the use and benefit of navigation now belonging to the United States, or that may be hereafter acquired or constructed"; and

Whereas from the point of view of the membership of the Associated Chambers of Commerce of the Pacific Coast no tenable or reasonable ground can be found for the contention for the claim advanced by Great Britain: Therefore be it

Resolved, By the Associated Chambers of Commerce of the Pacific Coast that we disclaim any intention or desire to avoid in the slightest degree any treaty obligation of the United States; that we claim for the people of the United States and for those of the Pacific coast as sensitive a regard for treaty obligations or obligations of any other sort as those held by the citizens of any other country, and particularly those of Great Britain, to whom we concede a high regard for all such obligations. Nevertheless, in a matter of such great importance as

that under consideration, in which we feel that the interests of all the people of the Pacific coast are deeply involved, we can not concede to any foreign Government the right to interpret a matter which we regard as being one entirely within the powers of the American Government, namely, that of prescribing the terms upon which American vessels may do business through an American-constructed canal with other American ports, in which business the vessels of no foreign country can or have engaged; be it further

Resolved, That the President and Congress are hereby urged, with all proper courtesy and respect to the Government of Great Britain, to stand firmly upon the principle herein set forth, and to refuse to have stricken from our statute books, or from actual enforcement, the law exempting from tolls through the Panama Canal of American ships engaged in the coastwise trade; be it further

Resolved, That certified copies of these resolutions be transmitted by the president and secretary of this Associated Chambers of Commerce of the Pacific Coast to the President of the United States, to the several members of his Cabinet, and to each of the Senators and Representatives in Congress, and to the Chamber of Commerce of the United States of America.

ASSOCIATED CHAMBERS OF COMMERCE OF THE PACIFIC COAST.
ARTHUR W. KINNEY, *President*.
C. W. BURKS, *Secretary*.

IRISH-AMERICAN LEAGUE,
Oakland, Cal., March 9, 1914.

At a largely attended meeting of the Irish-American League of Alameda County, held on above date at Enterprise Hall, the following resolution was adopted unanimously:

"We, the members of the Irish-American League of Alameda County, and as citizens of the United States, do hereby protest against the repeal of the free-tolls provision for the Panama Canal.

"We commend highly United States Senators CHAMBERLAIN, of Oregon, and O'GORMAN, of New York, and Representative OSCAR UNDERWOOD, the minority leader of the House of Representatives, and also our own 'Young Giant of the West,' the Hon. J. R. KNOWLAND, of Alameda County, for their stand on the free-tolls question.

"We are also opposed to submitting to arbitration any question that may arise about the canal, as the canal was made possible only by American brains, brawn, and money.

"Mindful of George Washington's warning to keep aloof from all foreign entangling alliances, we believe if same is adhered to arbitration is unnecessary: And be it

"*Further resolved*, That a copy of this resolution be given to the press and a copy also be sent to the gentlemen mentioned herein."

NORTH SIDE BOARD OF TRADE,
Borough of the Bronx, N. Y., March 30, 1914.

Hon. JOSEPH R. KNOWLAND, *Congressman*.

DEAR SIR: At a regular monthly meeting of the North Side Board of Trade held on Wednesday evening, March 25, 1914, the following resolution was adopted and the secretary authorized to send you copy of same:

"Whereas the question of tolls for American vessels is now before Congress:

"*Resolved*, That the North Side Board of Trade favors the exemption of American coastwise vessels from such tolls on the Panama Canal when going to or between American ports; and be it further

"*Resolved*, That a copy of this resolution be forwarded to our Representatives in Congress at Washington, D. C."

Yours, very truly,
[SEAL.] CHAS. E. REID, *Secretary*.

YOUNG MEN'S REPUBLICAN CLUB OF LOS ANGELES COUNTY,
Los Angeles, Cal., March 19, 1914.

Resolutions.

Whereas the Interstate and Foreign Commerce Committee of the House of Representatives has recommended the passage of a bill repealing free tolls for American ships engaging in coastwise trade; and

Whereas the President and the leaders of the Democratic Party are trying to force this bill through Congress, thereby repealing one of the planks of their party platform; and

Whereas such action on the part of Congress would be a death blow to the American merchant marine, a permanent burden to the Pacific coast, and a serious handicap to the entire country: Therefore be it

Resolved, That it is the sentiment of the Young Men's Republican Club of Los Angeles County that the Panama Canal belongs to the American people, and that the American people, who spent $400,000,000 to build this canal, should reap the greatest possible benefit to accrue from its opening, even though such action on their part should offend some foreign power or powerful corporations, and that this organization is unalterably opposed to the repeal of free tolls: And be it further

Resolved, That a copy of these resolutions be sent by the secretary, in the name of this organization, to Woodrow Wilson, President of the United States; to United States Senators JOHN D. WORKS and GEORGE C. PERKINS; to Representatives WILLIAM D. STEPHENS, CHARLES BELL, and JOSEPH R. KNOWLAND.

Resolution adopted at a mass meeting of Philadelphia citizens, at which there were 3,000 in attendance.

MARCH 30, 1914.

ASK CONGRESS TO SAFEGUARD COUNTRY'S SOVEREIGN RIGHTS.

Congress was called upon, in forcible terms, to crush the plan to surrender the sovereign rights of the American people in a resolution unanimously adopted by the big assemblage of patriots at the Academy of Music last night to protest against the repeal of the clause in the Panama Canal bill exempting American coastwise vessels from paying tolls.

The resolution follows:

"Because England makes a territorial claim when she declares that the Hay-Pauncefote treaty not only encumbers the Panama Isthmus territory of the United States with equal rights of use by all other nations, but impresses upon it a servitude by which the United States loses the free use of its own canal for its own vessels, a claim England sought to establish in the general arbitration treaty of 1897, rejected by the Senate of the United States; and

"Because the Hay-Pauncefote treaty assumes the United States to be the owner of a canal built by it on its own territory, and therefore the United States has the right to fix the terms upon which other nations may use it; and

"Because Woodrow Wilson, President of the United States of America, accepts the contention of England and demands of Congress of the United States an unconditional surrender to England to sovereign rights;

"Therefore citizens of the United States of America gathered in Philadelphia to-day to protest against this action and to demand that the Congress prohibit this most unwarranted the surrender of the sovereign rights of the people of the United States, and we suggest and urge like action by citizens in other States, to the end that the rejection of the demand of the President for repeal of the Panama Canal free tolls for American ships trading between American ports act be general and irresistible.

"So we resolve."

SOCIETIES AND ORGANIZATIONS AGAINST REPEAL OF FREE-TOLL PROVISIONS.

Andrew Jackson Branch of the American Continental League, of New Haven, Conn., protesting repeal of clause for free tolls for American vessels through Panama Canal; to the Committee on Interstate and Foreign Commerce.

Abraham Lincoln Branch, American Continental League, of Cohoes, N. Y.; of Thomas Jefferson Branch, American Continental League, of Philadelphia, Pa.; of Franklin Branch, American Continental League, of Philadelphia, Pa.; and of Samuel Adams Branch, American Continental League, of Philadelphia, Pa., remonstrating against the repeal of the provision in the Panama Canal act exempting American coastwise shipping from the payment of tolls, which were referred to the Committee on Interoceanic Canals.

Nathan Hale Branch, American Continental League, of Columbus, Ohio; of the German-Irish-American Alliance of Newark, N. J.; of Francis Scott Key Branch, American Continental League, of Brooklyn, N. Y.; and of Dewitt Clinton Branch, American Continental League, of New York City, remonstrating against the repeal of that provision of the Panama Canal act exempting American coastwise shipping from the payment of tolls, which were referred to the Committee on Interoceanic Canals.

Yorktown Branch, American Continental League, of Philadelphia, Pa.; of George Washington Branch, American Continental League, of Philadelphia, Pa.; of Commodore John Barry Branch, American Continental League, of Philadelphia, Pa.; of Patrick Henry Branch, American Continental League, of Philadelphia, Pa.; of Paul Revere Branch, American Continental League, of Leominster, Mass.; of George Washington Branch, American Continental League, of Danbury, Conn.; of Andrew Jackson Branch, American Continental League, of Butte, Mont.; and of George Washington Branch, American Continental League, of Minneapolis, Minn., remonstrating against the repeal of that part of the Panama Canal act exempting American coastwise shipping from the payments of tolls, which were referred to the Committee on Interoceanic Canals.

Memorials of Lafayette Branch, American Continental League, of Jersey City, N. J.; of Lincoln Branch, American Continental League, of Providence, R. I.; and of Local Division No. 1, Ancient Order of Hibernians, of Danbury, Conn., remonstrating against the repeal of that part of the Panama Canal act exempting American coastwise shipping from the payment of tolls, which were referred to the Committee on Interoceanic Canals.

Commodore Barry Branch of the American Continental League, of Philadelphia, Pa., urging defeat of attempts to repeal clause in Panama Canal act exempting American coastwise shipping from payment of tolls; to the Committee on Interstate and Foreign Commerce.

Andrew Jackson Branch, American Continental League, of New Haven, Conn.; of Washington Branch, American Continental League, of Hazelwood, Pa.; of Anthony Wayne Branch, American Continental League, of Philadelphia, Pa.; and of John Adams Branch, American Continental League, of Philadelphia, Pa., remonstrating against the repeal of the provision in the Panama Canal act exempting American coastwise shipping from the payment of tolls, which were referred to the Committee on Interoceanic Canals.

United Irish Societies of San Francisco, Cal., remonstrating against the repeal of the exemption clause of the Panama Canal act, which was referred to the Committee on Interoceanic Canals.

Memorial of the Essex County Board, Ancient Order of Hibernians, at Lynn, Mass., protesting against repeal of the canal-tolls exemption; to the Committee on Interstate and Foreign Commerce.

Irish-American Societies of Ansonia, Conn., remonstrating against the repeal of the clause of the Panama Canal act exempting American coastwise vessels from the payment of tolls, which was referred to the Committee on Interoceanic Canals.

Central Labor Union of Philadelphia, Pa., protesting against repeal of canal-tolls exemption; to the Committee on Interstate and Foreign Commerce.

RIVERSIDE BUSINESS MEN'S ASSOCIATION,
Riverside, Cal., March 12, 1914.

At the regular meeting of the Riverside Business Men's Association held Wednesday evening, March 11, 1914, the following resolution was unanimously adopted, to wit:

"Whereas believing that the interests of California and the Pacific coast would be sacrificed by the repeal of the free tolls for American ships passing through the Panama Canal and the benefits of the canal to both shippers and consumers on the coast would be sacrificed by such repeal:

"Resolved, That the Riverside Business Men's Association respectfully urges upon our California Senators and Congressmen in Washington that they use their influence and votes to defeat the proposed repeal; and

"Resolved, That a copy of this resolution be sent by the secretary of this association to each of our Senators and Congressmen at Washington."

Respectfully submitted.

RIVERSIDE BUSINESS MEN'S ASSOCIATION,
By O. P. SANDERS, *Secretary.*

OPEN FORUM, SEATTLE.

SEATTLE, WASH., *March 29, 1914.*

Whereas all political parties in the United States either expressed their opinion in their platforms as favoring free tolls for our coastwise shipping through the Panama Canal or were silent upon the subject, and no political party expressed an opinion as against free tolls; and

Whereas President Wilson himself on the 15th day of August, 1912, in a public address favored and extolled the legislation for free tolls and upheld the platform of the Democratic Party thereon; and

Whereas the President has recently, by a message to the Congress, reversed his opinion on free tolls and asked for a repeal of the clause granting free tolls to our coastwise shipping without giving sufficient reasons therefor; and

Whereas our Senators and Representatives have requested and are requesting a good and sufficient reason for the repeal and are preparing to uphold the position the Congress and the President have already taken in this matter and which has become and is the law: Therefore be it

Resolved by the Open Forum (assembled in City Hall Park this 29th day of March, 1914), That we hereby petition our Senators and Representatives in the Congress to continue requesting further information and that the President furnish the same, and that we petition and urge them to use all means in their power that the free-tolls clause is not repealed and that our coastwise shipping is not subjected to any foreign interference.

Respectfully submitted.

THE OPEN FORUM,
By RICHARD MANSFIELD WHITE, *Secretary.*

The above preamble and resolution petition was adopted by a vote of 500 for and 1 against after two hours' discussion.

R. M. W.

LOS ANGELES GRAIN EXCHANGE.

Whereas the people of California and the Pacific coast have looked forward to the completion of the Panama Canal in the belief that its construction through a territory under the sovereignty of the American Government would result in a practical extension of the coast line of the United States from the Pacific to the Atlantic Ocean, thus resulting in the freedom of trade throughout the United States untrammeled by canal tolls or other forms of restrictions of trade; and

Whereas Congress has passed an act exempting American shipping engaged in the coastwise trade from the payment of tolls for passing through the Panama Canal, thus carrying out the expectations of the people of the Pacific coast for the same privileges in the matter of coastwise trade that are possessed by shipping engaged in trade between American ports on the Atlantic coast, which act received the approval of the President after it had been approved by all the commercial bodies of the Pacific coast and a large proportion of the commercial bodies and people of the entire country; and

Whereas great Britain has entered a protest against said act exempting American shipping from the payment of tolls upon the ground that it is in conflict with the Hay-Pauncefote treaty; and

Whereas said treaty was enacted at a time when this country had no rights on the Isthmus of Panama and possessed no territory in that section, and it was contemplated that the canal was to be constructed through foreign territory; and

Whereas the United States, subsequent to the enactment of that treaty, secured from the Government of the Republic of Panama a strip of territory 10 miles in width from the Atlantic to the Pacific, which strip of territory is as much a part of the territory of the United States as any part of continental United States; and

Whereas the shipping of no foreign country has ever been permitted to engage in the coastwise trade of the United States, and all regulation of such traffic has been the exclusive province of the United States Government, in which no foreign government has ever before assumed to have rights to control: Now, therefore, be it

Resolved, That this meeting of directors of the Los Angeles Grain Exchange enters its earnest protest against the proposed surrender to Great Britain upon a matter which, in our opinion, is purely one of domestic concern and regulation; be it further

Resolved, That we earnestly urge the Senators and Representatives of the State of California in the Congress of the United States to stand firmly upon the rights of the United States to regulate its own coastwise commerce by the exemption of payment of tolls or any other form of tribute, and to oppose and vote against the proposed repeal of the exemption from the payment of tolls of American shipping engaged in the coastwise trade.

[SEAL.] (Signed) LOS ANGELES GRAIN EXCHANGE.
By O. H. GIBBONS, *Secretary.*

HEADQUARTERS SERGEANT HAMILTON FISH CAMP, No. 46,
DEPARTMENT OF NEW YORK,
UNITED SPANISH WAR VETERANS,
New York, March 21, 1914.

To the honorable the CHAIRMAN OF THE
INTEROCEANIC CANALS COMMITTEE,
United States Senate, Washington, D. C.

SIR: At a regular muster of this camp held on March 20, it was unanimously resolved that this organization go on record as utterly opposed to the surrender of any of the benefits to our citizens arising out of the construction, ownership, and operation of the Panama Canal, arguing, as we do, that any yielding to an unwise and unwarranted expediency of any of our legitimate rights in that which is undoubtedly our own would far outweigh in ultimate disastrous results any fancied security that may be thought necessary for a temporary, insecure, and insincere protestation of a purchased friendship at a sacrifice of all harmony in our future foreign and domestic relations by those who are opposed to the principle of free tolls in the Panama Canal to our own coastwise shipping within our own waters and along our own coast; and

Whereas the Panama Canal having been built entirely by the United States of America at the sacrifice of its own efforts and resources, we see no reason for, and are unanimously opposed to, any restrictions being imposed upon our coastwise shipping that will deny to them the full enjoyment of our national waterways, to which they are entitled by the executive construction, ownership, and operation of this stupendous engineering undertaking; and

Whereas it was never the intention of the signers of the Declaration of Independence or the founders of this great Republic to permit any interference in our internal affairs, nor has it since been the policy of those who carried forward the work of the fathers or to permit specious argument to lead us astray from the path of right and justice; therefore be it

Resolved, That we call upon our Representatives in Congress, and particularly your honorable committee, to urge upon all concerned to most emphatically repudiate the intermeddling of unfriendly influences, inimical to the patriotic consideration of the just rights and interests of our citizens, an honorable conception of our country's institutions, and a loyal support and earnest respect for all those things which have ever been dear to the heart of every true American; and be it

Resolved, That rather than yield one iota of the just rights of our country it were better that we abrogate all treaties that would shackle freedom in our internal affairs.

W. R. WHITING, *Adjutant.*

ANCIENT ORDER OF HIBERNIANS.

NEW BRITAIN, CONN., *March 15, 1914.*

At the regular meeting of the Rev. W. A. Harty Branch of the Ancient Order of Hibernians, assembled to do honor to the martyr patriot, Robert Emmet, we, the 600 members of the above-named branch, proclaim anew our allegiance to this great Republic, in which so many of our people have found a home and to which they have given loyal and unstinted service from the Revolutionary struggle to the present day, coloring its battle fields with their blood and contributing their full share to the building of the strength and prosperity which have made it the greatest power on earth.

We claim to have earned the right to full citizenship given us by the law of the land, and which has ever been exercised unselfishly for the welfare and glory of these United States and the promotion and extension of the principles of government as established by the Father of our Republic.

We resent the attempt of a section of the daily press, inspired by foreign influence and acting for English interests, to restrict and limit our citizenship to the mere act of voting and to misrepresent our motives to our fellow citizens.

In civil life as well as in war our race have done their full duty to these United States, and never has that duty been more loyally performed than in our warning, based on our better, more intimate, and more recent knowledge of English methods, who now seek by the insidious wiles of British diplomacy under the mask of peace to entangle our Government in the quarrels and rivalries of the Old World.

We congratulate Senator JAMES A. O'GORMAN, and Representatives UNDERWOOD, MANN, DOREMUS, KNOWLAND, KAHN, and MURDOCK for their true American spirit, manifested by their action on the free-tolls act.

We protest against the repeal of the free-tolls provision of the Panama Canal act at the dictation or solicitation of England.

We affirm that the free-tolls provision does not violate the Hay-Pauncefote treaty, and that England, having openly broken the Clayton-Bulwer treaty by annexing the Belize territory, is not in a position to charge the United States with a breach of national honor. She swept the sea of American commerce during the Civil War, and would now dictate the terms on which American ships are to compete with her ships in an American waterway built with American money.

We also congratulate Senator CHAMBERLAIN for the resolution he introduced into the Senate calling upon Ambassador Walter H. Page for an explanation of his speech in London, in which significant mention is made of the Monroe doctrine and the Panama Canal act; and we as citizens would favor his recall by the President of the United States if his utterances on that occasion were reported correctly by the American press of this country.

Resolved, therefore, That copies of these resolutions be sent to President Woodrow Wilson; Vice President Thomas R. Marshall; Secretary of State William J. Bryan; Hon. WILLIAM J. STONE; Hon. CHAMP CLARK, Speaker of the House of Representatives; Committee on Foreign Affairs; Committee on Interoceanic Canals; and to the Senators and Representatives from the State of Connecticut, with a request that they be printed in the CONGRESSIONAL RECORD.

T. C. SMITH, *Chairman.*
J. F. MEEHAN, *Secretary.*

TAXPAYERS' ASSOCIATION.

The Springhurst Taxpayers' Association, of Bronx County, in meeting assembled at their clubhouse, No. 1085 Leggett Avenue, on the 28th day of March, 1914, unanimously adopted the resolutions that follow:

Whereas there is now pending before Congress the matter of the repeal of the free tolls on the Panama Canal; and

Whereas the last Congress has seen fit to exempt coastwise vessels from the payment of tolls in the Panama Canal; and

Whereas the money, skill, and ingenuity of the American people have accomplished the gigantic task of digging said canal: Now be it

Resolved, That we, the Springhurst Taxpayers' Association, of Bronx County, hereby appeal to our Representatives in Congress to take a firm stand against the repeal of said free tolls and again demonstrating to the English Government that we conduct our Government in the interest of the citizens of this country and without dictation from any outside Government, and least of all England.

C. A. ARNSTEIN, *Secretary,*
912 Brook Avenue.

NEW YORK, *March 28, 1914.*

DEAR SIR: At a meeting of the Citizens' Democracy held this evening the following resolution was adopted and the undersigned were directed to forward it to the New York Members of Congress:

Resolved, That, having in mind the rights, dignity, and honor of the United States and the interests of its coastwise shipping, we protest against the attempt to repeal the free-tolls provision of the Panama Canal act at the dictation of England and the transcontinental railroads, and we urge the Members of both Houses of Congress to vote against repeal and preserve to the United States the right to control its own waterway for all time.

Respectfully,

G. MURRAY HULBERT, *Chairman.*
JOHN T. MARTIN, *Secretary,*
2493 Valentine Avenue.

GERMAN SOCIETY.

Die Vereinigte Deutsche Gesellschaften der Stadt New York, an organization in the city of New York composed of 110 societies and a membership of 11,000, at a meeting of its executive board passed the following resolutions:

Whereas the Panama Canal has been built by Americans with $400,000,000 of American money upon American soil and is therefore an American waterway, through which American vessels engaged in domestic trade should be as free from tolls as are any other American ships using any other American inland waterway; and

Whereas the right of American coastwise ships to free tolls has been upheld by Roosevelt and Taft, Republican Presidents; by two Senates and three Congresses; by Olney, Democratic, and Knox, Republican, Secretaries of State; by the United States Supreme Court; by high American authorities; and even by the note of the British legation in 1912; and

Whereas Congress in 1912 exempted American coastwise ships from tolls and the three great political parties and 13,000,000 voters approved such exemption; and

Whereas Hon. Woodrow Wilson, as a candidate for President, standing upon the Democratic platform and individually, pledged himself to free tolls; and

Whereas the British Government alone protested against such exemption, the country which has violated every treaty it ever had with America or any other nation, and whose interpretation of any treaty should, in the light of history, be viewed with distrust and suspicion:

Resolved, That while we do not question the good faith of our President, we, as American citizens, declare for an American and against a British interpretation of the Hay-Pauncefote treaty.

Resolved, That we call upon the President of the United States to withdraw his appeal to Congress to repeal the free-tolls provision and afford the people of this country, who unanimously declared in favor of the American interpretation of the Hay-Pauncefote treaty, an opportunity at the November elections either to reverse themselves or redeclare their approval of the American interpretation of the Hay-Pauncefote treaty.

Resolved, That in any event we call upon all the Members of Congress, and specifically upon those of the State of New York, to uphold the American interpretation of that treaty and so prevent a misguided though well-meaning President from inflicting a loss to national dignity upon this country and from surrendering American rights to our traditional British enemy.

NEW YORK CITY CLEVELAND DEMOCRACY.

The action was taken at a meeting held in the rooms of the Cleveland Democracy, No. 1939 Madison Avenue. The resolutions reaffirm the Democratic platform relative to exempting coastwise American ships from canal tolls.

The meeting was called by Chairman Selden, of the Democratic Association of New York County, and the resolutions were introduced by County Clerk Schneider and seconded by Gustavus A. Rogers.

"We represent over 100,000 independent Democrats who voted for President Wilson," said Mr. Schneider in offering the resolutions, "and we believe that internal-commerce regulations should not be read into treaty obligations."

The resolutions follow:

"Whereas Congress has passed a regulation exempting American ships employed in coastwise trade from paying tolls on passing through the Panama Canal, and under an act of Congress no ships but those owned by citizens of the United States are allowed to engage in coastwise trade; and

"Whereas the territory through which the Panama Canal passes is a part of the United States, acquired by treaty and purchase; and

"Whereas the Panama Canal was purchased and built by the United States with its own money and is now under the control and supervision of the War Department, an administrative department of the Federal Government, we consider that such exemption is nothing more than an interstate regulation, similar to railroad regulations; and no more subject to treaty regulations with foreign powers than any other departmental order; and

"Whereas the Democratic delegates, in convention assembled, at Baltimore, Md., in June, 1912, adopted the following paragraph relative to exemption of tolls, reading as follows: 'We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal'; and

"Whereas our loyal and sincere support of the candidates of the Democratic Party contributed largely to their election; and

"Whereas President Wilson in his campaign speeches reaffirmed again and again the principles of the Democratic platform, and particularly that section relating to the Panama Canal: Be it

"Resolved, That we, independent Democrats of the county of New York, reaffirm the principles of the Democratic platform as adopted by the Democratic national convention at Baltimore in June, 1912, and subsequently indorsed by President Wilson, particularly that paragraph reading as follows: 'We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal'; be it further

"Resolved, That a copy of these resolutions be sent to the President, the Democratic Senator from New York, the chairman of the national Democratic committee, the chairman of the State Democratic committee, the governor of the State, and the press."

A few of the organizations that have formerly passed resolutions protesting against the repeal of the free-tolls provision:

The Southern Commercial Congress.
The National Rivers and Harbors Congress.
The Lakes-to-the-Gulf Deep Waterways Association.
Chamber of Commerce and Business League of Mobile, Ala.
Chamber of Commerce of Oakland, Cal.
The Legislature of the State of California.
The Tacoma Commercial Club, of Tacoma, Wash.
The Industrial Association of Keokuk, Iowa.
The Merchants' Association of New York City.
The Chamber of Commerce of Alameda, Cal.
The New York Board of Trade and Transportation, of New York City.
The General George A. Custer Council, No. 22, Junior Order of United American Mechanics, of Oakland, Cal.
The Chamber of Commerce of Tacoma, Wash.
The Chamber of Commerce of Olympia, Wash.
The New Orleans Progressive Union, of New Orleans, La.
The New Seattle Chamber of Commerce, of Seattle, Wash.
The Chamber of Commerce of Boston, Mass.
The Maritime Association of the Port of New York.
The Chamber of Commerce of Bellingham, Wash.
The Chamber of Commerce of Everett, Wash.
The Port Townsend Commercial Club, of Port Townsend, Wash.
The Chamber of Commerce of San Francisco.
The Cotton Exchange of Savannah, Ga.
The Board of Trade of Tampa, Fla.
The Superior Commercial Club, of Superior, Wis.
The Chamber of Commerce of Philadelphia.
The Chamber of Commerce of Aberdeen, Wash.
The Chamber of Commerce of Hoquiam, Wash.
The Central Labor Council of Portland, Oreg.
The Chamber of Commerce and Merchants' Exchange of Cincinnati, Ohio.
The National Board of Trade.
The Chamber of Commerce of San Jose, Cal.
The Chamber of Commerce of Los Angeles, Cal.
The Bremerton Commercial Club, of Bremerton, Wash.
The Raymond Commercial Club, of Raymond, Wash.
The State Railroad Commission of California.

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. JAMES P. MAHER,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. MAHER. Mr. Speaker, the Panama Canal is nearing completion and will soon be thrown open to the commerce of the world. We entered upon this great undertaking after other world powers had attempted it and failed. We have expended $400,000,000, raised by taxing the American people, in order that we might succeed where these others had failed. And now that American genius and determination and treasure have achieved a glorious triumph, it is suggested to us by a hereditary enemy that we forego all the substantial fruits of our accomplishment and accord to all the nations of the world, who have neither contributed labor nor genius nor paid toll in lives or dollars, equal privileges with the people who have made this great canal possible and who have paid the cost.

We have a treaty covering this point, a treaty with Great Britain, the nation whose shipping through our canal will equal that of the rest of the world combined. Able men in this House have in all sincerity disagreed and divided upon the interpretation of this treaty. It then becomes apparent that the treaty is susceptible of more than one interpretation, and the question before us now is what interpretation shall we put upon it. The eyes of the Nation are upon us in this grave crisis, and are focused with an intensity which surpasses that which any public question has called forth for more than half a century. We shall answer to the people for our action, and it behooves us to see to it that we who represent the people reflect their belief and sentiment as far as is compatible with our national honor.

When free tolls first came before this House the treaty was construed as it should be, to the effect that the canal was an American canal, built by American dollars, on American territory, and for the American people, and that construction of the treaty was voiced in no uncertain fashion by the overwhelming

vote recorded in its favor. The Senate in passing the bill indorsed the views of the House, and it received the unqualified approval of the then President of the United States and became a law. Ex-President Theodore Roosevelt, in whose administration the construction of the canal was begun, concurred in this interpretation of the treaty, as did John Hay, our representative who helped frame the instrument, and it also found favor with President Wilson when he was a candidate for the high office he now holds, and with the present Secretary of State. It may be assumed that these eminent statesmen and the two Houses of Congress made their decision in this momentous matter only after mature deliberation, and their views and opinions then expressed coincided with mine and constitute the reasons why I do not believe we should repeal the law which gives us free tolls for American coastwise shipping.

What are the reasons assigned as so potent and forceful as to warrant our abandoning of the rights which we have so dearly bought? None at all. We are told that we must recede from the stand which we have taken, right or wrong, and that at the instigation of Great Britain. To my mind this is the most impertinent suggestion ever made to this House through an official channel and constitutes a reflection on the judgment, integrity, and courage of every Member. It is hinted that by surrendering our rights in this matter we will incur the doubtful benefit of Great Britain's sanction and prestige in the pressing of some other American demand now under discussion with the diplomats of some other nation. If that demand, whatever it be, be founded on right and justice, what need have we of Great Britain to enforce it? And what assurance is offered this House that this vague right or interest is of greater weight than the invaluable interest in the canal which we are asked to sacrifice? The suggestion that our coastwise shipping competes with Great Britain's international trade is absurd on its face. The ships of Great Britain and every other nation are absolutely precluded, and have been for many years, from participation in our coastwise trade. By what far-fetched theory, then, can trade through the canal from New York to San Francisco be declared in competition with ships which are forbidden to engage in that trade? It would be as proper for Great Britain to suggest the rates to be imposed by the great State of New York on commerce passing through the Erie Canal, for the trade from New York to San Francisco is from one American port, in American bottoms, through an American canal, built on American territory, to another American port.

The object of free tolls was well stated by President Wilson himself when a candidate for the White House in a speech made at Washington Park, N. J., on August 15, 1912, in which he said:

> You see the object, don't you? We don't want the railroads to compete with the railroads because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent.

This is one of the substantial returns on the vast capital invested by the American people in this canal. Now comes Great Britain, the avowed attorney of a great transcontinental railroad, asking the repeal of this law, and the President of the United States demands that Congress return a verdict in their favor without requiring them to prove their case.

The effect of acquiescing in these demands would be far-reaching, and one of the most drastic results would be a practical declaration to the world that we agree that in time of war our battleships would have no more right to the use of the canal than the ships of our enemy; that we have not the right to embark or disembark troops on the canal territory, nor to maintain arsenals or storehouses for the munitions of war. And all this in the face of Great Britain's express recognition of our right to fortify the canal.

Free tolls was an important plank in the platform adopted at Baltimore by the Democratic Party. I pledged myself to that platform, and I intend to redeem that pledge even though exhorted to repudiate it by the man who as a candidate before the people so loudly and emphatically declared that the time had come when men who promised one way and voted another would be retired into very private seclusion.

The soundness of free tolls is sustained by numerous and irrefutable arguments, while the proponents of repeal put forward nothing better than hints and vague suggestions of diplomatic complications. I shall vote against the repeal as un-American, and I feel that I can go before my constituents in the fall and tell them my actions here have at all times reflected their beliefs and sentiments, and that I have remained stanch in my support of the party platform.

Pull Illinois Out of the Mud.

EXTENSION OF REMARKS
OF
HON. LOUIS FITZHENRY,
OF ILLINOIS,
IN THE HOUSE OF REPRESENTATIVES,

Monday, April 6, 1914.

Mr. FITZHENRY. Mr. Speaker, the good-roads problem in Illinois is and has always been a serious one. The exceedingly rich soil, which makes her rank so high as an agricultural Commonwealth, is the cause of the serious situation which confronts our people. The general assembly, State, county, and township officers are bending every effort to improve the road conditions of the State. The Illinois Highway Improvement Association, the Illinois Bankers' Association, and similar societies and associations are aiding the public officers in their efforts to improve these conditions.

In line with this effort on the part of the people of the State, Hon. Edward F. Dunne, governor, on March 23 issued the following "road-day" proclamation, designating April 15, 1914, as a "hard-work day" for all public officers and citizens to begin practical and effective work upon the improvement of highways:

PROCLAMATION.

To the people of the State of Illinois:

Perhaps no subject has more thoroughly aroused the people of Illinois to action than has the question of improvement of our wagon roads.

In Illinois we are entering upon a new era of road improvement. The new road law of the State, one of the most comprehensive under which any State is acting, has become operative.

It therefore seems fitting, as the time of year approaches when actual work can be done on our roads, that there should be set aside a day known as road day, upon which should be commenced coordinated and intelligent work in improving the roadways of the State. In the observance of this day particular attention should be called to the improvement of our dirt roads, and, so far as practicable, plans should be laid whereby actual work shall be initiated on a day set aside for that purpose and carried on continuously thenceforth.

The spirit of the new road law is one of cooperation; the cooperation of State officials with local officials, and, more especially, the cooperation of the people themselves with all the officials in their endeavor to carry on efficient work.

Heretofore our road laws have been woefully inadequate and ineffective. The Tice law of 1913 now makes possible economical and well-systematized efforts, without which efficient results can not be obtained.

It is important that the local highway commissioners, the county superintendents of highways, the good-roads organizations, and commercial clubs, in their respective communities, unite in the adoption of a plan to organize and carry out this work, so as to give the greatest number of citizens an opportunity to celebrate the observance of "road day" by practical work on the roads, such as road dragging, grading, draining, hauling, and placing gravel, stone, or other road material.

I have requested the State highway commission to suggest what class of work may be entered into advantageously.

It is also advisable that "road day" be observed in the schools, for the children of to-day are the citizens of to-morrow, and there should be read to the pupils in all the schools on this day a short treatise dealing with the subject of road improvement, together with this proclamation.

It is hoped that the observance of "road day" will result in the inauguration of practical work in the upkeep of the public roads of the State.

Now, therefore, for the purpose of bringing about the commencement of comprehensive and coordinate work upon the roadways of the whole State, I hereby designate Wednesday, April 15, 1914, as "road day"—not a holiday, but as a hard-work day—upon which day I respectfully urge the State highway commission, the State highway engineers, county superintendents of highways, town or district road officers, their employees, and the public in general to begin practical and effective work upon the improvement of highways of the State, to continue said work industriously, and "pull Illinois out of the mud," which has so grievously clogged her rural transportation in the past.

In witness whereof I, Edward F. Dunne, governor of the State of Illinois, do hereunto set my hand and cause to be affixed the great seal of the State this 23d day of March, A. D. 1914.

[SEAL.] E. F. DUNNE, *Governor.*

By the governor:

HARRY WOODS, *Secretary of State.*

In line with this proclamation I received an urgent appeal last Saturday from the Illinois Highway Improvement Association to take up Illinois road day with the Post Office Department to the end that all postmasters and rural carriers might be authorized to cooperate with the State, county, township, and municipal officers to make road day in Illinois a success. As the result of my efforts I procured the following communication from the Postmaster General:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., April 6, 1914.

Hon. LOUIS FITZHENRY,
House of Representatives.

MY DEAR MR. FITZHENRY: I have received and read with interest your letter of the 4th instant in regard to the observation of April 15, 1914, as good-roads day in Illinois, in which you urge the department to authorize postmasters to cooperate with the local authorities in the improvement of road conditions.

The Post Office Department is intimately concerned in the good-roads movements. There are now practically 43,000 rural routes, over which the annual travel exceeds 300,000,000 miles. There are also about 150,000 miles of star routes, over which the annual travel exceeds 80,000,000 miles. The total cost to the Government of this service is more than $50,000,000. The combined services reach more than 20,000,000 people. The rural mail service has been and is an important factor in our national development. Its great and varied benefits to our people are too obvious to require comment. Passable roads have been a condition to the establishment and maintenance of rural delivery, and this fact has naturally stimulated road building and maintenance activities throughout the country.

Now that the Parcel Post Service is a feature of our postal system, the rural mail carrier extends to the farmer express facilities formerly available only to residents of towns and cities. The heavier load of the rural carrier and the consequent increased benefits to the people are additional reasons for the further improvement of post roads. It therefore becomes the duty of the Post Office Department to aid in every feasible way the State authorities in their endeavor to improve public highways.

In line with this policy the department issued instructions in October last to postmasters of all classes to cooperate with their respective State and county authorities in their endeavor to improve road conditions. I have caused these instructions to be repeated in the daily bulletin of the department in order that postmasters of Illinois may be reminded of the department's desire in this respect and shall take as active an interest in Illinois good-roads day as may be consistent with the regulations governing their official conduct.

Yours, very truly,

A. S. BURLESON,
Postmaster General.

ADDRESS BY HON. DANIEL C. ROPER, FIRST ASSISTANT POSTMASTER GENERAL.

Good-roads days are celebrations encouraged by the Post Office Department. At the National Association of Postmasters of the Second and Third Class, at Washington, D. C., on Tuesday, October 21, 1913, First Assistant Postmaster General Daniel C. Roper delivered an address discussing the subject of good roads and urging the members of the convention to use their influence in their respective States and localities to procure the dedication of certain fixed days as road days for the improvement of highways and incidentally the dispatch of the mails. The address is as follows:

"Mr. President and members of the National Association of Postmasters of the Second and Third Classes, I am pleased to greet the members of this convention, constituting, as they do, the representatives of the second and third class post offices of the country. These classes embrace 7,921, or 94 per cent, of the 8,406 presidential postmasters. It may be truthfully said, therefore, that you are the backbone of this division of the service.

"William E. Gladstone, the great English statesman, felt that he was never so highly complimented as when referred to as 'the great commoner,' and among the postmasters of the country you are entitled to this distinction. You represent post offices which serve at once cities having populations ranging from a few hundred to 10,000, and have to do with a very large portion of the commerce of the country at both its point of origin and its point of distribution. As our country's progress and development and the convenience and happiness of our people depend largely upon the manner in which this commerce is handled, the importance of your realizing the responsibilities which rest upon you for efficient postal service can not be overestimated.

"The great privilege and honor of being a postmaster can be enjoyed by less than 60,000 persons out of a population of 100,000,000. I am sure that you fully appreciate this, as well as the responsibilities which it carries, and that you will give to the department your undivided cooperation and endeavor toward bringing our service to that high degree of efficiency which an intelligent and progressive citizenship has a right to demand.

"Thought force is the real dynamic factor. We must keep our minds open to suggestion, for one of the most unmistakable signs of the diminution of a man's usefulness as a public or private servant is his manifestation of an unwillingness to consider or an inability to accept new ideas. Each postmaster has learned something through his experience that others should know, and the department must be the great clearing house for these ideas. In this way the force of one postmaster's good idea will carry it into every post office in the land. Ideas will be welcomed at the department. They will be carefully and thoroughly analyzed, tested in certain post offices to be used as initial points for such service, and when found to be feasible they will be brought to the attention of all postmasters and put into operation throughout the service. In this way postmasters who have received the least at the hands of nature will be given the benefit of the thought and experience of those who have received the most.

"To give to the people the very best postal service, administered in the most efficient and therefore the most economical manner, is the basic policy of this administration. Quick dispatch, security, and prompt delivery of the mails, effective coordination of work, elimination of unnecessary operations, and the substitution of earnest public service for perfunctory office holding—these are sought and with your cooperation will be attained.

"I wish to take advantage of this opportunity to impress upon you postmasters the necessity of giving careful thought and consideration to ways and means of handling the enormous volume of parcel-post matter which the service will be called upon to care for during the coming holiday season. The department has no doubt as to the capacity of the service to meet this demand, but to do so efficiently and effectively every man must be alive to the needs of the situation and alert to avail himself of the means for satisfying them. In this connection, I desire especially to charge your minds with the spirit and purpose of the letter which is being addressed to you under date of the 24th instant on the handling of parcel-post matter. It has been the endeavor to embody in this letter such suggestions as will be of service to you in the delivery of bulky packages during the rush season. I will quote a portion of this letter for your information:

"At the smaller city delivery offices, where the number of parcels has not been such as to require special service, if there is such an increase in business that the regular carriers can no longer handle all of the parcels, substitutes on foot should be employed to afford relief. When the number of heavy and bulky parcels or the area to be covered is such that it is not economical to employ a substitute on foot then vehicles should be employed, the character of the vehicle depending upon the number of parcels. In some places vehicles, such as push-carts, bicycles, and motorcycles equipped with baskets are used to advantage. As the volume of parcel mail increases horse-drawn vehicles without extra drivers should be employed. It is believed that it is not economical to employ automobiles at the smaller city delivery offices solely for the delivery of parcels.

"As the holiday season approaches and the volume of parcel mail increases, postmasters should endeavor through the means outlined above to dispose of the mail from day to day, not allowing it to accumulate and result in congestion in the post office and delay in delivery. Arrangements should be made in advance for substitutes who will be available for duty, and application should be made for the necessary auxiliary allowances. If conveyances can be used advantageously as indicated, postmasters should apply for an allowance for temporary horse hire. Such applications should show clearly the need for and the advantage to be gained by the use of vehicles.

"In the event that substitutes are not available, and it becomes absolutely necessary to employ regular carriers overtime in order to promptly handle the mail, they should be paid the pro rata amount to their regular salaries for such service, and report should be made to this office in accordance with the instructions of March 28, 1913.

"It is specially important that postmasters give careful attention to the condition in which parcel-post packages are received from mailers. There is great need of better wrapping and more careful labeling. Your attention here is called to our circular letter of September 30, 1913, which bears upon this subject, and so great is its importance that it became necessary for the department to couch its instructions in the following language:

"Postmasters and clerks are informed that whenever it is shown that the loss or damage to a parcel or its contents is clearly the result of improper packing or wrapping at the time of its receipt at the office of origin, the person responsible for its acceptance in that condition will be held responsible for the damage.

"Because of the responsible position, already referred to, which you hold with respect to the economic development of the country, it is appropriate that I direct your attention to a notice which appeared in the Postal Bulletin of yesterday calling the attention of postmasters to the desirability of cooperating with State and county authorities in the interest of better public roads.

"In establishing our Government its wise founders delegated to the States certain powers and functions and reserved others to the National Government. Powers affecting local government were almost entirely reserved to the States, and only the necessary powers to create a central government and defend it against foreign foes, to enable it to establish a system of judiciary, and to maintain armies and navies were delegated to the Federal Government. In the wisdom of our forefathers the Federal Government was given the power 'to establish post offices and post roads.'

"One of the first questions that engaged the attention of the Federal Congress was the building across the contiuent of a post road to bind and hold together the States. Millions of dollars were spent in the construction of the Cumberland Turnpike, which connected Cumberland, Md., and Vandalia, Ill., and measured 675 miles. Had not Watt invented the steam engine, the Government would of necessity have continued to construct Government post roads; but following this invention, our Government authorities diverted their attention and financial aid from the dirt post road to the railroad. So the great transcontinental railroads which span the distance between the Atlantic and the Pacific Oceans were built partly with Government aid, on the ground that the Government was thereby 'establishing post roads' in the meaning of the Constitution.

"Our Postal Service is naturally interested in every movement which looks to better public highways.

"At this time more than one-half of all the roads of the United States are post roads. There are in this country about 2,200,000 miles of earth roads, and of these nearly 1,200,000 miles are regularly traveled by rural and star-route carriers. This service is being constantly and rapidly extended.

"It is therefore only natural that Congress is now addressing itself to the subject of 'good roads,' and equally natural that the Post Office and Agricultural Departments should be selected to cooperate in the experimental measures of Federal aid that are now being conducted. This experimental work, which is the first of its kind ever undertaken by our Government, is important out of all proportion to the actual results in roads built. Much depends upon the proper cultivation of public sentiment in this regard, and in the notice promulgated on the 20th of this month postmasters are advised that in their capacity as representatives in their communities of the National Government they are expected to manifest an active interest in the good-roads propaganda, especially on 'good-roads days' set aside by the governors of States. You represent the commercial branch of the Government, the common carrier of letters and packages, that is now undertaking to bring its parcel-express facilities to the door of every citizen of the United States. The 20,000,000 residents on rural and star routes must now be reached through your instrumentality for the collection and delivery not only of letters and newspapers, that weigh little, but also of miscellaneous merchandise in packages weighing as much as 20 pounds each. Such a service has never been attempted by private express companies, and its effective administration presents many problems even to the Government. Chief among these is the condition of the roads.

"Ninety per cent of the highways in the United States are earth roads. Such roads are not necessarily bad, and, under orderly scientific plans of construction and maintenance, may be made very good. Although much good work has been done in the past decade, there still remains vast room for improvement. Hope lies mainly in the signs of a general awakening of the people to the importance of the mighty task, the performance of which is a condition to their future prosperity and happiness.

"Here, as public-spirited citizens and as representatives of the National Government and the Postal Service, lies your opportunity. The most important thing is to bring clearly and forcibly to the attention of the people the need for good roads.

"Passable roads are now a condition to the establishment and maintenance of rural mail delivery, and this requirement has had the effect of stimulating road building and repairing. With the development of the parcel post a much better condition of the roads will become necessary. The National Government must therefore stimulate and in many cases lead the agitation in each community for better roads. As public-spirited citizens concerned in the welfare of your immediate communities and as representatives of the National Government concerned in the welfare of the Nation, it is your duty to take as active an interest in the improvement of road conditions in your respective communities as is consistent with the regulations governing your official conduct.

"Postmaster General Burleson believes and relies more in the wisdom of encouraging thorough and intelligent cooperation throughout the entire line of postal employees than in superabundance of rules and regulations. His plan is to place as much responsibility as possible on the shoulders of the postmasters, and he feels that the degree of satisfaction in which the postmasters handle the service in their respective communities will reflect their suitability and usefulness to the service. This has been the test that has been applied by the Postmaster General in determining whether the best interests of the service would permit him to retain postmasters until the end of their official terms. The test of the usefulness and success of the postmaster is easy of ascertainment. It is arrived at by the answer to this question: Are the postal facilities of the community better by having him as postmaster? The same test may be applied to your association here in convention assembled. Is the Postal Service better by its existence? An affirmative answer to this question establishes the right of your association to exist, while a negative answer either shows that it is not measuring up to its possibilities or that its existence is not warranted. I apply the same test to the individual, and wait for the reply to the question: Is the community better by his existence in it? If your aims and operations as individual citizens and as postmasters at the close of this convention are for the uplift of the communities and post offices which you represent, for a higher degree of efficiency and greater service, then your purposes are well founded, your faces properly fixed, and you are in an attitude of appreciation of the responsibilities inherited from those who have preceded you, and may God speed you in such endeavors."

Equal Suffrage.

EXTENSION OF REMARKS
OF
HON. A. W. LAFFERTY,
OF OREGON,

IN THE HOUSE OF REPRESENTATIVES,

Friday, April 10, 1914.

Mr. LAFFERTY. Mr. Speaker, under the leave granted me to extend my remarks, I submit the following splendid essay by an eminent Episcopal minister of London, the Right Reverend the Bishop of Kensington, which expresses my sentiments precisely. This essay has already had wide circulation in England.

THE MORAL ISSUES INVOLVED IN THE WOMEN'S MOVEMENT.

[By the Right Reverend the Bishop of Kensington.]

A fresh opportunity will be given at the Church Congress to consider the claims which the women's movement makes upon the body of church people. As one who has gradually become convinced that this movement has been inspired by a vision of those moral and spiritual ideals for which the church has stood in all ages, and is constantly sustained by a passionate enthusiasm for righteousness, I venture to address those who have been unable to see anything in the demand for the vote deeper than a foolish ambition on the part of some women to enter the arena of politics. I am convinced that the great mass of church folk dismiss the matter as a purely political question which has no concern for the church. "The less we have to do with politics and politicians the better," they say; "an arena where the dust is so vitiating and the atmosphere so demoralizing is one from which we can expect no benefit to woman. Let her keep out of it at all hazards."

It is never easy to discern the great issues involved in a new movement. It has been particularly hard in this case. The agitation which for years proceeded on strictly constitutional lines failed to secure attention. When, to the regret of the vast majority of its supporters, it entered upon the phase of militancy, it aroused the immediate antipathy of those for whom any cause is without further question condemned which resorts to methods of violence. At the present time the movement is boycotted by the press. Under the heading of the suffrage movement nothing appears save accounts of outrages perpetrated by militants, and the conclusion intended to be drawn is that its force is spent and the issues raised by it may be ignored. With wearisome iteration suffragists have asserted that the vote is mainly a symbol, and they have disavowed any support of violent or unconstitutional methods. To no purpose. They can not secure a hearing. Of the great consuming passion for righteousness, which is the motive of all their enthusiasm, and which nothing can quench, those remain apparently ignorant who should be the first to extend their sympathy. To those of us who have come to know the motives which inspire their leaders, and the force of conviction which animates them, it is terrible to contemplate the possibility of the church remaining coldly apathetic, and content to follow along the line of the world's judgment. It seems to us nothing less than a tragedy that so splendid a force with which to combat evil in its most strongly entrenched position should be lost. It will not be lost if it be once realized that there is inherent in this movement a moral and spiritual force which is growing in volume and intensity daily, a movement by which woman is seeking to possess herself of the means to exert a potent influence in life, and to have a voice in effecting changes in social conditions essential to purer and healthier living.

The truth is that with the education of women there has come inevitably a knowledge of the facts of life and an insight into their causes which has been simply overwhelming. It is absolutely true to assert that the girl of to-day knows the facts of life and the conditions which prevail for multitudes of her sex, of which her mother was almost entirely ignorant. For example, it need not be supposed that the state of the London streets is very different to what it was a generation ago. Whether it is better or worse it is not easy for anyone to say. But whereas a generation ago it was generally regarded as of inevitable necessity, it is being looked at to-day by eyes that burn with indignation and horror, and with a longing to exchange a state of impotence for one of power to deal with it.

Beyond the facts which meet the eye there is now a vision of the cause for their continued existence, viz, the prevalence of a moral standard which society has complacently acquiesced in being fixed for man on a plane far below that demanded for woman. The day is not so far removed when the unfortunate

of the streets was unquestionably condemned as one who by reason of her wickedness entrapped men to their destruction. For her there could be no pity. She had fallen by her own fault, and no punishment was great enough for her to bear at the hands of society. To-day it has dawned on woman's consciousness that this unfortunate is there not wholly by reason of her own wickedness, but because men in large numbers demand victims for their lust; that while men have expected that their wives, sisters, and daughters should be pure, they have another standard for men, which recognizes the need for the existence of a "fallen" class of women. Behind that fact women have discerned another, namely, the conditions under which thousands of girls and women are expected to live and work for sweated wages, so that a life of honorable toil is, indeed, for multitudes but a grinding slavery. When relief from its sordid and insupportable dullness can be so easily purchased by the rewards of shame and dishonor, it is not easy to condemn the victims so much as the community which tolerates such conditions for its helpless ones. The traffic which involves thousands upon thousands of girls in a life of shame is merely the working of that law which seeks the supply of those who will gratify the demands of man's passions and lust.

The church and other religious bodies have for many years engaged in the work of stirring the conscience of the community in this matter. We have engaged in rescue and preventive work. In London we claim to have established a network of shelters, refuges, and homes, so that the church can hold out a helping hand to the tempted and fallen in every part of the diocese. But those who have been foremost in this work have always realized that the main obstacle in their way has been the apathy of the great body of even professing Christian people. We have realized that with all our agencies we only touch but a fragment of the mass of evil. No cause has made its appeal with so little measure of success in securing financial support. Our appeal always seemed to fall upon deaf or unheeding ears, both among men and women. We were always up against a dead wall of apathy, prejudice, and indifference. The dead weight of a moral sense which strangely acquiesced in the inevitableness of this social evil has ever been our deadliest foe. For years efforts to amend the criminal law, backed by archbishops, bishops, and prominent laymen, were unavailing. And then for some inexplicable reason there came a change. Last year public opinion became vigorous and overwhelming in the endeavor to grapple with the white-slave traffic. Society seemed all at once to awake to the fact of its existence. It was shocked and horrified to find that the evil was of gigantic proportions; that the traffic was a huge systematized business, organized and controlled by the forces of cunning, cruelty, and wealth. Victims were being swept into the horrible net from every class and condition. They were being procured for men. It was not that there was anything new in the facts. To what was this stirring of the national conscience due? I do not hesitate to assert that it was due to the woman's movement. Not only had the noble-hearted women who were its leaders fearlessly presented the facts. There had come through many avenues a knowledge to women of the standards of sex morality accepted by those who made the laws, of the treatment of their sisters which such standards of morality involved, of the state of the law which made easy the ruthless path of the procurer and procuress. Of that knowledge expression was found in that movement which impels women to step boldly into the arena, with a determination to lift womanhood out of the depths to which so many have sunk, and to secure such conditions of life and a standard of wages as will make the path of shame no longer an all but inevitable means of livelihood for so many of their sisters.

With this knowledge has come a burning desire to attack the evil at its source rather than to spend our strength in mitigating some of its most pitiful effects; to prevent catastrophes by removing the cause of disaster. Women have come to realize that too long they have consented to acquiesce in the continued existence of evils which press with such pitiless cruelty upon their sex, and with unerring instinct they have seized upon the vital point.

While we social reformers and rescue workers have been content to make heroic efforts to rescue out of the turbid flood of evil such portions of the human wreckage which come within our reach from the shore, we seem to have had no eyes for those cruel rocks higher up the river on which the frail barks were foundering. It is to that critical spot to which the women of to-day are pointing. Why not blow up that rock, they say, no matter what the risk may be through the explosion to the nerves of those who securely live on either bank? That rock may be rooted in antiquity, it may have come to be regarded as a part of the fixed order of things, but it is removable; let us have a hand in helping to remove it. We know the truth of the appeal. That rock stands for conventional public opinion. It has its fixed status in the legislation which has expressed the standard of morality accepted by those who, through the possession of the vote, alone voice the will of the community. It stands for that view of womanhood which is as dishonoring to man as it is unjust to woman.

The coincidence of the passing of the criminal law amendment act with the agitation for woman suffrage is one which can not be explained away. We have no wish to belittle the efforts made by any who contributed to the result. But justice compels us to recognize that our failure in past years was due to the absence of that moral sense in the community, due to the ignorance of the real facts of life, in which women for generations had been held. But now with the inrush of knowledge, made powerful by the women's movement, the conscience of the community was stirred to energetic action. The acknowledgment of this constraining influence was seen in the eagerness with which both political parties passed the bill. The rapid change of front then shown by our legislators may indeed have been due to a desire to demonstrate what men could do for women when they tried. All honor to them that they made even a tardy effort.

It was one thing to pass the bill. We all confidently hoped that with this quickening of the national conscience great good would result. Enough has happened during the short interval in which the criminal law amendment act has been in operation to realize the truth of the contention of the leaders of the women's movement that acts of the legislature can only be effectively carried out when they are administered by those who are sincerely determined to use the powers which such acts create. We have lately seen in the conduct of the Piccadilly Flat case enough to deepen our fears that the act passed a year ago may prove a dead letter.

It was the first instance of a woman being charged under the criminal law amendment act. The home secretary stated in the House of Commons that "the case was opened and pressed as a bad one"; that "the indictment included three counts under section 7 (4) of the criminal law amendment act, 1912, for exercising control for the purpose of gain over the movements of three prostitutes and three counts under section 1 of the vagrancy act, 1898, and section 7 (4) of the criminal law amendment act, 1912, for living in part on the immoral earnings of the same three prostitutes. The maximum penalty for each of these offenses is two years' imprisonment. The Crown proceeded with all the charges—none were withdrawn—and the prisoner pleaded guilty to all counts of the indictment." The prisoner, Queenie Gerald, was sentenced to three months in the second division. The ages of the girls under her control were 17, 17, and 18. From letters found in the woman's possession it was plain that her wealthy male clients were dealing with her as a procuress, i. e., as a person who would procure girls who were not prostitutes. "There was abundant evidence," Mr. McKenna stated, "to show that she defrauded her clients, but no evidence to show that she was guilty of procuration." She kept within the letter of the law. As her male clients did not betray their identity by any signature or addresses to their letters, there was no evidence against them. But they were guilty of attempting to procure; they were, in fact, the very people against whom the act was framed to proceed, but apparently there was no attempt to secure their presence in the dock beside the accused woman. A number of names were found in the diary and ledger kept by the woman, but, the home secretary explained, "the names were not in the handwriting of the persons supposed to be referred to," and so "these names were not relevant to the case." That the first test case involving a woman under the act, "pressed as a bad one," should have met with this fate must be regarded as indeed a disaster.

When one recalls the zeal displayed in the raid made by the police upon the offices of the Women's Social and Political Union, the pertinacity with which every supposed clue was followed up, and the sentences imposed upon those who were under any circumstances and from any point of view acting from political motives; when one realizes how the mass of citizens have indorsed the action of the Government in treating these women as criminals of the most dangerous type, one is moved, indeed, to marvel. This is the way the strong arm of the law can work its will against those women who were mainly instrumental in rousing indignation against the horrors of the white-slave traffic. Thus the righteous wrath of the nation can find its vent in the punishment of political offenders condemned to long periods of imprisonment in the third division while women of the Queenie Gerald type are put in prison for three months in the second division and the charge against her male clients,

which would inevitably have involved disclosure of their names, is never preferred.

This latest example of the administration of the law in the cases of men whom, as stated in the House of Commons, "the law, as it at present stands, can not touch," is one from which only the cynical will derive any satisfaction. We are indeed come to a strange pass when the moral sense of the community can so signally fail to discriminate between the offenses of women engaged in a campaign to secure the franchise and of those who engage in the noisome white-slave traffic. Some of those who rejoiced at the passing of the criminal law amendment act a year ago might even find it possible to understand that it is this outraged sense of injustice which has led some women to resort to methods which, however indefensible they may appear, at least are designed to make the people hear.

In the great mass of the ardent supporters of the women's movement there is a deeply seated longing to go to the root of this social evil, with which, for many reasons, both men and women are loath to come to grips. They have been driven to the conclusion that the only effectual means by which any member of the community can contribute to the solution of its problems is by the vote. They know that in a democratic state the will of the community to create or to remove the conditions under which its life shall be lived finds its expression by its enfranchised citizens. In them, at least, we have those who are eager to serve where service is most needed, zealous to play their part in making life richer and fuller and more worth living for the whole body. In a great campaign for righteousness, purity, and truth we require all the forces of which the body is possessed; we require means by which those forces may be applied and their weight brought to bear upon the actual conditions of life. So long as the aspirations of women to be such a force are held in check, and freedom to express themselves be denied, we are but missing the most hopeful and fruitful of all influences in national life which the goodness of God has given to mankind.

Will there not be found sufficient zeal for righteousness in the church to-day to cause us to intervene and prevent a loss so grievous?

A Brief and Appeal.

EXTENSION OF REMARKS

OF

HON. VICTOR MURDOCK,

OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, April 11, 1914.

Mr. MURDOCK. Mr. Speaker, I submit an address to Congress by Mr. Samuel Gompers, president of the American Federation of Labor, on the subject of exempting labor unions from the provisions of the Sherman antitrust law. The matter is now at issue here. Mr. Gompers entitles his address "A brief and appeal." It is a remarkable document and well worth the study of not only all Members of Congress but of all American citizens. It evidences deep study and exhaustive research and presents logical conclusions on a question touching vitally and fundamentally the Republic.

This is the brief and appeal prepared by Mr. Gompers, and which is addressed to the Members of the United States Senate and the House of Representatives:

"Since current discussion has been largely upon a matter of vital importance to many millions of people whose welfare has been intrusted to your keeping, and since special interests have endeavored to prejudice the minds of legislators and the public and to place them at variance with the contention of the workers thereon, there rests upon me an imperative duty not only to those upon whom the dead weight and burden of industry have ever fallen, but to you, that you may avoid being placed in opposition to labor's contentions without having had them fully and completely presented for your consideration.

"The matter to which I refer is embodied in the Bartlett-Bacon bills (H. R. 1873, S. 927), Sixty-third Congress.

"I am addressing you to explain why the workingmen and women demand as a matter of social justice and humanity that they be given relief from the status in which they are now placed by reason of court interpretations of the Sherman antitrust law of 1890.

"The history of those who toil has been one of pathos and bitter struggle, one of great suffering and indomitable courage. In the earlier centuries the toilers were compelled to work at the will or caprice of masters who owned their bodies and their labor power. Living beings with human hearts and brains were legally and socially rated as things, property. As a result of the barbarian invasions that overturned the social, economic, and political institutions of Europe and produced feudalism, it was expedient that changes be made in the status of the workers—they were made serfs and villeins. Although their bodies were made free, the overlord retained an ownership in their labor power. From this status, this semithraldom, the workers struggled to secure more definite and more advantageous terms affecting the services they owed, until finally they reached the level of freedom of contract.

"Yet liberty, equality, in justice, equal opportunity, had then not been won, nor are they yet assured to those who have always been the oppressed wherever or whenever oppression has existed. They had no voice or influence in determining the laws of the land, or in selecting the administrative agents who made them effective. The laws of the land had been made by those whose interests, environment, and experience in no way touched the world of the workers: political and judicial theories, precedents were in accord with the convictions and viewpoint of the controlling classes; intellectual life and interests were isolated from the work-a-day world. Ethical and moral standards were as yet untouched by enlightened and merciful humanitarianism. It was the task of the workers to present their pleas and conceptions of justice so that established practices and standards might be broadened to include the welfare of all the people. This was the task laid upon untutored, undisciplined workers. Opposed to them were the keenest, most subtle intellects and forces vested interests could retain. Each forward step was fiercely contested. The controlling interests would not abandon their special privileges even when once lost, but sought to regain them by circumvention, sophistry, and legal chicanery.

"Law is a product of two elements—the imperative and the traditional. Most of our difficulties have arisen through the second element. Precedents and judicial interpretation determined by the individual bias of the judge or by prevailing economic and political philosophy have been obstacles to the adoption of newer ideals of justice and to the shifting of standards to suit changing conditions.

"These are some of the difficulties which the workers of to-day inherit from the past ages. They explain why the workers now have to combat legal and economic theories which accord to employers certain rights to labor power, and why greater consideration has been paid to safeguarding wealth than to safeguarding the freedom of the workers who help to create that wealth. The workingmen of our country ask most seriously and solemnly whether it is just that property be hedged about by inviolable sanctity while they are denied normal activities in furtherance of the welfare of human beings.

"When feudal regulation of labor conditions was broken down by the disturbances resulting from the Black Death, a system of state regulation was inaugurated. This was never effective, and completely failed under the changes set up by the industrial revolution. With the coming of the factory system individual relations between employers and employed became impossible, and the workers were powerless to protect their rights, interest, and even their lives. Collective action by workmen in furtherance of such of their own interests as were opposed to those of the employers was legislated against as 'conspiracy.' According to the old political and economic theories of justice, employees had no right to withhold labor power necessary to the operation of the employer's business, a theory evolved under the conditions of former periods, when workmen were the master's property. We, in our country, inherit many of the problems and theories from the old country, and some are of our own making. It took years to secure relief from the old 'conspiracy' laws which curbed and restricted the workers in protecting and promoting their industrial rights and interests. When at last it seemed that the efforts of the toilers were to be rewarded, the courts of the United States, by interpretations which amounted to judicial legislation, applied the Sherman antitrust law to trade-unions in a way which virtually and actually revived the conspiracy laws.

"When the courts applied the Sherman antitrust law to labor organizations they created an offense never intended by the makers of that law. As has been repeated again and again, but never refuted, as an investigation of the CONGRESSIONAL RECORD will prove, the men who drafted the Sherman Antitrust Act—Senators Sherman, Edmunds, and George—did not intend that it should apply to organizations instituted not for profit. On March 25, 1890, when the bill was before the Senate, Senator Sherman insisted upon the following amendment:

"*Provided*, That this act shall not be construed to apply to any arrangements, agreements, or combinations between laborers, made with

a view to lessening the number of hours of labor or the increasing of their wages; nor to any arrangements, agreements, or combinations among persons engaged in horticulture or agriculture, made with a view of enhancing the price of their own agricultural or horticultural products.

"Senators George and Edmunds did not oppose the amendment, but regarded it as surplusage. The amendment was agreed to while the Senate was sitting in Committee of the Whole. On March 26, when the bill came up again for consideration, Senator Stewart of Nevada said:

"The original bill has been very much improved and one of the great objections has been removed from it by the amendment offered by Senator Sherman, which relieves the class of persons who would have been first under the prosecution under the original bill without amendment. * * * The bill ought now to be satisfactory to every person who is opposed to the oppression of labor and desires to see it properly rewarded.

"In advocating the amendment Senator Hoar said in part:

"I hold we may constitutionally and wisely allow laborers to make associations * * * for the sake of maintaining and advancing their wages; * * * their contracts are made with corporations who are but associations or combinations of capital on the other side. When we are promoting and even encouraging that, we are encouraging what is not only lawful, wise, and profitable, but absolutely essential to the existence of the Commonwealth itself.

"Afterwards the bill was referred to the Committee on the Judiciary, where the amendment was suppressed.

"Because of the failure to include this amendment in the law, organized labor was always apprehensive that attempts would be made to pervert the act from its real purpose. Nor were we mistaken, and that is why we now seek legislative relief that organized labor may not be prohibited from doing things 'not in themselves unlawful.'

"That which we seek is not class legislation. It is a common custom in speaking to couple together the words 'labor and capital' as though they stood for things of similar natures. Capital stands for material, tangible things, things separate and distinct from personality; labor is a human attribute, indissolubly bound up with the human body. It is that by which man expresses the thought, the purpose, the self that is his own individuality; if he is a free man, he has the right to control this means of self-expression. This he values above all, for if he lose this right to decide the granting or withholding of his own labor, then freedom ceases and slavery begins.

"Under the present industrial order, with its concentration of industry on the one hand and the division and subdivision of work on the other, the individual workingman is unable to maintain his right of self-assertion unaided, hence workers instituted organizations and banded together to secure for themselves wider freedom of action to regain the economic and social power they lost by the conditions mentioned. To classify these combinations, not for profit and without capital stock, in the same category with corporations, trusts, and monopolies, is forcing an indefensible classification and grouping together things of a directly opposite character.

"The associations of working people, commonly known as labor unions, deal not with property, material things, but with labor power alone, with lives, happiness, rights, and welfare of men, women, and children. They strive for the uplift and conservation of the Nation itself.

"Corporations, trusts, and monopolies aim to create monopoly conditions, to manipulate capital and production so as to secure monopoly profits. It is most unjust to try to coordinate these two inherently different kinds of organizations and to apply to them similar regulations. Justice does not necessarily result from the application of identical provisions to all people or to all groups or associations of people. On the contrary, it works injustice if the conditions, rights, and purposes are dissimilar or the people unequally situated. Theoretical justice becomes real justice only when men as well as their deeds are taken into consideration.

"It is impossible to legislate equitably for 'labor' and 'capital' under the same law. Certainly it is not class legislation to make different provisions for two things inherently different, aiming at different purposes and employing different methods. The provisions of no law will admit of universal indiscriminative application.

"This is no 'special privilege' or 'exemption' that organized labor asks. Our demand for justice is that working men and women and their organizations shall not be prosecuted for entering into any combination or agreement having in view the increasing of wages, the shortening of hours, or the bettering of conditions of labor, or for any act done in furtherance thereof not in itself unlawful.

"Attention is respectfully and particularly called to those last four words that have been so persistently and unfairly suppressed by the press and our opponents. We are not seeking to be permitted to do criminal acts, but are demanding that the rights of which we have been deprived by judicial interpretation be restored to us. We are not asking to be 'exempt' from the application of a law which properly applies to labor organizations as well as to other voluntary associations, organized not for profit, but we are asking that inherent differences that exist be recognized by the laws and the courts as well as by reason.

"The mere fact that a law or a legal precedent exists does not necessarily imply that it works justice. Oppression and wrong may become established, and under the cloak of authority and regularity take on a prestige and a sanctity usually ascribed to accepted rules of justice. These are the insidious forces that have fought labor under the guise of conspiracy laws, and now seek to accomplish their purpose by interpreting the Sherman antitrust law as a modernized conspiracy act.

"Those rights which we wish restored are rights necessary to conducting the normal activities of labor organizations. Labor organizations are formed to protect the workers and their rights against the cupidity of employers and combinations of employers dealing in the products created by labor power. The right to cease work, to strike, to withhold labor power, is essential to the maintenance of the freedom of the workers. It would be impossible to retain present advantages, or to increase wages, or to better conditions of work without the right or the power to strike, not only as individuals but as organizations. Organized labor does not advocate strikes. On the contrary, we deplore the necessity for them, but we know, and we know from actual experience, how powerless and helpless workmen would be to protect themselves without the right and the power to strike. To make acts in furtherance of these purposes either enjoinable or punishable both by fines and imprisonment takes from the associations of workers that which gives them virility and effectiveness.

"The men and the organizations that have instituted suits against labor unions under this law, the methods that have been employed, and the charges made, make it manifest beyond a doubt that the purpose of the prosecutions is not to prevent restraint of trade or competition, but to disrupt or make ineffective labor organizations.

"Those who have been in the ditches, the factories, the grinding toil of modern industry, know what the labor movement has done for human progress and welfare. Those who work for the United States Steel Corporation or the Tobacco Trust know what it is to deal with organized employers without collective protection. In the light of these facts, which are well known, would it not be well to consider seriously whether or not this fear of alleged 'conspiracies' of labor associations should be allowed to pervert an effort to arrive at standards of justice that do not sacrifice human rights to the right to conduct business?

"Peaceful, rightful attempts to secure advantages for workers or to resist deterioration and oppression have been deemed 'combinations in restraint of trade.' The Workingmen's Amalgamated Council of New Orleans struck to induce the employers to make a beneficial joint agreement with union labor—a purpose certainly not in restraint of trade. No violence was charged; and yet the court ruled 'the defendants were in restraint of trade.' In the case of Loewe *v.* Lawlor et al. it was offered and accepted as evidence of 'conspiracy' that out of 82 manufacturers of hats in the United States, 70 were in agreement with the union of hatmakers to maintain the best standards of wages and other labor conditions prevailing in the trade. Is it any wonder that the men of labor have been forced to the conclusion that judicial interpretation of conspiracy is synonymous with successful hostility to the humanizing influences of unionism? It is absurd to argue that activities of organized labor are intended to destroy or to injure business; such a result would defeat the very purpose it has in view.

"Even should the activities of labor organizations be rightfully classified as conspiracies, has not the time come when it must be considered whether these 'conspiracies' of organized labor do not do more to further the advancement of humanity and national welfare than the property interests which have been heretofore carefully safeguarded? It is no 'man of straw' that we fear in the application of the Sherman antitrust law to organized labor.

"While it is unthinkable that the organized labor movement can be crushed out of existence, yet the repression of normal activities, thus rousing among the workers resentment at injustice, and the denial to them of legal methods of redress, would lead to situations and conditions which thoughtful, patriotic citizens can not consider without dread.

"This struggle of the working people to secure individual rights and liberty has not been confined to our own country.

In England the same problems have been confronted and solved. In 1824 Parliament enacted that no workman should be 'subject or liable to any indictment or prosecution for conspiracy, or to any other criminal information or punishment whatever, under the common or statute law, for entering into any combination to obtain an advance or to fix the rates of wages, or to lessen or alter the hours or duration of the time of working, or to decrease the quantity of work, or to induce another to depart from his service before the end of the time or term for which he is hired, or to quit or return to his work before the same shall be finished, or, not being hired, to refuse to enter into work or employment, or to regulate the mode of carrying on any manufacture, trade, or business, or the management thereof.'

"For a while the toilers were released from 'legal shackles,' but the courts by judicial legislation and interpretation, in England as here, sought again to bind on the chains. As soon as legislative relief was given against the judicial theory of 'criminal conspiracy' under the common law, the interests took refuge behind the doctrine of 'civil conspiracy.' Finally the workmen won their fight by securing the British trade disputes act of 1906, which contains the following provisions:

"1. The following paragraph shall be added as a new paragraph after the first paragraph of section 3 of the conspiracy and protection of property act, 1875:

"'An act done in pursuance of an agreement or combination by two or more persons shall, if done in contemplation or furtherance of a trade dispute, not be actionable unless the act, if done without any such agreement or combination, would be actionable.'

"2. (1) It shall be lawful for one or more persons, acting on their own behalf or on behalf of a trade union or of an individual employer or firm in contemplation or furtherance of a trade dispute, to attend, at or near a house or place where a person resides or works or carries on business or happens to be, if they so attend merely for the purpose of peacefully obtaining or communicating information, or of peacefully persuading any person to work or abstain from working.

"(2) Section 7 of the conspiracy and protection of property act, 1875, is hereby repealed from 'attending at or near' to the end of the section.

"3. An act done by a person in contemplation or furtherance of a trade dispute shall not be actionable on the ground only that it induces some other person to break a contract of employment, or that it is an interference with the trade, business, or employment of some other person, or with the right of some other person to dispose of his capital or his labor as he wills.

"4. (1) An action against a trade union, whether of workmen or masters, or against any members or officials thereof on behalf of themselves and all other members of the trade union in respect of any tortious act alleged to have been committed by or on behalf of the trade union, shall not be entertained by any court.

"(2) Nothing in this section shall affect the liability of the trustees of a trade-union to be sued in the events provided for by the trades-union act, 1871, section 9, except in respect of any tortious act committed by or on behalf of the union in contemplation or in furtherance of a trade dispute.

"5. (1) This act may be cited as the trade-disputes act, 1906, and the trade-union acts, 1871 and 1876, and this act may be cited together as the trade-union acts, 1871 to 1906.

"(2) In this act the expression 'trade-union' has the same meaning as in the trade-union acts, 1871 and 1876, and shall include any combination as therein defined notwithstanding that such combinations may be the branch of a trade-union.

"(3) In this act and in the conspiracy and protection of property act, 1875, the expression 'trade dispute' means any dispute between employers and workmen or between workmen and workmen which is connected with the employment or nonemployment or the terms of the employment or with the conditions of labor of any person, and the expression 'workmen' means all persons employed in trade or industry, whether or not in the employment of the employer with whom a trade dispute arises; and in section 3 of the last-mentioned act the words 'between employers and workmen' shall be repealed.

"It may not be amiss to quote here the declaration upon this subject of the Democratic Party platform of 1908, which was repeated in 1912:

"The expanding organization of industry makes it essential that there should be no abridgment of the right of wage earners and producers to organize for the protection of wages and the improvement of labor conditions to the end that such labor organizations and their members should not be regarded as illegal combinations in restraint of trade.

"In his speech of acceptance of the presidential nomination by the Democratic Party, Hon. Woodrow Wilson took occasion to make the following declaration:

"The working people of America—if they must be distinguished from the minority that constitutes the rest of it—are, of course, the backbone of the Nation. No law that safeguards their life, that improves the physical and moral conditions under which they live, that makes their (the working people of America) hours of labor rational and tolerable, that gives them freedom to act in their own interests, and that protects them where they can not protect themselves can properly be regarded as class legislation or as anything but a measure taken in the interest of the whole people, whose partnership in right action we are trying to establish and make real and practical. It is in this spirit that we shall act if we are genuine spokesmen of the whole country.

"The Progressive Party platform of 1912 contained the following declarations upon this subject:

"The Progressive Party, in order to secure to the people a better administration of justice, and by that means bring about a more general respect for the law and the courts, pledges itself to work unceasingly for the reform of legal procedure and judicial methods.

"We believe that the issuance of injunctions in cases arising out of labor disputes should be prohibited when such injunctions would not apply when no labor disputes existed.

"We believe also that a person cited for contempt in labor disputes, except when contempt was committed in the actual presence of the court, or so near thereto as to interfere with the proper administration of justice, should have a right to trial by jury. * * *

"We favor the organization of the workers, men and women, as a means of protecting their interests and of promoting their progress.

"Mr. Wilson, presidential candidate of the Democratic Party, and Mr. Roosevelt, candidate of the Progressive Party, for President, represented the principles enunciated in the two party platforms of 1912. Those principles, quoted above, declared in favor of the legislation urged by the workers, and received, computing together the votes for both the Democratic and Progressive presidential candidates, 10,412,977 votes, as against Mr. Taft, the candidate of the Republican Party, which did not declare for labor's principles, who received 3,484,974 votes. Surely no one can therefore truthfully declare that the people are not in sympathy with that which the workers deem so necessary for their welfare. The people desire the welfare of human beings and seek information how best to promote their purposes. The spirit of the age is sympathetic, humane.

"But overwhelming as was the indorsement by the people of this legislation, it is submitted that the fundamental principles involved in the assertion of labor's rights should be more amply set forth. Those principles are based upon established truths. Who will gainsay that the ownership of a free man is vested in himself alone?

"The only reason for the ownership of bondmen or slaves is the ownership of their labor power by their masters. Therefore it follows that if free men's ownership of themselves involves their labor power, none but themselves are owners of their labor power. If a free man, by choice or by reason of his environment, sells his labor power to another and is paid a wage in return, this wage is his own. This proposition is so essentially true that it is the underlying idea upon which is based the entire theory of private property. To question or to attempt to destroy the principle enunciated involves the entire structure of civilized society.

"The free man's ownership of himself and his labor power implies that he may sell it to another or withhold it; that he may with others similarly situated sell his labor power or withhold it; that no man has even an implied property right in the labor of another; that a free man may sell his labor power under stress of his needs or he may withhold it to obtain more advantageous returns.

"Labor power is not a product; it is human ability to produce. Because of its very nature it can not be regarded as a trust or a corporation formed in restraint of trade. Any legislation or court construction dealing with the subject of organizations, corporations, or trusts which curtail or corner the products of labor can have no true application to the association of free men in the disposition or withholding of their labor power.

"The attempt to deny to free men, by injunction or other process, the right of association, the right to withhold their labor power or to induce others to withhold their labor power, whether these men be engaged in an industrial dispute with employers or whether they be other workmen who have taken the places of those engaged in the original dispute, is an invasion of men's ownership of themselves and of their labor power and is a claim of some form of property right in the workmen who have taken the places of strikers or men locked out.

"If the ownership of free men is vested in themselves and in them alone, they have not only the right to withhold their labor power, but to induce others to make common cause with them and to withhold their labor power also, that the greatest advantage may accrue to all. It further follows that if free men may avail themselves of the lawful right of withholding their labor power, they have the right to do all lawful things in pursuit of that lawful purpose. Neither court injunctions nor other processes have any proper application to deny to free men these lawful, constitutional, and inherent rights.

"In the disposition of wages from the sale of labor power man is also his own free agent. All things that he may lawfully buy he may also lawfully abstain from buying. He may purchase from whomsoever he will, or he may give his patronage to another. What he may do with his wages in the form of bestowing or withholding his patronage he may lawfully agree with others to do.

"No corporation or company has a vested interest in the patronage of a free man. If this be true, and its truth can not be controverted upon any legal basis, free men may bestow their patronage upon anyone or withhold it or bestow it upon another—and this, too, whether in the first instance the business concern is hostile or friendly. It is true for any good reason, and, in the last analysis, for no reason at all.

"It is not a question of whether we like or dislike lockouts or strikes, boycotts or blacklists The courts have declared that lockouts and blacklists and all that pertain thereto are not unlawful. It is difficult to understand, then, unless the courts have the concept that an employer has some form of property right in the laborer or the laborer's patronage, how they are justified in stretching their authority, perverting the purpose of the law, and undertaking by the injunctive process to outlaw either the strike or the boycott.

"To claim that what one man may lawfully do becomes unlawful or criminal when done by two or more men is equal to asserting that naught and naught make two.

"The legislation sought is not what can be termed 'class legislation,' if that expression is interpreted in the disparaging sense implied by those opposed to labor's position. Practically all legislation is group or class legislation. Universal categories of the Kantian type can deal only with metaphysical principles. Specific laws deal with groups clearly differentiated from others and possessing common characteristics. Unlike quantities, groups or conditions can not be subjected to the same controls if justice is the end sought. It follows, then, that special legislation is necessary and just, provided, however, that the differentiation is based upon correct principles. This fundamental truth has been upheld by the judiciary in the following decisions:

"Legislation which, in carrying out a public purpose, is limited in its application, if within the sphere of its operation it affects all persons similarly situated, is not within the amendment (the fourteenth amendment). (Barbier *v.* Connolly Laundry case, U. S., 27; United Railway Co. *v.* Beckwith, 129 U. S., 26, and cases cited therein; Railroad Cattle Damage case.)

"The inhibitions of that section (sec. 1 of the fourteenth amendment) are laid upon the action of the several States, and have no reference to legislation by Congress. (Chinese summary trial, presumption of guilt; In re Sing Lee, 54 Fed. Rep., 337.)

"The equal protection of the law * * * does not forbid classification. * * * The power of classification has been upheld whenever such classification proceeds upon any difference which has a reasonable relation to the object sought to be accomplished. (Atchison Railway *v.* Matthews, 174 U. S., 103. See also Kentucky Railroad Tax cases, 115 U. S., 321.)

"Classification must also rest upon some difference which bears a reasonable and just relation to the act in respect to which the classification is proposed, and can never be made arbitrarily and without any such basis. (Gulf, Colorado & Santa Fe Ry. *v.* Ellis, 165 U. S., 155.)

"The fact, then, that organizations not for profit, but for securing humanitarian benefits for the workers, would be exempt from the application of the provisions of the Sherman antitrust law would not constitute a reason for declaring the measure unconstitutional; such a decision would depend upon whether there are real and inherent differences between the voluntary associations of working people (organized not for profit) and monopolies or combinations whose sole purpose is profit, or upon whether the application of the law to the two kinds of organizations would produce similar results.

"Such differences do exist. Organizations of labor have their origin in human need; they seek human welfare and betterment; they have to do with human labor power. Capitalistic monopolies have their origin in desire for larger profits; they seek economic control and the elimination of competitive rivals; they deal in material things, in the products of labor, in wealth.

"Between capital and labor there is a vital and fundamental difference, an understanding of which is essential to those upon whom falls the responsibility of dealing with matters influencing the freedom of men.

"Capital consists in material things which are external, useful, and appropriable.

"Capital is that which a man has, not what he is.

"To classify skill, knowledge, labor power as capital is an error in terminology that has crept into the thinking of some economists and political scientists.

"It is an error conducive to grave injury to the working people.

"These attainments or attributes are not possessions of the individual; they are the individual, and can not be separated from personality. Cultivation of powers and ability increases the potential labor power, increases and enriches the resourcefulness and efficiency of the individual. But these things are subjective, immaterial, and are not in themselves capital. The individual may be able, powerful, and therefore fortunate, but it does not necessarily follow therefrom that he has capital. The wealth which he may produce and use as capital is separate and distinct from himself.

"It follows, then, that to apply to voluntary associations of working people (commonly called labor organizations) which are concerned with individuals and their powers the same regulations as are applied to organizations manipulating the products of labor leads to mischievous results and perversion of justice. Legislation recognizing the inherent difference between these two kinds of organizations could not be condemned as unconstitutional on the charge of unjustifiable discrimination.

"After considering the charge of 'class legislation' from the angle of 'difference of kind,' it remains to take up the matter as to whether the law would produce similar effects upon both kinds of organizations. The effect upon trusts and monopolies of the application of the Sherman antitrust law is an open question, the discussion of which is not essential to the matter in hand. Suffice it to say, the law aims at the prohibition of conspiracies, monopolies, or combinations in restraint of material things, the reestablishment of competitive conditions in material things. So far as the law has been invoked against labor organizations, it has been directed against two kinds of collective action—the withholding of labor power and the withholding of patronage. It is at once evident that both labor power and patronage are not capital or material things—property—to which that law was intended to apply, but are subjective, personal.

"If labor power and patronage are treated as something to be controlled as property, then so much of the individual no longer belongs to himself. The individual, like a nation, can not exist part slave and part free; it must be either one or the other.

"A free man has the right to bestow or withhold his labor power and his patronage whenever or wherever he may wish. To gainsay this right is to deny freedom. Since no individual is giver any legal or inherent proprietary right in a man's labor power or patronage, he can not be aggrieved or afforded grounds for action when they are withheld from him. Labor power and patronage are what make the individual workman effective and forceful; they constitute his principal protection and means of self-expression. They must be guarded as the foundation of individual freedom, the precious birthright of a man free to be himself and to possess his own soul.

"Not only must the theoretical right to bestow or withhold labor power and patronage be maintained, but this must be given reality and effectiveness by permitting men to pursue lawful courses of action in exercising this right. If the end is lawful and worthy, then the normal means for attaining that end must also be recognized as legal and necessary. Justice must be reasonable and practical. There has been an attempt—it matters not whether consciously or unconsciously—to build up a legal fiction which tends to nullify these rights by discrediting and misrepresenting the means by which they are exercised.

"The legal mind is strongly influenced by the traditional element of the law developing out of the observance of precedents in its application. It is concerned for consistency, for continuity even when that necessitates the continuation of an antiquated concept.

"Consequently the old legal concept that labor unions and their normal activities for making their demands effective are either conspiracies or partake of the characteristics of conspiracies is very hard to dislodge from the legal mind, and continues to influence many decisions and arguments. Lawyers of the legalistic type speak the orthodox vernacular, and their curiously twisted phrases take on the semblance of accepted principles and lines of reasoning. Yet the heterogeneous elements of their legal fictions appear somewhat incongruous and mystifying to laymen. They speak of an unlawful combination or conspiracy to accomplish a lawful purpose, and of a lawful combination to accomplish some criminal or unlawful purpose, or to accomplish some purpose not in itself criminal or unlawful, by criminal or unlawful means, as being equally criminal. Then, by using one or more of these hypotheses, together with the use of precedents based upon the principle that labor combinations and collective action are conspiracies, lawyers and judges have restricted labor organizations in their elemental, normal activities intended to promote the welfare of those who toil. In this connection permit me to call your attention to these memorable words of Junius upon the nature of precedent:

"If an honest man, and, I may truly affirm, a laborious zeal for the public service has given me any weight in your esteem, let me exhort and conjure you never to suffer an invasion of your political constitution, however minute the instance may appear, to pass by, without a determined, persevering resistance. One precedent creates another. They soon accumulate, and constitute law. What yesterday was fact to-day is doctrine. Examples are supposed to justify the most dangerous measures, and where they do not suit exactly, the defect is supplied by analogy. Be assured that the laws which protect us in our civil rights grow out of the Constitution, and that they must fall or flourish with it.

"This legal fiction of theoretical justice and equal protection of all men under the law does not accord with the facts as experienced by those upon whom the burden of the world's heavy toil has fallen. This legal fiction represents what might be called visible or outward justice. But greater and more real

than this is the invisible or real justice that is not bound by theory or convention, but goes straight to the heart of things, takes into account facts and modifying conditions, and is not circumscribed and bound by conventions and precedents. That is the justice too often gagged, bound, and well-nigh stifled by lawyers. That is the justice that must be rescued and established by our statesmen if liberty and freedom are to be maintained. This was the course advocated by Edmund Burke in regard to the American Colonies, the policy which Hon. Woodrow Wilson admirably expressed in his history of the American people thus:

"Mr. Burke admitted that his theory was not a theory for the strict lawyer; it was a theory for statesmen for whom fact must often take precedence of law.

"Law and legal interpretation have not divested themselves of all the influences of that time when men were not free and were looked upon as chattels and property. They have not yet come under the sway of the newer expressions of the social conscience which Prof. Charles E. Merriam has aptly termed 'social politics.'

"Hostile lawyers, lawyers paid to present the cases of their clients, judges under domination of the employer's and the legalist's viewpoint, have misrepresented and misinterpreted acts and purposes of the workingmen to make them appear criminal and destructive, whereas the guiding purpose animating the labor movement is not destruction but construction, for the completion and perfection of general welfare.

"It is charged that workingmen conspire to destroy business when they withhold labor power or patronage pending the securement of specific rights. As a matter of fact, destroying business would frustrate the end sought. This legal fiction called destroying business arises out of confusing physical property with the immaterial something called good will, which is dependent on reputation and patronage. This latter emanates from individuals not concerned in the particular business under consideration; it has a direct relation to business, but it is not business. For detracting from patronage, either individually or collectively, workingmen can no more be charged with destroying business than can competitors who build up their business at the expense of others engaged in the same line. Workingmen have the right to pursue policies for their welfare which may entail losses by employers. To be sure, the employer has a right to his property and a right to do business, but the latter is a general right. He is not guaranteed the right to be protected against all hazards in a particular business. That is the principle involved in the reduction of the tariff, even though that may mean some decrease in the employers' or other business men's profits.

"Whenever the activities of organized labor have raised new issues and problems or brought precedents into question, rather than adjust to meet new ideas and new conditions and blaze out newer and straighter paths to justice, judges and lawyers have applied the well-nigh threadbare dictum 'criminal conspiracy,' and have followed figuratively if not literally the old legal maxim 'when in doubt, hang the prisoner.' Legal fiction and misunderstanding have placed restrictions upon individual freedom through which it is hard to break.

"Since the Sherman antitrust law has been so interpreted as to increase these limitations, labor has found the right to unite for mutual protection but a mere legalistic expression. The law as now interpreted has the effect of crippling and enervating labor organizations and of prohibiting the exercise of necessary activities. What we seek is not special privilege, immunity from prosecution for crimes, but the right to do those things necessary to organizations accomplishing a real work for human workers.

"In regard to another point made by opponents, namely, that the Bartlett-Bacon bills, if enacted into law, would be regarded as unconstitutional, your attention is respectfully called to the exemption provision of sections imposing a tax on corporations embodied in the tariff law of 1909, approved and signed by Mr. Taft, then President. That proviso is as follows:

"*Provided, however*, That nothing in this section contained shall apply to labor, agricultural, or horticultural organizations, or to fraternal beneficiary societies, orders, or associations operating under the lodge system, and providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations, and dependents of such members, nor to domestic building and loan associations, organized and operated exclusively for the mutual benefit of their members, nor to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes, no part of the net income of which inures to the benefit of any private stockholder or individual.

"In Flint *v.* Stone, Tracy & Co. the Supreme Court of the United States, in rendering its decision on the validity of the proviso excluding labor and other organizations from this corporation tax, anticipated the objection raised by opponents. The court decided thus:

"As to the objection that certain organizations, labor, agricultural, and horticultural, fraternal and benevolent societies, loan and building associations, and those for religious, charitable, or educational purposes, are excepted from the operation of the law, we find nothing in them to invalidate the tax. As we have had frequent occasions to say, the decisions of this court from an early date to the present time have emphasized the right of Congress to select the objects of excise taxation, and within this power to tax some and leave others untaxed, must be included the right to make exemptions such as are found in this act.

"That there is nothing novel or pernicious in provisions of this nature is further proved by the tariff law recently enacted by Congress. That law contains, in the section dealing with the income tax, the following provision:

"*Provided, however*, That nothing in this section shall apply to labor, agricultural, or horticultural organizations, or to mutual savings banks not having a capital stock represented by shares, or to fraternal beneficiary societies, orders, or associations operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system, and providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations, and dependents of such members, nor to domestic building and loan associations, nor to cemetery companies, organized and operated exclusively for the mutual benefit of their members, nor to any corporation or association organized and operated exclusively for religious, charitable, scientific, or educational purposes, no part of the net income of which inures to the benefit of any private stockholder or individual, nor to business leagues, nor to chambers of commerce or boards of trade, not organized for profit, or no part of the net income of which inures to the benefit of the private stockholder or individual, nor to any civic league or organization not organized for profit, but operated exclusively for the promotion of social welfare.

"Nor is this the only example—all annual incomes under $3,000 are exempt; the tax itself is graduated, making the burden not mathematically but really equal and in proportion to ability to pay; the compensation of all officers and employees of a State or any political subdivision thereof is exempt, except when such compensation is paid by the United States Government. In fact, all excise taxation is based upon class differentiations. The question to be considered is not whether a distinction is made, but whether the distinction is founded upon a real difference, and whether the results from recognizing the distinction would promote the welfare of the greatest number.

"The opponents of the legislation labor seeks assert that the principal activities and methods of organized labor are destructive and subversive to orderly progress. Quite the contrary is true. To be sure, things have been done by some connected with the labor movement which all right-thinking people deplore. These excrescences have been featured by the sensational and hostile press. The undue prominence given them tends to minimize or obscure the constructive, permanent, fundamental work of the movement. This side is often wholly hidden from persons whose lives do not come in contact with those who work in the ditches, the mines, the factories, and wherever the burden of toil is borne by those who can not enter the easier places.

"This labor movement is a real, vital expression of human need and hope; it must conform to life as it is, and though it hopes to establish better things, it can not deal with men and present conditions as though they were ideal. The men and women in the movement are human beings with all the passions, frailties, and possibilities of human nature. Is what they are and do not due, in a large measure at least, to existing social conditions? If they have at times done that which they should not, it has not infrequently been because they had been made desperate by denial of justice, and because protective measures had been declared illegal by those in judicial and political control. As the thoughts of men have widened, practices and acts which had been held illegal have been legalized. The working people have won many such victories; by the adoption of the legislation under consideration they seek to establish recognition of the right to effective collective action not in itself unlawful.

"Our opponents simulate great alarm as to the disastrous effect of the boycott. But is that such a new and anarchistic device? Quite the contrary. It is a weapon that has been successfully used for good purposes by men of all times. Our Revolutionary fathers used it most effectively to defeat what they considered the unjust demands of the English Government. It may be interesting here to call attention to the placards reproduced in the second volume of Hon. Woodrow Wilson's History of the American People, which illustrate the point so nicely. The one on page 159 is an 'unfair list'; on page 162 is a 'conspiracy' agreement; on page 173 an unmistakable boycotting poster, though conceived in patriotism and ended reverently with 'forever and ever, amen.'

"The boycott per se is not evil. Its purpose and the means employed to make it effective determine whether it should be given praise or condemnation. It has been used for innumerable purposes by all classes and kinds of people. Nor are the 'interests' adverse to these devices used by labor organizations. A short time ago the Missouri Legislature repealed a law legalizing rates filed in accordance with the statute, thereby

reviving the State antitrust law. Ten insurance companies promptly withdrew from the State. Later the agents of over 100 companies were instructed by their respective superiors to do no more business in the State. That policy of the companies is to all intents and purposes a strike, ceasing to do work until their demands shall have been granted. There are innumerable illustrations of effective boycotts prosecuted by certain interests against other interests—for profit.

"Organizations to promote temperance, prohibition, and like purposes, in making a campaign against the liquor traffic, are trying to institute an effective boycott against the liquor interests. The efforts of the Consumers' League to create a public sentiment hostile to establishments, business houses, factories, which pay low wages, fail to provide seats, conveniences, and sanitary conditions for their employees, and then to give this sentiment expression by refusing to purchase articles without the label which guarantees "fair" conditions of production, are, in the last analysis, a boycott against establishments where low standards prevail.

"The boycott in itself can not, therefore, be condemned as pernicious, illegal, or as a class weapon. But opponents insist that if the Bartlett-Bacon bills, or the principle embodied in them, are enacted into law there would then be no recourse under existing law for violence or lawlessness in connection with a strike or lockout. As a matter of fact, existing Federal and State laws now provide penalties for violence or crime committed by persons whether in connection with a strike, lockout, blacklist, or boycott, with any other activity, or due to any other cause.

"Acts of violence and crimes can be and are punished under proper laws made and provided to meet them. No one need fear but that all crimes of workingmen will be duly punished. It is not immunity from such punishment that labor asks, only exemption from a statute which was not intended to and should not apply to it, and which was framed to regulate an essentially different kind of organization.

"Opponents usually say that the workingman may strike, agree to strike, and apply the direct boycott, but when it comes to going further and so acting as to impede and obstruct the natural and lawful course of trade in this country, then they say he shall stop.

"That sounds well to those who can be content with mere phrases and paper declarations, but to those who know and who have felt the power of the invisible forces working in and through the Government it is but an empty platitude, an expression of theoretical or academic rights which lack the effectiveness of reality. It is the old, old story of the employers who approve of unions, but only of unions that do nothing.

"The workingman shall not interfere with the 'natural and lawful course of trade.' Forsooth, is there any trade independent and uninfluenced by some human agency and directing control? Is not its course determined by these human agents for their own satisfaction and benefit? If these agents who are now accorded by law limited powers to regulate and manipulate trade, and who, by the domination of wealth, corrupt bargains, and secret agreements, exercise unlimited power over trade for personal interests, is it equitable that the workingmen shall be barred from exercising control of themselves and their normal activities? The statement of our opponents which I have quoted is akin to the phraseology of the old-time idealistic sciences, the 'natural' man of the political-rights school of thought, the 'economic' man of the early economists, the 'average' man of statistical theories—straw creatures like unto nothing seen upon the earth or in the spaces above or beneath.

"Even Senator ROOT, scarcely recognized as a leader of progressive legislation, in the first of a series of lectures on 'The essentials of the Constitution,' which he delivered last year at Princeton University, thus acknowledged the domination of the interests in political affairs:

"All of these new political methods are the results of efforts of the rank and file of voluntary parties to avoid being controlled by the agents of their own party organization and to get away from real evils in the form of undue control by organized minorities with the support of organized capital.

"Government was first organized to protect property. Property owners and wealth possessors long controlled and directed it. With changing social and economic conditions, with the development of the social conscience, men have realized that political agencies may be made to serve social ends, hence all should participate in the government, and that the welfare of all may be secured in that way. The courts have been especially backward in recognizing the rights secured by legislation. As in the Danbury Hatters' case, the Supreme Court applied the Sherman antitrust law to the union and found a 'conspiracy in restraint of trade' for three reasons: A strike at the factory, collective bargain agreements by which 70 out of the 82 hat factories of the country agreed to union shop conditions, and a boycott of the hats of the Danbury firm. It is evident from this that theoretical rights do not always constitute real rights. The hatters were confronted by the following alternatives:

"First, for the Loewe Co., with which the dispute arose, to pay whatever wages it pleased to its workmen, to force its employees to toil a longer working day, and to impose any other conditions at variance with those prevailing in the trade without resistance or strikes on the part of the union, and thereby to encourage other employers in the trade to follow the same policy, and even creating the necessity for their cutting wages, increasing hours of labor to meet the conditions prevailing in the Loewe establishment; or

"Second, for the hatters to do as they wisely and justly did, to exercise their lawful, constitutional, and inherent right to quit work, to strike, and to endeavor to persuade their fellow citizens and friends to give their patronage to hat manufacturers disposed to be more just in their dealings with their employees, and thus to maintain a higher general standard of life afforded by the conditions prevailing generally in the trade.

"As George W. Alger says in his book, Moral Overstrain, in discussing some equivocal rights of labor:

"Stated as concretely as possible, the principal difference between the working people and the courts lies in the marked tendency of the courts to guarantee to the workman an academic and theoretic liberty which he does not want, by denying him industrial rights to which he thinks he is ethically entitled. His grievance is that in a multitude of instances the courts give what seems to him counterfeit liberty in place of its reality.

"The workman does not want the vain liberty so often declared to him by the courts, of throwing up his job and looking for another. He does not take kindly to the judicial affirmations to him of the right to be maimed without redress, or to be killed by his employer's indifference to his safety. His grievance is not directly with the courts and law. The workman knows little about the law, and most of what he understands he does not like. He objects to the economics on which those killing decrees are rendered against him. He does not call it economics, but at the bottom the real trouble, from the workman's point of view, is the blindness of courts, which do not seem to notice or to understand the social and economic conditions under which he has to work. For the law still embodies in these decisions an outworn philosophy, the old laissez faire theory of extreme individualism. * * *

"The whole point to be noticed is simply this, that by the working-class ideal of liberty a special demand is made on the law—a demand more frequently refused than granted. What it demands from the courts is the recognition and protection, and at times the creation, by law of the workers' economic rights. The law, on the other hand, guarantees to him the ancient and largely negative individual liberty, freedom from legal restraints, the right to do any unforbidden thing he wants to—if he can—and tells him to shift for himself for his economic rights. The workers' discontent with the law lies in the fact that it guarantees him individual and not social or industrial freedom.

"The Hatters' case was retried last year, and the men again found guilty of 'illegal conspiracies' because they tried to establish a minimum standard of wages and conditions for all the workers in the trade and because they determined to withhold their patronage from an unfair firm which refused to conform to the union wage scale and conditions prevailing in the trade. For these reasons their little property holdings and deposits were levied upon and held to satisfy the threefold damages allowed by the antitrust law.

"Recently the Supreme Court of Errors of Connecticut, in Conners *v.* Connelly, rendered a decision ignoring the difference between trusts and labor organizations and declaring that there is danger in a monopoly of 'anything' of which there is common need. Though a laboring man may be very humble, yet he is not a thing. The whole opinion is reasoned from that false hypothesis. It ignores the economic necessity for collective bargaining and ignores the difference between that human act and a monopoly or a trust in material things. The toilers grow weary and restive under laws and courts that promise them the rights of men, but judge them as 'things.' How long must they ask for relief?

"In addition to the instances already cited, in which men of labor were indicted under the criminal provisions of the Sherman antitrust law because they sought to protect and advance the interests of their fellow workers as workers, proceedings were brought against the Electrical Workers' Unions of Chicago, Ill. Since then the officers of the coal miners' unions were indicted under the provisions of that law, and for no other reason than that already mentioned.

"Federal district attorneys and grand juries make so-called 'investigations' of the normal activities of workers to see whether some indictment or other process can not be employed to estop the workers from protecting their rights and their interests against conscienceless employers. These investigations, at the least, result in harm to the workers by harassing the organizations of labor and leaving them with a burden of

expense in legal defense. These prosecutions—which may better be termed persecutions—should come to an end. They can be ended by the enactment of the Bartlett-Bacon bills.

"Unless the principles involved in this discussion are promptly and effectively enacted into law, securing to the working people freedom to unite for the purpose of safeguarding and exercising recognized rights necessary for their physical protection and the development of those qualities which determine their very being, the sense of injustice already stirring abroad in our land will be fostered by even a greater reason for existence.

"The working people of our country ask nothing in the form of legislation—the subject we are discussing—that is not already statute law in Great Britain, for in 1906 the British Parliament enacted the British trade-disputes act, which has been quoted.

"The specific applications of the Sherman antitrust law to labor organizations have done violence to the right to strike—to cease work collectively—with all that that involves, and the right to withhold patronage and to agree to withhold patronage. The issues in this legislation involve the same principles found in our contention against injunction abuses, namely, there is no property right which an employer has or can have in the labor power or the personality of another citizen—a workman. In a hearing before a subcommittee of the Senate Committee on the Judiciary during the last session of the Sixty-second Congress I presented some reasons why the law should be amended to protect workmen from present abuses. I had incorporated in the record documents substantiating the position of labor. They are as follows:

"Why Injunctions Should not Apply. Edward J. Livernash.
"Trial by Judge and Jury. Henry C. Caldwell.
"Section 20 from High on Injunctions.
"Arthur et al. *v.* Oakes et al. Opinion by Justice Harlan.
"Contempt Case, Buck's Stove & Range Co. *v.* Gompers, Mitchell, and Morrison. Dissenting opinion of Chief Justice Shepard.
"Injunctions in Labor Cases. David Silverstein.
"The Misuse of Equity Power. Andrew Furuseth.
"Man's Ownership of Himself. Samuel Gompers.
"Government by Law, not Discretion. Samuel Gompers.
"Essence of Labor's Contention in the Injunction Abuse. Samuel Gompers.

"Another presentation of this same principle is found in the address of Mr. Jackson H. Ralston, made before the American Academy of Political and Social Science and published in The Annals July, 1910.

"My presentation of the cause of organized labor has not been from the legal viewpoint, for I am not a lawyer. But even could I present the legal phases, I doubt whether that would aid in determining justice for the workers. Often justice is obscured in the mazes of legal theories and technicalities. The law is not an unfailing source of justice; it can only approximate that ideal as it is rendered flexible enough to adjust to new conditions and needs. That is what we ask for in the legislation we seek.

"It is not my purpose to present here a legal argument in defense or in furtherance of labor's position with respect to the principle involved in legislation of this character, nor can I herein make a full sociologic or economic presentation of the subject.

"The legislation sought—that is, the enactment of the principles embodied in the Bartlett-Bacon bills—is one of deep concern to the workers of our common country. It lies very close to their hearts and vitally affects their rights, their interests, their progress.

"A sense of duty and of the obligations devolving upon me as a citizen, a man, a worker, as well as president of the American Federation of Labor, impels me to impress in this form the thoughts, the hopes, and the aspirations of the toiling masses of America, to whose welfare it has been my good fortune to devote the best efforts of which I am capable. It is this sense of duty and obligation which impels me to submit in this way, perhaps rather voluminously, something of the information and experience I have upon the subject under discussion. It is a duty not only to the toilers of America, to its citizenship, but also to the representatives of the people, their governmental agents, in the interest of the great principles upon which our Republic is based, to present the cause of justice and human welfare. That the facts and the arguments herein set forth may be available to all in determining their course upon this issue, fraught with such tremendous possibilities for weal or woe directly to the millions of working people and generally to all the people of our common country, is my warrant for the length of this statement.

"It is earnestly hoped that the appeal may not be in vain and that the legislation sought may be promptly enacted."

The Mexican Situation—Its Problems and Obligations.

EXTENSION OF REMARKS

OF

HON. FRANK W. MONDELL,

OF WYOMING,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, April 11, 1914.

Mr. MONDELL. Mr. Speaker, I take advantage of the privilege granted me to extend my remarks in the RECORD to place in the RECORD an address which I delivered before the American Association of Political and Social Science in Philadelphia, Pa., on Friday, April 3, 1914, on the Mexican situation.

The said address is as follows:

"Our relations with the Government and the people of Mexico are controlled and effected by three somewhat distinct elements of relationship and obligation. They are:

"Primarily, the reciprocal duties and obligations incumbent on all civilized nations and enjoined by international law and usage.

"Secondly, those duties and obligations and the problems they present as effected by the fact that we are Mexico's only important immediate neighbor and, as Secretary of Foreign Affairs Gamboa puts it, 'Mexico's nearest friend.'

"Finally, those duties and obligations as enlarged by the responsibilities we have assumed under the Monroe doctrine.

"The maintenance of a correct attitude toward the Government and people of Mexico is rendered the more difficult by reason of the fact that our proximity to Mexico tends to make our border people partisans in case of civil strife in that country and multiplies the opportunity for and the likelihood of losses and injury to our citizens and their property under unsettled conditions. On the other hand, this intimate relationship and the responsibilities we have assumed under the Monroe doctrine as applied to Mexico increase the importance of the maintenance of a correct and defendable attitude in our dealings with that neighboring State.

"A brief résumé of recent occurrences in Mexico may aid in elucidating the character of the problems there and our relation to them.

"The unfortunate Madero revolution started from our border. The Diaz government which it overthrew had, in my opinion, abundant ground for criticizing our failure to exercise proper precaution to prevent the hatching and launching of revolutionary movements aimed at the life of a neighboring friendly power. However that may be, the revolution was successful and was promptly recognized by our Government. But the Madero government was destined to be short-lived. Undermined by plots and conspiracies and overpowered in the seat of government, President Madero was forced to resign and Huerta was proclaimed as provisional President two weeks before the close of the Taft administration.

"For more than a year the government of which Huerta is the head has exercised practically unchallenged jurisdiction over 23 of the 31 political subdivisions of Mexico, including the capital city, covering more than two-thirds of the territory and three-quarters of the population of the Republic.

"That government has in the main maintained order and protected life and property in the extensive and populous regions under its control. A very large portion of this territory has at no time been seriously disturbed, and the orderly processes of civil government have been but little affected by the civil strife which has been in progress elsewhere.

"The government of Mexico under Huerta has long been recognized by most of the powers of Europe, and has apparently faithfully endeavored to fulfill its international obligations. The attitude of this government toward our own, even under the trying conditions we have established, of unofficial communication through various intermediaries, has been straightforward, frank, and remarkably free from ground for criticism.

"The conspiracies and conflicts which preceded the inauguration of the government of Huerta, the lamentable assassination of ex-President Madero, which stained the first days of its establishment occurring, as these events did, but a few days before the close of the Taft administration, made it incumbent on the outgoing to leave the incoming administration free to deal with the situation unembarrassed by prior act of recognition.

"The new administration adopted an attitude which the President later referred to as one of 'watchful waiting.' How

watchful it was must remain a matter of opinion; that it was one of waiting can not be disputed.

"But this attitude of 'watchful waiting' was not maintained down to the time when the President so characterized the attitude of his administration. The policy of our Government was substantially modified when the President sent John Lind as his personal representative to, as the President phrased it, 'those who are now exercising authority or wielding influence in Mexico.'

"This mission modified our attitude from one of 'watchful waiting' to one of energetic advice, or meddlesome interference, depending on how one views it. The unusual nature and remarkable character of the demands made were very forcibly pointed out in the spirited reply of Secretary of Foreign Affairs Gamboa. The declaration by those 'exercising authority' in Mexico of the impracticability of fully acceding to the President's demands was followed by another period which might, perhaps, be properly called 'watchful waiting.' This, however, did not long continue.

"A radical change in our attitude was clearly indicated by the President's message delivered to Congress December 2, 1913, in which he declared, in effect, that the government exercising authority over the major portion of Mexico would never be recognized or dealt with by our Government so long as Huerta was at the head of it, no matter how extensive its authority or control might be, because, he said, this is a military despotism and we are the friends and champions of constitutional government in America. One will search the annals of American history in vain to find such a note of personal prejudice and individual ill will toward the head of any Government as is found in the language with which the President makes these declarations and in which he predicts the downfall of what he calls a 'precarious and hateful power.'

"Some time after the delivery of this message of the President, the predicted overthrow of the Huerta government not having occurred, the embargo on the shipment of arms into Mexico was raised, with the explanation and declaration that there now existed no constitutional government in Mexico entitled to the benefits of that embargo.

"Up to the time of the dispatch of John Lind with his very extraordinary instructions to 'those exercising authority' in Mexico our attitude, while open to criticism as to its wisdom, was undoubtedly not censurable from the standpoint of international usages. The demands contained in Mr. Lind's instructions upon those 'exercising authority' in Mexico did, however, unquestionably establish a new precedent in our international affairs, while the declarations contained in the President's December message, to which I have referred, involve a radical departure from the past policy of our Government in dealing with the Republics on this continent.

"One of the primary obligations resting upon civilized Governments is to abstain from meddlesome interference with the internal and domestic affairs of other nations. It is true we are the friends of constitutional government; we are also its champions, as the President states, but we are under no obligations and have no right or authority to determine what constitutes constitutional government in other countries. On the contrary, we are bound by our international obligations, while favoring the establishment of governments which we deem to be constitutional in form, to recognize such governments as foreign peoples may establish, maintain, and give their adherence to.

"We are certainly getting on dangerous ground when we in effect declare that we shall refuse to have official relations with any government, no matter how well established or how long maintained, unless it be a constitutional government according to our interpretation. When we further assume the right to pass not only on the legitimacy of governments, without regard to the extent, character, or permanence of their authority, but to dictate who shall preside over them, we have assumed an international task that will keep us very busy and much embroiled in the future.

"Our national policy in the recognition of governments has been well defined and uniformly adhered to.

"In 1830 Secretary of State Van Buren wrote to Mr. Brown, our chargé d'affaires to Brazil, as follows:

"Your business is solely with the actual Government of the country where you are to reside, and you should sedulously endeavor to conciliate its esteem and secure its confidence. So far as we are concerned, that which is the government de facto is equally so de jure.

"The Government of Juarez in Mexico was recognized by President Buchanan, though not in possession of the capital, on the ground that it was 'obeyed over a large majority of the country and the people.'

"President Pierce, in a message to Congress of May 15, 1856, relative to the situation in Nicaragua, said: 'It is the established policy of the United States to recognize all governments without question of their source or organization, or of the means by which the governing persons attain their power, provided there be a government de facto accepted by the people of the country.'

"Secretary of State Evarts, in a letter written in 1879 to our representative in Venezuela, Mr. Baker, stated that recognition of a government did not depend on its constitutionality; that as our international compacts and obligations were with nations rather than political governments we should be watchful lest our course toward a government should affect our relations with the nation.

"In 1899 Secretary Hay authorized our minister to recognize the Government of Castro in Venezuela 'if the provisional government is effectively administering the government of the nation and in a position to fulfill international obligations.'

"Mr. Hill, Acting Secretary of State, in a letter of September 8, 1900, to Mr. Hart, United States minister at Bogota, stated that it had been the policy of the United States for more than a century 'to base the recognition of a foreign government solely on its de facto ability to hold the reigns of administrative power.'

"These are a few of the many declarations by our Government of our policy to recognize a government fully established exercising control over the major portion of a nation and disposed to meet its international obligations.

"The Italian historian, Ferrero, in a recent review of the Mexican situation characterized our present attitude toward Mexico as one of masked or indirect intervention, an attitude he said was accomplished 'by giving support to one of the two parties at war, generally the weaker one.' In the present case this masked or indirect intervention has been accomplished by giving aid and comfort to every foe of law and order in Mexico, like Zapata, and every enemy of those whom the President has recognized through Mr. Lind as 'exercising authority' in Mexico. It has been done by withholding recognition from the Huerta government, by demanding its virtual overthrow, by continued official prediction of its early downfall and, later, by encouraging the sale of arms and munitions of war to its enemies.

"These acts are of a character which might easily prompt reprisal on the part of the Mexican Government. As a matter of fact, however, they have apparently failed to affect or disturb the very proper attitude of that Government toward ours, or to change or modify its disposition and purposes to protect, as far as possible, our citizens and their property in the regions over which that Government exercises jurisdiction.

"I realize that the American people are not at this time particularly concerned as to the propriety, according to the usages of international intercourse, of the acts and attitude of our Government toward the Government and people of Mexico. I doubt if they are particularly solicitous over the question as to whether or no the attitude of the administration toward the Government of Mexico, in indirectly intervening in favor of its enemies, may be a straining of the authority of the President in dealing with international affairs.

"An overwhelming majority of the American people are, however, sincerely anxious to see peace established and are earnestly solicitous to avoid the necessity of armed intervention in Mexico. They have, therefore, a lively interest in knowing whether the attitude of our Government toward Mexico is one calculated to aid in establishing peace and averting the necessity of intervention.

"In a speech I delivered in the House of Representatives on Friday, February 27, 1914, I said:

"I am persuaded that the acts and attitude of our Government have had the effect of prolonging and extending the lamentable condition of appalling disorder and distress which prevails in Mexico; that a continuation of our present policy, or lack of policy, tends to retard indefinitely the establishment of orderly conditions and constitutional government, and will eventually, if persisted in, compel armed intervention, with its inevitable horrors and calamities.

"Let us examine the situation for a moment with a view of determining whether the views thus expressed are well founded. The President, in his message of December 2, said, 'Mexico has no government,' and declared that Gen. Huerta, who is exercising an authority which the President himself has recognized, must surrender that authority. It is true that if Huerta were to eliminate himself from the affairs of Mexico and some one else were to take his place who Zapata, in the south, and Villa, Carranza, and other lesser chieftains in the north would all acknowledge and give loyal adherence to, and no other aspiring revolutionary chieftain appeared, the miracle of thus establishing order might be accomplished.

"Such an arrangement would still leave our administration confronted with the embarrassment its recently announced doc-

trine relative to constitutionality would present. Assuming that difficulty could be overcome, no one familiar with the situation has the slightest notion that such a program of general conciliation and unanimous self-effacement on the part of the rival leaders could be carried out. There can be no doubt in the mind of anyone who has followed the developments in Mexico but what the warring leaders and factions must, some of them, at least, be eliminated or persuaded by force before there can be a full restoration of peace.

"Assuming that the demand of our administration for the overthrow of Huerta and the government of which he is the head is accomplished by the united forces of the so-called constitutionalists in the north and the outlaw Zapata in the south, is there any ground for hope that in such a contingency order and constitutional government would be speedily established in Mexico?

"Is there anything in the character or past record of the so-called constitutional chieftains to justify the expectation that they could or would even attempt to establish a government which would meet its international obligations or be satisfactory to the majority of the people of Mexico? One must be sanguine indeed who can bring himself to believe that the people of southern and central Mexico and the strong and influential men of the nation, the vast majority of whom now give at least nominal adherence and support to the government of Huerta, would approve or support a government established by the joint efforts of Villa and Zapata, even though presided over by so well-intentioned an individual as Carranza is reported to be.

"Our quite general approval of the unfortunate Madero, our abhorrence of the manner of his untimely taking off, and our natural and proper disposition to hold those at the head of the Huerta government responsible for that act inclined our people to approve, for a considerable period, the withholding of recognition, the refusal to officially recognize the Huerta government. The time came, however, when the refusal to formally recognize a government, for the time being at least, firmly established, widely supported, reasonably fulfilling, or attempting to fulfill, its international obligations involved not only a compete reversal of our national policy, but a surrender of the only adequate means of protecting our citizens in Mexico and their property and of fulfilling the obligations we have assumed under the Monroe doctrine toward the property and citizens of other nations.

"It is not only not denied that our refusal to recognize the Government of Mexico under Huerta has greatly handicapped that Government in securing the means for restoring order throughout the Republic; our administration has gloried in that fact and prophesied the early downfall of the Mexican Government as a result. Our attitude, therefore, has confessedly lengthened the period and increased the violence of disorder in Mexico. If the present Government in Mexico be not a constitutional government, the extension of its authority over all of Mexico would not make it so. When, however, we compare the very general protection of life and property which has prevailed in the territory controlled by the Huerta government with the confiscation, plunder, murder, rape, and rapine which has in many localities characterized the victories of the opponents of that government, we shall find abundant ground for the belief that our duty to aid and encourage the establishment of peace and order in Mexico would have been better performed had we taken the usual course of recognizing conditions as they are, the Mexican Government as it exists, and holding it responsible for the protection of life and property throughout the Republic.

"No one familiar with the situation in Mexico believes it possible, out of the conditions of turmoil and disorder which now exist there, to bring at once a government of unquestioned constitutionality, perfect in its aims and personnel. Only a strong arm and a determined purpose can establish order there. If we persistently use our influence to weaken the strong arm of the Government and to encourage further revolution we are following a path which will inevitably lead us to the point where we must be the strong arm which restores order. Our present attitude, therefore, is one which leads to intervention as certainly and inevitably as though it were thus planned and purposed.

"The only way in which we can hope to reasonably perform our duties and obligations and avoid intervention in Mexico is to cease giving aid and comfort to the guerrilla forces, the outlaw chieftains, the well-meaning figureheads of revolution, masking under the guise of constitutionalism, and return to the usages of international law and our long-established policy and look to the Government which is in authority to establish order and protect life and property."

Panama Canal Tolls.

REMARKS
OF
HON. JAMES T. LLOYD,
OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. LLOYD. Mr. Speaker, I voted for free tolls to vessels engaged in the coastwise trade of the United States passing through the Panama Canal, in May, 1912. In July thereafter the Baltimore convention adopted a plank in its platform in these words:

> We favor the exemption from tolls of American ships engaged in coastwise trade passing through the canal.

Following the action of the convention indorsing the free-tolls proposition, the Senate passed the bill sent to it from the House, and the provision became a law. My action and those with whom I voted was ratified by the Democratic convention, and during the campaign which followed President Wilson in a strong speech indorsed that plank of the Democratic platform and commended it to the people of the United States by his unqualified approval.

Since the November election, in 1912, the views of other nations with reference to what is known as the Hay-Pauncefote treaty have been ascertained, and there is no doubt but what they insist that in providing free tolls for coastwise vessels this Government is violating its treaty obligations. The portion of the treaty which pledges equal treatment to all nations was made with England, and is in the following language:

> That the canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

It was my judgment in 1912, and is now, that the United States has the right to provide free tolls for its own vessels under this treaty if it sees fit to do so; but my candid judgment is that our country can not afford to insist upon this interpretation of the treaty when it is understood that every other nation believes that the treaty voluntarily made by our Government agreeing to equality in use with all other countries is violated and that our country is in honor bound to live up to its contract. There are no people on earth who are more honorable in their dealings than the people of this Republic. No loyal, patriotic citizen would repudiate a contract, and in dealings with the nations of the world no true citizen would have it said, as the declaration is now repeatedly made here and in other countries, that the American Government can not be relied upon to carry out its contracts. It is the duty of the Government to pursue its course of strict integrity in this matter, as in every other, so that the nations of the world will have the utmost respect for any contracts that the Government may make. I rejoice in the traditions of our fathers; I am proud of the achievements of this Republic; I am gratified at the high place that our Government occupies amongst the nations of the world, and I would not, in the matter of so little consequence as this, lower the standard of integrity or lessen the confidence that the nations of the world have in our Republic. It has in the past been an example of the highest type of morality. The Nation itself, like the people who live in it, is willing to carry out its obligations at any cost, and I would not wish to be a party to any kind of action that can be construed as a blot upon the splendid record that has been made. This question rises far above partisanship. We must have the respect of the nations of the world if we desire to live at peace with them and secure their confidence in our commercial and international relations.

It takes much of courage for the President to violate a platform declaration of his party and reverse the position which he himself has assumed, but this is one of the highest evidences of exalted patriotism and high conception of duty that he has the courage to do so when convinced that it should be done.

No man can afford to violate the pledges of his party platform unless some unforeseen condition arises which makes it necessary to do so, or in some international complication where the honor of the Republic and its relation to the nations of the world is presented. The President in his message to Congress

makes it plain that, on account of international complications and the criticisms of other nations against what they charge as a violation of a solemn treaty, it becomes necessary to meet the situation and to avoid conditions which the President says he can not meet without serious embarrassment that the position of the United States with reference to tolls in the coastwise trade shall be reversed. Under existing law no foreign ship can engage in trade from port to port along our coast. There has grown up as a result of this situation a shipping monopoly, and the information obtained since 1912 by the various commissions and committees which have investigated the subject shows the worst monopoly in the United States to be the Shipping Trust, and that monopoly is largely controlled by the two great interests in this Republic—the Standard Oil Co. and the Steel Trust.

It is shown now beyond question that the exemption of tolls to the coastwise trade will result in great benefit to this shipping monopoly and will foster the interests of other great trusts, to the detriment of the interior of the country.

In casting my last vote on the tolls proposition, I followed the course of the President and accepted as true his statement that international conditions made it necessary to reverse the action of this Government on that proposition. I did it as a patriotic act, because in dealing with the nations of the world partisanship must be forgotten; the administration must be upheld. In every crisis of the past the loyal American citizen has come to the rescue of the Republic and followed the course of the President, whether he believed that the views of the President with reference to local matters were right or not. American citizens may differ in their ideas and policies as to the Government of our own country, but in our relation to the nations of the world, either in war or peace, our country has stood by the administration, upheld its policy, and showed by its course its loyalty and devotion to the Republic itself. The highest type of patriotic devotion, the strongest evidence of genuine affection for the Republic, is shown by the individual who is willing to violate his party pledge, who is willing to forego his personal views as to local considerations, and is ready to meet the demands of the Republic in its relation to the nations of the world. In pursuing this course the American citizen shows no truckling disposition, but that higher evidence of genuine loyalty which would cause him to give life, if needs be, to maintain the honor and integrity of the Republic.

I am a partisan of the strictest kind. I believe it is fortunate for the Republic that there are political parties within it. I have always been devoted to my party and believe that its success means most in securing the rights of our people and in carrying out the principles for which our fathers contended. I believe the good of this Republic is best conserved by the success of the Democratic Party. I believe the carrying out of its teachings and the administration of the laws under its leadership means most for the well-being of every citizen of the Republic. I am also convinced that every man should be so devoted to his country's cause that whether in war or in peace he should be willing to make sacrifices for his country's good. And if in this emergency it is a sacrifice to require that American ships passing through the canal shall pay tolls, why not make the sacrifice for the good that will come to the Republic in maintaining the high moral standard which it has always enjoyed in its relations to the nations of the world? My candid judgment is that it is the most powerful Nation. Its example is the most potent of any country on the globe, and I am anxious that it shall continue to be the one bright star that encourages the oppressed in all the nations of the world to hope for better conditions on account of the example that our country has continually set to the world.

It was said in the long ago that "righteousness exalteth a nation" and that "sin is a reproach to any people." Righteousness demands that this Government shall carry out the contracts which it makes and that it shall abide by the reasonable construction which may be placed upon them by all other nations, rather than by the narrow view of its own selfish interest.

Learned men in the United States, and many of them, insist that the interpretation of the contract has been properly made by the other nations, and certainly there is ground for that position. Under the circumstances it seems to me that it would certainly be wise to accept the interpretation which gives to the other nations that equality of privilege in the use of the Panama Canal which they claim under our contract is their right, and avoid the charge of bad faith against our Government. I am convinced that I should stand by the President, who has done so well in the performance of his duty, and not abandon him in this international crisis in which he is trying to uphold the integrity of our country.

Panama Canal Tolls.

SPEECH

OF

HON. J. A. FALCONER,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914,

On the bill (H. R. 14385) to amend section 5 of "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone," approved August 24, 1912.

Mr. FALCONER. Mr. Speaker, the necessity of keeping faith in matters of contract is essential to integrity. The inference by the Democratic administration that previous Congresses and Presidents violated the canal treaty is unwarranted.

There may be a question of economics involved, but there is little room for difference of opinion as regards the turning over of the sovereignty of the United States in the Canal Zone to Great Britain.

What are the relative positions of the United States and Great Britain in this treaty question? Article 3 of the treaty reads:

The United States adopts, as the basis of the neutralization of such ship canal, the following rules—

Not Great Britain and the United States adopts, but the United States adopts.

RULE 1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

After a thorough consideration does anyone hold that the United States is to be included among the nations of the world in observing rules 1 to 6, inclusive? If the United States is bound by rule 1, it is also bound by all the rules under article 3. Would John Hay, upon whom rested the interest of the United States, agree that the United States be bound by rule 3?

Rule 3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary, and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

Or rule 4:

Rule 4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such cases the transit shall be resumed with all possible dispatch.

Or rule 5:

Rule 5. The provisions of this article shall apply to waters adjacent to the canal within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

Mr. Speaker, during the last war in which our country was involved the hearts of patriotic Americans were stirred by the historic trip of the battleship *Oregon*, and, sir, the people of my State are proud of the skill of our workmen demonstrated in the handiwork of the battleship *Nebraska*. Is there a man in the service of the United States to-day, either in or out of Congress, who is so fatally dull as to hold that in the event the experiences of the Spanish-American War were being lived over again and were in process to-day, with the canal in operation, that the *Oregon* or the *Nebraska* would be subject to the "observance of these rules"? Would the officers of either of these ships hesitate to take on stores of coal or ammunition in the Canal Zone? Would they hasten through the canal under "these rules"? Would they hesitate to remain longer than 24 hours within 3 miles of either end of the canal? And would such a man as Commander Clark, or any other red-blooded American naval officer, hesitate for 24 hours after the enemy's ship had departed before advancing in pursuit? Ask Admiral George Dewey. We will not cast reflections upon the sacred memories of Sampson, Schley, and "Fighting Bob" Evans by pressing the question.

The gentleman from Minnesota urges that "these rules" would not apply in time of war on the ground that as a matter of international law "all treaties are abrogated in time of war." Then, sir, why urge that "these rules" were intended to apply to the United States? His own argument shows the weakness of his position.

Is there a Congressman on the floor of the House who would vote $400,000,000 of the people's money to construct a canal that would be subject to such rules? Congress would not do it in 1902 nor would Congress subscribe to such a doctrine in 1912.

Is there a Member here who takes the position that the United States has no right to refuse the privileges named in the rules to any and all nations refusing to observe these rules? As a matter of fact, Great Britain or any nation refusing to observe these rules could and should be denied the use of the Panama Canal in times of peace or war with any opposing nation. Can Great Britain or any other nation on any pretext deny the United States the right of the use of the canal in time of peace or war?

The Congress and President under whom the building of the Panama Canal was initiated and carried on, and the succeeding Congresses and President under whom the canal, practically speaking, was constructed to completion, all unite that the United States has exclusive right to fix tolls on coastwise traffic, and agree with the able diplomat, John Hay, in his position, as shown in his memorandum accompanying the draft of the treaty to the Committee on Foreign Relations of the Senate. In this memorandum he says:

The whole theory of the treaty is that the canal is to be an entirely American canal. The enormous cost of constructing it is to be borne by the United States alone. When constructed it is exclusively the property of the United States and is to be managed and controlled and defended by it * * * The United States alone, as the sole owner of the canal, as a purely American enterprise, adopts and prescribes the rules by which the use of the canal shall be regulated, and assumes the entire responsibility and burden of enforcing, without the assistance of Great Britain or of any other nation, its absolute neutrality.

Further, Mr. Hay, discussing the change in the treaty from the former to the present treaty where the United States alone makes the rules, says:

It was also believed that this change would be in harmony with the national wish that this great interoceanic waterway should not only be constructed and owned, but exclusively controlled and managed by the United States.

Hon. Richard Olney, ex-Secretary of State, discussing these rules, says:

The words under construction are, in substance, the first of a set of six rules adopted by the United States as the basis of the neutralization of the canal. But the other five certainly apply only to parties other than the United States, so that there is the strongest reason for holding that the first of them is to be given a like application. And if the British construction be correct, instead of liberating the United States from all foreign control of the canal and from all duties to foreign powers in respect of its use—except not to discriminate between them—the Hay-Pauncefote treaty compels the United States to reverse its established policy and to devise a plan for subsidizing its own vessels in order that they may have such free and other use of the canal as the United States may decide to be demanded by United States interests.

Many English authorities support the position of those supporting the present law. Hon. C. A. Hereshoff Bartlett, LL. B., referring to rule 1, under article 3, says:

The provision of the treaty referred to means that there shall be no discrimination by the United States against any one foreign nation, or its citizens or subjects, in favor of any other foreign nation, or its citizens or subjects, in respect of the conditions of or charges for traffic or otherwise. "On terms of entire equality" refers to the equality extended to all nations other than the United States; that is to say, it is prohibitive of the United States favoring one foreign nation as against another. Its purpose was to provide that vessels of commerce of all nations foreign to the United States should enjoy the same equality among themselves; but this is quite another thing from saying that vessels of commerce of foreign nations shall enjoy the same equality as the vessels of commerce of the United States, and that the Federal Government can not, without infringing the terms of the treaty, extend the free use of the canal even to its own vessels engaged in the coastwise trade. What else does the expression "there shall be no discrimination against any such nation" mean? It means that no attempt should be made by the Federal Government to promote the interests of one foreign power to the detriment or exclusion of another; that all foreign nations should stand together equal and alike in the use of the canal.

After a thorough discussion of the whole subject, Sir Edward S. Cox-Sinclair sums up with the following:

(a) That the United States can support its action on the precise words of the material articles of the treaty, that its case is strengthened by reference to the preamble and context, and that its case is difficult to challenge on grounds of general justice;
(b) That there is no international obligation to submit the construction of its legislative act to any process of arbitration; and
(c) That any aggrieved party has an appropriate, an impartial, and a competent tribunal in the Supreme Court of the United States.

Mr. Bonaparte, Attorney General for the Roosevelt administration, speaking against the repeal of free tolls, says:

I have a poor opinion of any American statesman who would thus interpret a treaty, especially when, as in this case, the language of the treaty, reasonably understood, is against this interpretation.

Theodore Roosevelt, the greatest American of the day, in the Outlook of January 18, 1913, said:

I believe that the position of the United States is proper as regards this coastwise traffic. I think that we have the right to free bona fide coastwise traffic from tolls. I think that this does not interfere with the rights of any other nation, because no ships but our own can engage in coastwise traffic, so that there is no discrimination against other ships when we relieve the coastwise traffic from tolls. I believe that the only damage that would be done is the damage to the Canadian Pacific Railway. Moreover, I do not think that it sits well on the representatives of any foreign nation, even upon those of a power with which we are, and I hope and believe will always remain, on such good terms as Great Britain, to make any plea in reference to what we do with our own coastwise traffic, because we are benefiting the whole world by our action at Panama, and are doing this where every dollar of expense is paid by ourselves In all history I do not believe you can find another instance where as great and expensive a work as the Panama Canal, undertaken not by a private corporation but by a nation, has ever been as generously put at the service of all the nations of mankind.

But we are not obliged to rest our case on the interpretation of the above authorities. Observe the treaty of 1815 between United States and Great Britain:

No higher or other duties or charges shall be imposed in any of the ports of the United States on British vessels than those payable in the same ports by vessels of the United States, nor in the ports of any of His Britannic Majesty's territories in Europe on the vessels of the United States than shall be payable in the same ports on British vessels.

Nothing is here said of coastwise trade ships.

The above treaty has been in effect for 100 years, yet the port of Bristol, England, charges United States ships 56 cents per ton port charges, while the British ships pay only 20 cents. And the same rule is in operation in the United States, foreign vessels paying 12 cents port charges, while United States ships pay nothing.

The Supreme Court of the United States has passed on the specific point at issue in the case of Olsen *v.* Smith (195 U. S. Sup. Ct. Repts., p. 344), to the effect that international interpretation universally eliminates domestic shipping from the purview of such treaties.

The Texas and Federal laws both exempt domestic vessels from pilotage charges. A suit was brought by Olsen, a licensed American pilot at Galveston, against an English pilot, Smith, who refused to pay pilotage, insisting that the United States was violating the treaty of 1815, above quoted, and I will quote it again, Mr. Speaker, for the benefit of those who insist in quoting "plain English" in rule 1 of article 3 of the Hay-Pauncefote treaty, and ask if this 1815 treaty appears also to be "plain English":

No higher or other duties or charges shall be imposed in any of the ports of the United States on British vessels than those payable in the same ports by vessels of the United States.

The United States Supreme Court definitely and positively rules on the point at issue:

Neither the exemption of coastwise steam vessels from pilotage, resulting from the law of the United States, nor any lawful exemption of coastwise vessels created by the State law, concerns vessels in the foreign trade, and therefore any such exemptions do not operate to produce a discrimination against British vessels engaged in the foreign trade and in favor of vessels of the United States in such trade.

Referring to the logic of the contention, the court said:

In substance the proposition but asserts that because by the law of the United States steam vessels in the coastwise trade have been exempt from pilotage regulations, therefore there is no power to subject vessels in the foreign trade to pilotage regulations, even although such regulations apply without discrimination to all vessels engaged in such foreign trade, whether domestic or foreign.

From the above, sir, where has England the ground for interfering with our domestic shipping? Under the law of 1817 no foreign ships can participate in our coastwise traffic, and, Mr. Speaker, where there can be no competition between foreign and American ships there can be no discrimination.

England is not obliged to use our canal, nor would she if she could find a cheaper route. England permitted France to build the Suez Canal, and then by English economic "skill" possessed herself of practical control and dictated terms and tolls from the standpoint of proprietary ownership. And now, after the United States has built the Panama Canal on United States soil, with United States money, with American ability and brains, Great Britain presents herself at the bar of this House and demands the surrender of American sovereignty.

TREATIES SUBJECT TO CHANGED CONDITIONS.

Mr. Speaker, the Hay-Pauncefote treaty was made and signed in December, 1901. At that time the high contracting parties treated upon the basis that the canal would be built upon territory foreign to the United States; but in the course of events the United States purchased from the Republic of Panama, for $10,000,000 and other valuable considerations, a strip of territory 10 miles wide, or 5 miles on either side of the center of the canal proper. These changed conditions, sir, affect the application of the terms of the treaty. As a matter of international law, there is an abundance of authority sustaining this statement.

Mr. Hannis Taylor, a recognized authority on international law, in the course of a treatise on the subject, says:

So unstable are the conditions of international existence, and so difficult is it to enforce a contract between States after the state of facts upon which it was founded has substantially changed, that all such

agreements are necessarily made subject to the general understanding that they shall cease to be obligatory so soon as the conditions upon which they were executed are essentially altered.

Prof. Oppenheimer, holding the chair of international law in the University of Cambridge, in volume 1, page 550, section 539, International Law, says:

It is an almost universally recognized fact that vital changes of circumstances may be of such a kind as to justify a party in notifying an unnotifiable treaty. The vast majority of publicists, as well as all the Governments of the members of the family of nations, agree that all treaties are concluded under the tacit condition rebus sic stantibus.

One of the greatest English authorities, whose writings are looked upon as the last word in the British foreign office, Mr. Hall, in his work on International Law, section 116, says—

that neither party to a treaty "can make its binding effect dependent at will upon conditions other than those contemplated at the moment when the contract was entered into; and, on the other hand, a contract ceases to be binding so soon as anything which formed an implied condition of its obligatory force at the time of its conclusion is essentially changed.

The gentleman from Minnesota and others have frequently quoted article 4 of the treaty as having direct bearing upon changed conditions referred to above; but, sir, the context of the treaty in its entirety would indicate that the contracting parties to this treaty had in mind only interchange of territory between countries foreign to the United States. There was absolutely no thought of territorial sovereignty by purchase by the United States.

Mr. Speaker, I want to call attention to article 19 of the Hay-Bunau-Varilla treaty, in which the Republics of Panama and the United States are the contracting parties in the year 1903, two years after the Hay-Pauncefote treaty:

The Government of the Republic of Panama shall have the right to transport over the canal its vessels and its troops and munitions of war in such vessels at all times without paying charges of any kind. The exemption is to be extended to the auxiliary railway for the transportation of persons in the service of the Republic of Panama, or of the police force charged with the preservation of public order outside of said zone, as well as to their baggage, munitions of war, and supplies.

Read it again and again my "repealer" friends. Was Great Britain consulted before this treaty was made? No. Did Great Britain interpose an objection? No. As a matter of fact, did not England recognize the international rule, "changed conditions change the effect of treaty stipulations"? Where is the consistency of British diplomacy in passing the Panama exemption and then 10 years later interpose an objection to coastwise exemption of United States shipping? It is a clear case of an easy game for British nerve.

THE QUESTION OF SUBSIDY.

The supporters of the administration's repeal bill persistently evade the real issue, dwelling on the question of subsidy to shipping interests.

Whose money built the Soo Canal?

Whose money deepened the waterways in every seaport and lake port in the United States?

Whose millions have been expended in developing for shipping purposes the great Mississippi and its tributaries?

Whose millions have been expended in developing the harbor of New York City and the harbors of all the cities reaching to the great western metropolis, Seattle?

Whose millions have been expended in the construction of the Panama Canal?

Whose approximately twelve hundred millions of money have been expended in the above worthy developments?

The public's money, sir; and for the purpose of enlarging and perfecting water-shipping facilities in the territory of the United States. If the Panama Canal free tolls is subsidy, so also is Soo Canal free tolls subsidy.

There are men on the floor of the House who are looking forward to and advocating legislation appropriating money for the purpose of constructing the "Lakes to the Gulf" deep waterway. The people's money will pay the bill, and every part of the United States will be taxed for that expenditure.

These expenditures have been and will continue to be made, and wisely made, for the direct purpose of reducing transportation charges in the United States. It is an economic rule the world over that the country with developed water transportation has a magnificent asset. No one factor has added so much to the cost to the American consumer of all products of labor and the soil as has railroad transportation. Mr. Speaker, the railroads are back of this repeal movement.

Since the founding of this Government land and water transportation companies, without common interests, have engaged in opposing contest.

The reading public knows that the transcontinental railroads have persistently, and for half a century successfully, thwarted patriotic effort to construct a water route across Nicaragua; and I venture the assertion, sir, that had Mr. Roosevelt not been President in 1901 to 1908 construction of the canal would not yet be in process.

Fundamentally, the question before Congress is not free tolls, but whether the absolute and single authority obtains to the United States to fix tolls on domestic shipping through the canal.

Has it ever occurred to these "repealers" that the fixing of tolls on the canal, without interference of any foreign nation, could be used as a most effective instrument to break up shipping monopoly in our domestic trade?

Is it possible that gentlemen by yielding to British demands are consenting to subsidy of British ships?

Chargé d'Affaires Inwess's note voicing British protest says:

The proposal to exempt all American shipping from payment of tolls would, in the opinion of His Majesty's Government, involve an infraction of the treaty, nor is there, in their opinion, any difference in principle between charging tolls only to refund them and remitting tolls altogether.

Great Britain takes this position, notwithstanding the fact that signatory parties to the Suez Canal refund Suez Canal tolls in way of a subsidy to their merchant ships. All this, sir, in the face of the fact that the Suez Canal ownership is not entirely owned by one government, while the Panama Canal is entirely owned by the United States. Does it not appear to the administration forces that repeal of free tolls to American coastwise ships would be, in effect, a subsidy to Canadian railroad ships as well as to all foreign ships?

PLATFORM PLEDGES.

Much time has been given in this debate to the subject of broken platform pledges. While to some this appears an important factor, I am going to pass it over by simply quoting remarks by honorable gentlemen on their conscientious scruples in adhering to pledges to the people, also a plank from the Democratic platform, with comments on party platform pledges.

On August 15, 1912, Woodrow Wilson, candidate for President of the United States, regarding free tolls, said:

One of the great objects in cutting that great ditch across the Isthmus of Panama is to allow farmers who are near the Atlantic to ship to the Pacific by way of the Atlantic ports, to allow all the farmers on what I may, standing here, call this part of the continent, to find an outlet at ports of the Gulf or the ports of the Atlantic seaboard, and then have coastwise steamers carry their products down around through the canal and up the Pacific coast or down the coast of South America.

Now, at present there are no ships to do that, and one of the bills pending—passed, I believe, yesterday by the Senate as it had passed the House—provides for free tolls for American ships through that canal and prohibits any ship from passing through which is owned by any American railroad company. You see the object of that, don't you? [Applause.] We don't want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent. * * *

Our platform is not molasses to catch flies. It means business. It means what it says. It is the utterance of earnest and honest men, who intend to do business along those lines and who are not willing to see whether they can catch votes with those promises before they determine whether they are going to act upon them or not.

They know the American people are taking notice in a way which they never took notice before, and gentlemen who talk one way and vote another are going to be retired to a very quiet and private retreat.

Hon. William Jennings Bryan, in a speech before the Pennsylvania State Legislature, May 13, 1913, said:

The fact that we not only have platforms, but that the platform is becoming more specified year after year, is conclusive proof that the people believe in the Democratic theory, and they write their platforms because they believe, and those who run upon them lead the voters to believe, that they believe a platform is binding upon those who stand upon it.

As a believer in the Democratic theory of representative government I desire to announce it as a settled principle not to be questioned in this country that a platform is binding upon every honest man who runs upon that platform. I have heard it said by men after an election that they could not conscientiously support something in their platform, and it raises a very important question whether a man should violate his conscience as a public servant, and I frankly tell you that I believe that no man should violate his conscience, either as an individual or as a public servant. Far be it from me to say that any man elected to any office should as an official do a thing that his conscience condemns. But does that mean that he should violate his platform? No; it seems that his conscience should commence to work before the election, and not hibernate until after the election.

I lay it down as a proposition and I am prepared to defend it anywhere, that the Representative who secures office upon a platform and then holds the office and betrays the people who elect him is a criminal worse than the man who embezzles money intrusted to him.

The last paragraph of the Democratic platform of 1912 said:

Our pledges are made to be kept when in office as well as relied upon during the campaign.

Now, Mr. Speaker, in the light of the above statements, let me quote a plank in the Democratic platform sanctioned by William Jennings Bryan and used by Woodrow Wilson in his candidacy for the Presidency of the United States:

The Panama Canal, built and paid for by the American people, must be used primarily for their benefit. We demand that the canal shall be so operated as to break transportation monopoly, now held and

misused by the transcontinental railroads, by maintaining sea competition with them; that ships directly or indirectly owned or controlled by American railroad corporations shall not be permitted to use the canal, and that American ships engaged in coastwise trade shall pay no tolls.

Mr. Speaker, without comment, I pass from this feature of the discussion.

Mr. Speaker, I submit that this whole discussion and this administration bill present a most unusual spectacle. The President submits to the Congress a petition, his very own, asking that we reverse the legislation of a previous Congress. "We ought to reverse our action without raising the question whether we are right or wrong," says the President. No information is furnished. No reasons are given. No suggestions are made except "I shall not know," and so forth.

Mr. Speaker, I am against this bill. As a check on transcontinental rail rates, coastwise water rates should not be manipulated by the meddlesome hand of Great Britain. The best interest of the country generally demands the defeat of this bill. It should be defeated.

A Constructive Foreign Policy.

EXTENSION OF REMARKS

OF

HON. EDWARD W. TOWNSEND,

OF NEW JERSEY,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, April 11, 1914.

Mr. TOWNSEND. Mr. Speaker, under leave granted me to extend my remarks, I insert in the RECORD an address delivered by me in Witherspoon Hall, Philadelphia, on Saturday last before the American Academy of Political and Social Science. The address is as follows:

"After the first performance of Sardou's political satire 'Rabagas,' at the Vaudeville Theater in Paris in 1872, President Thiers ordered the governor of Paris to forbid a second performance.

"I wish that after the first performance of Sardou's romantic drama 'Dora,' at Wallack's Theater in New York in 1878, where it was given its American name of 'Diplomacy,' that the then mayor of New York had ordered its immediate suppression. I am soberly convinced that if the police powers of New York had been exercised for the immediate suppression of that play, it would be less difficult now to discover the elements of a constructive American foreign policy.

"If some of you wonder what I have said has to do with the subject I have been asked to address you upon this evening, I hasten to explain. Not many weeks ago an artist friend of mine in New York, who had found profitable occupation in drawing caricature illustrations of the tango dance, drew the figure of a young woman so distorted that it was a caricature of his own caricatures. Acting upon a happy inspiration he gave the drawing the title of the 'Debutante Slouch,' and thus it was reproduced in a popular illustrated weekly. To-day a million young American women are trying to copy that illustration in their own walk and carriage, and those who have unusually supple backbones and are highly gifted with the power of imitation are succeeding, to the delighted surprise of observers.

"You see at once now the quarrel I have with Victorien Sardou's play 'Diplomacy.'

"Jerome A. Hart, in one of his entertaining books, gives us a lively and comprehensive account of the plays of Sardou, and, speaking of a woman character in the play of 'Diplomacy,' he says of her:

"This young lady is a unique and fascinating person, beautiful, elegant, seductive as a fairy princess.

"'Dora,' you may recall, was unconsciously enlisted into the group of women whom Sardou would have us suppose exist in all the large European capitals and act as secret agents for diplomats. Mr. Hart gives testimony to his belief that such groups actually exist and are not the creation of M. Sardou's lively imagination, and says of them:

"These ladies wear gorgeous gowns, and resemble Solomon's lilies in the other respect that they toil not; but they excel at writing letters, which letters pay the cost of their gorgeous gowns. Their perfumed correspondence is filled with gossip, political and other, and it amuses foreign statesmen even when it does not instruct them.

"I shudder as I pause to ask if Mr. Hart unconsciously suggests here one of the reasons why only the very rich may play 'Diplomacy' for us in foreign capitals. But that is somewhat aside from my main purpose in introducing Mr. Sardou into this very respectable company. Sardou is not the only offender, but he came conveniently into my mind as a type. Other romance writers have entranced their readers, drawing, if I may be permitted to phrase it in this way, the 'Debutante Slouch.' The creators of this burlesque diplomacy have been amazed, as my artist friend was at the result of his work, to find his fanciful creation laboriously copied; to find that nature, in fact, imitates art. Sardou and his fellow offenders have created a picture of diplomacy wherein we see lovely and mysterious women gorgeously gowned, seducing from incautious diplomats secrets for the information of other diplomats; a picture of subtle intrigue; of masterful intellect gaining advantage by processes allied to wizardry; of vast and complicated affairs determined at secret meetings, the result of which at times is announced by the sudden boom of artillery, the thundering charge of cavalry. This is the romance picture of diplomacy which excites the ambition of excellent heads of families, creating a desire to desert their homes and their comfortable clubs and their golf links to enter upon this delightful occupation, thinking to become 'Baron Steins,' to commune with bevies of 'Doras,' to control the destinies of nations, to send to startled Secretaries of State code messages carrying important information derived from scented correspondence. That is why M. Sardou's play and like output from other romancers lie under the disadvantage of my severe disapprobation.

"To be sure, there is a somewhat more real, though scarcely more admirable, attraction to the very wealthy in the prospect of representing our country in foreign courts. They will have there opportunity to dine with nobility, even at times royalty; they will be seen at the shooting boxes of dukes, at the race course with earls, at the clubs with baronets, and on the streets with men of fashion.

"In nothing which I have said do I intend to indicate disapproval of the custom practiced by many administrations, of more than one political faith, of making appointments to the large places in the Diplomatic Service of rich men because they are rich men. I am willing to admit that almost any rich man who made his own money, if he obey instruction such as I shall presently indicate, would be as capable as one less favored by fortune in carrying on, as a diplomat, the business of our foreign relations; but it distresses me greatly that this air of romance, of unreality, should have enveloped this very practical business.

"There should be no illusion about it, and the incentive to engage in the business should be only a desire to do a public service in a very straightforward manner. I do not mean that there are not certain qualifications for the office not usually possessed by men who who have been eagerly engaged accumulating fortunes, but I have a scheme to overcome the difficulty arising from that lack of special knowledge. There is, for instance, the great difficulty of knowing exactly how to address members of the diplomatic corps. In my own three years' experience on the Foreign Affairs Committee of the House of Representatives I have had the customary opportunities offered to the members of that committee of meeting not infrequently members of the diplomatic corps in Washington, and the ladies of their households. I have found the men very human beings, interested deeply in trap shooting, golf, baseball, the price of beef, and the difficulty of securing a lower berth. The ladies are, all of them, charming and affable. But I began to enjoy this highly enviable opportunity too late in life successfully to school myself in one of these special qualifications I have referred to. I do not know to-day, and sadly confess that I never expect to know, what rank in diplomacy entitles a man to be addressed "your highness," and what rank as "your excellency."

"There is another difficulty concerning this special requirement that I have spoken of, of a more serious nature, which somewhat handicaps our system of appointment as it is practiced at present, but which, under my improvement, will be also happily overcome. It is the matter of speechmaking by our diplomats. For this embarrassing problem I have a happy solution. One appointed to be ambassador to the Court of St. James, let us say, going to Washington to receive his instructions, could be supplied with a set of speech forms—form A to be used at the dedication of a new monument to Robert Burns; form B to be used if the admirers of Wordsworth are to unveil a bust to their favorite poet; form C, the opening of a new Anglo-American Club in London. It is unnecessary further to unfold this scheme. It readily unfolds itself to any practical mind. To be sure, the unexpected is always happening. But even in such an event I would have the situation handled with caution and according to instructions received by the ambassador. If, for instance, a society is placing a tablet in honor of

George Bernard Shaw, and should invite our ambassador to submit a few remarks upon that interesting occasion, and his index fails to disclose an appointed form, the appropriation allowed by my committee for incidental expenses would enable him to cable news of the exciting event to the Secretary of State and receive an approved speech by cable in ample time for its delivery.

"To divert a moment from the sober and orderly course of my remarks, what, I ask, could be more solemnly whimsical than an expression of the opinion of the present Secretary of State on the life and writings of George Bernard Shaw, unless, indeed, it might be a whimsically solemn review by Mr. Shaw of the diplomatic excellencies of the present Secretary of State of the United States.

"Now, to my panacea: There are in the Department of State in Washington a score, probably more than that number, of men who have received years of training there. They are linguists and highly skilled in the details, the precedents, and the history of our foreign relations—the kind of men foreign nations appoint to diplomatic posts—but incapable of making large campaign contributions. These are without prospect of being sent by us to occupy diplomatic posts at important capitals. We should provide a new position in each American embassy—that of assistant ambassador—and to these places should be appointed men such as I have described, and thus, by the presence of such a man at each embassy, the ambassador will be given freedom solely to dally with social delights. This assistant ambassador could perform the simple duties of the office, such as conveying to the Government to which his chief was accredited the information his own Government wished to be conveyed, and receive from that Government the information it wished to convey to Washington, and diligently devote the rest of his time to discovering means of increasing our foreign commerce. Having been trained in his business, this assistant ambassador would know what he is in a foreign capital for; he would be under no illusions as to 'Doras'; he would know that there was no hocus-pocus, no sharp card tricks, no foolery whatever of any kind about this business of maintaining proper and profitable foreign relations between nations. He would know that Mr. Sardou was just as much a joker as is Mr. Ibsen, and that the play of 'Diplomacy' is no more like the thing diplomacy than 'A doll's house' is like anything that really ever existed.

"If these thoughtful remarks have not indicated to you precisely what in my opinion should constitute the 'elements of a constructive American foreign policy,' they have been made in vain.

"I know that statistics make dull matter for an address, but I can not refrain from using a few figures to emphasize my contention that our foreign policy should be more largely directed to securing foreign commerce for special reasons I shall soon urge.

"The total Latin-American foreign commerce for the year 1912 was twenty-eight hundred million dollars, of which our share was eight hundred millions, with a balance against us, however, of two hundred millions. A fair percentage of commerce for us, although the balance against remains a serious drain. The figures for the A. B. C. group, Argentina, Brazil, and Chile, are far from satisfactory, a fact due, in part certainly, to our lack of a constructive policy toward the A. B. C. group. The total foreign commerce for Brazil for 1912 was $670,000,000, of which our share was one hundred and ninety millions, with a balance against us of fifty-three millions. Great Britain had a balance in her favor of thirty-four millions in her share of Brazil's commerce for the same year. Only one more illustration by statistics: Chile's total commerce for 1912 was two hundred and sixty-one millions, of which our share was forty-one millions, with a balance against us of eight millions.

"In those three great countries, of trade potentialities beyond computation, we have an embassy in Brazil only. There are bills pending to raise Argentina's legation to an embassy, but the administration has not yet made a recommendation that we should pay a similar deserved compliment to Chile, although peculiar reasons exist why Chile should be so complimented. [Since this address was delivered in Philadelphia the Foreign Affairs Committee of the House has favorably reported a bill to raise the legation at Santiago, Chile, to an embassy.] It seems to me that our State Department should adopt as a policy toward the A. B. C. group an attitude of special cordiality which would have as its most significant expression our friendly recognition of the great importance these powers have achieved in the family of nations, of our sincere pleasure in their splendid civilization, their high advancement in art, letters, and science. They should be made to know and feel that they are to share with us the responsibilities, the burdens, and privileges of Western Hemisphere guardianship. Our exchange of commerce, of friendly intercourse through travel, is startlingly short of what it should be; and for a remedy we must look to a foreign policy giving greater and deserved recognition to those three great and splendid nations.

"Commerce promotes peace as surely as peace promotes commerce. But what I shall say upon this subject now is upon the assumption that we shall remain at peace with the great nations of the earth through the simple expedient of minding our own business, and making the great part of that business the securing of foreign trade as a means of extending our domestic industries. Granting me that assumption, I now reveal what most profoundly lies in my mind on this subject. It seems to me that no student of our present economic and social conditions, even one giving but casual study to those subjects, can fail to see the vital necessity of providing for labor more employment at more wages if we wish our country good health. There are symptoms plain to the senses that a distemper threatens our social body. Some have looked about and denied that such symptoms were visible. To-day only the fool will make such denial. More employment and better wages must be provided if we would have the threatening symptoms disappear, the fever subside. As an essential means for bringing about such subsidence, and as speedily as may be, there must come a vast increase in our foreign commerce, a vast increase of foreign consumption of our manufactures.

"The radicalism so plainly discerned in groups of all the three parties contending for the political control of the Government is born of a perception of this need. It seems at times, though, as if this radical energy were misdirected to attain the desired big end. We can not, solely by legislation, increase employment, increase wages, or decrease the hours of labor, yet this is being constantly so attempted. Manufacturers will not produce more than they can profitably sell; they can not give more than a certain share of their product in wages or else they starve themselves. The radicals see the symptoms and in part, at least, attempt their cure. Underemployment, underpay, are not caused by the symptoms of idleness and unfair conditions of living. Yet we see the attempt persisted in to cure those things by legislation, which in no degree whatever can, nor does it even seek to, increase the demand for laborers and increase the share of the product which capital can give to labor. The remedy, it seems clear to me, is expansion of our foreign trade, a great increase of foreign use or consumption of our productions; and that I would have brought about largely by the work of our diplomats in carrying out our foreign policy.

"Probably the men attracted from idle lives at home by the fascination of a Sardou picture of 'diplomacy' would be but small aid in furthering a policy which seeks to better domestic conditions by increasing our foreign trade. If it has become a political necessity that such men should hold such offices, then the remedy I suggested, half in jest, a moment ago might be seriously considered. Let us, if it seems expedient that we should do so, treat the office of ambassador as purely ornamental, an offering to one whose gifts to party entitle him to a reward. But let us reform our embassies by placing in each of them a practical man, trained in intercourse with foreigners, trained to know which of our productions the country he is accredited to might use or consume, trained to know that diplomacy is not a romance, but a business, and perhaps in that way we may supply at least the elements of a constructive American foreign policy."

The Commission Council of the City of New Orleans.

EXTENSION OF REMARKS

OF

HON. H. GARLAND DUPRÉ,

OF LOUISIANA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 13, 1914.

Mr. DUPRÉ. Under the leave granted to me to extend my remarks in the RECORD, I include the following memorial:

MEMORIAL ADDRESSED TO THE CONGRESS OF THE UNITED STATES BY THE COMMISSION COUNCIL OF THE CITY OF NEW ORLEANS.

The city of New Orleans is incontestably the largest city of one of the most productive sections of the United States. In respect to population, material wealth, industrial development, banking resources, commercial faculty, business consequence, and every element, and all elements which singly or in combination constitute a metropolis, New Orleans stands preeminent and unapproached in the vast and prolific

section called the South. This status is demonstrated by statistics and is known and recognized by all informed men, both in this country and abroad.

Not only does New Orleans overshadow all its neighbors in respect to the aforementioned economic considerations, which are in varying degree common to its so-called rivals and therefore subject to comparative estimate, but, in addition, the said city occupies a commanding position in the trade relations of the Nation with the outside world, which said position its said so-called rivals do not occupy, and to which each and all of these are from the nature of the case forever ineligible.

With one single exception, New Orleans is the greatest and most important seaport in all the United States. Situated at the mouth of the great watercourse of the Nation, it is the gravity focus of the Mississippi Valley and supplies the facilities of contact between the tremendous productive resources and energy of this prolific region and the trade marts of the world. Its function is not merely to sell shoes and pots and pans to a limited contiguous territory and, perchance, by juggling with freight rates, to invade the local territory of some other competitive jobber in shoes and pots and pans, but it is the junction point of world trade routes whereat is transshipped the outgoing productive surplus of an agricultural and industrial empire and wherefrom is distributed the incoming material and commodities with which foreign nations supply the domestic trade. Its obligation is not local only, but comprehensive to the extent even of being national; and its mission is not merely to serve the jobbing requirements of a limited territory, but to facilitate those movements of commerce upon which the prosperity of the Nation at large depends. In this important particular, both in respect to the presently established trade routes to Europe and the countries to the southward and in respect to the wider fields to be opened to access through the Panama Canal, New Orleans occupies a position distinctly superior to that of all the cities of the Gulf and south Atlantic seaboards and wholly beyond the rivalry of any inland city of the South.

These counts, in general, are the claims which New Orleans has made, and with particularity and in detail substantiated, before the reserve bank organization committee. These claims have been by said committee ignored, and instead of designating New Orleans as the locus of one of the Federal reserve banks the said city has been, by an achievement of geographic legerdemain, crowded off the financial map and the palm awarded to the two small inland cities of Dallas and Atlanta, almost touching elbows with the metropolis on the west and on the east. Both of these cities are thriving and enterprising and both buy and distribute a considerable amount of goods, but the trade activities of each proceed largely along special lines and the scope of their commerce is confined within more or less circumscribed limits. Singly each of these two cities is in every essential respect inconsequential as compared with New Orleans. If both might be consolidated into one, the combination would still fall short of equaling New Orleans either in population, wealth, banking resources, industrial productivity, business, and commercial consequence, or in any of the essentials which should constitute the qualifications of a Federal reserve center. Furthermore, if these two cities could be amalgamated and then blotted from the map, the result to the business of the Nation would not be nearly so far-reaching and severe as those which would follow the closure of the great trade route through the port and market of New Orleans. It is vain to seek for any reasonable hypothesis to explain why the claims of New Orleans and of the vast territory and the great interests served by said city should have been ignored and the tremendous financial facility for business movement and business expansion should have been bestowed upon two comparatively puny inland cities neither of which can ever become what New Orleans is and long has been—one of the principal capitals in the world-encompassing democracy of commerce and trade. Considerations not only of common justice but of national welfare demand that the great national banking system shall be organized and administered along broader lines than those manifested in the initial achievement of the reserve-bank committee.

New Orleans's preeminence has not been achieved through favor or fortunate circumstance. Its position as the greatest southern city and one of the important commercial and financial centers in the trade economy of the world has been won and maintained through triumph over disfavor and misfortune. The devastation of war, the demoralization of reconstruction, the burden of taxation created during the carpet-bag era, and still enduring, and the desolation of pestilence, now forever overpast, have fallen heavily upon the staunch old city; but, in spite of all, its supremacy has been maintained, and to-day it faces the splendid future with the militant optimism of new unscarred generations tempered, let us hope, by the lessons of a historic past. It is true that many of the younger communities, untrammeled by the burdens of the old régime, have sprung from nothing and with shout and bluster and hectic progress have exhibited amazing comparative percentages of growth, but none have approached or will approach the position of commercial and financial importance held by the inevitable output of the Mississippi Valley. It is true that the comparative growth of the city has not been so rapid or spectacular as that of some of its neighbors, but it is also true that the story of "booms" and quick "bonanzas" which have swallowed millions of unwary capital hold no place in New Orleans's history. But withal the city is not without dynamic enterprise and actual achievement and fundamental preparedness which qualify it to respond to the demands of vigorous growth and rapid trade expansion which must inevitably follow the epochal developments of the near future. Within the past few years it has invested in a modern sewerage, drainage, and water system alone approximating the sum of $19,000,000, and has, as a result, in this respect, facilities as complete and efficient, if not more complete and efficient, than any other city in the Union. Furthermore, the city and State have spent upward of $4,000,000 upon a system of public dock and switching facilities, and has now admittedly the most fundamentally sound system of port administration of any port in the United States. Within the next few weeks work will be begun upon a system of public warehouses which are to be used in conjunction with the dock and switching facilities, and which when completed will involve the expenditure of $3,000,000 of public money. Thus are the people of the State and city spending their money in providing facilities which will serve not only the business of the city but the commerce of the vast territory behind the same; and thus are these people preparing for the largely increased demands that will be made by the business of the country when the trade map of the world shall have been changed by the opening of the isthmian canal and the city of New Orleans shall have doubled and quadrupled in size and shall have become, perhaps, not the second largest but the greatest port of the Nation. Upon these bases of trade necessity and trade usefulness, both in respect to present actual status and future inevitable development, are grounded the claims of the port and city of New Orleans for a principal part in the great new system of national finance.

The city of New Orleans supplicates no favors from the President, the committee, or from the Congress of the United States. It asks only for a just and an intelligent application of the Federal reserve law. It believes, in solemn earnestness, that through unfamiliarity with the fundamental movements and exigencies of trade and through susceptibility to superficial and collateral considerations the distinguished authors of the present bizarre alignment have fallen into an error which if uncorrected will not only deny justice to this city and the extensive territory affected but will vitiate the financial system from which the people of the Nation have been led to expect such momentous beneficial results. The city of New Orleans asks for revision. Wherefore:

The Commission Council of the City of New Orleans, in behalf of the people it represents, deems it not only justifiable but obligatory that the error herein pointed out shall be brought to the attention of the people of the United States, and to that end directs that copies of this memorial be sent to the congressional Representatives of Louisiana, to be by them respectfully presented, in such manner and in such method as may to them seem wise, to the Congress of the United States.

Adopted by the Commission Council of the City of New Orleans, April 9, 1914.

[SEAL.]

GEO. TERRIER, Jr.,
Clerk of Commission Council.

Approved:

MARTIN BEHRMAN, *Mayor.*
A. G. RICKS,
HAROLD W. NEWMAN,
W. B. THOMPSON,
E. E. LAFAYE,
Commissioners.

Citizenship.

EXTENSION OF REMARKS

OF

HON. JOHN C. McKENZIE,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, April 15, 1914.

Mr. McKENZIE. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include a memorial of the House of Delegates of Porto Rico to the President and to the Congress of the United States concerning citizenship.

The memorial is as follows:

Memorial of the House of Delegates of Porto Rico to the President and to the Congress of the United States concerning citizenship.

A bill declaring Porto Ricans collectively citizens of the United States is now before Congress.

The House of Delegates of Porto Rico, in the face of a problem that so essentially affects the life, the personality, and the destiny of the people it represents, can not under any circumstances waive the duty of studying this great problem, and, with the profoundest respect, begs to address to the President and to the Congress of the United States the present clearly reasoned statement, the fruit of a careful and impartial analysis of the question in its several aspects, as also of an exact knowledge of the sentiments and wishes of the vast majority of Porto Ricans.

But before entering upon a discussion of the merits of this question we desire to clearly state that nothing that may be said on the matter should be construed as disparaging or mortifying with regard to the noble title of American citizenship; but that, while rendering just and sincere nomage to your citizenship, we firmly and loyally maintain our opposition to being declared, in defiance of our express wish or without our express consent, citizens of any country whatsoever other than our own beloved soil that God has given us as an inalienable gift and incoercible right.

First of all we claim that the granting of American citizenship to Porto Ricans answers no purpose whatever that may serve public necessity or afford general convenience.

The privileges of citizenship can only be referred to two orders of ideas—one internal, the other external to the country of its origin, or, in other terms, in municipal and in international law.

We already possess our own sufficient citizenship of Porto Rico, which is indisputable and ostensible to the world, inasmuch as our citizenship is derived, by natural law, from our birth and, by written law, from an act of the Congress of the United States.

Section 7 of the organic act of Porto Rico, approved by the President of the United States on April 12, 1900, provides "that all inhabitants continuing to reside therein who were Spanish subjects on the 11th day of April, 1899, and then resided in Porto Rico, and their children born subsequent thereto, shall be deemed and held to be citizens of Porto Rico, and as such entitled to the protection of the United States."

It has been stated and repeated on various occasions, without any basis whatever, that we Porto Ricans are a people without a fatherland and without citizenship, of a personality ignored by the law of nations. We have our fatherland, which is our island; we have our citizenship, which is that of Porto Rico; we have personality, which is that of our people; and none can ignore them without causing the island to disappear from the map or without denying that the Congress of the United States that established our citizenship and our personality may be, as it is, one of the most powerful and surpassingly great entities in the political concert of the universe.

We are citizens of Porto Rico and as such entitled to the protection of the United States. It is thus written in our organic act, and in accordance with the precepts of that act the diplomatic and consular corps of the United States ever since the administration of President McKinley keep a register in foreign countries of citizens of Porto Rico and give Porto Ricans the protection to which they are entitled throughout the world.

American citizenship in foreign countries accords no other privilege than that of the enjoyment of the protection afforded by the Government of the United States in the extraterritoriality of consular and diplomatic law. As citizens of Porto Rico we enjoy that protection and with it the only privilege derived from American citizenship in international relationship.

In the other order of ideas which refer to the privilege of citizenship within the State itself such privileges are summed up and condensed in the individual rights guaranteed by the Constitution of the United States; and the Bill of Rights of your Constitution is applicable to Porto Rico, as has been decided by your Supreme Court in various opinions it has handed down, and specially so in the case of Downs v. Bidwell (182 U. S., 244), in which Judge Brown thus expresses the opinion of the court:

"My position * * * is simply that the Constitution does not apply to territories acquired by treaty until Congress has so declared * * * except so far as concerns the natural rights of their inhabitants to life, liberty, and property * * *."

And prior to the expression of any opinion whatever by the Supreme Court of the United States the people of Porto Rico, providing for its own liberty, had already, on February 27, 1902, promulgated "An act to define the rights of the people," which absolutely guarantees the right of conscience and the exercise of religious worship, the privilege against arbitrary search and imprisonment, the freedom of speech, both spoken and written, and the right of peacable assembly, with powers to apply to the government for redress of grievance by petition or remonstrance.

We therefore possess, through the extension of your constitutional law, the rights of life, liberty, and property, which are all the essential rights of humanity. We also have guaranteed by our own law the primary rights of the people; and if you still deem your law and our law insufficient, you may add to or amplify them or determine for us all rights and liberties you please in a new organic act without affecting our citizenship, inasmuch as liberty and rights are gifts that may be granted and accepted to infinity, like the light of heaven that never ceases to shine and illuminate the world.

And we have demonstrated that there is not the remotest necessity of declaring the people of Porto Rico citizens of the United States in order that they may enjoy, as they do enjoy as citizens of Porto Rico, all the privileges of American citizenship within and without the limits of our inextinguishably adored soil.

It has also been repeated, through ignorance of the facts and a confusion of ideas, that although the granting of American citizenship to Porto Ricans solves no practical problem, it yet satisfies a spiritual longing that responds to a general sentiment.

When one speaks thus a distinction should be made as to whether that longing and that sentiment live in the hearts of Americans or in the hearts of Porto Ricans. It seems that in matters of heart, in dealing with something like citizenship that may alter the life and the destiny of our people, it is to us to whom the sentiment should be attributed and it should be we who manifest it. But, if we are to speak with entire loyalty, we must say that the sentiment concerning American citizenship for Porto Rico is neither felt by Porto Ricans nor by Americans.

It is not in you who might have declared Porto Ricans citizens of the United States in the law that you promulgated for us in the year 1900; you, nevertheless, constituted us citizens of Porto Rico; it is not in you who, besought in Congress by presidential messages to confer on us your citizenship, abstained from so doing during 13 years with firm perseverance.

This does not imply a complaint but is rather praise, for we consider your abstaining from so doing not an offense but a mark of respect for the wishes of the people of Porto Rico, and to your own democratic Constitution which does not permit the government of a people to be transformed in its fundamental basis of citizenship without the consent of the governed.

The sentiment of American citizenship for Porto Rico is neither in you nor in us. You have known for many years that the people of our island is profoundly displeased; that it is in constant protest against the absurd form of government that you imposed on us without our consent; and, through erroneous information or inexact appreciation, you have probably interpreted our displeasure and our protest as due to the fact that you have not granted us American citizenship, when in reality of the few good things contained in our present organic act the best is Porto Rican citizenship which you consecrated before the world by means of a law of your Congress.

The general dissatisfaction in our country, the tide of bitterness that has swept over our souls and its overflow in constant protest has had its birth and its growth in the régime you decreed for us in the year 1900—a government without representation in its highest spheres, where the legislative and executive powers are amalgamated, where the people does not freely and sovereignly impose their own taxes, where Porto Ricans are kept from directing the administrative departments, where we are subject to an oligarchy of six men who, through presidential nomination, form the majority in the upper house of our legislature, and who are at the same time at the head of the executive departments, who legislate and execute the law, grant franchise of a public nature, and do all those things that constitute the principal attributes of government while they lack a knowledge of our local laws, of our customs, our temperament, our collective life, our mode of feeling, of thought, and of speech.

We know that the ideas and men who now sit triumphant in the Capitol and at the White House are not responsible for this form of autocratic government against which the great Democratic Party protested in its convention at Kansas City in the year 1900 with these energetic words:

"We declare again that all governments instituted among men derive their just powers from the consent of the governed; that any government not based upon the consent of the governed is a tyranny; and that to impose upon any people a government of force is to substitute the methods of imperialism for those of a republic. We hold that the Constitution follows the flag, and denounce the doctrine that an Executive or Congress, deriving their existence and their power from the Constitution, can exercise lawful authority beyond it or in violation of it. We assert that no nation can long endure half republic and half empire, and we warn the American people that imperialism abroad will lead quickly and inevitably to despotism at home. Believing in these fundamental principles, we denounce the Porto Rican law, enacted by a Republican Congress against the protest and opposition of the Democratic minority, as a bold and open violation of the Nation's organic law and a flagrant breach of the national good faith. It imposes upon the people of Porto Rico a government without their consent and taxation without representation. It dishonors the American people by repudiating a solemn pledge made in their behalf by the commanding general of our Army, which the Porto Ricans welcomed to a peaceful and unrestricted occupation of their land."

The same facts, the same reasons, that provoked your protest against the absurd constitutional system in force in Porto Rico; the same facts, the same reasons, but embittered to us by the woe of their experience, have aroused and stimulated our protest, which has its origin in the depth of our régime, without being connected with citizenship, for the citizenship of Porto Rico is neither a source of disparagement nor sorrow nor injury to us, but it is a humble and filial pleasure to us to be citizens of our own little and beautiful fatherland.

Another aspect of the question of the declaration of citizenship for Porto Ricans collectively is offered from the standpoint of insular revenue.

In virtue of section 4 of the present organic act in force in Porto Rico, and the proclamation of the President of the United States of December 25, 1901, all duties and taxes collected in Porto Rico, including excise taxes and customs duties, are paid into the insular treasury.

Apart from the excise taxes and customs dues, the most important taxes collected in Porto Rico are those imposed, at the rate of 1 per cent, on the value of real and personal property. The total revenue paid into our Treasury during the fiscal year 1912–13 amounted to $6,650,224.10, and in the same year all personal and real property was assessed at $179,272,023, so that the taxes on this amount of property at the rate of 1 per cent could only have produced the sum of approximately $1,800,000, and the balance paid into the Treasury, amounting to upward of $4,800,000, was the proceeds principally accruing from excise taxes and customs dues.

At the present date, and under the economical crisis that the country is traversing, the value of property having considerably decreased, especially such property as is related with the sugar-cane industry, the income from taxes on property will during coming years inevitably diminish.

With these data we formulate a question of high and complicated transcendency.

If the citizens of Porto Rico are collectively declared citizens of the United States and are provided by Congress with a constitution, the island being under the flag of your Republic, will not our island, in fact and in law, be converted into an incorporated organized Territory of the United States? With the status of Territory, could we retain in our treasury the income from excise taxes and customs dues? Would not such revenues, like those of all other Territories, have to be paid into the Federal Treasury? Could Congress, within the impassible limits established by the Constitution of the United States, prevent Federal revenues collected in Porto Rico from being turned into the United States Treasury and permit them to remain in the treasury of Porto Rico?

These are all questions that it is very difficult to answer satisfactorily on the spur of the moment; but after a careful study of this complex problem we are of the opinion that we should very probably lose with our excise taxes and customs dues the two most abundant sources of government revenue.

Should this occur our government would only be able to rely on taxes collected on property and other small imposts that would hardly amount to more than a million dollars, to cover a budget that even with the greatest economy could never be less than about $4,000,000. This situation could only be solved in the rigorous terms of a terrible dilemma for our country; we should either have to impose taxes at the rate of 4 or 5 per cent on the value of property, or we should have to destroy or enormously decrease the service of institutions, public health, and other important branches of our progress; either descend into the exploitation of property or sink our people into the abyss of want and ignorance.

The supposition, the doubt, the mere possibility that this gravest of situations might arise, should suspend the action of Congress in deciding to transform the citizens of Porto Rico, now capable of modestly developing their resources and their civilization, into citizens of the United States without their consent, and with this glorious title find themselves overwhelmed by economical or moral disaster.

When we say moral disaster we merely refer to the case in which the people of Porto Rico should have to detain or retard their progress, due to the scarcity of government resources to carry them on; but another higher and more delicate problem, likewise of a moral character, is offered to your contemplation as a body of select men born and bred in the superiority of a national environment so pure and clear as that of your democratic Republic.

There are things and ideas in the life of nations, inapprehensible and fugitive, that escape the artificial action of laws when those laws are not the outcome of the remote and tardy action of time, of history, and the fitness of all social elements.

Your can surely, by a law of your Congress, decree that all Porto Rican citizens shall be citizens of the United States; you possess political power to do so, but have you peradventure the natural, real, gentilitious, creative power of instantly converting a Porto Rican into an American, not precisely an American born in your country but a real American citizen, intimately and essentially amalgamated with you in your origin, in your historic evolution, in your language, in your struggles, in your destinies, in all that vast psychology determining your national spirit?

We, Porto Ricans, Spanish-Americans, of Latin soul, imaginative, high-strung, ardorous by reason of the sun of our climate and by the blood in our veins, separated from you by over 400 years and by more than 400 leagues, with a different historic process, diverse language, different customs—could we rapidly, under the sudden impulse of a law, even though ourselves desiring it with an intense and firm will—could we convert ourselves into American citizens in that spiritual sense that the notion of citizenship requires, and feel, think, wish, and speak as you do and have with you that solidary of life, of memory, of hope, of ideals, in your long, concurrent, and continuous efforts toward the national and international aims of your great and glorious Republic?

We possess all these qualities to make us good citizens of Porto Rico; we lack them all to be good American citizens.

We have our own proper natural citizenship, that of our country. You yourselves recognize it and proclaim it from the high places of your Congress.

In all sincerity, we say to you that we revere your noble citizenship, a citizenship that involves the divine attribute, the grandeur of being the first fatherland to found liberty in America; but we likewise say to you, with equal sincerity, that we are satisfied with our own well-beloved Porto Rican citizenship, and proud to have been born and to be brethren in our mother island.

And so great is our love for our own citizenship, our own fatherland, that, in conclusion, we must make use of a hyperbole to express the earnestness of our sentiment. We, like all Porto Ricans, are believers in the existence of God and of a perpetual superhuman life; but were there a citizenship of heaven with a right to eternal happiness, and it were offered us in exchange for our own, we would vacillate to accept it and should under no circumstances accept it until after death.

JOSÉ DE DIEGO,
Speaker of the House of Delegates of Porto Rico.

Post Offices Twentieth Congressional District, Pennsylvania.

EXTENSION OF REMARKS

OF

HON. ANDREW R. BRODBECK,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, April 17, 1914.

Mr. BRODBECK. Mr. Speaker, I beg to ask the indulgence of the House for a few minutes on a matter of personal privilege. As a Member of this body, I feel it due you as well as the constituents of my district that I should make a statement concerning certain newspaper articles that were published March 25 and 26 charging that postmasterships in York and Adams Counties, comprising the twentieth congressional district in Pennsylvania, were bartered and sold under the Wilson administration, reflecting upon the district and upon me as the Representative as well as on the present administration.

For some time prior to the appearance of these articles rumors were current in the district that certain local factional political manipulators would "spring something" to discredit the Congressman of the district While I am not directly charged, yet indirectly the inference is made that postmasterships have been bought and sold.

When I noticed the article that appeared on March 25 in the Philadelphia Ledger, I issued the following statement, which appeared in the public press of the 26th:

The Ledger article of to-day does not charge that I directly or indirectly received any money for appointments, or that any money was paid or promised to be paid at my suggestion, request, or with my knowledge. I assert, however, that when advised that a candidate had agreed to contribute to the county committee I refused to recommend the man, said I would not recommend him, and that I would recommend no one under such conditions.

I deny that I directly or indirectly advised or requested contributions from any candidate for any purpose or had any knowledge thereof. The endeavor to connect me with this by affidavits appearing in the Ledger is the work of my political enemies, who are well known to the people of York County, who had me befriend them, and perhaps are using this means to try to escape legitimate obligations.

The people of York can recognize the location of the official who took the affidavits of Ruhl and Painter, and can connect up this with the "public-spirited" men who are engaged in slanderous and libelous attacks on me, and whose reputations are well known politically and otherwise.

I leave it to the judgment of the people of my home county and district to decide after they have carefully considered all the facts as to who have been honest in this matter. I publicly request the Post Office Department, that has made a thorough investigation through an inspector whom I do not know, to publish broadcast the result of the investigation.

On the same day there appeared a statement issued from the office of the Postmaster General, which was as follows:

The material published in to-day's papers with regard to an investigation recently made by a post-office inspector was not given out by the department, it being an invariable practice to treat matters of this kind as strictly confidential. The information certainly reached the public through local sources. However, the facts are that certain charges were recently filed, involving the manner in which the nominations of postmasters were made to the department for Hanover, New Freedom, and Wrightsville, Pa., and for these offices only. A careful investigation of these charges has been made by an experienced post-office inspector, with the result that Hon. A. R. BRODBECK and his secretary, Mr. C. A. Geesey, have both been completely exonerated, and all but one of these postmasters, namely, the one at New Freedom, were likewise absolved of blame. The Postmaster General has to-day signed an order removing the postmaster at New Freedom.

Your attention is called to the statement issued from the office of the Postmaster General that "the facts are that certain charges were recently filed involving the manner in which the nominations of postmasters were made to the department for Hanover, New Freedom, and Wrightsville, Pa., and for these offices only. A careful investigation of these charges has been made by an experienced post-office inspector, with the result that Hon. A. R. BRODBECK and his secretary, Mr. C. A. Geesey, have both been completely exonerated."

It will be noted that in the affidavit of Ira S. Painter, which was printed in the Ledger article of the 25th, appeared this statement:

That in the early part of May, 1913, the deponent had at New Freedom, in the deponent's store, a conversation with Allen M. Seitz, the Democratic chairman of York County, who came to New Freedom with the authority of the said A. R. BRODBECK to act for him and in his place in selecting a person to be named by the said A. R. BRODBECK for postmaster at New Freedom, and in the course of the conversation the said Seitz produced a form of contract, handed it to the deponent to read.

Just how this affidavit was obtained and other facts concerning it is not clearly stated. From statements made since by deponent it would seem, however, the dastardly, villainous attempt on the part of some one, by intimidation or otherwise, to make up incriminating evidence without regard to the sacredness of an oath.

The foregoing part of Mr. Painter's affidavit is absolutely without truth, so far as my authority to Mr. Seitz for doing so is concerned, nor had I any knowledge that same was done until I saw it in print.

The postmaster at New Freedom has since stated to me that he entered into a written agreement with the county chairman of York County some time during the beginning of April and not in May, as stated in Painter's and Ruhl's affidavits, to annually contribute to the campaign fund the sum of $75, but that he had never paid money to anyone as the result of this action. This agreement was made absolutely without my knowledge, and, in fact, I knew nothing of it until very recently.

An article also appeared on the 27th of March in the Philadelphia Ledger, in which it was made to appear that the postmaster at Wrightsville, Mr. W. B. Reisinger, had been dominated by my secretary, C. A. Geesey, into making a contribution for the entertainment of the State Federation of Democratic Clubs of Pennsylvania. This letter from my secretary is self-explanatory:

Hon. A. R. BRODBECK, *Washington, D. C.*

MY DEAR MR. BRODBECK: In the Philadelphia Ledger of March 27 I noticed an article in which the name of the postmaster at Wrightsville, Mr. W. B. Reisinger, and my own were used in a statement made that I had admitted signing Mr. Reisinger's name in the amount of $30. The entire statement is an absolute falsehood. The facts are these: About the 7th of August, 1913, Mr. Reisinger called at my office in York. Just about as he was leaving I stated that I was a member of the committee of the Young Men's Democratic Society of York, Pa., appointed to entertain the State Federation of Democratic Clubs of Pennsylvania in September, and asked him if he cared to make a contribution to help defray the expense of the entertainment. He stated that he would make a contribution and would send his check. Neither he nor I said anything as to the amount. A day or so later I received Mr. Reisinger's check in the sum of $10, placed his name on the list of contributors, with my initials, C. A. G., after the name, followed by the amount, $10. This list is made up of contributors from all walks of life and is still in existence.

Very truly, yours,

C. A. GEESEY.

The following letter from Mr. W. B. Reisinger, postmaster at Wrightsville, on the Philadelphia Ledger article of March 27 is also self-explanatory:

WRIGHTSVILLE, PA., *April 6, 1914.*

Hon. A. R. BRODBECK, *Washington, D. C.*

MY DEAR SIR: In the Philadelphia Ledger of March 27 there appeared an article in which the name of your secretary, Mr. C. A. Geesey, and my own were used, in which an attempt was made to "show the postmasters after their appointment were dominated by Clarence A. Geesey."

That statement is attributed to Walter Krone; that he said that he had seen Secretary Geesey sign the name of myself to a list of contributors for defraying the expense of a dinner held at York under the auspices of the Democratic Federation of Clubs. Further statement is made that I had contributed $30.

The statement as a whole, in so far as I am concerned, is without truth. The facts are these: On or about August 7, 1913, while in York, I called at the office of Mr. Geesey. In conversation with him he stated that he was a member of the committee to entertain the Federation of Democratic Clubs of Pennsylvania, and asked me if I cared to contribute anything toward the entertainment. I replied that I would and would send my check. Upon arriving home I made out my check in the sum of $10 and mailed it to Mr. Geesey. During our conversation no intimation was made by Mr. Geesey as to any amount that I should contribute, nor did I say what I intended to contribute.

I am making this statement in justice to Mr. Geesey and myself.

Very truly, yours,

W. B. REISINGER.

I might add that the newspaper gives as authority for the Wrightsville story Walter F. Krone, who was a candidate for the position of postmaster at York, Pa., and failed to receive my recommendation.

Selfishness is characteristic of the band of political pirates and character assassins who are a part of a bipartisan machine in York and Adams Counties, who know no such thing as patriotism or loyalty to party principles, who are actively engaged in attempting to place in false positions those who are acting with the best of motives. These men are known to many, but not to all, the residents of the twentieth Pennsylvania congressional district. When once known to the voters generally their motives and methods will be repudiated.

It is likely that attempts have been made to make other Members of the House victims of similar political conspiracies I have political enemies who for jealous or personal reasons would certainly stoop to the most ignoble methods in an effort to secure their ends.

In refutation of the statement reflecting upon the people of my district I desire to say that the people of the twentieth congressional district in Pennsylvania, with the exception of certain questionable political elements, are far above the charac-

ter of people they have been pictured to you by newspaper stories. They are, as a people, mostly Pennsylvania Germans with quite a long line of descendants of Scotch, Irish, German, Welsh, and other nationalities, whose thrift and frugality are well known. They are industrious, prosperous, and progressive American citizens, commanding the highest type of citizenship, of whom I am justly proud, and shall jealously guard and protect their honor and rights and most vehemently resent any reflection cast upon them by any man or men.

As to the much-talked-about investigations of post offices and postmasters of Pennsylvania by Senator PENROSE I invite, encourage, and urge same to be of a most searching character, and earnestly hope that the Senator will not confine the investigation to the present administration only, but cover the past 5 or 10 years of postmaster and rural carrier appointments. What would be better still, since the Senator is talking about investigating, would be to uncover the practices and methods of financiering the past five or six congressional campaigns in the twentieth congressional district in Pennsylvania. I promise the Senator there are many people in the district, irrespective of party, who would like to know all about it, and some who would not like to tell what they know about it, yet without much trouble he can get enough evidence to make an interesting report.

Mr. Speaker, I thank you and the Members of the House for your patient indulgence during the brief statement I was permitted to make. I assure you I am not moved by any motive to do injustice or malice toward anyone, but rather by a charitable inclination of meting out good for evil, and an appeal for fair play one toward another.

Increased Federal Control and Reduced Bureau Expenses Impossible.

Why do Congressmen clamor for more clerks? It is because of increased Federal control. Why did the cry ring out day after day last summer, "Jones wants a clerk"?

EXTENSION OF REMARKS

OF

HON. ALBERT JOHNSON,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Friday, April 17, 1914,

On the bill H. R. 15279, the legislative, executive, and judicial appropriation bill.

Mr. JOHNSON of Washington. Mr. Speaker, the wrangles which have attended the long consideration of this bill—a bill making appropriations for legislative, executive, and judicial expenses for next year—show to an absolute certainty, to me at least, a peculiar situation now pervading the country, and indicate a conflict that is bound to be fought out in Congress much sooner than most of us realize.

Here we have a bill which we, as a Committee of the Whole, have shot all to pieces, and which we now, in general session, are trying to patch up.

Was the member of the Appropriations Committee in charge of the bill [Mr. JOHNSON of South Carolina] to blame for bringing in a bill subject to as much change as this one? Of course he was not.

Why?

Because, if I am any judge, the people of the United States are clamoring for more Federal control. They want control of everything, from the greatest trusts down to the smallest of the migratory game birds, and at the same time the people are clamoring against expending the money to pay for the machinery to make such control effective.

In one breath we cry for more and more control—almost to the point, right now, of Federal usurpation.

In the next breath we cry for Federal economy. Also, we cry against increased bureaucratic power. We lament the enormity of the bureaus and the size of the salaries of those who run these bureaus.

How are we going to run the increased Federal machinery without increasing Federal expenditures? How are we going to keep thoroughly competent men and women at the head of bureaus of child welfare, labor mediation, Life-Saving Service, Indian Office, without providing enough money to enable the United States to employ persons of ability commensurate with this extended control for which we hear such clamor? How are we going to have competent assistants when we pay them less than men of like ability can secure in commercial pursuits? Further, how are we going to extend these already great bureaus without further extending their influence, including their influence on Congress?

In extending Federal control we are all offenders, one way or another. For instance, I was one of the westerners who worked as hard as I knew how for a Government railroad in Alaska. We of the West saw that with great aggregations of capital rapidly passing under Federal control we would never get the Alaska trunk-line railroad any other way.

You of the East—Massachusetts, New York, and Pennsylvania, and other States—are perfectly willing that from one-third to one-half of each of our 11 great Western States shall be "conserved," "preserved," "reserved," or whatever you want to call it—laid aside for your constituents' children's children. You do not pretend to know much about the actual workings of the forest-reserve system. How could you? You leave that for the Committee on Agriculture, and that committee leaves it to the chiefs of the Forest Bureau. That bureau asks for all that it thinks it can get. You begrudge that sum, but give it. Now, in my opinion, if the Forest Service is going to carry on a true quickening process of real conservation which shall not starve the present generation to death in the "conserved" districts, that service should have not a five-million-dollar appropriation, but one of ten millions. Then, we could secure some roads through these reserves.

You of the Middle West demand Federal good roads. The rest of us join with you, and the result is that we appropriate twenty-five millions for Federal good roads. That means another great bureau, and in a little while another one of these fights as to how much shall be paid to chiefs, assistants, and so forth.

Besides, how long do you think it will be, Mr. Speaker, before Congress finds itself considering a bill to regulate the width of wagon tires used on Federal good roads?

WHY SENATORS AND CONGRESSMEN NEED MORE CLERKS.

For a little while, in this bill, now closing, there was a paragraph giving Congressmen an additional $25 a month for clerk hire. It is out of the bill now. Why do Congressmen cry for more help? In the Senate last summer why did the cry ring out day after day, "JONES wants a clerk"?

Because of increased Federal control. As affairs pass over from State to Nation, Senators and Congressmen find themselves more and more the intermediaries between people and governmental bureaus. Senators and Congressmen are "go-betweens," and one observes with dismay that a good many of them go to the bureaus with hat in hand.

Why?

Because as these bureaus increase in size and power they can easily make their power felt; all the more easily if that power is combined with Executive dictation.

The combination is one well calculated to make the most courageous Congressman think hard as to whether he shall speak up and both vote and talk his convictions or whether he shall sit tight, say nothing, and vote as per orders from higher up.

Mr. Speaker, of all the appropriation bills, this one brings out the "Federal control" situation most clearly. You can not increase Federal control and cut down Federal expense at the same time. Some folks, as well we know, get economy and wastefulness mixed. Everyone wants wastefulness stopped; but, I submit, it is not economy to abolish entirely the office of Second Assistant Indian Commissioner, as this bill does, when all who go to the Indian Office know that not only the commissioner, but all of his assistants, are worked almost to the breaking point. Of course the Senate will rectify this, but why leave it to the Senate?

It is not economy—certainly not economy of time—to cut out all the heads of the Life-Saving Service, as was done last week, and then "cut" them in again, as was done to-day.

Mr. Speaker, permit me to congratulate the chairman [Mr. JOHNSON of South Carolina] on the great patience he has exercised, and to intimate that the next time a bill carrying appropriations for heads of bureaus and great branches of departments is introduced, his troubles will be increased many fold unless in the meantime the people decide just how far they desire "Federal usurpation" to go.

The old high-school debating subject comes to mind, "Shall the people rule the Government, or shall the Government rule the people?" Just now the latter proposition is in the ascendancy. How far shall it go?

Agricultural Appropriation Bill.

SPEECH

OF

HON. ROBERT Y. THOMAS, JR.,

OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

Friday, March 13, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. THOMAS. Mr. Chairman, the item of $49,000 in the Agricultural bill now under consideration is for an investigation of insects which affect southern field crops, and also includes an investigation of insects affecting cotton, tobacco, rice, sugar cane, and other agricultural products. There are numerous insects which affect tobacco, among which are the tobacco flea beetle, the tobacco hornworm, usually known as the common tobacco worm, the bud worm, the sucking fly, the tobacco leaf miner, the cutworm, the tobacco leaf feeder, the cigarette beetle, and other insects which affect growing and dried tobacco.

The Department of Agriculture has only asked for the sum of $8,000 to make these various investigations concerning tobacco alone and to perform such work in demonstration as will teach the farmers of the country how to properly use the remedies the Agricultural Department has discovered for the purpose of destroying such insects. A majority of the States of this Union grow tobacco in various quantities, and an appropriation of $8,000 is entirely inadequate to do the work to properly demonstrate the worth and effectiveness of the remedies discovered by the Agricultural Department to destroy these various tobacco insects. Tobacco is one of the largest agricultural products in the United States and is the only agricultural product upon which the Government lays the heavy hand of taxation. In 1912 the farm value of the tobacco crop in the United States amounted to over $85,000,000. Tobacco pays to the Government the second largest amount that is paid in internal-revenue taxes, and while the farm value of tobacco is over $85,000,000 a year the Government collects in internal revenue from that source over $70,000,000 a year. The internal-revenue tax on tobacco each year is nearly equal to the farm value of all the tobacco raised in the United States, and an appropriation of $8,000 for the purpose of making investigations and finding remedies for destroying the various insects which prey upon the tobacco crop is a mere pittance and entirely inadequate for the purpose. The sum of $18,000, which is an additional $10,000 over the Agricultural bill appropriation for this purpose, amounts to only about $1 out of every $4,000 that the Government collects as internal revenue on tobacco. I have reliable information to the effect that the Agricultural Department desires this increased appropriation. The department has a few stations for demonstration in this work, but owing to the small size of the appropriation for this purpose has not been able to do any great amount of work in this line.

The department has discovered and perfected a remedy—arsenate of lead—for the destruction of tobacco worms and other tobacco insects, which it has demonstrated to be superior to any remedy heretofore used. I made an argument before the Committee on Agriculture on this subject, and requested the committee to allow this increased appropriation and include it in the Agricultural bill. This the committee refused to do. There is not a member of the Agricultural Committee who comes from any great tobacco-raising State, and consequently the members of that committee are not as familiar with growing tobacco as the Members from the States of Kentucky and Tennessee. None of them, I take it, have ever toiled or sweated in a tobacco patch killing tobacco worms. There is no work that is much harder, and if that committee had experienced actual work in the tobacco field, I am of the opinion they would have allowed this appropriation without question. The remedy discovered by the Agricultural Department for the destruction of the tobacco hornworm, which is the great pest of growing tobacco, is arsenate of lead in powdered form. The Bureau of Entomology has found that arsenate of lead in dust form is very effective in destroying these worms, and the object of this appropriation is to furnish means for this bureau to demonstrate to the tobacco raisers of the country how to use this remedy. The bureau estimates that by the use of this remedy from $3 to $6 per acre is saved in the cost of raising tobacco. It furthermore estimates that by the use of arsenate of lead from $5,000,000 to $10,000,000 per year farm value of the tobacco crop of the United States can be saved.

The CHAIRMAN. The time of the gentleman has expired.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. THOMAS. The minimum estimate that can be saved to the farmers of the United States by the application of arsenate of lead to tobacco plants, for the purpose of destroying worms, is $5,000,000 and the maximum estimate is $10,000,000. Now, consider what a vast sum in increased internal revenue that would give to the Government. The Government collects in internal revenue from tobacco over 80 cents for every dollar in the value of the farm product. If by the use of arsenate of lead in the destruction of tobacco worms there should be the minimum estimate of $5,000,000 in the farm value of tobacco saved, the Government would thereby collect over $4,000,000 additional in internal revenue. Should the maximum estimate of $10,000,000 in the farm value of the tobacco crop be saved, the Government thereby would increase its revenue between eight and nine millions of dollars. As a purely business proposition this appropriation should be increased to such an extent as to enable the department to make these demonstrations in every tobacco-growing State of the Union. The appropriation is so ridiculously small that the Agricultural Department is hampered and restricted in its work of administration. Tobacco is raised in a majority of the States. The total acreage of tobacco for the year 1912 was more than a million and a quarter acres. The States of Kentucky and Tennessee alone raised over 551,000 acres. The State of Kentucky grows more than one-third of all the tobacco raised in the United States. It would, beyond question, be economy for the Government to have a sufficient number of stations to demonstrate this work for the destruction of tobacco worms and other insects affecting tobacco with arsenate of lead. It would be a matter of great economy, because from five to ten millions of dollars per year would be saved to the farmer in the farm value of the crop, and the internal revenue of the Government would be increased from four to eight millions of dollars. Tobacco is grown from Wisconsin to Florida and from the East to the West in varying quantities. I believe something near 30 of the States raise more or less tobacco, and it should not require any argument whatever to convince this House that an appropriation of even $18,000 is entirely inadequate for the purpose of this work.

Mr. STAFFORD. Will the gentleman yield?

Mr. THOMAS. Yes.

Mr. STAFFORD. The gentleman has just referred to the cultivation of tobacco in Northern States. If the gentleman will direct his attention to the phraseology of the item under consideration, it is limited to southern field crops, so the tobacco fields of Wisconsin, Ohio, Indiana, and so forth, would be excluded from participation in this appropriation.

Mr. THOMAS. I understand from the chairman of the committee that it does not exclude those States.

Mr. STAFFORD. The phraseology is specific. It says:

For investigation of insects affecting southern field crops, including insects affecting cotton, tobacco, rice, sugar cane, etc.

Mr. THOMAS. Tobacco is a southern field crop, although it is grown in a number of Northern States.

Mr. STAFFORD. I do not question for a moment that the appropriation would be available for crops in Kentucky and Tennessee, but the question is whether it will be available for crops in Pennsylvania, Connecticut, Ohio, and other Northern States.

Mr. LEVER. Will the gentleman yield to me.

Mr. THOMAS. Yes.

Mr. LEVER. I will say to the gentleman from Wisconsin that this appropriation is used in New York, Kentucky, and various points in Tennessee; Florida; Quincy and Tampa, Fla.; Richmond, Va.; and various points in Pennsylvania.

Mr. STAFFORD. But the gentleman will agree the phraseology restricts the use of the appropriation to crops in the southern fields.

Mr. LEVER. I do not think so, necessarily.

The CHAIRMAN. The time of the gentleman has expired.

Mr. THOMAS. I ask unanimous consent for two minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. THOMAS. I am confident, Mr. Chairman, that if the Members of this House had worked in a tobacco patch as I have and killed as many tobacco worms as I have they would vote unanimously for this increased appropriation. I do not know of any harder work that a farmer has to do than to bend day by day in a tobacco patch over tobacco plants picking off the worms. Every leaf of the plant on which there is a worm has to be taken one by one and turned up and the worms picked off and killed, as the worms stay on the underside of the leaf and it is necessarily tedious and hard work.

Mr. LANGLEY. Has the gentleman ever done any grubbing? If he has, he must admit that is strenuous work.

Mr. THOMAS. I have done grubbing and all other kinds of farm work, and I know from actual experience that it is all strenuous.

I incorporate as a part of my remarks an article written by Mr. A. C. Morgan, of the Bureau of Entomology, Department of Agriculture, and which appeared in the Southern Planter of recent date. In this article Mr. Morgan says:

A little more than six years ago the Bureau of Entomology, of the United States Department of Agriculture, began the investigation of insects affecting tobacco. The headquarters for this work were established at Clarksville, Tenn., where investigations of insects affecting the growing crop have been carried on continuously. At different times branch stations have been maintained at Appomattox, Va., to study the so-called wireworm of tobacco (which is not a true wireworm) at Quincy, Fla., to study the tobacco bud worm at Key West and at Tampa, Fla., for studying the beetle of affecting stored and manufactured tobacco, and recently a laboratory has been established at Richmond, Va., for study of the last-named pest.

At Clarksville, Tenn., all insects that in any way affect tobacco have been studied with the end in view of suggesting means of control. As a result of this work much information has been secured relative to nearly 100 insects that affect tobacco either directly or indirectly, and rather exhaustive data has been secured relative to the life histories and means of control of the hornworms, flea beetles, and cutworms. A very satisfactory means of control of the hornworm has been found, and since this insect is the most widespread and probably the most injurious pest of the crop this article will be confined mainly to a discussion of the means of control of this pest.

LOSS DUE TO TOBACCO INSECTS.

A few years ago the Bureau of Statistics of the United States Department of Agriculture estimated that the actual loss in value of tobacco due to insect attack was considerably more than $2,000,000 annually. This estimate was based on the actual loss in weight. No estimate was made for the decreased value of injured tobacco, for plant bed injury, for cost of labor required in replacing young plants killed in the field by insect attack, for the tobacco injured by Paris green, nor for the labor and insecticides required in fighting insects upon the growing crop. Some sections of Virginia estimate that, when hornworms are numerous, it will cost $8 per acre to do the necessary handworming. The same estimate holds good for Tennessee and Kentucky when hand picking is relied upon solely. However, as a general practice, hand picking is employed in these States only up to the time when worms are at their worst, and afterwards when the tobacco is ripening. When the worms become very numerous an application of Paris green is applied. Thus the average cost of fighting the hornworm for these two States is probably not more than $4 per acre—if we consider the entire acreage. For the 551,000 acres grown in these two States in 1912 the total cost of fighting this one insect would reach the enormous sum of $2,204,000. If only half of the 1912 acreage of North Carolina, Virginia, and South Carolina be considered as subject to hornworm attack, and the cost of fighting the pest be placed at the very low figure of $4 per acre, the cost of the fight will amount to a yearly tax of $802,000—for these States grew 401,000 acres of tobacco in 1912. Adding the cost of fighting the hornworm in these two sections to the estimate of the Bureau of Statistics of the yearly loss, we have the total of over $5,000,000 loss annually. Undoubtedly this estimate represents the minimum loss. The maximum will frequently reach $8,000,000 to $10,000,000. Since the greater part of this loss is due to the tobacco hornworms, we will now discuss in some detail the methods employed in fighting this pest.

METHODS OF FIGHTING HORNWORMS.

In Kentucky and Tennessee there are three methods employed in fighting hornworms. First, hand worming during the whole season. The cost of this method varies greatly with the season and the severity of the worm attack, but in years when worms are fairly numerous the cost is estimated at from $6 to $10 per acre. The second method employed is to hand worm until worms become very numerous, then apply Paris green, afterwards to hand worm the ripening tobacco—for experience has shown that Paris green will injure ripening tobacco. The cost of this method varies greatly with the season, but upon the average will be found to be $5 to $6 per acre. The third method employed is to do very little hand worming before tobacco begins to ripen, but to make two or three applications of Paris green, after which from one to three days of hand worming is necessary upon the ripening tobacco. This method is the cheapest and does not average over $4 to $5 per acre.

NECESSITY OF USING AN INSECTICIDE.

In Kentucky and Tennessee hand worming as an entire-season method has been almost completely discontinued, except in years of exceptional scarcity of worms. Ten to fifteen years ago labor was plentiful and cheap, and hand worming was found to be economically effective. However, during the past decade this method has become too costly on account of the scarcity and high price of labor. The growers were forced to employ an insecticide to assist them in the fight. The writer has no doubt but that the conditions existing in Kentucky and Tennessee are duplicated in many localities of Virginia and the Carolinas. Under such conditions an insecticide should be employed in the fight, for hand worming, in addition to its greater cost, has many objections; for instance, eggs are not picked off, many small worms are overlooked, and, lastly, during the hot hours of the day large worms crawl down into the "ruffles" near the base of the leaves and a considerable number are thus overlooked. On the other hand, a thorough application of an insecticide will kill practically every hornworm within two or three days, and will continue to kill those that hatch out several days after the application.

THE USE OF INSECTICIDES.

There are two insecticides that may be used with good effect by the tobacco grower, namely, Paris green and a certain grade of arsenate of lead in powdered form. Paris green is the cheaper of the two, but its use should be discontinued on account of the very frequent serious injury to the foliage. Where hand worming has been employed the change to the use of an insecticide will reduce the cost of fighting worms by at least one-half. Arsenate of lead is strongly advised instead of Paris green. Paris green frequently causes irritating sores upon the operator, may burn the plant seriously, may cause leaves to drop off, will wash off easily, and can not be applied to ripening tobacco. Arsenate of lead has none of these disadvantages. In Kentucky and Tennessee, wherever the use of arsenate of lead has been demonstrated, the growers have decided to quit the use of Paris green entirely. It is certain that arsenate of lead is a safe insecticide for tobacco in the dark-tobacco districts of these two States, even when applied in exceptionally heavy dosages. The results should be the same in other tobacco districts.

In districts where hornworms are a serious probem the proper use of arsenate of lead should reduce the cost of fighting and the loss of tobacco due to this pest by from $1 to $3 per acre over any method now in use. In one experiment at Clarksville, Tenn., in 1913, all worms were killed on an acre of tobacco from about July 20 to September 1 at a cost of $4 for insecticide and labor. There was no worm injury upon the plat and no burned tobacco. This cost is about the maximum that may be expected for keeping tobacco free of worms with arsenate of lead for 40 days during the height of the worm season.

All tobacco growers who find the tobacco hornworm a serious problem, no matter what method they use in combating the pest, are advised to write either to their Congressmen or to the Secretary of Agriculture, Washington, D. C., and request a copy of Circular 173 of the Bureau of Entomology, entitled "Arsenate of Lead as an Insecticide Against the Tobacco Hornworms." After reading this circular address inquiries for further information to the writer of this article, Clarksville, Tenn., who will be glad to supply exact information in regard to the grades of lead to be used, and will advise with the growers in regard to problems of application.

This article contains a great deal of valuable information concerning insects injurious to tobacco. Paris green is in common use for the purpose of destroying tobacco insects. This remedy—Paris green—is often injurious to tobacco and frequently burns it, and besides is liable to injure the operator. In some districts the tobacco crop has been so injured by the use of Paris green that the value of the crop has deteriorated one-half or more. Arsenate of lead is used in dust form, mixed with wood ashes, and is applied to the tobacco plant by the use of a dust gun. The remedy does not injure either the tobacco or the operator, and is said to be superior in every respect to Paris green in destroying tobacco insects. I believe this House will grant this increased appropriation. The House seems to have no hesitancy in granting enormously large appropriations for the Army and Navy and other departments of the Government, and the farmers, who are the very foundation rock which supports the entire superstructure of our Government, should at least be given some consideration.

Since before the days when the messengers from the Roman Senate were sent to summon Cincinnatus from work on his farm to the dictatorship of Rome, farming has been considered an honorable occupation. The newspapers of the country in cartoons usually represent the farmer as a hayseed with long whiskers, wearing boots with his breeches stuffed into the top of them. This is a great mistake, because a majority of the farmers of this country are intelligent men, of good, hard, sound common sense, who make an honest living for themselves and in addition feed the world.

I confidently believe the amendment I have offered to this bill will be passed by this House, notwithstanding the objections of the Agricultural Committee, and this increased appropriation for the benefit of the farmers will be granted. [Applause.]

Legislative, Executive, and Judicial Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. SILAS R. BARTON,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, April 16, 1914,

On the bill (H. R. 15279) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes.

Mr. BARTON. Mr. Speaker, I am for this bill heart and soul. There should not be one vote in this House against it, and yet you will find Members who honestly and conscientiously reason that they can vote for big appropriations for agriculture, war, and Navy, and yet practice, what to me seems, false economy in limiting, to a penurious degree, the appropriation for a Children's Bureau.

Shall we say to the world that we place a higher value on live stock than on the lives of the babies of this country? Only a short time ago we voted $625,000 for the investigation and extermination of diseases of animals. The same bill carries an appropriation of $400,000 for the eradication of the southern cattle tick. We have expended large sums of money to make our streams navigable. Shall we now say to this country that we will not give this, the greatest bureau in the service, the sum required for the proper exercise of its duties?

Several years of my life were spent directly in the work for a great fraternal order, and I found in that work that the

people of our country have, as a rule, hearts that overflow with fraternal love. That experience is a part of my life and the better part. Every State in this Union is filled with fraternal and religious organizations. It does not make much difference what name they operate under, for they all do a great, humane work, having the same basic principles and all seeking the same end. The children are the foundation of the race, and who will say that dollars appropriated for preserving the lives of these little ones are not spent in a holy cause?

Listen to the great purpose of this bureau:

The said bureau shall investigate and report to said department upon all matters pertaining to the welfare of children and child life among all classes of our people and shall especially investigate the questions of infant mortality, the birth rate, orphanage, juvenile courts, desertion, dangerous occupations, accidents, and diseases of children, employment, legislation affecting the children in the various States and Territories.

Could there be, than this, a more laudable purpose?

Mark Twain once said:

The future president of the United States is now lying in his cradle busying himself with no greater problem than trying to get his big toe in his mouth.

That baby's business is our business. His present and future is our present and future. He and his kind make our future generations, our future Government. Out of the cradles of the pampered rich seldom come the characters who make American history. These future molders of our Nation's destiny, in all its ramifications, are in the cradles of the common people, and it is these babies that we purpose to save and make more pleasant their babyhood days.

This Nation does not want conditions prevailing such as were cited by the gentleman from Kansas, requiring mothers within a few days after the birth of their baby to go to work in the factory or mill, leaving the neighbors to care for the fragile flower that has just bloomed into life.

No; our men have too much manhood for that. Our women have too much motherhood to permit such conditions to exist. We want the mothers and the children of this country to have the best our bounty can provide. We should by all means practice economy; but it is not economy to reduce to a minimum the appropriation for this bureau, and I am glad there will be a roll call on this amendment in order that men here may be required to go on record with respect to this all-important proposition.

Legislative, Executive, and Judicial Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. THOMAS C. THACHER,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, April 16, 1914.

On the bill (H. R. 15279) making appropriation for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes.

Mr. THACHER. Mr. Chairman, I do not ask for more time than that allotted to me, for I shall avail myself of the permission given me to revise and extend my remarks in the RECORD; but I do ask that the sum allotted the Children's Bureau by the committee, namely, $25,640, be increased to the amount in the amendment offered by the gentleman from Colorado [Mr. KEATING], namely, $139,000, making a total appropriation of $164,640, the amount requested by Miss Lathrop, the very able head of the Children's Bureau.

It is just two years ago this very month that the Children's Bureau was organized, and the act of April, 1912, creating this bureau provides that it—

shall investigate and report upon matters pertaining to the welfare of children and child life among all classes of our people, and shall especially investigate the questions of infant mortality, birth rate, orphanage, juvenile courts, desertion, dangerous occupations and accidents of children employment and legislation affecting children in the several States and Territories.

I believe that the Children's Bureau has accomplished much good and will do more good. Congress takes up many questions of a wide range and discusses measures and votes appropriations freely for objects of all kinds. Sometimes it seems to me that too much time is spent in the House in discussing political questions and in considering appropriations for objects dear to the proposers but not in every case needed or demanded by the masses of the people, and that not enough attention is given to the health and social welfare of our people. We want the people of our great American Republic to be strong, healthy, and happy; and yet, in order to get strong and healthy people the little children should be strong and healthy, and also the mothers. I stand for all measures which will, in my opinion, protect our children and women. I stand for legislation and appropriations which will benefit the health of our children. I wish better labor laws enacted throughout our broad land for the protection of our women and children.

The Children's Bureau in its short existence of two years has accomplished much and can do more. We learn from the vital statistics of the Census Bureau that in this country each year 300,000 infants under 1 year of age die. In this very city of Washington 15 out of every 100 infants die before they reach the age of 1 year. In some of the manufacturing cities the death rate of these infants is much higher. Statistics and investigations show that many of these deaths can be prevented if the mother knows and will use simple rules and remedies applicable in such cases. The Children's Bureau has printed these rules in a little pamphlet, which has met with general favor wherever it has been distributed. It is sold at a few cents a copy.

I understand that the Commission on Industrial Relations is cooperating with the Children's Bureau in studying the most important question of child labor and the methods used in supervising the change made by the child from school into industry. In this connection a thorough study will be made of the child-labor laws and conditions in the several States, and this data will eventually be published. I believe in this work. I shall vote to give the Children's Bureau the money which Miss Lathrop asks.

Legislative, Executive, and Judicial Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. CHARLES LIEB,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 20, 1914.

On the bill (H. R. 15279) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes.

Mr. LIEB. Mr. Speaker, I want to express myself in the strongest terms possible as favoring the appropriation of $275,000 to promote and develop the foreign and domestic commerce of the United States. The amount which this bill carries is $215,000 in excess of former appropriations. In other words, we have heretofore been expending what in reality appears an insufficient sum to stimulate our trade with foreign countries, and now we consider the feasibility of making a systematic effort to widen the field for foreign commerce for our manufacturers.

Strange to say, in this age of our industrial development, we have been too busy to give serious thought to the sale of our products to foreign centers of industry, and I refer in particular to South America. Of course we are factors in South American trade, but very insignificant factors in comparison with the inroads of other nations.

Secretary of Commerce Redfield has offered a happy suggestion for stimulating our export trade and he must have the money to carry on his work. He proposes to establish 15 or 16 highly trained commercial agents in the prominent trade centers of Central and South America, and in return for the money Congress allows for salaries and other necessary expenses he agrees to bring our producers in closer touch with the great trade to our south. It has been explained to the committee how these agencies established will serve as information bureaus for our manfacturers and business houses; and he has very ably pointed out how our producers have been handicapped in the past owing to limited means of getting information that is necessary to sell goods on a systematic basis. Secretary Redfield explained to the committee that there is constantly an immense demand for information about South America; that the Consular Service is the only source of information, and that very little information can be obtained. The amount which this appropriation calls for is for the employment of men traveling in certain direct lines, like sending a man to South America, let us say, on cotton, another man on boots and shoes, another man on furniture and lumber, another on canned goods, another on woolens, and another man on machinery, each of them traveling as a specialist in that single line throughout all the countries of Central and South America. This is to be a regular force, just as it has been called, and it is intended to be employed especially in collecting commercial information about

South America in view of the increased demands for information about that country. That was put in at the special request—and with the hearty approval of the President—of the United States Chamber of Commerce and of the manufacturers' associations in order that there might be developed a more thorough and systematic knowledge of the markets in South and Central America.

The district which I represent abounds in manufacturing. The last Federal census gave the first district of Indiana a total population of 191,516, and now this has increased well over the 200,000 mark. Evansville, the leading city of the district, has a population of about 90,000. Evansville is distinctly a manufacturing city. It disputes the claim of Grand Rapids, Mich., as being the greatest center in the United States in the manufacture of furniture, having 36 factories of this description. It has many great stove foundries and factories manufacturing vehicles, agricultural implements, steel and iron plants, and in fact I do not think there is a city in the United States with a population of less than half a million that has such a diversified outlay of factories, most all of whom have had trade relations with South America. We have the largest buggy manufacturing plant in the world, and our great steam-shovel works furnished a majority of the shovels which made the excavations for the Panama Canal. Only recently I caused to be distributed among my colleagues copies of special editions of Evansville newspapers which showed the remarkable growth of Evansville's industries in the past few years.

With the Panama Canal in operation, with the growth of our trade to South American countries greatly stimulated through the untiring efforts of the Department of Commerce, and situated as it is on the great Ohio River, which is being canalized by the Government for permanent navigation, with a direct outlet to ocean-going vessels plying out of the Gulf of Mexico, I can foresee the growth of a great industrial center of the United States. There are also the great cities of Pittsburgh, Cincinnati, and Louisville on the Ohio River, and Evansville ranks fourth in population among the many great cities of the river which flows into the Mississippi not many miles below Evansville. Mount Vernon in my district is also destined to be benefited by the stimulation of our South American trade. This city manufactures agricultural implements on an extensive scale.

I have had many letters and telegrams from manufacturers in my district, and they are most enthusiastic on the point of Secretary Redfield's project and urge that Congress acquiesce. They realize what it will mean to them. For years they have been handicapped in carrying on their trade with foreign countries because of a lack of information. As an example, I recently had an inquiry from a firm in Evansville which deals extensively in store fronts, architectural iron works, and steel bridges. They had never been able to do much business with South America and asked me to supply what information I could. I consulted with the Pan American Union, and they had a number of documents which, no doubt, were helpful. I also wrote to the various consular services in principal countries, and I am informed they were able to give some information; but anyone can conceive how much more advantageous it would have been had I been able to communicate direct with United States commercial agents on the ground in South America. They could constantly be of assistance to this one Evansville institution, while the efforts which have been made with the Consular Service and the Pan American Union necessarily must stop with the furnishing what little information they have been able to gather together along general lines.

With the additional force which this bill would give to the service, Secretary Redfield would have at his command approximately 32 men who could furnish information as to the probable market for American goods, the character of the market, the prices to be had, the kind of packages in which they ought to put up their goods, the best methods of shipment, the grades of the articles they can sell; could furnish samples of what is sold there and the credit methods of the countries. We could find out what the English are doing, what the Germans are doing, and what the market is or can be made.

We are informed by the Department of Commerce that there is a market for flour in competition with English mills. In my district we have cities like Evansville, Mount Vernon, Boonville, Rockport, Grandview, Princeton, Petersburg, Elberfeld, New Harmony, and other places whose trade in South America would depend upon the way the packages are put up, the kind of flour offered, the kind of wheat, the baking facilities there, whether done in a domestic way or whether they generally use baker's bread, and a great many other things which depend upon the character of the flour offered, whether high-patent flour or just straight flour.

As I understand the project, I, as a Member of Congress, could call upon any of my constituents to let the Department of Commerce inform them just what kind of facts they want and the Department of Commerce will get them for these manufacturers. In other words, there will be a deliberate organization, Secretary Redfield says, for the purpose of bringing this information, not only into Washington and filing it here but for sending it right out to the manufacturers and merchants, which is the purpose of the whole thing. At the present time our consular agents abroad, as Mr. PHELAN has pointed out, investigate foreign conditions and report on them. While they have rendered valuable service, very much better service can be obtained through these special attachés, whose sole business will be to investigate and report on the trade conditions. They will obtain for us information which will be invaluable to our American manufacturers.

We need to saturate ourselves with the customs of the people whom we now so little understand, study them, study their trade methods, and only can we do this by putting ourselves seriously on the competitive basis. To bring about the desired returns, in other words, we must acquaint ourselves with the great Republics on our south, who call us their "big brother," by making it our systematic business to establish trade relations as they should be established.

In the past we have been haphazard in our relations with South America. We thought they were so big and so near to us that they would come to us with their own accord. It is true that the natural conditions, namely, our great and expansive industries and a people on the south of us ready to exchange riches for riches, served to bring our manufacturers in closer touch with South America. But what was lacking was a well-organized system. We have begun to have a voluminous trade with our neighbors. But there is no system for developing and holding what prestige we have attained; there is no well-defined basis for future operations. But many other countries, Germany in particular, have already made great progress in cinching the South American trade.

The German trade getter spends years in studying foreign trade conditions. He saturates himself with the knowledge of the country where he is to be his firm's business getter. There are many lessons which we could learn from Germany, but we do not have to spend our time studying the German mode of conquest; our rallying cry is to throw our hats in the ring and establish our system of saturation by means of the Government agents advocated so rightfully by Secretary Redfield.

The manufacturers of this country are entitled to all we can throw in their way in respect to stimulating the channels of foreign trade to our south. They have expanded in the past practically by their own disconnected efforts. The moral effect of our Government making serious effort to cooperate with them on a systematic basis would be great in itself; the actual results our Nation would bring to industries in the way of building up trade would be much more than we now anticipate; but we owe the manufacturers something, not only for the good of the country at large but because we have in reality shamefully neglected this end of our string in the past. We have appropriated millions and millions for agricultural purposes, for good roads, for science, for rivers and harbors, and for interoceanic highways, but comparatively little attention has been paid to the manufacturer. We have let him shift for himself. We have forgotten that a guiding hand can be extended to them with results that will be stupendous if we can but read the handwriting of Secretary Redfield and other champions of this movement.

This is a matter that is also of interest to the laboring man, as an expansion in industry always means additional employment.

Why, Peru, Chile, Brazil, and Argentina have by themselves an aggregate population of over 35,000,000, or more than one-third of our own population, as given in the last Federal census. Can we grasp what this means?

In the year 1910 the total exports to all South America from the United States was $93,246,820. Of this amount almost half, or $40,694,941, represented exports of our goods to the country of Argentina. Is it not the business of our Government to look into the matter of giving special attention to the development of trade in such countries as Peru, Chile, and Brazil, since the population of Argentina is only one-fifth of the total population of the four countries in the aggregate? Another phase of the situation seems pertinent to me. For some years foreign countries have been getting a larger share of trade from Argentina than from Chile, Peru, and Brazil, and for that reason I cite certain facts in regard to the imports of Argentina which will serve to illustrate conditions in the four countries as a whole. The imports of Argentina for 1909

from all the world was $302,756,000. The imports from the United States during the same year were $43,069,000. In other words, we are selling about one-seventh of the goods bought by Argentina from all the world. This is far from the proportion that should prevail. We should have at least half the trade of all important South American countries. What strides are we making to overcome the deficit? The figures I now give will show that we are making practically no headway. While it is true that our exports to Argentina increased during the 10-year period up to 1910 to the extent of 178 per cent, it must be considered that the exports from the entire world to Argentina increased 160 per cent during the same period. Looking at it from another angle, we observe that in the year 1899 our exports to Argentina were 13.2 per cent of the total exports from all countries, while 10 years later, in 1909, our exports to Argentina were 14.2 per cent of the total. The gain is so small as to be hardly noticeable.

Hon. David Kinley, of the University of Illinois, recently said on the subject of the promotion of trade with South America:

Now, it is clear that very few manufacturers or exporting houses can afford to undertake the establishment and financing of a large export business at any South American center. This requires considerable capital and, above all, a sure supply of goods regularly available. The most feasible plan, therefore, would be the organization of a commission house or agency, established in the principal South American cities, to cultivate the market for American products, with a capital sufficient to compete with English, French, German, and Belgian houses in the matter of granting credit, and representing a sufficient variety of large firms in the United States to be sure that orders would be promptly filled with goods made to suit the needs and prejudices of the country at prices which would compete with those of other foreign sellers. These agencies or commission houses should employ natives as largely as possible and should insist that their superior officers shall also speak the language of the country. In this way can existing needs become known and properly met and new wants stimulated and developed. The capital at command should be large enough to afford credit to purchasers of our goods when the American exporter himself is not willing or able to do so. Above all things, the agency or commission house should be able to guarantee the quality of the goods and establish a reputation for scrupulously honest dealing. There are probably few better markets in the world for automobiles than Buenos Aires in proportion to its population, yet few American machines are seen there. The reason given is that when the demand for automobiles first appeared it was supplied with machines of American manufacture which turned out to be shoddily built, although gaudily painted and varnished. Of course they broke down after a little use, and the prejudice against American machines became so strong that a would-be purchaser now would hardly consider a proposal to buy one.

I think Secretary Redfield has gone a step farther in pointing out the way of a great commerce than suggested by Mr. Kinley. While Mr. Kinley no doubt had in mind the development of trade through concerted action of the producers themselves, Secretary Redfield has supplemented this with a suggestion that the Government go about it systematically and pave the way for the activities for our producers, and not leave the producers to fight their own battles in the foreign-trade conquest.

Eight-Hour Law for Women in District of Columbia.

SPEECH
OF
HON. GEORGE R. SMITH,
OF MINNESOTA,
IN THE HOUSE OF REPRESENTATIVES,
Thursday, February 12, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (S. 1294) to regulate the hours of employment and safeguard the health of females employed in the District of Columbia.

Mr. SMITH of Minnesota. Mr. Chairman, I have always felt that the resources of this country are so bountiful that all our people could be taken care of in plenty, and I believe that our first duty is toward the women and children. Therefore I am in favor of this measure.

I do not believe that increased idleness to the extent that this bill provides for is going to be a detriment. I think it is going to be a blessing. It is very doubtful whether the man who works 12 hours a day accomplishes more than the man who works only 8 hours a day. It is not the time you put in, but it is the concentration that you apply in your work, the concentration of your mind upon your work, that gets the results; and I think we would be very derelict at this time if we did not see to it that this measure became a law as soon as possible.

There is need for it; there is demand for it; and when we consider that the women in these hotels and places of that kind are compelled on many occasions to work 14 and 15 hours a day, it is a matter that we can point to only with regret. On the other hand, it will be a matter that we can point to with pride if we can regulate it so that they can have decent hours and sanitary conditions under which to work.

It has also been suggested that it is unfair to have inspectors appointed. Why, it is the only effective way in which you can enforce a measure of this kind. If I am running a manufacturing plant, I want to be on the same basis with my neighbor who is running a similar manufacturing plant; if I am law-abiding and live within the law, I want my neighbor to be law-abiding and to live within the law also. It would be unwise to leave the enforcement of the law to the employees themselves. Therefore, I believe that the inspectors provided for in this bill are necessary. [Applause.]

The Larger Outlook.

EXTENSION OF REMARKS
OF
HON. WALTER I. McCOY,
OF NEW JERSEY,
IN THE HOUSE OF REPRESENTATIVES,
Tuesday, April 21, 1914.

Mr. McCOY. Mr. Chairman, under the leave granted to extend my remarks in the RECORD, I include an address on "The Larger Outlook," delivered by Hon. William C. Redfield, Secretary of Commerce, before the University of California, Berkeley, Cal., March 23, 1914.

ADDRESS ON "THE LARGER OUTLOOK" DELIVERED BY HON. WILLIAM C. REDFIELD, SECRETARY OF COMMERCE, BEFORE THE UNIVERSITY OF CALIFORNIA, BERKELEY, CAL., MARCH 23, 1914.

One of the most interesting movements of to-day is the growing social consciousness. The cult of the individual, while by no means abandoned, has for a peer, if not a superior, this awakened and practical sense of vital social relationship. The movement of which I speak is not "socialism." It does not seem to be the result of any distinct social philosophy. It is not led as a unified whole by any definite group of leaders. Rather do men prominent in many walks of life associate themselves with it as with a force hardly to be ignored than as one which they take in charge and control. It is not paternalism, though here and there it may seem to have paternalistic features. The city, State, and Nation follow in this matter rather than lead. What they may do is the result of a conviction and purpose formed among their citizens which impels them to action rather than the outcome of fatherly kindness extended to needy and thoughtless children. The movement is not altruism. This is indeed distinctly disavowed. It has features in which altruists rejoice, but often where it is most highly developed it claims to be severely practical and, indeed, to have a sound economic basis. It surely is not pessimism, for it is the development of a social hope, and in all its forms is the farthest removed from doubt and fear. It is not empty optimism, for it does not take the form so much of a belief that things are and shall be well as it does that of the doing of those things which count for further social and spiritual progress. It is not the work of the few, but the outcome, in large degree probably, of the almost or quite unconscious thought of the many. It has not been imposed from above, but has worked its way up from beneath.

The movement is as interesting in its variety and its apparent spontaneity as in its great extent and in the degree to which it is altering domestic, business, and industrial life. It has become almost a habit for the largest retail establishments to provide restaurants and rest rooms, often hospitals, for their employees. A manufacturer said to me a few weeks ago that the factory matron on rainy mornings saw that the girls replaced their wet shoes, stockings, and skirts with dry ones supplied by the company. During the day the wet garments, laid aside in the morning, were dried and pressed, and the girls put them on before leaving for home in the evening. If it happened to rain heavily when the works closed at night, umbrellas were provided by the company that the girls might not get wet going home. The matter was not made a point of special mention. It was merely one of a number of things illustrating modern methods of management.

One of the large associations of retailers is planning a scheme of sharing profits among the force of salesmen and clerks. A great warehousing company employs a welfare secretary, whose influence extends among the workmen on the docks and into their homes. A factory opens the way to thrift and endeavor

by engaging that its piecework rates shall not be cut because the workmen earn largely. In the city of New York, which is sometimes said to be given over to the money power, the efficient social service of the Young Men's and Young Women's Christian Associations results in raising within a fortnight recently four millions for extending their work. An officer of a steel foundry writing me of the social service carried on in his works dwells with delight on the quality of cake made in their club kitchen. A large department store recently showed me its laundry and bakery with pride. On the office table in a large eastern factory is a silver loving cup, the gift of 1,500 working girls to their employer on the fiftieth anniversary of the business.

The President of the United States writes of a new freedom, which is, in substance, the clearing of the path of progress for the average man. The Nation regards a great industrial dispute not so much as a far-off matter, which solely concerns the disputants, but rather as affecting the body politic like something which deranges the nerves of our physical frame.

We say commonly such and such a thing ought to be investigated. Why ought it? Why use the word "ought"? What obligation is there unless it be a social one? Why not let the parties immediately concerned fight it out? Why worry State or Nation over a local affair? We all answer these questions readily now for we have grown to see that these local things have their general bearings, and that the average citizen must be free from the restraints of monopoly or the constraints of financial power to work out his own salvation. So the social quarrel, take what form it may, concerns us all. The social consciousness may not have fully found itself, but it is busily at work nevertheless. It appears in legislation at our State and national capitals often in crude form, but I think never without a true sense of noblesse oblige, meaning that the duty is laid upon those who make and enforce the law to see to it that the humblest man gets his equitable chance. So workmen's compensation acts and pure-food laws have come into being. So public-service commissions exist providing for the citizen that power of control which else might be held in the hands of those who would make the phrase "public utilities" a sarcasm. So great corporate units that were masterful once have learned the lesson of service. So womankind assert their right on a social basis to join in the direction of those things in which they are daily intimately concerned. The same great movement appears in the growing demand for vocational and industrial training. This has for its basis frankly the social ideal that it is not morally right or economically sound that our children shall longer go untaught in the practical work of life. The advocates of industrial education plead, in substance, the old saying:

Satan finds some mischief still for idle hands to do.

And moralist and economist join hands in calling for practical training. They will tell you that a factory full of willing but untaught working men or women involves loss to the manufacturer and loss, perhaps even danger, to the worker. Both wage and product are held down because the worker's mind and hand have not been taught the lesson of skilled industry, and the lesser product cuts down the earnings of the owner and the smaller wage cramps the home of the worker. Many a working woman would be farther away from the social danger line had she in her girlhood been thoroughly taught the art of self-support. Private and public organizations are taking up this work. The Nation is studying now how it can best aid it, and some of our States have enacted wise legislation for what is in very truth the saving of a large part of its children.

It is not uncommon now to hear that mail-order houses and great industrial organizations have insured the lives of all their working people. I venture to think five years ago few if any knew of such a thing. Now banks and retailers, factories and merchants think this course wise. Large factories now employ physicians, finding it is profitable to guide their workmen in the paths of health. In one industrial city the factories unite not only to assist in providing workmen with recreation and with educational advantages, but to secure them continued employment.

The truth is that a new social bill of rights is being practically worked out in our land; here a little, there a little; line upon line in this place; precept upon precept in another. Men have not known that they were working out a revolution. Many of them who have had part in the movement have not thought of what they did or of what others were doing as aught but an individual thing. Many are not conscious how far the current has run in other places. If, however, we were now to attempt to set back the car of social progress to the point where it stood even 10 years ago we would speedily become conscious how far it had run in that interval. Indeed, the program of one of our political parties takes shrewd advantage of this social consciousness and bases its plea for power on the working out by law of social reforms.

The impulse of this mighty force is felt in our political debates, and is reflected in party platforms. One may scarcely take up the morning paper or read his monthly magazine without seeing, if he has vision, the daily strides this movement makes. It is the power that condemns monopoly. It and no other is the force which demands the removal of privilege. It is that which says the creature of the State may and shall be regulated by the State. Crudely often, powerfully always, this new force speaks its will. "He that hath ears to hear let him hear."

It follows almost, of course, that advantage will be taken by selfish men of this great power to enhance their personal fortunes. It is natural, too, that sincere advocates of the cause shall sometimes be more impassioned than accurate; just as much has been said and done on the side of freedom that would hardly be consistent with true liberty. More than one great cause has evinced its greatness by surviving the mistakes of its own advocates. The wave of social advance shows striking irregularities. Here it deals with the local, there with the national; yonder loud voices discuss the trivial; in quiet places prophets dream of the ideal. It needs to be remembered, as a truth in national and economic life as well as in religion, that the unseen is often the eternal.

It is not many weeks since that I was stating with vigor my views on a certain public situation. The incidental bearings of my remarks brought out from a friend the retort that the gentleman had a "keen sense of the obvious." The sarcasm did its work then and since. Is it not true that my friend's clever bon mot characterizes well much of our public thinking and debate? We have become socially conscious. Have we become socially thoughtful?

If I have clearly suggested to you something of the nature and extent of existing social movements and of the living as well as the grave issues that lie therein, I am sure it will be plain also that we need in our public discussions not only accurate information on the subject of debate, in addition to a righteous and unselfish motive, but also, I hope, a sense of public proportion lest our vision be distorted and we spend on the unimportant the mental energy, physical effort, and financial power that should be exerted upon the essential.

I remember to have heard a sermon from a great divine upon a text that has wide implications. It was this: "Thou hast taken me and thou hast set me in a large place." May we not try to day to realize a little of the largeness of our environment, to take ourselves out, if you please, from local and contiguous influences and think in great areas?

Let us briefly, then, consider how we deal with human life. We value it, of course. That is, we say we do. None of us individually gives it up willingly. Happily, few of us would take it willingly. But, collectively, do we care very much about it? It has through many years and until recently been our reproach in the eyes of the world that we sacrificed many of our children to keep a national holiday. The cruelty of the deed was masked under the meaningless phrase "Boys will be boys." At last this particular motor center of our national conscience aroused action. We have nearly stopped the sacrifice. Consider, however, what remains to be done. We deplore the loss of life and human suffering which arise from disturbed conditions in our sister Republic to the south. The red pictures of the battle fields of the Civil War make us quiver. We are shocked that the Balkan wars cost nearly half a million dead or wounded. Many of us know from sad experience what death means in our own homes. It is a truism to say that it brings in its train many ills beside bereavement. Bereavement of itself alone is hard enough to bear.

Now, there have died in the United States in the last six months from preventable causes more people than were slain in the Civil War and more, many times more, than all that have died in the Mexican troubles. A special student of this problem, connected with one of our great life insurance companies, using the conclusions of Prof. Irving Fisher, who investigated this subject for the Government in 1908 as a member of the National Conservation Commission, tells me that every year in the United States 650,000 people die from preventable diseases and accidents. Observe that word "preventable." We know how to prevent these people from dying, but still they die. We know how to prevent their deaths. We do not prevent them. We are not a cruel people, but few seem very much to care, at least most do not care enough to get seriously concerned about it. A recent publication points out that while the Government spends over four and a half millions yearly on the Forestry Service, it spends in the same time but little over half that to protect the

health of us all or to check the annual loss of over 600,000 lives, and it adds:

> Does the Government really place a higher valuation upon trees than upon men? Not at all.
> The reason we do things in this way is because—that is the way we do.
> This may not be a good reason, but there seems to be no other.

Our advocates of peace are vocal and varied in their attacks upon war. I do not recall them as being excited over the massacres of peace. Put it differently. Yesterday 2,000 people died whose lives we knew how to save. A like number will die to-day and again to-morrow. Yet it is not what politicians call an issue. Our legislatures do not make it the subject of deliberation. No party platform contains a thought about it. It is not the subject of frequent discussion in Congress. With fine unselfishness, indeed, the medical world wrestles hourly with the problem. An Eastern State has recently established a health board with sweeping powers. Here and there efficient societies in one form or another do sporadic work, but the problem remains generally unattacked in any aggressive, vigorous spirit. The treasuries of State and Nation are not wide open in this sacred cause. We may issue bonds for the slaughter of war. We do not issue them to save the killing in peace.

This some of you may think extreme. If so, believe me, the facts are not extreme, but real, and I am purposely stating it in what is intended to be a striking way, because I hope it may not be long before we attack this dreadful problem with more vigor. One must not ignore the growth of sanitation, the spirit of cleanliness, the great victories of medical science and surgery, or the lowering of the death rate. All are admirable; some of them wonderfully efficient in their way but, unhappily, not yet sufficient. Despite all that has yet been done still over 600,000 needlessly die.

My present purpose, however, is to show how little the public as a whole thinks about this subject. Yet it is worth thought, for quite apart from those who will sorrow this year and are sorrowing now from losses that are needless, the money value of these deaths, which we know how to prevent and yet permit, is staggering. By conservative estimate it is placed at a thousand millions, a full billion, every year. That is equal to our whole national debt. It is about equal to our entire annual national expenditure. Stated differently, it means that we can save, for we know how to save; but we do not save a sum equal to all that we annually expend for the support of our National Government and all the pain besides. It is not for lack of means that this sacrifice goes on. Of all the world's great nations we have the smallest debt. The obligations of Nation, States, counties, and cities taken together total barely half the debt of France, and we are far better able to pay than she. The deposits in the savings banks alone of three of our Eastern States form a total sufficient to pay the debt of the Nation and of all our States and counties as well. The difficulty is that we do not visualize the problem.

What we need to have aroused is a sense of proportionate values. There are men who worry over a battleship or two; but every month by saving those in ways that are well known who needlessly die we could more than pay the cost of four battleships and save a lot of human agony besides. But the battleships will be actively discussed and the money will probably be voted for them, while few as yet would follow him who suggested a like expenditure for the public health.

It would be easy to state this case more strongly by including those also who have sickness which is preventable. It is the statement of the same authority I am quoting that there are a million and a half people constantly ill in the United States from causes which are well known to be preventable, and that this entails a loss of five hundred millions per annum; so that from preventable death and preventable illness we waste each year fifteen hundred millions of dollars. This is a sum well worth saving; but if it were not so, the human suffering would be worth the effort which would end it. Here is no act of God, but instead the neglect of man.

Let us look in another direction. You are all aware that a discussion as to a proposed advance in freight rates on the eastern railways is going on before the Interstate Commerce Commission. It has aroused widespread comment in the daily press and in periodical literature. Publicists have journeyed far to discuss it and men of resource have made it the basis of energetic action. The business of the land is said by some to wait upon the decision. The sum involved seems large. It is stated to be about an additional hundred millions of dollars annually, which is, of course, a great amount, for charging which upon the cost of transportation due warrant must be shown. I do not assume to judge either directly or by the faintest implication as to the merits of the question. Its importance is conceded; but surely it is proper to compare it in relative importance with other public matters of expenditure or waste.

Let us for the moment assume that the hundred millions is to be spent; and, to put it in the worst way, let us assume that it is to be spent without any adequate return, though I do not at all think that to be the case. That would be bad; but it is quite possible to save it all in other ways. Let us look for a moment at our losses from fires, referring not to great conflagrations such as your metropolis endured with exemplary fortitude and from which it has shown such a magnificent reaction. I refer now to the regular run of fires; to the ordinary, usual, almost, I might say, systematic, certainly I may say habitual, loss which we suffer from fires. Since 1906 this direct loss has never been in any year as little as two hundred millions in any one year. It has risen as high as two hundred and thirty millions in three of these years. If we add to this direct waste the sum total of the cost of public and private fire protection and personnel, in so far as this cost may be increased by careless building and thoughtlessness of the problem, the sum would be vastly increased. No one, to my knowledge, has ever determined it with accuracy. But it is certainly safe to say that the total loss thus incurred, which we know how to save if we will go about it, is many times greater than the additional impost upon the country through the proposed increase of transportation rates. In a book called The Conquest of Fire, published this year, the conditions are vividly stated. The author says:

> Do you know that while you are reading these lines an entire fortune is being burned up; that a dwelling is in flames, a factory or a church is being destroyed, a store or a schoolhouse is on fire, a hotel or a theater is in ashes; that somewhere at this instant people are fleeing from their homes?
> A thousand dollars a minute—that is the tribute that fire is extorting from American civilization, including the cost of maintaining systems to prevent and extinguish fires. Every three minutes a new fire is breaking out somewhere in America. It is one continuous conflagration from hour to hour—a ceaseless roar of flames—which involves an expenditure of $1,500,000 every 24 hours and imperils thousands of lives.
> To fight fire in the United States requires an army greater in number than the regular soldiery which defends our Nation against invasion by foreign foes. More money is expended in conquering fire than in building battleships. The cost of the water required to quench flames in this country far exceeds the cost of ammunition to combat an enemy.
> The average loss of property by fire in America, including the cost of prevention of fire each year, is more than the total annual production of gold, silver, copper, and petroleum. The value of buildings destroyed by fire each year equals one-half the value of all the buildings erected. It is a sum more than sufficient to construct a new Panama Canal every 12 months.

Small wonder that the writer adds: "Where will it end?"

To state it differently, we get quite stirred by the question whether the average freight rate per ton-mile shall be 0.0075 or 0.0079 of a cent; but we do not get excited at all as to whether we shall lose many times the sum involved in another way which we know how to prevent. We lost it this year; we shall lose it next year; and we do not seem to care very much about it; not enough, at least, to give to it a small fraction of the thought given to another and smaller matter. Again, we must not minimize the progress making toward fire prevention. It is real, but it is as yet so small in proportion to the problem as to have had no controlling effect upon the losses. On the day these lines were written a clubhouse in St. Louis burned, with sad loss of useful lives, and a noble church in Brooklyn was a victim on the altar of our carelessness. We take fearful risks with a calm that would be heroic were it not rather criminal. While this address was in preparation I saw in an industrial city a factory in which several hundred girls were employed in the upper stories of an old building of such a character and so arranged as to make it almost certain that half of them would be sacrificed if the fire occurred for which every favorable arrangement exists.

Again, by way of illustrating how the social consciousness may need illumination on matters of serious importance, this reference to the transportation rates leads to a suggestion on a matter which is collateral thereto. Come with me to the railway station, if you please, and let us stand there as a freight train goes by. Suppose as we wait there looking at it we concede the worst that has been charged against railway managers and financiers. Perhaps that is going rather far, yet I think even the managers and the bankers would admit that all things have not always been as they should. Admit them all, however, and despite their faults this thing they have done, they have so worked that every ton of freight in that train and its following trains is being carried at an average rate of three-fourths of a cent for a mile, and this is the lowest average rate of transportation that is given to any of the great industrial peoples. Doubtless there are points in which economies should be and will be made. Doubtless the public is entitled to the benefit of such economies. Unquestionably it is right that the management of these great public servants should be subject to the

keenest public criticism. The men in charge of these great corporate units must justify their positions by good and reasonable service. There should be neither let nor hindrance to the right, even the duty, of criticism in press or on platform. The right of the humblest man to safe transportation for himself and his goods at the lowest attainable rate is greater than the privilege of profit to any corporation. But let us have here also a sense of proportion and let us not blind ourselves to the large by looking at that which is less, important though it may be.

Come with me now from the railway station and stand in the city street. Watch the teams go by—some empty, some partly filled, some loaded. All these goods on these carts and trucks have been carried by the railway. That has cost you three-fourths of a cent average rate per ton-mile. What does this part of the process on the cart or the truck cost you? As a total, nobody knows. No one has ever taken the trouble to find out. It would be a lot of trouble, but it is worth finding out. Some things are known about this cartage problem that make one gasp at what they seem to imply. For example, it appears to be the truth, though I warn you we are speaking now of a subject on which we may not dogmatize, for our knowledge is scanty, that many of the goods we use or eat are, in one form or another, carted from 7 to 40 times. That this factor of cartage forms a very considerable portion of their cost we more than suspect. It is a much larger element of expense than are railway freights, possibly many times more.

Let us see if we can get a few glimpses of it. The Office of Public Roads of the Department of Agriculture advises me that it estimates the average cost of hauling on unimproved roads to vary between 20 and 35 cents per ton-mile. Taking the lowest of these, which is doubtless less than the average, the cost of cartage under these conditions is over 25 times greater per ton-mile than the average railway haul. You observe I am using the smaller figures and in the calculation have given the cartage the benefit. I might, for example, have said over 26 times, but 25 times will do.

Let us see how this works out with our crops. Take the year 1912 as a basis and reckon upon 13 standard crops, including corn, cotton and cotton seed, hay, oats, potatoes, wheat, and barley. It is estimated that these crops aggregated almost 267,000,000 tons and that they were hauled on all our roads an average of such a distance in a year of 300 days as to make the total cartage probably cover over 2,400,000,000 ton-miles. I am using a statement prepared by the Office of Public Roads on January 2, 1913. It is open to revision, and, as you will see, there is ample room for revision without altering certain striking results. Now, if these 2,400,000,000 ton-miles of crops had been moved at the average freight rate of 1 cent per ton-mile, which is one-third greater rate than the average freight rate for all commodities, the result would have been a transportation cost on railroad trains of $24,000,000.

Turning now to the cartage on these crops, let us assume that the 2,400,000,000 ton-miles were hauled on unimproved roads at the lowest cost stated for such cartage of 20 cents per ton-mile, and then this item of cost becomes $480,000,000. In other words, the cartage cost is 20 times the railway cost, and yet the benefit in the comparison has been given to the cartage factor by taking it at the lowest for unimproved roads and by adding one-third to the average railway cost.

A forthcoming publication of the Office of Public Roads will state that ton-mile costs as low as 10 cents are common in Europe, and on unimproved roads in Virginia and Oregon such varying materials as crossties and apples have been carried recently for a similar figure. Taken at its best, therefore, the excess of cartage cost over that of railway transit is very large, but these facts seem to show that a saving is possible in the charges which the commodities we use now bear equal to if not in excess of all we now pay for railway freights. It is more than possible that there are men who regard railway charges as a serious burden, but who do not yet grasp the fact that deep mud or sand in the alleged roads on which they haul their produce and supplies costs them many times more.

Inquiry conducted in Washington by the Dairy Division of the Department of Agriculture showed that the total mileage of the 202 wagons delivering milk was over eight times the mileage of the city streets on which the milk wagons traveled. In other words, the duplication of cartage amounted to over eight times. It is known that the cost of getting milk from the producer to consumer is often as high as 50 per cent of the final price, and that cartage is the major part of the expense. It is, furthermore, known that this cartage cost in general is increasing.

An officer in the Agricultural Department shipped 60 bushels of apples from his farm to Washington, 92 miles. The cost per barrel to cart it from the station in Washington to each of several points in the city was greater than the railway freight on that barrel for the 92 miles.

The head of a large department store informs me that the average cost for delivery from his store to the customer is 7 cents for each and every package sent.

I have been told that the cost of delivering potatoes from the retail grocer in New York to residences within a mile of the grocer's store is greater than the combined cost of transporting those potatoes from Maine to New York City and delivering them from car or market to grocer. One gets hints of vast sums spent in each of many great cities for this item of cartage. If it is considered that there are ten times as many miles of roads in our country as there are of railroads, and that the cartage of our merchandise is in city and country often duplicated many times, and that the relative cost of the two operations is probably as 20 to 1, it is certainly within the possibilities that in this single factor which we are considering there lies an element of the cost of living greater—perhaps much greater—than the total transportation charges by railway, about which so much is said. Would it not be wise for the States or the Nation to take a traffic census in order to learn just what this problem is, how far waste and duplication exist, and whether we may not save enough in this direction alone to make our present troubles seem humorous?

The Director of the Census has been instructed by me to make inquiries into the cost of cartage in a number of cities of different sizes, and in some country districts as well, in order to begin the shedding of light upon the subject.

I have already touched upon the last topic which I shall add to this address, already overlong. It has to do with the effectiveness of our industries. We have been justifiably a proud people, whose achievements within a brief period have warranted us in assuming a foremost position among the family of nations. Nay, we have done enough to make it affectation if we did not take our proper place. We are by normal right in the front rank. Therefore it hurts us to be told that in any respect we are backward—we who have such initiative; we that conquered mountain and plain and spread our republican empire from sea to sea in so brief a space; we from whose activities have arisen whole vocabularies expressing energy and force. Yet it has been true that in the very rush of our energy we have been sometimes thoughtless of the most effective methods and careless about the actual knowledge of what things cost. In part this has resulted from doing work under what were at first pioneer conditions. These have now changed. Business has become a profession, and the factory manager is a highly trained man dealing with scientific problems. It is high time it was so, for study in many a mill develops masses of waste where in the past labor and material have been misplaced so as either to cause much direct loss or prevent great gain. It is amazing what study shows in these directions. I have known of a process in a modern factory multiplied by nine in its output within a year; of another in the same shop multiplied by five; of another in which the change was such that the work was done in one twenty-eighth of the time theretofore taken. There is going on a searching self-criticism in many of our industries which can only result in savings so great as to make many of the expenses which we publicly discuss seem small by comparison.

Chief, perhaps, among the great economic and social gains is that which will arise when the happy day shall come when the young people of this country shall, let us say at the age of 18, or even less in some cases, all know how to do some one thing well. There are two terrible and preventable losses in our American homes. One is that from needless deaths, with needless sickness; the other is that from untrained lives. The one takes away; the other fails to add. The one brings awful losses; the other fails to provide. It seems quite possible for industrial training to add 10 years of a full journeyman's wage to the working life of a young mechanic. To take away the slow and painful task of learning by attrition; to add many productive years arising from vocational training; to take away the uncertainty from the lives of the humble and give them the proud manliness and womanliness that comes from certitude of ability in self-support; to substitute for an enforced idleness arising from ignorance the forward march of well-directed industry—all this is possible, and when it shall have been wrought into fact our industries will blossom to a degree which they do not yet know; poverty will be lightened; self-respect and courage will be increased; and peace and prosperity will be promoted.

To-day we waste our boys and girls at a fearful rate by turning them out at from 14 to 16 years of age into a busy world, in which they have been taught to take no definite part. It is a world in which they must, we tell them, do something, but most of them know neither what to do nor how to do it.

In this center of learning it would be most unfit to decry our popular education even if one were disposed to condemn it, which I am not. The situation is such that what we do should still be done while something that we do not do should no longer be left undone. Surely we are in sympathy with the struggle against child labor; with the contest against the spirit that stains the fair name of industry by making our little people the victims of its processes. No State can prosper in which "the cry of the children" goes up from burdened hearts and toil-worn lives. We must not therefore be misunderstood as out of sympathy with those who would save the children of the poor when we say their work sometimes covers but the negative side of the problem and will not be complete till an affirmative is added. Not only must the little children refrain from toil, but they must be taught to labor intelligently ere they are grown to youth. One-half, and only half, the task is done for them when they are kept out of the mill. Their lives may still be largely wasted if they are not taught how they shall do their work when they are grown. Keep the children under 14 years of age out of the mills. This is well, but it is not well that they should go into the mills untrained when they are 16. Prohibition of work for children without education for work of children does not solve the problem, but merely changes it. The advocates of child-labor laws who ignore the necessity of industrial-education laws remind me that—

Ruin is wrought by want of thought
As well as by want of heart.

To the problems of life and fire and distribution and education, which we have too briefly discussed, let us add one of a physical nature. The ravages of flood and tempest are not unknown to most of our sisterhood of States, though happily for us neither you in your western home nor I in my eastern one have been the worst sufferers. How patiently we on whom the burden has fallen least bear with the trials of our brethren in the Mississippi Valley. Not many weeks since, in a city on the Ohio, men talked nervously with me of the snow that was falling and of what it might mean if it were followed by rain. They showed where the water had been more than once and spoke with a certain foreboding of what might happen again. A day or two later I slept in a room which the swollen waters had within the year invaded. In a great department store a brass band on a white column high above my head showed where the waters had stood. All through the Miami Valley the wrecks of bridges are to-day sad witnesses of recent tragedy.

Nor is this a local matter. From fair Louisiana up the Mississippi Valley, diverging along the courses of the three great streams which form the lower river, and following each to its source; along these thousands of miles, I say, the tale of ruin and of wreck is told, and men each spring rest under the shadow of a fear. From Pittsburgh to Montana, from Minnesota to the Gulf, the dread exists. The loss in past years has been frightful, and the toll of lives that the waters have taken would by comparison make some battle fields seem a dream of peace. More, much more, than the Panama Canal has cost has been swept away by the raging torrents that have worked their will almost unchecked heretofore, and for whose destructive forces the way remains still far too open.

It is a truism to say that if we can save a future loss equal to that of the past a vast capital outlay would be well spent. Yet, as one looks at the devastation that has been and that seems certain again to come and tries to visualize it, how strange it is that the thought of preventing these tragedies makes scarcely a ripple on the surface of our public opinion.

It is not many weeks ago that the engineer in charge of the lower Mississippi told me that at one time in the recent floods there were in the district of which he had charge five crevasses at once, each of which discharged as much water as regularly flows over Niagara Falls. Yet, though this strikes you and me with an awful sense of destroying power, we are hardly as much concerned about it as we are in the question whether certain American ships shall pay tolls for passing through the Panama Canal. To be sure, one is current news and the other, in its last phase, is about a year old, and memories are short, save among the actual sufferers. We must not forget to honor the men who carry the burden on their hearts and minds of bringing to the public mind its urgent duty in this matter. Would not a due sense of proportion say that the national honor was so bound up in solving this flood problem that efforts should not cease, funds in abundance should not be withheld, and science should not be stinted until once for all, in its many phases and despite its acknowledged difficulties, this problem should be reproached, that our brothers and our sisters may no longer be victims to the waters?

Very briefly and inadequately we have dealt with certain elements of national waste, believing them to be more vital to us as citizens than many things to which we give greater heed.

There remains but one thing to say. The colleges and universities of the land, and in a special sense those which are supported by the public funds, have laid upon them the responsibility of training men and women in broad thinking on public problems. The opera of Pinafore is perhaps not classic literature, but the phrase therein that "things are seldom what they seem" has a fertile suggestion for the discussion of public and economic problems. Our teaching in economics also should, I think, aim to give men vision, to take away the "keen sense of the obvious" and to replace it with insight. The superficial thinker in democracy is a danger to the State only second to the demagogue. That citizen is needed in all public discussions, who, while he will give due weight to the important problems, will balance them truly in the mighty scale of things; will not be swept from his feet by every wind of passion or prejudice or partiality; will hold the balance true, remembering that overhead reigns not an absentee Deity who sees "through a glass darkly," but instead the "God of things as they are."

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. AARON S. KREIDER,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 20, 1914.

Mr. KREIDER. Mr. Speaker, I think it is generally agreed that this entire controversy on the Panama Canal tolls centers on two words contained in the first paragraph of the third article in the Hay-Pauncefote treaty, and the question is, Does "all nations" include the United States, or does it not? I shall not debate this question of the repeal of this clause from an economic standpoint. Were I to do so, I would favor a toll charge on American vessels, for the reason that the people using the canal should pay a sufficient sum for its maintenance and operating expenses. The entire Nation should not be taxed for this purpose, which they will be in case the revenue derived from the operation of the canal is insufficient to pay these expenses and the money to do so is appropriated out of the Treasury of the United States.

The question as it is brought to us at this time through the message of the President of the United States eliminates this phase of the matter entirely. The question is, Can we exempt our own merchant vessels without violating our treaty with England? I am free to say that I have no sympathy with those who accuse those in favor of the repeal of this clause as catering to English favor and accuse them with a lack of patriotism. I believe that they are as patriotic as I am, and it is their extreme desire to live up to the letter and spirit of the treaty that actuates their course in this matter, and this certainly is a sincerely patriotic position. They feel, whether the treaty was a wise one or not, we should as American citizens live up to that treaty, and in this I thoroughly agree with them. If we can be successfully convinced that we are not living up to the spirit and letter of our agreement, then we should repeal this clause and even apologize for ever having passed such a provision. But let us consider the conditions that existed when this treaty was made, and the object of the treaty. The Hay-Pauncefote treaty expressly declared in its preamble to be for the purpose of facilitating of a canal to connect the Atlantic and Pacific Oceans by whatever route might be considered expedient and "to remove" any objection which may arise out of the convention of the 19th of April, 1850, commonly called the Clayton-Bulwer treaty, and the construction of such canal under the auspices of the Government of the United States "without impairing the general principle of neutralization established in article 8 of that convention." So that the Hay-Pauncefote treaty expressly supersedes the Clayton-Bulwer treaty. Now, let us consider for a moment what were the forces or reasons why the Government of the United States desired to abrogate the Clayton-Bulwer treaty and establish new treaty relations. It will be recalled that at the outbreak of the Spanish-American War the great battleship *Oregon* was on the Pacific Ocean and we were obliged to bring that vessel to the Atlantic side, which of necessity required a great deal of time, entailed

a great deal of risk, and it was at once recognized that a canal across the Isthmus is almost indispensable to the American Government in times of war. At this time the French had obtained concessions, had spent hundreds of millions of dollars trying to build a canal. Many years ago the American people had proclaimed the Monroe doctrine. So that the building of a canal on the American Continent became a very serious matter to the Government of the United States, and the conclusion was reached that this Government must build, own, and control that canal, and proceeded forthwith to accomplish that purpose.

Two things were of paramount importance: First, the satisfying of the French and buying them out, as it were; and the second was the formulation of a treaty with England to take the place of the treaty then in force. I again want to call your attention to the fact that the United States was now deliberately paving the way to build a canal with her own money and asks no assistance from any outside power or nation, but in doing so she makes an agreement, which is known as the Hay-Pauncefote treaty. Now, what is this treaty?

THE HAY-PAUNCEFOTE TREATY.

ARTICLE 1. The high contracting parties agree that the present treaty shall supersede the aforementioned convention of the 19th of April, 1850.

ART. 2. It is agreed that the canal shall be constructed under the auspices of the Government of the United States, either directly at its own cost, or by gift or loan of money to individuals or corporations, or through subscription to or purchase of stock or shares, and that, subject to the provisions of the present treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and the management of the canal.

Now, bear in mind, if you please, that we are making a treaty, the object of which is to build a canal which we will own and control, and by this article England concedes that we may do so. Of course, subject to the general principle to which I have already referred and that is the principle of "general neutrality," which is provided for in the very next article, article 3, which reads as follows:

The United States adopts as the basis of the neutralization of such ship canal the following rules substantially as embodied in the convention of Constantinople, signed the 28th day of October, 1888, for the free navigation of the Suez Canal; that is to say—

Bear in mind that the United States adopts as the basis of neutralization, and so forth, the United States tells England and agrees with England what she is going to do with the canal she intends to build, and she is now going to prescribe rules and regulations by which she is going to allow England and all nations to pass their ships through this canal. The rules are as follows:

First. The canal shall be free and open to vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffice shall be just and equitable.

Remember that we are dealing with a work undertaken by the Government of the United States and are providing a treaty for the express purpose of building a canal which we propose to own and control, and the agreement is that the canal shall be open to the commerce of the world in both peace and war, and that the charges which we place upon commerce for the use of the canal—that is, for the use of our own property—shall be just and equitable. That is the agreement of the United States. It is the only agreement that has been made by the United States, and so long as we keep the canal open for the use of the world, and so long as we charge the world no more than fair and just and equitable tolls, so long we shall have complied to the uttermost with our obligations; and I want to remark right here that if we were to disagree with other nations of the world as to whether the tolls were equitable or fair, this even would be only a matter of minor importance compared to the question as to whether we have a right to exempt our own vessels. Before quoting the other rules or paragraphs of article 3 I want to call your attention to the fact that this wording was not adopted hastily nor without mature consideration and deliberation, and during all of this correspondence every communication implied the granted right of ownership to the United States, the contention on the part of Great Britain being entirely based upon the point of neutrality so far as it relates to the nations of the world. For instance, Lord Lansdowne submitted an amendment under date of August 3, 1901, wherein he said:

I most emphatically renew the objections of His Majesty's Government to being bound by stringent rules of neutral conduct not equally binding upon other powers. I would therefore suggest the insertion in rule 1, after "all nations," of the words "which shall agree to observe these rules." This addition will impose upon other powers the same self-denying ordinance as Great Britain is desired to accept and will furnish an additional security for the neutrality of the canal, which it will be the duty of the United States to maintain.

You will note that Great Britain did not feel that she should be bound to neutral conduct in regard to the canal unless other nations also were so bound. This, as I have said before, was the very essence of the "general principle" contained in section 8 of the Clayton-Bulwer treaty, which we agreed to incorporate in these rules.

Again, we find a communication under date of September 12, 1901, on this same subject which reads as follows:

With regard to the changes suggested by His Majesty's Government, Mr. Hay was apprehensive that the first amendment proposed to clause 1 of article 3 would meet with opposition because of the strong objection entertained to inviting other powers to become contract parties to a treaty affecting the canal. If His Majesty's Government found it not convenient to accept the draft as it stood, they might, perhaps, consider favorably the substitution for the words "the canal shall be free and open to vessels of commerce and of war to all nations which shall agree to observe these rules." The words "the canal shall be open and free to vessels of commerce and of war to all nations observing these rules," and instead of "any nation so agreeing," the words "any such nation." This, it seemed to Mr. Hay, would accomplish the purpose aimed at by His Majesty's Government.

To this Lord Lansdowne replied, under date of October 23, 1901, as follows:

Mr. Hay has suggested that in article 3, rule 1, we should substitute for the words "the canal shall be free and open to the vessels of commerce and of war of all nations which shall agree to observe these rules," etc., the words "the canal shall be free and open to the vessels of commerce and of war of all nations observing these rules," and in the same clause as a consequential amendment to substitute for the words "any nation so agreeing" the words "any such nation." His Majesty's Government were prepared to accept this amendment, which seemed to us equally efficacious for the purpose which we had in view, namely, that of insuring Great Britain should not be placed in a less advantageous position than any other power which they stop short of conferring upon other nations a contractual right to the use of the canal.

I simply refer to these quotations to show that this matter was thoroughly discussed when the rules that the United States adopted were under consideration. Bear in mind that the United States, the owner of the canal, was submitting the rules, and it is apparent that England's only desire was that she should be placed on the same basis that the United States was offering to other or all nations. Under date of August 3, 1901, Lord Lansdowne again submitted an amendment in which he says in part:

It would appear to follow that the whole responsibility for upholding these rules and thereby maintaining the neutrality of the canal would henceforward be assumed by the Government of the United States. The change of form is an important one, but in view of the fact that the whole cost of construction of the canal is to be borne by that Government, which is also to be charged with such measures as may be necessary to protect it against lawlessness and disorder, His Majesty's Government are not likely to object to it.

I have simply referred to these negotiations to prove that the United States by this treaty and during the formation of the treaty was acknowledged to be the owner of the canal and that its obligations to foreign countries is to treat all nations alike, and you will notice that the contention made by Great Britain all along was a desire to be treated upon a basis of equality. At this time the question of what the United States may do with the canal in so far as it relates to its own commerce was never debated. This right was conceded, of course, and upon this distinct understanding all of the following clauses or rules were adopted by the United States, which are as follows:

Second. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

Third. Vessels of war, if a belligerent, shall not revictual nor take any stores in the canal except so far as may be strictly necessary, and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force and with only such information as may result from the necessities of the service. Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

Fourth. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

Fifty. The provisions of this article shall apply to waters adjacent to the canal within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible, but a vessel of war of one belligerent shall not depart within 24 hours from the departure of the vessel of war of the other belligerent.

At this point, before quoting article 6, let me call your attention as to how this would apply in the event the United States were included or intended to be included among the "all nations" clause. Would it, then, be supposed that we would pass these vessels, our enemies, through the canal at their conveniences, and if, perchance, our vessels were trying to overtake the enemy, we would hold our own vessels for 24 hours until after the enemy had left. Is it not evident and perfectly plain and clear that no such construction could possibly have entered

the minds of the framers of these clauses or rules? Is it not evident that this is to apply to all nations, not including the United States or the owners of the canal? Is it not evident that the United States is the party of the first part, making a contract with the nations of the earth as to what she shall do and upon what conditions she shall offer the canal she intends to build and construct to the commerce of the world? It seems that there can not possibly be any difference of opinion on this point.

Sixth. The plant, establishments, buildings, and all works necessary to the construction and maintenance and operation of the canal shall be deemed to be part thereof for the purposes of this treaty, and, in time of war as in time of peace, shall enjoy complete immunity from attack or injury by belligerents and from acts calculated to impair their usefulness as part of the canal.

Here let me call your attention to the fact that the same obligations that rest upon the Government in times of war rest upon it in times of peace, and the same terms apply to vessels of commerce as to vessels of war—both are treated in the same sentence—and were it the intention of the framers of this treaty that the United States should be included the very purposes and objects we sought to accomplish when we undertook to abrogate the Clayton-Bulwer treaty would now be enforced against us one hundred fold. No one in the United States and no one in England who had anything whatever to do with the treaty could have had any such thought.

ART. 4. It is agreed that no change of territorial sovereignty or of the international relations of the country or countries traversed by the aforementioned canal shall affect the general principles of neutralization or the obligations of the high contracting parties under the present treaty.

ART. 5. The present treaty shall be ratified by the President of the United States, by and with the advice and the consent of the Senate thereof, and by His Britannic Majesty; and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months of the date hereof. In faith thereof the respective plenipotentiaries have signed this treaty and thereunto affixed their seals.

Done in duplicate at Washington, the 18th day of November, in the year of our Lord 1901.

JOHN HAY.
PAUNCEFOTE.

Hon. Richard Olney, Secretary of State under Grover Cleveland, read a paper at the annual meeting of the American Society of International Law, Washington, D. C., April 25, 1913. After discussing the provisions of the treaty at considerable length, he said:

And the single point is, Are the words "all nations" inclusive or exclusive of the United States? It seems difficult to successfully contend that the United States is included.

(a) The treaty is a contract by which the proprietor of a canal fixes the terms upon which it grants the use of the canal to its customers.

(b) It was needed for that purpose only; it was needed to fix the terms upon which the United States and its nationals should use the canal, because its use without tolls or otherwise as the United States might choose is a necessary incident of the ownership of the canal. It can not reasonably be argued that in fixing the terms for the use of its canal customers the United States looked upon itself as one of the customers.

(c) The words under construction are, in substance, the first of a set of six rules adopted by the United States as the basis of the neutralization of the canal. The other five certainly apply only to parties other than the United States, so that there is the strongest reason for holding that the first of them is to be given a like application.

It has been contended, and President Wilson stated, that nowhere excepting here in this country is there any doubt as to the meaning of this treaty. I wish to say that this entire controversy had been settled during President Taft's administration by Secretary of State Knox. Our position had been practically conceded by Great Britain. Both President Taft and President Roosevelt as well as some of the brightest legal minds in this country and England have taken the position that no foreign country can possibly be concerned as to whether we charge our own vessels when passing through the canal or whether we do not. President Wilson himself took this view before the election. Speaker CLARK, Mr. MANN, Mr. UNDERWOOD, Mr. FITZGERALD, Mr. DOREMUS hold to this view now, and I am sure that no one will accuse any one of these men of insincerity in the position they have taken. In fact, I believe that the men championing both sides are entirely honest, and it is an honest difference of opinion, and yet, as I have stated in the beginning of these remarks, it should be borne in mind that the treaty was made at a time when we had in mind the building of this canal for our own special use and benefit. When the treaty was promulgated and it was no secret Great Britain knew what we were after and conceded to us this right and at no time made an attempt to include the United States in the provisions that applied to "all nations." It was only after Senator Root delivered his address in the Senate, in which address he made out a strong case for England, and this address was distributed throughout the United States that this opposition arose. This address was delivered a few days after England had practically conceded, in a letter to Secretary of State Knox, that we were right in our view and construction of the treaty.

Hon. Frank Plumley's Address.

EXTENSION OF REMARKS
OF
HON. ASHER C. HINDS,
OF MAINE,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, April 21, 1914,

On the bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

Mr. HINDS. Mr. Speaker, by the favor of the House it gives me pleasure to insert in the RECORD a speech that was delivered on February 12, 1914, before the Lincoln Club, of Portland, Me., by Hon. FRANK PLUMLEY, of Vermont:

REPRESENTATIVE PLUMLEY'S ADDRESS.

We meet to commemorate the birth of our greatest American. Other sons of our Nation have been illustrious, eminent, noble, great, and worthy. Heaven has been prodigal in allotting them rich and varied endowments. They have been loyal, strong, wise, and efficient. Every State can place her laurels on the brows of her truly great men, who have served faithfully and well both the State and the Nation. But there is one whose name increasingly towers above them all, like some mighty Alpine peak which lifts its head above all others, however much they cleave the sky, however much they are clad in eternal robes of white; he does not need to be named here, but his name may well be spoken, for it is not only a name, it is to us alike an inspiration and a benediction; it is Abraham Lincoln.

We meet to reverence his memory in a beautiful city proud of her own eminent and eloquent dead; proud of her poet Longfellow, of her great statesmen, William Pitt Fessenden and Thomas B. Reed. In a State with many noble favorite ones, both living and dead, and which has the proud heritage of having been the residence of America's only "plumed knight," the illustrious Republican statesman, the mighty, resourceful leader, the distinguished diplomat, James G. Blaine.

We meet as Republicans to do honor to the first and greatest Republican President; our most masterful orator; the logician of his time, if not of all time; the son of a poor white, the son of sorrow, privation, poverty, and distress—America's grandest son.

The Republican Party can not do much which is mean or paltry, nor betray its trust, or falter in its course, or be weak and wavering so long as it holds in high esteem his name and virtues, is inspired by his lofty thoughts, his whole-souled self-sacrifice, his deep undying devotion to the flag, the Constitution, and the Union, reverencing as he did the Bible, sustained and led as he was by an abiding faith in the overruling providences of Almighty God.

We meet after 16 unbroken years of Republican control are ended by a disastrous defeat and at the end of 11 months of Democratic administration of the affairs of the Nation. Shall we not do wisely to consider carefully in how far our successors have redeemed their fair promises, and in what, if anything, they have failed. For, "By their fruits ye shall know them."

There are to-day in the metal trades alone 100,000 idle men, suffering an annual loss in wages of $50,000,000. In the Pittsburgh district alone there are, all told, 70,000 idle workmen. There are 270,000 idle miners in the country. Two thousand coke ovens have closed down. Only 50 per cent of the employees of the Steel Corporation are now at work. One million idle men, losing $3,000,000 daily in wages. One hundred and six blast furnaces, or 38 per cent, are shut down. In these closed mills there is an invested capital of $125,000,000 tied up. In occupations allied to the metal trades about 1,000,000 men are without employment, representing an annual wage loss approximating $746,000,000. At Connellsville, Pa., there is a 10 per cent cut in wages. The Westinghouse Electric Co. has reduced the wages of 2,000 employees 16⅔ per cent. In the various plants of the General Electric Co. 5,000 employees are laid off.

Within 60 days after the tariff took effect 196,092 freight cars were idle. Railroad earnings in November, 1913, were $9,000,000 less than in the corresponding month of 1912. Railroad securities have declined. There is not a gilt-edged railroad or industrial stock listed on the market that has not shrunken in value. Twelve of the best railroad stocks in the country averaged $120.45 November 1, 1912; the same stocks averaged $102.34 December 1, 1913. There are 214,000 surplus freight cars in the United States at this time.

In San Francisco there are 25,000 idle men, in Los Angeles 35,000, in Chicago 30,000. In New York and Chicago there are more unemployed men than ever before. Boston has now the largest army of unemployed for many years.

On the Pacific coast there are 100,000 men idle. Representative KAHN of California says:

Soup houses have had to be erected in the Far West to feed the unemployed. The distressing scenes of 1894 are being reenacted.

Senator BORAH says:

It means that before the winter closes there will be 300,000 hungry and dependent persons on the Pacific coast.

Chicago has a daily bread line of 7,000. The board of aldermen have officially asked that there be established in the department of public charities a civic employment agency to provide work for the unemployed. The governors of California and Oregon have each been urgently requested to call a special session of their legislatures to provide for the unemployed. The labor committee of New York reports that over 16 per cent of the union workers are idle. The authorities of that city have increased by 100 per cent public facilities for sheltering the homeless. And yet these municipal lodging houses are jammed and overflowing nightly and a thousand other homeless ones are sleeping in rows in the department of correction steamers and on the charities pier, while still others are desperately eager for the gruesome privilege of sleeping space in the morgue.

Within six weeks from the passage of the Wilson-Underwood-Simmons tariff act the second largest shipbuilding concern in Camden, N. J., passed into receivers' hands. In December, 1913, more than 2,500 firms failed in the United States, with liabilities of $36,000,000. There has been no such record since 1893.

Representative HUMPHREY of Washington says that within 57 days after the Wilson-Underwood-Simmons tariff act went into effect 194 shingle mills in the State of Washington closed down, being 60 per cent of the shingle mills of that State and 50 per cent of the shingle mills of the entire United States. Thirty-three of its great lumber mills ceased operation from the same reason. These 33 mills represented a daily output of 3,100,000 feet of lumber and employed 8,500 men. A year ago more men were employed in these industries than ever before, higher wages were paid, labor was more in demand, the capital invested was greater and the output from the mills larger than ever before. Americans, white men in Washington receiving American wage, were beaten by those across the line who were Chinese, Japanese, and Hindus, receiving a much lower wage.

Cereals in the United States are at a lower level in value than at any time since the depression under the Wilson-Gorman tariff.

In Iowa, 3,000,000 cattle ready for market shrunk under this tariff $7.50 a head, a grand total to the producer on this one class, in this single State, of $23,875,000, and there results no cheapened price to the consumer.

The new tariff has added to the value of cattle in Canada an average of $10 a head. It has brought a loss of $7.50 per head to the American farmer.

Woolen goods to the buyer remain the same as before. In the first two days of free wool 6,500,000 pounds of foreign wool came into this country—$600,000 lost in revenue, but no compensating cheapness in clothing to the people. Sixty days after the Wilson-Underwood-Simmons law took effect more than 25 per cent of the looms and spindles in the woolen mills of the United States were idle. One western farmer having 100,000 sheep has offered them to the packers, simply because he can not compete with Australian and South African wool growers. Domestic competition had kept American woolen goods within fair bounds. If a lesssened price is forced by foreign competition, reduction in wages is said to be the only remedy.

Thirty-three million bushels of Canadian wheat were marketed here in November. We bought our flour no cheaper, but every bushel of American wheat suffered a loss of 10 cents.

There seems to be an agreement by all careful observers that the price of wheat, corn, and oats has very generally depreciated throughout the Middle West. There is a large loss to the producer, but the consumer has not gained.

At one port in Vermont in the month of November last, imports, mostly farm products, under the new tariff increased in amount $300,000, but there was a loss in revenue to the United States of $20,000.

The beet-sugar industry of Colorado this year added to the wealth of that State more than $20,000,000 as the result of the year's output. Beet-sugar manufacturers in Colorado and in the Middle West representing a capital of $100,000,000 have decided to close down because of the new tariff. The men employed in these factories must seek other lines of work; the capital must lie idle until there is a Republican resurrection, or its plants go into the junk heap, a dead loss to the investor and to the Nation. The farmer who raised the beets must sow or plant other crops not as profitable probably, and lacking the beet's fertilizing value.

The best estimate is that not more than 50 per cent of the capacity of our steel mills will be used this year. One-half of the active capital devoted to this business will yield no returns in 1914; one-half of the great army of men employed last year in these mills will be without work or wage. In fact, 50 per cent of the workmen in this industry are now idle. The 2,000,000 men previously engaged in the iron and steel mills and allied, associated, or dependent trades now idle represent a loss daily in wages of about $4,000,000, approximating an annual loss of about $1,248,000,000. The irony of it all is that while by our own ill-advised legislation we were thus removing bread from the mouths of millions of our own workmen, British workingmen in kindred or allied trades are clamoring for, and in some cases receiving, increased wages, resting their demands upon the larger prosperity of their employers, resulting from the new opportunity in the markets of America. Under Republican rule we legislated for America. Under the rule of the "New Freedom" our legislation benefits only the foreigner. In some parts of Germany manufacturers have advanced wages to their employees 20 per cent since the Wilson-Underwood-Simmons tariff gave them enlarged opportunity and greater prosperity.

The Maryland Steel Co. furnaces are closed for the first time for 17 years; also the Burden Iron Works, of Troy. Chester, Pa., reports 3,000 idle men; Harrisburg, 45 per cent shrinkage in the mills' output; Conshohocken, a cut of 10 per cent in the wages of the millmen. Coatsville meets the situation by a reduction of hours, and at Norristown the mills and quarries are closed. The largest carpet mill in America and in the world on February 7 began a cut of 10 per cent in wages.

Ten per cent reduction in wage as the alternative to closed mills and factories has been accepted by the employees in many large establishments in various parts of the country.

It is to-day true that, compared with last year or any previous year of the past 15, railroads are carrying less freight, contractors are building less, merchants are buying less, manufacturers are producing less, banks are clearing less, dividends are markedly less, and all business hesitates, stumbles, or halts.

The Democratic tender to the world of freer trade has been met by no country with a reciprocal lowering of their tariffs. On the contrary, countries with which we have considerable commerce have actually increased their duties on certain lines.

The Democrats in their platform at Baltimore and in their speeches throughout the campaign which followed, persistently charged the high cost of living to the protective tariff, and they promised, if given power by the people, to lower the cost of living by enacting a tariff without protection. They have done the latter. They have utterly failed in the former. Prices in America are higher rather than lower this year, but Government bonds have fallen, railroad stocks have declined, bonds sell for less, and credit in general is less. The Democrats promised us cheaper shoes under the new tariff. This may happen, but it is wooden shoes they are to give us.

We all stand facing the fact that when our goods are made in Europe they are not made in America, and the wage paid to the European employer is lost to the American workman. It is beginning to be appreciated by some manufacturers who were dull to the fact and by some workingmen who were in the fog that on the average our wage scale is 150 per cent higher than is the wage scale of 300,000,000 Europeans; and it is not hard to see that with our lines of protection leveled the cheaper made goods will undersell and crush out the other. It will be clear soon to the dullest mind that "the man out of work in America by reason of the new tariff must try to purchase with his lost wages the goods from abroad that he could make at home if he had opportunity."

Representative WILLIS, of Ohio, said recently in the House of Representatives:

With the deepest regret we see mills idle, laborers by the thousands out of employment, and wages being reduced. Various municipalities are taking steps to care for the army of the unemployed, and the newspapers every day bring us distressing information of more idle factories and greater industrial stagnation.

Col. Harvey, of New York, who first found in Woodrow Wilson presidential timber, commenting on the President's policy in the North American Review, indicts it for, first, subversion of the Constitution as involved in his proposition to control by Federal legislation all primary elections for choosing delegates to national conventions, embodied in a bill now pending before the House of Representatives; second, complications likely to arise with foreign nations out of his policy of forbidding free ownership of enterprises in the Western Hemisphere by those not

citizens of this country; third, general business depression, amounting to "positive dejection"; fourth, class legislation in the law exempting labor unions from the provisions in the Sherman Act relating to conspiracy and combination. And he predicts the probable defeat of the administration at the polls in consequence of the facts named in the four counts of his indictment.

It is estimated that the Wilson-Gorman bill in its three years of existence cost the country $5,000,000,000. The Wilson-Underwood-Simmons bill favors the industries of this country far less than the Wilson-Gorman Act. What will be the fearful figures to place against it when its three woeful years of existence have run and ended?

The facts which I have here assembled from many sources, all deemed by me to be reliable, portray with reasonable accuracy and certainty the economic conditions of the country as they exist to-day. They may change for the better as winter passes into spring, but such does not seem to be the outlook, such is not suggested by our history. In the platform of the Democratic Party, read at Baltimore, it is written:

> The high cost of living is a serious problem in every American home. The Republican Party in its platform attempts to escape from responsibility by denying that they are due to a protective tariff. We take issue with them on this subject and charge that excessive prices result in a large measure from the high tariff laws enacted and maintained by the Republican Party. * * * and we assert that no substantial relief can be secured for the people until import duties on the necessaries of life are materially reduced.

Duties have been by them materially reduced on the necessaries of life. Their remedy has utterly failed, deplorably failed. It is not a remedy, it is a nostrum. It costs more to live to-day than it did March 4, 1913, which ushered in the apostles of the "New Freedom" and cheaper living.

It has not been my purpose to assemble here all the failures of the Democratic Party in its short career of 11 months, neither time nor space would permit. "Enough is as good as a feast." The promise was and the hope was that the new administration would build, not break; would illuminate, not becloud, obscure, or obstruct the people's path of prosperity and growth.

President Wilson has been a long-time advocate of civil service, yet he has approved laws which make vital and vicious attacks upon that policy. He stands for peace, but so conducts or permits to be conducted our foreign affairs as to create distrust, arouse suspicion, provoke dislike, stimulate antagonism, and, in Mexico, through unnecessary and unwise expressions and entanglements, to make war almost, if not quite, the natural and necessary outcome. He stands sponsor, if not creator, of the new freedom. Yet, under his administration, by or permitted by the members of his Cabinet, there has been humiliating and shameful segregation and discrimination of the colored employees of the Government in Washington, although in his anteelection speeches he gave public and specific assurance of their fair, just, and favorable treatment. Many people who hesitated to give their suffrage to the Democratic Party because of its past attitude toward the industries of the Nation were led to believe that they might take that step safely because of the promise that all economic changes should be made in such a way as not to disturb or injure any legitimate industry. It was not until well into the tariff hearings of last winter that the definite interpretation of that expression was given, and when given it was pronounced by the man who wrote it into the Democratic platform, Representative Harrison, of New York. A Democrat from Louisiana was before the Committee on Ways and Means begging that the tariff might remain on cane sugar as an absolute necessity to the maintenance of that industry. As a strong and last appeal he said: "Ours is a legitimate industry; it should not be injured." It was then the interpretation was vouchsafed. In substance, Mr. Harrison said: "A legitimate industry is one which rests on a sound economic basis. No industry which rests in any part on a protective tariff is sound economically; therefore it is not a legitimate industry. The cane-sugar industry is not a legitimate industry, for you assert that a tariff is necessary to its maintenance."

Hence, it will be seen, gentlemen, that there was nothing in the Democratic platform of 1912 to preclude the Wilson-Underwood-Simmons tariff act of 1913. It never can be said by Democratic apologists of to-day that theirs was not an auspicious beginning. They had but to maintain the peace then ours with all the world; they had but to continue the prosperity then everywhere abounding. There was not a business cloud in sight on March 4, 1913. The earth was moved by millions of men marching daily to and from their places of work and wage; the air was vocal with the shrill music of whirring wheels and multifold machinery. Hope was in the heart and faith in the breast of business men everywhere. But now they see clearly that under a Democratic administration "faith is the substance of things hoped for; the evidence of things not seen."

It is not strange, but it is to be expected, that from this field of wreck and ruin, of fast and well-nigh famine, the outcome and offspring of Democratic policies, many people should begin to recast their political views and return to their former political alignment. These voters know the policies of the Republican Party touching the great economic truths. They know the beneficent result of these policies. They have been bathed in the glad sunshine of the prosperity these policies permit and evoke and are ready to say with the prodigal son: "I will arise and go to my father." For they know that in that home there is "bread enough and to spare" and that they will receive a royal welcome.

A year since we were cast down defeated and discomfited. There has been for us a deep, dark winter of discontent, but there shall yet be for us a glorious summer.

Republicans, look no longer into the darkened West, where set our sun of 16 years of majestic power and light. It is not there; it has passed its midnight. Even now light is breaking in the eastern sky. Our sun is once more rising, full orbed and with old-time splendor. With glad and willing hands we will rise as pioneers of the people's will and strike away the fogs of the morning and let in the glorious light.

In the glad days that are fast coming there will be no darkness or destructive tempest or lowering cloud, for our sun returns in all its pristine vigor and glory. It will dispel the darkness; it will burn up the clouds; it will stay the tempest; it will bring to all hope and good cheer. Its resplendent rays will remove all scars, heal all sores, melt and blend into one great and harmonious whole all factions; it will unite all divergent paths; it will make all our paths straight; it will make them one. It will make our beloved party virile, great, grand, potent, and irresistible. As the days pass into months and the months ripen into years, this sun of ours shall mount higher and yet higher in the heavens, shall become more fair, more brilliant, more puissant. It shall shine out with unaccustomed beauty and grandeur and shall reach and rest at its zenith in glory incomparable on the first Tuesday after the first Monday in November, 1916.

Chickasaw and Choctaw Indians.

A symposium on the point of order on the item for a per capita payment of $100 out of the Choctaw-Chickasaw tribal funds to members of these tribes as an item in the Indian appropriation bill, and the rights of the Mississippi Choctaws under the fourteenth article of the Dancing Rabbit Creek treaty of 1830.

EXTENSION OF REMARKS

OF

HON. WILLIAM H. MURRAY,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, April 24, 1914.

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BRIEF OF ISSUES.

Mr. MURRAY of Oklahoma. Mr. Speaker, the issues involved in this symposium are whether or not the Choctaw and Chickasaw rolls shall be reopened to admit persons who do not come within the laws and treaties defining and governing their rights.

The Choctaws and Chickasaws, who own their property in common, among the "citizens" of the two tribes, each having an equal undivided interest in the whole, seek to have paid out of their funds now under the control of the Government a per capita payment of at least $100. To this the claimants, numbering ten or fifteen thousand, residing in the various Southern States, claiming under the fourteenth article of the treaty of 1830, called the "Dancing Rabbit Creek treaty," are opposed because the remaining undistributed portion of the funds would not be

sufficient to give them an equivalent of value to the $1,041.28 worth of land heretofore allotted to those on the rolls.

The Choctaws and Chickasaws contested the fourteenth article claimants, so called, under laws and treaties closing the rolls, and have court judgments against them, notably in the Jack Amos case, on the ground that all of these claimants have "expatriated" or changed their citizenship. In other words, they have not complied with the terms of the treaty that they must remain a member of the tribe and "live upon the land," since their treaties, like all other Indian treaties, conveyed the land to them "so long as they remained as a tribe and lived on it," and conversely when they ceased to be a member of the tribe they lost their individual right, and in the event the tribe became extinct or left the land it would revert. This rule, adhered to by the Government with all Indians, was necessary to hold them together, and has sound foundation in the law in this, that any person ceasing to be a citizen of a country ceases to have any interest or rights in the country from which such individual "expatriated."

It will be observed under these treaties that blood alone did not determine citizenship; but blood and acts of the tribe adopting even white people and negroes required the further compliance that they remain a member of the tribe and live on the land, remaining a part of the "nation"; and conversely, however great the quantum of blood, they lost all rights by "expatriation"—a clear legal principle adhered to not only in all Indian treaties but by numerous rulings of both the Interior and Treasury Departments and by decisions of the Federal courts.

These Choctaw and Chickasaw Indians claim that the Government should adhere to its treaty and law closing the rolls on March 4, 1907, and pay to them at least a portion of their funds, so that they may not continue to be compelled to borrow money at exorbitant rates of interest; and hence an appropriation for such payment of a per capita of $100 is in order under the rules of both the House and Senate, because it is in obedience to acts of Congress and treaties with these Indians.

The decision of the Chair overruling the point of order, together with arguments sustaining the same in the House of Representatives is as follows:

THE DECISION OF THE CHAIR—THE HON. JOSEPH W. BYRNS.

The CHAIRMAN. The Chair is ready to rule. The proposition submitted is attended with considerable difficulty. The Chair has permitted a very liberal discussion of the whole matter. Much has been said about the equity of the claims of the Mississippi Choctaws; but, of course, that is something with which the Chair, so far as this ruling is concerned, has nothing to do. The Chair has very carefully examined the agreements made between the Indians and the United States Government, and also the acts of Congress, and has made note of those portions which, in the opinion of the Chair, have some relevancy, so far as this particular question is concerned.

The gentleman from Mississippi [Mr. HARRISON] makes the point of order against the following paragraph in the bill:

That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to make a per capita payment of $100 to the enrolled members of the Choctaw and the Chickasaw Indians of the Five Civilized Tribes entitled under existing law to share in the funds of said tribes, or to their lawful heirs, out of any moneys belonging to said tribes in the United States Treasury, or deposited in any bank, or held by any official under the jurisdiction of the Secretary of the Interior, same to be made under such rules and regulations as he may prescribe: *Provided*, That in cases where such members are Indians whose restrictions have not been removed the Secretary of the Interior may, in his discretion, withhold such payment and use the same for their benefit.

It is contended that it is not authorized by existing law and, therefore, not in order on an appropriation bill.

In order to determine the issue raised by the point of order, it will be necessary to refer to certain portions of agreements and statutes under which the property of said tribes was divided in severalty and disposed of under rules and regulations of the Secretary of the Interior and the proceeds paid into the Treasury of the United States. The first agreement to which the Chair will refer is what is known as the Atoka agreement between the Choctaw and Chickasaw Tribes and the United States, and is embodied in a confirmatory act of Congress passed June 28, 1898.

In section 11 of said act it was provided that when the rolls of citizenship of said tribes were completed and the lands of the tribes surveyed, then all of the surface lands should be allotted in severalty among the citizens as shown by the roll, reserving and excepting to each tribe only the oil, coal, asphalt, and mineral deposits in the lands and a sufficient amount of land for town sites, schools, churches, and so forth. Section 15 provided for the disposition or sale of the town lots and that all the money "paid into the United States Treasury for the sale of all the town lots shall be for the benefit of the members of the Choctaw and Chickasaw Tribes—freedmen excepted—and at the end of one year from the ratification of this agreement, and at the end of each year thereafter, the funds so accumulated shall be divided and paid to the Choctaws and Chickasaws—freedmen excepted—each member of the two tribes to receive an equal portion thereof." It was further provided that royalties on oil, coal, asphalt, and other minerals, and rents should be paid into the Treasury of the United States to the credit of the tribe to which they belong, and that they were to be used for the education of the children of Indian blood of the members of said tribes. But it was provided in said agreement "that whenever the members of the Choctaw and Chickasaw Tribes shall be required to pay taxes for the support of schools, then the fund arising from such royalties shall be disposed of for the equal benefit of their members—freedmen excepted—in such manner as the tribes may direct."

It may be stated here, parenthetically, that the members of the tribes are now paying taxes for the support of schools in the State of Oklahoma. Said agreement further provided—

That all per capita payments hereafter made to the members of the Choctaw or Chickasaw Nations shall be paid directly to each individual member by a bonded officer of the United States, under the direction of the Secretary of the Interior, which officer shall be required to give strict account of such disbursements to said Secretary.

The agreement contains the further provision:

It is further agreed that all of the funds invested, in lieu of investment, treaty funds, or otherwise now held by the United States in trust for the Choctaw and Chickasaw Tribes, shall be capitalized within one year after the tribal government shall cease, so far as the same may legally be done, and be appropriated and paid by some officer of the United States appointed for the purpose, to the Choctaws and Chickasaws—freedmen excepted—per capita, to aid and assist them in improving their homes and lands.

It was also provided that the tribal governments should cease after the lapse of eight years from March 4, 1898, but this was subsequently changed by the act of April 26, 1906.

The Chair has referred to this agreement and act of Congress somewhat at length, and it is clearly to be seen that it was the intention that the lands and all the property of the Choctaws and Chickasaws should be allotted and distributed to them per capita as soon as the rolls were completed and their tribal governments should cease in anticipation of statehood for the territory in which their lands were located. Subsequently a supplementary agreement was entered into which is found in the act of Congress passed July 1, 1902, and which limits the allotment to each citizen of the tribe to 320 acres.

As to the residue of said lands, section 14 provides:

When allotments as herein provided have been made to all citizens and freedmen, the residue of lands not herein reserved or otherwise disposed of, if any there be, shall be sold at public auction under rules and regulations and on terms to be prescribed by the Secretary of the Interior, and so much of the proceeds as may be necessary for equalizing allotments shall be used for that purpose, and the balance shall be paid into the Treasury of the United States to the credit of the Choctaws and Chickasaws and distributed per capita as other funds of the tribes.

It will be borne in mind that the Atoka agreement provided for an allotment of all the lands. The supplementary agreement provides for a reduction of amount of allotment and sale of residue, the proceeds to be distributed per capita as other funds of the tribes.

Section 17 of the act of Congress passed April 26, 1906, provides:

That when the unallotted lands and other property belonging to the Choctaw, Chickasaw, Cherokee, Creek, and Seminole Tribes of Indians have been sold and the money arising from such sales or from any other source whatever have been paid into the United States Treasury to the credit of said tribes, respectively, and when all the just charges against the funds of the respective tribes have been deducted therefrom, any remaining funds shall be distributed per capita to the members then living and the heirs of deceased members whose names appear upon the finally approved rolls of the respective tribes, such distribution to be made under rules and regulations to be prescribed by the Secretary of the Interior.

In the opinion of the Chair, authority for this provision in the bill must rest on this section and section 14 of the supplementary agreement, as above quoted. But it is contended that under this section no distribution can be made until all of the unallotted lands have been sold. The section does not say so, nor does the Chair think that to be a correct, fair, or just interpretation of it. But even if it is, the Chair has been furnished with a letter, written on February 19, 1914, by the Assistant Commissioner of Indian Affairs, Mr. E. B. Meritt, to the Hon. CHARLES D. CARTER. In that letter the assistant commissioner says:

DEPARTMENT OF THE INTERIOR,
OFICE OF INDIAN AFFAIRS,
Washington, D. C., February 19, 1914.

Hon. CHARLES D. CARTER,
House of Representatives.

MY DEAR MR. CARTER: In response to your inquiry over the telephone relative to the unallotted lands of the Choctaw and Chickasaw Nations, I have the honor to advise you that said surplus unallotted unreserved

land was sold at public auction under the provisions of section 14 of the act of Congress of July 1, 1902 (32 Stat. L., 641), and section 16 of the act of Congress of April 26, 1906 (34 Stat. L., 137). The entire area, with the exception of a few odd tracts, has been disposed of at said sales. A few tracts that have been forfeited by the purchasers by reason of the nonpayment of the deferred purchased price will, of course, be reoffered for sale at the earliest practicable date.

Very truly, yours,

E. B. MERITT,
Assistant Commissioner.

So, assuming that the Assistant Commissioner of Indian Affairs has correctly stated the facts—and the Chair has no doubt about that—even if the contention be true that all of these unallotted lands must first be sold before there can be a distribution of the per capita funds in the Treasury, the Chair thinks that that requirement has been complied with. The Chair thinks, however, that said section should be construed in connection with the clear intent of the Atoka and the supplementary agreements, and that a liberal rather than a technical construction should be placed upon it, in the interest of the Indian tribes, who are the wards of the Government.

The act itself clearly negatives any such intent on the part of Congress as is claimed, for section 26 of the same act provides that any lands not sold and belonging to any part of the tribes upon their dissolution should be held in trust by the United States for the use and benefit of those whose names appear upon the rolls.

The Chair's attention has been further called to the fact that the act of 1906 withdraws all segregated mineral lands from sale, and if the contention made by those who have supported the point of order is correct, then it will result in withholding a distribution of the funds belonging to the Choctaw and Chickasaw Tribes for an indefinite period of time, which, in the opinion of the Chair, was certainly never intended, as will appear from a reading of the act referred to. The Chair does not think it was the intention to withhold indefinitely, and until after the final dissolution of the tribes, the millions of dollars to which they are justly entitled, in the language of the statute, "to aid and assist them in improving their homes and lands."

It is further contended that this section provides that a per capita payment shall not be made until all just charges against the funds of the respective tribes have been deducted, and that the claims of the Mississippi Choctaws constitute a just charge. However just their claim may be, the Chair does not think it could be called a charge in the sense in which the word is used here. The courts have repeatedly held that a charge is the price required or demanded for services rendered. The charges mentioned in the statute refer to the charges of administration—charges of the Government for administering the affairs and estates of the tribes. The Chair is informed by the gentleman from Oklahoma that there are no such charges, and he assumes that it is correct.

The Chair is more content with this ruling, because it can not possibly work any injury to any person or persons who hold a claim against either tribe. It has been stated, and the Chair does not doubt the correctness of the statement, that to make the per capita payment of $100 will require the sum of $2,702,200, whereas the tribes have on deposit an aggregate of $7,100,000, and there is said to be more than $33,000,000 in addition to become due them.

The Chair has come to the conclusion herein expressed after as careful an examination of the statutes as was possible under the circumstances. His personal views of the rights or equities of the Mississippi Choctaws have had no weight, and have not been permitted to enter into this ruling one way or the other. It is the duty of the Chair to pass upon the point of order in accordance with what he believes to be the meaning of the rules of the House and the general law on the subject, and this the Chair has endeavored to do without regard to the merits of the question. The committee has the right of ultimate interpretation, and if the Chair is wrong in his conclusions the committee, on appeal, can so determine.

The Chair is clearly of the opinion that the paragraph does not involve a change of existing laws and is not new legislation, and therefore overrules the point of order.

ARGUMENT OF HON. E. W. SAUNDERS, OF VIRGINIA.

Mr. SAUNDERS. Mr. Chairman, this is quite an interesting legal proposition, and I will not undertake to take issue with the gentleman from Mississippi [Mr. SISSON] with respect to his statement that a Federal statute can modify, or, for that matter, abrogate an existing Indian treaty. I do not know that it is very much to our credit, that this is true, but I realize that such is the fact. With respect to Indian treaties we claim the power practically to do with them as we please. However solemnly they may have been entered into, or however clear the understanding of the Indians may have been, with respect to its terms, and intent, we hold an ultimate authority that is occasionally exercised, to completely abrogate these agreements. And while that authority exists, and while under certain conditions, not very much to our credit, it has been exercised, yet the general trend of interpretation with respect to Indian treaties, and legislation relating to Indian treaties, is to interpret them with respect to the understanding of the Indians, and so as to promote their substantial interests and welfare.

This being true, and this principle of construction being admitted, I submit that, having in mind both the antecedent treaty bearing on this situation, and this principle of construction, the Chair will not be disposed to strain the interpretation of an act subsequent to the treaty in order to nullify a clear understanding of the natives as to the terms and effect of this treaty.

I admit the authority on the part of the Government to do this. I admit that if this statute in terms destroys the solemn agreement between the Indians, and the United States, the statute is the paramount authority, and must be followed. I admit that if the intent to abrogate clearly appears on the face of the statute, then the Chair is bound to rule in conformity with this clear plain intent.

But I wish to state in this connection one or two propositions, having in mind this fundamental canon of interpretation with respect to treaties and Indian statutes, which I think, will make it abundantly clear that the statute under consideration, even if it is strictly construed, does not deprive the Congress of the authority to distribute from time to time, the proceeds of property sold under its terms, and pursuant to its directions.

I am somewhat familiar with the facts relating to this whole subject matter, and I know the difficulty that exists with respect to the final disposition of a portion of this entire property. The United States has been at a loss to determine the proper policy with respect to the coal lands, whether they should be sold as a whole or in sections, or be leased for the benefit of the tribes. A few years ago I went out to the State of Oklahoma as a member of a committee, and when we looked over these coal lands, and discussed the problem of their disposition, I realized that it was one that presented substantial difficulties. We were all agreed that the interests of the Indians, and they are exclusively interested, required some immediate disposition, but could reach no conclusion as to the form this disposition should take.

The Chair will observe that another section of this statute heretofore cited provides that these coal lands shall be segregated and not offered for sale. This section was an indication on the part of the Government, an acknowledgment, you might say, on the part of the Government, that it was not prepared to determine the disposition of the coal lands. In other words, it was a reservation of the final determination of this disposition for some future time, when, as the result of larger experience and new facts, the Government would be better able to reach a wise conclusion and determine whether this coal land should be sold as an entire tract or in subdivisions, or should be held in perpetuum by the United States under an arrangement to lease the same and pay over the proceeds of these leases to the tribes.

If the view presented by the gentleman from Mississippi is correct, namely, that all of this property must be sold before any disposition can be made of the proceeds, then the withdrawal of the coal lands from sale will postpone indefinitely the distribution of the proceeds of the remaining lands, although the disposition of these lands is free of difficulty In fact, all of these lands have been sold, and the proceeds are now in hand, and available for division among the parties in interest.

Now, having in mind that all of the Indian statutes are intended for the benefit of the Indian tribes, can any sufficient reason in law be advanced why a distribution pro tanto should not be made of the money in hand derived from sales made pursuant to the authority of the statute in question? Why not construe this statute as other Indian statutes are construed, that is, liberally in all that relates to the interests of the Indians? Why should the proceeds of sales long since made be allowed to remain in perpetuum in the hands of the Federal Government, when there are no ascertained demands upon the fund, and the people entitled to participation in their own are clamoring for a partial distribution?

Mr. HARRISON. The gentleman's argument is very interesting; but assuming for the sake of argument that there are Mississippi Choctaws who have been kept from the roll who ought to be on the roll, and assuming that this is the first distribution of the fund, to be followed by another distribution of the funds to those Choctaws who are on the roll, and that in the course of two or three or four years, by these annual distributions of funds among the Choctaws who are on the roll, none

would be left for those who in the course of time might be placed upon the rolls, does not the gentleman think that that question ought to enter into the consideration of this matter, and if that is true this point of order should be sustained?

Mr. SAUNDERS. Mr. Chairman, I will answer my friend's inquiry fully. Even upon his statement of the case, I do not think that he presents for consideration an element that should enter into the decision of the Chair. And yet I will say, with respect to what this House may do, that if it should clearly appear that there was a meritorious outstanding claim, against this fund, though it had not reached the point that it had become a charge, it would be a great wrong on the part of the Congress to distribute this fund pending the ascertainment, and determination of this claim. A reasonable opportunity should be afforded for its prosecution to judgment, or final determination. I for one would never agree to distribute the fund in hand so as to leave nothing for outstanding claimants prosecuting in good faith an apparently meritorious demand. But I submit that this is a question for the House, and not for a ruling by the Chair. The statement of the claims of the Mississippi Choctaws as made by my friend does not bring them within the benefit of the language used in the statute. However, neither the House, nor the Chair, need concern themselves with this phase of the situation for the very simple, and sufficient reason that there is a reservation of property that in the ultimate will be far more than sufficient to discharge any possible findings in favor of the Mississippi Choctaws.

I know something about the extent and value of these coal areas. I went over them as a member of the committee, that visited the State of Oklahoma a few years ago. They are practically intact, and in the aggregate of immense value. No fear need be entertained that the partial distribution proposed will in any wise imperil the discharge of any prospective finding in favor of the Mississippi Choctaws.

I take it, Mr. Chairman, that no one believes that in the result all of these claimants will be able to make good. I take it that every Member on this floor who is at all acquainted with the nature and character of these claims realizes that in the ultimate, when every opportunity shall have been afforded in the courts for the determination of their merits, quite a large proportion of them will fall by the wayside. But even upon the theory that all of the two thousand and odd outstanding claimants will establish their claims in the courts, there is a sufficient undisposed of reservation to pay these demands in full.

I know something about this Dancing Rabbit treaty. I was a member of the Indian Committee for two or three sessions, and have heard this particular treaty discussed. It may be true that the Mississippi Choctaws were entitled to the benefits of the Dancing Rabbit treaty.

But I deny that there is any ascertainment anywhere that the Choctaws now in Mississippi are entitled to present participation in the fund in hand. These Choctaws have nothing but a claim, a claim that may be prosecuted during all time to come, and which therefore might defer, for all time to come the distribution of this present fund.

Mr. Chairman, look at the unreasonableness of the contention advanced in behalf of the Mississippi Choctaws that they have a right to hold up the partial distribution of the money in hand, even though the undistributed balance will save them harmless. In substance this contention is, that so long as they are prosecuting their claim in good faith, though their rights are undetermined, and unascertained, they are entitled to demand a postponement of distribution among the Indians whose right to present participation in the fund in hand has been definitely settled.

Mr. MADDEN. Is there no way by which we can force to a conclusion the cases that are pending?

Mr. SAUNDERS. None whatever. These Mississippi Choctaws will enjoy precisely the same status before the next House, as they have before the present body, namely, the right to press their claims, and ask for favorable action. Even an adverse decision by the present body, would not hinder the claimants from presenting their claims to the next House.

Mr. Chairman, as I have said, having in mind that the controlling canon or principle of interpretation of an Indian statute is to favor the interests of the Indians concerned, why should the Chair undertake to say that the language of the statute in issue, means of necessity that there shall be no distribution of the fund, until every foot of land has been sold, every dollar of the purchase price has been paid into the Treasury, and every outstanding claim has been provided for? Why should you reach that conclusion, unless the language of the statute is so compelling that no other conclusion is possible? Upon a fair consideration of the statute, it is apparent that the language used, means to say that when this property shall be sold from time to time and the proceeds paid into the Treasury until such an amount is in hand as to justify a partial distribution, this distribution shall be made among the parties in interest, after provision has been made for existing demands upon the fund. This is the present situation. An immense sum is in the Treasury, in the hands of the court, so to say.

The people for whose benefit this statute was presumably enacted, being the same people, or the successors of the same people, who made the Atoka agreement, are knocking at the doors of the Treasury. They ask that this fund shall be partially distributed. They meet the request for postponement of distribution by pointing to this agreement, and citing the familiar rule of interpretation applied to all statutes affecting the rights of Indians. How can this request be repelled? In one way only. The gentlemen who hold the contrary view, must satisfy the Chair that the terms of the statute are so absolute, so positive, so overpowering in their clear prescription distribution must be deferred until the last dollar has been brought into the Treasury from the sale of all the property of these Indians, that no decision is possible other than to sustain the point of order. When will these final sales take place? Having in mind the difficulties that attend the disposition of the coal lands, there is not a Member of this House who can make a reasonable estimate of the time that will be required to work out a solution of this problem in the best interests of the Indians. The disposition of the unallotted timber and agricultural lands was an easy task. They were platted and sold on easy terms. But the disposition of the coal lands has proved to be quite another thing, and the Government has never reached any definite conclusion as to the proper policy to be pursued in relation to this most valuable and undistributed asset.

I wish to call the attention of the Chair to the language of the section under consideration:

SEC. 17. That when the unallotted lands and other property belonging to the Choctaw, Chickasaw, Cherokee, Creek, and Seminole Tribes of Indians have been sold and the moneys arising from such sales or from any other source whatever have been paid into the United States Treasury to the credit of said tribes, respectively, and when all the just charges against the funds of the respective tribes have been deducted therefrom, any remaining funds shall be distributed per capita to the members then living and the heirs of deceased members whose names appear on the finally approved rolls of the respective tribes, such distribution to be made under the rules and regulations to be prescribed by the Secretary of the Interior.

Having in mind that the segregated coal lands constitute the "other property" of the Indians, it is apparent that the interpretation of this section urged upon the Chair by the gentlemen who raise this point of order, will defer the distribution of any fund in hand, even if there is not a single charge against this fund, until the final sale of the segregated coal lands, and the payment of the proceeds of sale into the Treasury.

I would like for the gentlemen who hold this view to give to the Chair some sufficient reason, having in mind the interests of the people entitled to participation and therefore entitled to be considered, why the statute should carry this meaning. Why should it be supposed that Congress, having withdrawn the coal lands from sale by another section, should withhold the proceeds of sale of other lands from the parties in interest, until such time as the coal lands should be sold and the proceeds collected? From what conceivable point of view would this policy be to the interest of the Indians owning these lands? I submit that what this statute really means, is that when any amount of this property has been sold, sufficient to justify a distribution, and the proceeds of sale have been collected, this fund, after providing for all just charges shall be distributed per capita amongst the proper parties on the approved rolls. Such a construction would conform the statute to the Atoka agreement, and be in harmony with the prevailing rule of interpretation of statutes of this character.

Mr. WEAVER. In 1904 there was a per capita payment of $40, in 1906 a per capita payment of $35, in 1908 another per capita payment of $20, and in 1911, from the general fund, a per capita payment of $50.

Mr. SAUNDERS. Permit me to call the attention of the Chair to the fact that according to the present contention, all of the per capita payments made since 1906, were a repeal to that extent of the present statute. This act was passed in 1906. These payments afford a very clear indication that up to the present time, this act has not been construed by the people who are charged with its enforcement, as bearing the meaning that is now sought to be impressed upon it, by the gentlemen who insist on this point of order. If these payments were in violation of the act of 1906, this point of order would have been made long ago by some one on behalf of the Mississippi claimants.

But the objection that the provision for these payments is contrary to law, is raised for the first time to-day. The omis-

sion to raise it heretofore raises a presumption that the payments ordered were conformable to law, and a proper part of the appropriation bill.

It is perfectly clear, that if there are no interests to be protected by the interpretation sought to be impressed upon this statute, there is no merit in the contention for his interpretation. Is it an abstract proposition that my friend from Wisconsin is seeking to establish? Why does he urge this interpretation, when it is so palpably contrary to the best interests of the people directly concerned in this fund?

So far as the equities are concerned a fund is retained that will be sufficient, and far more than sufficient, to meet them. But these equities can not be considered in the determination of this point of order. So we return to what after all is the main inquiry, and that is what interpretation of this statute will best promote the interest of the people vitally concerned. That interest should be the main, determining factor of interpretation. Why should the distribution of this money that possibly is needed to relieve actual want, be postponed until in the fullness of time, some other lands the property of the same tribes, shall be sold and the purchase price paid into the Treasury? Why should money now in hand lie idle in the Treasury, until Uncle Sam can scratch his head, and solve the knotty problem of how to best dispose of the coal lands?

Mr. Chairman, the summation of this situation may be stated as follows. First, the equities have nothing to do with your determination. Second, a sufficient fund is retained to provide for the equities. Third, the interpretation of this statute should not be contrary to the manifest interests of the Indians unless you are driven to that conclusion by the overwhelming compulsion of the language used by the lawmakers. Fourth, there is no more reason for deferring this distribution than it would be for a court to defer a distribution of a fund in hand, when the parties were before the court, and all questions in issue had been determined. This distribution will go to the discharge of present necessities, to the discharge of present obligations, perchance to keep the wolf from the door of the desperately needy. Yet the gentleman from Wisconsin insists that distribution must be postponed until the segregated lands are all disposed of. Keep it in the Treasury, he says. Don't give it to the only people in the world who are entitled to distribution, but tie it up in a napkin, and put it away until the last acre in the coal era is sold, and the last Mississippi Choctaw is laid at rest.

I wish to put into the RECORD in response to the suggestion that some provision should be made for what are called the equities of the Mississippi Choctaws, and I do not undertake to prejudice their claims, or to deny them in a day in court, the fact that there are still $30,000,000 to be paid over to the Choctaw and Chickasaw Indians in Oklahoma.

I wish also to put into the RECORD certain principles of interpretation taken from the case of Choate against Trapp, decided in the Supreme Court of the United States May 13, 1912, opinion by Mr. Justice Lamar:

> But in the Government's dealing with the Indians the rule is exactly the contrary. The construction, instead of being strict, is liberal; doubtful expressions, instead of being resolved in favor of the United States, are to be resolved in favor of a weak and defenseless people, who are wards of the Nation, and dependent wholly upon its protection and good faith. This rule of construction has been recognized, without exception, for more than a hundred years.

My last word is that the language of this statute is not so compelling that the Chair is required to hold that it repeals by implication the Atoka agreement, and postpones for an indefinite period the disposition of present funds among the persons severally entitled thereto. The point of order should be overruled.

ARGUMENT OF THE HON. WILLIAM H. MURRAY, OF OKLAHOMA.

Mr. MURRAY of Oklahoma. Mr. Chairman, I want to say in the beginning that it has always been the policy of this Congress, as laid down by the courts, that an Indian treaty must be construed in the light in which the Indians themselves understand it. I have some decisions covering those particular points. I had occasion years ago to prepare quite a brief on that particular point, but I apprehend that every lawyer will recognize that fundamental fact, namely, that the treaty must be construed in the light in which the Indians understand it. Since the making of these treaties for the break-up of their tribal government there have been four several payments made, and this is only in keeping with their understanding of the Curtis Act and the Atoka agreement.

It is urged that because one statute provides for payment after all "charges" are paid, the Mississippis wherefore set up that their "claim" comes within the rule by the use of this word "charge." There is a distinction between the word "charge" and the word "claim."

> A claim is a challenge of interest in anything that is in the possession of another, or at least out of a man's own possession—a challenge of the ownership of property that one hath not in his possession, but which is detained from him by wrong. (Saddlesvene *v.* Arms (N. Y.), 32 How. Prac., 280; Fordyce *v.* Goodman, 20 Ohio, St. 1.)
>
> A charge is the price required or demanded for services rendered. (Fulster *v.* Southern Railway Co., 45 St., 196.)
>
> Charges mean any matters which were supposed likely to require expenditures in amounts, either definite or indefinite. (Marathon Tp. *v.* Oregon Tp., 8 Mich., 372.)

Now, those are the only specific definitions as laid down by the courts as to the meaning of the word "charge." There can be but one charge against this claim. It can not exceed $27,000, although there are $14,000,000 worth of available assets, according to the statement I hold in my hand.

Now, the gentleman who just took his seat made an argument upon a proposition of law or a statute, but I want to say to the House and to the Chair that this whole question is predicated upon the first treaty for the allotment of these lands, namely, the Atoka agreement. The Government had to get this agreement in order to secure a break-up, and in that treaty this language is used:

> It is further agreed that all of the funds invested in lieu of the investment, treaty funds and otherwise, now held by the United States in trust for the Chickasaws and Choctaws shall be capitalized within one year after the tribal government shall cease, so far as the same may be legally done, and a per capita payment made by some officer of the Government.

Now, Mr. Chairman, what is meant by the language "one year after tribal government shall cease"? We find in a subsequent statute that the law authorized that it must be in eight years from a given date, and the same is contained also in this treaty, which caused it to expire in 1904. So the question, then, will arise, What is the meaning of the word "government" as understood by this Government and understood by the Indians?

Now, then, what is "government"? Government means a control, and involves moral control, a physical control, or a political control. Let us see what the Standard Dictionary says about it. It says:

> Govern: To exercise authority; administer laws.
>
> Government: Any territory over which the right of sovereignty is extended; a state or community governed by an authority.

If we were to take a European definition, it would mean any authority exercising the power that goes with authority. But as understood in America, a government is the administration of law, carrying with it somewhere the authority to make that law.

Now, the commissioners who negotiated the treaty must have understood that definition. Let us understand what the Indians understood by it. When the Atoka agreement was made, they had a government that was to cease. It consisted of a governor, a national superintendent of schools, an auditor, a treasurer, a secretary of state, local county courts, probate courts, district courts, and a supreme court.

It had, in addition, a legislative department consisting of a house and a senate. It had a superintendent of schools. It could exercise a power supreme, only controlled by the Federal laws. It exercised a power that no State in this Republic could exercise. There was no question as to the constitutionality of its laws; no question of the validity of its laws. No question of whether or not a law was confiscatory could be raised in the courts. They could make a law providing that criminals might be hanged if they saw fit, or shot when they saw fit, and no Federal court could interfere with that. They occupied the same relation with respect to this Government as the Boers of Africa had to the British Government. There was merely a suzerainty over them; nothing more.

Now, what is more, they now have no schools that are controlled by themselves, no legislature, no officer, except one—a governor—and that governor can not control or enforce a single law; and the very key to government under American definitions is the administration of law. Why is he preserved? Because those Indians now own that land in fee simple, and it required a governor to transmit the title from the tribes to the lot owners who purchased the lots or to the individual allottees. So his duty is purely ministerial. He can not enforce a single law. There is no power of government. There is no control in the treaty and statutes. Years ago they passed out of existence.

Lay aside your technicalities. What did the Government of the United States understand? What did the Indians understand? There is not a man here who can claim for a moment that those commissioners had in their minds any other meaning than that laid down in Bouvier's Law Dictionary and in the standard dictionaries of the country. The Indians relied upo . its continuation and ending of their government as it then existed. No definition, even under a monarchical definition in Europe, to say nothing of our definition, could be invoked to

claim that there is a Chickasaw or Choctaw government. Now, let us keep those obligations. Let us pay that money out as the treaty provides.

There is another side of this question—the question of the meaning of the word "claim" referred to. There might be some contention in that, but what is a "claim" or "charge"? The word "charge" is used in the treaty, not "claim." I recite here from a brief two decisions of the courts—the word "claim" means a contest of an interest in the possession of another individual. A "charge" contemplates service to be done, expenses to be had, and the courts have so defined it. If you are going to construe technically against these Indians, for God's sake take your own court's definition, and you will hold this to be in order.

I place in the RECORD a brief prepared by the Chickasaw attorney, Mr. Reford Bond:

MEMORANDUM OF AUTHORITIES SUSTAINING PROVISION OF APPROPRIATION BILL AUTHORIZING PER CAPITA PAYMENT TO THE CHOCTAWS AND CHICKASAWS.

[Prepared by Reford Bond, general attorney for the Chickasaws.]

H. R. 12579, a bill making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, contains the following provision:

"That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to make a per capita payment of $100 to the enrolled members of the Choctaw and Chickasaw Indians of the Five Civilized Tribes entitled under existing law to share in the funds of said tribes, or to their lawful heirs, out of any moneys belonging to said tribes in the United States Treasury, or deposited in any bank, or held by any official under the jurisdiction of the Secretary of the Interior, same to be made under such rules and regulations as he may prescribe: *Provided*, That in cases where such members are Indians whose restrictions have not been removed the Secretary of the Interior may, in his discretion, withhold such payment and use the same for their benefit."

In order to understand and correctly determine the issues presented by the point of order against said provision it is necessary to refer briefly to material portions of lengthy agreements and statutes, under which the tribal property of said tribes was divided in severalty among their members, disposed of under rules and regulations of the Secretary of the Interior, and under which the proceeds derived from such disposition are to be distributed per capita among the duly enrolled members of the Choctaws and Chickasaws.

The Atoka agreement between the Choctaw and Chickasaw Tribes of Indians and the United States is embodied in the act of Congress approved June 28, 1898 (30 Stat. L., 495). This agreement contains the following provision:

"It is further agreed that all of the funds invested, in lieu of investment, treaty funds, or otherwise, now held by the United States in trust for the Choctaw and Chickasaw Tribes shall be capitalized within one year after the tribal governments shall cease, so far as the same may legally be done, and be appropriated and paid, by some officer of the United States appointed for the purpose, to the Choctaws and Chickasaws—freedmen excepted—per capita, to aid and assist them in improving their homes and lands."

By the same act the tribal governments of the Choctaw and Chickasaw Nations were continued for eight years from March 4, 1898. The provision is as follows:

"It is further agreed, in view of the modification of legislative authority and judicial jurisdiction herein provided, and the necessity of the continuance of the tribal governments so modified, in order to carry out the requirements of this agreement, that the same shall continue for the period of eight years from the 4th day of March, 1898. This stipulation is made in the belief that the tribal governments so modified will prove so satisfactory that there will be no need or desire for further change till the lands now occupied by the Five Civilized Tribes shall, in the opinion of Congress, be prepared for admission as a State to the Union."

This act in effect continued the tribal governments of said tribes until March 4, 1906, and provided that their funds be appropriated and paid within one year from said date, or on or before March 4, 1907.

There is only one conclusion to be drawn from an examination of the above and foregoing provisions, and that is, Congress contemplated a dissolution of the tribal governments at the advent of statehood and the distribution of tribal funds.

The act of July 1, 1902 (32 Stat. L., 641), known as the supplementary agreement between the Choctaw and Chickasaw Nations and the United States, contains the following provisions:

"No person whose name does not appear upon the rolls prepared as herein specified shall be entitled to in any manner participate in the distribution of the common property of the Choctaw and Chickasaw Tribes, and those whose names appear thereon shall participate in the manner set forth in this agreement."

The object and purpose of this provision was to definitely designate the persons who were to participate in the distribution of the property of the tribes.

Section 14 of this agreement makes provision for the disposition of the surplus tribal property for equalizing allotments, and provides that the balance of the proceeds shall be distributed per capita as other funds of the tribes. The exact language of same is as follows:

"When allotments as herein provided have been made to all citizens and freedmen, the residue of land not herein reserved or otherwise disposed of, if any there be, shall be sold at public auction, under rules and regulations and on terms to be prescribed by the Secretary of the Interior, and so much of the proceeds as may be necessary for equalizing allotments shall be used for that purpose, and the balance shall be paid into the Treasury of the United States to the credit of the Choctaws and Chickasaws and distributed per capita as other funds of the tribes."

The latest legislation affecting the issues involved is embodied in the act of April 26, 1906 (34 Stat. L., 137), entitled "An act to provide for the final disposition of the affairs of the Five Civilized Tribes in the Indian Territory, and for other purposes." Section 2 of this act fixed a time for the completion of the citizenship rolls, which provision is as follows:

Provided, That the rolls of the tribes affected by this act shall be fully completed on or before the 4th day of March, 1907, and the Secretary of the Interior shall have no jurisdiction to approve the enrollment of any person after said date."

This act further provided for the disposition of all of the tribal property of the Choctaw and Chickasaw Tribes, except the coal and asphalt segregation, which was reserved from sale until further action by Congress, largely on account of conditions existing at that time, which seemed to make the sale of this segregation unwise for business reasons.

Section 16 provided—

"That when allotments as provided for by this and other acts of Congress have been made to all members and freedmen of the Choctaw, Chickasaw, Cherokee, Creek, and Seminole Tribes the residue of lands in each of said nations not reserved or otherwise disposed of shall be sold by the Secretary of the Interior under rules and regulations to be prescribed by him, and the proceeds of such sales deposited in the United States Treasury to the credit of the respective tribes."

This act further provided for a per capita distribution of funds to living members and to the heirs of deceased members whose names appear upon the approved rolls of the tribes.

Section 17 provided—

"That when the unallotted lands and other property belonging to the Choctaw, Chickasaw, Cherokee, Creek, and Seminole Tribes of Indians have been sold and the moneys arising from such sales or from any other source whatever have been paid into the United States Treasury to the credit of such tribes, respectively, and when all the just charges against the funds of the respective tribes have been deducted therefrom any remaining funds shall be distributed per capita to the members then living and the heirs of deceased members whose names appear upon the finally approved rolls of the respective tribes, such distribution to be made under rules and regulations to be prescribed by the Secretary of the Interior."

It will be contended under the terms of the first paragraph of section 17 that a per capita payment is not permissible until all the unallotted lands and all other property belonging to the tribes have been sold and the moneys arising from such sales and other sources have been paid into the United States Treasury. Such a contention necessarily calls for an unusually strict and technical construction. In the case of Choate et al. *v.* Trapp, Justice Lamar says:

"But in the Government's dealings with the Indians the rule is exactly the contrary. The construction, instead of being strict, is liberal; doubtful expressions, instead of being resolved in favor of the United States, are to be resolved in favor of a weak and defenseless people, who are wards of the Nation, and dependent wholly upon its protection and good faith. This rule of construction has been recognized, without exception, for more than a hundred years."

The act does not say when all the unallotted lands have been sold. It does not say when all other property has been disposed of. Then why read the word "all" into the act? Why not give it a liberal construction and why not take into consideration the history of the provision, together with the Indians' understanding of the meaning, the facts and circumstances surrounding its enactment, and bring to bear all material evidences in construing same?

It will be noted that every agreement between the tribes and the United States provided for a distribution of tribal funds per capita; that practically all legislation enacted affecting the funds of said tribes provided for a per capita payment thereof. Moreover, the Government has so construed these by making three several per capita payments since their adoption. It was contemplated that they be paid their moneys as early as practicable, that they might build homes and improve their allotments. It was thought that the sale of their coal and asphalt lands would occasion considerable delay. It was understood and believed by them that their moneys would be paid per capita from time to time and that their agreements with the United States and the acts of Congress so provided. Under such belief they have lived up to and performed on their part each and every agreement made. They have allotted their lands in severalty; they have permitted the abolishment of their tribal governments until they exist only in name. The institutions they held passionately to from custom and patriotism are forever gone. Now, is it equitable and just to ask for a strict technical construction, for a construction that necessarily reads into the act words that are not found therein, simply to prevent a people from obtaining a very small portion of their own property, which in right should have been distributed per capita long ago?

It has been asserted that under the terms of the second condition of said section the funds of said tribes can not be paid per capita until all claims against them have been settled. This perversion is monstrous and absurd. Let us look to the language of the statute in question. It reads: "And when all the just charges against the funds of the respective tribes have been deducted therefrom, any remaining funds shall be distributed per capita." The word "claim" is not found in the statute, but, on the contrary, the word "charges" is used. There is a marked legal distinction between the words "claim" and "charges."

"A claim is a challenge of interest in anything that is in the possession of another, or at least out of a man's own possession. A challenge of the ownership of property that one hath not in his possession, but which is detained from him by wrong." (Saddlesvene *v.* Arms (N. Y.), 32 How. Prac., 280; Fordyce *v.* Goodman, 20 Ohio St., 1.)

"A charge is the price required or demanded for services rendered." (Fulmer *v.* Southern Railway Co., 45 St., 196.)

"Charges mean any matters which were supposed likely to require expenditures in amounts either definite or indefinite." (Marathon Tp. *v.* Oregon Tp., 8 Mich., 372.)

The charges mentioned in the statute in question refer to charges of administration, charges of the Government for administering the estates of the tribes. When you look to the language and the purpose and intent of the statute you will agree that it is not susceptible of any other construction.

The charges against the tribes are carried and cared for annually in the Indian appropriation bill, and therefore the question of charges is eliminated from the issues involved.

The provision of the Indian appropriation bill in question has the approval, support, and indorsement of the Department of the Interior. Its letter of approval to the chairman of the Committee on Indian Affairs contained the following language:

"It appears therefrom that the total deposits and amounts on hand January 17, 1914, aggregate $7,425,213.20, and to make a per capita payment of $200 to 27,022 enrolled members entitled thereto will take $5,404,400, leaving a balance of $2,020,813.20 still on hand, which, added to $23,673,845 to become due, will make a total amount of $25,694,658.20 to become due for future payments."

It appears from the letter of the Department of the Interior that the tribes have ample funds for several $100 per capita payments, and the department in approving the provision for such payment has virtually acknowledged that it is for the purpose of carrying out the terms of

existing treaties between the Government of the United States and the Choctaw and Chickasaw Tribes of Indians, and also for the purpose of carrying into effect laws of the United States pertaining to the estate of said tribes, and his virtually placed the construction on said statute contended for by the tribes.

After a careful analysis of the material portions of the statutes and agreements above set forth, after weighing certain well-known facts, and after looking to the spirit as well as the letter of the law, you are irresistibly drawn to the conclusion that the provision of the Indian appropriation bill in question is merely a partial fulfillment of the treaty obligations existing between the United States Government and the Choctaw and Chickasaw Nations, and a partial carrying into effect of the laws of the United States relating to the estates of the Choctaws and Chickasaws.

I will refer again to the fact, Mr. Chairman, that on the 18th day of June this question was up in the Senate, and on a roll call the Senate voted, by a vote of 36 to 16, that this very same provision was in order, and yet they were a party to all this legislation.

These several provisions of law run through a series of treaties and of statutes. They do not always harmonize. But the Indians have always understood that they were to have this money annually and a final settlement after the dissolution of the tribes. That was their understanding. They have had four payments, and, so far as the equity is concerned, this hour, above all times, demands that this payment should be made.

Perchance there exists here and there a charge, and we refuse to make a just claim when the department has shown them by this list, itemizing the permanent annuities made under treaties negotiated years ago, itemizing the several sales of land, and showing which have been paid for, how much of it is in deferred payments under the law and under the treaties. Those two tribes have now a little upward of $7,000,000 in cash. They have deferred payments up to this month of $7,100,000 that will be due in the next three years, so that there will be $14,000,000 in all. A per capita payment of $100 would take less than $3,000,000. Why make such a technical claim in the interest of a people who need their money? You have them tied down with restrictions.

The CHAIRMAN. Will the gentleman give to the Chair the figures that he has just stated of the amount of money on hand?

Mr. *MURRAY of* Oklahoma. Yes, sir. I sent them, and I desire to put them here in the RECORD, showing the amount in detail due each and all these tribes:

Number of enrolled citizens and freedmen of the Five Civilized Tribes.

CHICKASAW NATION.

Chickasaws by blood	5,666
Chickasaw adopted whites	21
Chickasaw citizens by marriage	645
Chickasaw freedmen	4,642
Total	10,974

CHOCTAW NATION.

Choctaws by blood	17,396
Mississippi Choctaws by blood	1,634
Choctaw adopted whites	10
Choctaw citizens by marriage	1,650
Choctaw freedmen	5,975
Total	26,665

SEMINOLE NATION.

Seminoles by blood	2,132
Seminole freedmen	987
Total	3,119

CREEK NATION.

Creeks by blood	11,909
Creek freedmen	6,807
Total	18,716

CHEROKEE NATION.

Cherokees by blood	36,289
Delaware citizens	197
Intermarried whites	286
Freedmen	4,924
Total	41,696
Grand total	101,170

Balance of tribal fund in United States Treasury Jan. 17, 1914.

SEMINOLE NATION.

Seminole general fund (rate of interest 5 per cent)		$551,441.38
Interest on Seminole general fund		111,964.96
Seminole school fund (rate of interest 5 per cent)		500,000.00
Interest on Seminole school fund		44,167.49
Seminoles of Oklahoma fund (rate of interest 5 per cent)		528,770.00
Interest on Seminoles of Oklahoma fund		38,707.66
Indian moneys, proceeds of labor:		
Seminole Nation, Oklahoma		1,505.50
Seminole unallotted lands, etc		7,416.68
		1,783,518.67
Amount deposited in Oklahoma banks under the provisions of the act of Mar. 3, 1911 (36 Stat. L., 1058–1070), Jan. 6, 1914	$27,271.30	
Interest accrued to June 30, 1913	1,372.93	
Total in bonded banks		28,644.23
Grand total		1,812,162.90

CREEK NATION.

Greek general fund (rate of interest 5 per cent)		$2,472,946.15
Interest on Creek general fund		201,218.24
Indian moneys, proceeds of labor:		
Creek cattle tax		1,791.60
Creek right of way		25,989.24
Creek royalties, grazing, etc		9,853.28
Creek stone and timber		690.39
Creek town lots		11,635.65
Creek unallotted lands, etc		58,129.47
Total in United States Treasury		2,782,254.02
Amount deposited in bonded Oklahoma banks under the provisions of the act of Mar. 13, 1911 (36 Stat. L., 1058–1070), Jan. 6, 1914	$1,047,350.00	
Interest to June 30, 1913	41,851.40	
Total in bonded banks		1,089,201.40
Grand total		3,871,455.42

CHEROKEE NATION.

Cherokee national fund (rate of interest, 5 per cent)		$137,918.51
Interest on Cherokee national fund		1,572.84
Interest on Cherokee orphan fund		15,844.80
Cherokee Outlet fund		28,332.54
Cherokee school fund (rate of interest, 5 per cent)		270,212.05
Interest on Cherokee school fund		26,654.52
Indian moneys, proceeds of labor, Cherokee royalties, grazing, etc		11,861.87
Cherokee unallotted lands, etc		61,133.37
Total in Treasury		553,530.50
Amount deposited in bonded Oklahoma national banks under the provisions of the acts of Mar. 3, 1911 (36 Stat. L., 1058–1070), Jan. 6, 1914	$266,628.70	
Interest accrued June 30, 1913	16,585.27	
Total in bonded banks		283,213.97
Grand total		836,744.47

Average rate of money deposited in bonded Oklahoma banks about 4½ per cent.

Balance in United States Treasury Jan. 15, 1914.

CHOCTAW NATION.

Fulfilling treaties with Choctaws, Oklahoma		$20,040.00
Choctaw orphan fund		39,710.69
Interest on Choctaw orphan fund		3,971.08
Choctaw school fund		49,472.70
Interest on Choctaw school fund		4,947.28
Choctaw 3 per cent fund		326,342.56
Judgment, Court of Claims, Choctaw and Chickasaw		86.08
Indian moneys, proceeds of labor:		
Choctaw cattle tax		1,006.42
Choctaw right of way		5,408.35
Choctaw royalties, grazing, etc		322,989.22
Choctaw stone and timber		4,478.39
Choctaw town lots		27,066.90
Choctaw unallotted lands		1,650,457.55
Balance in Treasury Jan. 15, 1914		2,478,199.19
Deposited in Oklahoma banks:		
Jan. 6, 1914	$2,407,449.00	
Interest to July 1, 1913	119,639.21	
		2,559,588.21
Grand total		5,037,787.40

CHICKASAW NATION.

Chickasaw national fund		$212,099.33
Interest on Chickasaw national fund		3,066.45
Indian moneys, proceeds of labor:		
Chickasaw right of way		11,376.66
Chickasaw royalties, grazing, etc		118,514.18
Chickasaw stone and timber		1,424.10
Chickasaw town lots		8,994.57
Chickasaw unallotted lands, etc		331,401.19
Balance in Treasury Jan. 15, 1914		686,876.53
Deposited in Oklahoma banks:		
Jan. 6, 1914	$986,853.45	
Interest July 1, 1913	39,482.68	
		1,026,336.13
Grand total		1,713,212.66

SUMMARY.

Choctaws	$5,037,787.40
Chickasaws	1,713,212.66
Timber sold, cash paid in	381,400.00
Land sold	323,200.00
Sales of buildings	50,000.00
Timberland sold	25,000.00
Grand total available	7,530,600.06
Deferred payments	4,600,000.00
Unsold timberland remaining	2,500,000.00
Grand total	7,100,000.00

NOTE.—This does not include the coal and asphalt lands.

The Chair will find the funds of all the tribes and the membership of all the tribes stated there. When we opened the rolls before we added 1,634. Many of them have returned, going back to Mississippi. We are getting tired of the generosity that

holds us up, that delays land titles, that delays settlement. We want the Government at some time to keep its promises and to make this settlement in obedience to the treaty obligations of this Government. The time of "one year after the tribal government ceases" has passed long ago and we are tired of the delay.

The only question is whether it complies with the laws and treaties. The very title of the act is "An act to carry into effect treaty stipulations and laws," and this is to determine whether or not this appropriation to pay $100 per capita is in obedience to treaties and laws.

If it is in obedience to treaties and laws, it is germane to the bill and the title and in order. If it is not, then it is new legislation. If it is new legislation, it is not germane and therefore would be out of order. I took it for granted that the House understood—and I believe the House and the Chair understand—that the question involved is whether we are trying to legislate or whether we are trying to carry out a treaty provision and a statutory provision and make an appropriation in obedience to it. If it is, then this bill, to "carry out treaty stipulations and to make appropriations for the Indian Department" in obedience to the law, makes this provision in order. So far as the equities are concerned, as referred to by the gentleman, I am ready for that discussion anywhere. I am ready for the discussion both as to the technicality of the law and as to the equity of the rights of the Mississippi Choctaws.

STATEMENT BY ROBERT L. OWEN WITH REGARD TO THE CLAIMS OF CERTAIN SO-CALLED MISSISSIPPI CHOCTAWS TO CHOCTAW CITIZENSHIP.

I was the attorney of the Mississippi Choctaws who were enrolled by the Choctaw-Chickasaw agreement of 1902. I represented them from 1896 to 1906, and devoted my time to their interests for 10 years.

No Choctaw in Mississippi or elsewhere, not on the approved rolls of March 4, 1907, has any legal or equitable right to enrollment or to any further hearing.

By article 14 of the treaty of 1830 certain Choctaws who became citizens of Mississippi reserved the right to remove to the Choctaw Nation west, and thereby acquire citizenship. (7 Stat., 335.)

Murray and Vroom, under act of Congress of August 23, 1842 (5 Stat., 513), found that there were 4,100 fourteenth article claimants. Of these the muster rolls show that more than 3,400 removed to the Choctaw country west prior to 1855, and most of the 700 remaining subsequently emigrated, as shown by the Choctaw records. It is also true, however, that some of the Mississippi Choctaws who went West under the fourteenth article and acquired citizenship, subsequently abandoned their Choctaw citizenship by moving away from the Choctaw country and returning to Mississippi.

In 1896 Congress authorized the Dawes Commission to make up the citizenship rolls of the Five Tribes. The Dawes Commission gave hearings to all applicants. It heard the case of the Mississippi Choctaws who resided in Mississippi, under the title "Jack Amos and others," presented by me.

On December 1, 1896, the Dawes Commission rejected the Mississippi Choctaws on the ground of not having established residence.

In February, 1897, immediately afterwards, I solicited the passage of an act directing the Dawes Commission to report to Congress on the rights of the Mississippi Choctaws. This was done, and the Dawes Commission rendered its opinion on February 2, 1898 (H. Doc. 274, 55th Cong., 2d sess.), to the effect that the fourteenth article claimant had a right to remove to the Choctaw county west and become a citizen on the condition that he should prove the fact "that he is a descendant of some one of these Indians who originally availed themselves of, and conformed themselves to, the requirements of the fourteenth article of the treaty of 1830."

In the meantime I appealed the Jack Amos case to the United States district court (Judge Clayton), who rendered a like opinion (see Report Commission Five Tribes, 1899, p. 92), and Judge Clayton held that those who had not previously to his opinion removed to the Choctaw country were barred by failure to remove. Judge Clayton's opinion was confirmed by the Supreme Court of the United States (174 U. S. Rep., 445, Stevens *v.* Cherokee Nation). The Mississippi Choctaw case was argued in the Supreme Court in the Emma Nabors case, under the Stevens case. Having thus been defeated in enrolling the Mississippi Choctaws, I appealed to Congress to direct the Dawes Commission to identify the Mississippi Choctaws, claiming under article 14, treaty of 1830. Congress gave this direction June 28, 1898, and the Dawes Commission, on March 10, 1899, made their report, in which they stated that they found it—

Impossible to trace the full-blood Choctaws now residing in the State of Mississippi bearing an English name with any degree of certainty to ancestors bearing Indian names.

Also, that they found it impossible—

To establish the fact that such ancestors performed the duty of signifying to the United States agent within the limited period their intention and desire to remain and become citizens of the States.

They also stated (p. 78, last paragraph):

It is impossible to trace descendants now bearing English names to ancestors bearing Indian names upon whom was imposed the duty of complying with the treaty at that time and to connect persons now living with the fulfillment of the requirements of the provisions of article 14 of said treaty.

On June 28, 1898, Congress passed the Curtis Act abolishing the tribal governments, subdividing the lands, and authorizing the completion of the tribal rolls, with the following very important provision:

No person shall be enrolled who has not heretofore removed and in good faith settled in the nation in which he claims citizenship.

I strenuously urged an exception in favor of the Mississippi Choctaws, and it was granted in the following words:

Provided, however, That nothing contained in this act shall be so construed as to militate against any rights or privileges which the Mississippi Choctaws may have under the laws of or treaties with the United States.

On May 31, 1900, the Dawes Commission having reported a schedule of Indians claiming to be fourteenth article Mississippi Choctaws, Congress passed an act modifying the Curtis Act above quoted by providing—

That any Mississippi Choctaw duly identified as such by the United States Commission to the Five Civilized Tribes shall have the right at any time prior to the approval of the final rolls of the Choctaws and Chickasaws by the Secretary of the Interior to make settlement within the Choctaw and Chickasaw country, and on proof of the fact of bona fide settlement may be enrolled by such United States commission and by the Secretary of the Interior as Choctaws entitled to allotment.

Under this act of Congress, unless settlement was made prior to March 4, 1907, the exemption of the Mississippi Choctaws from the rule of the Curtis Act was terminated.

In 1902, July 1, the Choctaws and Chickasaws entered into an agreement in which the Choctaws and Chickasaws waived legal proof of the identification of the Mississippi Choctaws and of the requirements imposed by Judge Clayton's decision in the Amos case and by the decision of the Dawes Commission, that they should prove descent from a person who had complied with the conditions of the fourteenth article.

The Choctaws and Chickasaws substantially bought their peace in this contest with the Mississippi Choctaws by agreeing to waive their legal rights to demand proof—proof which the Dawes Commission said the Mississippi Choctaws could not furnish.

The Choctaw-Chickasaw agreement of July 1, 1902 (secs. 41, 42, 43, and 44), imposed the condition of removal and residence. Under this agreement some 1,600 Mississippi Choctaws were enrolled without legal evidence of their treaty rights.

In 1906 Congress passed an act providing that no distinction should be made against a Mississippi Choctaw in the enrollment, and under this rule about 150 additional Mississippi Choctaws were admitted. By the same act, however, Congress declared that the rolls of the Five Tribes should absolutely be closed on the 4th of March, 1907.

On February 19, 1912, W. C. Pollock, of the Interior Department, reported five Mississippi Choctaws who he thought equitably entitled, although not legally entitled. This report of Mr. Pollock was made under an order of the department of December 12, 1910, in pursuance of several previous examinations. I have understood that the Choctaw authorities were willing to admit these five persons, but that they were not willing to admit any other persons claiming to be Mississippi Choctaws, or to have any further hearings on this matter, because of the extraordinary opportunity which had been repeatedly given to persons claiming to be Mississippi Choctaws to establish residence and be enrolled, and because, many years having been granted within which to comply with the conditions of the law, the Choctaws and Chickasaws were entitled to their peace. They justly say that they have shown the most extraordinary liberality in dealing with this matter, and that it would be entirely wrong to reopen this matter in any way, as it would open Pandora's box and force them into a sea of perjury and fraud when their means of defense has been destroyed.

THE JACK AMOS CASE AND THE FEDERAL COURT DECISIONS THEREON.

The decision in the Jack Amos case is appended hereto:

DECISIONS OF COURTS IN CITIZENSHIP CASES IN FIVE CIVILIZED TRIBES.

CHOCTAW NATION.

(Opinion of William H. H. Clayton, judge central district of Indian Territory.)

There are upon the docket of this court, appealed from the commission to negotiate with the Five Civilized Tribes, known as the Dawes Commission, 241 cases, involving the right of citizenship in the Choctaw Nation of about 2,500 applicants.

All of these cases have been by my predecessor, Judge Lewis, placed on the equity side of the docket, and in the case of Mary A. Sanders,

No. 63, a motion to transfer to the law side of the docket was filed and argued and by him overruled. It is not my purpose in these cases to disturb or to go back and open up questions already decided, but to adopt the past rulings of the court and to proceed as rapidly as possible to a final disposition of them. In passing I will remark, however, that it seems to me that the peculiarity of these cases, the many suits brought by persons having a common interest and a common purpose against the same defendant, the difficulties of enforcing the rights by judgments at law, and the many equities claimed by both parties to these suits make them proper cases for a court of equity.

The question of the jurisdiction of this court to hear and determine these cases has been raised by the pleadings. The counsel on neither side, however, have seen fit to press this question or to point out, either by brief or oral argument, the reasons for this contention. The statute giving the court jurisdiction is plain, and I know of no constitutional objections. It has been said, however, that Congress does not possess the power, under the Constitution, to give to the courts of the United States appellate jurisdiction over the final orders and awards of commissions and other such tribunals. This very question was raised in the case of The United States *v.* Ritche, decided by the Supreme Court of the United States, and reported in volume 58, United States Supreme Court Reports, page 524. In that case the proceedings were originally commenced before a board of commissioners to settle private land claims in California, under an act of Congress of March 3, 1851. Provisions were made by the act, at the suit of the losing party, for an appeal to the United States district court for the northern district of California. The board decided the case in favor of the claimant and against the Government. The United States appealed, in accordance with the provisions of the statute, to the aforesaid district court, where it was again tried de novo and an appeal regularly taken to the United States Supreme Court. In that court the question of the jurisdiction of the district court to try the case was raised. The contention is stated in the opinion. In deciding the case the court say:

"It is also objected that the law prescribing an appeal to the district court from the decision of the board of commissioners is unconstitutional, as this board, as organized, is not a court under the Constitution and can not, therefore, be vested with any of the judicial powers conferred upon the General Government.

"But the answer to this objection is that the suit in the district court is to be regarded as an original proceeding, the removal of the transcript, papers, and evidence into it from the board of commissioners being but a mode of providing for the institution of the suit in that court. The transfer, it is true, is called an appeal; but we must not, however, be misled by a name, but look to the substance and intent of the proceedings. The district court is not confined to a mere reexamination of the case as heard and decided by the board of commissioners, but hears the case de novo, upon the papers and testimony which had been used before the board, they being made evidence in the district court, and also upon such further evidence as either party may see fit to produce."

Following this decision, I will in these cases proceed as if they were originally brought in this court, try them de novo, and give to all of the parties all of the advantages of an original suit—that is, all cases brought here in conformity with the statute.

It is therefore ordered by the court that the claimants to the right of citizenship in these cases may have 15 days from this date—that is, until the —— day of July, 1897—in which to take and file further proof, and that the Choctaw Nation may have immediately thereafter 15 days in which to take and file further rebuttal proof—that is, from the said —— day of July, ——, until the —— day of July, 1897—and that all legal testimony heretofore taken and filed with the so-called Dawes Commission shall be considered as competent proof on the trial of these cases.

And that the trial of all of these cases, except such as may be disposed of otherwise, are hereby set for trial on Tuesday, the —— day of ———, 1897.

These cases naturally divide themselves into six heads or classes, to wit:

1. As to the right of citizenship of those Choctaws who, under the treaty of 1830, decided to remain in the State of Mississippi, called "Mississippi Choctaws," and have not since removed into the present Choctaw Nation.

[No. 158.]

I.—JACK AMOS ET AL. V. THE CHOCTAW NATION.

In this case the proof shows that the claimants are Choctaw Indians by blood now living in the State of Mississippi; that neither they nor their ancestors have ever removed into the present Choctaw Nation.

The claimants base their right to be enrolled as Choctaw citizens upon the terms of the second and fourteenth articles of the treaty negotiated at Dancing Rabbit Creek on September 27, 1830, and of the conditions of the patent to the lands of the Choctaw Nation executed by President Tyler in the year 1842. (Durant Ed. Choctaw Laws, p. 31.)

Aricles 2 and 14 of the treaty of 1830 are as follows:

"ART. 2. The United States, under a grant specially to be made by the President of the United States, shall cause to be conveyed to the Choctaw Nation a tract of country west of the Mississippi River in fee simple to them and their descendants, to inure to them while they shall exist as a nation and live on it, beginning near Fort Smith, where the Arkansas boundary crosses the Arkansas River, running thence to the source of the Canadian Fork, if in the limits of the United States, or to those limits; thence due south to Red River, and down Red River to the west boundary of the Territory of Arkansas; thence north along that line to the beginning. The boundary of the same to be agreeably to the treaty made and concluded at Washington City in the year 1825. The grant to be executed as soon as the present treaty shall be ratified.

"ART. 14. Each Choctaw head of a family being desirous to remain and become a citizen of the States shall be permitted to do so by signifying his intention to the agent within six months from the ratification of this treaty, and he or she shall thereupon be entitled to a reservation of one section of 640 acres of land, to be bounded by sectional lines of survey; in like manner shall be entitled to one-half of that quantity for each unmarried child which is living with him over 10 years of age, and a quarter section to such child as may be under 10 years of age, to adjoin the location of the parent. If they reside upon said lands, intending to become citizens of the State, for five years after the ratification of this treaty, in that case a grant in fee simple shall issue. Said reservation shall include the present improvements of the head of the family, or a portion of it. Persons who claim under this article shall not lose the privilege of a Choctaw citizen, but if they ever remove are not to be entitled to any portion of the Choctaw annuity."

The conditions of article 2 of the treaty, that the land should be conveyed "to the Choctaw Nation in fee simple to them and their descendants, to inure to them while they shall exist as a nation and live on it," are carried into the patent, and are the only portions of that instrument which shed any light on the question now being considered, and therefore article 2 and the conditions of the patent may be considered together.

The whole object of the treaty of 1830 was to procure the removal, as far as practicable, of the Choctaw people to the lands west of the Mississippi which they now occupy. The Supreme Court of the United States, in the case of the Choctaw Nation *v.* United States (119 U. S., 36), after reviewing the treaties of 1820 and 1825, says:

"In the meantime, however, under the pressure of the demand for settlement of the unoccupied lands of the State of Mississippi by emigrants from other States, the policy of the United States in respect to the Indian tribes still dwelling within its borders underwent a change, and it became desirable, by a new treaty, to effect, as far as practicable, the removal of the whole body of the Choctaw Nation, as a tribe, from the limits of the State to the lands which had been ceded to them west of the Mississippi River. To carry out that policy the treaty of 1830 was negotiated."

Again, in the case, page 27, the court says:

"It is notorious as a historical fact, as it abundantly appears from the records of this case, that great pressure had to be brought to bear upon the Indians to effect their removal, and the whole treaty was evidently and purposely executed not so much to secure to the Indians the rights for which they had stipulated as to effectuate the policy of the United States in regard to their removal."

Article 3 of the treaty of 1830 stipulates that the Choctaws agree to remove all of their people during the years 1831, 1832, and 1833 to those lands. (7 Stat. L., 333.)

Article 14 of the treaty, however, provides for certain privileges and rights for those who might choose to remain in Mississippi with a view of becoming citizens of that State. They and their descendants were to receive certain lands and, after living on them for five years, intending to become citizens of the State, those lands were to be granted to them in fee simple. Then follows this very peculiar clause:

"Persons who claim under this article shall not lose the privilege of a Choctaw citizen, but if they ever remove are not to be entitled to any portion of the Choctaw annuity."

The difficulty in construing this clause of the treaty is to ascertain the meaning of the word "remove." To what does it relate and how shall we give it meaning? It certainly does not purpose to impose a penalty on the Choctaw who may choose to remove for removing, and for that reason forfeit his right to the annuity, because so long as he remained in Mississippi he was not entitled to any annuity, and therefore by removing he could not forfeit that which he did not have. If he removed he was to have no annuity, and if he remained he was to have no annuity. It is evident, therefore, that the word was not used for the purpose of forfeiting the annuity in case of removal. Then what are its uses? The very object of the treaty was to procure a removal of these people. The whole of the Choctaw Nation, with all of its sovereignty, its powers, and its duties, was to be transferred beyond the Mississippi. It was to exercise its powers, confer its privileges, and maintain the citizenship of its people in another place. Those who were left behind to retain not this Choctaw citizenship but only the "privileges of a Choctaw citizen;" that is, that when they put themselves into a position that these privileges could be conferred upon them they were to have them, and under the conditions and purposes of this treaty how would it be possible for them to put themselves in such a position without first removing within the territorial jurisdiction of the Choctaw Nation and within the sphere of its powers? What privilege would it be possible for the Choctaw Nation to confer or a Mississippi Choctaw to receive so long as he remained in Mississippi and out of the limits of the Choctaw Nation? By the very terms of the treaty they were to become citizens of another State, owing allegiance to and receiving protection from another sovereignty. If one Mississippi Choctaw were to commit a wrong against the person or property of another, the right would be enforced and the wrong redressed under the laws of Mississippi. The Choctaw Nation would be powerless to act in such a case. The Choctaws in that State can not vote, sit as jurors, or hold office as a Choctaw citizen or receive any other benefit or privilege as such. They can not participate in the rents and profits of the lands of the Choctaw Nation, because by the very terms of the grant the Choctaw people and their descendants must live upon them. If they do not, it is an act of forfeiture, made so by the provisions of article 2 of the treaty of 1830 and also of those of the patent to their lands afterwards executed.

The title of the Choctaw people to their lands is a conditional one, and one of the conditions of the grant, expressed in both the second article of the treaty of 1830 and the patent, is that the grantee shall live upon them. And who are the grantees? Who are these people who are to live upon the land? Unquestionably the Choctaw people and their descendants, for while the grant is to the Choctaw Nation the people seem to be included, both as grantees and beneficiaries. The language of the treaty is, and it is carried into the patent:

"The President of the United States shall cause to be conveyed to the Choctaw Nation a tract of country west of the Mississippi River, in fee simple, to them and their descendants, to inure to them while they shall exist as a nation and live on it."

The Choctaw Nation is not "them" and can not have "descendants." And while it may exercise its sovereignty and its national powers within certain defined territorial limits it can not "live on land." Those provisions of the grant which are expressed in the plural and attach to "descendants" and which require as a condition that the land shall be lived on beyond doubt refer to the Choctaw people and their descendants. Whatever effect upon the title the limitation upon the right of alienation expressed in the patent, so that the lands can not be sold except to the grantor or by its consent, may have, there can be no question but that the second article of the treaty of 1830, negotiated 12 years before the execution of the patent, and in which no limitation on the right of alienation is expressed, was intended to convey a fee-simple title, burdened by two conditions subsequent, the one that the grantees should continue the corporate existence of their nation, and the other that the people of that nation and their descendants should forever live upon the land. A failure of either would work a forfeiture of the title to the grantor.

Now, why was it that this fee-simple title was to be burdened by the condition that the grantee must live on the land? In the light of the knowledge of the conditions that then existed the answer is plain. The policy of the Federal Government at that time, relating to the Indian tribes, was to move them upon a reservation and keep them there; and if the Indian, either singly or in numbers, should stray off, soldiers with guns and bayonets were used to drive them back. This very treaty was

negotiated with the Choctaws for that very purpose. Hence the condition in the grant that they should live on the land or it should be subject to forfeiture to the United States. This condition was inserted for two reasons: First, to compel the grantees to remove upon the lands, and, second, to compel them to remain on them after removal. It was not intended that some should go and locate on the lands and hold the title for themselves and also for the others who should choose to remain. This would defeat the very object of the condition. These lands were conveyed to the Choctaw people to be held by them as tenants in common. This intention of the second article of the treaty of 1830 is expressed by the use of the words "them and their descendants" and of the clause that they were to "live on the land." Both of these clauses are expressed in the plural and evidently do not relate to the nation as a corporate body. That a tenancy in common was intended is made clear by a consideration of section 3 of an act of Congress entitled "An act to provide for an exchange of lands with the Indians residing in any of the States or Territories, and for their removal west of the Mississippi River," approved May 28, 1830 (4 U. S. Stat. L., 412). The section reads as follows:

"*And be it further enacted*, That in the making of any such exchange or exchanges it shall and may be lawful for the President solemnly to assure the tribe or nation with which the exchange is made that the United States will forever secure and guarantee to them and their heirs or successors the country so exchanged with them; and, if they prefer it, that the United States will cause a patent or grant to be made and executed to them for the same: *Provided always*, That such lands shall revert to the United States if the Indians become extinct or abandon the same."

At the time the treaty of 1830 was negotiated—September 29, 1830—this act had been on the statute books of the United States for four months, and as a matter of course the commissioners to negotiate the treaty were familiar with it. But the language used in this act to limit the estate is "to them, their heirs, or successors." The language used in the treaty to limit the estate therein granted is "in fee simple to them and their descendants," and then conditions are attached not named in the statute. Why the word "successors" was left out of the treaty is plain. But why the word "heirs" was changed to the word "descendants," unless it was that a word should be used within the comprehension of those untutored Indians, who knew nothing of the technical phrases of the common law used in the conveyance of real estate, is not easy to determine. The word "successors" was omitted from the treaty because by its terms the Choctaw Nation was to have no successors. They were to live on the land forever, or it should be forfeited to the grantor. When the technical words "successors" and "heirs" were dropped and the common word "descendants" was used, these Indians could understand it. They knew what they and their offspring were. It was to them—the people and their children—that the land was sold, and when the condition was added that the grant was to be made to them and their descendants only in the event that they should live upon the lands, they could not but understand that this implied a removal to and a continual residence upon them.

As a further evidence that the parties understood that by this transaction the land was to be held in common by the people, the treaty of 1833, article 1, provides, after describing the lands, as follows:

"And pursuant to an act of Congress approved May 28, 1830, the United States do hereby forever secure and guarantee the lands embraced within the said limits to the members of the Choctaw and Chickasaw Tribes, their heirs and successors, to be held in common, so that each and every member of either tribe shall have an equal undivided interest in the whole: *Provided, however*, No part thereof shall ever be sold without the consent of both tribes and that said land shall revert to the United States if said Indians and their heirs become extinct or abandon the same. (4 U. S. Stat. L., 276.)"

If this be true, there is no holding in trust by the corporate body of the Choctaw Nation for the benefit of the people, but the people themselves have the title and hold it in common.

"A tenancy in common is a joint estate in which there is unity of possession, but separate and distinct title. The tenants have separate and independent freeholds or leaseholds in their respective share, which they manage and dispose of as freely as if the estate was one in severalty. * * * The interest of one tenant in common is so independent of that of his cotenant that in a joint conveyance of the estate it would be treated as a grant to each of his own share of the estate. (Tiedeman on Real Property, 235.)"

And therefore any condition of the grant would be as binding on each of the tenants in common as if the estate was in severalty and vested in the individual tenant. And therefore the condition named in the second article of the treaty of 1830 and in the patent, that "they shall live on the land," is binding individually upon each and upon all of the grantees.

In the third article of the treaty the Choctaws agreed to move all of their people within three years, and the United States intended that they should go. But, by the fourteenth article of the treaty, provisions were made whereby those who should decide to remain and become citizens of the State of Mississippi, in the event that, because of the intolerance and persecutions of the whites, which they themselves had so bitterly experienced, or for any other cause, they might become dissatisfied with their altered conditions and their new citizenship and desire to follow them to their new homes, and thereafter exercise with them in their own country the privileges of citizenship, they could do so, except that they were not to participate with them in their annuities, the lands which they were to receive in Mississippi being deemed a compensation for that.

When the fourteenth article of the treaty was framed, the negotiating parties understood that the policy of the United States was that the Choctaws were to be removed. The Choctaws, in article 3, had just agreed that they should all go. The ink was not yet dry in article 2, whereby the condition was placed in this grant to the lands that they were to live upon them or they should be forfeited, and that no privilege of citizenship could be conferred or enjoyed outside of the territorial jurisdiction of their newly located nation. Understanding these conditions, the latter clause of article 14 was penned:

"Persons who claim under this article shall not lose the privilege of a Choctaw citizen, but if they ever remove—that is, if they ever place themselves on the land and within the jurisdiction of the nation whereby those privileges may become operative—are not to be entitled to any portion of the Choctaw annuity."

In other words, if they ever remove, they are to enjoy all of the privileges of a Choctaw citizen except that of participating in their annuities. If this be not the meaning to be attached to the word "remove" as used in the clause of the treaty under consideration, it must be meaningless. But in the interpretation of statutes it is the duty of the court to so interpret them as to give to every word a meaning, and in doing so it must take into consideration the whole statute, its objects and purposes, the rights which are intended to be enforced and the evils intended to be remedied; it may go to the history of the transaction about which the legislation is had and call to its aid all legitimate facts proven or of which the courts will take judicial notice in order to find the true meaning of the word as used in the statute. Of course the same rule of interpretation applies to treaties. Adopting these rules in the interpretation of article 14 of the treaty of 1830, I arrive at the conclusion that the "privilege of a Choctaw citizen" therein reserved to those Choctaws who shall remain, thereby separating themselves, it may be forever, from their brethren and their nation, becoming citizens of another sovereignty and aliens of their own, situated so that it would be impossible, while in Mississippi, to receive or enjoy any of the rights of Choctaw citizenship, was the right to renounce his allegiance to the Commonwealth of Mississippi, move upon the lands conveyed to him and his people, and there, the only spot on earth where he could do so, renew his relations with his people and enjoy all of the privileges of a Choctaw citizen except to participate in the annuities.

As an evidence that the Choctaw people themselves took this view of the question, attention is called to the fact that their council has passed many acts and resolutions inviting these absent Choctaws to move into their country, and on one occasion appropriated a considerable sum of money to assist them on their journey, and until the past two or three years have always promptly placed those who did return on the rolls of citizenship, but never enrolled an absent Choctaw as a citizen.

On December 24, 1889, the general council of the Choctaw Nation passed the following resolution:

"Whereas there are large numbers of Choctaws yet in the States of Mississippi and Louisiana who are entitled to all the rights and privileges of citizenship in the Choctaw Nation; and

"Whereas they are denied all rights of citizenship in said States; and

"Whereas they are too poor to immigrate themselves into the Choctaw Nation. Therefore

"*Be it resolved by the general council of the Choctaw Nation assembled*, That the United States Government is hereby requested to make provisions for the emigration of said Choctaws from said States to the Choctaw Nation," etc.

The language is, not that they are entitled to the rights and privileges of Choctaw citizenship in the States named, but "who are entitled to all the rights and privileges of citizenship in the Choctaw Nation," and the prayer is that because of the fact that they are denied the rights of citizenship in the State that the United States will remove them to a place—their own country—where the rights of Choctaw citizenship may be enjoyed by them.

As a further evidence of the fact that all of the parties to the treaty, the United States, the Choctaw Nation, and the Mississippi Indians themselves, have always understood that the Mississippi Choctaws were entitled to none of the rights of a Choctaw citizen so long as they remained in that State, attention is called to the fact that the lands in Mississippi which were ceded to the United States by the Choctaw Nation by virtue of the treaty of 1830 were, under the laws of the United States, sold. The Choctaw Nation claimed that they had never been paid any consideration for them, and that the United States justly owed them the net proceeds arising out of the sale. For many years this contention was carried on before the departments of the Government, commissions, and other tribunals. Finally, by treaty, it was submitted to the Senate of the United States for decision. That body found in favor of the Choctaw Nation. The case then went to the Court of Claims, and from there to the United States Supreme Court, in which court judgment was finally rendered for nearly $3,000,000. This judgment was rendered in November, 1886. The money was turned over to the Choctaws by the United States, and by them, with the knowledge and consent of the United States, divided among their own people who lived in the nation. Not one farthing of it was ever paid to an absent Mississippi Choctaw, and no portion of it was ever claimed by them. During this whole litigation, running through many years, no effort was made to make themselves parties to the suit. And when the money was finally paid to the Choctaw authorities, to be divided among the people, they made no claim for any part of it and entered no protest to its being paid to the resident Choctaws, nor have they brought suit for their share since. The other party to the treaty, the United States Government, the guardian of these Indians, paid the money over without making any provision for the Mississippi Choctaws to get their share or intimating that anything was due them. When it is remembered that this money was the proceeds of the sale of the lands in Mississippi belonging to the united Choctaw people while they lived in that State and that the great bulk of the Mississippi Choctaws had never received one farthing for their share in the lands, if they, living in Mississippi, are entitled there to the rights of a Choctaw citizen, it is remarkable that they did not assert their rights.

Again, a few years ago the interest of the Choctaws to lands lying west of their present boundaries was sold by them to the United States for a considerable sum of money. This, like the other, was promptly divided among the resident Choctaws, with the knowledge and consent of the United States and without protest or claim of the Mississippi Choctaws. If they are entitled to the privilege of Choctaw citizens without removing into the boundaries of the nation, they are and were entitled to their pro rata share of this money. If they do not understand that they have no claim to the rights of citizenship without moving into the country, why have they for the past 65 years silently stood by and permitted these kinds of transactions to be had without claim, protest, or suit?

The Eastern Band of Cherokees, now residing in North Carolina, sustained a relationship to the Cherokee Nation almost identical to that sustained by the Mississippi Choctaws to the Choctaw Nation. Like the Mississippi Choctaws, there were some among them who were averse to moving to their new country west of the Mississippi River. Provisions were made for them by the treaty of New Echota (the treaty of 1835) between the Cherokee Nation and the United States similar to those with the Choctaws by the treaty of 1830. When the Cherokee people moved to the present home of the Cherokees, these remained behind in North Carolina, where they have ever since resided. Like the Choctaw treaty of 1830, the treaty of New Echota provided that their lands should be ceded to them and their descendants, etc. The Cherokee Nation, by virtue of a treaty with the United States, afterwards sold some of these lands. The Eastern Band of Cherokees, in North Carolina, unlike their Mississippi Choctaw brethren, promptly demanded their pro rata of the proceeds of this sale, and upon being denied at once sought and obtained permission of the United States to sue the Cherokee Nation in the Court of Claims for this money, and also, in the same suit, to sue for another fund which was created by the treaty

of New Echota, consisting of certain annuities in the sum of $214,000, of which the Eastern Band of Cherokees claimed a pro rata share. The suit was brought and the Court of Claims, in a very elaborate and learned decision, decided against the right of the Eastern Band of Cherokees to recover, upon the ground that those Cherokees, by the act of remaining in North Carolina, had alienated themselves from the Cherokee Nation to such an extent that they could not claim any of the rights of a Cherokee citizen without moving into the Cherokee Nation and there being readmitted in accordance with the constitution and laws of that nation. The case was appealed to the Supreme Court of the United States, and there the decision of the Court of Claims was affirmed. (Eastern Band of Cherokees *v.* United States, 117 U. S., 288.) In that case the Supreme Court, after reviewing all of the treaties and statutes relating to the matter, concluded by saying:

"If the Indians in that State (North Carolina) or in any other State east of the Mississippi wish to enjoy the benefits of the common property of the Cherokee Nation, in whatever form it may exist, they must, as held by the Court of Claims, comply with the constitution and laws of the Cherokee Nation, and be readmitted to citizenship as there provided. They can not live out of its territory, evade the obligations and burdens of citizenship, and at the same time enjoy the benefits of the funds and common property of the nation. Those funds and that property were dedicated by the constitution of the Cherokees and were intended by the treaties with the United States for the benefit of the united nation, and not in any respect for those who had separated from it and become aliens to their nation. We can see no just ground on which the claim of the petitioners can rest in either of the funds held by the United States in trust for the Cherokee Nation."

It seems to me that this decision of the Supreme Court, founded on a case so nearly similar to the one at hearing, conclusively settles the contention in favor of the Choctaw Nation. Indeed, in that case, the Supreme Court expresses a very strong intimation that those provisions of the treaty of New Echota relating to and providing for those Cherokees who should refuse to remove West were confined in their operation to that class of Cherokees then in esse, and the rights conferred by those provisions of the treaty did not descend to their offspring; that the descendants of those Cherokees did not succeed to the rights of their ancestors under the treaty. The language of the Supreme Court is:

"Nor is the band (Eastern Band of Cherokees), organized as it now is, the successor of any organization recognized by any treaty or law of the United States. Individual Indians who refuse to remove West and preferred to remain and become citizens of the States in which they resided were promised certain moneys, but there is no evidence that the petitioners have succeeded to any of these rights. The original claimants have probably all died, for 50 years have elapsed since the treaty of 1835 was made, and no transfer from them to their legal representatives is shown. (Ib., 310.)"

The court proceeds, however, to decide this case, as heretofore shown, on the ground that the Indians composing the Eastern Band of Cherokees had not removed into the Cherokee Nation and reassumed their citizenship under the constitution and laws of that nation.

I am disposed to the opinion, however, and will so hold, that the descendants of the Mississippi Choctaws, by virtue of the fourteenth article of the treaty of 1830, are entitled to all of the rights of Choctaw citizenship, with all of the privileges and property rights incident thereto, provided they have renounced their allegiance to the sovereignty of Mississippi by moving into the Choctaw Nation in good faith to live upon their lands, renewing their allegiance to that nation, and putting themselves in an attitude whereby they will be able to share in the burdens of their government. The reason for this conclusion is, to my mind, made morally certain when it is remembered that ever since the treaty of 1830, now for the period of nearly 67 years, with the exception of the past two or three years, the Choctaw Nation, by its legislative enactments and by its acts so long continued that by custom they have become crystallized into law, have universally admitted all who should remove to this country and rehabilitate them in all of the rights and privileges of citizenship enjoyed by themselves.

The counsel for the claimants lay considerable stress on the effect of the provisions of article 13 of the treaty of 1866 between the United States and the Choctaw Nation. (14 Stat., —.)

By the eleventh and twelfth articles of that treaty a scheme was devised by which the lands of the Choctaw and Chickasaw Nations were to be surveyed and divided and allotted to the individual Indians, provided the councils of the respective nations should agree to it, which, however, they have refused to do. A land office was to be established at Boggy Depot, in the Choctaw Nation. When all of the surveys were completed, maps thereof were to be filed in the said land office, subject to the inspection of all parties interested, and immediately thereafter notice of such filing was to be given for 90 days, calling upon all parties interested to examine said maps to the end that errors in the location of occupancies, which were to be noted on the maps, might be corrected. Then followed article 13 of the treaty, which is as follows:

"ART. 13. The notice required in the above article shall be given, not only in the Choctaw and Chickasaw Nations, but by publication in newspapers printed in the States of Mississippi and Tennessee, Louisiana, Texas, Arkansas, and Alabama, to the end that such Choctaws and Chickasaws as yet remain outside of the Choctaw and Chickasaw Nations may be informed and have opportunity to exercise the rights hereby given to resident Choctaws and Chickasaws: *Provided*, That before any such absent Choctaw or Chickasaw shall be permitted to select for him or herself, or others, as hereinafter provided, he or she shall satisfy the register of the land office of his or her intention, or the intention of the party for whom the selection is to be made, to become bona fide resident in the said nation within five years from the time of selection; and should the said absentee fail to remove into said nation and occupy and commence an improvement on the land selected within the time aforesaid the said selection shall be canceled, and the land shall thereafter be discharged from all claim on account thereof."

From an examination of this article of the treaty it will be seen that the Choctaws and Chickasaws recognized the right of absent members of their nation to participate in the allotment and the subsequent ownership of their lands to the same extent as they themselves enjoyed, but on conditions, however: First, that they should satisfy the register of the land office of their intention to become bona fide residents in the said nation within five years from the time of said selection; and, second, that within the said five years they should actually remove into the said nation (here is a statute of limitation); and third, that within the said five years they should occupy and commence an improvement upon the selected lands.

It will be observed that this latter clause imposes a condition on absent Indians nowhere required of the resident ones by any clause of the treaty. They were required to move into the country and show their good faith and their intention to remain bona fide citizens of the nation by actual occupancy of the land and an expenditure of money in its improvement. The notice was to be given them in order that they might have an opportunity of removing into the nation and there residing and resuming their rights as citizens; but care was to be taken, and safeguards provided by which their removal was to be actually had, and that it was to be done in good faith. First, the register of the land office was to be convinced, by such proof as might satisfy him, of the intention of the absent Indian to become a bona fide resident of the nation before he was allowed to make a selection; and, second, that was to be followed by an actual occupancy and improvement of the land; and if he failed in this it worked a forfeiture of his rights. Nowhere within the whole treaty is any right recognized or conferred on an absent Indian except on the condition that he shall remove into the nation, and the right is not to be consummated or enjoyed until after actual removal. No treaty or act of the Choctaw council, or of any officer of the Choctaw Nation, since the treaty of 1830, can be cited—or at least I have not found them—whereby any right or privilege has been conferred, granted, or recognized in or to a Mississippi Choctaw, so long as he shall remain away from his people, but there are an infinitude of such acts and conduct granting and recognizing such rights and privileges to him after he shall have removed.

The provisions of the treaty of 1866, so far from being an authority in favor of the contention of claimants, seems to me to be strongly against them.

To permit men with, perchance, but a strain of Choctaw blood in their veins, who 65 years ago broke away from their kindred and their nation, and during that time, or the most of it, have been exercising the rights of citizenship and doing homage to the sovereignty of another nation, who have borne none of the burdens of this nation and have become strangers to the people, to reach forth their hands from their distant and alien home and lay hold of a part of the public domain, the common property of the people, and appropriate to their own use, would be unjust and inequitable.

It is therefore the opinion of the court that absent Mississippi Choctaws are not entitled to be enrolled as citizens of the Choctaw Nation.

The action of the Dawes Commission is therefore affirmed, and a decree will be entered for the Choctaw Nation.

ARGUMENT OF HON. WILLIAM H. MURRAY, OF OKLAHOMA.

Mr. MURRAY of Oklahoma. Mr. Chairman, these gentlemen make this claim for the Mississippi Choctaws on the basis of the fourteenth article of the Dancing Rabbit Creek treaty of 1830. I am going to argue, for the most part, the legal and equitable phases of this claim. On October 18, 1820, a treaty was made between the Government, represented by Gen. Jackson, and the Indians, represented by Apush-ma-ta-ha. This was a treaty in which the grant for the lands west was made, and was the first instance of a fee-simple title given to Indians. The treaty of 1830 was but to provide settlement of their interests east of the Mississippi and to effectuate their removal. Both of those treaties outlined the boundaries of the land.

It will be found in the treaties of 1820, 1825, and 1830 that the Government was mistaken about the boundary. Apush-ma-ta-ha at the time stated that he had been over this country from 1812 to 1815; that he "had sometime chased the Comanche and the Comanche had sometime chased him"; and that Gen. Jackson did not know the country. You will notice in the third article of the treaty of 1820 a provision to prevent dispute upon "the subject of boundaries." I have had occasion to read both Gen. Jackson's report and the history of this transaction from a splendid work written by Cushman, and I refer to that report of Gen. Jackson as to what was intended by the several clauses in the grant of the lands west and for the removal of these Indians from Mississippi. The central object in all these treaties, in the mind of the Indian, was to enable him to go somewhere where he could frame a government of his own choosing, independent of any State or Territorial law, and running through all of these treaties you will find in unmistakable terms these objects. You will find granted to them in the Atoka agreement of 1897, which provided for the allotment of their lands in severalty, further stipulation of the formation for State government of the Five Civilized Tribes. It was for these benefits that they went into that western country, then surrounded by hostile Indians, into unhealthy swamps, and which caused them to take up that irksome march from their homes in Mississippi, through the uninhabited swamps in Arkansas, to their homes in the West. The 4,000 graves along the roadside—the last resting place of those who died on the march—are but silent witnesses to this solemn promise of the Government, and to guarantee to them, or that number of them who would move and in good faith reside upon the land deeded to them. Some of the mixed-blood Indians of power and wealth did not desire to remove west, as did the great body of the most ignorant and helpless element of the tribe. It was essential, therefore, to place in the treaty the stipulation of the fourteenth article, which I shall later analyze in the light of its text and the history surrounding its making. It was realized by all that those who went west—since its date was prior to the Texas revolution—would be surrounded by many difficulties, and it was also known that many desired to remain. I call attention especially to the fact that all of the lands west of the Mississippi in the Choctaw and Chickasaw Nations, the portions open to allotment, consist of but 11,000,000 acres; but they left in Mississippi almost an equal amount of land—to wit, 10,000,000 acres—for

homes for those who desired to remain. Then it was thought at the time that if the great body of the tribe went west it might have a disastrous effect in the matter of protection of those who remained in Mississippi, hence the stipulation in the fourteenth article under which the Mississippi Choctaws claim.

So the Government provided in the fourteenth article that of those who remained the head of the family might get one section of land, each child over 10 years of age a half section, and those under 10 years of age a quarter section; but, mark you, in that article it says that these "persons" shall not lose their "privilege" to become citizens if later they remove west. Why this stipulation? Because in the treaty of 1820, as well as in that of 1830, the grant of this land was to the "nation, their heirs and successors." In every other place in the Dancing Rabbit Creek treaty, as was the case in 1820, the expression was "heirs and successors," while in the fourteenth article the word "persons" was used. Those who did not want to be included were permitted to put in the word "persons," and it certainly did not mean "heirs and successors." You never saw a deed written to a "person" only.

Before going into the rights under the treaty let us quote its provisions to determine whether this grant was made to the individual Indians or whether to the "nation," and why was the "nation" named in the preamble of the treaty of 1830, which was signed by 104 members in their full council. We find this language:

James Monroe, President of the United States of America, by Andrew Jackson, of the State of Tennessee, major general in the Army of the United States, and Gen Thomas Hines, of the State of Mississippi, commissioner plenipotentiary of the United States, on the one part, and the mingoes, headmen, and warriors of the Choctaw Nation, in full council assembled, on the other part, have freely and voluntarily entered into the following article:

ARTICLE I. To enable the President of the United States to carry into effect the above grand and humane objects, the mingoes, headmen, and warriors of the Choctaw Nation, in full council assembled, in behalf of themselves and said nation—

Note the word—

do, by these presents, cede to the United States of America all the land lying and being within the boundaries following, to wit: * * *

ART. II. For and in consideration of the foregoing cession on the part of the Choctaw Nation and in part satisfaction for the same, the commissioners of the United States, in behalf of said States, do hereby cede to said nation—

Mark the word "nation"—

a tract of country west of the Mississippi River situate * * *.

Under the above stipulation it must be granted that this title was granted to the "nation." I now recite from the Dancing Rabbit Creek treaty of 1830, which was signed by a full council composed of 173 persons, as follows:

ART. 2. The United States, under a grant specially to be made by the President of the United States, shall cause to be conveyed to the Choctaw Nation a tract of country west of the Mississippi River, in fee simple to them and their descendants, to inure to them while they shall exist as a nation and live on it, beginning near Fort Smith, where the Arkansas boundary crosses the Arkansas River, running thence to the source of the Canadian Fork, if in the limits of the United States, or to those limits; thence due south to Red River, and down Red River to the west boundary of the Territory of Arkansas; thence north along that line to the beginning, the boundary of the same to be agreeably to the treaty made and concluded at Washington City in the year 1825, the grant to be executed so soon as the present treaty shall be ratified.

Mark you, there was doubt as expressed in this treaty as to the boundaries. The history and report of its making shows that Apush-ma-ta-ha told Andrew Jackson that the Canadian Fork rose in Colorado, and therefore he was trying to sell them the Panhandle of Texas, then undisputed Mexican territory; hence they used the language "if in the limits of the United States, or to those limits," and which carried them westward to its "limits," which was the Panhandle of Texas. You will also note in this section that it was a grant "in fee simple to them and their descendants, to inure to them while they shall exist as a nation and live on it." Article 3 then provides for speedy removal; article 4 for self-government; article 5 for the protection of the Indians against the Plains Indians; article 6 provided for extradition for crime; article 7 for delivery up of criminals; and article 12 for removal of intruders. I submit to the House that under this language the grant was made to the "nation," their descendants and successors, so long as they "exist a nation and lived on" the land, and the converse of this is that those "who do not live on it" are not to be beneficiary of it. Neither in law nor in the construction of the English language can any other interpretation be placed upon this treaty.

Now, let us see what the "nation" consists of, because it is evident that the grant of the entire lands west was to the "nation," and the intent of the treaty shows that the "nation" went West, and no element of the "nation" remained in the State of Mississippi. What is the "nation"? The Choctaw Nation to-day consists of 17,396 Indians, some full bloods, most of them mixed bloods, some few Cherokees, Chickasaws, Alabama Creeks, and Kansas Indians, but are "living and residing on the land." The "nation" further contains 1,634 Mississippi Choctaws, granted by the "nation" having a sympathy for them in consequence of the treatment the State of Mississippi had given to full-blood Mississippi Choctaws. It also includes 10 white persons, who had been their friends and "lived on the land," adopted by legislative act. The "nation" also consists of 1,650 persons who have married Indians by blood—the "nation's" method of naturalization—and, last, it consists of 5,900 freedmen—ex-slaves and their descendants. So the "nation" comprehends not only Indians by blood but all classes that may be adopted by the tribe in council under their constitution and law—Indians by blood, including various tribes, white people, and negroes, with the limitation that they must "live on it." On the other hand, any of these classes who moved away and did not "live on it," but moved to another State "expatriated" (changed their citizenship), losing every right, including the right of property, just as surely as an American citizen would lose his right to homestead the American public domain by expatriating and becoming a British subject. Now, as to the equity. Is it fair to compel these Indians to take care of all the Indians of other tribes who have moved among them, and 1,660 white persons and 5,900 negroes, keeping faith with the treaty, the stipulation of grant which inures to those who "live on it," and at the same time compel them to take care of those who have not moved to and "lived on" the land? In view of the further fact that they left in Mississippi 10,000,000 acres of land, almost equal to their land west, to provide homes for those who remained, and the Government, after making that provision, only paid them $2,000,000 for the residue over and above the amount taken for homes.

I submit as a matter of equity it is all in favor of the members of the "nation" that moved west. They went into a barren country, carved their homes out of the forest, built improvements, just as the American homesteaders on public domain. It is manifestly unjust to force them now to divide their property with those who did not share with them their burdens in observing the old Indian treaty. They have this land by the right of settlement, if nothing more. Who would think now of introducing and supporting a bill in Congress to enable the people who did not go west and homestead the public domain now to step into Kansas or Nebraska or Minnesota or Iowa or any other of the Western States and divide with them their property just because it was originally common property of the whole Republic and because these new claimants, like the settlers, have the blood of American citizenship? Likewise, what right have Indians by blood who would not go with the immigration and would not bear the hardships to step in now and divide with those who did go west their rights to their homes?

I will grant you that these people—these Mississippi Choctaws—are entitled to our sympathy; they are entitled to the correction of the wrong perpetrated upon them by the Government of the United States when they permitted them to be robbed both by the governing power and the individual grafter in the State of Mississippi. But should the Indian members of the "nation" now residing in Oklahoma be compelled to correct the wrong done by the Government and permitted by the Government, after showing that the title in them is to the "nation"? Now, let us determine what rights and privileges any of the other individual members possess under the treaty. The "fourteenth article," under which the Mississippi Choctaws claim, is in these words:

ART. 14. Each Choctaw head of a family being desirous to remain and become a citizen of the States shall be permitted to do so by signifying his intention to the agent within six months from the ratification of this treaty, and he or she shall thereupon be entitled to a reservation of 1 section of 640 acres of land, to be bounded by sectional lines of survey; in like manner shall be entitled to one-half that quantity for each unmarried child which is living with him over 10 years of age; and a quarter section to such child as may be under 10 years of age, to adjoin the location of the parent. If they reside upon said lands, intending to become citizens of the United States, for five years after the ratification of this treaty, in that case a grant in fee simple, Said reservation shall include the present improvement of the head of the family or a portion of it. Persons who claim under this article shall not lose the privilege of a Choctaw citizen, but if they ever remove are not to be entitled to any portion of the Choctaw annuity.

I have quoted the entire section in full, but mark the last paragraph by the use of the word "persons" and the word "privilege." This word "privilege" is not synonymous with right. They have lost their right to citizenship. In other words, they had expatriated by remaining, because they did not "live on it." The word "person," as stated before, unlike the grant, was not to these persons and "their heirs," but to the "persons" only I submit that it is significant that in every other case in the three treaties of 1820, 1825, and 1830

the words "they and their heirs" were used. The report of the United States commissioners who executed this treaty, together with Cushman's History, shows that this was put here with absolute design and understood by the members of the "nation" as well as those who remained in Mississippi to constitute a limitation excluding their heirs. Let me call your attention to the fact that many years subsequent to the treaty of 1830 the Chickasaw Nation bought an equal undivided interest in the whole landed property of the "nation" west of Mississippi River, paying therefor $530,000 in gold when they bought it. Could they be held to give up any portion of the property in which they owned an equal undivided individual interest to any person who did not come within the legal terms of the grant under which they purchased? But the admission of the Mississippi Choctaws would take proportionately from the Chickasaws a portion of the property of which they are innocent purchasers, and they are entitled to all of the reasonable construction of the obligations on that property, and in addition thereto they are entitled to all of the limitations in their favor against all persons having a "privilege" as those "persons" contemplated in article 14, since they are all dead and the terms of the treaty did not include "their heirs." So it may be safely said that there was no grant either of citizenship, property rights, or of "privilege" to any Indian remaining in Mississippi except such of those "persons" now living.

Let us consider which of the "persons" granted this "privilege" under the fourteenth article of the treaty of Dancing Rabbit Creek can now claim. Manifestly none, except those that may now be alive. Such "persons" who sought to remain in Mississippi would now be 105 years of age, if 21 years old in 1830, and such "person" if 1 year old at that time now must needs be 85 years old, so we can assume they are all dead. I admit, however, if any of these "persons" to whom only this "privilege" granted in the "fourteenth article" are yet living, they should be entitled. It is true that some of their descendants have since been admitted, but this because of the generosity of the "nation" west and not because they had either a legal or equitable right.

Four thousand court claimants, some calling themselves Mississippi Choctaws, but not from Mississippi, and some calling themselves Chickasaws, nearly all of whom then resided in Oklahoma, were eliminated by the citizenship court, composed of Judges Adams, of North Carolina; Weaver, of Ohio; and Foote, of California, and that judgment upheld by the Supreme Court of the United States.

Reference is sometimes made that a subcommittee of the House Committee on Indian Affairs in a former Congress unanimously reported in favor of these Mississippi Choctaws. I had an occasion to look up the brief of those claimants filed at the time, and I unhesitatingly say that under the "statement of fact" the committee could not have done otherwise. The brief was a bundle of falsehoods. I observe that they said the Indians removed the Mississippi Choctaws from Oklahoma as intruders. On the contrary, they were invited to come west. This statement is a falsehood of the whole cloth. Not a witness could be had that would swear to that statement in a court where impeachment could under the law legally be lodged against him, because the court claimants lived in Oklahoma at the time. The most of them still remain there, and they are not part of those living in Mississippi. While on the brief of the Mississippi Choctaws, permit me to review it further. I read a brief filed this winter where they set up that under the laws in the State of Mississippi a contract made between an Indian or any other laborer could not be broken without subjecting the laborer and his new employer to a criminal prosecution. In other words, if A hired B, and C in turn offers to hire B away, C has committed a crime in making the offer and B has committed a crime if he breaks the first contract. They boldly recite this system of peonage legislation as an argument to admit the Mississippi Choctaws.

Very few of the 1,634 Mississippi Choctaws would have been enabled to go to Oklahoma but for the land agents—sometimes called grafters—of Oklahoma, who went to Mississippi, bought off their contracts, and paid off their debts and their way to Oklahoma. Notwithstanding this, many of them have returned to Mississippi. Mr. J. W. Gillette, one of the most prominent Oklahoma land agents, stated that when he went to Mississippi he was compelled, upon account of the peonage system I here recited, to pay off all their debts and buy off their labor contracts, in addition to paying for their transportation. These people were afraid to go without this being done, rightly fearing prosecution under the Mississippi peonage laws. Of course, Mr. Gillette was recouped for their expenses by a lease upon their allotments in Oklahoma.

They further state in that brief that the State of Mississippi has never provided them with schools, a thing that Oklahoma has provided for all the Indian children in our State, and we have more than one-third of all the Indians of the United States. I submit this detestable policy in the State of Mississippi, together with the recitation of the criminal graft in that State, does not constitute an argument authorizing Congress to rob the Indians of Oklahoma or to overcome the laws that inure only to the Choctaw Nation. The advocates of the Choctaw claimants, not only Members of Congress but Webster Ballinger, Crews, and Cantwell, and other attorneys, who are going over this Republic securing letters to be written to the Congress urging their Congressmen to reopen the rolls, plant themselves on the word "privilege" in the fourteenth article and seek to give it validity without compelling the "person" holding the "privilege" to comply with other performances. Admitting, for the sake of argument, that the benefits inured to the "descendants" without compelling that "person" to move on and "live on" the land, let us see where it will lead to.

If the contention of the Mississippi Choctaws be correct, we never could close the rolls and there would be an "endless chain" of this Indian difficulty. I might also cite that since the rolls were closed in 1902, 12 years ago, nearly all of the members of the tribe have from one to five children born since that date, and there are more of these "newborn" who are not on the rolls than there are Mississippi Choctaws. On account of the evils that would flow from the reopening of the rolls, as much as the Indians desire to enroll their children, they are willing to close the rolls against these children if it would mean speedy settlement; and yet under the Harrison amendment you would enroll ultimately not only the 2,000 full bloods in Mississippi, Louisiana, and Alabama, but 20,000 claimants from all the Southern States, most of whom would have no Indian blood. In whatever light you consider this Mississippi Choctaw claim, it leads to disaster. There is only one solution for the full bloods of Mississippi, and that is to buy that class homes in Mississippi, congregate them in one settlement where they would remain—for they will not live in Oklahoma—and the Government furnish them a school, which the State of Mississippi has never done. To give them money would be but to permit them to live in luxury and intemperance for 6 or 12 months and then to return to penury and want. They have had the experience before of having more land than we get in Oklahoma, but the Mississippi grafters have long ago robbed them of it. The only service for them is to give them a home and "tie it down at both ends" so this fraud can not be repeated.

In the Civil War, moreover, both the Chickasaws and Choctaws, the owners of the "nation" west, joined the Confederacy. The Government treated that act as an act of forfeiture of their property, and when they came to make the treaty known as the "treaty of 1866," between the Chickasaws and the Choctaws and the United States Government, you will find the Government compelling, in article 30, a stipulation on behalf of 10,000 Kansas Indians identical with the "fourteenth article" of the treaty of 1830, which is as follows:

ART. 30. The Choctaw and Chickasaw Nations will receive into their respective districts east of the 98° of west longitude, in the proportion of one-fourth in the Chickasaw and three-fourths in the Choctaw Nations, civilized Indians from the tribes known by the general name of the Kansas Indians, being Indians to the north of Indian Territory, not exceeding 10,000 in number, who shall have in the Choctaw and Chickasaw Nations, respectively, the same rights as the Choctaws and Chickasaws, of whom they shall be the fellow citizens, governed by the same laws, and enjoying the same privileges, with the exception of the right to participate in the Chickasaw and Choctaw annuities and other moneys, and in the public domain, should the same, or the proceeds thereof, be divided per capita among the Choctaws and Chickasaws, and among others the right to select land as herein provided for Choctaws and Chickasaws, after the expiration of the 90 days during which the selection of lands are to be made, as aforesaid, by said Choctaws and Chickasaws; and the Choctaw and Chickasaw Nations pledge themselves to treat the said Kansas Indians in all respects with kindness and forbearance, aiding them in good faith to establish themselves in their new homes, and to respect all their customs and usages not inconsistent with the constitution and laws of the Choctaw and Chickasaw Nations, respectively. In making selections after the advent of the Indians and actual occupancy of land in said nation, such occupancy shall have the same effect in their behalf as the occupancies of Choctaws and Chickasaws; and after the said Choctaws and Chickasaws have made their selections as aforesaid the said persons of African descent mentioned in the third article of the treaty shall make their selections as therein provided, in the event of the making of the laws, rules, and regulations aforesaid, after the expiration of 90 days from the date at which the Kansas Indians are to make their selections as therein provided, and the actual occupancy of such persons of African descent shall have the same effect in their behalf as the occupancies of the Choctaws and Chickasaws.

It will be observed that it gave these Kansas Indians the right to go anywhere in either of the two nations which composed their habitable territory east of the ninety-eighth meridian, and did not use the weaker term "privilege" as used in the

"fourteenth article of the treaty at Dancing Rabbit Creek," but used the words "right of citizenship," "the same rights as the Choctaws and Chickasaws, of whom they shall be fellow citizens," the same condition of removing to the tribe, giving only preference to the Choctaws and Chickasaws of making the first selections, and some of them moved into this section and are now a part of the "nation," and by the same process of reasoning in favor of the Mississippi Choctaws the law would yet compel the Choctaw and Chickasaw "Nation" to divide their property with the remaining 10,000 Kansas Indians.

Judge CLAYTON, who was senior in service at the time of the passage of the enabling act for statehood, and recognized as the ablest jurist ever sent to the Territory, has ruled in every decision in line with my contention. His only error, in my opinion, was that he maintained that any Mississippi Choctaw who would come to the Choctaw Nation and "live on it" up until allotment was entitled to enrollment, and everyone who has complied with this provision has been provided for, but this was a liberal construction in favor of those who had expatriated, and could have been made only on the theory that the Choctaw Nation was not a "sovereignty," and therefore not entitled to be relieved of laches, limitations, and estoppel because, as Blackstone lays down the rules, "laches and estoppel never run against the sovereign." He based his ruling upon the fact that the Nation had invited the Mississippi Choctaws to come out as late as the seventies and early eighties. In this I think Judge CLAYTON erred, because the Choctaw Nation was a sovereign in a greater sense than the States. None of their laws between themselves, however harsh and exacting and however confiscatory, could be questions in the Federal courts. The Federal nationality only existed over those Indian nations so far as the general Federal law, and in no sense, as long as the tribal nation remained, could there be a question raised in any Federal court on the question of constitutionality or confiscation of property by legislation as could and has been raised in the States; and if the Choctaw Nation was a sovereign, then it was not bound by the doctrine of estoppel or laches or limitation; but the tribe has agreed to and even accepted the liberal construction placed upon the treaty laid down by Judge CLAYTON, and this doctrine is held to in the higher courts in the Jack Amos case as being sound. Considering the Chickasaw purchase, I submit that if you pass this law in favor of the Mississippi Choctaws, the Chickasaws can by injunction prevent the Interior Department from paying out a cent of this fund, which will only go to a delay of final settlement. I repeat that so far as the claim goes against the Choctaw and Chickasaw Nations, there is neither law nor equity of claim against them; and I repeat again that whatever obligation or sympathy may be due the Mississippi Choctaws is against the United States Government for its neglect, particularly in permitting the State of Mississippi and its long, lank criminal grafters to rob these people and strip them of their patrimony. The question only remains, Will you attempt to enact this legislation and thus delay the final settlement, and thus destroy business in the east half of our State, and thus rob those Indian tribes of property guaranteed to them and to which they hold a fee-simple title? I repeat what I repeated before: To reopen these rolls would mean a delay of settlement and a beclouding of Indian titles and a disturbance of business in the east half of our State beyond the imagination of man. It would be no less than a crime.

THE FIVE CIVILIZED TRIBES—WHY THEY EMPLOY ATTORNEYS.

Mr. MURRAY of Oklahoma. Mr. Chairman and gentlemen of the committee, the speech I intend making, you will discover, is not for "home consumption," but I do not doubt that it will have a home discussion. I am going to make this speech because I think what I am going to say ought here to be said, as necessary to convince you of a right program of legislation as relates to the Five Civilized Tribes.

Some transactions in our State for the past 12 or 15 years have been subject to much criticism—a reflection upon the people of the State, upon the tribes interested, and upon the chief executives of those tribes who are directly responsible.

Before going into the subject, however, I want to take the liberty of calling the attention of Congress to the difference between Indian tribes as being quite as great as between other races. The Five Civilized Tribes of Oklahoma are quite distinct from the prairie tribes on the west side of the State or in other sections of the country, who wear blankets and who are the subject of hero stories of the wild West of which you read. Three of these tribes were never savages—the Chickasaws, the Choctaws, and the Cherokees. There is only one other civilized tribe, and that is the Pueblo, and possibly the Navajo. The Five Civilized Tribes and the Pueblo Tribe are the only Indian tribes that hold their land in fee simple. The Pueblos of Arizona and New Mexico were given a grant by Spain, ratified later by Mexico, and then by the United States. The Five Civilized Tribes have held their land in fee simple since long prior to the Civil War. They have had civil governments fully officered with chief executives, legislatures, courts, and public schools, operated by themselves, controlled without any supervision of the Government or of Congress, ran ad libitum by themselves. Their courts, while crude in a measure, gave manifest justice. I hold in my hand a printed copy of the Chickasaw statutes, enacted by their legislature, and enforced in their court.

I give this bit of history in order that Congress may understand that there ought to be a distinction between these tribes and others in the matter of legislation. And now I am going to call attention to some very delicate matters. You have often heard criticism of the $750,000 fee paid Mansfield, McMurray & Cornish and other supposed graft. The Indians paid this; they got value received and are satisfied with it.

This began in the Chickasaw Nation. In my opinion that tribe surpassed all others.

Now, with these preliminary remarks, I want to show what they have done for themselves and what the Government has "done to them." Here is a treaty made in 1832. In the second article of that treaty—notice this astounding language—when these Indians moved from near Memphis to the West they agreed when they traded a portion of that land that the remaining land should be sold and the proceeds invested by the Government. After they moved West and turned that property over wholly to the Government we find this treaty of 1832. I quote from article 2, as follows:

> The expense attending the sale of the lands ceded by the Chickasaws to the United States under the treaty of 1832 having for some time past exceeded the receipts, it is agreed that the remaining land so ceded shall be disposed of by the Government as speedily as possible—

And an accounting made to the Indians.

Then, in article 4:

> The Chickasaws allege that in the management and disbursement of their funds by the Government they have been subject to losses and expenses which properly should have been borne by the United States. * * * It is therefore agreed that the United States shall make an accounting of these funds—

Giving the Indians an opportunity to test the claim.

In article 7 we find again:

> No claim or account—

Think of the astounding necessity of this Government, the Congress and the Senate agreeing that they could not manage this property without being audited by the Indians, and stipulating in the law this expression:

> No claim or account shall hereafter be paid by the Government of the United States out of the Chickasaw fund unless the same shall have been first considered and allowed by the Chickasaw Legislature.

That remained the law until the Atoka treaty of 1897.

We find similar language repeated again in article 8 of the same treaty, as follows:

> It is further agreed that regular semiannual accounts of the receipts and disbursements of the Chickasaw fund held by the Government shall be furnished to the Chickasaw Council by the Government of the United States.

Imagine, my friends, the absurdity of this Government managing a fund and that management costing more than 100 per cent to do it. Why, it reminds me again of the management of the Choctaw fund. The Choctaws traded with the Government 4,000,000 acres of land in Mississippi for the land out West that the Government thought was a barren waste, but, as Apushma-ta-ha said:

> They skinned the Government in the trade of the fairest possessions west of the Mississippi River.

They left with the Government the selling of the residue of the land in Mississippi. When the Government sold it they got $8,000,000 for it, but it cost the Indians $6,000,000 for the Government to sell it, leaving the Indians a residue of $2,000,000, and then the Indians had to pay 25 per cent of it to attorneys to fight the Government for the $2,000,000, and won, but it was 55 years before they got that $2,000,000.

This, my friends, brings us to the proposition, Why is it that those Indians employ attorneys? They employ attorneys because it has never cost them more than 25 per cent, but when they have left it to the Government they have had to pay from 75 to 100 per cent plus. They employ attorneys because it is good business sense.

You have often heard of a $750,000 fee; and before I came to Congress I noticed that when Indian legislation was offered for our State some one would raise that cry or the name of McMurray, and the bill would go off the board, hence this speech. The implication contained in this question was a reflection upon our people, upon the tribes, and upon the governors of those tribes who made the contract. I say to you that

the present governor of the Chickasaw Nation, who has held the office 14 years, Gov. Douglas H. Johnston, a relative of Albert Sydney Johnston, of Confederate fame, is the equal of any governor of the surrounding States and surpasses in his judgment of men and measures, in his long-headed foresightedness, and good common sense the chief executive of the State of Oklahoma. Such charge is a reflection upon him. But let us analyze it. When the Government took charge under the Atoka agreement it was with the understanding that the Government was going to make the rolls and manage affairs. The Government made a criminal "botch" of it. They began on their rolls, and they admitted to those rolls upward of 4,000 fraudulent claimants. Johnston came into office and found them on the rolls. I was his private attorney and confidential adviser at that time.

When he selected the firm of Mansfield, McMurray & Cornish, I questioned him as to why he did it, and he said to me, "You have told me as a lawyer that no man can represent one side of a question and with honesty and professional ethics represent the other side. These are the only men of ability in these nations who have not handled claims against us." Then he gave the other reasons. I approved his choice, and have never had cause to regret it. They went into the fight with a judgment for $20,000,000 of property against the tribes, which judgment had been affirmed in the Supreme Court of the United States. All the other attorneys of the two nations derided the idea that by any means a judgment of the Supreme Court could be overturned; it had never been heard of before, but the firm of Mansfield, McMurray & Cornish performed the unheard-of supposed impossible task. After seven years' battle, in the meantime inducing Congress to create the citizenship court to try the cases over, they wiped from the rolls all but 133 of the 4,000 names. This court had no parallel in the annals of the judiciary of this country. Their contract with the governor was for 9 per cent, and the attorneys were to pay the court cost, which amounted to $75,000. They took a desperate chance in this contract in a hope to win big fees. But under the law the court was to fix the fee. When the court, composed of Judge Adams, of North Carolina; Judge Weaver, of Ohio; and Judge Foote, of California, fixed the fee they agreed on $750,000, or 4½ per cent. The claimants had contracts of from 25 to 50 per cent of all they recovered with nearly all the lawyers in the Chickasaw and Choctaw country.

These lawyers, of course, were swept off their feet. They saw a fortune slip from them. Some of them began to announce in the press that these attorneys had bought the court, and appealed to Congress to reopen those rolls. They were given aid by Secretary Hitchcock, who joined the cry in a vain attempt to rid himself of criticism for mismanagement of his department and in an effort to strike Gov. Johnston, whose policies for the Chickasaws did not suit him. To illustrate the frauds in those cases, there is one that I remember distinctly now who was admitted with 87 claimants, taking nearly $400,000 worth of property. When they found their written evidence, the testimony that they were Indians was sworn to by five of the most prominent men of the State of Arkansas. Mr. Cornish went to Arkansas and asked one of the judges of that State who was supposed to have been a witness, "What do you know about this testimony?" The judge ejaculated, "I never heard of it; I never swore to that." Then Cornish went to a prominent lawyer whose deposition was in the case, and that lawyer protested, "I never heard of it." So with all the others of these five witnesses. Then he hunted up the notary public who had certified to the depositions and jurat and found that the notary had died five years before the depositions were taken. Not only the testimony but the jurat of the notary public were forged in the office of the lawyer representing these 87 claimants. The entire case was manufactured out of blue sky. Of course, they were wiped from the rolls. So with the balance of them.

Then the cry went up, the "press dope" of the attorneys representing the other side, through the press of our State, the press of Washington, and everywhere, that this $750,000 was divided between the three judges and the three attorneys. Ex-United States Senator Butler, of North Carolina, being now employed as attorney by the claimants, made the charge in his paper, the Caucasian. Judge Adams, then Republican chairman of North Carolina, sued ex-Senator Butler for libel. I went voluntarily from my State to North Carolina to testify. Butler was convicted on the charge, and that stopped that slander against the court. Some of my friends warned me, "You are making a mistake to go to North Carolina in that case. This will injure you in politics." I said, "I do not care. I will go around this earth to testify for an honest man who has done his duty." [Applause.] I realize, too, that it is not politic for me to make this speech. I know, gentlemen, we have men in our State, as you have in yours, whose only claim to character, to integrity, and honesty is based upon denunciation of some man who happens to be unpopular. It is a dirty, cowardly method. We have others whose claim to character and to public applause is based upon a spectacular effort in a moment of moral excitement, just as we have recently had in some prosecutions in probate matters. But the really honest man, the honest, brave man, stands at the threshold of every transaction, and pushes and fights back every attempt at graft, whether it is the work of an unpopular man or the work of the strongest man in the Government. [Applause.]

I believe that Congress ought to understand this situation. We are not through with this slander yet, but it has been removed from Judge Foote and Judge Weaver by death. They have passed "over the river to rest under the shade of the trees," and are far removed forevermore from the foul and slimy slander of cowardly character assassins. Judge Adams had to bear it alone for a while. Maj. STEDMAN, now a Member of this House, will recall that he was attorney for Judge Adams in the suit against Butler, of which I speak.

It is just for me to say that immediately all the Oklahoma lawyers of character and integrity who represented these claimants abandoned them, and now firms in St. Louis, in Texas, and in this city have undertaken the dirty job by the use of slandermongers using the name of McMurray as the "goat" for their raids upon Oklahoma Indians.

But against the Indians' faithful and successful attorneys the slander continues. Now, I want to say, my friends, I have no defense for any Indian lobbyist or Indian lawyer; but lobbyist or lawyer, or whomsoever he may be, who is trying to aid the speedy settlement of our Indian problems, will have my aid so long as I am a Member of Congress. When he does the wrong thing, he has my condemnation. I recite these things to show you the reason.

Now, as to the reflection upon the Chickasaw and Choctaw Tribes. Why should they employ these lawyers and give them 10 per cent? They remembered that the Government charged them all the way from 75 to more than 100 per cent. They remembered that with the handling of other cases these attorneys never charged more than 6 per cent and always winning their cases. In the claim against the Government for the negro lands the Government attempted after the Civil War to force amalgamation between those tribes and their ex-slaves. The Chickasaws declined. The Government held over them a reward or bounty if they would make citizens of their former slaves, but they would not adopt them. They still declined and told the Government to keep their money. When the break-up came the rolls showed that with 6,000 Indians and a little more than 6,000 negroes there are only 12 individual family mixtures, and that is a better record than you find between whites and negroes anywhere in the South, anywhere in the District of Columbia, or anywhere else in this Government. After that attempt to amalgamate them failed they made the Indians agree, in order to get certain concessions, to let the negroes have each 40 acres of land with the privilege of testing the question in the Supreme Court.

And when they agreed to that 40 acres—and almost a mule—then Gov. Johnston wanted to contest with the Government for it; but the Secretary of the Interior opposed him, and the Attorney General of this Government stood in the Supreme Court fighting them. Gov. Johnston employed J. F. McMurray, of the old firm of Mansfield, McMurray & Cornish, who went into court and won it over the protest of the Government; but he has never yet received his fee. There are other like claims against the Government, rightly due these Indians, and it shall be my purpose in Congress to stand behind anybody that is trying to do the right thing to the people of my State, or any portion of them. I shall do this at the risk of being misrepresented.

When I retire to private life I shall carry with me that calm consolation of a man at peace with his mind and conscience. Legislation sometimes goes off on the absurd notion that somebody else is for it or opposed to it. The Indian can recall that he wiped out the court claimants, costing $750,000, to recover $20,000,000 and to correct the mistake of the Government, which cost but 4½ per cent. He can recall again all the other claims successfully terminated without costing exceeding 6 per cent. That, my friends, is the reason why the Oklahoma Indians employ attorneys. They have realized the difficulty of political hazard; they have realized the sad experience in the past, and yet you have propositions offered to this House to make it a criminal offense, as was proposed in the last Congress, for any attorney to engage his service to an Indian tribe without the consent of Congress, even when the Indian is seeking a claim against the Government. Imagine the fallacy if you and I, having a suit at law, for me to determine who your lawyer shall be. This is the issue, and this is the question involved in such

proposed restriction. I opposed this restriction, and was misrepresented for it, but the slander availed the author of the restriction nothing.

No greater frauds nor perjuries were ever practiced upon a people or imposed upon a nation or disgraced the judiciary than the citizenship frauds of the Chickasaw and Choctaw Nations, and yet the Government is urged to a repetition of this crime. This Congress is surrounded by an attorney—W. Ballinger—of Washington City, and Cantwell & Crewes, two attorneys of St. Louis, who have given to the Senate Committee on Indian Affairs a list of more than 8,000 claimants, and are seeking to reopen the rolls and take from these tribes forty-odd millions of dollars. They admit that they have from 25 to 50 per cent contingent fees if they enroll these claimants, or an aggregate sum of from eight to twelve millions of dollars; and while you are talking about the $750,000, have you ever stopped to think that possibly these attorneys, whose names are not mentioned by the press—but had you stopped to think that they have more contingent money with which to bribe than all the money or contracts ever held by Mansfield, McMurray & Cornish, or either of them? This may explain why these claims persist. The reopening of these rolls would wipe out these Indian estates, becloud titles, and disturb business, to say nothing of the delay of a final settlement, beyond the power of man to estimate on the east half of our State. It would be no less than a crime.

If the Chickasaws, Choctaws, Cherokees, Creeks, and Seminoles have not always been civilized, what is that dynamic force that persists in engrafting itself upon our civilization? No less than four States have their names from their vocabularies. From Virginia to Colorado the map of the Republic is plastered with the nomenclature of these tribes. We find them on the hilltops, in the canyons and valleys, towns, cities, and hamlets, among the names of our citizens and everywhere—we find them in all three of the branches of our State government, in both Houses of Congress, even our money bears the name of Gabe Parker, Registrar of the Treasury, a Choctaw Indian. What is this force, this influence? Is it civilization or is it something, though akin to civilization, but beyond it, a moral force, a divine decree?

Moreover, in addition to all this force their blood must have mingled with ours. Did you ever ask yourself the question what became of all of the four or five millions of Indians on this continent when European settlement was made? We would scarcely care to admit that we have killed all except 327,425, which is the exact number identified by the Indian Bureau of the Government. The last census shows 265,683, which is less than the Indian Bureau number. We have of these 101,170 in the Five Civilized Tribes in Oklahoma and 16,274 on the west side of the State, or over one-third of all Indians in the United States. Nor can we believe that 4,000,000 Indians died of disease, since there has never been any great epidemic, contagion, or pestilence to carry away any great numbers of them. In view of the fact, notwithstanding their contamination with white men with congested population creating diseases for many years, they are growing in number. I ask what became of them? We can but conjecture that they have been amalgamated and assimilated by the American people. In the making of the various treaties for the past 130 years, the references to provisions made for white men who lived among them give color to this conjecture; and if true, how absurd it would be to reopen the Indian rolls to admit persons because of Indian blood. Hence the necessity of holding the rolls to those who have remained a part of the tribe or nation, and who have never expatriated by becoming citizens of some other State and thereby losing their property rights, just as an American citizen by expatriation would lose his interest in the common American property, including the public domain, by swearing allegiance to the Crown of England or any foreign government.

I see that my time is flying. I would be glad if all the Members of Congress could understand that we have not altogether the grafter on one side and the Indians on the other. The question of graft does not run with the race. Some of the worst grafters we have in the State are mixed-blood Indians, used as interpreters between the full bloods and whites, and also that some of the best friends the Indians have are white men. The Indians themselves understand that. There is no conflict between honest white men and honest Indians in the State of Oklahoma. The average merchant, the average farmer, with the Indian—or 85 or 90 per cent of the Indians—stand together shoulder to shoulder for the settlement of these affairs. There is no conflict. The only conflict is against the organized graft and greed, and sometimes it is difficult to defeat them. Why? Because they are always organized, and because in a moment of lull the politician and the demagogue, especially the cowardly politician, will use denunciation of some unpopular man to deceive the people about his purpose, thereby goes into office without declaring a policy on any question, with a view to exciting the admiration of the honest men. [Applause.]

MEMORIAL OF THE CHOCTAW AND CHICKASAW TREATY RIGHTS ASSOCIATION RELATIVE TO THE MISSISSIPPI CHOCTAWS, OPPOSING THE REOPENING OF THE TRIBAL ROLLS AND ASKING FOR A SPEEDY SETTLEMENT OF TRIBAL AFFAIRS AND COMPLIANCE WITH TREATY STIPULATIONS.

We note from hearings had before the Committee on Indian Affairs and from proceedings reported in the CONGRESSIONAL RECORD that attorneys representing several thousand Mississippi Choctaw claimants are exerting a strenuous effort to reopen the Choctaw and Chickasaw rolls. These attorneys rely on a misinterpretation of the fourteenth article of the treaty of September 27, 1830. The object and purpose of said article of said treaty was to permit members of the Choctaw Tribe of Indians to remain in the State of Mississippi, to acquire title to lands in said State, and become citizens of the States, or, if they chose, they could retain the rights of Choctaw citizenship by renouncing their allegiance to the State of Mississippi and by moving to the Choctaw Nation in good faith and sharing in the burdens of the Choctaw government.

The claimants whose attorneys are now clamoring for the reopening of the Choctaw and Chickasaw rolls have never brought themselves within the provisions of the fourteenth article of said treaty. For 70 years and more the Choctaw people in the Choctaw Nation earnestly solicited the Mississippi Choctaws to remove in good faith to the Choctaw Nation and assist in bearing the burdens of the Choctaw government. During said period of time a number of said Choctaws did remove to the Choctaw Nation, while others remained in the State of Mississippi and refused to renounce their allegiance to said State.

The march of progress and growth and development of the Indian Territory demanded the abolishment of tribal government and the allotment of lands in severalty, and under a solemn treaty with the United States we agreed to the allotment of our lands in severalty and to the abolishment of our tribal governments under the expressed promise and agreement that our tribal rolls would be closed and our tribal affairs speedily disposed of. We have lived up to each and every letter of that agreement and have kept faith with the United States, and we now ask that the United States keep faith with us, hold sacred our treaty stipulations, and refuse to reopen our tribal rolls, which were closed many years ago by solemn agreement.

We were promised by treaties and agreements with Congress that the residue of our tribal property after allotment should be disposed of and the proceeds distributed per capita among the members of our tribes. Several years have passed since the execution of said treaties and agreements, and as yet the United States has failed to comply with the terms and conditions thereof with reference to the sale and disposition of the residue of tribal property and the distribution of tribal funds, and we request at the hands of the United States the fulfillment and carrying out of said treaty stipulations at the very earliest possible date.

We are informed that there are several million dollars in the Treasury of the United States to the credit of our tribe, and our people are greatly in need of these funds; and we are much grieved, indeed, to learn that attorneys and lobbyists representing the Mississippi claimants have studiously and persistently defeated per capita payments from said funds, and we earnestly trust that the present Congress, with due regard to law and with justice and equity to our people, will make such a payment from said funds as will be beneficial and of assistance to the members of our tribe.

Many years have been spent by courts and commissions in an effort to make a true and a just roll of the Choctaws and Chickasaws entitled to citizenship in said tribes. Thousands of dollars have been spent in this work, and many people, through artifice and fraud practiced on the courts and commissions, were decreed the rights of citizenship in said tribes.

The reopening of the tribal rolls at this time means many years spent in the trial of citizenship cases. It means expenditures of great sums of money. It means the breaking of solemn treaties, which we have observed strictly on our part. It means that we will be wronged grievously and our property and moneys dissipated. It means the retrial of causes which have been tried and retried again and again. It means that the disposition of tribal affairs will be delayed for years to come. It means the abolishment of existing laws and discontent and discouragement throughout the tribes.

Respectfully submitted.

T. P. HOWELL,
Chairman, Davis, Okla.

Attest:

P. N. KERR,
Secretary-Treasurer, Pauls Valley, Okla.

Agriculture in Alaska.

EXTENSION OF REMARKS
OF
HON. WILLIAM E. HUMPHREY,
OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Friday, April 24, 1914.

Mr. HUMPHREY of Washington. Mr. Speaker, when the bill providing for the construction of railways in Alaska was under consideration by Congress a great deal was said relative to the agricultural possibilities of that district. There was much information and much misinformation given to Congress upon this question.

I have received an article upon this subject written by Mr. J. Lindly Green, one of the leading lawyers of Alaska. Mr. Green has been a resident of Alaska for many years. He speaks from actual knowledge. This article is one of the most valuable contributions with relation to agriculture in Alaska that I have seen. It contains much information that has not heretofore, so far as I know, been brought to the attention of this House. I think that it ought to be published for the benefit of the general public. It explains some problems that heretofore have been, to me at least, not fully understood, although I have given considerable attention to the question. I believe that it will prove of great interest to everyone who is interested in the development of Alaska, and especially to those who would like to see something done to encourage the growth of agriculture in that district. I do not believe that anyone can read this article without being impressed with the great agricultural possibilities of Alaska as well as with the most earnest desire of the writer to assist in developing these resources.

The article is as follows:

"Now that Congress has decided to construct railroads in Alaska, it is to be hoped that it will not think its duty to Alaska ended. While we appreciate the value that a railroad will be to that country, its benefits will be minimized unless other much-needed legislation immediately follows. It is expected that there will be some legislation providing for the opening of the coal fields, but this alone is not sufficient to release that country from the chains of bondage that have been paralyzing it in the past.

"The agriculture and stock-raising possibilities there are much greater than the Alaskans themselves appreciate. But before it can be developed there must be some legislation passed by Congress. It may be urged that Congress has already dealt liberally with the home seeker in that northland by allowing him to homestead 320 acres of land, while in most parts of the United States he is only allowed 160 acres. But what benefit can the 320 acres of land be to him if conditions there are such that he can not avail himself of the privilege?

"The class of people who in the past have pioneered the farming industry in a new country were people having scarcely sufficient means to enable them to reach the place where they proposed to locate, and, as a general rule, after their cabin was made habitable they had very few dollars left and were compelled to depend upon the country for their support, yet they were the sturdy pioneers who blazed the way for civilization from the Allegheny Mountains to the Pacific Ocean. Conditions were such that they could exist until followed by people with money and stock of various kinds, but without the man with money and stock the pioneer would have had to abandon his homestead or perish in the wilderness. In the States the pioneer was not compelled to spend hundreds of dollars for transportation to reach the place he desired to locate, but with a span of cheap horses, an old wagon, and perhaps a cow, some bacon, flour, and corn meal, he would leave his home in the States and without further expense he and his family traveled overland to the place in one of the Territories where he desired to locate.

"In Alaska conditions are different. The pioneer, to reach the farm lands there, must have sufficient funds to pay for the subsistence and transportation for himself and family from the place in the States where he is living to the point in Alaska where the farm lands are situated. With the present high cost of living and transportation, this expense alone will cost him several hundred dollars, almost enough money to buy him a farm in some of the States, and a fortune in the eyes of the early pioneer of the States, but he is simply landed at his destination. He must live for a year at least before he can hope to get any returns from his homestead. To do this he must have $500 more, another fortune to the early pioneer of the States. He also finds that the farming lands are not in the vicinity of the mines. He can not work in the mines and occupy and improve his homestead; if he has the $500 to buy his year's outfit, he can get his provisions and settle on his homestead, otherwise he must abandon the idea and go to the mines. He is now on his homestead with the bare necessities of life to sustain him until he can produce something on his land. He has no team, no cow, not a chicken or a pig; if he had them, he would have nothing to feed them on until feed can be grown. He goes to work bravely; he is determined to conquer; he clears a little land and cultivates it with his spade and hoe; his yield is prolific; he has produced more than he can consume; but he can not live on vegetables alone; he must have other articles that he could not produce. If he could dispose of his surplus crop, perhaps it would be sufficient to buy those necessities he must have to exist. He now awakens to the fact that he has no market. The mines are too remote to think of packing his produce there. The commercial centers are also in the vicinity of the mines, and are too remote to think of marketing his produce there. His money is gone; he can get no returns from his homestead; he is now confronted with a stern reality. He and his family must live. He can live there no longer; or if he had the means to stay another year, there is no reason for him to believe that conditions will change so that he can obtain a living from his homestead for years. No fine-spun theories can change the facts; he must abandon his homestead and go where he can get work. These are the conditions which confront the homesteader who settles on what are really good farming lands in Alaska. Is the land to blame for the conditions?

"This picture is not overdrawn. If you will go with me, I will show you many such instances where the cabin is deserted and the land that was cleared with so much toil is now grown up with weeds.

"You ask why the homesteader does not locate on navigable water, where he can deliver his produce by small boat or launch. A person not familiar with conditions would think this a solution of the problem in southeast Alaska, among the islands, where any kind of a craft can travel from place to place in safety, and the climate is tempered with the Japan Current so that the temperature seldom falls below zero; but to one familiar with conditions there the explanation is apparent. The area of land that can be cultivated is limited, and during the growing season, and especially the season when the grain should ripen and be harvested, there is so much rain and fog that the grain will not ripen and it is difficult to cure hay without using artificial methods, which, under present conditions, are too expensive to be profitable. This part of Alaska has been settled for many years, and the fact that so little agricultural products are produced there is one of the arguments used against the farming possibilities of Alaska. But we do not contend that all of Alaska is agricultural lands, neither do we contend that the valleys of the interior, which are frozen for hundreds of feet in depth, will ever be the granaries of Alaska, but those valleys will furnish pasture for millions of head of stock and hay for winter forage just as soon as the granaries of Alaska are put under cultivation and communication is established between the two sections.

"The argument is made that when we get back from the coast, away from the excessive rain and fog, that the ground is all frozen for hundreds of feet in depth, and that no farming can be done except by hothouse methods, but this contention is wrong. There is to my knowledge over 4,000,000 acres of land susceptible of cultivation in Alaska that is frozen to no greater depth than 2½ feet and rarely more than 18 inches, and when cleared for cultivation the frost is all out of it by the last week in April or the 1st of May. I have no doubt but there is much more land in Alaska of the same quality, but I know from actual exploration and careful examination that there is the amount of land above stated which is not frozen deeper than the surface winter frosts, and I also know by actual investigation that the greater part of this land is very fertile, yielding from 40 to 60 bushels of oats, rye, and barley to the acre and, with the exception of freak years, when exceptionally early frosts come, the grain ripens well and can be harvested and garnered before the heavy fall rains set in. Wheat will also produce from 30 to 40 bushels per acre, but it does not seem to harden so that it will make high-grade flour. This land is not afflicted with excessive rains or fogs, and, although the growing season is short, with the 18 to 20 hours of sunshine and perpetual daylight, crops mature very rapidly.

"The prevailing impression among the people of the States and some residents of Alaska, that with the exception of that part of the country tempered by the Japan Current the whole of Alaska is frozen from the surface for hundreds of feet in depth, comes

from the fact that all the extensive placer camps found in the interior of Alaska are situated in the frozen districts. The same conditions that caused the creeks where the mines are situated to be frozen to great depths caused the valleys in that vicinity to be frozen to great depths as well.

"With the exception of the prospector, the people visiting Alaska and the majority of those living there get but very little distance from the mines, or the commercial center which has been built up by the mines. In those localities the land is frozen to great depth, and hearing of nothing but frozen ground the impression becomes current that the same condition exists throughout the interior. I do not admit that all of those frozen valley lands can not be cleared and permitted to thaw and will grow agricultural products on a commercial basis, and to be candid I believe they will, and that it has already been demonstrated that they will, but it means a longer wait and a greater obstacle than to develop the lands already thawed. The purpose of this article is to show why, under the most favorable climatic and soil conditions, agriculture is not developing more rapidly in Alaska.

"The question naturally suggests itself to the mind of the reader of this article why the most extensive placer camps in Alaska are all discovered in the frozen lands. The answer is that the placer gold is found in gravel on or near bedrock. The gravel, if thawed, is porous, and water flows through it readily. The bedrock is impervious to water. If the ground is thawed, when the prospector reaches the gravel water flows in so rapidly that he can not dip or pump it out. If the diggings are shallow, he may be able to freeze the hole down; that is, when he strikes the thawed ground in the winter he will let it stand for several days, so that the frost can penetrate some depth; then he will thaw a few inches, taking care not to go through the frost. He will remove the ground he has thawed and let it stand for several days more, allowing the frost to penetrate deeper, when he thaws a few inches more and takes out the earth; but if he ever allows his fires to thaw the ground to the thawed earth below, which often happens, the water rushes in and he has to abandon his prospect hole. But if it is any great distance to bedrock he can not freeze down. For this reason the prospector has never been able to prospect the ground to any great depth, where it is not frozen, to know whether there is placer gold in paying quantities or not. In the thawed district I have described it is believed by a great many prospectors that there is very rich placer ground, but no one has been able to determine the question, for the reason that the flow of water in the gravel prevents them from sinking to a sufficient depth to determine. If it had not been for the frozen condition of the country around Fairbanks, none of the rich claims in that district could have been discovered, or worked had they been discovered, for the reason that water would have flowed into the prospect hole faster than it could have been pumped out, and the diggings are so deep that it would have been too expensive to construct bedrock drains and timber the ground, as would have been necessary were it not for the frost in the ground preventing it from caving and making it unnecessary to remove more earth than is required for convenient working.

"Another great obstacle to the homesteader in Alaska is the great expense to construct roads and trails; and, there being no demand for his crops in the vicinity where they are produced, he must have wagon roads before he can dispose of them. If he raises hogs, they can be driven but a short distance, and he must have a road to drive them on. To attempt to raise cattle he must have capital to start with. Cows of an inferior quality will cost him from one hundred and fifty to two hundred dollars each, and to raise beef cattle will require three years to grow a steer for the market. To drive 2 or 3 steers or 5 or 10 of them would cost so much to market them that no profit would be left.

"The farmer with means is the most conservative citizen we have; you can not induce him to leave the farm where he is prospering and take a chance in a new country until the pioneer by toil has demonstrated to a certainty that he can do better there than he is doing on his farm at home.

"To make a success of farming in Alaska, a man must know by actual experience how to handle his land, when to plant his crops, and how to cultivate them; the methods used in the States will not produce results there. Another reason why agriculture has not made greater progress than it has in Alaska is because the people who go to Alaska go there to make quick money out of the mines or trading with the miner. They are lured there by the reports of the fabulous fortunes made out of the discovery of rich mines. Farming is too slow to find attraction in their fevered minds. The construction of railroads and opening the coal fields will be a stimulant that will cause Alaska to take on new life and will attract thousands of people; but they will all be looking for something more attractive than the prosy grind of farm life.

"Brigham Young was a great leader and his judgment and sagacity in those early days in Utah very clearly illustrates the situation in Alaska. After leading his little band of followers across the plains and settling them at what is now Salt Lake City, he started them to work constructing irrigation ditches and irrigating the land preparatory to raising crops. This method of farming seemed very slow and impractical, and some of them conceived the idea of going into the mountains prospecting; but when Brigham heard of it he forbade them going, under penalty of expulsion from the community without provisions, which would have meant starvation. One of the elders asked Mr. Young why he was so hard on them. His reply was that it would be better for them to starve than for all of the colony to starve. If those men are allowed to go prospecting, and they find a good prospect, every one will leave his work to go prospecting, and we will be unable to raise anything to live on. We must first get our irrigation ditches constructed, and get farms under cultivation, and get our people taught how to do practical farming by irrigation, or we will never get irrigation started so as to get a practical demonstration, to know whether farming by irrigation can be successfully done or not. When that is once demonstrated, all who desire can go prospecting, and there will be plenty who will prefer to remain on the farm.

"The same rule will hold good in Alaska. The farming possibilities there have never had a fair test, and never will have under the existing laws.

"In this article I have explained why farming in Alaska is making so little progress. In my next article I shall endeavor to point out the remedy.

"J. LINDLY GREEN,
"*Seward, Alaska.*"

Seamen's Bill.

EXTENSION OF REMARKS
OF
HON. JOHN E. RAKER,
OF CALIFORNIA,
IN THE HOUSE OF REPRESENTATIVES,

Wednesday, April 22, 1914.

Mr. RAKER. Mr. Speaker, under leave granted me to extend my remarks on the seamen's bill I will print my letter of date, February 14, 1914, to Mr. J. S. Hines, publisher Pacific Marine Review News, of San Francisco, Cal., and his letter of March 2, 1914, to which mine was a response. These letters are as follows:

ISN'T IT WELL TO STOP AND PONDER?

The following correspondence between JOHN E. RAKER, Member of the House of Representatives, Washington, D. C., and the Pacific Marine Review is most interesting:

FEBRUARY 14, 1914.

Mr. J. S. HINES,
Publisher Pacific Marine Review, News,
24 California Street, San Francisco, Cal.

MY DEAR MR. HINES: Yours of January 23, 1914, in relation to the La Follette seamen's bill, which is now being considered by the House committee in connection with the Alexander bill, which is practically the same as the La Follette bill, and in answer I simply acknowledged receipt of your letter. Now having more opportunity, I desire to reply to your letter more in detail.

In yours of January 23, in which you request to hear further from me on this subject, your claim that the passage of the La Folletts seamen's bill would annihilate the few ships remaining under the American flag; that only vessels officered and manned by Japanese could operate on the Pacific; that it would be impossible to operate American vessels in the foreign trade; that travel at sea is now safer than any other; and that we could not transport at one time more than 10,000 soldiers across the Pacific, while Japan could transport 800,000 with her merchant marine.

If your claims were founded on fact, I would have no choice but to vote against the bill; but upon analysis I find that only one of your specifications is true, or seems to be true, namely, that we have so few vessels in our merchant marine on the Pacific that we could not transport more than 10,000 soldiers, and therefore are at the mercy of the Japanese, if, as you say, they could transport 800,000.

Considering that we had a merchant marine when Japan had none, that we had seamen of our own visiting every port in the world, including the ports of Japan, when Japanese vessels seldom traveled beyond the sight of land, there must have been at work some serious fundamental cause for our decay.

If there were two merchants facing each other across Grant Avenue, both of them selling dry goods, the same kind of goods to the same public, at the same price, and one of them paid 25 per cent more for his goods than his competitor, and had 25 per cent more expense than his competitor, manifestly he would be compelled to go out of business unless he could buy his goods as cheaply and conduct his business as economically as his competitor; or, if that were impossible, if he could

so arrange that his competitor would have to pay as much for his goods and become involved in the same expense as himself. Suppose this condition arose out of contracts entered into, and that it was within the power of the merchant at the disadvantage to abrogate those contracts at will, have you or your readers any doubt about what would happen? Now, this is exactly the position of our merchant marine with reference to the merchant marine of other countries. We had laws under which we bought our ships at 30 per cent higher price than our competitors. In the last Congress it was my great pleasure to vote for a bill which gave our shipowner an opportunity to buy his vessel for the foreign trade in the same market and at the same price with his competitor. Under existing treaties we use our police power to assist the foreign shipowner to carry away from the port of San Francisco a full set of passengers and a cargo of American products at the wages which he paid in China, Calcutta, Yokohama, Hamburg, or Trieste; that is to say, at the rate of wages of from one-third to about three-fourths of the wages which our ship, shipping her men in San Francisco, necessarily must pay. If a man can go to work on the streets at $2.50 a day for an eight-hour workday, he is not going to hire out to any vessel at the wages paid in any of the places mentioned. Nor would the men who come to San Francisco remain with those vessels unless their wages were increased to port wages, unless they were compelled. What, then, is the proper thing to do? Abolish the contract and leave the men who come to our ports free to quit and to demand the same wages that we pay in our vessels. How will such a procedure drive the few remaining American ships from the sea? As I see it, it will put our shipowner on an equality with the foreign shipowner and give us a chance to build up our merchant marine by getting out of a condition that we never ought to have entered. How can it possibly hurt the American vessels or the American shipowners to set free an economic law which would compel the foreign shipowner to pay the same wages as the American shipowner does? Your comparison between ours and the Japanese merchant marine, while it is of course overstated, is partially true; but that condition has developed under existing law. To continue onward on the same lines would certainly drive the few remaining American vessels off the Pacific. Hence we want to have the change.

You suggest that under the La Follette seamen's bill only Japanese officers and Japanese crews can operate on the Pacific. It is hard to see how this can be the case under the bill. What price will they have to pay for a new Japanese crew in the Pacific coast port? Indeed, it seems to me that it would be so difficult to obtain one that they would be compelled to pay sufficient wages to the Japanese that they carry to take away any temptation that they might otherwise have to desert from their vessels in our ports. It is the foreign vessel that would have to pay the difference, whether she be Japanese, English, German, or Norwegian; and, frankly, I am not sufficiently class conscious to forget the interest of my country in the service of the shipowners of the world.

You say that travel by sea is safer than any other, yet the lives lost in shipwrecks can easily be shown to reach more than 1,500 a year for the last 10 years. The losses last year were such that Lloyd's had to face $35,000,000 as insurance. Rates of insurance have been advanced until new steel ships pay 6 per cent in some instances, and the end is by no means in sight. This has plainly its origin in lack of skill, because with modern improvements and modern aids to navigation rates of insurance ought to go down. But they are following the number of skilled seamen, in this, that as the skilled seamen pass away insurance rises.

I want to give the American shipowner an equal opportunity with his foreign competitor. I want him to have the additional advantage that comes from hiring his crew in the home port under the supervision of the owner himself. I want to nurse such skill as we yet possess and develop more by getting our own people to sea. I want to have a merchant marine that can carry our troops across the Pacific should it become needed, which I hope it will not. I want men in the merchant marine that are subject to draft if they will not serve in the Navy voluntarily in hours of danger, and I do not believe drafting will be necessary when our own people are at sea under proper conditions. I want excursion vessels and coastwise steamers so regulated as to the number of passengers they carry, the number of boats that they have on board and the men to man them, that I can feel reasonably safe in taking my family on an excursion or taking a trip along the coast.

For these reasons I shall vote for the bill, which I hope will pass at the earliest date. I am,

Yours, most truly, JOHN E. RAKER, M. C.

P. S.—You are at liberty to publish this letter in your paper; and, in fact, would like to have you do so, so that there could be no misunderstanding my position on the questions involved in the La Follette and Alexander seamen's bills.

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MARCH 2, 1914.

MY DEAR MR. RAKER: I appreciate very much your letter of February 14, and realize that you have given me largely of your valuable time to go so fully into your ideas as to the operation of the La Follette seamen's bill, should it become a law, in reply to my letter of January 23.

After fully considering all that you have said, and referring, first, to the question of the number of troops that might be transported in Japanese and American vessels, it seems to me that the question whether Japan could transport 800,000 men with her own merchant marine or not, in a serious consideration of the La Follette bill, is immaterial. The fact remains that Japan during the Russo-Japanese War did transport a great army, with all the ammunition and supplies of warfare, most expeditiously from Japan to Korea and Siberia, without the assistance of ships under any flag except her own. Since the war, through the liberality of the Japanese Government in paying large and helpful subsidies, that merchant marine has very materially increased. I hope, with you, that it will never be used for military purposes against the United States. I believe that you could satisfy yourself from the archives of the War Department that it is well within the power of Japan to transport 800,000 troops with her own mercantile service from Japan to the Philippine Islands, and to do it within a reasonable period and probably to her entire satisfaction. To combat such a condition all are acquainted with the helpless condition of the United States.

Secondly. It is true that we once had a merchant marine, which practically disappeared for two reasons: First, the Civil War, and, secondly, after the war was over, the great opportunities offered the young men of this country to seek their fortunes in the undeveloped West rather than by going to sea. No man of any nationality will seek the sea for a living against the opportunity afforded for the past 50 years in this country to labor on land. The question of wage, in this economic situation, was something that did not enter into or affect the general situation as against opportunity.

Further, if you will investigate the history of those ships which you say visited Japan ports years ago you will find that they were not steamers, but sailing vessels. They were officered by Americans, graduates from the American whaling fleet, where men went to sea not for wages but for shares—a school for American boys unexcelled in the world. They were not manned by American sailors, but were manned by the men of the then greatest seafaring race of the world—those of Great Britain. I have no doubt that you can remember, in your early days, how the Sunday-school books of American always pointed the moral that the bad boys ran away to sea and the good boys stayed at home with their parents, and that every mother whose boy went to sea felt sure that he had gone to perdition. Can you remember, as a boy, of any parents in this country urging their children to seek a seafaring life, although the opportunity to enter such a life has always been there, either on American or foreign ships? Some few did go, but these isolated cases do not make a great seafaring race of men who can man ships of all character, in all departments, and meet the change from the sailing ship, manned with a crew of 20 to 30, to the great ships manned with crews of from 250 to 800 men.

The United States Government, in order to man its ships with American boys, has practically maintained schools where boys are not only educated but paid a salary with the education—a service known as the United States Naval Apprentice Service—and even with this it has been at times difficult to obtain the necessary number of boys. These boys are fed, clothed, and trained at the expense of the United States Government, are sent to sea in United States naval vessels, and are induced to enter this service by glowing advertisements of trips around the world—in other words, sightseeing trips—and the present Secretary of the Navy goes further than this and proposes to give to these boys afloat a higher education, or one that does not fit them particularly for a continuance in the naval service, but that they may graduate, go on shore, and obtain positions which pay a high salary.

I do not think that you will gainsay the statement which I make that the higher you education the seaman the less the seaman will continue at sea, for he—like every other human being—wants to better himself, and, equipped with an education, he can do it far more easily on shore than he can aboard ship. The opportunities on shore for advancement are unlimited, whereas aboard ship he can only advance to the position of an officer, and such positions must be always limited.

It is possible that this country is loading up with such an enormous number of the descendants of Slavs and other southeastern Europeans that in order to gain a living these men will be forced to go to sea, and it may be, under the workings of the La Follette bill and the increased wages which this bill is intended to create, that some advantage may be derived in relieving the pressure of the so-called sweatshops, etc., in offering a new field for such labor and take them out of this country. These people could not go to sea in American ships, for there are practically none.

It is not apparent to me how this bill is in any way going to benefit the American mercantile marine. I have given it careful study and have taken this attitude in my paper only because I am convinced that it will work a great injury to that service and will not restore what you seem to infer will be brought about in your paragraph where you say.

"Considering that we had a merchant marine when Japan had none, that we had seamen of our own visiting every port in the world, including the ports of Japan, when Japanese vessels seldom traveled beyond the sight of land, there must have been at work some serious fundamental cause for our decay."

That is true, so far as the ships are concerned, but not the seamen.

There has been a fundamental cause for our decay, and such legislation as the La Follette bill increases that decay. Other nations treat their merchant marine with the greatest possible financial liberality and help in other ways. It has not been a question of lack of enterprise on the part of our people. It has been a plain blaze by other nations of government financial aid to expand their commerce upon the seas of the world. You must admit there is a difference.

I know that you are very largely interested in the question of immigration, and that you now have a bill pending before Congress. It would seem to me that there is an odd relationship between your bill, which absolutely excludes the Japanese, and the La Follette seamen's bill, which welcomes the wholesale desertion of Japanese sailors in American ports. I should be very much obliged to you if you could give me further information as to how it is proposed to handle Japanese sailors who, under this law, disregarding the legal obligations under which they ship, desert and leave their ships in American ports. The sailor is not looked upon as an immigrant in the true sense of the word, yet to-day the Bureau of Immigration and the Department of Commerce keep a very watchful eye upon all alien seamen entering the United States and see to it that they depart within a reasonable period.

This bill, as stated by the framers and, it would seem to me, by the terms of your letter openly advocates the prime necessity of persuading seamen of foreign vessels to desert their ships in American ports without fear of arrest; in other words, this is a great virtue in the proposed law, because, having persuaded these seamen to desert, they or others can only be reshipped at the going wages out of American ports; hence an increased wage for the seamen. I offer no objection to an increased wage for seamen; in fact, I would like very much to see the seamen receive all the wages that their calling entitles them to, and that they should be treated, so long as they behave themselves and attend to their duties, as all worthy men in any calling should be treated. There is no question about the attitude of this paper on that point. But it seems to me a most undignified position for this country to assume that it should desire the passage of drastic exclusion laws prohibiting the Japanese from entering the United States, on the one hand, and, on the other hand, to pass a law urging and abetting the same class of proscribed people to come into the United States under the guise of deserting seamen. Now, how do you propose to handle this class of immigration? Apparently, provided the Japanese Government did not interfere, this would open the way for unlimited Japanese immigration, or else a still more pitiful condition would prevail, in that this Government should have passed a law to induce the people of a proscribed race to desert their ships and, having persuaded them to come on shore, should then say to them, "Now, you are up against another law of this country, and we propose to put you in a corral and keep you there until your owners take you back aboard your ship at the wages which we think you should be paid." Surely, Mr. RAKER, you would not put this country in such a deplorable situation before other nations of the world, and I ask that you should go further in your analysis than you have in deciding the case of the two merchants on Grant Avenue, in order to appreciate this peculiar situation.

With all due regard to what I have set forth, there is one point which perhaps has escaped your attention, and that is that the Japanese Government has a very drastic criminal law in regard to Japanese

seamen deserting their ship in a foreign port, and every seaman which the United States under the La Follette bill persuaded to desert his ship in an American port would, on his return to his native land, be subject to trial and imprisonment for breaking the laws of his own country. So I am inclined to think that the only way you will be able to get the Japanese sailor off his ship, under the La Follette bill, will be to recognize not merely the inducement to come ashore and enter the Government corral until reshipped, but the inducement that he can desert his ship, enter the United States, and remain in the United States as long as he sees fit, which will perhaps be forever, in view of the fact that he is a criminal under the laws of his own country.

This will not pertain to any other nation than the Japanese, and, as I have stated before in other articles appearing in my paper, and which I now state again as a matter of fact, Japan is the only nation that can comply absolutely with the language test of the La Follette bill—can comply with all the terms of the bill—without any difficulty and can maintain their low rate of wage regardless of all the conditions of this proposed law. No nation by law can bring about the abrogation of the contracts of purchase or initial conditions of competition which you set forth as pertaining to the merchants on Grant Avenue.

It may be a desirable thing to pass this bill and bring about the result which the shipowners and operators fear—that is, the entire disappearance of the American flag from the foreign trade—if for no other reason than that it might force this country to a realization of the true conditions. Either the people do or do not want or need an American mercantile marine, and if they need one the only way they can get it is to pay a bounty similar to that all other nations have paid to accomplish the same end—and there seem to be some pretty wise men connected with other nations.

In closing, I take the opportunity to note that you felt a great pleasure in the last Congress in voting for a bill which gave the American shipowner an opportunity to buy his vessel abroad for the foreign trade or in the same market and for the same price with his competitor. Isn't it really difficult to understand that Congress, in attempting to raise the wages of the seamen of the world, through the La Follette bill, also deemed it advisable to pass a bill offering an inducement for American money to be spent for ships built with foreign workmen, in foreign shipyards, and deprive American workmen and American shipyards of that money? Yet there is a strange relationship here. There are no American seamen to-day, and it is proposed to raise the wages of the foreign seamen of the world just exactly the same as that bill proposes to rehabilitate the American merchant marine by putting the expenditure of American money in the hands of the foreign workmen. Is this legislation for the American and the American workman, or is it legislation for foreign interests, which owe no allegiance whatsoever to this country? Please think this over, Mr. RAKER, for, while as yet apparently no American capital has been lured by this bait to build American ships in foreign shipyards, the day may come when it may do so, and this country and its interests will be deprived of the expenditure at home of large sums of money.

This publication stands for Americanism and all that helps America. It desires only a frank criticism of those things which it believes to be injurious to our own enterprises, and in that great unprotected field—foreign commerce—not so much in the original cost of the ship as in the daily cost of operation, lies its fundamental economic existence.

Yours, very truly,

PACIFIC MARINE REVIEW,
Per J. S. HINES.

Hon. JOHN E. RAKER, M. C.,
House of Representatives, Washington, D. C.

—

MARCH 12, 1914.

Mr. J. S. HINES,
Publisher Pacific Marine Review,
24 California Street, San Francisco, Cal.

MY DEAR MR. HINES: Your letter of March 4 advising me that you would send me the March number of the Pacific Marine Review at hand. Will be pleased to receive and read the same. The letter of March 2 was received. There are many matters in your letter worth deep consideration and requiring most careful and thoughtful consideration. The question of deserting Asiatics is one of much importance. Understand the bill provides for this, but if it does not, will see to it. Will take the subject up later and advise you as to my views.

Greatly appreciate your thoroughness on this subject, for you speak as one who has given it much study and investigation.

With kindest regards, I am,

Yours, most truly,

JOHN E. RAKER, M. C.

These letters have been printed in the Pacific Marine Review in April, 1914, issue.

I am inserting in this same connection the report to the President of the United States, submitted by Mr. Andrew Furuseth, of San Francisco, Cal., after his resignation as commissioner from the United States to the International Conference of Safety of Life at Sea, which met in London, England, November 12, 1913. This report is as follows:

SAFETY OF LIFE AT SEA.

WASHINGTON, D. C., *January 12, 1914.*

Mr. PRESIDENT: On December 22 I sent the following cable:

"To the PRESIDENT OF THE UNITED STATES,
"*Washington:*

"Commission to-day considered committee reports. They contain provisions reducing existing standards of safety. Being true to safety, I can not sign any convention containing them. I tender my resignation, to be effective at once."

In surrendering back to you the commission and in explanation of my action, I beg to submit the following report:

The conference was divided into five committees, as follows: Committee on certificates, committee on safety of construction, committee on wireless telegraphy, committee on safety of navigation, committee on life-saving appliances, and the committee on revision, to which latter committee was assigned the duty of preparing the convention in accordance with the report from the other committee.

The main part of the rules of the conference was one vote for each nation. The rule in the committee on which I served—the committee on life-saving appliances—had representatives from all the different nations represented. Under its rules of procedure the chairman stated the proposition in the agenda, and when they received a second they were open for discussion. Amendments or substitutes could only be considered if submitted by one nation and seconded by another. The voting was, as in the general conference, one vote for each nation. The work of the separate committees, except the committee on revision, to which the other committee reports were submitted, had been finished on the 20th, and the conference had taken a recess until January 8. On the 22d our commission met for a preliminary examination of the reports from the different committees.

The report from the committee on life-saving appliances contains several distinct reductions in the existing legal or statutory standards of safety. British law, promulgated January 17, 1913, to become effective March 1, 1913, reads in part as follows:

"RULES FOR FOREIGN-GOING PASSENGER STEAMERS, INCLUDING EMIGRANT SHIPS.

"RULE A.—A ship of this class shall carry lifeboats in such number and of such capacity as shall be sufficient to accommodate the total number of persons which is carried, or which the ship is certified to carry, whichever number is the greater."

The report of the committee on life-saving appliances provides approved lifeboats for 75 per cent of all persons on board, using the following language:

"If the before-mentioned lifeboats do not provide accommodations for at least 75 per cent of the persons, then additional lifeboats, of either class 1 or class 2, shall be provided, so there is accommodation for at least 75 per cent of all persons.

"(c) Accommodation shall be provided either in lifeboats of class 1 or class 2 or by pontoon rafts of approved type and construction for all persons."

The British law, dealing with the manning of life-saving appliances issued by the board of trade, 1911, determines the number of seamen in the deck department of emigrant ships and passenger vessels coming under that designation. The schedule is based upon the cubic feet capacity of boats (carrying capacity of boats) and determines that four out of every five of the deck crew shall be "bona fide able-bodied seamen" or men of higher rating; that is to say, men of greater experience and holding positions on board ship as a result of such greater experience and higher skill. The manning of lifeboats adopted by the committee on life-saving appliances provides that—

"(a) For each boat or raft required to be carried on the ship efficient boat hands must be carried in accordance with the following scale:

"If the boat or raft is capable of carrying 60 persons or less, 3 efficient boat hands; 61 to 85 persons, 4 efficient boat hands; 86 to 110 persons, 5 efficient boat hands; 111 to 160 persons, 6 efficient boat hands; 161 to 210 persons, 7 efficient boat hands, and 1 additional efficient boat hand shall be carried for every extra 50 persons which the boat is capable of carrying.

"(b) An 'efficient boat hand' shall be defined as a member of the crew who has been trained in launching, lowering, and detaching lifeboats, and in the use of oars, and has proved himself qualified to handle lifeboats. Efficient boat hands shall be able to understand and answer the orders relating to lifeboat service and duties. Efficient boat hands shall have a certificate as such, which certificate shall be issued under the authority of the administration."

The "efficient boat hand" may come from the deck force or deck department; from amongst the firemen and coal passers—the engineers' department, or from amongst the cooks, stewards, or waiters—the stewards' department. They need not understand the language of the officers of the vessel. The rule was deliberately so drawn that the orders of the officers could be transmitted through interpreters. This is in distinct opposition to the standards laid down by our courts, who have held in the case of In re Pacific Mail Steamship Co. (C. C. V. 64, p. 410) that a crew which does not understand the orders of the officers is so inefficient that it forfeits the vessel's right to limitation of liability under our law. It is further in distinct opposition to the action of the House of Representatives in the Sixty-second Congress and the action of the Senate of the United States in the special session of the Sixty-third Congress, where it was enacted that 75 per cent of the crew of a vessel in each department thereof must understand the orders of the officers of such vessel. The number is a further reduction of the legal standard in this, that the present presumption of law is that all the crew of a lifeboat shall be efficient and the crew of a lifeboat is, according to its size and carrying capacity, from 7 to 11, or more. The report provides that there shall be lifeboat drills in harbor at least once every fortnight. The report of the committee on life-saving appliances in dealing with old ships provides:

"(a) A boat or raft which has been accepted by the administration of a contracting state on board an existing vessel may be accepted in place of a lifeboat or life raft, respectively, until the 1st of January, 1920.

"(b) The requirement that pontoon lifeboats shall have the bottom and deck made of two thicknesses with textile material between, and the full amount of freeboard specified for boats of this type need not be insisted upon until the 1st of January, 1920.

"(d) The requirement that all boats and davits shall be of sufficient strength to enable them to be safely lowered when loaded with their full complement of persons and equipment, and the requirement that the davits must be fitted with a gear of sufficient power to turn out the boat against a list need not be insisted upon."

New vessels are defined as vessels whose keels are laid three months or more after the date of ratification of the convention; so that existing vessels may continue to carry their present life-saving appliances and a crew of a lower standard than the one accepted to-day.

The report from the committee on wireless telegraphy reads, in part, as follows:

"(a) All ships engaged in international trade and having on board 50 persons or more, including both passengers and crew or either, shall be fitted with a wireless telegraphy apparatus.

"(b) Provided always that each of the signatory States may, if the route and the conditions of the voyages are such as to render a wireless installation unreasonable or unnecessary, exempt from this obligation—

"(I) Ships which do not go more than 150 sea miles from land during their voyages.

"(II) Ships which do not regularly or usually have 50 or more persons on board, but which take on board for a part of their voyages cargo hands: *Provided*, That this exception shall not be granted to ships trading from one continent to another or going outside the limits of 30° north and 30° south."

On the question of keeping a constant watch, vessels having 25 or more passengers and an average speed of 15 knots or more, or vessels of an average speed of 13 knots and having on board 200 persons or more and on a voyage extending 500 miles between two consecutive

ports, shall keep a constant watch. Others are regulated in a different way; that is to say, they need not have two skilled wireless operators. This is in direct opposition to our law, approved June 23, 1912, which provides in an act to amend an act entitled "An act to require apparatus and operators for radio communication on certain steamers," approved June 24, 1910:

"That from and after October 1, 1912, it shall be unlawful for any steamer of the United States or of any foreign country navigating the ocean or the Great Lakes and licensed to carry, or carrying, 50 or more persons, including passengers or crew or both, to leave or attempt to leave any port of the United States unless such steamer shall be equipped with an efficient apparatus for radio communication, in good working order, capable of transmitting and receiving messages over a distance of at least 100 miles, day or night. * * * The radio equipment must be in charge of two or more persons skilled in the use of such apparatus, one or the other of whom shall be on duty at all times while the vessel is being navigated."

To this our law has the following proviso:

"*Provided*, That on cargo steamers, in lieu of the second operator provided for in this act, there may be substituted a member of the crew or other person who shall be duly certified and entered in the ship's log as competent to receive and understand distress calls or other usual calls indicating danger, and to aid in maintaining a constant wireless watch so far as required for the safety of lives."

The report of the committee on certificates contains, in paragraphs 7 and 8, the following:

"7. Each signatory State shall accept the certificates of the other signatory States for all purposes covered by the convention as of force equal to that of the certificate issued to its own ships.

"8. A vessel holding the above-mentioned certificate shall be subject to control by the officials in ports of other signatory States in so far as those officials may ascertain that there is a valid certificate on board, and, if necessary, that the conditions of her seaworthiness conform substantially to her certificate so as to enable her to go to sea without danger to her passengers and crew."

As I understand these clauses, our surveyors' rights on foreign vessels in our ports will be, under ordinary conditions, limited to ascertaining whether the vessel has an international certificate and, if so, that it is not too old. As I understand the existing conditions, it is that foreign vessels coming to American ports must come up to the same standard as laid down for American vessels unless exemptions have been made by domestic law. In other words, that those things are now under the control of our own Government and that these quoted sections in the certificate will surrender that power and make it a matter of international treaty. I do not undertake to pass any opinion upon whether this is in contravention to our instructions, but it seems to me to be so. As a result of the above-quoted facts, and what I understood and now understand to be the facts, I followed the dictates of my conscience and tendered my resignation in order that I might come back here to report the matter to you.

I accepted the appointment in the belief that our own commission would respect and stand for such actions dealing with safety at sea as were part of our law and as had been determined by the House of Representatives in the Sixty-second Congress, and by the United States Senate in the extraordinary session of the present Congress. After being informed of my appointment, I received a document purporting to be instructions to the American delegation concerning efficiency of officers and crews of vessels and dealing with efficient men to handle the boats. I at once submitted a communication to the Secretary of Commerce, in which I tried to analyze these purported instructions, finally stating that I could not accept them as instructions. His answer was that they were not instructions but tentative suggestions. Later on I received from Commissioner Chamberlain three documents marked "Confidential." They are records of preliminary meetings between representatives of Great Britain and Germany and Great Britain and France, and a memorial of instructions from the Imperial Government of Germany to its delegates. In the very hasty examination of the same that it was possible for me to make prior to my departure I found that they, in so far as boats and men to handle them were concerned, corresponded with the so-called tentative suggestions for the instruction of the delegates of the United States. In the committee on life-saving appliances of the conference I quickly found that no changes would be made from the agreements tentatively arrived at in the preliminary conference between those nations. In the second meeting of our delegation, on November 12, it was determined that—

"No member of this commission shall advocate in subcommittee or in full conference any proposition upon which the sense of the commission has not been ascertained nor any proposition not sanctioned by the majority vote of the commission."

I had tentatively determined for myself the principles that I would follow, and I had intended to distribute the following statement to at least the English-speaking members of the committee on life-saving appliances:

"Bear in mind, when a ship is lost, the shipowner may make a profit, the owner may get more than the value of his ship, the merchant may lose nothing, but may, and very often does, get more than the value of the cargo back. In the same way the underwriter averages his losses, and on the whole makes a profit on the insurance of the ship out of his premium.

"JOSEPH CHAMBERLAIN.

"Limitations of shipowners' liability was unknown to common law.

"During the time preceding the enactment of limitation of shipowners' liability the shipowner was responsible in damages to the traveler or shipper or their heirs for any loss of life or injury to life or loss or injury to property other than arising out of 'acts of God' or 'acts of public enemies.'

"The shipowner might lose his all by wrongful act, neglect, or default if he failed in furnishing a vessel seaworthy in all respects in her hull, tackle, apparel, furniture, and crew.

"Thus safety of life and property at sea had for its support one of the dominating forces in individuals and associations, that of self-interest and self-preservation.

"In Great Britain the laws of 1854, in the United States the laws of 1851 deprived safety of this powerful support and it became necessary to enact laws providing for inspection of passenger vessels, in order that the traveler might have some consideration.

"The limitation of shipowners' liability began in Great Britain in the time of George II, and was extended under George III. It then dealt chiefly with collision, and had applications to freight only. In 1854 it was extended so as to have application to life and injury. Liability was then limited so that no more than £15 per registered ton could be collected from the owners of the vessel; in 1862, the liability was reduced to £8 per registered ton in case of freight; but liability for loss of life and injury sustained was left at £15, which is the total liability in any case.

"Limitation of shipowners' liability in the United States was enacted on March 3, 1851, amended on June 26, 1884, and further amended to the so-called Harter Act on February 13, 1893.

"Laws providing for inspection and regulation of emigrant ships were enacted in 1854 in Great Britain.

"In the United States the inspection law was passed in 1871, the passenger act in 1882.

"Laws are not enacted in either country except to meet and comply with a somewhat general demand and then only to deal with some recognized evil and the enactment of these laws signify the recognition that something must be done to assist the conscience of the shipowner since his self-interest has been so much reduced.

"The laws dealing with emigrant and passenger vessels were general in both countries, and the power to make rules under the general laws were conferred in Great Britain upon the board of trade, in the United States upon the Bureau of Inspection.

"The power to make laws having been delegated, any rules or laws made and obeyed would very largely act as a bar to any accusation of wrongful act, negligence, or default, and thus tend to an election on the part of the shipowner to refrain from using the limitation of shipowner's liability and to stand trial under the 'common law.' He may at any rate try one case, denying negligence, and if he loses he may seek shelter of limitation of liability in the rest. Laws or rules adopted must therefore be sufficient to guarantee reasonable safety or the shipowner will be able to shed responsibility while safety is diminishing.

"After the enactment of 'inspection laws' and 'the passenger acts' it was found that whenever the rules were not sufficiently effective and definite—when the standards adopted were not sufficiently high—they served no practical purpose in securing safety but were used by shipowners as a shield against claims for damages and both the Parliament of Great Britain and the Congress of the United States from time to time laid down some additional principles, established new or higher standards, and extended the powers of their departments vested with power to make regulations.

"Up to the enactment of the passenger act the number of passengers to be carried was frankly based upon tonnage in so far as it was not based upon discretion arising out of possible loss to the owner. The passenger act of Great Britain defined the meaning of the words 'emigrant ship' in paragraph 268 of 'merchant shipping acts,' and of 'passenger steamer' in paragraph 267 'merchant shipping acts,' and then based a number of passengers upon the deck space with the proviso that there should be no more than two passenger decks, and that the deck next below water line should be the lowest passenger deck.

"A further proviso was attached that a limited number of cabin passengers, based upon the tonnage of the vessel, might be carried in the cabins or deck houses. The cabin passengers were provided with 36 clear superficial feet of space, and it was provided that no one should be considered a cabin passenger unless such space was allotted to him. All others were considered as steerage passengers, and they were to have 15 clear superficial feet on the upper passenger deck or 18 clear superficial feet on the lower deck; the height between these decks must not be less than 6 feet, and under certain conditions the passengers on the lower passenger deck were provided with 25 clear superficial feet.

"The law providing that no passengers should be carried on more than two decks was repealed in 1906 to such extent as to make it read 'no passengers on more than one deck below the water line,' thus leaving the shipowner to have as many passenger decks as might be consistent with stability. All passenger decks are measured in the tonnage, so that the number of passengers to be carried is still based upon the tonnage.

"The passenger act of the United States provided for a minimum height between the decks, and that 21 superficial feet should be measured for each passenger on the lowest passenger deck or 18 superficial feet on other decks. The number of passenger decks was always left at the shipowner's discretion, but the equivalent of 1-ton space was allotted to each passenger.

"It will be seen that the principle underlying the regulations as to the passengers is 'tonnage.' The same rule of 'tonnage' has been followed as to life-saving appliances.

"It is respectfully submitted that there is, or ought to be, a fundamental distinction between 'cargo' and 'passengers,' and that no vessel should be permitted to take any more passengers than she can carry safely, with health and reasonable comfort.

"No passenger vessel should be permitted to go to sea unless she has the proper appliances for the safety of passengers in case of disaster to the vessel herself. The best built vessels will, under certain conditions, float but a few hours, the only safety under these conditions consists in boats in which the passengers can take refuge while waiting assistance, and the boats themselves are of little or no value unless the vessel is provided with a crew which can lower these boats, take them away from the ship's side, and, with proper appliances, can manage them in rough seas.

"Of course it is perfectly well understood that there are times at sea when boats can not be used, because they can neither be lowered nor managed after they are in the water. Those conditions, however, are rare; they are, in the true sense, the 'act of God,' and should have no consideration in any discussion or in any regulations dealing with 'safety of life at sea.'

"They are a condition in which the handiwork of man and the powers of man are of no avail.

"It is notable in the legislation of both countries that shipowners have resisted new and specific legislation as long as the public would in any way tolerate such resistance; but, step by step, as disasters proved the necessity for them, beyond any peradventure, specific rules have been made for the building and the interior arrangement of the vessel, for the engine and boilers, and for such life-saving appliances as were calculated to be used by single individuals for the purpose of flotation for a very short time; boats and men to handle them had received no real consideration up to the loss of the *Titanic*. There had been many serious disasters at sea, but they had not produced that earnestness of feeling which compels action.

"The development has now reached the point in which the question is of life-saving appliances that are to be used by several at one time, for a longer period, and of the manning and management of those appliances.

"Safety demands that boats and men to handle them be based upon the number of passengers as distinct from tonnage. Up to the present it has been a question of tonnage and the property interests involved.

"Shipowners are resisting the present demand for 'boats for all,' because it will reduce the number of passengers that may now be carried. Boats occupy room which could otherwise be occupied by passengers. They resist it for the further reason that boats predicate skilled men

to handle them, and this means additional expense. Boats reduce earning capacity; men increase expense.

"It is true that the owner will shift the expense on to the traveler and shipper by higher rates, but he now permits the public to believe that the vessels are thoroughly seaworthy both in their hull, equipment, and manning; he points to the certificate of inspection, and discreetly keeps silent about its real meaning. To insure reasonable safety the certificate should really mean what it suggests to the average reader; otherwise it should state that this particular vessel is exempt from the rule of 'boats for all,' and 'efficient men to manage the boats when boats and men are needed.

"If it be deemed proper to exempt certain vessels from the rule of 'boats for all' and some real seamen in each boat, the fact should be clearly placed on all the passenger tickets sold for such vessels, and should be further plainly stated in all the advertisements issued by or on behalf of the vessel.

"The prospectus should tell the truth, and if the passenger then chooses to go in such a vessel he would do so with his eyes open. He would not be paying for reasonable safety under the mistaken idea that the Government had examined and certified the vessel as properly equipped with life-saving appliances and seamen for the efficient handling of same.

"The element of safety dependent upon self-interest having been swept away by the law, the law must furnish an equivalent in some other law that shall give at least equal safety and shall be equally binding upon all shipowners."

Under the resolution adopted by our delegation I felt that I might follow these principles for myself, but that I had no right to submit them to members of the committee unless I first obtained the permission of our delegation. I had already sufficient reasons to believe that I would not obtain any such permission, and on November 26 I was instructed as follows:

"Definition: An efficient boat hand shall be a man trained in the launching, lowering, detaching, and handling of lifeboats and the use of oars, and shall also have served at least one year on vessels navigating the ocean, bays, sounds, or large inland seas or lakes. Efficient boat hands shall be able to understand and answer the orders of the officers relating to lifeboat service and duties. The efficient boat hand shall have a Government certificate as such. Crews shall be drilled with lifeboats, at fire quarters, and in closing bulkhead doors, under regulations prescribed by the administration concerned."

The chairman of the commission, the Hon. JOSHUA W. ALEXANDER, opposed this instruction as being contrary to safety and the position taken by the Senate, the House of Representatives, and the Secretaries of Commerce and Labor. I supported him to the best of my ability, but the instructions were driven through mainly by the insistence of Commissioners Chamberlain, Uhler, and Bertholf, and upon a vote eight of the commissioners voted in favor of these instructions, two—Commissioners Alexander and Furuseth—in the negative. Having in mind the rules in the committee and in the conference I realized that I would not be permitted to even defend the position taken by the Senate, the House of Representatives, and the Secretaries of Commerce and Labor, and I felt that I ought to resign then. I so informed the chairman of our commission, who suggested that I continue. I did so with the purpose of taking every legitimate opportunity to oppose both the tentative propositions in the agenda and the instructions of our own delegation. I consulted with some members of the committee itself, and they advised me that I would have some opportunity to place before the committee the position which I explained to them and which I held to be the right point of view. My action after that is described in the following statement which I wrote and submitted to our commission as a short review of the proceedings of the committee on life-saving appliances:

"The loss of the *Titanic* crystallized the feeling that something must be done; the people demanded action on part of the separate nations. The shipowners, especially in the Atlantic passenger trade, met the public demand by furnishing 'boats for all.' The British Board of Trade, prior to the *Titanic* disaster, had formulated and issued rules for the manning of 'emigrant ships' under which the 'deck hands' must be men of the rating of able seamen and determine the number of 'deck hands' to be carried, not more than one in five of whom might be ordinary seamen. On January 17, 1913, the board of trade issued regulations, to become effective March 1, 1913, dealing with 'foreign-going passenger steamers, including emigrant ships,' as follows:

"'A ship of this class shall carry lifeboats in such number and of such capacity as shall be sufficient to accommodate the total number of persons which is carried, or which the ship is certified to carry, whichever number is the greater.'

"It will be seen that these regulations, issued in response to popular demand, are based upon the safety of life, and take very little thought of either tonnage or dividends. This is changed by the committee on 'boats and davits,' as will be seen from a synopsis of the report.

"The committee on boats and davits—on life-saving appliances—on which I have been an humble member, has had under consideration the questions of appliances for launching of boats (davits), the number and kind of boats, the manning of the boats, the means of preventing, detecting, and fighting fire, and the organization of the ship's crew, for the purpose of making the rules effective.

"The committee determined that boats for 75 per cent of persons on board would be sufficient, and that the remaining 25 per cent should be provided with rafts. I urged upon the committee that this would very likely lead to panics; that it is a reduction from present standard laid down by law, at least in Great Britain; that there was no reasonable certainty that the crew and the men from the steerage would be willing to accept the rafts; it might result in the men with the physical strength using it to take the boats and leave the other persons to do the best they could. This argument was of no avail, and upon a vote being taken by nations it resulted in the United States and Norway voting against rafts and all the other nations for them.

"I then suggested that the absence of 'boats for all' should be placed on the tickets in the advertisements for passengers and on the vessel's certificate, in order that the passenger might choose for him or her self between the vessels which had 'boats for all' and those that had not. To this I could get no second and no support even in our own delegation on the committee, and it was ruled out. Sir Normal Hill was granted the opportunity to explain why no support was given. The substance of his statement was that such application would prejudice the passengers against such vessels, and believing that rafts were under certain circumstances more efficient than boats, it would be 'wrong for them to sanction any action calculated to deter the traveling public from sailing in vessels which are equipped by the most effective means of saving life.'

"Why under those conditions there should be only 25 per cent of rafts permitted, and why the traveling public should not be informed, I am not able to understand. To me it suggests that if rafts are the most efficient means of saving life, why carry boats? And why would not vessels equipped with rafts be chosen by the passengers?

"On the question of manning of boats the committee adopted the following as a definition of an 'efficient boat hand':

"'(b) An "efficient boat hand" shall be defined as a member of the crew who has been trained in the launching, lowering, and detaching lifeboats, and in the use of oars, and has proved himself qualified to handle lifeboats. Efficient boat hands shall be able to understand and answer the orders relating to lifeboat service and duties. Efficient boat hands shall have a certificate as such, which certificate shall be issued under the authority of the administration.'

"Having thus determined the kind of men who are to be depended upon to manage boats, the committee determined the number by specifying that a boat having less than 60 persons shall have 3, less than 85 shall have 4, less than 105 shall have 5, less than 160 shall have 6, and less than 210 shall have 7 efficient boat hands. This is a distinct reduction of the present standard, because courts have held that all the men in the boats must know their duties and understand the orders of the officers.

"On this question of the manning of the boats our delegation had met, and after lengthy discussion had by vote 8 to 2 adopted the following to be submitted to the committee, viz:

"'An efficient boat hand shall be deemed to be a man trained in the launching, lowering, and handling of lifeboats, and the use of oars, and shall also have served at least one year on vessels navigating the ocean, bays, sounds, or large inland lakes. Efficient boat hands shall be able to understand and answer the orders of the officers relating to lifeboat service and duties. The efficient boat hand shall have a Government certificate as such.'

"This was submitted by Mr. Uhler and met with strong opposition. After some discussion I entered the strongest protest I could by stating that as a practical sailor I could not agree to either the American or English propositions, that the proposals are not tending to safety. 'It is not an improvement; it is in fact a lowering of the standard that already exists. * * * Germany, Austria, Italy, and France are not interested, because their men are trained in the navy. * * * If I had a vote which I could use, I would cast it against the whole proposition, because as a sailor I knew it meant lowering of the standard of safety,' and I closed by stating:

"'A hundred years ago, before the days of insurance and limitation of shipowners' liability, the shipowner demanded four years' experience in those whom he considered qualified to take care of his property; now he considers a few trials enough to save life.'

"It was, however, of no avail. The one year was stricken out. The understanding of orders is so modified that the orders may come through an interpreter, and the Governments may delegate the issuance of a certificate to the master of the vessel. It is, indeed, difficult to understand who else, unless national legislation shall intervene, can have any authority to interfere between the master and the seaman, since no standard is laid down for the master or the inspector. By what is 'efficient' to be measured? Who is to do the measuring? The work is private work, and the employer will, in the absence of definite law, be the judge of the efficiency; but that is the situation now. Hence, the only change is to set up a standard which, while dependent upon the shipowner, must result in screening him from any responsibility to the traveler, either under the common law or the limitation of shipowners' liability. To me this is safety of dividends, not of life.

"If the same general terms had been used about boats and davits, this might be understood, upon the theory that unformity is not important or even desirable; but in the matter of davits the rules are most specific. In new vessels they must have gear which will permit them to be swung out against a list of 15° and must be strong enough to permit boats to be lowered with their full complement of persons and equipment, and this must be ascertained by real tests. Most minute rules are laid down about boats and their equipments and rafts and their equipments. The committee did not only determine their carrying capacity, their freeboard, their stability, and buoyancy, but how these qualifications shall be ascertained. The leaving of the qualifications of the human element to the discretion of the master and owner was therefore deliberate. Safety was not permitted to place serious duties upon the owner.

"When it came to determining what should be considered new vessels it was naturally determined that vessels built or building at a specific date should be classed as old; vessels built after such date as new.

"With reference to old vessels, it was determined that they may continue to carry their present accepted boats and rafts until 1920; that the requirements on new vessels that pontoon boats built of wood shall be double bottom and deck, with textile between, in order to prevent leaking, need not on old vessels be insisted upon until 1920, and that the requirements that davits shall have gear to turn them out against a 15° list and be strong enough for boats to be lowered with full complement of persons and equipment need not be insisted upon in old vessels.

"The rules are to apply in ocean passenger vessels going 200 miles or more from shore. Passenger vessel is defined to be a vessel carrying more than 12 passengers from a port in a contracting State to any port outside the contracting State, and that it be left to each contracting State to specify what vessels it considers 'ocean going.'

"When it is remembered that the average age of a vessel is 20 years the resolution about davits is most interesting. It recognizes, first, that davits are not now of sufficient strength; second, that alterations would be too expensive. Nothing but the consideration of expense could dictate either this resolution or the resolution that boats held unsafe might be carried for another six years. Of course with the men to be carried as 'efficient boat hands' boats matter very little. Lifeboats are, when properly manned, real life-saving appliances; when manned by men who are not real seamen they are of no value.

"The shipowners insist upon being permitted to get their men from anywhere, regardless of previous experience or even knowledge of the language of the officers, and the committee, taking care of the shipowners' interests, agreed with the shipowners. I do not in the least question their sincerity; the point of view was that the safety would thereby be best subserved: but my experience as a sailor makes it impossible for me to agree to the action which resulted, and safety at sea depends more on the human element than on any other factor. The drift from the sea on the part of strong and courageous men will continue and safety will continue to diminish."

It was intended as reasons why our commission should not agree to the action taken in the committee on life-saving appliances. When I sought to read it to our commission that privilege was denied, not by a formal vote, but otherwise. The chairman stated that he

certainly wanted to read it. Those who objected stated that I might file it with the commission. I did so, and verbally submitted my resignation to the commission, upon which I was informed that I could only resign to the President of the United States, whereupon the meeting took a recess for dinner. I then wrote and sent the telegram in which I tendered my resignation to you. At the reconvening of the commission the same evening I handed a copy of the telegram to the chairman, Mr. Alexander, settled up as far as expenses were concerned with the commission, and then stated that I was going back to the United States on Saturday. If the commission paid my fare, I would go in the cabin. If not, I would pay my own fare and go in the steerage. The chairman, Mr. Alexander, at once issued orders for my fare from London to New York.

I was moved to take this action, first, because the committee reports had been submitted; second, because under the rules of the conference it could not be reached by any protest unless it came under authority of a national delegation; and, third, because it was perfectly plain to me that the majority of our delegation would determine to give support to the reports of the different committees. Being entirely out of sympathy with action such as I have described and others of less importance which I have not mentioned, by remaining I could do nothing except wait until the convention was to be signed. I could then have withheld my signature and made a report on my reasons for so doing. I felt that in the interest of safety of the lives of passengers at sea I might accomplish more by returning to the United States and submitting my report to you.

There was, of course, another alternative. I might have given serious consideration to the fact that freight vessels will not come under these rules and that smaller and medium-sized passenger vessels will carry sufficient of a deck crew to furnish two able seamen or men of a higher rating for the boats under that section of the seamen's bill which provides for the general manning of vessels, a matter which the committee on life-saving appliances had not touched except by stating that they should be efficiently and sufficient manned. But it appeared to me that even to consider such a proposition would be to sacrifice the lives of passengers and that it would be treason to the mission upon which I had been sent.

Mr. President, I may, in my ignorance, have violated some of the rules or proprieties governing such a mission, but I had to follow my conscience and do what I did.

Respectfully submitted.

ANDREW FURUSETH.

To the PRESIDENT OF THE UNITED STATES.

Appraisal and Investigation of the Pere Marquette by the Interstate Commerce Commission.

EXTENSION OF REMARKS

OF

HON. LOUIS C. CRAMTON,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 27, 1914.

Mr. CRAMTON. Mr. Speaker, in the course of my remarks in this House in connection with the proposed Alaska Railroad bill, February 5, 1914, I called to the attention of this House for the first time the need of an investigation of the Pere Marquette Railroad, its financial history, its present physical condition, and the nature of the service it is rendering to the public. Thereafter, on February 11, 1914, I introduced House resolution 409, which calls for the most thorough and complete investigation of a railroad property that has yet been attempted. That resolution is as follows:

Resolved, That the Interstate Commerce Commission investigate the Pere Marquette Railroad Co. and report to the House all the facts and circumstances concerning—

(a) The character of the service now being given to the public by the said Pere Marquette Railroad Co. and its receivers, and if there is failure to render reasonable service, the reason or reasons for such failure.

(b) The present physical condition of the equipment and other tangible property of the said company.

(c) The extent to which property and human life are endangered by lack of proper equipment or by lack of proper care and use of equipment.

(d) The extent to which inefficient or incompetent men are employed in the maintenance and operation of the railroad of the said company.

(e) The present financial condition of the said company, the amount of its debt, both funded and unfunded, the circumstances and conditions attending the issuance of its stocks and bonds, the extent to which such issues of stocks and bonds resulted in benefit to the said company.

(f) The financial transactions of the said company and its receivers, past and present.

(g) All the facts and circumstances leading up to the present condition of the said company and the existing receivership.

(h) The names, capitalization, and bond issues of all railroad and bridge or other companies controlled by said Pere Marquette Railroad Co. or its receivers, how acquired, the time of such acquisition, and all facts or circumstances involved in such purchase or control.

(i) The remedies that said commission would suggest for any improper or undesirable conditions that may be found to exist.

(j) What legislation, if any, is necessary to insure proper performance of its functions by the said public-service corporation.

(k) What legislation, if any, is desirable in view of the facts presented by the report upon the investigation herein provided for.

NEED FOR THE INVESTIGATION.

That resolution was referred to the Committee on Interstate and Foreign Commerce, before whom I appeared March 7, 1914, in support of the resolution. In the course of that hearing I spoke in part as follows:

"The Pere Marquette Railroad is peculiarly a Michigan railroad. It operates in Michigan 1,800 miles of lines, running into almost every part of the Lower Peninsula. The business welfare and the industrial development of the State are in an especially large degree dependent upon the proper discharge by it of its functions as a common carrier. For some time this great railroad system has not been giving the service the State has a right to expect from it, and of late this failure has been constantly greater in degree. It has reached a point where this failure has become a serious menace to the progress of the State.

* * * * * * *

"The resolution that I have introduced and which is now pending before this committee proposes a thorough and complete probe of the affairs of the Pere Marquette Railroad Co. It proposes that this investigation shall be conducted by the Interstate Commerce Commission, a permanent, impartial, nonpartisan board of experts. There is no other authority with equal facilities for making such an investigation, or with equal ability, derived from training and experience, to conduct it, and there is no other body whose report of facts would be received by the public with as great confidence in its accuracy and impartiality. The people of Michigan are to-day being fed bales of figures put out by anonymous officials and allies of the Pere Marquette and purporting to show either that the road is giving proper service and making money at it under present conditions, or that it is on the rocks physically and financially because of the evils of governmental regulation. In either song we find the same chorus, "Let the public keep its hands off and we will all be happy."

* * * * * * *

"I believe that the situation is serious enough and that the interests of the public which are at stake are important enough to warrant this thorough investigation by an impartial authority into the affairs of this public-service corporation, so that the public may be reliably informed as to the actual facts and may know how to proceed for the proper protection of its own interests and with due regard to the demands of justice for all parties in interest.

* * * * * * *

"There are, in my judgment, two things wrong with the Pere Marquette, both of which must be corrected before the road can be expected to play its proper part in the development of the State. First, it is grossly overcapitalized with oceans of water in its liabilities. Second, a great competing railroad system—the Michigan Central—has had a too potent voice in its management. To become a really great railroad system and really a public-service corporation the water must be squeezed out of its liabilities and it must be given a management whose first and only concern shall be the welfare of the Pere Marquette Railroad Co. and of the State of Michigan.

* * * * * * *

"To perform all of their present obligations the management of the Pere Marquette Railroad Co. must render proper service to the public, pay their employees wages in keeping with the times, and pay interest and dividends on more than $110,000,000. In order to do this, their attorney says that the 2-cent fare law must be repealed and freight rates advanced 40 per cent. Before the constantly rising tide of bond issues reaches any higher point is it not desirable that there be a thorough investigation of the situation in order that the people of Michigan may know authoritatively about how much of that $110,000,000 interest and dividends should be paid upon?

* * * * * * *

"The State of Michigan is vitally concerned in this matter. I believe I am justified in saying to you that with scarcely an exception they desire this investigation. It can not embarrass any program for the upbuilding of the Pere Marquette that can stand the daylight of publicity. It will sound the death knell for any schemes of financiers who may desire longer to play football with the Pere Marquette and the industrial interests of Michigan. It will give the people of Michigan reliable information for their consideration in connection with the appeals of the railroad for relief from taxation and regulation. It will place at the disposal of the Federal court a comprehensive view of the situation which will be of great assistance to it in its handling of the receivership. It will place in the hands of the Interstate Commerce Commission that complete survey of the Pere Marquette problem that will better enable that body to aid in its solution."

Later, after conference with members of the committee and with the chairman of the Interstate Commerce Commission, I addressed the following letter to Chairman Harlan:

APRIL 18, 1914.

Hon. JAMES S. HARLAN,
Chairman Interstate Commerce Commission,
Washington, D. C.

MY DEAR MR. HARLAN: With reference to House resolution 409, a copy of which I inclose herewith, and which provides for a thorough investigation of the Pere Marquette Railroad by the Interstate Commerce Commission, and which I discussed at some length with you yesterday.

Inasmuch as I am satisfied that you have not available at this time either the funds or the men with which to carry on this proposed special investigation in addition to the other work which you now have before you, I have given thorough consideration to the provisions of the physical-valuation law under which the Division of Valuation is now being organized and will soon proceed.

As this statute provides for the careful appraisal of all of the property of the railroad lines as well as for a complete financial history of the various companies and their predecessors, the information desired by the people of Michigan as to the Pere Marquette will in the course of time be furnished thereby through the regular work of investigation of your Division of Valuation.

The present situation of the Pere Marquette property, however, is such that it is important that that information be available at the earliest date possible, consistent with the accurate and thorough completion of so great a task.

Accordingly I hereby request of your commission that an order be entered designating the Pere Marquette Railroad as the first property in its district to be taken up by the Division of Valuation, and that in connection with the prescribed work of appraisal and investigation of such property all the information called for by House resolution 409 be ascertained so far as it may be practicable.

Herewith I hand you the favorable indorsement of this request by the Committee on Interstate and Foreign Commerce of the House of Representatives.

Permit me to take this opportunity to thank your commission for the attention that you have already given to the matters covered by House resolution 409. Especially I wish to thank you for the results accomplished in the way of improved freight and passenger service by the force of six inspectors detailed to make an examination of the road, with special reference to the question of freight and passenger service. Some recent improvement in this service is no doubt largely due to the work of these inspectors.

Thanking you for your consideration and courtesy in this connection, I remain,

Yours, very respectfully, LOUIS C. CRAMTON.

ACTION BY THE HOUSE COMMITTEE.

The request which I made in this letter was supported by the following resolution by the Committee on Interstate and Foreign Commerce of the House:

"*Be it resolved*, That resolutions Nos. 422 and 409, for the investigation of the Chicago, Rock Island & Pacific Railroad Co. and the Pere Marquette Railroad Co., together with copies of the hearings thereon, be referred to the Interstate Commerce Commission with the request that special investigations by the passage of these resolutions may be avoided and a duplication of work and expense be saved by giving preference to these two railroads in the proceedings under order of the commission to make physical valuation and ascertain conditions of stocks and bonds in accordance with existing law. This committee requests that in view of the representations as to the urgency of these investigations that the Interstate Commerce Commission, through the physical valuation board, shall make these investigations as a part of the work of valuation and shall do so commencing at once and proceeding as rapidly as possible * * *."

ORDER BY INTERSTATE COMMERCE COMMISSION.

I am very glad to be able to state that this request has been favorably acted upon, and the Interstate Commerce Commission has entered the following order providing for the desired investigation of the Pere Marquette Railroad Co.:

[At a general session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 24th day of April, A. D. 1914. James S. Harlan, Judson C. Clements, Edgar E. Clark, Charles G. McChord, Balthasar Meyer, Henry C. Hall, and Winthrop P. Daniels, commissioners.]

No. 6833.

IN RE PERE MARQUETTE RAILROAD CO.

The Interstate Commerce Commission, having been requested by the Committee on Interstate and Foreign Commerce of the House of Representatives to investigate and report to the House of Representatives concerning the character of the service, physical condition of the equipment and property, financial history, transactions, and practices of the Pere Marquette Railroad Co.:

It is ordered, That a proceeding of inquiry and investigation be, and the same is hereby, instituted into and concerning the several matters and things set forth and referred to in the preceding paragraph of this order.

It is further ordered, That this proceeding be set for hearing at such times and places, and that such persons be required to appear and testify or to produce books, documents, and papers, as the commission may hereafter direct; and that the investigation be carried on in the meantime by such other means or methods as may be deemed appropriate.

And it is further ordered, That a copy of this order be served upon the Pere Marquette Railroad Co. and the receivers thereof.

STATEMENT BY CHAIRMAN HARLAN.

With reference to this order, Chairman Harlan, of the Interstate Commerce Commission, has made the following statement:

"The Interstate Commerce Commission has instituted two proceedings of inquiry and investigation—No. 6833 and No. 6834, the former relating to the Pere Marquette Railroad Co. and the lattter to the Chicago, Rock Island & Pacific Railway Co. Hon. LOUIS C. CRAMTON, of Michigan, introduced in the House of Representatives a resolution providing for an investigation such as has been ordered by the commission into the affairs of the Pere Marquette Railroad Co., and Hon WILLIAM R. GREEN, of Iowa, introduced a similar resolution providing for an investigation of the affairs of the Chicago, Rock Island & Pacific Railway Co. and affiliated companies.

"These resolutions were referred to the commission by the House committee with a view to determining whether the commission should conduct these investigations through its Division of Physical Valuation, thereby saving a duplication of labor. As a result of the conferences had with the commission, the House committee, instead of recommending the passage of said resolutions by the House of Representatives, requested the commission to proceed with them as a part of the work of physical valuation, and the investigations above mentioned were accordingly instituted by the commission.

"Both of the roads mentioned have been the subject of some criticism, and it is understood that the resolutions and the proposed investigations thereunder are deemed to be matters of considerable public importance by the House committee. The commission proposes to make a thorough investigation in each instance, will take up the work at an early date, and will prosecute it to completion as rapidly as may be possible in connection with the other important matters now pending before the commission."

We are accordingly assured that the Interstate Commerce Commission will institute and report "concerning the character of the service, physical condition of the equipment and property, financial history, transactions, and practices of the Pere Marquette Railroad Co.," and that the commission "will take up the work at an early date and will prosecute it to completion as rapidly as may be possible."

THE PHYSICAL VALUATION.

Inasmuch as this investigation will be conducted under the physical-valuation act, approved March 1, 1913, the following provisions of that act as to the scope of the appraisal and financial investigation are of interest:

"SEC. 19a. That the commission shall, as hereinafter provided, investigate, ascertain, and report the value of all the property owned or used by every common carrier subject to the provisions of this act. To enable the commission to make such investigation and report it is authorized to employ such experts and other assistants as may be necessary. The commission may appoint examiners who shall have power to administer oaths, examine witnesses, and take testimony. The commission shall make an inventory which shall list the property of every common carrier subject to the provisions of this act in detail, and show the value thereof as hereinafter provided, and shall classify the physical property, as nearly as practicable, in conformity with the classification of expenditures for road and equipment, as prescribed by the Interstate Commerce Commission.

"First. In such investigation said commission shall ascertain and report in detail as to each piece of property owned or used by said common carrier for its purposes as a common carrier, the original cost to date, the cost of reproduction new, the cost of reproduction less depreciation, and an analysis of

the methods by which these several costs are obtained, and the reason for their differences, if any. The commission shall in like manner ascertain and report separately other values, and elements of value, if any, of the property of such common carrier, and an analysis of the methods of valuation employed, and of the reasons for any differences between any such value and each of the foregoing cost values.

"Second. Such investigation and report shall state in detail and separately from improvements the original cost of all lands, rights of way, and terminals owned or used for the purposes of a common carrier, and ascertained as of the time of dedication to public use, and the present value of the same, and separately the original and present cost of condemnation and damages or of purchase in excess of such original cost or present value.

"Third. Such investigation and report shall show separately the property held for purposes other than those of a common carrier, and the original cost and present value of the same, together with an analysis of the methods of valuation employed.

"Fourth. In ascertaining the original cost to date of the property of such common carrier the commission, in addition to such other elements as it may deem necessary, shall investigate and report upon the history and organization of the present and of any previous corporation operating such property; upon any increases or decreases of stocks, bonds, or other securities, in any reorganization; upon moneys received by any such corporation by reason of any issues of stocks, bonds, or other securities; upon the syndicating, banking, and other financial arrangements under which such issues were made and the expense thereof; and upon the net and gross earnings of such corporations; and shall also ascertain and report in such detail as may be determined by the commission upon the expenditure of all moneys and the purposes for which the same were expended.

"Fifth. The commission shall ascertain and report the amount and value of any aid, gift, grant of right of way, or donation made to any such common carrier, or to any previous corporation operating such property, by the Government of the United States or by any State, county, or municipal government, or by individuals, associations, or corporations; and it shall also ascertain and report the grants of land to any such common carrier, or any previous corporation operating such property, by the Government of the United States, or by any State, county, or municipal government, and the amount of money derived from the sale of any portion of such grants and the value of the unsold portion thereof at the time acquired and at the present time, also the amount and value of any concession and allowance made by such common carrier to the Government of the United States, or to any State, county, or municipal government in consideration of such aid, gift, grant, or donation.

"Except as herein otherwise provided, the commission shall have power to prescribe the method of procedure to be followed in the conduct of the investigation, the form in which the results of the valuation shall be submitted, and the classification of the elements that constitute the ascertained value, and such investigation shall show the value of the property of every common carrier as a whole and separately the value of its property in each of the several States and Territories and the District of Columbia, classified and in detail as herein required."

The action of the Interstate Commerce Commission in ordering an immediate consideration of the Pere Marquette by the Interstate Commerce Commission Division of Valuation will secure for the people of the State of Michigan within several months an authoritative statement of what the Pere Marquette property is worth to-day and a thorough investigation of its stock and bond issues. Under the physical-valuation law, under which the division is operated, a complete appraisal of the 250,000 miles of railroad in the United States is to be made. It is expected that this work will require five or six years to complete. The country is divided into five districts, and in each of these there will be about 50,000 miles of railroad to appraise. In the regular course of things it would have been several years before the Pere Marquette would have been reached.

REORGANIZATION IS INEVITABLE.

The present conditions surrounding the finances of the road are, however, such that a reorganization is inevitable. When the reorganization occurs I want it to be such that the interests of the people of Michigan will be protected. For instance, should the underlying bond owners foreclose and sell the road for the amount of their holdings, about $32,000,000, the stockholders and other bondholders would lose. In that event the public should profit by this squeeze out of surplus liabilities, rather than the underlying bondholders. No one should be permitted to buy in the road at a low figure and still, by some financial sleight of hand, be able to still hold out $110,000,000 as the real liabilities.

PUBLIC WILL NOW GET THE FACTS.

Officials of the road are making constant and insidious appeals for lower taxes, higher passenger rates, and higher freight rates, and are at the same time holding down the wages of everybody they employ except the receivers. They are putting out all sorts of claims and excuses for their manifest failure of service and deplorable financial condition. In order that the people of Michigan may intelligently and fairly pass upon these demands it is imperative that the public have at hand complete and reliable information as to the present value of the Pere Marquette and as to how much of its liabilities represent value. The action of the commission in taking up the work in accordance with that request will make undesirable the expenditure of Pere Marquette funds in the appraisal the receivers have engaged Dean Cooley to make. While Dean Cooley is of the highest standing and integrity, that appraisal would have been paid for by the Pere Marquette, and would not have been made under the impartial conditions which will surround the work of the Interstate Commerce Commission.

I hope that foreclosure proceedings and other reorganization steps will await the conclusions of the Interstate Commission's investigations, but whether they do or not the public can well afford to await this report before passing judgment on the appeals for higher rates and lower taxes. The people of Michigan desire to deal fairly with this great public-service corporation. They are entitled to know the facts, and now they are in a fair way to obtain them. When they have obtained them they will be in a position to act both intelligently and fairly. It will then also be necessary for the carrier management to deal fairly with the great interests of the people it serves.

Importation of Convict-Made Goods.

SPEECH
OF
HON. GEORGE R. SMITH,
OF MINNESOTA,
IN THE HOUSE OF REPRESENTATIVES,
Wednesday, March 18, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 14330) to prohibit the importation and entry of goods, wares, and merchandise made in whole or in part by convict, pauper, or detained labor, or made in whole or in part from materials which have been made in whole or in part or in any manner manipulated by convict or prison labor.

Mr. SMITH of Minnesota. Mr. Chairman, I am in hearty sympathy with this legislation. We can not help but recognize the fact that there are a great number of defectives in this world who need more or less care and attention. These must be supported, either in whole or in part, by the municipality, State, or Nation.

The purpose of the legislation under consideration is to require foreign countries to take care of their own defectives and unfortunates, and to prevent the products of the labor of inmates of foreign prisons, hospitals, and other corrective institutions from entering into competition with the free labor of this country.

It is one of the duties of every Government to take care of its own unfortunates. Every individual citizen must bear his share of the burden. Every Government endeavors to reduce the cost of caring for the inmates of its own institutions by requiring them to perform labor, so as to become as near self-sustaining as possible. The products of this labor of defectives, whether it be the work of convict or other institutional labor, is sold to help defray the cost of maintaining the institutions in which the makers are confined.

It is unfair to permit the products of this restrained labor in foreign lands to be sold in this country in competition with the products of our own individual free labor. Our own citizens have to support our own defectives. When our own labor is required to compete in this country with foreign convict labor a double burden is placed upon our own free laborer. Not only must he contribute his share to the support of our own institutions directly, but through the displacement of his own products by the products of foreign convict labor he is required to reduce his own earning capacity in order to relieve foreign countries from the obligation resting upon them to care for their own indigent and criminal population.

The purpose of the legislation under consideration is to require foreign countries to take care of their own defectives and

unfortunates. If we do not pass some such legislation as this, we would be inviting the Governments of foreign countries to send to us in the shape of manufactured products the means of assisting in taking care of their own dependents.

There is nothing generous or charitable about this legislation. It is simply justice. All that this legislation contemplates is fair treatment for free labor. There is no equality or justice in competition of free labor, either with this foreign dependent labor or with the contract convict labor that exists under the systems in vogue in 27 States of the Union.

One of the great problems presented to the American people for solution is how best to utilize the time and labor of convicts so as to make better men of them and at the same time avoid bringing their products into competition with the products of free labor. It is admitted on every hand that the convict must be kept employed at some useful occupation; but just how to keep him employed and what to do with his products are all-important questions.

The Federal Industrial Commission, as a result of four years of investigation, recommended a bill similar to House bill 1933, which passed the House on March 4, 1914. If this bill becomes a law, as I hope it will at an early date, it will prevent convict-made goods from being marketed outside of the State in which produced. It has been estimated that 65 per cent of the convict-made goods placed on the market are sold outside of the State where manufactured or produced. Forty-nine per cent of all the goods manufactured by prison labor are produced under this system. The average daily wage for this contract labor, with an 80 per cent efficiency, is 65 cents. This would approximate a wage of 80 cents a day if the efficiency were 100 per cent. In addition to this the employer of this prison labor is furnished with light, heat, and guards, and in most cases with space. It needs no argument to show that competition with this 80-cents-a-day labor by free laborers having families to support is impossible. This contract-labor system is one of the oldest prison labor systems and by all odds the worst.

The Cause of Humanity Demands Quick, Positive Action to Establish Peace and Prevent Further Bloodshed in Colorado.

EXTENSION OF REMARKS
OF
HON. JOHN R. FARR,
OF PENNSYLVANIA,
IN THE HOUSE OF REPRESENTATIVES,
Saturday, April 25, 1914.

Mr. FARR. Mr. Speaker, immediate action on the part of the Government is necessary to prevent further bloodshed in the mining districts of Colorado, where the most intolerable and shocking conditions have for months prevailed. Law and order have disappeared. Open warfare exists between State militia, mine guards, and the miners, with the result that not only a large number of the combatants have been killed or injured, but that many helpless women and children have lost their lives under the most abhorrent circumstances. The cause of humanity and the welfare of Colorado and the entire country demand quick, positive action to establish peace in Colorado and prevent further bloodshed.

I have received numerous petitions from the United Mine Workers and other organizations and telegrams from individuals in my district protesting against "the outrageous treatment of the striking miners and their families." The petitioners have requested me to convey these protests to the President of the United States. Accordingly, on April 22 last, expressing appreciation of the tremendous responsibility now on the President's shoulders, due to the Mexican trouble, and the prayer that God would give him the strength and wisdom to bear it with credit and success, I communicated to the President the protests of these organizations, with "the hope that you may be able to use your good offices to prevent further bloodshed and bring peace and order to that unhappy community."

SONS OF VETERANS, SCRANTON, PA., PROFFER SERVICES.

Mr. Speaker, I have the honor and great pleasure to present resolutions unanimously passed by Lieutenant Ezra S. Griffin Camp, No. 8, Sons of Veterans, Scranton, Pa., numbering 400, commending President Wilson and proffering their services in the defense of the honor and the glory of our flag. As a member of Camp 8, I heartily commend their action and rejoice in the spirit of patriotism that prompts them, as it did their fathers, to do battle for our glorious country.

The following are the resolutions which were adopted:

Whereas in the providence of God it has become necessary for the Government of the United States to use the force of its Army and Navy in the present crisis of the Mexican trouble, and as we, the sons of veterans, sons of Union soldiers and sailors who fought in the War of the Rebellion, are organized for the perpetuation of the principles for which our fathers fought: Therefore be it

Resolved, That we, the officers and members of the Lieutenant Ezra S. Griffin Camp, No. 8, Sons of Veterans, of Scranton, Pa., in a meeting assembled, do heartily renew our pledges of allegiance to the Government of the United States.

Be it further resolved, That we commend our President, Woodrow Wilson, for the Christian fortitude, masterful diplomacy, and farsighted patriotism with which he has guided the destiny of the Republic under the trying conditions arising from the contending forces in Mexico.

Be it further resolved, That we, the officers and members of the Lieutenant Ezra S. Griffin Camp, No. 8, Sons of Veterans, do hereby tender to the governor of the Commonwealth of Pennsylvania our services in the defense of the honor and the glory of our flag.

Respectfully submitted.

WALTER SCHANZ.
CHARLES W. BLUME.
CHARLES F. MILLER.

Unanimously adopted at a regular meeting of the Lieutenant Ezra S. Griffin Camp, No. 8, Sons of Veterans, United States of America, held April 21, 1914.

C. B. MILLER, *Commander.*
L. SCHANZ, *Secretary.*

Panama Canal Tolls.

EXTENSION OF REMARKS
OF
HON. WILLIAM E. HUMPHREY,
OF WASHINGTON,
IN THE HOUSE OF REPRESENTATIVES,
Friday, May 1, 1914.

Mr. HUMPHREY of Washington. Mr. Speaker, as there is a lull in Mexico and public attention is again being turned toward the legislation pending to repeal the present law in regard to the Panama Canal tolls, I desire to insert an article upon that question. It is interesting and entertaining. In classic phrase, its author shows the duplicity and hypocrisy of the Democratic Party as demonstrated by their party platform and by their present performances. It shows how a platform can be made, and was made, to catch the votes of those who oppose "subsidy" and those who favor "subsidy," of those who were against the "interests" and those who favored "sane business" methods. It is written by one who has long believed in the Democratic faith as exemplified by Jefferson, Jackson, and Cleveland, but who can not march under the banner of Wilson and Bryan inscribed with surrender to the British interests and to the transcontinental railroads. It is as follows:

"THE LITTLE PLANK."

Politics make strange bedfellows. Seldom before has any one subject furnished a better opportunity for securing votes than the promise of "free tolls through the Panama Canal."

Unappreciated by the general public, but well understood by vote manipulators, free tolls was a ship subsidy in disguise and was used for all it was worth in the Democratic platform and campaign. Then it was known as a war measure against the transcontinental railroads. Though it was in conflict with other well-known Democratic principles, it was possible of explanation and repudiation later, should occasion arise where that course would be profitable. Such conditions have arrived.

All previous attempts through congressional legislation to secure ship subsidy had failed.

During the last campaign ship subsidy, presented under a different name, "free tolls," enabled the Democratic spellbinders to secure the farmer's vote by representing it to be a help to him to market his products at reduced expense and increased profits through free use of the canal. Mortgages would be paid off, mansions would replace his shacks, labor would be plentiful, and mid seasons could be spent leisurely in Europe clipping coupons. There was to be no fooling this time; no molasses traps for flies; campaign promises were to be kept by the "keepers of the people" before and after election at the rate of one hundred cents on the dollar, gold.

To the enemies of railroads was promised an immediate post-election opportunity to inflict a "knock-out blow" through free-toll ship competition and exclusion from canal use.

To those favoring ship subsidy was promised that their efforts, hopes, and dreams of years was to become, through the help of their former opponents, an accomplished thing, shorn of the opprobrious term "ship subsidy." No fooling; no molasses. Take it from me, no Wall Street tricks in this platform.

Was ever a more astute plan laid and gotten away with by any set of politicians for tickling voters and closing their eyes and reason to true conditions?

Three little bugs rolled in a rug—the farmer, the railroad enemy, and the ship-subsidy advocate—contentedly gnawing on the same warp and woof, for light, the "New Freedom."

All went well until one day
Sir Lionel Corden came this way,
Opened Pandora's mystic box,
Then stole away like a sly old fox.

—

The platform, 'pon which the mighty stood,
Having gained the votes for which 'twas writ,
Must now in cold dishonor shrow'd
Be cast in oblivion's deepest pit.

—

From o'er seas comes a commanding call,
Support your President; support him, all.

National honor? Voters ponder, Congress ponder; surrender all for some one's honor?

Railroads in Alaska.

SPEECH

OF

HON. MILES POINDEXTER,

OF WASHINGTON,

IN THE SENATE OF THE UNITED STATES,

Tuesday, January 20, 1914.

The Senate had under consideration the bill (S. 48) to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes.

Mr. POINDEXTER. Mr. President, it is not my purpose to occupy the time of the Senate in a detailed description of the resources of Alaska. The distinguished Senator from Montana [Mr. WALSH] and my colleague [Mr. JONES] have placed in the RECORD statistics which carry almost incontrovertible proof of the enormous extent and value of the products of this greatest of all the Territorial possessions of the United States.

I do not regard this question as one which concerns alone by any means the comparatively small population which now inhabits the Territory. It concerns in the most vital way all the people of the Pacific coast of the United States, and it is also intimately connected with the interest of the entire country, both directly and indirectly. With the increase of population of the United States—I think some 16,000,000 during the last census period—when we consider that we have been accustomed to have the new generation as they appear upon the scene given the opportunities afforded by a new country and new land upon which they may settle, with the incidental development of cities in which they may take their part in the beginning of society, it is manifestly a matter of vital concern that the only great area of public land which is left should be so governed and developed under such conditions that this equal opportunity which in times past has been the glory of our land may be preserved in Alaska.

The question of a Government railroad in Alaska involves a development of that Territory, and a development so that opportunity will be afforded to settlers who wish to go there and take their part in its benefits. Railroads would be built, undoubtedly, as the Senator from North Dakota [Mr. MCCUMBER] has said, if the Territory and its resources should be thrown open to the exploitation of great syndicates, whose capital gives them an advantage in such exploitation; but when it is developed under those conditions the fruits which will come from the development will not be enjoyed by the people, whose property it now is, but they will be monopolized by the favored few who do the exploiting.

I will not speak, Mr. President, of the $400,000,000 of wealth which has come from Alaska to add to the luxury and the comfort of most of the capitals of the world—to contribute to the enjoyment of the great houses of San Francisco, Seattle, and New York—a mere moiety of which if it had been spent in Alaska would have been able to produce there all the comforts of civilization, with its power to overcome the adverse conditions which have been described in that northern climate, for a permanent population, who would have their homes there, who would have reared their family altars there, who would build their churches and their universities.

The object which this Congress should have in the disposition of the Territory is to encourage, as far as possible, the use of this great wealth in the Territory itself—to make it not only possible to support a permanent population, but to attract it, so that Alaska may come to rival the northern countries of Europe, which are inferior to it in resources and yet support on far less area some 12,000,000 people.

The debate over this bill is a repetition of the debate which occurred some 40 years ago when the effort was being made to secure aid from the Government in the form of donations of public land for the construction of a railroad from Lake Superior to Puget Sound. The attack which was made upon the land grant proposed for that great transcontinental railroad, put forward in a satire of Proctor Knott in his famous Duluth speech, and which failed to accomplish its purpose, in 1871, is being repeated here by the Senator from North Dakota [Mr. MCCUMBER] and the Senator from Wyoming [Mr. CLARK], who, notwithstanding the object lesson, supported by the experience of their own States and the development of the great West, have their eyes blinded to the possibilities of this newer West.

I have in my hand a little book which was put out by the Chamber of Commerce of Duluth, which is almost as amusing in the serious manner in which they seek to overcome the humor and satire of Proctor Knott's remarks upon that "zenith city of the unsalted sea" by a sober statement of the population of Duluth and the post-office receipts as Proctor Knott's speech itself was; but it is pertinent as showing the shortness of vision which has characterized every step in the progress toward the settlement of our great domain.

It is just as true in regard to Alaska as it was when Proctor Knott, with reference to the territory which would be opened up by the Northern Pacific Railroad, said that no one, of course, would have the hardihood to rise in his place and say that all of that land would not produce enough to support a grasshopper outside of the pine bushes which grew upon it. His idea, expressed in that satire, was as far from the actual truth as the disparagement by the opponents of this bill of the agricultural possibilities of Alaska and of the timber and the mineral wealth of the 570,000 square miles of the earth's surface which it covers. One would think from their account that it was not worth the price of a Government railroad, which I will now attempt to show is necessary, if we are to escape private monopoly under the modern conditions which have developed since 1871. With the growth of the combinations of private capital and with the ability through modern inventions to monopolize transportation and to control through transportation for private purposes great areas of the public land and to levy upon the resources of that land all that the traffic will bear, a Government railroad and Government competition afforded thereby is the only way in which this Territory can be developed so that the people will get the fruits of the development.

Mr. President, the proposition to aid or to construct by the Government a railroad for the purpose of developing new lands for settlement and for opportunity for our increasing population, discussed here as though it were a new one, is not different in principle from the grant to our Pacific railroads. I want to call attention very briefly to the extent of those grants, not only a vision of the great area of land which was given them—every alternate section within a space of 40 miles upon each side of their track in the then Territories and within 20 miles upon each side of their track in what were then States—but the value in money to those railroads of these grants, which was sufficient to pay for the construction of the road and without which the West would still be unsettled and partly, no doubt, unexplored, instead of being, as it is and has been for a generation, the granary not only of our own country but of a large portion of the world.

In 1883 Proctor Knott himself submitted a report from a committee of the House of Representatives dealing with the extent of the aid which the Government had given to the Northern Pacific Railroad, and while the Duluth speech has been remembered—it is always true that something which amuses and delights the fancy finds lodgment in the memory of men—his more serious work, conveying information, has been forgotten. I want to read briefly from it, because it has a direct bearing upon the principle of the bill now pending in the Senate—governmental activities in railroad building:

In 1874 the company, in its report to the Department of the Interior, made an itemized statement of the amounts it had expended up to that date in surveys, construction, equipment, etc., in which it appears that the actual construction of 530 miles of the road then built had cost $14,446,356.54, and that the "general and incidental expenses during construction" had been $635,454.71, making a total of $15,081,811.25, or $28,456.24 per mile; and this, it will be remembered, was prior to the crash which took place in the fall of 1873, when labor and material commanded higher prices than they have since. But deduct this $15,081,811.25 from the $51,019,402.99 which the president of the company reports as the total amount expended in the construction of 1,203½ miles of completed and 170 miles of graded road and there will remain $35,937,591.74, from which deduct, say, $2,550,000, probable cost of grading the 170 miles, and there will be left $33,377,591.74 as the cost of the remaining 673½ miles, or $49,558.41 per mile. By referring to the report it will be seen that the total amount expended up to the completion of the first

530 miles was only $21,353,416, or $40,289 per mile, including $1,108,278.05 for surveys, $2,728,980.09 for "auxiliary and connecting rail and water lines," $2,434,346.25 for equipment, and $635,454.71 for "general and incidental expenses during construction," whatever that may mean. Yet if the president's estimate is correct the simple construction of the 673½ miles which have been completed since has cost $9,000 more, mile for mile, and that, too, under far more favorable circumstances so far as the prices of labor and material are concerned. Why this should be so the company has failed to explain, and perhaps can not explain. Assuming, however, that "the truth lies between the two extremes," the cost would be $33,407.65 per mile—$80,585,732.75 for the whole line of 2,409½ miles.

To aid in the construction of this road, Congress granted to the company, on certain conditions, 57,920,000 acres of land, of which the auditor in the report already referred to says, according to the latest estimates, 42,500,000 will be available to the company; and the President, in his answer to the committee, remarks with seemingly some surprise that "the discovery has been made during the present session of Congress that the value of the grant, as a whole, is in the neighborhood of $100,000,000."

In this, however, the President is mistaken. Whether the value of the grant was ever considered chimerical, the undersigned do not know, but the fact that it is worth $100,000,000 or more was discovered long ago. The auditor reports that the company has sold up to June 30, 1880, 2,600,000 acres for $9,000,000, and adds: "The value of the company's lands, vested and unvested, may be reasonably estimated at $2.50 per acre; so that the lands unsold are worth, say, 39,900,000 at $2.50, $99,750,000." Which would be $108,750,000 for the whole.

Mr. President, that is what has been done for the Northern Pacific Railroad. That is the value which was placed upon those lands in 1883. It will not be denied to-day that that was a wise policy, notwithstanding the objections which were made to it at that time and the criticisms which have been made of it since. I do not think it will be denied that, on the whole, the disposition of these lands by the Pacific railroads has been wisely administered; that the sale of them for low prices, encouraging settlers upon them, has been in the interest as a whole of the Nation—developing its wealth. And to the wealth which the railroads received for this land grant, as disclosed in this report of 1883, must be added the scores of millions of dollars which have been derived from the sale of timberland, which are now invested in timberland still held by these railroads, and still regarded by this country as legitimate encouragement, under the conditions then existing, of the development of transportation in its great territorial area.

Why should there be a different policy with regard to Alaska? Conditions have changed so that it is not expedient and it is not practicable to encourage the development of a railroad in Alaska by the donation of public lands. It is not expedient, because the great areas of the public land have been exhausted coincident with the increase of population and the demand for land; and they should be conserved; they should be held by the Government, and either patented or leased or otherwise used under conditions which would save them from the monopoly that otherwise would inevitably ensue; but, it not being practicable or expedient to encourage the building of a railroad in Alaska by the donation of public lands, it does not follow that railroads should not be built, and that the Government should not encourage the building of such railroads. The only other means by which the Government can secure the opening up of that country to permanent habitation by the development of transportation is by the building of the railroads by the Government itself.

Not only, Mr. President, have conditions changed with reference to the control of the public lands, with reference to the ability of private parties to monopolize transportation and to monopolize the resources of the country, but conditions have changed with reference to the attitude of the country toward governmental activities in what, in times past, were considered private affairs. Public opinion, the most intelligent instrument by which men can be guided, is very different to-day with reference to Government railroads, Government control of transportation, and Government ownership of transportation from what it was from 1871 to 1883, when the great parliamentary war was fought for the railroads to the Pacific Ocean across the great prairies and the Continental Divide. At that time it was considered dangerous for the Federal Government to enter into such activities; it was objected to as socialistic; and it was a long time after that before we had brought ourselves to the point of realizing that these great agencies of transportation were not private affairs, but were public functions, and brought ourselves to realize that the effort to control and regulate them was not something foreign to the Government, but was the duty of the Government.

Those issues have been fought out and worked out through 25 years of gradual development. The Interstate Commerce Commission has become one of the great tribunals and administrative agencies of the Government, devoted to the control and direction of railroads and transportation, its rates, and its conditions. Such control is not different in principle from going a step further in those peculiar circumstances which, from a business standpoint, may warrant it—the peculiar situation which exists in Alaska—and owning and operating, directly by the Government, transportation, which is the very lever controlling the conditions of existence in that country.

Mr. President, there is a great copper mine that illustrates one of the varied resources of Alaska, at Kennicott, on one of the tributaries of Copper River. Its location can be seen on the map which hangs on the wall of this Chamber. I have seen it in operation; I have seen its ore, richer than was ever before dreamed existed—almost pure copper. The values for great quantities of that ore run as high as $75 a ton. It has lain there for thousands of years; it was worthless, and it would be worthless to-day if it were without transportation. That copper mine is owned by the Guggenheims.

Now, suppose, Mr. President, to reverse the situation which actually exists in most of the affairs of Alaska, that a person who had no interest in the mine should build a railroad to that copper mine and control the transportation which would be essential for the hauling of its $75 ore 132 miles to a seaport; the ownership of the copper mine would immediately become subordinate to the ownership of the railroad, and the man who controlled transportation could reap cut of the proceeds of that mine whatever the mine was able to pay; and such will be the condition of the owners of mines, of the owners and promoters of any enterprise in Alaska, with reference to those who control and own the transportation which is necessary to get their product to market. Mr. Guggenheim in some way persuaded Mr. Morgan to build this railroad. With the relations between the mine and its ownership and the railroad and its ownership I am not acquainted, but I presume there is a community of interest. I do know that the rates upon the railroad are based upon the value of ores. Whoever has had the hardihood to go into the Copper River country and undertake to develop a mine has been confronted, when he attempted to get its product to market, by the demand of the Copper River & Northwestern Railroad Co. for a careful estimate of the value of the ore and how much it will yield, and the tribute of all that the traffic will bear, all that the mine can stand, is then paid to this privately owned road. If there is anything left, it has further to be levied upon and to pay its remaining tribute to the Smelting Trust, through whose hands it is necessary to go before it is converted into money.

The development of Alaska, of its mines, and of its coal is of no concern to the public unless the public can get some benefit from that development. A good deal has been said about locking up coal mines in Alaska. I want to speak briefly for a moment of some of the physical characteristics of those coal fields, but at this point I only want to say that, so far as I can see, the only benefit from a public standpoint that can be derived from opening these coal fields will be a cheaper price of coal to the consumers of coal. The only way in which that can be secured is by a transportation system which is beyond the control of any private monopoly. It is conceded on all hands that conditions in Alaska are such that it is impossible that private competition should ever produce a railroad to compete with the monopoly which heretofore has controlled all of the business and all of the interests of that Territory. That is the situation which confronts Congress in determining whether or not a transportation system owned, controlled, and operated by the Government shall be authorized by this act.

It is said, in pursuance of the objection and the obstruction which at every stage of the opening up of our country have met the efforts of those who are seeking to develop it, that there are no agricultural possibilities in Alaska; that its coal is worthless; that it is an inhospitable, unattractive, uninhabitable land. Why, Mr. President, it is washed by a tropical current which, in its mighty sweep around the great gulf of Alaska, laves its shores with the tepid waters of the Philippine Islands and makes there a climate which is as mild and as genial as that of this Capital City. Other harbors are there open the year round, and lands where the growing season is not three months, as was said by some Senator on the floor yesterday, but five and six months, and where agricultural produce is already being raised and being sold in the Seattle market.

I was talking this morning with a gentleman whose training tends toward accuracy of statement, whose powers of observation are trained by scientific employment, and he told me that in the vicinity of Fairbanks, a portion of Alaska which I have not personally visited, where he was a year or two ago, he saw the finest gardens that he ever saw in his life; that he saw growing there the finest celery which he had ever seen; and that the crop which he saw growing at the time he was there

was the second crop which had been raised upon the land that season.

As said before, this great Territory has an area of 570,000 square miles, and of course it has many varieties of climate. There are glaciers; there are barren granite mountains; there is the frozen north; but that very variety, that changing topography, from its warm coast, passing through a great range of mighty mountains, then into a vast alluvial river valley, with hundreds of miles of level land, and then farther on into the northern extension of the Rocky Mountains and on to the Arctic plains—that very variety must inevitably produce, with its changing altitudes, with its control of the currents of the air by the successive mountain ranges, favorable conditions for the habitation of a permanent population and for the growth of vegetation upon those soils which have been brought down from the heights by the erosion of centuries.

Of course no man has seen all of Alaska, and the disposition in this debate and elsewhere is to speak of it from the standpoint of some little particular area which has been observed. It is a land of infinite variety, of changing and opposite conditions, and no man who attempts to form a conclusion without taking that into account can arrive at a just judgment in regard to its merits.

It lies there in the form of a mighty crescent, the southern shore line some 4,000 miles in extent, and not, as is commonly supposed, with a great range of snow-covered mountains immediately upon the coast, but with a great area full of the most valuable agricultural land lying between the coast and the Alaska Range. Then there is the range, in which here and there are deep clefts, through one of which it is proposed to build a railroad. Beyond is one of the greatest navigable rivers of the world, with 2,000 miles of transportation, which would be tributary to the northern terminus of the proposed railroad. Beyond that are the Rocky Mountains, or the Endicott Mountains, as they are called there, with their mineral wealth, out of which on the Cadanian side came the wealth of the Klondike, and beyond that, even on the Arctic shore, great deposits of unknown extent, although known to be very great, of valuable coal, an entirely distinct field from those fields which have been the subject of controversy in the discussion of this bill and in the efforts which have been made heretofore to save Alaska from the grip of monopoly.

The proposition to construct this railroad, Mr. President, is simply a continuation of the fight which has been going on, led in large part by the Delegate from Alaska in the House of Representatives. I want to pause here long enough to say that the people of Alaska should embalm his name and memory in some imperishable monument, because no man with more courage, with greater ability, with greater fortitude and character could have represented them in the Congress of the Nation. To his efforts are due to a large extent the fact that that great principality is not to all intents and purposes the private property of a great modern syndicate of commercial and industrial enterprise. To his effort is due the fact that the people of Alaska have now free self-government in their local affairs. To his effort is largely due the knowledge, which the world is gradually absorbing, of the needs and of the resources of that country. He has not come here, Mr. President, as a suppliant asking for charity, nor insisting that the Nation should enter upon this enterprise through benevolence, but he has urged the development of Alaska as a part of a just public policy, which concerns every State and every inhabitant who is interested in the welfare of his country. The good effect of it will be felt not only as an object lesson in the conduct of these same agencies in other parts of the country, but materially and directly, through the material benefits which will come to the country from the free and beneficial development of the coal and of the mineral wealth and of the timber and of the fisheries of Alaska.

To speak a little further of the material features of this Territory, I do not think the great value of agriculture in Alaska—and it can not be exaggerated—consists in furnishing material for transportation or in furnishing food for the world, but it consists in the fact that because those conditions do exist there men can live in comfort and find the food which is necessary to sustain them. The reason I emphasize the agricultural possibilities of Alaska is because they make it habitable. They make possible a condition which I hope some day to see in that country—the development of communities and municipalities which shall be the chief center of the interest of the inhabitants of Alaska.

It is not only in Alaska that modern conditions have developed a tendency toward absentee landlordism and absentee exploitation. The whole continental United States is more or less a sufferer from that spirit of modern luxury and modern wealth. It is difficult to estimate the millions of dollars which those who have benefited by the development of our own natural resources carry to Europe every year and spend in permanent residence in Paris, London, and other capitals. That is an injury to us. The condition under which the gold of Alaska, its furs, its whales, its salmon, and its mineral resources, have been carried away to build palaces in other parts of the world is simply a phase of a modern condition which is very general in its application. I hope, however, to see the time come—and that is why, as I say, I emphasize the nature of the soil and the agreeableness of the climate—when the people who are concerned in Alaska will have their permanent homes there, just as much as the 12,000,000 people who inhabit Finland and Norway and Sweden and Denmark have their hearts' interests, their permanent homes, the education of their children, the attainment of success and honor, and the comfort of their people in those countries.

It will not be the agricultural products of Alaska that will justify the building of a railroad to haul them. The population who will be enabled to live there, and who will concern themselves in other industries, will be the justification for the construction of this railroad. A great deal of the tonnage of a railroad in Alaska will come from the ores of its mines; some of it will come from its timber, but the greater portion of it, in my judgment, will come from coal. Not only will the coal be used to smelt the copper and other ores of Alaska, but it will be used by the Government itself, for its Navy and its Army, and by the people of the entire Pacific coast in manufacturing enterprises and for domestic use.

So I believe, and shall attempt to point out a little later on, that when we are about to provide for the construction of a Government railroad in Alaska we should at the same time provide a system upon which its coal mines should be developed, and that this question which has vexed and harried our political campaigns for a great many years should be settled now while one branch of the question has the attention of Congress.

It was said, particularly by the Senator from North Dakota [Mr. McCUMBER], that the coal of the Bering River field, as proven by a test which was recently made on the cruiser *Maryland*, was of very inferior quality. In the first place, of course, it is obvious to anyone looking at the matter from a practical standpoint that one cruising test of the coal of a great area covering some 144 square miles of high-grade coal, or, in the Bering River field alone, 50 square miles, is perfectly inadequate to determine the question whether or not there is in that great area a sufficient quantity of coal of the proper quality to supply the needs of the American Navy on the Pacific Ocean. It seems to me it would require a great many tests and the taking of coal from different parts of the field.

Instead of making any such tests, a number of men were taken up there late in the season, the coal was taken out from a single point on one of the veins, together with a great deal of rock and shale, put into sacks, stacked upon the ground, and left there all winter, subject to the vicissitudes of the Alaskan winter. The following season it was carried to Controller Bay, left there to be overflowed by the tide, and then some of it was taken, without any facilities whatever for screening it or taking out its rock and waste matter, and one test was made under the boilers of the cruiser *Maryland*. Upon the basis of that test it is claimed that the coal from this field is useless for the purposes of the Navy or as steaming coal.

It is perfectly obvious that no such conclusion could be justly reached upon any such test. The expedition was under the control of the Bureau of Mines. I take the liberty of reading, as part of my remarks, a letter of this date from the Director of the Bureau of Mines, which will throw some light upon the value of the test on the cruiser *Maryland*. It says:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE DIRECTOR, BUREAU OF MINES,
Washington, January 20, 1914.

Hon. MILES POINDEXTER,
United States Senate.

MY DEAR SENATOR: In reply to your inquiry concerning mining in the Bering River region, the coal tested on board the cruiser *Maryland* during the summer of 1913, and other matters, I beg to report as follows:

The point selected for obtaining this sample was on a single claim—the Tenino claim—on Trout Creek. This coal was taken out during October and November of 1912, and lay in sacks at the mine until the spring and summer of 1913, when it was carried down Bering River and delivered on board the cruiser *Maryland* for test.

The selection of this site was decided upon after a considerable amount of preliminary investigation in different parts of the field. Nevertheless the limited extent to which excavations have been made into the different coal outcrops in different parts of this field made it difficult to decide upon what might be considered the most promising location.

In excavating the sample of coal—about 800 tons—to be tested on board a naval vessel, the coal was taken as "run-of-mine" coal, no special effort being made to select the best and leave the other coal behind. The screens taken with the expedition for separating out the

slate or "bone coal" were lost by the sinking of a barge off Controller Bay, and the miners, therefore, had neither screens nor any washing apparatus for separating the small carbonaceous slate or dirt from the coal, and hence a considerable quantity of such material was unavoidably left in the coal brought out for test.

I have had no detailed information concerning either the method of testing or the results of the tests made of this "run-of-mine" coal on board the cruiser *Maryland* or of the washed coal at Annapolis, except that I understand that the results of the tests on the *Maryland* showed only about 40 per cent of the efficiency, and the test of the washed coal at Annapolis only about 75 per cent of the efficiency of Pocahontas coal. I understand, furthermore, that while this coal proved satisfactory from the standpoint of being a smokeless coal, the low efficiency which it showed, as compared with Pocahontas coal, was due mainly to the large percentage of ash resulting from the large amount of carbonaceous slate and other earthy material with the coal, and to the fact that this ash formed a slag on the grate bars which interfered with the draft.

The result of these tests should not be considered as a basis for condemning the Bering River coal field, for the reason that the black shale and other material could have been removed easily by washing; and the fact that while the site from which this sample was selected was chosen with care the coal field is undeveloped, very few excavations into the beds of coal have been made, and therefore there is not only the possibility but the probability that many other beds of coal in this field if opened up to any extent would prove to be as promising or more promising than was this particular opening.

The introduction of screens and washing equipment would provide an easy and cheap method of separating the slate and dirt from the coal in ordinary commercial operations. The fact that this particular sample of coal, even after washing, produced in the furnaces a slag on the grate bars which stopped the draft and reduced the efficiency of the coal can not be considered as evidence that the ash in the coals from other beds, even near-by beds, in this field would behave in a similar manner. I have known of a number of cases in other coal fields where of two beds of coal located near each other, one could not be used in certain furnaces because the ash formed a slag on the grate bars and the other could be used as a high-grade coal in furnaces with a forced draft and high temperatures, because its ash did not form a slag on the grate bars.

For these reasons the fact that the tests on board the cruiser *Maryland* did not show the coal from this particular claim to be satisfactory for the purposes of the Navy can not be considered as indicating that all the coals in the Bering River region are unsuited for use on board the ships of the Navy or ordinary commercial ships. On the other hand, it is certain that there is in the Bering River region a large amount of coal suitable for ordinary commercial purposes, and coal of a higher grade than can be obtained elsewhere on the Pacific coast, except in the Matanuska coal field.

The washing of most of the coals in the Bering River field will probably be necessary, but an ample supply of water and favorable climatic conditions in the Bering River coal field will reduce the cost of this washing to from 15 to 30 cents per ton of coal.

In the Matanuska coal field there is a large quantity of high-grade coal which will probably not require washing. The explorations made in that field for the Bureau of Mines during the summer and autumn of 1913 indicate the probability that the Navy Department will be able to secure in that region a supply of high-grade coal ample for all its future needs. A sample consisting of 900 tons of coal from one of the most promising outcrops of coal in the Matanuska field was excavated during September and October last, and this coal is being brought down to navigable waters during the present winter season. It will be ready for test on naval vessels early in the summer of this year.

There is also to be found in the Matanuska coal field a large quantity of high-grade coal suitable for coking and ordinary commercial purposes.

In response to your inquiries concerning the areas of the Bering River and Matanuska coal fields I beg to report that the explorations made up to date indicate an area for the Bering River coal of something more than 50 square miles and for the Matanuska coal field of probably 75 square miles, making a total of 125 to 150 square miles for the two fields.

This area may seem small as compared with some of the larger coal fields in the States; but I may call attention to the fact that the anthracite coal fields in Pennsylvania, aggregating an area of less than 400 square miles, have been producing from fifty to ninety million tons of coal yearly for many years, and may be expected to yield from 80,000,000 to 100,000,000 tons of coal yearly for nearly a century more.

In addition to the Bering River and Matanuska coal fields there are, as you know, in Alaska a number of large areas of lower grade or lignitic coals which will serve a useful purpose in connection with the development of local industries.

In response to your inquiry with reference to agricultural possibilities in the interior of Alaska, I may say that while I have not given special study to that phase of Alaskan development, yet I have seen in the valleys of the Yukon and the Tanana Rivers, as in the vicinity of Fairbanks, considerable patches of wheat, oats, and barley, where these crops had matured and had been harvested, where the potato crops were as fine as I have seen in any country, and where the yield and qualities of cabbage, celery, turnip, and other market garden vegetables were superior to those I have seen in any other country.

It is almost unbelievable to persons who have not traveled through that far northern territory as I have done, even up to the Arctic Circle, that on those lands where the ground may be frozen to a depth of several hundred feet, and which may be covered with a considerable thickness of moss; this moss may easily be burned off, and the warm sunshine of those long Alaskan summer days will thaw out this frozen ground and make it not only possible but practicable to grow these splendid crops during the next and succeeding years.

After traveling through the great interior of Alaska for several thousand miles, I became convinced that the possibilities of agricultural development in a large part of that region are fully as great as, only a few years ago, we believed the possibilities of agricultural development to be in what are now our great Western States.

Respectfully,

J. A. HOLMES, *Director.*

For a great many years the experts of the Geological Survey have been examining the coal fields of Matanuska and of Bering River, and have made far more exhaustive examinations and tests of these coals than it was possible for the Navy Department to make in this experiment on the cruiser *Maryland*. The reports of the Geological Survey have been printed, and I wish to call attention briefly to the quality of the coal in the Bering River field as reported by this scientific bureau of the Government.

In a report by Mr. G. C. Martin, a geologist in the Geological Survey, speaking of the coal found at the same place from which the coal was obtained for the cruiser *Maryland*, in Bulletin No. 335 of the Geological Survey, on page 82, he says:

> The coking qualities of the coal from the 33-foot bed on Trout Creek were tested by the writer in the summer of 1905 in the following manner: A hot wood fire was built in a pit dug for the purpose, and lump coal gradually added until about 600 pounds of coal was burning. Then about a ton of slack and lump coal was added.

He then describes the manner in which he made the test, and says:

> The resulting coke was firm, strong, porous, and had a good ring and luster. The test showed conclusively that an excellent coke can be made from this coal by proper treatment.
>
> The coal from the 8-foot bed on Carbon Creek * * * was tested in 1906 in the same manner.

In the same report it is stated by Mr. Martin, and it is also stated by Mr. Brooks, of the Geological Survey, that the coal of the Bering River field and of the Matanuska field is fully equal to the best eastern coals from the Pocahontas and Georges Creek fields for steaming purposes.

As to the commercial value of this coal, on pages 111 and 112 of the same report it is stated:

> It may be seen from these tables that the Bering River anthracite has no equivalent among the coals now being mined on the Pacific coast and that it compares favorably with Pennsylvania anthracite. It ought to be put into the San Francisco and other Pacific coast markets at a cost far below that of eastern coal, in which case it should have no difficulty in entirely supplanting the latter.
>
> The Bering River semibituminous—like part of the semibituminous coal from Matanuska River—is also better than anything that is being mined in the West. These coals are the equivalent of the Pocahontas, New River, and Georges Creek coals of the East, and are eminently adapted for use on warships and for other purposes for which a high-grade, pure, "smokeless" steaming coal is required; and for these purposes will command a considerably higher price than any coal that is now being mined on the Pacific coast, or, if offered at equal prices, should readily drive the latter from the market.

The report then goes on to speak further of the excellent coking quality of the coal.

That is from the report of Mr. G. C. Martin. Because such an attack has been made upon the quality and value of this coal, I wish to take a moment to call attention further to the report of Mr. Brooks, found in Bulletin No. 442 of the Geological Survey. On page 54 of that report he speaks of the amount of coal contained in the Bering River field and in the Matanuska field. That, also, of recent months is a part of this propaganda of depreciation which has set in. Only since the effort of the Alaska Syndicate to acquire these coal fields was checked and stopped has the amount been attacked and denied, as well as the quality.

Tonnage estimates of Alaska coal, as given by Mr. Brooks of the Geological Survey, Bulletin No. 442, are as follows: Total low grade—I will not read in detail the report—11,483,000,000 tons; a grand total of low grade and high grade of 15,104,000,000 tons in the surveyed coal fields alone; while on page 55 of his report Mr. Brooks estimates the minimum coal resources of Alaska, including the unsurveyed fields, at 150,000,000,000 tons. The entire coal area of the Bering River and the Matanuska fields is approximately 400 square miles. The area of the anthracite coal fields of Pennsylvania is only 100 square miles, and that has nevertheless been sufficient to furnish fuel and power for the great railroad systems and industrial enterprises of Pennsylvania for 100 years, and it is estimated that it will be sufficient to furnish power and fuel for those enterprises for a hundred years more.

The depreciation of Alaska, of the quality of its coal, of its agriculture, of its timber, and the extent of these resources is the same as the depreciation which any man who is seeking to acquire a valuable property makes of that property which he is about to buy. It was only a few years ago when, through the control of the railroads of Alaska, or one railroad of Alaska, and of all the shipping, and a monopoly which had been arranged for the control of the coal fields, that the same men who now claim that the coal is of no value and that there is very little of it there were proclaiming to the world that it was the best coal in the United States, and that its extent was unlimited. The same men who were booming then are knocking now, and just as soon as the United States should desist, if it should desist, from the effort to establish conditions there under which there would be competition and a fair opportunity for the people to get some of the benefits of these great resources, the same interests having acquired control through the control of transportation, which is the agency which gives them control of the

fuel of Pennsylvania and of West Virginia, would be telling the world of the value and the extent of the coal of Alaska which they would put upon the market; and put upon the market how? Not at a lower price than the people of the Pacific coast can now buy coal, but at the same price or at no appreciable diminution of cost.

All the difference between the present extortionate prices of coal in Seattle and San Francisco and those prices which ought to come from an economical mining of Alaskan coal would go to enrich the coffers of the Alaska Syndicate, already rich enough.

Mr. President, if this Napoleonic plan—I speak without any feeling whatever, because I have nothing but the most dispassionate interest in it—of the Alaska Syndicate to control Alaska had succeeded they would have been without doubt the richest people in the world. It is said that John D. Rockefeller and his brother and some of his associates in the Standard Oil have great fortunes and are the richest people in the United States, but if the plans of the Alaska Syndicate had succeeded, if they had been able to monopolize the coal lands of the Bering River and of the Matanuska and the copper ores of the Copper River country, and to control the fisheries and the transportation in that Territory, it would have been impossible to compute the wealth which they could have extracted from that great principality.

The purpose of this bill is not to deny the Alaska Syndicate an opportunity to reap whatever their business genius may entitle them to in Alaska, but it is to confine them to a reasonable profit, to a reasonable share of these riches which the Nation needs for all its people.

Now, Mr. President, aside from lowering the price of coal, which will come from the settlement of this question between monopoly and competition in Alaska, to the domestic consumer of coal and to the enterprises which need it to run the wheels of their machinery, as to the United States Government itself, looking upon this question as a means of operating direct governmental agencies, the ships of the Navy Department, in 1913, used on the Pacific Ocean 111,000 tons of coal and paid for it $8.04 a ton. I venture to say that coal which is delivered from Pocahontas on board ships in the harbor of Norfolk, Va., at $2.70, once a working system has been developed, once the organization is completed and modern facilities for mining have been established in the coal fields of Alaska, a coal which is reported by Mr. Brooks and Mr. Martin to be as good as that coal which the Government receives at Norfolk could be delivered upon the ships of the American Navy at Controller Bay at as low a price as the coal which they now purchase at Norfolk.

Mr. CHAMBERLAIN. Mr. President——

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Washington yield to the Senator from Oregon?

Mr. POINDEXTER. I yield.

Mr. CHAMBERLAIN. I understood the Senator to say that 111,000 tons were used by the Navy. I think if the Senator will examine the evidence before the committees he will find that the amount is very much in excess of 111,000 tons per annum. I think it is estimated now at about 160,000 tons per annum, and it is estimated that upon the completion of the Panama Canal three or four times that quantity will be required.

Mr. POINDEXTER. The statement which I have was furnished to me by the Navy Department yesterday. Other than that I can not vouch for it. I take it for granted that it is a more or less careful estimate. That is only the coal that is issued to ships.

Mr. CHAMBERLAIN. I will say that in the testimony of Secretary of the Navy Meyer he estimated it at about 160,000 tons a year, and some of the evidence shows a larger amount, with our present small fleet in the Pacific; and if the fleet happens to be transferred to the Pacific side, as is very likely when the Panama Canal is completed, the Senator himself can see that the amount will be very much increased.

Mr. POINDEXTER. That is undoubtedly true; but the exact amount is not material. The material point is that there is a large amount used, that the price which is paid for it is exorbitant, and that that price inevitably would be reduced, in my judgment, at least, as much as $4 per ton. I make the statement upon a comparison of estimates made by those who have examined all the conditions. I believe that this coal could be mined and delivered on the seaboard at $4 a ton in comparison with the $8 a ton which the Government is now paying. Whether it is estimated that 111,000 tons a year are required, according to the statement furnished me by the Navy Department, or 160,000 tons, according to the estimate which the Senator from Oregon speaks of, the saving to the United States Government from year to year is an item so large in comparison with the small amount which would be necessary to open a coal mine and get the coal to the ships of the Navy that from a business standpoint and from that motive of economy which every wise legislator should have, it is absolutely conclusive in favor of the Government mining its own coal and transporting its own coal over its own railroads to supply its needs, not only for the Navy but for the Army.

Mr. CHAMBERLAIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield further to the Senator from Oregon?

Mr. POINDEXTER. I yield.

Mr. CHAMBERLAIN. Even a more serious proposition than that, I will say to the Senator, is the fact that the coal which is transported from Norfolk or Baltimore to Mare Island and other coaling stations of the United States is carried in foreign bottoms. Some of the witnesses spoke of the seriousness of the situation which might confront us if we suddenly became in antagonism with some of the powers whose vessels we now use. For instance, I think most of this coal is transported in British registered ships, and it costs us $2 per ton more to carry it in our own bottoms, but we have not the ships to transport it. One of the witnesses testified that if an emergency arose where we would have to use our own ships to bring the coal around to the Pacific, it would absolutely paralyze the commerce of this country.

Mr. POINDEXTER. Mr. President, the War Department expended $394,657 in 1913 for coal on the Pacific coast and in Alaska, entirely outside of the coal which was consumed in the Orient and on the Pacific Ocean. If we estimate, as I think it can properly be estimated, that that coal which the War Department used on the Pacific coast and in Alaska alone is furnished by the Government itself from its great deposits which have already been so thoroughly surveyed and mapped out and are so accessible to deep water, that cost will be cut in half and a saving of $200,000 a year for coal alone in those two localities by the War Department would be effected.

Mr. President, I spoke on yesterday about the report which had been made as to the manner in which this coal was obtained for making a test on the cruiser *Maryland*. In view of the importance that has been attached to that test, which I think is very largely exaggerated, it seems to me that these statements ought to be incorporated in the RECORD, in order that all the conditions surrounding the mining of this coal and the trial of it on the cruiser *Maryland* should be understood by anyone who regards that as important proof as to the quality of the coal. I have here an affidavit from two or three of the men, who describe themselves as practical miners, who were engaged in this work, and in a way it corroborates the statement which I have already read from the Director of the Bureau of Mines, in which he points out the difficulty of getting, under the circumstances existing in the Bering River at the present time, without transportation and without mining machinery, any fair sample of coal as it would be gotten from a coal mine in Pennsylvania or anywhere else where the mines were thoroughly developed, because it is impossible to separate it from the shale and the rock. The coal vein alternates with the shale and rock, which makes it impossible even for experts to distinguish it from coal, and without the proper sort of screen—which they did not have or which they had lost in the voyage to the mines—it would be impossible to separate the coal from the rock. Here is what these miners say:

To whom this may concern:

We, the undersigned, hereby certify that we were members of the Government expedition which went into the Bering River, Alaska, coal field in the spring of 1912, and that we assisted in mining and loading 750 tons of coal (and rock) for the naval test on the cruiser *Maryland*. Under the supervision of R. Y. Williams, of the Bureau of Mines, coal and rock was indiscriminately loaded together. No attempt was made to separate the coal from the rock at any time during the process of loading. When a miner protested against the manner in which the coal was being loaded, Williams ordered him to hold the sack while he himself loaded it. In another instance where a miner, upon discovering that a portion of the seam he was working produced coal of a very inferior quality as a result of getting too near the croppings, informed Mr. Williams of the fact and was ordered to load the stuff. Williams said he would add some good coal with it and it would be all right. At one time one of the chutes caved up to the surface. The cave consisted of a large quantity of rock and shale, mixed with a sprinkling of coal. The mixture was all loaded into sacks and became a part of the shipment. As practical coal miners of many years' experience we are unanimous in our opinion that the Bering River coal is the best we have seen, and there is an abundance of it.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from New Hampshire?

Mr. POINDEXTER. I yield.

Mr. GALLINGER. I will ask the Senator, first, who Mr. Williams was, who had charge?

Mr. POINDEXTER. He was an employee of the Bureau of Mines.

Mr. GALLINGER. I think we ought to discipline the Bureau of Mines. We appropriate money very liberally for that bureau. It looks to me as though that was not a proper procedure on the part of their representatives.

Mr. POINDEXTER. I do not think so myself. I agree with the Senator from New Hampshire. It seems to me that it is a matter, especially when so much significance is attached to it on a great measure such as is now pending here, which ought to be at least further investigated. The affidavit which I have read is not all the evidence, by any means, that I have on the subject. I will say that in addition I have a statement of greater length and greater detail from a resident of Katalla, who assisted in that work, with whom I am acquainted and in whose veracity and also intelligence I have a great deal of confidence, and he corroborates the description given by these miners.

Mr. GALLINGER. There is one feature of it, however, Mr. President, that puzzles me somewhat, and that is why the men, whoever they may have been, representing the Government making the test of this coal for ships of the Navy should not have at least reported that the coal was not of a good quality, that it was mixed with shale and other ingredients that ought not to have been submitted for the test. I wonder that they did not do that.

Mr. POINDEXTER. It may be that they will. I do not think they have published a report yet, and consequently I can not say what they will have to say in regard to that.

Now, as to the difficulty which was described in the statement from the Director of the Bureau of Mines of separating even where an effort was made or when an effort shall have been made of freeing the shale from coal, I want to call attention to the nature of the coal vein at the particular place where this coal was taken from that was used in the *Maryland* test. The hanging wall was shale. Then there was a vein of soft shale of 5 feet 7 inches, then a vein of coal of 2 feet 3 inches, then a vein of shale of 7 feet, then of coal of 2 feet 6 inches, then of shale, then of coal, and so forth, alternating through a large number of veins of coal and shale. The cross cuts disclosing those various veins were made at three different places, and the veins of coal were much thicker in some of the other cross cuts than they were in the one about which I have just read. In one place the vein of coal was 16 feet 9 inches in thickness. They seem to have been separated at other places and to have been interspersed with shale.

Mr. CHAMBERLAIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Oregon?

Mr. POINDEXTER. I yield to the Senator from Oregon.

Mr. CHAMBERLAIN. The Senator speaks of Mr. Williams having been employed by the Bureau of Mines. I do not know in what capacity he acted, but as a matter of fact an act was passed by Congress and approved October 22, 1912, appropriating $75,000 for the purpose of the Alaskan coal investigation. In pursuance of that appropriation and the authorization conferred by it, the Secretary of the Navy issued an order to Dr. J. O. Downey, who was a passed assistant surgeon in the United States Navy, to take charge of the investigation, and he employed the man, as I understood the matter.

I do not know why a physician should have been appointed by the Secretary to carry out the purposes of the act, but he was appointed, as a matter of fact, and I have not been able to ascertain that he had had any experience in this line of work. It does seem to me that better results might have been obtained if some man who had made it a specialty had been appointed to do that work. He was really a medical officer, but he had charge of the expedition. I state that to the Senator because I do not understand that Mr. Williams was at the head of the expedition. On the contrary, it was Dr. J. O. Downey, passed assistant surgeon of the United States Navy, a young man.

Mr. POINDEXTER. If a doctor was in charge of it, that might answer the question of the Senator from New Hampshire as to why they did not report specifically that shale was mixed with coal. There is no reason why a doctor should be able to tell coal from shale, even after the experiment was made; but, as a matter of fact, while I suppose Dr. Downey represented the Navy Department in this expedition, the mining of the coal was under the control of the Bureau of Mines, and while Dr. Downey may have had some nominal authority there, I do not think he had anything to do with the actual mining of the coal.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from New Hampshire?

Mr. POINDEXTER. I yield, Mr. President.

Mr. GALLINGER. I had forgotten the fact that we had appropriated $75,000 for this specific purpose. I simply was cognizant of the fact that we have always responded to almost any request that has been made of us in reference to the Bureau of Mines, a bureau in which we all feel a very deep interest. It seems to me it is inexcusable that with $75,000 at the disposal of the bureau we should not have had complete tests of the coal made, so that we would know definitely and absolutely what the quality of it is.

Mr. POINDEXTER. We ought to have, Mr. President; I agree with the Senator from New Hampshire entirely; but I call his attention to the fact that the work of the Bureau of Mines is not completed yet. They did not spend anything like this amount of money, I imagine, in the Bering River field. As is stated by him, although I am not informed as to that, they are now getting out coal from the Matanuska field. They have mined it and are having it brought down by Jack Dalton to the town of Knik, whence it can be shipped.

Now, Mr. President, there is some objection to this bill because of its indefinite nature and the wide discretion that is given to the President of the United States under it, and undoubtedly a very wide discretion is given him. The bill I think in all of its vital parts might be written in one sentence, in which it would be provided that the President of the United States shall construct a railroad from a port on the south coast of Alaska to the Yukon River and should either operate or lease it. But there are some reasons for that, Mr. President. I would have it otherwise. If my choice were able to prevail in any degree whatever, I would prefer that Congress should mark out in the legislation the general location of the railroad. But if that were undertaken we would have upon our hands almost a civil war between various towns along the Alaskan coast, each one ambitious to be the terminus of the Government railroad, and it is doubtful whether we would be free ourselves from these warring factions to form any conclusion upon which a beginning of this great enterprise could be made.

There are various avenues over which the administration may travel in carrying out the great powers conveyed by the bill. It can buy railroads already constructed. It need not build at all. It can build railroads at various places. It can build a coal road only and solve the coal question, or it can build a railroad connecting the coast with the interior of Alaska and solve not only the coal but also the transportation questions.

Some attention has been called already, and I have made some observations, as to the financial importance to the United States of mining and supplying itself with coal from its own coal beds, saving $500,000 a year or more, depending upon the exact conditions, which it is impossible to calculate, as to just how much would be saved by that course if the Government should take it. It is quite significant in that connection to consider what I think is the indisputable fact that the Government can build a coal road and reach one of these great coal mines by covering a distance of 25 miles connecting the coal mine with a valuable harbor.

When the great controversy between the Alaska Syndicate and those who were seeking to break the monopoly of that syndicate over Alaska came to a crisis, the Alaska Syndicate was on the point of extending their Copper River Railroad into the Bering River coal field. What men think can best be determined by their action. What they regard as the quality and value of this coal and this coal field can be determined by the fact that they had already made a contract with the Cunninghams by which the Cunninghams were to turn over their entries in the Bering River field under certain arrangements between them, and the Alaska Syndicate was to mine the coal and pay them a certain royalty for it. At that time the question in regard to Controller Bay became an important one. There has been a great deal of confusion about that subject. It is due, to a large extent, to the fact that a great many of the statements with regard to Controller Bay do not relate to Controller Bay at all but relate to Katalla Bay, which is near by. This campaign of disparagement of Alaska and its resources, which has been instituted by those who are seeking to stop the Government from its activities there, in one of its forms is an attempt to convince the public that Controller Bay is not a valuable harbor or a possible harbor. Yet for years maps made by the Coast and Geodetic Survey, showing the depth of the water in that harbor, and the common knowledge of everybody who has visited it, who has seen the great protecting islands lying between it and the Pacific Ocean, demonstrate to a man who has the least expert knowledge of navigation that that is a safe harbor, with ample depth, and with ample room for the handling and the navigation of ships, being protected from the

storms of the Pacific by Kayak, Kanak, and Wingham Islands, which form a crescent around it. From that harbor it is only 25 miles to the Bering River coal fields, over a flat river bottom the greater part of the way, and the plan which has been made by these private parties—whose business sagacity is ordinarily better than that of the Government—was to build a coal road, to lay ties and rails upon this grass, to put the cars upon the road, to open a gravel pit, and to ballast the road.

Their estimate, according to the report of the engineers, was that this could be done in one season—one Alaskan summer—and that it could be done at a cost of less than $1,000,000. Allowance, of course, will have to be made, in addition to that, for the development of terminal facilities, warehouses, wharves, and so forth, if this system is to be a complete one, for the requirements and operation of Government ships. But one course, which is feasible and which probably will be undertaken if the agents of the administration take proper advantage of the situation under this bill should it pass, would be to solve the coal question of Alaska and the Pacific coast by the expenditure of not more than $3,000,000 in building this coal road from Controller Bay to the Bering River fields, putting the Bering River coal into the ships of the Government throughout the Pacific and offering it to the people of Seattle and other Pacific coast cities in competition with the extortionate prices which they now pay for this necessary commodity.

Another course which is possible under this bill would be for the Government to acquire the Copper River & Northwestern Railroad and to extend it some 350 miles from its terminus, at Chitina, to Fairbanks, on the Yukon River. Objection is made that the Government would then be at the mercy of the syndicate which owns the Copper River & Northwestern Railroad; and I undestand it is proposed by the committee to offer an amendment to the bill that if the Government should build an extension of any existing line it should be required to acquire the existing railway from the private parties who now own it.

Mr. President, while this is not the proper time to discuss the administration of the powers proposed to be granted by the bill, it seems to me fit and proper to say here that the proper policy of the Government, when this bill passes, should be to add to the transportation systems of Alaska some railroad in addition and competing with those which it now has, and not simply to acquire and substitute itself for the present owners of the lines already established.

What Alaska needs is not private monopoly nor Government monopoly, but it needs competition. It needs Government competition as a regulator of transportation and Government competition as a regulator of the prices charged for coal. If the Government should extend the Copper River & Northwestern Railroad 350 miles from Chitina to Fairbanks, I doubt the advisability of inserting in this bill a requirement that the Government should acquire the Copper River & Northwestern Railroad. Let them operate their own railroad. They have, no doubt, been already amply rewarded for what they have expended in the development of the Copper River country. The proceeds from that great copper mine, I understand, last year were something like $4,000,000; the exact figures are not important; but they have that mine; they have expended their money in this road; it is a public-service corporation; and what the Government should do is not to turn around and reimburse the Alaska Syndicate for the money which it has spent in the building of a railroad on Copper River, but it should build a competing line and at the same time should use its governmental power to regulate public-service corporations and to see that these people render service to the public at reasonable rates for the franchise which they obtained and for the benefits which they have already reaped from their mines and through the resources which they have developed.

Mr. CHAMBERLAIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Oregon?

Mr. POINDEXTER. Certainly.

Mr. CHAMBERLAIN. The Senator from Washington does not understand that there is any provision in this bill or in any proposed amendment whatever requiring the President to purchase any established line there now, does he?

Mr. POINDEXTER. No; but it permits him to do so.

Mr. CHAMBERLAIN. It permits him to do so, yes; but if he does not do so, if he sees fit not to do so, either because he thinks it inexpedient to do it or if he finds that he can not get one of the established lines at a reasonable figure, he has still power to go ahead and do what the Senator now suggests—establish a competing line.

Mr. POINDEXTER. I am only discussing the alternatives which are possible under this bill; and in order to say that, if it were possible—which, of course, it is not possible—for any Senator to have a bill framed which meets with his individual views, I would prefer a bill which specifies these things about which I infer the Senator from Oregon entertains somewhat the same views that I do—he may or he may not—rather than leaving it and all of its possibilities undetermined, with the consequent agitation and controversy which is bound to come up later on. Even if the Government should complete the Copper River Railroad, in my judgment, it would not be necessary to take the public money and buy that railroad, which cost something like $18,000,000. Of course, if the Government should seek to acquire it, a valuation will be placed upon it very much in excess of $18,000,000; but it is perfectly possible for the Government, if it should conclude to develop that system—and the Government should proceed as any business man would proceed, so far as the selection and construction of its lines are concerned, altogether separate and apart from those great questions of public policy which concern another phase of the Government's activities—to operate this Chitina and Fairbanks line in connection with the privately owned roads without paying $18,000,000 to the Alaska Syndicate, which it has expended for this white elephant which is now on its hands.

Mr. CHAMBERLAIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Oregon?

Mr. POINDEXTER. I do.

Mr. CHAMBERLAIN. I may say in that connection—and I believe I may speak for the committee when I say it—the committee was not disposed to agree with the suggestion, at least in the report of the Alaskan Railway Commission, to provide for a line in connection with the Cordova & Northwestern, or any other established line; in other words, the committee believes that the Government itself ought to own the lines, either by purchasing one of the lines established and extending the Government's line into Fairbanks, or, if that be not feasible, then to itself build a line. It was not deemed advisable to enhance the value of private interests up there, so far as railroads were concerned, and then place ourselves in a position where the rate situation would not be controlled by the Government. The Government ought to absolutely control it, whatever is done in the premises.

Mr. POINDEXTER. There is no question about that, and that is exactly the point which I am making, that the Government ought to build an independent line; and it is manifestly a great deal better, if the Government were going to expend money for railroads in Alaska, that, as a result of that, we should have two railroads instead of one. The Government should build a new railroad; we would have that, and we also should have the service of the railroad already constructed; whereas if the Government repays this private interest for a road that is already constructed, they will have their money and the people will have only one railroad. Of course, it would be under Government control, and in that sense would be a great improvement; but it would in no way compare with the advantages to the transportation of Alaska and all the conditions which surround the people of Alaska and the benefits which would come from having two railroad systems, one up the Copper River, and the other one over the only other feasible competing line from Seward, over the old Alaskan Northern route, extending from that up the Susitna River, through Broad Pass, and on to Fairbanks, a distance of 391 miles.

That road from Seward, should it be constructed, would pass across the mouth of the Matanuska River, and a branch extension of some 65 miles from the crossing of that river would tap the Matanuska coal fields and furnish means for bringing the coal of the Matanuska fields to a harbor and to shipboard at the head of Cook Inlet. It would not be necessary to haul coal from Matanuska across Kenai Peninsula and over two divides of mountains in order that it should reach the terminus of the railroad at Seward.

So far as a coal road and the shipping of coal are concerned, it could be put on board ship and transported to any part of the world or to any city on the Pacific coast from the head of Cook Inlet, the only haul necessary being water grade and a down grade along the valley of the Matanuska River from Chickaloon, in the Matanuska coal fields, to Knik Harbor, at the head of that arm of Cook Inlet. That road, at the same time, would go through a land which is not that which has been described here as characteristic of Alaska at all—a land of fertile soil, not covered with moss, as the Senator from Wyoming [Mr. CLARK] says. He, of course, views everything from the standpoint of Wyoming land and Wyoming climate, and therefore, of course, is inclined to look with disfavor upon other regions of the earth. I have a very high regard for Wyoming, and I remember a great many criticisms and a great deal of pessimism as to the possibilities of the 6,000 feet altitudes and the wind-swept

barrens of Wyoming; but the development of that State, while it has been far ahead of any predictions that were made in regard to it, has not been so fast nor so fruitful as the development of Alaska will be if a railroad should make it possible.

The lands which a railroad from Seward up the Matanuska and up the Susitna would open up are not frozen lands; they are as fertile as any lands in the world, if one can judge by the appearance of them. The soil, which has been eroded from the great mountain ranges by the action of glaciers and by storms, has been piled up, not simply in level river flats but in great rolling areas of unknown and unlimited depth.

There is not any doubt that this country, with land of that kind and with coal and timber available for fuel, can support as great a population as the countries in the north of Europe—Finland, Norway, Sweden, and Denmark—to which I referred a moment ago, and which are far less in extent and less in natural resources than Alaska. I had a statement here as to those countries which I do not seem to have just now, but their combined area is only 450,000 square miles, while that of Alaska is 570,000 square miles. They are no more affected in their climate by the Gulf Stream than the climate of Alaska is modified by the Japan Current; they export no grain, and yet they support a population of over 12,000,000.

Mr. DILLINGHAM. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Vermont?

Mr. POINDEXTER. I yield to the Senator from Vermont.

Mr. DILLINGHAM. I should like to inquire if the Senator, in his investigation of Norway and Sweden, has ever found that there exists in those countries great areas of subterranean frost, which have been there during the ages which have passed since that condition came to Alaska? If the Senator has read the Government reports, he has found that the frost in Alaska extends to bedrock; that it has been there probably for a million years; and that the bodies of animals have been taken out in a good state of preservation. In speaking of the agricultural areas of Norway and Sweden, I am wondering if the Senator has taken that condition into consideration in making the contrast.

Mr. POINDEXTER. Yes; I have particularly taken it into consideration. I am not ready to admit that——

Mr. NELSON. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Minnesota?

Mr. POINDEXTER. I yield to the Senator from Minnesota.

Mr. NELSON. I have listened day after day to a comparison of Alaska with Sweden and Norway, and I have been surprised at the ignorance which has been manifested in that respect. There is no comparison between the climatic conditions of Sweden and Norway and those of Alaska. Take the Bering Sea from Dutch Harbor up to the pass between the two continents. From about the 1st of November, or earlier, to the 1st of June it is all a landlocked sea of ice. No vessels can get up to Nome until along about the last of June or the 1st of July. Now, if you will examine as to Norway, you will find that every harbor on the coast of Norway clear around North Cape is open the whole year round, through the effects of the Gulf Stream and the hot current that comes up from the Mediterranean. Every harbor along the whole coast clear up to North Cape and away beyond the Arctic Circle is open during the entire year. So no proper comparison can be made between the climatic conditions of Alaska and those of Sweden and Norway. When you get across the Baltic, over in Russian Finland, you will find the climate gets a little colder; but even there it is not so cold as is Alaska.

Mr. POINDEXTER. Well, Mr. President, of course I would not undertake to discuss minutely with the Senator from Minnesota the conditions of Norway and Sweden; but I think he will admit that those countries are no more prolific in the articles which it is argued here Alaska can not produce than is Alaska itself. I do not understand that Norway exports wheat or that Sweden is a great grain country; certainly Finland depends only upon its cattle and its butter industry, and the same thing is true even of Denmark. So that it is perfectly possible for the millions of people—2,431,000 in Finland alone—to exist there and to develop a great civilization, even though it should be true, as is claimed here in regard to Alaska, that it can not produce wheat. I do not admit that Alaska can not produce wheat.

I want to say this in regard to the question of the Senator from Vermont [Mr. DILLINGHAM] as to the frozen nature of the soil of Alaska: It has been demonstrated that, whether frozen or not frozen, in its natural condition where it is settled and where it is cultivated it produces crops. The clearing away of the grasses and the moss, which it is true in the interior of the country cover the ground, and allowing it to come in contact with the sun with the long, brilliant days of the Alaskan summer, thaws out whatever frost there may be near the surface to a sufficient depth, and to more than a sufficient depth, to produce the most bountiful crops, some of which I have described from observers who are very careful in their statements.

Mr. DILLINGHAM. Mr. President, will the Senator allow me?

Mr. POINDEXTER. I yield to the Senator.

Mr. DILLINGHAM. What the Senator has said is undoubtedly true; I observed it myself when I was in Alaska; but the expense of clearing the land and reducing it to a condition where the crops of which he speaks can be raised is something enormous and something that would hardly be undertaken by any person who was simply going to open up a farm under ordinary conditions. Therefore all the soil that has been under cultivation and put into agricultural use in Alaska has been near to the mining camps, where exorbitant prices are charged for all the supplies that come in, and where, as a result of that, they are able to secure prices for their products which enable them to take off the tundra and prepare the soil for cultivation, but even there cultivation is very much limited. There is a certain class of vegetables produced in the garden that grow luxuriantly. I remember my farmer friend from Minnesota [Mr. NELSON] saw lettuce growing, and he said "What magnificent cabbage that is." I have never seen finer cabbages, I have never seen finer lettuce, and I never ate more delicious radishes than I found produced under those conditions; but beyond the hardy vegetables—those that require the moisture which comes from the subterranean ice fields—you are limited in what you can get from the land.

Now, what I want to say to the Senator is this: I have in my hand the annual report of the Alaska agricultural experiment station, operating in that territory right around Fairbanks, from which territory come all of the exhibits that are in room 115 of the Senate Office Building. All of the farm exhibits there, or almost all of them, come from the section around Fairbanks and the Tanana Valley. Here in this report of the experiment station for 1911 it is said:

> A careful estimate of the cost of clearing and putting the land in fit condition for the first planting indicates it did not exceed $200 per acre. In estimating the cost of the two crops, allowing 6 cents a pound for seed and $7.50 a day for labor, it will not exceed these figures, which include the cost of clearing.

Then a table is given of the expense of clearing the land and raising the first two crops of potatoes:

> Clearing and breaking, $200 an acre; plowing and cultivating, $50; seed, $90; planting, $20; digging and sacking, $140—

Giving the total cost of the crop as $500 per acre. That is in the official report of the experiment station, and that indicates the enormous expense that attends the clearing of this tundra, which has been accumulating for a million years, made up of moss, decayed vegetable matter, bunch grass, and swampy materials. It is frozen in the winter; but in the spring, when the long days come and the sun shines upon it, it thaws and breeds mosquitoes in a volume which no one not familiar with the conditions would ever dream of. I remember when the Senator from Minnesota and myself arrived on a boat at the most famous garden that exists on the Yukon River, that of the Holy Cross Mission, we were met by the priests, who had veiling drawn over their hats in the form of a bag and buttoned under their throats, and who wore gloves and gauntlets. When they came to meet us they brought us the same kind of veils, because without them it was utterly impossible to go ashore without being eaten up by the mosquitoes. That was because the tundra covers all the area of Alaska, and it has to be removed before one can reduce that land to cultivation. I did not, however, mean to inject this matter into the Senator's speech.

Mr. POINDEXTER. Mr. President, the State of New Jersey probably never would have been settled if the people had refrained from going there on account of the mosquitoes. Vermont may not have any mosquitoes, but Vermont has not very much arable land, and yet it is one of the thriftiest and wealthiest States in the Union. But I want to say this——

Mr. DILLINGHAM. If the Senator will allow me, I did not mention mosquitoes as being an objection, if people like mosquitoes, but simply to show the vast area of that tundra which produces them and which must be removed before you can reduce the land to cultivation.

Mr. POINDEXTER. Of course, Mr. President, there is no doubt that what the Senator says in regard to the conditions which he saw there at that particular place is true, but the Senator is entirely mistaken in saying that that is a universal condition in Alaska. That is the case over a large portion of

the Yukon Valley; but it is not only in that garden—which the Senator has described and which was so luxuriant and so beautiful and where they raise such phenomenal lettuce and cabbage—that men have made a success in farming, and at the Government experimental stations, but private farmers in many places in the Yukon Valley have overcome these difficulties.

Mr. DILLINGHAM. And they have overcome them, if the Senator please, more particularly in the Tanana Valley and in the neighborhood of the city of Fairbanks than in any other place. It is from there that the very fine specimens which are on exhibition here have been brought, and it was in relation to that very section that I have given the cost of removing the tundra and putting the land under cultivation, as taken from the report of the bureau.

Mr. POINDEXTER. It was enormously expensive and required a great deal of fortitude and immense perseverance to clear the lands of Ohio and Indiana, and probably cost as much to the pioneers who went upon those lands and reduced them to cultivation and to habitable places as it would to clear farms even in the Yukon Valley in Alaska, which has not the dense forests and the stumps with which not only one generation, but sometimes two or three generations, had to contend before they could get what we see in Ohio now. But the moss which the Senator describes can be burned off the ground, and when it is burned off it allows the sun to exert its genial influence upon the fertile soil and produces what the Senator has seen there and what he has just described and what is possible not only in that place, but in a great many other places.

The Senator, perhaps, has not been up the Susitna Valley and up the Matanuska River. There are hundreds of thousands of acres of land there on which there is no moss and on which, if not wheat, oats or barley, perhaps, could be grown, or certainly hay. Certainly, too, the industry of dairying and of producing valuable herds of cattle, which is carried on so successfully in Scandinavian countries, could be carried on in Alaska. There is nothing in the climate which prevents it. The natural grasses grow there higher than a man's head.

If I should be asked to select a crop which probably could be raised in commercial quantities in Alaska for export to outside markets, I should say it would be hay. It can not be denied that it is a wonderful grass country. I am at a loss to understand why timothy and other valuable hays can not be grown where these natural grasses grow so profusely and so rankly. They are known to be hardy. There is nothing in the climate there which would interfere with it, and the soil is so fertile that it would inevitably produce most valuable crops.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Does the Senator from Washington yield to the Senator from North Dakota?

Mr. POINDEXTER. I yield.

Mr. McCUMBER. What has the Senator to say with reference to a report made at one of the agricultural experiment stations up there that the average men who have farms in this valley could not raise enough of the natural hay to feed one span of horses? That is the report that comes from the Agricultural Department, and it bears directly upon this hay proposition.

Mr. POINDEXTER. Has the Senator that report?

Mr. McCUMBER. I think I have it right here.

Mr. POINDEXTER. I say there is nothing to be deduced from that, because Mr. Georgeson—I think he is a Dane himself, or is from one of those Scandinavian countries—is an enthusiast about the agricultural possibilities of Alaska. He is in charge of the Government experiment station there. I know that the Agricultural Department, through its representatives in Aalska, does not take the position that Alaska is incapable of agricultural development, but, on the contrary, reports that it has tremendous possibilities in that respect.

Mr. McCUMBER. Will the Senator permit me to quote further just one short paragraph from Mr. Georgeson's report?

The PRESIDING OFFICER. Does the Senator from Washington further yield to the Senator from North Dakota?

Mr. POINDEXTER. I yield, if it is not too long.

Mr. McCUMBER. It is very short indeed. It is from the report of Prof. Georgeson, and is found on page 49 of the Annual Report of the Alaska Agricultural Experiment Station for 1911. He says:

> Imported feed (hay and oats) usually sells in Fairbanks at $90 and upward a ton. The writer challenges the many reports that are continually appearing in eastern papers, magazines, and other current literature, calling the public attention to the supposed vast areas of meadowland in the Tanana Valley, which are calling forth innumerable letters of inquiry.
>
> It is true that travelers often see small meadows and short stretches of good grazing, but when we consider the great area comprised in the Tenana Valley we lose sight of the few scattering grass spots. There are probably not a dozen of the 200 or more homesteaders in the valley who can cut enough wild hay on their homesteads to winter a team. Nearly all homesteads, however, do afford some grazing for four or five months in the year.

That does not seem to accord, at least, with the view of the Senator as to the great hay possibilities of that country—I mean in regard to the natural grass.

Mr. POINDEXTER. I do not think there is anything in that report that is incompatible with what I said. I was speaking of timothy and other hays which could be grown on land after it is improved. The object of Dr. Georgeson in issuing that report was to combat the inflated ideas of enthusiasts about natural conditions there, which it is the policy of the department to do, not only in regard to Alaska, but in many instances it has done it in my own State in regard to the value of apple lands and the money which can be made in raising apples. There is nothing said there which would indicate that this can not be made a hay-producing country.

Furthermore, the part of Alaska to which I was referring when the Senator interrupted me was not the Tanana Valley at all, but was the Susitna Valley and portions of the Matanuska Valley, where it is perfectly evident that quantities of hay could be raised if the effort were made to raise them.

Of course, a man can not go up into Alaska and begin to make money on a farm as soon as he goes there. Probably for many years, however, he would be doing as well as the pioneers did who settled up the United States, and even better than they did.

Mr. DILLINGHAM. Mr. President——

Mr. POINDEXTER. I yield to the Senator from Vermont.

Mr. DILLINGHAM. I think both of my friends are right in a certain degree about this matter. The wild grass of Alaska—the redtop, as it is called—is a nutritious grass and, if it can be properly cured, makes a fair quality of hay. The difficulty is in curing it. It is an expensive process, as in many instances it has to be placed up on stilts, where the air can circulate beneath it as well as over and through it.

I think the experiment in Alaska that has proved most successful in securing forage has been in growing oats, which do not come to a head, but which are mowed and made into hay when perhaps they are in the milky stage. I think that is the view of Prof. Georgeson. I notice that in his report for 1912 he says:

> A few acres were seeded to timothy two years ago. The grass survives the winters, but it has not proved a success. This year it was too short to cut. The land has never been fertilized, nor was it cultivated after the clearing, but seeded directly to grass. These facts are partly responsible for the slow growth, but it is well enough to point out that timothy does not do as well as one might expect from the vigorous growth of isolated plants which have started along trails where hay has been carried.

In the preceding part of the report he expresses the view I have already advanced, that oat hay can be very successfully cultivated, and that under proper conditions the native grass can be cured.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from New Hampshire?

Mr. POINDEXTER. I yield.

Mr. GALLINGER. If the Senator's contention is correct—and I have no means of disputing it—that Alaska can be made a cattle country, where that industry can be engaged in profitably, I can see that the cultivation of hay would be a very important consideration, for the reason that their somewhat long and cold winters would require that the stock should be fed. I do not believe, however, that hay raised in Alaska can become a profitable product for export. I say that largely for the reason that automobiles do not eat hay, and even in our northern States hay is now becoming somewhat of a drug on the market. In addition to that, we have reduced the duty on Canadian hay, which will give us an added supply.

Mr. POINDEXTER. Hay will always be, I believe, a very valuable product. Of course, if the Senator from New Hampshire could demonstrate that hay is not going to be valuable, there would be nothing in my suggestion, but I think it will always be a valuable farm product.

As I stated some time ago, however, the essential thing in Alaska so far as agriculture is concerned is not that it should raise hay or anything else to export to the markets of the world, but that it should raise products which will support the people who live there. Anyone who stops to reflect on what this country has gone through in every stage of its material development, it seems to me, will be convinced that Alaska is capable of doing that.

The truth, probably, is between the two extremes. A man makes the statement that Alaska has agricultural possibilities,

and it is immediately assumed that he is painting visions of an El Dorado there of valuable agricultural products, and an attack is made on it which would leave the impression that it will produce nothing. The fact of the case is that it will produce the means of sustaining life, but it will do it only as a reward for perseverance and industry devoted to the conditions there to bring them under the control of men.

Mr. President, the Government should go into this enterprise, and it will inevitably, because it is the only solution of these problems. While the railroad enterprise will involve the expenditure of money, and probably it is the only one which will involve the expenditure of money, in my judgment it is only one of a number of enterprises which the Government must inevitably engage in if it is going to develop in Alaska a working system of public enterprise which will solve the problem of private monopoly. The additional enterprises, instead of costing money, will be that portion of the entire project which will yield financial returns to the Government for the money which the railroads will cost.

I refer primarily to the development of the coal mines. There is no agriculture, there is no timber, there is no adequate quantity of mineral ores, at least along certain lines, which will furnish sufficient material to make a railroad profitable; but if the Government develops the coal mines of Alaska, and so secures material for transportation, the railroads will become profitable, not only in the earnings of the railroads themselves but in the amount of money which the Government will save in its own departments which use coal on the Pacific.

If the Government is going to complete this system, the time to plan for it is when it begins the Alaska project, because not only will the people on the Pacific coast and in Alaska need coal, as well as the Government for its present uses, but the Government will need coal in increased quantities as soon as it begins this work.

The Government must have coal to carry on the work of the construction of a railroad. It must have coal to operate the locomotives on its railroad after it has been constructed. There is no reason that I can see why the coal problem should not be solved now, as a part of the governmental activities in Alaska.

Some indication of the cost which the Government will be under for coal incident to the construction of a railroad in Alaska is found in the figures of the Panama Canal Commission. The Panama Railroad, which is practically a Government concern on the Isthmus, in 1912 used 61,000 tons of coal, and in 1913 it used 64,000 tons of coal. Of course the Government railroad in Alaska, being a much larger affair, in all probability, and longer, would consume a much larger quantity of coal. In the construction of the canal the Government used 371,000 tons of coal in 1912, and 344,000 tons of coal in 1913.

It is quite interesting to contemplate the cost of the coal which was consumed by the Government in the work of constructing the Panama Canal. This coal on the cars at Colon, on the Atlantic side, was valued at $4.34 a ton. It was delivered on the United States warships, at Colon, at $5.94 a ton. At Panama, just across the Isthmus, on the United States war vessels, coal cost $7.75 a ton. On other warships, and on tramp steamers not belonging to the United States, it cost $9.19 a ton. This shows the disproportionate price of coal on the Pacific coast and on the Atlantic coast, even at the Isthmus of Panama.

If the Government of the United States should expend its money either to build or to acquire a railroad in Alaska, and then turn it over to some private corporation to operate under a lease, the transportation problem of Alaska would be left in exactly the same situation in which it exists to-day. The Government now has the power to regulate transportation, to fix rates, to regulate and to control service, yet the conditions with which the Interstate Commerce Commission has to contend, the amount of work which it has to do, and the limitations which are placed upon its powers have demonstrated that not only in Alaska but even in the United States it is incapable of administering the plenary power which exists in the Government so as to prevent discrimination and monopoly in transportation. It has not been able especially to do it in Alaska. If it can not be done through the power, unlimited in extent, which the Government has over transportation, it can not be done in the form of any lease which may be drawn up to a private party to operate a railroad built at the expense of the people of this country.

Suppose we should pass a bill under which the President should repay to the Alaska Syndicate the money they have expended on this railroad, which probably has proved unprofitable to them, because it has not been extended to the Yukon River, and the Government then should complete the system, pay out the money necessary to build it 350 miles to the Yukon, and then give it back to the Alaska Syndicate to operate at a profit. The probabilities are that they would ask the Government to give them a bonus, because they could not operate it at a profit otherwise. I do not think the people of this country would submit to such a perversion of the funds of the Treasury as would be accomplished by that course, if it should be taken under the plenary powers given in this bill. So I think the clause of the bill which permits the President to lease any line which may be constructed should be stricken out, and the bill should be peremptory in its requirement that the road, when it is built or acquired by the Government, shall remain a Government road, and shall be operated by the Government.

Mr. GALLINGER. Mr. President——

Mr. POINDEXTER. I yield to the Senator from New Hampshire.

Mr. GALLINGER. I unhesitatingly agree with the Senator on that proposition. It seems to me that if the Government is going into the business of building railroads the Government ought to operate those railroads. It is the only way in which we will get a fair test as to the relative desirability of providing Government ownership and operation of public utilities. Whatever my action may be upon the bill when it is finally voted upon, I certainly shall support the proposition to strike the leasing provision from the bill as it now stands.

The Senator is kind to yield, and while I am on my feet I wish to make one further suggestion. A little while ago the Senator said that the Government was not under obligations to purchase the existing road, but that the Government might parallel that road and go into competition with it. I think the Senator will agree with me that if the existing road can be acquired upon just and fair terms it would be better than to have two lines competing for the comparatively small business there will be in Alaska for a good many years to come. If it is to become profitable at all, it seems to me it can only become profitable by having one line given whatever business there may be.

Mr. POINDEXTER. If the Government should build its road to the Yukon, the road that is there at present, of course outside of the White Pass & Yukon road, which is largely on Canadian territory, would not be able to compete with the Government, because there is a gap of some 350 miles between its terminus and the Yukon.

So far as the competition is concerned I anticipate that for some years to come, in all probability, aside from the transportation of coal, it will not be a very profitable railroad operation, either by the Government or by a private party.

As to paralleling the road that is there at present, I have no compunction about paralleling it, because it happens that the people who have built that road—not out of railroad operation, but out of Alaska itself, and partly in connection with the railroad—have reaped ample rewards and are reaping them. Even if they had not, they happen to be people who have reaped out of financial and business conditions in this country so much profit that any petty loss they might suffer through the action of the Government in paralleling their railroad in Alaska is not one which will cause the American people any grief, nor one which will cause them any suffering. They have built their railroad and they would still keep it.

The Government railroad could not compete with that railroad at all, because it is confined to the Copper River country, unless, of course, the Government should build up the Copper River.

It is perfectly evident that wherever the Government constructs its railroad it will tap a coal field in Alaska. Business acumen, and the necessities of construction and operation, would compel that. So we are confronted with the proposition that if the Government builds a line from Controller Bay into the Bering River coal field, or if the Government builds a branch line from the mouth of the Matanuska River into the Matanuska coal fields, as it must do so far as this bill is concerned, there would be the Government with a Government railroad operated by the Government. I am very glad indeed to have the concurrence of the Senator from New Hampshire in the proposition that it should be operated by the Government, and not leased; and yet the Government, in the coal field, with its line of transportation, would have no authority to mine the coal and ship it out over its own road.

It seems to me that if we have come to the point where it is necessary—and we have come to that point—for the Government to intervene in order to solve the transportation problem of Alaska a Government coal mine there is necessary, not as a separate proposition but as a part of this railroad project, to furnish coal in construction and to furnish it in operation and to supply its existing needs. When it has done that it ought not to hesitate, upon proper terms and conditions, and as the best means of preventing a monopoly of coal, to allow the

public to acquire it from the Government at its coal bunkers along the coast of Alaska.

There is another thing for which this bill does not provide. Although I shall support and am urging the bill without it, I think it is inevitable that it will be adopted as a part of this project. That is, that the railroad should not be left detached from the United States in some Alaskan port, with the Government depending upon private steamship lines for transportation, but that the Government should put on its own lines of steamships and connect the railroad with the great centers of population on the Pacific coast, particularly the city of Seattle.

The need for Government ships, so contrary to the previous habits of thought of the people of this country, has been demonstrated by the action of the Government in putting on its own line of ships to the Panama Canal. There is no reason why that line should not be enlarged and extended with a sufficient number of ships so that when the Panama Canal is opened they may go through the canal, continue their voyage up the Pacific coast, receive coal at the Government docks in Alaska or at Seattle, and return to any point on the canal or even on the Atlantic coast with the coal they have taken there in exchange for whatever cargo they may carry to the Pacific coast.

A line of Government ships and Government coal mines are both necessary for the complete solution of the transportation problems of Alaska and for the prevention of a monopoly of coal.

I have introduced an amendment to this bill to which I wish to call attention, and I shall ask, before the consideration of this bill has been completed, that it may be submitted to the Senate for a vote.

The coal-mining proposition is a very simple one in its general outlines. The Government is already operating a coal mine which has proved successful and demonstrated the capacity of the Government to mine coal in connection with the reclamation project at Williston, in North Dakota. It was necessary to do it there in order to get fuel to operate its machinery. The same inducements which apply there and encourage it there to develop its own coal mines on public land adjacent to the project are far more cogent in Alaska, where the enterprise will be so much larger and where the coal will be equally close and so much better and larger in its area.

The Government mining of coal is not a new experiment, by any means, in this country and in other countries. In New Zealand since 1901 the Government of New Zealand has been a competitor in the mining of coal. It is not a Government monopoly. Private mine operators have not been interfered with or put out of business by the Government mines, and need not be.

The purpose of such a proposition is not that there shall be an exclusive Government monopoly of coal mines, but that the price of coal to the consumer shall be regulated by the best possible regulator, namely, governmental competition. So in New Zealand the conditions of labor, the price of coal, the safety of mines, have all been improved by the advent of the Government into the coal-mining business, and the prosperity of the individual mine operators has been increased, because improved conditions, so far from being injurious to an intelligent operator of a coal mine, always prove advantageous to him as well as to his employees.

I have proposed, Mr. President, in connection with this bill, which provides for Government transportation—

> That the President is further authorized, empowered, and directed to cause to be opened and equipped on the public lands in Alaska reserved as hereinafter provided such coal mines as may be necessary to comply with the terms of this act, and to provide for the transportation, distribution, and sale of the proceeds of same as provided in this act.
>
> SEC. 3. That the President is further empowered, authorized, and directed to operate said transportation system, including railroads and boat lines, and all the accessories thereof, and to operate said coal mines and dispose of the product thereof by means of the agencies of the transportation and mining services herein provided.

It provides that the President shall do this, not through a commission established by Congress, independent of the President, but that he shall do it through agents appointed by him, and for whom the President and the administration shall be responsible to the people.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. POINDEXTER. I do.

Mr. NORRIS. I notice that the amendment which the Senator has been reading refers to boat lines. Does his amendment provide specifically that the President shall be authorized to construct boats in connection with these railroads?

Mr. POINDEXTER. Yes; it authorizes him to acquire them by construction or otherwise.

Mr. NORRIS. Does it specify the number in any way, and will it confine him as to their character, size, or cost?

Mr. POINDEXTER. It does. I will read to the Senator the provision in that regard:

> He is further empowered, authorized, and directed to establish such lines of freight and passenger boats as he may determine connecting the ocean terminus of said Alaska transportation system and such other Alaska points as may be available, in his discretion, with the city of Seattle and such other Pacific coast ports as he may determine.

There is a further provision in regard to these boats.

Mr. NORRIS. It seems to me, if the Senator will permit me, that if we are going to build boats at all we ought to develop their construction a little further than that. I should like to call the Senator's attention to an amendment that I have proposed. The committee, I understand, had it under consideration, but did not take any action on it one way or the other. It proposes to give the authority to the President to construct boats and to lease them to the Tanana Railway Co., and that they shall be suitable for traffic on the west and east coasts of both North and South America, as well as connecting with these fields. It seems to me that the boats ought not to be confined entirely to the Pacific coast of North America; but by the adoption of that amendment, or something of the kind, we ought to give the subject a wider scope, so that they could use the Panama Canal and even develop the commerce with South America.

Mr. POINDEXTER. The amendment which I have proposed provides a system which I think has been carefully worked out and which would take the place of the proposition of the Senator from Nebraska. It proposes to lease the boat lines to the railroad service. It provides that there shall be two Government services, one a mining service and the other a transportation service, and that the transportation service may acquire and operate the railroads and boats.

Further, in answer to the Senator's question with reference to the boats, it provides that—

> The term "transportation facilities" as used in this act shall include any or all portions of steam or electric railway lines, together with rolling stock and all equipment; telegraph and telephone lines; express service; canals; wharves, docks, bridges, or other terminal facilities; ocean or river vessels suitable for carrying coal or other freight or passengers, and which may be used as colliers or transports in time of war.

Mr. NORRIS. I think that is a very prudent provision. That will really give to the President the authority to construct boats which can be used in time of war.

Mr. POINDEXTER. Yes.

Mr. NORRIS. Does the Senator provide for any system of leasing boats?

Mr. POINDEXTER. Not at all.

Mr. NORRIS. I should like to say to the Senator while I am on my feet that I do not like the clause in the pending bill which gives the President the authority to lease this railroad; but it seems to me it would be very wise to give him the authority to lease it to the Panama Railroad Co., which is a corporation, as we all know, owned entirely by the Government, but operated as any other transportation corporation operates its line. It does all the things that all other transportation companies do. It would probably interfere somewhat with a Government-managed line; that is, if we managed it directly without the interposition of a corporation.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from New Hampshire?

Mr. POINDEXTER. I do.

Mr. GALLINGER. I will ask the Senator from Washington if he thinks that the transportation from Alaska could possibly be sufficient to warrant the Government in constructing ships that could be used in time of war? They are very expensive. I doubt very much whether any such ship that would be of any use in time of war could be constructed for less than a million dollars, and it is my impression that it would take a much larger amount.

Mr. NORRIS. Mr. President——

Mr. POINDEXTER. I yield to the Senator from Nebraska.

Mr. NORRIS. I was going to suggest that all the bills which have been considered and passed providing for the payment of a tax to indemnify the owners of vessels of the merchant marine that were intended to be used in time of war provided for the construction of such vessels as would be suitable for the ordinary passenger and freight traffic.

Mr. GALLINGER. Yes; they did.

Mr. NORRIS. I suppose if we put that kind of a provision in the bill, we could provide for similar vessels. I do not suppose if the President constructed several of them that he would make them all alike. I do not claim to be an expert upon the subject, but I listened to the debate which took place several years ago on the question of the merchant marine and I understand that it was conceded by everyone that the kind of vessels the law

provided for and that were designed for use by the Government in time of war were the ordinary vessels used by the transportation companies in transporting freight and passengers. I think a vessel as large, perhaps, as some of our transports could be built for less than a million dollars, but there might be some traffic connected with the ports of North and South America where it would be profitable to construct other vessels. I do not know as to that; but, at least, the amendment would give to the President the discretion to construct those that he thought were proper, and he would, of course, inform himself from expert sources as to the kind of vessels which ought to be constructed.

Mr. GALLINGER. The Senator is correct in his suggestion that in all the so-called merchant-marine bills a provision was incorporated that the vessels should be constructed under the supervision of the Navy Department and that they should be so built that they could be used in time of war. But those vessels were to engage in the trans-Atlantic and trans-Pacific trade and in the trade with South America, where it was expected there would be a very large business.

The point I raised, in entire good faith, was whether it was probable that there would be sufficient business out of Alaskan ports to warrant the Government in constructing these costly ships, because they will necessarily be costly if they are constructed in accordance with specifications laid down by the Navy Department and equipped for use in war.

Mr. NORRIS. Speaking with reference to the amendment I myself have proposed, I will say that I did not anticipate that all the vessels to be constructed would be engaged in the trade with Alaska, but since it was in the bill as a parliamentary proposition I wanted to make it broad enough so that if the President thought it best he could construct the vessels and lease them to the Panama Railroad Co., and they could be used anywhere in North or South America in developing the trade between North and South America and making use of the canal, which is soon to be completed.

Mr. GALLINGER. I wish to make just one other inquiry of the Senator from Washington, who is so well informed on this subject that we are all delighted to listen to his discussion of it. I will ask the Senator if the present service from Puget Sound ports or the ports of California to Alaska is not reasonably satisfactory, and as to whether or not they are exacting unusual rates for passenger and freight service?

Mr. POINDEXTER. They have exacted unusual rates. I say that without any prejudice, because, as a matter of fact, I am getting very tired of continually waging battle against private monopoly. A man becomes wearied with it. Yet it is true that these boat lines—and there is very little business available except between the ports of Seattle and Alaska—have been exceedingly extortionate in their rates, not only for transportation but for dockage facilities. With the great power they have had they have acquired the water front of the ports of Alaska and have exacted such charges upon it that, after what was practically a popular uprising in the little town of Valdez, the people finally succeeded in getting a dock of their own, with the result that they reduced the price of coal $2 a ton, from $12 down to $10, which was quite an item for them.

The same battle was waged by the city of Juneau. Juneau's situation is a little different, in regard to transportation, from that of Valdez, because at Juneau there is a line of British Columbia vessels. I will say, incidentally, that those British Columbia boats are fine boats. They are very much desired where it is possible to travel on them on account of their good service. But, of course, under our coastwise shipping laws they can not carry from the United States to Juneau, and they are confronted by the tariff in taking articles needed from British Columbia into Juneau. So the syndicate line of ships had the same sort of practical monopoly growing out of those conditions at Juneau that they did at Valdez, notwithstanding the British ships were there, so far as freight was concerned, and they were held up, if I may use that word, by, in addition to the other agencies, a monopoly of the wharves of the city, and after a great deal of difficulty, fighting a political campaign over it, that little town finally got a city dock, which resulted in reducing the price of coal there, which was nearer to the coal fields, from $12 to $8 per ton. Those two things illustrate some of the extortionate charges of this transportation company.

Mr. GALLINGER. I had supposed, Mr. President, that there was not a monopoly of water transportation between Seattle and Alaska. I had an impression that there were different lines of steamers or individual steamers that were not controlled by one corporation. I do not know whether I am correct in that supposition or not.

Mr. POINDEXTER. I think the Senator is not correct in that conclusion. Although there are many people who will urge on behalf of the ship lines that they are competing with each other, the fact is generally known that they are, with the exception of perhaps one boat, the *Humboldt*, under common control. Many stories are told by people in Alaska, reputable and substantial men of business, about the oppression that they suffered there in various ways when they attempted to employ a ship even on special occasions to bring up a cargo. They go so far as to claim that undue influence was used on various occasions with the marine inspectors, the boiler inspectors, and others to their disadvantage, so as to keep them out of the field. The rates on lumber and other articles of heavy, bulky freight that the Alaskans are compelled to import from the sawmills farther south are quite enormous.

Mr. GALLINGER. My apprehension, Mr. President, has always been and is now that when the Government goes into the general business, whether it is transportation or commercial or any other form of business, we find that the Government will not be able to do the service any cheaper than enterprising private individuals. As I understand it, the Government has a submarine cable line from Seattle to Nome. Am I correct, I will ask the Senator?

Mr. POINDEXTER. Yes.

Mr. GALLINGER. Has the Senator ever investigated the cost of a message over that line from Seattle to Nome?

Mr. POINDEXTER. Somewhat. The charges are quite high. There has been considerable agitation for reducing them.

Mr. GALLINGER. Is it or is it not a fact that a message from Seattle to Nome sent by the Government costs more than a message from Seattle to New York and from New York across the Atlantic Ocean?

Mr. POINDEXTER. I do not think that is true, although I can not be positive about it. I think that is an exaggerated statement.

Mr. GALLINGER. I state it upon the authority of those who say it is a fact. I do not state it upon my own authority, because I know nothing about it. So I have feared, and I do fear now, that if we go into this matter of Government construction and operation of railroads and steamboats and telephones and telegraphs we will have a rude awakening some of these days to the fact that we have not reduced the cost to what is very often termed the ultimate consumer. That is my impression.

I have in my pocket an editorial from the London Daily Mail only 14 days old that is very illuminating as to what is happening in England to-day where they are owning and operating the telegraph and telephone. I propose to read it into the RECORD at the proper time, because I think it ought to be understood.

Mr. POINDEXTER. I heard the Senator refer to it a few days ago, and I have been looking forward with considerable interest to hearing it. It is a very interesting subject.

Mr. GALLINGER. May I read it now, I will ask the Senator?

Mr. POINDEXTER. I would prefer the Senator would wait until I conclude my remarks. I dislike to have it interpolated right in the midst of what I am saying. But I have understood that Government ownership of telephones in certain European countries is very much the opposite of that, and that it has proved to be satisfactory. But that is quite a different question from the construction of railroads in Alaska and the operation of ships. The Government experience in the operation of a Government ship line from New York to Panama has been eminently satisfactory. Generally speaking, the people of this country have not been dissatisfied with transportation conditions because of high rates, but they have been dissatisfied with them because of the discriminatory rates. They have been dissatisfied because of the use of these agencies to oppress one man in favor of another and to destroy one community and build up another. What they desire in transportation is that principle which ought to pervade all laws, namely, in the first place, that it should be just, and then that it should be equal and uniform in its operation.

Now, if the Senator will take the *Humboldt* case, involving the steamship *Humboldt*, which plied between Skagway and Seattle, and in which the opinion of the Supreme Court of the United States was published, and look into it, he will find some of the methods that were used by the syndicate ship lines to shut out competition, and it was only through a long and expensive litigation which few men would live long enough, or have courage and resources enough, to go through that this ship was able to secure from the White Pass & Yukon Railroad, which it is said is under the influence of the same financial power that controls the Copper River & Northwestern and the steamship lines and all other Alaskan utilities—but whether it is or not, it is not material to this point—before they could acquire from that road the same service and the same rates that that road gave to other steamship lines. The Senator can read-

ily see that where all of the business must go over that railroad, going from Seattle to Fairbanks and into the Yukon Valley generally, if it gives a better dockage charge and a better service and railroad rate to the syndicate steamers than it gave to the independent *Humboldt* and that was kept up the *Humboldt* would have to go out of business; it could not compete; it could not get the business; it would continue to be operated at a loss instead of at a profit.

Mr. GALLINGER. Mr. President, that, of course, goes without the saying. I will ask the Senator from Washington if, under our existing laws, we can not reach a condition of that kind?

Mr. POINDEXTER. Yes; we can reach it; that is, there is in the Government, in that great reservoir governmental powers, authority to reach such conditions; but the Senator knows the difficulty of administering and applying that power. In the case of the *Humboldt* they got relief from those particular discriminations after a period of time that would have bankrupted the ordinary steamship company operating a single boat. But it may be that even now, after they have gotten that relief, if they refuse to come into some sort of agreement with the syndicate, it will find other means of discriminating against them, and they would have to start litigation over again and go around the circle again in order to live.

Mr. GALLINGER. The same matter, Mr. President, occurs to me; that so far as extortionate rates on the existing railroads of Alaska are concerned, if we have not the power to regulate them it certainly is in our hands to create an instrumentality that will regulate them. I will ask the Senator if I am not correct as to that.

Mr. POINDEXTER. Yes; I agree with the Senator as to the power existing to do that, but the difficulties of its enforcement and of its administration, particularly when a great number of agencies, such as steamship lines, in connection with railroads are concerned, are so great that it has proved ineffective and hopeless.

The same thing is true as to working out some system by which the development of coal can be kept out of the hands of a monopoly. There are various things that look good on paper, but there is always some way of evading them. There is always some legal genius who can suggest how to do the thing that the syndicate wants to do.

Mr. GALLINGER. But, Mr. President, I had supposed that in this age of a "new freedom" we could do pretty much anything toward regulating all the public utilities. I think we have the power to do that, and we can invoke the instrumentalities that will accomplish it even in far-off Alaska. I am quite as much opposed to extortion and private combination as the Senator, and will cooperate with him to remedy it wherever I discover it.

Mr. POINDEXTER. I am sure that is the case. It occurs to me right now to say, as the representative, in part, of the West and the Pacific Northwest, we have a very deep appreciation of the friendly interest and sympathy which the Senator from New Hampshire usually shows in matters benefiting that part of the country.

Mr. GALLINGER. Thank you.

Mr. CHAMBERLAIN. Mr. President, I wish to say in connection with the transportation question raised by the Senator that the evidence before the Senate committee at least showed that about 30 per cent of the cost of transportation was by sea—that is, 30 per cent of the total charge—but it must be remembered that the same company, the same syndicate practically that operates the ocean steamers, has control of the transportation on the Yukon. So, while the charges on the Yukon are exorbitant, it is a division between the Yukon syndicate and the ocean-operating syndicate, because they are one and the same. So we can not tell exactly how that distribution of receipts is made.

In connection with Government ownership and control, which the distinguished Senator from New Hampshire fears, if the Senator will permit me just a moment, I want to show that generally in other countries than the United States there are 174,057 miles under Government ownership and operation; under private ownership and public operation there are 11,030 miles; under public ownership and private ownership there are 35,244 miles; while in private ownership and private operation there are 422,080 miles. In other words, practically one-half of the railway mileage in the world outside of the United States is in either Government ownership or part Government ownership and private operation. Even in Russia there are 28,400 miles of railroads under public ownership and public operation. I get this from "Ownership and operation of railroads of the world," from the British parliamentary report.

Mr. POINDEXTER. I would much prefer myself not to be compelled to choose between private operation and exclusive Government operation, but that there should be both. Just as the principal reason for the improvement of waterways has been that they are regulators of railroad rates, so the operation of a Government railroad would be far better than any Interstate Commerce Commission as a regulator of rates.

The existence of the private road would also be an incentive and inducement for the correct and efficient operation of the Government road, because there would be rivalry and comparison constantly between the two. That will be the condition under this bill if the proper advantage is taken of the powers which it gives.

Now, pursuing the amendment which I propose, Mr. President, and in answer to some of the suggestions of the Senator from Nebraska [Mr. NORRIS] as to the manner in which ship lines shall be operated—and it applies also to the coal mines and to the railroads—in the first place, that the coal mines shall be made ready for operation and the railroads shall be constructed by the agents of the President, and that when they have been completed they shall be turned over to a transportation service and to a mining service for operation:

SEC. 7. That the construction of plants, as distinguished from the operation thereof, shall be conducted under the immediate direction of the President or of his agents, and upon the completion of such portions of plants as are capable of being operated as units, said portions shall be turned over to, and the operation thereof shall thereafter be conducted by, two services to be known, respectively, as the Alaska Transportation Service and the Alaska Mining Service. The term "plant" as used in this act includes any or all portions of transportation facilities, or coal distributing stations, extensions thereof and permanent improvements in connection therewith. The term "transportation service" as used in this act shall refer to the Alaska Transportation Service; the term "mining service," to the Alaska Mining Service; and the term "services," to the transportation and mining services taken together.

Each service shall be in charge of a chief appointed by, removable by, and acting under the direction of the President, and such chief of service shall have no power or duty other than the operation of said service; and the duties of inspection, fixing of wages and prices, and making of general rules and regulations provided for herein shall be in charge of other officials.

The transportation service shall be charged with the duty of operating for all purposes whatsoever all transportation facilities in the manner hereinafter provided.

The mining service shall be charged with the duty of operating the coal mines on lands reserved to the Government and the distributing stations, wherever established, in the manner hereinafter provided.

Then there is provided a method of accounting by the services:

SEC. 8. That in each service the total debit account for any fiscal year shall comprise all expenditures for operation and maintenance during said year, including payments for injuries to employees, charges for land, and other expenses, with 5 per cent per annum interest thereon, plus 5 per cent of the capital investment of said service, together with the depreciation charges for said year and payment for deficit accounts, if any, as specified in section 9; and the total credit account for any fiscal year shall comprise all money received or chargeable for service or products during said year.

Those are details merely of operating for the purpose of determining whether it is a loss or a gain.

As to the wages of employees, I think that it is perfectly proper, whether the enterprise shall be limited to the construction of a railroad or extended to the operation of a coal mine or to the operation of a line of ships, that some standard of relations between the Government and its employees should be fixed by Congress.

SEC. 10. That the President shall fix, and from time to time readjust, the minimum wages and salaries and the maximum prices to be paid or charged by the services. The minimum hourly wage paid any class of labor shall be not less than the average wage paid that class of labor by other employers under conditions equivalent to those prevailing in the respective services; the maximum price charged for any class of transportation shall be not greater than will pay a reasonable net profit on operation and a reasonable interest on the actual physical valution of the properties involved, the same to be determined by the President; the maximum price charged for coal shall be not greater than will pay a reasonable profit on operations to be determined by the President, transportation, distribution, and rental value of lands to be included in cost of operation. The President may confer the power of fixing minimum wages and maximum prices upon an agent or agents appointed by him as provided in section 4.

Some comment has been made, Mr. President, during the discussion of this bill upon the policy which has been adopted with reference to forest reserves and the entire resources of the country, in fact, which those critics call "locking them up." I am very much in sympathy myself with many of the criticisms upon the administration of the land laws in Alaska, but I do not agree that, because there are faults in administration, necessarily the system is a bad one. Some question was asked here the other day as to why there should be a forest reserve in Alaska. There is the same reason that there should be a forest reserve in Alaska as that there should be a forest reserve in the State of Washington or anywhere else. If a forest reserve is a good thing, notwithstanding the extent to which our forest reserves have already been acquired by private corporations,

why, then, it is time to apply that good principle to Alaska as well as to the States; but if the administration of that law goes to the extent of preventing a settler from cutting wood on public land for his domestic use or for agricultural improvement or to preventing the miners from using it for fuel and even for the development of their mines, without the delay and circumlocution which is necessary in taking matters in Alaska up with the department in Washington, that feature of the administration ought to be abolished. These coal mines ought to be opened at once to the use of all of the inhabitants of Alaska for domestic purposes if they are so situated that they can use them. There ought to be the utmost generosity, the utmost liberality, with regard to the actual settlers in Alaska, giving them the benefit of every one of the natural resources which can add to their comfort or success. Conditions in any new country are hard enough even at the best, and the settlers ought not to have obstacles thrown in their way by foolish regulations such as have been described here. That, however, is no reason for abolishing the forest reserve and throwing it open to the Weyerhaeuser Timber Co. or the paper-pulp mills of this country to acquire, to exploit, and to withhold from settlement and development, as the Weyerhaeuser syndicate and its associate companies have acquired and withheld in such great areas in some of the Pacific Coast States. The forest reserve ought not to be abolished, but its administration ought to be improved.

It is conceded here apparently in argument by those who are opposed to this bill that the only way in which transportation can come through private enterprise is by throwing Alaska open, as they call it. Well, interpreted, that means giving it away, turning it over to the great combinations, industrial and financial, which are able to tower over their rivals and to destroy competition. That power exists not only in Alaska, but has its allied and connected parts in every financial center in this country.

The proposition involved in this bill is whether it would be wise or whether it would be just to this generation or to the generations that are to come after us to pay, as the price for a railroad in Alaska, Alaska itself, and to turn Alaska over forever to the vested rights which would be claimed by those who had once acquired title to its lands and franchises, to its transportation, giving them the greatest returns and the greatest wealth that any exploiters on the continental public lands of this country, great as they have been, have ever enjoyed.

The whole proposition of Alaska for the people is involved in the passage of this bill. It is far more than the millions which have come out of it; it is far greater in its influence upon the future history of this country than what could be acquired from its placer mines or its great copper lodes or the great herds of seal, that have been largely destroyed; or the whale fisheries, which have been exploited by people from very distant lands; or from the salmon fisheries, which have added to the millions of profits of people in distant States, and left scarcely a dollar of benefit to the people of Alaska, who naturally should profit by them. The interest in this bill which the people of this country have goes far beyond any of those things.

However pessimism may view that great country, however its resources may be depreciated, it is nevertheless a fact, proved by actual experiment, that American citizens can live there. The fact that its climate is rigorous is but an incident that goes to make character and fortitude; it is but a circumstance in this great Territory, if by the destruction of private monopoly the opportunity is preserved for the people who would settle there and make their homes, if equal opportunity is given to them, that in times of the Nation's peril there would come out of that hardy northern land sons and daughters to save their country when manhood and womanhood were needed in time of war or for the difficult problems with which we are compelled to deal in times of peace. It is the people, it is the civilization that can be built there, it is the outlet which we must have for the growing millions of ambitious sons of continental America who desire the independence that comes from the ownership of land, from owning their homes, who are able to walk erect, as the Anglo-Saxon has marched across the world as the owner, at least, of a little piece of the earth's surface, over which he can within the law do as he sees fit to do according to his lights and his convictions. It is the opportunity that can be preserved for that kind of people, with all that it means not only to those people themselves but that it means to us, that is involved here in the proposition of the passage or the defeat of this bill, which long experience has shown is the only way in which private monopoly can be broken loose from its stranglehold upon that Territory.

For a Bureau of Employment.

EXTENSION OF REMARKS
OF
HON. VICTOR MURDOCK,
OF KANSAS,
IN THE HOUSE OF REPRESENTATIVES,
Friday, May 1, 1914.

Mr. MURDOCK. Mr. Speaker, I introduced on April 29 last a bill to establish in the Department of Labor a bureau to be known as the bureau of employment. The number of the bill is H. R. 16130. Its purpose is to lessen the amount of unemployment in the United States.

Among the pressing national problems of the democracy, Mr. Speaker, the problems of labor come first. The estate which it has reached, the high estate to which it aspires, its plans and purposes, are indissolubly part of the vitality of the Republic, and remain and must remain the Nation's chief concern. For here, as nowhere else in the world, has labor those governmental processes by which it can blaze its way to the open highway which leads to the attainment of social justice.

That it is blazing its way, all but the willfully blind must see. Inspired by the new doctrine of legal equality and, at the same moment, wrenched from ancient viewpoints by the violent revolution which labor-dividing machinery, quickened transportation, and immediate communication wrought, labor has kept on its mighty march of progress. No blindness in courts, cushioned in easy precedents, no reluctance in legislatures, no antagonism of the selfish and unseeing elements in society have dismayed labor. The final arbiter of institutions is the prevalent sense of right. Ultimately it writes constitutions, drafts laws, and in the end against the last ditch of special privilege—delay—must interpret them. To this prevalent sense of right, labor directs its suit.

No better index of the progress that has been made may be found anywhere than in the remarkable series of propositions set forth concretely in the national platform of the Progressive Party of 1912, dealing with the rights of labor. The Progressive Party was new, sensitively alive to the problems of the hour, impatient with cant and glittering generality and the platform platitudes of the past. It drove directly to its purpose. It declared:

> The supreme duty of the Nation is the conservation of human resources through an enlightened measure of social and industrial justice. We pledge ourselves to work unceasingly in State and Nation for—
>
> Effective legislation looking to the prevention of industrial accidents, occupational diseases, overwork, involuntary unemployment, and other injurious effects incident to modern industry;
>
> The fixing of minimum safety and health standards for the various occupations, and the exercise of the public authority of State and Nation, including the Federal control over interstate commerce and the taxing power to maintain such standards;
>
> The prohibition of child labor;
>
> Minimum wage standards for working women, to provide a living scale in all industrial occupations;
>
> The prohibition of night work for women, and the establishment of an 8-hour day for women and young persons;
>
> One days' rest in seven for all wageworkers;
>
> The 8-hour day in continuous 24-hour industries;
>
> The abolition of the convict contract-labor system; substituting a system of prison production for governmental consumption only; and the application of prisoners' earnings to the support of their dependent families;
>
> Publicity as to wages, hours, and conditions of labor; full reports upon industrial accidents and diseases, and the opening to public inspection of all tallies, weights, measures, and check systems on labor products;
>
> Standards of compensation for death by industrial accident and injury and trade diseases which will transfer the burden of lost earnings from the families of working people to the industry, and thus to the community;
>
> The protection of home life against the hazards of sickness, irregular employment, and old age through the adoption of a system of social insurance adapted to American use;
>
> The development of the creative labor power of America by lifting the last load of illiteracy from American youth and establishing continuation schools for industrial education under public control, and encouraging agricultural education and demonstration in rural schools;
>
> The establishment of industrial research laboratories to put the methods and discoveries of science at the service of American producers.
>
> We favor the organization of the workers, men and women, as a means of protecting their interests and of promoting their progress.

THE PROBLEM A NATIONAL ONE.

The bill creating the bureau of employment is directed to the pledge looking to the prevention of involuntary unemployment.

The problem is essentially a national one. The Nation has become one market and one workshop. This is the answer to the question why cities and States—and many have attempted

the problem—have not attained the success in solving it they set out upon. The effectual unit is the Nation and nothing less.

There is involved also in the question a coordination of those decent employment agencies, under governmental license, and the drastic elimination of those agencies which have practiced the most cruel deceptions on men out of work through the absence of national legislation on the subject.

The problem to which we address ourselves is emphatically not the problem of the vagrant, the defective, or the inefficient. The man "out of work" does not argue himself inefficient, and the self-sufficient idle rich in this country who so contend are cruelly, if not consciously, callous to the facts. The problem is an industrial one dealing with the men who want work and the employer who wants workmen. I am not concerned, in this instance, with the loafers in society, either at the top or at the bottom.

I want to bring the man out of a job and the job that is waiting for the man together. I want my Nation to know, for the good of the whole industrial problem, more of the real facts in regard to casual labor and seasonal occupation.

I want the inhuman frauds and deceptions which have been practiced upon helpless workingmen, through the absence of such a national supervision as I provide, prohibited.

THE TESTIMONY OF FRANCES A. KELLOR.

Is there need of the legislation now? Let me quote from an article by Frances A. Kellor, of the Progressive National Service, a notable student of industrial conditions, who made a survey of the conditions of the unemployed in New York City last February. She writes:

One day this month, in studying how New York City deals with its unemployed, I found a man who was offered an outdoor job and who couldn't take it because he had no shoes or sufficient other clothing. Philanthropy provides a woodyard where he could have earned them.

I saw 250 men huddled in four dark rooms of an employment agency where they had to stand all night because some would have to be turned out if they lay down or sat up.

I trudged with one man to 17 agencies looking for a job, and got back to residential Fifth Avenue to find a man with a job but not knowing where to get a good man.

I saw a saloon that sets out every night in the barroom a counter of sandwiches and a tub of hash and witnessed the mad rush of men who had been without food for days other than the pickings from ash barrels. The saloon expects, when times are good, that the men will repay the favor.

I saw in the waiting rooms of department stores crowds of girls, some of whom lived in so-called working girls' homes, where their doors were locked during the day, shutting them out until night. This was the rule adopted when they were employed and could not be changed when they were without work. I saw, on the other hand, many unfilled requests for domestic workers.

I saw children with their working papers, new to the game of finding work, thrown out on their own resources to make connection where and how they could. I read of the demand for workers from localities which men could not possibly reach because they did not have the fare to get there.

Now, these thousands of people are not mendicants nor crooks, but honest working men and women. As early as June, and in the fall months, any intelligent government by consulting the employment agencies—the only barometer the country has—could have seen what was coming. In December the ratio of jobs requested, and those offered, was 5 to 1, on a basis of 1,500 applications. One agency reported that out of 200 requests within a month they had filled one place. Another said they had had a "good day" when they placed 4 men out of 60 men.

Now, what is the matter with our labor situation that we let men freeze and starve before we know what is happening? What is the matter with our city that, with its abundant resources, those who have jobs and supplies and those who have neither miss each other within the circumference of a few blocks? What is the matter with our State and Nation that a laborer can not go to the place where a job is waiting? And what becomes of our millions given to charity that the saloon in times of stress becomes the "neighborhood center"?

CONDITIONS AS DESCRIBED BY ELIZABETH READ.

In this connection I desire to present to the Congress and the country at this time an exceedingly able paper by Elizabeth Read, of New York, incorporating a statement of the reasons for the establishment of the bureau of employment. The paper sets forth present conditions in relation to unemployment which show that the situation is general and acute; and the reasons why these conditions can not be remedied by municipal or State action. Her view gains emphasis from the fact that the writer is the legal assistant of the legislative committee of the North American Civic League for Immigrants, New York City. The brief is as follows:

UNEMPLOYMENT NOW RECOGNIZED AS A CONTINUING SITUATION.

Until comparatively recent years, it has been generally believed in the United States that any man who wanted work could find it. This belief was, in part, a survival from old village conditions, where living was cheap and standards frugal. In part, it was the natural result of the unparalleled advantages of our industrial and economic condition; the stupendous development of agricultural and industrial resources of very large areas made it seem impossible that a man should be unable to find work of some sort to do.

Gradually, however, it became apparent that capable men were out of work. Various reasons were assigned for this—a strike, tariff changes, an election—anything, in short, that would prove that the need was only individual or local, or, if general, still only temporary.

This position was tenable only as long as no official investigations had been made into the subject. About 15 years ago, however, the collection of statistics relating to unemployment was begun by several Federal departments and State commissions and bureaus. The results of these investigations are stated here very briefly.

The 1900 Federal census shows that 22.3 per cent of all persons having gainful occupations were not working, either at their regular occupation or at any other, at some time during the census year. The report on unemployment summarizes as follows, its tables showing the number of persons unemployed in various occupations:

It appears that approximately four persons out of five who claimed gainful occupations were continuously employed throughout the census year, while the fifth person was idle for a period varying from one to twelve months.

Over 2,600,000 men and nearly 500,000 women were out of work for four to six months, and over 500,000 men were out of work seven months or over.

In 1901 the Federal Bureau of Labor made an investigation into the cost of living of 25,440 families of workmen or persons on salaries of not over $1,200 a year distributed over the United States. The report shows that about half—49.81 per cent—of the 24,402 heads of families were idle for part of the year.

The Geological Survey reports on coal mining from 1890 to 1910 show that workmen in bituminous mines lost from 22 per cent to 43 per cent of their working time annually, and workmen in anthracite mines from 23.7 per cent to 50 per cent, disregarding the year 1902, when the great strike took place.

The committee on unemployment of the New York State commission, appointed in 1909 to inquire into the question of employers' liability and other matters, said in its report:

There are no statistics available from which to compute the actual number of those without work. From the evidence before us we can say with certainty only this: That there are at all times able-bodied wage earners out of work in every city of the State; that the number varies from month to month and from year to year; that it grows larger during the winter and during the years of industrial depression, and reaches tremendous proportions every 15 or 20 years. A conservative estimate would be that in ordinary years of business activity the least number out of work is about 3 per cent of the wage earners regularly employed in the industries of the State, while during the winter months the number would rise to 8 or 10 per cent. In a year of business depression like 1908 the number out of work ranges from 15 to 30 per cent. These estimates do not include all the unemployed. Over and above the percentages here given are the beggars, tramps, and vagrants, who have entirely dropped out of our industries.

PRESENT AMOUNT OF UNEMPLOYMENT IN THE UNITED STATES.

What the number of men now unemployed in any given place is no one knows. That the number has been unusually large during the winter of 1913–14 is admitted even by those who challenge the accuracy of estimates made by organizations or investigators.

Industrial centers such as New York City and Chicago have naturally shown the highest degree of unemployment. Official bulletins published by Commissioner James M. Lynch, of the New York State department of labor, state that the percentage of unemployment among union workmen was greater in the fiscal year from September 30, 1912, to September 30, 1913, than in any other year since 1896, with the single exception of 1908. Sixteen and one-tenth per cent of the union men reporting to the department were idle on September 30, 1913. Through the winter this percentage rose steadily; on December 31, 1913, it was 38.8 per cent. The percentage of unemployed from July to December was 22.7 per cent—nearly equal to that in 1908, when it was 22.9 per cent. Ninety-two per cent of this enforced idleness was due to lack of work, and only 2 per cent to labor disputes.

These are the figures for New York State. In New York City the percentage was even higher—45.5 per cent at the end of December. As two-thirds of the State's union members in the building industry and over 90 per cent of the members in the clothing trades live in New York City, the number of unemployed in the city reached a very high mark. The number of men applying for shelter at the municipal lodging house was more than double the number for the same months in the preceding years. The Association for Improving the Condition of the Poor reported on February 3, 1914, after a careful investigation for two months by experienced agents, that 325,000 men were out of work in New York City. This estimate the association believes to be conservative. Employment agencies, homes, and philanthropical societies tell the same story.

All the industrial centers in the United States have been affected. The Pacific coast has had to face the same problem as

the Atlantic. In January Chief of Police Sebastian, of Los Angeles, stated that 30,000 persons there were unemployed, including 10,000 women. So large a number have been unemployed in San Francisco that the relief measures within the city's means were altogether inadequate. In Chicago Mayor Harrison appointed a commission on unemployment, which began work with $25,000 to expend as it deemed expedient.

THE MEN IN THE BREAD LINE.

Most of these men out of work are capable and willing. James T. Hunt, manager of the Bowery Mission, 227 Bowery, says: "Most of the men in our bread line are Americans, husky, strong, and willing." Almost all the men coming to the Municipal Lodging House in New York City are between 21 and 50. The Association for Improving the Condition of the Poor says that most of the 325,000 have homes and families to support.

What the exact truth is no one knows. Some persons are interested in showing only a few men are out of work, and others in maintaining that a very great many are. Some try to make light of a situation that they really know to be very grave; some try to make a grave one seem blacker still. Such investigations as those here cited, however, show that the truth does not lie either in the mouths of those who say, "All is well," nor of those who say, "All is wrong." Just where between those positions it does lie, no one knows; and yet a fairly accurate knowledge of the extent of unemployment is indispensable for an intelligent attempt to improve the situation. How is it possible to propose a remedy unless you know what it is to be a remedy for, unless you know how deep and how extensive a need it is to meet?

Still less do we know the character and quality of the men out of work. Even where we know accurately that 25,000 men are unemployed in a certain city, we do not know what percentage of them are capable artisans who simply can not find a job and what percentage are men simply too shiftless to keep a job if they had it. At present we have only one rough, crude test for separating them—the woodpile or the rock pile. We must learn to distinguish between the real unemployed workman and the man who is either shiftless by nature or who has grown lazy or disheartened from continual ill luck.

The need for distinguishing between these classes becomes sharply apparent when the question of relief or remedy comes up. What is a help to one class may be a harm to another. One class needs and wants only to be put into connection with work; the other class needs, though it may not want, to be put to work under some sort of supervision, where the connection between work and subsistence is insisted upon. Outside of these classes are the feeble-minded and the incorrigible, needing still another remedy—segregation.

This, then, is the situation in the United States at present; enough unemployment at all times to be a burden on the community, with the amount rising at certain seasons and under certain conditions to a degree sufficient to strain seriously our city governments. The newspapers have made us familiar with the dreary progress of this situation. We read of bread lines, soup kitchens, "armies" of the unemployed starting to march to Washington and driven out of a town with the fire hose, other crowds invading churches until we get confused between the honest desperation rising out of sore need and the intentional sowing of seeds of violence in strong men sick at heart from drinking the bitter brew of misery and charity.

THE CAUSE OF UNEMPLOYMENT.

The situation is sad indeed; but the saddest part of it is that most of the suffering and degradation is unnecessary. Unemployment can always be accounted for in part as due to business depressions, changes in fashion, changes of location of an industry, and the seasonal nature of some trades; but one great fundamental cause, and the one that could be most easily changed is the lack of organization in the matter of the supply of available labor power. The market for cotton, potatoes, steel, paper, leather, for almost any commodity has been organized, so that buyers and sellers know where they can learn what the supply and demand are. But the man with his power of work to sell has still to go from factory door to factory door trying to peddle it out.

In most States the supplying of this need has been left entirely to employment agencies, private or charitable, all acting independently of each other and competing, instead of cooperating. In New York City, for instance, there are about 850 private agencies. A man at the end of his resources can barely pay the fee in one of these. The chance that he will pick out the one that can place him is small. But the agency he chances to enter takes his fee, and tells him to call again, or sends him out of the State to a place where no work exists, or where he is discharged, after a week's work, to make room for another man—with another fee. There are also many racial, philanthropic, or civic employment agencies. But there is no one place in New York City or Chicago or San Francisco where the information collected at the different agencies is brought together. No one person and no one organization has any grasp of the entire situation.

The New York commission found that 60 per cent of the 750 factories it investigated in the State depended entirely for their supply of labor on applications at the factory doors. How slight the chance is that the workman will get to just the factory that needs the kind of work he can do may easily be conjectured. The fluctuating demand for labor draws to it a reserve force of workmen; each industrial city becomes a market, with men going about looking for a vacant place. The more there are of such separate markets, the less is the chance that the man and the work will come together.

The result is that though thousands of men are needed in small towns, and thousands more on farms, they have no way of finding out where to go. There is no central office that gathers up and records the demand; they must go from door to door. So crowds flock from the country, where they are needed, to the congested industrial cities and go about vainly looking for work, while work in other cities or States calls out for them. Harvests ripen and fall only partly garnered, because workmen idle in eastern cities can not get to western plains. Even the men and women that are working suffer, too; for when too many are consuming and too few producing, all must pay the price. The idle men and women, in the flower of their strength, lift up their empty hands for aid—hands empty of all the good things of life. From one side comes the chorus, "Give us work," and from another, "Give us men," until a person looking at these empty praying hands and listening to these confused cries feels as if he were flying with Satan through the realms of Chaos and Old Night.

NEED FOR REGULATING AGENCIES DOING AN INTERSTATE BUSINESS.

The lack of supervision exercised over employment agents doing an interstate business enables them to take advantage of men in bitter need, well knowing that these men will never be able to return to prosecute them. Exorbitant fees, false information about wages or conditions of work, men sent to places where no work exists, are examples of complaints brought against these agents. That this is no slight matter appears from the fact that in New York City alone 63,691 contract laborers, exclusive of farms hands, were sent out of New York in 1913 to different parts of the country by licensed agents. How many were sent out by unlicensed agents no one knows. According to the report of the commissioner of licenses in New York, the commonest form of deceit is the falsifying of conditions:

> Men are told that they are going to do grading work, and when they are shipped fifty or a hundred miles outside of New York they find that they have to work standing up to their knees in water. Some are told they have to work on roads and find that they must go into tunnels. Good sleeping quarters are promised to some, who are then made to sleep on the floors of shanties without even straw to lie upon. Proper food and cheap board are described, which turn out to be unfit food furnished at extortionate prices by the bordante. Men are led to believe that they can earn $3 a day, when frequently they can not earn $1 a day, and must pay the greater part of it for food and sleeping accommodations. If there is a strike on the works and the new hands are sometimes in danger, this fact is concealed. If they have no money they can not get away and must bear with the conditions, no matter how unfortunate they are. (Report of Commissioner of Licenses, New York City, 1913.)

The situation is the same in the West as in the East—hundreds of cases of fraud going unpunished because the interstate nature of the case prevented any one State from having jurisdiction. The commissioner of labor of Wisconsin, in a discussion on the regulation of employment agents before the Twenty-eighth Convention of the International Association of Bureaus of Labor, gave the following illustration of the lack of jurisdiction in such a case:

> One contractor had hired 300 men one week and sent them out about 100 miles on the railroad, had kept them three days, and discharged them. These men were charged $2 for their registration and $1 each for the 300—which made $300—went to the men that hired them, and the other $1 each—$300 for the 300 employees—went to the private agencies. Then he sent to the agency and said, "Send me more men; I can not use these any longer." So he made another change, and during the week his fee was $600, and the contractor of the railroad got $600 out of it. We do not know how we are going to reach them, because the contractors from another State come in and send their orders across the border line. (Page 85.)

The bureau of industries and immigration in the New York department of labor receives many complaints every year from workmen who have been cheated in interstate transactions of this kind. Eight men, for example, were sent to Pennsylvania to do construction work—machinist and contract work. They were put to work in front of furnaces—work beyond their

physical powers. They applied to the Associated Charities in the neighborhood, which asked the bureau to prevent this sort of misrepresentation. The bureau could take no action, as none of the complainants could come into its jurisdiction. In another case the Italian consul reports that Italian laborers sent by a New York agency to Montgomery, Ala., to do simple excavating work were obliged to work in water up to their knees. Some of the men contracted rheumatism, had to leave their work, and applied to the consul for help. Again the State was helpless.

These cases could be multiplied indefinitely in any State in the Union. Such agents build upon the knowledge that workmen must go from State to State as seasons change and industrial conditions alter.

It is clear that the lack of organization in the matter of supplying labor at present seriously and increasingly endangers the industrial welfare of the country. No country can hope to advance swiftly that has to carry too heavy a burden; those that are not capable of carrying themselves along—the sick, the injured, the aged—form a sufficiently heavy burden for any State. When to this is added the weight of thousands and hundreds of thousands asking only for the chance to support themselves, the burden becomes too heavy to be borne. Aside from the spiritual effect on a nation of a large body of men who feel in dumb, uncomprehending surprise that the existing order is somewhat becoming inadequate—entirely aside from this, even as a directly economic matter, this country can not afford, in the face of the present situation, to neglect to take all possible means of bringing together the work that is to be done and the men that want to do it.

THE INADEQUACY OF STATE CONTROL.

Unemployment is a matter which no State can adequately treat, because it has neither the authority nor the mechanism for getting information about labor and trade conditions beyond its boundaries. It could and should collect all possible information about such matters within its own territory, but that is altogether insufficient to cope with a problem that is in no sense local, but national.

Each State can use its police power to inspect employment agencies, and can deal through its courts with intrastate complaints. It can organize the supply of labor within the State. Seventeen States have established free employment bureaus, only four of which, however, have adequate appropriations and efficient methods.

Under present conditions, however, even a well-equipped State employment bureau with branch offices exchanging labor bulletins has no way of knowing what need may exist beyond its boundaries. The State of Rhode Island may have 5,000 unemployed men who are wanted in Minnesota, but Rhode Island has no way of finding that out. And if it should learn of the need for workmen elsewhere, it has no authority to use State funds to pay the men's transportation.

Many of the most serious conditions, however, are interstate in their very nature, and the mandate of a State runs only to the boundary thereof. Moreover, such transactions are properly subject only to Federal, not State, control; for if the sale of electric power in one State to be used in another constitutes interstate commerce, so does the disposition of working power.

It is objected that the supplying of information about work and workmen may safely be left to private enterprise. Present conditions are a sufficient answer to that position.

It is objected that the law of supply and demand can be relied on to bring men and work together. The answer is that it has not done so. Theoretically it might be expected to; practically it has not had that effect. "It is a condition and not a theory that confronts us."

It is objected that provision for unemployment should be left to the separate action of municipalities or States. It is sufficient answer to point out what would happen to any municipality or any State that offered to provide work for people that asked for it. Suppose it had been announced this winter that New York or Chicago or Washington had set itself to provide work for the unemployed.

It is objected that State regulation of private agencies and State free bureaus supply the need adequately. About one-third of the States have free bureaus of some sort, and about half the States have laws regulating private agencies in some fashion, but these laws and bureaus have not ended the abuses nor met the need.

Even if all the States did it, and did their best, that would be insufficient, for no State creates or controls its trade conditions any more than it creates its own weather. Many matters a State can regulate, of course. It can compel adjustments and reorganizations of manufacturing methods, but beyond that degree of control it has to take its share in whatever weather is sweeping across the country.

The work of separate State bureaus is absolutely necessary, and such bureaus should be established and brought to a high degree of efficiency in every State. But cooperating with them, bringing together all their observations and information, there should be a Federal bureau, charged with the duty of keeping watch over the supply of labor power available in the United States.

THE DUTIES OF A FEDERAL BUREAU OF EMPLOYMENT.

The purpose of the Federal bureau of employment would be to lessen the amount of unemployment in the United States.

It would endeavor, first of all, to bring together workmen needing work and employers needing workmen. It would do this through a central office at Washington and a system of branch labor exchanges in important industrial and commercial centers. Each exchange should collect all possible information about the state of the supply of available labor power in its district, both through its actual work as a free employment office and by any other means, and would cooperate with the others by exchanging reports through the central office. The central office should combine these local reports into a labor bulletin, from which anyone could learn the demand for work and for workmen in different parts of the country. The bureau would cooperate to the fullest possible extent with all existing State, municipal, and private employment agencies.

The bureau should also investigate the methods of all persons, corporations, and agencies procuring employment for others who carry on an interstate business. The head of the bureau should have power to license, inspect, and thus effectively control the work of all such interstate agencies.

The bureau would also make a thorough and comprehensive study of the causes of unemployment, in order to determine which of them are due to conditions that can be altered and which must be met as an inevitable incident to industry. It would study possible means for avoiding the dislocating effect of seasonal industries and for lessening the amount of casual labor. It would try to see what relation there is between unemployment and the lack of vocational guidance and industrial training. It would investigate the various systems of employment insurance and other methods of relief in operation in foreign countries, to judge whether some such provision would be applicable to American conditions.

Only by a definite, scientific, national plan can this country hope to solve the question of unemployment. By not attempting to solve it, the country is playing into the hands of those that say that no solution is possible.

Tribute to John Francis Schumacher.

EXTENSION OF REMARKS
OF
HON. HARRY H. DALE,
OF NEW YORK,
IN THE HOUSE OF REPRESENTATIVES,

Thursday, April 23, 1914.

Mr. DALE. Mr. Speaker, I arise to pay tribute to the young hero John Francis Schumacher, coxswain of the battleship *Florida*, who went to his death on Tuesday last following the first clash of arms between the forces of the United States and Mexico. The boy at the time of his death was but 24 years of age. He enlisted at the Brooklyn Navy Yard in 1907, before he was 17 years old. He was assigned to the *New Hampshire*, but was transferred to the gunboat *Wheeling*, being promoted from able seaman to gunner's mate. He reenlisted on December 5, 1910, and was transferred to the battleship *Florida* last year.

Mr. Speaker, see the kind of man John F. Schumacher was, giving his life in the defense of his country. Just think of it, having spent seven years of his youthful life in the service of the United States Navy, being one of the many of the kind of men that must be called upon in times when our country may be in danger and our honor as a people hanging in the balance, and he such a true character of patriotism to be the first to fall in the defense of the flag and the honor of the Nation. Good to his dear mother, taken from her, fighting a noble cause, and now his name is on the Nation's roll of honor of the heroes passed and gone. "My boy was good to me and he would have made a great name in the Navy had he lived"

are the words of his dear mother. I wish to say to this broken-hearted mother that her boy has made a great name in the Navy in having completed life's battle in the defense of his country. No better record could he have made at Vera Cruz, assisting in landing the flag of the United States, participating in the sharp battle when the rifle bullets from the guns of the American marine answered and the big bells hanging in the church towers rang out clear and loud as the leaden pellets struck them, the dying among the dead. His eyes were closed in death, all for his country. Mr. Speaker, I know that the people of the United States extend their sympathy to the heart-broken mother of this dead hero.

Mothers and wives, should the call ring out,
It is you must answer your country's cry;
You must furnish brave hearts and stout
For the firing line where the heroes die.

For you must give us the strength we need;
You must give us the boys in blue;
For never a boy or a man shall bleed
But a mother or wife shall suffer, too.

Colorado Coal Strike.

EXTENSION OF REMARKS

OF

HON. GEORGE J. KINDEL,

OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, May 4, 1914.

Mr. KINDEL. Mr. Speaker, to-day I asked for unanimous consent for the privilege of addressing the House for five minutes. This was denied me. My purpose was to read a telegram which I received last Saturday night from Mr. L. M. Bowers, manager of the Colorado Fuel & Iron Co.

The telegram which follows explains itself. The contents will no doubt surprise many who heard or read only one side of the controversy.

DENVER, COLO., *May 1, 1914.*

Hon. GEORGE J. KINDEL,
House of Representatives, Washington, D. C.:

To correct Hon. KEATING'S charges that the Colorado Fuel & Iron Co. did not voluntarily grant to its miners all the advantages of labor unions until compelled to do so to forestall a strike, we wish to say that a 10 per cent increase of wages, not asked for, was given on April 1, 1912. The circular advising the miners to employ their own check weighmen was posted April 11, 1912, one year and six months before strike. This circular referred to the fact that the company had always favored miners employing their check weighmen and reissued for information of new men on semimonthly pay day on February 1, 1913, and eight-hour day March 1, 1913, both unsolicited and six months before strike was called.

L. M. BOWERS.

The following signed article which appeared on the editorial page of the New York World of Sunday, May 3, elicited the letter from Mr. Harahan, my answer to which I also publish herewith:

[By GEORGE JOHN KINDEL, Congressman from first district of Colorado.]

The present situation in Colorado is the direct outcome of the pernicious activity of professional labor agitators, and the Democratic Party, as well as the Department of Labor, are seriously to blame in the matter, for they are standing in with organized labor irrespective of considerations of justice and from purely political motives.

It is true that in the past the mine owners controlled politics in Colorado; that, as the saying was, they "voted sheep." But the present demands of organized labor not only represent the determination that it shall now in its turn be allowed to control politics, but that it shall dictate its own terms to the operators, and shall also be put in a position where it can compel the workers in the mines to join the union against their will.

As a matter of fact, the mine owners have been complying with the State laws in recent times, and the adoption of the initiative, referendum, and recall has made it impossible for them now to control the action of the State officials, for these can be recalled if their conduct becomes a cause of public scandal.

The real root of all the trouble is that the unions want to run the mines not in the interest of the actual workers on the spot, nor for the interest of the district, nor of the State, but simply for the money there is in it for the union. What the union leaders want is that the employers shall compel each worker to join the union, to pay $10 entrance fee to the union, to contribute $1 a month to the union funds, and that, in addition to this, the employers shall deduct from the wages of the workers and pay over to the union whatever fines the union may arbitrarily inflict on the workers.

This kind of labor tyranny is going to ruin the State if it is not checked. Some years ago, as a result of the same kind of thing, Denver lost the great Grant smelting plant, which gave employment to thousands. All that is now left of it is the $50,000 chimney, which stands as a significant monument of what happens when organized labor insists upon running the business of the State and the business of the employers, as well as its own business.

This brought forth the following letter from Mr. Harahan and my answer:

PHILADELPHIA, *May 3, 1914.*

Hon. GEORGE J. KINDEL,
House of Representatives, Washington, D. C.

DEAR SIR: I have read your statement in to-day's New York World on the deplorable conditions in Colorado.

While it may be perfectly satisfactory to the mine owners, a strict observance of facts would be more to the point.

Permit me to refer you to an official document issued by the secretary of state and commissioner of labor of Colorado. In his report to the governor for the years 1909–10 James B. Pearce states some facts that would tend to disprove certain statements in your article, and you may wish to revise your statement after perusing this report.

Yours, truly,

W. B. HARAHAN,
5101 North Broad Street, Philadelphia, Pa.

HOUSE OF REPRESENTATIVES,
Washington, May 4, 1914.

Mr. W. B. HARAHAN,
5101 North Broad Street, Philadelphia, Pa.

MY DEAR SIR: Glad to receive your criticism of my article on the Colorado strike in yesterday's New York World.

Evidently you did not read it carefully or you would not have arrived at your conclusion. I refer to the second paragraph, "It is true that in the past the mine owners controlled politics in Colorado," which I, with a large majority of others, opposed with all our might and went on a political strike until we have achieved initiative, referendum, and recall, which after all apparently avails us nothing, as is demonstrated in the present situation.

Representative STEENERSON, of Minnesota, suggested that lawless corporations should forfeit their charters, and if organized outside of the State, then oust them, as was done with the Standard Oil Co. in Texas and, I believe, in several other States, an opinion in which I fully concur.

Yours, in haste,

GEO. J. KINDEL.

The following is a verbatim report of Hon. HALVOR STEENERSON'S remarks (see CONGRESSIONAL RECORD, p. 8040):

Mr. STEENERSON. Mr. Chairman, I understood the gentleman to state that these coal mines in Colorado are owned by corporations. Will the gentleman state whether they are Colorado corporations, or foreign corporations organized in other States?

Mr. KEATING. I am not informed as to that, but it is my impression that they are Colorado corporations.

Mr. STEENERSON. It seems to me that the violations of law enumerated by the gentleman in his speech on the part of these corporations would be sufficient ground, if the corporations are local in Colorado, for the forfeiture of their charter, and if they are foreign corporations, organized outside of the State of Colorado, they would be sufficient grounds for ousting them from the State; and it seems to me strange, considering the fact that this trouble has existed for some considerable length of time, that the State authorities have not sought to forfeit the charters of these corporations or else ousted them from the State if they persisted in violating the law.

Mr. KEATING. I will say to the gentleman that these violations of the law have continued for some years. Sometimes the necessity for action has been urgent and the violations of the law have been flagrant, and on such occasions there would be an outburst of public sentiment. But sometimes when these outbursts occurred the weapons to deal with them would not be at hand or the officers of the State would not be disposed to do their full duty. Before we could secure effective action public sentiment would cool and the offending incident would be forgotten.

Mr. STEENERSON. Both of these proceedings would be under the attorney general of the State. The gentleman stated that the rest of the counties of Colorado were not dominated by these conditions, but only two counties. Now, it seems to me, if the governor wanted to put a stop to the conditions that exist that would be the way to do it—either bring about proceedings for the forfeiture of the charters of the corporations or else to oust the corporations from the State.

A sample of letters echoing my sentiments, of which I receive many from strangers:

PORT HENRY, *April 30, 1914.*

Hon. GEORGE J. KINDEL,
House of Representatives, Washington, D. C.

DEAR SIR: Please allow me to congratulate you on your speech in regard to the recognition of the labor unions. One thing more, and but one, is needed to prevent such scenes as the dynamiting by the McNamaras and those that are to-day disgracing the State of Colorado, and in fact all America, viz, a law compelling all labor organizations (possibly all organizations) to be incorporated.

The poor, ignorant, mostly foreign, strikers, whose minds are easily inflamed and easily incited to act of violence and bloodshed, are not to blame, but the professional agitators, who agitate not for the good of honest labor and honest workmen, are to blame, for they are agitating for personal gain.

Such a bill would eliminate such leaders as the McNamaras, the Heywoods, the Cannons, the "Mother" Joneses, all foes to honest labor and honest laboring men.

All labor unions are not bad; some are a blessing. But all labor unions are a curse that are dominated by leaders looking to personal gain rather than the good of their fellow workmen, and a bill such as I suggest I believe would be approved by all honest workmen and all loyal Americans, and by their votes—for the majority of the workmen who have a vote are hard-headed, honest men, who do their own thinking—would approve of it. It would raise a howl from the anarchists and socialistic agitators, because it would put them out of business as leaders, but that is what is desired by all honest Americans. The sad spectacle seen in New York city of foreign socialists and anarchists parading and damning religion, the country, and her flag, unrebuked by the officials, is making the blood of many American citizens boil, and the sooner the administration and politicians realize it the better for them.

Again congratulating you, I beg to remain,

Yours, truly,

W. C. WITHERBEE.

Panama Canal Tolls.

EXTENSION OF REMARKS
OF
HON. GEORGE S. GRAHAM,
OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, April 21, 1914.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, under the leave granted to me to extend my remarks in the RECORD I include analysis of right to toll exemption under the Hay-Pauncefote treaty, by J. T. Richards, of the New York bar.

It is as follows:

AN ANALYSIS OF THE RIGHT OF THE UNITED STATES TO USE THE PANAMA CANAL FOR ITS VESSELS OF COMMERCE WITHOUT PAYMENT OF TOLLS THEREFOR.

First. The right as it existed prior to the Clayton-Bulwer treaty, made July 4, 1850.

Second. As it existed after that treaty and prior to the Hay-Pauncefote treaty, made February 21, 1902.

Third. As it existed after the latter treaty and until the present time.

THE RIGHT TO TOLL EXEMPTION PRIOR TO ANY TREATY.

The United States, in the beginning, had the right to acquire territory on the Isthmus of Panama in any lawful manner and to construct and operate a canal thereon, and to exercise all the rights and powers and to enjoy all the benefits of ownership thereof.

THE RIGHT TO TOLL EXEMPTION AFTER THE CLAYTON-BULWER TREATY AND PRIOR TO THE HAY-PAUNCEFOTE TREATY, FROM JULY 4, 1850, TO FEBRUARY 21, 1902.

THE CLAYTON-BULWER TREATY.

A. Its application to the Nicaragua Canal.

B. Its application to the Panama Canal.

A.

THE NICARAGUA CANAL.

This treaty limits its contractual provisions and binding obligation solely to the subject matter of the Nicaragua Canal.

The material part of the recital is as follows:

The United States of America and Her Britannic Majesty, being desirous of * * * fixing in a convention their views and intentions with reference to any means of communication by ship canal which may be constructed between the Atlantic and Pacific Oceans by the way of the River San Juan de Nicaragua and either or both the Lakes of Nicaragua or Managua to any port or place on the Pacific Ocean, the President of the United States has conferred full power on John M. Clayton, Secretary of State, * * * and Her Britannic Majesty on * * * Sir Henry Lytton Bulwer * * *, minister plenipotentiary * * * for the aforesaid purpose, and the said plenipotentiaries * * * have agreed to the following articles.

Article 8 contains certain general declarations of principle and of future policy with reference to a canal across the Isthmus of Panama; but these are not embodied in binding stipulations, but, as expressly stated, are left to be dealt with and reduced to definite contractual obligations by some future treaty. These declarations of policy will be dealt with later.

THE CLAYTON-BULWER TREATY WAS INTENDED TO APPLY TO A CANAL THROUGH NICARAGUA, CONSTRUCTED, OWNED, AND OPERATED BY PARTIES OTHER THAN THE NATIONS WHO WERE PARTIES TO THE TREATY.

The treaty contemplates a canal to be built, owned, and controlled by private persons or corporations and not by either the United States or Great Britain. By the express provisions of article 1 it is stipulated that neither nation shall "obtain or maintain for itself any exclusive control over said ship canal * * * or occupy, fortify, or colonize, or assume or exercise any dominion over Nicaragua, Costa Rica, the Mosquito Coast, or any part of Central America."

By article 3 it is stipulated "that if any such canal shall be undertaken * * * by any parties having the authority of the local governments through whose territory the same may pass, then the persons employed in making the said canal and their property * * * shall be protected * * * by the Governments of the United States and Great Britain * * *."

The use of the words "parties" and "persons" and the agreement to give protection clearly implied that the nations who promised protection did not intend to build the canal or receive protection. It would be incongruous for a nation to pledge its protection to itself. If it were intended to pledge the aid of one nation to the other in a case where either was expected to build the canal, appropriate language would have been used.

In like manner, in article 5 it is stipulated that the treaty nations "will protect the canal from interruption, seizure, or unjust confiscation," and so forth, provided that "if the persons or company undertaking or managing the same" shall make unfair discriminations, and so forth, either Government may withdraw protection.

Again, in article 7 reference is made in three different places to "persons or company" having a contract with the State through which the canal passes for its construction.

It is plain, therefore, that the Clayton-Bulwer treaty did not deal with the ownership of the Nicaragua Canal by either treaty nation, except substantially to prohibit it.

Their relation under the treaty to the owners of the canal was that of disinterested persons not privy to the enterprise offering protection and guaranty of neutrality, provided that the owners accepted it on reasonable conditions.

PROTECTION AND GUARANTY OF NEUTRALITY WAS TENDERED TO THE OWNERS OF THE CANAL AS AN OPTION TO BE AVAILED OF BY THEIR OWN FREE CHOICE, NOT AS AN OBLIGATION TO BE ENFORCED BY THE TREATY NATIONS AGAINST UNWILLING OWNERS.

Under the terms of the treaty it was contemplated that the owners would stand outside the treaty, not bound by its provisions unless they voluntarily accepted them. The proffer of protection and neutralization with the attendant conditions was tendered as an option to be availed of at will by the owner, not as an obligation to be enforced against him in invitum. No stipulation of the treaty provided that any of its conditions should be enforced upon the owner. He was free.

THE ONLY PENALTY OR REMEDY AGAINST THE OWNER FOR REFUSING TO COMPLY WITH THE CONDITIONS ON WHICH PROTECTION WAS OFFERED WAS WITHDRAWAL OF PROTECTION.

Even after protection and neutralization should have been extended no provision was made by the treaty to compel observance of the condition by the owner. The only penalty denounced by the treaty for breach of conditions was the withdrawal of protection and guaranty of neutrality by one or both treaty nations. (See art. 5.)

It was not even obligatory on both nations to withdraw. One might withdraw and the other might decline to withdraw and still continue to afford protection, notwithstanding the breach of condition.

The treaty fully recognized and took into account the moral and legal rights of the owner of the canal which were inherent in him as owner. Among these was the right to regulate the rates of traffic over his property. He was not to be deprived of any rights. The treaty offered benefits, and these were believed to be so important and so valuable that no owner of the canal could afford to refuse them in view of the reasonable terms at which they were offered. If he did refuse, he was within his rights.

Upon this point it will be interesting to cite the language of article 5:

The contracting parties further engage that when the said canal shall have been completed they will protect it from interruption, seizure, or unjust confiscation, and that they will guarantee the neutrality thereof, so that the said canal may forever be open and free and the capital invested therein secure. Nevertheless the Governments of the United States and Great Britain, in according their protection to the construction of said canal and guaranteeing its neutrality and security when completed, always understand that this protection is granted conditionally, and may be withdrawn by both Governments or either Government if both Governments or either Government should deem that the persons or company undertaking or managing the same adopt or establish such regulations concerning the traffic thereupon as are contrary to the spirit or intention of this convention, either by making unfair discriminations in favor of the commerce of one of the contracting parties over the commerce of the other, or by imposing oppressive exactions or unreasonable tolls upon passengers, vessels, goods, wares, merchandise, or other articles. Neither party, however, shall withdraw the aforesaid protection and guaranty without first giving six months' notice to the other.

It will be observed that the language of the last two sentences is most significant.

Even if discrimination should be made in favor of Great Britain and against the United States, the only remedy of the latter would be to withdraw from its part in the promise of protection and guaranty of neutrality, leaving Great Britain free to continue as to its part. The same would be true vice versa if the discrimination were in favor of the United States. There was no provision in the treaty requiring either Government to forbid its vessels of commerce to accept such discrimination or to penalize them by any tax or dues for acceptance. The sole instrument of enforcement, the only penalty, was the withdrawal of protection by the aggrieved nation, or both.

If the canal were built by a corporation either nation might acquire stock in the corporation provided that the amount were not sufficient to give it "exclusive control." There is no provision of the treaty forbidding either nation to own stock. The only prohibition is against exclusive control as set forth in article 1.

Neither is there any treaty provision forbidding either nation to aid such corporation by buying its bonds, not even from buying all its bonds, provided that the exclusive control of the canal did not pass under some collateral agreement. Either

nation therefore retained its ordinary rights in the matter of acquiring the securities of the company except that it must not acquire exclusive control of the canal or of the owner corporation.

It follows therefore that so far as the treaty affected the matter, the canal could have been constructed by a British corporation. Great Britain could have aided it by taking all its bonds and could have acquired any amount less than a majority of its stock. The corporation could have discriminated in favor of British commerce and against that of the United States, and the latter could not have prevented the discrimination. It could not even have required Great Britain to refuse protection or to withdraw the guaranty of neutrality.

But the United States could have withdrawn its guaranty of neutrality, and when war came between Great Britain and some other nation it could have refused to aid in maintaining that neutrality. Or if the war were with the United States the latter might have taken the canal by conquest if it could.

This was the real penalty denounced by the treaty and imposed by the withdrawal of the aggrieved nation. Doubtless ordinarily it would be adequate. But there was no mode of enforcing specific performances of the condition against discrimination. The owner, even though a British corporation, would have had the inherent right to discriminate in favor of the treaty nation of which it was a subject. The same would be true if the owner were a natural person and a British subject.

So far as the owner is affected, the treaty gives a mere option and imposes no obligation.

RIGHT OF OWNER TO USE CANAL WITHOUT PAYMENT OF TOLLS AND WITHOUT CONFERRING SAME PRIVILEGE ON OTHERS.

But assuming that the owner of the canal desired to retain the benefits of protection and of the guaranty of neutrality under the treaty, then he must comply with the conditions. These conditions forbid "making unfair discriminations in favor of the commerce" of one of the nonowning treaty nations "over the commerce of the other or imposing oppressive exactions or unreasonable tolls, and so forth." They do not assume to forbid discrimination by the owner in his own favor over any and all nonowners, whether parties to the treaty or not.

The discrimination forbidden is that between parties to the treaty standing upon the same footing and bearing the same relation to the subject matter, and it must be "unfair" discrimination, not a just and equitable distinction, based upon fundamental and substantial difference in the situation and rights of the parties. A distinction based on ownership is not prohibited. The term discrimination is not applicable to the use of his own property by an owner upon terms different from those on which the use is granted to strangers. They are not within the same classification and the same principles can not apply.

Apart from the equity of the matter, an owner can not pay himself. By whatever acts he attempted to accomplish it, they would spend themselves inefficiently, merged indistinguishably in his single personalty. It would be possible for him to pay tribute to strangers for the use of his own property, but this would be a "reductio ad absurdum."

The Clayton-Bulwer treaty attempted to perpetrate no such absurdities. It simply made the condition that the owner should treat nonowners "inter sesse," alike.

As said before, the Clayton-Bulwer treaty did not contemplate that either the United States or Great Britain should own or control the canal, and it left the owners, whoever they might be, free to use the canal for their own commerce as they pleased without payment, penalty, or concession to anyone. The treaty, as a condition of protection and of guaranty of neutrality, might have required the owners to submit to restrictions on their inherent right to personally use the canal for their own commerce, but in fact it imposed no condition bearing upon this point. They were free to run their own vessels of commerce without limitations.

RIGHT OF GREAT BRITAIN AND UNITED STATES TO PAY CANAL TOLLS FOR THEIR VESSELS OF COMMERCE.

The Clayton-Bulwer treaty did not in any manner assume to prescribe who should pay the canal toll on the vessels of commerce of the respective treaty nations. It follows, therefore, that the two nations retained their general rights in this respect precisely as if there had been no treaty. Either had the inherent right to aid its vessels of commerce by paying tolls for them directly to the owner of the canal or by any other form of subsidy. Such payment would have been a matter of internal policy, with which no other nation was concerned. And this would be so even if one treaty nation owned a large amount of stock in a corporation which owned the canal and received dividends therefrom which wholly or in part repaid the tolls for its vessels of commerce. It is true that in one sense the canal itself would be bearing the burden of these particular tolls out of its earnings, but this is not true in substance.

The canal would have to pay its dividend in any event, and it matters not whether the party who received the dividend paid the tolls out of that fund or out of some other fund, the tolls are paid in substance and in truth and paid by the nation, not by the canal company.

The result would be the same if the nation owning the stock merely offset its dividends pro tanto against the tolls. They would equally be paid by the nation.

The other treaty nation could not complain of discrimination by the canal company on the ground that it in effect was relieving the commerce of the associate nation from payment of tolls.

THE PANAMA CANAL AS AFFECTED BY THE CLAYTON-BULWER TREATY.

THE UNITED STATES PRIOR TO THE CLAYTON-BULWER TREATY HAD THE RIGHT TO ACQUIRE TERRITORY ON THE ISTHMUS OF PANAMA AND TO CONSTRUCT AND OPERATE A CANAL THROUGH THE SAME, AND THIS RIGHT WAS NOT DIMINISHED OR AFFECTED BY THE CLAYTON-BULWER TREATY.

Mr. ELIHU ROOT, in the Senate debate preceding the passage of the canal tolls exemption law, stated that the Clayton-Bulwer treaty prohibited the United States to construct and operate a canal across the Isthmus of Panama or to occupy or acquire territory there for canal purposes, and that but for the enabling provisions of the Hay-Pauncefote treaty the United States could not have built or acquired ownership of the canal.

Mr. ROOT was in error. Not only was the statement incorrect, but it was without even colorable excuse. The treaty is absolutely silent upon the matter. It would embarrass Mr. ROOT if he were even asked to cite the language of any such provision.

The only provision of the treaty restricting the right of the United States to own or control an interoceanic canal applies to the Nicaragua Canal and to Nicaragua and the other States of Central America and not to the Panama Canal nor to the Isthmus of Panama. That provision is contained in article 1. The preamble of the treaty recites that the purpose of the treaty is—

> To fix in a convention the views and intentions of the United States and Great Britain with reference to any means of communication by ship canal which may be constructed between the Atlantic and Pacific Oceans by the way of the river San Juan de Nicaragua with either or both of the lakes of Nicaragua or Managua to any port or place on the Pacific Ocean.

Article 1 follows immediately after the preamble and is here set forth in full:

> The Governments of the United States and Great Britain hereby declare that neither the one nor the other will ever obtain or maintain for itself any exclusive control of the said ship canal, agreeing that neither will ever erect or maintain any fortifications commanding the same or in the vicinity thereof, or occupy, or fortify, or colonize, or assume, or exercise any dominion over Nicaragua, Costa Rica, the Mosquito Coast, or any part of Central America; nor will either make any use of any protection which either affords or may afford, or any alliance which either has or may have, to or with any State or people for the purpose of erecting or maintaining any such fortifications, or of occupying or fortifying or colonizing Nicaragua, Costa Rica, the Mosquito Coast, or any part of Central America, or of assuming or exercising dominion over the same, nor will the United States or Great Britain take advantage of any intimacy or use any alliance, connection, or influence that either may possess with any State or Government through whose territory the said canal may pass, for the purpose of acquiring or holding, directly or indirectly, for the citizens or subjects of the one, any rights or advantages in regard to commerce or navigation through the said canal which shall not be offered on the same terms to the citizens or subjects of the other.

The Isthmus of Panama never formed part of the territory of any Central American State. It was part of New Granada and later of Colombia, States of South America. Geographically the Isthmus was neither part of North America nor South America, but was the connecting link between the two, an isthmus as distinguished from the two continents which it connected, and no more forming part of one than of the other. In article 8 of the treaty the Isthmus of Panama is referred to by a designation which effectually distinguishes it and sets it apart from any part of Central America, as follows: "Canal across the isthmus which connects North and South America," and again, "interoceanic communication whether by canal or railway by the way of Tehuantepec or Panama." Tehuantepec being part of Mexico and not of Central America.

The prohibitions of article 1 therefore did not apply to a "canal by way of Panama," and either the United States or Great Britain retained the general inherent right to acquire territory on the Isthmus and to construct, own, and operate a canal thereon.

Article 8 is the only part of the Clayton-Bulwer treaty which applies to the Panama Canal; but its provisions create no con-

tractual or binding obligation, but are a declaration of general principles and of common aims by the treaty nations.

The first question which article 8 presents is whether its provisions in themselves create contractual obligations, or whether they merely express a general principle and a tentative purpose subsequently to negotiate a definite treaty for the purpose of putting that principle in practical operation by applying it in appropriate detail to the Panama Canal.

As an examination of the precise language of this article is necessary, it is set forth in full, as follows:

ART. 8. The Governments of the United States and Great Britain having not only desired in entering into this convention to accomplish a particular object, but also to establish a general principle, they hereby agree to extend their protection, by treaty stipulation, to any other practicable communications, whether by canal or railway, across the Isthmus which connects North and South America, and especially to the interoceanic communications, should the same prove to be practicable, whether by canal or railway, which are now proposed to be established by the way of Tehuantepec or Panama. In granting, however, their joint protection to any such canals or railways as are by this article specified it is always understood by the United States and Great Britain that the parties constructing or owning the same shall impose no other charges or conditions of traffic thereupon than the aforesaid Governments shall approve of as just and equitable; and that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other State which is willing to grant thereto such protection as the United States and Great Britain engage to afford.

This article does not by its terms purport to create treaty rights and obligations, but only expresses a tentative purpose to negotiate a treaty thereafter.

The words "they hereby agree to extend their protection by treaty stipulations," and so forth, are in form an agreement to make an agreement by treaty. But an agreement to make an agreement can not be enforced, because the reservation of the matter for future final disposition implies that there are branches of the subject matter or particular details not adequately dealt with in the preliminary agreement which must be dealt with by a later agreement before the minds of the parties can meet. Either party has the right to insist that the final agreement shall contain such particular stipulations as it may deem necessary to protect its interests in the subject matter in all its phases and under various contingencies which may arise; and if they can not come to a meeting of minds upon the different proposals, the final agreement may never be made, and the preliminary agreement can not be enforced, because no court or tribunal can make the final agreement for the parties if they are unable to make it for themselves.

Of course, if a preliminary agreement provided that the parties should thereafter make a final agreement containing certain provisions and no others and in a definite form and not otherwise, then the so-called preliminary agreement would be a final agreement complete in itself, containing within its four corners all that could ever be put in the so-called final agreement; and ex proprio vigore it would preclude the right to insist upon any changes or additions by the later agreement. A final agreement would be surplusage a mere repetition. Such a preliminary agreement could be enforced, because it was not an agreement to make an agreement, but an agreement complete and final in itself.

It must, however, appear affirmatively by the terms of the preliminary agreement that the parties have surrendered the right to insist upon additional provisions in the final contract or they will be deemed to have reserved that right, since there could be no object in reserving the disposition of the matter for a final agreement if it had already been fully and finally dealt with.

The lack of definiteness in stating the object of the preliminary agreement, as set forth in article 8, is an additional circumstance which indicates that the whole subject was reserved for a later treaty. The language used is as follows:

The Governments of the United States and Great Britain having not only desired to accomplish a particular object but to establish a general principle, they hereby agree to extend their protection by treaty stipulations to any other practicable communications whether by canal or railway—

And so forth.

There is no statement as to what the "general principle" is. It might, however, be inferred that the general principle is one of "protection" to any interoceanic canal or railway. The protection to be extended is presumably the same as that mentioned in article 3 and article 5, which refer to the Nicaragua Canal—protection of the person from unjust detention and the property from unjust confiscation, seizure, or interruption.

But nothing is said in article 8 about guaranteeing the "neutrality" of the Panama Canal, although in article 5 "protection" and the "guarantee of neutrality" are spoken of as two distinct matters in connection with the Nicaragua Canal. Obviously the final treaty was expected to supply omissions and deal with the subject matter fully.

The agreement to extend "protection" later by treaty stipulation to the Panama Canal set forth in article 8 was not a binding contractual obligation, but a mere declaration of principle and tentative expression of future purpose. It had no effect under international law, except as a declaration of common aims general in character and not fully particularized.

Even its moral influence as a declaration of common aims had lost effect by the long lapse of time without any attempt to enter into the proposed "treaty stipulations."

An agreement to make a treaty which had been left unexecuted for 51 years had no sanction left. No time for making the treaty was fixed, and a reasonable time had long passed. The matter had lapsed by abandonment.

The position of the parties had changed; their very identities had changed and the conditions and environment had changed. Neither law nor common sense could hold them to an executory agreement which had been so long left undone.

It follows, therefore, that prior to the ratification of the Hay-Pauncefote treaty, February 21, 1902, the United States and Great Britain were either of them wholly unfettered by any contractual obligation limiting their right to construct, own, and operate and use a canal across the Isthmus of Panama as they saw fit. There was not even any lawful obligation to refrain from discriminating between different nations as to changes or otherwise.

ARTICLE 8 DOES NOT APPLY TO A CASE WHERE ONE OF THE TREATY NATIONS IS OWNER OF CANAL.

Article 8 of the Clayton-Bulwer treaty did not contemplate a canal owned by either of the treaty nations, but a canal owned by persons or corporations who were strangers to the treaty, and to whom protection was to be extended, not as their right but as a benefit voluntarily granted upon certain conditions.

This is clear from the language used, namely, that the treaty nations "hereby agree to extend their protection," and so forth. These words would be inappropriate if either were the owner, since it would be incongruous to describe a man as extending protection to himself. To deal with that situation different and more apt words would be used.

So also the words "In granting their joint protection * * * it is always understood by the United States and Great Britain * * * that the parties constructing or owning" the canal, indicate that the parties granting protection are not the persons who receive it.

Article 8, therefore, does not apply to nor govern the case where one of the treaty nations is the owner of the canal. It is a rule of construction that general provisions in a contract must be limited in operation to the particular subject matter under consideration, even though the language in its ordinary and natural sense, taken alone, would include other matters as well.

Thus a general release under seal releasing from all debts will be confined to the particular debt mentioned in the recital.

Ramsden *v.* Hylton (2 Vesey Sr., 304); Thorpe *v.* Thorpe (1 Ld. Raymond, 235); Taylor *v.* Homersham (4 M. & S., 423); Cole *v.* Gibson (1 Vesey Gr., 504); Texas *v.* Oashiel (198 U. S., 521); Hoes *v.* Can Hoesen (1 Barb. Ch., 379); Jackson *v.* Stackhaus (1 Cowan, 122).

UNDER ARTICLE 8 THERE WAS NO PENALTY FOR NONCOMPLIANCE WITH CONDITIONS ATTACHED TO OFFER OF PROTECTION EXCEPT WITHHOLDING OF PROTECTION.

By the terms of article 8 the acceptance of protection and compliance with the conditions attached were not obligatory on the owner. The treaty did not seek to coerce him.

As in the case of the Nicaragua Canal under article 5, so in the case of the Panama Canal under article 8 protection was offered as an option to the owner. If he refused to comply with the conditions attached, protection might be withheld. There was no other penalty. Nor could the conditions be specifically enforced against the owner.

IN ARTICLE 8 THERE IS NO CONDITION THAT CHARGES OF TRAFFIC SHALL BE THE SAME FOR ALL PERSONS.

The article does contain a condition that the owners of the canal—

shall impose no other charges * * * than the aforesaid Governments shall approve of as just and equitable.

This is plainly a rule forbidding unfair discrimination, for a schedule of charges which made such discrimination would be inequitable. But equity means not the same identical treatment for all, since the same treatment applied to different persons having different rights and different relations to the subject matter might result in the grossest inequity. Equity is equality in

substance; it means equalization, not a formal and literal application of an identical rule to dissimilar conditions. As before shown, in dealing with the application of article 5 to the Nicaragua Canal, it would be grossly inequitable to subject an owner to the same charges as a stranger. And this was not the intention of the condition; the owner must be free to use his property without charge, else he will pay twice over for the use—once by a gross sum when he purchases or constructs it, and once again when he pays a current charge from time to time.

There must not be discrimination on grounds of nationality, but there should be a distinction on grounds of ownership.

THE HAY-PAUNCEFOTE TREATY.

THE RIGHT TO TOLL EXEMPTION AFTER THE HAY-PAUNCEFOTE TREATY, FEBRUARY 21, 1902, UNTIL THE PRESENT TIME.

It will be useful before proceeding with the consideration of this phase of the subject to keep in mind the conclusions reached by the previous analysis of the Clayton-Bulwer treaty.

SUMMARY STATEMENT OF EFFECT OF CLAYTON-BULWER TREATY.

First. The plenipotentiaries who negotiated the Clayton-Bulwer treaty were empowered only to negotiate a convention dealing with the Nicaragua Canal alone. (See preamble of treaty.)

In accordance with their powers, the treaty limits its contractual provisions and binding obligations to the Nicaragua Canal alone. (See articles 1 to 7, inclusive.)

Article 8 of the treaty contains certain declarations establishing the "general principle" of "protection" to be offered by the treaty powers to interoceanic canals and also an agreement to enter into a treaty thereafter extending protection to a canal proposed to be constructed across the Isthmus of Panama. An agreement to make a treaty, however, can not be enforced, since the parties might never come to a meeting of minds on the particular terms of the final treaty. The so-called agreement in legal effect amounts only to a tentative declaration of common aims and a general purpose.

Second. Article 1 of the treaty prohibits the treaty powers from "obtaining any exclusive control" over the Nicaragua Canal or occupying, colonizing, or exercising dominion over Nicaragua, Costa Rica, the Mosquito Coast, or any part of Central America. But if the canal were owned by a corporation, either power might acquire the stock to an amount less than a majority or might buy all the bonds, provided that it did not thus acquire an "exclusive control."

Third. The language of the treaty plainly implied that it contemplated that the Nicaragua Canal should be constructed and owned by parties other than the treaty powers, and the treaty had no application to a state of facts under which the canal was owned by a party to the treaty.

Fourth. Protection and guaranty of neutrality were to be tendered by the treaty powers to the owners of the Nicaragua Canal upon certain conditions as an option to be availed of by their own free choice, not as an obligation to be enforced by the treaty powers against unwilling owners.

Fifth. The only penalty or remedy provided by the treaty against the owner for refusing to observe the conditions on which protection and guaranty of neutrality were granted was the withdrawal of said protection and guaranty by one or both treaty powers after "giving six months' notice" to each other of their intention to withdraw. But either might decline to withdraw, notwithstanding the breach of condition by the owner.

Sixth. The terms of the treaty did not attempt to prohibit discrimination in toll charges in favor of the owner as against all nonowners, nor to limit the use of the canal by the owner for his own vessels of commerce and steamship lines without tolls or penalty in any form. Nor did it require the owner to make a concession of like exemption from tolls to the commerce of the nonowning treaty powers.

Seventh. The treaty did not prohibit either treaty power from paying the canal tolls for its vessels of commerce or aiding them by subsidies in any other form. This was a matter of internal policy which concerned only the nation adopting it, and which could not impair the rights of the other nation in the use of the canal.

Eighth. The treaty did not in any way abridge or limit the right of either treaty power to acquire territory on the Isthmus of Panama and to construct and operate a canal thereon and to hold exclusive control thereof. Article 1 did not apply to the Panama Canal, and all other provisions of the treaty are silent on the subject.

Ninth. As before stated, article 8, the only part of the treaty which applied to the Panama Canal, contained no binding contractual provisions and imposed no lawful obligations. It was merely tentative, an agreement to make a future treaty which could not be enforced because the final terms were reserved.

But if its provisions had possessed all the legal effect of a contract, yet they imposed no obligations upon the owner of the Panama Canal different from those imposed on the owner of the Nicaragua Canal by the other parts of the treaty.

(a) Under this article it was not contemplated that either treaty power should become the owner of the Panama Canal, nor were the provisions of that article applicable to ownership by either treaty power.

(b) The said article contained no reference to neutralization. It did contain a recital declaring the desire of the treaty powers to establish a general principle of protection, and to that end tentatively proposed an agreement thereafter to be made extending "protection" to the Panama Canal.

(c) The tender by the treaty powers of protection and neutralization to the owners of the Panama Canal was an option to be utilized of their free choice. Article 8 did not require them to accept it nor attempt to coerce them to perform the conditions on which protection was granted.

(d) No penalty or remedy for breach of condition of protection and neutrality by the owners was stated in said article, and the treaty powers could only withdraw protection at their option.

(e) Discrimination in tolls between the owners of the Panama Canal and the nonowning treaty powers was not prohibited by said article.

(f) Payment of tolls by either treaty power as a subsidy for its vessels of commerce was not prohibited by said article.

The United States therefore did not need the aid of the Hay-Pauncefote treaty for any purpose connected with the Panama Canal. It could have owned and controlled that canal, and could have imposed upon other nations any terms it saw fit for the privilege of using it. Nor was the United States bound to avail itself of any grant of protection or guaranty of neutrality at the hands of Great Britain, even if article 8 had created a contractual obligation, for the United States would only have stood committed jointly with Great Britain to grant protection to a corporation or private person who might own the canal.

It is clear, however, that so long as the Clayton-Bulwer treaty stood, the United States could not have acquired territory in Nicaragua nor have obtained exclusive control of the Nicaragua Canal.

The representative of the United States who negotiated the Hay-Pauncefote treaty should have seen that its application was restricted to a canal through Nicaragua alone. He should have left the Panama Canal untouched, inasmuch as the right of the United States to deal with that subject matter was wholly untrammeled.

Owing, however, to inefficient diplomacy the Hay-Pauncefote treaty was framed to cover both the Nicaragua Canal and the Panama Canal by the same provisions, and the country must accept them to their full extent according to their lawful effect.

The obscurities of that treaty have, however, given rise to questions which should never have had excuse for consideration.

THE HAY-PAUNCEFOTE TREATY WHOLLY REPEALED THE CLAYTON-BULWER TREATY.

The repealing provision is as follows: "Article 1. The high contracting parties agree that the present treaty shall supersede the aforementioned convention of the 18th of April, 1850"—that is, the Clayton-Bulwer treaty.

If there had been no repealing provision, the Clayton-Bulwer treaty would have remained in force, except as to those parts which were in conflict with the later treaty. But article 1, which provides that the later treaty shall "supersede" the earlier one, wholly displaces the Clayton-Bulwer treaty and puts the Hay-Pauncefote treaty in its place for all purposes.

It now supplies the only regulation of the subject matter by treaty.

THE HAY-PAUNCEFOTE TREATY CONTAINS NO CONTRACTUAL PROVISION OBLIGATING EITHER THE UNITED STATES OR GREAT BRITAIN TO GRANT TO THE OWNER OF THE PANAMA CANAL A GUARANTY OF NEUTRALITY.

All the contractual provisions of said treaty are contained in articles 1 to 5, inclusive. The first one in which "neutralization" is referred to is article 3, and in that Great Britain does not participate. It is the act of the United States alone. It adopts a basis for neutralization of the canal, but it contains no agreement by anyone to carry the "neutralization" into effect.

The language bearing upon the point is as follows:

ART. 3. The United States adopts as the basis of the neutralization of such ship canal the following rules, substantially as embodied in the convention of Constantinople, signed the 28th of October, 1888, for the free navigation of the Suez Canal.

The rules then follow but need not be discussed at this stage.

These rules are not adopted unconditionally but only as a basis of neutralization and must relate to some arrangement to

carry neutralization into effect. Neutralization as a principle is a mere abstraction and can not be enforced. Article 4 is the only other contractual provision besides article 3 which contains any reference to "neutrality" or "neutralization." The following is a copy:

ART. 4. It is agreed that no change of territorial sovereignty or of the international relations of the country or countries traversed by the before-mentioned canal shall affect the general principle of neutralization.

It will be seen at a glance that this provision does not supply the defect nor create any engagement on the part of Great Britain or the United States to guarantee neutrality or to enforce neutralization. The clause merely saves the "general principle" of neutralization from prejudice by reason of change of territorial sovereignty. It does not state details nor methods for applying or enforcing the principle. A contract declaring a principle can not be enforced.

While said treaty, by article 1, provides that the canal may be constructed under the auspices of the United States, the effect is merely permissive.

There is no engagement by the United States to construct the canal, nor is there any provision of said treaty framed to prevent the construction and ownership of an interoceanic canal by some nation, person, or corporation independently of the auspices or control of the United States. The United States might have been unable to negotiate the necessary treaty with the State having territorial jurisdiction, and some other nation or some independent corporation or persons might have obtained the concession for the canal there.

The French company had partly constructed the Panama Canal and still claimed rights in the canal concession exclusive of other interests. The canal might have been constructed and owned by American or English corporations or citizens or subjects under concessions from the State having territorial jurisdiction.

If the canal were constructed by an American company, aided by the United States, still the corporation might not be under the control of the United States. The United States might not care to control it, but might give it subventions and leave it to its own independent management, as was done with many of the Pacific railroads of the United States and Canada.

Who by the terms of the treaty was under engagement to grant a guaranty of neutrality to the Nation, persons, or corportions who might own the canal? And without such engagement the adoption of rules as a basis or condition of neutralization is futile.

Under the treaty, when the United States shall have completed the Panama Canal, there is no one bound to guarantee to it the maintenance of neutrality.

The United States can not guarantee neutrality to itself. It can protect its own property, but this right it has independent of treaty. It can also observe neutrality between other nations engaged in war, but this is an obligation resting upon it under international law independently of any treaty. The performance of these functions is not what is meant by "neutralization" in international law. Neutralization implies some treaty engagement between two or more nations whereby the treaty powers engage to refrain from acts of war within or against the neutralized State or territory. It also covers cases where the treaty powers, in addition, engage to prevent others from committing acts of war within or against the same. In the case of the Suez Canal convention of 1888, all the important nations of Europe were parties to the treaty and agreed among themselves that each would refrain from certain acts which tended to interfere with the free and uninterrupted use of the canal or with its neutrality, and also would refrain from attempting to secure in the use of the canal any advantage for its commerce over the commerce of the other treaty nations by any international agreement.

The State thus neutralized or the owner of the territory may or may not be a party to the neutralization treaty. He may voluntarily accept the conditions upon which it is granted, but the conditions of neutralization can not lawfully be imposed upon the owner without his consent, nor can neutralization itself be lawfully enforced against him in any manner which interferes with his right to use his own territory and property as he sees fit without his consent.

He has the right to use it for all purposes. If a State, it has the right to fortify the territory and use it as a base in time of war, notwithstanding any treaty between other powers to the contrary. Only his own consent can lawfully deprive him of this right.

The treaty which adopts a basis of neutralization for a canal not yet located nor the builder or owner yet known and which imposes no obligation on any nation or person to carry neutralization into effect, is inofficious, and by its terms must fail in its function. So far as neutralization goes, it is nugatory and can not be enforced.

The objection is not formal; it goes to the very substance of the question. If there were a mere lack of precise terms, but there appeared on the whole a clear intent on the part of the treaty nations to join in a guaranty of neutrality to persons owning the canal, then the lack of appropriate words of contract would be unimportant. But here there is not even enough to create implied obligations. Contractual undertakings cut out of the whole cloth can not be supplied by conjecture or even by parol evidence. There must at least be within the treaty itself the substance of the obligation. In that case the preliminary negotiations and other parol evidence might be used to explain ambiguities.

Here there is not even the elementary substance of a promise or engagement. If war should ever arise and Great Britain should fail to take due measures to maintain the neutrality of the Panama Canal and great damage and loss to the United States should result, no international tribunal could sustain a claim for damages in favor of the United States against Great Britain based on a claim of breach of agreement to maintain neutrality of the canal under the Hay-Pauncefote treaty, because the court would be unable to find any such undertaking by Great Britain in the said treaty. As a treaty to guarantee neutralization to the owner of the canal it can not be enforced.

THE EFFECT OF THE "GENERAL PRINCIPLE" OF NEUTRALIZATION MENTIONED IN THE PREAMBLE OF THE HAY-PAUNCEFOTE TREATY.

In addition to the clause in article 4 preserving the general principle of neutralization, there is also mention of the general principle of neutralization in the preamble of the said treaty.

The preamble recites that "the United States of America and His Majesty Edward VII * * * being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the convention of the 19th of April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of said canal under the auspices of the Government of the United States without impairing the general principle of neutralization established in article 8 of that convention," and so forth.

By reference to article 8 of the Clayton-Bulwer treaty it will be seen that it contains no mention of "neutralization."

The only language referring to any "general principle" is as follows: The Governments of the United States and Great Britain having desired "to establish a general principle, they hereby agree to extend their protection by treaty stipulations to any other practicable communications, whether by canal or railway, across the Isthmus which connects North and South America."

The word "protection" in itself does not mean "neutralization." As far as it has any specific meaning in international law, it means a protectorate, which is something widely different from neutralization.

Article 8 contains no definition of the word nor explanation of the sense in which it is used.

The word "protection," however, is used in articles 3 and 5 of the same treaty, and is there defined in a sense different from neutralization.

In article 3 the language is:

The persons employed in making the canal and their property used or to be used for that object shall be protected, from the commencement of the said canal to its completion, by the Governments of the United States and Great Britain from unjust detention, confiscation, seizure, or any violence whatsoever.

In international law the designation "a neutral" is applicable only to the status of a State in its relation to other nations engaged in war "inter sesse." And neutralization signifies the maintenance of the status of neutrality by one or more nations other than the neutral under some treaty or contractual engagement. Neutralization might also be extended to the territory or property of corporations or individuals. But its functions properly apply to war, not to peace.

The protection mentioned in article 3 of the Clayton-Bulwer treaty is protection "from unjust detention, confiscation," and so forth. This would cover acts committed in times of peace and by civil power and would not include the same field as neutralization. Neutralization would safeguard from many acts in times of war which would otherwise be just and lawful under international law, and would not constitute unjust detention, confiscation, and so forth. Such acts would be the right of blockade and the right to object to allow the armed sea forces of one of two hostile nations to pass through the neutral's canal in time of war on a mission of war.

Again, in article 5 of the Clayton-Bulwer treaty the word "protection" is used in contradistinction to "neutralization,"

which is also there used according to its specific meaning in international law. The language is as follows: "The contracting parties further engage that, when the said canal shall have been completed, they will protect it from interruption, seizure, or unjust confiscation, and that they will guarantee the neutrality thereof so that the said canal may forever be open and free," and so forth.

The protection thus described is not neutralization. It certainly bears no resemblance to neutralization as particularly set forth in article 3 of the Hay-Pauncefote treaty.

The recital of the preamble of the Hay-Pauncefote treaty, referring to the "general principle of neutralization established in article 8" of the Clayton-Bulwer treaty, is misleading and ineffectual.

The "general principle" mentioned in said article was the principle of "protection" against unjust seizure, and so forth, in time of peace as well as of war and by the civil power as well as the military power.

No "general principle" of neutralization could be transplanted from article 8 of the Clayton-Bulwer treaty, because no such principle was ever incorporated in that article. Nor is it available in aid of the deficiencies of the Hay-Pauncefote treaty.

In any event, a mere declaration of "general principle" could not take the place of a contractual obligation. It has repeatedly been held by courts of all jurisdictions, national and international, that a "general principle" can not be enforced or made to operate as a legal obligation.

Further, the recital in the preamble could not operate as a contractual stipulation, because it contains no language which even in substance expresses a promise or engagement. A recital by the nature of its function is precluded from operating as an agreement since its office is merely to furnish a preliminary statement, setting forth the facts and circumstances to which the later contractual provisions relate. It is explanatory and interpretive of the construction of the covenants and agreements that follow. Without these later obligations the recital would have no office.

Of course, a recital might be conceived of so definite in detail and so clearly operative in its form of expression that it would constitute not merely a statement of facts, but a promise or agreement also.

But this is not so in the present case.

No intelligent interpretation can be given to the treaty if it be viewed as a guarantee of protection and neutrality by the treaty nations to the owner of the canal. If it was intended for that purpose, it must fail for lack of appropriate language to give it effect.

What, then, is the function of article 3 of the Hay-Pauncefote treaty? What is its efficient purpose? That it has a substantial function and a purpose that can be carried out can not be doubted. As this treaty contains no stipulations binding any State to grant protection and guarantee neutrality to the owner of the canal, it must have some different purpose. That purpose will be stated under the next heading.

THE TRUE FUNCTION OF ARTICLE 3.

If, as plainly appears, this article was not intended to provide a binding guaranty of protection and neutrality to the canal owner, it would not be available to owners generally. If the French Canal Co. should have completed the Panama Canal, the company would not have been entitled to claim protection under its provisions. This brings us to the gist of the matter. The Hay-Pauncefote treaty was not intended to apply to owners generally; it was made for a special purpose, namely, to enable the United States to locate, construct, own, and control an interoceanic canal between the Atlantic and Pacific Oceans, over any route which it might find suitable. It was necessary in order to do away with the restrictions of the Clayton-Bulwer treaty, which prohibited the acquisition of a canal by the Nicaragua route. It was not necessary for any other purpose, but it did contain a gratuitous provision affirmatively consenting to the use of any other route.

Article 3, then, related only to a canal to be owned or controlled by the United States.

Under the Clayton-Bulwer treaty, the United States and Great Britain had agreed to grant protection and guarantee of neutrality to any corporation or individual owner of a canal who would keep the canal open for the use of said nations upon equal terms as between themselves and without unfair discrimination in favor of the commerce of one against the commerce of the other. The acceptance of protection with the conditions attached to it were left to the option of the owner.

Under article 3 of the Hay-Pauncefote treaty, the order of things is reversed. The United States, as owner, offers to all nations who will observe the rules which the United States prescribes, the privilege of using the canal on terms of entire equality. The acceptance of this offer is optional with any such nation.

No such nation is bound by the treaty to guarantee protection and neutrality to the United States as owner, but the privilege to use the canal is conditional upon refraining from violations of the rules which are designed to safeguard that neutrality. The enforcement of neutrality, so far as the other nations are concerned, is dependent upon their forbearance. If they violate the rules of neutrality, the canal may be closed to their vessels and the privilege granted may be canceled.

CONSTRUCTION OF RULE 1.

Legal principles of construction applied:

Rule 1 under settled principles of law can not be construed as applying to the United States. It sets for the offer made by the United States to grant to all nations observing the rules prescribed by the United States the privilege of using the canal.

The term "all nations observing these rules" does not include the United States, but applies to the nations who are required to observe the rules as a condition of the offer.

The following is a copy of the first paragraph of article 3 and of rule 1 of the Hay-Pauncefote treaty:

ART. 3. The United States adopts as the basis of neutralization of such ship canal the following rules substantially as embodied in the convention of Constantinople, signed the 28th day of October, 1888, for the free navigation of the Suez Canal; that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

The rules established by the United States, as owner, are divided into two classes.

Rule 1 offers the option to use the canal.

Rules 2 to 6, inclusive, provide regulations protecting the neutrality of the canal.

Rules 2 to 6, inclusive, regulating neutrality, are all taken substantially from the Suez Canal convention.

Rule 1 is not taken from the Suez Canal convention, but its principal provisions are taken from the Clayton-Bulwer treaty.

The preliminary clause of said article 3 is calculated to give the impression that rule 1 also is taken from the Suez Canal convention, but, in fact, it is not, as comparison will disclose. "Terms of equality" or "equal terms" or "discrimination against a nation or its citizens in respect of charges," and so forth, are not mentioned in the Suez treaty, nor are equivalent words or provisions used.

These rules, as before pointed out, were adopted by the United States independently. Great Britain did not participate in their adoption. They are the regulations of the owner imposed as a condition on those nations to whom the privilege of using the canal is offered. Great Britain may acquire the privilege upon the same terms as other nations to whom the offer is made.

Rule 1 does not offer the use of the canal to "all nations," but only to "all nations observing these rules," made by the owner. The license to use the canal granted by the owner clearly was not intended for the benefit of the owner. It was granted to others, and the owner nation could not logically be included as one of the class to whom the license was offered. It did not require it. It had the right of use independently of the license offered by itself. Such a license applied to the owner would be a nullity. The owner would simply retain its original right.

So, too, the particular language, "the canal shall be free and open," is inappropriate when applied in favor of an owner in possession of its property. Such a provision in its case would be absurd. The clause is obviously designed to assure right of access to the canal to parties who might otherwise be excluded by the owner. These parties are the nations observing the owners' rules. It is to them that all the provisions of rule 1 apply. It is they to whose vessels of war and commerce the canal shall be free and open on terms of entire equality, not the owner. As under the Clayton-Bulwer treaty, so under the present treaty, the owner is left to its inherent rights, so far as its personal use of the canal is concerned. It is only the other nations, who would have no inherent right to the use of the canal, that are provided for by rule 1. It is "any such nation" that is protected from "discrimination in respect of conditions of charges of traffic or otherwise," and it is for such nations that the charges of traffic must be just and reasonable.

The rule 1 is the bill of rights granted by the owner to all nations who shall comply with its conditions. The owner stands neutral between them, preserving equality inter sesse and imposing only the just and equitable charges which are assured to them by the terms granted.

It would require a perverse and distorted ingenuity that could find anything in rule 1 that takes away the ordinary rights of the owner nation to use the canal as it may see fit for its vessels of war and commerce, or compels it to pay for that use by current tolls equal to those paid by strangers when it has already paid once for all for the perpetual use by a sum in gross expended in the purchase and construction of the property.

The provisions in rule 1 prescribing equality and forbidding discrimination in charges were both taken from the Clayton-Bulwer treaty. In that treaty they did not apply to the owner of the canal but only to the nations using the canal who granted protection and guaranteed neutrality to the owner. The owner stood apart, not on the same footing as the nonowning nations. His only duty to them was impartially to maintain equality between them.

The provision for "equality" in rule 1 was taken from article 8 of the earlier treaty. In that treaty the language used was that the canal "shall be open on equal terms" to every State granting protection to the parties owning or constructing the same.

This is in substance the same provision as in rule 1 of the present treaty. The "nations observing the rules" under this treaty are not bound to guarantee neutrality, but they are bound to refrain from any acts violating the rules framed to safeguard neutrality. They stand in substantially the same relation to the owner of the canal as in the Clayton-Bulwer treaty.

The provision thus transplanted into the Hay-Pauncefote treaty must, under ordinary rules of construction, have the same effect as in the treaty of origin. It must apply to the nonowning nations observing the rules of neutrality imposed by the owner, and not to the owner itself.

The same is true of the provision forbidding discrimination. That was transposed from article 5 of the Clayton-Bulwer treaty. The language used in that treaty was, "making unfair discriminations in favor of the commerce of one of the contracting parties over the commerce of the other by imposing unreasonable tolls upon vessels," and so forth.

By that language the discrimination intended was expressly defined as a preference in favor of one of the nonowning nations who were parties to the treaty as against the other. This excluded the owner from the application of the provisions. The language of the same provision, as transplanted into the Hay-Pauncefote treaty, is "discrimination against any nation in conditions of charges." The substance is the same as in the treaty of origin, and the same construction must be retained.

It is a settled rule of law that where a provision is taken in substance from some precedent instrument it shall have the same construction in the new instrument as in the one of origin. Even if the language is changed, and might be construed as having a different meaning from that in the instrument of origin, such construction will not be adopted unless an intention to change the effect clearly appears from the whole context.

This is the rule in case of provisions in statutes taken from earlier statutes (see Sutherland on Statutory Construction, secs. 401, 402, 403):

SEC. 401. A mere change in the words of a revision will not be deemed a change in the law unless it appears that such was the intention. The intent to change the law must be evident and certain; there must be such substantial change as to import such intention, or it must otherwise be manifest from other guides of interpretation, or the difference of phraseology will not be deemed expressive of a different intention.

SEC. 402. A statute provided that the defendant in a criminal case might testify in his own behalf, and that the jury, in judging of his credibility, shall take into consideration the fact that he is the defendant and the nature and enormity of the crime with which he is charged. In a subsequent revision "shall" was changed to "may," but it was held that no change of sense was intended. A statute provided that if any person shall be found on the first day of the week "buying or selling goods, wares, or merchandise, chattels or liquors, or any other kind of property," or engaged in any labor except works of necessity, he should be punished. The statute was amended and the words quoted omitted. It was held that it was not the intent to exclude such buying and selling from the operation of the statute, but to include such business under the head of labor and make it subject to the qualification contained in the exception. An act for the organization of industrial schools provided that the expense of children committed to the schools should be paid by the counties from which they were sent. The law was afterwards revised and this provision omitted, and the revised statute made no express provision for the payment of such expense. It was held, considering the whole statute and its purpose, that there was no intent to change the law in this respect, and the counties were held liable as before. A Connecticut statute of 1849 provided that additional land might be condemned to enlarge a cemetery when the parties could not agree. In the revision of 1875 this was changed to read that the owner of any cemetery who wishes to enlarge its limits by adding land the title to which he can not otherwise acquire may prefer a complaint for liberty to take the same. It was claimed that under the change of phraseology that land could not be condemned if it could be purchased at any price, but the court held that there was no intent to make a substantial change in sense, and that the statute still meant that the land could be condemned if the parties could not agree. The court says: "Whether, when a change is made in the language of a statute, a change of meaning is also intended must depend largely upon the facts and circumstances of each particular case. The change in words may be the effect or result of many causes other than an intent to change the meaning of the law." And the Supreme Court of Maine says: "A change of language in the revision of general statutes does not necessarily, nor even presumptively, indicate a change of legislative will. The desire for greater conciseness or simplicity of language will usually account for the change or omission of words." But where a new clause is added in a revision which plainly changes and qualifies the former meaning of the statute its operation is not affected by the fact that it was introduced in the course of a general revision.

SEC. 403. In the interpretation of reenacted statutes the court will follow the construction which they received when previously in force. The legislature will be presumed to know the effect which such statutes originally had, and by reenactment to intend that they should again have the same effect. The same rule applies to the readoption of a constitutional provision It is not necessary that a statute should be reenacted in identical words in order that the rule may apply. It is sufficient if it is reenacted in substantially the same words. The same principle applies when a statutory provision is taken from a constitutional provision which has been construed. The rule has been held to apply to the reenactment of a statute which has received a practical construction on the part of those who are called upon to execute it.

The reason of the rule applies equally to provisions in contracts taken from previous contracts. The same rule would also apply to treaties.

Certainly there is nothing in the language of the provisions of rule 1 of the Hay-Pauncefote treaty to show that the rights of an owner were specifically considered or were intended to be affected by provisions not originally designed for an owner.

The fact that the provision for equality is void in law and can not be carried out as applied to the owner, negatives the theory that such change in effect of the provision was intended. The same is true as to the provision against discrimination taken from the Clayton-Bulwer treaty.

The same rule applies to provisions in contracts transposed from earlier contracts, particularly if between the same parties and relating to the same or similar subject matter. That is the case here. Both the Clayton-Bulwer treaty and the Hay-Pauncefote treaty were between the same parties and related to the same subject matter.

Applying this doctrine and giving their natural force to the other considerations, it is impossible to hold as matter of law that the provisions in the Hay-Pauncefote treaty requiring equality of treatment and forbidding discrimination in charges apply as between the owner and the nonowning nations.

Not only is such construction contrary to the appropriate significance of the language, but it is harsh and inequitable.

The description "all nations observing these rules" can not be construed to apply to the United States, because, so construed, the provisions requiring "all such nations" to pay equal charges for their vessels of war would be impossible to execute, and void in law as against the United States. This consequence creates a legal presumption that the parties did not intend to include the United States under said description, "all nations observing these rules," but only the nonowning nations to whom, by the provision of rule 1, the United States offered the use of the canal.

If the United States is one of the class comprehended in the term "all nations," then the provisions requiring equality of treatment and forbidding discriminations contained in rule 1 were intended to apply to the owner of the canal. If those provisions require the United States to pay tolls on its own vessels it must pay on its vessels of war as well as upon its vessels of commerce. Rule 1 makes no distinction between the two. The language of the rule is:

> The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any nation in conditions of charges.

Now, it is not a legal nor a metaphysical possibility for the owner to pay tolls to itself on its vessels of war. Being both payer and payee, the two functions would be merged in the single identity and could not be executed. The title and possession of the thing paid must remain the same, no matter what vain ceremonial may be employed. The advocates of repeal concede this. But they add that they do not require that payment shall be made for the vessels of war. This may cut the knot to their satisfaction, but it does not get rid of the logical difficulty in the construction they contend for. They insist upon what they claim is the plain literal sense of the rule. If that furnishes the true guide to interpretation, it should be capable of execution. But it is not. The provisions as applied to vessels of war of the owner is void, not for technical reasons, but because it is impossible to carry it out. The attempt results in a reductio ad absurdum which demonstrates that the construction adopted is false.

It is a principle of the law that courts will avoid a construction which will render part of a provision void. There is a

legal presumption that the parties did not intend it to bear such construction. (See Mills *v.* Dunham, 1 Eng. Ch. R., 590; Lorillard *v.* Clyde, 86 N. Y., 387.)

It follows that the provision requiring equality of treatment in respect to charges could not have been intended to apply as between the owner of the canal and the nonowning nations.

The fundamental principle of rule 1 is "equality." That is its spirit and its substance. The particular details are designed only to give effect to this principle. But if the United States, the owner of the canal, were placed in the same classification with the nonowning nations, and bound down to the same identical literal conditions in respect of payment of tolls, this would create a gross inequality in substance and effect and defeat the purpose of the rule. A construction which would produce this result would involve a self-contradiction in the rule itself such as would be destructive of its fundamental principle and not merely of some single detail of its provisions. From such consequences there necessarily springs up a legal and moral presumption that the construction is wrong, and that the United States was not intended to be placed in the same class or dealt with under the same literal formula with the nonowning nations.

A just consideration of all the circumstances of the case must convince any investigator analyzing the subject with a calm and scientific mind that rule 1 was intended to apply to members of a class where all held the same relation to the subject matter and between whom there was a natural equality of conditions at the outset. The application of the same formula to all under such circumstances would result in entire equality. But if there were introduced into the class another member, holding different relations to the subject matter and burdened with different conditions, the application of the uniform requirements to all might result in serious inequality and grave injustice.

True equality, equality in essence and in spirit, does not mean the same literal rule for all men under all circumstances, the same rule-of-thumb treatment of wholly different cases under wholly different conditions, all under the same artificial formula, but a treatment which administers equity and applies a just equalization to varying conditions as they arise.

Terms of entire equality do not mean that a short man and a tall man shall both be put in a short bed or wear the same-sized clothes. Nor, in the present case, does it mean that a vessel of 50 tons must pay the same gross sum as a vessel of 30,000 tons. Nor, on the other hand, does it mean that if a rate per ton be adopted it must be applied uniformly alike to a vessel of 50 tons and a vessel of 30,000 tons. In the last case, obviously, the small vessel must pay a much higher ton-mile rate than the large vessel, because it takes just as much time, power, operative expense, and wear and tear to operate the locks for the small vessel as for the large one.

The rule of equality does not forbid classification upon an appropriate basis and according to the substantial conditions. It does not forbid distinctions upon substantial grounds.

Difference of treatment of individuals not of the same class, and who do not bear the same substantial and equitable relation to the subject matter, is not discrimination in the sense forbidden by the treaty. If the difference of treatment is appropriate to the difference of relation to the subject matter, then it would be in the nature of adjustment and equalization—not of discrimination. "Discrimination against," as used in rule I, means hostile discrimination, "unfair discrimination." In the Clayton-Bulwer treaty from which the provision was taken the language was "unfair discrimination," and under the doctrine previously stated the same meaning must be given to it in the Hay-Pauncefote treaty.

Throughout the world it is customary for the purpose of fixing freight rates to classify commodities, putting those in the same class which bear approximately the same relation to the transportation service rendered. The rates per ton-mile for different classes are different, but for commodities of the same class they are the same. The difference of rates as between different classes is not and never has been deemed a discrimination, either in the common-sense acceptance of business men or in the judgment of judicial tribunals. In the United States all persons engaged in commerce are accustomed to differentiations established by the Interstate Commerce Commission as matter of justice and equalization; and these differentiations are frequently based not only on a classification according to the nature of respective commodities or the quantity of shipment or the distance of carriage or the speed of transportation or the cost of handling but also on the mere locality of the points from and to which the shipments are made. As, for instance, places between which there is competitive transportation by water and railroad.

The United States, as the owner of the Panama Canal, holds a relation to it different from that of any other nation. It has borne the whole cost, about $400,000,000. In expending this vast sum it has taken great risks that engineering obstacles or other difficulties might develop which would make the undertaking impracticable and that the treasure used would have been spent in vain. The French had this experience. The United States engineers encountered unexpected perils from slides on a great scale. They have not ceased yet, and the extent of the risk can not be known. Time alone can demonstrate what dangers beset the great dam. Above all, the Isthmus is in a region of earthquakes and upheavals. It is not impossible that some great cataclysm might occur, wrecking the canal and raising the levels so that a canal would be forever impossible. In addition are the uncertainties that it will prove a success as the route of an extensive trade.

Who could estimate these risks standing where the United States stood when it commenced to pour its money into the ground?

The value of the service rendered by the United States in assuming this risk is not to be estimated by the actual result looking back 50 years from now, but by the immeasurable possibilities that lay behind the black uncertainties, looking ahead from the beginning. All the insurance companies in the world banded together would not have assumed the risk upon any premiums much less than the total expenditure. The French had wasted nearly one hundred millions, and would have lost everything but for the United States, which paid them forty millions. If the United States had failed there would have been no other United States to pay any salvage.

No personal use which the United States could make of the canal would repay it for that risk alone in a hundred years. If the canal should be destroyed permanently by earthquake all possibility of recoupment would end. The United States can not make such charges as it thinks necessary. It is restricted first, by rule 1, to just and reasonable tolls; second, by the limitations of what the traffic could successfully bear. There is a limit, and a very low limit.

Who can say that the people of the United States, who are the Nation itself, stand on the same footing and in the same relation to the canal and the matter of tolls as other nations?

Will it be "equality" or just and equitable that, after having borne the whole burden and risk of the past and being still burdened with all the risks of the future, the United States should, in addition, bear an equal current burden with those who have stood by, and still stand by, and enjoy the use of the canal at will?

That would not be equality. It would be gross inequality. It is a case that urgently requires equalization.

Thus far only the general equities have been considered. But there is a special equity growing out of the legal relation of an owner to his own property, particularly the owner of a structure which is his own creation, who has produced something which did not exist before.

It is not correct to say that the United States does not pay for its personal use of the canal under the exemption from current tolls. It does not pay tolls currently, but it has already paid in a real sense when it paid the cost of acquiring and creating the canal.

The payment of the cost was a payment in gross for the perpetual use of the property, and included all the use that could be made of it for all time. What an owner pays when he buys property is really paid for the use in perpetuity. The title is only valuable because it gives the right of use. Several ancient forms of deeds were based on an act of English Parliament known as the "statute of uses." That provided that where one person was seized of the land and held the legal title but the right to the use was held by another, the use should become executed under the statute and the title and possession should be transferred to and vest in the person entitled to the use.

What is there in the principle of equality that would require the United States to pay a second time for its personal use of the canal? To do so would violate that principle.

The United States has paid already. It also stands bound in its relation as owner to bear alone all financial deficiencies that may accrue hereafter through inadequacy of income or any other cause, and it must also bear alone the great insurance risk of loss and damage from every possible cause which is permanently attached to the canal.

In addition, for many years to come there will of necessity be a large annual deficit, which, according to the estimates of the canal actuaries and traffic experts, will amount to $7,000,000 per year. The United States must pay this unconditionally. The nonowning nations bear no part of it.

Is the United States Nation to receive no credit for this in applying the rule of equality? Is it to receive no credit for all it has done, all the monies it has paid out, all the liabilities it has sustained and continues to sustain for the canal; labors and payments and liabilities in which the nonowning nations bear no part? Must it, in addition to all these things, pay full current tolls under the same classification with the nonowning nations, who light-heartedly use the canal at will and carry none of the original or permanent burdens? Would that constitute "terms of entire equality"? Would it not, on the other hand, be a grossly "unfair discrimination" against the people of the United States?

What would a court of equity hold if called upon to construe rule 1 and determine its effect? Would it decide according to the letter, to the destruction of the fundamental principle of the rule, or would it decide in harmony with the principle, infusing life into the letter, so that it should bear a meaning consistent with the principle and giving effect to it? It is clear that, upon sound rules of construction, the principle of rule 1 must be sustained, if possible, and conflict between its spirit and its letter avoided. "For the letter killeth, but the spirit giveth life" is true now in morals and in law, as it was 1,900 years ago.

Nor is there difficulty in reconciling the two. The provision is general in terms, not specific. It leaves abundant scope for explanation and interpretation. The language is:

> The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect to the conditions or charges of traffic.

If the description "all nations observing these rules" be interpreted as meaning the nonowning nations, who were required to accept the rules as a condition of the opening of the canal to them, and as not applicable to the United States, which imposed the condition and made the canal free and open, then all alleged conflict and inconsistency between the letter of the provision and its fundamental principle disappear. As applied to the nonowning nations, it affected only parties who stood upon equal footing and in like circumstances at the outset. For them the same identical treatment would be absolute equality. It follows that this construction must be adopted.

In a point already discussed it was shown that, independently of the grounds here considered, the provision could not apply to the United States, the owner nation, because the language, even in its literal sense, could not include the United States under the description "all nations observing these rules." The two points sustain each other. Each confirms and strengthens the other.

A COURT WILL GIVE TO A PROVISION THE MEANING OF WHICH IS PUT IN DOUBT, EITHER BY AMBIGUITY IN THE LANGUAGE OR BY INCONSISTENCIES IN ITS OPERATION, SUCH AN INTERPRETATION AS WILL GIVE IT A REASONABLE AND EQUITABLE EFFECT RATHER THAN ONE THAT IS HARSH AND INEQUITABLE.

Not only do courts apply this doctrine where the meaning is doubtful, but in many cases where the language is clear and results in no inconsistencies they disregard the plain meaning of the words if that produces consequences that are grossly inequitable and unfair. In such cases courts adopt a presumption that the parties did not intend a construction that would have such results. (See Genet *v.* Delaware & Hudson Canal Co., 163 N. Y., 173; Russell *v.* Allerton, 108 N. Y., 288; Smith *v.* Molleson, 143 N. Y., 241.)

In the last case the meaning of the language was plain. There was no room for a presumption that the parties did not understand it in its obvious sense, yet the court refused to give it effect in that sense on the sole ground that it worked results that were harsh and inequitable In Russell *v.* Allerton (108 N. Y., 288) the court said, at page 292:

> We do not think that the effect of the words in the charter party, "charterers to approve the ventilation," was to leave the subject of the ventilation of the ship to the absolute, unreasonable, and wholly arbitrary decision of the charterer. The agreement was entered into in England in July, 1878, and performance was not to be entered upon, at the earliest, until the middle of the following March, and plaintiffs were to send their ship over to Philadelphia to load. It can scarcely be regarded as credible that the owners of the vessel would place in the hands of the charterer the right to arbitrarily and without reason refuse to approve the ventilation of the ship.
>
> To give the words in question the meaning attached to them by the courts below is to place the plaintiffs in a matter purely of business wholly at the mercy of others with whom they were contracting.

(See also Belden *v.* Burke, 72 Hun., 51; U. S. *v.* Central Pacific R. R., 118 U. S., 235; Hobb *v.* McLean, 117 U. S., 567.)

The construction contended for by the advocates of repeal is harsh and inequitable as against the United States. Without adequate reason it disregards the inherent rights of ownership and the extraordinary risks and burdens which the owner of this particular property sustained in creating it and still sustains in caring for it. It virtually attempts to require that the owner pay for the use of the property twice over, once by a sum in gross and again by additional payments for its use equal to payments made for the same use by strangers who bore no part of the cost.

The consequences are such as to give rise to the presumption that such construction was not intended by the parties, especially since the scope and descriptive meaning of the words "all nations observing these rules" is open to grave doubts arising from inferences derived from the context.

The provisions for equality of terms and forbidding discriminations against nations or their citizens in respect of charges do not apply to the owner, nor do they require any payment of tolls for its vessels of commerce or of war. The owner of the Panama Canal has the ordinary rights of owner in its personal use of the canal, but must maintain entire equality of use as between all other nations.

There is nothing in the language of rule 1 to indicate that the particular question of the right of the owner nation to use the canal without payment of tolls was specifically considered when the treaty was negotiated. The provisions of that rule were transposed from the Clayton-Bulwer treaty, and its application to the owner under the Hay-Pauncefote treaty would be fortuitous.

It is a most important circumstance that there is no provision in the treaty, no particular language dealing specifically with the status of the United States as owner of the canal or with its right to use the canal for its own vessels. There is no specific language which shows affirmatively a purpose to take away from the people of the United States their inherent right to use their own property without tolls of any kind. Not only are there no such provisions in the treaty itself, but there was not even any discussion of the matter in the negotiations which resulted in the treaty. We are not left to conjecture on this point. Mr. Choate, our late ambassador, has very earnestly stated that not one word was said about the particular status of the United States as the owner nation or the different footing upon which it stood from other nations who were not owners; that no suggestion was made that the United States should retain its inherent right as owner to use the canal for its own vessels of commerce and of war without tolls, nor was the subject considered at all; and that there was no dissent by any one from the provision of rule 1 or opposition to its adoption.

Mr. Choate was evidently under the impression that his statement confirmed the British claim and corroborated the construction insisted upon by that nation. He is in error.

If it be competent evidence it shows that the subject was not specifically considered and that the minds of the negotiators did not act, and therefore did not meet upon it. They dealt only with the general provision applicable to the nations "observing the rules" prescribed by the United States as a condition of their use of the canal. Even in connection with this general provision they did not discuss its particular effect upon the right of the owner to the personal use of its own property or the question of tolls as it affected that use. These vitally important questions were passed sub silentio.

The faithful and competent diplomatic agents who were intrusted by the United States to protect its interests raised no voice, and so far as appears did not even think of the point. The vital rights, the substantial and highly meritorious equities, the peculiar and unique position of the owner in contradistinction to all other nations did not enter their thoughts. If their minds had conceived the questions at stake in their true relations, it is impossible that they should not have discussed them. As it was, they left them untouched in the negotiations and made no specific provision dealing with them one way or the other in the treaty itself.

The important rights of the United States were left, blindly and ignorantly, to the hazard of a general provision transplanted from the earlier Clayton-Bulwer treaty, which in the treaty of origin did not apply to and was not intended to affect the right of an owner in the personal use of his own property without charge. As incorporated in the Hay-Pauncefote treaty there was no substantial change in the language used, no phraseology which imparted a clear intention to change the effect of the provision. The testimony of Mr. Choate shows that there was no conscious purpose to make any change, and that the provision, substantially unchanged, was left to operate according to the ordinary rule of construction. Certainly Mr. Choate's testimony does not strengthen the position of the advocates of repeal. Here is a general provision plainly and admittedly applying to nonowning nations. Its application to the owner is not admitted and is, at the very least, open to doubt. Such application would involve incongruities. A contruction applying it to the owner is not necessary to give it a consistent effect and adequate purpose. Such construction would derogate from the

natural and ordinary rights of an owner and result in hardship and gross inequality inconsistent with the relative position and natural rights of the owner and nonowing nation.

A court would refuse to give such effect to a general provision under the circumstances.

Although the vessels of commerce and of war of the United States are exempted from tolls, the burden of the loss would be borne by the Nation and its people and would not fall upon the other nations or their subjects. The United States would really pay the tolls in another form.

The nonowning nations would be protected from having the burden cast upon them in the form of excessive charges by the provision that charges should be just and equitable. In any event, the United States could not fix the tolls at a rate higher than would be "just and equitable." They would be entitled to this full rate whether their own vessels paid tolls or not. They could demand no more from the nonowning nations when their own vessels were exempted from payment.

The United States therefore would not save anything by exemption. They would gain only by the increased use of the canal by their own vessels and by the consequent growth of commerce.

The same result would follow as from the abolition of toll roads and their transformation into public highways in the past. Travel increased enormously on the highways and property increased in value. The people paid for the use of the highways either in taxes for their maintenance or by their own labor, spent in work on them. In the case of the canal the people of the United States would have to pay taxes to make up any deficiency, and no nonowning nation would be called upon to take up the burden.

Even under the construction contended for by the advocates of repeal, taking the description "all nations" as including the owner nation, the United States, the exemption of vessels of commerce from tolls would not be a real exemption. It would be a subsidy. The United States would in fact pay the tolls.

The loss could not be thrown on nonowning nations, because the provision granting them the right to use the canal upon payment of just and equitable charges would forbid.

The question is not a question of substance—not a real question. It is merely a question of form, of ceremony, of pretense.

As before stated, no injury can result to Great Britain. The United States by releasing tolls on its own vessels in fact and in substance pays them by foregoing them. The result is precisely the same as if they had been formally paid and the amount turned back in a subsidy to the vessel making the payment. By foregoing the payment the United States does the same thing. The omission of the full formula can have no real effect, no substantial results. The situation is the natural result of the relation of an owner to his own property.

The United States might safely leave it to the courts of equity of England to determine as arbitrators whether an award should be made enjoining and prohibiting the United States from foregoing tolls on its vessels of commerce; the decision to be arrived at by the principles governing English courts of equity upon applications for injunction.

It has been conceded by the advocates of repeal that the United States would have the right to give a subsidy to the amount of the tolls or more, provided the amount were actually paid over to vessel owners.

No court of equity would grant an injunction if the same thing were accomplished by a single credit instead of by a double transfer of money from the Government to the vessel owner and back again.

The relief would be refused on two grounds:

First. That giving the subsidy by a single credit was simply the application of the principle which lies at the bottom of the doctrine of equitable set-off, namely, that the law will not require a man to do a vain and needless thing that profits nobody and the omission of which can injure nobody. Courts of equity look at the substance of things, not at the mere form. If the President had done the American people the justice to submit their case to an English court of equity as arbitrator they could rest assured that no injunction would ever be granted against them. The court would treat the whole controversy as a tempest in a teapot and refuse to grant any relief.

Second. The court would also refuse relief on the grounds that no substantial injury had resulted or could result to Great Britain from the payment of a subsidy by one credit instead of by a cash payment and repayment.

It is a fundamental rule of courts of equity that they will refuse relief where substantial injury is not shown. It has been repeatedly declared by them that they do not sit to pass upon mere academic questions where no substantial interests are at stake and no one has suffered or will suffer loss, but to redress the wrongs that bring injury and suffering in their train.

The real fact is that all the gentlemen, zealous friends of repeal—who so stigmatize those, their dishonorable countrymen, who humbly ask that the country be allowed its day in court, where its cause can be heard and justly decided, and who proclaim such high standards of honor of their own and are so solicitous for the honor of their wretched country—would not be so anxious for a repeal if they knew that a bill for a cash subsidy equaling the toll charges would be passed at once. Even though such a bill would meet their objections and relieve their sensitive honor from the extra and unusual duty which it is now doing, yet the exemption from tolls would remain, and that is the one particular thing they do not want—why, we need not inquire. They do not want exemption, even honorable exemption, least of all honorable exemption, because then their last refuge of hyperbole and exaggerated and inapt rhetoric would be destroyed.

What they are now doing is to attempt to convince people that the shadow is the substance, and, like all people who are in the wrong, they are attacking the character and motives of their opponents by way of raising dust to cloud the substance of the issue. They least of all want arbitration, because arbitration would lay the dust cloud once and for all.

The Final Point.

THE REAL OBLIGATION ON THE UNITED STATES, THE ONLY OBLIGATION THAT CAN BE ENFORCED AGAINST THE UNITED STATES AS OWNER, IN RESPECT TO CHARGES, IS THAT CHARGES SHALL BE JUST AND EQUITABLE.

Under this point it can be made very clear that even with toll exemptions the United States will still be bearing its full and honest share of the current burdens of the canal, and will be paying tolls for its vessels of commerce in as real a sense as if the owners paid the money into the treasury of the canal.

No men, not even the "dishonorable" ones, dispute that canal charges must be "just and equitable." They must not be arbitrary and oppressive, designed to get the last dollar possible from the traffic. The rates must be estimated and assessed upon some definite and just principle by competent actuaries or other experts.

A budget of estimates for each year should be prepared, which should include the amounts necessary for maintenance, upkeep, necessary alterations, minor betterments required by traffic, interest and other fixed charges, a moderate reserve to provide a sinking fund for extraordinary repairs, such as slides, damages by earthquake, and so forth. And in addition to all, a modest dividend return to compensate the United States not only for the great work it organized and accomplished but for the formidable unknown risks it took and which it must continue to bear. The whole work may yet be destroyed by some natural convulsion. The United States must bear the risk, just as it would bear the entire loss if it came.

But whatever basis be fixed the amount of that budget will constitute the fair total amount. For some years the United States will feel constrained voluntarily to forego some just items of the budget, but the right to them should be established in principle, even if waived from time to time by the United States, in order not to place a greater burden on commerce than it should fairly be asked to bear.

The budget of estimates being arrived at, the total amount should be apportioned among all the vessels that will use the canal, whether vessels of war or vessels of commerce, according to the best estimate that can be made up, the apportionment to be made upon some fair and equalizing system of classification, so that each vessel shall pay its ratable tax and its just share of the budget total, without unfair discrimination against any vessel or owner. If there were unfair discriminations, the charges could not be equitable, and certainly would not be just. United States vessels of war and commerce should be taken into account in the apportionment.

The United States will thus have complied in a spirit of largest equity and honor with the fundamental requirement of the treaty that rates shall be just and equitable.

We now come to the secondary and relatively unimportant question, Who may pay the tax for vessels? Must it be the private owners and no one else, or may others give aid by paying the tax for them?

The treaty does not prescribe who may pay the tax. But it does not follow that because the treaty does not confer any rights in this matter that they do not exist.

A treaty is a contract between nations, and a contract is designed to regulate a given subject matter in whole or in part. Back of the contract lies the subject matter. Contracts rarely deal with every detail of any subject matter. They are usually confined to a few important details. As to all details not regulated by the contract, the rights of the parties remain as if the contract had never been made. There being no provision in the treaty to prohibit subsidies, the parties retain their ordinary rights in this respect without limitation. Any person or

nation may provide the funds and make the payments—any chamber of commerce, any city, or State, or other body.

There is nothing to prevent Great Britain from paying the canal charges for its vessels of commerce. This is merely aid to its own vessels, not discrimination against American vessels or citizens in the enjoyment of the canal. It gives its vessels a competitive advantage in carrying on commerce through the canal, but the advantage does not arise from any discrimination in "respect of conditions of charges of traffic."

The charges are paid at the full equal rate, and under the treaty no nation has the right to inquire by whom they are paid. Nor would their payment by Great Britain entail any obligation on its part to give equal aid to American vessels by paying their canal tolls.

The next question is, How must they be paid? The mode is immaterial. Every obligation, either under the treaty or independent of it, will be satisfied, provided that there shall be a real charge against each vessel and that it be paid by some one.

England, of course, not being the owner will pay the tolls by bill of exchange or other actual transfer of property.

But the United States can not do this in the same manner, since the payment and receipt of payment would be merged and there could be no change of title or possession. But the United States can, nevertheless, do what in a court of equity and in truth would in substance and effect constitute a real payment, so far as the canal and its budget are affected and so far as other nations are affected. It can, as between the Nation and its shipowners, release the latter from payment, since the United States is the owner to whom payment must be made; but as between the United States and foreign nations, and as between the United States and the canal fund which it maintains, the Nation must make good the deficiency in the apportioned share of budget estimates from which the released owners have been exempted. This it must necessarily do, both as a matter of treaty obligation and as a matter of business necessity.

The share of the vessels of other nations can not be increased, and the United States must transfer to the canal fund whatever amount is needed.

It may get something back in dividends, just as England does from the Suez Canal. But if not, it must stand the entire deficiency just the same.

How is Great Britain prejudiced by such a payment? What concern of hers is it that vessel owners do not pay for themselves? How can it matter, so long as the money goes into the canal fund?

The exemption from tolls is not a real exemption. It is simply a novation by which the United States substitutes itself in the place of the vessel owner and assumes and pays his obligation to the canal fund.

As between the United States and its citizen there has been exemption; as between the citizen and the canal fund there has been no exemption, for the share of his vessel has been paid for him.

As between the citizen and the citizens of other nations there has been no breach of the rule of equality, for just as the United States has borne the obligations of its own citizens so Great Britain is free to bear the tolls for its own citizens, by paying the money into the canal treasury, either directly or by a general subsidy.

Many British vessels that will use the canal will be heavily subsidized. Many British vessels that use the Suez Canal are subsidized in amounts greater than the tolls, and Great Britain receives back from the canal company, in which it holds a majority of stock, dividends to an amount in excess of the subsidies paid out. No complaint has ever been made by other nations either against the subsidies or the recouping dividends.

The United States under the treaty has the right to permit a company to build the canal and could have acquired all the stock. In that case there could be no doubt that it would have the right to pay the tolls for its vessels to the company and to receive back from the canal in dividends whatever profits were earned. The effect upon the canal fund and foreign nations would have been precisely the same as it is now under toll exemption.

The treaty makes no distinction between the right to build directly or to aid a corporation to build. It certainly did not intend to impose more stringent restrictions on the United States if it built the canal itself than if it had aided a corporation to build it.

The advocates of repeal have talked about the spirit of the treaty; but when they are asked to state the precise grounds for the faith that is in them, they point to the letter of the treaty and insist upon that in the most exaggerated sense.

The spirit of the treaty is equality; not equality in form, but equality in substance and in truth. This they care nothing for. They will have none of it. They want Barrabas. What they really complain of is not that the tolls for the United States vessels will not be fully and fairly borne, but that the vessels will not be compelled to bear them as a penalty which can not be transferred.

If we make up a just and equitable budget upon a just principle, and apportion to the vessels of other nations only their just and equal share thereof, we shall have discharged our whole duty to England and the world, whether legally or morally and whether under the treaty or under the broadest obligations of right and justice independently of the treaty.

This is what this Government notified Great Britain would be done under the policy of toll exemption—before the present administration took office.

In the face of the clear-eyed truth, how petty seem the outcries about dishonor and the reflections upon the honesty of the Nation. There will come the time when the real aspect of this truth shall be known, and then there will be men, gentlemen of very high honor indeed, who will regret that they made their honor cheap by vaunting it against the truth and calling that truth dishonor.

National Constitutional Prohibition.

EXTENSION OF REMARKS

OF

HON. RICHMOND P. HOBSON,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

May 1, 1914.

The following is the amended and final form of the joint resolution (H. J. Res. 277) proposing an amendment to the Constitution of the United States:

Whereas exact scientific research has demonstrated that alcohol is a narcotic poison, destructive and degenerating to the human organism, and that its distribution as a beverage or contained in foods lays a staggering economic burden upon the shoulders of the people, lowers to an appalling degree the average standard of character of our citizenship, thereby undermining the public morals and the foundation of free institutions, produces widespread crime, pauperism, and insanity, inflicts disease and untimely death upon hundreds of thousands of citizens and blights with degeneracy their children unborn, threatening the future integrity and the very life of the Nation: Therefore be it

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"SECTION 1. The sale, manufacture for sale, transportation for sale, importation for sale of intoxicating liquors for beverage purposes in the United States and all territory subject to the jurisdiction thereof, and exportation for sale thereof, are forever prohibited.

"SEC. 2. The Congress, or the States within their respective jurisdictions, shall have power to enforce this article by all needful legislation."

Mr. HOBSON. Mr. Speaker, under leave to print I will put into the RECORD a copy of a speech of mine made before the subcommittee of the Judiciary Committee of the Senate on Senate joint resolution 88, identical with House joint resolution 168:

"THE GREAT DESTROYER."

In February, 1911, I took occasion to put into the CONGRESSIONAL RECORD, in the form of a speech called "The Great Destroyer," the results of an investigation purely scientific and disinterested, employing rigid scientific methods. These results led scientifically to the conclusion that the alcohol disease in the Nation is organic and must be treated by organic methods. An organic method is a method that reaches the organs and the tissues which, for a Nation, are the people themselves. Taking the truth about alcohol to the people themselves is the first part and the basis of organic treatment. Following that, and in conjunction with it, the second part calls for prohibition of the traffic, to stop its spread and contagion, prohibition to be put into the organic law, where it could rest for long periods of time, allowing the slow, cumulative process of cure to take place; in other words, national prohibition in the Constitution of the United States.

With the cooperation of some friends I have sent out over 2,000,000 copies of the "Great destroyer" speech systematically into all the States and Territories, and I have written probably a million and a half letters on the subject, helping to lay the foundations. During the last three years, by lectures and addresses, I have taken opportunity to lay this matter before temperance and prohibition forces, the religious, civic, and uplift

forces of the Nation, at National and State conventions, and local meetings.

STATEMENT OF HON. RICHMOND PEARSON HOBSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALABAMA.

Mr. HOBSON. Mr. Chairman and gentlemen of the committee, we feel very grateful to the committee for the courtesies extended to us.

METHODS OF THE LIQUOR INTERESTS.

I desire to call your attention at the outset to the fact that the liquor interests have not appeared here. Those who are to be affected directly by this legislation have not appeared. They did not appear in the House hearings, and they have not appeared in the Senate hearings. We are anxious that they should appear and submit their case in full, that they should meet us in the open, before the bar of judgment of this committee and the House committee; but they have not. All of those who have appeared in opposition have declared at the outset that they were not interested in the business in a financial way. No one imagines for a moment that the liquor interests, with millions of dollars of investment at stake, are not active in opposition to this resolution. On the contrary, their political activities are greater than was known before, but their ways being dark they shun the light. Instead of coming out in the open and following the course of honorable procedure before the duly constituted committee agencies, depending on the justice of their cause, they have established a "Protective Bureau" under the National Wholesale Liquor Dealers' Association to systematically develop their devious, underground methods of influencing public opinion and public officials. The headquarters of this national association at Cincinnati has recently called on all distillers, manufacturers, dealers, importers, brokers, and allied trades to pay a monthly tax into the protection bureau—1 cent per bushel on mash; 5 cents per barrel on whisky and rum, cordial and wines; 10 cents per barrel on brandy; dealers and importers paying one-tenth of 1 per cent on their sales, brokers 1 cent per barrel, and so forth; in all to net $5,000,000 per year.

THE PROCLAMATION OF MAINE.

A hard fight was fought in Maine in the summer of 1911, ending in the election of September, to retain prohibition in the State's constitution. On the eve of that election Mrs. L. M. N. Stevens, president of the National Women's Christian Temperance Union, one of the greatest women America has ever produced, issued a proclamation announcing that whether they won in Maine or lost, from the battle field of Maine she would advance with all the forces at her command, and that she invited all other temperance, prohibition, uplift, and patriotic forces to join her, to bring about national constitutional prohibition.

THE CONVENTION OF COLUMBUS, OHIO.

During the second week in November, 1913, a convention was held at Columbus, Ohio, the import of which was not fully appreciated at the time, for the reason that the liquor dealers and the cosmopolitan press in sympathy with them in America evidently did not wish it to be thoroughly appreciated by the people. It was the first time that practically all of the nationally organized uplift forces ever met together in the history of this country or in the history of any country. Those in attendance at that convention included official representatives of all the churches of all denominations, including the Mormon, as well as the Catholic and Protestant Churches, representatives of the Sunday schools, the Anti-Saloon League, the Woman's Christian Temperance Union, the Christian Endeavor Society, the Epworth League, and so forth. I could go on and enumerate all of them. There were 97 national organizations representing thousands and thousands of State and local organizations. They very clearly represented the conscience of the Nation. I do not say exclusively, but, on the whole, they represented the conscience of the Nation—the religious, moral, uplift forces of the whole Nation—they represented more than a majority of the American people.

Fifty-five per cent of all the American people to-day live under prohibition law; 71½ per cent of all the area of continental United States is under prohibition law, so I do not think I am wide of the mark when I say they represented a majority of the American people.

After due deliberation, the convention decided unanimously upon the two parts of organic treatment, to go systematically to the American people, to take the truth about alcohol, and to insist on national constitutional prohibition.

Being an organic question, the people have a right to settle it themselves. It is within the power of this Congress to wash its hands of the whole question by settling it right.

A QUESTION OF REFERENDUM.

I desire next to call your attention to the fact that the resolution is purely an act of referendum. It does not commit a Senator or Member of Congress to the merits or the wisdom of constitutional prohibition as an ultimate policy; it simply commits him to the principle of letting the people themselves pass on an organic question when they request to be allowed to do so.

Now, in States that have adopted the referendum the highest percentages of voters required to secure a referendum is 5 per cent. I repeat that a majority of the voters of the United States are represented in this official request, and the proportion is increasing every day. In as short a time as has elapsed since that convention last November there have been more than 3,000,000 petitions sent to Congress for this resolution, and that is only a beginning.

The question is, Ought the people to be allowed to decide the question when a majority of them have requested it?

THE GREAT COMMITTEE.

In order to proceed in regular form and comply with the spirit of our institutions and to manifest their great respect for Congress, the Anti-Saloon League convention, that was meeting jointly with the representatives of these other organizations, authorized a committee of a thousand men and the National Woman's Christian Temperance Union authorized a similar committee of women to memoralize Congress. They met in Washington on the 10th of December. The men's committee alone had increased to nearly 3,000, coming from every State and Territory in the Union, representing the strongest men in their respective communities.

They respectfully memorialized both Houses of Congress to pass the joint resolutions, H. J. Res. 168 and S. J. Res. 88, which are now before this subcommittee.

I submit that for such a question, submitted in this way, the subcommittee ought to, at the least, let the full committee pass on it. I submit that the full committee, at the least, ought to allow the Senate itself to pass upon it. Then I submit to the Senate and the House that the Members of Congress ought to allow the self-governing American people to pass upon it. No matter what objections may be raised, under the spirit of our institutions the people of the several States are competent to decide and have a right to the opportunity to decide on the merits of the question.

THE POWER TO AMEND THE CONSTITUTION.

Senator DILLINGHAM referred to the scope of the amendments that have been made thus far to the Constitution. Senator SHEPPARD was telling me a few minutes later that a criticism came to him from Texas, denying the right to amend the Constitution to abridge the rights originally reserved by the States. The very contrary is the spirit of the Constitution. It can not be conceded for an instant that the people who made the Constitution can not change it. The very conception makes the creature greater than the creator. Our forefathers showed their wisdom in providing for the most unlimited power of amendments to the Constitution. Article V of the Constitution, as pointed out before, places but one limitation, namely, "that no State, without its consent, shall be deprived of its equal suffrage in the Senate." The States now have the right to make any changes except to change the representation of the several States in the United States Senate. The States could repeal Article V and remove this limitation. Any new powers, if necessary to promote the general welfare, could be delegated to the Federal Government. But there are no new powers delegated in this amendment. On the contrary, it makes a surrender of power that the Federal Government now has—that is, the taxing power—not the whole of that power, but that part that deals with liquor. It is giving back to the States part of the power they originally conferred on the Federal Government.

The CHAIRMAN. Saying that on this one thing they shall tax no further.

Mr. HOBSON. Yes. The Federal Government can tax liquor now. After the adoption of the amendment they can tax it no further. The States can license liquor now, but when they do they relinquish a part of their police power. After the adoption of the amendment they would retain in full all their police powers, and each State would then cooperate with all other States for the exercise of that power. The invasion by liquor of one State by using another State as a base would end. A State never did possess a natural, inherent right to authorize harm and undermine morals and health, even of its own people, much less the people of other States.

That brings us at the outset to the question Senator DILLINGHAM raised a few moments ago, whether the adoption of the amendment would involve an encroachment on the police power of the States.

THE POLICE POWER OF THE STATES.

What is the police power of the States? The police power of the Federal Government or the State—any sovereign State—has been defined. Take the definition given by Blackstone, which is:

The due regulation and domestic order of the Kingdom, whereby the inhabitants of a State, like members of a well-governed family, are bound to conform their general behavior to the rules of propriety, of neighborhood and good manners, and to be decent, industrious, and inoffensive in their respective stations.

Would this amendment interfere with any State carrying on the promotion of its domestic order?

Or you can take the definition in another form, in which it is given by Mr. Tiedeman, when he says:

The object of government is to impose that degree of restraint upon human actions which is necessary to a uniform, reasonable enjoyment of private rights. The power of the government to impose this restraint is called the police power.

Does this amendment take away from any State the power to impose that restraint?

Let us analyze the effect of the taxing power. My point is that when this proposed amendment would stop a citizen of the State from manufacturing and selling liquor there would be no extension of Federal authority. The Federal Government in exercising the taxing power can now prevent a citizen of a State from manufacturing or selling liquor, no matter how plenary the power granted by the State may be.

In the case of the "phossy jaw" bill Congress exercised the taxing power to completely destroy the phosphorus process of manufacture, and no State could prevent it. Authorizing the manufacture and sale of liquor is not a right. It is not a natural right of a citizen. It is not a natural right of a State, neither a reserved right nor a right under the exercise of the police power. The police power exists to promote the domestic tranquillity, promote good order, promote the general welfare. The manufacture and sale of intoxicating liquors operate to oppose these ends. The Federal Government would invade the police power of the State if the Federal Government should forbid a State to prohibit the manufacture and sale of liquor.

Senator DILLINGHAM. Under the restrictive power of the State in the exercise of its police power, you do not deny but that it would have the entire right to prohibit the manufacture and sale, and even the use?

Mr. HOBSON. Yes; and the State will still have that right, even more complete after this amendment is adopted.

Whenever a State authorizes the manufacture and sale of intoxicating liquor it weakens, infringes, and curtails its own exercise of the police power.

Completely stopping the manufacture and sale of intoxicating liquors would strengthen the police powers of all the States and return these powers to their original completeness.

When you pass this Federal amendment you make the Federal Government cease to be an ally of liquor. It is not supposed to be an ally now, in theory, but in effect it is. In adopting this amendment you make the Federal Government cease to be an ally of these outlaws who are blighting the police power of the States.

Under the taxing power the Government to-day practically throws its protecting wing about the outlaws.

Senator DILLINGHAM. In our State they do hold that the possession of the receipt for the tax paid is prima facie evidence of a purpose to sell liquor contrary to the law.

Mr. HOBSON. The Federal Government has done all it could to prevent the officers of the law in the States from getting the names of these outlaws. Take New York City. They regulate there about ten or twelve thousand saloons. There are some 5,000 additional Government tax receipts, held for the purpose of protecting the illegal sale. Or take it in the State of New Jersey, where there are some 9,000 saloons regulated by the State and from 3,000 to 4,000 more Government tax receipts; so it goes throughout the country. Similarly protecting tax receipts are issued in prohibition territory where all manufacture and sale are illegal. The Federal Government to-day, instead of being the ally of a sovereign State to execute its police power, is the ally of the outlaws who undertake to put a blight on the police power.

But I will come back to that after I have discussed the nature of this traffic, and after we come to know the nature of the traffic you will find that every principle of law stands for its being suppressed by all the powers—local, State, and national.

Senator DILLINGHAM. I am not troubled on that question at all.

Mr. HOBSON. I will go through that briefly and put that in the record.

The CHAIRMAN. I think all the members of the committee are pretty well satisfied on that. We do not want to interrupt your argument, however.

Mr. HOBSON. I do not mind your interruptions at all.

The point of the argument here is this: Unless there is a consideration of a fundamental nature to the contrary, the Congress ought to grant this request, coming from the conscience of the Nation and from a majority of the people, to allow the people of the several States to pass on this great question involving their highest welfare. From the questions and remarks of the chairman and Senator DILLINGHAM, it appears advisable to take up here, before discussing the merits proper of the resolution, the whole question of rights and powers involved, to see if this question contains any serious consideration against the adoption of the resolution, although this will entail some repetition.

RIGHTS AND POWERS INVOLVED.

1. The Federal Government, under the taxing power, now possesses plenary power over the liquor question in the several States. The effect of the ratification of this amendment would be that the Federal Government would surrender this part of the taxing power originally granted to it by the States. There would be no enlargement of the power of the Federal Government, but a contraction of that power.

2. In the adoption of the amendment the States would secure the cooperation of the Federal Government, an additional instrumentality, in the carrying out of their own will, determined by not less than three-fourths of their whole number. Each State has a right under its police power to prohibit the sale of intoxicating liquors, and this right would be strengthened, and not weakened; but no State has a right under the police power to authorize that which, by court decisions and common knowledge, opposes the object for which the police power exists. The result of this amendment would be to strengthen, and not weaken, the police power of the several States, and promote the attainment, and not the failure, of the purposes for which the police power exists.

NATURE OF THE SALOON.

3. In Mugler *v.* Kansas (123 U. S., 205) the Supreme Court of the United States says:

It is not necessary, for the sake of justifying the State legislation now under consideration, to array the appalling statistics of misery, pauperism, and crime which have their origin in the use or abuse of ardent spirits, for we can not shut out of view the facts, within the knowledge of all, that the public health, the public morals, and the public safety may be endangered by the general use of intoxicating drinks; nor the fact established by statistics accessible to everyone that the idleness, disorder, pauperism, and crime existing in the country are in some degree at least traceable to this evil.

In Crowley *v.* Christenson (137 U. S., 86) the Supreme Court of the United States, speaking of the saloon, said:

As it is a business attended with danger to the community, it may, as already said, be entirely prohibited.

In Thurlow *v.* Commonwealth (5 Howard, 304) the Supreme Court of the United States said:

The train of evils which marks the progress of intemperance is too obvious to require comment. It brings with it degradation of character, impairs the moral and physical energies, wastes the health, increases the number of paupers and criminals, undermines the morals, and sinks its victims to the lowest depths of vice and profligacy.

In Goddard *v.* President (15 Ill., 589) the Supreme Court of Illinois says:

It is not sufficient to say that liquors are property, and their sale is as much secured as that of any other property. Their sale for use as a common beverage and tippling is hurtful and injurious to the public morals, good order, and well-being of society. Playing cards and other gaming instruments, and obscene books, prints, and pictures are likewise property, and the same right of sale might as justly be claimed, yet no complaint is made that even the importation as well as the sale is forbidden. When we defend the sale of liquor for the purpose of tippling we surely draw our arguments from our appetites and not our reason, observation, and experience. We may carefully protect the public morals and the profligate from the evils of gaming, horse racing, cockfighting; from the obscenity of prints and pictures; from horses and exhibitions of mountebanks and ropedancers; from the offensive smell of useful trades and hogpens; from the manufacture and exhibition of fireworks and squibs; from rogues, idlers, vagabonds, and vagrants; and from dangers of pestilence, contagion, and gunpowder; yet, according to the doctrine contended for, this right to vend a slow and sure poison as a common beverage must remain intact and not amenable to police regulations for its suppression, although all the other evils together will not destroy a tithe of the number of human lives nor produce more moral degradation, or suffering, wretchedness, and misery in the social relations of society, or pauperism, vagrancy, and crime in the political community, or pecuniary destitution of individuals and families than will the constitutionally protected right of destroying our neighbors and fellows for the selfish end of our own individual private gain. I am utterly incapable of so regarding it as above all the claims and interests of society, the peace and welfare of families, and especially above the police powers of government, and shall never be brought to acknowledge the sacredness and inviolability of its rights until I shall be able to forget all that I have seen, observed, known, and experienced of its destructiveness of all that is estimable upon earth. Viewing the great and irreparable mischief growing out of this practice, I am not prepared to say that another nuisance may not be added to the list, and that under the police powers society may find protection from its blighting curse.

Judge Cooley says of the liquor traffic:

The business of manufacturing and selling liquor is one that affects the public interests in many ways and leads to many disorders. It has a tendency to increase pauperism and crime. It renders a large force of peace officers essential, and it adds to the expense of the courts and of nearly all branches of civil administration.

Justice Bradley, of the United States Supreme Court, says:

Licenses may be properly required in the pursuit of many professions and avocations, which require peculiar skill and training or supervision for the public welfare. The profession or avocation is open to all alike who will prepare themselves with the requisite qualifications or give the requisite security for preserving public order. This is in harmony with the general proposition that the ordinary pursuits of life, forming the greater per cent of the industrial pursuits, are and ought to be free and open to all, subject only to such general regulations, applying equally to all, as the general good may demand.

All such regulations are entirely competent for the legislature to make and are in no sense an abridgement of the equal rights of citizens. But a license to do that which is odius and against common right is necessarily an outrage upon the equal rights of citizens.

In Pearson *v.* International Distillery (72 Iowa, 348) the court said:

The evils flowing from intoxicating liquors arise wholly from its use as a beverage But this use is widespread, reaching all classes of the people and both sexes and every age. No condition of life is wholly exempt therefrom. An enumeration of all the evils arising from the use of intoxicating liquors need not be attempted. They are numerous and affect the people collectively and individually. Idleness, poverty, pauperism, crime, insanity, disease, and the destruction of human life follow indulgence in the habit of using intoxicating drinks. Millions of our fellow countrymen are addicted to this habit, and of these millions become drunkards. Homes are broken up and domestic peace is destroyed by drunkenness.

The prisons, almshouses, and institutions for the care of orphanage, insanity, and affliction are largely filled by the vice. These are evils, but not all of the evils, of the alcohol habit, affecting the social conditions of the people and their comfort and good morals. But other evils attending the use of intoxicating beverages affect the State and its government. It is the prolific source of crime, pauperism, and insanity, and thereby entails taxation to defray the expenses of the conviction and punishment of criminals and the support of almshouses, asylums, and hospitals It deteriorates mentally and physically the human stock, rendering its victims, as well as their progeny, less capable of bearing arms in defense of their country and of discharging other duties of citizens. Soldiers are unfitted for duty by it, and thereby battles have been lost and the liberty of nations, if not lost, has been imperiled. Tradition perpetuates, if history does not fully record, the evils which have flowed from the alcohol habit of officers and soldiers in our Armies Washington struggled with difficulties occasioned by it, and other commanders of later days have had a like experience, while patriotic soldiers have suffered on account of inebriety of officers in all branches of the military service. The appetite for strong drink, possessed by so many of our countrymen, demands constant gratification and the expenditure therefor of enormous sums of money, thus creating a business—the keeping of saloons and dramshops—in which are employed an immense number of men. Their business and their relations with the idle and dangerous classes of society give them great influence in public affairs. The municipal government of the cities, often burdened with debts and robbed by unfaithful and mercenary officers in all departments, gives evidence of the direction in which this influence is exerted. Thinking men of the day largely concur in the opinion that the influence of the saloon and the idleness and vice of the multitude of its clientage united constitute the great peril of American institutions. We think none will deny that nothing but evil flows from this source.

THE QUESTION OF THE RIGHT TO SELL LIQUOR.

The Supreme Court of Indiana, quoting from Sherlock *v.* Stuart (96 Mich., 193) and Crowley *v.* Christenson (137 U. S., 86), says:

No one possesses an inalienable or constitutional right to keep a saloon for the sale of intoxicating liquor; to keep a saloon for the sale of intoxicating liquor is not a natural right to pursue an ordinary calling; there is no inherent right in a citizen to thus sell intoxicating liquors by retail; it is not a privilege of a citizen of the State or of the United States.

This compound decision means:

First. That the sale of intoxicating liquor is not a constitutional right.

Second. That it is not an inalienable right.

Third. That it is not an inherent right.

Fourth. That it is not a natural right to pursue an ordinary calling.

Fifth. That it is not the privilege of a citizen of the State.

Sixth. That it is not the privilege of a citizen of the United States.

"No one possesses a constitutional right to keep a saloon for the sale of intoxicating liquor." This language has been used by the Supreme Court of the United States and has been used by the Supreme Court of Kansas, the Supreme Court of Michigan, and the Supreme Court of Indiana.

"There is no inherent right in a citizen to thus sell intoxicating liquors." The United States Supreme Court has used this expression 12 different times. Similar declarations have been made by the supreme courts of practically all the States, among which may be mentioned the following:

Indiana, Illinois, South Carolina, Idaho, Colorado, Michigan, Louisiana, Oregon, Missouri, Iowa, Virginia, Alabama, South Dakota, Arkansas, Delaware, Kansas, Georgia, Pennsylvania, New York, North Carolina, New Jersey, Maryland, and the District of Columbia.

Take as an illustration the case of Harrison *v.* People (222 Ill., 150). The Supreme Court of Illinois said:

It must be conceded that the business of keeping a saloon or dramshop is one which no citizen has a natural or inherent right to pursue.

These decisions all show that no natural rights of any citizen would be invaded. On the contrary, since, as the courts have decided, the saloon is dangerous to the public, the suppression of the saloon will protect and secure the natural rights of a vast numbers of citizens, which rights are now infringed by the saloon.

No State has a reserved right or a right under its police power to authorize the sale of intoxicating liquors. In State *v.* Mississippi (101 U. S., 814) the United States Supreme Court says:

No legislature can bargain away the public health or the public morals. The people themselves can not do it, much less their servants. Government is organized with a view to their preservation and can not divest itself of the power to provide for them.

As cited above, Justice Bradley, of the United States Supreme Court, said:

* * * A license to do that which is odious and against common right is necessarily an outrage upon the equal rights of citizens.

In Boston Beer Co. *v.* Massachusetts (97 U. S., 980) the United States Supreme Court, speaking of the police power, said:

Whatever differences of opinion may exist as to the extent and boundaries of the police power, and however difficult it may be to render a satisfactory definition of it, there seems to be no doubt that it does extend to the protection of the lives, health, and property of the citizens and to the preservation of good order and the public morals. The legislature can not by any contract divest itself of the power to provide for these objects. They belong emphatically to that class of objects which demand the application of the maxim, Salus populi supprema lex; and they are to be attained and provided for by such appropriate means as the legislative discretion devise. That discretion can no more be bargained away than the power itself.

Chief Justice Fuller says:

The police power rests upon necessity and the right of self-protection, and fundamental rights can not be invaded under the mere guise of a police regulation.

In Lawton *v.* Steele (152 U. S., 133) the United States Supreme Court said:

The extent and limits of what is known as the police power have been a fruitful subject of discussion in the appellate courts of nearly every State in the Union. It is universally conceded to include everything essential to the public safety, health, and morals, and to justify the destruction of a house falling to decay or otherwise endangering the lives of passers-by; the demolition of such as are in the path of a conflagration; the slaughter of diseased cattle, the destruction of decayed or unwholesome food; the prohibition of wooden buildings in cities; the regulation of railways and other means of public conveyance and of interments in burial grounds; the restriction of objectionable trades to certain localities; the compulsory vaccination of children; the confinement of the insane or those afflicted with contagious diseases; the restraint of vagrants, beggars, and habitual drunkards; the suppression of obscene publications and houses of ill fame; and the prohibition of gambling houses and places where intoxicating liquors are sold.

Judge Samuel R. Artman, judge of the twentieth judicial circuit of Indiana, says:

Accepting the estimate placed upon the saloon by the courts, in view of their own definition of the saloon license, we can not reason to the conclusion that the license is a means of protecting life, health, liberty, property, morals, peace, or good order, so as to establish it as an exercise of the police power.

In all of the decisions cited above and in all similar decisions it is clear that the police power is protective in its nature and is designed to carry out the object of government and the support of law to enforce the right and prohibit the wrong.

Judge Artman again says:

The police power is merely the power assumed by the people, in the foundation of the Government, to accomplish these ends. Government is a protective institution; its function is to preserve and protect men in the enjoyment of the inherent and inalienable rights with which Almighty God has endowed them. The police power, being one of the powers of the Government, is necessarily no more than a protective power; its function is to protect the preexisting rights of men, not to create and grant to certain individuals new rights. It is the power to enforce the right and prohibit the wrong. It is the power to enforce the chief end of organized government, which is the preservation and development of the good order, the peace, safety, health, morals, and welfare of the people. It is the power to enforce the principles of the moral law.

In Thorpe *v.* Rutland (R. R. 27 Vt., 140) the Supreme Court of Vermont said:

The police power of the State extends to the protection of the lives, limbs, health, comfort, and quiet of all persons, and the protection of all property within the State.

It is seen that no State has a right under the exercise of its police power to authorize individuals to sell intoxicating liquors, and, as stated above, in the use of the taxing power the Federal Government has power now to effectually prevent the States from so doing. But every State under its police power has

the right to prohibit the sale of intoxicating liquors, as this sale, by decisions of the courts, tends to pervert the objects for which government is founded. The great real invasion of the police powers of the State is the invasion that now exists under the operations of the national liquor interests. It can be said with scientific accuracy that from the nature of intoxicating liquors and their effects upon men that every saloon opposes the operation of the police powers of the State, and these powers should logically be invoked not to preserve and perpetuate, but to prohibit and destroy all saloons. But even where the States have empowered individuals to legally sell intoxicating liquors the liquor interests have unhesitatingly operated illegally through individuals not so empowered or authorized; and where municipalities, counties, and States, in the legitimate exercise of their police powers, have prohibited the sale of intoxicating liquors, the liquor interests have invariably undertaken to destroy the effectiveness of the exercise of these powers. In fact, the opponents of this resolution have invariably prided themselves—and all advocates of liquor have done the same—on the success of the liquor interests in violating prohibition laws; the usual terms are "prohibition does not prohibit." The States are left entirely free to exercise all of their police powers for the prohibition and suppression not only of the sale of intoxicating liquors, but of their use as well. The Federal Government, in joining to suppress the sale of intoxicating liquors, will cooperate with the States in the exercise of these rights and these powers.

In effect, no new powers would be granted to the Federal Government by the adoption of this resolution, but, on the contrary, it would cause the surrender of power now possessed by the Federal Government. It causes no surrender by a State of any part of its police power. The rights of the States, particularly their rights under the police power, are rendered more secure than before and no grant of power is made to the Federal Government.

The net total result would therefore be no disturbance of the existing balance of power between the State and Federal Governments, except to shift it some toward the side of the States, but for the States individually and for the Nation, a more thorough, complete, and effective exercise of police powers for the general welfare.

SANCTITY OF THE HOME.

The resolution deals only with the sale, and nowhere touches the question of use. Although it has been held by the Supreme Court that the drinking of intoxicating liquor is not a right of a citizen, since it entails an invasion of the rights of others, nevertheless the resolution complies with the spirit of our institutions in limiting itself to the essential province of the State—the question of sale founded upon contract, where one citizen for profit enters into a contract of sale with another citizen. Since a man does not sell to the members of his own family in his own home, this resolution does not invade the sanctity of the home. On the contrary, its effect will be to put an end to the cause more prolific than all other causes combined—the actual invasion that now takes place on account of the sale of intoxicating liquors.

INDIVIDUAL LIBERTY.

Since a citizen does not sell to himself, the resolution does not invade the rights of the individual. As pointed out above, no individual possesses a natural right to sell liquor, and there can be thus no invasion of individual liberty. On the contrary, the resolution, if adopted, would remove the cause more prolific than all other causes—the constant invasion of individual liberties through the sale of intoxicating liquors by others—described by Justice Bradley as "an outrage upon the equal rights of citizens."

In sum, from the standpoint of the effect upon rights and powers of individuals, of States, and of the Nation, the effect of the resolution would be wholly beneficial and in no wise harmful. It would, as seen from the decisions of the courts, strengthen the governments of both the States and the Nation in accomplishing the objects for which they both exist.

THE MERITS OF THE PROPOSITION.

Now, taking up the resolution on its merits, what is its object? Its object is to produce a sober nation, and by a sober nation I mean an abstemious nation and, if you wish to put it stronger, a total abstaining nation. That is its object. Why? Why does it seek to carry out that object? Because the beverage use of alcohol is harmful to the individual, to the Nation, and to the race, whether taken in moderate quantities or in excessive quantities.

How does it propose to carry this out? By stopping the recruiting of drinkers and not by interfering with old drinkers. It studiously avoids every question of use; it does not touch the user immediately and directly; but it stops the sale. It is because of the profits in the sale that the army of drinkers is steadily recruited.

How are new drinkers recruited? Testimony before this committee shows that the recruiting is chiefly among the young. I have been informed that at the last convention of the National Wholesale Liquor Dealers' Association one of their strong men delivered an address urging members to always bear in mind that their trade is built up upon the development of the appetite in boys, recommending them to treat boys free and develop the appetite, no matter what the cost; that it would come back a thousandfold as an investment when the boy grows up as a drinking man. In Oklahoma liquor dealers have been sending by mail liquor free by the quart to the boys of the State.

The authorities of Bellevue Hospital keep the records of their patients, numbering thousands of drunkards every year. They have a scientific list of questions as to the life history. One of the questions asked is, "At what age, do you remember, when you had the habit already formed?" The answers to that question show that 68 per cent of all the drunkards treated there had their habits contracted before they were 21 years old. The record showed that 30 per cent had their habits formed before they were 16 years old and 7 per cent before they were 12 years old.

The records went to show, in conjunction with other experiences, that a very small percentage of men begin to drink after they are grown. I have seen that percentage stated to be as low as 2 per cent. Bring up a boy without the habit of drinking until he settles down and he does not begin to drink after that. It shows that it is not natural for a human animal to drink poison any more than it is natural for any other animal, and that a knowledge of the nature of the poison will make a man who has not already contracted the habit avoid contracting it.

Who is it that undertakes to debauch the youth? I have yet to find a single man out of the business, no matter how much of a drinker he may be himself—a single man who would voluntarily teach a boy to drink. A man may drink himself, but he does not want his boy to learn the habit, and he does not want his neighbor's boy to learn the habit, and he is not going to be base enough, unless he is a degenerate, to teach boys to drink.

THE LIQUOR INTERESTS DEBAUCH THE YOUTH.

The continuation and expansion of drinking in the Nation is the result of the systematic debauching of the youth by the liquor interests for purposes of gain. The moment you stop the profits in the business by stopping the sale, the business itself must die, and the moment the organized liquor business dies, the systematic debauching of the youth of this country will cease. Thereafter the youth would grow up sober. In two generations we would be a completely sober Nation.

Now, that is the effect of this resolution. It leaves the whole domain of the use to the State and counties and families and individuals. What it does is to destroy the monster that debauches the American youth. A continuation of the debauching of the youth is indefensible. When the question is put on its merits and is put squarely before the people we will find marshaled against us only those who profit from the business. Drinkers as well as abstainers are going to join in putting an end to the systematic debauching of the youth of this country.

HOME DISTILLERIES.

We do not go into the question of use. This proposed amendment does not interfere with a State doing what it pleases to stop the use. But some have said, "Suppose there should be a large increase of the small distilleries at home?" The State, in the exercise of its police power, could meet that, likewise the police power of the municipality.

But let us concede, for the sake of argument, that the States and counties and municipalities did nothing else than to cooperate with the United States to prevent the sale, and did nothing to abolish distilleries in the home. Who would put up a distillery in his home? How many drinkers do you think would do that when there could be no sale and no profit? I think only a small percentage of heavy drinkers—those who felt they were bound to have their drinks.

Now, take that small percentage. The man who is making liquor in his home for himself would not teach his own boy to drink, nor would he teach other boys to drink; so the youth would still grow up sober.

ORGANIC TREATMENT.

That is the process of cure that nature employs in all organic diseases.

Take, for instance, the disease of cancer. When the cure does come, it comes through the growth of the young tissue, which does not contract the disease. The protection of the young growing tissue against the contagion of the organic disease is

nature's method of cure. The Nation is a great living organism, and a large part of its tissue—looking upon individuals as cells that make up the tissue—a large part of the tissue is diseased in various stages through this organic disease. If we would follow nature's methods we would recognize that rescue work is not a true solution of this problem. Not that I would, for an instant, discourage any rescue work, or any philanthropic work, but when we deal with a deep-seated organic disease like the liquor disease, we should not put our hope in curative processes, but in preventive processes.

This amendment is drawn to comply with that law of nature. The liquor interests maintain their business by debauching the youth; so the liquor interests must be destroyed.

When the strong arm of the Federal Government comes down, and is combined with the power of the States and the counties and the smaller communities to absolutely destroy the sale, none for an instant can question but that it would accomplish this object.

THE AMENDMENT WOULD BE EFFECTIVE.

If the Federal Government to-day can stop the illicit manufacture as it does so effectually, it could, by raising its little finger, stop the legal manufacture. No manufacturing process for the purpose of sale, of any size, could possibly develop without being detected. It would be a physical impossibility for the manufacture for sale to go on after this amendment became the supreme law of the land. The Federal officials, instead of being a shield to lawbreakers as they are now in the several States, would then cooperate and join the States to destroy everything that pertains to the sale.

Stopping the manufacture for sale, it would be easy to stop the sale. After killing off the organized liquor interests, the systematic law breaking that is now supported by them to break down the laws of the several States would cease. The debauching of officials would end. Effectiveness would be insured by this fact alone.

Prohibiting transportation for sale and importation for sale would meet any menace from the outside. Every official of State and Nation taking an oath to uphold the Constitution of the United States would feel it incumbent upon him, as his first and most sacred duty, to help sustain the law. It is a simple and self-evident fact that when this amendment is adopted the sale will end automatically, and the organized liquor business will die.

The day the organized liquor business dies the systematic debauching of the youth of this land ends, and the cure will set in inevitably.

It is a fallacy to imagine for an instant that in order to maintain the integrity of our institutions we must maintain within our body this disease. On the contrary, it is natural that the organic remedy for this organic disease should be simple and should not involve the sacrifice of any other function of the body politic. That is what it does. It does not touch a thing but the sale, and thus does not weaken but really strengthens the functions of the State and of local self-government.

HYPOCRISY OF THE LIQUOR INTERESTS.

It is interesting irony that those who voice the cry of individual liberty are the very ones who most ignore and invade the individual liberties of others.

Slavery can be produced in two ways. One, by taking possession of the physical man, with power to keep him a slave. The other is to transform his will so that, through some agency in your hands, you can control his actions. Traffic in the physical persons of human beings has been abolished. Yes, and there was no hesitation to change the Constitution of the United States in abolishing it.

But the enslaving of men, thousands and hundreds of thousands, is going on every day. It is estimated that there are 1,000,000 confirmed drunkards in this country to-day, and the number is gradually increasing. It is estimated that there are 4,000,000 heavy drinkers, who drink every day and must have it, but who are not considered drunkards. There were never half as many slaves in the United States of America, physical slaves, when they were at a maximum, as there are to-day of citizens enslaved by these men who are talking about their liberties.

These heavy drinkers and these drunkards, when you come to analyze it, are nothing more than machines to go out and get money; if they can not get it in any other way, they will steal, if necessary, after exhausting the substance of their families, just to bring in the money and deliver it to their masters—those who are supplying the liquor, who are talking about individual liberties.

These same culprits often deplore lawlessness, saying if the legal sale is forbidden it will encourage lawbreaking. United States licenses or tax receipts show that there are from one-quarter to one-half as many illicit tax receipts as there are legalized saloons in most of our wet territory. In dry territory you get a full and complete picture of this outlaw. He respects not the law of God or man, and his one pride has been, and is before this committee—it is the statement of those who appeared here—that "prohibition does not prohibit and can not prohibit." They come before this committee and say substantially that if you make this amendment the supreme law of the land they serve notice on you that they will be above the law.

LIQUOR A PIRATE.

It is nothing but piracy. You take a State, a sovereign State, of this Nation, which passes a prohibition law and sails forth, supposed to be with the protection of society, exercising its State rights. The pirates will appear on the horizon and fling the black flag to the breeze and tell you in advance that they are going to come alongside and get aboard and hoist the black flag above the flag of the State.

Now, they come here and tell us that were prohibition the organic law of the land they would put the black flag above the Stars and Stripes, as well as the flags of the States. And then they come and prate about fearing lawlessness if this measure were passed; they themselves to be the lawbreakers.

With equal contrast and inconsistency they come to invoke the Divine law, the Bible. I want to call the committee's special attention to the fact that they announced when they came in that their opposition was the churches, and that such opposition ought not to be considered.

THE DEVIL QUOTES SCRIPTURE.

The truth is the civil laws of society to-day, where society is perpetuated, grew out of and embody the moral laws and the natural laws upon the foundation of religion.

What do you expect when you find the welfare of humanity involved, the evolution of the human species, God's universal law of evolution interfered with? What do you expect but that the great organization that is here—of course, with human frailties—to carry out Gods' will in the world—what do you expect but to find the church practically unanimous against the liquor traffic?

But the liquor men go on and interpret the Scriptures. The preachers whose lives are given to interpret the Scriptures are nothing but fanatics, and know nothing. These liquor men, who utterly disregard the laws of God and man, come here, set aside the preachers, and set themselves up to interpret Holy Writ as justifying their trade. If it were worth serious consideration, I would take the time to lay before you the scientific explanation of this apparent foundation which they claim from the improper translation from the original, using "wine" for both the words that meant entirely different things, one wine proper and the other the unfermented juice of the grape, put into widely used leather bottles to keep, new bottles being used every year, because there would not be any ferment germs in the new bottles. Hence, the reference to not putting new wine into old bottles, as these would collect ferment germs and cause fermentation. A different word is used for alcoholic wine where fermentation has taken place, and this is referred to in terms of the strongest condemnation, both in the Old and New Testaments.

It is almost ludicrous to see the advocates of liquor depose ministers of the gospel and set themselves up to interpret the Scriptures, whose teachings they continually defy.

ALCOHOL A POISON.

The major premise of all those who appeared before this committee in opposition was substantially that alcohol is a food and its temperate use is beneficial; that all the ills attendant upon drinking are due to excessive use, like ills attendant upon the excessive use of meat. As a matter of fact, alcohol is a poison and its widespread moderate use is more harmful to society than the more limited excessive use.

This question, fortunately, is not open to discussion. It is a matter of fact, not of opinion. The truth about alcohol has been established just as completely as the law of gravitation. It is not debatable. Men who talk about the food value of alcohol and its benefit in moderation simply display their ignorance of up-to-date science.

It is produced by supplying food for ferment germs. The principal food for the ferment germ consists of glucose.

After devouring the food the germs give off gas, CO_2, and alcohol, C_2H_6O.

Now, Pasteur, in his laboratories in Paris, settled this fact that alcohol is the toxic excretion of ferment germs.

The law is universal that the toxin of one form of life will poison itself and every form of life of a higher order. The ferment germ is a single-cell germ, the lowest form of life, and ist toxin is therefore a poison to every form of life known to man, whether plant or animal. Alcohol is a protoplasmic poison.

All forms of life are made up of cells, very little, minute particles of protoplasm. Life goes on from regular changes in those cells. Toxins interfere with these life processes of protoplasm.

ALCOHOL AND DISEASE.

I will not stop to describe the way it affects the organs and the various tissues of the body. This toxin affects the red blood corpuscles, so they can not transport the necessary oxygen to the system. The whole system suffers

The white blood corpuscles fight disease germs of all kinds.

Now, alcohol acts on a white blood corpuscle in just about the way it acts on a man. If you take a fighting man and soak him in alcohol, you will reproduce a white blood corpuscle, when alcohol is in the system.

The CHAIRMAN. It makes you drunk?

Mr. HOBSON. Yes; he is no longer a good fighting man. Let us take for our illustration consumptives.

ALCOHOL AND CONSUMPTION.

The consumption germ is a very tenacious germ, and the only way to really overcome it is to build a wall around it. These little white blood corpuscles build a wall with their own bodies.

Investigations made in France show that the deaths from consumption throughout the Provinces of France are directly in proportion to the amount of alcohol consumed per capita. The figures show that 55 per cent of all deaths from consumption are really due to this cause. It is singular that in the general war against the white plague so little attention should have been given to alcohol, which causes more of the deaths than all other causes combined. This shows how deeply the hand of the liquor interests is felt in control of the means of popular education.

ANTIALCOHOLIC MOVEMENT IN GERMANY.

At this point I will cite the statement of 800 German professors and physicians who over their own signatures declared, among other things:

Science has shown that alcohol, even in moderate quantities, causes disturbance in the brain's action and paralyzes critical capacity, power of will, the ethical and æsthetic sense, and lowers self-control. For this reason one should realize that it is a poison and no longer to be classed with foods. Drinking customs bring degeneracy, poverty, sickness, vice, crime, madness, and death.

Representatives of the German-American Alliance have been so eloquent in their praise of moderate drinking, and who seem to be so proud of the drinking of Germany, should note this verdict of 800 authorities of the fatherland.

These German-Americans seem to be utterly ignorant of the great antialcohol work going on in Germany with the cooperation of the German Government, led by the German Emperor. In March of last year a nation-wide congress for the alcohol-free education of the youth of Germany was held in Berlin in the Prussian House of Deputies. The honorary president was the German chancellor himself, Dr. von Bethmann Hollweg. On the committee of honor all the Prussian ministers were represented, and emiuent men from various parts of Germany.

The Federal Government of Germany sends antialcohol cards to all German mothers at the vaccination of their newborn. Every child entering a Berlin school takes home to its mother one of these cards explaining the injury that alcohol does, particularly to the child.

One of the German-Americans referred to Bismarck with great pride as an example of drinking customs. As a matter of fact, a saying of Bismarck's is being reproduced all over Germany, to the effect that if the workmen's protective code should be extended to the protection against "that Diabolus Germanicus," the drink devil, the great part of the social question would be solved at once.

Effective means are being used to cut out drinking in all forms from the German Army and the German Navy. Dr. Mattahei, staff physician of the German Army, declares, representing the attitude of the German authorities:

We should not discuss moderation with a man; the thing has long since been settled by science. The use of narcotic poisons is simply indecent and criminal.

The fact is the German scientists and high-class Germans in Germany are thoroughly ashamed of the stand taken by German-Americans. Prof. Rade, of Marburg, after recently visiting America, gave expression to this feeling of humiliation. He says:

The painful impression of the part the Germans are playing in the American alcoholic war was again and again made upon me. The Germans, with their fight for alcoholic freedom, represent a lower civilization as against the Anglo-American element, the protagonists, in the prohibition movement. It is a matter of national honor that public opinion should be enlightened upon the subject, and should exercise a right influence across the sea. The German antiprohibitionists over there must be made to understand that they have not their relatives at home with them.

Perhaps the most concise and conclusive statement yet made is the one handed down by the congress against alcoholism in London in 1909. Scientific and professional men from all parts of the civilized world brought up and signed the following statement as the verdict of science:

Exact laboratory, clinical, and pathological research has demonstrated that alcohol is a dehydrating protoplasmic poison, and its use as a beverage is destructive and degenerating to the human organism. Its effects upon the cells and tissues of the body are depressive, narcotic, and anesthetic. Therefore, therapeutically, its use should be limited and restricted in the same way as of other poisonous drugs.

APPALLING LIFE WASTE.

The most comprehensive and scientific method of estimating the total life waste from alcohol is to compare the average of the mortality under similar conditions of living of total abstainers with the average of the country, with the average rate for moderate drinkers and the average rate for heavy drinkers.

The information on that subject is reliable and conclusive. It is drawn from many sources of accurate knowledge, and, among others, the British Government. The statistics have been obtained from the reports from the British interdepartmental committee on physical deterioration, from the reports of the great life insurance companies, from the reports of the registrar general of England, and from other mortality reports. I will not go through the details. The net result is substantially what is shown in this chart [exhibiting chart]. This chart shows the average number of deaths every year per 61,000 of the male population between 25 and 65. It shows the number for saloon keepers and bartenders. It also shows the number for total abstainers. Taking the men of adult years, there will be 1,642 deaths out of every 61,000 for saloon keepers, bartenders, and those in the trade. There will be 1,000 deaths for the population at large. There will be 560 deaths for total abstainers. I cited this comparison in my speech, "The great destroyer." People laughed at it at first and said it was impossible. But there are the figures, and they have been verified. If we were a nation of total abstainers our adults would die off at the rate of only 560 per 61,000. Instead of that they are dying off at the rate of 1,000 per 61,000 among the average population and at the rate of 1,642 among the saloon keepers, bartenders, and people in the trade.

There is but one mathematical conclusion that can be drawn from this, and that is that 440 out of every 1,000 deaths of adults are premature and due to alcohol.

I will refer in a moment to the effect upon the offspring. The blight there is very much more severe than it is upon the adults themselves. So, applying the same estimate to the whole population, minors as well as adults, we will be on the conservative side as to the whole result.

So we can take the whole population and say that alcohol causes the premature death of 440 adult citizens out of every 61,000 of the population every year. That means that alcohol kills about 700,000 Americans every year. That just about tallies with the detailed investigations of the proportions of those carried off by individual diseases, like consumption, really due to alcohol.

ALCOHOL AND DEGENERACY.

Another property of alcohol must be pointed out. It is not simply a general poison—a poison to every protoplasmic principle of life—but it has peculiar properties. Take *morphine*, take strychnine, take chloral, take belladonna, take all that group of poisons like alcohol low oxide derivatives of hydrocarbons; they are general poisons, but they have affinities, each making an attack upon certain particular tissues. Strychnine, for instance, attacks the spinal cord with particular fierceness and throws a person into convulsions.

Alcohol has the characteristic that its severest attack is on the tenderest cells, the youngest in evolution. Alcohol's deadliest attack is upon the cells that are in the line of the creature's evolution, and whatever that line is, in plant, animal, or man, alcohol will have a deadly effect and will tear down just where nature tried to build up. Alcohol's particular characteristic is that it tears down in the line of evolution. Nature is trying to build along some particular line in every species. Alcohol tears down in that particular line and reverses the process of nature.

Alcohol is the great specific cause for degeneracy.

The appalling extent of degeneracy is shown in the great number of unnatural crimes. There are 3,000 murders in this country every year in which men murder their own wives; 2,500 cases where they kill their own children. You do not find that in nature.

There are about 15,000 cases where men desert their helpless children. That will give you an index into the degeneracy that surrounds us. Instead of our working amongst and dealing with civilized men, we are in the midst of savages, in the midst of violence and crime. Sully Prudhomme, the great French scientist, said, "All in all, my opinion as to alcohol in all its forms is that it is fitted, thanks to the devastation that it brings about in the human system, to animalize people in all grades of society, and, sooner or later, to annihilate the superiority which man has slowly acquired over the anthropoid ape." Here this universal right of citizenship is violated not by prohibition but by the liquor traffic.

Nature has built up life in this universe on the evolutionary principle, and when that principle is reversed nature proceeds to eliminate. She adopts two methods, one to shorten your life and the other to blight your offspring, both in direct proportion to the degree of degeneracy.

The people of America do not know this, and so they drink 25 gallons per capita of alcoholic beverage every year, and so they die prematurely, 700,000 per year. Nature calls them up to the bar and shortens their lives.

Take a practical illustration: A boy who at the age of 20 is a total abstainer will live to be 65 years and 5 months old. That is the average. A boy at the age of 20 years carried on the books of an insurance company as a moderate drinker will die at the age of 51 years. His death will be attributed to some illness or other, but if he had been a total abstainer he would have lived 14 years longer.

A young man who at the age of 20 years is a heavy drinker, and there are a great many such, will die at the average age of 35 years. It will cost him 30 years out of his young life; he has but 15 years to live. We have in this country 1,000,000 drunkards, 4,000,000 heavy drinkers, and from 19 to 20 million moderate regular drinkers, and many millions more who drink on occasion. That is how the sum total whose lives are shortened on this account averages 700,000 a year.

ALCOHOL MORE DESTRUCTIVE THAN ALL THE WARS OF THE WORLD.

I had the War Department investigate for me the mortality on the battle fields of the world. The War College had a research made. They took all the authentic reports of all the battles from the Macedonian wars down to and including the Russo-Japanese War. They could not in every case get a separation of the killed and wounded, but applying the general proportion between the two the sum total amounted to 2,800,000—about 2,100,000 wounded, with less than 700,000 killed. It is easy for our minds to conceive that line of dead stretched out on the battle field. Alcohol kills more Americans in one year than all the wars of the world have killed on the field of battle in 2,300 years. It is not surprising that Prof. Fick, of Wurzburg, declared "the fight against alcohol is the most important phenomenon of our epoch—weightier than all State affairs, wars, and concluded peaces."

If life is part of the object of the Constitution, to protect life, then measures to protect the Nation against the ravages of this deadly enemy should have first consideration; such measures should be an inherent part of the Constitution. The shortening of life of the living is not alcohol's deadliest blow. This is struck at the children unborn.

Nature is not going to let degeneracy inherit the earth. Nature is not only going to shorten the lives of men who degenerate, but she is going to blight their offspring.

It is the same with plant and animal as with a man.

ALCOHOL BLIGHTS THE OFFSPRING.

Take the investigation made by Dr. Laitinin, of Helsingfors. He investigated nearly 6,000 families, comprising more than 20,000 children. He classes the parents as total abstaining, moderate drinkers, and alcoholics. His results have been confirmed by the investigations made on animals, the proportions being substantially the same in both cases in regard to heredity.

In the embyronic stage the tissues are the tenderest and the youngest; indeed, every process, even the earliest, that touches the question of reproduction, is the most delicate in male and female.

The effects of alcohol in all these processes are deadly. The investigations of Dr. Bertholet, of Lusanne, show that the organs of reproduction suffer most severely.

Now, the human species is evolving or building in the top of the brain, the cortex of the cerebrum; that part of the brain that is the seat of the moral sense, the center of inhibitation and self-control, the seat of what we call character.

Those tissues are the most sensitive, delicate, and unstable, because they are the latest, the youngest in the line of human evolution. In all species nature tries in her reproductive processes to foster this line. So, in regard to everything that touches the question of reproduction and the evolution of the species, alcohol blights with deadly effect.

One part of alcohol in a thousand parts of water, an extremely weak solution, will seriously and materially attack an embryo, while one part of alcohol in two hundred parts of water, still a weak solution, will kill an embryo. A mother can go out to dinner and come back with one two-hundredths part of alcohol in her system and have a miscarriage and never approach intoxication.

The experiments with animals confirm the results.

Dr. Laitinin's examination of 20,000 children showed that if both parents are simply moderate drinkers it nearly doubles the number of children that die during the first year of infancy, and it increases over 400 per cent the number of accidents and miscarriages among the mothers. It confirms the investigation by Dr. Demme, made at Berne, Switzerland, along the same line, where he found that up to the age of 5, taking all the children of drinking parents together and all the children of abstaining parents together in two groups, keeping a record, practically five times as many will die in the first group as in the second group. That is, nearly four out of five infant deaths of drinking parents are unnecessary, caused by alcohol, and the infant mortality from this cause is so great that if hogs were dying off at such a rate the whole resources of the Government would be used to stop the cause. The slaughter of the innocents by Herod was nothing compared to the slaughter of the innocents every year struck down by the acts of their own parents.

The parents do not know any better, and we can not get the truth to them rapidly. That is where our greatest trouble comes. The liquor interests talk of curing the disease by education and then proceed to prevent the education. They spend millions of dollars in preventing the education of the people. They use the billboards of the country; they use literature to carry false information about alcohol. They dominate the liquor policies of the press as a whole through misinformation. It permeates literally every known process of education, art, literature, music, the stage, the theaters—everywhere there is this misinformation, miseducation.

If both parents are alcoholic, one child out of every five of those that do survive will become insane. The blight has been on the nervous system. One out of every seven will be born deformed. One out of every three will become epileptic, hysterical, or feeble-minded. There is a report from an institution for feeble-minded children in Switzerland where they are teaching the truth. These feeble-minded children curse their parents.

Where both parents are alcoholic, only one out of six will be normal; five out of six will be abnormal.

If both parents, on the other hand, are total abstainers, there need be no anxiety about the mother. The investigations show that nature has not discriminated against the human species; that all reproduction troubles to humanity have been due to its degeneracy. Cut out alcohol, and no matter how hard a life the mother may have to lead, there will be no accidents to speak of and no dangers in maternity. Of the children that are born, nine out of ten will turn out to be absolutely normal.

Now, those children normally born, without any taint of degeneracy in the blood, will be highly susceptible to evolutionary processes. They will be healthy and easy to bring up. Give them a decent environment in which to live and they will end by rising to a degree higher and nobler than their parents.

Insure that a nation's children shall grow up sober, and the people are bound to rise; nothing can stop them; such a nation will build a wonderful civilization.

But if the children of a nation are debauched and grow up to be drinkers, their children will be blighted. Such a nation is bound to go down, and must ere long perish. In view of the vast alcoholism in Europe and in America, we can understand what Dr. Laitinin had in mind when he said at the Budapest congress:

> While the studies in this field were not yet sufficient to explain every side of the colossally important (alcohol) question, yet they enable us in some measure to see into the bottomless abyss on the edge of which humanity is standing.

DEGENERACY AND CITY LIFE.

In the light of these facts, let us examine the life history of nations that have risen and then perished. In no case has a nation degenerated while its people were rural, but whenever a nation of the past came to depend on city life that nation declined and ultimately perished. How shall we explain this? The country boys were not debauched by liquor. It did not pay the liquor interests of the past to go out and debauch the country boys. They were too scattered; but in the cities where they were thick it was easy to get them by the thousands. You need not think they will only get the average boys; they will get the boys of

high degree just as they will get the boys of low degree and middle degree.

And you can easily see how degeneracy runs a swift course in a few generations after the country ceases to renew the city life by new blood. What has been true in the past is true now, and will remain true. Unless the liquor problem is solved, if a nation comes to rest on the city life, it is bound to perish.

The best illustration in history of both of these processes is the history of Rome. Recent investigations go to show that the motive which Romulus had in the founding of Rome was to have a city in which the product of the wine press should never come. He founded Rome on the principle of total abstinence. For 500 years Rome practiced absolute prohibition.

For many centuries after that the Roman law forbade a Roman woman to take wine under penalty of death. This shows that they understood the blighting effect of alcohol upon posterity.

During those centuries you can see the evolutionary development of the Roman Empire very plainly, as compared with the surrounding peoples. They not only increased in numbers, but they developed the higher faculties of man, not only physical and intellectual but spiritual and moral power, to such an extent that they literally conquered the world and gave humanity a new civilization, laying down the true principles of jurisprudence, right, and justice for all time.

Rome, rural and sober, conquered, ruled, and blessed the world. But in turn, in their great city, they became dissipated, degenerate, and then great Rome fell at the hands of despised barbarians.

The same processes are going on in America to-day and in all civilized nations.

ALCOHOL STRIKES AT THE NATION'S PROSPERITY.

The Nation's material prosperity depends on the producing power of its citizens. The average of efficiency of the citizen as a producer is seriously lowered by the widespread use of alcohol, even in moderation.

Take beer, that the representatives of the German-American Alliance so lauded here last Saturday. Two steins of beer a day will lower your efficiency an average of from 8 to 10 per cent.

The temperate drinker that they are holding up to our people, the one who drinks moderately every day, is short from 25 to 40 per cent in his efficiency, depending on the individual and depending on the occupation.

And the greatest loss of efficiency is where the labor entails the exercise of the higher faculties, for these are the most sensitive.

It was pitiful to hear those men portray great men as being great from the use of alcohol. There is little excuse for their ignorance in citing Marshal Von Moltke. He was an ardent total abstainer and helped to found the greatest temperance association of Germany. He said, "Germany has more to fear from beer than from all the armies of France."

They likewise displayed gross ignorance in citing Lord Roberts, who is one of the foremost teetotalers of the British Army and one of the leaders in the work going forward to make that army dry. To-day there are 56,000 British soldiers who are total abstainers. The British defeats in South Africa during the Boer War were found to be largely the result of drink.

How unscientific, even ridiculous, was one of the speakers, comparing the Turks with the Teutons to convey the impression that drinking made the latter great. The scientific method is to compare the negro who is sober with the negro who drinks; to compare the Turk who is sober with the Turk who drinks; to compare the Teuton who is sober with the Teuton who drinks. You take a half-drunken man; he would be above the sober horse or the sober cow, but he would not compare with a sober man.

Investigation will show that the northern tribes have extended and developed more than the southern tribes of the same race. Why? Because the vine grows in the southern countries, carrying the extensive moderate use of wine used by women as well as men. Now, in the northern lands like the northern German forests men learned to brew and finally learned to dstill from their native products. They would get wine only as a luxury, now and then. They would celebrate and go on big sprees at comparatively long intervals; but the average consumption of alcoholic beverages was much lower than in the southern countries, the land of the vines. Drinking was essentially heavy drinking by a few, and was not spread out over the people. You will find also that it was confined to the individual men, while the women and children remained abstemious. It is the moderate drinking in the Latin countries among the women and children, as well as the men, that is causing their decline and will ultimately cause their downfall. Says M. Reinach, deputy:

We have not a year to lose. It is a question of stopping this noble country, the land of Jeanne d'Arc and of the Revolution, of Vincent de Paul and of Voltaire, upon the declivity of the most shameful of destructions.

The northern races have preserved their place of leadership chiefly because the women have been abstemious, not because many of their men were drinkers. Here in America our women are abstemious. We need not think that the greatness of the country is due to the men. It is due chiefly to the superior sobriety of our mothers.

Twenty-five gallons of alcoholic beverages per capita consumed in the United States of America mean a terrific loss of national efficiency. I have made a scientific estimate of it. Taking the numbers of the different classes of drinkers in this country and the scientific returns in regard to the loss of efficiency of each class, my average showed that the American producers, on the whole, are about 21 or 21.5 per cent short in their efficiency. That means over $8,000,000,000 short every year. We are producing about $35,000,000,000, and it should be over $43,000,000,000.

The loss of efficiency is so serious that in trades and industries drinking, even temperately, is taken into account in the employment of men. All the first-class railroads have demanded prohibition complete, on duty and off duty. At first they demanded it when the men were on duty, and now they demand it when the men are off duty as well.

The idea of saying that the order issued by the Secretary of the Navy to break up the further drinking amongst the officers of the Navy was an invasion of the rights of the officers is ridiculous. You might say the same thing in regard to the railroads of the country, that the orders issued by the railroads insisting upon prohibition invade the rights of the employees.

The best investigation of this question was made in 1897 by our Bureau of Labor, one of the first investigations it made. The report shows that even at that date the majority of industrial activities in this country that employ men had found how serious the loss was from this habit, and the majority of them had already begun making serious demands upon their employees to abstain. The demand has grown steadily ever since.

One interesting thing about these tables of the Bureau of Labor is the record of what the employers of labor thought was the proper remedy. In the questions which were sent out to the employers at that time the bureau asked them to suggest the remedy. Remember, these were employers; men of unusual intelligence.

OUR PEOPLE BELIEVE IN PROHIBITION.

Prohibition heads the lists in the answers; 1,103 said that prohibition was the remedy they would suggest. The next answer was "Do not employ drinking men," and there were 769 of those. That is practically demanding local prohibition. That makes about 1,800 for prohibition. The next was high license, and there were 445 of those, less than one-quarter. Four times as many men, even at that day, believed that prohibition was a better remedy than high license. There were 180 answers for education, one-tenth; then there were 159 who advocated abolishing the saloon. These should be added to those recommending prohibition, making over 2,000. There were 136 answers in favor of moral and religious education. There were 125 who answered in favor of improving the social conditions. That is what one of the speakers for the opposition prided himself on, favoring better working conditions, better housing conditions for the poor. He said if you do that you will solve the problem. Nearly twenty times as many employers thought prohibition was the remedy. The fact is prohibition would solve the housing problem and prepare the solution for most social and economic problems.

There were only 85 answers that favored "limiting the number of saloons." Then there were only 75 that said "remove all restrictions."

I want to put this in the RECORD to show that even at that time the overwhelming consensus of opinion among men who employed labor was against alcohol and was in favor of prohibition as the remedy. The relative number has steadily increased. It is correct to say that not only the moral forces but the business forces of the Nation want prohibition.

ALCOHOL UNDERMINES NATIONAL CHARACTER.

Prosperity is important, but the foundation of prosperity as of greatness for a nation is the character of its citizens. All government really exists to promote its development, to promote the development of character in men. Free government, self-government, presumes a high average standard of character. It is that high average standard of character that determines whether

a people can govern themselves or not. Intelligence does not do it, except when it is coupled with character.

If the average efficiency of the Nation is short 21.5 per cent because of drink, the alarming question is, how much is the average standard of character short? Character is in the line of evolution. The degeneracy here must be much more alarming.

It is a disastrous thing to cut off so much of the producing power of the Nation and add so heavily to the burdens of crime, pauperism, and insanity, and to squander $2,500,000,0000 in drink; it is depressing upon a nation to feed so much foodstuff to the ferment fungi and then employ so many citizens in distributing their excretion to poison men instead of being employed in useful pursuits. How illogical for men to plead for a harmful business on the ground of its magnitude. The bigger it is the greater the necessity for its destruction.

It is a serious matter to strike at the prosperity of the nation. How much more serious to strike at the character of its citizens, at the Nation's liberties and institutions and its capacity for self-government. Because of the degeneracy from drink in large cities where it is sold self-government is impossible. The degenerate vote swamps the others. The vote of the degenerate, who has had the top part of his brain paralyzed, is venal. Being on a low level of character, his vote is for sale. When a large number of votes are for sale, who buy? The enemies of the people. Why do they buy? In order to be able to carry elections to oppress the people. They overthrew the liberties of Greece and Rome. They are already threatening the continuance of self-government in our big cities. The degenerate votes in our big cities to-day threaten self-government in many of our States. The liberties of America are menaced.

The Constitution of the United States of America was established to secure the blessings of liberty to ourselves and to our posterity. These blessings rest on the character of our people. This proposed amendment, which would destroy the agent that undermines the character of our people, is in direct line to carry out the purpose for which the Constitution was established and belongs naturally and logically in the Constitution itself.

NO TIME TO LOSE.

I wish to refer now to the urgency of this matter. Our people have been a sober people, a country people. Sober people founded this country and built it up. Take your father and take mine; take our fathers and our grandfathers and our great-grandfathers; they were the grandest race of men the world has ever seen. Test them by this Constitution that they established jointly; test them by the self-governing Commonwealths they successfully established—48 successful experiments in self-government; test them on the battle field. There never has been anything in the history of the world like the self-denial, the devotion, the courage manifested in the Civil War. No battles of history can enter the same class for percentages of killed and wounded. Test them by any test you please, they were the grandest race of men the world has ever seen. Down to the Civil War we were a country people. The last estimate I had was an estimate made before the middle of the last century. We had less than 12 per cent of the people living in cities, and 85 per cent of the people were engaged in agricultural pursuits. Since the Civil War all our public policies have been in the interest of the cities and against the country. Take our taxing policy, with the indirect system of tariffs; most of those activities that have been highly protected are in the cities. We have been simply taxing the country in the interest of the cities.

Then, take our fiscal policies. Until recently a national bank was not allowed to loan money on a farm. The very property that made up a country was not a basis of credit in the hands of the Government.

Then take the matter of transportation. During the period of discriminations of the railroads they gave the advantage to the big cities, and they do even to this good day. Take the matter of education. The Federal Government never seems to have realized that the Nation's future depends on the development of the youth; that the education of the youth is vital. As a consequence the education of the country has been neglected until the country people have felt compelled to go to the cities to give their children the advantages of an education.

Thus the great stream of our population has been flowing from the country to the city in spite of our farm lands, so that to-day the estimate is that just about 47 per cent of our people are living in cities. We have reached the turning point in the history of America, the passing from a country to a city people. Degenerate cities can not save themselves or save the nation dependent on them. If we wait much longer and the cities go on developing as they have in the past, it will soon be too late to solve the liquor problem. You and I, in our generation, we must solve this problem.

Already is has become the paramount problem of the cities and of the States that have big cities. It is the paramount problem in practically every State, the paramount problem in America to-day. Nothing can be more vital or more urgent for the consideration of this Congress.

Now, Mr. Chairman, I will hasten on to my summing up, because I do not want to draw this out too long.

THE NATION AND THE RACE.

The two great laws of life are the law of self-preservation and the law of evolution. A nation is a living organism; the young are coming up and the old are passing on. Those two laws are paramount.

The decisions of the courts cited above and the great scientific truths outlined show that the self-preservation of this Nation is at stake with all that it will mean to the future of humanity—the self-preservation of the species.

Now, the other natural law is involved, the law of evolution. Alcohol is striking its deadliest blows at the development and evolution of the Nation and the race by blighting the youth of the Nation. The duty to destroy the sale of liquor is the highest obligation known or that could be known to the Congress.

We can repeat the words of Dr. Roubinovitch, of the great Salpêtrière, of France:

We are only at the dawn of a campaign the stakes of which are the existence of the Nation and of the race.

Examine the process of the renewal of the Nation. A child has the right to be well born. This is a real inherent right. Every child born in a civilized community is entitled to be free from degeneracy in blood in any form.

What is it that blights this inherent right of American citizens more than all others blights combined? It is alcohol. Here is where real inherent rights of citizens are invaded—not by prohibition, but by alcohol.

The next right every child has is to be born in a home with parental love surrounding it. Animals are born that way. When animals mate they will prepare a place to protect their offspring; the birds build nests. Man is entitled to the same care. A child who has not parental love and the tender care of its parents will not have a fair and equal chance in the world. His inherent rights have been invaded. What invades them more than all other causes combined? It is the alcoholic liquor traffic. The home is the nation's cornerstone. Woe to that nation when the integrity of its homes is undermined. It is not prohibition, but the liquor traffic that tramples upon the inherent rights associated with the home.

The next right the child has is the right of education during the plastic period and the right to protection against the dangers of being blighted before it becomes of age. What is it that more than all other things combined sends the boys to the factory or upon the streets and cuts off his education? It is the liquor traffic. What is it that more than all other causes combined debauches boys before they are grown, taking advantage of their weakness and innocence when they have the right to be protected by civilized society? It is alcohol and the traffic in it.

Those are real inherent rights of the greatest importance affecting practically every person in the land. If they do not affect you directly, they do your neighbor, and will reach you indirectly. This permeates the Nation. It is not prohibition, but the liquor traffic that tramples upon the inherent rights of citizens.

In our country the people as they go about carrying on their avocations have a right to deal with intelligent human beings. They have a right to deal with civilized, law-abiding human beings in a civilized manner. And yet, right in our midst are these agencies producing the lawless, the semicivilized, and the savage.

You take a young man and start him out highly civilized and let him go forward under the influence of this degenerating process and you come back after a while and you will find him down to the level of the semicivilized or the savage. He will soon get below the level of the brute.

THE CONSTITUTION.

What are constitutions for? Essentially to protect and promote these inherent and natural rights of men and of society. The preamble to the Constitution of the United States sets forth its object:

We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

This amendment would wonderfully aid to "establish justice," reducing crime in general, reducing the debauching of the processes, stop the debauching of minors, and render justice to that most vast army of sufferers—the wives and children of drinkers.

The Supreme Court of the United States has held that the drinking of alcohol is not an individual matter, since it affects his family and those around him.

This amendment would wonderfully aid to secure "domestic tranquillity." What disturbs that tranquillity more than everything else combined is the liquor traffic.

This amendment would wonderfully aid to "provide for the common defense." The very life of the Nation is at stake before this arch enemy drink, an enemy more deadly than all the armies of the world.

This amendment would wonderfully aid to "promote the general welfare." The highest welfare is the development of character. The liquor traffic is the specific to tear down character.

This amendment would wonderfully aid to secure the blessings of liberty to ourselves and our posterity. It would destroy the enemy that is undermining our liberties and the liberties of our posterity.

Upon every object for which the Constitution was ordained this amendment has a material and vital effect. Liquor threatens to destroy specifically every one of these objects. This amendment would destroy liquor. In other words, this amendment, more than anything else, would contribute mightily to accomplish the object and carry out the spirit for which government is established; for which the Constitution was ordained. Indeed, this added amendment is necessary for the effectiveness of the Constitution, is vital to the perpetuation of our free institutions.

A NATIONAL QUESTION.

Mr. Chairman, other methods of solving the liquor question have been exhausted. Regulation has been tried in all its forms, local option has been tried in all its forms, State-wide prohibition has been tried in all its forms, and all these efforts have demonstrated that we are dealing with a national disease and that this disease is not only an organic disease but a contagious disease. The liquor interests pride themselves on violating local laws, on infringing the rights of individuals, the rights of communities, the rights of counties, the rights of sovereign States.

It is a good thing to have a town dry rather than wet, but if the town is dry and towns near by are wet the virus will be transmitted to the dry town. It is a good thing to have a county dry rather than wet, but if counties around it are wet the virus will be transmitted to the dry county. It is a good thing to have a State dry rather than wet, but if other States are wet the virus will be transmitted and the dry States will still have the germs of the contagious disease. An organic disease can not be cured by a local application. Curing in spots is but tentative. To cut out one root of a cancer is a good thing, but it will not give you a cure. For a real permanent cure you have got to put the disease out of the whole body. The body politic of this Nation is diseased, and the disease must be put out of the whole Nation, and the cure must be organic—prohibition in the organic law, not simply on the statute books.

Mr. Chairman, this amendment proposes to apply an organic treatment to an organic disease, national treatment to a national disease, to put the disease out of the whole body and to coordinate and bring together in full cooperation all of the curative agencies—national, State, local, and individual.

THE OPPOSITION.

Mr. Chairman, who are opposing this reasonable request from a majority of the American people, for the adoption of a wise measure of such supreme importance for the general good?

I do not cast any reflection upon the good people who were here talking about individual liberty and all sorts of miscellaneous superficial matters. The body of the opposition to this movement is the national liquor interests of America, that levy a cash tax of $2,500,000,000 every year upon the American people, and tax themselves to raise a big so-called defense fund amounting to millions, the purpose of which is to trample under foot the laws of town, city, county, State, and Nation, the laws of God and the laws of man.

I am not guessing about their sinister activities. I have just passed through an election. I faced not simply political forces, the natural, normal, logical, legitimate political forces of a senatorial contest. The national liquor interests of America came into my State. Their national representative called a conference of liquor politicians to work out the plans in detail, and then delegated a notorious liquor politician to take charge of the campaign against me. This politician opened up four different opposition headquarters not recognized officially and openly. He was not known officially at all in the fight. I was informed that they had scores of stenographers and more than 800 men on the salaried pay roll. I was informed that they called for 500 workers for one county alone, at $5 a day—$2,500 a day on one county alone. They certainly must have had half a million dollars worth of space in the big daily papers. I had none to speak of. That was the fight, Mr. Chairman. It was one man against the liquor interests of America. I learned what their methods are. They will not come into the open and make a fair, honorable fight. They stoop to anything. They will buy votes where votes can be bought. They will hire degenerates to steal votes where they can be stolen. They regard not the truth, but will rival the devil as the father of lies. They adopt criminal methods and criminal practices. They respect no man's good name. They desecrate the grave.

I am not complaining, Mr. Chairman, for I feel better equipped now to fight them. I expect to be in the fight when the thirty-sixth State ratifies this amendment. But I know the enemy I am describing. They are not here in an open fight, but already are working the papers overtime to misrepresent this amendment. In the Southern States they conjure up "State rights," "the police power." As usual they are depending not upon the justice of their cause but upon their money, the blood money that they have sucked from the veins of the people, the money of the slaves they have shackled.

The opposition are outlaws and follow the methods of pirates, like those that once roamed the high seas under the black flag.

CONCLUSION.

Mr. Chairman, this is a just request that the moral forces of the Nation have made upon Congress. Under the spirit of our institutions the people of the several States have a right to pass on this great organic question of life and death. The conscience of the Nation, with a majority of the American people behind it, are simply asking for a referendum. Irrespective of the merits of the resolution such a request for the transfer of the liquor question from the hands of Congress to the hands of the people should be granted. Certainly only considerations of the deepest organic nature would warrant considering a refusal. The only question that would seem to warrant serious consideration is the question of State rights—the question of the effect of the amendment upon the reserved rights of the States and their exercise of the police power. As shown conclusively, the power of three-quarters of the States to make a change in the organic law and to relinquish if need be part of their reserved power and to transfer additional power to the Federal Government can not be questioned. But the fact is, upon analysis, the amendment would not give added power to the Federal Government, but, on the contrary, would curtail part of the Federal taxing power. Neither would the effect of the amendment curtail the natural and inherent rights of the States, nor would it in any way limit the exercise of the police power, but would in effect strengthen the police power and bring to bear the cooperation of the Federal Government to stop the invasion of this police power by the liquor interests. All other questions of objection that have been raised or that could be raised by those opposing the resolution are of little merit. The most prominent of these is the claim that "prohibition does not prohibit." This claim itself justifies national prohibition, being a confession that this interstate outlaw has been able to trample under foot the laws of communities, counties, and sovereign States, confession that his operations are interstate and national, and demonstrating the necessity for the exercise of national power.

The question of the magnitude of the business becomes of no weight as an objection the moment it is found that the business is harmful instead of helpful to the public.

Thus, Mr. Chairman, we would be justified in claiming that irrespective of the merits of the resolution itself, there being no serious argument to the contrary, this request for a referendum ought to be granted. But the merits of the resolution are of the highest and supremest nature. The resolution would apply organic treatment to an organic disease. It would stop the debauching of the American youth and insure the growth of a sober nation. It limits itself to the broad domain of the State the question of sale, where one citizen seeks a profit in harming another citizen.

No one can question the effectiveness of this treatment, even though the States in smaller units of authority should do nothing to control or destroy the use.

In the light of modern science the traffic in alcohol has become absolutely indefensible. The dangerous nature of this traffic

has already been set forth by many decisions of the highest courts of the States and of the Nation. But modern science has demonstrated that the alcohol in alcoholic beverages is a poison that degenerates the human organism; that it entails crime, pauperism, disease, and insanity; that it undermines the public morals and lowers the average standard of character and, if not checked, entails the overthrow of liberty and the downfall of the Nation.

Furthermore, Mr. Chairman, the time has now come to take this action. Not only is this the greatest question before the people, but the people in every part of the land are aware of its significance. They have determined to settle this question themselves.

We petitioners feel that we have laid before you unchallenged arguments showing that the resolution is in full accord with the spirit of our Constitution, and is, indeed, a necessity to make that Constitution effective and carry out the purposes for which it exists and the purposes for which governments are organized amongst men.

We feel, Mr. Chairman, that we are working for the interests of our beloved country and in the interests of humanity in line with the uplift forces of nature and in obedience to divine will, and we feel that we shall not appeal in vain to you, to your subcommittee, your full committee, to the Senate, and to the House of Representatives.

The Government's Policy in Regard to Salaries of Officials and the Outlay of Public Funds for Purposes of Promoting the Efficiency of Those in Private Pursuits.

EXTENSION OF REMARKS

OF

HON. HERMAN A. METZ,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, May 6, 1914.

Mr. METZ. Mr. Speaker, the statements that the incentive for taking office is based on factors other than the salary paid are fortunately true; for if they were not, many of our most efficient officials would remain in private business, where services are compensated for on a much more liberal scale and commensurate with the service rendered.

I regret that whenever an attempt is made to raise the salary of a public official to a point where it might approximate the sum a man in private business or profession might earn when discharging duties not nearly as difficult or exacting, it is immediately said by some false economist that the "people are being robbed" or "the Treasury is being looted."

A gentleman who some years ago served his country as an Assistant Secretary of the Treasury, at a salary entirely out of proportion to the services rendered, has since entered the banking business and become the president of probably the largest and strongest banking institution in the country. I refer to him only for the purpose of illustrating the type of man and the kind of ability the country gets in spite of the very low salaries it pays to its higher officials.

A few evenings ago I had the pleasure of listening to an address by this gentleman at the banquet of the American Cotton Manufacturers' Association in New York City, and I was so impressed with what he said, in view of the number of speeches I have listened to on the floor of this House, usually in favor of the farmer and planter, and rarely in favor of the manufacturer or business man, whose welfare is just as essential to the prosperity of our country as is that of the agriculturist, that I deem it proper to incorporate what he said on that occasion in my remarks to-day.

Mr. Frank A. Vanderlip, formerly Assistant Secretary of the Treasury, and now president of the City National Bank, of New York City, the gentleman to whom I refer, in his address to the members of the American Cotton Manufacturers' Association, at their banquet in New York City on April 27, 1914, while discussing the Duke cotton-warehouse plan, said:

"The plan which your chairman has outlined for the creation of a comprehensive warehouse system, to be operated in a manner which will give the broadest currency to credit obligations based on cotton stored in these warehouses, is both interesting and significant. It is interesting as showing the tendency toward an important movement in the cotton trade. It is significant in indicating an awakening on the part of business men to certain distinctions in banking credit that are of great importance.

"During the discussion connected with the enactment of the new banking law there has been much education of bankers and business men alike on the subject of ideal banking credit. Not having reached, in all respects, the settled commercial status that we find in some of the European countries, we have failed here to draw the distinction that is so clearly drawn in most European banking centers between loans for capital purposes and loans of a self-liquidating character, the funds for the repayment of which must naturally and almost inevitably come promptly into the hands of the borrower in the seasonal course of his business.

"Our new banking act was designed to accomplish various things. In the minds of some of its advocates the things sought to be accomplished, I fear, were not entirely economic. But the fundamental economic principles back of the idea which led to this legislation prominently included the creation of a discount market; that is to say, the creation of a form of bankable paper which would be so secured through the names of acceptors and indorsers that the credit risk disappeared and the paper would find a ready market wherever there was money to loan, even though there existed in those quarters no knowledge regarding the credit of the original maker. Whatever will tend toward the creation of such a discount market will be helpful in lowering the rate of interest which the commerce of the country must pay. Whatever will tend to give broad currency to commercial paper, a currency wider than any knowledge of the maker's credit, will tend toward an equalization of rates, toward sounder banking conditions, and toward a lowering charge on commerce for interest. Such a proposition as has been here presented for giving a wide currency to loans made against cotton in warehouses is a fundamental movement, the first among a good many others now gathering force, I believe, that will eventually lead to a great discount market, where idle funds from the whole country and, indeed, from international money centers may find sound investment in short-term commercial credits.

"It seems to me admirable that you men who are interested in cotton manufacturing are thinking of some improvements in underlying methods which may help you in the conduct and extension of your business. The business of cotton spinning and weaving can not be cited as one of the phenomenal industrial developments of America, at least not in its recent years of history. Your business has grown, and it would be easy to present statistics that would be flattering to your management. On the whole, however, looked at from a world point of view, the cotton manufacturing business in America in recent years only about held its own in comparison with world development. While great growth is shown, quite as great growth is exemplified in the statistics of some other countries. With all the advantages of location in the midst of the production of two-thirds of the world's supply of raw material, with the greatest homogenous market in the world right at your hand, and that protected from foreign competition by high tariff, with the advantage of having the lowest rates of transportation of any country in the world, and of being historically a people of the greatest mechanical genius—in spite of all these advantages we have not seen the cotton manufacturing business in this country forge ahead as have many great lines of industry.

"The United Kingdom, importing every pound of cotton she manufactures, is still the world's greatest cotton mill. British spinners export as great an aggregate of cotton manufactures in a month as you do in a year. In fact, the United States takes its place alongside of India in its ability to supply the outside world with manufactured cotton goods. Germany exports well over twice as much as we do, and our total is exceeded by Belgium, France, and even little Switzerland. In the light of these facts, it is obvious that while in a protected market of gigantic extent we have been able to build up the greatest spinning business of any country in the world, we still are not fully supplying our own domestic market, importing over $60,000,000 worth of cotton goods annually, and the advantage of great manufacturing units have not enabled us to get our costs down to a point to make us even a factor of the first order in the world's markets for manufactured cotton. It well behooves you who are interested in this business, therefore, to think broadly and deeply on fundamental subjects in a way that may tend to cheapen your cost of production and put you in line with the other great cotton-manufacturing nations for world competition.

"One important element in the cost of production, of course, must always be the cost of capital, and you are undoubtedly taking a step in the right direction when you endeavor to give a more universal character to that part of your credit operations which can be based directly on stored raw material, and by doing that make that portion of your capital cost you less, because the security for your loans will be more broadly understood and the capital attracted to them come from wider fields.

"Broadly speaking, the cost of a manufactured product is made up of the price of raw material, expense of transportation, and the actual cost of manufacture. The cost of raw material at its point of production is substantially the same to all users. The cost of transportation from field to mill is measured approximately by distance, and here you have great advantage over all your foreign competitors. The cost of manufacture is made up of many elements, but among the principal ones are the cost of capital, the perfection of mechanical equipment, and the price and efficiency of labor.

"On the side of the cost of labor you can not hope, nor should you hope, to make that item in your cost sheet at all comparable with the same item in the cost sheets of your foreign competitors. At the risk of sounding a discordant note I will say that in my opinion you will not permanently reduce your labor cost by trying to compete through the employment of child labor with the lower labor level of other countries. I believe you must find ways of meeting world competition other than in the per diem cost of the labor item. Whether or not you have done everything you can in the perfection of mechanical equipment is a technical question, of which you are a far better judge than I can be, but it is at least obvious to a layman that the United States is not taking the great lead in inventive appliances in cotton manufacturing that it has in some other fields, and it would seem, therefore, that there might be opportunity there to do something toward meeting foreign competition.

"The great advantage which you hold is in cost of transportation. In view of high labor cost, there are impressive obstacles in the way of your meeting world competition by reducing the cost of manufacture. If the cost of raw material were reduced, however, the importance of the element where you have the advantage over all the world, the cost of transportation, would in time be further emphasized. Would it not seem, therefore, that one of the directions toward which this country might best turn its attention in any effort to take is place in world competition in this field should be in the reduction of the cost of raw material?

"Although we supply nearly two-thirds of the raw cotton of the world, I still believe that we present, in our methods of cotton production, one of the most gigantic examples of incompetency to be found anywhere. The huge and rapidly growing totals of our cotton crop are sources of satisfaction until we examine them in connection with our acreage. That examination discloses that four-tenths of a bale an acre is about the average of our production. In that figure I believe is to be found an important indictment against the United States, although it is by no means a type of indictment that lies solely against the cotton planters of America.

"The great bankers of Europe have a practice that I think might well be copied in this country, of issuing annual reports in which are to be found a broad and stimulating discussion of current financial economic conditions. I have just been reading the annual report of the Deutsche Bank, the greatest financial institution in Germany. After presenting some statistics of imports and exports of the leading countries of the world, showing Germany in a position second only to Great Britain, and away ahead of the United States, and indicating how, owing largely to favorable trade balances, the stock of gold held by the Reischbank increased during the year under reveiw by nearly $100,000,000, there occurs this paragraph:

"It is not to favorable climatic conditions alone that German agriculture is indebted for plentiful and increased returns. The following comparison of the produce of the leading agricultural countries will show to what extent progress has been made in the development of German soil through industrious work as well as through expenditure of capital in the shape of artificial fertilizers, machinery, and electrical power.

"In the table which follows the crop returns are shown for the leading countries of the world and for the principal agricultural products. We must remember that Germany is not a fertile country. Whatever German agriculture wins from the soil must come through hard work and intelligent methods. That country has nothing comparable to the natural advantages which we enjoy. These comparative crop returns, therefore, are all the more significant.

"This table of comparative yield shows that Germany reaps per acre 18 hundredweight of wheat, against 8¾ in the United States; 14.7 hundredweight of rye, against 8.4 in the United States; 15½ hundredweight of oats, against 10.7 in the United States; and 120 hundredweight of potatoes, against just half that figure in the United States. The United States and European Russia fall into the lowest class of production, and even Canada in every item shows a greater yield than do our own acres. Europe produces no cotton, and therefore a similar unfortunate comparison can not be made with our cotton yield; but, what is perhaps still better, we can make comparison of our acreage yield with the easy possibilities under intelligent cultivation of what our own acres have been made to produce.

"We are now devoting about 35,000,000 acres to the production of cotton, and a good crop is about 200 pounds of ginned cotton an acre. The Department of Agriculture, which seems to be the one arm of our Government truly devoted to upbuilding and intelligent development of our resources, has demonstrated beyond any question what a shamefully small average yield this is.

"At the present time the Government has an arrangement with about 525 county agents in southern territory where cotton is the principal crop. These county agents carried on demonstrations with 12,000 individual farmers last year. The acreage involved was 104,000 acres. On these acres the department's instructions were carried out by the farmers with their own tools, teams, labor, and fertilizer, the department merely furnishing the instructions. The result was an average yield of 1,005 pounds of seed cotton per acre. In the States where these experiments were carried on the present average yield is 546 pounds of seed cotton per acre. It is therefore claimed by the Department of Agriculture that as a direct result of the instructions given to a limited number of farmers the number of pounds of seed cotton produced was increased by approximately 95 per cent.

"As an illustration of what can be done, the Department of Agriculture cites the case of an old negro farmer near Marion, Ala. This old colored man by economy and hard work covering a number of years, acquired a farm of 163 acres, but his land was poor, and not infrequently he found it did not produce even enough for seed. It occurred to him he might get better results by confining his efforts to a smaller acreage. He selected 2 acres near his cabin and practically abandoned the remainder of his farm. For years he has devoted himself to increasing the producing capacity of this small area. He went to work first to fertilize the 2 acres. He hauled into the field and plowed under dead leaves and other decaying vegetation from the nearby woods, cotton stalks and cornstalks, until he had brought the fertility of this little plot of ground up to a high state. So that in one year recently he succeeded in growing 506 pounds of cotton on a measured one-eighth of an acre. This is at the rate of 8 bales per acre, and although this man is advanced in years, his ambition yet is to produce 9 bales of cotton to an acre, and the Department of Agriculture is inclined to think that he will accomplish that result.

"The Department of Agriculture has been sending experts into the cotton belt who have taught the planters the benefits of good cultivation, rotation of crops, care and selection of seed, and the advantage of cooperation among the farmers themselves in securing uniformity in the kind and quality of the cotton raised. The results so far obtained are filled with promise. In many instances the acreage yield has been increased to as high as 2 bales per acre.

"The boll weevil continues its ravages through a large section of the cotton belt. The total loss in cotton production in the United States due to the boll weevil up to this time is believed to be in excess of 10,000,000 bales, which, at the low value of $50 per bale, not counting the loss of seed and cost of fighting the pest, represents a loss of $500,000,000. This estimate covers only the loss incurred in acres planted to cotton and takes no account of the reduction in production due to fear of the ravages of this insect.

"The experts are making progress in fighting the boll weevil, principally through the new methods of cultivation. Through their efforts in many sections of the infested regions, planters have been able to secure an average crop.

"In the Agricultural appropriation bill now pending in Congress is an item of $46,000 to continue the department's efforts to control disease of cotton and other crops. Another paragraph appropriates $180,000 for investigating the ginning, handling, grading, baling, gin compressing, and the establishment and demonstration of standards for the different grades of cotton. Of this sum, $60,000 is to be used in testing the waste, tensile strength, and bleaching qualities of the cotton as standardized by the Government. Another section appropriates $628,240 for farmers' cooperative demonstrations for the best methods of meeting the ravages of the boll weevil.

"An important work is being done by the cotton experts of the Government in the introduction of long fiber Egyptian cotton in the Southwest, especially in Arizona. This work may increase the area of our cotton belt. A year ago the Arizona farmers in and about the Salt River Valley planted approxi-

mately 4,500 acres in Egyptian cotton. About 3,500 acres came to maturity the next year. The remaining 1,000 acres failed by reason of lack of water, poor cultivation, and other hazards. But of the acreage which survived, the total yield was 2,200 bales for the 3,500 acres. Of this high-grade cotton the United States imports each year about 100,000,000 pounds, at a cost of approximately $20,000,000, the price per pound in many cases being 50 per cent more than the average American cotton, except the sea-island varieties.

"The planters in the Southwest, in consequence of the fact that the yield per acre of the 1½-inch fiber Egyptian cotton is fully as great as cotton in the Southern States, with the price much higher, have planted this year about 15,000 acres. The prospect is that this acreage will be greatly increased during the next few years.

"From the demonstration which the Department of Agriculture has made, covering wide territory and many seasons, it is, I believe, a safe assertion that thoroughly efficient methods of cultivation would double our cotton crop on the same acreage now devoted to that staple. The world will be ready to consume that increase as soon as, under the most optimistic view, we may hope that it will be accomplished. I believe there is no more important service that you men who are engaged in the cotton manufacturing business can perform looking toward the development of the cotton industry than to do all that you can to awaken public sentiment to the need for efficient methods of cotton cultivation. A realization of such improvements in methods as this branch of the Government is trying to bring about will do more toward the upbuilding of your business, it seems to me, than you are likely to accomplish with the same effort in any other direction.

"We are to-day a Nation grown critical of business methods and resentful of business accomplishment. By far the greater part of Government energies, as related to business, are directed toward destructive rather than constructive and creative ends. Business men have been called to account by Congress, commissions, and courts, and are being punished for past deeds and hampered in present activities. The managers of railroads, although they have given to the public an average freight rate much less than what similar service costs in other countries, are bound with ever increasing bonds of hampering regulations, and are held to the strictest accountability for any failure of administration which falls below a hundred per cent of efficiency. Directors of railroad property are told what they owe to the people in the way of wise and efficient management, and in spite of results attained, with which the results in no other country are comparable, they are held up to the public almost in the light of criminals, compelled to perform their daily task under the regulating eye of agents of the Government. If that is a fair measure of the duty to society which the managers of public utilities may rightfully be expected to perform—and I do not wish to be considered as denying that the public has a right to exact wise and efficient management—then why should not society demand wise and efficient conduct of the great agencies of production? If a railroad manager is culpable and is answerable to society for anything less than a hundred per cent of efficiency, what of the farmer and planter, holding the great agency of production—land—and utilizing it with but 40 per cent of efficiency? That is the indictment that stands against no small part of the agricultural community—a conduct of their business on a basis of 40 per cent of efficiency. It will not do to say that railroad managers and corporation heads are the representatives of publicly subscribed capital and are therefore subject, in the interests of society, to a surveillance that applies only to the affairs of a public corporation, while farmers represent only personal investment and may be left to work out with such ignorance or intelligence as they choose to bring to bear the conduct of their own affairs. Farmers and planters also owe something to society in the way of intelligently conducting their business. They hold the means of production in their control. The public interest and the common good demand that they exercise that trust with intelligence, efficiency, and thrift, quite as rightly as does public opinion demand efficiency and honesty in business administration. Prices of produce go up in answer to the inexorable law of supply and demand; values of the great agency of production—farm lands—have risen in our memory two or three hundred per cent, not because those lands were more efficiently managed, but because the demands of hungry mouths and backs to be clothed have made prices that permitted much increased values, even when not accompanied by increased efficiency of management.

"Is it not time for the maligned business man to direct some attention to the honest farmer, and to ask whether the people, whose demands the politicians are so fond of formulating, should not have directed against them and their small business methods some of the same analytical criticism that it has been the order of the day to direct against big business?

"I believe that as a Nation we have for some years been attacked by a hysteria of criticism against big business, until a majority of the people have come to believe that the way to secure prosperity is through legislation instead of through intelligent hard work, improved methods, and a scientific application of the best knowledge to their own business. If you can do anything to direct the attention of the cotton planters of the South or of the farmers of the whole country to the fact that the fundamental cause of the high cost of living is not to be found in the offices where big business is managed, but rather in the ignorance and inefficiency of management of their own farms and plantations, you will have done something to clear the atmosphere and to enable us some time to get started on a new period of true prosperity.

"The particular men who happen for the moment to be occupying official positions in Washington and elsewhere, and who are laying unbearable hardships upon the proper development of business in the United States, are not, perhaps, primarily to blame. The blame lies back of them in an ill-informed and frequently unfair state of public opinion. We have had a period of magazine and political muckraking, which has brought about a condition where business success is looked upon as a crime, where the man who has demonstrated that he can manage his business well is excluded from public counsel, and where no small part of our Government affairs have been put into the hands of men who would be incompetent successfully to manage modest business affairs.

"It is idle to rail at the public representatives of one party or another or at one administration or another. We have got to get back of all that and create a sounder, a more intelligent, and a more honest public opinion. That can not be quickly done, and it will never be done by a policy of silence on the part of those who represent important business interests. You have got something to do besides run your cotton mills. You and other business men must wake up to the fact that you have a public duty in the education of public opinion, and so long as you refrain from exercising it you will not only hinder the industrial and commercial development of this whole country but you will very directly permit your own business to be misunderstood and to be made the subject of unfair and uneconomic legislative attack. We are in a period of industrial and commercial depression. The marvel is not that in spite of our great resources we are in such a period, but, rather, with the terrible misunderstanding and misconception on the part of public opinion, that under a popular government we are not in a condition of much deeper depression.

"I regret that I can not at the moment see any marked tendency in the direction of business improvement. We have the promise of great crops, although there is much uncertainty between such an early promise and ultimate fulfillment. Should there be complete fulfillment of that promise, it would, of course, temporarily, at least, bring with it improvement. We may be permitted an increase of railroad rates, and that would be doubly helpful, first, on the side of its direct benefit, but even more on the side of a promise of fairer treatment. Business conditions are unsatisfactory, however, on account of fundamental reasons that are deeper than can be cured by one or both of these factors. The incentive for business men to take new risks, to expand their activities, to lead them to the inception of new or greater enterprises has received a serious check from the unfair attitude of public opinion as exemplified in Congress, by commissions, and in the printed page that reflects and molds the state of public opinion. I do not believe that we can hope for permanent relief from the unsatisfactory position in which business is now placed until we can get a public opinion that more truly reflects a fair attitude, based on correct economic principles. It seems to me the highest duty of business men, particularly such an influential group as is represented here, to contribute the best that is in them toward the creation of a wiser, a sounder, and a more intelligent public opinion in regard to business affairs. That can neither be done by silent acquiescence nor by dissatisfied grumbling at existing tendencies. You must take your active part in forming public opinion. It is time for business men to speak out. Where errors and mistakes have been made, let them be frankly acknowledged, but insist upon a better understanding of your methods, your problems, and your aims. Let your voice be heard and your views expressed with frankness and honesty, and we may then hope that an intelligent and informed public sentiment will give to business men fair play, and to business an enduring foundation upon which sound prosperity may be solidly built."

Irrigation of Arid Lands.

EXTENSION OF REMARKS
OF
HON. JOHN R. CONNELLY,
OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, May 7, 1914.

Mr. CONNELLY of Kansas. Mr. Speaker, I am one of those who represent a constituency on the floor of this House who are interested in the question of irrigation. The west half of my district is part of that great plain that lies on the slope east of the Rocky Mountains, where the soil is rich and fertile and the climate is the best. The conditions are such that in that great country it is necessary for a good part of the growing seasons in most years for crops to have additional water from that which comes with the ordinary rainfall. There are years—in fact, they are not infrequent—when there is plenty of rainfall to answer the purpose for growing much of our crops, but most of the years, for many kinds of crops that grow splendidly in that country, additional water is needed. In my opinion, Mr. Speaker, after living in that great country of the West for a quarter of a century, there are a few things that the Government could well do for the people there that would be of very material benefit to them, and in the long run every dollar expended would come back to the Treasury of the United States with a reasonable rate of interest. There are conditions there, perhaps, that do not exist in many other parts of the country. In the first place, let me say to those of you who are from the older settled communities and do not realize the difficulties and disparagements of the pioneer life, that it is the history of the settlement of nearly every country that the pioneer is the man with moderate or small means. This is necessarily so in the great conditions that guide men in the affairs of life.

The man in the older country who has means and wealth at his command, who has home and acres that he owns in his own right, seldom sees the necessities of going to a new country and there meeting the conditions incident to the pioneer. The man who has money and land and credit at his command is more likely to stay where he grew up, where his family was born and reared, and where the ties of early life, of relatives and friends, hold him with bands that are not easily broken. It is the poor man who lives in the older settled communities who sees the price of land each year go higher and higher and the chances for him to own a home and see his family settled around him each year grow less certain that go there. He breaks these bands of friends and of the scenes that hold every mortal in their grasp and, with a purpose to better his conditions and the condition of those who are near and dear to him, sets his face resolutely toward the land of the pioneer. Mr. Speaker, I am not saying that they are not the best people in the world. I have lived all of my life since reaching manhood's estate among these people who constitute the pioneers of that western country, and I say to you that I would rather trust their sense of honor, their ideas of the duty that men owe to each other, than that of any people in all this old world. But they are not a wealthy people, and wealth that comes to a new country to find investment only comes because a better return in the way of interest can be secured there than where values are more settled and, as they contend, where risks are less hazardous. This makes the rate of interest charged to the pioneer people greater than that charged to those who live elsewhere, and it is to this phase of the question that I want to call the attention of the membership of this House. Let me summarize by saying that that great plateau that comes down from the east slope of the Rocky Mountains and reaches down to the district that I represent here has a soil that would compare with the soil that was noted for its richness in the ancient valleys of the Euphrates and the Nile, a climate that would put to flight the claims of southern Italy, a beauty of landscape that would vie with the dells and vales of old Scotland, and a people the best that ever blessed any community or that ever builded any State.

Mr. Speaker, nature that has been so lavish with that country has been derelict only in the one particular. Most of the years the rainfall is not sufficient to raise most kinds of crops. But while nature has not sent enough rainfall to grow crops successfully there it has placed at a depth of from 50 to 150 feet below the surface a never-failing supply of the best water to be found anywhere. Now, what is the condition that these people find themselves in? They learn if they would irrigate successfully they must have two things cheap. They must have cheap power and cheap money to install their irrigation plants. The man who can equip his land so as to pump water on 20 acres can not only live and rear his family and support them, but he can produce much more to help to supply the other parts of the world. But when he attempts to borrow money to put one of these plants in operation he finds that the rate that he must pay is from 8 to 12 per cent, and this, in my opinion, prevents thousands of people from installing the plants. Every business man of experience knows that when men go into any legitimate business and pay interest on the capital at the rate of 10 per cent per annum that it means failure.

Now, I have introduced and at this time have a bill before the Committee on Irrigation of Arid Lands, having for its purpose the assistance of installing these plants by allowing the owners of land to borrow money from the Government by giving a first mortgage on lands upon which plants of approved pattern for irrigation have been installed, money sufficient to defray the expense of installing the plant, at a rate of interest not exceeding 2 per cent per annum on 25 years' time. I want to tell you of some of the reasons why I believe the Government can well afford to do this for the people of that country. First, it will not in the long run cost this Government one dollar of money, but every dollar will come back to the Treasury with interest. Second, it will enable thousands of people to build and maintain homes and add to the wealth and production of the country in general. Third, it will show the people of that great domain that this Government is not especially partial to the East, the North, or the South. The coast communities of the country have its thousands of miles of coasts and its many harbors that the Government very properly attempts to keep in condition so that commerce can be transacted between the States. The rivers of the country demand millions of money each year to keep them in shape to bear upon their bosoms the boats bearing the commerce of the country. Here and there all over the country are projects that require money appropriated directly to assist and foster. The Middle West, or that portion of the country just east of the Rocky Mountains, has received but slight attention in years gone by, and this is the purpose of this speech—to call your attention to our needs and the things that we deserve. Mr. Speaker, we have just passed a bill which spends forty-odd millions of dollars for river and harbors. Much of that is spent to prevent the annual floods that come down off the high lands each springtime and carry destruction and death in its wake to the communities of the river countries. I wonder if it will ever occur to the Members of Congress that much of this water could well be held in that country toward the western mountains, and thereby change it from a menace to property and lives as it rushes in torrents on to the sea, to a thousand reservoirs and ponds, blessing and beautifying the Great Plains country and changing her landscape, her climate, and make her the best country between the two oceans. Sometime, Mr. Speaker, I trust that the claims for the assistance that these people deserve, and which in the long run would not cost the Government a dollar, will be given due consideration. We are spending millions to open up the great Alaskan country, and I believe properly so; but why should we go so far away to spend our money and then neglect to extend a helping hand to those of our own people here who have made a heroic fight to reclaim from the semiarid territory that vast domain that promises an empire of the most productive soil that was ever made fruitful by the efforts of men?

Mr. Speaker, I imagine that I can hear those say who have not given this matter thought that the idea of advancing assistance in this line is visionary. I hope they will not make up their minds entirely until they have considered what has been done by other countries to encourage enterprises and settlers on lands rich in soil but located where the natural rainfall is not yet sufficient to bring the land to its highest state of production. Over in Australia, a land where people are supposed to be far less advanced than in America, the Government builds a residence upon the land, giving the settler the choice of 14 different styles of houses to select from. The Government there grades his land so that he may know at the beginning which land is valuable for alfalfa, which is adapted to fruit raising, and so forth. The settler could find this out for himself in the bitter school of experience, but the State there does it for him. It not only grades his land, but it seeds one-fourth of each allotment to alfalfa, the settler paying one-fourth of the cost and has 10 years to pay the remainder. Besides this, the Government loans to the settler an amount of money equal to 60 per cent of the permanent improvements that he places on the land at a rate of interest varying from 3 to 3½ per cent per annum. He is given encouragement in various ways to become a home owner and live upon the land and help to raise enough to feed the people of the country who are engaged in other than

agricultural pursuits. We might go on and tell how in this land of Australia the land is sold to the settler, and he is given 30 years to pay for it, paying 6 per cent interest on the purchase price; 4½ per cent of this goes to pay interest on the debt, 1½ per cent goes into a sinking fund, which at the end of 30 years pays the whole debt. These are a few of the things that other countries have done and are doing to encourage their people to go upon the lands in the arid and semiarid districts and make homes there and make it a producing country instead of a barren country. I have not, in the bill that I have introduced, sought to have this Government go so far as these other Governments have gone. Our people would be content with much less; but I have introduced this bill with the idea of calling the attention of the Members of this House to the needs of a great number of people who live in these communities and in the hope that after a sane discussion of these wants and needs some action might be taken here to meet these reasonable demands.

Mr. Speaker, no greater or better work can be done by any Congress than to encourage the building of homes and the helping of a people to become producers. Each year the army of nonproducers is growing greater; each year the system that we are trying to maintain encourages more people to climb on the backs of society and ride, instead of getting down to the grass roots and producing from the virgin soil that which sustains the race; each year finds more people who want to emulate the example of the lilies, "which toil not, neither do they spin." Mr. Speaker, I find men here vying with each other in voting millions of dollars for the Army and the Navy. I am not prepared to say that this money is wasted, but certainly it has no claims like the claim of these producers who live on the lands and who must pay the price ultimately that parades these agencies of destruction, of death, and disaster. I find millions of money provided each year to the Government wards who live in ease and trifling idleness. I find millions spent to keep up a system of departments and bureaus filled with thousands and thousands of Dead Sea fruit, the residue of the civil service. I find money spent lavishly and extravagantly upon every form of people who want to idle and consume, but it is a niggardly share that can ever be directed toward the people who deserve assistance to make their labors more profitable.

Mr. Speaker, I want to see the day when the honest laborer, clothed in the homespun and who lives close to nature and takes from the soil the recompense for his labor, will be given the same consideration that is given the frock-coated genteel that hangs like a leech onto the vehicle of government and plays no part of consequence in the great economy of the Nation's life. I want the day to come soon when he who walks the paths of peace and who wrings from the soil the products that feed and clothe a nation shall be considered of as much importance as he who spends his life learning the arts of destruction and war and who is a consumer and in no sense a producer. I hope to see the day when the farmer who follows the furrows in the fallowed fields from early morn to the evening's sunset, who pays his debts from his frugal earnings, and who rears his family in the paths of righteousness and rectitude will be considered, as he is, as great a hero as he who storms a citadel or takes a redoubt. When that time comes, then will we be able to say that justice sits enthroned in the high places and virtue is rewarded according to its deserts.

Parcel Post Rates to Mexico.

REMARKS
OF
HON. GEORGE J. KINDEL,
OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, May 4, 1914.

Mr. KINDEL. Mr. Speaker, why penalize our Army and Navy boys on parcel post who are in Mexico?

Rates from United States to Mexico on 11 pounds	$1.32
Rates from England to Mexico on 11 pounds	.85
Rates from Italy to Mexico on 11 pounds	.53
Rates from Germany to Mexico on 11 pounds	.57
Rates from France to Mexico on 11 pounds	.48½

Is this fair to either our heroic soldiers or enterprising merchants?

The parcel-post rate on 11 pounds to any part of Mexico from either El Paso or Galveston, Tex., is $1.32, while from all countries across the sea enumerated above the much lower rates apply, to our country's disadvantage.

Naval Appropriation Bill.

EXTENSION OF REMARKS
OF
HON. THETUS W. SIMS,
OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, May 7, 1914,

On the bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

Mr. SIMS. Mr. Speaker, on January 16 I made a speech in opposition to the proposed increase in freight rates in official classification territory, in which I said that the Consolidation Coal Co. was a subsidiary of the Baltimore & Ohio Railroad Co. On March 24 I made a further statement, in which I incorporated in my remarks a statement given me by Senator CHILTON, of West Virginia, showing that I was in error in my statement of January 16. My January speech was published in part in the American Shippers' Gazette, including the statement as to this coal company. In the issue of that publication of April 30 my last statement is published, with a letter of Mr. J. H. Wheelwright, president of the said coal company. Then follows an editorial comment, with a statement of facts tending to show that, while the title to the shares of stock formerly owned by the Baltimore & Ohio Railroad Co. have been transferred, conditions remain such that the railroad company has effective control of the coal company. Inasmuch as I placed in the RECORD the full statement given me by Senator CHILTON, I now read the statement in the American Shippers' Gazette:

THE CONSOLIDATED COAL CO. HAS THE CONGRESSIONAL RECORD CORRECTED TO SHOW THAT IT IS NOT A BALTIMORE & OHIO SUBSIDIARY.

The American Shippers' Gazette is in receipt of a letter from the Consolidated Coal Co. under date of April 13, 1914, in which attention is directed to the following facts:

"Under date of January 31 you quote in your issue a part of the speech of Hon. T. W. SIMS, of Tennessee, in connection with the 5 per cent increase in freight rates to the railroads, in which speech Representative SIMS stated that this company was in reality a subsidiary of the Baltimore & Ohio, etc. I inclose you herewith extract from the CONGRESSIONAL RECORD of March 24, 1914, in which Representative SIMS retracts this statement and gives the facts."

This letter is signed by J. H. Wheelwright, president. The extract from the CONGRESSIONAL RECORD referred to as taken from pages 747–748 of March 24, 1914, is as follows:

"Mr. SIMS. Mr. Chairman, in a speech I delivered on the 16th of January last, in opposition to the proposed increase in freight rates in official classification territory, I made the following statement:

"'It is of record that the Consolidated Coal Co., a large producer and shipper of coal in West Virginia and Kentucky, is much quoted as favoring the increase in rates "because the railroads need it," but the fact that this company is in reality a subsidiary of the Baltimore & Ohio Co. is not given equal prominence.'

"Mr. Chairman, my authority for that statement was the report of the Interstate Commerce Commission under the Tillman-Gillespie resolution, dated January 25, 1907. But I am informed by Senator CHILTON, of that State, that, while the facts were as I stated them to be from the report referred to at the time it was made, that such were not facts at the date of my speech, and I take this opportunity to set myself right, and in justice to the coal company, by reading the following statement of facts given me by Senator CHILTON, of West Virginia:

"'On April 26, 1906, Messrs. Clarence W. Watson, Jere H. Wheelwright, and H. Crawford Black bought from the Baltimore & Ohio Railroad Co. all that company's holdings of stock in the Consolidated Coal Co., viz, 53,532 shares out of 102,500 shares outstanding, or 52.2 per cent of the whole.

"'The shares were transferred to the Windsor Trust Co., of New York, as trustee, to hold as security for the payment of the purchase money and interest thereon. The right to vote the stock vested in the purchasers, subject only to interference by the trustee on complaint of the railroad company in case the management of the coal company diverted tonnage.

"'Of the 53,532 shares, 43,000 shares are still held by the trustee. In 1909 the purchase agreement was supplemented, the purchasers depositing additional shares simply as collateral, agreeing to withdraw 13,000 shares on or before April 30, 1916, and being accorded the right to withdraw the balance of the 43,000 shares at the rate of 6,250 shares per year thereafter.

"'In May, 1909, the capital stock of the company was increased 200,000 shares, and in October, 1910, was further increased 250,000 shares of $25,000,000 par value, which had been sold at par and all of which is now outstanding, so that the 43,000 shares originally purchased from the Baltimore & Ohio Railroad Co. and still held by the trustee represents but 17.2 per cent of the voting shares of the coal company. The Baltimore & Ohio Railroad Co. owns or votes no shares whatever.

"'The operations of the Consolidated Coal Co. are not confined to the Baltimore & Ohio system. In 1908 the Consolidated Coal Co. purchased over 32,000 acres of coal land on the Chesapeake & Ohio Railroad in Johnson County, Ky., known as the Millers Creek coal field. This operation, which is now a large one, is exclusively on the Chesapeake & Ohio Railway.

"'In 1910 the Consolidated Coal Co. purchased 100,000 acres of the highest grade by-product coking coal in the United States, situated in the eastern part of Kentucky and known as the Elkhorn coal field. To reach the western part of this field, on account of its remarkable quality, the Louisville & Nashville Railroad Co. built a new line from their existing line at Jackson, Ky., a distance of 98 miles.

"'Both of these properties have been developed, and are capable of producing a large tonnage of coke. In the purchase of coal lands and in the improvements on these two roads alone the Consolidated Coal Co. has already expended $8,000,000.'"

The foregoing is an example of how half truths may be dressed up so as to look like the real thing. It is but another illustration of how easily the average citizen, be he ever so intelligent, may be deceived. The statement as furnished in the foregoing extract by Senator CHILTON contains much truth, but it does not disclose the real situation as it obtains in the Consolidated Coal Co.

In the investigation of the Interstate Commerce Commission under the Tillman-Gillespie resolution, the Baltimore & Ohio Railroad Co. was severely criticized for its discriminatory practices regarding independent coal properties whose duty it was to serve impartially. These unjustly discriminatory practices were indulged for the benefit and profit of the Baltimore & Ohio Railroad itself and for the benefit of its subsidiary company, the Consolidated Coal Co. So severe was the castigation of the commission of these reprehensible practices that the railroad sought to escape further criticism and perhaps prosecution by an alleged sale of its holdings in the coal company on April 26, 1906, at a date somewhat prior to the report of the commission itself.

Of this alleged disposal of its holdings in the Consolidated Coal Co. the commission paid its respects to the Baltimore & Ohio Railroad Co. in its report of January 25, 1907, as follows:

"The sale was made during the progress of this investigation and only after the ownership of this stock by the Baltimore & Ohio Railroad Co. and the discriminations against other shippers by the Baltimore & Ohio Railroad Co. had been developed. The terms of the sale named in the contract are such that the rate of interest upon the purchase money is less than the rate of dividend paid for the last year, and very much less than the rate of net earnings for that year, or, in other words, by appropriating the net earnings to that purpose not only can the interest on these deferred payments of purchase money be met, but the principal of the same can by degrees be paid off, without any expenditure on the part of the purchasers.

"It is also to be noted that this contract provides that until all of these deferred payments are met the Consolidated Coal Co. shall ship all the coal handled by it or its subsidiary companies over the Baltimore & Ohio Railroad or Pennsylvania Railroad Co., and the last deferred payment can not be met for 30 years, so that the tonnage is apparently secured these two railroads for that length of time.

"This sale could only be made by and with the consent and approval of the president and directors of the Baltimore & Ohio Railroad Co., many of whom are also directors of the Pennsylvana Railroad Co. and the New York Central & Hudson River Railroad Co.

"It appears to the commission that after this apparent transfer of the stock of the Consolidated Coal Co. held by the Baltimore & Ohio Railroad Co. that this railroad company is still very largely interested in the prosperity of the Consolidated Coal Co. and its subsidiary companies, and if the ownership of stock in the Consolidated Coal Co. was responsible for discrimination alleged to have been practiced by the Baltimore & Ohio Railroad Co., then the same incentive to discrimination in favor of and favoritism to the Consolidated Coal Co. and its subsidiary companies exists now, as far as the railroad company is concerned, as before the apparent sale of the stock aforesaid."

In the information furnished by Senator CHILTON stress seems to be laid upon the fact that the capital stock of the Consolidated Coal Co. has been increased very materially, so as to reduce the percentage of the holdings in the hands of the trustee provided for in the sale by the railroad company from 52 to 17 per cent so as to make it appear that the railroad company does not have the preponderance of power in the corporation. The statement does not show who holds the balance of this stock, nor that such holders are not closely allied with the Baltimore & Ohio Railroad Co. Nor is it hardly admissible that the railroad company, having sewed up the coal company and its alleged purchasers in a 30-year contract, and having possession of a majority of the stock of the company, would permit the control of that company to get beyond it, in view of the fact that the provision for the shipments over the two specified railroads could be declared to be invalid at the instance of the coal company.

These are only a few of the things which occur to one in considering the relationship which has subsisted heretofore between these properties.

There was no substantial change in the ownership of the coal property, as pointed out by the commission, nor has anyone since understood that there has been any substantial change; but, on the contrary, there abides in the minds of those familiar with such matters that there is an identity of interests between the railroad company and the coal company, and there are many things which seem to confirm this view.

Some two or three years ago the Baltimore & Ohio Railroad Co., in common with the other carriers serving West Virginia coal fields, made an application to the Federal commission for authority to increase their rates on coal from West Virginia districts to lake ports. At the same time there was pending the Pittsburgh-lake rate case, in which latter case the commission reduced the rate 10 cents per ton. Notwithstanding the Baltimore & Ohio was at that time asking privilege to increase its rates on lake coal from West Virginia territory, and setting up that the existing rate was too low, as soon as the commission reduced the Pittsburgh-lake rate 10 cents per ton the Baltimore & Ohio immediately reduced its rate by a like amount. Of course, everyone understood that this was intended to maintain the same parity or differential for the benefit of the Consolidated Coal Co. principally.

As noted in the statement of Senator CHILTON, the Consolidated Coal Co. has extended its operations to Kentucky, and has purchased large acreages of coal lands adjacent to the Chesapeake & Ohio Railroad. Those who remember this acquisition of property in Kentucky will recall that there was quite a lot of excitement because of the threatened invasion of Kentucky by the Baltimore & Ohio Railroad which promised to throw its lines into that territory to serve its subsidiary, the Consolidated Coal Co. After some time spent in alleged surveys and much bluffing it was reported that the Chesapeake & Ohio and the Baltimore & Ohio had agreed upon a division of the tonnage coming to the Chesapeake & Ohio, and especially from the Consolidated Coal Co., by which the Baltimore & Ohio, and particularly its subsidiary, the Cincinnati, Hamilton & Dayton, was to receive a very large coal tonnage from the Kentucky field. This was in consideration of the Baltimore & Ohio remaining out of that territory. The Baltimore & Ohio had about the same time taken over the defunct Cincinnati, Hamilton & Dayton Railway, and the Chesapeake & Ohio was threatening to cut off its coal traffic from the Cincinnati, Hamilton & Dayton and divert it over its own lines then recently acquired.

The scheme of the Baltimore & Ohio was not only to extend the operations of the Consolidated Coal Co. to the splendid new fields of Kentucky, but it was to furnish at the same time a tonnage for the Cincinnati, Hamilton & Dayton that would help raise the revenues of that property. The Baltimore & Ohio had taken over the Cincinnati, Hamilton & Dayton under a seven years' operating arrangement, with the privilege of purchase or long-time lease at the end of that period should it so elect. Of course, the Baltimore & Ohio did not take the Cincinnati, Hamilton & Dayton over voluntarily, but the broken-down property was assigned to the Baltimore & Ohio by "the powers that be," and it was a part of the statesmanship of the railroad magnates controlling the several properties to give the Cincinnati, Hamilton & Dayton an assured tonnage when they resolved to send the Consolidated Coal Co. into the fields of eastern Kentucky.

To-day no one familiar with the coal trade in its larger sense, or familiar with the relationship or ramifications of railroads, doubts for one moment that the Baltimore & Ohio Railroad Co. absolutely dominates the Consolidated Coal Co. in all of its policies as completely as it did prior to the alleged sale of the stock in 1906.

In fact, among all persons who have any relations in the matter with the railroads or coal company, the Consolidated Coal Co. is synonymous with the Baltimore & Ohio Railroad Co.

It was very kind in Mr. SIMS to permit Senator CHILTON to correct his remarks, and thus furnish some data to be distributed about for the purpose of correcting the effect of his speech, and it bespeaks the fairness with which Mr. SIMS desires to treat all persons, and yet it is only fair that all the facts should be known about the relation which these properties sustain toward each other. The spirit and letter of the terms of the contract of sale are still binding upon the coal company, regardless of who holds the stock, and that fact has not yet been disclosed so as to show that, even though the stock holdings are scattered. As a matter of fact, even a minority interest in a property where the stock is largely scattered is sufficient to establish an effective control.

Naval Appropriation Bill.

EXTENSION OF REMARKS
OF
HON. WARREN WORTH BAILEY,
OF PENNSYLVANIA,
IN THE HOUSE OF REPRESENTATIVES,
Thursday, May 7, 1914,

On the bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

Mr. BAILEY. Mr. Speaker, I can not forbear adding my humble yet heartfelt protest to those already so eloquently made by the gentleman from Mississippi [Mr. WITHERSPOON] and the gentleman from Missouri [Mr. HENSLEY] against the monstrous extravagance contemplated in this bill. The gentleman from Tennessee [Mr. PADGETT] has resented with deep feeling the language of the minority report, in which the appropriation of almost $140,000,000 for the Navy is characterized as "inexcusable extravagance and a criminal waste of the public moneys." Yet will any other characterization fit the case? Is it possible to characterize it as prudent, economical, conservative, wisely thoughtful of that oft-forgotten man who must bear the burden?

Of course, I do not fail to realize, Mr. Speaker, that at this crisis in our relations with a neighbor it is difficult to withstand the warlike pressure or to appeal to reason where reason should hold highest sway. Yet it is impossible for me to remain silent when I contemplate the raid upon the Treasury which this measure proposes. It has been demonstrated on this floor beyond any sort of question that our Navy is already one of the greatest in the world, second only to that of Great Britain. But the big Navy boomers are not content. They are bent on keeping up the killing pace which has carried us from one extreme to another and which shows no sign of abatement. Every pretext is seized upon to justify this madness. A fresh war scare is invented every day to frighten the timid; and new atrocities are imagined with every revolution of the earth to inflame popular passion and lend occasion for "preparedness."

But who has been threatening us? When or by whom have our rights been assailed? What peril confronts us? From what quarter is any assault upon our shores to be expected? From Mexico? Do we fear that stricken and impoverished land, torn with revolution, sunk in misery and degradation, palsied by ignorance and superstition, bowed down under the awful burden of an age-long tyranny? We have a mighty fleet in her waters to-day. Do we need other ships to invest her ports and to cut off her communications with the outer world? Why, Mr. Speaker, the whole Mexican Navy could not withstand a single one of our battleships for a minute. The least formidable of the steel fighting machines now before Vera Cruz or Tampico could sink all the war vessels in the Mexican fleet with a single broadside. Yet our trouble with poor, decrepit Mexico is affording excuse for what is proposed in this bill. It is furnishing to jingoism an argument which it has not been slow to seize. It is lending an encouragement to the big Navy boomers which could scarcely have been more fortuitous.

The truth is that upon no sane ground is it possible to justify or even to palliate the "inexcusable extravagance and criminal waste of the public moneys" contemplated in the pending measure. Japan distinctly disavows any thought of trying to force our hand at this time or at any other. Germany has no more reason to seek a quarrel with us than we have to seek one with France or Italy or Russia. Great Britain has had sufficient experience in fighting us before to make her exceedingly slow to think of fighting us again; and in fact her people are our friends; they would contemplate with horror any break in the amicable relations which have so long existed, and they no more think of severing these relations than they do of giving up the great policy of free trade which has made them rich and powerful.

If there be a menace in any quarter, it is in Latin America. We have few real friends there. We are regarded with undisguised disfavor. They believe us to be harboring designs against them. They see in our naval expansion not a threat against Europe, not sinister designs on Japan or China, not even a defensive preparation, but a deliberate purpose to bring them under an enforced protectorate similar to that which has been imposed on Cuba. Latin America is jealous of its independence. It has the same pride in its liberties as we so fondly boast. It has its own ambitions and its own ideals. It has a destiny to work out in its own way and along lines chosen by itself. It would therefore be less than what we know it to be if it did not look with growing distrust upon that vast preparation, which Latin America can interpret in no other way than that it is aimed at steady southward extension of our sphere of influence.

But, Mr. Speaker, is there anyone on this floor who would frankly avow the designs which Latin Americans suspect? Is there indeed a lurking purpose in the background of jingoism which justifies the suspicions and the fears which the Republics to the southward entertain? As far as the great plain people of this country are concerned, I feel confident that they entertain no thought of expansion. They have had enough of that in connection with the Philippines. They are not anxious to take on new problems and to involve themselves in fresh complications. There are great problems at home which call for the best thought and the best endeavor of all earnest Americans in working out adequate solutions. What of the trusts? What of the transportation monopoly? What of the development of Alaska? What of the industrial perplexity suggested by conditions in Colorado and Michigan? What of the public roads, for which we have just begun to make appropriations and which must call for greater and greater drafts upon the Public Treasury? Shall all these interests be submerged or set aside while we foot it mightily toward a goal which marks the brink of a fearful precipice? For we can not pursue the present course indefinitely and still hope to escape ruin. We may outrun the world in this stupid and wanton race for sea supremacy, but at what a cost! It should be kept in mind that all the scores of millions carried in this bill represent a drain on resources; and in this it differs from expenditures on roads or on rivers or on harbors or in the development of Alaska. In all these cases money expended will represent an investment upon which substantial returns may safely be anticipated. But what return, what proper return, can a battleship bring? Well, it can bring suspicion, resentment, retaliation, international disquiet, strained relations with neighbors, fear to weaker peoples, a bit of pride and glory for a privileged class supported in ungainful employment by the horny-handed toilers in mill and mine, in the factory, and on the farm.

Mr. Speaker, I stand for peace, and it is because I stand for peace that I protest now with all earnestness and in all candor against the "inexcusable extravagance and criminal waste of the public money" signalized by this culminating achievement of American jingoism, following the flag of William Randolph Hearst rather than the modest banner of Jeffersonian simplicity. In our Baltimore platform, Mr. Speaker, we gave a very solemn pledge to the American people on the subject of economy. In that platform we quite properly, and I thought sincerely, denounced Republican extravagance. I took that platform seriously, and the people must have so taken it, else we should not have been entrusted with the commission we now bear. But in spending $140,00,000 on the Navy and $101,000,000 on the Army are we keeping that pledge? Are we maintaining faith with the farmers and the artisans who bear the load? Are we playing fair to ourselves or to them? Is a total outlay exceeding that of the most profligate Republican Congress a proper fulfillment of our sacred promise? For one I think not. For one I protest with all my soul against the bad faith it implies. As was said on this floor by the eloquent gentleman from Missouri [Mr. HENSLEY], if more battleships were really needed, no sacrifice in meeting that need would be too great for the American people, for the people back home whom I represent, to make. But there is no such need. Our shores are threatened by no invader. No spoiler menaces our cities. No alien tyrant lies in wait to subvert our institutions and take away our liberties.

In every direction save one the skies are perfectly clear, and in that one direction a bow of promise has appeared which every lover of peace must welcome and every friend of humanity must desire to bring to fulfillment. To me war is ineffably hate-

ful. I can see in it nothing to inspire, nothing to glorify, nothing to exalt. Of course, it brings out sacrifice and valor and splendid heroism. It brings out courage and daring and high emprise. But it also brings out all the harder and baser and more sordid passions. It brings out cruelty, malevolence, bitter hatred, false ideals, all the brute instincts. It turns gentle human beings into monsters, reveling in blood, as ready to "kill all over 10" as to apply the torch or to trample every human right into the dust. And after all how useless it is; how little worthy of a civilized people. Long ago we had risen in the scale of intelligence and reason to the point where the code duello was abolished as between individuals. Our grandfathers thought that only by shooting their neighbor could insult be wiped out and honor satisfied. But common sense rebelled against this stupid and degrading system. The better sentiment of men repelled the idea that honor was a thing so delicate and so sacred that only in blood could stains upon it be washed away. But the code duello as it applies to nations is still as inviolate as in the days of old. We still resort to it, even under so slight a provocation as that of the arrest of a few marines and in spite of apology and the punishment of the offending subordinate. May we not with propriety inquire whether we should be so ready to resort to it if we had fewer huge battleships and 15-inch guns? Do the possession of these indeed make for peace? Are they not rather an abiding temptation to aggression? Would we ever have thought of playing the international policeman and undertaking to regulate all the affairs of our weaker neighbors had we refused to permit William C. Whitney to enter upon the realization of his dream of empire—a dream which found partial fulfillment in the conquest of the Philippines and in the seizure of Panama under the guise of a fake Republic which could not have lasted a minute without the support of our guns?

No, Mr. Speaker, we are not making for peace in multiplying our fighting machines and in drawing increasing numbers of the youth of our land into the business of war. Every pretense that naval expansion means international security is a false one. The Navy is the national hip pocket. We have gotten rid of the hip pocket in our ordinary life. No man thinks of going "loaded" to-day as in the old days. We have quit wearing knives in our boots. The sword cane has gone out of fashion. Gun toting has lost vogue even in Texas. We go our several ways without thought of molestation, and the more so when we go unarmed. It is the man with a gun on his person who is always afraid, always expecting trouble and always finding it. May not the same be said of nations? Are we not a thousand times more timorous to-day, a thousand times more fearful of some lurking enemy, than we were 50 or 75 years ago, when our Navy was all but a minus quantity, when our Army was negligible as far as numbers were concerned, and when our material resources were as nothing in comparison with those available now? Is it the law of "preparedness" that our apprehensions increase with every increase in ships and guns?

Mr. Speaker, who has failed to note the war talk which has cropped out in almost every debate on this floor during the last year? It has not mattered what was the measure under consideration, what the policy being discussed, what the general theme before the house, always the thought of war, the suggestion of bloodshed, has obtruded, like the head of King Charles in Mr. Dick's Memorial. Back of Alaska development lurked the supposed needs of Army and Navy. Back of the Panama Canal has lurked the military and naval advantage it is expected to give. Back of nearly all our plans and purposes we find crouching some hint of coming trouble against which we must arm and regarding which we must always be on the alert. We talk of war so much that the war idea gets into the very atmosphere and the spirit of war comes to rule our thoughts, to direct our energies, and to animate our social life. We think in terms of carnage. We turn away from the golden rule to worship at the shrine of gold braid.

Why not think and speak in the terms of peace? Why not talk of amity and brotherhood and good will? Why not arm ourselves with truth and justice and righteousness rather than with Krag rifles and 15-inch guns? Why not think more of the Prince of Peace and less of the Prince of the Powers of Darkness? Why not try to draw weaker peoples to us by friendship and high courtesy and noble self-denial in the face of power and opportunity rather than laying them under tribute through the exercise of superior strength? Why not be as manly in our national as in our individual life? Why have a double standard in conduct and conception—a standard of peace and self-restraint for the individual; a standard of force and self-assertion for the Nation?

Mr. Speaker, the path seems clear to me. It is the path not of duty and destiny but of Christian faith and brotherhood and loving kindness. It leads not to war and waste and widowhood, but to plenty and prosperity and peace. Those who follow it may not win to glory and renown; they may not be hailed as heroes by the mob; they may not bask in the smiles of privilege or wear the favors of princes and potentates; but they shall mount to higher and better things, to a sense of obligation to fellow men, to a realization of the value of human life, to a new birth in the spirit of Him who said: "A new commandment I give unto you, that ye love one another."

Our Father, King of nations,
In this our time give peace.
End war's black desolations
And bid its carnage cease,
Its rifles' vengeful rattle,
Its cannons' murderous roar.
Stanch the red tide of battle
And let it rage no more.

Wars, hateful to the mothers
Of sons in conflict slain,
Where brothers kill their brothers
While widows weep in vain,
While orphans' tears are falling—
God, end this reign of hate,
This shrewd, financed, appalling,
False glory of the State.

Teach Thou our heroes, Father,
To use their strength and skill
And leadership the rather
To save and not to kill.
Lest through war's devastations
Good human harvests cease,
Destroy the scourge of nations,
Enthrone the Prince of Peace.

Naval Appropriation Bill.

EXTENSION OF REMARKS
OF
HON. FRANK B. WILLIS,
OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, May 7, 1914,

On the bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

Mr. WILLIS. Mr. Speaker, during the discussion of this bill much has been said concerning the advisability of having construction work done in Government navy yards. Personally I am in favor of having this new construction carried on, so far as possible, in navy yards owned and operated by the Government of the United States. At present it would be inadvisable to undertake all work of this character in Government yards, because without vast additional expense these yards, with the exception of the Brooklyn Navy Yard, are not equipped for the construction of large armored vessels; and it is, furthermore, desirable that some work be done in private yards in order that we may encourage the industry and labor of our own country, and have these construction agencies to fall back on in time of need. Yet whenever new construction work is to be done it should be assigned in the first instance so as to keep busy the Government plants that we already have. Why should contracts be given to private concerns and our Government yards, with their expensive equipment and highly organized force of skilled mechanics, be allowed to lie idle? Our own governmental plants should be run to their full capacity, provided that much new construction work shall be decided on, and only the surplus work left after providing that our own Government yards shall be run to their full capacity should be let by contract to private shipbuilding concerns.

There are many advantages flowing from Government construction, among them being better conditions for workmen, better workmanship on the vessels, and greater expedition in the completion of the work. The time of construction has been cut nearly in half since the Government commenced to do some of its own work. Some of the advantages of Government construction and the viewpoint of the workingmen relative thereto are clearly set forth in the following letters from the Affiliated Trades of the New York Navy Yard and the International Association of Machinists:

AFFILIATED TRADES OF THE NEW YORK NAVY YARD,
Borough of Brooklyn, N. Y., April 28, 1914.

MY DEAR CONGRESSMAN: The Navy appropriation bill now before Congress will provide for the building of other battleships.

The trades of the New York Navy Yard desire to call to your attention the fact that the last ship constructed in the Government navy yard, namely, the *New York*, although construction was started some months after her sister ship the *Texas*, is now ready for service and on her way to Mexico to do duty before the *Texas*, which was contracted for at one of the private shipbuilding companies.

This is a record to be proud of, and we, as American workmen, all citizens of this great Republic, feel proud of this accomplishment

and ask that in providing for further construction of ships that Congress be sure to keep this force in the New York Navy Yard steadily employed, as it is said by experts to be the most efficient construction force ever organized.

Yours, respectfully,

J. J. McKNIGHT, *President.*
J. S. McDONAGH, *Secretary.*

WASHINGTON, D. C., *April 24, 1914.*

Hon. FRANK B. WILLIS,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: During the consideration of the pending naval appropriation bill the proposition will be submitted to the House of having one battleship constructed in a Government navy yard.

As a representative of organized labor in the navy yards permit me to point out a few reasons why Congress should favor this policy.

Prior to 1903, when the first battleship was built in the Brooklyn Navy Yard, it had been customary for private contractors to take about three years to build battleships, as in the case of the *Georgia* and the *Nebraska*, and they were seldom completed within contract time, which was usually exceeded by six or eight months. As compared to this, the *Connecticut*, built by the Government in 1903–4, was launched in 18 months and 19 days after the keel was laid. This is an important consideration in the construction of modern battleships, considering the fact that a ship is out of date in less than 10 years and practically useless in 20 years.

A battleship costing $15,000,000 would depreciate at that rate about $1,000,000 per year, so that if the Government by continuing its policy of constructing some of its own battleships can thereby force private contractors to reduce the time required for building from three years to one year, as at present is the case, it would be economy even if each ship built by the Government cost $2,000,000 more than by contract.

The *Connecticut*, which was built in a navy yard, cost only about 5 per cent more than its sister ship, built by private contract, and this added expense was entirely made up by the fact that the workmanship on the Government-built vessel excelled that of the other to such an extent that thousands of dollars were saved in repairs of the navy-yard built ship, according to the records.

Much has been made of the alleged fact by the opponents of Government construction that the *Florida*, which was built at a navy yard, cost nearly $2,000,000 more than its sister ship, the *Utah*, which was built by contract. However, much of this excess cost, it has repeatedly been asserted on the floors of Congress, was due to overhead charges for maintaining the navy yard, most of which would have existed whether there had been any ship built at the navy yard or not; so that the costs charged to the battleship were not all caused by the building of the ship, and should not be counted as a part of its cost.

It has also been brought to our attention that contractors building battleships for the Government about that time were losing several hundred thousand dollars on their contracts, due perhaps to their efforts to discourage Government construction, knowing that if it could be shown that Government construction was much more expensive, comparatively, that there would be a chance of having the Government shops put out of commission and they could go back to their old practices and recoup their losses.

Whatever the facts might be with regard to the cost of the *Florida*, the more recent efforts at battleship construction in navy yards have been toward lower costs and still faster records.

When the *Pennsylvania* was let to the Newport News Shipbuilding Co. in 1913 the bid by the New York Navy Yard was only about $35,000 more than the bid of the concern that got the contract; and the bid of the Mare Island Navy Yard exceeded the Newport News company by only $12,000. Either of these differences is a mere bagatelle.

As to the relation of the navy-yard bids to the actual cost of the work, it can be cited that the cost of the battleship *New York*, which has just been completed by the New York Navy Yard, was $659,635.41 less than the original estimate by that navy yard, according to the latest facts available at the Navy Department. Furthermore, the battleship *New York* was launched in 12 months and 19 days after the keel was laid, a record that is worth much in these days of rapidly changing designs in war vessels.

It is now predicted that a battleship can be built at a navy yard in about 10 months, and at less cost than formerly, unless Congress destroys the present splendid organization of its own shipbuilding establishments by failing to have battleships built there.

The total cost of constructing the hull and machinery of the *New York* in a navy yard is approximately $6,248,224.38 for labor, material, and indirect charges; and the total cost so far incurred in building her sister ship, the *Texas*, is $5,940,695, according to the latest information available.

In order to maintain a trained and efficient force for construction work in our navy yards it is necessary to build continually; otherwise both equipment and working force will become demoralized and unable to compete successfully with the shipbuilding contractor.

It is well recognized that if a navy yard is operated at approximately its full capacity, the overhead charges will be reduced, the working force will put forward their best efforts, because it will not fear discharge for lack of work, and there will always be an adequate supply of materials and workmen on hand for doing repairs economically.

I sincerely trust that we can count upon your active support, as well as your vote, in having a clause inserted in this year's naval appropriation bill providing for one battleship to be built in a Government navy yard.

Thanking you for past favors and for anything further you may do in our behalf, I remain,

Very respectfully, yours,

M. P. ALIFAS,
President District No. 44,
International Association of Machinists.

The disadvantages of construction in Government yards are comparatively slight, and in many cases only speculative when compared with construction in privately owned yards. So long as the construction of additional warships is deemed necessary as a guaranty of our national safety, so long should the Congress provide that the construction work of the Government should be done in Government navy yards up to the capacity of those yards economically operated, only surplus work going to privately owned shipbuilding concerns. The Secretary of the Navy is asking for two battleships; if these are authorized, at least one of them should be built in a Government navy yard. Better workmanship, better labor conditions, speedier work—all these are results of Government construction. In my judgment careful governmental methods will ultimately bring the margin of cost down to the minimum and thus result in a saving of the people's money. The amendment offered by the gentleman from Illinois [Mr. BUCHANAN] is a step in the right direction and I shall support it. By requiring at least a portion of the work to be done in Government yards it means better ships, better conditions for workingmen, and sound and safe economic policy for the Government.

Naval Appropriation Bill.

EXTENSION OF REMARKS
OF
HON. WILLIAM J. CARY,
OF WISCONSIN,
IN THE HOUSE OF REPRESENTATIVES,
Thursday, May 7, 1914,

On the bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

Mr. CARY. Mr. Speaker, on Monday, the 24th of February, 1913, the gentleman from Illinois [Mr. MADDEN] said:

Is there any reason why the District Commissioners should not be fined and jailed for all this sort of thing?

Answering the gentleman from Illinois, the minority leader [Mr. MANN] said:

Perhaps some of them ought to be jailed and kept there.

These edifying remarks were brought about as the result of the exposure of certain crookedness in the conduct of affairs of the District of Columbia.

While the District of Columbia appropriation bill was under consideration in the House in January, 1912, the gentleman from Nebraska [Mr. LOBECK] furnished certain data showing the secret, underhanded, irregular, and illegal transactions made by the District Commissioners and by their subordinates, with their sanction. In the course of his speech, he said:

The auditor of the District of Columbia passed the accounts for the illegal purchase of these 16 street-sweeping machines because he was ordered to do so by the Commissioners of the District. The entire transaction was illegal.

At various times and on various occasions when the District appropriation bill was under consideration in this House certain other exposures showing illegal and unauthorized transactions made by the Commissioners of the District of Columbia, without authority in law, have been made.

In the spring of the year of 1911 the commissioners began to build a $60,000 stable on lots 4, 5, 6, 7, 8, and 9, in square 1043, located in a residential section of the city, before they had a title to the property. I will have something to say on another occasion in reference to this transaction.

Now, on the 31st of January, 1913, the chairman of the House Committee on the District of Columbia [Mr. JOHNSON] openly charged on the floor of this House that the commissioners had spent $67,000 illegally in paying architect's fees. In view of these facts and occurrences it has occurred to me as being rather strange that no curb has been put on these illegal and unauthorized acts on the part of the Commissioners of the District. For the benefit of the Members of the House who have not the time or the inclination to go into District matters, I desire to give a short history of the Washington Asylum and Workhouse of the District of Columbia, showing the amounts appropriated by Congress for the past six or seven years, the deficiencies that have been made, and the sudden increase in the cost of maintaining this institution from practically nothing in 1907 to approximately $600,000 in 1913.

The appropriation for maintenance for the Washington Asylum for the fiscal year 1907 was $82,681. There was a deficiency appropriation of $8,000, as shown in volume 34, page 1379, United States Statutes at Large, making the total cost $90,681. At that time the labor of the convicts was estimated to be worth $120,000 per annum to the District of Columbia, so that the institution was more than self-sustaining. In 1908 the appropriation was $87,251, with no deficiency. In 1909 the appropriation was $90,676, and there was a deficiency of $12,000, making a total cost of $102,676. (See vol. 35, p. 916, U. S. Stat. L.) The cost in 1910 was $101,336, with no deficiency. The cost in 1911 was $106,641, and there was a deficiency of $120,000, making the total cost $226,641. (See vol. 36, p. 786, U. S. Stat. L.) This is the year when Occoquan was established. W. V. Judson was its paternal ancestor. The title of the institution was changed in this year to Reformatory and Workhouse. In 1912 the cost of maintaining this institution was $193,000 plus a de-

ficiency of $61,500, or a total of $254,500. The cost for the fiscal year 1913 was $225,158, plus a deficiency of $120,000, making the total cost a little more than $345,000. During this fiscal year the additional cost for street work, made necessary by the removal of these prisoners to distant climes, was in the neighborhood of $250,000, or a grand total of approximately $600,000 for the fiscal year 1913.

In addition to all this extravagant use of the public funds on account of Occoquan, which was known as Judson's pet, his plaything, I think it well for Members to know that there is an item in another one of the appropriation bills of $65,000 for dredging Occoquan Creek so as to make it navigable by the scows, barges, pungeys, and tugs which go to make up the Occoquan navy, including Admiral Judson's flagship, which, according to published accounts, is frequently aground on the mud flats of the Potomac or ashore along the picturesque banks of Occoquan Creek. An annual dredging of this creek gives employment to certain persons, spreads the public funds around, and is one of Admiral Judson's so-called "economies." He had others. One of them was brought about by euchring the District of Columbia out of a revenue of $3,000 per annum secured by the sale of street sweepings. This is a permanent annual "economy.'

Another "economy" consists in spending thousands of dollars each year in an attempt to raise vegetables with which to supply hospitals, charitable institutions, and, in fact, all public institutions in the District of Columbia. Hundreds and hundreds of acres of land have been planted in vegetables of every sort, but whoever heard of even so much as a single head of cabbage being delivered from Occoquan to city institutions? About three years ago several acres were planted in onions at an expense of thousands of dollars, the net result of the crop being about a peck. The crop would have been larger, but for the fact that the prisoners, who planted the sets, snipped the tender roots from practically all of them. A few of the sets escaped the surgical operation of the convicts. These instances of "economies" might be multiplied indefinitely.

I understand, Mr. Speaker, that they have about 800 hens on the place, but the attendants say they have never seen any eggs. If these are laying hens, I should like to know what becomes of the eggs. If they are not laying hens, then the cost of feeding such a large flock can easily be described as another one of the many Occoquan "economies." A few years ago the late lamented board of commissioners asked Congress for the sum of $25,000 for the purchase of a steamboat. They asked for the sum of $900 to pay a captain of the boat, $840 to pay an engineer, and various other sums for fuel and other fixed charges. As soon as Congress got wise to this steamboat scheme the item was promptly put out of the bill, but no one seems to have made a point of order on the salary items for a captain, engineer, and other officers, the result being that those items stayed in the bill. Admiral Judson was then in a queer position. He had funds available for the employment of steamboat officials, but he had no steamboat. Did that worry the admiral, Mr. Speaker? Not so you can notice it. Was the money carried in the bill for these steamboat officials turned into the Treasury? There is no record of it. The employment of a steamboat captain and an engineer for a steamboat that was not in existence is another one of a long and tedious series of "economies' for which Admiral Judson was famous. Is there any record anywhere that this now celebrated naval officer ever turned any money into the Treasury? If he did, I have been unable to make the discovery.

Mr. Speaker, by far the greater part of these extravagant expenditures was due to the activity of Engineer Commissioner William V. Judson, dubbed by a Member of this House as "Admiral of the Occoquan navy." This official, versatile and always alert in his multitudinous methods of securing appropriations for carrying out the numerous schemes of which he was the author, was, it appears, exceedingly anxious to acquire a fleet in keeping with the dignity of the naval honor conferred upon him. Mr. Speaker, I can see, in imagination, this highly inflated official standing on the quarter deck of his flagship and proudly surveying the District armada, bristling with the paraphernalia of naval pomp and power, giving orders with the calm deliberation of a Nelson; or, in later years and in our own time, commanding in the rugged but incandescent and incisive language of an Evans.

Admiral Judson! Mr. Speaker, bear in mind my words, the name of this great man—great in his ability to drag money from the two appropriations committees of Congress, to hoodwink and deceive the most astute members of those two important bodies—the name of this great man, Mr. Speaker, will be handed down in the unwritten history of the District of Columbia as one of the most accomplished official tricksters that ever occupied the office of engineer commissioner.

Naval Appropriation Bill.

EXTENSION OF REMARKS
OF
HON. FINLY H. GRAY,
OF INDIANA,
IN THE HOUSE OF REPRESENTATIVES,
Thursday, May 7, 1914.

On the bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

Mr. GRAY. Mr. Speaker, economy is not the only reason why this Government should manufacture its own armor plate, as well as arms and armament and all its military supplies and naval equipment. It has been found that the companies engaged in furnishing our armament and war supplies not only take advantage in time of peace to form trust combinations and impose excessive and extortionate charges, but that in time of war they seek to take still further advantage by reason of the dependency of the Government. It is an open and acknowledged fact that during the late War with Spain the armor-plate companies refused to supply the Government with armor plate unless the Government complied with their demands for an increase of $100 a ton over and above what the Government had determined as a fair and reasonable price. It has also been found that these companies have been giving out our warship designs and plans to foreign Governments to which they are selling armor plates, arms and armament, and warship supplies with which to fight us in the event of hostilities. I quote here from the statement of Admiral C. E. Vreeland, member of the General Naval Board, in answer to questions propounded by myself, and shown at page 593 of the hearings had before the Committee on Naval Affairs during the present session of Congress, showing that these disclosures made to other nations cover the whole field of battleship construction and naval equipment, the unmistakable purpose of which is to excite rivalry among the nations and to promote the increase of all navies as a world-wide commercial enterprise:

Mr. GRAY. Admiral, are you acquainted with the improvement and development that is now in progress among the navies of the great powers of the world?

Admiral VREELAND. In a general way. We can not get exact information from foreign powers.

Mr. GRAY. Are not the substantial improvements and developments in progress in all of the navies of the world, the great improvements, the same inventions—are they not tried out by all the nations?

Admiral VREELAND. I believe that is true.

Mr. GRAY. Are not the same developments as to armor plate being tried out substantially in all of the navies of the world?

Admiral VREELAND. I believe that is also true.

Mr. GRAY. And in torpedo boats?

Admiral VREELAND. And in destroyers; yes, sir.

Mr. GRAY. And also with the airships?

Admiral VREELAND. Yes, sir.

Mr. GRAY. Of course, I am confining myself to the few great powers. Have you any means of knowing how the information in regard to the same inventions improvements, and the development is being carried so accurately from one nation to another?

Admiral VREELAND. By the manufacturers seeking business abroad.

Mr. GRAY. The same inventions and improvements, substantially, are in progress. How is that information being carried from one nation to another?

Admiral VREELAND. I should say by manufacturers and inventors. Is that what you mean?

Mr. GRAY. Yes, sir. Is it true that the material that is manufactured by one company is being sold to all of the navies of the world, substantially?

Admiral VREELAND. At one time the Harvey process of making armor was adopted by some European powers; later the Krupp process was decided to be the better, and we adopted that. Contractors in this country obtained the rights.

Mr. GRAY. And the same improvements and developments in projectiles in all of the navies of the world?

Admiral VREELAND. Yes, sir.

Every taxpayer of this Nation should also know that we now have the greatest and most powerful Navy in all our history; that we have created this Navy by building less than two warships a year, or, in other words, by building 35 ships in 24 years; that all the navies of the world are building up evenly together without change of relative position or gain of advantage one over the other; that the increase of one navy has the effect only to prompt an equal increase in every other navy; that if we increase our Navy to-day, every other naval power will in turn follow with a like increase to-morrow; that increasing our Navy will not make us stronger over the navies of other nations, but will only excite rivalry to make all other nations equally strong; that increasing our Navy not only increases the taxes upon our own people, but will result in increasing the taxes in a like amount upon the people of all naval-power nations.

Every taxpayer should know that one of the battleships known as dreadnaughts which we are now building is equal to

three of the battleships which we have heretofore been building; that to build one of these dreadnaught battleships a year will not only maintain our present naval power and efficiency but will be increasing our Navy at a more rapid rate than ever before; that to build two of these dreadnaught battleships a year, as recommended by the Naval Affairs Committee, will be increasing our Navy three times as fast as ever before; and that to build four dreadnaught battleships a year, as recommended by the naval board, would be to increase our Navy six times faster than ever before in all our history.

But even this rate of increase is not to be the limit of our naval extension. We are to tax our people to further increase and add to our Navy until the ability of the people of other nations to pay taxes is exhausted. We are to build on and on until the people of other nations fall prostrate under the crushing burdens of war taxes. We are to build to the very limit of human endurance, under the taxing power, to reach the goal of naval supremacy, and I here quote from the answers of Admiral C. E. Vreeland, a member of the General Naval Board which recommended the construction of four dreadnaught battleships a year, and given in response to questions by myself relative to the policy of naval increase, and found at pages 585–586 of the hearings of the Committee on Naval Affairs during the present session of Congress, showing that such is the policy or the inevitable result:

Mr. GRAY. I wish to inquire of the Admiral if it is not the policy of other Governments to increase their navies with all the other leading powers?

Admiral VREELAND. It is, sir.

Mr. GRAY. What would be the advantage to us or any other power if the navies were increased equally by all the nations of the world? Would there be any advantage to us or to any other power?

Admiral VREELAND. Not if you mean in the same ratio.

Mr. GRAY. Would not the same grounds exist after an increase for a further increase?

Admiral VREELAND. It would seem so.

Mr. GRAY. The only advantage that could be gained by an increase of the navies to any nation in the world would be a greater increase of one nation over another. Is it not a fact that there is a rivalry now between nations?

Admiral VREELAND. No, sir.

Mr. GRAY. They are all going up together?

Admiral VREELAND. Yes, sir.

Mr. GRAY. There would be no advantage gained by any nation, then. How long could that be maintained, that even increase, and what advantage would it be to any nation?

Admiral VREELAND. If it continues to increase, the poorer nation will eventually exhaust itself, and then the other nations, the United States included, will have a free hand—I mean be free to build in accordance with the changed conditions. I think it proper to add that rivalry, in the sense in which that word has been used here, does not really exist, nor do I think it is contemplated.

Mr. GRAY. Then it is only a question of the limit of taxation?

Admiral VREELAND. Yes, sir.

Agricultural Appropriation Bill.

SPEECH

OF

HON. JAMES MANAHAN,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, March 13, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill H. R. 13679, the Agricultural appropriation bill.

Mr. MANAHAN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Minnesota [Mr. MANAHAN] moves to strike out the last word.

Mr. MANAHAN. I make this motion for the purpose of making an observation. I must confess that I was greatly interested in the question just propounded to the chairman of the committee by one of the farmers of the House. I had myself been wondering what purpose this appropriation really served—an appropriation in the neighborhood of $275,000 for crop estimates and forecasts for the coming year.

It seems to me that before we appropriate this sum of money for crop estimates and forecasts it would be well to have a clearer idea of the object to be accomplished. I am frank to say that I do not believe that these crop estimates and forecasts serve any useful purpose to the people. The importance of crops to the people rests on opportunity for the consumption of those crops by the people. I suspect that the forecasts made by the Government on the growing crops serve only men who gamble in grain and cotton on boards of trade and in chambers of commerce. In the past five years we have appropriated over $1,000,000 for this forecasting and guessing by the Government. What good does it do to spend the farmers' taxes finding out what the farmers' yield will be? Will it increase the price when finally the crops are harvested? What good does it do the men who buy bread or clothing to know in advance what the yield in wheat or cotton will be? Will it change the prices the consumers must pay for their bread or clothing?

Mr. Chairman, I wish some one favoring this appropriation would tell us who will be benefited by it. No doubt speculators on the boards of trade and gamblers in the chambers of commerce, men figuring on how they can manipulate the markets so as to get the bulk of the farmers' crop at the lowest possible price and then sell it to the great markets of consumption at the highest possible price, are glad to have the Government spend millions gathering information that will help them in their calculations. These crop forecasts are, in plain words, the guide of gamblers. Wheat is grown for bread. Why should we permit men to control its movement by betting on the price it will bring when it is harvested? Why should we spend the taxpayers' money estimating that harvest when the estimate will serve only men seeking to control the movement of wheat by betting on its price for future delivery? Are we so simple as to assume that the greedy speculators will not seek advantage and profit when they are permitted to deal in a crop before it is produced with fairly accurate knowledge of what that crop will be?

THE LESSON OF HISTORY.

From the very beginning of history men have sought to make unfair profit out of the necessities of their fellow men, and in no instances have the greedy ones been more successful than in controlling the supply of food. Hunger always compels unconditional surrender of the most valuable human possession—property, reputation, even liberty. The Appropriation Committee have evidently studied diligently the statistical abstracts of the United States, but I fear they have neglected to study the warning precedents of sacred history. When the gifted chairman of the committee, Mr. LEVER, was fixing this estimate for the crop forecast and its interpretation, I am sure he must have recalled the incident when Joseph forecasted for Pharaoh the crops of Egypt for 14 years. Surely he has not forgotten the advantage taken by the greedy king of the knowledge given him by Joseph. You will remember, gentlemen, that Pharaoh had a dream in which he saw seven fat ears of corn growing upon a stalk, to be consumed by seven lean ears growing upon the same stalk. This dream, followed by a similar one, so troubled the king that he submitted it to his magicians. No one could tell him the answer. It was recalled that there was at the time a young Jew in jail who had shown great skill in forecasting events and interpreting dreams. This young man was brought before Pharaoh, and with prophetic foresight he read in the dream a famine that would follow after seven years of plenty. Joseph not only told Pharaoh what his dream meant, but with wonderful sagacity urged conservation during the good times by the creation of an office with power to collect into public warehouses a large part of each year's crop, saying to the king: "Let Pharaoh do this, and let him appoint officers over the land, and take up the fifth part of the land of Egypt in the seven plenteous years." There was statesmanship in this advice, and Joseph clearly intended that the grain so gathered should be held in trust by the Government for the people, for he said: "Let them gather all the food of those good years that come and lay up corn under the hai of Pharaoh, and let them keep food in the cities, and that food shall be for store to the land (for the public) against the seven years of famine, which shall be in the land of Egypt, that the land (people) perish not through famine."

The crop forecast was correct and the advice was sound. It undoubtedly appealed to the farmers of Egypt, and they responded willingly. But Pharaoh, like the empire builders of later days, had guile as well as greed. For, as the Good Book says, "the thing was good in the eyes of Pharaoh." He saw the stupendous power over the people that control of the surplus food would give him when the days of hunger came, and he also knew well that he could win the unswerving allegiance and service of the gifted Joseph if he took him out of jail and gave him honor and power. He made Joseph his prime minister, and Joseph served him faithfully. "And Joseph gathered corn as the sands of the sea, very much, until he left numbering, for it was without number." What do these significant lines mean? How utterly helpless when the hard times came were the people with the government in control of the nation's grain, as much as "the sands of the sea" all stored "under the hand of Pharaoh," meaning that the warehouse receipts were all issued in the name of the king. All must starve or beg, "and when the land of Egypt were famished the people cried to Pharaoh for bread, and Pharaoh said to all Egypt, Go

unto Joseph; what he saith to you, do." The trust magnates of our day had an illustrious predecessor in Pharaoh, the Egyptian king. In control of the necessities of life they, like Pharaoh, avoid all direct trading with hungry men and try to ease their own consciences by shifting the responsibility upon their superintendents or general managers. Pharaoh said to his starving subjects, "Go unto Joseph," knowing that in fidelity to the man who had taken him from jail and given him high place Joseph would make stern bargains with the people.

Never in all history were such unfair prices charged for food as Pharaoh and Joseph charged for the grain in the granaries of Egypt.

And Joseph gathered up all the money that was found in the land of Egypt and in the land of Canaan for the corn which they brought; and Joseph brought the money unto Pharaoh's house.

And when money failed in the land of Egypt and in the land of Canaan all of the Egyptians came unto Joseph and said, "Give us bread, for why should we die in thy presence? for the money faileth."

And Joseph said, "Give your cattle; and I will give for your cattle if money fail."

And they brought their cattle unto Joseph, and Joseph gave them bread in exchange for horses and for the flocks and for the cattle of the herds and for the asses; and he fed them with bread for all their cattle for that year.

When that year was ended they came unto him the second year and said unto him: "We will not hide it from my lord how that our money is spent; my lord also hath our herds of cattle; there is not aught left in the sight of my lord but our bodies and our lands. Wherefore shall we die before thine eyes, both we and our land? Buy us and our land for bread, and we and our lands will be servants unto Pharaoh."

Thus the people of Egypt sold themselves and their children and all their lands and property to the greedy king for corn to eat, which had been their own corn. This cruel bargain was not the result of the crop forecast made by Joseph nor from any lack of statesmanship in Joseph's advice to save from the good years' surplus, but was possible because the law at that time permitted the greedy king to take advantage of the knowledge of coming events, and with that knowledge to control the storing and movement of grain. [Applause.] What is the meaning of this tragic chapter of the Old Testament? Let us apply the lesson to our own method of forecasting and dealing in the farmers' crops.

Mr. HEFLIN. Will the gentleman yield?

Mr. MANAHAN. Certainly.

Mr. HEFLIN. I want to say to the gentleman that I entertained views somewhat like his for some time on this question of estimating the crop; but we found that before the Government estimated the cotton crop these associations of speculators always overestimated the crop; the Government estimate is more nearly in keeping with the actual output of cotton than the estimate that used to be made when the people making the estimate wanted the price of cotton to go down.

Mr. MANAHAN. I appreciate the suggestion made. Of course the same principle applies to grain as to cotton. The same principles are involved in the trading in grain as are involved in the trading in cotton. The same terrible abuses are practiced upon the producer, and there is the same lack of real service in the one sort of future trading as in the other. And as long as men are permitted to gamble in the agricultural products of the country and are permitted to sell in the future that which is not yet produced, and are permitted by that system of selling in the future to control the price of agricultural products, it is, of course, wise and proper to make these appropriations for estimates, so that the estimates of the Government will be more in accordance with the facts and will not serve the purposes of the gamblers as well as their own fictitious estimates would. But I am opposed to trading in futures in grain and cotton alike. I believe it serves no useful purpose. It has been conclusively shown that dealing in futures, hedging, and speculating are simply the means which selfish and greedy traders use to compel the farmer to take an inadequate price at the season when the farmers are obliged to sell their crop, and then boost the price to the consumers after they, as such gamblers, have control of the market and its surplus. [Applause.]

Mr. JACOWAY. Suppose the speculator should say that there was a 14,000,000-bale crop in the South, when in fact there was only a 12,000,000-bale crop. If the 12,000,000-bale crop was accurately estimated by the Agricultural Department, would not the price of cotton be proportionately increased to the man who actually produced it?

Mr. MANAHAN. It would be proportionately increased if it was not for the fact that the men on the exchange in control of the price would hammer it down in spite of the Government estimate, by virtue of the power they have under the rules of the exchange—which everyone recognizes to be the fact—of being able to fill their contracts with inferior grades of cotton.

Mr. LEVER. The gentleman from Minnesota is not complaining so much about the making of the Government estimate as he is against the operations in cotton futures and in grain futures, with which view I agree.

Mr. MANAHAN. Yes; that is largely true, Mr. Chairman. I do not complain so much about the money spent in making crop estimates from time to time as I do about the control of prices and the swindle of farmers during the crop-moving season by means of future trading in cotton and grain on the great exchanges of the country. I am glad to be assured by Mr. LEVER, as head of the great Committee on Agriculture, that he agrees with me in condemning the common practice of gambling in grain as well as in cotton. [Applause.]

FUTURE GRAIN TRADING IS GAMBLING.

Some men on this floor, however, as well as in the grain trade, object to the word "gambling" in describing the business of buying and selling for future delivery; they prefer to use the more respectable word "speculation." But "what's in a name?" Were it called by any other name it would smell as bad.

I am told by a colleague from the far West that gentlemen playing poker will not stack the cards on each other, and that real gamblers have nerve and courage. This much can not be said of the millionaires controlling our great wheat and cotton markets. They operate at long distance, through concealed brokers, under advice of counsel, protected by special legislation, even guided by Government forecasts. But the game these men play against the small dealer, against the men who actually raise the crops, is a loaded-dice game. It is gambling—crooked gambling; cowardly crooked gambling at that. It weakens the moral fiber, as all gambling does; but more, it disturbs and checks the normal distribution of the people's food and makes paupers of many while making millionaires of a few. And yet men who would like to be respectable squirm when we call their business, in plain words, a gamble. They should be thankful that we do not use a harsher term. [Applause.]

I am aware of the fact that books have been written by college professors in explanation and defense of future trading. No doubt learned men in Pharaoh's time defended the conservation policy of that thrifty king. Possibly professors can be persuaded to write books as lawyers are hired to try lawsuits. But even if such professors, defending this system of future trading, were absolutely free from need and above temptation—and I am sure they are as free as any class or profession in the world—the fact remains that their reasoning is purely theoretical and based on facts as they ought to be, not as they really are. These theorists do not know the tricks of the trade; these mild-mannered men of the schools are very innocent when they are not special pleaders for hire. These unsuspecting ones do not know that the future trading in the pit of Chicago covers more imaginary wheat in a day than actually comes to Chicago as real wheat in a year. They do not know that the prices made by this stupendous trading in future contracts on this one Chicago market dominate all other markets and control their prices, subject only to modifying local and transportation conditions. They do not know that these prices made by the Chicago market are just what the large operators in control of the public warehouses, with political influence over grain inspection, in control of the board of trade, see fit to make to serve their speculative purposes. Therefore these theorists who write that future trading steadies and sustains the market do not know what they are talking about. [Applause.]

Is it not clear, Mr. Chairman, that when a big dealer like Armour has a public warehouse in which he can place doctored grain of poor quality, but graded high by an accommodating inspector, he can force down prices on grain futures by actually delivering the poor stuff, if necessary, when his contracts mature? And, sir, is it not equally clear that when several large dealers and millers in several large market places act in concert in bidding in the pit and in doctoring inferior grades of grain and in controlling the very machinery of the exchanges where business is done that it is possible for them, within very wide limits and regardless of the supply or demand, to actually control and fix the price paid to the farmer? Such is the case. The recent hearing on my resolution (H. Res. 424) before the Rules Committee of the House established the following facts:

FACTS ESTABLISHED AT HEARING ON MANAHAN RESOLUTION.

1. Grain prices paid farmers for real grain are controlled by pit trading of gamblers dealing only in imaginary grain.

2. The price of grain futures depends more on control of grading and storage by the grain-exchange monopoly than it does upon the world supply and demand.

3. The dominating grain exchanges of the country are Chicago and Minneapolis. Each is a monopoly.

4. The National Government should help destroy these monopolies and make open and free markets everywhere, because any State acting alone can not reach the evil of gambling in grain and betting on future prices.

Mr. Benjamin Drake, of Minneapolis, speaking for over 100,000 farmers of the Northwest and for the cooperative association elevators of both North and South Dakota, urged with great power before the Rules Committee the need of legislation by Congress. He showed that the Chamber of Commerce of Minneapolis is an absolute monopoly; that it is controlled by a few powerful men owning the great mills and elevators; that their operations are secret and exclusive, under a special law; that they forbid competition in bidding for grain on track at country points; that by selling to themselves and to each other they take repeated commissions on the same grain; that grain consigned to them as commission men they sell to themselves as elevator men in another name and charge a commission for so doing; then, as elevator men, they doctor the grain, raising its grade and its selling price; that they turn it back to themselves as commission men and sell it to a miller at the advanced price and charge him a commission for so doing. That they have the ability to control the prices and juggle the grades, exact double commissions, and sell to themselves at the expense of the farmer and contrary to every principle of fair dealing and common honesty is due to the stern grip they have on the business as a monopoly and to the subserviency and supineness of both State and National Governments in permitting it.

FARMERS ROBBED BY GRAIN MONOPOLY.

Mr. Chairman, I can not state in words too plain and strong the fact that for years the farmers of the Northwest have been robbed by the grain pirates of Chicago and Minneapolis. These men have succeeded in hammering down prices on the farmer by compelling him to take what they offer for grain; but the consumer pays dearly for bread and meal by the time that grain has passed through the great terminals and mills to the enrichment of the combination. The National Government should prosecute under the Sherman antitrust law; the State government should prosecute under the State antitrust law. Congress should pass additional legislation forbidding absolutely the continuance of this abuse in interstate trade and prohibiting gambling in food products. Mr. Chairman, I am aware of the fact that Congress feels disinclined to meddle in matters over which the State has more or less control. At the hearing before the Rules Committee some of my colleagues expressed themselves as reluctant to order a congressional investigation on the ground that the evils could be cured by the States of Minnesota and Illinois.

MINNESOTA SHOULD ENFORCE ANTITRUST LAWS.

While Mr. Drake was testifying before the committee the following colloquy took place:

Mr. CANTRILL. Let me ask you a question there, please. It does not bear directly on the argument now, but I want to get it into the record. Have you a State antitrust law?

Mr. DRAKE. We have a State law which is termed a State antitrust law.

Mr. CANTRILL. Has there been any attempt by anyone to have this monopoly you complain of here indicted and convicted in your State courts under that law?

Mr. DRAKE. I would prefer not to answer that question unless it is necessary.

Mr. CANTRILL. Well, I should think, Mr. Chairman—it seems to me that in this investigation that is rather a vital question, because I am very frank to state that as a member of the committee I do not think Congress ought to be dipping into these investigations unless it can be proven that the States are absolutely unable to handle the question. If you have a monopoly in your State and a State law that can handle it, I think you should make an effort to do it. I am very frank to say that we have in Kentucky such a law and have indicted and convicted the International Harvester Co. and the Imperial Tobacco Co. and other trusts and monopolies. The reason I ask that is that I want to get it into the record what you had to say on that point. Mr. Greeley told the committee the other day—in answer to my question he practically admitted that in Illinois there was a condition of affairs that the Board of Trade of Chicago practically controlled the Illinois Legislature and the Illinois courts, and that the farmers of Illinois and the shippers there could not get any redress in that State. I would like to ask the question and get it into the record whether in your opinion such a condition of affairs exists in Minnesota? It seems to me that it has a direct effect on consideration of this resolution by the committee. I know it would have, so far as I am individually concerned as a member of the committee. Of course I can only speak for myself

Mr. DRAKE. In the first place, as I have endeavored to point out, any legislation affecting futures will necessarily be futile unless——

Mr. CANTRILL (interposing). I am not speaking now of futures. The point I am speaking of is—the main thing is that the farmers are confronted with this monopoly. If you have a State law directed against the suppression of monopolies, what I want to know is whether the effort has been made in Minnesota in the court under that law, to attack this monopoly that you complain of here; and if so, whether there has been any attempt to indict that monopoly.

Mr. DRAKE. I would prefer to say nothing more than this, unless the committee insists. The matter has been presented to the attorney general of the State of Minnesota. The attorney general (Lyndon A. Smith) has done nothing. Is that answer satisfactory?

Mr. MANAHAN. What other conditions are there, generally?

Mr. DRAKE. Well, in my judgment, the State of Minnesota is the most boss-ridden State in the Union. That is my opinion.

Mr. CANTRILL. Well, that is what we want to know. We want to get the facts in the case.

Mr. DRAKE. We have in that State the Great Northern Railroad, the "empire builder"——

Mr. CANTRILL (interposing). That is the boss of the State?

Mr. DRAKE. The political and financial boss of the State.

Mr. CANTRILL. In other words, you have practically the same condition in Minnesota that Mr. Greeley complains of in Illinois, and you have come to Congress to get the relief that you can not get in your own State?

Mr. DRAKE. We can not get that relief.

Mr. CANTRILL. That is what we want to know. There is no reason for having any secrecy about this thing, because it has all got to be published when we get on the floor of the House. What we want now is publicity.

Mr. DRAKE. When the house committee started its investigation it was a real investigation, made up of farmers, the men who had made their campaign upon the proposition that they would investigate these evils. When the house started that investigation, what happened? The chamber of commerce got busy. Their secretary, Mr. McHugh, as it appears in the record, got into touch with the reactionary senators. The senate of my State, broadly speaking, was reactionary, and they were able to start, as a backfire to this real investigation—they were able to start a senate investigation to traverse the same ground. In reality it was a committee to whitewash the chamber of commerce. It was headed by a man who is here to-day—Senator Works, of Blue Earth, Minn.—a man who has gone out on the platform since, speaking for the combine, and who is here to-day to argue for the combine—the servitor, in my judgment, of the Grain Trust of the Northwest.

THE MINNESOTA INVESTIGATING COMMITTEE.

Mr. Chairman, as Mr. Drake stated, a committee of the State Senate of Minnesota during the last session made an investigation of these same matters and submitted two reports, one whitewashing and the other condemning the chamber of commerce and the system of grading and inspection in vogue. It is true that the majority of this senate committee reported generally in favor of the chamber and of Minnesota's grading and inspection administration. But I deliberately say that the chamber of commerce influence in Minnesota politics succeeded in packing that committee with its friends for the express purpose of whitewashing it and neutralizing the work of the house committee, which was at the same time investigating the same matters. Congress and its committees should not be misled by the report of the majority of the Minnesota Senate committee. To anyone in Minnesota familiar with the make-up of that committee and with knowledge of the facts regarding its appointment, the report of the minority carries greater weight than the report of the majority.

The minority report is signed by Senators A. L. Hanson and O. A. Lende, two of the ablest and most progressive public men of Minnesota. The record of each of these men shows courage, capacity, and great zeal for the public good. No man who knows either of them would ever think of questioning either their integrity or their intelligence; and when they unite in a statement of conditions which they have themselves investigated, what they say is entitled to full faith and credit.

But how is it with the majority report of the senate committee and the personnel of the members signing it? Senator S. D. Works, of Mankato, clearly shows himself by coming on to Washington and making a special plea for the chamber of commerce before the Rules Committee to be, as Mr. Drake aptly said—

a man who has gone out on the platform since speaking for the combine and who is here to-day to argue for the combine—the servitor, in my judgment, of the Grain Trust of the Northwest.

Senator Works is classified in the public opinion of Minnesota as a reactionary senator, and his record in the senate on vital questions shows his subserviency to big business.

Senator George H. Sullivan, another signer of the majority report, for years has been one of the attorneys for our Rapid Transit Co., and is generally recognized as a man who can be depended on by the great corporations of the State to protect them from adverse legislation. He is a man of great ability and unquestioned personal integrity, but he is honestly so conservative and so sincerely wedded to the existing order and methods of all large business enterprises that he is incapable of seeing anything evil in any form of monopoly profits or speculative gains.

Senator V. L. Johnson, the third signer of the report whitewashing the chamber of commerce, is hard to classify. He is one of a type of public men unfortunately too common. He tries to take both sides of every question, but instinctively leans toward the side that best serves self. He tries zealously to make every man think that he is on his side. Lacking the ability to be a leading conservative and the courage to be a progressive, he hangs suspended in the twilight zone between. When the Senate hearing was on and it become apparent that Senators Hanson and Lende stood with the farmers and that Senators Works and Sullivan stood for the grain combine, Senator Johnson was taken up to the mountain top, and the temptation was too strong.

The investigating committee of the house in Minnesota, on the other hand, was a very fair and able committee. Its leading members were farmers who had made a lifelong study of market conditions and were desperately in earnest in their efforts to bring out the truth and to find a remedy for the evils from which the farmers had long suffered. Representative C. M. Bendixon, the chairman of the committee, a well-informed farmer who had attended the State university and served in former sessions of the legislature with distinction, is a man of uncompromising fairness, and during the entire hearing of the committee insisted on giving the chamber of commerce every opportunity to defend its practices and justify its record. Representative A. F. Teigen, another farmer with a college education, who had for years investigated the problem of future trading and who was the author of the resolution and a most active member of the committee, is also a man of fine courage and integrity. He started the movement to investigate market conditions at Minneapolis when he knew the powerful interests it would arouse against him as a public man, but from the beginning he never hesitated. Representatives D. P. O'Neil and Martin Schwartz, the two remaining farmers on the committee, are self-made men of rugged honesty. Both of them have won high place for their interest in education and the general upbuilding of the State. No man dare question the courage, honesty, or intelligence of either of them. The fifth member of the committee, Representative Frank Hopkins, is a young lawyer of keen intelligence who during the entire hearing showed his professional training and skill and his professional instinct to bring out both sides by developing every doubtful point, whether favorable to the farmers or the exchange. No one could say that he was prejudiced against the chamber, and he must have been convinced of the abuses condemned by the report when he signed it.

The Minnesota investigations disclosed many impositions and abuses from which our producers and consumers alike suffer on account of the Grain and Milling Trust. But the trust had too much pull with the politicians, and no remedial laws were passed and no prosecutions begun under old laws. We still suffer from an unfair inspection system. We are still swindled by prices made by gamblers instead of by crops. This Congress should help. If it will destroy the gambling in grain, as promised by the Democratic platform, we will try to do the rest and drive the rogues from our market places.

SOME FACTS DISCLOSED IN MINNESOTA INVESTIGATION.

Mr. Chairman, I was attorney for the house committee during the Minnesota investigation and know whereof I speak when I say that the grain-market conditions in the Northwest in all the great terminals from Chicago to Winnipeg are unfair to the farmers and take from them every year the larger part of the profits of their crops. It was shown that in Minneapolis for over 10 years an overcharge aggregating approximately $5,000 a month had been collected as switching charges; that much of the grain marketed in Minneapolis, as well as in Chicago, had to bear not only double commissions but excessive profits in the exchange, and the heavy burden of almost countless future sales in the pit as well. These gambling sales run into the millions daily. From the testimony of Mr. W. S. Williams, secretary of the Clearing House Association of the Minneapolis Chamber of Commerce, it appears that future sales in that market alone aggregate not less than ten thousand million dollars annually. Is it not clear, Mr. Chairman, that the possibility of being called upon to deliver in the future such enormous quantities of grain, more than there is of actual grain in all the world, must, of course, depress the price to a low level in the pit? And, sir, strange as it may seem, the prices paid to the farmers for the real wheat by millers for the purpose of making flour are fixed and made by the prices the gamblers are paying at the same hour in their pit operations. The testimony on this point was conclusive.

Mr. W. A. Gregory, a member of the chamber of commerce, testified (vol. 4, p. 1203):

Mr. MANAHAN. So, I say the power of the men in the pit to buy and sell grain under future contracts as exercised by them in the chamber of commerce does affect the price of wheat?
Mr. GREGORY. Temporarily it does.
Mr. MANAHAN. From day to day?
Mr. GREGORY. Yes; that is during the day it does have an effect.
Mr. MANAHAN. Yes; from day to day?
Mr. GREGORY. Yes. I believe it does. I think it does.

Mr. F. A. Hallett, a commission merchant, also testified (vol. 4, p. 1085):

Mr MANAHAN. You have already testified that, generally speaking, the price paid for cash grain was fixed by the futures?
Mr. HALLETT. Yes.
Mr. MANAHAN. So far as your observation and experience on the board goes, Mr. Hallett, the principal influence that you have directing you in future bidding is the other markets of the world. That is the principal thing, isn't it?
Mr. HALLETT. It is one of the things,

Mr. E. L. Welch, another member of the chamber of commerce, also testified (vol. 3, p. 885):

Mr. MANAHAN. Do you get large orders from Chicago?
Mr. WELCH. Yes, sir.
Mr. MANAHAN. Very large orders, do you?
Mr. WELCH. Yes, sir.
Mr. MANAHAN. How large is the largest you get—you have ever got?
Mr. WELCH. Oh, possibly 100,000.
Mr. MANAHAN. You get a hundred thousand a clip from Chicago?
Mr. WELCH. We have.
Mr. MANAHAN. Frequently?
Mr. WELCH. Not frequently.
Mr. MANAHAN. But occasionally you get large orders from Chicago, do you?
Mr. WELCH. Well, from 10 up to 100.
Mr. MANAHAN. Well, from Chicago?
Mr. WELCH. Yes, sir.
Mr. MANAHAN. And other commission men, to your knowledge, get the same thing?
Mr. WELCH. I presume they do.
Mr. MANAHAN. So far as you know?
Mr. WELCH. Yes, sir.

Mr. V. S. Ireys, one of the professional pit traders, answered questions as follows (vol. 5, pp. 1405–1406):

Mr. MANAHAN. If the buying orders were more numerous and vigorous, the price would immediately respond and go up? If the selling orders were more numerous, the price would immediately sag?
Mr. IREYS. That is it.
Mr. MANAHAN. And just the minute that price would sag, as a scalper, you would take as much as you thought you could handle quickly and immediately sell in Chicago or wherever you thought the better opportunity was?
Mr. IREYS. Yes. Your market is now made; the price of cash wheat is made by the price of futures. If you abolish futures, the price of cash wheat is made by what the miller or some group of men will pay for it. It restricts your trade.

Mr. F. G. Holbrook, another pit trader, gave the following illuminating estimate as to the magnitude of his "scalping" transactions (vol. 5, p. 1476):

Mr. MANAHAN. Mr. Holbrook, I understand since you have testified yesterday you have checked over your memorandum of business and desire to make some corrections as to your testimony?
Mr. HOLBROOK. Yes, sir; my remembrance is I testified in response to your question as to the volume of trading, that it ran from ten thousand to twenty or thirty thousand and upward some days. I find in looking over there was some days as low as 10, 20, and 30, and upward, and the average since the first of the year amounts to 67,000 bushels.

But, Mr. Chairman, why cite testimony to prove what no one denies regarding the effect of future trading upon cash wheat on the market? However, gentlemen may have the old-fashioned notion that these speculative prices made in the pit reflect world conditions of supply and demand. There never was a more colossal error fastened upon a great industry. As a matter of fact, the world's supply and demand of grain so evenly balance from season to season and from year to year that there is no occasion and no justification for violent fluctuations in price. A bushel of wheat means food for an individual for as many days this year as last year or next year. Its intrinsic value does not fluctuate. The supply being constant and so evenly balancing the demand from season to season there is no excuse for the market value to fluctuate if blind legislation did not permit men to gamble in it and to juggle its prices. To prove conclusively that the market price of wheat is not made by the supply and demand I called the attention of the Rules Committee on the first day of its hearing to a comparison of production and prices for the years 1909 and 1911. In 1909 the whole world produced 3,581,519,000 bushels of wheat. In 1911 the world produced 3,540,717,000 bushels, being over 40,000,000 less than in 1909. Nevertheless the price of wheat ranged higher during the entire year of 1909, the year of the heavy production, than it did in 1911. According to the Statistical Abstract of the United States Government the value of wheat on the farm December 1, 1909, after the harvest, was 99 cents a bushel, while on December 1, 1911, it was but 87.4 cents per bushel, over 11 cents a bushel less. What made this value of 99 cents a bushel on the American farm at the end of this bumper crop of the whole world? Was it a failure of wheat in the United States? No. The same Statistical Abstract of our Government shows that the production of wheat in the United States alone for 1909 was 737,189,000 bushels, while the production in the United States for 1911 was only 621,338,000 bushels, which was over 115,000,000 bushels less than it was in 1909. So it appears that, at the end of the harvest, wheat on the American farm was worth 11 cents a bushel more in 1909 than it was at the end of 1911, although in 1909 the crop in the United States, as well as the world's crop of wheat, was much larger during the year of the higher prices. In the face of these figures what becomes of the humbug about the world's supply and demand under present conditions?

For fear that some resourceful gentleman may suggest that the high price of wheat in 1909 in spite of the excessive crop of that season was due to a failure of production in other cereals, let me state that the same statistical authorities show that the corn crop of the world in 1909 exceeded that of 1911 by over

100,000,000 bushels, while the corn crop of the United States in 1909 exceeded that of 1911 by over 240,000,000 bushels. It also appears that the production of oats, rye, and barley was heavier in the whole world and in the United States in 1909 than it was in 1911. It also appears from the same authorities that the years preceding and succeeding each of these years for which figures are given were normal years. These statistics were called to the attention of the Rules Committee in the presence of the leading men of the Chicago Board of Trade and the Minneapolis Chamber of Commerce in attendance upon that committee on the opening day of the hearing. No attempt was made by anyone to controvert them, because they are taken from official reports. No attempt was made to explain them, because explanation is impossible on the theory that prices of grain are made by the world's supply and demand. The fact is, sir, that prices of grain are made under the present intolerable market conditions not by the supply and demand of grain, but by the arbitrary will and to satisfy the insatiable greed of gamblers. The greedy speculators of the Chicago exchange, operating in defiance of law, under the cover and protection of a servile inspection system, by the use of enormous quantities of doctored and depreciated grain held by them as licensed warehousemen, are able to hold prices at approximately any level that will suit their purposes. In 1909 their purposes were served by bulling the market to a farmers' level of 99 cents in spite of the overproduction of that year. In 1911 their purposes were served by holding the farmers' market down to the eighties. This year and last year and every year, Mr. Chairman, the great grain octopus of Chicago has power to set the general level of prices for grain gamblers the world over. They dominate the Liverpool market when they do not act in concert and conjunction with it. They dominate Minneapolis absolutely, subject only to occasional variations on account of local crop conditions. To me this condition of affairs seems intolerable in a country where the general welfare depends so much upon the prosperity of the farmers.

These evils can not be cured by the Agricultural Department under present laws, no matter how much money we appropriate for the use of the department in forecasting crops or investigating market conditions, while we permit the overshadowing vice of gambling in the necessities of life. In fact, sir, this problem of marketing and distributing requires a complete readjustment as well as the elimination of pure speculation. The markets must be free. Adequate warehouse and storage facilities should be furnished by the Government itself for the use of all, on equal terms, who care to store surplus products. A real Federal inspection and grading of grain, uniform and stable, must be provided. Mere supervision by the National Government will never stop the big operators from taking advantage of small dealers and helpless producers.

IMPORTANCE OF FAIR INSPECTION AND HONEST GRADES.

Mr. Chairman, I wish I could make clear the great importance of having honest and uniform grades and a fair inspection of grain at all markets. This is doubly important under present conditions permitting men to make future contracts which can be consummated by the delivery of grain graded by official inspectors. If the grades themselves are dishonest or the inspectors unfair in passing upon the grain used to fill future contracts, the effect of such dishonest grades and unfair inspection is to hammer down the price of futures and thereby depress the price of cash grain to the farmers. The large milling interests as well as the large terminal elevator interests are of course interested in such combination of future trading and subservient grading and inspection as will tend to depress the price of grain to the farmers, because the world's demand for food being a constant, unvarying demand measured by the universal hunger the lower they can keep the price paid the original producers the better chance it gives them to profit in the grain before it reaches the bread makers and bread eaters. Keep in mind, sir, that a very small change in the price per bushel of grain means a staggering aggregate to the farmers of the Nation. Each year the United States produces approximately 5,000,000,000 bushels of grain, subject to future trading and price manipulation in the great terminal market places. If by an unfair system of grading and inspection or by combination between pit traders or between large milling and terminal elevator interests the price of grain in the United States can be lowered 1 cent a bushel, it means a loss to the farmers of the Nation of just $50,000,000 on an annual crop of five thousand million bushels. And when they can depress the price by combination and manipulation to the extent of 10 cents a bushel, as I think they have for this year's crop, it means a loss to the farmers of the staggering sum of $500,000,000. Is it any wonder that every time a bill or resolution comes before a committee of this House looking toward a reform in the matter of grain exchanges a powerful group of operators with their lawyers will come in force to the hearing? Is it strange that, as Mr. Drake showed before the Rules Committee by the words of the president of the board of trade in his annual message of 1911, that organization has really created a lobby for the "education of Congressmen along lines of legislation pertaining to grain exchanges"? Is it strange that members of the Minneapolis Chamber of Commerce, to retain their grip on that great market, are in politics in a desperate effort to defeat for public office every man who has the temerity to urge legislation that will curb their power and destroy their graft?

During the last session of the Minnesota Legislature a committee appointed by the House of Representatives of Minnesota to investigate the Minneapolis Chamber of Commerce and the Duluth Board of Trade established the facts to which I have called attention and showed that for years the grading and inspection of grain in that State operated to the disadvantage of the producers and the profit of the great terminal elevators and mills. For instance, it was shown that between September 1, 1910, and August 31, 1912, the terminal elevators at Minneapolis received 15,571,575 bushels of No. 1 northern wheat, but during the same time these same elevators shipped out 19,978,777 bushels of the same grade. They had no wheat of this grade on hand at the beginning of the period and 114,454 bushels at the end of the period, showing that these terminal elevators had an overage of approximately 4,500,000 bushels for that period of No. 1 northern wheat. During the same period there was received of No. 2 northern wheat 20,413,584 and shipped out 22,242,410 bushels, making an overage of nearly 2,000,000 bushels of No. 2. This gain of approximately 6,500,000 bushels of wheat in the two higher grades, Nos. 1 and 2, was made up from the inferior grades, which were inspected into these elevators as No. 3 and No. 4, "rejected" and "no grade." These four inferior grades were, of course, bought at prices ranging from 2 to 12 cents a bushel less than the regular price paid for No. 2 northern.

An examination of the statistics shows a similar result in other years. During the year 1902 the elevators at Duluth took in 599,602 bushels of No. 1 hard wheat and shipped out 648,607 bushels. They took in of No. 1 northern 15,187,012 bushels and shipped out 19,886,137 bushels, a gain of nearly 5,000,000 in No. 1 northern, while of rejected wheat they took in 892,241 bushels and shipped out only 94,626 bushels.

Of "no grade" wheat they took in 2,561,505 bushels and shipped out only 468,922 bushels. I do not have the number of bushels of Nos. 2, 3, and 4 shipped in and out in order to make up the overage of nearly 5,000,000 bushels shown in No. 1 northern.

The statistics for the year 1904 of the terminal elevators in Duluth are equally significant, showing that of No. 1 hard wheat they took in a little over 60,000 bushels and shipped out over 109,000. Of No. 1 northern, however, the grade upon which the future bidding is based, they took in only 12,401,000 bushels, approximately, while they shipped out over 18,217,000 bushels, a gain of nearly 6,000,000 bushels. In order to make this gain in No. 1 northern, they had to use enormous quantities of wheat which was inspected in to them as No. 3, and as "rejected" or "no grade" wheat. Of No. 3 northern they took in over 2,616,000, but shipped out only two hundred and eighty-three thousand-odd bushels. Of "rejected" wheat they took in over 2,350,000 and shipped out less than 315,000; and of "no grade" they took in 2,586,843 bushels and shipped out 256,943 bushels. It is clear that by the difference of inspection in and out when applied to the grain for this year going through the terminal elevators at Duluth approximately 2,000,000 bushels of No. 3, 2,000,000 bushels of "rejected," and 2,000,000 bushels of "no grade" wheat were lifted to No. 1 northern to make up the overage of approximately 6,000,000 bushels in that grade.

Keep in mind that "rejected" wheat is wheat that is actually deteriorated by either must, mold, or something of that sort, and is of inferior milling quality; and that "no grade" wheat is wheat that is too damp to be graded, in the mind of the inspector, as No. 1. The prices paid for No. 3, "rejected," and "no grade" wheat ranges from 5 to 12 cents a bushel less than No. 1. The iniquity of this situation lies in the fact that all of this "rejected" and "no grade" and inferior wheat thus lifted by the inspectors into No. 1 grade becomes immediately available in filling future contracts, and therefore becomes the future trading standard grade, thereby depressing the future price of No. 1 Northern wheat on all future markets. The significance of this is seen when we remember that the cash price of wheat paid to the farmers in the country and on all the great exchanges is based upon the future price thus made by a doctored and inferior quality, but enormous quantity, of wheat in storage and available for filling contracts.

In the terminal markets of Minnesota—Minneapolis and Duluth—of that part of the crop of the Northwest that passes through the terminal elevators, and is thus inspected in and out by the Minnesota authorities, approximately 10,000,000 bushels of each season's crop is brought and put into the elevators at a low price as No. 3, No. 4, rejected, and no-grade wheat, as indicated by the statistics given, but goes out and upon the general market at the regular future prices prevailing and in satisfaction of future contracts as No. 1 or No. 2, mostly No. 1, and at a price from 5 to 10 cents a bushel more than was paid for it. At 10 cents a bushel the profit to the men at the terminals who thus doctor the wheat and the loss to the farmers who sold it to them would be approximately $1,000,000 a year. By no stretch of the imagination can this be called legitimate or honest, and the stern fact that it takes place is a more severe criticism of the grading and inspection that permits it than any words of mine could be. Inasmuch as the inspection after the mixing and doctoring of the grain and out of the terminal elevators is the inspection upon which future prices are made, it follows that the inspection upon arrival of wheat at the terminal markets in the Northwest is manifestly unfair in its severity and discriminates against the producer.

The same evil practice prevails regarding the inspection of barley, enormous quantities of which the inspectors refuse to grade as malting barley on arrival at the terminals, calling the shipments generally feed barley, which compels it to be sold without grading and at a reduced price, because the farmer has no way of proving in the face of the inspector's certificate that the barley graded as feed barley is really malting barley and is ultimately used as such. A very large part of the barley shipped to Minnesota and called by the inspectors feed barley to enable the brokers to buy it more cheaply and accounted to the farmers by the commission merchant who sells it as feed barley without a grade is really sold or used by the purchaser as malting barley at a profit of from 10 to 12 cents a bushel. This sort of transaction may be legal. It may be business. But to me it looks like stealing.

Mr. Chairman, to put the whole thing in a nutshell, under present conditions in the Northwest, the great bread basket of this Nation, the whole machinery of distribution, has been monopolized. The market place, which should be clean and pure as a temple of worship, has become a place of sharp practice and unfair bargaining—I was almost tempted to say a den of thieves.

Naval Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. FINLY H. GRAY,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, May 5, 1914,

On the bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

Mr. GRAY. Mr. Speaker, the following letter from Hon. Samuel Gompers, as president of the American Federation of Labor, defining his views relative to the increase of the Navy, and written in response to an inquiry as to the position of that organization toward military and naval increase, will be of special interest at this time when the claim is being made that organized labor is demanding a still further increase of the Navy:

AMERICAN FEDERATION OF LABOR,
801–809 G STREET NW.,
Washington, D. C. March 6, 1914.

Hon. FINLY H. GRAY,
House of Representatives, Washington, D. C.

DEAR SIR: I have been absent from the city on official business, which has prevented my making an earlier reply to your letter of March 2. I beg to say that I have looked over your speech on the naval holiday, and would say that I fully approve of the position you have taken on the subject of naval holiday in defending laboring men against the charge of demanding the construction of battleships for the purpose of securing employment.

Your attention is called to a resolution which I had the honor of submitting to the last annual convention of the American Federation of Labor, held at Seattle, Wash., 1913, which the convention approved, on the subject of international peace. Copy of that resolution is inclosed herein. It is commended to your consideration.

Very truly, yours,

SAMUEL GOMPERS,
President American Federation of Labor.

The resolution inclosed is as follows:

Resolution No. 163—by Delegate Samuel Gompers.

Whereas the progress of the world's development has been a series of attempts to establish some better form of justice, and the changes that have taken place in political institutions have been for the purpose of securing better and easier ways of securing justice to a constantly increasing proportion of the people; and

Whereas justice prevails more surely and more freely where men are engaged in the customary occupations of life, with minds and energies intent upon those things which promote the social, economic, and moral welfare, undisturbed by the passions, the turmoil, and the destruction accompanying all wars, and there is free scope for the institutions for administering justice, which, though not perfect, are the best means as yet attainable for securing the rights to the people; and

Whereas the methods, the effects, the influences of war are destructive, destroying property, wealth, human life and happiness, and national power; and

Whereas the influence of war upon minds and hearts is brutalizing, numbing human sympathies through familiarity with suffering and bloodshed and through regarding the taking of human life as essential to attaining desired ends; and

Whereas the existence and preparedness of large navies and large standing armies tend to precipitate international conflicts rather than to exert an influence that makes for peace and the settlement of misunderstandings upon an equitable basis; and

Whereas the practice of militarism is not only wasteful in expending funds that should be used for other purposes that would make the lives of the people better and happier, but also in expending human ability and energy upon things of no constructive value and of no paramount interest or advantage; and

Whereas the Government of Great Britain has offered the suggestion that all powers cease naval construction for a specific period, thereby putting a check upon mad rivalry in increasing national armament; and

Whereas such a "naval holiday" from battleship construction would establish a precedent and a tendency that could be made a beginning of gradual disarmament; and

Whereas the American labor movement has repeatedly and emphatically declared for international peace and for policies and institutions to promote international justice, which is the only foundation for all peace, and has ever encouraged mutual good will and exchange of fraternal courtesies between the labor movements of the different nations in order to further international peace: Therefore be it

Resolved, That the Seattle convention of the American Federation of Labor express its appreciation of the proposal of the British Government, respectfully urge it upon the labor movement of Germany and the German Government for favorable consideration and action, and use every honorable means to prevail upon the present administration of the United States to use its best offices to encourage this movement for international peace and disarmament.

I also wish to quote from the report of the American Federation of Labor delegates to the British Trades Congress, 1913, as showing the attitude of labor abroad against the policy of increasing the Navy:

One of the strongest impressions made upon the minds of your delegates while attending the congress was the prevailing sentiment against international wars. There seems to be a general sentiment that trade-unionists would not be pawns in the game of international war as played by political or commercial interests for financial or territorial aggrandizement, and that the trade-unionists of the world, bound together in bonds of fraternity, strengthened by the annual visitations of delegates from each country to the others, would enter their most emphatic protest against being rendered as food for the cannon and other implements of war at the behest of their despoilers.

I also quote from the report of G. W. Perkins, labor delegate from the United States to the Trades Union Congress held at Zurich, Switzerland, 1913, as showing the intense opposition of labor in continental Europe against the policy of military extension:

Everywhere in Europe, and especially continental Europe, there is a strong protest and terrifically bitter feeling against large standing armies. The expense for the maintenance and the upkeep and overhead charges, in Germany especially, is something appalling and constitutes the reason which actuates largely as a protest against the standing army.

Organized labor has not only declared against militarism in plain and unequivocal terms, but labor leaders are everywhere awake to the arts and intrigues of the war-supply companies to manufacture false public opinion to be reflected upon Congress, with a view to influencing military and naval increase as a profit-making enterprise. Only during the present session of Congress, while the Committee on Naval Affairs was conducting hearings preparatory to reporting the annual appropriation bill and determining upon a policy respecting naval increase, a circular letter was sent out to the labor organizations throughout the country under the name and style of the Columbia Lodge, No. 174, of the International Association of Machinists, Washington, D. C., appealing for support for the construction of more battleships, on the ground of securing employment for labor. The letter assumed to voice the sentiment of organized labor leaders, and accompanying the same was a blank petition asking Congress for the construction of more battleships. The letter contained instructions for filling out and signing the petition and forwarding the same to the Members of Congress representing the district in which the labor union sought to be influenced was located. While some lodges were decoyed into approving the petition and forwarding the same in accordance with the instructions contained in the letter, the appeal was generally disapproved, and the following resolution passed by the International Association of Machinists, Vermilion Lodge, No. 473, Danville, Ill., in response to this circular letter and petition, shows the alertness of present-day labor leaders to detect the means and methods of modern commercialism to

manufacture and create public opinion to influence and control legislation:

This is the resolution in response to the request:

INTERNATIONAL ASSOCIATION OF MACHINISTS,
VERMILION LODGE, NO. 473,
Danville, Ill., January 23, 1914.

Whereas the legislative committee, Columbia Lodge, No. 174, of the International Association of Machinists, has appealed to the Danville Trades and Labor Council and Local 473, International Association of Machinists, for moral support wherein they ask that we favor the construction of more battleships instead of lessening battleship construction, giving as a reason to obtain said support that at a time when work is becoming slack throughout the country it is unwise to aggravate the condition by adopting a policy of naval construction that will throw thousands of workingmen out of employment; and

Whereas we know that the construction of battleships are intended for war purposes, and that all the expenses of all the wars in all the world in all time have been paid with the results of productive labor, always resulting in the working class paying all the expenses of all wars; and

Whereas we realize that in war soldiers cease to produce wealth, and finally soldiers actually destroy wealth; and

Whereas we believe that war appropriations could be applied in a more beneficial way to society in general; for instance, the cost of the Civil War amounted to $31,521,815,230.60. This sum, if applied to another way, would pay for a $1,700 home and also for $400 worth of furniture for each house for a total population of 90,000,000 people, estimating 6 per family in each home. Or this sum would pay all the salaries of 25,000 school-teachers, at $625 per year, from the birth of Christ to the year 1909, and leave sufficient to establish 50 universities, each institution provided with $10,000,000 worth of buildings and equipment, and each institution provided also with a $10,000,000 endowment fund for running expenses; and

Whereas we believe the members of the aforesaid lodge are promoting war, even though they would have it appear to the contrary, by asking for increased construction of battleships; and

Whereas we believe that whoever would understand war must give special attention, first, to the economic interpretation of history; second, to the class struggle, considered historically and currently; and, third, to surplus value, produced by the workers, but legally escaping from their control to the capitalist class, as a result of the institution of private ownership and private control of the collectively used means of production: Therefore be it

Resolved by the Danville Trades and Labor Council and Vermilion Lodge, No. 473, International Association of Machinists, That we disapprove of the appeal made by the aforesaid Lodge No. 174, believing that occasional literary and oratorical snowballs ignorantly, gracefully, and grammatically tossed in the direction of hell (for war is hell) will have no effect on the general temperature of that warlike region; and be it further

Resolved That the two inclosed petitions intended for to be sent to our Congressmen and Senators be left blank, and that a copy of these resolutions be sent to Lodge No. 174 and the monthly journal of the International Association of Machinists for publication.

DANVILLE TRADES AND LABOR COUNCIL,
JOHN F. DEMLOW,
P. R. CHRISTENSON,
GEO. W. BERRY,
Resolution Committee.

Adopted by Local No. 473, International Association of Machinists, January 26, 1914.

H. A. WISE, *President*,
W. T. RIZER, *Recording Secretary*,
EDWARD M. METHE,
PERCY MOLYNEAUX,
FRED WITTIG,
Resolution Committee.

Albin Eric Stream.

EXTENSION OF REMARKS
OF
HON. DANIEL J. GRIFFIN,
OF NEW YORK,
IN THE HOUSE OF REPRESENTATIVES,

Thursday, May 7, 1914.

Mr. GRIFFIN. Mr. Speaker, Albin Eric Stream, a resident of my congressional district, a youth of 17 years, on April 22, 1914, at Vera Cruz, Mexico, gave up his young life in defense of his country's honor.

He was the idolized son of Eric and Amelia Stream, both natives of Sweden, who came to our shores years ago, grew up in the spirit of our free institutions, and in the death of their son have offered the greatest tribute it is possible for patriotic parents to pay to this land of God-given liberty and equality.

Of the race of Leif Ericson, the call of the sea was heard by him and welcomed. He enlisted as an ordinary seaman and was assigned to the U. S. S. *New Jersey*. His career in the Navy in the service of our country, which he loved with passionate fervor, had barely commenced when hostilities were begun in Vera Cruz, Mexico.

The bugle call of duty sounded, the order of command was given, and the youth of 17, Albin Eric Stream, was found at his post ready to obey.

The advance was made, Vera Cruz was taken, and young Stream fell—an immortal hero.

Dismissal of Nellie M. Corrigan—Piece-Rate System in Office of Auditor of the Post Office Department—Clerks and Their Leave.

EXTENSION OF REMARKS
OF
HON. JAMES W. BRYAN,
OF WASHINGTON,
IN THE HOUSE OF REPRESENTATIVES,

Monday, May 11, 1914.

Mr. BRYAN. Mr. Speaker, while the legislative appropriation bill was up before the House some weeks ago, I criticized the piece-rate system in vogue in the office of the Auditor of the Post Office Department, and also criticized adversely the auditor's methods. The gentleman from California [Mr. J. I. NOLAN] and the gentleman from Illinois [Mr. BUCHANAN] also criticized the auditor and his system. The auditor was defended by the members of the committee, nearly every one of whom claimed to know a great deal more about the office and the auditor's methods than it was believed either of us who were making the complaint knew. It developed during the debate that many complaints had been made which were similar to those made to us by the clerks and operators. But Mr. Kram was said to have saved considerable money for the Government, and therefore he should be sustained. The piece-rate system was knocked out, but Mr. Kram's severity and unfair treatment of the clerks in his department seems to have been aggravated. I desire to take the whole proposition up and discuss it with some sequence; but, first, I will present the recent and most aggravating incident, which illustrates more than a dozen investigations could, the utter unfitness of Mr. Kram for the place he now occupies. I do not mean that Mr. Kram is guilty of any acts of moral turpitude or of any shady transactions, but it appears that he has gone totally daffy on system—save a dollar and work the employees. The humane element is entirely eliminated.

The incident I shall now refer to is one that it becomes my duty to take up not only for the good of the service, but to check what I believe is a determination on the part of this official to drive out of the office each and every clerk whom he suspicions of having furnished information on which the recent complaints against his office are based. We have not yet reached that point where a Government clerk can not with safety inform Members of Congress of the doings in the department, so far as their own conditions of labor and hours of leave and direct management are concerned. So far as I know, the auditor is mistaken in the present case, for I had never had any conversation or communication whatever with the party I am about to refer to concerning Mr. Kram or his office or any other subject. He suspicioned her, however, and she had to get out. As one of the charges, he states he is—

advised that more recently you have been persistently and perniciously active in attempting to cause dissension and protest among your fellow employees.

CASE OF MISS NELLIE M. CORRIGAN.

From all I can learn, this lady has a splendid record as a civil-service clerk, is well liked by her associates, is a vocalist, and would grace any home that she might have been called upon to occupy. But she is supporting herself, and has from time to time aided others, so she is a piece-rate worker in Auditor Kram's department. She has not the same consideration that a clerk would have who did not reside in the District of Columbia. She has no patronage back of her.

This Congress has passed certain laws as to sick leave and leave without pay. Auditor Kram has no more right to take this leave from the employees in his department than he has to take from them their pay envelopes for labor performed. He does not look at the matter that way. He believes his first duty is to make a record for those wonderful tabulating and punching machines of that great corporation that rents them to the Government. Cutting out leave helps him make this record, so out goes the leave. Promotion for clerks hinders him, for with promotion comes higher pay, so he makes no promotions; demotions are his delight. Clerks will not work so hard on salaries, so he institutes piece-rate systems, and, by classifications and bulletins, he marathonizes his office till speed is the all-essential.

Since her suspension by the auditor Miss Corrigan came to me—I had never had a word with her before—and made this statement:

I applied for sick leave, but Mr. Kram would not allow it. I was sick and had to go to a doctor for treatment.

My arm was disabled. Every time I struck the key of the machine it felt like it was striking on a sore boil on the upper part of my arm. I went to Dr. Thomas I. Lowe, 205 H Street NW., and before he could examine it thoroughly he had to administer codeine to dull the pain. So later in the day he examined it thoroughly, thinking maybe there was a tendon pushed out of place, and found it was just a bad case of inflamed muscles and nerves. Then I made application for sick leave, and Mr. Kram refused to grant it. I then complained to Mr. Hamlin, the Assistant Secretary of the Treasury, and Mr. Kram held up my pay, amounting to $42.54, which had been issued to me and was for 12 days' actual work. There was no question of leave involved in that amount. The pay is ordinarily placed in envelopes and handed out to the employees at their desks. Everybody was paid but me. I then complained again to Mr. Hamlin. Mr. Kram was forced to give an answer to Mr. Hamlin, and he ordered me suspended indefinitely without pay, preferring a charge of leave without permission. This charge is absolutely false, as I did not leave the office without making an application for leave. In the room where I have been serving as a key puncher there are 10 women employees. Two of these women besides myself are undergoing treatment for disabled arms on account of this work. The feeling against the system of piece-rate work on these machines as conducted under Mr. Kram is unanimous, practically. No men are worked on these machines. They say the men are not adapted to it. Very few women can keep at the work, making a living wage, for many months without being disabled and unfitted for other Government service.

It is noted that I was not suspended until a week after I had gone back to work, and the question of leave without permission was manufactured by Mr. Kram because I complained against his depriving me of the sick leave which the law gave me and which he claims to allow all employees. It is almost a uniform complaint against Mr. Kram that he does not allow the employees their leave as provided by law.

Mr. Speaker, I have heard this complaint that Mr. Kram unlawfully refuses leave allowed by law to these clerks from so many sources that I know it is true. Any jury would convict him on the evidence. I hear also that he has certain favored ones, who testify to certain easy-mark Congressmen, who receive better treatment as to their leave.

FORMAL CHARGES ARE MADE.

Here are the formal charges presented by Mr. Kram against Miss Corrigan:

TREASURY DEPARTMENT,
Washington, May 7, 1914.

Miss NELLIE M. CORRIGAN,
2425 Eighteenth Street NW., Washington, D. C.

MADAM: The Auditor for the Post Office Department reports in your case substantially as follows:

You were transferred from the Bureau of Engraving and Printing to his office on March 28, 1904, and in 1906 promoted to $720 per annum, at which salary you remained until your transfer to the piece-rate roll on December 16, 1912. In the 12 months from April 1, 1913, to March 31, 1914, you received, as a piece-rate operator, $1,061.37, an increase of $341.37, or 47 per cent, over your former annual salary.

Your record, the auditor states, as a trouble maker in his office dates practically from the date of your original transfer from the Bureau of Engraving and Printing. On the record cards kept in his office the following entry appears: "3-15-06. Trouble with Mrs. Cropley about transom between 724-724A."

The auditor states that this does not refer to a petty complaint made to the chief of division, but an appeal from his decision direct to the auditor. He states that he is advised that more recently you have been persistently and perniciously active in attempting to cause dissension and protest among your fellow employees. At no time, he states, have you shown a disposition to consistently observe the rules of the office or abide by the rulings of your supervisory officers.

On April 18, 1914, the auditor reports, you were absent without leave, in violation of the regulations of the Treasury Department. He further states that on the day preceding you made application in the usual way for one day's leave, which was not approved for the reason that a prior absence of five days, for which no application had been submitted, was pending, and the full allotment to June 30, except one day, had previously been used. This, the auditor states, was fully explained to you in a conversation on April 17, relative to the five days' absence referred to above.

In view of these facts the auditor has suspended you from work, and you will be given an opportunity to reply in writing to these statements before further action is taken in the case.

Respectfully,

C. S. HAMLIN,
Assistant Secretary.

Miss Corrigan has filed the following reply:

MAY 9, 1914.

Hon. C. F. HAMLIN,
Assistant Secretary of Treasury, Washington, D. C.

DEAR SIR: For answer to the charges against me by Charles C. Kram, Auditor for the Post Office Department, I deny each and every one of the charges except as hereinafter admitted.

The statement that I was transferred from the Bureau of Engraving and Printing to his office on March 28, 1904, is correct. It is also true that in 1906 I was promoted to $720 per annum and that I remained at the salary until December 16, 1912, when I was transferred to the piece-rate roll to do service on the punching machines.

I refer you to my record of 16 years' service to show you that I have been faithful in every post to which I have been assigned, and have rendered efficient service with a good, clear record during the entire period. Upon transfer to the piece-rate roll my opportunity for further promotion was destroyed, although I had been on clerical work, and in 1907 I was in the checking division of this department, and in three months made such a good record as to quantity and accuracy that Mr. Timmie recommended me for a $900 rating, beginning July 1, 1907. I was denied this higher rating because I came from the Bureau of Engraving and Printing. In the performance of my duties as a piece-rate operator I did good work, as is shown by the statement of the auditor that I received $1,061.37 in 12 months from April 1, 1913, to March 31, 1914, this sum being a showing of a creditable amount of work performed

Answering the charge that I am a trouble maker, as evidenced by the entry in the auditor's records that I had trouble on March 15, 1906, with Mrs. Cropley about a transom between 724 and 724a, I first respectfully call your attention to the fact that no other item of trouble making is of record against me, and that the auditor's claim that I am a trouble maker must be based solely on this entry, except as claimed by him further in the report that I have recently made trouble for his department.

With particular reference to the transom matter, I ask that you observe, first, that the incident occurred more than eight years ago. The facts are as follows: On the day mentioned—a very raw, rainy day—Mrs. Cropley, having a window open in her room, opened the transom between 724 and 724a. The raw, cold air blew down on my head and back, and it was too much for me to stand without complaint, as I felt sure it would give me a cold and involve perhaps serious complications, my physical condition at the time being considered. The transom was operated from my side, and I closed it from my side without any comment. Mrs. Cropley reported this to the chief of division, who did not take up the matter or side with her, it being generally agreed that an operator had a right to close a window or transom which was operated on her side of the room in case she believed the open window endangered her health. Mrs. Cropley was not satisfied, and went to the auditor with a report which caused this notation to be made and placed on record. The matter was a very trivial affair, and it was quite unusual that any mention should be made of it.

Aside from being in a weakened physical condition at the time, I was leading the choir at St. Mary's Church, and was very cautious not to take cold or impair my voice unnecessarily.

The charge of causing dissension and protest among fellow employees is without foundation.

His statement that I have not consistently observed the rules of the office or abided by the ruling of supervisory officers is untrue. So far as I can remember I have never been "on the carpet" or subjected to reproof or discipline of any kind until the present incident.

I have not attempted to create dissension or protest, although it is known in the room where I work that I have been under the care of Dr. Lowe, 205 H Street NW., for a disabled arm and other physical complications brought on by the hard work of operating the punching machine in this office. It is also known that in the same room are three others, piece-rate clerks, who are now or have been recently under the care of a physician for the same trouble. It is impossible for any clerk to continue to operate the punching machine at a high rate of speed without becoming injuriously affected to more or less degree. This fact is so well known that the Civic League has made complaint of the condition existing in this office to the health bureau, and the health bureau has attempted to investigate the conditions there existing, and Auditor Kram has prevented such investigation by the Government bureau. Congressman BRYAN and Congressman KNOWLAND and others have recently commented on the situation in Congress, and have criticized the situation emphatically. These facts perhaps account for some of the protest that Mr. Kram has heard, but I emphatically deny that I have made any attempt to foment trouble or discord in his office among the employees.

ABSENCE WITHOUT LEAVE.

Replying to the charge that I was absent on April 18, 1914, without leave, will say that I applied for leave for April 18 in writing on April 17 at 2 p. m., and did not leave the office until 5.50 p. m. of that day. I was sick at the time and under the care of Dr. Lowe, and was very much in need of the leave for which I applied. I went to Mr. Kram's office at 4.30 and remained there until 5.30.

Prior to this, on April 3, I was sick, leaving the office—entirely unable to continue the work—at 3 o'clock, expecting to return the next morning; but as I was unable to return I was reported sick and remained sick for five days. Each morning I was reported sick, in accordance with the rules and practice in the office. I then made application for allowance of this period as sick leave. The auditor informed me positively, both through my chief, Mr. Wanamaker, and personally, that this allowance would not be made, and the five days' application was not pending, but had been denied, so that there can be no truth or justification of the charge that I was absent one day while my former application was pending.

The auditor stated to me that the five days' absence was denied on April 17 on the ground that the full allotment to June 30, except one day, had been previously used by me. This is fully borne out by the statement of the auditor as set forth in your letter to me bearing date of May 7, 1914.

If the auditor insists that I have ever violated any rules of the office or my supervisory officers, as stated in your letter, I request that he make his charges more definite and certain by setting forth definitely each and every instance of such violation. I am sure, however, that he can not name any such instances for the reason already stated in this letter.

Having fully answered these charges, I respectfully ask that I be cleared of any blame and be reinstated and transferred out of the jurisdiction of Mr. Kram.

Affirmatively I call to the attention of the Secretary the gross injustice practiced by the auditor in denying my application for sick leave and the one day leave. He explained to me that the allotment to me until June 30, 1914, had been already used. It meant I would lose 15 days due me before that time, and by a process of bringing leave from last year and credit on this year he figured I had used the 15 days. I had no more than was due me last year. He did not claim that I could not be spared, but informed me ahead of time that 15 days of the 30 days' leave granted by a law of Congress I could not have.

The statement of the auditor as set forth on page 1 of your letter that my pay as piece-rate operator caused me to have an increase of 47 per cent over former salary is inaccurate on account of the way Mr. Kram figured. He held that we were not entitled to holidays, being piece-rate workers, and charged us up for Christmas, 1912; New Years, 1913; and February 22, and March 4, 1913, as well as half holidays preceding Christmas and New Years. He took from me 2½ days' leave for January, and 2½ for February, and 3 days' sick leave for that year—in all, 13 days of leave to which I was entitled by act of Congress of which he deprived me. Mr. Kram, however, said that Congress had not granted this leave and he could not pay us for the time. To verify this claim as to the unusual method of figuring leave adopted by Mr. Kram I respectfully refer the fact to the records and to the clerks and employees in his department.

It seems quite odd that the charge for trouble making should not have been preferred against me until eight years after the only instance referred to had occurred.

To verify my statement that other employees in this room that I have worked are under doctors' treatment as stated in this answer I respectfully refer you to the employees themselves for testimony.

I respectfully request that my request for reinstatement be granted and out of human kindness and for the sake of justice that I be transferred to the Treasury, out of the reach of the cruel arm of Mr. Kram, for it is plain that Mr. Kram will not permit me to continue efficient in

his department, and my opportunity for good service to the Government will be curtailed if I am kept under his jurisdiction.

Respectfully,

NELLIE M. CORRIGAN.

HOUSE OF REPRESENTATIVES, UNITED STATES,
Washington, D. C., May 9, 1914.

Mr. CHARLES S. HAMLIN,
Assistant Secretary of Treasury Department.

MY DEAR MR. HAMLIN: Miss Corrigan has come to me and told me about her suspension by Auditor Kram. Although I have made several speeches in Congress against the infamous and outrageous policies pursued by Kram in his office, and although I have received testimonials from physicians and protests from numerous employees verifying charges of inhumanity and outrageous treatment of employees in his department, Miss Corrigan has never come to me or had any transactions whatever with me until after her suspension. I can not believe she has been endeavoring to make trouble in the department as charged, or else she surely would have aided me in my campaign against the methods pursued by Kram.

I want to say further that I have read the charges Kram prefers, and I have read her answer, and I, on behalf of good service and humanity, request that the facts be investigated before Miss Corrigan is denied her right as a civil-service employee.

I have in my office data which will completely verify the statements made by her in her answer. Not only have doctors been treating the women who have been victimized by this infamous piece-rate punching-machine business, but complaints have been filed by public-spirited citizens of Washington, and the health bureau has sent a representative of that bureau to Kram and has made an attempt to investigate the conditions there, but Kram has denied the right of these investigators and has succeeded in preventing the truth being brought to light. I am going to make this case as public as possible, and cheerfully tender to you every assistance I can render to aid you in this connection and to promote the good of the service.

This fellow Kram actually held up the woman's pay, and all of the employees in the department received their pay regularly on May 2, and her envelope containing $42.54 for pay actually earned by her in 12 days, about which there was no sort of question, was held up by this deluded officer for three days, with the inevitable result of embarrassing this woman in the way that any helpless person can be embarrassed by having their money thus detained in unlawful hands. I have the envelope in which this pay was to be delivered to Miss Corrigan marked across its face with the word "hold," which was done under Kram's orders.

I intend to make this case public from start to finish and want you to know in advance that I crave every opportunity to aid you and the department in administering simple justice and in preventing any embarrassment that can be avoided. But there are many clerks in this department that are being subjected continually to this kind of brutal insults from Kram, and I am going to continue to oppose the perpetuation of such a state of affairs.

Sincerely, yours,

J. W. BRYAN.

WHY SO MANY COMPLAINTS?

In the recent debate it developed that this auditor had been complained against to the gentleman from Illinois [Mr. MANN], the gentleman from Indiana [Mr. COX], the gentleman from New York [Mr. FITZGERALD], the gentleman from Maryland [Mr. LEWIS], the gentleman from California [Mr. J. I. NOLAN], the gentleman from Illinois [Mr. BUCHANAN], and I could name a dozen other Members who have received complaints.

Mr. Kram knows how to show off his department, and he takes the Members into his several offices and shows them the best side of everything. It is a tremendous machine in operation and is enough to dazzle any ordinary Member of Congress, who ordinarily knows nothing about efficiency in such a department. He is very affable, and no Member wants to be unpleasant. Members who go through his department in this way are prepared to defend him and his system on this floor, and in the recent debate some of the Members told me I did not know because I had not thoroughly investigated the office. It is true I did not know then as much as I ought to have known; but to-day I know more about that office and Mr. Kram and his system than any Member of Congress, I do not care where he comes from or of what committee he is a member.

Aside from the days I have spent with the clerks and employees themselves, I have been through the office. From 10 in the morning till 4 in the afternoon, without lunch, I went with Mr. Kram from room to room. I did not see enough to make me an expert on the adequacy of the audit, and I will leave that for others to tell about, but I saw enough to convince me that not half the story of the tyranny and inhumanity of Mr. Kram in dealing with his clerks and employees has been told. With him it is a mania for his system. After showing me the system at 4 o'clock, with his customary confidence, he asked me if I did not want to talk to some of the piece-rate employees. I said yes, and we entered the first room, where 10 were employed. One was absent, who, I have learned, was Miss Corrigan—suspended that very morning.

I told Mr. Kram that of course it would be necessary for him to get out of the room while I talked; so he left, and I shut the doors. The ladies almost in a chorus said "It's all true"; the sentiment seemed unanimous, though two or three of them said they were getting better salaries than they were getting under their old rating. They are mostly District of Columbia girls from the Bureau of Engraving or temporaries who, for one cause or another, can not hope for promotion under regular operation of civil-service rules.

Two of the eight who were present were then under doctors' care for their disabled arms. Not one of them dissented to the claim that they were being unlawfully deprived of their leave. I told one of the operators to put the facts in writing and mail them to me and here is what she states the facts to be:

WASHINGTON, D. C., *May 5, 1914.*

DEAR MR. BRYAN: I can not tell you how much pleasure your visit to Mr. Kram's office gave us, and I feel sure that on leaving you felt convinced that we really have some grievance and not merely imaginations.

As we told you, one of our great grievances is our annual leave question. Why should Mr. Kram think that pieceworkers are not entitled to 30 days' leave? As he asked one employee who went to him about getting paid for leave that she was justly entitled to, "Whoever heard of pieceworkers getting 30 days leave a year?" And she told him of the pieceworkers in the Bureau of Engraving and Printing and the Printing Office who get 30 days.

Last year we lost considerable money through his method of calculating. To begin with, we lost January 1, 1913 (legal holiday), February 22, 1913 (legal holiday), March 4 (legal holiday), besides annual leave of 2½ days a month for January and February and 1 day for March, leaving us only 24 days annual leave for the year.

Now, in nearly every instance those 24 days were taken from July 1, 1913, to December, 1913, which, of course, was the end of that fiscal year. Now, this year he tells us that our fiscal year is changed and that it runs from July, 1913, to July, 1914, thereby counting all the leave we had the last half of last year as part of the leave of this year. In other words, he is giving us 30 days in 18 months instead of 30 days in 12 months.

Do we not work hard enough to be entitled to those 30 days? Mr. Kram claims that we earn so much more money than before. True enough we do, but when you consider all the leave we lose we are not so much to the good.

Mr. Kram tells us that the change in the fiscal year is by order of the Secretary of the Treasury, but at the Treasury the officials know nothing about it; and then, too, it is only the pieceworkers whose leave has been changed, the clerks' fiscal year remaining the same. Why this discrimination?

Another grievance—piecework. Why should women be made to do such nerve-racking work until at the end of the day they have no strength left? That is what piecework does. It is an incentive to speed one's limit just because there is a chance to earn a few more cents, little counting the great danger to one's health.

Does the Government puts such a little value on a woman's health and life? Mr. Kram has to admit that it is nerve-racking work, and that in two years one's health will be broken.

Thanking you for your kindly interests and hoping you will be successful in bettering our conditions, I beg to remain,

Gratefully, yours,

Another operator wrote me this story:

MAY 7, 1914.

Hon. J. W. BRYAN.

SIR: As one of those key punchers in the Auditor's Office for the Post Office, I will state a few facts.

Work on those machines will, in the course of a few years, cause many to be invalids for life. I am suffering with neuritis of the right arm, and I am only one of many. In one room alone 5 out of 10 have been to doctors for treatment already. Some suffer with the back and some with the head.

In regard to leave, it is juggled up so that one never knows what's what. Some get paid for leave, but more don't get paid, a sort of discrimination, it seems. Since we have been on these machines many have lost some of their leave. I lost 10 days of annual leave and was not paid for 3 holidays; have had no sick leave in four years. Others have fared the same. When we were paid for leave we never got our average for the days we worked. For instance, if we worked 26 days in month, making $3 per day, the amount was divided by 30 days, bringing the average down to $2.60 per day. Some fine computing? No doubt the amounts thus saved by the taking away of leave and the charge for errors at the rate of $30 per thousand is how the office is run on such an economical basis. We have to remain very still and never complain, for if one gets the enmity of the auditor all peace and happiness is past for them.

It is true we have made a few more dollars; but what is that compared to health, happiness, and peace. The way we are situated now, if one becomes disabled from the work on those machines, out they go, a dependent probably on some kin; a most deplorable outlook. For man's inhumanity to man makes countless thousands mourn.

Yours, respectfully,

The following letter from a physician, Dr. Riley D. Moore, corroborates the statements made by the myriad of witnesses already cited and referred to:

WASHINGTON, D. C., *May 2, 1914.*

Hon. J. W. BRYAN,
House of Representatives.

DEAR SIR: Replying to your recent inquiry, will say that for some weeks I had under treatment an operator of a punching machine in the office of the Auditor of the Post Office Department.

Within a month after beginning work distressing pains developed in the arm, for which nothing but temporary relief could be obtained. The condition seemed to be neither more nor less than a severe exhaustion of the muscles and nerves of the arm, and within a short time after giving up the position recovery was made without further treatment. However, I would not have expected such a ready recovery had the work been continued a few months longer, for conditions causing severe and almost constant pain must sooner or later prove disastrous to the general health. I was informed that there were others in the office suffering from the same painful affection.

In conversation with my patient I gathered facts which might be of interest to you. A thin card would crumple in the machine and a thick one requires the exertion of far too much force on the key to punch the hole, and that to do a reasonable amount of work on these machines, even if piecework payment were abolished, would still be torture to many operators. Personally I know very little of the rules under which the work is done. I have never seen one of the machines in operation and know nothing of their mechanism. It is quite probable that changes could be made in the rules governing their operation which might help to eliminate the severity of the work, but it seems no

less essential that the machines should be changed or some electrical attachment devised so that it would require much less pressure on the keys to punch a hole through the card, thereby partially eliminating what is now a strain on the wrist and muscles of the arm.

It does not take a psychologist, an economist, or an efficiency expert to know that the nearer to ideal the working conditions the more contented the worker, and the more contented the worker the greater his interest and efficiency in his work. A few employers have already learned this lesson, and I hope those who oppose civil-service reforms may also come to see it. If Government employees get lazy and lose ambition, as some contend, it is the very best reason why Congress should bring about the needed reforms which a few seem so strenuously to oppose. Encouragement and incentive are the forces productive of efficiency; and if the latter is not of the highest, it should not be blamed to the perverseness of the Government employee, who is made of the same sort of stuff as that of which Congressmen are made, but rather to his working conditions.

With best wishes for your success in civil-service reform, I am,

Respectfully, yours,

RILEY D. MOORE.

The Washington Post, January 1, 1913, had the following:

WOMEN BROKEN DOWN BY MACHINES; UNITED STATES SURGEONS GO TO THEIR RESCUE.

Punching machines employed in statistical departments of the many great factories, the last word in modern bookkeeping, have been placed under surveillance by the Federal Public Health Service because of the high percentage of nervous breakdown cases noted among the women operatives. It was stated at the department yesterday that an effort was being made to devise an electrical apparatus to operate the punches, relieving the women of much of the physical strain which officials hold responsible for their nervous condition.

IN USE IN DEPARTMENTS HERE.

The machines are at present in use in many United States auditing departments, including the Post Office auditor's bureau. They require the operators to press down numbered keys, which cut out corresponding marks in the cards beneath. All figuring is done mechanically, the punch marks guiding the tabulating mechanism, which is electrically driven. Operators have complained of sore fingers, due to the pressure required on the punch keys. As the soreness spread to the arm and shoulder symptoms of nervousness followed, and often complete nervous breakdown has been the culmination. It is hoped an electrical device will minimize the physical effort required.

This rescue of the United States surgeons never happened, for Kram objected.

How can it be that Congressmen with brains and hearts and heads of departments will not believe this story. I have already stated that Auditor Kram has prevented an investigation of complaints filed at the health bureau against these punching machines, and the auditor has prevented investigation by the health bureau by interposing the question of jurisdiction. Let any Member interview the health bureau. Surg. Gen. Blue referred the matter to Dr. Rucker, and he appointed Dr. Carne to make the investigation. But to this very moment no investigation has been had, because Mr. Kram would not stand for it.

But I was telling about my own visit. After I came out of this room I asked to go to the room where some 60 operators were at work, and Mr. Kram said he was afraid the department would not like that. "Why," I said, "I am a Member of Congress and on the Committee on Reform in the Civil Service. Surely the head of the department will not object to my talking to the employees, especially piece-rate employees."

He thought otherwise; that while he himself did not object Mr. Burleson might object. I said, "Well, I will phone him at once and tell him you do not object, but prefer me to get his permission." He answered that he would prefer to phone. I then said to him that I would not go further with the matter if he objected, and he answered, "Well, I do object." That ended it, of course.

After he completed showing me through the various auditing departments, I asked him to take me to his bookkeeping department and allow me to interview the bookkeepers as to kicks from postmasters concerning the accuracy of the audit. He then censured certain bookkeepers, calling one by name, whom he called "knockers," but objected to my interviewing them.

THERE IS NO END OF COMPLAINTS.

On March 27, 1913, George B. Furman, a $1,600 clerk in his department, now promoted to the Income Tax Division of the Treasury, wrote a letter to the Secretary of the Treasury concerning the—

Deplorable conditions existing in the office of the Auditor of the Post Office Department. The mechanical tabulating system, coupled with the piece-rate basis of paying employees—

He wrote—

has not only proven to be a failure, but has completely demoralized the entire force. There is practically no organization, and in face of all claim to the contrary, the first year's experience with the present system will net a loss to the Government of over $100,000.

If you will appoint a committee to interrogate the leading clerks in private and out of the presence of the auditor, my statement will be fully verified.

I have never met Mr. Furman, but I have investigated his record and read this letter in the Treasury Department. I have published only excerpts from the letter. He has a splendid record as a clerk and has quite powerful political backing. Auditor Kram has never caused the word "hold" to be written across his pay envelope.

On November 4, 1911, Auditor Kram wrote the Secretary of the Treasury, recommending promotion of Furman to $1,800 clerkship on account of "efficiency." Further, Mr. Kram says in the letter:

His record for attendance and attention to duty is excellent. In my opinion, Mr. Furman is most entitled to this promotion when compared with other clerks of his grade.

It was 16 months later that this efficient and competent clerk wrote of the "deplorable conditions" in this office.

The following statement was handed me by a former clerk in the department, who is not now in the employ of the Government:

[Memorandum for the Secretary of the Treasury concerning the administration of the office of the Auditor for the Post Office Department.]

Comparative statements showing cost of auditing money-order accounts during fiscal years 1912 and 1913.

FISCAL YEAR 1912.

1	Chief Division of Money Order Assorting	$2,250
1	Assistant Chief Division of Money Order Assorting	2,000
1	stenographer	1,000
2	clerks in charge sections, at $840	1,680
2	money-order searchers, at $720	1,440
10	clerks on international work, at $720	7,200
3	file clerks, at $840	2,520
4	messengers, at $720	2,880
24	Cost of executive force	20,970
230	assorters and numberers, at $700	161,000
	Total cost of division	181,970
1	Chief Division of Money Order Auditing	2,250
1	Assistant Chief Division of Money Order Auditing	2,000
1	stenographer	1,000
8	clerks in charge of rooms, at $1,600	12,800
3	assistant clerks in charge of rooms, at $1,400	4,200
16	clerks, examining credit sides, at $1,000	16,000
6	clerks, examining debtor sides, at $1,200	7,200
3	clerks, at $900, distributing	2,700
2	messengers, at $840	1,680
1	stray checker	900
1	searcher	900
43	Cost of executive force	51,630
106	clerks, at $1,000, operating adding machines	106,000
	Total cost of division	157,630
	Total cost Division of Money Order Assorting	181,970
	Total cost Division of Money Order Auditing	157,630
	Total for the two divisions	339,600

FISCAL YEAR 1913.

1	Chief Division Money Order Assorting	2,250
1	Assistant Chief Division Money Order Assorting	2,000
34	clerks, at $1,000, examining issued tabulating	34,000
1	clerk, directing gang punching	1,200
7	clerks, at $1,100, on gang punching	7,700
1	clerk, directing assorting machines	1,600
34	clerks, at $1,200, on assorting machines	40,800
1	principal bookkeeper, directing key-punching work	2,000
89	clerks, at $1,000, on key-punching machines	89,000
1	clerk, directing key-punching work	1,600
25	clerks, at $900, on key-punching work	22,500
6	clerks, at $1,000, checking coupons	6,000
7	clerks, at $1,000, checking fourth quarter, 1911, domestic money orders	7,000
24	clerks, at $660, checking coupons	15,840
8	laborers, at $660, trucking cards and file cases	5,280
240	Total cost of division	238,770
1	Chief Division Money Order Auditing	2,250
1	stenographer	1,000
1	clerk in charge mails and files	1,600
24	clerks, at $1,000, mails and files	24,000
1	principal bookkeeper, directing key-punching work	2,000
50	clerks, at $1,000, on key-punching machines	50,000
1	messenger, at $360	360
1	clerk, directing paid tabulating	1,600
14	clerks, at $1,200, on paid tabulating	16,800
1	clerk, directing examination paid tabulating	1,600
34	clerks, at $1,000, examining paid tabulating	34,000
1	messenger	360
130	Total cost of division	135,570
	Total cost Division Money Order Assorting	238,770
	Total cost Division Money Order Auditing	135,570
	Per annum cost of cards	60,000
	Per annum rental of 24 tabulating machines, at $29.50 per month	8,496
	Per annum rental 30 assorting machines, at $20 per month	7,200
	Total	450,036
	Cost of system in vogue in 1913, per annum	450,036
	Cost of system in vogue in 1912, per annum	339,600
	Increase in cost of new system over old	110,436

The present auditor has claimed that the new system effected a saving of $500,000 per annum. In addition to the expenditures enumerated under the new system there should be included 6 gang punches, at $75 each, $450, and 250 key punches, at $25 each, $6,250.

COMMENTS.

The reduced number of employees in the two divisions treated hereinbefore, in 1913 as compared with 1912, is not due to economy

of labor because of new system, but to the fact that in 1912 there were a number of quite inefficient clerks, and to the further fact that under the new system the clerks are overworked.

Inquiry of bookkeepers in Division of Postmasters' Accounts would develop that nearly all errors reported by postmasters under card system are well founded and that the office of the auditor has erred. Under the old system the reverse was true.

More time is actually required to audit under the card system, and the work is becoming more behind each day.

The audit, regardless of cost, under present system is worth nothing, because not true. Accuracy is sacrificed in the attempt to make a good showing as to speed under the new system. Under card system no permanent record is left to check against. Cards for third quarter have been sold; those for fourth quarter are being removed as fast as audit is completed.

It has been stated that under the card system any account or money order desired could be located in 15 minutes. In truth many accounts are greatly delayed in getting placed, and not a few are lost. Money orders known to be in the office often can not be located for weeks. Five months were spent in auditing the issued or debit side of the third quarter 1912. It may be debit side of fourth quarter 1912 will be card audited in four months, but never in less without material increase in force Card system costs more now, and if past arrears were shoved aside without audit and the force increased sufficiently to keep work current with an even start, the force engaged would be greater numerically than under the old system.

One clerk recently remarked to the writer that he had some thirty-odd letters which had been lying in his desk, an accumulation of some weeks, to which he could not reply because money orders and accounts necessary to replies could not be located under the new system.

Another clerk remarked that while under the old system he could start to work on his money-order accounts as soon as received, under the new system they came to him so disarranged that it required four days to assort them.

Money-order accounts now coming in are piled up for a week or two before being opened and "boxed" for the key punchers, and they will stay boxed for several weeks before they are "key punched."

Recently a fire or burglary case came up for investigation. The money-order accounts involved were included under the law authorizing the auditor to pass without audit the accounts from January 1 to June 30, 1912. Result, allowance of postmaster's claim without further investigation.

Machines are out of order and doing bad work about one-tenth of the time. A clerk recently told the writer he had occasion to carefully check an account against the cards and could find no error, cards having been correctly punched. Investigation disclosed that a small spot on one card had caused a machine to err to the extent of $300.

Frequently two or three bunches of cards are gang punched for one office, when each bunch should have been gang punched for a different office.

Tabulating and assorting machines spoil, by tearing and mutilating, many cards, which are not replaced.

Much of the "record" work in tabulating is fake, i. e., checking up receipts on large, usually correct offices by merely checking without making comparisons and additions.

Day's work punching cards, about 2,200. Day's work with adding machine on paid orders, about 15,000.

To assort and number cards takes 11 handlings. Orders, 9 handlings.

Checking orders by adding machine about one-third as fast as by machine audit on issued side. Net results indicate old system quicker, more accurate, and can be operated with fewer clerks.

Verifying a previous comment, a clerk writes: "Under old system kicks by postmasters in nine cases out of ten resulted in the auditor's office being proved correct and the postmaster wrong. Now, under machine system, the office is wrong nine times out of ten."

A clerk writes: "The machine audit has discovered only one-fifth of the usual number of double payments of money orders. Under old system there were about 30,000 per annum, averaging $8 each. Has business improved or is the new system at fault?" Same clerk writes: "Office is in the worst confusion in its history, and everybody is overworked."

Railway Mail Service travel allowance pay rolls for the quarter ended March 31, 1913, were audited on the basis of the postmasters' figures. This, of course, is no audit. This work will continue to fall behind without a substantial increase in force.

The administration has apparently accepted the statements of the Auditor for the Post Office Department at their face value. Figures and assertions in this memorandum have been carefully verified and are believed to be correct. It is not, however, asked or expected that they be accepted, but it is hoped that they will result in an unbiased investigation and verification. Such investigation should be independent of the auditor. The present castle of cards must inevitably fall of its own weight in course of time. If this memorandum results in a fair investigation, its statements will be confirmed and its purpose fulfilled. In investigating, clerks should be interviewed, having been first guaranteed immunity because of telling the truth. It is further suggested that if a bunch of a thousand money-order statements and the orders germane thereto were lifted and audited by a firm of expert accountants or other unprejudiced parties, that a wide discrepancy would be found between the true audit and the card-system audit, and that the statement that no true audit is now had would be verified.

The writer is interested in the present administration, and this memorandum is tendered in the hope that it may indicate the true condition of affairs and result in remedial action before conditions become a matter of public knowledge. Investigation in no manner directed or governed by the auditor must inevitably have the desired effect. The memorandum is prepared entirely without animus and with no self-interest.

In conclusion, I quote from another communication from a clerk: "Auditor procured insertion of paragraph 2, page 4, deficiency bill. In urging passage Secretary MacVeagh wrote committee: 'Unless some such provision is made the auditor will be seriously embarrassed.'" (This paragraph, which has been hereinbefore referred to, authorized passage of accounts without audit of orders issued during first half of calendar year 1912.)

The Washington Post of January 9, 1913, had the following:

POST-OFFICE CLERKS IN REVOLT—WOMEN ORGANIZE TO EXPOSE AUDITOR'S "SWEAT SHOP"—PUT THEM ON "PIECEWORK"—CIVIL-SERVICE LAW HAS BEEN VIOLATED THEY ALLEGE, SALARIES BEING SO REDUCED ONLY $55 A MONTH CAN BE EARNED—TEN SUFFERERS MEET AND OUTLINE SECRET PLANS FOR A STRIKE.

Declaring that the Auditing Office of the Post Office Department has been converted into a "sweat shop" that would shame any factory conditions in the country and laying the blame directly to a newly installed system of card punching that deals with money orders, 10 irate women, representative of 217 female Government employees, met secretly last night at the home of one of the Treasury employees and laid plans to expose what they termed the "unfair system" under which they labor.

Threats were made at the meeting which insured the belief that, if necessary, drastic methods would be adopted by the women to gain their ends. It was hinted that the American Federation of Labor would be sought as a final refuge, and that if Congress does not do something to alleviate their sufferings the whole force will go on strike.

AUDITOR KRAM IS BLAMED.

The Sixth Auditor's Office of the Post Office Department, the one referred to in the complaint, is in charge of Charles Kram. The women claim that he has taken them from under the jurisdiction of the civil service and put them on "piecework."

Under the civil-service rule the salaries in this particular department run from $600 to $900 per annum. Now, it is claimed, the women are lucky if they can make $55 a month.

Further than that, the women claim that they have been deprived of their annual leave, which was granted by Congress and to which every other Government employee is entitled. Women under the supervision of Mr. Kram claim also that their physical being is jeopardized by the punching machines, which injure the ends of their fingers.

CHARGED FOR CARDS SPOILED.

For punching cards the women are paid $1.50 a thousand if the cards are perfect, but are charged $30 a thousand for cards spoiled.

Each card must be punched 18 times, and the claim is made that some women were lucky if they can get a thousand perfect cards a day.

Nearly all of the women who attended last night's meeting have been in the employ of the Government for the past 10 years, and all of them have done service in the Auditing Department of the Post Office. Some had received $840 a year and others the full quota—$900.

Panama Canal Tolls.

EXTENSION OF REMARKS
OF
HON. THOMAS C. THACHER,
OF MASSACHUSETTS,
IN THE HOUSE OF REPRESENTATIVES,

Saturday, May 9, 1914,

On the bill (H. R. 15280) making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1915, and for other purposes.

Mr. THACHER. Mr. Speaker, I take this opportunity of calling the attention of the Members of the House of Representatives to a communication of considerable importance. I have just received from Massachusetts a letter addressed to Woodrow Wilson, President of the United States, and signed by 22 prominent Democratic members of the Massachusetts Legislature who voted in the Massachusetts Legislature on March 13 against the resolution seeking to pledge the Massachusetts delegation in Congress against the repeal of the Panama Canal tolls bill, and who now renew their faith in the wisdom and correctness of the attitude of President Wilson upon this question. This letter was left this afternoon with President Wilson.

As a Democratic Member of Congress from the Commonwealth of Massachusetts, who voted to sustain President Wilson on this question, because I believed that he was right, I take pleasure in bringing the following communication to the attention of the Congress.

APRIL 15, 1914.

WOODROW WILSON,
President of the United States,
White House, Washington, D. C.:

The undersigned Democratic members of the Massachusetts Legislature, who voted in the house of representatives on March 13 against the resolution seeking to pledge the Massachusetts delegation in Congress against the repeal of the Panama Canal tolls bill, take this opportunity to renew our faith in the wisdom and correctness of your attitude upon that matter.

Signed at the statehouse in Boston, April 15, 1914.

P. Joseph McManus, nineteenth Suffolk district; John F. Doherty, ninth Bristol district; William E. Hickey, fifteenth Suffolk district; Henry J. Mahoney, second Middlesex district; John J. Lydon, fifteenth Suffolk district; Charles H. McGlue, fourteenth Essex district; Leo M. Harlow, second Bristol district; William O. Souther, jr., third Plymouth district; John E. Cuddy, jr., fifth Essex district; James F. Barry, second Hampden district; James J. Murphy, twelfth Suffolk district; Charles S. Lawler, twenty-fourth Suffolk district; John J. Reilly, seventeenth Suffolk district; John Ennis, fourth Berkshire district; Edward M. Hall, fifth Berkshire district; Edward C. Bodfish, sixth Plymouth district; Morton H. Burdick, third Berkshire district; John P. Conroy, third Middlesex district; Herbert L. Ray, eighth Worcester district; Daniel J. Buckley, eighth Hampden district; Charles A. Le Gro, first Hampden district; Edward F. Harrington, tenth Bristol district.

Inspection and Grading of Grain.

SPEECH

OF

HON. LAWRENCE Y. SHERMAN,

OF ILLINOIS,

IN THE SENATE OF THE UNITED STATES,

Friday, April 10, Monday, April 13, and Tuesday, April 14, 1914.

The Senate had under consideration the bill (S. 120) to provide for the inspection and grading of grain entering into interstate commerce, and to secure uniformity in standards and classification of grain, and for other purposes.

Mr. SHERMAN. Mr. President, the discussion of Senate bill 120 has proceeded somewhat and I wish to be heard while I submit some observations in opposition to the bill.

The bill undertakes to fix commercial standards and regulate thereby contracts made in one State to be performed in whole or in part in another State. It is sought to justify this action by saying that it is analogous to the pure-food law, meat inspection, the refusal to transmit lottery tickets through the mails, and obscene literature, or to suppress entirely crimes or what are likely to become crimes connected with the interstate commerce of the country. Quarantine laws and pure-food laws are uniformly an exercise of the police power either by the Government or by the individual State. If it be sought to justify the provisions of this bill by the police power, it ought properly to fall within some of the prohibited things intended to be a part of the proper exercise of that power. The mere fixing of a commercial standard for merchandise or a desire to regulate contracts concerning an article which may be handled by an interstate carrier merely to execute the contract does not justify us in invoking the police power of the Government through an act of Congress.

There are a great many things that we might properly think are desirable, which still are beyond the power of Congress; and even if they were admitted to be within the power of Congress it would be inexpedient or unwise to exercise the power. If a commercial standard for the performance of private contracts be fixed for grain mentioned in this bill, there is no reason why the same power should not be exercised in fixing the standard of other kinds of merchandise. There is a standard Government blanket, for instance, of a certain length and width and containing a certain number of pounds of wool of a given kind. That makes the standard Government blanket. When we buy that blanket we know what it is; it is well known to the trade, as well known as many other standard articles of woolen manufacture. If a person, however, were to seek to invoke the power of Congress in order to inspect factories or the different stages of production and impose a standard of woolen blankets, he probably would find little support for the exercise of that power.

It seems to me that it would be equally desirable at times to inspect the production of boots and shoes, so their standard might be fixed and manufacturers be required to produce up to that standard. Legislation has appeared to exclude unless properly branded a certain manufacture of footgear from the commerce of the country. Clothing might likewise be classified in the interest of honesty; shoddy could be separated from the genuine woolen article; a given grade of worsteds or woolens could, it might be insisted, be fixed with manifest advantage not only to the trade but to the purchaser and final user of those articles. I do not think, though, that it would be justifiable at any time to seek to invoke the police power in exercising control of the manufactures; standards for the articles of merchandise named might be fixed without destroying the State's power of inspecting the instruments of production wholly in its jurisdiction.

It does not seem to me that there is any difference between a commercial standard in grain and other forms of merchandise of the kind I have described, nor in its inspection. The inspection of grain is not a sanitary act; it is not required by the quarantine laws; it does not materially affect either the purity or the healthfulness of the grain entering into the commerce of the country, nor is this bill sought to be justified on that ground. I can not see any similarity between the pure-food and meat-inspection laws or the general exercise of the police power in the protection of morals or health or the prevention of crime and the proposed bill. The more I examine the subject, the more it seems to me as though the bill contains in some of its sections, notably in section 13, provisions that are manifestly beyond the regulatory power of Congress. Section 13 provides:

SEC. 13. That the shipment or consignment of any grain aforesaid from any of the places mentioned herein to another State or foreign country without the same being inspected and graded as herein provided is hereby prohibited; but where grain has been once inspected hereunder, and remains unmixed with other grain, the same need not be reinspected at the place from which it is exported: *Provided, however,* That said Secretary may, in his discretion, reinspect any cargo of such grain before the same is exported.

From the initial point named in the bill, section 13 prohibits the shipping of grain of the kind designated to any point without the State, whether to another State or Territory or to any foreign country. I should like to discover, for my satisfaction, as well as for the general information it might contain, under what authority Congress seeks to prohibit me or my neighbor from shipping an article of merchandise from any of these designated points—Minneapolis, Chicago, Kansas City, and so forth—to any point outside the State or to any Territory or foreign country? The bill does not invoke any police power known either to State or Nation; there is no authority to seize grain when neither quarantine regulations, public health, nor public morals are involved, or even to regulate its course of trade. Still this section, and the manifest spirit of the whole bill, is obviously not only to regulate a thing that does not call for the exercise of the police power, but to entirely prohibit it.

It has been uniformly considered that the interstate-commerce clause of the Constitution, vesting power in Congress, is a regulatory power, not a prohibitive power, over every legitimate article of commerce. Still this bill is prohibitory. One can not even raise his own grain, put it in the hands of a common carrier passing through any point designated in section 2, and send it to any point outside the State without being subject to penalties. This of itself indicates that the bill as drawn has exceeded the lawful powers of Congress.

If there were something in the character of the merchandise prohibited when not inspected that would be injurious to public morals or health, I could understand why this section would be justified. The mere fact that at one of these points named in the bill an inspector acting under State authority might consider corn or oats to be of No. 2 or No. 3 grade, and an inspector some place else outside of that jurisdiction might consider the grain to grade lower or higher, involves no question of public morals; it is a mere exercise of judgment on the quality of the article; it does not affect the health of the community. Any of the edible grains for human food are not affected by the mere grading. If the grain were prohibited as an article of commerce because it had become unhealthful, because it had become musty, heated, or fermented in such a way that it might be improper to mingle it in the food supply of the country, it would raise a proper question for the exercise of the police power. Such grain might be made contraband of commerce.

The police power is inherent in Congress. I think we can admit, for the purpose of discussing this bill, that in no place in the Constitution is any power of that kind vested in Congress, but it is an inherent power vested in every sovereign, whether it be the State or the National Government. No question of that kind, however, is involved. I do not understand that it is seriously contended here that this bill is sought to be justified on the ground that it will prevent unhealthful or deleterious food products from entering into the volume of interstate commerce. On the contrary, it is sought to be enacted entirely on the ground that there is a difference of judgment as to the quality of grain. A controversy has arisen between different authorities and different jurisdictions as to the commercial standards of grain and the exercise of judgment on its quality.

Every State may inspect its own grain; that right is inherent. So long as it keeps within its own borders, in the production, the collection, or the distribution of grain, a State is possessed of plenary sovereign power over it.

There are principally three surplus grain producing States, some or all of whose representatives are seeking some regulation of this kind from their viewpoint, all of whom could themselves regulate within their own limits every pound of surplus grain produced. There is no reason why North Dakota could not, if she wished, make inspection laws of her own. She might thereby procure satisfactory evidence of the grade of her grains going into the general markets of the country, and thereby have something more than the mere testimony of alleged interested witnesses. The witnesses for this bill criticize Minnesota and Illinois laws and inspection systems. North Dakota has not seen fit to help herself. Probably South Dakota is in the same classification of States, along with a part of Iowa. Iowa likely is a surplus grain producing State with no primary market within her borders, not, at least, a primary market as that term is understood in the grain traffic of this country. It does not affect Iowa, however, so materially, because Iowa very largely feeds to stock her grains, leaving but an inconsiderable percentage of them, compared with the total volume of pro-

duction, to enter into the trade in the markets of that State or in the general markets of the country. These three States, however, are the principal surplus grain producing States, having no primary market within their respective borders.

No reason is apparent why North Dakota could not create by act of her general assembly an inspection system, provide official inspections, fix her grades, and procure documentary and official evidence of the condition of her grain at the time it leaves her limits and enters into the general commerce of the country. This right can be extended further than is generally supposed. I think North Dakota, as well as any other State wishing to do so, could go so far as to prohibit entirely the shipping of grain without her borders unless it were inspected and graded in a certain way, the legislature having power to provide the details of that operation. It is very similar to the tobacco case, as I recollect, in the State of Kentucky, where it was provided that tobacco should be prepared in a certain form before it would be permitted to leave the boundaries of the State and enter into the general volume of trade. I cite this to show the wide scope of the State's power. The same reasoning would permit that action to be done by any State in the Union acting through proper legislative authority.

The State, in every instance, has power to protect its own citizens by such legislation; and in every way that a legislature may devise, the powers of the legislature are much more comprehensive than the powers of Congress. Congress acts under limited authority; we act only under granted power. The power lawfully to pass this bill must be sought either in the interstate-commerce clause of the Constitution or in the further power vested in Congress to fix the standard of weights and measures. If it can not be deduced from one or the other or both of these, the power does not exist, since this power must be a granted one to be exercised by Congress, unless it be derived from the police power. A State legislature suffers no such limitation upon its powers. It possesses full powers of sovereignty except in so far as power has been granted to the General Government or has been prohibited to the States by the Constitution of the United States. A State legislature possesses that power except in so far as the judicial and executive power of the State concerned has been vested in other departments. Subject to those limitations, a State legislature possesses, like the English Parliament, omnipotent power in legislative matters to do what it will with the persons and property of the citizens residing within its borders. So it seems to me that the States concerned, having full power, first ought to be called on to invoke the remedy.

I do not think there well be any controversy between those who support this bill and myself about the necessity as well as the propriety of a uniformity of grades. Since I have begun to give this subject some attention, reaching back several years ago, it has seemed to me at all times that uniformity of grades is desirable. To go further, however, than uniformity of grades and attempt to secure the results desired in this bill by inspection, it occurs to me, is going beyond the possibilities not only practically to be considered but even theoretically. Grades for all grain, in the first instance, will require uniform inspection. Uniform inspection requires uniform judgment. If there is no uniform judgment among men who are serving as inspectors, there will be no uniformity of grades.

Uniform standards may be provided, as weights and measures are fixed. Congress may by a general act applicable throughout the country fix what such weights and measures shall be. Such weights and measures thereafter for the articles so covered are binding on all who buy and sell the articles concerned in contracts to be performed by delivery in weights or measures. So a standard of weights and measures becomes a method which all who are engaged in that business are required to employ if contracts are executed by weights or measures. It keeps them working on a fixed measure, a fixed weight, or a common basis. Inspection, however, to constitute a uniform grade of grain, requires the same quality of an article and the same kind of an article, the same intrinsic qualities, such as the physical characteristics of the grain, the moisture content, its purity or freedom from foreign substances, and involves the climatic and weather conditions under which it was produced and harvested and brought to its state and time when it enters the general market. These matters are ones that affect the intrinsic character of the article itself. They are ones that only an inspector skilled in that line can discover. It seems to me that if the Government shall fix a uniform standard for the several grains mentioned in the bill, embracing the staple grains that enter into the general commerce of the country, it will have gone as far as it practically can.

There are certain occupations impressed with a public interest. Among those are the common carriers of the country and the public warehouses. Without stopping to enumerate them, I think there are some eight or more States at the present time having well-organized, complete inspection systems of their own. In the State which I have the honor in part to represent more than 45 years ago the question arose as to the regulation of both those public utilities. That State was originally the theater of experiment in which the common carriers were first subjected to legislative regulation, and along with that went the regulation of public warehouses. These agencies in the general commerce of the country stood at the gateway of the grain trade, largely, if not entirely, at that time in the city of Chicago.

A constitution was written in 1870 and adopted by the people of that State. It contained two articles covering the two agencies named. I shall not take the time to read from the constitution of that State, adopted in 1870, one of the two articles, but will ask that it be printed as a part of my observations.

The VICE PRESIDENT. Without objection that may be done.

The matter referred to is as follows:

ARTICLE 13.

WAREHOUSES.

1. All elevators or storehouses where grain or other property is stored for a compensation, whether the property stored be kept separate or not, are declared to be public warehouses.

2. The owner, lessee, or manager of each and every public warehouse situated in any town or city of not less than 100,000 inhabitants shall make weekly statements under oath before some officer to be designated by law, and keep the same posted in some conspicuous place in the office of such warehouse, and shall also file a copy for public examination in such places as shall be designated by law, which statement shall correctly set forth the amount and grade of each and every kind of grain in such warehouse, together with such other property as may be stored therein and what warehouse receipts have been issued, and are, at the time of making such statement, outstanding therefor, and shall on the copy posted in the warehouse note daily such changes as may be made in the quantity and grade of grain in such warehouse, and the different grades of grain shipped in separate lots shall not be mixed with inferior or superior grades without the consent of the owner or consignee thereof.

3. Owners of property stored in any warehouse, or holder of a receipt for the same, shall always be at liberty to examine such property stored and all the books and records of the warehouse in regard to such property.

4. All railroad companies and other common carriers on railroads shall weigh or measure grain at points where it is shipped and receipt for the full amount, and shall be responsible for the delivery of such amount to the owner or consignee thereof at the place of destination.

5. All railroad companies receiving and transporting grain, in bulk or otherwise, shall deliver the same to any consignee thereof or any elevator or public warehouse to which it may be consigned, provided such consignee or the elevator or public warehouse can be reached by any track owned, leased, or used, or which can be used, by such railroad companies; and all railroad companies shall permit connections to be made with their track so that any such consignee and any public warehouse, coal bank, or coal yard may be reached by the cars of said railroad.

6. It shall be the duty of the general assembly to pass all necessary laws to prevent the issue of false and fraudulent warehouse receipts and to give full effect to this article of the constitution, which shall be liberally construed so as to protect producers and shippers; and the enumeration of the remedies herein named shall not be construed to deny to the general assembly the power to prescribe by law such other and further remedies as may be found expedient or to deprive any person of existing common-law remedies.

7. The general assembly shall pass laws for the inspection of grain, for the protection of producers, shippers, and receivers of grain and produce. (Constitution, Illinois, 1870, p. 74.)

Mr. SHERMAN. This article referring to warehouses declares that they are subject to regulation by the general assembly. In 1871, followed later by some amendatory and supplementary acts which were found necessary to perfect it, a complete system of grain inspection was provided. It is a warehouse inspection. A person in that State may own grain, either of his own production or by purchase, and store it and make it an article of commerce without having it inspected by public authority. In that particular the grain occupies the same ground that other merchandise does. The inspection made is for the purpose of fixing the grade when it enters a public warehouse and, with the certificate that goes with it, rendering its transfer easy and safe. Inspection fixes its character by grades before it loses its identity by mixing with other grain in a public warehouse. A warehouse certificate is conclusive evidence of title. It passes by transfer so as to vest, from the original holder, the title in the transferee. In the States having the inspection the public warehouse is subject to regulation by the legislature. They have uniformly provided for a board of warehouse commissioners, and usually jurisdiction over the railroads is conferred on the same board.

Criticism is made by certain witnesses, who have testified at various intervals in committees and elsewhere, of the inspection made by State authority. The criticism is especially directed at Chicago, at Minneapolis—probably the largest wheat market of the world—and at Omaha, which is comparatively a new market alongside of some of the older ones in the country, but, nevertheless, a rapidly growing and important market for certain of the great grain-producing areas of the

farming communities west of the Mississippi River. Kansas City and St. Louis are also coming in for a portion of this criticism. Duluth is included in the criticism; it is at the head of lake navigation during the open season—some seven or eight months of the year—making it an important point for shipping certain of the grains produced in large quantities in the Northwest. I find by examination of the evidence that certain cities in Ohio are unsparingly criticized—Toledo and Cleveland. Buffalo comes in for some of it; Philadelphia and Baltimore for more.

These systems, created and sustained by the State, are not above criticism. No one knows better than I, so far as my own State is involved in the criticism, that some of the criticisms in past years have been somewhat justified. That the criticism is of such a character as to show that the inspection system of that State or any one of the States that maintain an inspection system ought to be destroyed does not follow from any of the evidence submitted.

I find by reading the testimony of these witnesses that it is confined either to those coming from the surplus grain-producing States, without primary markets, or to those that have become dissatisfied with the course of business uniformly pursued in the grain exchanges of the several States. The statutes passed pursuant to these constitutionally vested powers have been developed by experience. I wish especially to refer to some of the statutes of Illinois. I do so because certain of the witnesses who testified, some five years ago, and some two or three years ago, are of the opinion that the grades are unworthy of confidence, and that the business transaction is but little removed from gross criminality.

The statute under which the grain market in Chicago has been developed was enacted in 1871. It divides public warehouses into three classes—A, B, and C. Class A includes all warehouses in cities of not less than 100,000 population. At that time it comprised but a single city in the State, namely, Chicago. In class A, further, in order to come within the classification it is required that grain shall be received and mingled in the elevator in such a way that the identity of the grain is lost. Class B embraces all warehouses in which the grain of separate owners is mingled in such a way as to lose its identity in cities of less than 100,000 population. Class C comprises all other warehouses with which we are not immediately concerned in the examination of this bill.

Warehouses of the kind in question are required to be licensed by the railroad and warehouse commission. Under the act of 1871 the State began to license warehouses in Chicago, and later on the system was extended to other cities from time to time, as it was required as a result of the development of the grain trade and the growth of the cities.

These licenses are granted by the board created by this statute. These witnesses—and I shall not consume the time of the Senate by reading them in detail—invariably say that the railroad and warehouse commissioners of this and other States are mere pawns in the game of politics; that they are footballs kicked about from one campaign to another, that rise and fall in the performance of their duty, subject to the vicissitudes and the fluctuations of party politics. This is the uniform criticism made by those who go farther. Some, however, do not go so far. Those who go farther intimate, or stop but little short of intimating, actual criminality, or, if not criminality, a very choice grade of rascality.

After the license is taken out by a public warehouse there are certain provisions that govern the transaction of business by that warehouse. It is provided that they shall not discriminate in the storage of grain between owners or agents who apply seeking storage capacity. It is provided further that they shall receive up to their full capacity. The manner of issuing receipts is minutely provided for. The cancellation of the receipts upon the outgoing of the grain is provided for. The liability of the warehouseman can not be limited in a warehouse certificate. The delivery of the property is provided for. There is a separate bin provision under which the identity of the grain may be preserved, if the owner so desires. There are stringent regulations on the warehouseman that he shall not interfere with separate bin receipts; that it shall be stated upon the face of the receipt so issued that it is a separate bin receipt. Publicity in regard to the quantity of grain stored and the grades is secured by a section that requires the information to be posted in a public place in the office or some readily accessible place in or about the warehouse. There is a chief grain inspector provided. The chief grain inspector is placed under bond in the penal sum of $50,000. There are assistant or deputy grain inspectors. Each one of them gives bond in the sum of $5,000. The condition of the bond is that they shall well perform their duties as inspectors. The bond stands as a permanent security for all who may transact business with a warehouseman to indemnify them for negligence or any injury that may be inflicted in the wrongful performance of his duty. Moreover, out of excess of caution, anything that in the absence of a statute would be a common-law liability is provided for in the statute, so that the common-law liability may not be limited merely by the enumeration of statutory remedies.

Penalties are provided for violation of the act. A registrar of warehouse certificates or receipts is provided for, and his duties are fixed. The rates of storage are fixed at 1¼ cents per bushel for the first 10 days and half a cent per bushel for each 10 days thereafter. This, by the way, is a maximum charge; it is not a minimum charge. It is a charge beyond which the public warehouseman can not go.

The warehouseman is prohibited from mixing the grain of owners. Under penalties he may not tamper with the grain stored. Whether it be in bulk, where the identity of the grain is destroyed, or whether it be grain stored in separate bins, in no event can a warehouseman interfere with the grain. He can not mix it; he can not do anything with it to change the purity, the grade, or the condition, unless it be found that it is necessary to preserve it from destruction, as in case of accident or fire, or in case of changes occurring in the grain itself that make it necessary that it be handled or moved in order to preserve it.

Weights are provided for by statute, so that there is no private weight that any shipper or seller into that market is obliged to take. There is an examination and testing of the scales by which the weights are taken. Under those weights no one can go without a remedy. Under these regulations the grain is weighed and inspected. Misconduct of inspectors is not only a civil liability on the bond but as well is a penal liability, a misdemeanor, for any willful act done to the injury of the owner of grain so stored. In the event of grain being brought to a public warehouse by an owner or factor, it can not be deposited or stored in a public warehouse until it is first inspected. This is the only obligatory feature of inspection—that it can not be stored in a regularly licensed public warehouse unless it be first inspected by the inspectors provided in the act. This leaves private inspectors at full liberty to transact their business. It does not interfere with private contracts on grades or samples. It does not interfere with the buyer and seller fixing by contract any form of inspection or any grades or samples they may desire.

I do not understand that an act of Congress can do that. I challenge the right of Congress, through any of the vested or granted powers given it by the only document that gives us a right to sit here and legislate, to interfere with my right or my neighbor's right to make contracts for future or present delivery, in any way I please, of grain I produce or buy. It is an unwarrantable interference by legislative power that seeks, when no question of police power is involved, to prevent my handling my property as I see fit, either within the limits of my own State or when I put it in the larger area of interstate commerce. I challenge the right under this bill and the power of Congress, when no question of public health or public morals or purity of a food product is involved, to interfere with the right of the producer and the shipper of grain to do as they please by private contract. There is nothing I can find that justifies, by such a bill as this, thrusting the legislative hand into the sanctity of a private contract into which I have entered, and undertaking to destroy the contract or to prohibit me from making it.

We have seen in these late years a great deal of interference or attempted interference with the right of private contract. The courts have zealously upheld the right of private contract, and, except in cases relating to the public morals or the public health or some other well-recognized ground for the exercise of the police power, have uniformly declined to interfere with that right. Still this bill, in section 13, undertakes to say that grain that is in good condition and that may be manufactured into a healthful food product, either for live stock or for the human family, shall not enter into the interstate commerce of the country unless it be inspected and graded as provided in the bill. I think it undertakes to do something that Congress has no power to do. Long ago, however, I adopted the principle of never arguing the constitutionality of a measure before a legislative body. There is another forum to settle that, and in due time all of those matters can be reached in that forum. I only wish to argue against the propriety of the interference by Congress with the right of private contract in an article of merchandise involving none of the police powers of the State or Government. If, after the grain has been inspected, an owner is dissatisfied with the inspection, he may,

through his agent or by himself, appeal to another authority. He may, in the first instance, take it to the chief inspector and have the grain again examined and graded.

I wish to place in the RECORD here, without reading them, certain sections of the Revised Statutes of Illinois relating to the warehousing inspection and weighing of grain.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

WAREHOUSES.

An act to regulate public warehouses and the warehousing and inspection of grain, and to give effect to article 13 of the constitution of this State. (Approved Apr. 25, 1871. In force July 1, 1871. L. 1871–72, p. 762.)

134. CLASSIFIED.

1. *Be it enacted by the people of the State of Illinois represented in the general assembly*, That public warehouses as defined in article 13 of the constitution of this State shall be divided into three classes, to be designated as classes A, B, and C, respectively.

135. CLASSES DEFINED.

2. Public warehouses of class A shall embrace all warehouses, elevators, and granaries in which grain is stored in bulk and in which the grain of different owners is mixed together, or in which grain is stored in such a manner that the identity of different lots or parcels can not be accurately preserved, such warehouses, elevators, or granaries being located in cities having not less than 100,000 inhabitants. Public warehouses of class B shall embrace all other warehouses, elevators, or granaries in which grain is stored in bulk and in which the grain of different owners is mixed together. Public warehouses of class C shall embrace all other warehouses or places where property of any kind is stored for a consideration. (See Union Trust Co. *v.* Wilson, 198 U. S., 530.)

136. LICENSE.

3. The proprietor, lessee, or manager of any public warehouse of class A shall be required, before transacting any business in such warehouse, to procure from the board of commissioners or railroads and warehouses a license permitting such proprietor, lessee, or manager to transact business as a public warehouseman under the laws of this State, which license shall be issued by said commissioners upon a written application therefor, which shall set forth the location and name of such warehouse and the individual name of each person interested as owner or principal in the management of the same; or if the warehouse be owned or managed by a corporation, the names of the president, secretary, and treasurer of such corporation shall be stated; and the said license shall give authority to carry on and conduct the business of a public warehouse of class A in accordance with the laws of this State and shall be revocable by the said commissioners after full hearing upon satisfactory proof of any violation of law by such licensee, such proof to be taken in such manner as may be directed by and under rules to be established by said commissioners; but the action of such commissioners in granting or refusing such licenses and in revoking licenses may be reviewed by the circuit court of the county where such elevator or warehouse is located. (As amended by act approved May 24, 1907. In force July 1, 1907. L. 1907, p. 491. See 162, Munn *v.* People, 6 Legal News, 165, 173, and 9 ib., 199.)

137. BOND.

4. The person receiving a license as herein provided shall file with the board of commissioners of railroads and warehouses a bond to the people of the State of Illinois, with good and sufficient surety, to be approved by said commissioners, in a penal sum to be fixed by said commissioners, and which shall not be less than $10,000, conditioned for the faithful performance of his duty as a public warehouseman of class A, and his full and unreserved compliance with all the laws of this State in relation thereto. (As amended by act approved May 24, 1907. In force July 1, 1907. L. 1907, p. 491.)

138. PENALTY FOR DOING BUSINESS WITHOUT LICENSE.

5. Any person who shall transact the business of a public warehouse of class A without first procuring a license as herein provided, or who shall continue to transact any such business after such license has been revoked—save only that he may be permitted to deliver property previously stored in such warehouse—shall, on conviction, be fined in a sum not less than $100 for each and every day such business is carried on. (As amended by act approved May 24, 1907. In force July 1, 1907. L. 1907, p. 491.)

139. NOT TO DISCRIMINATE—WHEN GRAIN MAY BE MIXED—RECEIPTS.

6. It shall be the duty of every warehouseman of class A to receive for storage any grain that may be tendered to him in the usual manner in which warehouses are accustomed to receive the same in the ordinary and usual course of business, not making any discrimination between persons, desiring to avail themselves of warehouse facilities—such grain, in all cases, to be inspected and graded by a duly authorized inspector, and to be stored with grain of a similar grade, received at the same time, as near as may be. In no case shall grain of different grades be mixed together while in store, but if the owner or consignee so requests and the warehouseman consents thereto his grain of the same grade may be kept in a bin by itself, apart from that of other owners, which bin shall thereupon be marked and known as a "separate bin." If a warehouse receipt be issued for grain so kept separate, it shall state on its face that it is in a separate bin, and shall state the number of such bin; and no grain shall be delivered from such warehouse unless it be inspected on the delivery thereof by a duly authorized inspector of grain. Nothing in this section shall be so construed as to require the recept of grain into any warehouse in which there is not sufficient room to accommodate or store it properly, or in cases where such warehouse is necessarily closed.

No grain shall be received into any private elevator or warehouse located in cities having a population of not less than 100,000 inhabitants until it shall have been inspected by a duly authorized inspector, and no grain shall be delivered from any such elevator or warehouse in cars or boats for shipment until it shall have been inspected out by a duly authorized inspector. Any proprietor, lessee, or manager of any warehouse or elevator who shall refuse or neglect to cause grain to be inspected as in this section provided shall upon conviction be fined in a sum not less than $100 for each and every offense. (As amended by act approved May 24, 1907. In force July 1, 1907. L. 1907, p. 491.)

140. MANNER OF ISSUING RECEIPTS.

7. Upon application of the owner or consignee of grain stored in a public warehouse of class A, the same being accompanied with evidence that all transportation or other charges which may be a lien upon such grain, including charge for inspection, have been paid, the warehouseman shall issue to the person entitled thereto a warehouse receipt therefor, subject to the order of the owner or consignee, which receipt shall bear the date corresponding with the receipt of grain into store, and shall state upon its face the quantity and inspected grade of the grain, and that the grain mentioned in it has been received into store, to be stored with grain of the same grade by inspection received at about the date of the receipt, and that it is deliverable upon the return of the receipt properly indorsed by the person to whose order it was issued, and the payment of proper charges for storage. All warehouse receipts for grain issued from the same warehouse shall be consecutively numbered, and no two receipts bearing the same number shall be issued from the same warehouse during any one year, except in the case of a lost or destroyed receipt, in which case the new receipt shall bear the same date and number as the original and shall be plainly marked on its face "duplicate." If the grain was received from railroad cars, the number of each car shall be stated upon the receipt, with the amount it contained; if from canal boat or other vessel, the name of such craft; if from teams or by other means, the manner of its receipt shall be stated on its face.

141. CANCELING RECEIPTS.

8. Upon the delivery of grain from store upon any receipt, such receipt shall be plainly marked across its face with the word "canceled," with the name of the person canceling the same, and shall thereafter be void and shall not be put again in circulation, nor shall grain be delivered twice upon the same receipt.

142. FURTHER OF ISSUING AND CANCELING RECEIPTS.

9. No warehouse receipt shall be issued, except upon the actual delivery of grain into store, in the warehouse from which it purports to be issued and which is to be represented by the receipt; nor shall any receipt be issued for a greater quantity of grain than was contained in the lot or parcel stated to have been received; nor shall more than one receipt be issued for the same lot of grain, except in cases where receipts for a part of a lot are desired, and then the aggregate receipts for a particular lot shall cover that lot and no more. In cases where a part of the grain represented by the receipt is delivered out of store and the remainder is left a new receipt may be issued for such remainder; but such new receipt shall bear the same date as the original and shall state on its face that it is balance of receipt of the original number, and the receipt upon which a part has been delivered shall be canceled in the same manner as if it had all been delivered. In case it is desirable to divide one receipt into two or more, or in case it be desirable to consolidate two or more receipts into one, and the warehouseman consent thereto, the original receipt shall be canceled the same as if the grain had been delivered from store, and the new receipts shall express on their face that they are parts of other receipts or a consolidation of other receipts, as the case may be, and the numbers of the original receipts shall also appear upon the new ones issued as explanatory of the change, but no consolidation of receipts of dates differing more than 10 days shall be permitted, and all new receipts issued for old ones canceled, as herein provided, shall bear the same dates as those originally issued, as near as may be.

143. NOT TO LIMIT LIABILITY.

10. No warehouseman in this State shall insert in any receipt issued by him any language in anywise limiting or modifying his liabilities or responsibility as imposed by the laws of this State.

144. DELIVERY OF PROPERTY.

11. On the return of any warehouse receipt issued by him, properly indorsed, and the tender of all proper charges upon the property represented by it, such property shall be immediately deliverable to the holder of such receipt, and it shall not be subject to any further charges for storage after demand for such delivery shall have been made. Unless the property represented by such receipt shall be delivered within two business hours after such demand shall have been made, the warehouseman in default shall be liable to the owner of such receipt for damages for such default, in the sum of 1 cent per bushel, and in addition thereto 1 cent per bushel for each and every day of such neglect or refusal to deliver: *Provided*, That no warehouseman shall be held to be in default in delivering if the property is delivered in the order demanded, and as rapidly as due diligence, care, and prudence will justify.

145. POSTING GRAIN IN STORE—STATEMENT TO REGISTRAR—DAILY PUBLICATION—CANCELED RECEIPTS.

12. The warehouseman of every public warehouse of Class A shall, on or before Tuesday morning of each week, cause to be made out and shall keep posted up in the business office of his warehouse in a conspicuous place, a statement of the amount of each kind and grade of grain in store in his warehouse at the close of business on the previous Saturday, and shall also on each Tuesday morning render a similar statement, made under oath before some officer authorized by law to administer oaths, by one of the principal owners or operators thereof, or by the bookkeeper thereof, having personal knowledge of the facts, to the warehouse registrar appointed as hereinafter provided. They shall also be required to furnish daily to the same registrar a correct statement of the amount of each kind and grade of grain received in store in such warehouse on the previous day, also the amount of each kind and grade of grain delivered or shipped by such warehouseman during the previous day, and what warehouse receipts have been canceled, upon which the grain has been delivered on such day, giving the number of each receipt and amount, kind, and grade of grain received and shipped upon each; also how much grain, if any, was so delivered or shipped and the kind and grade of it, for which warehouse receipts had not been issued, and when and how such unreceipted grain was received by them; the aggregate of such reported cancellations and delivery of unreceipted grain, corresponding in amount, kind, and grade with the amount so reported, delivered, or shipped. They shall also at the same time report what receipts, if any, have been canceled and new ones issued in their stead as herein provided for. And the warehouseman making such statements shall, in addition, furnish the said registrar any further information, regarding such receipts, issued or canceled, that may be necessary to enable him to keep a full and correct record of all receipts issued and canceled, and of grain received and delivered.

146. APPOINTMENT OF CHIEF INSPECTOR.

14. (1) It shall be the duty of the governor to appoint, by and with the advice and consent of the Senate, a suitable person who shall not be a member of the board of trade, and who shall not be interested either directly or indirectly in any warehouse in this State, a chief inspector of grain for the entire State of Illinois, who shall hold his office for a term of two years, unless sooner removed, as hereinafter provided; the office of said chief inspector of grain shall be in the city of Chicago.

(2) Duty of chief inspector: It shall be the duty of such chief inspector of grain to have a general supervision of the inspection of grain, as required by this act or laws of this State, under the advice and immediate direction of the board of commissioners of railroads and warehouses, also to have general supervision over all deputy inspectors now appointed or hereafter to be appointed.

(3) Deputy inspectors: The said chief inspector shall have the authority to appoint, upon the approval of the board of commissioners of railroads and warehouses, such suitable persons in sufficient numbers to act as deputy inspectors, who shall not be members of the board of trade nor interested in any warehouse, and also such other employees as may be necessary to properly conduct the business of his office; but no deputy inspector shall be appointed for or assigned to duty in any city or county in which is located one or more elevators of class B, except upon a request for such action by the county commissioners or board of supervisors of the county in which such warehouse or warehouses are located, such request to be made to the railroad and warehouse commissioners; and in cities or counties wherein a deputy inspector may be appointed or assigned to duty no person other than such deputy inspector shall inspect or grade any grain without being liable to the penalties provided in section 20 of this act.

(4) When inspector to take oath and give bond: The chief inspector of grain shall, upon entering upon the duties of his office, be required to take an oath as in cases of other officers, and he shall execute a bond to the people of the State of Illinois in the penal sum of $50,000, with sureties to be approved by the board of commissioners of railroads and warehouses, with a condition therein that he will faithfully discharge the duties of his said office as chief inspector of grain according to law and the rules and regulations prescribing his duties; and that he will pay all lawful damages to any person or persons who may be injured by reason of his neglect, refusal, or failure to legally comply with the law and the rules and regulations aforesaid.

(5) Deputy inspector—Oath—Bond: And each deputy inspector shall take a like oath and execute a bond in the penal sum of $5,000 when appointed with like conditions, and to be approved in like manner as is provided in case of the chief inspector of grain, which said bonds shall be filed in the office of said commissioners; and suit may be brought upon said bond or bonds in any court having jurisdiction thereof, in the county where the plaintiff or defendant resides, for the use of the person or persons injured.

(6) Rules for government of inspectors: The chief inspector of grain and all deputy inspectors of grain and other employees in connection therewith shall be governed in their respective duties by such rules and regulations as may be prescribed by the board of commissioners of railroads and warehouses; and the said board of commissioners shall have full power to make all proper rules and regulations for the inspection of grain, and shall also have power to fix the rate of charges for the inspection of grain and the manner in which the same shall be collected, which charges shall be regulated in such manner as will, in the judgment of the commissioners, produce sufficient revenue to meet the necessary expenses of the service of inspection, but the revenues received from any such inspection in any county or city shall in no event be used to pay deficit in any other county or city.

(7) Compensation: It shall be the duty of the board of commissioners to fix the amount of compensation to be paid to the chief inspector, deputy inspectors, and all other persons employed in the inspection service, and prescribe the time and manner of their payment.

(8) Appointment of warehouse registrar: The board of commissioners of railroads and warehouses are hereby authorized to appoint a suitable person as warehouse registrar and such assistants as may be deemed necessary to perform the duties imposed upon such registrar by the provisions of this act.

(9) Board of commissioners to exercise general supervision: The said board of commissioners shall have and exercise a general supervision and control of such appointees, shall prescribe their respective duties, shall fix the amount of their compensation and the time and manner of its payment.

(10) Penalty for violating act: Upon the complaint, in writing, of any person of the said board of commissioners, supported by reasonable and satisfactory proof, that any person appointed or employed under the provisions of this section has violated any of the rules prescribed for his government, has been guilty of any improper official act, or has been found insufficient or incompetent for the duties of his position, such person shall be immediately removed from his office or employment by the same authority that appointed him, and his place shall be filled, if necessary, by a new appointment; or, in case it shall be deemed necessary to reduce the number of persons so appointed or employed, their term of service shall cease under the orders of the same authority by which they were appointed or employed.

(11) Necessary expenses of inspection of grain: All necessary expenses incident to the inspection of grain and to the office of registrar, economically administered, including the rent of suitable offices, shall be deemed expenses of the inspection service and shall be included in the estimate of expenses of such inspection service and shall be paid from the funds collected for the same. (As amended by act approved May 24, 1907. In force July 1, 1907. L. 1907, p. 491.)

147. RATES OF STORAGE.

15. Every warehouseman of public warehouses of class "A" shall be required, during the first week in January of each year, to publish in one or more of the newspapers (daily, if there be such) published in the city in which such warehouse is situated, a table or schedule of rates for the storage of grain in his warehouse during the ensuing year, which rates shall not be increased, except as provided for in section 16 of this act, during the year; and such published rates, or any published reduction of them, shall apply to all grain received into such warehouse from any person or source, and no discrimination shall be made, directly or indirectly, for or against any charges made by such warehouseman for the storage of grain. The maximum charge for storage and handling of grain, including the cost of receiving and delivering, shall be, for the first 10 days or part thereof, 1¼ cents per bushel, and for each 10 days or part thereof after the first 10 days one-half of 1 cent per bushel: *Provided, however*, That grain damp or liable to early damage, as indicated by its inspection when received, may be subject to 2 cents per bushel storage for the first 10 days and for each additional 5 days or part thereof not exceeding one-half of 1 cent per bushel: *Provided further*, That where grain has been received in any such warehouse prior to the 1st day of March, 1877, under any express or implied contract to pay and receive rates of storage different from those prescribed by law, or where it has been received under any custom or usage prior to said day to pay or receive rates of storage different from the rates fixed by law, it shall be lawful for any owner or manager of such warehouse to receive and collect such agreed or customary rates. (As amended by act approved May 21, 1877. In force July 1, 1877. L. 1877, p. 169; Legal News Ed., p. 153.)

148. LOSS BY FIRE—HEATING—ORDER OF DELIVERY—GRAIN OUT OF CONDITION.

16. No public-warehouse man shall be held responsible for any loss or damage to property by fire while in his custody, provided reasonable care and vigilance be exercised to protect and preserve the same; nor shall he be held liable for damage to grain by heating, if it can be shown that he has exercised proper care in handling and storing the same and that such heating or damage was the result of causes beyond his control; and, in order that no such injustice may result to the holder of grain in any public warehouse of classes A and B, it shall be deemed the duty of such warehouseman to dispose of, by delivery or shipping, in the ordinary and legal manner of so delivering, that grain of any particular grade which was first received by them or which has been for the longest time in store in his warehouse; and, unless public notice has been given that some portion of the grain in his warehouse is out of condition, or becoming so, such warehouseman shall deliver grain of quality equal to that received by him on all receipts as presented. In case, however, any warehouseman of classes A or B shall discover that any portion of the grain in his warehouse is out of condition, or becoming so, and it is not in his power to preserve the same, he shall immediately give public notice, by advertisement in a daily newspaper in the city in which such warehouse is situated, and by posting a notice in the most public place (for such purpose) in such city, of its actual condition, as near as he can ascertain it; shall state in such notice the kind and grade of the grain and the bins in which it is stored, and shall also state in such notice the receipts outstanding upon which such grain will be delivered, giving the numbers, amounts, and dates of each, which receipts shall be those of the oldest dates then in circulation or uncanceled, the grain represented by which has not previously been declared or receipted for as out of condition; or if the grain longest in store has not been receipted for, he shall so state, and give the name of the party for whom such grain was stored, the date it was received, and the amount of it; and the enumeration of receipts and identification of grain so discredited shall embrace, as near as may be, as great a quantity of grain as is contained in such bins; and such grain shall be delivered upon the return and cancellation of the receipts, and the unreceipted grain upon the request of the owner or person in charge thereof. Nothing herein contained shall be held to relieve the said warehouseman from exercising proper care and vigilance in preserving such grain after such publication of its condition; but such grain shall be kept separate and apart from all direct contact with other grain and shall not be mixed with other grain while in store in such warehouse. Any warehouseman guilty of any act or neglect the effect of which is to depreciate property stored in the warehouse under his control shall be held responsible as at common law or upon the bond of such warehouseman, and in addition thereto the license of such warehouseman, if his warehouse be of class A, shall be revoked. Nothing in this section shall be so construed as to permit any warehouseman to deliver any grain stored in a special bin or by itself, as provided in this act, to any but the owner of the lot, whether the same be represented by a warehouse receipt or otherwise. In case the grain declared out of condition, as herein provided for, shall (not) be removed from store by the owner thereof within two months from the date of the notice of its being out of condition, it shall be lawful for the warehouseman where the grain is stored to sell the same at public auction, for account of said owner, by giving 10 days' public notice, by advertisement in a newspaper (daily, if there be such) published in the city or town where such warehouse is located.

149. TAMPERING WITH GRAIN STORED—PRIVATE BINS—DRYING, CLEANING, MOVING.

17. It shall not be lawful for any public warehouseman to mix any grain of different grades together, or to select different qualities of the same grade for the purpose of storing or delivering the same, nor shall he attempt to deliver grain of one grade for another, or in any way tamper with grain while in his possession or custody, with a view of securing any profit to himself or any other person, and in no case, even of grain stored in a separate bin, shall he be permitted to mix grain of different grades together while in store. He may, however, on request of the owner of any grain stored in a private bin, be permitted to dry, clean, or otherwise improve the condition or value of any such lot of grain, but in such case it shall only be delivered as such separate lot or as the grade it was originally when received by him, without reference to the grade it may be as improved by such process of drying or cleaning. Nothing in this section, however, shall prevent any warehouseman from moving grain while within his warehouse for its preservation or safe-keeping.

150. EXAMINATION OF GRAIN AND SCALES—INCORRECT SCALES.

18. All persons owning property, or who may be interested in the same, in any public warehouse, and all duly authorized inspectors of such property, shall at all times, during ordinary business hours, be at full liberty to examine any and all property stored in any public warehouse in this State, and all proper facilities shall be extended to such person by the warehouseman, his agents and servants, for an examination; and all parts of public warehouses shall be free for the inspection and examination of any person interested in property stored therein, or for any authorized inspector of such property. And all scales used for the weighing of property in public warehouses shall be subject to examination and test by any duly authorized inspector or sealer of weights and measures at any time when required by any person or persons, agent or agents, whose property has been or is to be weighed on such scales, the expense of such test by an inspector or sealer to be paid by the warehouse proprietor if the scales are found incorrect, but not otherwise. Any warehouseman who may be guilty of continuing to use scales found to be in an imperfect or incorrect condition by such examination and test, until the same shall have been pronounced correct and properly sealed, shall be liable to be proceeded against as hereinafter provided. (See 179–180. "Weights and Measures," ch. 147, No. 14; "Criminal Code," ch. 38, No. 101.)

151. GRAIN MUST BE INSPECTED.

19. In all places where there are legally appointed inspectors of grain no proprietor or manager of a public warehouse of class B shall be permitted to receive any grain and mix the same with the grain of

other owners in the storage thereof until the same shall have been inspected and graded by such inspector.

152. ASSUMING TO ACT AS INSPECTOR.

20. Any person who shall assume to act as an inspector of grain who has not first been so appointed and sworn shall be held to be an impostor and shall be punished by a fine of not less than $50 nor more than $100 for each and every attempt to so inspect grain, to be recovered before a justice of the peace.

MISCONDUCT OF INSPECTOR—INFLUENCING.

Any duly authorized inspector of grain who shall be guilty of neglect of duty, or who shall knowingly or carelessly inspect or grade any grain improperly, or who shall accept any money or other consideration, directly or indirectly, for any neglect of duty or the improper performance of any duty as such inspector of grain, and any person who shall improperly influence any inspector of grain in the performance of his duties as such inspector, shall be deemed guilty of a misdemeanor and on conviction shall be fined in a sum not less than $100 nor more than $1,000, in the discretion of the court, or shall be imprisoned in the county jail not less than 3 nor more than 12 months, or both, in the discretion of the court.

153. OWNER, ETC., DISSATISFIED WITH INSPECTION—HIS RIGHTS.

21. In case any owner or consignee of grain shall be dissatisfied with the inspection of any lot of grain, or shall from any cause desire to receive his property without its passing into store, he shall be at liberty to have the same withheld from going into any public warehouse—whether the property may have previously been consigned to such warehouse or not—by giving notice to the person or corporation in whose possession it may be at the time of giving such notice, and such grain shall be withheld from going into store and be delivered to him, subject only to such proper charges as may be a lien upon it prior to such notice. The grain, if in railroad cars, to be removed therefrom by such owner or consignee within 24 hours after such notice has been given to the railroad company having it in possession: *Provided,* Such railroad company place the same in a proper and convenient place for unloading, and any person or corporation refusing to allow such owner or consignee to so receive his grain shall be deemed guilty of conversion, and shall be liable to pay such owner or consignee double the value of the property so converted. Notice that such grain is not to be delivered into store may also be given to the proprietor or manager of any warehouse into which it would otherwise have been delivered; and if, after such notice, it be taken into store in such warehouse, the proprietor or manager of such warehouse shall be liable to the owner of such grain for double its market value.

154. COMBINATIONS.

22. It shall be unlawful for any proprietor, lessee, or manager of any public warehouse to enter into any contract, agreement, understanding, or combination with any railroad company or other corporation, or with any individual or individuals, by which the property of any person is to be delivered to any public warehouse for storage or for other purpose, contrary to the direction of the owner, his agent, or consignee. Any violation of this section shall subject the offender to be proceeded against as provided in section 23 of this act.

155. SUITS.

23. If any warehouseman of class A shall be guilty of a violation of any of the provisions of this act, it shall be lawful for any person injured by such violation to bring suit in any court of competent jurisdiction upon the bond of such warehouseman, in the name of the people of the State of Illinois, to the use of such person. In all criminal prosecutions against a warehouseman for the violation of any of the provisions of this act it shall be the duty of the prosecuting attorney of the county in which such prosecution is brought to prosecute the same to a final issue in the name of and on behalf of the people of the State of Illinois.

156. WAREHOUSE RECEIPT ASSIGNABLE.

24. Warehouse receipts for property stored in any class of public warehouses as herein described shall be transferable by the indorsement of the party to whose order such receipt may be issued, and such indorsement shall be deemed a valid transfer of the property represented by such receipt and may be made either in blank or to the order of another. All warehouse receipts for property stored in public warehouses of class C shall distinctly state on their face the brand or distinguishing marks upon such property.

157. FALSE RECEIPTS—FRAUDULENT REMOVAL.

25. Any warehouseman of any public warehouse who shall be guilty of issuing any warehouse receipt for any property not actually in store at the time of issuing such receipt, or who shall be guilty of issuing any warehouse receipt in any respect fraudulent in its character, either as to its date or the quantity, quality, or inspected grade of such property, or who shall remove any property from store (except to preserve it from fire or other sudden danger), without the return and cancellation of any and all outstanding receipts that may have been issued to represent such property, shall, when convicted thereof, be deemed guilty of a crime and shall suffer, in addition to any other penalties prescribed by this act, imprisonment in the penitentiary for not less than 1 and not more than 10 years. (Restricted as to receipts issued before Oct. 8, 1871. L. 1871-72, p. 774. See Criminal Code, ch. 38, 124, 125. See 290-295.)

158. COMMON-LAW REMEDY SAVED.

26. Nothing in this act shall deprive any person of any common-law remedy now existing.

159. PRINTED COPY OF ACT POSTED.

27. All proprietors or managers of public warehouses shall keep posted up at all times in a conspicuous place in their business offices and in each of their warehouses a printed copy of this act.

160. REPEAL.

28. All acts or parts of acts inconsistent with this act are hereby repealed.

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An act to amend an act entitled "An act to regulate public warehouses and the warehousing and inspection of grain, and to give effect to article 13 of the constitution of the State," approved April 25, 1871, in force July 1, 1871, and to establish a committee of appeal and prescribe their duties. (Approved Apr. 15, 1873. In force July 1, 1873.)

161. COMMISSIONERS TO ESTABLISH GRADES.

1. *Be it enacted by the people of the State of Illinois, represented in the general assembly,* That the board of railroad and warehouse commissioners shall establish a proper number and standard of grades for the inspection of grain, and may alter or change the same from time to time: *Provided,* No modification or change of grades shall be made or any new ones established without public notice being given of such contemplated change for at least 20 days prior thereto by publication in three daily newspapers printed in each city containing warehouses of class A: *And provided further,* That no mixture of old and new grades, even though designated by the same name or distinction, shall be permitted while in store.

162. COMMITTEE OF APPEALS.

2. Within 20 days after this act takes effect the board of railroad and warehouse commissioners shall appoint three discreet and competent persons to act as a committee of appeals in every city wherein is located a warehouse of class A, who shall hold their office for one year and until their successors are appointed. And every year thereafter a like committee of appeals shall be appointed by said commissioners, who shall hold office for one year and until their successors are appointed: *Provided,* Said commissioners shall have power, in their discretion, to remove from office any member of said committee at any time, and fill vacancies thus created by the appointment of other discreet persons.

163. APPEALS—NOTICES.

3. In all matters involving doubt on the part of the chief inspector, or any deputy inspector, as to the proper inspection of any lot of grain, or in case any owner, consignee, or shipper of grain, or any warehouse manager, shall be dissatisfied with the decision of the chief inspector or any deputy inspector, an appeal may be made to said committee of appeal, and the decision of a majority of said committee shall be final. Said board of commissioners are authorized to make all necessary rules governing the manner of appeals as herein provided. And all complaints in regard to the inspection of grain and all notices requiring the services of the committee of appeals may be served on said committee, or may be filed with the warehouse registrar of said city, who shall immediately notify said committee of the fact and who shall furnish said committee with such clerical assistance as may be necessary for the proper discharge of their duties. It shall be the duty of said committee, on receiving such notice, to immediately act on and render a decision in each case. (As amended by act approved June 4, 1907. In force July 1, 1907; L. 1907, p. 490.)

164. COMMITTEE OF APPEALS—OATH—BOND—WHO MAY SERVE ON.

4. The said committee of appeals shall, before entering upon the duties of their office, take an oath, as in case of other inspectors of grain, and shall execute a bond in the penal sum of $5,000, with like conditions as is provided in the case of other inspectors of grain, which said bond shall be subject to the approval of the board of railroad and warehouse commissioners. It is further provided that the salaries of said committee of appeals shall be fixed by the board of railroad and warehouse commissioners and be paid from the inspection fund, or by the party taking the appeal, under such rules as the commission shall prescribe; and all necessary expenses incurred in carrying out the provisions of this act, except as herein otherwise provided, shall be paid out of the funds collected for the inspection service upon the order of the commissioners: *Provided,* That no person shall be appointed to serve on the committee of appeals who is a purchaser of or a receiver of grain or other articles to be passed upon by said committee. (As amended by act approved June 26, 1885. In force July 1, 1885. L. 1885, Legal News Ad., p. 178.)

165. "REGISTERED FOR COLLECTION"—INSPECTION FEES.

5. No grain shall be delivered from store from any warehouse of class A, for which or representing which warehouse receipts shall have been issued, except upon the return of such receipts stamped or otherwise plainly marked by the warehouse register with the words "registered for collection" and the date thereof; and said board of commissioners shall have power to fix the rates of charges for the inspection of grain, both into and out of warehouses, which charges shall be a lien upon all grain so inspected and may be collected of the owners, receivers, or shippers of such grain in such manner as the said commissioners may prescribe.

178. CANCELLATION OF WAREHOUSE LICENSES.

12. Said commissioners are hereby authorized to hear and determine all applications for the cancellation of warehouse licenses in this State which may be issued in pursuance of any laws of this State, and for that purpose to make and adopt such rules and regulations concerning such hearing and determination as may from time to time by them be deemed proper. And if upon such hearing it shall appear that any public warehouseman has been guilty of violating any law of this State concerning the business of public warehousemen said commissioners may cancel and revoke the license of said public warehouseman and immediately notify the officer who issued such license of such revocation and cancellation; and no person whose license as a public warehouseman shall be canceled or revoked shall be entitled to another license or to carry on the business in this State of such public warehouseman until the expiration of six months from the date of such revocation and cancellation and until he shall have again been licensed: *Provided,* That this section shall not be so construed as to prevent any such warehouseman from delivering any grain on hand at the time of such revocation or cancellation of his said license. And all licenses issued in violation of the provisions of this section shall be deemed null and void.

179. POWER TO EXAMINE BOOKS, ETC.

13. The property, books, records, accounts, papers, and proceedings of all such railroad companies, other common carriers, and all public warehousemen shall at all times during business hours be subject to the examination and inspection of such commissioners, and they shall have power to examine, under oath or affirmation, any and all directors, officers, managers, agents, and employees of any such railroad corporation or other common carrier, and any and all owners, managers, lessees, agents, and employees of such public warehouses, and other persons, concerning any matter relating to the condition and management of such business. The commissioners, or any of them, in the performance of their official duties, or any person specially delegated by the commission for that purpose, may enter and remain during business hours in the cars, offices, depots, and upon the railroads or in vessels, or in or upon any of the instrumentalities used by common carriers in and about the transportation of persons or property between points wholly within the State of Illinois, and may examine the books and affairs of such common carrier, and in all proceedings before the commission under a complaint duly filed, or upon a proceeding begun by the commission upon their own motion, the commission shall have

power to require by subpœna the attendance and the testimony of witnesses and the production of all books, papers, tariffs, contracts, agreements, and documents relating in any matter embraced within such complaint or proceedings. Information so obtained shall not be admitted in evidence or used in any other proceeding. (As amended by act approved June 10, 1911. In force July 1, 1911. L. 1911, p. 471.)

180. MAY EXAMINE WITNESSES, ETC.

14. In making any examination as contemplated in this act, or for the purpose of obtaining information pursuant to this act, said commissioners shall have the power to issue subpœnas for the attendance of witnesses and may administer oaths. In case any person shall willfully fail or refuse to obey such subpœna, it shall be the duty of the circuit court of any county, upon application of the said commissioners, to issue an attatchment of such witness and compel such witness to attend before the commissioners and give his testimony upon such matters as shall be lawfully required by such commissioners; and the said court shall have power to punish for contempt, as in other cases of refusal to obey the process and order of such court.

181. PENALTY AGAINST WITNESSES.

15. Any person who shall willfully neglect or refuse to obey the process of subpœna issued by said commissioners, and appear and testify as therein required, shall be deemed guilty of a misdemeanor, and shall be liable to an indictment in any court of competent jurisdiction, and on the conviction thereof shall be punished for each offense by a fine of not less than $25 nor more than $500, or by imprisonment of not more than 30 days, or both, in the discretion of the court before which such conviction shall be had.

182. PENALTY AGAINST RAILROAD COMPANIES, OTHER COMMON CARRIERS, WAREHOUSEMEN, ETC.

16. Every railroad company or other common carrier, and every officer, agent, or employee of any railroad company or other common carrier, and every owner, lessee, manager, or employee of any warehouse who shall willfully neglect to make and furnish any report required in this act at the time required, or who shall willfully and unlawfully hinder, delay, or obstruct said commissioners in the discharge of the duties hereby imposed upon them, shall forfeit and pay a sum of not less than $100 nor more than $5,000 for each offense, to be recovered in an action of debt in the name and for the use of the people of the State of Illinois; and every railroad company or other common carrier, and every officer, agent, or employee of any such railroad company or other common carrier, and every owner, lessee, manager, or agent or employee of any public warehouse shall be liable to a like penalty for every period of 10 days it or he shall willfully neglect or refuse to make such report.

183. ATTORNEY GENERAL AND STATE'S ATTORNEY TO PROSECUTE SUITS.

17. It shall be the duty of the attorney general and the State's attorney in any county, on the request of said commissioners, to institute and prosecute any and all suits and proceedings which they or either of them shall be directed by said commissioners to institute and prosecute for a violation of this act, or of any law of this State concerning railroad companies, other common carriers, or warehouses, the officers, employees, owners, operators, or agents of any such companies, common carriers, or warehouses. (As amended by act approved June 10, 1911. In force July 1, 1911. L. 1911, p. 471.)

184. IN NAME OF PEOPLE—PAY—QUI TAM ACTIONS.

18. All such prosecutions shall be in the name of the people of the State of Illinois, and all moneys arising therefrom shall be paid into the State treasury by the sheriff or other officer collecting the same; and the State's attorney shall be entitled to receive for his compensation from the State treasurer on bills to be approved by the chairman of the commission and by the governor a sum not exceeding 10 per cent of the amount received and paid into the State treasury as aforesaid: *Provided*, This act shall not be construed so as to prevent any person from prosecuting any qui tam action as authorized by law and of receiving such part of the amount recovered in such action as is or may be provided under any law of this State. (As amended by act approved June 10, 1911. In force July 1, 1911. L. 1911, p. 471.)

RIGHTS OF INDIVIDUALS SAVED.

19. This act shall not be so construed as to waive or affect the right of any person injured by the violation of any law in regard to railroad companies, other common carriers, or warehouses from prosecuting for his private damages in any manner allowed by law. (As amended by act approved June 10, 1911. In force July 1, 1911. L. 1911, p. 471.)

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STATE WEIGHMASTERS.

An act to provide for the appointment of State weighmasters. (Approved June 23, 1883. In force July 1, 1883. L. 1883, p. 172; Legal News Ed., p. 137.)

186. WEIGHMASTER—APPOINTMENT OF.

1. *Be it enacted by the people of the State of Illinois, represented in the general assembly*, That there shall be appointed by the railroad and warehouse commissioners in all cities where there is State inspection of grain a State weighmaster and such assistants as shall be necessary.

187. DUTIES OF.

2. Said State weighmaster and assistants shall, at the places aforesaid, supervise and have exclusive control of the weighing of grain and other property which may be subject to inspection, and the inspection of scales and the action and certificate of such weighmaster and assistants in the discharge of their aforesaid duties shall be conclusive upon all parties in interest.

188. FIX FEES.

3. The board of railroad and warehouse commissioners shall fix the fees to the paid for the weighing of grain or other property, which fees shall be paid equally by all parties interested in the purchase and sale of property weighed or scales inspected and tested.

189. WEIGHMASTER—QUALIFICATIONS—BOND—COMPENSATION.

4. Said State weighmaster and assistants shall not be a member of any board of trade or association of like character; they shall give bonds in the sum of $5,000, conditioned for the faithful discharge of their duties, and shall receive such compensation as the board of railroad and warehouse commissioners shall determine.

190. MAY ADOPT RULES.

5. The railroad and warehouse commissioners shall adopt such rules and regulations for the weighing of grain and other property as they shall deem proper.

191. NEGLECT OF DUTY—PENALTY.

6. In case any person, warehouseman, or railroad corporation, or any of their agents or employees, shall refuse or prevent the aforesaid State weighmaster or either of his assistants from having access to their scales, in the regular performance of their duties in supervising the weighing of any grain or other property in accordance with the tenor and meaning of this act, they shall forfeit the sum of $100 for each offense, to be recovered in an action of debt, before any justice of the peace, in the name of the people of the State of Illinois, such penalty or forfeiture to be paid to the county in which the suit is brought, and shall also be required to pay all costs of prosecution.

WEIGHING GRAIN IN BULK BY RAILROAD COMPANY.

An act relating to the receipt, shipment, transportation, and weighing of grain in bulk by railroad companies. (Approved June 15, 1887. In force July 1, 1887. L., 1887, p. 253; Legal News Ed., p. 186.)

192. ROAD RECEIVING FOR TRANSPORTATION SHALL FURNISH SUITABLE APPLIANCES FOR WEIGHING, ETC.

1. *Be it enacted by the people of the State of Illinois, represented in the general assembly*, That in all counties of the third class and in all cities having not less than 50,000 inhabitants, where bulk grain, mill stuffs, or seeds are delivered by any railroad transporting the same from initial points to another road for transportation to other points, such road or roads receiving the same for transportation to said points or other connections leading thereto shall provide suitable appliances for unloading, weighing and transferring such property from one car to another without mixing or in any way changing the identity of the property so transferred, and such property shall be accurately weighed in suitably covered hopper scales, which will determine the actual net weight of the entire contents of any carload of grain, mill stuffs, or seeds as a single draft, without gross or tare, and which weights shall always be given in the receipts or bills of lading and used as the basis of any freight contracts affecting such shipments between such railroad companies and the owners, agents, or shippers of such grain, mill stuffs, or seeds so transported and transferred.

193. WHERE ORIGINAL CAR RUNS THROUGH WITHOUT TRANSFER.

2. The practice of loading grain, mill stuffs, or seeds into foreign or connecting-line cars at the initial point from which the grain, mill stuffs, or seeds are originally shipped, or the running of the original car through without transfer, shall not relieve the railroad making the contract to transport the same to its destination or connection leading thereto from weighing and transferring such property in the manner aforesaid, unless the shipper, owner, or agent of such grain, mill stuffs, or seeds shall otherwise order or direct.

194. LIABILITY OF RAILROAD COMPANY FOR NEGLECT OR FAILURE—PROCEEDINGS.

3. Any railroad company neglecting or refusing to comply promptly with any and all of the requirements of either sections 1 or 2 of this act shall be liable in damages to the party interested, to be recovered by the party damaged in an action of assumpsit, and such party may proceed by mandamus against any railroad company so refusing or neglecting to comply with the requirements of this act; and if the shipper, owner, or agent of any such grain, mill stuffs, or seeds shall fail or neglect to proceed by mandamus it shall then be the duty of the railroad and warehouse commissioners of this State, upon complaint of the party or parties interested, to proceed against the railroad failing or refusing to comply with the provisions of this act; and all the powers heretofore conferred by law upon the board of railroad and warehouse commissioners of this State shall be applicable in the conduct of any legal proceeding commenced by such commissioners under this act.

195. PENALTY, HOW RECOVERED.

4. Any railroad company so refusing or neglecting as aforesaid shall be liable to a penalty of not less than $100 nor more than $500 for each neglect or refusal as aforesaid, to be recovered in an action of assumpsit in the name of the people of the State of Illinois for the use of the county in which such act or acts of neglect or refusal shall occur, and it shall be the duty of the railroad and warehouse commissioners to cause prosecutions for such penalties to be instituted and prosecuted.

[At this point Mr. SHERMAN yielded the floor for the day.]

Monday, April 13, 1914.

Mr. SHERMAN. Mr. President, I will resume where I left off on Friday last.

The points at which the grain trade has developed have been established through the natural and artificial advantages that have grown up in the course of years. The Kansas City grain trade has come with the development of the West and Southwest. Along with the settlement of the country the facilities of the common carriers have increased correspondingly to keep pace with the demands of freight moving. The same can be said of all the points of the West and Middle West. The city of Chicago has built her grain trade from 1848 or 1850, when it was comparatively nothing to its present volume. Some 48 lines of steam road come in and depart from this point alone. In the northwestern grain market Chicago has grown not only because of these carriers, Mr. President, but because of the natural course of trade incident to the advantages of location. It is the central point of a large production area. It is at one of the points of Lake transportation. It gives for eight months of the year the advantages of water-borne freight east on the Lakes. This is materially cheaper than either railway transportation or by way of ocean freight. The transportation on the Lakes is appreciably cheaper than that on the ocean because of the low cost of operation, as well as the low expense of the original cost of the boats carrying the merchandise. These several reasons have developed Chicago, as well as Minneapolis, Duluth, Indianapolis, Toledo, Cleveland, Erie, Buffalo, Philadelphia, Baltimore, and other points where the grain trade has a tendency naturally to collect itself and avail itself of the transportation advantages.

The grain exchange is likewise a natural development. I do not subscribe to the idea so often expressed that a grain exchange is necessarily a hostile organization to the producer or the consumer of the commodity handled. If the grain exchanges of the country, known by various names, such as boards of trade, chambers of commerce, and the like, were absolutely prohibited, either by State or Federal law, it would not change the course of business; it would only make the transaction of business a great deal more inconvenient and injure the producer by impairing the markets.

A board of trade is at all times a place where the buyer and the seller meet mutually to accommodate themselves to the transaction of the several lines of business in which they are engaged. It is a market place. The board of trade or the merchants' exchange in St. Louis or Chicago, as the case may be, together with other exchanges of a like kind, are only places for the transaction of business conveniently. The membership is composed of those engaged in the grain trade. The board of trade itself in Chicago transacts no business; it has no responsibility for the contractural acts of its members. It was not organized for the purpose of conducting business; it was organized as a place where the factors, the commission men, or by whatever name they may be denominated, habitually meet and transact their business. It enjoins on its members honesty, responsibility, and fair dealing. The members sell and they buy during certain hours. This convenience is furnished by the board of trade. It is true it is incorporated and has been the subject of a great deal of adverse criticism. It has encountered the evil opinion for a good many years of certain witnesses who have investigated it or sought to investigate it, and who have testified before committees, either general or special, both of State legislatures and of Congress. These witnesses have various opinions, generally hostile, when they are called for the purpose of breaking down the board of trade. I shall not criticize the motives of these witnesses. All I shall try to do is to present these places of exchange in their proper light in this regard.

The Board of Trade of Chicago was organized in 1858, and has been a body corporate since that time. It exists by virtue of an act of the Legislature of Illinois. The various grain exchanges of the country in other States have been organized in like manner. They have that corporate existence in order, first, to declare the purposes of the exchange, to furnish a membership which shall be protected, and to have a place of meeting over which they will exercise control. When this has been accomplished they have given each member a place in which he can transact his business.

Necessarily where there is a board of trade or a grain exchange at a collecting and distributing point in this country public elevators or warehouses are found. All of the public elevators are regulated by law. They are not owned by the boards of trade or exchanges. No grain goes into those elevators unless inspected under the inspection systems of the various States. The only complaint I have heard of late years of the elevators in the large centers, Mr. President, is the lack of capacity. There is need in nearly every large grain market in the West and Northwest for more elevator capacity. There is a very large capacity at the principal points already, and new elevators are constantly being built in response to the increased demand for storage capacity.

The board of trade—and I speak especially now of the one in Chicago—does not inspect grain; it does not handle grain; it neither buys nor sells grain. The Senate committee report on page 3, paragraph 13, is so grossly erroneous as to excite surprise. The Chicago Board of Trade never received a dollar from the State inspection service nor from any other inspection service. It has no interest itself in the inspection of grain, receives no fees therefor, nor does it have anything to do with the warehouses in that city. Such a statement in a committee report is inexcusable. It is based on the ignorance or malice of witnesses unworthy of consideration. This charge is no more baseless than others in the report, however. I wish to remark here that the board of trade has, at its own expense, prosecuted those who have violated the statutes of the State or of the Nation. It has prosecuted many times those who have used the market for gambling purposes. It helped to keep within the law the public warehouses, whether or not they were combined, as has been stated by witnesses, whose testimony has been alluded to by some Senators who have argued for this bill. It has instituted suits against them. It has sought by restraining order, and sought successfully by such suits, to keep them within the performance of their lawful duties and to prevent them from having an interest adverse to those seeking storage. It has prosecuted at least one case, which served as a precedent for many others, at a considerable expense, borne by the members of the association.

I am not apologizing for nor defending the warehouses of the city of Chicago for what they did in 1897 and prior to that time, or up to the time they were prevented by a restraining order from buying and storing their own grain and thereby becoming competitors with the general grain trade of the country. That prosecution, however, commenced by a bill in chancery in the State court and taken to the court of last resort in that State, was instituted by the board of trade. The board of trade assisted the State's attorney of Cook County, in which the prosecution was begun, and the attorney general, with its counsel and with the evidence that it had discovered for the purpose of successfully prosecuting this bill in chancery to a final conclusion. When the restraining order was violated this same much-criticized board of trade caused the offender, under the restraining order, to be brought before the court on certain contempt charges, and finally a ruling was had on one branch of the litigation. I need not go into the details of that litigation; it covered a series of many years, but finally the outcome as to every phase of it was successful. The judicial proceedings are well known to those who are familiar with the subject, and I do no more than allude to them; but in the final case, where the merits of the controversy were settled beyond cavil, the attorney general of the State, Mr. Hamlin, the State's attorney of Cook County, and Mr. H. S. Robbins, who was the attorney of the board of trade for some years and who is mentioned in some of the testimony, appeared both in the trial court and in the supreme court and secured a ruling that forever keeps by lawful restraint the public elevators of the city of Chicago in the proper exercise of their duties as public warehousemen of grain.

This was not done by legislative investigation; it was not done by hostile associations; it was done by the board of trade, whose incorporation serves only to protect the men who are its members and entitled to seats on the floor during the time it transacts its business and guarantee honest dealings with the public. This litigation was had for the purpose of giving not only to that State, but to all the States of the great West and Northwest, which are tributary in their grain trade in all is parts to this gateway for the eastern and local markets as well, in that country, the advantage of public warehouses kept within the just performance of the duty which they assumed when they entered into that business under the constitution and the statutes of the State.

The criticism that has been made of the warehouses is one that I feel called upon to answer in part only. I think I can properly say, not by way of defense, but by way of statement of the fact, that for some years the warehouses of that city have discharged their duty. I say that generally they have not been those who have misled, deceived, or defrauded those who have stored grain or those engaged in the grain trade either of that State or of that city or of the States that have occasion to market their produce at that point.

Complaint is made here at some length that the public warehouses inspect out and ship much more of a high grade of grain than they receive of a like grade; that they receive grain of no grade—that is, unmerchantable grain—and that they inspect out or ship from the same elevator no grain that is not entitled to grade or that is unmerchantable.

The fact itself is true, either in whole or in part, as applied to certain elevators. That it proves or tends to prove dishonesty, deceit, or any unlawful or improper practice is a palpable error.

Some of these elevators are described as "hospitals." They do take grain and improve it; they clean it; they dry it; they purify it; they send it out in better condition than it was sent in. None of these warehouses, I think, probably without exception—at least none of the larger ones with which I have any acquaintance, and I am speaking now generally of those on which criticism is made here—ship no-grade grain. They ship no grain that is unmerchantable in the general markets of the country. It is argued, therefore, that it must go into grain that is graded in such a way as to make the unmerchantable product a part of the graded product that goes out on the market. That is the inference of the witnesses here to whom I have had access and whose statements I have examined, as far as I have been able to read them, in the reports of the several committees conducting these hearings.

I wish to say, first, that these witnesses are not entirely candid. They do not tell the whole truth. The suppression of a portion of the truth is often equivalent in its effects to a premeditated untruth. I would not charge these witnesses with intentionally doing this. They are interested in presenting that side of the case. In their zeal they forget to present the whole

truth. The whole truth is that none of the unmerchantable grain ever leaves the great grain markets of the country. At the collection point, it is true, the no-grade grain, the unmerchantable product, is collected, but it never leaves that point. There is a reason for keeping it there. There is no profit in shipping unmerchantable grain out of the collecting point. It never can be distributed to the markets of the country. It never goes out as grain. If a bushel of it ever leaves Minneapolis or Duluth or Chicago, it never goes out as grain. It goes out as some kind of animal food. It is separated from the good grain, it is made up, it is milled at the very point where it is collected, and it never goes into the markets of the country as grain. Such of the grain as goes out of the warehouse as grain that is of no grade, or of an unmerchantable character, when it is inspected in, is cleaned and improved in such a way that it properly passes to the grade that it takes on the out inspection.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. SHERMAN. Yes, sir.

Mr. GRONNA. Is the Senator from Illinois now referring to the grain trade in the western country, in Duluth or——

Mr. SHERMAN. No; in Chicago. I mentioned Minneapolis and Duluth also.

Mr. GRONNA. The Senator evidently is not posted on the way grain is handled in the western country.

Mr. SHERMAN. Will the Senator from North Dakota tell me what he thinks is the way in which it is actually handled?

Mr. GRONNA. I will inform the Senator, if he will permit me.

Mr. SHERMAN. I am ready to be informed.

Mr. GRONNA. In the terminals, such as Minneapolis and Duluth, grain is inspected, and so far as foreign matter is concerned it has nothing whatever to do with the quality of grain. If a bushel of wheat contains 40 pounds of wheat and 20 pounds of foreign matter, there is no way in which the terminal elevator can improve that 40 pounds of wheat. It will be 40 pounds of wheat and no more; and in those cities, according to the rules, they apply the dockage, and whether it be seeds or other grain mixed with wheat there is a dockage made, so that it is impossible for the "hospitals" of which the Senator speaks to improve the wheat.

I deny absolutely that it is possible for any elevator or anyone to improve the quality of the grain. I admit that if the system is to buy grain without dockage, you may call it a lower grade, and thereby apply a lower price; but in no case has the elevator or the elevator man in the cities of Minneapolis or Duluth been able to show before any committee that there is a possibility of improving the grain itself.

Mr. SHERMAN. Mr. President, I have heard that same explanation and argument for more than 15 years. I am obliged to the Senator for interpolating it at this point, because it had to come at some place, and it is entirely proper that it should. I am likely posted outside of the limited area hereafter mentioned on the general method of handling grain sufficiently to explain why I am correct in my statement.

The practice known as dockage is purely local to certain points in the United States. I wish to say to the Senator that while it applies to his locality it has a very limited horizon. It affects his State and possibly one or two other States; but it is peculiarly local, I think, to two or three States. It affects probably three States—the two Dakotas and Iowa. There might possibly be other States that ship a small quantity of grain to primary market points in which dockage is practiced to a small extent.

So far as I know, from my knowledge of the grain trade—I am not a grain buyer and never was; but I have been necessarily placed where I must investigate the matter at times, both in private and in public affairs—there never has been any dockage known to the trade in the United States outside of one State. I think that dockage applies entirely to the products that go to that State, and applies to wheat. It has been adopted in Chicago in the last few months in grading northern spring wheat only, so the Chicago rules in grading that wheat are practically the same as Minnesota's. I believe the complaint usually is on wheat.

Dockage is purely a local custom. You may travel the tracks and the warehouses of the boards of trade at any point in or outside of the city of Chicago for days and years; you may search the records of those warehouses; you may search the testimony of witnesses who have been in the grain trade and those engaged in the grading of grain for 35 years and they will tell you uniformly, without exception, that there was no such thing as dockage in the city of Chicago until recently, as stated, and then only on northern spring, so as to be uniform with the great wheat market of Minneapolis. The Senator is correct on his basis, but the weight of authority in the grain trade, whether producer, handler, or miller, is that grain can be and is improved by various lawful processes in the warehouses of the country.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois further yield to the Senator from North Dakota?

Mr. SHERMAN. Certainly.

Mr. GRONNA. Is it not true that dockage does apply in the case to which the Senator referred just a moment ago?

Mr. SHERMAN. No, sir. I beg the Senator's pardon. Dockage does not apply at the warehouses nor in the board of trade, except as stated. If they buy grain that comes from a State in which dockage is part of the original contract, they are by force of circumstances obliged to buy the wheat in that condition.

Mr. GRONNA. I was speaking of the condition as it exists in the terminal elevators where these boards of trade and chambers of commerce operate.

Mr. SHERMAN. No, sir. Their is no such thing as dockage in Chicago. I challenge the statement, except as I have explained. It can not be sustained by evidence.

Mr. GRONNA. Has the Senator from Illinois before him any statement that more grain of a higher grade has been shipped out of the elevators in Chicago? Does not that refer to Duluth?

Mr. SHERMAN. The complaint made in the testimony reported by the committee applies to an elevator at Duluth and another, I think, at some point in Wisconsin, not in the city of Chicago.

Mr. GRONNA. That is what I maintain, and I so stated.

Mr. SHERMAN. But all of it has been used in the discussion here, and consequently it imposes upon anyone who undertakes to make some explanation of it the necessity of covering the points outside of the State of his residence as well as others. Undoubtedly more grain of a higher grade goes out of an elevator than comes in, because of cleaning, drying, separating inferior from better grain, and other proper practices. I see no reason why this should not be so. It costs something to do this. Some profit ought to be made to cover it.

So far as my knowledge extends, I believe dockage to be a custom prevalent in the State of Minnesota. I am not well acquainted with the origin of that custom. I understand, though not from any evidence I have here in the printed reports, that it had its origin in the improper condition in which the wheat sought the primary market. I have no desire to minimize the wrong, if one were committed in that way, as complained of in the testimony. I do not defend the warehouseman who took the foreign substance out of the wheat under the name of dockage, whether it were flax, barley, rye, or anything that had some merchantable value, and, after taking out the dockage, rendered no account of it to the shipper or owner of the grain, if anything remained above freight and the cost of cleaning and other expenses, nor have I any desire to defend those who again, after cleaning, deducted, as it appears from some of the testimony here, to make what would amount to a dockage at the beginning, keeping the results of the dockage, taking out the dockage that would have diminished the weight, and again deducting the amount after it left the car and went up to the elevator, making, in substance, a double dockage. Where that has been done, if there has been any double charge of that kind, I think it will be found that it has been discontinued. Personally, I have not adequate or exact information on that point, because in my part of the country, where I have had occasion to investigate the matter, no such practice of either kind has ever prevailed, except as explained.

Mr. McCUMBER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. SHERMAN. Certainly.

Mr. McCUMBER. So that the Senator may make the system in vogue in Chicago clear to those who are not acquainted with the system as well as the Senator is, let me put a case to him.

Suppose a carload of No. 2 winter red is purchased in Chicago. Suppose that the berry, the grain itself, is a good quality of winter red; but suppose there is about 10 pounds of oats to the bushel, or anything else. It might be flax or wild oats or foul stuff; but we will say that there is mixed with it 10 pounds per bushel of oats, or one-fifth, how would it be graded in the city of Chicago?

Mr. SHERMAN. Where does the wheat come from in the case the Senator supposes?

Mr. McCUMBER. I am assuming that it comes from the section of the United States where you raise the winter red. We do not raise it at all in our section of the country.

Mr. SHERMAN. There are two kinds of winter red. I do not know that there would be any difference; but I should like to have the exact basis for the supposition.

Mr. McCUMBER. No; the principle would be just the same, no matter whether it was turkey red or winter red or soft winter or white winter, or what it might be.

Mr. SHERMAN. There is a hard winter red and then there is a softer winter red. They make a different flour when milled.

Mr. McCUMBER. Yes; but what I am getting at is this: I want to get your method of grading where the berry itself, or the grain, is a good quality, but there is a certain percentage either of foul stuff or of other character of grain. Would that depreciate its grade?

Mr. SHERMAN. It would.

Mr. McCUMBER. Would that depreciate the grade, and consequently the number of bushels, or would it have its weight according to the weight of the foul stuff and all in it?

Mr. SHERMAN. Mr. President, the viewpoint from which the opinions and practices of the Senator from North Dakota are drawn necessarily begins with dockage as one of the elements. You can exclude dockage as something that enters into the inspection system of Chicago, for instance, until very lately on northern spring wheat only. I will adhere to the State of Illinois. While I am somewhat familiar with other States of like kind, I will take that as an illustration.

The grading of grain, under the system followed for many years, has various points. One is the character of the berry, its moisture content, its freedom from foreign substance, the texture of the grain when examined, its color, freedom from shriveled grain, and I do not know how many more points. There are probably 8 or 10 points. I do not think the practical inspector considers all of them; but in making the grade they do consider not only the condition of the grain itself, the berry, but the purity or impurity in which it is found in the bulk. That is what prompted me, at the time the Senator from North Dakota was discussing this matter some days ago, to propound the inquiry—which I did not do for the purpose of provoking him—whether he thought dirty grain was just as good as clean grain. I made the inquiry from my viewpoint. I can understand why, from his viewpoint, he would think I was not entirely sincere in propounding the question in that way. I did not mean it in that sense. I meant that in our system of grading the foreign substance in the grain is considered as one point in fixing the grade—not solely to be considered in that way, but one point. The dockage has nothing to do with it, except as explained. If dockage is made, it removes the purity from foreign substances as an element in grading.

If a given quantity of grain were taken out of the cars, ordinarily with the bucket or tube or with something that makes the test, and the quantity of foreign substance found in it runs above a certain percentage, it falls a grade because of its impurity; whereas under the dockage system the dockage is taken out, and the balance, if it weighs 56 or some given number of pounds to the measured bushel, would be considered as clean grain; if it had been entirely fanned out and presented to the purchaser clean and free from foreign substances, dockage would likely never have been practiced. So the two methods are entirely different.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois further yield to the Senator from North Dakota?

Mr. SHERMAN. Certainly.

Mr. McCUMBER. Does not the Senator, therefore, believe that the dockage system really gives you a better and more accurate method of determining the character and the justice in the matter of sales and purchases and less opportunity for manipulation than under a system in which you use the foul stuff to determine the grade?

Mr. SHERMAN. Not necessarily. If you take the dockage system you might ignore the moisture, which to those who ship long distances becomes very material; you ignore the climatic and soil conditions under which the grain is produced, and especially shriveled grain, and you might ignore some of its flour-making qualities when milled.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois further yield to the Senator from North Dakota?

Mr. SHERMAN. Yes, sir.

Mr. McCUMBER. I want to correct the Senator there. I think he is in error upon that point, because in the terminals where the dockage system is adopted the rules all refer to dryness and soundness and the character of the berry itself.

Mr. SHERMAN. As I have already intimated, I am not discussing from my information the question of dockage, because I am not familiar with it. We never had such a thing in the part of the country over which my investigations necessarily have been conducted in the last 15 or 20 years; so whatever I say on dockage is not to be taken as an authority, I am sure. I am only saying that, generally, we have had until very lately no such method to assist us in grading grain.

The very grave charge that we meet is these complaints about grain that comes in the elevator at one grade and goes out at a higher grade. I think those cases grow out of conditions that can not be controlled. I think the conditions in the case of wheat relate so largely to climatic and soil conditions under which the wheat grows and is harvested and marketed that the differences the witnesses describe are not necessarily to be imputed to bad faith, but to changes that occur after the wheat reaches the distributing point, is cleaned, improved, and is shipped to some distant market.

There is a charge made here by some of the witnesses, and made quite frequently, that the inspections by the boards of trade in Illinois and many other States are the State inspections. This is so manifestly untrue that I shall attribute such evidence and charges to ignorance and content myself with denying it in toto. I regret to be compelled to take up so much of the time of the Senate this afternoon, and it is not willingly, I assure you, that I go into this matter. It is from no pleasure of mine, but from necessity.

The grain trade of the different cities concerned in the change sought to be made by this bill is a very large factor in the commercial, manufacturing, and financial life of these cities and the great grain-producing areas of the United States. The charge of bad faith, of dishonesty, is made by some of these witnesses. It grazes at least the edge, although a close reading of what the witnesses say shows that they, to use a popular expression a few days ago, "skate over very thin ice." However, the charge is made that the State inspectors are the same as the board of trade inspectors. That is sought to be explained in some instances by saying that the State inspectors are under the influence and control of the boards of trade or the different grain exchanges of the country.

I have been intimately acquainted with the inspection system in my own State for nearly 20 years. It has its weaknesses. There is nothing perfect about it or anything else devised by mortals. There is no governmental operation that is perfect.

The Federal Government is no more nearly perfect than the State government. Here is this much-abused practice of seeds coming from the Department of Agriculture. That is a standing joke for the humorists of the world. Every cartoonist and paragrapher have taken a fall out of it. I have asked for them in my time for constituents of mine before I ever saw this august body, before I ever had the superlative pleasure of dictating my speeches to a shorthand reporter in the Senate. That is all it is. I realize that. I am used to it. I can do it with more pleasure in my office any day. Before I had that pleasure, Mr. President, I distributed for my Congressman in my district divers seeds of all kinds; and it is material to consider what they got. They did not get what they sent for at all times.

To be specific, a few days ago an indignant constituent wrote me that instead of flower seeds a paternalistic Government had sent him vegetable seeds. He had asked for marigolds and hollyhocks and some of the old-fashioned kinds of flowers that would make glad the heart of man in that neighborhood. He complained that instead of marigold seed he got carrot seed; instead of hollyhocks he got turnips. Where did he get them from? From the United States Government, distributed from within almost the shadow of the Dome of this Capitol; distributed by some routine clerk, acting under the head of what? Bureaus—more bureau government.

So there are no Government departments or bureaus that are perfect. They make their mistakes; and the further you get from the officer who is performing the duty, and the more correspondence you have to depend on, and the less face-to-face communication you have with the public officer, the more routine and mechanical and inefficient the service becomes.

If you can face an inspector, if you are a shipper of grain and can appeal in person or by your commission man or your agent, whoever he may be, if you can make an appeal in person or through your proper representative from the original inspector who gives the grade to your grain and take it before some other authority, the chief inspector, or where other jurisdictions are given to some authority that will reinspect the grain, but through your agents or by yourself face the person who has to grade it, you will come nearer getting your just dues than you will if you are 3,000 miles or 1,000 miles, as people are on the Pacific coast or in the Mississippi Valley, from the authority.

It is largely sentiment, it is said, on the part of those who oppose the absorption of this power by the Federal Government creating a grain-inspection bureau as an annex to the Department of Agriculture here. It is not sentiment. It is practical operation. It is the practical thing in all government to keep it in the hands of the State wherever it can be done, to the end that those who have to deal with the inspector and with the existing system of the State may reach at all times and places in the most effective way those who are to perform that service.

They are not controlled, let me say, by the board of trade. One witness testified quite abundantly, and without going quite so far I might believe that he was well informed on the situation. He undertakes to name and criticize the railroad and warehouse commissioners of that State, and I am adhering to that not by choice but because it is the most pertinent. I could take the same in the State of Missouri, containing two great primary markets of the country, and it would work out the same way. In the State of Missouri those commissioners are elected by the people. In the State of Illinois they are appointed by the governor of the State. For more than 25 years I have known personally the members of the railroad and warehouse commission of the State of Illinois. I knew the last three who preceded those who are now exercising a like power. The witness gave the name of one of them, Mr. Bernard A. Eckhart, a citizen of Chicago, and intimates that he has exercised improper influences over his inspectors and over the entire inspection system necessarily because he is connected with the grain trade.

Mr. Eckhart is connected with the grain trade in this way, and this way only: He is a miller and has been a miller for many years. He buys the grain needed from every part of the world—not only from the Dakotas, but elsewhere—milling it into the various grades of flour that go on the market.

It is insisted in the testimony that Mr. Eckhart has not acted properly and that he is an unfit man; that the inspections made under his administration have not been fair to the shipper. If you will go in the country where he lives and has lived all his business life, you will find no such statements made by those who know him and have transacted business with him. If you will go to those to whom he has shipped his product from his mill for many years, you will find from his customers no complaint. If you go to his associates with whom he is associated in the banking business and ask them, you will find no complaint. You will say that is natural; they are his associates. But go to others in the like business, not only in the city of Chicago but elsewhere, and wherever he is known there is no man in the Middle West in business who stands higher in his honesty, in his business capacity, in his fairness, than Mr. Eckhart, for some years a member of the Board of Railway and Warehouse Commissioners of Illinois.

Another one, whose name I shall not give at this time, served until the 1st day of January. Immediately on leaving that service as chairman of the railroad and warehouse commission, even by an administration in whose political activities he had no part, as he was a member of an adverse and now a minority political party, he was taken, when he ceased to serve us on that board, and is now performing important services for the Interstate Commerce Commission. A commissioner who is alleged to have violated the rules of fairness and all State grain-inspection laws would not be translated into this line of activity here under the Federal Government if he, with Mr. Eckhart, constituting two out of the three members of the board, were of the kind that these witnesses intimate in their testimony reported from the committee.

I wish to say, Mr. President, that these inspectors who have passed upon the grain in Chicago for many years have no connection whatever with the Board of Trade of Chicago nor with any of the members of the board of trade. They are appointed, they take an oath, and are placed under bond to perform their duties as other sworn officers of the State or National Government, with the same high sense of duty that the average officer has who undertakes conscientiously to fill the full measure of his responsibility.

I wish here, in justice to the testimony of some of these witnesses, to read what I regard as equally good testimony. Mr. J. C. F. Merrill at present is the secretary of the Board of Trade in Chicago. He was formerly the president of the board of trade. I wish to read from an article he prepared in 1911. It appears in the American Produce Exchange number of the American Academy of Political and Social Science Annals, 1911:

The practice of classifying grain—

He says—

into grades, more commonly called inspection of grain, is distinctly American in its origin. In the year 1858 the Board of Trade of the City of Chicago created a department for the classifying of grades numerically according to specified requirements of color, quality, and general condition, and at the same time certifying to those grades. This same general scheme, with small changes to meet local conditions, spread throughout the country, greatly facilitating trade between widely scattered markets and individuals. State inspection of grain also had its beginning at Chicago, it being established by the State of Illinois in 1871.

The law in this case followed what it has in so many other cases. Every useful law that is remedial and progressive in its character always follows the line of the development made by sound, competent business men engaged in the pursuit to which the law applies. The whole system of bank reserves is only based on the percentage of reserve required in quantity of cash held available by a prudent banker if there were no law to require him to keep a reserve. Every prudent banker in the country would keep, without any law, a certain amount of cash available to take care of the current business for the day and to meet whatever emergency might arise from time to time.

So out of the necessities of the grain trade, out of the examination of the quality of grain, the law, when it was enacted in 1871, proceeded in accordance with the development of the grain trade. Every sound law does no more than regulate. It does not prohibit any lawful industry. All the grain-inspection laws of the several States have undertaken to do is to regulate, not to prohibit, and to follow out in that connection the rules of conduct that have been developed by prudent men engaged in the occupation so regulated.

Mr. Merrill continues:

The principal primary markets of the country are situated in the States which actively control the grading of grain by legal enactment.

The Atlantic seaboard and Gulf cities from which grain is exported, as well as the primary markets of Detroit, Toledo, Cleveland, Cincinnati, and Buffalo, established exchange inspection soon after the Chicago Board of Trade put it into effect. The reliability of inspection certificates is of first importance. Primarily, inspectors operated on their own individual responsibility, the certificates of each being valued according to his reputation for ability and honesty. But misunderstandings between sellers and buyers of grain, and a more or less general desire in the trade to trust official commercial standards rather than the honesty of individuals, suggested some established system of inspection, with the result first of exchange inspection, to be followed in the several States mentioned by legislative enactment, to give to such system the force and security of law.

Uniformity, in a broad sense throughout the country, has been a recognized necessity from the first.

Let me say here parenthetically there is no controversy between those who favor this bill and those who oppose it on the desirability of uniformity. There ought to be uniformity in the standards. The principle of the Lever bill in the House gives uniformity. It seems the same as that introduced by the Senator from Oklahoma [Mr. GORE]. I have not read them one along with the other, but I believe them to be exactly similar. The uniformity of grades is the useful part of every regulation. The uniformity can be secured by fixing the standards, and in that event every State having an inspection system can be compelled to grade up to the standard fixed by the Department of Agriculture. When that is done you have uniformity. You have uniformity under the supervision of the General Government and not the inspection of the General Government. I favor uniformity of standards and Government supervision, to be worked out so as not to destroy or impair our State inspection systems.

In the main—

Mr. Merrill continues—

the same rules have been adopted and the same standards established in all markets. Local conditions, however, have to some extent dictated differences calculated to meet local needs. These differences, minor in their origin, have a tendency to increase, at least to increase in their effect, as the trade became larger the need of uniform phraseology as well as to recognize the importance of a strict application of the inspection rules.

The Grain Dealers' National Association, which has many hundred members throughout many States, with a strong representation of board of trade and exchange members, together with the Chief Grain Inspectors' Association, set themselves the task of bringing about uniformity of practice throughout all of the States and markets east of the Rocky Mountains. It has energetically continued the work until, with very minor exceptions, it has become an accomplished fact. West of the Rockies, probably due to the dry harvest season, grain is stored in sacks when thrashed and piled in bins for longer periods, and remains in the sacks until used, even being exported in that way. Its quality is quite unlike that grown east of the mountains, and requires entirely different rules. Grain arriving at its initial market when graded is likely to remain of that grade until finally disposed of.

It may lose its identity through being stored in bins with grain of like grade and quality to be inspected out of store of the same grain when shipped or used, or if susceptible of improvement by cleaning or blending with other lots or parcels it may pass to a higher grade, or if becoming infested by weevil or from heating, or in any way deteriorates in quality, it will be degraded, but as a general statement when inspected out of store for shipment or use its grade is likely to be found unchanged.

I call special attention to this statement by Mr. Merrill, because he has been engaged in the grain trade all his life and it puts in a much more accurate way than I can the answer to the question propounded by the Senator from North Dakota [Mr.

McCUMBER], if grain can legitimately be improved when bought under the dockage system if the dockage system prevails. I apprehend it would be taken on the quality of the grain itself after making due allowance for the foreign substances, and it could not be improved if the clean grain ran the same quality throughout the bulk, because, as they very strenuously say, the grain remains the same, and the dockage or dirt being removed the grain is there in its original quality. It ought to be remembered that much grain in bulk varies in the quality of the grain itself. Where, however, the inspection is upon a different basis or the quality and condition of the grain itself varies, it is improved, and I am not sure but that even with dockage the grain could in many cases be improved.

The grain when cleaned necessarily removes from it the foreign substances composed of weed seed, oats, flaxseed from the Northwest, rye, chaff, barley sometimes, and a great variety of dirt. It is a comprehensive term. When dirt is analyzed it is found to be composed of a great variety of things. It is a good deal like boarding-house hash; it has to be taken in its entirety and not be inspected too closely. Nevertheless, when it is taken out, the quality of the grain that is left advances in grade.

I am speaking now entirely of the wheat raised in my part of the country. The light grains are taken out by the modern process, and that necessarily improves the quality of the grain left. The former varies; the better flour-making wheat is left behind. All foreign stuff, including the inferior wheat, is taken out, and necessarily the wheat that remains is entitled to be advanced in its grade.

Continuing the reading from Mr. Merrill:

The classification of grain into grades is but the expression of expert judgment. Difference in the judgment of different men when, as in Chicago, 50 or more at times are required, constitutes the variation sometimes complained of as amounting to inefficient. It will be readily seen that 50 men, working singly and apart from each other, may differ in instances to a degree which those less expert may recognize; hence any system which gets away from the judgment of individuals and in its place puts the combined judgment of several of equal experience and ability may fairly be held to be an improvement. Track inspection is the judgment of an individual. Room inspection is the combined judgment of several. Room inspection—sometimes called office inspection—has the added advantage of laboratory aid, when it is needed, as in determining the percentage of moisture or of mixture which other grain or any of the several conditions which require careful analysis and exact determination. Frozen moisture in grain is difficult to judge even approximately under favorable conditions, but wholly impossible to determine by one whose sensibilities are numbed through exposure. The judgment of an expert inspector who has been on the track several hours in the early morning with a zero temperature is practically of no value in determining the moisture content of new-crop uncured frozen corn. The laboratory test, so easily accomplished under the room system, is exact. The efficiency of the room method rests upon exactness in sampling the cars, for the inspectors fix the grade of car as represented by the sample taken from it for that purpose.

The capability of the samplers to judge of variations found in different parts of the same car requires that they also shall be expert judges of quality. With laboratory aid and with the presence of several inspectors to render combined judgment, there is small chance for error in grading. But with cars loaded full, even to the roof, a most common occurrence, it is impossible in every instance to secure a true sample, one which accurately represents the quality of the entire carload. The track inspector is equally handicapped when cars are so loaded; therefore errors due to this cause, which is the chief one and responsible for more mistakes than any other, are not greater under the room method. The railroads are responsible in a large measure for this difficulty. They require loading to a given weight, in accordance with the capacity of the car, usually to within 10 per cent of its marked rating. Wheat and other heavy grains can be so loaded and leave enough room for accurate sampling, but oats, especially in years when the test weight per bushel is light, gives the inspection departments much trouble. Within the experience of the writer the minimum carload has mounted from 16,000 pounds to 10 per cent below the sixty, eighty, and one hundred thousand pound cars, respectively, which comprise mainly the equipment of all roads at the present time. Railroad tariffs provide for minimum loads of 10 per cent below marked capacity of cars. To avoid payment of a penalty, when necessary to do so cars are loaded full. Railroad tariffs which provide usual tariff rates on such weight as cars may contain when properly loaded for thorough sampling for grading purposes.

These and kindred difficulties of the inspection departments pertain entirely to the "in inspection"; that is, the grain arriving from the country to be inspected for the first time. The "out inspection"—that is, grain loaded at market centers for shipment—does not involve the same difficulty. It is sampled as it runs into the car or vessel, its true qualities thus being easily noted. Occasional error where the volume of business is large must be expected, yet mistakes are few in number when compared with the magnitude of the business done. Last year in August the receipts of oats in Chicago were above 1,000,000 bushels per day; to this add receipts of all other grains, amounting in all to approximately 3,000 cars per day, and the importance of the function of grain inspection as carried on in the several markets of the country where it is practiced becomes evident.

The mere fact of placing the inspection system under the Federal Government will not change by the conduct of a single inspector the method of doing business in Chicago. I might enlarge the statement and say it will not change the method of doing business in a single one of the great primary markets for the staple grains of this country. No one would for a moment favor impeding and clogging the commercial channels through which the collection and distribution of grain is made in this country. All it can usefully do is to fix uniformity of standards and then require the men who are now actually engaged in the inspection service to grade up to those standards and thereby secure the uniformity desired.

Mr. Merrill continues:

Its value to the producer and to the consumer of grain is apparent. It was said a few years ago by an Englishman of prominence in the grain trade that of all the inventions of human ingenuity in the grain business the American system of grading is the greatest. I have said that it is distinctly an American institution. Canada is the only country which has fully adopted it. Nearly all foreign countries prominent in the exportation of grain handle it as it is done in our Pacific States, in bags. Some of these countries have adopted it in part, and whenever they shall have adopted the method of handling and storing grain in bulk it will of very necessity be also adopted. The Australian Government and also that of South Africa have made a formal investigation of our methods within the current year.

Bear in mind the testimony of this witness is not that of 1909, 1908, and prior years, but now, or 1911 and 1912, while the very testimony used to support this bill was taken January 16. The larger pamphlet I hold in my hand is dated 1908 and runs along through until April of that year. Since that time six years have elapsed. Six years is an age in commercial life. Six years, the way business changes, the way the methods change of transacting business—six years in the city of Chicago or the city of New York—is an age in the practical affairs of commerce. Go out to some part of the city that is visible to the naked eye, that can give you tangible evidence to the physical senses six years after you had been there, and you do not recognize the landmarks in the cities of New York and Chicago in places where these currents of trade change and where the improvements keep pace with the change. So in six years' time the course of trade and improvements advance; the evidence on which this bill is based, taken in 1908, and the arguments made to sustain it are a little stale and are not directly applicable to the reasons that are urged for its passage.

Sir Thomas Price—

Mr. Merrill continues—

commissioner of harbors and railways for the Transvaal, made a tour of this country in the early months of this year—

That is, in 1911, three years after the testimony is taken that is quoted here—

for the purpose of inspecting at Chicago and at country stations in Illinois terminals and country elevators. He remarked to the writer that our system was most complete and our advancement from the older method of handling in bags marvelous. In foreign markets commerce in grain is carried in contracts known as "rye terms," the final adjustment of which is a decision of a committee which determines if the commodity is of the quality contracted for.

Now, here is where the trouble comes in. No exporter from this country wishes to sell his grain in a foreign market on "rye terms." He is troubled with the same trouble that the shipper in North Dakota is. The shipper in North Dakota wants his inspection made in his country under his eye, and wants the buyer to take his inspections whether they are right or not. That is where the trouble comes in. In other words, it is a part of the same old contention that the buyer shall take the article as sound and ought to give the price that the seller wants, and it ought to be graded according to the seller's views of it. It is the old contest between the buyer and the seller. The grain comes down to Chicago, and the buyer is not satisfied with the grade. It goes to Duluth or Minneapolis, and he is not satisfied with the grade. The shipper takes it for export and cleans it and puts it in a condition where it can be sent to a foreign market, and when he undertakes to export the small surplus of our total production that goes abroad he is met with the claim that he must sell on "rye terms." That means, abroad, that when the grain is delivered its quality is to be fixed by a committee of inspectors in the foreign country. To avoid that the contracts are entered into in this country with the clause that the official inspection certificates are to be final on the quality of the grain. Out of that complaint grows the criticism read in the report of the committee.

We find in the evidence an account of an association in Europe to improve the quality of our grain exports from the United States and help our export trade. The efforts of foreign purchasers may be unselfish and nonmercenary, but it is open to question as a basis to legislate for our own people.

Mr. Patterson seems to be quoted, if I remember correctly, on both sides. Mr. Patterson, after testifying that our system in this country of the official inspection of grain is the best that human ingenuity has devised, turns around a short time afterwards and criticizes it and finds that our system has destroyed the export trade of this country.

I think it is pretty generally understood that our export trade is very small in all of the staple grains. Our export trade of corn is remarkably small; our wheat export is even smaller yet. The corn exports have been steadily diminishing for many years. At one time it was supposed that the United States

controlled the area of corn production that made it a merchantable product in the markets of the world. That is an error. Many millions of bushels of corn are produced in the South Temperate Zone, in Argentina, and similar latitudes, where both soil and climatic conditions are favorable. So Europe supplies herself largely, both as to price and as to quality, by imports from South America. Consequently we have had to develop the uses of corn in this country. At one time corn had a very limited use. When its consumption was practically confined to food purposes for man and beast the price was low. We can remember when corn was not worth the husking in some parts of the United States; it was used for fuel. I can remember very well when I was husking corn of taking it out of the field and selling it for 17 cents a bushel at one time and at another for 14 cents a bushel, and it was better corn when shelled than that which ordinarily now goes on the market.

In this country the newer the soil is the more it produces. Virgin soils better the quality of the grain. In this country we have not reached the point, as they have in the Old World, where we fertilize our soil and restore it and build it up in such a way that our grain goes back to the original type when the soil was new. Let me state that the testimony, not only of the buyers and of the commission men, but also of the millers, on this question is invariably that where the northern spring wheat comes into the market from the Dakotas or comes across the line from Canada, as the soil is growing older the quality of the wheat is deteriorating; that it is not as firm; that it is not as good, running a general average, for flour-making purposes in the mills as it was when the soil was newer. We must restore the fertility of the soil; then we shall produce a better grain. Mr. Merrill continues—

While this business necessarily is carried on with honor on the part of the buyer, yet it is well known that he rarely gets the worst of the trade. The seller can never know the final outcome of the transaction until the arrival of the grain and the action of the committee. Many bitter complaints are made by sellers on this side of their treatment in this regard on the other side of the Atlantic.

I wish to add here, before reading further from this article, that probably not more than 4 per cent of the corn crop of the great Mississippi Valley country is exported; 5 per cent would be a strong limit. It was about 1½ per cent of the 1911 corn crop. The other 95 or 96 per cent of it is consumed in this country. The domestic market is the market for us to develop; the domestic market is the one for us to keep in view when we are speaking of inspections. I do not believe, for my part, that any complaint of a foreign buyer would justify us in making a rash experiment in the absorption of the inspection system of the States just to meet the demands of the export trade.

I do not know how many merchantable products are made out of corn alone. According to the last return I had there were 101 of them. That included every possible use to which it can be applied, not only the Kentucky use that brings hilarity and gladness and subsequent repentance, but what is wasted for bread, as the old lady said down across the Ohio River.

One hundred and one uses of corn, and possibly more, constitute to-day the limit of its commercial use. So that as we have developed its commercial uses our export has fallen off, because with these uses the domestic demand has increased. I now continue reading from Mr. Merrill's statement:

Because the foreign buyer of grain on "rye terms" has the advantage of the sellers he naturally objects to buying on American terms, which are "loading inspection certificate final." American sellers of grain abroad, for reasons stated, almost without exception, refuse to sell on foreign terms. But the foreign buyer is so notoriously a buyer of the lower priced article, if he be offered standard-quality grain, with the representation that it will undoubtedly arrive in a safe condition, and at the same time is offered an "off grade" at a little less price, even though he be told that the risk attending the shipment of it should be considered, that its safe arrival can not be promised, he will, almost without exception, buy the cheaper article. And if he be told that he can insure safe arrival as to condition for less than half a cent per bushel, he will decline to incur even so small an expense and assume the risk himself. With full and fair warning he makes the contract, and when it results unsatisfactorily to him or, more likely, to his customer, to whom he sells "to arrive," much and loud complaint is made about "American certificates," and talk will be heard of "posting" the market from which the grain was exported and which certificates the grain. The writer, acting in an official capacity, has had occasion to inquire into and investigate foreign complaints about American grain, and is just the result as to facts outlined above. It is not claimed that our business practices are always free from regrettable instances. That would be impossible. It is but fair to say that foreign buyers are as much at fault as our sellers to them on this side. The major part of the complaints made relate to winter and spring shipments of maize, or Indian corn. From the beginning of the exportation of this cereal to within the space of 10 years the United States had so large a surplus of this grain that the larger portion of—indeed, practically all—that was sold abroad was of the previous year's crop, well cured and qualified to bear shipment, with safe arrival assured as to condition. Foreign buyers confidently relied upon it to do so. Our maximum of overproduction was reached in the year 1896, at which time we had several hundred millions of bushels of previous crop corn on hand at the beginning of winter, and the price for No. 2, which was the standard contract grade, sold as low as 19½ cents per bushel. Since that time our own consumption has steadily and rapidly increased, and notwithstanding we have also increased our production until, the last crop, that of 1910, exceeded three thousand million bushels as against two thousand millions at the time of the low prices referred to. Practically speaking, there is now no previous year crop corn on hand in this country on December 1. The effect of this is that the foreign buyer as well as the home dealer must of very necessity, if he buy corn at all, take from the new crop uncured, moist corn, unfitted as yet to bear prolonged shipment, especially across the ocean. It would appear that the United Kingdom and European buyers are slow to appreciate the simple fact, and because of successful purchases of former years continue to buy uncured corn with confidence. The buyer is fully advised of the risk he assumes, and he is plainly told that only artificially dried corn will take the place of the dry corn of summer; but as this adds materially to the cost, he buys the lower-price grade and takes the risk. And, as before stated, when the purchase does not turn out right, he complains bitterly and asserts that our inspection system is faulty. Indeed, the same English gentleman, quoted herein as complimenting our system of grading, now expresses his belief that our practices have become so very reprehensible and uncertain that the Federal Government should assume the function of inspecting grain.

If the foreign buyer would insist upon buying on the basis of uniform inspection rules, and would use care in buying those grades which will safely bear shipment, or when buying new-crop corn would do so on a specified moisture content of not above 17 per cent in winter and 14 per cent in spring months, he would, as shown by experience, have no trouble, the safe arrival of the grain being thus assured. Moisture-content certificates are now obtainable in all markets. The United States Government maintains laboratories at all shipping centers, and nearly all exchanges likewise possess them. Shippers may use either. The Government renders the service free. With the advent of summer the trouble disappears, nature having completed the cure through the natural drying of the corn as it reposes in the crib of the grower unshelled. But, by way of emphasis as stated, the foreign buyer persistently prefers to buy cheaper corn, cheaper because of the higher moisture content. The fault is his own. He may eliminate that of which he complains by buying a higher grade of grain, that which has been kiln dried to a safe shipping condition. It is a mistake, in view of these and other facts, to attach too much importance to complaints of this nature. There is small reason for our representatives in Washington asserting, as some of them have, that our commerce is being injured by our exporters. The trouble with the whole matter is not original with them. It has its origin primarily abroad. The foreign buyer can always buy any grade or quality he wants to buy, and he has no excuse deserving of respect when he buys a cheap article or when he neglects to use ordinary prudence in making contracts.

Mr. McCUMBER. Would the Senator object if I called his attention to some of the evidence in this case? A buyer and exporter of grain sent a sample to London to get an offer upon the grain that was raised in the vicinity producing the sample. The offer received was considerably above the market price, provided the foreign purchaser could get a hundred thousand bushels of that character of grain. This dealer tried to see if he could export that amount of the sample grain from New York, but was informed by the New York exporters that he could not do so without mixing it, because if he gave the foreign purchasers a high standard of grain it would fix that standard in their minds and the dealers here would have great difficulty in then measuring up to the foreign demand thereafter, and that therefore it was better to send them a lower character of grain.

Mr. SHERMAN. Certainly.

Mr. McCUMBER. That is in the testimony.

Mr. SHERMAN. Does the Senator wish to read from testimony?

Mr. McCUMBER. No; I have stated it.

Mr. SHERMAN. I understand the Senator from North Dakota has nothing to read additional to that which was referred to and read during the course of his address here?

Mr. McCUMBER. I do not know whether or not I included that in my address, but I think I did.

Mr. SHERMAN. The Senator either referred to it or read it, I remember.

Mr. McCUMBER. Yes; it is in the testimony.

Mr. SHERMAN. This is entirely consistent with the uniform course of trade, or such a small part of it as relates to our exports. If 100,000 bushels of No. 1 corn should be bought under the conditions referred to by the Senator from North Dakota, it would probably lead to complaint. If 100,000 bushels of that grade were bought, such a market could not be sustained. The uniform experience and evidence of every exporter is that foreign buyers persist in buying the inferior grades. They prefer the lower prices of those grades. The isolated case of the dealer mentioned could not change the general course of the export trade, which is, after all, fixed by the foreign buyer and not the seller. It is most improbable that the American seller can dictate terms to the European buyer, when the latter has the markets of the world to choose from. The case loses its strength when it is remembered the buyer fixes the terms of his purchase. If he wants high grades, he can get them. But a solitary instance could not induce an exporter to depart from the established course of trade. Such a market would not be created so as to pay.

Mr. McCUMBER. So that there may be no mistake, I will say that the particular grain referred to in the instance cited by me was wheat and not corn.

Mr. SHERMAN. Very well. I will let the answer stand just as I gave it. The reason would be just as pertinent. Mr. Merrill continues:

Double inspection—

Referring to Senate bill 120—

would be imposed on a large quantity of grain, inasmuch as present systems would be continued. This, so far as it would apply to the initial grading, would be borne by the farmers, for all expenses incidental to marketing produce is deducted from the price originally paid the producer. And, likewise, in its application to the final disposition of the grain if interstate business, the buyer would pay for it in the price. If double inspection was thus supplied to all of the grain received and shipped from Chicago alone, it would amount to $200,000 per annum at the current rate of 50 cents per 1,000 bushels.

I now wish to read from an article written by the chief grain inspector of Illinois, W. Scott Cowen, who, in the same number of the Annals of the American Academy of Political and Social Science, on page 78, gives a description of the grain inspection under the laws of that State. I wish to insert in the RECORD here, by way of apology for taking the time to quote from these articles, that at no place have I been able to discover similar facts in any of the committee reports. Some of these gentlemen have testified; I think, possibly, Mr. Merrill testified, but he did so in 1908 or 1909, and at no later date is there anything in the hearings from him or the grain trade as affecting this bill. The only way, therefore, that I can put the matter in the RECORD so as to complete the case is to read from these different articles giving the net result of the experience of these men. I read first from page 80:

The essential and material elements of correct grain inspection are uniformity and accuracy; and under any system which does not permit of a constant personal supervision of the work of all inspectors these results can not be obtained. The tendency of the inspector at the track was to follow an absolutely safe course and to be sure that when a car was given a certain grade it was fully entitled to receive it. In "line" cars the tendency was never to give the grain the benefit of a reasonable doubt, to which, in my opinion, it is entitled.

I want to suggest here that Mr. Cowen criticizes some of the defects in the service as he found them in the course of his experience. He furnished a remedy, and the critcisms which have been made have no just basis since the change in the method of inspection. I now continue the reading:

At the elevator on outgoing shipments the opposite condition prevailed. Here the grain always received the benefit of every doubt, and it was the duty of the high-salaried elevator superintendent by scientific mixing to see that the "doubt" usually existed. It was, therefore, between these in inspections and out inspections, the men working under direct opposite pressure that there was a constant growing spart, the farmers' produce receiving a rigid inspection when received at the market and a lax inspection from the elevator when the grain was released for shipment.

Recognizing these conditions as prevailing in the Illinois department when I assumed charge, I at once gave the subject serious consideration. The first move was to develop a school of instruction for the inspectors and by the use of type samples of the different grain and grades seek to instill into their minds a greater degree of uniformity and accuracy. The inspectors were required to report frequently at the office of the chief inspector, where these type samples, and ofttimes samples of grain that they themselves had previously inspected, were placed before them and they were required to record their respective decisions as to the different grades. When errors were made they were shown to the inspector making them and their mistakes in judgment carefully explained. These examinations, from an educational standpoint, proved very beneficial, as the differences of opinion were at these meetings fully discussed and adjusted and the inspectors were thus enabled to develop more accurate and uniform conclusions.

Improvements were quite noticeable as the result of these reviews; still the inspection as a whole was far from satisfactory. Further investigations were made, visits were paid to the inspection departments of other States, and frequent conferences held with the grain committee of the board of trade. As a result I became thoroughly convinced that there was but one final solution to the entire problem and that there must be a careful review made of every car inspected and no distinction should be made between grain arriving and that being shipped out.

Thus originated the system of "office" inspection that is used in Illinois to-day, a system that preserves annually to the producers of grain large sums of money and renders to the trade generally a service at once complete and satisfactory. This plan in general provides that samples of every car or boat of grain inspected in Chicago shall be subject to review by the most competent inspectors in the department, and that reinspections or appeals may be allowed to those desiring them with the least possible delay.

"Office" inspection consists in collecting samples of all cars of grain arriving daily on all of the different railroads entering the city of Chicago; bringing these samples to the main office of the inspection department, where are assembled a corps of the most competent inspectors procurable; and there under most favorable conditions of light, temperature, and atmosphere the samples are taken charge of by the inspectors and the grain carefully graded therefrom. The collectors of the samples are divided into groups of men, the number in each group being adjusted in accordance with the average daily receipts on the respective railroads to which they are assigned. Each group of samplers is under the control and direction of a chief sampler, who in most instances had previously been a regular grain inspector. This chief sampler is held responsible for the work of his assistants and the strictest discipline is enforced. To add to and increase the efficiency of these several groups of samplers there is a supervising sampler, who was previously a regular grain inspector, whose duty it is to travel daily from one road to another as seems necessary to observe and "keep tab" on the work done by each group and see that every man does his full duty.

The agents of the different railroads deliver each morning to the chief sampler of each group of railroad notices of the cars in the yards ready for sampling on that particular day, and these notices are brought to the main office with the samples. The samples consist of 2-quart bags filled with grain drawn from different parts of the car and representing its average contents. In case of differently marked conditions in the grain or if a car shows that it has been "plugged" for the purpose of deception several samples are drawn to indicate the various differences of quality and the condition of the contents. In case of a bulkhead car each compartment is sampled as if from an entire car. These samples are hurried by the first train into the city and are met at each railroad station by an express wagon operated for the department and delivered at once at the main office.

The position of a "track grain sampler" is in no way an easy or an inferior one. It is of the greatest importance and fully as responsible a position as that of the grain inspector who grades the samples upon their arrival at the main office. The sampler's work must necessarily be correct as to the samples of the contents of the cars, as the inspector at the office depends entirely upon the accuracy of the samples placed before him in making the grades. A grain sampler must be in good health and strong physically; able to endure exposure in all kinds of weather. He must also be intelligent, industrious, and full of enthusiasm, always recognizing the responsibility resting upon him and willing to endure many hardships in the performance of his important duties.

On the arrival of the samples at the main office they are immediately taken in charge by the inspectors. The bags containing them are placed upon a shelf attached to each inspector's table. They are then emptied one at a time into a tin grain pan or receiver and immediately inspected and graded. In case of what is termed a "line car"—that is to say, a car so nearly on the dividing line between any two particular grades that the inspector hesitates or is in doubt as to the grade to which it is entitled—he calls on the chief grain inspector or the supervising inspector, who is always present, and their combined judgment determines the grade.

Frequently all of the inspectors are called around the table holding some particularly difficult sample, and each inspector is required to make a grade for it and give his reason therefor. In this way a full and free expression of opinion is obtained, and through the interchange of such opinions educational suggestions are developed and consequently a greater uniformity of opinion results, as well as greater accuracy.

Immediately after the grade has been determined and the same noted upon a card, signed by the inspector making the grade, this card is placed in the bag to which the sample has been returned and passed to a table at which is seated the record writer, who takes the card and enters all of the notations thereon upon a record sheet. These notations consist of the car number, name of the railroad over which the car arrived, the grade given the grain, and the reasons given for so grading the sample, with the name of the inspector who graded it and the sample hook on which it is to be hung.

The sample is then carried to what is called the "splitting department," where a group of men stand at tables especially built for the purpose. These men take the samples and divide them into equal parts. One-half is placed in a paper bag on which is written the car number and the initials of the railroad over which the car arrived, the grade fixed, and the name of the firm to whom the grain is consigned. The railroad notice is placed inside this paper bag along with the sample. To verify the first inspection, the samples are once more carefully reviewed by two inspectors stationed in the splitting department whose duty is to closely examine the notations written on the bags to see that they are correct. They also review the contents, and if an error has been made it is then corrected.

If all these precautions are necessary under the present system to assure a correct grading, what must have been the chaotic conditions under the old system, when there was no check whatever on the inspector's work, working, as he did, alone and dependent entirely upon his own unassisted judgment? It is surprising now that grain dealers exercised the patience which they did for so many years with such a system.

I read this part of the chief inspector's statement to show that some complaints in former years were well founded. I read it for the further purpose of showing that at present the causes of complaint do not exist. I continue the quotation from Mr. Cowen:

After this second inspection or review the samples are passed to an authorized agent, whose duty it is to place them in baskets for delivery to the board of trade. Messengers then hurry them to the exchange floor of the board of trade where they are placed on the tables of the firms to whom they have been consigned. The other half of the sample is returned to the bag from which it was taken and carried to the sample room and hung upon a revolving sample rack. Each sample being numbered, it is placed upon a hook having the number corresponding to that of the sample, where it can be readily located if necessary. These samples are preserved upon these racks for 24 hours, and emptied.

When reinspection is now asked for, a decision can be obtained within 30 minutes, while formerly it required from 2 to 13 days, during which time the burden of risk, frequently very expensive, was entirely on the shipper. The regular inspection yards being located long distances outside of the city limits the cars had to be switched to what are called "the inner yards" for reinspection, involving the risk and loss of time just mentioned. These delays were frequently not only the cause of demurrage charges but also of the grain getting out of condition, making it necessary in such cases to finally fix a lower grade than the one originally made. This would not have occurred if the grain could have been reinspected more quickly. Note the contrast with the present which by its prompt and efficient service absolutely eliminates all such delay and prevents the loss resulting therefrom.

The belt-line road that has been built in Chicago for the purpose of facilitating the switching and transfer of incoming cars and many other improvements and added facilities have made it possible for much more rapid work and less delay than in former years. We have constantly, in the transportation

and inspection system in Chicago, worked toward that end both in the administration of affairs and in legislation designed to keep pace with the development of the grain business. Continuing the quotation from Mr. Cowen:

This is a general description of the work of inspecting grain arriving, which is performed much more rapidly than it can be described. It has developed to a much greater degree than ever before known on the Chicago market. That accuracy and uniformity in the inspection of grain was much desired by all intelligent and honest dealers, and has obviated the many complaints that heretofore were received because of the lack of uniformity and correctness.

A satisfactory system of inspecting grain "arriving" at Chicago having been developed, the inspection of that "loaded out" of the elevators was next given attention. It had long been claimed that the inspection in and out of elevators was lacking in uniformity, it being asserted that the inspection in was much more severe than the inspection out. To overcome this condition it was determined to review or reinspect the work of the house inspectors stationed at the different elevators. To accomplish this an order was issued requiring carefully drawn samples to be taken from each car or vessel of the grain inspected out; these samples are delivered by special messengers daily at the main office where they are at once reinspected by a board of inspectors under the personal supervision of the chief. If the work of the inspector at an elevator is not approved by this board of review, the grades given by him are changed to agree with their decision, the house inspector being notified accordingly, a record is kept of each car or vessel. In this way the inspectors' work is checked up, and the inspection department placed in a position where it can intelligently answer any complaints or criticisms that may be made at any future time respecting any particular shipment or parcel of grain so inspected. This does away with the objection, dating back so many years, to the effect that the purchasers of elevator grain received only the very lowest or "skin" grade. It is believed the department can now assure a just and uniform grading of grain both in and out.

Since the adoption of the present system the results have surpassed my most sanguine expectations. Complaints from shippers and purchasers have almost entirely ceased. Many errors that under previous methods were unavoidable are now prevented.

I wish to read from the same article by Mr. Cowen respecting the length of service of the inspectors in the Chicago grain-inspection business:

In the Illinois department the men intrusted with the work of inspecting are all old in the service, and a number of them were connected with the board of trade and engaged in passing upon the quality and condition of grain even before the State department was founded, 40 years ago. The others have all worked their way up to their present positions from those of messengers and helpers on the tracks, and have been carefully schooled in the profession. The average length of service of the supervising inspectors employed in the department is over 34 years, of the office inspectors 28 years, of the second assistant inspectors 22 years, and of the third assistant inspectors, those of more recent promotion from the ranks of helpers, 10 years.

* * * * * * *

The position of the Illinois inspection department in its relation to the public is one of peculiar difficulty and responsibility. It stands as an arbitrator between buyer and seller, between producer and consumer, and practically fixes the value of the immense quantities of grain passing under its supervision. At times it has been subjected to violent pressure in one direction from the receivers and again in a contrary direction from eastern and foreign buyers, and to harsh and often unmerited criticism from both.

Notwithstanding the criticism that has been voiced against it, the aim at all times of those in charge has been to secure such fair interpretation and impartial application of existing rules as to do exact justice to all parties interested and at the same time to maintain the present enviable reputation borne by the certificates of the department in the markets of the world. The reputation of Chicago inspection has been of slow and steady growth, has practically changed the business methods of the grain trade wherever American cereals are consumed, and it is not too much to say that the preeminence of Chicago as a grain market is due in a great measure to the public confidence in the integrity and accuracy of the work of her inspectors as well as to her favorable location, her unsurpassed facilities, or the push and enterprise of her citizens.

I wish to add here what I said in a general way on Friday last—that the grain-inspection certificates from official inspectors going out of the different points where inspection is had in that State are accepted on the market as evidence of the quality and grade of the grain purporting to be given on the face of the certificates. These warehouse certificates are negotiable, and they pass from hand to hand on the strength of the grade there represented.

I wish to read further from an article by George F. Stone, secretary of the Board of Trade of Chicago, appearing in the same number of the proceedings of the American Academy of Political and Social Science. I am reading from page 193:

To indicate the growth of the business connected with the Chicago Board of Trade and also the development of the immense territory tributary to Chicago, I would state that the quantity of flour shipped from Chicago in 1848 aggregated 45,200 barrels; in 1910, 7,038,351 barrels. The quantity of wheat shipped in 1848 aggregated 2,160,000 bushels; in 1910, 18,679,100 bushels. The quantity of corn shipped in 1848 was 550,460 bushels; in 1910, 78,623,100 bushels; the quantity received, 102,592,850 bushels. Within the same period of time the shipment of oats increased from 65,280 bushels to 77,890,100 bushels. The receipts of oats during the year 1910 aggregated 101,859,000 bushels. The receipts of wheat, and of flour in its wheat equivalent, of corn, oats, rye, and barley during the year 1910 aggregated 294,858,724 bushels. The shipment of pork in 1853 aggregated about 18,000,000 pounds. Like shipments in 1910, about 600,000,000 pounds. The shipments of lard in 1853 aggregated 1,847,852 pounds; the quantity shipped in 1910 aggregated 268,702,900 pounds. As indicating the growth of the trade in cattle and hogs, Chicago received in 1865, 339,000 head of cattle and 750,000 head of hogs. In 1910 the receipts of cattle aggregated 3,052,958 head, and the receipts of hogs 5,926,315 head. Total receipts of live stock, comprising cattle, calves, hogs, sheep, and horses, at Chicago during the year 1910 aggregated 14,452,490 head, valued at $357,145,681; and from 1866 to 1910, inclusive, 462,984,309 head, valued at $8,582,329,245. Prior to the year 1853 we possessed no record exhibiting the volume of trade in pork, lard, butter, or wool, but the increase in the actual transactions in these products is something marvelous.

The statistical information comprised in the annual reports of the Chicago Board of Trade not only relates directly to the trade of Chicago in grain, provisions, live stock, hay, flour, lumber, cured meats, dressed beef, butter, cheese, hides, grass seeds, etc., but also has reference to such commodities in other principal markets, both domestic and foreign. This varied official information essential to a comprehensive understanding of the scope and importance of the business transacted and fostered under the rules of the association, is daily and hourly, and, in many instances, instantaneously, at the service of the members of the board to guide them to an intelligent conduct of their business and to enable them to fully provide the producer with this great range of information, designed to aid him in intelligently marketing his products and in instructing his commission merchant as to the conduct of consignments made to that commission merchant. Telegraphic facilities are also provided for unhindered and prompt communication with shippers, with customers, with purchasers, and with consumers. Representatives of the press have constant, unhindered access to all this information in order that the public may be kept fully informed regarding values and the general movement of merchandise dealt in by members of the board.

No commercial or financial annual statement can be a complete and an intelligent one without an official knowledge of the volume and farm value of the chief agricultural crops which constitute the basis of the Nation's prosperity. Much minute care is bestowed upon these compilations. Their relation to our financial and commercial affairs is an intimate and a vital one. They disclose the source of our national wealth; the energy, enterprise, and character of our farming population. They set forth not only the inducements which our Western States present for the investment of capital, but inducements to the worthy and ambitious to make their homes where nature lavishes her rewards upon those who, with honest and industrious effort, seek her favors.

The full significance of this showing no one can fully comprehend save the careful and observant student of political economy. It is being realized as never before that the farmer is the true wealth producer; the fruits of his toil sustain our commercial and industrial life and, in a far-reaching and profound sense, furnish the vitalizing forces of our national progress.

The volume and value of the chief grain crops of the West fix rates of interest, determine to a large extent rates of transportation and the volume of interstate commerce; they measure the extent of credits given by merchants and bankers, and place a proper value on all kinds of collaterals; in fact, directly and indirectly, the crops of the Mississippi Valley affect every financial and industrial interest from one end of the land to the other. In this constant and vital relationship the Chicago Board of Trade occupies a preeminent position. The Chicago Board of Trade is the grain and provision clearing house of the world. It stands between the producer on the one hand and the consumer throughout the civilized world on the other. Behind the multiplicity of its transactions are not only our own chief grain crops, but those of other surplus grain-producing countries. On the bulletin of this exchange is posted the price of wheat, maize, oats, provisions, etc., in every considerable market throughout the world. This information, with absolutely no restriction and free of cost to the public, is sent broadcast for the benefit of producer, consumer, buyer, and seller alike, without prejudice and without partiality.

I wish to make the statement here that those who write the market reports in Chicago, the reporters who are skilled in that line as the result of many years of reportorial work, go in where this information is accessible and are given it without cost, as freely as the members of the board of trade have it or those concerned. The market reports published by the great metropolitan dailies showing the condition of the grain trade, quantity, movements, prices, production, quality, everything concerning foreign markets, the weather conditions, the shipment of the export surplus, the conditions in South America, in the Danube country, all over Europe, world-wide conditions in grain-producing countries, all of the thousand and one things, from the fly and the frost and crop conditions and weather and storms to the average production that leaves a surplus available for export—those are all touched off by cable and by telegraphic wire by those who are expert in all the various lines of that kind of production throughout the world. They are wired and cabled into Chicago, put upon the boards, and the newspaper market reporters go wherever that information is available, put it in the metropolitan papers, and it goes out to the public free of charge.

For that the members of the Board of Trade of Chicago are stigmatized as rascals by some of the witnesses. It is said here that some of the great fortunes have been built up by those who have practiced devious ways in the grain trade. The majority of the great fortunes of Chicago, with few exceptions, have not been built up out of the grain trade. There are few millionaires in Chicago who can point distinctively to grain operations out of which they made their fortune. The fortunes of that city are made in other lines—in real estate, in banking, in transportation, in dressing meats, in a hundred and one different occupations. In that city, as well as in other cities of the Middle West, the millionaires, with few exceptions, have become so because of following other lines of trade.

It is no small task to build a modern elevator. It is no inexpensive undertaking. A modern elevator requires great capacity, great durability of construction; it requires more care in fireproofing; it requires a vastly more complicated and ex-

pensive mechanism in the equipment and internal machinery used for the purposes of conducting its business. It is no longer the wooden warehouse of our boyhood days. It is now one of the best built and most complicated places the world has ever known for the storage of millions of bushels of grain.

From the days when Joseph's brethren came down to Egypt to buy corn to the present time the grain trade is a constant development. In other days there were famines. Men perished with their families by millions in the time that history has recorded. The modern market equalizes dearth and plenty. It collects the surplus to fill the deficit throughout the civilized world. With the modern warehouse and transportation system, with the modern system of grain exchanges in all the great cities of the country, from Indianapolis to Cleveland, Toledo, Detroit, Minneapolis, Chicago, St. Louis, Kansas City, and Omaha, with the development of the carriers leading out from those points, famine is no longer possible in a civilized country with the modern system of collecting and distributing food products and collecting a surplus to be availed of where there is a deficit in supplies.

For all this, for this market that has been built up, the men who have risked the work of their lives and their fortunes through many weary years are stigmatized as a band of rascals by witnesses who have testified before Senate and House committees. Who are they? Some of them are known. I would transgress the limits of decorum of debate provided in this body if I repeated what is said of some of them. Some of them are gentlemen who got into the market and failed themselves, because they did not know how to transact business. They thought it was a game, like the great American game of poker. They did not study the market. They went in, and with them it was a game of chance. They failed because they undertook to deal with men who kept market conditions in hand, who knew when and how and where the oats area was, who knew the limitations and the production of corn and wheat and rye and barley. Because they knew the amount of the visible supply and what it was likely to be at a given time, in the language of those who followed that hazardous occupation they adjusted themselves to the probable, and, of course, the men who had not the wide information failed.

The statement has been made in my presence a number of times that Senate bill 120 is one that is peculiarly advocated by the farmer. A large part of the States of the Middle West are farming communities. A large part of the people of my own State are farmers. All of my family are farmers. All of the acquaintances of my early days in the township are farmers. I was raised as a farmer. I have shucked a good deal of corn myself, Mr. President. I was raised over near the Indiana State line, where they raise good corn huskers. I think I know what the farmers want. I am taking the chances on correctly interpreting their will. Probably I have as much at stake politically as any other member of the Senate. If I make a mistake in interpreting the farmers' wants in my own State, they will visit the punishment on me.

I want to say that in all the time this debate has proceeded here, during all the publicity that has been given, I had yet the first letter to receive from a farmer until one this morning. In all the months this matter has been pending not a solitary farmer has written me in favor of this bill. I have had some protests, it is true. No farmer has protested against the bill. No farmer has commended it. They have remained silent. Some men who are engaged in the grain trade have criticized the bill. They said: "It will dislocate the course of business. It will embarrass commerce. It will provide double inspection, or it will pull up by the roots all of the existing State-inspection systems." If the farmers knew the added costs of inspection under this bill would at last be taken out of their pockets, they would oppose this bill. They will pay the increased expense of inspection, every dollar of it.

One dealer writing to me says that he prefers to remain under the inspection of officers whom he can reach nearer home than to be obliged to communicate a thousand miles with the head of a bureau in Washington. Another writes me and says that he is opposed to the centralizing tendency implied in this bill; that it is a State function, and he believes in keeping the States in the exercise of their legitimate powers, rather than to have them absorbed by a centralized Government administered at Washington. I do not blame him. I am in sympathy with him, not only on this point, but on a good many other things.

I continue reading from Mr. Stone:

No other department of business is conducted so openly, so absolutely aboveboard, and so directly with reference to the common welfare. No department of business is so free from restraint of trade. It has no monopolistic feature whatever, and permits the unhindered and healthful play of the forces of competition. It has no credit system. Cash attends the consummation of every trade, and in the event of sales for delivery at a future time, our rules provide that ample security may be obtained to protect the buyer or seller, as the case may be. The breadth and activity of our market give to registered warehouse receipts, protected by law, a convertible and instantaneous value as collateral security.

I balance this testimony against that of these witnesses, some of whom indicate before they are through testifying their extreme rancor or their lack of understanding of the way business is transacted on the board. [Continuing reading:]

This system, with all its safeguards, besides providing an economical and safe marketing of the products of the farm, primarily for the benefit of the producer, safely employs an enormous amount of funds seeking investment by our great moneyed institutions. Call loans made on these warehouse receipts, fortified by the State statutes and recognized by the rules of this board, are most desirable, and are so regarded by our national banks. No business is more legitimate, no business is more conservative, no business is more vitally allied to the varied industries and commerce of our city, no business is more embedded in honor or intrenched in the soundness of a contract than the business conducted under the rules of this organization. No contract, either written or oral, is more binding than the contract to which a member of this association is a party. No informality, no absence of legal technicalities will avail under our rules to absolve a member from an undeviating compliance with every term and every feature of his business obligation. Every pretext for the avoidance of such obligation is brushed aside by a jury, not of a court, but of business men—his peers—and is not permitted to obscure the spirit and intent of his promises or to release him from his proper responsibility as a man and as a merchant.

I am taking this time because to the constituency that I in part represent this bill is of vital concern. It does not arouse any considerable interest among many Senators in the States having no primary markets. The passage of this bill means the destruction of the inspection system in every grain-producing State where the system exists and where these primary markets are found. Every State can have an inspection system if it wishes to create it. The occasion, however, does not cause its creation unless there is a primary market for the collection and distribution of grain.

With matters in this condition there has been a constant development of legislation. In 1913 the Railroad and Warehouse Commission of Illinois ceased to exist. There was substituted for it a commission known as the public utilities commission, very similar to a like commission in the State of Wisconsin. It has jurisdiction over every occupation impressed with a public interest, railroads, common carriers of every kind by land and water, everything that needs a franchise for its operation—all the gas and electric light companies, the public warehouses, and in general everything that we comprise under the term "public utility." A board has been appointed, and is in operation, succeeding to the power of the old railroad and warehouse commission. It now has power to control and regulate the inspection of grain. The same system prevails, with such added improvements from time to time as experience has suggested.

I have here a letter from the utilities commission of my State. I desire to read it. It is as follows:

STATE PUBLIC UTILITIES COMMISSION OF ILLINOIS,
Springfield, March 13, 1914.

HON. LAWRENCE Y. SHERMAN.
United States Senate, Washington, D. C.

DEAR SIR: Your letter of March 4 to Gov. Dunne has been referred to the undersigned, who has charge of the Illinois grain-inspection department, which is under the jurisdiction of this commission.

Not being at all familiar with the McCumber grain-inspection bill, I am somewhat at a loss as to how it would affect the inspection of grain in Illinois by our department. However, for your information permit me to say that in order to bring about uniformity in the inspection and grading of corn, the Secretary of Agriculture, by an act of Congress, was authorized to fix and promulgate certain grades for commercial corn, to be applied July 1, 1914, in interstate business.

As soon as advised of this action the undersigned called a conference in Chicago of representatives of the board of trade, the different grain dealers' associations, and producers.

This takes in every grain dealer of every kind in the State, farmers' elevators, and those buying as representatives of commission men in Chicago or otherwise.

I continue reading from the letter:

It was the unanimous opinion expressed at this conference that the Illinois grain-inspection department should adopt the Federal grades, and upon that recommendation this commission issued an order, a copy of which is inclosed herewith, which adopts in toto the grades for corn promulgated by the United States Department of Agriculture.

I have no doubt but that the policy of this commission will be, as is already indicated by the action referred to above, to adopt any further grades for grain which may be promulgated by the United States Department of Agriculture. This commission is not only desirous of securing uniformity for all grades of grain in Illinois, but throughout the United States, and will cooperate with the Federal and State Governments to that end.

I have not been able to get other than newspaper reports of the investigation which has been conducted in Washington relative to the Chicago Board of Trade. I infer, however, that this investigation is largely directed toward the dealing in futures and is not directed at the efficiency of the grain-inspection department of this State.

You state that Peoria and other cities of Illinois are affected. For your information, permit me to call your attention to the peculiar wording of the Illinois statute as regards grain inspection. The official

State inspection can not be installed in any county of Illinois unless the board of supervisors of that county petition the commission to make such installation of supervision; hence the situation as it now is, i. e., State inspection is only in Chicago and East St. Louis; Peoria, Cairo, and other points preferring local inspection to State inspection. Therefore, if there is any criticism of the inspection of grain originating at Peoria or Cairo, it should not be directed to this commission, but to the legislature for having failed to compel a uniform State inspection throughout the State.

In conclusion, when you have occasion to speak for Illinois, you may feel entirely warranted in saying that it is the purpose of this commission, having in charge State grain inspection, to cause the same to be as efficient, thorough, complete, and satisfactory as is possible.

The writer has been all his life interested in the production, shipment, and marketing of grain, and is giving the inspection department personal attention, with the view of making it efficient, and wherever possible making the grades uniform with those fixed by the Federal Government.

The fact that the inspection service of this department is satisfactory is attested by the further fact that no complaints have been received by this commission criticizing the inspection since the commission was appointed January 1.

Any further information which you may desire will be very gladly furnished.

Cordially, yours, FRANK H. FUNK, *Commissioner.*

This is the order made by the Illinois Public Utilities Commission:

It is hereby ordered by the Public Utilities Commission of Illinois that the following grades of corn, which have been fixed and promulgated by the United States Department of Agriculture, be, and hereby are, fixed and promulgated as the grades for commercial corn to be used by the Illinois State grain-inspection department on and after July 1, 1914, and that such grades shall supersede any grades governing the inspection of corn which are in existence prior to said date;

Except that the rules for grading corn now in effect will apply on all corn in store in public elevators in the city of Chicago prior to July 1, 1914, for the period of 90 days subsequent to that date; and

Except that for corn applied on contracts made priod to July 1, 1914, for delivery during 90 days subsequent thereto the grades and inspection may be in accordance with the rules and grades for corn in force at the time the contract was made, and in no case shall corn be inspected "out" as of any higher grade than it was inspected "in" as in accordance with the warehouse law:

Grades for commercial corn.

Grade classification (white, yellow, and mixed corn).	Moisture.	Maximum percentages of—		
		Damaged corn.	Foreign material, including dirt, cob, other grains, finely broken corn, etc.	Cracked corn, not including finely broken corn.[1]
No. 1	14.0	[2] 2	1	2
No. 2	15.5	[2] 4	1	3
No. 3	17.5	[2] 6	2	4
No. 4	19.5	[3] 8	2	4
No. 5	21.5	[4] 10	3	5
No. 6	23.0	[5] 15	5	7

"Sample." See General Rule No. 6, for sample grade.
[1] See General Order 9.
[2] Exclusive of heat damaged or mahogany kernels.
[3] May include heat damaged or mahogany kernels not to exceed one-half per cent.
[4] May include heat damaged or mahogany kernels not to exceed 1 per cent.
[5] May include heat damaged or mahogany kernels not to exceed 3 per cent.

GENERAL RULES.

1. The corn in grades No. 1 to No. 5, inclusive, must be sweet.
2. White corn, all grades, shall be at least 98 per cent white.
3. Yellow corn, all grades, shall be at least 95 per cent yellow.
4. Mixed corn, all grades, shall include corn of various colors not coming within the limits for color as provided for under white or yellow corn.
5. In addition to the various limits indicated, No. 6 corn may be musty, sour, and may also include corn of inferior quality, such as immature and badly blistered.
6. All corn that does not meet the requirements of either of the six numerical grades by reason of an excessive percentage of moisture, damaged kernels, foreign matter, or "cracked" corn, or corn that is hot, heat damaged, fire burnt, infested with live weevils, or otherwise distinctly low quality, shall be classed as sample grade.
7. In No. 6 and sample grade reasons for so grading shall be stated on the inspector's certificate.
8. Finely broken corn shall include all broken particles of corn that will pass through a perforated metal sieve with round holes nine sixty-fourths of an inch in diameter.
9. "Cracked" corn shall include all coarsely broken pieces of kernels that will pass through a perforated metal sieve with round holes one-quarter of an inch in diameter, except that the finely broken corn as provided for under rule 8 shall not be considered as "cracked" corn.
10. It is understood that the damaged corn, the foreign material, including pieces of cob, dirt, finely broken corn, other grains, etc., and the coarsely broken or "cracked" corn as provided for under the various grades shall be such as occur naturally in corn when handled under good commercial conditions.
11. Moisture percentages as provided for in these grade specifications shall conform to results obtained by the standard method and tester as described in Circular 72, Bureau of Plant Industry, United States Department of Agriculture.

The chief grain inspector of Illinois is hereby directed to publish the rules governing the grades of corn herein established in at least three daily newspapers in the city of Chicago, as is provided by law, and to notify the employees of his department of the proposed change, and take such other action as may be necessary to carry this order into effect.

Dated Springfield, Ill., March 5, 1914.

JAMES E. QUAN, *Chairman,*
OWEN P. THOMPSON,
WALTER A. SHAW,
RICHARD YATES,
FRANK H. FUNK,
Commissioners.

Again, March 19, 1914, from the same authority I quote as follows:

STATE PUBLIC UTILITIES COMMISSION OF ILLINOIS,
Springfield, March 19, 1914.

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have yours of the 16th inclosing copy of the McCumber bill, providing for the Federal inspection of grain.

I agree with you in toto, that the proper way to provide for the inspection of grain is to have it done by the several State grain-inspection departments under the supervision and concurrence with the standards promulgated by the United States Department of Agriculture. This will prevent double standards and duplication of departments and employees.

You are at liberty to use any statement or information contained in this or my letter of March 13.

It is my understanding that at the last convention of the National Grain Dealers' Association it was practically the unanimous opinion that uniformity of grades throughout the United States was greatly to be desired, and that as far as practicable the grades for grain promulgated by the United States Department of Agriculture should be adopted by the several State inspection departments.

I should be very glad, indeed, to have you furnish me a copy of the proceedings before the special committee at which a man named Greeley, ex-member of the Chicago Board of Trade, testified so bitterly against the Chicago Board of Trade.

Very truly, yours,

FRANK H. FUNK.

Mr. Funk, who has charge of the grain-inspection department of the commission named, is a farmer. Both his family and his immediate relatives have for many years been leaders in the great corn-belt region in the production, improvement, and marketing of corn.

I wish now to read from the secretary of the Illinois Grain Dealers' Association a letter dated March 30, 1914:

The grain trade of Illinois are very much interested just at this time in the passage of the Lever bill, providing for Federal supervision of existing systems for grain inspection.

Your support of the Lever bill and opposition to the McCumber bill meets with the approval of practically every grain dealer in the State of Illinois. The country shippers, represented by the State associations of Ohio, Indiana, Illinois, Iowa, Nebraska, Kansas, and Oklahoma, have been working for Federal supervision for a number of years, and it is believed that such a measure of protection will be entirely satisfactory.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. SHERMAN. I yield.

Mr. McCUMBER. Will the Senator indicate why, if the system is so perfect, as they claim it to be, they themselves want governmental supervision?

Mr. SHERMAN. They want the uniformity that comes from supervision. They oppose double inspection, which must result unless the State abandons the system it has developed and perfected in more than 40 years. The large public elevators of Chicago could not be operated under Federal law, and this would compel the State inspection to continue. Supervision would not interfere with the harmonious action of both measures.

Mr. McCUMBER. No; they want, first, standard grades which shall be uniform, and then they want Federal supervision, as the Senator has just read. Now, why do they want Federal supervision if they know that their system is perfect now and they can trust themselves?

Mr. SHERMAN. The Federal supervision is desired, and that is the purport of the letter, only in order to bring the State systems of inspection to the uniform standards that are promulgated by the Department of Agriculture, and at the same time it keeps the instrumentalities of inspection where they are, to be reached by the people who are directly affected. Supervision gives all the benefits of uniformity in grades without destroying or hindering the grain trade of the country.

[At this point Mr. SHERMAN yielded the floor for the day.]

Tuesday, April 14, 1914.

Mr. SHERMAN. Mr. President, the reason why the different State inspection systems are in conflict with Senate bill 120 is because the inspection of the grain is now made through the instrumentality of these several State systems on an actual examination. The grades are fixed by the inspectors, and they are the instruments of inspection. They belong to the several States. What the States desire is that their systems shall not be destroyed, but that there shall be a uniformity of standards of grades; and when that is done all the useful purposes de-

signed by the bill now pending are executed. These purposes of the different State inspection systems are perpetuated and provided for in the Lever bill now pending in the House. The Lever bill represents the views of the Department of Agriculture, the arm of the Federal Government that is asked by Senate bill 120 to absorb the inspection systems of the States. The Department of Agriculture opposes grain inspection but favors supervision. There is a great deal of difference between the destruction of a State system of inspection and the standardization and the uniformity of a system by which they grade the grain.

I complete reading the letter from the Illinois Grain Dealers' Association:

The utilities commission of Illinois have adopted the proposed Federal grades of corn, effective July 1 next.

Now, with Federal supervision, this would give us one system of inspection—interstate and intrastate. The supervision proposed by the Lever bill would not entail any additional expense—or, at least, but little—while a double system of inspection would entail great expense. The grain dealers of Illinois approve of your opposition, and urge your continued support of the Lever bill.

Another thing: There is a bill before the Senate known as the Pomerene bill of lading. This bill was passed by the last Senate and is now, as I am informed, out of committee, but there seems to be difficulty in getting it up for passage. The grain trade, country wide, would greatly appreciate the passage of the Pomerene bill, and your support is earnestly solicited.

Very truly, yours,

ILLINOIS GRAIN DEALERS' ASSOCIATION,
S. W. STRONG, *Secretary.*

I might go a little further in this letter and state that the Grain Dealers' Association of the State of Illinois is composed of grain handlers at every point in the State. It comprises a very extensive membership, and it fairly represents the condition of the grain trade in that State.

I read next from a letter of Mr. Canby, the president of the Chicago Board of Trade. It might be said that Mr. Canby is not more interested in this controversy than those who criticize him and the board of trade. The quality of interest renders on the rules of evidence the witnesses equally credible. But Mr. Canby has not got in the report of the committee. None of the printed testimony so far has given him a hearing. This grows out of the fact, I shall assume, that the report of this committee made on the 4th day of February, 1914, was upon the evidence already taken. But little of the evidence reached up to the time of 1912, two years ago. A large part of it was from five to six years old on which this committee report was made.

Mr. Canby, in a letter of March 9, 1914, says:

CHICAGO, *March 9, 1914.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: * * * In regard to this general subject I would say that the only certain element entering into the grading of wheat is that of test weight. The other elements are determined according to the judgment of the inspector. As a consequence there is at times a conflict of judgment as to the grading of wheat, and there always will be, from time to time, when there is an opportunity for difference of opinion. Inspectors disagree with each other, and sometimes an inspector will reverse his previous grading. For this reason there is always the opportunity offered to appeal from the decision of an inspector to that of the chief inspector. This situation would not be changed by having an inspector called a "Federal inspector" instead of a "State inspector," for, presumably, they would be approximately the same men performing the service.

In regard to the question of inspection and grading in Chicago, I would say that this work is entirely under the control of the State. The board of trade as an organization, and none of its members, can control the State inspection. Furthermore, no one would dare to attempt to influence the action of an inspector. The public-utilities commissioners of Illinois are honorable and upright men, and if anyone has any complaint to make about the service of the inspection department, which is under their jurisdiction, it should be made to them. I beg to assure you that the Chicago Board of Trade is not only most desirous to have at all times the most efficient results, but they will cooperate with any association to prevent anything but the best resuls.

If in the course of any speech made by any of the Senators, reference should be made to any statements by one S. H. Greeley before the Rules Committee of the House last week, you can state that in our opinion he is unworthy of credence, owing to his radical abuse of many things of which he has no specific knowledge. He was a member of this board for a long time, but by his actions has lost the respect of the great majority of his former fellow members. You can state most positively that there is no market in this country or in the world where the standard of inspection to-day and the grading of grain is more carefully performed with better results than in the city of Chicago.

I remain, very truly, yours,

C. H. CANBY, *President.*

Before the reading of the letter was concluded Mr. SHERMAN said:

I will insert the rest of the letter without reading.

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). If there be no objection, it will be inserted in the RECORD. The Chair hears none.

Mr. SHERMAN. I wish to economize time as much as possible.

I next read from a letter of Mr. J. C. F. Merrill, present secretary of the board of trade, under date of February 24, 1914, omitting the formal introduction:

CHICAGO, *February 24, 1914.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.

DEAR SENATOR SHERMAN: * * * Exchanges, State and local associations of grain handlers have generally united in opposing it, and thus far have succeeded. Senator MCCUMBER lives in one of the three surplus-grain States having no primary market within the State, hence the desirability of a Federal inspector at the North Dakota-Minnesota State line.

I am giving this as the view of the writer of the letter, and not for the purpose of criticizing the Senator from North Dakota.

It smacks strongly of exploiting the entire grain interests of the country for the convenience of one State. Senator MCCUMBER, in a public address at Indianapolis some years ago, said: "I know nothing of the conditions in your State or in any State except my own." Not a broad basis to rest his action on. The entire grain interest east of the Rocky Mountains has for two years past agreed to Government supervision of existing grain-inspection departments. A committee representing farmers and all classes of grain handlers is now drawing up such a bill and the Department of Agriculture of the United States is assisting, Secretary Houston having met the committee in conference and approves the action.

This was written last February. Since that time the bill has been perfected through the joint action of the persons named in this letter and the department, and it is now pending in the House under the name of the Lever bill. The Gore bill which is pending in the Senate, I think, is identically the same bill.

The public elevators of Illinois, our large class A houses, could not be operated under Federal law; therefore the present Illinois State grain-inspection department, of necessity, would continue. Double inspection, costing a quarter of million dollars at Chicago alone, and that annoyance that commonly exists between concurrent authority applied to the same thing and other objections, would be the result. Supervision, the harmonious blending of the two, will not interfere with the operation of our public houses, and will secure freedom from Federal interference of interstate shipments of grain so inspected and supervised on the charge of misbranding. It, in short, will give us the benefits without the annoyances of Federal inspection. True, it will not secure to North Dakota inspectors at the State line, but there will be no need of them. Federal supervision will result in uniformity of inspection; the same application of the same rules to the same kind of grain throughout the country, therefore no need of stopping cars at State boundary lines where there is no market for purpose of grading only.

Mr. MCCUMBER. Mr. President, with the Senator's permission——

Mr. SHERMAN. Certainly; I yield.

Mr. MCCUMBER. I might indicate that the error in the first premise, which called for inspection at the State line, according to the writer's view, evidently permeates his conclusion, and, inasmuch as there is no provision in the McCumber bill requiring any inspection at the State line, but only at the terminals and by the very men who are now inspecting under the present system, one can see how far-fetched is the conclusion which is drawn by the writer of that letter.

Mr. SHERMAN. I should like to inquire of the Senator from North Dakota if he expects an inspector or a deputy inspector to be within the limits of the State of North Dakota in the event of the passage of this bill?

Mr. MCCUMBER. Certainly not. If the Senator will read the bill, he will see that it refers only to those great terminals where inspection is now made. It does not change in any respect the present system except that it changes the persons making the inspection.

Mr. SHERMAN. However, if I have a correct recollection of the bill, it would permit, in the discretion of the Secretary of Agriculture, the placing of an inspector or the creation of an inspection point at any place in the United States, unless the bill has been materially amended since I read it over.

Mr. MCCUMBER. Would the Senator like an answer?

Mr. SHERMAN. Certainly.

Mr. MCCUMBER. I suppose the Senator wants to be accurate, and we want to meet on common ground. The very beginning of the bill shows that it is to be operative only at the great terminal markets. Then, in my own State there are places, for instance, where there are milling centers; and if they desire inspection, and if they should pay for the inspection at those points which have business enough to justify it, the Government might give them an inspection for their particular business at a smaller place.

Mr. SHERMAN. I think we are probably meeting on common ground on that point, and I read from section 2 in order to verify this hope:

That said Secretary shall also appoint, in accordance with the rules of the civil service, at each of the following cities.

Enumerating them, which I omit, concluding that part of the section with this language:

And at such other important centers of interstate trade and commerce in grain as he may consider necessary or proper for carrying out the provisions of this act, one chief grain inspector—

Who else?

and such assistants as may be required to inspect and grade grains as herein provided.

I know where these things end, and so does every other Senator. Just as soon as this is an act of Congress, wherever these complaints have arisen petitions and personal applications will immediately begin to exert their pressure upon the Secretary of Agriculture. They will demand the establishment of inspection points in the several States where inspection does not now exist. They thereby avoid the expense of creating one by the State. Sections 8, 9, and 13 are to be read together.

It is true that the grain trade, the producer, handler, or consumer finally pays the charge; but, in addition to that, there is always some expense that in the end falls on the Government. It is rare that these departments in the Federal Government are self-sustaining. It is only in recent years that the Postal Service has sustained itself. Uniformly, if you search the appropriations for the Post Office Department of the Government for 50 years, you will find out of that 50 precious few years where it has been self-supporting. It is the inevitable result of all experience of governmental operations that they run so as to create a deficit, and finally call upon Congress for appropriations in a deficiency bill. Just as soon as it begins to bear heavily upon the grain producers and handlers that soon will there be a demand that the Government bear the charge of inspection, not only at the points enumerated in section 2, but the new points that will be created by the pressure brought to bear upon the Secretary of Agriculture.

The Secretary of Agriculture is no demigod who has come down from heaven to administer affairs in this world. He is a human being like anybody else. He will have the same emotions and wear the same kind of clothes and be subject to the same political influences as all other people in this world. I have long since divested myself of the delusion that by simply calling a man a Federal officer you can thereby expect to produce perfection in his official conduct. It will be like all other appropriations of the Government. Eventually deficiency appropriations will appear in this Chamber and at the other end of the Capitol.

I will not undertake to investigate motives, but I think the general phrase in section 2, after the enumeration of certain points, is designed to cover inspection within the States from which this complaint comes. At what point will this inspection be made? On the State line? Probably if there is a collection point for freight, that would justify the request. If there be on any of the railway lines within or passing through the surplus grain-producing States a point where freight naturally collects, so that the inspector could reach the cars, there is where it will be had. I would not go the length to say that at each purchase point, at each crossroads, down at every little elevator where grain is received from the farmer there will be a demand for an inspector. I do not think that is a fair argument, although some of the witnesses here in their testimony seem to infer that that would be the case. I think, in the event of the establishment of inspection points other than the ones specifically named in section 2, it would be at such important points as would justify it reasonably, where, for instance, there are a number of common carriers collecting grain in cars in such a way that an inspector could economically and efficiently perform the service. I think that is the fair way to look at it.

That, however, will lead to an increase of the inspection service as now conducted. In the same eight States that have inspection systems that are now in operation they are conducted efficiently and economically. If it be spread out under the provisions of this bill, it will follow the course of all other developments of Federal power and bureaus.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. SHERMAN. Certainly.

Mr. McCUMBER. That the Senator's suspicion may be allayed, let me say to him most frankly that it would be an impossibility to have anywhere within the confines of my State or within the confines of the State of South Dakota or Montana any general inspection point. Not a carload of grain goes out of those three States that does not go either to Chicago, Minneapolis, or Duluth, if it goes into the market at all. Our general roads, the large roads, that handle all our grain will pass the State lines at 20 different points. There will be neither facilities nor would there be any possible demand for them, because as they all center eventually in one of those three great places, it can be done with a great deal better facility and to better advantage in those places. So there could not be a place in my State, except some little milling places of consumption, where they might have a Government employee, and there they could have it provided the business at that mill was sufficient to justify them in asking and paying for an inspector.

Mr. SHERMAN. I have no doubt the Senator is well informed and in good faith in the statement, but I think his constituents would be very much disappointed in that construction of the bill. I do not think that is what the States concerned really expect.

Mr. McCUMBER. I want to assure the Senator that my constituents would not be disappointed. They never would expect anything of that kind. In all their discussions in the State nothing of that kind has ever been suggested.

Mr. SHERMAN. The difficulty is the grain is inspected at a distant point. At that point it is no longer the farmer's grain. He has long since been paid the price and parted with its ownership. Whenever it fails to rise to the grade the producer, or, rather, the grain buyer, expected, then there is consequent dissatisfaction. I am not complaining that it is in bad faith at all. It rises from the inherent disposition of human nature. There is always a feeling that some unfairness has been practiced. It is sold in the primary market at a distant point 400 or 500 miles away, as the case may be, and naturally they think unless it rises to their grade something unfair has been practiced on them. So I do not believe the dissatisfaction that has led to this bill would be at all appeased by continuing the inspection at the points where it now is.

I read from Mr. Merrill, secretary of the board of trade, a letter dated March 23, 1914:

CHICAGO, *March 23, 1914.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR SHERMAN: I appeared before the Senate committee during the Sixty-first Congress, but unfortunately at the moment do not happen to have the record in my office. I think probably it is at my residence. Senator Dolliver, as chairman, stated that Senator McCUMBER had been invited by the committee to be present as a matter of courtesy. During my representation to the committee Senator CRAWFORD turned to this evidence and read it in detail, showing the quantities of each grade of wheat unloaded into the house and the quantity of each grade of wheat loaded out of the house, and asked me if I thought such practice was honorable. My reply was that it was absolutely so and very beneficial, whereupon almost the full committee of Senators looked at me in surprise. I then explained that this house was a cleaning house, sometimes called a "hospital," because it cured defects and disabilities; that the buyer for this house would not buy grain possessing inherent disability, such as must or mold; that he bought wheat which by cleaning could be made of prime quality, or he bought wheat testing a pound or two per bushel by the minimum weight allowed for No. 2 or No. 1 and by mixing it uniformly with other wheat testing a pound or two or more above would produce an average within the requirements of the rules; in other words, I explained the house did the work the farmer should have done for himself, and which had he done before selling his grade the latter would receive on its arrival at the market place the highest grade its quality would entitle it to. I further stated to the committee that it was not Federal legislation the farmer needed, it was simply a "fanning mill"; that the possession of that inexpensive implement and its use would cure his ills and that he might not with propriety ask a legislative cure for his ills which he himself created and which he himself might easily cure. I explained that these cleaning houses are numerous in all primary markets, and because of their number competition between their buyers is keen and strong and results in the highest possible price being paid for the grain in the dirt, based on its value when cleaned.

In the Northwest, where our spring wheat is grown, the inspection rules require the inspector to weigh a suitable quantity to enable him to accurately determine the weight per bushel of the seed in each bushel, and certify to the same on his certificate in order that the seller and buyer both might be officially advised of the real amount of wheat in each 60-pound weight of the mixture of wheat and seeds; and this question of dockage was the original source of all of this movement toward Federal inspection. The Dakota farmers believed, or professed to, that the State grain-inspection department of the State of Minnesota was robbing them by certifying to more weed seeds in their wheat than existed, and what Senator McCUMBER really wants is a law under which the Secretary can be induced, if possible, to place Federal inspectors at the State line.

I know the Senator will not answer this again. I am reading it only because it is a part of the letter.

So that North Dakota wheat may go to market with Federal grade predetermined, and this is why supervision of existing Federal authorities, which in effect would be a unification of Federal and State authority instead of conflicting authority, does not please him. I think I told you that the grain trade of the country is in favor of supervision, but it is very largely opposed to the creation of an entirely new Federal department.

You know, Senator, that spring-sown grains or crops have to contend with weeds to a greater degree than fall-sown crops, for the reason that much, indeed most of the weeds are tender annuals and are killed by the frost of winter, and the grain is therefore comparatively clean in the spring, and being already established, makes a growth sufficient to prevent germination of other weed seeds, whereas with spring wheat, if the germination period be cool or dry, the "fittest to survive" rather than the "survival of the fittest" occurs and the weeds get the start of the wheat and flourish equally well and sometimes better, thus producing a heavy mixture of foul-weed seeds and the wheat.

* * * * * * *

If you have read in the RECORD, to which you have referred, on page 103, the charge of Mr. Greeley against the Chicago elevators, and have read what Senator Dolliver said to him, on page 104, and have also noted that on page 105 Senator Money told him that he would like to have him go home and attend to his own affairs and wash his linen at home, etc., you will then understand the impropriety of Senator MCCUMBER mentioning his name and giving his evidence as a credible witness; and further stating that, as he was then speaking, he understood that he had been subpœnaed before a House committee, whereas the fact was, he applied to be heard and again delivered about the same tirade against the Chicago elevator men that he did in 1908; indeed, it has become a mania with him and he is entirely an irresponsible witness.

Should you have the RECORD before you of the Congress succeeding the one of the RECORD to which you refer and should turn to my evidence, you will find that the committee asked me about Mr. Greeley, and that my reply was that he was a friend of mine; that he was a good husband and kind father, but wholly incompetent to give them fair evidence on the question.

I wish to explain here that the inspection in Illinois originally developed in Chicago. It was afterwards extended by an act of the legislature which the present occupant of the floor had something to do with in framing and passing in the Illinois Assembly of that State. The inspection system has extended to other counties in the State upon the application of the several county boards. It was deemed expensive to apply it to all the counties in which there was a grain market, but whenever the local market had reached that condition, in the opinion of those petitioning the county board, they could have local inspection in that county on making that application. Accordingly East St. Louis applied for and received inspection. The city of Decatur, I believe, very recently has applied and been given an inspection point. Other points where local inspection is had are wholly upon the buyers' and sellers' contract, among which is Cairo. I have from the president of the Cairo Board of Trade a telegram dated March 10, 1914, which I ask to insert without reading, as they all follow the same line.

The PRESIDING OFFICER. If there be no objection, the telegram will be inserted in the RECORD.

The telegram is as follows:

CAIRO, ILL., *March 10, 1914.*

Hon. LAWRENCE Y. SHERMAN,
Washington, D. C.:

The McCumber bill will work irreparable injury to the grain trade and the producers. May we ask your earnest cooperation in defeating the measure? Understand the Agricultural Department will introduce a bill prepared after a careful study of the subject following conferences with grain dealers and farmers.

H. S. ANTRIM,
President Cairo Board of Trade.

Mr. SHERMAN. Mr. President, from Peoria, Ill.—from T. A. Grier & Co., grain men—I have a letter of February 24, 1914, covering the same ground, which I desire to insert in the RECORD without reading at length.

The PRESIDING OFFICER. If there be no objection, the request will be considered as granted.

The letter referred to is as follows:

PEORIA, ILL., *February 24, 1914.*

Hon. L. Y. SHERMAN,
Senator, Washington, D. C.

DEAR SIR: We understand that Senator McCumber's bill—Senate bill 120—for Federal inspection of grain has been reported favorably by the committee and is liable to be put upon its passage in the Senate sometime in the very near future.

We would appreciate it very much if you would look into this matter very carefully, as we believe that this bill should not be passed at this time, for the reason that the Secretary of Agriculture has investigated the matter of grades on grain and has promulgated certain grades for corn, to take effect July 1 in interstate business, and that this department is now investigating the proper grades for other grains, such as wheat, oats, barley, rye, etc., and as soon as this department has ascertained the proper standards for these grades they will promulgate rules for them.

It occurs to us that the passage of the McCumber bill at this time would complicate matters decidedly, as the Secretary of Agriculture has expressed himself as not being ready to promulgate standard grades on other grain than corn. We believe that this is a matter that the Secretary of Agriculture should decide, and if he thinks it is necessary to have a bill passed for a Federal inspection of grain he will certainly at the proper time let it be known. But at this time his investigation has not been pursued to a point where he could undertake the inspection of all grain.

We are not sure but that the present method of inspecting grain by various boards of trade and State boards is not the best method, under strict supervision by the Government, but we are quite sure that the investigation by the Agricultural Department has not reached a point where they could take over the inspection of grain without great loss to the department and to the grain interests of the country.

We would appreciate it if you would look into this matter, and, if you find it as stated, if you will do what you can to prevent the McCumber bill being passed.

Yours, truly,

T. A. GRIER & CO.

Mr. SHERMAN. I read a small portion of this letter, because I deem it material in the presentation of the reasons against this bill:

It occurs to us that the passage of the McCumber bill at this time would complicate matters decidedly, as the Secretary of Agriculture has expressed himself as not being ready to promulgate standard grades on other grain than corn. We believe that this is a matter that the Secretary of Agriculture should decide, and if he thinks it is necessary to have a bill passed for the Federal inspection of grain, he will certainly at the proper time let it be known. But at this time his investigation has not been pursued to a point where he could undertake the inspection of all grain.

This was written last February. Since that time the remarks I have already made, applied to the Lever bill, would explain how this correspondence is material to the bill. I read from the Peoria Board of Trade a letter dated February 27, 1914, and also ask that it be printed without reading at length.

The PRESIDING OFFICER. If there is no objection, the request will be granted.

The letter referred to is as follows:

PEORIA BOARD OF TRADE,
Peoria, Ill., February 27, 1914.

Hon. L. Y. SHERMAN, *Washington, D. C.*

DEAR SIR: At a meeting of our board of directors a resolution was unanimously passed requesting you to use your influence, if you find our position correct, to defeat the McCumber bill, that we understand will soon be introduced in the United States Senate, "to regulate the inspection of grain." The Federal Government, through the Agricultural Department, has under consideration now the adoption of rules and regulations governing the inspection of grain, and has spent six or seven years of active research and investigation to determine the best possible method to bring about the desired result. The grain dealers and growers, through their accredited representatives, have, after several conferences with the Federal representatives, been given to understand that the tentative rules as promulgated by the Agricultural Department would be put into effect by the Government July 1 next. We believe the Federal Government is competent, after so long an investigation of the subject, to put on our statutes a law that will best subserve all interests in one of the greatest industries in our country, and that any interference at this time would be in bad faith and likely to destroy all the labor of the Department of Agriculture as well as representative grain men who have given much time and consideration to the subject.

Trusting you will give the matter your careful consideration and aid the Department of Agriculture and the grain trade of our country in their endeavor.

Respectfully,

N. R. MOORE, *President.*
JOHN R. LOFGREN, *Secretary.*

Mr. SHERMAN. I present a letter, dated February 25, 1914, from Mr. C. H. Feltman, who is a grain commission man of the city of Peoria, Ill. I ask that this letter, which follows the same line as the others, be introduced into the RECORD without reading.

The PRESIDING OFFICER. In the absence of objection, the request will be granted.

The letter referred to is as follows:

PEORIA, ILL., *February 25, 1914.*

Hon. L. Y. SHERMAN, *Washington, D. C.*

MY DEAR SENATOR: You are probably aware that the Agricultural Department of the United States made an exhaustive study gathering data to intelligently grade grain. I believe this work covered a period of seven years.

Several conferences and conventions were held at which Government officials, grain consumers, producers, and dealers were present, and finally the Agricultural Department put forth a set of rules governing the grading of corn. Other rules will shortly follow, covering the grading of other grains, and a bill will shortly be introduced providing for the Government supervision of inspection at all grain centers. I have personally attended four of these conferences, and it is due the Government officials to say that no men could have more honestly done their work and been more fair to the consumer and producer.

I am informed the Federal inspection bill introduced by Senator MCCUMBER, of North Dakota, is liable to be called in the Senate at any time. In view of the work which has been done by the Agricultural Department to accomplish the same end and soon to be put into effect it seems to me and the grain producers and consumers generally that the passage of the McCumber bill or any other similar bill would be inoportune at this time and tend to embarrass and complicate the exhaustive work already done.

I hope you can agree that it would be unwise and unnecessary to pass the McCumber bill at this time.

Very sincerely, yours,

C. H. FELTMAN.

Mr. SHERMAN. I also present a letter from P. B. & C. C. Miles, of Peoria, Ill., written February 24, 1914, which I ask may be inserted in the RECORD without reading.

The PRESIDING OFFICER. If there is no objection, permission is granted. The Chair hears none.

The letter referred to is as follows:

PEORIA, ILL., *February 24, 1914.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.

DEAR SIR: We understand that the McCumber bill concerning inspection of grain is likely to be called up very soon for action. We address you in this matter to call you attention to the fact that the intention of the Government, shown by the action of its Agricultural Department—which has been working closely with the National Grain Dealers' Association for years with a view of bettering the grading of grain—has resulted in the adoption by the Government of standard rules for the grading of corn, with similar action to be taken on other grain as rapidly as it can be done. Also that there is a bill now being prepared for the supervision of grain inspection under rules that are now being made, which will be presented to Congress very soon.

We believe the passage of the McCumber bill as presented would result in a general mix-up of the proposition, in view of the agreement of the Agricultural Department and its attitude toward the grain trade. We hope it will be clear to you that the McCumber bill should not pass, and that you will do what you consistently can to prevent it. We feel sure that the Agricultural Department and the grain trade as a body

will be able to meet all demands, and that the final result will give general satisfaction.

Yours, truly,

P. B. & C. C. MILES,
Per CHAS. C. MILES, *Vice President.*

Mr. SHERMAN. I present a letter from the Warren Commission Co., of Peoria, Ill., dated February 27, 1914, which I will not read, but will ask to have printed in the RECORD.

The PRESIDING OFFICER. If there is no objection, the request will be granted. The Chair hears none.

The letter referred to is as follows:

PEORIA, ILL., *February 27, 1914.*

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.

DEAR SIR: We are advised that the McCumber Federal-inspection bill is apt to be called up in the Senate for consideration most any day. You are undoubtedly in touch with the situation in regard to this matter; but not knowing that this is absolutely the case, we would like to say that we believe that this bill, if passed by the Senate, would directly conflict with the intention of the Government as expressed through its Agriculture Department, which has been working harmoniously with the grain trade for some time. This work has resulted in the adoption of Government corn rules, with standards of other grains to follow.

There is also a bill being drawn up for the supervising of inspection under these rules, which we understand will be presented for passage within a few days and will take care of the situation in good shape, as we see it. We believe that the passage of the McCumber bill would place the Government in an embarrassing position, in view of its agreement and attitude toward the grain trade.

We strongly urge your cooperation in the above matter, and will thank you for your efforts along this line, which will solve the problem, we think, to the satisfaction of everyone concerned.

Yours, truly,

WARREN COMMISSION CO.

Mr. SHERMAN. Mr. President, I particularly wish to refer to the testimony of Mr. Greeley. Mr. Greeley, like many another witness, testifies too much. I refer especially to his testimony on page 93 of the hearings, conducted from January to April, 1908, before the Committee on Agriculture and Forestry of the Senate. Mr. Greeley says that he fought the Elevator Trust for 17 years when he was in Chicago on the board of trade. He was then acting in the capacity of an independent commission merchant.

Mr. Greeley was asked by former Senator Dolliver:

Are there no commission merchants in Chicago except yourself that take your view of it?

Mr. GREELEY. Very few of them. You can find very few.

Senator DOLLIVER. How do you account for that?

Mr. GREELEY. They do not dare do it.

Senator DOLLIVER. There are thousands of them?

Mr. GREELEY. Yes, sir; but they have not the courage.

Senator DOLLIVER. They are honest men, intelligent men?

Mr. GREELEY. These men are too powerful for them to fight.

I wish to stop right here, Mr. President, actuated solely by a desire to get at the truth—I have no interest in these men; they are only a part of my constituents; numerically they are in the minority; those who live outside of the city of Chicago who are not engaged in the grain business as commission men or as members of the board of trade are very greatly in the majority in that State—but in the interests of truth let me inquire whether Mr. Greeley is correct when he says that the commission men, several thousand of whom are in Chicago, have not the courage to fight the elevator men?

This testimony was given in 1908. If Mr. Greeley had the information which it is to be presumed a man of his experience ought to have, he would have known that the cases to which I referred on Friday which curbed the elevator companies and put an end to their unauthorized practices were wholly fought from the trial court to the court of last resort by these same commission men, most of whom are members of the Chicago Board of Trade, men against whom Mr. Greeley gives this testimony. They were members of the board of trade; and there is hardly a commission man in the city of Chicago handling grain who is not, if he handles any considerable volume, a member of the board of trade.

This struggle with the elevator men began in the early nineties; it reached its period of final litigation in 1897 and 1898 and along in 1902 to 1904. The supreme court of that State, at the time Mr. Greeley testified, had curbed the assumed power, I repeat, upon the application, the complaint, the testimony, and the enjoining order obtained by these same commission men. They had the courage of their convictions, and in the exercise of that courage they broke up the very practices of which this witness in his testimony complains. Mr. Greeley continues:

I feel from my experience—and it is somewhat large, and I have talked with a great many people upon the subject—that in this particular instance, and not as a general proposition, we could be no worse off under any circumstances, and we are arguing to the belief that we can be a great deal better off.

Under Senate bill No. 120, if it were passed, is the point to which his testimony is applying. Mr. Greeley continues:

Thirdly, we believe that under a system of Government supervision, which is regular and effective and along the same lines, a system may be introduced by the Government which will become general at all market centers, whereby governmental tests and governmental examinations and the governmental stamp of approval and education may be put upon the various kinds of grain raised in this country, so that the education and the stamp of approval and the improvement will lend dignity and standing to the receipts which have that stamp.

Then Mr. Greeley goes off into a discussion of sales for future delivery, which I do not care to follow, except to generalize and to say that his testimony shows a lamentable misunderstanding of the criminal code in the State of Illinois, for if a man did the things that Mr. Greeley testifies could be done in that State he would be indicted for gambling. The anti-option law, or the law against betting on futures, in that State would entirely prohibit and does prohibit the commission of acts which Mr. Greeley in his testimony says are valid. Under the laws of that State a person who sells grain for future delivery must actually intend to deliver the grain and the buyer to receive it. If he is merely betting upon the difference in the market at a given time, if May wheat or corn is sold with no intention on the part of the seller to deliver or the buyer to receive, but it is understood that settlements will be made upon the difference in prices at the maturity of the time of delivery, that is gambling under the laws of that State. Still, Mr. Greeley says that is justified.

There is another thing about Brother Greeley.

Mr. McCUMBER. Will the Senator allow me to ask him a question?

Mr. SHERMAN. Yes, sir.

Mr. McCUMBER. I ask it purely for information to see if I have the evidence correctly.

Mr. SHERMAN. I yield to the Senator for that purpose.

Mr. McCUMBER. The Senator from Illinois states that a contract for future delivery without an intention to make actual delivery is, according to the laws, of course, of the State of Illinois—and it would be in Minnesota and in other places—gambling?

Mr. SHERMAN. Yes, sir.

Mr. McCUMBER. Now, I want to ask the Senator if the number of sales in bushels in the city of Chicago is not twenty times the number of bushels that are actually delivered in that city?

Mr. SHERMAN. They are; and maybe more, and it is a perfectly lawful transaction. I will tell the Senator why.

Mr. McCUMBER. Will the Senator tell me that it is possible to deliver twenty times as many bushels as are received?

Mr. SHERMAN. Yes, sir. It can be done and is continually done. Suppose I buy down in the middle or the central part of the State a carload of corn-fed native northern steers for the Chicago or the New York market. If you go on the market, somebody buys and somebody sells. There are 20 steers at the place where they are bought. If they are sold at Chicago, they go to the stockyards, are examined, and again sold by a commission man and the twenty again pass into somebody's else hands. That is 40 head. They pass into somebody's else hands at Buffalo or New York City and that is 60 head. By the time they get to England the transaction has involved 80 head. In the market reports that govern the movement of live stock on the hoof from the great beef-producing centers in the Mississippi Valley, you get the same multiplication of the head of steers; every time a warehouse certificate at Chicago is transferred from one to another it is a multiplication of the number of bushels and grades called for in that certificate; every time you handle a $20 gold certificate, every time you pay a debt with it, every time it clears out of the bank—it is like a check—every time it passes from one hand to another, Mr. President, it adds to the clearings of that bank center; it adds to the volume of business. My $10 check may pass through 20 hands before it reaches the bank it is drawn on. It is equal to $200, but I have not written $200 in checks.

The actual circulation of money in the United States explains just as much this proposition as does anything else. We have three thousand million dollars of live money in the United States.

The clearing-house centers of the United States show that is one hundred and sixty-eight billions, when you aggregate it, as the result of the clearing houses of the United States; in other words, for every dollar there is in circulation in this country there are $56 that are handled in the actual centers of trade. Every time an official evidence of a warehouse certificate passes from one hand to another—and it might pass a thousand times in the course of a summer—there are that many multiplications of the number of bushels called for in the warehouse certificate, just as there are on the face of the coin or on the bill which circulates as money.

Mr. McCUMBER. May I trouble the Senator again?

Mr. SHERMAN. Yes, sir.

Mr. McCUMBER. I beg to call the Senator's attention to the fact that wheat does not pass like currency. Wheat is consumed, while the gold dollar is not eaten up as it passes from hand to hand. Wheat is bought from the producer to go to a miller to be converted into flour. Now, does the Senator mean to tell me that wheat sold in Chicago by A to B in order to get to Z must pass through 26 hands and be sold and resold? I assume that if it had to be resold 26 times before it go to Z, then, necessarily, there would be 26 times as many bushels, but all the time somebody is living on the difference in the measurement of the sales from A to Z, which is always speculative.

Mr. SHERMAN. I am familiar with that view of it, and I want to say that in that aspect of the matter the Senator from North Dakota is looking through one end of the telescope while I am looking through the opposite end. He sees it from the viewpoint of North Dakota. I look through it from the viewpoint of the primary market. The fact that future sales are permitted under the laws and are made by contracts between honest men and are executed in a reasonable manner is one of the most potent factors in the maintenance of a permanent market for everything that is merchantable in this country known to the trade. The warehouse certificate passes from hand to hand like a check. It may be in one miller's or commission man's hands to-day and tomorrow in another's. It may change many times. "Selling short" is not a crime. The "selling short" on the Chicago market sale of anything from a dozen of eggs to a million bushels of wheat is not necessarily a crime. It depends upon the intent of the parties to the contract.

In regard to the consumption, wheat, for instance, in the form of flour, reaches at last the point where it passes out as a physical factor from the wheat supply in the country; that is true, but up to the time it reaches the man who mills it how many times does it pass through the hands of different holders? Nobody knows; nobody can tell. I can remember the time quite well, and so can all Senators of my age and those older can remember it better than we can, when for a great many products raised on the farm there was no permanent market, when during some parts of the season you could not sell certain products at all. To-day there is not a thing which the farmer raises out of the ground or which the truckman produces from his garden fit for stock or human food that does not have a market of some kind at some sort of a price. The vilest kind of grain, the dirtiest, most shriveled kind of grain that comes from the Senator's State will find a market. It will go into the elevators; it will go into the market in Chicago; it will be inspected in as low grade or no grade grain. What becomes of it? Oh, they say, it is improved, doctored, put in the "hospital," and sent out as No. 2 or No. 3. That grain is no longer merchantable, but the residuum, after all the dirt is taken out, is milled and turned into stock food to the extent of hundreds of thousands of bushels. I can take you into mills where such wheat or other grain year after year is ground up into stock feed and never answers any other purpose after it goes out of the elevators. It goes out, that is true; but it does not enter into the grades. Of course, that brings us back to the question of dockage that was raised a day or two ago.

The question of selling futures and selling short, as the saying is, brings up the old question of hedging. There is not a miller transacting any business worthy of consideration who does not hedge every time he buys any considerable quantity of grain for milling purposes. It is the only way anybody engaged in that business can insure himself against loss. He can not go to any insurance company and protect himself. No company has ever been developed to carry that class of hazards. The necessities of commerce created a method of protection. The only thing he can do is to go upon the markets of the country, so that when he buys wheat at 95 cents he immediately goes out and sells short wheat at 95 cents, or whatever the price is, taking a chance on the grain having the same time of maturity as his contract—May wheat or June wheat—as the case may be. Thus every time there is a rise or fall he gains and loses, the one balancing the other, so that practically he has a species of commercial insurance, arising out of the fluctuations of the market, that keeps him whole in the conduct of his business from year to year. The very fact that he is allowed to hedge in that way prevents him from becoming a grain speculator.

That accounts in considerable part for the apparent discrepancy between the actual quantity of wheat and the quantity of wheat handled. Every hedging transaction doubles the apparent quantity of the actual grain concerned in the contracts. All of the large milling interests naturally go into "the pit" to buy the wheat. When the miller wants to secure a million bushels he does not go down into the country and buy a wagonload at a time. That is the way the old water mills used to run in the days of my grandfather. Those days and methods have passed away forever in this country; but still this bill and some of the arguments made to sustain it are based on the theory that we are living 75 years ago.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. SHERMAN. Yes, sir.

Mr. GRONNA. I want to ask the Senator from Illinois if he believes that the farmers indorse the system of buying and selling wheat as he has just described it?

Mr. SHERMAN. Which system?

Mr. GRONNA. The system of "hedging," as the Senator calls it.

Mr. SHERMAN. Well, I can tell the Senator about the farmers about whom I know.

Mr. GRONNA. I simply want to ask the Senator the question, if he believes the farmers indorse the system?

Mr. SHERMAN. I can tell the Senator about the farmers of whom I know. I have no complaint against hedging and have not had in 15 years from the farmers of my State nor from the millers; from the little miller at a crossroads to the largest miller in the Mississippi Valley, I have not had a complaint; they all indorse or acquiesce in it.

Mr. GRONNA. If the Senator will allow me further, he was comparing the system of selling steers with the system of selling grain. In the method of selling stock, is it not true that the stock is always delivered whenever there is a sale made?

Mr. SHERMAN. No; it is not true; it may be "sold short" just like anything else.

Mr. GRONNA. Well, of course we learn something every day; but this is the first time I have ever heard that statement.

Mr. SHERMAN. Very likely stock is not "sold short" in all parts of the United States, but I believe men sell stock when they do not own the steers and will not have them for three or six months.

Mr. McCUMBER Do they sell them by number or by weight?

Mr. SHERMAN. By gross weight; that they shall not fall below or shall approximate an average weight; that they shall be native northern steers, fed corn for a certain number of days. The contracts are written out.

Mr. GRONNA. Is not the Senator confusing the sale with the contract? There is a contract made under which the man who has the steers is permitted to keep them, fatten them, and then to deliver them at a certain time.

Mr. SHERMAN. No; I beg the Senator's pardon; that is one way, where a man has stock actually on his farm, and he sells it for June delivery, but begins to feed it at once, or at the time stipulated, and it is provided that they shall be fed corn for so long. That is the old way; but the potential steer is in sight, as he will be next June.

Mr. GRONNA. Does the Senator mean that in the stockyards in Chicago, or the stockyards in any large city, it is a common practice to buy stock without delivery?

Mr. SHERMAN. Men may both buy and sell who have not a hoof of an animal in the world. They depend on the market to get the stock. It may not be practiced at the yards; but men in stock-feeding countries sell when they own no animals, depending on their knowledge of the capacity of the place to fill out the agreed number of carloads when the time comes.

Mr. GRONNA. Does the Senator from Illinois indorse that system?

Mr. SHERMAN. I do; and I indorse hedging, and I indorse "selling short," where the persons intend to deliver the grain or the article contracted for; and I will take my chance in my section of the country; and I think I know what the sentiment is. A contractor who agrees to put up an office building may not have a foot or a pound of material or a day's labor when he signs the contract. He "sells short" a million dollars, and depends on his agreement with the steel mills or quarries or laborers or the market only to deliver the completed building within the stipulated time.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. SHERMAN. Yes, sir.

Mr. McCUMBER. The Senator is very kind in yielding, and his argument is very fair, indeed.

Mr. SHERMAN. It facilitates matters, for we want to get things right.

Mr. McCUMBER. I want to carry the Senator's thought a little further in the matter of hedging. Hedging is always indulged in on the basis of something having already been bought, so that there is at least one delivery in that case?

Mr. SHERMAN. Yes, sir.

Mr. McCUMBER. And an assumed delivery in the future?

Mr. SHERMAN. Yes, sir.

Mr. McCUMBER. Now, I have heard no complaint as to hedging, and this bill, of course, does not at all deal with or touch that method of business. In fact, I agree with the Senator that it is probably a good method of insurance if the transaction is made in good faith with the intention to deliver——

Mr. SHERMAN. I assume that.

Mr. McCUMBER. And not merely a gambling contract. I want the Senator to understand that I am not disagreeing with him in that respect, nor does this bill touch that in any way.

Mr. SHERMAN. I only referred to that because it is necessarily connected with some of the conclusions drawn by Mr. Greeley in his testimony. I think the sale for future delivery is a good deal like having a horse; if you are going to prohibit a man from having a horse because some horses can travel faster than a walk, then you make life in Kentucky and some other points very undesirable for a gentleman of leisure. [Laughter.]

Take another illustration: Whether or not playing the great American game of draw poker is gambling depends upon the intent with which you play it. If you play it with the broken ends, the stubs of matches the heads of which have been broken off, they do not have any value, and that is not a crime. Even the police here in this Capital of our Republic, who are sweeping the city with a fine-tooth comb, could not yank me and my brother Senator if we wanted to sit down and play for broken match heads. That would not be a crime, because there would be nothing of value involved; the intent governs; but if we were to redeem the match heads when the game was over, then it would be gambling, and we would properly be punished. That is the law of many States as to "selling short," whether it be grain, live stock, corporate stocks, or anything else. It is a question of intention. If the intent of the vendor and the vendee is to deliver and to receive, and not to bet upon the fluctuations of the market at the end of the matured period, it is lawful. However, according to my friend Greeley, who testified here, you do not need to have the intention at all; you can bet on the difference of what the market is going to be three months from now, and it is lawful to do so.

Here is another thing that I think it is proper to consider in weighing his testimony: After describing the manner in which the public warehouses transact their business and keep a lot of weevil-infested wheat year after year in order to bear the market—something which nobody but Greeley ever heard of; if there was any wheat of that kind it was kept in "the hospital"; it was not kept as a permanent article of commerce or for the purposes indicated by him—but after describing the way these different varieties of grain were stored he goes on to say:

> The aim was for the elevator man to sell it ahead for future delivery at a premium; and when the future delivery day came, when he was to deliver the receipts on his contract, the grain would be of such inferior quality (made from a manufactured article in what they term a "hospital" or private elevator) that the man who had bought the grain would, as we term it in the trade, "liquidate," or sell out. The elevator people stood ready to buy at the depreciated price, and would then resell for another deferred delivery to another speculative bull or bear. He in turn would pay a premium for that next deferred delivery, and thus a tax would be added to the grain for the privilege of buying that future.
>
> Thus was introduced an endless chain, from month to month, of forced liquidations on the part of the people who bought this grain. That went to such an extent from 1887 to 1893, and the depreciation of the grain by the forced liquidations of the speculative public became of such enormous importance, that corn on these western prairies sold for 8 cents a bushel. I sold oats in the Chicago market myself for 13 cents and the best grade of corn for 19½ cents a bushel.

I have heard of "the crime of 1873" ever since I grew old enough to appreciate anything, and I have heard the quantitative theory of money expounded by distinguished professors and financiers. I went through the free-silver difficulty. I can remember somewhat connectedly the time when the rag-money baby was dandled on a great many people's knees. I can remember when they proposed to pay the bonds and the indebtedness of the United States by issuing additional promises to pay, payable in nothing of intrinsic value, and redeemable nowhere this side of the crack of doom. I heard all those things; but of all phantasmagoria that ever darkened the face of learning or bedeviled the Senate, nothing ever rose to the hideous dignity of what follows:

> That produced the panic of 1893.

Here you are. Out of the 100,000,000 people in the United States this man is the only one who was sufficiently informed and had the understanding, for which Solomon prayed, to discover it.

I will leave Mr. Greeley to his own devices. I should like to examine him in a court of justice under oath. It would be worth a day's travel, and paying railroad fare, to be permitted to do so.

Mr. Greeley has another obsession. It is that every State officer in Illinois, legislative and executive, is permeated with chronic rascality. Whenever I find a man who thinks everybody else in the whole world is a rascal, I am disposed to watch his testimony a little. That has been the result of my experience of 30 years in business.

Mr. Greeley indicts all public officers, beginning with the railroad and warehouse commissioners and the inspectors of grain, and goes through the list. Mr. Greeley is a citizen of Chicago, Cook County, Ill. I read from page 104 of the hearings:

> Senator DOLLIVER. I want to know whether you expect us to furnish you with an inspector that is less subservient to local influence about these transactions than your State officials, your prosecuting attorneys, your grand juries, and your officers of law.
>
> Mr. GREELEY. Your governor, your State's attorney, your railroad and warehouse commission, and your attorney general all knew of that violation.
>
> Senator DOLLIVER. They are all under the influence of this style of doing business, are they?
>
> Mr. GREELEY. They refused the prosecution; and when the case came up for grand jury investigation by the State's attorney, on the evidence to be submitted to the grand jury, there appeared before the State's attorney Mr. Percy Eckert, who is the law partner of Roy West, who is the campaign manager for Mr. Deneen, who is governor of the State, who was nominated, and his nomination seconded by Jim Patten, of the Grain Trust.

Why, that is like the house that Jack built.

I said something of Mr. Eckhart yesterday. I will say something of Mr. Deneen to-day. He was formerly governor of the State; governor for eight years, by grace of the voters of the State. Before that time he was for eight years the State's attorney of Cook County. For eight years of his life he examined and cross-examined and prosecuted and jailed and penitentiaried and hung the miscreants, the pickpockets, the thieves, the criminals that infest every great metropolis, in the greatest single jurisdiction of criminal business under one office in the United States.

The only complaint I ever heard of him was that he prosecuted too severely, and once in a while it was claimed a man got a little bit more than was coming to him, according to the ledger balance of criminality. I am skeptical on this. It is very difficult for a man to be convicted of crime. The law is quite scrupulous of a defendant's rights in a criminal case. That does not often happen in this country, but that was the complaint.

He was afterwards elected governor. I do not use the term in an offensive sense, but I wish to say that he was, as seen and defined by some of his critics, a reform governor of the State. Many existing evil practices in public affairs were broken up under his administration. The grain-inspection system of the State was put upon a civil-service basis, beginning with the year 1905, the first year of his administration. The old evils of which complaint is made here, and which I never defended for a moment, ceased upon that improvement. He placed the performance of his executive duties on a high level.

I was affiliated, in my political activities, with that element of the party in that State. I encountered, in common with those with whom I was associated, a great deal of trouble. It did not come from the elements about which Mr. Greeley testifies and condemns. It came from the other element of the party that was dominant in the State a part of the time. All of our difficulties, all of our criticisms, all of the opposition to these improvements that were subsequently made came from the adverse and subsequently the minority element of the dominant party in the State.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. SHERMAN. Yes, sir.

Mr. GRONNA. May I ask the Senator from Illinois if any of the men belonging to the wheat combine were executed during the term of Gov. Deneen?

Mr. SHERMAN. I have no doubt but that the Senator from North Dakota would like to have them executed, but we are not quite so savage in my State. I will tell you what we do with them: We indict all criminals in our State; we fine them and punish them as they merit. They have gone the ways provided by the statute for those who refuse to travel the straight and narrow path of righteousness. I believe we are quite normal in our administration of criminal justice in Illinois.

Senator Dolliver asks:

> How long would one of our little inspectors last in an atmosphere of that sort?

I suspect the Senator is growing a little sarcastic by this time. I was not well acquainted with him, but I apprehend that there began to dawn on him something like the same view that some of the rest of us have—that merely issuing a commission to a man by the Federal Government does not change him very much. He has the same foibles and weaknesses that he always has;

and if he gets into an atmosphere where he is going to lean, he will lean anyhow.

Senator MONEY. I would like to ask another question.
Senator DOLLIVER. I want this question answered.
Senator MONEY. All right; excuse me.
Senator DOLLIVER. What do you say to that as a practical question? How long would a salaried official last under influences that have corrupted your governor, your grand juries, your prosecuting attorneys, and the whole business community of Chicago?

This is the indictment which has been read here, contained in the evidence. That is my excuse for taking the time of the Senate. You have indicted a whole city. You have indicted 2,800 000 people. You have indicted all the voters. You have indicted every public officer of Cook County during this period. You, Mr. Greeley, and others with you have indicted the whole State of Illinois. You have indicted every public officer of the State. You are in the condition where you perform the impossible, because Edmund Burke said, "You can not indict a whole people"; and still that is what this witness and others are doing in their testimony.

The witness was asked how long such a salaried official would last under these influences, and he replied:

Mr. GREELEY. I do not know how long he will last. I know he lasts a long time now; and we want to take a chance on how long he will last. We are taking a chance with all you people.
Senator MONEY. I would like to ask you this question, if you please: What steps have you taken personally to go before the grand jury and lay these things before them?
Mr. GREELEY. I furnished the money, got up a collection, and secured the evidence.
Senator MONEY. Did you go into the grand jury room and tell them that you were aware of a violation of law?
Mr. GREELEY. No, sir; a man more capable than I of that proceeding took the initiative—Mr. John Hill.
Senator MONEY. He went before them?
Mr. GREELEY. Yes, sir.
Senator MONEY. And the grand jury examined him?
Mr. GREELEY. No, sir; he was never permitted to go before the grand jury.
Senator MONEY. Can not a citizen go before a grand jury and testify to a violation of law?
Mr. GREELEY. I do not believe he can.

A horrible condition!

Senator MONEY. But the law gives him the right to do so.
Mr. GREELEY. Well, the law may give him the right, and the law prevents these men from dealing in grain, but you can not get it enforced.

It was some time from January to April, 1908, that Mr. Greeley testified to this, when under the decisions of the court that I have here—I will not stop to read them; they are inhibited, not by criminal penalties, but by a restraining order issued out of a court of chancery, under the pains and penalties of contempt, from dealing in grain or performing a variety of other things named in the order.

Mr. Greeley goes along in his testimony, childlike and bland, innocent, confiding, victimized. He does not know what has happened. He testifies in 1908, when in 1906 the last order was made and the last decision of the court was had that settled the question forever in that jurisdiction.

Senator MONEY. If you are going to have a Federal official there, you would have a Federal grand jury, would you not, and it would be composed of those same citizens?
Mr. GREELEY. It is a violation, I believe, of the State law.
Senator MONEY. But here are the same citizens on the grand jury for the Federal courts that make up the grand jury for the State courts, and if you get the same identical class of men that were on the last jury of that county in your Federal court, they would not allow anybody to go before them, either.

In other words, Mr. Greeley proves too much.

Now Mr. Brafford comes along. Mr. Brafford is a grain buyer of Indianapolis, Ind. Mr. Brafford says:

New York and all the other export markets sell their grades final to Europe. I spoke about that a while ago. The inspector, while he is a sworn official in all the markets, is employed and discharged by a subcommittee on all the exchanges that is usually made up of large dealers, and therefore they are directly interested. We feel that that is not quite right. For example, if you have a suit for damages in Indiana against a city or a village we do not allow a man that pays a cent of taxes to sit on the jury. Our sheriff goes to the country and subpœnas a venire out in the country, so that we do not get a taxpayer, because we feel that he is interested. But there are these men who hire and discharge these inspectors who are to inspect all this grain, who make money out of it, and they are the men that are getting the benefit of this.

The most humiliating thing that has happened in the Senate of the United States is to read the testimony of a man who comes before a committee of the Senate and testifies to such inane, illimitable, insufferable nonsense as that—that these same men on the board of trade, these commission men, these elevator men, who are in a conspiracy, are the ones who appoint and discharge the grain inspectors under the State inspection system of Illinois or Minnesota. A man who possesses that sublime and ineffable degree of ignorance can not furnish testimony that will convince me of the justice of such a bill as this.

Senator Dolliver reminds him that this is not true in Chicago. He says:

The inspectors there seem to be appointed by the State board of warehouse commissioners.
Mr. BRAFFORD. I am sorry to say that those inspectors are a football of the governors out there a good deal of the time; and they are under the influence of the Chicago Board of Trade.

Senator Dolliver intervenes:

You do not mean to say that the governor of Illinois—

Mr. Brafford hastens to cover.

Mr. BRAFFORD. I do not mean that; I mean the men he appoints, the three warehouse commissioners. I do not believe the United States Government would allow that. We never hear anything said about it in the case of meats. We have inspectors there at Kingan's; and I never heard of a complaint about our Government meat inspectors there.

These three men he is talking about are the ones whom I mentioned yesterday or Friday. One of them is Mr. Eckhart, who has been in business all his life in the city of Chicago. He is a miller. He sells his product everywhere. He buys wheat from every place on the market. He buys on futures, hedges, and does all these things, I suppose, that are anathematized by some as the crownjng summit of infamy in the business transactions of Chicago.

Mr. James A. Willoughby, known to the people of his State, and especially southern Illinois, for many years. No one ever questioned his integrity.

Who are the others? Orville F. Berry was another one of these commissioners, a resident of that State. I am not going beyond the bounds here in saying that when the railroad and warehouse commission was legislated out of existence and the public-utilities commission succeeded to its powers, controlling the public utilities of that State along with many others, he was not an applicant for reappointment and did not serve longer on it. He was translated from that service to the Interstate Commerce Commission, and is serving under them now in the settlement of rate questions in the western roads leading out of Chicago. He has been known to Illinois people as a public officer for more than 30 years.

These are the men that these witnesses indict.

Mr. Brafford continues, on page 252, and says:

If we find we are going to lose money, we have to discount it. We do not in the beginning. The competition is so strong between the country dealers that we overreach ourselves, and we sometimes buy grain that we ought not to buy. For instance, we have done that this year on corn. We bought corn that was too wet to ship.

He exhibits more than usual restraint for not charging the wet corn to the State inspections.

Mr. Macfadden, on page 199, gives us some further information. He testifies about Minnesota. Mr. Macfadden, I think, is from the State of North Dakota. He says, speaking of the time when the Legislature of North Dakota memorialized the Legislature of Minnesota to have a finding by the Minnesota Legislature that grain inspectors were fair and honest:

That was a very easy matter, you know. The influence of the Minneapolis mills and the elevator companies there is powerful.
Senator DOLLIVER. Is it so powerful as to entirely destroy the moral responsibility of the legislature?
Mr. MACFADDEN. Absolutely.
Senator DOLLIVER. That is a bad atmosphere to send a civil-service inspector into.
Mr. MACFADDEN. It certainly is.
Senator BANKHEAD. I would not like to risk a Government inspector in a crowd like that.

The trouble with these gentlemen is that they have no confidence in the Minnesota Legislature. They could have little confidence in the State officials; none in the elevator companies; none in the Minneapolis Board of Trade, the chamber of commerce, or whatever the agency is called; none in the State government of Illinois; none in any of the Cook County officials in the city of Chicago.

In other words, according to them, in none of the great primary markets of the country is there a single honest public official. St. Louis and Kansas City are under the ban. The State of Missouri is an ignoble failure. Illinois is infested with criminals in public office. Minnesota is the same way. Buffalo, N. Y., and New York City are the same way. Baltimore is under suspicion. Indianapolis is as bad as any. So you can call the roll of the places that are furnishing the primary markets, where a permanent market can be had any day of the year for anything from the West and Northwest. Every one of them is indicted by a total of five witnesses, who have come here and testify and indict one community after another of millions of people; and that is to be the basis of legislation in this body. If such testimony is made the basis of legislation here I shall be surprised.

Mr. Messerole, on page 156, does the same thing. Time will not permit me to read this. I have frequently apologized for the time I have taken. I am doing so because the committee

reported out this bill on evidence from 2 to 6 years old. They did not hear anything about modern conditions. They did not get any of the improvements. They went on the idea that the criminal communities of which they speak are sodden in their vices, and have remained in the same deplorable condition the witnesses described, I presume. You would not give us a chance to be heard. That is the reason I am taking the time of the Senate, as I lawfully and in a parliamentary way may, to put into the RECORD in some way where it is accessible what is said by these men who are doing business to-day, men who transact business in the second largest city on the Western Hemisphere, men who by their business, their energy, ability, and their bank clearings have shown themselves abundantly able to take care, in a lawful and honest way, of such business as legitimately comes to that city.

If it be said that these practices continue, who is hurt by it ultimately? In the ledger of the world, balanced in the scales of common honesty, any place that habitually practices dishonesty will at last lose the market and lose the business that belongs to that center. The commission men, the board of trade, the elevators, the common carriers that center in that State, in Minneapolis, or Chicago, or any of the other primary markets of the country, can not hold their business if they are dishonest. Business is voluntary. It is not compulsory. If there be a band of conspirators who are robbing the producer, it is only a short shrift that they have between present conditions and the loss of the market.

'I will leave now this question of the indictment of a whole community as an organized band of criminals administering public office in State and county government and take up another, that of the mixing and improvement of grain. I wish to refer very briefly to some authorities.

I read from the report of 1908, on pages 22 and 23. This matter was mentioned here a few days ago. I need not preface the statement by saying anything about dockage, because I have already made complaint that there is no such thing in the market in our country, and outside of a very limited area I do not believe it is known in the grain markets of the United States.

Mr. James L. King, of the Commercial Exchange of Philadelphia, says:

> The mixing of grain as carried on at the present time is of great advantage to everyone. A few years ago, for instance, it was impossible to get for off-grade corn more than about 10 cents a bushel. It would hardly bring the freight to Philadelphia. To-day, by reason of the drying and mixing processes which have been introduced, the receivers of the corn there are enabled to pay in the worst seasons anywhere from 28 to 35 cents a bushel for off-grade corn. With the character of the corn crop which has been raised in the United States for three or four years past it seems impossible to raise corn that is free of moisture.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. SHERMAN. I do.

Mr. GRONNA. I dislike very much to interrupt the Senator——

Mr. SHERMAN. That is all right.

Mr. GRONNA. I have interrupted the Senator so frequently; but the Senator is making a statement I hardly think he can substantiate when he says that the system of dockage does not exist. As a matter of fact, it does exist in the spring-wheat belt. I want to inform the Senator that the majority of the spring wheat sold is sold under a system of dockage.

Mr. SHERMAN. I did not say that dockage did not exist. I said, as the Senator will find if he will refer to the record kept by the reporter, that it existed only in a very limited area. In all the rest of the United States the thing is not known. It is not known in the Chicago market except as explained.

Mr. GRONNA. The Senator is correct in stating that it exists in a limited area. The Senator first stated that it does not exist in our country. It does exist in a limited area.

Mr. SHERMAN. The Senator misunderstood me. I meant "in my country." I said "in our country."

Mr. GRONNA. But the fact of the matter is that it exists in the so-called spring-wheat belt, and the majority of the spring wheat is sold under that system.

Mr. SHERMAN. There is no northern spring wheat in this country, except possibly that grown to a small extent in northern Iowa, in the two Dakotas, and such as comes in from Canada and Minnesota. That is the northern spring wheat belt of the country.

Mr. GRONNA. Yes.

Mr. SHERMAN. The market for all that area, as stated here by some one to-day, is Minneapolis and Duluth. Dockage applies there.

Mr. GRONNA. Yes.

Mr. SHERMAN. Do not get the idea that that is the United States. It is not. There is a considerable area, enough to make a respectable route for a circus, outside of that belt. There are 15 or 20 kinds of wheat outside of northern spring wheat. Every area with certain soil, air, sun, and climatic conditions has a wheat of its own. The Pacific coast has grades of its own. The wheat of the southern Mississippi Valley is different from that of the middle Mississippi Valley, and you have your northern wheat in the Northwest in the area spoken of. That is a kind unto itself. If that is sold at the two markets named under dockage, it does not prove that because of dockage in that limited part of the country you ought to impose this bill upon all the country. That is the argument.

Mr. GRONNA. Mr. President, just so that we may understand each other, does the Senator mean to say that there is from fifteen to twenty times as much spring wheat raised in other parts of the country as there is in Minnesota, North Dakota, and South Dakota?

Mr. SHERMAN. No; I did not say fifteen or twenty times as much, or any specific number of times. I said there were 15 or 20 different kinds of wheat. I said it was a part, and I will say it is only a part, of the United States. It is not a majority. It is a minor fraction.

Mr. GRONNA. I want to inform the Senator that it is a majority.

Mr. SHERMAN. It is a majority of the spring wheat.

Mr. GRONNA. Of the spring wheat; yes. I referred particularly to spring wheat.

Mr. SHERMAN. It is not a majority of all the wheat produced in the United States, is it?

Mr. GRONNA. Oh, no.

Mr. SHERMAN. I very much doubt whether it is. My recollection of the general area of production, measured by bushels, is that it is a considerable area.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. SHERMAN. Yes, sir.

Mr. NELSON. Taking one year with another, you may safely say that the proportion of spring wheat to winter wheat in the country is a little less than a third.

Mr. SHERMAN. I am very much obliged.

Mr. NELSON. Sometimes it comes up to a third, but ordinarily it is a little less than a third.

Mr. SHERMAN. From the testimony of Mr. England, who is connected with the board of trade of the city of Baltimore, I read. He says:

> To properly dispose of this class of grain, it is necessary that it should be cleaned, dried, and mixed to a uniform grade.

He is speaking of the different varieties of grain that come in. I will not stop to read the whole of it. He explains that they come in from all areas of production, different kinds from different countries, with different moisture content, with different fiber of the grain, and a dozen other things that he mentions. He says:

> The large warehouses or elevators at terminal markets have at considerable expense availed of every modern mechanical appliance whereby this beneficial work can be done at a minimum cost and in a manner not possible upon the farm. Such handling of the lower grades of grain enhances the value of the poorer qualities to the farmer, and without such methods a large percentage of the grain exported in ordinary seasons would be unfit for human food and would necessarily be kept upon the farm for cheaper uses. This method of handling the poorer qualities explains a misunderstood fact in all markets, whereby under the most correct and upright methods the amount of the higher grades of grain shipped out can be much larger than the number of bushels of the same grades received from the producing sections. This entirely legitimate and proper commercial handling and disposition of the lower grades of grain is manifestly in the interest of the producer, as is evidenced by the fact that since the adoption of modern grain-cleaning machinery and appliances for drying the value of out-of-condition grain in the terminal markets has relatively enhanced in comparison with that of grain of unquestioned quality and condition.

It is the same as the testimony of Mr. Merrill that I read on yesterday, and I will not repeat it. On the question of dockage I read now, and I will be very brief with it, because I can state the conclusion of the witnesses with taking but little time. I read from a subcommittee hearing of the Committee on Agriculture and Forestry, known as Senate Report 223, a hearing which took place in 1912. On page 23 Mr. E. H. Culver testified. Mr. Culver is the president of the association of grain inspectors, living at Toledo, Ohio, and I will read what he says, referring to dockage:

> Senator MCCUMBER. There is dockage as it is taken from the car, is there not, in both Duluth and Superior and Minneapolis?

The question is answered:

> Mr. CULVER. There is dockage in both. There is only one State in the United States that docks grain and that is the State of Minnesota, which is done under their State laws.

Mr. A. E. Reynolds, who is a grain man, was called and he wishes to emphasize one matter. He says:

You see, the misunderstanding is in regard to dockage, and really we attribute the origin of this bill to the dockage system that is in vogue only in that small space of the Northwest. I wish to say to the committee that nowhere in the United States, excepting there, do we know of such a thing as dockage to take care of filth or anything that is in grain. That is all taken care of in the grade itself. There are grades of, say, four grains that can easily be made to No. 2 by taking out this foreign stuff—all oats, mustard, cockle, or whatever it may be—and only in your section of the Northwest, Senator, is the practice in vogue of docking to take care of that.

I shall very briefly read from the report of February 4, 1914, made at the present session of Congress to the Senate. A great number of conclusions are arrived at; they are some 39 in number. As that document is printed I shall not refer to it at any great length. No. 37 says:

Those who are charged—

This is the committee report—

and, in our opinion, justly charged, with profiting by the misuse of the authority and powers placed in their hands under the present system are the only ones who are objecting to Federal inspection.

The principal objection to this finding of the committee is it is not true.

The Illinois Grain Dealers' Association, or any member whose letter is quoted, is not profiting by the misuse of power in the hands of its members.

Neither the Board of Trade of Chicago nor any of its members is so profiting.

The officers connected with the several State inspection systems are not profiting by a misuse of power. This charge of the committee is in effect a claim that such officers are corrupt.

Why should such a report be made? Why should it be believed?

Now, against that conclusion I bring the evidence in part of board of trade men who are members of that organization and in part of those outside handling independent elevators, not connected in any way with what are known as line elevators, that are only subsidiary points for the large elevator in Chicago, reaching down through some of the trunk lines across th and other States. Taking the independent elevator, with the Secretary of Agriculture, they got together in the Illinois Grain Dealers' Association. They favor uniformity of grade. They favor keeping their instruments of inspection. They favor their Government fixing the standard, but they are against the absorption by the Government of the several systems developed and maintained by the State.

The thirteenth paragraph, an inspector "earned for the (Chicago) Board of Trade in that time (one day) $73 at the regular charge for inspection." As a committee report, this is so amazing an error as to destroy the value of the whole report framed in such a spirit of ignorance or lack of accurate information.

The Chicago Board of Trade has never taken a dollar from the inspection service of Illinois. All the fees of that service go to and are accounted for by the State.

Can it be said that all these men are interested in these abuses, and that is the charge in No. 37? I do not consider that part of the report sustained by the evidence. Five witnesses here testify. They testified in 1908, but we are not legislating for 1908. That generation has taken care of these problems. We are legislating for 1914. I am trying this case here upon the evidence of 1914, 1913, 1912, and 1911, upon business as it is now conducted, not how it was conducted in days past.

You must give the people who live inside of a State a little credit for common honesty, for a little progressive principle, for learning something, for developing their system, and some ability for self-government. If that is taken away and we have got to look to a bureau here in Washington every time somebody grades No. 2 wheat No. 3, then we will decay like ancient Rome rotted when she centralized her power and the outlying States were mere provinces subject to imperial edicts. I am against the further consolidation in bureaus here in this Capital of powers that can be administered by a State. A great deal of work has been done already to fix rates.

Mr. McCUMBER. May I ask the Senator, as he has spoken of the Lever bill, to whom is the final appeal taken in grades under the Lever bill?

Mr. SHERMAN. It may be taken to the Secretary of Agriculture, though very few would ever reach him.

Mr. McCUMBER. That is about as centralized as you can get under any bill. It is not taken to him in a final case only, but there is a provision made for an appeal to be taken right at the center, which will dispose of nine hundred and ninety-nine out of a thousand cases.

Mr. SHERMAN. Under the Lever bill the supervisors would hear the appeals at the grain centers designated, no doubt. I have learned a long time ago that it does not make any difference how many obstacles you may strike in falling down stairs, you finally get to the bottom at last. So it is only a question of hitting a few more projections. There is this difference in the two bills on that point: You keep your instrument of inspection inside the State under the Lever bill, and only the appeals are heard which question the grading in conformity with Government standards will be heard. Where do you get it from, otherwise?

You say that you can keep politics out of it; that there is no politics now under civil service in this administration; that there is a chance for anybody. See the examination of fourth-class postmasters. It is a screaming, howling vaudeville. Talk to me about civil service being a cure-all, and that simply by some sort of legerdemain you translate a man from a spoilsman into a saint! We know better. You can not do it. One party is just as bad as another in that. I know the element in my own party that are spoilsmen clear through. The party in now has got them. I think they have more of them than we have. They have been out longer; they are hungrier; their appetites are harder to control.

I am only going to take the time to read now, in conclusion, from a letter written by the Baltimore——

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. SHERMAN. I do.

Mr. GRONNA. Before the Senator from Illinois concludes I wish to say I am quite sure he is just as anxious as I am to see that the grain business is regulated in a proper way. I simply want to call his attention to the fact that the committee did not make its report upon this bill on testimony which was given years ago. In order to show that I have here before me to-day a petition sent to me signed by 77 farmers from the little village of Wheelock, N. Dak., condemning the system of grain inspection as it is being carried on in the terminal markets.

That, it seems to me, Mr. President, is evidence that ought to be recognized. I tell the Senator, if he were aware, that the farmers are actually opposed to the present system, and that they believe it should be corrected. I believe the Senator from Illinois would be the first one to help them correct any abuse that might exist.

Mr. SHERMAN. I do not question the good faith of the petitioners in the paper which the Senator from North Dakota holds in his hand, but I am in favor of giving such relief practically without doing damage to any existing institution. I am for the principle of the Lever bill. I firmly believe it can be worked out so as to provide every remedy which those petitioners desire.

The Baltimore Chamber of Commerce, in a letter to Senator Dolliver, makes an explanation which I will read. It is dated January 27, 1909. I do not think this is printed in any of the committee reports. I have been unable to find it. I procured it from the Baltimore Chamber of Commerce, through Mr. England, who is connected with that board. There are certain cars, giving the number, of grain testified to by various witnesses—the four or five that I alluded to. It is said that they graded at one place a certain grade and then a lower grade than at the initial point, and further, when they got to the destination, they graded down. Mr. Brafford, of Indianapolis, uses this language:

We hate to charge that the inspector there—

Referring to Baltimore—

is influenced by the men that employ him, but the chances are that this might happen.

He does not make the charge. I have said that a large part of the testimony of witnesses here stops short of the direct charge. It is by innuendo, by casting suspicion. I would think more of them if they came out directly and made the charge that these men were criminally or improperly influenced than by these insinuations that are more difficult to meet, since they create simply the shadow without giving you the substance on which you can defend yourself.

Mr. England continues:

It needs be observed that by this language Mr. Brafford has not charged the Baltimore Chamber of Commerce or its inspector with anything; he has simply stated his surmise that certain things "might" happen.

Now, here are the cars that are followed. I believe I could if given time through the secretary of the Chicago Board of Trade trace every car mentioned by this witness and show what happened to it, and show that Mr. Greeley knows no more about the actual condition in the grain grade affecting those cars than he does about the cause of the panic of 1893. I would hate to do business on his judgment. I know, Mr. Presi-

dent, I would never be foolish enough to run for office on his judgment. Here is a comparison of the dates of shipment and dates of arrival at destination of grain which Mr. Brafford shipped to this port in 1907 and 1908. Then follows the number in the printed pamphlet, the hearings of 1908, giving the car number:

Car Erie 76927 was shipped November 29, and arrived at Baltimore December 12, being in transit 13 days; car M. K. 17275 was shipped November 29, and arrived December 16, being in transit 17 days; car B. & O. 65272 was shipped November 29, and arrived December 12, being in transit 13 days. These three cars graded new No. 4 white corn at Indianapolis and mixed corn. No. 2 white corn, and mixed corn, respectively, at Baltimore. The other shipments, being the acknowledged basis of Mr. Brafford's complaint, were made in 1908.

I am omitting, and ask to print those; I want to save time. I desire to read just as little of these matters as possible.

They were in transit, these latter cars, in 1908 at various intervals from 35 to 39 days; one 23 days.

It is a fact well known that grain, particularly corn, is liable to deteriorate when in closed cars for a considerable time. This was particularly true of the corn crop of 1907, on account of immature grain and excessive moisture.

It is a peculiarity of the corn crop when the season is of that character that the grain does not well mature on the cob, and especially when it no longer rests in the crib as it used to in the older days, but goes merely from the field into the market, that it contains more moisture inevitably and when it gets in the laboratory for analysis the moisture content is extremely high—

This fact was well known to the grain trade generally, and Mr. Brafford was aware of it, but for some reason he failed to make reference to the peculiarities of the corn crop of that year, although admitting that grain in transit "might heat."

That the grading of the cars complained of by Mr. Brafford was fair is evidenced by the certificates of the branch laboratory in this city of the United States Department of Agriculture (annexed herewith), which show that the corn in car 59147 contained 20.6 per cent moisture and weighed 50½ pounds per measured bushel; car 70771 contained 21.8 per cent moisture and weighed 48½ pounds per bushel; and car 10733 contained 19 per cent moisture and weighed 52 pounds per bushel. Car 46723 graded mixed corn, and this being the regular contract grade there can be no complaint in regard to it.

We desire to say specifically respecting that portion of the report to which your attention has been called that the grades of grain are not changed by the Baltimore Chamber of Commerce "at any time," but, on the contrary, it is not unusual for the standards to remain unchanged for a term of years. When modifications are required by reason of the general average quality of the grain crop or by causes affecting all localities changes are only made at the beginning of a crop season, and never during the time when the crop movement is on.

This answers all the charges made that changes in the grades are made fraudulently for the purpose of making trouble for the producer or the handler at the other end of the line.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. SHERMAN. I yield.

Mr. McCUMBER. Let me make the testimony of Mr. Brafford clear. Mr. Brafford testifies not that this was an improper grade at Baltimore necessarily, but if that car was No. 2 when it started it could not get to be No. 4 when it arrived in Baltimore; that if it was of a grade which required only a given amount of moisture, it could not possibly change that much. Therefore there was either error in the first inspection or error in the second inspection. In fact, instead of getting more moist, as a rule, in traveling the grain gets dryer and is of even a better grade, unless it is tipped off into the river or something of that kind.

Mr. SHERMAN. The Senator is in error about corn in 1907. Many times it contained more moisture at the destination than it did at the initial point. A comparison of moisture is very material in late years, since long-time holding in the crib has stopped. There is no more of the long-time cribbing there used to be. Corn is similar to other grain; it goes almost out of the field into the elevator. That is the reason why of late years more complaints are made. It is harder to handle. It requires more care on the part of the shipper and elevator man and everybody to keep it in order. The moisture content in corn is very material. I will read from the grade established by the United States Government here at Washington in order to make more lucid that point.

For instance, No. 1 corn is graded with a maximum moisture of 14; No. 2 with maximum of 15.5; No. 3, 17.5; No. 4, 19.5; No. 5, 21.5; and No. 6, 23. As the moisture increases the grade goes down.

That is the maximum allowed in No. 1 corn. In No. 2 corn the maximum moisture is 15, and the other points grade proportionately. In No. 6 corn the moisture content is 23. If corn in 1907 absorbed moisture, that often depends upon the climatic or atmospheric condition. It depends largely on how the conditions were when it reached the coast. If it was Indiana or Illinois corn, there was a lower altitude by 400 feet, because that country is over 400 feet above sea level. At Baltimore it is practically on sea level, and where that atmospheric condition pervades it, the corn and other grain might absorb moisture under unfavorable conditions of humidity there or in transit.

Let me call your attention to one thing to show how rapidly moisture permeates grain. In the old times, when you and I were boys in Illinois [Mr. STERLING in the chair], and had on our cowhide boots at that time, and came in wet at night from a day's plowing, what did we do? Leave them to dry and shrink, so as to produce expletives and suffering in the morning when we put them on? No; we filled them up with oats. I have a thousand times filled my boots with dry oats so that the oats would absorb the moisture and we would have dry boots in the morning.

When the Senator says that corn shipped from the initial point to a destination at Baltimore could not by moisture test alone lose these grades he is mistaken, because corn can properly be graded down on the moisture test. If you reach the 23 per cent moisture, you can have No. 3 or 4 grade instead of a No. 2, which is the usually established grade of this grain.

I wish to offer without reading, in connection with the report of the Committee on Agriculture and Forestry dated February 4, 1914, a letter from Charles England dated March 20, 1914, at Baltimore, with the accompanying copy of the answer to the different statements of fact or alleged fact made in the report of this committee, 39 in number, together with the letter written by Mr. England dated January 27, 1909, to Senator Dolliver, at Washington. I wish to offer them all and make them a part of the RECORD.

The PRESIDING OFFICER. There being no objection, it will be so ordered.

The matter referred to is as follows:

BALTIMORE CHAMBER OF COMMERCE,
OFFICE OF THE SECRETARY,
Baltimore, March 20, 1914.

Hon. LAWRENCE Y. SHERMAN,
United States Senate, Washington, D. C.

SIR: Referring to the recent discussion in the Senate on Senate bill 120, providing for Federal inspection of grain, I beg to say that the arguments of Senator MCCUMBER in behalf of his measure and the evidence submitted by him was practically all submitted at the hearings by the Senate Committee on Agriculture and Forestry January 16, February 16, and April 2, 3, 4, and 8, 1908; also before the Committee on Interstate and Foreign Commerce of the House of Representatives March 3–16, 1908, and to which reply was made by representatives of the grain interests of the United States and others.

The Senate Committee on Agriculture and Forestry of the present session of Congress did not give hearings on Senate bill 120, which, as we understand, was submitted to the Senate with the report used in 1909, accompanying Senate bill 382. As this report makes certain criticisms in regard to the inspection of grain at Baltimore, also Chicago, we are taking the liberty of inclosing you herewith copies of statements in regard to same, which were submitted to the United States Senate in January, 1909, refuting certain statements in the report.

Thanking you in advance for your consideration of this matter.

Yours, respectfully,

CHARLES ENGLAND.

—

CHICAGO, *January 23, 1909.*

Replies to and observations on Senate Document No. 754 by the grain committee of the Board of Trade of the city of Chicago (the numbers appearing paragraphically represent replies or comments upon statements correspondingly numbered in the report):

No. 1. The result of climatic influences and soil differences of the three spring wheat States of the Northwest, Middle West (soft wheat), and hard winter Southwest States necessitates entirely different rules. The same rules can not be made to apply to the radically different varieties. In corn and oats there is no difference in the rules therefore none in the grading.

No. 2. Values are determined in primary markets, both by exhibiting samples on which inspectors have fixed the grade and the grade or inspection, but more on the sample than on the grade. The Illinois Board of Railroad and Warehouse Commissioners determine the rules governing grades; the Chicago Board of Trade can only use such influence as it may possess, and being about evenly divided politically, always has a strong and efficient minority to prevent action othen than indicated for the benefit of the State at large. The commission houses who make a specialty of receiving grain from country dealers and farmers zealously protect and defend the interests of their clients, as other interests contend for their rights. All inspection rules governing the classification of grain in Illinois are determined in mass meeting held, due notice of which is given for the purpose, at which recommendations to the State board of railroad and warehouse commissioners are adopted. The commission, after due notice, act upon the said recommendations.

No. 3. The Illinois law provides for the appointment by the Government of the railroad and warehouse commission, comprised of 3 members. The commission appoints 1 chief inspector, 3 first assistants, and about 25 second assistants, none of which, under the law, can be members of the board of trade or engaged in dealing in grain. Seventeen of these have served an average of 26 years, the remainder an average of 9 years. Their experience and efficiency retain them in service, regardless of their political affiliations. No relation whatever exists between inspectors and commission merchants or dealers.

Nos. 4 and 5. The conditions in Chicago are exactly the reserve. Receiving and shipping interests are sufficiently large to protect the producer and the consumer and efficiently does so.

No. 6. There is no difference in the standard and the practice in grading "in" and "out" grain. The inspectors are frequently changed from place to place and work on both "in" and "out" work. The Chicago Board of Trade, through its grain committee, maintains an efficient sampling department, which constantly scrutinizes the work of the State department and reports promptly to the chief inspector any and all errors of classification or tendency to depart from a strict application of the rules

No. 7. Dirty grain is cleaned and damp grain is dried and inferior grain of any kind, if susceptible of improvement, is improved and benefited, the lax method of the farmer in sending it to market being thus corrected and the work performed for him. In this manner grain is raised from a lower to a higher grade. Competition in the Chicago market forces the prices paid for this grain as it arrives to its full value when cleaned, less a close working margin of profit for doing the work.

No. 8. Repeated fraud and dishonesty is here charged. No proof—none is possible as applicable to Chicago conditions. A very great injustice is done here.

No. 9. The foreign importers who buy the grain, in most instances, do not complain. They almost invariably refuse the higher grade and buy the cheaper This is a widely known fact. Their methods in selling to smaller dealers in their own country give rise to most of the complaints they make. Americans should not be condemned for the unfair methods of many of the foreign importers. Canadian fyfe and bluestemmed wheat, because partly of being grown on virgin soil, but mainly because of its higher perfection of quality, due to having grown in more northerly latitudes, outclasses wheat of North Dakota and Minnesota, and naturally commands a higher price. Argentina has no system of inspection and classification and sells by sample. Their wheat usually tests above standard weight per measure bushel. American wheat, more particularly northwest, usually tests below. The charge of fraud in this paragraph is without foundation.

No. 10. Large quantities of wheat are steadily going from Chicago elevators to mills, and have done so for years, and at the present time daily shipments of this class run up to 100,000 to 200,000 bushels. This is a sufficient answer to this charge.

No. 11. The farmers of the Northwest spring-wheat section each need more a fanning mill than Federal inspection laws. Because of marketing dirty wheat they set up the very conditions about which they complain, and when the work of cleaning they should do is done in terminal elevators, and dirty, seedy, and no-grade grain is made clean and wholesome No. 2 grade, the claims they set forth in this paragraph should not be made. Much of low-grade grain is marketed for local use as animal food, and for starch and other manufactures.

No. 12. May I ask if you know or not if the market price advanced during the three months covered by this statement? Eight hundred thousand bushels, at 10 cents, equals the grain shown, besides a portion of the profit would be legitimate, due to cleaning and improving the quality. The United States Supreme Court has said: "It is legitimate to buy wheat for a rise."

No. 13. The Chicago Board of Trade has not derived a single dollar of income from inspection of grain in 38 years, our present Illinois railroad and warehouse law having been enacted in 1871. The statement in this paragraph was originally written—as admitted to the writer of this—to Senator McCUMBER as a hearsay and a figure of speech. It is a charge against the State of Illinois, in fact, although evidently intended for the Chicago Board of Trade. To anyone familiar with the work of inspection of grain the statements of this paragraph are so impossible of truth as to appear comical. The inspectors, under the Illinois law, are bonded, for the purpose of indemnifying owners of the grain they classify, in case of loss due to errors on their part in performing their duties. Can anyone intelligently conceive of any of these inspectors grading the quarter of a million bushels approximately contained in these 250 cars as a guess, as herein charged, and assume the large liability of loss under their bonds? Public officers do not assume unnecessary risks of this nature.

No. 14. The exchanges of the country possess no power to compel purchases by the public from their members. Self-interest alone dictates the selling and the buying, as in all commerce. If to the greater interest of consumers to buy direct from producers or country dealers, the way to do so is wide open. The fact that they buy on the exchanges is sufficient answer to the charges contained in this paragraph.

No. 15. No surplus whatever of any of the cereals produced in the United States for some years past has remained over as being on hand when succeeding crop was available. Foreign countries continue to take all the surplus that we raise, and there is no occasion to be deceived by the noisy utterances of Mr. Patterson, or of certain German agitators. It was not long ago that Mr. Patterson as loudly complimented our inspection system as he now condemns it. More depends upon the quality of our crops than on any inspection system. Last year's corn crop—1907—was the most immature the United States ever produced. It gave much trouble in handling to all, both domestic and foreign. The present crop is the reverse in quality, and it is probable it will give excellent satisfaction. Argentina, Canada, and Australia are all rapidly developing, and are largely increasing their production. The United States 15 years ago, with fifteen hundred million crop of corn, had more exportable surplus than it had this year with a twenty-six hundred million crop, and in the near future it is probable will have no exportable grain surplus. We should conduct our affairs for the benefit of our own people rather than in the interest of foreign traders who buy but a small per cent of the total crop produced in any year.

No. 16. Conditions would be identical if Government certificates were in vogue. The Government can not legislate quality into grain nor create a specific which will prevent deterioration of quality under adverse conditions.

No. 17. The testimony of country dealers disputes this statement. I refer you to Mr. George A. Wells, secretary of the Iowa Grain Dealers' Association, for data received from some hundreds of your constituents. Comparatively, there are few country dealers who favor Federal inspection. A poll of the Illinois Grain Dealers' Association shows strong opposition to it.

No. 18. Contentions in this paragraph are answered in the foregoing. Supply and demand are prime factors in determining final values, domestic demand and producers' attitude being more potent than foreign inquiry.

No. 19. It is well known that "rye terms" is the desideratum of Mr. Patterson and his associates rather than Federal inspection. The wide difference in climatic and soil influences in this country effectually prevents evenness of quality of grain shipped to our various outports, and the foreigners are asking something absolutely impossible. Evidently they are not well informed about material changes going on in this country which largely affect conditions. For example, the disappearance in your own State of the cornerибs from country stations should point clearly to you the fact that the well-cured old corn, so abundant in former years, does not exist now, hence we export uncured new-crop corn with its increased liability of deterioration while in transit, this being the real cause of the decline alleged in their complaint of inferiority of quality. No advantage has been taken of them. They have very plainly been told about the danger of such shipments, and safe arrival as to condition can be insured to them for the small charge of about one-half cent per bushel; yet they buy the corn and assume the risk and yet complain and ask for a Federal inspection law as a panacea. Uncured new-crop corn under Federal inspection would result no better. The German outcry about hard winter wheat rests on an equally flimsy foundation. Is it fair to tax Americans to save foreign buyers the cost of supervision by their agents or representatives?

No. 20. Illinois State inspection only at Chicago. No charge is possible of the kind claimed in this paragraph.

No. 21. Does not apply to Chicago or the great Middle West.

No. 22. Exporters, like other commercial men, offer various qualities of goods, and foreign buyers are notorious for accepting the lowest-priced article and rarely will pay a premium for a higher quality with safe arrival guaranteed. This is a most common occurrence.

No. 23. Grain dealers can no more thrive on fraud than other commercial men. A little reflection will convince anyone that the claims made in this paragraph can not reasonably be accepted by anyone. The Illinois law requires the grading of the entire car in accordance with the poorest quality found in the car. At Chicago cars are accurately sampled with long tube tryers or probes, and the samples thus obtained are submitted to a board of three inspectors as a final act in inspection.

No. 24. Exchanges with hundreds of members (Chicago has 1,700) could not long keep secret such an arrangement as is here stated, and no one will assume to claim that there is the slightest evidence of such a banding together. Farmers are known to have clubs and otherwise organize, and also, in the aggregate, own and operate hundreds of country elevators in the Middle West. There are many in Iowa.

No. 25. Line elevators exist only in the Northwest, with a possible two or three small exceptions in Nebraska. They are the product of newly settled sections, and their history is that they give way under competition and disintegrate.

No. 26. In Illinois is no dockage. If the farmer will clean his grain, no dockage will be required and it will grade No. 2. Ills which he may prevent he can not consistently ask a cure for.

No. 27. Large Federal creations, with their incidental political jobbery, are not inviting. Their evils and incapacity are too well known.

No. 28. Note long-continued service of Chicago inspectors under Illinois law.

No. 29. An efficient system, established 51 years ago, business prudence would dictate should be retained—not be cast aside in a day and a new untried Federal creation accepted in place thereof.

No. 30. In Illinois there is no loose system. No frauds or injustice. As great a certainty now exists as could possibly be expected under Federal laws.

Nos. 31 and 32. The Illinois law does not permit any machinery of any kind in its public elevators. It cost the Chicago Board of Trade a large sum to litigate this question to a finish in the courts. Grain of like quality and grade is stored together in the public elevators, and the farmer has a wide-open avenue of approach to these storehouses—has equal rights with all. His grain will come out of them of the same quality he puts in. A public elevator proprietor can not store his own grain in the same elevator under this law.

No. 33. A horse may be led to water, etc. Federal law can not be forced into use. Illinois can be forced to pay Federal inspection fees under a Federal law, but can not be forced to use the certificates. Double inspection will be the inevitable result in this great primary market if this law is enacted. Your claim that 90 per cent of the grain would be interstate is not true to the fact: more nearly 50 per cent of the grain arriving at Chicago is interstate.

Nos. 34 and 35. Our Illinois law provides that all questions of doubt shall be resolved in favor of the grain. The demand for Federal inspection is wholly selfish on the part of the foreign buyer. The cost of an agent or representative would be saved to him and the producer would eventually stand the tax of maintenance of Federal inspection, for all expenses incidental to the handling of grain are deducted from it.

No. 36. Inspection of meat and inspection of grain are entirely different propositions, and can not be compared. One relates to soundness—a sanitary question—the other to classification and grades.

No. 37. The great Middle West, through the grain dealers' associations, exchanges, and boards of trade, have evidenced by resolution an almost unanimous sentiment against Federal inspection.

No. 38. Federal inspection could not guarantee conditions superior to those now resulting from Illinois law. Expert judgment, based on experience, is in finality the only guaranty of correct inspection.

Nos. 39 and 40. That grain is not inspected in the State where it is produced is due to the location of distributing and terminal markets and by force of circumstances and necessity. A large proportion of grain raised each year is sold near by, without regard to grades, because it goes directly to interior mills, manufacturers, and feeders or to the country merchants on their judgment and by consent of the producer. The surplus is sent to the nearest distributing and terminal markets offering the best net results to the producer and handler. That these methods are efficient and correct is evidenced by freedom of interchange of business from year to year and the very small percentage of complaints of irregularity, when the immense volume handled each year is considered.

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JANUARY 27, 1909.

Hon. J. P. DOLLIVER,
United States Senate, Washington, D. C.

DEAR SIR: The Baltimore Chamber of Commerce desires to direct your attention to a portion of the report made by you to the Senate January 15, 1909, being report No. 771 to accompany a bill (S. 382) to provide for the inspection and grading of grain entering into interstate commerce and to secure uniformity in standards and classification of grain, and for other purposes.

The portion of the report to which we specifically desire to call your attention are paragraphs 20 and 21, reading as follows:

"20. This rigid and easy inspection system opens up another avenue of fraud. The rules can be changed by the board at any time, and grain which, when started on its journey toward a terminal, would measure up to a certain grade, will fall short on its arrival, and grain already in the elevator will be raised a grade by this elastic process.

"21. As an example of the effect of this system we cite one single fact established by this testimony before the committee. An attempt was made a short time ago on the part of the Baltimore grain interest to divert export trade from the port of New York to the port of Baltimore. This was accomplished by greater liberality in inspecting into the elevators at Baltimore. The exporters got rather heavily loaded. The foreign demand did not meet their expectations, and considerable losses were liable to follow. They met these losses by a very simple device—that of raising the grade of the grain and putting it on the market at a higher grade than it was entitled to. The dealers prevented losses to themselves by this transaction, but entailed many times the amount of their savings by depreciating the value of our high grade of grains."

There is, so far as we have been able to ascertain, nothing in the hearings before the Senate Committee on Agriculture and Forestry, so far as concerns the grain trade of the city of Baltimore, which justifies either of these statements. The only testimony which is material or relevant in any degree to the two paragraphs of the report above quoted is that of Mr. Brafford, a grain dealer of Indiana. The language of Mr. Brafford, it is submitted, does not warrant the inferences which your report has placed upon it. Though led on by suggestive and favorable questions, Mr. Brafford's conjectures are only possibilities. The strongest statement made by Mr. Brafford respecting Baltimore is that certain alleged facts justify the possible deduction that "grain is not graded the same in Baltimore all the time or else our man in the West is mistaken." (Hearings, p. 247.) It should be observed that these words place the erroneous grading of the cars of Mr. Brafford, if such grading there was, either upon his own employee at point of origin or on the inspection department of the Baltimore Chamber of Commerce.

The inspectors of the Baltimore Chamber of Commerce are sworn and bonded inspectors; considering this fact, and also the large amount of grain which they grade and their long service and experience, we respectfully suggest that the mistake, if such there was, was more likely to have been with the consignor's representative than a member of the inspection department of the Baltimore Chamber of Commerce.

It was further said by Mr. Brafford (p. 247): "We hate to charge that the inspector there (Baltimore) is influenced by the men that employ him, but the chances are that this might happen." It needs be observed that by this language Mr. Brafford has not charged the Baltimore Chamber of Commerce or its inspector with anything; he has simply stated his surmise that certain things "might" happen. The true reason for the surmises of Mr. Brafford is to be found in his reply to Senator PERKINS'S question to the effect that climatic influences "might, to a certain extent," change the grade of the grain, and also that the grain in transit "might heat" (p. 248). A further reason results from a comparison of the dates of shipments and dates of arrivals at destination of the grain which Mr. Brafford shipped to this port in 1907 and 1908. The exhibits submitted by Mr. Brafford show that car Erie 76927 was shipped November 29 and arrived at Baltimore December 12, being in transit 13 days; car M. K. 17275 was shipped November 29 and arrived December 16, being in transit 17 days; car B. & O 65272 was shipped November 29 and arrived December 12, being in transit 13 days. These three cars graded new No. 4 white corn at Indianapolis and mixed corn No. 2 white corn and mixed corn, respectively, at Baltimore. The other shipments, being the acknowledged basis of Mr. Brafford's complaint, were made in 1908. Car N. Y. C. & H. R. 59147 was shipped February 3 and arrived March 14, being in transit 39 days; car S. P. 70771 was shipped February 5 and arrived March 5, being in transit 1 month; car C. H. & D. 10733 was shipped February 5 and arrived March 13, being in transit 35 days; car C. H. & D. 76723 was shipped February 5 and arrived February 28, being in transit 23 days. The corn shipped in February graded, respectively, at Indianapolis, 3 mixed corn, 3 yellow corn, 3 yellow corn and mixed corn; the same cars being in transit an average of over one month, on arrival three graded steamer mixed corn and one graded mixed corn.

It is a fact well known that grain, particularly corn, is liable to deteriorate when in closed cars for a considerable time. This was particularly true of the corn crop of 1907 on account of immature grain and excessive moisture. This fact was well known to the grain trade generally, and Mr. Brafford was aware of it, but for some reason he failed to make reference to the peculiarities of the corn crop of that year, although admitting that grain in transit "might heat."

That the grading of the cars complained of by Mr. Brafford was fair is evidenced by the certificates of the branch laboratory in this city of the United States Department of Agriculture (annexed herewith), which show that the corn in car 59147 contained 20.6 per cent moisture and weighed 50½ pounds per measured bushel, car 70771 contained 21.8 per cent moisture and weighed 48½ pounds per bushel, and car 10733 contained 19 per cent moisture and weighed 52 pounds per bushel. Car 46723 graded mixed corn, and, this being the regular contract grade, there can be no complaint in regard to it.

We desire to say specifically respecting that portion of the report to which your attention has been called, that the grades of grain are not changed by the Baltimore Chamber of Commerce "at any time," but, on the contrary, it is not unusual for the standards to remain unchanged for a term of years. When modifications are required by reason of the general average quality of the grain crop or by causes affecting all localities, changes are only made at the beginning of a crop season, and never during the time when the crop movement is on.

We wish to deny positively that at any time there was "an attempt made * * * on the part of the Baltimore grain interest to divert export trade from the port of New York to the port of Baltimore." As grain merchants the members of the Baltimore Chamber of Commerce are interested in securing by all fair and legitimate means tonnage of grain for export through and via this port. They are not now or have they ever been engaged in attempting to secure tonnage from other ports as such. The charge that this port has attempted to secure export trade from New York is not in accordance with the facts, except to the extent that the merchants of this port have competed openly, honestly, and fairly for grain traffic.

We further deny the statement that there was ever a "greater liberality in inspecting into the elevators at Baltimore," for the grading rules when once fixed remain the same, as above stated. These rules are published not only for the guidance of the inspectors who have no knowledge of market values nor of the ownership of the grain, but also for the guidance of shippers and others interested therein.

The statement that "the exporters got rather heavily loaded" is not in accordance with the facts, for during the crop season mentioned (1907–1908) the exporters were not heavily loaded, for sales of the stocks on hand had been made for export. There was some delay in the arrival of chartered vessels, but such delay had no effect whatever upon the grade of grain, but simply required the grain exporters at this port to pay storage charges in the elevators pending the arrival of ships.

We have already referred to the fact that during the crop season there is no varying of the grades of grain, and we deny most emphatically that any corn or other grain at this port was ever put "on the market at a higher grade than it was entitled to." The statement that the dealers prevented losses to themselves by this transaction (raising grades), but entailed many times the amount of their savings by depreciating the value of our high grade of grains, is not justified, because our exporters, who are a recognized class, have no greater voice in the making of grades than the receivers, who are not exporters. No one can depreciate the grain, either as to its grade or its price, the former being fixed, as stated, and the latter being entirely a question of demand and supply.

There are many other matters in the report above mentioned which we do not believe are justified, either by the testimony before the Senate Committee on Agriculture and Forestry or by the facts; certainly not with respect to the port of Baltimore. These matters are general and some allowance ought perhaps be made for referring to all grain markets in general terms. The particular paragraphs to which we take exception, and to which we most strenuously object, are made respecting this port alone, and this communication is sent you for the purpose of placing you in possession of such facts that you may, if you see fit, so act in relation to this particular matter that your reputation for judicial fairness may not be beclouded by allegations which are not justified, either by the surmises of one who appeared before the Committee on Agriculture and Forestry or by the facts; further, only a partial hearing was given this chamber by your committee, and although promised an opportunity to present further facts, such was not accorded, and we were therefore unable to deny the statements which are the basis of paragraphs 20 and 21 of your report. Again, no consideration seems to have been given in your report to any of the statements made by those representatives of terminal markets who had an opportunity to appear before the committee.

We have the honor to remain,

Very respectfully,

BALTIMORE CHAMBER OF COMMERCE,
By CHARLES ENGLAND, *President*.

Inclosed certificates, laboratory Nos. 3332, 3506, and 3566.

Mr. SHERMAN. Now, Mr. President, I am going to conclude. I regret greatly the time I have been compelled to take. It is not a matter of delight. It is no pleasure for me to make remarks in the Senate under such conditions, but I regard it as a duty to preserve in the RECORD some of this evidence that brings the criticisms made by the grain-inspection system of my own and other States into the RECORD in such a way that it may be answered properly.

It is said finally by these witnesses and others that the grain-inspection certificates in the city of Chicago are not taken in the eastern markets. I challenge that statement on the evidence. I need not testify myself. I might not be a credible witness. I know in the last four years, both from commercial transactions in which I was myself engaged with business associates, that these witnesses are in error. We bought many hundreds of thousands of dollars' worth of merchandise and saw many hundred thousand dollars' worth of grain pass to the consumer. I know from the city of Peoria, from Chicago, from East St. Louis, from St. Louis, Mo., and from Kansas City their grain-inspection certificates go without a challenge to the eastern markets; that they pass unquestioned for the face value of the grain that they purport to evidence in the warehouse of the kind named. We bought during the time I mentioned many hundred thousand dollars' worth of flour from mills all the way from Minneapolis to southern Kansas, both kinds of grain, the northern spring and the southwestern wheat, milled into flour. We had occasion to examine these inspections, because it became material, on the contract under which bonds were given by the miller to deliver a given quantity of flour at given intervals and places, to know his ability to perform it. He bought grain on certificates under the State inspection of Missouri, of Minnesota, and of Illinois, so that he might be able to perform in due season the terms of his contract; and in four years I wish to say that at no time was there difficulty because of the grade of the grain. We examined the flour and had it analyzed in laboratories in Minneapolis, in New York, in Chicago, and in St. Louis; and the test made of the flour will always tell you whether there was honest inspection of the wheat or not. The Senator from Minnesota [Mr. NELSON] knows much better than I do with his long experience that that is so. You can not make flour that will stand the test in the bake shops unless it is the right kind of wheat.

I now conclude all that I have to say, feeling that the only apology I might make is for the great length of time taken. It is a very uninteresting subject, very unattractive to most persons, but it is so vitally connected with the people of the great Middle West and the Northwest, in which these primary markets are found, that any Senator from such a State would be derelict in the performance of his duty did he leave anything undone in the presentation of this question.

Methods of Handling Reclamation Projects in Australia.

EXTENSION OF REMARKS

OF

HON. J. A. FALCONER,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, May 12, 1914.

Mr. FALCONER. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an address by Elwood Mead on Methods of Handling Reclamation Projects in Australia.

The address is as follows:

ADDRESS BY ELWOOD MEAD ON METHODS OF HANDLING RECLAMATION PROJECTS IN AUSTRALIA.

Mr. Chairman and gentlemen, it is an unusual pleasure and honor to be able to come back to the State in which I began my life work, where I have always had a great many pleasant associations, and be able here to meet many old friends, and with them to meet the honored Senator and governor of the State where I did the most of my work in this country. It was an unexpected honor and privilege, and grew out of a conversation with Gov. Johnson, of California.

I have been for seven years in the service of one of the Australian States which has shown great wisdom and sagacity in its attention to irrigation matters, and in telling him of the methods pursued in that State in keeping settlers on irrigated land he asked me if I would come here and repeat to this convention what I had told him. This State is the foremost of the irrigation States of Australia, having more irrigated land and a larger investment in irrigation works than all of the other Australian States combined. And seven years ago it was confronted by very much the same problems that confront many of the Western States here. A large sum of money had been invested in irrigation work. The water was available; the land was there; but neither was the land cultivated or the water used. The difficulty was the lack of people. There was not in the country one-tenth of the farmers needed to cultivate that land and use the water, and the problem which confronted that country was how it could honestly invite settlers on distant lands to come there to unknown conditions and assure them that if they did come they would have more than a reasonable chance of success; and that country did what this country has failed to do. We have never yet here made a study of colonization and settlement. Partly because of the great area of rich, fertile, and cheap lands that have been available in the past this was not necessary, and since conditions have changed the need for this, the importance of it, has been neglected. For that reason I believe that the experience of this State and the methods pursued have a direct relation to the questions that you are to consider in this convention.

In dealing with these questions they realized that the men who came there—and many of them come 7,000 to 14,000 miles—would know nothing of the conditions in the country and would know nothing of prices or values. The methods of agriculture would be different, and if they were left alone to find out right methods for themselves inevitably much time and money would be wasted. The question was how to prevent that; how to enable the settler to become self-supporting in the shortest possible time, and so bring to the lowest limit the encroachment on his meager savings for living expenses.

It was evident, first, that the men who would come from abroad would have limited capital, and it was the purpose of the State to make the opportunities open to every man who had industry regardless of his capital. It was not to make development for those who had an accumulation of money or those who could pay their own way, but to open up under irrigated areas the same opportunities for the men seeking a home and hoping to win it by industry that had been presented to the earlier settlers of the country when they had free public lands open to them. In order to do that it was absolutely necessary to reduce to the shortest possible time the period from which the settler leaves his old home to the time he is established and earning a living in his new one, and to do that you must first provide him with his farm and next with a house. If you leave the settler to hunt around and make the bargain for material to construct the house, you inevitably cause him great loss of time and money. So the State said it would build the house for the settler. Plans of 14 houses of different design and cost were prepared. These the State builds for the settler on his payment of a deposit equal to one-fourth of the cost. The next thing which the settler needs is to have a portion of his land graded and seeded. No newcomer in irrigation can grade land properly. His first attempts are costly and usually of little value. So the State obviated that by putting in alfalfa one-fourth of each holding, the settler paying one-fourth of the cost and having 10 years in which to pay the remainder.

As a result of this policy we have had settler after settler who has come to us, gone into his new home, and been earning a living and making his expenses within 30 days of the time that he landed in the country.

Furthermore the State places at the disposal of these settlers immediately on their arrival the services of a man whose business it is to endeavor to place every settler in the position best suited to his ability, so as not to place the orchardist on grazing land or to place the dairyman on fruit land, but to deal with them entirely on honor and not to accept the application of a man unless he has reason to believe that he will be a success. The State also gives expert practical advice in the purchase of work horses and dairy cows, so that the settler, if he desires, can make those purchases promptly and be protected from the unscrupulous dealer.

These provisions meet the problem, but there still remains to be solved the human side of the difficulty. The industrious and thrifty man who understands his business needs little more; these aids are sufficient. But such generous assistance inevitably attracts a great many visionary or indolent men, who believe that if the Government goes this far and gives them a house and a farm and a portion of the land cultivated, in some mysterious way they have received an endowment, and all they have to do is to remain there and be supported. It is essential to the successful operation of any such enterprise that this should be avoided, and so another feature of this scheme is the placing in every settlement of a tactful practical farmer, whose business it is to be the friend and adviser of these settlers, to tell them what to do and how to do it; but it is also his business to watch the settlers and keep track of their operations, to ascertain those who are industrious and those who are indolent, and to make frequent reports to the central office regarding them. The settlers know of this; they see these reports and they have an opportunity to comment on them if they so desire. The settlers know that these reports are made a matter of permanent record and that they are the basis, or very largely the basis, of the dealings with them of the commission in charge of this matter.

The effort is first to have these settlers become self-supporting as soon as possible. The effort is next to have them bring all of their land under cultivation and to get a full return from their investment as early as possible, and what is being striven for there is to have each farm fully in cultivation in two years. We have not succeeded in that entirely, but I am going to give you the published results later on. The settler who takes irrigable land has a keen struggle before him. He has the land to cultivate and grade, the completion of his ditches and fences and farm buildings, and that means a large amount of unproductive labor, and if you leave the settler to struggle with all that his progress would be slow. But as an incentive to industry, and as a perfectly safe means of assistance, the State then offers to each settler a loan equal to 60 per cent of the value of all the permanent improvements he places on his land. So the settler who, through his industry and labor, has put up buildings and fences and improved the place to the extent of $500 can go to the State and get a loan of $300 and use it to meet expenses, and it enables hundreds of them to go forward without anxiety, without delay, and without hardship to the settler or his family.

Looking at this proposition and thinking of the results that come from it, and realizing the absolute necessity for this assistance, our commission has from time to time wondered how it was possible in this country—with, as a rule, higher priced land, higher priced water, and with certainly very much higher interest rates—for the settler here to be able to struggle along and overcome those initial obstacles without any assistance whatever; and one of the things that I desired to investigate when I came here was just what was the experience of the beginner with small capital. The result of that investigation since I have come here is that the stumblingblock of your development, the main reason for the discrediting of irrigation securities and the difficulties that are being encountered, is the fact that you have failed to realize the difficulties that confront the farmer and to realize the difference and difficulty that is coming in this country through the increased cost of water, owing to the greater magnitude of the works built, the higher prices of living, the higher prices of land, and the higher interest rates that have to be borne. The next step is to completely reorganize your methods of land settlement and to bring the

projects already completed or partly completed into full development.

The results there have been these: We have been able to draw settlers from all quarters of the globe; until recently it has been impossible for the State to acquire and prepare land and keep out of the way of the settlers coming; at the end of three years practically all our settlers, nine out of ten of them, are on their feet and are no longer any anxiety to us. The Government has been so pleased with the management and success of this policy that they are now preparing to enter upon new works of greater magnitude than those built in the past and give still more liberal terms to the settlers who come on those lands. In this initial experiment the settler is given 31½ years to complete his payments; during that time he pays each year 6 per cent on the cost; of that, 4½ per cent is interest, 1½ per cent goes into the sinking fund, which discharges the entire debt in 31½ years. The State is now considering extending that period to 40 years and requiring only interest for the first principal. On houses the interest rate is 5 per cent, and the settler is given 20 years in which to complete payment. For the improvement of the land the interest is 5 per cent, and the settler is given 10 years to complete payment. Loans are 5 per cent, and the settler is given 20 years to complete payments. So that you will see he not only has a system but he is relieved at the outset of the great burden of excessive payments. This State does not require any payments for water rights. It is the belief of the Government—that I believe experience has fully justified—that certainly in the earlier years of development it is far better for these canals to be managed by competent public authorities. The settlers have all they can do to deal with the improvement of their homes and in making their payments. To sell them at that time an interest in the canal simply adds to the burden of their debt and gives them no advantage whatever. We have tested that by offering our settlers an opportunity to assume control of a portion of this system and they have declined. Hence, all they have to meet in their payments for water is 4 per cent interest on the cost of the work and actual operating expenses. That accounts for the water charges on our systems being the lowest, considering the character of the service and the best service to be found anywhere in the world.

You will realize that in a development of this kind it requires a large sum of money to meet these advances, and there I think we come to what is a feature of irrigation development that we must all realize. Too many have regarded irrigation enterprises as a matter in which there could be a quick return; but with the building of irrigation works comes an immense amount of labor and improvements, expenditure in the improvement of the land, before it becomes a real irrigation proposition. It is a matter of not a few years, but a matter of a great many years. It is only when they are organized and have adequate financial backing that they become a perfectly safe and sound enterprise, and it is the failure to realize that that has brought so many into difficulty—not the ultimate value of the property, but the failure to provide for the earlier needs both of the settler and of the Government. That country is remote from all centers; it is now undeveloped country; there are great opportunities in the live-stock business, and all the local money, all the capitalist money, is absorbed in that enterprise. I think there is need for some financial management here. The money used for this enterprise comes largely from the State savings banks. The State has a savings bank, in which are deposited quite largely the accumulations of its wageworkers. The State pays 3½ per cent interest on small accounts and 3 per cent on large accounts. It has on deposit now about $110,000,000. Nearly all of that money is loaned out at 5 per cent as farm loans or for urban development—workmen's homes within the limits of the city—all practically loaned out for the purpose of upbuilding the State, for improvement purposes. The bank has been running a great many years. Its expenses do not near absorb the difference between the 3½ and 3 per cent it pays and the 4½ and 5 per cent that it charges. It has now so large an accumulation in its reserve fund that its condition is absolutely beyond question.

When hearing that you had established in this country a postal savings bank system, it seemed to me there could be no more wise or no more sensible and safe use for that money to arrange in some way for its safe loan in the upbuilding of the agriculture of the western country. We have through this country an immense amount of money invested in enterprises absolutely sound and absolutely right, lacking only cultivation of the land and use of the water to make them profitable, and it seems that the great problem before the West to-day is to bring these enterprises into full use. If you are to do this by the extension of such aid as I have indicated, then there must, of course, come first of all some public, thorough, and impartial investigation of these enterprises to determine which of them have an adequate water supply, which have lands suited to irrigation, and which can supply land and water at prices which settlers can be asked to pay. If the unsafe and discredited enterprises are eliminated—and assistance of this kind is only for those that are legitimate and have right conditions back of them—I see no reason why better results should not come here than have come to Australia, because you do not have to go half way around the world to find your settlers; they are here in great numbers; they are eager for land; and the hard conditions that confront them here in obtaining it are driving them away from here; they are going to Canada; to Australia; to take advantage of the liberal and generous offers presented to them there. Unless something of this kind is done, I feel that they will go in increasing numbers. You must realize in this matter that you are entering into competition world-wide. There never was a time in the history of the world when the settler was as valuable as he is now and when there was as much brain enlisted in the enterprise. South Africa is offering this inducement. I see from the newspapers that the Canadian Pacific Railway extends aid to the amount of $2,000 to each of the settlers on its irrigated lands. Even far-off Argentina is investigating this matter with a view to taking similar action. Now, here is a democracy—a rich country—and, as a matter of business and humanity and as a matter of taking care of her own and continuing this as a land of opportunity, I believe this is one of the most important steps to be taken in the reclamation of our arid lands.

The "Constellation."

EXTENSION OF REMARKS

OF

HON. J. CHARLES LINTHICUM,

OF MARYLAND,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, May 2, 1914.

Mr. LINTHICUM. Mr. Speaker, I wish to congratulate the Committee on Naval Affairs upon the insertion in this bill and the passage by the House of the measure I introduced providing $50,000 for the repair and reconstruction of the old frigate *Constellation*. I especially take pleasure in noting that it was my colleague, Mr. TALBOTT of Maryland, who so ably presented the need for the restoration of this old ship, for it is due to his work and his constant attention to the matter that the wisdom of this appropriation was made plain to the Committee on Naval Affairs and provided for in this bill.

From September 6 to 14 of this year we shall hold in Baltimore the National Star Spangled Banner Centennial, in commemoration of the British attack on North Point and Fort McHenry and the writing by Francis Scott Key of our national anthem. For this reason the people of Baltimore are particularly interested in the repair of the *Constellation*, for the Secretary of the Navy has promised to send her to participate in that celebration, and our waters will again welcome the old craft that began her brilliant career soon after she slid from the ways in the harbor of Spring Gardens, of our city.

The old *Constellation*, now used as a stationary training ship at Newport, R. I., is one of the few remaining sacred veterans of our first navy. She was launched September 7, 1797, and from that date forward her career was one of the most eventful in the annals of our vessels of war. She was ever the favored benefactor of an inscrutable Providence and good fortune, and the happy Jack-tar who clambered enthusiastically over her side to her spotless, holystoned deck felt a stimulating confidence that he was on the "lucky ship" of the American Navy. The sailorman is a curious mixture of practical belief and odd superstitions, and it was this reputation for good luck that made the *Constellation* the preference of every jackie and the envy of every sister ship in our Navy.

It was a whimsical, capricious fate that directed her course, for both in war and in peace it was given to her to play memorable rôles. Beginning with her active war service in the West Indies, in her very first conflict with the enemy—that with *L'Insurgente*—she added luster to our flag and brought our

Navy at home and abroad in high repute. It is a singular instance that her last important cruise was a mission of peace and good will, for it was this venerable warrior that in 1880, laden with supplies of food, carried succor to the starving thousands of Ireland. And between these missions of war and peace she holds a record of eventful services that will forever perpetuate her name in our Nation's memory. Let us glance at her long career, covering a period of more than a century.

HER HISTORY.

Although not launched until the fall of 1797, in June of the year following the *Constellation* sailed under command of Capt. Thomas Truxtun to join the West India Squadron. Seven months later—February 9, 1798—near St. Kitts, she received her baptism of fire, in which, through her superior gunnery, she captured the French frigate *L'Insurgente* after a spirited fight lasting 1 hour and 14 minutes. In this engagement the *Constellation* had 2 killed and 3 wounded, while the French loss was 29 killed and 41 wounded.

As a result of her activity, during the same month of that year she took the French vessels *Le Diligent* and *L'Union*.

On February 1, 1800, she encountered the French frigate *La Vengeance* off Guadeloupe. After five hours' combat, the French vessel withdrew from the action badly damaged. Owing to darkness and the loss of the mainmast of the *Constellation* the enemy escaped, reaching Curacao in a sinking condition. The loss on the *Constellation* was 14 killed and 25 wounded; on the *La Vengeance*, 50 killed and 110 wounded. For this victory Congress awarded a gold medal to Capt. Truxtun.

We next hear of the *Constellation* as a participant in the blockade of Tripoli in 1802, where she was a part of the Mediterranean Squadron, remaining attached to that service until 1804. She was instrumental in bringing the haughty dey to terms, and in securing for American ships and American seamen that immunity and freedom from molestation which few of the other nations of Europe enjoyed from the pirates of the Mediterranean.

There is a few years of peace and then we arrive at open hostilities with England. During January, 1813, under command of Capt. Charles Stewart, she found the British fleet becalmed and anchored off Willoughby Point, Hampton Roads. While awaiting a turn in the tide, the *Constellation* grounded and was taken up and anchored under the forts of Norfolk, and although unable to leave port until the close of the war, 1815, she did most excellent service with her boats and by landing parties ashore, June 20–23, 1813, assisting in the capture of 43 prisoners, sinking three boats, and wounding 90 of the enemy from the squadrons of Admirals Cockburn and Warren.

In 1819 the *Constellation* turned her bow southward on a diplomatic mission to the Rio de la Plata. Then followed 13 years of unbroken peace. In 1832 she put on her fighting togs and went to Naples as one of the fleet sent to enforce the demands of the United States.

The slavery trade on the high seas was outlawed, but by no means extinct. Under cover of secrecy an extensive and profitable traffic was developing in bringing slaves from the coast of Africa to the United States and other countries. In 1859 the *Constellation* was, among other vessels, assigned to the duty of breaking up this illegal and inhuman trade, and she remained in this work until 1861, cruising through the tropic, fever-ridden waters of the coast of Africa. It fell to her lot to capture the notorious slaver *Cora*.

She withdrew from her pursuit of unlawful slavers to engage in more dangerous business. Our Civil War was now upon us and the American merchant marine of the northern States was the prey of Confederate privateers and cruisers. To the *Constellation* was assigned the duty of watching for these allies of the Confederacy, and she remained in that work until 1865, when, her days of active usefulness and efficiency being over, she was made receiving ship at Norfolk and Philadelphia, where she stayed until 1868. In 1872 she was brought to the Washington Navy Yard, where she was used as a gunnery ship. From 1873 to 1892 she became a practice ship for midshipmen, and in 1892 was sent to Newport as a training ship for naval apprentices, where she now serves that purpose.

Where is the vessel among our retired sea fighters that can boast a longer or more brilliant record? And with this history before us who can fail in patriotic veneration for the vessel which has been among the foremost in creating throughout the world admiration and respect for the Navy of the United States?

GREATER USEFULNESS.

I doubt not that the work in which the *Constellation* is now used in schooling naval apprentices for those sterner duties at sea in the career before them is befitting her honorable past. It reminds me of old men who, having passed the age of martial usefulness, are unable to do more than teach the young and vigorous those arts of war in which they once excelled. And I doubt not that this old vessel, rich in her associations, is a wholesome inspiration to the young men who trod her decks preparing for actual service at sea on a modern man-of-war.

But in my opinion this old frigate with her glorious memories is capable of even a wider field of usefulness. Better than any other object I know of, she can inspire the multitudes of our land with those lessons of pride and patriotism that have made for the glory of our flag and the honor of our country. In my opinion, she should be kept at the cradle of her infancy, where she will be ever accessible to those who wish to view her and dwell again upon those memories of her exalted past. And I am sure that her presence at our centennial celebration will add immensely to the interest of that event.

COMPARED WITH MODERN DREADNAUGHT.

The *Constellation* was a great ship in her day. She was a wooden sailing vessel 161 feet long, 40 feet wide, 19 feet draft, 1,452 tons, 48 guns—28 14-pounders, 12 12-pounders, and 8 guns, probably 9-pounder swivels. Her normal crew was about 300, but the extra guns she carried required additional men, and her crew at the time of her fight with *L'Insurgente* numbered 409. She cost $314,312. The energy of her largest guns, 24-pounders, was 120 foot-tons, and the energy of all her guns fired at once was 4,440 foot-tons. But she is a mere pigmy beside the powerful dreadnaughts we are building to-day. For the purpose of illustrating a century of the world's progress in naval building, let us compare her with the *New York*, our most formidable battleship of the present.

The *New York*, battleship No. 34, is a great ship of to-day, and there are sister ships, and even greater ships building.

The *New York* is 573 feet long, 95 feet wide, 28 feet draft, 27,000 tons displacement, and her 28,000 horsepower steam engines weigh more than twice as much as the old *Constellation* and drive her at a speed of 20 knots per hour, displacing in one hour 5,400,000 tons of water. The muzzle energy of one of her 14-inch rifle projectiles is 65,000 foot-tons, 16 times the total energy of all the guns of the *Constellation*, and the total energy of all the *New York's* guns is 731,353 foot-tons, 160 times that of the *Constellation*, and shooting 15 times as far.

This terrible projectile of the *New York's* guns, 14 inches in diameter, weighs 1,400 pounds and leaves the muzzle of the gun with a velocity of nearly 3,000 feet per second and 65,000 foot-tons of energy. The energy stored up in this projectile is equal to the work required to raise 65,000 tons 1 foot in 1 minute; or it is equal to the energy created by 65,000 tons falling 1 foot or 1 ton falling 65,000 feet—12 miles. To resist the terrible effects of this projectile, there is required a great armor belt of hardest steel covering the vital parts of a ship, its machinery, magazines, ammunition hoists, etc., and at 6,000 yards it requires over 20 inches of hardest steel to prevent a shell from passing through. This steel armor, the toughest the brain and ingenuity of man can devise, is equal to 60 inches of ordinary iron or steel.

The approximate cost of the *New York*, with equipment and stores on board, is $12,000,000, about 40 times the cost of the *Constellation*.

It will be seen from this comparison that the *Constellation*, a superb type of the fighting craft of our forefathers, is now but a mere infant in size and strength compared with our modern dreadnaughts. Yet despite her smallness and limited gun power, we can not help but admire the skill and efficiency with which our sires used those vessels and those weapons, which at that time were the best they could produce. Though our present-day fighters exceed in bulk and in gun power those of the diminutive *Constellation*, the spirit of those men of a century ago can not possibly be excelled. Their deeds come down to us as a splendid heritage worthy of emulation. We may build fighting vessels in the future, by contrast with which the great battleship *New York* of the present day will be vastly inferior in size and whose gun power it may be impossible and dreadful to contemplate, but as a fighting unit the sea will never be sailed by vessels superior to the old *Constellation*. And the spirit of their crews will need be valiant indeed to equal that of the men who sailed the old frigate, whose restoration this act of Congress authorizes.

I hope and believe that the restoration of the *Constellation* will prove worthy the outlay involved and that this and the generations to follow will view with love and admiration this old frigate, rising specter-like from the past, whose achievements and glory were the pride of our Nation.

Hay-Pauncefote Treaty.

EXTENSION OF REMARKS
OF
HON. WILLIAM S. GREENE,
OF MASSACHUSETTS,
IN THE HOUSE OF REPRESENTATIVES,
Saturday, May 16, 1914.

Mr. GREENE of Massachusetts. Mr. Speaker, availing myself of the authority granted to me to extend my remarks in the CONGRESSIONAL RECORD on the "Panama Canal tolls question." I submit as a part of my remarks an article written by Hon. David Jayne Hill, former ambassador to Germany, published in the Saturday Evening Post at Philadelphia on May 16, 1914, entitled "The meaning of the Hay-Pauncefote treaty."

A careful reading of this entire article will, in my opinion, convince any unprejudiced individual of the entire right of the United States to control and regulate the uses of the Panama Canal without consulting with or submitting to any interference by any other nation. I call, however, particular attention to the following language which appears in this valuable article, which in its entirety bristles with important facts bearing upon this most valuable constructive proposition, connecting the great Atlantic and Pacific Oceans by a great American waterway, built upon the sole authority of the Congress of the United States, through territory of the United States, with money appropriated from the Treasury of the United States, without the aid or assistance of any other nation, and under the direction of Col. George W. Goethals, an honored graduate of the noted United States Military Academy at West Point, who is very properly now honored by appointment by the President as the governor of the Canal Zone.

When the Senate declined to ratify without amendment his first treaty, Secretary Hay reopened negotiations with Great Britain on the understanding that the canal was to be exclusively American; that the right of fortification was not to be denied; and that neutralization as a general principle could not be interpreted as excluding the owners of an object from unlimited control over it so long as all neuters were subjected to equal treatment. Great Britain and all others were to be treated with strict equality, but the United States was to have a free hand in the management of its own property. In pursuance of this purpose the draft of the second Hay-Pauncefote treaty withdrew from the obscurity of a merely parenthetical clause the statement that the Clayton-Bulwer treaty was superseded and brought to the front as the first article the plain declaration:

> The high contracting parties agree that the present treaty shall supersede the aforementioned convention the 19th of April, 1850.

In communicating the new treaty to the Senate for ratification Mr. Hay said:

> The whole theory of the treaty is that the canal is to be an entirely American canal.
>
> The enormous cost of constructing it is to be borne by the United States alone. When constructed it is to be exclusively the property of the United States, and is to be managed, controlled, and defended by it.

Under these circumstances, and considering that now by the new treaty—the Hay-Pauncefote treaty of November 18, 1901—Great Britain is relieved of all responsibility and burden of maintaining its neutrality and security, it was thought fair to omit the prohibition that "no fortifications shall be erected commanding the canal or the waters adjacent."

There were, then, from Mr. Hay's point of view, no limitations whatever on the enjoyment by the United States of "all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal, as provided for in the second article of the new treaty."

THE MEANING OF THE HAY-PAUNCEFOTE TREATY.

[By David Jayne Hill.]

Without touching on the expediency of either affirming or surrendering such rights as the United States may possess in the Panama Canal, it may be useful at this time to inquire what are the respective rights of the United States and Great Britain under the Hay-Pauncefote treaty.

THE CLAYTON-BULWER TREATY.

In 1850 the occupation by Great Britain of territory in the vicinity of a possible future canal connecting the Atlantic and the Pacific led to negotiation of a treaty between the United States and Great Britain, signed on April 19 of that year, which contained the following provisions:

"The Governments of the United States and Great Britain hereby declare that neither the one nor the other will ever obtain or maintain for itself any exclusive control over the said ship canal; agreeing that neither will ever erect or maintain any fortifications commanding the same or the vicinity thereof, or occupy, or fortify, or colonize, or assume, or exercise any dominion over Nicaragua, Costa Rica, the Mosquito Coast, or any part of Central America," and so on.

So long as this convention remained in force—that is, down to the year 1900—it was impossible for either Great Britain or the United States to build an isthmian canal over which it could, without a violation of the treaty, exercise such rights of control and defense as would justify the expenditure of the cost of construction by either nation.

Meanwhile, under rights obtained from Colombia, a French company began, but afterwards abandoned, the construction of a canal across the Isthmus of Panama.

In 1900 the Government of the United States desired to construct an isthmian canal for the purpose of connecting its Atlantic and Pacific coasts by a waterway through which its ships of war and its domestic commerce might be transferred from ocean to ocean. This was to be an American canal, constructed and controlled by the Government of the United States. The obstacle to procedure was the Clayton-Bulwer treaty, by which the United States was solemnly bound not to exercise the control it now desired to exercise.

THE ABROGATION OF THE CLAYTON-BULWER TREATY.

The task was intrusted to the Secretary of State, Mr. John Hay, to open negotiations with Great Britain for the purpose of liberating the Government of the United States from its agreement with Great Britain, in order that it might be free to proceed with the construction of a canal under its own exclusive control.

Would Great Britain agree to release the United States from the then existing obligations? That was the question which Secretary Hay was called on to face. On the one hand, Great Britain might be reluctant to permit the United States to construct and control a waterway between the two oceans through which American ships might at all times pass freely and from which British ships might sometimes be excluded.

On the other hand, Great Britain, as the greatest of maritime powers, might profit greatly by the construction of such a canal; and there was the possibility that the United States, whose position in the Western Hemisphere had been profoundly modified in the 50 years that had elapsed since the signing of the Clayton-Bulwer treaty, might consider it expedient to denounce that treaty, on the ground that treaties, even when alleged to be perpetual, are morally binding only rebus sic stantibus, and cease to be so when conditions have essentially changed.

In the conduct of the negotiations Mr. Hay discovered that Great Britain was deeply interested in the construction of a canal at the expense of the United States, and would readily consent to it on condition that the general principle of neutralization, which had been definitely specified in the Clayton-Bulwer treaty, should be recognized in a new convention.

Accordingly a new treaty was signed on February 5, 1900, designed to take the place of the Clayton-Bulwer treaty, in which it was agreed that a canal might be constructed "under the auspices of the Government of the United States, either directly at its own cost or by gift or loan of money to individuals or corporations or through subscription to or purchase of stock or shares."

THE FIRST HAY-PAUNCEFOTE TREATY.

Though the treaty of February 5, 1900, released the Government of the United States from some of the obligations of the Clayton-Bulwer treaty, it did not release it from all.

In the second article it was declared:

"The high contracting parties, desiring to preserve and maintain the 'general principle' of neutralization established in article 8 of the Clayton-Bulwer convention, which convention is hereby superseded, adopt, as the basis of such neutralization, the following rules."

The rules, substantially as embodied in the Suez Canal convention, signed by nine powers in 1888, then follow. The first one reads:

"The canal shall be free and open, in time of war as in time of peace, to the vessels of commerce and war of all nations, on terms of entire equality; so that there shall be no discrimination against any nation or its citizens or subjects in respect of the conditions and charges of traffic, or otherwise."

The seventh rule reads:

"No fortifications shall be erected commanding the canal or the waters adjacent. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder."

Evidently here, as in the Clayton-Bulwer treaty, Great Britain shared with the United States the power to determine the conditions under which the canal should be used. It was distinctly agreed that all nations, without qualification of any kind, and therefore plainly including the United States, were to be treated on terms of entire equality with the United States.

The language is plain and explicit and can have no other meaning. So complete is the condominium in the control of the canal that Great Britain in the first Hay-Pauncefote treaty still possessed and exercised the right to forbid the fortification of the canal, as well as to share on terms of entire equality all the privileges of the United States, both in war and peace.

THE SECOND HAY-PAUNCEFOTE TREATY.

Though it is well known that the first Hay-Pauncefote treaty was not ratified by the Senate of the United States and was returned to Secretary Hay with several proposed amendments, the language of that treaty has so impressed itself on the memory of many persons that they persist in quoting its words as constituting the present obligations of the United States, unmindful of the fact that it was never ratified.

It is therefore of the highest importance to a comprehension of this subject that we should not only distinguish between the unratified treaty of February 5, 1900, and the treaty of November 18, 1901, which was duly ratified and is now in force, but that we should closely follow the steps of the transition from the one to the other by which the the relations of the two Governments were radically modified.

Without encumbering this brief exposition with the discussion of the first Hay-Pauncefote treaty before the committee of the Senate, it may be sufficient to point out the nature of the modifications actually adopted, with the reasons for making them.

When the Senate declined to ratify without amendment his first treaty, Secretary Hay reopened the negotiations with Great Britain on the understanding that the canal was to be exclusively American; that the right of fortification was not to be denied; and that neutralization as a general principle could not be interpreted as excluding the owners of an object from unlimited control over it, so long as all neuters were subjected to equal treatment. Great Britain and all others were to be treated with strict equality, but the United States was to have a free hand in the management of its own property.

In pursuance of this purpose the draft of the second Hay-Pauncefote treaty withdrew from the obscurity of a merely parenthetical clause

the statement that the Clayton-Bulwer treaty was superseded, and brought to the front, as the first article, the plain declaration:

"The high contracting parties agree that the present treaty shall supersede the aforementioned convention of the 19th of April, 1850."

It is, therefore, useless to look back of the Hay-Pauncefote treaty of November 18, 1901, for any light on the present rights and treaty relations of the United States and Great Britain. So far as the Clayton-Bulwer treaty and the first Hay-Pauncefote treaty are concerned, they have no existence and no effect. The rights of the two countries respecting the canal are, therefore, to be determined solely by an interpretation of the second Hay-Pauncefote treaty, which alone is still in force.

Happily we have clear and authentic written evidence of the intentions of both sides in this negotiation. In communicating the new treaty to the Senate for ratification Mr. Hay says:

"The whole theory of the treaty is that the canal is to be an entirely American canal. The enormous cost of constructing it is to be borne by the United States alone. When constructed it is to be exclusively the property of the United States, and is to be managed, controlled, and defended by it. Under these circumstances, and considering that now, by the new treaty Great Britain is relieved of all responsibility and burden of maintaining its neutrality and security, it was thought entirely fair to omit the prohibition that 'No fortifications shall be erected commanding the canal or the waters adjacent.'"

There are, then, from Mr. Hay's point of view, no limitations whatever on the enjoyment by the United States of "all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal," as provided for in the second article of the new treaty. The Clayton-Bulwer treaty casts no shadow on the new convention, which is based on a new conception of the relations of the two Governments to the canal.

That the British Government took the same view is evident from the difference between the two Hay-Pauncefote treaties and the statements of Lord Lansdowne, the British minister of foreign affairs, in his communications to Lord Pauncefote.

THE CHANGES IN THE TREATY AS RATIFIED.

Lord Lansdowne's memorandum for the instruction of Lord Pauncefote, dated August 3, 1901, reveals how completely the British Government had modified its point of view since the negotiations began.

"In form," says Lord Lansdowne, "the new draft differs from the convention of 1900, under which the high contracting parties, after agreeing that the canal might be constructed by the United States, undertook to adopt certain rules as the basis on which the canal was to be neutralized. In the new draft the United States intimate their readiness 'to adopt' somewhat similar rules as the basis of the neutralization of the canal. It would appear to follow that the whole responsibility for upholding these rules, and thereby maintaining the neutrality of the canal, would henceforth be assumed by the Government of the United States. The change of form is an important one; but in view of the fact that the whole cost of construction of the canal is to be borne by that Government, which is also to be charged with such measures as may be necessary to protect it against lawlessness and disorder, His Majesty's Government are not likely to object to it."

In brief, the rules for the use of the canal, instead of being laid down, as in the first treaty, by the United States and Great Britain jointly, in this new treaty are now to be laid down by the United States alone, the reason for this being that the cost of constructing, maintaining, and defending the canal is now to be borne solely by the United States. The bilateral agreement becomes a unilateral regulation. In exchange for the added burdens assumed by the United States, Great Britain surrenders all rights in the canal except those explicitly accorded under the rules adopted by the United States.

This radical change in the ground conception of the treaty seemed to Lord Lansdowne to require a corresponding change in the phraseology of the rules. Accordingly, in the draft of the treaty sent by the British Foreign Office to Lord Pauncefote, Lord Lansdowne proposed to change the expression in the first rule from—

"The canal shall be free and open, in time of war as in time of peace, to the vessels of commerce and war of all nations, on terms of entire equality; so that there shall be no discrimination against any nation or its citizens or subjects in respect of the conditions and charges of traffic, or otherwise"—

to the form—

"The canal shall be free and open to the vessels of commerce and war of all nations which shall agree to observe these rules, on terms of entire equality; so that there shall be no discrimination against any nation so agreeing," and so on.

The significance of this change is evident. The rules in question were now to be adopted by the United States alone. The canal was not to be thrown open to "all nations," but only to "all nations which shall agree to observe these rules." Not only so, but the expression, "in time of war as in time of peace," which appeared in the first treaty, is now dropped, thus giving the United States in time of war the right, if necessary, to close the canal even to those nations that agree to observe the rules laid down by the United States.

Clearly the United States Government in this new treaty occupies an entirely different position from the one it occupied in the previous treaty. It now possesses the right not only to fortify the canal but to close the canal in time of war. It is recognized as sole proprietor, and as such is empowered not only to adopt rules but by its own means and at its own cost to enforce the observance of them.

What, then, is the position in the new form of the treaty of all other nations, Great Britain included? "All nations which shall agree to observe the rules," now adopted by the United States alone, and no others, are, according to Lord Lansdowne, to enjoy the use of the canal. A distinction is here made that did not appear in the first treaty. In the first treaty the United States and Great Britain together adopted rules that opened the canal to "all nations, on terms of entire equality." In the second treaty the United States alone adopts the rules; and, as sole owner of the canal, offers terms of entire equality to all nations that shall agree to observe them.

Does the equality here referred to mean equality with the Government of the United States or equality among those agreeing to observe the rules? This is, without doubt, the critical point in the interpretation of the treaty, and it is necessary to proceed with extreme caution and absolute freedom from prejudice of any kind.

It would appear that the right to fortify the canal and to adopt rules for its use, with the power of closing it in time of war for purposes of defense, places the Government of the United States in a position quite different from that which it occupied when all these prerogatives were denied. The consideration offered by the United States to Great Britain for these new advantages was the assumption of the whole burden of maintaining and defending the canal as a piece of national property, thus relieving and discharging Great Britain from any obligation whatever, except observance of the rules.

A close examination shows that not one of the rules the nations were to agree to observe could be regarded as applying to the owner of the canal; so that the expression, "all nations which shall agree to observe these rules," can hardly be regarded as including the United States.

The purpose and character of the rules seem to forbid such inclusion. They are almost exclusively prohibitions that could not well apply to the United States as sole proprietor of the canal, whose whole interest would be to secure the observance of the rules and could not in any way be promoted by violating them—such as blockading the canal, committing acts of hostility within it, the revictualing of belligerent vessels, delay in transit, the treatment of prizes of war, the embarkation or debarkation of troops and munitions of war, and so on, and the occupation of waters adjacent to the canal by belligerent vessels—all of which relate to acts interfering with the control of the canal. Such rules have from their very nature no application to the United States, which, therefore, can not fairly be regarded as included in the expression, "all nations which shall agree to observe these rules."

We have, then, apparently two classes of powers designated in the provisions of this treaty: (1) The sole builder, owner, and controller of the canal, on the one hand, and (2) the nations that agree to observe the rules it has adopted, on the other. Does the United States consent in this treaty to extend to other nations entire equality with itself in the use of the canal, or only entire equality among themselves as equal and neutral powers?

The answer to this question is to be found in the statements relating to the effect of the treaty by those who commented on it at the time when it was negotiated. Lord Lansdowne, in his instructions to Lord Pauncefote, states very clearly his reason for changing "all nations" into "all nations which shall agree to observe these rules." His reason is—with the new conception of the treaty as giving to the United States complete control of the canal, thus making it exclusively American—that Great Britain would be placed at a disadvantage if all nations, without distinction, were to enjoy the privileges of the canal without any obligation to observe the rules.

"The omission of the words under which this country [Great Britain] became jointly bound to defend the neutrality of the canal, and the abrogation of the Clayton-Bulwer treaty," Lord Lansdowne admits, "would materially diminish the obligations of Great Britain. This," he adds, "is a most important consideration. But," he continues, "having assumed the whole burden of defending the canal, the United States would have a treaty right to interfere with the canal in time of war or apprehended war. Great Britain alone, in spite of her vast possessions on the American Continent and the extent of her interests in the East, would be absolutely precluded from resorting to any such action or from taking measures to secure her interests in and near the canal," though other powers not bound by the treaty would be free to take such action as they pleased.

"I would therefore suggest," he concludes, "the insertion, in rule 1, after 'all nations,' of the words 'which shall agree to observe these rules.' This addition will impose on the other powers the same self-denying ordinance as Great Britain is desired to accept, and will furnish an additional security to the neutrality of the canal, which it will be the duty of the United States to maintain."

What, then, is the substance of this self-denying ordinance on the part of Great Britain and this new burden assumed by the United States? Is it not the complete and unrestricted surrender of the control of the canal to the one power that takes the place of the two powers which before acted jointly, so that all other powers must agree to observe its rules on a plane of equality among themselves?

The Government of the United States objected to requiring all nations desiring the use of the canal to agree to observe its rules, on the ground that such an agreement would make those nations parties to the contract and thus give them contract rights in the canal. Mr. Hay proposed to change the reading of Lord Lansdowne's suggestion to "all nations observing these rules"; thus preserving the distinction already made plain in Lord Lansdowne's amendment between the nation adopting and the nations observing the rules, but without making them parties to the contract.

The question still remains: Did the assumption of the full control of the canal by the United States in any way affect the pledge of the United States Government in the first Hay-Pauncefote treaty to accord to all nations terms of entire equality with itself?

The change in the relations between the high contracting parties expressed in the new treaty seems to imply a change in this respect also; and Lord Lansdowne appears to have thought it did, for he proposed the insertion in the new treaty of the words, now for the first time suggested: "Such conditions and charges of traffic shall be just and equitable."

If it was clearly understood that the United States and all nations observing the rules were to be subject to identical conditions and charges of traffic, would there have been any occasion to demand of the United States that these should be just and equitable? Could the United States Government, on the assumption that "entire equality" applies to itself and other nations, have any motive for imposing conditions and charges of traffic that were not just and equitable on its own citizens?

This new insertion apparently implies the conviction that entire equality with the United States was no longer, as in the first Hay-Pauncefote treaty, a prerogative of the other powers, including Great Britain; and that the only way to guard against excesses by the United States was not, as might otherwise be expected, to write into the treaty the simple words, "No other conditions or charges of traffic are to be demanded than those paid by vessels of the United States," but, instead, the far feebler proviso, quite meaningless if entire equality were already accorded: "Such conditions and charges of traffic shall be just and equitable."

Undoubtedly Great Britain was, to use Lord Lansdowne's expression, making a "self-denying ordinance." The new treaty was radically different from the old. The compensation to Great Britain, however, was twofold. Without these changes the canal would probably never be built, and Great Britain was desirous that it should be built; but, in addition, Great Britain was relieved of responsibilities by placing the control exclusively in the hands of the United States.

Could Great Britain expect, under these circumstances, to obtain entire equality in all the advantages of the canal? What compensation in that case would the United States receive for assuming not only the cost of construction but the responsibilities Great Britain thus evaded?

If the transaction is to be esteemed a fair bargain, such as should preserve the honor of both nations—and it is difficult to see how the

honor of one can be involved without involving the honor of the other—it was just that the United States should receive some compensation for undertaking single-handed to open a great waterway between the oceans that all nations observing its rules should use on equal terms. This was duly recognized by Lord Lansdowne, and there is not a word in the entire correspondence that is not inspired by a spirit of equity on both sides.

It would be as dishonorable to interpret unjustly the meaning of this treaty, and to insist that one side never really gave up anything, as to have made the treaty itself dishonorable or dishonoring to either side. In authorizing the signature of the treaty, as finally agreed on, Lord Lansdowne, in his final instructions to Lord Pauncefote, reverts to the words "all nations" and Mr. Hay's change in the form he had suggested, by remarking:

"His Majesty's Government were prepared to accept this amendment, which seemed to us equally efficacious for the purpose which we had in view, namely, that of insuring that Great Britain should not be placed in a less advantageous position than other powers."

It would seem absurd to claim for Great Britain all that was voluntarily surrendered in her self-denying ordinance. Her rights appear thereby to have been reduced to the use of the canal on terms of equality with all nations observing the rules, with the added proviso that "Such conditions and charges of traffic shall be just and equitable." All other rights in the canal are accorded by the treaty now in force to the Government of the United States, whose only duties to foreign nations are defined in the following paragraph:

"The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality; so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions and charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable."

THE PRINCIPLE OF NEUTRALIZATION UNAFFECTED.

It was not intended that these changes in the treaty should affect the general principle of neutralization; and Mr. Hay, in recognition of the concessions made by Great Britain in the treaty of November 18, 1901, voluntarily proposed, and it was formally agreed in the fourth article, that no change of territorial sovereignty should affect the obligations of the high contracting parties under the present treaty.

Since the ratification of the second Hay-Pauncefote treaty the United States has acquired by purchase from the Republic of Panama the right to exercise sovereign authority over the Canal Zone and the adjacent waters within the 3-mile limit; but this in no way affects the general principle of neutralization.

It is important, however, to comprehend the meaning of the term "neutralization" and the powers implied in the control of neutralized territory. Belgium, Switzerland, and Luxemburg are neutralized States; but their domestic concerns are in no way affected by this fact. Their duty consists solely in maintaining and defending their neutrality as between foreign powers. Their sovereign rights are in no way abridged. Within their own territory all of these rights remain intact.

No other power has a right to interfere with the relation between their treasuries and their domestic commerce. They are under a solemn obligation, voluntarily assumed, to treat other powers alike, so far as privileges within their territory are concerned, and especially not to permit their territory to be used as a military base or source of supplies for belligerents. This is precisely what the Government of the United States is pledged to do in respect to all nations observing the rules of neutralization adopted by the United States, namely, to furnish equal treatment and equal service in the canal.

If it were contended that the Government of the United States should enjoy no privileges in the canal other than those possessed by the nations observing its rules, there would be no historic example of neutralization and no intelligible definition of the term on which such a contention could be based. This contention would impose on the builders of the canal such servitude to noncontractants as was never yet imposed by any power on the owner of any neutralized object.

What, under that interpretation, would become of the agreement in the second article, that "the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal"?

It is true that all these rights are subject to the provisions of the present treaty; but they are not subject to theories and definitions not in harmony with these provisions, and they can not be in any way legally limited, except by the clear and express stipulations of the treaty itself.

It has been claimed as a restriction on these rights that the preamble of the treaty now in force expressly states that its purpose is "to remove any objection which may arise out of the convention of the 19th of April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the general principle of neutralization established in article 8 of that convention"; and that therefore article 8 of that treaty is still in force.

A careful examination of the article in question shows that this can not possibly be the case; and that it is merely the general principle of neutralization, and not at all the specific form of neutralization presented in that article, which the second Hay-Pauncefote treaty is designed not to impair.

Article 8 of the Clayton-Bulwer treaty contemplates the construction of a canal by neither Government, but by some company to be formed for that purpose, under the protection of both Governments. The canal is, in return for this equal protection, to be "open to the citizens and subjects of the United States and Great Britain on equal terms."

Both Governments are pledged not to exercise any control over this tertium quid. Suppose, then, such a company had built the canal, would there be any doubt about its right to pass its own ships freely through its own waterway? Would there be any impairment of the general principle of neutralization so long as all the protectors of the canal were equally served?

The difference between the Clayton-Bulwer treaty and the second Hay-Pauncefote treaty consists precisely in this: In the Clayton-Bulwer treaty the United States and Great Britain were joint protectors of a tertium quid, while in the second Hay-Pauncefote treaty the United States Government becomes, by a new and special agreement with Great Britain, both the sole owner and the sole protector of a canal built entirely at its own expense, while Great Britain ceases to bear any burden or accept any responsibility as protector of the canal.

That the right to equal treatment agreed on in the Clayton-Bulwer treaty is based solely on participation in this obligation to protect the canal is evident from the last words of the article in question.

The article reads: "* * * shall also be open on like terms to the citizens and subjects of every other State which is willing to grant thereto such protection as the United States and Great Britain engage to afford."

With the falling away of this protection, which in the first Hay-Pauncefote treaty was still joint between the United States and Great Britain, and was to be shared by other powers also, disappears entirely the specific form of neutrality embodied in the Clayton-Bulwer treaty; and only the general principle, as already defined, remains, namely, that the owner grants entire equality to all nations observing the rules.

THE REMOVAL OF ALL AMBIGUITIES.

If it be claimed that the language of the second Hay-Pauncefote treaty is ambiguous, and that therefore the broadest possible construction should be placed on it, there is a very simple method of ending all controversy regarding the obligations of the treaty.

Let it be assumed that the Government of the United States is in honor bound to treat the vessels of all nations precisely as it treats its own; what results from this concession? If such conditions and charges of traffic are to be just and equitable, it is proper that every gross ton of shipping passing through the canal should bear its due proportion of the total interest charge and cost of maintenance, operation, and defense of the canal.

If it be a point of honor on account of the obligations of the treaty for the Government of the United States to accord to the vessels of all nations the same treatment that is accorded to its own vessels, it is also a point of honor for all nations availing themselves of the use of the canal to make good to the Treasury of the United States their share of the cost of the service rendered.

It would, therefore, be fitting for the Government of the United States, if this construction is to be placed on the treaty, to add a rule requiring the nations using the canal to pledge themselves, as a condition of enjoying its benefits, to pay from their respective treasuries such sums as may be necessary to meet any deficit in the annual budget of the canal in proportion to the gross tonnage of the vessels sailing under their respective flags.

Mine Workers of Colorado.

EXTENSION OF REMARKS

OF

HON. FRANK BUCHANAN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, May 9, 1914.

Mr. BUCHANAN of Illinois. Mr. Speaker, the outrages perpetrated on the mine workers of Colorado are attracting the sympathy of all humane citizens of our country and arousing a sentiment that bodes ill to the system of the Rockefellers and other financial and commercial pirates. This crowd of commercial highbinders, through the system, has committed the most heinous crimes—even murder—to enslave the wageworkers. The slaughter of the defenseless women and children in Colorado is more brutal and vicious than the acts complained of by our people in Mexico, and a greater offense to the underlying principles of a democratic republican government. I here insert resolutions expressing in strong language the protest of the Chicago Federation of Labor:

Whereas for more than six months the United Mine Workers have been on strike in the coal fields of Colorado, which coal fields are owned and controlled by the Rockefeller interests. During this time gunmen, thugs, criminals, and State militiamen have been arresting, torturing, and murdering these inoffensive and practically defenseless men, women, and children; and

Whereas, with the aid and assistance of Gov. Ammons, of Colorado, the coal companies dominated by the Rockefellers and their military hirelings have instituted a reign of terror. Civil government has been prostituted and replaced by "gunman" government; civil rights, justice, and liberty have been denied. The gunmen militia, to show their contempt for the Stars and Strips, riddled it with bullets, a "salute" to our flag which is tolerated because it happened in Colorado. The Constitution of the United States has been violated and treated with contempt by the commanding officers of the militia, who claim to be the "Jesus Christs" of Colorado, which is certainly a new way of defining the "divine right" to enslave the workers; and

Whereas on April 21, 1914, the Rockefeller mine guards, gunmen, thugs, militiamen, and murderers at Ludlow, Colo., perpetrated one of the most fiendish and dastardly massacres when they set fire to the tent colony where the wives and children of the miners were sheltered. These brutal and inhuman monsters stood guard, rifle in hand, to shoot down any attempt to escape while the flames and smoke wiped out a score of lives; and

Whereas this brutal warfare on defenseless women and children is the crowning infamy of a most bloodthirsty and uncivilized act, and is the answer of the Rockefeller interests, assisted by the officials and militia of a sovereign State, to the workers, who, through their organization, striving to observe the laws of the State and Nation, are seeking to secure the consideration they are entitled to: Therefore be it

Resolved, By the Chicago Federation of Labor, at its regular meeting held Sunday, May 3, 1914, that we condemn the brutal and inhuman actions of John D. Rockefeller and his son, John D., jr., in maintaining a condition whereby the murdering and burning of the men, women, and children of Colorado is brought about; and be it further

Resolved, That we believe it to be the duty of the President of the United States to confiscate the coal mines of Colorado and operate them in the interest of the people until Congress enacts legislation providing for the Government ownership of natural resources; and be it further

Resolved, That we ask the President of the United States, that during the time the Federal troops are in Colorado, that the safeguarding of the lives and homes of the workers be paramount to the pretenses

of the protection of property now so boldly asserted by the anarchists and outlaws invading that State; and be it further

Resolved, That we unqualifiedly demand of the President that the right of citizens to carry arms as provided for in the Constitution be not abridged; and be it further

Resolved, That we pledge our moral and financial support to the miners of Colorado in the absence of civil government and in every lawful effort they make to elevate their material and moral conditions. We urge them to be steadfast and true to themselves, their wives, children, their homes, and their fellow workers.

Respectfully submitted.

BY THE EXECUTIVE BOARD.

Amended. That copies be sent to the Members of the United States Senate and House of Representatives.

The above resolution and amendment were adopted by a unanimous rising vote.

[SEAL.]

CHICAGO FEDERATION OF LABOR,
JOHN FITZPATRICK, *President*.
E. N. NOCKELS, *Secretary*.

Protection to Exporters.

EXTENSION OF REMARKS

OF

HON. KENNETH D. McKELLAR,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, May 12, 1914.

Mr. McKELLAR. Mr. Speaker, the Harter Act was passed in 1893. The original purpose of this act was to protect exporters, and as it originally passed the House of Representatives it would have effected this purpose, but some other adroit and skillful amendments were placed on it in the Senate nullifying this purpose. Before this act the laws of the United States forbade shipowners to exempt themselves in any way from liability for loss or damage at sea due to their own faults, errors, or negligence. It was not intended by the promoters of this act in 1893 that this should be changed, but, as a matter of fact, by the amendments passed in the Senate the law as to negligence was changed. It is the object of the present bill introduced by me, which is simply a reproduction of Senator NELSON'S former bill, to restore the law that existed prior to 1893, and in addition thereto give our courts jurisdiction and power to make the law effective.

The first section of the Harter Act is very sweeping, providing—

That it shall not be lawful for the manager, agent, master, or owner of any vessel transporting merchandise or property from or between ports of the United States and foreign ports to insert in any bill of lading or shipping document any clause, covenant, or agreement whereby it, he, or they shall be relieved from liability for loss or damages arising from negligence, fault, or failure in proper loading, stowage, custody, care, or proper delivery of any and all lawful merchandise or property committed to its or their charge. Any and all words or clauses of such import inserted in bills of lading or shipping receipts shall be null and void and of no effect.

From this section, following Senator NELSON'S bill, I have struck out the words "from or," which limits the act to vessels transporting merchandise from ports of the United States to foreign ports and omitting "between different ports in the United States." At the end of the section I have added:

Or from faults or errors in the navigation or management of vessels, or whereby its or their liability is limited to less than the market value of such merchandise or property at the time and place of shipment.

It will thus be seen that under the first amendment of this section vessels engaged in coastwise trade are omitted from the act, and this is done because under the law only American vessels can engage in coastwise trade. Our coastwise trade being entirely in the hands of American vessels, any contract they may make is entirely within the control of American courts. But if these same vessels engage in foreign trade, then they come within the provisions of the act.

The next change in the first section prohibits any vessel engaged in foreign trade contracting for an exemption from liability or for loss or damages arising from faults or errors in the navigation or management of said vessel; and it also prohibits the limitation of liability to less than the market value of such merchandise at the time and place of shipment.

It seems to me a mere statement of this amendment to the Harter Act ought to convince any reasonable mind of the justice and wisdom of such an amendment. It was the law before the Harter Act, and was changed by an amendment to the Harter Act, probably without such an intention on the part of those who favored the bill. Surely, if merchandise is lost through the faults or errors in the navigation or management of vessels, the owners of such merchandise ought to be allowed to recover. Take the case of the *Titanic*, where admittedly the management of the vessel was negligent. Surely, there ought to be a right of recovery against the owners thereof. It is the law now that railroads shall be held for their negligence. It is the law that individuals shall be held for their negligence. It is the law that steamboats on navigable rivers are thus held. It is the law that street car companies and every other kind of carriers are thus held; and there is no reason why ocean vessels using our ports, and nearly all of which, at least 93 per cent of which, fly foreign flags, should not be so held.

And if they are held for their own negligence, then, of course, they should not be allowed to evade the law by limiting their liability for less than the market value of such merchandise or property? I am not sure that this amendment goes far enough. They ought to be required to protect human life in the same way they are required to protect property. Relieving them, as they are now relieved, from their own negligence is virtually licensing them to be negligent.

But it is claimed that we ought to pass legislation which will encourage the upbuilding of American merchant marine. This is the old and threadbare argument of those who live on special privilege from the Government. We ought to build up our own merchant marine, but we can never do this by giving the merchant marine of foreign countries license to be reckless with life and property. Be that as it may, however, the fact is, our foreign business is now done almost entirely, about 93 per cent, in foreign bottoms, and we ought to hold these vessels to the strictest accountability, and certainly not license them to be negligent. They are combined in a trust now, and up to date it seems that no law has been able to reach them. Surely, if they use our ports we ought to prohibit them from being negligent with lives and property of our citizens.

The amendment in the third section simply makes the distinction between vessels engaged in coastwise trade and vessels engaged in foreign trade.

The amendment to section 4 is one that ought to commend itself to every American citizen, and doubtless does, unless he is an owner or interested in these vessels. The law, as it is now, requires a bill of lading or shipping document to show the merchandise to be delivered, and so forth. The amendment merely provides that every such bill of lading shall contain the provision to the effect that the shipment is subject to all the terms and provisions of and all exemptions from liability contained in this act; and no stipulation or agreement purporting to oust or lessen the jurisdiction of the courts of the United States or any State thereof having jurisdiction at the port of loading in respect to the bill of lading or shipping document shall be null and void and of no effect. In other words, we deliver our goods to be transported in foreign vessels, and under the present law, we fix the terms under which it shall be done, but we do not provide that this law shall be construed in American courts. The amendment does so provide and it seems to me that the mere statement should commend itself to every fair-minded American citizen.

Examining the files of the Committee on the Merchant Marine and Fisheries we find that only the Chambers of Commerce of Philadelphia, New Orleans, Seattle, Tacoma, Baltimore, San Francisco, New York, and Galveston have filed protests with the committee against the passage of this bill. We all know how these protests from chambers of commerce are obtained. The vessel owners, or those interested in their ownership, are usually members of such exchanges and go before a few members or the management of the exchanges and get these resolutions passed.

It must be understood that there is not a single shipper or exporter of freight to foreign ports protesting against the passage of the bill, but the great body of shippers and exporters throughout the whole country are vitally interested in having their merchandise going to foreign ports protected by a law prohibiting the carriers from contracting against their own negligence and requiring such vessels to meet the owners of such merchandise in American courts.

I represent one of the largest lumber markets of the world. I also represent one of the largest cotton markets of the world—Memphis. The exports from Memphis are enormous. Our merchants ship vast quantities of cotton and lumber and other products abroad. They have a right to a contract prohibiting these vessels from contracting against their own negligence in the control and management of said vessels. They also have the right to have liability of such vessels determined in American courts.

In conclusion, I quote as follows from a recent article on this subject:

The special indulgence of shipowners granted by the Harter Act as it stands is a menace to the safety of the public at sea. All other

common carriers are held liable in this country for the faults, errors, and negligence of their servants. No proposal to exempt railroads from such liability would be seriously entertained in Congress or in any legislature in this country. Yet the effect of such exemption is bound to be the same, in a general way, with any class of common carriers. In fact, it is the same in all kinds of business or personal activity, and this is universally recognized. Almost all corporations and persons are or can be made liable for damages resulting from negligence on the part of themselves or their servants. Without such liability the practical incentive for care and precaution is removed. In all activities there is a natural tendency toward the relaxation of vigilance. There is also a constant tendency to get the business done in the easiest and cheapest way. These tendencies can only be counteracted by the persistent and unremitting pressure of actual responsibility.

Accidents at sea almost invariably result in loss of property. Loss of life is a much less frequent result. All the precautions that can be taken to prevent the loss of property are doubly effective in preventing the loss of life. There is no surer way of preventing loss of life at sea than by compelling all reasonable precautions to prevent loss of property. All such precautions are thoroughly and effectively compelled by making shipowners actually responsible for property losses and damages arising from faults and negligence of their servants. Under all the conditions of ocean navigation to-day, safety of life and property can really be obtained. The public realize that this is so and demand safety. Shipowners, of course, know better than any other class of people how to provide safety at sea, but business considerations lead them to equip and manage their vessels as economically as possible in all matters that do not affect the comfort or luxury of passengers. Hence the shipowners provide just about as much in the way of safety appurtenances and equipment as the laws require (laws of foreign countries, for the most part, but affecting the lives of our own people), and navigate their vessels in ways and methods established with regard to the extent of the responsibility they are obliged to assume.

As a part of my remarks, I wish to append hereto an argument made before a Senate committee, which argument, I think, is very much to the point.

ARGUMENT IN SUPPORT OF SENATE BILL 7208, "A BILL TO AMEND AN ACT ENTITLED 'AN ACT RELATING TO NAVIGATION OF VESSELS, BILLS OF LADING, AND TO CERTAIN OBLIGATIONS, DUTIES, AND RIGHTS IN CONNECTION WITH THE CARRIAGE OF PROPERTY,' APPROVED FEBRUARY 13, 1893."

SENATE BILL 7208—A NECESSARY AMENDMENT OF THE HARTER ACT.

The bill (S. 7208, 62d Cong., 2d sess.), introduced in the Senate on July 1, 1912, by Senator Nelson, chairman of the Committee on Commerce, and referred to that committee, is simply an amendment of the statute of February 13, 1893 (27 Stat. L., 445), generally known as the Harter Act. The proposed measure (the Nelson bill) makes only such changes in the Harter Act as are necessary to make the owners of vessels transporting merchandise or property between United States ports and foreign ports liable for loss or damage arising from faults or errors in the navigation or management of the vessels, according to the market value of the property affected. This is a matter of simple justice, long delayed, to the shippers. It is simply bringing back the Harter Act, for the most part, to the purpose intended by the House of Representatives when it passed the original Harter bill on December 15, 1892.

TEXT OF THE BILL.

The full text of the Nelson bill is as follows:

A bill to amend an act entitled "An act relating to navigation of vessels, bills of lading, and to certain obligations, duties, and rights in connection with the carriage of property," approved February 13, 1893.

Be it enacted, etc., That an act entitled "An act relating to navigation of vessels, bills of lading, and to certain obligations, duties, and rights in connection with the carriage of property," approved February 13, 1893, be amended in section 1 so that said section shall read:

"SECTION 1. That it shall not be lawful for the manager, agent, master, or owner of any vessel transporting merchandise or property between the ports of the United States and foreign ports to insert in any bill of lading or shipping document any clause, covenant, or agreement whereby it, he, or they shall be relieved from liability for loss or damage arising from negligence, fault, or failure in proper loading, stowage, custody, care, or proper delivery of any and all lawful merchandise or property committed to its or their charge, or from faults or errors in the navigation or management of said vessel, or whereby its or their liability is limited to less than the market value of such merchandise or property at the time and place of shipment. Any and all words and clauses of such import inserted in bills of lading or shipping receipts shall be null and void and of no effect."

SEC. 2. That said act be further amended in section three so that said section shall read:

"SEC. 3. That if the owner of any vessel transporting merchandise or property to or from any port in the United States of America shall exercise due diligence to make the said vessel in all respects seaworthy and properly manned, equipped, and supplied, neither the vessel, her owner, or owners, agent, charterers, or master shall become or be held responsible for damages or loss resulting from latent defects in said vessel from dangers of the sea or other navigable waters, acts of God, or public enemies, or the inherent defect, quality, or vice of the thing carried, or from insufficiency of package, or seizure under legal process, or for loss resulting from any act or omission of the shipper or owner of the goods, his agent or representative, or from saving or attempting to safe life or property at sea, or from any deviation in rendering such service; and when the vessel is engaged in transporting merchandise or property between ports in the United States of America, neither the said vessel, her owner or owners, agent, or charterers shall become or be held responsible for damages or loss resulting from faults or errors in navigation or in the management of said vessel."

SEC. 3. That said act be further amended in section 4 so that said section shall read:

"SEC. 4. That it shall be the duty of the owner or owners, master, or agent of any vessel transporting merchandise or property between ports of the United States and foreign ports to issue to shippers of any lawful merchandise a bill of lading or shipping document stating among other things the marks necessary for identification, number of packages, or quantity, stating whether it be carrier's or shipper's weight and apparent order or condition of such merchandise or property delivered to and received by the owner, master, or agent of the vessel for transportation; and such document shall be prima facie evidence of the receipt of the merchandise therein described. Every bill of lading or shipping receipt relating to the carriage of merchandise or property from a port in the United States to a foreign port shall contain a provision to the effect that the shipment is subject to all the terms and provisions of, and all the exemptions from, liability contained in this act; and any stipulation or agreement purporting to oust or lessen the jurisdiction of the courts of the United States or of any State thereof having jurisdiction at the port of loading, in respect of the bill of lading or shipping document, shall be null and void and of no effect."

THE CHANGES EFFECTED BY THE NELSON BILL.

The exact changes made by this bill in the Harter Act are as follows:

In section 1, in the clause providing that it shall not be lawful for the owners or managers of the vessels in question to insert in bills of lading any clauses relieving themselves from liability for loss or damage arising from negligence or faults of certain kinds, the Nelson bill adds the words:

"or from faults or errors in the navigation or management of said vessel, or whereby its or their liability is limited to less than the market value of such merchandise or property at the time and place of shipment."

The effect of this is to make it impossible for foreign shipowners, through clauses or stipulations in their bills of lading, to exempt themselves from liability for the fair and actual value of merchandise lost or damaged through negligence in loading, storage, custody, care, or delivery of the merchandise, or through faults or errors in the navigation or management of the vessel. This change, written with regard to court decisions and other laws, establishes the purpose of section 1 just as it was when passed by the House of Representatives in 1892. The only other change in section 1 made by the Nelson bill is the omission, in the first sentence of the section, of the words "from or" from the clause "from or between ports of the United States and foreign ports." This omission simply removes words that are entirely superfluous and makes no change in the effect of the section.

In section 3 the words "or master" are added to the clause "neither the vessel, her owner or owners, agent, or charterers, shall become or be held responsible," etc., after the word "charterers." In the continuation of this clause—which in the existing law reads "responsible for damage or loss resulting from faults or errors in navigation or in the management of said vessel, nor shall the vessel, her owner or owners, charterers, agent, or master, be held liable for losses arising from dangers of the sea," etc—the words "faults or errors in navigation or in the management of" are omitted (to establish the purpose of the proposed amendment of section 1 in the light of the court decision), the words "latent defects in" are inserted immediately before the words "in said vessel" (as an act of justice to shipowners); and, after these words, the words "nor shall the vessel, her owner or owners, charterers, agent, or master be held liable for losses arising" are omitted as entirely unnecessary after the addition of the words "or master" earlier in the clause (to simplify the language of the section).

The only other change in section 3 is the addition of the following clause at the end:

"And where the vessel is engaged in transporting merchandise or property between ports in the United States of America, neither the said vessel, her owner or owners, agent, or charterers shall become or be held responsible for damages or loss resulting from faults or errors in navigation or in the management of said vessel."

The effect of this additional clause is to continue the exemption, existing under the present law, of liability for damage or loss resulting from faults or errors in navigation or management for vessels carrying merchandise from one port of the United States to another; that is, for vessels engaged in domestic trade, such as the lake and coastwise traffic, and not in foreign trade. That is to say, the Nelson bill, by including this provision, limits the scope of its effect in this respect to vessels engaged in transporting merchandise or property between ports in the United States and foreign ports, or the foreign trade of the United States. The vessels engaged in this foreign trade are almost entirely of foreign ownership (it appears that about 93 per cent of our foreign trade is carried in foreign ships), and these, under the great latitude of foreign laws, have exacted the most unreasonable and burdensome bills of lading, in which, among other vexatious features, they have stipulated that the American shippers should have their claims adjudicated according to the laws of the country of the flag of the vessel.

With the final provision in section 3 the Nelson bill does not add in any way to the existing liabilities of domestic carriers in the coastwise and lake trade. American shippers have not had so much difficulty in securing proper adjustment of losses with these carriers, who, because of the conditions of their traffic and the extent to which they compete with railroads, generally assume in their bills of lading the proper responsibility, such as the Nelson bill imposes on ocean carriers, who in fairness ought to be obliged to assume it.

After the changes mentioned above the only other change made in the existing law by the Nelson bill is in section 4, by the addition of the following sentence at the end:

"Every bill of lading or shipping receipt relating to the carriage of merchandise or property from a port in the United States to a foreign port shall contain a provision to the effect that the shipment is subject to all the terms and provisions of, and all the exemptions from liability contained in, this act, and any stipulation or agreement purporting to oust or lessen the jurisdiction of the courts of the United States or of any State thereof having jurisdiction at the port of loading in respect of the bill of lading or shipping document shall be null and void and of no effect."

The purpose and effect of this provision is to secure proper enforcement of the law in the foreign trade. By compelling the incorporation in bills of lading of the provisions of the act these provisions will become binding in Great Britain and other foreign countries under the rights of contract and the laws in those countries.

THE ORIGINAL PURPOSE OF THE HARTER ACT.

Prior to 1893 the laws of the United States forbade shipowners to exempt themselves in any way from liability for loss or damage at sea due to their own faults, errors, or negligence. This situation was decidedly changed by the Harter Act. But it was not intended by its proponents that the Harter Act should change the situation referred to. The purpose of the Harter Act when introduced in the House of Repre-

sentatives in 1892 was to make it unlawful for shipowners to insert in bills of lading clauses relieving themselves from liability for losses arising from negligence or limiting their liability to less than full indemnity. This act was not necessary for those shippers who could sue in this country, because our courts have uniformly refused to sustain such clauses. But such clauses are valid in England and elsewhere, and foreign shipowners had compelled the insertion of these clauses in bills of lading, and also of another clause providing that the liability of the carrier under the bill of lading should be governed by the law of England and adjudicated in the courts of that country (or of other foreign country when the ship was registered in that country). Such unjust special clauses in bills of lading were enforced by the foreign shipowners through the power of their practical monopoly of ocean transportation between the United States and foreign countries. Humiliating and burdensome as such conditions were, American shippers were forced to submit in order to get their merchandise carried.

When the Harter bill in its original form was taken up for consideration in the House of Representatives on February 14, 1892, Mr. Lind, of Minnesota, said:

"I will state briefly the purpose of the bill. As the gentleman is aware, nearly all the carrying of flour and other western commodities from this country to Europe is done by foreign steamships. These steamship companies have in recent years exacted the most unreasonable bills of lading that can be imagined—bills of lading in which they exempt themselves not only from risk of every character incident to transportation, but from every liability on account of their own negligence. More than that, they stipulate in their bills of lading that the American shipper shall have his rights or his claims, whatever they may be, adjudicated according to the laws of Great Britain, and only in the courts of that country. This bill simply provides that it shall not be lawful for vessels engaged in foreign commerce to exact bills of lading of that character."

The conditions which led to the introduction of the Harter bill in its original form were clearly and concisely stated in the report of the Committee on Interstate and Foreign Commerce of the House of Representatives in 1892, recommending the passage of the bill. This report quoted from the petition addressed a short time before by the Glasgow Corn Trade Association to the Marquis of Salisbury the following:

"That, taking advantage of this practical monopoly, the owners of the steamship lines combine to adopt clauses in their bills of lading very seriously and unduly limiting their obligations as carriers of the goods, and refuse to accept consignments for carriage on any other terms than those dictated by themselves.

"That this policy has been gradually extended by the steamship owners until at the present time their bills of lading are so unreasonable and unjust in their terms as to exempt them from almost every conceivable risk and responsibility as carriers of goods.

"For example, many of these bills of lading provide, in addition to the usual and reasonable exceptions, that the carriers shall not be liable for loss or damage occasioned by negligence of the master, pilot, stevedores, crew, or others in their employment; nor for bad stowage; nor for defect or insufficiency of the hull, machinery, or fittings of a vessel, whether occurring before or after receiving the goods on board; nor for the admission of water into the vessel by any cause, and whether for the purpose of extinguishing fire or for any other purpose, and whether occurring previously or subsequently to the vessel sailing; nor for the difference between the quality, marks, or brands of flour or other goods shipped and those of the goods actually found to be on board of the steamer (the marks, numbers, or description in the bill of lading notwithstanding); nor for loss of weight; nor for detention, delay, or deviation."

THE ORIGINAL PROVISIONS OF THE HARTER ACT.

It was, of course, not the original purpose of the Harter Act to impose on shipowners liability for losses not due to negligence—that is, such as might come from acts of God and public enemies or perils of the sea and from errors of judgment in navigation or management of the vessel which ordinary care and skill could not prevent. Accordingly the Harter Act, as passed by the House of Representatives on December 15, 1892, contained the following provisions:

"*Be it enacted, etc.*, That it shall not be lawful for any common carrier or manager, agent, master, or owners of any common carrier, whether by land or water, to insert in any bill of lading or shipping document any clause, covenant, or agreement whereby it, he, or they shall be relieved from liability for loss or damage arising from negligence, fault, or failure in proper loading, stowing, custody, care in transport, or proper delivery of any and all lawful merchandise or property committed to its or their charge, nor shall it be lawful to limit its or their liability to less than a full indemnity to the legal claimant for any loss or damage therefrom, and any and all words or clauses of such import inserted in bills of lading or shipping receipts shall be null and void and of no effect.

* * * * * * *

"SEC. 3. That if any vessel transporting merchandise or property between ports in the United States of America and foreign ports shall, on starting on her voyage, be in all respects seaworthy and properly manned, equipped, and supplied, neither the vessel, her owner or owners, agent, or master shall become or be held responsible for damage or loss resulting from error of judgment in navigation or in the management of said vessel, if navigated with ordinary skill and care, from the time of her leaving her usual place of loading on her intended voyage until her arrival at the usual place of discharge at her port of delivery, nor shall the owner or owners, the vessel, or master be held liable for losses arising from dangers of the sea, acts of God, or public enemies, or in saving life, and it may be stipulated in bills of lading and shipping receipts that the vessel may render services to property in distress afloat and tow same to the nearest and most convenient port of safety without incurring penalties from deviation in rendering such service."

THE VITAL AMENDMENTS IN THE SENATE.

The measure then went to the Senate and was there referred to the Committee on Commerce, which, after consideration, reported the bill favorably to the Senate with some amendments, which were accepted by the Senate and subsequently concurred in by the House of Representatives, so that the measure was enacted just as the Senate committee reported it. Some of the amendments were merely verbal and did not alter materially the effect of the measure; but a few amendments were vital in the changes they effected. One of these decisive amendments was to strike out of section 1 the words "nor shall it be lawful to limit its or their liability to less than a full indemnity to the legal claimant for any loss or damage therefrom." Another amendment in this section was to strike out the words "in transport," after the word "care." As amended and enacted, this section 1 then read as follows:

"*Be it enacted, etc.*, That it shall not be lawful for the manager, agent, master, or owner of any vessel transporting merchandise or property from or between ports of the United States and foreign ports to insert in any bill of lading or shipping document any clause, covenant, or agreement whereby it, he, or they shall be relieved from liability for loss or damage arising from negligence, fault, or failure in proper loading, stowage, custody, care, or proper delivery of any and all lawful merchandise or property committed to its or their charge. Any and all words or clauses of such import inserted in bills of lading or shipping receipts shall be null and void and of no effect."

Another vital amendment was in section 3, to insert the words "faults or errors" in place of the words "error of judgment" immediately before the words "in navigation or in the management of said vessel," etc. After this and other changes, section 3, as amended and enacted, read as follows:

"SEC. 3. That if the owner of any vessel transporting merchandise or property to or from any port of the United States of America shall exercise due diligence to make the said vessel in all respects seaworthy and properly manned, equipped, and supplied, neither the vessel, her owner or owners, agent, or charterers shall become or be held responsible for damage or loss resulting from faults or errors in navigation or in the management of said vessel, nor shall the vessel, her owner or owners, charterers, agent, or master be held liable for losses arising from dangers of the sea or other navigable waters, acts of God, or public enemies, or the inherent defect, quality, or vice of the thing carried, or from insufficiency of package, or seizure under legal process, or for loss resulting from any act or omission of the shipper or owner of the goods, his agent or representative, or from saving or attempting to save life or property at sea, or from any deviation in rendering such service."

THE EFFECT OF THE SENATE AMENDMENTS.

The word "faults," thus skillfully introduced into section 3, has, as a result of much adjudication in the courts, a legal meaning and effect so broad as to include acts which really constitute negligence. The effect, then, of this section as enacted was to prevent American shippers from recovering damages for losses due to faults or errors of navigation or management. This was a result entirely different from that which was intended to be secured by the passage of the act. The enactment in its distorted form really left the American exporters in a worse situation than they were in before. Before the enactment they had a right under the common law to recover damages for losses due to faults or errors in navigation or management, and this right could be effectively maintained in the courts of this country, although nullified in foreign courts by the clauses which the foreign shipowners required in bills of lading for their vessels. Since the enactment of the Harter Act American exporters and shippers have been almost powerless to recover damages for losses at sea caused by negligence of the servants of the ocean carriers. In almost all cases of suits for such damages, even where the losses are clearly the result of acts of negligence on the part of the ship's captain or crew, the defense is set up that due diligence was exercised to make the vessel in all respects seaworthy and properly manned, equipped, and supplied, and that the acts in question were "faults or errors in navigation or in the management of said vessel," and under the broad interpretation of this phrase judgment is denied to the shippers and the shipowners escape responsibility.

The full meaning and effect of the amendments made in the Senate were not made clear or understood in the House of Representatives, which concurred in the Senate amendments on the assumption that they were of minor importance. The only reason given to the House for the decisive change in section 3 above referred to was that shipowners ought not to be held responsible for losses at sea caused by unavoidable exhaustion of master and crew through extraordinary stress of weather. The argument that consideration for such circumstances required the extraordinary amendment made by the Senate committee is utterly fallacious and inadequate. The provisions of the bill as passed by the House, which exempted the vessel from responsibility for damage or loss "resulting from error of judgment in navigation or in the management of said vessel, if navigated with ordinary skill and care," would have fairly and entirely covered all the conditions arising from unavoidable exhaustion of master and crew; and the courts have never failed to give just consideration to such circumstances. Moreover, the substitution by the Senate committee of the clause exempting the vessel from responsibility for damage or loss "resulting from faults or errors in navigation or in the management of said vessel," covered vastly more than the conditions of unavoidable exhaustion referred to. The effect of this broad change has been so great that cases of exhaustion are the merest trifles in comparison. Soon after the enactment of this provision court decisions began to show the extensive and unjust features of this change. An examination of the decisions under section 3 of the Harter Act reveals clearly the discouragements and unfair burdens which American shippers now have to contend with from this section as it stands.

For example, in the case of the *Silvia* (171 U. S., 462), a steamship sailed with a porthole in her between decks unsecured, and water entered, damaging her cargo. It was held that as the porthole was capable of being speedily got at and closed if occasion should require, any subsequent neglect in not closing same was a "fault or error in the management of the vessel" within the meaning of section 3 of the Harter Act. The court said:

"This case does not require a comprehensive definition of the words 'navigation' and 'management' of a vessel within the meaning of the act of Congress. They might not include stowage of cargo not affecting the fitness of the ship to carry her cargo, but they do include, at the least, the control during the voyage of everything with which the vessel is equipped for the purpose of protecting her and her cargo against the inroad of the seas."

The following are a few of the decisions in which the protection of the act has been held to cover the negligent use or negligent failure to use the ordinary appliances of vessels provided for the protection of cargo.

The *Sandfield* (79 F. R., 371, affd. 92 F. R., 663). The opening of a sluice gate designed to empty the bilges was neglected for 20 days during heavy weather. The accumulating water overflowed the bilges and damaged the cargo. It was held that the neglect to open the sluice gate was neglect in the "management of the vessel" within section 3 of the Harter Act, and that the owners were exempted thereby from liability.

The *Mexican Prince* (82 F. R., 484; affd. 91 F. R., 1003). The *Mexican Prince* was a convertible-tank steamship built to carry both

fluids and dry cargo. Each tank or compartment was connected with a pipe line by a Kingston valve operated by a spindle from the deck. The ship sailed from Rio with her No. 2 tank full of ballast water and the neighboring compartments or tanks full of coffee in bags. After leaving Rio the ballast water was pumped out through the pipe line, but the valve in the offset leading into No. 3 tank was not closed and the ballast water from No. 2 ran into the No. 3 tank, damaging the coffee. Those in charge failed to properly test the valves by means of the pumps or by fully opening and closing them and counting the turns of the spindle, either of which tests would have shown that No. 3 valve was not closed. It was held that the damage to the coffee arose from neglect in the "management of the vessel," within the third section of the Harter Act, and that the ship was not responsible therefor.

The *British King* (89 F. R., 872; affd. 92 F. R., 1018). The cargo was damaged by water from a ballast tank which was found sprung and the rivets started after heavy weather. The court said:

"The secondary cause of the damage was the failure to take soundings and apply the pumps between 10 p. m. of the 20th and 8 a. m. of the 21st. Considering that the ship's carpenter and the officers who attended to the soundings had notice of an accumulation of 14 inches of water in the bilges in 4 hours from 6 p. m. to 10 p. m. of the 20th of April during heavy weather, and that this weather continued with equal or increasing severity during the night, it was a very plain lack of ordinary prudence and hence was negligence not to make any soundings during the following 10 hours up to 6 a. m. of the next day, during which time an accumulation of water at the same rate as during the preceding 4 hours must manifestly exceed 20 inches, which, as all knew, would be dangerous to the cargo. * * * Had soundings been properly repeated after 10 p. m. of the 20th, there is no question that the pumps would have controlled the leak, as they did the next day, and no damage would have arisen. The failure to take soundings and to apply the pumps, as the known facts showed to be necessary, was therefore the final and immediate cause of the damage. But for this negligence the ship and owners are not liable, under the third section of the Harter Act, because it was negligence in the 'management of the ship.'"

The *Merida* (107 F. R., 146). Hides were damaged by an accumulation of water in the bilges due to a failure to use the pumps. It was held to be a fault in the management of the vessel, and the vessel was exonerated.

American Sugar Refining Co. *v.* Rickerson (124, F. R., 188). The cargo was damaged by water which entered the hold through a manhole in a ballast tank. Shortly after sailing the sea cock was opened for the purpose of filling the ballast tank. Two hours would have been sufficient for this purpose, but the sea cock was negligently left open for 7½ hours, and the resulting pressure blew out the packing of the manhole joint. It was held to be negligence in the management of the vessel and the owner not liable.

The *Wildcroft* (130 F. R., 521; 201 U. S., 378). While the *Wildcroft* was discharging a cargo of sugar in Philadelphia she took in water for her boilers through a pipe line running to the engine-room tank, and on this pipe line was a valve connected to a pipe leading into the ship hold and used to pump out her bilges. The sugar was badly damaged by water, and the court found that the presence of such water could only be accounted for by the valve connecting the pipe leading to the engine-room tank and the pipe leading to the hold having been partly open, owing to some foreign substance, such as a piece of wood, having lodged in the seat of the valve when the bilges were last pumped, and that the failure to see that this valve was properly closed was a fault in the management of the vessel, and that the Harter Act exempted the vessel from liability for such fault.

Sun Co. *v.* Healy (163 F. R., 48). The tank steamship *Toledo* was discharging a bulk cargo of molasses at Hoboken. The molasses was being pumped out and, a sea valve not being properly closed, a large quantity of water entered the vessel, diluting and damaging the molasses. It was held that the failure to keep the valve properly closed was a fault in the management of the vessel, from liability for which the Harter Act protected the ship and her owner.

The *Indrani* (177 F. R., 914). This vessel arrived in New York with cargo stowed in the lower forepeak, which was used at times as a ballast tank and was connected with the pumps in the engine room by a pipe running through the ballast tanks under No. 1 and No. 2 holds. The vessel while passing through the Suez Canal had picked up a piece of cable with her propeller, which had been removed by a diver at Algiers. After arrival at destination and before the cargo had been discharged from the forepeak her master desired to examine the propeller, and to avoid the expense of going on dry dock decided to tip the vessel by the head so as to bring her propeller out of the water. To accomplish this the No. 1 ballast tank was filled with water, and, owing to the pipe which ran through such tank to the forepeak having been fractured during the voyage, the forepeak filled with water, which was not discovered for several days, damaging the cargo stowed therein. It was held to be a fault in the "management of the ship" and the vessel not liable.

On May 13, 1912, the Supreme Court of the United States delivered a unanimous opinion in the case of the *Jason* (Actieselskabet *Jason* *v.* John Arbuckle et al.). The decision in this case did not turn upon the question of the liability of the shipowner, but in its opinion the court said, in reference to the Harter Act:

"Prior to the Harter Act it was established that a common carrier by sea could not, by any agreement in the bill of lading, exempt himself from responding to the owner of cargo for damages arising from the negligence of the master or crew of the vessel. Liverpool & G. W. Steam Co. *v.* Phenix Ins. Co. (The *Montana*, 129 U. S., 398; 438, 32 L. ed. 788, 791, Sup. Ct. Rep., 469; following New York C. R. Co. *v.* Lockwood, 17 Wall., 357, 21 L. ed., 627.)

"But of course the responsibilities of the carrier were subject to modification by law, and with respect to vessels transporting merchandise from or between ports of the United States and foreign ports they were substantially modified by the Harter Act. The first three sections of this enactment are pertinent to the present discussion, and are set forth in full in the margin.

"Section 1 deals with the shipowner's responsibility for the proper loading, storage, custody, care, and delivery of the cargo, prohibits the insertion in any bill of lading of an agreement relieving him from responsibility for negligence in respect of these duties, and declares such agreements null and void. Section 2 prohibits the insertion in any bill of lading of an agreement lessening or avoiding the obligation of the shipowner to 'exercise due diligence [to] properly equip, man, provision, and outfit said vessel and to make said vessel seaworthy,' etc. Section 3 proceeds to limit the responsibility of a shipowner who shall have exercised due diligence to make his vessel seaworthy and properly manned, equipped, and supplied. Instead of merely sanctioning covenants and agreements limiting his liability, Congress went further and rendered such agreements unnecessary by repealing the liability itself, declaring that if the shipowners should exercise due diligence to make the vessel in all respects seaworthy, and properly manned, equipped, and supplied, neither the vessel, her owner or owners, etc., should be responsible for damage or loss resulting from faults or errors in navigation or in the management of the vessel, etc. The antithesis is worth noting. Congress says to the shipowners: 'In certain respects you shall not be relieved from the responsibilities incident to your public occupation as a common carrier, although the cargo owners agree that you shall be relieved; in certain other respects (provided you fulfill conditions specified) you shall be relieved from responsibility, even without a stipulation from the owners of cargo.'"

UNJUST BURDENS ON AMERICAN EXPORTERS.

The effect of the Harter Act has been constantly burdensome to American shippers ever since its enactment. The full force of its provisions has been made conclusive by court decisions. In practically all cases of damage or loss, whatever the actual facts may be, it is almost impossible to show that the shipowners have not used due diligence to make the vessel seaworthy and properly manned, equipped, and supplied; and it is almost always possible for the shipowners to allege, for the purpose of escaping liability, that the accident was due to faults or errors in navigation or in the management of the vessel. Shipowners naturally equip and manage their vessels in the most economical way, and it often happens, especially with foreign ships, that officers and crew are underpaid and overworked, though it is obviously difficult for cargo owners to prove such allegations. The real cause of many accidents to such vessels is incompetence of officers or crew, or what is actually unseaworthiness, yet under the Harter Act the shipowners defend themselves by pleading negligence of their servants, and such defense is usually effective because it can not be shown that due diligence was not exercised in obtaining efficient master and crew. It appears also that shipowners deliberately practice an unwise and unsafe economy in manning and equipping their vessels, with the expectation that if disaster occurs they can, under the Harter Act, plead as a defense the negligence of their servants.

The result is the establishment of a condition that imposes an unlooked-for and uncalled-for obstacle in the way of American exporters, and one which is contrary to American precedent and a wise public policy. The change which Congress made in the standard of duty has been unfortunate. Under the Harter Act as it stands severe losses have continued to fall upon American exporters, due entirely to the negligence of the shipowners' servants; and the exporters, without fault or negligence on their part, and while engaged in the difficult and important work of increasing the exports of American agricultural products and manufactures to foreign countries, are deprived of any recourse or recovery.

CONDITIONS NOW OBSOLETE PRODUCED THE EXEMPTION.

There is no shadow of occasion or need to-day, or for our country, for the provision in section 3 of the Harter Act relieving shipowners from responsibility for losses due to their negligence. This provision is a piece of legislation in imitation of the English policy, and is principally for the benefit of English and other foreign shipowners. The English policy in this respect is a very old one, and is based upon the natural situation and necessities of England. The isolated geographical position of England and the scarcity of her natural resources in food supplies forced her from a very early date to engage extensively in maritime adventure and commerce, and the maintenance of her prosperity and power has required that every possible encouragement be given to her merchant marine. Such encouragement has been given principally by means of special privileges in the way of limitation of ocean carriers' liability and by subsidies. Under the English laws ocean carriers are permitted to insert broad exceptions and conditions in their bills of lading, and under such legal privileges the objectionable clauses in bills of lading have been gradually enlarged so as to provide for the carriers' exemption from liability for loss from almost every accident of navigation, whether caused by negligence, inefficiency, or other reason.

This English policy of granting to shipowners a rather broad exemption from liability for losses at sea was established a great many years ago. At that time the conditions of ocean navigation were such as to afford some reason for such indulgence to the owners of ships. All navigation was by sailing vessels. The voyages were very long and all means of communication were slow and uncertain. Shipowners would be deprived of all communication from their vessels for months at a time, and captains could not receive orders from the owners and were obliged to act entirely on their own responsibility. It was true, as the shipowners stated, that they could have no control over their ships after they left port, and in those days the vessels of the merchant marine were owned principally by individuals and firms, and the loss of a vessel would frequently mean the loss of the entire capital of the owner.

Yet under the hard conditions of those former times shipowners in the United States were held liable for faults and errors in the navigation and management of their ships. It was considered contrary to a wise public policy to relieve them from such liability. At the present time conditions of ocean navigation have changed greatly. The sailing vessels have given way to steamers. Voyages are much briefer than ever before. Vessels no longer remain unheard from for long periods. Instead of slow mails, telegraphy, both by cable and wireless, is at the command of shipowners for communication with their captains and agents. With modern facilities and improved organization shipowners have to-day much better control over their vessels whether at sea or in distant ports, than they ever had before. If the servants of the shipowners from the nature of their work, are at times beyond the immediate reach of their employers' attention, the servants of other business enterprises are often similarly situated; and in all such cases the servants must, of course, be selected with regard to the circumstances of the work and in view of the responsibilities which properly rest upon owners and employers for the acts of their servants. And to-day the shipowners almost without exception are great corporations instead of individuals and firms of very limited resources. At no former time has there been less reason for exemption from liability for losses due to fault or negligence than exists to-day. Yet exemptions from such liability have increased under corporate ownership of the merchant marine and notwitstanding the improved facilities of navigation and management. This policy is not consistent with the welfare of the general public or of American business enterprise. There is no reason why ocean carriers should be treated differently from other carriers and other business concerns, all of whom are held responsible for the acts of their servants within the scope of their proper services and authority.

FULL RESPONSIBILITY ESTABLISHES SAFETY AT SEA.

The special indulgence to shipowners granted by the Harter Act as it stands is a menace to the safety of the public at sea. All other common carriers are held liable in this country for the faults, errors, and negligence of their servants. No proposal to exempt railroads from such liability would be seriously entertained in Congress or in any legislature in this country. Yet the effect of such exemption is bound to be the same, in a general way, with any class of common carriers. In fact it is the same in all kinds of business or personal activity, and this is universally recognized. Almost all corporations and persons are or can be made liable for damages resulting from negligence on the part of themselves or their servants. Without such liability the practical incentive for care and precaution is removed. In all activities there is a natural tendency toward the relaxation of vigilance. There is also a constant tendency to get the business done in the easiest and cheapest way. These tendencies can only be counteracted by the persistent and unremitting pressure of actual responsibility.

Accidents at sea almost invariably result in loss of property. Loss of life is a much less frequent result. All the precautions that can be taken to prevent loss of property are doubly effective in preventing loss of life. There is no surer way of preventing loss of life at sea than by compelling all reasonable precautions to prevent loss of property. All such precautions are thoroughly and effectively compelled by making shipowners actually responsible for property losses and damages arising from faults and negligence of their servants. Under all the conditions of ocean navigation to-day safety of life and property can really be obtained. The public realize that this is so and demand safety. Shipowners, of course, know better than any other class of people how to provide safety at sea, but business considerations lead them to equip and manage their vessels as economically as possible in all matters that do not affect the comfort or luxury of passengers. Hence the shipowners provide just about as much in the way of safety appurtenances and equipment as the laws require (laws of foreign countries, for the most part, but affecting the lives of our own people), and navigate their vessels in ways and methods established with regard to the extent of the responsibility they are obliged to assume.

It was known, even before the *Titanic* disaster, that in ocean steamships safety was being sacrificed for the sake of speed and luxury. Much legislation is now pending which is intended to secure safety of life at sea. However excellent these measures may be, the most effective legislation for the purpose must be that which will make the owners of vessels in ocean traffic responsible for faults or errors in navigation or management. This liability will make the interests of shipowners identical with the interests of the public. The shipowners will then make sincere, earnest, and constant efforts to avoid disaster, and will apply their superior knowledge and experience to this end. Whatever may be lacking in the rules and requirements imposed by Congress or the laws of foreign countries will be more than made up through the force and keenness of self-interest. The laws regarding safety, while doubtless very desirable on the whole, must almost necessarily be lacking in some respects. Even if they could be perfect originally, the conditions of ocean travel are so constantly and rapidly changing that lawmakers can scarcely keep up with them. Moreover, the laws and regulations for safety and the inspections to enforce them are frequently limited by necessity to vessels within a specified range of class and size, as, for example, to steam vessels of not less than a stated minimum tonnage.

In such cases all vessels outside of the specified range, as would be, in the example suggested, sailing vessels and very small steamers, would not be reached at all by the laws and regulations. But full responsibility for life or property lost through faults or negligence will automatically safeguard the navigation of all vessels of all classes, sizes, and conditions. When full responsibility is established and every accident is expensive to shipowners it will no longer pay to be careless and indifferent or to incur unnecessary risks; and the humanitarian impulses of the shipowners, which it is believed are not less pronounced than those of other business men, will run in the same channel with business considerations and meet the just expectations of the public.

THE PUBLIC DEMAND SAFETY AND THE SHIPPERS JUSTICE.

The great evil of the Harter Act as it stands is that by taking away from shipowners liability for the loss of property intrusted to them as common carriers for transportation the natural penalty for negligence is removed and with it the ever-present and controlling motive for prudence and care. This evil has for a long time caused uneasiness on the part of a large number among the general public and serious loss and disadvantage to thousands of American shippers of all sorts of merchandise. A number of the shippers have sought through the courts to recover damages for their losses incurred through the faults and negligence of ocean carriers and have made every possible effort to secure by judicial interpretation some modification of the evil feature of the Harter Act. The uneasiness and discontent among travelers and the general public has, since the great disaster of the *Titanic*, on April 15, 1912, increased to such a point that the most effective and complete provisions and precautions to secure safety of life and property at sea are now universally demanded.

ESPECIAL NEED FOR ENFORCING RESPONSIBILITY ON FOREIGN VESSELS.

It is generally agreed in this country that there is especial need for enforcing fair responsibility for life and property on the foreign vessels plying between our ports and foreign ports. The report, dated May 4, 1912, of the Committee on the Merchant Marine and Fisheries of the House of Representatives, accompanying the bill (H. R. 24025) relating to the inspection of steam vessels, said:

"In the opinion of the committee there is greater need for the rigid inspection of foreign vessels entering and clearing from our ports than there is for the inspection of vessels of the United States, in view of the fact that most of our oversea commerce, both passenger and freight, is carried in foreign ships. The great foreign passenger lines on the North Atlantic, and plying between European ports and our eastern seaboard, are largely dependent on the American traveler for their profitable business."

THE NELSON BILL RESTORES RESPONSIBILITY.

The Nelson bill (S. 7208) restores the act of February 13, 1893 (the Harter Act), to the form necessary to carry into effect the purpose of the House of Representatives at that time, will remove the injustice now prevailing in the relations between shippers and shipowners, and will undoubtedly give a greater degree of security to the increasing volume of the export trade of our country. Moreover, it will compel the precautions which protect life and afford the necessary complement of all other measures to this end.

There is overwhelming reason for the existing uneasiness and fear among the shippers and the public concerning losses and disasters at sea. The loss of the *Titanic*, great and impressive as it was, and thoroughly arousing the conscience and judgment of all of our people as it did, is but the latest and greatest in a long list of disasters at sea during the past 20 years. From this list many persons have been impressed with the idea that the enactment of the Harter Act in its present form has brought distinctly traceable results in a pitiable and dreadful toll of life and property needlessly lost at sea. For a number of years past the newspapers have been constantly reporting disasters to vessels at sea by stranding, collision, and other accidents, including very many cases of total loss, and it is well known by the people engaged in shipping and allied enterprises that the majority of the cases of stranding and collision are really the result of negligence, such as can only be overcome by the imposition of full responsibility on foreign shipowners.

Legislation of Benefit to Postal Employees.

EXTENSION OF REMARKS

OF

HON. MAURICE CONNOLLY,

OF IOWA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, May 11, 1914.

Mr. CONNOLLY of Iowa. Mr. Speaker, the following legislation of benefit to postal employees has been enacted into law by a Democratic Congress:

The first session of the Sixty-second Congress, which was the first Democratic Congress in 16 years, was called into extra session by the President April 4, 1911. On April 27, 1911, Representative REILLY of Connecticut introduced a bill in Congress limiting the hours of labor of letter carriers and post-office clerks to 8 hours each day, the 8-hour service not to extend over a period of 10 consecutive hours. This bill was reported favorably by the subcommittee having it in charge on January 12, 1912, and was made a part of the Post Office appropriation bill, which was pending at that time in the House Committee on the Post Office and Post Roads, and was enacted into law August 24, 1912.

The antigag bill was introduced by Representative LLOYD, of Missouri, another Democrat, and this bill was also made a part of the Post Office appropriation bill, and became a law August 24, 1912.

The law which grants a day of rest each week to postal employees and prohibits the delivery of mail to the public on that day was also passed by the Sixty-second Congress, and became a law August 24, 1912. There was also placed in the Post Office appropriation bill of that year a provision providing for the promotion of 75 per cent of the letter carriers and post-office clerks to the highest grades in their respective offices. This was 25 per cent more appropriations than had been allowed under the former administration, which was Republican.

In that same Congress the first parcel-post law was passed against the organized opposition of the express companies and other large interests. This legislation had been demanded by the public for years, but no heed had been given to the petitions until the Democratic Congress made it a part of the Post Office appropriation bill, and it was included in the act of August 24, 1912.

The Post Office appropriation bill passed in the second regular session of the Sixty-second Congress contained a provision which abolished the $600 grade for clerks and carriers and made the initial salary in these positions $800 per annum. It also contained a provision to pay substitutes 40 cents an hour while working for employees absent from duty without pay and 30 cents an hour for vacation and auxiliary work. Provision was also made for promotion of 75 per cent of the clerks and carriers to the highest grades in their offices.

The Post Office appropriation bill for the fiscal year ending June 30, 1915, raises the pay of substitutes for vacation and auxiliary work to 35 cents an hour. It also provides for the promotion of 75 per cent of the employees to the highest grades. A bill which was introduced in the House by Mr. REILLY of Connecticut, and which provides compensation to postal employees injured or killed in the performance of their duty, was also made a part of the appropriation bill and is now a law.

Another bill which has been favorably reported by the Committee on the Judiciary is what is known as the McGillicuddy bill, which provides compensation for injuries, and also for employees who contract vocational diseases in the course of their employment. This is the most advanced step in compensation legislation that has ever been introduced in the Congress of the United States, and will when enacted into law be a

progressive step in giving proper protection to the toilers of the country who are in Government employ.

The first eight-hour law for postal employees was passed May 24, 1888, by the Fiftieth Congress, which was also Democratic and presided over by the late Hon. John G. Carlisle. This law was amended by the Republican Congress in April, 1900, by an amendment being offered to the Post Office appropriation bill by the chairman of the Post Office Committee, the late Hon. Eugene F. Loud, of California. It was charged at that time that the amendment was accepted without protest through a statement made by Mr. Loud that it was acceptable to the letter carriers of the country, and this statement was repudiated by the letter carriers and the officers of their association as well as the Democratic Members on the floor of the House when the deception became known. The amendment changed the eight hour a day law to 48 hours a week, but it worked so unsatisfactorily that it was left to die a natural death and was not enforced after the life of that appropriation bill, June 30, 1901.

Eight years later, however, a Republican Postmaster General, the Hon. Frank H. Hitchcock, had a case brought before the Court of Claims as a test case, and the court decided that the 48-hour law was still in force and effect. It has also been charged that this case was made up in secret and that the attorney who was presumed to represent the claimant was engaged through the good offices of the Postoffice Department, so that the attorneys on both sides of the case seemed to be working in accord with each other, as the claimant did not engage the attorney nor did he pay any fee that might have been charged in prosecuting the claim. The result was that the court decided against the claimant on May 31, 1910, and this decision virtually repealed the letter carriers' eight-hour law. This was the cause of Mr. REILLY of Connecticut introducing the eight-in-ten-hour bill, which was violently opposed by Post Office Department officials, but was enacted into law by the Democratic Congress.

The Sixty-second Congress also passed a law reclassifying and increasing the salaries of railway mail clerks, which has been a great benefit to the employees in this branch of the Postal Service. The salaries of the rural-delivery carriers have also been materially increased and the working conditions of these worthy employees of the Government have been materially improved.

These cases are cited simply to show that the welfare of the employees have been given due consideration through the enactment of beneficial legislation by the Democratic Congress, as in contrast to the inaction on the part of the Republican Congress when it had 16 years of opportunity to enact laws and failed to do so.

In such efforts in the interests of equity and fair dealing toward the employees of the Government in this very important department my sympathy and cooperation has been enlisted.

The Heroes of Vera Cruz.

EXTENSION OF REMARKS

OF

HON. H. GARLAND DUPRÉ,

OF LOUISIANA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, May 12, 1914.

Mr. DUPRÉ. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an address by the President of the United States on yesterday, in New York, at the memorial to the sailors and marines.

The address is as follows:

"Mr. Secretary, I know that the feelings which characterize all who stand about me and the whole Nation at this hour are not feelings which can be suitably expressed in terms of attempted oratory or eloquence. They are things too deep for ordinary speech. For my own part, I have a singular mixture of feelings. The feeling that is uppermost is one of profound grief that these lads should have had to go to their death, and yet there is mixed with that grief a profound pride that they should have gone as they did and if I may say it out of my heart, a touch of envy of those who were permitted so quietly, so nobly, to do their duty.

"Have you thought of it, men, here is the roster of the Navy, the list of the men, officers and enlisted men and marines, and suddenly there swim 19 stars out of the list—men who have suddenly gone into a firmament of memory, where we shall always see their names shine; not because they called upon us to admire them, but because they served us without asking any questions and in the performance of a duty which is laid upon us as well as upon them.

"Duty is not an uncommon thing, gentlemen. Men are performing it in the ordinary walks of life all around us all the time, and they are making great sacrifices to perform it. What gives men like these peculiar distinction is not merely that they did their duty, but that their duty had nothing to do with them or their own personal and peculiar interests.

THEY GAVE THEIR LIVES FOR US.

"They did not give their lives for themselves. They gave their lives for us, because we called upon them as a Nation to perform an unexpected duty. That is the way in which men grow distinguished and that is the only way, by serving somebody else than themselves. And what greater thing could you serve than a Nation such as this we love and are proud of.

"Are you sorry for these lads? Are you sorry for the way they will be remembered? Does it not quicken your pulses to think of the list of them? I hope to God none of you may join the list, but if you do, you will join an immortal company.

"So while we are profoundly sorrowful and while there goes out of our heart a very deep and affectionate sympathy for the friends and relatives of these lads who for the rest of their lives shall mourn them, though with a touch of pride we know why we do not go away from this occasion cast down, but with our heads lifted and our eyes on the future of this country, with absolute confidence of how it will be worked out. Not only upon the mere vague future of this country, but the immediate future.

"We have gone down to Mexico to serve mankind if we can find out the way. We do not want to fight the Mexicans. We want to serve the Mexicans if we can, because we know how we would like to be free and how we would like to be served if there were friends standing by ready to serve us. A war of aggression is not a war in which it is a proud thing to die, but a war of service is a thing in which it is a proud thing to die.

"Notice that these men were of our blood. I mean of our American blood, which is not drawn from any one country, which is not drawn from any one stock, which is not drawn from any one language of the modern world, but freemen everywhere have sent their sons and their brothers and their daughters to this country in order to make that great compounded Nation which consists of all the sturdy elements and of all the best elements of the whole globe.

AMERICANS, EVERY ONE OF THEM.

"I listened again to this list with a profound interest at the mixture of the names, for the names bear the marks of the several national stocks from which these men came. But they are not Irishmen or Germans or Frenchmen or Hebrews any more. They were not when they went to Vera Cruz; they were Americans, every one of them, and with no difference in their Americanism because of the stock from which they came. Therefore, they were in a peculiar sense of our blood and they proved it by showing that they were of our spirit—that no matter what their derivation, no matter where their people came from, they thought and wished and did the things that were American, and the flag under which they served was a flag in which all the blood of mankind is united to make a free nation.

"War, gentlemen, is only a sort of dramatic representation, a sort of dramatic symbol of a thousand forms of duty. I never went into battle, I never was under fire, but I fancy that there are some things just as hard to do as to go under fire.

"I fancy that it is just as hard to do your duty when men are sneering at you as when they are shooting at you. When they shoot at you they can only take your natural life; when they sneer at you they can wound your heart, and men who are brave enough, steadfast enough, steady in their principles enough, to go about their duty with regard to their fellow men, no matter whether there are hisses or cheers, men who can do what Rudyard Kipling in one of his poems wrote, 'Meet with triumph and disaster and treat those two impostors just the same,' are men for a nation to be proud of. Morally speaking, disaster and triumph are impostors. The cheers of the moment are not what a man ought to think about, but the verdict of his conscience and of the conscience of mankind.

"So when I look at you I feel as if I also and we all were enlisted men. Not enlisted in your particular branch of the service, but enlisted to serve the country, no matter what may come, what though we may waste our lives in the arduous en-

deavor. We are expected to put the utmost energy of every power that we have into the service of our fellow men, never sparing ourselves, not condescending to think of what is going to happen to ourselves, but ready, if need be, to go to the utter length of complete self-sacrifice.

"As I stand and look at you to-day and think of these spirits that have gone from us, I know that the road is clearer for the future. These boys have shown us the way and it is easier to walk on it because they have gone before and shown us how. May God grant to all of us that vision of patriotic service which here in solemnity and grief and pride is borne in upon our hearts and consciences."

Woman Suffrage.

EXTENSION OF REMARKS

OF

HON. J. THOMAS HEFLIN.

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, May 13, 1914.

Mr. HEFLIN. Mr. Speaker, upon the request of Mrs. George B. Puller, of Washington, I wish to print in the RECORD the following article on woman suffrage, by Miss Mary B. Smith:

WOMAN SUFFRAGE.

[By Miss Mary B. Smith.]

I desire to present some facts as to the pernicious effects of woman suffrage in States where it now exists. There have been many theories upon this subject presented by the suffragists. It is my purpose to present facts and figures showing that woman suffrage, where it has been tried, not only does not better conditions but tends to have actually the reverse effect from a practical standpoint. I will first present some figures which prove conclusively that women do not vote as generally as men, where the franchise has been given them. Senator THOMAS, of Colorado, has said that he concedes that woman suffrage has not, and maintains that it will not, change conditions. I agree with the distinguished Senator up to a certain point, but I believe that I can show positively that woman suffrage will, in many instances, change conditions for the worse.

In the six suffrage States of California, Colorado, Wyoming, Utah, Idaho, and Washington—Oregon, Arizona, and Kansas did not have woman suffrage till voted on at election November 5, 1912—the Abstract of United States Census of 1910, pages 110 and 118, shows there were, in April, 1910, 3,170,152 men and women over 21 years of age, exclusive of Japanese and Chinese. The total vote actually cast for President November 5, 1912, in the six woman-suffrage States was 1,521,590, so 47.9 per cent of the men and women—exclusive of Japanese and Chinese—over 21 years of age in April, 1910, actually voted.

In the six adjoining and neighboring States of Kansas, Nebraska, Oregon, Nevada, South Dakota, and Missouri, where men alone vote, the total number of men 21 years of age and over, exclusive of Japanese and Chinese, was, in April, 1910—Abstract of Census, page 110—2,205,119; total vote in the six male-suffrage States for President November 5, 1912, 1,587,984; 69.1 per cent of the men over 21 years of age—exclusive of Japanese and Chinese—actually voted, or about 45 per cent more of the possible voters in the male-suffrage States voted than did the possible voters in the six adjoining woman-suffrage States. If 69.1 per cent of the men voted in the woman-suffrage States—as men in the adjoining male-suffrage States did vote—then an analysis of the figures show that only 19.1 per cent of the women over 21 years of age in the suffrage States actually voted. If more than 19.1 per cent of women did vote in the six woman-suffrage States, then less than 69.1 per cent of the men voted; so it is impossible to escape one or the other conclusion, that the women either do not vote as generally as the men when given the ballot, or, if they do, their voting does cause less interest to be taken in politics by men, and in either event the suffrage cause is harmful to a republic.

Our Western States being new States in which a great deal of land has been opened for settlement and made ready for irrigation, naturally has increased and is still increasing rapidly in population; so, in fact, there were a great many more men and women over 21 years of age November 5, 1911—one year prior to last presidential election—than the 1910 census shows. If the six woman-suffrage States and the six male-suffrage States above mentioned have increased in the same proportion from April, 1910, to November, 1911, one and one-half years, as they increased for 1900 to 1910—and no one can doubt it—then the six woman-suffrage States had, on November 1, 1911, 3,572,510 possible men and women voters, exclusive of Japanese and Chinese, for last presidential election, in which event only 42.5 per cent of the men and women over 21 years of age cared to vote.

In the six male-suffrage States previously named the total number of men over 21 years of age, exclusive of Japanese and Chinese—estimated—November 1, 1911, was 2,397,878, in which event 66.2 per cent of the men over 21 years of age actually voted, or 55.7 per cent more possible voters voted than in the six woman-suffrage States.

According to advice from Secretary of State Jordans's office at Sacramento, Cal., where the names and addresses of all registered voters are sent, in order that sample ballots can be mailed them according to law, 804,633 men and 180,000 women registered in California to vote at election November 5, 1912. (See Los Angeles Times, October 27, 1912.)

This shows that about 93 per cent of the men in California over 21 registered and only about 27 per cent of the women. The total vote for President November 5, 1912, all candidates in California, was 673,527; total registration, 984,633. Sixty-eight and four-tenths per cent of men and women who registered voted. If 68.4 per cent of the registered women actually voted—which is not likely, as women did not register as generally as men it is not to be supposed that they voted as generally—then only 18.3 per cent of the women over 21 years of age in April, 1910, voted November 5, 1912, in the State of California.

In San Francisco in the latter part of 1912, at a local-option election, out of 120,859 women over 21 years of age in the city, 40,655 women and 89,023 men registered; yet only 15,087 votes, all told, were cast for local option, and it is estimated that approximately 1 woman in 8 who was interested enough to register took the trouble to go to the polls.

At a city election in San Francisco November 11, 1913, 49,833 women registered and 19,678 voted, about one-quarter of the votes being cast by women. In 3 precints no women voted; in 49 out of 673 precincts there was an average of less than 10 votes per precinct by women. (Analysis of vote by Registrar of Elections Zemansky. See Los Angeles Times, November 20, 1913.) Census of 1910 shows there were 120,859 women over 21 years of age in San Francisco, so only 16.2 per cent voted in election of November 11, 1913.

At an election November 24, 1913, in Los Angeles, Cal., involving radical changes in the city charter, only 31,000 voters, men and women, out of 222,817 cast their ballots. This, too, after a citizens' committee of 1,000 advocated in all the newspapers the adoption of certain propositions and the defeat of others; 9 out of 10 of the reform measures were defeated. The Los Angeles Times of March 26, 1913, says:

> The vote of the women was disappointing. In some precincts it was a negligible quantity, while in others it was only about one-third of the total; yet suffragists carried on an active campaign, attended and spoke at all-day meetings, and even worked at their headquarters on Easter Sunday.

At an election, June 3, 1913, in Los Angeles for mayor, Rose was elected by 8,037 majority over Shenk. Los Angeles had "good government" officials for several years before women had the ballot. Rose ran on an "open-town" platform and Shenk on "good government." Every newspaper and practically every minister in the city was for Shenk and asked the voters to elect Shenk and have a clean city in the interest of the young men and women of Los Angeles.

The Los Angeles Times of June 5, 1913, gives the total vote as 84,055; nearly 100,000 under registration. The Times further says that, in spite of the excellent organization of Mrs. John S. Myers and her corps of assistants, the women did not turn out in any large numbers, and of those who did a considerable percentage appeared to favor the election of Rose. As there were 222,877 men and women over 21 years of age in Los Angeles (census of 1910), only 38.2 per cent of the men and women of voting age voted. The Los Angeles Express, June 4, 1913, had an editorial on the disgrace of electing Rose. At an election in Chicago, April 7, 1914, with the strenuous efforts of the suffragists to get out the female vote, only 158,686 women voted. Chicago had in 1910, 626,629 women over 21 years of age (letter from Director of Census February 28, 1914). About 25 per cent of the women of Chicago over 21 years of age voted. More than double that number of men did vote at the same election. Complaint has been made that it is not just to tax women when they have no vote. Only one-tenth of the taxes are paid by women, so if women had the ballot the women who pay taxes would not be as fairly and justly treated as they now are, for

then nine-tenths of the women who vote the tax would pay no taxes, while now nine-tenths of the taxes paid are paid by the men who vote the taxation. No injustice is possible when the taxes are laid by the voters who pay nine-tenths of the amount.

So many of our people are being misled on the liquor question by the suffragists that it is well to submit some facts on that subject. In no State in which women have voted on the question has State-wide prohibition ever been adopted. Nine States where men alone vote have State-wide prohibition. November 5, 1912, Colorado voted on State-wide prohibition; 75,877 votes were cast for the measure and 116,774 against. (See p. 159, Abstract of Votes, compiled from official returns by James B. Pearce, secretary of state, Denver, Colo.) If 58 per cent of the women over 21 years of age in Colorado had voted for prohibition, the measure would have become a law by 6,012 majority without a single male vote being cast for prohibition, there being 213,425 women over 21 years of age in Colorado. (P. 118, Abstract of Census, 1910.)

Wyoming legalized gambling for about 40 years after women had the ballot, and had neither State-wide prohibition nor local-option laws.

About six years prior to the adoption of woman suffrage in California Los Angeles voted on local option, and the measure was defeated nearly 2 to 1. About a month after women had the ballot in Los Angeles the question was again voted on and the saloons won by nearly 3 to 1.

December, 1912, Los Angeles voted on the question of abolishing free lunches in saloons, but the measure was defeated and lunches are still free in Los Angeles saloons. Missouri and Connecticut have State-wide laws prohibiting free lunches in saloons. Pasadena, Cal., for many years—in fact, practically for its entire history—had been a dry city, but soon after women were given the franchise the sale of liquor was legalized. Pasadena had in 1910 2,688 more women over 21 years of age than men—about 29 per cent.

December 2, 1913, Santa Monica, Cal., voted wet, ballots nearly 3 to 1 for liquor, to be sold on Sundays and nights. The Los Angeles Times of December 3 says the triumph of "demon rum" and the sparkling cabaret is attributed to the women, who voted 2 to 1 against a Sunday drought. Total vote for the saloons and Sunday liquor 2,173 against 814. Letter under date of December 13, 1913, from Director of United States Census shows that in 1910 Santa Monica had 2,462 males and 2,748 females over 21 years of age—286 more women than men, yet we have the sale of liquor legalized in cafés all night and on Sundays in a city of homes of less than 8,000 (7,847) people, and I doubt that a parallel can be found in any State where the franchise is limited to men.

Redondo, Cal., voted on local option October 14, 1913. The saloons won. Los Angeles Times of October 15 says that both sides claim the result was due to women's votes.

Anaheim, Cal. (population 2,628), voted on local option November 6, 1913. The saloons won. (See Los Angeles Times, Nov. 7, 1913.)

San Bernardino, Cal., voted for the saloon January 30, 1914. (See Los Angeles Times, Jan. 31, 1914.)

At an election in California April 13, 1914, out of 13 cities and towns voting on the liquor question, 9 voted "wet" and 4 small towns "dry." Hanford, population 4,829, and Merced, population 3,102, both of which had been dry, returned to the wet column. See Los Angeles Times, April 14, 1914. Only 1 small county—Lake County—in California is dry, and 10 counties out of 62 in Colorado are dry.

In Colorado Springs, Colo., where the sale of liquor was prohibited for many years, women voted on the question about two years ago, and liquor selling was legalized. Colorado Springs had 819 more women than men over 21 years of age in 1910. (Letter of Director of Census, Feb. 28, 1914.)

On pages 202 and 203, Annual Report of the Commissioner of Internal Revenue, you will find that in the 6 States that had woman suffrage January 1, 1912—California, Colorado, Wyoming, Idaho, Utah, and Washington—there were 26,295 liquor dealers paying special license to the Government for the fiscal year ending June 30, 1913. From page 24, Abstract of United States Census, 1910, you will find the 6 suffrage States above mentioned had a population of 5,163,473, 1 liquor dealer for every 196 people of the 6 States. For the remaining 42 States and District of Columbia there were 226,247 liquor dealers paying license for the same period. The 42 States and District of Columbia had a population of 86,808,793, or 1 liquor dealer for every 383 people, or about one-half the number of dealers per capita than the woman suffrage States require, and then we are told by the suffragists that they are not favorable to the liquor interests. Kansas, Oregon, and Arizona only adopted woman suffrage November 5, 1912. Kansas has been a prohibition State for more than 25 years.

At local-option elections in Illinois April 7, 1914, about eleven hundred saloons out of 3,000, where elections were held, were abolished, 12 dry counties were added to the 30 already dry, making 42 dry counties out of the 100 counties in Illinois.

Kentucky, where men alone vote, has 99 dry counties out of 120 in the State, and Missouri has 65 no-license counties out of 114 in that State.

Iowa has 77 dry counties out of 99 counties in the State; and in Minnesota, at election April 7, 1914, two-thirds of the counties where local-option elections were held voted dry, and towns that had licensed saloons for 60 years voted dry by men's votes.

Eight out of twelve counties in Michigan that voted on the liquor question April 6, 1914, voted dry, including Lansing, the capital of the State, by men's votes; while Springfield, the capital of Illinois, where there are 205 more women than men over 21 years of age, voted to retain the saloons.

California, where women have voted for more than two and one-half years, legalizes prize fighting and is one of the few States that has no pure-milk law.

About one-half of the people in the United States outside of the woman-suffrage States live in dry territory. Eugene W. Chafin, former candidate on the Prohibition ticket for President, said at Long Beach, Cal., February 15, 1914, that "the support expected by Prohibitionists in California from women had not yet developed." (See Los Angeles Times, Feb. 16, 1914.)

During the suffrage campaign in Ohio, Miss Margaret Foley, in addressing a meeting of union labor men, said: "Don't be afraid, boys; we're not going to take your beer away from you."

In Cleveland many of the suffragists insisted that it was only their enemies who said of them that they would vote against the saloons. In the recent campaign in Chicago—February, 1914—Miss Marion H. Drake, who was nominated for alderman in the first ward, was quoted in the newspapers as standing "for free lunch and saloons."

Last year the police board of Denver, Colo., passed a regulation prohibiting all unescorted women from entering after 8 p. m. cafés and restaurants where liquor was sold. Instantly a storm of protest arose, not by the refined, respectable women, not by the women of the streets, but by the political women. These political women complained that their "rights were being interfered with"; that they might be compelled to be on the streets after 8 p. m., and that it would be an outrage to prohibit them the use of restaurants after that hour. "Ladies," said the chief of police, addressing a committee of these women who visited him, "I can prove to you from the records here in my office that the women of Denver drink more whisky than men. Shall I open my books and show you?" They did not ask for proof. They withdrew their protest, and that regulation is in effect to-day.

Mrs. Crystal Eastman Benedict, a prominent woman suffragist of Wisconsin, made before the Manufacturers and Dealers' Club of Milwaukee, in addressing the assembled brewers, the statement: "Why all this hue and cry about woman suffrage injuring the brewing industry? Isn't it a little foolish?" Mrs. O. H. P. Belmont, in an address, said she welcomed the support of the brewers and praised Mrs. Benedict for her work among the representatives of that interest.

The president of the Equal Suffrage Association of Washington, Mrs. Smith, when visiting in Denver, declared that the women of the State of Washington won the vote chiefly through the influence of the breweries of the State, specially mentioning the Rainier Brewery at Seattle. Mrs. Smith said that the failure of the prohibition election in Denver convinced the liquor interests that they had nothing to fear from the women's vote. Los Angeles women voted heavily against prohibition, and Mrs. Shelley Tolhurst, a suffrage leader of Los Angeles, made a public speech in which she declared that the saloonkeepers need not fear the women's vote, while in San Francisco another suffrage leader declared that the suffragists would drink to their victory in California wine. Mrs. Minnie Reynolds, for the National Suffrage Association, recently challenged anyone to find a word concerning prohibition among the pamphlets issued by the association.

Hugh Fox, secretary of the United Brewers' Association, in a letter printed in the report of the hearing in December last before the Committee on Rules of the House on the resolution establishing a committee on woman suffrage, said:

The United Brewers' Association * * * states that the anti-suffragists have never received nor asked for contributions from them, although—

He adds:

we have had appeals from the other side.

May Wright Sewall said, October 20 last, in Milwaukee:

Votes for women will no more prohibit drink than they will prohibit food.

The San Francisco Bulletin of July 31 last says:

The equal-suffrage constitutional amendment has now been a part of the law of California for more than half a year. The women have voted at many saloon-closing and saloon-regulating elections, and in no instance have they, as a class, stood solidly against the liquor traffic.

Mrs. Grace Wilbur Trout, president of the Illinois Equal Suffrage Association and one of the leaders in the lobby at Springfield which brought about the enactment of the suffrage bill, said:

It is a great pleasure to remember that some of the firmest supporters of the suffrage measure in the forty-eighth general assembly were some of the so-called "wets."

The suffragists tell us on all occasions that if women had the ballot much better laws for the education and welfare of the child and youth of our country will be enacted. Let me cite a few instances to disprove such a theory:

At Berkeley, Cal., April 12, 1913, for the issuance of bonds for playgrounds, only about 1,500 of the 8,000 women of the city voted. The mayor, who has been a zealous worker for woman suffrage, reprimands the women for their negligence of this particular issue, which of all others should interest them. In a newspaper article he asks "Where were the mothers?" Berkeley has 1,301 more women than men over 21 years of age. (Letter, Feb. 28, 1914, Director of United States Census.)

At Pasadena, Cal., where there are 2,688 more women than men of voting age, the playgrounds that were the pride of Pasadena, and were established before women had the ballot, were discontinued last July on account of the failure of voters to vote money for the purchase of the grounds. (See Los Angeles Times, July 27, 1913.) No other playgrounds have been purchased or been provided for the children.

At an election November 12, 1913, Pasadena, Cal., failed to vote bonds to repair leaky roofs and make sanitary repairs on schoolhouses, to complete new schoolhouses under construction, and to make it possible to provide schools for the entire school year. The superintendent of schools said the school year would have to be cut a month or two, and some schools will have to close when rains begin. (See Los Angeles Times, Nov. 13, 1913.)

It happened to rain November 12 in Pasadena, and some thought the bonds might have carried had the vote been taken on a fair day when the ladies could more conveniently get to the polls; so it was decided to have another election to vote for bonds in a less amount than was voted on November 12. So on January 16, 1914—a fair day—another election was held and the bonds again defeated. So the voters of Pasadena have decided at two elections that the repair of leaky roofs and sanitary improvements, and so forth, of schoolhouses, as well as playgrounds for the children, are to be indefinitely postponed. A letter dated January 12, 1914, from the Director of the United States Census, states there were, in 1910, 9,262 males and 11,950 females over 21 years of age. The total vote for and against the bonds was 4,832. Only 22.7 per cent of the voters of Pasadena—population, 30,291—was interested enough to go to the polls at election of January 16.

We are told that the men of the country can not be trusted to make laws for the women and children; yet an average of four-fifths of the earnings of the men, over and above the necessities of the family, is spent on the women and children.

The suffragists continually tell us that if women had the ballot wars and internal strife would be a thing of the past, yet Colorado, which has had woman suffrage for a generation, is in the throes of civil war and has been for many months. The State has become so weakened in its fabric that it can not keep order and protect life and property within its borders, but has been compelled through the State authorities to call upon the President of the United States to send Government troops to administer affairs and bring order out of chaos. This is another proof of the failure of woman suffrage in the model suffrage State of Colorado, and refutes beyond any possibility of controversy the suffragists' claims.

Much has been said by suffragists about the recall of a mayor in Seattle—who has since been renominated and elected—and the abolishing of the Barbary Coast at San Francisco. Mayor Harper was recalled at Los Angeles about four years before women voted, on account of not enforcing the law against vice, and more than 50 cities in the country have abolished segregated vice districts in the past two years. Los Angeles abolished their segregated vice district about six years before women had the ballot, but it took Denver nearly 20 years after women voted to do away with its segregated vice district.

Helen M. Forster, in Los Angeles Times, November 7, 1913, under head of "Woman Lectures Women," commends Senator WORKS for daring to call attention to the neglect of citizenship by women voters, which, she says, are facts backed up by data and registration lists.

Denver Post, October 17, 1913, report of Mrs. Stewart Walling and Dr. Elizabeth Cassidy: Colorado reformatory rotten. Nothing but filth and graft found at Buena Vista. Merely a preparatory school for the penitentiary. The reformatory, submerged in politics, is a monument to graft, ignorance, stupidity, extravagance, and mismanagement. Building so infested with vermin that only fire could purify it.

The Daily News, of Denver, of October 13, 1913, says the Rev. A. E. Shattuck, of Grand Junction, has stirred up the animals in fine shape, by a public denunciation of conditions which he alleges exists in Grand Junction, Colo.

Here are a few of the opinions he expresses:

Lawlessness is pronounced among us.
Illicit liquor selling is notorious.
Gambling joints are in full swing.
Boys and girls roam our streets late at night in unrestrained violation of the curfew ordinance. (The mothers are possibly away from home attending to political affairs.)
Officials who hate unjust gain we need.

I believe that you will all agree with me that the main object of voting is to register the will of the majority, that it may be crystalized into the law of the land, and that any propaganda that tends to and does, in some instances, defeat the will of the majority is inimical to our form of government.

I think, from the instances cited, I have shown beyond question that women when given the ballot do not, and from their physical organization can never, vote as generally as men, however much she may desire to do so, on account of her duty of motherhood. When a man votes in a male-suffrage State, his vote counts one, but in a woman-suffrage State, unless his wife votes, his vote only counts one-half. If a single man, if the women of his class do not vote as generally as men of his class and opinions, his vote is of less effect than if women were not enfranchised. The fact that the different classes of women do not vote in so large a proportion as men of the different classes in the suffrage States tends to, and in many instances does, defeat the will of the majority, and no cause can be just or right that defeats the will of the majority. Woman's failure to vote as generally as men, where they have been given the ballot, in many cases causes laws to be enacted that are the will of the minority; and that is one of the great injustices of woman suffrage, for the laws made by minorities are injurious to our free institutions.

As an illustration, in San Francisco County, Cal., where the sentiment was not favorable to woman suffrage, only 35 5 per cent of the men and women over 21 years of age voted for President November 5, 1912, while in Los Angeles County, Cal., which had, in 1910, 346,158 men and women over 21 years of age, which gave a large majority for woman suffrage, 48.5 per cent of the men and women of voting age voted for President in November, 1912. The vote for Wilson in San Francisco County, which had in 1910, 297,269 men and women over 21 years of age, was 48,965; Roosevelt, 38,610; Debs, 15,354. Had 48.5 per cent of the men and women in San Francisco County voted, as did in Los Angeles County, there would have been cast 144,175 votes for the presidential candidates instead of 105,646, the actual number cast; and if 144,175 votes had been cast in the same proportion as the 105,646 votes were cast, Wilson would have received 18,288 more votes than he did and Roosevelt 14,478 more. And instead of Roosvelet carrying California by 174 votes Wilson would have had the State by 3,636 plurality.

Forty-three per cent of the men and women over 21 years of age, exclusive of Japanese and Chinese, voted in California November 5, 1912. In our big cities, where the liquor interests are large, in elections on the liquor question the saloons, breweries, hotels, and cafés that sell liquors, property owners who rent property to such interests, all allied trades and business, as well as gamblers, and so forth, see that their women go to the polls on election day nearly as a unit, besides inducing their women friends to vote, it being to their interests financially to vote, while women who have no monetary interest in the election fail to vote as generally as men of their class and opinions do vote. So the will of the majority in such an election may often be defeated, and the liquor interests win, while if men alone voted the saloons might be abolished. As an instance, in Los Angeles, as before mentioned, when men alone voted on local option, the saloons won by nearly 2 to 1, while with women voting the saloons won by nearly 3 to 1. The same applies to any political machine that seeks to gain ascendency for graft,

organized socialism, and so forth, that really want to gain an advantage and defeat the will of the majority.

But if women could ever vote as generally as men, there would be little or no change in our laws, for even if a wife once in a while voted in opposition to her husband and canceled his vote—in which event the family would have no voice in the laws at all—the final result of the whole vote would rarely be changed, and we would have the absurd spectacle of having two people doing what one alone could accomplish as well and save all the effort expended in the study of politics by women and the enormous expense of doubling the election cost.

Taxation in the District of Columbia.

EXTENSION OF REMARKS

OF

HON. BEN JOHNSON,

OF KENTUCKY.

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, May 12, 1914.

On the bill (H. R. 12873) relating to the assessment for taxation of real estate in the District of Columbia, and for other purposes.

Mr. JOHNSON of Kentucky. Mr. Speaker, I wish to address myself to House bill No. 12873, which was introduced by Mr. GEORGE, of New York, on February 3, 1914. The title of the bill is as follows:

A bill relating to the assessment of real property in the District of Columbia.

The bill, as shown by its title and by its provisions as well, related solely to the taxation of real estate. It may be well to state here that Mr. GEORGE, the author of the bill, is an advocate of the single-tax theory, to which his distinguished father, Henry George, gave such an impetus that it has gone all over the civilized world. A majority of the committee, myself included, did not share Mr. GEORGE'S views as to taxation; in fact, we differed in our views very extremely. Mr. GEORGE and the others upon the committee who agreed with him in his views of taxing real estate only, took issue with those of us who believe that all property, both real and personal, should be taxed. Those of the committee who entertained the latter views were in the majority of the committee; and, in consequence, prevailed in the committee in an endeavor to so amend the original bill as to have it embrace real estate as well as personal property, both tangible and intangible, the latter class including stocks, bonds, promissory notes, annuities, and all evidences of indebtedness.

The bill was reported from the committee to the House with the proposed amendments. No sooner had the bill come up for action; in fact, just so soon as the very first two lines of the bill had been read by the Clerk of the House, Mr. CROSSER, of Ohio, addressed the Chair, was recognized, and offered a substitute for the original bill and the amendments thereto which the committee had reported, those amendments being the ones which looked to the taxation of all kinds of property, including stocks, bonds, promissory notes, and so forth. The substitute which Mr. CROSSER offered exempted this latter class of property from taxation entirely. Thereupon I offered an amendment to the Crosser substitute. My amendment reads as follows:

Amend the substitute offered by the gentleman from Ohio [Mr. CROSSER] by striking out all of the substitute after the word "That," which first appears therein, and insert in lieu thereof the following: "There is hereby levied and imposed upon all taxable real estate in the District of Columbia an annual tax equal in rate to that which is now or which hereafter may be levied or imposed by Congress upon tangible personal property in the District of Columbia; and the same rate of taxation is hereby levied and imposed upon all intangible personal property in the District of Columbia which would be taxable under existing law were it tangible personal property, including moneys, credits, accounts, shares of stocks, bonds, annuities, and all other evidences of indebtedness. All laws which are now in force or which may hereafter be put in force in the District of Columbia governing or affecting the listing, return, or assessment of tangible personal property and the collection of tax thereon, and the penalties for failure relative to the listing, return, assessment, or collection of taxes relative thereto are hereby made applicable to intangible property. Hereafter all real estate in the District of Columbia shall be assessed annually at its real and true value. However, nothing herein shall be construed as to change the present manner of taxing banks, trust companies, lighting, heating, and street-railway companies, except that all real estate owned by any of said companies shall be assessed annually and taxed as of its real and true value. Neither shall anything herein be so constructed as to levy or impose any tax upon shares of the capital stock of any corporation which pays to the District of Columbia the required tax upon all of the property represented by its capital stock, or which corporation pays taxes to the District of Columbia as provided by law upon its earnings or receipts. In addition to the real estate which is now exempted by law from taxation in the District of Columbia there shall also be exempted from taxation every parsonage and rectory owned by a religious congregation or organization while it is used by its pastor, preacher, minister, or rabbi as a residence; and, in addition thereto, there shall be exempt from taxation in said District $500 of the value of each dwelling house occupied by the owner thereof as a residence; and, in lieu of the existing exemption as to personal property, there shall be exempt from taxation $500 worth of any kind of personal property (tangible or intangible) which any person may own. The word 'person' as used in the next preceding sentence shall not apply to any firm, copartnership, or corporation. All bonds issued either by the United State or by the District of Columbia are hereby exempted from the payment of tax to the District of Columbia. The assessment of real estate shall be commenced not later than the first Monday in November and concluded by the last day of February in each year. The words 'real estate' as herein used, in addition to their ordinary meaning, shall include any right of way over or right of occupany of the land of another. The words 'real and true value' as herein used shall be construed to mean the fair cash value of the property, or the equivalent thereof, estimated at the price it would bring at a fair, voluntary sale without regard to conflicting claims of title. Personal property of every description shall be assessed as of the 1st day of July in each year. All real estate in the District of Columbia subject to taxation shall be assessed and its taxable value and status determined as of the 1st day of January of each year for purposes of taxation for the fiscal year beginning the 1st day of July following. This act shall become effective on July 1 next after its final passage, and all laws or parts of laws inconsistent or in anywise in conflict herewith are hereby repealed to the extent to which they may be inconsistent or in conflict herewith."

It will be noticed that my amendment struck out all of the Crosser substitute except the first word thereof, which was the word "That." When that word was added to my amendment it became a complete amendment to the original George bill. My amendment was adopted yesterday afternoon. At that point the House adjourned until noon to-day. Upon the assembling of the House to-day the bill came up as unfinished business. The first vote taken was upon the substitution of my amendment for the original George bill. This motion was lost. There were 132 who voted for it, while 164 voted against it, thus demonstrating that those who are in favor of exempting from taxation that class of property which constitutes the greater portion of the fortune of the millionaire were in the majority. Upon the defeat of my amendment a vote upon ordering the original George bill, divested of all the proposed amendments, to a "third reading" was the next step in order. As there was then nothing left before the House for consideration except the original George bill, which dealt solely and entirely with the taxation of land and not of personal property of any sort, most of us who were in favor of taxing tangible personal property as well as that class of wealth which includes stocks, bonds, notes, and so forth, voted against ordering the bill to its "third reading," and the "third reading" was refused. This defeated the bill beyond resurrection.

Of the 131 Members who voted to tax stocks and bonds 112 are Democrats, and 19 are Republicans. Of the 164 who voted that stocks and bonds might escape taxation 84 are Democrats and 80 are Republicans. But of the Democrats who voted to let this class of property escape taxation a great number of them come from the adjoining States of Pennsylvania, Maryland, and Virginia, and from the large cities, notably Chicago and New York.

That is a concise history of the bill from its inception to defeat.

Now, Mr. Speaker, I wish to make some comment upon the merits of the bill and the proposed amendments thereto.

Under existing law the people of the United States, no matter where they reside, are compelled to participate in paying one-half of the expenses of the city of Washington, notwithstanding the fact that they have another tax upon them to support the Federal Government at Washington in all its branches and departments.

It costs about $13,000,000 every year to pay the expenses of the city of Washington. This amount is nearly double what it annually costs to run the whole government of the State of Kentucky, notwithstanding that the entire District of Columbia is smaller than the smallest county in Kentucky.

The second section of the George bill was the most objectionable part of that measure. That section is as follows:

SEC. 2. That upon the assessed value of all real estate the Commissioners of the District of Columbia shall hereafter annually levy a tax of such per cent as shall, with other revenues of said District, be sufficient to pay the portion to be borne by said District of the estimated expenses of the government thereof for the ensuing fiscal year and to satisfy the portion to be paid by said District of any debts thereof. Said tax rate shall be fixed by the said commissioners on or before the 16th day of October of each year for the ensuing fiscal year. If the commissioners shall neglect to fix said tax rate on or before said date, the tax rate for the preceding year shall be the rate of taxation for the ensuing year, to all intents and purposes the same as if fixed by the commissioners.

From that section it will be clearly seen that there is provision made to raise only so much revenue as will pay the "portion" which the District of Columbia must pay. That "portion" is one-half.

The same section of the George bill provides that the Commissioners of the District of Columbia shall not make a levy for a greater rate of taxation than will pay that "portion" (one-half), no matter how small and insignificant that rate might be. The Commissioners of the District of Columbia,

under the law, must be residents of the District of Columbia. They must be from amongst the general public of the District of Columbia. If these commissioners were to levy a tax rate greater than necessary to raise only one-half of the amount needed they would be ostracized by those from whose midst they came, and with whom they must daily associate while they are commissioners, and to whom they must return when they retire from office. It must be borne in mind that if the commissioners failed to collect by local taxation more than one-half of the amount required for the expenses of the city the other half must be paid by the people of the United States. It would be easy for the commissioners, by the provisions of the George bill, to collect only one half from their daily associates and have the other half paid by strangers. The commissioners are only human; and, in all human probability, would accept the opportunity offered by the George bill to collect only one half from their own people and the other half from the people in Kentucky and in the other States.

Under the present law property in the District of Columbia is taxable at the rate of $1.50 upon each $100 worth of property as it is assessed. However, real estate is taxed at only two-thirds of its value. This reduces the rate to $1 a hundred on real estate, provided it is assessed at two-thirds of its real value. But this is seldom done in assessing business property, is never done in assessing the "mansions" in the fashionable quarters; but the humble home is nearly always assessed at as much as it will sell for, and frequently for more.

It is contended by me and many other Members who have the interests of our constituents at heart that the people of the city of Washington should pay a "reasonable" rate of taxation upon their property, and that they should not be deliberately underassessed in order that they may fall short of having money enough to run the municipal government, and then ask that the people out in the States who never see Washington shall be additionally taxed for their benefit.

If property were "reasonably" assessed and taxed in Washington, the revenues would be all they would need. Consequently, they must keep down either the rate or the assessed values in order to avoid raising more revenue than the one-half with which they are now permitted to escape. Under the plan set out in the second section of the George bill the revenue collected would never exceed one-half of the total amount required. Therefore, if that section of the George bill had become law, the rate of taxation would have become less and less each year as the value of the property increased. The rate of taxation is, as I have said, now fixed by law. However, the same end can be accomplished by reducing the assessed value instead of reducing the rate. It is generally charged here that this is done, and that real estate in some sections of the city is assessed at 40 cents or less on the dollar. Even with all this, the taxes collected in Washington last year when added to the one-half paid by the people of the States amounted to a million and a third dollars more than was needed. But it is even charged that all the taxes which are levied and which could be collected are purposely not collected. Only a few weeks ago a back-tax collector here told me that he then had in his district thousands of dollars in uncollected taxes which he said was easy of collection, but that a superior officer would not permit either him or any of his associates to collect.

If Washington real estate were "reasonably" assessed and the taxes collected and she then fell short of her needs, I have no doubt all the country would be willing to come to her rescue in order that the Nation's Capital might be a "city beautiful"; but I, for one, can not come to believe that Washington should be underassessed for no other purpose than to have the people back in the States pay a heavier tax in order that Washington people may pay a lesser tax—a tax smaller than the people of other cities of approximately like size pay.

I have here a list of 40 cities in the United States. Opposite the name of each city I will put its rate of taxation, beginning with the city which has the smallest rate, and go on down the list, naming the cities in order as the rate of taxation increases, as follows:

Washington, on the $100	$1.00
Philadelphia, on the $100	1.50
St. Louis, on the $100	1.51
Pittsburgh, on the $100	1.53
Cincinnati, on the $100	1.56
Bridgeport, on the $100	1.65
Chicago, on the $100	1.71
Boston, on the $100	1.72
New Orleans, on the $100	1.72
Milwaukee, on the $100	1.76
St. Paul, on the $100	1.76
Minneapolis, on the $100	1.79
Lawrence, on the $100	1.80
New York, on the $100	1.82
Springfield, on the $100	1.82
Brooklyn, on the $100	1.85
Cleveland, on the $100	$1.88
New Haven, on the $100	1.90
Rochester, on the $100	1.93
Lowell, on the $100	1.94
Lincoln (Nebr.), on the $100	1.97
Baltimore, on the $100	1.98
Detroit, on the $100	1.99
Camden, on the $100	2.00
Syracuse, on the $100	2.00
Trenton, on the $100	2.00
Lynn (Mass.), on the $100	2.00
New Bedford, on the $100	2.02
Newark, on the $100	2.02
Fall River, on the $100	2.03
Cambridge, on the $100	2.04
Providence, on the $100	2.05
Jersey City, on the $100	2.12
Grand Rapids, on the $100	2.14
Tacoma, on the $100	2.17
Utica, on the $100	2.20
Des Moines, on the $100	2.22
Buffalo, on the $100	2.29
Charleston (S. C.), on the $100	2.50

And yet, after a showing of that kind, which places Washington as the least taxed of them all, there come those here to-day and defend Washington's millionaires from paying tax on their wealth.

The general average paid by the 40 cities which I have just named is $1.90 on each $100 worth of property, yet Washington complains of being overtaxed when she pays only a dollar on the hundred.

Under the original George bill the Commissioners of the District of Columbia could have reduced the rate upon real estate from that which I have just shown is the lowest rate in the country. If the George bill had become law, we would have had one rate upon real estate—the one fixed by the Commissioners of the District of Columbia—and another rate upon tangible personal property—the one fixed by law, $1.50 a $100—while intangible personal property such as stocks, bonds, notes, and so forth, would have gone untaxed. Uniformity is the fundamental principle of taxation. The farms, which comprise the estate of most Americans, should not, in my opinion, bear the burden of taxation while stocks, bonds, notes, and so forth, which comprise the bulk of the fortunes of the rich, should escape taxation altogether. Just so long as I am a representative of the people so long shall I resist the proposition that those who till the soil shall bear all the burdens of taxation.

Under the present law in the District of Columbia stocks and bonds bear no tax. If the George bill had passed, that law would have continued in force. If the amendment which I offered, and which was defeated by only 32 votes, had become the law, stocks and bonds would have been taxed, and perhaps Washington would no longer be styled the "Haven of the tax dodger," and perhaps the farmer, the laborer, the mechanic, the clerk, the school-teacher, the school child in Kentucky would escape a tax levied upon them to pay all the taxes in Washington which the owners of the property here are suffered not to pay.

Two years ago the committee of which I am chairman made an exhaustive inquiry into tax conditions in Washington, and found that the houses and lots here were worth, according to the information gotten by us, about $744,000,000, but were assessed at only about $330,000,000, or at $410,000,000 less than they were worth.

A local real estate concern—the most prominent of them all—admits that even the value of $744,000,000 is too small, and says that the real value is $1,210,000,000.

I have before me a clipping from the Evening Star of last Friday, May 8. In that I notice this language:

> The first proposition has as its foundation the H. J. Browne guess of 1912 that there were $744,000,000 of taxable realty values in Washington in that year, estimated on the full valuation basis as "full valuation" is understood throughout the United States in the assessments of its cities.

I also find this in that newspaper clipping:

> The George taxation report of 1912 alleges that "real property in the District of Columbia is assessed $414,000,000 below its true value, the true value being $744,000,000, while the assessment is only $330,000,000."

Two years ago the District Committee made a report, and in that report it is stated that the real, true value of the real estate in the District of Columbia is $744,000,000. Upon that statement the local newspapers have thrown a fit every time it is mentioned, and the statement that real estate is undervalued for assessment purposes $414,000,000 has been hooted at as being a most ridiculous and preposterous one.

I happen to have in my hand a little pamphlet, or brochure entitled "Story of the Heights." It deals with Massachusetts Avenue Heights, and on page 23 of that statement, issued by the Thomas J. Fisher Real Estate Co., is this wonderful statement:

> Real estate—the basis of all solid wealth—offers a wonderful profit in Washington. It never can shrink in value unless the Nation shrinks.

It is not like stocks and bonds and other securities. In 1903, according to Moody's Magazine, the stocks of this country dropped $3,000,000,000; in 1907 they shrank $7,000,000,000; in 1910 (last year) they went off $950,000,000.

Now, will you please listen to this further statement?

During the past 30 years, according to the Manufacturer's Record, of Baltimore, the value of Washington real estate never halted, but increased from $200,000,000 to $1,210,000,000.

We must take it for granted that every statement made in this pamphlet is true. It is issued by the Thomas J. Fisher Real Estate Co., as I have said, and its president but little more than a year ago was one of those who, out of righteous indignation (?), brought to the attention of the Commissioners of the District of Columbia the assertion that a local insurance company was issuing literature to the public which was not exactly accurate in every particular. I therefore take it for granted that the president of this institution, who raised that question with the Commissioners of the District of Columbia and caused an exhaustive examination to be made, is not going to permit to go out from his company a statement like that unless it be literally true. This pamphlet, or brochure, which I have, is quite an interesting document. On page 6 is a picture, not of the residence or of the house, but of the "mansion" of Senator George S. Nixon, of Nevada. Upon the other side, on page 7, we have the picture of the "mansion" of United States Senator FRANCIS G. NEWLANDS, of Nevada, adjoining these heights. Upon the next page we have the "mansion" of Mr. Charles C. Glover, president of the Riggs National Bank. On the next page we have a picture of the handsome "mansion" of "Mr. John R. McLean, of Cincinnati." Over on page 11 we have the picture of the extensive grounds and the "mansion" of Charles J. Bell, president of the American Security and Trust Co. Then on page 12 we find this language:

On the north side of Massachusetts Avenue and adjoining the heights on the northwest are the grounds of the Protestant Episcopal schools.

Perhaps that is offered as an inducement for people to buy property out there, but they fail to say that there never has been a student in that institution and there is not one now.

Then I find on page 13 of this very interesting little document this language:

Sheridan Circle—

That is the place out here on Massachusetts Avenue where they have a statue of Gen. Sheridan on a horse that looks as if he were dying with a sudden attack of the botts—

Sheridan Circle is the social center of Washington and Washington is the social center of the Nation. The truth of both statements is well known. Scores of successful Americans, whose individual fortunes range from ten to one hundred millions of dollars, within the last five years have built mansions along Massachusetts Avenue and around its newest and most attractive circle. And they still are coming; the flow hardly has begun.

In its issue of January 29, 1911, the New York Times in a Washington dispatch headed, "Is Washington cornering our multimillionaires? Remarkable growth of a colony whose wealthy recruits come from all parts of the country to the Nation's Capital," said:

"The pioneers of the millionaire colony here were the late Thomas F. Walsh, John R. McLean, the Leiters, and Mrs. A. C. Barney. In the building up of Sheridan Circle as the real social center of Washington much is due to Mrs. Barney, who built her beautiful studio house there—an art marvel. Now the entire circle is marked by an imposing row of marble mansions. Around Sheridan Circle the bonanza kings have spread their palace tents—the Hennen Jenningses, the Norman Williamses, and others."

The panoramic view given in this booklet shows Sheridan Circle in its rare residential beauty with the heights close by, toward which homes of equal magnificence are building. Soon the block or two of intervening space will fill with contemplated mansions for which most of it already has been bought at prices five times greater than will be asked at the start for more elevated and better sites on the heights. There the kings of wealth soon must raise their modern palaces and proceed along the royal avenue of their desire. Owing to this pressure for sites to the northwest the District of Columbia Commissioners on January 25, 1911, commenced the necessary condemnation proceedings to open Massachusetts Avenue its full width to the District line, more than 2 miles beyond Massachusetts Avenue Heights.

Coming to page 19, Mr. Speaker, I find this:

Many great fortunes have been made in the rise of its real estate by its citizens and a few outside investors familiar with its marvelous jumps in value due to the city's steady acquisition of the country's men of colossal fortunes and the very limited area available for their magnificent and rival homes.

The fortunes of the people who already have sought rest in a life of elegance and ease in the city by the Potomac are conservatively estimated at one thousand millions of dollars. And more came last year than ever before.

* * * * * * *

From "The Hub" have come the Larz Andersons, the Weekes, and others. Among the New Yorkers are the John Hays Hammonds, the Perry Belmonts, the Robert Rooseveltz, the Duryeas, the George W. Vanderbilts, and the Oliver Cromwells; from Chicago have come the Leiters, the Pullmans, the Munns, Mrs. Robert Hitt, Mrs. Potter Palmer, and Mrs. Marshall Field; from Cleveland the William J. Boardmans; from Pittsburgh, George F. Westinghouse; from Colorado the Thomas F. Walshes; from Pennsylvania the Scott Townsends; from West Virginia the Stephen B. Elkinses, and dozens of others to swell the host of multimillionaires who for the most part have built their Aladdinlike homes along Massachusetts Avenue.

Another type of Washington millionaire constantly increasing in number is the Representative and senatorial millionaire who after a term in Washington rarely leaves it. They, too, have magnificent homes and are lavish entertainers. Of this type are Senator DU PONT, of Delaware; Senators Nixon and NEWLANDS, of Nevada; and almost the whole roll call of the upper House. The Senator ranks next to the Cabinet officer and often is socially more important. Cabinet officers, judges, higher Government officials, and members of the diplomatic corps are also home builders in Washington, Franklin MacVeagh, Secretary of the Treasury, being the most recent addition to this class, having just completed his palatial residence.

Mr. PAYNE. May I ask the gentleman if that is an advertising circular of some real-estate boomer?

Mr. JOHNSON of Kentucky. That is an advertising circular of a real-estate corporation whose president rose in your midst a little over a year ago and said nothing else than that no advertising schemes should go forth from the city of Washington unless they be absolutely true.

Mr. PAYNE. And the gentleman brings that in as evidence of the value of an official report here?

Mr. JOHNSON of Kentucky. I bring it here as a statement from a paper published in Baltimore, which I think is an authority upon the subject, which says that in the last 30 years the values of real estate in Washington have increased from $200,000,000 to $1,200,000,000.

I have here a map issued by this same real estate company showing the Massachusetts Heights section with the prices attached. The assessment shows that those properties are assessed for one-fourth and one-sixth, even, of what is asked for the lots shown upon this map.

Whenever we have "a hearing" relative to the school-teachers no man ever hears the masculine gender mentioned in the committee room. Everybody who appears before the committee on the part of the schools speaks of the "poor school marm," the female teacher of the schools. You would never suspect that there is a man in the whole school system. Just as soon as this bill or any other bill of a similar character comes before the House for consideration, then you begin to hear of "the poor widow."

Let me invite your attention to a very anomalous situation now staring us in the face. Here are Members of the House, here are members of the District Committee, who take this peculiar and, to me, inexplicable position that all intangible property should escape taxation because, perchance, some poor widow might be overtaxed, or because somebody with his or her little savings in a savings bank would, under the original bill, be taxed. Bear in mind I have provided an exemption to the extent of $500 in favor of this class. But only a few days ago there came before the committee a man by the name of George Horning, who is the "king bee" of all the loan sharks in the District of Columbia, who stated before that committee that he had $250,000 loaned out to small borrowers at 36 per cent a year. There were men—and they will appear in a little while upon the floor of this House—urging an increase in the rate of interest for that man, and to-day they are here asking that that man's $250,000 in securities shall escape taxation. But I say that the man who has $250,000 loaned out at a rate of interest which brings him in return an annual compensation for his money greater than the President's salary ought, at least, to pay tax upon the notes which he holds. I say that any other position is indefensible. To ask in one breath that this man's already extortionate rate of interest may be increased, and to demand in the next that he shall escape taxation entirely upon that $250,000 is too much for my conscience.

Mr. Speaker, threats have gone forth from Washington that I must be defeated for reelection to Congress because of my views upon these questions. This bill makes but another occasion upon which I freely give expression to my views concerning taxation.

If the people whom I have striven so hard to serve are of the opinion that my views are inimical to their interests, and that some one other than myself will and can serve them more faithfully and more efficiently than I have done, I can offer no complaint if they select another to serve them in my stead.

But if they believe that another will serve the rich tax-dodgers of Washington where I will not, and if they want the Kentuckian served instead of the Washingtonian, then I shall expect their hearty approval.

I am in possession of certain and positive information that influences from outside even Kentucky have been brought to bear in order to bring out opposition to me. I can not believe that the people in the fourth congressional district of Kentucky will quietly submit to this insolent outside attempt to dictate to them who their Representative in Congress shall be. Should they submit to this outside dictation they would lose their own independence and cease to be freemen; but, instead, become the unsuspecting tools of "outside interests."

This I know Kentuckians will never knowingly do.

The Duty of the Government in Protecting Marine Sea Food Life and Developing It.

EXTENSION OF REMARKS

OF

HON. EDWARD W. TOWNSEND,

OF NEW JERSEY,

IN THE HOUSE OF REPRESENTATIVES,

Monday, May 18, 1914.

Mr. TOWNSEND. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD, I insert an address of Hon. J. CHARLES LINTHICUM, at the sixth annual convention of the National Association of Shellfish Commissioners, at Hotel Rudolf, Atlantic City, N. J., Friday afternoon, May 8, 1914. The address is as follows:

[Address of Hon. J. CHARLES LINTHICUM at the sixth annual convention of the National Association of Shellfish Commissioners, at Hotel Rudolf, Atlantic City, N. J., Friday afternoon, May 8, 1914.]

THE DUTY OF THE GOVERNMENT IN PROTECTING MARINE SEA-FOOD LIFE AND DEVELOPING IT.

Mr. President, ladies, and gentlemen, I welcome this opportunity to appear before your association at this convention, for I realize that those interested in the work in which many of you gentlemen are engaged are the people who have given the closest attention and study to the problems relating to or affecting our marine life. I am sure, therefore, that in the light of your experience and study you have been convinced of the necessity for its protection and the wisdom and economy in its development. The object lessons on this subject with which I have been favored have given me certain definite ideas as to the obligations of the American people in the premises, and these force me to the conclusion that it is not only the duty of our Federal Government to protect our sea-food life, but that it is equally as important that we should extend national aid in its development along even wider and more diverse lines than those already followed.

IMPORTANCE OF SEA FOOD IN OUR DIET.

To many who have given little or no thought to the subject it may come as a surprise when I tell you that of our estimated population of 98,000,000 people in this country at least 3,000,000 may be safely said to derive their living from pursuits or business relating directly or indirectly to our sea-food life. Consider for a moment this vast number, and it will occur to you that they constitute an army more numerous than all those engaged in our Civil War. Then pause to consider the millions of people to whose diet the work of these 3,000,000 contribute and you will have some idea of the vast extent of this subject.

In the United States alone are approximately 16,000,000 people affiliated with the Catholic Church. Of this number practically all substitute in place of meat a diet of fish on Friday. It will be seen from these figures, therefore, that a large percentage of the American people are interested in fish as food, and this percentage has been perceptibly increased during late years by reason of the fact that, owing to the steadily advancing prices of meat, fish as a staple article of diet is becoming more and more popular. I refer specifically to fish because it is one kind of marine food that is consumed in almost unvarying amounts the entire year around. For this reason it presents itself at once as the principal subject for observation and discussion.

CONSERVATION OF OUR FOOD FISH.

Waste almost criminal in its character has distinguished the American people in the treatment of their food fish. A century ago the waters of almost every flowing stream in our country were alive with a variety of fish whose flesh offered delicious edible nourishment. Little more than a hundred years have passed and we are beginning to suffer the consequence of our profligacy toward this valuable gift of nature. The run of fish in our rivers has decreased from 20 to 80 per cent, and in some rivers they are on the verge of extermination. Even in those estuaries of the ocean whose supplies of marine life seemed inexhaustible this depletion is nearly on a par with that which has taken place in our rivers. That this depletion foreshadows eventual extinction is only too plainly apparent. The necessity for immediate conservation is upon us, and those who have given attention and study to the subject have been brought to realize that no measure can be enacted fully protective unless it be one of national scope. The great estuaries of the ocean and the waters which empty into them flow within the jurisdiction of two or more States; hence any effort to control these waters through the laws of one State alone is insufficient to meet the requirements of the situation.

Realizing this, it was my privilege to introduce in the House of Representatives two measures designed to correct existing abuses and to conserve the supply of food fish which frequent our interstate waters. These measures were prepared after consultation with the Federal Bureau of Fisheries, after having definitely determined the principal conditions needing correction, after deciding upon a remedy best adapted to cover those conditions, after securing the opinion of the law officer of the department of the Government that would be charged with the administration of the law as to the probable constitutionality of the measures. It is these measures that I shall attempt to explain to you this afternoon.

In my examination of the subject I found that some of the principal causes of the wanton destruction of our food fish was the lack of regulation of the fishing seasons; the use, without regulation, of gill and line nets; the setting, without restriction, of pound nets; the use of food fish in the manufacture of oil and fertilizer. The abuses enumerated are all to be found exemplified in the waters of the Chesapeake Basin, and inasmuch as I am more familiar with those waters than others, for the purpose of these remarks I shall chiefly take for illustration conditions found there. The abuses which I mention or shall have occasion to refer to, however, are by no means confined to the waters of the Chesapeake Basin. We find them, with slight variations, along the California coast, along the coast of Alaska, along the New England coast, along the waters of Long Island Sound, along our southern coast, and in the Gulf of Mexico. In fact, so prevalent and widespread are they that they make this a national problem.

Let me make plain at the outset of these remarks that my interest in the subject is not from the viewpoint of the fisherman-sportsman. I am not a member of any game or sportsmen's club, and I do not recall that within the past 15 years I have caught a fish or attempted to catch one. My whole interest in the question is from the side of the consumer and the commercial fisherman. To me it is purely an economic proposition. My study of the subject has brought clearly to me the realization that unless we institute some radical change in our present policy but a few years will intervene between now and the day when the fish-consuming public will be entirely deprived of one of its important sources of food and the commercial fisherman will find his business has vanished.

USE OF FOOD FISH FOR FERTILIZER AND OIL.

The first measure I introduced was one to prevent the interstate transportation of fish, or products or compounds thereof, when intended to be used for fertilizer or oil, or in the manufacture of fertilizer or oil.

Under this bill it is made unlawful for any person to ship, or offer to ship, from one State into another, or from this country to a foreign country, any fertilizer or oil composed in whole or in part of fish other than menhaden, which are sometimes known as pogies, fatbacks, mossbunkers, and such other fish as sharks, dogfish, skates, rays, sea robins, and sculpins. It will not apply to parts of food fish when such parts are merely the by-products of some industry. The law provides means by which it may be enforced and imposes penalties for its violation. It authorizes the Secretary of Commerce to promulgate such rules and regulations as may be necessary to carry it into effect.

The use of food fish in the manufacture of fertilizer and oil is one of the evils that has sprung up in connection with the fishing industry. I understand that the use of food fish in the manufacture of fertilizer and oil is not confined to any particular locality along our Atlantic or Pacific seaboard, but that conditions are peculiarly serious and aggravated in the Chesapeake. For instance, in the Chesapeake Basin, boats from the fish-fertilizer factories of Virginia hover near the fishing fleets and purchase for cash large quantities of herring, which, as you gentlemen know, are a perfectly good food fish. According to evidence produced at the hearing on my bill it was shown that the fertilizer-factory boats so dominate the fishermen that the latter are afraid to sell to others, as a result of which in some sections the fertilizer-factory boats enjoy a complete monopoly of the market. Under this monopoly they are able to purchase herring for less than they are offered others, and, indeed, so completely do the fertilizer boats control the market that the fishermen are compelled to decline to sell their fish to individual consumers or to boats sent out by the packing houses who wish to purchase and pack for food purposes. One instance was developed at the hearing where representatives of a fish-packing house were refused fish by the fishermen although they offered 50 cents more per barrel than was being paid these same fishermen by the fertilizer boats.

Such a condition may seem almost incredible at first glance, and I think it so struck the committee of Congress on that

occasion. But when you fully understand the situation the reason is apparent.

The fish-fertilizer factories are generally unable to secure sufficient fish for their purposes. They are, therefore, always willing purchasers. No matter what the state of the market, the fertilizer boats are usually prompt purchasers at their fixed prices. The boats representing the fish-packing houses, however, purchase only a certain quantity, and when those purchases are made desire no more. It is but natural that the fishermen should prefer to deal with the steady customer, to whom he can at all times deliver his catch, rather than with one whose purchases are limited.

Furthermore, I am told that the fish-fertilizer boats go to the fishing fleets on their fishing grounds, take off the catch, pay cash for it, and sail away, leaving the fishermen to continue their harvesting of the waters.

The use of food fish for fertilizer purposes has resulted in intense fishing, an increase in the number of line nets and their extension farther into the water, with the consequent effect of impeding the fish in their migrations up the river. This wholesale taking has been felt with severity on the upper waters, and for example I quote you the case of a firm of old and experienced fishermen in the Potomac River, whose catch of herring for the entire season of 1913 was less than their catch for one day 10 years before.

Nor is this sacrifice of good food fish confined solely to the herring. A representative of the Maryland State Game and Fish Protective Association, who visited the Susquehanna Flats, reports that he witnessed the purchase by the fertilizer factories of scowloads of fish during the entire spring run, and upon examination found these boats to contain not only herring but quantities of small white and yellow perch and other fish mixed in with them. In personal conversation with these fishermen they told him that they believed it wrong to catch and sell these fish for fertilizer purposes and wished it could be stopped by law, that they knew they were injuring themselves by thinking only of the present and giving no thought to the future, but while it was lawful and others were doing it they would continue to do it also.

And they will always continue this traffic until our National Government steps in and stops them. But if we confine to the State in which it originates the fertilizer and oil composed in whole or in part of food fish, we will have destroyed a very large part of the market of these fish-fertilizer factories, and they will be forced to refrain from using food fish in the manufacture of these products.

The situation in Maryland and Virginia relative to this fish-fertilizer question is a peculiar one. In Maryland we have only one small fish-fertilizer factory, while in Virginia there are a great many. Virginia has laws to prevent the catching of food fish in her waters for fertilizer purposes while we have none. The fish-fertilizer people of Virginia therefore send their boats to Maryland's jurisdiction, secure their food fish from our waters, and thus evade violation of the Virginia statute. There exists in some parts of Virginia, I regret to say, a disposition to encourage this evasion of the laws of the Old Dominion. I suppose that until human nature is remade we will always have with us those so deadened to the responsibilities of citizenship as to regard it as an honorable and clever thing to circumvent the spirit of the law by acting only upon its literal interpretation. If it is wrong to rob the waters of Virginia of their food fish for fertilizer and oil purposes, then it is equally as wrong morally to rob the waters of Maryland for those purposes, and this abuse of Maryland's waters by Virginia fishermen should be stopped. Maryland is powerless to stop it under her State laws, and this practice will doubtless continue until the Federal Government stops it through legislation along the lines I have suggested.

TAKING OF MIGRATORY FISH.

The second measure I introduced was framed for the purpose of correcting those abuses not specifically covered in the bill just described. Under this latter measure, numbered H. R. 7775, the Federal Government, following the principle of the migratory bird bill, would extend its protection to fish not remaining the entire year within the waters of any State or Territory, and authorizes the Department of Commerce to define the seasons and regulate the manner and conditions under which they may be taken or destroyed. Penalties are prescribed for violation of the law, authority is given the Secretary of Commerce to enforce it, and an appropriation of the Treasury is made available for carrying out its provisions.

The unsatisfactory conditions this bill purposes to cover do not pertain alone to the waters of the Chesapeake, but again I turn to the Chesapeake for examples and illustrations which make a measure of this kind necessary.

On the upper waters of the Potomac the fishermen complain that their catch is steadily diminishing year by year. The causes for this diminution may be readily found in the vast network of seines which extend from the Virginia shores of the bay athwart the path usually followed by fish coming in from the sea and which catch and prevent the fish in the course they would follow up the river. Four or five years ago the State of Virginia licensed approximately 2,500 of these line nets. Today, with the quantity of fish much reduced, Virginia is licensing over 4,000 of them. If the fish are fortunate enough to escape the network of seines which impede their progress, they have yet to get by the thousands of gill and pound nets that beset them at almost every mile of their progress up the bay to the river.

As an illustration of how great has been the decrease in the catch of shad and herring I call your attention to the statement of Neitzy Bros., of Washington, D. C., who report that in 1909 they caught 9,000 shad and 1,400,000 herring. In 1913 their catch had dwindled to 700 shad and 60,000 herring.

Another evidence of this depletion in the catch of shad was presented by a fisherman at the head of the bay, in the Susquehanna River, who shows that in 1882 he caught 19,000 shad, in 1883 only 17,000, and in 1912 his catch had dwindled to 7,200.

In 1909 the catch of shad in the State of Virginia was nearly 7,500,000 pounds, while in 1913 it was less than 3,000,000 pounds. In Maryland, in 1890, they got a catch of over 18,000,000 pounds, in 1900 their catch was reduced to a little over 3,000,000 pounds, while in 1912 the catch was less than 2,000,000 pounds. In other words, during a period of 25 years the catch fell off to 5,000,000 pounds.

It was brought out at the hearing on this bill, which was a long and most interesting one, and at which were present quite a number of commercial fishermen, as well as the representatives of game and fish protective associations and fish experts, that the general conditions along the coast of the country were alarming, and remedial legislation was sorely needed.

What the continuance of our present course will surely lead to was shown by a table which I submitted to the Committee on Merchant Marine and Fisheries on that occasion in reference to the sturgeon. This table was prepared by Dr. Hugh M. Smith, the United States Commissioner of Fisheries, and showed that from a catch of 13,000,000 pounds of sturgeon in 1890, it had fallen to less than 2,000,000 pounds in 1910, and the number was even then steadily decreasing. The almost complete extermination of this valuable food fish, whose meat not many years ago was known and commonly eaten by millions of American families, points the fate of our other food fish unless we correct present conditions.

It was conclusively shown at this hearing that it would be wisdom on the part of our National Government, and the inauguration of an important policy of economy, to adopt stringent measures for the protection of our food fish in those waters flowing through two or more States, because of the general failure or inability of the several States to agree upon legislation effectively protecting fish in such waters.

At the hearing on this measure before the House Committee on Merchant Marine and Fisheries there were present, as I have said, a number of commercial fishermen. These men strongly indorsed the provisions of my measure and urged its adoption by Congress. They were men who have been engaged in the fishing business for a period of many years, who have witnessed the steady decline of their business, who can unerringly foresee the dismal prospects of the future. These men see more clearly than others the obvious necessity for legislation such as I am advocating.

EVIDENCE OF FISH DEPLETION.

The State of Ohio has from early times permitted net fishing without regulations. One result of the lack of these regulations was the extension of nets in Lake Erie for almost interminable distances. One line of nets at Sandusky extended into Lake Erie for a distance of 10 miles from the shore. As a result of this indiscriminate net fishing the whitefish, the most valuable fish in Lake Erie, decreased over 80 per cent between 1885 and 1903.

Mr. Charles F. Holder, of Pasadena, Cal., author of a number of books on game fishes, and whose other literary works have given him a Nation-wide reputation, writes me that the same problems which confront us on the eastern coast face the people of the Pacific. He tells me that about 20 years ago he began to call the attention of the people of California to the danger of the extermination or exhaustion of their valuable food fishes. He explains that the Legislature of California gave its serious attention to the situation and passed laws which afford some measure of protection.

He told me that about 10 years ago the leaping tuna, or horse mackerel, which is one of the most important fishes in Europe in the Mediterranean Sea, was so common during the summer months off Santa Catalina Island, Cal., that they would be taken by the ton, not only in nets but on hand lines. As a result of the wholly improvident raids of the fishermen these fish are now so rare that no attempt is made to catch them. He says, furthermore, that the fish along Santa Catalina Island have decreased nearly 75 per cent in the last 20 years, and conditions there are menacing to the fish food supply of southern California.

Although the legislature passed remedial laws, Mr. Holder says that the fish commission of southern California has not even a rowboat to aid in seeing that the law is carried out. He complains that it is useless for the thoughtful people of California to advocate any extreme protection, as the State has not the means to see that the laws are enforced after such legislation is enacted. His conclusions lead him to believe that the only way to give the fish effective protection is for the United States Government to take charge of the matter.

At one of the hearings on my measures Dr. George W. Field, of Boston, Mass., commissioner for that State on fisheries and game, told us that many species of migratory fish, particularly those which frequent the tidal rivers and streams during their breeding seasons, are now commercially extinct in the waters of southern New England. He states that in 1872 small salmon, from 2 to 3 pounds, were taken in abundance on the south side of Cape Cod and in Massachusetts Bay, but that this was the last great run of that fish, as the salmon in the Connecticut and Merrimac Rivers are practically all destroyed. In the Connecticut River the last record of any quantity being taken was in 1878.

The sturgeon, he says, although formerly found in more or less abundance, has been for years extinct in Massachusetts rivers. The last records of any appreciable number being taken was in the Connecticut River in 1878. The fishery for this fish in the Merrimac River evidently lasted longer, for in 1882 an act was passed permitting the taking of sturgeon with seines of not less than 12-inch mesh.

The striped bass, he told us, has almost entirely disappeared from the rivers of New England, although the early colonists found them in abundance. After the year 1872 but few were taken in the Connecticut River. In 1880 they became extinct in the Merrimac River, and in the Taunton River few were taken after 1885. He cites that between 1865 and 1871—a period of seven years—the total catch in a weir at Waquoit was 489, and at the present time rarely a single specimen is caught.

The smelt, he tells us, is commercially extinct in Massachusetts, except in Fore and Back Rivers. He also adds that this fish was the subject of much protective legislation by the State, but these restrictions failed to prevent its decline.

The shad, it appears, were so numerous in the rivers and streams along the Massachusetts coast that in the early days they were used for fertilizer on the planting grounds. To-day no shad are taken in the Connecticut and the Merrimac, and only a few in the Taunton. After further detailing the need for corrective and remedial legislation, he concluded by observing that the most practical means of meeting the existing situation and avoiding complete extermination in the future was through Federal control of all migratory fishes.

INTERNATIONAL AGREEMENT FOR FISH PROTECTION.

Our National Government has not only given attention to the interstate protection of fish, but has turned its attention also to their international conservation. The waters of the Great Lakes and the St. Lawrence River fall under the joint control of our country and Great Britain. We have now pending in the House of Representatives a bill designed to give effect to the provisions of a treaty signed by the United States and Great Britain on April 1, 1908, which has especial relation to the waters contiguous to the United States and the Dominion of Canada. The regulations to give effect to the treaty referred to were prepared by the International Fisheries Commissioners. These regulations provide for closed seasons, the regulating and restricting of net and trap fishing, and forbid the catching of fish for fertilizer or oil purposes. The necessity for international agreement and uniform laws was made necessary by the total inadequacy of the laws of the several States bordering the Dominion. It was shown that the whitefish—the most important fish in all the Great Lakes—inhabit waters falling under seven different jurisdictions. Owing to the lack of protection the catch of that fish in Lake Erie has decreased 80 per cent and in Lake Ontario over 90 per cent. Agreements specifically entered into between the State of Washington and the Dominion Government were violated by the State of Washington within one week of the time they had been solemnly negotiated. It is such conditions as these that make necessary an international agreement covering the situation.

CONCLUSION.

Before concluding let me call attention to the fact that at the time of the framing of our Federal Constitution, so inconceivably boundless was the supply of fish in our rivers and coastal waters that their exhaustion or extermination through the agency of man was regarded not even as a remote possibility. A little more than 100 years have passed and we are beginning to realize the folly of our extravagance and how greatly mistaken were our forefathers in their views.

Our fish are one of the most valuable of our great national assets. Consider for a moment that apart from the rivers of the Central and Western States and the Great Lakes our country must secure its food supply of sea fish from a territory approximately 100 miles wide along the coastal States from Maine to the Gulf of Mexico and from the southern extremity of the coast of California northward to Alaska. The vast stretches of ocean are relatively uninhabited by marketable fish. This coastal area to which I have reference, so located as to facilitate the distribution of its products to all parts of the Nation, is, as a result of the practices of our people, showing a marked decline in its annual yield of fish. This decline is readily traceable to our unwise and unnecessary destruction brought about by the uneconomic and wasteful methods of capture and distribution. So grave is the problem that it has become a matter of national concern.

With no desire to place a stricture upon the governments of the several States, I confess that the general failure of the individual Commonwealths to energetically and effectively enforce laws passed by their governing bodies for the protection of fish has been the cause of endless regret to those whose foresight pointed the obvious result of the failure to protect this valuable asset.

The general complaint has been that where partisan or local influences have not been successful in thwarting the passage of remedial legislation in those States in which such legislation was enacted, there has existed a general and chronic disposition not to enforce the law. Sometimes, and in some cases, notably that of the Chesapeake, owing to the differences between two or more States, the fishermen, by an appeal to local or State pride, have been able to block legislative enactment that would curb their rapacity. These conditions have operated to prevent the molestation of the fishermen in the ungoverned destruction of the fish, and thus comparatively a few people scattered along our seaboard have been enabled to appropriate to their own use, in defiance of every reasonable consideration, this extremely valuable national asset which is the common property of all the people of the United States.

No State is rich enough to allow this sacrifice of the property of all her people for the temporary advantage of a few. Most of our coast States, however, have done so, and to this improvident policy on their part may be attributed the condition that their waters are now barren of those valuable fish that once inhabited them in abundance, that were an important economic asset, furnishing food for thousands.

I hold that these great, bountiful gifts of nature were bestowed for our use and profit, to be handled wisely and frugally. We are at liberty to use all that we require, but beyond that it is our duty to preserve the remainder for the generations to come. Providence has made the living the trustees of this vast natural wealth, charging them with the duty of holding it for posterity. We have no right to deprive those yet unborn of their birthright as, under our present practices of extravagance and folly, we are doing. It is a solemn, sacred duty we owe to humanity to use this trust economically and transmit it unimpaired to the future. Let us not forget that it is easier to destroy than to build; that the damage of a few moments often can not be repaired in years, sometimes in centuries. The most shameful reflection we can leave upon our memory, the greatest monument to our profligacy we can erect, is that which, under our present policy, we are building in robbing and ravishing the waters of our land of the bountiful supply of fish with which an all-wise nature endowed them.

As I was about to start to this convention, I was informed by friends who have just returned from the Chesapeake Bay, and through conversation with Dr. Smith, United States Commissioner of Fisheries, that this season so far has been the worst in the life experience of fishermen in the Chesapeake Basin. The catch of shad and herring have fallen off to a mere

remnant of former figures, and so deplorable are conditions in the upper waters of the Chesapeake that the United States fish station at Havre de Grace has taken only 50,000 shad eggs up to this time, when ordinarily they would have 50,000,000. Availing himself of the opportunity to view the fish nets in the lower Chesapeake Secretary Redfield visited the waters of the Virginia coast during the fishing season, and was shocked by what he found. A bewildering maze of nets, countless in number, effectually block the great majority of the fish in their efforts to get up the bay. These nets had increased excessively in number beyond that given in the last Government report, and the fishermen were reporting catches so decreased as to render the business commercially unprofitable.

Diplomatic and Consular Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. WILLIAM A. CULLOP,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, May 16, 1914,

On the bill (H. R. 15762) making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1915.

Mr. CULLOP. Mr. Speaker, it has been charged on the floor of this House a number of times by gentlemen apparently at least sincere that this Government is responsible for losses sustained by investors in the Republic of Mexico. Upon what ground they base such charges none have ever yet disclosed.

The declaration of such a doctrine has much to do with arousing public opinion and aggravating the feeling over the situation in that unfortunate country, now torn to pieces by internal strife and warring factions.

Upon what hypothesis they base these conclusions we are unable to understand. Surely it will not be contended for a moment that if any individual has voluntarily invested in any kind of business in Mexico and sustains loss from any cause growing out of the internal dissentions there this Government is obligated to reimburse him for his loss. The Government did not require the investment; all such were voluntary on the part of those who made them, and hence this Government is neither expressly nor impliedly obligated to protect and guarantee such investments or reimburse such investor in case of loss, it matters not from what cause the same may have occurred, otherwise than by some act of the United States or its duly authorized agents.

No more reason can be given in such cases than could be given for the Government to reimburse a citizen for an unfortunate or improvident investment in this country. If such a doctrine should once obtain a footing or recognition, it would afford a panacea for all bad business ventures and entangle the Government in innumerable troubles by people who had made bad business ventures and destroy the exercise of caution in all business affairs. It would produce an era of paternalism such as the most radical socialist has never dreamed. The man who went to Mexico and invested took his chances; he chose his field for business exploitation; he selected it because, as he believed, it afforded better opportunities for larger returns than elsewhere. He accepted the hazard and hence must abide by the consequence. He knew, or ought to have known, of the internal dissensions constantly raging there, and hence must endure the result, however unfortunate it may have been.

If persons advertised the opportunities abounding in that country or exaggerated its resources and people were induced to invest by such representations, whether true or false, and loss ensued, that was a private and not a public matter for which this country would not be liable, although the individual or individuals making such representations might be required to respond in damages for such losses occasioned thereby.

If some one clothed with official power, such as referred to yesterday by the gentleman from Ohio [Mr. FESS], published circulars or advertised the glowing opportunities of that or any other country in the southern continent, such act on his part was that of a private individual and not of a public official. In such event he transcended his authority, the scope of his agency as a public official, and his principal would not be bound by any such act on the part of the agent.

This principle is too well settled to be open to dispute. If this Government became the guarantor of the investments of its citizens in other countries, no one could approximate the scope of its liability and it would soon become bankrupt. Thus it would become the guardian of all its citizens in business ventures and should have supervising authority over all their private business.

Imagine, therefore, the enforcement of such a doctrine and the result of such a censorship. It would require application to some constituted authority for every private investment. The Government would be engaging in private business and overseeing the business ventures of all its citizens.

It has been advanced by some that the United States Government would be liable for all losses sustained because of the war in Mexico. No doubt much of this has been inspired by persons who have sustained losses because of the unfortunate situation there and desire reimbursement. This Government is in no manner bound to respond to such demands or liable in any manner to such persons for such losses. All such acted upon their own initiative when they invested and must sustain the losses, if any, that occurred. If profits had been realized, they would have retained them, as they had a legal right to do, and hence they have not and can not have any claim or recourse against this Government for losses sustained.

The doctrine advanced by some for recoupment of such losses is untenable and can have no substantial foundation either in substance or in fact, and is not sustained either by custom or international procedure, and should not be. To do so would tend to endless complications between the Government and its citizens and open the way to great frauds.

The person who went to Mexico and engaged in business did so on his own responsibility; did so, because he believed it a profitable field for investment and promising large returns. He accepted the hazard, and if his hopes were not realized, he and not this Government must sustain the loss.

In every business venture there is more or less hazard, even in a country where there is a stable government, but in such an unsettled state of affairs as has existed in Mexico for years the hazard has been much greater and the uncertainty of success must have been apparent to every person who engaged in business ventures there. Fully advised of all these conditions, how could it be claimed that under such circumstances this Government would be liable for losses sustained on account of such unsettled conditions? Upon what theory could such a claim be sustained? It has no voice in the making of its laws, in the selection of its officials, or the adoption of its policies. If it is to be held responsible for losses sustained in private business ventures of people in foreign countries, it should have a voice in the defining and adoption of their policies, the enactment of their laws, and the selection of their officials. Simply because it has not taken part or interfered in its domestic quarrels, on account of which business has been interrupted, property destroyed, and losses sustained, does not make it responsible for them to those who have been so unfortunate as to have sustained them.

Employees of the Bureau of Animal Industry.

EXTENSION OF REMARKS

OF

HON. CLAUDE WEAVER,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, May 16, 1914,

On the bill (H. R. 9292) for the classification of employees of the Bureau of Animal Industry, known as the Lobeck bill.

Mr. WEAVER. Mr. Speaker, by unanimous consent of my colleagues, I will print in the CONGRESSIONAL RECORD the argument I made on April 21, 1914, before the Committee on Agriculture of this House at its hearings on the Lobeck bill (H. R. 9292), a bill for the classification of employees of the Bureau of Animal Industry. I will also print a letter received by me from the officers and members of Oklahoma Branch, No. 14, of the National Association of the Bureau of Animal Industry Employees, of Oklahoma City, Okla., the city of my residence.

I hope the Committee on Agriculture will very soon favorably report the Lobeck bill and that the Congress will speedily pass it, for, in my opinion, the employees of the Bureau of Animal

Industry, upon the plainest principles of common justice, are entitled to the remedial legislation which the Lobeck bill proposes.

ARGUMENT OF HON. CLAUDE WEAVER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA, DELIVERED APRIL 21, 1914, BEFORE THE COMMITTEE ON AGRICULTURE OF THE HOUSE OF REPRESENTATIVES, IN SUPPORT OF THE LOBECK BILL (H. R. 9292).

Mr. WEAVER. I thank the committee for its courtesy in permitting me to make a short statement. I realize that the members of this committee are much better informed on questions of agriculture than a member of the Banking and Currency Committee like myself would be, and especially since quite a number of the members have been practical farmers from their youth upward. Congressional government is largely government by committees.

The great Committee on Agriculture of this House is charged with a responsibility, the importance of which can not be overestimated. I do not assume the rôle of expert, and, disclaiming superior knowledge, I desire in a plain, blunt way to present the cause of the employees of the Bureau of Animal Industry, sincerely believing in the justice of that cause. Those employees for whom I speak deal, on behalf of the Government, directly with live stock—with the live-stock industry that furnishes a great part of the food that sustains the life of our people.

Gentlemen, the live-stock industry in the United States is one of supreme importance as well as of tremendous magnitude. This country produces one-twelfth of the world's sheep, one-eighth of the world's cattle, and one-third of the world's hogs. During the six years from 1907 to 1912 the Bureau of Animal Industry of the United States Department of Agriculture, according to the official report of Dr. A. D. Melvin, chief of that bureau, has inspected in round numbers 321,000,000 animals. Of this number nearly 1,000,000 carcasses were rejected. In the reinspection of meat and meat-food products in their various preparations 37,000,000,000 pounds of animal food products were examined by skilled and competent employees of the bureau and 140,000,000 pounds rejected. Seven billion pounds of meats in that period of time have been exported under certificates. Packeries in 238 cities and towns in the United States are now under Government supervision and their products under Government inspection, and 2,400 veterinary inspectors and assistants are employed in this work. The appropriation of $3,000,000 has been inadequate to meet the ever-growing expenses of this field.

Let me call the attention of the committee to what the meat-inspection department of the Bureau of Animal Industry has done in a single year.

I will ask the privilege, since it is conceded that this matter is one of very great importance—this matter of meat inspection—in fact, Mr. HELGESEN stated a great economic truth when he said it was the most important of any department of the Government, because it affects not only human health but human life; this having been conceded, I will ask the privilege of placing in the record a statement of Dr. A. D. Melvin, Chief of the Bureau of Animal Industry, dated June 30, 1913, showing the magnitude of the work in the last year.

The CHAIRMAN. Without objection, that permission will be granted.

(This statement, marked "Exhibit A," is printed at the end of Mr. WEAVER's argument.)

STATEMENT OF PROVISIONS OF THE LOBECK BILL.

Mr. WEAVER. Mr. Chairman, in urging the committee to make a favorable report on the Lobeck bill, I desire to give some of the reasons why, as a Member of Congress, I shall support it myself, believing that these reasons may influence the committee in the same way that they have influenced my mind and judgment, resulting in the fixed conclusion that the bill is founded in the principles of equity and justice as well as in sound public policy for the maintenance and the upbuilding of this great department of the public service.

This bill, H. R. 9292, introduced by Congressman CHARLES LOBECK on November 14, 1913, which has already been presented by him with singular clearness and force of logic, supported by a cogent statement of the facts, is simple indeed in its terms. The bill provides for the classification, by statute fixed and permanent, of the salaries of (1) veterinary inspectors, (2) meat inspectors, (3) inspectors' assistants, (4) stock examiners, (5) skilled laborers, and (6) clerks employed in the Bureau of Animal Industry, Department of Agriculture, outside of the executive offices in the city of Washington, and within the classified service. Each class is to receive, automatically, at the end of each year's faithful and efficient service, an annual increase of $100 until a maximum is reached. The entrance salary of veterinary inspectors is $1,400 and the maximum $2,400. The entrance salary of meat inspectors is $1,000 and the maximum $1,600. The entrance salary of assistant inspectors is $840 and the maximum $1,600. The entrance salary of stock examiners is not fixed by the bill, and the maximum is $1,600. The entrance salary of skilled laborers is not fixed by the bill and the maximum is $1,200. I suggest that the bill should be amended to fix the entrance salary of both these classes. The entrance salary of the clerks outside of the executive offices in the city of Washington, D. C., within the classified service and actually employed as such in the Bureau of Animal Industry, is fixed at $900 and the maximum at $1,500.

The fundamental principle of the bill is apparent, and that is to reward faithful, efficient, and continuous service. Fidelity should be rewarded, and continuous service increases the skill of the employees and is the parent of efficiency.

So that under this graduated scale the employee has an incentive to fidelity, to endeavor, and to the concentration of all his powers on his work, and Carlyle has well said that work is alone noble.

Now, I do not claim, gentlemen of the committee, that these boys engaged in this work are better than Government employees engaged in other lines, or that they are entitled to greater consideration, but I do claim that they are entitled to as much consideration as any employees of any class, high or low, in all the range of the service of this great Government. I know many of these employees personally, and I know them well. They are able, skilled, and competent, because they obtained their positions by the test of rigid civil-service examination, from which political influences were altogether eliminated. They are sober, because the Government will not keep drunken men in its service, and because the civil-service rules deny examination to those addicted to intoxicants. They are law-abiding. They are moral. They take high rank for intelligence and good citizenship.

Moreover, they are engaged in a work of peculiar hazard and of peculiar hardship. Their work takes them over floors shoe-mouth deep in blood. They go from rooms that are steaming hot into rooms of Arctic cold. They handle meat infected with tuberculosis bacilli and other infectious germs. They are liable from exposure to such germs to contract typhoid fever, consumption, and other diseases. They are called to work at hours before dawn, when other Government employees are sleeping in their beds. They are liable to accidents from machinery, and some have been crippled and maimed. They are subject to blood poison from accidental wounds from knives used in inspection. For these reasons they ought to have more pay.

Now, what I want to call to the special attention of you gentlemen is the viewpoint of these men engaged in this work, in this service, the veterinary surgeons and inspectors and others engaged in the work of inspection. Of course, as a legal proposition, and technically speaking, they are not employed by Congress. They have no right of redress; they can not go into court; they have not even a legal status.

On the 30th of June, 1906, Congress passed a law as a part of the Agricultural bill creating this bureau, providing for this meat inspection, and appropriated $3,000,000 for it, and gave to the Department of Agriculture the right of expending that money and the right to carry out the design of Congress in this inspection, and following incidentally as the result, the right to employ all of the different men engaged in the work. Now, these men went into that work with a promise from the Department of Agriculture. They were under the civil service and had to stand an examination. Some were veterinarians, and of course had to be graduates, after studying three years in high-grade recognized schools. The Civil Service Commission and the Department of Agriculture announced to all who proposed to enter into this newly created branch of the service as veterinary inspectors with the entrance salary of $1,400, that promotion to $1,600 would be made after two years' satisfactory service, with promotion to $1,800 after satisfactory service for two years at $1,600 per annum. The above schedule was announced by the United States Civil Service Commission in the following publications:

First. A telegram posted at the McKillipp Veterniary College at Chicago, Ill., March 27, 1907.

Second. Notice No. 805 of examination of April 17, 1907.

Third. Civil Service Manual of Examinations, revised to July 1, 1907, section 217, page 66.

Fourth. Notice No. 133 of examination of July 24, 1907.

Fifth. Civil Service Manual revised to January 1, 1908, section 233, page 69.

Sixth. Notice No. 126 for examination of February 26, 1908.

Seventh. Civil Service Manual, revised to July 1, 1908, section 238, pages 69–70.

Eighth. Civil Service Manual, revised to January 1, 1909, section 248, page 72.

Ninth. Notice No. 34, for examination, January 20, 1909.

So that in every authorized publication of the department of this Government that alone had authority to employ these men the specific promise was made to them that by faithful and efficient service for a certain length of time automatically they would get an increase in pay. Now, that is a fundamental proposition, and the crux of the thing is that they have not received it.

SALARY SCHEDULE ANNOUNCED FOR INSPECTORS' ASSISTANTS.

The first announcement for the schedule for inspectors' assistants was contained in the notice for examination issued by the Civil Service Commission to be held on September 5, 1907 (Notice Form No. 1248), and the statement regarding the schedule of salaries read as follows:

"The United States Civil Service Commission announces an examination on September 5, 1907, at the places mentioned in the list printed hereon, to secure eligibles from which to make certifications to fill vacancies as they may occur in the position of inspector's assistant (male), at $840 per annum, in the Bureau of Animal Industry, Department of Agriculture. Promotion to $1,000 per annum is made after three years' satisfactory service at $840; promotion to $1,200 is made after three years' satisfactory service at $1,000 and after passing an examination for promotion."

All the notices of examinations for this position issued by the Civil Service Commission from September 5, 1907, up to and including the notice dated January 13, 1909, included the same announcement regarding the salary schedule. Those schedules were also published in the United States Civil Service Manual, as follows:

"Issue revised to January 1, 1908, section 143, page 52.

"Issue revised to July 1, 1908, section 144, page 51.

"Issue revised to January 1, 1909, section 150, page 53."

* * * * * * *

The CHAIRMAN. Do you contend that a promise of the Civil Service Commission is binding, either legally or morally, upon Congress?

Mr. WEAVER. No, sir; I am talking about a case of equity. I am talking about employees who went in through these promises from the only authority of the Government that had authority to employ them and did employ them. Of course, if you base it on a purely legal proposition, they have no case. I believe with Grotius, who said that "Equity is the correction of that wherein the law, by reason of its universality, is deficient."

Mr. HAWLEY. That is Blackstone, isn't it?

Mr. WEAVER. No; I am quoting from Grotius now, and Blackstone quoted the definition from him, and you read it in Blackstone.

Mr. HAUGEN. Can you state to what extent this contract has been repudiated?

Mr. WEAVER. Yes, sir; I can give you the result of it.

Mr. MAGUIRE. Are you quoting from the notices when you read there?

Mr. WEAVER. Yes. Now let me read you what the Bureau of Animal Industry says on that proposition. We will see what Dr. Melvin, Chief of the Bureau of Animal Industry, said in his report of November 19, 1912 [reading]:

"The number of employees in the service of the bureau at the beginning of the fiscal year (July 1, 1911) was 3,284. During the year there were 638 resignations and terminations, including 28 dismissals for cause. The accessions by appointment, reinstatement, and transfer numbered 665. The force on July 1, 1912, numbered 3,311, of whom 2,410 were engaged in the work of meat inspection.

"Owing to the rapid increase of the work of the bureau, the funds from which promotions are ordinarily made are consumed in providing for this extension of the work. It is only natural that employees entering the service under the impression that they are to receive promotion after satisfactory service should become dissatisfied and disgruntled at not being advanced in salary after a reasonable time."

Did they become dissatisfied?

Did they? I will put in the record a list showing where more than 300 thoroughly efficient, competent men in the employ of this department, engaged in work essential to the good of the public service, have resigned because of the fact that either they had failed to receive what they were pledged to receive, or that there was something more inviting in another field of work.

The CHAIRMAN. Have you carried that proposition further and made any inquiry to find what percentage of postal employees, for instance, have resigned?

Mr. WEAVER. No, sir; but I will discuss that question later if I have time.

Mr. HAUGEN. What is the number of employees who were deprived of this advance which you claim was promised to them?

Mr. WEAVER. I can put that in the record if we have the figures at hand.

Now, I was diverted from my point. Let me finish what this credible, disinterested witness, the Chief of the Bureau of Animal Industry, Dr. A. D. Melvin, says:

"In order to attract and hold capable men, as well as to reward efficient service, I consider it desirable that some definite schedule of promotions should be arranged for the different classes of employees, and that funds should be provided by Congress according to these schedules so that those who are giving their best efforts to the service may expect and realize promotions within a reasonable time."

Now, a great many of these men have failed to get what they were under the impression they would get, and through no fault of theirs, but for the reason that the Secretary of Agriculture has not had the money in his hands or at his disposal. He wanted these men to get the money. They ought to get the money. They ought to get what they are asking for, and this bill is simply a standardization; simply a proposition of classification whereby the man will know when he goes into the service what he is to expect.

The CHAIRMAN. Do you not realize this fact—if you will permit me—that the Secretary of Agriculture, in making his estimates to this committee and Congress, usually asks for such money as he wants, and is it not fair to this committee to say that this committee usually gives him just as much as he asks for, and in this particular instance did they not do that?

Mr. WEAVER. I think I can answer that question by an illustration—the story of the fellow who told the sheriff that they could not put him in jail for a certain charge, but he was in jail just the same when he made his observation. These men were promised the money and they never have gotten it, and that is the reason they are here now asking simply that when they go into the employment of the Government they may know in advance what they may expect. Other employees of the Government know that when they have served a certain length of time they will receive a certain promotion.

Mr. HAUGEN. In this report here the department has been charged with repudiation, and it is up to the man that makes the charge to prove his allegation.

Mr. WEAVER. Now, you probably have not understood me. I have not charged willful repudiation.

Mr. HAUGEN. Well, that charge has been made before this committee several times, and it is up to you people to prove that the department has repudiated its contract. That is fair to the department.

Mr. WEAVER. I would not have made that interpolation about equity if I had claimed that. The Department of Agriculture wants these men to have their money, and I think Congress, when it knows all the facts, will want them to have their money. The department has so many demands it diverted the money these boys should have received.

The CHAIRMAN. If that is true, Mr. Weaver, has not the department used, as the department says it has used, the $200,000 that we gave them in the current year, and are they not going to use the $100,000 that we gave in the bill for the next fiscal year as they told us they were going to use it?

Mr. WEAVER. I am not familiar with the workings of the department. I heard the last speaker make the statement that $90,000 out of the $100,000 within the discretion of the Department of Agriculture had been appropriated to other useful purposes, but not to carry out the contract or inducement to these men.

The CHAIRMAN. Then, you heard me read the testimony of Dr. Melvin on the subject.

Mr. WEAVER. I understood that it was after Dr. Melvin made that statement that these expenses came up and this $90,000 was diverted.

Mr. HAUGEN. I can not believe that the department is guilty of repudiation.

Mr. WEAVER. I do not either. Let me finish my statement. I do not charge that. This is a condition, not a theory, and that is what we are trying to remedy. Here is a provision to carry out this great efficient humanitarian work for the public health, for the preservation of the lives of the people by providing for proper inspection——

Mr. REILLY. This committee has to depend upon the recommendations of the Department of Agriculture in making appropriations. Now, why should we make a special exception for this special Bureau of Animal Industry?

Mr. WEAVER. I can answer that in a minute. Congress, as a rule, makes blanket appropriations, to be expended by the various departments according to the rules and regulations of the department. We do not make specific appropriations.

Mr. REILLY. Who is better capable of determining what the salary should be and when they should be increased than the chief of the department?

Mr. WEAVER. They are supposed to keep promises when they make them. A man is supposed to get what has been promised him.

Mr. REILLY. There is absolutely no record of any promise ever having been made by the Department of Agriculture.

Mr. WEAVER. Well, there are the identical records on that question. I have put the promises in the record.

Mr. HAUGEN. There is a record of a promise, but no record of repudiation.

Mr. WEAVER. Well, the men haven't got the money. You can not get away from that. If I show the promise, prove the promise, and that it was not kept, is that repudiation or not? I claim that the defect is in the law; that these men ought to know beforehand what they are going to get and when they are going to get it.

Now, if Congress will appropriate this money for certain expenditures, then it will not be a question of discretion as to how that money will be expended, and the Secretary of Agriculture will not ignore the just demands of these men in order to increase the service in some other branch.

The men in the Postal Service, the mail clerks and rural carriers, the employees in the Reclamation Service, in the Bureau of Public Health, the soldiers of the Army the officers in the Army, the marines in the Navy, the blue jacket and the admiral, all have a steadily advancing scale which is based on length of service and efficiency. Now, just a word on the question of efficiency. Any man who is not efficient ought not to stay in the service an hour, and when a man remains in the service for years, the presumption is that he is efficient.

Mr. HELGESEN. There were 28 dismissals for cause. That shows that they have the right to dismiss them, and that they do dismiss them sometimes.

Mr. WEAVER. I ask that the names of more than 300 men who have resigned be put in the record. I have the list here. When a man resigns that is not a dismissal. The efficient resign, the inefficient are dismissed.

Mr. MAGUIRE. For what year is that?

Mr. WEAVER. It is not for just a year. It is all the resignations since October, 1912, and there are over 300 of them.

Mr. MAGUIRE. Is that for a period of one year?

Mr. WEAVER. Is it for little more than a year. This is from the Department of Agriculture, a list of scientific and technical employees who have resigned from the Bureau of Animal Industry since October, 1912.

The CHAIRMAN. Is this a list of men engaged in this work?

Mr. WEAVER. Yes; they are all classified. This is an official list from the Department of Agriculture.

Mr. PATTON. Two hundred and some odd have resigned in a year.

Mr. WEAVER. Yes; I think so.

The CHAIRMAN. Is it your intention to put the names of these parties in the record?

Mr. WEAVER. I think it will be very useful in the hearings to have the names.

The CHAIRMAN. Well, without objection, it may be done.

(This official list from the Department of Agriculture of the scientific and technical employees who have resigned from the Bureau of Animal Industry since October, 1912, is marked "Exhibit B" and printed at the end of Mr. WEAVER's argument.)

Mr. WEAVER. Now, the chairman has suggested that the resignations are falling off. The records of the Secretary of Agriculture will show the contrary to be true. It is true that the percentage of resignations the first year, at the time of the formation of the bureau, shows a much larger percentage of resignations than since the first year, because it is natural that many employees engaging for the first time in the work, a work of unusual hardships and exposure, should become dissatisfied and resign. But the records show that the percentage of resignations for 1912 was 5.79 and the percentage of resignations for 1913 was 6.27. I place in the record a letter from Hon. David F. Houston, Secretary of Agriculture, of date April 11, 1914, to Hon. C. O. LOBECK, Member of the House of Representatives, and a statement accompanying the letter showing the number of employees in the Bureau of Animal Industry from 1906 to 1913, inclusive, showing the number of resignations each year and the percentage of the same.

DEPARTMENT OF AGRICULTURE,
Washington, April 11, 1914.

Hon. C. O. LOBECK,
House of Representatives.

DEAR MR. LOBECK: Referring to your letter of April 6, 1914, I am inclosing herewith a statement containing the number of employees in the Bureau of Animal Industry from 1906 to 1913, inclusive, showing the number of resignations each year and the percentage of same, together with a list of scientific and technical employees who have resigned from the Bureau of Animal Industry since October, 1912. I regret that we are unable to give you any information regarding the present salaries of the employees who have resigned, as no record is kept of them after they have severed their connection with the department.

Very truly, yours,

D. F. HOUSTON, *Secretary.*

A statement containing the number of employees in the Bureau of Animal Industry, United States Department of Agriculture, from 1906 to 1913, inclusive, showing the number of resignations each year and percentage of same.

Year.	Employees in bureau.	Resignations during year.	Percentage of resignations.
1906	1,455	228	15.66
1907	3,182	261	8.20
1908	3,152	273	8.66
1909	3,268	191	5.84
1910	3,175	195	6.11
1911	3,199	205	6.40
1912	3,311	192	5.79
1913	3,380	212	6.27
Total	24,122	1,757	7.28

Mr. WEAVER. Now, Mr. Chairman, it looks like it is really a menace to this service when these men quit in this way—these efficient, thoroughly competent men, who have made this department famous all over the world as an efficient department—when they quit because it is not inviting to that class of men. These men entered the service with a definite promise for a definite increase of salary by continuing in the work a certain length of time. They continued in the work the specified time, but they have been denied the specified increase. And the worst feature of all, alarming, indeed, when we thoughtfully consider its effect on the service, is this: That the resignations are from the top, not the bottom; from the skillful, not from the unskilled, and the injury to the service is greater, not in arithmetical, but in geometrical, proportion. The strength of a chain is the strength of its weakest link. The speed of the flight of a caravan through the desert is the speed of the flight of the slowest camel. When these skilled Government employees quit their jobs men lacking in experi-

ence take their places, and the Bureau of Animal Industry walks on lame and lagging feet and the whole Department of Agriculture suffers thereby. Classify this branch of the service. Give these men fair compensation for their toil, for the laborer is worthy of his hire. Report this Lobeck bill to the House, and I will prophesy that the House will ratify your decision and these men will get justice and this branch of the public service be immeasurably strengthened and fortified.

I thank the committee very much for its kind attention.

EXHIBIT A.

STATEMENT OF DR. A. D. MELVIN, CHIEF OF THE BUREAU OF ANIMAL INDUSTRY, DATED JUNE 30, 1913, SHOWING THE MAGNITUDE OF THE WORK OF INSPECTION IN THE PRECEDING FISCAL YEAR.

THE MEAT INSPECTION DIVISION.

The Federal meat inspection is assigned to the Meat Inspection Division, of which Dr. R. P. Steddom is chief. The work of the year shows a slight decrease from that of the preceding year, doubtless due to the general decline in the number of meat-producing animals in the country.

THE FEDERAL MEAT INSPECTION.

Inspection was conducted during the year at 910 establishments in 251 cities and towns, as compared with 940 establishments in 259 cities and towns during the fiscal year 1912. Inspection was begun at 63 establishments and withdrawn from 115 establishments during the year. The causes of withdrawal were as follows: Discontinuance of slaughtering or of interstate business, 80 establishments; by request, 17; failure to comply with the provisions of the law and regulations, 17; because of exemption under the law, 1.

There is a decrease in the number of all species of animals slaughtered except sheep, which show an increase of over half a million. The decrease in the number of hogs slaughtered is nearly 2,700,000 and in cattle over 375,000. It is noteworthy that with a decrease of nearly 2,700,000 in the total number of animals slaughtered the number of carcasses condemned is nearly 47,000 greater in 1913 than in 1912. The increase in condemnations is greatest in hogs and is due principally to hog cholera. Tuberculosis continues to be the greatest cause of condemnations.

Statistics of the meat inspection for the year are given in the tables which follow:

Ante-mortem inspections of animals, fiscal year 1913.

Kind of animals.	Passed.	Suspected.[1]	Total inspected.
Cattle	7,125,467	44,585	7,170,052
Calves	2,090,412	3,089	2,093,501
Swine	32,277,682	94,593	32,372,275
Sheep	14,725,856	5,059	14,730,915
Goats	56,562	7	56,569
Total	56,275,979	147,333	56,423,312

[1] This term is used to designate animals found or suspected of being unfit for food on ante-mortem inspection, most of which are afterwards slaughtered under special supervision, the final disposition being determined on post-mortem inspection.

Post-mortem inspections, fiscal year 1913.

Kind of animals.	Passed for food.	Passed for lard and tallow only.	Condemned.	Total.
Cattle	7,099,080	5,961	50,775	7,155,816
Calves	2,089,217	51	9,216	2,098,484
Swine	31,968,407	145,194	173,937	32,287,538
Sheep	14,705,853	1,955	16,657	14,724,465
Goats	56,478	2	76	56,556
Total	55,919,035	153,163	250,661	56,322,859

Diseases and conditions for which condemnations were made on post-mortem inspection, fiscal year 1913.

Causes of condemnation.	Cattle.		Calves.	
	Carcasses.	Parts.	Carcasses.	Parts.
Tuberculosis	33,001	47,554	450	410
Actinomycosis	380	70,840	3	589
Tumors and abscesses	232	3,789	20	185
Septicemia, pyemia, and uremia	1,501	.....	266	.....
Pregnancy and recent parturition	371	.....	.....	.....
Immaturity	.....	.....	3,848	.....
Pneumonia, pleurisy, enteritis, hepatitis, peritonitis, metritis, etc	4,001	.....	920	.....
Icterus	73	.....	26	.....
Texas fever	340	.....	529	.....
Injuries, bruises, etc	3,013	824	684	111
Emaciation	6,575	.....	2,301	.....
Cysticercus	697	4,348	45	37
Miscellaneous	591	2,784	124	45
Total	50,775	130,139	9,216	1,377

Diseases and conditions for which condemnations were made on post-mortem inspection, fiscal year 1913—Continued.

Causes of condemnation.	Swine.		Sheep.		Goats.	
	Carcasses.	Parts.	Carcasses.	Parts.	Carcasses.	Parts.
Tuberculosis	47,630	359,047	1	.....	.....	.....
Caseous lymphadenitis	.....	.....	2,340	.....	14	.....
Hog cholera	88,547	.....	.....	.....	.....	.....
Tumors and abscesses	1,715	3,830	106	55	1	1
Septicemia, pyemia, and uremia	10,228	.....	876	.....	7	.....
Pregnancy and recent parturition	40	.....	104	.....	.....	.....
Pneumonia, pleurisy, enteritis, hepatitis, peritonitis, metritis, etc	14,115	.....	3,650	.....	4	.....
Icterus	3,242	.....	1,881	.....	1	.....
Injuries, bruises, etc	1,046	6,911	1,150	185	6	.....
Sexual odor	2,315	.....	.....	.....	.....	.....
Asphyxiation	1,535	.....	42	.....	.....	.....
Emaciation	1,256	.....	5,586	.....	40	.....
Cysticercus	72	.....	555	453	1	.....
Miscellaneous	2,196	4,205	366	246	2	.....
Total	173,937	373,993	16,657	939	76	1

In addition to the foregoing, there were tanked the carcasses of animals found dead or in a dying condition, as follows: Cattle, 1,325; calves, 1,197; swine, 45,266; sheep, 5,990; goats, 16; total, 53,794.

The following table, showing meat and meat food products prepared and processed under the supervision of bureau employees, is a statement of work done rather than a report of the actual quantity of product prepared. The same product is sometimes duplicated by being reported in the various stages of preparation under more than one heading.

Meat and meat food products prepared and processed under bureau supervision, fiscal year 1913, in pounds.

Kind of product.	Weight.	Kind of product.	Weight.
Beef placed in cure	153,758,668	Lard oil	6,188,458
Pork placed in cure	2,545,357,914	Lard stearin	4,657,484
All other classes placed in cure	3,360,295	Lard compound	6,191,785
Sausage chopped	531,626,284	Lard substitute	662,783,844
Canned beef	87,364,417	Bakers' compound	1,826,254
Canned pork	23,469,386	Oleo stock and edible tallow	40,618,387
All other canned meats	4,403,486	Oleo oil	141,842,652
Meat extract	311,168	Oleo stearin	73,243,775
Steam and kettle rendered lard	1,114,334,643	Oleomargarine	145,356,382
Leaf lard	19,851,102	Miscellaneous products	1,430,592,450
Neutral lard	88,670,975	Total weight	7,094,809,809

The quantity of meat and meat food products condemned on reinspection because of having become sour, tainted, putrid, unclean, rancid, or otherwise unwholesome was as follows: Beef, 6,712,049 pounds; pork, 11,936,913 pounds; mutton, 146,061 pounds; veal, 56,429 pounds; goat meat, 478 pounds; total, 18,851,930 pounds.

For the export of meat and meat food products, 90,653 certificates of inspection were issued, covering 133,582,083 pounds of beef, 840,745,518 pounds of pork, and 2,855,335 pounds of mutton, a total of 977,182,936 pounds. This included 219,750,834 pounds specially prepared with preservatives as allowed by foreign Governments.

There were also issued 2,049 certificates for exports of 17,412,924 pounds of inedible animal products.

(The list referred to is as follows:)

EXHIBIT B.

List of scientific and technical employees who have resigned from the Bureau of Animal Industry, United States Department of Agriculture, since October, 1912.

Name.	Position.	Salary per annum.
White, James O	Inspector's assistant	$840
Brown, Arthur C	Veterinary inspector	1,400
Kanstoroom, David S	do	1,800
Thurgate, Edward A	Meat inspector	1,000
Bennett, Joseph S	Veterinary inspector	1,400
Orme, Frank W	do	1,400
Noback, Charles V	do	1,400
Rishel, Albert E	do	2,250
Pilchard, Mack R	Stock examiner	1,000
Hendren, Samuel	Veterinary inspector	1,800
Gladish, John J	Inspector's assistant	840
Trimble, Virges E	do	840
Morris, David T	Meat inspector	1,000
Martin, Edward E	Inspector's assistant	840
McEachran, William	Veterinary inspector	1,600
Moorman, Ross	Junior animal husbandman	1,380
Wing, Charles C	Veterinary inspector	1,400
Hansen, Christian N	Meat inspector	1,000
Heaton, Edward B	Junior dairyman	1,400
Textor, Roy	Agent in scabies eradication	720
Perry, Thomas E	Agent in tick eradication	900
Moore, James M	Agent in animal husbandry	1,000
Kinzy, Grover	Collaborator	300
Suddath, Robert O	Agent in tick eradication	840

List of scientific and technical employees who have resigned from the Bureau of Animal Industry, etc.—Continued.

Name.	Position.	Salary per annum.
Skinner, James D	Meat inspector	$1,000
Grundy, George G	Veterinary inspector	1,800
Prather, Eddie M	do	1,600
Cranford, Wesley H	Inspector's assistant	840
Wheeler, D. N	Stock examiner	1,200
Kelting, Henry C	Meat inspector	1,200
Flint, Edgar M	Junior dairyman	1,440
Sell, Benjamin	Meat inspector	1,000
Steffen, Martin R	Veterinary inspector	1,400
Zimmerman, John	Meat inspector	1,000
Smith, Walter E	Inspector's assistant	840
McGill, James L	Stock examiner	1,000
Saunders, William H	do	1,200
Earle, Alexander F	Veterinary inspector	1,400
Huff, Joseph N	do	1,400
Newman, John B	Collaborator	(1)
Schroeder, R. R	Agent in scabies eradication	1,000
Dawson, Wilburn	Agent in tick eradication	840
Sweet, Harry D	Agent in scabies eradication	720
Ballard, Henry A	do	720
Wilkes, Richard W. A	do	1,000
English, John H	do	720
Knox, Edward W	do	840
Herwick, Frank V	Inspector's assistant	840
Doherty, Patrick H	Meat inspector	1,000
Sims, Frank C	Veterinary inspector	1,400
Thorpe, Ira	Inspector's assistant	840
Richards, Albert S	Meat inspector	1,000
Moldenhauer, Charles F	Inspector's assistant	840
Burke, James W	Veterinary inspector	1,400
Bailey, Alfred L	do	1,600
Bankert, Andrew F	Meat inspector	1,000
Neill, John	do	1,000
Atwood, Elmer R	Inspector's assistant	900
Faville, George C	Veterinary inspector	1,800
Horan, Thomas L	Meat inspector	1,200
Thompson, John D	do	1,200
White, Frederick W	do	1,000
Mather, Chalmer A	Agent in scabies eradication	1,000
Gray, Daniel T	Expert in animal husbandry	300
Moore, G. Emery	Agent in scabies eradication	720
Gilbert, Louis C	do	1,000
Trees, Oliver P	Inspector's assistant	1,000
Paull, William L	Meat inspector	1,200
Earle, Richard F	Veterinary inspector	2,000
Smith, Albert S	Meat inspector	1,000
Piquette, George L	Inspector's assistant	840
Smith, Fred B	do	840
Smith, Joseph W	Meat inspector	1,000
Gibbs, W. H	Inspector	1,800
Larsen, Peter G	Inspector's assistant	840
Gibson, Fred W	do	840
Laird, Ernest E	do	900
Thompson, Leroy F	Veterinary inspector	1,400
Jacobus, Fred H	Meat inspector	1,000
Seybold, Charles M	Inspector's assistant	900
Riley, William H	do	840
Sheehan, Thomas S	do	840
Smith, Robert E	Meat inspector	1,320
Atherton, William T	Veterinary inspector	1,600
Anders, Thomas O	do	1,400
Gamrath, Carl L	do	1,400
Johnson, Fred E	do	1,800
Poe, Thurman E	Inspector's assistant	840
Shaw, Robert F	Meat inspector	1,000
Rigdon, Scott J	Veterinary inspector	1,600
Winfield, Peter S	Inspector's assistant	840
Hurd, Manzo B	Meat inspector	1,000
Zimmerman, Charles E	Inspector's assistant	840
Dillingham, Willis I	Veterinary inspector	1,600
Goodman, Arthur H	Meat inspector	1,000
Lacy, Walter J	Veterinary inspector	1,600
Lichtenwalter, H. C. W	do	1,400
Beck, D. S	Agent in tick eradication	900
Hervey, Hugh H	Inspector's assistant	900
Griffin, Daniel J	do	840
Brown, Charles H	Meat inspector	1,000
Coffey, John M	Inspector's assistant	840
Ryan, Joseph A	do	840
Marsh, Hadleigh	Laboratory assistant	1,200
Casserly, Timothy	Meat inspector	1,200
Metheny, Claud	Inspector's assistant	840
Hutchens, Harry C	Veterinary inspector	1,400
Lowe, Clifton D	do	1,400
Evans, John G	Meat inspector	1,000
Pateman, Ralph W	Inspector's assistant	840
Boardman, Miles E	Agent in scabies eradication	900
Smith, Cyrus B	do	1,000
Ikenberry, Ezra A	Dairyman	1,620
O'Banion, Archie L	Veterinary inspector	1,600
Day, Charles M	do	1,800
Leaf, Roy	Inspector's assistant	840
Ehret, Howard W	do	840
Eyre, Will H	Meat inspector	1,000
Wilson, Albert H	do	1,000
Richardson, Robert R	do	1,000
Warden, Ira J	Inspector's assistant	840
Bracken, William J	Veterinary inspector	1,800
Scarhawk, William T	do	1,800
Moore, Hubert O	do	1,600
Davis, Frank H	do	1,400
McShane, John E	Meat inspector	1,000
McGehee, Louis H	do	1,000
Morrow, John E	Inspector's assistant	840

[1] $5 per day when actually employed.

List of scientific and technical employees who have resigned from the Bureau of Animal Industry, etc.—Continued.

Name.	Position.	Salary per annum.
Miller, John W	Agent in scabies eradication	$720
Sponsler, Joseph H	Inspector's assistant	840
Grimes, Robert B	Veterinary inspector	1,600
Jones, Thomas H	do	1,600
Meixel, Earl J	do	1,400
Lee, Alfred N	Meat inspector	1,000
Irwin, William J	do	1,000
Swanson, Charles A	Veterinary inspector	1,600
Pigott, Homer S	Inspector's assistant	840
Anglicker, Jacob	Veterinary inspector	1,600
Burcham, Deverda H	Meat inspector	1,200
Martin, Homer	Inspector's assistant	840
Sullivan, John E	do	840
Niehaus, Herman R	Veterinary inspector	1,400
Houk, Sylvanus E	do	1,400
Roth, Gustav F	Meat inspector	1,000
Steffen, Martin R	Veterinary inspector	1,400
Casserly, Timothy L	do	1,400
Skinner, Temple P	Inspector's assistant	840
Riley, Edward H	Animal husbandman	1,560
Beall, Ambrose L	Inspector's assistant	840
Maxwell, Walter C	do	900
Himes, John C	Laboratory assistant	1,200
Sharpe, Mark C	Inspector's assistant	840
Schultz, Henry M	Veterinary inspector	1,600
Drake, Roy N	do	1,800
Wolfe, James F. M	Inspector's assistant	1,000
Wilkins, Henry	Meat inspector	1,200
Potteiger, Clarence R	Junior dairyman	1,320
Gandy, Wiley N	Agent in tick eradication	840
Sachse, Herman F	Meat inspector	1,200
Miller, John F	Veterinary inspector	1,600
Putman, Emery	Meat inspector	1,200
Sullivan, David M	Inspector's assistant	840
Hurley, Daniel J	do	960
Graves, Roy R	Dairyman	1,620
Robertson, Thomas M	Inspector's assistant	840
Mullowney, Patrick H	Veterinary inspector	2,000
Grundy, George G	do	1,400
Burke, James W	do	1,400
McCartney, H. E	Agent in dairying	1,440
Ingraham, Harry C	Inspector's assistant	840
Gallagher, John J	Veterinary inspector	1,800
Balmer, William M	do	1,800
Allen, Clifford L	do	1,400
Beahm, Frank	Inspector's assistant	840
Thrower, John D	Veterinary inspector	1,900
Wilson, Jess	Inspector's assistant	840
Peterman, William J	do	840
Halpin, Thomas E	do	840
Butin, George E	Veterinary inspector	1,600
Cole, Clarence G	do	1,800
Bush, Roy F	Inspector's assistant	840
Fessenger, John G	do	960
Murphy, Glenn	do	900
Palmer, Leroy S	Junior dairyman	1,440
Silcox, W. H	Agent in scabies eradication	720
Simpson, John G	Agent in tick eradication	960
Oppenheimer, Ella	Collaborator	p. m. 25
Cooledge, Leslie H	Agent	900
Denman, William A	Agent in tick eradication	1,000
Crans, Merwin L	Inspector's assistant	840
Springer, George E	do	840
Miller Harry C	Veterinary inspector	1,400
Lynch, Charles F	do	1,400
Wolfe, David O	Inspector's assistant	840
Lewis, Watson	Veterinary inspector	1,600
Koontz, Harry F	Meat inspector	1,100
Davis, Brooke J	Laboratory helper	840
Smith, Roy E	Inspector's assistant	840
Corson, Charles	Veterinary inspector	1,400
Johnson, George A	do	2,250
Rinehart, Edward F	Junior dairyman	1,200
Fletcher, William T	Assistant in dairying	720
Farber, Harry S	Veterinary inspector	1,400
Huff, T. Barnett	do	1,620
McKay, John E	Inspector's assistant	840
Stokes, Albert J	Veterinary inspector	1,400
Williams, Albert E	do	1,400
Myer, Elisha	do	1,600
Sevy, Claude	Agent in scabies eradication	1,000
Caine, George B	Agent in dairying	1,200
Koen, Hardy G	Inspector's assistant	1,000
Trawver, Harry E	Veterinary inspector	1,400
Lawson, Frank W	do	1,400
Mitchell, Hallie A	Inspector's assistant	840
Burgett, Marion Vernon	Veterinary inspector	1,400
Murdoch, Dawson C	do	1,600
Ashbrook, Claude L	do	1,600
Faun, George C	do	1,600
Cory, Frank J	Inspector's assistant	840
Cater, Fred C	Veterinary inspector	1,600
Meredith, Alexander W	Agent in tick eradication	840
Utsler, Herbert C	Inspector's assistant	840
Horstman, Arthur W	Veterinary inspector	1,400
Hathaway, Louis	Inspector's assistant	840
Temme, Paul R	Meat inspector	1,000
Cohn, Jacob	do	1,000
Laird, Will R	Veterinary inspector	1,400
Gettelman, George A	do	1,600
Bruhn, Arsel T	Junior dairyman	1,200
Ticknor, Theodore O	Inspector's assistant	840
Bechdel, Samuel I	Scientific assistant	1,200
Day, William E	Veterinary inspector	1,600
Durfee, Clarence O	do	1,800

List of scientific and technical employees who have resigned from the Bureau of Animal Industry, etc.—Continued.

Name.	Position.	Salary per annum.
Smith, Fred B	Inspector's assistant	$840
Shanley, Joseph A	....do	1,000
Fisher, Roy T	Veterinary inspector	1,400
Larson, Henry W	Scientific assistant	1,800
Sneed, Charles P	Veterinary inspector	1,600
Heathman, Martin J	Inspectors' assistant	840
Youngblood, William	Agent in tick eradication	1,800
McSparrin, Charles T	....do	900
Moorman, Claude	Agent in scabies eradication	840
Moore, Charles Earl	....do	720
Williams, James H	Agent in tick eradication	840
Downing, James H	....do	1,000
Collins, G. C	Agent in scabies eradication	1,000
Murphy, John A	Inspector's assistant	840
Lollar, Ernest E	Veterinary inspector	1,400
Ward, George W	....do	1,800
Kyger, Lem R	Inspector's assistant	840
Freemarck, George W	....do	840
Bell, Charles M	....do	1,000
Malloy, Edward A	Veterinary inspector	1,400
Hynes, William R	....do	1,800
Rogers, John C	Inspector's assistant	840
Lee, Walker M	Veterinary inspector	1,620
Jay, Robert	....do	1,800
Proper, Lewis J	....do	1,620
Johnson, Howard C	Inspector's assistant	1,000
Titterington, Everett W	....do	840
Arnold, Raymond	Meat inspector	1,200
Scates, John V	Inspector's assistant	840
Morley, Henry	Stock examiner	1,200
Willi ms, Frank E	Veterinary inspector	1,400
McMaster, Harry W	....do	1,600
Bryan, Walter N	Meat inspector	1,200
Kipley, Arthur W	Inspector's assistant	840
Lewis, Richard W	....do	840
Ellis, Willis V	Veterinary inspector	1,600
Ainsworth, Frederick W	....do	2,000
Whitaker, George F	Inspector's assistant	840
Conner, Dudley D	Veterinary inspector	1,400
Williams, John O	Animal husbandman	1,620
Carr, Ralph J	Senior animal husbandman	1,920
Conn, George M	Veterinary inspector	1,400
Ball, Edmund W	Stock examiner	1,200
Dahlberg, Arnold O	Dairyman	1,440
Egan, Harold E	Veterinary inspector	1,400
Eagle, John G	....do	1,800
Fernow, Jess B	Inspector's assistant	840
Tate, Hiram L	Veterinary inspector	1,400
Travis, Don C	Inspector's assistant	840
Hardman, Herman L	....do	840
Gordon, Waldron M	Veterinary inspector	1,900
Bux, Joe H	....do	1,600
Kortenber, William C	....do	1,400
Mattatall, Ira C	....do	2,500
Peterman, Clyde M	Inspector's assistant	840
Troy, Oscar E	Veterinary inspector	1,600
Altman, Clarence R	Inspector's assistant	840
Whelan, Louis P	Agent	1,200
Simmons, George H	Agent in tick eradication	840
Rodgers, Elmer	Agent	1,200

EXHIBIT C.

LETTER FROM OFFICERS AND MEMBERS OF BRANCH NO. 14, OKLAHOMA CITY, OKLA., OF THE NATIONAL ASSOCIATION OF THE BUREAU OF ANIMAL INDUSTRY EMPLOYEES TO CONGRESSMAN CLAUDE WEAVER.

OKLAHOMA BRANCH, NATIONAL ASSOCIATION
BUREAU OF ANIMAL INDUSTRY EMPLOYEES,
Oklahoma, Okla., May 14, 1914.

Hon. CLAUDE WEAVER,
Congressman at Large from Oklahoma, Washington, D. C.

DEAR CONGRESSMAN: We wish to express our heartfelt thanks, both individually and collectively, for the able manner in which you presented our case before the Committee on Agriculture. It is indeed gratifying to us to know that we have in Congress such an able and fearless champion as you have shown yourself to be.

Your remarks show that you have given our cause careful and conscientious study, and that you have a broad and comprehensive view of the needs of the membership of our association. We feel that our cause is just, our needs imperative, and that a mere casual investigation will convince the most skeptical of the necessity of remedial action in our behalf.

We wish to thank you, sir, not alone in behalf of Oklahoma Branch, No. 14, but in behalf of our entire membership, scattered throughout this broad land of ours, and to assure you of our most grateful obligation and sincerest regards.

Sincerely, your friends,

M. H. Rhoades, president; J. C. Dixon, vice president; K. V. Gragg, secretary; H. H. Glenn, treasurer; F. E. Haworth; O. W. Berry; C. L. Farthing; R. W. Lewis; F. L. Pontions; Wm. N. Myers; W. H. Myers; J. C. Dixon; V. Osborne; Chas. Favors; W. Ritchey; O. H. Grayson; Arthur McConnell; A. O. Lundell; Milton M. Ramsey; Otto E. Jung; John Clufente; Henry Dumbauld; Chas. T. Luke; John G. Carlson; W. C. McClellard; J. W. Woodle; M. B. Thornton; Guy T. Cole; Ray F. Hamm; Al Ayers; A. N. Lee; G. A. Rathman; Wm. J. Haskins; B. J. Meyer; J. Hampton; A. G. Bibb; F. W. Brewer; Wm. E. Bailey; W. F. Dunawae; Harry D. Larzefere.

Rural Credits.

EXTENSION OF REMARKS
OF
HON. EMMETT WILSON,
OF FLORIDA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, May 19, 1914.

Mr. WILSON of Florida. Mr. Speaker, we have heard criticism from Republicans of the President and the Democratic administration for the last few weeks. I think the record of the administration and its accomplishments are a sufficient answer to its critics; but it may not be out of order for one who so thoroughly believes in the integrity of the President politically and every other way, as I do, and in the honesty of his advisers in the Cabinet, and generally in the integrity of all those gentlemen who are supporting him in Congress, to say something about the work of this administration.

I think that this has been a remarkable administration. The President has not used the "big stick"; he has not sought to drive Members of Congress, but he has earnestly told them what he thinks ought to be done, and his sincerity and singleness of purpose have so impressed gentlemen who desire to assist him that we have agreed with him and stood by him.

No man who has conscience and heart could have failed to recognize the greatness of Woodrow Wilson when he addressed the great throng of people upon the occasion of the ceremonies in honor of the boys who fell in Vera Cruz. Indeed, no man who knows Woodrow Wilson and has come in contact with him can fail to recognize his worth, his ability, and, above all, his great desire to do what the President of the United States should do on every occasion. This is apparent from the smallest thing to the greatest.

It is not necessary for me to pronounce any encomium upon the President. I desire rather to speak of the accomplishments of this administration. The Democratic Party in the fall of 1912 came into power by the overwhelming vote of the American people. The President has shown to his critics upon every side that he knows what the American people want. The fact that he insisted upon a special session of Congress to pass the Underwood tariff bill, the great promise of the Democratic Party, and in the same extra session insisted upon the fulfillment of other Democratic promises, was alone sufficient to show his honesty, his integrity, and, as the head of the Democratic Party, his desire to see that we keep the faith.

In that extra session I think that we can safely say that we did more in constructive legislation beneficial to the American people than has been done in a decade by the Republican Party. In that session we passed the Underwood tariff bill, which, notwithstanding the clamor of the Republicans, has benefited the American people and will become more beneficial.

In addition to the tariff bill the President, with a Democratic Congress behind him, insisted upon the passage of the Glass-Owen currency bill. We sat all summer in committee considering this measure, and a Democratic Congress put it through. When it gets into active operation it will immensely benefit the American people, and yet we hear our Republican friends say that we have done nothing, that the Democratic Party is not a party of construction, but of negation. This we did in the extra session. The President was not satisfied that we let these matters go over to the regular session beginning in December, 1913, but he insisted that we get busy. After having passed these two measures we have passed since the regular session convened the good-roads bill, introduced by the gentleman from Missouri, Mr. SHACKLEFORD. We also have under consideration a rural credits or farmers' credits bill. The committee may not be able for some time to report a bill to the House, but are engaged in its consideration. Personally I would like to see the matter disposed of at this session. It is the opinion of some gentlemen who are Members of the House and some gentlemen who have appeared before the committee who are not Members of the House, but who have knowledge of this matter, that we should give the new currency bill a trial in order to ascertain whether or not some of the proposed features of the farmers' credits bill may not be eliminated if the new currency bill meets the situation. This may or may not be good judgment. I am of the opinion that we should be careful to distinguish, if we propose to do anything at all, between the purely banking business and the idea of extending credit

to the agricultural interests. The relief which is sought is relief from the money lender who charges a high rate of interest.

We hope, in addition to what has been done in the passage of the tariff bill and the currency bill, to add this other bill. It will be done if the people permit a Democratic Congress to remain in power. It may not be done to-day, to-morrow, or the next day, but it will be done within the passing of a few months. If the American people will study the record made by the Democratic administration, they will find that we have been able to do things notwithstanding the criticism that we never proposed but rather deposed. It is to be hoped that the voters of the country will study this record of performance, and when they do they will come to the inevitable conclusion that we have done things since coming into power and that we should remain here until our program for the benefit of the American people is concluded, and then, even after that, we should remain to see that the people are properly cared for in the execution of the laws which we have passed.

Standard Oil—In Midcontinent Field.

EXTENSION OF REMARKS

OF

HON. WILLIAM H. MURRAY,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, May 19, 1914.

Mr. MURRAY of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the effect of permitting the Standard Oil Co. and its allied and holding companies to control and dictate the price, irrespective of competition, of crude oil in the mid-continent field, especially in the State of Oklahoma.

We have just appropriated—and largely at the request of the President—$35,000,000 to build a railroad in Alaska, and there are more people in any one of the half dozen counties in Oklahoma containing one of these oil fields than there is in the whole Territory of Alaska. In fact, there are more Indians affected by the oppression of the Standard Oil Co. in Oklahoma than the entire population of the Territory of Alaska. Moreover, there is no danger of the matter becoming monopolized in Alaska, because of the Government ownership, but the people of Oklahoma are face to face with the proposition of selling their product, after they have undergone the "wildcat" hazard of discovering and producing it, to the Standard Oil Co. because that company controls the pipe lines and are seeking to do an oil-producing business, which of itself is fundamentally wrong. With $5,000,000 a pipe line can be built from the mid-continent field to the Gulf and thus relieve the condition existing, and that $5,000,000, or one-seventh the appropriation made for the Alaskan railroad, would save fifty times the amount of property and serve that number more of people than the railroad in Alaska can possibly serve in the next half century.

Why is it, Mr. Speaker, that it is so difficult to reach these conditions where the Standard Oil have a foothold? Is it not answered by the oft-repeated statement here in Washington that the "Standard Oil is the invisible government"? In the CONGRESSIONAL RECORD of April 14 will be found a letter from the Secretary of Agriculture answering a resolution of inquiry made by the Senate giving the startling statement that 600 persons are operating in or through the Department of Agriculture either wholly or partially paid by the Rockefeller Foundation. I have been aware of this fact for four or five years. In fact, all of the agricultural cooperative demonstration work in the South, including Oklahoma, has been partially paid through this foundation, and we in Oklahoma have had to meet the argument and assaults of this insidious propaganda of either the Rockefeller or Carnegie Foundation funds in an assault upon the State's management of its agricultural affairs and its continued assault upon our excellent president of the College of Agriculture and Mechanical Arts.

In that 14th of April copy of the CONGRESSIONAL RECORD will be further found the insidious method used to educate the future young men of the country by "roping in" and linking up with their plans and schemes the professors of economics in various universities throughout the country. What for? To control the influence emanating from such universities. I do not hesitate to say that such professor ought to be dismissed from the service not only of the United States but the service of any State, because it is but a species of bribery of the intellect and training of the future brains of the country toward the interests, economic and political, and governmental policies of the Carnegie and Standard Oil interests.

As to the conditions existing, and as to the argument for the necessity of governmental aid to enabel the individual citizen to cope with this gigantic trust in the midcontinent field, I desire to have printed in the RECORD a letter from the honorable M. L. Lockwood, former State senator from the State of Pennsylvania, and who for many years has been fighting the trusts of the country, and in whose integrity and ability to grasp such problems I have the utmost confidence. The following is Senator Lockwood's letter:

TULSA, OKLA., *May 12, 1914.*

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

MY DEAR MR. PRESIDENT: I feel called upon to make a plea for a Government owned and operated pipe line from the midcontinent oil field to the Gulf of Mexico to the trackless ocean, where commerce is free, where the ships of all nations are beckoning for the trade of the world.

I believe that it is recognized by all students of the problem that one of the first duties of a government is to provide highways over which or through which the products of its people can be transported to the markets in the most economical manner.

I believe that the Hon. Jeremiah S. Black, of Pennsylvania, one of the greatest jurists of any age, layed down the true doctrine, in 1878, before the railroad committee of the senate of the State of Pennsylvania, when he paced up and down the committee room, shaking his finger in the face of the Pennsylvania Railroad officials, and told them that because the Pennsylvania Railroad Co. had built the Pennsylvania Railroad, that did not signify that the Pennsylvania Railroad Co. owned that highway; that that highway was the people's highway just as much as though the people had built it by the direct agency of the State, and that it was the highest duty of the State to direct and manage that highway in the interest of the people of the State, and that when the Pennsylvania ceased to administer that property with an eye single to the advancement of the public good, then it would be the first duty of the State to take that highway away from the Pennsylvania Railroad Co., having a just regard for the rights of its shareholders, and administer that railway as a common highway, as a common carrier for the products and persons of the people without favoritism or discrimination. That to hold that that Pennsylvania Railroad Co. had a vested right to the perpetual ownership and control of that highway, with power to run it as they saw fit, was a dangerous doctrine; that the State might as well turn its people over to sack and pillage as to allow the Pennsylvania Railroad to continue the practice of discrimination in favor of this set of men and against that set of men; to continue the practice that built up the Standard Oil Co., upon the one hand, and the Carnegie Steel Co., upon the other, bankrupting and destroying every other set of men who attempted to build up a business in competition with them.

Now, there is no doubt as to what the duty of government is. It may build a highway by the direct agency of its own officers just as the Panama Canal is now being built, and just as his pipe line to the Gulf of Mexico is now proposed to be built, or it may confer upon corporations a part of its power and authorize them to build these highways for them. But, in any event, these highways must be the public highways of the people, and under no circumstances can the Government divest itself of the power of eminent domain, that power that takes private property or corporate property for the advancement of the common welfare, and there is no question, I take it, of what the duty of government is, as to providing highways for its people.

Prompted by this duty, our Government has created a magnificent system of railways and pipe lines by delegating a part of its power to railway and pipe-line corporations. This system has been fully worked out, and it has developed the fact that they who control and manage these highways can, and do, take from the producers and consumers all that the commodities which they transport will bear. They take nearly all the profits. It has developed the fact that this system of providing highways for the people enables those who control these highways to create and maintain monopoly, and this has been proven to be true.

For the control of the highways has enabled a few men to monopolize the rich deposits of anthracite coal in Pennsylvania.

The control of the highways is fast enabling a few men to monopolize the bituminous coal fields of America.

The control of the highways has enabled a few men to monopolize all of the rich iron-ore deposits of America.

The control of the highways has enabled a few men to monopolize the profits of the oil fields of America.

The control of the highways has enabled a few men to create a monopoly and rob the producers and consumers of our land.

By the power of monopoly they take so much of the wealth that the people create that there is a very scant amount left for the people who create it. They take so much that in a land so rich as this, so rich in soil, in iron, and coal and oil, so rich in copper and silver and gold, so rich in everything that administers to the wants of men—they take so much that a very large percentage of our people are now only one step removed from starvation. They take so much that want and the fear of want are driving men and women to crime and degradation. Is it any wonder, then, that the people have declared at the ballot box that monopoly is "intolerable and indefensible"?

The evils of corporate control of the highways are now especially emphasized in the State of Colorado. By the most unholy violation of the spirit of the land laws of the United States a few men have seized upon the coal deposits of the State of Colorado, and now Rockefeller and his associates refuse to arbitrate the difference they have with the American citizens who are working for them there and have brought in the Gatling guns of the State of Colorado to force these American citizens to submit to conditions that are destroying the manhood of the men and the womanhood of the women, having ejected them, men and women, from their homes—American citizens, mind you—in the name of the sacred right of property; and when these men have provided themselves with tents to protect their loved ones, their wives and their children, from the blasts of winter, in their mad zeal for dividends the Coal Trust of Colorado turn loose the Gatling guns of the State and mercilessly slaughter men, women, and children—American citizens, mind you. In the name of the sacred right of property this carnival of crime goes on. And why is all this? For coal that costs them 80

cents a ton to mine they force the people of Rocky Ford, only 85 miles away, to pay them $6.75 a ton for the coal they burn in their homes; and they force the dealers, under penalty of their displeasure and threats of being driven out of business if they shall cut prices from that fixed by the Colorado Coal Trust, who have seized upon the coal supply of the people.

I speak of this to show you that those who control the highways of the people can rob both the producers and consumers of the land and take the wealth that the people create to swell the criminally swollen fortunes of the few.

From every farmer, merchant, mechanic, and laborer who burns a ton of coal they take, over and above a fair competitive profit, more than 4 bushels of wheat or its equivalent upon every ton of coal burned by the people of Colorado and the surrounding States, and thus by the control of the highways of the people does monopoly gather the wealth produced by the masses, and are building up and creating a plutocracy of wealth in this land such as the world has never known.

If the land laws of the Nation had been complied with in taking up the coal land of Colorado in truth and in fact, instead of the campaign of perjury, conspiracy, and fraud by which the Coal Trust acquired the rich coal deposits, then there would have been at least 300 different men and companies operating and developing 300 separate and distinct coal mines. Then there would have been freedom. Three hundred sets of men and companies competing and bidding to secure the right kind of men to work and develop their different mines and 300 sets of men and companies competing to find a market for the output of their mines—that would have been a condition that would develop the genius of men; that would have guaranteed fair service to the consumers of coal, and that would have guaranteed to every miner a reward for his ability, application, and capacity. It would have given every miner a chance to find the man or the company for whom he best liked to work—that would have been freedom. But the Coal Trust: Work under our terms and conditions or starve. Eighty cents a ton for coal to the American miner and $6.75 a ton for coal to the American consumer only 85 miles away. Such comes to the public, both producers and consumers, under the domination and control of monopoly. Domination of monopoly is despotism—dire, dark despotism.

The evils of the control of the people's highways by corporations has become so apparent to every thinking man and woman that when Guggenheim and his associates asked the Government for a charter to build a railway from the coast into the coal fields of Alaska public sentiment condemned it and Congress refused to grant a charter, realizing that those who control the highways could make all other men their slaves, recognizing that he who controlled the highways could take all the wealth that other men create, could take all except a poor, miserable living from those who labor to create this wealth.

Congress and all thinking men recognized that the Government might as well make Guggenheim and his associates an absolute present of the mineral resources of Alaska as to allow them to control the highways over which these mineral resources must reach the markets, and so, in the interest of justice to men and in the interest of those fundamental principles of equal rights for all, the Government determined to build this railroad itself and give every man an equal chance in the contest for bread and the acquisition of the resources of the land, and what will be the result? Hundreds of different mines will be opened by hundreds of different men, all competing for men to work their mines, and all these different mine owners competing with each other to supply the public with coal and a fair competitive field will be reestablished and monopoly will disappear, and there will never again be such a deplorable condition as now appears in the monopoly-cursed State of Colorado.

And now we come to the oil situation. Do you know that none of these great pipe lines in the midcontinent oil fields will run a barrel of oil for any American citizen until they have first forced him to sign a contract in the shape of a division order, in which they force him to declare that the moment his oil goes into their pipe lines that it is their oil; that he has no control over it whatever? He can not go to the independent refineries in this vicinity, who are willing to pay 5, 10, or 15 cents a barrel more for it than the pipe lines will pay him, and sell it to them and order the pipe lines to deliver it to these independent refineries. He can not do that. He has no oil. He has already been forced to declare that his oil belongs to the pipe lines that run it. All he can do is to go to the pipe lines and take the price that they—the pipe lines—see proper to fix and pay him, and I am satisfied that these prices are fixed by a conspiracy between three trunk pipe lines to tidewater. Is not that a condition that is intolerable and indefensible? Yet all this magnificent body of American citizens, who have had the courage and energy and enterprise to develop the midcontinent oil fields of the Nation, have been forced, by the power of monopoly, to sign such contracts as this.

There is no essential difference between the duties and responsibilities of the railroads and pipe lines as common carriers for the people. What would the American people think if the railroads would issue a rule that they would transport no more of the products of the farm, the factory, the shop, or the forge until the men owning these commodities come in and sign a contract that their property, the moment it was delivered to the railroad companies, should become the property of the railroad companies, and that the railroad companies could fix a price that they would pay the people for this property? What kind of a commotion would that create among the farmers and manufacturers of the land? Take the price which the railroad officials in their avarice and greed see proper to fix for them, and the price would be cut down and down until the fear of stopping the supply would prompt them to raise the price a little to encourage new production. But it would be the selfish interest of the men who control the railroad that would control and fix the price all the time. The raising of the price would be prompted by a selfish purpose. The fear of killing the goose that was laying the golden egg would be the impulse that would control them, and that purpose would be a selfish purpose, just as it is now the selfish interest of the men who control the pipe-line companies that fixes the price of oil all the time. But if you do not sign the contract you can not ship any goods. If you do not sign the contract you can not ship any oil. That is the position that the mid-continent oil producers are placed in, and it is a burning shame to the Republic. It is a disgrace to our civilization and a humiliation to the manhood of our men; a despotism, and in this land, too, whose government is based upon the doctrine of the equal rights of man. Is it not time that something should be done?

And, further, with all the power of transportation behind them, these pipe-line corporations, these State-created giants with ten thousand times the power and capital of an ordinary American citizen, these corporations with unending life, State-made creatures that never die, who by the power of transportation and monopoly are enabled to take from the people twice as much for this oil as the producers get. If they are allowed to go in, through their subsidiary companies, and absorb the oil-producing fields of America—if this is allowed to go on, they are just as sure to monopolize the oil-producing fields of the mid-continent, just as sure to do it as that the power of transportation enabled a few men to monopolize the anthracite coal fields of Pennsylvania and levy tribute of more than a hundred million dollars annually on the consumers of anthracite coal in America over and above a fair competitive price. As Rogers said, "A monopoly is worth all it costs, in dollars and cents, to us." When a monopoly is established they can take so much from the people in monopolistic profit that the cost of creating monopoly is comparatively small, indeed

If, by the control of the highways, a few men are allowed to monopolize all these rich resources of the Nation, what kind of a show will our children have in the combat of life? They will have already been condemned to servitude and degradation.

These pipe-line corporations must not be allowed to become the beneficial owners, through their subsidiary companies, of the oil-producing fields of America. Such a course will not advance the public welfare, and the public welfare is the supreme law. You can not breed the right kind of men in the shadow of monopoly. You can not breed the right kind of men where the resources and opportunities are monopolized by the few.

Let the young men of the land have an opportunity to compete with each other in a fair competitive field, in the development of these God-given riches, for if the profits from these rich deposits of oil are taken by monopoly away from the men who produce this wealth to swell the swollen fortunes of the few, none of this wealth can be used to build up homes and independent proprietorship for the men who produce it; and when these deposits are finally exhausted, the people will be worse off than at the beginning. Their lives will have been spent in a vain struggle, in which they were condemned to failure from the start, and they will be poor indeed. Nearly all of the profits are taken away from the communities in which this wealth is created to increase the power and despotism of those who continually defy and circumvent the laws of the land.

These criminally swollen fortunes, wrung from the people by the power of monopoly, are no strength, but a weakness, to the State. Give the young men an even chance. Do not ask them to go out and compete, in the production of oil, with these pipe lines, these giant corporations, with all their special privileges. Under such conditions the young men are condemned to failure before they start. To-day the young and rising generation are facing a situation where the fields of opportunity are being closed to them. Divorce these pipe-line companies from the producing end of the oil business. Confine them to their legitimate duties as common carriers of oil for the people.

Now, how are you going to do this; how are you going to force these pipe lines to do their duty as common carriers of oil? A year or two ago the Government brought suit against the Prairie Oil & Gas Co. to force them to do their duty to the people as common carriers of oil. I am almost 70 years old, and I will be dead and in my grave before that suit will be finished. I do not forget the 18 long, weary years of legal quibbles in the Producers and Refiners' case for penalties against the railroad for discrimination. All this time the citizens of the Republic are being robbed by monopoly. And when these suits are finally finished and the courts have finally ruled, as we know they will have to rule, in favor of the contention of the people, the able and resourceful lawyers of monopoly will fix a new set of reasons why their clients should not be bound by it, and it will take another 10 years to settle that point in the courts; and so, as Rogers said, "We will manage to keep just one lap ahead of the law," and all this time the American people are being robbed by monopoly. The only way to do it is to cut the Gordian knot right here. Build this proposed Government pipe line to the Gulf of Mexico, and again I say to the trackless ocean, where commerce is free and where the ships of every land beckon for the trade of the world. Think of it! At the expense of less than one-half of what a modern dreadnaught would cost this people can be set free. You can, if you will, deliver the producers and consumers of oil from the curse of monopoly. The American people need protection from the encroachment of monopoly more than they do from any foreign foe. With a great horde of lobbyists, dignified by the name of attorneys, they are undermining the integrity of our public life, and they are justifying themselves by the declaration that a monopoly is worth to them all it costs.

At so small a cost, why should you be afraid? Compared with the magnificent work that our Government has done at Panama, the building of this pipe line is but a drop in the bucket. At a fair charge for transportation the Government pipe line will pay for itself in less than 10 years, and the Government will have the use of it for fuel oil for the Navy besides.

What would be thought of a nation and an administration that would spend nearly $400,000,000 of the people's money to create a world's highway at Panama, a highway for the benefit of the world's commerce, and then refuse to spend $6,000,000 to create a highway for oil—a pipe line—to save its own citizens, producers and consumers of oil, from being robbed by monopoly on every barrel of oil they produce and upon every gallon of oil they burn in their lamps? If this situation is allowed to go on, is it any wonder that the wealth of the Nation is being concentrated in the hands of the few—the rock upon which all the nations of the past have been wrecked?

You do not have to take any risk in the producing of the oil. The independent producers of the midcontinent field, who are now producing at least 140,000 barrels of oil a day, will be too glad to sell you all the oil you want for the Navy at the market price at the wells, and you transport it yourselves, and as soon as the Government opens this highway for oil to tidewater, with a fair charge for transportation, the independent refineries of the world will take all the oil you can possibly put through a 10-inch line over and above what you will need for the United States Navy.

Every department of this enterprise can be put upon a paying basis. The proposed refinery near the coast can take out of this oil gasoline, lubricating oils, and greases which will be worth more money to the Government than the entire cost of the crude oil. That will give them their fuel oil for the Navy free of cost. A fair storage charge on the commercial oil that goes through the Government lines will pay for the necessary storage tanks at the coast in less than five years.

The reserve oil-fuel supply for the Navy, in my opinion, should be stored at a point where it can be delivered at any place on the Atlantic or Gulf coast where it may be needed. That point is the midcontinent oil field. Under the war power of the Government, in times of war, any of the pipe lines from this field, reaching as they do Chicago, Buffalo, New York, Philadelphia, Baltimore, and Baton Rouge, can be

seized by the Government to deliver oil at any of these points as needed by the United States Navy. Besides, the reserve fuel supply stored here will be safe away from invading armies and hostile navies. It may be well to have a skimming plant located here, so that in times of war this oil can be put in proper shape for the Navy's use before it is sent through the lines to places where it is needed.

Now is the time for the Government to act. The pipe-line companies here have declared that they are able to handle only 75 per cent of the oil now being produced, and they have declared also that the increased production of the Cushing field alone will reach 150,000 barrels per day. The pipe lines, which are the only buyers, have within the last 20 days put the price of oil down from $1.05 per barrel to 80 cents per barrel, and the cutting of prices has just begun. These conspirators who are robbing the producers and consumers of oil never stop until they have cut to the very bone. Why should not the Government get in here and take advantage of the situation and accumulate some of this cheap oil for the Navy's use? There are men here in the West who will contract to complete 50,000-barrel tanks for the Government within 30 days. There is plenty of pipe held here by the supply companies so that the Government can complete a system of gathering lines while the first 50,000-barrel tanks are going up. It will only take a little human energy to begin taking in this cheap oil for the Government, reserve oil fuel supply from the wells inside of 30 days. All the Government has got to do is to call in the iron-tank builders and the pipe-line builders of the Nation, and they will complete the iron tanks and pipe lines as fast as is needed. There are tank builders enough to complete one, two, three, or more 50,000-barrel tanks every day, and there are plenty of pipe-line men to build a pipe line as fast as is needed. Give them the pipe and they will complete a line reaching every known oil field in Oklahoma in less than 90 days. Why should you hesitate? Why not move and get your reserve fuel supply for the Navy now while it is cheap, and while the corporation-controlled pipe line can only take 75 per cent of the present oil production, and while it is held by many that the Cushing oil field alone is now threatening to increase its daily production up to 200,000 barrels of oil per day? All of these tanks that would be built, and all of these pipe lines that would be made, would be needed in the future to hold and maintain the reserve fuel supply for the Nation. The Government can always get their oil direct from the wells from the independent oil producers at the market price. Why should not the Government take advantage of the present situation while there is a flood of oil, and when the present pipe lines are only able to handle 75 per cent of what production we now have, and when the prospect is that the Cushing oil field alone will increase the present production from 150,000 to 200,000 barrels per day? This additional production will be crowding on the market. Now is the time to begin, if you want to accumulate a cheap fuel supply for the Navy, and at the same time stop this oppression of the American people. The tanks will be necessary when the Government pipe line is completed to the Gulf of Mexico to hold the reserve fuel supply for the Navy's use.

The pipe-line business is a legitimate business, and the refinery to prepare the gasolines, lubricating oils, and greases and fuel oil is a safe and legitimate undertaking. No graft or corruption can go on in piping and refining oil without being detected and the parties punished, but for the Government to go into the speculative and uncertain business of producing oil would open a field for graft and corruption that, in my opinion, would discredit the whole enterprise. No one knows the value of prospective oil lands. No one knows whether they are worth $5 or $500,000. It is only a matter of judgment, and if the producing department should get into the hands of corrupt and dishonest men, they could swindle the Government right and left without any chance to detect or punish them.

When the Government pipe line has been established, an open competitive market for oil has been created. Every day the price of oil will be known of all men. There will be no opportunity for graft any more than there is in the Government Post Office.

Now, I want to see this Government pipe line built. It is the only way that the grip of monopoly in oil can be broken. In 1873 I helped to make the first fight against the monopoly in oil, the fight against the South Improvement Co., and it has been one continual combat against the encroachments of monopoly ever since. I helped to pay for the drafting of the Reagan bill, the interstate-commerce law, and spent eight long, weary years agitating and helping to create public sentiment for the enactment of that law. It provided a penalty of fine and imprisonment for a violation of its provisions. And yet in 1899 Chairman Knapp, of the Interstate Commerce Commission, testifying before the industrial commission, swore that in spite of the penalty of the interstate-commerce law that railway discriminations were universal.

These great criminals stand upon the highways of commerce and defy the law, yet none of them have been sent to the penitentiary for their crimes.

The Government carried on a suit for many years to dissolve the Standard Oil Co., and they won their suit; but they fixed up a settlement of dissolution with the Attorney General that was approved by the courts that made the Standard Trust stock go up by leaps and bounds. It is all managed from 26 Broadway now, just as it was before, and their monopoly is stronger to-day than it ever was before.

I want to say to you that just as long as these combinations control the highways through which oil must find the market that they will maintain their monopoly. If this Government pipe line is built, that ends monopoly in oil at once. It attacks the enemy in the vital points.

When the Government pipe line is in operation buyers of oil for independent refineries will be here from every clime. They will know that the Government will not sell out or go into a conspiracy to bankrupt and destroy them, and they will have confidence to go forward and build up and expand. They will know that they can put the oil that they buy at the wells on board ships at a fair transportation charge and monopoly will wither away.

Now, for God's sake and for the sake of those that are to come after us, let the Government build this pipe line. It will cost less money than monopoly takes from the people in monopolistic profits every 60 days. The people of the United States are the Government, and why should this administration let them be robbed? I have faith in this administration. A new god has come to reign over Israel. A god that worships men and not money. And this pipe line will be built, and this people will be set free from the curse of monopoly in oil.

But the emissaries of special privilege say that the Government can not manage this transportation business; that there will be too much graft. Why, Mr. President, there has been more graft in the management of the people's highways by the Frisco and the Hartford & New Haven corporations alone in the last five years than has occurred in the Post Office Department of the United States since the beginning of the Government, and all this talk that the Government can not get honest and upright men to handle this transportation business is all nonsense and the worst kind of poppy-cock. Let this Government pipe line be built. It is the entering wedge that will dethrone monopoly and reestablish the equal rights of the people.

My dear Mr. President, I am sending a copy of this appeal to the members of your Cabinet and different members of the Oklahoma delegation in Congress, and I am also handing a copy of the same to Mr. William Striker, proprietor of the Tulsa Democrat.

With an expression of my high regard, I remain,

Most truly, yours,

M. L. LOCKWOOD.
National President of the American Antitrust League.

Decentralization of Money Control.

EXTENSION OF REMARKS

OF

HON. OTIS T. WINGO,

OF ARKANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, May 16, 1914.

Mr. WINGO. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an editorial that recently appeared in the News, published at Lynchburg, Va.

The editorial is as follows:

DECENTRALIZATION OF MONEY CONTROL.

"Understand," said John Skelton Williams in the course of an address before the North Carolina Bankers' Association Wednesday night, "understand it is not assumed or promised that the new currency law will perform the functions of divine Providence, shower blessings on everybody, or establish universal prosperity; nor will it bolster up or save banks improvidently, recklessly, or corruptly managed. It is intended to enable banks honestly and sagaciously conducted to enjoy the legitimate results of their own integrity and sagacity. It is hoped and believed that this law will prevent the alternating money gluts and money famines daily reported in the newspapers, by providing supplies of money to flow automatically, responsive to need." Further in this connection Mr. Williams said that "the new currency measure is Democratic essentially. It looks to decentralization of direct financial control, to financial local self-government, so far as is consistent with stability and the general safety; to a currency which will be worth its face value everywhere, which will be based on the actual values it purports to represent, as well as the faith and credit of the General Government, and which yet will be elastic, expanding to meet needs where and when they develop, receding when not needed; a system fitted to meet any emergency moving smoothly and noiselessly for the ordinary uses of business in tranquil times. We do not propose to use violence to force disintegration and decentralization, to do anything with a jolt and a jerk. It is understood clearly that to rush headlong and at full speed over an evil or an obstacle may cause derailment or jarring, uncomfortable and bad for passengers."

In thus so succinctly and candidly epitomizing the objects of the administration currency law, Mr. Williams also suggests banking and currency vices which have made a comprehensive reform policy altogether necessary. And in this relation, among other things, he referred to the evils incident to the control of the country's money, which by virtue of Republican policies had passed largely under the dominating influence of a few men identified with the banking interests of New York. Mr. Williams was especially happy, lucid, and eloquent when portraying this condition, although impressive and forceful. No one can gainsay the truth of the statement or belittle the gravity of its significance as thus voiced by Mr. Williams: "When a dozen men own among themselves $1,600,000,000, and through a system of interlocking directorates control as much more, directing an amount equal to the total currency supply for 100,000,000 people, we should realize that such power is a peril, not only to our commerce and to the people at large but to the Government itself."

It is fairly well known who be these money lords of America. Their names and the estimated totals of their gigantic fortunes have been frequently published. And because of their power to control the New York money market and the power of New York as the great money center of the country, a condition of national subjection to the sway of these men and the power of this city, have conditions developed which vitally affect and frequently endanger the prosperity of the people of the entire country. In reminding of these things John Skelton Williams points out that New York has become "the walled city from

which the barons have levied tribute in a territory and population vaster than any lord or king of the Middle Ages dreamed of, yet sometimes using methods as ruthless and savage as those of the fiercest of the robber nobles. No sudden swoop by a feudal magnate on his peaceful neighbors was a more cruel or shameless plundering expedition than some of the transactions which have been brought to light by which the shareholders of railways and other great enterprises, established to build up the country and promote the public interests, were despoiled. The purpose should be to change the relation of New York to the country generally from an attitude of dominating ownership to friendly partnership. Big as New York is, it is not big enough to direct the destinies of this continent."

Aye, of a verity. Nor should 12 American men ever be rich enough, or if rich enough, ever mighty enough to sit in financial dominion over the millions of American citizens. But however obvious this truth, the ringing words in which John Skelton Williams expressed it will set a-snarling all the predatory interests of Wall Street. This goes without the saying. The sound of fury or derision will come soon enough from various champions and organs of special privilege. But Williams nevertheless said that which will impress honest business, however big it be or however little, that in the mind and heart of the administration are courageously pulsing the square-deal impulse and the square-deal purpose; that from the citizenship of America is about to be lifted the yoke of bondage to New York money kings which has already too long served to menace and at times oppress and destroy legitimate business aspirations, initiative, and effort.

Survivors of Indian Wars Should be More Liberally Pensioned.

EXTENSION OF REMARKS

OF

HON. JOSEPH R. KNOWLAND,

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, May 8, 1914,

On the bill (H. R. 15280) making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1915, and for other purposes.

Mr. J. R. KNOWLAND. Mr. Speaker, I take advantage of this opportunity, during the consideration of the pension appropriation bill, to direct attention to the fact that no action has as yet been taken during this session of Congress on the various bills which have been introduced extending the provisions of the act passed February 19, 1913, "An act to increase the pensions of surviving soldiers of Indian wars in certain cases." I have a bill pending, H. R. 14785, and there are several others before the Committee on Pensions.

On December 18, 1911, I introduced the following bill:

A bill granting increase of pensions to survivors of the Indian wars under the acts of July 27, 1892, and June 27, 1902.

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to increase the pension of every survivor who is now on the roll, or may hereafter be placed on the roll, under the acts of July 27, 1892, and June 27, 1902, to $24 per month from the date of filing application for same.

At that time Indian war veterans were receiving but $8 per month, while their widows were drawing $12 per month. Several other bills were introduced granting an increase. A bill was finally reported from the committee increasing the rate to $12 per month. On the floor of the House this was raised to $30. The bill then went to the Senate, and was reported with an amendment cutting the amount to $12. In conference $20 was finally agreed upon, and the existing act now provides as follows:

That from and after the passage of this act the rate of pension to surviving soldiers of the various Indian wars who are now on the pension roll, or who may hereafter be placed thereon, under the acts of July 27, 1892, June 27, 1902, and May 30, 1908, shall be $20 per month.

The following is the bill which I introduced on March 18, 1914, and which is now pending before the Committee on Pensions, to extend the provisions of the amended act of 1913 to veterans of other Indian wars, who are certainly deserving of recognition:

A bill (H. R. 14785) pensioning the survivors of certain Indian wars from the year 1865 to January, 1891, inclusive, and for other purposes.

Be it enacted, etc., That the provisions, limitations, and benefits of an act entitled "An act granting pensions to survivors of the Indian wars of 1832 to 1842, inclusive, known as the Black Hawk War, Creek War, Cherokee disturbances, and the Seminole War," approved July 27, 1892, be, and the same are hereby, extended from the date of the passage of this act to the surviving officers and enlisted men, including marines, militia, and volunteers of the military and naval services of the United States, who served for 90 days with their regiments during the campaigns in southern Oregon and Idaho and northern parts of California and Nevada from 1865 to 1868, inclusive; the campaigns against the Cheyennes, Arapahoes, Kiowas, and Comanches in Kansas, Colorado, and Indian Territory from 1867 to 1869, inclusive; the Modoc War of 1872 and 1873; the campaign against the Apaches of Arizona in 1873; the campaigns against the Kiowas, Comanches, and Cheyennes in Kansas, Colorado, Texas, Indian Territory, and New Mexico in 1874 and 1875; the campaigns in North Dakota and Montana against the Northern Cheyennes and Sioux from 1873 to 1877; the Bannock War of 1878; the campaign against the Northern Cheyennes in 1878 and 1879; the campaign against the Ute Indians in Colorado and Utah from September, 1879, to November, 1880, inclusive; the campaign against the Apache Indians in Arizona in 1885 and 1886; and the campaign against the Sioux Indians in South Dakota from November, 1890, to January, 1891, inclusive; and also to include the surviving widows of said officers and enlisted men: *Provided*, That such widows have not remarried: *Provided further*, That where there is no record of enlistment or muster into the service of the United States in any of the wars mentioned in this act the record of pay by the United States shall be accepted as full and satisfactory proof of such enlistment and service: *And provided further*, That all contracts heretofore made between the beneficiaries under this act and pension attorneys and claim agents are hereby declared null and void.

SEC. 2. That the period of service performed by beneficiaries under this act shall be determined by reports from the records of the War Department, where there is such a record, and by the reports from the records of the Treasury Department showing payment by the United States where there is no record of regular enlistment or muster into the United States military or naval service.

In consulting with different members of the Committee on Pensions, particularly the chairman, the gentleman from Colorado [Mr. KEATING], I understand that there is liklihood of a bill being reported at an early date embodying provisions contained in the numerous bills. While I believe that the bill I introduced more fully meets the views of the Indian war veterans, nevertheless I will be glad to see any other satisfactory measure reported out. The service they performed was particularly difficult and hazardous, and the hardships which they endured are indescribable. Surely this great Government can afford to be generous to these men, who were forced to do the hardest kind of fighting. These Indian fighters did much toward opening up the great West, and for this important service certainly deserve recognition.

In the rush of other matters let us not delay until it is too late. These veterans are old and greatly in need of assistance. Now is the time to show our appreciation. In the leave given me to extend I shall print a few communications which I have received concerning these bills, and also a letter from the commander in chief of the Spanish War Veterans in relation to the bill pensioning the widows and orphans of veterans of the Spanish-American War.

The letters referred to follow:

THE REASON WHY.

1. The soldiers who served on the frontiers against hostile Indians, from after the close of the Civil War until 1891, performed services equal to those of the veterans of the Revolution and the Civil War.

2. The fact that the Government has been tardy in recognizing and taking care of the veterans of our Indian wars is no reason why it should continue to do so.

3. Every Member of Congress, especially those from west of the Mississippi, should feel it his duty to provide for these veterans, who braved the dangers and hardships incidental to Indian warfare.

4. These survivors of the Indian wars, who for small remuneration underwent many hardships, who blazed the way for the settlement of our frontier countries, and who protected the immigrant and settler, have deserved well from the Government that they upheld and served so faithfully and should be recognized on the same basis as the veterans of the Civil War.

5. It is a well-known and indisputable fact that Indian wars had a horror of their own; the soldier who served in them faced and braved conditions unknown to survivors of our other wars.

6. Most of the survivors of these Indian wars are now old men, the privations endured by them during their years of service having undermined and shattered their health, rendering them unfit for hard labor in the sunset of their lives, and every United States Senator and Member of Congress should use his influence to have Mr. TAYLOR'S bill, H. R. 1672, passed, so that these brave ex-soldiers will not become objects of public charity.

7. It is erroneous to suppose that there will be numerous applications for relief under this act, as years of research has brought to light that there are four or five thousand of these veterans who can become beneficiaries after the bill becomes a law.

8. The veterans of these Indian wars are, as a rule, poor men, who have not the means to uphold expensive lobbyists in their behalf; they rely implicitly in the justness of their request, as set forth in Mr. TAYLOR'S bill, and on the well-known fairness in such matters of the honorable gentlemen who represent them in the Halls of Congress, and look to them that belated justice be done the survivors of our Indian wars.

Col. S. L. MEDDAUGH, *of Elmira, N. Y.*
C. R. HAUSER, *of Denver, Colo.*

BITS OF FORGOTTEN HISTORY.

In writing of what our soldiers did on the frontier in Indian campaigns I hardly know where and how to begin. Probably the best commencement will be to quote from that distinguished soldier, Lieut. Gen. Phil Sheridan, who said in his annual report for 1877:

"During the last two years the ratio of loss of officers and men in proportion to the number engaged in this division in the Indian wars has been equal to or greater than the ratio of loss on either side in the present Russ-Turkish campaign or in the late Civil War in this country. I take pleasure in saying that both officers and men throughout the division have shown thorough and commendable devotion to duty and deserve the approbation of their country."

During these two years that Gen. Sheridan speaks of—years of "profound peace," as our Thanksgiving proclamations put it—while part of

the Army was engaged in quelling one of the most widespread series of railroad strikes this country had ever seen, another portion was looking after the disturbances incident to the Hayes-Tilden election, and also while there was Indian fighting by the troops under Gens. Pope, Ord, and Kautz, the number of soldiers killed in the departments commanded by Gens. Terry, Crook, and Howard was greater than the number killed in the Philippines from May 1, 1898, to September 30, 1899, and nearly twice the number of soldiers, sailors, and marines, Regulars and Volunteers, killed in Cuba and Porto Rico and adjacent waters during the same period. Few people realize this astounding fact.

In 1871, when your comrade, Fred C. Meyer, joined his regiment (the Seventh Infantry) he had to march, after leaving the railroad, over 500 miles before he reached his post. For two years he was (belonging to a mountain detachment) engaged in breaking up the whisky trade with Indians in that great stretch of country from Sun and Missouri Rivers north to the boundary line. This detachment would usually start out for a month, come back and refit for a couple of weeks, and then out again, scouting in every direction and without any reference to the weather; and the weather of Montana ranged all the way from 110° in the summer to 40° and 50° below in the winter; all this scouting was in a country destitute of inhabitants, save Indians and renegade half-breeds and white men.

In one particular Scout Meyer had his extremities badly frozen and his ears were a "sight." We had rescued Col. McLeod, the commander of the Northwestern Police, from death on the prairie; from our camp it was 60 miles to the nearest house. Col. McLeod's animals were all played out, and Meyer needed the services of a physician, so I sent him on horseback to guide the way and break the road (there being about a foot of snow covered with a hard crust); as Meyer had a fresh horse, he led the way for them for every foot of that 60 miles, stayed at the agency one night, and then had 40 miles to go before he could reach a physician. Fortunately, no serious damage occurred; later Col. McLeod told me that without this help they could not have made the trip.

On another occasion there in Montana about 60 men of my regiment were returning from an expedition where they had been destroying a whisky-selling village; they were struck by a blizzard, the severity of which will be recognized by many of you old soldiers when I tell you that between 1 o'clock and 4 o'clock the thermometer fell from 35° above to 40° below zero in three hours, and this particular detachment suffered a loss of 23 amputations from that one storm.

On one occasion a detachment of recruits were marching across country over an unknown road when we were struck by one of those blizzards, and the only way we could guide ourselves was with a compass, and it was necessary to follow up the rear of the column with a black-snake whip to keep the men from lying down and going to sleep, and when we went into camp that night our only means of making a cup of coffee was by using rose bushes and the furniture that I was moving for an officer.

In the Yellowstone expedition of 1876, Gen. Gibbon's command, to which I belonged, left Fort Shaw March 17, 1876, at noon, with the thermometer 20° below zero. That night and the succeeding night it fell to 40° below, and while on the Rosebud in August, the thermometer registered 111° in the shade; in other words, we experienced a variation of 151° with no change of outer clothing. In warm weather we went in our shirt sleeves, in cold weather we put on our overcoats, and before the campaign was over you could tell the flour we used by reading the brand on the sacks used for reseating our trousers, and I have seen a general officer wash his underclothing in the Yellowstone and sit on the bank wrapped in "meditation" while his underclothing was drying.

One whole week on the Tongue and Powder River our clothing was never dry, and those that know what a night in Montana is know how men must have suffered, being only supplied with one blanket at that time—owing to lack of transportation—and with our wet clothing.

We were absent until October 2, and for five months of this time we never saw a house or building of any kind, and during this period we had no fresh meat, except a few buffalo and deer, and very few vegetables, and marched 1,700 miles.

I do not want you to think that we were alone in Montana at this time. There were others. Gen. Crook took the field from Fort Fetterman with 1,000 men, Gibbon had 400 from Fort Shaw and Fort Ellis, while Terry, with the Seventh Cavalry and part of the Sixth Infantry (about 1,000), from Fort Abraham Lincoln, N. Dak.

To appreciate the magnitude of our undertaking the country included between these four points and the British line is 200,000 square miles, greater than the combined area of New England, New York, New Jersey, Pennsylvania, Delaware, and Maryland, with absolutely no settlement, no roads, and no trace of civilization.

I have no question in my own mind but what a larger percentage of this command became permanently disabled by rheumatism and kindred complaints than for any campaign of equal length during the Civil War.

The very next year six companies of our regiment marched 220 miles in 14 days, crossing the Rocky Mountains twice during that time, attacked the Indian village, killed and mortally wounded 25 per cent more Indians than we had men in the fight, and lost a larger percentage of killed and wounded than did the Light Brigade at Balaklava, and Gen. Gibbon did not blunder. We had no surgeon along, and for three days our wounded had no surgical attention only such as their comrades could give them.

I have always felt that your services on the frontier were never recognized at their true worth by our people, but your officers knew and appreciated your trying and heroic services. There were two or three reasons for this; one was that most of you were Regulars, in which no particular locality has any great pride; and, secondly, there were so few of you, with no political influence; and, thirdly, the people in the States never recognized what you did and accomplished. They had no idea of the sufferings, the endurance, and the fighting that was performed by the little band of Regulars from the British line to the Mexican border.

I have not attempted to give any real, connected history, only to recount a few facts concerning matters that came under my personal observation, giving an idea of what the Regular soldiers did and suffered; but if at any time I can be of assistance to the Order of the United States Indian Warriors, I shall be very glad to aid them.

C. A. WOODRUFF.

—

ALAMEDA, CAL., *February 28, 1914.*

Hon. JOSEPH R. KNOWLAND,
Washington, D. C.

DEAR SIR: Yours of the 21st instant is at hand, and, as you suggested, have added an amendment which will, I think, cover my case.

I think that every soldier who served the Government on its frontiers from 1832 to 1890 should be entitled to a pension. There are only a few of them left, and those deserving of a pension can not get one, as the pension laws now in vogue were made for Volunteers of the Rebellion and Spanish-American Wars, and it is almost an utter impossibility for a Regular to get a pension.

Our Regular soldiers serving on the frontiers (majority of those) have suffered great hardships, far greater than those of the Spanish-American War, which history will show. I should feel very sorry if the pension law were such that I could receive a pension and one who served with me, but discharged at a different time, could get none. However, I will state that I think that you are a looking out for the interest of the old soldiers, and know that you will continually use your great influence and position to advance our interests.

Thanking you kindly for past favors, I remain,

Very respectfully,

DE WITT W. TOLL,
Late Sergeant, Seventh United States Cavalry.

—

VALLEJO, CAL., *April 15, 1914.*

Congressman KNOWLAND, *of California.*

MY DEAR SIR: As a resident of California for over 20 years and an old Indian fighter, I beg you to use all your efforts to help to pass the bill now before the House to give us old Indian fighters equal rights with the veterans of the Spanish-American War to Government positions, and grant us the small pension we are asking for.

I am sure that you and any student of the different Indian campaigns realize that we have endured at least as much hardship as the Spanish War veterans, and it was through us soldiers that the miner, rancher, and settler were enabled to develop the great West, and I believe that our claim is just and right.

Trusting that you give this your kind consideration, and influence others to do so, I am,

Truly, yours,

F. W. KLOPPER,
203 Capital Street.

—

UNITED SPANISH WAR VETERANS,
SOUTHERN BUILDING,
Washington, D. C., April 4, 1914.

Hon. JOSEPH R. KNOWLAND,
House of Representatives, Washington, D. C.

MY DEAR SIR: On behalf of the United Spanish War Veterans, I desire to thank you for the very earnest and able support which you gave to the widows and orphans' pension bill, H. R. 13044.

Very sincerely,

JOHN LEWIS SMITH,
Commander in Chief.

"My Mother—A Prayer."

EXTENSION OF REMARKS
OF
HON. WILLIAM E. HUMPHREY,
OF WASHINGTON.

IN THE HOUSE OF REPRESENTATIVES,

Saturday, May 16, 1914.

Mr. HUMPHREY of Washington. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD I insert an article from the Seattle Post-Intelligencer entitled "My Mother—A Prayer." The article is by Tom Dillon, one of the most talented and popular writers on the Pacific coast. It is a beautiful tribute, that will find a fervent response in the heart of every real man, and it is well worthy a place in the RECORD.

The article referred to follows:

MY MOTHER—A PRAYER.

[By Tom Dillon.]

For the body you gave me, the bone and the sinew, the heart and the brain that are yours, my mother, I thank you. I thank you for the light in my eyes, the blood in my veins, for my speech, for my life, for my being. All that I am is from you who bore me.

For all the love that you gave me, unmeasured from the beginning, my mother, I thank you. I thank you for the hand that led me, the voice that directed me, the breast that nestled me, the arm that shielded me, the lap that rested me. All that I am is by you, who nursed me.

For your smile in the morning and your kiss at night, my mother, I thank you. I thank you for the tears you shed over me, the songs that you sung to me, the prayers you said for me, for your vigils and ministerings. All that I am is by you, who reared me.

For the faith you had in me, the hope you had for me, for your trust and your pride, my mother, I thank you. I thank you for your praise and your chiding, for the justice you bred into me and the honor you made mine. All that I am you taught me.

For the sore travail that I caused you, for the visions and despairs, my mother, forgive me. Forgive me the peril I brought you to, the sobs and the moans I wrung from you, and for the strength I took from you, mother, forgive me.

For the fears I gave you, for the alarms and the dreads, my mother, forgive me. Forgive me the joys I deprived you, the

toils I made for you, for the hours, the days, and the years I claimed from you, mother, forgive me.

For the times that I hurt you, the times I had no smile for you, the caresses I did not give you, my mother, forgive me. Forgive me for my angers and revolts, for my deceits and evasions, for all the pangs and sorrows I brought to you, mother, forgive me.

For your lessons I did not learn, for your wishes I did not heed, for the counsels I did not obey, my mother, forgive me. Forgive me my pride in my youth and my glory in my strength that forgot the holiness of your years and the veneration of your weakness, for my neglect, for my selfishness, for all the great debts of your love that I have not paid, mother, sweet mother, forgive me.

And may the peace and the joy that passeth all understanding be yours, my mother, forever and ever. Amen.

Interstate Trade Commission.

EXTENSION OF REMARKS

OF

HON. WILLIAM M. CALDER,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Friday, May 22, 1914,

On the bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes.

Mr. CALDER. Mr. Speaker, taking advantage of the rule permitting extension of remarks on this bill I am pleased to print in the RECORD the following letter addressed to me by the secretary of the New York Board of Trade and Transportation and the resolutions adopted by that great business organization expressing their views on this measure:

NEW YORK BOARD OF TRADE AND TRANSPORTATION,
203 Broadway, New York, May 1, 1914.

HON. WILLIAM M. CALDER,
House of Representatives, Washington, D. C.

DEAR MR. CALDER: Some time ago you asked me to have the Covington bill carefully examined, and to report to you the conclusions about it. The bill was reported upon by our executive committee on April 8, and I send some copies of their report herewith.

Yours, very truly,

FRANK S. GARDNER,
Secretary.

THE REDRAFTED BILL TO CREATE AN INTERSTATE TRADE COMMISSION.

[The Covington bill (H. R. 16513).]

The bill reflects a sentiment long popular among certain classes of agitators—an unreasoning sentiment of hostility to corporations. In the minds of such agitators the opposition to corporations is simply the expression of hostility to all forms of property and to all who possess property, and all who possess property are deemed guilty of having robbed those who have none.

It will be most unfortunate and to be regretted if the Congress shall by any legislation in the remotest degree give adherence to this sentiment.

The report printed on the following pages was unanimously adopted by the New York Board of Trade and Transportation, April 8, 1914.

We are impressed with the belief that the business interests in the various sections of the United States will not differ greatly regarding business principles, or upon the policies which should control Congress in legislating on business questions.

The antitrust agitation arises from the practices of a few great aggregations with which the merchants of New York have no more sympathy than the merchants of other sections. In order to reach a few big concerns all of the business of the country is to be put into strait-jackets.

The fact that such legislation as the so-called Five Brothers has been under consideration has caused business to halt, has brought the country to the verge of disaster, and has done and is doing untold harm. We regret the necessity of expressing such views, but we regard the situation with apprehension.

NEW YORK BOARD OF TRADE AND TRANSPORTATION.

THE REDRAFTED BILL TO CREATE AN INTERSTATE TRADE COMMISSION.

The Covington bill, H. R. 15613, was introduced in the House of Representatives on March 14 and referred to the Committee on Interstate and Foreign Commerce. That committee immediately ordered it to be reported favorably. It has been called to our attention as the bill which is understood to have the approval of the President. The bill has been reported without any hearing whatever to ascertain what, if any, objections may be made to its enactment.

It is entitled "A bill to create an interstate trade commission, to define its powers and duties, and for other purposes." It creates a commission to be composed of three commissioners appointed by the President," by and with the advice and consent of the Senate," and not more than two of the commissioners shall be of the same political party. No commissioner shall engage in any other business, vocation, or employment, and each shall receive a salary of $10,000 a year. All the duties of the Bureau of Corporations and of the Commissioner of Corporations shall be vested in the commission. The Bureau of Corporations and office of Commissioner of Corporations are abolished. The commission is to be free from the direction or control of the Secretary of Commerce. All the information obtained by the commission in the exercise of the powers previously exercised by the Bureau of Corporations and the Commissioner of Corporations may be made public in the discretion of the commission. Heretofore such publicity was given in the discretion of the President.

A "corporation" under the proposed law is defined to mean "a body incorporated under law, and also joint-stock associations and all other associations having shares of capital or capital stock or organized to carry on business with a view to profit." Another section excepts from the provision of this law "corporations subject to the acts to regulate commerce," i. e., the interstate-commerce act and amendments thereof, including railroads, express companies, telegraph and telephone companies, and such water transportation lines as are operated in connection with railroads. Businesses conducted by firms not incorporated, although engaged in interstate commerce, are not subject to the provisions of the act.

All corporations engaged in "such commerce as Congress has the power to regulate under the Constitution," i. e., interstate commerce, shall be subject to the act. Every such corporation "shall furnish to the commission annually such information, statements, and records of its organization, bondholders and stockholders, and financial condition, and such information, statements, and records of its relation to other corporations and its business and practices while engaged in commerce as the commission shall require," and "the commission may prescribe as near as may be a uniform system of annual reports." "The commission may also require such special reports as it may deem advisable," all of which "reports shall contain all the required information and statistics," "and they shall be made out under oath or otherwise in the discretion of the commission. Default in filing such reports subjects the corporation to a penalty of $100 per day for each and every day while in default.

"The commission may from time to time make rules and regulations and classifications of corporations for the purpose of carrying out the provisions of this act." What kind of "classifications" this means will doubtless be construed by the commission and finally by the United States Supreme Court.

"The commission may from time to time employ such special attorneys and experts as it may find necessary for the conduct of its work or for proper representation of the public interest in investigations made by it."

The commission in this case is presumed to determine what "the public interest" is in the private affairs of an ordinary business corporation which is rendering no public service of any kind, which is operating under no franchise, which enjoys no privilege whatever conferred by the Government. The commission, after "the public interest" has been determined in each case, will then determine what constitutes "proper representation" thereof.

The act does not declare that there is a "public interest" in every corporation which engages in interstate commerce, but confers the power of subjecting every corporation to an inquisition to ascertain what public interest exists. It assumes, however, that every corporation is invested with the element of a "public interest," and the "public interest" in this case means some form of wrongdoing which affects the public welfare, and the assumption is that every corporation engaged in interstate commerce is guilty of wrongdoing until it proves itself innocent. To prove freedom from guilt it must submit to the inquisition.

The act is apparently intended to disguise that glaring hostility to every form of corporate organization which was so conspicuous in every feature of the tentative bill. But there is little, if any, real difference in their purposes or in what would result. "The voice is Jacob's voice, but the hands are the hands of Esau."

The act is intended to permit discrimination between corporations. Any corporation having itself a capital of not less than $5,000,000 or owning, operating, controlling, or organized in conjunction with others having together $5,000,000 is subject to the act. A corporation having less than $5,000,000 capital will not come under the act unless it "belongs to a class of corporations which the commission may designate." The act does not indicate what the characteristics of a corporation shall be or what its acts shall be in order to bring it under the designation of the commission. This power to designate what corporations shall suffer the inquisition is left wholly to the commission. Neither the President nor any member of the Committee on Interstate and Foreign Commerce which reported this bill, nor all of their powers combined, could predict what corporations the bill would affect. They doubtless have a very definite idea of their own about it, but the act is as blank and impenetrable in this respect as a stone wall. This would be construed by the commission and the "class" would be designated by it, and the United States Supreme Court would finally clarify and contract the area of debatable ground, and probably at the same time declare whether or not this provision constitutes an unconstitutional delegation of the legislative function.

If the act is intended to carry out the fair pledges of the President to remove from the minds of business men the doubts which now cloud them and to make clear the way of business, it utterly fails, and leaves all in the dark what corporations will be affected until the commission has designated them, which is the very first question that every business man and the country will want answered.

There is no warrant for such legislation, pervaded as it is with mystery and doubt, fixing nothing definitely and making nothing clear except an obtrusive hostility to corporate forms of business organization, and the penalties which are to be imposed upon corporations which fail to conform to the mandates, rules, regulations, and classifications of three appointed officials.

The bill reflects a sentiment long popular among certain classes of agitators—an unreasoning sentiment of hostility to corporations. In the minds of such agitators the opposition to corporations is simply the expression of hostility to all forms of property and to all who possess property, and all who possess property are deemed guilty of having robbed those who have none.

It will be most unfortunate and to be regretted if the Congress shall by any legislation in the remotest degree give adherence to this sentiment.

Why this law or any law should be directed against only such business between the States as is carried on by corporations is not clear except upon the theory of hostility to corporations. It is not clear why a firm which carries on its business in the same way that a corporation does should be free from guilt under the law and the corporation punished.

The business corporation in many instances, perhaps in most instances, consists mainly of owners who separately have small capital not great enough to carry on even a small business and who have not the training and experience to warrant a venture in business themselves; many employed in subordinate spheres in other businesses; many whose savings of long years of labor are thus invested; many whose sole resources of a few hundred or a few thousand dollars are thus invested.

The individuals composing all such business corporations are on the average persons of small possessions as compared with individuals

composing firms, and against the latter there is no outcry, and there should be none unless guilty of wrongdoing, and likewise there should be no persecution of corporations simply because they are for convenience conducting business under a corporate form of organization.

Such legislation as proposed in this bill can never have the consent or approval of the sound and substantial business interests of the country nor of any considerable portion of the people. The spirit which pervades it and which gives it shape is the spirit of unrest—an abnormal condition of the public mind which periodically finds expression, leads some astray, and takes on various forms of attack upon the welfare of society. Fortunately, thus far in the history of our country the economic miasms, though sometimes dangerously pervasive, have each and all been dissipated after the people have had due time for full consideration.

We therefore renew our recommendations made to this board and approved by it on March 11 last—that if the President and Congress shall have due regard to the welfare of the country no such legislation will be enacted at this session or based upon the hasty consideration and very imperfect evidence thus far had, and we further earnestly recommend that when the bills have been redrafted they be printed in sufficient number to permit the business interests of the country to procure copies and to study them in their new form and that hearings on them be given at the principal cities of the country before the next session of Congress and that other action be deferred until the next session.

Respectfully submitted.

THE EXECUTIVE COMMITTEE,
EDWARD F. COLE, *Chairman.*

NEW YORK BOARD OF TRADE AND TRANSPORTATION,
New York, April 8, 1914.

Mexican Situation.

EXTENSION OF REMARKS

OF

HON. WARREN WORTH BAILEY,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, May 27, 1914.

Mr. BAILEY. Mr. Speaker, I hold no brief for Gen. Villa. I am not here to defend his methods. I am no apologist for the atrocities he is alleged to have committed. He may be as guilty, as red-handed, as merciless, as ferocious, and as diabolical as the gentleman from Wyoming [Mr. MONDELL] insists that he is. Let us grant that he is the monster he is said to be; that he is as ruthless and as bloodthirsty, as savage and as pitiless as the Hearst propagandists have made him out. Does he stand alone in this? Has he been more cruel and more pitiless than the great American general in the Philippines who issued the order to "kill all over 10"?

Or, for that matter, can we be quite sure that our own immediate record in Mexico shines with mercy and gentleness and forbearance in comparison with that of Villa and his "bandit" followers? In a recent issue of the Citizen, published at Winsted, Conn., I find a letter from Sergt. John F. Ryan, marine detachment, U. S. S. *Vermont*. In it Sergt. Ryan gives a faint hint of what has been going on down at Vera Cruz since the American occupation.

Some bluejackets just had a scrap about a half hour ago—

Writes Sergt. Ryan—

and killed six more Mexicans. All of the murders—

Note the word—

that are being committed on Mexicans are being done by the bluejackets and not the marines. So, if you read about them in the paper, do not think that I am implicated in any of them, as we only shoot the Mexicans who try to kill us.

This hardly calls for comment. But it is something to the credit of Sergt. Ryan that he feels ashamed of some of the work that has been done down there, and that he is anxious to have those who know him understand that he has had no part in the "murders."

In its edition of May 8 the Chicago Tribune prints a letter from William A. Loehrl, first-class gunner aboard the battleship *Utah*. Gunner Loehrl describes the battle of Vera Cruz, and in the course of his narrative he says:

We more than got peppered by the Mexicans. All those beasts are good for is pot shooting. By pot shooting is meant climbing up high buildings and then firing down on us out of windows. We no sooner had our battalion together than we started in. It did not take long, when—bang—down goes one of our fellows with a bullet clear through his head. Death was instantaneous. That worked us fellows up to a savage mood. Kill? Right and left. We put the field guns in the middle of the streets and let fly. We had mercy on nobody, which was proper. Nobody showed a bit of cowardice. Murder and plunder was all we wanted, and we more than gave it to them. For every 1 of our fellows killed we shot down like dogs about 10 Mexicans. It was rather hard for me to kill at the start, but when the fellow next to me was shot through the chest I became as savage as the rest. The fellow that was shot next to me let out a piercing cry and died in about 30 seconds. * * * Firing ceased at about 10.15 p. m. Tuesday. We had about 150 prisoners, of which we court-martialed about 80 and shot them the same night. That's biz. Show no mercy is our policy now. We took the prisoners and made them dig trenches for us around the entire city. Made them clear the streets of the dead and pull around our 3-inchers, etc. But we never torture them. We kill them just as fast as they show themselves, but never torture them. They would torture us if they were given the chance. We have plenty of grub, as we get a fresh supply from the ship every day. You have no idea how fast we kill them off. Perhaps you would like to know what we do with the dead ones. We take a horse and wagon and fill the wagon with bodies and drive to the outskirts of the city. There we go to an oil tank, sprinkle crude oil on them, and put a match to the pile. Up goes the whole works. What the flames do not consume the buzzards do.

All this merely goes to show that war is hell; that it makes monsters of men who otherwise may be gentle and kind and tender of heart; and it should tend to moderate the transports of indignation which the acts of a Villa or a Carranza excite in some of our friends on the other side of this Chamber. And it is well to remember that Villa is not the first leader of a revolution, not the first captain of a popular army, to be denounced as a bandit. George Washington was so denominated by King George and by his Tory sympathizers in the revolting Colonies. Like opprobrium was heaped on Grant by those who openly or secretly sympathized with disunion. But Villa executed prisoners taken in battle, so the press dispatches say. Perhaps he has done so. If so, he was but following the example set by our own Army of conquest in the Philippines. Few of the little brown men wounded in battle or captured by the invading host lived to tell the tale. And the water cure was a popular torment administered to the natives in the name of benevolent assimilation.

Yes; war is hell. It too often embrutes those who engage in it, and it turns even the noncombatant into a savage lusting for the blood of the enemy. Doubtless Villa is all that he is represented as being. But let us remember as we go along that there is a very practical side to the banditry with which he stands charged. He is indeed confiscating the great landed estates as his victorious rebel forces fight their way toward the capital city. But he is not appropriating the land to himself. He is not confiscating it even to the revolution. He is turning it over in 60-acre farms to the disinherited citizens of Mexico and leaving behind him as he marches hundreds hitherto hopeless to whom the door of hope has been opened.

At bottom the revolution in Mexico is a peasant uprising—an agrarian attempt to overthrow an order established in rapine, corruption, and tyranny. The constitutionalists have a program big with economic and social possibilities, a program which contemplates the restoration of the soil of Mexico to the millions who inhabit it; and we may understand the Hearst hysteria when we learn that some of his vast holdings have been taken over and brought under the beneficent provisions of the Mexican constitution for the benefit of disinherited Mexicans. The Hearst ox has been deeply gored.

That President Wilson realizes just how grievously that particular ox has been gored is pretty clearly to be inferred from the interview with him recently reported by Samuel G. Blythe in the Saturday Evening Post. Referring to the clamorings in certain quarters—on the other side of this Chamber among others—for the restoration of "order" in Mexico, the President is quoted as saying:

My ideal is an orderly and righteous government in Mexico, but my passion is for the submerged 85 per cent of the people of that Republic who are now struggling toward liberty.

Mr. Blythe quotes him further:

I challenge you—

He said—

to cite me an instance in all the history of the world where liberty was handed down from above. Liberty is always attained by the forces working below, underneath, by the great movement of the people. That, leavened by the sense of wrong and oppression and injustice, by the ferment of human rights to be attained, brings freedom.

Is there anyone on this floor who dares challenge President Wilson at this point? Or is there anyone here who dares challenge him in what follows, likewise reported by Mr. Blythe:

It is a curious thing that every demand for the establishment of order in Mexico takes into consideration not order for the benefit of the people of Mexico, the great mass of the population, but order for the benefit of the old-time régime, for the aristocrats, for the vested interests, for the men who are responsible for this very condition of disorder. No one asks for order because order will help the masses of the people to get a portion of their rights and their land; but all demand it so that the great owners of property, the overlords, the hidalgos, the men who have exploited that rich country for their own selfish purposes, shall be able to continue their process undisturbed by the protests of the people from whom their wealth and power have been obtained

The dangers that beset the Republic are held to be the individual and corporate troubles of these men, not the aggregated injustices that have been heaped on this vastly greater section of the population that is now struggling to recover by force what has always been theirs by right.

They want order—the old order, but I say to you that the old order is dead. It is my part, as I see it, to aid in composing these differences so far as I may be able, that the new order, which will have its foundation on human liberty and human rights, shall prevail.

Mr. Speaker, I beg to voice the fervent hope that what the President is striving for may be attained—the establishment of a new order founded on human liberty and human rights. And in voicing this hope here before the American Congress I feel that I am likewise voicing the fervent hope of the people of this great Republic. I can not believe that they want for Mexico an order founded on tyranny and injustice, on murder and usurpation, on aristocracy backed by force, on privilege sustained by the strong arm. But, with the great peacemaker at the other end of the avenue, I believe they desire for Mexico an order established on a foundation of human liberty and human rights.

Antitrust Legislation.

EXTENSION OF REMARKS

OF

HON. J B. THOMPSON,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, May 26, 1914.

On the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I regret to find myself in disagreement with the Judiciary Committee that reported this bill and with the President and Secretary Bryan if they are reported correctly in yesterday evening's Times of this city. The Times article reads:

President Wilson will not compromise further with organized labor. Definitely and without hesitation he accepted, this morning, the gauge of battle. To a subcommittee of the House Judiciary Committee which called at the White House this morning to lay before him a tentative compromise amendment to the antitrust bill requiring exemption for organized labor from the operation of the proposed law, the President declared he would accept no compromise. The fight is now on in earnest. The labor representatives claim sufficient votes in the House to force the adoption of the changes in the legislation which they demand. Apparently the President is determined to let the antitrust program fail, if need be, rather than yield an inch further to the demands of labor. Charges of bad faith are flying back and forth. Monday night, in an effort to effect a compromise, the House leaders tentatively agreed to add to section 7 the following language:

"And no such organization nor association nor member thereof shall be regarded as an illegal combination in restraint of trade under the Sherman Act."

This amendment was submitted to the President this morning by the subcommittee, Congressmen WEBB, CARLIN, and FLOYD. The President was found to be adamant. On their way from the White House the members of the subcommittee learned that Secretary of State Bryan had joined the President.

Mr. Speaker, I am in favor of amending section 7 of this bill so that its provisions will not apply to the operation of farmer, labor, fraternal, consumers, or horticultural organizations, orders, or associations. This is all the farming and laboring people ask for. We said in the Baltimore platform:

The expanding organization of industry makes it essential that there shall be no abridgment of the right of the wage earners and producers to organize for the protection of wages and the improvement of labor conditions, to the end that such labor organizations and their members should not be regarded as illegal combinations in restraint of trade.

Let us sacredly live up to that platform declaration. These organizations are wholly unlike corporations, associations, or combinations of individuals organized for the purpose of trade and commerce, and which by agreement and combinations can monopolize a product and raise the price to suit their own fancy, or by underselling drive a competitor out of business, leaving the people at their avaricious mercy.

These farming, laboring, fraternal, consumers, and horticultural organizations are not instituted for profit. They have no capital stock. They are organized for mutual help, and it would be a monstrous proposition to subject their members to criminal prosecution for doing a thing which they ought to be encouraged to do, namely, to better their condition and the condition of their families.

I can not and will not support a bill which does not in the plainest language exempt these organizations from the penalties of the antitrust act. I can not and will not vote for a provision that will subject our workingmen to prosecution if they organize to secure a better wage for their labor. I can not and will not vote for a provision that will subject our farmers to prosecution if they organize and agree to hold the product of their toil for better prices or if they agree not to plant as large an acreage of wheat, corn, or cotton as they formerly planted.

I shall vote for the amendment proposed by President Gompers, of the American Federation of Labor, which in plain language exempts these organizations from the provisions of this act. This is not class legislation. It is but putting into the statute the divine right which now belongs to all free men. There is a vast difference between these organizations, instituted without capital and not for the purpose of making a profit, but simply to better their condition, and a corporation or combination of persons organized to speculate on the products of labor and the products of the farm.

I desire in this connection to quote a letter which I received some time ago from Mr. E. R. Bennett, a horticulturist of my State, which so clearly sets forth the reasonableness and justness of this exemption that I think little, if anything, could be added to what he says. The letter is as follows:

OKLAHOMA CITY, OKLA., *March 2, 1914.*

Hon. J. B. THOMPSON, *Washington, D. C.*

DEAR SIR: I beg leave to call your attention to a matter that is of more than passing importance to the agricultural interests of Oklahoma.

During the past year the writer has spent considerable time investigating the watermelon industry in Oklahoma. We find that the growers in this State have an opportunity to make a great industry in growing watermelons for the northern markets. Two years ago there were sent to northern markets something like 1,600 cars. The larger part of these watermelons were sold at a loss. As a result during the season of 1912 the production was only about 600 acres, which were sold at a fair profit. In studying the conditions we find that so far as climate, price of land, labor, etc., are concerned that the farmers of our State have the advantage over most other districts in this industry. The difficulty in making a stable industry of melon growing has been that the growers do not know how to market their products. In 1912 we found that from three cities on the Rock Island 102 cars of melons were sent into Kansas City in five days. This amount alone was sufficient to glut the market to such an extent that the melons did not bring the price of the freight. This condition prevailed in all of the large markets of the north. At the same time practically all of the small towns in Kansas, Nebraska, Iowa, Minnesota, Dakota, and Colorado were without watermelons. In other words, under the present system of distribution of melons all go to the big towns and leave the small towns to be supplied through the markets of the large places. If this distribution problem can be properly worked out, we believe the growers of Oklahoma could as readily produce and distribute 5,000 cars as they can now distribute 1,000. The trouble has been lack of cooperation, with the consequent uncertainty in market conditions all along the line.

The bill which is now before Congress, known as the antitrust bill, is undoubtedly meant to benefit the general public. We believe, however, that if this bill is passed it will work a serious injustice to our growers in that it will prevent them from cooperating in handling their produce, which necessarily has to be shipped out of the State.

At present the average price received for melons by the grower is not to exceed 5 cents per melon. These same melons cost the consumer all the way from 30 cents to 75 cents apiece. The object of the melon growers in trying to organize is not to restrict marketing or production, but to distribute the production in such a way as to cut out this excessive intermediate cost between the producer and the consumer. We have at present an organization under way by which the growers of the different parts of Oklahoma may cooperate in selling through one agency. If the antitrust bill before Congress now becomes a law this organization would be unlawful.

We earnestly solicit your consideration of this matter, as we believe that it is of vital importance to our growers so far as this industry is concerned.

Yours, very respectfully, E. R. BENNETT.

The Hobson Resolution Providing for National Prohibition.

EXTENSION OF REMARKS

OF

HON. J. B. THOMPSON.

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, May 23, 1914.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I have been asked by some of the friends of prohibition in Oklahoma if petitions addressed to Congress at this time would assist in the passage of joint resolution No. 168, commonly known as the "Hobson" resolution, providing for nation-wide prohibition. I have answered that the day for petitions to Congress in favor of this resolution has passed; that petitions addressed to Congress are always referred, without reading, to the committee having in charge the bill, and that inasmuch as this resolution has already been reported to Congress by the committee, the best way to assist in its passage is by writing to individual Members of Congress with whom the petitioner might have a personal acquaintance.

Mr. Speaker, my position on the prohibition question is known to all Oklahomans. I did not wait when the issue was brought before the voters of Oklahoma in 1907 to ascertain what would be the popular side of the question. At that time I was chairman of the Democratic State central committee and was in charge of the campaign for the adoption of the constitution and the election of the Democratic State ticket. Rev. E. C. Dinwiddie, now chairman of the National Anti-Saloon League, with headquarters in this city, was at that time chairman of the

Anti-Saloon League of Oklahoma, with headquarters at Oklahoma City. I labored with him then and gave him all the assistance I possibly could for State-wide prohibition. When the question was again submitted to the people of Oklahoma on the initiative bill providing for municipal local option, I was one of the speakers who campaigned against the bill. In the Legislature of Oklahoma during my term as State senator I introduced the prohibition bill advocated by the Anti-Saloon League in the 1911 session and fought it through the legislature to a successful passage. I also introduced and secured the passage through the Senate of an act prohibiting bucket-shop and race-track gambling. While a member of the State Senate of Oklahoma I supported and voted in favor of every law that would suppress crime of every character and would elevate the moral standard of our citizenship. I have always been for city-wide, precinct-wide, county-wide, State-wide, Nation-wide, and world-wide prohibition. Whisky never did anything for any man. It never made prosperous any community, county, State, or nation. On the contrary, it has left in its wake countless widows and orphans; it has wrecked the prospects of some of the world's greatest intellects, laid its withering hand on society, leaving broken hearts, smokeless chimneys, and pauperized families in its path; it has been a mightier Sampson of destruction than fire or sword or storm, than pestilence or plague.

Mr. Speaker, since I came here I have loyally cooperated with and supported every measure proposed by its enemies and intended for its destruction. I introduced in Congress at this session a bill prohibiting the sale of liquor within 400 feet of street-car crossings where transfers are given in the District of Columbia. I did this at the request of the national attorney for the Anti-Saloon League. It is a good bill, and I believe every fair man, no matter what his views on the liquor question may be, will concede that it ought to pass and that the lives of women and children who are compelled to make transfers at street-car crossings are not jeopardized by reckless and drunken men. After the bill was introduced it was suggested to me by the friends of prohibition that inasmuch as the new excise law which they had succeeded in passing after a long and bitter struggle, and which will reduce the number of saloons in the District from about 500 to less than 200, does not take effect until next November, they thought it wise that this bill be not pressed until that act had taken effect. These people who are earnestly seeking to rid the country of the whisky evil and who have devoted their lives to a practical study as to how this can best be done are entitled to lead in this fight, and I accepted their suggestion.

When the Democratic caucus met on the 12th of this month I spoke to Capt. HOBSON, who introduced this resolution, with reference to calling it up and making it a part of the program for this session of Congress. He suggested that the friends of the resolution thought it might not be an opportune time to present the matter, and I am willing to follow them.

Mr. Speaker, I have never failed to take a stand and express my views on every public question as it arose. I have not waited to ascertain what might be popular and then come out on the side of popularity. I fought for prohibition when there was a saloon on nearly every street corner in my State and when the outcome of the fight was trembling in the balance. I did this when many who are now so loud and vociferous were as dumb as an oyster, and you could not extract from them an opinion on the subject with a log chain and a yoke of oxen. The work which I have done for the prohibition cause has not been confined to high-sounding phrases and rounded periods—it is reflected in the statutes of Oklahoma.

Farm Credits.

EXTENSION OF REMARKS
OF
HON. J. B. THOMPSON,
OF OKLAHOMA,
IN THE HOUSE OF REPRESENTATIVES,
Friday, May 22, 1914.

Mr. THOMPSON of Oklahoma. Mr. Speaker, there is no subject on which this Congress can legislate at this session that is of so much importance as establishing a system of farm credits which will furnish cheap money to the farming and laboring classes of our people. I began a filibuster in this House a few days ago to force the consideration of such a bill at this session, and not next year or at some time in the future. I ceased that filibuster when I was assured that the bill would be considered if reported by the Committee on Banking and Currency. I have just read in the Houston Post, published at Houston, Tex., an article on this question by the Post staff correspondent, Mr. W. S. Gard. Mr. Gard, in reporting this matter to his paper, said:

While it is not probable that the Banking and Currency Committee will agree upon a rural-credits bill that can be taken up this summer, there is a possibility that in the event of a prolonged wrangle over the trust measures something may yet be done in this direction.

I hope this forecast is inaccurate. I trust there will be no filibuster by the committee which will prevent a Democratic Congress from redeeming a Democratic pledge made in the Baltimore platform. Mr. Speaker, there is widespread interest throughout this country in this subject. Be not deceived, for the people are closely following our actions. Since the newspapers carried the news of my fight a week ago for the consideration of this bill, I have received letters from all parts of this country urging action at this session. From Maine to California, from the Canadian border to the Rio Grande, the people all over this country are praying that we do not forget them in this crisis. I will insert one of these letters, which is a fair sample of what the people are thinking. When they ask for bread let us not give them a stone:

GREAT FALLS, MONT., *May 15, 1914.*

Hon. J. B. THOMPSON,
House of Representatives, Washington, D. C.

DEAR SIR: Press dispatches this morning disclose that you are making an effort to have the rural-credits bill considered at this session. You are certainly on the right trail, and I hope you will follow it to the summit. There are more people interested generally in this legislation than any enacted or proposed in the present session. The tariff, currency, canal tolls, and other enactments, while needed and appreciated, are nothing more than aids and regulations of trade and commerce, and do not reach down to the producer. Times have changed and are continually changing, and these changing conditions must be met.

We complain about the high cost of living, but lose sight of the means and cost of production. The producer must have cheap and ready means to start the plow. This means more things to eat and wear and less fluctuation in prices and less cost to the consumer in the things needed to sustain life. Besides, it will mean more hands at work on the farm, the stores, banks, and the other commercial pursuits. I need not dwell on this, for I feel sure that you have the subject well in hand.

I believe Mr. UNDERWOOD means well, and it may be that he has good and sufficient reasons for postponement of this law, but you may rest assured that the farmers and producers and workers of all classes, East, West, North, and South, are very much interested, and the Democratic leaders will do well to heed their wants and render aid in an effective and prompt manner.

A bank-controlled system of rural credits is not desired.

The fast-growing revolution in the manner of trade and production demands immediate attention. The workers must be kept in the field with a prospect of a reasonable reward for their labor.

I thank you very kindly for the stand you have taken.

Respectfully, yours,

RICHARD BENNETT.

Prosperity to the State of Oklahoma Under Democratic Rule.

EXTENSION OF REMARKS
OF
HON. J. B. THOMPSON,
OF OKLAHOMA,
IN THE HOUSE OF REPRESENTATIVES,
Wednesday, May 20, 1914.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I desire to call the attention of the House to an article which appeared in the St. Louis Republic of the 19th of this month to show the prosperity which has come to the great State of Oklahoma under Democratic rule. Prospects were never so good for an abundant crop as now. All lines of business and all classes of industry are going forward as never before in the history of our State. When we have solved the trust problems, established a system of rural credits that will afford the farming and laboring classes cheap money, and passed and carried into effect the other beneficient reforms we pledged the people in the Baltimore platform the people of the whole country will feel grateful to a Democratic administration.

I commend this article to our Republican friends, who from day to day continue to rise on this floor and predict hard times and paint pictures of idle factories, empty smokestacks, men out of employment, and a thousand other ills which their desire to receive the commendation of the American people causes them to see in their imagination. In order to convince the country that these awful forebodings which they spread from day to day on the pages of the CONGRESSIONAL RECORD were coming true another "Coxey's army" was organized to march on the Capital. This much-advertised and heralded "army"

arrived in Washington yesterday evening, and I am glad to inform our Republican friends that this "army" consisted of Coxey and a band of seven people—all working for pay.

In view of the prosperity which was driven from the borders of our country by 16 years of Republican rule, and which is now returning, I beg of my Republican friends to cease their talk about men out of employment and come over and join us in passing laws that will strike down monopoly, give trade and commerce a fair deal, without special privilege, unlock the shackles now binding the hands of our farmers and laborers, and make this country what it was intended by the fathers—a place where every man is equal and where no man has a special privilege.

TWENTY THOUSAND HARVESTERS ASKED BY OKLAHOMA—WHEAT GROWERS FACE HEAVY LOSS UNLESS THEY CAN GET MEN TO GARNER CROPS—HIGH WAGES ARE PROMISED—FRISCO AGRICULTURAL DIRECTORS AIDING FARMERS IN GETTING REQUIRED LABORERS.

Twenty thousand men are needed to harvest the enormous wheat crop of Oklahoma, according to Frank Anderson, director of development of the Frisco Railroad, who has charge of the agricultural interests of that system. The wheat crop in Oklahoma this year is about twice as great as normal, he said, and the farmers are afraid of losing heavily unless they get enough harvest hands.

The extreme dry season last year left many Oklahoma farmers without feed to carry their stock through the winter. So they sowed wheat for winter pasturage. Many of them did not expect to allow the wheat to stand for grain, but the prospects were so good in the spring that they changed their minds.

The wheat acreage for the State this year is 2,465,000 acres, says the Department of Agriculture, which estimates the yield will be 35,500,000 bushels. The acreage is 30 per cent greater than last year, but the crop will be more than double last year's because of the increased yield an acre.

FIRST BIG CROP IN THREE YEARS.

This is the first good crop of wheat Oklahoma has had in three years, according to Anderson, and it promises to be the largest and best in the history of the State. The condition is perfect, the wheat being free from bugs and rust. Continued rains are the only dangers the growers have to face now.

The 20,000 men will be needed by June 1 and will be paid good wages, according to Anderson, probably more than last year.

The Frisco Railroad has been busy all winter building cars and preparing to transport the big crop. About 35,000 cars will be distributed along the system in Oklahoma before June 1, so that the wheat can be taken to the market at once.

Men who go to Oklahoma can find employment in Kansas as soon as the Oklahoma crop has been harvested. From Kansas they can go north into the Dakotas and Minnesota to harvest the northern crop.

CALL SENT OUT FOR LABORERS.

Anderson has received letters from newspaper men and members of commercial clubs of Oklahoma begging him to aid them in getting the men needed to save the crop. He devoted yesterday to telegraphing to various points in Oklahoma to learn how many men will be needed in each locality. He also was in communication with the State labor commissioner.

E. K. Gaylord, business manager of the Daily Oklahoman, Oklahoma City, called on Anderson to learn what assistance the railroad could give his State in solving the labor problem. Among the editors who have written to Anderson for assistance are Frank A. Salter, of the Carmen Headlight, and J. M. Pate, of the Hobart Republican. The newspapers are acting as free employment agencies to relieve the emergency.

Pate says the Oklahomans will have to have more thrashing machines, because they have never had enough to handle the normal crops.

Life-Saving Service and Revenue-Cutter Service.

EXTENSION OF REMARKS

OF

HON. WILLIAM C. ADAMSON,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, May 21, 1914.

Mr. ADAMSON. Mr. Chairman, under the leave granted to me to extend my remarks in the RECORD, I include the following:

IN THE GENERAL ASSEMBLY OF THE STATE OF RHODE ISLAND.

Joint resolution favoring bill (S. 2337, Sixty-third Congress, second session) to create the coast guard by combining therein the existing Life-Saving Service and Revenue-Cutter Service.

Whereas the maintenance of the highest standard of efficiency in the saving of life and property from shipwreck is of great importance to the commercial and shipping interests of the State of Rhode Island; and

Whereas the United States Senate has passed and there is now pending in the House of Representatives a bill (S. 2337) to create the coast guard by combining therein the existing Life-Saving Service and Revenue-Cutter Service, which will assure greater efficiency by bringing together for more concerted effort in the saving of life and property from shipwreck two important branches of the Government service charged with that duty, one operating from the shore and the other on the seas and the Great Lakes; and

Whereas the existing provisions of law for retirement, longevity pay, and allowances for the officers and men of the Revenue-Cutter Service are by the bill referred to justly extended to the superintendents, keepers, and surfmen in the Life-Saving Service: Therefore be it

Resolved by the General Assembly of the State of Rhode Island, That the Representatives of the State of Rhode Island in the Congress of the United States be, and hereby are, earnestly requested to give their ardent support to bill S. 2337, and to use their efforts to secure its early passage by the House of Representatives of the United States; and be it further

Resolved, That a copy of these resolutions be sent to each Representative in Congress from the State of Rhode Island and to the chairman of the Committee on Interstate and Foreign Commerce of the House of Representatives, and to the general superintendent United States Life-Saving Service.

STATE OF RHODE ISLAND,
OFFICE OF THE SECRETARY OF STATE,
Providence, May 18, 1914.

I hereby certify the foregoing to be a true copy of the original resolution approved by his excellency the governor on the 6th day of May, A. D. 1914.

In testimony whereof I have hereunto set my hand and affixed the seal of the State aforesaid the date first above written.

[SEAL.] J. FRED PARKER,
Secretary of State.

Necessity for Antitrust Legislation Illustrated by Colorado Coal War.

EXTENSION OF REMARKS

OF

HON. JAMES W. BRYAN,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, May 28, 1914,

On the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. BRYAN. Mr. Speaker, this House is now considering the trust problem, and I have the privilege of extending my remarks in the RECORD on that subject. I shall insert a record of the incidents which occurred, and, it might be said, are still occurring in the State of Colorado. Some of the Members may censure me for consuming so much space in the RECORD with this story, but the facts I am thus placing in permanent record have not been handled by the press of the country. The people are in ignorance as to these awful details. No speech any Member of this House could make will approach the force of the arguments here presented for the necessity of relief against the rule of brutal big business in this country.

Judge Ben Lindsey is to be thanked for coming across the continent to make known these facts to the people. I am incorporating as a part of this record the proceedings of the meeting held here in Washington, the Capital City, which was addressed by Judge Lindsey and others. Let no Member complain about the space occupied by this awful recital till he knows of the details recorded.

The meeting referred to was largely attended and was held under the auspices of the Washington Woman Suffrage Council, at the National Rifles Armory, 918 G Street NW., Washington, D. C., Thursday evening, May 21, 1914, at 8.15 o'clock. The following proceedings were had:

Mrs. GLENNA SMITH TINNIN: Friends, your presence here this evening is an indication of your interest not only in the speakers but in the matter that they are to talk to you about. You are to hear tonight not a report that is being vitiated by rumors or by unauthorized public statements, but a story from the lips of those who know it, and who know it, we may assume, only too well. Just three days ago the Washington Woman Suffrage Council learned that Judge Lindsey and a committee of Colorado women had started from Denver to Washington for the purpose of laying directly before the President the facts of the Colorado strike situation. This organization foresaw at once the possible privilege of this meeting, not only for its own members but for the interested people in Washington, and the privilege of gaining thereby direct information on a situation that is of vital significance not only to the people of Colorado but to the people of the whole country. [Applause.] The Washington Woman Suffrage Council has as one of its direct purposes the providing of a forum, an open forum, admitting free speech on all subjects of industrial or human interest. I am sorry that those terms are not as synonymous as they were meant to be. [Applause.] But in this forum subjects of vital importance to any community or group of people may find expression by those who, through close association or through experience, are best qualified to speak on the cause of the conditions that they represent. It is such a meeting that we are holding this evening. For certain mysterious reasons the published accounts of the Colorado strike war have been meager and rare. Many of those who do not read rightly or do not read closely have not even realized that there has been and is still being waged in the Colorado mine district one of the most desperate industrial struggles in our history; and those who have read have been shocked into unbelief by the stories of battle and carnage and bloodshed—the Denver papers have said arson and murder. And it is not surprising that these reports should be discredited by all those who have any faith whatever in the civilization of these people; and so we have not known what to believe and what not to believe. Tonight we shall know better, and it is in the interest of a just judgment, in the interest of enlightenment upon a critical present-day struggle, which must have its effect on the industrial history of our country, that this meeting has been called, and that these speakers have responded, regardless of the cost it may be to their personal feelings, responded to the call to talk to you. I gladly turn this meeting over wholly into the hands of Judge Lindsey, and I now have the honor to introduce to you—and I am sure you have all met him before—Judge Ben B. Lindsey, of Denver, Colo. [Applause.]

SPEECH BY JUDGE BEN B. LINDSEY.

Madam Chairman, ladies, and gentlemen, I am sure it is a great privilege to have the opportunity to preside at a meeting like this, and I think we need offer no apologies that this meeting is held in the great Capital City of our beloved and common country, as other meetings have been held in my own capital city of my own State for the same purpose. As has been well suggested, the difficulty we face in Colorado is not local; just as is the story of one city the story of all cities in this country where privilege is to be had and people are to be exploited under certain conditions that exist in this country, so the story of one State where certain industrial conditions exist is the story of every State where similar conditions exist. [Applause.] And the difficulty we face in Colorado is, therefore, not a local difficulty, but a national difficulty, and we have the right as citizens gathered together in any State, and above all in the Capital City of this Nation, to discuss the troubles that have recently embroiled our own people. I am reminded, as I have read the papers in the last few weeks and months, of the philosophy of a small boy with whom I dealt once. I had taken this boy out of jail—that was in the old days when children were put in jail. He had been missing from home a month and he had told the police a number of stories, and the stories were so varied and different that, to ascertain the truth, I finally asked the little boy to go with me to make good the statement he had finally made that he had been living in a piano box for a month. I found the box back of an old ramshackle barn, and while I stood talking to this boy I heard the gang around the corner, out of my vision but within my hearing, and above the hum of voices I heard a boy say, "He gets full once a week." Another boy said, "No, he gets full once a month"; and I was anxious to know who was getting full, for we had upon one occasion some boys from that neighborhood that were drunk. That didn't happen often. I turned to my little friend, and I said, "Harry, I did you a favor; I got you out of jail, and now I want you to do me a favor; I want you to mix with the gang and find out who is getting full." I had forgotten for the moment the law of the gang which forbids tattling or snitching, as they used to call it, and, as he said, "I am to be loyal to the gang and loyal to the judge," he started out upon the mission upon which I had directed him. He came back and said, "Judge, it is the moon that those kids are talking about; the moon gets full once a week. The skinny kid said the moon gets full once a week, and another guy said it gets full once a month"; and he said, "I tell you, Judge, you just can't believe all you hear nohow." And so I find, in reading the reports and accounts of the conditions in southern Colorado that the cause of recent happenings has naturally brought them to the attention of the whole civilized world—as they ought to be—and one of the difficulties we face in these great industrial struggles is to get the facts. You meet people lined up on both sides, where prejudice is more or less rampant and men seem to be unable to reason calmly together. I learned in my own experience that the greatest factor in reforms are facts, but the greatest difficulty in reforms is to get the facts to the people, untainted, if you please. [Applause.]

Now, some of you may wonder why I am interested in this industrial struggle and may I say just a word about that before I introduce the speakers, who have a story to tell that ought to ring around this country; and if it does, and if this country is what we know it to be, this country is going to respond with a demand for justice, for which some people in Colorado are rightly calling loudly, at least up to this point, without receiving any. I have learned in that 15 years' experience in dealing with the welfare of the children of this Nation that there is no child problem that isn't a parent problem and there is no parent problem that isn't at bottom, more or less, a social, industrial, and economic problem. [Applause.] For example, before the State board of charity and correction, that met in Denver last December, or the State conference I should say, I was presented with a report by the secretary of that board that only one newspaper in the town would print. It was a copy of the record of the coal-mine inspector's office, showing that within a period of about four years, in practically two counties in the State, where coal mines exist, nearly 700 little children had been orphaned, made fatherless, or made dependents, because of explosions in those mines, two-third of which, according to Government reports, might have been avoided had the ordinary safety appliances and precautions been used that are used and have been used in other sections of the country, where such accidents, as a rule, are one to three and a half in that section. And how is a man on the bench going to stop the increase of orphan children, according to his courts, unless he can stop the lawlessness in mines taking away the parents of those children? [Applause.] There are 150,000 fathers, it is estimated by some, dying of occupational diseases every year, and 150,000 mothers being forced into the double burden of home maker and bread winner, because of certain conditions, with the result that over 100,000 children are hurled up into our courts every year in this country. Do you think we are going to stop this condition by sitting behind the table and looking across into the faces of tear-stained children? We are not going to do it. It is the thing for the doctor to do, when a patient is brought to the hospital with typhoid to go behind that hospital and find the cause of typhoid. [Applause.] And that is what some of us have dared to do in Colorado. We haven't stopped at the bench, we have gone beyond that bench, as the doctor would go beyond that hospital to protect the health and happiness of all the people. And yet some of the so-called interests in Colorado have come out boldly and said that we ought to be driven from the State. I am only driven from the State long enough to come down East once in a while and tell the people what is going on out there. We are not fighting alone for 100,000 children coming to the courts; we are fighting for millions of children that will come to court every year unless conditions that make for this effect are changed. And I haven't any apology to make for being here at this time, for I can do more good in two weeks away from Denver for a cause like this than I could do in 10 years in any juvenile court, and I want to say that when we are away there is a very good judge that carries on the work, so we are doing the thing from our court from both ends against the middle, if you please, and we are going to stop this thing, and the more they kick about it the more satisfied we are that we are really doing something for the children of this country.

I spent my vacation last summer, in July and August, most of it, up in the coal mines of Pennsylvania, and in the town of Shenandoah, where one-third of the population is said to be children, and when I discovered that fact I said Shenandoah is the greatest town in the United States, but I talked to a little boy there and he dragged me off down to the jail and showed me a dirty, insanitary place, into which the boys had been thrown, as he had, for the awful crime of picking up coal on the railroad track; and I found that little boy didn't have any father, and that his father was blown up in the mine, and that he went to jail for picking up the coal that came out of that mine. My friends, there are many things to show that there is something radically wrong in the laws of property in this country. [Applause.] That seems to be above the law of humanity. I have been in these mines, and I think I may be pardoned if I say I have learned to love these people, because they are very human; they are not the kind of animals you'd think they were, when you hear how they were shot down like dogs in our State, by men who look upon them as wild animals, and now, my friends, I was sitting once in the home of one of these miners, and he looked out upon the hill from which the coal came, and here was a little garden and his little home, and here he lived and slaved, toiled for 20 years, and he said to me, "When I came here there wasn't a hole in that hill; but my son was killed in the coal mine in that hill and I was maimed in that hill to bring forth the coal that was there and wealth to the men in New York, who own that mine and never saw it and never put it there. "No," he says, "God Almighty put it there for all His children," if you please. [Applause.] "But now they want to reduce the pay that we receive for jeopardizing our lives in the work that has taken from my family the son of my heart 10 cents a ton, and they tell us if we complain to get out, that they will bring somebody in from southern Europe to take our place." It is all very well to provide this sort of liberty for the American workingman. But, said this man, "What am I going to do with my home, all the accumulations of these 20 years? Sacrifice it all and get out, because I have nothing to say under your laws of property, as to what should be done with this work that God Almighty put into these hills for you and me and all of His children. Is it fair? Is it right?" I say it isn't. And when we consider to-day that the first, great, chief cause and difficulty between capital and labor is the lack of the personal relation that brings about consideration of man for man. Such exists in every State where these conditions exist, so that the men who own these mines live thousands of miles away, and the relation is absolutely impersonal, and because of the laws of property they present those who own any property a combination against the men who have to produce the work, and while that condition exists there are men in this country who say that so long as the personal relation between employer and employee is abolished, then it must follow that the only full, absolute protection is to get together in a labor union to protect themselves. [Applause.] And no man that is honest with himself, who has any conception of the present condition of property laws, who ever thinks, can deny that proposition at least as a method of protecting man against man—greed, if you please, against greed—under present conditions. And now, my friends, that struggle is bringing about strife and difficulty in nearly every State in this Union where such wealth has been put by God Almighty, who gave us these wonderful resources, and that is chiefly the cause of the difficulties we are facing.

Now, we have had that struggle in Colorado, and out of that struggle have come some terrible outrages—some sad and pathetic events that are to be regretted. These things are not approved by the people of our State. We have a law-abiding people in Colorado, as a whole. We have a liberty-loving people there. We have a people in Colorado who want to see justice established in the State, and where there is justice there won't be much need to worry about law and order, because justice means that. But, my friends, because of the laws of property those who have worked from the other end to maintain the rights of humanity have had to work under trying difficulties, and the peculiar thing to me is that they have been as patient as they have been. Violence produces violence. In a factory in Shenandoah they had a testing machine, and in that machine they had a steel bar that would require a pressure of 500,000 pounds, and we sat in that office, and you could hear a pin drop, and the man turned to me and said, "You don't see it." There was no explosion of dynamite, but the violence was there, which wrenched that steel bar apart. That is the kind of violence, under the laws of property, that is crushing down the laboring man of this country. But under the eternal law it is in some sections met with violence. It is to be regretted, though. But it is a little loud, and people understand it better. But, my friends, if we can usher in the reign of justice and drive out the reign of privilege we may get rid of the force and violence, but until we do we must try to get along. But I am sorry to say that in our beloved State, that I love as I love my soul, a life, with the lives of others, has been threatened because we have been devoted to that State, and in that devotion, devoted to all the States under the flag of this Union that we love; but, my friends, we have had violence there not because of our people, but because of the condition our people have had to face. And recently one of these violent outbreaks occurred in this present struggle between the mine operators, consisting of three great coal companies, the chief stockholder in which is Mr. Rockefeller, and the union men on the other side. It isn't the Western Federation of Miners, but it is the same organization that was formerly headed by John Mitchell and now by John T. White—the United Mine Workers of America—who are trying to unionize the men as far as they can by legitimate means, and we have here to-night some of the wives of the miners, some of the women, if you please, who were in what is called the "Ludlow massacre." This inhuman massacre happened on the 20th of April. It grew out of conflicts between what was called the militia, an undisciplined lot of men—in one company of 170 there were 126 men who were employees of the mine owners. There were a great many thugs who had no respect for men, women, and children. As to whether or not that statement is true you can judge after hearing the statements of those who have been there and those who have the sworn statements here, notwithstanding what you have heard and seen in the papers. And Mrs. Jolly, whom I shall have the honor and pleasure to introduce to you, is going to be the first to speak. And remember, these good women are merely ordinary wives of mining men, human, good people, who haven't a great amount of this world's goods, neither are they as low down in the social scale as some people might think they were.

Mrs. Jolly, and quite worthily, has well become known as the heroine of Ludlow, a good woman, who armed herself with the badge of the Red Cross upon her bosom and upon her arm, and went forth to succor women and children and to help to avoid the horrors of the massacre; and then we shall hear Mrs. Thomas, a lady who comes from Wales, who is a friend of Lloyd George, the great champion of human liberty in Wales, who has visited with Lloyd George and broken bread with him in the home of members of her family. That is the type of women, miners' wives, that are here to speak with you to-night. She will be followed by Mrs. Lee Champion, and she is a champion, indeed, the wife of a recently appointed district judge in Colorado, and chairman of the woman's relief committee. Then I shall have the privilege of introducing to you Representative McDONALD, of Michigan, and Representative BRYAN, of Washington, and now I have the honor and take pleasure in introducing to you Mrs. Jolly, of Ludlow, Colo., the Red Cross nurse.

Mrs. JOLLY. Ladies and gentlemen, I am a citizen of Colorado, born and raised in Colorado, practically in the southern coal fields, and I will try to tell you, as near as I can, the story of our terrible massacre in Ludlow. April 19 in Ludlow was Sunday. We had a baseball game there. During this baseball game the militia attended, which they had done before, but never with rifles. They attended with rifles and they had these rifles drawn on the game as though they intended to shoot the players. They were standing in so close around first base that it was impossible for a man to get there. One of our players asked them if they would please get out of the diamond. They would not move. Another man told them if they wanted to watch the ball game to put their guns at their side. They refused. One of the ladies in the crowd made the remark that if a bunch of ladies would start toward them with beebee guns they would run. At this they turned to her and said, "That's all right, girlie. Have your big Sunday to-day, but to-morrow we will have the ropes," and the man in the lead said, "It will only take me and my four men to clean out the whole bunch of you," which he and his four men, with help, did the following day. They had tried to start trouble before, but failed. On Sunday night they rode through the camp, and we thought that they were planning on blowing up the camp, but nothing happened. On the following morning they sent to my tent for Louis Takus, who was one of our leaders. When he went out a few of us ladies followed him. There were four militiamen—the same four who had been to the baseball game. They handed him a piece of paper with a name on it of some man who was not in the tent colony, and told Louis he wanted to take this man out. Mr. Takus asked them if they had a warrant or if they had been sent by the civil authority. They said, "No." They said they had been sent by the military authority, and he told them he understood the military authority was out of commission, but he would like to see the man who had given him orders for this man. The last remark that was made was that they would be back again. When they left the ground Mr. Takus went to the telephone and asked Maj. Hemlock to talk to him. He told him he would meet him halfway between the military post and the colony. Mr. Takus went halfway, but he did not meet him there, and he came back to the tent colony. When he came back he telephoned again. Maj. Hemlock told him to go to the depot, which he did. Following that, he probably had been there 10 or 15 minutes when he started coming toward our camp on the dead run, waving a white handkerchief. They fired two bullets and continued firing at him until he hit our tent colony.

When they started firing at the tent colony, our men decided that if they would take their rifles and leave that they would cease firing on the tent colony and that would protect the women and children, and they left. What women and children that could get out did, but women that were expecting to become mothers and women who could not possibly get out remained in places which we had which we called dug-outs or pits. They were dug there just immediately after we went to Ludlow. There had been two previous battles in Ludlow. At the time of the first battle it was not possible for the women and children to get out, and they dug these pits. After the first battle they were left there, in order that they would be a protection. And the military authority now claim that they were dug two days before the massacre. But they were not. What women and children could go into these pits got in, but they didn't cease to fire on the tents. They fought the women and children in the Ludlow tent colony. They started firing on us between 9 and 10 on Monday morning. They fired on us until I suppose—I don't think they ever ceased firing for about a week, but kept it up continually, and at 3 o'clock they set two machine guns right on the tent colony and started to riddling the tents. Between 5 and 6 o'clock the tents were set afire. During this day in the Ludlow tent colony, after they had fired on us so much, they decided that if I would dress in white and put a red-cross emblem on that they would quit shooting. I did that, but when I went out to the front they took the red cross for targets. I turned around and went back. Shots were flying all around me, and a bullet hit the heel of my shoe and shot it off. I thought at first my foot had been shot off, but I didn't have time to stop and see whether it was or not; I had to keep on the run. We then decided—this Louis Takus and I—that we would go from tent to tent and make the women and children in these tents as comfortable as they could be. We went about dodging bullets all day. At one time I went to my tent. It was one of the tents right in the front. And we found two of our leaders laying in back of the office tent trying to send a message. They asked me if I would stay there long enough to make some sandwiches. I went into the tent and I left my door open. Standing just opposite the door I had a large dresser, with a large mirror. I think they could see my reflection in this mirror as they opened fire on my tent. They riddled the dresser. I didn't stay very long, because I dropped on the floor. They shot on the tent for half an hour, and I guess they came to the conclusion that anything in there was dead. I finished making the sandwiches and went around the corner to give them to the men, and they started shooting at me again, and one of the men said, "For God's sake, girl, stay away from here. You are a hoodoo." At another time that day there was a wounded man in a tent, and I tried to go and get some dressing to use. The first time I made the effort I couldn't get there at all. They shot at me so strong I had to get back. So we then decided that if Louis would go on ahead of me and open the tent door, then I could get in. But he didn't succeed. He started out ahead of me and I lost him. And he went around one tent and I was following, and he turned around and said to me, "Drop and drop quick." He was behind a coal pile that wasn't big enough for one person to get behind. I dropped there with him, behind that coal pile. They shot at us a bit and then they quit, but they had just quit long enough to set the machine gun on us. It got so hot for three men that were following that they thought they would try and get behind the coal pile we were behind. And they also came and got behind the coal pile where we were, and that was five behind this little coal pile. However, they kept the machine gun on us, but didn't hit us, although the shots were hitting within a foot or so around us.

In the meantime, while they had us behind this coal pile, one of the children had the top of his head blown off in the tent and his brains were scattered over the other children with him. His father came out to tell us about it, and they turned the machine gun on him to chase him back home, and that is how we got away. This boy that was killed was Frank Snyder, a boy 12 years old. They had been in the cave all day. Mrs. Snyder has seven children, and he was the eldest; and at about 4 or 5 o'clock they got hungry, and, as they weren't shooting on the camp, they decided that they could go into the tent and get something to eat. She said they had been in the tent about three minutes. The little boy was sitting in her bedroom and he was sitting in a rocking-chair. He had just made an effort to caress his sister when the top of his head was blown off and his brains were scattered over his sisters. His mother had to keep them there until 12 that night. She couldn't even stop to see if the boy was dead. She had to get the other children out of the way; and at about 5 or 6 o'clock that night, when a fire broke out, we were trying to get the women and children together as nice as we could. We were going around from tent to tent, and from the light of the fire they could see us, and they would shoot at us, but they couldn't hit us. We got most of the women and children out, but we had got the report that day that one of Mrs. Petrucci's—she lost three of her children—one of her children had been shot. Louis Takus couldn't understand how she could get out with these three children, and one being dead. He said that if I would leave a band there of 50—he decided that if I would lead them out of there he would go back to Mrs. Petrucci and get her and her children. That was between 8 and 9 that night. He started back to the cave to get them, but when he started back they captured him and murdered him. But they didn't try to save these women and children, and I knew that they couldn't have murdered him quick enough for him not to have told her. They first hit him over the head—I didn't see him after they captured him—with a gun. They broke the butt of a gun over his head, and it fractured his skull. The man that broke his gun made the remark that he had spoiled a new gun. When he had fallen they shot him four times in the back, but he was shot after he was dead. They had also turned him over and stepped in his face. The print of the shoe or the boot is very plain to be seen on his chin. His nose was broken and his cheek bone was broken. We have a picture of it, if any of you would like to see it. They didn't go to this cave, but this woman and her children happened to be in another cave, where there were 11 children and 2 women taken out dead on the following Wednesday. On this Monday we went to Frank Bayes's ranch, about 1 mile below. They didn't fire on us, because they were too busy looting and stealing, but at 5 o'clock Tuesday morning there was an automobile came with two doctors in it, who came there to care for an injured man.

When this automobile came I suppose they thought it was some of the men—they immediately opened fire on the farmhouse. We couldn't in no way get to the cellar only through a side window. They kept us in the cave Tuesday all day; that is, most of the day. At this farmhouse we had a telephone. We couldn't find out anything about what was going on, only that they were trying to kill all of us; so we decided that we would eavesdrop on the telephone—not a very nice thing to do, but at the time of war anything is all right. We took down the receiver and listened. At one time there was one of the ladies in the Hasting Canyon speaking to the superintendent. She says: "Well, what do you think of yesterday's work? That was fine, wasn't it? They killed that old Jim Fowler and Louis, the Greek. Wasn't that fine? They burned down the Ludlow tents and we won't be bothered anymore, and we know of 28 of the dirty brutes that were roasted alive in the tent colony." But we never got any 28 back. They have evidently got rid of them some other way. We took down the receiver again in a few minutes and there were some men talking. "Well, we have all the important ones we want to get now except John Lawson and the two Winber boys, and we know where they are." But they didn't get them. We moved them. We didn't have anything to eat in this farmhouse. Everything was gone. This Frank Bayes decided that if he would take the Continental Oil Tank out that they wouldn't fire on us. So he went to a place by the name of Augusta to get us something to eat. When he went out they didn't fire. When he started back he got about a quarter of a mile from his home when they opened fire. The shots hit all around, but didn't hit him; but they did hit one of the mules. But he got into the house. That made them that much more furious. They simply started to shooting that place up right. Most of the shots were hitting in the chicken yard and back of us, but we thought they were going to hit us every minute, and Mrs. Bayes didn't know what to do. Finally she decided she would call on the men for protection. She called up the sheriff at Trinidad. He said he didn't have nothing to do with those men, but to call up a captain of the militia. She called up one of the captains of the militia. She asked him if he wouldn't try to protect the women and children. He told her that it was not his men, it was the strikers. But she told him that she knew better; that they were in uniform. He told her, then, that he would see what he could do; but the best advice he could give would be not to move, because anything that was seen moving would be shot at. So we decided that as soon as it was dark we would get out. That night when it got dusk we got out. After we left the farmhouse they had went there. They took everything that they could carry away with them. They took boxes of corn starch and scattered it all over everything. "This is what you get for harboring strikers. Cut it out or we will call again." This little note was left there, signed by the Baldwin-Phelps Detective Agency and the national guard. That night we went about 5 or 8 miles below there. We had two or three sick people in our party. We decided that we would take them the next day to a hospital. We went to a hospital in Trinidad. I found out that the bodies hadn't been rescued yet. They wouldn't even let the dead wagon in. So we got permission from Denver, from Gov. Ammons to go. He said that if we went out with the red-cross emblem on we could get into the camp. We made up a party of two automobiles. We went there and they let us go into the camp, but we were under guard, and there were only certain places we were allowed to get. All of the bodies were in this one cave. We found 11 children and 2 women. One of the women in this cave was in labor at the time she died. Her baby was born two days later in the undertaking department dead. While we were doing it they would sneer at us. I never in my life heard so much slander. They said everything they could think of to us. They tried in every way to get us to say something to them.

When we were taking these bodies out they would come to us, and they would shoot a dog or a chicken. Sometimes I think they were shooting at nothing, just to frighten us, but by that time we weren't a bit afraid of them. Finally we got the bodies all out, and started back. They held us up at the depot and searched our automobiles, but they were just simply trying to cause trouble. They held us up there for a good while, and then told us that they would not take any chances on any red cross or white flag, and gave us to understand that everything that came through there was to be shot at, until the Federals came in the field. I think I have told you now most of the facts of things that happened, but there are lots and lots I couldn't possibly tell you, and it is not possible to make it clear. We couldn't in any way tell you how terrible that was in Ludlow, but Mrs. Thomas, now, I believe, will relate a few of her experiences there in Ludlow. [Applause.]

Mrs. THOMAS. First of all, ladies and gentlemen, I would like to tell you that it is only 10 months since I came from Wales, and I have never seen anything like I have seen in Colorado before. I was raised in one small town, which was a very, very small place, but now a very, very large town. Everyone knew me in this town, and I was very much respected there. I got married there eight years ago, and I had 200 wedding presents given to me. One hundred and fifty-six of

these I brought to Colorado with me and $1,500, and which to-day I haven't got a thing to show but clothes which have been donated to me. I had a silver tea service given me by a society to which I belonged, and several other things which I could not mention here. These presents I had; I took great pride in them, and I thought it was a great honor for anyone to look at those, leave alone have them stolen or burned. I had been there two months when they came out on a strike. When I came to this country first, my husband went to a mining camp to work. When we were going up some one asked him where he came from, and he said he came from Wales. They asked him did he belong to a union. He said, "Oh, yes," and he took great pride in drawing out his union card. "For God's sake, hide it or else you go down sooner than you came up," the fellow said. So he had to put that back. I found conditions there intolerable. They were terrible. I had to live in a pigsty, as we call them in Wales. They were worse than that. I found the conditions so different there to the mines in which my husband had worked in Wales. He had only worked in union mines before, so we decided that we would not stay there very long. It was just like this: When we see our husbands go out through the door in the morning, every miner's wife goes to the door and thinks it is the last she is going to see of her husband, and if we hear of anyone hurt, everyone thinks it is their own, and to think that our men have to work under conditions like that. If the boss told a man, "You go there to work," and if that man knew the top would come down on him, he would get fired if he refused. He should not have a say in anything. And another thing they would do: One man maybe would say, "I will have $80 next pay day." If he had sixty he would have to be satisfied, and if he complained about it he would be fired. They say it was short weight, but no miner ever had a checkweighman of their own, so they could cheat them just as they had a mind to. [Applause.] Well, after I had been there for two months, we came out on strike. I was right with them, because I have been taught ever since I was a very little girl what unionism meant. [Applause.] When I came over to this country I didn't come a pauper. I sold the business I had, which was doing fine, and I brought $1,500 over here, and I had everything comfortable. Now, I haven't got a thing. That is what Colorado has done for me. My husband was born in America, and we thought we would like to come back to the place to see it once more.

Judge LINDSEY. Colorado hasn't done that—you mean Mr. Rockefeller.

Mrs. THOMAS. Well, he owns Colorado? [Applause.]

Judge LINDSEY. I promise not to interrupt any more.

Mrs. THOMAS. Well, when we did come out on strike there were gunmen placed on each side of the camp where we came from, just a few yards from one another, pointing guns at anybody, if they just looked like a union man. That is the first time in my life I ever saw a gun. I have seen so many now that not one would scare me. And we were driven down this canyon just like dogs. They knew that there was not enough chance there, but that was not the United Mine Workers' fault. They had ordered 300 tents two weeks before this strike came on, and the C. F. & I. Railway pretended that they couldn't find them, and they were only to come from Denver to Ludlow. And that is what they did, just to keep us out in the rain and snow for a whole week. There were as many as 30 under 1 tent, and all our furniture, bedding, and everything else left out in the weather. Well, we determined—they were against us so much—we determined to stick together more than ever. [Applause.] And when the gunmen came—they were there ready for us; they had 300 of these gunmen there. Well, the operators wanted us to fight with these gunmen, so that they would be able to have the militia in there, so that they could put the expense on the State. We could see these things. We were not as crazy as they thought we were. We had meetings to this effect: That if we were to fight with these gunmen, that they would have the militia out, and that they would be able to carry on a strike. And when these gunmen came down to shoot into the women and children and our men couldn't stand it any longer, they had to take to their guns. And the militia came in, and we were determined to treat them as society should be treated. We went to meet them. We invited them to our dances. We danced with them. We invited them to our homes. We gave them suppers. But in a very short time the operators saw that that didn't pay them. They wanted to cut off the friendship that existed between us. They took these militiamen to take up these strike breakers in daytime, so that we would be able to see it. They knew it would make us mad, and it did. When they came to our dances we refused to dance with them. One of their officers asked me, "How is it you don't dance with us?" I said, "Because you can't be on two sides; if you are going to take these strike breakers up there, we would much prefer you to respect us and keep away"; and he said, "We will not be down again." And that is just what he wanted, and from that on the militia started against us and did everything that was mean. They were continually wanting to search the tents. They would fix their machine guns right around the colony and place soldiers with fixed bayonets ready to shoot the men. We were pushed about like dogs. Women that were pregnant were knocked around just as if they were beasts, and they continually came there to search, and they would take everything they wanted. They would look into little drawers that were just that size for guns. We asked them would they please divide up if they found any money. They kept all the money they found, and several things they stole. And one time their captain searched them because the complaint was made that they had stolen things, and they found things on them. I guess I have to tell you about my being in jail.

I was going to Trinidad the day we were protesting against Mother Jones, and I wanted to go down so bad that I was hurrying to catch the train. But they made me lose the train. I determined to go anyhow, because I had other important business to attend to there. An automobile was passing down at 2.15. There was the driver and two passengers in it, so I asked them if they would give me a ride to Trinidad, and they said yes. I got in. Immediately I got in they started asking me questions about Ludlow. "Isn't it too bad about these poor miners there just listening to a few agitators?" one of them turned to me and asked. I said, "You needn't feel sorry. They are just doing fine." So he said, "But there are lots of people going to work, isn't there?" and I said "No." He said, "Why, there were 20 of them that went this morning," and I said, "There is only 4 gone altogether." So he saw he couldn't get out of me what he wanted and he didn't take any more notice of me and I didn't take any more notice of him. I didn't care, as long as I got to Trinidad. When we reached Trinidad I noticed he looked sort of funny. We stopped opposite the Colonial Hotel. He rushed out right away. And so I got out and I looked down the street and the parade was over and everybody was coming back. I was going up to the house of a friend to wash my face, and while I was looking about I walked to the house. I got there in about 10 minutes. I went up four of the steps, when one of the militiamen pushed me to the floor and the lady friend said "What are you doing?" He said, "Walk on." I said, "I don't have to." And he said, "Your business is to walk on." And he knocked me down three times, just as if he was piking Jack Johnson. So finally one other fellow—there were two 6-footers—some one jumped up and he said, "Arrest that woman." And they took me right up at the post office, with about 50 militiamen standing around me, and they kept me there for about 10 minutes, when Gen. Chase came along and one of them said, "This is Mrs. Thomas, from Ludlow." "Oh," he said, "that is her. Well, you keep her until I give you further orders," and they kept me on that road with 50 militiamen for two hours—they kept 50 watching me for two hours. Well, then they marched me up, in front of this 50, to jail, and when I went there they took my size, my weight, the color of my eyes and color of my complexion, when I was born, and things of that sort, and he couldn't decide what color hair I had. He said, "What color you call that?" I said, "Pale blue." [Applause and laughter.] And then he put me into the cell, and the cell, it was beastly. There were two other women that were arrested, but that night they let them out. So I thought it was going to be my turn next, but it didn't come my turn. I had my hat on, so that if it came my turn I would be ready to go. I got into the dirty bed that was there, and the rats, they were around there something terrible. That place had been condemned years ago, but they kept me there, and I told them that I wanted to bring my children, and I dropped a note out through the bars, so somebody would find it, and somebody did, and sent it to my husband, and I told him they were going to send the militiamen for my children, and I would not trust my children in the hands of any dirty militiamen, as I found them. [Applause.] And I told my husband that he wasn't to give these children out of his hands until they came right into mine, and he was not supposed to see me. So he came down to the jail and he said that he wanted to take the children up. They told him "She is a military prisoner." And my husband said, "These children are not going out of my hands until they are in hers." So, finally, when my husband was going out he said "I guess I'd better let you go."

When he brought them up to the door the jailer said, with his arms folded, "Mrs. Thomas, I shall have to listen to what you and your husband say." I said, "All right, listen." But we spoke Welch, and he couldn't understand it. So he got so mad, and he left me talk about three to five minutes, but I could tell him a lot in that time. And then when my children came down they got so depressed with that place. One of them asked, "Mamma, why do those bars be on the window?" And they put their little hats and coats on and tried to drag my hand, and asked me to come out; and when he would bring food he would throw it right to the floor, as if I was a dog, and he would click that door. Every time the key clicked it would go through my heart. I had never heard them before until I had to go through with it myself. I sent a letter to Gen. Chase, and I asked him what charge did he have against me, and what did he have me in there for. That if he would give me a trial I could prove I hadn't done anything, and he never answered my letter. He kept me in there for 11 days, until he felt like letting me out, and without any trial at all, and I don't know yet what I have been in for. Then they got so mean with our men by now, that every man that would dare go outside the boundary of that tent colony would come back with black eyes. There isn't a man in our tent colony they haven't beaten up like that. But you don't hear about it. Now you hear, after we have had to make such a sacrifice. These people were dear to us. We were brothers and sisters. We clung together just like the ivy. And referring to the battle which Mrs. Jolly has explained to you, I just want to tell you that a few days before this battle they pulled down the American flag and fixed up a red flag there instead of it. So that showed they wanted a fight, and the morning that this fight started no one had any idea of a fight. Everybody was in bed. Do you think that they would have stayed in bed until the first shot were fired? We would have saved our most precious things. I ran to a well with 70 people when the fighting started. I was afraid the staging would break. The well was 150 feet deep. But I put about 50 people in there and went with the other 20 up into a stable. The shots were firing through all day, and I was going out to the parties to see how things were going on. There were about 50 of these men there, and they knew very well that women and children were there, and only 4 of these Greeks kept them at bay, and I filled their rifles for them and don't care who knows it. [Applause.] We hadn't even had breakfast that morning. We weren't even dressed. Our children didn't have shoes and stockings on their feet. We were there until 7 o'clock that night, when there was a freight came along, and somebody suggested that would be the only means of escape.

The freight train was coming up this way [indicating] and the militia was over there [indicating], shooting this way [indicating], so I was about 15 yards away from this well, so I said I would go to this well and tell these people to get out. They were down so deep that they could not hear the freight train coming. They said not to go, but I decided I would go, and I went; and when I went to this well these people were so excited that they could hardly get up, but they got up and I was the last woman to leave that well, and one Greek helped me with one of my little girls and I took the other one. And when this man that was driving this freight train through got opposite the well one of these militiamen went up and said, "If you don't move out, and damn quick, we will shoot you, too," and he had to move out; and when he did move out they could see me, when I was standing up, and they were shooting at me and they shot a piece of my hair off, but I am not dead yet. [Applause.] And when I was running to this arroyo I fell over a man that was shot. I fell over this dead man. And they told me that when he died "Union forever!" was on his lips. I had fallen over this man's body as I was going to the arroyo, and they were firing, too, as I was running up this arroyo, and there were pregnant women with us and seven other children, and the most pitiful sight you ever saw, and these women were lying on the side of the arroyo fainting. I tried to throw some water at her, and I took her running as fast as we could to the first ranch, and we reached this first ranch, which was about 2 miles. If we could have crossed right across, it would only have been a mile. We could see this tent colony ablaze, and we knew we had not a place to lay our heads. We were just like Jesus Christ was born into the world. When we reached this ranch we could see these soldiers—I won't call them soldiers—I could see these men on horseback as if they were coming in that direction. Fighting the women and children; that is what they were fighting. They didn't want to fight men; they were too cowardly to fight men. [Applause.] And I could see them heading for this ranch, so there was a man there with a big wagon, so we had the oldest women and children put in this wagon and we walked behind it and we walked for another 8 miles—from 15 after 7 until 12.30 in the dark, and you couldn't see your hand before you, and the little children were so afraid they wouldn't make a sound, and the women held their hands over the babies so they would not make any noise, so they wouldn't know where we were and could

follow us. And one man had to get out of bed with pleurisy that morning. We were leading the road. We had lamps, but we daren't light them, and we had to travel in the dark, and we got 4 miles farther than we ought to, owing to no light. When we reached the second ranch we put the children in bed—15 in one bed—and we lie down on the floor ourselves, and was very glad to have that place that night. We got up that morning and heard that our men on the hills didn't have any water. We took a bucket up to these hills, which was another 5 miles, that morning, and when we were reaching these hills the shooting was terrible. When we got to the foot some men were coming down, and said, "For God's sake, go back. You needn't take that now; they have a barrel of water." And we left the buckets there at the foot of the hills so they could get it if they wanted it. And that night we went to Trinidad. We had to go on a road that had never been used before, and had to take 5 miles more just because we had to go on a road so that we wouldn't be caught. We found the people there very, very kind, and we thank everybody for what they have done for us; but even more so than charity we want justice. [Applause.] I will read to you what one of our men has written. John D. Rockefeller, when testifying before the congressional committee investigating the matter, when asked if he approved of the use of machine guns and paid gunmen, replied, "My conscience acquits me."

She then read a poem by a miner on the subject.

REMARKS BY MRS. LEE CHAMPION.

Mrs. LEE CHAMPION. It will be very tame to hear me speak after listening to these "ignorant foreigners." However, I want to tell you that what they have just told you is absolutely true. And the reason I know is because I went down there and made an investigation. In the first place, I was chairman of the Ladies' Relief Association, of Denver, to relieve the sufferings of the women and children, and I was sent down there to investigate their conditions and report back to them. I first went to Trinidad, then to Ludlow. I went in company with Miss Alma Lakaday and Miss Evangeline Hart, of the Peace Society. We went out and presented our credentials to Maj. Hemlock, then returned to Trinidad and began to gather evidence. In a couple of days the other ladies returned to Denver, and I went on with my investigation. There are some points they didn't touch upon, and that is the destruction of private property which did not belong to the miners. There were homes belonging to different parties which these soldiers—I ought to apologize for saying that—entered and ruined completely. There were two stores which they entered, and they demolished everything they didn't carry away. They scattered flour and meal over everything—demolished everything in that place. They entered a bakery and demolished everything in that. They entered a mother's store and demolished everything in that. They entered private residences and carried away jewelry, hand-painted china, carried away trunks, carried away everything that was worth carrying away. Now, this I know and can prove, and I am prepared to do so, and if anyone denies this you ask them to show me their proof that it is not true. I went down to the grounds of the Ludlow tent colony. I never saw anything that spoke so much for itself as this ruin. I have some of the pictures here, and I wish I had enough so that you could all see it. If you would go there to-day and you could look at it, the thing speaks for itself. The colony was laid out in rather regular rows, with streets or alleys, and I think they were numbered. My first observation when I got there was a chicken house right up close to the tent, which was not burned; that is, the parts which were made of wood were not burned. At that time the mine owners held that the miners had burned themselves out. They had done it, and they contended that the tents were not set afire. Now, I have affidavits to show that they were set afire. All of the affidavits which I collected on my trip of investigation I have given into Judge Lindsey's hands, believing that a lawyer can do better justice than I can. I observed these pits. This particular pit, in which these women and children were found, was the safest pit in the whole place, and it was just a little larger than is given in the coroner's report. I know that because some one went out and measured it. There were many grave rumors in regard to what became of some of the people, who have not all been accounted for. That is one of the particular reasons I had been sent from Denver. After the others left for Denver I went out, and with the aid of men, picks, and shovels we tried to find something else. I knew we wouldn't find anything, but we wanted to satisfy the public. There were something over 20 who were still missing.

While I was there in Trinidad word came that it was reported that a certain well ought to be investigated, and as I had originally got permission to do this work from Holbrook, they thought I ought to ask permission of Maj. Lockett to go out again. The coroner, the district attorney, this gentleman, and myself visited Col. Lockett and he requested us not to do this at this time. It was during the disarmament proceedings and they didn't want any agitation, and promised later to let us go, but the general opinion—I will not make any statement not covered by an affidavit without telling you so (this isn't covered by an affidavit)—but the general opinion of most people is that if there were any dead not otherwise accounted for that they were burnt in the coke ovens. It is true they have not yet been accounted for. There was one pitiful thing in connection with this, and that was the cries of a child away in the mountains. Supposing that door was where the high elevation of ground on which these guns were placed. That corner over the place at the steel bridge. This side of the room as the Colorado & Southern Railroad tracks. Beyond that a switch, on which there was a long string of steel cars, from which the men shot into the tent colony. It has been the custom of the men, in order to protect these women when there was any trouble imminent, to leave the tents and go for the Black Hills, away off to the left. When the gongs were sounded the men immediately made for the left, so that if the militiamen were going to fight them they would fight them off to the Black Hills and would let the tent colony alone. The pump house was all back. Behind the pump house was Mr. Lowe's residence, and near that this deep well. It was something awful. It had a stairway leading down to one landing. Then another stairway. It led down one side, then a semicircular landing. The stairways led from that side down, and so on, with this deep well right in the center. Why those children weren't all drowned I don't know. They were there all day. We have the testimony of a Mrs. Dear. They claimed at first that the strikers started it. I got my affidavits, before any of the militia had testified, that they had tried to start this fight with the strikers. All of my affidavits so far state they tried to start trouble at this ball game on Sunday. Since that time a lieutenant and some others at this military court—kangaroo court—that they held testified that they had attempted to, but had not succeeded in doing so. Mrs. Dear testified that she got up about 9 o'clock and was washing her hair, when her husband told her to come quick. She said she saw them throwing up breastworks and planting their guns. She then ran to her neighbors and told them that there was liable to be trouble. She observed nothing that would cause this except that some boys were playing ball. I have in my possession the affidavit of one of the boys who was playing ball. He was totally unconscious of any trouble at all. A couple of horsemen came down the hill to the right and came past her door meeting these other horsemen. When they met they returned from the direction of the steel bridge. As they went by her home one of them yelled, "Good-bye, we are off," and everybody took to the cellar. We had a public meeting in Denver and one lady, a coal man's wife, said, "Mrs. Champion, isn't it true that none of those children were shot?" I said, "One boy was shot." She said, "That was all?" I said, "Yes; but which would you prefer, to have your children shot to death or smothered or burned to death? Does it matter?" There is some mystery around this. The whole truth of this has not come out, but there are those who have told me that they were afraid to tell the truth. It isn't only a matter of losing your job; you are much more likely to lose your life. That is the absolute truth. In time, you will get this all, I am very sure; but there is some mystery about one thing—these children.

This mother, Mrs. Petrucci, had three children suffocated while she was unconscious in this hole. The next morning she became conscious, but she lost consciousness and never saw them again. I have talked to her about this since, and afterwards secured the affidavits of the other parties, several of whom were Mexicans, and I had to have the services of an interpreter. The interpreter said the thing that puzzles the women is that where they had left their children that were not burned. They were suffocated. There are many and grave rumors about what happened to them. But to put more enlightenment on the situation,. I want to tell you that that day some time a saloon was demolished and $1,200 worth of beer and whisky disappeared. I don't know whether it was demolished or not, but I doubt it. I fully believe that those men were drunk when they did this, because no human being can go over that ground and imagine a man in his senses doing what they did. Behind one of the stores, lying there to-day, is a little pig that was taken out and its two forefeet cut off. Some of the clothes of some of the ladies were taken and destroyed, and the nasty, corrupting things that were done would put any man to shame. None of these places of business were miners' property at all. To me it looked like a villainous, drunken orgy. I have given all my testimony over to Judge Lindsey, and I want to give it over to all who want it. The press of Colorado say, "Oh, don't ruin Colorado." They are ruining Colorado themselves. I want to tell you that the financial bodies of Colorado have smothered and smothered these things until the whole State is besmerched right now. [Applause.] And in my report which some certain individuals—you may guess whom—tried to prevent me from publishing I asked them for once to let in the light of day and to make a social bonfire and burn up the political rubbish, and then they could resent people pointing the finger of scorn at Colorado. They deserve all they get for permitting it all this time. When this thing happened I couldn't sleep at night. I can't explain it to you. It was an awful thing to think of. The horror of it got on my nerves so that I could not sleep. I wish I could picture it to you just as bad as it was. I said, when I went off that day and before I went down, that every citizen of Colorado who sits still in the face of such a thing is participating in those atrocities. [Applause.] And I offered my help, and I paid my own expenses down there, and I am going to pay them clear through, just for principle's sake. [Applause.] And just one thing more. You will hear something better in a moment. You have no idea of the tensity of feeling in Trinidad. Now, don't think I am lying about this. I was walking along with a lady, and she said there are 1,000 union-line women in this town who, if they impose upon women and children any further, will fight; and she meant it. [Applause.] She also said, pointing to a printing press, "The Free Press." She said that place has kept, until the Federals came here, a force in their back room to keep the militia or gunmen from blowing up their press. I doubted that. I had no idea how it was. I walked straight over to this printing office and I said, "Is this true?" They said, "Yes; we kept 15 men in that back office, and across the street is a building in the second story of which we have kept an armed force of men to prevent them from blowing up the Free Press." Why? Because it never gave a wrong statement during the time I was there. The worst feature of the whole thing is the Baldwin-Phelps Detective Agency. It is one of the obnoxious features of the strike. There is an army of them there at Trinidad. To my mind those coal companies are criminal organizations or they would not need them. [Applause.] When I got home I was very tired. I had been unable to sleep, and I thought I wouldn't let anybody know I had arrived home. It was just a little bit until there was a detective in my home. He said, "I am president of the Cigar Makers' Union; my name is Robert Johnson," and he says, "Now, you are an intelligent woman, and it is too bad you have to pay your way down there yourself. Won't you let us pay your way?" What he wanted to know was, "How much will it take to make you keep your mouth shut?" [Applause.] I could talk a long time, but this is enough. They have told their story, and every particle of it is true. It is almost unbelievable, but it is true. [Applause.]

FURTHER STATEMENT BY MRS. THOMAS.

Mrs. THOMAS. There is one thing I forgot to tell you. It is the insults we have had to take in Ludlow from these gunmen. There was no law to protect us. We had no place to take our cases to. I know, for one night, when two militiamen came down drunk, and there was a woman there, they told her to drink some whisky, and she wouldn't, and they were going to arrest her and take her to jail because she wouldn't, and she called me and she said that they were going to arrest her. I said, "You will not take that woman out to-night or you will take me, too. If you want that woman come down in the morning." And it was 12 o'clock, but they never came. But the insults we had! We will never do it again. We would rather be shot. Although we are ignorant foreigners, we would rather die than take what we have taken. Our honor is more to us. And they say all kind of things about Louis the Greek. That was the most intelligent man I ever met. He was the hero of Ludlow, a man who knew the Bible—not like John D. Rockefeller. It always reminds me of a society lady that came from London one time down to Wales, and when she was there she thought she would like to see the miners. She went near the mine to watch them come home, and when she saw them she said, "Well, but aren't they like men." So the same thing applies here. [Applause.]

Judge LINDSEY. I hope the audience will have a little patience. We have a few short speeches from some very important gentlemen. You are to hear from Representative MACDONALD, of Michigan, who can tell you and will tell you a most interesting story. You are going to hear from Representative BRYAN, of the State of Washington, who has a little constructive program he will perhaps refer to, and Congressman EVANS, who has been on the investigating committee in Colorado. These

speeches will be brief. We will now have an announcement by Miss Winslow.

Miss WINSLOW. I have an announcement to make. I want to say that your part of the meeting is now to take place, because the ushers are starting to take up a collection, which we hope to defray the expenses of the meeting with. The Washington Woman Suffrage Council is very energetic, but poor. We will arrange all the meetings we possibly can for you, but we shall have to ask for a contribution from you to pay for them.

Mrs. TINNIN. The request that this announcement be made has been sent to the platform: There will be a conference on behalf of the unemployed at 811 E Street NW. on Friday (to-morrow) evening and on Saturday, May 23, from 10 to 12 noon, and Saturday evening. All are invited. Signed, D. F. Wheeler, P. H. Turner, and James E. Hall, committee.

CONGRESSMAN MACDONALD, OF MICHIGAN, INTRODUCED.

Judge LINDSEY. Ladies and gentlemen, I am sure you will not be seriously disturbed by the collectors, but, in order not to lose any time, I now have the pleasure and privilege of introducing Representative MACDONALD, of Michigan.

Representative MACDONALD. Mr. Chairman, ladies, and gentlemen, with all due respect to our friend Judge Lindsey, I have been very much impressed in watching the effect of these wonderful stories upon you and noticing your demonstrations by the fact, and I doubt whether there is a "judicial temperament" in this audience. [Applause.] The things that you have heard related to-night have occurred in Colorado—Colorado, in the United States of America, not Russia. And the things that have happened in my home in the copper miners' strike in Michigan are exactly the same kind of things. [Applause.] These occurrences that have happened in the last few months can be easily explained away by any number of great constitutional lawyers that we have in this country to-day. [Applause.] They can show you that our people that have been killed by these gunmen imported from the East into our States according to the strict letter of the Constitution [applause] and say "What are you going to do about it?" The story, as Judge Lindsey so well said, repeats itself over and over again. A few months ago these horrors were happening at my home in the copper strike in Michigan. The men were imported from New York—hired gunmen—and were turned loose upon our people. They in some cases wantonly murdered them. Since that time some of the gunmen have been brought to trial and have been convicted. The judge in sentencing four of them to the penitentiary said that this was a case of unmitigated guilt. At the time, before we had accomplished this, before we could get these men brought to trial, for three months after they had committed this wanton murder upon our people, they were still in charge of the administration of the law in our community. You heard of the awful horror of Christmas eve at Calumet, in which 73 people were crushed. Sixty-two little children killed. Their lives crushed out. All these things happened and it is gone by. The strikers have been beaten. They have gone back to work—as many of them as can get work—and the same old conditions will go on, the same old injustices will work over and over until it breaks out again. The same thing will happen in regard to Colorado. The forces of society that make these things possible will go on just the same, apparently. You are interested to-night and you are enraged, but in a few short months it will be forgotten. The powers of society that prey upon our people will go on preying, and what are you going to do about it?

SOME ONE IN AUDIENCE. Take over the mines. [Applause.]

Representative MACDONALD. How are you going to take over the mines?

SOME ONE IN AUDIENCE. By confiscation.

Representative MACDONALD. Now, just listen a moment. We have not only some 15,000 employees in the mines in our community, my own community, but we have a great many other people—professional people, business people, just as you are. I have talked to many audiences in my home, just like this audience. You will be surprised, no doubt, to learn that when the time came—the crucial time came when our miners were struggling in the last extremity, when they were absolutely astounded and dazed at the brutality, the atrocities inflicted upon them by these hired gunmen and the local officers and the powers—you will be surprised, no doubt, to learn that the large part of the respectable element of the community sided with the mine owners. They held meetings in their churches urging incendiary action. Incendiary speeches were made, urging action against whom? Against the striking miners and against those whom they called the agitators. All the influences of society there—the churches and everything else—were used by these forces against these men who were struggling for justice. Now, those people are not any different than you are, except that they are there, and when these forces are applied they respond. How can these conditions be remedied? It means determined, systematic work and a determined, systematic program—political program. In every one of these cases, I say, these powers that prey are the wealthy, these malefactors of great wealth—and I dare say that most of you can not deny this if you are honest; down in your heart you can not look upon a man who is worth twenty millions as absolutely lacking in respectability. And the time will never come when we are going to redeem ourselves in this country until we get rid of that slavish adoration of the material things of life [applause], until we get to the point where we really mean what we say—that a crook is a crook no matter whether he is a millionaire or a pauper. [Applause.] You know perfectly well, and I know, too, the difference between murdering one of these multimillionaire mine owners and murdering one of the miners. Which would shock you the most?

A SMALL PORTION OF THE AUDIENCE. The miner.

Representative MACDONALD. No; it wouldn't. Here is another thing. Not one of these social cataclysms occurs in this country, not one but what at the critical time the officers—the public officers that you elect—are found on the side of the powerful.

SOME ONE IN AUDIENCE. But we don't elect them.

Representative MCDONALD. But you do

SOME ONE IN AUDIENCE. We don't in the District of Columbia.

Representative MCDONALD. Most of the residents of the District of Columbia don't vote here; they gone home to vote. But in all such cases that it is the problem that we must meet. It must be met politically. I don't mean partisan politics. It is a political problem. It can be met by putting men into office who will serve the people who put them there. We had our experience in Michigan. The copper miners' strike was not 48 hours old before every single national guardsman of the State of Michigan was either there or on the road—some 2,600 of them—and when they were there they were placed at the disposition, of course, of the mine owners. We had a governor of the State of Michigan, a man who has been going up and down the State for 30 years preaching about the rights of the people, and he said and he continued to say that if outsiders would mind their own business—meaning the Federal Government, Congress, and the President, and the Department of Labor—that they would settle the fight themselves in Michigan. And when a resolution providing for a congressional inquiry was introduced into Congress he immediately sent a telegram calling the Member who introduced that resolution a traitor and a liar.

SOME ONE IN AUDIENCE. Did it go through?

Representative MCDONALD. Yes; it went through, and the committee investigated and we are waiting for the report. Now, I only expected to talk a moment or two, but I do, friends, want you to carry something away from this meeting. Don't just merely leave a wonderful impression upon your sympathy, but take it with you that you owe a duty, every one of you, to do something in this situation. You can help make public opinion. Make up your mind that as far as your influence goes that you will exert it. [Applause.]

CONGRESSMAN BRYAN, OF WASHINGTON, INTRODUCED.

Judge LINDSEY. Ladies and gentlemen, I have the honor to now introduce to you a man who has some constructive ideas of this difficult situation, who has endeared himself very much to the people of our State, Representative BRYAN, of Washington.

Representative BRYAN. Mr. Chairman, ladies, and gentlemen, I have got the biggest job of my life to do right now. In 10 minutes I have got to tell you what to do, how to do it, and how to take care of Mr. Rockefeller, and how to take care of the mining situation out in Colorado. We have had a good deal of talk about our duty. We must consider our duty. But the eloquence of Webster, the moral conscience of Wilberforce will not do by itself. We have got to have common horse sense in this particular situation. The reason why all of this trouble is prevailing out there is because an absent landlord owns vast areas of land, and by the power of money he says who shall come and whither they shall go and what they shall do. He has that power by virtue of that title. He must be divested of that title. [Applause.] That ownership must be taken away from him. It has been said here to-night that the coal was put there by God Almighty for the people of this country. It is true. No man has a right to gather unto himself the resources of this country in such superabundance that he can compel the whole mass of people, a large number of people, to come to him for that necessity of life. [Applause.] John D. Rockefeller has no more right to the coal mines of Colorado than he has to the moon. In pursuance of those ideas I have introduced a bill in Congress, and I would like to see that bill enacted into law. It provides that under the conditions out there the President of the United States is ordered to take possession of these mines with his Army; with the soldiers he is to take possession of them and operate them, and he is to put the men to work, and he is to see that the present conditions are improved; and while he is operating them the Attorney General is to begin condemnation proceedings and take away from John D. Rockefeller these coal mines; and having taken them away, the flag is not to be hauled down. Uncle Sam is to continue in ownership and is to continue to operate these mines. Why should they not be operated for the people by the people? Why should they not be maintained, not to make a few men rich and give to them an entirely disproportionate amount of money; instead of that, why should they not be operated for the people who have to be warmed by that coal? They ought to own the mines; and if that plan is followed, if that course is pursued, we will be able to operate the mines under decent conditions, decent labor conditions, and under conditions that permit the people to have peace; permit the people to have ball games, if they want to; permit the people to go to church and worship God; permit the children to live under decent conditions. Colorado—the name is disgraced. That will be wiped out and Colorado will be pure, because the mines will be operated not for profit nor for a miserable desire of a few; for the sake of greed, to mass up their wealth, but for all the people. We had, only a few years ago, an awful fight in Pennsylvania, and then there was a man in the White House [applause] that when he said something, when he showed his teeth and talked about calling out the troops, they did not fool with him. Not a bit. [Applause.] Do not stop me by applauding; let me make my speech. We have a President whom I love, whom the majority of the American people love. More people love Woodrow Wilson than anyone could believe. He has more unanimous support of the people at this moment than any man you could possibly think of. But, according to my opinion, President Wilson, whom I respect, and I would not say anything against him, but I believe he is on trial right now. I believe that there are a large number of people that believe he does not possess the necessary nerve, the necessary backbone, to handle such a situation; and if he does not show it in this instance, he is just as sure to lose the confidence of the American people as he has the confidence of the American people now.

When the anthracite coal strike was on, that great strike in Pennsylvania, Theodore Roosevelt sent word to the Army officers, and he arranged with the governor of Pennsylvania that the governor was to call for the troops if they wouldn't arbitrate, and he had all the arrangements made to take over that mine, and he has given to us the very details that he had planned to use to acquire and operate those mines in the name of the United States Government, and those mine operators knew that Theodore Roosevelt would do exactly that very thing. It is true that Theodore Roosevelt didn't plan to keep them in the Government ownership and continue to operate them, as I suggest, but the time has come to go him just one better, and I believe that there is the only way we can do the things that we have to in Colorado. We have had all these property laws passed. We have men going up and down talking about the duty to the State. But we have got to be practical. We have got to take these utilities, the great franchise-bearing utilities away from private parties. We have got to break the power of the great railroads of the country who have monopolized transportation. We want to take away from private interests the railroads of this land and the fuel that we use and need. And if we do that, if we have a program, then Congress can act, then Congress and the legislatures can act. We can tell them how to act. We don't have any trouble in the Post Office system. Everything goes along nicely. And so we can handle these big problems in this country, and I hope that every influence will be brought to bear that can be brought to bear to develop a sentiment for the passage of a bill that means the taking by due process of law of the coal mines away from Rockefeller and placing the title in the United States Government, where it ought to be. [Applause.]

Judge LINDSEY. Mr. Judson King has a resolution he would like to read to you, providing for Government operation of the Colorado mines and providing fair wages to workers and fair prices to consumers, which embodies the fundamental solution of the Colorado situation, and to be passed by those present. [The resolution in question was read. It indorsed and recommended immediate passage of the bill for the Government to condemn and operate the mines.] You have heard the motion offered by Mr. Judson King?

Congressman KINDEL. I amend it by saying all the mines.

Congressman BRYAN. We don't want any such an amendment or any such a suggestion. The gentleman knows that there is no plan on to take in all the mines. Take in gold mines and silver mines and amend the bill, amend the proposition so it is worthless. We have one thing to do, Congressman KINDEL, and we don't want any suggestions about any other mines.

Congressman KINDEL. I don't believe that there is a man in this house that has stood by the masses as against the classes for the last 25 or 30 years as I have done.

Judge LINDSEY. The Chairman can vouch for that.

Congressman KINDEL. I believe it is the prerogative of American citizens to tell the truth and to know the truth, and to have the courage to tell it. I want to see if there is anybody here that can dispute this fact that we have succeeded in Colorado to get the initiative, referendum, and recall, and Judge Lindsey and myself have done great work in that line to accomplish it.

Judge LINDSEY. I can vouch for that.

Congressman KINDEL. I want to say, further, that the mine owners have done all the things that have been asked of them six months prior to the strike.

Congressman BRYAN. It isn't so.

Congressman KINDEL. I want to say that if this is not true that they have sent this telegram out, I want to be the first to help to throw stones. I am on record as having been opposed to John D. Rockefeller long before you folks ever heard of him.

Judge LINDSEY. All in favor of the resolution of Mr. King signify it by saying "aye."

(The resolution was unanimously adopted.)

CONGRESSMAN EVANS, OF MONTANA, INTRODUCED.

Judge LINDSEY. You will now hear from Congressman EVANS, who was on the congressional committee. After that, I am going to tell you about our visit to the President of the United States.

Congressman EVANS. Mr. Chairman, ladies, and gentlemen, the promptitude with which you passed a vote on a resolution concernig something about which you know nothing prompts the suggestion that perhaps we, as a people, get just as good government as we are entitled to. [Applause.] Under our form of government we always get just as good government as we are entitled to. If we do not like it, we have the power to change it. If we continue in one old rut and it is bad, we have nobody to blame but ourselves. Let us be sane upon this and all other questions. I, too, believe in taking some things from some people, but I am going to take them, so far as I am concerned, according to the laws of the land. That is what we have laws for; and when you take them otherwise you have anarchy, such as you have in Colorado to-day. For several weeks I stayed in Colorado, assisting in taking 7,000 pages of testimony. It was there that I met Mrs. Thomas, who for 11 days laid in jail without cause, without reason. It was not done according to law. [Some one asked, "Why?"] Why wasn't it done according to law? Because—I will tell you why. You people ask; I may offend these good people here—because the State of Colorado lacks more in moral sentiment than any community I ever saw. I told them so. The people of the country wouldn't publish the news there. They wouldn't publish the testimony that was given.

SOME ONE IN AUDIENCE. Why wouldn't they publish it?

Judge LINDSEY. Please don't interrupt the speaker.

Congressman EVANS. And that is the only way you will ever win a fight, by being orderly and being sane and going at the matter with deliberation. I think outside of these few people here that I know intimately more about the Colorado situation than any of my audience. I went out there, prompted by a resolution of Congress, as a Member of Congress. We went into it as deeply as we could, and I found the most deplorable condition out there. I am going to tell you of some of the conditions we found. And I want to tell you, to begin with, that, in my judgment, all the blame is not on one side. That is natural. That is human.

When I lived as a boy out in the western country, as a young fellow, I was a dispatch carrier in an Indian war—and the war they have had in Colorado is an Indian war. It was an eye for an eye, a tooth for a tooth, and a scalp for a scalp, and its doesn't make any difference whose scalp, so long as he is of the opposing side. A mine guard killed a striker and a striker killed a mine guard. It is a disgrace to civilization that they imported these gunmen from West Virginia, and they carried the same machine guns that had been used in West Virginia. There was one place where the law was weak—that they shouldn't import guns for the purpose of shooting down the inhabitants of their State. You will never have peace in Colorado until you have industrial justice. It will never come from precipitous action upon the part of this audience or any other audience. I want to be reasonable about this business. I am a law and order fellow myself. I tried to get the militia to put me in jail in Colorado, because I thought I could break the strike if I did. I have heard that the militia was hitting people over the head and putting people in jail, and I thought I would ascertain for myself. I dropped in at 8 o'clock and went on the street corner. Trinidad is a town of about 15,000, well lighted; and I saw a man—a cavalryman—standing on the corner talking with some other men. I went up and joined in the conversation and asked this soldier several questions, what his hours were, etc. He answered them all very civilly. In the course of two or three minutes I finished my conversation. Up rode three petty officers. They were militiamen—cavalrymen. The man in charge whispered something to the other two and then turned to me and said, "What is your name?" I said, "I don't know that that is any of your business." He asked me then, "What are you doing here?" I said, "I don't know that that is any of your business." He said, "You get off that street corner." I said, "You get plumb to —— down the street." And I tried to get him to hit me. They knew the committee was coming to town that night, and he wouldn't do it. He rode off down to headquarters and came back in a few minutes and said, "I am sorry, Mr. Congressman, I insulted you. I owe you an apology." There are some good men in that militia out there, but there are a lot of plug-uglies, gunmen, and thugs imported from New Mexico and Texas and West Virginia as ever cut a throat or scuttled a ship. There isn't any question about it. The testimony reveals the fact that in one bunch of men that were enlisted in the State Militia of Colorado one bunch of 18 men were in the employ of one of the mining companies, drawing $100 a month; and they continued in the employ of the mining company, drawing $100 a month. They drew also $30 from the State of Colorado, which is a disgrace to the condition of our civilization out there. Perhaps Colorado was not to blame for that. I will tell you the cause of the trouble out there—the reason those men struck. The conditions under which they lived were absolutely intolerable, as these witnesses have told you. All the mining in Colorado is done in canyons. Coal is found cropping out on either side of a narrow gulch and they develop it, and they build a town for the purpose of mining it. They incorporate this town after they have built quite a town. Then they apply to a board of county commissioners to abandon the public road that runs up this canyon and goes down on the other side. They abandon that public road and they make it a private road, and they put a guard across this road at the line of the company's property, and every living soul who goes into that incorporated town or goes out must get a pass. Think of a Congressman having to get a pass to go into an incorporated town in the great State of Colorado.

VOICES IN AUDIENCE. Law and order! Law and order!

Congressman EVANS. Is there anybody—will anybody here stand up and tell me that he doesn't believe in law and order?

SOME ONE IN AUDIENCE. Not if that is law and order you are telling about, I don't.

Congressman EVANS. I didn't say that was law and order.

SAME PERSON. Let me say something further. I don't believe in the law and order that our courts usually deal out to us.

Congressman EVANS. That, in turn, is the trouble of the citizenship of any country. Because we control our courts. We elect our courts, and when we can not elect honest men, then we must admit ourselves incapable of republican government. Let us not forget that we are Americans, worshiping under the flag of the Stars and Stripes, telling all the world that we are self-governing. Let the good people of the District of Columbia not forget that. Out in my State I have a vote, and I worship the right of that vote, and I am going to give it to the good women of my State in the hopes for better government. The chairman has cautioned me that I must stop.

Judge LINDSEY. Glad to have the Congressman go on.

Congressman EVANS. The conditions in Colorado are absolutely intolerable. And in one of these incorporated towns, for instance, we had a man on the witness stand. He told us he was mayor. We were criticizing the conditions there, and I criticize them now very frankly; but I am not willing to criticize so frankly that these people for a moment believe that I believe in anarchy. This is the kind of law and order they have there now. That is the reason I asked Mr. Wilson to send the troops there when the matter got beyond the control of the civil authorities. We said to this mayor, "Have you ever ordered anybody out of town?" He said, "I ordered one man out." "What was his name?" He said, "Ben Tolman." "What did you say to him?" He replied, "He had been talking union too much." "He had been talking union too much?" "Yes." "He had his house there?" "Yes." "He abandoned everything?" "Yes." That is one of the conditions under which the people live. I took the coroner's reports of the county district. I found that there were 232 violent deaths in that county—187 were accidents in mines. I found that, so far as the record was concerned, and the law provided they should hold inquests, that they held 30 inquests out of the 232, and I found that the foreman, one man, an officer of one of the leading political parties there, was foreman of the jury 24 out of 30, which was out of the 232. And I found this sort of a record of one man killed: "John Smith, age, etc. Killed in mine by fall of rock. Injured in spinal region. No funds, no relations, and damn few friends." And that was the record. I asked Mr. Rockefeller on the stand about it. He thought it was a term of endearment that was used.

There are things I would like to tell you about Colorado, but my sympathy is with the people that are working out there, and if we are going to take the mines of Colorado, let us take them by law. I asked Mr. Rockefeller what he thought about it, but he dodged the question. I don't blame him for dodging. I haven't time to discuss that with you. I am grateful that Judge Lindsey came here to enlighten these people. For six or seven weeks I tried to get some publicity on the conditions. There wasn't a paper in Denver that would dare publish it. I said to them if the press of the State of Colorado had given to them the testimony that we developed in the statehouse we would have settled the strike before we left. The press of all States has been subservient. Since then they have come to their senses, and are to-day giving to the public the conditions that exist in Colorado.

Mrs. CHAMPION. I wish to inform the gentleman that one of the papers had a suit brought against it for $600,000 for publishing the truth. Just an instance of a new system of blackmailing.

Judge LINDSEY. As soon as the papers begin to publish the facts Mr. Rockefeller proceeded to sue them for $600,000 for telling the truth.

SOME ONE IN AUDIENCE. I rise to ask a question for information. I am a curious sort of a chap, and I want to ask the distinguished gentleman from Washington about how long he thinks it will take to get his program through the American Congress.

Congressman BRYAN. The gentleman himself calls the rolls every day; he ought to know. Turn out the Democrats and put in the Progressives, and we will do it right away.

Judge LINDSEY. I would also like to ask how he expects to get it past the Supreme Court and the Constitution.

Congressman BRYAN. We are building the Alaska Railroad. We have that all fixed there. The Supreme Court has had its ear to the ground.

Congressman EVANS. The power of eminent domain has been suggested, and I quite agree that there is some way to get justice, notwithstanding the Supreme Court.

SOME ONE IN AUDIENCE. I would like to ask if there is anything about divesting those mine owners of those mines? If not, in what political platform is there something about it? [Applause.]

Judge LINDSEY. Mr. BRYAN, you have been asked a question.

Congressman BRYAN. I really didn't hear the question.

(Same person repeated the question.)

Congressman BRYAN. Well, only indirectly. It is not directly stated, out the Progressive platform says something that bears directly on it. You read the Progressive platform, and you will find it there.

Judge LINDSEY. We promised to close this meeting at 11 o'clock, and the ladies have requested that they be kept not later than that.

SOME ONE IN AUDIENCE. That provision is in the Socialist's platform. [Applause.]

Judge LINDSEY. If Mr. Rockefeller knew how many Socialists he is making in this country, he would tumble over himself to have this question arbitrated.

SOME ONE IN AUDIENCE. I want to ask you a question. I want to ask you, don't every intelligent man, as a matter of fact, know that it is utterly impossible to get Mr. BRYAN's resolution or bill through this session unless the President of the United States does as the one preceding the last did in the case of Panama? He took the Constitution from the shelf, got Panama, and put it back again.

Judge LINDSEY. That is substantially what we have asked President Wilson to-day with reference to the situation in Colorado. Whether he will do it or not is a matter of speculation.

SOME ONE IN AUDIENCE. Why don't you ask William Jennings Bryan?

Judge LINDSEY. I am sure that I voice the sentiment of this meeting in expressing its gratitude and thanks to the women who have made this meeting possible, who you will observe are not antisuffragists, and,

secondly, I would now crave your indulgence for a few moments. The hour of 11 has arrived, but in defference to some of the gentlemen's questions I will have to ask for about five minutes or thereabouts to do two things. I want to read a resolution that was passed at a meeting at the State capitol in Denver, on the 15th of May, that involves in part the proposition proposed to the President to-day by myself and some others, who have been asked to come here and intercede with the President to step in the breach and help to save us, and, in a measure, save this whole country from the possible difficulty that we may meet unless he is willing to take the action that has been requested. I will read this resolution, and I will ask your kind patience while I go through it. It is very short; and then I will spend a very few minutes of your time in closing the meeting by telling you about the very interesting meeting that we had to-day between the President of the United States and the good women of the State, in which meeting I had the honor to be a participant. The resolution was unanimously passed at one of the most enthusiastic and one of the largest meetings of men and women that ever crowded in the State capitol at Denver. The resolution is as follows:

RESOLUTION ADOPTED AT A GREAT MASS MEETING OF THE CITIZENS OF DENVER AT THE STATE CAPITOL MAY 15, 1914, AND REAFFIRMED AT MASS MEETING IN WASHINGTON, MAY 21, 1914.

We, men and women of Denver, assembled in mass meeting, are dealing with a crisis caused by the entire collapse of our State government in a desperate emergency. Our legislature has proven itself impotent or corrupt, and our executive has publicly admitted his helplessness. We know that with the dangers threatening the country outside it is impossible that Federal troops should remain indefinitely upon police duty in Colorado; we know, on the other hand, that their withdrawal means the outbreak of civil war upon a scale even more terrible than during recent weeks. We therefore declare it our conviction that there exists a condition of military necessity such as to justify the President of the United States in using his authority to force an immediate settlement of the dispute upon a just basis to be determined by a Federal commission of conciliation. Inasmuch as it is well known that the miners are willing to submit their cause to such a tribunal, and that the only obstacle to such a settlement is the attitude of the coal operators, we declare it our conviction that the President should use his military authority to close down the mines until the operators decide to yield to public sentiment and the claims of justice and humanity; and that furthermore the President should make clear that, unless such concession is quickly made, he will take possession of the mines and operate them in the interests of the consuming public.

We are convinced that this course of action offers the only hope of an honorable settlement of a dispute which has shamed our State before the world. In order that the facts and arguments which have led us to this conclusion may be properly presented to the President, we are resolved to appoint a committee of representative citizens of this State to proceed to Washington and request an audience. And we furthermore invite the representatives of the miners to appoint a committee of women who have personal knowledge of the horrors of the recent civil war to accompany our committee and interview the President, in order that he may be informed at first hand what are the conditions against which this meeting protests.

We believe that in the above resolution we are embodying the opinion of all citizens of this State who are humane and enlightened, and we call upon the public sentiment of the country to manifest its sympathy with us. Raising our hands in this meeting we declare our solemn resolve that there shall be no more bloodshed in this State, and that the coal strike shall be settled, not according to the arbitrary will of either of the contending parties, but upon a basis of justice and humanity to be determined by disinterested authority. We believe that such an authority is found in President Wilson. We have confidence in him; we know that the miners have confidence in him; and we declare our belief that if the coal operators have not confidence in him it is because they know that their course can not be defended before the bar of public opinion.

And I want to say to you, if I may again interpolate here, that I have talked to the miners, and on every hand I hear nothing but the kindest consideration and remarks concerning the President of the United States. They feel that the President of the United States has been as friendly to them as he could be, and that he has tried as far as it is in his power to do justice in this case. [Continued reading.] And I would like to ask here if some one will make a motion that in so far that these resolutions are general and not local, if we may not ask this mass meeting to adopt these sentiments as expressed. Moved and seconded that the sentiments be adopted. Those in favor of it say "aye." [Unanimously adopted.] And now, my friends, in pursuance of this resolution, we may finally come to the conclusion of our meeting, and I will now relate a matter I know you are all waiting to hear. I had the honor to be importuned by a great many of our great people to see the President. The widow of our own Robert W. Steel, who rendered the dissenting opinion in the Moyer case, Mrs. Steel, was one of the good women who saw us off at the train. They asked us to come here to Washington with the women from Ludlow and Mrs. Champion, and present this matter to the President as best we could, and to propose one or two or three plans of settlement. I want to say to you that the President has shown us every possible courtesy and consideration—all that we could ask. He made an appointment with us yesterday, but because of the sickness of one of the ladies of our party we missed our train. And Miss Jane Addams, of Hull House, entertained us, presided at a meeting at Hull House, and expressed her warmest sympathy with the purpose of this committee coming here to Washington. We had another meeting before the School of Civics (etc.), presided over by Mr. Taylor, and the newspapers gave a great deal of publicity to the story told by the women who have come all the way to Washington to tell you their simple, yet terrible, story. The President had great consideration for us. He made way for us, and at 12.15 we appeared at the Executive Offices, in accordance with the engagement, and for about 30 minutes, which I think, under the circumstances, was about all the time we could ask or expect, he listened to the stories of these good women. He asked questions, and he permitted me to state, of course briefly but I think sufficiently, what many of us in Colorado believe is the best way out of the difficulty, and, my friends, it is this: There are several plans that we had to propose. First, let me preface this briefly by saying that the testimony which I have in my hands, but which at other meetings I shall refer to, shows beyond a question of doubt that the governor of the State and the legislature have absolutely failed in their duty toward our people in preserving the sovereignty of our State under these conditions.

SOME ONE IN AUDIENCE. What political party does the governor belong to?

Judge LINDSEY. Democratic. I will have to ask you not to interrupt me. We are all tired and our ladies are not very well, and my wife is quite ill; and we come under great stress of difficulties, and my voice isn't as strong as I would like to have it. Under other circumstances I would be glad to answer questions and to have more of these splendid meetings. Our plan is briefly this: That because of the conditions and the fact that the governor has confessed his inability to control this situation when he asked the President of the United States to send the Federal troops into Colorado, under the Constitution as it is construed and generally understood, the President of the United States has a right, when the legislature makes the request, to send the Federal troops to a State to restore order. If the legislature is not in session, then the governor may make that request. The legislature had met, but they made no request to the President to keep the Federal troops there. We understand the governor wants it, but, whether that is true or not, the people are practically agreed that if the President withdraws the troops from Colorado because of these brutalities and cruelties comparable to nothing, the militia will not have the respect that it must have if it is going to preserve peace, for these miners are men who have red blood in their veins, and after the indignities heaped upon their women and children it would be hardly possible to expect them to show that kind of obedience we would like for them to show. But however that may be, it is not for me to discuss, further than to say we are agreed that if the President withdraws those troops, which means a repetition of the horrible happenings of the Ludlow massacre—and the President of the United States can not afford to subject those people to that possibility—then the President of the United States, in the face of that admitted fact, must put human rights above property rights, even though they are the property rights. [Applause.] I happen to know, and I think I am violating no confidence in stating, that since last November President Wilson has done everything that he could do to bring about a settlement of this difficulty, until it has reached this phase now where he must find some other power in order to bring about a settlement; that he shall keep those Federal troops there and prevent the importation of strike breakers and permit a fair controversy between these controlling forces and the mine workers. I believe the result would be to eventually bring about a settlement. That was the first. The second was this: That he further use, under the circumstances of military necessity, the police powers and other powers that we believe the President may find in the Constitution; that he close down those mines, take possession of those mines in the name of the Government and in the name of peace and law and order as the only way that it can be obtained, appoint a law and order commission, and hale Mr. Rockefeller into the high court of public opinion and compel him and those with him to consent to an arbitration of these difficulties in the interests of peace and humanity and human life in the State of Colorado.

We believe that the President would be justified to take even as extreme a course as that. Extraordinary conditions demand extraordinary remedies. But without a line in the Constitution or the law the President and Congress can turn loose the dogs of war and plunge this country into a war in order to maintain a doctrine that never was in the Constitution. Mr. Lincoln did not wait for the Constitution to be amended to free the black slaves, and when we face these great crises in our Nation's affairs, not only concerning Colorado, but it also may spread to other States and involve possibly this whole Nation at a time when we are facing a foreign foe, we believe that the situation is so extraordinary that the President would be justified in doing what we to-day have asked him to do, if it is necessary to be done in order to prevent a repetition of the horrors in our State. These people, if you please, are citizens of our State, and they are entitled to as much protection as we would be if we lived in foreign countries, and some of the consuls have appealed to the President already, who asserted that because of these conditions that have been described here to-night the State of Colorado can no longer guarantee them protection. In a word, the republican government has broken down in Colorado, and under the Constitution that the General Government may be called upon by the people of a State to preserve a republican form of government of that State, and we believe that President Wilson is amply equipped with power, with public sentiment ready to stand back of him, to do the things we have asked him to do, any one of which we believe will bring an end to this war in our beloved but suffering State. He has it under consideration. He is going to do what he can do with the light that he has to-day, I think, and we are going to wait patiently and abide by the decision as law-abiding citizens. I wish to thank you for your kindness and consideration.

Mr. Speaker, there are many who will not believe the stories told by the speakers at this Washington meeting can possibly be true, and I deem it necessary to add affidavits and sworn testimony that will be convincing to all who read.

STATEMENT OF REV. RANDOLPH COOK.

GENERAL CONDITIONS.

Approximately one-eighteenth of the population of Colorado live in Las Animas and Huerfano Counties, but one-third of all the illiteracy of the State is found in these two counties, or six times our proportionate share. This is due to the large per cent of foreigners in our population. It is in this mass of illiteracy that, first, the agitator gets in his best (?) work, for, owing to the illiteracy and prejudice of the people, they are easily led.

No. 2. Hence there is congenial soil in which to sow the seed of discontent.

No. 3. Here amidst these conditions the corrupt politician gets in his work.

SPECIFIC CAUSES OF THE STRIKE.

First. Fundamentally the corporations are to blame for the strike. (a) They are to blame by reason of the fact that they have brought to this community large numbers of foreign-born peoples, who, while they are not fools, are ignorant of our language, customs, and laws; thus they have distinctly lowered our social, moral, and economic standards. (b) As soon as these foreigners became sufficiently acquainted with our customs, laws, and language to resent oppression the companies turned on them, called on the militia to help them out, and the taxpayers paid the bills. (c) Now, these companies (Colorado Fuel & Iron, Victor American, and Rocky Mountain) have sought to dominate our politics by electing, as per common report, the judge, sheriff, coroner, and assessor. It is common report that a man need not stick his head up for office who is not favorable to the companies. (d) At a time of dissatisfaction these companies secured large numbers of armed guards, whose very presence was an intimidation to the workmen and a menace to the peace of the community. (e) The operators made a mistake in not conferring with the miners' representatives when invited to do so September 17, 1913.

SECOND GENERAL HEAD NO. 2, AS TO THE CAUSE OF THE STRIKE.

The governor is responsible for this strike, who, by reason of his failure to enforce the laws on mines and miners which he swore to uphold and defend, can not escape the responsibility.

No. 3 The negligence of the so-called "good people," who to the extent of their influence have sat idly by and allowed this boil or cancer to develop on our social body, which sooner or later must burst. Even the churches themselves can not evade responsibility for this condition.

No. 4. The cause of this strike is the miners themselves, who through their leaders may not have exercised that caution in words and acts properly due under a strained condition or realized the rights of others to work if they choose.

MORAL EFFECTS OF THE STRIKE.

First. The moral effects of the strike are to be seen in the number of lives lost, estimated to be between 150 and 200.

Second. In the enforced idleness of the men, which is deteriorating in itself, resulting in the loss of millions of dollars to the community.

Third. Until recently this enforced idleness greatly accentuated the saloon business and that of the "red-light" district.

Fourth. Certain general disregard for all law.

Fifth. It is believed that the presence of the militia has distinctly lowered the moral tone of this community, as evidenced by the number of girls in the juvenile court and a large number of others who married under 16 years of age.

Sixth. It is a matter of common report that spotters visited the churches and took note of any remark that the minister might make in his public sermon or prayer that might be used favorably to one side or the other, and one minister states that he was explicitly warned in advance that spotters would be present at a certain funeral service.

THE WOMEN'S PARADE, JANUARY 22, AT THE HOUR OF 2 P. M.

The parade consisted of about 300 women, approximately 50 children, some of them infants in their mothers' arms, followed by several hundred men, mostly miners, and many local citizens as onlookers. As they reached the place on East Main Street, where Gen. Chase was stationed, mounted on a horse, he with five of his subordinate officers ordered the paraders to turn back. The order was disregarded and many persons ran about and between their horses, and proceeded on about 125 feet eastward on Main Street, where they were stopped by a number of cavalrymen, turned back, and in much confusion returned to the main part of the city I watched the pursuit of the parade one block; I saw one gun and many sabers drawn by the cavalrymen. I noticed one militiaman on foot use his bayonet to prod a woman; one cavalryman dismounted from his horse, took deliberate aim with his fist, and struck a woman on the left breast. I saw Gen. Chase kick one young woman with his foot; one cavalryman dropped his saber. The women threw missiles, such as ice, sticks, and small stones at the militia as they were being rode upon and bumped by the horses' hoofs. Six men were arrested at this particular place, and I noticed that one was bleeding from a wound just back of the right ear, and the blood ran down his neck. I noticed one woman who had been cut on the ear. Bayonets were used to prod the people, sabers were flourished, and one cavalryman drew his revolver and struck at the people. Horses were ridden so close as to bump and jostle the people with their knees as the horses stepped.

A BOY'S BRAINS SHOT OUT BY ROCKEFELLER AGENTS.

Affidavit of William Snyder.

STATE OF COLORADO, *Las Animas County, ss:*

William Snyder, of lawful age, being first sworn, on oath deposes and says that his name is William Snyder; on Monday morning, April 20, at 8 o'clock in the morning or about, after the gunmen had lined on the Colorado & Southeastern tracks, they sent a detail of four to the Ludlow tent colony, presumably to arrest one man without a warrant; we refused to give up the man without the due warrant of law; that the said detail said that they would get their man if they had to search the camp; that we were to produce that man by afternoon or they would search; they went over to old Company K camp and reported, and from there they fired three signal shots, dynamite, I guess they were using; and all guards began to pull out of the cannons—that comprises the two cannons—and also between 20 and 30 cavalry on horses left Company K camp and crossed the Colorado & Southern track, main line, by the depot, and took position south of the Colorado & Southeastern tracks; our men, realizing that trouble was in the air, in order to avoid a massacre and the shooting of women and children, went to the Colorado & Southeastern tracks on the north and took up a position against them to keep them away from the women and children; that the gunmen, to start trouble, undoubtedly, fired the first shot, and from that time on the battle raged, they using their machine gun, three machine guns being in action; that at about 4.30 our men, running out of ammunition, had to retreat, and from that on the Baldwin-Feltz took our position and the colony, and they shot up the colony with the machine gun and rifles and started to burning the tents, not stopping to look if there were any women, children, or anybody else around. Owing to us turning our arms in to the militia, they several times took advantage of our unarmed situation and tried to carry out the threats that they had made that they would clean Ludlow out, and did. I myself, not being armed, stayed on the tent-colony grounds to protect my family to the best of my ability; and that about 4.30 p. m. when the thugs or militia had right flanked our colony and shot through my tent and killed our boy, showing clearly that they did not stop to see whether there were any women or children on the colony ground or not; just previous to the time the boy was shot he got out of the hole or cave where my children were to get his sister a drink of water, and as the firing had slackened the children had left the hole, being out of the hole from five to eight minutes, and stepped into the bedroom of my tent; the boy, Frank, was sitting in the chair with his sister on the floor between his knees, and he was in the act of stooping to kiss or caress his sister, when the bullet struck him above the temple on the right side and blew his brains out. I was standing near the front door of my tent, and I heard the impact of the bullet striking the boy's head and the crack of the bullet as it exploded inside of his head.

The boy was killed by an explosive bullet. I went to the boy to render what assistance I could, and while falling I caught him in my arms, and in the act of letting him down to the floor two more bullets passed over me in the tent; then I went to the hole where my family and children were, and seeing the boy in his death struggle, went to him again; was in the act of washing his face when another bullet went over me. The firing became so heavy that I went to my family and stayed in the cave with them until they burned the tents. They fired this tent of mine by standing by the southeast corner with a piece of paper on fire in their hands, and as the tent was blazing they came in the tent. This I observed by looking out of the hole where we were located. As the tent was in flames they opened the door and came in, and then my wife pleaded to save her children, telling them they had already killed one, and, for God's sake, to save the others. Whereupon this officer assisted Mrs. Snyder from the hole, and the other children. By this time there was five or six of the militia or thugs in the tent, and wanted to kill me. And I asked them to let me get my dead boy to the depot, and to which this officer consented, after cursing me, putting a gun to my head, and threatened to kill me; and on leaving the tent with the corpse I laid him down outside of the door to put on my coat, and I requested of some one to help me carry this boy to the depot. I was told that I was big enough to carry him myself, which I did, over my shoulder, and my 3½-year-old daughter in my arms, when George Titsworth, sr., who, to the best of my knowledge, set fire to the tent, throwed a gun on me and said, "You God damn dirty son of a bitch, I ought to kill you right here; you have fired as many shots as anybody," and he touched my head, or nearly so, with his revolver, and said, "I will kill you." My wife pleaded in behalf of her dead boy, to let us get him to Trinidad; and this officer escorted us to the depot, but on passing Snodgrass store at Ludlow Linderfelt throwed his flashlight in my face, and wanted to know what "God damned, red-neck S. B." they had here, when Mrs. Snyder says to Linderfelt, "Please don't shoot him; they have killed one of my children already," when Linderfelt says, "It's a damned pity that all of you damned red-necked bitches were not killed." But we kept on till we got to the depot, and there the floors were covered with the thugs and provisions that had been robbed from Snodgrass store, and they were joshing and making remarks over their day's work. While laying there listening to these remarks I heard one in particular say that he knew he killed one at the bridge, and would have to go down at daylight and try and get another one. I heard several say they had killed one, two, or three, and they thought that they had a pretty fair day's work, but also thought themselves that the Regulars would be in the next night. I was called into the baggage room to be consulted by some officer in regards to the leaders, and Louis Tikas in particular. They asked the question if Louis Tikas was not the cause of the troubles and a leaders of the Greeks, and I answered "No," he was the interpreter. They asked me if I saw a gun on Tikas, and I told them "no." They said, "Well, we killed him to-day and found a gun on him." Then they asked where the gunmen got their arms and ammunition. I said, "I do not know." I did not have any myself. So I was then asked what I was coming to Trinidad for. I told them as I had no place else to go at present I had to go to Trinidad to get relief and a place for the family to stay, and to bury my boy. I was then advised I had better get out of this country altogether.

At the time the machine guns were turned on the tent colony the strikers were taking to the hills, on account of their ammunition being used up.

Before the signals were fired, Louie, having been notified that the south of the Colorado & Southeastern tracks were swarmed with the militia with machine guns in position, pointing toward the colony, he went personally himself to see, and while coming back to notify the colony of the conditions the men had found out for themselves and started back to direct the fire away from the women and babes. All my earthly effects and cash were destroyed.

Further affiant saith not.

WM. SNYDER.

Subscribed and sworn to before me this 1st day of May, A. D. 1914. My commission expires September 10, 1917.

[SEAL.] LEON GRISWOLD, *Notary Public.*

THREE CHILDREN SUFFOCATED TO HELP ROCKEFELLER MAKE MONEY.

Affidavit of Mary Petrucci.

STATE OF COLORADO, *Las Animas County, ss:*

Mary Petrucci, of lawful age, being first duly sworn, on oath testified as follows:

That her name is Mary Petrucci; that affiant had started to wash and a little later heard two bombs go off, and noticed the soldiers running toward the steel bridge, and they started to shoot down at the colony; affiant states that it was about 9 o'clock; and then affiant went into her cellar hole; that when affiant went into her cellar hole she took her three children, ages 4 years, 2½ years, and 6 months, respectively; that affiant remained in the cellar until 6 o'clock in the evening, when her tent was set on fire; affiant states that her tent was the first one fired, as her tent was No. 1; affiant states that her tent (No. 1) was the tent nearest the railroad track; affiant states that when the shooting commenced with the machine guns the bullets were so thick in the tent that she shut her cellar door; that about 6 o'clock in the evening affiant saw some fire on her cellar door, and on looking out saw that her tent was on fire, whereupon she took her three children and went to the cellar hole occupied by Mrs. Costa and other women and children to affiant unknown; that shortly after affiant reached the above last-mentioned cellar hole the tent took fire and the women and children commenced to cough, and they were all choked with the smoke; affiant further states that she lost consciousness until the next morning, when she touched and called to her three children, and they were all dead; affiant states that she went to the Ludlow station and came to Trinidad; affiant states that she does not remember anything of the trip from Ludlow to Trinidad; that affiant was taken sick with pneumonia, caused by exposure and grief; affiant states that on account of being ill she never saw her three children after leaving them in the cellar hole; affiant states that when she came out of her cellar hole the guards were shooting after her, and she started to the cellar where Mrs. Costa was, because it was dug in under like a mine, and affiant thought it would be safer, and the guards yelled, "Get away from there"; affiant states that she had the three children and she had nowhere else to go, so I went in there.

Further affiant sayeth not.

MARY PETRUCCI.

Subscribed and sworn to before me this 11th day of May, 1914.

[SEAL.] LEON V. GRISWOLD, *Notary Public.*

My commission expires September 10, 1917.

PORTIONS OF THE LUDLOW TENT COLONY INQUEST.

Burney B. Sipe, being first duly sworn, on oath testified as follows. Witness examined by District Attorney J. J. Hendrick:

Q. Your name is Burney B. Sipe?—A. Yes, sir.

Q. You are the coroner of Las Animas County, Colo., are you not?—A. Yes, sir.

Q. You were such coroner on April 20, 1914?—A. Yes, sir.

Q. You made an investigation into the death of Louis Tikas et al.?—A. Yes, sir.

Q. I will state at this time that the reason for putting you on the stand at this time is to give us the names of the parties who lost their lives at Ludlow on the 20th day of April, 1914. I am not familiar with the names, and I don't believe the jury are. You investigated that matter, did you not?—A. Yes, sir.

Q. What dead bodies did you know of that were found at Ludlow as a result of a battle and fire that occurred on the 20th day of April, 1914?—A. Alfred Martin, 30 years old; Premo Larese, 18 years of age; Louis Tikas, 35; Frank W. Snyder, 12; Frank Rubino, 23; James Fyler, 43; John Bartoloti, 45; Rogerolo Pedrigone, 6 years old; Celorine Pedrigone; Charles Costi, 31; Cedelmo Costi, 27 years old; Lucy Costi, 4 years old; Onafiremo Costi, 6 years old; Pedro Valdez, 37 years old; Elvira Valdez, 3 months old; Mary Valdez, 7 years old; Eulolo Valdez, 8 years old; Rudolpha Valdez, 9 years old; Frank Petrucci, 6 months old; Lucy Petrucci, 3 years old; Joe Petrucci, 4 years old. That concludes the list of names which I have of the deaths at Ludlow on the 20th day of April.

Q. From your investigation, Mr. Coroner, of the disaster at Ludlow, can you state to the jury how those persons came to their death; take Louis Tikas?—A. He came to his death by gunshot wound.

Q. Did you examine his body?—A. Yes, sir.

Q. How many wounds did you find?—A. Three, I think; I am not sure, but I have my physician here who can tell you about that.

Q. Did you examine him with reference to any other wounds?—A. Abrasions about the head.

Q. Who else was shot or killed at that place, Mr. Sipe?—A. Alfred Martin was shot, Premo Larese was shot, Louis Tikas was shot, Frank W. Snyder was shot, Frank Rubino was shot, James Filer was shot, and John Bartoloto was shot. The other names which I have read of persons dead lost their lives by fire.

Q. Didn't you fail to state one man, Mr. Sipe?—A. Charles Costi.

Q. Wasn't there another Costi that was shot there?—A. No, sir; that was all that was shot.

Q. Did you bring those bodies in yourself, Mr. Sipe?—A. No, sir.

Q. Do you know who did?—A. Yes, sir.

Q. Who was it?—A. I had them brought in by Mr. George, or rather William Code.

Q. They were not brought direct to your undertaking establishment then?—A. No, sir; they were not.

Q. Those bodies have all been buried, as far as you know?—A. Yes, sir.

TESTIMONY OF DR. PERRY JAFFA.

Perry Jaffa, being first duly sworn, on oath testified as follows (witness examined by District Attorney J. J. Hendricks):

Q. Dr. Jaffa, you are the county physician of Las Animas County?—A. Yes, sir.

Q. Now, then, with reference to the end of the men, women, and children at Ludlow, you made an examination, did you?—A. Yes, sir.

Q. Did you post the bodies?—A. No, sir; I only made an examination of the bodies.

Q. Did you examine the body of Louis Tikas?—A. Yes, sir.

Q. State to the jury the cause of his death, and the condition of the injuries on his body.—A. I will have to use my notes.

Q. Go ahead and use your notes.—A. He had a scalp wound on the right side of the head about 1½ inches long, done with some blunt object. Five bullet wounds—three entrance wounds and two exit. One entered about the left dorsal region under the scapula, passing the left lung and the base of the heart, taking a downward course in the right lung, and lodged near the median line over the seventh rib, under the skin; that bullet was removed. Another, the entrance, it entered in the lumbar region of the right side; exit in the same side. Wound in the second costal cartilage of the right buttock; the exit in the same side. That isn't exact, but about that.

Q. Did these bullets enter from the rear or from the front?—A. From the back.

Q. Did you examine the skull?—A. No, sir.

Q. Do you know if it was fractured?—A. No, sir; it was not fractured.

Q. What was the condition of his face?—A. It was scratched, and a few contusions about the face.

Q. Dr. Jaffa, in your opinion, what was the direct cause of Mr. Tikas's death?—A. It was due to gunshot wounds.

Q. Have you the bullet with you that was removed from his body?—A. No, sir; Dr. Scannel made the autopsy.

Q. Who else did you examine, Doctor?—A. I examined the other bodies.

Q. What was the cause of the death of the people?—A. I have it down William Snyder. Which is it?

Q. Change your record to Frank Snyder. Now, then, you are going to testify to the wounds found upon the body of Frank Snyder?—A. Yes, sir.

Q. Just go ahead and tell what they were.—A. There was one bullet wound; it entered on the farther end of the cerebrum, about 1½ inches on the right side; the exit was on the opposite side of the skull. That bullet went straight through.

Q. What was the condition of the skull?—A. Well, the entrance wound was small, but the exit wound was a large hole, about 1½ inches in diameter. Now, then, William Wyler; there was a bullet that entered on the right side of the nose, and the exit was at the back end. There was also a bullet wound through the right wrist.

Q. Then there was two shots that penetrated William Fyler?—A. Yes, sir; two. John Bartoloto had two wounds, one right over the heart, and the other one was a little bit to the right of that; both entrance wounds; there was no exit to either one. He was also shot through the right arm and through the right leg.

Q. That made four shots on him?—A. Yes, sir.

Q. Did you get any of the bullets, Doctor?—A. No, sir.

Q. But the ones near the heart were sufficient to cause death?—A. Yes, sir.

Q. Who next?—A. Frank Rubino; I think he had two wounds; both wounds were so close together right over the right eyebrow we were a little bit doubtful as to whether it was two wounds or two bullets or whether the bullet had divided.

Q. It caused his death?—A. Yes, sir.

Q. Who next?—A. Premo Larese; we could not tell where the bullet entered or the exit; the entire top of the head had been blown off. There seemed to be a mark like a bullet wound, but we could not tell whether it was the entrance or the exit wound. That mark was on his forehead.

Q. Was there any powder burns on that body?—A. No, sir. Charles Costi; the bullet entered over the right temple, and that concludes the people killed by gunshot wounds.

Q. Now, calling your attention, Dr. Jaffa, to the testimony of Mr. Sipe, you heard that statement, did you not? He gave the names of the people that were found dead out there.—A. Yes, sir.

Q. Did you make an examination of the bodies of those women and children?—A. Yes, sir.

Q. What was the cause of their deaths?—A. They were caused by asphyxiation.

Q. Smothered?—A. Yes, sir.

Q. Describe the condition of the bodies that were burned.—A. Those that were burned were slight; some very, some pretty badly burned.

Q. Were they burned so badly that their legs came off?—A. Well, Mrs. Costi's arm was burned off, but there were no legs burned off.

Q. Was there a leg of one of the children that was burned off?—A. No, sir; it had been injured in some way, and in trying to get out of there he dislocated it, or it was due to some one falling on it; they were all jammed in so small a place; but I think in trying to get him out that it was dislocated.

Q. Dr. Jaffa, did you assist in taking out any of those bodies from that cave?—A I did not.

Q. (Juror Casimiro Cruz.) Did you notice if any of the women or the children had been shot?—A. No, sir. I believe that Frank Snyder was the only child that was shot.

Q. Doctor, did you visit the Ludlow tent colony for the purpose of seeing where these people were found dead?—A. I did.

Q. What kind of a place did you find there? Just describe it to the jury.—A. It was a hole in the ground, I would say about 6 feet in diameter; the entrance to it was such that you had to almost crawl into it in order to get in at all; it was very small, probably 2 feet wide and 3 feet high. When any amount of people would get in there you could not get any air, and asphyxiation would be in a very short time.

Q. What was over the hole, if anything?—A. It seemed to me that there were railroad ties over the top of it, and filled over with dirt.

Q. Was that inside of a tent?—A. There wasn't any tent there at that time.

Q. Well, had the tent burned down at that time?—A. Yes, sir; there were some marks there, and I supposed that a tent had stood there at one time.

Q. Was there any burnt lumber around there?—A. Yes, sir; from the indications there those people all crowded in there, and couldn't get out on account of the cave being so small, and they afterwards died.

TESTIMONY OF DR. ACA HARVEY.

Dr. Harvey, being first duly sworn on oath, testified as follows (witness examined by District Attorney J. J. Hendrick):

Q. Your name is Dr. Harvey?—A. Yes, sir.

Q. What is your full name?—A. Aca Harvey; Aca Harvey.

Q. You reside where?—A. At Aguilar.

Q. Were you in the vicinity of Ludlow on the 20th of this month?—A. Yes, sir.

Q. What time did you go there?—A. About 1.30 in the afternoon.

Q. Now, go ahead and tell the jury what you saw and did there. Give us what experience you had, if any.—A. Well, I didn't go at once to the tent colony, because there was firing over there, shooting, shooting at everyone that passed by the road.

Q. Who did?—A. I couldn't say.

Q. Where were the shots coming from?—A. From every direction, coming our way; some were shooting from a string of cars that was on the C. & S. E. bridge and from a house and corral on the hillside.

Q. Could you see any of the bullets strike the road?—A. Yes, sir.

Q. Do you know if the mine guards were stationed at either of those places you just spoke of?—A. I believe so.

Q. What were you riding in, if anything?—A. In a buggy.

Q. Who was with you?—A. Dr. Davis. We were stopped in front of Mr. Bayes's house, and that is about three-quarters of a mile away from the tent colony. They told us we wouldn't go any farther, that it would not be safe.

Q. Who stopped you?—A. Several people. There was some men in Bayes's yard; there was some children and women there, also.

Q. How far away from this corral and house you testified to?—A. I judge it was three-quarters of a mile from that corral and cement house.

Q. The tent colony was between that corral and Bayes's?—A. Yes, sir; in the middle.

Q. Who did those people seem to be shooting at?—A. At anyone that came in sight.

Q. Could they have been shooting at the tent colony over there?—A. They were shooting probably 100 feet above the tent colony. We were on kind of a ridge over there. Mr. Bayes's house is higher than the tent colony.

Q. Higher than the tent colony?—A. Yes, sir.

Q. Tell what next happened.—A. Do you want me to tell what I done there?

Q. Tell what you did there and what you saw there.—A. Well, we met some parties from the colony that had made their get-away who advised that just one of us go over to the colony, and so I voluntarily said I would go; and then they advised Dr. Davis to return to Aguilar. So I and Mr. Bayes—he helped me carry my surgical instruments, cases; he said they were too heavy for one man to carry; so we started over to the camp. These people we were talking to said that there was some wounded man up near the C. & S. bridge and up by the pump house, just to the west of the tents. Before starting out I got a white flag and we started over there. We went straight east and turned and got in an arroyo and followed the arroyo up to within 100 yards of the railroad bridge; then whoever it might have been in that cement house, about 300 yards away, started to shoot at us.

Q. Who was it doing that shooting?—A. I supposed it was the militia and guards up there. One of those bullets just about struck Mr. Bayes on the head; some whistled by me. In order to get to the bridge I had to pass by an open space. I hugged up as close to the arroyo as I possibly could. I made a run and got by the open space, and I jumped into the bank, or a little cave in the bank—cave out. I had my medicine antiseptic solution with me, and unfurled my flag and started to wave that, but every time I stuck it out it would be shot at.

Q. Any bullet holes in that flag?—A. Yes, sir; five or six holes in it.

Q. Have you got that flag with you?—A. No, sir; it is down at Dr. Beshoar's office. I waited there about three-quarters of an hour. There was a couple of the union men come there and got into a little pit dug in the side of the hill, and they started to shooting back at whoever was doing the shooting; and when those men seen the people that were doing the shooting they turned their attention to them. Then I jumped out of the cave I was in and made a run to the bridge. I

found a man there who was shot through the head. He was not dead, but he was dying. I suppose there was about a dozen or 15 men there. They told me that there was another wounded man in a cellar, up by the pump house, 100 yards away. The railroad bridge would protect me, so I crawled away and got within 50 or 60 feet of the cellar at the pump house. I filled my pockets with dressings, and all the time I was crawling to the pump house the bullets were falling thick and fast around me. About the time I got in there the machine gun turned loose, and they kept that up for some two or three hours.

Q. Which direction were the bullets coming when the machine gun was turned loose?—A. All about; I could hear the bullets dropping all over. There was a constant spatter of bullets.

Q. Was any of the bullets that were used explosive bullets?—A. I believe so from the noise they made.

Q. Where were the militia and guards stationed, if you know?—A. Some were up by the steel cars and entrenched behind the banks.

Q. Where was the machine gun located? Was the machine gun on water tank in operation?—A. That is south of the depot. I don't know, sir.

Q. You spoke of some man dying down there by the bridge. Do you know who that was?—A. I don't know his name. He was shot in the left side of the head.

Q. He died, did he?—A. Yes, sir.

Q. Was that Charles Costi?—A. No; he was found farther up, south and east.

Q. Go ahead and tell what else you did.—A. When I got to the place those men called a cellar I found, in place of a cellar, a well. It was about 80 feet deep.

Q. Was there any strikers down there?—A. I think there was four ladies and children at that time. When we would go down 10 feet or so there was a platform, and then down from there was another platform, a stairway down from the first platform, and so on until you get to the landing. There was quite a number of women and children in there, and the wounded man was on the first landing. There had been two men shot there. One of the men what was shot crawled away. He was not so disabled that he could not get away.

Q. The man in the cellar, that was wounded, who was he?—A. I don't know. I believe he was a Greek; I took him for a Greek anyway. Well, they kept that firing up with the machine gun over that cellar or well until it was almost dark, when a freight train came from the north. There was a long string of them, so the people that were in there made their getaway while those cars were going by. Those cars came between us and the parties doing the firing.

Q. What time of day was that?—A. It was getting dark.

Q. What time? Do you know, Doctor?—A. No; I don't know.

Q. What did you do next, Doctor?—A. Well, we went down to that bridge and got the wounded man, and we removed him over to Mr. Bayes's house and dressed the wounds over there. There was some 25 or 30 women there when I got back to Bayes's.

Q. What next?—A. Well, I stayed all night at Bayes's ranch. There was a few men, strikers, came there, and they were told to go away and not stay there. We thought that if the militia seen any men there that they would fire at the house, so we told all the men that stopped there to go on. They kept the women and children there, and cooked and fed them all right.

Q. Where were you when the shooting first started, Doctor?—A. I got over there about 1.30 to Bayes's ranch.

Q. What were the indications around there?—A. I did not look around much.

Q. What was the condition of the tents with reference to being shot up, as to whether or not it was full of bullet holes.—A. No; I don't know.

Q. Did you see the firing that night?—A. Yes, sir.

Q. What time did the first fire begin?—A. About 7.30.

Q. Did it start from the southwest corner of the tent colony?—A. Yes, sir. It seemed to me that the big tent, the large tent that was used for their meetings and dances, etc., was set on fire. Well the fire started in a little storehouse in the southwest corner, next to the railroad, about the third or fourth tent from the big tent. The fire started in the storehouse and spread to the big tent. The fire stopped for about an hour or two and then it started again. We supposed they would all be burned up the next morning. When Mr. Bayes and I got up the next morning there was several tents standing.

Q. What became of them?—A. It looked as though they were pouring coal oil on them. Mr. Bayes got up on his water tower—his windmill there—he got up there and had a pair of field glasses.

Q. What did he say he saw?—A. He said he saw the uniformed men throwing coal oil on the tents while another would apply the matches.

Q. You didn't see any of this firing of the tents yourself; it was just Mr. Bayes?—A. I could just simply see the blaze when it would flash up from the tents.

Q. Could you say it was the troops that were doing it?—A. No, sir; I am not positive whether it was the troops or not. Mr. Bayes said it was men in uniform; he had the field glasses; I wasn't up on the tower myself.

Q. Doctor, do you know whether or not Monday was a windy evening?—A. I don't think so. I was busy dressing wounded men, and when I came out of the house the firing had started again.

* * * * * * *

R. J. M'DONALD.

R. J. McDonald, being first duly sworn on oath, testified as follows (witness was examined by District Attorney J. J. Hendrick):

Q. What is your name?—A. R. J. McDonald.

Q. Where do you reside?—A. At Trinidad, Colo.

Q. What have you been doing, Mr. McDonald, in the last three or four or five months?—A. Since the 25th day of December I have been military stenographer for the military commission.

Q. Were you taking notes in investigations and extending testimony?—A. Yes, sir.

Q. Were you out at Ludlow on the 20th of this month?—A. I believe it was, if the 20th was last Monday.

Q. The day of the fight?—A. Yes, sir.

Q. With whom did you go?—A. With the train that was called the reinforcement train.

Q. For what purpose did you go out there?—A. Merely curiosity as far as I was concerned, Mr. Hendrick.

Q. What time did you get out there?—A. Shortly after 4 o'clock; I don't know the exact moment.

Q. Who was in charge of the train?—A. When we left Trinidad it was in charge of Lieut. Conner, and after we got there Capt. Carson with a few men up on the C. & S. joined us and we detrained.

Q. How many men were on that train?—A. Eighteen or twenty from Trinidad and some came down from Segundo.

Q. Who were they?—A. Part were mine guards and part were militiamen.

Q. For what purpose were they going out there?—A. About 10 o'clock in the morning I was down in the armory getting ready to go to work, and the telephone rang and Capt. Foreman's assistant couldn't understand what was said, so when it rang again I answered the phone, and it was Mrs. Linderfelt calling. She said the troops at Cedar Hill were being killed, and that they wanted to have help.

Q. You went out there?—A. Yes, sir; I did.

Q. Where did the train stop at, Mr. McDonald?—A. This side of Rameyville; that camp back of Cedar Hill is what I was told. Well, the men detrained there; the machine gun was taken off there. About the time the machine gun was being taken off I noticed an automobile there, a brown automobile, with quite a few people in it; there was a young girl there about 19 or 20 years old; I didn't pay much attention; I heard some one say here is an automobile, so just put the machine gun in it and the driver will take it to the top of the hill; and then it will be just a short distance to carry it. I remember this young lady getting out of the machine. Then two men on horseback came down from the top of the hill and gave some orders.

Q. You remember what those orders were?—A. The orders were that the soldiers should detrain and go up to the hill. The automobile took the machine gun up to the top of the bill and it was afterwards packed over.

Q. The driver of that automobile was the gentleman that just testified, Mr. Hall?—A. I don't know.

Q. What was done with the machine gun after it was taken to the top of the hill? A. It was planted, if that is the proper term.

Q. Was it put into operation?—A. Shortly afterwards I heard its fire.

Q. In what direction were they shooting?—A. Probably a mile or a mile and a half to the hills in the direction of the Black Hills. The reason I apprehend that it was about that far is because some of the men were using 30–30's, and they were told to "cut it out using the popguns," because they couldn't reach that far.

Q. Do you know if they were shooting at the tents then?—A. Not at that time that I know of, but they did later on. It was probably 6 o'clock, because some one gave an order and I heard it; some one said, "There is 50 minutes yet before dark and we have to take and burn the tent colony."

Q. Do you remember who gave that order?—A. I think it was Maj. Hamrock or Capt. Carson; it was either one of the two, but I heard the order.

Q. Where did you go from there?—A. I left there; somebody said we will leave five men with the machine gun, so we went from the top of the hill over to the steel bridge, and from there over to the railroad cut, just north of the Ludlow tent colony.

Q. What occurred there?—A. Mr. Welsh was with me; he followed in the back, and got in the Ludlow depot; about that time the firing was pretty heavy.

Q. You went to the Ludlow depot?—A. Yes, sir. Probably after an hour's shooting we left the Ludlow depot and went up toward the tent colony; we followed out on the track from the box cars that were standing there, and Linderfelt ordered the men on the steel bridge to cease firing and advance slowly toward the tent colony. He turned around to me and said, "You aren't doing anything else, and you are a fairly intelligent man; you run up to the bridge and give that order," so I ran up to the steel bridge and told the men there that they were to cease firing and advance slowly toward the tent colony. One of the men there said, "Who gave you that order?" He said, "I don't know you, and I won't obey it." Probably two minutes elapsed, and Maj. Hamrock came down and he gave the order for them to cease firing and advance slowly to the tents.

Q. Did you see Louis Tikas there that day?—A. I never seen him that day.

Q. Did you hear anyone discuss him that day?—A. After we come down from the steel bridge by the railroad cut down there the tent colony was on fire. We heard quite a bit of commotion down there by the water tank, and somebody came in and said that Louie the Greek had been captured and that they wanted to hang him. I said "They don't need to hang him; why don't they just take him prisoner." Mr. Welsh said, "That's none of our business," or something like that. Well, when we started for the depot I wanted to go to the depot and stay there; I had seen enough and I didn't want to see any more. We met Maj. Hamrock and Linderfelt. Mr. Welsh said something to them about Louie the Greek, and Linderfelt said he wouldn't let them kill him or hang him, but I broke or spoiled an awful good rifle; he was carrying it by the barrel over his shoulder.

Q. Do you know if he struck Louis Tikas over the head with that?—A. Nothing more than the talk I have heard; but I supposed so; we were about 20 or 30 feet from them when a fusillade of bullets were fired, and we went over the embankment, and then started to walk up the track to the depot, when some one came in and said that Louie had been shot. He said he knew it was Louie because he had a pair of red leggings on and a pair of field glasses.

Q. What time was that?—A. About 7.30.

Q. How soon after that did the tents begin to burn?—A. Before I went down; the tent nearest the railroad track was on fire when I first looked.

Q. How did that catch on fire?—A. I don't know.

Q. Did you see any men around them at that time?—A. There was a commotion over by the arroyo north of the Ludlow tent colony. Some one run out and said, "My God, God, dynamite," and it went up. Some of the soldiers were in the back of the railroad crossing at that time.

Q. Isn't it a fact that there was a railroad train came along?—A. There was two freight trains, about 10 minutes apart, before the passenger train. It was late that evening.

Q. Do you know if the railroad men had a conversation with any of the soldiers with reference to the fire?—A. I couldn't say; they pulled right through the depot without stopping.

Q. Do you know, Mr. Riley, who was on the railroad train that day—that train that evening?—A. I don't know.

Q. Do you know if he talked to the soldiers?—A. No; I don't, Mr. Hendrick. After I got down on the railroad cut those two freight trains passed me. I don't know if they stopped any place or not.

A. At the time you saw the tents burning you were about a half a mile away, were you not?—A. Yes, sir; 600 yards away.

Q. What time did you leave the Ludlow depot that night?—A. At 11.20 I went to Pueblo and Denver.

Q. Were the tents still burning then?—A. Yes, sir. Tuesday night the tents were still burning when I went through—or, rather, the wood was burning—the frames.

Q. The canvas part was not burning?—A. No, sir; just the frames.

Q. To what extent, when you left that night, had the tent colony been burned up?—A. Possibly 14 or 15 tents in smoke at that time.

Q. At the time the tents were burning did you see anybody in and around them?—A. Well, when I was in the depot one man came and said that there was three pups—dogs—tied there, and that he cut them loose; and another one came with an American flag, and some one asked him where he got it, and he said out of the tent colony; that he could not see it burn up. Pretty soon another man came in with a revolver; probably it was a .32—something like that. Then another man carried in a double-faced looking-glass.

Q. Mr. McDonald, you went out there in the interest of a spectator?—A. I went for this reason, Mr. Hendrick: There had been several reports; first they were going and then they weren't going. I didn't have anything to do that day, so I thought I would go out and look over the grounds, never expecting anything like that to happen.

Q. Do you know who operated the machine gun?—A. I don't know his name; he was a militiaman.

Q. Do you know what that gun belonged to?—A. I don't know whether it was gotten from here or whether it belonged to the State militia; I am not positive.

Q. You don't know, Mr. McDonald, whether it belonged to the State militia or to the coal operators?—A. I could not state.

Q. These men that were armed and went out on that train with you, did they have Springfield rifles or Savage?—A. Some were the Springfield rifles and some Savages and some were the Regular Army guns. They put their uniforms on down at the armory, and some just had the Savage 3/30.

Q. Mr. McDonald, what per cent of those men were mine guards?—A. I couldn't hardly state. I think three or four were actually in service here. Whether the others belonged to the State militia and were subject to call or not, I couldn't state.

Q. Did E. J. Foreman command that squad, Capt. Foreman?—A. He was ordered to don his uniform, and he said he was going up the street, and the next I seen of him was at Denver at the depot Wednesday morning.

Q. So he was not out there?—A. No, sir; he wasn't there.

Q. The guards made up this party that went out that day, they came down from Segundo?—A. I think 20 came down.

Q. Do you know if they brought that machine gun down with them?—A. I don't know. There was three day coaches and a passenger car went out, and in front was a steel car, the most of them men, etc.

WILLIAM SNYDER.

William Snyder, being first duly sworn on oath, testified as follows. Witness was examined by District Attorney J. J. Hendrick:

Q. What is your name?—A. William Snyder.

Q. Where do you live, Mr. Snyder?—A. Now?

Q. Right now.—A. At 310 Elm, Trinidad.

Q. Did you live at Ludlow on the 20th of this month?—A. Yes, sir.

Q. How long had you lived there?—A. Since the 26th day of September, or about that date.

Q. Of last year?—A. 1913.

Q. You went there immediately after the strike was called?—A. Yes, sir.

Q. What did your family consist of on the 20th day of this month?—A. Five boys, one girl, my wife and myself.

Q. Were you and your family in the tent colony on the 20th of this month?—A. Yes, sir.

Q. How were you living there?—A. In a tent.

Q. What kind of a tent? How large?—A. It was 16 by 24.

Q. One room or more?—A. I had it partitioned off, about the center of it was partitioned, I had the lumber in it about 5 feet and then the drop curtains.

Q. How old are your children?—A. How old, from 3½ to 11 years and 11 months.

Q. Now, then, calling your attention to the early part of the morning, state what, if anything, unusual happened on the morning of the 20th of this month.—A. Well, the first thing that I noticed in the morning was four militiamen coming to the colony, as I understood it afterwards, to arrest a man without a warrant, as I understand it, and that Mr. Tikas told them they could take anyone out of the colony if they had a warrant, but without a warrant they could take no one, as I understood it afterwards. This detail of four, as I understand, they were to get that man by noon or that they would search the colony. At that time the militia were lined up on the Colorado & Southeastern tracks. So I went in the store and said to my partner, "It looks to me like there is something in the wind."

Q. Who is your partner?—A. Bill Barden.

Q. Where is he?—A. In Trinidad.

Q. What else?—A. So Mr. Tikas, as I heard later, heard rumors that the men were lining up on the other side of the track, that the militia and guards were lining up down there, and so he went down to verify that statement—he was a man that did not believe everything that was told to him—and on his way back three shots were fired. I think they were signal shots of some kind; I think it was meant to bring the rest of the militia out of the different canyons.

Q. What did it sound like?—A. Dynamite, it must have been.

Q. That is what it was.—A. In about two or three minutes—I couldn't say exactly—there was another bomb fired off, and a third one.

Q. Did they come from the militia camps?—A. Yes, sir; from the grounds that are occupied with the soldiers, where the old K Company used to be. Just when these bombs were fired I looked up the track and I seen men on horseback; I supposed it was the cavalry. I could see those men hurry around that C. & S. track there by the C. & S. E. bridge. So the men in the colony left the tents, so that if they started anything that the firing would be directed away from the women and children of the tent colony, as I looked at it. The militiamen were going in a southeasterly direction.

Q. Were the inhabitants of the tent colony leaving the tents?—A. Yes, sir.

Q. Where were you during this time?—A. I was right there on the grounds; I was locking the store to start for home to protect my wife and children.

Q. What time were those bombs set off?—A. Somewhere between—well, I couldn't say exactly.

Q. Well, approximately.—A. About 9 o'clock or a little after.

Q. How soon after the bombs were fired was it before the firing began?—A. I couldn't say.

Q. Tell the jury where the shooting came from mostly, which direction.—A. From the Colorado & Southern tracks.

Q. How long was the fire kept up toward the tent colony?—A. Well, the firing ceased about 12 o'clock at night; I don't know if they kept it up continuously at the tents or not.

Q. Were any of the tents struck by bullets?—A. Yes, sir.

Q. To what extent?—A. I could not say.

Q. Did you see the tents catch on fire?—A. They were on fire before I got to look at them.

Q. I will ask this question: Do you know whether or not there were any shots fired from the tent colony occupants toward the soldiers?—A. No, sir; not that I know of.

Q. Did you fire any?—A. No, sir.

Q. When did you get out of the colony?—A. As I judge, it was between 12 and 1, or 1.30, anyhow.

Q. Was your tent struck by any bullets?—A. Yes, sir.

Q. How often.—A. It was struck four times that I know of of my own personal knowledge.

Q. State whether or not any of your family were killed?—A. Yes, sir.

Q. Who?—A. Frank; he was 11 years and 11 months old.

Q. Where was he at?—A. He was sitting in a rocking chair when he was struck.

Q. Where was he struck?—A. By the temple, and tore out the brains.

Q. Did it affect the remains' brains?—A. Yes, sir; tore them out.

Q. Broke his skull?—A. Yes, sir; we have not been able to find the pieces of the skull.

Q. Tell what happened from the time that he was killed until you got out of there.—A. He was killed, I should judge, about 5 o'clock in the afternoon of the 20th of April. I had been outside, and I heard the bullet pass by me. I had just stepped out, and I heard it strike something. I heard two distinct hits of that bullet. My next boy to Frank, George, said, "Frank is shot." I said, "Where?" and I jumped in the other room and caught the boy before he fell out of the chair. Just then a bullet went over my head, and so I had to let the boy down on the floor on the wounded side, and I layed down beside him. My wife was in the cave, and I said to her, "Frank is dead." He was still in convulsions. I picked the boy up and put him between the beds. My wife had started to come out of the cellar, and she fell in a faint, so I grabbed her. Then I went and got some water that my wife had been preparing to wash the dishes in and tried to wash the blood off of Frank's face, but the firing come so heavy that I had to stop. Finally I went over to Tollers's tent, and from what I have heard since I must have come back in that heavy machine firing. I got back home, and I got down on the floor and took both of Frank's hands—he was just drawing up—and laid them across his chest, and then went into the hole with my wife and the other children.

Q. When did you get out of there?—A. Somewhere around 12.30 or 1 o'clock.

Q. Did anybody come to your tent while you were there?—A. Yes, sir; the militia come there.

Q. Who were they?—A. I don't know them.

Q. What did they say to you?—A. They set fire to the tent and opened it and come in.

Q. They set fire to your tent?—A. Yes, sir. My wife then said, "For God sake, save my children." I didn't want them to know I was there, but just about that time sister said something to me.

Q. What did they say to you?—A. They said, "What in hell are you doing in there?" I told them I was trying to save my wife and children, and they said, "You ——— get out of there, and get out ——— quick at that." My wife was out by that time. I believe one of the officers helped her out. I told them to hold on, I had a boy killed in there, and they told me to get him out ——— quick. I picked the boy up and laid him down outside so I could get a better hold on him. I asked some of those fellows to help me carry him to the depot, and he said "———— you, ain't you big enough?" I said, "I can do it." I took him on my shoulder and sister by the other arm, and just then some one of the militiamen stopped me and said, "———— ————, I have a notion to kill you right now." He said, "You red-neck ———, I have a notion to kill you right now."

Q. Do you know who he was?—A. I think I do; he is a guard in uniform.

Q. What is his name?—A. I would rather not tell it unless I just have to.

Q. Will you tell it to me in private?—A. Yes, sir. My wife kept on pleading, he said you have done as much shooting as anyone else around here, and I just kept on going until I got to the depot.

Q. Did your wife go with you?—A. Yes, sir.

Q. Were the tents burning at that time?—A. Yes, sir; while I was passing Snodgrass's store this man—that officer, Mr. Linderfelt—flashed a light and said, "What God damn red neck have we got now?"

Q. Which one said that?—A. The one we call Jesus Christ.

Q. Do you mean E. K. or K. E. Linderfelt, the man with the bull face?—A. That is right; he is bull faced.

Q He is a captain?—A. We used to call him lieutenant, but I think he is up in ranks now.

Q. Why did you call him Jesus Christ?—A. He told Mrs. Lowe that he was Jesus Christ, and that the other fellows were his Jesuses, and so we always called him Jesus.

Q. Where did you stay the balance of the night?—A. At the Ludlow depot.

Q. Who was in there?—A. Some gunmen and militiamen.

Q. What were they doing?—A. Some laying on the floor sleeping, some joking and passing different remarks, joshing; one of them said I got one red neck son of a bitch, and at daylight I will go up and get another one.

Q. Did you stay in the depot all night?—A. Yes, sir; we had to, and about 5 o'clock they let me go over to Frabur's house, just before that No. 7 train was due.

Q. Did you know Louis Tikas during his lifetime?—A. Yes, sir.

Q. He is dead now?—A. Yes, sir.

Q. Did you know Mr. Fyler?—A. Yes, sir.

Q. Do you know how many women and children perished in that hole?—A. I heard that 11 children and 2 women and 1 man.

Q. That is right, according to the coroner's testimony.

Q. Mr. Snyder, you have lived in the tent colony practically ever since it started?—A. Yes, sir; that is the only home I ever had and the only one I ever knew of.

Q. Do you know of any reason why those militiamen and guards should have burned that tent colony?—A. Just to get rid of us.

Q. Do you know whether or not the militia or mine guards or anybody else ever threatened to burn the tent colony, or have you ever read it in any of the Trinidad papers?—A. I didn't have to read the papers. I am not positive, but I believe I have read it in the papers that they would clean out Ludlow. I was told to get out of the county by one of the militiamen, and for me to stay out.

Q. You were told to leave the county?—A. Yes, sir.

Q. (Juror.) Were you ever at the ball game on Sunday?—A. No, sir.

PORTION OF THE TESTIMONY OF A. J. RILEY.

Q. What is your name?—A. A. J. Riley.

Q. What is your business?—A. Freight brakeman on the Colorado & Southern.

Q. Between Trinidad and Pueblo?—A. Yes, sir.
Q. Were you a member of that train crew on last Monday night, the 20th of last month, coming from Pueblo to Trinidad?—A. Yes, sir.
Q. You came through the town of Ludlow?—A. Yes, sir.
Q. As you approached the town of Ludlow on the north, what did you see?—A. My attention was attracted to the fire, the blaze of the tents.
Q. What part were you on?—A. On the engine.
Q. Your train stopped there?—A. Yes, sir.
Q. For what occasion?—A. We had to let the passenger train pass us there. I saw the tents blazing—two of them. Then I see a man in a militia uniform touch a blaze to the third tent.
Q. Repeat that. I didn't hear you.—A. I saw a man in a uniform touch a blaze to the third tent; this was at 7.05 p. m.
Q. How many armed men did you see around there?—A. I would judge there was about 100 strung along there from the arroyo and the pump house up to about No. 2 switch in the yards.
Q. That is almost to the depot?—A. Yes, sir.
Q. What, if anything, was said by any of the armed men there?—A. Yes, sir.
Q. What was said?—A. Ten or fifteen stuck their guns up to our face and told us to move on, and to be damn quick about it, or they would shoot us.
Q. Did you say anything to those men?—A. No, sir; not a word.
Q. Who were those men that stuck their guns up in your faces?—A. Uniform men.
Q. Did you see anyone that did not have a uniform on?—A. No, sir; I did not notice in particular.
Q. Did you see any women and children there?—A. Yes, sir.
Q. Where were they going?—A. Along by the right-of-way fence, screaming and crying.

TESTIMONY OF WILLIAM HALL AT LUDLOW INQUEST.

William Hall, being first duly sworn, on oath testified as follows (witness was examined by District Attorney J. J. Hendricks):

Q. State your name.—A. W. J. Hall.
Q. What is your business?—A. Automobile driver.
Q. For whom?—A. For myself.
Q. Did you have your automobile out near Ludlow on the 20th day of this month?—A. Yes sir.
Q. What was the occasion of your being out there?—A. I was out at Tobasco, Mr. Hendrick.
Q. Did you go through Ludlow?—A. No, sir.
Q. Do you know anything about what happened out there that day?—A. Nothing, except I was there when the special train went out with the militiamen, and so forth.
Q. What, if any, experience did you have?—A. Well, I came out from under that cement bridge that the train passes over—about half way from Rameyville—and I was stopped.
Q. Who stopped you?—A. I presume he was a militiaman. I then recognized Capt. Carson. He was telling me to stop. He waved for me to stop, rather. There were others there that I did not recognize.
Q. What time of day was that?—A. Shortly after 4 o'clock.
Q. Who was with Capt. Carson, if anyone?—A. There was from 50 to 100 men there with him that I did not recognize.
Q. That train was going north—to Ludlow?—A. Yes, sir; but everybody got off there by Rameyville.
Q. Did you have any conversation with any of those men at to what they were going to do?—A. No, sir.
Q. Did they say anything to you or not?—A. One of those men asked me to drive the machine up the hill for them. He told me he wanted to put the machine gun in my machine and asked me to drive the car back for him.
Q. Did he say anything to you about what was going on at Ludlow?—A. Not to me.
Q. Did you hear him say anything to anyone else?—A. Things were said at random to everyone, but not to me.
Q. What did you hear said there?—A. I heard some one ask where the militia and guards were located and where the strikers were at.
Q. Those men were on the train you say? Where did they get off at?—A. At Rameyville. Jack Cold loaded the machine gun in my machine. Jack took care of the machine part of it and another fellow held the tripod and I took it up the hill for them.
Q. Where was the machine gun unloaded at?—A. Right at the crest of the hill by the Colorado & Southeastern tracks, Mr. Hendrick.
Q. Was that near the big steel bridge?—A. There is a general large hill near the steel bridge; that is where the machine gun was unloaded at.
Q. What were they going to do with the machine gun?—A. They did not say anything to me.
Q. What did they take it out to Ludlow for?—A. I don't know; I presume to shoot.
Q. Mr. Hall, did you hear any order given there that day?—A. Yes, sir.
Q. What were those orders?—A. The orders were for those men to go in and clean out that colony, for them to drive everyone out and then to burn the colony.
Q. You heard those orders, did you?—A. Yes, sir.
Q. Did they put any ammunition in your machine?—A. Yes, sir; they put some boxes in there; I suppose that it was ammunition.
Q. What kind of boxes did they put in your machine, if any?—A. Big, long boxes; the dimensions were probably about 6 inches high and 12 by 18.
Q. Were they machine-gun shells, or what was in those boxes?—A. I don't know; some were machine cartridges, I suppose, and some of the boxes had been opened, and all the men were loading up with ammunition.
Q. Those orders were to go out and destroy that colony and to burn the tents?—A. Yes, sir.
Q. Who gave those orders?—A. I don't know; some man in uniform.
Q. Some man with shoulder straps on?—A. I couldn't say.
Q. Had you ever seen him before?—A. I couldn't say.
Q. Have you seen that man since?—A. No, sir.
Q. Now, then, Mr. Hall, after they loaded that gun in your auto you took it up so far for them, and then they carried it the rest of the way, did they not?—A. Yes, sir; I took it to the top of the hill.
Q. How long after that was it before you heard any shooting?—A. I don't know.
Q. Did you hear the machine gun in operation?—A. I heard something that I thought was the machine gun.
Q. Describe what kind of a noise it was making. Was it a rapid noise?—A. It was very rapid, Mr. Hendrick.
Q. Did you leave there and come back to Trinidad?—A. No, sir; I stopped at Rameyville.
Q. What did you stop at Rameyville for?—A. We were not in a position where there was any firing; we were on the hill.
Q. Did you hear any of the shooting where you were at?—A. Yes, sir; we could see the dust raise.
Q. How long did you remain there, Mr. Hall?—A. In the neighborhood of an hour and a half. It was 6 o'clock when we left Rameyville for Trinidad. I stopped on the hill, and if the firing had come my way all I would have to do would be to drive down the hill and be out of range of the bullets.
Q. Who was with you, Mr. Hall, if anyone?—A. Mr. Ryan and his daughter and another fellow; I think his name is Laird; he is a friend of Mr. Ryan's.
Q. Did you see the tents burning?—A. No, sir.
Q. Mr. Hall, do you think you could recognize the parties that gave orders to clean out the tent colony? Would you recognize the man that put the machine gun in your machine?—A. I could recognize several of the parties—the one with the machine; but I don't believe I know who gave those orders, Mr. Hendrick.
Q. Did you carry that machine and ammunition in your automobile voluntarily, or not, Mr. Hall?—A. No, sir; I did not do it voluntarily, Mr. Hendrick. Those men seemed to have full authority over the car; and from the way I have seen them act around Trinidad here I thought it would be best not to refuse to carry that stuff for them. I was under the impression that it was of no use to try to resist letting them have the car.
Q. Do you know if there were two machine guns from Trinidad?—A. I do not. However, if there was two machine guns from Trinidad, I didn't see it; but I don't think that there was but one—unless there was a possibility of two being clamped together, and I don't believe there was.
Q. That is all.

CORONER'S JURY.

John F. Harriman, being first duly sworn, on oath testified as follows. Witness was examined by District Attorney J. J. Hendrick.
Q. State your name, please.—A. John F. Harriman.
Q. What is your business?—A. Railroad conductor.
Q. Of what road?—A. Of the Colorado & Southern; freight conductor.
Q. Between what points on this division do you run?—A. Pueblo to Trinidad.
Q. When making your trips, do you pass Ludlow?—A. Yes, sir.
Q. State to the jury if you passed Ludlow on the 20th of this month.—A. Yes, sir.
Q. What direction were you going on that evening or day?—A. Coming south.
Q. Did you pass the Ludlow tent colony, or what used to be the Ludlow tent colony?—A. Yes, sir.
Q. At what time of day?—A. About 7.05 p. m.
Q. Who composed your train crew?—A. Engineer Bashford, Fireman Mack Alexander, Head Brakeman A. J. Riley, Rear Brakeman J. H. Gordon; we also had passenger on, Mr. Lowery, the Denver & Rio Grande coal inspector.
Q. What is his first name?—A. I don't know.
Q. When you reached Ludlow that evening, what, if anything, attracted your attention at or near the tent colony?—A. When rounding a curve, perhaps a mile and a half north of Ludlow, just on top of a hill, I noticed a fire; I was in the cupola in the caboose; I first took it to be the depot, but I couldn't tell until we got closer what it was.
Q. What did you discover it to be?—A. The tent colony. The strikers' tent colony.
Q. Which tent was burning?—A. The first tent, the first three tents on the southwest corner were burning.
Q. Did you stop your train?—A. We stopped; yes, sir.
Q. State what occurred.—A. We come in there about 7.05 p. m. We were to take the sidetrack and let No. 2 pass; we were to take the sidetrack; the switch is nearly opposite the colony, only a little bit south of the opposite side; when we stopped to take the sidetrack, when the gunmen and the militia under the tank, about 15, stuck their guns in the engineer's face and told him to get out, and to be God damn quick about it; we made no effort to go to the sidetrack then.
Q. What did you do?—A. We pulled out of there right away, we stopped there not to exceed a minute or two minutes, and we pulled through the switch and didn't stop any more.
Q. Did you have any conversation, or did Mr. Bashford have any conversation with what you termed as gunmen, with reference to the burning of the tents?—A. I believe they told me they were shooting up the colony.
Q. Is the engineer here?—A. No; he went out on the 1.30 train to-day.
Q. Was he subpœnaed, Mr. Coroner?—A. He was; but we could not find him.
Q. How long did your train remain at Ludlow, Mr. Harriman?—A. Not to exceed two minutes; we got away just as quickly as we could, the firing was so hot.
Q. Did you or any of your crew make any effort to extinguish the fire?—A. No, sir.
Q. How many men did you see there with guns?—A. I had about 36 cars on the train, and that put me back quite a distance, about four times twelve or thirteen hundred feet back of where the engine was, when I seen the tents were afire. I jumped down from the cupola and went to the back door of the caboose and stepped out; the bullets weren't in my range; but just as I started to get back in a bullet sung by me through the air, so I went back in the car and went to my desk and blew out the light and hung my lantern up, and when we started to pull up I looked out the right-hand side of the door, on the right side of the tracks, and I could see the guns flash toward the colony from the point on the steel bridge which crosses the arroyo and passed the tank; when we got to the tank I seen several flashes.
Q. Do you know how many were there?—A. No, I don't. Under the tank I would judge about 15. They laid along all the way to the pump house, to the tank, this side of the tank, clear up to No. 2 switch, and that would be about 1,000 feet.
Q Did you notice any soldiers come in the depot?—A. We didn't stop there; we kept on going. I looked out on the left side when passing the depot and I didn't see anybody.
Q. Do you know how long those tents had been burning?—A. I should judge but a few minutes.
Q. How far were these men from the tents?—A. Well along the track under the tank just outside of the right of way, and they were on the other side of the right-of-way fence, about 1,000 feet from the right-of-way fence to the first tent, or maybe 150 feet.
Q. Did you notice any persons at or near where the tents were burning?—A. No, sir; nothing but women and children crawling out of the right-of-way fence. They seemed to be, as I concluded, taking the advantage of the train while we were between them and the soldiers, and they were crying. I seen as many as 15 or more women and children getting out of there while we stopped there.

Q. Which direction were they shooting then?—A. Toward the colony; that is, according to the flash of the guns.

Q. Anything further you know, Mr. Harriman?—A. I don't believe there is anything else I could say.

Q. (Juror). Was there any shooting from Water Tank Hill?—A. That is near the Colorado & Southeastern bridge near Ludlow. I didn't see anybody there: it was dark.

Q. (Juror). Did you hear the machine gun there?—A. The train was making considerable noise, and if there had been any shooting to any great extent I might have heard it, but I couldn't say. That is all.

A. J. Riley, being first duly sworn on oath, testified as follows. Witness was examined by District Attorney J. J. Hendrick:

Q. What is your name?—A. A. J. Riley.

Q. What is your business?—A. Freight brakeman on the Colorado & Southern.

Q. Between Trinidad and Pueblo?—A. Yes, sir.

Q. Were you a member of that train crew on last Monday night, the 20th of the last month, coming from Pueblo to Trinidad?—A. Yes, sir.

Q. You came through the town of Ludlow?—A. Yes, sir.

Q. As you approached the town of Ludlow on the north, what did you see?—A. My attention was attracted to the fire—the blaze of the tents.

Q. What part were you on?—A. On the engine.

Q. Your train stopped there?—A. Yes, sir.

Q. For what occasion?—A. We had to let the passenger train pass us there. I saw the tents blazing—two of them. Then I seen a man in a military uniform touch a blaze to the third tent.

Q. Repeat that; I didn't hear you.—A. I saw a man in uniform touch a blaze to the third tent. This was at 7.05 p. m.

Q. How many armed men did you see around there?—A. I judge there was about 100 strung along there from the arroyo and the pump house up to about No. 2 switch, in the yards.

Q. That is almost to the depot?—A. Yes, sir.

Q. Who was on the engine beside you?—A. The engineer, Bashford, and Fireman Alexander.

Q. What, if anything, was said by any of the armed men there?—A. Yes, sir.

Q. What was said?—A. Ten or fifteen stuck their guns up to our faces and told us to move on, and to be damn quick about it or they would shoot us.

Q. Did you say anything to those men?—A. No, sir; not a word.

Q. Who were those men that stuck their guns up in your faces?—A. Uniform men.

Q. Did you see anyone that didn't have a uniform on?—A. No, sir; I didn't notice in particular.

Q. Did you see any women and children there?—A. Yes, sir.

Q. Where were they going?—A. Along by the right of way fence, screaming and crying.

Q. Where is Mr. Alexander?—A. He is on the engine to-day.

Q. He and Bashford both?—A. Yes, sir.

Q. Is there anything further you can state?—A. Nothing but there was considerable shooting from the right side of the track from the guards.

Q. Was there any machine guns in operation that night?—A. The train was making considerable racket, so I couldn't of heard; but I did hear rifle shots.

Q. The machine was south of the depot, by that steel bridge, on what is called Water Tank Hill. Have you seen that?—A. No, sir.

Q. You don't know if it was being operated?—A No, sir.

Q. (By juror.) Did you hear any shots fired from the colony?—A. No, sir.

Q. That's all, Mr. Riley.

A GRUESOME WARNING.

Affidavit of Mrs. Ed Tonner.

STATE OF COLORADO, *Las Animas County, ss:*

Mrs. Ed Tonner, who is about to become a mother, of lawful age, being first sworn, upon oath deposes and says: That her name is Mrs. Ed Tonner. At about 10 in the morning I was in my front room tent sweeping, and I heard the two bombs fired, and I started grabbing for my five children, and to throw them into a cave right under my front tent, and I stayed there until about 8 o'clock at night; all this time, from 10 in the morning until 8 o'clock at night, the machine guns were going. Mr. Snyder came along, and he said, "My oldest son, Frank, has half of his head blowed off," and he said "if your children won't lay down, slap them and make them lay down, rather than have them killed," he said; and he held out his two arms, like that [indicating], and they were full of blood; and it seemed that after he left his tent, that the machine guns turned loose all the more. My tent was so full of holes that it was like lace, pretty near. It could have been about 4 when little Frank got his head hurt, and a little while after this they tried to set the tents on fire. I kept bobbing my head up and down, and Mr. Fyler said, "For God's sake keep your head down, or you will get it blown off." About 6 o'clock they turned around and tore the tent between the two tents, and they set the broom on fire with coal oil, and they set the tent on fire, with me right underneath, with my five little children; then Gusta Retlich she helped me out with the children—grabbed them up—and then we run to a Mexican lady's tent farther down; and then Louis the Greek helped me; he helped me down into a hole, and threw water in my face, as I was fainting, with all the children, and then Louis the Greek heard some Mexican baby cry, and he said, "I must go and see what I can do for it," and then after that he says, "You people had better hit it for that ranch over the Bayes," and we stayed there until the next night. They were shooting at the ranch house, although we had a white flag out, but they shot just the same. Mr. Bayes then took us to another ranch called Powell's ranch. They let Mr. Bayes through all right and back all right, but when he got back to his ranch they fired on him, and hit one of his mules in the thick part of the leg; and the next morning we went from Powell's ranch to Aguilar. I was not expecting anything like that, and I had very little clothes on. A thin skirt and a Mother Hubbard apron and my oldest shoes. Everything that I had in this world was lost. I lost $35 watch; $8 chain of my own; gold watch of my husband's, worth about $25; and then I had a hair chain of my own hair, worth $5; watch charm of my children's hair, worth $5; $16 pair of glasses; bracelets of my little girls, worth $5; opal ring, $7; $10 in money. Not a thing left in the world.

Further affiant saith not.

Mrs. ED TONNER.

Subscribed and sworn to before me this 30th day of April, A. D. 1914. My commission expires September 10, 1917.

[SEAL.] LEON G. GRISWOLD, *Notary Public.*

Affidavit.

STATE OF COLORADO, *Las Animas County, ss:*

Maria Chaves, being first duly sworn, on oath deposes and states that her name is Maria Chaves. Early in the morning I seen a woman going to the soldiers' camp, and I think she was a traitor; and as soon as this woman got to the camp the guards came out; and as soon as they reached the camp they started to fire at the camp. When they started to fire at the camp they kept on firing all day; and when they started to fire at the camp we all went into the cellar, about 9 o'clock in the morning; and we stayed in the cellar all day until the soldiers took us out, about 3 or 4 o'clock in the p. m. They would come inside of the tents and take the best things and then set fire to the tents. I don't know how they set the fire, but I know that they set the tents on fire. I lost all my personal effects in this fire. I had $250 in the sewing machine that my husband's people had sent, and I lost all of that.

MARIA CHAVES.

Subscribed and sworn to before me this 1st day of May, A. D. 1914. My commission expires September 10, 1917.

[SEAL.] LEON V. GRISWOLD, *Notary Public.*

Affidavit.

STATE OF COLORADO, *Las Animas County, ss:*

Mrs. Alcarita Pedregon, being first duly sworn, on oath deposes and says that her name is Mrs. Alcarita Pedregon. I got up late in the morning and I seen the guards and militia on horseback, and they got off the horses and fell down on the ground to get away from the fire, and then I went into the hole with the children. There were 11 children and 4 women in the hole, and we stayed in that cellar from 9 in the morning until 6 the next morning. I seen a militiaman come over there and look inside the tent and strike a match and set fire to the tent. I stayed in the tent until it was all burned up. There were 11 children and 2 women suffocated with the smoke where I was. I lost two children in this cave when the tent burned. I don't know where my husband was at this time. I looked up out of the hole and saw the soldier set fire to the tent with a match. I lost everything I had in this fire.

Mrs. ALCARITA (her x mark) PEDREGON.

Subscribed and sworn to before me this 1st day of May, A. D. 1914. My commission expires September 10, 1917.

[SEAL.] LEON V. GRISWOLD, *Notary Public.*

(Mr. Filer, agent for C. & S. at Ludlow, can give wonderful story of militiamen who took possession of the C. & S. station.)

I HAD SIX CHILDREN TO CARE FOR; MY HUSBAND WAS SHOT IN THE BACK.

Affidavit of Virginia Bertoloti.

STATE OF COLORADO, *Las Animas County, ss:*

Virginia Bertoloti, of lawful age, being first duly sworn, testified as follows:

That her name is Virginia Bertoloti; my husband told me that there was shooting going on, and they were shooting the machine gun, and I said, "I don't believe it," and he said yes; he said get the beds and the children in the hole, and I took one bed in the hole, and then I heard the bomb go off, and I saw Mrs. Fyler crying, and she said there is going to be a big fight, and I said you come over to my place, and I went in the hole with the children, and I wanted my husband to come down, and he said you go with the children, and I said I will go with the children as I am afraid, and I stayed in the hole for a few minutes, and then we went to the pump house and went into the well, and I stayed in the well all day until about 7 o'clock, when a freight train went along, and then I got out and went to the Bayes ranch and stayed there about an hour, and from there we went to another ranch. Mr. Bayes said you had better get out of here as they will be firing at the ranch. Just as we left the well the tents were on fire. I had six children in the hole with me, and in the well all day. My husband was killed there; he was coming to see me and take care of me and the children, and he was shot in the back. He was crying all day for me and the children. I lost everything I had in the world in this fire.

VIRGINIA BERTOLOTI.

Subscribed and sworn to before me this 1st day of May, A. D. 1914. My commission expires September 10, 1917.

[SEAL.] LEON V. GRISWOLD, *Notary Public.*

Affidavit.

STATE OF COLORADO, *Las Animas County, ss:*

Juanita Hernandez, being first duly sworn, on oath doth depose and say:

That her name is Mrs. Juanita Hernandez; the first thing I saw was the camp all around with the guards, and I just had time to get into the cellar with Clorinda Padilla; we was all day in that cellar with all the children, and I stayed there until the soldiers came and took me out. The tents were on fire when they took me out, but not my tent. The soldiers took us all to the depot. She see the soldiers go and get a lot of quilts and stuff, then they went back and got some clothes and an accordion and played on it before us. The soldiers stole all the things and kept them. I lost everything that I had. All I had left was the few clothes I had on my person.

JUANITA (her X mark) HERNANDEZ.

Subscribed and sworn to before me this 1st day of May, A. D. 1914. My commission expires September 10, 1917.

[SEAL.] LEON V. GRISWOLD, *Notary Public.*

THE LITTLE BOY RAISED UP HIS HANDS AND SAID, "DON'T SHOOT, FOR MY MOTHER'S SAKE."

Affidavit.

STATE OF COLORADO, *Las Animas County, ss:*

Ometomica Covadle being of lawful age, being first duly sworn, on oath deposes and says:

That her name is Ometomica Covadle; I was going up to the store, in the daytime, and the guards were all around the tents, and they start to shoot at the tents, and I only had time to get hold of my baby son about 10 years old and get into the pump, and the soldiers came up and tried to shoot inside where we were, and they came out of the pump when they tried to shoot with the machine guns and went into the arroya. There were two dead men and they jumped right top of them. Couple of soldiers came out of the arroya and was going to kill both of us, and the little boy raised up his hands and said "Don't shoot, for my mother's sake." I had a machine and the soldiers took it out, and a lot of other stuff and took it to the depot and kept it. They stole a trunk

full of my clothes. I saw them take it with my own eyes. I had $5 in money that was stolen. They told me that I should be happy that you all were not killed.

OMETOMICA (her X mark) COVADLE.

Subscribed and sworn to before me this 1st day of May, A. D. 1914. My commission expires September 10, 1917.
[SEAL.] LEON V. GRISWOLD, *Notary Public.*

Affidavit.

STATE OF COLORADO, *Las Animas County, ss:*

Mrs. James Fyler, of lawful age, being first duly sworn, on oath deposes and says:

That her name is Mrs. James Fyler; the first we know of three soldiers came down and demanded of Louis Tikas that he give them a man that they wanted in the tent colony; that they wanted him, and he asked them who gave them authority to come there, and they said that they came under the military laws, and he told them that the military laws were out, and that they could not have anyone in the tent colony, so then they went away, and Louie told them to send Maj. Hamrock down and he would talk with him, and they did not send him and Louie went to the depot to meet Maj. Hamrock, and they had quite a conversation up there, and the first we saw of Louie he was coming down waving his handkerchief for the crowd to go back. As soon as he got in sight of the tent colony, and when he got to the tent colony, Mrs. Dominsky and I were standing there; we were the only two that were out right in the crowd, and I walked over to my husband; he was looking for a pair of field glasses, and I asked if he had saw my boy, and he told me "no" he had not, so just then they shot off one of the bombs and one of the machine guns on the Denver & Rio Grande tracks. Those were the first shots that were fired, and Louie waved his handkerchief at us, and said, "Good-bye, I will never see you any more"; so then we made our escape to the pump station. That was about 2 o'clock when the shooting started, and we stayed there all day, then, without even any water, food, or anything; then about 4.30, I would judge, they turned the machine guns on the tent colony with full force, and I should judge about 6 o'clock the tent colony started to burn, and about 7 o'clock a freight train came in from Aguilar, and we made our escape to the arroya, and then we made our escape to Mr. Frank Bayes ranch, and from there he hitched up his team and took us to Wineberg's ranch, and we landed there about 2 o'clock in the morning; and about 12 o'clock the next day we came to Trinidad. We got to Trinidad about 5 o'clock in the evening, and there I learned of my husband's death. I did not know he was killed until that time. The Sunday before, at 10 o'clock, we had a ball game, and we played the men, and we got through about 1 o'clock; then we all went to the Greeks for our dinner; and then after that Louie took our pictures five different ways with our bloomers on; then we went back and played another game of ball in the afternoon, about 2 o'clock, and during our ball game there were four of the militia came down, and each one carried a gun—a rifle—in their hands, and we remarked about it on account of it being the first time they had ever carried guns at the ball game. Affiant further states that from the time the shooting started in the morning there were only four men there on the grounds, the others having fled to the hills.

Further affiant saith not.

Mrs. JAMES FYLER.

Subscribed and sworn to before me this 30th day of April, A. D. 1914. My commission expires September 10, 1917.
[SEAL.] LEON GRISWOLD, *Notary Public.*

Affidavit.

STATE OF COLORADO, *Las Animas County:*

Edith Fyler, 12 years old, being first duly sworn on oath, deposes and says:

About 9.30 I went to the door of the tent and I saw two Greeks running down toward the arroyo, and then I shut the door and run to mamma, at Mrs. Jolly's, and then we all came home and went to the door, and Mrs. Bartlow came past and said to mamma to bring us all up there and put us into the cave; after little while mamma went up there, did not go into the cave right, but stood there, and then mamma went to the officer, where papa was, and mamma was talking to him and the first thing we knew there was a big bomb went off, and mamma grabbed my little brother and came running into the tent, where we were, and the next thing mother closed the door and my big sister commenced fainting, and Mr. Bartlow—had seven children—one of the men who got killed, run and got her some wine and sugar; they brought her to, and mamma said, "This is no place for us," so we went to the pump station, and we tried to get into the pump well, but it was full of people and we could not get in; then we went to a little barn and laid down on the floor as close as we could, and next we heard a rap at the door, and it was my brother James, and he came in for shelter, and there was a lot of men in back of the barn, where we were, began shooting, and they quit for a little while, and my sister began crying for a drink, so it was safe, and mamma went and got it, then she went back and a bullet came through and pretty near hit her and Mr. Barton. There was a little window in the barn, and I saw that they were shooting pretty bad, and they quit for a few minutes, mamma went to look out, that was when they first discovered the tents were on fire. There was a freight train came along and Mr. Barton said that it would be a good chance to escape there, as the train had steel coke cars, and they were between us and the Gatling gun, they must have spied us between the cars, for they kept bullets whizzing over our heads. We made our escape to the arroyo. We followed from the arroyo to a ranch, where the people's names were Bayes. We stayed there and got a lunch, and then we got a spring wagon and took us to the Winberg boys' ranch. We got in there some time along midnight, and stayed there the rest of the night till about 12 o'clock the next day, and a man came with one of these big wagons—I don't know what they call them—and took us for Trinidad. We got to Union Hall, and awful quick they wanted mamma to eat supper, and a little newsboy came along and asked her if she wanted to see the names of the ones who were dead, so my sister must of overheard something, and asked mamma for the paper; just then Mrs. Bartlow came and told mamma the news of papa's death.

Further affiant saith not.

EDITH FYLER.

Signed and sworn to before me this 30th day of April, A. D. 1914.
[SEAL.] LEON GRISWOLD, *Notary Public.*

My commission expires September 10, 1917.

Affidavit.

STATE OF COLORADO, *Las Animas County, ss:*

Q. What is your name?—A. Leyor Fyler.
Q. How old are you?—A. Ten years old.
Q. Did you go to school?—A. No school at Ludlow to go to.
Q. Where do you live?—A. Ludlow, tent colony.
Q. Go ahead and tell your story.—A. At first I was out playing ball; and after the mine guards they came down to the tents, and they wanted one certain man there, and there was no man there by that name; and then after they says give half an hour to get the man, Louis the Greek, the camp boss, he told them that there was no man there by that name; and they says, "If you don't get that man there in half hour, will come and search. Louis the Greek says that they could not search, and they walked back to the tents; and a half hour after they come to the Denver & Rio Grande track and had the machine gun planted; and after the guards had their machine guns planted some of the Greek fellows went around to the left, and they, the mine guards, give one signal, one shot. We run back to one certain woman's dugout; and then, after we got in the hole, my big sister fainted, and mother told her to get out of there and they would go to the pump house. There was not room in the well for us to go there, and the boy there told us to go in the barn; and we went to the barn and laid on our bellies; and after they started to shoot bombs, then some Greek fellows come from the Denver & Rio Grande tracks down by the barn to protect us people; and after they came down through there they shot one shot from the depot and went right through the barn—pretty near hit one man's hat and just shaved my mother's head; and then a freight train came in, with steel coke cars; and then Mr. Barton told us "This is our time to get out"; and we ran to the arroya. Bullets were whizzing all around our heads; and then we went to Frank Bayes's house, and we went down there and got something to eat there. Then Mr. Bayes he hooked up the team and went to Gus Winberg's ranch, and we stayed there until the afternoon. In the afternoon we started for Trinidad.

Q. How did your father come to get killed?—A. Mr. James Fyler and Mr. William Snyder and Mr. Joe Dominisky was the only men on the ground there, and after papa went away from there, went up by the little red store, he went up there, and Mr. Dominisky told him not to go up there. As soon as he got up there a shot came between him and Mr. Dominisky and shot right through there [indicating between the eyes]. Then Mr. Dominisky run.

Further affiant saith not.

LEYOR FYLER.

"THERE'S NO USE CRYING—NO MERCY ON ANY OF YOUS."

STATE OF COLORADO, *Las Animas County, ss:*

Mrs. Ed Tonner, of lawful age, being first sworn, upon oath deposes and says:

That her name is Mrs. Ed Tonner; when Mr. Lindefelt came into camp with his auto load of ammunition I heard Mrs. Costa crying, and she began praying Santa Maria and begging him not to kill her and her little children, and he replied to her, "There is no use in you crying and carrying on, as we have orders to do this and we are going to do it; no mercy on any of yous."

Mrs. ED TONNER.

Subscribed and sworn to before me this 30th day of April, A. D. 1914. My commission expires September 10, 1917.
[SEAL.] LEON GRISWOLD, *Notary Public.*

Affidavit.

STATE OF COLORADO, *Las Animas County, ss:*

Mrs. Clorinda Padilla: About 9 o'clock I heard two signal shots fired, and about five minutes after they started to firing with the machine guns, shooting to the tent colony at Ludlow, and then I put my four children in the hole we had made under the tent, and we stayed there in the hole without food and water until about 11 o'clock at night. They were shooting all day long; never stopped a minute. During the day I heard Mr. Snyder say that his boy had been killed. The tents were full of holes, like lace. I came out of the tent for a minute to get something for the children to eat, and while I was out there they began shooting again, and a bullet came close to me, and then I went back into the hole. At some time late in the afternoon they started to burn the tents. When the tents were first fired they did not burn my tent; later in the evening the soldiers came back to fire the rest of the tents, and they heard my children crying, and they said, "There is a family in there," and they helped me out and took me and the children to the depot. While at the depot three Mexican guards got mad at the women and said that they ought to be burned in the tents.

CLORINDA PADILLA.

Subscribed and sworn to before me this 1st day of May, A. D. 1914. My commission expires September 10, 1917.
[SEAL.] LEON GRISWOLD, *Notary Public.*

Panama Canal Tolls.

EXTENSION OF REMARKS
OF
HON. FRANKLIN BROCKSON,
OF DELAWARE,
IN THE HOUSE OF REPRESENTATIVES,

Thursday, April 30, 1914,

On the bill (H. R. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, approved August 24, 1912.

Mr. BROCKSON. Mr. Speaker, the people of America and other countries for more than a century have desired an isthmian ship canal to connect the waters of the Atlantic and the Pacific Oceans. This great project has engaged the attention and thought of many statesmen and has been much considered by different Governments.

The United States and Great Britain, by the Clayton-Bulwer treaty, concluded April 19, 1850, agreed to promote and facili-

tate the construction of such a canal, and agreed to protect the canal and guarantee its neutrality after it had been constructed. They also agreed by that treaty that neither one of them should "ever obtain or maintain for itself any exclusive control over the said ship canal."

This treaty continued in force for fifty-one years. During that time all efforts to promote the construction of the Isthmian Canal failed.

The construction of such a canal was too great a project for a private company or a small government.

Many people of the United States objected to the alliance of our Government with Great Britain, as provided for in the Clayton-Bulwer treaty, and desired that the canal should be constructed, owned, and controlled by the United States.

In 1898, during the Spanish War, the long and perilous trip of the *Oregon* around Cape Horn impressed upon the people of this country the great need for an Isthmian Canal, under the control of our Government, for the use of our war vessels in time of war.

After that incident and our acquirement of islands in the Pacific Ocean a strong public opinion quickly developed in this country in favor of the abrogation of the Clayton-Bulwer treaty and the construction of the Isthmian Canal by the United States.

The Clayton-Bulwer treaty was superseded by the Hay-Pauncefote treaty, which was concluded November 18, 1901.

By the Hay-Bunau-Varilla treaty, concluded November 18, 1903, the Republic of Panama granted to the United States "in perpetuity the use, occupation, and control of a zone of land" 10 miles wide, extending across the Isthmus of Panama, "for the construction, maintenance, operation, sanitation, and protection" of an isthmian ship canal.

On that zone of land the Panama Canal has been constructed by the United States. It will be completed and opened to the use of the public in 1915. When completed the canal will have cost the people of the United States about $400,000,000.

The law approved August 24, 1912, providing for the tolls to be charged for the use of the Panama Canal, exempts from the payment of tolls vessels engaged in the coastwise trade of the United States.

The pending bill, H. R. 14385, provides for the repeal of that exemption. The provision of the law proposed to be repealed by this bill is as follows:

No tolls shall be levied upon vessels engaged in the coastwise trade of the United States.

The two principal reasons given in favor of the repeal of this law are, first, the exemption is a violation of the Hay-Pauncefote treaty, and second, the exemption is a mistaken economic policy.

I agree that the law making the exemption should be repealed if that exemption is a violation of the Hay-Pauncefote treaty.

Does this law violate the treaty?

When the Hay-Pauncefote treaty was concluded, it was evidently the desire and the intention of the people of this country that our Government should have the right to construct, own, and control the Isthmian Canal. Such a policy had been advocated by statesmen for many years.

In his annual message to Congress, in 1868, President Johnson said:

Negotiations are pending with a view to the survey and construction of a ship canal across the Isthmus of Darien under the auspices of the United States.

In a message to the Senate, March 8, 1880, President Hayes said:

The policy of this country is a canal under American control. The United States can not consent to the surrender of this control to any European power or to any combination of European powers.

An interoceanic canal across the American isthmus will essentially change the geographical relations between the Atlantic and Pacific coasts of the United States and between the United States and the rest of the world. It would be the great ocean thoroughfare between our Atlantic and our Pacific shores, and virtually a part of the coast line of the United States. Our merely commercial interest in it is greater than that of all other countries, while its relations to our power and prosperity as a Nation, to our means of defense, our unity, peace, and safety are matters of paramount concern to the people of the United States. No other great power would under similar circumstances fail to assert a rightful control over a work so closely and vitally affecting its interest and welfare.

In his annual message to Congress, in 1882, President Arthur said:

The claim of this Nation in regard to the supervision and control of any interoceanic canal across the American Isthmus has continued to be the subject of conference.

The Democratic platform of 1892 contained the following plank:

For purposes of national defense and the promotion of commerce between the States, we recognize the early construction of the Nicaragua canal and its protection against foreign control as of great importance to the United States.

The Republican platform of 1892 contained the following plank:

The construction of the Nicaragua canal is of the highest importance to the American people, both as a measure of defense and to build up and maintain American commerce, and it should be controlled by the United States Government.

In his annual message to Congress, in 1898, President McKinley said:

That the construction of such a maritime highway is now more than ever indispensable to that intimate and ready intercommunication between our eastern and western seaboards demanded by the annexation of the Hawaiian Islands and the prospective expansion of our influence and commerce in the Pacific, and that our national policy now more imperatively than ever calls for its control by this Government, are propositions which I doubt not the Congress will duly appreciate and wisely act upon.

The Democratic platform of 1900 contained the following plank:

We favor the immediate construction, ownership, and control of the Nicaraguan Canal by the United States.

The Republican platform of 1900 contained the following plank:

We favor the construction, ownership, control, and protection of an Isthmian Canal by the Government of the United States.

In his annual message to Congress, in 1900, President McKinley then said:

I commend to the early attention of the Senate the convention with Great Britain to facilitate the construction of such a canal, and to remove any objection which might arise out of the convention commonly called the Clayton-Bulwer treaty.

These statements and declarations, although referring to different routes, show the fixed intention and desire of the American people to have an Isthmian Canal owned and controlled by the United States.

Has the Hay-Pauncefote treaty carried out this intention and desire by providing for such a canal, or have the American people been disappointed by this treaty?

The Hay-Pauncefote treaty is as follows:

The United States of America and His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the "general principle" of neutralization established in article 8 of that convention, have for that purpose appointed as their plenipotentiaries—

The President of the United States, John Hay, Secretary of State of the United States of America;

And His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, the Right Hon. Lord Pauncefote, G. C. B., G. C. M. G., His Majesty's ambassador extraordinary and plenipotentiary to the United States;

Who, having communicated to each other their full powers, which were found to be in due and proper form, have agreed upon the following articles:

"ARTICLE 1.

"The high contracting parties agree that the present treaty shall supersede the aforementioned convention of the 19th April, 1850.

"ARTICLE 2.

"It is agreed that the canal may be constructed under the auspices of the Government of the United States either directly at its own cost, or by gift or loan of money to individuals or corporations, or through subscription to or purchase of stock or shares, and that, subject to the provisions of the present treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

"ARTICLE 3.

"The United States adopts, as the basis of the neutralization of such ship canal, the following rules, substantially as embodied in the convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal, that is to say:

"1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

"2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

"3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

"Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

"4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

"5. The provisions of this article shall apply to waters adjacent to the canal, within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart

within 24 hours from the departure of a vessel of war of the other belligerent.

"6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purposes of this treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents, and from acts calculated to impair their usefulness as part of the canal.

"ARTICLE 4.

"It is agreed that no change of territorial sovereignty or of international relations of the country or countries traversed by the beforementioned canal shall affect the general principle of neutralization or the obligation of the high contracting parties under the present treaty.

"ARTICLE 5.

"The present treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty, and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date hereof.

"In faith whereof the respective plenipotentiaries have signed this treaty and hereunto affixed their seals.

"Done in duplicate at Washington, the 18th day of November, in the year of our Lord one thousand nine hundred and one.

"JOHN HAY. [SEAL.]
"PAUNCEFOTE. [SEAL.]"

I have quoted this treaty in full so that we may consider all its provisions together.

Much misunderstanding as to our rights under this treaty has been caused by the fact that rule 1 of article 3 has been so frequently quoted alone.

Article 2 states:

It is agreed that the canal may be constructed under the auspices of the Government of the United States, either directly at its own cost, or by gift or loan of money to individuals or corporations, or through subscription to or purchase of stock or shares, and that, subject to the provisions of the present treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

By this article it was agreed that the Government of the United States might construct the canal at its own cost, and that, subject to the provisions of this treaty, our Government should "have and enjoy all the rights incident to such construction."

What are the "rights incident to such construction"?

The Government of the United States has constructed the Panama Canal on land acquired from Panama for that purpose, and has paid the entire cost of its construction. By "such construction" the Government of the United States is the owner of the canal. Hence the "rights incident to such construction" are the rights of the owner of the canal.

The owner of property "has the right to enjoy and do with it as he pleases, even to spoil or destroy it, as far as the law permits, unless he be prevented by some agreement or covenant which restrains his right."

The Government of the United States, being the owner of the canal, has the right to use it or permit it to be used in every lawful way without charging for its use, unless restrained by agreement.

It is contended that rule 1 of article 3 restrains and precludes our Government from exempting any vessels of commerce from payment of tolls, whether such vessels be engaged in the coastwise trade of the United States or engaged in foreign commerce.

In considering this rule we should keep in mind that article 2, in addition to the rights which I have mentioned, also gives our Government "the exclusive right of providing for the regulation and management of the canal."

Pursuant to this authority given in article 2, "the United States adopts" the "rules."

Rule 1 of article 3 is as follows:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

Do the words "all nations" used in this rule include the United States?

The owner of the canal, the United States, adopted this rule, and the other rules, to be observed by other nations, because no other nations will have the right to use the canal unless such other nations observe these rules. The United States has not agreed that the canal shall be open to the vessels of "all nations," but has only agreed that the canal shall be open to the vessels of "all nations observing these rules." The United States has also agreed that such nations shall be permitted to use the canal on terms of "entire equality," under "conditions and charges" that "shall be just and equitable." By this rule the United States has simply agreed not to discriminate against any nation that uses the canal, and agreed that the "conditions and charges" for the use of the canal "shall be just and equitable."

If the United States are included in the words "all nations," then both the vessels of commerce and the vessels of war of the United States are governed by these rules, because "vessels of commerce and of war" are joined together by the language of rule 1, and the words "vessels of commerce and of war" are modified together by the words "of all nations."

There is nothing in the treaty to warrant the exclusion of the "vessels of war" of the United States from the provision of this rule and the inclusion of "vessels of commerce" of the United States.

If the words "all nations" include the United States, what would be the position of our Government should the United States fail to "observe these rules"? Would the canal be forfeited, or would the United States still be required to maintain and operate the canal for the sole use of the other nations that observe the rules?

With the vessels of war of the United States governed by these rules, our Government would be required to go through the absurd performance of having one officer of our Government to collect money from another officer of our Government as tolls for our vessels of war that pass through the canal.

The United States would not be permitted to exercise any right of war in the canal. We would have no right to embark or disembark troops or munitions of war in the canal. Our vessels of war would not be permitted to remain in the canal longer than 24 hours.

Under such conditions the canal, instead of being a means of defense to this country, would be a heavy burden.

However, I will not follow this untenable proposition further, because the gentlemen who favor the passage of the pending repeal bill admit that the words "vessels of commerce and war" used in this rule under consideration do not include "vessels of war" of the United States, and that "vessels of war" of the United States will not be required to pay tolls. These gentlemen also admit that the other rules in article 3 do not restrict the rights of the United States.

Great Britain admits that our Government has the right "to exercise belligerent rights" to protect the canal.

Sir Edward Grey, in his note of November 14, 1912, to Ambassador Bryce, said:

Now that the United States has become the practical sovereign of the canal, His Majesty's Government do not question its title to exercise belligerent rights for its protection.

From the reasons and admissions given, it clearly appears that the words "vessels of commerce and of war," used in rule 1, do not include "vessels of war of the United States." Hence these words "vessels of commerce and war" do not include vessels of commerce of the United States, because we can not include "vessels of commerce" of the United States and exclude "vessels of war" of the United States in fixing the meaning of the words "vessels of commerce and of war of all nations" used in this rule.

It plainly follows that the words "all nations" do not include the United States, but include "all nations" other than the United States, the maker of the rules and owner of the canal.

Neither rule 1 nor any other provision of the Hay-Pauncefote treaty restrains or precludes our Government from exempting vessels of the United States fom payment of tolls for passing through the Panama Canal whether such vessels be engaged in the coastwise trade of the United States or engaged in foreign commerce.

For these reasons I am fully satisfied that the law which exempts vessels engaged in the coastwise trade of the United States from the payment of tolls at the Panama Canal does not violate the Hay-Pauncefote treaty.

It is contended by some that the words "without impairing the general principle of neutralization in article 8 of that convention," used in the preamble of the Hay-Pauncefote treaty, establishes a "general principle of neutrality" that limits the right of the United States in its control of the Panama Canal.

Article 8 of the Clayton-Bulwer treaty is as follows:

The Governments of the United States and Great Britain having not only desired, in entering into this convention, to accomplish a particular object, but also to establish a general principle, they hereby agree to extend their protection, by treaty stipulations, to any other practicable communications, whether by canal or railway, across the isthmus which connects North and South America, and especially to the interoceanic communications, should the same prove to be practicable, whether by canal or railway, which are now proposed to be established by the way of Tehuantepec or Panama. In granting, however, their joint protection to any such canals or railways as are by this article specified, it is always understood by the United States and Great Britain that the parties constructing or owning the same shall impose no other charges or conditions of traffic thereupon than the aforesaid Governments shall approve of as just and equitable; and that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other state which is willing to grant thereto such protection as the United States and Great Britain engage to afford.

A careful examination of this article shows that no general principle of neutralization that would apply to the Panama Canal was so established.

This article established the "general principle" that the nations who should jointly protect the canal should have equal rights to the use of the canal. No nations join in the protection of the Panama Canal. The whole burden of protecting this canal rests upon the United States.

The rights of a Government can not be conveyed away by terms that are doubtful.

Former Secretary of State Olney said:

The principle is well settled that a State conveys away its rights of sovereignty or property only by terms which are clear and express and are not susceptible of any other reasonable construction. If the terms are vague and of doubtful import, the presumption is against the State's intention to part with or abridge its jurisdictional or property rights.

By exempting vessels engaged in the coastwise trade of the United States from payment of tolls at the Panama Canal, our Government discriminates against no nation when the tolls charged other nations are just and equitable and each nation is charged the same, because the coastwise trade of the United States is wholly reserved to the vessels of the United States. The law governing this trade is as follows:

That no merchandise shall be transported by water, under penalty of forfeiture thereof, from one port of the United States to another port of the United States, either directly or via a foreign port, or for any part of the voyage, in any other vessel than a vessel of the United States.

No foreign vessel shall transport passengers between ports or places in the United States, either directly or by way of a foreign port, under a penalty of $200 for each passenger so transported and landed."

In fixing the rate to be charged for tolls our Government took into consideration the estimated amount of coastwise trade and made due allowance for same. The tolls for the Panama Canal have been fixed at $1.20 per net ton. At the Suez Canal the tolls are $1.30 per ton. The construction of the Suez Canal cost only about $127,000,000. The Panama Canal cost more than three times as much as did the Suez Canal, yet we charge 10 cents less per ton for tolls.

Hon. A. Mitchell Innes, chargé d'affaires of Great Britain, in his note of July 8, 1912, to the Secretary of State, practically admitted the right of the United States to exempt vessels engaged in the coastwise trade of the United States from the payment of tolls. In the conclusion of that note he said:

As to the proposal that exemption shall be given to vessels engaged in the coastwise trade, a more difficult question arises. If the trade should be so regulated as to make it certain that only bona fide coastwise traffic which is reserved for United States vessels would be benefited by this exemption, it may be that no objection could be taken.

In the case of Olsen against Smith, decided in 1904, and reported in one hundred and ninety-fifth United States, 332, the Supreme Court of the United States has sustained a State law that exempted coastwise vessels from payment of pilotage.

The syllabus of that case is as follows:

A State pilotage law subjecting all vessels, domestic and foreign, engaged in foreign trade to pilotage regulation, but which exempts, pursuant to law, coastwise steam vessels of the United States, is not in conflict with provisions in the treaty between the United States and Great Britain to the effect that British vessels shall not be subject to any higher or other charges than vessels of the United States.

Mr. Justice White, delivering the opinion of the court, said:

Nor is there merit in the contention that, as the vessel in question was a British vessel coming from a foreign port, the State laws concerning pilotage are in conflict with a treaty between Great Britain and the United States, providing that "no higher or other duties or charges shall be imposed in any ports of the United States on British vessels than those payable in the same ports by vessels of the United States." Neither the exemption of coastwise steam vessels from pilotage, resulting from the law of the United States, nor any lawful exemption of coastwise vessels created by the State law, concerns vessels in the foreign trade, and, therefore, any such exemptions do not operate to produce a discrimination against British vessels engaged in foreign trade and in favor of vessels of the United States in such trade.

Until recently it was generally believed, in this country, that we had the right to exempt vessels of commerce engaged in the coastwise trade of the United States from payment of tolls. But few statesmen thought otherwise.

In 1912 both the Democratic Party and the Progressive Party, in their platforms, declared in favor of the tolls exemption.

Less than two years ago both Houses of Congress and the President believed we had that right when the tolls-exemption law was enacted.

President Taft then said:

After full examination of the Hay-Pauncefote treaty and of the treaty which preceded it I feel confident that the exemption of the coastwise vessels of the United States from tolls and the imposition of tolls on vessels of all nations engaged in the foreign trade is not a violation of the Hay-Pauncefote treaty.

Tolls exemption has been the policy of our Government for many years.

The law establishing tolls exemption by our Government was enacted in 1884, and is as follows:

That no tolls or operating charges whatsoever shall be levied or collected upon any vessel or vessels, dredges, or other passing water craft through any canal or other work for the improvement of navigation belonging to the United States.

The contention that the tolls exemption is a mistaken economic policy is based upon two grounds: First, the tolls exemption would benefit a shipping monopoly instead of benefiting the people, and, second, the tolls exemption is a subsidy.

I can not agree that the tolls exemption is a mistaken economic policy. Neither do I admit that the tolls exemption would benefit a shipping monopoly instead of benefiting the people.

If you admit this proposition to be true, you admit that our Democratic administration is incompetent to suppress monopolies. I will make no such an admission. I believe this administration can and will suppress and destroy monopolies.

The law already prohibits the use of the canal to vessels violating the antitrust laws and vessels owned by competing railroad companies. This law is as follows:

From and after the 1st day of July, 1914, it shall be unlawful for any railroad company or other common carrier subject to the act to regulate commerce to own, lease, operate, control, or have any interest whatsoever (by stock ownership or otherwise, either directly, indirectly, through any holding company, or by stockholders or directors in common, or in any other manner) in any common carrier by water operated through the Panama Canal or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic or any vessel carrying freight or passengers upon said water route or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic; and in case of the violation of this provision each day in which such violation continues shall be deemed a separate offense.

No vessel permitted to engage in the coastwise or foreign trade of the United States shall be permitted to enter or pass through said canal if such ship is owned, chartered, operated, or controlled by any person or company which is doing business in violation of the provisions of the act of Congress approved July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," or the provisions of sections 73 to 77, both inclusive, of an act approved August 27, 1894, entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," or the provisions of any other act of Congress amending or supplementing the said act of July 2, 1890, commonly known as the Sherman Antitrust Act, and amendments thereto, or said sections of the act of August 27, 1894. The question of fact may be determined by the judgment of any court of the United States of competent jurisdiction in any cause pending before it to which the owners or operators of such ship are parties. Suit may be brought by any shipper or by the Attorney General of the United States.

By the enforcement of these and other laws I believe these shipping monopolies can be checked and competition restored in the coastwise trade.

If competition and reasonable freight rates can not be obtained by other means, we can open our coastwise trade to the vessels of the world.

I do not agree that the tolls exemption is a subsidy.

Subsidy, as defined by Webster's New International Dictionary, is:

A grant of funds or property from a government, as of the State or a municipal corporation, to a private person or company to assist in the establishment or support of an enterprise deemed advantageous to the public.

The New Standard Dictionary defines it as follows:

Pecuniary aid directly granted by government to an individual or commercial enterprise deemed productive of public benefit.

A subsidy as generally understood is money paid from "the Public Treasury." No money whatever is paid from the Public Treasury to the transportation companies by the exemption of vessels from payment of tolls. By the exemption from payment of tolls the expenses of the transportation companies are reduced, and the companies are thereby enabled to charge a lower freight and passenger rate.

If tolls are charged upon our coastwise trade, the amount of the tolls will be added to the freight charges and ultimately collected from the consumer.

It has been fully demonstrated that water competition is the most effective means of keeping down freight rates.

Our Government has expended over $700,000,000 for the improvement and maintenance of the waterways of this country. Over $15,000,000 have been appropriated for the improvement and maintenance of the Delaware River. During the last 20 years about $1,000,000 have been expended by the Government for the improvement and maintenance of the harbor at Wilmington, Del.

The improvement of this harbor has greatly promoted the growth and development of the great manufacturing and commercial city of Wilmington.

Since 1881 our Government has expended over $2,000,000 for the operation and care of the St. Marys Falls Canal. The expenditures for that canal last year were $151,748.43. The expenditures for operating and care of Lock and Dam No. 37 in the Ohio River for last year were $31,372.86.

No tolls are charged for the use of these canals or for the use of any other canals owned by the United States.

Will anyone contend that the money expended for the improvement, maintenance, and operation of these waterways is a subsidy? If so, what companies or persons receive the subsidy?

It is apparent that the tolls exemption to coastwise vessels passing through the Panama Canal will be no more a subsidy than is the tolls exemption to vessels passing through the St. Marys Falls Canal, the locks and dams along the Ohio River, or "free tolls" to the vessels using the Wilmington Harbor. Whether the money is expended for building walls along the side of a stream or building movable walls across a canal, in the form of locks or gates, or dredging rocks or mud from the bottom of a harbor, the expenditure of the Government indirectly benefits the public, and in none of these cases is the expenditure a subsidy. In such cases, no money is paid from the Public Treasury to the transportation companies.

The improvement and maintenance of waterways, including the ownership and operation of canals without charging tolls, has been a fixed policy of our Government for many years.

The Democratic Party for 30 years or more has fully approved and indorsed the policy of the improvement of our waterways.

In 1884 the Democratic platform contained the following declaration:

> The Federal Government should care for and improve the Mississippi River and other great waterways of the Republic, so as to secure for the interior States easy and cheap transportation to tidewater.

Similar declarations are in the Democratic platforms of 1892 and 1896. In 1904 the Democratic platform contained the following plank:

> We favor liberal appropriation for the care and improvement of the waterways of the country.

In 1908 the Democratic platform contained this declaration:

> Water furnishes the cheaper means of transportation, and the National Government, having the control of navigable waters, should improve them to their fullest capacity. We earnestly favor the immediate adoption of a liberal and comprehensive plan for improving every watercourse in the Union which is justified by the needs of commerce; and to secure that end we favor, when practicable, the connection of the Great Lakes with the navigable rivers and with the Gulf through the Mississippi River, and the navigable rivers with each other by artificial canals, with a view of perfecting a system of inland waterways to be navigated by vessels of standard draft.

In 1912 the Democratic platform contained the following declaration:

> We renew the declaration in our last platform relating to the conservation of our natural resources and the development of our waterways.

Tolls exemption at the Panama Canal for vessels engaged in our coastwise trade is also a Democratic policy.

The Democratic platform of 1912 contains the following declarations:

> We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal.
>
> * * * * * * *
>
> Our platform is one of principles which we believe to be essential to our national welfare. Our pledges are made to be kept when in office as well as relied upon during the campaign, and we invite the cooperation of all citizens, regardless of party, who believe in maintaining unimpaired the institutions and traditions of our country.

I approve both of these declarations, and consider myself committed by them to the American people in favor of the Panama tolls exemption.

We are now asked to repeal this exemption law by the pending bill. I believe the determination of the question as to our violating our treaty obligation should decide whether or not the tolls-exemption law should be repealed now.

As I have stated, I am satisfied the tolls-exemption law does not violate the Hay-Pauncefote treaty. Therefore, I am opposed to the passage of the pending repeal bill.

The repeal of this tolls-exemption law now would be an admission by our Government that we do not have the right to control the Panama Canal. What other demands would be made upon the United States concerning the management and control of this canal no person can say. Great Britain has already given notice of a protest against the law which prohibits vessels controlled by trusts from using the canal. In his note, from which I have quoted, Sir Edward Grey says:

> There are other provisions of the Panama Canal act to which the attention of His Majesty's Government has been directed. These are contained in section 2, part of which enacts that a railway company subject to the interstate commerce act of 1887 is prohibited from having any interest in vessels operated through the canal with which such railways may compete, and another part provide that a vessel permitted to engage in the coastwise or foreign trade of the United States is not allowed to use the canal if its owner is guilty of violating the Sherman Antitrust Act.
>
> His Majesty's Government do not read this section of the act as applying to or affecting British ships, and they therefore do not feel justified in making any observations upon it. They assume that it applies only to vessels flying the flag of the United States, and that it is aimed at practices which concern only the internal trade of the United States. If this view is mistaken and the provisions are intended to apply under any circumstances to British ships, they must reserve their right to examine the matter further and to raise such contentions as may seem justified.

Other protests and demands will follow if we now surrender our right to control the canal.

Is it possible that we have spent $400,000,000 of the people's money in the construction of a canal over which our Government will have no greater control and will receive no greater benefits than will foreign nations?

We are told that the canal will be a great "international waterway," to be operated "with equal treatment to the people and subjects of all nations," and that we should be liberal in controlling it. We should be liberal with the canal; but we should be sure we are just to the American people before we are generous to foreign nations. I can not acquiesce in the surrender of a vital right which I am fully satisfied belongs to our Government.

However, President Wilson and many other of our able statesmen now believe our Government has no right to grant the tolls exemption to the coastwise trade. Since the question as to our rights in the canal has been raised, our rights should be determined as soon as possible.

The Supreme Court of the United States has jurisdiction to determine our rights under treaties. Let the tolls-exemption law continue in force until our Supreme Court has finally decided the question as to our right to grant the tolls exemption. We will then have the question judicially determined in a way that will not only be satisfactory to the American people but satisfactory also to foreign nations.

Exemption of Farmers and Like Organizations From the Antitrust Laws.

REMARKS

OF

HON. WILLIAM H. MURRAY,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, May 29, 1914.

Mr. MURRAY of Oklahoma. Mr. Speaker, right here again is where some Oklahoma politicians and office seekers, particularly if they are against me or want my job, will again proceed to "condemn" me, and will doubtless charge that MURRAY again has got off of the "Bryan band wagon" and quit the "Tumulty train" to the "President's patronage pantry," if what appears in yesterday's Washington Times be correct as to his position on section 7 of this, the Clayton antitrust bill, which so materially affects directly farmers, laborers, and other organizations which have no capital stock. Nevertheless, I shall give my views of this bill even at the risk of such a charge. I avail myself of the privilege of extending in the RECORD the statement as to the President's position:

> President Wilson will not compromise further with organized labor.
>
> Definitely and without hesitation he accepted this morning the gage of battle. To a subcommittee of the House Judiciary Committee, which called at the White House this morning to lay before him a tentative compromise amendment to the Clayton bill regarding exemption for organized labor from the operation of the proposed law, the President declared that he would accept no compromise.
>
> The fight is now on in earnest.
>
> The labor Representatives claim sufficient votes in the House to force an adoption of the changes in the legislation which they demand. Apparently the President is determined to let the antitrust program fail, if need be, rather than yield an inch further to the demands of labor.
>
> Charges of bad faith are flying back and forth.
>
> * * * * * * *
>
> Monday night, in an effort to effect a compromise, the House leaders tentatively agreed to add to section 7 the following language:
>
> "And no such organization, nor association, nor members thereof shall be regarded as an illegal combination in restraint of trade under the Sherman Act."
>
> This amendment was submitted to the President this morning by the subcommittee consisting of Congressmen WEBB, CARLIN, and FLOYD. The President was found to be adamant.
>
> On their way out of the White House the members of the subcommittee learned that Secretary of State Bryan had joined the President.

Of these three bills, known as the antitrust bills, the first, creating an "interstate trade commission," has a good purpose, but without authority to accomplish its good intentions. The one known as the Rayburn or "bond-and-stock" bill, I regard as wise and complete and without necessity of amendment. It is but a redraft of one of the celebrated reform bills enacted in Texas by noble old Jim Hogg. Of the present proposed act, styled the "Clayton bill," my opinion is that it contains several

vicious provisions requiring careful consideration and amendments. Not alone is section 7 wrong.

Let us analyze a portion of it, beginning with section 15, as follows:

No temporary restraining order shall be granted without notice to the opposite party, unless it shall clearly appear from affidavit or by the verified bill that immediate or irreparable injury, loss, or damage will result to property or a property right of the applicant.

This is but a repetition of the most fundamental textbook procedure in equity. The sections and paragraphs following that one adds some procedure a bit more specific, until section 18 is reached, which, in part, is as follows:

That no restraining order or injunction shall be granted by any court of the United States, or a judge or the judges thereof, in any case between an employer and employees, or between persons employed and persons seeking employment, involving or growing out of a dispute concerning terms or conditions of employment, unless necessary to prevent irreparable injury to property or to a property right of the party, if there is no adequate remedy at law.

Another clear recitation of the most elementary procedure in equity. I am astonished that gentlemen on this committee should imagine that this House is not aware of these facts. It is true the man unacquainted with law would not understand this.

The ordinary farmer and laborer could easily be deceived and made to believe they are getting something good; and but for subsequent sections I would consider this but a harmless, redundant reenactment of the elementary textbook principles governing proceedings in equity. But when we read a little further we observe, in the second paragraph of section 20, a procedure for trial of contempt reciting for the most part the present law, but there is not a proposed enactment in all these sections, from section 15 to 21, but what would be the procedure in any court where the judge is both competent and honest; but its purpose is found in section 21, wherein, in part, it reads:

Any judgment of conviction may be reviewed upon writ of error in all respects as now provided by law in criminal cases. * * * Upon the granting of such writ of error, execution of judgment shall be stayed, and the accused * * * shall be admitted to bail. * * *

What is the purpose of this section? Lawyers who are acquainted with the construction placed upon statutes, drilled in court procedure, would understand the effect and the purpose of reciting this procedure to be to substitute for the writ of habeas corpus a proceeding on appeal by writ of error, creating delay. I say this because the United States has never adopted the common law of England. It prevails only as it prevails by adoption in the several States, the Federal judges enforcing the common-law principle in those States where it exists and enforcing the civil law of France, or the Code Napoleon, in Louisiana. I ask this committee, Do you imagine you will deceive us, even if you can deceive the laboring man, and hide your purpose to supersede by another procedure the writ of habeas corpus, the highest writ of liberty known to the common law?

But there are other evils in section 22 as it may affect contempt proceedings. It says:

That nothing herein contained shall be construed to relate to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice, nor to contempts committed in disobedience to any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of, or on behalf of, the United States, but the same, and all other cases of contempt not specifically embraced within section 19 of this act, may be punished in conformity to the usages at law and in equity now prevailing.

Note the last lines of that paragraph and look at its effect, and that is to repeal or modify statutes passed in recent years by Congress providing for a hearing and a trial by jury in contempt cases. In this paragraph those cases of contempt not enumerated in section 19, as—

in the presence of the court or in disobedience to any lawful writ, process, order, rule, or decree, where the United States happens to be a party—

may be punished in conformity—

to the usages in law and in equity as now prevailing.

Not in accordance with the statute, but with the processes in the lower Federal courts as pursued by the hooks and crooks on the bench of the superior Federal courts. Did you intend to modify and contravene the law governing contempt trials? Whether you intended it or not, you have done so. In the causes enumerated in that section 22 there is even no provision that a trial shall be given the accused in such contempt cases.

It is not a pleasing thing to me to differ with the President and his coadjutors. I have said I would follow his advice in all things where he knew better than I; but with my 15 years' experience at the bar, brought in daily contact with judicial decisions and constructions of law and statutes; add to that my experience in the making of two State constitutions, coupled with the vitalization of one by legislative enactments, my experience in these lines has been greater than his. In addition, my 12 years' recent experience as a proprietary farmer, living and associating daily with the tenant farmer, sharing with him his hardships and financial difficulties by aiding and lending him my credit and security to obtain money with which to make his crop, feeling and breathing his hardships and poverty when his crop failed or proved to be insufficient to pay off his note and mortgage, followed by a foreclosure of all he had, and my being obliged to come to his rescue to the tune of several hundred dollars to pay the balance of the note at exorbitant rates of interest—from all these experiences I know that my knowledge of legislation in the interest of the farmer surpasses that of the President or any other man who only knows the farmer by what he read of him out of a book, and I am unwilling to be a party to the reenactment of a bill causing a repetition of what occurred for the five first years after the enactment years ago of the Sherman antitrust law, for during that period it was used exclusively to prosecute the grange organizations throughout the country.

Suppose President Barrett, of the National Farmers' Union, were to send an order down the line of that organization calling on the farmers to withhold the sale of their cotton or their grain from the market so as to hold up the price, that order would be in violation of this statute and would subject him to prosecution and the jurisdiction of the inferior Federal courts of the country.

I doubt whether there be another Member of this House who knows the farmer by personal association with him as I know his and as I know his difficulties.

My experience as a farmer has convinced me that he must organize for just such purpose; that he must some times reduce the acreage of his crop and at all times limit the amount that goes upon the market, otherwise he would never receive a fair price. The market would be destroyed, and his crop, however large, would bring him no net returns. Therefore I am unwilling that the farmer or his leader as president of his organization should suffer or even be subject to the order of any court in the land, when he is doing no more than exercising the law of self-defense, which is but a natural first law and which supreme courts have rightly held to be above all law and constitutions.

I have never claimed either here or in any other legislative body to be the special representative of the laboring man, and I grant you they ofttimes make demands which they ought not to make—demands that would injure them—made in their desperation to secure their rights, but I have always stood for justice for them. I have never pretended to be the special champion of the farmer, although I will admit that my heart throbs beat more nearly in unison with his than with any other class. I have always believed that as a legislator I should know no interest but the public interest. Nor does the cry that by eliminating the farmers' and laborers' organizations from the application of this law to be "class legislation" deter me in the least. I go you one better: I believe in class legislation whenever it can be enacted to benefit one class without injury to any other class. Measured by this standard I ask what injury can be done to any other class by reciting that this act does not apply to these particular organizations without capital stock, organized purely for self-defense. Cry, if you may, "class legislation," and then think just a bit. We have not passed a bill in this Congress that did not violate the same principle. It was "class legislation" when we put raw wool on the free list and gave to the manufacturers 35 per cent; when we put cattle on the free list and then placed a duty for protection to packery products; when we provided in the banking act that the banker could secure currency based upon the notes taken from the farmer, this too was "class legislation," but you did not object; and now is the time when like class legislation should be enacted in the interest of the other two classes. The farmer now claims his share; nothing more. Nor do you stop here. Government aid of a rural credit system, although given to the banks, is denounced as "paternal and class legislation." The farmers did not object then, and they only ask now for equal privileges and for just and like consideration. Do not imagine that you have deceived then or that you can deceive them. They know the distinction between a demagogue and the offer of a real remedy. They can understand an analysis of all such legislation.

You expressly provide in section 8 of this bill that nothing therein shall prevent a corporation "engaged in commerce" from the formation of subsidiary corporations * * * or the natural or legitimate branches or extensions thereof, or from ownership and holding all or a part of the stock of such subsidiary corporations.

But in this provision you qualify such as those "engaged in commerce" and thereby exclude fraternal, labor, consumers, agricultural or horticultural organizations, or orders or associa-

tions instituted for the purpose of mutual help and not having a capital stock or conducted for profit (more "class law" for corporations "engaged in commerce"), as defined in section 7, and which you seek to be made amenable to this law, its criminal penalties, and the orders of Federal judges. Your cry of "paternal" and "class legislation" is nonsense. I say, with due respect to all gentlemen of this House, that no Member, whether he reside in the South or West, North or East, should vote for this bill without an amendment stating in specific terms that it shall not apply to such organizations. The man who can not draw a distinction between these organizations for mutual self-help, organized for personal self-defense to encourage and promote the American family and home, and the corporations and trusts of the country, solely organized for aggressive aggrandizement, has his mind, soul, and sinew so interwoven with corporation cobwebs beyond my power ever to have imagined, and the vote upon that amendment will determine whether there be those in this House that fail to note the distinction, a distinction between the natural man, with soul, heart, and sinew and an artificial person, called in law a corporation.

Antitrust Legislation.

EXTENSION OF REMARKS
OF
HON. WARREN WORTH BAILEY,
OF PENNSYLVANIA,
IN THE HOUSE OF REPRESENTATIVES,
Friday, May 29, 1914,

On the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. BAILEY. Mr. Speaker, in the general debate on this bill the brilliant, the versatile, and the eloquent gentleman from Pennsylvania [Mr. GRAHAM], my distinguished colleague, alluded, with pained surprise to my story of the Colby mine in Michigan, a story which he questioned, doubting whether it had any foundation in fact.

The gentleman reminds me of the countryman who visited the circus for the first time and there came face to face with an animal which for length of neck surpassed anything he had ever seen, even in fevered dreams.

"What is that?" he demanded of the keeper, after a long survey of what to him was a new specimen.

"That? Why, that's a giraffe."

"I don't believe it," said the countryman. "There ain't no sich animal."

The gentleman from Pennsylvania [Mr. GRAHAM] is equally skeptical regarding the Colby mine. He goes to the length of questioning my veracity with respect to it. Yet the Colby mine is no invention; it is no figment of the imagination; it is a very solid reality, which has been dealt with at length in the public records of the great State of Michigan in the annual report of the commissioner of labor for the year 1892. The facts regarding that mine, as I related them here on this floor last Saturday, have never been challenged to my knowledge. Yet they were widely discussed at the time of their publication by Commissioner Robinson, a man of high character, who lifted the bureau of which he was the head to a new high level among those of its kind in the United States.

The gentleman from Pennsylvania says the "Colby mine incident stands out in sharp contrast with the truth," and he cites figures relating to royalties in West Virginia, showing thereby that he entirely missed the point illustrated in the Colby incident. No one will for a moment pretend that soft coal has been brought under monopolistic control to the extent that iron ore has been or that hard coal has been. The distribution of soft coal is very wide. It is found in probably more than half the States of the Union. It varies as widely in quality and accessibility as in distribution. And the royalty of 10, 15, to 25 cents a ton, which is common, tells as great a story in its way as is told in the history of the Colby mine, where royalties aggregated about 95 per cent of the gross value of the output.

But there are things not dreamed of in the philosophy of the gentleman from Pennsylvania. Were he to look closer home, say at the enormous increase of land values in Philadelphia—at the story of the Girard estate, for a specific example—would he not discover a romance of unearned wealth quite as startling as that which shocked him in the revelations of the Colby mine? What is the extent of the taxing power which that estate possesses and has so long exercised on the labor and industry of the gentleman's home city? Do not the figures of the Colby mine pale into utter insignificance by comparison with those making up the record of the Girard estate? But if the gentleman should shrink from looking at things at so short a range, might he not turn his eyes without discomfort or embarrassment in the direction of Manhattan Island, where land values have risen from $11,755,402 in 1813 to $3,127,852,473 in 1913? Has the gentleman from Pennsylvania, or have other gentlemen here, read the Arabian Nights tale of land values in Manhattan? No eastern romance ever equaled it in its golden splendor. It is a tale of enormous significance. It tells of flaunting silks and glittering jewels on one page and of hunger and rags on the other. It tells of labor and enterprise and thrift in one chapter and of opulent idleness and gilded vice in another. It tells of millions who pay tribute for the privilege of toiling on the island and of a favored few who riot in luxury without thought for the morrow. Yet the gentleman from Pennsylvania has apparently never read this romance; he has never heard this tale; he has, at least, never gathered its significance.

Mr. Chairman, the Colby mine, as I said the other day, is a type. It may stand for a thousand other cases where monopolistic control gives over to individuals a private taxing power which is employed in collecting unrequited wealth. There is not a city, not a town or village, not a community of any kind in this broad land, where instances of a similar character can not be found. In my own city of Johnstown I have seen land values double, if not quadruple, within the last 20 years. And if this means anything it means that within 20 years the land user has been compelled to pay a heavier and a still heavier tribute to the landowner for the bare privilege of working and producing. Can any gentleman—can even the gentleman from Pennsylvania—miss the significance of this?

Migratory Bird Law.

EXTENSION OF REMARKS
OF
HON. CHARLES L. BARTLETT,
OF GEORGIA,
IN THE HOUSE OF REPRESENTATIVES,
Monday, June 1, 1914.

Mr. BARTLETT. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include a decision of Judge Trieber, of the United States District Court for the Eastern District of Arkansas, rendered on Saturday, upon the constitutionality of the migratory bird law.

It is as follows:

MIGRATORY BIRD LAW—DECLARED UNCONSTITUTIONAL BY JUDGE TRIEBER, OF UNITED STATES DISTRICT COURT—MANY OPINIONS CITED—COURT UNABLE TO FIND ANY PROVISION OF CONSTITUTION, EXPRESS OR IMPLIED, TO SUSTAIN LAW—SPORTSMEN INTERESTED.

Judge Jacob Trieber, in the United States district court for the Jonesboro division of the eastern district of Arkansas, Saturday rendered an opinion in the Federal migratory bird law case, declaring the law unconstitutional. The opinion, which is of much interest to sportsmen everywhere, is as follows:

"United States *v.* Harvey H. Shauver. W. H. Martin, Esq., United States district attorney, and J. H. Acklen, of Nashville, Tenn., for the United States; E. L. Westbrook, of Jonesboro, Ark., for the defendant. Trieber, D. J.

"The defendant demurs to the indictment in this cause, which charges him with a violation of that part of the appropriation act for the Department of Agriculture, approved March 4, 1913 (37 Stat., 828, 847), known as the 'migratory birds' provision, and the regulations made by the Department of Agriculture in pursuance thereof and which have been approved by the President. That provision reads:

"All wild geese, wild swans, brant, wild ducks, snipe, plover, woodcock, rail, wild pigeons, and all other migratory game and insectivorous birds which in their northern and southern migrations pass through or do not remain permanently the entire year within the borders of any State or Territory, shall hereafter be deemed to be within the custody and protection of the Government of the United States, and shall not be destroyed or taken contrary to regulations hereinafter provided therefor.

"The Department of Agriculture is hereby authorized and directed to adopt suitable regulations to give effect to the previous paragraph by prescribing and fixing closed seasons, having due regard to the zones of temperature, breeding habits, and times and line of migratory flight, thereby enabling the department to select and designate suitable districts for different portions of the country, and it shall be unlawful to shoot or by any device kill or seize and capture migratory birds within the protection of this law during said closed seasons, and any person who shall violate any of the provisions or regulations of this law for the protection of migratory birds shall be guilty of a misdemeanor and shall be fined not more than $100 or imprisoned not more than 90 days, or both, in the discretion of the court.

"The Department of Agriculture, after the preparation of said regulations, shall cause the same to be made public and shall allow a period

of three months in which said regulations may be examined and considered before final adoption, permitting, when deemed proper, public hearings thereon, and after final adoption shall cause the same to be engrossed and submitted to the President of the United States for approval: *Provided, however,* That nothing herein contained shall be deemed to affect or interfere with the local laws of the States and Territories for the protection of nonmigratory game or other birds resident and breeding within their borders, nor to prevent the States and Territories from enacting laws and regulations to promote and render efficient the regulations of the Department of Agriculture provided under this statute.

"In pursuance of this authority, the Department of Agriculture has adopted suitable regulations which have been approved by the President.

"GROUND FOR DEMURRER.

"That the National Constitution is an enabling instrument, and therefore Congress possesses only such powers as are expressly or by necessary implication granted by that instrument, is not questioned. Unless, therefore, there is some provision in the National Constitution granting to Congress, either expressly or by necessary implication, the power to legislate on this subject, the act can not be sustained.

"The deference due from the judiciary to the other coordinate departments of the Government has made the courts, when the constitutionality of an act of the legislative department is attacked, to yield rather than encroach on the legislative domain. Only if the question is practically free from real doubt will the courts declare an act of the legislature unconstitutional. The fact that the statute goes to the verge of the constitutional power is not enough; it must appear clearly that it is beyond that power to justify a court to declare it void. These principles are so well settled by an unbroken line of decisions of all the American courts that it is unnecessary to cite authorities to sustain them.

"It is equally well settled that as to all internal affairs the States retained their police power, which they as sovereign nations possessed prior to the adoption of the national Constitution, and no such powers were granted to the Nation. (Cooley Const. Lim., 574; Patterson *v.* Kentucky, 97 U. S., 501-503; Covington, etc., Bridge Co. *v.* Kentucky, 154 U. S., 204, 310; United States *v.* Boyer (D. C.), 85 Fed., 425, 434.) But it is now equally well settled that the United States does possess what is analogous to the police power, which every sovereign nation possesses, as to its own property (Camfield *v.* United States, 167 U. S., 518, 525) and to carry into effect those powers which the Constitution has conferred upon it. (In re Debs, 158 U. S., 564, 581; Light *v.* United States, 220 U. S., 523, 536; Hoke *v.* United States, 227 U. S., 308, 323.)

"It is not claimed by counsel for the Government that the power to enact such legislation exists under the commerce clause of the Constitution, but it is claimed that subsection 2 of section 3, Article IV, of the Constitution, which is as follows, grants the necessary power:

"The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States or of any particular State.

"IMPLIED ATTRIBUTE.

"It is also claimed that it is one of those implied attributes of sovereignty in which the National Government has concurrent jurisdiction with the States; that it is a dormant right in the National Government, and where the State is clearly incompetent to save itself the National Government has the right to aid. To sustain the latter proposition stress is laid on the fact that it is impossible for any State to enact laws for the protection of migratory wild game, and only the National Government can do it with any fair degree of success; consequently the power must be national and vested in the Congress of the United States. A similar argument was presented to the court in Kansas *v.* Colorado (206 U. S., 46, 89), but held untenable. Mr. Justice Brewer, speaking for the court, disposed of it by saying:

"But the proposition that there are legislative powers affecting the Nation as a whole, which belong to although not expressed in the grant of powers, is in direct conflict with the doctrine that this is a Government of enumerated powers. That this is such a Government clearly appears from the Constitution, independently of the amendment, for otherwise there would be an instrument granting certain specified things made operative to grant other and distinct things. This natural construction of the original body of the Constitution, independently of the amendment, for otherwise there would be an instrument granting certain specified things made operative to grant other and distinct things. This natural construction of the original body of the Constitution is made absolutely certain by the tenth amendment. This amendment, which was seemingly adopted with prescience of just such a contention as the present, disclosed the widespread fear that the National Government might, under the pressure of a supposed general welfare, attempt to exercise powers which had not been granted. With equal determination the framers intended that no such assumption should ever find justification in the organic act, and that if in the future further powers seemed necessary they should be granted by the people in the manner they had provided for amending that act. Its principal purpose was not the distribution of power between the United States and the States, but a reservation to the people of all powers not granted.

"This disposes of that contention.

"Are migratory birds, when in a State on their usual migration, the property of the United States or of the States where they are found? If they are the property of the Nation, the States would have no power to regulate, control, or prohibit the hunting or killing of them. But the rule of law, which all the American courts have recognized, is that animals ferse naturae, denominated as game, are owned by the States, not as proprietors, but in their sovereign capacity as the representatives and for the benefit of all their people in concern. This principle has not only been maintained by all the highest courts of the States in which the question has arisen, but has had the approval of the Supreme Court of the United States in every case which has come before it. (Martin *v.* Waddell, 6 Pet., 367; McCready *v.* Virginia, 94 U. S., 391; Smith *v.* Maryland, 18 How., 71, 74; Manchester *v.* Massachusetts, 139 U. S., 240, 358; Lawton *v.* Steele, 152 U. S., 133; Geer *v.* Connecticut, 161 U. S., 519; The Abby Dodge, 223 U. S., 166.)

"DECISIONS CITED.

"In McCready *v.* Virginia it was said:

"In like manner the States own the tidewaters themselves and the fish in them, so far as they are capable of ownership while running. For this purpose the State represents its people, and the ownership is that of the people in their united sovereignty.

"It is true that this quotation was not absolutely necessary for the determination of the issues in that case, but the question of ownership of the fish in tidewater was indirectly involved, and the learned Chief Justice, who delivered the opinion of the court, evidently deemed it necessary to determine it.

"In Manchester *v.* Massachusetts a statute of Massachusetts regulating the fishing of menhaden in Buzzards Bay was involved, and it was there held:

"We think it must be regarded as established that, as between nations, the minimum limit of the territorial jurisdiction of a nation over tidewaters is a marine league from its coast; that bays wholly within its territory not exceeding 2 marine leagues in width at mouth are within this limit; and that included in this territorial jurisdiction is the right of control over fisheries, whether the fish be migratory, free-swimming fish or free-moving fish or fish attached to or embedded in the soil.

"In that case the court also quoted with approval from Dunham *v.* Lampshere (3 Gray, 268):

"That in the distribution of powers between the General and State Governments the right to the fisheries and the power to regulate the fisheries on the coast and in the tidewaters of the State were left, by the Constitution of the United States, with the States, subject only to such powers as Congress may justly exercise in the regulation of commerce, foreign and domestic.

"In Martin *v.* Waddell, after a careful review of the English authorities, it was expressly held that 'the public common of piscary belongs to the people in their united sovereignty, and the state holds it in trust for them.'

"Greer *v.* Connecticut may well be considered the leading case on this subject, as it reviews very learnedly all the law pertaining thereto. Mr. Justice White—now Mr. Chief Justice—reviewed not only the law as it existed under the common law but under the laws of Solon, the law as it is found in the Institute of Justinian, the Civil and Salic Law, and the Code of Napoleon, and sustained a statute of the State of Connecticut prohibiting the killing of certain game at any time when intended to be conveyed beyond the limits of the State. After reviewing all the authorities the learned justice summarized the law as follows:

"The foregoing analysis of the principles upon which alone rests the right of an individual to acquire a qualified ownership in game and the power of the State deducible therefrom to control such ownership for the common benefit, clearly demonstrates the validity of the statute of the State of Connecticut here in controversy. The sole consequence of the provision forbidding the transportation of game killed within the State beyond the State is to confine the use of such game to those who own it—the people of that State.

"AS TO CONSTITUTIONALITY.

"In Sils *v.* Hesterberg (211 U. S., 31) the constitutionality of the New York statute prohibiting the possession of game at certain times was attacked as volative of the National Constitution. That the State was the owner of all the game in the State, whether migratory or not, was not questioned by those attacking the statute, but it was claimed that the State had no power to prohibit the possession of game in the closed season when imported from a foreign country or another State where the killing is not prohibited. The statute was sustained as a proper exercise of the police power to protect the game in the interest of the food supply of the people of that State.

"In the Abby Dodge the principles laid down in the McCready case that 'each State owns the beds of all tidewaters within its jurisdiction, unless they have been granted away; also the tidewaters themselves, and the fishes in them, so far as they are capable of ownership while running' is reaffirmed.

"In Judson on Interstate Commerce, section 11, the author states the law to be:

"Thus the wild game within a State, at common law, belongs to the sovereign, and in this country to the people in their collective capacity, and the State therefore has a right to say that it shall not become the subject of commerce.

"Even after the game has been reduced to possession there is but a qualified ownership in it, subject to the control of the State. (Phelps *v.* Racey, 60 N. Y., 10; Commonwealth *v.* Savage, 155 Mass., 278; Organ *v.* State, 56 Ark., 270; State *v.* Geer, 69 Conn., 144, affirmed in 161 U. S., 519; State *v.* Northern Pacific Express Co., 58 Minn., 403; State *v.* Rodman, 58 Minn., 393; American Express Co. *v.* Peoples, 133 Ill., 649; Ex parte Mayer, 103 Cal., 476; People *v.* Collison, 85 Mich., 105; In re Deininger, 108 Fed. (C. C.), 623.)

"The act of Congress of May 25, 1900, chapter 553, 31 Stat., 188, known as 'the Lacey Act,' the constitutionality of which has been sustained, Rupart *v.* United States, 181 Fed., 104, C. C. A. 255, in effect legalizes the statutes of the States for the control of wild game within their borders, whether migratory or not. (People *v.* Hesterberg, 184 N. Y., 126.)

"The claim that the migratory birds are the property of the United States must therefore be held untenable.

"It is also argued that Congress has frequently exercised the power to regulate matters which could only have been done under the general police power, and the validity of these acts, when attacked, as beyond the power of Congress has been upheld. Counsel refers to the lottery acts, the antitrust acts, the national railway legislation, the safety-appliance act, the quarantine laws, the pure food and drugs act, the act regulating mailable articles, and other acts of similar nature; but every one of these acts was upheld under some provision of the Constitution, either that of the Post Office Department, the commerce clause, the taxing power, or some other grant. Whenever Congress or the head of a department went beyond that power, as by including intrastate carriage with interstate, the acts were declared unconstitutional. Trade-mark cases (100 U. S., 92); Illinois Central Railway Co. *v.* McKendree (203 U. S., 514); The Employees' Liability cases (207 U. S., 463).

"It may be, as contended on behalf of the Government, that only by national legislation can migratory wild game and fish be preserved to the people; but that is not a matter for the court. It is the people, who alone can amend the Constitution, to grant Congress the power to enact such legislation as they deem necessary. All the courts are authorized to do when the constitutionality of legislative acts is questioned is to determine whether Congress, under the Constitution as it is, possesses the power to enact the legislation in controversy; their power does not extend to the matter of expediency. If Congress has not the power, the duty of the court is to declare the act void. The court is unable to find any provision in the Constitution authorizing Congress, either expressly or by necessary implication, to protect or regulate the shooting of migratory wild game when in a State, and is therefore forced to the conclusion that the act is unconstitutional. The demurrer to the indictment will be sustained.

"TRIEBER, P. J."

Addresses Delivered at Arlington Cemetery on Decoration Day, May 30.

EXTENSION OF REMARKS

OF

HON. WILLIAM E. COX,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 1, 1914.

Mr. COX. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include addresses by the honorable Speaker of this House, the President of the United States, and Senator SMOOT at Arlington Cemetery on Decoration Day, May 30.

The addresses are as follows:

Commander Gleeson, of the Department of the Potomac of the Grand Army of the Republic, introduced the President in the following words:

"I have the honor to present the President of the United States."

The President said:

"Ladies and gentlemen, I have not come here to-day with a prepared address. The committee in charge of the exercises of the day have graciously excused me on the grounds of public obligations from preparing such an address, but I will not deny myself the privilege of joining with you in an expression of gratitude and admiration for the men who perished for the sake of the Union. They do not need our praise. They do not need that our admiration should sustain them. There is no immortality that is safer than theirs. We come not for their sakes but for our own, in order that we may drink at the same springs of inspiration from which they themselves drank.

"A peculiar privilege came to the men who fought for the Union. There is no other civil war in history, ladies and gentlemen, the stings of which were removed before the men who did the fighting passed from the stage of life. So that we owe these men something more than a legal reestablishment of the Union. We owe them the spiritual reestablishment of the Union as well; for they not only reunited States, they reunited the spirits of men. That is their unique achievement, unexampled anywhere else in the annals of mankind, that the very men whom they overcame in battle join in praise and gratitude that the Union was saved. There is something peculiarly beautiful and peculiarly touching about that. Whenever a man who is still trying to devote himself to the service of the Nation comes into a presence like this, or into a place like this, his spirit must be peculiarly moved. A mandate is laid upon him which seems to speak from the very graves themselves. Those who serve this Nation, whether in peace or in war, should serve it without thought of themselves. I can never speak in praise of war, ladies and gentlemen; you would not desire me to do so. But there is this peculiar distinction belonging to the soldier, that he goes into an enterprise out of which he himself can not get anything at all. He is giving everything that he hath, even his life, in order that others may live, not in order that he himself may obtain gain and prosperity. And just so soon as the tasks of peace are performed in the same spirit of self-sacrifice and devotion, peace societies will not be necessary. The very organization and spirit of society will be a guaranty of peace.

"Therefore this peculiar thing comes about, that we can stand here and praise the memory of these soldiers in the interest of peace. They set us the example of self-sacrifice, which if followed in peace will make it unnecessary that men should follow war any more.

"We are reputed to be somewhat careless in our discrimination between words in the use of the English language, and yet it is interesting to note that there are some words about which we are very careful. We bestow the adjective 'great' somewhat indiscriminately. A man who has made conquest of his fellow men for his own gain may display such genius in war, such uncommon qualities of organization and leadership that we may call him 'great,' but there is a word which we reserve for men of another kind and about which we are very careful; that is the word 'noble.' We never call a man 'noble' who serves only himself; and if you will look about through all the nations of the world upon the statues that men have erected—upon the inscribed tablets where they have wished to keep alive the memory of the citizens whom they desire most to honor—you will find that almost without exception they have erected the statue to those who had a splendid surplus of energy and devotion to spend upon their fellow men. Nobility exists in America without patent. We have no House of Lords, but we have a house of fame to which we elevate those who are the noble men of our race, who, forgetful of themselves, study and serve the public interest, who have the courage to face any number and any kind of adversary, to speak what in their hearts they believe to be the truth.

"We admire physical courage, but we admire above all things else moral courage. I believe that soldiers will bear me out in saying that both come in time of battle. I take it that the moral courage comes in going in the battle, and the physical courage in staying in. There are battles which are just as hard to go into and just as hard to stay in as the battles of arms, and if the man will but stay and think never of himself there will come a time of grateful recollection when men will speak of him not only with admiration but with that which goes deeper, with affection and with reverence.

"So that this flag calls upon us daily for service, and the more quiet and self-denying the service the greater the glory of the flag. We are dedicated to freedom, and that freedom means the freedom of the human spirit. All free spirits ought to congregate on an occasion like this to do homage to the greatness of America as illustrated by the greatness of her sons.

"It has been a privilege, ladies and gentlemen, to come and say these simple words, which I am sure are merely putting your thought into language. I thank you for the opportunity to lay this little wreath of mine upon these consecrated graves."

Commander Gleeson introduced Speaker CLARK, of the House of Representatives, saying:

"The President has spoken of the noble men we have in this country, he said, not by patent of nobility, but by might of good

deeds. I believe the man who I am to introduce to you is such a man, one whose patriotism is as pure as crystal, a man who has the courage of his convictions at all times and on all occasions. From my observance of the man he is always to be found on the side of the right and truth. He is a man who fights in the open, a friend of the soldier, one who has shown that he is a man on whom we can count at all times, no matter what personal sacrifice it may involve to him. I believe you know who I mean without my mentioning his name—CHAMP CLARK, of Missouri, the great Speaker of the National House."

The Speaker said:

"Truly does Emerson say, 'We live in a new and exceptional age. America is another word for opportunity. Our entire history appears like a last effort of divine Providence in behalf of the human race.' Those words of the great Concord philosopher were fitly spoken and are like apples of gold in pictures of silver.

"I shall always consider it among the greatest blessings of my life that when I was a student at Kentucky University one of my teachers was Prof. Joseph Desha Pickett, a Virginia gentleman of the old school, who could have given pointers to Lord Chesterfield in politeness and made him turn green with envy. When a young man Prof. Pickett toured Europe. He was much in company with an English duchess. She was so charmed with his manners, wit, and learning that when they parted she said, 'Prof. Pickett, I have been surprised at your extreme grace and politeness, remembering that you come from a country where they have no queen.'

"The courtly Virginian, bowing almost to the ground, said, 'Your grace, I beg your pardon. You live in a country where you have one queen. I live in a country where every woman is a queen.' A finer mot was never uttered. The civilization of a country can be accurately measured by the estimation in which the women are held.

"Shortly after the close of the war between the States, Admiral Farragut made the circle of the globe in his flagship. In every civilized country he was received with the honors due a hero, which he was. While cruising in the Ægean Sea he sent word to the Sultan of Turkey that he desired to call on him to pay his respects. The Sultan replied that no foreign battleship was permitted to enter the Dardanelles unless commanded by a prince of the blood royal. That raised Farragut's Tennessee fighting blood to the boiling point, and he sent this message to the Sultan: 'I have on board my ship 700 American citizens, every one of whom is a prince of the blood royal in his own land. I am clearing my ship for action, and will call on you immediately in force.' Suffice it to say that he had no trouble anchoring in the Golden Horn.

"A few years ago a party of Americans were traveling in the Old World. They had with them a boy about 12 years old. In the catacombs of Egypt he was weary and fell asleep. A wag, thinking to have some fun with the lad, surrounded him with the grinning mummies of dead Egyptians and blew a horn in imitation of Gabriel's trumpet. The boy awoke and didn't know where he was. He rubbed his eyes, swung his cap over his head, and shouted, 'Hurrah! It's resurrection day, and an American is the first man up!'

"Prof. Pickett, Admiral Farragut, and that boy were genuine Americans, fit to be countrymen of George Washington, Thomas Jefferson, Alexander Hamilton, and old Ben Franklin.

"It is written 'Blessed are the peacemakers,' but after 19 centuries of Christian endeavor humanity is not sufficiently purged of the old Adam to obey the injunction contained in the Sermon on the Mount, which runs in this wise, 'Whosoever shall smite thee on the right cheek, turn to him the other also.' On the contrary, we are prone to smite the smiter.

"Despite the positive command of the Savior, few, even of the best of us, ever pray for our enemies. If we do, it is with an elastic mental reservation. The day has not yet arrived when swords are beaten into plowshares or spears into pruning hooks, and, judging from facts which can be neither blinked nor denied, that era of perfect peace is out of sight in the distant future.

"With every nation of Europe supporting armaments of immense proportions and straining every nerve to augment them it can not be truthfully said that the world has attained that status foretold in the gospel of the Prince of Peace. The clank of the sword is heard and the flash of the bayonet is seen in every quarter of the globe.

"That mythical and intangible thing called 'the balance of power in Europe' is in as precarious and dangerous condition as when Louis XIV and William of Orange contended for the mastery at Steinkirk, Namur, and Landen; as when Marlborough and bold Eugene conquered at Oudenarde; as when Peterborough scaled the walls of Barcelona. All Europe, from the Arctic Ocean to the Straits of Gibraltar, is a veritable powder magazine, which the pigmy prince of a petty State may explode at any moment by striking a single match. Martial fame is as strongly coveted to-day as when Absalom, of the beautiful hair, rode forth to battle, and when Richard, of the lion's heart, fought to wrest the tomb of the Redeemer from the hands of the Saracen unbelievers. If history is to be believed, war has been the most important occupation of man since Cain slew Abel and since Tubal Cain first worked in a blacksmith shop. The corporation of captains, from Nimrod to Gen. Wood, occupy more space in the annals of mankind than do all the statesmen, philosophers, poets, preachers, writers, and artisans that ever lived. All history is but one unending story of human butchery. All our boasted and multiplied arts of civilization are but preparations for the sacrifice of war—the festival of death.

"Last summer I had a striking illustration of the rapidity with which the veterans, both Union and Confederate, are vanishing from the scene. The House passed a resolution directing me as Speaker to appoint a committee of 21 to attend the fiftieth anniversary of the Battle of Gettysburg. Thinking that it would be in keeping with the eternal fitness of things I concluded to make up the entire committee of Union and Confederate soldiers, which I set about doing. To my utter amazement I discovered that in the entire membership of 435 there were only 9 soldiers of the Civil War—6 who fought under the Stars and Bars, 3 who fought under the Stars and Stripes. The trio of Union soldiers are Gen. Sherwood, of Ohio; Judge Goulden, of New York; and Mr. Kirkpatrick, of Iowa. The 6 Confederates then in the House were Stedman, of North Carolina; Taylor and Richardson, of Alabama; Talbott, of Maryland; Estopinal, of Louisiana; and Jones, of Virginia. Since then Judge Richardson has passed away, and his place has been taken by Judge Harris, another Confederate soldier.

"As the years steal into the centuries Decoration Day is gradually growing into Memorial Day—a great national holiday classing with Christmas and the Fourth of July. Most assuredly it is a beautiful, wholesome, and ennobling custom to decorate the graves of all American soldiers—both Union and Confederate soldiers—of all our wars, and to memorialize their valor, their sufferings, and their sacrifices.

"President McKinley did a wise, gracious, and patriotic thing when he suggested that the Federal Government should care for the graves of the Confederate dead at Arlington, and this suggestion came with double force because he himself was a Union soldier of approved capacity and high courage. If the spirits of the mighty dead take any interest in the affairs of this lower world, William McKinley's soul will be full of joy next week when there will be dedicated with fitting ceremonies a monument to the Confederate dead as an enduring testimonial of the perfect peace and abiding friendship now existing in all parts of our beloved country.

"I speak for the generation which was too young to participate in our great Civil War. I was only 11 years old when the first gun was fired at Charleston, and now my head is blossoming like the almond tree. I will tell you how I regard that awful struggle and how the generation to which I belong looks upon it—as a most heroic chapter in the annals of mankind.

"Cold must be the heart of that American who is not proud to claim as countrymen the flower of the Virginia youth, who charged up the slippery slopes of Gettysburg with gallant Pickett, or those unconquerable men in blue, who through two long and dreadful days rallied around heroic Thomas 'the Rock of Chickamauga.'

"It was not southern valor or northern valor; it was, thank God, American valor; that valor which caused our revolutionary fathers to throw their gage of battle into the face of the son of a hundred kings; that valor which animated Washington at Princeton, Brandywine, Monmouth, and Yorktown; that valor which upheld his famished men amid the unspeakable horrors of Valley Forge; that valor which sustained the soldiers who followed Arnold on that cruel winter's march through the woods of Canada and in the Christmas storming of Quebec, where Montgomery fell immortal; that valor which nerved Andrew Jackson and his raw militia on the ever glorious 8th of January, when they humbled to the very dust the towering pride of that mighty monarch upon whose dominions the sun never sets, and utterly routed the veterans of the peninsula who had snatched from Napoleon's brow the iron crown of Charlemagne; that valor which at Buena Vista, Cherubusco, and Chapultepec filled the world with it renown; that valor which wrote Davy Crockett's name above Leonidas and made the Alamo another shrine for freedom; that valor which begirts that land as with a wall of fire, forbidding the nations of the earth to touch the ark of American liberty lest they die. Callous, indeed, must be the man who can not find something to admire in the colossal character of Abraham Lincoln or in

the splendid career of Robert E. Lee, who deserves to rank with the Chevalier Bayard, Sir Philip Sidney, and King Arthur.

"The soldiers of the North and the soldiers of the South were American freemen all, fighting like heroes for what they considered right; as such I honor them and teach my children to cherish them. To both alike are applicable the words of Kentucky's soldier poet:

"On fame's eternal camping ground
Their silent tents are spread,
And glory guards with solemn round
The bivouac of the dead.

"When I look into the faces of my children my heart swells with ineffable pride to think that they are citizens of this mighty Republic, one and indivisible, not built for a day, but for all time, and destined under God to be the dominating influence in all the centuries yet to be.

"How sleep the brave, who sink to rest,
By all their country's wishes blest!
When spring, with dewy fingers cold,
Returns to deck their hallowed mold
She there shall dress a sweeter sod
Than fancy's feet have ever trod.
By fairy hands their knell is wrung,
By forms unseen their dirge is sung,
Their honor comes, a pilgrim gray,
To bless the turf that wraps their clay,
And freedom shall a while repair
To dwell, a weeping hermit, there."

Remarks by Dr. J. K. Gleeson, department commander, introducing Senator REED SMOOT, of Utah:

"I now have the honor of introducing to you as the orator of the day a man who is no stranger to you, a patriotic statesman, who by his acts and votes has proven that he is a true friend of the veterans and intends that they shall at all times be fairly treated, honored, and sustained by the Nation. I present the Hon. REED SMOOT, United States Senator from Utah."

Senator SMOOT said:

"Mr. President, Commander Gleeson, and ladies and gentlemen, there is no place more appropriate for Americans to gather on Memorial Day than Arlington, our national cemetery, where lovers of liberty are wont to turn their gaze or wend their way—Arlington, a sacred spot of ground, made so when dedicated to become the burial ground for thousands of our country's patriots. They who slumber here bore the cross of civilization to its loftiest height and there consecrated it with their untold and unknown suffering and in thousands of cases with their own lifeblood. My fellow countrymen, it is well that we assemble here. It is well that we recall the deeds of valor in the establishing and preservation of our Nation's life by the dead and the living. It is well for us to meet this day to pay a tribute of respect to the memories of our countrymen who laid down their lives for us.

"Some 46 years ago the Grand Army of the Republic, through its commander in chief, instituted the 30th day of May of each year as an appropriate time to drape with the Stars and Stripes and strew with beautiful and fragrant flowers the graves of their comrades who have passed into the great beyond. Thousands of illustrious names are included in the list of the dead. What a beautiful custom and what a joy it is to every true American on each Memorial Day to gather lovingly about the graves of his departed comrades and recite their deeds of valor in whispered reverence. Every general who led a victorious army is honored this day by us honoring the humblest soldier in the ranks who sacrificed his life to preserve our Government. Life sacrificed for one's country levels all rank, and to-day the dead drummer boy is as great a hero as the highest officer. We strew these humble graves with the fresh flowers of a growing year, because they are the prettiest symbols that dear mother nature affords and as a mark of loyalty and patriotism to the cause defended by the departed one. The tomb of the military leader and the monument that marks a spot commemorative of the massing of forces—we strew these not less nor yet more tenderly. Surrounded as we are with the graves of the known and unknown patriots, let us, out of full hearts, continue to sing our anthems to their undying praise:

"Go to their graves, O, Columbia fair—
Go to their graves and scatter there
Sweet flow'rets of a thousand hues—
Flow'rets that bloom in the matin dews;
Scatter them, scatter them deep—
Scatter them o'er where heroes sleep.

"Go to the hills where the laurel grows—
Where soft winds sigh, where the tempest blows.
Gather the choicest gifts of God
That spring from the rich and rugged sod;
Scatter them, scatter them deep—
Scatter them o'er where heroes sleep.

"Go to the tomb where the chieftain lies,
Where, carved in rock, of heroic days,
A story is told—of vict'ries won—
Honors achieved—of duties well done.
Then softly approach that spot pressed down,
Where the stone lies low—the name 'unknown'
'Unknown'—unknown in the sight of God?
He knoweth who sleeps beneath the sod.

"'Twas a mother's boy—a brave loving lad,
Who knew no glory save his nation's good;
Earth's bosom holds him in sacred embrace,
Nor time, nor storms shall his glory efface.
Entwine 'round the tomb and the lowly grave
Blossoms of beauty for the true and brave.
Scatter them—scatter them deep—
Scatter them o'er where heroes sleep.

"Sons and daughters of the veterans, Americans, lovers of liberty, never cease strewing their graves with forget-me-nots and roses and sweet violets, but far more important let us dedicate our lives to honoring, defending, and, if necessary, sacrificing our lives for the honor of our flag and country.

"The veterans of the Civil War left us a reunited country, united forever, I believe; they left us the priceless heritage of their patriotism and self-sacrifice, and by their actions during the war and following the war taught us lessons it would be well for us to apply in civil life. During the war they demonstrated a lofty idealism, and following the war sound practical sense, both of which are essential to a nation's success. Our veteran dead have all died in the same stern performance of a duty that right and liberty demanded of them. Men's patriotism, their very souls, were tried during the dark, heartrending, and bloody days of the sixties. It was your right to choose, and how proud we are of you that you chose the path of honor and all the hardships which fall to the lot of a soldier. Every one of you knew that your decision meant poor food, scant rations, the trench, the lone camp fire, and the storm of bullets from a fearless and worthy foe. The time had arrived in your minds when the American Union must be saved. This was done with a consciousness that liberty was not a mere name, and past history had taught the lesson that it often required the life blood of men to establish and maintain a free country. Officers of every rank, privates at every call, defended Columbia in her darkest hour of need. Fellow countrymen, they are our friends, and shall be so during this life and the life to come. I believe God held this land in the hollow of His hand, reserving it for centuries from discovery, until a dispensation arrived when liberty and freedom could be established. Without the assistance of an overruling Providence, the thirteen American colonies, struggling for independence, would have failed. Our revolution was the outcry of a freedom-loving people against usurpation and tyranny. It has always appeared strange to me that in the past the greatest advances made in securing personal liberty for man have come through the destructive and inhuman channel of war. We have never had a war, nor will we ever have one, without examples of heroism and loyalty. Washington crossing the Delaware, cutting his way through floating ice, and surprising the Hessian hosts at their Christmas revel; Paul Revere's historical ride from Charlestown; and Ethan Allen, with his 80 backwoodsmen, swooping down upon a garrisoned fort and taking possession of the English Army 'in the name of the great Jehovah and the Continental Congress,' are but examples. A description of the revolutionary call to arms by George Bancroft, the historian, portrays in the following words the swiftness and patriotic impulse with which our fathers pledged their all to the cause of liberty:

"Darkness closed upon the country and upon the town, but it was no night for sleep. Heralds by swift relays transmitted the war message from hand to hand, till village repeated it to village; the sea to the backwoods; the plains to the highlands; and it was never suffered to droop till it had been borne north and south, and east and west, throughout the land. It spread over the bays that receive the Saco and the Penobscot and the St. Johns. Its loud reveille broke the rest of the trappers of New Hampshire, and, ringing like bugle notes from peak to peak, overleapt the Green Mountains, swept onward to Montreal, and descended the ocean river, till the responses were echoed from the cliffs of Quebec. The hills along the Hudson told one to another the tale. As the summons hurried to the south, it was one day at New York; in one more at Philadelphia; the next it lighted a watch fire at Baltimore; thence it waked an answer at Annapolis. Crossing the Potomac near Mount Vernon, it was sent forward without a halt to Williamsburg. It traversed the dismal swamp to Nansemond, along the route of the first emigrants to North Carolina. It moved onward and still onward through boundless forests of pines to Newbern and to Wilmington. 'For God's sake, forward it by night and by day,' wrote Cornelius Harnett, by the express which sped for Brunswick. Patriots of South Carolina caught up its tones at the border, and dispatched it to Charleston, and through moss-clad live oaks and palmettos still farther to the south, till it resounded among the New England settlements beyond the Savannah. The Blue Ridge took up the voice and made it heard from one end to the other of the Valley of Virginia. The Alleghenies opened their barriers, 'that the loud call' might pass through to the hardy riflemen on the Holston. Ever renewing its strength, powerful enough even to create a Commonwealth, it breathed its inspiring word to the first settlers of Kentucky, so that hunters who made their halt in the matchless valley of the Elkhorn commemorated the 19th of April by making their encampment Lexington. With one impulse, the Colonies sprang to arms; with one spirit,

they pledged themselves to each other 'to be ready for the extreme event.' With one heart, the continent cried: 'Liberty or death.'"

"The sorrows, suffering, death, and patriotism of our Revolutionary forefathers; the desolation and destruction that occurred during that justifiable war, are too well known by all for me to take the time to recite them to you. But from these sacrifices made by the soldiers of our country the American Union was born. Scarcely three-quarters of a century had passed following the birth of the Union before it became necessary for our Government to resort to war to save us that self-same Union. The same spirit of patriotism that was manifested in the War of the Revolution was shown in the Civil War, the most dreadful of all wars.

"Soldiers of the Civil War listen to the word picture of Col. Ingersoll in his 'Vision of War,' and see if it does not take you back 50 years or more and describe your experience at the first call and during the dark days of that mighty struggle:

"The past rises before me like a dream. Again we are in the great struggle for national life. We hear the sounds of preparation, the music of boisterous drums, the silver voices of heroic bugles. We see thousands of assemblages and hear the appeals of orators. We see the pale cheeks of women and the flushed faces of men; and in those assemblages we see all the dead whose dust we have covered with flowers. We lose sight of them no more. We are with them when they enlist in the great army of freedom. We see them part with those they love. Some are walking for the last time in quiet, woody places with the maidens they adore. We hear the whisperings and the sweet vows of eternal love as they lingeringly part forever. Others are bending over cradles, kissing babes that are asleep. Some are receiving the blessings of old men. Some are parting with mothers who hold them and press them to their hearts again and again and say nothing. Kisses and tears, tears and kisses, divine mingling of agony and joy. And some are talking with wives and endeavoring with brave words spoken in the old tones to drive from their hearts the awful fear. We see them part. We see the wife standing in the door with the babe in her arms—standing in the sunlight, sobbing. At the turn in the road a hand waves—she answers by holding high in her loving arms the child. He is gone, and forever.

"We see them all as they march proudly away under the flaunting flags, keeping time to the grand, wild music of war, marching down the streets of the great cities, through the towns, and across the prairies, down to the fields of glory, to do and to die for the eternal right.

"A vision of the future arises:

"I see our country filled with happy homes, with firesides of content, foremost of all the earth.

"I see a world where thrones have crumbled and kings are dust. The aristocracy of idleness has perished from the earth.

"I see a world without a slave. Man at last is free. Nature's forces have by science been enslaved. Lightning and light, wind and wave, frost and flame, and all the secret subtle powers of earth and air are the tireless toilers for the human race.

"I see a world at peace, adorned with every form of art, with music's myriad voices thrilled, while lips are rich with words of love and truth; a world in which no exile sighs, no prisoner mourns; a world on which the gibbet's shadow does not fall; a world where labor reaps it full reward, where work and truth go hand in hand, where the poor girl trying to win bread with the needle—the needle that has been called 'the asp for the breast of the poor'—is not driven to the desperate choice of crime or death, of suicide or shame.

"I see a world without the beggar's outstretched palm, the miser's heartless, stony stare, the piteous wail of want, the livid lips of lies, the cruel eyes of scorn.

"I see a race without disease of flesh or brain, shapely and fair; the married harmony of form and function, and, as I look, life lenghtens, joy deepens, love canopies the earth; and over all in the great dome shines the eternal star of human hope.

"In all we say about the soldier, let us not forget the part taken and willingly assumed by the American women in time of war. What shall we say of the wives and the mothers who gave their husbands and their sons for their country? No woman who has not passed through this terrible ordeal can describe or measure the sacrifice our women made or the horrors and hardships and sorrows they endured. What say you of the loving sisters who gave their brothers, yes, and their lovers, too? Were not all these patriots? Yes; patient, waiting, sorrowful, suffering patriots without the stimulus of the excitement of war.

"It was decreed that secession was not to be. The South was a part of the Union which forms but one Nation, and to break up that Union was rebellion. The armies of Lincoln were compelled to forge new bonds, bearing them onward and onward, until at last they should reach around a solid union of States, binding all into one Nation, firm and indestructible forever. But oh, the cost! the cost! Only those who saw and suffered can ever know. You of the North and you of the South who heard the trumpet calls, who gathered around the watch fires, who suffered the tortures of imprisonment, who tramped and fought and bled, you were permitted to know. You can never forget the bloody battle fields of that war. You can never forget the victories and defeats; the hope and despair that came to our armies as the engagements progressed. Well has it been said: 'What anchors of hope' were pounded anew at Donelson! 'In what a forge and what a heat' was Shiloh. And what of Antietam? 'She stood trembling and dripping with a horror of blood.' And Fredericksburg! What message could she give? Her fire-swept fields, red with gore, were lost to fame. 'What anvils rang, what hammers beat' against the battlements at Vicksburg until victory came and the Mississippi flowed unvexed to the sea! And Gettysburg, great in her day of glory! Gettysburg—the high tribunal of the Civil War; God was there. 'He was sifting out the hearts of men before his judgment seat.' Oh, Gettysburg! Against thy brave heights rebellion surged and broke in bloody foam, sank back, and faded from liberty's soil forever. And then from the mountain tops of Lookout and Kenesaw there came a trumpet peal saying, 'Come, come'—we have unlocked the gateway; let us go onward, fighting onward in triumph to the end. The Wilderness and Cold Harbor! How soon will the world forget the holocausts of those fields? How the helpless were devoured amid the furies of the fiery storm. How liberty shrieked, spare us God of Mercy! Spare us! We need no more such costly teaching. But at last a power greater than man's power, stronger than bone and sinew and flesh and blood—a power mightier than vengeful hands struggling to tear freedom's flag in twain—such a power intervened. It was the power of Almighty God.

"The history of our country from the time the first gun was fired on Fort Sumter, in April, 1861, to the close of the war in 1865 unfolds one long story of sorrow, suffering, and death. But the very life of our Union was at stake and demanded suffering and death. Nothing less than the peril of our Union would have justified the slaughter and sacrifices. Many good men and good women surrounded with peace and plenty seldom stop and think at what terrible cost of precious life and property we now enjoy them.

"To-day America—North, South, East, and West—stands as a unit against foreign invasion, free from fear of internal disruption, secure in the inalienable right of life, liberty, and the pursuit of happiness. To-day every American honors and loves Old Glory. To-day the citizens of the South would respond as quickly to a call to defend the honor of our country as the citizens of the North. After the close of the war the sympathetic, humane, and pacific policy adopted by the Government toward our defeated brothers of the South did much to bury old issues and revive Revolutionary patriotism for our common country.

"Remember, my countrymen, great men are not the creators of great events; but great events develop great men. Had there been no Revolutionary War there would have been no immortal Washington, the father of our country. If there had been no Civil War, there would have been no Lincoln, the savior of our Union, nor would there have been a Lee, the pride and idol of the South. The Confederacy was richly endowed with patriots. Mistaken and disastrous as we believe the Confederate cause to have been, yet who can doubt the sincerity of soldiers who fought so valiantly as the southerners? Every Confederate soldier here to-day offered his life for a cause he deemed just and right, and to me you were patriots for that cause. You thought you were right. The boys in blue knew they were. Time has proven that division was not what God intended for these United States, and as I looked into the faces of the Confederate soldiers at Gettysburg, just 50 years after that bloody battle occurred, and as I look into your faces to-day, I do not believe if it were left to the soldiers of the South to-day they would have it other than it is. To-day the glorious emblem of liberty, the guarantor of personal freedom, the Stars and Stripes, floats over the graves of the forgiven patriots who wore the gray as well as those of the valiant soldiers who wore the blue.

"By the flow of the inland river,
Whence the fleets of iron have fled.
Where the blades of the grave grass quiver
Asleep in the ranks of the dead;
Under the sod and the dew,
Waiting the judgment day:
Under the one the blue,
Under the other the gray.

"No soldier who was big enough, unselfish enough, patriotic enough to offer his life for his country will be small enough not to forget and forgive. Soldiers of Lincoln, you were right in your loyalty to the Union. But none of you will deny that the soldiers of the Confederacy were as loyal to their cause as were you to yours, and they were brave and worthy foes. In saying this I do it with the avowed intention of complimenting the valor, heroism, and patriotism of the soldiers of both armies. Let us thank God this day for a reunited country. As an evidence of that unity I have but to call your attention and the attention of the world to the fact that five days from to-day will take place the unveiling of the Confederate Monument, erected in honor of the Confederate dead on the sacred soil of Arlington. The corner stone of this monument was laid by a Republican President of the United States. How fitting it is that the veterans of the North and the veterans of the South should participate in the exercises the same as they are doing on this our National Memorial Day.

"Not many days since there were brought home the bodies of our men at arms slain at the taking of Vera Cruz. The entire

Nation mourned the noble dead. To maintain the Nation's honor these men died, and to-day a million men, if necessary, are ready to finish the task which they began. These men gave their lives that brutal murders of American citizens and bloody anarchy should cease, and that our flag should be respected in the Republic to the south of us. We find the same spirit of patriotism, the same loyalty to country, at Vera Cruz to-day as has been manifested by the defenders of our flag in every call for national defense. We do honor to ourselves in honoring this day the men who died at Vera Cruz. The Vera Cruz 'invasion' has proven to the world, as did our War with Spain, that this country is the United States of America, filled with brave, generous, patriotic, and God-fearing citizens. If conditions develop in Mexico requiring our Army to enter the capital city of that unhappy and distracted Republic, if we should become involved in real war with all factions or any faction in Mexico, there will be no brothers arrayed against brothers, no Americans against Americans. It will be a united America seeking to enforce respect for the ordinary obligations of civilization. There will be but one sentiment in the hearts of all our people; there will be but one uniform and but one flag. Wrongs must be righted before our restraining hand can be withdrawn.

"War is a terrible thing, and should be shunned and avoided as far as possible. But when the Nation's honor is involved, when our liberty is threatened, when humanity demands it, war, in my opinion, is justifiable. The time will come when Christianity, civilization, and man's humanity to man will have advanced mankind to a point where war will be unnecessary. That day has not arrived as yet, but let us all hope and work for its early arrival.

"Mere praise of the Nation's heroes availeth nothing. The memory of their valor, their heroism, their sacrifices should lead us to noble thoughts and action, and the lessons taught in their death should never be forgotten. They are lessons of duty. No American is absolved from the duty of guarding our country's good name, of obeying her laws.

"There is no need of asking the members of the Grand Army of the Republic what our flag stands for, but to the younger generations and our newly adopted citizens it would be well to remind them on this national day that the 13 stripes and the 48 stars stand for more than the cities and villages of the Nation; more than a territory 2,700 miles wide and 1,600 miles long; not only 100,000,000 of free, happy, prosperous people; not merely the work of Washington, Hamilton, Jefferson, Lincoln, Webster, Grant, and Clay. All these we have when we gaze upon the Stars and Stripes. But we have more than these. When we look at our flag we feel its living presence in our very souls. We feel that it is a perfect representation of liberty, regenerated and protected by law, the symbol of the power and majesty of the mightiest nation on earth. The flag represents all that is best and wisest in human government. It represents many of the sublime teachings of the Savior; it represents religious liberty and freedom of speech. Not only does the flag represent all these, but every other true principle of representative government.

"It is our duty, individually and collectively, to educate each succeeding generation to the necessity of unbounded patriotism, in order that our country may continue to be free, that the Stars and Stripes shall continue to be the emblem of liberty, and our flag respected in every land and on every sea. Mr. Commander, I said our flag. In so saying I mean it in its broadest sense, as broad as the lines indicate in the following description by W. D. Nesbit:

"Your flag and our flag,
And how it floats to-day
O'er your land and my land,
And half the world away.

"Blood red and rose red,
Its stripes forever gleam;
Snow white and soul white,
The good forefather's dream.

"Sky blue and true blue,
With stars that beam aright;
A gloried guidon of the day,
A shelter through the night.

"Your flag and my flag—
Oh, how much it holds!
Your heart and my heart
Secure within its folds.

"Your heart and my heart
Beat quicker at the sight;
Sunkissed and wind tossed,
The red and blue and white.

"The one flag! The great flag!
The flag for me and you!
Glorified, all else beside,
The red and white and blue."

Why Congress Should Take the Profit Out of War and Preparation for War.

EXTENSION OF REMARKS
OF
HON. CLYDE H. TAVENNER,
OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, May 12, 1914.

Mr. TAVENNER. Mr. Speaker, ere long Congress is going to take the profit out of war and preparation for war. When the people learn of the outrageous manner in which the powder, armor, and ammunition trusts have overcharged and cheated Uncle Sam they will insist that the Government manufacture its own munitions of war.

I have devoted the greater part of the last year investigating and studying this subject, and I desire to take the responsibility of placing in the RECORD some of the information and views I have gathered, to the end that the same may be preserved for the possible use of other Members when the matter again comes up for discussion and that my year's hard work in pursuing the subject will not have been wholly in vain.

During consideration of both the Army and Navy bills I did all within my power to have these measures provide for a policy of Government manufacture of all munitions of war. The manner in which the War Department has been overcharged for its munitions and the wisdom of complete Government manufacture of articles used by the Army was set out in great detail in my remarks, which will be found in the proceedings of the House of Representatives on February 27, 1914, when the Army bill was under consideration.

On April 18, when the naval bill was up, I introduced an amendment providing for an extension of the plant of the Bureau of Ordnance of the Navy Department, so that the Government might manufacture armor plate. In years preceding amendments had been offered to the naval bill providing for the construction of an armor plant, and they had been ruled out of order on the ground the amendments involved new legislation. My reason for providing in my amendment simply for the extension of a plant already in existence was the hope that a point of order would not lie against it, because of the fact the amendment did not provide for an entirely new thing but simply for the extension of a plant already in existence. A point of order was raised, however, and the amendment was stricken out.

On May 7, while the same bill was under consideration, I offered a second amendment, to be tacked on at the end of the following paragraph of the bill:

Increase of the Navy; armor and armament: Toward the armor and armament for vessels heretofore and herein authorized, to be available until expended, $14,877,500.

This second amendment read as follows:

Provided, That the Secretary of the Navy is hereby authorized to procure by contract armor of the best quality for any or all vessels heretofore or herein provided for, provided such contracts can be made at a price which, in his judgment, is reasonable and equitable; but in case he is unable to make contracts for armor under the above conditions, he is hereby authorized and directed to procure a site for and to erect thereon a factory for the manufacture of armor and gun forgings; and the sum of $4,000,000 is hereby appropriated toward the erection of said factory and the purchase of a site therefor.

This amendment is practically a duplicate of a provision contained in the naval appropriation bill of 1900; and the mere fact that that bill carried this provision resulted in the Government saving millions of dollars in the cost of armor plate. The Secretary of the Navy was able to say to the three firms having a monopoly of the manufacture of armor in this country that if they were not willing to sell armor to the Government at a fair and reasonable price he was authorized by law to go ahead and manufacture his own armor. Let us see whether the insertion of the amendment I have just offered proved of value in the naval bill of 1900.

Back in 1893 the Government was paying an average of $658 a ton for armor. Some time later Senator TILLMAN, of South Carolina, started in to fight the high price and to oppose the armor ring, and he forced the Armor Trust gradually to reduce its price until, in 1900, he got the price down to $413 a ton.

Then the naval appropriation bill of 1900 was amended to carry the provision I have just alluded to, which provided that if the Secretary of the Navy was unable to obtain a square deal from the Armor Trust, he was authorized and directed to build a Government armor plant.

What was the result? The three concerns manufacturing armor, rather than have Uncle Sam build a plant, gradually reduced their prices from $413 in 1900 to $345 in 1906, which

meant a saving of millions of dollars to the Government. Such was the result of the insertion in the naval bill of 1900 of the provision that I presented. Without spending a dollar for a plant or doing anything further than simply providing that the Secretary of the Navy was authorized to build a plant if he could not obtain fair treatment from the trust, the Government saved millions.

But when Congress failed to continue the provision in the naval bill it gradually lost its moral effect upon the armor ring, and the price of armor plate to the Government was steadily advanced from $345 a ton in 1906 to $454 a ton at the present time.

If this Congress will replace this amendment in the naval bill, I predict it will save every penny of $1,000,000 a year, even if the Government never further considers the advisability of a Government plant.

If the Government builds an armor plant and a padlock is placed on its doors as soon as it is completed, and it is never used, it will, in the opinion of Secretary of the Navy Josephus Daniels, pay for itself simply by enabling the Secretary to obtain a square deal from the armor manufacturers.

This bill carries an appropriation of $14,877,500 for armor and armament alone. If the Government had its own armor and gun-forging plant I believe I am well within the bounds of conservatism when I say that 30 per cent of this sum, or, in round numbers, $4,000,000, could be saved to the taxpayers. Is $4,000,000 a year on armor and armament alone worth the saving? I, for one, believe it is.

But my second amendment, like the first, went the way that all amendments go that threaten the profits of that gigantic trust which has a monopoly on preparation for war in this country, and which draws down annually a very large slice of the $250,000,000 appropriated each year for the maintenance of the Army and Navy in time of peace. It went out on a point of order.

AN OLD STORY.

For 18 years there has been on foot a movement for a Government armor plant. Time after time amendments have been offered to the naval appropriation bill providing for such a plant, and time after time points of order have been raised by gentlemen who do not desire the Government to manufacture armor, and the amendments have been stricken out. The result has been that year after year the armor ring has been permitted to go on drawing down the fat Government contracts which have rewarded them with millions and millions of dollars of extortionate profits.

My purpose in this effort to have the Government manufacture all its munitions of war, including battleships, is not merely to save to the Government the amount of these extortionate profits, but to take the profit out of war and preparation for war.

Those who advocate this policy are not so much concerned whether we build one battleship a year or two battleships a year, so long as the Government does the manufacturing, because then for every dollar Congress appropriates for battleships the Government will receive a dollar's worth of battleship; but now no one knows how much it receives for its dollar. Many gentlemen want a large number of battleships simply in order that private manufacturers may make huge profits in building them. When the Government manufactures all munitions of war we will be able to decide upon the number of battleships needed on the merits of that question. Then the amounts to be carried in the Army and Navy bills will not be dictated by the greed of the Armor, Powder, and Shipbuilding Trusts, but by the needs of the country from a strictly military viewpoint.

We do not know to a penny the extent to which the Government is being overcharged, but we do know that Mr. Carnegie, who was one of the first to go into the armor-plate business, boasts of having made millionaires out of 43 men, and he is now going through life giving his millions away, right and left, and death is going to overtake him with untold millions still on his hands. So there must be huge profits in the armor-plate business, and now that the Government has generously permitted a considerable colony of steel manufacturers to lay up sufficient millions to keep the wolf from their doors through the remainder of their days, as a reward for their thrift and genius and hard work, Congress should, instead of creating a fresh colony of steel magnates at the expense of the people, seriously begin to think of saving some of these millions to the taxpayers.

Complete Government manufacture of munitions of war will mean that the Government itself will save millions annually, because of its demonstrated ability to manufacture cheaper than outside manufacturers, and that the workmen who actually do the work will receive better wages for 8-hour workdays than the employes of the outside manufacturers receive for 9 and 10 and, in some instances, 12 hour workdays.

When all profit is taken out of war, but not until then, we may expect relief from the systematic agitation now being carried on by the Navy League and other friends of the armor ring, the ammunition ring, and the Shipbuilding Trust, for an ever and ever increased amount of armament, which agitation is especially systematic and pronounced about the time the Army and Navy bills are before Congress each year.

WHAT AND WHO THE ARMOR RING IS.

In using the term "armor ring" I do so advisedly. The expression is no mere figure of speech. The armor ring is not a part of invisible government, because we can definitely locate it and place our finger upon it. This ring has overcharged the Government, gouged the Government by selling it inferior products, and two of the three firms comprising the ring have practically admitted that they have conspired to prevent the Government from receiving the benefit of honest competitive bidding.

By the term "armor ring" is meant Bethlehem Steel Co., Carnegie Steel Co., and the Midvale Steel Co. Up to June 26, 1913, these three concerns had drawn down $77,103,483.55 worth of armor contracts alone, divided as follows: Bethlehem, $34,215,112.58; Carnegie, $30,844,153.56; Midvale, $12,044,217.41. Since these figures were compiled the ring has received additional contracts amounting to $8,089,764.45, making a total of $85,193,248. Nor is this all by any means They have also drawn down millions and millions of dollars' worth of additional and equally fat contracts for guns, ammunitions, and so forth, from the Navy Department, and they have also done the great bulk of the contract work for the Army, receiving all the way from 20 to 60 per cent more than the same work could have been manufactured for in the Government arsenals.

It is still contended by some that these three concerns are intensely patriotic, and that rather than save millions of dollars annually to the people by manufacturing its own munitions of war the Government should continue to give this band of patriots contracts at excessive prices in time of peace in order that we may depend upon their patriotic cooperation in time of war. But when war with Spain was imminent these three concerns got together and issued an ultimatum to the Government that they would not manufacture a single piece of armor plate unless the Government would agree to pay them $100 a ton more than the price that had been determined upon by Congress after investigation as a fair price.

But the intense patriotism of the armor ring did not prevent it from selling armor to Russia in 1894 for $249 a ton, while it was charging the United States $616 a ton.

NO INTENTION TO QUESTION MOTIVES OF MEMBERS WHO DISAGREE.

I do not wish to be understood as desiring in the slightest degree to impugn the motives of any member of the Committee on Naval Affairs. If I or any other Member of the House should for one moment attempt to do so, such action would be so absurd it would make the speaker ridiculous. I have only the highest personal regard for the able chairman of the committee, who is fully as conscientious and patriotic as I or any other Member of the House, yet I can not agree with him in his policy of opposing Government manufacture of munitions of war. I am aware that the gentleman stated on one occasion that if he was satisfied the Government could save money by manufacturing its own armor plate he would be in favor of such an enterprise. But I submit that if he is not satisfied on this point after the abundance of testimony and information that has been collected by two investigating committees and two Secretaries of the Navy, which investigations have been going on for 20 years; and last, but not least, by the statement of the present Democratic Secretary of the Navy, as made in his last annual report, that—

> The Government can achieve a saving by the erection of a 10,000-ton-a-year plant of $1,061,360 per annum, after deducting 4 per cent as interest on the money used in erection and installation of plant and $3,048,462 a year on the basis of a Government plant capable of producing 20,000 tons a year—

if the gentleman is not satisfied after this array of uncontradictable findings by men who have made careful and accurate investigation of the subject, then I respectfully submit there is some excuse for the apprehension that he may never be satisfied as long as he remains chairman of the great Naval Affairs Committee.

ONLY THOSE WHO FAVOR THE PRIVATE MANUFACTURE OF WAR MUNITIONS ARE PATRIOTIC!

The chairman of the Naval Affairs Committee not only insists upon a big Navy but he insists that this big Navy be built by

private contractors. It is the latter part of his policy that I particularly disagree with.

The question has been raised as to the patriotism of those who insist upon the Government manufacture of all munitions of war, including battleships. I can not see how it can be contended that it is any more patriotic to advocate two battleships to be built by private contractors, with huge profits to the builders, than it is to advocate two battleships to be constructed by the Government, which policy means that for every dollar expended for battleships we will get a dollar's worth of battleship, and that the men who actually do the work of building the ships will receive higher wages and work under far better conditions than if the contracts are given to the Shipbuilding Trust.

The big Navy to be built by private contractors' policy will meet with the approval of the armor ring, the ammunition ring, and the Shipbuilding Trust. It will also be eminently satisfactory to the Navy League of the United States, which organization has from the first been an adjunct of the house of Morgan, and is constantly agitating a larger and larger Navy, but, mind you, not a larger Navy to be built at the lowest possible cost with a Government armor plant and in Government shipyards, but a larger Navy to be built by the armor ring, the ammunition ring, and the Shipbuilding Trust.

"BIG NAVY" AGITATION A BUSINESS PROPOSITION WITH THE NAVY LEAGUE.

Ever since I have been a Member of Congress I have been receiving literature from this "big navy" lobby, and finally I determined to call the attention of its officers to the fact that their pleas for a larger Navy are tainted, and will continue to be tainted until they advocate the Government manufacture of all munitions of war. On January 16 last I addressed a letter to Mr. A. H. Dadmun, the secretary of the league, in which, among other things, I said:

I beg to acknowledge receipt of your letter of the 13th instant, together with inclosures as to why a powerful Navy is needed.

Assuming that you are in good faith in this agitation and really desire the largest possible Navy for patriotic reasons, I am going to take the liberty of suggesting to you that if you will inaugurate a movement for the Government manufacture of all munitions of war, including all battleships, your campaign will strike a much more responsive chord with both Members of Congress and the people.

In other words, if the Government is to do all of the manufacturing of munitions of war, including battleships, the point can not then be successfully raised that the agitation is for the benefit of the armor ring, the ammunition ring, and the Shipbuilding Trust.

But if you do not advocate the Government manufacture of all munitions of war, including battleships, you can not successfully deny that you are carrying on a propaganda which means millions and millions of dollars of extortionate profits to the above-mentioned interests.

I hardly expect Members to fall out of their seats in amazement when I report that the Navy League has not accepted my suggestion. Should the Government adopt the policy of manufacturing all its munitions of war, I predict that the Navy League would not only lock the doors of its elegantly appointed suite in the National Capital, but that the same rich patriots who are now clamoring for a bigger and bigger Navy, in the certain knowledge that if their agitation is successful they will draw down contracts worth millions, will be the loudest in their protestations against an annual war expenditure of $250,000,000 in time of peace.

MANY PROMINENT PATRIOTS IDENTIFIED WITH THE NAVY LEAGUE.

I desire now to present some information as to who is behind the Navy League:

Mr. J. Pierpont Morgan was until his death one of the directors, and intensely interested in the league's work, to which he was a liberal contributor. Mr. Herbert L. Satterlee, general counsel for the league, is a son-in-law and heir of Mr. Morgan.

Gen. Horace Porter is president of the league. He was for many years an officer of the Pullman Co., which is a Morgan corporation.

Mr. Charles G. Glover is treasurer of the league. He is president of the Riggs National Bank, which is closer to Wall Street than any other bank in Washington.

Col. Robert L. Thompson is chairman of the executive committee of the league. He is an eminent financier of New York, whose great interests generally coincide with the colossal undertakings of the Morgan group. He is also the head—being chairman of the board—of the International Nickel Co., and holds the honorable post of president of the New York Metal Exchange.

Mr. J. Frederick Pams is director of the league. He is a New York society and yachting man, a friend of Mr. Morgan, and a member of Mr. Morgan's yacht club.

Mr. George von L. Meyer is a director of the league. Mr. Meyer was Secretary of the Navy in the Taft administration and on March 3 signed the remarkable contract for the *Pennsylvania's* armor that has been the subject for unpleasant comment in Congress and elsewhere. He is a considerable stockholder in the New Haven Railroad, which is a Morgan concern, and is also a director in the Amoskeag Manufacturing Co., at Manchester, N. H., and has on the board as his associates Mr. F. C. Dumine, who helped Mr. Morgan to incorporate the Boston Railroad Holding Co., by which the New Haven was enabled to hold the Boston & Maine in spite of certain provisions of the Massachusetts law. Mr. Dumine is also a director of the Fore River Shipbuilding Co., which is on friendly terms with the Morgan group and affiliated with United States Steel.

With a board of directors containing all of these wise and experienced men that are on terms of friendship with our greatest captains of industry our defenseless condition may be believed to be in safe hands and the activities of the Navy League to be unremitting.

ILLUSTRATIONS OF HOW GOVERNMENT IS OVERCHARGED.

The extent to which the armor, ammunition, and powder trusts have been overcharging the Government is almost unbelievable. There has seldom been honest competitive bidding between the manufacturers. Secretary of the Navy Daniels discovered this condition as soon as he entered office, and as a result of his activity in getting new independent bidders to enter the field he has saved the Government more than $2,000,000 and has been in office little more than a year.

Here are two sample illustrations out of a multitude which could be cited showing what happens under real competitive bidding.

Realizing the Government was being overcharged for turbine rotary drums the Secretary invited an English firm to submit a bid for the drums to be installed in the new battleship, No. 39, now building in the New York Navy Yard. The Midvale Steel Co. and the Bethlehem Steel Co., two of the three concerns composing the armor ring, bid $160,272 and $169,568, respectively, while the English firm, acting for the Cyclops Steel & Iron Works, of Sheffield, England, offered to furnish the drums for $57,436, a saving to the Government over the lowest bid of the armor ring of $102,836.

Then, recently the Secretary awarded a contract for building 100 torpedo flasks, including heads. There was competition; new contractors entered the field previously monopolized by the ring, and the Secretary of the Navy was able to purchase 100 flasks for $58,246, which under former conditions would have cost $115,075.

The bids of the Bethlehem Steel Co. and the Midvale Steel Co. under honest competitive bidding showed a reduction of 44 per cent as compared with bids for similar forgings submitted by these companies only four months previous.

RECOMMENDATION OF SECRETARY DANIELS IGNORED.

The chairman of the Naval Affairs Committee praises the present Secretary of the Navy, Josephus Daniels, as one of the greatest Secretaries of the Navy that we have ever had. This praise is justly merited, and therefore it is especially regrettable that the Naval Affairs Committee did not cooperate with and carry out the recommendations of the Secretary of the Navy, who asked for appropriations to make possible the Government manufacture of munitions of war, to the end that the Government might escape the necessity of paying excessive prices to the armor ring, the ammunition ring, and the powder and shipbuilding trusts. By not following out the recommendations of the Secretary of the Navy the committee left the Government at the mercy of these private manufacturers, just as it has been for a quarter of a century:

Here is the policy recommended by the Secretary of the Navy as contained in his annual report, which the committee ignored:

ARMOR, GUNS, AND POWDER SHOULD BE MADE BY THE DEPARTMENT.

The time has come when the department should be freed from excessive prices charged by private manufacturers of armor plate, guns and gun forgings, powder, torpedoes, and other supplies and munitions. Most of those necessaries for the Navy are made by a very few manufacturers, and the prices charged are so much too high that I earnestly recommend that appropriations be made for an armor-plate factory and an increase in the gun factory, the powder factory, and the torpedo works. The ability to make part of the powder used has effected some reduction, but the department is forced to buy too large a quantity from the Powder Trust at an exorbitant price. It has been demonstrated that the department can save money by making its powder, guns, and torpedoes. It is not open to doubt that it can save larger sums when it can make its own armor plate and gun forgings.

EVIDENCE THAT SECRETARY DANIELS IS NOT DOMINATED BY ARMOR RING.

I desire particularly to call attention to the strong arguments of Secretary of the Navy Daniels in support of his recommendation for a Government armor plant, as set forth in his annual report dated December 1, 1913:

IMPORTANCE OF ARMOR-PLATE FACTORY.

I desire to recommend the passage at the earliest moment of a sufficient appropriation to begin the construction of a Government armor plant to relieve a situation which, in my estimation, is intolerable and at total variance with the principle of economy in spending Government money. It is not my intention to enlarge here upon the economic reasons that prompt me to make this recommendation, as I have already gone into them at length in a letter to the Senate in response to a request for information. It is sufficient to mention here that only three firms in this country can manufacture armor plate, and that these firms have put in bids for armor plate seldom varying over a few dollars, and in many instances being identical to a cent. Asked for reasons as to the uniformity of these bids, two of the firms replied frankly that as the contract would be divided amongst them anyway, the only effect of competitive bids would be to reduce the profits made by all of the three firms.

The department has made every effort to secure real competition and reasonable prices, even to the extent of withholding awards until the necessity of building battleship *No. 39* made it imperative that action be taken. After long negotiations the best efforts of the department resulted in securing a saving of $111,875, by new "competitive"

bids, a purely nominal competition, inasmuch as the successful bidder proposes to divide up the work with his rivals. This saving, while well worth the time it took to secure it, is after all very small as compared with the total cost of the armor. Prices charged by these firms for armor have been investigated by Congress a number of times and by special boards of experts, and in every case the investigators have reported that the prices charged are greatly in excess of the cost of manufacture.

With the desire to be just, the Secretary offered to transmit to Congress any figures these companies cared to submit to show that their prices were reasonable, but they have refused to present the absolutely necessary data to the Secretary unless he would agree to accept it as confidential, which, of course, means that he would not allow Congress to analyze the figures. Confidential information about public expenditures was not desired and was not accepted. It is evident that without an armor plant of its own the Government in time of war or impending war would be entirely at the mercy of these three manufacturers and obliged to pay practically whatever price they asked. History does not warrant an assumption that the patriotism of these companies would prove superior to their desire for profits, inasmuch as during the time that the war with Spain was imminent these companies refused to accept the price fixed by Congress after investigation as a just rate, and declined to manufacture any armor until they got their own price of $100 a ton more than that which Congress had determined on. In this connection it is well to note that the love of country possesssed by these companies did not prevent them from furnishing armor to Russia, as reported to Congress, in 1894 at $249 a ton, while they were charging the United States $616.14 a ton upon purchases under the contract of March, 1893; nor did it hinder them from furnishing armor to Italy in 1911 at $395.03 a ton, while they were charging their own Government $420 a ton, and that even at the present day, according to information that seems reliable, they are furnishing the armor for the *Haruna*, now being built by the Kawasaki Co. at Kobe for Japan, at $406.35 a ton as against the price, ranging from $504 to $440 a ton, which they are now charging us for the armor of battleship *No. 39*.

I am convinced from the reports made to me by experts who have gone carefully over the subject that we can make armor much cheaper than we now buy it, and that, from an economic point of view alone, the erection of a Government plant is amply justified. By manufacturing armor plate in its own plant the Government will be able to keep for its own use any improvements in the manufacture or composition of its armor that may be developed. The last word has not been said in armor, and past history shows that great improvements in the manufacture and design of armor plate have been made. The greater part of these improvements were suggested by actual experience gained by naval officers. Under our present system of obtaining our armor plate from private companies such improvements become the property of all the world and can be obtained by anybody who cares to buy them. Even now the improvements in armor and the designs worked out by the Navy have been embodied in the warship of another nation recently finished by the Bethlehem Steel Co. and put into commission. This is not an argument lightly to be disregarded in favor of a Government armor plant, nor has it been overlooked, for instance, by Japan, which has erected its own armor-making plant and surrounded it with such secrecy that none of the other nations are able to tell whether or not at this minute the Japanese armor may not be superior to any other in existence. In addition to Japan, the French Government, after experimenting with a factory capable of producing only the lighter weights of armor, is enlarging its Government plant so as to permit of the production of thick plates, and Russia has had its own armor-plate factory for some time. In England the extortions of what is described in the English papers as the "armor ring," for there is every reason to believe that the agreement to maintain high prices among manufacturers is international, has resulted in agitation for a Government plant for that country, which will probably be brought about in the next few years.

As mentioned in my letter to the Senate, taking the highest estimate which has been submitted to me by the experts of the Bureau of Ordnance as the probable total cost price of Government-made armor, the Government can achieve a saving by the erection of a 10,000-ton-a-year plan of $1,061,360 per annum after deducting 4 per cent as interest on the money used in erection and installation of plant, and $3,048,462 a year on the basis of a Government plant capable of producing 20,000 tons a year. If these figures are correct, as I believe them to be, and as Congress can easily ascertain for itself, I do not see how it is possible for Congress to justify to the people a refusal to erect a Government plant, nor how it can answer the charge that will invariably be brought up—that the same mysterious Providence which saved this profitable business to the steel companies three times in the past, even after money for a Government plant had actually been appropriated, is not still at work exercising its beneficent protection over these lusty specimens of infant industries, who are even now under Government investigation as violators of the antitrust law.

ARMOR RING REMAINS SNUGLY IN THE SADDLE.

Instead of providing for an appropriation for an armor plant, which would have rescued the taxpayers from the tender mercies of the armor ring, the committee brought in the following provision, which leaves the Government at the mercy of the ring and does not in any manner change the conditions now existing. This program will be eminently satisfactory to the armor ring:

The Secretary of the Navy is hereby authorized and directed to investigate and report at the next regular session of Congress upon the selection of a suitable site for the erection of an armor plant to enable the United States to manufacture its own armor plate and special-treatment steel capable of standing all ballistic and other necessary tests required for use in vessels of the Navy at the lowest possible cost to the Government, taking into consideration all of the elements necessary for the economical and successful operation of such a plant, such as the availability of labor, material, and fuel, and transportation facilities to and from said plant. Said report shall contain the cost of a site sufficient to accommodate a plant having an annual output capacity of 20,000 tons and a site for an output of 10,000 tons, and also an itemized statement of the cost of the necessary buildings, machinery, and accessories for each, and the annual cost and maintenance of each, and the estimated cost of the finished product.

The action of the committee in thus providing only for an investigation, of which there have been several in the past, instead of providing for an armor factory as recommended by the Secretary of the Navy, is worth from $3,000,000 to $5,000,000 a year to the armor ring.

VERY THOROUGH INVESTIGATION IN 1896–97.

I would favor enthusiastically the provision in the pending bill providing for an investigation of the cost of armor but for the fact that numerous investigations have been made in the past, and this provision for an unnecessary additional investigation impresses me as being merely a dodge to sidetrack an appropriation in this Congress for an armor plant, as recommended by the Secretary of the Navy.

The insertion of this provision instead of a paragraph carrying an appropriation for a plant means that the movement for an armor factory is set back to the point it reached 19 years ago.

On December 31, 1895, the Senate passed a resolution directing the Committee on Naval Affairs to "inquire whether the prices paid or agreed to be paid for armor for vessels of the Navy have been fair and reasonable," and "whether any legislation is necessary to further promote the manufacture and cheapen the price of armor." The committee also had before them the bill (S. 1700) to provide for the erection of an armor-plate factory in the city of Washington, D. C.

This committee, with the assistance and cooperation of the then Secretary of the Navy, H. A. Herbert, made a most thorough and scientific investigation of the whole subject.

The report and hearings of this investigation of the cost of armor makes a volume of 464 pages.

The conclusions of the committee, briefly, were as follows:

That a Government armor factory could be erected for the sum of $1,500,000, and that it is expedient to establish such a factory in case the armor manufacturers decline to accept such prices for armor as may be fixed by law.

The committee was of the opinion that a fair average price for armor was between $300 and $400.

The committee arrived at this conclusion as follows:

Cost of labor and material per ton	$168
Add for reforging	12
	180
Add for maintenance of plant	30
	210
Thirty-three and one-third per cent profit	70
	280
Add for nickel	20
Making the price for armor	300

The committee prepared this table after Secretary of the Navy Herbert had submitted one in which he had estimated that $400 was the outside price which the Government ought to pay for armor.

Secretary Herbert's estimate was as follows:

The Secretary takes as the cost of labor and material in double-forged, harveyized, nickel-steel armor the sum of	$196
He assumes that the plant costing $1,500,000 would need $150,000 per year for maintaining it, or $50 per ton upon 3,000 tons of armor, and adds to the price	50
Making	246
Or, in round numbers	250
He then adds for profit 50 per cent	125
Making	375
And then adds for nickel to be furnished hereafter by the contractors	20
Making	395
Or, in round numbers	400

In arriving at the figures used in the table both the committee and Secretary Herbert had accepted the figures submitted by the armor manufacturers themselves as to the cost of their plants, and so forth, although the armor concerns refused to permit the Government to have access to their books to substantiate their figures.

Read now, 18 years after the testimony was taken, the hearings contain some rich humor.

Practically, taking the manufacturers' own figures as to the cost per ton of manufacturing armor, the Secretary allowed 50 per cent and the committee 33 per cent as profit. Independent of the 50 per cent for profit, the Secretary allowed 10 per cent of the value of the plant for maintenance.

I estimated—

Said Secretary Herbert while testifying before the committee—

from information which I have obtained in Europe and elsewhere that either the Carnegie or Bethlehem plant could now be reproduced for about $1,500,000, but in order to be on the safe side I have allowed them maintenance upon $2,000,000 ($500,000 margin), and 10 per cent instead of 5 per cent. Then, allowing them maintenance at that rate, I have allowed them also a profit of 50 per cent, and for that sum it

does seem to me they ought to be able to manufacture the armor the Government needs.

In addition to all this, Charles M. Schwab, then general manager of the Carnegie Steel Co., appeared before the committee and demanded an additional 10 per cent, producing, when read to-day, some of the richest humor contained in the entire hearing.

He argued that in addition to the liberal allowance for maintenance, depreciation, interest on original investment, interest on working capital, and all conceivable as well as inconceivable overhead charges, his company should be allowed another 10 per cent for "loss by abandonment of plant when Navy shall have been completed." He argued that the Navy would probably be "completed" at the end of 10 years, and then the plant would be entirely valueless, ready to be consigned to the scrap heap. He thought the Government ought to be willing to pay for the plant, in addition to the profit on manufacture. The committee was at first inclined to think this logic was satisfactory.

But at this point Secretary Herbert recovered his equilibrium, according to the hearings, and blocked further gratuities to the Carnegie Co.

The Government has, according to my estimates—

Testified the Secretary—

paid for the plant, and they have the plant now, if these calculations are correct, and there is a large balance over.

Seventeen years have passed since the time it was anticipated that the Navy would be "completed" in ten years; and where we were using only 6,000 tons of armor a year then, we are using 16,000 tons now. Up to that time we had used a total of only 18,952 tons of armor, while up to the present day we have used a total of 85,193 tons. At the time of this investigation we had expended, in all, only $11,776,670 for armor, while up to the present time we have spent a total of $85,193,248; and the bill now under consideration carries an additional sum of $14,877,500 for armor and armament, and the Navy is not yet "completed."

The first thing the investigation developed was that various naval officers, both active and retired, were in the employ of the armor concerns. The most deeply involved of all was the then Chief of Ordnance of the Navy himself, Commander William M. Folger, who was shown to have been in the employment of several concerns doing business with the Government. This official finally resigned from the Navy to enter the employment of the Harvey Steel Co., receiving therefor salary at the rate of $5,000 per year and $20,000 worth of stock in the Harvey Steel Co., which arrangement was made before his resignation but, it was shown, not until after he had made bargains with the Harvey Co., as an official of the Government, worth large sums to the steel concern.

It developed at the hearings that whenever a naval officer found an opportunity to go into the employment of a private manufacturer it was the custom of the department to grant him a leave of absence for two or three years at what was known as "waiting orders pay," which amounted to $2,300 per annum, and which was two-thirds of full pay. While receiving $2,300 from the Government the officer would be receiving a considerably larger sum from private manufacturers having dealings with the Government. It developed that one officer who resigned from Government service and went into the employment of the Carnegie Steel Co.—Lieut. Stone—for a while had a desk in the office of the Bureau of Ordnance at the Navy Department, acting as the agent of the Carnegie Co. even after he had severed his official connection with the Government.

In its report the committee strongly condemned this sort of thing, and declared that another widespread evil just as bad was the custom of the department in permitting naval officers to become financially interested in patent processes used by the Government. In its report the committee said:

The committee had no hesitancy in reaching the conclusion that the above custom was a bad one and should be discontinued under all ordinary conditions: and especially that the employment of naval officers by contractors having large dealings with the Government should be peremptorily prohibited by law.

No man can well serve two masters, and if contractors having large dealings with a department of the Government can take into their employment, with no limit as to compensation, officials of that department, and through them learn the secrets and the purposes of the department, and, moreover, insidiously influence its action, great injury may result to the public service. The fundamental principle upon which all legitimate business is transacted—that each side shall be represented solely by persons wholly devoted to its own interests—is viciously violated by a custom which allows one side to take into its pecuniary employment a representative of the other side.

An effort was made in the debate to draw a distinction between officers on the active list and officers on the retired list. The committee deny that any well-founded distinction exists which ought to influence the decision of the question. Retired officers of the Navy remain officers to all intents and purposes, with an important exception. Section 1462 of the Revised Statutes provides that "no officer on the retired list of the Navy shall be employed on active duty except in time of war."

But notwithstanding this statute exempts retired officers from all obligation to render any service for the liberal retired pay which they receive for life, amounting usually to three-fourths of their active duty pay, yet they remain a part of the Navy of the United States, available in any emergency of war. They are entitled to wear their uniforms on public occasions and are allowed free access to every bureau of the Navy Department, on the theory that they are still ready to serve the interests of the Government by fidelity, sound advice, and an earnest spirit of devotion to public duty. It is quite enough to allow such officers to enter into ordinary private employment for compensation. To permit them to take sides against the Government and to enter into the employ of contractors having dealings with the Government reaching to millions of dollars will certainly, if the custom continues, become most pernicious and injurious to the public interests. Proclaim that such officers may be so employed by repealing the clause which has now become a law, and a bold and wealthy contractor, willing to spend enough money to take into his employ a sufficient number of naval officers on the active and retired list, would be able thoroughly to weaken the department in its dealings with such contractor and to put the Government at his mercy in making bargains, which would be substantially entered into with the representatives of one side alone conducting all the negotiations.

SECRETARY HERBERT'S REPORT JUSTIFIES APPROPRIATION FOR PLANT.

We now come to the report of Secretary of the Navy Herbert, made January 5, 1897, after many months of careful investigation, during which the Secretary personally visited several European countries. The Secretary also had the assistance of a board of naval officers. From his report the following is quoted:

The Secretary called together a board composed of Lieuts. Karl Rohver, Kossuth Niles, and A. A. Ackerman, two of whom had been inspectors of armor at the Bethlehem Co.'s Iron Works; the other, Lieut. Ackerman, had been connected with the manufacture and use of steel in its different forms for a number of years, during which time he had spent several months at both the Bethlehem and Carnegie works. These gentlemen made an exhaustive report upon the cost of labor and material entering into a ton of armor, showing in detail every little item, beginning with the cost of the several ingredients charged in the furnace for casting the ingot preparatory to the forging process and ending with the work on the finished plate. The result of their calculations was that the cost of the labor and material in a ton of single-forged harveyed nickel steel armor, the Government supplying the nickel (nickel at $20 per ton), was $167.30.

* * * * * * *

Lieut. Commander Rodgers, who had been an inspector at Bethlehem Iron Works, was called upon to make an estimate of the cost of manufacturing armor, and his report, based upon observation in the manufacture of armor, makes the cost of labor and material in a ton of single-forged harveyed nickel steel armor $178.50.

* * * * * * *

The inspector of ordnance at the Carnegie Steel Co., Ensign C. B. McVay, was also called upon for an estimate, and his report, though made separately without consultation with the other officers, is that the labor and material in a ton of single-forged Harvey nickel steel armor is $161.54.

* * * * * * *

Average for single forged of above estimate is $185.38, and $197.78 for reforged armor.

COMPETITION TO ARMOR RING FROWNED UPON BY NAVY DEPARTMENT.

On March 10, 1897, the Navy Department issued a circular calling for bids on 8,000 tons of armor, specifying that no bid in excess of $300 per ton, the limit fixed by Congress in the act of March, 1897, would be accepted. Although they had furnished armor to Russia in 1894 at $249 a ton, the Carnegie and Bethlehem companies refused to bid, because of the fixed limit of $300.

When read now as a chapter in the long history of the dealings between the Armor Trust and the Government, in every chapter of which the Government seems to have gotten the worst of it, this circular incident has all the earmarks of having been something in the nature of a joke.

The Carnegie and Bethlehem companies refused to bid, because they knew they would get the contracts at a higher price than $300 if they simply stood pat and refused to bid. The law was so worded as to assure them the business. The act provided that the armor must be of "domestic" manufacture, and as these two companies had a monopoly on domestic manufacture, and as they knew a new plant could not be put up within a year or two, and the Government must have the plate before that time, it was obvious that all they had to do to obtain their price was to refuse to bid, and wait for developments.

But this circular, harmlessly intended though it appears to have been, came within an ace of smashing the Armor Trust. The Illinois Steel Co. submitted a proposition to supply the 8,000 tons of armor at an average price of $300 per ton, conditioned upon Congress awarding the company a contract for furnishing the Government its armor for 20 years, at an average price of $240 per ton. The proposition was ignored. This is the narrowest escape the Armor Trust has ever had.

Since that time the Government has bought 161,803 tons of armor, paying on an average more than $400 per ton for it. Had the Government accepted the $240 per ton proposition of the Illinois Steel Co. in 1897 it would by this time have realized a saving of more than $25,000,000, and there is no reason to

believe the steel company would have gone into bankruptcy, either.

THE VARIOUS NAVAL BILLS AND THEIR REFERENCE TO ARMOR.

As a result of the revelations disclosed by the investigation of the Senate Naval Affairs Committee in 1896–97, which showed beyond successful contradiction that the armor manufacturers had been outrageously gouging Uncle Sam, the naval bill of 1897 provided that—

no contract for armor plate shall be made at an average rate to exceed $300 per ton of 2,240 pounds.

The naval bill of 1898 provided that—

no contract for armor plate shall be made at an average rate to exceed $400 per ton of 2,240 pounds.

The naval bill of 1899 provided that—

no contracts for the armor for any vessels authorized by this act shall be made at an average rate exceeding $300 per ton of 2,240 pounds, including royalties.

Then came the act of 1900 containing the provision authorizing the Secretary of the Navy to build an armor factory in the event he should be unable to obtain a reasonable bid from the armor companies. This provision is practically the same as the one I offered as an amendment to the pending bill, which has been ruled out on a point of order. I shall, however, to keep the record clear, quote the provision just as it was enacted into law in the naval bill of 1900:

Provided, That the Secretary of the Navy is hereby authorized to procure by contract armor of the best quality for any or all vessels above referred to, provided such contracts can be made at a price which in his judgment is reasonable and equitable; but in case he is unable to make contracts for armor under the above conditions, he is hereby authorized and directed to procure a site for and to erect thereon a factory for the manufacture of armor, and the sum of $4,000,000 is hereby appropriated toward the erection of said factory.

BUT THE ARMOR FACTORY HAS NEVER BEEN BUILT.

The armor factory was not built, and I can find no one now connected with the Government who is familiar with the reasons why it was not built.

The naval bills of 1901, 1902, 1903, and 1904 not only were silent on the subject of an armor plant, but in the acts of these years all limitation was removed from the price the Secretary might pay for armor. The acts were so worded as to throw everything to the Bethlehem, Carnegie, and Midvale Cos., because, although the Secretary was not limited as to the price he might pay, he was limited to "domestic" manufactured armor, and the three firms, comprising the armor ring, enjoyed a complete monopoly of the manufacture of armor in this country. Each year, following the investigation, the paragraph carrying the appropriation for armor contained fewer words, but each succeeding year it carried more millions for armor, and was worded as the "ring" would have preferred to have it written, had its interests been consulted in the matter. For instance, the paragraph relating to armor in the naval bill of 1904 was very brief, as follows:

Armor and armament: Toward the armament and armor of domestic manufacture for the vessels authorized, $12,000,000.

It was brief, but it did the business for the ring. "Domestic" manufacture, no armor plant, no limitations as to price, smooth sailing.

But by 1905 the demand for an armor plant to rescue the Government from the tender mercies of the Armor Trust again became hot. Some kind of action seemed necessary, so the committee increased the appropriation for armor by $6,000,000, and declared for another investigation, as follows:

Armor and armament: Toward the armament and armor of domestic manufacture for vessels authorized, $18,000,000; *And provided further*, That the Secretary of the Navy shall cause a thorough inquiry to be made as to the cost of armor plate and of armor plant, the report of which shall be made to Congress.

ATTEMPT IS MADE TO SIDETRACK THIS INVESTIGATION.

Although the naval bill directing the Secretary of the Navy to make "a thorough inquiry" as to the "cost of armor plate and armor plant" was approved and became a law on March 3, 1905, the matter was pigeonholed at the Navy Department by officials in charge, who evidently felt friendly inclined to the armor ring and did not desire an investigation.

For more than a year nothing was done. Forced by congressional activity, the first step toward an investigation was taken on May 11, 1906, when Acting Secretary of the Navy Newberry issued an order appointing a board of experts, composed of Kossuth Niles, captain, United States Navy; Walter McLean, commander, United States Navy; and Edward Simpson, lieutenant commander, United States Navy; to proceed with the investigation. The action of the Navy Department in attempting to sidetrack the investigation duly ordered by law amounted to a public scandal. The House of Representatives, on June 5, 1906, passed a resolution directing the Secretary of the Navy to report as to what action had been taken in response to the specific direction of Congress of more than a year previous.

The matter was never satisfactorily explained. Secretary of the Navy Charles J. Bonaparte, in making his official report, simply stated that the matter had been originally placed in the hands of the preceding Secretary of the Navy, Paul Morton, and that "for reasons of which the department is not informed, no further steps were taken in the premises," and that "the subject seems then to have escaped attention."

This incident was distinctly armoresque. With only one or two exceptions, the Secretaries of the Navy have been very friendly to the armor concerns. One Secretary of the Navy—B. F. Tracy, 1889–1893—made contracts with the Carnegie Co. and the Harvey Steel Co. worth large sums to them, and was criticized for not having properly protected the interests of the Government in his transactions with these two armor concerns. After his term as Secretary of the Navy expired, he became counsel for both companies; but a close scrutiny of his dealings with the Harvey and Carnegie companies while he was Secretary of the Navy develops grave doubts as to whether his legal services to the Carnegie and Harvey companies could have been one-half as valuable to these concerns as his official acts as Secretary of the Navy had been.

INVESTIGATION OF 1906 WAS VERY THOROUGH.

With the 43-page report of the investigation of 1906 in existence, there is no excuse for another investigation, as provided for in the pending naval bill, except for the purpose to delay or prevent the construction of a Government armor plant. Although the investigators of 1906 took pains in making their report to eulogize the armor companies, and although their policy throughout their calculations as to the cost of an armor plant and the cost of armor plate seems to have been to resolve all doubts in favor of the ring, yet they appear to have covered every conceivable step in the manufacture of armor, and have worked out their estimates in the most minute detail. It is doubtful if the Government could obtain much additional information, so far as the various elements of cost in the manufacture of a ton of armor plate are concerned, if it was to authorize a dozen investigations.

COST OF ARMOR PLANT.

As to the cost of an armor plant, the report, on page 31, states:

Of the estimates submitted by the inspectors of ordnance, one gives without detail $3,500,000 as a conservative cost of an armor plant of about 10,000 tons yearly capacity.

A second estimate, given in considerable detail, places the cost of a similar plant at $3,875,000.

The report of the armor factory board estimates the cost of its proposed plant—6,000 tons capacity—at $3,747,912. * * * This board believes that the total cost of an armor plant, as estimated upon by the armor factory board, should, to-day, be, in round numbers, $3,750,000.

ESTIMATES AS TO COST OF ARMOR PLATE.

After resolving all doubts and uncertainties on the side of the manufacturers, the investigating board of 1906 reported that the production cost of class A armor is $244.27 per ton, and of class B armor $221.76 per ton. This figure is about $3 per ton less than the average estimates of the four naval investigators of 1896. The fact that two boards, the one of 1896 and the one of 1906, came to almost the same conclusions after having spent months investigating the matter, would appear to add weight to the findings of each. Each investigation in a general way proved the estimates of the other.

In addition to reporting on the "production cost" per ton of armor, both boards also reported estimates as to "full cost." The "production cost" is equivalent to what may be accepted as the cost in a Government plant, while the "full cost" is the production cost with such items as taxes, insurance, and profits added, which a private manufacturer would be required to figure on, but nearly all of which would not properly be chargeable to any estimate as to the cost of manufacture in a Government plant. The Government would not have to pay interest, taxes, or insurance or figure on profits. In determining the "full cost" allowance was made for such items as office supplies, telephone service, telegraph and postage charges, travel, general expenses, a contingent fund, legal services, experimental work and investigations, an accident fund, hospital fund, and even "the periodic replacement of existing equipment" and the "possible total abandonment of a private works in so special a line as armor-plate manufacture, due to the cessation of any demand for its product." The board allowed a depreciation charge of $43.75 to every ton of armor. Much of the administration charge, even in the "production-cost" estimate, would be eliminated in a Government plant, because this work could be performed by naval officers, who would receive

their salaries from the Government whether their services were utilized in an armor plant or not.

Both the "production-cost" and the "full-cost" estimates are based on a plant of only 6,000-ton capacity. All investigators agree that the larger the capacity of a plant the cheaper the output. A two-battleship a year program calls for about 16,000 tons of armor annually. Therefore it is obvious that if the Government should build a 10,000 or 15,000 ton plant the estimates as to the cost per ton would need to be considerably reduced.

ESTIMATES COST AT $314 PER TON.

The highest estimate ever given by a Government official, so far as I have been able to learn by searching the records, is that of Rear Admiral Joseph Strauss, the present Chief of the Bureau of Ordnance, who is only lukewarm for a Government plant. Testifying before the Naval Affairs Committee on January 22, 1914, he said:

An armor-plate factory of 20,000 tons capacity with an output per year up to its full capacity, can produce armor at a cost of $279 per ton.

If it worked half capacity, the estimate is $349 a ton; and if the output were 5,000 tons, the estimated cost is $400 a ton.

If we build an armor-plate factory with a capacity of 10,000 tons, and work it to full capacity, the cost is estimated at $314 a ton, and at half capacity—that is, 5,000 tons—$394 a ton.

If we build a 5,000-ton plant and work it to full capacity—that is, 5,000 tons per annum—the cost is estimate at $354.

The cost of building 20,000, 10,000, and 5,000 ton plants are, respectively, $11,288,431, $8,466,000, and $6,300,000.

If these figures are correct, and Admiral Strauss is correct in his assumption that it is more expensive to manufacture armor in a plant of small capacity than in one of a large capacity, and that it is much more expensive still to manufacture only a portion of the capacity of the plant, it can be demonstrated by any school boy arithmetician that the armor ring on numerous years has manufactured armor for the Government at such low prices as to lose millions of dollars.

For instance, in 1906 the Bethlehem, Carnegie, and Midvale Cos. were awarded contracts for 1,824, 1,865, and 3,690 tons of armor, respectively, at $345 per ton. If Admiral Strauss's estimates are correct, this armor cost the manufacturers at least $394 a ton; and when the armor manufacturers sold their product to Russia at $249 a ton they were acting in the capacity of philanthropists, if Admiral Strauss is correct. The answer is that the estimates of this admiral are excessive; either that or the estimates of eight other Government experts who have inquired into the subject are too low.

But although Admiral Strauss's estimates are the highest ever given, the Government could save $161.16 per ton with an armor plant of 20,000 tons capacity, $136 per ton with a plant of 10,000 tons capacity, and $86 per ton with a plant of 5,000 tons capacity, even though his unusually high estimates are correct.

AVERAGE ESTIMATE IS $247.17.

Here is a table showing the official estimated cost of armor by the investigating boards of 1896 and 1906, by various naval experts, by former Secretary of the Navy Herbert, and Rear Admiral Strauss, Chief of Ordnance:

Year.	Estimator.	Estimated cost.	
		"Production cost," or cost in a Government plant	"Full cost," or cost in private plant.
1896	Lieut. Commander Rodgers	$297.54	$391.85
	Ensign McVay	243.73	337.29
	Rohrer Board	223.43	324.36
	Secretary of Navy Herbert	224.42	324.41
	Average	247.28	344.48
1906	Commander Rohrbacher	193.08	223.16
	Commander Dieffenbach	241.76	277.73
	Lieut. Galbraith	242.33	298.77
	Investigating board of 1906	244.27	295.89
	Average	230.36	273.89
1914	Rear Admiral Joseph Strauss	[1] 314.00	[1] 349.25
	General average	247.17	322.54

[1] Estimate based on cost in plant 10,000 tons yearly capacity. Other estimates based on cost in plant of 6,000 tons capacity.

Admiral Strauss, Chief of Ordnance, estimates that in a Government plant of 20,000 tons capacity armor can be manufactured at a cost of $279 per ton. This is $31.83 per ton higher than the average estimate of nine estimators, who based their estimates on plants of 10,000 tons capacity.

Here is a table which shows the amount the Government could have saved if it could have purchased all the armor it has used at $279 per ton:

Year.	Company.	Tons.	Average charge.	Total charged.	$279 per ton, reasonable cost to manufacturer.	Overcharge or annual tribute collected off of taxpayer.
1887	Bethlehem	6,891	$604.85	$4,168,000	$1,819,589	$2,348,411
1890	Carnegie	6,054	671.15	3,475,000	1,688,066	1,786,934
1893	Bethlehem	3,882				
	Carnegie	3,120				
	Total	7,002	658.72	4,604,000	1,953,558	2,650,442
1896	Bethlehem	2,800				
	Carnegie	3,073				
	Total	5,873	550.23	3,232,080	1,637,567	1,594,513
1898	Bethlehem	3,965				
	Carnegie	3,712				
	Total	7,677	400.00	3,074,800	2,241,883	832,917
1899	Bethlehem	1,142				
	Carnegie	1,134				
	Total	2,276	400.00	910,400	635,004	275,396
1900	Bethlehem	18,588				
	Carnegie	18,588				
	Total	37,176	413.42	15,369,400	10,372,104	4,997,296
1903	Bethlehem	5,798				
	Carnegie	5,666				
	Midvale [1]	6,180				
	Total	17,644	406.82	7,173,502	4,922,676	2,250,826
1904	Carnegie	5,258	417.28	2,194,040	1,466,982	727,058
1905	Bethlehem	4,959				
	Carnegie	1,921				
	Midvale	1,041				
	Total	7,921	403.03	3,223,412	2,109,959	1,113,461
1906	Bethlehem	1,824				
	Carnegie	1,865				
	Midvale	3,690				
	Total	7,379	345.92	2,552,382	2,058,741	493,641
1907	Bethlehem	3,579				
	Carnegie	3,538				
	Midvale	2,259				
	Total	9,376	416.90	3,919,400	2,615,904	1,303,496
1909	Bethlehem	7,731				
	Carnegie	7,757				
	Midvale	6,914				
	Total	22,402	422.29	9,463,767	6,241,832	3,221,935
1911	Bethlehem	4,469				
	Carnegie	4,530				
	Midvale	4,476				
	Total	13,475	430.58	5,801,508	3,759,525	2,041,983
1912	Bethlehem	5,022				
	Carnegie	5,132				
	Midvale	5,189				
	Total	15,343	428.26	6,573,612	4,280,697	2,292,915
1913	Bethlehem	2,669				
	Carnegie	2,684				
	Midvale	10,462				
	Carbon Steel Co. [1]	61				
	Total	15,876	457.50	7,204,977	4,429,404	2,802,901
	Total	192,995	[2] 441.42	85,193,248	54,459,123	30,734,125

[1] New company. [2] Average per ton.

The above total is the tribute levied upon this Government and collected from the American taxpayers during the last 25 years upon the one item of armor plate alone, and which could have been saved to the people by the Government manufacturing its own armor plate.

NAVAL BILL IS REACTIONARY.

The policy embraced in the naval bill as regards Government manufacture of munitions of war is decidedly reactionary as compared to the policy embraced in the fortifications bill and the Army bill which were passed this session.

For the first time in the history of the Government the fortifications bill and the Army bill this year require practically complete Government manufacture of munitions of war, which will mean a saving of millions to the Government, because of the

fact the Government can manufacture and is manufacturing such munitions in the Government arsenals on an average of 35 per cent below the prices of the ammunition ring.

In other words, the Appropriation Committee and the Military Affairs Committee have done for the Army what Secretary Daniels asked the Congress to do for the Navy; that is to make it independent of the greed of the private manufacturers.

Here is the new provision in the fortifications bill which requires henceforth the Government manufacture of war munitions:

Of each of the sums appropriated by this act, after deducting any amounts required to meet obligations authorized in previous acts to be entered into by contract, not more than 10 per cent may be used to purchase not exceeding 10 per cent in quantity or value of any article or material herein appropriated for that can be manufactured at the arsenals of the Ordnance Department, except when contract costs are less than arsenal manufacturing costs.

In explanation of this limitation the report accompanying the fortifications bill, prepared by Hon. SWAGAR SHERLEY, of Kentucky, said, in part:

The purpose of this limitation is to require practically the entire matériel for seacoast defense and for the Field Artillery, together with the ammunition for the same, to be manufactured at the arsenals.

As to the saving that will result from the policy of Government manufacture, the report contained the following:

In making the ammunition for these guns it has been found that the arsenal cost is approximately 39 per cent less than the purchase cost from private manufacturers.

The policy of manufacturing practically all the powder needed will, as indicated, be continued. Powder for the Army, now manufactured at the Picatinny Arsenal, is costing the Government 40 cents per pound, whereas a few years ago, prior to the placing of a limitation upon the price, the Government was paying for this character of powder 67 cents a pound and is now paying for such powder for the Navy 53 cents a pound.

MILITARY AFFAIRS COMMITTEE DESERVES GREATEST CREDIT.

Now, as to the Army bill. Let us take the paragraph dealing with Field Artillery ammunition for an illustration. In the Army bill for 1913 the wording of the act was as follows:

Ammunition for Field Artillery for Organized Militia: For procuring reserve ammunition for field artillery for the Organized Militia of the several States, Territories, and the District of Columbia, $500,000.

The effect of the words "for procuring reserve ammunition" was to give the Chief of Ordnance of the Army the privilege of either manufacturing the ammunition in the arsenals, or of buying it from the ammunition ring at prices of from 20 to 60 per cent in excess of the cost of manufacture in the Government arsenals. Under this language, large contracts have been awarded to the private manufacturers by the Chief of Ordnance, notwithstanding an average saving of 35 per cent to the people would have resulted on all work done in the Government arsenals. This wording was therefore satisfactory to the ammunition manufacturers. It in fact was worth hundreds and hundreds of thousands of dollars to the private manufacturers.

But in the Army bill for this year, approved April 27, 1914, and framed by the Military Affairs Committee, of which Hon. JAMES HAY, of Virginia, is chairman, the wording was so changed as to compel Government manufacture of war munitions, as follows:

Ammunition for field artillery for Organized Militia: For manufacturing reserve ammunition for field artillery for the Organized Militia of the several States, Territories, and the District of Columbia, $3,000,000.

Of course the change will not be satisfactory to the ammunition manufacturers who have been grossly overcharging the Government, but it will save millions annually to the taxpayers.

The words "for manufacturing reserve ammunition," instead of "for procuring reserve ammunition," mean that the appropriation can be lawfully expended only to manufacture this ammunition in the Government arsenals, and that the ammunition ring is going to lose some contracts that have been exceedingly fat. This change in the wording of the Army bill was made in the interests of a long overcharged public. The naval bill will be searched in vain for a like provision in the interests of the taxpayers relative to armor plate.

GOVERNMENT MANUFACTURE A BIG SUCCESS.

The question now to be answered is: Were the Appropriation and Military Affairs Committees justified in placing a limitation on appropriations for ammunition, etc., requiring complete Government manufacture? Will this policy result in sufficient economies to justify it? What are the facts? Can the Government really manufacture the various articles used in warfare and preparation for war cheaper than it can purchase them from outside mnufacturers, or is the supposition that it can merely an hallucination in the minds of those demanding that the profit be taken out of war?

Here is the answer to these queries:

Col. George Montgomery, commandant of Frankford Arsenal, Philadelphia, recently compiled a table showing the cost of articles now being manufactured at this Government arsenal as compared with the lowest prices of the ammunition ring for the same articles.

This table shows that on an order of $1,900,064 worth of field-artillery ammunition given to the arsenal instead of outside manufacturers, the Government is saving $979,840, or a saving in round numbers of $1,000,000 on a $2,000,000 contract.

Another table shows that on an order of $800,120 worth of artillery ammunition now under manufacture by the private manufacturers, the Government is losing $312,214, based on what it would cost to have duplicated the order in the Government arsenals. In other words, practically one-half of the entire amount of the order could have been saved had this work been done in the Government arsenals.

Here are a few typical comparisons shown in the report of Col. Montgomery that constitute an unanswerable argument why the Government should enlarge its arsenals, navy yards, and shops and manufacture a larger proportion of its ammunition and other munitions of war:

Article.	Total arsenal cost.	Total contract cost.	Saving by Government manufacture.
3-inch finished shrapnel case	$1.75	$3.15	$1.40
3-inch common shrapnel	3.55	5.96	2.41
3.8-inch common shrapnel	7.94	18.03	10.09
3-inch common steel shell	2.39	5.02	2.63
3.8-inch common steel shell	4.81	9.45	4.64
31-second combination fuses	2.92	7.21	4.29

TOTAL ARSENAL COSTS INCLUDE ALL OVERHEAD CHARGES.

The total arsenal costs include 15 per cent to cover administration, depreciation, insurance, and interest on money invested.

GOVERNMENT MANUFACTURE BENEFITS WORKINGMEN.

A striking feature of the comparisons of Government cost of manufacture as compared to the private contractors' prices is that the Government works its employees but 8 hours a day, while the private contractors work their men 9 and 10 hours a day, and in some known instances 12 hours a day and 7 days a week. Government employees also receive higher wages for the shorter day. Nor is that all. Uncle Sam pays his men for 15 days' annual leave of absence, for 7 national holidays, and for 13 Saturday afternoons in the summer time, during which periods he receives no labor in return; yet the Government cost of manufacture, including an added 15 per cent for depreciation and interest, is from 20 to 60 per cent below the prices of the ammunition ring. These facts and figures prove beyond successful contradiction that the ammunition ring is making extortionate profits out of Uncle Sam.

ADDITIONAL ARGUMENTS FOR GOVERNMENT MANUFACTURE OF WAR MUNITIONS.

Field artillery ammunition is not by any means the only article of warfare that the Government can manufacture and is manufacturing at a great saving to the Government. Anyone in search of arguments against Government ownership or operation will do well to give the various Government arsenals a wide berth.

The Government is manufacturing the service rifles used in the Army for about $11, and has never been able to purchase them for less than $20.

The Government is paying private manufacturers $1,708 for a 3-inch caisson, when it is manufacturing the identical article at the Rock Island Arsenal for $1,081, all overhead charges included.

The Government is paying private manufacturers $3,268 for a 3-inch gun carriage when it is manufacturing the same thing at the Rock Island Arsenal for $2,341.

Ball cartridges, caliber .30, for the regulation service rifles, were made at the Frankford Arsenal in 1912 for $26.95 per 1,000, all overhead charges included. For the same cartridge the ammunition ring is receiving $38.04.

When it is considered that the Government appropriates millions and millions of dollars for ammunition and supplies of this character annually, it becomes obvious that the saving that would result from a policy of complete Government manufacture of all munitions of war would be something enormous.

It is worthy of passing mention that the ammunition ring and the armor ring are composed of practically the same concerns which for a good many years have had a strangle hold on both Army and Navy.

There was a time not many years ago when we did not have powder and gun factories. We were at the mercy of the Powder

Trust for our supplies of ammunition, and we had to get our guns from private shops in foreign countries. We established these factories, and they have been of great benefit to our people. The powder factory has reduced the cost of powder to the Government from 80 cents a pound in 1901 to 53 cents per pound in 1913. A statement prepared by the Secretary of the Navy shows that smokeless powder manufactured at the naval powder factory, at Indianhead, Md., since the date of the completion of that plant, has varied from 30 cents to 48 cents per pound. Taking into consideration that we use in this one arm of the service over 44,000,000 pounds annually, it can be plainly seen that the establishment of these factories to manufacture its own powder was well worth while.

ENTER MR. ANDREW CARNEGIE, PATRIOT.

One of the strongest arguments in favor of a policy of complete Government manufacture of all munitions of war is that such a policy will remove all incentive for the defrauding of the Government by private manufacturers. The war trust has never hesitated to cheat the Government when it found an opportunity to do so, and it has managed to find such opportunities. It is probable that the exact extent of the frauds that have been perpetrated upon the Government by the war trust will never be known, because it has been only by sheer accident that such frauds have become public in a few instances. There is little doubt but that the Government has paid high prices for inferior and "doctored" and defective armor plates, guns, and gun forgings in scores of instances without the same being detected.

Any discussion as to armor frauds necessitates the mention of one of our prominent millionaires who travels about the country posing as a great patriot—Mr. Andrew Carnegie.

On January 7, 1911, Mr. Carnegie made a speech before the Republican Club in New York City, in which he told how he came to go into the armor-plate business.

I was coaching in Scotland—

He said—

when I got a cablegram from Secretary Tracy—

This is the same Secretary of the Navy Tracy who, after leaving the Government service, became the attorney for the Carnegie Co.—

saying in effect, "the President says he understands it to be your duty to enter into the manufacture of armor and save the ships from waiting on the stocks for want of it."

Mr. Carnegie proceeded then to say:

That telegram settled it, for whenever the public calls on me for anything I can do, unless I fall dead, it is my glory to respond.

That is what I did, because the President asked me to do it, and if the President thinks it is my duty to do anything or to go anywhere for my country, I consider it the voice of God.

Mr. Carnegie went into the armor business as a result of listening to the "voice of God," but there is a sufficiently large amount of documentary evidence to indicate that once in the armor business, with Uncle Sam as a customer, his hearing must have become defective.

INVESTIGATION REVEALED WHOLESALE FRAUDS.

There was an extensive investigation in 1894 of the frauds perpetrated upon the Government by Mr. Carnegie's company. Representative HENRY T. RAINEY, of Illinois, one of the best-known and most courageous Members of the House, discussed this investigation in a speech delivered in the Sixty-first Congress. I quote from Mr. RAINEY'S remarks:

In 1894 we had an investigation into the frauds perpetrated upon this Government by Mr. Carnegie's company. I can not be charged with unfairness if I simply call attention to those frauds perpetrated by Mr. Carnegie's company, which were admitted by his representatives, some of whom are now among the 43 Carnegie-made millionaires. The document which contains all this evidence is House of Representatives Report No. 1468, Fifty-third Congress, second session.

FRAUDS PERPETRATED BY MR. CARNEGIE'S COMPANY.

C. M. Schwab, who was at that time a stockholder in the Carnegie Co., and who was the superintendent of the company, and who is now the president of the Bethlehem Steel Co., admitted that armor plates manufactured by the Carnegie Co. did not receive the "uniform" treatment required by the contract of the company with the Government.

Another one of Mr. Carnegie's superintendents, Mr. W. A. Cline, admitted that almost invariably after the day's work was over he changed the figures so that false reports of the treatment of the plates were systematically made to the Government inspectors.

I have so far called attention to the admissions of Mr. Carnegie's executive officers. The testimony, however, of employees was particularly damaging. T. F. Farley testified that he had seen blowholes large enough for a person to run three fingers in plugged by taking cuttings from the same plate, which were driven into the blowholes with hammers; he also testified that he himself had run flexible wires into blowholes to the depth of 18 inches. These blowholes were afterwards plugged up on the surface. The blowholes might, according to his testimony, have extended into the plates a much greater distance than this. These blowholes, it appears from the testimony, follow a sinuous course, so as to make it difficult to ascertain the extent of them, even by inserting flexible wires. J. W. Kountz, another employee, testified that he had known holes from 4 to 6 inches in diameter plugged in order to deceive Government inspectors.

In discussing this matter I have kept well within the record and have been conservative. I have principally called attention only to the admissions of fraud brazenly made by Mr. Carnegie's executive officers. It is only fair to them to say, however, that the admissions were made in the face of overpowering evidence as to the truth of all these charges. Many things were proven by the evidence more damaging than I have called attention to, which, however, were not admitted by Mr. Carnegie's superintendents.

THESE FRAUDS CONTINUED TO PRESENT TIME.

The fact of the continuance of these frauds is evidenced by the frequency with which guns explode on our battleships and on land, killing and maiming men; by the frequency with which boilers on our ships blow up, with such awful results to human life.

Guns while being tested by other great nations of the world do not explode with disastrous results. We do not read in the papers that boilers frequently explode on the war vessels of England or Germany or any other nation. The very large number of these accidents in our own Navy and in tests made by our Army officers leads to the irresistible conclusion that there are defects in the castings of the guns and in the castings for the steel tubes and boilers furnished by our steel companies. I desire to insert here in my speech a few of the more important accidents of this character as recorded in the news items of our metropolitan papers.

DISASTERS CAUSED BY EXPLOSIONS, BURSTING GUNS, FAULTY BREECH BLOCKS, ETC.

1902, February 2. Battleship *Kearsarge*, West Indian waters; gun burst, killing 5.

1903, January 17 Battleship *Massachusetts;* gun explosion off Culebra Islands; 6 killed.

1903, April 9. Battleship *Iowa;* explosion of gun; 3 killed, 5 wounded.

1904, April 13. Battleship *Missouri*, off Pensacola, Fla.; explosion; 32 killed.

1904, December 14. Battleship *Massachusetts*, at Philadelphia; explosion in firerooms; 3 killed, 4 scalded.

1905, July 21. Gunboat *Bennington*, San Diego, Cal.; boiler explosion; 34 killed, 66 injured.

1906, January 10. Battleship *Massachusetts;* gun explosion; 9 killed.

1906, April 13. Battleship *Kearsarge*, in Caribbean Sea; explosion; 6 killed.

1907, July 15. Battleship *Georgia*, Massachusetts Bay; explosion; 6 killed, 15 injured.

1908, June 5. In California waters, cruiser *Tennessee;* bursting of boiler tube; 6 killed.

——— ———. Torpedo-boat destroyer *Hopkins*, California waters; exploding boiler; 1 killed, 5 wounded.

1910, March 28. Cruiser *Charleston*, in Philippine waters; gun explosion, alleged faulty breech block; 8 killed, 7 or 8 wounded.

1910, July 21. Explosion of gun, Fort Monroe; 12 killed.

1910, September 9. Battleship *North Dakota;* explosion, Hampton Roads; 3 killed.

1910, November 19. Explosion of gun, Indianhead; 4 killed.

1911, January 13. Cruiser *Washington;* cylinder head blown out. Also about this time 3 similar accidents to vessels in Admiral Schroeder's fleet; no one killed.

1911, January 17. Battleship *Delaware;* boilers exploded; 9 killed; just outside Hampton Roads.

Total killed in nine years, 147.

Total maimed in nine years, 102.

As a result of the accidents I have enumerated, and there have been others, in nine years 147 men have been killed and 102 maimed for life. In other words, by these accidents, in nine years of profound peace, we have killed or maimed for life more of our men than were killed in action in the Spanish-American War.

In order to show that the frauds continue to this day, I have original affidavits, made within the last few months up here at Bethlehem.

WORKMEN TESTIFY HOW GOVERNMENT IS CHEATED.

I will insert affidavits of workmen at the Bethlehem plant:

SOUTH BETHLEHEM, PA., *April 29, 1910.*

This is to certify that I know there was work done in No. 2 machine shop for the United States Government that was not up to specifications. I myself have deceived the inspector many a time.

On the last lot of 5-inch mounts that were made here a number of patches were placed on the brackets, to cover up a mistake in machining. These were put on in such a way so that under ordinary inspection they could not be detected.

I know of a slide for a 12-inch gun that was being machined when a blowhole was discovered. The yoke was taken off the machine and at night the hole was filled up with metal and the yoke put back on the machine, the inspector not discovering the trick. I know of a track for a 12-inch turret which, while being machined, was found to be cracked. I closed the crack by hammering the crack shut and finished machining it.

FRANCIS J. GILLESPIE.

COUNTY OF NORTHAMPTON, *State of Pennsylvania, ss:*

Francis J. Gillespie, the subscriber, being duly sworn according to law, deposes and says that the foregoing statement is true and correct as he verily believes.

Sworn and subscribed to before me this 29th day of April, 1910.

[SEAL.] JOSEPH H. MCGEE,
Justice of the Peace.

My commission expires first Monday in May, 1912.

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SOUTH BETHLEHEM, *April 29, 1910.*

In a brief submitted to President Taft on April 6 by the committee of striking employees of the Bethlehem Steel Co. we charged that during the night, when Government inspectors were not present, workmen were compelled to treat, patch, and weld inferior work so that work could be forced to be accepted by the Government.

In a letter from Mr. G. v. L. Meyer, Secretary of the Navy, to the President, under date of April 21, 1910, of which I have a copy, he states that our charge has been investigated. In his letter he states that "it appears that no evidence in support of this can be obtained, and the inspectors claim that should defective work be treated in this manner it would subsequently be detected on inspection and test, and reports indicate that the Government is fully safeguarded by the daily routine inspection."

He also states: "In general, it is believed that the character of the work accepted upon inspection by the Government fully meets the re-

quirements of the Government, and through the system of inspection now in vogue the interests of the Government are well protected."

Regardless of this report, work was treated at night, and men were not allowed to tell the inspector, and after the work was treated if there was any chance of the inspector being deceived into accepting the work as being up to specifications, it was submitted to him. I know that on an order of 5-inch sights for the Navy, about three years ago, that some of these sights were found out of alignment during the company shop test, and that the steel castings were hammered with a sledge to bend them so they would line up. The recoil of the guns, when these sights were used, must have sprung these castings back to their old shape, and thereby made it impossible for our sailors to shoot straight. I offer as witnesses Horace Klinesmith and Robert Johnson, former employees of No. 4 machine shop.

During the building of the 12-inch ammunition hoists for the battleships *North Dakota* and *Delaware* a number of buffers, to be used as cushions to take the weight off the lower cars, were found to be not strong enough. The inspector (J. C. Farrall) refused to accept them on the ground that the springs were not firm enough. The foreman (Harry Lynn) promised to put new springs in. The real trouble was that the bore was out of round in the bottom of the castings, and when inspector was home to dinner these buffers were taken apart and filled with thick vaseline, which stopped up the leak and made it appear as though new springs had been put in, and were accepted by the inspector.

I was working as assistant to the inspector, and know this to be a fact. On the same job there were several levers welded by electricity to fill up dirt holes and were in bad shape, and I put the inspector next to it, and was asked by Foreman George Meyer, of the second floor: "Who the hell told him that?" These levers were thrown out by Inspector Farrall. At the present time there are under construction twenty-four 6-inch howitzer gun carriages and twenty-four 6-inch howitzer limbers upon which much inferior work was done, and up to the time of strike was hid from the inspector. Parts have been broken in flanging and welded with acetylene gas; axles have been machined wrong and patched; other parts machined wrong and doctored up to make it pass inspection. In fact, the idea in the shop is to make the work "appear" as though it is up to specifications, or, in other words, get it past the inspector by fair or foul means. I offer as witnesses Horace Klinesmith, George Stegmair, George Miller, Robert Johnson, Ralph Otto, John Wendling, Henry Doyle, and William Everett. Also, on shells for the Navy, if the center has been drilled too deep, leaving a hole in the nose of the shell instead of a point, the hole is drilled deeper and a pointed plug put in. As this was done when inspector was home, I am sure it was not allowed by inspector. This shell job was kept very secret in shop, and should be thoroughly investigated, as there was a large bonus paid for getting these shells out in a certain time, which acted as an incentive for the men to deceive the inspector. In fact, in No. 4 machine shop the practice of treating inferior workmanship was so common that nothing was thought of it. An investigation where men could be placed on oath would bring to light a great many things which I haven't mentioned. I do not blame the inspectors for this, as it would be impossible for an inspector to detect some of these operations. When it is known that Mr. Everett, a skilled jeweler, is used on some of this work the impossibility of detecting these things by ordinary inspection is apparent.

DAVID WILLIAMS.

COUNTY OF NORTHAMPTON, *State of Pennsylvania, ss:*

Personally appeared before me, a justice of the peace in and for the aforesaid county, David Williams, who, being duly sworn, deposes and says that the foregoing statements are true and correct, as he verily believes.

Sworn to before me this 29th day of April, A. D. 1910.

[SEAL.] JOSEPH H. MCGEE,
Justice of the Peace.

My commission expires first Monday in May, 1912.

Address of Hon. Julius Kahn in the Rotunda of the Capitol, Before the Statue of Gen. Ulysses Simpson Grant, May 31, 1914.

EXTENSION OF REMARKS

OF

HON. CHARLES F. CURRY,

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 1, 1914.

Mr. CURRY. Mr. Speaker, I ask unanimous consent to extend my remarks and have printed in the RECORD a tribute to the veterans of the Civil War, delivered yesterday by my colleague, Hon. JULIUS KAHN, at the memorial services held by U. S. Grant Circle, Ladies of the Grand Army of the Republic.

Mr. KAHN said:

Yesterday a mighty Nation laid aside its mad quest for material aggrandizement and gave itself up to deeds of pure sentiment. In every city, town, village, and hamlet in the United States, loving hearts and gentle hands placed upon the graves of our patriot dead beautiful tokens of affection and reverence. Even those heroes of the Republic who had been denied by Fate interment in its hallowed soil, the sailors and marines who found a last resting place beneath the waves of old Ocean, were not forgotten. For from our seaboard cities on the Atlantic and the Pacific rafts laden with fragrant flowers were launched upon the bosom of the deep so that the outgoing tide might bear them across the depths of waters where many a noble, patriotic heart sleeps the sleep that knows no waking.

It is a beautiful custom—this celebration of decorating the graves of the honored dead. It is constantly growing in impressiveness. It is being observed more generally with the passing of every year. The deeds of valor which were performed by our soldiers and sailors who responded to their country's call in its hour of need will always prove an inspiration to the youth of the land. It is therefore eminently proper on Decoration Day and on occasions like this which we are here celebrating that we pause long enough in our fleeting journey through life to learn a lesson or draw a moral from the lives and deeds of those heroes who have preceded us into the unknown land from whose bourne no traveler returns.

And so, speaking at the base of this superb marble effigy of the great hero of the Civil War, in the presence of this devoted organization of women, I want to speak frankly of some of the thoughts that have occurred to me during the present observance of this solemn festival. How beautiful are the blossoms we have placed upon the graves of our dead. How sublime and soul stirring are the dirges that were played or sung in the hundreds of God's acres where fitting exercises were held in honor of our departed heroes. What tender words of encomium fell from the lips of the eloquent living in praise of those who sleep beneath the sod. How the beautiful sentiments chiseled on shafts of granite or marble struck a responsive chord in our throbbing hearts. How deeply our emotions were touched by all these outward evidences of kindness, of sympathy, of appreciation. How the tears rolled down our cheeks when we thought of some dear friend whose familiar voice is now silent, whose well-remembered form is removed from us forever.

Yes; Decoration Day brings its beautiful tributes to the dead. But it should do more than that. It should inspire us with a determination to act kindlier toward the living. The flowers we strew upon the graves of the departed bring no joy to the silent hearts that lie cold in death. Have you ever thought how happy we could make the living by bestowing nature's fragrant blossoms upon those who are unfortunate, depressed, and sore of heart? The eulogies spoken in the national cemeteries are all unheard by those who are the subject of the inspiring orations; but the words of kindness, of fellowship, of affection, if spoken of and to the living, could bring joy, and sunshine, and hope, and cheer to many a stricken soul. It is well to remember the dead. But let us not forget our duty to the living. And especially to those living soldiers and sailors who in the years of their youth were ready to sacrifice their lives, if need be, upon the altar of a united country.

Their number is diminishing rapidly. Most of them have lived far beyond man's allotted period of threescore years and 10. Comparatively few of them have been able to draw substantial prizes in the lottery of life. This is especially true of the rank and file. Many of them were mere boys when they enlisted. But they had the hearts of men within their breasts. They were ready to perform and often did perform the valorous deeds of bearded men. Their age was not deemed an obstacle to the faithful and honest performance of duty to their country. Their services were welcomed gladly by a great and grateful Government. Some of these, after they had grown to man's estate, after they had laid aside the implements of war, after they had been honorably discharged from the military service, decided to serve their country still in its civil service. Just as they had performed their duty faithfully and honestly on the tented field, so they performed their duty faithfully and honestly in the executive departments of this Government.

True, they have grown weary and old in that service. Is that a fault? Has old age grown to be a crime? Some men clothed with a little brief authority would make it so. But their actions will be resented, as they should be, by the citizens of this Government. The proverbial ingratitude of Republics must not apply to these veterans. The compensation they received while in the very heyday of their lives, while in the fullest vigor of their faculties, was not a princely fortune. Many of them had families to rear. Many of them have not been able to save much from their meager compensation for the almost inevitable rainy day. Some of them have been discharged recently from the Government service on the ground that they have become superannuated. To my mind it is a disgrace to our country that they have been thus thrust out, at an advanced age, on the very threshold of the grave, to fight anew the battle of life in competition with their fellow men. At best, their years will be few. Even if they were totally incapacitated, which they are not, it would be a fitting recognition of their past services to continue them in the public service until they peacefully close their eyes in death.

The few dollars that will be saved as the result of the discharge of these aged men probably will be squandered in some less deserving cause. But how can you assuage the sorrow, the grief, the pain, the anguish that must come to these old veterans when they are told that this great American Commonwealth which they helped to save must throw them adrift in their declining days in order to make room for younger men?

My friends, in all likelihood many of them will have crossed over to the silent majority by the time the next Decoration Day shall roll around. Then we will place flowers upon the little mounds of earth which cover them. Oh, for the love of our country, for the love of humanity, for the love of God Himself, let us promptly undo the wrong that has been done them. Let us keep them at work so long as they are willing to work. Let us make their closing years happy, for once they are gone we will no longer have the opportunity to give them peace of mind and contentment of spirit. Let us assure them by our acts and deeds that we are neither unmindful of nor ungrateful for their services to our country in its hours of peril.

We have met to-day in this historic Rotunda, before this statue of Gen. U. S. Grant, to honor his memory and show our gratitude, as citizens of a united country, for the life and character of this great American soldier and statesman. Nothing that we can say here can enhance his fame. He dwells among his country's immortals. But his life and character also carry their lessons and their morals to the great mass of his countrymen. As a soldier he taught us the value of perseverance, of determination, of constant watchfulness, of prompt decision, of dauntless courage, of modesty of demeanor, of steadfastness of purpose. He taught us, too, the value of magnanimity toward a defeated opponent. When on April 9, 1865, he met Gen. Lee at Appomattox and announced to the latter that the terms of surrender would allow every southern officer to retain his horse, side arms, and baggage, and that every private soldier who owned a horse would be allowed to take his animal home in order that he might begin without delay the work of spring planting, the southern leader promptly thanked his conqueror, and assured him of what a splendid effect this magnanimity would have upon those whom the fortunes of war had made the vanquished. Nor did Gen. Grant's magnanimity toward his former foes stop there. He frequently found opportunities to extend a helping hand to those who had worn the gray during the four long years of internecine strife. Bragg, Mosby, and scores of others have told of the goodness of heart of this rugged chieftain.

But it was at the close of his life that he loomed up giant-like, to teach his countrymen how an American citizen can live and die. He was never at any period of his life what we would call a money-maker. Prior to the Civil War, and after he had resigned from the Regular Army, he had not been oversuccessful in business matters. And later, after he had retired from the Presidency, he lost his all in the crash of a business house with which he had become associated through his sons. Burdened with debt and with an insidious disease drinking his life's blood, he commenced to work upon his Memoirs, so that he might be able to pay his creditors and leave something to his devoted wife to ease her declining years. With dogged determination he continued his literary labors until the completed manuscript was placed in the hands of his publishers. Shortly thereafter he died at Mount McGregor in the State of New York.

A united country spontaneously recognized his splendid qualities of head and heart. With the hand of death upon him none named him but to praise, though while living at times his life had been embittered by the virulent attacks of political opponents. These attacks transcended the level of fair, honest criticism. The muckrakers of his day and generation did not hesitate to endeavor to bespatter his fame and to besmirch his good name. Perhaps much of this abuse that was heaped upon him was due to his devotion to those whom he considered his friends. His loyalty to the latter was proverbial. That some of these friends, in their endeavors to build up their own fortunes, took advantage of the greatness of heart of this splendid soldier and statesman, is probably undeniable. But, after all, who shall say that friendship is but an ephemeral status—that must be destroyed by every rude wind that may blow the dust of suspicion upon the head of this or that individual. To his everlasting credit be it said that to the close of his life he loyally believed in his friends. It may have been a grievous fault in some few instances, but as a general rule the man who remembers those who helped him mount the heights of success, who does not neglect the bridge that carried him safely across, is of a higher, nobler nature than is he who simply uses men to serve his temporary purposes, and then ruthlessly casts them adrift the moment he can find no further use for their activities in his own behalf.

Ah, my friends, it were infinitely better for the world at large if men were to err in overappreciation of the deeds of loyalty performed in friendship's name. Neglect and forgetfulness have caused many an aching wound, have occasioned many a bleeding, broken heart. Gen. Grant was never accused of ingratitude. His whole life is a lesson of devotion to the cause of true friendship. We can well afford to emulate his example, and we honor ourselves in honoring his memory.

Conference Report on Currency Bill.

SPEECH

OF

HON. CARTER GLASS,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, December 22, 1913.

The House had under consideration the conference report on the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. GLASS. Mr. Speaker, on the 18th day of last September this House, by a vote of 286 to 85, passed H. R. 7837, known as the currency bill. The conferees on the part of the House to reconcile the differences with the Senate now have the pleasure of reporting the bill back without one single fundamental alteration of its structure.

I had purposed making a detailed explanation of the changes in the bill, but in the limited time remaining I can only indicate to the House just what was done in conference concerning the Senate amendment to the House bill, which was in the nature of a substitute.

ORGANIZATION COMMITTEE.

The House bill provided for an organization committee vested with the power of putting the new regional reserve bank system in practical operation, the said committee to be composed of the Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency. The Senate altered this provision by eliminating the Secretary of Agriculture and the Comptroller of the Currency and substituting two members of the Federal Reserve Board to be designated by the President. In conference the House provision was restored. The House conferees regarded it as exceedingly important that the Comptroller of the Currency, having intimate knowledge of all the details of banking, should be a member of the organization committee; and also the Secretary of Agriculture, who, at this time, happens to be experienced in economics. Moreover, it was objected that the Senate amendment would indefinitely delay the organization of the system by reason of the fact that the work of organization could not proceed until the President should first designate at least two members of the Federal Reserve Board, which could not intelligently be done until the boundary lines of the various regions could first be established. Thus the alteration by the Senate was regarded by the House conferees as impracticable; and the organization of the system will, consequently, devolve upon the Secretary of the Treasury, the Secretary of Agriculture, and the Comptroller of the Currency, as provided originally in the House bill.

FEDERAL RESERVE BOARD.

The Senate amendment also eliminated from membership on the Federal Reserve Board the Secretary of Agriculture and the Comptroller of the Currency. This action by the Senate reflected the deliberate opinion of the Democratic Party caucus and apparently represented the unanimous conviction of the caucus and the Senate. The House conferees signified a willingness to yield with respect to the Secretary of Agriculture, but strenuously resisted the proposition to eliminate the Comptroller of the Currency. The conferees on the part of the Senate long persisted in the determination not to permit this official to hold membership on the Federal Reserve Board, but the House conferees, with equal pertinacity, insisted that the Comptroller of the Currency, already charged by law with the supervision and with a large power of control of the national banks of the country, was by virtue of his official duties peculiarly suited for membership on the board. The House conferees prevailed; so that the Federal Reserve Board will be composed of the Secretary of the Treasury, the Comptroller of the Currency, and five members to be appointed by the President for terms of 10 years each, instead of 6 years, as originally provided in the House bill, and with salaries of $12,000 per annum, instead of $10,000 per annum, as provided in the House bill.

NUMBER OF BANKS.

Concerning the number of regional reserve banks to be established, the House bill, as you know, provided that there should not be less than 12, leaving subsequent increase in the number of banks to the judgment of the Federal Reserve Board. The Senate amended the bill in that particular so as to provide that the number of banks should not be less than 8 nor more than 12. On that point the House conferees yielded.

VOTING FOR DIRECTORS.

In this connection, the House bill provided that the directors of classes A and B of the regional reserve banks—the first class peculiarly representative of the banking interest and the second class representative of the business community—should be selected from approved lists to be supplied by the stock-holding banks. The Senate so amended this provision as to extend the field of choice, permitting the electors to vote for any individual in the regional reserve district. Regarding this as an utterly impracticable, if not interminable, process, the House conferees stood firm and the Senate yielded. The House accepted the Senate modification concerning a preferential ballot, so as to prevent the possibility of a tie vote for directors.

QUALIFICATIONS OF DIRECTORS.

Concerning the qualification of directors of regional reserve banks, the House bill provided that directors of class B could not be officers, directors, or employees of member banks. The Senate so amended the provision as to prohibit stockholders of member banks from being directors of class B in the regional reserve banks; but on this point the Senate receded.

CAPITALIZATION.

The House bill provided that the capital of the regional reserve banks should be in amount equal to 20 per cent of the capital of member banks, one half to be paid in, and the other half subject to call, being in the nature of a double liability. The Senate so altered this provision as to provide that the aggregate capital of a regional reserve bank should be in amount equal to 6 per cent of the capital and surplus of member banks. The House provision was based upon the theory that a bank's capital stock is less liable to variation than its surplus. Nevertheless, the House yielded on this point, not regarding it as at all vital. Indeed, the aggregate capital under the one provision will be approximately the same as that provided by the other plan.

EARNINGS.

In the matter of distribution of the earnings of the proposed regional reserve bank system there was quite a wide difference in the Senate amendment from the House bill. The House bill, as you will recall, provided a cumulative dividend of 5 per cent to be paid to the stockholding banks, after which a surplus fund of 20 per cent was required to be established by the regional reserve banks. The excess earnings above the cumulative 5 per cent dividend and the 20 per cent surplus were to be divided between the Government and the stockholding banks in a ratio of 60 per cent to the Government and 40 per cent to the banks. The Government's earnings were to be applied to the extinction of the bonded indebtedness of the United States. The Senate so amended this provision as to allow the banks a 6 per cent cumulative dividend and required the regional reserve banks to provide a surplus of 40 per cent, the entire net earnings in excess of the dividend and surplus to go to the United States Government. However, one half of the Government's earnings was to constitute a franchise tax and the other half was to be appropriated to an insurance fund for the protection of the individual depositors of national banks.

SO-CALLED DEPOSIT INSURANCE.

This Senate amendment was bitterly contested by the House conferees as being a mere pretense of a deposit guaranty. It was, indeed, neither a deposit guaranty nor a potent insurance fund, in the judgment of the conferees on the part of the House. Therefore the House conferees insisted upon the modification of the Senate amendment by striking out this alleged deposit insurance, but permitting the cumulative dividend to remain at 6 per cent, as fixed by the Senate, the balance of the excess earnings of the system to go to the United States Government. The view of the House conferees was that when we have, if ever we shall have, a deposit guaranty law, the tax should be assessed against the banks; that the banks, in that event, should be required to guarantee their own depositors; and that not a dollar of the funds of the United States Government should be applied to that purpose. [Applause.]

The conferees on the part of the House felt, regardless of the merits of the proposition to insure or guarantee bank deposits, that the incorporation of this Senate amendment here would delay indefinitely, if not defeat, the proposition for a real deposit guaranty law. For this reason the House conferees stood firm and the Senate conferees yielded; so that in the bill as reported back there is no provision for an alleged deposit insurance.

POWERS OF RESERVE BOARD.

The powers of the Federal Reserve Board were in some minor particulars and in one or two material aspects altered by the Senate amendment, notably where the House authorized the Federal Reserve Board to compel one Federal reserve bank to rediscount the discounted paper of another Federal reserve bank under certain restrictions. Such authority could only be exercised in time of emergency and only by the affirmative action of five of the seven members of the Federal Reserve Board. The Senate amendment swept away every one of the restrictions imposed by the House bill and vested the Federal Reserve Board with plenary power to order the rediscount at its pleasure and by a majority vote. The House conferees insisted upon a restoration of the requirement that at least five members of the Federal Reserve Board must concur in the proposed action.

REDISCOUNTS.

In the matter of rediscount operations the only material change made by the Senate amendment to the House bill relates to the time limit of certain agricultural credits. This, you will recall, was an item of the bill which provoked considerable controversy in the House Democratic caucus and in the House itself. In the judgment of some of us the difference is more apparent than real, and certainly more political than economic. The House bill, keeping constantly in view the capital purpose of establishing regional reserve banks with quick and liquid assets, promptly and certainly responsive to the commercial, agricultural, and industrial requirements of the country, provided a 90-day maturity for paper subject to discount, making no discrimination whatsoever for or against the merchant, the manufacturer, or the farmer. The Senate amendment, in the case of agricultural credits, extended the period of maturity to six months. The House having reversed itself on this particular proposition and having instructed the House conferees to yield on the Senate amendment, the conferees acquiesced.

In this connection, Mr. Speaker, I wish to say that while the House conferees would have, in any event, implicitly followed the instruction of the House, we did so the more readily in this case from the conviction that sound banking instinct and universal banking experience will take care of the situation presented by this change in the House bill. In short, we are perfectly confident that those to whom shall be confided the power and responsibility of administering this new banking and currency system will have the wisdom and courage to maintain it in the most efficient state possible.

RESERVES.

In dealing with the reserve requirements, the Senate amendment to the House bill somewhat strengthened the reserve by advancing the minimum requirement from 33⅓ to 40 per cent of gold or lawful money, prescribing a flat penalty of 1 per cent on all impairment of the reserve behind the notes between 40 per cent and 32½ per cent, and authorizing the Federal Reserve Board to assess a graduated tax of 1½ per cent per annum upon each 2½ per cent or fraction thereof that such reserve falls below 32½ per cent.

The reserve requirements for individual banks was very materially reduced by the Senate amendment; indeed, it was loosened up to an alarming extent, making inflation dangerously probable. The Senate amendment did not require a dollar of reserve to be kept in the vaults of individual banks, but made it possible for every dollar of the reserve to be kept in the regional reserve banks, thus frustrating the purpose of the House to put a stop to the vicious practice of pyramiding reserves under which the tendency to inflation is always possible and inviting. The House conferees adjusted this point of difference not entirely to their satisfaction, but vastly to the betterment of the provision, so that while the reserve requirements as to individual banks are somewhat less exacting than they were in the House bill they are very much more exacting than they were in the Senate amendment to the House bill.

BOND REFUNDING.

The Senate radically altered the bond provision of the House bill. The pivotal point of banking and currency reform in this country around which controversy has raged for a quarter of a century has been the rigid and inelastic nature of a currency based on Government bonds. The demand of the banker, the textbook writer, the business man, and other currency experts has been for the abrogation of the bond-secured currency system and the gradual substitution therefor of a currency based on commercial assets and immediately responsive to business requirements. That has been the universal contention of all persons who have a clear comprehension of the question. It has been the declared policy of the Democratic Party for years, the declaration having appeared in specific terms in three of its recent national platforms. Nevertheless, the Senate in its wisdom radically altered that provision of the House bill so as to make an appreciable retirement of the bond-secured currency unlikely, if not impossible. The House conferees gained a measure of advantage by so modifying the Senate amendment as to make probable the retirement of at

least $300,000,000 of the bond-secured currency within a period of 20 years, and the possible retirement of $500,000,000 of that currency, based upon a gold reserve and commercial assets, expanding and contracting automatically with the business requirements of the country.

NO CHARGE FOR EXCHANGE.

One of the most important provisions of the currency bill passed by this House was that which sought to put an end to the flagrant abuse involved in excessive charges by banks throughout the country for collections and exchanges. The House bill provided that exchanges should be made at par and that charges for collections should not exceed the actual cost to the banks. This item of the bill, as most of you remember, was bitterly controverted in the Democratic caucus, and also in the House. Naturally thousands of banks deriving large profits from the practice of charging constructive interest upon checks in transit and very arbitrary charges for collections and for exchanges exhibited great distaste to this provision of the bill. They vigorously protested to members against the inclusion of this prohibition, and thus the effort to remove this tax burden upon the business of the country was contested with the utmost pertinacity. However, those of us in the House who sought to tear down these tollgates upon the highways of commerce prevailed. The fight was renewed in the Senate, and that body so modified the House provision as to leave it solely within the discretion of the Federal Reserve Board to diminish or abolish the evil complained of, as it might please. The House conferees declined to yield on this point. They insisted upon such a modification of the Senate amendment as will exact exchanges at par and restrict charges for collections to the actual cost of such transactions to the banks. In brief, as the bill now is reported to the House the banks can not make exchange and collection charges a source of profit; they can not any longer charge constructive interest; they can not exact a tax for a theoretical transfer of funds from point to point when no transfer is actually made, but only an entry on the books. They can no longer harass the commerce of the country nor penalize the business men of the Nation by an unjust tax. While the House conferees did not succeed in entirely restoring the provision as it left this Chamber, they vastly improved the amendment made by the Senate. The provision, as it stands, will result in an immense saving to the tradespeople of the United States. It will eliminate the amazing wastefulness incident to many independent collection organizations by substituting one compact collection system. It will abolish the exchange charges altogether and appreciably reduce charges against collections. I speak thus confidently only in anticipation of wise action by the Federal Reserve Board when appointed. If the board will have the wisdom and courage to establish immediately a comprehensive and economical plan of bank clearings, it will be difficult to compute the advantages that this section of the currency bill will secure. While some banks will have their profits diminished, it will be profits to which they are not fairly entitled and for the loss of which they will be more than compensated by the better and speedier facilities afforded for the transaction of business.

GOVERNMENT DEPOSITS.

In the matter of Government deposits the House bill required that the regional reserve banks should be constituted fiscal agents of the United States Government and required the Secretary of the Treasury to deposit all of the current funds of the Government in these banks, omitting, of course, the Treasury trust funds. The Senate so altered this provision of the House bill as to make it optional with the Secretary of the Treasury to so deposit the Government funds and to place it within the discretion of that official to constitute the regional reserve banks fiscal agents of the United States Government. I have been unable to get any clear perception of the reason for this alteration of the House bill further than that I a little suspect that it was done for tactical purposes, perhaps to enable the Secretary of the Treasury to combat the schemes of intractable bankers, should there be such. The object of the framers of the House bill in making the provision mandatory instead of discretionary was to furnish the regional reserve banks with the idle funds of the Government as a basis for active business transactions, and at the same time to correct the unscientific and senseless process of withdrawing these funds from business channels and impounding them in the Treasury and subtreasuries. It is scarcely thinkable that we shall ever have a Secretary of the Treasury who would not so exercise the discretion conferred upon him by the bill, as now reported, as to carry out the real purpose which the House had in view when it made this provision mandatory; hence, the House conferees reluctantly yielded the point about 3 o'clock this morning.

BANK EXAMINATIONS.

In the matter of bank examinations some minor alterations were made by the Senate amendment and some technical changes also, which were modified in conference so that there is little practical difference between the Senate amendment and the original House bill. One notable change made by the Senate was an authorization of inquisitorial investigations by committees of the House upon their own initiative; but the House conferees insisted upon so altering this amendment as to permit inquisitorial action by the Senate and House jointly, or by either House acting through a committee directly authorized to exercise inquisitorial powers.

THE NOTE ISSUES.

The note provision of the House bill has been bitterly assailed, both in the other branch of Congress and by certain men of large experience and influence in banking. The president of the largest banking institution in the Western Hemisphere went all over the country recently, charging that the Federal reserve notes provided by the House bill and by the Senate amendment to the House bill, substantially now reported from the conference committee, constitute "fiat money." This charge was vehemently echoed, without investigation or reflection, as I am obliged to believe, in the other branch of Congress. Mr. Speaker, the characterization is not only inaccurate, is not only untrue, is not only amazing, but is positively wanton.

I have said in speeches elsewhere what I shall now repeat here. There is not in this country and there has never been in any country of the civilized world a government issue or a bank-note issue comparable in security to the Federal reserve notes provided by the bill which you are now asked to enact into law. [Applause.]

NOT AN ELEMENT OF FIATISM.

Fiat money! Why, sir, never since the world began was there such a perversion of terms; and a month ago I stood before a brilliant audience of 700 bankers and business men in New York City, and there challenged the president of the National City Bank to name a single lexicographer on the face of the earth to whom he might appeal to justify his characterization of these notes. I twitted him with the fact that not 1 per cent of the intelligent bankers of America could be induced to agree with his definition of these notes, and asked him to name a single financial writer of the metropolitan press of his own town, to whom he might confidently appeal to justify his absurd charge. "Fiat money" is an irredeemable paper money with no specie basis, with no gold reserve, but the value of which depends solely upon the taxing power of the Government emitting it. This Federal reserve note has 40 per cent gold reserve behind it; has 100 per cent short-term, gilt-edge commercial paper behind it, which must pass the scrutiny, first, of the individual bank, next of the regional reserve bank, and finally of the Federal Reserve Board. In addition to this, it constitutes a first and paramount lien on all the assets of the regional reserve bank, including the double liability of the member banks; and, superadded to this, it has behind it the taxing power, the credit, and the honor of a Nation of 95,000,000 of free people. There is not a semblance of fiatism about these notes; and at the very moment that Mr. Vanderlip, of the National City Bank of New York, was in Chicago recklessly characterizing these notes as "fiat"—meaning without sufficient security—Paul M. Warburg, perhaps the greatest international banker in America, was here in Washington protesting to me that the security behind the notes was entirely too exacting!

Mr. Vanderlip misses the mark a mile, while Mr. Warburg is not far from being right; but we have thought it better to err on the side of prudence rather than incur the risks of insecurity.

DANGEROUS TALK.

No man with the prestige or influence which identification with one of the greatest banking institutions in the world gives him should fail to appreciate the importance of his public utterances. He should not fail to understand that his responsibility to society transcends that of a mere individual; and I predict with great confidence that when the president of the National City Bank of New York comes to realize how inconsiderate was his characterization of these Federal reserve notes, as well as how dangerous, he will regret ever having given utterance to such an ill-conceived opinion. When the institution which he heads shall have become a part of and a factor in the system which this bill provides Mr. Vanderlip will be ashamed to

remember that he made such a bitter and utterly unfair assault on the measure.

And, Mr. Speaker, if this be true of a great bank officer, with a manifest self-interest at stake, with how much greater force may this reproach for a like offense be directed at a Member of Congress of the United States, with only his country to serve. I said awhile ago that this charge of "fiatism" was vehemently echoed in the other branch of Congress. It could not have been frankly done upon an intelligent analysis of the provisions of the bill, and it should not have been done without such an examination. But the criticism was made with such fervor and such absence of qualification as to make the charge especially alarming to foreign investors in American securities. Indeed, it was made in such rank fashion as to put in jeopardy abroad the credit of our entire banking and currency system as proposed in this measure.

I desire here to enter indignant protest against such criticism. The constitutional duty of a Congressman to warn his country of perils which he may foresee is not greater than the moral obligation to sound no false alarm. And, in either event, the obligation assumes the nature of a grave responsibility when the Congressman speaking adds to the reputation of a great lawyer the fame of an international statesman. No man of this type, with such responsibilities, should for party advantage or for any purpose trifle with the credit of his country, either at home or abroad.

AS TO INFLATION.

This bill, in its House form, has likewise been subjected to the criticism of providing a wide range of "inflation." On this point I have been more amused than exasperated, because the startling inconsistencies of the critics have been simply ludicrous. On the very day that Mr. Forgan, a great banker, was asserting before the Senate committee that the bill "immensely contracted commercial credits," his fellow townsman, Mr. Dawes, ex-Comptroller of the Currency, was proclaiming out West that the bill "enormously inflated commercial credits." Surely it could not do both things at the same time; nor will it ever do either at any time. It will afford a large expansion of credits, when needed, upon a perfectly sound basis and insure certain contraction of credits at the end of legitimate commercial transactions. This was what it was designed to do, and without the power to do which the bill would be manifestly deficient.

This charge of "inflation," like the criticism in regard to the "fiat" nature of the notes, was echoed in the Senate; and yet the bill came back from the Senate with the possibilities of inflation vastly increased. The only thing done in the other body to diminish the possibilities of overexpansion was slightly to increase the gold reserve; but at the same time the bill was so amended in the other body as to permit the banks to count the Federal reserve notes as reserve; the reserve requirements were appreciably reduced; banks were accorded the dangerous privilege of unrestricted "acceptances," and other things were done that made the bill, for the first time, amenable to the charge that it provided "inflation."

But the House conferees insisted upon a restoration of safeguards. As the bill now stands we have provided against inflation in almost every conceivable way—by the requirement of a substantial gold reserve; by the requirement of a secondary reserve of short-time commercial paper; by restricting the power of the reserve board to issue notes except upon application from the banks; by the interposition of banking instinct and experience applied in a threefold degree—that is to say, banking discretion is applied in the original discount operation of the individual bank; banking discretion is applied in the rediscount operation of the regional reserve bank; banking discretion is applied when the Federal Reserve Board passes upon the application of the regional reserve bank for additional currency. Thus inflation is held in check, first, by the limited supply of gold; second, by the limited amount of short-time commercial paper; third, by the banking discretion of the individual bank; fourth, by the banking discretion of the regional reserve bank; fifth, by the banking discretion of the Federal Reserve Board, with a broad view of conditions not in a single district, but throughout the entire country.

CHANGES SUMMARIZED.

Without desiring to prolong this review of the questions discussed and determined by the Senate and House conferees, I may briefly summarize them as follows:

1. The House conferees restored the Secretary of Agriculture and Comptroller of the Currency to the organization committee.

2. The House conferees restored the Comptroller of the Currency to the Federal Reserve Board, giving the President power to appoint five members with 10-year terms instead of six with 6-year terms.

3. The House conferees struck out the provision from the Senate bill authorizing domestic acceptances.

4. The House conferees threw out the so-called "insurance of deposits" provision.

5. The House conferees threw out the Senate provision permitting Federal reserve notes to be used as reserves in the individual banks.

6. The House inserted a provision requiring that the net earnings going to the Government should be applied to the gold redemption fund or to the reduction of the bonded indebtedness of the United States.

7. The House inserted a provision requiring that branch banks shall be operated by a board of seven directors, having the same qualifications as directors of the Federal reserve banks, four to be appointed by the parent bank and three by the Federal Reserve Board.

8. The House altered the Senate reserve features so as to extend the transition period from two to three years, as was provided in the House bill.

9. The House so altered the Senate reserve provision as to require that at least one-third of the reserves of country banks should be held in the vaults of the local banks, whereas the Senate provision permitted all the reserves to be held in the vaults of the reserve bank.

10. The House conferees practically restored the collection at par of checks and exchanges.

11. A new section on bank examinations was written, omitting some of the objectionable provisions put in by the Senate.

12. The House conferees so amended the Senate bond provision as to require the retirement over a period of 20 years of about $300,000,000 of the bond-secured national-bank notes, whereas the Senate amendment did not provide for the retirement of more than $125,000,000.

13. The House conferees threw out the provision prohibiting directors of the Federal reserve banks, class B, from being stockholders of any bank, and practically restored the House provision requiring directors of this class to be selected from a list supplied by the member banks.

14. The House conferees practically restored the House restrictions in the matter of requiring one Federal reserve bank to rediscount for another Federal reserve bank.

15. The House conferees limited the denominations of the notes to be issued to $5 minimum, striking out the $1 and $2 provision of the Senate, which, it was contended, would cause inflation.

16. The Senate provision fixing a number of banks at not less than 8 or more than 12 stands, as against the House provision making the number not less than 12.

17. There was a compromise on the minimum capital, the Senate bill requiring $3.000,000 and the House bill $5,000,000. The capital was finally fixed to $4,000,000.

18. The Senate provision striking the Secretary of Agriculture off the Federal Reserve Board stands.

19. The Senate method of balloting for directors was retained.

20. The Senate increase of gold reserve behind the note issues to 40 per cent, with a graduated tax for falling below that amount, stands.

21. The method of raising the capital of the Federal reserve banks on capital and surplus of member banks instead of on capital alone was retained in the Senate amendment.

22. The Senate increase of salaries of members of the Federal Reserve Board from $10,000 to $12,000 is retained, as is the alteration in the term of service from 6 to 10 years.

23. There were several hundred alterations of the text of the Senate amendment.

ESSENTIALLY THE HOUSE BILL.

There are, Mr. Speaker, many minor alterations in the text of the House bill, but there is none in its essential features. There also are many changes in the details of the Senate amendment, and in matters of phraseology there are numerous alterations of both the House bill and the Senate amendment. But, in the last analysis, the measure here presented as the conference report upon the disagreeing votes of the two Houses is in all fundamental respects the House currency bill. The report is presented with the confident hope and expectation that it will be adopted and that Congress will have thus written upon the statute books legislation that has been sorely needed and insistently demanded by the banking and business interests of the country for many years.

Antitrust Legislation.

EXTENSION OF REMARKS
OF
HON. WILLIAM P. BORLAND,
OF MISSOURI,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 2, 1914.

On the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. BORLAND. Mr. Speaker, in view of the interesting debate which has occurred on this bill in regard to the various forms of organization among skilled employees and the good that is done by such organizations, both to their members and to the public, I desire to call attention to a meeting of the Brotherhood of Railroad Trainmen that was held in Kansas City, Mo., recently. The subject of the meeting was "Safety on railroads," and to show the scope of the subject and the interest shown in it by railroad employees I submit herewith the address I made on that occasion.

NATIONAL LEGISLATION FOR THE GREATER SAFETY OF EMPLOYEES AND THE PUBLIC.

(By Hon. William P. Borland, Representative in Congress from the fifth district of Missouri, before the union meeting of the Brotherhood of Railroad Trainmen at Kansas City, Mo., March 29, 1914.)

This is a gathering of practical railroad men to consider one of the most urgent and important subjects connected with the whole business of railroading. I am glad to be able to contribute, in so far as I am able, to the deliberations of this meeting. The efforts which you are making to secure greater safety to railroad employees and to the traveling public is of great general interest. The subject is one upon which you, with the aid of your practical knowledge and experience, can furnish the necessary assistance to members of legislative bodies. It is upon your experience and practical knowledge that sound legislation along these lines must be framed. You are fully aware that in your deliberations you are serving the highest interests of yourself and your families.

I am a strong believer in legislation for the protection of life and limb. We have arrived at the stage in our complex modern civilization when the individual can not look out for his own safety even by the exercise of unusual intelligence and vigilance. We are operating powerful agencies of various kinds, and every hour of our life we must depend for our personal safety upon the proper management and control of these agencies. If they are not operated with reasonable care and according to a uniform and safe plan, the individual is caught by forces over which he has no control, but from which he suffers a permanent personal injury. He may be mangled and crippled for life; his earning power may be reduced or destroyed; his opportunities for usefulness cut off; his family may lose its breadwinner and the community at large be deprived of an efficient and productive citizen.

In the simpler and ruder ages of the law, it was a legal presumption that every employee assumed the risk of the business in which he was engaged. He was supposed to have fully as much knowledge of conditions surrounding his employment as his employer. He was also presumed to know as much about the efficiency and carefulness of his fellow employees. We have learned at last how empty this legal fiction is, as applied to complicated modern business. Laws have been passed very generally abolishing this absurd assumption. Manifestly, if the employee who is engaged in the business can not protect himself against the dangers incident thereto, the outsider, or member of the public which is served by the business, has even less chance. The latter must depend entirely for his safety upon rigid rules, born of experience, for the safe conduct of the business. This affects even the men of the highest skill and experience. It applies with all the greater force to that vast element of the population which can not be expected to have either skill or experience. The railroad business is a striking example of this great revolution of modern thought. It operates the most powerful engines known; it is the most complex organization; its employees can not be familiar with even a small part of its business; and the entire public, from the intelligent business man to the helpless child, must depend upon its service. It is highly necessary that, as experience demonstrates the possibility of safety appliances and means of preventing accidents and injuries to employees and others, legislation to compel their adoption should be passed, and these laws should be justly and firmly enforced. The honest and humane manager who desires to conduct his business in accordance with the law and the highest demands of the public should not be subjected to unreasonable competition from the indifferent or careless manager who is willing to take chances. You are not unfamiliar with the course of national legislation in the direction of safety appliances. Soon after the Interstate Commerce Commission was formed, this subject received the attention of Congress. In 1893 the first safety-appliance act was passed, providing for automatic couplers, standard height of drawbars, for grab irons on cars, and for power brakes attached to the cars and locomotives. It was made unlawful, after January 1, 1898, to operate in interstate commerce cars and locomotives not properly equipped. The time was twice extended, and the law did not become fully operative until August 1, 1904. On March 3, 1903, the law was amended to require a minimum of 50 per cent of the cars in a train to be properly equipped, instead of simply a sufficient number, as the law had formerly read. On September 1, 1910, the minimum was raised to 85 per cent, where it remains at present. Under the humane operation of this law, the number of deaths and accidents traceable to such defects has decreased nearly 75 per cent. Think how many good men have thus been saved to continue a career of usefulness to their country, their families, and themselves. To secure the enforcement of this act, the first inspector was appointed in 1899. To-day there is a force of 31 inspectors engaged in this work.

In 1904, the first year for which the commission has made a complete report to Congress of the results of inspection, there were found defective 311 cars out of every 1,000. At the present time there are only about 40 defective cars in each 1,000 inspected. On March 4, 1910, Congress passed a law limiting the hours of labor of trainmen and telegraph operators. It was found that a large number of accidents to employees and to the traveling public were due to failure at a critical moment of the human element. Wherever the operation of a dangerous business depends upon the constant vigilance, care, and skill of a human being there is bound to be a certain percentage of failures. These failures increase as the employee is overtaxed by long hours of continuous service. The danger from this course can be greatly reduced and should be reduced by limiting the hours of service to those within which the employee can reasonably center his whole attention upon the business. Cases have occurred of disastrous wrecks snuffing out the lives of scores of people due to the failure at a critical time of a boy telegraph operator who had long hours of duty at a remote station. These causes of accidents are now regarded as preventable to a great degree, and Congress insists upon their prevention as far as possible.

On May 6, 1910, we passed a bill empowering the Interstate Commerce Commission to investigate the causes of all collisions, derailments, and other accidents on railroads resulting in serious injuries to persons or property in interstate commerce. This law requires the railroads to make monthly reports of all accidents, and these reports have been supplemented by the report of a special investigator from the Interstate Commerce Commission. Congress also, since I have been a Member of it, has passed the act of February 17, 1911, requiring the inspection of locomotive boilers. This law has been enforced by an efficient corps of inspectors. A similar result has followed the enforcement of this law as followed the early enforcement of the safety-appliance law. The Interstate Commerce Commission reports to Congress that during the past year they have inspected 90,346 locomotives. Out of this number 54,522 were found defective. These defects were, of course, of a minor character, because only 4,676 locomotives were ordered out of service.

The act providing for the report and investigation of all train accidents has developed some interesting information, upon which some further legislation can be based. It is found that a large number of these accidents are due to mistakes in train orders or failures to obey the rules. This is where the human element comes in strong. It is argued that a certain number of acts of carelessness or infraction of rules are unavoidable in any business of the magnitude of railroading. There is a belief on the part of Congress that this element can be greatly reduced in two ways: First, by the adoption of standard and uniform rules throughout the United States, so that trainmen going from one part of the country to another will not be obliged to learn a new set of rules on each road on which they work. Second, in the careful training of the men in the rules and their inflexible enforcement. On this subject the last report of the Interstate Commerce Commission makes a curious comparison between the lax enforcement of the rules relating to safety and the rigid enforcement of the rules relating to the collection of the companies' revenues. The commission seems to be of the opinion that if managers were as careful to enforce the rules relating to safety as they are to enforce those made to secure the honesty of their employees in handling its money and prop-

erty the public would be much better protected and there would be less accidents. I quote a paragraph of their report:

This lack of supervision and inspection with respect to matters affecting the safety of trains is unexplainable when the careful supervision of all matters directly affecting the revenue of the roads is considered. The auditing and checking systems used for detecting the dishonesty of employees are marvels of ingenuity and careful attention to detail, but means of determining whether trains are operated in accordance with the requirements of safety and in conformity with the rules are almost entirely lacking. Road foremen are employed to supervise the work of enginemen and to instruct them in their duties, but such supervision and instruction pertain mainly to matters affecting the proper working of engines so as to economize in the use of fuel, oil, and other supplies; instruction on the rules is either entirely neglected or made secondary to matters of economy. Instruction in the use of the air brake is quite general, but this, again, is mainly for the purpose of improving practice in the direction of economy by eliminating shocks and break-in-twos in the handling of trains, thus reducing the money loss caused by damaged equipment and lading. The prevention of accidents by a strict observance of operating rules means not only the saving of human life but of large sums of money as well. It would seem, therefore, that adequate inspection and supervision of the work of employees to insure safety in operation would be amply justified from the standpoint of economy alone.

I might give you some information as to further legislation which is now contemplated by Congress. We found from the reports of the commission that a frequent cause of railroad accidents was the breaking of steel rails under the tremendous weight put upon them. The growing volume of railroad business has necessitated heavier trains, larger cars, and more powerful engines. The railroads tried to meet this with heavier bridges and heavier rails. There has been no adequate standard established of the amount of tensile strength of steel rails. Engineers can tell you pretty accurately the tensile strength of a steel bridge or of the steel frame of a building, and they should be able to tell within a reasonable degree the tensile strength of steel rails. We have now designated the Bureau of Standards at Washington to assist the Interstate Commerce Commission by a scientific investigation into this subject, and the committee on which I serve has recently provided special appropriation for the Bureau of Standards to do this work. I have seen in the Bureau of Standards steel rails that had given away under the weight of a moving train and which showed plainly imperfections in the construction of the rails.

Congress is also considering the requirement of a more extensive use of steel cars. We all know that the old-fashioned wooden coaches were frequently crushed in a derailment or collision and sometimes actually burn up with the mangled bodies of the passengers. Where the train consists partly of steel cars, such as Pullmans, and between these cars and the engine are light wooden cars the passengers in the wooden cars stand even less chance of escaping in case of a derailment or collision than they did before the steel cars were in use. When the requirement is made for the adoption of steel cars it will provide for their gradual introduction on certain trains, as was done in the case of the safety-appliance law, and so that the railroads can provide to meet the requirements of the law.

Other bills relate to the headlights upon engines and to the gradual adoption of the block signal system. The most comprehensive bill of all is one by Mr. STEVENS of New Hampshire—H. R. 10518—which gives to the Interstate Commerce Commission the power to make safety requirements on all interstate railroads, including service, ways, structures, equipment facilities, and operating methods. This law would permit classification to be made of the different kinds of railroad service, such as way freight, through freight, suburban passenger, local passenger, and express, and to adjust the requirements to each class of service. It has the practical effect of extending the safety-appliance law which now applies only to engines and cars, to depot terminals, yards, roundhouses, shops, bridges, and tunnels. I am inclined to think that some such law will be passed putting the matter of regulation into the hands of the Interstate Commerce Commission. It is very difficult for Congress to legislate in detail about a scientific and technical subject such as practical railroading.

In conclusion, permit me to say that, so far as the legislative powers of Congress can be exercised, I believe they should be applied to secure the safety of men engaged in the railroad business and of the public which must use the railroads. A nation owes it to its citizens to exercise the highest care in the protection of their lives and limbs. This is a duty which must be assumed, either by the individual, by the employer, or by the State. We have long ago outgrown the notion that it could be assumed by the individual, and we have practically outgrown the notion that it can be assumed by the employer, for all employers are not alike in their desire or ability to conduct their business in a safe and humane way. It is inevitable that this high duty should be assumed by the State. The greatest asset that any nation can have is the skill and intelligence of its citizens. I will not quote from the statistics you have so often heard of the violent deaths occurring among railroad employees. This industrial warfare has been more deadly than the bloodiest fields of battle. When great economic changes are in an experimental stage we can not be held accountable for not exercising a degree of diligence which comes only from experience. In the early days of any great enterprise like railroading, death takes a terrible toll as the price of progress and success. It is our duty, however, to discover ways to prevent loss of life, and as fast as experience teaches us the way we ought to enforce the rules of safety. Every human life is precious to its owner and to those dependent upon him, and in the broadest views of statesmanship it is precious also to the State. There is no money value which can be put upon the life of a skilled and intelligent man of good character and high ambition. The possibilities of his usefulness can not be measured. It is the most terrible thing in the railroad business that death always chooses a shining mark. It is always a highly skilled man who is mangled or killed.

I have some personal knowledge of railroading in the old days when railroads were small, individual companies, and when they were built principally to sell and not to operate. The railroad companies of the country are handling to-day a vast increase over the business that was handled in those days. Railroading has become more of a business and less of an incident to frenzied finance. Railroad management is now a profession to which the ablest minds of the country are devoting themselves and their life work. The present type of railroad manager has long since abandoned the "public be damned" attitude and works to-day in harmony with public opinion. I am a great believer in conservation of national resources, but the highest conservation I know is the conservation of men. This is the high purpose which has brought you here to-day, and in this purpose you may command my most earnest cooperation.

Antitrust Legislation.

EXTENSION OF REMARKS

OF

HON. WARREN WORTH BAILEY,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 1, 1914,

On the bill (H. R 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. BAILEY. Mr. Speaker, would the exception of labor unions from the provisions of this bill confer a special privilege?

If that indeed were the effect, then I should most emphatically and unequivocally oppose the exception.

But I am far from being persuaded that labor unions can be classed with industrial combinations and so brought properly within the purview of a law intended to regulate such combinations.

It should be observed that those most vehement in denouncing the creation of a special privilege for labor unions through their exception from the provisions of antitrust legislation are at least relatively quiet with respect to special privilege in general. They are not much concerned about the special privileges which saturate the whole fabric of our industrial system. Their denunciation of special privilege as it is supposed to affect labor unions, therefore, falls a little short of carrying conviction.

There is no proposition in this bill or in any other bill which this House has been asked to consider which even remotely involves the withdrawal or the destruction of the powerful elemental privileges which vitalize business trusts. The only thing aimed at is the regulation of these trusts. We leave their privileges unchallenged. But we say to those possessing them that they must be moderate; they must not be indecent in their greed; they must not push their advantage over the rest of us too far.

This being true—and who is there to challenge the fact—is it necessary to be so scrupulously consistent as to insist for the mere sake of consistency on classifying the labor union with the business trust? They surely differ in fundamental character, as I think I shall be able to show presently. And if they do thus differ, then the contention that labor union and industrial trust should be statutorily bundled together is without merit. It is designed to destroy the labor union without greatly

impairing the power or even sharply limiting the greed of the business trust.

Those on the other side of this question proceed on the theory that business combinations are essentially the same as labor combinations. Is this true? I think not.

The better to examine the issue involved, let us for the moment lay aside the fact of combination and look at labor and at business in their naked form.

No man on this floor or in this country, Mr. Speaker, will deny that any wage earner has a right as an individual to refuse to work for any other person. Yet there is not one on this floor, and perhaps not in this country, who would not deny the right of any owner of railroads, stores, or factories, of ships, pipe lines, or coal operations, to close them down arbitrarily. The difference is instinctively and universally recognized. What is the nature of this difference?

It does not lie in any discrimination against the property owner or in favor of the wage earner. There is no discrimination as to the faculty common to both—their individual working power. The property owner has precisely the same right to refuse to work on his railroad, his steamship, his pipe line, or in his store, his factory, or his mine as the wage earner would have to refuse to work for him. Within the limits of their labor power either would have the right to sell or to withhold it as he pleased and on the terms he pleased. But the property owner possesses something which the wage earner does not. It is the possession of this that puts the property owner in a different class from the wage earner as far as the responsibilities of that position are concerned.

It can not make any difference to you whether I work or not. The public is not concerned in what I do or fail to do so long as I do not become an actual charge or otherwise a burden on or a threat against it. It is very different in the case of a railroad, a mine, a store, or a factory. All these, for one thing, monopolize public rights—rights of way, terminal sites, dock sites, building sites, and other valuable privileges. For another, they assume, and indeed possess, the function of public servants, thus creating a public interest in their business. The difference of obligation between mere wage earners and owners of businesses charged with a public interest is bound up in the fact that the latter own businesses of that kind.

Mr. Speaker, it is my contention that inasmuch as owners of businesses charged with a public interest must not individually be allowed to prevent the best utilization of such businesses, any combination among those owners for preventing or regulating that utilization is properly subject to statutory adjustment or prohibition. On the other hand, inasmuch as wage earners may individually refuse to work for other persons no combination among wage earners to refuse such work is in itself properly subject to any statutory prohibition or even regulation that would not be applicable to an individual wageworker.

To prohibit or to regulate combinations of property owners, whose property is charged with a public interest, to the exclusion of combinations of wage earners would be both consistent and sound. The inconsistent and unsound thing to do—yea, and the impolitic—would be to treat wage-earning combinations as though they were identical in character with combinations of businesses charged with a public use. Subjecting both kinds of combination to the same statute or to the same regulatory commission would be widely and not unreasonably regarded as an attack on labor organizations in the interest of combinations controlling property privileges, rights of way, building sites, dock sites, mining opportunities, water power and timber holdings.

And this brings me, Mr. Speaker, to a consideration of the political aspects of this case. Is any political party prepared to assume the responsibility for what labor organizations are bound to interpret as an attack on labor organizations in the interest of combinations controlling property privileges? Our party for years has professed itself the friend of the toiler. It has strongly defended him against the aggressions of organized greed. In many platforms it has placed itself on record as the proponent of policies designed to secure the emancipation of labor from its thralldom to monopolistic combination. Yet there have been those who seriously proposed that the Democratic Party should bundle combinations of wage earners together with combinations of monopolistic privilege and subject both alike to a common statutory regulation. Happily this proposal has been flatly rejected.

Labor combinations can not be regulated as we are proposing to regulate business combinations without provoking organized labor hostility toward our party. Can anyone doubt this? Or can anyone be surprised that it should be so?

In all probability such regulation would bring about a practical paralysis of labor organization—indubitably to the advantage of monopolistic combinations of business. To subject all combinations, whether of labor or of monopolistic privilege, to an administrative commission having a genuine sympathy with organized labor would be out of the question, as most will say it ought to be. To subject labor organizations to a commission in which a majority was out of sympathy with them would be to divest wage earners of their only bulwark of defense against the automatic pressure upon their interests of an industrial system wherein the labor supply is in constant excess of the effective demand. To subject labor organizations to an impartial commission would be objectionable for at least two reasons: (1) That the commission would be forced to conform in its decisions to wage-earning standards which the unfair competition already noted tends to produce—the competition of 10 men for 9 jobs; and (2) that at best the commission's action would be compulsory arbitration under a different name—and compulsion of wage earners flies in the face of the wholesome doctrine that no one should be compelled to work save as a punishment for crime.

District of Columbia Affairs.

EXTENSION OF REMARKS

OF

HON. WILLIAM J. CARY,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 2, 1914.

Mr. CARY. Mr. Speaker, in the spring of the year 1910 Commissioner John A. Johnston was fully advised that large overpayments had been made to certain contractors doing business with the District of Columbia. On March 1 of that year the superintendent of street cleaning informed the commissioner in writing that—

> Out of the 1,052 alleys on the schedules the remeasurements showed that the areas were wrong in 792 instances. There is no doubt in my mind—

Said the superintendent—

> that when the accounts are gone over, during the life of the contract, from July 1, 1906, to August 24, 1909, the date the correct schedules were put into effect, it will show a large overpayment to the contractors.

Mr. Speaker, the improper payments made to machine-sweeping and alley-cleaning contractors, it has been carefully estimated, would amount to between $60,000 and $80,000. The superintendent of street cleaning had requested Commissioner Johnston to permit him to use the auditor's schedules in order that he might ascertain by careful calculation the actual amounts of the overpayments, but the commissioner instructed the auditor not to permit him to so use the schedules. As the result of this order of Commissioner Johnston the Government was swindled out of $60,000 to $80,000. This man, Mr. Speaker, can offer no valid excuse for the course he pursued. He was appealed to in behalf of the Government of the United States and the taxpayers of the District of Columbia. He knew, because he had been fully advised as to the matter, that this robbery had been perpetrated, and that the money paid out unjustly to the contractors should be recovered and turned into the Treasury; but in spite of all this information he persisted in seeking to cover up the wrong. Shall such things be allowed to pass unnoticed by Congress? Is it not the duty of this body to see to it that men who have committed such wrongs against the people while serving them in the capacity of public officials shall be called to account? We talk about good government for the District, but close our eyes to outrages which, had they been committed against a private establishment would have sent the perpetrator to the penitentiary for a long term of years.

STOLE CONTRACTOR'S PLANS.

A good insight of the character of this man Johnston may be gained from a little trickery practiced by him upon Contractor R. V. Rusk, who, up to June 30, 1911, had held the contract for sweeping the streets of the city with machines. Johnston had succeeded by surreptitous means in buying 16 machines, which he paid for with money specifically set apart by Congress for another purpose—one of the many acts of dishonesty of which he was guilty while serving as a Commissioner of the District.

In order to secure the plans by which the brooms for the sweeping machines were made, he directed the superintendent of

machinery of the fire department, the official under whose direction his yacht was being built, to go to the stables of Mr. Rusk and steal them. This the superintendent of machinery did, although it is but fair to him to say that he complied with the order reluctantly. For this bit of trickery there was absolutely no necessity, as Mr. Ruck would willingly have given the plans to the Government had he been asked for them. It is also worthy of mention in this connection that Johnston sent the superintendent of machinery to New York, shortly before he made the illegal and dishonest purchase of street-sweeping machines referred to, the alleged purpose of the visit being to examine and report upon the machines. Here, again, the superintendent of machinery reluctantly complied. Think of it, Mr. Speaker, a man wearing the title of "general," conferred upon him by the Senate of the United States, and holding the high office of Commissioner of the District of Columbia, condescending to disreputable methods in making purchases of machinery for the street-cleaning department. Why, instead of sending a member of the fire department to New York, did he not send the superintendent of street cleaning, who knew all about the kind of machinery needed in the District and who could buy it to the best advantage? The fireman, in a voluntary statement, confessed that he knew nothing about street-sweeping machinery and expressed surprise that Commissioner Johnston should start him out on such a mission. Johnston knew and had been advised that the superintendent of street cleaning would not stand for the dishonest things he had planned to do and therefore was afraid to advise with him. Johnston knew that that official would have opposed buying machinery of any kind until authority had been obtained from Congress, and that when he did buy his purchases would show that there had been a clean and honest transaction. Hence he took a man from another department, a man who was confessedly unfamiliar with the needs of the street-cleaning department, and used him as a scapegoat to shield himself in his dirty work.

Mr. Speaker, it was this make-believe general, this small-bore official, whose greatest achievement was that of deceiving Members of this House into giving him money to make good dishonest transactions which he had conceived and in the carrying out of which he was aided by his civil associate, Cuno H. Rudolph, and that illustrious braggart, William V. Judson, the Engineer Commissioner. I should have stated, Mr. Speaker, in my reference to the use of the schedules by the superintendent of street cleaning in correcting the overpayments made to contractors, that the records of the street-cleaning department had been destroyed, all having been dumped into the furnace in order to get rid of the evidence in connection with the crookedness I have described. Keep this in mind, you men who accept without question every statement made to you by a District Commissioner—you men who are ready to believe that the present board is composed of seraphic individuals, who only lack the wings on which to soar away from earth to the Elysian fields of a greater and a grander world.

LYING ABOUT HIS PLACE OF RESIDENCE.

Of course no Member of this House knows where Johnston lives. Since his forced retirement from the Board of Commissioners he has not been heard from. But if you will take the city directory and turn to the J's you will find that that document says the "general" abides at No. 2111 Massachusetts Avenue NW., where his wife owns property and generously provides for him. The statement of the directory, however, is not true. Johnston does not live on Massachusetts Avenue, but at No. 2111 Q Street, some distance from the point at which those two thoroughfares intersect. It happens there is a small triangular public park in front of Mrs. Johnston's property, the park lying between Q Street and Massachusetts Avenue. As the park prevents the erection of houses opposite the Johnston residence, and as Massachusetts Avenue is a fashionable thoroughfare, the "general" either lied to the directory man or bribed him to say that the Johnston residence is on Massachusetts Avenue. This may not be a matter of much importance, but I mention it merely for the purpose of showing that Johnston is as willing to lie to keep up appearances as he was to use the money of the Government and the District illegally while he was a member of the District Commission. Mr. Speaker, it is the small things that men do that enable us to accurately estimate their character. Johnston, in order to create the impression that he dwells among the high social class of Washington, caused this false entry to be made in the city directory. This was in perfect harmony with his course as a District Commissioner. In that office he deceived the Appropriations Committees of Congress and misused the money of the people.

Mr. Speaker, while this particular "general" is engaging my attention, permit me to lay before the House a few choice crumbs of information gleaned from the martial triumphs of which he proudly boasts, from his career as a sighing lover with an eye to business, with some further reference to his career as a District Commissioner. He was a captain, of that I am quite sure; but whether, like the famous Capt. Jinks, he won his spurs as a captain of the Horse Marines, I do not know. I have always thought of Capt. Johnston as a noncombatant belligerent, a modern but diminutive Sir John Falstaff, with a penchant for martial visions, a man in whose eyes a bloodless skirmish would appear as a bloody battle. I think of Capt. Johnston when I read the words of Petruchio in the "Taming of the Shrew," in his suit for the hand of the rich and beautiful but ill-tempered Katharine:

> Have I not in my time heard lions roar?
> Have I not heard the sea puff'd up with winds
> Rage like an angry boar chafed with sweat?
> Have I not heard great ordnance in the field,
> And heaven's artillery thunder in the skies?
> Have I not in a pitched battle heard
> Loud 'larums, neighing steeds, and trumpets' clang?

Having in his opinion served his country a sufficient length of time to warrant retirement, the captain, as I understand the story of his life, decided to turn his sword into a pruning hook. And so it fell out that one day, to the great delight of the men over whom he had ruled, he resigned. Then, with his salary in his sock, he betook himself to Pittsburgh, where in the course of time the newspapers announced that he had been adopted by a well-known lady of wealth of that city.

The smoke-laden atmosphere of the industrial metropolis not being the proper place for a peaceful genius, the doughty captain was packed up and brought to Washington, where, coming like a ruby from the "dark, unfathomed caves" of earth, his wife's wealth admitted him to the inner circle of the highest social set. But he was still a captain—just a common captain; a very common captain, indeed. That would not do. He must go higher. He must be a "general." So his wife's female friends got busy. Mr. Roosevelt was appealed to. The Rough Rider listened with sympathetic interest to the story poured into his ears by tender-hearted and tearful dames from the ranks of the city's four hundred. Mr. Roosevelt yielded. The captain's name was sent to the Senate with the recommendation that he be metamorphosed into a brevet brigadier general upon condition that he resign the office simultaneously with the President's approval of the legislative action. Thus, in a single day—yea, in a moment's time—the captain came forth a blooming "general." Later, President Taft, assisted by society, discovered Johnston. Why, the "general," wearing a flaming sash and having his trusty sword at his side, had ridden in the Roosevelt inaugural parade. And so Mr. Taft, in order to please his friend Roosevelt, ignored men of brains and ability and appointed the "general" a District commissioner.

But to touch again upon Johnston's record at the District Building. Had he been called to account for the manner in which he spent thousands of dollars voted to the District by this House, he would now be serving a sentence behind the strong steel bars of a Federal penitentiary. Congress furnished the money, took it out of the pockets of the people, and turned it over to the Board of Commissioners of which this fellow was a member to be used for certain specific purposes, but it was, in fact, used by him and his incompetent civil associate, aided, of course, in their dishonest plans and purposes by the engineer commissioner, William V. Judson, as might seem best to them. And this, Mr. Speaker, all happened in this "best governed city in the world"! In my humble judgment it would be well for us to carefully scrutinize every request and act of the Board of Commissioners while they are in office, and if this were done there would be less to criticize after they got out of office.

Mr. Speaker, I think I am safe in saying that the Board of Commissioners appointed by President Taft—the board which immediately preceded the present one—was about the weakest combination of driveling humanity with official authority that ever ruled and reigned in Washington. Having at its head a hardware merchant, whose knowledge of District affairs of real interest to the people was limited to his feeble ability to grasp public questions of importance, assisted by an obscure Army officer, who had by some means unknown to me succeeded in capturing the title of captain, and an unscrupulous appointee from the Corps of Engineers, there is little cause for wonder that the board was regarded as the instrument of the jobbers. Mr. Speaker, these men succeeded in securing enormous appropriations, thousands of dollars of which were applied to purposes of which no mention was made in their estimates. I am sure, sir, that gentlemen here—members of the Committee on Appropriations which passed upon the demands of Rudolph, Johnston, and Judson for Government funds, and Members who cast their votes for the District bill when it came before the House for consideration—I am sure, sir, that they are unaware

of the fact that five or six thousand dollars—I am not attempting to give the figures accurately—were spent in the construction of a private launch for Capt. John A. Johnston, and that the boat is still used on the Potomac and other waters by that illustrious official "jayjack." The work was done under the direction of the superintendent of machinery of the fire department, who was compensated for his zeal in the commissioner's behalf by advances in salary. You may ask: "What right had Johnston to use the public money in that way?" Answer the question for yourselves. My answer is that his right to so use it was at par with his right to squander the District's funds in other ways to which your attention has been called.

EXTRAVAGANCE OF THE PRESENT BOARD.

Mr. Speaker, the gentlemen composing the present board have come to us for large sums of money with which to meet the expenses of the local government. To what extent these requests are reasonable, viewed in connection with the obligations of the Government to the District of Columbia, we do not know. I do not say that Messrs. Newman, Siddons, and Harding would come here with deliberate misrepresentations as to local needs: but I do say, with all the emphasis I am able to impart to my words, that for months they have knowingly permitted wanton extravagance under the roof that shelters their official heads. There is, therefore, it seems to me, good reason for looking askance at their suggestions touching expenditures in the District. We have heard a good deal recently about the half-and-half plan. The gentleman from Kentucky [Mr. JOHNSON] and other Members of this House, prompted by a sense of justice to their constituents, to the Government, and to those citizens of Washington who believe in a square deal, have ventured to suggest that the half-and-half plan has more than outlived its usefulness. For this they have been held up in the local press as enemies of the National Capital. Not long ago a committee backed and engineered by local jobbers, who for years have had their hands in the National Treasury, was formed for the purpose of intimidating Members of Congress by appeals to the people of their districts. Circulars with hardly a grain of truth in them have been scattered broadcast, and pamphlets laboriously written by the hirelings of the grafters have been spread from Dan to Beersheba in the hope that the voters will accept their reckless statements and call a halt on Members who are standing for clean and honest government in Washington.

Thomas Jefferson, the Great Progressive.

EXTENSION OF REMARKS

OF

HON. WILLIAM P. BORLAND,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, June 3, 1914,

On the bill (H. R. 15578) to codify, revise, and amend the laws relating to the judiciary.

Mr. BORLAND. Mr. Speaker, the life and career of Thomas Jefferson are rich in material for the orator, the statesman, and the historian. It is scarcely necessary at this time to review his long and busy life. Of the many biographies of him which have appeared few have been written in either a candid or sympathetic vein. The greater part of the literature relating to Jefferson is evidently the work of men who are politically out of sympathy with, if not actually hostile to, his teachings. In spite of this, the world has been filled with detailed and minute accounts of his appearance, life, words, and acts, such as betoken the tremendous force of his personality and its indelible impression upon the history and institutions of his country. To show that much of it is not in a sympathetic vein, we have only to instance "The Life of Washington," by HENRY CABOT LODGE, and the recent address on "Jefferson, the American Welshman," by Whitelaw Reid.

The truth is, Jefferson was a great progressive—the first great constructive progressive in American politics. His mind was so vast, his mental energy so tremendous, his ideals and aims so altruistic that an age of sordid selfishness and materialism like that from which we are just emerging is little likely to do justice to his fame. For 50 years the ideals of Jefferson have been pushed aside in favor of those of Hamilton, the reactionary. Hamilton, with his doctrine of the sacredness of the dollar, with his theories of protective tariff and special privilege, with his care for the bondholder and the financial interests, has appealed more strongly to the dominant force in American politics than Jefferson, who regarded only the rights of men. At each crisis of our country's affairs an awakening public conscience brings public thought back to the doctrines of Jefferson.

When the Republican Party was born, in 1856, with all the semireligious fervor of a crusade for human rights, it adopted a platform the opening clause of which declared that it intended to bring American politics back once more to the doctrines of Washington and Jefferson. Its first successful candidate for President, Abraham Lincoln, in a letter to the Jefferson Society of New York, three years before his nomination, pledged himself to the doctrines of Jefferson as the guide for his political life. When the Republican Party died, in 1912, it went down under the banner of Hamilton, protective tariff, and special privilege, like its predecessor, the Federalist Party, a hundred years before.

I have said that Jefferson was a constructive progressive. This is the key note of his wonderful dominion over public thought. One of his unfriendly commentators has said of him:

So far was his temperament removed from the conservatism of the Anglo-Saxon race that he seemed to take the fact that a thing had never been done before as a sufficient reason for doing it.

Though strangely devoid of any appreciation of fiction in literature, yet he had a powerful imagination which ranged wholly in the unromantic domain of the useful and ran riot in schemes for conferring practical benefits on mankind. He betrayed the same traits in agriculture and in politics. In both he was often a dreamer, but his dreams concerned the daily affairs of his fellow men, and his life was devoted to reducing his ideals to realities.

Jefferson was born April 13, 1743, of a family which in any age and any country would be called the middle class. He entered William and Mary College in 1760 at the beginning of his seventeenth year. His eager mind pursued the best classical studies which were available to the youth of the Colonies, including a course in English law. Sir William Blackstone, who is regarded now as an old fogy, but who was the greatest progressive of his time, had just published his remarkable Commentaries, which became the mental food of American lawyers. Blackstone set forth clearly the limitations of royal power and the functions of government in language which would have been revolutionary in that age had it not been so temperate, sane, logical, and polished. As every American lawyer knows, he filtered the violent doctrines of Rousseau through his sane, capable, and constructive mind. His work was the dominating force in the creation of American institutions of government, and is transcribed in every line of the Federal Constitution and of the constitution of every State.

While Jefferson was in college his room at Williamsburg was shared during the session of the Virginia House of Burgesses by that firey—if somewhat unbalanced—patriot, Patrick Henry. When Henry went from that room on the memorable day in 1765 to the house of burgesses to utter that ringing speech against taxation without representation, which has made him the foremost figure in the history of American oratory, Jefferson accompanied him and stood in the doorway of the crowded hall. Jefferson was never a speaker. He was a thinker and a writer; but how much of that speech was Henry's and how much Jefferson's no man has been able to say.

In 1767 Jefferson entered upon the practice of law, which he pursued for seven years with such success that his average professional earnings were $3,000 a year. This was a remarkable sum in that day and indicates a high order of professional ability and diligence. In 1768 he was elected a member of the Virginia House of Burgesses. According to the custom of the age he did not scruple to keep open house and entertain the voters liberally before the election. On election day he stayed close by the polls and bowed gravely his thanks to every voter who cast a ballot for him. In the simplicity of the times this was regarded fully as honorable a method of election as the more modern way of a candidate being nominated by a secret ring of bosses locked in a back room. His entrance upon public life stamped him as a man of the highest honor. He announced that he maintained a resolve not to better his fortunes while in public life. How well he kept this resolve history has fully attested. When on his death bed, after a long and useful public career, he said that if death did not come to him soon he must end his days in the cabin of a negro ex-slave. He never turned his fame or public career to any purpose of selfish gain. He never sold either his voice or his pen, but all his work was public property.

When Jefferson entered the house of burgesses that body was just beginning to show an independent temper against the tyranny of the royal governor. So strong was this temper that the governor dissolved the chamber on account of the spirited reply made by its members to the governor's opening address.

This reply was originally drafted by Jefferson, but was tempered and moderated very largely by the older and cooler heads among the burgesses. In spite of its modified character it seems to have been regarded as unduly independent by the royal governor. When in indignation he dissolved the assembly 88 of the members, including Jefferson, met in a tavern and organized a nonimportation league against British merchandise. All of the members of this league were promptly reelected by their constituents, and, in March, 1773, when the burgesses reassembled, Jefferson took the lead in the progressive movement of the times. "Not thinking," as he himself has said, "our old and leading members up to the point of forwardness and zeal which the times required." This was insurgency with a vengeance, especially in view of the deference to age and leadership which characterized the Virginia Assembly. In the spring of 1774 Jefferson and half a dozen other members took the unequivocal stand in line with Massachusetts in her resistance to the British commerce act, thus breaking down the barriers of mutual jealousy which stood in the way of colonial union. Jefferson said that he felt that "The lead in the house of burgesses on these subjects should no longer be left with the leading members." At this time also he wrote the celebrated Summary View of the Rights of British America. This very revolutionary document found its way to England, where it was largely used by Burke in his celebrated speeches. Jefferson was sent to the Continental Congress in 1775. He had a poor voice and an awkward manner and was no debater, but he brought with him the original draft of his reply to the royal governor of Virginia and had the pleasure of seeing its doctrines become the groundwork of the resolutions of the Continental Congress. In June, 1776, he had climbed to the height of political power and public confidence from which he could stretch forth his hand and seize the imperishable crown of fame. He wrote the Declaration of Independence, the one great act of his career which is familiar to every American schoolboy. The original document in Jefferson's handwriting, with a few verbal changes by Franklin and Adams, is still preserved in the State Department at Washington. Adams, the powerful debater, led the fight for the document on the floor and Jefferson sat by silent, awkward, and disturbed under the bitter attacks which were made upon its language by the reactionaries. The old guard tried to filibuster against the adoption of the Declaration. They waged a long and bitter parliamentary contest, although they knew that it expressed in the highest and purest form the universal sentiment of all the colonists from the backwoods of Maine to the swamps of Carolina. It is said that a curious circumstance aided in its adoption. Late on that July afternoon, which has since become so famous, the weather was very hot, and as the meeting place of the Continental Congress was near a large stable the horseflies came in in swarms and bit the legs of the delegates through their thin silk stockings, making it impossible for the reactionaries to prolong their filibuster.

In June, 1776, Jefferson was reelected to the Continental Congress, but he declined to serve, preferring to return to his legislative work in Virginia. On October 7 of that year he took his seat again in the Virginia House of Burgesses. Here was work indeed for the progressive and for the constructive statesman. The young Nation had been born by a union of Colonies, but the Colonies themselves, which had just graduated into States, were still under their colonial institutions. Jefferson was so little of a demagogue and so much of a statesman that he left the national stage, where fame and personal ambition might have beckoned to him, and returned to his own Commonwealth to begin that wondrous work of reconstruction by which an American State should be erected upon the ruins of a royal colony. The colonial or State governments after the Revolution were republican in name but aristocratic and monarchical in fact. This was especially true of Virginia, where the dominant force in social, intellectual, and political life was aristocratic. Virginia had a limited number of old families which were feudal in their feelings and aims. Virginia had an established church, supported by public taxation, which possessed and sometimes exercised the power of punishing dissenters. Virginia had a criminal code reflecting the somewhat inhuman spirit of the age toward the hapless offender, especially if he were a poor and friendless man and the crime one against property. Extreme severity, retaliation and bodily mutiliation, imprisonment for debt, intolerance of opinion, religious and political, and the brand of treason upon all criticisms upon public authority were elements in that code. The rights of man had found no place in its construction, but the rights of property, the rights of privilege, and the rights of power were written large upon every page. All this did not affect Jefferson's private fortunes, for he was a man of wealth and social standing. He had no need to feel its oppression, except as he felt by a wonderful telepathy the heartbeat of the humblest citizen of his State. Strange to say he did not take the stump and abuse wealth and power with all the arts of the demagogue. His work was deeper, broader, and more permanent. A study of this period of his life is not only necessary to a full understanding of Jefferson's character, but it bears the richest lesson for statesmen of the present time. It exemplifies the impassible abyss that separates the demagogue from the progressive. Jefferson's severest critics have never called him an iconoclast. He never tore down unless he was confident he could build upon a better and firmer foundation. He never attacked an unpopular class of citizens solely for public applause or political promotion. Much of his work was slow in bearing fruit, but all of it was strong and sure.

The first bill which he brought into the House of Delegates, which was the new American name for the former House of Burgesses, was a bill to abolish the entail of real property. These entails prevented the free alienation of land and tended to keep the landed property for successive generations in the same family by virtue of deeds and wills drawn by hands long since crumbled into dust. The land of the living, which the Creator had once given in common to all men, was fettered by the hands of the dead. No growth of democracy, industrial independence, or commercial prosperity was possible under such conditions. Jefferson succeeded in having his law passed, and he immediately followed it up with a bill to abolish primogeniture. Primogeniture means that all of the landed estate of the ancestor shall descend to the oldest son, to the exclusion of the younger sons and the daughters. It is the very keystone of the arch of feudalism and aristocracy. It made petty tyrants and feudal despots of the oldest son and worthless vagabonds and gambling rakes of the other sons who had been trained to be above any useful form of labor. Jefferson saw clearly that it must be abolished on the very threshhold of the life of the new American Republic. He attacked it in his own State of Virginia, where it had reached the most perfect flower. He met, of course, the bitter and uncompromising resistance of the social leaders and landed classes. "At least," implored Pendleton, "if the eldest son may no longer inherit all the lands and slaves of his father, let him at least take a double share." "Not," said Jefferson, the leveler, "until he can eat a double allowance of food or do a double allowance of work." His brilliant triumph cost him a price, says his biographer:

> That distinguished class, whose existence as a social caste had been forever destroyed, reviled the destroyer from this time forth with relentless animosity; and even to the second and third generation of descendants many of these patrician families cursed the statesman who had placed them on a level with the rest of their countrymen.

In 1778, at the first session of the Virginia House of Delegates under Republican rule, Jefferson introduced and secured the passage of a bill to stop the importation of slaves. At this time his great intellect busied itself with plans of legal and social reform, which from time to time bore fruit. He passed a bill to promote the prompt naturalization of foreigners; he drafted a code containing a milder form of punishment for crimes; he constructed an entirely new judicial system and code of procedure for the courts; he planned a public school system, but the narrow prejudice of the planters prevented it from being adopted. In 1786 Virginia finally passed what he regarded as one of the most important works of his life—the bill to establish religious freedom. It abolished the established church and still further inflamed against Jefferson the social and religious prejudices of the upper classes. By 1787 the statute books of Virginia bore upon every page the fruition of his work of reform. He even tried to get the assembly to pass an act for the gradual emancipation of slaves, but failed to bring public opinion up to the required standpoint.

In 1779 Jefferson was elected governor of Virginia and served for one year, which was the length of term at that time. This service, brief as it was, has been the occasion of more criticism of Jefferson than any other part of his long public career. It seems that if a man, however great, desires his fame to suffer an eclipse the easiest way is to be elected governor of an American State. Most governors go into office amid the resounding applause of their friends and go out of office completely obscured by the hail of brickbats from their enemies. The worst that can be said about Jefferson's career as governor is that he was not adapted by nature to be a war governor. He had too much innate respect for private rights and was too thoughtful and constructive in his temperament to successfully administer the affairs when the needs of the times called for a dictator. In Rome of old when an invading army threatened the city the citizens suspended the Republic and placed their power in the hands of a dictator. They would never have chosen under such circumstances a man of Jefferson's temperament. He could not seize private rights and property in defiance of law, nor trample

upon the liberties of individual citizens in the relentless spirit of a military leader. It is no disparagement of his greatness to say that it did not lie in those lines. His administration, in fact, seems to have been no worse under the stress of the British invasion and the hopeless poverty of the American Colonies at that trying time than the administration of the other American Colonies, but it seems that more was expected of Jefferson. He put every Virginia volunteer into the field to drive Cornwallis out of Carolina. He even sent supplies with teams and wagons drawn from his own farm, for which he was never compensated. The threatened invasion was not checked, and the British finally reached the defenseless Virginia and overran it, as they had overrun New York, New Jersey, and Pennsylvania. On June 6, 1783, Jefferson was again elected to the National Congress, and presented there Virginia's deed ceding to the United States the territory west of the Ohio River. He was one of the committee to prepare a plan of government for that territory, which gave birth to the States of Ohio, Indiana, Michigan, and Illinois. In 1784 he was minister to France, and saw the beginning of the French Revolution, which was at first under the guidance of such pure patriots as the Marquis de La Fayette. In 1789 the Constitution of the United States was adopted and Washington was inaugurated President. Jefferson was made Secretary of State, and so great was the demand for him as the only man to fill that great place that Washington allowed John Jay to occupy the office temporarily until the spring of 1790, when Jefferson could return and assume the duties.

In Washington's Cabinet Jefferson came in close contact with Hamilton, the great reactionary, the leader of the Federalist Party. Hamilton's ideas were primarily monarchial. He believed in a limited monarchy and a Senate or Upper House elected for life. He had only agreed to the Federal Constitution as a necessary compromise with the democratic tendencies of the times. He regarded government as an institution designed primarily to protect property interests, and his whole public career was dominated by this thought. He was well placed in his position of Secretary of the Treasury, for his peculiar abilities would not have been serviceable in any other position. The conception of the rights of the individual citizen was foreign to his mind. The greatest work of his career was the establishment of public credit. As part of this he insisted that the struggling Government of the United States, which was not able even to pay its own troops, should assume the debts contracted by the individual States during the Revolutionary War. It is probable that these State debts were largely inflated and that very small value had been received originally in return for the obligations. It is certain that they had been bought up for a few cents on the dollar and were then held by the banks of New York City, who were the constituents and political supporters of Hamilton. Hamilton insisted that they should be assumed by the United States and redeemed at par, regardless of the amount which they had cost the holders. Historians seem to agree that this policy of Hamilton's was prudent and necessary in order to secure the loyalty of a powerful class whose resentment would be very injurious to the new Government. This is the most that can be said in favor of Hamilton's policy as a patriotic move. It seems to have been stamped with the same brand of local and partisan political influence which has affected many other pieces of legislation. Apparently Jefferson never was in sympathy with these doctrines, but his work as Secretary of State was so absorbing and important to the new Government that he could well devote himself entirely to it. Recent historians have never done justice to the service of Jefferson as Secretary of State. In my opinion his position was the most trying and the success of his work the most vital to the infant Government. Washington, great as a soldier and patriot, was not without the limitations of his environment and career. He was a provincial and had never been abroad. He knew no language but his own, and his education was rudimentary. He had no knowledge of foreign countries or of international politics. It is part of his wonderful greatness that he recognized his limitations in this respect and turned the conduct of foreign affairs over absolutely into Jefferson's keeping.

Jefferson so conducted the affairs of the young Government as to secure to it neutrality, peace, and freedom from the entanglements of the wars which were shaking Europe, so necessary to its well-being. He did this in the face of the fact that France, which had been the ally of the United States and which had aided it with men and money to secure its independence, was then engaged in a death struggle with England, and not only needed but demanded that the United States repay in part its obligations by assisting France. Jefferson's whole training and temperament led him to sympathize with France and lean toward its claims, and yet he sacrificed his personal feelings upon the altar of his country, and with rare tact and wisdom and with courage and patience in face of a strong French enthusiasm throughout the United States he held back from entangling alliances and saved our young country for all time from becoming a dependency of France. His diplomacy made the independence and dignity of the United States recognized abroad. He retired from the Cabinet July 31, 1793, after having performed a greater service for the Union than any man except Washington. He never concealed his disgust for the policies of Hamilton, which were not at all within the range of his ideas of patriotism. On June 16, 1792, he wrote to Lafayette:

> Too many of these stock jobbers and king jobbers have come into our legislature; or, rather, too many of our legislature have become stock jobbers and king jobbers.

Jefferson was elected President in 1801. It is unnecessary to recount the well-known facts of history that mark his administration. Suffice it to say that he came near to being embroiled in a war with France, the one country which he admired and respected more than all others. As an American patriot he resisted French aggression with the same dignity and force as that of England. He was probably the first American statesman to effectually discipline the judiciary and to insist upon a high standard of integrity. As President he sent a message to Congress urging the impeachment of Judge Pickering, of New Hampshire. Pickering was impeached and removed for ample cause. The crowning act of Jefferson's administration was the acquisition of Louisiana. This was the widest stretch of Federal power and the boldest step of progressive and constructive statesmanship. It fairly staggered the reactionaries of the Federalist school and brought prophecies of disunion and disaster.

As long before as 1790, when Jefferson was serving as Secretary of State, he saw the prospect of a rupture between England and Spain and attempted to take advantage of it by securing control of the Mississippi River. When the opportunity to acquire Louisiana presented itself, he acted with prompt vigor and carried out a cherished plan for the welfare and safety of his country by removing the danger of foreign neighbors. As soon as Louisiana was acquired he sent Lewis and Clark to explore the new territory and laid the foundation for the trans-Mississippi civilization and greatness. Not a single State in this trans-Mississippi country is named for Jefferson, and Missouri is the only State that has honored him by conferring his name upon its capital city.

When Jefferson retired from public life his restless activity and public services did not cease. He founded the great University of Virginia in the shadow of his beloved Monticello and watched over its growth to greatness. He wrote his own epitaph, which is carved upon a stone now in the possession of the University of Missouri, at Columbia, in these words:

> Here was buried Thomas Jefferson, author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and father of the University of Virginia.

No boast here of the offices he had held or the honors and dignities which he bore. Here is written a man's estimate of his own greatness, the three imperishable monuments of his fame—human liberty, religious freedom, and public education. Truly a progressive record, never equaled by one man since the dawn of recorded history.

The Underwood Tariff Law and the American Sugar Industry.

EXTENSION OF REMARKS

OF

HON. RICHARD W. AUSTIN,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, May 9, 1914.

Mr. AUSTIN. Mr. Speaker, I wish to call to the attention of the House and the country some facts and conditions relating to our domestic sugar industry and how it has been and will be affected by the Democratic tariff law.

I have selected the sugar industry as a fair illustration of the fallacy of free trade because I have no interest in it whatever, except as a consumer of sugar, such as we all are. So in talking about sugar I am as far away as it is possible to get from an industry in which I have any pecuniary interest or any sort of direct relationship. I am speaking on this particular

subject—the sugar industry—primarily from the standpoint of an American citizen who deplores the destruction of an American industry, and also as a consumer who was promised reduction in the cost of his living expenses. While watchfully waiting for the fulfillment of the promises made by our Democratic friends, I can not help but note with alarm for my country's welfare that not only are Democratic promises unreliable as to the things they would do, but as to the things they would not do. They promised by tariff revision to cheapen the cost of living. They promised by that same sign not to destroy any legitimate industry. Neither promise has been kept. Both are broken. Living cost is still high and going higher. Legitimate industries are halting, staggering, falling.

"Oh, but," our friends say, "Wait, business will adjust itself to the different conditions."

Yes; wait. We have heard that cry before. We heard and are still hearing it in regard to Mexican affairs. Wait! To-morrow. But to-morrow never comes. It is a period nowhere to be found in all the hoary registers of time, unless, perchance, in the fool's calendar.

> Wisdom disclaim the word,
> Nor holds society with those who own it.
> Go to, I will not hear it.
> 'Tis the sharper who stakes his penury against thy plenty,
> And pays thee naught, but wishes, hopes, and promises,
> The currency of idiots,
> Injurious bankrupt, that gulls the easy creditor.

Mr. Speaker, sugar is a product of universal taxation. Every nation in the world levies an import duty on sugar, either as a source of revenue or for the protection of its domestic sugar industry, or both. After May 1, 1916, the United States will be the only nation which does not levy an import duty on sugar, and to-day we are the only sugar country which admits sugar from its colonies free of duty. Except for a slight reduction granted by France, the domestic sugar industry of every foreign nation in the world receives the same protection from colonial sugar that it does from foreign sugar. The 1,345,230 tons of sugar produced annually by Dutch capital in Java, a Dutch colony, can not be marketed in the mother country, and even "free-trade England" levies an import duty of 40 cents per 100 on sugar, granting no preferential whatever to sugar imported from her colonial possessions. It is interesting to note that coincident with the passage of a free-sugar bill in the United States Congress—a measure which will destroy the domestic beet and cane sugar industries—the British Parliament passed an act granting a bounty of 11,000 pounds sterling ($55,000) to the first British beet-sugar factory located at Cantley, England, with the purpose in view of encouraging and aiding the establishment of the beet-sugar industry in that country.

From an economic point of view there absolutely was no excuse for the removal of the duty on sugar. It could not appreciably reduce the cost of living, for the net saving per capita only could amount to 14 cents per annum, providing the seaboard refiners allowed the full benefit to pass to the consumer. Sugar has not been a factor in increasing the cost of living, for while in the past decade the price of all other commodities has risen from 60 to 100 per cent, the price of sugar steadily has decreased, and to-day a pound of sugar can be purchased for less money than an equal quantity of almost any other commodity which goes upon the consumer's table. Sugar is cheaper in the United States to-day than in any other country in the world except Great Britain.

Mr. Speaker, for a great number of years the Bureau of Labor has been gathering statistics as to retail prices of 15 leading articles of food in 40 cities of the United States, in each of which cities they have had a number of correspondents who have reported the prices to them. The sources from which quotations have been furnished were neither fancy grocery houses nor were they the poorest houses, but the average stores from which workingmen would buy their supplies. On February 10, 1914, the bureau published a report on retail prices up to and including December, 1913, with a comparison of these prices, and the average prices during the decade 1890–1899. From a table appearing on page 7 of this document, which I quote, it will be seen that sugar is the only one of 15 commodities quoted which shows a decline in price from the former period as compared with the prices of November and December 15, 1913, the decline being 5.9 per cent. Of the other 14 commodities, wheat flour shows the smallest increase in price, being 26.4 per cent; fresh eggs showing the largest increase, amounting to 155.6 per cent; and the average increase of the 14 commodities is 81.1 per cent.

Per cent of increase or decrease in retail prices of the principal articles of food: Price on Nov. 15 and Dec. 15, 1913, compared with the average price for the 10-year period 1890 to 1899, by articles.

[From Bulletin 140, Bureau of Labor, "Retail Prices, 1890 to December, 1913," Feb. 10, 1914.]

Article.	Price Nov. 15, 1913—		Price Dec. 15, 1913—	
	Higher than 10-year period 1890–1899.	Lower than 10-year period 1890–1899	Higher than 10-year period 1890–1899.	Lower than 10-year period 1890–1899.
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*
Sirloin steak	70.7		69.6	
Round steak	103.0		101.3	
Rib roast	73.0		73.6	
Pork chops	121.8		110.1	
Bacon, smoked	127.9		124.0	
Ham, smoked	82.3		80.2	
Lard, pure	67.8		67.1	
Hens	63.6		65.6	
Flour, wheat	26.4		26.1	
Corn meal	68.9		68.9	
Eggs, strictly fresh	155.6		120.2	
Butter, creamery	54.8		58.8	
Potatoes, Irish	77.2		76.6	
Sugar, granulated		5.7		5.9
Milk, fresh	43.0		43.0	
Average	81.1		79.7	

Mr. Speaker, it is evident from what I have said, corroborated by the statistics gathered by the Bureau of Labor, that sugar is the only commodity entering into his daily diet from which the consumer has derived any consolation, as far as the increased cost of living is concerned. Contrary to the upward trend of prices of other commodities, the New York wholesale price of sugar has decreased from 13.51 cents per pound in 1870 to 4.74 cents in 1913, notwithstanding the fact that the per capita consumption has increased two and one-half times during that period. The per capita consumption of sugar in the United States has increased from 32.75 pounds in 1870 to 85.4 pounds in 1913, while the wholesale value of the amount of sugar consumed per capita in 1870 was $4.42 and in 1913 but $3.65, the consumer in 1913 thus securing 161 per cent more sugar for 17 per cent less money than did the consumer in 1870. At the 1870 price per pound our present annual per capita sugar consumption would cost the consumer $11.54 instead of $3.65.

The cry for free sugar has not come from the consumers of that product, Mr. Speaker. In the face of these facts, how could it? Who, then, besides the Democratic Party is responsible for the present law reducing the tariff on sugar 25 per cent on March 1, 1914, and placing that product on the free list in 1913? And what was the ultimate object sought to be gained? When we find the source from which this free-sugar campaign originated, the impelling motive is not difficult to ascertain.

Mr. Speaker, there are in the city of New York four great seaboard sugar-refining concerns, consisting of the American Sugar Refining Co., Arbuckle Bros., the Federal Sugar Refining Co., and the Warner Sugar Refining Co., and they control 76.53 per cent of the output of refined sugar. These concerns, whose interests are identical, fix the price which consumers have to pay for sugar, except when domestic beet sugar is on the market. Against this monopoly or trust 200 or more suits are pending in the United States courts under the antitrust laws filed by the State of Louisiana, through her attorney general, and by individual complainants of that State, in addition to the suit of the Government now pending in the Circuit Court of the United States for the Southern District of New York. The trust has steadfastly resisted efforts to consolidate these cases.

I will not attempt to go into the details of the nefarious methods practiced by these seaboard refiners in their dealings with the Government and with the public. The fact that some of them were found guilty of robbing the Government of millions of dollars through false weights, and were made to disgorge over $4,000,000 of their ill-gotten gains and turn it back to the United States Treasury, and that two of their officials and a number of their employees were sentenced to the penitentiary is still fresh in our memories.

But, Mr. Speaker, I feel it my duty to go into some detail in describing the part taken by these seaboard refiners in the passage of a free-sugar bill, and the cause of their activities in this respect.

With the exception of the 700 000 tons of domestic beet sugar, all of the 4,000,000 tons of sugar which we annually consume

passes through the seaboard refineries, where the 4 or 5 per cent of impurities are removed before placing the refined product on the market. The difference between the price at which they purchase their raw product and the price at which they sell refined sugar is called the "refiners' margin," which includes the cost of refining and the refiners' profit. The cost of refining varies little, if any, from time to time, and so, whenever the refiners are able to increase their margin, such increase means additional clear profit to them. A slight increase in this margin means millions of dollars of additional profit to the refiners. To illustrate: The refiners know that the individual expenditure for sugar is so small and the price so low that not one housewife in a thousand would give serious thought to the subject whether she secured 20 pounds or 22 pounds of sugar for a dollar, and yet, on our present consumption of 4,000,000 short tons, this little difference in price would add nearly $40,000,000 a year to the net profit of the refining combine. During the past 24 years the refiners' margin has ranged from 50 cents per hundred to $1.15, a difference of 65 cents per hundred pounds. To what extent the profits of the refiners have been multiplied by these various increases in their margin is easily to be imagined.

As stated before, with the exception of domestic beet sugar, all sugar consumed in this country passes through the hands of the seaboard refining combine and pays it toll. The American beet-sugar factories produce white refined sugar ready for the table, and during the three to five months of the year in which this produce is marketed it comes into direct competition with the product of the refineries. This competition, in conjunction with the competition of the various beet-sugar companies among themselves, so lowers the price of sugar that until the domestic product is exhausted the refineries are compelled to operate at very little profit, and usually they have to reduce their meltings or close down entirely until the domestic product is out of the way. If the domestic beet-sugar industry were allowed to expand to a point where its output could compete with that of the refineries for 12 months in the year, instead of from 3 to 5 months, then the consumer would receive the benefit of lower prices the year round.

When the domestic beet-sugar industry was producing but from 40,000 to 50,000 tons of sugar a year competition from this source had very little effect upon the domestic sugar market, which was controlled absolutely by the seaboard refiners. But even in its infancy the refiners realized the great possibilities for the expansion of the domestic beet-sugar industry and the competition which would result therefrom; and so when American capital began to flow into that industry it was urged by the refiners that the beet-sugar factories should manufacture only raw sugar, as is done in most of the beet-sugar factories of Europe; that this raw product be shipped to the seaboard refineries, where the impurities would be removed and the refiners be able to fix the sale price on the refined product and exact a profit on the domestic beet-sugar product as they do on imported raw sugar. If the beet-sugar manufacturers would adopt this course, they would have no quarrel with the refiners and no attempt would be made by the latter to throttle the domestic industry. This proposition, however, was not accepted by the beet-sugar manufacturers, and machinery was installed in all their factories to manufacture white refined sugar ready for the table.

Failing in their attempt to intimidate the industry, in order that they might continue their complete domination of the American sugar market, the largest of the sugar-refining corporations attempted to secure control of the beet-sugar industry by buying up stock in the various companies, and succeeded ultimately in acquiring stock in a number of these companies. But the industry grew too rapidly for the refiners. It began to increase at the rate of 100 per cent a year. Realizing that it would be impossible to secure a controlling interest in the rapidly increasing companies, the refiners ceased investing in the industry, and since have been disposing of the stock which they already possessed.

Then a new line of attack was inaugurated. If the refiners could not induce the beet-sugar manufacturers to produce only raw sugar upon which they—the refiners—could exact a toll in the process of refining, if they could not gain control of the industry through the purchase of sufficient stock in the various companies, then more drastic measures must be pursued. The competition must be removed; if in no other way, the industry must be wiped out of existence. The refiners decided that the most effective way of destroying this domestic competition was to secure the removal of the duty on sugar. They knew that if they could purchase their raw product at a cent and a third or a cent and a half cheaper than they had been paying, and the beet-sugar manufacturers were compelled to pay the same or higher prices to the farmers for their raw product, sugar beets, when beet sugar came onto the market in competition with their product, the refiners could reduce temporarily the price of sugar so far below the cost of producing the beet product that that industry soon would be destroyed. With this competition out of the way they then could raise the price to suit their will.

This object the refiners set out to accomplish some four or five years ago. But they did not come out in the open in their fight for free sugar. They well knew that the people were fully cognizant of their nefarious practices in robbing the Government of millions of dollars through false weights; the public was aware of the methods adopted by the refiners to stifle competition, and so if the people knew that this coterie of refiners was making a fight for free sugar, they naturally would oppose the proposition on general principles. Therefore some cloak must be found which would hide their identity. Whatever may be said of these people, they are resourceful; it may be in inventing "corset-steel springs" to make the Government scales weigh falsely; it may be the temporary selling of sugar at certain points at a loss in order to put a competitor out of business; it may be the spending of over a million dollars in one year to create sympathy for the "poor Cubans" and secure the granting of a tariff concession on sugar imported, as they did in 1902, from that island, in order that the refiners, who have millions of dollars invested in sugar plantations in Cuba, might reap the benefit.

When the recent fight for free sugar was inaugurated by these people, it was not difficult for them to find methods which would mislead the people. The high cost of living was a national issue. As stated before, during the past decade the prices of nearly all commodities had increased from 60 to 100 per cent. It mattered not that during this same period the price of sugar gradually had decreased instead of increasing along with other articles, the average person would not stop to think of this. It mattered not that the annual outlay for sugar in the average man's family amounted only to 5 per cent of his total expenditure for food; it mattered not that the net per capita saving under free sugar could not possibly amount to more than 14 cents per annum, the public generally did not give serious study to these details.

The course pursued by the refiners was to inaugurate a literary bureau, which they termed the "Committee of Wholesale Grocers, formed to assist in obtaining cheaper sugar for consumers through a reduction of duties on raw and refined sugar." Here was a name which would catch the people. No one ever would suspect the nefarious sugar refiners of doing anything to assist the consumer, and the "Committee of Wholesale Grocers" had a whole-soul ring to it. Of course this "committee" was a fictitious, mythical organization. Mr. Frank C. Lowry posed as secretary and treasurer of the "committee," and Mr. Lowry is the manager of the sales department of the Federal Sugar Refining Co., the leader in the fight for free sugar. He was made to admit before several congressional committees that no meetings of the "committee" ever had been held, and that not one dollar toward the expenses of the "committee" ever had been contributed by a wholesale grocer; but on the contrary, every dollar of the $25,000 to $30,000 which had been expended had been contributed by his employer, the Federal Sugar Refining Co.

Grossly misleading statements were sent broadcast throughout the country and millions of petitions, praying for free sugar, were circulated by this refiners' bureau, to be signed by individuals and forwarded to Congress.

As long as the Republican Party was in power in the legislative and executive branches of the Government the seaboard refiners made little headway in their fight for free sugar. The Republican Party stands for protection to home industries; it believes that our American farmers and American labor should be amply protected from competition with the low-wage labor of foreign countries. The Republican Members in Congress could not be fooled by the refiners' subterfuge that they desired free sugar simply to benefit the consumer. They knew that a coterie of men who would rob the Government of millions of dollars in customs through false weights and other nefarious methods must have a selfish end in view, and they were not willing that a great American industry such as the beet-sugar industry, in which a hundred millions of American capital had been invested, which pays many millions of dollars annually to American farmers for sugar beets, which gives employment to thousands of people in the seventy-odd factories, and which teaches and aids the farmer to produce 2 bushels of cereals where before he produced but 1, should be totally destroyed simply to allow a few New York sugar refiners to add millions of dollars yearly

to their already large profits. And so the subtle overtures of the refiners received scant recognition from the Republican Congress.

But when the Democratic Party, with its free-trade proclivities, came into power in 1912 the seaboard refiners seized the opportunity to push their free-sugar propaganda to the limit, and, naturally, their pleadings fell upon willing ears. The refiners had aligned themselves with the Democrats in the preceding presidential campaign; had, as I understand, contributed liberally to the Democratic campaign fund, and so through this unholy alliance a free-sugar bill was put through a Democratic Congress and now is on the statute books, although a "stay of execution" was granted the victim, and May 1, 1916, is set for the death of the domestic beet and cane sugar industries.

Mr. Speaker, the Democratic Party has designated its tariff law as a "competitive tariff." Generally speaking, the placing on the free list of any commodity, the price of which is controlled by a combine, naturally results in foreign competition. But, as will be noted from what has been said, sugar occupies a peculiar position in this respect. Instead of increasing competition the granting of free trade in sugar will have the opposite effect. The combine of New York refiners controls the price of that product except during the time they are thrown into competition with the domestic beet product.

The refiners themselves admit that they do not fear foreign competition under free trade, but free trade will destroy their home competitors, the beet-sugar industry, and place them in entire control of the sugar market. If, as stated before, the domestic beet-sugar industry is allowed to expand until it is able to compete with the New York combine during the entire year, then the object sought to be accomplished by free trade in sugar—the lowering of the price to the consumer—could be accomplished without the destruction of a great American industry, and this great combine would be unable to squeeze millions of dollars of additional profits out of the American people.

Now, Mr. Speaker, let us see what has been the effect of the 25 per cent reduction in the tariff which became effective March 1 of this year. It has not reduced the price of sugar to the consumer to any appreciable extent. On the other hand, it has increased enormously the refiners' profits. At the same time the Government is losing millions of dollars in revenue, the loss during the month of March, the first month the new sugar duties were in force, amounting to $2,479,358.62, which approximately represents the added profits of the refiners.

Instead of the consumer receiving the promised benefit of lower-priced sugar, he is paying the same that he paid before, and the seaboard refiners are reaping all of the benefit.

On February 26, a few days before the 25 per cent reduction in the sugar tariff became effective, the duty-paid price of raw sugar was 3.39 cents per pound, the wholesale price of granulated was 3.92 cents, and the refiners' margin between raw and refined 0.53 cent. The 25 per cent reduction—amounting to 34 cents per hundred pounds on Cuban centrifugals—went into effect on March 1, and on March 5 the price at which the refiners purchased their raw sugar dropped from 3.39 cents to 3.01 cents, a difference of 38 cents per hundred, or 4 cents more than the tariff reduction warranted. In other words, they paid the Cuban planter 4 cents per hundred less for sugar, and it costs them 34 cents less to get it through the customhouse. But this reduced price at which the refiners purchased their raw sugar was not reflected in the wholesale price at which they sold their refined sugar, for the price of refined still remained at 3.92 cents. In other words, the 34-cent reduction in the tariff was absorbed by the refiners, whose margin increased from 0.53 cent per pound on February 26 to 0.91 cent per pound on March 5, showing that none of the benefit of the reduction in the tariff was allowed to pass to the consumer. The refiners' margin of 53 cents per hundred which prevailed on February 26 represented the cost of refining and profit, so that the 38 cents which the refiners added to their margin after the 25 per cent reduction in the tariff became effective was an additional clear profit, as the cost of refining already was covered in the 53-cent margin. For the week ending March 12 the refiners' margin was 0.872 cent, which still enabled them to absorb the tariff reduction. It was 0.76 cent March 19 and 0.82 cent for the weeks ending March 26 and April 2, or 23 and 29 cents, respectively, above the 53-cent margin, or that much additional clear profit.

The following table, taken from the figures published in Willett & Gray's Weekly Statistical Sugar Trade Journal, shows the weekly prices from November 20, 1913, to May 7, 1914, at which the New York refiners purchased their raw sugars, the wholesale price of granulated sugar on the same date, and the margin between raw and refined, which represents the cost of refining and the refiners' profit:

Date.	New York price of 96° Centrifugal sugar (per pound).	Duty on Cuban 96° sugar (per pound).	New York wholesale price of granulated (per pound).	Refiner's margin between raw and refined (per pound).
1913.	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Nov. 20	3.70	1.348	4.214	0.514
Nov. 26	3.61	1.348	4.214	.604
Dec. 4	3.54	1.348	4.165	.625
Dec. 11	3.54	1.348	4.165	.625
Dec. 18	3.23	1.348	4.116	.886
Dec. 24	3.23	1.348	4.018	.788
Dec. 31	3.23	1.348	3.92	.69
1914.				
Jan. 8	3.23	1.348	3.92	.69
Jan. 15	3.29	1.348	3.92	.63
Jan. 22	3.355	1.348	3.92	.565
Jan. 29	3.48	1.348	3.92	.44
Feb. 5	3.48	1.348	3.92	.44
Feb. 11	3.48	1.348	3.92	.44
Feb. 19	3.42	1.348	3.92	.50
Feb. 26	3.39	1.348	3.92	.53
Mar. 1 (34c. tariff reduction).				
Mar. 5	3.01	1.01	3.92	.91
Mar. 12	2.95	1.01	3.822	.872
Mar. 19	3.01	1.01	3.77	.76
Mar. 26	2.95	1.01	3.77	.82
Apr. 2	2.95	1.01	3.77	.82
Apr. 8	2.92	1.01	3.675	.755
Apr. 16	2.98	1.01	3.675	.695
Apr. 23	3.01	1.01	3.735	.725
Apr. 30	3.04	1.01	3.735	.695
May 7	3.14	1.01	3.832	.692

But this does not tell the whole story. It is only the beginning. Two years from now, on May 1, 1916, sugar will come in duty free. This is what the refiners want; this is what they worked so hard in the last Congress and in this Congress to get, and free raw sugar is what the Democratic Party decided to give them. The refiners were the only people who wanted free sugar, and if the reason is not already apparent it will be more fully revealed when sugar actually goes on the free list.

I have shown how the refiners manipulate their margin under a 25 per cent tariff reduction. What will they do under free sugar? They will do as they have done before. As an instance of how the refiners will be able to manipulate to their own advantage under free sugar, I will refer to the period from 1890 to 1894, when sugar was on the free list. The refiners increased their margin from 72 cents per hundred in 1890 to $1.15 in 1893, and the Sugar Trust increased its dividends from 4 per cent to 21½ per cent. During the seven-year period of free sugar and the ad valorem duty which followed, this one corporation not only paid out $48,500,000 in dividends but accumulated a surplus of $50,000,000. And there is no reason to doubt that history will repeat itself when sugar again is placed on the free list in 1916, as decreed by the Democratic Party.

Mr. Speaker, the history of legislation never recorded a more abject surrender of the people's interests than the surrender of the Democratic Party to the Sugar Trust, unless it was their surrender in this House the other day of our rights in the Panama Canal.

Not only has the Sugar Trust and the balance of the refining combine been enriched by the Democratic Party, but the present sugar schedule has laid the ax at the root of a great and legitimate domestic industry. Already its blighting and withering effect is felt.

Already has the great State of Louisiana and her people suffered unparalleled loss and depreciation of property.

Already have the sugar-beet farmers felt its disastrous influence in lower prices and diminished acreage.

Already have our insular wards—Porto Rico and Hawaii—where sugar production is the chief industry, been sacrificed to the god of free trade.

Already has this shortsighted economic policy deprived our Treasury of revenue without the slightest benefit to our people.

This unwise policy of the Democratic Party is a blow to the American producers of sugar, a blow to American farmers, a blow to American consumers of sugar, a blow to our National Treasury, and a blow to our insular possessions.

It is a betrayal of these American interests to the sugar-refining combine. It places the American people between the Scylla of the seaboard refiners, who regulate and control the price of sugar in the United States, and the Charybdis of the Brussels convention, which controls the European price.

We were told that the Democratic tariff law was a competitive law, that it would stimulate competition, and that this would result in blessings to the consumer flowing from lower prices. But, sir, bane and not blessing has followed the brief operation of the sugar schedule.

Domestic competition already has been curtailed, and a great home industry, which by its existence and steady growth created a competitive market, is doomed to annihilation, leaving the domestic field to be exploited by a merciless trust, from whose grasp consumers of sugar in this country were just beginning to be freed. Why did the Democratic Party do this great wrong in violation of its own party platform pledge, against the judgment of many of its ablest leaders, contrary to its historic policy regarding a sugar tariff, and at the behest and insistence of President Wilson? What was to be gained? Who was to be the gainer?

Was it done that sugar might be cheaper? Why, the price of sugar never was cheaper than when this law was passed.

The hope held out of a 2-cent a pound reduction was a delusion and a snare. Two cents a pound was greater than the duty. How, then, could there be such a reduction? This false cry of the trust, written by one of its paid agents into the Democratic campaign book, was seized upon by Democratic speakers who knew no better.

Did the Democratic Party, with all the facts before it—the Hardwick hearings, the hearings before the Ways and Means Committee, and the hearings before the lobby investigating committee of the Senate—allow itself to be betrayed into the hands of the refining combine?

Or, more excusable, but no more justifiable, was the sugar schedule adopted for the purpose of putting a free-trade theory into practice at the expense of an American industry—to butcher domestic competition in order to make a free-trade holiday? Whichever one of these reasons or excuses is accepted for this unjustifiable homicide of a competing industry, there is no escape from the fact that the Democratic Party, wittingly or unwittingly, of its own free volition or under duress of Executive demand, committed itself to a colossal blunder in statesmanship and economics which can be atoned for and corrected only by restoring effective rates of duty on raw sugars.

Mr. Speaker, the Democratic Party's recent treatment of sugar has been in utter disregard of our own and the economic policy of other nations. Sugar, as an agricultural product, has received the encouragement of all the continental Governments of Europe by protective tariffs and export bounties. We ourselves have been content for 125 years with tariff duties, except for the brief period between 1890 and 1894, when sugar went on the free list. At that time we had a surplus in the Treasury and did not need the revenue. But we protected our home producers with a bounty. Since then, under Democratic and Republican tariff laws, sugar production in this country has been stimulated by a revenue tariff. But the Democratic Party now, without rhyme or reason, has ruthlessly said that our home producers must go to the wall; that what has taken years of patience and industry to build up is not legitimate and must be destroyed; and that after May 1, 1916, we must depend upon the foreign supply of raw sugar and upon the seaboard combine to refine it. No consideration is given the cane producers of Louisiana, Texas, Hawaii, and Porto Rico, and the sugar-beet farmers and beet-sugar producers in 16 States of the Union.

Mr. Speaker, since 1897, when the Dingley tariff law was passed, we have increased the number of beet-sugar factories from 6 to 73, and but for Cuban reciprocity in 1902 the number of factories would now be 400 or more and we would be independent of other nations in sugar production.

In 1898 not enough beet sugar was produced in the three States of California, Utah, and Nebraska, then producing it, to supply that limited local market. The total amount was 36,000 short tons. During the past season the production reached over 700,000 short tons, and as long as this sugar is on the market we may expect the price to remain low to the consumer. But when the domestic beet-sugar season is over then look out for higher prices, for then the refiners will have the market to themselves. When there was a shortage of the world's crop in 1911, the sugar refiners ran up the price 2 cents a pound, but when beet sugar came on the market the refiners were forced to come down. During that year the New York wholesale price of granulated sugar rose from 5 cents per pound in June to 7½ cents per pound in September, and within 10 weeks after the beet-sugar product came upon the market the price dropped 1¾ cents per pound. This competition saved American consumers anywhere from twenty to thirty millions of dollars. And yet the Democratic Party, through its distinguished leader in this House, said that the interest of the refiners "requires primary consideration."

Mr. Speaker, I have said that there are 73 beet-sugar factories. I should have said there were that many before the 1st of March, for since then the 25 per cent reduction in duty, with the prospect of free trade in 1916, already has driven 12 of these factories out of business. This many have definitely decided to close down. Other companies now have the matter under advisement, and it is probable that in the near future the number will be further augmented.

I have here a list of these 12 factories, having an aggregate daily slicing capacity of 6,500 tons, which have been forced out of business by the Democratic tariff law.

List of American beet-sugar factories which have been compelled to cease operations since the passage of the Underwood-Simmons tariff bill.

Name of company.	Location of factory.	Daily slicing capacity of beets.	Erected.
		Tons.	
Continental Sugar Co.	Fremont, Ohio.	500	1900
Rock County Sugar Co.	Janesville, Wis.	700	1904
Western Sugar Refining Co.	Marine City, Mich.	600	1900
Holly Sugar Co.	Holly, Colo.	600	1905
Sacramento Valley Sugar Co.	Hamilton City, Cal.	700	1906
Alameda Sugar Co.	Alvarado, Cal.	800	1870
Southwestern Sugar & Land Co.	Glendale, Ariz.	700	1903
Nevada Sugar Co.	Fallon, Nev.	500	1912
Iowa Sugar Co.	Waverly, Iowa.	500	1907
Ottawa Sugar Co.	Ottawa, Ohio.	600	1912
Las Animas Sugar Co.	Las Animas, Colo.	700	1907
American Beet Sugar Co.	Lamar, Colo.	400	1905

Mr. Speaker, the beet-sugar industry has "made good." It has illustrated the wisdom of and justified the encouragement it has received.

It has grown up under discouraging circumstances, but has met and overcome all obstacles. Now the sentence of death has been passed upon it by the Democratic Party. What is it that party is destroying? Why, sir, they are destroying an industry which from 1898 to 1913 increased its output from 38,000 tons to 715,000 tons, an increase of nearly 2,000 per cent; an industry that has spread from a few localities until it extends over 16 States, from Ohio to the Pacific coast; an industry with a daily slicing capacity in 1912–13 of 67,208 tons of beets, which paid out last year $62,700,000 in the operation of its factories, $30,000,000 to 57,021 farmers for beets; an industry which employed 31,752 operatives, with a pay roll of over $10,000,000, not including the 120,000 persons engaged in beet growing and field labor. Such, in general, are the dimensions of the sugar-beet industry which Democratic tariff legislation is stifling and putting to death.

What of the cane industry? In the Louisiana sugar industry there is, or was, a permanent investment of $100,000,000, represented in 650,000 acres of land, with buildings and field improvements, sugar factories, mules, implements, and plantation railroads and equipment, with annual disbursements for field and factory operations of $25,000,000, more than 50 per cent of which is paid to laborers during the cultivating and harvesting seasons.

The approximate investment in lands and factories in the cane-sugar industry of Texas amounts to several million dollars. The average production of Louisiana and Texas may be placed at 320,000 long tons.

In Louisiana there are upward of 200,000 people engaged in one way or another in the production of sugar. What will become of these people and their dependents? Their means of livelihood is gone. Where and how will they get other employment?

I am reliably informed that recently 2,500 families moved away from one section of the State to seek homes and occupations elsewhere, with little prospect of success, because of industrial depression everywhere existing. The fields of the cane planter of Louisiana are going to waste, his seed cane will be lost, the owners of mills are going into bankruptcy and their mills are being pulled down and sold for junk.

These same Louisiana planters, by the introduction of new and improved machinery, have lowered the cost of producing sugar from 13½ cents a pound to 3.5 cents in 50 years. And yet in the same tariff law which sounds the death knell of the Louisiana sugar industry its authors, adding insult to injury, ironically placed on the free list, paragraph 391, "Machinery for the manufacture of sugar."

Who in the United States will have any use for this kind of machinery when we are disposing of it as junk as fast as our sugar-grinding mills and beet-sugar factories are dismantled.

By the irony of fate much of this machinery will find its way to the tropics, there to be used in producing sugar for the trust, to be shipped here for refining and consumption, to displace the American product.

Ah, Mr. Speaker, the Democratic Party is a "friend indeed to a friend in need." It murders legitimate industry, but it is the first to appear at the bier to present flowers and offer consolation to the bereaved. Having passed a tariff law which will wipe out of existence $100,000,000 of capital invested in the Louisiana sugar industry and throw out of employment hundreds of thousands of laborers, it sheds a sympathetic tear and offers as a soothing balm a magnificent appropriation of $50,000 "for the inauguration of live-stock and crop demonstrations in the sugar-cane areas of Louisiana." It says to these people, "We have murdered your sugar industry, but we place upon its casket a floral offering—a broken column—as a manifestation of our love; we love you and therefore we chastise you; we will take away from you an industry which has supported your families for over a century, but you can begin all over again in a new and untried industry, and possibly in another hundred years you will have recouped your losses and again be where you were before we destroyed your sugar industry."

Additional sources of our domestic supply of sugar are Porto Rico, Hawaii, and, to some extent, the Philippines. Porto Rico and Hawaii are largely dependent upon sugar, their chief industry, which until now, since American control, has enjoyed the encouragement accorded our strictly domestic industry.

In the 1913–14 season, in long tons, there was produced in Porto Rico 300,000, in Hawaii 500,000, and in the Philippines 220,000. A considerable portion of the purchases of this raw sugar is paid for with the products of American mills and factories and of American farms and forests. Consequently, our trade with these possessions is being curtailed and will be seriously crippled by free sugar, thus inflicting injury upon them and upon us, besides still further limiting the domestic supply of sugar. The shortage of one and a half million tons arising from the destruction of the domestic industry, including Porto Rico and the damage to Hawaii, would naturally have a tendency to raise world prices, since in 1911 a shortage of about 2,000,000 tons in Europe raised prices nearly 2 cents per pound.

We increased our production in American territory from 954,272 long tons in 1901–2 to 1,943,635 long tons in 1913–14. The percentage of increase was therefore about 100. Our total consumption of sugar in 1913 was 3,743,139 long tons, or 1,799,504 more than our production, leaving out Cuba, with its partially protected sugar under the reciprocity 20 per cent preferential duty.

The following table, converted into short tons from the figures of Willett & Gray, shows the increase in consumption of domestic, insular, and foreign sugar and the sources from which derived:

	1901	1913
DOMESTIC.	*Tons of 2,000 lbs.*	*Tons of 2,000 lbs.*
Louisiana and Texas cane	327,208	322,633
Domestic beet	139,842	700,352
Maple sugar	5,600	10,080
Molasses sugar	20,134	11,704
Total domestic	492,784	954,769
INSULAR.		
Hawaii (cane)	346,138	567,342
Porto Rico (cane)	74,232	370,835
Philippine Islands (cane)	5,712	49,974
Total insular	426,102	988,151
Total insular and domestic	918,886	1,942,920
Cuba (cane), at 20 per cent tariff reduction since Dec. 27, 1903	626,976	2,229,731
FULL-DUTY PAYING.		
Foreign cane and beet, raw and refined (outside of Cuba)	1,111,131	19,666
Total consumption	2,656,993	4,192,317

Percentage of total consumption.

Derived from—	1901	1913
	Per cent.	*Per cent.*
Domestic sources	18.54	22.77
Insular possessions	16.04	23.57
Domestic and insular	34.58	46.34
Cuba	23.60	53.19
Full-duty paying	41.82	.47

At the same rate of growth shown in the past decade our American sugar industry would be able to reach and exceed the requirements of our own people in another 10 years if it were not for the assinine policy of the Democratic Party in putting sugar on the free list. This policy of "industrial treason" is not only wrong from a business standpoint, but morally wrong as well. You are doing a great injustice to our insular wards, which have prospered under the benign influence of our tariff laws and business methods. We are obligated before the world and are in duty bound to conserve their best interests. But now we make them the prey of other nations by withdrawing from their staple product the protection under which they have been blessed.

Mr. Speaker, the Democratic Party, in its theoretical way, has decreed that the Louisiana cane and domestic beet-sugar industry can live and thrive under free-sugar conditions in competition with the cheap-labor product of foreign countries. They paid no attention to the warnings of the domestic sugar industry that free sugar would drive them to the wall; they gave no heed to the arguments and figures presented to their congressional committees to prove this claim. Their pet theory of free trade must be put into practice, and sugar was singled out as the "dog" on which the theory should be tried. The physicians say, "The operation was successful, but the dog will die."

The Democratic Party cares nothing that a great American industry is to be destroyed through their free-trade policy. They have allied themselves with the seaboard sugar refiners, and it is the refiners' interests which they are subserving. The Committee on Ways and Means, in its report on the free-sugar bill dated March 5, 1912, says:

> The ability of the refiners to compete with other countries without the aid of tariff protection can not be successfully denied. This condition was attested by Mr. Claus Spreckles in his statement before the Ways and Means Committee in 1909.

This statement undoubtedly is true, Mr. Speaker. The seaboard refiners have nothing to fear from foreign competition under free sugar, for the reason that Cuba, which now supplies 53 per cent of our sugar consumption, always will be the source from which will be drawn the bulk of our sugar supply. The cost of producing sugar in that Republic is considerably below what it is in the great sugar-exporting countries of Continental Europe, and, being at our very door, she has a material advantage in freight rates. During the present year Cuban 96° sugar has been landed at the warehouse in New York without duty, but including freight and insurance, for $1.875 per hundred pounds. The average cost of producing raw sugar in Germany, the largest sugar-producing country of Europe, is about $2 per hundred, and adding freight and insurance, say, 15 cents a hundred, would bring the price laid down in New York, without duty, at $2.15 a hundred, a difference of 27.5 cents in favor of Cuba. Many of the seaboard refiners and those officially connected with these companies have large individual investments in sugar plantations and mills in Cuba. This is common knowledge and has been testified to before congressional committees by the gentlemen themselves. Mr. Atkins, acting president of the American Sugar Refining Co., has testified that he personally had $1,500,000 invested in the island. As practically all of Cuba's raw-sugar exports pass through our seaboard refineries, free sugar naturally would be of advantage to these gentlemen, for, in addition to increasing their profits through an increase of their refining business, they would increase their profits on their Cuban holdings. In the Daily Consular Report of June 10, 1912, Deputy Consul General Starratt at Habana states that a careful estimate of American capital invested in Cuban sugar plantations and mills gives a total of $54,000,000; that American-owned mills produce nearly 35 per cent of the total production of Cuba; and that on account of American mills then building and being planned this percentage would be still further increased within the next two years.

With these facts to enlighten our vision, Mr. Speaker, it is easily to be seen why the seaboard refiners do not fear foreign competition under free-trade conditions. They do not fear foreign competition under free trade and they do not fear domestic competition under the same conditions, for they know that with a cost of $2.42 per hundred pounds of raw sugar in the beet, before ever a wheel has been turned to extract and refine it, the domestic beet-sugar manufacturers can not compete with the product of Cuba, which, as I say, can and has recently been laid down in New York, without duty, for $1.875 per hundred. The possibilities for the production of sugar in Cuba are unlimited. Her production has increased from 636,000 long tons in 1902–3 to 2,500,000 tons in 1913–14. And Cuba, not satisfied with tropical wage rates, is awakening to the fact that by importing oriental labor she can greatly reduce her

cost of production, and rumor has it that 20,000 Japanese already have been engaged to work on Cuban plantations.

Mr. Speaker, with their ability to purchase their raw product, refine it, and place it in competition with domestic beet and cane sugar at a price below the cost of production of the latter, the seaboard refiners will reduce the price for a long enough time to undersell the home product and put it out of business. And then, having driven out competition, the refiners, with foreign duty-free sugar, will increase their margins and their profits to their heart's content at the expense of American consumers.

There is another serious phase to this question which must not be lost sight of—the indirect advantages to general agriculture which result from sugar-beet culture. The Democratic Party's blunder in surrendering to the sugar refiners' combine is bad enough, but it is as nothing compared to the injury to American agriculture which will result from the destruction of the domestic beet-sugar industry.

Indeed, this feature amounts to criminal negligence in the light of the possibilities under a system of sugar-beet cultivation.

Read what Mr. I. D. O'Donnell, of Billings, Mont., said before the Ways and Means Committee. Mr. O'Donnell has been an irrigation farmer for 31 years. He is an expert. He knows what he is talking about. He says:

The sugar-beet business in our country has brought on diversified and intense farming, under which 40 acres produce more than 160 acres under the old order of business. It means crop rotation, diversified farming, and stock feeding. Rotation means better farming. On my own farm—I have a farm of 640 acres under irrigation—the rotation has increased my grain yield, alfalfa yield, and other yields fully 50 per cent. Where we used to grow 30 to 40 bushels of wheat to the acre we are now growing 50 to 60 bushels.

* * * * * * *

Every acre of beets, as a neighbor of mine puts it, when we grow 40 acres of beets, means a market for another 40 acres, making a home market for that much more. It is the only crop in which we have an assured market price.

It is here seen how closely related is the beet-sugar industry to that of agriculture, and also how dependent are our beet farmers upon the manufacture of sugar.

This gentleman is but one of hundreds of American farmers who have increased their acreage yields of cereal crops from 25 to 75 per cent through the injection of sugar beets into their cycle of rotation. The fact that sugar-beet culture improves the condition of the soil and increases the acreage yield of all other crops following on the same land for the next three years has been known to European farmers, agriculturists, and economists for many years. In fact, they regard it as the father of modern scientific agriculture, and European farmers grow sugar beets more for their indirect than for their direct value as a cash money crop. Our American farmers are just beginning to learn of this great indirect value of the sugar beet; and whereas a few years ago the principal difficulty encountered by our domestic beet-sugar factories was the lack of the farmer's interest in growing beets, to-day, since they have learned what their European brethren have known for years, their enthusiasm for beet culture has become so great that many of our beet-sugar factories have had to turn down contracts for thousands of acres of beets. Protection is primarily to our farmers and then to the sugar producers, both employing labor. In the season of 1912–13 the number of acres of beets harvested was 555,300, which produced 2,772 pounds of sugar to the acre. But this was but a scratching of the surface when we consider that from the Atlantic to the Pacific we have 274,000,000 acres of well-defined sugar-beet land, 14,000,000 acres of which, if planted to sugar beets, would produce enough sugar with which to supply the world, to say nothing of the tremendous increase in value to other crops raised in rotation with beets. Think of what it would mean to our farmers if, through the more general cultivation of sugar beets, they increase the yield of corn, wheat, oats, barley, rye, and potatoes 1 bushel per acre. It would mean an increase in the total value of these crops of $126,100,000; and based on the German increase for five principal crops in 25 years, due to rotation with sugar beets, the value of the surplus yield would be $1,798,200,000. A fabulous sum, but wholly within the realm of possibility.

But the Democratic Party, in putting sugar on the free list and thereby preventing the development of the beet-sugar industry, has disregarded the economic results within reach of our farmers by the general culture of sugar beets, and has turned a deaf ear to the facts and the experiences of our own farmers and those of other nations which have increased their wealth by this method, and have said to our sugar beet farmers, "You must go back to the old methods of general farming; your business is illegitimate."

The farmers already have suffered a cut in the price of their beets, and are thus sharing with the beet-sugar producers the loss of 88 cents per ton as a result of the 25 per cent tariff reduction.

To ascertain the facts from a reliable source, I inquired of Mr. E. D. Cowles, editor of the National Farmer, a paper devoted to the interests of diversified farming and sugar-beet culture, regarding the present and prospective condition of the beet-sugar industry as affected by the new tariff law.

In his reply, dated March 18, 1914, Mr. Cowles makes the following statement:

The future of the beet-sugar industry in Michigan, as well as in 20 other States which produce sugar beets, is entirely dependent upon the action of Congress as regards the free-sugar clause in the new tariff law, which provides that sugar shall be placed on the free list May 1, 1916.

So far as I can ascertain, only one sugar manufacturer in the United States has expressed the determination to operate his factory under the conditions which will exist May 1, 1916.

The reduction of the tariff on sugar of 25 per cent March 1, 1914, made it necessary for beet-sugar manufacturers to readjust their terms with beet growers, as this reduction was equivalent to a loss of 88 cents per ton in sugar beets. In Michigan the manufacturers issued a new contract fixing the rate of $5 per ton to be paid for beets delivered at weigh stations and $5.60 a ton delivered at the factory for the present year. The beet grower, realizing that the manufacturers were not to blame for the action of Congress, have very generally accepted the proposition and are signing up acreage for this year's crop.

One factory in Michigan will not be operated this year. Another factory at Mount Clemens will have a short run, and unless the law is changed, repealing the free-sugar clause, it will be shut down permanently at the end of the present year. Not a single Michigan manufacturer will guarantee to operate his plant next year under the existing law.

In some other States a different form of contract has been submitted. Some factories will not be operated this year, among them one at Janesville, Wis.; one at Fremont, Ohio; one at Waverly, Iowa; two in Colorado; and a few others in the far West. The Great Western Sugar Co., operating numerous factories in the West, is paying on a basis of $4.75 a ton for beets testing 12 per cent and under 14½ per cent sugar and 12½ per cent for each additional 1½ per cent increase On the basis of $4.75, the companies are asking the growers of beets to absorb 47 cents of the 88 cents reduction caused by the tariff.

Every friend of this great industry hopes that such a pressure will be brought to bear upon the next Congress that the free-sugar clause will be repealed.

The American Beet Sugar Co., in Colorado, has reduced its contract prices for beets to $5 a ton. A score of new factories which were projected and to have been erected this year have been abandoned. For two years past the country has been flooded with literature sent into every congressional district at the instance of the New York sugar importers and refiners, making the claim that if the tariff were removed the consumer would be able to obtain his sugar 2 cents a pound cheaper. While the wholesale price of sugar has dropped to the lowest point in years by reason of the competition of beet sugar thrown on the market, there has been very little reduction in the price to the consumer, and it is now stated that it is not at all likely that refined sugar will reach the consumer lower than at present for some time to come. The only grade of sugar on which the wholesale price has been reduced is standard granulated, with which beet sugar comes in competition.

Mr. Speaker, I have shown who it was that demanded free sugar. It was not the cane planters; not the beet farmers; not the beet-sugar producers; not the consumers. No, sir; none of these. Free sugar was demanded by the seaboard refiners, the sugar laundrymen, who are the middlemen in this business. They alone of all people concerned in furnishing sugar to the American people demanded this great and radical change in our economic and fiscal policy, and I defy anybody to find to the contrary from official records. Their motives have been uncovered. They saw that beet farming, if encouraged and extended, would stimulate the production of beet sugar and bring it more and more into competition with the product of the refineries. And on the specious and pharisaical plea of cheaper sugar to the people they instituted and successfully carried on a campaign under this guise. The interest of the farmers, the interest of the cane planters, the interest of the domestic producers, and the real interest of the consumers were disregarded by the Democratic Party, and now we are beginning to reap the results which were easily foreseen. In the words of a former Member of this House, now a distinguished Democratic Senator from the State of Louisiana, Hon. JOSEPH E. RANSDELL, uttered in the Senate September 8, 1913, as a final warning to his party:

Without claiming the gift of prophecy, I say unhesitatingly that, in my judgment, before the three years have rolled around which will place sugar upon the free list, dismantle the factories in Louisiana, condemn thousands of people there who are now in easy circumstances to poverty and distress, and bring ruin upon a great many engaged in sugar production in our Western States, Hawaii, and Porto Rico, the Democratic Party will hear from the people of this Nation in no uncertain tones.

In a speech delivered in the Senate on July 27, 1912, Senator JOHN SHARP WILLIAMS, in speaking on the free-sugar bill then before that body, said:

There is not the slightest anticipation in the mind of any intelligent man that it (sugar) will be placed upon the free list, not even if a Democratic Senate and a Democratic House and a Democratic President come into power.

Mr. Speaker, here is the statement of a man high in the councils of the Democratic Party, made two years ago. Since that time we have had and now have a Democratic Senate, a Democratic House, and a Democratic President, and under this régime we will have free sugar. The Senator's prophecy has not come true, but his failure as a prophet is explained in a speech recently made on the floor of the Senate, in which he said:

The poor, dear old foolish Democratic Party is going through the same game that she can be generally trusted to go through soon after she gets into power.

That is the Democratic Party, true enough. That is its history. That is what led Speaker Tom Reed to say in 1894 and 1895: "You can't last long, because you are not accustomed to governing anybody or anything; you can not govern the country, because you can not govern yourselves. You are incompetent."

Trade Commission Bill.

EXTENSION OF REMARKS
OF
HON. J. HAMPTON MOORE,
OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, June 3, 1914.

Mr. MOORE. Mr. Speaker, so much law has already been put upon the statute books that almost every new bill affecting trade or commerce is now looked upon by the average business man as a trouble breeder. Between agitation and enactment during the last few years it would seem that those who are honestly striving to go forward in the business world have been well nigh surfeited. But we are to have more law and more regulation and more unrest in order that political platforms may have some show of justification. Business men generally are praying to be let alone. They are appealing for a rest and for the right to live and prove their efficiency. They would be grateful if Congress would adjourn and go home. But Congress is not to adjourn, as we are advised by the administration, until the three antitrust bills now being considered under a special rule are passed in form and substance to suit the President. In former discussions I have submitted the views of certain leading Philadelphia business men with reference to the so-called antitrust bill, the reading of which has just been concluded. Their comments upon that bill and its effects upon legitimate business were not favorable. Under leave to extend I now submit the views of the business men who are represented in the Philadelphia Board of Trade in opposition to the interstate trade commission bill. These views are worthy the careful consideration of Congress. They are as follows:

PHILADELPHIA BOARD OF TRADE,
Philadelphia, May 18, 1914.

To the honorable the Senate and House of Representatives of the United States in Congress assembled:

Your memorialist, the Philadelphia Board of Trade, respectfully represents that there has been introduced in the House of Representatives a bill (entitled H. R. 14361) providing for the creation of an interstate trade commission.

Your memorialist is opposed to the proposed legislation for the following reasons:

PURPOSE OF THE COMMISSION.

Under the title of a trade commission, the bill provides for the creation of a committee or body of three members, which shall have power to investigate the business of any corporation or class of corporations, with certain exceptions. It may require statements by any corporation within its jurisdiction of its financial condition, its trade relations, its business methods, etc., and may enforce the production of its business and other records, and the attendance of its officers, employees, or other witnesses. In general purpose and effect, it is intended to subject all of the business of the country not already under commission supervision to governmental supervision.

It should be noted that this body is not a court or judicial tribunal properly constituted to try and determine alleged infractions of any law or laws, but a body expressly authorized to impose upon the business of the country, or such classes of business as may be designated by it, the duty and burden of reporting annually to it the full record and account of its transactions.

PRINCIPLES OF FREE GOVERNMENT.

The only proper basis, we believe, on which government can, in general, interfere in either individual or business life is in laying down certain general rules or principles of conduct applicable to all, and providing the necessary machinery for their enforcement. A proper tribunal, whether called a court or commission, whose duty it is to hear and determine charges of infractions of the law properly brought before it is an essential part of the machinery for the enforcement of the law. A commission whose duty it is to "smell out" offenders, or to require reports, and generally oversee the details of business life has no place in the machinery of a free government.

Supervision of business merely as supervision is no more necessary to the public welfare, no more desirable, and no more possible than the supervision of the details of individual life. In either case it is indefensible on principle and is justly to be characterized as an objectionable form or characteristic of paternalism.

STATESMANSHIP V. POLITICS.

Accompanying the vast business expansion of the past 25 years there have been discernible certain practices which the sound moral judgment of the community disapproved. They comprised rebates given by public-service corporations (whose semipublic character should require them to treat all alike), willful and malicious attempts to injure competitors (outside the realm of the injury incident to fair competition), and attempts to acquire absolute control of particular industries. In the reaction against these things the public judgment should not be warped, sound principles of government should not be forgotten, and meretricious expedients should not be adopted.

The fact which we seek to emphasize is that every one of these admitted evils has been fully legislated against—the country has adequate courts to enforce the law and officers charged with the duty of prosecution where the offenses are charged. During the last five or six years public opinion has called for the rigid enforcement of the law. The law has been enforced: rebates have stopped; malicious injuries to competition have been punished; and great industries dissolved into small competitive fragments. Whether all of this will inure to the public welfare or not, whether in some respects the existing law may not be too stringent we leave for time to determine. What we confidently assert, however, is that no one who has followed the history of these things can doubt the sweeping and effective character of the existing law to prohibit existing evils or the efficiency of the existing machinery for enforcing the law when that machinery is once set in motion.

Under the circumstances additional legislation will tend to confuse rather than clarify, and is open to the just suspicion of political expediency.

GOVERNMENT BY COMMISSION.

In the reaction which has followed our great period of expansion the States have very generally attempted the experiment of commission rule for all public-service corporations. The Federal Government has adopted the same expedient with respect to the railroads. It would be unfair to so characterize these measures without giving the reasons for our belief that in their present form at least these commissions are experimental and have not yet demonstrated their right to a permanent place in our institutions.

1. THE FUNDAMENTAL DIFFICULTY.

In the first place, then, these commissions (so far as they are empowered to regulate prices) are all founded upon the anomalous principle that persons without any direct responsibility for the consequences, without personal and first-hand knowledge of the requirements, and subject to influences of political expediency, are delegated to determine what this or that public service corporation needs and shall earn. When it is considered that a large part of the savings of the country are invested in these companies, the outcome seems fraught with uncertainty and danger.

2. THE COST.

The commissions, Federal and State, have entailed a heavy burden of expense upon the community, directly upon business and indirectly upon the people, as a whole. This expense is partly due to the cost of maintenance of the commissions themselves, but in much larger part to the requirements imposed by the commissions on the individuals or corporations coming within their jurisdiction. The data collected and furnished by one public-utility company at the request of one commission cost upward of $100,000, irrespective of the services of the officers and employees. If this were a fair average per State for each corporation (as to which we have not sufficient data for judgment), it would mean that the aggregate expense of the experiment of commission supervision of the public utilities alone will come to an enormous total.

An independent public-utility company, doing a small but steady business, was forced, by the additional expense imposed by the commission requirements of its State, to cease doing business, and its only method of saving the value of its assets was by sale to a competitor of sufficient size to bear, without breaking, the additional burden.

Probably most of the public-service corporations are to-day confronted with the concrete fact that if new money is needed to develop the service which they render to the community, it must be raised by bond issues and heavy premiums paid to those who take the risk of disposing of the bonds. This condition is less sound, from the economic standpoint, than one in which the necessary funds can be raised on sales of stock, and the reason for the condition is very simple—if the commissions limit the amounts which the companies may earn, the public have no sufficient inducement to invest in stocks; if the commissions impose on the companies heavy additional expense, the security for the bonds is depreciated. This condition must result unfavorably to the public in the end; it means less efficient service at higher prices.

If the final result of commission supervision over public-service corporations is to make the transaction of the public-service business unduly expensive (the community eventually paying the expense), is to prevent competition by tending to eliminate all but the larger and more powerful units, and is finally to so limit the credit of these companies and curtail the inducements they can offer to investors, that they are unable to finance themselves except at exorbitant rates, the systems of supervision by commissions is bad for the community, and must eventually be modified or abandoned.

3. INDIRECT EFFECTS.

The indirect effects of governmental interference through commissions in business are not to be lightly ignored. While the general depressed condition of business and great shrinkage in values will doubtless be attributed by different persons to different causes—to foreign complications, to tariff charges, to world-wide movements of uncertain character, or other causes—one of the conditions powerfully affecting this country is undoubtedly this: The savings of the people of this country are invested chiefly in the business of the country. The vast sums invested in the railroads are confronted with the restrictive control of railroad earnings by the Interstate Commerce Commission as well as by a mass of legislation in the several States exacting new forms of taxation, requirements of extravagant service, limitations of charges, etc. The almost equally large volume of savings invested in the public utilities is confronted with the same general problems through the operations of the commissions appointed in the various States.

The results of this restrictive legislation is apparent to all in the present difficulty experienced by the railroads and other public utilities in obtaining necessary capital, in the consequent stoppage of normal growth, and in the shrinkage of the value of their securities. However much other causes may intervene to assist in the general depression, the curtailment of the purchasing power of this large portion of the business agents of the country must and does play a large part in the unfavorable conditions which to-day exist.

CONCLUSION.

Under these circumstances we respectfully submit that wisdom and sound judgment require that the effect upon the country of commission supervision of the public-service corporations be carefully noted over a series of years before any attempt should be made to extend that system in any degree beyond its present limits.

If after a full and complete test commission control over railroads and public utilities is modified or developed into a system beneficial to the country, it will be ample time to consider in what form, if at all, Government should intervene to regulate the initiative and activities of individuals or corporations not engaged in public service but in private enterprise. In the meantime both public and private rights are amply guarded by existing law.

For the above reasons among others your memorialist respectfully submits that the interstate trade commission bill should not receive your favorable consideration

And your memorialist will ever pray.

[SEAL.] WM. M. COATES,
President Philadelphia Board of Trade.

Attest: W. R. TUCKER, *Secretary.*

EXTENSION OF REMARKS
OF
HON. RICHARD W. AUSTIN,
OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 1, 1914.

Mr. AUSTIN. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include the following article:

CHAMP CLARK IS LOYAL DEMOCRAT—FORMER MEMBER OF THE HOUSE PRAISES SPEAKER AS MAN OF INTEGRITY—HE SURPRISED EVERYONE—PLAYED POLITICS OF AN HONORABLE KIND, AND ADMITTED IT—DEMONSTRATED HIS FITNESS.

[By John Q. Tilson, New Haven, Conn.]

I served with him on the floor of the House during the Sixty-first Congress. Of course everyone knew him, but I was flattered to find within a few weeks that he knew me, and he did not cease to know me when he became Speaker.

Prior to the Sixty-second Congress his service had been, with the exception of his first term, entirely as a member of the minority. A part of the time he was the minority leader, but it is doubtful whether he had given much or serious study to the rules of the House or to parliamentary law or procedure in general.

To those acquainted with the work of Congress this is no adverse reflection, for many forceful and influential men in the House give their time and their energies to broader matters, and leave such things to the parliamentary and rules experts. When it became apparent that he was to be the next Speaker, many Members on both sides of the Chamber felt and expressed themselves to the effect that it would be hard work for him as Speaker.

MADE EXCELLENT OFFICER.

He surprised everyone. He has, in fact, made an excellent presiding officer and a great Speaker. He did not know it all, and never attempted to give the impression that he did. If he did not know, or was in doubt, he frankly said so, and sought help, either from the books or from other Members, or from both. His broadminded fairness, manifest from the beginning, soon gained for him the confidence and support of the entire House, so far as his work as Speaker was concerned. Not only did FITZGERALD, SHERLEY, GARRETT, and other parliamentarians on the majority side of the Chamber freely assist him, but also those in the minority, and no one more generously or more acceptably to the Speaker than the very astute and resourceful minority leader, popularly known as JIM MANN.

In his closing speech at the end of the Sixty-second Congress the Speaker said of Mr. MANN: "I have overruled him more frequently and sustained him more frequently than all the other Members of the House put together." In the interest of accuracy he might have added that he had sustained him far more frequently than he had overruled him; for one of the most frequent speeches by the Speaker, as shown by the RECORD, is, "The gentleman from Illinois [Mr. MANN] is right."

HIS PRESIDENTIAL AMBITION.

At the opening of the preliminary campaign for 1912 the Speaker became an open and avowed candidate for the Democratic nomination for the Presidency. He made no effort to conceal the fact that he had the honorable ambition to be President of the United States, and he went out to seek the nomination in an honorable and practical fashion. Presidential ambition is a severe test of character. How many men in our history it has destroyed or spoiled. How many of those who have been stung by the presidential bee have done things they otherwise would not have done. How many have dodged issues they were called upon to face, or espoused causes in which they did not believe as a result of this particular toxin. How many lives of really great men in our country's history have been soured by the failure to reach this lofty goal.

CHAMP CLARK was ambitious, naturally and properly so. The presidential bee buzzed about his ears and alighted upon his broad shoulders; nor did anyone suggest that he was not of sufficient magnitude to attract the bee. He grew bigger from the time his name was mentioned in connection with the Presidency. He was open, candid, frank. He dodged no issues and espoused no new causes for election purposes. He had been, was, and still is a partisan, a politician, if you please, the type of which is a credit to our country.

He had even played politics—of an honorable kind, of course—and admitted it. The effect of his presidential aspirations was not only to make him known in all parts of the country but to make him a truly national character, with broader views and more comprehensive ideas.

DEMONSTRATED HIS FITNESS.

The effect of his candidacy upon him was to demonstrate his fitness for the office. He went after the office with spirit and skill. Where primaries were held they were generally favorable to him. A majority of the delegates in convention assembled were not only for him, but, what is a very different matter, they voted for him. Outside of a Democratic national convention the nomination would have been conceded to him in all courtesy and fairness; but he was very much in such a convention where it was not conceded. The nomination was bestowed upon another. How or why it was done is another story.

The very reasons alleged for depriving him of this great honor should have entitled him to receive it. He was accused of the great crime of having some support from men of large affairs, otherwise known as "big business." This was undoubtedly true, for many men of large affairs had probably looked the field over very carefully and come to the conclusion that CLARK was the best man available. It is greatly to his credit that they so decided. No one, great or small, big business or little business, thought for a moment that CHAMP CLARK would or could be influenced by any dishonorable or sinister motive.

He came back from Baltimore a defeated man. He was not insincere enough to say it did not hurt. It did hurt. He returned to Washington and took up his duties as Speaker for the remainder of the Sixty-second Congress. Without opposition or hesitation in his own party he was reelected Speaker at the opening of the Sixty-third Congress.

WAS LOYAL DEMOCRAT.

A new administration had assumed control of the Government. The man who had been preferred over him in the party's national convention was in the White House. At his right hand sat Mr. Bryan, who had done so much to turn the tide in that convention. What would be the Speaker's attitude toward them and the new administration? There was never a moment's serious doubt as to what his course would be. A sincere patriot first, he was also a loyal Democrat. He entered again upon his duties as Speaker without resentment toward any who had opposed him for the presidential nomination, and, under circumstances which have been exceedingly trying at times, has performed his part faithfully and well, loyally supporting the administration of his party.

When the question of the repeal of the Panama tolls bill came up he felt it to be his duty to stand by the promises of the platform of his party and the declarations of his party's candidate for the Presidency, and in so doing came into opposition to the changed views of the President. All sorts of predictions were made as to what would be the character of his opposition, as well as to the effect of it. Those who knew the Speaker best believed he would not lessen his reputation, and they were not disappointed. His speech against the repeal was truly characteristic of the man and one of the great speeches of the debate. He felt deeply on the subject and expressed his feelings forcefully, but not a word that could be tortured into an attack upon the President or the administration.

What of the future of the Speaker? That is not a question for one Republican or many Republicans to answer.

National Prohibition and Temperance—Bosworth's Record—Good Roads—Things I Have Done in Congress.

SPEECH

OF

HON. CALEB POWERS,

OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, May 27, 1914,

On the bill (H. R. 15578) to codify, revise, and amend the laws relating to the judiciary.

Mr. POWERS. Mr. Speaker, the Antisaloon League of America, in national convention assembled, appointed a committee of 1,000 men to go to Washington, D. C., and present to Members of Congress a joint resolution, looking to national constitutional prohibition. Senator SHEPPARD introduced these resolutions in the Senate, while Congressman RICHMOND PEARSON HOBSON introduced them in the House of Representatives. He did this on December 10, 1913. On May 9, 1914, they were referred to the House Calendar and ordered to be printed. The text of this resolution is as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of the Constitution when ratified by the legislatures of the several States as provided by the Constitution:

ARTICLE —.

SECTION 1. The sale, manufacture for sale, transportation for sale, importation for sale, and exportation for sale of intoxicating liquors for beverage purpose in the United States and all territory subject to the jurisdiction thereof are forever prohibited.

SEC. 2. Congress shall have power to provide for the manufacture, sale, importation, and transportation of intoxicating liquors for sacramental, medicinal, mechanical, pharmaceutical, or scientific purposes, or for use in the arts, and shall have power to enforce this article by all needful legislation.

Section 2 of this resolution has been changed by its friends, and will probably, in final form, read as follows:

SEC. 2. The Congress or the States, within their respective jurisdictions, shall have power to enforce this article by all needful legislation.

A casual reading of this resolution will disclose the fact that it only deals with the question of sale, and therefore does not invade the precinct of the home or the liberties of the individual. The question of use, not being delegated, is left entirely with the several States. The resolution, too, only applies to or touches the question of intoxicating liquors for beverage purposes. It leaves entirely to the States the control of intoxicating liquors for all other purposes.

The changed form of the resolution as it will finally be presented, it will be observed, places the question of enforcement in the hands of the Federal Government and the several States, giving to both the Federal Government and the States equal power and authority. This means the cooperation of the two governments, and will insure effective enforcement.

The House committee to which the Hobson resolution was referred, fearing to "pigeonhole," and some of its members apparently not daring to take a position on it, reported it to the House "without expression of opinion" as to whether it should or should not become a law. A Democratic caucus was called. There was "wailing and gnashing of teeth." To vote or not to vote for national constitutional prohibition—that was the question. To do so meant political death to many of "the patriots." Not to do so meant damnation to others. Under all the circumstances it was considered "expedient to shelve the nasty question" and not let it come to a vote until all the congressional nominations were surely made and the November election safely over. So this question was "shelved," in so far as a vote in Congress before the November election is concerned. But the question will not stay "shelved." It is coming.

Congressman RICHMOND PEARSON HOBSON, speaking for the organized moral forces of the Nation, says that they—

have decided unanimously that until Congress does transfer the question to the several States it is to be made the paramount issue in congressional and senatorial campaigns, primary and general.

The whisky people high in authority say:

We propose to control the next Congress. We have the means to elect Representatives friendly to us, and we propose to do it.

Already 4,000,000 petitioners have petitioned Congress for national constitutional prohibition. The moral forces of the Nation feel that Members of Congress, whether they agree or disagree as to the merits of national constitutional prohibition, should nevertheless be willing to vote for the Hobson resolution, and thereby permit the States to settle this question for themselves. The liquor interest will fight this at every turn of the road and over every inch of the ground.

According to the census of 1910, the malting and brewing interests alone of this country have over $700,000,000 of capital invested in this business. God alone knows what the whisky people have got; but they have got it and they will spend it.

I look for the whisky interests to spend freely both money and whisky in the eleventh congressional district and other congressional districts to elect Congressmen favorable to the liquor interests.

The whisky people fight and they fight hard. The struggle between the "wet" and "dry" forces of this Nation is on. The temperance people must get ready for the fray.

The United States has 2,973,890 square miles of territory, and of this 2,132,746 is dry, or no-license territory. There are but nine, however, absolutely prohibition States. There are to-day in this country more temperance people than there are liquor people. They could control the situation, if they would. But the temperance people have been inactive; the liquor people have been active—ever active. That is largely true to-day, but not so much as formerly. The temperance people are waking up. They are realizing as never before that if they want friendly legislation they must put their friends in office. In order to put friends of temperance in office, they must get active politically. They are realizing that. From bitter past experience they know that they can not expect temperance legislation from whisky representatives. If the temperance people in every congressional district in the land would rise up in their might and demand temperance nominees for Congress and then vote and work for them when nominated, national constitutional prohibition would be among the achievements of the immediate future. But let the temperance people be sure to nominate temperance men and those that will stand by temperance when nominated and elected. "By thy fruits ye shall know them." St. Matthew never said a wiser or truer thing.

There are now two candidates seeking the Republican nomination for Congress in the eleventh district of Kentucky.

BY THEIR FRUITS YE SHALL KNOW THEM.

Both have had legislative experience. Both have put themselves down on record on the whisky and temperance question. One has consistently stood for temperance; the other has just as consistently stood for whisky. One has consistently voted for temperance; the other has just as consistently voted for whisky.

I have never cast a whisky vote in my life, in Congress or out; Senator Bosworth has never cast a temperance one where temperance really needed it.

The Webb-Kenyon bill is the most important, except the national-prohibition resolution, of any temperance measure coming before Congress for many years. It provides, in substance, that no spirituous, vinous, malted, fermented, or other intoxicating liquors, including wine, ale, and beer, shall be shipped from one State to another to be possessed or sold in violation of any law of such State. In other words, if the State or any subdivision thereof has voted dry, the United States can not make it wet by shipping liquor into it or permitting it to be done. *I helped to make that bill a law by voting for it in the third session of the Sixty-second Congress.* My vote is recorded on page 2866 of the CONGRESSIONAL RECORD for that session. Hon. P. A. Baker, general superintendent of the Antisaloon League of America, in speaking of the passage of the Webb-Kenyon bill, said:

The greatest triumph of the temperance forces of the Nation was the passage of the Webb-Kenyon bill.

The women of the Woman's Christian Temperance Union of Marion County, among others, passed a resolution commending my vote. They said:

Resolved, That we return you our thanks and approval that your vote was cast in behalf of the Webb-Kenyon bill to protect the home and the women of your State and Nation against the withering, blighting influence of the liquor traffic. You are an honor to your State, and your vote will cause your name to pass into history loved and revered.

I have lived a temperate life, and I have voted as I have lived. I shall vote for national prohibition if the question is presented while I am a Member of Congress, and which is most certain to be done before my term expires if I am renominated and elected.

Only this year, during the last session of the Kentucky Legislature, *Senator Bosworth voted against State-wide prohibition, and of course is against national prohibition.*

Since not much reliance can ordinarily be placed in campaign charges and statements, I want to place before the voters of the entire country the whisky record of Senator Bosworth. I will quote the records, and these records can be found in the county or circuit court clerk's office in every county-seat town in the State of Kentucky. Any voter can verify for himself the statements I make.

Senator Bosworth was elected a member of the Kentucky Legislature and served during the session of 1906.

On March 1 of that year, and on page 1124 of the house journal, Senator Bosworth is recorded as voting against raising from $200 to $225 the license of persons engaged in the retail sale of spirituous, vinous, and malt liquors.

On March 7, 1906, page 1340, house journal, records Bosworth as failing to vote for house bill 252, being "An act to regulate the carrying, moving, delivering, transferring, or distributing of intoxicating liquors into local-option districts." But it became a law, and reads in part as follows:

SECTION 1. It shall be unlawful for any person or persons, individual or corporation, public or private carrier, to bring into, transfer, or distribute in any county, district, precinct, town, or city where the sale of intoxicating liquors has been prohibited, or may be prohibited, any spirituous, vinous, malt, or other intoxicating liquors, regardless of the name by which it may be called.

On March 8, 1906, on page 1410 of the house journal, Bosworth is recorded as having voted against a local-option bill providing a means whereby a local-option election could be called in any county containing a city of the first, second, third, fourth, or fifth class upon petition of 25 per cent of the voters of said county. Section 1 of the bill reads in part:

The sense of the qualified voters of the several counties, cities, towns, districts, and precincts of this Commonwealth as to whether or not spirituous, vinous, or malt liquors may be sold, bartered, or loaned therein shall be taken in the following way:

a. Upon application by written petition, filed with the county judge of any county containing a city or cities of either the first, second, third, fourth, or fifth class, signed by a number of the legal voters residing in said county outside of either of said cities, which territory shall constitute a district for the purposes of this act.

March 13, 1906, on page 1689, house journal, Bosworth is recorded as voting to make the rectified whisky license one-half of 1 cent per wine gallon, instead of three-fourths of 1 cent per wine gallon.

March 26, 1906, on page 1777, house journal, Bosworth is recorded as voting to make the license tax on compounded, rectified, and distilled spirits 1¼ instead of 1½ cents upon every wine gallon.

This looks to me like a fairly good whisky record for a beginner.

Senator Bosworth was elected to a seat in the Kentucky Senate, and sat as a member of that body during the 1908 session of the legislature.

He was elected at the same time Hon. Augustus E. Willson, the Republican nominee, was elected governor on a Republican platform pledged to the county-unit law.

Gov. Willson said in his message to the Kentucky Legislature:

I have pledged the people to favor, and I do favor, the enactment and enforcement of a uniform local option law, with the county as the governing unit.

I will let the record disclose how Senator Bosworth, apparently with contempt, but at least with vigor and consistency, violated every temperance pledge of the Republican platform on which he was elected.

On March 4 and 5, 1908, on pages 793, 799, and 800, senate journal, Senator Bosworth is recorded as voting three times against the temperance people and with the whisky interests on senate bill 56. It was a bill to amend the law for selling intoxicating liquors; and on page 808, senate journal, Senator Bosworth is recorded as voting against the passage of the bill.

On March 16, 1908, on page 1179, senate journal, Senator Bosworth is recorded as voting against calling up the county-unit bill for passage. He cast another vote the same day against the temperance people.

During the 1910 session of the Kentucky Legislature Senator Bosworth was made a member of the committee on rules, the committee on mines and mining, the committee on penitentiaries and houses of reform, and the committee on religion and morals. The whisky interests, realizing what an ardent and valuable friend they had found in Senator Bosworth, exerted their influence in having Senator Bosworth put on committees where he could be of service to them. How smoothly it was all worked the following recital will show:

On January 4, 1910, page 11, senate journal, Conn Linn, a Democrat, was elected president pro tempore of the senate. Lieut. Gov. Cox, a Republican, was by law, president of the senate.

On January 4, 1910, the following resolution was adopted:

Be it resolved by the Senate of Kentucky, That the chairman of the senate Democratic caucus and the president pro tempore of the senate are hereby authorized and directed to select and appoint a committee on rules, of which they shall be members. They shall also prepare and adopt a set of rules under which the senate shall operate and transact business until the next succeeding regular session of the senate, in 1912.

They are further authorized and directed to appoint such standing committees as the rules may provide for, which said committees shall continue until the next regular session of the senate, in 1912.

This gave a Democratic president pro tempore of the senate and the chairman of the senate Democratic caucus the power to select and appoint a committee on rules. This committee on rules had the power to prepare and adopt a set of rules under which the senate was to do business.

Senator Bosworth was made a member of this committee on rules.

This rules committee of which Senator Bosworth was a member prepared a set of rules by which the senate was to be governed in the transaction of its business. These rules took from a Republican lieutenant governor, Gov. Cox, the presiding officer of the senate, the power to appoint all standing committees.

Rule 14, prepared by the committee on rules, and found on page 96, senate journal, reads as follows:

The following standing committees, each to be composed of five or more senators, shall be appointed by the committee on rules heretofore provided for by resolution at the commencement of the session; and no standing committee shall be changed unless in compliance with a resolution introduced by the committee on rules.

Rule 50 of the said rules, found on page 111, senate journal, reads in part as follows:

Provided, That the rules committee shall have power at any time to call from the orders of the day any bill or resolution and propose the same to the senate for consideration; and should the senate decide by a vote to consider it, it shall be immediately put upon its passage.

The rules committee is further authorized and shall have the right, at any time, to call from any other committee or committees any bill or resolution in their hands and have the same advanced to the reading to which the same may be entitled. Action upon all bills which are reported to the senate without either a favorable or unfavorable recommendation shall be held to be indefinitely postponed.

This gave the rules committee power "at any time to call from the orders of the day any bill or resolution and propose the same for consideration," as well as "the right at any time to call from the other committee or committees any bill or resolution in its hands, and have the same advanced to the reading to which the same may be entitled."

In other words, the rules committee became the masters of the senate, with power to say what legislation should or should not be considered by that body.

These rules, among other things as I have said, took from a Republican lieutenant governor, the presiding officer of the senate, the power to appoint all the standing committees of the senate, and among others the committee on rules.

When Conn Linn, president pro tempore of the senate, and a Democrat, together with Thomas A. Combs, chairman of the senate Democratic caucus, made their famous report embodying the rules of which I have spoken, and among them the one taking from a Republican lieutenant governor his power, Senator Bosworth voted to adopt the rules, although it is said no other Republican senator voted as did Senator Bosworth upon that occasion. *Senator Bosworth voted with the Democrats more often than any Republican in the legislature.* As I have said, the Republican Party in its platform upon which Gov. Willson and Lieut. Gov. Cox, both Republicans, were elected declared in favor of the county-unit bill. Gov. Willson, in his message to the house and senate, page 46, senate journal, recommended the passage of the county-unit bill.

Lieut. Gov. Cox was pledged to it. *Senator Bosworth voted to take from Lieut. Gov. Cox the power to appoint the committee on rules and place that power in the hands of Democrats, and, in this instance, enemies to temperance.* This, however, tells but a part of the story. Senate bill No. 1 was introduced. This was a county-unit bill intended to regulate the whisky traffic in Kentucky. If enacted into law, it would have carried out the pledges of the Republican Party to the temperance people of the State and its citizens generally. It would have given the voters of each county the right to say whether whisky and other intoxicating liquors should be sold anywhere in the county.

The committee on rules, of which Senator Bosworth was a member (see p. 140, senate journal), appointed a committee on religion and morals. Senator Bosworth, strange as it may appear, was, as I have said, made a member of the committee on religion and morals (see p. 146, senate journal).

When senate bill No. 1, the county-unit bill was introduced, the Democratic president pro tempore of the senate, who Senator Bosworth voted to clothe with power, referred the county-unit bill to the committee on religion and morals, of which Senator Bosworth was a member. The author of the bill, Senator John L. Vice, and other friends of temperance, knowing that Senator Bosworth and other whisky men were on the committee on religion and morals, objected to the county-unit bill being referred to that committee for consideration, and appealed from the decision of the Chair so referring it.

Senator Bosworth voted to sustain the decision of the Democratic president pro tempore of the Senate in referring the county-unit bill to the religion and morals committee—a committee of which Senator Bosworth was himself a member. (See p. 223, senate journal.) I think Senator Bosworth was the only

Republican senator that so voted. The ruling of the Chair was sustained, and the county-unit bill was referred to the famous religion and morals committee. Senator Bosworth was delighted. And on January 17, 1910, page 180 of the senate journal, the following pairs were announced in the senate:

Mr. Hilliard Smith with Mr. Bosworth. Mr. Bosworth, if present, would vote against the advancement and passage of senate bill No. 1—the county unit bill—which Mr. Smith, if present, would vote for.

On February 17, see page 723, senate journal, the county unit bill (senate bill No. 1) was by the religious and morals committee reported to the senate without any expression of opinion as to whether or not it should become a law. This was Senator Bosworth's committee. And under the rules of the senate he helped to frame, "further action on the county unit bill (senate bill No. 1) was indefinitely postponed." But on February 12, senate journal, page 724, Mr. Thomas moved that the county unit bill (senate bill No. 1) be advanced to the orders of the day, which, if done, would put the bill on its passage. Senator Bosworth and 15 others voted against advancing the bill and placing it in the orders of the day for passage, while 14 others voted the other way.

Those voting for whisky and with Bosworth were:

Joe F. Bosworth, J. R. Catlett, N. B. Chipman, Thomas A. Combs, W. E. Dowling, W. V. Eaton, E. E. Hogg, R. L. Hubble, Conn Linn, Charles W. Nagle, H. D. Newcomb, Mark Ryan, E. M. Taylor, G. A. Taylor, J. W. Wright, and G. T. Wyatt—16.

Those voting against Bosworth and for temperance were:

P. J. Beard, E. Bertram, Gus Brown, A. R. Burnam, R. B. Brown, Nat C. Cureton, J. A. Donaldson, J. C. Graham, A. J. Oliver, B. C. Grigsby, J. T. Pritchard, J. T. Smith, Claude M. Thomas, and John L. Vice—14.

If Senator Bosworth had voted for the bill and not against it, the vote would have stood 15 to 15, with a Republican lieutenant governor—Mr. Cox—favorable to temperance, to cast the deciding vote. The senate would have passed the bill, if it had been permitted to vote on it.

Senator Bosworth by his vote on February 12, 1910, killed that county unit bill, at that time senate bill No. 1.

Nor does this by any means tell all the story. The temperance people realizing that senate bill No. 1, which had been referred to the famous religious and morals committee, of which Senator Bosworth was a member, was in the hands of its enemies, introduced through Senator Mathers another county unit bill (senate bill No. 44), which was identical with senate bill No. 1.

Lieut. Gov. Cox, president of the senate (see p. 398, senate journal), referred senate bill 44 to the committee on Kentucky statutes. The whisky men objected to this, and, through Mr. Dowling, moved that senate bill 44 be referred to the Bosworth religion and morals committee. This was done. Mr. Thomas and the friends of temperance were not satisfied with this. Later on Mr. Thomas was sustained by Lieut. Gov. Cox, president of the senate, in calling senate bill 44 out of the hands of the religious and morals committee on the ground that it had been in the hands of the committee an unreasonable length of time. The president of the senate, Lieut. Gov. Cox, ruled that bill 44 should be placed upon the orders of the day for passage. The whisky men, through Mr. Combs and others, appealed from the decision.

P. J. Beard and 15 others, making 16, voted to sustain the Republican lieutenant governor. Senator Joe F. Bosworth and 17 others voted against it. The effort of the Republican lieutenant governor to place the county unit bill 44 in the orders of the day was defeated. Senator Bosworth helped to defeat it. On February 23, page 783, senate journal, Mr. Thomas moved that senate bill 44, the county unit bill, "be read the third time and placed upon its passage." Senator Joe F. Bosworth was the first man to vote against this proposition (see senate journal, p. 783).

Mrs. J. H. Shy, president of the Woman's Christian Temperance Union, had this to say about Senator Bosworth's vote in defeating the county unit bill:

Mr. Bosworth, claiming to be a Republican, voted against the county-unit plank in the Republican platform. All the while he voted in the interest of the whisky people

All the story is not yet told. Bosworth's famous committee on religion and morals reported to the senate without expression of opinion, another temperance bill which had been referred to it, and under the rules of the senate, which Senator Bosworth, as a member of the rules committee, had helped to frame, was indefinitely postponed (see p. 1023, senate journal).

But fearing that some of these temperance bills might get in the way of passage, or that some of their own pet measures might be kept from passage, the rules committee reported and had adopted the following:

We, your committee on rules, hereby recommend that the rules be amended, altered, and changed only so as to read: "That said rules committee is authorized to exercise the exclusive right and privilege of calling up bills and resolutions and propose same for final passage during the last 12 days of the session. Nothing in this rule shall be construed as an abridgement or curtailment of any senate rule now in effect."

CONN LINN, *Chairman.*
THOS. A. COMBS.
MARK RYAN.
G. T. WYATT.
L. A. ARNOLD.
JOE F. BOSWORTH.

This made the rules committee the absolute masters of the situation. This meant that no temperance measures would be passed. It meant, too, that some whisky legislation might be.

Senator Joe Bosworth introduced senate bill 177 (see p. 238, senate journal) to change the classification of certain cities and towns in Kentucky. House bill No. 30, to the same tenor and effect, came up for passage.

I will let Mrs. J. H. Shy, president of the Woman's Christian Temperance Union in Kentucky, tell about this bill. She says:

Senator Bosworth voted for the bill, helped to pass it, and thereby extended and widened the territory in which the county unit did not apply. Under the law as it stood then, the county unit did not apply to cities having the fourth class. By this bill the cities reclassified were removed from the effect of the county-unit bill.

On March 5, 1910, page 1045, senate journal, Senator Joe F. Bosworth and 6 others are recorded as voting against while 21 other senators voted for senate bill 192, which was an "act defining public drunkenness and fixing punishment therefor."

What a record for one session of the legislature. No wonder the temperance people are up in arms against Senator Bosworth. But this does not complete the story. During the 1912 session of the Kentucky Legislature he continued his activities in behalf of the whisky interests.

On January 25, 1912, page 417, senate journal, Senator Bosworth is recorded as voting against a bill providing for an extension of local option.

On March 5, 1912, page 1451, senate journal, Senator Joe F. Bosworth failed to vote for senate bill 120, which was an act making it "unlawful to purchase, procure, or deliver spirituous, vinous, and malt liquors in local option territory."

On March 6, 1912, page 1501, senate journal, Senator Joe F. Bosworth failed to vote for senate bill 260, which was an "act prohibiting the sale of intoxicating liquor within 400 yards of normal schools and State colleges."

On March 7, 1912, page 1546, senate journal, Senator Bosworth is recorded as voting for senate bill 12, which was an "act to provide for taking the sense of the legal voters as to whether bona fide distillers may be granted a limited license to retail spirituous liquors of their own manufacture at or near the distillery and not to be used on the premises."

In other words, to make every distiller in the land a saloon keeper. Not only has Senator Bosworth voted wrong on the whisky question, but he has voted wrong on a good many other questions.

On February 14, 1906, on page 583, house journal, Senator Bosworth is recorded as voting against a bill making it unlawful to operate pool rooms.

Seventy-three voted for the bill; Bosworth and six others voted against it.

On March 4, 1908, page 791, senate journal, Senator Bosworth is recorded as voting for a proposition to make it an offense punishable with only $200 fine to bet on the result of a horse race, and against the proposition to make the punishment a fine of not less than $1,000 nor more than $5,000, and confinement in the county jail from 6 to 12 months.

On February 25, 1908, page 620, senate journal, Senator Joe Bosworth is recorded as voting against taking up for consideration senate bill 41, which was "An act to prevent the operation of pool rooms in the Commonwealth of Kentucky."

On March 1, 1912, page 1258, senate journal, Senator Bosworth failed to vote for the consideration of senate bill 16, which was "An act to prevent bribery and other corrupt practices in elections."

On March 11, 1912, page 1772, senate journal, Senator Bosworth is recorded as voting against house bill 77, which was "An act to regulate lobbying," and so forth.

Later on in this speech, when I come to speak of my attitude toward the miner and the laboring man, I shall show how Senator Bosworth voted for the dog law; free railroad passes for himself and other officials; how he voted against the miner's interests, and yet voted to protect the employer; how he failed to vote for the child-labor law; how he voted for an act to prohibit the use of public drinking cups; how he voted against the antitipping bill and other measures. I shall also take up and discuss at length Senator Bosworth's State-aid road bill, and, before closing my argument on that subject, I expect to point out something of the senator's political alliances, and how

he has voted to appropriate the people's money to build monuments to Jefferson Davis, the president of the Southern Confederacy, and other rebel generals. And when I come to discuss pensions, I shall show how Senator Bosworth voted to pension the rebel soldiers, as well as his position on other important matters. But I can not go into those things at this point, as I want to continue the senator's whisky record.

The house and senate journals of the last session of the Kentucky Legislature have not been printed yet; but it is a known fact that Senator Bosworth voted against State-wide prohibition.

He spoke against, but voted for, a bill amending the county unit law whereby 25 per cent of the voters of the whole county may call a local-option election. In the antisaloon yearbook for 1914 it is estimated that from "20 to 25 of the 38 senators" in the last Kentucky Legislature was dry, so that Senator Bosworth, seeing that the temperance forces had the victory won, voted with them.

Rev. N. A. Palmer, State superintendent of the Kentucky Antisaloon League, speaking of this, said:

> Senator Bosworth, being a candidate for Congress in a large temperance district, tried in the last Kentucky Legislature to put up a few breakers by voting for an amendment to the county unit law, which was sure of passage whether he voted for or against it. Senator Bosworth's vote on the measure, while intended to deceive, can not and will not deceive anybody. His whisky record is too well known. He has been for many years an active and willing tool of the whisky interests, an avowed and partisan foe of the temperance cause.

The antisaloon yearbook for 1914 says:

> Kentucky is doing her best to get ready for the last stand for State prohibition and to join hands with other States for the last and final struggle for national constitutional prohibition.

Now, what does the eleventh district propose to do about it? Does she want a whisky man or a temperance man to represent her? I have nothing against the unfortunate man who is addicted to drink. He is often a whole-souled and noble fellow, but I would save him from himself by putting whisky and other intoxicants out of his reach. I would save him to his wife and his children by protecting him from the demon drink.

I am not against the saloon keeper personally, but I am against the business in which he is engaged. I would save him the shame, humiliation, and disgrace of his bad calling. He deserves better. Liquor contaminates everything that it touches. It invites famine and courts disaster. It threatens the future integrity as well as the very life of the proudest Nation in the world. It is the friend of everything that is bad; the enemy of everything that is good.

In speaking of Senator Bosworth killing the county-unit bill, ex-Mayor of Richmond, C. E. Woods, said:

> I was present. I saw the deed done. I saw Bosworth cast the vote that killed it. Men of the mountains, will you allow such political and moral perfidy to go longer unrebuked? Talk not to me of Bosworth as a good-roads champion. The whisky ring call him that to fool and flatter the ignorant and the indifferent. The roads he has helped to make thus far are already paved by the skulls of men and boys ruined by the saloons of his city.

GOOD ROADS—FEDERAL AND STATE AID.

Senator J. F. Bosworth, of Middlesboro, Ky., who says he is a candidate for Congress from the eleventh district of Kentucky, is laying a great stress upon his advocacy of State aid to good roads while a member of the Kentucky State Senate. He is pointing with pride to his record in helping to secure State aid to good roads as an evidence of what he would do in helping to secure Federal aid should he be nominated and elected to Congress from the eleventh district. If Senator Bosworth is really in earnest in wanting to secure Federal aid for the cause of good roads in southeastern Kentucky, and really feels that he has the ability to make things happen if sent to Washington, he should by all means become a candidate for the United States Senate from Kentucky. It is in the Senate of the United States, and not in the House of Representatives, where the real opposition to Federal aid has arisen. *It is in the Senate of the United States, and not in the House of Representatives, where Senator Bosworth can be of service, if he can be of service anywhere, to the cause of Federal aid to road construction and road improvement.*

The question of Federal aid to good roads has really never come before the House of Representatives but twice in its history, and both of those times have been since I have been a Member of that body. The first time was in April and May, 1912, and the second time was in February, 1914. Nearly 100 years ago, before the advent of railroads, there was a little post-road legislation. The first real Federal-aid bill, however, was before the House in 1912. It differs radically from the Federal-aid bill before the House in 1914, which was but a few months ago. The bill in 1912 was, in my judgment, by far the better bill. On April 27, 1912, I made an extended speech in favor of the passage of the first bill. I helped to pass it by my vote. The bill, as amended, finally passed the House on May 2, 1912, by a vote of 227 in favor of it, with only 5 against it. The bill as it passed the House was sent over to the Senate of the United States, and there it has remained undisturbed and unmolested, unvoted on.

On February 10 of this year the House of Representatives voted upon and passed another bill providing Federal aid to road construction and road improvement. This bill was not as good a bill as the first one, but it passed the House of Representatives by a vote of 284 for it to 42 against it. I was paired with Judge SABATH, a Democratic Member, who is a friend of mine and with whom I served as a member of the Immigration Committee. This bill was immediately sent over to the Senate of the United States, and there it has slept ever since. *There is no trouble in passing Federal-aid road bills through the House of Representatives. Senator Bosworth's aid is not needed there. The trouble lies with the Senate. If Senator Bosworth wants to help the cause along, he should, by all means, seek a seat in the United States Senate.* Both a United States Senator for the State of Kentucky and a Member of Congress for the eleventh congressional district are to be nominated on August 1 of this year. If Senator Bosworth is not really trying to be elected a Member of Congress on his good-roads hobby, but is really wanting to serve the people of the eleventh district, as he claims he is, by all means let him seek a seat in the Senate, where Federal-aid help is really needed, and not in the House, where nearly everybody is already for it.

The thing Senator Bosworth is really after is a seat in the House of Representatives, and he is willing to ride the "good-roads hobbyhorse" or any other "hobbyhorse" that will carry him in that direction.

WHAT HAS BOSWORTH DONE?

And what, after all, are his claims to distinction as a good-roads champion and advocate? He was elected to the Kentucky Legislature in the fall of 1906. He was elected a member of the State senate in 1907 and reelected in 1911; so he has had, or will have when his term as State senator expires in January, 1916, 10 years' service in the General Assembly of Kentucky as a lawmaker. In that length of time he helped to father and pass an act at the last session of the Kentucky Legislature entitled "An act to create and establish a system of public State roads, and to provide for the construction and maintenance thereof." It will be observed that this bill applies only to "public State roads." Section 2 of the bill reads:

> That there is hereby created a system of public State highways, which shall be composed and be all the roads to which State aid is furnished.

Public State highways are the only roads "to which State aid is furnished," according to section 2 of the bill.

The Bosworth bill does not itself define or explain what public State roads or State highways are as applied to Kentucky, but there is another bill which received Senator Bosworth's support and which became a law on March 24, 1914, and on the same day the Bosworth bill became a law and which does explain just what roads are to receive State aid from the Bosworth bill. Section 1 of that bill reads:

> There is hereby created a system of public State highways, which shall consist of roads connecting the county seat of each county of the Commonwealth with the county seats of the adjoining counties by the most direct and practical route. * * * These roads shall be the first to receive State aid; and after such roads are constructed in any county of the Commonwealth, then all other roads to which State aid is furnished thereafter may be deemed public State highways—

and receive State aid.

So it is plain to be seen that no county is to receive any State aid for any of its public roads until State highways have been built connecting the county-seat town of the county with the county seats of the adjoining counties of the State by the most direct and practical route as well as (quoting the law)—

> the county seats of the border counties of the Commonwealth with the State line on the most direct and practical route leading from said county seat to the county seats of the adjoining counties in the adjacent States.

In other words, no public road in any county in the eleventh district, or elsewhere in the State, is to receive any State aid until all the county-seat towns of the adjoining counties have been connected with one another with State highways. Nor can any of the public roads of the counties of Monroe, Cumberland, Clinton, Wayne, McCreary, Whitley, Bell, or Harlan—all counties of the eleventh district and all bordering on an adjacent State—be constructed until public State highways have been constructed not only connecting all the adjacent county-seat towns in Kentucky, but to the adjacent county-seat towns in the other States as well—at least to the State line, in the direction of those towns. Before the public roads of Bell County,

for example, can get any State aid the people of Bell County would have to help to construct public State highways to Williamsburg, Ky., the county seat of Whitley County; Barbourville, Ky., the county seat of Knox County; Hyden, Ky., the county seat of Leslie County; Harlan, Ky., the county seat of Harlan County; and last, but not least, to Tazewell, Tenn., the county seat of Claiborne County, Tenn., and Jonesville, Va., the county seat of Lee County, Va., and so on with the rest of the counties. When the people of the eleventh district study and understand the Bosworth bill, it would be really worth while to go a long distance to hear them express their honest opinion about it. And yet he poses as their friend and champion.

Section 4 of the State-aid road bill which Senator Bosworth claims the distinction of having helped to pass reads in part as follows:

There shall be levied and collected and paid into the Treasury of the State in the same manner prescribed by law for the levying, collecting, and paying into the State treasury of other State taxes a special tax to be known as the State road tax. * * * The State road taxes on all real, personal, franchises, and all intangible property not exempt from taxation shall be for the year 1915 and every year thereafter 5 cents on every $100 valuation thereof.

In other words, every person in the eleventh district and the State of Kentucky is to be taxed 5 cents on every $100 worth of taxable property he owns for the purpose of the construction and maintenance not of all the public roads in the eleventh district and the State of Kentucky, but only of those roads known as "public State roads," as expressed in the title of the bill, and "public State highways," as expressed in section 2 thereof, and which, as I have said, only connect the county-seat towns not only in Kentucky but Tennessee and Virginia as well. Why tax all the people of the eleventh district, as part of the State of Kentucky, to help build and maintain only a certain class of public highways? If all the people are to be taxed, why should not the road fund, when raised, be applied to all the public roads in which the people are interested and not merely to a certain class of public roads? There are plenty of public roads in the eleventh congressional district of Kentucky, but how many public State roads or public State highways are there? None. How many people in the eleventh congressional district are there who live on a public State road or a public State highway? None. What per cent of the people in each county will live on the public State highways, when constructed, connecting the county-seat towns? Admittedly but a very small per cent. What it will finally cost these for the privilege, time alone can tell. What it will cost all the other taxpayers of the county to confer this privilege on the limited few, none, so far as I know, are rash enough to estimate. It must not be forgotten that a public State road or a public State highway is one thing, while a public road or a public county road is quite another.

The authors of the State-aid roads bill that recently passed the Kentucky Legislature admit that there are but few, if any, "public State roads" or "public State highways" now in the State of Kentucky, for in section 2 of the bill they say "that there is hereby created a system of public State highways, which shall be all the roads to which State aid is furnished." The other bill says, "State highways are only those roads connecting county-seat towns." There is no way to create "public State highways" by legislative enactment. It takes money and labor and work to do that.

If the Kentucky Legislature had passed a law making this State aid apply to all the public roads, public highways, county roads, and so forth, which are now in existence or which may hereafter be constructed, it would have reached the public roads and highways of the country, where help is most needed.

When you see laws passed by a Democratic Legislature of Kentucky, whether its members are outspoken Democrats or otherwise, professing to rain "showers of blessing" on the people of the eleventh congressional district, you can always look out for a "nigger in the woodpile." We have now no public "State" roads or public "State" highways in the eleventh congressional district. The State highways are the roads yet to be constructed connecting the county-seat towns. It will be fine for the fellows owning automobiles. Senator Bosworth must have a machine. Nor does what I have said tell the whole story.

ALL MUST PAY THE STATE ROAD TAX—THE FEW WILL GET THE BENEFITS.

While every taxpayer in the whole State is compelled to pay, in addition to his other taxes, a State road tax of 5 cents on every $100 worth of taxable property owned by him, this does not mean at all that every citizen who pays the tax is to be benefited thereby, except possibly in an indirect and remote manner, if at all.

Section 5 of Bosworth's boasted State-aid road bill provides what counties shall receive any part of the State road fund and on what conditions they shall receive it. All shall help to pay it, but only those counties complying with certain conditions shall help to receive it. And what are those conditions? The Bosworth bill says (see p. 443, Acts 1914, Kentucky Legislature):

The money hereby set apart in the State treasury to the credit of the State road fund shall be apportioned among the several counties applying for State aid in the manner hereinafter provided, and the amount so apportioned shall be based upon the amount of taxes levied and collected therein * * * until such county shall have received from the State road fund an amount equal to one-half of the moneys appropriated for building roads by said county, whether the sum thus appropriated be from the sale of bonds or from direct taxation: *Provided*, That said sum shall be expended in constructing or reconstructing public roads under the direction of the commissioner of public roads

And does that mean that all the counties of the State shall have set apart to their credit or for their use a certain portion of this State road fund? By no means. It means only those counties "applying for State aid in the manner hereafter provided." And what is the manner hereafter provided? The manner hereafter provided is that each county in the State shall raise by direct taxation or through the sale of its own county bonds at least as much money, if not twice as much money, for the building and improvement of its roads as that put up by the State. And when that is done the entire sum "shall be expended * * * under the direction of the commissioner of public roads." Should any county desire to apply for State aid it will be its duty to raise its part of the money which is as much, if not twice as much, as that to be put up by the State. The bill is not very clear on that point.

Section 5 provides, as I have said, that each county shall receive an "amount equal to one-half of the moneys appropriated for building roads by said county." If each county is to get from the State only one-half as much money as it puts up itself, then for every dollar it puts up it will receive a half a dollar from the State. Section 18 of the bill, however, provides that "the State shall pay one half and the county one half of the construction of all roads in which State funds are used.

Taking the two sections together it is not clear what is meant. After the money is raised the county will then make plans, profiles, and specifications of what particular road or roads it wants improved or constructed. It will then submit these plans, and so forth, to the fiscal court of the county for its approval or rejection. If the fiscal court approves same—

they shall then be submitted to the State commissioner of public roads for his approval or rejection, and it shall be his duty, before approving said plans, profiles, and specifications, to ascertain by personal inspection or otherwise the natural character of the soil upon which said road is proposed to be constructed and any and all other facts that may be deemed important.

If * * * he shall be satisfied as to the advisability of the improvement of the road as contemplated * * * he shall approve the said plans, profiles, and specifications; otherwise he shall reject the same. (See sec. 10 of the Bosworth law.)

And who is this all-powerful State commissioner of public roads and who creates him? His name is Robert C. Terrill. He was appointed by Gov. McCreary, a Democratic governor, and Terrill is a Democrat and holds office for four years. It is hardly necessary to add that he does not live in the mountains of Kentucky. So after all, unless administrations change, it will be a Democratic State commissioner of public roads who shall for all time decide "as to the advisability of the improvement" of any road or roads contemplated by any county. How many roads the people of the eleventh district might want to build that would really be "advisable" in the judgment of a Blue Grass or Pennyrile Democratic State commissioner of public roads no one can foretell. It is not left to the taxpayer's discretion as to whether or not he shall be taxed 5 cents on each $100 worth of his taxable property in addition to his other taxes—poll, school, city, county, and State—in order to raise a State road fund to be used in constructing certain State highways, but it is left to the discretion of the State commissioner of public roads to withhold State aid from any road he deem inadvisable to improve or construct. When a contract is let for the construction of any public road—

the contract, before any work is done thereunder, must be submitted to the State commissioner of public roads for his approval in writing thereon, and said commissioner of public roads is hereby authorized, whenever in his judgment the best interest of the State requires him to do so, to reject the same.

So says part of section 11 of the Bosworth State aid bill. But suppose this State commissioner of public roads would do his duty and not discriminate against any meritorious State highway project that might be presented to him by any county in the eleventh congressional district or elsewhere, what would be the standing then of the counties, particularly in the eleventh congressional district?

1. Each county would have to tax itself one, if not two, dollars to every one put up by the State and then let the entire sum be expended "under the direction of the Commissioner of Public Roads."

2. "The public State highways shall consist of roads connecting the county seat of each county of the Commonwealth with the county seats of the adjoining counties by the most direct and practical route." Also county-seat towns in adjacent border counties of other States. "These roads shall be the first to receive State aid."

WHAT WOULD BECOME OF THE PEOPLE'S MONEY?

Suppose the counties in the eleventh congressional district, or any one of them, should feel unable to tax itself to build its part of any State highway; or suppose its citizens should take the position that they would be willing to tax themselves to have the public roads of the entire county improved, but would not be willing to do it to have but one State highway connecting the county seats constructed; or suppose they should take the position, since the county is to put up at least one dollar for every one put up by the State, that they would be unwilling to put the entire control and management of the construction of such highways in the hands of the State commissioner of public roads; or suppose the people of the various counties would not want to tax themselves to build State highways connecting the county-seat towns, but would only be willing to tax themselves to improve all the public roads of the county, in so far as possible, and thereby letting each taxpayer get some benefits from the money he is out; or suppose the people in counties bordering on other States, as do the counties of Monroe, Cumberland, Clinton, Wayne, McCreary, Whitley, Bell, and Harlan, should be unwilling to tax themselves to build State highways into other States before improving their own public roads; *or suppose for any other reason the people of any county were either unable or unwilling to meet the conditions of the State aid, as prepared in the Bosworth bill, what would become of the money of the taxpayers*, which they are compelled to pay in each year to help create this State-road fund, whether they want to or not? Would the county that had been thus taxed, and which for any reason was unable or unwilling to take part in the State-aid plan, as proposed in the Bosworth bill, later recover or have used for its benefit the taxes it had paid?

Let no poor county or any county in the eleventh district or elsewhere delude itself with the belief that it would ever get its money back, or that it would ever be used for its benefit. The Democracy of the State, through its representatives and senators at Frankfort and their "allies," were both too selfish and too wise to permit such a thing to happen.

THE DIFFICULTY OF BUILDING STATE HIGHWAYS IN THE MOUNTAINS.

They knew that many, if not all, of the poor Republican mountain counties of the State could not or would not for years, if ever, meet the requirements to secure the State aid as provided in the Bosworth bill. They knew it would take barrels of money to construct across hills, streams, and mountains, from one mountain county-seat town to another, and then into other States, such State highways as would meet the approval of and be deemed advisable by a Democratic State commissioner of public roads, appointed by a Democratic governor. They knew in the central and western part of the State, where Democracy lives and thrives, that there are no such mountain barriers and difficulties in constructing State highways from one county-seat town to another, where the country is comparatively level and the roads easy of construction, as is met with in the mountain counties. They knew that the people there, as a rule, were more able to tax themselves for such a purpose than the mountain people. They knew, and Senator Bosworth, supposedly representing a large mountain senatorial district, ought to have known all these things, and, knowing them, ought not to have fathered and indorsed a bill that would tax the mountain counties to help build State highways between blue-grass county seats without the mountain counties at least getting some benefit from their own taxation. And I make the statement boldly that no county in the State will receive any direct benefit from the State aid to State highways, as provided for in the Bosworth bill and the road measure he indorsed and supported, unless the county itself, in addition to the State road tax it is bound to pay whether it gets any benefit from it or not, also imposes upon itself another road tax at least the size of that put up by the State.

WHAT BECOMES OF THE MONEY PAID BY MOUNTAIN TAXPAYERS?

Failing in this, what becomes of the State road tax of 5 cents on each $100 worth of taxable property owned by its citizens and which they are bound to pay each year? We turn to section 6 of the Bosworth bill for explanation and answer. It reads as follows:

If any county shall not avail itself of the aid from the State apportionment under the provisions of this act, then and in that case the amount so apportioned shall remain in the treasury of the State to the credit of the State fund to be again apportioned among the counties at the next annual apportionment.

In other words, if any county in the State for any reason fails to meet the requirements of the Bosworth law in applying for State aid, or fails to apply at all, then the State road tax it is each year bound to pay does not remain in the State treasury to its use and benefit to be called for and applied to the improvement and construction of its own county roads when it shall apply for State aid, but the State road taxes it pays each year is apportioned among the various counties of the State at the next annual apportionment; and only those counties that are then able to or do apply for State aid, meeting the conditions and requirements of the Bosworth law, will get any part of the money or any advantage from it. I am just wondering how long the counties of Leslie, Clay, Wayne, Russell, Clinton, Cumberland, and Monroe, without a foot of taxable railroad property or other big industries to help meet the taxes, will be compelled to pay this State road tax for the benefit of the blue grass and other sections of the State before they will be able to or do tax themselves sufficiently to get any State aid as provided for in the Bosworth bill. I am just wondering how many years will pass by and how many years' State road taxes the people of Harlan, Bell, Knox, Whitley, Laurel, Rockcastle, McCreary, and Pulaski will pay for the benefit of other sections of the State before they will tax themselves at least one, if not two, dollars to every one put up by the State in order to build State highways from one to the other of their various county seat towns, and from many of the counties into county seat towns of other States, or at least to the State line in that direction; but it is up to them to get busy about it, or let all the State road taxes they are forced annually to pay, go to the improvement of the roads in other sections of the State.

ALL COUNTIES IN ELEVENTH DISTRICT MUST MEET THE REQUIREMENTS OF BOSWORTH LAW OR LOSE THEIR MONEY.

In fact, it is up to all the counties in the eleventh district, rich and poor, to raise the money to help build these State highways connecting the county seat towns of adjoining counties in this and the other States in the way I have mentioned or lose each year all they pay as a State road tax, which is over $25,000. Failing to raise the second tax, other sections of the State get the first, which each year amounts to over $25,000. The following table shows the counties in the eleventh congressional district, together with the assessed value of the real, personal, and railroad property in them for the year 1912, and what each county will have to pay each year as a State road tax.

Counties in eleventh congressional district.	Value of real property.	Value of personal property.	Value of railroad property.	Total.	Amount of yearly State road tax of 5 cents on each $100 of taxable property.
Bell	$4,301,245	$1,807,836	$534,210	$6,643,291	$3,321.64
Clay	1,796,045	616,416	.....	2,412,461	1,206.23
Clinton	938,633	361,801	.....	1,300,434	650.21
Cumberland	1,477,241	438,610	.....	1,915,851	957.42
Harlan	3,453,709	543,035	217,280	4,214,024	2,107.01
Knox	2,841,862	957,686	353,865	4,153,413	2,076.70
Laurel	2,032,405	817,988	584,880	3,435,273	1,718.13
Leslie	1,945,308	278,104	.....	2,323,412	1,161.70
McCreary [1]	.....	.....	674,475	674,475	337.23
Monroe	1,685,890	735,179	.....	2,421,069	1,210.53
Pulaski	4,387,980	1,616,084	1,086,505	7,490,579	3,745.28
Rockcastle	1,270,166	492,889	696,340	2,459,395	1,229.70
Russell	1,205,929	586,756	.....	1,792,684	896.34
Wayne	2,701,261	1,424,902	.....	4,126,163	2,063.08
Whitley	3,835,936	2,131,798	1,380,715	7,348,449	3,674.22
Total	.....	.....	.....	52,710,973	26,345.42

[1] Its property, except railroads to value indicated, is credited to counties out of which it was created.

This does not include the value of railroad franchises and other franchises in the eleventh district, so the State-road tax, which the eleventh district has to pay each year whether it wants to or not and which will amount to over $25,000 annually, not counting the franchise taxes, will be entirely lost to the eleventh district each year and go to build roads in other sections of the State, unless the eleventh district, in addition to the State-road tax of over $25,000 it is bound to pay, puts up another tax to construct these State highways at least equal in amount to that put up by the State.

Bell County, for example, will have to pay next year a State road tax of $3,321.50, and more each year thereafter as the value of her property increases; and all of which will be lost to the county until such time as her citizens impose upon themselves another road tax at least equal in amount to that put up by the State with which to build these State highways connecting the county-seat towns as I have described them. Over $3,545.28 of the tax money paid every year by the taxpayers of Pulaski

County will be used in building State highways in other counties and other sections of the State unless they meet the requirements of the Bosworth law and impose upon themselves a second tax to construct and rebuild, not the various public roads of the county but the state highways connecting the county seat of Pulaski County with the county-seat towns of the counties of Russell, Wayne, McCreary, Laurel, Rockcastle, Casey, and Lincoln. Over $2,063.05 each year of the taxes of the taxpayers of Wayne County will go the same way unless she meets the requirements of the Bosworth law. Over $2,000 of Knox County tax money will go the same way each year. The same is true of Harlan County. Clay, Laurel, Leslie, Monroe, and Rockcastle Counties will each lose every year over $1,000 tax money until they agree to put up at least half of the money to build State highways connecting the county-seat town of each county with the county-seat towns of all the counties that touch or border on them, and so on, with all the rest of the counties. It is nothing short of a calamity that over $25,000 of the hard-earned tax money of the eleventh district should go to build highways in other sections of the State. In the nature of things it will do this for years to come. Such an arrangement is good for the blue grass but bad for the mountains.

Senator Bosworth's law says, in substance, to the taxpayers of the eleventh district:

I will make you pay each year, whether you want to or not, a State road tax of over $25,000. Now, unless you voluntarily impose upon yourselves a second road tax at least equal in amount to that put up by the State to build State highways from the county-seat towns of every county in the eleventh district to the county-seat town of every other adjacent county in it, I will not let you get any benefit from my State-aid road law, but will use the $25,000 State road tax I make you pay each year toward the building of State highways between the county-seat towns in the blue grass and other sections of the State.

When the senator says he has "secured legislation in the Kentucky Legislature that will make the State pay half the cost of road building in the mountains of Kentucky" he shoots wide of the mark. Bosworth's law provides that not a dollar of State money shall be used on any of the ordinary county or public roads in any of the counties until these State highways are all built, connecting not merely one but all the county-seat towns of the various adjacent counties.

I see nothing left for the people in the various counties to do but impose upon themselves this second road tax. They will either have to do it or lose under the Bosworth law over $25,000 of their hard-earned tax money each year. To be exact, over $26,345.42 annually.

Senator Bosworth, the reputed author of this law, was himself born in the famed blue-grass county of Fayette on October 1, 1867. He was himself a Democrat, reared by Democratic parents, and brought up amid Democratic surroundings. His brother, Henry Bosworth, was the Democratic sheriff of Fayette County, who, after arresting me on the Goebel charge, permitted his hoodlums and henchmen to beat me up and knock me senseless, after they had taken me to the county jail. I was doing nothing at the time except protesting against handing over what money I had to a band of lawless and brutal men masquerading as diligent and law-enforcing peace officers. This same Henry Bosworth, a full brother to Senator Joe, who wants to succeed me in Congress, a few nights after he had let me be beat up by a band of outlaws, with others, came to my cell in the Lexington jail at 2 o'clock at night, and bade me "get up." I asked for what purpose I was wanted, and I was told that they "had come for me." I asked where I was to be taken, but the only answer received was to "get up"; that they were going to take me a little distance. Capt. Davis and I were handcuffed together and driven out into the country through the darkness of night. Was a mob to end further legal controversy? It looked that way. They finally landed us in the Louisville Jail. Later on this same Henry Bosworth became a candidate for the Democratic nomination for State treasurer, basing his claims for the Democratic nomination largely on his service (?) to the Democratic Party in arresting me and in testifying against me. He testified for the prosecution in all my trials on the Goebel charge. In his race he had cards printed showing that he was the Democratic sheriff that arrested me. He was nominated by the Democracy of the State for State treasurer, and later elected to that office. He was later nominated and elected by the Democracy of the State for the position of auditor of public accounts, at least partly on his claim, if not largely on his claim, that he, as the Democratic sheriff of Fayette County, had arrested me on the charge of alleged complicity in the murder of William Goebel, and that he had aided the prosecution when on trial for my life.

The News-Democrat, a Democratic paper published at Paducah, Ky., in its issue of June 11, 1911, speaking of the visit of Henry Bosworth, Joe's brother, when he was a candidate for State auditor, said:

The Hon. Henry Bosworth, of Lexington, Ky., candidate for the nomination for State auditor before the Democratic primary July 1, was in the city yesterday. Mr. Bosworth probably is best remembered as the man who arrested CALEB POWERS after the murder of Gov. Goebel.

There you have it in a nutshell. Mr. Bosworth is still holding the office of State auditor. He is now a Democratic candidate for the office of governor. All the Bosworths I know are Democrats, except Senator Joe, who says he became a Republican when he moved up in the eleventh district. It was personally profitable to Joe to say he was a Republican after he got up into the eleventh district. He has been holding office at the hands of the Republican Party much of the time since 1891. He has been city councilman, city attorney, city judge, State representative, and State senator. He now wants the Republican Party to send him to Congress. His brother Henry wants the Democratic Party to elect him governor. Henry remained in the blue grass and remained a Democrat. Joe came to the mountains, and says he is a Republican. Most of the people believe that Henry really and truly is a Democrat; but he has not got any the advantage of Joe in that respect. Most of the people believe that he (Senator Joe) is as much of a Democrat as he has ever been. He is very popular with them. It is said when Joe gets down to Frankfort and begins to mix with the Democratic brethren from other sections of the State that no one would ever suspect that Joe was a Republican. It can not be denied that the Democratic "brethren" have been pretty friendly to Joe in helping him pass his bills through an overwhelmingly Democratic general assembly. By a faint stretch of the imagination one can see them putting their arms around Joe and in whispered conversation saying: "Joe, you are a daisy. You are certainly putting one over on those mountain Republicans in making them believe that you are one of them. If we could send enough Democrats like you up in the mountains and the other Republican sections, and if they could put it over on them like you have, we would have the thing all our way. Keep it up, Joe." Joe is now a candidate for Congress.

You will find the Democrats generally all talking for Joe and saying that he is going to win. He has selected Hon. Charles I. Dawson, a former Democrat, to manage his campaign for Congress in a primary, where Senator Joe is seeking the Republican nomination for Congress. There is being circulated in the eleventh district in the interest of Senator Bosworth's candidacy a letter written by Representative McCormack, M. D., of Bowling Green, Ky., in which he expresses "the earnest hope" that Senator Bosworth and other men like him "may be kept in public life as long as they will consent to serve." Senator Joe, to say the least of it, is an ex-Democrat. His campaign manager is an ex-Democrat; part, if not all, of his partners in business are ex-Democrats. Democrats out of the district are recommending him. I take it that most Democrats in the district are for him. Democratic papers are trying to nominate him. That is enough to defeat him. Henry, a blue-grass Democrat, asks to be nominated for governor over his fellow blue-grass Democrats. Joe, a blue-grass man, to say the least of it, asks to be nominated for Congress over a mountain man and a mountain Republican, and he asks the mountain people and the mountain Republicans to do this. Joe says he ought to be elected to Congress because he is the "blessed" father of a State-aid road law, which in its actual operation will tax the poor people up in the mountains unless they comply with the requirements of Joe's law to the tune of over $25,000 each year to build State highways for the boasted aristocracy of the blue-grass and other blue-blooded scions of Democracy's hosts. But Senator Bosworth was born and reared in the blue grass. His people are there, and if his heart goes out to them and that section of the State rather than to the people and the section of the State of his adoption, the world will not wonder at him or at his attitude of mind and heart.

He has often shown how he feels. His public records speak for themselves.

On March 11, 1908, page 1030, senate journal, Senator Bosworth is recorded as being the first man to vote for senate bill No. 173, which was:

An act to appropriate $2,500 to assist in marking the birthplace of Jefferson Davis.

The bill as Senator Bosworth helped to pass through the senate was as follows:

Be it enacted by the General Assembly of the Commonwealth of Kentucky, That the sum of $2,500 be, and the same is hereby, appropriated to assist in erecting a memorial tablet on said ground.

President Davis, as everybody knows, was the President of the Southern Confederacy.

On March 17, 1912, page 1284, senate journal, Senator Bosworth is recorded as being the first man to vote for an appropriation to remove the remains of Hon. Thomas F. Marshall from Versailles, Ky., to Frankfort, Ky. Mr. Marshall was once a Democratic Member of Congress from the Ashland district, and was famous as an orator.

On March 15, 1910, page 1871, senate journal, Senator Joe Bosworth is recorded as voting for senate bill 257, which was an act

to appropriate $5,000 to help build a monument at Fairview, Ky., to the memory of Jefferson Davis.

Section 1 of the bill reads:

That the sum of $5,000 is hereby appropriated, out of any money in the State treasury not otherwise appropriated, to be expended in erecting, in the town of Fairview, in the counties of Todd and Christian, a memorial building or monument to the memory of Jefferson Davis.

On March 5, 1910, page 1034, senate journal, Senator Bosworth is recorded as voting for senate bill 250, which was "An act granting pensions to disabled, indigent Confederate soldiers." He voted to have this done four years before this.

On March 4, 1910, page 1001, senate journal, Senator Bosworth is recorded as voting for a bill appropriating $7,500 with which to build a monument to John H. Morgan, the noted rebel general, who did more to bring death and disaster to the Union soldiers and their cause than any other man in Kentucky.

This record speaks for itself. But I am wandering away from my subject—Bosworth's State-aid road tax. I must get back to that.

WHY SHOULD THE ROAD TAX BE LAID DIFFERENTLY FROM WHAT THE SCHOOL TAX IS?

When the State of Kentucky got ready to provide for an efficient system of public schools throughout the boundaries of the Commonwealth it proceeded, through its general assembly, to issue the bond of the Commonwealth in favor of the board of education for the sum of $1,377,000, which, together with other proceeds, "shall be held inviolate for the purpose of sustaining the system of common schools." That, together with certain annual school taxes each taxpayer and property holder in the State has to pay, constitutes the school fund that supports our public schools. The road tax of 5 cents on the $100 worth of taxable property, which we are to pay every year, constitutes the State road fund. Is the State road fund to be used and distributed along the same broad lines and in the same fair and generous manner that the school fund is used and distributed? By no means. The school fund is distributed impartially throughout the entire Commonwealth. Here is what the law says as to that:

Each county in the Commonwealth shall be entitled to its proportion of the school fund on its census of pupil children for each school year.

Every child of school age in the State, whether he resides in a mountain or a blue-grass county, whether his father is rich or poor, whether he pays much or no school tax, gets as much of this school fund set aside for his education as any other child in the Commonwealth. Not so with this State road fund. This State road fund is not prorated out among the various counties of the State according to their area. No mountain county can get any part of this road fund until it raises by direct taxation or otherwise at least half as much money as is needed to construct the State highway desired.

WHEN STATE HIGHWAY IS CONSTRUCTED, COUNTY KEEPS IT UP.

And after it is once constructed, under the direction of the State commissioner of public roads, the State of Kentucky thereafter washes its hands of the project and turns it back over to the county for its further improvement, maintenance, and upkeep. Section 21 of the Bosworth State-aid bill reads as follows:

Any road constructed or reconstructed under the provisions of this act shall forever hereafter be a county road, and the duty of keeping the same in repair devolves upon the fiscal court of the county, to be maintained out of the general county fund as provided by law.

So, after the road is once constructed, it ever afterwards devolves upon the county itself to maintain it and keep it in repair.

The children of the mountain people reap the benefit of blue-grass taxation in getting their education, but the construction of mountain roads must depend upon mountain taxes taken from the pockets of a needy people. It is a good thing Senator Bosworth was not in the State senate at the time school-tax legislation was being framed. Senator Bosworth asks to be sent to Congress on account of the laws he has helped to pass. He would stand a much better chance to get the Republican nomination in the primary which comes up on August 1 if he had helped to pass no laws at all. It is not the number of laws that a man has helped to pass that commends him to a sensible electorate, but it is the number of good laws that count. Better have no laws than to have bad laws. Senator Bosworth expects his bad laws to benefit him, but they will ruin him.

BOONEWAY TRAIL AND FEDERAL AID TO GOOD ROADS.

In the speech I delivered on the floor of the House of Representatives on April 27, 1912, in favor of Federal aid to good roads I said:

There is but one other question—the liquor question—before the American people to-day that affects so vitally so many homes and so many firesides. There is no other question for solution before the American people to-day in which the constituents I have the honor to represent are so intensely interested and so vitally concerned.

These are my sentiments to-day. I yield second place to no man in my advocacy of good roads. Since coming to Congress I have introduced a bill asking an appropriation of $600,000 for the purpose of rebuilding the Old Wilderness Road from Cumberland Gap to Crab Orchard, to be known as the Booneway, and to pass through Pineville, Barbourville, London, Mount Vernon, and on to Crab Orchard and Boonesboro; but since the Democratic Party came into power pledging economy, and since this road will pass through a Republican section of the State, the chances to get such legislation through will not be very bright as long as the Democrats remain in power. I believe in both Federal and State aid. I favor the enactment of wise, fair, safe, and sane legislation, both State and Federal, looking to that end; but I want the legislation to be fair and wise. I want justice done the people of the mountains of Kentucky in the enactment of such laws. I do not want them taxed to the tune of $25,000 a year to build roads in any other section of the State, or in no other State of the Union, without they themselves getting at least some benefit from such taxation. We need good roads. Heaven knows we need them. Our people are willing to go their limit in building them on fair terms and equitable conditions. For 100 years or more our development has been hampered, our growth retarded, because of lack of transportation facilities and unfair redistricting and other laws. We hail with delight the day—even of the prospect—of the Federal Government becoming interested to the point of assistance in the betterment of our road conditions.

CONGRESSMAN D. C. EDWARDS SERVED SIX YEARS IN CONGRESS—I HAVE SERVED THREE.—WHY SHOULD I SERVE LESS THAN EDWARDS?—SOME OF THE THINGS I HAVE DONE IN CONGRESS.

And while Senator Bosworth is pointing to his State-aid bill—he says nothing about his whisky record—as reasons for political preferment, it may not be amiss for me to remind the country of a few of the things I have done. Most of a man's work in Congress the public never hears of. I have received on an average of 40 to 50 letters every day since I have been a Member of Congress, many of which required, in addition to an answer, a visit to some of the departments to look after the interest or wishes of the writer. Just to properly look after the correspondence alone is a tremendous job. The public never hears of this and therefore gives no credit for it. Then, again, the shaping of legislation is really done in the committees. Since becoming a Member of Congress I have been always on two important committees. I am now the ranking Republican, who is a candidate for reelection, on the Committee on Education; and in the event the next House is Republican and I am reelected, I will be chairman of that important committee.

MEN NOT KEPT IN CONGRESS LONG ENOUGH.

The trouble with the Republicans in the eleventh district is that they have never kept their men in Congress long enough for them to become important factors in the shaping of legislation. The leaders in Congress here, both on the Republican and Democratic side, are men who have been kept in Congress from 10 to 40 years. Men can not become statesmen in a day.

My enemies say I can not do anything in Congress because the House is Democratic and because the Democrats hate me so, especially the Kentucky Democrats. All the Democrats I came in contact with except the Kentucky fellows treat me with courtesy and respect. I have many friends among the Democrats here. The Representatives from Kentucky have nothing to do with me, and I have nothing to do with them. They have not opposed any legislation I have tried to get through. And, while no Republican Member of Congress is expected to get much legislation through a Democratic House, I congratulate myself and the district I have the honor to represent upon the things I have been able to accomplish.

I HAVE BEEN A FRIEND OF THE SOLDIERS, THEIR WIDOWS AND ORPHANS.

Since becoming a Member of Congress I have voted in their interest and made speeches in their behalf. Soon after coming to Congress I introduced a dollar-a-day pension bill, and on December 11, 1911, I made a speech in behalf of the Sherwood bill. In that speech I said, in part:

I hope that those who feel that way on this subject will not forget the fact that the old soldier did help to save this Union. That much can neither be doubted nor denied. That much, at least, of his life and motives are secure from truthful attack. That he displayed valor and patriotism, fortitude and courage no honest man conversant with the facts will ever dispute.

As a result of his privations and hardships, lofty patriotism and Spartan-like valor, we have one flag and one country, which is a marvel to all the world in its wonderful achievements and an inspiration to all mankind in its love of liberty, lofty ideals, and high resolves.

The war is over. Its passions and its bitterness should be buried with its dead.

I voted for the Sherwood bill; and as a result of its passage thousands of helpless old soldiers have been made to rejoice

that they faced the horrors of war that the country might live. Nor have I forgotten the Spanish-American War soldiers, their widows and orphans. I have spoken and voted for them. Bosworth spoke and voted for the Confederate soldiers.

While 90 per cent or more of the meritorious pension claims of the country have been already allowed—it has been 50 years since the Civil War—and while but a few men, comparatively, were engaged in the Spanish-American War, still in three years time I have gotten 138 pensions either granted outright or increased.

This makes in three years 22 special acts I have gotten passed. Twenty-five pensions granted for the first time by the Pension Department to those who had never before drawn a pension, and 75 increases in pensions, each of them being a helpful increase to those standing in need of it. Including 16 children for whom I have gotten pensions, this makes a record of 138 pensions I have procured outright or materially increased in three years, and that, too, in a Democratic House, and that, too, without being a member of either of the Pension Committees, which is a big advantage. I have every reason to be proud of the record I have made. I have a number of other good cases, with the proof complete, now pending before the proper committees and Pension Department, many of which, I feel sure, will be eventually allowed.

WAR CLAIMS.

I have passed through the House the following war claims:

Valentine I. Brewer	$469.90
Thomas P. Caldwell	89.83
N. S. Denny, heir of the estate of Thomas D. Denny	102.00
Sarah Ann Dobbs, widow of N. B. Dobbs	162.25
Robert Hardwick	980.00
Patrick Henry Bridgewater	220.00
William B. Kelly	50.00
Harriet N. Lair	350.00
Ella J. Vermillion and others, children and heirs at law of Zachariah A. Morgan	52.60
Mary Speaks, widow of Jesse C. Speaks	36.60
Trustees of the Baptist Church of Somerset, Ky	1,560.00
Trustees of the Presbyterian Church at Somerset, Ky	550.00

All of these have been justly due for 50 years.

I have introduced, and there has been referred to the War Claims Committee, 74 war claims, amounting to $70,408.50.

Some of these bills have been introduced for the heirs of the people I have mentioned. All of these bills will be out of my hands when they are referred to the Court of Claims until that court passes upon them and refers them back to the House for an appropriation, if the Court of Claims passes favorably upon them. A certain affidavit must be filed with the War Claims Committee before it will refer the claim to the Court of Claims. In some cases those asking the appropriation have filed the proper affidavit. In others they have not. Getting war claims passed is a slow process. This is evidenced by the fact that no omnibus war-claim bill has passed both the House and the Senate and become a law in over nine years. I cite merely as an example these war-claims cases to show that I have not been idle as a Member of Congress, although the public never hears of such work.

MIDDLESBORO APPROPRIATION.

I have secured an appropriation for $30,000 to help complete a public building at Middlesboro. I also had Middlesboro designated as a place at which to hold civil-service examinations in order to keep our mountain people from having to pay their expenses to Danville or Lexington and return, the nearest places to them before Middlesboro was designated as a place at which these examinations could be held. Middlesboro apparently has never been very appreciative of my efforts in her behalf.

BARBOURVILLE APPROPRIATION.

I had a law passed appropriating $5,000 with which to purchase a site for a public building at Barbourville, Ky.

There was no omnibus public-building bill allowed this year, but the chairman of the Committee on Public Buildings and Grounds informs me that he expects to pass one at the next session of Congress, which begins in December and ends March 4, 1915. I have every assurance that between December and March I will get an appropriation of $60,000 more to build a public building at Barbourville, Ky. I have already laid the foundation for it and got the worst part done by getting the Government committed to it in the purchase of a site.

HOW I HAVE STOOD BY THE LABORING MAN AND THE MINER AND HOW SENATOR BOSWORTH HAS STOOD AGAINST THEM.

I have all my life been the friend of the laboring man and have consistently stood by his interests. I have been with him on the immigration question and twice have I addressed the House in his behalf when that question was pending and always voted for his interests. On the passage of the anti-injunction bill on May 14, 1911, I voted for his interests. In recognition of my services as a friend of labor the Trades Unionist, the great labor paper published in Washington, had the following editorial about me:

CALEB POWERS A FRIEND TO LABOR.

It is very important that a great Commonwealth like Kentucky shall be represented in Congress by a man of ability and influence, and it is particularly so to the interest of labor that such a man shall be friendly to labor. Congressman POWERS represents the eleventh district, and he has always manifested a most friendly interest in the labor cause and is entitled to the support and cooperation of all who have the best interest of labor at heart.

In public and social circles he is prominent and popular, his name being regarded as the guaranty of the success of any undertaking with which he may be identified, and we truly hope he will be returned to the Sixty-third Congress. He is, fortunately, a member of one of the powerful and important committees of the House of Representatives—the Committee on Immigration and Naturalization. This committee has more to do with legislation affecting labor than any other committee in the House of Representatives. Mr. POWERS is an influential, faithful, and active member of that committee; and his record in behalf of labor is, indeed, gratifying to the great army of laborers in this country. In respect to labor Mr. POWERS practices in Washington what he preaches in his district. Would that there were more such.

We are glad to note that Congressman POWERS is standing flat-footedly by the cause of labor. His own hard experience certainly ought to make him a friend to the under dog.

Explaining my attitude toward immigration and the laboring man, I quote from a speech I recently made on the subject:

There come to this country annually about 250,000 immigrants from the Old World. It is not fair to the laboring men of this country to have dumped among them annually such an influx of competitors, many of whom have heretofore been pauper-paid and know nothing about the high standards of wage and living our own laboring men have the right to expect. When the immigration bill was up before the House the last time the people of my district were charged with illiteracy. I defended them warmly, if not strongly, and among other things said: "I desire to say that no section of the Union has brainer or better people than live and dwell in the mountains of Kentucky. In homely virtues they have no peers. In strength of manhood and purity of womanhood they have no equals."

MINING RESCUE HEADQUARTERS AT PINEVILLE OR HARLAN—THE MINERS AND LABORING MEN.

I have introduced two bills asking an appropriation of $53,000 with which to properly provide for and equip two mining rescue headquarters, one for Pineville and one for Harlan.

THE MINERS.

I have, as I have heretofore said, been a consistent friend of the laboring man. When a bill was before the House in 1912 affecting the interest of the miners, I made a speech in their behalf, and, among other things, said:

It will be remembered that some years ago there followed in this country one terrific and appalling mine accident after another in which hundreds and thousands of the lives of our brothers working beneath the soil were snuffed out. It was under these conditions and by reason of this necessity that the Bureau of Mines of the United States Government was established.

BOSWORTH AGAINST LABORING MAN.

While I have been consistently the friend of labor, Senator Bosworth by his record has shown just where he stands.

On March 5, 1906, house journal, page 236, Senator Bosworth voted to lay on the table house bill 266, making it a misdemeanor for any person, company, or corporation operating a coal mine to let anyone work in the mine who has not had two years' experience with or as a practical miner, unless accompanied by some other person who has had two years' experience.

This motion of Mr. Bosworth was defeated by a vote of 44 to 32. (See page 1233, house journal.)

Senator Bosworth then voted against the passage of the bill, but it passed the senate notwithstanding his vote.

On March 7, 1906, page 1355, house journal, shows that Bosworth failed to vote for a bill to protect the miners.

THE FELLOW-SERVANT LAW.

The fellow-servant law in Kentucky is this in substance:

Gross negligence of a fellow servant, resulting in injury to another servant of the same grade, engaged in the same field of labor, does not render the master liable.

This is shown in the case of Volz *v.* C. & O. R. R. Co. (95 Ky., 188) and divers other cases.

The Federal Congress has, in so far as its jurisdiction applies, abolished the fellow-servant rule in justice to the employee—the laborer.

The question was up before the Kentucky Legislature in 1906, and on February 20 of that year and on page 689, house journal, Senator Bosworth is recorded as voting to table and kill house bill 325, a bill designed to abolish and make inoperative the fellow-servant rule in Kentucky. He voted squarely for the railroad and coal mine and other corporations and squarely against the laboring man—the employee.

On March 16, 1908, page 1190, senate journal, Bosworth failed to vote for a bill making it unlawful for any child under 14 years of age to be employed or permitted or suffered to work in any factory, workshop, mine, and so forth.

On March 6, 1910, page 1314, house journal, Senator Bosworth is recorded as having failed to vote for house bill 92,

which was an act to make it unlawful to employ a child less than 14 years of age in workshops, mines, mills, and factories.

In other words, he did not vote for the child-labor law. He employs labor. He is a coal operator.

On March 1, 1912, page 1270, senate journal, Senator Joe F. Bosworth is recorded as voting for senate bill 107, which was: "An act prohibiting the use of public drinking cups." Section 1 of the bill reads, in part:

The use of the common drinking cup on railroad trains and in railroad stations, public hotels, boarding houses, restaurants, stores, or other publicly frequented places in Kentucky, is hereby prohibited.

The fine is from $1 to $10 for every offense.

On March 4, 1912, senate journal, page 1335, Senator J. F. Bosworth voted to kill by tabling it, senate bill 195—which was an act compelling railroad companies—

to equip all locomotive engines used in the transportion of trains over said railroad with electric headlights of not less than 1,500 candlepower, or other headlights of not less than 1,500 candlepower.

On February 7, 1906, page 462 of the house journal, Senator Bosworth is recorded as voting against house bill 97, a bill providing a punishment for railroads for granting free passes and punishing State, district, or county officers for accepting them.

February 26, 1908, page 686, senate journal, Bosworth voted to allow $10 a day and 15 cents per mile for senators going to and returning from the sessions of the senate.

On March 13, 1906, page 1656, house journal, records Bosworth as voting for a bill preventing a man from setting a steel trap ouside of his house.

On January 30, 1906, page 359, house journal, Bosworth voted for Mr. Croan's dog law.

It was signed by the governor, and it is now a law, and reads in part as follows:

Be it enacted by the General Assembly of the Commonwealth of Kentucky, Each year every dog over four months old shall be listed for taxation as herein provided.

SEC. 2. The owner of every dog over four months of age shall pay a license tax thereon of $1.

I have just simply quoted the record as it stands. It is more eloquent than any words of mine can be.

While Senator Bosworth was voting to give the State senators their passes, and in addition thereto to give them $10 per day and "15 cents per mile in going to and returning from the sessions of the senate," he was voting to keep the poor man from having his dogs or using public drinking cups, or even from setting a steel trap outside of his house. While Senator Bosworth was making no efforts to keep children under 14 years of age from being employed in workshop, factory, and mine; while Senator Bosworth was voting to let the coal-mining companies employ and expose to danger and death inexperienced and unaccompanied coal miners; while Senator Bosworth was voting to protect the corporations by keeping the fellow-servant law on the statute books; while Senator Bosworth was voting to kill a bill designed to make the railroad companies equip their locomotive engines with proper headlights, he was voting for free railroad passes for the favored few and voting to keep the coal-mining company in which he was interested from paying a license tax of 1 cent a ton on all the coal mined therein. He did this on March 6, 1912. (See p. 1484, senate journal.) He must have felt that his services for the corporations and companies and his injuries to the man who labors and toils was not complete without voting to make the high cost of living more high by voting to make the traveler "tip" for what he has already paid and paid dearly for.

Let the record speak:

On March 11, 1912, page 1877, senate journal, Senator Bosworth and 8 others are recorded as voting against while 20 others voted for the antitipping bill, which was House bill 115 and being "An act prohibiting waiters and servants from accepting tips in hotels, restaurants, barber shops, Pullman cars, and other places, and prohibiting persons from offering or giving tips and prescribing punishment therefor."

It is the duty of the management to pay their help and not force the traveling public to pay for the same thing twice.

DIRECT ELECTION OF UNITED STATES SENATORS.

I supported and voted for the proposition to give the people the right to elect by their votes their United States Senators. I believe the people should rule. I have not always had the support of the politicians, but I have always had the support of the people.

PUBLICITY OF CAMPAIGN FUNDS.

I voted for the publicity of campaign funds. The people have a right to know what interests are supporting a man's candidacy and to what extent he is receiving such support.

$5,000 NOW THE LIMIT IN A CONGRESSIONAL RACE.

I have every reason to believe, in fact I think I know, that the whisky interests of the country are prepared to back, and back generously, with both money and whisky the candidacy of Senator Bosworth for Congress. The people may expect this.

A FRIEND TO COLORED MAN.

I have always been a friend to the colored man. I have not been afraid or ashamed to say so.

When we were considering the last immigration bill before the House there were those who attacked the negro on account of his alleged illiteracy. In his defense in a speech before the House I then said:

It comes with bad grace from these gentlemen to prate about the illiteracy of the colored people in Kentucky or elsewhere. Ground down with the chains of slavery for 250 years, denied, aye, forbidden to read a printed page, no wonder there exists some illiteracy among them now. But few races in the world have made more progress than the colored people since the master's lash was taken from their bare backs and they given an opportunity to make some strides along educational and other lines.

In recognition of my friendship for the colored people, and in appreciation of my efforts to keep the stigma of disgrace from falling upon their race by hanging a colored woman here in the Capital of the Nation, which I prevented, the leading colored people here in Washington, speaking for their race, passed a resolution praising me.

I HAVE NOT FORGOTTEN THE FARMER.

I think the records will bear me out in the statement that I am the first man to advocate in a speech on the floor of the House the carrying of the farmers' products through the mails by means of parcel post. The House did not at the time agree with my suggestions, but when the bill we were considering got to the Senate of the United States the things I had contended for were put in the bill, and the bill as amended finally passed the House. As a result of it the farmers of the eleventh district and the entire country are reaping the reward of such legislation. Their butter, their eggs, their chickens, and divers other farm products can now be sent at a small cost by Uncle Sam's messengers. The speech I made on April 27, 1912, in behalf of the farmer attracted a good deal of attention. The New York Tribune, the Wilkes-Barre Record, and other papers gave it much space and, among other things, said:

URGES PARCEL POST TO STRIKE AT MIDDLEMAN—REPRESENTATIVE POWERS TELLS HOUSE FARM PRODUCTS SHOULD GO DIRECTLY TO CONSUMER.

The farm products of the country last year had an estimated aggregate value of $9,000,000,000. The farmers used perhaps one-third of these products; the remaining $6,000,000,000 worth cost the ultimate consumer $13,000,000,000. In other words, the price of the farm product was more than doubled from the time it left the farm until it reached the mouth of the consumer through the medium of the middleman.

I have tried to help the farmer and all our people.

I have made a number of speeches on the tariff since I have been a Member of the House. The Democratic Party has professed friendship for the farmer, but in the Underwood tariff bill put on the free list nearly all his products. In one speech I said:

Is it fair and just and right to remove protection from the farmers' corn and barley and wheat and rye and oats and tomatoes and vegetables and protect the manufactures of these products into articles prepared for the farmers' consumption?

MY SPEECH ON GERRYMANDERING.

For years the Democratic Party in Kentucky have outrageously gerrymandered the congressional, judicial, legislative, and other districts in Kentucky. The first opportunity I had after coming to Congress I made a speech on the way it was done, which caused a good deal of comment by the press of the Nation.

CUMBERLAND RIVER APPROPRIATION.

The Board of Engineers for Rivers and Harbors, in a report made on the 27th of February, 1906, put the upper Cumberland River on the "bum," except the completion of Lock 21, which already had had much money expended on it. They recommended that no more locks and dams be built. I did not become a Member of Congress till March 4, 1911. After I became a Member of Congress I succeeded in getting to be a member of the Rivers and Harbors Committee. The upper Cumberland from Burnside to Nashville has been put back on the map, and the complete canalization of the whole of it recommended. I helped put through both the Rivers and Harbors Committee as well as the House of Representatives this year an appropriation of $340,000 to purchase the necessary sites for all the necessary locks and dams on the entire upper Cumberland. I expect to get $350,000 before March 4 next to construct a new lock and dam at the proper distance below Lock 21; and each year thereafter, if I am reelected to Congress, I expect to get enough money to build at least one new lock and dam until the whole river is canalized.

MY VOTING RECORD.

In my last campaign for Congress much was said about the number of times I had failed to vote since becoming a Member of Congress. Like every other Member here, I have failed to

vote on a good many matters that did not concern my constituents. A Member's failure to vote on a lot of stuff coming before Congress in which his constituents are in no way concerned is no proof that he is not a good and faithful Member of Congress. My constituents come first with me, and if I can better serve their interest at the time than voting on something that does not affect them and in which they have no interest, I feel not only at liberty to do it, but in duty bound to do it.

Hon. JOHN LANGLEY, our efficient Republican Member of Congress from the tenth district of Kentucky, had this to say the other day on this subject:

An efficient Congressman has a great deal to do besides sitting around here in this Hall, and loitering in the cloak rooms waiting to go on record, pestering his fellow Members, and blindly answering roll calls. I have missed a number of roll calls, even while here in Washington, on matters that were not important to my district, because I was looking after matters in committees or in the departments that were important to it.

I am perfectly willing that my voting record in Congress be compared with other Members of the House. It is not fair to stand a Member's record out by himself and say that he failed to vote so many times during a session of Congress; but it is fair to compare his voting record with other Members of Congress. I have looked up the voting record of a few Members who are known to my constituents for purposes of comparison.

Congressman JOHN LANGLEY's district joins and lies just north of mine. He has been a Member of Congress since March 4, 1907, making eight years when his present term expires. He now has no opposition for the Republican nomination. His district is satisfied with his record as a faithful and efficient Member of Congress, and the fact remains that during the little over three years I have been in Congress, from March 4, 1911, to May 23, 1914, *I have voted more times than Mr. Langley has voted.*

Hon. C. B. SLEMP, the Republican Member of Congress from Virginia, whose district borders on mine, has been a Member of Congress for the last eight years. His constituents know his worth by nominating him over his protest and by refusing to let him retire from politics and electing him in a district that is really Democratic, *and yet I have voted a good many more times in the three years and three months I have been a Member of the House than Mr. Slemp.*

A. O. STANLEY has been a Member of Congress since March 4, 1903—12 years when his present term expires. He now wants the Democrats of Kentucky to nominate and elect him as their candidate for the United States Senate. He has been having no opposition in his party for Congress for years; and yet from March 4, 1911, to May 23, 1914, *I cast 298 votes in Congress, while Congressman Stanley cast only 219 votes. Mr. Stanley missed voting 306 times, while I only missed 228 times.*

Take the case of ex-Congressman D. C. Edwards. *For three years, from March 4, 1908, to March 4, 1911, when I succeeded him, he cast only 220 votes on the floor of the House, while for the next three years and a little over I cast 298 votes. Mr. Edwards missed voting 334 times.* I only missed 228 times. So it can readily be seen that I have not been derelict in my duty along the voting line.

Take the case of Hon. OSCAR UNDERWOOD, the majority leader, who has charge of the Democratic ship of state on the floor of the House and who is expected to always be present, voted 48 times during the first session of the Sixty-third Congress and missed voting 24 times. That was my record exactly. I voted 48 times and missed 24 times during that session. Everybody knows that Congressman UNDERWOOD is an able and efficient Member of Congress, and yet the fact remains that both Congressman UNDERWOOD and Congressman STANLEY now belong to the majority party in Congress. It is up to the Democrats now to shape legislation. It is incumbent upon them to be at their post of duty. The same thing was true of Edwards when he was a Member. The Republicans were in the majority then and had the shaping of legislation. *I voted more times than Stanley and Edwards and missed far less votes than either. I have voted more times than Langley or Slemp and have missed less votes than either.*

POWERS CHANGES MIND.

If I had not become a candidate for Congress with a half dozen or more men friendly to me seeking the place, Senator Bosworth would have been nominated and elected. That meant, he would have been reelected in 1916, when it is expected the Republican Party of the Nation will come back in power. Bosworth has been against me and would be against my friends. When I became convinced of this fact, and became convinced that the eleventh district would be represented by a whisky man for four years, I decided after the solicitation of many leading Republicans and other friends to change my mind and become a candidate.

The Late Representative Roddenbery, of Georgia.

MEMORIAL ADDRESS

OF

HON. CHARLES R. CRISP,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Sunday, February 8, 1914,

On House resolution 407, paying tribute to the memory of Hon. S. A. RODDENBERY, late a Representative from the State of Georgia.

Mr. CRISP. Mr. Speaker, the worth of a life is measured by its moral value. We deem that life well lived which can satisfactorily answer the question:

What hast thou wrought for right and truth,
For God and man,
From the golden hours of bright-eyed youth
To life's mid span?

Judged by this standard, the life of ANDERSON RODDENBERY has not been in vain, but has been a benefaction to the world. As we follow him from boyhood to youth, from youth to manhood, we find him ever standing for the right. He learned early that the man who does not look up will look down, and the spirit which does not dare to soar is destined perhaps to grovel. He begun life and spent his youth on the farm, where he early learned that nobility of purpose, sincerity of action, faithfulness to duty, love of God and fellow man are the only things worth while; and ANDERSON RODDENBERY practiced in his daily life these virtues. During his youth, while engaged in the pursuits of agriculture, he learned the burdens, trials, and vicissitudes that confront the toiling masses of the people, and to the day of his death he truly sought to ameliorate and better their condition. Mr. RODDENBERY took full advantage of the opportunities given him in the common schools and at Mercer University, and was a leader among his comrades both on account of his marked ability and his lovable disposition. After leaving school he taught for a while, and later took up the practice of law. He soon came to be recognized as a man of rare, undoubted might, and at the age of 21 was chosen to represent his county in the legislature. Though one of the youngest members, he was soon regarded as one of the strong men of the general assembly. Upon retiring from the legislature the people again called him to their service, and he served with marked ability as judge of Thomas County court and mayor of Thomasville.

The tireless energy and great ability of ANDERSON RODDENBERY was always to be found battling valiantly on the moral side of every question. He believed in prohibition and was one of the most sought after prohibition orators in Georgia. At his own expense he traveled over our beloved State espousing this great cause, and his voice did as much toward creating the public sentiment which crystallized into legislative enactment making Georgia a prohibition State as any other factor in the State.

In 1910, upon the death of Hon. James M. Griggs, the people of the second congressional district, with practical unanimity, elected Mr. RODDENBERY their Congressman, and he served them with fidelity and ability until the Great Reaper of the universe called him to his reward on high. As parliamentarian of the House, I was constant in my attendance upon its sessions, and it was with great pride that I followed the services of Mr. RODDENBERY. Though one of the youngest men in point of service, he was rapidly becoming one of its ablest parliamentarians. He was fearless and forceful in debate and was soon regarded by the entire membership of the House as "a foeman worthy of any man's steel." He was earnest by nature, and when espousing any cause he threw his whole physical and mental being into it. Mr. RODDENBERY had a weak heart, and he knew that any great effort on his part was fraught with danger to his life. Two Members of the House, physicians, who had examined him, cautioned him against speaking, saying it was liable to cause his instant death. But when conviction and duty called, he could not and would not remain silent, but followed the call to battle, never thinking or caring what the consequences might be to himself.

Cowards die many times before their death;
The valiant never taste of death but once.

As a Representative he was truly a tribune of the people, and by his untimely end the masses of humanity lost a true friend and valiant champion. Mr. Speaker, while the public services of our friend were worthy of all emulation, what endeared him most to me was his love of friends, home, and family. He was a sincere friend, affectionate and loving father, and a faithful, loyal, and devoted husband. I had the

privilege of living six months in the same house with him, and I never knew a brighter, happier, nor more contented family. Just before the great soul of our friend went home to God, who gave it, he stated to his wife: "I have lived my convictions. I only wish I could live longer to provide better for my family." Mr. Speaker, I believe in the immortality of the soul and have perfect faith there is a life beyond the grave. If friends on the heavenly shore can know what is transpiring here below, I am confident our departed friend was given joy by the generous and unsolicited act of his sucessor, the able, chivalric, and golden-hearted gentleman, Judge FRANK PARK, in having his widow, Mrs. Roddenbery, appointed postmaster of their beautiful home town, Thomasville.

In conclusion, it can be truthfully be said ANDERSON RODDENBERY did not live in vain. He left the world richer, brighter, and better for having lived in it.

I do not think a braver gentleman,
More active-valiant, or more valiant-young,
More daring, or more bold, is now alive
To grace this latter age with noble deeds.

Reasons and Remedies for Our Business Troubles.

EXTENSION OF REMARKS
OF
HON. WILLIAM GORDON,
OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, June 4, 1914.

Mr. GORDON. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an address delivered before the Commercial Club and the Pittsburgh Industrial Development Commission, at Pittsburgh, May 22, 1914.

The address is as follows:

REASONS AND REMEDIES FOR OUR BUSINESS TROUBLES.

[An address delivered before the Commercial Club and the Pittsburgh Industrial Development Commission, at Pittsburgh, May 22, 1914, by Samuel Untermyer, of New York.]

It is useless to blink the fact that we are in serious trouble. At the end of a long series of years of bountiful crops and with a record-breaking harvest for the present year assured, when optimism should be rampant, we are confronted everywhere by business contraction and depression. The New York banks are overflowing, call money on stock-exchange collateral is a drug in the market, as is always the case when business is languishing, and yet it is impossible to secure loans on improved unencumbered real estate or investment funds for new enterprises on any terms. Capital is everywhere hoarding its resources for some emergency and the small investor seems to have disappeared.

Why? Until we have diagnosed the disease it would be dangerous to attempt to apply the remedy. There are doubtless contributing world causes, but they are so remote as to be almost negligible. There are such things as world cycles of business and financial depression due to destructive wars, widespread famine, panics brought about by overstraining the world's capital resources and by overspeculation, but no such conditions confront us at the moment.

True, the Balkan War and the demands upon European centers for funds with which to refinance the Balkan States are and will for some time continue to be a severe drain and will divert European capital from us, as do the attractions of the vast new enterprises in Russia, South America, and the Far East.

But we have accumulated wealth so rapidly that we are year by year less dependent on the investment of new foreign capital in our country, although it is still very important to us that existing investments shall not be withdrawn as they have been recently.

Our troubles do not, however, lie primarily in that direction.

Nor is the tariff bill to any appreciable extent responsible for our plight. A downward revision was demanded by the people and recognized as necessary by all parties. The change has been from an average of about 43 per cent to an average of about 26 per cent, and has been on the whole wisely distributed. It is the first tariff bill enacted in our history that was unselfish and uninfluenced by the demands of special interests, which have heretofore dictated this class of legislation. If with that percentage of protection we are unable to meet foreign competition in our own country and stimulate our export business, we may as well count ourselves "out of the game" in the world's markets.

The statistics for the first eight months of the operation of the new law show far less disturbance in the currents of trade than was fairly to be expected. We have been a shiftless, prodigal, and unscientific people in our methods of manufacturing and marketing our goods. The undue shelter of the tariff and the elimination of home competition through the trusts and trade agreements have weakened our business virility, encouraged extravagance, substituted bureaucracy for individuality in our trust-controlled industries, and have thereby crippled our competitive power. With our superior labor and vast natural resources we should be leading the world as an export manufacturing Nation, instead of which we are in imminent peril of ceasing to be a factor.

If, as I believe, time shall demonstrate that with the return to individuality in business and the practice of skill and economy and with the resourcefulness that are ours we are able to meet foreign competition with the aid of the generous protection we now enjoy, the struggle will have been wholesome and stimulating. There is no basis for charging our present conditions to the tariff.

What then are the reasons assigned and where lies the truth?

First and foremost, it is insisted in certain influential quarters that the policies of the administration are responsible. Its economic program is simple—to destroy the trusts and curb existing corporate abuses—which is said to be unsettling business. Our newspapers are feeling the effects of business contraction and financial stagnation in their advertising columns. In casting about for an explanation they have adopted the views of the supposed financial experts, whose interest it is to divert blame from themselves, especially when it offers them the opportunity at the same time to fasten it upon an administration that is pledged to correct their excesses. And so we have the great power of the press honestly, but I think mistakenly, generally supporting the cry that the demoralization is due to impending legislation.

If this is an erroneous view, it is doing incalculable harm. Like every treatment based upon a false diagnosis, the real disease continues to develop and progress through neglect, whilst the healthy organs are weakened by the irritation resulting from mistaken treatment.

It is therefore of the highest importance that we get at the actual facts. Our national prosperity is involved in reaching the right answer. Party spirit and party advantage should play no part in such an inquiry. In the interest of the country, as well as for our own sakes, let us be absolutely fair in seeking the solution. Nothing is to be gained and much will be lost if we are diverted to false leads.

I am an ardent admirer of our Chief Magistrate, but not a blind worshipper or follower of his or any other man's policies. Like all of us, his judgment is fallible; but he has shown himself exceptionally responsive to the public will and has made surprisingly few, if any, mistakes in dealing with the stupendous problems that have been thrust upon him and in carrying out the program that he was commissioned to execute.

In 14 months of power the party has been confronted with more grave and sudden international and national emergencies than have come to previous administrations in as many years. The President has met the situations as they arose with candor, courage, and splendid judgment, and has grown day by day in the confidence and affections of the country. I believe in his high ideals of public duty and in his intense patriotism; but he has no monopoly of those virtues. They have characterized every President in the history of our Nation. That is our proud boast, and the fact that it is true is the best proof of the success of Republican institutions.

Let us briefly analyze what the administration has thus far done and what it is proposing, so that we may determine whether there is any basis for the charge that it is to any extent accountable for the present distressing business unrest and uncertainty.

Its critics claim that our Mexican policy has been wavering and provocative of war; that we should either have recognized Huerta at the outset and thus assisted him to restore order in his country or have intervened in short order to that end, with the prospect of a long and bloody conflict that would have confirmed and concentrated upon us the suspicion and hatred of our South American neighbors whose confidence and friendship we are anxious to secure.

When the history of the events that preceded the present administration is written and the story of wholesale assassination, treachery, and chicanery by which Huerta secured and maintained power and his savage disregard of the decencies necessary to diplomatic intercourse in his dealings not only with us but with the representatives of all the powers is told it will be seen that quite apart from the fact that we were

asked to encourage on our borders a government founded on assassination it would have been for many other reasons impossible to have diplomatic relations with that sort of dictatorship.

Posterity will, in my judgment, give high praise for the splendid evidence furnished by this incident of the depth of sincerity of our desire for world peace, as evidenced by our rare patience and self-abnegation. We have at last made our neighbors realize that we shall never wage a war of conquest. The lesson we have taught by our attitude under intolerable provocation that a giant nation need not use its strength as a giant is well worth the price. We are about to witness the triumph of a new diplomacy on this continent that will render war hereafter well-nigh impossible and will advance the cause of humanity by centuries. No greater service was ever performed. Our Nation will head the roll of honor in the cause of universal peace.

The situation was in any event unavoidable. It was a legacy to the present administration from its predecessor. There is nothing in it to account for the troubles we are now discussing. They were with us before the Mexican crisis arose, and have not been altered by it. War would stimulate rather than depress business, temporarily at least. So we may dismiss that consideration and take up in order the domestic causes that are assigned, all of which are based on the past accomplishments and present proposals of the administration by way of legislation.

Apart from the tariff bill, and yet a part of it, there has been enacted the income-tax law. Surely none will deny the wisdom of that legislation or contend that it has tended to impair confidence or unsettle business. It was a cruelly long-delayed act of justice to the toiling masses upon whom all the burdens of government had been laid. Let us hope that the present law is only an entering wedge. I believe the time is not far distant when the revenues of the Government from that source will develop our vast natural resources, convert our deserts into rich agricultural gardens, widen and deepen our rivers and harbors, maintain an army and navy that will make for universal peace, furnish prosperous employment for hundreds of thousands of our people and inaugurate, with the cooperation of employers of labor, a vast system of social reforms that shall include old-age pensions and insurance against sickness and unemployment. The enactment of this program will be the answer of capitalism to the impracticable theories of socialism.

The passage of the currency law is the other momentous accomplishment of the administration within its brief life. Nothing more distinctively constructive and reassuring to business and nothing more necessary to its safety, stability, and independence has ever been accomplished. Its detractors have been forced to recognize its value and have been converted into unwilling champions in the face of their dire prophecies of disaster. The rich harvests of the privileged few and the sufferings of the many from financial panics are things of the past, thanks to the courage and wisdom of this legislation.

Yet it is only a few months since our troubles were being charged to the pendency of the currency bill and a formidable movement was under way to postpone action upon it for the same reason that is now being urged for delaying the settlement of the trust question. Would it have made for the betterment of conditions if currency legislation had been left "hanging in the air" for another year? The same reasoning applies in favor of now ending the agitation and uncertainty over the problem now under consideration.

There is nothing revolutionary or unsettling in the proposals embodied in the pending trust bills. The only just criticism is that in their present form they are too largely made up of compromises—weak, superficial, ineffective, and innocuous. They will not as they stand eradicate the intolerable evils against which they are supposed to be directed. The subcommittee by which they were drafted and which has been for months faithfully and industriously struggling with its complicated problems has mistaken the boisterous activity of a small, selfish, powerful group, working their now familiar publicity campaign for the voice of the business world and has timidly surrendered to the outcry. The objections that appear to come from the business community are genuine only to the extent to which they, too, have been misled by this campaign in which they have been cleverly thrust forward as pawns in the game that the big interests are playing under cover of legitimate business. The protesting resolutions of chambers of commerce against this, that, and the other feature of the bill with which Congress is being inundated are old acquaintances. We now know how they are engineered. They have lost their terrors unless supported by reason. The article they furnish is now recognized as the purchaseable commodity of a new but already well-organized industry that has been happily christened by one of its chief practitioners as the "acceleration of public opinion."

Comprehensive regulative laws covering this entire field are essential to the continued existence of small business and to restore its independence. We are constantly being deluded by the cry that we have too many laws and that what we need is a proper enforcement of those we have. This is not true in the field under discussion. Our corporate form of business has developed so rapidly and on such a vast scale that the laws to regulate it have not kept pace with the growth and development of corporate government. The absence of these restrictions is largely responsible for the corporate corruption from which we are suffering, the evidences of which are gradually coming to light.

The public has been for years warned of its existence and of the necessity for relief by those who are familiar with the facts and who have had the courage and public spirit to speak out, but their voices have been drowned by the power of the intrenched interests and they have been rewarded chiefly with inspired abuse and misrepresentation of their motives. Nothing has been disclosed within the past year that was not plainly foreshadowed by the testimony and report of the Pujo Committee. The time has at last come when legitimate business and the community that have so long been victimized are beginning to recognize the peril. Substantially all the pending legislation is outlined in the recommendations of the report.

We need laws—

1. Prohibiting all forms of interlocking control of big competitive businesses, of which interlocking directors is but one of its many manifestations, but it is not necessary to interfere with small business or to bring it under Federal regulation.

2. Prohibiting holding companies that are in restraint of competition. Here, again, small companies should be excluded from the operation of the act.

3. Regulating competition with a view of preventing the practice of unfair business methods by big business to the injury of small competitors.

4. Prohibiting the "dummy" director and all other forms of secret control, so that the responsibility for corporate action shall be fixed upon those who in fact dominate and guide the corporate policy and benefit by its lawless acts.

5. For the protection and proper representation of minority stockholders.

6. Rigidly regulating and supervising the issue of corporate securities through the agency of Federal commissions, and requiring complete publicity of the purposes to which the proceeds are to be applied and of the profits of the bankers, promoters, and intermediaries.

7. Abolishing the "graft" of constituting private bankers as the sole fiscal agents and depositaries of the funds of the corporations whose policies they dictate, and requiring that their funds be placed in banks where they will be subject to supervision.

8. Placing the operations of the stock exchange under Federal supervision, so as to put an end to the long era of shameless manipulation of security prices through the use of the machinery of the exchange and to which dishonest practice many of our vast fortunes may be traced.

9 Releasing the grip of the handful of men constituting the Money Trust over our great interstate railway and industrial systems by abolishing voting trusts, reforming our methods of appointing receivers of insolvent corporations, and by placing reorganizations under the control of the courts and of Federal commissions.

10. For a systematic and impartial enforcement of the anti-trust law, which has never been and is not now being generally enforced.

11. Taking out of the hands of the Attorney General and furnishing the necessary legal and executive machinery for the enforcement of the decrees of the courts for the dissolution of combinations that have been adjudged to be unlawful, and for actually disintegrating and keeping segregated such corporations, and thus ending the farce in which our Attorneys General have been engaged and that is bringing the administration of justice into deserved contempt.

12. Giving to every party who is injured by the existence of an unlawful combination the independent remedy to enjoin the illegal acts or suing to dissolve the combination without awaiting the slow, uncertain, and spasmodic processes of the Department of Justice. This right should, however, be safeguarded against abuse by allowing the Government to assume control of any such action at its pleasure and by preventing any settlement or other disposition of the action between the parties without its consent.

These are the more urgent of the many subjects that it is hoped to include in the pending program when perfected as it should be, and as I have every reason to believe it will be.

It is not so formidable a program as would appear at first glance, but the entire field is so highly technical and specialized that the opportunities to mislead are endless. There is nothing in any feature of the program that should disturb or unsettle legitimate business or finance; nothing that is not distinctly wholesome and constructive. Its enactment will protect and reassure honest investment and should give a new impetus to independent enterprise.

In order to determine whether the pendency of this legislation is in fact injuriously affecting business, it might be worth while to analyze briefly the objections that have been urged against it. They are directed mainly against the prohibition of interlocking directors and holding companies, and they come apparently from many sections of the country.

The necessity for this legislation was developed as the result of the investigation of the Pujo committee, from which it was demonstrated that these were the most formidable instrumentalities through which the Money Trust obtained its grip upon the finances of the country. Through the medium of interlocking control many of the great banks, railway systems, and industrial combinations were welded together into a single "community of interest," against which independent enterprise found it impossible to contend and which still remains undisturbed. We shall never achieve industrial independence or peace until it has been destroyed, root and branch.

It was through the agency of the holding company and the supineness of the Department of Justice that the organization of the great trusts became possible. The idea of any corporation being controlled by another corporation—a puppet moved at the direction of a power other than of its own governing body—is repugnant to all conceptions of justice. It was not intended that a corporation should ever be governed by another corporation. That form of management involves on its face a breach of trust toward the outstanding stockholders, who are entitled to have the benefit of the undivided judgment of their managing trustees in the sole interest of their own corporation and without regard to the interests of any other agency. Under this system of government the management of the controlled company is necessarily conducted primarily for the benefit of the controlling or holding company, which may be and often is opposed to the welfare of the controlled company.

The claimed embarrassment to business that will result from unlocking these interlocking interests is more fancied than real, provided the operation of the law is confined, as it should be, to the larger corporations. A reduction in the number of directors will answer the important purpose of concentrating responsibility. The large corporations are managed mainly by their executive committees. The boards, consisting of from 20 to 40 directors, are unwieldy and a distinct impediment to effective administration. They are mere registering machines for the executive committee. Their names are advertised to the public as a guaranty of management, which is in fact misleading and intended so to be. In financial institutions they are meant to attract business without attending to it. With the reduction of boards to a workable body the interest and activities of each man will be centered in his own institution and we shall have a consequent resumption of competition.

The disintegration of the holding company can be accomplished with still less friction or disturbance by merely distributing the shares so held among the shareholders of the holding company. The only "disturbance" to business that would thus be involved would be to restore the competition that has been thus restrained. If the stock holdings involve no restraint of competitive conditions, the pending Senate bill offers complete relief through application to the trade commission, or, in the case of common carriers, to the Interstate Commerce Commission, which has power to permit holdings of that character.

I agree, however, and have earnestly urged that these prohibitions against interlocking directors and holding companies should be limited to cases in which the interlocking of directors or stock holdings would substantially affect the public interest and that the smaller corporations be accordingly eliminated from the provisions of the bill. There is no reason for hampering small business. None of the perils sought to be avoided lurk within its borders. The operations of the small corporations are not charged with a public use and do not affect the public welfare in the sense that applies to the larger ones.

The suggestion for restricting the jurisdiction of the trade commission in these respects has been embodied in the form of proposed amendments, limiting the bill to interstate corporations having $1,000,000 capital or $2,000,000 of gross assets or $3,000,000 of gross annual business. Such an amendment will confine the operations of the bill to a comparatively few cases. It will eliminate at least 90 per cent of the corporations that do an interstate business.

I can not conceive why any business readjustment, embarrassment, or inconvenience would be involved in enacting any of the other reforms that are now under consideration. The dummy director and the secret and indirect control can not be justified. No defense of these practices has ever been attempted. No one has the right to accept the benefits and attempt to escape the responsibilities of corporate management through such devices.

Nor has there ever yet been any justification attempted of the failure to enforce minority representation in corporations through cumulative voting. Some of the State constitutions, of which those of Missouri and Pennsylvania are ready illustrations, make it compulsory to provide such representation, as it should be in every State. If, for instance, a board of directors is composed of nine members, there is no reason why the owners of each one-ninth of the stock should not be represented by one director, which is automatically accomplished through what is known as cumulative voting. The majority would still control, but the minority would have the privilege of knowing what is being done, of protecting itself against unlawful acts and of having its voice heard on questions of business policy, in which it is vitally interested.

The supervision of the issue of bonds and stocks of interstate corporations by Federal authority, which is now proposed, is still another of the recommendations of the Pujo committee. It is a tardy recognition of the right of the public to be protected against exploitation through banking control or by the sale of worthless and inflated securities to secure an accounting of corporate expenditures and to prevent the use of corporate funds in the corruption of public officers and legislative bodies. If these safeguards had been in existence in past years, we should have been saved the national scandals that are being from time to time unearthed to the destruction of our credit and reputation abroad and at home.

The bill to require the incorporation of stock exchanges and to place them under Federal supervision is an essential part of any comprehensive program for corporate reform. No legislation will be thoroughly constructive that omits to take this factor into account. Its overshadowing importance is unfortunately little understood by Congress. The manipulation of securities through the machinery of the exchange and their wide distribution under cover of such manipulation has been the most prolific incentive for the organization of trusts. It has cost the public more hundreds of millions than they have suffered through any other of the many devices through which they have been plundered.

The remaining provisions that are intended to secure the general and impartial enforcement of the antitrust act, the effective execution of the judgments of the court, and the remedies to individuals who are injured by violations of law can hardly be claimed as disturbing elements. If the act as originally framed had secured to individuals aggrieved by its violation, as it should have done, the right to prevent the organization of unlawful combinations or to enjoin their operations, the country would have escaped this vexatious problem. Few, if any, of the trusts would have been permitted to come into existence. Threatened private interests would have realized their peril and would have been alert to protect themselves. The Government stood idly by and by its silence lent consent and encouragement. The sole remedy allowed by the seventh section of the antitrust act to private interests, to recover treble damages for such injury, has proven inadequate, as might have been expected. The burden of conducting such litigation is in itself prohibitive, and the necessity of proving the damages under our rules of evidence requiring that it must be the proximate cause of the injury renders relief impossible.

The only reason that has ever been assigned for not permitting an aggrieved party to sue in equity to enjoin or dissolve the combination, that it would give rise to blackmailing suits, has never seemed to me a sufficient answer. Anybody can be sued without cause and must defend himself. Corporations as well as individuals are now subject to suit on every other conceivable ground. Why should the courts have been so solicitous to protect them against attack on this particular ground in which the public is so vitally interested, when it is notorious that the Department of Justice has never attempted to enforce the law except in a comparatively few spasmodic cases of conspicuous corporations out of the thousands of known open violations. It would be physically impossible for the department to enter upon any general enforcement of the law even if it were disposed to do so, and it has never shown any such disposition.

It must have been manifest from the beginning that if the enforcement of the law was really desired the only way to secure it would be to permit it to be done by private individuals who are affected by its violation.

The proposed amendment meets the objection that has been made, in that it requires any individual who sues in equity to join the Government as a party, so that the suit can not be discontinued or dismissed by agreement between the parties without the consent of the Government. The latter is given the right also to assume the prosecution of the case at any stage of the proceedings or to withdraw from the suit, and is not to be bound by the judgment unless it assumes the prosecution and continues in it to the end.

Is there anything in these provisions that should be disturbing to business, or in the further requirement that the new trade commission shall be consulted and its approval obtained in determining the manner of dissolving unlawful combinations and the due form of the decree, and that it shall see to the proper execution of that decree? These requirements will doubtless be very disturbing to certain classes of business, especially to the trusts that have been declared unlawful, have been decreed to be dissolved, and that are still flourishing, as though nothing had happened. It may also prove somewhat disconcerting to the public officials who have frittered away the practical results of hard-earned Government victories through meaningless decrees of dissolution. It is high time that we did away with these performances. I venture to predict that if this amendment is passed the trade commission will find a way of securing an actual dissolution of the Standard Oil Co. and of numerous other violations that have been dissolved in form but not in fact.

If, then, it be true that the pending legislation involves no disturbance of legitimate business, we return to the inquiry as to the reason for the existing unsettlement and depression.

There has never been any doubt in my mind as to the true reason.

It is due to the lawlessness and corruption in the management of our great corporations and to the destruction of the confidence of our home and foreign investors following the exposures of a few of the many instances that have characterized the conduct of our corporate affairs in the past. There is nothing exceptional or that should be considered surprising about the disclosures with respect to the management of the New Haven road that have recently been engaging public attention. In this particular instance the investigation thus far has barely scratched the surface. It relates mainly to a single phase of the New Haven road and involves the diversion of only about $11,000,000 out of a total of over $200,000,000 that will have to be accounted for some day, provided the comatose shareholders will ever awaken and have the sense or can summon the courage to assert their rights. If the investigation of the Interstate Commerce Commission is extended into the other transactions, so as to include the vast purchases of comparatively worthless competing properties at fabulous prices for the purpose of destroying competition, the dimensions of the offenses committed against the stockholders of that company will be of a character to render the exposures incident to the French Panama Canal scandal as a moonlight silhouette compares to a volcanic eruption.

I do not mean to suggest that the bankers or the body of dummy directors have been guilty of or actively privy to any actual dishonesty or that they have personally profited by the transactions in any illegitimate way. I do not believe that they have. But in the final analysis the reckless waste of corporate funds for unlawful purposes has brought about the same result so far as concerns the shareholders.

I believe also it will be found that if the affairs of a number of other equally or still more prominent railway systems that might be mentioned ever come under the scrutiny of an executive or legislative investigation or of a court of justice we shall find facts far more startling than anything that has been or will be exposed in the investigation of the New Haven road.

It is, however, to be hoped that the Government will not embark upon any such general crusade. Our credit and reputation have already suffered sufficiently from the mere suggestion of the general corruption that lies underneath the surface of past corporate management. These are things of the past that should be prevented for the future. The country seems sufficiently aroused to the realization of its disgrace to offset the machinations of the interests that would ordinarily be able to prevent reformatory legislation, and it is not worth while to further disturb confidence by turning up any more of the horrible facts. We know in a general way enough of the evils to be able to apply the remedy.

None of these things could have happened under proper Federal supervision, nor if we had laws, as in other civilized countries, prohibiting directors from dealing with themselves or lining their pockets at the expense of their shareholders or "rigging" the stock markets in their own securities or gambling on inside information.

These mentors of the business and financial world sternly admonish us that every attempt to expose or correct these evils is "disturbing" business. Until that kind of business was disturbed and destroyed by exposure and by the legislation that is needed to punish it as it deserves, we would not have and have no right to expect the return of public confidence. There is one aspect in which the shareholders of these corporations and the public deserve just the kind of treatment they have been receiving at the hands of the men who dominate these corporations solely by reason of the supineness of the real owners. If they know how to protect their rights, they have never given any indication of it.

Here again the case of the New Haven is only one of a hundred striking illustrations of the criminal inertia of stockholders. When the trouble first arose they sat aimlessly by and saw a highly respectable decoy "protective" committee organized apparently in protection of the management to ward off real investigation.

What has become of that committee? If there was any member upon it who really represented the true interest of the stockholders, why was nothing ever done to uncover the recklessness of the management? If they made an examination of the accounts, why did they not report the existing conditions to the stockholders? Why did they permit the investing public to go on buying the shares in ignorance of the facts? Why have the stockholders never organized and elected their own representatives to protect their rights and to secure restitution? What is the matter with these people who have had the intelligence and frugality to amass these interests that they lack the common instinct of self-preservation? They have been told that over $60,000,000 in unearned dividends have been paid; that a huge corruption fund has been used to procure franchises for a worthless property; and that there has been more corrupt politics than there has been of railroading; that a large part of $200,000,000 that has been expended has been devoted to the buying of competing properties at fabulous prices in violation of law; and that almost every crime in the calendar against corporate management has been perpetrated under the very eyes of their trustees. Thousands of these stockholders acquired their interests in recent years upon the faith of the inducement of the dividends that were being paid and of the representations contained in the annual statements to the effect that the earnings were in excess of these dividends. What right have these men and women who are idly standing by with knowledge of these facts to expect sympathy or consideration? If they have no regard for their own investments, they have at least a public duty to perform, which none of them seem willing to undertake.

For years past our leaders in the financial world have been educating the public to the belief that every attempt to uncover corporate rottenness or enforce accountability for the sacred trusts reposed in the officers and directors of these corporations was a "strike" or an attempt at blackmail. No stone has been left unturned to crush and disgrace the few men of courageous spirit who have tried to protect the shareholders and the public. When Mr. Louis D. Brandeis led the assault upon the New Haven management and tried to open the eyes of the stockholders to the situation, when he told them that they were being deceived, that the dividends were not being earned, he was denounced and traduced as an enemy to society. Almost every Representative from his State in Congress and prominent men in public life from adjoining States banded together, largely through the influence of the New Haven road, to prevent him from securing an entrance into public life in the position in which he would have been of inestimable aid to the Nation and which he would have graced and honored by his acceptance. It has been notorious that for decades the New Haven road has practically owned the legislatures of certain of the New England States. It regarded these exhibitions of its power to punish enemies and reward its friends with high public office as essential, and it has never hesitated to give such object lessons whenever occasion presented itself.

I repeat that we are getting just the kind of corporate management we deserve, and that so long as this spirit is permitted to pervade the public mind we shall continue to get that sort of management and none other.

And yet we continue to permit ourselves to be beguiled as to the cause of our present troubles. Is it any wonder that the investors of other nations have been throwing our securi-

ties back upon us at any price they can get for them, glad to be rid of us on any terms? Or that we are unable to sell any more securities abroad? Or that our markets are depressed and we find difficulty in financing the requirements of the maturing obligations of our public-service corporations? Why should the small investor intrust his hard-earned savings to the men who have mercilessly exploited and betrayed him whilst moralizing in public upon the importance of character as the essential to success, to the chorus of a worshiping press led by their chosen press bureaus?

This only begins to tell the story of the callousness and stupidity of our people. Not even when their eyes have been opened against their wills and in the face of their resentment at the exposure of the faithlessness of their chosen trustees, do they begin to see or act. They go on permitting and encouraging these same men to manage the trusts they have betrayed. The power behind the throne that has named the presidents and trustees of the looted corporation proceeds to discipline its tools by removing the chief scapegoat and selecting another man—always of previous untarnished reputation, but always pliant to his will—in his place, not even taking the trouble to change the minor puppets. At the next election of shareholders the proxies are gathered with the same ease by the same people and the old order of things is continued without even a semblance of change, except in the nominal directing head, but subject to the same mysterious control.

We had a like disheartening experience following the exposure of life insurance corruption in 1906. The nominal heads were deposed but the power behind the throne and the old disciples remain. Yet none of these men had or has had a single dollar of actual investment in the companies.

As indicating the close relations of the operations of the various departments of the Money Trust to one another, I call your attention in this connection to a few significant facts. Prior to the insurance upheaval Mr. George F. Baker was the chairman of the finance committee and the dominating spirit in the Mutual Life Insurance Co. He is now more firmly than ever in control. Mr. Baker is and has been for many years a partner of Mr. Morgan in all of the great enterprises. They together dominate or control the Equitable Life Assurance Society, the First National Bank, the National Bank of Commerce, the Bankers' Trust Co., the Guaranty Trust Co., and numerous other great financial institutions. When Mr. McCurdy was forced to resign as the result of the life insurance exposures, there was placed in the presidency of that company with $500,000,000 and more of assets the law partner of Mr. Baker's uncle, who was incidentally Mr. Baker's private counsel and the counsel for his bank. The Mutual Life held 35,640 shares of New Haven stock. The law passed in 1906 as the result of the scandal required them to dispose of all their stocks within five years, which they subsequently had extended for a further term of five years, to the disgrace of our legislature. The New Haven stock, which is now selling at $68 per share, could readily have been marketed during those years at $200 or thereabouts. The company has not parted with a share. The difference in price means a loss of over $4,000,000 to the policyholders of the Mutual Life Insurance Co., but this large block of stock is important to Messrs. Baker and Morgan in their control of the New Haven road, and it is steadily voted from year to year as they direct.

But I have digressed.

With a few exceptions the presidents of these roads and great industrial organizations and all the directors are named by the same authority. The shareholders have no real voice in their selection.

The Interstate Commerce Commission is doing the right thing in ripping the lid from this nest of corruption to the extent necessary to guide Congress in legislating to correct these evils, even though it involves immunity to the chief puppet of the men who guided the destinies of the company. I am not so sure that it is necessary or advisable to extend the immunity further, or that any valuable results will come from so doing, but the inaction of the Department of Justice has been so exasperating and its purposes so unfathomable that everyone has despaired of results in that direction.

With such conditions surrounding us we ought not be surprised to find these men "advising" us that if we seek to correct the evils for which they are responsible and which have destroyed public confidence the administration will be chastised by the "business" community for which they assume to speak. The proposition that we continue to permit ourselves to be guided by them is so staggering in its temerity that one is at a loss for words to characterize it.

The remedy is simple. Public confidence in corporate management must be restored. The existing legal machinery does not assure responsibility and punishment for the misdeeds of big business. The enactment of the pending bills, properly strengthened, will help accomplish that result. Ours is a rich country. Our wealth is fairly well distributed, notwithstanding the many hundreds of millions that have been confiscated by these men in one way or another by way of tribute or through gross neglect. A fraction of it can still be recovered by the shareholders if they will stand together in each of these great corporations to enforce restitution and protection for the future.

If the lessons of the past have taught them to manage their own affairs hereafter, it will have been worth the fearful cost. When they are able to do that as in former years, when these great properties were built up and operated by their real owners, and not until then, the investing public here and abroad will again interest itself in our enterprises. Meantime we can do our share toward reassuring the civilized world that we are not a Nation of freebooters and that we have sufficient of the capacity for self-government left to end the recklessness and lawlessness of high finance so that capital will hereafter be as safe with us as in other countries.

The Doctrine of Equal Rights.

EXTENSION OF REMARKS

OF

HON. J. HAMPTON MOORE,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, June 4, 1914.

Mr. MOORE. Mr. Speaker, under leave to extend I present herewith a letter from the president of the American Bar Association, Mr. Everett P. Wheeler, of New York, pertaining to the exemption clauses of the so-called antitrust bill, which was under consideration on Monday last. It seems to me an exposition of the doctrine of equal rights from so eminent an authority should have the careful consideration of this body.

THE AMERICAN BAR ASSOCIATION,
27 William Street, New York, June 3, 1914.

Hon. J. HAMPTON MOORE,
House of Representatives, Washington, D. C.

MY DEAR SIR: It is with great satisfaction that I read in the morning Times the report of your speech in the House yesterday. The very foundation of American liberty lies in our doctrine of equal rights. To give special privileges to any class of men is opposed not only to the Declaration of Independence, but to the whole theory of our Government. In the Democratic platforms of 1908 and 1912 I find the following paragraph:

> Questions of judicial practice have arisen especially in connection with industrial disputes. We believe that the parties to all judicial proceedings should be treated with rigid impartiality and that injunctions should not be issued in any case in which an injunction would not issue if no industrial dispute were involved.

Yet to my amazement I see a Democratic majority adopting amendments to a bill which does not treat the parties to judicial proceedings with "rigid impartiality," but compels favoritism. For example, we condemn the Standard Oil manufacturers for endeavoring in the early days of their organization to drive competitors out of business. What is this but a boycott? This was considered so criminal by the Senate that Senators declared that they would rather have their cotton destroyed by the weevil than use any Rockefeller money to prevent the plague. Yet here we have a proposed act which makes it legal for a labor union to persuade persons to cease to patronize or to employ any party to a dispute. This is a boycott. We all know that in all labor disputes, both in Ireland and America, the boycott has been used in the most cruel manner, so as to deprive the sick of medicine, the hungry of food, etc. Yet here is a proposition to legalize it when employed by a labor union, although it would be illegal if used by a corporation.

Such legislation is neither American nor Democratic, and the time will come when the sentiment of the American people will condemn it. In my opinion the great majority of our people do condemn it now. Allow me to express the hope that you will stand to your guns in this matter and expose the character of this legislation when it comes to a final vote. This seems to me especially appropriate for you who are a Republican and therefore committed by your platform to "devotion to the cause of Republican institutions established by the fathers."

In another paragraph that platform declares:

> It is important that the right of every individual to the freest possible development of his own powers and resources and to the control

of his own justly acquired property, so far as those are compatible with the rights of others, shall not be interfered with or destroyed.

The Democratic Party in the first paragraph of its platform "reaffirm our devotion to the principles of Democratic Government formulated by Thomas Jefferson." This doubtless refers to the Declaration of Independence. This declaration states it "to be self-evident that all men are created equal," yet here we have a proposed act of Congress which gives the labor unions special privileges of exemption from the administration of the law. George III was condemned "because he had obstructed the administration of justice," and yet this act prohibits the judges from restraining unlawful acts by labor unions.

Can it have occurred to the gentlemen who proposed this legislation that if the courts can not decide these controversies peaceably they will be decided by force? The shocking results of the latter method we see plainly in Colorado. Would it not have been better to have had the questions which have given rise to bloodshed there decided in an orderly manner by the Colorado courts?

Permit me to send you with this letter a copy of the last report of a committee of the American Bar Association, which was adopted unanimously by that association at its meeting in Montreal last August. On pages 10–16 you will find a statement with reference to injunctions. It may be of service to you in any subsequent discussion.

Thanking you again for your manly stand on this matter, I am,

Yours, faithfully,

EVERETT P. WHEELER.

Address Delivered by Congressman Patrick H. Kelley at the Republican Conference Held in Detroit, Tuesday, May 26, 1914.

EXTENSION OF REMARKS

OF

HON. LOUIS C. CRAMTON,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 5, 1914.

Mr. CRAMTON. Mr. Speaker, under the unanimous consent granted to me to extend my remarks in the RECORD, I include an address delivered by Congressman PATRICK H. KELLEY at the Republican conference held in Detroit, Tuesday, May 26, 1914.

The address is as follows:

"Gentlemen of the convention, the Republican Party has been out of power but a little more than a year—long enough, however, to demonstrate that the sooner it is restored to power the better it will be for our domestic affairs and also for our standing among the nations of the world. In a single year the business of the country has been halted and domestic production has seriously fallen off. The most favorable thing that can be said of our present industrial situation is that the business men of the country, emulating the example set by the President himself, are pursuing a policy of "watchful waiting." And, so far as our foreign relations are concerned, all the world realizes the difference between the colorless diplomacy of Bryan and the red-blooded statesmanship of Knox and Root and Sherman and Blaine and Seward.

"In his great speech in reply to Hayne, Webster said that when the mariner has been tossed for many days in thick weather and on an unknown sea he naturally avails himself of the first pause in the storm, the earliest glance of the sun, to take his latitude and ascertain how far the elements have driven him from his true course. It will be well for the American people to emulate the prudence of the mariner and take stock of our present domestic situation and determine also, if we can, whither we are drifting in our relations with the world.

"The Republican Party went out of power a year ago last March, and President Wilson called Congress together in special session almost immediately thereafter. The first act of the new administration was directed against the doctrine of protection to American labor and American capital—a doctrine which has lead our country in the last 50 years up out of the lowlands to a position of commercial supremacy among the nations of the earth. To me the doctrine of protection is so simple, so natural, so just, and so wise for a nation that desires to maintain itself upon the very highest plane of civilization that I have always marveled at the opposition it has encountered. Plainly stated, protection is the simple doctrine of patronizing our own stores, buying from our own merchants, preferring the products of our own fields, giving employment to our own people—in short, it is the simple homely doctrine of taking care of our own folks first as against all the balance of the world. We could almost build a church as well as a party on that kind of a doctrine.

"When the Democratic Party came into power a year ago conditions could not have been better for trying out its economic policies and putting to the test its theories of government. The business of the country was standing firmly on its feet. Our factories were all running full time. Labor was fully employed and receiving the highest wages paid in all the history of the Republic. The farmer had a ready market for everything he had to sell at prices higher than he had ever received before in times of peace. The savings banks were full of money laid aside by the people for a rainy day. Our merchants had gone out beyond the seas in quest of markets for their surplus until our exports had grown to nearly two and one-half billion dollars per annum, an increase of more than a billion dollars per annum over our exports of 10 years ago. Our imports amounted to a little more than one billion eight hundred millions per annum, leaving a balance of trade in our favor of approximately $700.000.000 per annum, or about $60,000,000 per month. And our domestic commerce, grown to a point beyond the power of the human mind to comprehend it, reached the staggering total of $35.000.000,000 per annum. That was the condition in which the Republican Party left the country a year ago.

"But some people complained that the cost of living was too high. Our Democratic friends, always quick to promise, agreed that they would reduce the cost of living. They promised the consumer that the prices which he had to pay would be lower. They then turned around and promised the producer that his prices would be maintained. Unmindful of the fact that labor is the chief element in the cost of any article, they promised to maintain the price of labor and at the same time reduce the cost of the output of labor. In short, they promised higher prices for everything the people had to sell and lower prices for everything they had to buy. This was all to be accomplished through the medium of a Democratic tariff.

"At the opening of the special session Mr. UNDERWOOD and his committee brought in the Underwood tariff bill. It was discussed for a month in the House of Representatives. I sat in the House and listened to every speech that was made on the tariff for a month. So you can see that I am a long-suffering person. The speech that particularly interested me was that made by Mr. UNDERWOOD, chairman of the Committee on Ways and Means and the Democratic leader of the House. I was anxious to hear what he had to say about the new tariff bill. I wanted to get the viewpoint of the Democratic Party. I wanted to find out just how the conditions of the American people were to be made better. In his address to the House Mr. UNDERWOOD explained the theory upon which the bill was drawn. He frankly stated that it was not drawn with any idea of building up or fostering or protecting or encouraging any American industry. He said that a tariff built along such lines would be a protective tariff and in harmony with Republican doctrine. He said that the authority for levying a tariff lies wholly in the needs of the Government for revenue, and that if the Government did not need to raise any revenue from this source Congress would have no power to levy any duties whatsoever. This, of course, is the time-honored policy of the Democratic Party.

"Mr. UNDERWOOD further said that in making the new tariff bill that he did not try to ascertain the difference between the cost of production in this country and abroad. That did not concern them at all. If they fixed the duty equal to the difference in the cost of production at home and abroad, that would be a protective tariff. That would be such a tariff as Congress has no power to levy according to Democratic doctrine.

"Mr. UNDERWOOD then went on to explain just how the rates were determined in the new tariff bill. He said they obtained from the Treasury Department a statement showing the average amount and value of every article imported into this country for a period of 10 years. He said that they then had the experts calculate the total consumption in the United States of every article listed in the tariff. From this data a table was prepared showing the percentage of imports of each article as compared with the total consumption. Whenever they found from this table that there were no importations of any article, or whenever they found that the importations were light, they assumed that the tariff was too high and that it had kept out of our market the foreign product. Mr. UNDERWOOD said that they then proceeded to lower the duties in every such case to a point where, in their judgment, the foreign competitor could sell in the American market at a profit.

"If this law accomplishes the purpose for which it was framed, it means that the circle of competition has been widened so as to bring the products of every country in the world within reach of the American market. It means that an invitation has been extended to all our competitors, wherever located and regardless of the conditions under which they may be doing business, to organize selling agencies in the United States and come in here and scramble for the American trade.

"How is such a policy going to help the people of the United States? How is it going to help the workingmen of America to have a part of the work formerly done under our flag transferred to other lands to be performed by laboring men elsewhere? How is it going to make more jobs for American labor to surrender some of those we now have? How is it going to increase wages and shorten hours and improve conditions of employment to be forced into competition with labor receiving lower wages for longer hours under less favorable conditions of employment? I can understand how such a policy will help France and Germany and England and Japan, because we have given them access to a great market which they could not enter before. I can understand how this new tariff law is popular in foreign countries. I can understand how the press of England and France and Germany and Japan sing its praises, for it is the lowest tariff law that has been in operation in the United States since 1824.

"Already our magnificent balance of trade of $60,000,000 per month has been completely wiped out, and during the month of April just passed there is a balance of trade against us of $10,171,000. This tariff law was passed by the Congress of the United States and presumably in the interest of the people of the United States. But in my judgment it will operate to improve conditions and increase business in every other country in the world at the expense of the people of the United States.

"Even the Democrats in Congress are beginning to feel uneasy over the unfair competition to which the American workingman is subjected under the new tariff law. A few weeks ago the Committee on Labor of the House brought in a bill to prohibit the importation of goods made by convict labor in foreign countries. As far as it went, it was a good bill, because it had for its purpose the protection of American labor from cheap convict labor of the Old World. I offered an amendment to this bill, which, if adopted, would also prohibit the importation of goods made by children under 14 years of age. But the Democrats voted my amendment down. I pointed out to the House that the cheapest labor in all the world is the labor of children under 14 years of age in foreign countries. I pointed out that in Italy there are over 50,000 children under 14 years of age working in factories 10 hours a day at an average daily wage of less than 10 cents. I pointed out that in Japan there are 60,000 children under 14 years of age working 12 hours a day in the textile industry for an average daily wage of less than 7 cents. I pointed out that in India there are 60,000 children under 14 years of age making carpets and other textiles, working 14 hours a day at an average daily wage of 5 cents. I want to say to you men of Michigan, representing the best homes and the highest civilization in the world, that it is little short of a crime for the workingmen of the United States to be forced into competition with children receiving but 5 cents a day in the benighted countries of the world.

"In all the years that the Republican Party has been in power there has been a steady improvement in wages and conditions of employment. It has been our proud boast that conditions for the man who toils are better here, and that the bow of promise for his children is brighter here than anywhere else in the world. Let us at all hazards maintain our high standard of living for the American workingmen. Let us not be caught by the cry for cheap goods, for it means a cheap civilization. Let us set our faces forever against all competition which would tend to degrade American labor and drag it down to the level prevailing in foreign lands.

"While this new tariff bill has struck a heavy blow at the cities of the country, the American farmer has been made the goat completely. If they could find with a telescope or a microscope anything that a farmer produced, they put it on the free list. A couple of years ago our farmers were terribly exercised and very indignant about the proposed reciprocity with Canada negotiated by President Taft. That arrangement was to be in the nature of a trade. We were going to let Canadian farm products into the United States free, and in exchange they were going to let our farm products into Canada free; but under the new tariff law Canadian farmers can sell in our markets, but we can not sell in theirs. Not only that, but we have invited every other country in the world to dump its farm surplus onto the American market to be sold in competition with the products of our own fields. Let me give the farmers of Michigan a couple of cheerful examples showing how this new tariff law is likely to affect them. During the last four months of President Taft's administration we imported less than 10,000 bushels of corn into the United States. During the corresponding four months under the Underwood tariff we imported 6,722,280 bushels of corn. During the last six months under President Taft we imported 56,000 bushels of oats. During the corresponding six months under the Underwood tariff we imported 18,563,264 bushels of oats. I wonder how this sort of thing suits our Democratic farmers? Democratic farmers were just as ugly as Republican farmers about reciprocity with Canada. They did not like the idea of free trade even with little Canada, a country with only 9,000,000 folk, coming from the same stock as ourselves and with the same high standards of living. If we had to have free trade with any country in the world, it would be better to have it with Canada than any other. Reciprocity with Canada would have been the smallest taste of free trade that could possibly be administered to the American farmer. All he was asked to do was to touch the tip of his tongue against free trade. He seemed to know without trying that he would not like the taste of it. I am wondering how he is enjoying three full meals a day of the same stuff.

"Instead of discouraging agriculture in the United States by exposing it to unfair competition from Argentina, Cuba, Australia, and Canada, we ought to be doing everything in our power to stimulate production and to encourage the extension of farm operations in our own country. With millions of acres yet undeveloped, why should we adopt a policy which will make our people partially dependent on the outside world for our food supply? Such a policy is as harmful to the city as to the country. The man who lives in the city must not forget that there are 50,000,000 people living on farms of the United States, and that the American farmer is the best customer of the American city, just as the American city is the best customer of the American farmer. If the city needlessly buys a part of its food supply abroad, and thereby reduces the income of the farm, it has by so much decreased the purchasing power of its own best customer, just as any policy which lessens the income of the city will be reflected in the reduced income of the farm.

"But what of our foreign affairs during the past year under Democratic rule? Since the Democratic Party came into power a year ago we have embarked upon dangerous waters in our foreign affairs. During the past few weeks Congress and the country have been aroused over what may prove to be the surrender of important rights in the Panama Canal. As a purely economic matter it is a debatable question whether any ships, foreign or domestic, should pass through the Panama Canal without paying tolls. The final settlement of this question may well be left to the verdict of experience. Should free tolls for our coastwise ships fail to bring to transportation the benefits claimed, we can change this policy at any time. But if we do change, the change should be made for economic and domestic reasons, and not for the reason given by the President.

"The President came before Congress and asked for the repeal of the free-tolls provision in a four-minute speech. Congress had passed on this question once before. Elaborate arguments had been made in both Houses two years ago. Nothing new has transpired since. Our treaty obligations were fully considered at that time. President Roosevelt, President Taft, Secretary Knox, Secretary Olney, and the majority of both branches of Congress all agreed that we had a right to favor our own coastwise shipping under the terms of our treaty with Great Britain. In his four-minute speech President Wilson asked Congress to reverse its deliberate action of two years ago not for domestic or economic reasons, but because, as he said:

"Everywhere else the language of the treaty is given but one interpretation, and that interpretation precludes the exemption I am asking you to repeal."

"The President advised Congress to reverse its action of two years ago out of deference to the opinion of other nations. But other nations are interested parties and would profit by the English construction of the treaty. Experience has taught us that while we should value highly the opinion of the world, we can not always be guided by it. There are many vital American policies which we could not afford to submit to a vote of the other nations of the world. I am afraid that the Monroe doctrine might be voted down if submitted to such a test as that. About the only American policy that I know of which could be submitted to a vote of all the other nations of the world with absolute certainty of approval is the new Democratic tariff law.

"But listen to what the President said in this same speech a little further on. You can hardly imagine such a sentiment coming from the President of the United States. He said:

"We ought to reverse our action without raising the question whether we were right or wrong, and so once more deserve our reputation for generosity."

"Can any red-blooded citizen of Michigan give any reason why an imperial country like ours should reverse a former domestic policy of our Government at the instance of a foreign power without considering whether we were right or wrong? I tell you, men of Michigan, what we need in the White House to-day and in the Department of State is more of the American spirit of the peerless Blaine.

"The President then went on to say:

"I ask this of you in support of the foreign policy of the administration.

"What is the foreign policy of the administration for which the President asks support? The Speaker of the House, in discussing this matter, said he did not know. The Democratic leader of the House declared he did not know. The Foreign Relations Committee of the House does not know. I have come to the conclusion that if the President and Secretary Bryan know, they are the only two men on the footstool of God who do know.

"The President then finished this remarkable speech with the following words:

"I shall not know how to deal with other matters of even greater delicacy and nearer consequence if you do not grant it to me in ungrudging measure.

"What is this awful crisis that the President does not know how to deal with unless we reverse ourselves at the instance of a foreign Government in a matter of purely domestic concern? What is this matter of greater delicacy and nearer consequence which he will not know how to handle unless we reverse our former action, without stopping to inquire whether we were right or wrong? It has been suggested that the President has taken this position in order to secure the friendship of Great Britain in our dealings with Mexico. I can not believe that this is true. But if it is, it is the first time in the history of this mighty Republic when we have ever been willing to buy the friendship of any nation on earth. Friendship that must be bought is not worth purchasing.

"The policy of the administration in Mexico has undoubtedly brought its embarrassments. We are involved in difficulties there from which we will not soon escape. The President has chosen our course in Mexico, and whether it is wise or unwise the country must stand by and see him safely through whatever difficulties must be encountered. Many people are of the opinion, however, that much of our trouble in Mexico has come through our demand that President Huerta must go. For many months the two dominant figures in war-torn Mexico have been Gen. Huerta and Gen. Villa. Gen. Huerta is said to have betrayed former President Madero and then ordered, or, at least, permitted, his execution. On this account President Wilson refused to recognize the government of which Gen. Huerta became the head. Gen. Villa has been for 15 years or more an outlaw and highwayman, operating much after the fashion of Jesse James. A list of his crimes covers nearly a page of the CONGRESSIONAL RECORD, and they run all the way from cattle stealing to murder in all its degrees. Whether it was wise for us to insist that President Huerta must be eliminated from the situation in Mexico, I do not know—time alone can tell—but of one thing I am convinced, and that is this, that in the process of eliminating President Huerta this proud Republic can not afford for a single day to become the ally of Mexican outlaws and highwaymen. That would be an unholy alliance and entirely out of keeping with the character of the American people. To refuse to recognize President Huerta on moral grounds and then to turn about and put the stamp of our approval on Villa can in the end bring nothing but trouble to us and further disorder to Mexico.

"There is one other disquieting thing about this situation in Mexico growing out of our policy there. I greatly fear that American citizenship may have lost some of its prestige and that because of the failure of our Government to protect Americans in Mexico, American life and American property in other parts of the world may be less secure. A few days ago 500 American refugees arrived at New Orleans from Tampico. As they sailed into the harbor these 500 American citizens cheered again and again the Union Jack flying from the masthead of a passing British steamer. They cheered the British flag because in Tampico it had afforded them protection which our own Department of State had failed to provide.

"American citizenship has never been regarded as a one-sided affair. On the one hand, it means protection to the Government by the citizen. On the other hand, it means protection to the citizen by the Government. Whenever the Government has been assailed American citizenship has always been quick to respond to the Nation's call. The thing that most impresses the thoughtful visitor at the Capital of the Nation is the evidence on all sides of the devotion of our people to the country. Directly across the Potomac, at Arlington, is the silent camping ground of 25,000 soldiers who gave their lives for the Republic. In another part of the city is the great Pension Department of the Government, distributing $180,000,000 a year in pensions to the scattered remnant of the once Grand Army of the Republic. In the public parks everywhere throughout the city are monuments erected to American valor. The old Ford Theater, enveloped in tragedy, still stands, and across the street from it is the low room with its slanting ceiling to which tender hands carried Abraham Lincoln and from which he was called to his eternal home. There it was that Secretary Stanton said, as he watched the light die out of the eyes of the great Emancipator, 'Now he belongs to the ages.'

"A few days ago I visited the Naval Academy at Annapolis. Preserved in cases along the sides of the auditorium and festooned beneath glass on the ceiling are 172 trophy flags of the United States Navy—priceless symbols of heroic victories on the high seas. There was the flag that Capt. Isaac Hull, in command of *Old Ironsides*, tore from the masthead of the British frigate *Guerriere*. There was the only British Royal Standard ever captured in the history of the British Empire. There were six British flags taken by Perry on Lake Erie. There was the faded battle flag of Commodore Perry, upon which were inscribed the immortal words of Capt. Lawrence, 'Don't give up the ship.' There were British flags captured by the *Hornet*, the *Constitution*, and the *Wasp*. There was the flag of the Algerian pirates, captured by Commodore Stephen Decatur in Mediterranean waters, whither he had been sent by this young Republic to teach the world that this country has 'millions for defense, but not one cent for tribute.'

"And as I saw all these captured flags of other nations I felt a new thrill of patriotism when I recalled that in all the battles upon the sea in which our country has ever been engaged the Stars and Stripes have never been hauled down in defeat. Such a record of fidelity in behalf of the Government by the citizen should inspire reciprocal fidelity in behalf of the citizen by the Government.

"Now, gentlemen of the convention, I want to say just one thing more before I close. In 1912, for the second time in more than half a century, our party was retired from power. It was not because the American people preferred Democratic policies to Republican policies. It was not because there were more Democrats than Republicans in the country. The trouble in 1912 was that we Republicans tried to elect two Presidents at once. While our party was strong, it could hardly be expected to successfully perform so remarkable a feat as that. By dividing our forces we let the Democrats in. By uniting our forces we will drive them out. This great convention is in itself a prophecy that the Republican Party will be speedily returned to power. Fifty years of achievement without a parallel in the history of mankind is our party's guaranty for the future.

"In view of all that there is at stake for us and for our children and for all mankind, to be charged with the destinies of this mighty Republic is a sublime trust. Fully alive to the responsibilities which go with the leadership of a great people, let us here and now dedicate our party anew to all the high and holy purposes symbolized by the flag of the Republic. Our flag stands for liberty under the law. It stands for the rights of persons and the rights of property. It stands for popular rule, and in this it is our destiny to lead the way. It stands for the school. It stands for a Christian civilization. It stands for the home and all the virtues which thrive and cluster around the hearthstone. Standing for all these things, may the God of our fathers protect it and defend it, and may it never be hauled down in defeat."

Address of Josephus Daniels, Secretary of the Navy, at the Navy League Banquet, Waldorf-Astoria Hotel, New York, Thursday, April 16, 1914.

EXTENSION OF REMARKS

OF

HON. LEMUEL P. PADGETT,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 8, 1914.

Mr. PADGETT. Mr. Chairman, under the unanimous consent granted to me to extend my remarks in the RECORD I include an address of Josephus Daniels, Secretary of the Navy, at the Navy League Banquet, Waldorf-Astoria Hotel, New York City, Thursday, April 16, 1914.

The address is as follows:

ADDRESS OF JOSEPHUS DANIELS, SECRETARY OF THE NAVY, AT THE NAVY LEAGUE BANQUET, WALDORF-ASTORIA HOTEL, NEW YORK CITY, THURSDAY, APRIL 16, 1914.

It is a hard matter for a Secretary of the Navy to determine upon what subject he will speak in addressing the members of the Navy League. It is obviously useless to dilate on the necessity of bringing up our naval force to a standard which will insure peace by the very assurance of our strength. Carrying coals to Newcastle would be a profitable and economical proposition compared with any attempt on my part to instruct you as to the needs or the character of our Navy.

There is, however, one thing that I would like to talk over with you fully and frankly to-night. You gentlemen are formed together in an organization for the purpose of increasing and maintaining our Navy. You have called upon the Secretary of the Navy, both as individuals and as a body, to support you in obtaining a really adequate navy for our country. This support, gentlemen, has been given, because I believe, as you believe, that an adequate navy is an absolute necessity to our country.

Now, I, as Secretary of the Navy, both as an individual and as head of the Navy Department, call upon you to support me in the carrying out of some of the practical details of the work that lies before us. We work for a common end, and there should be a sympathetic understanding of each other's purposes. It is my firm belief that no definite program of naval construction—by that I mean a program that will not be in jeopardy every time Congress assembles—can be laid down until an overwhelming majority of our people become friends of the Navy, as you are friends of the Navy, and give somewhat more than a passive support to the Navy's proper development. It is upon my shoulders and your shoulders that the burden falls of winning this public support.

I said at the beginning of my speech that when you gentlemen asked for my support I had given it. Let me remind you that this support was not perfunctory. You must remember that the Navy League was under fire during the recent hearings before Congress, and I will be glad to read you a few of my questions and answers on that occasion. I quote from page 617, hearings of the Secretary of the Navy before the House Naval Committee this year. I had mentioned meeting Gen. Porter at the Navy League meeting last spring. This prompted the following question from Congressman HENSLEY:

You do not realize the fact that that institution is organized for the very purpose of disseminating the sentiment in the country for bringing about a larger Navy?

To which I answered, "Undoubtedly."

Mr. HENSLEY. They insist all the time that they are actuated wholly and solely from patriotic and noble purposes as against fellows like Judge WITHERSPOON and myself and others who have not the good of our country at heart.

Secretary DANIELS. I think the bulk of them are patriotic men who advocate a large Navy, because they think that it is a safeguard to the Nation, and that we should have it. I do not think that they doubt the patriotism of anybody else.

Mr. HENSLEY. These men are charging $2 and sending out printed petitions into my district to the men in the mines, the machine shops, and along the railroads asking them to sign these blank petitions and then fire them back to me.

Secretary DANIELS. Do you not know that that is true of all sorts of legislation—the Red Cross, the good roads, and everything? Everything that comes before Congress, every policy that is proposed, has its advocates, and they send out these printed petitions all about the country to the men in the mines and in the shops, and many thousands of them, if they never heard of this petition, believe in an adequate Navy.

I will not read the whole dialogue, but I want to call your attention to the remark later on by Congressman HENSLEY:

Mr. HENSLEY. These people who are making that character of campaign are the ones who are being materially benefited—the fellows who expect to get something direct out of it. That is what I complain of.

Secretary DANIELS. If they do, I complain of it as much as you do. I think that if they expect to get much out of it with the competitive bidding we have and the securing of lower prices and the fight against monopoly which the Navy Department is carrying on, they will be mistaken.

These extracts from the hearing before Congress should be proof to you of my support publicly given at a time when words are carefully weighed by Secretaries of the Navy, and this is one of the reasons I feel at liberty to ask your support rather than criticism if you can justly give it. Do not think I am objecting to criticism founded upon clear knowledge of conditions, nor for that matter do I believe in suppressing criticism anywhere. I am not speaking of criticism in the press and everywhere else of public action. This is necessary and salutary. Every public action comes into the calcium light. I welcome it. I want it, and I have profited by it and so must you. Decent respect to the opinions of all mankind calls upon us to give reasons for our actions. And your league must make answer to critics by devotion to your ideals untouched by a semblance of selfishness and far removed from a suspicion of interest in the manufacture and sale of munitions of war. "Pitiless publicity" must be encountered by your league and by the Secretary, and those who preach to others the necessity of contributing in the shape of taxes out of their own pockets to the support of an adequate Navy on the part of their citizens must be singularly free from any suspicion that in the preaching of monetary sacrifice on the ground of patriotism they are not advocating monetary advantage to themselves.

I believe in your league, I believe in its purposes, I believe that leagues of this kind can do a tremendous amount of good in educating the country to the necessity of an adequate Navy, and it is because I believe in your work, because I want to see not 7,000 but 7,000,000 members enrolled that I speak thus frankly, and warn you, as you have rightly warned me at times, of pitfalls that lie in your way. Some of you have criticized me frankly, and I am this night recognizing that right to criticism, and, instead of endeavoring to stifle that criticism, I am seeking to change it into approval by a frank explanation of the motives which underlie my public acts. This is what we must do when we are criticized. Search first our own hearts to see if the criticism be just, and if we believe that our actions are founded on sound principles make public replies to those who complain, leaving it to the people to decide who is in the wrong.

I have during the year of my occupancy of the office of the Secretary of the Navy made certain changes in policy, changes which, in my judgment, would help to bring about a better feeling in the country at large toward the service. There has been in some quarters serious misunderstanding, both as to what these changes in policy were and of the motives underlying them, and I am afraid that some of the critics have been members of this league. I can not believe that the league would seek to destroy with one hand that which they seek to build up with the other, and I am convinced that if they could but get a clear view of what the Secretary of the Navy is trying to do critics would help instead of hinder the work in hand.

Before taking up some of these matters in detail, let me first make two things clear to you gentlemen. Let me more than make them clear. Let me forever set at rest any possible misunderstanding as to my beliefs and attitude on these questions.

First, as to discipline in the Navy, I have been somewhat astounded to see repeated statements that the Secretary of the Navy did not believe in discipline; that he did not approve of the regulations requiring instant and respectful obedience on the part of the men of lower rank to the man above him. It has been claimed that my policy of educating the seaman is an entering wedge to the breaking down of his respect for his superior. The most absurd rumors have been circulated as to what I intended to do to destroy discipline in the Navy. Doubtless some of the gentlemen sitting here have had it whispered to you as an actual fact that the Secretary of the Navy had determined to abolish the salute as tending to degrade the seaman and make an artificial class distinction. I want to declare now, once and for all, that no man believes more in discipline than I do; that no man is more fully convinced of the absolute necessity in all military service of instant and implicit obedience to a superior; that no Secretary of the Navy will deal with a firmer hand in the cases of insolence or insubordination on the part of any man in the Navy, be it from the seaman to his petty officer or the junior lieutenant to his captain, than will this Secretary deal. I also hold that a man whose intellect has been broadened by education so that he understands why he must obey makes a better sailor, a better officer, and a more willing and obedient member of the service than the ignorant man who obeys blindly from fear of punishment. To claim that making our sailors better educated will result in their being insubordinate is an insult to the intelligence of our people, which I resent. If this were true, it must follow that the better educated a man is the less amenable to discipline and regulations will he be.

Now, there are few men in our country better educated than the officers of the United States Navy. Therefore, if this were true, we should see amongst our officers an almost total disregard for discipline. We should find the junior officers contemptuously ignoring the orders of their seniors, and in general a total breakdown of the rules and regulations. How far this is from the truth you gentlemen know as well as I.

There is no finer body of men in the world than our naval officers. There are no men more willing to sacrifice more than their beliefs—more than their comfort—to sacrifice their very lives at any time on but an order from their superior officers without question and without a thought of protest. I challenge the world to show more perfect discipline than that shown by the officers of the United States Navy. Such being the facts, how absurd, how puerile, is any argument that education undermines discipline.

As I have come into close and closer contact with the officers and men in the Navy, I have come more and more to be proud of the privilege and honor of the association, which gives my office its best asset. It is a service that illustrates the highest virtues and graces of American manhood. The officers have been blessed with the best training, and do honor to the institution of which they are the best product. It has been my good fortune to be thrown into intimate touch with elect people of other professions, but I must declare here that, taken as a whole, I have known no like body of men who were their equals in sincerity, frankness, loyalty, and love of truth and its incarnation in their lives. They are not better than other men, they have the faults that inhere in our common humanity, but they rise above the rest of us in frank truthfulness, fidelity to duty, and in an idealized love of the flag that makes them worthy exemplars to those of us of other callings. My own pride and admiration, which has grown day by day since called to the high office in which I am trying to measure up to the high standard set by the men who man our ships, was stirred and strengthened a few days ago by hearing what John Lind said upon his return to the United States. For weary months this grim and patriotic Norse philosopher has lived in Mexico, most of the time being in close touch with Admiral Fletcher and the splendid men with him. Upon the day of his return he called at the Navy Department to express his pleasure of being well cared for on his trip up on the *Mayflower*. "I have never before," he said to me, "had the opportunity of seeing much of the Navy. In my Minnesota home your ships and sailors do not come, but during my stay in Mexico it was my happiness to see much of Admiral Fletcher, the officers, and the sailors, and I want to tell you, Mr. Secretary, that they are the finest body of men I have known." He grew more enthusiastic in his praise, and I remarked that America had few men as wise as Admiral Fletcher. "Yes; he is a wise man of sound judgment, and, better than that, he is a patriot, loyal to the core to his country." Now, John Lind is the sort of American who pays no compliments. He would not privately give this warm praise if he had not taken the quality of our sailors and found them sturdy and sound.

The whole history of our Navy is back of Mr. Lind's estimate and tribute. There is nothing finer in the naval annals of the world than Paul Jones's defiant cry to the commander of the *Scrapis*, before he had snatched victory from defeat, as he shouted, "Surrender! I have just begun to fight." Capt. Lawrence, in the hour of defeat and death, cried, "Don't give up the ship." But though his ship was given up, his last words were the inspiration of Perry and his men at Lake Erie when he defeated Nelson's veteran sailors, and was able to write his Government, "We have met the enemy and they are ours." "Damn the torpedoes; go ahead!" shouted Farragut as he entered the mine-endangered mouth of the Mississippi. There was a volume of meaning in the quiet command of Commodore Dewey at Manila, "You may fire when you are ready, Gridley," and I have the honor of first making public a new epigram to add to the splendid words which have been spoken by American naval heroes: "We do not know what we will be called upon to do, but we are ready," was the brief and only statement made by Commander in Chief Badger, in command of the ships ordered to Mexico, as his magnificent fleet steamed out of Hampton Roads. The brevity and comprehensiveness of that statement deserves to rank with Dewey's at Manila, and John Paul Jones's in the battle of the *Bon Homme Richard* and the *Scrapis*.

There is nothing the matter with our Navy; there is nothing the matter with our discipline; there is nothing the matter with our splendid personnel; there is a great deal the matter with the public viewpoint; there is a great deal the matter with the lack of information on the part of a great portion of our citizens as to the Navy. When a Senator stands before his colleagues in a public session of our supreme lawmaking body and declares his belief that the Navy is a gentlemen's club for highly paid officers to loaf in, something is wrong. What is wrong is not with the Navy, but with the erroneous ideas of the Navy which get into some people's heads. I am sure even those who think that education will interfere with discipline will agree with me that, in this case at least, keeping the public in ignorance of the real Navy will not result in their blindly following the orders of the Navy League to demand more warships. To educate the people is my task and your task, and we must work together. So much for discipline and personnel.

Now, let me take you into my confidence a moment in regard to two matters about which I referred some moments ago.

First. Why have I said so much about the education of the enlisted men? The answer is very simple. There are many people to-day who remember the glorious traditions of our Navy in the past; who know all about John Paul Jones and how he humbled the pride of the strongest navy in the world; who honestly believe that all our Navy needs is a few more John Paul Joneses to-day to be able to sweep the seas at a moment's notice, ships or no ships, and who therefore hold that money spent on the Navy is wasted money, because it is merely a matter of men. You can not reach these people with figures, arguments, and data. It is a belief, an unreasoning belief, which will not bother to examine the evidence on either side. It will do no good to point out to them that John Paul Jones could take a rotten-planked East Indian and by the force of his personality sweep the decks of a man-of-war and leave his sinking hulk to continue a glorious career on his newly captured prize, but that the modern officer must take what ships there are at the beginning of a war or wait two years before a vessel can be prepared for him. It is impossible to tell this class of people I have in mind any of the 101 arguments which prove irresistibly the need of an adequate navy, even though it never fires a gun.

It is possible, however, to win their consent to a proper establishment if we can show them that the Navy can be made an asset in times of peace; if we can prove that there is a great work for the Navy besides the duties of a police force or a guardian of our shores, and, gentlemen, it is my firm conviction that there is this opportunity and that this can be shown to these people.

The Navy is a collection of 60,000 young men. It has under its almost paternal control many times 60,000 young men when we consider the number growing out of and entering the service every year. There comes to the Navy this crowd of young men, many of whom have been obliged to curtail their education from the necessity of earning their daily bread, and many others who seek to enter the service from a natural disinclination to suffer the restraint of home or factory discipline and a desire to see the world. As any student of economics can tell you, both the two last-named classes of young men are, if not an absolute detriment, at least of little economic value to the country.

In a sense we are engaged in war. Every nation is at war, a fierce, silent, merciless struggle for industrial supremacy. That nation will win whose young men are best educated not only to use their brains but to use their hands skillfully in the mechanical arts. I propose to make our Navy more than a great school, to make it a great technical college where literally hundreds of thousands of young men will be trained in habits of discipline, will be taught the necessity of obedience if they would afterwards themselves rule, will be brought to the highest state of physical condition and fitness, and who in addition will be given training in almost all the trades there are, which they could not receive anywhere else except through a long and expensive college course. Disregarding entirely the military need of our Navy, considered from this one standpoint alone, I hope to prove that the country would suffer a loss which all the money spent upon the Navy could not begin to recompense should it be allowed to decay. The Navy now has its full quota. For the first time it has a waiting list. The Navy does not desire recruits who lack ambition. This Congress will authorize the appointment of 25 enlisted men every year to the Naval Academy. Other avenues of promotion are opening. In Napoleon's day it was said in France, "Every soldier carries a marshal's baton in his knapsack." It must be truly said in the Navy, "Every enlisted man carries the making of an admiral's flag in his ditty box." I ask your support, gentlemen, now that I have told you the why of these policies. As to its effect upon discipline, no one will ever convince me that the education of the men or opening doors of promotion will result in a laxness in discipline.

I have recently issued an order abolishing the wine mess. With singular lack of logic critics who see fit to represent me as a foe to discipline on the one hand twist this into a case of discipline run mad on the other. Far greater questions than that of discipline lie back of this. There is no body of more temperate, clear-headed men in the world than our officers, but let me for a moment put the shoe on the other foot and bring the question home in another form to you gentlemen to-night. Of all trades there is probably no finer or more sober or more intelligent, more self-controlled men than our railroad engineers. Upon their sobriety, upon their clearheadedness, upon their capacity to govern themselves, depend daily the lives of millions of our citizens. Your life to-day, to-morrow, whenever you leave this city, will for a greater or less time lie in the hollow of the engineer's hand. Many of the railroads have established clubhouses for these engineers, where they may read, meet, and pass away time between their runs. What say you, gentlemen, you with your railroad tickets in your pockets, to a proposition that the railroads should issue an order that the engineers off duty at these clubhouses should be allowed to establish a wine mess of their own. Would the fact that 99

per cent or 999 out of 1,000 of these men would take no advantage of such an order and would go to their work the next morning with eyes just as clear and hands just as steady as they were the night before; would that fact do away with the possibility of the one hundredth man or the one thousandth man moving the wrong lever at a critical moment or sleepily overlooking the danger signal? Would you not demand an order abolishing such an arrangement? Yet this is precisely a fair comparison. The wreck of a great battleship, the loss of a critical battle, and the honor of our country may easily hinge upon one of many men in the varied and complex duties which these great masses of intricate machinery called battleships have created. Would you take any chances with the engineer of your train? Why, then, should you seriously ask me to take chances with those who direct the movements of our ships?

The order issued was based upon the recommendation of the Surgeon General of the United States Navy, Dr. W. C. Braisted, who came to his present office fresh from the position of fleet surgeon of the Atlantic Fleet. His report is as follows:

In accordance with your request, based, in part, upon a perusal of the inclosed copy of an article by Col. L. M. Maus, Medical Corps, United States Army, on "Alcohol and racial degeneracy," I present herewith certain information relative to the alcohol problem—for it is still a problem—in the Navy.

The use of alcoholic stimulants in our service was inherited, with many outgrown customs, at the very birth of the American Navy, and was, until comparatively recent years, recognized officially, to the extent of issuing a daily allowance of spirits on shipboard. An appreciation of the evils, directly and indirectly attendant upon the use of intoxicants, even in moderate degree, has, however, grown steadily in strength within the service itself, fostered, no doubt, by an awakening of public sentiment distinctly unfavorable to intemperance. This is shown by a progressive diminution in the number of admissions to the sick list for alcoholism and by the enactment of legislation tending to restrict the use of intoxicating liquors by all persons in the naval and military services of the United States.

The Articles for the Government of the Navy, which are based on law, state (art. 13) that "distilled spirits shall be admitted on board vessels of war only upon the order and under the control of the medical officers of such vessels, and to be used only for medicinal purposes." As further showing the trend of legislation, the following extract is quoted from section 38 of the act to increase the efficiency of the permanent military establishment, approved February 2, 1901: "The sale of, or dealing in, beer, wine, or any intoxicating liquors by any person in any post exchange or canteen or Army transport or upon any premises used for military purposes by the United States is hereby prohibited."

From the above it must be clear that Congress has plainly set the stamp of disapproval upon the use of intoxicants by persons in the naval and military services. It is therefore of interest to inquire how far the Navy Department, through official orders and regulations, has participated in this movement in the way of reform. Reference to article 827, Naval Instructions, 1913, seems particularly informing, and attention is invited to paragraph 1, which reads as follows:

"Wardroom officers may form a wine mess, of which all commissioned and warrant officers attached to the ship may become members upon the payment of mess entrance fee, but no officer shall be required to become a member thereof. Suitable locker room for wine-mess stores shall be provided when fitting a ship for sea."

No doubt this paragraph conforms to the letter of the laws, but it may be an open question as to how far it fulfills these laws in spirit. As matters stand to-day, an enlisted man is, very properly, subjected to severe disciplinary measures if wine or beer be found in his possession on shipboard, yet the same man is constantly aware of the free use of alcoholic liquors on board ship, which is officially permitted to officers, and of the too frequent derelictions which occur among them in consequence. The prohibition of alcohol to the men has rendered alcoholism among them almost a negligible quantity. Surely, the officers should be in all respects models for the enlisted men in duty, habits, and deportment, and the example of officers drinking aboard ship, as fostered by the wine mess, and the numerous courts-martial of officers for drunkenness and the effects of alcohol, are destructive of discipline and morale, bad for the enlisted men, and detrimental to the reputation and good name of the service. The Navy is comparable in many respects to a great business organization, but no efficient corporation in civil life would tolerate such a condition of affairs.

The restrictive measures which are now enforced, so far as they go, accord with legislative action, are supported by public opinion and a steadily increasing service sentiment, and are based on sound moral and physiological principles. Why, then, are they effective for a part of the personnel only, instead of applying with equal force to the whole? It is difficult to find a satisfactory answer, especially in view of the youth of some of our officers, who may now be commissioned at 22 years of age, and the proposed reduction of the minimum to 20. To assume that even the moderate use of alcohol will better equip them physically for 40 years of active service, or mentally to meet responsibilities of the gravest import, or intellectually to solve problems which may involve our national existence, or morally to represent this country at home or abroad, is against all reason. It may be stated as a fact that, except as a temporary expedient in certain cases of illness, the use of alcohol is harmful and its abuse disastrous alike to the individual and to the human race. Its use in the service is based only upon outworn customs, and there is no authority, by law or otherwise, for its continuance, except as contained in the naval instructions.

You have asked my opinion on this matter and I have expressed it frankly, uninfluenced by prejudice or traditions of the past. In view of the foregoing I find it my plain duty to make the following recommendations:

1. That a general order be issued, in substance as follows:

"On and after July 1, 1914, the use or introduction, for drinking purposes, of alcoholic liquors on board any naval vessel, or within any navy yard or station, is strictly prohibited, and commanding officers will be held directly responsible for the enforcement of this order."

2. That article 827, Naval Instructions, 1913, be revoked or modified in accordance with the general order specified above.

It is probable that upon certain special occasions international courtesy might render it advisable to temporarily modify such a regulation; this could readily be done by departmental order. At the same time efforts might be made to obtain an appropriation for the entertainment of our foreign guests in a manner which would avoid the possible appearance of criticizing their own customs and regulations.

In announcing the new order to the press I made this statement:

I have issued an order abolishing the wine mess on board all ships and stations in the United States Navy. The order puts into effect the same rule with reference to intoxicants in the Navy which the laws of Congress have imposed on the Army. The Secretary issues this order upon the recommendation of the Surgeon General of the Navy. The order, which goes into effect on the 1st of July, is in these words:

"The use or introduction for drinking purposes of alcoholic liquors on board any naval vessel, or within any navy yard or station, is strictly prohibited, and commanding officers will be held directly responsible for the enforcement of this order."

I am in hearty agreement with the views expressed by the Surgeon General in his paper accompanying the recommendation. There should not be on shipboard, with reference to intoxicants, one rule for officers and another and a different rule for the enlisted personnel. The saddest hour in my official life is when an officer or enlisted man must be punished for intoxication. During the past week it has been my painful duty to approve a court-martial for dismissal from the service of an officer for intoxication. He told me that he had never tasted intoxicating drink until he did so in the wine mess on his cruises. Others who have been disciplined for drinking to excess have made similar statements to me. Officers are now commissioned at the early age of 22 years. Has the Government a right to permit this temptation, which too often destroys the highest usefulness of young officers? I think not. If there is one profession more than any other that calls for a clear head and a steady hand it is the naval profession. Experience has shown the wisdom of having no intoxicants on our ships for the young men who enlist. I believe experience has demonstrated that a uniform rule should prevail in the Navy for all who enlist in the service, from the highest rank to the youngest enlisted man or officer who comes into the service, and that the abolition of the wine mess will be justified.

It seems impossible that those who criticize this order are aware of what is going on in the other navies of the world. Surely the action of the German Navy is not to be disregarded nor the views of Germany's great war lord. For the education of such critics as speak from ignorance I can not refrain from reading to you a few extracts from Emperor William's speech to the naval cadets at Murwick. There the German Emperor said:

I know very well that the pleasure of drinking is an old heritage of the Germans. We must henceforth, however, through self-discipline, free ourselves from this evil in every connection.

In earlier times it passed for extraordinary cleverness in the youth for him to imbibe a large quantity of alcohol and bear it. I as a young officer had occasion to see such examples, but never myself to participate. These are views that suited the 30-year war; but now, no more.

Entirely apart from the consequences which I need not further portray, I desire to apprise you on one point for your future career in the first line. As you yourselves will observe during the course of your term of service on board, the service in my navy has reached such a height of strenuousness as you can hardly surpass.

To endure these enormous peace exertions without exhaustion and to be fresh in the event of real seriousness depends upon you. The next war and the next sea battle demand sound nerves of you. Nerves will decide. These become undermined through alcohol, and from youth up by the use of alcohol endangered.

You will later have opportunity to see the target ships and the action of the modern projectiles upon the ships, and therefrom you can picture the conditions during battle. You will see horrible destruction when you are upon these.

Here it calls: "Steady nerves and a cool head!"

That nation which consumes the least quantity of alcohol wins; and that you should be, my gentlemen. And through you an example should be given the crews

And in consequence of this I expect of you that even now at the naval academy and on board ship in all comradeship and friendliness in no way disturbed among yourselves you take heed thereto and provide that the indulgence in alcohol be not counted as belonging to your privileges.

Nor do we have to look to Germany alone for support of this new policy. Surely no man will criticize Admiral Lord Charles Beresford, C. B., as being a man without knowledge or respect of navy customs and traditions nor as one who has not had opportunity to study carefully this question as he has seen it presented in the greatest navy in the world. Yet here is what Sir Charles Beresford said in his speech at Gibraltar in 1904:

"When I was a young man I was an athlete. I used to box a great deal, ride steeplechases and races, play football, and go through a number of competitive sports and pastimes. When I put myself into training, which was a continual occurrence, I never drank any wine, spirits, or beer at all, for the simple reason that I felt I could get fit quicker without taking any stimulants. Now, I am an older man and have a position of great responsibility, often entailing quick thought and determination and instant decision; I drink no wine, spirits, and beer, not because they do me harm, not because I think it wrong to drink, but simply because I am more ready for any work imposed upon me, day or night; always fresh, cheery, and in good temper."

Surely, with this evidence of the attitude of the German Emperor and the German Navy and the great English admiral and the 20,000 or more officers and men of the English Navy, it can not be said that my order is either revolutionary or out of line with the spirit of the greatest navies of the world.

This order has been widely commended. Hon. John D. Long, Secretary of the Navy under McKinley, in a recent statement said:

Secretary Daniels's order is the natural sequence of my own prohibiting liquors for enlisted men in the Navy. (General Order No. 508,

issued Feb. 3, 1899.) That was as far as we could go at that time, but in due season it became apparent that enlisted men could not be prohibited from the use of intoxicating liquors and at the same time the officers, associated with them and in command of them, permitted their use. While some officers may demur at this new order, I suspect that very many will really be glad of it, as was the case with my previous order. To the credit of our naval officers it must be borne in mind that they are for the most part temperate men of high character, and, while some of them may use liquors moderately, most of them are entirely exemplary in conduct and life.

Then, too, it can not be denied that this action of the Secretary is making for the cause of temperance at large, especially in Government spheres. With such a serious evil as intemperance, the Government should lead in its suppression. If any complication with foreign officials is involved, the Navy Department will undoubtedly make provision for it. But it is more than likely that foreign vessels will be led by this example to consider and imitate it, so that the drink evil in foreign navies may be put in process of elimination as well as in our own.

The following is a copy of the order to which Secretary Long referred:

GENERAL ORDER NO. 508.

NAVY DEPARTMENT,
Washington, February 3, 1899.

After mature deliberation the department has decided that it is for the best interest of the service that the sale or issue to enlisted men of malt or other alcoholic liquors on board ships of the Navy, or within the limits of naval stations, be prohibited.

Therefore, after the receipt of this order, commanding officers and commandants are forbidden to allow any malt or other alcoholic liquor to be sold to, or issued to, enlisted men, either on board ship or within the limits of navy yards, naval stations, or marine barracks, except in the medical department.

JOHN D. LONG, *Secretary.*

From medical sources the commendation has been most gratifying. The Journal of the American Medical Association of April 11, 1914, says:

ALCOHOL BARRED FROM THE NAVY.

Alcohol as a beverage has been barred out of the United States Navy. Following the recommendation of Surg. Gen. Braisted, Secretary of the Navy Josephus Daniels has issued an executive order abolishing all alcoholic liquors from every ship and station of the Navy. The order reads:

"The use or introduction, for drinking purposes, of alcoholic liquors on board any naval vessel, or within any navy yard or station, is strictly prohibited, and commanding officers will be held directly responsible for the enforcement of this order."

The significance and extent of the change which has taken place in popular views regarding alcohol, as indicated by this sweeping order of the Secretary, can be appreciated only when one recalls the stories of naval experiences of past generations, when rum, brandy, and whisky formed a part of the official regular rations; when liquor of some kind was served, as a routine procedure, to officers and men before going into action; and when one of the chief characteristics of sailors, whether officers or seamen, was their ability to dispose of an amazing quantity of intoxicants. The development of scientific methods and the use of instruments of precision in warfare have made alcohol absolutely detrimental to the modern navy man. Sea fights in the past were won by brute hardihood and physical endurance, which could perhaps be stimulated, temporarily at least, by large doses of alcohol. The modern warship is a floating laboratory of delicate and accurate machines. The gun pointer who directs a 14-inch rifle on the modern man-of-war needs not only personal courage, but also absolute steadiness of nerve, clearness of vision, and fine muscular coordination. All these things modern physiology has shown to be impaired by even small amounts of alcohol. The engineer who superintends the machinery at the heart of the modern battleship, the man at the wheel, who directs its course, and the captain or executive officer on the bridge, as well as the most humble member of the crew, need at all times to be in a condition of maximum physical and mental efficiency. Intoxication in the naval officer to-day might easily be as disastrous as cowardice and treason. Surg. Gen. Braisted's recommendations and Secretary Daniels's order are simply in line with our growing knowledge. The Nation needs on its battleships to-day the most capable, clear-headed, cool-brained, and steady-handed men, and these men are not found among the habitual or occasional users of alcohol in any form. Entirely aside from the moral or sentimental reasons, and considered simply as a scientific regulation in the interest of efficiency, this order will recommend itself to the vast majority of the American people.

Although it is my intention to speak to-night principally of those acts which have been criticized in some quarters, I can not refrain, incidentally, from calling your attention to other matters which seem to have met with popular approval. I am referring now to the very substantial and practical economies that have been brought about in the expenditures for the Navy. The appropriation bill now before Congress is less than that of last year, yet last year's appropriation included only one battleship. This year, with less money, we propose to build two. I would like to go into detail as to how this economy has been effected, but time will not permit. It has been done by saving at the spigot as well as at the bunghole, by the cutting off of countless little unnecessary expenses, as well as by the saving of practically a million dollars in the purchase of material for battleship *No. 39*. None of these economies, so my chiefs of bureaus tell me, has resulted in detriment to the service in any way. True, in certain interested quarters, where competition has resulted in a cutting off of profits, attempts have been made to convince the public that the Navy has suffered or would suffer in the future from these more businesslike methods of spending the people's money. The source of these criticisms has generally been anonymous, and I trust no member of this league has taken this attitude. There is no better way for the league to gain the general public support needed than to spread the knowledge of these economies broadcast, for amongst the people at large there is no idea more permanently fixed than that the Navy has spent its money recklessly in unbusinesslike ways and without a proper regard for the economies which would be practiced by any successful manufacturing concern.

I have exceeded the proper time for an after-dinner speech. There will come up, doubtless, other matters, and there will be future chances for misunderstandings, so I ask you, gentlemen of the Navy League, as you have asked me for my support, that you credit your Secretary of the Navy with the desire to bring our Navy to the highest possible state of efficiency, both as to ships and men, and that you carefully find out the underlying motives of such steps as may be taken before you sit in judgment.

Pensions.

SPEECH

OF

HON. MARTIN DIES,

OF TEXAS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, May 9, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill H. R. 15280, the pension appropriation bill.

Mr. DIES. Mr. Chairman, before I begin my remarks I want to drop one or two observations by way of preface. I want to say that if I believed I could expedite the adjournment of this Congress by holding my peace I would remain as dumb as an oyster [applause], because if there is anything in the whole realm of political economy which I think the people of these United States want and ought to have now it is a period of legislative rest. [Applause.] For one I am for passing the appropriation bills and adjourning the Congress. I believe in surgery. I know there are eminent surgeons in the land, but I do not care how badly a patient needs to be operated upon, or how skillful the surgeon is who is doing the job, there ought to be some little rest between the operations. [Applause and laughter.] I believe the patient American people are entitled—if not now, at least at a very early date—to have the legislative mill cease grinding, in order that they may go about their daily affairs with a knowledge that the laws will remain at least as they are until they can pitch another crop or gather the one that they already have in process of cultivation. That is one of the remarks I want to drop by way of introduction.

Another is this: No living man appreciates or would appreciate the good will and good opinion of his colleagues more than I. I want to offer you all an apology. I probably owe it to you to have whipped my remarks into better order, to at least have prepared subheads for them, and to have given you a succinct and concentrated discussion of the questions about which I am going to talk; but I have observed that you will not listen to these written essays. I find myself prone to drift into the cloakroom when gentlemen begin to read these essays on governmental questions, because in the cold, dull, calculating seclusion of a Congressman's room, writing in the constant fear of his constituents and in the constant dread of his critics, his remarks ofttimes become as stale, flat, and unprofitable as condensed skimmed milk. [Laughter and applause.] And so, while I can not promise you rounded sentences, glistening with beautiful rhetoric, I am going to try to give you some few crumbs of pure Democracy, hot and fresh right off the griddle. [Applause.]

I have heard socialistic speeches here, and I have heard treasonable and seditious speeches, almost. I hear a Bull Moose effusion almost every day, but it has been a long time since I heard anyone preach old-fashioned Republicanism, and still a longer time since I have heard a voice raised in this assembly proclaiming the Democracy that we were brought up to believe in. Scarcely a day goes by that some gentleman does not take a fling at this great Republic in which we live; but before I get to that I want to say that I am not going to make a long speech about anything, but am going to make a short speech about a great many things. During the course of my remarks I want to take up the war in Mexico. I want to also touch on the war in Colorado. If I have time, I am going to touch first on the war that is being waged against the best and freest Government that ever did exist or ever will exist on this earth, the Government founded by our fathers in this free Republic; and after I get through with that, if I have any time left, I may discuss

woman suffrage or infant suffrage or national or international prohibition. [Applause and laughter.]

Mr. MURDOCK. Why leave that to the last?

Mr. DIES. But I want to say to you that because I am going to depart from the usual routine congressional speech which is always or generally bombproof, or intended so to be, I am not altogether without misgivings as to personal safety in making this Democratic speech myself. [Applause and laughter.] I have got to whistle a whole lot to keep my courage up, because there are very few friends of representative Democracy and the old-fashioned Democracy that our fathers left in this Congress, and this is the best barometer of public opinion that I know anything about.

Just yesterday evening we were treated to a very learned discussion by the gentleman from Illinois [Mr. HINEBAUGH]. I have great respect for his patriotism. I have great respect for his intelligence, and the most unspeakable disgust for his political economy. Among other things he talked about was the recall of judicial decisions. That would not only drive a Republican or a Democrat to vomit, but it is more idiotic, and I say it without disrespect, than any of the fulminations of Santa Anna during the darkest days of Mexican revolution and anarchy. [Applause.] He used this language:

> It is common knowledge that the people have nothing to do with the appointment of a Federal judge or his retention in office, and it is just as generally understood that most Federal judges are nominated and appointed through the influence of special interests.

If Congressmen speak thus in the temple of our liberties, what must we expect the people to believe who are not in the position to understand the truth as we are? I thank Almighty God, Mr. Chairman, that I have an unshakable faith in the judiciary of this country. [Applause.] The present Executive of the Nation has had but slight occasion to use the appointive power in filling vacancies on the bench, but I want to say that his predecessor rendered this country as high a service as any patriot has ever rendered it in giving to it worthy occupants of the bench, clean, manly, intellectual, and courageous judges of our courts. [Applause.] And let me say in this offhand fashion that if the time ever comes when the people of this Republic lose faith in the Supreme Court or in the integrity of its members and the honesty and wisdom of its decisions you may cry for the mountains to fall upon you, but your Republic will crumble and perish. Of course I know no Congressman doubts the integrity of our Supreme Court. Congressmen here, with all the light of day flooded upon them, with all the avenues of information open to them, know that one of the brightest pages in the history of this great Republic is the honesty, the courage, and the integrity of our judiciary. [Applause.] I hope not many Congressmen will feel the political necessity of uttering words which tend to break down the confidence of the people of the country in the justice and the wisdom of our courts. [Applause.] You know, I have had a few "joint" discussions in my time with Socialists. It is very entertaining. I once indulged in an amusement of this kind with a Socialist and I wrote out a question and asked him to answer it in his remarks. I wish some misguided Bull Mooser or Democrat or Republican quasi Socialist would also answer the question which I now propose to repeat:

Do you know of any Government that ever existed upon this earth or that now exists upon this earth where its citizens have so much of liberty, so much of security, so much of happiness that flows from a good Government as these people and this Republic? [Applause.] No; that would stump the rankest, rawest Socialist and the boldest Bull Mooser who ever trod the earth. [Applause.] They all wind up by saying this is the best Government that ever existed or does exist, and yet they want to try to experiment and change it and reverse this great representative democracy which has given so much security to life and liberty, so much of human happiness and human grandeur and glory.

Mr. HULINGS. Mr. Chairman, will the gentleman yield?

Mr. DIES. Not for a moment. I want to lay out my foundation and erect my superstructure, and after that, when I begin to nail the planks, if some good carpenter will tell me a better way to put them together, I will be glad to stop for a moment with my hammer and saw in my hand and accept the suggestion. [Laughter and applause.] Now, are we agreed so far that ours is the best and wisest Government that ever existed or does exist? And if any gentleman will challenge that and point to the facts of history, ancient or modern, or in the middle of the two, where a Government from the first beginning, from the Governments of ancient Greece to the present hour, has excelled our Republic, why, I will be delighted to entertain him with a joint discussion. I mean you can not find a Bull Mooser or a Socialist—not even an I. W. W. or an I. R. R.—who is able to point to a period of time where human liberty was as safe and human government had reached as high a state of perfection as the present hour. What do they want to do about it? They want to change it. That brings me to a story, a true story, the scene of which was in my congressional district in eastern Texas.

I can speak about this man, because he is my friend, unless appointing him postmaster has changed him. [Laughter and applause.] He had been born and lived all the days of his life over in east Texas, which I know you will pardon me for saying is the best place on earth to be born and the best place on earth to live. He had beheld its beautiful trees of magnolias and pines and oaks and had fished in its limpid streams, had plenty of wood and water, and he had grown to manhood; but he became dissatisfied with east Texan environments. He had heard about western Texas, and especially about its fertile lands, and he said to the good wife, "We will haul out of here and we will go over to west Texas, where we can secure more and better land and where there are not as many ticks and everything is better than it is here." One fortunate thing occurred to my old friend, Giles Bowers, in that he did not find a purchaser for his place; but he left it and went out on the plains of Texas. He stayed out there and made a couple of crop failures, one of his mules died of the botts [laughter], the alkali dust blew into his children's eyes, and when he could stand it no longer he said to the good wife that he thought he would like to rig up some sort of a team and head back to God's country. He did so, and when he began to get back into the timber section they tell me he hugged the trees and kissed them and was exceedingly glad; and, praying, said, "Lord, if you will just let me do it. I will live among these streams and wooded dales of east Texas until time for me is no more." And he is living there now. [Applause.]

Mr. THOMAS. Mr. Chairman——

The CHAIRMAN. Will the gentleman from Texas yield to the gentleman from Kentucky?

Mr. DIES. I would prefer not to do so just at this moment.

Mr. THOMAS. Just a second.

Mr. DIES. Well, I will yield to the gentleman.

Mr. THOMAS. I wish to inquire if it was not Mr. GARNER'S district to which this man went? [Laughter.]

Mr. DIES. Mr. Chairman, if it were possible to turn this great Government, which we have secured through the sacrifices and the intelligence and the patriotism, and the learning of our fathers—if it were possible, I say, to turn it over to the Socialists and the socialistic Democrats and socialistic Republicans and the queer Bull Moosers, and they could make a little experimental excursion into the realm of experiment—the initiative, referendum, and recall, and imperative mandate and recall of judicial decisions, Government ownership of everything from a railroad to a hencoop—if we could turn it over to them with the belief and the assurance that they could do like my friend Giles Bowers, go out into this unknown experiment and bring this good Government back to the Constitution, to regulated democracy and law and order, I might be willing to let them try their hands upon it.

But knowing, Mr. Chairman, that Governments do not operate upon that principle, knowing that once you destroy a stable Government under a written constitution, that turmoil and anarchy is sure to follow, and that despotism follows anarchy everywhere in the world where anarchy ensues, I am unwilling that they should try the experiment. What would you think if all of your families were on an excursion trip and the engineer was about to open the throttle and you were to start on a grand holiday picnic with your families, your wives and your children, and somebody got up and said, "I do not like the way this engineer operates. I do not like the views of the fireman. Let us elect one of our citizens here to run the train." Somebody would ask, "Are there engineers in the coach?" "No; but I have absolute faith in the people. They can elect us an engineer." And up pops some fellow who never ran a train in his life and says, "I can run it." "Did you ever run a train?" "Oh, no; I never ran a train, but I have seen them run, and I know that I can run it. Let me run it." How many of you would be willing for a man to pull open the throttle of a train bearing this precious burden of your loved ones who had not had any experience?

Now, I say to you Socialist, to my Bull Moose friends, and my socialistic Democratic friends, if you want to change this great and good Government, this Constitution and this Democracy, I want you to at least demonstrate some ability to run the train. At least, I think you ought to read the history of the abominable failures of pure democracy. Your fathers had read it; your fathers knew that too much liberty became anarchy; that to attempt too much power in the way of direct legislation and administration resulted in turmoil and anarchy, and was followed by despotism.

You know I love to flatter the people just as well as you do. I love to tell the people that they are wise and good. And they are wise and good. But I do not want to tell them that they are capable of the direct exercise of powers that they are not capable of exercising. You know, in my growing up, my father gave me a little spotted yearling heifer. She grew to be a tall, long-legged calf with a good deal of spirit. Upon one occasion, when my father and mother were away attending church—it was the Sabbath day I am sorry to say—my elder brother and two or three boys of the neighborhood started out to convince me that I could ride this heifer. Well, you know, I had my doubts about it to start with. "Oh," they said, "you are a fine rider, Martin. This is a gentle heifer. You can ride her. She may buck a little bit, as heifers are want to do, but you can stick to her and hold on. It is safe and all right." And they flattered me to believe that I could ride the heifer. Well, it is safe to say that I did not succeed. But the heifer did. [Laughter.] I got "busted open" in the cow lot. And when a man tells me now that I can do something that I know I have not the power to do, I do not feel that he is flattering me. I think he is mistaking me for a person of very poor information. And when you tell the people that they can run this Government as an orderly democracy, by direct legislation, by your I. R. R., you invite them to certain failure and you entice them to certain ruin.

Another thing, gentlemen, I do not believe it is necessary to thus mislead the people. I have never found a farmer or an intelligent laboring man who when he came to understand the question would not sit down on a log and tell you that he did not want the job of making and unmaking laws, that he did not have time to put his mind on the business, but that it was enough for him to pick out a good man and a learned man and send him to Congress or the legislature to make the laws; and if he did not make them to suit him he would recall him in an orderly election under the laws of his country.

I see I am devoting more time to that phase of the question than I had intended to do. I did want to say a word or two about my friend's argument as to the recall of judicial decisions. He does not want the Supreme Court to interpret the Constitution. He does not want the Supreme Court of New York to interpret the Constitution. In the name of conscience, Mr. Chairman, if your Supreme Court is not to decide the disputed points that arise under this contract between the people and the Government, who is to be the umpire? If the Supreme Court of the State of New York is not to umpire the Constitution in the State and declare the intention of the givers of the power when they gave it, and the extent of the power given, who is to do it? They say, "Refer it to the people." I should hate to say, Mr. Chairman, just all that that meant, for instance, in the State of New York. If my good socialistic friends are correct in their statement, it would start by reference to the people, and in a good many places the reference would next be to the local bosses, and the reference would finally wind up to one man.

No, Mr. Chairman; this is the best system that has ever been evolved.

De Toqueville, in his Democracy in America, makes this observation about our Constitution:

> In examining the Constitution of the United States, which is the most perfect constitution that ever existed, one is startled, on the other hand, at the variety of information and the excellence of discretion which it presupposes in the people whom it is meant to govern.
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> * * * * * * *
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> The whole structure of the Government is artificial and conventional, and it would be ill-adapted to a people which has not been long accustomed to conduct its own affairs or to one in which the science of politics has not descended to the humblest classes of society.
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> * * * * * * *
>
> The Constitution of the United States is like those exquisite productions of human industry which insure wealth and renown to their inventors but which are profitless in any other hands. This truth is exemplified by the condition of Mexico at the present time. The Mexicans were desirous of establishing a federal system.

This book was written in 1845—

> The Mexicans were desirous of establishing a federal system, and they took the Federal Constitution of their neighbors, the Anglo-Americans, as their model and copied it with considerable accuracy. But, though they had borrowed the letter of the law, they were unable to create or introduce the spirit and the sense which gave it life. They were involved in ceaseless embarrassments between the mechanism of their double government—the sovereignty of the States and that of the Union perpetually exceeded their respective privileges and entered into collision—and to the present day Mexico is alternately the victim of anarchy and the slave of military despotism.

Mexico in her constitution of 1824 practically reenacted the Constitution of the United States. Growing out of the adoption of the constitution of 1824 was the settlement of the territory now known as the State of Texas. Following the constitution of 1824 Mexico, further following the example of the United States, enacted a liberal colonization law. She invited foreigners—American citizens—to come into Mexico and settle; and believing that after the adoption of their free constitution they could enjoy the liberty or a part of the liberty there that they had enjoyed at home, a great many of the citizens of the United States migrated to Mexico.

But the Mexican people were incapable then, as now, of self-government. There grew up a party known as the centralist party and a party known as the republican party. The centralists wanted to take all the power away from the Mexican States, and the republican party wanted to enforce this written constitution, which divided the powers between the States and the federal Government. Naturally, those citizens of the United States who had migrated to Mexico took sides with the republican party in favor of the rights of the States as against the centralization of the Government.

It is needless for me to say that the constitution of 1824 was disregarded and anarchy ensued. Despotism inevitably followed, as it always follows, anarchy. Now, having said this much, I want to say a pertinent thing or two about the present situation in Mexico. No man among you has greater confidence in the President of the United States than I have. I have great confidence in the goodness and patriotism of the Secretary of State. I am following them in what they are doing in Mexico. I do not know just what that is, but whatever it is, I am following it. [Laughter.] But I will tell you what our forefathers down in Texas did after they had been invited down there under the colonization law and constitution of 1824. When anarchy and despotism ensued, they declared their independence of Mexico. They said:

> The Mexican Government, by its colonization laws, invited and induced the Anglo-American population of Texas to colonize its wilderness under the pledged faith of a written constitution, and that they should continue to enjoy that constitutional liberty and republican government to which they had been habituated in the land of their birth, the United States of America.
>
> In this expectation they have been cruelly disappointed, inasmuch as the Mexican nation has acquiesced in the late changes made in the Government by Gen. Antonio Lopez de Santa Anna, who, having overturned the constitution of his country, now offers to us the cruel alternatives either to abandon our homes, acquired by so many privations, or submit to the most intolerable of all tyranny—the combined despotism of the sword and the priesthood.

Then they set out in this declaration the ills that they had suffered at the hands of Mexico. They said:

> It has suffered the military commandants stationed among us to exercise arbitrary acts of oppression and tyranny, thus trampling upon the most sacred rights of the citizen and rendering the military superior to the civil power.
>
> It has dissolved by force of arms the State Congress of Coahuila and Texas and obliged our representatives to fly for their lives from the seat of government, thus depriving us of the fundamental political right of representation.
>
> It has demanded the surrender of a number of our citizens and ordered military detachments to seize and carry them into the interior for trial, in contempt of the civil authorities and in defiance of the laws and the constitution.
>
> It has made political attacks upon our commerce by commissioning foreign desperadoes and authorizing them to seize our vessels and convey the property of our citizens to far-distant parts for confiscation.
>
> It denies us the right of worshiping the Almighty according to the dictates of our own conscience by the support of a national religion calculated to promote the temporal interest of its human functionaries rather than the glory of the true and living God.
>
> It has demanded us to deliver up our arms, which are essential to our defense—the rightful property of freemen and formidable only to tyrannical governments.
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> It has invaded our country both by sea and by land, with the intent to lay waste our territory and drive us from our homes, and has now a large mercenary army advancing to carry on against us a war of extermination.
>
> It has, through its emissaries, incited the merciless savage, with the tomahawk and scalping knife, to massacre the inhabitants of our defenseless frontiers.
>
> It has been, during the whole time of our connection with it, the contemptible sport and victim of successive military revolutions, and hath continually exhibited every characteristic of a weak, corrupt, and tyrannical government.

I shall include in the RECORD certain other statements in this declaration of independence. Suffice it now to say that those people of the United States who moved to Mexico under her promise of a stable government, when anarchy and despotism ensued, refused to leave their homes. They said, "You have invited us here. We are within our rights, and we will stay here." And they did stay, as you may find from the immortal pages of the history of Goliad and the Alamo and the glorious victory of San Jacinto. In the Battle of San Jacinto the Texans, with an army of about 600, overcame an army of 1,400 Mexicans. Our loss was 6 killed and 23 wounded. The Mexican loss was 630 killed and 208 wounded.

In those days, when Mexicans sought to drive back American citizens who had been invited into Mexico, their brothers from Pennsylvania and from Tennessee and Georgia and Louisiana buckled on their swords and shouldered their rifles and said, "We take the part of our brothers who have gone to Mexico in response to the invitation of Mexico."

For many years thereafter few Americans migrated to Mexico. Why? Because under that Government, where the people did not have intelligence enough to uphold a written constitution and self-respect enough to sustain orderly liberty, no American was safe to go. But along in 1870 some time Gen. Diaz set up a despotism—the only kind of a government in the world that can exist among a people incapable of self-government—and under the despotism of that great general who knew his people and their limitations American citizens were invited into Mexico. Some were invited to come and take up farms, some were invited to dig in mines, and some were invited to engage in this business and that business. They went there under a promise of protection for their lives and their property. They had as much right to go to Mexico when she had invited them to go as they had when they were invited by Santa Anna under the constitution of 1824.

Mr. GORDON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Texas yield to the gentleman from Ohio?

Mr. DIES. Yes.

Mr. GORDON. If they went to Mexico after Gen. Diaz had set up his despotism, after he had abrogated the written constitution, why did they not take the chances on some other despotism succeeding it?

Mr. DIES. They went there, Mr. Chairman, under the promise of protection for their lives, for their liberty, and for their property—for as much protection to life and liberty and property as can be expected under a despotism.

You may say that the hardy pioneers of Texas who went down there from 1821 to 1835, when Santa Anna and his roving band of Mexican murderers and vendetta burned their homes, that they ought to have migrated back to the United States and have given up their homes and property. But that is not the Anglo-Saxon way, and that is not the way our Pilgrim Fathers did when they touched this soil upon which we live. We had the finest excuse in the world to turn back when we first came to this new world, because we found it ocupied by Indian tribes. But we did not turn back, because this great Anglo-Saxon race, working out their own destiny and shaping the destiny of the world, are not given to turning their backs when their rights are invaded. [Applause.]

Now, there are two or three things we can do in Mexico. We have been invited down there, and we have invested more money in its industries than the Mexicans themselves have invested. Farms and mines have been opened; railroads and industries have been established by the capital and the labor of the American people. We can turn our backs upon it, and we can allow their roving bands of desperadoes to dynamite the railroads and the mines, to murder the American men and women and children who live in Mexico by their invitation, and tell them, "Come, leave your property; leave your homes; fly from the Mexican bandits and murderers and the Mexican Army. Leave it; come away. You have no rights there that the American flag and the American Nation will sustain."

That is one way. Another way is to say, "You went there upon the invitation of the Mexican Government. You had a right to go, and you have a right to stay, and you have got a right to your life and your property while you stay."

Mr. Chairman, there is no man in this Congress who abhors war more than I do. I know of the scenes of carnage and desolation that follow. I know of the black smoke of burning homes and the red blood of dying heroes that come with war. I also know the long pension roll that follows and the tremendous burdens upon the taxpayers of the country; but I am in favor of sustaining the Americans in Mexico as you sustained your brothers in Texas in 1836. [Applause.]

Mr. FESS. Will the gentleman yield there?

Mr. DIES. *Certainly.*

Mr. FESS. What, in your opinion, would be the position of Texas now, had she not gotten her independence in 1836 and if she had remained a part of Mexico?

Mr. DIES. If the brothers of the Texans who lived in the United States had not sustained them in their struggles for liberty in the early days, they would have been exterminated by roving Mexican bands, and to-day Texas and all of that territory that was then under the Mexican flag would be what many of the Mexican States are to-day—the scene of murder and pillage. No man would sow, because before he had time to reap some bandit would come to despoil him of his labor. No man would build a house, because before he could occupy it a roving general would burn it to the earth.

Mr. GORDON. Will the gentleman yield?

Mr. DIES. Yes.

Mr. GORDON. Of course you understand that the people of the United States did not interfere with Texas until after she had declared and achieved her independence. Is there anything to-day that prevents an American citizen, you and me, from shouldering a rifle and going down there to help those unfortunate people in Mexico? The Government of the United States did not interfere then under circumstances similar to those existing to-day.

Mr. DIES That is a big question. At that time we organized companies in the United States. We organized one in New Orleans called the Greys. We organized one in Alabama—Dr. Shackleford's company. We organized armies—not large ones, it is true—and sent them to the aid of our brothers in Texas, to help them stand by their homes and firesides, built upon Mexican soil at the invitation of the Mexican Government. I do not care how you go about it. I do say that this red-blooded Anglo-American Nation can not forsake her citizens in Mexico who have gone there in obedience to Mexican invitation. [Applause.] Suppose we should do it. Suppose we should take every American citizen out of Mexico and tell him to turn his house, his garden, his farm, or his mine over to the Villas and Carranzas and Huertas and let them pillage his property and devour the fruits of his labor; what would be the result? There are Germans in Mexico; there are Frenchmen; there are Japanese in Mexico. They are probably not so complacent as we are. They demand that their citizens shall not be murdered; that the property of their citizens shall not be destroyed. You who want to forsake your brothers in Mexico, are you willing to go to war to make every other nation on the earth forsake her citizens in Mexico? They will not forsake their citizens, even if we forsake ours. Under the Monroe doctrine, under the American doctrine, under the history and traditions of this race, you are not going to allow the settlement of Mexico by immigration from Japan, China, Asia, or any other place, to take charge of that territory at your door. [Applause.]

Talk to me about establishing a stable government in Mexico by placing Villa in the presidency! If I were compelled to choose between murderers I would take that bullheaded old Huerta in preference to that rapacious, pitiless, bloodthirsty, roving bandit and plunderer of men's homes and villages and towns, known by the name of Villa. [Applause.] What kind of a government will ensue in Mexico if we bring about the downfall of the present dictator and set up another in his place? You will have the same old story that has been the history of Mexico since Cortez landed his 600 there. Since then one revolution has followed another. Anarchy, plunder, and murder have been the order of the days and nights in Mexico, except during such brief periods as a powerful general with sword in hand has maintained himself in a despotism. So what must follow?

If we depose one despot in Mexico we have the alternative of setting up another despot, or of witnessing a continuation in greater volume and fury than ever before of revolution and murder, of the burning of homes, of rape, and lawlessness in poor old Mexico. Of the seventeen or eighteen million people down there I daresay 80 or 90 per cent would be glad to have a stable government. Many of them would be glad to take the money with which they are now compelled to buy rifles and ammunition to protect their homes in a meager way and invest that money in plows and hoes to go out and till the earth and make it blossom like the rose. But those 80 or 90 per cent of the Mexicans in Mexico who want to work and not shoot, who want to farm and not rove, who want to build houses and not have them destroyed, are not able to do so if your Villas, your Huertas, your sashed and epauletted so-called generals who want to fight are permitted to revolt day in and day out. For myself I will say it now—it has been in my system some time, and I am glad to get it out—I am not for deserting Americans who have been invited into Mexico with their wives and their children and whose lives and property are needing protection there. I am for taking the guns out of the hands of the ignorant murderers, who would kill our people, and gently placing into their hands the implements of husbandry. [Applause.] And then I am in favor of protecting them while they till the soil instead of killing the citizens.

Mr. FESS. Will the gentleman yield?

Mr. DIES. With pleasure.

Mr. FESS. I know the Members would like to have the gentleman's opinion, and I would like to have the gentleman's opinion, as to the possibilities of the States just across the Rio Grande—Coahuila, Chihuahua, and Sonora. Would it be possible in that country just across the river to see what we see in Texas in the way of improvement in national spirit, and so on? Is it possible, or are there conditions there that would make it impossible?

Mr. DIES. I will say to the gentleman that I am not in favor of more than one trip into Mexico the next time we go. [Ap-

plause.] And I want to say, and that brings the thought to my mind, and I am in earnest about it—I try never to say anything that I am not sincere in—I have faith in that square-jawed gentleman up at the other end of the Avenue, the President of the United States. You know Brag is a good dog, but Holdfast is better, and I prophesy that if he ever closes down those square jaws upon the Mexican situation it will have to thunder several times before he lets go. [Applause.]

That is all I want to say. I do not say it in criticism of the administration.

Mr. FESS. I think the gentleman misunderstood the inference of my question.

Mr. DIES. I think I did understand it.

Mr. FESS. I did not ask whether we ought to go down and annex territory in Mexico. I asked if the gentleman thought a proper form of government could be established in that section of the country and be as prosperous as Texas.

Mr. DIES. I am not talking about annexing Mexico to gratify any love of conquest. Now, I am not so awfully ripe in wisdom, but I would march an army to Mexico City, and I would cause the people to set up a stable government and protect the lives and property of the people, and I think Mexico would pay the bill [applause], because I am weary with this doctrine that the people of the United States—the farmers and the laborers who have to pay for all of these excursions of armies and navies, for these seesaw gyrations and mediations—I want the people of the United States to have no more than justice, and if we have got to act as policemen down in Mexico, the people for whose benefit we are acting ought to pay the policemen's salary. [Laughter and applause.]

Mr. J. M. C. SMITH. Will the gentleman yield?

Mr. DIES. Yes.

Mr. J. M. C. SMITH. Would not that be a violation of the Monroe doctrine?

Mr. DIES. I have not started to discuss the Monroe doctrine. I do not know that I understand it. If it means that we are to turn our backs on our brothers in Mexico and allow the red devastation of anarchy to ensue until some foreign government comes along and does what we ought to do, I am *not for* the Monroe doctrine. But the Monroe doctrine does not mean that.

Mr. SHARP. Will the gentleman yield?

Mr. DIES. I will.

Mr. SHARP. In view of the interesting history of a century of revolution which the gentleman has given, how long does the gentleman think a government down there would remain stable?

Mr. DIES. As long as we kept farming implements in the hands of the revolutionists and good guns with plenty of lead and powder in the hands of the American soldiers that we would be sure to leave down there. [Laughter and applause.]

Mr. SHARP. That would mean permanent occupation?

Mr. DIES. Yes; we will permanently occupy Mexico for years to come, as we did this country of the Indians, just as we occupied Texas, and as our brothers were occupying Mexico before we went down there.

Mr. SHARP. That would be a war for the annexation of territory.

Mr. DIES. No; it would not. Eighty per cent of the people of Mexico, living in adobe houses, who can not plant corn because it will be stolen before it ripens, would be glad and praise God Almighty to have a government that would allow them to plant a crop and gather the crop, that would allow them to build a house and be sure that no revolutionist would tear the roof off before morning.

Mr. SHARP. Would not that result in the occupation of the country permanently? If you are going to station soldiers there, you are going to occupy the country.

Mr. DIES. I will let my mediative friend work that out in his leisure moments.

Mr. QUIN. Will the gentleman yield?

Mr. DIES. Yes.

Mr. QUIN. In regard to putting useful tools in the hands of Mexicans, would it not be necessary first to cut off Huerta's head and put Villa in jail? [Laughter.]

Mr. DIES. No; I think the great body of the Mexican people would be glad to be rid of three centuries of revolution. I have no doubt that most of the fathers and mothers who go to bed at night in Mexico, knowing that their homes may be burned and their families murdered before daylight, would welcome a stable government in that troublesome land. And so far as occupying Mexico permanently, I have no doubt that if we would unfurl Old Glory for the purpose of establishing a stable government, that American citizens would avail themselves of their right to return to their homes, and many other American citizens would promptly emigrate into that fair land.

Mr. MURDOCK. And there would be a better land distribution.

Mr. DIES. Yes; that is the trouble in Mexico. God's green footstool is owned by a few people who will not and can not cultivate it themselves, but who will not suffer the poor Mexican people to have a homestead or a place to build a house to live. You stated the truth. There can never be a free government exist on the earth by tenants, by homeless men, by roving bands. We have got some little jobs in the States comprising the United States to attend to on the land question. Nothing in the whole category of evils is so prolific of evil as land monopoly. That is true in Mexico and it is true in Texas.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DIES. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BARTLETT. Mr. Chairman, I will yield the gentleman 10 minutes more.

Mr. BUCHANAN of Illinois. Will the gentleman from Texas yield?

Mr. DIES. Yes.

Mr. BUCHANAN of Illinois. The gentleman has not yet touched on the Colorado situation.

Mr. DIES. Lawlessness and anarchy in Colorado are just as hateful and dangerous as lawlessness and anarchy in Mexico.

Mr. BRYAN. And the gentleman has omitted the question of prohibition.

Mr. DIES. If the gentleman will come around to my office I will enlighten him. [Laughter and applause.] Mr. Chairman, if it will do the gentleman any good, I will give him in one or two words my views on the question of national prohibition. I had just as soon die here as lower down the creek. [Laughter and applause.] One of the first votes that I ever cast was for local option in the town I lived in. I have said that in a State-wide prohibition election I would vote for State-wide prohibition, although with many misgivings as to whether it would be a better remedy for intemperance than local option. I never have believed, and never will, that the State of Texas, no matter how dry it got to be, will ever be able to tell the people of New York how wet they should not be. [Laughter and applause.] If I had been in Mexico I would have been a republican as against the centralist. Living in the United States, I am for the rights of these States on woman suffrage and prohibition and every other question. [Applause.]

Just another word, because I am going to revise this speech in the RECORD, and if I am not clear now, I will be when I get through with the speech. [Laughter.] There are two forces in this Government that are working for socialism. One is the clan way up in the multimillionaire class, your Rockefellers, your men who sit lonesome and miserable upon the apex of great piles of wealth.

They are doing more, I will say, to breed discontent and destroy the confidence of the people in their Government than any other class of people. Then down at the other end of the scale is your ignorant miner in Colorado, your foreigner, who has come over to this country, cast his lot with us, and who has been told by a lot of flannel-mouthed politicians that he has the right to quit his job and then shoot the man who tries to take the job. [Applause.] I am sorry for those people in Colorado. I am sorry for Rockefeller. Poor man, with his hundreds of millions of dollars, he must be miserable. He must be miserable to see the effect—the industrial war that flows out of his great aggregation of wealth. I do not blame the foreigners, the foreign born who are in Colorado—and I am told they speak 32 languages there, and that does not embrace the English language. They came over to this country from foreign lands to seek their fortune in free America. They were probably getting 50 cents a day over there, and they were getting from $3 to $7 a day before they struck in the mines in Colorado. They have some false ideas in their minds, that they have got to get out. [Applause.] Somebody has told those ignorant foreigners that they have a right to come to this country, go to work for some man, and if they get tired of the job they have the right to quit the job and then stand by the property and shoot the man that offers to take the job in their place or shoot the men who decline to quit at the same time that they quit. Let me tell you, I do not blame those poor ignorant fellows, but I would as soon tell a child 3 or 4 years old that he can safely play with a shotgun as to tell those foreigners that they have the right to drill armies, to buy arms, and go into civil warfare over those industrial conditions.

Mr. BUCHANAN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DIES. Only briefly.

Mr. BUCHANAN of Illinois. Do not the facts show that the strikers who are protesting are the ones that are getting shot at this time in place of taking the gun and shooting somebody else?

Mr. DIES. I know what the newspapers say, and that is that both sides there are armed with guns, and that they are drilling for war. I saw in an Associated Press dispatch that there were Greeks there who were drilling Greek soldiers in the mines, teaching them how to shoot. I say that liberty means that a man has the right to work wherever he pleases. [Applause.] He has the right to quit his job when he gets ready to quit it, but under a free government no man has the right to quit his job and then kill the man who comes along to take the place. If you are teaching that kind of doctrine to the laboring men of this country, to these ignorant foreigners who can not speak our language, these ignorant foreigners who speak 32 tongues in Colorado—if you are teaching them that they have any such right as this, then you are luring them to their destruction. It is not in the Constitution, it is not in the statutes of the States, it is not in the heart of a patriot, that a man has the right to kill another man if he offers to engage in employment where that other man has ceased to want the job. [Applause.]

I am afraid of your Rockefellers and I am afraid of your selfish multimillionaires who want to build fortunes mountain high. I am for a graduated land tax in my own State and I am against monopoly, but of all the things on this earth that I fear, I am most afraid of lawlessness and anarchy. I am afraid of the country where, when a man goes to bed at night, the murderer and the thief will come. I am afraid of a country where a man's life and liberty, his right to work and raise and educate his family, are disturbed. I am afraid of the multimillionaires, and I am afraid of your Greek soldiers, who are being drilled in Colorado. I know not which class is doing the most to destroy this great Republic. I know not which class is doing the most to break down the confidence of the middle class of this country in their great and good Republic, your Rockefellers or your bomb-throwing miners. I want to say to my friend from Illinois [Mr. BUCHANAN] that the merchants, the bankers, the lawyers, and the doctors, the farmers and the laborers, the mothers and the fathers of this goodly land shall yet rise and say to the Rockefellers and to the lawless anarchists at the other end of the ladder, "Thou shalt not despoil this good land in your war over the wealth of the earth in the mines." [Applause.] "You have a right to labor; you have a right to organize labor; you have a right to quit as one man or as an organization, but we challenge the right of any man to say that after you quit you have the right to go and get your shotgun and shoot down your brother who refused to quit when you did, or another man who was willing to contract to do the labor that you declined to do." [Applause.]

Mr. Chairman, I love this great Republic. It is the safest and the dearest place upon this earth in which to live. I am not in favor of allowing the multimillionaires, the industrial hogs, if you please, nor am I in favor of allowing the ignorant anarchists with gun and bomb, either or both, to destroy the liberties of this great people and this great Government. [Prolonged applause.]

Ripening Fruits of Democracy.

EXTENSION OF REMARKS

OF

HON. B. P. HARRISON,

OF MISSISSIPPI,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 8, 1914,

On the bill (H. R. 17041) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an editorial, written by Mr. Larry Gantt, one of the best editorial writers of my State, that appeared in a recent issue of the Jones County News.

The editorial portrays in a very succinct but in a most excellent way the accomplishments of the Democratic administration since coming into control of this Government.

The editorial is as follows:

"RIPENING FRUITS OF DEMOCRACY.

"To save a patient's life it is sometimes necessary for the surgeon to perform a dangerous and fearful operation, from which the victim is long a sufferer and his or her situation is critical.

"It was thus with our Republic when Woodrow Wilson and a Democratic House and Senate were given the reins of government. For nearly half a century the people of this country have been groaning under such oppressive and unequal laws as characterized France under the Bourbon Kings and before the reign of terror and the Republic, only this political tyranny was disguised and softened under the guise of popular government.

"Instead of a monarchy of men, a monarchy of money dominated and absolutely ruled this great Republic. Under our robber protective tariff laws the entire manufacturing industries of the country were controlled by certain interests that fixed prices of their products at extortionate figures while forcing the farmer and producer to sell raw material often for less than actual cost of production. Gigantic trusts were organized to control every commodity used by the people. First, competition was crushed and the most usurious prices demanded. And these trusts had grown so greedy and insolent that they were reaching forth and grasping every possible utility. It matters not what a person purchased, from a wooden toothpick to a steam locomotive, he must pay tribute to a trust. These plutocrats set in to secure possession of all the natural resources of our land—oil deposits, timber, coal mines, water powers, and so forth—and then reached forth to grasp every artery of commerce and vehicle of public communication. Railways, when their control could not be secured otherwise, were systematically and deliberately wrecked, and the innocent and helpless stockholders, whose money built these lines—including widows, orphans, and charitable organizations—robbed and plundered. The cost of living had so increased that many articles of food once looked upon as necessities of life were placed beyond reach of the masses. And the honest yeoman who produced these commodities was not the beneficiary of these extortionate prices, but the men who manipulated the markets, and through their enormous and ill-gotten wealth had it in their power to control the commercial laws of supply and demand. In this great Nation of ours there was not an individual outside of these special and favored interests but was a victim, and deliberately robbed daily—yea, hourly.

"And, through the enormous wealth thus accumulated, a few men dominated and controlled the finances of our Republic. It was in their power at any time to contract the currency to promote their selfish greed or as a menace to our lawmakers, and thus bring about a panic, paralyzing every line of business, bankrupting thousands of legitimate enterprises, closing the doors of mills and factories, and throwing vast armies of honest and industrious workingmen out of employment, entailing destitution and suffering on poor and helpless women and children.

"Such was the situation in our Republic when Woodrow Wilson and a Democratic House and Senate were placed in power.

"And that political change did not come a day too soon were our Republic to be rescued from those plutocratic tyrants. Four more years of Republican rule would probably have seen the people so firmly shackled by the money kings that it would have required a second revolution to save the country, even could the people then have triumphed over the resources that such enormous wealth could command. It would not have been many years, as things were going, before a few alien landlords would have controlled the farming lands of the country, and the same condition would have prevailed here as in Ireland up to a few years ago. The masses were not only being robbed but enslaved by those plutocrats, with all the resources and money of our country in their hands. Ends that kings and tyrants in the Old World accomplished with fire and sword were being fast brought about in this Republic of ours by the Republican Party and its iniquitous and outrageously unjust and unequal laws.

"We do not suppose the head of any nation found such intricate and delicate problems to solve or greater and more complex work to do than President Wilson when he assumed office 15 months ago. Perhaps ninety-nine men out of an hundred would have gone to work with great caution and circumspection, lest they disturb business and frighten capital, and proceeded to administer homeopathic doses of reform.

"But in Woodrow Wilson it appears that God, like unto in the days of old, has raised up a man to save our great Republic and its people. He at once saw the need of an immediate and revolutionizing change in the entire economic system of our Government. With undaunted courage and a firmness without paral-

lel, he at once applied the knife of reform and proceeded without an instant of hesitancy or delay to remove one by one the cankers from which our country had so long suffered. He closed his ears to the threats and wails of plutocrats and many all-powerful and favored interests, and with one eye fixed upon the Baltimore platform and the other eye upon the oppressed and long-suffering masses, proceeded to his task. He neither hesitated nor delayed, and the eternal hills were no firmer settled than was Woodrow Wilson in his determination to carry out every pledge made in the Democratic platform, with each 'i' dotted and 't' crossed. He cast precedent to the winds. With nothing to conceal, the President went in person before Congress and stated what should be done. When once he took a stand on a great public matter his decision was as irrevocable as the laws of the Medes and Persians.

"It was indeed gratifying to see the unanimity with which our Democratic Senators and Congressmen rallied around their leader, recognizing his statesmanship, ability, determination, and honesty.

"Never in the political history of any nation was such important and revolutionizing work executed with such dispatch. Within little more than 12 months has every pledge made in that Baltimore platform been enacted into a law or will soon be carried out to the very letter.

"The grip that the tariff monster had upon the throats of the people has been torn loose; the cost of living has been reduced; the control of money taken from those plutocrats is now in the hands of the people, and the days of panics are over; the power to dictate prices to the country and force the producer to submit to the buyer, naming what he will receive for the fruits of his labor, is destroyed; the gigantic and once all-powerful trusts are curbed and legitimate competition restored; and the income tax will require the rich to bear a share of the support of government.

"And these great reforms were brought about without disturbing the business of the country or affecting its finances. The large interests realized that we had a man in the White House with will and backbone, and it was the part of wisdom and discretion that they be on their good behavior.

"And too much praise can not be accorded those Democratic Members of the House and Senate who loyally stood by the President. They are heroes all and richly merit the gratitude and indorsement of a grateful people and rescued country.

"We never knew such courageous devotion to duty as shown by these Members. They stood at their post of duty during the long hot summer and all the winter, without vacation or rest, bravely and unflinchingly fighting the battles of their people without regard to discomfort or their own political futures.

"We feel like lifting our hat when we pass a Member of that great Congress. Their each and every name will be inscribed upon the roll of fame."

Method of Appointing Postmasters and the Handling of the Business of Post Offices.

EXTENSION OF REMARKS

OF

HON. SAMUEL W. BEAKES,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 8, 1914.

Mr. BEAKES. Mr. Speaker, I desire this afternoon to take up a few moments of your time to call your attention to a proposed change in the method of appointing postmasters and of handling the business of the post offices, which, it strikes me, would add much to the efficiency of that branch of the governmental service which comes closest to the people and would afford much relief to the Members of this House by diverting less of their time from the real legislative work for which Congress was formed. I do not expect that anything can be done at this session of Congress along the line I propose, but I wish to call the matter to your attention, so that when it comes up later it will not be an entirely new idea, but one on which you will have formed some opinion.

The proposition I lay before you is a plan to take the Post Office Department entirely out of politics and to make it what it should be—a purely business proposition—to give the very best possible service to the people. Briefly stated, I would put every postmaster in the United States under the civil service. I would make the county the post-office unit, and I would have the Postmaster General appoint the county postmaster by promotion from the ranks of the post-office employees of the county. I would have the county postmaster appoint all the other postmasters in the county from the civil-service list, precisely as clerks or carriers are appointed, subject, of course, to the approval of the Post Office Department. The county postmaster would have personal charge of the principal post office in the county and supervisory charge of all the other post offices in his county.

There are many advantages to this plan, and among them is that of economy and, it strikes me, also of more efficiency. There is no reason why a Congressman should have the appointment of the postmasters in his district, or, to be more precise, should have the recommendation of the postmasters. This is not a legisaltive function. It is purely executive. It is not even a political asset to a Congressman. For every friend he pleases by an appointment he is obliged to disappoint half a dozen other friends, who blame him for their disappointment. I have heard some Congressmen state it this way: "Every appointment makes half a dozen bitter enemies and one lukewarm friend." There is not one of us, however, as long as the present system is in force, but what would fight for the man of his choice for postmaster; but if all this work could be taken away from us, what a burden it would lift from our shoulders and how much more energy and time we would have for our real legislative work. But we are not the only ones who would be relieved. Nearly all the time of the Postmaster General and the First Assistant Postmaster General is taken up with these appointments, time which should more largely be given to the study of the service and the devising of improvements. Then, too, the very valuable time of the President is encroached upon and many annoying situations must necessarily arise, owing to conflicting claims, all of which, if possible, should be spared him. Then, too, the confirmation of these political appointments occupies much of the time of the Senate. All of this would be saved under the proposed plan. Possibly, if all this time were saved, we could so push business that our sessions would no longer be practically continuous and we could occasionally get home to our constituents and get their viewpoints.

There are 58,020 post offices in this country. The Postmaster General and the First Assistant Postmaster General have now to fill all these offices. Necessarily there are very few of these appointees of whom they can have any personal knowledge. That is why so much of their time and energy is taken up with determining who shall fill these offices. Do you think the head of a big private corporation would work under a system in which his time should be practically wholly given up to determining who his employees should be? Then these postmasters when appointed are inexperienced. They have to learn their duties, and in the smaller offices, especially, they are rarely, if ever, visited by post-office inspectors. Some of them, I am sorry to say, never do really learn their duties.

The supervision now exercised is too remote and must be by correspondence, and necessarily many of the postmasters are not ready letter writers. If the supervision were more immediate better results would be obtained. What kind of an organization would an army of 58,000 men have scattered all over the United States, with no officers nearer than the general in Washington, and each man reporting by mail to that general? And yet this is the present organization of the Post Office Department. True, we have a small force of post-office inspectors going around, occasionally checking up an office, and always looking for delinquencies to report to Washington; but I would not call this effective supervision.

Each of these 58,000 post offices gets its supplies direct from Washington on requisitions made by them. Conditions are widely different at different offices and many supplies are ordered and shipped which are valueless at the offices to which sent, and the Government is out the cost of these supplies. Other offices do not have needed supplies, and the efficiency of the service to the people is injured by this fact. With so many accounts a small army of clerks must be maintained in Washington. Then, too, the expense of shipment from Washington separately to each office is much larger than would be the expense of one shipment to each county. The county postmaster should furnish each office in the county with needed supplies. He is on the ground. He should know better what they need.

Under this plan I propose I would not lessen the number of post offices. I would have them get their mail as now; but while leaving each post office as at present, with its name intact and with nothing done that would affront its local pride, I would make all the postmasters of the county subordinates of the county postmaster. They should furnish bonds to him, report to him, be under his direction; and he should have the right to recommend their removal for cause. He should, as I have said, with the approval of the department, fill all vacancies under civil-service regulations. In other words, instead of

making each city, village, hamlet, or crossroads a post-office unit, I would have each county or equivalent subdivision the post-office unit. There are 2,953 counties in the United States, and hence I would have the department at Washington with about 3,000 accounts instead of 58,000 acounts.

In giving over the selection of postmasters in a county either by promotion or from civil-service lists to the county postmaster, I think an improvement would be effected, for the reason that the county postmaster is more likely to know the appointees than the department at Washington, and as in any event he would be responsible for their work he would be the proper one to choose them.

The object I seek to accomplish by having the county postmaster chosen by promotion is not alone that he should have had experience in the Post Office Department. I would put an incentive before the post-office employees of the whole county for better and more intelligent service. One great fault I find in the civil service is the lack of promotion for extra efficient service. The employee of the private corporation has always before him the chance to rise if he can show extra efficiency. After the post-office employee gets up a little way at present there is a blank wall ahead of him, which says, "Thus far canst thou go, and no farther." I would have each post-office employee in the whole county with the goal ahead of him of county postmaster, with its privileges for service, its added emoluments, and also the protection of the civil service. I would have him know that if he could so do his work that he could show extra fitness, that the office was within his grasp.

The realization of the necessity for some such change as I have outlined for administration with the county as the unit is not entirely a matter of theory with me. I gave four years of service to the Government as postmaster, two years under Cleveland's second administration and two years under the McKinley administration, and it was my personal observations during that period which convinced me of the necessity of a change in order to insure local efficiency of administration.

It is a big business, is the post-office business of the United States. It costs $306,000,000 a year. The heads of this big business have many problems coming before them for determination. They should come to them fresh and not be bothered with the selection of so many employees whom they have never seen. Give these men at the head a chance and you will see better methods devised, greater service rendered, and more economy in administration. Make the work a purely business one and you will please the people, besides saving them money, and you will save the time and energy of the President, the heads of the Post Office Department, the Senators, the Congressmen, and you will have a more uniform and better administration of the local post offices.

Woolen Mill Industry.

EXTENSION OF REMARKS

OF

HON. WILLIAM A. CULLOP,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 8, 1914,

On the bill (H. R. 17041) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes.

Mr. CULLOP. Mr. Speaker, in reply to the great howlers of calamity on the Republican side of the House it is only necessity to refute their daily clamors to publish the facts as they exist all over the country. I submit a few of these as they occur in the press in different localities. These completely answer their charges and absolutely refute them. We know these calamity howlers regret to hear these; they try to disparage them, and have the country believe conditions are deplorable, but in this they will fail. The people are aware of the true conditions and are satisfied with them, and this is what displeases this little coterie of would-be panic makers on the Republican side of this Chamber.

The calamity howlers are dying hard. Their disappointment is so intense that their agonizing groans are daily heard as the great wave of prosperity looms up before them, penetrating every field of our industrial system, and supporting the claims of the Democratic Party as it enacts Democratic policies into law and our financial and industrial institutions adjust themselves to the new conditions for the inauguration of the most marvelous era of prosperity ever known in the history of the Republic.

It seems no one is alarmed about conditions except the calamity howlers, who see rapidly vanishing all hopes of standpatism and Republican success.

The articles are as follows, and I commend their careful reading to our friends who are howling calamity daily on this floor:

[From the Louisville Times, June 5, 1914.]

THE SURPRISING FACT.

The following was first printed as an editorial in the American Wool and Cotton Reporter:

"A careful study of the woolen industry brings to light the fact that conditions are much better than some would have us believe. Conversations with several prominent factors confirms our previously expressed belief that the outlook is brighter than at any time in the recent past and that business is well past the low point, with indications that the improvement shown is to be permanent and of a steady growth. Duplicates are coming forward in fair volume, with the result that more than one mill has been forced to secure outside machinery in order to take care of business now in hand.

"Mills in this condition are very anxious to avoid betraying the fact, lest their competitors encroach on their preserves, and to this attitude may be attributed, to a considerable extent, the prevalence of the idea that the woolen business is abnormally depressed. Up to the present time there has been no indication on the part of the manufacturing clothier of any intention to divert his purchases from the regular channels of trade toward foreign fabrics, nor do we think there need be fear of such action in the future."

In short, the American manufacturer is discovering that the efficiency of which he boasted so loudly before the Underwood tariff bill was thought of, and of the existence of which he was beset by so many fears when that same bill was drafted and passed, exists after all. Under the Underwood tariff only a lack of efficiency can prevent the American manufacturer, with the added advantage of free raw material, from having the best of it in his home market in competition with the foreign manufacturer, who has to reckon with the handicaps of transportation charges and the cost of revenue duties.

Under all the circumstances, however, it is not so surprising that the discovery should have been so long in coming, but that it should have come so soon. It is not to be forgot that the American manufacturer has had the gospel that his only salvation lay in a prohibitive tariff preached to him for 50 years. He has had less than a twelvemonth of actual experience in which to convince himself that the truth is just the opposite.

[From the Portland Oregonian, March 28, 1914.]

WOOL SALES LARGE—ACTIVE MARKET FOR NEW CLIP IN WASHINGTON—KOSHLAND HEAVY BUYER—TRANSFERS TO DATE AMOUNT TO ABOUT 1,250,000 POUNDS—PRICES RANGE FROM 12 TO 18 CENTS—NO OREGON CONTRACTING.

The most active wool market in the Northwest is in Washington, particularly in the Yakima section, where growers have been selling freely during the past week. In eastern Oregon trading is at a standstill. Buyers are anxious to contract wool, but growers are firm and holding out. Shearing in the eastern counties will not begin before the middle of April, and it is not likely there will be much doing in the way of buying before that time.

Isidore Koshland, who has just returned to this city from Yakima, where he was a heavy buyer, said:

"The only shearing in the Northwest has been in the Yakima Valley. The wool is selling as fast as shorn, and buyers are even making contracts for wool on the sheep's back where the clip is known to be good. Sales have been made at North Yakima, Kiona, Toppenish, Kennewick, Prosser, Mabton, Sunnyside, and other points.

"Altogether about 1,250,000 pounds of Washington wools have been sold to date. The prices, which ranged from 12 to 18 cents, were about the same as last year, in some instances a little more and in others a little less. The growers are well satisfied with the prices they received. The clip is by far the best for several years in point of quality, condition, and length of staple.

"There has also been some shearing along the Columbia River, but on the S. P. & S. shearing will not be general until the middle of April. One of the largest deals in Washington wool was the sale of the Hartley clip of about 125,000 pounds at Kahlotus."

Mr. Koshland, who is going back to Washington in a few days to make further purchases, has secured the following clips:

	Pounds.
H. Stanley Coffin, Kennewick	6,000
S. O. Stewart, Kiona	2,500
George Prior & Son, Kiona	9,000
George Chambers, Kiona	2,500
Hubbard & Co., Kiona	2,500
Ellis Regan, Kiona	2,500
P. Ager, Kiona	8,000
R. Rennie, Kiona	3,500
Kays Bros., Mabton	2,500
Kersey, Mabton	2,500
Coleman, Mabton	2,500
Yakima Sheep Co., Prosser	10,000
U. F. Dightman, Monte	10,000
Olney Bros., Wapato	10,000
J. Prohl, Toppenish	4,000
McGee & McGuffy, Toppenish	4,000
H. L. Jensen, Toppenish	3,500
Toppenish Live Stock Co., Toppenish	3,500
T. H. Smith, North Yakima	2,500
Mrs. Besse, North Yakima	4,500
P. Yakabe, North Yakima	3,500
Coffin Bros., North Yakima	1,500
W. M. Wilson, North Yakima	3,500
E. Butler, Sunnyside	6,000
P. Oliver, Sunnyside	2,500
Anderson & Rothrock, Sunnyside	5,000
Mercer & Roberts, Prosser	2,500

WOOL HIGHER THAN FOR MANY YEARS—IN SOME INSTANCES PRICES HAVE NOT BEEN EXCEEDED SINCE 1897.

The high prices being paid by wool contractors in parts of the West are said to be the top level since 1897, on the average. Appreciation of this may be had, according to a mail report from Boston yesterday, when it is considered that former prices were under a duty of 11 cents

per pound on foreign wool. Without this protection, growers are said recently to have secured the highest prices for 17 years. In fact, the case is cited of a clip being sold this year at 17 cents upon which an offer of 14½ cents was withdrawn in 1913 at shearing time. Other bids of that year for this clip were around 12½ cents, and it ultimately was consigned to the market for selling by a dealer. An eastern wool writer says: "All this brings us back to the fact that nothing but continued firmness abroad can justify the situation. Dealers will not be able to turn over these later-bought wools except by advancing prices even beyond the recent local increases, which would bring them up against a snag in the event of any weakening in foreign wools. As it is, manufacturers are in danger of foreign competition, and must practice economy in some direction, so they will naturally hang back as far as possible from paying more for their raw material."

WOOL PRICES ARE HIGH—FIGURES EQUALED ONLY TWICE BEFORE IN 25 YEARS—TOTAL OF 500,000 POUNDS OF UMATILLA COUNTY'S CLIPS CHANGES HANDS—EVERY CLIP OFFERED IS SOLD.

PENDLETON, OREG., *May 21.*

Only twice before in 25 years has Umatilla County wool sold for prices equal to those secured by Pilot Rock growers at the public sale held in that place to-day.

This was the first public sealed-bid sale held in Oregon this year. More than 500,000 pounds changed hands. Every clip offered was sold.

The prices received ranged as much as 5½ cents in advance of the prices paid for the same clips last year.

An unusual feature of the sale was the fact that the "fine wool" clip of the J. E. Smith Co. topped the market at 19⅝ cents. As a rule the "coarse" wool brings the higher price.

The following is the list of the growers, with the amounts sold and prices received:

Cunningham Co., 110,000 pounds, at 18 cents; Pat Doherty, 40,000 pounds (coarse), at 19 cents; Pat Doherty, 10,000 pounds (fine), at 17⅝; S. G. Jones, 18,000 pounds, at 16⅝; A. P. Warner, 9,000 pounds, at 17½; C. W. Matthews, 15,000 pounds, at 18½; Rugg Bros., 9,000 pounds, at 19⅛; K. G. Warner, 60,000 pounds, at 18⅝; A. A. Cole, 49,000 pounds, at 18⅝; Andy Rust, 28,000 pounds, at 18⅜; Morgan Edwards, 12,000 pounds, at 18; Joe Pedro, 40,000 pounds, at 18½; Charles Johnson, 36,000 pounds, at 18⅜; J. E. Smith Co., 65,000 pounds, at 19⅝ (this is 5½ cents higher than the price bid for this clip last year).

The Cunningham clip, the largest sold, brought 4 cents more than last year.

IMPOVERISHING THE SHEEPMEN.

At the Pilot Rock wool sale yesterday the J. E. Smith Live Stock Co. sold their fine wool at 19⅝ cents per pound. The price was 5½ cents more than the price offered for the same wool a year ago, when the high tariff law was still in effect. The price was 2½ cents higher than the price paid for the same wool in May, 1912, before the presidential election had occurred and before anyone knew the tariff would be revised.

The Cunningham Sheep & Land Co., of which company Senator J. N. Burgess is manager, sold its fine wool yesterday at 18 cents per pound. That price was 4 cents more than the price paid for the same wool a year ago and 1½ cents more than the price paid in May, 1912.

There could not be a more striking refutation of the old campaign chestnut that to remove the tariff on wool would bring ruin and poverty upon the sheepmen. Last September the tariff was absolutely removed, and the country now has free trade in wool. Yet, instead of ruin, our sheepmen get the highest prices they have had in years. The Smith Co. gets 5½ cents more for wool than a year ago, when the tariff was in force, and the Cunningham Co. sold its fine wool at 4 cents more than the 1913 price. The wool buyers have been more feverish to get wool this spring than for many seasons past. The sheep market is likewise stronger than in several years. In other words, the sheepmen of eastern Oregon are actually in clover, when they were led to believe they would be facing the poorhouse.

Where now are the calamity howlers? Where are the newspapers that prophesied ruin and bankruptcy for the sheepmen when Schedule K was amputated? Now is the time for them to come to the front and explain wherein our sheepmen are being impoverished by being paid 4 and 5 cents a pound more for their wool than they received when the high tariff was in force.

What has become of the earthquake?

Panama Canal Tolls.

SPEECH

OF

HON. CLAUDE WEAVER,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 31, 1914.

The House had under consideration the bill (H. R. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, approved August 24, 1912.

Mr. WEAVER. Mr. Speaker, the thousands of American citizens who hear my voice on this ever-memorable day, the thousands who crowd the galleries of this great historic Hall of the House of Representatives, the thousands who fill the doorways and throng outside, denied admittance, are but animated by the same heart-burning emotions, the same deep anxiety felt by the millions of their fellow countrymen throughout this land and to its farthest borders. Wherever the sun lights the surface of this revolving planet, wherever in his course his rays fall on the faces of civilized men, there, with intense interest, our verdict is awaited, because to-day the honor of our Nation is on trial, and this Capitol is the cynosure of the eyes of the civilized world.

I shall vote for this bill, Mr. Speaker, because it is a bill to repeal a subsidy to the coastwise shipping trust monopoly. Subsidies I hate, and monopolies are indefensible and intolerable. I shall vote for this bill because I believe that treaties ought to be kept, not repudiated, and that agreements among nations ought to be just as binding, just as sacredly observed, as agreements between individuals. I shall vote for this bill because I have a faith unfaltering in the foreign policy, the world-peace policy of the President of the United States. I know what that policy is, and by my vote I will help to maintain it.

THE QUESTION BEFORE THE HOUSE STATED.

Let me state clearly the question before the House. On August 24, 1912, the Sixty-second Congress passed a bill that in due time received the signature of President Taft and became a law—a bill to provide for the opening, maintenance, protection, and operation of the Panama Canal and for the sanitation and government of the Panama Canal Zone. It is now proposed by the bill before the House to repeal a part of the fifth section of that act, namely, these words:

Provided, That no tolls shall be levied upon the vessels engaged in the coastwise trade of the United States.

Under the law as it now stands all American ships and all foreign ships engaged in foreign trade are required to pay $1.20 per vessel ton through the canal. The ships engaged in the coastwise trade go through the canal for nothing. The bill before us proposes to repeal the exemption from tolls of the coastwise ships.

THE PRESIDENT'S MESSAGE.

In the exercise of the duty and the prerogative imposed by the Constitution upon the President to recommend to Congress such measures as he shall judge necessary and expedient President Wilson on the 5th day of March, 1914, read to both Houses in joint session assembled a message so brief, direct, significant, and clear that it is well worth hearing again. He said:

Gentlemen of the Congress, I have come to you upon an errand which can be very briefly performed, but I beg that you will not measure its importance by the number of sentences in which I state it. No communication I have addressed to the Congress carried with it graver or more far-reaching implications as to the interest of the country, and I come now to speak upon a matter with regard to which I am charged in a peculiar degree by the Constitution itself with personal responsibility.

I have come to ask you for the repeal of that provision of the Panama Canal act of August 24, 1912, which exempts vessels engaged in the coastwise trade of the United States from payment of tolls and to urge upon you the justice, the wisdom, and the large policy of such a repeal with the utmost earnestness of which I am capable.

In my own judgment, very fully considered and maturely formed, that exemption constitutes a mistaken economic policy from every point of view, and is, moreover, in plain contravention of the treaty with Great Britain concerning the canal concluded on November 18, 1901. But I have not come to urge upon you my personal views. I have come to state to you a fact and a situation. Whatever may be our own differences of opinion concerning this much-debated measure, its meaning is not debated outside the United States. Everywhere else the language of the treaty is given but one interpretation, and that interpretation precludes the exemption I am asking you to repeal. We consented to the treaty; its language we accepted, if we did not originate it; and we are too big, too powerful, too self-respecting a Nation to interpret with a too strained or refined reading the words of our own promises just because we have power enough to give us leave to read them as we please. The large thing to do is the only thing we can afford to do—a voluntary withdrawal from a position everywhere questioned and misunderstood. We ought to reverse our action without raising the question whether we were right or wrong, and so once more deserve our reputation for generosity and for the redemption of every obligation without quibble or hesitation.

I ask this of you in support of the foreign policy of the administration. I shall not know how to deal with other matters of even greater delicacy and nearer consequence if you do not grant it to me in ungrudging measure.

In this message the Executive urges upon the Congress immediate and unconditional repeal of that provision of the Panama Canal act which exempts vessels engaged in the coastwise trade of the United States from the payment of tolls upon the grounds of the justice, the wisdom, and the large policy of such a repeal and because said exemption is in plain contravention of the treaty with Great Britain of date November 18, 1901, known as the Hay-Pauncefote treaty. The President courageously, without hesitation or reservation, recommends to the Congress legislation that he deems to be for the honor of our country and for the well-being of our people. The responsibility has passed from the President to the Congress, and I am glad to find myself on this great issue, as I have on many—on nearly all—of the great issues of the time, in harmony with the views of the President of the United States.

There are three propositions quite clear to my mind.

First proposition: The exemption from tolls of vessels engaged in the coastwise trade of the United States is an indirect ship subsidy, unjust to the American taxpayers and opposed to the sound rational and national historic policy of the Democratic Party,

Second proposition: The exemption of the coastwise ships from the payment of tolls is a violation of our treaty with England, a treaty existing and unrepealed.

Third proposition: The foreign policy of the President of the United States, which I help to maintain when I vote for this bill—the world-peace policy—is a policy helpful to good government and to the well-being of our own Nation and the peoples of the world.

FREE TOLLS A SUBSIDY.

Now, gentlemen, I claim, in the first place, that to let these coastwise ships go through our canal—the Panama Canal—without paying tolls is a subsidy; that it is a special bounty or benefit to the few at the cost of the many; that it is a special privilege to the corporations that own the coastwise ships, and that the burden is borne by the hewers of wood and drawers of water, the great masses of the American people who get no benefits whatever in return.

The Panama Canal will have cost our Nation when completed, in round numbers, $400,000,000. We borrowed the money to build it. We issued interest-bearing bonds and sold them. At 3 per cent interest we pay $12,000,000 a year on borrowed capital for this investment. It has been estimated by Government experts that when the canal is completed it will cost $4,000,000 annually to operate and maintain the canal. What might be called wear and tear, the gradual destruction wrought by time, would probably be $4,000,000 more. We pay $250,000 a year ground rent for the Canal Zone to the Republic of Panama, from which sovereignty we obtained such title as we have. So that, besides the original $400,000,000, more than $20,000,000 a year is the cost of ownership of this magnificent world waterway—the greatest engineering accomplishment of the brain and the hand of man. To compensate the Government of the United States for this vast, this tremendous expenditure the Panama Canal act provides for the payment of tolls on vessels going through the canal. President Taft fixed the charges at $1.20 a vessel ton. The special commissioner on Panama traffic and tolls whom Taft appointed, Prof. Emory R. Johnson, of the University of Pennsylvania, has estimated that during the year 1915 vessels engaged in the foreign trade will carry 9,500,000 net tons, producing a gross revenue of $11,400,000, only a little more than half the revenue needed to pay the Government the annual cost of maintenance. Prof. Johnson estimated that for the year 1915 the coastwise vessels will carry through the canal 1,000,000 tons. Other eminent authorities make a much higher estimate. Let us say 1,000,000 tons. If these ships paid tolls, they would pay into the Treasury of the United States $1,200,000 every year. They are exempted from tolls; that is, they are exempted from the payment of $1,200,000 a year that they ought to pay. That is a subsidy. You may call it indirect, but it is a subsidy and nothing else. If it were proposed to take $1,200,000 in gold coin every year out of the Treasury and give it to these shipowners for nothing, how many on this side of the House with a record of Democratic battles against ship subsidies till now unbroken—how many on this side of the House would vote for it? Where, then, would be the gentleman from Alabama, of whose leadership all Democrats are proud, who made the tariff pledges of the Democratic Party become the tariff laws of the Nation—what would be the vote of OSCAR UNDERWOOD on that question? Where, then, would be the Speaker of this House, whose intellectual integrity we all delight to honor, who so much reminds us of the days when there were giants on the earth—what would be the vote of CHAMP CLARK if it were proposed to take this money, $1,200,000 every year, direct out of the Federal Treasury and give it to the shipowners? Neither of them would vote the direct subsidy, and yet I challenge either of the two matchless leaders of our party, either or both, to explain to this House the difference. There is no difference. I have always been opposed to subsidies in any form, whether by tariff discrimination or by free tolls; but if I favored subsidies at all I would vote for subsidies direct out of the Treasury, in the daylight, in the open, in the sunshine, without evasion, deceit, or subterfuge.

COASTWISE SHIPS A TRUST AND MONOPOLY.

Moreover, the coastwise shipping interests of the United States constitute a trust and by law are given an unjust trade monopoly. The ships of no foreign nation are allowed to engage in this trade. Our own American ships engaged in the foreign trade are denied the privilege and the profits of the coastwise trade. But whoever knew the beneficiaries of special privilege to be satisfied? Like the daughters of the horse leech their cry is always: More, more, more. Not satisfied with a monopoly of the trade the owners of the coastwise ships demand a monopoly of the subsidy also.

On the Pacific coast 8 steamship lines are engaged in the coastwise trade, and on the Atlantic coast 28 steamship lines are engaged in the coastwise trade. They do not compete in freight rates with the railroads for the reason that the owners of the ships have a large financial interest; that is, they are heavy stockholders in and part owners of the railroads. These steamship lines do not compete with each other for the reason that they are a trust. It follows, then, that this $1,200,000 which, under the present law, will be be poured in an annual golden stream into the coffers of this monopoly will stay there. The American people will make a gift of this sum to the few, the highly favored, but freight rates will not be reduced a dollar. Now, if there were real competition between the railroads and the coastwise ships these ships could carry the freight from ocean to ocean through the canal and pay the tolls at a less charge than the transcontinental railroads can carry the freight. Already the railroads are burdened to their capacity with more business than their facilities are adequate to care for. It is confidently believed that the transcontinental freight problem will be solved in a way fair to the railroads and fair to the shippers when the Democratic program of trust legislation shall be enacted into law and the Interstate Commerce Commission shall make effective the fundamental principle that the railroads are entitled to freight charges that will net them a fair return upon actual capital and actual value of the investment, that much and no more. Whenever in the past the transcontinental railroads have been compelled to reduce the long-haul rate the short-haul charges have been increased and the burden shifted to the local shipper. The railroads will charge the highest rate the traffic will bear. The coastwise ships will charge all they can get. The remedy from their extortion is effective regulation and control by the United States Government under the interstate commerce clause of the Constitution.

From the point of view of our domestic and economic policy to my mind it is plain that this free-toll subsidy to the coastwise ships is unwise, unsound, unjust, and I invite your attention to the words spoken in the Senate a few days ago by the great Senator from my State, ROBERT L. OWEN:

> Ninety millions of Americans have been exceedingly patriotic in building this canal needed by the Nation, and now less than 9,000 shipowners on the Atlantic and Pacific coast lines are demanding as a right the use of this canal without paying for the cost of keeping it in order or interest on the prime cost. It is true these shipowners speak of their boats as "American boats," as if they were owned by 90,000,000 Americans instead of being owned by one ten-thousandth part of 90,000,000 Americans. One ten-thousandth part of the people—an insignificant fraction—rise up and say, "Our American boats must have free passage; our American rights are invaded. Senators and Congressmen and the President of the United States who oppose us are un-American, pro-British, and are traitors to the 'American people.'" Yes; there is a conflict from an economic standpoint between the pocketbook of 1 American and the pocketbooks of 10,000 other Americans, who furnished the money to build the canal. The 1 American, with the coastwise-trade monopoly granted by law, giving him the exclusive right of controlling the coastwise ships, forbidding foreign ships to take any part in the coastwise traffic, has by law a monopoly, is not content with this great advantage—an advantage which I believe is used to his profit and to the injury of all those who pay the freight, which means everybody in the United States. Having a monopoly, he insists upon using the money, sacrifice, and labor of 10,000 other Americans without charge, and denounces the President, who seeks economic justice for the 10,000 whose pockets are to be picked by law, when he asks that the unwise, unjust law be repealed.

THE BALTIMORE PLATFORM DECLARATION FOR FREE TOLLS.

The Democrats of this House who vote against this proposed repeal justify themselves by saying that they are bound by the latest declaration of the Democratic Party in national convention assembled. They say they are bound by the Baltimore platform. That a Democrat ought to follow the well-considered declaration of his party upon a great issue is undeniable, and I admit that if he violates such a declaration he is guilty of party treason and ought to be lashed from the party councils with whips of scorpions. I admit that the Baltimore platform, without ambiguity, declares in favor of the exemption from tolls of American ships engaged in coastwise trade passing through the canal, but I deny that this declaration was either well considered or upon a great issue before the people. The question had received no discussion in the mass meetings, primaries, county conventions, or State conventions that elected the delegates. Upon this subject not a single delegate had instructions from the sovereign Democrats who made him their representative to speak for them at the convention. The delegates themselves, broadly speaking, were without information upon which to base an opinion. They had given to the subject neither thought nor study. The enemies of good government work while the friends of good government sleep, and that is the cause of so much bad government. There is not always a dragon watch with unenchanted eye to guard the golden treasury of Democratic principles, like the fabled sentinel of the Hesperian gardens. I fear that some insidious secret agent of the shipping trust—of the coastwise ship monopoly—was not far away when that paragraph of the platform was written, for certain it is that in the Baltimore convention, when the free-tolls plank was

written, the vulture of monopoly had perched in the nest of the eagle.

This isolated declaration of the Baltimore platform is directly contradicted by other declarations of the same platform. I read in that platform that a private monopoly is indefensible and intolerable and that the Democratic Party demands the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States. The Baltimore platform contains the following plank on merchant marine:

We believe in fostering, by constitutional regulation of commerce, the growth of a merchant marine, which shall develop and strengthen the commercial ties which bind us to our sister Republics of the South, but without imposing additional burdens upon the people and without bounties or subsidies from the Public Treasury.

This exemption from tolls for the benefit of the merchant marine imposes additional burdens upon the people and takes a bounty, a subsidy, from the Public Treasury. Again and again the platforms of our party, State and National, have declared against subsidies to ships. The living, the immortal principle of the Democratic Party is the sublime maxim of its illustrious founder, who declared for "equal and exact justice to all men of whatever state or persuasion, religious or political."

True it is that the letter of the Baltimore platform declares for free tolls; but the spirit of the platform, with a clear high note, declares against free tolls. The letter killeth, but the spirit giveth life. Whenever there comes a conflict between a declaration of my party and the true interests of the American people, as a Representative in this Congress of the American people I shall decide the conflict in favor of the true interests of my people. I will not vote to leave upon the statute books a law that takes $1,200,000 a year out of the Federal Treasury, money belonging to all the people, to give it to a few shipowners for nothing.

THE HOBGOBLIN OF CONSISTENCY.

There are Democrats here to-day in this House who as Members of the Sixty-second Congress voted for this toll exemption who will now vote to repeal that exemption. After fresh investigations and studies of the subject, upon maturer thought, they have changed their minds and they have the courage to vote their changed convictions.

All honor to such men! They bring the past for judgment into the thousand-eyed present and live ever in a new day. That was the exalted ideal of Abraham Lincoln, who said:

I am not bound to win, but I am bound to be true. I am not bound to succeed, but I am bound to live up to what light I have. I must stand with anybody that stands right—stand with him while he is right and part with him when he is wrong.

I will answer the sneers of those who taunt these Members with their inconsistency by reminding them of what the greatest of American thinkers wrote:

A foolish consistency is the hobgoblin of little minds, adored by little statesmen and philosophers and divines. With consistency a great soul has simply nothing to do. He may as well concern himself with his shadow on the wall. Speak what you think now in hard words, and to-morrow speak what to-morrow thinks in hard words again, though it contradict everything you said to-day. "Ah, so you shall be sure to be misunderstood." Is it so bad, then, to be misunderstood? Pythagoras was misunderstood, and Socrates and Jesus and Luther and Copernicus and Galileo and Newton and every pure and wise spirit that ever took flesh. To be great is to be misunderstood.

EXEMPTION OF THE COASTWISE SHIPS IS A VIOLATION OF THE HAY-PAUNCEFOTE TREATY.

My second proposition is that the exemption of the coastwise ships from the payment of tolls is a violation of our treaty with England, a treaty existing and unrepealed. Far be it from me to question the motives of the Members of this House who oppose this bill. Not for a moment do I doubt the sincerity of their appeals to patriotism when they talk of the surrender of American sovereignty over the Panama Canal Zone, but such appeals to patriotism are often resorted to by men with a bad cause who can not answer arguments. And as for those editorials, appearing in the metropolitan press, inspired and paid for by the coastwise shipping interests to poison the public mind, I will say that the holy horror they express, the frenzied fear they manifest over our "cowardly truckling to England and base surrender of sovereignty" remind me of the observation of old Dr. Samuel Johnson that "patriotism is the last refuge of a scoundrel."

THE TITLE OF THE UNITED STATES TO THE PANAMA CANAL ZONE.

Now, in the consideration of this proposition so much debated—the proposition that the proposed repeal is a surrender of the sovereignty of the United States in and to the Panama Canal Zone—it is well, I think, for us to ascertain just what sovereignty we have.

I have had experience as a practicing lawyer in the trial of cases involving the title to land. Title is the means whereby an estate in land is held. The chain of title begins with the ownership of the sovereign State and goes down by conveyances of all sorts, often through many possessors and claimants, for generations. Each successive grantee takes the land—eliminating the doctrine of innocent purchaser and the statute of limitations—subject to incumbrances, restrictions, prescriptions, easements, warranties, covenants of former owners dead and gone.

Precisely so the United States holds title to the Panama Canal Zone. This 10-mile-wide tract of land on which we have dug this great canal lies far beyond the borders of our country, in a foreign soil, under tropic skies, where the people have an alien speech. The Panama Canal Zone is no part of the Territorial United States. We did not acquire sovereignty there, as we did in Alaska, by purchase; as we did in the Hawaiian Islands, by acquisition and assimilation; as we did in Porto Rico and the Philippine Islands, by the sword.

What rights have we got there? It is not difficult to find out, for our rights, whatever they be, are measured by words of covenant and grant in treaties with other nations.

HISTORY OF THE ACQUISITION OF THE PANAMA CANAL ZONE.

Before we analyze these treaties it will perhaps be instructive to give some account of the events connected with their negotiation as well as the story of our acquisition of the Canal Zone from Panama.

The great world powers almost from the time of the discovery of America have contemplated the building of a canal across the narrow isthmus of Central America that divides the waters of the Pacific Ocean from the Caribbean Sea. In 1550 the Portuguese navigator, Antonio Galvao, published a book to demonstrate that a canal could be cut at Tehuantepec, Nicaragua, Panama, or Darien, and in 1551 the Spanish historian, Gomara, submitted a memorial to Phillip II urging that the work be undertaken without delay.

In 1771 the Spanish Government caused surveys for the canal to be made at Tehuantepec and in 1779 at Nicaragua. The great Humboldt in 1808 explored the Isthmus and pointed out the lines which he considered worthy of study.

In 1823 the Republics of Central America threw off the yoke of the despotism of Spain and achieved their independence, and from this time on the European powers, as well as the United States, gave consideration to the project of the isthmian canal.

In 1845 the Republic of Texas became part of the United States. In 1848 gold was discovered in California, and the hardy argonauts, the Forty-niners, crossed the great plains by the thousands to settle on the golden coast. Much of the travel from San Francisco to the Atlantic coast was ocean travel by way of the Isthmus. The war with Mexico resulted in the acquisition by the United States of the great southwestern territories, making this country a continent-wide Republic. In 1846 the United States had entered into a canal treaty with New Granada, and in 1850 we entered into the treaty with Great Britain known as the Clayton-Bulwer treaty. At the date of that treaty the United States and Great Britain were the two world powers having the chief interest in the canal project. Great Britain, besides its vast possession stretching from our northern boundary to the Arctic, was the controlling power in the Caribbean Sea. And so these two great nations entered into the Clayton-Bulwer convention, the purpose of which was to build a canal across the Central American isthmus for the use of all mankind on just and equal terms, no special advantage being suggested by that treaty to either of the high contracting powers.

The Clayton-Bulwer treaty on November 18, 1901, was superseded by the present Hay-Pauncefote treaty with Great Britain, by the terms of which it became possible for the United States alone to build and control an interoceanic canal. The Hay-Herran treaty between the United States of America and the United States of Colombia, in January, 1903, was drawn for the purpose of giving the United States the right of way or title to the Panama Canal Zone. But the Colombian Congress rejected the treaty. The Colombian Congress adjourned on October 21, 1903, and on the 3d day of November, 1903, the newborn Republic of Panama emerged from its shell, incubated in the White House.

The secession of Panama from Colombia in November, 1903, was successfully carried out by a wretchedly small number of adventurers and conspirators, professional revolutionists, of the Panama State of Colombia, aided by Theodore Roosevelt, at that time President of the United States of America and Commander of its Army and Navy. By a singular coincidence Commander John S. Hubbard, with his ship, the U. S. gunboat *Nashville*, was in the harbor of Colon at the time of the secession. He forbade the transportation of Colombian troops across the Isthmus and landed the marines to prevent the occupation of Colon by the Colombian forces. The American flag

that floated from the masthead of that ship of the United States in the harbor of Colon ought to have been torn down and in its place floated to the winds the black flag of the pirate. Panama was as much a part of Colombia as my State, Oklahoma, is a part of this Union. The secession of Panama, accomplished by the armed forces of the United States, was an act of national injustice, violence, pillage, and plunder, inspired by the motto of Rob Roy McGregor:

The good old rule, the simple plan,
That they may take who have the power,
And they may keep who can.

On the 7th of November Panama was recognized by the United States in effect by receiving her diplomatic representative, and on the 18th day of November the treaty was signed between the United States and Panama, by the terms of which the United States promised to pay $10,000,000 immediately and $250,000 annually as rental, the first payment to be made nine years after the ratification of the treaty. The bogus Panama Republic was fathered, nurtured, sent on its way rejoicing, for the sole purpose of conferring title to the Panama Canal Zone on the United States, because Colombia, the owner, refused to give to the United States the Panama Canal concession.

THE THREE PANAMA CANAL TREATIES.

Now, the title that the United States has to the Panama Canal Zone depends upon the interpretation and construction of the three treaties:

First. The convention between the United States and the Republic of Panama for the construction of a ship canal to connect the waters of the Atlantic and Pacific Oceans, which convention was signed at Washington November 18, 1903, and proclaimed by the President of the United States February 26, 1904.

Second. The treaty between the United States and Great Britain, signed at Washington November 18, 1901, and proclaimed by the President of the United States February 22, 1902, known as the Hay-Pauncefote treaty.

Third. The convention as to a ship canal connecting the Atlantic and the Pacific Oceans, concluded April 19, 1850, proclaimed by the President of the United States July 5, 1850, known as the Clayton-Bulwer treaty.

Article 18 of the treaty with the Republic of Panama reads:

The canal, when constructed, and the entrances thereto shall be neutral in perpetuity, and shall be opened upon the terms provided by section 1 of article 3 of and in conformity with all the stipulations of the treaty entered into by the Governments of the United States and Great Britain on November 18, 1901.

The treaty with Panama, then, provides that the canal when constructed shall be opened in conformity with all the stipulations of the Hay-Pauncefote treaty and shall be neutral in perpetuity.

The third article of the Hay-Pauncefote treaty, embodying the substance of that convention, reads:

The United States adopts, as the basis of the neutralization of such ship canal, the following rules, substantially as embodied in the convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal, that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there will be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of this article shall apply to waters adjacent to the canal within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal, shall be deemed to be part thereof for the purposes of this treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents and from acts calculated to impair their usefulness as part of the canal.

The Hay-Pauncefote treaty, in specific terms, adopts the general principle of neutrality of the Clayton-Bulwer treaty expressed in the eighth article of that treaty, which is as follows:

The Governments of the United States and Great Britain having not only desired in entering into this convention to accomplish a particular object, but also to establish a general principle, they hereby agree to extend their protection, by treaty stipulations, to any other practicable communications whether by canal or railway across the isthmus which connects North and South America, and especially to the interoceanic communications—should the same prove to be practicable, whether by canal or railway—which are now proposed to be established by the way of Tehuantepec or Panama. In granting, however, their joint protection to any such canals or railways as are by this article specified it is always understood by the United States and Great Britain that the parties constructing or owning the same shall impose no other charges or conditions of traffic thereupon than the aforesaid Governments shall approve of as just and equitable; and that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other State which is willing to grant thereto such protection as the United States and Great Britain engage to afford.

I come now to the identical paragraph of the Hay-Pauncefote treaty that the exemption of the coastwise ships from the payment of tolls violates. Let the treaty speak for itself, for the language is so clear, the meaning so plain, that the wayfaring man, though a fool, need not err therein. Paragraph 1 of article 3 of the Hay-Pauncefote treaty reads as follows:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

If the phrase "all nations observing these rules" includes the United States, then the tolls exemption violates the Hay-Pauncefote treaty. The rules referred to, set forth in full in said article 3, are the rules agreed on by the great European powers for the use of the Suez Canal. The United States intended to be bound by these rules. Is the United States a nation? If it is a nation, the term "all nations" includes the United States, for the word "all" includes each and every individual unit comprising the whole.

If it had been intended to exclude the United States or its coastwise shipping from the operation of the treaty, why not say so in plain language? The United States wrote the treaty. The newborn Republic of Panama, in swaddling clothes, had no more voice in drafting the Panama treaty than a cattle shipper in Oklahoma has in making a shipping contract with a railroad when he delivers his cattle for shipment. He is compelled to sign the contract that the railroad company offers him or not ship the cattle at all. Why was it, then, that when the United States Government wrote the treaty it did not contain this exemption and exception for the coastwise shipping? It was because the United States Government knew what its treaty obligations with England were from the days of the Clayton-Bulwer treaty on down to the Hay-Pauncefote treaty, which in express terms ratified the general principles of neutralization and of equality contained in the Clayton-Bulwer treaty. All the great powers of the world understood that the canal was to be free and open on terms of entire equality to all nations of the world, their citizens and subjects, in respect of the conditions or charges of traffic.

CHARACTER OF AMERICAN OWNERSHIP OF THE CANAL ZONE.

What, then, is the character of the ownership by which the United States holds the Panama Canal Zone? Is it a fee simple title, such as a farmer in my State, Oklahoma, who homesteaded on the public land, holds to his 160 acres—an ownership unrestricted of the whole land, with all its incidents, from the center of the earth to the peaks of the morning? Who ever heard of the owner paying rent on his own land? Yet the United States pays an annual rental of $250,000 to the Republic of Panama.

The United States built the canal with its own money on a tract of land 10 miles wide, where it holds a perpetual lease for the specific purposes set forth in the treaty. We have the possession and control of the zone for all time. We have the right to occupy it, to send our soldiers there, to fortify the Canal Zone and to defend it. That right is admitted by England, stipulated for in the Panama treaty, denied by nobody. The contention that the United States, if we repeal the tolls exemption, will have to pay tolls for its warships is idiotic, because all tolls go into the United States Treasury, and such a proposition would involve the senseless thing of taking the tolls money out of the Treasury and putting it right back again. The right to pass our Government ships through the canal is the incident of our possession and ownership. We have the right to demand and to receive just and equitable charges of traffic through the canal from the ships of all nations of the world. This bill does not contemplate the surrender of our rights, nor of our sovereignty so far as we have sovereignty. No American contemplates for a single moment the surrender of American rights, and all the powers of the world combined are not strong enough to take such rights from us.

We are the trustees of the canal for the benefit of all mankind, just as the great world powers of Europe by the conven-

tion of Constantinople became the trustees of the Suez Canal for the benefit of all mankind.

And what will be the benefits of building the canal? The production of wealth in our country from mines, manufactures, agriculture, will be multiplied a thousandfold. The waters of the two great oceans will flow together, saving 8,000 miles of travel around Cape Horn, and American ships will have many thousand of miles advantage in distance in their competition with Old World commerce. Our commerce with all the nations of the world will thereby be given marvelous impetus, and the forces of steam and electricity will unite with the energy, the toil, the genius of our people as never before. And infinitely higher than these material advantages will be the influence of American thought, American ideals, American institutions, Christian civilization spread wide and far as the ashes of Wycliffe over continents beyond the seas.

THE PRESIDENT'S FOREIGN POLICY.

Now, Mr. Speaker, in conclusion, let me say that I have unfaltering faith—yea, an abiding moral conviction—that the foreign policy of the President of the United States is wise and patriotic, and I rejoice that my vote for this bill will help to maintain that foreign policy. The foreign policy of this country is given largely to the hands of the Executive by the Constitution. The President appoints the great Cabinet officers who sit with him in counsel; he appoints ambassadors, other public ministers, and consuls to foreign lands; and, by and with the consent of the Senate, two-thirds of the Senators present concurring, the treaty-making power for weal or woe is in the President's hands. He has a knowledge of our foreign relations which no other public official can have, and I am willing to trust him.

I know what the President's foreign policy is, and I believe in that policy. In his speech before the Southern Congress, at Mobile, he set the Monroe doctrine upon the high plane of unselfish devotion to the moral and material welfare of the Latin-American Republics by adding to the Monroe doctrine the declaration that "never hereafter will the United States acquire one foot of additional soil upon the American continent."

In his message to Congress in December, 1913, the President said:

> There is only one possible standard by which to determine controversies between the United States and other nations, and that is compounded of these two elements—our own honor and our obligations to the peace of the world. A test so compounded ought easily to be made to govern both the establishment of new treaty obligations and the interpretation of those already assumed.

In his message asking the Congress to grant in ungrudging measure the repeal of the tolls exemption, the President said:

> But I have not come to urge upon you my personal views. I have come to state to you a fact and a situation. Whatever may be our own differences of opinion concerning this much-debated measure, its meaning is not debated outside the United States. Everywhere else the language of the treaty is given but one interpretation, and that interpretation precludes the exemption I am asking you to repeal. We consented to the treaty; its language we accepted, if we did not originate it; and we are too big, too powerful, too self-respecting a nation to interpret with a too strained or refined reading the words of our own promises just because we have power enough to give us leave to read them as we please.

Let us stand by the President on this proposition. Let us say to all the world that the word of the United States of America is as good as gold. I have always maintained that a state ought to be bound by the same moral principles, by the same vital forces of Christian civilization that bind the conscience of the individual. I have read somewhere in the writings of Horace Mann—I think in one of his speeches on education—where he describes the influence and the moral duty of the individual. He says:

> Look at him not as a being coming we know not whence, alighting for a brief residence upon this earth, and then making his exit through the door of the tomb, to be seen and heard of no more and leaving no more impression upon society of his ways or works than the sea bird leaves upon the surface of the deep when she stoops from the upper air, dips her breast for a moment in the wave, and then rises again to a viewless height; but look at him in his relations to posterity, as the father of a family, as a member of a generation which sows those seeds of virtue or vice, that centuries hence shall bear fruit or poison; look at him as a citizen in a free government, throwing his influence and his vote into one or the other of the scales where peace and war, glory and infamy, are weighed.

What is the state except a collection of many individuals, where each puts his person and all his powers under the supreme direction of the general will to become an indivisible part of the whole? That collection of individuals constitutes the state, having a common identity, a public will, capable and free to do right or to do wrong. The state, in a sense, is possessed of immortality, because it lives for generation after generation, while the individual members perish from the world.

To violate a solemn compact with another nation, whether that nation be the weakest or the strongest, will shock the moral sense of the American people. It is true that there is no power to compel a nation to preserve its treaty pact inviolate except the power of the sword; but the American people stand ready to conform to that international, that world-wide, public opinion which is the mind, the heart, and the conscience of the Christian civilization of the twentieth century:

> Even so doth God protect us if we be
> Virtuous and wise. Winds blow and waters roll
> Strength to the brave, and power and deity,
> Yet in themselves are nothing. One decree
> Spake laws to them, and said that by the soul
> Only the nations shall be great and free.

EXHIBIT A.

[Copy of convention between the United States and the Republic of Panama for the construction of a ship canal to connect the waters of the Atlantic and Pacific Oceans.]

PANAMA—SHIP CANAL.

CONVENTION BETWEEN THE UNITED STATES AND THE REPUBLIC OF PANAMA FOR THE CONSTRUCTION OF A SHIP CANAL TO CONNECT THE WATERS OF THE ATLANTIC AND PACIFIC OCEANS.

Signed at Washington, November 18, 1903.
Ratification advised by the Senate, February 23, 1904.
Ratified by the President, February 25, 1904.
Ratified by Panama, December 2, 1903.
Ratifications exchanged at Washington, February 26, 1904.
Proclaimed, February 26, 1904.

A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

Whereas a convention between the United States of America and the Republic of Panama to insure the construction of a ship canal across the Isthmus of Panama to connect the Atlantic and Pacific Oceans was concluded and signed by their respective plenipotentiaries at Washington on the 18th day of November, 1903, the original of which convention, being in the English language, is word for word as follows:

ISTHMIAN CANAL CONVENTION.

The United States of America and the Republic of Panama being desirous to insure the construction of a ship canal across the Isthmus of Panama to connect the Atlantic and Pacific Oceans, and the Congress of the United States of America having passed an act approved June 28, 1902, in furtherance of that object, by which the President of the United States is authorized to acquire within a reasonable time the control of the necessary territory of the Republic of Colombia, and the sovereignty of such territory being actually vested in the Republic of Panama, the high contracting parties have resolved for that purpose to conclude a convention and have accordingly appointed as their plenipotentiaries—

The President of the United States of America, John Hay, Secretary of State, and

The Government of the Republic of Panama, Philippe Bunau-Varilla, envoy extraordinary and minister plenipotentiary of the Republic of Panama, thereunto specially empowered by said Government, who after communicating with each other their respective full powers, found to be in good and due form, have agreed upon and concluded the following articles:

ARTICLE 1.

The United States guarantees and will maintain the independence of the Republic of Panama.

ARTICLE 2.

The Republic of Panama grants to the United States in perpetuity the use, occupation, and control of a zone of land and land under water for the construction, maintenance, operation, sanitation, and protection of said canal of the width of 10 miles extending to the distance of 5 miles on each side of the center line of the route of the canal to be constructed; the said zone beginning in the Caribbean Sea 3 marine miles from mean low-water mark and extending to and across the Isthmus of Panama into the Pacific Ocean to a distance of 3 marine miles from mean low-water mark with the proviso that the cities of Panama and Colon and the harbors adjacent to said cities, which are included within the boundaries of the zone above described, shall not be included within this grant. The Republic of Panama further grants to the United States in perpetuity the use, occupation, and control of any other lands and waters outside of the zone above described which may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said canal or of any auxiliary canals or other works necessary and convenient for the construction, maintenance, operation, sanitation, and protection of said enterprise.

The Republic of Panama further grants in like manner to the United States in perpetuity all islands within the limits of the zone above described, and in addition thereto the group of small islands in the Bay of Panama, named Perico, Naos, Culebra, and Flamenco.

ARTICLE 3.

The Republic of Panama grants to the United States all the rights, power, and authority within the zone mentioned and described in article 2 of this agreement and within the limits of all auxiliary lands and waters mentioned and described in said article 2 which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located, to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority.

ARTICLE 4.

As rights subsidiary to the above grants the Republic of Panama grants in perpetuity to the United States the right to use the rivers, streams, lakes, and other bodies of water within its limits for navigation, the supply of water or water power or other purposes, so far as the use of said rivers, streams, lakes, and bodies of water and the waters thereof may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said canal.

ARTICLE 5.

The Republic of Panama grants to the United States in perpetuity a monopoly for the construction, maintenance, and operation of any system of communication by means of canal or railroad across its territory between the Caribbean Sea and the Pacific Ocean.

ARTICLE 6.

The grants herein contained shall in no manner invalidate the titles or rights of private landholders or owners of private property in the said zone, or in or to any of the lands or waters granted to the United States by the provisions of any article of this treaty, nor shall they interfere with the rights of way over the public roads passing through

the said zone or over any of the said lands or waters, unless said rights of way or private rights shall conflict with rights herein granted to the United States, in which case the rights of the United States shall be superior. All damages caused to the owners of private lands or private property of any kind by reason of the grants contained in this treaty or by reason of the operations of the United States, its agents or employees, or by reason of the construction, maintenance, operation, sanitation, and protection of the said canal or of the works of sanitation and protection herein provided for, shall be appraised and settled by a joint commission appointed by the Governments of the United States and the Republic of Panama, whose decisions as to such damages shall be final and whose awards as to such damages shall be paid solely by the United States. No part of the work on said canal or the Panama Railroad, or on any auxiliary works relating thereto and authorized by the terms of this treaty, shall be prevented, delayed, or impeded by or pending such proceedings to ascertain such damages. The appraisal of said private lands and private property and the assessment of damages to them shall be based upon their value before the date of this convention.

ARTICLE 7.

The Republic of Panama grants to the United States within the limits of the cities of Panama and Colon and their adjacent harbors and within the territory adjacent thereto the right to acquire by purchase, or by the exercise of the right of eminent domain, any lands, buildings, water rights, or other properties necessary and convenient for the construction, maintenance, operation, and protection of the canal and of any works of sanitation, such as the collection and disposition of sewage and the distribution of water in the said cities of Panama and Colon, which, in the discretion of the United States, may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of the said canal and railroad. All such works of sanitation, collection, and disposition of sewage, and distribution of water in the cities of Panama and Colon shall be made at the expense of the United States; and the Government of the United States, its agents or nominees, shall be authorized to impose and collect water rates and sewerage rates, which shall be sufficient to provide for the payment of interest and the amortization of the principal of the cost of said works within a period of 50 years, and upon the expiration of said term of 50 years the system of sewers and water works shall revert to and become the properties of the cities of Panama and Colon, respectively, and the use of the water shall be free to the inhabitants of Panama and Colon, except to the extent that water rates may be necessary for the operation and maintenance of said system of sewers and water.

The Republic of Panama agrees that the cities of Panama and Colon shall comply in perpetuity with the sanitary ordinances, whether of a preventive or curative character, prescribed by the United States, and in case the Government of Panama is unable or fails in its duty to enforce this compliance by the cities of Panama and Colon with the sanitary ordinances of the United States the Republic of Panama grants to the United States the right and authority to enforce the same.

The same right and authority are granted to the United States for the maintenance of public order in the cities of Panama and Colon and the territories and harbors adjacent thereto in case the Republic of Panama should not be, in the judgment of the United States, able to maintain such order.

ARTICLE 8.

The Republic of Panama grants to the United States all rights which it now has or hereafter may acquire to the property of the New Panama Canal Co. and the Panama Railroad Co. as a result of the transfer of sovereignty from the Republic of Colombia to the Republic of Panama over the Isthmus of Panama, and authorizes the New Panama Canal Co. to sell and transfer to the United States its rights, privileges, properties, and concessions as well as the Panama Railroad and all the shares or part of the shares of that company; but the public lands situated outside of the zone described in article 2 of this treaty, now included in the concessions to both said enterprises and not required in the construction or operation of the canal, shall revert to the Republic of Panama, except any property now owned by or in the possession of said companies within Panama or Colon or the ports or terminals thereof.

ARTICLE 9.

The United States agrees that the ports at either entrance of the canal and the waters thereof, and the Republic of Panama agrees that the towns of Panama and Colon shall be free for all time, so that there shall not be imposed or collected customhouse tolls, tonnage, anchorage, lighthouse, wharf, pilot, or quarantine dues, or any other charges or taxes of any kind upon any vessel using or passing through the canal or belonging to or employed by the United States, directly or indirectly, in connection with the construction, maintenance, operation, sanitation, and protection of the main canal or auxiliary works, or upon the cargo, officers, crew, or passengers of any such vessels, except such tolls and charges as may be imposed by the United States for the use of the canal and other works, and except tolls and charges imposed by the Republic of Panama upon merchandise destined to be introduced for the consumption of the rest of the Republic of Panama, and upon vessels touching at the ports of Colon and Panama and which do not cross the canal.

The Government of the Republic of Panama shall have the right to establish in such ports and in the towns of Panama and Colon such houses and guards as it may deem necessary to collect duties on importations destined to other portions of Panama and to prevent contraband trade. The United States shall have the right to make use of the towns and harbors of Panama and Colon as places of anchorage and for making repairs, for loading, unloading, depositing, or transshipping cargoes either in transit or destined for the service of the canal and for other works pertaining to the canal.

ARTICLE 10.

The Republic of Panama agrees that there shall not be imposed any taxes—national, municipal, departmental, or of any other class—upon the canal, the railways and auxiliary works, tugs and other vessels employed in the service of the canal, storehouses, workshops, offices, quarters for laborers, factories of all kinds, warehouses, wharves, machinery, and other works, property, and effects appertaining to the canal or railroad and auxiliary works, or their officers or employees, situated within the cities of Panama and Colon, and that there shall not be imposed contributions or charges of a personal character of any kind upon officers, employees, laborers, and other individuals in the service of the canal and railroad and auxiliary works.

ARTICLE 11.

The United States agrees that the official dispatches of the Government of the Republic of Panama shall be transmitted over any telegraph and telephone lines established for canal purposes and used for public and private business at rates not higher than those required from officials in the service of the United States.

ARTICLE 12.

The Government of the Republic of Panama shall permit the immigration and free access to the lands and workshops of the canal and its auxiliary works of all employees and workmen of whatever nationality under contract to work upon or seeking employment upon or in any wise connected with the said canal and its auxiliary works, with their respective families, and all such persons shall be free and exempt from the military service of the Republic of Panama.

ARTICLE 13.

The United States may import at any time into the said zone and auxiliary lands, free of customs duties, imposts, taxes, or other charges, and without any restrictions, any and all vessels, dredges, engines, cars, machinery, tools, explosives, materials, supplies, and other articles necessary and convenient in the construction, maintenance, operation, sanitation, and protection of the canal and auxiliary works, and all provisions, medicines, clothing, supplies, and other things necessary and convenient for the officers, employees, workmen, and laborers in the service and employ of the United States and for their families. If any such articles are disposed of for use outside of the zone and auxiliary lands granted to the United States and within the territory of the Republic, they shall be subject to the same import or other duties as like articles imported under the laws of the Republic of Panama.

ARTICLE 14.

As the price or compensation for the rights, powers, and privileges granted in this convention by the Republic of Panama to the United States, the Government of the United States agrees to pay to the Republic of Panama the sum of $10,000,000 in gold coin of the United States on the exchange of the ratification of this convention, and also an annual payment during the life of this convention of $250,000 in like gold coin, beginning 9 years after the date aforesaid.

The provisions of this article shall be in addition to all other benefits assured to the Republic of Panama under this convention.

But no delay or difference of opinion under this article or any other provisions of this treaty shall affect or interrupt the full operation and effect of this convention in all other respects.

ARTICLE 15.

The joint commission referred to in article 6 shall be established as follows:

The President of the United States shall nominate two persons and the President of the Republic of Panama shall nominate two persons, and they shall proceed to a decision; but in case of disagreement of the commission (by reason of their being equally divided in conclusion) an umpire shall be appointed by the two Governments, who shall render the decision. In the event of the death, absence, or incapacity of a commissioner or umpire, or of his omitting, declining, or ceasing to act, his place shall be filled by the appointment of another person in the manner above indicated. All decisions by a majority of the commission or by the umpire shall be final.

ARTICLE 16.

The two Governments shall make adequate provision by future agreement for the pursuit, capture, imprisonment, detention, and delivery within said zone and auxiliary lands to the authorities of the Republic of Panama of persons charged with the commitment of crimes, felonies, or misdemeanors without said zone and for the pursuit, capture, imprisonment, detention, and delivery without said zone to the authorities of the United States of persons charged with the commitment of crimes, felonies, and misdemeanors within said zone and auxiliary lands.

ARTICLE 17.

The Republic of Panama grants to the United States the use of all the ports of the Republic open to commerce as places of refuge for any vessels employed in the canal enterprise, and for all vessels passing or bound to pass through the canal which may be in distress and be driven to seek refuge in said ports. Such vessels shall be exempt from anchorage and tonnage dues on the part of the Republic of Panama.

ARTICLE 18.

The canal, when constructed, and the entrances thereto shall be neutral in perpetuity and shall be opened upon the terms provided for by section 1 of article 3 of, and in conformity with all the stipulations of, the treaty entered into by the Governments of the United States and Great Britain on November 18, 1901.

ARTICLE 19.

The Government of the Republic of Panama shall have the right to transport over the canal its vessels and its troops and munitions of war in such vessels at all times without paying charges of any kind. The exemption is to be extended to the auxiliary railway for the transportation of persons in the service of the Republic of Panama or of the police force charged with the preservation of public order outside of said zone, as well as to their baggage, munitions of war, and supplies.

ARTICLE 20.

If by virtue of any existing treaty in relation to the territory of the Isthmus of Panama, whereof the obligations shall descend or be assumed by the Republic of Panama, there may be any privilege or concession in favor of the government or the citizens or subjects of a third power relative to an interoceanic means of communication which in any of its terms may be incompatible with the terms of the present convention, the Republic of Panama agrees to cancel or modify such treaty in due form, for which purpose it shall give to the said third power the requisite notification within the term of four months from the date of the present convention, and in case the existing treaty contains no clause permitting its modifications or annulment the Republic of Panama agrees to procure its modification or annulment in such form that there shall not exist any conflict with the stipulations of the present convention.

ARTICLE 21.

The rights and privileges granted by the Republic of Panama to the United States in the preceding articles are understood to be free of all anterior debts, liens, trusts, or liabilities, or concessions or privileges to other governments, corporations, syndicates, or individuals, and consequently, if there should arise any claims on account of the present concessions and privileges or otherwise, the claimants shall resort to the Government of the Republic of Panama and not to the United States for any indemnity or compromise which may be required.

ARTICLE 22.

The Republic of Panama renounces and grants to the United States the participation to which it might be entitled in the future earnings of the canal under article 15 of the concessionary contract with Lucien N. B. Wyse now owned by the New Panama Canal Co. and any and all other rights or claims of a pecuniary nature arising under or relating to said concession, or arising under or relating to the concessions to the Panama Railroad Co., or any extension or modification thereof; and it likewise renounces, confirms, and grants to the United States, now and hereafter, all the rights and property reserved in the said concessions which otherwise would belong to Panama at or before the expiration of the terms of 99 years of the concessions granted to or held by the above-mentioned party and companies, and all right, title, and interest which it now has or may hereafter have, in and to the lands, canal, works, property, and rights held by the said companies under said concessions or otherwise, and acquired or to be acquired by the United States from or through the New Panama Canal Co., including any property and rights which might or may in the future, either by lapse of time, forfeiture, or otherwise, revert to the Republic of Panama under any contracts or concessions with said Wyse, the Universal Panama Canal Co., the Panama Railroad Co., and the New Panama Canal Co.

The aforesaid rights and property shall be and are free and released from any present or reversionary interest or claims of Panama and the title of the United States thereto upon consummation of the contemplated purchase by the United States from the New Panama Canal Co. shall be absolute, so far as concerns the Republic of Panama, excepting always the rights of the Republic specifically secured under this treaty.

ARTICLE 23.

If it should become necessary at any time to employ armed forces for the safety or protection of the canal, or of the ships that make use of the same, or the railways and auxiliary works, the United States shall have the right, at all times and in its discretion, to use its police and its land and naval forces or to establish fortifications for these purposes.

ARTICLE 24.

No change either in the Government or in the laws and treaties of the Republic of Panama shall, without the consent of the United States, affect any right of the United States under the present convention, or under any treaty stipulation between the two countries that now exists or may hereafter exist touching the subject matter of this convention.

If the Republic of Panama shall hereafter enter as a constituent into any other Government or into any union or confederation of States, so as to merge her sovereignty or independence in such Government, union, or confederation, the rights of the United States under this convention shall not be in any respect lessened or impaired.

ARTICLE 25.

For the better performance of the engagements of this convention and to the end of the efficient protection of the canal and the preservation of its neutrality, the Government of the Republic of Panama will sell or lease to the United States lands adequate and necessary for naval or coaling stations on the Pacific coast and on the western Caribbean coast of the Republic at certain points to be agreed upon with the President of the United States.

ARTICLE 26.

This convention when signed by the plenipotentiaries of the contracting parties shall be ratified by the respective Governments and the ratifications shall be exchanged at Washington at the earliest date possible.

In faith whereof the respective plenipotentiaries have signed the present convention in duplicate and have hereunto affixed their respective seals.

Done at the city of Washington the 18th day of November, in the year of our Lord 1903.

JOHN HAY. [SEAL.]
P. BUNAU VARILLA. [SEAL.]

And whereas the said convention has been duly ratified on both parts, and the ratifications of the two Governments were exchanged in the city of Washington on the 26th day of February, 1904;

Now, therefore, be it known that I, Theodore Roosevelt, President of the United States of America, have caused the said convention to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In testimony whereof I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 26th day of February, in the year of our Lord 1904, and of the independence of the United States the one hundred and twenty-eighth.

[SEAL.] THEODORE ROOSEVELT.

By the President:
JOHN HAY,
Secretary of State.

EXHIBIT B.

Treaty between the United States and Great Britain to facilitate the construction of a ship canal. Signed at Washington, November 18, 1901; ratification advised by the Senate December 16, 1901; ratified by the President December 26, 1901; ratified by Great Britain January 20, 1902; ratifications exchanged at Washington February 21, 1902; proclaimed February 22, 1902.

A PROCLAMATION BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

Whereas a convention between the United States of America and the United Kingdom of Great Britain and Ireland to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans by whatever route may be considered expedient and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States without impairing the "general principle" of neutralization established in article 8 of that convention, was concluded and signed by their respective plenipotentiaries at the city of Washington on the 18th day of November, 1901, the original of which convention is, word for word, as follows:

The United States of America and His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British dominions beyond the seas, King, and Emperor of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans by whatever route may be considered expedient and to that end to remove any objection which may arise out of the convention of the 19th April, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States without impairing the "general principle" of neutralization established in article 8 of that convention have for that purpose appointed as their plenipotentiaries:

The President of the United States, John Hay, Secretary of State of the United States of America;

And His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British dominions beyond the seas, King, and Emperor of India, the Right Hon. Lord Pauncefote, G. C. B., G. C. M. G., His Majesty's ambassador extraordinary and plenipotentiary to the United States;

Who, having communicated to each other their full powers, which were found to be in due and proper form, have agreed upon the following articles:

ARTICLE 1.

The high contracting parties agree that the present treaty shall supersede the aforementioned convention of the 19th April, 1850.

ARTICLE 2.

It is agreed that the canal may be constructed under the auspices of the Government of the United States, either directly at its own cost or by gift or loan of money to individuals or corporations or through subscription to or purchase of stock or shares, and that, subject to the provisions of the present treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

ARTICLE 3.

The United States adopts as the basis of the neutralization of such ship canal the following rules substantially as embodied in the convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal, that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service. Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of this article shall apply to waters adjacent to the canal, within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case, shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within 24 hours from the departure of a vessel of war of the other belligerent.

6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purposes of this treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents, and from acts calculated to impair their usefulness as part of the canal.

ARTICLE 4.

It is agreed that no change of territorial sovereignty or of the international relations of the country or countries traversed by the beforementioned canal shall affect the general principle of neutralization or the obligation of the high contracting parties under the present treaty.

ARTICLE 5.

The present treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty; and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date hereof.

In faith whereof the respective plenipotentiaries have signed this treaty and thereunto affixed their seals.

Done in duplicate at Washington, the 18th day of November, in the year of Our Lord 1901.

JOHN HAY. [SEAL.]
PAUNCEFOTE. [SEAL.]

And whereas the said convention has been duly ratified on both parts, and the ratification of the two Governments were exchanged in the city of Washington on the 21st day of February, 1902;

Now, therefore, be it known that I, Theodore Roosevelt, President of the United States of America, have caused the said convention to be made public, to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this 22d day of February, in the year of Our Lord 1902, and of the Independence of the United States the one hundred and twenty-sixth.

[SEAL.] THEODORE ROOSEVELT.

By the President:
JOHN HAY, *Secretary.*

EXHIBIT C.

Convention as to ship canal connecting Atlantic and Pacific Oceans, 1850. (Clayton-Bulwer treaty.) Concluded April 19, 1850; ratification advised by the Senate May 22, 1850; ratified by the President May 23, 1850; ratifications exchanged July 4, 1850; proclaimed July 5, 1850. (Treaties and Conventions, 1889, p. 440.)

ARTICLES.

1. Declarations as to control of canal, occupation of territory, and commercial advantages.

2. Neutrality of canal in case of war.
3. Protection of construction.
4. Mutual influence to facilitate construction.
5. Guaranty of neutrality.
6. Cooperation of other States.
7. Mutual encouragement to speedy construction.
8. Protection to other communications.
9. Ratification.

The United States of America and Her Britannic Majesty, being desirous of consolidating the relations of amity which so happily subsist between them, by setting forth and fixing in a convention their views and intentions with reference to any means of communication by ship canal, which may be constructed between the Atlantic and Pacific Oceans by the way of the River San Juan de Nicaragua and either or both of the Lakes of Nicaragua or Managua, to any port or place on the Pacific Ocean, the President of the United States has conferred full powers on John M. Clayton, Secretary of State of the United States, and Her Britannic Majesty on the Right Hon. Sir Henry Lytton Bulwer, a member of Her Majesty's Most Honorable Privy Council, knight commander of the Most Honorable Order of the Bath and envoy extraordinary and minister plenipotentiary of Her Britannic Majesty to the United States, for the aforesaid purpose; and the said plenipotentiaries having exchanged their full powers, which were found to be in proper form, have agreed to the following articles:

ARTICLE 1.

The Governments of the United States and Great Britain hereby declare that neither the one nor the other will ever obtain or maintain for itself any exclusive control over the said ship canal, agreeing that neither will ever erect or maintain any fortifications commanding the same, or in the vicinity thereof, or occupy, or fortify, or colonize, or assume or exercise any dominion over Nicaragua, Costa Rica, the Mosquito Coast, or any part of Central America; nor will either make use of any protection which either affords or may afford, or any alliance which either has or may have, to or with any State or people for the purpose of erecting or maintaining any such fortifications, or of occupying, fortifying, or colonizing Nicaragua, Costa Rica, the Mosquito Coast, or any part of Central America, or of assuming or exercising dominion over the same; nor will the United States or Great Britain take advantage of any intimacy, or use any alliance, connection, or influence that either may possess with any State or Government through whose territory the said canal may pass, for the purpose of acquiring or holding, directly or indirectly, for the citizens or subjects of the one, any rights or advantages in regard to commerce or navigation through the said canal which shall not be offered on the same terms to the citizens or subjects of the other.

ARTICLE 2.

Vessels of the United States or Great Britain traversing the said canal shall, in case of war between the contracting parties, be exempted from blockade, detention, or capture by either of the belligerents; and this provision shall extend to such a distance from the two ends of the said canal as may hereafter be found expedient to establish.

ARTICLE 3.

In order to secure the construction of the said canal the contracting parties engage that, if any such canal shall be undertaken upon fair and equitable terms by any parties having the authority of the local Government or Governments through whose territory the same may pass, then the persons employed in making the said canal and their property used, or to be used, for that object shall be protected from the commencement of the said canal to its completion by the Governments of the United States and Great Britain from unjust detention, confiscation, seizure, or any violence whatsoever.

ARTICLE 4.

The contracting parties will use whatever influence they respectively exercise with any State, States, or Governments possessing, or claiming to possess, any jurisdiction or right over the territory which the said canal shall traverse, or which shall be near the waters applicable thereto, in order to induce such States or Governments to facilitate the construction of the said canal by every means in their power; and, furthermore, the United States and Great Britain agree to use their good offices, wherever or however it may be most expedient, in order to procure the establishment of two free ports—one at each end of the said canal.

ARTICLE 5.

The contracting parties further engage that when the said canal shall have been completed they will protect it from interruption, seizure, or unjust confiscation, and that they will guarantee the neutrality thereof, so that the said canal may forever be open and free and the capital invested therein secure. Nevertheless, the Governments of the United States and Great Britain, in according their protection to the construction of the said canal and guaranteeing its neutrality and security when completed, always understand that this protection and guaranty are granted conditionally and may be withdrawn by both Governments, or either Government, if both Governments or either Government should deem that the persons or company undertaking or managing the same adopt or establish such regulations concerning the traffic thereupon as are contrary to the spirit and intention of this convention, either by making unfair discriminations in favor of the commerce of one of the contracting parties over the commerce of the other or by imposing oppressive exactions or unreasonable tolls upon passengers, vessels, goods, wares, merchandise, or other articles. Neither party, however, shall withdraw the aforesaid protection and guaranty without first giving six months' notice to the other.

ARTICLE 6.

The contracting parties in this convention engage to invite every State with which both or either have friendly intercourse to enter into stipulations with them similar to those which they have entered into with each other, to the end that all other States may share in the honor and advantage of having contributed to a work of such general interest and importance as the canal herein contemplated. And the contracting parties likewise agree that each shall enter into treaty stipulations with such of the Central American States as they may deem advisable for the purpose of more effectually carrying out the great design of this convention, namely, that of constructing and maintaining the said canal as a ship communication between the two oceans, for the benefit of mankind, on equal terms to all, and of protecting the same; and they also agree that the good offices of either shall be employed, when requested by the other, in aiding and assisting the negotiations of such treaty stipulations; and should any differences arise as to right or property over the territory through which the said canal shall pass—between the States or Governments of Central America—and such differences should, in any way, impede or obstruct the execution of the said canal, the Governments of the United States and Great Britain will use their good offices to settle such differences in the manner best suited to promote the interests of the said canal and to strengthen the bonds of friendship and alliance which exist between the contracting parties.

ARTICLE 7.

It being desirable that no time should be unnecessarily lost in commencing and constructing the said canal the Governments of the United States and Great Britain determine to give their support and encouragement to such persons or company as may first offer to commence the same, with the necessary capital, the consent of the local authorities, and on such principles as accord with the spirit and intention of this convention; and if any persons or company should already have with any State through which the proposed ship canal may pass a contract for the construction of such a canal as that specified in this convention, to the stipulations of which contract neither of the contracting parties in this convention have any just cause to object; and the said persons or company shall, moreover, have made preparations and expended time, money, and trouble on the faith of such contract, it is hereby agreed that such persons or company shall have a priority of claim over every other person, persons, or company to the protection of the Governments of the United States and Great Britain and be allowed a year from the date of the exchange of the ratifications of this convention for concluding their arrangements and presenting evidence of sufficient capital subscribed to accomplish the contemplated undertaking, it being understood that if at the expiration of the aforesaid period such persons or company be not able to commence and carry out the proposed enterprise, then the Governments of the United States and Great Britain shall be free to afford their protection to any other persons or company that shall be prepared to commence and proceed with the construction of the canal in question.

ARTICLE 8.

The Governments of the United States and Great Britain having not only desired in entering into this convention to accomplish a particular object but also to establish a general principle, they hereby agree to extend their protection, by treaty stipulations, to any other practicable communications, whether by canal or railway, across the Isthmus which connects North and South America, and especially to the interoceanic communications, should the same prove to be practicable, whether by canal or railway, which are now proposed to be established by the way of Tehuantepec or Panama. In granting, however, their joint protection to any such canals or railways as are by this article specified it is always understood by the United States and Great Britain that the parties constructing or owning the same shall impose no other charges or conditions of traffic thereupon than the aforesaid Governments shall approve of as just and equitable, and that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other State which is willing to grant thereto such protection as the United States and Great Britain engage to afford.

ARTICLE 9.

The ratifications of this convention shall be exchanged at Washington within six months from this day or sooner, if possible.

In faith whereof we, the respective plenipotentiaries, have signed this convention and have hereunto affixed our seals.

Done at Washington, the 19th day of April, A. D. 1850.

JOHN M. CLAYTON. [SEAL.]
HENRY LYTTON BULWER. [SEAL.]

The Late Representative Pepper, of Iowa.

MEMORIAL ADDRESS

OF

HON. WILLIAM A. ASHBROOK,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Sunday, May 3, 1914,

On House resolution (H. Res. 501) paying tribute to the memory of Hon. IRVIN S. PEPPER, late a Representative from the State of Iowa.

Mr. ASHBROOK. Mr. Speaker, I was in Ohio on the day set apart to pay a tribute to the memory of my good friend, IRVIN S. PEPPER, of Iowa, and was therefore not permitted to avail myself of that opportunity. My conscience would condemn me, however, if I failed to say just a few words, and have therefore asked the indulgence of the House at this time.

Words never seem so futile as when employed to give expression of the sorrow and loss of a friend. They are meaningless, shallow, and unavailing. A single tear shed, if inspired by an aching heart, is more by far than extravagant expression of words. When I recall in memory the tall, manly figure, the handsome face, the gracious smile, kindled by an honest eye, the hearty hand clasp and kindly words so often spoken, my eyes moisten and I can truly say my heart longs for my friend.

Mr. Speaker, men imagine that elevation to positions of honor and trust mean happiness. We fancy it will bring bliss supreme

and will satisfy our longings. But it is the old story of more pleasure in pursuit than in possession. The things longed for usually bring disappointment with possession. We fight for fortune and for fame. If we reach our loftiest goal, believing, hoping, that at last contentment will be ours, it is but to turn aside in despair, convinced that "all is vanity."

When I end my service here but two things will long linger with me or be recompense for the struggle and strife of this life—the satisfaction that possibly I was able to help lighten the load and brighten the path of some one less fortunate, and the recollection of my association with and friendship for my colleagues. Surely a more cordial, courteous, and considerate body of men never assembled together than may be here found. Good will, good cheer, good fellowship, and an honest and willing desire to help a fellow along prevails more generally in this Chamber than in lodge room, church, or community.

No one was ever sent to Congress who possessed in a larger degree these splendid attributes than did IRVIN PEPPER. He had a big, honest heart. He was ambitious, but never to the extent that he would do a dishonorable thing or resort to unfair methods. I first met Mr. PEPPER soon after he began service here while on a trip to witness the opening of the "Over-sea Railroad," to Key West, Fla. A strong friendship was formed during several days pleasant association in the Southland. Soon after we had a friendly rivalry for a committee assignment. We showed our hands like brothers, and when the contest was ended in my favor, he was just as cordial and as much my friend as before. I think this was his innate disposition. I never heard him speak disparagingly of any man. If he could not speak good, he would not speak ill. His tongue "when it could not praise was chained" and "gentle concord never broke."

He was just beginning life, and a splendid beginning it was, too. The future with all the allurements of higher honors, the culmination of things best calculated to make this life worth living, stood temptingly within his easy grasp. But it is the story of life. "To-day he put forth the tender leaves of hope; to-morrow blossoms and bears his blushing honors thick upon him; the next day comes a frost which nips the tender shoot; and when he thinks his honors still aspiring, he falls, like autumn leaves, to enrich our mother earth."

He was stricken with disease, and before it could be realized, the icy hand of death was upon him. When told a few moments before he closed his eyes for that last long sleep that he would soon fall asleep never more to wake up in this life, he said faintly, but without apparent fear, "If that is so, lay me beside my mother, and take good care of my father." If those who may read this poor tribute of mine to my friend never knew more of his life and character than the expression of his last wish, it would be easy to understand why we loved him and why his people so highly honored him. He honored his father and his mother in life, and they were last in his thoughts as the lights burned low.

When last I saw him in life, late last October, and bid a hasty but a hearty adieu, he seemed the picture of health. I little thought it was possible that the next time it would be to gather about his bier. I shall not soon forget the final scene in that country cemetery in his home State the day after Christmas, so well described by my friend JOE RUSSELL in his tribute. Mother Earth, the last, best friend of man, was carpeted with pure white snow; the bugler's notes reverberated across the prairie as the casket, laden with flowers and surrounded by family and friends, was lowered to the grave. I realized then I would see my friend no more. I looked into the grief-stricken faces of a dear old father, the brothers and sisters, and the hope of immortality rose high in my heart that the separation was not forever.

I can not say—I will not say—
That he is dead. He is only away.
With a cheery smile and a wave of the hand
He has wandered into an unknown land
And left us dreaming, How very fair
It needs must be, since he lingers there.

And you—oh, you who wildest yearn
For the old-time step and glad return—
Think of him faring on, as dear
In the love There as the love Here.

Mild and gentle as he was brave,
With the sweetest love of his life he gave
To simple things; where the violets grew,
Pure as the eyes they were likened to.
The little brown thrush that harshly chirped

Was as dear to him as the mockingbird;
And he pitied as much as a man in pain
A writhing honeybee wet with rain.
Think of him still as the same, I say;
He is not dead—he is just away.

Injunctions.

EXTENSION OF REMARKS
OF
HON. WILLIAM J. CARY,
OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 2, 1914,

On the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. CARY. Mr. Speaker, the amendment offered to exempt labor organizations and farmers' associations from the provisions of this law is a step in the direction of correcting a crying abuse that labor has been suffering from ever since the enactment of the Sherman antitrust law, and although in my opinion it does not go as far as it should in separating property rights and personal relationships, it is still in some measure a protection from the rank injustice that has been perpetrated under the old law.

It is extremely doubtful when the Sherman antitrust law was passed whether it was ever intended to apply to labor organizations and farmers' associations for the betterment of their conditions, and the following extract from a speech by the late Senator Sherman during the debate on the bill would seem to show that the author of the law at least never intended it to so operate:

The bill as reported contains three or four simple propositions which relate only to contracts, combinations, agreements made with a view and designed to carry out a certain purpose which the laws of all the States and of every civilized community declare to be unlawful. It does not interfere in the slightest degree with voluntary associations made to affect public opinion to advance the interests of a particular trade or occupation. It does not interfere with the Farmers' Alliance at all, because that is an association of farmers to advance their interests and to improve the growth and manner of production of their crops and to secure intelligent growth and to introduce new methods. No organizations in this country can be more beneficial in their character than farmers' alliances and farmers' associations. They are not business combinations. They do not deal with contracts, agreements, and so forth. They have no connection with them. And so the combinations of workingmen to promote their interests, promote their welfare, and increase their pay, if you please, to get their fair share in the division of production, are not affected in the slightest degree, nor can they be included in the words or intent of the bill as now reported.

But no sooner had the Sherman law been passed than a method of procedure in the use of the injunctive power of the courts which extended the use of the writ of injunction in a manner as novel as it was infamous.

The present distinguished Secretary of the Department of Labor, the Hon. William B. Wilson, while in Congress delivered a speech on the question and gave a remarkably clear exposition of this dangerous innovation in court procedure, from which I will quote the following:

The extension of the writ of injunction from the field of the protection of property rights into the personal relationship between man and man is a renaissance of the theory of government by discretion long since discarded by the Anglo-Saxon people.

For more than a thousand years there has been a continual conflict between the principle of government by law and the practice of government by discretion with the discretion vested first in the King and later in his representative, the chancellor or judge. Government by law is a government of democracy; government by discretion is a government of autocracy.

Injunctions in labor disputes are innovations in our modern jurisprudence. The original purpose for which injunctions were issued was to restrain parties to any dispute about the title or damages to property from interfering with the property in question, until the courts had determined the property rights involved. These restraining orders were made returnable at the next term of court, or at the session of court where the cases were to be heard and determined, and consequently were never permanent, expiring by their own limitations when the court had convened to determine the question at issue. That they are clearly intended to protect property rights and property rights only is demonstrated by the fact that the courts invariably insist upon a bond being furnished by the parties suing out the writ to indemnify the parties enjoined for any loss that may accrue to them by virtue of the writ having been issued. When such an order of court has been issued it is not a difficult matter for the court to determine the actual damages, if any, that have been sustained through the issuance of the injunction, thereby protecting the restrained parties against any unwaranted invasion of their rights, but when the court issues an injunction in a labor dispute, restraining persons in controversy with employers from doing those things that they have a legal and moral right to do, and as a result of that injunction the contest is lost to the workers, there is no court on earth that can determine the damage that has been sustained by the persons enjoined, and consequently they can not recover from the bond. When the court arrogates to itself the power to issue injunctions never contemplated by the rules of equity, and in direct violation of constitutional and statutory law, and assumes the right to issue injunctions for the purpose of enforcing criminal law, it departs from the domain of property rights and invades that of personal rights in a manner for which there can be no excuse except that the court thereby becomes the sole judge of the law and the fact, and, if the parties enjoined are declared guilty of contempt, the extent of the punishment. All of which is in direct violation of the fundamental laws of the land and the Anglo-Saxon concept of human liberty, as shown by the efforts

of the people for more than a thousand years to destroy the arbitrary automatic power of kings and judges.

The peace of Wedmore, concluded between Alfred the Great and Guthram the Dane, A. D. 878, provided that "If a King's thane be charged with the killing of a man, if he dares to clear himself let it be before 12 King's thanes."

The great charter of human liberty, the Magna Charta of Great Britain, the basis upon which British and American freedom rests, in clause 39 declares:

"No freeman shall be taken or imprisoned, disseized, or outlawed, or banished, or any ways destroyed, nor will we pass upon him, nor will we send upon him, save by the lawful judgment of his peers or by the law of the land."

The Bill of Rights enunciated by the British Parliament for the protection of the common people and signed by William and Mary upon their accession to the British throne, as a condition upon which their title to sovereignty would rest, declares:

"Paragraph 1. That the pretended power of suspending of laws, or the execution of laws, by regal authority, without consent of Parliament, is illegal.

"Paragraph 2. That the pretended power of dispensing with laws, or the execution of laws, by regal authority, as it hath been assumed and exercised of late, is illegal."

The Declaration of Independence declares: "That all men are created equal, that they are endowed by their Creator with certain inalienable rights, and that among these are life, liberty, and the pursuit of happiness," and it further assigns as one of the causes for the separation from the mother country and the establishment of an independent government, "for depriving us in many cases of the benefits of trial by jury."

The Constitution of the United States, which creates our judiciary, gives to it whatever power it can possibly exercise, and limits its jurisdictions, says Article III, section 1: "The judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority."

First amendment: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble and to petition the Government for a redress of grievances."

Sixth amendment. In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor and to have the assistance of counsel for his defense.

Ninth amendment. The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

Tenth amendment. The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

Thirteenth amendment, section 1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States or any place subject to their jurisdiction.

* * * * * * *

Notwithstanding the constitutional limitations mentioned, modern injunctions have taken three distinct lines, two of which are unconstitutional, arbitrary, and unjust.

1. Injunctions are issued to protect property rights from irreparable injury where there is no remedy at law. That is the only province in which an injunction properly belongs.

2. Injunctions have unwarrantably been issued for the purpose of enforcing existing statutory and common law, arbitrarily invading the jurisdiction of the legislatures and the law courts, thus wiping out of existence that protection against false accusations that freemen have fought for and forced from the hands of autocratic kings and tyrannical governments and defended at the cost of their lives in many conflicts with royalty—the right of trial by jury.

When the legislative branch of the Government has specified the punishment for any violation of law it has provided what, in its judgment, is an adequate remedy and means of protection; and, having provided such remedy, no court has any right to step in over the head of the legislature and provide another remedy.

3. Modern American courts assume the right to issue injunctions interfering with the personal rights of men in exercising free speech, free press, peaceable assemblage, and in their personal relationship with each other. The rights of free speech, free press, and peaceable assemblage are specifically guaranteed by the Constitution. They are the fundamental safeguards of a free people which neither courts, kings, nor cajolery should be permitted to destroy. The personal relationship between man and man comes clearly within the jurisdiction of the law courts and has no place in the courts of equity, unless upon the assumption by the courts that man is property, an assumption repugnant to the sense of right of all civilized communities and specifically forbidden by the thirteenth amendment to the Constitution of the United States.

As the judicial power extends only to cases in law and equity arising under the Constitution, the laws of the United States, or treaties made under their authority, it seems clear that, aside from equity proceedings growing out of the treaties, the only equity power which the judiciary can exercise is to be found in the original jurisdiction granted by the Constitution and such additional jurisdiction as may be conveyed by law. The original jurisdiction granted by the Constitution, aside from that already stated, is found in section 2 of Article III of the Constitution, which provides that it shall extend to all cases affecting ambassadors, other public ministers, and consuls; to all cases of admiralty and maritime jurisdiction; to controversies to which the United States shall be a party; to controversies between two or more States; between a State and citizens of another State; between citizens of different States; between citizens of the same State claiming lands under grants of different States; and between a State or the citizens thereof and foreign States, citizens, or subjects. Even that power is limited by the eleventh amendment, which says, "The judicial power of the United States shall not be construed to extend to any suit in law or equity commenced or prosecuted against one of the United States by citizens of another State or by citizens or subjects of any foreign State."

In all other cases the judicial power extends to cases arising under the law. Congress has on various occasions created courts and limited the jurisdiction of the courts thus created. That is true of the Court of Claims and the Commerce Court. There is no question in the mind of your committee of the constitutional power of Congress to limit the jurisdiction of the courts so that it will not extend to the writ of injunction in the cases mentioned in the bill. The extent to which the judicial power has been exercised in recent years in issuing writs of injunction in labor disputes in a manner which would not be considered if no disputes were in existence makes it necessary that some legislation of this character should be enacted. The first writs of this character issued restrained acts of violence only. From that they have gradually broadened until it has become the practice to enjoin men from inducing others to leave their employment or not to enter employment, or from assembling at, near, or within sight of the complainant's property, or from furnishing food, money, or other things of value to workmen on strike, or from moving strikers away from the strike locality, or from exercising the constitutional right of free speech or of free press, or from refusing to patronize people who are obnoxious to them.

It may be that some of these things which they are restrained from doing are wrong, and that they should not be permitted to do them; but if that be true, the legislative branch of the Government should prohibit by law the things that are wrong, and the law courts, not the equity courts, determine the fact of whether or not there has been any violation of the law. By any other course a grave injustice is done to that portion of our people who are least able to protect themselves.

It gives me great pleasure, more than I can express in words, to vote for this measure and to know that after many long years I can vote on the winning side of a labor proposition. For it has been an uphill fight for those who have consistently, in season and out of season, waged the battle of the worker against the citadels of special privilege. But each succeeding year has seen more power, more interest, and, thank heaven, more results for labor. When I came here nearly eight years ago I was one of the few Members of the House who carried a union card; to-day there are nearly three dozen card men in the membership, and in the next Congress there will be still more, until we reach the just proportion of representation that the workers and producers of the country are entitled to.

Often defeated, sometimes discouraged, but never despairing, the men who strive in labor's cause will continue to fight for human rights; irrespective of party they will maintain a solid front against oppression either of capital or its subsidized tools in business, politics, or journalism, and when we are gone a new generation will carry on the warfare until law shall mean equal justice to all, until prosperity shall shed its sunlight into the cottage as well as into the palace, until the immortal words of Jefferson, "all men are created equal," shall be a living truth in fact as well as word.

Retirement Compensation for Civil-Service Employees.

EXTENSION OF REMARKS

OF

HON. JAMES W. BRYAN,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 9, 1914,

On the bill (H. R. 17041) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes.

Mr. BRYAN. Mr. Speaker, the question of retirement pay for employees, exhausted and spent in the service to which they have devoted their lives, is merely a question of civilization.

Certain tribes, canabalistic and uncivilized, have had the custom of destroying the aged and the infirm; but as the world has advanced in the sciences and the arts and in all the ways of civilization a different view has been adopted by mankind, and anyone who would now advocate the destruction of the old and helpless would subject himself to the well-merited scorn of all right-thinking people. A son who would refuse to aid his father or mother in the hour of dotage would be an unnatural son indeed. All society and all his associates would condemn him as one entirely unworthy.

In the days of slavery a master was compelled to care for the old and infirm slaves. Can it be, then, that the great Government of the United States, after accepting service of one of its citizens for 30 years or more shall drive such a one out of the service and disclaim all responsibility when the infirmities of age prohibit continued efficiency? Such a victim may not have a son or relative to support or provide for him; but if he has, why should the Government place this entire burden on the son or relation?

A certain well-known Government official recently made this statement:

I don't think the Government should be required to pay old, superannuated employees any more than private industry should be compelled to pay in like cases.

I agreed with him instantly; but, as emphatically as possible, I rebuked the idea that any industry has the right to accept

the life service of a faithful employee and then shirk the responsibility of caring for him when energy and vigor have been consumed in service. Every department of industry must carry this load and charge it up on the price of its product. Bookkeeping systems must be broadened so that the human account can be kept. Industrial accidents, industrial diseases, industrial exhaustion must be included in the account.

Society will make money by it. The wrecks that lay alongside the track of industry have in the end to be cleared away and the terrible toll of expense of such wreckage must be borne by society. Why not keep books and let the division of society particularly liable in each case pay its debt directly in a businesslike way? It will be so much more civilized, and it would be cheaper, too. Of course if a worker's mind fails him and he becomes a mental imbecile, society will take care of him. If he goes blind, there is a place for him; if he becomes an utterly helpless invalid, some institution will open its door to him and society will pay the bill. But who can measure the horror felt by one who has been one of the world's workers to suddenly learn that he can work no more? "Inefficient; get out of the way. The electric current that once charged your system is gone; it's all spent—you are not needed any longer."

Of course it is argued that it is the duty of a Government clerk or an industrial worker to lay up for a rainy day and prepare for the lean years that await us all. No one contradicts that; but let us consider for a moment: First, it is very hard to save money out of the meager salaries that are paid, considering all the demands; some clerks have dependents to provide for. Burdens are never the same. There are many cases where it is impossible to save.

And then suppose a clerk has saved up a little money. Is that any reason why society should work him harder and longer than others, or begrudge him the advantages good fortune and his own wisdom has given him? We are not saved the price of oil because the oil magnate does not need the money. Nor should retirement pay be denied because some won't suffer without it. Retirement pay is a compensation earned for labor already performed. The minimum for each and every employee or clerk is enough to sustain life so long as life lasts. That is a bill society must pay. If after the average is struck some can save so as to better the condition of themselves and their dependents, so much the better.

Retirement pay is not a pension; it is not granted as a bonus. Officers and men in the Army and Navy do not have to specially qualify in order to get what is theirs after retirement. It is only necessary that they serve the number of years required. The retirement pay is a debt against society.

We may pass through the present session without the passage of an adequate retirement law for Federal employees. I hope such will not be the case; but I am sure the present condition will not continue and that we will very soon catch up with the other enlightened nations of the world in the matter.

Agricultural Appropriation Bill.

SPEECH

OF

HON. JAMES W. COLLIER,

OF MISSISSIPPI,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 3, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. COLLIER. Mr. Chairman, for some years it has been vigorously contended by many that a money trust existed in the United States, a trust which absolutely controlled the credit of the Republic. That this control of credit was made possible by a number of the large financial institutions pooling their interests and electing boards of common or interlocking directors, who were to manage the business of various institutions engaged in the same kind of business, but presumably competitors.

It was charged that practically every great financial institution by interlocking its directors with similar institutions had stifled all legitimate competition and that a gigantic monopoly, embracing nearly every branch of productive and commercial industry in the United States, had been established.

The demand for an investigation of these alleged conditions becoming insistent, Congress responded to this demand by ordering an investigation of the Steel Trust, the Sugar Trust, and the Money Trust. The revelations disclosed by these investigations were startling. A complete system of interlocking directorates was found to exist, a system of common directors not alone upon the boards of directors of those institutions posing to the world as competitors, but an interlocking directorate in practically every branch of commercial enterprise.

The investigations conclusively proved that the control of credit in the United States was vested in the hands of a few men. These investigations also proved that these few men had not only secured the control of credit in the Republic but that also, by having practically the same directors on the boards of the various banks, trust companies, insurance companies, railroad companies, and trading, producing, and public-utility corporations, a vast organized monopoly had been formed which destroyed competition in nearly every line of commercial enterprise and threatened the existence of the free institutions of the Republic.

These investigations disclosed the alarming information that 180 directors in 18 of the large financial institutions located in New York, Chicago, and Boston are also directors upon the boards of 41 banks and trust companies located in different parts of the United States. These 180 directors hold 385 directorships in these 41 banks, whose total resources are over six and a half billions of dollars.

They also hold 50 directorships in 11 insurance companies, the next largest money-lending institutions in the Republic, and whose assets amounted to over two and a half billions of dollars.

These 180 directors also hold 155 directorships in 31 railroad systems—not railroad companies, but railroad systems—which embrace numbers of companies, and whose total capitalization is over $12,000,000,000.

They hold 6 directorships in 2 express companies and 4 directorships in 1 steamship company with capital and income of over $340,000,000.

These 180 directors of these 18 large financial institutions located in the three cities I mentioned also hold 98 directorships in 28 producing and trading corporations like the Pullman Co., the National Biscuit Co., the International Harvester Co., the Baldwin Locomotive Works, the American Locomotive Works, the United States Steel Corporation, and 22 other large corporations, whose combined capitalization and total gross annual earnings are in excess of $4,700,000,000.

These same directors hold 48 directorships in 19 public-utility corporations like the American Telephone & Telegraph Co., the Consolidated Gas Co., the United Gas Improvement Co., a number of the large street car systems in the various cities of the Republic, and other utility corporations whose combined capitalization and gross annual earnings amount to over $3,250,000,000.

To summarize, we find that these 180 directors who compose the various boards of directors of these 18 large financial institutions hold 746 directorships in 133 corporations, representing practically all the banking business of the United States; the insurance business, with its vast money-lending power; the great transportation systems, upon which in a large degree the prosperity of the country depends; and the great producing, trading, and public-utility corporations, whose business enters so closely into every citizen's life. In fact, we find, interlocked together, nearly every important line of commercial enterprise in the United States, whose total resources amount to more than $29,000,000,000, all more or less under the complete dominion and control of 18 large dominating financial institutions.

The entire wealth of the Republic is estimated at $130,000,000,000. Of this, considerably more than half consists in land and the improvements thereon, which is in the main owned by those of limited capital. Another large percentage of wealth consists in domestic investments held by small investors, whose earnings and capitalization are too small to attract these financial magnates who have controlled the credit of the country. These percentages of wealth do not, to any great extent, figure in the control of credit in the United States, because they are scattered and disseminated among so many that they affect only local conditions. Eliminating these sources of the Nation's wealth as factors in the establishment and creation of credit, and we find that this $29,000,000,000 owned and controlled by these 18 financial institutions is considerably more than is needed to create a monopoly and to dominate with absolute certainty the entire financial situation of the United States.

After having found that only 18 financial institutions control business organizations whose resources are over $29,000,000,000, the next step to pursue is to look at these financial institutions and see what relation they bear to each other. Investigation discloses the fact that three of these 18 financial institutions practically control over $24,000,000,000 of the $29,000,000,000.

These three firms are the banking house of J. P. Morgan & Co., the First National Bank of New York, and the National City Bank of New York.

Nor is this all, for the investigation further discloses that J. P. Morgan & Co. and the First National Bank, through stockholdings, interlocking directors, partnership transactions, voting trusteeships, and other relations, are bound together in a complete and enduring community of interest. As the Pujo investigation of the Money Trust relates, "Their relations in this regard are, indeed, a commonplace in the financial world."

A glance at the common directorate of J. P. Morgan & Co. and the First National Bank fully justifies this statement.

These three institutions hold 36 directorships in seven banks and trust companies, whose resources are over $777,000,000. They hold 2 directorships in an insurance company with assets of $587,000,000. They hold 47 directorships or voting trusteeships in 11 transportation companies with a capitalization of $3,874,000,000. They hold 23 directorships in 7 producing and trading corporations with a capitalization of $1,989,000,000. They hold 4 directorships in a public utility corporation with capitalization of $621,000,000. Making in all a total of 52 directorships held by Morgan & Co. and 60 directorships held by the First National Bank in 27 great financial institutions with combined resources of $7,848,000,000.

The Pujo investigating committee informs us that—

The acquisition by Morgan & Co. of a large block of stock of the National City Bank, with representation upon its board of directors, and the transactions that followed, in which those two institutions and the First National Bank were joined, as above set forth, show a unison of interest and a continuity of cooperation between the three, such as for many years previously had existed between two of them—Morgan & Co. and the First National Bank.

The Bankers' Trust Co., with its capital and surplus of $20,000,000 and its deposits of over $168,000,000; and the Guaranty Trust Co., with resources of over $232,000,000, are absolutely controlled by J. P. Morgan & Co. through voting trusts. These two financial institutions, together with J. P. Morgan & Co., the First National Bank, and the National City Bank, hold 118 directorships in 34 banks and trust companies, having total resources of $4,666,000,000. They hold 30 directorships in 10 of the 11 insurance companies controlled by the 18 financial institutions, which 10 insurance companies have total assets of $2,293,000,000. They hold 105 directorships in 32 transportation systems, having a total capitalization of $11,784,000,000 out of the twelve billions of dollars of railroad property controlled by these 18 organizations. They hold 63 directorships in 24 of the 28 trading and producing corporations controlled by the 18 financial institutions, whose capitalization and gross annual earnings amount to $3,339,000,000. They hold 25 directorships in 12 public utility corporations having a total capitalization of $2,150,000,000.

In all, these three banking institutions with their affiliations hold 341 directorships in 112 corporations having aggregate resources of over $24,000,000,000, which are considerably more resources than enough to absolutely control the money market of the United States, and to crush down and completely destroy competition wherever it may exist.

Thus a situation of organized monopoly, of control of credit, of destruction of competition perfect in its management, destructive in its operations and unerringly accurate in its accomplishment was presented to the American people as the result of the investigation by Congress of the financial conditions existing in the United States.

There can not be found, however, the same objection to the interlocking of directors in corporations of limited capital whose operations do not extend beyond the local limits of cities, villages, and towns, because these corporations are so limited in their character and circumscribed in their workings that they are inherently unable to form a monopoly in restraint of trade, and if these corporations should so increase their resources, so as to become dangerous to the public, why the legislatures of the various States can by statute regulate them.

In the first instance, the great financial institutions whose resources amount to billions of dollars, interlock their directors for the purpose of creating a monopoly, destroying competition and controlling credit; while, on the other hand, domestic corporations of small capitalization, operating only in a limited way are too insignificant and have not the means to establish either a monopoly or destroy competition even if these interlocked directors should so desire, because there is not sufficient money invested in these corporations to prove a menace to the community, or to create a trust or break down competition. It often happens in small communities that less than a dozen men are financially able to organize and keep going the various business enterprises so necessary to the prosperity and progress of the community. It is essential to the progress and development of the various towns and villages that these small commercial enterprises be established. Such enterprises are intended to build up, and not to destroy, the business interest of the community. To bar those men, whose financial condition is such that they alone can finance these enterprises, might result in financial distress, because these men, perhaps, might be the only ones who could establish these different concerns, and their elimination might result in the town being deprived of the advantages of such enterprises.

Mr. TRIBBLE. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Certainly.

Mr. TRIBBLE. How would the gentleman discriminate between the large and the small—where would he place the line of demarcation between the two?

Mr. COLLIER. There could be placed a line of demarcation according to the amount of capitalization of these corporations. The reason we want to forbid an interlocking directorate is because it is stifling competition, because it is not giving competitors a square deal, and is obstructing the free channels of trade which should at all times be open to our citizens.

I did not intend to digress upon this phase of the subject, but there is a vast distinction between an interlocking directorate upon the boards of several large financial institutions whose resources amount to billions of dollars and whose operations extend from one part of this country to the other, and which are pooling their interests, destroying their competitors, increasing the cost of living, controlling transportation rates, and in many other ways are proving harmful and hurtful to the interests of all the people of this country; there is, I repeat, a vast difference between that kind of an interlocked directorate and an interlocked directorate in the small local corporations, like the ice company, the public gin, the hardware store, the grocery corporation, and other corporations whose capital is sufficient only for them to transact a legitimate business in a small way, and whose operations do not extend beyond the confines of the community in which the institution is located.

And if such corporations should increase their capital or increase their holdings to such an extent that there is danger of their becoming a menace to the community, then, if their operations are conducted solely within the confines of a State, the legislature of that State can and should take charge and regulate them by statute.

But this digression has nothing to do with the subject I am discussing, for Congress has no control over the affairs of domestic corporations, and this phase of the question can be well left to the various State legislatures.

The Money Trust in the United States was brought about through two agencies. First, a vast system of interlocking the directors of practically every branch of commercial enterprise, bringing them practically under the head of one general management, so that interest rates could be fixed, transportation rates agreed upon, competing banks and other institutions refused credit, and by reason of the directors' privilege of looking into the books of the various banks upon whose boards they sat as directors, examine the accounts of a competitor, and, knowing its financial status, were often, through the means of this unfair advantage, able to force it to close its doors.

The other agency which makes possible a money trust is the present system of underwriting the securities of the great interstate corporations. A few banking institutions control a majority of the stock of these corporations and force them to sell their securities in a noncompetitive market. The interlocking of directors gives them the information to form the trust; the sale of the securities gives the trust the means to control the credit and to carry on their operations.

The present system of underwriting the securities of these interstate corporations is injurious to the corporation, hurtful to the public, and is the principal source of revenue to the underwriters.

The firm of J. P. Morgan & Co. alone in less than 10 years handled the public marketing of securities in interstate corporations to the amount of nearly $2,000,000,000.

This firm acts as the fiscal agent for a number of the great railroad systems, which are compelled to negotiate the sale of their securities through the firm of Morgan & Co.

Railroad companies practically have only two kinds of expense—the cost of operation, including the upkeep of equipment, etc., and the interest on the bonded indebtedness. It is the effort to meet this interest that often causes a railroad to fail to make needed improvement in its rolling stock. No matter how badly equipment is needed, no matter how dangerous the roadbed may become, the interest on the bonded indebtedness must be met. These bonds mature from time to time and have to be replaced by new bonds, and it is through the purchase, sale, and handling of these securities that J. P. Morgan & Co. and their associates have reaped such a rich harvest. From

the best information I gather, I find that the different railroad systems are parceled out among a few of these financial institutions. The railroads are helpless to remedy these conditions, for they must take their securities to the institutions to which they have been allotted.

For an illustration, now it is said the Southern Railroad has been allotted to J. P. Morgan & Co. This firm practically controls this railroad, and for a number of years the late J. P. Morgan and George F. Baker, chairman of the board of directors of the First National Bank, constituted two of its three voting trustees. Since 1895 the firm of J. P. Morgan & Co. have handled for the Southern Railroad the marketing of 32 different issues of securities, aggregating over $130,000,000. The Southern officials are helpless in this matter, for no firm but that of Morgan & Co. can handle these bonds.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.

Mr. GOULDEN. The gentleman made a statement that the Southern Railroad had to go to J. P. Morgan & Co. in order to have certain securities underwritten. Why?

Mr. COLLIER. Because there was a written agreement to the effect that the late J. P. Morgan, George F. Baker, and Charles Lanier were constituted voting trustees, who acted for the interest of the stockholders as their judgment indicated, and who were to select the directors for this road, and Morgan & Co. were the fiscal agents of the road, and the Pujo investigation shows that, as far as the Southern Railroad is concerned, the late J. P. Morgan absolutely controlled the situation. Mr. H. P. Davidson, of the firm of J. P. Morgan & Co., testified before the Pujo committee that his firm handled practically all of the securities of the Southern Railroad.

When J. P. Morgan & Co. reorganized the Southern a majority of the stock was placed in this voting trust. This deprived the stockholders of all representation and voting power. This voting trust has existed for 19 years, and unless recently changed it is still in force. Those are the reasons why the Southern Railroad has to go to the firm of J. P. Morgan & Co. to handle their securities.

Mr. GOULDEN. Does not the gentleman think, perhaps, it is due to the fact that J. Pierpont Morgan & Co. and others control the money situation there, and that is the reason they had to go to them; that there was no other remedy?

Mr. COLLIER. It was due absolutely to that fact, there is no question about that.

Mr. GOULDEN. One more question and I will not interrupt the gentleman again.

Mr. COLLIER. It is all right, I am glad to yield to the gentleman from New York.

Mr. GOULDEN. Under what general administration was this great financial system built up, who is to blame for that fact?

Mr. COLLIER. There are many reasons for that Money Trust. There are many conditions which brought about a system whereby a few could control the great resources of the country. Of course, a great deal of this control is due, you might say, the principal part of this financial situation is due and was brought about by the enactment of those laws which Congress itself has passed giving special privileges to individuals, but I am not to-day discussing that feature of this question. I am not discussing what brought about this condition. I am trying to discuss a condition that is existing right now, at the present time, in this country of ours.

Now, the question might well be asked, How does it hurt the Southern Railroad or any other railroad for Morgan & Co., or any security company, to handle their securities, and how is this harmful to the stockholders and the people generally, because the securities have to be negotiated.

I will show you how the present system is hurtful to the railroad and injurious to the public. I will give you an illustration, which principle has time and again been applied to nearly every railroad system in the United States. Suppose the Southern Railroad or any other railroad finds that $50,000,000 of its bonds are about to mature and have to be retired.

The officials of the road take $50,000,000 of new bonds to replace the issue soon to mature to Morgan & Co., or any other company which handles securities, and tell them that they must have $50,000,000 to pay the holders of the maturing bonds. Morgan & Co. can handle the negotiation of these bonds in two different ways. They generally buy them outright and dispose of them afterwards. Now, the two ways that Morgan & Co. can negotiate, or rather buy, these bonds from the Southern are as follows: They may tell the officials of the Southern, "We will buy these bonds or handle them for you on a commission, say, of 3 per cent. Turn the $50,000,000 of bonds over to us and we will give you $50,000,000 less our commission of $1,500,000, or in all $48,500,000."

The officials of the Southern say, "We can not do that. We have not the $1,500,000 to pay you, because it takes all we can make to meet the expense of operation, the upkeep of equipment, and pay the interest on our bonded indebtedness." Well, then, Morgan & Co. suggests an additional issue of $10,000,000. "Put some of this in additional equipment and we can then get our commission out of this additional issue of $10,000,000, and we will handle the $60,000,000 of bonds for you." The manager of the Southern tells them that this will be worse than the first proposition, but the firm of J. P. Morgan & Co. shows them how this can be done. Why, one of the firm might say, "There is too much competition in the railroad business. In the town of Meridian, Miss., there are four or five roads competing with the Southern. These roads are cutting each other's throats trying to take business away from each other. The agents of these different roads are soliciting business from the shippers, are going to see them every day asking for orders, and with the keen and active competition thus established the railroads are cutting transportation rates. Follow the example we have set in New York; get together, increase the rate, and charge the same rate on each road. The merchants and shippers will then have to go to you and the people of Louisiana, Mississippi, Alabama, Georgia, Florida, Tennessee, the Carolinas, Kentucky, and Virginia will pay the freight, and we will get our commission and you will be able to meet the interest on these bonds."

Of course I use the Southern Railroad only as an illustration as to how this could be done and do not mean that this was an actual transaction between the Southern and the firm of J. P. Morgan & Co. I have no means of finding out how much the Southern Railroad or any other railroad pays in commissions for the handling of its securities. I know of no way to find this out. I do know, however, that the great majority of railroads in the United States are grossly overcapitalized, and that J. P. Morgan & Co. and a few others have reaped a rich harvest in the handling of these securities. I do know that this gross overcapitalization is causing the various railroads throughout the country to strain every nerve and make every effort, often at the expense of needed repairs, to meet the enormous interest on the bonds which have been so freely issued. I believe that the demand for an increased rate from the Interstate Commerce Commission was brought about by reason of additional and unnecessary expense because of overcapitalization. A demand that may be necessary for the Interstate Commerce Commission to grant, because there is so much overcapitalization that a fair and legitimate rate may not be sufficient to keep up the running expense and pay the interest on the bonded debt, which may be owned by innocent purchasers, whereas if there were no water in these stocks such rate might be more than ample.

These securities should be offered in open market, where competitive bids could be received and the bonds awarded to the highest bidder. As long as there is a trust and a monopoly in the handling of the railroad companies' securities the railroads themselves, in self-defense, will be compelled to make their agreements on transportation rates to take care of the enormous commissions they have to pay these financial institutions for handling these securities.

Mr. QUIN. Will the gentleman yield?

Mr. COLLIER. Yes.

Mr. QUIN. What proportion of the capital stock of these railroads is actual and what water?

Mr. COLLIER. Well, there is so much that I can not tell the gentleman the exact amount. In fact, there is no way that I know that it can be estimated.

The listing of these securities upon the New York Stock Exchange has something to do with the financial situation in the United States. These transactions are for the most part purely speculative, as evidenced by the high ratio of the sales of a given stock during very short periods to the total amount listed, and also by the great disproportion of the shares listed on the exchange and the shares actually transferred on the books of the corporations.

The report of the Money Trust investigation shows that on the New York Stock Exchange since 1906 the entire listed common-stock issue of the Union Pacific Railroad Co. has been sold eleven and one-half times over each year, while in 1912 the number of shares transferred was only 16 per cent of the number sold.

That since January 1, 1906, the entire listed common stock of the Erie Railroad Co. has been sold more than twice over each year on the average, while the number of shares transferred has averaged only 30 per cent of the number sold. Perhaps the best illustration of this selling on the exchange is the case of the Reading Railroad, which is practically controlled by the firms

of Morgan & Co. and the First National Bank. The Pujo report relates that—

It appears that there has not been a year since January 1, 1906, when the Reading Co.'s entire common-stock issue listed and subject to sale was not sold at least 20 times over, and from that on up to 43 times; that in a single month of that period it was sold 6 times over, and that in only 2 months of the entire period was it sold less than once over in a single month; and that although it is a dividend-paying stock, the number of shares transferred on the company's books averaged for the period 8.6 per cent of the shares sold.

Such an indiscriminate dealing in stocks is not only the worst kind of gambling but, in order to get money to carry on this wildcat speculation, withdraws from the legitimate channels of trade an enormous amount of capital. Reference to the report of the Money Trust investigation shows that on data obtained from 32 of the banks and trust companies of the New York Clearing House Association on November 1, 1912, these institutions, for themselves and for their out-of-town correspondents, had outstanding loans on stock-exchange collateral amounting to $766,795,000.

It was this kind of speculation which brought on the panic of 1907, for so many more thousands of shares were sold on the exchange than actually existed that the market got top-heavy, and when demand was made to deliver some of these shares which had never existed, the demand for margins was so great to meet these obligations that the banks could not find the money to loan. This situation at once caused the market to drop, and consequently a panic was precipitated.

While upon the subject of listing shares upon the stock exchange, it is interesting to note the relation the firm of J. P. Morgan & Co. bears to the engraving of the certificates and bonds. No certificates or bonds can be listed upon the New York exchange engraved by any firm save the American Bank Note Co. Yet the evidence in the Pujo hearing disclosed that there was a profit in the business even at half the American Bank Note Co.'s figures. The New York Bank Note Co.; the Security Bank Note Co., of Philadelphia; Elliott & Co., in Philadelphia; and over a dozen other companies would be glad and have been trying to get some of this work. But the late J. P. Morgan was a director of the American Bank Note Co., and, therefore, the untold millions of certificates listed upon the board of the stock exchange were engraved by the American Bank Note Co., which charged the original owner of these securities two prices for their work.

This is a small matter as compared to hundreds of the Morgan investments, but it shows the wonderful genius and the thoroughness of the methods of that concern. If there was a chance of securing a monopoly, no matter how small the business was, it fell into Morgan & Co.'s hands. The firm of Morgan & Co. used a seine which caught the largest whale in the commercial sea, but the meshes of that seine were so tightly drawn that not even a minnow could escape.

The interlocking of directorates places the same men in control of so many different institutions that it is a comparatively easy matter to destroy weaker competitors. This was instanced during the panic of 1907.

The Clearing House Association of New York is another factor in determining the control of credit in the United States. Though a voluntary, unincorporated association, yet it exerts a powerful influence over the financial affairs of the entire country.

It is conducted on arbitrary rules and subject only to these rules and laws of its own governing body. In modern banking clearing houses are absolutely essential in order to facilitate the collection of checks by banks of the same community drawn on each other. They are simply a common meeting place, where the representative of each bank presents the checks his bank has paid to the representatives of the other banks. The amounts each bank has paid for checks drawn on other banks are listed, a balance is struck, and a check is given for the difference. Millions of dollars in the clearing house are balanced this way, and it often happens that as one bank has cashed about as many checks drawn on another bank as the other bank has cashed checks drawn on it, a few dollars will suffice to make up the difference, and each bank has been saved the time and annoyance of having to turn over the cash on each separate transaction, and no one is injured. In the larger cities, where there are thousands of checks drawn each day, it is imperative that there be a clearing house to clear and balance these checks and pay out the difference to each bank that it is entitled to. The New York Clearing House Association, however, does not pay all this difference in money, but in certificates issued by the association upon security furnished by the banks, which certificates the members of the association use in settling with each other, but are not otherwise circulated.

In 1853 there were 52 members of the New York Clearing House Association. Now, when the business is over twenty times as great as it was then, there are only 50 banks which belong to the association. There are, however, a few trust companies which have lately been admitted. No matter what financial standing a bank may have in New York, it can not be admitted to the association except by an affirmative vote of three-fourths of the members, so consequently there are hundreds of banks in New York which do not and can not belong to the association. But as they can not do business in an economical way without clearing their checks, the member banks act as clearing agents for them. The clearing agent has the right at any time without cause to terminate this arrangement with a nonmember bank, and the clearing-house committee often instructs a member bank to terminate this arrangement, which termination in nearly every instance results in the nonmember bank closing its doors immediately after notice has been made public that the bank can no longer clear in the association.

Now, as this clearing-house association is composed practically of the same directors who control the credit of the country, and who have interlocked upon the boards of directors of the various banking institutions, insurance companies, railroad, producing, trading, and public-utility corporations, it is at once apparent that the power they possess in this association is a dangerous one.

The granting or refusing aid, the issuance and calling in of clearing-house certificates of any competitor which does not belong to this association rests entirely without right of appeal in two consolidated committees of five members each, one the regular clearing-house committee, the other the special-loan committee.

In a certain section of New York there was keen competition between the Corn Exchange Bank and the Mechanics & Traders' Bank, these two banks having several branches near together in three different localities in New York. Now, the chairman of the regular clearing-house committee was a Mr. Nash, who was also president of the Corn Exchange Bank, and a Mr. Frew, the vice president of the Corn Exchange Bank, was a member of the select committee of five which passed on loans and aid to financial institutions. Their keenest and most active competitor in the banking business was the Mechanics & Traders' Bank, which was unable to get in the clearing-house association, but had to get agents to act for them. During the panic of 1907 the Mechanics & Traders' Bank, like a great many other banks, applied to the clearing-house association for aid in the way of clearing-house certificates. This bank was a perfectly solvent institution, with deposits amounting to about $12,000,000. The bank was given clearing-house certificates to the amount of $2,100,000 upon their depositing with the clearing-house association collateral with an absolute face value of $6,373,252.52. After depositing this amount of the securities of the bank a short time afterwards the Mechanics & Traders' Bank was notified by the regular clearing-house association committee that in 13 days it must redeem in cash this $2,100,000 in loan certificates, and this notice was published in the newspapers of New York the day before the Mechanics & Traders' Bank received it. Confidence in the Mechanics & Traders' Bank was destroyed, a run on the bank was started, and five days after the publication of this notice the bank closed its doors and went into bankruptcy.

The report of the Money Trust investigating committee on this transaction very charitably concludes by stating that—

We do not for a moment intimate that Mr. Nash or Mr. Frew, as arbiters of the application of the Mechanics and Traders' Bank, could have any thought of gaining an advantage for their own bank over its competitor. But, as a matter of general policy, such a situation should be avoided. It is not fair or wise that either party should be so placed.

Similar instances occurred in the case of the Oriental Bank and in the case of the National Bank of North America and in the case of the New Amsterdam Bank, all of which banks being solvent institutions were yet forced to close their doors in less than a week after notice had been given the public that the clearing house agents would no longer clear for them and that they must redeem in cash their loan certificates. And in the cases of these banks also notice was given the press before it reached the banks.

The commercial existence of a nonmember bank in New York depends upon its affiliation with some clearing-house agent. This bank is then at the mercy of the agent, who can, without cause, sever its connection at any time and easily destroy a competitor. The banks are, in a way, compelled to do business with their agents and to deposit with them, and, of course, the limited number of banks composing the association get the bulk of the deposits and possess an unfair advantage over their competitors.

The Bankers' Trust Co. was organized in March, 1903, and its management placed under a voting trust of three men, two of whom were partners in the firm of Morgan & Co., and, of

course, had absolute control. This company had a capital of only $1,000,000 and a surplus of only $500,000 and its original deposits were less than $6,000,000. The Clearing House Association had a select committee of nine, whose duty it was to pass upon aid to banks in the way of giving them clearing-house certificates. Six members of this committee on loans were directors in the little Bankers' Trust Co., a majority of two-thirds.

Now, let us see how this little trust company, with a capital and surplus of only $1,500,000, grew in nine years. During that period of time, aided by the artificial stimulant of an interlocked directorate with numbers of other institutions, merging or destroying its competitors as they came under its control, and fostered by the tender care of a two-thirds majority of the committee on loans in the clearing-house association, the Bankers' Trust Co. in less than 10 years developed into a financial institution with a surplus and capital of $20,000,000. During that time its deposits grew from less than $6,000,000 to the enormous sum of $168,066,000, with an undivided profit of over $5,000,000, to say nothing of the millions of dollars paid in dividends to its stockholders.

Thus you see that the New York Clearing House Association can not only destroy competing institutions, but can at will take a small banking institution and in less than a decade make it one of the most potent financial factors in the commercial world.

According to the report of the Pujo investigating committee, the panic of 1907, which left behind it a long trail of financial disasters, was started by the closing of the Knickerbocker Trust Co., which followed immediately after the announcement that the National Bank of Commerce, the trust company's clearing agent, would no longer act as such.

We have seen how this system of general control, brought about through interlocking of directorates, can destroy competitors through the medium of the clearing-house association and through the refusal of credit and the unexpected calling in of loans. Let us now see how this system works after competition has been destroyed, either through force or by merger, to prevent the reappearance of competition.

The locomotive manufacturing industry formed a gigantic trust, known as the American Locomotive Co., which trust is absolutely controlled by Morgan & Co. and the First National Bank. The Bankers' Trust Co. and the Guaranty Trust Co. are controlled by Morgan & Co. and the First National Bank by voting trustees. Now, the Bankers' Trust Co., the Guaranty Trust Co., the National Bank of Commerce, the Chase National Bank, and the Astor Trust Co. have each directors of their institutions upon the board of directors of the American Locomotive Co. Morgan & Co. have three of their directors upon the board of the Astor Trust Co., three upon the board of the Bankers' Trust Co., three upon the board of the Guaranty Trust Co., and two upon the board of the National Bank of Commerce. And the First National Bank has three of its directors upon the board of the National Bank of Commerce, three upon the board of the Guaranty Trust Co., five upon the board of the Chase National Bank, five upon the board of the Bankers' Trust Co., and four upon the board of the Astor Trust Co., making in all 31 directors of Morgan & Co. and the First National Bank who are also upon the directorate of the Bankers' Trust Co., the Guaranty Trust Co., the National Bank of Commerce, the Chase National Bank, and the Astor Trust Co. Therefore it is a safe assumption that as 31 of the directors of Morgan & Co. and the First National Bank are also found upon the board of directors of these five institutions, which are in turn represented upon the board of the American Locomotive Co., that in its final analysis the firm of J. P. Morgan & Co. and the First National Bank of New York practically dominate and control by means of interlocking directorates the American Locomotive Co.

All the locomotive works, with the exception of the Baldwin Co., were in this consolidation. So Morgan & Co. and the First National Bank then bought the only independent concern, the Baldwin Works, and now control all the locomotive building in the United States. And thus the various railroads are confronted with one seller only. It is of the utmost importance to the American people that the railroads secure their rolling stock at reasonable prices, because upon the cost of operation the rates are to some extent based. Acting upon this theory, Congress placed steel rails upon the free list, because some of the money saved the railroads in the purchase of their rails went into cheaper transportation rates to the American people. Therefore it is of the utmost importance to the public that the railroads are not compelled to pay exorbitant and unreasonable prices for locomotives.

But suppose some public-spirited men decide that they will build a competing locomotive works. It requires considerable capital to build, equip, and finance a locomotive-building concern. These men would, in all probability, require the financial backing of one of the large financial institutions to handle their securities and to lend them the money. If they went to the First National Bank to borrow this money or to float their securities through its trust company the first question asked would be, "What do you want with this money?" Finding that the lending of this money would be destruction of the monopoly of the locomotive business, it would be refused.

They would then go to the firm of J. P. Morgan & Co. and they would again be refused. They then go to the Bankers Trust Co., to the Guaranty Trust Co., to the National Bank of Commerce, to the Astor Trust Co., to the Chase National Bank, and there upon each board of directors they would find the same men who were also directors in the locomotive works, so, of course, their requests for accommodations would be denied. They would then go to Washington City to the Riggs Bank, and there upon the board of directors they would find one of the National Bank of Commerce directors. They would then go to the American Security & Trust Co., but a director from the National Bank of Commerce would meet them there. They would then go to Pittsburgh to the Mellon National Bank, but a director from the National Bank of Commerce would meet them there; so they would go to Philadelphia to the Fourth Street National Bank, and there they would be confronted with one director from J. P. Morgan & Co. and one from the Bankers Trust Co.; then they would go to the Franklin National Bank, and upon its board they would find one Morgan director, one Guaranty Trust Co., and one from the Bankers Trust Co. They would then go to the Girard Trust Co., and find one Morgan, two Guaranty Trust Co., one Bankers Trust Co., and one National Bank of Commerce director. They would then go to the Philadelphia National Bank, where they find one Morgan and one Guaranty Trust Co. director. They would then go to the Continental & Commercial National Bank in Chicago, there they would find one director from the Astor Trust Co. At the Continental Trust & Savings Co. they would also find a director from the Astor Trust Co. They would then try the First National Bank of Chicago, and on its board of directors they would find one from the First National Bank of New York and one from the Chase National Bank. At the First Trust & Savings Bank they would be met by a director from the First National Bank of New York and one from the Chase National Bank of New York. Again they would try to secure accommodations at the Illinois Trust & Savings Bank, and there they find two directors from the First National Bank of New York, one from the Chase National Bank, one from the Bankers Trust Co., and one from the National Bank of Commerce, and their request would be denied.

Despairing of receiving financial assistance from the great banking institutions of the Republic there is left open to them the great insurance companies of the country, which are also money lenders in large amounts. They go to the board of directors of the Fidelity & Casualty Co., but upon that board there are several familiar faces—Morgan & Co., the Guaranty Trust Co., the Astor Trust Co., and the Bankers' Trust Co., all have some of their directors upon the board of this company. Then they go to the Mutual Life Insurance Co., and there they are confronted with a representative from Morgan & Co., another from the First National Bank, another from the Bankers Trust Co., four from the Guaranty Trust Co., one from the Chase National Bank, three from the Astor Trust Co., and four from National Bank of Commerce; so there is no money there for the purpose of building new locomotive works. They go to the board of the Equitable Life Insurance Co., a majority of the stock of which is owned by Morgan & Co., and take their securities, but upon this board are found one director from the First National Bank, five from the Guaranty Trust Co., two from the Bankers' Trust Co., three from the National Bank of Commerce, and two from the Astor Trust Co. They then go to the New York Life Insurance Co., and again they find the same old faces—the First National Bank, the Bankers Trust Co., the National Bank of Commerce, the Chase National Bank, and the Astor Trust Co., are all represented on the board of the New York Life Insurance Co.; so there is no chance for them there. They try the German American Insurance Co., and there they are met by one director from Morgan & Co., one from the National Bank of Commerce, and one from the Astor Trust Co. They then make another effort, and go to the Continental Insurance Co., but there they find on the board of this company one director from the First National Bank, two from the Guaranty Trust Co., one from the Bankers' Trust Co., one from the

National Bank of Commerce, one from the Chase National Bank, and two from the Astor Trust Co. They then go to the American Surety Insurance Co., and upon its board of directors they find 1 director from the First National Bank, 10 from the Guaranty Trust Co., 3 from the Bankers Trust Co., 8 from the National Bank of Commerce, 4 from the Astor Trust Co., and 3 from the Chase National Bank. They try the Home Insurance Co., and there they find one director from the Guaranty Trust Co., one from the National Bank of Commerce, and two from the Astor Trust Co. They then try the Northwestern Mutual Life Insurance Co., but the same faces meet them there—they find one director from the Guaranty Trust Co., one from the Bankers Trust Co., one from the National Bank of Commerce, one from the Chase National Bank, and one from the Astor Trust Co. At the Penn Mutual Life Insurance Co. they find upon its board a director from Morgan & Co.

But suppose these promoters of the proposed new locomotive works, through subscription or otherwise, raise the money and build the works and place their locomotives on sale. Their agents will go to the Southern Railroad, and there they find that J. P. Morgan since 1894 has been the sole fiscal agent for that road and that he and the chairman of the board of directors of the First National Bank absolutely control that road. They can do no business there, for Morgan & Co. and the First National Bank are in the locomotive business and sell their own locomotives to the Southern. These agents then go to the Illinois Central, which traverses the very heart of the South and Central West. But upon the board of directors of the Illinois Central sit two of the directors of the Guaranty Trust Co., three of the National Bank of Commerce, and two from the Astor Trust Co. So there is no chance to sell any of these locomotives to the Illinois Central. They then go to the Seaboard Air Line Railroad and offer their locomotives for sale, but the same familiar faces greet them at the door, for there they find a director of the First National Bank, two from the Guaranty Trust Co., two from the Bankers' Trust Co., two from the National Bank of Commerce, one from the Chase National Bank, and two from the Astor Trust Co., so there is no chance for business with that road. The representatives of the new locomotive works then go to the Northern Pacific Railroad, one of the great transcontinental trunk lines, and there upon its board they find the familiar faces of three of the Morgan & Co. directors, two from the Guaranty Trust Co., one from the Bankers' Trust Co., three from the Chase National Bank, two from the National Bank of Commerce, two from the Astor Trust Co., while four familiar faces from the First National Bank greet them as they enter. They then make an effort to dispose of their locomotives to the Lehigh Valley Railroad Co., but upon the board of directors of that great corporation they find two directors from Morgan & Co., two from the First National Bank, two from the Guaranty Trust Co., one from the Bankers' Trust Co., one from the National Bank of Commerce, one from the Chase National Bank, and two from the Astor Trust Co. They try to sell to the Delaware, Lackawanna & Western, but upon the board of directors they are met by four directors from the First National Bank, one from the Guaranty Trust Co., one from the National Bank of Commerce, two from the Chase National Bank, and one from the Astor Trust Co. They make an effort to sell their locomotives to the Atchison, Topeka & Santa Fe, but some of the same faces greet them there, for they find one director from Morgan & Co., three from the Guaranty Trust Co., one from the Bankers' Trust Co., and two from the National Bank of Commerce. Still trying to dispose of their locomotives, they try the New York, New Haven & Hartford, and again they meet the same fate, for upon the board of directors of this railroad they find Morgan & Co. has one, the First National Bank has two, the Guaranty Trust Co. has two, the Bankers' Trust Co. has one, the National Bank of Commerce has one, the Chase National Bank has one, and the Astor Trust Co. has two. They then try the New York Central & Hudson River, but again they meet the same old faces, for there they find one director from Morgan & Co., two from the First National Bank, two from the Guaranty Trust Co., one from the National Bank of Commerce, one from the Chase National Bank, and one from the Astor Trust Co. Upon the board of the Union Pacific Railroad Co. they find two directors from the Guaranty Trust Co., three from the National Bank of Commerce, and two from the Astor Trust Co., so they find no chance for a sale there.

Finding the same conditions prevailing in practically every other great railroad system in the United States they will soon discover that there is no market for locomotives, no matter how much the price may be cut, for the same men who make the locomotives control the railroads.

Mr. Chairman, as it is in the locomotive business so it is in almost every line of productive and commercial enterprise.

One of the most significant effects of this merging and trust controlling of railroads is seen in the utter absence of any new road building by independent systems. No competing lines of railroads have been built in the United States in the last 10 years. All the railroad extension has been by those roads controlled by the trust. No new lines can be built, because the same directors who control through the banks and insurance companies of the country the credit of the United States also control the existing railroads, and they will refuse to handle the bonds or otherwise finance a proposed new railroad, because it will interfere with the rich harvest they are now reaping as the result of their consolidations.

A striking instance of how the building of new railroads has been retarded in the United States is recorded in the case of the proposed New York, Wyoming & Western Railroad.

It seems that all of the anthracite coal mines, with the exception of eight mines owned by Simpson & Watkins, who were independent operators, are owned by Morgan & Co., the First National Bank, and the small coterie which controls the various large commercial enterprises in the United States.

Now, the Erie Railroad, the Lehigh Valley Railroad, the Delaware, Lackawanna & Western Railroad, the Reading Railroad, the Central of New Jersey, and the New York, Susquehanna & Western Railroad are the railroads that operate between the anthracite coal fields and tidewater. The same men who own the consolidated anthracite coal mines also control these railroads which carry their coal to tidewater.

I am informed that Simpson & Watkins, the owners of the eight independent anthracite coal mines were much hampered and embarrassed in the operation of their mines through a lack of railroad facilities. There were mysterious delays in shipment, sudden scarcity of cars, and shifting of transportation rates to such an extent that Simpson & Watkins determined to build a railroad of their own to carry their coal to market. To that end they projected a competing railroad to the coal fields and organized the New York, Wyoming & Western Railroad and made their preparations for the building of same.

The building of this proposed road was a matter of much annoyance to Morgan & Co. and the First National Bank. A new railroad extending from the coal fields to tidewater would not alone decrease the price of coal to the consumer, but would force the competing railroads to reduce their transportation rates. Morgan & Co. and the First National Bank decided this problem by purchasing the coal mines of Simpson & Watkins. Thus, competition along several proposed lines was destroyed, the monopoly in the coal and the railroad businesses was again assured, and that was the last that was ever heard of the New York, Wyoming & Western Railroad.

In reference to this particular railroad, the New York, Wyoming & Western, I will say that while I believe that Morgan & Co. and the First National Bank bought these independent mines, and bought them for the purpose of destroying competition, both in the price of coal and in railroad rates, while my information leads me to believe this to be true, yet I am unable to find any documentary proof in this particular instance, and feel that it is only fair to state this, but it could easily have been done, and there are doubtless numbers of instances where it has been done.

Mr. Chairman, we now have a new currency law, which replaces the antiquated system of banking and currency which prevailed so long in the United States and was so helpless in times of financial disaster. The new currency law, by preventing the vast sums of money deposited with the country banks from being concentrated in New York, will to some degree deprive these trust magnates of a large part of the money they have been lending to the gamblers of Wall Street, that they may, through speculation, control the markets of the world.

These deposits will now be placed in the different regional banks located in various parts of the country.

But we will never be delivered from the blighting effects of a control of the credit of the people of the United States until the billions of dollars of securities of the great corporations of the country shall be offered for sale in a free and competitive market, and until the intolerable system of interlocking directorates upon the different boards of the great financial institutions is completely destroyed.

Great problems confronted the Democratic administration. Some of these problems have already been solved. Our administration has the wisdom and the courage to enact into law a measure which will give the American people relief from a system of gigantic monopoly, so stupendous in its organization, so harmful in its operations, and so dangerous in its effects, that its destructive influences, unchecked, will before long undermine the free institutions of the Republic. [Applause.]

Antitrust Legislation.

EXTENSION OF REMARKS
OF
HON. MICHAEL E. BURKE,
OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 5, 1914,

On the bill (H. R. 16586), a bill to amend section 20 of an act to regulate commerce and to prevent overissues of securities by carriers.

Mr. BURKE of Wisconsin. Mr. Speaker, to me it is a great pleasure to support the pending bill, commonly known as a bill to regulate by the Interstate Commerce Commission the issuing of stocks and bonds by railways or common carriers. This pleasure is increased by reason of the opportunity of also supporting, at this time, its sister bills (H. R. 15657), otherwise known as the Clayton antitrust bill, and bill (H. R. 15613) creating an interstate trade commission. In common with the great majority of the American people, I have been looking forward to this occasion with earnest hope and sincere pleasure for many years past. During those many years I have watched with anxiety the ever-increasing growth of combinations, trusts, and monopolies. In common with others I have observed the wide spreading evil practices of these business organizations extend from the Atlantic to the Pacific, and from the Gulf to the Great Lakes. During all of these years the iron hands of monopolies and trusts have been weighing down and crushing the opportunities of the average business man, and at the same time I have listened to remonstrances throughout the length and breadth of the land against the crying evils of unbridled, crooked big business.

This and its sister bills are very comprehensive and far-reaching. An experienced and well-informed Representative has declared upon the floor of this House during this debate that this and its accompanying kindred bills will regulate the management of carriers and directorates of over 300,000 corporations, including banks. It was shown before the Judiciary Committee at its hearings two years ago that the business of this country which would be affected by the proposed legislation amounts to the vast annual sum of $25,000,000,000. It can thus be seen at a glance that the importance and seriousness of this legislation can scarcely be overrated. Notwithstanding the comprehensiveness and difficulties of the problem confronting us, I have faith in the three measures proposed for the relief of the people, and believe that when they are enacted into law that moderate business will have more opportunity than it has had at any time in this country since the Civil War. This legislation has been demanded by the people, regardless of party, and the Democratic Party has promised in its national platforms to enact it.

NECESSITY FOR ANTITRUST LEGISLATION.

Since the approval of the Sherman antitrust law on the 2d day of July, 1890, some 24 years ago, trusts, combinations, and monopolies have increased marvelously in number and in power. They have invaded nearly every conceivable line of industry and human effort. Of late years many prosecutions have been brought against the most powerful and far-reaching of them. In spite, however, of the numerous prosecutions that have been conducted against them they still continue to thrive and to increase in number and viciousness. Their hold upon the business of the country has ramified in every direction. Their movements and machinations have overshadowed and dwarfed the efforts of small business men and small corporations, until this latter class and the people at large can plainly see that their business opportunities are circumscribed and hampered by the methods and schemes of such trusts, combinations, and monopolies. The freedom of moderate business has been limited and dwarfed. All important expansions of business activities of far or great dimensions are at their mercy.

I shall here take the liberty, for the purpose of showing the wonderful and almost irresistible control exercised by these tremendous agencies, of citing a few of these gigantic consolidations of power in the business world and some of their methods.

Louis C. Brandeis, in his book entitled "Other People's Money, and How the Bankers Use it," presents the following statement of facts, which are all well known and never have been contradicted, so far as I am aware, by anyone in authority. Quoting from his book we find the following:

J. P. Morgan (or a partner), a director of the New York, New Haven & Hartford Railroad, causes that company to sell to J. P. Morgan & Co. an issue of bonds. J. P. Morgan & Co. borrow the money with which to pay for the bonds from the Guaranty Trust Co., of which Mr. Morgan (or a partner) is a director. J. P. Morgan & Co. sell the bonds to the Penn Mutual Life Insurance Co., of which Mr. Morgan (or a partner) is a director. The New Haven spends the proceeds of the bonds in purchasing steel rails from the United States Steel Corporation, of which Mr. Morgan (or a partner) is a director. The United States Steel Corporation spends the proceeds of the rails in purchasing electrical supplies from the General Electric Co., of which Mr. Morgan (or a partner) is a director. The General Electric sells supplies to the Western Union Telegraph Co., a subsidiary of the American Telephone & Telegraph Co., and in both Mr. Morgan (or a partner) is a director. The telegraph company has an exclusive wire contract with the Reading, of which Mr. Morgan (or a partner) is a director. The Reading buys its passenger cars from the Pullman Co., of which Mr. Morgan (or a partner) is a director. The Pullman Co. buys (for local use) locomotives from the Baldwin Locomotive Co., of which Mr. Morgan (or a partner) is a director. The Reading, the General Electric, the Steel Corporation, and the New Haven, like the Pullman, buy locomotives from the Baldwin Co. The Steel Corporation, the Telephone Co., the New Haven, the Reading, the Pullman, and the Baldwin Cos., like the Western Union, buy electrical supplies from the General Electric. The Baldwin, the Pullman, the Reading, the Telephone, the Telegraph, and the General Electric Cos., like the New Haven, buy steel products from the Steel Corporation. Each and every one of the companies last named markets its securities through J. P. Morgan & Co., each deposits its funds with J. P. Morgan & Co., and with these funds of each the firm enters upon further operations.

This specific illustration is in part suppositious, but it represents truthfully the operation of interlocking directorates. Only it must be multiplied many times, and with many permutations, to represent fully the extent to which the interests of a few men are intertwined. Instead of taking the New Haven as the railroad starting point in our example, the New York Central, the Santa Fe, the Southern, the Lehigh Valley, the Chicago & Great Western, the Erie, or the Pere Marquette might have been selected; instead of the Guaranty Trust Co. as the banking reservoir, any one of a dozen other important banks or trust companies; instead of the Penn Mutual as purchaser of the bonds, other insurance companies; instead of the General Electric, its qualified competitor, the Westinghouse Electric & Manufacturing Co. The chain is, indeed, endless, for each controlled corporation is entwined with many others.

In the report of the Pujo Money Trust investigating committee of 1913 the wonderful ramifications of interlocking directories are revealed to our sight. From the sworn testimony we find that the National City and the First National Banks of New York, belonging to the J. P. Morgan firm, constitute the fortified group of the Money Trust. George F. Stillman is the great power in the National City and George F. Baker in the First National Bank. The resources of the First National are $200,000,000 and those of the National City about $300,000,000. A reliable estimate of the Morgan firm places their deposits alone in the aggregate sum of $162,500,000.

George F. Baker was until recently, when he saw the handwriting on the wall, a director in 22 corporations, having, with their subsidiaries, resources of $7,272,000,000. The directors of the bank of which he is the head were directors in at least 27 other corporations, with a capitalization and resources of $4,270,000,000. We have here a spectacle of the First National Bank having a representation by way of directors on boards of 49 different corporations with total resources of $11,542,000,000.

From this same Pujo report we find a few more of the companies in which this Mr. Baker has an interest and exercises influence either as a director, an executive committeeman, or as a voting trustee. The following is a list of the corporations in which Mr. Baker is interested as shown by that report:

First. The First National Bank of New York, National Bank of Commerce, Farmers Loan & Trust Co., and Mutual Life Insurance Co.

Second. In the following railroad companies: New York Central lines, New Haven, Reading, Erie, Lackawanna, Lehigh Valley, Southern, Northern Pacific, Chicago, Burlington & Quincy.

Third. He is interested in the following public-service corporations: American Telegraph & Telephone Co., Adams Express Co.

His interests also extend into the following industrial corporations: United States Steel Corporation and the Pullman Co.

Mr. Stillman, of the National City Bank, of New York, is a director in seven corporations with resources of $2,476,000,000, and the National City Bank, in which he has a controlling influence, has directors in at least 41 other corporations, with their subsidiaries, having a total capitalization and assets of $10,564,000,000.

Those interested as owners of the firm of J. P. Morgan & Co. hold 72 directorships in 47 of the largest companies of the country.

We further find from the committee report that the members of the firm of J. P. Morgan & Co. and the directors of the trust companies controlled by them, and of the First National and the National City Banks, hold as follows:

One hundred and eighteen directorships in 34 banks and trust companies having total resources of $2,679,000,000 and total deposits of $1,983,000,000.

Thirty directorships in 10 insurance companies having total assets of $2,293,000,000.

One hundred and five directorships in 32 transportation systems having a total capitalization of $11,784,000,000 and a total mileage—excluding express companies and steamship lines—of 150,200.

Sixty-three directorships in 24 producing and trading corporations having a total capitalization of $3,339,000,000.

Twenty-five directorships in 12 public-utility corporations having a total capitalization of $2,150,000,000.

In all, 341 directorships in 112 corporations having aggregate resources or capitalization of $22,245,000,000.

As pointed out by Mr. Brandeis, $22,000,000,000 is more than three times greater than the total assessed valuation of all real and personal property in New England, and nearly three times greater than the total valuation of all real estate in New York City. It is double the assessed valuation of all property in the 13 Southern States. It is more than the assessed valuation of all property in the 22 States lying north, south, and west of the Missouri River.

The report of the Stanley investigating committee on the Steel Trust shows, among other things, that the few men who control the Steel Trust are directors in 29 different railroad systems, with 126,000 miles of line, about one-half of the railroad mileage of the country, and that they are also directors in many steamship companies. The Steel Corporation controls transportation through all these business alliances, not merely as carriers but as the largest customers and users of steel. The men who control the Steel Trust are also directors in 12 street railway companies, users of steel, including some of the largest street railways in the world. They are also in 40 machinery and other steel-using companies, acting and controlling as directors; also in many gas, oil, and water companies who are extensive users of iron products, and they predominate in the great telephone and telegraph companies, who use an immense quantity of wire. The total resources of the companies controlled by these few men of the Steel Trust exceeds $16,000,000,000.

The insatiable appetite of the Money Trust seems to know no limitations. Its ramifications extend in every direction and into every industry, and its hooks of greed grasp the business activities and the natural and artificial resources of the Nation wherever those activities and resources are considered to be profitable.

As an illustration, let us take the case of Boston, and it is a fair example of practically every large business city in the Nation. The banking firms of Lee, Higginson & Co. and Kidder, Peabody & Co. practically control the National Shawmut Bank, the First National Bank, and the Old Colony Trust Co., with assets of $288,386,294, a little more than one-half of the banking resources of Boston. The directors of these banks are also directors in 21 other banks and trust companies, and, together, they are practically in control of 90 per cent of the total banking assets of that city. Thirty-three out of forty-two banking institutions in Boston are, in fact, interlocked, and have total assets of $590,516,239, which is about 92½ per cent of the total banking resources of Boston.

It must be apparent to all intelligent, impartial, and discerning men that the presence and controlling interests in these various banking, railway, and other industrial institutions, and with interlocking directories, are not in that business for their health. From the opportunities afforded them it must be apparent to the intelligent American public that the temptations to secure advantages, by reason of their powerful ramifying influences, must be too strong to resist temptation. It is plain to be seen that these men, thus interested and connected in the business world, are in a position to take advantage of the moderate business man acoming and agoing, and by reason of their positions successfully hide their unscrupulous monopolistic methods from the scrutiny and gaze of the Interstate Commerce Commission. They are in positions where it is easy for them, and practically safe under the present law, to smother competition and to promote restraints of trade and foster monopolies.

From the testimony of financial leaders alleged to constitute the group of financiers in control of the credit of the country and from documentary evidence, all taken and received in the Pujo Money Trust investigation, the following interesting group of facts appear:

One hundred and eighty men hold 385 directorships in 41 banks and trust companies having total resources of $3,832,000,000 and total deposits of $2,834,000,000; 50 directorships in 11 insurance companies having total assets of $2,646,000,000; 155 directorships in 31 railroad systems having a total capitalization of $12,193,000,000 and a total mileage of 163,200; 6 directorships in 2 express companies and 4 directorships in 1 steamship company having a combined capitalization of $245,000,000 and a gross annual income of $97,000,000.

These same men hold 98 directorships in 28 producing and trading corporations having a total capitalization of $3,583,000,000 and total gross annual earnings in excess of $1,145,000,000; 48 directorships in 19 public-utilities corporations having a total capitalization of $2,826,000,000 and total gross annual earnings in excess of $470,000,000. In all, these 180 men hold 746 directorships in 134 corporations having total resources or capitalization of $25,325,000,000.

The baneful effects of the practice and custom of interlocking directories is accurately described by Mr. Louis D. Brandeis in the following language:

The practice of interlocking directorates offends laws, human and divine. Applied to rival corporations, it tends to the suppression of competition and to violation of the Sherman law; applied to corporations which deal with each other, it tends to disloyalty and to violation of the fundamental law that no man can serve two masters. In either event it tends to inefficiency, for it removes incentive and destroys soundness of judgment. It is undemocratic, for it rejects the platform, "A fair field and no favors," substituting the pull of privilege for the push of manhood. It is the most potent instrument of the Money Trust. Break the control so exercised by the investment bankers over railroads, public-service and industrial corporations, over banks, life insurance and trust companies, and a long step will have been taken toward attainment of the New Freedom.

Accumulations of great wealth and property are to be found not only among the financial magnates controlling trusts, combinations, and monopolies, but such accumulations of wealth are to be found in stupendous figures in possession of few individuals. Experienced financiers, and others versed in his affairs, estimate the value of the assets and possessions of John D. Rockefeller at $900,000,000. It has frequently been said by those who have made an investigation of the subject that 50 persons in the United States own at least 40 per cent of all its wealth and property. The possession of these vast sums of wealth by few individuals, combinations, and trusts, invests them with the power to say who shall and who shall not secure credit for the development of our great natural resources. In them lies the power, when prompted by greed, avarice, or revenge, to give life or death to business enterprises. When selfishness actuates their motives, and it usually does, there is no freedom and no progress for the moderate business man.

The vast growth and accumulations of wealth and property in this country in recent years, the great increase in multimillionaires, the great concentration of power in the vast corporations of the country, all demonstrate to us that if these phases of our national life are to continue it will be but a short time when there will be a chasm dividing our citizens, with plutocracy on the one hand and serfdom on the other. These phenomena forcibly illustrate the truth of the lines of the poet, who says:

Ill fares the land, to hastening ills a prey,
Where wealth accumulates and men decay.

FEEDERS OF SOCIALISM.

Such vast increases in trusts, combinations, and monopolies and in their nefarious practices and business methods have and are creating more and more dissatisfaction each year among the common people of the country. The great abuses in business have disheartened and discouraged many among the middle class of our citizens. The numerous examples of depression, of extortion, deception, fraud, and discrimination have been going on from year to year, and from day to day. No one who takes up a newspaper can escape noticing the methods pursued by these trusts, combinations, and monopolies in trying to satisfy their greed by feeding upon the lifeblood of the country's opportunities and natural resources. They have seized upon every natural opportunity for increasing their power and wealth, and as they grow in power they grow in arrogance, indiscretion, and despotism. Want of control over them has produced restlessness in the minds of the people.

Upon examples of the gigantic power and corruption of these vast business agencies, socialism feeds its hearers. More converts have been made to socialism in this country by bad examples of trusts and monopolies than by all the other means used by the Socialists. As trusts, combinations, and monopolies have grown in number and power so has socialism grown in number and power. The billboards, in every city in the land in campaign times, have posters in big red letters containing the socialistic motto:

We believe in the Nation owning the trusts, instead of the trusts owning the Nation.

By that language they call the attention of the middle class to the uncontrolled and unpunished evil practices of the trusts, and the result is more converts to their political theories than by any other single argument. The tide of socialism has been rising in this country for the last decade until now it numbers about 1,000,000 voters, and its growth continues, and I prophesy that unless these antitrust bills or something similar are enacted into law and enforced, that the tide of socialism will swell until it overwhelms all other parties. If those who profit by trusts, combinations, and monopolies desire to avoid that dreadful condition, it is up to them to submit to the moderate regulations proposed by these bills, for just so sure as the iron hand of monopoly continues to oppress the people, just so sure will socialism finally succeed and overthrow not only monopolies and trusts, but our republican institutions. So let these special privileges which are opposing these bills reflect that at this time they are choosing between the beneficial purposes of this proposed legislation on the one hand and socialism on the other. Gentlemen, which will you have? These bills are designed to afford opportunities of business freedom for the middle class, and to preserve our republican institutions.

EXAMPLES OF PLUNDER AND SPOLIATION.

As illustrating the imperative necessity for the passage of this bill and its two sister bills to prevent the issuing of stocks and bonds by railways, excepting by permission of the Interstate Commerce Commission, I desire to recall to your memories certain concrete historical plunders and spoliations. A lack of proper legislation relating to the issuing of railroad stocks and bonds has been the cause of stock watering by the railroads and other industrial corporations of this country in the amount of billions of dollars. In the absence of regulations relating to and guarding the issuing of stocks and bonds some of the most stupendous financial crimes known to history have been committed.

In the days of Jay Gould and others the stock of the Erie Railroad was increased from $17,000,000 to $78,000,000 for no other purpose than to play the stock market.

For specific examples of plunder and spoliation let me call your attention to the history of the Chicago & Alton Railway Co. About 1900, while this road was under a businesslike management, paying dividends of about 8 per cent annually, it had total liabilities amounting to $34,000,000. A year or two afterwards a combination, consisting of the late Mr. Harriman, Schiff, Gould, and others, bought the stock of that company at a very large premium and obtained a controlling interest therein. In seven years the capital indebtedness of the company had been increased from $34,000,000 to $114,000,000, an increase of $80,000,000, with only about $20,000,000 paid out for actual improvements and additions, leaving an increase of its stock and liabilities for which there was not any consideration whatsoever of about $67,000,000.

In 1905 the bonds and stocks outstanding of the Southern Pacific Railway Co. amounted to $251,473,400, or $76,880 per mile. In 1906 the capitalization of that company had been increased to $284,153,500, or $86,342 per mile. This appears to have been done within a year. With no additions, improvements, or road building, its debt had increased $31,600,000. This was making a fortune for some fortunate individuals of ingenuity by magic and printer's ink.

During the early fall of 1913 the Interstate Commerce Commission undertook an investigation of the Frisco, the Rock Island, Pere Marquette, Boston & Maine, and New Haven Railroads. These events must be fresh in the minds of all, and we remember the high financial plundering indulged in by the directors and managers of those several railways. According to the showing made before the House Committee on Interstate Commerce the capital stock of the Rock Island Railway Co. was in recent years expanded from $60,000,000 to $75,000,000, and the bonded indebtedness from $71,000,000 to $258,000,000. Three thousand miles of railway, much of it nonproductive, were added to the system, and little of the great increase in the indebtedness was put into improvements of the way or the service. Here we have a striking and forcible example of the manner in which the public are interested and are also imposed upon. The interest on the increased bonded indebtedness was charged to the public in passenger and freight rates, and has been raised from $18,238 to over $38,000 per mile.

The Pere Marquette Railway furnishes another example. The funded indebtedness of this road increased from $25,000,000 in 1900 to over $78,000,000. While there has been an increase of over $4,000,000 in the annual earnings during the last 10 years, yet it is testified to that there has been no material increase in equipment. The road is said to be in worse financial and physical condition than in the year 1900.

One of the most notable features disclosed in the investigation of the purchase of the Chicago & Eastern Illinois Railway by the St. Louis & San Francisco Railway Co. last year was the discounts on bonds and notes and other short-term paper issued by the Frisco and its lines, amounting to over $30,000,000 in 12 years. Another important fact disclosed by this investigation of the Frisco line which is worthy of consideration in this discussion is a comparison of its interest-bearing liabilities with its stock liabilities. In May, 1913, its total capital amounted to $295,000,000, of which only $51,000,000 was capital stock and $244,000,000 was funded debt, including equipment. The capital stock thus seemed to have been only a little over 17 per cent of the total liabilities, while the funded indebtedness seemed to have amounted to a little over 82 per cent.

THE NEW YORK, NEW HAVEN & HARTFORD RAILWAY.

For years the New York, New Haven & Hartford Railway appeared to be one of the most flourishing railway systems of the country. Soon, however, numerous and unaccountable railway accidents, resulting in destruction of large numbers of life and property, occurred. Last fall it was thrown into bankruptcy, and recently its affairs were investigated by the Interstate Commerce Commission, and the facts relating thereto are still fresh in our minds, and new facts are being developed each day. From the testimony of Mr. Mellen, the late president of that railway, given about a week ago, it appears that over $30,000,000 of the assets of that company had been wasted and squandered in its management and in purchasing steamship and trolley lines competing with its main system, so that its president said the other day, under oath, that over $30,000,000 of its property had been wasted and squandered. Here, again, interlocking directories and uncontrolled use of its financial powers and the practice of discrimination resulted in the ruin of a once magnificent and prosperous railway.

On the heels of the great sensational revelations concerning the wrecking of the New York, New Haven and Boston Railway, comes the sensational charges in relation to the Morganizing of the Baltimore & Ohio Railway. Mr. Brandeis, special counsel for the Interstate Commerce Commission, which is investigating the relation between the Baltimore & Ohio and the Cincinnati, Hamilton & Dayton Railways, exposed another game of high finance. By a manipulation of the bankrupt Cincinnati, Hamilton & Dayton Railway, the treasury of the Baltimore & Ohio Railway has been swindled and euchered out of $50,000,000.

For years the New York, New Haven & Boston Railway was loudest in its protestations against regulation by the Interstate Commerce Commission. Its protests were the most vigorous against railway regulation of all the stubborn railways. Its managers pointed with pride that over 50 per cent of its stock and bonds were held by widows and orphans. Whenever they were threatened with punishment for their sins, they shed crocodile tears and hid behind the skirts of widows, and appealed to the sympathies of the Nation against regulation and control. Their hypocrisy has, however, been disclosed. Its officers and directors, on account of insufficient regulation and control by public law, have turned cannibal, and have by wicked exploitations devoured not only the widows and orphans, but the weaker of their fellow plunderers. Yet, we find managers and officers of the New York, New Haven & Boston at this time, when we are trying to pass laws for the relief and protection of the people, joining with their fellow plunderers throughout the country in the hypocritical hue and cry, "Do not disturb our business."

These are but a few of the shining examples of the power, strength, and devouring ways of trusts, combinations, and monopolies. Thousands of a smaller brood of these corporations and monopolies might be mentioned, but time and space forbid, but these are sufficient to show the necessity of new, and proper antitrust legislation. These stupendous facts must demonstrate conclusively to every intelligent and impartial American the necessity of strengthening the Sherman antitrust law by the passage of this and its two sister bills.

DEMAND FOR ANTITRUST LEGISLATION AND BOND AND STOCK CONTROL.

The above are a few concrete examples of the conditions confronting the country. They show a condition of affairs that demands the immediate consideration of Congress. They also show a condition which calls for courage and earnestness on the part of Congress. The evil effects, of which the above cited are but a few, are matters of almost daily observation. Every Representative in this House can point to victims of this system of trusts, combinations, and monopolies in his own district. In every city, in every county and State, there are evidences of their evil practices and wrongdoings. Abandoned mills, purchased and closed by the trusts to prevent competition; commercial failure of the little merchant, who has been for years struggling against these gigantic enemies for fair play; the great natural resources of the country concentrated in the hands of a few, such as its timber, coal, iron, and water powers, conclusively show necessity for passage of these proposed laws. Such are the weighty and startling conditions that challenge the attention and consideration of Congress.

For years these trusts, combinations and monopolies have been increasing by bounds. Their activities, operation, and depressions have attracted the attention of the people of the country. Parties have denounced their existence and have promised relief from their operation and influences. The public has had great patience with them, while executives, legislatures, courts, and parties have attacked the same.

In response to the widespread demands of the public, the Democratic Party has in different national conventions repeatedly denounced the evils arising from their operation and has promised relief.

PLATFORM DECLARATION.

In response to the widespread demands of the public for relief, the Democratic Party in its national platform of 1912 adopted the following plank in relation to trusts:

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law

against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others, the prevention of holding companies, of interlocking directors, of stock watering, of discrimination in prices, and the control by any corporation of so large a proportion of any industry as to make it a menace to competitive conditions.

We regret that the Sherman antitrust law has received a judicial construction depriving it of much of its efficacy, and we favor the enactment of legislation which will restore to the statute the strength of which it has been deprived by such interpretation.

Equally vigorous declarations were made by the Democratic Party in its platforms of 1908 and 1904.

For 16 years the people of the country have been demanding relief from these intolerable and unjust practices; for 16 years they have knocked at the doors of Congress demanding relief from these conditions, and for 16 years the Republican Party has failed to listen to these demands. The Democratic Party takes advantage of its first opportunity to grant the relief and protection demanded by the people.

Notwithstanding this widespread demand for relief during all these years, Members of Congress occasionally receive at this time protests against the passage of this and its sister bills. A hue and cry has been set up throughout the Nation by the guilty trusts and monopolies protesting against its passage at this time, and pretending that the business of the country demands a rest from congressional action. Investigation, however, has disclosed that nearly all of the protests which have been received here against the passage of this legislation have been manufactured and are artificial protests, excepting those coming from big business. Exposure has been made on the floor of this House by several Representatives of the character of the great majority of these protests. They are produced by the manager of some trust, combination, or monopoly, writing some small business man a letter or circular, suggesting that business is dull, and that it may be improved by preventing Congress from passing this relief legislation.

The small business man is urged to sign some inclosed protest and forward it to his Congressman. The manner in which such protests are created has become so well known to Members of Congress that they are now considered merely as chestnuts, and not as reflecting the genuine sentiments of the sender.

Since the report of the interstate trade commission bill from the committee to the House, the different chambers of commerce throughout the country have taken the opinions of their members upon that bill. Nearly four out of five of the members of the different chambers of commerce have recorded themselves as in favor of its passage. It is safe to consider that these great business bodies of the country fairly reflect the opinions of the genuine and lawful business interests of the country.

RESTORATION OF LABOR RIGHTS.

At the time of the passage of the Sherman antitrust law, it was almost unanimously understood that this law did not apply to workingmen or farm organizations. So certain were the Members of the Senate that labor and farm organizations were not included in the provisions of the Sherman antitrust law that amendments offered specifically providing for the exemption of such organizations from the law were defeated, upon the ground that such expressed exemption was unnecessary because the law in itself did not cover or include such organizations.

During the past 24 years very much discussion has been going on with regard to the class of people that the Sherman antitrust law was directed against. All through those years there has been a division of opinion upon this question among impartial and intelligent thinking men. The men who framed the so-called Sherman antitrust law and placed it upon the statute books had no doubt as to whom such legislation was directed against. This is shown in the debate upon that bill in the Senate. It shows that it was only against the great combinations that this legislation was directed.

Senator Sherman, who introduced the so-called Sherman antitrust law, had no doubt upon this question, for in the debate in the Senate on March 24, 1890, Senator Sherman said:

Now, let us look at it. The bill as reported contains three or four simple propositions which relate only to contracts, combinations, agreements made with a view and designed to carry out a certain purpose which the laws of all the States and of every civilized community declare to be unlawful. It does not interfere in the slightest degree with voluntary associations made to affect public opinion to advance the interests of a particular trade or occupation. It does not interfere with the Farmers' Alliance at all, because that is an association of farmers to advance their interests and to improve the growth and manner of production of their crops and to secure intelligent growth and to introduce new methods. No organization in this country can be more beneficial in their character than farmers' alliances and farmers' associations. They are not business combinations. They do not deal with contracts, agreements, and so forth. They have no connection with them. And so the combinations of workingmen to promote their interests, promote their welfare, and increase their pay, if you please, to get their fair share in the division of production, are not affected in the slightest degree, nor can they be included in the words or intent of the bill as now reported.

At the time of the consideration and passage of the Sherman antitrust law in the Senate, there were many able, experienced, and learned Senators, and among whom there were none more learned, and experienced, nor more capable of sound judicial interpretation than Senator Hoar, of Massachusetts. While such antitrust bill was under debate in the Senate, on March 27, 1890, Senator Hoar said:

When you are speaking of providing to regulate the transactions of men who are making corners in wheat, or in iron, or in woolen or in cotton goods, speculating in them or lawfully dealing in them without speculation, you are aiming at a mere commercial transaction, the beginning and end of which is the making of money for the parties, and nothing else. That is the only relation that transaction has to the State. It is the creation or diffusion or change of ownership of the wealth of the community. But when a laborer is trying to raise his wages or is endeavoring to shorten the hours of his labor, he is dealing with something that touches closely, more closely than anything else, the Government and the character of the State itself.

The maintenance of a certain standard of profit in dealing in large transactions in wheat or cotton or wool is a question whether a particular merchant or a particular class of merchants shall make money or not; but the question whether the standard of the laborer's wages shall be maintained or advanced, or whether the leisure for instruction, for improvement shall be shortened or lengthened is a question which touches the very existence and character of government of the State itself. The laborer who is engaged lawfully and usefully and accomplishing his purpose in whole or in part in endeavoring to raise the standard of wages is engaged in an occupation the success of which makes republican government itself possible, and without which the Republic can not, in substance, however it may nominally do in form, continue to exist.

I hold, therefore, that as legislators we may constitutionally, properly, and wisely allow laborers to make associations, combinations, contracts, agreements for the sake of maintaining and advancing their wages, in regard to which, as a rule, their contracts are to be made with large corporations who are themselves but an association or combination or aggregation of capital on the other side. When we are permitting and even encouraging that, we are permitting and encouraging what is not only lawful, wise, and profitable, but absolutely essential to the existence of the Commonwealth itself.

When, on the other hand, we are dealing with one of the other classes, the combinations aimed at chiefly by this bill, we are dealing with a transaction the only purpose of which is to extort from the community, monopolize, segregate, and apply to individual use, for the purposes of individual greed, wealth which ought properly and lawfully and for the public interest to be generally diffused over the whole community.

Among other well-known and illustrious Senators who placed the same construction upon that bill at the time that it was under consideration by the Senate were Senators Teller and Stewart of Nevada, who, among other things, said:

The bill ought now, in some respects, be satisfactory to every person who is opposed to the depression of labor and desires to see it properly rewarded.

The Democratic Party has at all times construed the Sherman antitrust law as not applicable to labor and farm organizations, and such interpretation was generally placed upon the same until the Supreme Court of the United States, in the noted Danbury Hat case, decided otherwise, and since that time there have been some 101 decisions in Federal courts in labor cases, where it was alleged that labor organizations had violated the antitrust law.

AMENDMENT TO SUNDRY CIVIL APPROPRIATION BILL.

In the Sixty-first Congress, while the sundry civil appropriation bill was under consideration by the House of Representatives in Committee of the Whole, the following amendment was offered to the section making appropriations for the enforcement of the antitrust law:

Provided further, That no part of this money shall be spent in the prosecution of any organization or individual for entering into any combination or agreement having in view the increase of wages, shortening of hours, or bettering of conditions of labor, or for any act done in furtherance thereof not in itself unlawful.

This amendment was carried in the House by a large majority, and thus placed the construction of the House of Representatives of that Congress upon the antitrust law. This amendment, however, was lost when action upon the same was taken in the Senate.

In the Sixty-second Congress a similar amendment, including agricultural and horticultural societies, was offered to a similar appropriation bill for the enforcement of the antitrust law, and the same was adopted by a large majority and concurred in by the Senate. It was vetoed, however, by President Taft.

In the special session of the Sixty-third Congress a similar amendment to a similar appropriation bill was offered and adopted by the House of Representatives and concurred in by the Senate, and the sundry civil appropriation bill, containing this amendment and provision, was approved by President Wilson.

It will thus be seen that at the time of the passage of the Sherman antitrust law, and ever since down to this time, that the House of Representatives, at least, has consistently and continually placed the one interpretation upon that antitrust law, and that is that labor and farm organizations were not impliedly or expressly included in its terms.

CONTRARY COURT DECISIONS.

The United States Supreme Court, in the Danbury Hat case, reported in Two hundred and eighth United States Reports, placed a different interpretation upon the language of the Sherman antitrust law, much to the surprise of Congress, organized labor, and the general public. Ever since the commencement of that suit there has been a persistent agitation on the part of labor organizations throughout the country and a good share of the public in addition, demanding that labor and farm organizations be expressly exempt from the Sherman antitrust law. The Democratic Party, in its platforms, has repeatedly promised to grant this relief to labor and farm organizations, and now at its first opportunity is performing its pledge by including in section 7 of the Clayton antitrust bill the following paragraph:

SEC. 7. That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of fraternal, labor, consumers', agricultural, or horticultural organizations, orders, or associations, instituted for the purpose of mutual help and not having capital or conducted for profit, or to forbid or restrain individual members of such organizations, orders, or associations from carrying out the legitimate objects thereof, nor shall such organizations, orders, or associations, or the members thereof, be held or construed to be an illegal corporation or a conspiracy in restraint of trade under the antitrust laws.

While it is true that the existence and operation of labor unions, fraternal orders, and farmers' organizations were never intended to be included within the provisions of the Sherman antitrust law, yet for years labor leaders have contended that labor organizations were permitted to exist merely by sufferance, and that the Attorney General of the United States, if he were so disposed, might bring suit for the dissolution of such organizations by enforcing the terms of the antitrust laws, as construed by the Supreme Court, and dissolution would have to be adjudged. It has always been the opinion of observing and impartial men that labor organizations and farmers' associations were not conspiracies or combinations in restraint of trade; in other words, that there was nothing in those organizations of themselves which was illegal under the antitrust law.

A careful reading of the Supreme Court decision upon this question discloses the fact that the Supreme Court in tracing the legislative history of the Sherman antitrust law failed to correctly trace and collect the facts of that history, and as a result when the court came to render its decision it interwove a construction into that antitrust law of which it was free at the time of its passage.

For 16 years, and more, the representatives of labor have rapped at the doors of Congress and of its committees for an amendment to this antitrust law which would exempt labor organizations from being classed as illegal. For 16 long years, and more, these just demands of labor for its natural and inherent rights have met with every variety of opposition, corrupt and otherwise, both within and out of Congress. It was only last summer that the exposures in the notorious Mulhall investigation disclosed the activity and corrupt opposition of the National Association of Manufacturers against these demands of labor. The Democratic Party, however, ordered an investigation into the actions of that notorious association, which disclosed its rotten and corrupt methods, thereby clearing the air so that a better understanding of the claims of labor organizations could be had. The paragraph of section 7 herein referred to protects the existence of labor, farm, and fraternal organizations from the operation of the Sherman antitrust law, and by the enactment of this bill into law the Democratic Party fulfills another pledge made in its platform.

Instead of being offended, we are really well pleased to see some of our Republican friends in support of this labor and farm proposition. Their aid is welcome upon the principle of "better late than never." But the friends of labor will not forget that for 16 long years, while the Republican Party was in power, they never found sufficient time to protect the labor and farm organizations of this country from the effects of the Sherman antitrust law as construed mistakenly by the courts. By fulfilling at the first opportunity all party pledges, we are setting a wholesome example for all other parties to follow.

CLASS LEGISLATION.

The opponents of labor's demands contend that the provision of section 7 relating to labor and farm organizations constitutes class legislation. In my opinion it is not, but if it is class legislation, it is legislation for the largest class in America, for there are over 30,000,000 working people in this country. How can it be class legislation when labor and capital are constituted so differently?

What is capital? It is the creature of labor and sometimes of nature's bounty and resources. It is the surplus product of labor and is sometimes combined with monopolized natural resources. Without labor our natural resources would be useless and capital could not exist.

What is there about capital that should make the creature greater than the creator? For what purpose does labor organize? Everyone knows that it organizes merely for self-protection. It was not necessary for labor to organize before capital was given the power of organizing by virtue of incorporation by the law of the land. Why should capital, which avails itself of the privilege of organizing, deny its creator the same right? The objects of labor organizations are merely to advance or preserve their wages, reduce the hours of employment, and to better the conditions of labor. All are matters of self-preservation, and self-preservation, we are taught, is the first law of nature and of nature's God.

Under our Constitution no man, even though he be the high-salaried officer of some corporation, trust, or monopoly, has the right to say to another man whether he shall or shall not work, or to say that he shall not consult with his fellow men about working or refusing to work, or with regard to the terms of employment, so long as the conference is free from violence. The same right must be conceded to the individual or corporation employer. The officials of such corporations have a right to consult with one another, or with like officials of some or all other corporations with regard to the terms upon which they will do their work.

Let no one misunderstand the provisions of section 7 of this bill. It does not exempt labor or farm organizations, or the members thereof, from the consequence of any act of theirs which is otherwise unlawful. It will not permit or justify them, in times of strikes or labor disputes, to use violence upon their fellow men or in destroying property. They will remain answerable and punishable the same as other violators of the law.

In the passage of section 7, labor is merely coming into its moral, natural, and inherent rights, of which it had been deprived by the misconstruction of the Sherman law by the Supreme Court. It merely restores to 30,000,000 workers their natural and inherent rights. There is no class legislation in it. It is merely saying that an organization of human beings shall not be yoked to the same level as an organization of capital, which is the creature of labor. It is merely saying that the creature shall not be greater than the creator.

It has always been a principle of the Democratic Party that the rights of man are greater than the rights of capital. It has always believed in reconciling the differences between the two interests, but has always held that the rights of labor are no less sacred and vested than the rights of capital, and no less "inalienable" than the rights of capital. It believes that capital and labor ought not to be enemies, and that each is necessary to the other.

An enlightened civilization demands that the rights of labor should be zealously guarded. Its welfare means the welfare of the human race in civilization. It is absolutely necessary to capital. Without it capital is a waste, and would decay and become unprofitable. Without labor, bodies of organized capital would be like a school of whales on dry land—flopping, rolling, twisting, and twisting, rolling, and flopping, and getting nowhere. In such a situation capital would become lifeless, inert, and nonproductive. Like stranded whales, capital without labor would soon perish, decay, and disintegrate into atoms.

If capital were to be destroyed, labor, in conjunction with our natural resources, would reproduce it in time; but labor, once destroyed or reduced to the condition of Russian serfdom or Mexican peonage, will leave capital useless and without profit.

In support of this view I appeal to the sentiments of the immortal Lincoln, as expressed in his first message to Congress, wherein he said:

Capital is only the fruit of labor, and could never exist if labor had not first existed; labor is the superior of capital and deserves a higher consideration.

These words were uttered more than 50 years ago. They were true then and they are true now in a stronger and more forcible sense.

Therefore I contend and believe that it is one of the traditions of the Democratic Party that when the rights of man and capital become irreconcilable that the rights of man must prevail. In this case, however, there is no such irreconcilable conflict. Farmers and laborers merely ask that their organizations shall not in themselves be construed as a violation of the antitrust law.

They are perfectly willing that when their members violate the laws criminally that they should be punished the same as other people. The adoption of section 7 into law does not mean that labor organizations or their members will be at liberty to destroy the property of capital or to commit any crimes and remain unpunished. It means that the maintenance and op-

eration of labor organizations shall not in themselves be deemed unlawful; that it shall be construed no violation of the antitrust laws for laborers to meet, consult, and advise with one another, and to devise plans for the upholding of their wages, for diminishing the long hours of labor, and for the improvement of sanitary and other labor conditions. It means for their members to carry on an agitation for these purposes shall not be deemed criminal, but shall be considered as merely the exercising of their God-given rights.

ADDITIONAL LABOR LEGISLATION.

In the Democratic national platform of 1912 we find the following language:

Experience has proved the necessity of a modification of the law relating to injunctions, and we reiterate the pledges of our platforms of 1896 and 1904, in favor of a measure which passed the United States Senate in 1896, relating to contempt in Federal courts, and providing for trial by jury in cases of indirect contempt.

And again the platform says:

Questions of judicial practice have arisen, especially in connection with industrial disputes. We believe that the parties to all judicial proceedings should be treated with rigid impartiality, and that injunctions should not be issued in any case in which an injunction would not issue if no industrial disputes were involved.

Here, again, we have conclusive evidence of the faithful devotion of the Democratic Party to the interests of labor during the last 20 years. Here, again, we have conclusive evidence that the Democratic Party, by virtue of the wise provisions of the antitrust bill now pending before the House, known as the Clayton bill, avails itself of the first opportunity to fulfill and perform its platform pledges.

Sections 18 and 20 of the Clayton antitrust bill relate entirely to labor questions. Among the various bills introduced in the interest of labor in the Sixty-second Congress there were two—one known as the Clayton anti-injunction bill and the other known as the Bartlett contempt bill, which were reported by Democratic committees favorably and passed by the House of Representatives. Minority reports were filed against them by distinguished lawyer members of the Judiciary Committee. The anti-injunction bill was passed in the House with only 21 votes against it. The bill giving the right of trial by jury in indirect contempt cases was passed by the same Congress, with only 18 votes against it in the whole House. These bills were specifically indorsed by the Democratic Party in its 1912 Baltimore platform, and with but slight changes are incorporated in sections 18 and 20 of the Clayton antitrust bill. In substance, they contain the following provisions regarding the rights of labor:

Federal courts are by the provisions of section 18 prohibited from issuing injunctions against persons on account of their refraining from performing any work or labor. This is one of the things in which United States courts in the past have issued injunctions in labor disputes.

These courts are also by the provisions of that section prohibited from issuing injunctions to prevent laborers from recommending, advising, persuading, or consulting with others by peaceful means.

They are prevented from enjoining laboring men from attending at or near a house or place where any person resides or works, or carries on business, or happens to be, for the purpose of peacefully obtaining or communicating information or peacefully persuading any person to work or abstain from work.

Time and time again this was one of the things which laboring men have been enjoined from doing by the different Federal courts.

These courts are also prevented from enjoining laboring people from ceasing to patronize or to employ any party in such dispute. This is another way in which laboring men have been repeatedly enjoined, and which, in my opinion, is an abuse of the writ of injunction.

Such courts are further prevented from issuing injunctions against laboring men from recommending, persuading, or advising others by peaceful means what to do.

The Federal courts are further prevented from enjoining the officers or individuals of a labor organization from paying or giving to or withholding from any person engaged in such disputes any strike benefits or other moneys or things of value.

Strange as it may seem, yet it is a fact testified to by the present Secretary of Labor, that when he was secretary of a certain labor organization he was enjoined during a strike from paying those sick benefits by the Federal courts. Such inhuman and outrageous injunctions will not in the future be issued against any laboring man if this bill becomes a law.

Another wise provision contained in the bill prevents Federal courts from issuing injunctions prohibiting laboring men from peacefully assembling at any place in a lawful manner and with lawful purposes.

Use of injunctions by Federal courts for the last-named purpose have been numerous and have scarcely ever been justified.

Last but not least, Federal courts are prohibited from granting injunctions against laboring men from doing any act or any thing which might lawfully be done in the absence of such dispute by any party thereto.

JURY TRIAL OF INDIRECT CONTEMPTS.

Heretofore it has been a common practice in United States courts to try people charged with indirect contempt by the court and without a jury trial. Laboring men have for years complained bitterly against this unconstitutional method of trying those accused of indirect contempt. Section 20 of this bill, however, provides that indirect contempt shall always hereafter be tried by a jury in accordance with the constitutional right of the people and as pledged by the Democratic Party, for that party in its Baltimore platform declared for the right of trial by jury in indirect contempt cases. Here, again, we have another example of a solemn pledge of that party being faithfully redeemed.

It is well for laboring people and all who are interested to remember that in the same platform the Democratic Party demanded the enactment of a law creating a Department of Labor, represented separately in the President's Cabinet, in which department shall be included the subjects of mines and mining.

Subsequent to that platform declaration, the Democratic House of the Sixty-second Congress passed a bill creating the Department of Labor and making the head thereof a member of the President's Cabinet. This bill subsequently became a law and is now in force. All good people rejoice to know that a Democratic President worthily filled the newly created Cabinet position of Secretary of Labor in the true spirit in which that position was created by appointing as the first Secretary of Labor Hon. William B. Wilson, an actual and genuine representative of organized labor.

Another wise provision contained in the last Democratic platform was one pledging the party, so far as Federal jurisdiction stands, for a Federal compensation law, providing adequate indemnity for injury to body or loss of life of its employees. It affords all friends of Government employees and of labor in general genuine satisfaction that there is now upon the House Calendar, favorably reported, H. R. 15222, otherwise known as the McGillicuddy-Kern compensation bill. This bill provides compensation for employees of the United States suffering injury or occupational diseases in the course of their employment, and for other purposes. It is now upon the Calendar for Unanimous Consent, and there is every prospect that it will soon be reached and passed. Thus another pledge of the party of Jefferson will be turned into law.

INTERLOCKING DIRECTORATES.

In response to a wide and imperative public demand the Democratic Party in its Baltimore platform took vigorous, positive, and certain action with respect to those trusts, combinations, and monopolies which interfere with natural competition and indulge in business practices which tend to monopolize and to restrain trade. Mark the following language in that platform:

We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others, the prevention of holding companies, of interlocking directors, of stock watering, of discrimination in price, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.

To perform this party-platform pledge there is inserted in the Clayton antitrust bill, in section 9, a provision prohibiting the interlocking of directors in certain cases, including banks and trust companies in cities of over 100,000 inhabitants, and in railway carriers and in corporations purchasing or selling equipment, material, and supplies for construction and maintenance of railroads and other carriers.

I have heretofore shown the huge corporations and monopolies in this country that are effected by the interlocking and intertwining of directors. Much agitation at present is being indulged in by those to be effected by this proposed legislation. That portion of the metropolitan press whose history shows that they are identified with the interests of the trusts and monopolies of the Nation have originated loud and vigorous protests against this and other antitrust provisions in the bill. Remonstrances coming from such sources always bear the indelible stamp of being subsidized. The origin of the protests which have been received by Members of Congress from a few moderate business men have been exposed as being largely prompted by these same trusts and monopolies. In strenuous terms they tell us that these provisions are unwise and that the business of the country needs a rest.

It is most natural for those special-privilege interests, which have been for 20 years engaged in nefarious business practices that we are trying to prohibit, to have a poor opinion of

the provisions of this bill. In their present attitude they prove the truth of the old saying:

No guilty man ever yet felt the halter draw
With a good opinion of the law.

So it is natural to expect strenuous objections from such sources to all laws designed to clip their wings and to pare their claws.

There is, however, no genuine or serious foundation for their protests. In many foreign lands just such provisions have prevailed by force of law and custom for many years past, and no one engaged in like business in those countries has found fault with the same.

FOREIGN LAWS UPON THIS SUBJECT.

The prevention of interlocking directors has been found necessary in the experience of many foreign countries, and their laws and customs forbid the same on the theory that as those interests are likely to be dealing with the banks they should not be permitted to be represented on both sides of the bargain. Here are a few of such laws and customs:

Bank of England: Bankers, brokers, bill discounters, or directors of other banks operating in England are excluded as directors. (S. Doc. 405, p. 10.) Custom has enacted that the directors should never be chosen from the ranks of other banks. They are generally taken from the merchant firms and accepting houses. (S. Doc. 492, p. 67.)

Bank of France: Regents (directors) are chosen only from the commercial and industrial classes. The consulting discount committee is composed of 12 merchants and manufacturers. (S. Doc. 405, p. 190.)

National Bank of Belgium: The governors and directors can not be on the board of any other bank. (S. Doc. 400, p. 227.)

Russian banking law: No person is allowed to be a member of the board of management of more than one bank. (S. Doc. 586, p. 16.)

Union Bank of Scotland: No banker or stockholder is eligible as a director. (S. Doc 405, p. 158.)

Commercial Bank of Scotland: Directors must not be directors of any other bank. (S. Doc. 405, p. 174.)

The experiences of foreign countries demonstrate that the prohibition of interlocking directors in the case of banks and other corporations has not worked injuriously. There is no reason whatsoever to justify the claim that such provision in this bill, if it becomes a law, will be detrimental to the best interests of the banks of the country. One of the greatest bankers of the country, as well as the fairest and most impartial, is Mr. Reynolds, president of the Continental Commercial Bank, of Chicago, who, when before the Pujo investigating committee, stated under oath:

Q. Do you approve of the identity of directors or interlocking directors in potentially competing institutions?

A. No, sir; personally I do not believe that is the best policy. That is the reason I am not a director or stockholder in any corporation that deals with us. There is not a day that I am not invited and do not have the opportunity to do it. It has been my theory of the proper method of banking to adhere to that policy.

Q. You have found that you could succeed in that way, too, have you not, Mr. Reynolds?

A. That is true as to whatever we have done. Some people would say that we have been successful. I am a little modest in that direction.

Q. Have you not the largest deposits in the country?

A. With one exception, at any rate; yes.

It is fair to presume that this legislation will work as satisfactorily upon that subject in this country as in foreign countries, and that when applied under this bill to the larger banks the result will later on be the adoption by the smaller banks of the same policy prescribed by law for the larger banks.

PRICE DISCRIMINATION.

Section 2 of the so-called Clayton antitrust bill deals with price discrimination and affects, more or less, nearly everyone engaged in business. It probably will affect more business people and ultimate consumers than any other section in the bill, and is therefore of greatest interest and importance to the general public.

It provides, in substance, that no person or corporation engaged in interstate commerce shall directly or indirectly discriminate in prices between purchasers of commodities in the same or different communities, which such commodities are sold for use, consumption, or resale in any part of the United States or its possessions with the intention of thereby destroying or wrongfully injuring the business of a competitor of either such purchaser or seller. For violations of this section it provides a penalty of a fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both. It contains, however, an important and necessary exception, in that it provides that nothing included in that section shall prevent discrimination in price to and between purchasers of commodities on account of differences in grade, quality, or quantity of the commodity sold, or that makes due allowance only for difference in cost of transportation.

It may be contended that this exception is not warranted and ought not to exist, but this exception takes into consideration certain facts and circumstances which can not be arbitrarily ignored or regulated by law in accordance with the general provisions of the section without doing an injustice to the seller. Differences in grade, quality, or quantity of the merchandise sold or discrimination in selling price arising from differences in cost of transportation are necessarily a natural and inherent necessity. Differences in price because of grade, quality, or quantity, or because of transportation, are due to the immutable laws of nature and business. They constitute honest and inflexible differences, and it would be impossible, confusing, and unjust to place, or to attempt to place, them on an equality or on a nondiscriminating selling price. Such differences do not constitute a partial or biased discrimination.

Every moderate business man knows full well the importance of this provision, and may often have felt the injury inflicted by the evil practices resorted to by the seller discriminating in price between different purchasers of similar commodities in the same or different communities. Such discriminations are invariably resorted to for the purpose of destroying and injuring the business of a competitor, and it is such business men who have vigorously complained against such discrimination. When resorted to they frequently result in the bankruptcy of moderate business men or forcing them to retire.

The necessity for this class of legislation has been recognized by 21 States, which have such a law upon their statute books. The language used in most States is quite similar to that contained in section 2. Those States are Arkansas, California, Idaho, Iowa, Kansas, Louisiana, Massachusetts, Michigan, Missouri, Montana, Nebraska, New Jersey, North Carolina, North Dakota, Oklahoma, South Carolina, South Dakota, Utah, Wyoming, and Wisconsin.

The laws adopted against discrimination in prices in these States were adopted in recent years in response to local sentiment condemning the practice of discrimination in price for the purpose of destroying or injuring the business of a competitor. They are among the most enlightened and progressive States in the Union.

The Legislature of the State of Wisconsin, which State I have the honor in part to represent, adopted an unfair discrimination price law, which has met with the hearty approval of the general public. It is to be found in chapter 165, Session Laws of Wisconsin for 1913. For the purpose of showing the similarity between the Wisconsin law upon this subject and the law proposed by section 2 of this bill, I take the liberty of reading in substance sections 1 and 2 of said chapter:

SEC. 1791n–9. 1. Any person, firm, or corporation, foreign or domestic, doing business in this State and engaged in the production, manufacture, or distribution of any commodity in general use, that shall intentionally, for the purpose of destroying the competition of any regular established dealer in such commodity or to prevent competition of any person who in good faith intends or attempts to become such dealer, discriminates between different sections, communities, or cities of this State by selling such commodity at a lower rate in one section, community, or city, or any portion thereof, than such person, firm, or corporation, foreign or domestic, charges for such commodity in another section, community, or city, after making due allowance for the difference, if any, in the grade or quality and in the cost of transportation from the point of production, if a raw product, or from the point of manufacture, if a manufactured product, shall be deemed guilty of unfair discrimination, which is hereby prohibited and declared unlawful.

SEC. 1791n–10. 1. Any person, firm, company, association, or corporation, foreign or domestic, doing business in this State and engaged in the business of collecting or buying any product, commodity, or property of any kind that shall intentionally, for the purpose of injuring or destroying the business or trade of a competitor in any locality, or to prevent competition by any person who in good faith intends or attempts to engage in such business, discriminates between the different sections, communities, or cities of this State, or between persons, firms, associations, or corporations in any locality, by buying any product, commodity, or property of any kind, and paying therefor a higher rate or price in one section, community, or city, or to any person, firm, association, or corporation than is paid for the same kind of product, commodity, or property by said person, firm, company, association, or corporation, foreign or domestic, in another section, community, or city, or to another person, firm, association, or corporation, after making due allowance for the difference, if any, in the grade or quality and in the actual cost of the transportation from the point where the same is purchased to the market where it is sold, or intended to be sold, shall be deemed guilty of unfair discrimination, which is hereby prohibited and declared unlawful.

Further sections of the law provide necessary penalties and impose the duty upon the attorney general, his office force, and upon the several district attorneys to prosecute all violations of this law.

It will be noticed that the main difference between the Wisconsin antidiscrimination price law and section 2 of the pending bill, treating of the same subject, is that the pending bill permits of discrimination in price on account of the quantity of the commodity sold. The Wisconsin law does not contain this exception. In my opinion it is a material distinction between the Wisconsin law and the law proposed by this bill. According to the Wisconsin law, it is unlawful to make any discrimination or distinction in price on account of the quantity of the commodity sold. I consider an exception made in the law permitting of discrimination in price because of the quan-

tity of the commodity sold natural, wise, and just. Every intelligent and impartial observer must upon reflection admit that it is cheaper, in proportion to weight or measure, for both seller and purchaser to deal in large quantities of commodities. There is a natural and inherent economy and advantage in larger transactions as compared with the smaller, and it is unwise and unreasonable to attempt by human laws to override the natural laws applicable to such matters. In a large transaction there is a natural economy at both ends of the transaction in favor of the buyer and seller. The small purchaser is unable to take advantage of this natural condition in price owing to his want of means or the smallness of his trade. He, too, reaps in such cases only the result of natural conditions.

It may be contended by some people that a national law upon this subject is not necessary, and that the new State laws upon that subject will be sufficiently prohibitive. A good illustration of the necessity of a Federal law upon this subject was afforded me during this session. Our sister State, Michigan, has a statute quite similar to the Wisconsin statute upon this subject. During the session I received petitions, remonstrances, and communications from residents in the Upper Peninsula of Michigan, especially from the city of Menominee, just across the State line in Michigan, complaining that certain great corporations engaged in interstate commerce were selling certain of their products, the market for which they desired absolutely to control, at a lower price in Menominee, Mich., than in Marinette, Wis., across the river. This was being done to drive out all of their competitors from the State of Michigan. This is only one example of such discriminations. It fairly demonstrates the necessity for a Federal law preventing such discrimination in price and giving the people of the different States equality of treatment, so far as this equality of treatment can be reasonably provided.

MONOPOLIES IN THE PRODUCT OF MINES, ETC.

Section 3 of the pending antitrust bill deals with monopolies and near monopolies. It provides, in substance, that it shall be unlawful for the owner, operator, or transporter of the products of any mine, oil or gas well, reduction works, refinery, or hydroelectric plant producing coal, oil, gas, or hydroelectric energy, or for any person controlling the products thereof and engaged in selling such product in commerce, to refuse arbitrarily to sell such product to a responsible person, firm, or corporation who applies to purchase such product for use, consumption, or resale within the United States and its possessions, and provides an adequate penalty for any violations thereof. Wherever a person or corporation is the owner, controller, or operator of a mine of any nature whatsoever he is in possession of a natural wealth, which God in His kind providence intended for the use of all His people.

It was a mistake for this Government in the first place to permit of the private ownership or unregulated operation of mines. In a wild or unsettled country mines are of little or no value. But when a country in which mines are located develops in population and business, civilization and in public necessities, the products of the mine become absolutely necessary and invaluable. This value is increased, not by anything in particular that the owner or operator has done, but by reason of the growing use and necessities of the public. Our industrial history shows us that unscrupulous owners and operators of mines have exercised control at times over the mines owned or operated by them in such ways as to artificially and extortionately increase the price of mine products to the people and industries of the country. The people of the Northwest, where there are no coal mines, have in the last generation at different times experienced great hardships and paid exorbitant and extortionate prices on account of being obliged to depend upon the arbitrary and avaricious greed of mine owners, operators, and unscrupulous speculators. Such owners and operators every year exercise the arbitrary power to regulate the output, transportation, and price of coal, intended not only for the use of factories, but necessary for consumption in private homes, in such a way as to greatly and arbitrarily enhance the price of that necessary commodity. At other times they have controlled the products of iron, copper, silver, and other minerals in such a manner as to control and force up the price of ores to the industries of the country which depend upon the same. At other times they deliberately refuse to make sale of such products, regardless of price. Such control is exercised solely for the purpose of creating and perpetuating monopolies and restraints of trade, whereby the owners and operators may force exorbitant and extortionate prices from those who must have such products.

Oil or gas wells, reduction works, refinery or hydroelectric plants, producing coal, oil, gas, or hydroelectric energy, are naturally and necessarily monopolistic in their character. The owners and operators of such are in a position to easily ruin the industries of different sections or communities, for the purpose of building up other such sections and communities. It is to prevent repetitions of this character that the owners of such products are required to sell the same to a responsible person or corporation applying for the purchase of such product for use, consumption, or resale.

Section 4 of the bill provides, in substance, that any person engaged in commerce who shall lease or make a sale of goods, wares, merchandise, machinery, supplies, or other commodities for use, consumption, or resale within the United States or its possessions, and who shall fix a price charged therefor, or discount from, or rebate from such price on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller shall be deemed guilty of a misdemeanor and shall be punished by a fine not exceeding $5,000 or imprisonment not exceeding one year, or both.

SECTION 5.

This section authorizes any person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws to sue therefor in the United States district court in the district where such defendant resides, or is found, or has an agent, without respect to the amount in controversy, and entitles him to recover, upon proving his case, threefold the damages by him sustained, including a reasonable attorney fee.

USE OF JUDGMENT BY THIRD PARTIES.

Section 6 places a weapon in the hands of those injured by violators of the antitrust law which will prove to be very effective in deterring and preventing future monopolizations or attempts to monopolize on the part of trusts, monopolies, and combinations. It provides that whenever a final judgment or decree be obtained by or on behalf of the United States under any antitrust law against any defendant having entered into a contract, combination, conspiracy, or trust in restraint of trade or commerce, or attempts to monopolize or combine with any person or persons to monopolize any part of the interstate commerce in violation of any of the antitrust laws, that such judgment shall constitute, in any other proceedings, an estoppel against such defendant in a suit by a third party, the same as between the United States and such defendant; it shall be against such defendant conclusive proof as to the same question of law in favor of any other party in any action or proceeding brought for violations of any of the antitrust laws against the same defendant.

Heretofore combinations in the form of trusts and conspiracies in restraint of trade and monopolies have with impunity violated the antitrust laws knowing full well that the amount of injury or damage done to most persons would be so small as not to justify them in prosecuting suit for damages. This section enables any persons who otherwise would not be able to maintain and prosecute a suit against some powerful monopoly to make use of any judgment which the United States may have obtained against any such defendant violating the antitrust laws upon the same state of facts, without going to the expense of new and further prosecution and trial. This section will constitute a very effective preventative of future violations of the antitrust laws by monopolies and big business.

ACQUIRING STOCK IN ANOTHER CORPORATION.

One of the means pursued by unscrupulous corporations in seeking to acquire undue advantages is the purchase or control of stock or shares of capital of other corporations. Section 8 prohibits all corporations engaged in interstate commerce from acquiring, directly or indirectly, in whole or in part, any of the stock of another corporation also engaged in commerce where the effect of such acquisition is to eliminate or lessen competition between the corporation whose stock is so acquired and a corporation making the purchase, or the effect is to create a monopoly in any line of trade in any section or community.

It further provides that no such corporation shall acquire the whole or any part of the stock of two or more corporations engaged in interstate commerce where the effect of such acquisition or the use of such stock by voting or granting of proxies is to eliminate or subsequently lessen competition between such corporation, or any of them, or to create a monopoly in any line of trade in any section or community. Exception, however, is provided where the purchase of such stock by any corporation is solely for investment, and not to use the same by voting, or to bring about, or attempting to bring about, the lessening of competition.

Much complaint has been made against these provisions. This, however, apparently has been done without taking notice of a further provision in such section 8, which provides that nothing contained in this section shall be held to affect or impair any right heretofore legally acquired. In other words, these provisions will apply solely to the future, providing that such interownership does not now constitute a violation of the antitrust laws. A further exception is provided in the case of railway corporations, which are specifically permitted to aid in the construction of branch or short-line railways so located as to become feeders of the main line of railway.

Corporations affected by the provisions of this bill, preventing one corporation from owning stock in another, are vigorous in their opposition to the same. They seem to regard it as a newly devised scheme to interfere with what they consider their vested rights. They contend that it is untried and experimental. They point to this proposed prohibition as evidence of the inexperience of the Democratic Party in dealing with big business. Their memories and knowledge of history, however, are poor and short. The owning of stock in one corporation by another was never allowed by common law.

The first State to repeal the common-law principle that one corporation could not own the stock in whole or in part of another corporation was New Jersey. In so doing New Jersey made itself extremely popular with all the trusts, combinations, and monopolies. In view of this provision such trusts, monopolies, and combinations have favored the State of New Jersey as the State in which to organize and file their articles of organization. It is no wonder the State has become known as the paradise of trusts and the mother of monopolies. So favorable to big business are the laws of that State that corporations organized in it are authorized to do business not only throughout the United States, but throughout the world. Because it abrogated the common-law principle which prevented one corporation from owning the whole or any part of the stock of another, the commercial pirates of the country seek the shelter of its laws.

By degrees some of the other States have relaxed the common-law rule until the country became full with pools and holding companies, which are the direct support of trusts and monopolies. This part of the pending bill, when it becomes a law, will prohibit and render illegal the so-called "holding corporations," whose purposes are to control the policies and price of commodities of the corporations which become units of such holding corporations. It is only fair to say, however, that the proposed law will interfere only with such holding companies as substantially lessen competition.

COMMON DIRECTORS.

Among the salutary provisions contained in section 9 we find several relating to common or interlocking directors. By its language no person who is engaged as an individual or member of a partnership or is a director or other officer of a corporation engaged in business of producing or selling equipment, materials, or supplies to or in the construction, maintenance, or operation of railways or other common carriers engaged in commerce shall act as a director or any other officer in any other common carrier engaged in commerce to which he or such partnership or corporation sells or leases, directly or indirectly, equipment, material, or supplies, or for which he engages in work of construction or maintenance. It also contains several other provisions relating to the interlocking of directors which time and space forbid me from mentioning in detail.

PERSONAL GUILT.

Section 12 specifically provides for the personal guilt of the officers of a corporation violating the antitrust laws. Heretofore corporations guilty of violating such laws have been merely fined, and the penalty has fallen on the public and on the stockholders instead of the officers who have been guilty of having the company violate the law. A few prison sentences of the officers of guilty corporations will do more to force a wholesome observance of the antitrust laws than all the fines that the courts may impose. The danger of being reached personally will tend to create in the minds of corporation officers a wholesome respect for the laws passed to prevent restraints of trade and monopolies.

REGULATING OF STOCK AND BOND ISSUES.

A few years ago the Interstate Commerce Commission called attention to the advisability of the Government regulating the issuing of railway stocks and bonds. At the time of this recommendation it seemed to have attracted little or no attention. Since then revelations have occurred in connection with the issuing of stocks and bonds of several railways. Some of the more gigantic stock-watering schemes are shown in the history of the purchase of the Chicago & Eastern Illinois Railway by the St. Louis & San Francisco Railroad, by the Pere Marquette road in Michigan, in the Southern Pacific Railway Co., the Chicago & Alton Railway Co., the New York, New Haven & Hartford Railroad Co., the Boston & Maine Railway Co., and last but not least in the relations of the Baltimore & Ohio with the Cincinnati, Hamilton & Dayton Railway. If time permitted, many other instances of a similar nature, although not perhaps as great in dimensions, might be cited. Nothing can more forcibly and concisely present the situation than the recommendations of the Interstate Commerce Commission made last year in the affairs of the New Haven Railway. In its report the commission, for the second time in seven years, gave the following recommendation:

No student of the railroad problem can doubt that a most prolific source of financial disaster and complication to railroads in the past has been the desire and ability of railroad managers to engage in enterprises outside the legitimate operation of their railroads, especially by the acquisition of other railroads and securities. The evil which results, first, to the investing public, and finally to the general public, can not be corrected after the transaction has taken place; it can be easily and effectively prohibited. In our opinion the following propositions lie at the foundation of all adequate regulation of interstate railroads:

1. Every interstate railroad should be prohibited from spending money or incurring liability or acquiring property not used in the operation of its railroad or in the legitimate improvement, extension, or development of that railroad.

2. No interstate railroad should be permitted to lease or purchase any other railroad, nor to acquire the stocks or securities of any other railroad, nor to guarantee the same, directly or indirectly, without the approval of the Federal Government.

3. No stocks or bonds should be issued by an interstate railroad except for the purposes sanctioned in the two preceding paragraphs, and none should be issued without the approval of the Federal Government.

It may be unwise to attempt to specify the price at which and the manner in which railroad stocks and securities shall be disposed of; but it is easy and safe to define the purpose for which they may be issued, and to confine the expenditure of the money realized for that purpose.

House bill 16586, entitled "An act to amend section 20 of an act to regulate commerce, to prevent the overissue of securities by carriers, and for other purposes," is designed to place safeguards over the issuing of securities by railways so as to protect investors in such stocks, as well as the general public, from fraud and deception. The necessity for such regulations have been noticed and commented upon by our ablest newspapers and magazines for years as well as by our most experienced statesmen. To-day, in the history of the New York, New Haven & Hartford Railroad, we can see the sad havoc worked upon innocent investors, the most of whom were widows and orphans, by the unscrupulous managers of that railway. Stocks and bonds were issued by its directors and managers not for the purpose of carrying on its legitimate business or for the making of needed and natural improvements, but in buying up competing lines, consisting of steamboat and trolley lines, at great and reckless prices.

Only recently the leading newspapers were commenting upon the sensational news that already a committee representing the stock and bond holders who had been imposed upon have been making arrangements for the commencement of suit to recover from the late managers and directors of that railroad the sum of $125,000,000. The overissuing of stocks and bonds by railways is termed the watering of stocks and bonds. The issuing of watered stocks and bonds is a detriment to the genuine stock and bond holders of a railway or any other industrial corporation's stocks and bonds. It is not only a damage and a detriment to the interest of the genuine stock and bond holders who have invested actual cash in the company, but it is a damage, detriment, fraud, and imposition upon the public, because the greater the amount of stocks and bonds, the greater must be the rates which the company is forced to charge the public for passenger and freight service in order to pay dividends on such watered stock.

A partial protection for the public against the payment of dividends upon watered stock was provided by the Sixty-second Congress in the passage of an act providing for the physical valuation of railway property. The Interstate Commerce Commission is now actually engaged in performing the duties imposed upon it—of obtaining the physical valuation of railways—by that act. Fair and reasonable railway rates can not be ascertained and charged in this country until the Interstate Commerce Commission shall have possessed itself of figures showing the actual physical valuation of railway property. Fair railway rates based on a fair value of their property, measured by the money actually invested in that property, is the guide with which the Interstate Commerce Commission can safely fix just and reasonable rates to be charged for railway traffic. Reflection shows us, however, that the ascertaining of the physical valuation of railways will have been in vain if, after it shall have been completed, such railways should still be at liberty, without hindrance or control, to issue and sell such stocks and bonds as they may be able to dispose of to uninformed investors. To prevent the great work and expense nec-

essary to obtain the physical valuation of railways from becoming useless, and to protect the public from excessive passenger and freight rates, it has been deemed wise to include in the antitrust legislation a provision under which hereafter railways engaged in interstate commerce can issue no new stocks and bonds without complying with the requirements of the United States law.

This is a matter which has attracted the attention of all parties and the public in general for many years. Until now, however, no attempt to regulate and control the issuing of such stocks and bonds has been attempted by Congress.

The last national Democratic platform specifically declared for the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including the prevention of stock watering. Several previous platforms of that party declared likewise. We of the Democratic Party now come to redeem that pledge to the people by the enactment into law of bill H. R. 16586. It provides in substance that after its passage it shall be unlawful for any common carrier engaged in interstate commerce to issue any capital stock, or certificate of stock, or any bond, or other evidence of interest in or indebtedness of the carrier, unless it be for some purpose within its corporate power and in the public interest necessary for the performance of its public service, and not tending to impair the financial ability of the carrier to discharge its duty to the public, nor unless and until, and then only to the extent that upon application by the carrier, and after investigation by the United States Interstate Commerce Commission of the purposes and uses of the issue of stocks and bonds and the proceeds thereof, such issue shall have received the approval by order of such commission as being reasonably necessary and appropriate for the purposes stated. The application to the commission is required to be given wide publicity in order that all concerned may have notice and may be heard, if they desire. Further details of the purposes for which they desire to issue such stocks and bonds must be publicly made. Their proof must be submitted at public hearings before the commission, and must be verified as any legal proceedings. If the commission upon the showing of such railways deems that the authorizing of additional stocks and bonds is necessary to enable the railway to carry out its obligations to the public, it will grant the application; otherwise it will be rejected.

Stocks and bonds issued under this proposed new law will have to be based upon intrinsic value, and a disinterested quasi judicial body having only the welfare of the corporation and the public at stake will be the sole judge of the propriety and the necessity of issuing such bonds and stocks. But in so doing such bonds and stocks will depend for their value upon the property of such railway carrier, for the bill provides, among other things, that nothing contained in it shall be construed to imply any guaranty or obligation to such issues of stocks and bonds on the part of the United States. Reports are required to be made from the officers of such railways annually, or more frequently if desired by the commission, showing the disposition made of the proceeds. Under this proposed law it will be impossible to repeat the wild and crooked financial histories of the railways to which I have referred. Under such a law it will be impossible in the future for the crooked railway magnates to increase the rates of traffic required to be paid by the public in order to pay dividends upon what is known as watered stock and bonds.

Such frauds, which have made our railway investments notorious throughout the civilized world, will then be a thing of the past. Speculators and bona fide investors will then understand that railway stocks and bonds issued after the passage of this act represent actual and genuine investments. They will have assurance that such stocks and bonds will then be based upon intrinsic value. With such investments made safe under the proposed law, money will be forthcoming from people of moderate means and from savings with which to build and extend the needed and necessary railways and industries of the country.

Foreign money will again seek our shores and contribute to the circulation of the lifeblood of national prosperity. Railway rates of all kinds will be based solely on a fair return on an honest actual investment. The dishonest speculators will be forced to retire, and the haunts that once knew them will know them no more. Natural competition will be restored and will prevail in all the Nation. Business freedom will be reestablished and new oportunities afforded and opened to the industrious, active, thrifty, and ambitious workers and business men. Prosperity will reign, and the threatening clouds of socialism and of the Industrial World Workers shall disappear from our national horizon.

Revision of the Laws—Judiciary Title.

EXTENSION OF REMARKS

OF

HON. CHARLES H. DILLON,

OF SOUTH DAKOTA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, June 17, 1914.

Mr. DILLON. Mr. Speaker, the amendment to section 169 is of the utmost importance to the bench and bar, as well as to the litigants in the Federal courts. On July 18, 1913, I introdueed House bill 6916, providing—

That in all cases, both civil and criminal, in the Federal courts where the constitutional right of a jury trial exists the court in charging the jury must not express any opinion upon the facts of the case.

The rule in the Federal court is stated by Justice Gray in Simmons *v.* United States (142 U. S., 155):

It is well settled, by a long series of decisions of this court, that the judge presiding at a trial, civil or criminal, in any court of the United States is authorized, whenever he thinks it will assist the jury in arriving at a just conclusion, to express to them his opinion upon the questions of fact which he submits to their determination.

In this case the defendant was on trial for aiding and abetting in the embezzling of funds of a certain national bank. The court said to the jury:

I have the right, under the laws of the United States, to give you my opinion on questions of fact * * *. I shall confine myself to stating to you the law by which you are bound, simply calling your attention to the questions of fact which are to be decided by you, for, as you know, juries decide questions of fact and not the court.

On the next day the jury came into court and asked to be discharged from further consideration of the case. Whereupon the court said:

This case has occupied a long time. It is a case of importance, and the discharge of the jury at this time would involve another trial. It seems to me that that should not be had unless in a case of necessity. I see in this case no such necessity. I can not understand the failure to agree arises from any difference of opinion based upon the insufficiency of the evidence in this case. Whenever in the opinion of the court the testimony is convincing it is the duty of the court to hold the jury together Therefore I must decline your request to be discharged.

This conviction was affirmed by the Supreme Court of the United States.

Pittsburgh Railway Co. *v.* Bloomer (146 Fed., 720) was a case charging the railway company with negligence in starting the car while the plaintiff was in the act of alighting. The court said that if the car was started while the plaintiff was in the act of alighting from it there was negligence on the part of the defendant, and added:

Looking at it in that way, it seems to me, is about the only way you can look at it.

The court of appeals in this case said:

All the learned judge in the present case did, in using the language complained of, was to tell the jury how the proofs in the case on the subject of the defendant's alleged negligence impressed him.

In Provident Savings Life Association Society *v.* Hadley (102 Fed., 856) the circuit court of appeals, in reviewing the case, says:

In charging the jury in an action on a policy of life insurance, upon a question whether the insurance company was influenced to enter into the contract by false and material misrepresentations, the court said: "It is difficult for me to see that it is material. Perhaps it will be difficult for you to see that it is. But this is not for me to pass upon, but for you."

It was held that the judge's right to interfere with the finding of the jury upon such question being expressly renounced in the charge, the expression of the judge's opinion was without prejudice.

Sebeck *v.* Plattdeutsche (124 Fed., 11) is a case in the circuit court of appeals where the defendant was the owner of a park at which it held public amusements, to which it charged a fee, the defendant giving an exhibition of fireworks when plaintiff was injured through the alleged negligence in the construction of the explosives. The court said to the jury:

If the company employed a couple of Italians about whom they knew nothing, they did not exercise the prudence which an intelligent person should have exercised. For myself, I do not believe for a minute that they did any such thing; but that is a question of fact for you to determine, and not for me.

The court of appeals affirmed the case, holding that the judge had the right to express his opinion of the facts in view of the fact that he informed the jury that they were the judges of the facts.

Ever since the formation of our Government we have permitted the Federal judge to express his opinion o[n] the evidence

in the case. We borrowed the practice from England and have maintained this rule of law down to the present time.

Practically every State in the Union now prohibits the judge from expressing his opinion upon the evidence. The States have outgrown the old, worn-out English rule of law and have preserved the constitutional right of a jury trial. They have declared, in effect, that the court must not express his opinion on the facts of the case.

Experience has taught us that the jury system is the best and safest system ever adopted by any civilized country. No better system exists and none can be found to take its place. The 12 jurors coming from every walk of life are the safest and best tribunal for passing upon the constitutional rights of the citizen.

No one can doubt that this Federal practice is frequently abused and the constitutional right of a jury trial is often subverted. The jurors are summoned from every part of the State, and are strangers to each other. They take their place in the court room amidst gorgeous surroundings and expensive equipment. The marshal heralds the coming of the court; the members of the bar and officials arise, as an act of homage, to the coming of the court, who appears with great ceremony and ascends the judgment seat. Everyone is impressed with the judicial power and knowledge. When the court tells the jury his opinion of the facts the jurors, fearful of censure, timid of their rights, readily reach the conclusion that the opinion of the judge is better than their own. The jury trial becomes a farce, the opinion of the judge becomes the opinion of the jury, and thus the constitutional right of a jury trial is subverted and destroyed.

The amendment should be placed upon the statute books in order that the Federal court may not hereafter trespass upon the constitutional right of a jury trial. Otherwise, we might just as well abolish the Federal jury system and substitute a trial by the court.

The Colorado Coal Strike—Enforce the Law.

EXTENSION OF REMARKS

OF

HON. GEORGE J. KINDEL,

OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 8, 1914.

Mr. KINDEL. Mr. Speaker, on several occasions I have endeavored to express myself upon conditions incident to the labor disturbances which have prevailed for some months in the State of Colorado. My inability to secure recognition for that purpose I now regard otherwise than a misfortune. Heretofore I must necessarily have spoken as others have done upon this subject, more or less upon hearsay and conjecture. Such is not, to the same extent at least, the case to-day. The real facts, the truth concerning what has happened and is happening in connection with that unfortunate situation, is at last coming out.

Seldom, if ever, within my memory has a great State been subjected to more misrepresentation or been worse maligned than has the State of Colorado during the past six months. It has been held up to the Nation and the world as the lawless abode of anarchy, peopled only by grasping and wholly unprincipled corporations and their rebellious slaves, partially held in check by the officers of the law until recently, when the State treasury became bankrupt and utter riot, disorder, and insurrection held sway.

The yellow press of my State, ably seconded by journals of like character elsewhere, have, from time to time, deluged this country with such a flood of sensational stories as to hold the interest and, in some degree, blind the judgment and good sense of the general public. Well meaning but emotional women have become hysterical, and, largely because of their apparent sincerity, have carried conviction by their recital of industrial wrongs which they have been told existed. The judge of a court of Colorado, less known and therefore more credited away from home than where he unfortunately belongs, oblivious to the interests and good name of the people of the State which for too long a time has charitably afforded him a livelihood, has swept across the country with a troop of vaudeville artists with the apparent purpose of adding luster to his peculiar fame by spreading denunciation and falsehood where it would best attract attention. And behind all this press bureau and these itinerant vendors of libel, slander, exaggeration, and positive falsehood can be seen the scheming, cunning, well-paid officers and salaried agents of a monopolistic labor union.

The State of Colorado is not what it has of late been represented to be; the people of that State are no less high-minded, patriotic, law loving, nor otherwise different from those of any other State. The chief executive of my State, while not a prizewinner for wisdom and courage, is a sincere and honest man. The National Guard of Colorado, so much condemned by labor leaders and their sympathizers, not because of what it did, but because it stood for law enforcement, holds a high rank among the citizen soldiers of this country, and is the peer of any national guard in the United States. Nor are Colorado business men and business interests different from those elsewhere, unless it be in their extreme tenacity of purpose and admirable devotion to a principle, irrespective of financial results.

Mr. Speaker, my State, its business interests, and its people as a whole have had heaped upon them much undeserved abuse on the floor of this House and in the sensational press of the country. They have had thrust upon them an industrial conflict of an unnecessary and wholly inexcusable character. I have waited in vain for Representatives more versed in parliamentary procedure and abler of speech than I to deny the infamous stories that have been circulated about our industrial enterprises and explain the character of the war which, in the name of labor, has been waged in Colorado for many months. I have been told that criticism of labor is popular neither here nor among my own constituents, and that I can best subserve my own political interests by remaining quiet upon such a subject. It may be true that in this place one can not with propriety express nor vote his convictions when labor is involved. I do not believe that moral cowardice is commended in my home State. But, be that as it may, it is more important that the truth prevail than that GEORGE KINDEL represent the State of Colorado in Washington, and I propose here and now to express my views and to the extent of my ability acquaint such as care to know with a few of the essential facts in connection with the disturbances which have attracted and held the attention of the whole country. If, in so doing, I shall seem to condemn labor and organizations of labor, I trust I shall not be misunderstood. True labor and wisely conducted labor unions have no better friend than I, for I am a member of a union that has accomplished much good. It is for this reason that I am compelled to denounce the methods of the particular labor organization which has brought disgrace, industrial blight, and almost financial ruin upon my State.

Before proceeding, Mr. Speaker, I desire to present as a part of my remarks a few of many memorials and resolutions recently received by me from my people at home. I first desire to call attention to the following resolutions unanimously passed May 25, 1914, at a mass meeting of citizens of the town of Longmont, in Boulder County, where much of the disorder has had its origin:

RESOLUTIONS ADOPTED BY A MASS MEETING OF CITIZENS OF LONGMONT, COLO., MAY 25, 1914.

Whereas a certain class of people whose only claim to publicity is their ability and purpose to breed contempt of law, to encourage riot, murder, and incendiarism, are posing before the world as the representatives of the patriotic citizens of the patriotic State of Colorado: It is

Resolved, That we deny that this small class of agitators represents in any large sense the public sentiment of this State, and we denounce as unworthy of citizenship these people who, to advance their political ambitions, to gratify their silly vanities, and thrust their otherwise obscure personalities into the limelight, would befoul the nest that shelters them, incite ignorance to lawlessness, plunge the State into anarchy, and hold it up to the world emasculate and unworthy a place in the galaxy of Commonwealths; and

Whereas all Denver daily newspapers, under the gauzy pretext of maintaining popular rights, are aiding and abetting lawlessness, riot, and anarchy: It is further

Resolved, That such newspapers are unworthy the moral or financial support of the law-abiding citizens of the State; and

Whereas the State militia, called to service by the legally constituted authority, and representing the sturdy manhood of the State, has been doing its duty as fully as did the young men of a generation ago, who bared their breasts to the assaults of disunion, we protest against the unpatriotic, false, and libelous vituperation that has been so unjustly used against our young soldiers as destructive to a wholesome military spirit that may stand the Republic in good stead in the no distant future; and

Whereas we believe that the sovereignty of the State of Colorado and not the private disputes of individuals or corporations is the issue we are facing today: We therefore

Resolved, That it is the duty of every loyal citizen to sustain by word and deed the governor of the State at whatever cost in putting down rebellion, punishing treason by whomsoever instigated, and redeeming the State from the humiliation of standing as a mendicant, hat in hand at the door of the White House, begging for the protection we are too feeble to afford ourselves, and to protest to the world that the mouthings of near statesmen, frenzied women, and patriots for revenue only is not the voice of the sovereign State of Colorado.

I may be permitted to next call attention to a resolution emanating from a most unusual and highly respected source,

namely, several bodies of the Ancient and Accepted Scottish Rite of Freemasonry in the State of Colorado. The resolutions are as follows:

Whereas during the past several months there has existed in the coal-mining districts of our State a condition of insurrection against the lawful authority of our State government wherein several thousand misguided and largely unnaturalized men, speaking more than 20 different languages, unacquainted with the true principles of constitutional government, consisting in part of returned soldiers from the recent foreign wars, armed with high-power rifles, incited, led on, and financially sustained by agitators and professional trouble makers, mostly nonresidents of our State, possessing no property or other interests in our Commonwealth, have bid open defiance to and made organized war against the lawfully constituted authority of our State, murdered many men, and created a reign of terror in the said mining districts, and have destroyed hundreds of thousands of dollars worth of property;

Whereas the regularly organized National Guard of Colorado did, without bloodshed (except the reported cases of two men), suppress the said insurrection and maintain an armed peace in the said coal-mining districts until, on account of lack of appropriated funds to pay and maintain the National Guard of Colorado in the field and the oft-repeated and unjustifiable refusal of our prejudiced State auditor to audit bills and issue warrants for such payment and maintenance, it was deemed necessary to withdraw the greater part of the said National Guard of Colorado from said districts;

Whereas thereafter there occurred the attack on the forces of the National Guard of Colorado stationed at Ludlow, during which attack 1 boy was accidentally killed by a bullet coming from the direction of the insurrectionists and 2 women and 11 children who had crowded together in a hole under a tent were smothered without fault of the said National Guard of Colorado; and also during which attack the National Guard of Colorado, while under fire from the insurrectionists, heroically rescued a number of women and children from similar holes; and

Whereas there never was any such occurrence as the so-called "Ludlow massacre," and the National Guard of Colorado never did, at any time or place, kill any women or children; and

Whereas concerning the aforesaid matters and things, many false, libelous, and maliciously misleading statements and articles have been published and circulated to the great injury of our loyal people: Now, therefore, be it

Resolved, By the several bodies of the Ancient and Accepted Scottish Rite of Freemasonry, S. M. J., United States of America, in the State of Colorado, that we, with all other good men and good women, without respect to political affiliation or sectarian belief, are loyally bound to support and maintain constitutional government and the just enforcement of the laws.

That while we welcome to our State intelligent, peaceable immigrants, who come seeking to become citizens and are willing to support American constitutional government, we denounce and condemn as dangerous to free American institutions the importation and congregation in this country of large numbers of unassimilable immigrants of such characters and modes of life as to be unfitted ever to become good citizens.

That if there be differences between employers and employees, and if there be infractions of law or neglect of compliance with law by either employers or employees in regard to matters of employment, these things should be remedied by mutual contracts, by legislation, or in the courts; but armed rebellion against the constituted authorities can not be countenanced by good people and in all cases must be suppressed.

That the only lawful authority in this State is vested in the citizens of this State or in proper cases, in the citizens of the United States, acting through and by their lawfully chosen representatives, and any and all combinations of people making armed insurrection or war against such lawful authority are guilty of treason, should be condemned and punished accordingly.

That we deplore, denounce, and condemn the publication and circulation throughout the State and Nation to the great injury of our loyal people of the many false, libelous, and maliciously misleading statements and articles regarding the said coal-mining insurrection and regarding the acts of our governor and of the National Guard of Colorado in connection therewith.

That we commend and express our grateful appreciation to the officers and men of the National Guard of Colorado, who have valiantly and patriotically sought to do their duty in defense of constitutional government and the enforcement of law and order in our State under the most trying circumstances, without pay, suffering unusual hardships, facing an armed enemy of superior numbers.

That the people of Colorado are amply able to govern themselves, but when organized bodies of men in other States send arms, ammunition, men, and money into this State to create and maintain insurrection and make war against our State authority which, if successful, would overturn the government of this State, it becomes a serious menace to the National Government and a matter of national importance.

That in memory of those who were killed on the field of battle or assassinated while pursuing the line of their duty a grateful people should erect and maintain upon the ground hallowed by their blood monuments inscribed, "Here lies a martyr to the cause of constitutional government and the prevention of the establishment of anarchy in this State."

The following names are signed to the resolutions:

Ralph E. Stevens, Charles A. Stokes, Clarence M. Kellogg, and David Plessner, members of the committee, and Henry B. Teller, acting master, Delta Lodge of Perfection No. 1; Walter D. Salter, jr., wise master, Mackey Chapter of Rose Croix No. 1; Ralph E. Stevens, commander, Denver Council of Kadosh No. 1; George L. Hodges, master of Kadosh, Colorado Consistory No. 1, A. A. S. R., and Charles H. Jocobson, secretary.

I next present a series of resolutions adopted at a mass meeting of the citizens of Steamboat Springs. They speak for themselves, and again evidence the sentiment of the people of Colorado, who know whereof they speak:

Whereas a state of insurrection has existed within the State of Colorado whereby it became necessary for the governor of the State to call upon the armed force of the United States to preserve law and order, as well as the preservation of life and property; and

Whereas during such state of insurrection there has been loss of life and destruction of property; and

Whereas the governor of this State has been maligned by this same class of people who have abetted and encouraged violation of law, and by false representations have misled and deceived not only many of the citizens of this State but of the entire country as well, and thereby have created a false impression abroad as to the integrity of the people of this State and their willingness and ability to maintain law and order; and

Whereas the differences between the striking miners and the mine operators are small compared with the greater wrong of insurrection now prevailing, and the question of maintaining law and order is at this time the paramount question, and we do not now attempt to pass upon or consider the merits of the controversy between the miners and the operators or to take sides with either:

Now, therefore, we, citizens of the county of Routt and State of Colorado, in mass meeting assembled for the purpose of expressing our adherence to the principles of law and order, do firmly resolve that law and order must and shall prevail within the State of Colorado; that private difficulties must and shall be settled by and in accordance with the laws and procedure enacted by the people of the State for their own government and control and not by force, violence, or intimidation; that whatever abuses may exist must be corrected in a lawful and orderly way and not by force of arms; and that it is the inalienable right of every American citizen to work for whom he pleases and upon such terms as to him are satisfactory; and in this right he must and shall be protected.

Resolved, That we hereby condemn the men, women, and newspapers who have aided and encouraged violations of law, who have maligned the governor, abused the National Guard, and embarrassed both the governor and the National Guard in their efforts to suppress insurrection and to restore peace as traitors to the State. And we hereby pledge ourselves to use every honorable means to restore and maintain law and order and constituted authority within the confines of our beloved State.

Resolved, That we commend the governor for his efforts to maintain peace and order, and express the belief that his efforts would have been more effective had he been supported by his associates in the statehouse instead of being embarrassed at every turn by State officials in sympathy with mob spirit.

Resolved, That we heartily commend the members of the general assembly for so promptly supplying the means for the payment of the National Guard and for so promptly and patriotically supporting the governor of the State in the hour of need, and especially commend the representative and senator from this district.

Resolved, That we commend those newspapers throughout the State which have stood for a firm law-and-order policy.

Resolved, That we condemn the attitude of Judge Ben B. Lindsey with reference to the industrial conditions of the State and deny the truth of his statements with respect thereto, as reported in the press, and protest against his assumption of authority to speak for us or for the people of this State.

Resolved, That we urge cities and civic bodies everywhere in this State to make an open stand for law and order in this the greatest crisis Colorado has ever been called upon to meet.

Last but not least I present the views of good men and women, expressed and published to the world by the eminent writer Mr. Thomas Tonge for the Law and Order League of Colorado:

DENVER, *May 18, 1914.*

To the Rocky Mountain News:

It is generally conceded that Colorado excels any other State in the Union in the extent and variety of its undeveloped resources.

The intelligent and judicious development of such resources means increased population, increased productiveness, increased money in local circulation, great improvement in all lines of business, and better opportunity for everyone to make a living, certainly much needed at this time.

The aggregate loose capital of all the 900,000 people of Colorado does not begin to be sufficient to finance the development of the resources of the State.

Hence the necessity for outside capital, whether in the form of companies or syndicates, large or small, or desirable immigrants from other States, business men, farmers, manufacturers, etc., each bringing more or less capital, aggregating very large sums.

For instance, it is conservative to say that $5,000,000 wisely and honestly expended in the metalliferous mining industry of Colorado in the development and equipment of carefully selected "prospects" or partially developed properties, or the resuscitation of dormant mines with good past production records, would, in due time, result in the production of probably $100,000,000 of new mineral wealth.

Unfortunately at the present time Colorado is cursed and handicapped by an abnormal supply of professional salaried labor agitators with socialistic theories; professional politicians (the female politician being more contemptible than the male) and professional reformers, practically all of them with an eye to salaried public positions, present or future.

They are the parasites of the body politic, have involved the State in large indebtedness, and brought it into undeserved disrepute.

They have been mistakenly accorded by the press an undue amount of that publicity and notoriety which is an important part of their stock in trade.

The function of government, whether National or State, is "the protection of life, limb, and property."

Under the malign influence of professional agitators, mostly from outside the State and their Molly Maguire department, such functions of government in Colorado has been temporarily hindered, to the serious financial loss of the State as a community, and, directly or indirectly, also of the reputable citizens and taxpayers individually.

Outside capital, whether large or small, will not come to Colorado unless life, limb, and property are protected.

Eliminating all the appeals of ignorance and prejudice which have been spoken, written, and published, the fundamental issue in the present coal strike is the "open shop"—the right of the individual, under Federal and State law, to earn a living without belonging to a union and without risk to life and limb at the hands of the Molly Maguire element of the union.

The more one realizes the needs for unions the more one deplores the manner in which some of them are conducted. The "rant and

cant" of the salaried professional agitators who dominate some of them necessarily react, in public opinion, against unions generally.

The future prosperity or otherwise of Colorado generally and of its great majority of reputable citizens individually largely depends on the suppression of anarchy, the effective discountenancing of professional demagogues, and the restoration and continuance of "law and order," including the "protection of life, limb, and property."

It is high time that law-abiding, public-spirited citizens asserted themselves. The Law and Order League of Colorado is opportune, and, irrespective of political affiliation, should have the fullest support from all good citizens, with their "all" in this State.

THOMAS TONGE.

I will not further burden the record by reading additional documents and letters of like import received from hundreds of business and civic organizations and individuals in my State. Enough has been shown to evidence the attitude of all save the officers and agents of the United Mine Workers of America and their sympathizers. The memorial of Kensington Council, No. 19, Junior Order United American Mechanics, unanimously adopted at Denver May 19, 1914, presented to the Senate by Senator THOMAS, from Colorado, and found in the RECORD of May 29, 1914, is an instructive document. The Association of Colorado Women, represented recently in Washington by Mrs. Helen L. Grenfell, while late in its efforts to correct the misrepresentation and counteract the prejudice originating elsewhere, is commended by all good citizens. Aside from certain obviously biased elements of society the people of Colorado can discover neither justification nor excuse for the calling of the strike in the Colorado coal fields or the methods employed by the leaders in conducting its progress.

Prior to the calling of this strike no substantial differences existed between the mine owners and their workmen. There had been no State-wide labor trouble for 10 years; only 2,048 out of a total of 23,000 miners in Colorado, New Mexico, and Utah were members of the United Mine Workers of America. But the officers of this organization proceeded to import into Colorado a horde of paid professional agitators and agents with the avowed purpose of circulating among the miners and injecting into their minds a spirit of discontent and dissatisfaction with their employers and the conditions under which they were working. Among those so engaged and brought into the State are found the names of Frank Hayes, of Indiana; James Mullen, of Arkansas; George Hargrove, of Indiana; A. B. McGary, of Iowa; A. Germer and H. C. Pettit, of Illinois; Victor Marietta, of Ohio; John L. Britton and Frank Holuf, of Oklahoma; Jonas Gott, of Iowa; William Diamond, of Michigan; Charles Batley, of Missouri, and a host of others, including the sainted Mother Jones, whose residence, according to her testimony, is "wherever there is trouble." (See congressional investigating committee record.) All of these people are experienced labor agitators or leaders of strikes in West Virginia and other fields.

For the information of a misguided public, may I be permitted to insert the following documents obtained by me from the public library in Denver? They contain much valuable information concerning the life and character of this "stormy petrel":

"POLLY PRY."

A JOURNAL OF COMMENT AND CRITICISM.

[Denver, Colo., Saturday, Jan. 2, 1904, vol. 1, No. 18.]

At Coliseum Hall, Sunday night, January 3, 8 p. m., a mass meeting of union-labor people and their sympathizers.

J. Warner Mills presiding.

Judge Frank Owers, J. O. Morris, O'Neil, Sullivan, Haywood, Moyer, and "Mother" Jones, speakers.

That is the announcement which is expected to crowd the big hall to suffocation. The real attraction is "Mother" Jones, national labor agitator, about whom everybody is curious—which is why the following story may be of interest:

Mary Harris, born in Cork, Ireland, 60 years ago, of respectable parentage and good antecedents.

Brought to New England at an early age. People settled in Maine. Educated in common school. Taught a country school for several years.

Married a prosperous farmer, and when widowed immediately allied herself with a labor movement then attracting attention in the East, claiming that she wanted to elevate the laboring classes, educationally and socially.

Began to associate with labor leaders and reformers at the time of the A. R. U. strike of 1894. Since then has kept pretty busy stirring things up. Has had a record for never advocating peace, nor arbitration; but always being for strife and war.

Was particularly prominent in the Pittsburgh strike of 1895, miners' strike of 1897, central Pennsylvania strike of 1899 and 1900, the coal strike of last year in the anthracite district in Pennsylvania, and the textile strike in Philadelphia.

During the latter strike she placed herself at the head of 100 men, women, and children, and started with them on a march to Oyster Bay to interview President Roosevelt and demand his intervention in behalf of the strikers. She held daily meetings along the route, soliciting subscriptions for the maintenance of her party, and finally landed at Oyster Bay with a handful of her followers—but she did not see the President, and the expedition ended there.

That is the record, so far as the labor movement is concerned, of the woman known from Maine to California as "Mother" Jones, labor agitator and leader—"Mother" Jones, who is always to the front when there is strife, with her battle cry of "We'd rather fight than work"; "Mother" Jones, who gets $5 per day and expenses so long as there is trouble brewing, who since 1900 has received a salary from the mine workers' organization, and who is said to be worth any five men as an agitator.

But down in the "Pinkerton" office there is another record, one that reaches back to 1889, when "Mother" Jones was a well-known character, not alone in the "red-light" district of Denver, but in Omaha, Kansas City, Chicago, and far-off San Francisco.

That record covers many pages, but a few of the facts are all that are necessary to show you the character of this petticoated reformer. They say of her:

"Vulgar, heartless, vicious creature, with a fiery temper and a cold-blooded brutality rare even in the slums."

"An inmate of 'Jennie Rogers's' house on Market Street, Denver, some 12 years ago. She got into trouble with the Rogers woman for bribing all of her girls to leave her and go to a house in Omaha, for which act she was paid a procuress's fee of $5 to $10 apiece for the girls."

"She was a confidential servant in Rose Lovejoy's private house on Market Street, Denver, and with her several years."

"Was well known to Annie Wilson, another Denver woman, who ran a place on Market Street, afterwards had a place in Cripple Creek, and now lives in Kansas City."

"Known to Lolo Livingston, with whom she went to San Francisco."

"Lived in Eva Lewis's house on Market Street at the time Coxey's army passed through here, and took a prominent part in the Denver preparations for their care."

"Is known to Harry Loss, a piano player at 1925 Market Street, who says he knew her first in Omaha in 1894, when she lived in a house at Tenth and Douglas. She was then selling clothes to the girls."

"A sewing woman for the sporting class, living on Lawrence street (name withheld), knew her 12 or 15 years ago, when she lived with Minnie Hall, and afterwards with Jennie Rogers; says it was commonly reported that she was a procuress by trade," etc.

What do you think of it?

The anarchists and socialists of the entire country are making desperate efforts to establish their headquarters in Colorado and to make this State the central stronghold for these pernicious evils. They want to control the politics of the State and to have a point from which to disseminate their doctrine, and they believe they can do it. The large number of foreign miners and the isolation of much of the territory is greatly in their favor, and the prolonged and vicious struggles going on now in the various strike centers argues well for their number and power.

Therefore it behooves the people of this State to heed even the ridiculous statements of this infamous old woman, because behind her words there is a real purpose; and more, that purpose has many supporters.

The meeting called for to-morrow is another evidence. It can not be laughed away nor sneered out of existence. If it is held, you will see that it will be attended not by a handful but by thousands; nor will it be the last; and unless it is put down, and put down now, Colorado is in for more trouble than we have ever dreamed of.

"POLLY PRY."

A JOURNAL OF COMMENTS AND CRITICISM.

[Denver, Colo., Saturday, January 9, 1904. Volume 1, No. 18, page 4.]

"Mother" Jones didn't appear at the Coliseum Hall mass meeting last Sunday night. Neither did she formally launch the new political party for which she stands sponsor. All to the great disappointment of the crowd that had gathered to see her.

She came to Denver early last Sunday morning from Trinidad, with the avowed intention of making one of her "rip-snorting" speeches at the meeting. She went to the Oxford, got some Denver papers, and suddenly became indisposed—at least, that is the story they gave out.

And now "Mother" Jones has disappeared—utterly vanished—from Colorado. She left the Oxford early Monday morning, and since that time not a trace can be found of her. They say that she is not in Trinidad nor Telluride; neither can she be found in the northern fields nor at Cripple Creek; or, if she is, her usual haunts know her no more.

However, "Mother" Jones always was a changeable being, ever since she was known as "Mother" Harris, in May, 1889, when she leased the house then standing on what is now 2114 Market Street, between Twenty-first and Twenty-second Streets.

She refurnished it from top to bottom and soon opened it as a "house" that afterwards became one of the most notorious in the city.

Had seven inmates, who were known as the "best-looking girls on the row." For several months took great pride in the character of her house and the class that patronized it. At that [time] it was the most exclusive "house" on Market Street.

Made a specialty of midnight lunches and social card games, at which unlimited gambling was indulged in.

Catered entirely to the "gang" then in control of the city, county political machines, and a few wealthy mining men.

Four months after opening the house had over $15,000 on deposit in city banks.

Had a "friend" at that time called "blackleg."

He deserted her in September and went to New Mexico with an inmate of the house. After that "mother" went to the bad.

Took to drink and was arrested several times on the charge of drunkenness and disorderly conduct. Left her "house" to manage itself, and in a short time it became one of the typical dives of Market Street.

By November 15 she had spent the $15,000 she had on deposit in the bank only a few months before and borrowed $2,500 from S. H. Engel, a loan broker, giving a chattel mortgage on the furniture in the "house."

On December 20, 1889, the mortgage was foreclosed, the furniture sold, and the house closed.

"Mother" Jones then became an inmate of the "Minnie Hall House." Then came the record, as I told it last week.

And this is the woman the wives and children of the deluded call "mother."

Interesting, isn't it?

It was uniformly recognized that the terms and conditions under which the Colorado miners were employed were far more advantageous than those existing in the eastern coal fields,

where the union was in control. The earnings of the miners were more than satisfactory; the uncontroverted testimony taken by the investigating committee of this House discloses the average daily earnings at five representative mines for the months immediately preceding and following the strike to be $4.41, $4.27, $4.98, $4.67, and $4.90 per man. The following is the authenticated and properly certified pay roll of the Rouse mine of the Colorado Fuel & Iron Co. for August, 1913, the month immediately preceding the strike.

Pay roll of the Rouse mine of the Colorado Fuel & Iron Co. for August, 1913.

Name.	Number days worked.	Earnings.	Average per day.
Manuel Fedrizzi	23	$96.33	$4.18
Y. Kuba	17	58.17	3.42
Luigi Mardine	19	63.87	3.36
John W. Harrison	24	121.92	5.08
Felice Fedrizzi	12	48.36	4.03
Gio Cristofor	26	122.13	4.69
Frans Autonelli	26	126.57	4.86
Geo. Lenzini	23	85.65	3.72
Luigi Bertoldi	25	94.41	3.77
Eugene Corradini	25	104.79	4.19
John Malinswski	25	154.55	6.18
F. L. Sallery	22	67.14	3.05
Gio Ranzonelli	24	83.34	3.47
Mike Duzenack	26	92.64	3.56
Ralph Mitchell	20	61.49	3.07
Frank Berramo	28	149.73	5.98
W. P. Shields	1	2.19	2.19
Gio Gottardi	21	101.37	4.82
Emilio Andreatta	26	156.66	6.02
John Petz	26	113.58	4.36
Luigi Marsh	26	91.50	3.51
Harrison Hays	23	87.56	3.80
Fil Sieski	25	93.75	3.75
Q. Miniatti	1	2.19	2.19
Dave Zanconella	23	85.08	3.69
Carlo Fontana	26	94.87	3.64
Fotarel Anselmo	23	82.77	3.59
August Matteri	22	115.95	5.27
John Pallo	26	122.34	4.70
Dom Andretta	26	115.32	4.43
Aug. Kulorga	22	82.98	3.77
Anton Pefonize	25	100.68	4.02
Gio Amidei	16	69.04	4.31
Ellis Williams	24	128.82	5.36
John Duzanexk	3	7.77	2.59
Antonio Cunico	22	84.52	3.84
V. Cosados	24	88.17	3.67
Cirolini Senerino	25	137.85	5.51
Silvis Sassetelli	24	84.90	3.53
Jan Rojek	26	120.00	4.61
I. Wojecicowski	26	178.38	6.86
K. Lapatowaki	24	120.03	5.00
A. Wojceicowski	26	178.68	6.87
August Antonelli	26	155.55	5.93
William Dow	22	76.30	3.46
Celesti Gottardi	22	131.11	5.96
V. Swajka	26	119.25	4.58
Manuel Martinez	17	45.69	2.68
Pio March	23	90.51	3.93
S. Saka	24	92.10	3.83
John Dallapiccola	25	115.77	4.63
Joe Martinelli	26	163.41	6.28
Estolo Baroni	25	84.30	3.37
Alex Thorp	26	101.61	3.90
Charles Boscia	25	95.97	3.83
Primo Gebnini	22	66.15	3.00
Charles Marsh	24	81.64	3.40
Tony Boscia	24	86.25	3.59
S. Ida	26	129.87	4.99
Jacob Slota	24	91.32	3.80
Joe Baronesky	26	105.54	4.05
John Slota	24	86.85	3.61
G. Penna	21	60.66	2.88
Joe Yoch	26	169.56	6.52
Luigi Serafini	23	70.38	3.06
Emio Gazzotti	26	85.90	3.30
George Dick	1	3.48	3.48
Luigi Biazi	1	3.06	3.06
Gim Audretta	25	102.78	4.11
Vecel Mattive	23	70.05	3.04
Sid Williams	24	90.90	3.78
Luigi Marihori	26	98.31	3.78
R. Reed	22	79.82	3.62
Angelo Daeaar	12	37.62	3.13
Henry Robertson	26	107.31	4.12
Elia Allessandrini	24	88.52	3.68
G. Antonelli	24	139.74	5.82
A. H. Brown	6	27.75	4.62
Ed Jumoer	26	86.46	3.32
Donati Francesco	25	75.72	3.02
Ignatz Corp	21	73.20	3.45
Joe Casadoes	22	80.82	3.67
E. P. Linthicone	26	98.64	3.79
Harrison Boggers	1	6.72	6.72
Steve Valko	24	129.19	5.38
Jim Donahue	15	56.25	3.75
Eugenio Balino	25	96.18	3.84
Josef Jonotch	21	73.59	3.50
Dom Passoni	24	68.04	3.83
Gio Guglielmo	7	18.33	2.61
Matt Rohar	26	118.14	4.54
Charles March	25	100.14	4.00

Pay roll of the Rouse mine of the Colorado Fuel & Iron Co., etc.—Contd.

Name.	Number days worked.	Earnings.	Average per day.
Joe Rohar	25	$112.95	$4.51
J. W. Robinson	22	84.08	3.82
C. Franci	1	3.18	3.18
Andro Duzenach	26	91.53	3.52
Elia Coselli	22	72.96	3.31
Toglio Miyomoto	26	125.85	4.84
Jim Whisenant	22	106.02	4.81
John Antonelli	26	160.71	6.18
Paola Castagni	26	97.44	3.74
Josef Hecko	26	110.43	4.24
Luigi Farenzena	19	70.83	3.72
Pete Rosso	16	40.23	2.51
Giacoma Pedrini	17	52.53	3.09
William McGarvey	20	79.83	3.99
Gio Vanotti	13	44.04	3.38
Anton Fedrizzi	26	113.04	4.34
Andrew Argiletti	14	44.82	3.20
Gio Cassagranda	25	123.32	4.93
Owen Duffy	26	93.84	3.60
Tony Bendetto	25	116.33	4.65
Dom Velotti	25	112.43	4.49
Luigi Bertoldi	26	97.65	3.75
S. Matsunago	10	36.39	3.63
Pedro Cordoval	23	86.04	3.74
Luigi Damonte	25	86.28	3.45
Angelo Marionon	23	78.48	3.41
Clarence Cordova	25	91.25	3.65
J. E. Bamber	26	152.25	5.85
Angelo Telch	26	125.28	4.81
Candido Andreatta	25	121.83	4.87
S. Nowok	26	113.85	4.37
Joe Garcia	16	53.88	3.36
H. Hopson	19	57.90	3.04
Ys Valdez	19	72.36	3.80
Gui Menegatti	24	103.31	4.30
Anton Casera	26	104.43	4.01
James Hall	18	55.81	3.10
Leon Garcia	16	69.16	4.32
W. Davenport	19	63.94	3.36
Pina Serafini	25	143.63	5.74
Ben Williams	16	51.45	3.21
Cortese Pellegirnio	22	127.43	5.79
Gottardi Farenzena	23	141.12	5.13
Pietro Tosai	24	127.54	5.31
Anast Martinez	24	84.78	3.53
C. Fedrizzi	25	154.86	6.19
S. Gahara	25	149.64	5.98
T. Hashie	24	130.68	5.44
P. J. Smith	26	141.96	5.46
Mike Ritzus	26	169.95	6.53
Luis Untertrainer	24	132.37	5.51
Gui Zanacanella	26	133.25	5.12
H. Mihari	26	152.76	5.87
Bartolimo Colo	25	149.15	5.96
John Durnack	25	115.26	4.61
Teodore Durnack	25	120.63	4.82
G. Amai	23	153.24	6.66
Y. Yana	23	147.42	6.41
Paul Hecko, sr	26	150.51	5.78
Paul Hecko, jr	26	152.67	5.87
Joe Salazar	25	141.96	5.67
Evaristo Fedrizzi	25	167.52	6.70

The following facts may be gathered from the foregoing figures: Eleven of the men upon this pay roll earned between $100 and $110 for the month; 13 earned between $110 and $120; 15 earned between $120 and $130; 6 earned between $130 and $140; 8 earned between $140 and $150; 9 earned between $150 and $160; 5 earned between $160 and $170; and 2 earned over $170 for the month. The average daily wage for the month was $4.41. Seventy-two miners who worked 25 and 26 days, respectively, averaged $4.75 a day, or more than $120 for the month.

The following is a like authenticated pay roll of the Bowen mine of the Victor-American Fuel Co. for the month of August, 1913:

Pay roll of Bowen mine of the Victor-American Fuel Co. for August, 1913.

Name.	Number days worked.	Earnings.	Average per day.
Jocke Krapin	18	$100.49	$5.68
Joe Tafo	22	125.08	5.69
John Cacic	5	22.42	4.48
Tony Sidoe	12	33.23	2.77
Nickola Cacic	5	24.57	4.91
Joe Chrisciel	24	74.64	3.11
Harris Zammakis	15	45.55	3.04
Matt Pusick	17	68.14	4.01
Alex Trazak	23	88.72	3.86
Jake Lenich	17	82.73	4.87
Dan Knesvich	22	79.98	3.64
Vicente Garica	2	4.78	2.39
Mike Kross	3	13.69	4.56
Joe Martinette	20	65.34	3.27
Santo Dukich	18	60.89	3.38
Sam Burzio	21	114.73	5.46
Joe Werbec	23	110.31	4.80
Joe Marceli	18	79.58	4.42

Pay roll of Bowen mine of the Victor-American Fuel Co., etc.—Contd.

Name.	Number days worked.	Earnings.	Average per day.
John Marcheli	24	$118.21	$4.93
John Yates	4	20.71	5.18
Rhode Spies	19	76.18	4.01
Frank Sepich	7	34.61	4.94
J. M. Robertson	1	1.92	1.92
Nick Garlakis	8	24.42	3.05
Gio. Giocomeji	23	82.29	3.58
Frank Bele	5	24.15	4.83
John Kencrass	22	110.72	5.03
Joe Cordero	24	114.70	4.78
Tony Giordo	17	83.80	4.93
Jim Chiantoretto	19	78.87	4.15
Victor Frlau	9	31.85	3.54
Nick Poramokis	14	64.57	4.61
Matt Marinas	20	111.27	5.56
Frank Furak	15	50.21	3.35
Joe Chriseiel	24	91.93	3.83
Alois Chriseiel	21	71.83	3.42
John Giavano	8	27.62	3.45
Dan Perrman	8	23.16	2.89
Geo. Galinis	20	87.62	4.38
Joe Lucie	23	98.57	4.28
Joe Francisco	21	90.31	4.30
Johan Sincic	23	181.22	7.88
Geo. Kezele	20	96.46	4.82
Fred Kezele	2	9.73	4.87
Matt Lucie	24	113.36	4.72
Anton Sincic	22	88.23	4.01
Joe Valencich	20	82.01	4.10
Andy Marecgas	10	34.59	3.46
Jake Worrona	11	41.58	3.78
Nick Spehar	10	40.09	4.01
D. Piotn	13	61.32	4.62
Martin Kvlog	3	6.65	2.22
Ben Freeman	22	59.02	2.68
John Patterson	1	1.88	1.88
Jake Valencich	22	108.76	4.94
Matt Marchelli	12	48.74	4.06
Anton Marinas	21	109.17	5.20
Joe Kezele	10	43.45	4.35
Joe Marcheli	24	128.25	5.34
Tony Marcshelli	23	180.18	7.83
Dominic Onchino	20	82.66	4.13
Dodor Thomas	1	2.97	2.97
John Rusick	24	101.13	4.21
John Sirola	10	35.14	3.51
Jim Rusick	20	77.98	3.90
John Poma	19	65.05	3.42
T. B. McGregor	9	26.51	2.95
Tony Valencich	23	93.22	4.05
Anton Yardas	22	111.60	5.07
Gus Fillis	16	104.31	6.52
Martin Horatis	5	25.32	5.06
John Garich	20	103.43	5.17
Dan Petrik	13	32.39	2.49
K. Broyles	15	64.95	4.33
Jim Vaughn	13	48.85	3.76
Joe Gregor	23	116.16	5.05
Joe Braggs	8	29.54	3.69
Anton Gregor	24	103.12	4.30
Joe Kubica	13	38.06	2.93
Joe Jarosch	22	85.86	3.90
Louis Trosien	5	18.19	3.64
James Wallace	4	13.80	3.45
Frank Ravinaker	23	110.27	4.79
Henry Wodziek	13	51.54	3.96
JohknFrlau	22	94.93	4.32
Frank Pudelik	24	86.25	3.59
John Apostalakas	8	25.57	3.20
John Rubica	20	58.90	2.95
John Dubovic	23	92.94	4.04
John Maczka	13	56.04	4.31
John Szweka	21	100.38	4.78
Frank Munoz	16	60.12	3.76
Rudolph Colbar	6	24.43	4.07
Dominico Casperdino	24	107.53	4.48
Rade Marich	6	34.00	5.67
Tom Buly	10	29.04	2.90
Nick Buly	10	28.11	2.81
Eman Sovily	9	34.70	3.86
Mike Sovily	10	33.66	3.37
Nick Nokovich	11	39.49	3.59
Rudy Franac	7	25.30	3.61
John Marinas	11	60.22	5.47
John Apostalakis	7	28.94	4.13
Mackis Rorokis	6	20.35	3.39
Joe Bozovich	3	10.28	3.43
Andy Marcelli	2	5.44	2.72
Louis Armijo	2	6.32	3.16
John Tekovic	7	19.74	2.82
John Rejic	7	18.59	2.66
Nick Puzik	8	32.12	4.02
Mike Zogic	9	27.55	3.06
Isaac Duran	3	9.35	3.12
Jake Worona	13	49.00	3.77
J. B. Henry	3	8.25	2.75

It will be observed that 43 men upon this pay roll, who worked 20 days or over, averaged $4.53 per day and $100.48 for the month; 30 men, working 20 days or more, averaged $4.98 per day and $109.95 for the month; 25 men, working 20 days or more, averaged $5.04 per day and $112.42 for the month; 20 men, working 20 days or more, averaged $5.25 per day and $118.95 for the month. The average daily wage for all miners employed was $4.27. The maximum workday was eight hours, and many of the men worked less than eight.

The figures set forth in the foregoing pay rolls represent the total amount earned by the miners, and from such earnings there is uniformly deducted $1 per month for physicians' services and hospital privileges for each man and his family and 50 cents for sharpening tools, and so forth.

Aside from satisfactory wage conditions, the Colorado miner worked never to exceed eight hours per day, and as much less as he saw fit. He was paid in cash twice each month; he was privileged to trade at the company's store, if such existed, or elsewhere, if he preferred. All these assertions are of course denied by the labor leaders, but they are nevertheless true, and will not be controverted by anyone having a proper regard for facts.

Notwithstanding the general satisfaction and contentment which prevailed, a mock convention of miners was called by the strike leaders and a strike was declared. Adolph Germer, a Socialist leader, knowing in advance full well what the result of this pretended convention would be, and several days before the strike was called, purchased firearms in the city of Pueblo and sent them into the mining districts to be distributed among his uneducated followers, and immediately after the call was issued a reign of intimidation, violence, murder, arson, riot, and general lawlessness commenced.

The leaders of the strike have always asserted with the utmost assurance that when the strike was called more than 12,000 men responded and that at least 95 per cent of the men employed in coal mines of the State went on strike. I desire to call attention to the following tabulation of figures taken from the reports in the office of the State coal-mine inspector of Colorado:

COAL MINES OF COLORADO—DATA TAKEN FROM REPORTS OF STATE COAL-MINE INSPECTOR.

Average number of men employed since Aug. 1, 1913, compared with corresponding months of previous year, and percentage of corresponding months of previous year.

Months.	Men.	Months.	Men.	Per cent of corresponding month, previous year.
Aug., 1913	12,059	Aug., 1912	12,196	99
Sept., 1913	12,346	Sept., 1912	12,059	102
Oct., 1913	7,696	Oct., 1912	13,893	55
Nov., 1913	8,016	Nov., 1912	14,354	56
Dec., 1913	9,665	Dec., 1912	15,244	63
Jan., 1914	10,375	Jan., 1913	14,684	71
Feb., 1914	10,026	Feb., 1913	14,153	71
Mar., 1914	10,146	Mar., 1913	12,802	79

Tonnage of coal produced since Aug. 1, 1913, compared with corresponding months of previous year, and loss and gain in tons compared with previous year, and percentage of corresponding months of previous year.

Months.	Tons.	Months.	Tons.	Loss.	Gain.	Per cent of corresponding month, previous year.
				Tons.	*Tons.*	
Aug., 1913	859,047	Aug., 1912	801,933	.....	57,114	107
Sept., 1913	764,873	Sept., 1912	855,753	92,880	.....	89
Oct., 1913	545,155	Oct., 1912	979,644	434,489	.....	56
Nov., 1913	536,698	Nov., 1912	1,042,689	505,991	.....	51
Dec., 1913	604,357	Dec., 1912	1,129,261	524,904	.....	54
Jan., 1914	726,115	Jan., 1913	1,107,005	380,890	.....	66
Feb., 1914	620,458	Feb., 1913	879,577	259,119	.....	71
Mar., 1914	626,865	Mar., 1913	768,264	141,399	.....	82

It appears from these official figures that in September, 1913, there were employed in the coal mines of the State 12,346 men; the strike was called September 23, 1913. During the month of October there were employed 7,696 men, or just 4,650 less than the preceding month. In other words, the maximum number of men who went on strike was 4,650. Between the months of October and December, 1913, 1,969 men returned to work, so that in December the men employed aggregated 9,665. I say 1,969 men returned to work, because during that period the coal companies had brought no so-called strike breakers to their properties.

The tabulation further shows that if 4,650 was the maximum number of men who went on strike and 1,969 of these returned to work during the two months following the call, there remained at the end of December of the men who originally struck only 2,681.

The interesting fact also appears that in March, 1914, there were engaged in and about the coal mines 79 per cent of the number of men employed during March, 1913, and that these men produced 82 per cent of the total tonnage for March, 1913. In other words, the men now employed in the coal mines have a greater efficiency per man than those at work a year ago. This seems to be a conclusive answer to the oft-repeated assertion that the men now at work are less efficient coal miners than those employed heretofore.

Mr. Speaker, the Colorado coal strike was not inaugurated by the men actually at work in the mines, nor because of the existence of any conditions which might afford just ground for dissatisfaction among them. Coal mining is universally recognized as a hazardous and dangerous business, especially in a district where the dry atmosphere is more conducive to the creation of dust and roof conditions to falls than in many other localities. But general conditions in the mines in Colorado were exceptionally favorable to the miners when this calamity was thrust upon our State. The mine owner is neither a brute nor a fool; he will not knowingly subject his property to destruction nor his men to unnecessary danger. Selfish interests alone dictate a contrary policy. Aside from this, I may say that I am personally acquainted with many of the operators of my State, and I know them to be honorable and humane men, who entertain a keen solicitude for the welfare of their employees. They have done, and are doing, much looking to the health and well-being of their men and the safety of their properties. That the miners knew and appreciated this is evidenced by the tenacity with which more than 10,000 continue to work in the face of intimidation, violence, and personal danger to themselves and their families. In addition to that, fair treatment and proper conditions are made compulsory under new mining laws and the initiative, referendum, and recall.

It was the agitator, not the miner, who complained and who has wrought all this havoc. And for what—simply and solely to compel the operators to recognize the United Mine Workers of America. And what does this mean? It means that the owner of every coal mine in the State must enter into a written contract with this organization, and thereby agree, in effect, to employ only members of that union, and to deduct from the pay roll of every such member all union dues, fines, and assessments for which the member may be indebted, and then remit this sum to union headquarters. To be more specific, these agitators and leaders, the representatives of not to exceed 2,000 striking men, say to the mine owners of my State, "You must discharge every one of your 10,000 loyal and satisfied workmen unless they join the United Mine Workers of America, and if they join, you must deduct from their pay roll such amounts as we may hereafter see fit to assess against them, and send it to the union treasury to use as we see fit."

It has already been charged that the United Mine Workers of America is a criminal conspiracy under the Sherman Antitrust Act. Its officers and many of its leading members are at this moment under indictment in the courts of several States. In 1912 the Socialist element in its ranks secured control of the organization, and its constitution was amended so as to proclaim that its members are entitled to absolutely all the profit derived from the business in which they are engaged to the exclusion of the man—the parasite, as he is termed—who has invested his capital in a presumably legitimate business. But if these things were not so, the demand for this so-called check off, the insistence of these leaders that an employer shall and must arbitrarily deduct from the pay roll of every employee, whether such employee desires it or not, an amount to be determined by others is so un-American and, in my opinion, so unlawful as to compel all fair-minded men to condemn any orgazination, be it a labor union or otherwise, which insists upon such a practice as one of the cornerstones of its structure. There is no other labor organization in the world which depends upon this iniquitous practice for its existence. The check off can be defended upon no possible theory.

The necessity for the maintenance of the open shop, for which the mine owners of Colorado are fighting, involves a principle far from local in its character. If this country is to endure, at least in its present form, the constitutional right of every man to work for whom, when, and upon such terms as he sees fit must be preserved, and the employers of labor in Colorado who are standing for this principle deserve, instead of denunciation, the encouragement and support of every patriotic citizen. It will be a sad day for our country when men decline to fight to a finish for a principle.

Several weeks ago at a time when the emissaries of the United Mine Workers of America were trying to make it appear that Mr. John D. Rockefeller, jr., was responsible for and had the power to terminate the Colorado coal strike, the distinguished chairman of the investigating committee of this House telegraphed Mr. Rockefeller that Mr. Green, secretary-treasurer of the United Mine Workers of America, had made public a statement announcing that the demand for recognition of the union would be waived, and it was suggested to Mr. Rockefeller, in view of this circumstance, that negotiations be entered into looking to a settlement. Mr. Green was immediately called upon by the miners of Illinois, then in convention at Peoria, to explain what he meant by making such a statement. He answered by denying that such an announcement had ever been made by him, and asserted that under no circumstances would union recognition be waived in Colorado. More recently, on June 6, John R. Lawson, in charge of the strike, with headquarters at Denver, reiterated the oft-repeated "No peace without recognition of the union."

Union recognition is now, as it has always been, the only issue, and upon this issue, with all it implies, there should be no such thing as compromise with any union, much less with the United Mine Workers of America as at present constituted and controlled. In this connection I desire to read the reply of the Colorado operators to the suggestion of the chairman of the investigating committee:

DENVER, COLO., *April 30, 1914.*

Hon. M. D. FOSTER,
House of Representatives, Washington, D. C.:

Answering your telegram of last night addressed to Mr. John D. Rockefeller, jr., and referred to Colorado coal-mine owners for reply. When on April 16 the governor withdrew all except a small detachment of militia from the field, law, order, and quiet prevailed in this State. There were employed by the operators of coal mines more than 10,000 apparently contented men. On the morning of April 20 the striking miners in the Ludlow tent colony, 2 miles from the nearest coal mine, placed their women and children in which they considered places of safety and made an armed attack upon the militia encamped near by. The fight continued throughout the day and several men were killed. During the battle the tent colony was destroyed by fire. Next day the bodies of 2 women and 11 children were discovered in a hole under a tent where the strikers had placed them when the attack upon the soldiers was begun. They had all been suffocated. None of these children and no woman was killed by rifle fire, nor did the soldiers know or have any reason to suspect the presence of noncombatants where the strikers had concealed them.

On April 23, Lawson, international board member United Mine Workers of America and the leader of the strikers, in an interview published throughout the State asserted that a war of extermination would thenceforth be conducted by the strikers, and Doyle, secretary of the United Mine Workers of America, by wire instructed the officials of local unions to watch for the approach of the militia, which had been again ordered back into the field. The meaning and purpose of such language was obvious.

Since that time the strikers, in armed bands varying in number from 50 to 400, have attacked the town of Delagua from the hills and killed three men. They have dynamited and burned the buildings and equipment of the Empire, Southwestern, and Green Canyon mines at Aguilar. They have driven men, women, and children into the Empire mine and sealed the entrance with explosives. After the declaration of a truce agreed to between the governor and Hawkins, attorney for the United Mine Workers of America, they drove the postmaster and others away from the Sunnyside mine and took possession of it, as well as the Pictou mine. They dynamited the tipple at the McLaughlin mine and fired many shots into the buildings at Maitland. They forcibly entered the store building at Rockvale and carried away guns and ammunition. They attacked the buildings and dwelling houses at the Chandler mine and kept up a merciless fire from the hills for nearly 40 hours, killed one man, and finally took possession of the camp by slipping in a number of men under a white flag. They have burned, dynamited, and completely destroyed the McNally mine in Huerfano County, kept up an almost continuous fire from entrenchments for 50 hours upon the Walsen mine, wounded one woman, killed and wounded four men, and killed a surgeon wearing Red Cross insignia while attending wounded soldier on field. They viciously attacked the Hecla mine in Boulder County, killed one and wounded three men, and drove all employees and their families to cover for many hours. They attacked the Forbes mine in Las Animas County with a force of 400 armed men, killed 7 miners, including 4 Japanese, and burned everything in sight, including a stable and 33 mules

In the prosecution of their campaign of extermination, the foregoing are some of the things these men have done during the past few days with the tacit consent, active cooperation, and under the personal direction and control of officers and paid agents of the United Mine Workers of America.

As before stated, the coal-mine operators of this State now have in their employ about 10,000 men who are satisfied with the conditions of their employment. We promised these men protection from personal violence when the strike was called, and they have stood loyally by their employers under most trying circumstances, disregarding the dangers and privations incident to the recent armed attacks of the strikers upon them and their homes. With these men we will always treat concerning matters affecting their welfare. But we can not enter into negotiations of any character with the officers and agents of the United Mine Workers of America, who alone are responsible for the terrible reign of disorder and bloodshed which has disgraced this State. Instead of it being our duty so to do, we conceive it rather to be the duty of the officials of the United Mine Workers of America, who called the strike, to now call it off. They can do so if they see fit, and by so doing they will, within an hour, in a great measure, restore industrial peace and prosperity to this State.

In no event will the American people, when fully advised, long permit 1,200 or 1,500 armed strikers to continue their unlawful efforts to prevent 10,000 law-abiding and industrious men from working for whom, when, and upon such terms as they see fit.

The Colorado Fuel & Iron Co., by J. F. Welborn, president; the Rocky Mountain Fuel Co., by David W. Brown, president; the Victor-American Fuel Co., by G. F. Bartlett, jr., vice president; the Oakdale Coal Co., by William B. Lewis, president; the South Canon Coal Co., by Harry F. Nash, general manager; the Primrose Coal Co., by H. B. King, president; the Rugby Fuel Co., by George D. Kimball, general manager; the Huerfano Coal Co., by S. S. Murphy, president; Fruth & Autrey; the Consolidated Coal & Coke Co., by C. L. Baum; the Routt County Fuel Co., by E. L. Prentiss, president; the Yampa Valley Coal Co., by P. M. Peltier, president; Hayden Bros. (Juniper Mine), by Lewis A. Hayden; the Empire Coal Mining Co., by Marthens & Siple; the Southwestern Fuel Co., by J. W. Siple, president; National Fuel Co., by H. Van Mater, president; the Royal Fuel Co., by H. Van Water, president; the Union Coal & Coke Co., by J. V. Bowen, president; Moffat Coal Co., by S. M. Perry, president; Leyden Coal Co., by S. M. Perry, president.

Mr. Speaker, it may seem a new rôle for me to appear as the defender of corporations. Much of my life has been devoted to what I have believed to be just criticism of many corporate abuses. But there are times when a position assumed by even corporate interests is correct. The position of these Colorado operators is correct. It deserves and shall receive my approbation and support. I know the men who say, "We can not enter into negotiations of any character with the officers and agents of the United Mine Workers of America, who alone are responsible for the terrible reign of disorder and bloodshed which has disgraced this State." These men mean what they say. There will be neither negotiation nor compromise. I agree with them as they proceed, "instead of it being our duty to do so, we conceive it rather to be the duty of the officials of the United Mine Workers of America, who called the strike, to call it off; they can do so if they see fit, and by so doing they will, within an hour, in a great measure, restore industrial peace and prosperity to this State." But this they have neither the courage nor disposition to do.

There is but a single effective remedy—let maudlin sympathy for those who stand in open rebellion against constituted authority be banished. Let all good citizens encourage and assist the officers of the law in faithfully and rigorously executing the statutes and constitutional provisions of the State of Colorado and of the United States. In this way, and in this way only, under existing conditions, can the rights of all parties be restored and preserved and the dignity of a great State and the greatest country on earth be maintained.

Enterprise of Los Angeles in Developing a Great Harbor.

EXTENSION OF REMARKS
OF
HON. CHARLES F. CURRY,
OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 16, 1914.

Mr. CURRY. Mr. Speaker, under the leave granted me to extend my remarks in the RECORD, I include an address delivered by my colleague, Hon. JOSEPH R. KNOWLAND, on April 11, 1914, at the Los Angeles Harbor celebration. Congressman KNOWLAND's address follows:

ENTERPRISE OF LOS ANGELES IN DEVELOPING A GREAT HARBOR—REVIEW OF WHAT CONGRESS HAS DONE TO ENCOURAGE WATER TRANSPORTATION.

An event such as we witness to-day more than compensates for a 3,000-mile trip across the continent. The formal opening of this magnificent harbor, which will afford more than 100 miles of water front when fully developed, is an occasion of more than ordinary importance. I am glad to note that the Board of Engineers for Rivers and Harbors at Washington appreciate the importance of this harbor by approving the plan for a channel 1,000 feet in width to meet the increasing needs of commerce. I have no doubt but that Congress will provide the money.

As in the past, I shall assist Los Angeles Harbor in every way possible when the request for the appropriation comes before Congress.

ENTERPRISE OF LOS ANGELES.

In an address which I delivered before the tenth annual convention of the National Rivers and Harbors Congress, which convened in Washington in December, I said, in referring to Los Angeles Harbor, that if there was an individual in that vast assemblage who hailed from a locality which nature had provided with harbor facilities, but where there was no inclination to develop and improve what nature had placed at its doors, that I would direct that individual's attention to this wonderfully enterprising community.

I then cited how the city of Los Angeles, finding itself 20 miles from the ocean and realizing the difficulties to be encountered in bringing the Pacific to its doors, but fully appreciating the importance of a deep-water terminal, did the next best thing, extended its boundaries to the ocean, and then bonded itself for harbor improvements.

SUPPORTED OWENS RIVER PROJECT.

But this community has always had the nerve to tackle big things. I remember a few years ago when Senator Flint and your other southern California Representatives came before Congress with a mighty scheme to bring water to this community from the Owens River that many Members of Congress fairly gasped at the audacity of the plan, but as usual we complied with your wishes, and that great project, which to some of our eastern friends appeared somewhat visionary, is now an actuality, just as Los Angeles Harbor is to-day. Your enterprise is almost beyond the comprehension of many of our eastern friends.

ADVANTAGES OF MUNICIPAL CONTROL.

Experience has demonstrated the advantages of State or municipal control of harbor facilities as contrasted with that of corporations or individuals. The administration as well as ownership of terminals in every locality should be in the hands of the people so as to accord to the smallest shipper the same advantages and facilities which heretofore, in too many instances, have been enjoyed exclusively by favored corporations and large shippers. In California to-day there are few harbors which the people do not control, but in many localities it has been a long and hard struggle.

CONGRESS HAS ENCOURAGED WATER TRANSPORTATION.

It should be gratifying to the people of the country to know that the Congress of the United States, in so far as it exercises jurisdiction, has enacted legislation aimed to provide for the fullest utilization by all the people of the vast rivers and harbors of the country, for the improvement of which the Government has expended over $700,000,000, exacting no toll, but attempting to encourage commerce between the States. Congress has endeavored to prevent the throttling of these watercourses, the great highways of the people, over which exclusive franchises and rights of way can not be granted.

KNOWLAND AMENDMENT TO PROTECT SHIPPERS.

Let us briefly review some of the national legislation of such tremendous importance to this harbor and to every waterway in the country. Prior to 1910 there were many instances where railroads would temporarily lower rates, where water competition was encountered, and when the water carrier, in many instances working with limited capital, was driven to the wall, then the railroads would raise the rail rates. It was my privilege to offer an amendment upon the floor of the House providing that when a railroad in competition with a water route reduced its rates for the purpose of driving out the water competition it could not again raise the rate unless it could show to the Interstate Commerce Commission some cause other than the elimination of the water competition. This amendment was adopted and is now a part of the interstate commerce act.

RAILROAD-OWNED SHIPS NOT TO COMPETE WITH RAIL LINES.

This amendment was important, but it was not believed that it was far-reaching enough to meet conditions which it was feared would exist with the opening of the Panama Canal. For this reason there was written into the canal act a provision prohibiting railroads from operating ships through the canal in competition with their rail lines. This inhibition was believed to be in line with sound public policy, preventing railroads from practically paralleling their rail lines. The provision does not prevent railroads from operating steamships through the canal when engaged in foreign trade, but only when they compete with their rail lines for transcontinental traffic, which should not be permitted if the canal is to prove of real value as a regulator of freight rates.

TRUST-CONTROLLED SHIPS BARRED FROM CANAL.

Ships engaged in the coastwise or foreign trade are prohibited, under the canal act, from operating through the canal, if such ships are owned or controlled by persons or companies violating the Sherman antitrust law. Powers were also conferred upon the Interstate Commerce Commission enabling that body to establish physical connections between railroads and the docks of water carriers. The commission was also empowered to establish through routes and maximum joint rates between rail and water lines; to establish maximum proportional rates by rail

to and from the ports to which traffic is brought or from which it is taken by the water carrier. If interstate railroads enter into arrangements with water carriers operating from a port in the United States to a foreign country, through the Panama Canal or otherwise, for the handling of through business between interior points of the United States and such foreign country, the Interstate Commerce Commission may require such railroad to enter into similar arrangements with any other steamship line.

FEDERAL GOVERNMENT GENEROUS TOWARD CALIFORNIA.

The people of California are fully alive to the impetus which will be given water transportation with the opening of the Panama Canal. The improvement of our waterways means much in the development of this State. The Federal Government has been generous with California in the way of appropriations. We have a coast line 1,555 miles in length. In order to impress upon Congress the vast extent of our coast line, I exhibited upon the floor of the House last month, when the river and harbor bill was being considered, a large map of the United States, and on the Atlantic side I marked a coast line corresponding in length and degrees of latitude with that of California. This line extended from Beverly, Mass., to Charleston, S. C. Within this area were 10 States or parts of States. I think I proved that California was asking for no more than she was entitled to receive.

WONDERFUL FUTURE OF CALIFORNIA.

Our State has a wonderful future. Her resources are as yet undeveloped. The mighty Pacific, which washes our shores, offers possibilities almost beyond our comprehension. To the west are Hawaii, the Philippines, and the Orient. To the north that great storehouse of treasure—Alaska—which Congress has recently decreed shall be opened up by the construction of railroads and the vast resources of that Territory made available to the people. To the south that mighty artificial waterway, the dream of centuries, made a reality by American pluck and genius, and which, at any cost, must remain forever under American control. California to-day is indeed the land of opportunity, and when opportunity knocks Los Angeles is always the first to open her doors.

Is the Navy Department Controlled by the Steel Trust?

REMARKS

OF

HON. WILLIAM J. CARY,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, June 13, 1914,

On the bill (H. R. 17041) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes.

Mr. CARY. Mr. Chairman, I asked for this time simply to say that I am heartily in favor of the proposition contained in the amendment offered by the gentleman from Illinois [Mr. TAVENNER]. I am in favor not alone for the Government manufacture of ammunition but for armor plate as well. I introduced a resolution some time ago asking that something be done for the witnesses that come to the front and tell how the Armor Trust had beaten this Government out of millions of dollars. I sincerely hope that some day that resolution may pass, and we will find out how much money has been taken from the Government by the Armor Plate Trust.

Mr. Chairman, on the 5th of last month the distinguished gentleman from Kansas [Mr. MURDOCK] made the following important statement on the floor of this House, and it is significant that the Members of the House, of all political parties, who were present and heard his speech most heartily applauded the justly severe criticism which the gentleman from Kansas made against Attorney General McReynolds on that occasion.

He said:

Now, here is a question that I would like to ask in all seriousness: The Secretary of the Navy sits at the same counsel table with the Attorney General of the United States. Here is a straight-out violation of the law; here is a combination in restraint of trade; here is a monopoly; here is a witness of high integrity, of entire credibility, who testified that this is a monopoly; here is a great Government which is the victim of that monopoly. What is the matter with the Attorney General of the United States? [Applause.] Why does he sit silent and permit this Government to suffer this wrong? Why does he not get busy? I ask the question in a humble spirit of inquiry. I will get no answer from any source. [Applause.]

Why does the Secretary of the Navy submit to having the United States Government held up and robbed of millions of dollars by the Armor Trust every year when he has it in his power to take steps to put a stop to it at once? Everyone knows—and no one knows better than the Secretary of the Navy himself—that if he were to write one short letter to Congress asking for the passage of the bill to protect witnesses and pay rewards for convicting evidence of the frauds and robberies perpetrated on the Government by the Armor Trust which I introduced on August 22, 1913, that Congress would pass the bill at once, and the evidence would be produced and the robbery of the Government by the Armor Trust would be stopped for all future time, and millions of dollars of the money already stolen would be recovered from Carnegie and his Armor Trust crew and put back into the Public Treasury. The witness bill provides as follows:

A bill (H. R. 7601) authorizing the Navy Department to offer and pay rewards for the detection of violations of the antitrust act of July 2, 1890.

Be it enacted, etc., That the Secretary of the Navy of the United States be, and he is hereby, authorized and directed to offer and pay rewards to the person or persons who shall first furnish to the Government of the United States information which shall lead to the detection of violations of the antitrust act of July 2, 1890, in cases where such violations shall injuriously affect the Navy Department or any business connected with the national defense, or in cases where the Government has been defrauded in the character, quality, or price of the material furnished and where, as a result of information or evidence so furnished, the Government succeeds in recovering money or property as fines, forfeitures, or otherwise the reward shall be 20 per cent of the amount so recovered.

Now, Mr. Chairman, the gentleman from Kansas got no answer to the question which he asked on May 5, and there is no doubt but what the Attorney General and the Secretary of the Navy will be equally agile in dodging the question I am putting to them to-day.

Mr. Chairman, these great heads of executive departments may succeed in dodging the question put to them by single Members of the House, but, Mr. Chairman, there is one question they can not dodge or evade or refuse to answer, and that is a question put by the whole House in the form of a resolution of inquiry, and such a resolution I now offer to this House in the following:

House resolution 544.

Whereas the Hon. Josephus Daniels, Secretary of the Navy, has stated in testimony before the Committee on Naval Affairs of the House and in an official letter to the Senate that there exists a combination and conspiracy of armor manufacturers who are "holding up" the Government of the United States and forcing the Navy Department by a monopoly combination to pay extortionate prices which amount to a robbery of the Government of several million dollars each year: Therefore be it

Resolved, That the Secretary of the Navy is hereby requested to inform this House what steps, if any, he has taken to have his colleague, the Attorney General, take action for the prosecution of this monopoly combine of armor manufacturers;

Resolved further, That the Attorney General is hereby requested to inform this House what steps he has taken to prosecute civilly and criminally this armor trust above mentioned.

And I insist that the extreme gravity and urgency of the question, involving as it does the effectiveness of our whole Naval Establishment, and the question of the safety of the Nation itself warrants and demands immediate action on the part of the patriotic Members of the House.

Mr. Chairman, certain notorious Wall Street newspaper apologists for the Armor Trust and the Army and Navy ring, notably the New York Herald and the Milwaukee Sentinel, have wept and complained bitterly because in my resolution of May 7, 1914, I did not incorporate names of offending officers and full detailed proofs. They also attempt falsely to put upon me the blame for the refusal of the Committee on Rules to report my resolution to investigate these scandals.

I would call the attention of the New York Herald and Milwaukee Sentinel to the fact that it is not my fault but the fault of the Committee on Rules of the House that the resolution to appoint a committee to investigate has not been reported.

As for the names of officers, they will be produced under oath and in documentary evidence whenever the investigating committee is appointed.

Furthermore, the gentleman from Illinois [Mr. TAVENNER] has to-day in his speech on the floor of this House named one of the ordnance officers, with specifications. Now let the New York Herald and Milwaukee Sentinel rush to his defense and to the defense of those members of the Committee on Rules and of the Committee on Naval Affairs who have thus far failed or refused to report to this House either my resolution for the appointment of a special committee to investigate the armor frauds and other scandals of the Navy Department or my bill of August 22, 1913, for the protection of witnesses and payment

of rewards for convicting evidence against the great criminals of the Armor Trust.

Allow me to refresh the memory of all parties in interest by incorporating the resolution, which is as follows:

House resolution 506.

Whereas certain Chiefs of the Bureau of Ordnance have made misleading reports to their superiors and to Congress; and

Whereas Chiefs of Ordnance have attempted to deceive Congress on the effect of high explosives; and

Whereas our Navy and coast defenses are being constructed as recommended by officers who are disloyal to their official oath; and

Whereas the Armor Trust is being favored by said misleading reports: Therefore be it

Resolved, That the Speaker of the House of Representatives is hereby authorized and directed to appoint a committee of nine Members of the House, of which number five shall be of the majority and four of the minority. Said committee is hereby directed to make an investigation of the subject matter embraced, misleading Congress by false reports. Said committee is also directed to investigate if there has been a conspiracy between the United States officers and the armor manufacturers or other persons in defrauding the country or the Government.

Said committee is authorized to sit during sessions of Congress and recess of Congress, to compel the attendance of witnesses, to employ such clerical and other assistance as may be necessary, and to administer oaths to witnesses. The cost and expenses of said committee shall be paid from the contingent fund of the House of Representatives. Said expenses shall be paid out on the audit and order of the chairman or acting chairman of said committee.

Mr. Chairman, in my speech of March 3, 1913, and which appeared in the RECORD March 15, I have asked Congress to investigate the Armor Trust; and the question is "Is the Navy Department controlled by the Steel Trust"?

The documentary evidence to which I referred in my speech rendered conclusive proof that our country, in fact, that the Government, has been deceived by their Chiefs of Ordnance, as they made false reports manifestly intended to mislead Congress and to favor the Steel Trust.

When the Democrats in Congress were in the minority, many Members asked for an investigation of the armor conspiracy, but now that they have the power to order a complete investigation they seem to shelter the conspirators, therefore the country is forced to the conclusion that those Democrats who control the organization are insincere.

Now, if as is everywhere constantly reiterated in the public press, the Democratic majority of the House is under the orders of President Wilson and can not act except as he directs them, I give notice to the Chief Executive in the White House to act, to preserve, protect, and defend the Constitution and the rights of the people of the United States.

Mr. Chairman, the country demands that Congress go to the bottom of this affair and use drastic measures, as the conspirators are so powerful that they defy the law. Remember, Washington said:

No punishment, in my opinion, is too great for the man who builds his greatness upon his country's ruin.

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. MOSES P. KINKAID,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 12, 1914.

Mr. KINKAID of Nebraska. Mr. Speaker, the die is cast for a result which will be un-American and which the most cogent reasoning would be powerless to prevent. In the brief remarks I shall make, my purpose will be to state my reasons for the two votes I shall to-day express and to show that I will have been steadfast and consistent throughout in the three times, since in the year of 1912, the question of tolls exemption has been before the House.

Mr. Speaker, to repeal because of the belief that the exemption from tolls is equivalent to paying a ship subsidy express and direct I should regard as a statesmanlike act, but to repeal for the professed reason that exemption from tolls constitutes a violation of the Hay-Pauncefote treaty, but regardless of whether this be right or wrong repeal must be had, I regard as unpatriotic legislation.

The bill has passed both Houses, but with an amendment in the Senate, and it is upon this amendment we are to vote, rather than upon the bill as amended, as I at first expected would be the case.

The Senate amendment reads:

Provided, That the passage of this act shall not be construed or held as a waiver or relinquishment of any right the United States may have under the treaty with Great Britain, ratified the 21st of February, 1902, or the treaty with the Republic of Panama, ratified February 26, 1904, or otherwise to discriminate in favor of its vessels by exempting the vessels of the United States or its citizens from the payment of tolls for passage through said canal, or as in any way waiving, impairing, or affecting any right of the United States under said treaties, or otherwise, with respect to the sovereignty over or the ownership, control, and management of said canal and the regulation of the conditions or charges of traffic through the same.

I should have unhesitatingly voted against the bill as amended in the Senate had opportunity been afforded me, just as I did vote against the bill when we could not properly amend it when first up for consideration in the House. But, I regret to say, the parliamentary status now is that the tolls-repeal bill has passed both the House and the Senate, and there is no vote now to be had in the House on the bill. That has gone beyond the point where either House can change it; but the Senate has proposed an amendment to be added to the bill, and that amendment we are called upon to vote for or against. This is the view of the best parliamentarians on the floor of the House, and substantially, if not about expressly, the language in which they have stated their views about it. Under the rules and practice the bill itself is bound to pass. The Senate amendment, while very objectionable to me, because lacking in the certainty, definiteness, and vigor which I think should characterize it, would yet limit the serious consequences of the effect of the bill passed without it. Passed without this Senate amendment, in compliance with the message of the President, obedient to which the bill was introduced, the right of the United States to ever exempt its ships or the ships of its citizens from the payment of tolls would be barred. The question of this right would be permanently determined against the United States. When the bill was first in the House I stated in my remarks that if the bill must pass it should be accompanied by an amendment constituting a solemn and positive declaration of the right of the United States at any time in the future to exempt from tolls, but it was impossible then to secure any sort of an amendment in the House.

Mr. Speaker, I shall vote first for the Moss amendment, which reads:

But it is hereby affirmatively declared that the United States has the right to exempt from payment of tolls for passage through the canal its vessels of every kind, and also those of its citizens, and the absolute sovereignty of the United States over that canal is hereby specifically and positively affirmed.

I had intended to prepare an amendment myself, also of a positive and definite character, but official attention given to the exigencies of a very deserving constituent precluded my having time to write it. Under the circumstances I shall be very glad to vote for the Moss amendment. It would be a great improvement adopted as a substitute for the Senate amendment. It gives due notice to all the world that the United States does possess the right to exempt from tolls payment, while the Senate amendment is wholly wanting in an allegation or affirmation that we do possess the right to exempt or any particular rights. The language of the Senate amendment is, "any right the United States may have," but it asserts no certain right. It is equivalent to saying if the United States has any rights it does not by the repeal waive such rights. As a pleading of a cause of action by a plaintiff in any of our courts it would not be sufficient. A plaintiff is required to declare he has a certain right and that it has been violated, or had property and it has been wrested from him, damaged, or destroyed by the defendant before a court will entertain his complaint. In this respect the proposed Moss amendment is a great improvement upon the Senate amendment, and if substituted for the latter our rights in the canal would be far better preserved. But it is clear the Moss amendment will be defeated, with the consequence that I shall vote not for the bill as amended, but for the Senate amendment, standing singly and alone, for the bill passed without the Senate amendment would be ruinous to the cause of the United States; but passed with it our right to yet have our day in court on the question will be preserved negatively, but to less advantage than if it had affirmed the rights of our country to the extent of the Moss amendment. It being inevitable that the bill will pass, I deem it my duty to vote to limit its effect as far as it may be possible, and this upon the principle that, so far as may be practicable, everything of value should be saved out of a conflagration. I am confident it was on this ground that Senators supported the Senate amendment as the best to be secured after better amendments had been voted down.

Mr. Speaker, I regard it as a great blunder that the repeal is to be made, though limited by the Senate amendment, and that it would have yet been a mistake to have passed the repeal even with a far better amendment than the Senate amendment. When our rights are assailed why should we place ourselves to the greatest possible tactical disadvantage? Why precipitately hand over or surrender all that another nation claims and

more too? This is too much like one in the possession of his own personal property, when some third person puts up a claim to it of an indefinite character, voluntarily turning its possession over to the claimant and then going into court with a replevin suit to recover it back. We have possession of our own canal, ready to pass our ships through free with all of the legal presumptions incident in our favor. It is no time for us to surrender these advantages; the time would be unpropitious to repeal with even good economic reasons existing therefor with our rights thus challenged. Standing firm in our right to exempt regardless of the economic benefit or disadvantage to do so, the laboring oar would be upon the foreign country denying our right, and this is as it should be. This is a general principal and rule of jurisprudence throughout the civilized world, especially with English-speaking people. Why be so prodigal of our rights and advantages by committing the folly of passing the repeal, thus yielding all the advantages claimed by Great Britain or other nations? By so doing the consequence is that we exchange places with Great Britain. We relieve her of the burden of plying the laboring oar by needlessly taking it upon ourselves. It will be now for the United States to take the initiative in having the extent of its rights determined, and this will be a remarkable and anomalous dilemma brought about by itself. Instead of repeal putting the question to rest it is bound to become more acute and its seriousness greatly augmented.

Mr. Speaker, I made my position clear in the remarks I made when the bill was first before the House. I voted against this very exemption clause now sought to be repealed when it was offered by amendment by the gentleman from Michigan [Mr. DOREMUS], but our side was outvoted. Very consistently I would have voted for the repeal when this repeal bill first came up had it hinged only upon the economic question—whether ship subsidy would be desirable—but the express purpose of the repeal, as conclusively shown by the message of the President, is to grant or surrender every right of the United States brought in question by foreign countries, and even more. Near the close of my remarks I stated "I do not seek to preserve subsidy, but to maintain economic and legislative liberty." Such is my position now.

Mr. Speaker, are we making history? Yes; but the regrettable chapter will have been written with the enactment of this repeal bill. There then will remain to be written, and it surely will be written before many years, the concluding chapter on tolls exemption, which I am sure will vindicate our rights and restore our Nation's honor.

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. WILLIAM E. WILLIAMS,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 12, 1914.

Mr. WILLIAMS. Mr. Speaker, I for one heartily concur in the conference report and in the action of the Senate in attaching to the bill repealing the tolls provision of the Panama Canal act the limitation reserving whatever rights we now have under the Hay-Pauncefote treaty. I voted against the rule adopted in the House which prevented amendments, because I felt then as I do now that there should be a saving clause attached to the bill reserving whatever rights we have under the treaty. I feared then that an unconditional repeal of the tolls provision, in the light of the President's message, assigning the special reason that it was in violation of the Hay-Pauncefote treaty, would amount to a construction on our part of the treaty and operate as a waiver or an estoppel of our right to insist in the future upon a provision exempting any portion or class of American ships from the payment of tolls. I do not know that we will ever want to discriminate in favor of any or all of American shipping, but I favor reserving and not waiving the right to do so in the event we should ever see fit to exercise that right.

After the bill passed the House, and while the same was under consideration in the Senate, I received a letter from the Hon. Samuel Alschuler, of Illinois, on the subject, which I herewith submit as a part of my remarks, and ask to have the same extended in the RECORD.

KRAUS, ALSCHULER & HOLDEN,
Chicago, May 5, 1914.

Hon. W. E. WILLIAMS, M. C.,
House of Representatives, Washington, D. C.

MY DEAR FRIEND: I have just received and carefully read copy of your speech made in the House last March 30th, on the "Panama Canal Tolls" bill, and wish to express to you my gratification therewith and my congratulations as well.

You may recall my seeing you at Washington early in the year on my way to South America. Not returning until the middle of April, and during the interim being practically out of communication with things here, I was rather surprised to note the attention being given to "Canal tolls" legislation—to my mind out of all proportion to the importance of the subject.

A few days before getting your speech I received a circular letter purporting to be sent out by "The Committee for the Preservation of American Rights in Panama Canal," 55 Liberty Street, New York, with the name of its president, Bainbridge Colby, appended.

From the fact that a copy was sent to me, I conclude it must have been given wide circulation, and that in any event you were likewise a recipient.

Upon its perusal it seemed to me so replete with fallacy and misstatement that I felt moved to make some reply; but realizing of what little consequence this would be, and feeling upon receipt of your speech that most of what I would have said had already been thereby much better and far more conspicuously and effectively put forth, I promptly suppressed the inclination.

There seems to be abroad in the land a good deal of unctuous talk about the sacredness of party platform declarations, and largely by persons whose plentiful experience in platform building ought to make it plain to them, as I know it is to me, and believe it is to you and others, that a political convention is a mighty unsuitable place for the formulation of a code of laws respecting the details of government.

The trouble is that platforms are too much loaded up with nonessentials, of the merits of which the average member of the convention knows little, and usually, when it comes to the time of adopting the platform, cares less.

We know too well how persons interested in a given proposition, by persistent persuasion and shrewd logrolling, working with other persons interested in other propositions, too often succeed in engrafting upon a party platform matters and things which should be considered only in a deliberative legislative body.

I have long ago concluded that a popular nominating convention is but illy equipped for legislative duties, and that such ephemeral bodies should not undertake the business of statute making. Their functions should be limited to the nominating of candidates and the enunciation of fundamental principles and general policies. The unwisdom of a contrary course is plainly indicated in this very "free-tolls" matter.

In the Colby letter it is asserted that at the Baltimore convention, after the platform adopted by the resolutions committee was read to the convention, the "free-tolls" paragraph was debated in the open convention. I recall no such discussion, nor, indeed, any opportunity for it; nor does the printed record of the proceedings of the convention show there was any. It is my recollection that the report of the committee was not presented until after the days of exciting contest over the presidential nomination, and that the nominating speeches for vice presidential candidates were interrupted to receive this committee's report. A fine chance would anyone then have had to secure a hearing before the convention on this or any other proposition. And one attempting it would most likely have been effectively and promptly howled down as a rank disturber of Democratic peace and harmony. But suppose it was discussed, would any discussion possible at such time and place give the members sufficient knowledge of the subject to definitely and finally dispose of it?

If it is right to exempt coastwise American ships from canal tolls, it should of course be done. If it is not right, party platforms can't make it right.

I am not going to make to you an argument on the wisdom or unwisdom of the exemption. You have made one infinitely better than I could hope to. But there are a few things that occur to me, which I may as well get out of my system while I am at it.

How we Americans, and particularly Democrats, who are presumably opposed to subsidies, can justify this almost direct granting of possibly several millions of dollars annually to certain shipping interests is quite beyond my ken. And why to "coastwise" transportation rather than to American carriers of foreign commerce The former already has that large protection which comes from practical prohibition of such trade in other than American vessels, while under the guise of protection to American manufacturers our foreign shipping has long ago been driven from the seas. The realization of this came to me with added force and much humiliation during my travels last winter. I recall seeing our flag upon one merchantman in the important port of Santos, Brazil, and was informed that this was something of an event, as it was but the sixth ship flying our flag which had entered that port in 26 years. In the other foreign ports visited the experience was similar.

Surely it is the foreign rather than the coastwise shipping which needs the encouragement, and so far as the treaty is concerned, if the coastwise ships may be granted exemption upon the theory that they are our own, by the same token all American ships might be likewise accorded the exemption.

But once again the railroads are sought to be made the scapegoat, and it is urged that because of the exorbitant rates of the transcontinental railroads exemption to the coastwise vessels should be granted in order to secure the lowering of rates through the competition which it is claimed would follow.

I do not much doubt that the transcontinental railroads are making the dear public pay all that "the traffic will bear," and anything that may be properly done to compel justice to the public in this regard ought not to be omitted. But if transcontinental rates are too high, why not compel the railroads to lower them? This, I believe, is clearly within governmental power.

Suppose, instead of building a canal at a cost of upward of $400,000,000, our Government, in order to bring the transcontinental railroads to book, should have built another such railroad, would any reasonable person maintain that in order to compel existing railroads to transport at reasonable rates the Government should grant the use of its railroad free of all charge? But what is the difference in principle

between spending four hundred millions for a canal and granting its free use to certain ships in order that they may bring down the rates of existing railroads, and in spending perhaps one-half as much to build such a railroad and grant its use free to those who may ship over it? And in this connection there occurs to me the fallacy of the proposition of denying entirely the use of the canal to ships owned by railroads. If railroads may lawfully own, control, and operate ships, there should be no discrimination against them, if our oft-repeated pledge of fealty to the Jeffersonian doctrine of "Equal rights to all and special privilege to none" is any more than a mere "platform" fulmination.

If it is contrary to public welfare and against public policy that railroads should be permitted to own, control, or operate ships, there should be enough of virility, power, and ingenuity in the Government to so declare by suitable legislation, and to enforce its laws to that effect.

I believe it is fundamentally wrong for individual corporations to undertake a variety of distinct functions. Railroads should not be permitted to engage in other business than that of railroad transportation. They should be as completely divorced from shipowning, controlling, or operating as they should be from farming, mining, and other activities in themselves distinct and separate from the railroad business. But we should not suffer our railroads to own or control ships and then deny to these ships the rights accorded to other ships. But in any event, I do not see why the strong hand of Government may not regulate coastwise shipping rates as well as the rates of transcontinental railroads, regardless of who may control the ships.

Wholly aside from the moral obligation which rests upon a great nation to live up to the spirit as well as the letter of its solemn contractual obligations, such as treaties with other nations, upon the plainest dictates of justice and fair dealing, of simple honesty, and of sound policy as well, our Government should not break away from the doctrine of equal rights to all, by granting special privileges to such American vessels as engage in coastwise trade under guise of giving them exemption from canal tolls. And I rejoice that the President has the moral courage to stand by our fundamental principles, when it would be much easier and possibly more popular to yield to the opposite clamor upon the convenient pretext of carrying out a platform promise. And I am likewise gratified that you and others of my good friends are giving him loyal, steadfast, and effective support in this contingency.

With best wishes for your good health and happiness and success in your candidacy for reelection to the high office in which you are so ably and acceptably serving, I am, as always,

Very sincerely,

SAMUEL ALSCHULER.

Panama Canal Tolls.

EXTENSION OF REMARKS

OF

HON. SILAS R. BARTON,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 12, 1914.

Mr. BARTON. Mr. Speaker, on March 5 of this year the President of the United States came before this body and asked us to repeal that provision of the Panama Canal act of August 12, 1912, which exempts vessels engaged in coastwise trade from paying tolls.

He advanced as his reasons that there was a difference of opinion as to whether or not we had the right to do this, and said that the question was not debated outside the United States; that everywhere else the language o fthe treaty is given but one construction, meaning the British construction. He says further:

We ought to reverse our action without raising the question whether we are right or wrong.

He said:

I ask this of you in support of the foreign policy of the administration. I shall not know how to deal with other matters of even greater delicacy and nearer consequence if you do not grant it to me in ungrudging measure.

Here was a question that had been passed upon by a past Congress. The act had been applauded in the Democratic and Progressive Party platforms. The President as a candidate had supported the measure on the stump in his campaign. The votes of the people for the parties voicing praise of the measure were greatly in the majority. The people of this country seemed satisfied, but the President, under some pressure that no one yet has fathomed, found the repeal of the act of so much importance that he asked Congress to accept the British construction of the treaty and surrender their contention. The reasons he advanced were:

I ask this in support of the foreign policy of the administration. We ought to reverse our actions, right or wrong. I shall not know how to deal with other matters of even greater delicacy and nearer consequence if you do not grant it to me in ungrudging measure.

I appeal to all people if the reasons were sufficient to convince a thinking man that he ought now to reverse the decision of the Congress that adopted this measure and violate the platform pledges of the parties that made their promises to the people and give in "ungrudging measure" a right in a canal that had been built by American ingenuity, American men, and American money and surrender to the British contention.

I voted "no," and as an American and a Member of an American Congress am proud of that vote.

Members who desire to voice the sentiments of the President, right or wrong, and become "rubber stamp" Congressmen try to cloud the main issue by shouting subsidy. They want to muddy the waters, so that people's minds will be diverted from the main issue, the right to collect or not to collect tolls at our pleasure. But the people of this country will not permit the issue to be so beclouded, especially so when the President has placed the construction of the treaty above the economic phase of the question.

I read the speeches in the Senate and House and marvel at the men who are for repeal on economic grounds, taking the position that the exemption of tolls is a subsidy. A subsidy to them is a most monstrous, hideous thing, it is the acme of all crime. When I read this I wonder that they are so blatant, for some of these statesmen have a record here for several years that may be analyzed along that basis, and if this record discloses the fact that they have voted for hidden subsidies is it not just possible that the people who want them to be frank may criticize their actions as against their speeches?

Let us analyze this for just a moment. Most Members of this House and the Senate voted for that "pork-barrel" legislation, the river and harbor bill. I voted against it, for I am firmly of the opinion that the greater part of the appropriation is for political pull rather than practical business. The 1913 report of the Chief of Engineers, page 30, shows total river and harbor appropriations to have been $789,288,614.45 for all purposes. To this tremendous sum of $789,288,614.45 in past appropriations is now to be added in the year 1914, for present and future payment obligations, $95,176,875, or a total of $884,465,489. Again, to this sum should be added $273,000,000 in projects heretofore adopted and begun; also $92,500,000 for projects heretofore adopted but for which no appropriation has yet been made; also 120 additional surveys in the 1914 bill, entailing unknown future expenditures.

It is not my intention to here analyze that more than three-quarter million dollar expenditure to show how much has gone to benefit the Ohio, how much to the Mississippi, and how much to the Soo Canal, but simply to lay down this proposion: That in all this expenditure, greater than that of the canal, we have not heard these doughty antagonists of subsidy introducing bills to compel the people who use these waterways to pay toll to reimburse the Government. Why? In the Panama Canal, railroad-owned ships had to pay toll. Only those ships not identified with big interests were permitted to go through free.

If those Members mean what they say and are honest in their contention, I ask them why in all these years they have served as Members of Congress they have not asked the Steel Trust who sends the greater part of the commerce through the Soo Canal to pay tolls? The people of all the country pay these tolls as they paid the cost of construction and now the upkeep. How much benefit do they get?

I ask them again if it is fear of the magazines of this country who do much to make and unmake men that they do not stop the subsidy these people enjoy? The second-class matter contributes to the bulk of the mail handled 62 per cent of the tonnage; they contribute only 4.98 per cent of the receipts. The loss they create is about $60,000,000 per year. About one-half of the pages are covered with advertising, a pure business venture.

The 2-cent or first-class matter, paying in excess of its cost to transport, handle, and deliver it, makes up the deficiency created by the second-class matter. How can Members who are so bitterly opposed to subsidy square themselves on the condition described?

Many of you voted for the tariff bill that contains this clause:

J. Subsection I. That a discriminating duty of 10 per cent ad valorem in addition to the duties imposed by law shall be levied, collected, and paid on all goods, wares, or merchandise which shall be imported in vessels not of the United States—

And so forth.

Is not this a direct subsidy? What excuse can you offer for so betraying your people and insulting your ideas of justice?

I shall, if I retain my seat in Congress, introduce measures to eliminate some of these subsidies, and, of course, shall expect the vote of Members who have talked so loudly to their constituents against subsidy.

The bill was not given in an ungrudging manner. The Senate fought long and hard and as a result presents for our consideration the pending amendment. I do not like the amendment and prefer to support an amendment that asserts our rights, but rather than see the bill adopted without it, as it in a measure leaves the fight unsettled, I shall support it, thus

saving as much as possible out of the un-American surrender and leave the rest of the action to the voters of this country.

Some Members claim that the question of our rights under the Hay-Pauncefote treaty should be submitted to arbitration. Some contend with the President that the British construction is right, while others, the class to which I belong, contend that we are sovereign on the canal, and I will vote to construe the treaty that way.

In the other branch of Congress amendment after amendment was introduced fighting every inch of the way until as a last resort to pass the bill and pacify England, and I believe create joy in the hearts of the owners of transcontinental railroad stock this amendment now before us for consideration was conceded after much force and heroic efforts on the part of Senators who are defending our American interests.

This amendment says that the passage of this act shall not be construed or held as a waiver or relinquishment of any right the United States may have under the treaty with Great Britain ratified the 21st of February, 1902, or the treaty with the Republic of Panama ratified February 26, 1904, or otherwise to discriminate in favor of its vessels by exempting the vessels of the United States or its citizens from the payment of tolls for passage through said canal or as in any way waiving, impairing, or affecting any right of the United States under said treaties or otherwise with respect to the sovereignty over or the ownership, control, and management of said canal and the regulation of the condition or charges of traffic through the same.

This leaves the matter a draw, for while it does not assert our rights in a positive way, it, in a negative way, proclaims them; and as one who believes in doing the best I can, I shall vote for this amendment, hoping that the American people, in whose wisdom I have unbounded confidence, will by affirmative action instruct their Members of Congress to sustain our American rights.

England did not dig one square foot of the Suez Canal, but to-day she owns and controls it. She acquired it by sharp practice. In every epoch of our Nation's history England has endeavored to encroach upon American rights and American soil. Her history is a history of aggrandizement among nations she has taken by bullying tactics, by diplomacy, and by every method known to those who acquire great riches, and after she once gets possession of a valuable right or property she holds on like a bull dog. Her domineering history of the Irish nations and our struggle of seventy-six will prove to any open mind the terrific effort it takes to again get a right reinstated.

We have built the canal with our men and our money. We will pay out enormous sums each year to fortify and maintain it. If we yield our rights in peace, we have forfeited them in war. For my part I resent English intrusion into our domestic business, and shall, when this matter comes before us again, as it surely will, vote then, as I do now, to sustain American rights in American property and resist to the last ditch an un-American surrender to the British or any other nation under the sun.

Four Periods of United States History.—The South's Part in Making History.

EXTENSION OF REMARKS

OF

HON. SAMUEL J. TRIBBLE,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, June 20, 1914.

Mr. TRIBBLE. Mr. Chairman, under the leave granted to me to extend my remarks in the RECORD I include an address delivered by Miss Mildred Lewis Rutherford, historian general United Daughters of the Confederacy.

The address is as follows:

FOUR PERIODS OF UNITED STATES HISTORY—THE SOUTH'S PART IN MAKING HISTORY.

Last year at Washington, you remember, your historian general sounded a very sad note; this year she is able to sound a far more cheerful one. Twenty-one of twenty-two State divisions have reported systematic work along historical lines; 6 of the 11 States having no divisions, have also reported progress; and some individual chapters have sent most valuable contributions recording Southern events.

This advance has been a great encouragement, and it has made me feel that if such advance continues in the same proportion each year, it will not be long before the South shall be placed where she rightly belongs in the annals of history.

WAR WITH MEXICO.

Have you ever asked yourself the question, "Why so many of the men who fought in the Mexican War were from the South?" It is officially stated that two-thirds were. A southern man was in the White House, the two leaders were southern men, and the heroes of nearly every battle were from the South. The South has been misunderstood and therefore misrepresented by the historians of this period of history.

The Missouri Compromise of 1820 left the negroes congested in the Southern States, for after Missouri was admitted as a State there could be no slaves above a certain degree of latitude. Now, there were many men in the South very anxious for the gradual emancipation of the slaves, for we were beginning to realize that under the institution of slavery the negro was the free man and the slaveholder was the slave. There were many who did not believe in slavery, but having inherited this property did not know how best to get rid of it. They realized what it has taken the North 50 years to learn, that it would never do to free them in the midst of an Anglo-Saxon race born to rule. Abraham Lincoln realized it, for he was trying in every way up to the time of his death to arrange for the colonization of the negro in Central America or Liberia. Edmund Randolph realized what it would mean. He wanted to free his slaves, but he said, "We have a wolf by the ear, to let him loose is dangerous, to hold him is equally dangerous."

Thirty-two times the Virginia Legislature tried to abolish the slave trade. Massachusetts was the first State to legislate in favor of it, and Georgia was the first State to legislate against it. There were 130 abolition societies in the United States before 1850, and 106 were in the South. We had 5,175 members and the North only had 1,162.

By this War with Mexico the men of the South hoped for an extension of territory, so as to make the gradual emancipation of slaves a possibility.

Santa Ana had acknowledged the independence of Texas, but Mexico refused to acknowledge it, so when Texas was admitted as one of the United States war was declared.

The independence of Texas had been gained just as the independence of the Colonies, by right of arms. Can we ever forget those heroes of that conflict between Texas and Mexico? Moore, Houston, Fannin, Bowie, Crockett, Austin, Travis, Bonham, and many others equally as brave. Can we ever forget our heroes of that War with Mexico?

Who was so highly commended for engineering skill but our beloved Robert E. Lee? Who was the hero of Buena Vista? Our Jefferson Davis. Can you not hear him now as he said, "Come, Mississippians; cowards to the rear, brave men to the front"? and those brave sons of Mississippi, aided by equally brave Kentuckians, followed their leader to victory. Who won Brazeto and Sacramento and captured Chihuahua? William Doniphan, "the Patrick Henry of Kentucky." Who was the hero of Chapultepec? Thomas Jackson, our Stonewall. Who were the heroes of Palo Alto, Matamoras, Resaca de la Palma? All southern men.

Who planted the United States flag in the City of Mexico? Quitman, of Mississippi. Who first scaled the ramparts of Monterey? Rodgers, of Alabama. And was not David Hill, of South Carolina, called the bravest soldier of that war? And who wrote "the Bivouac of the Dead," which immortalized these heroes? Theodore O'Hara, of Kentucky.

Yes; southern arms surely deserve the renown of that victory.

THE SOUTH ON THE DEFENSIVE, OR THE ABOLITION CRUSADE.

I said that the South was preeminent in the last period, but was she allowed to reap the reward of her victory? Not at all. Seward and other northern politicians gathered in convention at Pittsburgh, Pa., and arranged to so legislate that no slaves should be in this newly acquired territory. This naturally made the South indignant, for she resented the many acts of injustice that had been shown to her. She had been unjustly treated in the tariff acts of 1830, when Hayne and Calhoun, of South Carolina, boldly contended for her rights. Hayne said, "It is unconstitutional for a Government to make laws to enrich one section and impoverish another," and he was right. The hiding of runaway slaves, and believing their representations of plantation life rather than the representations of the Christian men of the South caused increased resentment. Thirty thousands of our negroes, the property of the planters, had been encouraged to run away and hidden from their owners by means of the so-called "underground railways" at the North and sent across the line to Canada.

As in family life a child is punished if disobedient, so in plantation life a disobedient and unruly negro had to be punished. Discipline had to be maintained on the plantation, as in the

home. Now, it was more agreeable for that negro to run away and cross the border line, where he knew he would be protected, than to receive his just punishment. And it was perfectly natural for this kind of negro to exaggerate his threatened punishment. He told the abolitionists that we yoked them to plows to cultivate our fields, and the abolitionist, willing to believe this, did so, not realizing that the negro was our salable property and that a $60 mule would be much cheaper for this work than a $1,200 negro. He said that we used dogs to tear their flesh when we used bloodhounds to track the runaway. If an overseer, and these overseers were rarely southern men, whipped a negro cruelly, as did sometimes happen on the large plantations, but not oftener than parents sometimes whip cruelly a child, that overseer was at once dismissed. Had no other reason than a selfish reason prevailed, a slaveholder could not afford to have his property injured by brutal treatment.

Harriet Beecher Stowe's Uncle Tom's Cabin was founded on one of these cruel misrepresentations by a negro from a Mississippi plantation. Mrs. Stowe, of course, really believed it to be true. But that book did more than any other one thing to bring on the war between the States. The South felt powerless to stem the tide of popular belief at the North, so fanatical did these political abolitionists become.

A Georgia lawyer, Thomas R. R. Cobb, brought out about this time a book, The Law of Slavery, which really is a most remarkable production. Every available authority upon the subject of slavery among all nations was carefully studied and quoted. Coming just about the time of Uncle Tom's Cabin, it was suppressed in the North, and the war coming on prevented a second edition in the South. When William Lloyd Garrison heard that this book proved that the institution of slavery was defended by the Bible, he said, "Better, then, destroy the Bible," showing to what length his fanaticism led him. Fourteen Northern States passed personal-liberty bills, and were violating the fugitive-slave law which was included in Henry Clay's omnibus bill. The South, feeling that this omnibus bill was unjust to her, accepted it, hoping to bring peace. When these same Northern States, violating the law, urged the election of Abraham Lincoln as President of the United States, and he was elected without a single electoral vote from the South, the Southern States felt no right would be respected and it was full time to secede.

Eleven States rapidly seceded, and the Confederate Government was formed at Montgomery, Ala. The blockade came almost with secession. Had the South found a market for her cotton and tobacco, possibly the surrender would never have taken place. Or had the prisoners been exchanged, as President Davis and Gen. Howell Cobb so strenuously urged, Gen. Lee would not have been obliged to surrender. Of one thing I am assured, the horrors of Andersonville Prison could have been averted.

Do you ask, Would it have been better had the South been victorious? I must say no; God knew best. Far better to have a Nation as we now have, with such a man as Woodrow Wilson at the head, supported by those strong Democratic leaders from North and South, wisely doing the things which stand for right, than to be sovereign States, as we would have been, the prey of any petty republic which desired to interfere with us.

The war did not begin with the firing on Fort Sumter. It began when Lincoln ordered 2,400 men and 285 guns to the defense of Sumter. The surrender was not due to Federal victories, but to Confederate exhaustion. The Confederate forces were 1 to 5; 175,000 men surrendered to 1,050,000. The North lost as many men at the Battles of Wilderness and Spottsylvania as were lost in the French and Indian wars, the Revolution, the War of 1812, and the Mexican War combined.

THE HUMILIATED SOUTH OF THE RECONSTRUCTION PERIOD.

After the surrender the soldiers returned to their homes, where homes remained, oppressed and depressed. They literally had nothing left but the ground upon which they stood. Families were scattered, negroes freed, banks closed, no currency available. The slaveholder knew less than his overseer and slaves about the practical part of farming. The lawyer had no clients; the teacher had no pupils; the merchant had no credit; the doctor had no drugs. Ah, it was pitiful! Georgia and South Carolina suffered most on account of the desolation caused by Sherman's march to the sea.

This was the time when those women of the Confederacy showed of what stuff they were made. They put their loving arms about those husbands and sons and they said, "We are not conquered, we are just overpowered, and we think it were better that you fought, even if you did not win, than never to have fought at all. The South is going to come out all right; you wait and see." What prophets they were, for is not the South to-day the Nation's greatest asset?

They began to collect the bodies of the Confederate soldiers scattered over the battle fields, placing them where they could care for them, and where they could deck their graves with flowers. Then they began to erect monuments over them. The men said, "We can not help you, for we are under an oath of allegiance." The women said, "We are under no oath," and the work went on. Ben Butler, in Louisiana, said we should not build monuments to our Confederate dead, and so said Meade in Georgia, but we did it anyway, didn't we? They did not know southern women. More monuments stand to the Confederate soldier to-day than to any other soldier of any other nation who ever fought for any cause.

Had not Lincoln been assassinated all would have gone well even then, for the negroes still loved their old owners and did not wish to leave them. Indeed they were like little children, they did not know how to make a living for themselves, and they did know that "ole marster" would never let them suffer. Lincoln's death was the worst blow that could have befallen the South. Lincoln was not such a great negro lover as has been represented in history. He was southern born and knew the true relation between the owner and his slaves. It is true he did not believe in slavery; neither did Washington nor Jefferson nor Mason nor many other leading men of the South. Stonewall Jackson never owned but two slaves in his life, and they begged him to buy them. But Lincoln was an intense Union man, and he determined to preserve the Union at all hazards. If he could do it with slavery, all right; if not, slavery must go. His emancipation proclamation did not free the negroes as a race. It freed your father's slaves and my father's slaves, but it did not free Gen. Grant's slaves nor the slaves in Missouri, Maryland, Kentucky, Delaware, and other States where slaves still remained after the war. This proclamation, the result of a rash vow, was only a measure to punish the seceding States. He had said in his inaugural address the South need not fear his interference with their slaves. The slaves were not really freed until a southern man—John Henderson, of Missouri, proposed the thirteenth amendment to the Constitution after Lincoln's death. But had Abraham Lincoln lived he would never have stood for that reconstruction measure of Thad Stevens. We would never have been put under military rule and divided into districts; we would never have had the Freedman's bureau to humiliate us; he would never have stood for social equality in the South; he knew the thought of the people too well; we would not have had that rule of the carpet-bagger and scalawag in the South, and I am perfectly sure he would never have stood for that exodus order of Thad Stevens's, which more than any other one thing is responsible for the present-day negro problem. That order tore more children from their parents than was ever done in all the years of slavery by any slave block.

Thad Stevens saw that the negroes were remaining with their old owners, and he could not accomplish the plans laid for social equality of the negro in the South. He told them if they remained with their former owners they would be made slaves again, and ordered that no two families could remain upon the same plantation. This caused a separation of families and a rending of ties and a fearful alienation between whites and blacks followed. The faithful mammies would not leave "marster's white chile," and that is the reason so many were found many years after freedom still with their former owners.

Oh, Daughters of the Confederacy, members of our Indiana chapters, there was a friend of the South from your Indiana in those awful reconstruction days. As our Mr. Cunningham has been instrumental in erecting a memorial to Mr. Owens, who was so good to our prisoners during the war, so I would like to see you erect some memorial to that Democratic Congressman so anxious to help the South in this hour of her need. I refer to Dan Vorhees, of Indiana. He said it was a shame to make dead provinces out of living States. He said the South was a white man's country and should be kept so, but that reconstruction committtee would not listen to his pleading.

The Ku-Klux Klan was an absolute necessity in the South at this time. This order was not composed of the "riffraff" as has been represented in history, but of the very flower of southern manhood. The chivalry of the South demanded protection for the women and children of the South.

Yes; the North was preeminent in this period of our history. But does not the South stand out in no uncertain light? It has proven to the world that she can be as brave in defeat as in victory; she can stand humiliation and lawlessness with Christian resignation; she can bear and forbear and yet suffer in silence, and, while having far more to forgive and forget, she has a heart ever ready to do the things that make for peace,

and stands ready to-day to stretch forth her hand in the true spirit of reconciliation.

The record of the Confederate soldier, the heroism of the Confederate women, the monuments erected to southern valor, have caused the whole world to be lost in admiration and wonder.

It was very hard for our southern men, unused to manual labor of any kind, to try to adjust themselves to the new order of things in the South. It really was easier for the women than for the men, and some men never did get adjusted, and some women have never been reconstructed.

The kitchens in the old civilization were never in the house, but some distance from it. There was no need that they should be in the house then, for there were plenty of young negroes to run back and forth with the hot waffles, the hot egg bread, the biscuits, and the battercakes. But when the women of the South had to go into the kitchen after the negroes left, or had become too impertinent to be allowed around the house, the inconveniences were greatly felt. You must remember there was rarely such a thing as a cookstove before the war. All cooking had to be done in an open fireplace, with oven and pots. There were no waterworks, and all water had to be drawn from the well or brought from the spring. There were no electric lights, no gas lights, no kerosene lamps, even, and lard lamps were really a rarity, used only by the rich. The dependence for light were wax, tallow, and sperm candles. The wood had to be cut and the chips had to be picked up, and all this consumed time and required great patience. This was the beginning of the breaking up of home life in the South, and it proved the deathblow to the old-time southern hospitality. Things began to brighten, however, as the years rolled by, for the new homes in the South began to add the kitchen to the house and conveniences were gradually introduced, so that with gas stoves, electric plates, and fireless cookers our southern women are as independent to-day as the women of the North, and can cook as good a meal with as little trouble, and wash and iron, too, if need be. They really have more sympathy and more patience with the negro help than the women of the North, and really are more anxious to aid the negroes in the right way.

We had been an agricultural people before the War between the States, and were satisfied to be. We never realized the possibilities in our grasp. We did not know that we had 9,000,000 horsepower in our streams of the South. We did not know that we could make anything worth while out of the cottonseed we were yearly throwing away. We did not know that there was untold wealth lying beneath our feet, but we know it now. South Carolina first began to realize the possibilities in her cotton mills. She discovered that she was selling her cotton crop every year to Massachusetts for $30,000,000, and Massachusetts was making it into cloth and thread and selling it for $100,000,000. The thought came, "Why may I not keep that money in my own State?" and that is what South Carolina is doing to-day, and other Southern States are following her example.

I think the Spanish-American War did much to make the South realize her own powers. At least it made the two sections know each other better. That war taught us loyalty to the United States flag, which we had not loved during those four years of war and during those seven years of reconstruction which followed. But when our boys put on that uniform of blue and fought under the Stars and Stripes side by side with the boys of the North we began to feel it was our flag as much as it was the flag of the North. The South showed that she was again loyal to the Union, for more volunteers from Southern States, in proportion to population, went to that war than from any of the Northern States, and our boys made themselves known, too.

Who was commander in chief of the Atlantic Squadron? Winfield Scott Schley. Who was made minister to Habana? Fitzhugh Lee. Who was called "The Wizard of the Saddle"? Joe Wheeler. Who commanded the *Brooklyn* when Cervera's fleet was destroyed? Schley. What vessel fired the first shot of the war? The *Nashville*, commanded by Maynard, of Tennessee. Who fired the first shot at Manila? Stoakley Morgan, of Arkansas. Who was promoted for gallantry on the field? Micah Jenkins, of South Carolina. Who shed the first blood of the war? John B. Gibbs, of Virginia. Who was the first to fall in battle? Worth Bagley, of North Carolina. Who was Dewey's right-hand man? Tom Brumby, of Georgia. Who was the hero of Santiago Bay? Winfield S. Schley. Who was the backbone of the Santiago campaign? Joe Wheeler. Who sank the ships to block the enemy and saved the day? HOBSON, of Alabama. Who raised the flag at Manila? Brumby, of Georgia. Who was sent with a message to Garcia? Rowan, of Virginia. Who was sent to count the ships in Santiago Bay? Victor Blue, of Carolina. Every one our southern boys. Then, who was put in command of the American troops in the Philippines? Ewell S. Otis. Who was made governor of the Philippines? Luke Wright, of Memphis. And does this not show our boys of the South equaled in courage and heroism the boys of the North?

THE TRIUMPHANT SOUTH.

Do you know that three-fourths of all the cotton in the world is raised in the South? Do you know that Europe pays the South annually $600,000,000 for her cotton, and that is only one-third of the products the South supplies to her? Yes, cotton is king, and that king was born in Georgia. Do you know that three-fourths of all the sulphur mined in the world comes from the South, and all used in the United States comes from Louisiana? Do you know that Louisiana sulphur mines dominate not only the sulphur trade of America, but all Europe? Do you know that three-fourths of all the coal in the United States is in the South? Do you know that seven-eighths of all the forest area of the United States is in the South? Do you know that the only diamond mines out of Africa are in Arkansas? Do you know that all the phosphate beds of the United States are in the South?

Do you know that Tennessee's coal is better than Pennsylvania's coal? Do you know that Georgia's marble is better than Vermont's marble? Do you know that Texas' oil wells produce annually 85,000,000 barrels of oil—far more prolific than those of Pennsylvania? Do you know that Joseph Watkins, of Georgia, patented the cotton gin one year before Eli Whitney? Do you know that the largest cotton warehouse in the world, covering 161 acres of land, is in Memphis, Tenn.? Do you know that Georgia mills are making velvet, and Georgia mills are making the thread from which are made those beautiful curtains in your Philadelphia homes? Do you know how many lumber mills there are in the South? Ask the Manufacturers' Record. I know that the largest sawmill in the United States is in Arkansas. Do you know that the largest fertilizer plant in the world is in Charleston? Do you know that the largest sulphuric-acid plant is in Tennessee? Do you know that lead was first mined in Mississippi?

Do you know that our corn equals that of Iowa, our wheat that of Illinois, our oats that of Ohio, our apples those of the East, and that our Georgia peach is the best in the world?

Do you know that Dr. Seaman Knapp, for whom Tennessee's Agricultural College is named, was a Louisiana man? Do you know that the pioneer of scientific agriculture was Edmund Ruffin, of Virginia? Do you know that "the rural philosopher" was John Taylor, of Virginia? Do you know that the first professor of economics and statistics was James De Bow, of Louisiana?

I do not believe you know what our agricultural colleges are doing to make the South realize her own greatness. One county in Georgia has 41 different kinds of soil, and experts are finding out all sorts of things about our southern soils. Why, we are furnishing food and fiber for the world, and there lies beneath our feet yet untold, undeveloped wealth. The South has 55 different minerals.

We have no right to cry hard times in the South; it is a disease we have caught from others. Our nearness to Panama will make us the center of the world's trade, and Panama would not be habitable, would it, but for our William Gorgas, of Alabama? As we have one-half of the seacoast of the United States, the South will be the logical point for the future naval displays of the world.

No, we do not realize our own greatness, because we do not know our own country. It is a great country, this United States of ours. It spans a continent; it is the youngest, yet it is the noblest of all the nations of the world. Nature has really seemed partial to the South, for while she has given great stretches of land to the West, much of it is barren waste. While she has given great fertility to the North and East half the year, there is icy bleakness the remaining half. To the South she has given almost perpetual spring; we scarcely know when summer ends and winter begins; when winter ends and spring begins. Half way between icy bleakness and tropical heat, partaking of the advantages of both, but not injured by the disadvantages of either. We have soil and climate the most wonderful in the world; rainfall abundant, but not in excess. Situated in the latitude of the Holy Land, we are the home of the orange, the pineapple, and the banana; the home of the rose, the jasmine, and the oleander; the home of the palm and the live oak and the

magnolia; the home of the pomegranate, the apple, and the peach; the home of the pecan, the walnut, and the chestnut, to say nothing of the watermelon, "the 'possum and the 'taters."

Bathed on the east by the Atlantic Ocean, tempered by the warm waters of the Gulf Stream; on the south, by the tepid waters of the Gulf of Mexico; on the west, reaching to Mexico and California, the land of flowers; protected on the northwest by the grand old Rockies from Alaska's icy blasts. The Mississippi, "the Father of Rivers," flowing through our entire length of States; the Appalachian Range on the eastern shore, with its highest peak in North Carolina; the Blue Ridge running toward us and ending in that geological monstrosity—our Stone Mountain of Georgia. Nature has worked wonders in our midst—the Mammoth Cave in Kentucky, the Natural Bridge in Virginia, the bottomless Blue Spring in Florida, and the Tallulah Falls of Georgia.

Are we teaching patriotism to our children? Do you ask me, "What is patriotism?" My, what magic in the word! Love and loyalty to home and country. Love as tender as that of a mother for a child; loyalty so unselfish as to forget self. Patriotism is the spark that kindles the Nation's fire; it is the fountain from which the Nation's prosperity flows; it is the helmet that shields the Nation's life; it is the shield that guards the Nation's home.

Patriotism is inborn, and if you have it not you are abnormal. [Laughter.] It should begin with love of God, then love of home, then love of country, then love of State, then love of place. America is a Christian country, ours by Divine gift. Liberty is God's acknowledgment that we are capable of receiving the gift.

Our Government has no model, nothing like it in the world. A government of the people, by the people, for the people. Benjamin Hill, our "silver-tongued orator," said: "It was planned not by human wisdom but by Divine guidance. The Romans never dreamed of it; the Greeks never could have conceived it; the European mind never could have evolved it." Alexander Stephens said that the creed of patriotism is "Improvement of the mind, erection of schools and temples of learning, interest in the things that make for industry, and good will to all men."

A patriot is one who saves his country's honor. You were patriots, veterans, for you saved your country's honor, and now, God bless you, you have lived to see your country's triumph. Everything you fought for has been acknowledged by those against whom you fought. Even Harriet Beecher Stowe's son, Rev. Charles Stowe, has publicly said that there was a rebellion, but it was the North that rebelled against the Constitution; that slavery could not have been the unmitigated evil it has been represented to be, or one could not account for the faithfulness of the slaves when the men of the South were at the front; that there was undoubtedly some good in a civilization which could produce such a beautiful Christian character as "Uncle Tom."

Veterans, "heroes in gray, with hearts of gold," it was harder to live after the war than it was to face the bullets on battle fields, was it not?

Yes; the South is triumphant to-day. She is not only the Nation's greatest asset, but she is the world's greatest asset. This is the golden age—an age of great power, buoyant strength, great wealth, and freedom to run an unhindered race. But we must remember that there is a danger in golden ages. Hannibal lost the fruits of his victories by the orange groves and vineyards of Campania. Marc Antony lost his by the alluring charms of a Cleopatra. Let us then beware lest greed of gold, selfishness, or intemperance engulf us. Let the public weal be as the apple of our eye. Let us keep the ballot box pure. Let duty ever be our watchword.

Sail on, thou great and mighty Ship of States, sail on over billows and through storm and seas, sail on.

May balmy breezes and gentle winds waft thee into a safe and quiet harbor. May thy keel be strong, thy sails pure and white. May duty be thy polar star. Sail on, sail on, undaunted by Mexico's threatening waves, by Panama's alluring charms, by selfish trusts, by tariff blasts, yes, by women's votes, sail on, and thou shalt surely enter into rest and peace, if we as patriots will only firmly stand, and knowing the right dare to maintain it.

One last word:

Now, Daughters of the Confederacy, teach, I pray you, your children this:

Though we were overpowered, we were not degraded,
Southern laurels have never faded;
All is not lost unto us,
Only baseness can undo us.
Kneeling at your country's altar,
Teach your children not to falter,
Till the right shall rule in Dixie.

Panama Canal Tolls.

EXTENSION OF REMARKS
OF
HON. CYRUS CLINE,
OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 12, 1914.

Mr. CLINE. Mr. Speaker, under leave to extend remarks upon the motion to agree to the Senate amendment to the Panama Canal tolls proposition, I desire to express myself briefly. I have the satisfaction of being consistent in the whole history of this legislation. I was against the proposition to extend freedom from the payment of tolls to the Coastwise Shipping Trust in 1912, not only upon economic grounds but because a fair and reasonable construction of the Hay-Pauncefote treaty denied the right of Congress to exempt our coastwise shipping. Not a single American, from ambassador down, who aided in the negotiation of the treaty either directly or indirectly, but declares that there was no purpose to exempt any nation from any obligation imposed upon any other nation. The Senate amendment is absolutely harmless. We simply say by it that we do not estop ourselves from opening up the question of free tolls again or to assert any right that we have under the treaty. We neither add to our rights or take from them by this amendment. The alacrity with which influential Democrats hasten to support this amendment on the theory that its adoption permits what would have otherwise been a binding construction of the treaty is absurd.

Gentlemen who ridiculed the President and the House for their attitude on the repeal bill now seek to square themselves with their entire party history on the question of gratuities or subsidies by indorsing the bill under the cloak of the Senate amendment in the closing opportunity. There are some Democrats who have learned that the party will not follow them, no matter how insistent, when to do so would be to impeach a long-established cardinal doctrine of democracy. Not a man who now reverses himself on this vote to adopt the amendment because of its curative elements but knows that it does not in the least or in any manner affect our rights under the treaty. It will be observed by everybody that not a word has been spoken by gentlemen who fought this bill in the House on the theory that we were abandoning the Baltimore platform in urging its passage. That the free-tolls proposition was in some mysterious manner included in the platform without the knowledge of the delegates to the Baltimore convention is attested by the fact that out of 828 answers received from delegates by Senator GORE 714 were in favor of repeal, 124 opposed to repeal, and 40 were noncommittal. Many delegates had no knowledge that the free-tolls provision was in the platform until they read it in the paltform after the convention had adjourned.

Every man who is familiar with the history of the Democratic Party knows that with knowledge coming to the delegates assembled in a national convention that it was proposed to engraft into the party platform, and that, too, in the same section that denounced gratuities and subsidies, an indorsement in favor of free tolls to the most obnoxious shipping combine in this country that such a proposition would not have received 1 per cent of the votes. Gentlemen who now for the first time propose to vote for the repeal of the free-tolls bill through the adoption of a Senate amendment seem visibly touched with the apprehension that it is a great crisis for the American people. Gentlemen need have no alarm or anxiety about the matter. In the adoption of this amendment, and in the concurrence with the Senate in the passage of the bill, we show to the commercial world our purpose to maintain our sacred honor in all of our engagements. We do in the end what we proposed to do in the beginning—open a new highway for the world's commerce and dedicate to the use of all nations on terms of "entire equality." I have confidence in the construction of the treaty by the men who negotiated it; I have confidence from an economic point of view in the opinion of Col. Goethals, who constructed the canal and said that we ought to exact tolls from every vessel that used this great highway that the American people had dedicated to the world that the expenses of its maintenance might fall alike on everyone. I have confidence in the American people, 95 per cent of whom would rather see the canal abandoned than to adhere to a selfish and unpatriotic construction of the Hay-Pauncefote treaty that would smirch our honor and dignity as the world's leading nation in high ideals and patriotism.

The American Flag.

EXTENSION OF REMARKS

OF

HON. FRANK BUCHANAN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 16, 1914.

Mr. BUCHANAN of Illinois. Mr. Speaker, under the unanimous consent granted to me to extend my remarks in the RECORD, I include an address delivered by the Secretary of the Interior, Franklin K. Lane, on the American Flag.

MAKERS OF THE FLAG.

The effort of Rudyard Kipling to epitomize the American spirit, in his poem by that name, has been widely quoted here and elsewhere.

Secretary of the Interior Franklin K. Lane, in his address to employees of his department yesterday, offers in classic form the idea of an American of the spirit which has made his country great. Here it is:

ADDRESS BY FRANKLIN K. LANE.

[Delivered on Flag Day, 1914, before the employees of the Department of the Interior, Washington, D. C., by Franklin K. Lane, Secretary of the Interior.]

"This morning as I passed into the Land Office the Flag dropped me a most cordial saluation, and from its rippling folds I heard it say: 'Good morning, Mr. Flag Maker.'

"'I beg your pardon, Old Glory,' I said, 'aren't you mistaken? I am not the President of the United States, nor a Member of Congress, nor even a general in the Army. I am only a Government clerk.'

"'I greet you again, Mr. Flag Maker,' replied the gay voice, 'I know you well. You are the man who worked in the swelter of yesterday straightening out the tangle of that farmer's homestead in Idaho, or perhaps you found the mistake in that Indian contract in Oklahoma, or helped to clear that patent for the hopeful inventor in New York, or pushed the opening of that new ditch in Colorado, or made that mine in Illinois more safe, or brought relief to the old soldier in Wyoming. No matter; whichever one of these beneficent individuals you may happen to be, I give you greeting, Mr. Flag Maker.'

"I was about to pass on, when the Flag stopped me with these words:

"'Yesterday the President spoke a word that made happier the future of 10,000,000 peons in Mexico; but that act looms no larger on the flag than the struggle which the boy in Georgia is making to win the corn-club prize this summer.

"'Yesterday the Congress spoke a word which will open the door of Alaska; but a mother in Michigan worked from sunrise until far into the night to give her boy an education. She, too, is making the flag.

"'Yesterday we made a new law to prevent financial panics, and yesterday, maybe, a school-teacher in Ohio taught his first letters to a boy who will one day write a song that will give cheer to the millions of our race. We are all making the flag.'

"'But,' I said impatiently, 'these people were only working.'

"Then came a great shout from the Flag:

"'The work that we do is the making of the flag.

"'I am not the flag; not at all. I am but its shadow.

"'I am whatever you make me, nothing more.

"'I am your belief in yourself, your dream of what a people may become.

"'I live a changing life, a life of moods and passions, of heartbreaks and tired muscles.

"'Sometimes I am strong with pride, when men do an honest work, fitting the rails together truly.

"'Sometimes I droop, for then purpose has gone from me, and, cynically, I play the coward.

"'Sometimes I am loud, garish, and full of that ego that blasts judgment.

"'But always I am all that you hope to be and have the courage to try for.

"'I am song and fear, struggle and panic, and ennobling hope.

"'I am the day's work of the weakest man and the largest dream of the most daring.

"'I am the Constitution and the courts, statutes and the statute makers, soldier and dreadnaught, drayman and street sweep, cook, counselor, and clerk.

"'I am the battle of yesterday and the mistake of to-morrow.

"'I am the mystery of the men who do without knowing why.

"'I am the clutch of an idea and the reasoned purpose of resolution.

"'I am no more than what you believe me to be and I am all that you believe I can be.

"'I am what you make me, nothing more.

"'I swing before your eyes as a bright gleam of color, a symbol of yourself, the pictured suggestion of that big thing which makes this Nation. My stars and my stripes are your dream and your labors. They are bright with cheer, brilliant with courage, firm with faith, because you have made them so out of your hearts. For you are the makers of the flag, and it is well that you glory in the making.'"

Contested Election Case—Gill v. Dyer.

EXTENSION OF REMARKS

OF

HON. LEWIS L. MORGAN,

OF LOUISIANA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 19, 1914,

On the following resolutions (H. Res. 548):

"Resolved, That L. C. Dyer was not elected a Representative in the Sixty-third Congress from the twelfth district of the State of Missouri, and is not entitled to a seat therein.

"Resolved, That Michael J. Gill was duly elected a Representative in the Sixty-third Congress of the United States as a Representative from the twelfth district of the State of Missouri, and is entitled to a seat therein."

Mr. MORGAN of Louisiana. Mr. Speaker, this case has been discussed with great ability by experienced and able Members of the House, who have cited many authorities in support of their respective contentions, and little remains to be said.

However, if you will be generous enough to bear with me a few moments, I shall endeavor to sum up in a few words the salient facts in this contest and the conclusions I have deduced therefrom.

No matter what our political principles may be, it is incumbent upon each and every one of us to impartially analyze and examine the evidence in this contest in order to do substantial justice as between the contestee and the contestant. Individually, I am hopeful of being able to discharge the duty which devolves upon me without feeling that I belong to a different political persuasion. This we must all do in order to disabuse our mind of everything that is calculated to excite prejudice and passion.

This record convinces me that there is a great deal of philosophy in that old saying, "Evil carries in it the seeds of its own destruction."

According to the official returns, Mr. Dyer received 11,981 votes and Gill 11,249 votes. A contest was immediately filed by Gill and a recount followed, which resulted in reducing Dyer's vote to 11,777 and increased Gill's vote to 11,428.

The testimony in this record shows—and it is admitted—that Mr. Gill went to the fifth ward with a clear majority of 666 votes, but in that ward, according to the official returns, he was unspeakably defeated by Mr. Dyer in spite of the fact that in that ward there was a veritable landslide for the nominees of the Democratic Party.

Now, Mr. Dyer charges that Gill voted against Tom Kinney in 1910, when he was the Democratic nominee for Congress, and therefore the opposition to him in the fifth ward was brought about by his own political perfidy. It is evident that the contestee is not unmindful of the fact that this charge serves as a two-edged sword. It is intended, in the first place, to prejudice the House against the contestant and at the same time to adroitly account for approximately 1,000 scratched Democratic votes in the fifth ward.

In order to bring you to a just appreciation of Mr. Gill's alleged duplicity, Mr. Dyer undertakes in a very dramatic manner to delineate the life, character, and services of Tom Kinney. He contends that Mr. Kinney was a man of splendid instincts and well intrenched in the hearts of the people of his ward, therefore his people very naturally resented Mr. Gill's treachery by voting against him when he offered for the same position, and thus Mr. Dyer accounts for the anti-Gill sentiments. These sentiments would do the gentleman infinite credit if he had not been driven to that expedient by necessity. A few brief months ago he applied to Tom Kinney such epithets as thief, scoundrel, grafter, and so forth. These strictures and culpatory observations are somewhat out of jar with his present eulogy.

Heaven forbid that I utter one syllable to the disparagement of Tom Kinney. May his memory always remain enshrined in the hearts of his people. But nevertheless the fact remains—and I

say it with all due deference to him—that Tom Kinney, like many other worthy citizens, seemingly was not very popular in his ward, for when he appealed to the sovereign voters in 1910 for their support he received in the fifth ward, where there are 2,000 Democratic voters, only 500 votes.

You will observe that in the sixth and twelfth precincts, where the election was ostensibly conducted in an honest and legitimate manner, Mr. Gill lost but 7 Democratic votes in each precinct. This conclusively proves that there was no feeling of enmity harbored against him by the people of that ward because of this alleged political duplicity.

This record also discloses the fact that Tom Kinney contested Mr. Dyer's election in 1910, and the ballots of the twelfth congressional district were ordered recounted; yet no one intimated that Mr. Gill voted against the Democratic nominee. Two years come and go, and still there is no charge of disloyalty laid at his door. Mr. Gill in 1912 announced for Congress and went before the people of his district and asked for their support; and, strange to say, he was enthusiastically supported by Tom Egan and Mike Kinney, the brother-in-law and brother of Tom Kinney, whom Mr. Dyer declares Gill voted against in 1910. Is it not singularly strange that this alleged insidious act of Gill was not unearthed until he had won the Democratic nomination?

Now, the defenders of Mr. Dyer firmly assert that Gill did not deny the charge; yet we find Mr. Dyer in his brief makes this illuminating statement:

True it is that Clooney, of Gill's own ward, continued to support him, and that O'Donnell, of the sixth ward, voted and worked for him because he doubted the correctness of the records showing Gill's vote and believed Gill's denial of the charge that he had voted for Dyer. (Brief, p. 11.)

Hence we see that Mr. Gill did unequivocally deny the charge, and the circumstances I have just referred to, in my judgment, corroborate him—so much so that I am ready to accept his denial. Furthermore, there is nothing in this record to show that Gill's vote had not been tampered with for the sole purpose of subjecting him to the wrath of Tom Egan and Mike Kinney.

Now, in order to further account for the opposition to Gill in the fifth ward, it is charged that he was opposed by the union labor. However, we find outside of the fifth ward that Judge Bond, the Democratic candidate for the supreme court, received 10,439, and Gill 10,434; J. A. Bradshaw, the Democratic candidate for railroad and warehouse commissioner, received 10,562, and Gill 10,434. Now, it is very obvious that the result outside of the fifth ward conclusively destroys this trumped-up charge.

Mr. Gill alleges that the result in the fifth ward was accomplished by a well-planned conspiracy, in which the Democratic and Republican judges and clerks either actively or tacitly participated, and a careful examination of the testimony established the accuracy of this charge beyond the possibility of a doubt.

Gill further avers that Tom Egan, a member of the board of election commissioners for the fifth ward, colluded and conspired with the judges and clerks of the election for the purpose of electing Mr. Dyer; and allow me to say that this is not an unwarranted assumption on the part of the contestant, but a fact satisfactorily substantiated by the record.

Why, Mr. Dyer states that "the Democratic judges and clerks were requested as voters to scratch Gill's name, but there was absolutely no attempt to interfere with their official duties." I am at a loss to know by what authority Mr. Egan commanded the judges and clerks to scratch Gill as voters, and, as a matter of fact, he enjoys no such authority, but, appalling as it is, the fact remains that they followed out his instructions. Mr. Dyer further tells us that Gill's defeat was "a personal matter between Egan and Mike Kinney." Hence we hear from the lips of the contestee himself that these men decided to defeat Gill, and in the attainment of this desire they were not deterred by either law or common decency.

Tom Egan's bold and despotic attitude brings to mind the philosophical words of Humboldt:

I never could believe that Providence had sent a few men into the world ready booted and spurred to ride and millions ready saddled and bridled to be ridden.

When Mr. Egan took the stand, as a witness, he was asked:

Q. How many of the judges and clerks did you invite to the meeting?—A. Never invited any of the judges and clerks. We never bothered with the judges and clerks at all, as they knew what to do themselves.

In this connection he further stated, still referring to the judges and clerks:

They understood anyhow what to do to vote against him, Gill, and help any of the others that did not know how.

Now, these statements, in my judgment, are indicative of the venom which rankled in Egan's bosom, and the disgraceful manner in which the commissioners discharged their duties clearly proves that he knew whereof he spoke. To bring you to a just realization of the significance of Egan's statement, I may add for your edification that he is a brother-in-law of Mike Kinney, who was a candidate for the senate in 1912. Now, allow me to digress right here to say that, according to this record, the judges and clerks of the second precinct, who were obviously officiating for Tom Egan, serenely traded votes with their Republican colleagues, the Republicans voting for Mike Kinney for the senate and the Democratic judges and clerks voting for Dyer for Congress. This is another evidence of their loyalty to Egan, and this seems to be the only enlightening qualification they possessed for the position.

I might further add that Tom Egan is a Democratic committeeman from the fifth ward, and it is the custom of the board of election commissioners to accept the names of the judges and clerks submitted and recommended by the committeemen of the respective wards.

This record conclusively shows that 87 judges and clerks either actively debauched the ballots or acquiesced in the perpetration of this detestable offense at the behest of the man by whose mandates they were clothed with the authority of election commissioners. This record is replete with proof that 37 of the Democratic judges and clerks on the 5th of November, 1912, acted in collusion with their Republican colleagues to satisfy, even according to Mr. Dyer's own contention, Tom Egan's unsatiable vengeance, and incidentally to advance the political fortunes of his brother-in-law, Mike Kinney.

As I said heretofore, Gill, feeling very much outraged by reason of the manner in which the election was manipulated in the fifth ward, demanded a recount of the ballots, and this recount disclosed the appalling fact that the fifth ward election was a disastrous travesty, a pretense, and a fraud. Why, these fifth ward election performers would make the ballot-box stuffers in some of the larger cities of the country look like cheap, bungling amateurs.

The recount itself was a disgraceful showing up of their detestable work; it is a horrible indictment, written by their own hands; it ipso facto impeaches them; stamps them as forgers and falsifiers and conclusively demonstrates that their returns are not entitled to the merest credence at our hands. Their returns, in my opinion, bear about the same relation to the truth that a dog's bark bears to his appetite.

The recount of the second precinct reduced Dyer's vote from 199 to 106 and increased Gill's from 5 to 73.

The recount in the fourth precinct reduced Dyer from 132 to 110 and gave Gill 68 in lieu of 49.

The recount in the fifth precinct reduced Dyer from 186 to 148 and increased Gill from 23 to 51.

The recount in the ninth precinct reduced Dyer's vote from 183 to 149 and increased that of Gill from 3 to 14.

The recount of the fourteenth precinct tickets showed Dyer entitled to 128 votes instead of 148 and Gill 71 instead of 68.

We also find that, according to the official returns, Mr. Dyer carried the third precinct by 18 votes, but the recount divulged the fact that the precinct had been actually carried by Mr. Gill by 10 votes.

Why should the sacred character of Virtue shine on a villain's countenance?
Ye powers!
Why fix'd you not on treason's front,
That we might know to avoid perfidious mortals?

Now, the elimination of the returns of the second, fourth, fifth, ninth, and fourteenth precincts, which were indisputably false, forged, and falsified, will change the result of the election and overcome any plurality claimed by the contestee.

It is claimed by the defenders of the fifth ward election machinery that to err is human; but does any reasonable being believe or can he stretch his imagination to the point of believing that these miscellaneous discrepancies and inaccuracies are the result of ignorance, error, or inadvertence? From no process of reasoning can you reach any such conclusion. I am unable to bring myself to subscribe to any such fallacy.

You can not doubt the verity of the returns of the second, fourth, fifth, ninth, and fourteenth precincts and yet seat Mr. Dyer. And you can not ever hope to convince the membership of the House that these returns are entitled to the merest probatus weight. Hence it is your inescapable duty to set aside at least the returns of the five precincts above enumerated.

Mr. Chairman, it seems to be an unpardonable insult to the intelligence of the House to ask it to accept the returns of these election officials. Why, the Republican judge, Jacob Wherli (335) of the second precinct, when asked if his return was correct, replied: "I don't know whether it is correct." Now, I have too much respect for my own character to undertake to legitimate a creature so fraught with dishonesty and doubt

that it is disowned and spurned by its creature. If the Republican judge has no confidence in his own work, in Heaven's name how can you bamboozle yourselves into believing that you should accept his returns as authentic proof of the votes cast in the second precinct for the respective candidates for Congress.

The recount, as above stated, completely discredits the returns made by the judges and clerks of the fifth ward. Now, you will observe that the recount changes the returns in practically every precinct, and in several instances they increase Mr. Dyer's vote from two to five votes.

Mr. Dyer assumes that this is conclusive proof of the integrity of the returns. In my judgment there is no apparent reason why these errors should have crept into the returns of every precinct, and I feel safe in saying that the promiscuous jugglery which was so prevalent in the fifth ward is alone responsible for these glaring and inexcusable inaccuracies. In their hurried manipulation of the ballots they very naturally made inadvertent errors.

The recount gives Gill 179 more votes than the official returns show him entitled to and reduces Dyer 204, making a difference of 383 votes in favor of Gill. The immortal Shakespeare would character this "as flat burglary as was ever committed."

Mr. Dyer, in justification of these returns, says:

In every precinct they had been on continuous duty from 6 o'clock in the morning until 7 o'clock that evening, when the polls were closed, before they could count a single vote. It is not remarkable that working under such conditions of strain and fatigue serious clerical errors should creep into their official returns in these five precincts.

Oh most lame and impotent conclusion. Let us glance over the gigantic work which consumed so much of their physical strength and absorbed all of their moral fiber.

In the second precinct there were 201 votes cast.

In the fourth precinct, 215 votes cast.

In the fifth precinct, 329 votes cast.

In the ninth precinct, 179 votes cast.

In the fourteenth precinct, 362 votes cast.

Now, when we are told that these measly few votes could not be accurately compiled and honest returns of them made, I am like the old judge who advised the eloquent young lawyer to "pluck out some of the feathers from the wings of his imagination and put them in the tail of his judgment."

There can not be any doubt but what these discrepancies are the result of a deliberate conspiracy to defeat Gill, and can not be explained intelligently or rationally upon any other theory.

In the fifth ward 1,991 Democratic votes were cast. Gill's name, we find, was scratched from 997, and on 888 the name of Mr. Dyer appeared in lieu thereof. One thousand Democrats in one ward supporting a stand-pat Republican is surely an unusual spectacle; so extraordinary that we poor, erring skeptics are likely to think that there is "something rotten in the State of Denmark."

FIRST PRECINCT.

J. Kirk Kellar (1364), a Republican judge, sworn on the part of the contestee, when asked:

State what was the style of the oath and how was it administered.

Answered:

Well, simply that he would solemnly swear that on this occasion he could not prepare his ballot.

This is one of the deplorable methods employed by Egan's henchmen to deny Gill the rights guaranteed to him by the Missouri statutes, and I submit that it is our bounden duty to right this wrong. If justice is denied him here, where can he hope to look for help? Mr. Kellar was further asked the following question:

After that oath was administered, Mr. Kellar, you say such a voter could * * *. In case such a voter asked for a Democratic ticket and Hahn was preparing his ticket, what was done by Mr. Hahn in the way of preparing his ballot?

Answer:

Voter generally had a slip of paper or card, something to indicate he wanted something scratched. Mr. Hahn scratched the names and inserted others.

SECOND PRECINCT.

John Stark (1878), a Republican judge, sworn on the part of the contestee, testified that Daniel Morrissy, "another lean, unvarnished artificer," prepared ballots for the voters without swearing them as to their illiteracy; entered the polling booth and made up ballots separate and apart; and out of the presence of the other election officers and alone and unaided by his colleagues, canvassed and announced the result. He further testified that the return was signed before they even pretended to close the polls.

It may be well for me to add right here the following, which was incorporated into the general instructions sent to the judges and clerks for their guidance:

Every judge in every precinct must count each and every and all of the ballots of all parties, and should not permit the judges of one party to count the ballots of another party alone; and the judges, each and every one, should further see that the clerks of election properly tally the votes during the count, and that the totals are correct and the returns properly certified. All of your work must be done in the presence of all and by all.

Jacob Wherli (326), a Republican clerk, testified that no oath was administered and that Morrissey entered the booth and made up ballots out of the presence of the other judges and clerks. In this precinct Gill's name was scratched from 63 Democratic ballots and Dyer's name was inserted into 60 thereof. He also stated that Morrissey counted and canvassed the ballots and announced the result.

NINTH PRECINCT.

Oscar Hauserman (540), a Republican judge, testified that no oath was administered to illiterates, and that Mauer, a Democratic judge, indiscriminately prepared ballots, without pretending in some instances to even ask the voter how he desired to vote.

W. H. Gibbons, a Republican judge, said that no oath was administered to any of the supposed illiterates, and upon opening the ballot box Mauer and Byrne, Democratic judges, handled and counted the Democratic ballots. He further stated that these two gentlemen completed the tally without giving Gill a single vote, whereupon the witness demurred and claimed that Gill was at least entitled to one vote, as he had voted for him. The witness further testified that he glanced at a few Democratic ballots which were on the table before them and saw three votes for Gill, and called Mauer's and Byrne's attention to this fact, and Mauer replied, "All right; give him them."

FOURTEENTH PRECINCT.

Mr. T. A. Hubert, Republican judge, stated that no oath was administered to the voters and that Clooney, a Democratic judge, alone counted the ballots and announced the results thereof.

It can not be said that the testimony hereinabove referred to emanates from the lips of men whose often alleged inherited prejudices and predilections render them incapable of testifying fairly and impartially in a contest of this character, for the testimony in the record has been wrenched from the lips of the Republican representatives who presided at that farcical election.

Mr. Speaker, no man within hearing of my voice, irrespective of the ability of his head, can successfully vindicate the action and conduct of this band of political satellites. The testimony in this record is so clear and convincing that no person possesses enough dexterity or ingenuity to disguise the fact that the end the election machinery had in mind was the defeat of Gill.

The registration roll of the fifth ward was offered in evidence and is a part of this record. Its accuracy has not been assailed, therefore it is conclusive and full proof of its contents. This roll shows that there are 85 illiterates in the entire ward. Now, in order to conserve the purity and the freedom of elections in the State of Missouri we find that that State has enacted the following law:

Illiterate voters; judge to prepare ballot, when: Any elector who declares under oath to the judges of election having charge of the ballot that he can not read or write, or that by reason of physical disability he is unable to mark his ballot, may declare the choice of candidates to the judges having charge of the ballots, who, in the presence of the elector, shall prepare the ballot for voting in the manner hereinbefore provided: *Provided, however*, That the provisions of this section shall not be construed to allow any judge or judges of any election to enter a booth for the purpose of assisting any elector in preparing his ballot. Such judges, after reading to the elector the contents of the ballot, shall, without leaving their respective positions, prepare such ballot as the elector may dictate.

Yet we find in every precinct that these omnipotent judges and clerks, in open and flagrant violation of the law, openly and unblushingly prepared ballots without condescending in a single instance to swear the person offering to vote as to his illiteracy or physical disability. In one precinct particularly a card was not infrequently handed to one of the judges or clerks, who prepared the ballots, and in many instances prepared and cast the same without the mental or physical assistance of the voter, thus disregarding the clear mandates of the law and denying the Democratic nominee the protection guaranteed to him by that law.

FIRST PRECINCT.

All of the judges and clerks voted for Dyer. Gill's name was scratched from 666 Democratic ballots and Dyer's name written in on 61 of them.

SECOND PRECINCT.

All of the judges and clerks voted for Dyer. Gill's name was scratched on 63 ballots and Dyer's name inserted into 60 thereof.

Judge Bishop voted a straight Democratic ticket, but on the recount his ballot could not be found.

Eichholz testified that the judges and clerks declined to give him a Democratic ticket. However, he finally succeeded in se-

curing one and voted it straight; but on the recount it was found that Gill's name had been scratched therefrom and Dyer's written in.

THIRD PRECINCT.

Four of the judges and clerks voted for Dyer. Gill's name was scratched on 38 ballots and Dyer's name written in on 36 of them.

Charles A. Hanson testified that he voted a straight Democratic ticket, but when the ballots were recounted Gill's name had been scratched and Dyer's name written in lieu thereof.

FOURTH PRECINCT.

All of the judges and clerks voted for Dyer. Four witnesses testified that they voted the straight Democratic ticket, but when the recount was made it was discovered that Gill's name had been scratched therefrom and Dyer's written in place of same.

Gill's name was stricken from 68 Democratic ballots and Dyer's name appeared on 61 thereof.

FIFTH PRECINCT.

Five of the judges and clerks voted for Dyer. Gill's name was scratched from 114 ballots and Dyer's name written in on 107 of them.

SEVENTH PRECINCT.

All of the judges and clerks voted for Dyer. Fourteen ballots missing on the recount. Gill's name was stricken from 72 Democratic ballots and Dyer's name written in on 69 of them.

EIGHTH PRECINCT.

Five judges and clerks voted for Dyer. Gill's name scratched from 25 Democratic ballots and Dyer's written on 22 thereof.

NINTH PRECINCT.

Five judges and clerks voted for Dyer. Gill's name was scratched from 96 ballots and Dyer's name written on 79 thereof.

John Maguire, a Catholic priest, and four other witnesses testified that they voted the straight Democratic ticket. When their ballots were examined on the recount it was found that Gill's name had been stricken therefrom and in some instances Dyer's name written in.

TENTH PRECINCT.

All judges and clerks voted for Dyer.

Jonas Banaschek swore that he voted the straight Democratic ticket, but on the recount it appeared that Gill's name had been scratched off.

ELEVENTH PRECINCT.

All the judges and clerks voted for Dyer. Gill's name stricken from 93 Democratic ballots and Dyer's written in on 92 thereof.

John Dapoz and W. J. Wolfe testified that they voted a straight Democratic ticket, but when their ballots were examined it was found that Gill's name had been scratched and Dyer's name written therein.

THIRTEENTH PRECINCT.

Four of the judges and clerks voted for Dyer. Gill's name was scratched on 42 Democratic ballots and Dyer's name written in on 38 of them.

FOURTEENTH PRECINCT.

All of the judges voted for Dyer. Gill's name was scratched on 44 Democratic ballots and Dyer's name appeared in lieu thereof.

Judges and clerks permitted strangers in the polling place, and allowed them to freely handle the ballots and count them.

Samuel Altman and five other witnesses testified that they voted a straight Democratic ticket, but when their ballots were examined on the recount it was discovered that Gill's name had been scratched and Dyer's written therein.

FIFTEENTH PRECINCT.

All of the judges and clerks voted for Dyer. Gill's name was stricken from 39 Democratic ballots and Dyer's written in on 33 of them.

Ira Miller and Clinton Brooks voted a straight Democratic ticket, but when their ballots were examined on the recount it was found that Gill's name had been scratched therefrom and Dyer's inserted.

In this precinct lead pencils were exclusively used in the booths by the voters for marking their ballots, but when they were examined on the recount this fluid chirography had turned to simon-pure ink. Do you not know that this transition took place after the votes had been actually deposited in the ballot box?

SIXTEENTH PRECINCT.

Five judges and clerks voted for Dyer.

John J. Dassler voted the straight Democratic ticket; however, it developed on the recount that Gill's name was scratched and Dyer's name written in lieu thereof.

Walter Pfeiffer voted the Progressive ticket; Thomas J. Cockrell voted the Socialist ticket; T. B. Fluke voted the Republican ticket, as did Esau James and Arthur L. Franklin. But when their ballots were examined on the recount they were found to be Democratic tickets with Gill's name scratched and Dyer's name written in lieu thereof, all in the same handwriting.

Gill's name was scratched from 108 Democratic ballots and Dyer's name written in on 106.

SEVENTEENTH PRECINCT.

Five of the judges and clerks voted for Dyer.

Albert C. Ross and six other witnesses swore that they voted the straight Democratic ticket, but when their ballots were examined on the recount Gill's name had been stricken therefrom and Dyer's written in.

In this precinct the judges and clerks arbitrarily ejected the challengers and watchers from the polling booth whilst they were handling and counting the ballots, and would not permit them to reenter until they were threatened with criminal prosecution. Of course, we are safe in assuming that the purpose of their ejection was to enable the election officials to render a good account of their stewardship to Egan.

Gill's name was scratched from 93 Democratic ballots and Dyer's name written in on 61 of them.

Now, who did Mr. Dyer place upon the stand to prove that the judges and clerks did not deviate from the path of rectitude? Several of the judges and clerks themselves and Tom Egan and Mike Kinney. The judges and clerks made a desperate but lamentable effort to defend their accomplices. Of course, in doing this they were defending themselves. It was not expected that they would recount the happenings of that day, for such disclosures would have brought about an immediate disruption of their civil relations. It is needless to say that we thoroughly understand why Tom Egan and Michael Kinney have exerted every effort to justify the alleged errors made by the election officials—the election officials are now about to face the bar of public justice to answer for their wrongdoings, and Tom Egan, as the record shows, is in a great measure responsible for the predicament in which these weaklings find themselves.

We find that, according to the evidence in this case, Gill's name was scratched from 995 Democratic ballots and the name of L. C. Dyer written in on 888; and in each precinct the substitution of Dyer's name practically represented the work of one and the same man, notwithstanding the fact that we find from the evidence that there are only 85 illiterate voters in the entire ward.

Now, if you are going to travel out of the four corners of this record in utter disregard of the law and assume that these 888 scratched ballots represent just so many illiterates, then I ask why was not an oath administered to each as to his illiteracy? The answer is obvious. The election officials well knew that if any effort had been made to administer the oath required by the Missouri statutes that self-preservation would have impelled the voters to decline to swear themselves into a felon's den and this would have enabled them to prepare and mark their own ballots, uninfluenced and unperturbed by the election officials.

Mr. Dyer in his brief makes this ludicrous statement:

> The Republican clerk, Wherli, in the second precinct, and the Republican judge, Gibbons, in the ninth precinct, come forward after the recount has disclosed the errors mentioned, and as would-be informers, seek to clear their own skirts of self-imagined guilt by telling these stories about what Mauer and Morrissy said and did.

You may as well undertake to still the waves of the infuriated ocean as to undertake to convince this House that these two Republicans were seeking to clear their skirts of self-imagined guilt. Neither were they actuated by any desire to explain a mistake, for no one knew better than the two Republicans that the work of Mauer and Morrissy was the result of a preconcerted design to disregard the election laws of Missouri, to defeat Gill and deny the people of the twelfth district the right to elect their own Representative. It is possible, however, that they were looking for immunity, knowing that their transgressions had been brought to light and that all the transgressors were going to feel, in all probability, the heavy hand of punishment which they so eminently merit.

Mr. Dyer again, in part, says:

> That is a statement I make; the record will bear me out absolutely on that point. In every precinct where this was done, following the long-established custom prevailing at all elections for years past, it was agreed by common consent by all the judges and clerks that any voter who called for assistance on the ground that he could not properly prepare his ballot should be helped by one of the judges of the same political party as the voter, to be determined by the ticket called for by the latter. This plan was adopted for the sole purpose of assuring to all voters fair and impartial treatment and with absolutely no fraudulent, dishonest, or ulterior motive."

Now, the contestee himself admits that the all-powerful election machinery had, by common consent, agreed to suspend the

operations of the Missouri election laws. However, when he is pressed by Judge WATSON, whose sense of justice revolted against the mere mentioning of such an autocratic procedure, you will observe that he immediately retracted in same breath this statement and attributed the nonenforcement of the Missouri statutes to the judges' and clerks' ignorance of the law. Judge WATSON asked:

Mr. Dyer, do you say that the election officers testified that it had been the custom in previous elections to dispense with the administration of that oath?

Answer:

I do not know that they went that far, Judge; but they did say that they did not understand the law to be that they were to swear voters upon their ability to fix their ballots at the election; that they knew there was some swearing of the voters that had to be done, but they thought that was confined to the time the voters came to register; that is, the testimony of the judges, and everyone of them testified fully.

There is no doubt but what the judges and clerks in the fifth ward agreed to abrogate the election laws of Missouri on that day, and when they arrogated to themselves the right to do so, Gill's defeat from that moment was inevitable, for practically every judge and every clerk were viciously opposed to his candidacy. He was then absolutely at the mercy of these coconspirators, and about this there can not be any doubt, if Mr. Dyer's statement is correct. He tells us that the electorate of the fifth ward is illiterate. If this is true, the election machinery was thus enabled to take advantage of these unfortunate voters, and every line of evidence in this record cries out that this is exactly what they did.

Mr. Speaker, when the attorney representing the contestant offered to introduce in evidence copies of the indictments now pending against the election officials the contestee violently protested, and characterized the attorney's effort as unfair and illegal. Yet you know and I know that if the grand jury had not acted in this matter the defenders of Mr. Dyer would in stentorian voices ask, if these underlings are guilty of the crimes which we seek to fasten on them, why did not the grand jury return true bills against them. Now, we most assuredly admit that an indictment per se proves nothing, but experience has taught me that the pending indictment will shut out a great deal of claptrap oratory.

Mr. Dyer again argues that where testimony in chief is offered during the time for rebuttal it should be excluded. Now, the House has repeatedly held that it will not always follow this strict rule of the courts, but will admit, examine, and consider testimony that tends to prove the existence or nonexistence of fraud. I may add that, as to testimony he complains of, he availed himself of the right to cross-examine the witnesses when they were examined, yet opposed its admission on the ground that it was taken "in violation of a well-known rule of law." I do not think it lies well in the mouth of Mr. Dyer or his defenders to invoke this hypertechnical rule of evidence and in the very next breath undertake to justify the reckless and wanton disregard of the Missouri election statutes by the election officials on the ground of ignorance and inadvertence.

If it is the purpose of this House to safeguard the sanctity of the ballot, it should brush aside these technical obstructions, which are intended to clog the wheels of public justice, and freely and fully investigate into election frauds.

McCrary on Elections:

The right of suffrage is not a natural right, nor is it an absolutely perfect right. It is a right derived in this country from constitutions and statutes.

In other words, Mr. Speaker, the several States of the United States have a perfect right to prescribe the qualifications of voters, limited alone by the provisions of the fifteenth amendment of the Constitution. Hence when the voter undertakes to exercise this right he must do so in strict accordance with the clear mandates of the laws of the State in which he is a voter.

Bisbee against Finley. In this case the committee, in part, said:

It is a fundamental principle as firmly established as any rule of law that votes must be cast as the law directs.

Now, it is contended on this floor that mere irregularities in violation of the directory statutes are immaterial. It is indeed offensive to the intelligence of this House to hear it stated, with some apparent gravity, that the election officers can recklessly disregard the directory requirements of the election laws of a State and yet not destroy the authenticity of their labors. Is it possible that it can be successfully argued that the election laws of Missouri are merely directory and can, therefore, be violated with impunity? Will you, or can you, excuse fraud upon this ludicrous plea? If this rule of law has been written into the decisions of this House for our guidance, then a few unconscionable election officers can at pleasure defeat the will of the people. When we establish such a precedent we will then succeed in destroying every vestige of confidence the people have in elections. The only obstacle which stands between public decency and the political corruptionist is the majesty of the law. Now, you may emasculate or tear it down, but when it crumbles and falls your political remains will be found buried deep beneath its ruin.

I agree with the gentlemen on the other side when they contend that mere irregularities on the part of the election machinery do not necessarily vitiate the official returns of the election; that is, if it is possible to ascertain the true result thereof. This principle of law has been inculcated and enforced universally by the courts, as well as this House, and no one will undertake to question its wisdom. In the case under consideration, however, the contestant does not contend that the returns of the election officers should be set aside because of mere irregularities, but for the reason that the entire proceedings in certain designated precincts are tainted with fraud, and that the truth can not be inferred therefrom. It has been held, though actual fraud may not be established, nevertheless if the officers, through ignorance or design, disregard their official duties to such an extent as to render their returns unreliable, they must be set aside. The soundness of this principle of law appeals to every man's sense of justice and right. The recount alone in this case conclusively shows that the returns are unworthy of credit and therefore of no earthly value as evidence.

American and English Encyclopedia of Law:

When proof has been given as to the surrounding circumstances by the party alleging fraud, and these circumstances are such as to raise an inference of fraud and make out a prima facie case, the burden of proof shifts, and the onus of showing that there was no fraud is on the other party.

Are you going to establish by your decision a rule of law which will forever render absolutely inoperative the laws intended to clothe the voter with the right to exercise his elective privilege in a free and untrammeled manner? The provision of law which prohibits the clerks and judges of elections from preparing or attempting to prepare the ballot of any voter is not an idle requirement, but by this means you protect the peaceable and humble voter from the influuence of the political boss, conserve the secrecy of the ballot, and thus obtain a true expression of the will of the people. This piece of legislation, which the lawmakers in their wisdom passed, is intended to enable the people to vote according to the dictates of their own conscience, and it must be complied with.

Now, the defenders of Mr. Dyer thunder forth that these well-meaning judges and clerks are entitled to our plaudits for assisting the voters in making and casting their ballots, asserting that they were actuated alone by an honest desire to help the unfortunate voter who possessed not the requisite educational qualifications to make his own ballot. Now, this is enough to provoke a smile from the lips of an Egyptian mummy. Why, this record reeks with proof of their concerted attempts, not only to tamper with the ballots of the honest voter but, moreover, to deprive the district of its duly elected Representative.

It is not charged here that the election machinery permitted persons to vote who were not qualified electors under the laws of Missouri. If this contest were predicated upon any such grievance, we could readily, and gladly would, undertake to eliminate the illegal votes by a painstaking examination of the record. But it is charged that the votes of the fifth ward were fraudulently marked, illegally cast, wantonly tampered with after they had been deposited in the ballot box, and falsely compiled and tallied. And these charges are well supported by evidence. Therefore it is utterly impossible—that is, with any degree of accuracy or certainty—to separate the honest vote from the spurious vote. Hence, we must needs set aside the returns, and this salutary principle of law will withstand all the onslaughts of misguided and partisan men.

DISTINCTION BETWEEN ILLEGALITY AND FRAUD.

The distinction is between mere illegality and fraud in the conduct of elections. The first does not deprive the candidate of any votes save those proven to have been illegally cast for him; the second, by destroying the value of the returns as evidence, causes the rejection of the entire poll, and deprives the candidates of all the votes cast for them, the legal as well as the illegal ones, unless otherwise proved. (Wise *v.* Young, 55th Cong.)

I have but little patience with the gentlemen who argue that inasmuch as the evidence does not connect Mr. Dyer with the perpetration of the frauds complained of he should not be made the scapegoat of the wrongs committed by others, and that the well-established rules of law governing cases of this nature should be brushed aside and Mr. Dyer given every latitude and every opportunity to retain his seat.

Now, it is of little concern to this House whether Mr. Dyer colluded with those who actually stuffed the fifth ward ballot boxes or whether he conspired with those at whose instance these burglarious acts were committed. Was Mr. Dyer legally

elected as the Representative from the twelfth congressional district of Missouri? Is he the beneficiary of the frauds complained of? These are the questions we are called upon to determine and decide, not according to the dictates of congressional discretion but in conformity with the well-established precedents.

I shall not vote to throw the strong arm of the House around any person whose election has been brought about by fraud, upon the assumption that the beneficiary's hands are unstained and untarnished. Mr. Dyer is unquestionably conversant with the evidence in this record; he is thoroughly familiar with the methods employed by the fifth ward election officials; and he presumably knows that the mark of fraud is indelibly stamped upon every act of the officials.

When a person purchases stolen property, knowing the same to be stolen, he is guilty of a crime, and he will not be allowed to evade the consequences of his wrongful act by declaring that he did not himself take and carry away the stolen property or that he did not know that the thief intended stealing the same. The question is, Did he know the property had been stolen at the time he purchased it, or did he subsequently ascertain that he had purchased stolen property and still retain possession of the same?

When Mr. Dyer appeared before the committee he asserted with emphasis that it was the clear and unmistakable duty of Mr. Gill to take the testimony of the body of voters of the fifth ward; and having failed to do this, his contest must necessarily fall to the ground for lack of evidence. He also confidently declared that Mr. Gill had ample and sufficient time in which to do this.

Mr. Speaker, after the committee had heard the arguments, analyzed the evidence, and reached the irresistible conclusion that Mr. Dyer had no color of right to a seat in this House, he then appealed to the committee for further time to take testimony in his own behalf, claiming that the time allotted him under the law for taking testimony was inadequate. As a further excuse, he informed the committee that he did not believe it would undertake to reject the entire returns of any precinct.

Now, Mr. Dyer knew that 45 witnesses had impeached their ballots; that the recount impeached the integrity of the officials presiding at the election; that it destroyed the reliability of their returns; and that there were countless other circumstances in the record supported by proof which conclusively established fraud and conspiracy to defeat Mr. Gill. Yet Mr. Dyer could see no logical reason why he should have been required to take the testimony of the voters. While I shall scrupulously refrain from attempting to impugn the motives of the gentleman, nevertheless it seems to me that he advisedly waited until the eleventh hour to ask for an extension of time. Of course you know that to grant an extension, especially at this late date, will be to pigeonhole the contest, and this will be a travesty on justice. If you intend to redress the wrongs suffered by Mr. Gill at the hands of the fifth ward election officials, you must act now, in the living present. Mr. Dyer is fulfilling the duties of the office, receiving the emoluments thereof and enjoying the many privileges with which a Member is invested, and will continue to do so until the present term practically expires; that is, if the extension asked for is granted.

The defenders of Mr. Dyer insist that this case should be reopened in order to give him an opportunity to prove the votes actually cast for him. Now, I vigorously protest against any such reprehensible proceeding. The record is closed, and both Mr. Dyer and Mr. Gill have had their day and time in court.

What, wouldst thou have a serpent sting thee twice?

To open the case would be tantamount to ordering and holding another farcical election, which would be dominated by the same sinister influences that debauched the previous election. Furthermore, the testimony extant convinced and still convinces the committee that Mr. Gill is legally entitled to appear upon the floor of this House as the Representative from the twelfth congressional district of Missouri, and that Mr. Dyer is an interloper.

If Mr. Dyer had asked at an opportune season time for an extension, his request would have merited at least our sober and careful consideration, even in the face of his own laches; but coming, as it does, on the very dawn of another election, we almost feel justified in questioning the motive which inspired it.

GIDDINGS AGAINST CLARK.

But a more conclusive reason for denying the motion for an extension of time is found in the fact that the sitting Member does not show that he made any effort whatever to procure testimony, much less that he used the diligence required. He does not show that he gave notice of his intention to take the testimony of a single one of the witnesses upon whose testimony he intended to rely but failed to get; nor does he show that he issued a subpœna for any one of said witnesses. He does not show that he took a single step toward taking the testimony of these witnesses. If the sitting Member had given the requisite notice to take the testimony of the witnesses relied upon and had issued subpœnas for them, and had failed after using all the means afforded by the law to get their testimony, he might perhaps then be heard to ask an extension.

All the eminent law writers throughout the country hold that fraud can seldom be established by direct and positive evidence. It must be deduced from facts and circumstances.

The frauds herein alleged are inferred from the following facts and suspicious circumstances, namely, the pernicious and autocratic activities and threats and prophetic statements made by Tom Egan, that apostle and high priest of vengeance; the admissions wrung from the lips of Republican election officials touching the questionable conduct of themselves and their colleagues; the open and willful disregard of the Missouri election laws; the unaccountable disappearance of certain ballots; the marking of ballots by clerks and judges without the assistance or assent of the voters; the segregation of the ballots immediately upon the closing of the polls; the canvassing and compiling of Democratic ballots by Democratic judges violently opposed to Gill; the refusal of the judges to accredit Gill with a single vote in one of the precincts, in spite of the fact that one of their colleagues voted for him; the expulsion of the challengers and watchers immediately after the polls were closed; the reappearance of certain ballots from which Gill's name had been scratched and Dyer's written therein with pen and ink, which ballots had been cast in a booth where lead pencils were exclusively used; and the false and falsified official returns made by the judges and clerks.

Now, this is a résumé of some of the facts and circumstances upon which the committee based its report and upon which it expects the House to sustain its finding. Are these facts and circumstances compatible with honesty and fair dealing? No; a thousand times no.

Fraud can rarely, if ever, be proved by direct evidence, and the rule is that whenever a sufficient number of circumstances which point to its existence are clearly established a prima facie case of its existence is made, and if this case is not met with explanation or contradiction it becomes conclusive. (Mitchell *v.* Walsh, 54th Cong.)

The attempt on the part of some to distort the facts and ridicule the suspicious circumstances surrounding the conduct of the election in question will doubtless afford some weak-kneed brother an excuse to avoid the force of the contestant's evidence. Yet we believe the record is ample and sufficient to convince the conscience and judgment of any unprejudiced person that Gill is by every principle of justice entitled to the seat now occupied by Mr. Dyer.

The defenders of the contestee argue that we are seeking to destroy and nullify the ballot of the honest voters of the fifth ward by vitiating the returns thereof. This we respectfully gainsay. We are not attempting to disfranchise any of the honest voters; we are not attempting, nor is it our desire, to deny the honest voter the right to exercise his elective franchise according to the dictates of his own judgment, but we are firmly resolved not to permit a band of coconspirators, under the leadership of any man or set of men, no matter how powerful he or they may be, to bring about this very result.

Though the mills of God grind slowly, yet they grind exceedingly small; Though with patience He stands waiting, with exactness grinds He all.

If it is the purpose of the House to safeguard the purity of elections, we must not permit those who preside at our elections to disfranchise an entire district under the assumed garb of ignorance. To do this means to unbind the hands of those whose chief stock in trade is their willingness to do the biddings of the destroyers of public decency and justice.

This record methodically analyzed and weighed by the ordinary rules of evidence should satisfy and convince every impartial Member that fraud has been committed in every precinct except the sixth and twelfth during every stage of the proceedings.

We concede the onus of proof, of course, devolves upon the contestant who assails the official returns. This is a principle of law enforced throughout the country. I submit, however, that the contestant has fully and completely discharged that duty.

The law presumes always that an officer discharges faithfully and correctly the duties of the position to which he is assigned, and this presumption can only be repelled by valid evidence. The contestee has earnestly labored to impress this fact upon us. Suffice it to say that the mere recount simply annihilated this presumption.

Of course it is entirely unnecessary for me to say that I have not the merest prejudice against Mr. Dyer. I would not knowingly do him the slightest wrong or injustice, for I have too much respect for my own character to attempt to deprive him of his seat in Congress, unless I believed that that seat

rightfully belonged to another. Believing this, I would be derelict to my duty if I were to take any other position. The evidence in this record established, beyond the peradventure of doubt, fraud and conspiracy; therefore no consideration of friendship or congressional amenities should in any wise interfere with the demands of public justice. The people of Missouri are relying upon our sense of justice for the protection of their laws in this instance, and, hackneyed as it may seem, we all know that upon a pure administration of the laws of this country depends the integrity and honor of this House.

This is not a contest between Republicans and Democrats; it is a matter which rises far above the narrow plane of partisanship. The sole question here to be settled, and without equivocation, is whether the laws are to be respected and upheld and the people allowed to elect their own Representatives.

If this record does not establish fraud, conspiracy, and falsification to the entire satisfaction of the most incredulous creature under the blue canopy of heaven, then I am prepared to admit the absolute inefficacy of human testimony. If the returns of the judges and clerks, impregnated as they are with such depravity, are to receive our seal and certificate of approval, a decent and well-governed election will soon be a rarity in this country.

These deductions do not emanate from one who is inimical to the contestee, but are the honest reflections of one who is desirous of compelling those who are vested with the authority of election commissioners to try at least to safeguard the purity and freedom of elections. No greater boon can be conferred upon the American people.

When bad men combine, the good must associate, else they will fall, one by one, an unpitied sacrifice in a contemptible struggle.

Hitting the Cotton Workers.

EXTENSION OF REMARKS
OF
HON. J. HAMPTON MOORE,
OF PENNSYLVANIA,
IN THE HOUSE OF REPRESENTATIVES,

Saturday, June 20, 1914.

Mr. MOORE. Mr. Chairman, I wish to discuss the condition of the cotton trade and to submit certain information and statistics showing the effects of the Underwood tariff law upon that industry.

It was noticeable during the consideration of the present law that the cotton planter was to be taken care of in the reduction of certain duties imposed by the Payne law upon cotton ties, bagging, and certain other of the commodities which the planter has to buy. It was also patent that the manufacturer of cotton goods was to be severely cut wherever he had protection. He was plainly told to go out and compete with the world. The unfairness of this situation is gradually being unfolded by the actual operation of the new tariff law to both the cotton producer and the cotton manufacturer.

If the purpose of the revision was to strike down the eastern manufacturers, it has, to a certain extent, been successful; but if the purpose of it was to build up southern industries, it has not accomplished everything in that line that might be desired. True, there is an effort now and then to bolster up the situation and to make it appear that trade is booming, as for instance when on May 26 my distinguished Democratic colleague, Mr. HOWARD, of Georgia, indicated that "southern cotton mills are running full time all the time," or when my colleagues, Messrs. TAGGART, of Kansas, and CULLOP, of Indiana, indicate that "crops are good" and that the harvests will be plentiful, but the cold, hard facts as they come up from the business and industrial world do not bear out the statement that even the southern cotton mills are running full time or that there is any bright prospect that the great crops that are predicted will find as profitable a market as they deserve. On the contrary there is plenty of evidence that our exports are decreasing and that our American gold is leaving the United States to pay for the increased volume of imports superinduced by the mistakenly low rates of duty established by the Underwood law. In all industrial centers there is more unemployment than usual and a less wage-earning power to purchase the products of the farm, no matter how bountiful is the harvest. Indeed, as in 1907, there is more than a fair prospect that the farmer will suffer from falling prices, if he does not have to burn his grain for want of a market. The time is coming, if it is not at hand, when ordinary prudence dictates the closest economy in our domestic affairs, since business enterprise is practically at a standstill and business men hesitate to take the risk of entering upon new fields of endeavor. This involves the wage-earning power and that is the power to buy.

WORLD CONDITIONS IN COTTON.

To the suggestion of our southern friends that cotton mills are running "full time," and to those who think that "good crops" will relieve existing business tension I submit two statements published June 18. One of these is a dispatch from Paris giving a world's-eye view of the cotton situation. It follows:

"COTTON MEN FEAR LOSSES—INTERNATIONAL COMMITTEE CHAIRMAN OF CONGRESS SAYS DEPRESSION IN UNITED STATES IS GREAT.

"PARIS, *June 17.*

"The International Cotton Congress closed its sessions here yesterday. Sir Charles Wright Macara, chairman of the committee of the International Federation of Master Cotton Spinners and Manufacturers' Associations, made a statement, based on reports from committeemen from various countries, in which he said that the outlook was never blacker.

"The all-around depression in the United States is considerable, he said, while in England it is severe. Much money is being lost, and only the spinners of the finer kinds of cotton are holding their own.

"In France, Sir Charles said, the feeling is more hopeful. In Germany the market is dull, while in Austria many looms are idle. Many Austrian spinners, he asserted, are finding American yarn unprofitable to handle and are taking up the Indian output.

"Sir Charles said that the only way to avoid bad trade and heavy losses is to organize for the restriction of production. This has proved impossible of accomplishment hitherto, because of the variety of interests concerned."

AMERICAN COTTON SUFFERS.

The other is a dispatch from Washington, giving the American view of the situation:

"COTTON EXPORTS FALL—DECREASE OF OVER $3,000,000, COMPARED WITH MAY A YEAR AGO.

"WASHINGTON, *June 17.*

"Exports of breadstuffs from the United States last month amounted to $12,413,380, compared with $12,818,757 in May, 1913.

"The value of cattle, hogs, and sheep ($86,853) exported was slightly in excess of May exports last year. The cotton figures were $24,847,517, a decrease from May, 1913, of more than $3,000,000."

These two reports appearing in the newspapers upon the same day might be classified as merely "psychological," or, being in such full accord, might fall under the ban of "a secret conspiracy" against the administration at Washington if it were not for the interesting statement of the Department of Commerce, Bureau of Census, also mailed on the same day, showing a marked decrease in the exports of raw cotton—which is supposed to be tariff proof—and a considerable increase for the month of May in the imports of raw cotton from Egypt, Peru, China, and other countries; that is to say, in May, 1913, the southern planter exported 468,966 bales of cotton, and in May, 1914, he exported only 393,572 bales, whereas the imports of cotton from Egypt, Peru, China, and elsewhere increased from 1,077 bales in May, 1913, to 16,213 in May, 1914. And as evidencing the fact that our southern friends have full knowledge of the menace thus presented, we have the bills recently introduced in Congress by Mr. EDWARDS, of Georgia, and others, which propose to check importations of Egyptian cotton because of the so-called pink bollworm; all of which goes to show that the United States can not very long or very successfully discriminate against the manufacturers and consumers of raw materials without ultimately affecting the cotton producer.

But the gentleman from Georgia tells us that "practically every mill in my State and in my district now is in full operation. Some of them are running night shifts, as they are called, and none of them have been suspended by fear of intended legislation [applause on the Democratic side] or by the action of the tariff upon these industries. * * * It is another of those Republican bugaboos that they find on the side of a road every time we seek to control big business in this country, which has run rampant over the people for the last 16 years under Republican rule. [Applause on the Democratic side.]"

SOUTHERN COTTON MILLS HARD HIT.

Now, in view of what the manufacturers and workingmen of the city of Philadelphia and vicinity tell me about the hosiery and knit-goods trade, the basis of which is raw cotton, which we take from our friends in the South, I was surprised to hear that the new tariff law had worked so successfully in the in-

terest of the southern mills. I have not attempted to make a general canvass of the situation, but did start an inquiry, which has satisfied me that not only are the southern mills not busy, but that they were doing all they could to curtail production to hold what business they have without disorganizing their plants. I did not go beyond a dozen mills in Georgia and North Carolina and South Carolina, where the manufacture of raw cotton is undertaken, to ascertain the real state of affairs. Between the lines it would appear that our southern friends have no desire to find fault with the new tariff law—that is politically pardonable—but they certainly are not in a boastful mood with regard to its benefits.

Here is a sample letter from a manufacturer of cotton yarns in Georgia:

EDWARDS MILLS,
Athens, Ga., May 28, 1914.

J. HAMPTON MOORE,
Washington, D. C.

DEAR SIR: Replying to your letter of May 27 in regard to cotton mills in Georgia running full tilt. In this section around Athens there are nine cotton mills. One of these is running full time, the balance all running four days in the week, and have been for some time. Business this year with us has been the worst yet; whether this is due to tariff law, we can't say. We have not been able to sell our product this year, so had to cut down running. Could not get near cost for yarns, so we quit making it.

We hear that many mills in the South are running three or four days a week and some closed down entirely.

Truly,

L. F. EDWARDS.

—

GASTONIA, N. C., *May 28, 1914.*

HON. J. HAMPTON MOORE, M. C.,
Washington, D. C.

DEAR SIR: Replying to your favor of the 27th, we are operating only one-half of our machinery, and have not been able to run that only at a loss for some time.

This mill was erected during the year 1912, and was equipped with the most modern machinery we could buy at that time.

We manufacture 8's to 20's.

Yours, truly,

ARMSTRONG COTTON MILLS CO.,
C. B. ARMSTRONG,
President and Treasurer.

—

MOUNT HOLLY, N. C., *May 29, 1914.*

HON. J. HAMPTON MOORE,
House of Representatives, Washington, D. C.

DEAR SIR: In reply to your favor of the 27th instant, I beg to say that we find the market conditions in our business at present very unsatisfactory. While we are running short time at present on old orders, we find it almost impossible to sell further quantities of yarns in sufficient quantities to take up our full production at profitable prices. The prices we are offered in most all instances are below the cost of production, and, as we see conditions at present, it seems that very soon we will of necessity have to close down for a while and await the improvement of prices for our product.

Yours, very truly,

TUCKASEEGE MANUFACTURING CO.,
H. A. RHYNE, *Secretary-Treasurer.*

—

THOMASVILLE, N. C., *May 28, 1914.*

HON. J. HAMPTON MOORE,
Washington, D. C.

DEAR SIR: We have your favor of the 27th in regard to cotton mills in this section operating in full. We also note what you say as to the effect the tariff and other things have had on the industry. We think it a mistake in regard to the cotton mills all running full time, for you will find they are curtailing quite a lot, and some mills have closed down indefinitely. We do not know that the tariff change has all to do with the condition of the cotton industry. Just now we think a lot of the unfavorable conditions can be attributed to general business depresssion. You ask whether or not our business is as good as before the change in tariff law went into effect.

Will say that we are not in position to say in regard to this, as our mill was new and had not become established by the time the tariff law was changed, and it is hard to make a comparison with our conditions now and a year or two ago.

We feel that we are going to have to meet some close competition from some quarter, so we are trying to economize in every way and meet conditions the best we can.

Very truly,

JEWEL COTTON MILLS (INC.),
By T. J. LILLARD,
Secretary and Treasurer.

Several other mills in North and South Carolina also reported business bad. Some of them did not attribute it to the tariff, as, for instance, Mr. J. S. Wier, of the High Shoals Co., Charlotte, N. C., who writes that "In all probability several million spindles in the South are running not over two-thirds time at present. I understand that a number of mills have closed down entirely for the time being, due to unsatisfactory trade conditions on cotton yarns and cotton cloths. Personally, we do not say that the new tariff is responsible for the unsatisfactory conditions confronting the American cotton manufacturers, for the reason that we understand there has been practically no increase in the importation of cotton yarns and cotton cloths."

Mr. R. S. Reinhardt, president of the Elm Grove Cotton Mills, Lincolnton, N. C., who does not think the new tariff "has had a thing to do with the present depression," writes: "You have been misinformed as to the mills running full tilt," and adds that 1,000,000 spindles are not running more than two-thirds time.

Mr. Joseph E. Hart, of Yorkville, S. C., secretary and treasurer of the Hard Yarn Spinners' Association, confirms this statement and adds: "We certainly wish that there was some way for somebody somewhere to give us some aid."

THE WAGE EARNER IS BEING CUT.

It will be observed that these southern manufacturers were asked about business conditions only, and they replied very frankly that business was not good. The wage question was not put up to them, but the presumption is that if they are curtailing their output or not running at all a very large number of American working men and women who were formerly employed in those mills are now without that employment. It is inevitable that wage earners must suffer along with the producers of the raw material when the mills shut down. In the eastern mills there has already been a great deal of idleness, and in some cases a reduction of wages where the process of running short handed has been found inexpedient. The Philadelphia newspapers last week indicated that wage reductions had already started in one of the mills, and that this was due to the fact that the difference in wages paid in German knitting mills and the higher wages paid here, which the present tariff law does not protect, left only the alternative of a wage reduction or a shut down. As showing the tendency in the hosiery trade in particular, I submit the following letter from the Brown-Aberle Co., of Philadelphia:

PHILADELPHIA, *June 8, 1914.*

HON. J. HAMPTON MOORE,
House of Representatives, Washington, D. C.

DEAR SIR: The few figures mentioned below will show at a glance the very unsatisfactory condition of business at the present time:

1913.

April 21 to May 3, wages paid to 434 employees	$9,705
May 5 to May 17, wages paid to 436 employees	9,734
May 19 to May 31, wages paid to 440 employees	8,393

1914.

April 20 to May 2, wages paid to 440 employees	9,022
May 4 to May 16, wages paid to 406 employees	6,068
May 18 to May 30, wages paid to 390 employees	5,800

The new Underwood bill is now beginning to hit our factory hard, and from the outlook there appears to be very little in sight for us. If something doesn't come along shortly, we will be unable to avoid closing our entire plant. We must stop running machine after machine, while enormous quantities of hosiery are being landed at all the ports in this country. American manufacturers making three days per week, and American workers drawing in their envelopes about half of their average pay.

Yours, very truly,

BROWN-ABERLE CO.

It is evident that we can not force foreign competition upon American manufacturers when wages and overhead charges abroad are less than they are here without injuring the producers of our own raw materials and the operatives of our own mills. The wage problem, as it relates to materials entering into cotton manufacture, all of them affected by the tariff, is

very clearly set forth in the following letter from W. Evan Chipman, secretary of the Chipman Knitting Mills, Reading, Pa.:

CHIPMAN KNITTING MILLS,
EASTON, PA., *May 15, 1914.*

Mr. J. HAMPTON MOORE,
House of Representatives, Washington, D. C.

DEAR MR. MOORE: There is one little point about reduction of wages that seems to escape a great many minds, and that is the fact that it is impossible for any one industry, even though the help were satisfied, to reduce wages sufficient to make up for the reduction we have had in the tariff. In fact, if we were to take all the wages of the help in our mill, it would hardly make up for some of the reductions that have been made. Consequently, before the manufacturer can get on a competing basis, it is necessary to wait until we level all wages through every industry from which he gets material. In other words, in our own industry the wages in the cotton fields, spinning mills, paper mills, paper-box factories, printing office, coal mines, supply houses, and, in fact, all of the different branches of trade from which we buy material, must be reduced so that all of these materials can be furnished to us on the same basis at which they are furnished to the foreign manufacturer before we would be on a clear, level, competitive basis.

Yours, truly,

W. EVAN CHIPMAN.

UNEMPLOYMENT IN NEW ENGLAND.

Commenting upon the New England cotton-mills situation last month, the Daily Trade Record had this to say about employment:

[From the Daily Trade Record, May 2, 1914.]

"FALL RIVER—THE MILL SITUATION.

"Mills are continuing to report further losses of skilled help and a more extended reduction of production. Idle machinery throughout the mills has been estimated this week at approximately 85 per cent, and it is expected that the enforced curtailment will reach one-fifth of the total production within a short time.

"The exodus to outdoor employment has already begun and it is affecting mostly the weaving department, where the skilled operatives are employed. Yet the treasurers are not, apparently, disturbed, and in many cases they are even satisfied to shut down a fifth of their machinery. They point out that goods are now piling up, and the idle machinery affords a curtailment that will keep down the accumulation. Conditions for the next few weeks will be watched with keen interest by the treasurers, because of the general feeling that failure to improve will result in a curtailment policy. Such a plan will be taken up only as a last resort, because the mill men realize that the labor shortage is a serious problem here, and every effort is to be made to keep all the skilled help possible in the mills and in the city.

"Textile union officials are also viewing the situation with interest, but whatever plans were considered for a renewal of the agitation for a wage increase have been abandoned for a time at least. They realize that conditions do not warrant steps toward an increase in wages, and this matter will probably not be taken up by the textile council until some marked improvement in the trade is apparent."

That was on May 2, before "psychology" was applied to modern conditions. On May 24 the New Bedford (Mass.) Standard indicated that the situation was not better, as viewed from the manufacturers' viewpoint. It said:

"Transactions in mill shares the past week have been few and far between, and if there was any tendency at all to the market, it might be termed a drooping one. The most conspicuous decline was in Dartmouth Manufacturing Co. common, which dropped to 135 asked, in spite of the declaration of a regular dividend of 2½ per cent due June 1. The fact that the Wamsutta mills has found it necessary to close down a portion of its plant caused the bid price of that stock to drop to 118, although as a matter of fact a little lot of three shares sold during the week at 120, the same as the last previous sale.

"There is little at the present time in the actual conditions to induce investors to add to their holdings of mill shares. This condition is due, in some measure at least, to the fact that certain mill interests insist on selling their product at less than what it cost to make it. Since the demand for textiles in general is small, it is natural that there should be keen competition among the manufacturers to market their products. However, there is something wrong when these manufacturers, or any part of them, persist in selling their goods as much below cost as they are doing at the present time."

Continuing, the Standard said:

"The question of price will remedy itself, but a more serious factor is the drastic legislation which is being introduced into the situation and may cause Massachusetts to step down from the proud distinction held for many years of being a larger producer of textile goods than any State in the Union. The national legislation, such as tariff changes and the new banking laws, are of themselves serious, but when added to drastic State legislation they do, indeed, become a very serious factor. When legislation results in the elimination of the fit and the placing of the unfit in charge of our industries and banking facilities it is a matter of the utmost seriousness."

WE ARE SPENDING OUR MONEY ABROAD.

If we were to inquire why these depressed conditions prevail amongst the manufacturers and the workingmen, as well as the planters, we would probably find at least a clue to the answer in a careful scrutiny of the imports. The vast difference in cotton cloths alone is shown in the comparative figures for January, February, and March, as follows:

January, 1913	$958,097
January, 1914	1,682,785
February, 1913	727,121
February, 1914	1,454,439
March, 1913	721,902
March, 1914	1,402,071

These figures show that we are sending our money away. We are not employing it at home.

As to this change in our foreign trade situation, Thomas O. Marvin, secretary of the Home Market Club, of Boston, gives the following interesting summary:

"ENGLAND'S INCREASED EXPORT OF COTTON PIECE GOODS.

"While American exports of cotton cloths under the new tariff show a decline for the first three months of 1914 amounting to over $1,200,000, the cotton mills of the United Kingdom largely increased their export trade. Piece goods shipped from British mills to foreign customers increased 88,000,000 yards over the same months last year. This is an increase of $10,000,000 in the value of cotton goods exported from British mills in the first three months of 1914. The United States during these three months has increased its purchases of English-made piece goods by nearly $1,000,000. Our purchases of cotton cloths from France, Germany, and Switzerland are three times as large as they were a year ago. In January, February, and March of last year we imported cotton cloths to the value of $2,407,000; for the same months this year the importation of cotton cloths has increased to $4,539,000.

Imports of cotton cloth showing increase by countries for first three months of 1914.

	1913		1914	
	Quantity.	Value.	Quantity.	Value.
JANUARY.				
France.....sq. yds..	814,973	$239,546	2,480,465	$722,259
Germany.....do....	222,080	50,462	571,571	131,876
Switzerland.....do....	154,941	25,166	232,871	39,986
United Kingdom.....do....	3,782,736	612,139	4,503,869	753,204
Other Europe.....do....	62,861	10,499	84,729	17,644
Other countries.....do....	191,181	20,285	162,064	17,816
Total.....do....	5,228,772	958,097	8,035,569	1,682,785
FEBRUARY.				
France.....sq. yds..	670,103	195,979	1,908,696	522,891
Germany.....do....	173,721	41,265	502,198	117,464
Switzerland.....do....	86,404	13,303	172,316	35,695
United Kingdom.....do....	2,685,117	437,819	4,453,591	742,829
Other Europe.....do....	82,237	14,912	90,464	18,866
Other countries.....do....	227,365	23,843	143,946	16,694
Total.....do....	3,924,947	727,121	7,271,211	1,454,439
MARCH.				
France.....sq. yds..	711,455	218,617	1,777,140	444,101
Germany.....do....	176,907	35,993	496,786	104,428
Switzerland.....do....	114,365	18,141	215,775	35,602
United Kingdom.....do....	2,575,154	413,500	4,800,443	782,804
Other Europe.....do....	52,852	10,313	84,936	14,199
Other countries.....do....	230,205	25,338	168,067	20,937
Total.....do....	3,860,938	721,902	7,543,147	1,402,071

FOREIGNERS WATCHING OUR MARKETS.

The foreign view of the situation created by our new tariff is revealed in the consular reports, which show an increasing interest in all our markets. The foreign manufacturer is busy supplying our home trade; the foreign middleman is likewise taking advantage of the plight of our own manufacturers and merchants. All this tends to unsettle American business and displace American goods. Witness the solicitude of a Belgian agent who is prepared to find low-priced goods for American consumers in various lines from pig iron to cotton and woolen blankets:

BRUSSELS, BELGIUM, *November 7, 1913.*

DEAR SIRS: As the new American tariff suppresses the customs duties for a certain number of raw and half-prepared material and diminishes for a great part the same duties on the finished goods, I think that the moment is favorable for the offering you my services.

I therefore beg to ask you to kindly let me know with all particulars, i. e., by sending me, if possible, complete specifications pro forma invoices re the following Belgian articles, which I am in a position to supply promptly and at very low prices:

Every description of cast iron, iron, and steel: Pig iron for foundry use; blooms, billets, slabs; merchant iron and steel, round, square, and flat; ears for making turned shafting a specialty; sheet iron of any description; hoop iron; rails, beams, T, U, varillas, American section and weights; steel constructional works, bridges and roof trusses, riveted girders; cast-iron pipes for water supplies; and all re metallurgy.

Portland cement of any specification, packed in bags or barrels of any weight, at buyer's option.

Window glass of any size and thickness.

Polished plate glass, beveled or not, plated or not.

Textile fabrics of any kind: Cotton and woolen blankets, linen cloth, drills for trousers.

I trust that you will kindly send me a full description of the orders which you could eventually put before me, and I shall hasten to quote you immediately my lowest prices.

In the event my offer would be of no interest to you, I should be greatly obliged if you would kindly hand it over to a friend of yours, who could eventually purchase articles of Belgian manufacture.

The best commercial and bank references are at your disposal.

_____ _____,

Brussels, Belgium.

AND WE ENCOURAGE FOREIGN PRODUCTION.

Another evidence of the manner in which American gold that might be circulating in America for American products goes out of the country for the encouragement of foreign manufacturers and the employment of foreign labor is the influx of foreign goods as advertised by the great department stores. I select two sample advertisements, which help to explain the method by which in the long run the demand for cheap foreign commodities under a low tariff law eventually disturbs American conditions to the extent of displacing the labor in the mills and curtailing the market of the farmer.

ADVERTISEMENT NO. 1.

"This store is Philadelphia's principal distributing point for the world's standard makes and grades of underwear and hosiery. We now have the greatest spring and summer assortment ever gathered together in this store. All the best manufacturers, foreign as well as American, have contributed to our unrivaled stocks.

"Owing to the reduction in tariff we are enabled to quote lower prices on many lines than formerly prevailed.

"Our assortments of men's socks are noteworthy—many styles and grades from France, England, and Germany—from 18 cents to the finest of lisle and silk.

"Worthy of special notice are some extra values in imported cotton and lisle hosiery for men and women—made with tear-proof heels."

ADVERTISEMENT NO. 2.

"A new kind of hosiery sale that grew out of an 800-year-old sale.

"Twice a year, for 800 years, Chemnitz, Germany, has held a fair or sale of the products of its home industries, and Chemnitz is the home of lisle, cotton, and mercerized hosiery.

"Goods sold during this sale were manufactured during what would ordinarily have been the idle season.

"Our representative attended the recent fair and saw a wonderful opportunity for a large purchase; so he made the purchase, and we are selling 52,200 pair of men's and women's stockings at less than the Chemnitz fair prices. Such a sale of stockings was never atttempted in this city before."

CHEAP GOODS FORCE CHEAP WAGES.

The point about these advertisements and the many others of their kind is that they show that low tariffs aid in taking money out of this country, away from our own enterprises, which are thus halted and distressed by the competition they are made to stand, regardless of the difference in overhead charges and wages. I am in receipt of a copy of the Irish Industrial World of February 7 last which states that the average of 32,000 linen workers in Ulster is 12s. 6d., or $3.12 per week. If we were considering linen manufacture, how could the American manufacturer compete with that condition, unless some protection in the form of a duty paid to the Government was laid against that miserable foreign wage?

That wages are the crux of the controversy is gradually becoming evident to the man in the mill, as well as to the man upon the farm. It will not profit the farmer to have good crops in great quantity if the mill worker or the artisan is not earning wages with which to buy.

That wage conditions in the textile industry are better in the United States than in any competing country has been demonstrated time and again. We pay from two to three times as much to the workingman in the American mills as is paid in England or Germany or Belgium or France, and much more in proportion than in some other countries. I do not find this situation better described, so far as the cotton industry is concerned, than in a statement by Samuel Ross, a veteran labor leader of New Bedford, Mass., who, in the Standard of May 24, 1914, is quoted as follows:

ADVANCEMENT OF AMERICAN MILL WORKERS.

"One of the greatest sources of gratification to me, after my many years of effort in behalf of the wage earners, is the knowledge of the improvements which have been effected during the last 30 or 40 years in the standard of living and the working conditions of the cotton-mill operatives. As I look back to the time when I first came to New Bedford as a worker in the mule room, back in the early eighties, and compare the conditions under which the operatives lived and worked in those days with the conditions prevailing to-day, I can not help feeling that our efforts for improvement and advancement have been rewarded with a very large measure of success.

"My attention was directed recently to articles which have appeared from time to time in the Cotton Factory Times, the great labor paper of the cotton district of Lancashire, England, these articles giving the reminiscences of aged workers in the English mills. They told of the time, 60, 70, or 80 years ago, when children too small to walk were carried to the mills in the early morning; when young and old worked 66 hours a week; when overseers thrashed children for being late; when the mill workers lived mostly on porridge, and hardly enough of that. Of course, I do not remember any such conditions in this country, for the workers here have always fared better than those in England, and, too, my memory goes back only about 35 years, when conditions in England were very much improved. But at the same time I do know that there has been a very appreciable improvement in conditions in Massachusetts, and right here in New Bedford, within my time.

BETTER HOUSING CONDITIONS.

"If one wished to compare housing conditions among the cotton-mill workers back in the early eighties with conditions to-day, he should visit the mill tenements built and owned by the Wamsutta or the Grinnell mills and then some of the large three-tenement houses in which the greater part of the operatives now live. The old mill tenements represent the standard of living 35 years ago, the 'three deckers,' as they are called, represent the standard of living to-day. A visitor to each in turn would note that the four-room tenements have given way to tenements of five or six rooms; that bathrooms and inside toilet accommodations have taken the place of the outhouses in the yard; that gas for lighting and cooking has been substituted for oil; that the furniture is more elaborate and there are more comforts and luxuries in the way of carpets and pianos. In the old days those families which were fond of music were usually contented with a house organ, for the piano would cost too much. Now the piano is much more general."

WHY SHOULD WE INJURE OURSELVES? WHY?

We can not contemplate the foregoing statements without wondering just why, in view of the general development of the country and the full employment of labor up to the period of the tariff agitation and the demand for new regulatory laws, there should be so much unrest, uncertainty, and depression in the business world. That depression has struck the cotton business is certain. That it has not been confined to the cotton business is also true. Why should so unfortunate a state of affairs have been projected? Was it because of the Mexican war muddle? Was it because of the Panama tolls mix up? Was it inefficiency? Was it "psychology"? Or was it bad politics and misrepresentation with regard to the effects of a protective tariff?

Whatever it was—and I am one of those who believe it was chiefly tariff tinkering—the letting go of the protection we had against unfair foreign competition and the admission of the foreign commercial and industrial world into our markets upon its own terms—it was the surrender of a hard-earned advantage which was most unfortunate for our whole country as well as for the cotton trade. The people demanded a change—or, at least, they seemed to have done so—and they got it.

IS IT "WARFARE AGAINST BUSINESS"?

In the opinion of Mr. George W. Ochs, editor of the Philadelphia Public Ledger, in a recent address to the Ohio Society of that city, it may be charged up to "the warfare against business." Mr. Ochs came to Philadelphia after a long experience as a newspapers editor and observer at Chattanooga, Tenn. He is therefore a friend of the South.

"Is there any justification, in view of the record of this country within the past generation, for this insensate assault upon business and industry?" asks Mr. Ochs. "What has happened that there should be a conclave of politicians at Washington who permit this industrial espionage? Judging from their acts, one would suppose that American industry and business had practically perished; that American enterprise was an unknown quantity among business men; and that our country needed politicians to direct commercial life.

"Now, what are the facts? In 1880 our population was 50,000,000. In 1900 it was 75,000,000. In 1913 it was 97,000,000.

"In 1880 the wealth of this country was estimated at $42,000,000,000. Twenty years later at $88,000,000,000. In 1913, $107,000,000,000. We are told there has been no distribution of wealth in this country; that the wealth of our Nation has been concentrated into the hands of a few flint-faced, hard-fisted malefactors. What are the facts? In 1880 the per capita wealth of the country was $850. In 1900, $1,164. In 1913, $1,310. The per capita distribution in 1880 was $9. In 1900, $26, and in 1913, $34.64.

WHAT WE STAND TO LOSE.

"Taking it from another angle, the best barometer of the people's wealth is in savings bank deposits, which show the distribution of this wealth. In 1880 the savings banks of the United States had on deposit $1,819,000,000; in 1900, $2,389,000,000, and 1913, $4,451,000,000, an increase of over 500 per cent in 33 years—money that the people of the United States in their individual capacity have deposited in actual cash and are holding to-day in savings banks. This does not include national banks nor trust companies.

"The number of depositors in the savings banks in the United States shows a very much greater increase than our population. In 1880 there were 660,000 depositors in savings banks. In 1900 there were 6,000,000; in 1913, 10,000,000, an increase in 13 years of 66 per cent in the number of depositors, whereas the population in the same 13 years increased somewhat over 25 per cent.

"Now, let us study for an instant what our business men have been doing—those who have been under duress or suspicion, and whom Congress thinks need some further drastic penalization. In 1880 we sold to foreign countries $835,000,000 worth of American products. In 1900 this increased to $1,349,000,000, and in 1913 to $2,465,000,000, an almost incredible increase.

"Now, how about the manufacturing interests? It is even more marvelous. In 1880 we exported $121,000,000 worth of manufactured goods. In 1900, $484,000,000, and in 1913, $1,187,000,000, an increase of 1,000 per cent, nearly, in 30 years."

OCCASION FOR PAUSE AND WONDER.

So startling an array of facts is calculated to make any American citizen pause and wonder. Why should we so legislate as to halt our own progress? The penalization of business by inquisitorial and oppressive laws is a sad and serious blunder. But what shall we say of that legislation which destroys our own great home market and sets the highest and best-paid labor in the world in competition with the ill-paid labor of Europe? It is for the people themselves to determine.

Naval Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. SAMUEL A. WITHERSPOON,

OF MISSISSIPPI,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 16, 1914,

On the bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

Mr. WITHERSPOON. Mr. Speaker, I will ask the Speaker to call my attention after I have used 30 minutes.

Mr. Speaker, this is a novel proposition. As I understand it, it is a new invention for the purpose of squandering the public funds, and I am opposed to issuing any patent on it. [Laughter.] Now, we passed a bill through the House providing for the construction of two more battleships. The Senate has concurred with us. I explained to this House the best I could when the bill was under consideration that there were six corporations in the United States equipped to build battleships; that it takes three years to construct a battleship, and that, therefore, it is necessary to authorize two every year in order to give each one of these corporations a job all the time.

We authorized all that was necessary to keep the Government pets going, and if the House had just let it alone you never would have heard of selling any battleships and constructing a third one. But we made a great mistake by amending the bill so as to provide that one of these two battleships should be constructed in a Government navy yard. When you did that, you did not leave enough to go around. [Laughter.] Consequently it became necessary to devise some kind of a scheme by which all of these corporations would have a job on a battleship all the time. This amendment before you answers the demand.

Now, the effect of this amendment, if adopted, if you decide to sell the two of our battleships and with the proceeds build a dreadnaught, there are two effects which will follow from it. One is that the construction of this third dreadnaught is going to afford much profit to the corporation that builds it.

As I pointed out here before, the graft in the armor plate alone on a battleship is over a million dollars, to say nothing of the shells and the powder and all the other things. It is absolutely unnecessary for me to argue to you that one effect of our selling two battleships and building another dreadnaught is going to be to increase the profits of the trust. The other effect of it is going to be a decrease and a lessening of the efficiency and power of the Navy in every respect. These are the two effects of it.

In the first place it is going to lessen the number of our battleships. When you start out on this policy of selling 2 of our 39 battleships and with the proceeds constructing a third one, when you get through with the 25 battleships under that kind of a policy, then you will have instead of 39 but 27 battleships left. And you will have 12 less than Germany has now. That is the effect of it if the policy is adopted and started on with reference to the number of ships; and whenever they can get the number of our battleships less than the number in the German Navy, then you will hear such a clamor as you never heard before for the construction of more ships, because we have not as many as Germany.

Take next the number of guns. The *Mississippi* and the *Idaho* each has four 12-inch guns, each of them has eight 8-inch guns and eight 7-inch guns, making 40 guns on the two ships. It is proposed to sell those two ships with 40 guns on them and to substitute therefor one ship with 12 guns.

The chairman in his remarks a few moments ago stated that you were going to have twelve 14-inch guns. That is an utter impossibility. You can not have any such thing as that. Of course, you can take the proceeds of these two battleships when you sell them and add enough money to that to get any sort of a ship you want; but that is not a fair way to present it. A fair way to consider this question is whether or not, when you sell these two ships and get in their stead another ship that costs the same amount of money, you have lost or gained by the transaction. If you were to build a dreadnaught that would carry twelve 14-inch guns, you would have to build one with a tonnage of 31,400; you would have to build one that would cost $17,000,000, and of course you can add five or six million dollars to the proceeds of these two battleships if you can sell them at cost and build that kind of a ship, but the fair thing for us to consider is what we can get for the money that these ships will sell for, whether we will get something more valuable or less valuable than these two ships. In my judgment the very best you could do with these would be to build a dreadnaught like the *Arkansas*. As stated to you here, the tonnage of each of these ships is 13,000, or together their tonnage is 26,000. The *Arkansas* is the only ship we have that has a tonnage exactly equal to both of these—26,000—and that is the very best ship you could get with the proceeds of the sale of these two.

The *Arkansas* has twelve 12-inch guns, and if you could succeed in exchanging these two ships for one like the *Arkansas*, then you would have exchanged eight 12-inch guns on these two ships for twelve 12-inch guns on the *Arkansas*. In other words, you would gain four 12-inch guns, but in doing that you will lose sixteen 8-inch guns and sixteen 7-inch guns, or 32 of those guns. The question is whether or not you could afford to give up thirty-two 8-inch and 7-inch guns for four 12-inch guns. That is the proposition. I say, when you do it you lessen the efficiency and power of the Navy in every respect. In the first place, you start out by lessening the number of guns. You

exchange 40 for 12, and you lessen the number of guns by 28 on this one transaction, and if you were to continue that policy until you had disposed of all 25 of our battleships, getting in their stead 12 dreadnaughts, then you would have reduced the number of guns on our armored vessels from 926 to 578. We now have 89 more guns on our armored vessels than Germany has, but if you adopt this policy and carry it through, then we would have on our armored vessels 259 guns less than Germany has. You would thereby change from a condition of superiority in number of guns by 89 to a condition of inferiority to the extent of 259. That is the first effect of it. We now have 9 more armored vessels than Germany has. If you were to continue this policy until you dispose of all of our battleships, then we would have 3 less than Germany.

The third effect of the proposed scheme to dispose of two of our battleships and to construct a dreadnaught in their stead would be to decrease the weight of the metal in a broadside from our Navy, which is one of the measures of naval power given by our experts.

If we were to make the proposed exchange, we would, as already suggested, gain four 12-inch guns, and the weight of the metal in a broadside from these four guns is 3,480 pounds; but we would lose sixteen 8-inch guns, whose projectiles weigh 260 pounds each, making 4,160 pounds, and sixteen 7-inch guns, whose projectiles weigh 165 pounds, making 2,640 pounds. In other words, the weight of the metal in a broadside from the thirty-two 8-inch and 7-inch guns which we will lose by the exchange would be 8,800 pounds, or 5,320 pounds more than the weight of the metal in a broadside from the four 12-inch guns which we would gain. And if we were to continue this policy until we shall have sold all of our 25 battleships, and with the proceeds of each two built a dreadnaught, the total weight of the metal in a broadside from all our armored vessels would be reduced 63,840 pounds. The total weight of the metal of a broadside from all our armored vessels is now 45,954 pounds greater than that of the German armored ships; but if this new policy is carried out it will be 17,886 pounds less than that of the German armored vessels. If, therefore, the weight of the metal in a broadside is any measure of naval power, the inevitable effect of the proposed policy will be to transfer the relative superiority of our fleet over the Germans to a condition of decided inferiority.

The fourth effect of the change proposed in the Senate amendment is to greatly lessen the muzzle energy of our fleet; and our naval experts tell us that this is the better test.

The four 12-inch guns which we would gain by the exchange each have a muzzle energy of 48,984 foot-tons, or a total muzzle energy for the four of 195,936 foot-tons; while the sixteen 8-inch guns which we lose each have a muzzle energy of 13,715 foot-tons and the sixteen have a total muzzle energy of 209,440 foot-tons, and the sixteen 7-inch guns, each having a muzzle energy of 8,338 foot-tons, have a total of 133,408, which makes a total muzzle energy for the thirty-two 8 and 7 inch guns of 342,849 foot-tons which we would lose, against the 195,936 foot-tons we would gain. In other words, the proposed change would lessen the muzzle energy of our guns 146,912 foot-tons; and if we were to continue the policy until we had exchanged all of our 25 battleships for 12 dreadnaughts, the total muzzle energy of our fleet would be reduced 1,722,944 foot-tons. It is now 444,110 foot-tons greater than that of the Germans, but this new policy will make it 1,278,834 foot-tons less than that of the German ships. If, therefore, the muzzle energy of the guns is the measure of naval power, the inevitable effect of this strange departure will be to change our naval status from a condition of superiority over the German fleet to the extent of 444,110 foot-tons to a condition of inferiority to the extent of 1,278,834 foot-tons. In making this comparison I have supposed that the proposed dreadnaught would be armed with the 12-inch, 45-caliber gun, which is the best gun made, which is the same big gun with which the *Mississippi* and the *Idaho* are armed, and not with the 12-inch, 50-caliber gun, with which the *Arkansas* and *Wyoming* are armed, because this 50-caliber gun has such defects that it was never put on but two of our ships, and the last six dreadnaughts built and building are all armed with the 45-caliber gun. But the real measure of the difference between the power of the guns which we would lose and those we would gain by the transaction is not perceived by a consideration of either the weight of the metal in a broadside or the muzzle energy of the guns in one salvo. The true measure of the difference is what the guns will do in a given period of time.

If a battle could be decided by one broadside, then the weight of the metal in a broadside or the muzzle energy of the guns would be a more approximate measure of superiority, but since experience tells us that in actual naval battles there are only seven hits out of every hundred shots, and that on an average it takes 100 hits from 12-inch guns to put a battleship out of action, it is manifest that the real measure of superiority of guns is not what they will do on the first round but what they will do in a given period of time, and that those guns which can first fire the amount of steel necessary to overcome the enemy's ship are the superior. Now, the capacity of the four 12-inch guns which we would gain by the transaction is to shoot twice a minute, or the four guns would fire eight shots per minute. The four would therefore shoot each minute 6,960 pounds of projectiles and these projectiles would be propelled by a muzzle energy of 391,872 foot-tons. The sixteen 8-inch guns will shoot six times per minute each, or all of them will shoot 96 times per minute. The weight of the metal which the sixteen 8-inch guns will shoot in a minute is 24,960 pounds, and the muzzle energy which would propel these projectiles would be 1,256,640 foot-tons. The sixteen 7-inch guns will shoot 8 times per minute, each or all of them will shoot 128 times per minute. The weight of the metal which these sixteen 7-inch guns will shoot in a minute is 21,120 pounds, and the total muzzle energy propelling these projectiles would be 1,067,264 foot-tons. In the period of one minute, therefore, we have this difference between the four 12-inch guns which we would gain, and the thirty-two 8 and 7 inch guns which we would lose by the proposed transaction. First, the four 12-inch guns would fire 8 shots and the thirty-two 8 and 7 inch guns would fire 224 shots, or the 32 guns would fire 28 shots to every one fired by the four 12-inch guns. Second, the weight of the metal fired in a minute by the four 12-inch guns is 6,960 pounds and that by the thirty-two 8 and 7 inch guns is 46,080 pounds, or 39,120 pounds more than that of the four 12-inch guns. Third, the muzzle energy which in a minute would propel the projectiles from the four 12-inch guns would be 391,872 foot-tons, and the muzzle energy which would propel the projectiles from the thirty-two 8 and 7 inch guns would be 2,323,904 foot-tons, or 1,932,032 more foot-tons than the muzzle energy from the four 12-inch guns every minute.

These three vast differences in the number of shots, in the weight of the projectiles fired each minute, and in the muzzle energy developed every minute would have to be multiplied by the number of minutes which the battle would continue in order to determine how much we would lose in a battle by adopting this startling proposition to exchange two of our battleships for such a dreadnaught as you could build with the proceeds of the sale; and then if this startling reduction in the naval power of one of these transactions be continued until we have exchanged 25 battleships for 12 dreadnaughts, the loss of power is apparently so great as to make it incredible how any American could have even suggested it. Having now shown that this radical change in our naval policy would, when carried out, reduce the number of our battleships from 39 to 27; that it would reduce the number of our guns from 926 to 578, the 348 guns which constitute the reduction having the capacity to shoot twenty-eight times as often as those for which they had been exchanged; that we would lose 63,840 pounds of metal in every broadside from our fleet and the muzzle energy would be lessened 1,722,944 foot-tons; and that, according to every known test, the superiority of our Navy to that of Germany would thereby be changed to a palpable inferiority in every respect—we wonder how anyone with patriotism in his heart and brains in his head could have made the preposterous proposition. There is only one explanation of this absurd and rotten proposition that is consistent with common honesty, and that is the current report and belief that the dreadnaught with all big guns is superior to the common battleship with 4 big guns and a much larger number of smaller guns. It is important to note when this error was born. England had built 41 battleships, Germany 20, and the United States 25, every one of which was armed with 4 big guns and from 8 to 20 smaller guns. Up to this time it was the universal opinion of the naval experts of the world that the most effective and powerful warship that could be built was one whose main battery consisted of both large and small guns. But the three leading nations of the world were then supplied with as many battleships as could be used in a battle, and it was apparent that the folly of building more battleships would become apparent to the people unless some good reason could be shown.

It then happened that the wisdom of the naval experts of the world changed with great suddenness. The advantage of arming a battleship with guns of different sizes could no longer be seen. The dreadnaught was invented, and with almost miraculous unanimity all the naval experts of the world agreed that all these 41 English battleships and these 25 American battleships were a mistake in naval construction, and that no battleship was worth building unless it was armed exclusively with big guns. Therefore since 1904 all battleships have been armed

with big guns exclusively and called dreadnaughts, and the idea has been disseminated that the old battleship had been supplanted by the dreadnaught and is not to be counted or considered. Whether the dreadnaught was discovered and adopted because it was better, or because a ship with supposed superiority had to be substituted for the battleship in order to furnish an excuse for the waste of more money in naval armament, after we had built more battleships than we could use, is the question. Whether the adoption of a new style of ship under the pretense that the old style was obsolete and worthless was a conclusion arrived at by a consideration of the public defense and from patriotic motives, or whether the demand of the trusts for a continuation of the immense profits they had realized in the construction of 25 battleships, is a question which is easy to solve if one will take the trouble to consider the facts in whose light one can readily see why no one in any country of the world ever thought of arming warships exclusively with big guns until the people had been taxed and impoverished with the construction of an all-sufficient number of ships armed with guns of different sizes. The contention that the dreadnaught is an engine of such power and destructive force that the old battleship can not contend against it is based on the assumption that being so much larger and possessing so much more powerful machinery, and, consequently, having so much greater speed, it can select the range at which it will fight, and with its big guns it can, from a distance at which the larger number of smaller guns on the old-style battleship would be harmless, destroy it. This idea has been expressed so often that many people who do not know the facts believe it, and even those who assert it have by constant repetition convinced themselves that there is some truth in it. The fallacy in this contention lies in the failure to consider facts material to a correct solution of the question and in the assumption of facts that are untrue.

First. It assumes that all the guns on a dreadnaught are superior to those on the battleship. Eight of our battleships are armed with 12-inch 45-caliber guns, and these are not only the best guns made, but are the same as the guns on a number of dreadnaughts in our own and foreign fleets. It is true that there are not as many of them as there are on a dreadnaught, but there is no range of battle at which these same guns would not reach the dreadnaught with as much effective force as the same guns on the dreadnaught could reach the battleship, and the larger size of the dreadnaught and the consequent greater frequency with which it would be hit and the smaller size of the battleship and the consequent less frequency with which it could be hit equalizes in a large measure the difference in the number of big guns.

Second. The superiority of the big gun on the dreadnaught over the smaller gun on the battleship and its power to do effective work at ranges where the smaller guns would be useless is limited by the human eyesight and the impossibility of using the big guns at such ranges. A naval battle is liable to occur at night, when the range would have to be so close that the smaller guns would be quite effective, and therefore during half the time there could be no foundation for the contention that the dreadnaught could fight at such ranges as to make the smaller guns of the battleship useless. Even in the daytime the fog is often so dense that the crew on a ship can not see another ship until it is so near as to result in a collision, and when there is no fog there is, a larger part of the time, such mists on the ocean that a battleship could not be seen at any such ranges as would make its guns ineffective. During six days spent on the ocean to witness the target practice of our ships, I am safe in saying that during nine-tenths of the time a battleship could not be seen 12,000 yards, and the shooting had to be suspended on account of the mists, which made it impossible to see the battleships towing the targets. This limitation of the human vision by night, fogs, and mists reduces the supposed power of the dreadnaught to destroy a battleship at ranges which would make the guns of the latter ineffective to a minimum, and demonstrates that if such superiority exists at all it is confined to such rare periods as to have little value.

Third. Another fact which utterly demolishes the contention that a dreadnaught could select a range of battle at which the smaller guns of a battleship would be useless is that the guns of a dreadnaught would be worn out before it could destroy the battleship. On page 124 of the Navy Annual, which is regarded as the highest authority on such subjects, I find this language with reference to the guns on a warship:

> Both numbers and sizes are important. Numbers are required because shooting at sea is very inaccurate, and many rounds must be fired to produce the hits necessary to defeat a ship. In no action during the Russo-Japanese War did the hits amount to more than 6 or 7 per cent, except perhaps in the Battle of Tsu Shima, as to which the facts are wanting. From the results of that war it has been estimated that 100 hits from 12-inch and other guns then in use are required to put a ship of the line out of action, which gives some idea of the number of rounds required to insure victory.

All the naval battles in this war, as well as all those in the Spanish-American War, were fought at such close ranges as to make the small guns effective, and as the inaccuracy of the shooting increases with the distance, it is certain that in a naval engagement now in which the dreadnaughts selected such long ranges as to be out of the reach of the smaller guns on the battleships the number of hits would not be greater than in the Russo-Japanese War. If, then, we assume that in a fight between the *Idaho* and *Mississippi* on the one side and a dreadnaught armed with 12-inch guns on the other the dreadnaught should select such a long range as to be out of reach of the 8-inch and 7-inch guns of the battleships, and that it would have to shoot 100 times to hit 7, and that it would take 100 hits to put either of the battleships out of action, it follows that the dreadnaught would have to shoot 1,400 times to destroy each of the battleships, or 2,800 times to destroy them both. But the life of these big guns is only 175 rounds. They carry such immense charges of powder that the heat of every explosion softens the chamber of the gun, and the passage of the shell through it in its softened condition erodes the gun, and when this operation is continued 175 times it is useless until relined.

In order to enable the men to hit with it at all they have to use the gun in target practice 12 rounds per year, according to our practice, and when they have fired it 75 times we have it relieved, so that our big guns have at all times the capacity to shoot just 100 times, when they would be worn out. In a supposed engagement between the *Idaho* and the *Mississippi*, which the amendment proposes to sell to some foreign nation, and such a dreadnaught as we could build with the proceeds of the sale, when the dreadnaught's 12 guns had each been fired 100 times, or 1,200 times for all, it would lack 200 of shooting the requisite 1,400 times to make 100 hits, and all of its big guns would be useless. It would then be the easy victim of the battleship it had not touched and the other which it had wounded, and would either be destroyed by them or else it would have to escape by its superior speed. This would be the result of the proposed exchange, not taking into consideration the fact that while the guns of the dreadnought were being worn out the eight 12-inch guns on the two battleships would have done the dreadnaught as much damage as eight of its guns would have done either of the battleships. These facts show that a dreadnaught to be effective must select such battle range as would make the 8 and 7 inch guns of the battleships effective weapons in the battle, and refute the idea that it can successfully fight beyond the reach of the smaller guns.

The Senate amendment, proposing a sale of the *Mississippi* and the *Idaho* and the construction of a dreadnaught with the proceeds of the sale, means, as I have said, the exchange of thirty-two 8 and 7 inch guns for four 12-inch guns, and I have now pointed out the facts which enable us to see whether the exchange would be sensible or not. These facts are that the 32 smaller guns are 4 times as many as the 4 big guns; that they will shoot 28 times as often in a minute as the larger guns; that in every broadside the 32 guns will shoot 5,320 pounds of steel more than the four 12-inch guns, and their projectiles will be propelled by 146,912 foot-tons more muzzle energy in every broadside than the shells from the four 12-inch guns. On the other hand, I have shown that the impossibility of seeing a ship at long distances, except under the most favorable atmospheric conditions, the increasing inaccuracy of sea shooting as the distance increases, the great number of hits necessary to overcome a ship, and the short life of the big guns, overthrows the theory that a dreadnaught can in practice select ranges of battle out of the reach of smaller guns.

If anyone will bear these facts in mind it will be easy to determine whether thirty-two 8 and 7 inch guns would be more effective than four 12-inch guns in battle. The sole object of a naval battle is to overcome the enemy. This can be done in two ways. The first way is to perforate his ship so near the water line as to fill it with water and sink it. To destroy the ship by the use of big guns is the theory of the dreadnaught. The second way to overcome the enemy is to kill his men, to disable his guns, and destroy his firing stations, and this is the method aimed at in the plan of the battleship. The question therefore reduces itself down to the inquiry whether the dread-

naught with its small number of guns is more likely to strike and penetrate a battleship at a point which would sink it before the battleship could kill its men, disable its guns, and destroy its firing stations and communications. If you will read the learned and unanswerable argument of this question by Reginald Custance, on pages 122–131 of the Navy Annual for 1913, you will be forced to answer the question in favor of the old-style battleships. In part he uses this language:

The sizes of the guns depend on the work to be done, which is to defeat the enemy. Now, an enemy is defeated as soon as he is disarmed; that is to say, as soon as his guns are silenced and his torpedoes can not be fired, since he will then be helpless. Will an enemy be defeated more quickly by being disarmed directly by having his guns and torpedo tubes put out of action, or indirectly by being sunk? An examination of the actions fought in modern times has shown that, whether the ships were armored or not, the guns have been reduced to silence and the enemy defeated before the ship foundered. No similar evidence is available as to the tubes, but being placed under water in ships of the line they can only be put out of action by disabling the firing stations, which should not be more difficult than to disable guns. The evidence seems to show that the quickest way to defeat an enemy with the gun is to disarm him directly by putting his guns and tubes out of action rather than indirectly by sinking him.

What must be done to disarm an enemy? It is necessary to disable his personnel, to injure his guns and firing stations, and to disorganize his communications, which last increase in importance as the system becomes more centralized. Since the personnel, guns, and firing stations are scattered over a wide area and are not to be found in many parts of the ship which may be struck by projectiles, we see why a large number of blows must be delivered. The necessary weight of these blows depends partly on the estimate of the effect produced by bursting shell and partly on the thickness and distribution of the armor, with which all ships of the line are very imperfectly protected. The effect produced by the explosion of shells differing in size has been estimated both from peace experiments and from results obtained in actual battle. Peace experiments have been found to be misleading, because the shell is made to explode exactly on the desired spot, and its effect has usually been exaggerated by the experts, whose minds are often warped by preconceived ideas. Battle shows not only the difficulty in hitting the right spot, but that to do so is more important than to hit with a heavy shell. The war facts also indicate that if the object in battle is to disarm the enemy the effect produced by a shell is by no means proportional to its weight. Men can not be more than killed, neither can guns be more than disabled, to both of which small shell properly placed are quite equal. Hence the error of comparing the fighting power of ships by the total weights of their broadsides. What can be more misleading than to compare the broadsides of the *Orion* and *Rio de Janeiro* in that way? The weights are 12,500 pounds and 12,900 pounds, respectively, but the one will have 10 effective guns in action against 14 of the other at long ranges and 24 at decisive ones, which means that the "firing capacity" of the latter may be more than three times that of the former. These facts are concealed by comparing total weights.

Armor K. C.

	2″	7″	8″	9″	10″	11″
Unarmored						
30.5 centimeters, or 12 inches, up to extreme ranges				11,000	9,400	8,000
15 centimeters, or 6 inches, up to extreme ranges			Proof.			
Percentage, 60	12.8		6.5	4	5.5	8.8

The above diagram, which is drawn to scale, shows how imperfect is the armor protection, and represents the area of the whole vertical target exposed by a comparatively modern ship above the designed water line, and including the flying deck and superstructure up to the level of the floor of the conning tower. It is to be noted that at deep draft much of the 10-inch belt will be under water, and the protected area will be less than shown. The parts of the barbettes inside the ship are not included; neither are the funnels nor the masts, nor is any allowance made for the deck area, which adds materially to the size of the target both at long ranges and in a rolling ship. On the diagram are marked in yards the ranges in battle at which the guns named can be reasonably assumed to drive shells charged with high explosive through armor of the thickness shown. It will be noted that the whole ship is perforable inside 8,000 yards by 12-inch armor-piercing shell, and nearly three-fourths of her at longer ranges by 12-inch common shell and by 6-inch projectiles. The thick armor—9-inch, 10-inch, and 11-inch—is to be found on the primary gun positions and water line, which present very small targets and are very difficult to hit, as war experience has shown. It follows that at ranges at which it is likely to be struck the whole of the armor is perforable, and thus loses much value. As the ship carries upward of 5,000 tons of armor and somewhat more than 3,000 tons of guns, it is not unreasonable to ask whether it is quite certain that the full value is derived from that 5,000 tons and the very large sum of money which it represents.

This statement of the facts, which shows the limitations of the power of the big guns and the extent of their capacity to destroy a battleship, discloses that the portion of the ship which, if perforated, would admit the water and sink it is less than 8.8 per cent of a vertical section. If we consider that, according to history, there would on an average be a hundred hits before a shell would strike that small part of the ship which a 12-inch shell must strike in order to destroy it, that in order to make the required 100 hits the guns on the dreadnaught must be fired 1,400 times, and that the erosion in the big guns is so great that they would probably wear out before the 1,400 shots were fired, it becomes apparent that the efficiency of a dreadnaught in battle is theoretically very doubtful, and since it has never been tested in actual battle, the idea that it could at long ranges destroy the ordinary battleship has not been established by facts, reason, or experience.

The only respect in which its superiority over the battleship can be admitted is that if one of its shells from very long range should chance to strike near enough to the water line it would at long ranges perforate the vessel, admit the water, and cause it to sink; but, in view of the facts stated, this chance is so remote that it deprives the dreadnaught's superiority in this one particular of any practical value. It is true that the shells from the big guns of the dreadnaught would not only destroy the enemy's ship, if they should chance to strike it in the small vital point, but they would as effectually overcome it should they strike at those points where it would disable its guns, kill its men, disorganize its communications, and destroy its firing stations. But these points are so few and so widely scattered over the ship and the big guns of the dreadnaught are so few and fire so slowly and so frequently miss the entire ship at the long ranges at which they are designed to fight that they could not be relied on to overcome the enemy in this way. On the other hand, the 8 and 7 inch guns of the *Idaho* and *Mississippi* could not, except at very short ranges, penetrate the thick armor plate which protects the belt of the enemy's ship, and therefore could not overcome it by sinking it. In this particular they are inferior to the guns of the dreadnaught. But, as shown by Mr. Custance, 60 per cent of the average modern warship has no armor protection at all; 12.8 per cent of it is protected by armor plate only 2 inches thick and 2.4 per cent of it is protected by armor plate only 7 inches thick. In other words, there is 75 per cent of the ship which the shell from the 8-inch guns would penetrate even at the distance of 7 miles and still more at shorter ranges. And since the 32 smaller guns on the *Idaho* and *Mississippi* could, as I have shown, shoot twenty-eight times as many shells every minute as the four big guns for which it is proposed to exchange them, it is evident that in a battle between them and such a dreadnaught as we could build with the proceeds of their sale, their chances of overcoming the dreadnaught by striking it in the points where its men would be killed, its guns disabled, its communications disorganized, and its firing stations destroyed, would be twenty-eight times as great as their chance of destruction by the dreadnaught. And when it is remembered that the barrels of the guns have no protection but are completely exposed, and that these 32 small guns would shoot 224 shells every minute, and that every time one of these shell struck the exposed barrel of a big gun it would be put out of action, it becomes perfectly manifest that the *Idaho* and *Mississippi* would, in a battle, be far superior to any dreadnaught we could build with the proceeds of their sale. A fair deduction from the facts therefore leads us to the same conclusion reached by Mr. Reginald Custance, who says:

The evidence seems to show that the quickest way to defeat an enemy with the gun is to disarm him directly by putting his guns and tubes out of action rather than indirectly by sinking him.

But it should not be necessary to reason out a proposition which the facts of history establish. In all the battles fought since the battleshsip came into existence we have a sure test of the relative superiority of a small number of big guns on the one side and a large number of small guns on the other. In the Spanish-American War and in the Russo-Japanese War there were a number of battleships engaged in the battles, and all of them were armed with four big guns each and a much larger number of 8, 7, and 6 inch guns. Here the few big and the many smaller guns had abundant opportunity to show which were the more effective. In all of these battles in both of these wars all the victories were won by the small guns. Not a single ship was sunk by the projectiles from the big guns penetrating its belt and admitting the water. Not a single ship was destroyed on the dreadnaught idea. But every ship that was overcome succumbed to the force of the smaller guns before it foundered. It is true there were no dreadnaughts in any of the battles, but all the battleships engaged had the big guns with which dreadnaughts are armed exclusively, and also a much larger number of smaller guns, and the fact that the smaller guns did the work demonstrates the truth of Mr. Custance's contention that a large number of small guns capable of penetrating 75 per cent of the ship will overcome it by killing the men, putting the guns out of action, destroying the firing stations, and disorganizing the communications long before the big guns will happen to penetrate the ship at such points as to sink it. It is evident the same result would have followed if all the big guns in those battles had been on dreadnaughts and the much greater number of smaller guns had been on

the battleships. When facts prove and experience confirms a proposition those who search for the truth are bound to accept.

The proposition that a battleship armed with four big guns and a larger number of small guns is more effective than the dreadnaught armed with big guns only has been accepted by the world, and the idea of the dreadnaught armed with big guns only has been abandoned as a mistake. Anyone who will read a description of modern ships will see that this is true. While all the dreadnaughts in the English Navy are armed with big guns exclusively, yet all those which England is now building, and of which we have the description, including the *Iron Duke*, *Marlborough*, *Benbow*, and *Queen Elizabeth*, are armed partly with big guns and partly with a larger number of 6-inch guns. Germany never did fully accept the dreadnaught idea of all big guns, and all of her so-called dreadnaughts are armed with both large and small guns; and she is now reducing the number of the big guns on her latest dreadnaughts from 12 to 8, just as England is reducing the number of big guns on the five ships now building of the *Queen Elizabeth* class to 8 and arming each of them with twice as many 6-inch guns. Japan, knowing from actual experience that her victories were won with the 6-inch guns, has put a large number of them on all of her dreadnaughts, and on some of them she has reduced the number of big guns from 12 to 8 and armed them with twice as many 6-inch guns. The *Rio de Janeiro*, a Brazilian dreadnaught, which, next to the *Pennsylvania*, is the most heavily armed ship in the world, has twenty 6-inch guns. The *Almirante Cochrane*, a 28,000-ton ship now building for Chile, has sixteen 6-inch guns. The fact already discussed, the experience of naval battles, and the consensus of opinion throughout the world show that the most effective ships of war are those built upon the plan of the *Idaho* and *Mississippi*, armed partly with big guns and partly with a large number of smaller guns, and that the discarded idea of an all-big-gun ship was a mistake. These views are based on the assumption that if the *Idaho* and *Mississippi* should be sold we could build a dreadnaught of the same tonnage as the two combined, which would be 26,000 tons, and the *Arkansas* and *Wyoming* are the only ships of this tonnage. They each carry 12 big guns.

In order to construct such a ship with the proceeds, the two ships would have to be sold for at least their cost price. This could not be done, because nothing that is second hand can be sold at cost. But the chairman of the committee tells the House that with the proceeds of the sale of these two ships we would build a dreadnaught like the *Pennsylvania*, with a tonnage of 31,400 and twelve 14-inch guns. How we could build with the proceeds of the sale a ship which has a tonnage 5,400 tons greater than the combined tonnage of the two to be sold, and with everything in the ship, including the guns, turrets, and machinery, so much larger, he did not stop to explain. The only explanation is that after the proceeds of the sale are exhausted Congress would be asked to appropriate from five to ten million dollars more to complete the vessel. Of course, in that way, we could get a more powerful ship. But it would be like the fellow who swapped a $100 horse for a $50 horse, and then contended that he made a good trade, because with the $50 horse and $100 in cash he procured a better horse than the one he had at first. But whatever kind of a ship we may get instead of the two to be sold, the only way to determine whether the proposed transaction is advisable is to compare the *Idaho* and the *Mississippi* not with such a ship as we could procure by an increase in the taxation of the people, but with such a ship as we could procure with the proceeds of the sale. But whether the object of this radical departure in our naval policy is to provide a building contract for some corporation and to provide for profits to capital and employment to labor, or whether it is the result of ignorance of the facts or a failure to consider all the facts material to a correct solution of the question, or whether it is born of the crazy notion that "capital ships" are the only means of the public defense, I submit as an unanswerable proposition that a policy which would reduce the number of our battleships from 39 to 27, the guns on armored vessels from 926 to 578, the weight of the metal in every broadside 63,840 pounds, the muzzle energy of the fleet 1,722,944 foot-tons; which would exchange thirty-two 8 and 7 inch guns for four 12-inch guns in the first transaction, and 384 for 48 if we should continue it with our 25 battleships; which, according to the actual lessons of naval warfare, and according to the enlightened opinion of the world would greatly lessen the efficiency and power of our Navy, should be thoroughly investigated and the facts reported to Congress by the Committee on Naval Affairs before we make the proposed leap in the dark.

Resolution from the Commercial Club of Omaha.

EXTENSION OF REMARKS

OF

HON. SILAS R. BARTON,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 26, 1914.

Mr. BARTON. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include the following resolution:

Whereas it is to the interests of the State of Nebraska and her citizens to promote agriculture and conserve the natural resources of the said State; and

Whereas the United States Government is about to appropriate $57,000,000 for the improvement of the Mississippi River in such manner as will improve and give ease and safety to navigation, prevent destructive floods, promote and facilitate commerce, trade, and the Postal Service; and

Whereas a large part of the flood waters of the Mississippi River sought to be provided for come from the watershed east of the Rocky Mountains; and

Whereas the State of Nebraska is situated about midway between the Rocky Mountains and the Mississippi River by reason whereof flood waters originating in the Rocky Mountains and easterly thereof pass through tortuous streams tributary to the Mississippi River from the westerly to the easterly boundary of Nebraska; and

Whereas in the westerly part of the State of Nebraska there is a large acreage of semiarid land extremely valuable for agricultural purposes, provided a sufficient water supply can be secured, the annual precipitation not being great enough to insure crops; and

Whereas certain enterprising citizens of the counties of Kearney, Phelps, and Gosper have set on foot a movement looking to the scientific application of the flood waters of the North Platte River and other streams to the semiarid lands of western Nebraska for the promotion of agriculture; and

Whereas the United States, through the Department of the Interior, is now conducting an investigation into the feasibility of the proposition in question; and

Whereas it is the policy of the present administration to rehabilitate, conserve, forward, and promote the agricultural interests of these United States and conserve the natural resources thereof, and is lending aid in this direction whenever and wherever possible; and

Whereas as nearly as can be ascertained, approximately one-third of the flood waters of the Mississippi River, which the Government is now seeking to control, originate in the Rocky Mountains and pass through the State of Nebraska, which waters, if diverted to and used upon the farm lands in the western part thereof, will greatly relieve the situation on the Mississippi River, so troublesome and expensive to the National Government; and

Whereas the National Government has in times past appropriated and expended enormous sums of money in constructing levees and protection work along the Mississippi River, and will necessarily be compelled to appropriate and expend large sums of money in the future if the flood waters referred to are not diverted for beneficial purposes; and

Whereas, in order to insure the public welfare, it is both essential and the part of wisdom to conserve our natural resources, to promote intensified farming, and take whatever steps are necessary to provide a sufficient water supply for all semiarid lands and appropriate therefor the natural water supply; and

Whereas the soil in Phelps, Gosper, Kearney, and other adjacent counties is, we believe, admirably fitted for the application and retention of flood waters referred to in the spring of the year, when said waters, if not impeded, obstructed, or diverted, find their way into the Mississippi River wasteway, where they bring irreparable damage, destroy millions of dollars' worth of property, and blot out human lives: Now, therefore, be it

Resolved, (1) That the Commercial Club of the city of Omaha hereby indorses the action taken by the citizens of Kearney, Phelps, and Gosper Counties, and recommend its extension to other counties in the State.

(2) We commend the present administration and the Department of the Interior for its interest in the welfare of the citizens of Nebraska.

(3) We vote our thanks to the Commoner for giving a matter of this kind, which is so vital to Nebraska and her citizens, space and indorsement, and order a copy of these resolutions forwarded to it.

(4) We urge upon Congress the necessity of drafting and adopting at its present session an amendment to the appropriation bill to provide funds to care for the flood waters of the Mississippi River now before it, and in said amendment appropriate sufficient moneys to divert to beneficial uses, conserve, and utilize the flood waters in western Nebraska for the benefit of the agricultural interests in accordance with plans made by the Interior Department, said moneys to be expended and said work to be done under the supervision of competent men employed by the Interior Department.

(5) That in the interests of the public welfare we urge the commercial clubs and other similar organizations throughout the entire State of Nebraska to adopt resolutions and obtain the support of their members and citizens with whom they come in contact to the movement in question, and that they solicit the support of their respective Members of Congress.

(6) That a copy of these resolutions be sent to the United States Senators and Representatives elected to the National Congress from the State of Nebraska for their indorsement hereof, and that they are hereby requested to lend their aid to the amendment of the appropriation referred to in order to secure its adoption by the National Government.

The Truth About Mexico.

EXTENSION OF REMARKS

OF

HON. WILLIAM S. HOWARD,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 22, 1914.

Mr. HOWARD. Mr. Speaker, the following letter, received by me several months ago from Mr. George Robinson Hackley, of Mexico City, who, by reason of his long residence in Mexico, has acquired an intimate knowledge of the political situation, is printed in the RECORD by me for the sole purpose of giving to the American people the unvarnished truth as to conditions in that unfortunate country. Most of his statements as to the success of the constitutionalists in northern Mexico are prophetic, and I feel assured that anyone who really wants to be informed upon conditions as they really exist will find his statements of fact and conclusions most interesting and instructive:

AUGUST 28, 1913.

HON. WM. SCHLEY HOWARD,
House of Representatives, Washington, D. C.

MY DEAR SIR: As the Mexican situation is of universal interest and of extreme importance to the United States, and as there is manifestly a lack of disinterested, unbiased information, and, consequently, a lack of understanding and a diversity of ideas and opinions on the subject, and as it is desirable that our people should know the truth, I have decided to give a résumé of the conditions as they appeared to me before leaving Mexico the latter part of August, 1913, and I shall scrupulously endeavor to present the case fairly and strictly in accordance with the facts.

In my opinion, military dictatorships in Mexico are no longer possible, and a government of the masses by the classes and for the classes can not be reestablished or maintained, and the present dictatorship is, I am confident, doomed, being opposed by a tremendous majority of the people, who have been awakened by Madero, shown their wrongs, taught their rights, and inspired with the ambition to shake off the yoke of feudalism and slavery, of which they have been the victims for centuries, and enjoy the blessings of liberty and equality and an opportunity to improve and elevate themselves.

A great many people appear to think that the masses are incapable of advancement physically, intellectually, or morally, but I dispute this and believe that they have possibilities which would develop rapidly under favorable conditions. Undoubtedly there were a great many who thought, or pretended to think, that the masses under the feudal system of Europe were incapable of any great advancement or self-government, and this was especially true in France before the Revolution; but time and experience have proved that this was a mistaken view, and I would like to see these people given a real chance to rise before utterly condemning them. I have often thought how unfortunate it is that, as a rule, neither nations nor individuals are able to profit by the experience of others, hence "history repeats itself."

Madero was not overthrown by the people and his overthrow could have been effected only by the detestable methods of bribery, treachery, treason, and murder which characterized the movement and which was undoubtedly inspired solely by personal ambition tainted with malice and revenge and supported by big business and special privilege, with no thought or care for the welfare of the country or the happiness or will of its people.

The old Diaz dictatorship, viewed from certain angles, looked good, strong, and efficient. Speaking in a purely material sense, it was good for and satisfactory to most of the wealthy Mexicans and nearly all foreigners, and it must be admitted that a little of the progress and prosperity which developed during his reign "seeped through on the masses," and he did a great deal to develop the material resources of the country and establish credit abroad, but there were vital fundamental defects in his system. He did not take into consideration the welfare and happiness of the masses and did very little to educate or assist in their elevation and advancement, as the present almost universal illiteracy and deplorable conditions of the masses indisputably proves. He neglected the more important human resources of his country. How well Carlyle's description of France in the last days of the reign of Louis XV covers the conditions in Mexico at the end of Diaz's rule:

Such are the shepherds of the people; and now how fares it with the flock? With the flock, as is inevitable, it fares ill, and ever worse. They are not tended, they are only regularly shorn. They are sent for to do statute labor, to pay statute taxes, to fatten battle fields (named "bed of honor") with their bodies, in quarrels which are not theirs; their hand and toil is in every possession of man, but for themselves they have little or no possession. Untaught, uncomforted, unfed; to pine stagnantly in thick obscuration, in squalid destitution and obstruction; this is the lot of the millions.

Under Diaz the "cientificos," composed largely of Government officials who had their greedy tentacles in nearly all the important enterprises of Mexico—the railroads, banks, land, industries, and so forth—being stockholders in a large number of these interests, scientifically, unscrupulously, and shamelessly exploited the people. This is conceded by some of the oldest and best friends of Diaz.

He permitted the institution of a land law which enabled the hacendados (planters), Government officials, and others to ruthlessly dispossess unnumbered thousands of poor people from lands which had been occupied by their families for generations and appropriate them for themselves, which was a national crime and calamity and one of the greatest causes of the revolution of 1910.

Under his régime the large landholders, many controlling millions of acres, some as much as fifteen and seventeen million, enjoyed practical immunity from taxation, cultivating only a fractional part, leaving, like the dog in the manger, millions of rich acres to lie fallow, which would, no doubt, under a proper system of taxation and favorable opportunity for the small farmer to acquire land, have produced wondrous results in the development of a real nation.

Under him the masses, on the haciendas (plantations), in the factories, mines, and so forth, were practically slaves, enjoying no liberties to speak of, and their condition was far worse, in most respects, that that of the slaves in the United States before the Civil War. Their wages were small, hours long, and conditions insupportably oppressive. As an example, in the textile mills, of which there are about a hundred and fifty in this Republic, employing some 40,000 workers, the hours were from 6 in the morning until 9 at night, with a half hour for breakfast and a half hour for luncheon, receiving very low wages, and being required, as a rule, to purchase their meager food and raiment from the commissary stores of the companies at extortionate prices. They were not permitted to organize and strike for the purpose of improving their conditions, but were, by necessity, compelled to meekly submit to whatever conditions the employer chose to impose.

The workmen did inaugurate a strike several years ago, during the rule of Diaz, at the large Rio Blanco cotton mill at Orizaba, which was promptly suppressed by the federal soldiers, who killed over 500. Under Diaz the "tienda de raya"—pay-roll store—flourished, and was, with its abuses, a patent instrument in the propagation and maintenance of a species of slavery, collections for all goods sold by the commissary stores of mills, haciendas, mines, and so forth, being made through the pay roll, and through the system of advancing money at usurious rates of interest, as high as 12 per cent per week being charged in many instances, the laborer almost inevitably became hopelessly in arrears, and, as he could not leave until the debt was canceled, became perpetually peoned, thus the expression "peoned for life."

Under Diaz there was undoubtedly peace, prosperity, and commercial progress, but "the peace was artificial"—words of Madero—resting on a flimsy foundation of force and fear, the former being largely a bluff, and the real prosperity reached only a small per cent of the people, special privileges and advantages of exploiting the masses being enjoyed by the landholders, manufacturers, hacendados, and other employers of labor, and as special privilege is selfish, cruel, and pitiless, and tenaciously clung to by those who enjoy it and who overlook and ignore almost entirely principles and ideals as well as the rights of others, this element still approves of and commends the Diaz form of Government, looking at it from its own individual point of view, and, being blindly prejudiced, are unable to comprehend that such a form has been utterly repudiated and is beyond recall. There are, however, some disinterested foreigners who honestly consider that the Diaz form of government is the only practical and efficient government for this country, and it is only fair to state that I am one of a small minority of Americans in Mexico who view the matter differently. A Government whose protection and beneficence reaches only an infinitesimal part of its people, leaving the rest in a state of ignorance, servility, and darkness, is radically wrong.

The contract-labor system employed on a great many of the haciendas was a disgrace to civilization.

Under Diaz governors were selected by the President, also "jefe polfticos," who were usually corrupt, exercised tyrannical and despotic powers, and committed outrageous abuses and injustices.

These are some of the glaring deficiencies of the Diaz administration. Now let us dispassionately examine his successor.

Madero was a young man, a member of one of the largest, richest, and most prominent families in northern Mexico, who was educated in the United States and Europe, possessing high ideals, strong convictions, exalted principles, indomitable courage and patriotism, and honestly and sincerely desired and hoped to redeem and elevate the masses of his people, realizing from the beginning the stupendousness of the task and that it would probably cost him his life. "El que a salvador se mete, crucificado sale." The representative of a great cause has been foully slain, but not the cause, which is stronger to-day than ever. "The martyred Madero is stronger than Madero the apostle."

The crucifixtion of Christ and the burning of the Christians by Nero failed to throttle the cause of Christianity, and it is my firm belief that no just cause can be permanently impeded, especially the cause of a people struggling for liberty.

Like nearly all reformers since the world began, Madero was the victim of the most savage and unscrupulous abuse and villification, especially by the press, largely controlled by the old régime, which, through its long existence, was strongly ramified, rich, powerful, and influential, and could not become reconciled or even resigned to relinquish the privileges and opportunities which it had enjoyed, and consequently was determined to undermine and destroy him at any cost. He was called an idealist, a visionary, a fool, a knave, a fakir, a spiritualist, weak, and other harsh names, and yet this little man had the courage and ability to take up the cause of the people and assail and overthrow the supposedly invincible Diaz, and even his worest enemies concede his honesty and good intentions.

He first made a campaign throughout the Republic, arousing the people; wrote the "Presidential Succession," which is a strong and powerful exposition of the conditions of his country; was arrested at Monterey; imprisoned at San Luis Potosi, escaping, disguised as a peon, to the United States, where he organized the revolution of 1910, carrying it through to a successful conclusion, declining, however, to accept the presidency provisionally or to assume that high office except by the expressed will of the people, which events, it seems to me, ought to constitute an ample contradiction of the allegations of his unjust detractors. But let us go further.

I have been asked to state just what Madero really accomplished for Mexico, which I am glad to do. Naturally his responsibilities and difficulties in the transition from absolute despotism to a democratic form of government were tremendous, his task, indeed, Herculean—enough, in fact, to appall the stoutest heart—and his perplexities were materially increased by the revolution in the north, headed by Orozco, which undoubtedly was supported by members of the old cientffico party, and the recalcitrancy of Zapata. However, in spite of all sorts of difficulties and obstacles and the most powerful, vindictive, and shameful opposition, he unquestionably accomplished a great deal in a short space of time.

Querido Moheno, one of the most active members of congress, a strong opponent of Madero, and an ardent advocate of the present régime, stated on the floor of congress that he prostrated himself on his knees daily to give thanks to God for the liberty of speech which Madero had given them. Under Dfaz congressmen were mere figureheads.

El Pafs, one of the most prominent dailies, a Catholic organ, and one of Madero's bitterest foes, in a recent editorial gave credit and expressed appreciation for the liberty of the press given by Madero.

Under Madero a department of labor was instituted and through it a new tariff of wages and conditions for textile workers affecting 40,000 operatives was established. This tariff provided a maximum of 10 hours' labor per day, higher wages for the 10 hours than was formerly obtained for 14 hours, and prohibited the employment of children under 14 years of age. Can any disinterested, unbiased person honestly dispute or doubt the beneficence or far-reaching effect of this humane measure?

Under Madero, through the newly granted liberty of organizing and striking the stevedores and dock laborers at Vera Cruz and other ports obtained advances of over 25 per cent in wages; the shopmen of the National Railways an increase of 10 per cent, the telegraph operators a similar increase, etc.

Undoubtedly Madero would have ameliorated and corrected the barbarous and pitiable condition of the peons on the haciendas, especially those existing under the contract-labor system, where the laborers were not only slaves but prisoners subjected to the most brutal and inhuman treatment had he lived.

The agrarian question, one of the most important, was more difficult, but it is my conviction that Madero earnestly desired to solve it, within the law and with due respect to the property rights of all, to dispossess the holders of lands fraudulently acquired and restore them to the Indians, who had been so ruthlessly and cruelly dispossessed, and if he had had the time and opportunity would at least have materially improved matters.

Madero sowed the seeds of a higher and better civilization, and the harvest should—and I sincerely believe will—come.

How such ideals do realize themselves and grow, wonderously, from amid the incongruous ever-fluctuating chaos of the actual. This is what world history, if it teach anything, has to teach us.

And now listening reluctantly for the moment, and for the sake of argument and analysis, to the contention of many that the present Government is the only practicable and efficient form for this country, casting to the winds all ideas of principles and morals, of right and justice, and making an impartial comparison of conditions under Madero, considering the extraordinary handicaps placed in his way, with the conditions under the present régime, what do we find? Conditions are, undoubtedly and unquestionably, distinctly and decidedly worse in almost every sense now than during the Madero régime. The opposition to him, aside from, perhaps, most of the privileged classes, the newspapers, largely owned and controlled, as stated before, by his enemies, which helped hound him to death, some ambitious and unscrupulous politicians, was comparatively slight and, apparently, under way of adjustment. And here a word about Zapata, one of the formidable problems encountered by the President.

It is claimed that Madero, realizing his indebtedness to Zapata for his assistance to the revolution of 1910, and that primarily he was in arms because of wholesale ejections from and appropriations of lands belonging to the "indfgenas," the wholesale destruction of their homes and villages, tried to pacify the "Attila of the South," who was naturally justly impatient for the restoration of lands, being loath to institute a campaign of extermination or adopt harsh measures if possible to avoid them, and was therefore possibly too humane and tolerant, for which he was most bitterly criticized; but he was negotiating with Zapata, through Lic. Martínez, and it is alleged that an agreement and settlement was in sight. This, however, is problematical, and it is exceedingly difficult to obtain tangible data. This view seems logical, however, and I am inclined to credit it.

Under Madero all the frontier gateways except El Paso were continuously open; now all these gateways have been closed for six months, with apparently small prospects of being opened in the near future.

Under Madero probably 99 per cent of the railway mileage was continuously in operation, while now over 50 per cent of the national railways is closed to traffic, and the Southern Pacific Railroad Co. of Mexico, having over a thousand miles of track, has for the last six months been almost entirely out of commission.

Under Madero the opposition of Orozco in Chihuahua had been practically quelled and there was not a single State or legislature in the union in open opposition, and with the exception of Zapata in Morelos, Salgado, with a small following in Guerrero, Genovevo de la O in the State of Mexico, some intermittent disturbances in Oaxaca, and one or two small bands in Puebla and maybe one or two other States, maintained largely by the old Cientificos, the country was pacified. What are the conditions now? There is opposition, more or less strong, in almost every State in the union.

Sonora: With the exception of Guaymas, entirely in hands of the constitutionalists, and fall of Guaymas seems probable.

Coahuila: Almost entire State, including port of Piedras Negras, in possession of the Carrancistas.

Durango: Entire State, including capital, in hands of Carrancistas.

Chihuahua: Thousands under arms and important territory occupied by constitutionalists.

Nuevo Leon: Large numbers of armed constitutionalists, who have made considerable progress, controlling good part of State.

Tamaulipas: Several thousand constitutionalists, under Lucio Blanco and others, hold the port of Matamoras and other towns, and are threatening the capital city of Victoria and port of Tampico.

San Luis Potosi: Large number of constitutionalists, estimated at several thousand, operating and have captured several important towns, including Matehuala.

Sinaloa: Very strong constitutionalist following and several thousands under arms.

Nichoacan: Gertrudis Sánchez, with probably 1,500 men, has captured Zamora, Uruapam, Patzcuaro, etc., and threaten capital city of Morelia.

Guerrero: Jesús Salgado and his men, Figueroa and his men, numbering several thousand, dominate a considerable portion of the State.

Morelos: Zapata and his following, estimated at from 10,000 to 20,000, under arms against the Government. Government has sent large numbers of troops to this State, where it is concentrating its force, adopting the most vigorous measures, including the reconcentration plan; and while Government officials claim that great headway has been made, I learn from reliable sources that the State is still far from being pacified.

Jalisco: There have been a number of uprisings in this State, and there is evidently considerable discontent, but which has usually enjoyed immunity from disturbances, due, it is claimed, to the large number of small farmers, who ordinarily prefer peace. There are over 2,000 landholders in this State, while in the rich and fertile States of Morelos and Michoacan there are less than 30 in each.

Hidalgo: Several thousand armed men opposing Huerta.

Zacatecas: Large number of revolutionists under Natera captured a number of towns, including the capital of the State.

Federal district: Private information indicates over 10,000 in arms?

Puebla: Thousands of revolutionists under arms.

State of Mexico: Several thousand under arms.

Vera Cruz: Number of uprisings, and papers recently announced uprising of 10,000 "indigenas" in the Huasteca district.

Uprisings in Tepic, Oaxaca, Yucatan, Campeche, Guanajuato, and so forth, and, but for the difficulties of obtaining arms and ammunition, it is conceded by a great many, even some of those favorable to Huerta, that the revolutionists would rapidly increase and triumph in a short time, probably within a few months.

Besides, there is an important contingent who has not yet spoken, not daring, except guardedly, who have not yet acted, being unable to do so without arms, who will have to be reckoned with later. In short, the revolution is a conflagration which can not be quenched and must ultimately triumph.

Under Madero the currency of the country was stable, the ratio of Mexican money to United States being maintained on the basis of two Mexican dollars for one American dollar; now an American dollar is worth about $2.80 Mexican currency, and foreign exchange, except in limited amounts, difficult to obtain.

Under Madero the credit of the country was maintained abroad, and arrangements had been concluded to obtain all the money required.

Under Madero the earnings of the railways were reasonably satisfactory, enabling them to meet fixed charges and pay dividends, now the earnings of the national railways are less than half of what they were under Madero, being insufficient to cover any part of the fixed charges and, in fact, barely sufficient to cover operating expenses, and the properties are on the verge bankruptcy.

The commercial interests, as a rule, were able to operate profitably during Madero's régime, but now business of nearly every kind is paralyzed and a financial crisis threatens, the Mexican Government, fortunately for the country, being unable to obtain any more money abroad.

Likewise there has been a slump in Government receipts and terrific increase in expenses under the present régime.

Under Madero his worst enemies, including Felix Diaz and Bernardo Reyes, enjoyed guaranties and full legal protection, whereas now political enemies, including senators and congressmen, who, under the constitution, are entitled to immunity from arrest, magically disappear.

There was never a question of recognition of the Madero Government; now, the United States is withholding recognition, and, apparently, some European countries, who acted under a misapprehension, due to the position taken by Ambassador Wilson, have repented their recognition.

Under Madero there was some destruction of bridges, track, and equipment, but it was insignificant compared with the destruction under Huerta, which has been stupendous.

The losses to agricultural, mining, timber, and almost all other interests, have been enormous under Huerta.

These comparisons ought to suffice to show that the present Government, which is a despotic, military dictatorship, the very worst form of government, is not a success, but a decided failure. However, in spite of these incontrovertible facts, its friends, being reluctant to admit their error of judgment, contend that it will yet dominate the situation, even some of those who have suffered great losses, but I do not believe such a result possible.

Undoubtedly it is proceeding with all the energy possible, but I have never, from the beginning, had any sympathy with or confidence in its ability to control the situation, and simply could not believe that its revolting methods—the barbarous methods of the dark ages—could prevail in this enlightened twentieth century. Huerta has done everything possible to strengthen the army and its loyalty to him, having promoted, by the wholesale, officials and increased the pay of the private soldier from a dollar to a dollar fifty per day, an increase of 50 per cent, and has greatly increased it numerically, but it is exceedingly difficult, almost impossible, to improvise an efficient fighting force in Mexico, especially under the circumstances, where the army must be recruited, by forced conscription, from the very element it is fighting, which is, almost to a unit, Maderista and, consequently, opposed to this Government; in other words, the Government must secure its force from the very force it is opposing, a decided anomaly and, naturally, it will not work out and there have been thousands of desertions from the Federals to the rebels. Therefore, it is exceedingly doubtful, even with the tremendous advantages which the Government has of almost unlimited arms and ammunition and the Government machinery, if the opposition can be put down and made to stay put.

The Spaniards, with over 200,000 soldiers, having nothing in common with or sympathy for the revolutionists, and consequently no scruples about fighting them, concentrated in the small territory of Cuba, were unable to conquer the revolutionists, either in the 10 years' war from 1868 to 1878 or in the last war from 1895 to 1898, when American occupation occurred. Furthermore, the inability of the Government to obtain money abroad will prove a serious obstacle to their making real headway.

The de facto government had, to a great extent, at least in Mexico City, the support of the commercial interests, who blindly and, as I think, illogically believed in its efficiency; but in the face of disastrous results this support is waning.

It also has the incalculable advantage of the support of the press, which is as much enslaved as the press of France in the days of Napoleon, any having the temerity to oppose being promptly eliminated. Recently the publication of El Voto, La Voz de Juarez, and El Diario del Hogar in Mexico City was suppressed for criticizing the government, and La Opinion and La Union in Vera Cruz suspended. The Mexican Herald, the only American paper in the metropolis, supported from the very beginning the Huerta government and condemned our own.

I am one of the few Americans who sincerely and heartily approve and applaud the course of our Government and have absolute faith in its honesty of purpose, its high principles and justice, as well as its wisdom. I thank God that our President had the principle and moral courage to refuse, in spite of the insistent clamor of big business interests, many being unscrupulous mercenaries, to help foist this false government upon an unwilling and resisting people—did not help to prolong artificial conditions brought about by one of the most diabolical and revolting crimes in history, but is, on the contrary, lending his moral support to the cause of the people who are irresistibly struggling for liberty. There are thousands of intelligent Mexicans who respect and admire the attitude of nonrecongition and the high moral ground maintained, one remarking, "Wouldn't it be a pity and shame if there was not a single foreign Government to stand for morality and principle in dealing with the Mexican situation?"

As will be appreciated, we can not speak as fully and freely in Mexico as those who desiring to stand in with and profit through the present Government, are willing to overlook, for expediency and, in many instances, to my amazement and horror, sanction the awful guilt involved in its establishment and, therefore, openly and dogmatically espouse it, at the same time shamelessly and unpatriotically knocking and sneering at our own Government, consequently, comparatively little is heard of this side of the question. Still there are, unfortunately, many who, without having any special interests involved, take the same stand, but they are decreasing.

I am certainly proud and delighted that Washington has refused to recognize or put its approval on the assassins who have usurped the Mexican Government, who, instead of representing the will of the people, represent a betrayal of the will of the people as expressed in the triumph of the Madero revolution and his election to the presidency. Certainly recognition could not be predicated on moral grounds, and it is my firm conviction that, regardless of precedent or the action of any other nation, business and expediency should wait on principle. One of the Spanish viceroys, seeing the miserable condition of the masses, made efforts to improve their condition, when he was told by rich mine owners that such policy would ruin the mining interests of Mexico, replied, "The liberty of the peon is more important than all the mines in the world," and the principles of the present struggle are far more important than all the

foreign dollars invested in Mexico. Besides, I do not believe that recognition would permanently help business, but would, on the contrary, in the end, be detrimental, probably prolonging an intolerable condition and delaying a real settlement, and why should we countenance or lend our aid to the extension of an evil which the Mexican people to their credit are energetically resisting. The constitutionalists stand on a firmer and higher ground than Huerta, as they are fighting against usurpation and for liberty and constitutional government, and should, in my opinion, receive from our country and Government every sympathy, encouragement, and assistance consistent with our honor. How can we honorably recognize, affiliate with, or assist an illegal, unconstitutional Government, established by "irregular force" and violence, causing the deaths in the very beginning, through an infamous fake battle when Mexico City was "shot up," of thousands of innocent people, including women and children, even babes? To me it is unthinkable.

Naturally you would ask, as everyone else does, "After the present government, what?" Probably only a prophet could answer. The situation is most difficult. If the opposition unites on an honest, patriotic man having the interests of the nation at heart and desiring to educate in a practical way and improve the people, who is strong enough to prevent the classes, constituting a small minority of only about 10 per cent, from interfering, the problem should be solved. Will, as frequently in past history, the right man appear? Let us wait and hope.

Undoubtedly a man who could count on the confidence and support of the masses and having the recognition and support of the United States would have a far better chance to govern successfully than one opposed by the masses. Then, too, maybe the classes have learned a lesson by the absolute failure of Huerta, and, instead of obstructing, might realize that it would be to their interest and that of their country to assist in the regeneration and advancement of the people. God grant that they may, and thus eliminate the possibility of a repetition of the horrors of the French Revolution.

Anyhow, a false start has been made, and they must go back and build a government and create a peace resting on a better and firmer foundation—the will and support of the majority, and largely on the principles advocated by Madero. "Porfirismo" is dead and can never be resurrected. Feudalism and slavery have received their death warrant and must go.

I would like to see the Mexican people, in whom I have a very friendly and sympathetic interest, given a real chance to try out a constitutional and more representative form of government. Madero was not given a fair show; in fact hardly any show at all; but his unselfish interests and efforts in their behalf is understood and appreciated by the masses, and his grave is their most sacred shrine, and thousands upon thousands buy, kiss, and weep over his picture, and future generations will gratefully bless him.

Sincerely, yours,

GEORGE ROBINSON HACKLEY.

Frankford Arsenal and Rock Island.

EXTENSION OF REMARKS

OF

HON. J. HAMPTON MOORE,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 23, 1914,

On the bill (H. R. 17041) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes.

Mr. MOORE. Mr. Speaker, the ineffectual efforts to obtain additional ground for the Frankford Arsenal through this bill and the increase of appropriations to build up the arsenal at Rock Island have resulted in the collection of certain data with regard to the two institutions which I now put in the RECORD under leave just granted me to extend my remarks.

I am prompted to present these facts more particularly because of the address of the chairman of the Appropriations Committee [Mr. FITZGERALD], in which he clearly indicated his belief that the arsenal business of the United States should gradually be concentrated at Rock Island. Such a policy, of course, involves more than the mere question of appropriations. It has to do with fuel cost, power cost, cost of material and transportation, in addition to the most important of all, the availability and cost of labor. All these questions are treated in the paper I submit herewith. It has not only been prepared with very great care, but it shows the relative value of the two arsenals and also deals with Rock Island's famous water power, the method by which it was obtained, and the cost at which it is developed.

ROCK ISLAND FUEL COST.

1. A statement has been published showing the large savings made at the Frankford Arsenal in the manufacture of artillery ammunition, and the magnificent economies of that arsenal have been advanced as an argument for an increase in the manufacturing facilities at the Rock Island Arsenal. It has been stated that the Rock Island Arsenal can manufacture cheaper than the Frankford Arsenal, owing to the former obtaining its power from a dam in the Mississippi River, and therefore presumably free of charge. As a matter of fact Congress appropriates every year for the Rock Island Arsenal $12,500 to maintain this dam. It is understood that the Rock Island Arsenal contracts for about 5,000 tons of soft coal every year, which, at an assumed cost of $2.40 per ton, amounts to $12,000, which would make a total charge for fuel, including the maintenance of the dam, of $24,500.

Under the contract which the United States has with the former owner of the water power at the Rock Island Arsenal, the Government is obligated to furnish this company with a fourth of the power developed by this dam free of charge, and, therefore, the water power is not as free as it appears to be. When the dam is low, the Rock Island Arsenal is obliged to buy electric power from a local power company and the annual cost for the purchased power has been as high as $2,000. The power furnished by the dam is not used to heat the shop buildings, which is done by steam, for the generation of which the 5,000 tons of soft coal are purchased.

FRANKFORD FUEL COST.

On making inquiry it has been ascertained that the Frankford Arsenal consumes annually about 8,600 tons of coal, which costs about $24,000, so that apparently the cost of fuel at the Rock Island Arsenal, including the maintenance of the dam, amounts to more than the cost of coal furnished to the Frankford Arsenal. These figures do not take into consideration the fact that Congress appropriates $12,500 annually for the care of the bridges leading to the Rock Island Arsenal, which is located on an island in the Mississippi River. These figures should also be charged against the power plant at the Rock Island Arsenal for the very reason that its favorable location, so far as water power is concerned, makes it inevitable that there shall be bridges connecting the arsenal with the mainland. It will be seen, therefore, that the care of the bridges and the maintenance of the dam, amounting to $25,000, alone amount to more than the cost of the coal used at the Frankford Arsenal. But when the cost of the steam coal, viz, $12,000, used at the Rock Island Arsenal is considered the difference in favor of the Frankford Arsenal is much greater.

It is believed that the manufacturing output of the Frankford Arsenal is only slightly less than that of the Rock Island Arsenal. The aggregate of the amount of the completed orders and of the uncompleted orders at the close of the last fiscal year was slightly larger for the Frankford Arsenal than for the Rock Island Arsenal, although the amount of the completed orders was considerably less in the case of the Frankford Arsenal. It is interesting to know that the cost of fuel at the Frankford Arsenal amounts to only nine-tenths of 1 per cent of the value of the articles manufactured thereat. The fuel cost is therefore very negligible.

GOVERNMENT GIVES AWAY WATER POWER.

2. But the preceding considerations are an insufficient basis on which to determine the cost of the power developed by water at the Rock Island Arsenal. This Rock Island Arsenal water power dates from 1837, when a charter was granted to private parties to build a dam across a branch of the Mississippi River at Rock Island. The dam was actually built in 1841 and 1842, but apparently until 1865 the different owners of this water power were continually in financial difficulties, when it was acquired by the Moline Water Power Co. By a joint resolution of Congress, approved March 2, 1867, the Secretary of War was authorized to purchase from the Moline Water Power Co. its title to the water power, on the condition that the United States would develop the water power and furnish one-fourth of it to this company free of charge.

The development of this water power since that time has actually cost the United States the large sum of $1,624,750, and in addition Congress has made appropriations for extraordinary repair to this water power within the same period in the sum of $246,150. A list of the various acts in which the above amounts were provided for is given as an appendix to this paper. The annual interest charge on the cost of the development of this water power at 3 per cent is $48,742.50, and on

adding to this amount the $12,500 appropriated annually for the maintenance of the water power, we have a total annual charge of $61,242.50. It is understood that the Rock Island Arsenal takes about 1,600 horsepower from its water-power plant. Assuming that this quantity of power is taken daily throughout the year, it follows that 2,960,000 kilowatt hours are taken in electrical energy from this source of power. The annual interest charge for this quantity of energy being $61,242.50, it follows that the cost of a kilowatt hour of electrical energy as furnished by the water power at the Rock Island Arsenal is 2 cents. This cost is probably the highest in this country, when interest charge alone is considered. But the operating charges of a power plant comprise not only the interest charges but also the wages of engineers, oilers, and so forth, depreciation, and insurance. If these items were added to the above cost, it would probably make the cost of electrical energy at the Rock Island Arsenal at least 2½ cents per kilowatt hour.

STEAM VERSUS WATER POWER.

There is a general impression that since there is no charge for water in a water-power plant the cost of the energy derived from such a plant is nominal. As a matter of fact, a steam plant having a capacity of 2,000 kilowatts has been constructed for $60 per kilowatt, or $120,000 for the entire plant. Such a plant would furnish all the energy that the Rock Island Arsenal is now taking from its water power. There is no reason, however, to doubt that a steam plant having a capacity of 2,000 kilowatts can not be constructed for $200,000. It follows, therefore, that had a steam plant been constructed at the Rock Island Arsenal instead of a dam the cost of power would have been at least one-half, and probably less, than it is now costing to produce. It is understood that the Commonwealth Edison Co., in Chicago, is producing electrical energy at about six-tenths of a cent per kilowatt hour, or about one-fourth of what it is probably costing at the Rock Island Arsenal, but larger and more economical mechanical units for generating electricity are used by this company.

The above discussion does not take into consideration the fact that the Rock Island Arsenal is on an island, and it was so placed in order to utilize the water power developed by the Mississippi River. For the construction and repair of the bridges between the Rock Island Arsenal and the main land Congress has appropriated since 1869 the huge sum of $1,310,550, and the various acts and amounts are given in the appendix to this paper. As stated above, Congress also appropriates $12,500 annually to maintain these bridges.

The advantages, therefore, of the Rock Island Arsenal in regard to obtaining free water power from the Mississippi River are not as great as they apparently appear to be; and, in fact, Rock Island Arsenal possesses no economical advantages whatever by reason of its water power, when the cost and maintenance thereof are considered. It might be very advantageous as an economical proposition to abandon the water power and to generate its electricity by a steam plant.

FRANKFORD ARSENAL ECONOMIES.

2. The economies of the Frankford Arsenal are based on many considerations, one of which is its magnificent location in the largest manufacturing city in America, which makes it easily accessible to a large skilled-labor market and to its sources of supplies. In this respect it has marked advantages over the Rock Island Arsenal.

3. The Frankford Arsenal, in regard to procurement of skilled labor, is located in a territory comprising Philadelphia and Camden, which had a combined population in 1910 of 1,643,546. The Rock Island Arsenal is located in a territory comprising Rock Island, Moline, and Davenport, and all three cities had a combined population in 1910 of 91,562, or about one-eighteenth of the population of the territory in which the Frankford Arsenal is located. It is generally recognized that the Frankford Arsenal, by its location, has access to about 250,000 skilled workmen. It is doubtful if the Rock Island Arsenal has access to more than 15,000 skilled workmen. These figures show the enormous advantage that the Frankford Arsenal has in regard to the procurement of skilled labor over the Rock Island Arsenal.

4. The Frankford Arsenal, in regard to procurement of material for manufacturing purposes, compares most favorably with the Rock Island Arsenal. The Frankford Arsenal in the manufacture of ammunition utilizes largely brass, steel, and explosives. The brass comes mainly from Connecticut, which is about 150 miles distant, whereas the Rock Island Arsenal is nearly 1,200 miles from the same source of supply. The Frankford Arsenal procures steel largely from Bethlehem and Reading, which are only about 60 miles distant, whereas the Rock Island Arsenal is nearly 1,000 miles from the same source. The latter arsenal could probably, however, obtain steel from Gary, Ind., and Pittsburgh, Pa., which are 210 and 650 miles distant, respectively. The Frankford Arsenal procures explosives from Carneys Point and Picatinny Arsenal, N. J., which are located about 30 and 140 miles, respectively, distant, whereas the Rock Island Arsenal is located over 1,000 miles from these same sources.

BASE OF OPERATIONS NEARER FRANKFORD.

5. All the important experimental work of the Bureau of Ordnance of the War Department is conducted at the Sandy Hook Proving Ground, such as testing cannon, carriages for cannon, and artillery ammunition. This work is of the utmost importance, and it is conducted by disinterested officers, who have nothing whatever to do with the manufacture of the materials so tested. The Sandy Hook Proving Ground is located at the entrance of New York Harbor, and is 122 miles from the Frankford Arsenal. If the manufacture of artillery ammunition was conducted at the Rock Island Arsenal, it would mean that such material would have to be shipped 1,100 miles to obtain that independent test by disinterested officers.

6. Philadelphia is one of the principal seaports of the country, which gives the Frankford Arsenal a marked advantage not only for rail but also for water transportation. If the Frankford Arsenal should ever secure the adjacent Lennig property, the purchase of which has been recommended since 1875, ocean-going steamers could obtain their ammunition at the arsenal and distribute it to convenient seaports throughout the country. The Frankford Arsenal should supply all the eastern seacoast forts and interior Army posts within convenient distance at less cost than they can be supplied by all-rail routes from the Rock Island Arsenal. With the opening of the Panama Canal the Frankford Arsenal should supply the Pacific coast forts and posts and insular possessions in the Pacific at a very much less cost for transportation than can the Rock Island Arsenal.

GOVERNMENT APPROPRIATIONS FOR ROCK ISLAND ARSENAL.

7. The Rock Island Arsenal, as compared with the Frankford Arsenal, has received very generous treatment from Congress. During the past 10 years the Rock Island Arsenal received in the various acts for the sundry civil expenses of the Government, for repairs and improvements, the magnificent sum of approximately $975,000, whereas during the same period the Frankford Arsenal received only approximately $350,000. The Rock Island Arsenal has been provided with magnificent buildings, and only recently $250,000 was appropriated to equip one of them for the manufacture of war material. The buildings of the Frankford Arsenal are congested and many of them are merely frame buildings, which are insanitary, unsafe, and totally inadequate for the purposes for which they are being used. Some years ago the Rock Island Arsenal received a large appropriation for an armory, which is now shut down, and while this armory was in operation it shared with the Springfield Armory, in Massachusetts, in the manufacture of small arms for the Government. Apparently the congressional friends of Rock Island Arsenal now desire that it share with the Frankford Arsenal in the manufacture of ammunition, which has heretofore been confined solely to the latter arsenal.

ENORMOUS SAVING AT FRANKFORD ARSENAL.

8. It is a matter of record that the Frankford Arsenal saved $250,000 in 1912 on the introduction of improved shop management in manufacturing rifle ammunition. Its savings on existing orders for the present year in the manufacture of artillery ammunition over what the cost would have been had it been procured from outside manufacturers amounts to nearly $800,000, and had it been able to handle all the orders which had been given to outside manufacturers it would have made an additional saving of over $300,000. The Frankford Arsenal points with pride to the manufacture of rifle ammunition at $27 per thousand when it has been purchased from outside manufacturers at $38 per thousand, making a saving annually of at least $500,000 in this respect, and if the orders given to the outside manufacturers had been given to the Frankford Arsenal there would have been an additional saving of about $80,000. The Frankford Arsenal in the utilization of old materials during a period covering 18 months returned to the War Department about $700,000, and which arose from the skill of that arsenal in utilizing old, surplus, and scrap materials in manufacturing operations. Can the Rock Island Arsenal point to such a magnificent record of savings? Should these savings be made a basis for increasing the manufacturing plant at the Rock Island Arsenal when there is no evidence that similar savings would be affected there? The friends of the Frankford Arsenal know that if the Frankford Arsenal plant is increased to meet the increased demands for artillery ammunition, these savings will be made

as heretofore, but in larger quantity proportionate to the larger output, for its location and organization will remain the same as heretofore, and these are the factors that have attributed to its remarkable savings.

COMPARISON OF EXPENDITURES.

9. The value of the Frankford Arsenal plant is estimated to be $3,500,000, and this includes the value of the land not at its purchase price but at its present valuation. It is doubtful if the United States has expended for the purchase of the land, construction of buildings, and installation of machinery as much as $4,000,000. The expenditures made at the Rock Island Arsenal for the development of the water power, for extraordinary repairs made to it, and for the construction and repair of the bridges since the arsenal was established have amounted to at least $3,200,000, or very nearly the cost of the entire Frankford Arsenal plant. It has been stated that Congress has appropriated for the Rock Island Arsenal in all about $9,000,000. When it is considered that at the present time the value of the annual manufactures of the Rock Island Arsenal and the Frankford Arsenal are very nearly the same, it requires no such detailed information as is given in the preceding paragraphs to convince any business man that the Frankford Arsenal, producing the same value of manufactured articles annually at less than one-half of the capital investment, must be decidedly a more economical manufacturing institution, assuming that the management is equally skillful at both establishments.

Acts of Congress making appropriations for the development of the water power at the Rock Island Arsenal.

Act of June 27, 1866	$100,000
Act of June 8, 1868	80,000
Act of March 3, 1869	130,000
Act of July 15, 1870	200,000
Act of March 3, 1871	200,000
Act of June 10, 1872	110,000
Act of March 3, 1873	18,000
Act of June 23, 1874	5,400
Act of March 3, 1881	50,000
Act of August 7, 1882	100,000
Act of March 3, 1883	20,000
Act of July 7, 1884	18,500
Act of October 2, 1888	275,000
Act of August 30, 1890	101,000
Act of July 1, 1898	45,000
Act of March 3, 1899	21,350
Act of March 3, 1901	130,500
Total	1,624,750

Acts of Congress making appropriations for extraordinary repairs to the Rock Island Arsenal water power.

Act of October 2, 1888	$25,000
Act of August 18, 1894	30,000
Act of March 2, 1895	37,500
Act of June 4, 1897	28,150
Act of June 6, 1900	97,000
Act of May 27, 1908	28,500
Total	246,150

Acts of Congress making appropriations on account of the bridges at the Rock Island Arsenal.

Act of March 2, 1867	$200,000
Act of July 25, 1868	100,000
Act of March 3, 1869	500,000
Act of July 15, 1870	300,000
Act of March 2, 1889	35,000
Act of March 28, 1896	96,000
Act of June 11, 1896	10,200
Act of May 27, 1908	9,350
Act of March 4, 1909	60,000
Total	1,310,550

Naval Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. WILLIAM J. CARY,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 23, 1914,

On the bill (H. R. 14034) making appropriations for the naval service for the fiscal year ending June 30, 1915, and for other purposes.

Mr. CARY. Mr. Speaker, Congress should allow the Navy Department to sell the battleships *Idaho* and *Mississippi* to Greece for any reasonable price they may be able to obtain; but I am strongly opposed, and I think this House should insist to the uttermost on rejecting the Senate provision that the money obtained from the sale of these two ships would be used for the building of one new ship of the dreadnaught type.

The reasons why the House should insist so strongly on rejecting this provision are of the most commanding and decisive character, and because of them the House should not yield upon any consideration.

The construction of the dreadnaughts we already have is known to every well-informed person on naval affairs to have been a great blunder; the building of any more such ships at this time may prove a disaster to the country.

England and Germany, who by their fierce rivalry for supremacy are driven to the necessity of having the best there is in battleships, are already beginning to substitute in their new construction the building of swift battle cruisers with the largest-caliber guns and high-explosive shells in place of the slow, cumbersome, costly, dreadnaught type which our Steel and Armor Trusts insist we should build, not for the national defense but for their profit.

It is high time the direction of the naval policy and the naval construction of the United States should be taken away from the Steel Trust and the Armor Trust. Apparently there is no other power in this country able to do this; hence it becomes the duty of Congress, and now is the time, right here, for Congress to put its foot down to make the change, by rejecting this part of the Senate amendment and instructing our conferees that the House will give no further sanction to the building of any more obsolete dreadnaughts until a thorough and competent investigation is made to disclose the true facts as they exist in our Navy at this time.

I am convinced, and I believe many of the other Members of this House are convinced, that both the Congress and the people of the United States have been deliberately deceived, through the machinations of the Steel and Armor Trusts, as to what the true facts are in regard to our naval situation. I am further convinced, and I believe other Members of this House are convinced, from facts that have come to their knowlelge, that foreign Governments and foreign experts know far more about our Navy and its strength, or rather its weakness, than does our Congress, which appropriates from the Public Treasury the millions of money to build this Navy, or than do our citizens, who bear the burden of taxation to pay for its construction.

Witness the following from one of the greatest naval experts of Europe, Gerard Finnes. He says in an article published in the London Graphic:

There are a hundred indications which show that a collision between Japan and the United States is approaching. The Americans live in a fool's paradise in this matter.

The Japanese are full of contempt for American brag and bounce for the lack of national spirit or even of true nationality. They have a profound disbelief in the war-worthiness of the American Navy and an acute realization of the fact that the strategical situation is overwhelmingly in their favor.

It is objected that the Japanese are too poor to fight. When will people realize the fact which all history teaches—that it is the poor nations which fight? Japan is rich enough to afford war, because, directly or indirectly, she will make war pay for itself. Japan will fight very much for the same reason that prompted Bismarck to fight France.

The war will be for the consolidation of the yellow peoples. The Chinese despise force, but readily yield to the fear of it. Japan has beaten the most aggressive of the white powers already; victorious over another, she will appear to her huge neighbor invincible. The United States offers at once the most practicable and the surest prey.

In addition to the instructions given our Secretary of the Navy by the Senate amendment, modified as I have proposed, we should also incorporate in this bill strict instructions to the Attorney General to begin an immediate prosecution of the Steel Trust and Armor Trust to recover from them the damage and loss which the Government has suffered as a result of the frauds and conspiracies in violation of the law which they have practiced against this Government, much evidence of which is already in the hands of the Government; and absolutely conclusive evidence can be easily produced through the passage by the House and Senate of the witness-bill amendment which I proposed to the naval bill in this House only a short time ago.

In dealing with military affairs and matters of the national defense there is no time for hesitation and doubt, "lest we wake the drumming guns that have no doubts."

We have too long permitted our subservient and spineless Attorney General to shield these treasonable criminals from the stern punishment their acts deserve.

The Secretary of the Navy has admitted in his letter to the Senate in June, 1913, and in his testimony before the House committee in January, 1914, that he has full knowledge of the treasonable and plundering conspiracy by which the Steel Trust and the Armor Trust are robbing the Government and endangering the safety of the country in time of war; yet he goes on squandering several hundreds of thousands of dollars daily of

the Government's money on a program directed by these criminal trusts instead of doing his duty in asking Congress for authority to produce and protect witnesses and insisting that his colleague, the Attorney General, proceed with the prosecution of the Armor Trust criminals.

I therefore repeat my demand that the Attorney General should either attend to his duty to prosecute the Armor Trust or resign. We do not need new trust laws; we need a Secretary of the Navy who will act and a new Attorney General who attends to his duty and enforces the existing antitrust laws.

The Psychological Conditions of Democracy.

Every day since this Democratic administration went into power mills and factories have closed.
Every day the number of the unemployed has increased.
Every day more than 10,000 men have been forced into idleness.
Every day the wage earners of this Nation are losing more than $5,000,000.
Every hour that Woodrow Wilson has been in the White House the business of this Nation has decreased more than a million dollars.

EXTENSION OF REMARKS
OF
HON. WILLIAM E. HUMPHREY,
OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 23, 1914.

Mr. HUMPHREY of Washington. Mr. Speaker, in my speech in New York June 18, 1914, in discussing the present Nation-wide business depression, I said:

"PSYCHOLOGICAL" CONDITIONS.

The Democratic Party went into power upon the general promise that they would better conditions that had existed in this country under Republican rule. For years they had preached that labor was oppressed, that business was shackled, and that if the Democratic Party once went into power it would reduce the cost of living, increase wages, bring business expansion, and widen our markets. They went into the campaign joyfully preaching the doctrine of the "new freedom." The President declared that what the men of this Nation needed was to sharpen their wits in competition with the rest of the world; that what was needed was to break down the tariff wall and go out and conquer the earth.

Well, we have had now a little more than six months' experience under a Democratic tariff law and the "new freedom," and what is the result? Will any man in this Nation outside of a padded cell or a Democratic office say that he would not like to change the conditions that exist to-day for the conditions that existed for 16 years under Republican rule?

Remember, that while the Democratic Party went into power on the 4th day of March, 1913, that the Underwood tariff law did not go upon the statute books until the 3d day of October, 1913. However, the shadow of Democracy had its effect upon business even before President Wilson was inaugurated. Here are some of the results of a Democratic administration that was to bless the Nation with unexampled prosperity:

I compare 1913 and 1912, although during 1913 we had but 3 months of the Democratic tariff law and 10 months of Democratic administration, but even that much Democracy is strikingly different in the results.

The bank clearances in 1912 were $4,175,000,000 greater than in 1913.

The number of corporations recorded in 1912 was $713,000,000 more than those recorded in 1913.

On the last day of January, 1913, the United States Steel Corporation had orders for 7,850,000 tons of steel. On January 1, 1914, it had orders for 4,250,000 tons. On the 1st day of this month it had orders for 3,998,000. What could tell a more distressing story?

Steel is one of the great business barometers of the Nation. To-day more than one-third of the steel mills in the entire country are closed.

To-day the steel production in this country is 40 per cent below normal.

To-day there are $150,000,000 invested in idle steel mills.

To-day there are a million idle men in the iron and steel and associated industries, representing a daily pay roll of more than $2,000,000.

To-day there are 275,000 miners in this country out of work that in Republican times were earning $750,000,000 annually.

To-day there are 242,000 idle freight cars, the largest number in the history of this Nation. When the Republican Party went out of power there were none.

To-day there are more than 500,000 railroad men out of employment that were receiving more than a million dollars a day in wages when Woodrow Wilson was inaugurated.

To-day the wage earners of this Nation are losing more than $5,000,000 every 24 hours.

In six months the Democratic administration has wiped out an annual pay roll of more than $800,000,000.

This $5,000,000 each day has been taken from the ordinary channels of trade. This has brought depression and financial ruin to every business and to every section of the country. This $5,000,000 in wages daily taken from the working people of this Nation means that the workmen of this country are spending $5,000,000 less each day for bread and clothes and the other necessaries of life than they did a year ago.

There are 300,000 idle men in New York, 200,000 idle men in Chicago, 100,000 idle men in Pittsburgh, 25,000 idle men in San Francisco. We are facing the awful problem of unemployed everywhere. There are more idle men in this Nation to-day than ever before.

Every day that the Democratic Party has been in power we have bought more from the foreigner and sold him less.

Every day we have lost in our foreign trade more than half a million dollars.

Every day the Nation has gone in debt half a million dollars.
Every day the number of unemployed has increased.
Every day mills and factories have closed.
Every day since this Democratic administration went into power more than 10,000 men have been forced into idleness.
Every day the wage earners of this Nation are losing more than $5,000,000.
Every hour that Woodrow Wilson has been in the White House the business of this Nation has decreased more than a million dollars! This is the price of Democracy. This is the price that the people pay to have the affairs of this Nation controlled by academic doctors and efficiency experts, by gowned theorists and scholarly dreamers, by pedantic pundits and Chautauqua performers, by learned illusionists and grape-juice statesmen.

But we are told that all this is merely psychological. The President has assured the country that what it needs is more legislation. He has assured the country that there is nothing wrong with Democratic administration or with Democratic laws. The only difficulty is that the business men of the Nation are too stupid to appreciate the blessings that have been bestowed upon them. The only remedy proposed is to give them more of what they have already received. The President has served notice on the country that Congress is to be kept in session all summer to enact further legislation that will practically destroy what little business is left.

It may be psychological, but it is a truth that no candid man can deny that every day that Congress stays in session that business grows less. The greatest blessing that this Congress could possibly bestow upon the country would be to adjourn and never meet again. What this Nation needs is more prosperity and less law. There is this slight consolation, however, that while Congress is in session destroying the business of the country they are also destroying what remains of the now discredited Democratic Party. The business men of the Nation have appealed in vain to the President to stop further legislation, but his reply has been that they simply imagine that they are being injured.

Business men see their markets gone, their factories closed, but they should not complain. Let them read a chapter on the New Freedom.

They see the foreigner with his products made by foreign cheap labor coming into this country and driving them from the market, but why should they complain. Let them read an essay on "free trade."

The business men of this country are daily selling less abroad, are daily selling less at home; daily the foreigner is increasing his sales in this country; but why should our business men complain? Let them listen to a lecture on "efficiency."

The business man looks upon the closed factory, the dying fires, the idle men, the poverty, upon the vast army of unemployed, but let him be of good cheer, let him read our new "constitution of peace" and be comforted.

What the hungry want is not bread but more law.
What the naked want is not more clothes but more statutes.
What the idle need is not work but more legislation.
What capital needs is not investment but legal confiscation.
What the Nation needs to-day is not prosperity but a cheerful state of mind.

What the people of this country need is the faith cure. They took it last election, and it cured their faith in the Democratic Party forever.

Poverty, want, hunger, idleness, and rags. These are not pitiful facts; these are not awful realities; these are but the figment of a fevered and uncultured imagination unable to grasp the eternal verities of the "new freedom" and the splendid truths of the new "constitution of peace."

Surely this Nation to-day is reaping the reward of being directed by the impractical, the dreamer, the reformer, the uplifter, the scholar, and the theorist.

This is the day of the triumph of the "intellectual unintelligent."

Yes; all our troubles are "psychological." But is death by fear any more delightful than when the terror comes in any other form?

"Psychological" is a blessed word. There is none with which it can be compared. "Charity covers a multitude of sins," but "psychological" in its beneficent elasticity covers the measureless multitude of Democratic blunders.

CAPTURING THE MARKETS OF THE WORLD.

Under the Underwood tariff law that brought to us the benign blessings of the "new freedom" we were to go forth and capture the markets of the world. We have had our wits sharpened by competition with the rest of mankind. It would appear to be the part of wisdom to stop and see how the Democratic tariff law has worked.

In my own State the new Democratic tariff law immediately closed more than 60 per cent of our shingle mills—threw 8,000 men out of employment—and these mills are closed to-day. It immediately opened the mills of British Columbia that for months had been closed, and they have been running full capacity ever since; and 95 per cent of their output is sold in the United States. The price of shingles has not been reduced to the consumer. We now pay the same price for foreign shingles that we paid for those produced in this country.

More than $2,000,000 in wages each month is now being taken from the American workman in this country and given to the Chinaman, the Japanese, and the Hindu in British Columbia.

During the first six months of the present Democratic tariff law 33,000,000 pounds of tin plate, valued at $1,034,000, was imported into this country, ten times as much as was brought into this country during the last six months of the Republican tariff law.

This Nation during the six months under a Democratic tariff used less tin plate than it had during the last six months under a Republican tariff. This means $1,000,000 in work and wages taken from the men who work in industries of this country and given to foreign labor.

Thousands of tons of foreign steel manufactured by foreign cheap labor are going into San Francisco and Seattle.

Thousands of tons of pig iron are coming into these ports from China produced by labor paid from 6 cents to 8 cents per day.

LABOR TAKEN FROM THE AMERICAN AND GIVEN TO THE FOREIGNER.

Thousands of tons of cotton ties are going into the ports of Galveston, New Orleans, and Savannah to be used by the southern cotton planter.

During the last month of the Republican tariff law the Pittsburgh Steel Co., that manufactures cotton ties, paid to its workmen $194,000 every two weeks. Now it pays to these workmen $14,000 every two weeks. The rest of this pay roll—$180,000 every two weeks—has been taken from them and given to the foreigner. More than 3,000 men that worked for this company are out of employment wondering how they are going to earn their daily bread.

Only a few days ago the National Tube Co., of McKeesport, Pa., closed, throwing out of employment 2,500 men. Their work and their wages have been taken from them and given to the foreigner.

During the first three months of 1914, under a Democratic tariff law, our sale of cotton goods to the foreigner decreased $1,200,000. Our purchases during the same period increased $2,100,000, or a balance in favor of the foreigner of $3,300,000.

During the first three months of 1914 our imports of woolen and worsted goods were $7,664,370 under a Democratic law.

During the first three months of 1913 they were $2,254,010 under a Republican tariff, or a balance of $5,410,360 in favor of the foreigner in three months.

In three months after the Underwood law went upon the statute books Bradford, the great woolen and worsted center of England, increased its sale of these goods to the United States 280 per cent.

Comparing this year with last year, during the month of March, the amount sold abroad at the port of New York alone decreased $11,000,000.

During the month of April at the same port it decreased $12,000,000, or a loss in our foreign markets of $23,000,000 in two months at this one port.

Imports increased for the same two months in the port of New York alone over $26,000,000. In other words, during March and April of this year under this Democratic tariff law that was to give us the markets of the world the balance in favor of the foreigner at the port of New York alone was $46,000,000, or to put it in another way, the Democratic tariff law now upon the statute books we are losing our foreign markets at the rate of $276,000,000 per year through this one port.

Our tremendous loss of trade is shown more strikingly still when you remember that our imports of material used in manufacturing has decreased in the first six months under the Underwood law more than $48,000,000. Each month since then the figures show a still greater loss of foreign trade.

During April, 1914, the last month for which figures are available, as compared with April, 1913, we bought from the foreigner $36,000,000 more and sold him $37,000,000 less, or a balance in favor of the foreigner in a single month under the Democratic law that was to give us the markets of the world of $73,000,000.

During the first six months of the Underwood law our foreign trade decreased more than $100,000,000 as compared with the first six months under the Payne law.

Our imports since the Underwood law has gone upon the statute books in six months has increased 37 per cent. Our exports during the same six months under the Underwood law have decreased 31 per cent. Our loss to the foreigner in six months of 68 per cent. This shows how we are capturing the markets of the world under the "new freedom." This shows the result of sharpening our wits in competition with the cheap labor of foreign nations.

Let it not be forgotten that the people of this country are not buying any more than they did a year ago. In fact they are buying less, so that all this increase in imports means that much less work done at home, and all our loss of exports means that much less work done at home.

It is estimated that every million dollars' increase in imports and every million dollars' decrease in exports means a thousand idle men in this country.

How can anyone look upon these figures and see how we are increasing our purchases from abroad and decreasing what we sell abroad and fail to understand the reason for closed mills, idle factories, and the millions of unemployed? Who but the President can look upon these conditions and contend that they are simply "psychological"?

Let us look upon the new tariff for a few moments as a revenue producer. I find that during the first six months of the new tariff law, as compared with the old tariff law, that our revenue has decreased $25,000,000. During the same period the excess of expenditures over receipts has been $37,000,000. During the same period last year, under a Republican tariff, the excess of receipts over expenditures was $7,500,000, or a balance in favor of a Republican tariff law in six months of $44,500,000.

Every day this Democratic Congress is expending more money than the Nation is receiving. I predict that it will be but a few months more until we will have to again issue bonds to raise money to pay the running expenses of the Government, a thing that has not been done since the last Democratic administration under Grover Cleveland. A Democratic administration and an empty Treasury! What memories of the past those words recall. History again repeats itself.

Resolutions Relative to Mexican Policies.

EXTENSION OF REMARKS

OF

HON. JAMES B. ASWELL,

OF LOUISIANA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 22, 1914.

Mr. ASWELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing resolutions indorsing the President's Mexican policies, a letter from Gen. John Floyd King transmitting the resolutions, and the President's reply to same.

Mr. Speaker, no body of men ever defended the principles in which they believed with greater courage and daring; no body

of men on earth are now more ready to defend the flag of this united country and to give themselves in her service. In case of war they and their sons would be among the first to go to the front. This House honors itself by giving these heroes this recognition.

[United Confederate Veteran Association. Gen. Bennett H. Young, Louisville, Ky., commander in chief.]

LOUISVILLE, KY., *May 18, 1914.*

Hon. WOODROW WILSON,
President of the United States, Washington, D. C.

MY DEAR MR. PRESIDENT: At the twenty-fourth reunion of the United Confederate Veterans, held at Jacksonville, Fla., on the 6th, 7th, and 8th of May, 1914, the following action was taken, and the committee on resolutions, Gen. W. B. Haldeman, of Kentucky, being chairman, reported this resolution:

"Whereas the present unsettled condition of the Commonwealth of Mexico appears likely to involve some action on the part of the United States: Be it

"*Resolved*, That this convention of United Confederate Veterans recognizes the great wisdom and discretion of the President of the United States, and will heartily support such action as he shall take, in every possible way; and be it

"*Further resolved*, That a copy of this resolution be transmitted to the President by the commander in chief of the United Confederate Veterans."

By Gen. John Floyd King.

I have directed Gen. King, the author of the resolution, to deliver this communication to you.

With assurances of my profound respect and regard, I am,

Very truly, yours,

BENNETT H. YOUNG,
Commander in Chief, United Confederate Veterans.

[United Confederate Veterans. Charles Broadway Rouss Camp, No. 1191, United Confederate Veterans, Col. Samuel E. Lewis, commander.]

WASHINGTON, D. C., *June 8, 1914.*

Hon. WOODROW WILSON,
President of the United States.

MR. PRESIDENT: As directed by Gen. Bennett H. Young, commander in chief of the United Confederate Veteran Association, I have the honor to deliver to you in person the accompanying communication from Gen. Young, embracing a series of resolutions unanimously adopted by the Confederate veterans, in convention at their reunion held recently at Jacksonville, in the State of Florida, indorsing your attitude toward the Republic of Mexico.

In order that the importance and far-reaching force of the foregoing organization may be more clearly seen and more fully appreciated, I will state, on authority, that it embraces practically all soldiers and sailors of every rank and grade of the Confederate States now living. These number some 45,000, and are all of those renowned warriors that remain on earth. For valor, endurance, and fidelity, writers tell the world they have never been surpassed in annals of history.

In the serious condition which confronts you in dealing with the Republic of Mexico in her present state of internecine strife, bloodshed, and war these men, tried and true, come forward unsolicited, and pledge you, the President of the United States, in all they have, to support you "in every possible way."

In addition to the "veterans" themselves, there are the Sons of Confederate Veterans, the United Daughters of the Confederacy, and the Confederated Southern Memorial Association, junior cooperative organizations, bringing up the total number under the direct influence and in sympathy with the veterans to hundreds of thousands, all in support of you, Mr. President.

But this is not all; these veterans at this critical moment pledge you the sympathy and support of their wives and daughters and the support of their sons, and all within the orbit of their lives—home and abroad. In the latter they have many scions, all loyal and devoted to the cause which you represent—the cause of our country.

The United Confederate Veteran Association covers the States of Virginia, North Carolina, South Carolina, Georgia Florida, Alabama, Mississippi, Louisiana, Arkansas, Tennessee, Kentucky, West Virginia, Missouri, Maryland (District of Columbia), Oklahoma, Texas, north and west divisions, and the Pacific division. It consists of 1,790 camps, divided into 18 divisions and 54 brigades, composed strictly of soldiers of an army of imperishable fame.

These, with their powerful auxiliaries set forth above, constitute the controlling moral and intellectual and, consequently, the physical control of the public judgment of the whole South and beyond. And in your dealing with the Republic of Mexico in her present unhappy, distracted, and desperate state, Mr. President, these vast forces of our country united pledge you their unqualified, their undying support.

In this connection, it may be well to mention here that the United Confederate Veteran Association is a national organization, the purposes of which are wholly benevolent, historic, and patriotic, all subjects that may be considered political being inhibited by constitutional provision, a provision adhered to rigidly.

Wishing for your administration all the glories of triumphial success, Mr. President, and for you and the members of your household every blessing of health, I have the honor to be, sir, with greatest respect,

Your humble and most obedient servant,

JOHN FLOYD KING,
United Confederate Veterans.

Address: P. O. Box 126, Washington, D. C.

THE WHITE HOUSE,
Washington, June 17, 1914.

Gen. JOHN FLOYD KING,
P. O. Box 126, Washington, D. C.

MY DEAR GEN. KING: Thank you sincerely for your letter of June 8 inclosing the letter from Gen. Young, transmitting the resolutions of the reunion of the United Confederate Veterans. Such things are enough to hearten any man, and I am deeply appreciative of the patriotic action taken at the meeting.

Cordially and sincerely, yours, WOODROW WILSON.

Sundry Civil Appropriation Bill.

EXTENSION OF REMARKS
OF
HON. AUGUSTUS P. GARDNER,
OF MASSACHUSETTS,
IN THE HOUSE OF REPRESENTATIVES,
Monday, June 22, 1914,

On the bill (H. R. 17041) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes.

Mr. GARDNER. Mr. Speaker, on December 8, 1913, I introduced the following resolution:

Resolved, That the Secretary of the Department of Labor be directed, if not incompatible with the public interests, to send to the House of Representatives a statement showing the number of aliens arriving at ports or places in the United States during the month of October, 1913, who were certified by the surgeons of the Public Health Service as being physically or mentally defective; also a statement showing the nature of the defects so certified; also a statement of the final disposition of the cases as to admission or exclusion.

By arrangement with the chairman of the Committee on Immigration this resolution was submitted informally to the Department of Labor instead of being acted upon in the House. In response to this resolution, the table which follows was prepared by the Bureau of Immigration and transmitted to Mr. BURNETT, of Alabama, chairman of the Committee on Immigration and Naturalization. The month of October was specified at random in my resolution. My object was to get statistics for a sample month which would show the average number of times that the examining medical officer is overruled by the Secretary of Labor in the case of appeals taken by physically defective aliens seeking admission to the United States.

As a member of the Committee on Immigration when the immigration law was remodeled in 1906–7, I have no hesitation in saying that the understanding as to the meaning of section 10 has been distorted not only by this administration of the Bureau of Immigration but by previous administrations as well. Section 10 of the act of February 20, 1907, reads as follows:

That the decision of the board of special inquiry, hereinafter provided for, based upon the certificate of the examining medical officer, shall be final as to the rejection of aliens affected with tuberculosis or with a loathsome or dangerous contagious disease or with any mental or physical disability which would bring such aliens within any of the classes excluded from admission to the United States under section 2 of this act.

The Bureau of Immigration has construed the word "solely" into this section between the word "based" and the word "upon." Under rule 17 of the Immigration Bureau, when the examining medical officer certifies that an alien is physically defective, that alien is permitted to take an appeal to the Secretary of Labor unless he was excluded solely on account of the certificate of the examining medical officer or unless he is afflicted with tuberculosis or a loathsome or dangerous contagious disease or is mentally defective.

Three thousand seven hundred and fifty-nine aliens who were certified by the medical officers as suffering from physical defects which must exclude them under the law had their cases acted on last October. Of this number the Secretary of Labor landed the incredible number of 2,650.

Now, who is to blame for this state of affairs? Why has the wish of Congress and the people of the United States that physically defective aliens should be excluded been set aside? Why have appeals been granted when the laws forbids appeals in the case of physically defective aliens seeking admission into the United States?

Individual Congressmen are to blame in the first instance, and I acknowledge my own share of the guilt. We pass stringent laws and then we hurry around to the Bureau of Immigration and try to get the stringent laws relaxed to meet the wishes of some constituent who seeks to land a member of his family in defiance of the certificate of the medical examining officer. This has been going on for years, and I am afraid that the evil practice of overruling examining medical officers is growing.

The first step in the wrong direction was made a good many years ago when the Bureau of Immigration construed the words "solely" into section 10 or the corresponding section of some previous immigration law. Since that time more and more it has become the custom for aliens to appeal against an exclusion decision based on the certificate of the examining medical officer, and more and more it has become the custom for Congressmen to back up these appeals. At least such has been my personal experience.

I should have no objection to these appeals if they were all decided on the same principle and were all decided in compliance with the spirit of the law. The fact is that such is far from being the case. One appeal may be decided by the Secre-

tary. The next appeal may be decided by the Assistant Secretary. The next appeal may be decided by the Solicitor, acting as Secretary. These gentlemen's views are extremely divergent as to the general question of the restriction of immigration. Unquestionably their decisions are biased by their personal views and sympathies. The same state of affairs has obtained in previous administrations. What is the result? The result is that every kind of bad precedent in the way of handling an appeal is now a matter of record. If Secretary Wilson, for instance, is inclined to disapprove an appeal, he is confronted at once with a parallel case in which the certificate of the examining medical officer has been overruled either by one of his predecessors or by one of their subordinates acting in his name. The following is the table for the month of October prepared by the Bureau of Immigration:

Statistics of aliens arriving in the United States during the month of October, 1913, who were certified as being physically or mentally defective to a degree to exclude them under the law.

	Defects listed in 24 general classes.	Certified during month.	Remaining from previous month.	Total to be accounted for.	Deported.	Landed.	Remaining at end of month.
1	Senility	720	46	766	37	703	26
2	Poor physical development and deformities	990	200	1,190	260	834	96
3	Hernia	306	83	389	192	157	40
4	Eyes and sight	493	30	523	62	443	18
5	Hearing	26	1	27	1	26	.....
6	Mind and brain	132	37	169	130	11	28
7	Nerve conditions	22	5	27	11	16	.....
8	Heart	64	39	103	64	21	18
9	Skin and hair (noncontagious)	30	1	31	.....	31	.....
10	Bone and joint diseases	9	.....	9	3	5	1
11	Stiff joints	28	3	31	8	17	6
12	Speech	22	.....	22	.....	22	.....
13	Localized disorders of blood vessels	27	2	29	10	17	2
14	Associated with old age or alcoholism	31	4	35	12	22	1
15	Infections (diseases)	433	41	474	263	81	130
16	Suppurative conditions	21	.....	21	2	18	1
17	Inflammations	28	4	32	8	19	5
18	Tumors and hypertrophies	47	7	54	15	33	6
19	Malnutrition	27	.....	27	2	24	1
20	Paralysis and atrophy	57	5	62	14	35	13
21	Dropsical conditions	12	.....	12	1	8	3
22	Injuries	89	7	96	9	82	5
23	Pregnancy	24	.....	24	1	23	.....
24	Infancy	6	.....	6	4	2	.....
	Total	3,644	515	4,159	1,109	2,650	400

Total number certified	3,644
Remaining from previous month	515
Total	4,159
Deported	1,109
Landed	2,650
Remaining at end of month	400
Total	4,159

	Defects listed according to each special cause.	Remaining from previous month.	Certified during month.	Total to be accounted for	Disposition as per reports as by immigration officials.		Remaining at end of month.
					Deported.	Landed.	
1	Senility	46	720	766	37	703	26
	Poor physical development	151	613	764	196	486	82
	Undersized	12	158	170	9	157	4
	Weak abdominal walls	23	52	75	31	41	3
	Curvature of spine	7	54	61	15	44	2
	Deformity of spine	.....	4	4	.....	4	.....
	Hunchback	.....	1	1	.....	1	.....
	Deformity of chest	.....	4	4	.....	4	.....
	Pigeon chested	.....	1	1	.....	1	.....
	Lameness	.....	32	32	1	30	1
	Shortness of leg	3	26	29	5	22	2
	Deformity of leg	.....	4	4	.....	2	2
2	Knock-knees	.....	8	8	1	7	.....
	Bow legs	.....	5	5	.....	5	.....
	Deformity of thigh	.....	1	1	.....	1	.....
	Congenital dislocation of hip	.....	2	2	.....	2	.....
	Flat feet	3	7	10	.....	10	.....
	Clubfeet	.....	7	7	1	6	.....
	Deformity of wrist	.....	1	1	.....	1	.....
	Deformity of hand	1	2	3	1	2	.....
	Deformed jaw	.....	1	1	.....	1	.....
	Deformity of nose	.....	1	1	.....	1	.....
	Fissure of palate	.....	5	5	.....	5	.....
	Undescended testicle	.....	1	1	.....	1	.....
3	Hernia	83	306	389	192	157	40

Statistics of aliens arriving in the United States during the month of October, 1913, etc.—Continued.

	Defects listed according to each special cause.	Remaining from previous month.	Certified during month.	Total to be accounted for	Disposition as per reports as by immigration officials.		Remaining at end of month.
					Deported.	Landed.	
	Myopia	.....	8	8	3	5	.....
	Blind	3	44	47	14	30	3
	Blind, one eye	4	121	125	1	123	1
	Defective vision	23	149	172	33	127	12
	Corneal opacity	.....	41	41	3	38	.....
	Atrophy of optic nerve	.....	1	1	.....	1	.....
	Cataract	.....	13	13	.....	13	.....
	Ptygyrium	.....	3	3	.....	2	1
	Ectropin eye	.....	1	1	.....	1	.....
4	Coloboma	.....	2	2	.....	2	.....
	Cicatricial lids	.....	24	24	.....	24	.....
	Conjunctivities	.....	38	38	6	32	.....
	Iritis	.....	1	1	1	.....	.....
	Keratitis	.....	1	1	.....	1	.....
	Blepharitis	.....	1	1	.....	1	.....
	Corneal ulcer	.....	1	1	.....	.....	1
	Ptosis	.....	3	3	.....	3	.....
	Strabismus	.....	41	41	1	40	.....
	Deafness	.....	17	17	1	16	.....
5	Deaf-mutism	1	9	10	.....	10	.....
	Feeble-minded	32	104	136	107	7	22
	Insane	3	15	18	14	2	2
	Imbeciles	2	10	12	7	1	4
6	Idiot	.....	1	1	1	.....	.....
	Mental dullness	.....	1	1	.....	1	.....
	Organic disease of brain	.....	1	1	1	.....	.....
	Organic disease, central nervous system	3	4	7	5	2	
	Neuritis	.....	1	1	1	.....	.....
	Locomotor ataxia	.....	1	1	1	.....	.....
7	Epilepsy	.....	1	1	1	.....	.....
	Facial tic	.....	1	1	.....	1	.....
	Wry neck	1	6	7	.....	7	.....
	St. Vitus's dance	.....	1	1	.....	1	.....
	Nervousness	.....	4	4	.....	4	.....
	Tremor	1	3	4	3	1	.....
8	Organic disease of heart	39	63	102	63	21	*18
	Tachycardia	.....	1	1	1	.....	.....
	Eczema	.....	10	10	.....	10	.....
	Psoriasis	1	5	6	.....	6	.....
	Acne	.....	10	10	.....	10	.....
9	Urticaria	.....	1	1	.....	1	.....
	Dermatitis	.....	1	1	.....	1	.....
	Erythemia	.....	1	1	.....	1	.....
	Eruption	.....	1	1	.....	1	.....
	Alopecia	.....	1	1	.....	1	.....
	Pott's disease	.....	4	4	1	2	1
	Hip-joint disease	.....	1	1	1	.....	.....
	Arthritis of hip	.....	1	1	.....	1	.....
10	Inflammation of hip joint, chronic	.....	1	1	.....	1	.....
	Periostitis of tibia, chronic	.....	1	1	1	.....	.....
	Synovitis	.....	1	1	.....	1	.....
	Stiff joint, hip	.....	2	2	.....	2	.....
	Stiff joint, knee	3	12	15	4	8	3
	Loss of use of knee joint	.....	1	1	.....	1	.....
	Stiff joint, shoulder	.....	2	2	1	.....	1
11	Stiff joint, elbow	.....	4	4	2	1	1
	Stiff joint, ankle	.....	1	1	.....	1	.....
	Ankylosis	.....	5	5	1	3	1
	Ankylosis of finger	.....	1	1	.....	1	.....
12	Stammering	.....	19	19	.....	19	.....
	Defective speech	.....	3	3	.....	3	.....
	Varicose veins	1	8	9	4	5	.....
	Varicocele	.....	7	7	1	5	1
	Aneurysm of popliteal artery	.....	1	1	.....	1	.....
13	Aneurysm of neck	.....	1	1	1	.....	.....
	Angioma	.....	1	1	.....	1	.....
	Varix	1	6	7	4	2	1
	Nevus	.....	2	2	.....	2	.....
	Pulsating scar	.....	1	1	.....	1	.....
	Arteriosclerosis	2	14	16	5	10	1
	Sclerosis of liver	.....	1	1	.....	1	.....
	Bright's disease, chronic	1	2	3	.....	3	.....
	Rheumatism, chronic	1	1	2	1	1	.....
14	Asthma	.....	2	2	.....	2	.....
	Diabetes	.....	1	1	.....	1	.....
	Obesity	.....	1	1	.....	1	.....
	Chronic dyspepsia	.....	1	1	.....	1	.....
	Alcholism	.....	8	8	6	2	.....
	Trachoma	36	242	278	212	10	56
	Uncinariasis	.....	105	105	.....	43	62
	Tuberculosis	3	21	24	15	8	1
	Tinea tonsurans	1	1	2	.....	.....	2
	Tinea capitis	.....	11	11	8	3	.....
	Tinea ungulum	1	11	12	9	.....	3
15	Favus	.....	9	9	6	.....	3
	Sycosis	.....	4	4	4	.....	.....
	Impetigo contagiosa	.....	4	4	.....	4	.....
	Lupus	.....	9	9	2	5	2
	Gonorrhea	.....	5	5	4	.....	1
	Syphilis	.....	3	3	3	.....	.....
	Measles	.....	7	7	.....	7	.....
	Pneumonia	.....	1	1	.....	1	.....
	Suppuration of jaw, chronic	.....	3	3	1	1	1
	Suppuration of thumb	.....	1	1	.....	1	.....
	Chronic abscess	.....	3	3	.....	3	.....
	Abscess of ear	.....	1	1	.....	1	.....

Statistics of aliens arriving in the United States during the month of October, 1913, etc.—Continued.

	Defects listed according to each special cause.	Remaining from previous month.	Certified during month.	Total to be accounted for	Disposition as per reports as by immigration officials.		Remaining at end of month.
					Deported.	Landed.	
16	Alveolar abscess	.....	4	4	1	3	.....
	Boil	.....	4	4	.....	4	.....
	Infection of arm	.....	1	1	.....	1	.....
	Infection of hand	.....	1	1	.....	1	.....
	Infection of finger	.....	2	2	.....	2	.....
	Pustules of legs	.....	1	1	.....	1	.....
	Inflammation of glands of neck, chronic	2	5	7	3	2	2
	Bronchitis	.....	6	6	.....	6	.....
	Laryngitis	.....	4	4	1	2	1
	Peritonitis	.....	1	1	1	.....	.....
	Phlibitis	.....	1	1	.....	1	.....
	Parotitis	.....	1	1	.....	1	.....
	Inflammation of lymphatic glands	.....	1	1	.....	1	.....
	Inflammation middle ear	.....	1	1	.....	1	.....
17	Inflammation thyroid gland, chronic	.....	1	1	.....	1	.....
	Ceryza	.....	1	1	.....	1	.....
	Spring catarrh	2	1	3	.....	2	1
	Disease of nose	.....	1	1	.....	1	.....
	Necrosis of incrilarry bone	.....	1	1	.....	.....	1
	Ulcerated gums	.....	1	1	1	.....	.....
	Inflammation of hand, chronic	.....	1	1	1	.....	.....
	Inflammation of finger	.....	1	1	1	.....	.....
	Abdominal tumor	2	15	17	7	5	5
	Cancer	.....	3	3	1	2	.....
	Tumor of thorax	.....	1	1	.....	1	.....
	Goiter	4	21	25	5	20	.....
	Tumor of neck	.....	1	1	1	.....	.....
	Tumor of nose	.....	1	1	1	.....	.....
18	New growth of lung	.....	1	1	.....	1	.....
	New growth of eyelid	.....	1	1	.....	1	.....
	Enlarged tonsil	.....	1	1	.....	1	.....
	Adenoids	1	1	2	.....	1	1
	Hypertrophy of prostate gland	.....	1	1	.....	1	.....
	Rachitis	.....	5	5	1	4	.....
	Marasmus	.....	1	1	.....	1	.....
19	Anemia	.....	19	19	1	17	1
	Debility	.....	2	2	.....	2	.....
	Hemiplegia	3	1	4	.....	3	1
	Paralysis	.....	4	4	1	3	.....
	Paralysis of leg	1	11	12	4	7	1
	Paralysis of arm	.....	4	4	.....	3	1
20	Facial paralysis	.....	4	4	1	3	.....
	Paralysis agitans	.....	2	2	.....	2	.....
	Infantile paralysis	.....	2	2	1	1	.....
	Atrophy of arm, leg, or side	1	29	30	7	13	10
	Hydrocele	.....	8	8	1	7	.....
21	Hydrocephalus	.....	2	2	.....	1	1
	Beriberi	.....	2	2	.....	.....	2
	Loss of arm or arms or leg or legs	.....	11	11	2	9	.....
	Loss of leg	.....	3	3	.....	3	.....
	Loss of feet	.....	2	2	.....	2	.....
	Loss of arm	1	2	3	1	2	.....
	Loss of hand	.....	1	1	.....	1	.....
	Loss of fingers	.....	14	14	.....	14	.....
	Dislocation of hip	4	42	46	5	37	4
	Dislocation of shoulder	.....	1	1	1	.....	.....
22	Fracture of arm or leg	.....	2	2	.....	2	.....
	Fracture of arm	.....	1	1	.....	1	.....
	Fracture of elbow	.....	1	1	.....	1	.....
	Ununited fracture of patella	.....	1	1	.....	1	.....
	Mutilation of hand	1	5	6	.....	6	.....
	Injury of foot	.....	1	1	.....	1	.....
	Burned skin	.....	1	1	.....	1	.....
	Emphysema	1	1	2	.....	1	1
23	Pregnancy	.....	24	24	1	23	.....
24	Infancy	.....	6	6	4	2	.....
	Total	515	3,644	4,159	1,109	2,650	400

The Late Representative Sullivan, of New York.

MEMORIAL ADDRESS

OF

HON. HERMAN A. METZ,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Sunday, June 21, 1914,

On House resolution (H. Res. 549) paying tribute to the memory of Hon. TIMOTHY D. SULLIVAN, late a Member of the House from the State of New York.

Mr. METZ. Mr. Speaker, TIMOTHY D. SULLIVAN was a self-made man, therefore an imperfectly made man. It is God alone who can make man in His own image, though many a worse man than SULLIVAN has plumed himself on having done the job in his own complacent person. SULLIVAN got only so far as the sympathies—these he did develop until they became and continued a fountain of good. Is it not said that much must be forgiven of him who loved much?

This deep tenderness of heart was a main trait of his. I remember that in 1905 we were fellow passengers on the *Campania*. It was his first trip abroad. Night was falling as we approached the coast of Ireland. Already the home lights twinkled against the shadow of the land. He came up behind me and laid his hand on my shoulder, and stood silently gazing. At length he said, "I would give all I have in the world if my mother could be here in my place to see old Ireland."

SULLIVAN was the child of an unknown country, though situated in the very heart of the metropolis of the Western Hemisphere; of a far country, more remote from Fifth Avenue than Paris, though distant but a few blocks away. He was the child of the East Side of New York, that dense, ignorant, heterogeneous district of every people and every tongue and yet the melting pot, the forcing ground, whence issues stalwart Americanism; and yet the spot where the flag is saluted with intensest fervor and the ideals of liberty receive the most devout adoration.

In its stifling heat, its piercing cold, its pervasive penury, its dearth of comforts which to so many mean civilization, SULLIVAN grew from a rough boyhood into a burly manhood, always developing along the lines of his environments, until he became a very part of them, a very type of them—master of the masses with whom he lived through his perfect understanding and his absolute sympathy. He knew and could act, while they could only feel. And there, as everywhere else in this country, it is attributes and not advantages that make American success.

And he had the striking, winning attributes of his environments, had TIMOTHY D. SULLIVAN. He was handsome of countenance, stalwart of frame, gracious of manner, ready of wit, as quick in comprehension as he was responsive in action. Those diverse people, so pressed and oppressed by need and want, too often dumbly endured, as their European forefathers had been trained to do. Ignorance made them doubtful and suspicious. Heredity and experience made them fearful of civic authority. The law—it was not for them, except to persecute and punish. In their stress they turned to SULLIVAN as to their natural leader, bone of their bone, flesh of their flesh, a very part, but a superior, potent part; relying unreservedly on his knowledge, his wisdom, his generosity, his power, and, above all, on his loyalty. They believed with supreme faith that whatever the trouble he would remedy it, bringing to it the swift, competent attention of that go-after-it, do-and-get-done-with-it spirit which I venture to assert is a characteristic of the much-maligned New Yorker.

And he never failed them, did TIMOTHY D. SULLIVAN. He gave bread, he found work, he paid the rent, he cared for the sick, he buried the dead, he protected the unfortunate, he sought mercy for the criminal. He was a little father, a tribune of the people, a feudal chieftain. We often hear of the hopelessness of the submerged tenth—the men who are down and out. Well, SULLIVAN always had hope for the least of these. They might be down in the lowest depths, but there was always a way out through him.

Of course he got his reward—the implicit obedience, the unfaltering following; but it was a willing, a glad reward. Of course such autocratic leadership, such extralegal, if not lawless, power, such an imperium in imperio, in fine, was anomalous to our institutions and repugnant to our ethics; but it was practicable; it ameliorated conditions that otherwise would have remained heart-rending. Of course, too, as public and private agencies have become more effective and far-reaching, the crying but unheeded needs that made him and his career possible now receive organized attention. A change for the better this—yes; though the quick heart of the unfortunate turns more readily to the publican than to the Pharisee.

Thus TIMOTHY D. SULLIVAN has no successor; he was the end of his line. Yet in a sincere, if narrow, sense he was a true Representative. He stood for his people every time.

And every time his people stood for him; nor has death slackened the tenseness of their affectionate allegiance. Already he is the hero of a legend, immortalized in folklore. The good that he did lives after him; the evil is interred with his bones. The highest memorial of TIMOTHY D. SULLIVAN is the love of the multitudes who came to him for help, and who never came in vain.

Democracy in Banking.

EXTENSION OF REMARKS

OF

HON. FRANK PARK,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, June 25, 1914.

Mr. PARK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Federal reserve act, and to incorporate the instructive utterance delivered by the Comptroller of the Currency, Hon. John Skelton Williams, on May 13, 1914, before the annual convention of the North Carolina Bankers' Association, at Raleigh, N. C.

DEMOCRACY IN BANKING.

[Address of John Skelton Williams, Comptroller of the Currency, delivered before the annual convention of the North Carolina Bankers' Association, in the house of representatives at the capitol at Raleigh, May 13, 1914.]

Mr. President and members of the North Carolina Bankers' Association, about a week from now those of you who believe in the Mechlenburg declaration of independence will celebrate it. Maybe some of those who will celebrate will have doubts, and I shall not undertake to change those doubts to full faith or to confirm them. The Government assumes that I am to do a certain amount of work for it, and experience proves that he who becomes thoroughly involved and interested in discussion of the Mechlenburg declaration, whether for the affirmative or the negative, will have no time left for other matters. Whether Thomas Jefferson, of Virginia, borrowed his declaration from the work of a talented North Carolinian may be left, like that other question between the two States—of which sent to the front the gallant soldier whose lifeblood flowed highest on the heights of Gettysburg—for each man to decide for himself. In both those great events of American history there is honor enough for all the participants.

My purpose is to talk to you of a new declaration of independence, involving no shock of arms, no shedding of blood, no severance of ties, yet mighty in its consequences for the present and the times to come after. Nowhere in the world could such a theme be presented more appropriately than in the capital of a people who from the beginning of their history on this continent have been foremost in protest against error, evil, and oppression, most restless under injustice, most energetic in demand for freedom and the rights conferred by freedom and constituting it.

The new banking law, of which I, as Comptroller of the Currency, am asked to talk to you North Carolina bankers, is not only a declaration but a guaranty of the freedom of the financial and commercial interests of our country from the possibility of the rule of a small group of men, sometimes unknown, sometimes too well known.

It is a plan of decentralization and distribution, demanded by the expansion and growth of our Republic. It is not intended to injure anybody, and it will not injure any but those who insist on being injured; and let us hope that there will be none such. There is strength in voluntary and accepted unity, but there is none in servitude of units enforced by law. There is vigor irresistible in the willing combination of many for a common purpose. There is weakness and inevitable and infinite corruption in the concentration of power, which means tyranny on one side and enslavement on the other. We have been living in swaddling clothes, which have become fetters—tightened or loosened by a few strong hands. Alternately business has been stimulated to feverish and sometimes wild exertion, and given knock-out drops, reducing it to helplessness and the very appearance of death. We have grown, but the growth has been uneven and, therefore, sometimes unhealthy. Too often our prosperity has been of the kind that shows in statistics splendid aggregates, but is not felt or enjoyed by the average individual citizen.

The system we have endured through half a century hampered us, because it checked our growth and was unequal to our needs. It was dangerous—deadly dangerous—not only because it compressed control of our increasing resources and wealth into the keeping of a small number of individuals at certain great centers, but because it aided in the heaping up of vast fortunes, inciting discontent and resentment, the parents of revolution, the forerunners of destruction.

Poverty is not always felt acutely until contrasted with riches. Inequalities vividly evident are the worst foes of any Government, the surest evidence of its inadequacy, the urgent signals for its amendment. When nobody is swollen abnormally with riches, nobody feels pinched or is made angry or desperate by lack of them.

This new measure is part of a general and deep movement for a new life, new standards, new methods for the United States. A change is necessary and is coming, and common sense tells us to prepare ourselves and our affairs for it. When loans and discounts of the national banks in the 50 reserve and central reserve cities increase, as they have done, from $1,800,000,000 in 1903 to more than $3,000,000,000 in 1914, we surely need a banking and currency system with the capacity to stretch and give.

When a dozen men own among themselves $1,600,000,000, and through a system of interlocking directorates control as much more, directing an amount equal to the total currency supply for a hundred million people, we should realize that such power is a peril not only to our commerce and to the people at large but to the Government itself. I have heard it said those men have held this huge Republic by the throat; but if that statement is strong, we do know that under the conditions which have existed they could precipitate a panic or force artificial and injurious activity at their will. Working from ambush, seen by none, felt by all, they could have shaken the credit of the country so as to paralyze and make, in time of peace, ruin and desolation worse than war. There is no need to quarrel with these men. Considering what they could and might have done, we may say, as was said of Warren Hastings in India, we are astonished at their moderation.

Some of these commanders in chief of finance and captains of industry have proved that they had high patriotic instincts and came to the help of the Government and people in time of stress. Others had the sound wisdom to realize that their real prosperity and the stability of their great possessions were best promoted by reasonable prosperity and hopefulness among the masses of the people. Yet it is not right or safe that the happiness and hope of all these scores of millions of our citizens should depend on the mercy, the caprice, or the opinions of any 12, or 50, or a hundred men.

Some of the greatest fortunes, the magnitude of which takes the breath of the ordinary man and strains his imagination, are results of our system of banking and finance, of a protective tariff taxing many for the benefit of the few, and of laxity in the enforcement of laws, inadequate and feeble at their best. They are dangerous not only to the general body of the people but to their possessors, and it must be remembered that a huge mass of money does not always either prove or supply wisdom, and to the contrary sometimes upsets it.

There is a suggestion of cynical satire in the mythological story that King Midas, whose touch changed to gold everything upon which it fell, was given at last the ears of an ass. He prayed to the gods to relieve him of the rich but deadly faculty which forbade him even from eating food possible to digest. So men with the genius, the faculty, the instinct, whatever it is, for what we call making money, may well pray for a law, or dovetailing plan of laws, forbidding them from piling up money in quantities greater than any man can use comfortably or can be intrusted with safely.

There is no natural limit to greed and the ambition to acquire. If we can not provide artificial limitations, we can at least devise and provide plans to prevent centralization and to protect the public. As we have seen within the last few years men who have learned arrogant confidence in the overwhelming power of gathered gold have been led, perhaps almost imperceptiby to themselves, to use it for the mastery of politics and legislation. The man of the most ordinary mind must know that secret partnership between private capital and the machinery of government is far more destructive to both than could be any assault of either on the other. An open wound may be healed and a direct attack may be repelled; but hidden rot in the vitals will kill the strongest living thing, and poison saps the sources and roots of life.

We were led unseeing from the concentration of financial power to the concentration of political by the aid of financial power; from the interlocking directorates to the interlocking of the interests and influence of the concealed controllers of money, and the known leaders of political parties. We lived beneath a potent despotism we could not see or touch or quite understand, but which every man of us could realize and feel every day of his life.

We could see things done; effects were before us plainly. But we could not know how nor by whom they were done nor the processes by which the effects were produced. We stood on a gathering volcano of unrest. Observing men could note the symptoms and threats, but were bewildered in seeking causes.

No sane or patriotic man or party or administration desires to seek vengeance, to destroy, overthrow, or uproot. All sane and patriotic men will understand that the time has come to reconstruct, to rebuild on a better and broader plan than we have used heretofore. We need to replace the foundation, to discard the patchwork and false work on which we have operated. The strongest, surest, the deepest foundation possible for our financial structure is the confidence and assured safety and contentment of the people who do the voting, with whom rests the final decision—the ultimate giant power, which, blinded and strong, would pull away the pillars of the temple; which, seeing and working intelligently and hopefully, will help in our work of building those of us who are trying to build.

We have grown and prospered in spite of an imperfect, repressing, and perilous banking and currency system. We have grown as a vine sometimes forces its way through a crevice in a wall, our very growth inviting disaster and death, our wonderful vitality hastening catastrophe; because the more brilliant the flower and the more abundant the fruit the sooner must the withering be when the roots are among stones and can gather no new life. Over 50 years of growth under the old banking act has been forced by the generosity of the soil of a new land, by the unconquerable energy and resiliency of a virile and courageous people; yet it has been interrupted by periods of business depression and stagnation; our progress punctuated by panics, discreditable, appalling, to many ruinous. These have usually come at intervals of about 10 years, more or less, sometimes preceded by long months of sickening apprehension, sometimes foreseen by the farseeing, sometimes bursting upon us with dreadful suddenness. The immediate results, seen by all, have been crashing of banks and trusted commercial houses, the wholesale stoppage of industries, the wiping away or cruel draining of the results of honest thrift, denial to willing and hungry labor of the opportunity to earn bread and shelter.

We believe one of the most valuable and beneficial effects of this new banking bill will be to make such panics as we have had in the past virtually impossible. When there is confidence there can be no panic. The panic is, as its name signifies, fear, distrust. When the people know that their financial institutions are stable, that behind them stands a Gibraltar of solid assets, that checks will be honored on presentation, and that their deposits are safe, there is no fear or doubt. It is a familiar maxim that a bank is like a woman's reputation, likely to be injured by the faintest whisper. When the banks have behind them substantially the combined strength of all other banks, and supplies of currency ready to answer their needs, limited practically only by their valid values, malice can not invent nor credulity or ignorance accept reports to hurt or drag them down.

Nor will their credit or their lives any longer be held at the mercy of any so-called Money Trust. Help for their just needs will be theirs by right, by requirement of law; they can ask with high confidence of receiving aid, instead of depending for it on the doubtful answer to their supplications. They will not know, as many of them have known, the misery of begging vainly for the use of their own money held by reserve or central reserve banks, and of suffering impairment or disaster because of being denied return of what they had intrusted for safekeeping. A leading banker of Seattle, vice president of the clearing house, testified before the reserve bank organization committee, sitting in that city a few weeks ago, as follows:

"Let us go back," said he, "for a moment to the panic of 1907. If we could have drawn our money in this district from Chicago, New York, and St. Louis we would not have known that there was a panic in existence. Conditions were all right out here, but our resources were simply tied up and we were helpless."

Understand it is not assumed or promised that this new law will perform the functions of Divine Providence—shower blessings on everybody or establish universal prosperity. Nor will it bolster up or save banks improvidently, recklessly, or corruptly managed. It is intended to enable banks honestly and sagaciously conducted to enjoy the legitimate results of their own integrity and sagacity. Its purpose is to enable the natural and just laws of trade, beautiful, symmetrical, and sane, when undisturbed—as is the law of gravitation—to work to their results naturally and smoothly. It will provide no artificial stimulant or prop. It will remove artificial barriers to prosperity, unnecessary burdens, perils, and impediments. It can not provide immunity from such disasters as short crops, great fires or earthquakes, or disorders at home, or complications abroad. It will, we think, restrain the effects of these within the limits of the unavoidable and prevent them from being exaggerated and wantonly magnified in their effects.

It will save prudence and good faith from sharing the punishment earned by imprudence and bad faith, perhaps a thousand miles away. It will guard straight and open business against the evils brought by crooked and crafty business. It will protect sturdy conservation and well-intended enterprise from the violence, the cupidity, and the mastery of dollars assembled and used for brigandage; establish barricades about capital properly employed against what a distinguished traveler and expert has described as "predatory wealth." It is hoped and believed that this law will prevent the alternating money gluts and money famines daily reported in the newspapers, by providing supplies of money to flow automatically, responsive to need. We can not see how it is possible with this law that we can undergo again the dismal, man-killing, heart-racking conditions of 1907 and 1893 and other "panic years," when money could not be borrowed for any emergency or on any collateral or terms, or that it will hereafter be within the power of any group or confederation of financiers, however ravenous, cruel, or crazed, to force a panic or conditions to cause one; for the money supply may not hereafter be impounded, locked up, or deviated from its channels, but should rise irresistably to the level of the necessity.

The history of commerce teaches us that the business man can provide against every danger that may come in the natural course of things; he is overwhelmed by manufactured explosions or insidious attacks coming suddenly from rear or flank. We are told that for every disease, loss, or pain nature inflicts she provides a remedy; that for every sorrow and trouble permitted by Divine Providence to come upon the sons of men there is alleviation. It remained for the rapacious ingenuity, or blundering blindness, of man, or the two in diabolic combination, to devise hurts for which there is no relief but comprehensive changes of systems and machinery.

New York has become the commercial capital of the country, the great citadel of the money power, the reservoir of money supply. It is the walled city from which the barons have levied tribute on a territory and population vaster than any lord or king of the Middle Ages dreamed of, yet sometimes using methods ruthless and savage as those of the fiercest of the robber nobles—forays and levies devastating by scientific, artful method; pillaging under form of law, smiting with swords which bite deep, although we can not see them, consuming with fire which comes invisible and unsuspected. The simile seems strong, but it is justified by facts.

No sudden swoop by a feudal magnate on his peaceful neighbors was a more cruel or shameless plundering expedition than some of the transactions which have been brought to light by which the shareholders of railways and other great enterprises, established to build up the country and to promote the public interests, were despoiled. Their property and money were taken from them by the might of masses of money working stealthily. The raids had none of the attractions of the picturesque or the merit of courage. They were cold-blooded, relentless seizure of other men's goods by plots, treachery, and betrayal of trusts which should have been held sacred.

Yet it would be foolish, unjust, and wicked to hold New York as a community or her leading citizens generally, among whom are men as high and honorable as any country contains, responsible for the misdeeds, treachery, and lawlessness of certain conspicuous offenders. Without doubt the overwhelming majority of the citizens of our great cities, as of our people generally, have viewed such violations of laws, legal and moral, with as great abhorrence as any of us, and have felt the blush of shame that such crimes are possible in this enlightened age and under the form of government which has also produced our long procession of heroes, patriots, and statesmen.

Every thinking and patriotic American must exult in New York's splendid achievements, in the glories she has built, which have made her the wonder and admiration of the world. The people of the South would be ungrateful if they forgot the generosity of her people when trouble had come upon them from fire, earthquake, and pestilence, and her purse has been opened wide to every appeal from any part of the land.

The purpose should be to change the relation of New York to the country generally from an attitude of dominating ownership to friendly partnership. Big as New York is, it is not big enough to direct the destinies of this continent. Fast as it has grown, it has not grown so fast as the United States has grown in wealth, capacity, population, thought, and aspiration.

No one reservoir is wide or strong enough to hold and control the money supply for the inconceivably tremendous activities in which we are engaged, for our endless variety of industries and enterprises, our different climates, seasons, and products, our requirements sometimes crowding and conflicting with each other. No group of men at any center, however broad in mental grasp or earnest in intent to seek the best results for all, can be intrusted safely with the unlimited and unrestrained control and

direction of the flowing and recall of supplies of currency for the needs of the present and the increasing needs that will come with the near future.

In our political affairs we impose on those to whom we intrust authority the most careful and elaborate restrictions. We draw lines beyond which no Government or representative of Government is permitted to step. We have decreed that the humblest home shall not be invaded by State or Federal officials, the smallest bit of property shall not be seized, the most obscure man shall not be deprived of his liberty, without due process of law. Yet we have permitted to grow up what is aptly called an "invisible government," more powerful in many respects than the visible Government, touching our daily lives more intimately and immediately than any Government can do, reaching into the vaults of our banks, the safes of our merchants, the cupboards of our housewives. On the power of this we have set no limit. We have left it unrestrained. We have allowed it omnipotence without responsibility; permitted its operations to be conducted, too often, without possibility of appeal or redress.

We demand of a township constable, the pettiest officer of the law, that he give bond for faithful performance of his duties; that he shall oppress no citizen, shall faithfully return the few dollars he may collect. Under our laws control of millions and billions of dollars, power to confiscate or destroy railway systems, great manufacturing industries, towns and cities, are forced to the keeping of unknown men who give no security, are responsible to nobody, who remain undiscovered, and act frequently through acknowledged "dummies," until some accident, some chance question by an investigating Congressman, or inquiry by a newspaper reporter, brings them and their transactions into the light. Even then usually there is no provision for recovery by the injured or for punishment of the wrongdoer, no bond on which anybody can sue.

Beneath his skin every American citizen of every station and avocation, and whatever party name he may wear, is a Democrat in all the essentials and fundamentals; that is, he is attached passionately to the principles of local self-government, of the widest individual liberty compatible with the general weal and order of society. This new currency measure is democratic essentially. It looks to decentralization of direct financial control, to financial local self-government so far as is consistent with stability and the general safety; to a currency which will be worth its face value everywhere, which will be based on the actual values it purports to represent, as well as the faith and credit of the General Government, and which yet will be elastic, expanding to meet needs where and when they develop, receding when not needed; a system fitted to meet any emergency; moving smoothly and noiselessly for the ordinary uses of business in tranquil times.

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Too much money and too little money are alike evil and dangerous. Opinions differ as to which is the worse. Probably one is as bad as the other. The design of the new law is to supply just enough money or credit when and where business needs it; to create for our commerce, as has been said, foundations so even, so broadly laid and so deeply planted that they can not be shaken.

As it is, the country bleeds and sweats to the big financial centers. Take the South as an instance—and the conditions with which you here in North Carolina are familiar exist everywhere in the country. Most of our railway systems are controlled—frequently through the trust known as the voting trust—by men who are interested in the great banks in the three central reserve cities. So it happens that the large deposits of the railways, their collections from the southern people, as also from the western people, are sent on largely to those banks. The same is true of the telegraph and telephone companies, the life and fire insurance companies, and of many of the larger manufacturing enterprises. The merchants and manufacturers of North Carolina pay their freight bills to the railways. The money goes largely and promptly to New York, and is lent out and used there in stock-market operations, or as the directors of the banks, who are also often the directors of the roads and other corporations, may elect. Of course there is no law which provides for the carrying of the reserves and bank balances of railways and industrial corporations in the central reserve cities where the national banks of the country have also been accustomed to keep their reserves.

When North Carolina needs money to move the cotton crop her banks must call on New York for money which should be in their own vaults, for the return of money paid in here in freight bills, insurance premiums, and otherwise, and your banks sometimes think themselves lucky if they can be allowed the use of any part of it. Let us illustrate more concisely: In February last the national banks of New York and Chicago held on deposit from the banks and trust companies throughout the United States more than a thousand million dollars—an amount equal to nearly one-third of the total money in circulation in the entire country. No wonder you and the financial business men of the country shook with violent ague whenever New York chose to show indications of having cold feet. Of this thousand million dollars placed with the New York and Chicago national banks by the banks and trust companies throughout the country, less than eighty-five million in January last was being loaned back to the banks and trust companies of the United States. Of the balance of the money sent to the national banks of New York and Chicago, about two hundred millions was invested in bonds and securities; about three hundred millions had been loaned to noncustomers of these banks—that is to say, to borrowers who kept no accounts with them—on "bought paper" and loans secured by stock exchange and other collateral; this is, of course, in addition to hundreds of millions which the banks were lending their own customers on stock exchange and other similar securities.

These deposits of one thousand million dollars placed with the national banks of New York and Chicago by other banks and trust companies are exclusive, it should be observed, of the huge balances sent on to them by the trusts and great corporations located everywhere, but controlled largely in the big cities. As you know, and as the Seattle banker I have quoted testified, there have been times when your banks were frightened or crippled because you could not get back from the banks which carried your reserves the money you had intrusted to them, at 2 per cent interest, to keep for you.

It is not hard to see how centralization of financial resources and money supply and concentration of financial power has been forced and the invisible and irresponsible despotism created by acts of Congress and policies of government made necessary by those acts.

Now, we do not propose to use violence to force disintegration and decentralization, to do anything with a jolt and a jerk. It is understood clearly that to rush headlong and at full speed over an evil or an obstacle may cause derailment or jarring, uncomfortable and bad for passengers. The thought or plan, as I understand it, is to invite decentralization, to encourage it, to give opportunity for it, to make local self-government possible, to remove the influences which draw to a few centers the money that is paid out to the corporations and deposited in the local banks.

Real science is the exploration of the secrets and hidden forces of nature and intelligent application of them when they have been discovered. This new system has been drawn with infinite pains and care on that principle—the exploration, discovery, and application of the natural laws of trade and human nature—the conditions in our own country and our relations with other countries.

Of course, absolutely free banking is as impossible as it would be to leave to each individual the regulation of his own conduct according to his own impulses or conclusions. You would realize this more clearly than you do if you could be behind the scenes in the comptroller's office. You would learn that the banking business is one of the safest as well as one of the most worthy in the world when conducted with close compliance to the laws and regulations and the demands of honesty. Defalcations, excessive loans, and concentration of credits to single or allied interests are the three most fatal maladies.

It would do no harm if every president of a national bank would read over and study his oath of office at least once a month. I venture the assertion that some of them—present company excepted, of course—do not know what they have sworn to do and not to do. On one occasion a Member of Congress, now past history, complained personally to a Comptroller of the Currency of criticism of excessive loans made by the bank of which he was president—loans far beyond the legal limit he had sworn should not be exceeded. He did not understand really his obligations and legal limitations.

Another bank in the West that came under the observation of the comptroller's office had a board of directors composed of the president, his wife, son, daughter, and son-in-law, and

reported that directors' meetings were held each morning at the breakfast table. Rather different was another bank in which the cashier and president refused to call a meeting of the directors until emphatically required by the examiner to do so. The directors appeared, rejoicing, and it was discovered that by a by-law they were entitled to $10 each for every meeting attended. The directors urged the bank examiner to call again soon, but the president was not at all hospitable.

I have taken advantage of the privilege of being the only speaker to talk to you at some length. It is an unusual and happy experience to have no competition or limitation in oratory—with the knowledge that I shall escape the criticism by taking an early train for Washington. It is delightful for a speaker to have an audience at his mercy—makes him feel quite like a New York financial potentate. Now, I will detain you just a little longer to tell you certain details of the practical operation of the new law which may be of special interest to you.

The law does not require a single business man to change his account from the bank with which he has kept it, or any business man or bank to suspend dealings with the bank or banks in the central reserve or reserve cities with which they have in the past been doing business. It does offer to banks freedom of choice. It says to the banker that he can follow his preferences, sentiments, or habit in selecting the source of his borrowing; and the member banker of any Federal reserve district may feel free and peaceful and at ease when he knows that he has in his portfolio notes, drafts, and bills of exchange arising out of actual commercial transactions which he can convert into money at his Federal reserve bank with greater ease and promptness than it has sometimes been possible for him to withdraw his cash balances from his reserve agents, and almost with as much ease as it has ever been possible to draw on credit balances with any correspondent. He is not dependent on the whims or fortunes of any other bank. He need not shiver at the prospect of abundant crops for fear he may not have available the funds with which to meet demands for moving them. He will know that if he needs money to accommodate the bank's customers he can, as a matter of right, call on his Federal reserve bank.

Secretary McAdoo last summer met with admirable foresight and wisdom the annual crop-moving scare by putting the resources of the Federal Treasury at the service of the farmers and bankers of the country, just when there were evidences of a purpose to make money scarce and high and to bring on trouble. The country is under endless obligations for that, but we can not depend on having always in command of the Treasury Department a man so courageous, so ready, so careful of the public needs, and so careless of the wishes of a selfish money power.

Among other benefits, the new currency law, by its direct system of clearances, will release and make available for purposes of trade and commerce hundreds of millions of dollars, which, under the old system, have been tied up in tedious processes of collection. It will also save to banks and to merchants and business men generally some millions of dollars which they are now paying, directly and indirectly, for the collection of country checks and checks on outside cities.

To refer more particularly to your own district, the fifth, I will try to explain to you how the new method will work in transactions of domestic exchange.

In this district, embracing the States of North and South Carolina, Virginia, West Virginia (except four counties), the District of Columbia, and Maryland, there are some 475 member banks.

A cotton mill at Columbia, S. C., under the old plan sends its check on its Columbia bank for a shipment of coal to the coal company at Bluefield, W. Va. The local bank at Bluefield forwards this check to its correspondent in Richmond. This correspondent sends the check to its own correspondent in Columbia, who makes the collection from the Columbia bank and then draws a check on New York for New York exchange, which it remits to Richmond. The Richmond bank thereupon notifies the Bluefield bank of the collection of the item. The collection and exchange charges on distant country banks amount usually to from one-tenth to one-fourth of 1 per cent, or possibly more, and probably a week or more elapses between the remittance of the South Carolina check to the Bluefield bank and the time when the Bluefield bank gets its report that the item has been collected and placed to its credit in Richmond.

Under the new currency act "every Federal reserve bank shall receive on deposit at par from member banks * * * checks and drafts drawn upon any of its depositors." That means that the Bluefield bank receiving the check on the Columbia, S. C., bank mails it to the Federal reserve bank at Richmond. The Federal reserve bank at Richmond thereupon charges the Columbia bank with the amount of the check, credits the Bluefield bank with the proceeds, and notifies the two banks accordingly.

The Federal reserve act also provides that each Federal reserve bank shall receive at par, and credit accordingly, all checks and drafts drawn upon any of its member banks from every other Federal reserve bank; that all checks and drafts drawn by any depositor—that is to say, by any member bank—on any Federal reserve bank shall be received and credited at par by every other Federal reserve bank. This means that the checks of the member banks in the country towns throughout these five States are worth their full face value, without deduction for exchange or collection charges, to every other member bank, and that the amount of each check may be cashed at par immediately, without following the devious and roundabout courses now observed in the collection of checks. Virtually every bank in the fifth district is only one night distant from Richmond, and a check mailed one afternoon in the most distant portions of the district should reach Richmond the following day in time to be included in that day's operations of the Federal reserve bank.

Let us now consider another aspect of the new law. Under the old national-bank act, a national bank with a capital of, say, $200,000, deposits of, say, $1,500,000, bills receivable amounting to $1,200,000, and $300,000 reserve, would only be permitted to borrow a total of $200,000, the amount of its capital. If a run should start on such a bank the amount which it could raise by loans, if strictly held to the old law, would be but $200,000, the amount of its capital, which might be quite inadequate to meet a run, and the bank, though thoroughly solvent, might be forced to suspend.

Under the new law, however, if a bank with $200,000 capital and deposits of $1,500,000 should have loaned $1,200,000 to its customers on commercial paper and should encounter an unexpected run, in addition to borrowing $200,000, the amount of its capital, such a bank would have authority to rediscount with the Federal reserve bank of which it is a member notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, having not more than 90 days to run, to any reasonable extent which may be approved by the Federal reserve bank to which application for such rediscounts may be made. In other words, if such a national bank as we have used in this illustration should have loaned the entire amount of its deposits, less the 15 per cent which it is required to keep as reserve, to its customers on acceptable commercial paper, and for any unexpected reason should be subjected to a run, the Federal reserve bank of its district would have the authority to rediscount for the member bank the entire amount of its bills receivable, as represented by its commercial paper, thus enabling the bank to pay its depositors immediately and in full.

We can not overestimate the value of the additional security which this provision of the act confers upon every honestly, capably managed member bank, and the relief from strain and anxiety and from the fear and apprehension of panics and unreasoning runs which it gives to the officers of every member bank.

Another important change provided for by the Federal reserve act is the new arrangement for the compensation of national-bank examiners. Under the present law the compensation of national-bank examiners is based, except as to reserve cities, on the capital stock of the bank examined. Under the operations of this law a national-bank examiner has been receiving for the examination of a certain national bank in the fifth district, with over $9,000,000 of assets and many thousands of accounts, the munificent sum of $25. It is, of course, clear that an examiner could make only an imperfect examination of such a bank in the space of three days, at a compensation of, say, $8 per day, out of which $8 allowance he has to pay his own railroad fare, hotel expenses, as well as clerical assistance. It is not unnatural that but few examiners would willingly spend the 10 days or 2 weeks which it might require to make a thorough examination of such a bank when he is running personally in debt in doing so.

Under the new currency law the Federal Reserve Board, upon the recommendation of the Comptroller of the Currency, is given authority to fix the compensation of bank examiners on the basis of annual salary, so that those banks which need additional time and attention from the examiner may receive the careful, close scrutiny which the case may call for. It is believed that the new system of bank examinations will reduce materially the number of bank failures and enable the department to check up many abuses and correct many evil situations

which in the past have been ignored or glossed over by examiners in their hasty and incomplete investigations.

I thank you, gentlemen, for the opportunity to address you. Approaching the study of this new and revolutionary measure with the caution natural to every man trained in banking under the system with which we have grown up, I have become more thoroughly aroused to its merits and more deeply impressed as I have watched the methods of construction, the processes of growth, and have considered the underlying principles directing those who did the work.

It would be unjust, in congratulating ourselves upon the benefits and blessings we are to receive from this epoch-marking piece of legislation not to acknowledge the obligations we owe, for the splendid results achieved, to the patient and untiring labors, resourcefulness, and constructive genius of the distinguished chairmen of the Banking and Currency Committees of the Senate and House of Representatives, and to the Secretary of the Treasury, whose counsel, skill, and support in the shaping and enactment of this great measure were of inestimable value.

Here in North Carolina the records show magnificent natural progress and you have special interest in changes in the banking system which are so surely destined to promote and encourage your growth and expansion.

In the triumphs of peace and industry, as in the glories won on battlefields, and in the domain of statesmanship, all classes of your people have done full and honorable parts; have united in making the name of your State stand high and shine bright in the roll of the States in building and maintaining this mighty Republic of ours. You are living true to your record, have furnished to the Cabinet two of its ablest and most useful members, North Carolinians, tireless, faithful, and courageous, the strong supporters of huge responsibilities.

I invoke your aid to promote the success of this new system in which your calling gives you special interest and opportunity. It is a system designed to distribute the benefits and blessings of ever-increasing resources and wealth equitably among your people of all stations who have done so well their respective parts toward creating your greatness. I believe this new system for which we are indebted, in a great measure, to the patient guidance and masterly leadership of the scholar and statesman chosen to the Presidency will bring new strength, new scope, new assurance to our entire commercial system; and for your State and my State and all the States and the people, as a whole, mean deliverance from dangers that beset us, and a new career of advancement based on the solid foundation of real substance, honesty, justice, and democracy in its highest meaning and purpose.

Legislative, Executive, and Judicial Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. CHARLES H. BURKE,

OF SOUTH DAKOTA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 26, 1914,

On the conference report on the bill (H. R. 15279) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes.

Mr. BURKE of South Dakota. Mr. Speaker, I regret that the gentleman from South Carolina, in charge of this bill, was unwilling to give me an opportunity to make some observations with reference to the provision providing mileage for the Members of the House before it was disposed of, and that he refused not only my courteous request for time, but that of our distinguished minority leader, Mr. MANN, who asked for me, and that he made it impossible for me to be heard by moving the previous question. I think by this time the gentleman has learned that he can not gain any advantage by resorting to such tactics and applying the gag rule as he did with reference to this matter to-day. I hope he will profit by the experience and that hereafter he will be more courteous and fair and be, as he usually has been heretofore, reasonable in allowing debate on amendments.

Mr. Speaker, I am one of those who voted in the Fifty-eighth Congress to provide an appropriation to pay the mileage of Members for the second or regular session of that Congress. In doing so I was not expressing any opinion with reference to the mileage allowance, but simply voting to appropriate the money that the law authorized to be paid to Members of Congress as mileage. It would not be in order under the rules of the House as they obtained at that time to offer an amendment changing the law and providing for some other rate less than the rate then in existence. It was, therefore, a question of either voting for the appropriation or against it, which latter vote would mean that the Members would be deprived of what was then regarded under the law as a part of their compensation.

It never has been incumbent on any Member of Congress to draw his mileage if he did not wish to do so, and I presume no Member would take what he did not believe he was entitled to under the law. During a period of 70 years or more the mileage rate has been what it is at present, and there is no record that any Member either of the House or the Senate has ever declined to draw his mileage or that he has returned it or any part of it to the Treasury. Speaking for myself, there never has been a year since I have been in Congress that I have not expended more money for traveling than my mileage allowance. It has been my practice, as I presume it is the general practice of Members, to travel from my home to some place in my State or to Washington during the recess of Congress whenever requested to do so by a community or some of my constituents; to illustrate, I will say that in one recess of Congress between March and December I traveled from my home at Pierre, S. Dak., to Washington and returned five different times, and on each occasion on public business or matters concerning my constituents. Never has anyone reimbursed me for a cent of expense incurred on account of traveling, my theory being that the mileage provided by law was part of the compensation allowed to a Member for the purpose of in a measure reimbursing him for expenses that he necessarily would be put to by reason of being required to travel, not only to and from the sessions, but on account of the public business and looking after the interests of his constituents, and for that reason I have always refused to be reimbursed for any expenses so incurred.

As before stated, it has been the general opinion that mileage under the law is a part of the Members' compensation, and it was so held by two very distinguished Members of this House presiding in Committee of the Whole when a point of order was raised in the Fifty-eighth Congress when the item for mileage was under consideration.

The Fifty-eighth Congress did not appropriate for the mileage of the Members for the second or regular session of that Congress, and a suit was brought in the Court of Claims by John F. Wilson, who was a Delegate in that Congress from the Territory of Arizona, for the mileage claimed to be due him. This case is entitled "John F. Wilson versus The United States." I am only going to briefly refer to the decision of the court and mention the substance of the decision. It is held that the mileage as provided is not a part of the compensation, but it is intended as an allowance for the expenses of travel in discharge of the duties of the Member, according to the number of miles traveled, and the court says:

> In short, under all the authorities that mileage means an allowance for actual travel about the public business, and mileage and travel are thus inseparably connected.

The court held that Mr. Wilson, having received mileage for the first session of the Fifty-eighth Congress and not having returned to his home between the first and second sessions, was not entitled to any mileage for that session. As a result of this decision and the agitation that has been constantly going on there has, in my opinion, arisen a general opinion that the mileage rate of 20 cents a mile, fixed at a time when the mode of travel was by stagecoach, horseback, or by boat, is greater than it ought to be, and especially in view of the fact that the salary paid to Members of Congress has been materially increased.

When the legislative bill was considered in Committee of the Whole and an amendment was offered striking out the provision reported by the committee to pay for actual traveling expenses incurred by Members and their immediate families, and proposing to insert the old rate of 20 cents per mile, I voted against it, and I am not one of those Members who voted for 20 cents a mile in Committee of the Whole, and then in the House, when there was a record vote, voted against it, but was consistent and voted both times against continuing the 20-cent rate. I regretted that no opportunity was afforded at that time to have offered an amendment fixing a definite rate of mileage rather than to have the matter as reported by the committee adopted, which provided for the actual traveling expenses incurred by Members of Congress and expenses of immediate and dependent members of their families going to and returning from each session of Congress, as I believed that if that should become the law it would result in great inequalities in the amount that Members might expend, and that it would prove generally unsatisfactory.

The universal mileage rate paid to public officials throughout the country is 10 cents per mile. The constitution of my State fixes the compensation allowed members of the legislature, and in addition to the per diem they are allowed, quoting from the constitution, "10 cents for every mile of necessary travel in going to and returning from the place of meeting of the legislature on the most usual route." The sheriffs, under our law, receive for travel 10 cents per mile, and, as already stated, my information is that 10 cents is the universal mileage rate, in nearly all the States, allowed public officials who are required to travel in the discharge of their duties.

Since this bill went into conference I have discussed the Senate amendment which proposes to restore the old mileage proposition with the gentleman from South Carolina in charge of the bill and his coconferees and other prominent Members on that side of the House, including the distinguished gentleman from Indiana [Mr. Cox]. I expressed the opinion that we ought to try to secure a compromise, and that we ought not to consent to the Senate amendment; and I think it was commonly understood that a 10-cent rate would not only be reasonable but fair, and an allowance that the country would say was proper.

Following my conversation with the gentlemen on the other side of the aisle, I mentioned the matter to a number of Members on this side, endeavoring to bring about the adoption of a 10-cent proposition, which was to be offered either by the gentleman from South Carolina or some Member on that side. When the item providing the mileage for the Senate was considered yesterday the gentleman from South Carolina [Mr. JOHNSON], in accordance with what I believed to be the understanding, yielded to the gentleman from Indiana [Mr. Cox] to offer an amendment and concur in the Senate amendment with an amendment fixing the rate at 10 cents per mile. He frankly stated the situation, and said that while he had been in favor of a less rate, he believed it would be impossible to have his way, and that after consideration and conference with other Members he had offered the 10-cent proposition, believing that it represented the opinion of a large majority of the House. Had the amendment offered by the gentleman from Indiana been voted upon, it would have been adopted by an overwhelming vote, in my judgment, and I think right at that point the gentleman from South Carolina [Mr. JOHNSON] did not keep faith when he yielded to his colleague [Mr. BYRNES of South Carolina] to offer an amendment making the rate 5 cents instead of 10.

The gentleman from Wyoming [Mr. MONDELL] having offered a motion to recede and concur in the Senate amendment which provided for 20 cents per mile, the first vote was upon his motion. The next vote, being on the Byrnes amendment, was adopted, not because it expressed the sentiment of the House as to what the rate should be, but because a number of those who favored the 20-cent rate were "peeved" and voted for the Byrnes amendment. This is another point where the gentleman from South Carolina and his associates, in my opinion, did not keep faith, because if they had voted against the Byrnes amendment it would have been defeated and an opportunity would have been afforded to vote on the amendment offered by the gentleman from Indiana [Mr. Cox] for the 10-cent rate. I voted against the Byrnes amendment, because I do not believe that 5 cents per mile is enough, and rather than have that rate I would vote to cut off mileage entirely.

I have the honor to represent an intelligent constituency, and they do not want or expect me to live or travel in any cheap manner, but do expect me to move in keeping with the dignity of the office that I hold as their representative, and I know that they will say that the mileage allowance for a Senator or Representative in Congress should not be less than that paid to a member of the State legislature or a county sheriff, and that they will also say that a 10-cent mileage allowance is just and fair and reasonable.

I want to now say to the House conferees that I hope when this bill is returned to the House there will be an agreement and a provision fixing the mileage rate at 10 cents per mile, and that it will be accepted and become the law, so that the matter will be finally settled.

I regret again, in conclusion, that I was not permitted to have made these observations before the provision for mileage of Representatives was acted upon, as it would have been more satisfactory to have discussed it then rather than now after the matter has been sent back to conference, with the House insisting upon its disagreement to the amendment of the Senate, and thereby again declaring for the mileage of Representatives provision as it originally was passed by the House. I think whatever the amount is to be that it ought to be definitely fixed by law.

Stock-Raising Homesteads.

EXTENSION OF REMARKS

OF

HON. HARVEY B. FERGUSSON,

OF NEW MEXICO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 15, 1914,

On the bill (H. R. 15799) to provide for stock-raising homesteads, and for other purposes.

Mr. FERGUSSON. Mr. Speaker, a momentous question is brought to the attention of Congress in this bill, H. R. 15799, to wit, the future use of the vast area of undisposed of and unreserved public lands lying in the semiarid States of the West which can not be reclaimed by irrigation.

It is shown in the hearings before the Committee on the Public Lands on this subject that this area amounts, in round numbers, to 330,000,000 acres, and in the same States, in addition to that, 165,000,000 acres are included in forest and other forms of Government reservations. In the State of New Mexico such undisposed of and unreserved public land amounts to 31,000,000 acres, and 9,000,000 acres are included in that State in the various forms of Government reservations.

It is conceded that the promiscuous use of this land in the past has been a failure and has resulted in the reduction of the stock-raising and meat-producing capacity of the West by more than one-half. At the same time it has resulted in real suffering to the poor homesteader with a family, who, because of the exhaustion of the better public land under the existing homestead laws, has attempted in vain to support his family on the insufficient quantity of such land allowed under the 160 or 320 acre homestead laws. The plowing up and destruction of the valuable native grasses were required by law to the lessening of the grazing capacity of his homestead. Such of these poor farmers as have survived have done so by fencing and improving his tract of 160 or 320 acres with Soudan grass, feterita, and other kinds of dry-land forage crops furnished by the Department of Agriculture and pasturing his few head of stock on neighboring Government land. This last resource will soon be gone as other settlers come in, and it has always been precarious, as his cattle trespassed on the big cattle owners, who resented the intrusion of the farmers and small stock raisers on what they had long enjoyed—the free use of the public grazing domain.

Two plans have been proposed for the correction of these evils and the future lawful use and disposition of this vast domain—the one plan is embodied in H. R. 10539, Sixty-third Congress, and the other in H. R. 15799, Sixty-third Congress. The advocates of each plan were accorded hearings by the Committee on the Public Lands. The advocates of the plan set forth in H. R. 10539 were also heard by said committee on H. R. 19857 of the Sixty-second Congress. All of these hearings have been printed and are now accessible. The hearings in this Congress were held upon bills H. R. 10539 and H. R. 9582, the latter being superseded by H. R. 15799.

A reading of said bills, H. R. 10539, Sixty-third Congress, and H. R. 19857, Sixty-second Congress, known as the leasing bills, and the said hearings, will show that the leasing system proposes the withdrawal of all said semiarid lands still unappropriated and unreserved from further private or individual entry in the first instance, and the creation from time to time, by Executive proclamation, as in the case of forest reservations, of grazing reservations, with the privilege of leasing such lands in large bodies and for long terms for stock-raising purposes. The lessees are to have the right to inclose such leased areas within fences, or to protect them by drift fences, as local boards of stockmen may decide. The proposed system further provides that the right to enter homesteads, under the homestead laws, within such leased tracts shall not be abridged; but that entrymen shall have the right to enter upon such leased lands under the homestead laws.

Obviously, it is incompatible, this attempted subjection of the same body of land at the same time to such antagonistic uses. It suggests the old time wars between the owners of herds of tens of thousands of cattle using, without lawful right, the public range, and the adventurous poor homesteader, who dared also to place a few cattle on this public range near his homestead. This intrusion was bitterly resented by the big cattle owners, who had acquired a practical monopoly of the public range by homesteading the springs and other watering places, generally in 40-acre tracts, and thus, by controlling the watering places for their cattle, monopolizing vast areas of public grazing lands. Certainly under the proposed leasing

system the homesteader, coming into a leased and fenced area, would be at a hopeless disadvantage, since the leasing bills provide that the local boards given control of the reservation shall consist of five persons—four local stockmen of those holding leases in the reservation and one representative of the department in Washington. The right of appeal from the decision of such board, only to the Secretary at Washington, would too often be a mockery to the poor homesteader unable to pay the traveling expenses, legal fees, and so forth.

Moreover, can one home be reasonably established in a cattle pasture, the children to go through fences and herds of cattle to school or church in some distant neighborhood? Or can a community of homes, with schools and churches, exist in such leased area, without destroying the value of the leasehold estate to the lessee? Or if, as some propose, the exclusive use of the leased reservation be accorded to the stockmen for a term of 10 years, what is that but the absolute prohibition of the further making of homes in the semiarid States of the West, especially as the plan accords to the lessee the preference right of renewal of the lease for a like period?

The homesteading plan is proposed in H. R. 15799. It is to provide for a stock-raising homestead of 640 acres on such of this semiarid, nonirrigable domain as the Secretary of the Interior may, from time to time, designate as suitable for grazing homesteads. The prime object is to restore and promote the live-stock and meat-producing capacity of the semiarid States, and at the same time, on the same tract, to furnish homes to landless and homeless citizens of our country.

The advocates of both plans agree that immediate legislation is necessary; the small rancher, with his homestead of 160 or 320 acres and a few cattle or sheep, admits that he can not succeed on that amount of such land, unsuitable for farming, and not sufficient to support the number of live stock necessary for a man with a family, especially as, if he attempts to graze his few cattle on adjoining public land, he is at ceaseless war with the neighboring herds and flocks of the big live-stock man.

The large live-stock owners claim, as the basis of their demands for the leasing system, that the stock-carrying capacity of the public grazing lands has been reduced more than one-half, and will be practically destroyed if left to continue without legal regulation; and they admit that this destruction has been wrought by the greed to appropriate the free grass—too many cattle to the acre—with the frequent intrusion of flocks of sheep that roam from section to section in search of the best grazing; and the inevitable intrusion of the needy homeseeker, ready to take any chance to establish a home for his family.

It is established by experience that a homestead of 160 or 320 acres on many millions of acres of such land, with the requirements as to cultivation, is not sufficient to support a family, as shown to the committee by hundreds of homesteaders on the small tracts, who testify from actual experience.

Much can be left to the pioneer spirit, to the needy but resolute home seeker, and his adaptability to new conditions. This is strikingly shown in the history of the settlement of the State of Kansas, for instance. In 1860 all of Kansas west of the longitude of Topeka, it is said, was considered hopeless of settlement from the agricultural standpoint. The first invasion of homesteaders was a failure; but a few survived. More of the succeeding pioneers, as a result of experience, made a success; and the persistence of the movement westward of population has made of Kansas one of the very foremost agricultural, live stock, and dairying States of the Union.

That farming and stock raising may be successfully carried on on the same homestead is shown by the State of Iowa, a State whose soil, climate, and rainfall enabled it to be settled under the original 160-acre homestead laws. She is one of the foremost of the agricultural States, and also a large raiser of high-grade live stock and dairying products.

Moreover, the 640-acre homestead law, combining stock raising with farming, has been vindicated in the State of Nebraska, just west of Iowa. Western Nebraska, as long as it was subject only to the 160 and 320 acre homestead laws, remained unsettled and useless. But several years ago our able colleague in this House, Judge KINKAID, of Nebraska, secured the enactment of a 640-acre homestead law, applicable only to the western and semiarid portion of that State; and the statement of Judge KINKAID in the hearings on the bill now before the House shows that such grazing-homestead law has been markedly successful. It has induced immigration and arid-land farming and stock raising, with the by-products from dairying, and has resulted in a large accretion to the taxable property in the State of Nebraska.

The correct solution of this question is of vital importance to the Nation at large. The crowded countries of the Old World are seeking for foreign lands to colonize as an outlet to their surplus population, while the United States, with hundreds of millions of idle acres awaiting adequate laws for their settlement, leaves the surplus population in our crowded cities and congested industrial centers to fret and struggle for existence or to go to Canada, where the lands are offered to immigrants in sufficiently large tracts and on easy and practicable terms of getting title to them.

A far more vital interest than the country as a whole have the individual States of the Far West in the proper solution of this question. Each of these States needs the lands within its borders for taxation purposes; and it needs a land-owning citizenship to develop the land up to its highest possible use and value to make it easy to bear the burden of taxes. Under the leasing system, the title remaining in the Government, the land can never be taxed by the States, and the lessee has not the same self-interest and inducement as the owners of the soil to raise the land to its highest possible development and value. The home owner will be careful to conserve and increase the productiveness of his land. He will not overgraze, and thus destroy the native grasses, but will so stock his farm as to conserve and promote the yearly increase of its grazing capacity. He will avail himself of and experiment with the imported dry-land grasses and forage crops, which our most useful Department of Agriculture is bringing to the semiarid West. He will build silos and preserve his forage crop for winter use, his limited number of live stock enabling him to practice winter feeding, which can not be done for large herds on the open range. He will also sink wells on his homestead to get water for domestic use and for irrigating a garden, at least. Some surprising results have followed from sinking such wells on the semiarid domain. The city of Deming, in southwestern New Mexico, is now surrounded by square miles of rich, productive farms. Thirty years ago the same land was considered fit only for grazing, as there was no water for irrigation. The transformation was brought about by the discovery in one of these wells that an abundance of water was near the surface after water was reached.

The land is underlaid with an immense underground lake of unknown extent as yet, and is so near the surface that irrigating the land by pumping is both possible and profitable. Near the city of Portales, in eastern New Mexico, a somewhat similar condition exists. The surface, generally speaking, of this rocky mountain region consists of a succession of mountain ranges running west of north and east of south with vistas of sloping valleys and plains between, the soil of these valleys being many feet deep and very fertile. The water referred to accumulates from rains and snows and mountain springs and settles on the bedrock of these valleys and plains beneath the porous soil. Farming is highly profitable on these valleys and plains without surface water where the water is found in wells not too deep. Under great quantities of this land water can be reached in deep wells, and will be pumped from great depths by the homesteader for domestic use and to water his small herd.

The leasing system, as applied to the public grazing lands, is vastly different from the leasing system as applied to the Government-owned coal, oil, timber, and phosphate lands, and water-power sites. The private ownership and exploitation of the latter has been shown by actual experience to be vastly detrimental to the public interests in that it has resulted in the creation of private monopolies of such wealth and power for evil as to seriously menace the public welfare and to have rendered necessary the retention of the ownership of all such natural resources in the Government, with Government supervision of their future development and use, under a system of leasing and strict public supervision. The system of leasing the grazing lands under Government ownership and control, on the other hand, would be a species of special legislation for a special class to the detriment, if not to the destruction, of the policy of furnishing homes to our citizens.

Nobody is fighting the large cattle interests, as such. The fight is for the development, as far as practicable, of the semiarid States into populous, prosperous, and happy States or privately owned homes. That fight was started in the Sixty-second Congress by the National Live Stock Association under bill H. R. 19587, above described, and the homestead bill here advocated shows the extent and character of the opposition to the National Live Stock Association and its plans. The record in this case further shows a general acquiescence in the practical monopoly which such interests now have of the grazing privileges on the 165,000,000 acres of Government reservations under a system of leasing, with strict regulation intended to protect and increase the grazing capacity of such reservations. And, in addition to all that, if, as claimed, there are to be found large areas of this semiarid domain impossible of use under the homestead system, there is a general sentiment, certainly in the Committee on the Public Lands of the House, to subject such

areas where homes can not be made to regulation under some leasing system to promote the usefulness of such areas.

In conclusion I insert here, at the risk of slight repetition, an extract from the report of the Committee on the Public Lands on said bill H. R. 15799, as follows:

The committee does not hesitate, as far as may be practicable, to adhere to the time-honored plan of using the public domain to furnish homes to the citizens of our country. The fact that the State of Iowa, where 160 acres proved sufficient to support, even to enrich, an industrious citizen, is in the front rank as a producer of agricultural products, and, at the same time, is near the front in the production of beef and mutton and dairy products shows that farming and stock raising may be successfully combined on the same homestead, and the printed hearings on H. R. 9582 are replete with statements by many citizens of large experience on these semiarid lands that, by combining the farming of dry-land forage crops and the raising of cattle or sheep, 640 acres will support a family. Mr. I. S. Bartlett, of Cheyenne, Wyo., in his statement beginning at page 316 of the hearings, uses these words:

"A grazing homestead bill giving 640 acres, or even 2 sections, to each settler would soon add 200 per cent to the live-stock production of the public-land States and solve the beef problem for the next half century. Not only that, it would break down the high prices of beef, pork, and mutton, as well as dairy products.

"Better than all, it would settle up the vast area of waste lands in the Nation with a hardy, intelligent, and progressive American citizenship.

"Think for a moment what our desert or grass ranges will produce, situated, as they are, in an environment of mountains and plains and flooded with sunshine.

"Here are some purely range products: Cattle, sheep, horses, hogs, goats, hides, wool, butter, cheese, milk and dairy products, poultry, and eggs. All these can be produced in our native grass regions without any plowing or land cultivation.

"The irrigated and dry farms in the same section will supplement all the needed fattening and forage crops, and both the farming and stock-raising interests will be mutually and correspondingly benefited.

"The range homestead proposition can be easily worked out. Instead of the requirements of plowing up the land and crop cultivation, the law should require expenditure for sinking wells, building of sheds and corrals, the possession of a certain number of animals, etc. The residence requirements should be the same as in other homestead acts.

"In nearly every section of the grass ranges water can be found at depths varying from 20 to 500 feet. In many cases artesian water and flowing wells are obtained, giving a sufficient supply of water for irrigating many acres and raising fine crops. With the passage of a grazing homestead bill the so-called desert lands would be penetrated with wells and the whole landscape dotted with windmills and improvements in the form of houses, barns, corrals, and fences.

"In a very few years a wonderful transformation scene would be enacted in the vast cattle ranges of the West, now practically uninhabited by settlers. That this is no dream has already been demonstrated by the results of the Kinkaid 640-acre homestead act, which applied to the desert wastes of western Nebraska. That entire section is now settled up with a high class of prosperous and successful farmers. Five million acres of arid lands have been reclaimed there, and the wave of incoming settlers has overflowed into Wyoming in the search for dry-farming lands.

"Even under the late repressive land administration the Commissioner of the General Land Office advocated the 640-acre homestead for the semiarid West, and in so doing stated that 'the largest part of the unappropriated public domain would never pass to private ownership under smaller allotments.'

"Local bills are good enough so far as they go, but the whole subject should be treated from a national point of view and a bill passed applicable to all the States having public lands."

Representative KINKAID, referred to by Mr. BARTLETT, appeared before this committee, and his statement appears in the hearings, beginning at page 334.

This plan of providing homes is best for the Nation as a whole, because it tends to increase the supply and at the same time to lower the price of meat, a universal necessity, especially to the laboring classes; and because it affords an outlet to the congested civic and labor centers of our population without driving homeseekers to take advantage of the liberal land laws of Canada. Moreover, the Nation as a unit needs more States like, for instance, Kansas and Iowa, where each citizen is the sovereign of a portion of the soil, the owner of his home and not tenant of some (perhaps) distant landlord, a builder of schools and churches, a voluntary payer of taxes for the support of his local government.

Of course, the homestead plan is best for the individual States of the semiarid West. It takes homes to insure permanent settlers and taxpayers; it takes homes to bring schools and churches; it takes homes to build cities and towns that attract and support laborers and mechanics. Population invites railroads, which in turn bring more immigration and capital to develop the barely touched resources of this great semiarid West.

This subject has been under consideration in previous Congresses. In the Fifty-eighth Congress, third session, a bill creating a 640-acre homestead for a portion of the State of South Dakota was reported favorably (Rept. No. 4013), and from said report we quote from the President's message to Congress at the beginning of the second session of the Fifty-seventh Congress, as follows:

"Moreover, the approaching exhaustion of the public ranges has of late led to much discussion as to the best manner of using these public lands in the West which are suitable chiefly or only for grazing. The sound and steady development of the West depends upon the building up of homes therein. Much of our prosperity as a nation has been due to the operation of the homestead law. On the other hand, we should recognize the fact that in the grazing region the man who corresponds to the homesteader may be unable to settle permanently if only allowed to use the same amount of pasture land that his brother the homesteader is allowed to use of arable land. One hundred and sixty acres of fairly rich and well-watered soil or a much smaller amount of irrigated land may keep a family in plenty, whereas no one could get a living from 160 acres of dry pasture land capable of supporting at the outside only 1 head of cattle to every 10 acres."

We quote further from the same report, as follows:

"Hon. Charles D. Walcott, present Director of the United States Geological Survey, in a communication to the Secretary of the Interior concerning the Kinkaid bill, which became a law at the last session of this Congress, said in part as follows:

"'The central idea of this bill is that of enlarging the area of homestead entry to suit the conditions of the semiarid West. There is general recognition of the fact that the present land laws, designed for the humid region, are not applicable to the arid region. Attention has been called to this matter many times by various individuals, and in particular by the writings of Maj. J. W. Powell, the former Director of this Survey, who devoted much of his life to the exploration and study of the West. In his report prepared in 1878 entitled "Lands of the Arid Region," Maj. Powell suggests that the farm unit where water is scanty should be not less than 4 square miles, the divisions of such farms being controlled by topographic features.

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"'The arbitrary limit stated by the present land laws of 160 acres for a homestead does not suit existing conditions in the arid regions. If the water supply is ample, 160 acres is usually far too much, and would support two, three, or four families; on the other hand, throughout 90 to 95 per cent of the vast extent of remaining public land 160 acres is so small as to be useless for a homestead.

"'No general rule as to what shall constitute a homestead can be laid down. In order to determine this matter, local knowledge must be had and exercised in the same manner as it is under the reclamation projects. The question is one largely of altitude, climate, and water supply, rather than extent of land.

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"'After cutting out the irrigable lands there are left great areas where it is known that water can not be had in any considerable amount and where the homestead area must be very large to furnish support for a family. In short, it is practicable after eliminating the irrigable land for the Geological Survey, through its organic act and through the Reclamation Service, to classify the remaining public land and obtain information upon which to base the disposal of these lands to actual settlers in tracts sufficient for the support of a family.

"'Under the operation of the present laws the securing of a tract of land large enough to support a family in the arid region is a cumbersome and expensive process. The nucleus of the home farm may be a 160-acre tract, which the law allows as a homestead.

"'All persons admit that this nucleus is only the first step, and that the man who actually desires to make a home there by stock farming must proceed to resort to various expediencies to secure control of additional land in order to support himself. To do this requires either capital to purchase the lands of other homesteaders, or the stock farmer must secure some form of title through the desert-land law, timber and stone act, etc. In the majority of cases the practices absolutely necessary to secure an adequate area are open to the charge of fraud or collusion. It should not be necessary for a man desiring a homestead upon vacant public land to resort to indirect or possibly fraudulent means. On the contrary, he should be allowed and encouraged to take up as much land as he actually needs and be given every facility for so doing.

"'The development of the arid West has reached a point where it is now possible to see the ultimate character of settlement and utilization of the land. Where, as above stated, water can be had, the irrigable lands may be cultivated in the most intensive fashion. With favorable climatic conditions several crops a year will be raised, and a 40-acre farm will more than furnish support for a family. The average size of an irrigated farm in Utah is, for example, less than 30 acres.

"'Assuming that there are 600,000,000 acres in the arid and semiarid West, not to exceed 10 per cent of this, or 60,000,000 acres, will be utilized for irrigation. Most of the remainder is useful for stock-raising purposes, a portion being devoted to forest reserves, within which grazing may be largely permitted. In round numbers 500,000,000 acres of land will have its highest use in the raising of cattle and sheep. Most of this is still in public ownership, and it is for the interest of the Nation to have the land subdivided into the smallest tracts which will support a family and have these pass gradually into private ownership, so that the land may in time bear its share of taxation.'"

The Public Lands of the United States.

EXTENSION OF REMARKS

OF

HON. JOHN M. EVANS,

OF MONTANA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, June 25, 1914,

On the bill (H. R. 17041) making appropriations for the sundry civil expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes.

Mr. EVANS. Mr. Speaker, a few days ago while this House had under consideration the sundry civil appropriation bill, an effort was made by myself and a number of other western Members to increase the appropriations for surveys of public lands. Upon one occasion, when our efforts had met with success, one of the appropriations being increased by a considerable amount, a member of the committee indulged in some rather acrid criticism because the Congressmen from the public-land States made such determined and persistent efforts in that respect.

I am led to believe, Mr. Speaker, that the people of the East and South have little or no conception of the method and manner of the administration of the public-land laws, and no conception whatever of the hardships endured by the sturdy people who settle upon the public domain. In reaching this conclusion I am supported by a remark made by one of the leading Members of this body, when a few days ago my colleague from Montana [Mr. STOUT] was attempting to secure the passage of a bill designed to grant leaves of absence to settlers on unsurveyed lands. A gentleman who has served in this House for some years objected to such a bill, and expressed the opinion

that people had no right to settle upon public lands until they are surveyed. Such a statement shows such an utter lack of knowledge of the true situation in all the public-land States as to make an attempt by me to enlighten this House and the public mind seem almost hopeless. I am gratified to say, however, that the author of the above remark joined with us to secure additional funds for the survey of undisposed-of public lands.

The land laws of this country need revision in many respects, but I earnestly believe that if the present laws were administered in a humane manner and in conformity with the spirit rather than the letter of the law oftentimes the almost unbearable hardships unnecessarily imposed upon a people attempting to reclaim a home from the forest or wilderness would be removed or, at least, lessened. The reduction by Congress of the five-year residence clause of the homestead act to a period of three years, which was enacted only a few years ago, has been a boon to the homesteaders and a step in the right direction. But I am still of the opinion that the requirements of the homestead laws are too harsh and oppressive. That law, you will recall, compels a residence of three years, at the same time requiring a fixed and definite amount of cultivation. I have pending now before the House a bill reducing the amount of the annual cultivation required, and also providing that the entryman may receive credit for the improvements made, the construction of fences and buildings, and by slashing, clearing, and otherwise preparing the land for cultivation, making the homestead habitable and capable of production. A recent case which was brought to my attention convinces me of the necessity and fairness of such an amendment.

A man entered a homestead the land of which was covered by small timber and underbrush. Without being cleared this land was not susceptible of cultivation. The man in question was a high-class mechanic, very capable, and at that time earning from five to six dollars a day. He could hire a man for $2.50 or $3 a day to fence and clear the ground, which he did, while the entryman himself worked at a sawmill nearby. During a period of about four years this entryman caused to be placed on this land $3,500 to $4,000 worth of improvements. But when he submitted his final proof the Commissioner of the General Land Office determined that this homesteader had not resided upon the land the required number of days, and on that ground the entryman's proof was rejected. The case was appealed to the Secretary of the Interior, where the commissioner's decision was promptly reversed and the land awarded to the entryman. The Secretary of the Interior, grasping the spirit rather than the letter of the law evidently realized how much better it was that this entryman be permitted to earn his $6 a day by working at his trade and at the same time employ some one in his stead who could accomplish the same results upon this land for $3 a day, and thus allow both the entryman and his employee to profit in their particular line of endeavor.

ESPIONAGE SYSTEM.

Mr. Speaker, during the past 10 or 15 years there has grown a feeling in the hearts of the officials who have administered the public-land laws that every man who goes upon the public domain is a thief; that his purpose in going there is to filch something from the Government. As a result a system of espionage has sprung up in the Interior Department, a system which is as distasteful to the homeseekers as it is detrimental to the progress and development of the Western States. Congress is to-day employing a large corps of special agents whose general duties seem to be that of detectives to spy upon the humble homesteader and others who settle upon the public lands. My experience has taught me that some at least of these special agents feel that their tenure of office depends upon the number of adverse reports they may be able to file against these people. In justice, however, to all parties, I am inclined to believe that during the past three or four years these special agents have gained a higher and better conception of their duties and responsibilities, and that the system of espionage is on the wane.

The harshness with which the land laws have been administered has discouraged bona fide settlers and has driven from our borders across the Canadian line hundreds of thousands of industrious, honest, law-abiding citizens. This same practice of harshness has deprived thousands of good citizens of the fruits of three or four years of labor, privations, and hardships, leaving them in many instances impoverished and poorer than before. Such administration of these laws does not help the Government, but rather retards the development and growth of the country. It is grossly unjust not alone to the individual but to the public at large.

I have no patience whatever with the doctrine that every man who enters upon the public domain is dishonest and desires to acquire something from the Government for nothing. There are no more patriotic, home-loving people in the world than those who are now attempting to acquire title to 160-acre tracts of land in the great arid West. Only a few years ago the lands which are now being used for homestead purposes were considered unsuitable for cultivation, and were used for grazing purposes only by the cattle king and sheep baron. Located far from the center of civilization, the homesteader has no benefits of companionship, schools, or churches. He is oftentimes compelled to haul water not alone for himself and family, but for his stock. It is, therefore, the duty of the Government of the United States to proceed upon the assumption that these men are law-abiding citizens, imbued with a laudable ambition to honestly acquire homes for themselves and their families; and they should be treated as law-abiding citizens, not as outlaws. The average man who now attempts to reclaim 160 acres from the arid lands of the West has the courage, zeal, and fortitude of the crusader.

NATION'S FOOD SUPPLY.

There is another view of this matter which may well engage the kindly consideration of Congress and the thinking people of the country. The lands that have for years been considered unsuitable for cultivation, under improved scientific methods of farming, commonly known as dry farming, are yearly producing millions of bushels of wheat, thus abundantly contributing to the food supply of the world. Upon this question I take the liberty of reading an excerpt from an article recently written by Senator T. J. WALSH, of Montana, as follows:

The capacity of the great plains of Montana for the production of wheat is a recent revelation of which few, even among those most familiar with the country, dreamed 10 years ago. It was the well-nigh universal opinion that the climate was too arid for successful cultivation and that the grain-producing area would always be restricted to the regions, relatively inconsequential in extent, adjacent to the streams so situated as to invite or permit artificial irrigation.

A glance at a map on which are depicted the regions being irrigated or which it is expected will be irrigated by the Government projects reveals them as narrow strips, the aggregate area of which is pitifully small compared with the vast expanse that must rely on the ordinary precipitation for its moisture.

The comforting possibilities of our soil for the production of cereals by proper cultivation is revealed in the steady increase in our output of wheat, practically all of which is raised by the dry-farming system. In 1909 we produced 6,252,000 bushels; in 1912, 19,346,000; in 1913, 20,673,000. Flax is another dry-farm crop. We produced 120,000 bushels in 1909 and 5,520,000 in 1912, Montana ranking next in order to North Dakota in respect to that cereal, second among the States of the Union. Our acreage in wheat increased from 350,000 in 1909 to 870,000 in 1913, and in flax from 10,000 in 1909 to 400,000 in 1913. During the year ended June 30, 1913, over 19,000 homestead filings were made in Montana, and in the 10 months following 13,438 are reported—more than one-half of all entries of like character in all the public-land States. We still have 20,000,000 acres of unreserved and unappropriated public lands, at least half of which are capable of tillage, the mountainous regions being within the forest reserves. If that area were in wheat, only one-half of it producing annually under the system of summer fallowing in vogue with us, Montana would stand second among the States of the Union in the production of that grain; 75,000,000 bushels would furnish bread for 10,000,000 people.

A report just issued by the Department of Agriculture exhibits in a startling way how rapidly we are becoming dependent upon foreign field for bread. Obviously the subjection of the lands of Montana available for the production of breadstuffs is of the highest public concern.

Those 19,000 homestead entries in Montana in 1913 signify that our people seeking new homes in a country offering inducements to tillers of the soil are going to Montana instead of to the Dominion Provinces. For the past 10 months of the current fiscal year the Canadians coming to the United States to remain permanently exceeded in number those leaving for Canada with like intent by about 22,000, the first time in years that the balance has been in our favor. The number of our citizens that have thus expatriated themselves has diminished 30 per cent in the last year.

The transcendent importance of affording, so far as any Government agency can, a chance for success to the settlers who are now going to Montana in such unprecedented numbers to undertake the patriotic task of replenishing our relatively diminishing bread supply is too evident to require comment.

I am one of those who believe the public lands should be disposed of, but disposed of in such a manner that they may be put to their highest use. Lands which will produce bountiful crops of grain should not be used for grazing purposes alone; lands with scattering or worthless timber should not be held in forest reserves, but should be made to produce its maximum yield; lands with available water sites should not be held undeveloped, but should be either developed by the Government or allowed to go into the hands of people capable and anxious that the water shall not continue to run to the sea without turning some wheels on its course. Franklin K. Lane, Secretary of the Interior, has, in my judgment, grasped the true situation, for in his last annual report he says:

There has slowly evolved in the public mind the conception of a new policy—that land should be used for that purpose to which it is best fitted, and it should be disposed of by the Government with respect to that use. To this policy, I believe, the West is now reconciled. The West no longer urges a return to the hazards of the "land is land" policy. But it does ask action. It is reconciled to the Government making all proper safeguards against monopoly and against the sub-

version of the spirit of all our land laws, which is in essence that all suitable lands shall go into homes and all other lands shall be developed for that purpose which shall make them of greatest service. But it asks that the machinery be promptly established in the law by which the lands may be used. And this demand is reasonable.

SURVEYS.

Mr. Speaker, reference has heretofore been made to the question of surveys of public lands and the necessity for ample appropriations by Congress that this work keep pace with the demands of the settlers. Whether from lack of funds or because hindered by circumlocution and the system of red tape which has grown up in the management and conduct of these affairs, I am unable to say, but the delay in the surveys of public lands is, in instances, at least, absolutely discouraging to the man who attempts to acquire title. The recital of one instance, which, I think, is characteristic of many, will serve to acquaint you with some of the conditions pertaining to applications for surveys of public lands in the Western States.

A few years ago a case came under my observation where two young men had settled upon 160 acres of unsurveyed land, each claiming 120 acres of the tract. They built houses on separate 40-acre tracts of this quarter section and both made application to have the same surveyed, one of them at least offering to advance the money. You will understand that no filing could be made upon these lands until they are surveyed and no adjudication could be made of the rights of the respective parties until after survey. It was therefore important to these young men that a prompt and speedy survey be made. As above stated, application was made by them in person, which seemed to meet with no success. My assistance was then sought by these young settlers. Fifteen months ago this matter was taken up with the proper authorities and referred to the Field Division for investigation and report. The land in question is situated 7 or 8 miles from one of the oldest towns in the State of Montana, a town traversed by two transcontinental railroads. It is within two hours' ride from the State capital, where is situated the office of the United States surveyor general. The land is surveyed on one side, at least, and possibly two. I am confident the work of surveying this tract in the field could be done by two men in two days. And yet more than 15 months have elapsed since it was referred to the Field Division for report. My latest advices are that it will probably be included in the surveys to be made during the year of 1914. If that should be the case, the land will probably be surveyed during the fall months of this year. It will then take, in all probability, 6 months to a year to prepare and approve the plat of survey. Assuming that the matter goes on with reasonable expedition, as such matters are now conducted it will be the middle of 1915 before these young men can offer filing for this land and initiate proceedings to determine their respective rights. It will then take, under the régime of the contest department, probably a year to get a decision on the merits of the case. One or the other of these young men must lose. You will therefore observe that one of them will have spent three or four years of the best part of his life trying to determine whether or not he was entitled to a piece of the public land, when the whole matter, with reasonable expedition, might have been determined within a period of 6 or 8 months.

Such delays, such procrastination, is a blot upon our method of conducting the public business and should bring the blush of shame to all parties intrusted with the disposition of the public lands of this country. They are intolerable and inexcusable, and any people or party that condones and permits such delays to continue is, in my judgment, unworthy of the trust reposed in them.

DELAY IN ISSUING PATENTS.

Another source of annoyance and complaint on the part of the homesteader is the fact that after he has complied with the law and made his final proof, it is customary to allow months and sometimes years to elapse before his certificate of patent is handed to him. The laws should be so framed and so administered that within a period of 30 days after a man has submitted his final proof his deed of patent should forthwith issue to him from the Government. I do not think the present laws are deficient in this particular, but I do think a system of red tape has grown up in the department. And I do not think it unbecoming of me to suggest that the heads of that department could not render a greater service to the country than by cutting and disposing of this traditional red-tape system. No doubt it would cause something of a revolution in the department if such a proceeding were brought about; but if the same method of dilatoriness were practiced by any commercial house in the country that prevails in the Land Department of this Government, such a commercial institution would be in the hands of a receiver in less than 12 months. Without indulging in invidious comparison, I feel that I can in justice say that the causes of this last complaint are diminishing in the department at the present time. But I am convinced there is yet ample room for much more progress and improvements along this line. In this connection, Mr. Speaker, I want to read an editorial from the Montana Daily Record, one of the leading newspapers in my State, on this subject:

[From the Montana Daily Record, June 16, 1914.]

RED TAPE IN THE LAND OFFICE.

An interesting and instructive circular letter has just been issued by the Helena Commercial Club dealing with the question of the long delay in issuing patents in the public-land States to homesteaders. It is a subject which has been a live one for a great many years, and this effort of the Commercial Club to remedy the grievance is the first organized one with the object of bettering conditions. The present system which results in the delay is not one of the sins of omission or commission that can be charged up to the present Democratic administration; it is the outgrowth of a system which has been long in vogue in the General Land Office; and the Commercial Club, evidently of the opinion that there is a chance for the Democratic administration to make a record in the matter, is giving it the opportunity.

Some time ago the Helena Commercial Club adopted a resolution urging the Commissioner of the General Land Office to act more promptly on the issue of patents after the receipt of final proof. Senator MYERS presented the resolution to the commissioner, and one of the subordinate officials in the General Land Office made a rather lengthy reply, in which he said, in essence, if the system was changed it "would very badly disturb the orderly conduct of the office."

To disturb "the orderly conduct of the office" might be, under some circumstances, a very grave offense, but that is just what the people who are vitally interested want to do; in plain English, they want the Land Office to "get a move on." The Canadian land department has a system under which it issues patents in a tenth of the time required by the Land Office at Washington, and it would seem the Yankee should be able to get up as much speed in the matter as the Canadian.

The whole correspondence is printed in the circular issued by the Commercial Club, and it is most illuminating. If Commissioner Tallman will take this matter up personally, as is suggested by the club, there is no question but he has sufficient executive ability to remedy conditions, even if some of the red-tape artists under him are of the opinion a change "would badly disturb the orderly conduct" of the General Land Office.

Mr. Speaker, we are all disposed to become complacent with the practices of long usage, but because for years there has been such abnormal delays in the issuance of homestead patents is not convincing that such conditions must always continue.

The delays are evident, and so manifestly burdensome, unjust, and unfair to a large class of worthy citizens that no one can longer find justification for the same. Nor should a perfunctory, listless endeavor, on the one hand, or a supine indifference on the other, longer characterize those charged with the administration and disposition of the public-land laws.

The Late Representative Timothy D. Sullivan, of New York.

MEMORIAL ADDRESS

OF

HON. PETER J. DOOLING,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Sunday, June 21, 1914,

On House resolution (H. Res. 549) paying tribute to the memory of Hon. TIMOTHY D. SULLIVAN, late a Member of the House from the State of New York.

Mr. DOOLING. Mr. Speaker, TIMOTHY D. SULLIVAN was in every way a product of New York City, and in his life and character was typical of the city in which he passed his life and fought his way against overwhelming odds from poverty and obscurity to wealth and eminence.

The tributes of loving memory that have been paid to him since his tragic death by every class that makes up the great metropolis prove that not even death could separate him from the affectionate regard of the people who had known him through the long years that he lived amongst them, sharing their joys and sorrows, mingling in their pleasures, fighting side by side with them in their battles of life, and comforting and aiding them in their days of trouble and distress.

It was my great good fortune to know TIMOTHY D. SULLIVAN personally and well. For over a quarter of a century he was my friend and I his, and in common with everyone who knew him well I realized the greatness of his nature, the magnificent courage and ability that made him such a formidable antagonist in political struggles; but, above all, we who knew him most of all understood the generous warmth of his great heart, the unfailing love of his fellow man, and his faith and trust in the poorest and the humblest of his neighbors, a trust which was repaid by them with a loyalty and devotion which has rarely been equaled in the history of the city he lived in.

Everywhere that TIMOTHY SULLIVAN went he made a host of friends. It was my fortune to serve in the Senate of New

York State after he had ceased to be a member, and the memories of his genial personality were to be found in every part of the State capitol and among all kinds and conditions of men.

He realized in its absolute and literal meaning the immortal phrase of Jefferson that "all men are created equal" and lived up to the principle with a sincerity and consistency not often seen. To him the newsboy, the bootblack, the laborer, were brothers and friends and received the same unfailing and innate kindly courtesy that he bestowed on the man of wealth or eminence.

He was in his personal relations one of the most lovable men I ever met. His affectionate solicitude for his widowed mother is so well known that it is not necessary to repeat the touching story of those brave years of his early childhood when at the age of 8 he started to help her fight the hard struggle of existence with her children after her husband's death. Devoted to his family, his early manhood was spent in working for their comfort and support and the filial devotion that characterized his childhood remained with him through all of his busy, eventful life.

He had many enemies, as all successful men have. He was abused by those who could not understand his motives nor appreciate his work; but amid all the hard and bitter strife that attends success in business and politics in a great city like New York he never lost his unfailing good nature nor his kindly spirit to all mankind.

Loved by his friends, respected by his enemies, to the older men who knew him he was a tried and trusty comrade; to the younger men who knew him he was a helpful guide and leader; to all who knew him a constant, loyal, and beneficent friend; and in the days to come when the history of the great city of New York in the latter part of the nineteenth and early years of the twentieth century are written there will be no brighter name in the list of names who helped to make New York the greatest city of the greatest country in the world than the name of him to whom we pay to-day our last tribute of respect and admiration; than this man, the friend of the oppressed, the foe of the oppressor, the benefactor of his fellow men, TIMOTHY DANIEL SULLIVAN.

Address of the President of the United States on Antitrust Legislation.

EXTENSION OF REMARKS

OF

HON. J. THOMAS HEFLIN,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, June 26, 1914.

Mr. HEFLIN. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an address by the President of the United States before the Virginia Editorial Association, the White House, June 25, 1914.

The address is as follows:

"I think it is appropriate, ladies and gentlemen, in receiving you, to say just a word or two in assistance of your judgment about the existing conditions. You are largely responsible for the state of public opinion. You furnish the public with information, and in your editorials you furnish it with the interpretation of that information. We are in the presence of a business situation which is variously interpreted. Here in Washington, through the Bureau of Commerce and other instrumentalities that are at our disposal, and through a correspondence which comes in to us from all parts of the Nation, we are perhaps in a position to judge of the actual condition of business better than those can judge who are at any other single point in the country; and I want to say to you that as a matter of fact the signs of a very strong business revival are becoming more and more evident from day to day.

"I want to suggest this to you: Business has been in a feverish and apprehensive condition in this country for more than 10 years. I will not stop to point out the time at which it began to be apprehensive, but during more than 10 years business has been the object of sharp criticism in the United States, a criticism growing in volume and growing in particularity; and, as a natural consequence, as the volume of criticism has increased business has grown more and more anxious. Business men have acted as some men do who fear they will have to undergo an operation and who are not sure that when they get on the table the operation fill not be a capital operation. As a matter of fact, as the diagnosis has progressed it has become more and more evident that no capital operation was necessary; that at the most a minor operation was necessary to remove admitted distempers and evils. The treatment is to be constitutional rather than surgical, affecting habits of life and action which have been hurtful; for on all hands it is admitted that there are processes of business, or have been processes of business, in this country which ought to be corrected, but the correction has been postponed, and in proportion to the postponement the fever has increased—the fever of apprehension.

"There is nothing more fatal to business than to be kept guessing from month to month and from year to year whether something serious is going to happen to it or not and what in particular is going to happen to it, if anything does. It is impossible to forecast the prospects of any line of business unless you know what the year is going to bring forth. Nothing is more harmful, nothing has been declared by business men to be more unfair, than to keep them guessing.

"The guessing went on; the air was full of interrogation points for 10 years and more. Then came an administration which for the first time had a definite program of constructive correction—not of destructive correction, but of a constructive correction of admitted evil—a very clear program, disclosed, so far as possible in a general program, in its particulars as well as in its general features. And the administration proceeded to carry out this program.

"First, there was the tariff; and business shivered. 'We do not like to go in; the water looks cold.' But when the tariff had been passed it was found that the readjustment was possible without any serious disturbance whatever. So that men said, with a sense of relief, 'Well, we are glad to get that behind us; and it was not bad, after all.'

"Then came the currency reform. You remember with what resistance, with what criticism, with what systematic holding back, a large body of bankers in this country met the proposals of that reform; and you know how, immediately after its passage, they recognized its benefit and its beneficence, and how ever since the passage of that reform bankers throughout the United States have been congratulating themselves that it was possible to carry out this great reform upon sensible and solid lines.

"Then we advanced to the trust program, and again the same dread, the same hesitation, the same urgency that the thing should be postponed. It will not be postponed, and it will not be postponed because we are the friends of business. We know what we are doing. We purpose to do it under the advice—for we have been fortunate enough to obtain the advice—of men who understand the business of the country; and we know that the effect is going to be exactly what the effect of the currency reform was—a sense of relief and of security.

"Because when the program is finished it is finished; the interrogation points are rubbed off the slate; business is given its constitution of freedom and is bidden to go forward under that constitution. And just as soon as it gets that leave and freedom there will be a boom of business in this country such as we have never witnessed in the United States.

"I as a friend of business and a servant of the country would not dare stop in this program and bring on another long period of agitation. Agitation longer continued would be fatal to the business of this country, and if this program is delayed there will come agitation with every letter in the word a capital letter. The choice is a sober and sensible program now completed or months upon months of additional conjecture and danger. I for one could not ask this country to excuse a policy which subjected business to longer continued agitation and uncertainty; and, therefore, I am sure that it is beginning to be evident to the whole press of this country, and by the same token to the people, that a constructive program is at last not only to be proposed, but completed, and that when it is completed business can get and will get what it can get in no other way—rest, recuperation, and successful adjustment. I can not get rest if you send me to bed wondering what is going to happen to me in the morning; but if you send me to bed knowing what the course of business is to be to-morrow morning I can rest. How much better is certain justice to the men engaged in business.

"It is a matter of conscience as well as a matter of large public policy to do what this Congress, I am now certain, is going to do—finish the program. And I do not think that it is going to take a very long time. I believe that the temper of those engaged in this great thing is admirable; that the various elements sometimes in antagonism in the Congress of the United States are drawing together, and that we shall witness an early statesmanlike result, for which we shall all have abundant reason to be thankful."

Agricultural Appropriation Bill.

EXTENSION OF REMARKS
OF
HON. JAMES B. ASWELL,
OF LOUISIANA,
IN THE HOUSE OF REPRESENTATIVES,

Friday, June 26, 1914.

Mr. ASWELL. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include the following letter:

MAY 5, 1914.

DEAR SENATOR KENYON: Thank you very much for your letter. I wish that I might long ago have had a full talk with you about the General Education Board from every standpoint. I could have told you many things that it seems to me it is proper for you to understand, in view of the fact that you are now put in the position throughout the United States of making attacks upon this board and of intimating that its gifts to educational objects have not been made wisely or with good motives.

I had long ago become interested in the great need of the South for educational advancement in all directions, and had therefore attended the earliest of the now famous yearly conferences on education in the South. Out of those early conferences grew the Southern Education Board, of which the late Robert C. Ogden, of New York, and the late Hon. J. L. M. Curry, for many years the chief agent of the Peabody Fund in the South, were the most conspicuous founders. Mr. Ogden remained president of this board until his death last year. I was made a member of the board at the beginning, and am still one of its members. I have never been associated with a more able, a more unselfish, or a more statesmanlike group of educational leaders than the men who have belonged to the Southern Education Board.

The work of this board obtained the recognition and support of various men who were interested in the cause of education, and among them, in particular, was Mr. Rockefeller, who had for a long time been a large supporter of various schools and educational enterprises in the South. Among the most active members of the Southern Education Board were the late William H. Baldwin, president of the Long Island Railroad, who had lived for years in the South as a railroad official; Mr. George Foster Peabody, who had originally come to New York from Georgia; Mr. Walter Page, originally from North Carolina; and various others. The Southern Education Board had demonstrated the educational opportunities and needs in the South, and had enlisted the hearty good will of the friends and leaders of the education of both races, as well as the support of State officials and the heads of institutions.

The idea of another board, which should have a large income at its disposal and be able at once to help supply some of the most urgent educational needs of the South, as well as those of other parts of the country, became impressed upon the minds of those who were influential with Mr. Rockefeller and were his advisers in matters of education and philanthrothy. When it was decided to form such a board Mr. Rockefeller offered an initial support, which assured it a considerable income for a brief term of years; and its members were appointed largely from the membership of the Southern Education Board, Mr. Baldwin becoming the first chairman. Since the board in its ultimate purposes was to be national in its scope, it was thought desirable to obtain for it a congressional charter. It could, indeed, have done its work just as well under a State charter, but there seemed reasons why it would be desirable to obtain a charter at Washington.

Among the men brought into the new board were the late Daniel C. Gilman (president of Johns Hopkins University), Mr. Morris K. Jesup, of New York, Mr. Frederick T. Gates, and Mr. E. Benjamin Andrews (chancellor of the University of Nebraska). Dr. Wallace Butterick was at once made secretary and chief executive officer of the board.

After several years' observation of the board's methods and achievements, Mr. Rockefeller felt that he could trust it with increasing sums, and as a result of several successive gifts the board came into the control of the large funds now intrusted to it, due report of which is made annually to the Secretary of the Interior.

The board has helped to advance educational progress in so many ways, particularly in the South, that I could hardly enumerate them to you in a letter. It has succeeded in strengthening a number of the best colleges and universities, and it has been active in helping to establish high schools throughout the South, and to give better training to the teachers needed for the rural common schools. This work has been done always in cooperation and harmony with the educational forces of the States where money has been contributed. There has never, anywhere in the South, been the slightest thought of spending any of the money of the General Education Board with a view to political influence or to creating any kind of tendency as respects public opinion upon economic or social questions.

The board became interested in agricultural progress very largely through its deep perception of the fact that in the Southern States it was almost impossible to secure proper local support of common schools until neighborhoods had become sufficiently prosperous to pay school taxes. Agricultural prosperity seemed even more urgent than improved schools; or, rather, each of these reforms needed the help of the other, and both problems were to be considered as phases of a single larger one—that of the real progress and prosperity of the people.

The late Dr. Seaman Knapp, formerly president of the Iowa State Agricultural College, had been brought to Washington by Secretary Wilson, of the Department of Agriculture, and placed at the head of a Government "farm demonstration" service in the Bureau of Plant Industry. Dr. Knapp's methods with the cotton growers, who had suffered such great losses through the ravages of the boll weevil, had been of great value, as showing not only how to raise more and better cotton, but also how to diversify southern crops and improve local conditions.

This work of Dr. Knapp's, under the guidance of Secretary Wilson, had greatly appealed to the General Education Board as of immense value and importance. Mr. Baldwin meanwhile had died and Mr. Gates had become chairman of the board. Mr. Gates and Dr. Buttrick (as also Mr. Page, who served on the country life commission with your distinguished veteran farm editor of Iowa, Henry Wallace) had become so greatly impressed with Dr. Knapp's work that they wished to see it largely applied in the South. The whole board was unanimous in adopting their views. But the appropriations made by the Government for the farm-demonstration work were not large enough to extend that work very rapidly or to carry it at all outside of the districts infected by the boll weevil.

The General Education Board proposed to have the farm-demonstration methods extended, in advance of the boll weevil, to the South Atlantic States and to be tried here and there farther north than the cotton belt. Secretary Wilson and Dr. Knapp were prepared to appoint additional local farm-demonstration agents in the South and to supervise the work, with the General Education Board appropriating such sums from year to year as were agreed upon. These appropriations grew larger, because the department felt great interest in the spread of the work under Dr. Knapp's direction and because the General Education Board was so well pleased on its part with the kind of supervision and direction that the Government was giving.

There was no interference upon the part of the General Education Board at any point. There was, on the contrary, entire harmony between the officers of the board on the one hand and the Secretary of Agriculture upon the other. We in New York had regarded it as perfectly well understood by the Agricultural Committees of both Houses of Congress, just as it was understood throughout the South, that the General Education Board was cooperating in this work of extending farm demonstration quite rapidly.

It would, indeed, have been quite possible for the board to have carried on this work under its own direct management; and at all times it would have been possible to have it directed by the State authorities and the local agricultural colleges, which looked upon it at first with indifference, but afterwards with convinced admiration.

But the most efficient way to secure results, and to convince localities of the worth of this method of practical farm demonstration, seemed to be to have the work directed from Washington and carried on in a unified way under the direction of Dr. Seaman Knapp, and afterwards—Dr. Knapp having died at a great age, with his energy and his power unabated until the end—under the direction of his son, Mr. Bradford Knapp, who now directs the work efficiently under the present administration.

It had not been expected by the General Education Board that this cooperation with the department for the sake of farm demonstration in the South was to be other than a comparatively temporary arrangement. The boll weevil and other conditions created something like a great sectional emergency. The Government constanty cooperates with private donors to Red Cross funds in times of great public calamity, involving loss of life and suffering—as floods, fires, and so on.

I am in a position to know the spirit of the General Education Board in its relation to this farm-demonstration work; and I can assure you it has been patriotic in the truest sense.

There were certain reasons why this farm-demonstration work was more immediately necessary in the South than in other parts of the country; but the General Education Board has already, in the course of a number of years, contributed toward that work a million dollars or more, and it is probably true that the time has come when the board's funds ought to be made free for other forms of effort.

If Congress is so convinced of the value of this work that it is ready to carry it on, as you now propose, it would seem to me that this is a substantial tribute to a kind of work that the board has done so much to encourage and develop.

I can hardly believe, however, that if you had really understood the intelligent enthusiasm and the perfectly unselfish zeal with which the board has cooperated in all this business, you would not have wished to stand before the country as disparaging the board. Nor, indeed, as a Senator from the State of Iowa, would you wish to attack a work which had been carried on under the full direction of two such distinguished Iowa statesmen and veteran farmers as Secretary Wilson and Dr. Knapp. It was largely because of the value of this work and their appreciation of it that the farmers of the South clamored for the retention of Secretary Wilson when Mr. Taft formed his Cabinet. It was wholly on account of the value of this work that in its great new teachers' college, at Nashville, which bears the name of George Peabody, there will be a department forever known as the Seaman A. Knapp School of Country Life, thus perpetuating the memory of the man who was president of Iowa's State College of Agriculture.

You are quoted in the newspapers as having reflected, by inference, upon the colleges and educational institutions throughout the United States that have been helped in their endowments by the General Education Board. It is true that this board has given a great deal of money to colleges and universities. I should think the amount of such gifts must by this time be $12,000,000 or thereabouts. But in no case has the amount given to an institution been large enough to carry with it any suspicion of an endeavor to obtain any influence over the management or the teaching of the institution. For example, five colleges in your own State have had a share in these appropriations. The college in your State that has received most aid from the General Education Board is your own college (as it is also mine), namely, the institution at Grinnell. But whereas the General Education Board has helped Grinnell College in three successive campaigns for funds, its subscriptions have amounted only to a total of $200,000, as against about four times as much contributed by the friends and supporters of the college.

It is always the aim of the General Education Board to help those who help themselves, and to do it in such a way as to stimulate and strengthen each college's proper and natural constituency. For instance, your college at Grinnell has just completed a new campaign to raise $500,000 for necessary objects—chiefly endowment—and the General Education Board has subscribed one dollar in five. There is no college in the country which is regarded as more independent in its spirit or more wholly free from undue influence in its teaching and in its control than the college at Grinnell, which has pride in you as one of its students and in your colleague, Senator CUMMINS, as one of its trustees. You, I am sure, know well that neither the trustees on the one hand, nor the president and faculty on the other hand, could be persuaded to give up any degree of the full measure of freedom that Grinnell has always enjoyed. And what you know in this regard is also well known by the General Education Board.

I can assure you, from my own constant observation, that the General Education Board in its subscriptions to colleges and universities throughout the United States has shown no motive except that of promoting and strengthening the cause of education. If I could have discovered in the board any other motive or tendency, I could not with good conscience have remained a member.

It would seem to me impossible to attempt to discuss the General Education Board's work except as its membership has managed its affairs and appropriated its income.

The board believes that the investment and, from time to time, reinvestment of its funds have been managed with due regard to the safety of the principal and the yielding of a proper average percentage of income, in order that it might have resources with which to promote the carefully selected objects of its support or aid. I have not served on its finance committee, but each member of the board has been duly informed from time to time of the status of the board's investments. It is natural that business men in New York should invest educational and trust funds in the securities of railroads and industrial enterprises with which they are acquainted.

The work of this board has become well known to the educational people of the country. The board has been brought into close relationship with the presidents of colleges and universities and the other leaders in the cause of education. There is hardly any university or college in the country, great or small, which has not come into relationship with this board, either through application for a subscription to some endowment effort or in some other way.

The board has made it its business to encourage good standards and careful management wherever its influence extended. I do not believe any college president or educational leader in the United States will come forward to say that the board has ever, to his knowledge, tried to exert any kind of influence except a wise and helpful one—as respects, for example, good business management, avoidance of improper diversion of permanent funds to current expenses, thorough educational standards, and truth instead of fiction in college statistics.

The good opinion the board has earned among the educational men of the country is the more remarkable because it has steadfastly refused to buy popularity by distributing doles to all seekers. While it has helped many colleges it has refused to help vastly more, because it had rules and standards to which they could not conform. Yet even these hundreds of institutions which have not secured aid from the board have seldom failed to appreciate the impartiality and sincerity of the motives governing the board's decisions.

As the board is now constituted, its chairman is Mr. Frederick T. Gates, and its secretary and chief executive officer is Mr. Wallace Buttrick, with Drs. E. C. Sage and Abraham Flexner as his assistants, these secretaries all three being educational experts of rare ability, and two of them are members of the board. Besides these officers the board includes, in the order of seniority of membership, the following names: John D. Rockefeller, jr., Walter H. Page (now ambassador, etc.), Albert Shaw, Starr J. Murphy, Edwin A. Alderman (president of the University of Virginia), Hollis B. Frissell (president of Hampton Institute), Harry Pratt Judson (president of the University of Chicago), Charles W. Eliot (president emeritus of Harvard University), Andrew Carnegie, Edgar L. Marston (New York financier), Wickliffe Rose, Jerome D. Greene, and Anson Phelps Stokes.

Messrs. Rose, Greene, and Stokes are educational experts of great ability and experience—the first chiefly identified with southern educational work, the second formerly with Harvard, and the third with Yale.

The entire board is keenly interested in all the work that is carried on. Members like Dr. Eliot, for instance, are not merely nominal or perfunctory members, but give long days and their most thorough attention to the board's work. In this regard, indeed, there has perhaps never been an educational board having large funds to expend which has been made up of men so minutely intelligent about all of its efforts and so keenly alive to the opportunities and responsibilities of the trust reposed in them. The board has done its work in harmony—not the harmony of mere acquiescence, but that of intelligence and of conviction after free and full discussion.

Since I am writing this long letter to you entirely of my own accord and without consultation with anyone whatsoever, I believe that my statements must to some extent result in your obtaining a new and better light upon the spirit and methods of this board. I could have had no reason through all these years for remaining a member of the General Education Board if I had not been fully and at all times convinced of the value of its work. I have felt that, as a member of the board, I was connected with an enterprise that was performing a noble public service, with freshness of ideas, with immense vitality, and under guidance and direction that has always surprised and delighted me by its sagacity as well as by its energy.

I can not feel that your attacks upon the board are just to us who have through these years constituted its membership, and have thus been responsible for its actions. It is true that the funds directed by the board are inconsiderable, excepting for those very great gifts received from Mr. John D. Rockefeller, although the board has at all times been prepared to receive and to administer money put in its hands for educational purposes by other donors. Mr. John D. Rockefeller, jr., has from the beginning been a member of the board. I am sure that everyone who has served with him on this board would testify to Mr. Rockefeller's conscientiousness as a member and to the qualities, both of mind and of character, exhibited by him in the board, which would have made him a most desirable member quite apart from the fact that the board was dispensing the income of funds contributed by his father.

I must not for a moment question your intention in a matter of this kind, as in all other things that affect your action as a Senator, to be guided by a sense of public duty. I must ask you to be equally careful not to reflect upon the motives or the labors of those of us who have given of our time and effort as members of this board, impelled by a great sense of the opportunity given us to serve the best ends of American progress.

I believe that this board has made a remarkable record for usefulness and efficiency. I believe that if you could have known the spirit of its members, the thoroughness with which they have studied the educational needs of the country, and the considerations that have actuated them in their different undertakings you would wish to compliment the board, because you also are a man who by nature and by training are in full sympathy with all the different things that this board has tried to do or to help others in doing.

This letter, long as it is, merely summarizes what I should like to have said to you in conversation some time ago, in order that you might at least have had the advantage of my point of view and of my information.

I, for my part, am quite willing to have the board's support of farm demonstration entirely taken over by the Government. But if you had known as fully as I have known the history of this cooperation I think that you would have been glad to pay the board a generous compliment for its timely helpfulness in this field while proposing to relieve its funds and to take over the work as worthy of full governmental support.

As for the charter of the board, I am inclined to hold strongly to the view that an organization of this kind, not having a local object in view, but dispensing its educational funds throughout all portions of the country, may better operate under a congressional charter than under that of an individual State. You might, indeed, find it desirable to prepare and introduce a bill providing a wise and well-restricted form of Federal charter for educational funds and endowments of this character rather than to have such enterprises incorporated singly and under separate and special forms.

Believe me, with great regard,

Sincerely, yours,

ALBERT SHAW.

Hon. WILLIAM S. KENYON,
United States Senate, Washington, D. C.

The Tariff.

EXTENSION OF REMARKS
OF
HON. GEORGE A. NEELEY,
OF KANSAS,
IN THE HOUSE OF REPRESENTATIVES,
Wednesday, June 24, 1914.

Mr. NEELEY of Kansas. Mr. Speaker, it is a truism that "he who sows the wind reaps the whirlwind." This is abundantly proven by the experience of the American people who sowed the wind of special privilege under Republican administration and have made it necessary that we should enact legislation to correct these great mistakes. The trades-commission bill and the antitrust program of this administration are proof not only of necessity of this legislation, but their enthusiastic reception upon the part of business and professional men throughout the entire country, as well as their frank indorsement by farm and labor organizations, are ample proof that there is practically a unanimous demand for legislation to check the encroachments of monopoly and restore legitimate competition in every line of human endeavor. It is proof also that the people of this country have been brought to the realization of the fact that if we safeguard the interests of the average man, the great producing classes—the farmer, the laborer, the mechanic, and the artisan—that these interests are so closely interwoven with the general welfare of our people that their success means the prosperity of the Nation as a whole.

THE TARIFF IN KANSAS.

Prior to the passage of the Underwood tariff bill our Republican and Progressive friends were wont to predict bankruptcy to the agricultural interests of the country, and recently a very distinguished Kansan has been shedding crocodile tears for the Kansas farmer's wife because of a natural drop in the price of butter and eggs due to the return of the summer season.

I have been greatly interested in the statements of this gentleman, and since he is the publisher of the Salina Daily Journal, I took the trouble to compile a comparative statement of the prices received for the staple products of cattle, hogs, corn, wheat, butter, and eggs, compiled from the records of this paper, for the Republican years of 1898, 1902, and 1910, as follows:

Salina prices.

1898.

	Mar. 23.		Mar. 23.
Hogs	[1]$3.45–$3.80	Wheat, No. 2 hard	$0.88–$0.90
Corn (cash)	[1].26– .26¼		
	July 20.		**July 20.**
Cattle (steers)	$3.40 –$5.55	Wheat, No. 3 hard	$0.64 –$0.66
Hogs	3.00 – 4.05	Butter, fancy (creamery)	.13½– .15½
Corn	.29 – .33½	Butter, dairy	.12
Wheat, No. 1 hard	.68 – .70	Butter, store packed	.09½
Wheat, No. 2 hard	.66 – .69½	Eggs	.08

1902.

	Mar. 26.		Mar. 26.
Wheat, hard	$0.60	Eggs	$0.12
Wheat, soft	.63	Butter, creamery	.28
Corn	.70	Butter, country	$0.15– .20
	July 23.		**July 23.**
Wheat, No. 2	[2]$0.59	Butter, country	$0.12–$0.18
Butter, creamery	.23	Eggs	.12½

[1] Figures based on Kansas City markets.
[2] Figures based on Salina markets.

Salina prices—Continued.

1910.

	Mar. 23.		Mar. 23.
Cattle (choice beef)	$4.50–$5.75	Butter, creamery	$0.35
Hogs	10.10	Butter, dairy	$0.25–$0.28
Corn (cash)	.60	Eggs	.16
Wheat, No. 2 hard	.98		

	July 27.		July 27.
Cattle	$5.50–$7.50	Butter, creamery or separator	$0.33
Hogs	8.40	Butter, dairy	$0.20– .25
Corn (cash)	.55	Eggs	.12
Wheat, No. 1 hard	.91		

[1] Figures based on Kansas City markets.
[2] Figures based on Salina markets.

We have also heard some criticisms from the lips of another very distinguished Kansan, likewise connected with the Wichita Eagle, and so I have taken the trouble to make a few comparisons from the files of this paper, as follows:

Wichita prices.

1898.

	Mar. 16.		Mar. 16.
Cattle (choice beeves)	[1] $3.90 –$5.35	Wheat, No. 3 hard	$0.83½–$0.84½
Hogs	[2] 3.00 – 3.65	Butter, creamery	[1] .15 – .18½
Corn (cash)	[1] .26½– .26¾	Butter, dairy	[1] .14 – .16
Wheat, No. 1 hard	[1] .88	Eggs	[1] .07½
Wheat, No. 2 hard	[1] .85 – .87		

	July 6.		July 6.
Cattle	[1] $2.50 –$3.75	Wheat, No. 3 hard	[1] $0.77–$0.80(old)
Hogs	[2] 3.10 – 3.65	Butter, creamery or separator	[1] .12– .14½
Corn (cash)	[1] .31 – .32	Butter, dairy	[1] .12
Wheat, No. 1 hard	[1] .75 (new)	Eggs	[1] .08½
Wheat, No. 2 hard	[1] .83 (old)		

1902.

	Mar. 5.		Mar. 5.
Cattle (choice beef)	$2.00 –$4.75	Wheat, No. 3 hard	$0.72½
Hogs	4.50 – 6.10	Butter, creamery	$0.21 – .25
Corn (cash)	.61 – .64½	Butter, dairy	.20
Wheat, No. 2 hard	.72¾	Eggs	.17½– .18

	July 16.		July 16.
Cattle	$2.65 –$4.00	Butter, creamery or separator	$0.19½
Hogs	7.15 – 7.70	Butter, dairy	.18
Corn (cash)	.66½– .69	Eggs	.14
Wheat, No. 2 hard	.70		
Wheat, No. 3 hard	.66½– .67		

1910.

	Mar. 16.		Mar. 16.
Cattle (choice beef)	$2.75 –$8.00	Wheat, No. 3 hard	$1.11½–$1.13½
Hogs	7.75 –10.45	Butter, creamery	[2] .26 – .31
Corn (cash)		Butter, dairy	[2] .22 – .27
Wheat, No. 2 hard	1.14¼– 1.14½	Eggs	[2] .19 – .21½

	July 7.		July 7.
Cattles	[2] $2.75 –$7.25	Butter, creamery or separator	[2] $0.19½
Hogs	[3] 8.60 – 9.15	Eggs	[4] 3.75
Corn (cash)	[1] .59½– .63½		
Wheat, No. 2 hard	[4] 1.01		

[1] Figures based on Kansas City markets.
[2] Figures based on Wichita markets.
[3] Figures based on Chicago markets.
[4] Case.

From these comparisons it can be seen that there has never been a time in the history of this country when we were at peace when the prices of these products were so advantageous to the farming interests of Kansas as to-day. With cattle bringing from 7½ to 8½ cents per pound; hogs from 7 to 8 cents per pound; corn, from 75 to 90 cents per bushel; wheat, from 75 to 85 cents per bushel; butter, from 18 to 30 cents per pound; and eggs, from 15 to 20 cents per dozen, we have completely answered the fallacious argument of our opponents who have so long posed as the friends of the farmers, and have proven to the world that the farmers of Kansas and the United States have nothing to fear from this legislation.

THE INCOME TAX.

For years the people of this country have been clamoring for an income tax and it has remained for this Democratic Congress, marching in the van of progress, to fulfill that demand with the income-tax clause inserted in the Underwood tariff bill. This law levies a tax of 1 per cent per annum upon the income of every person whose income does not exceed $20,000 annually; 2 per cent on incomes exceeding $20,000, but not more than $50,000 per annum; 3 per cent on incomes not less than $50,000 or more than $75,000; 4 per cent on incomes not less than $75,000 or more than $100,000 per annum; 5 per cent on not less than $100,000 or more than $250,000 per annum; 6 per cent on not less than $250,000 or more than $500,000 per annum; and 7 per cent on all incomes exceeding $500,000 per annum.

It is estimated that this income tax levied upon swollen fortunes will produce a revenue in excess of $50,000,000 annually, and the only regret the country can have is that it has not been in effect during that period of time when the people of this country have been overburdened with excessive taxation immediately prior to the advent of this Democratic administration. Experience will doubtless suggest changes and amendments to the existing law, and it is to be hoped that these changes may be so made that swollen fortunes will contribute to the whole people at least a part of the exactions levied by reason of the special privileges enjoyed under Republican administrations.

THE NEW CURRENCY SYSTEM.

Pursuant to the terms of the new currency bill, provision has already been made for the establishment of 12 regional banks, each one with a subscribed capital stock in excess of $4,000,000. The plan of organization is rapidly proceeding to its completion, and before the period of crop movement begins we will have quietly accomplished the greatest financial change in the history of this country, without panic or thought of panic.

As finally adopted the bill contains five features commending it to the country's support. They are (1) complete governmental control of the Federal Reserve Board; (2) the retirement of national-bank notes and the substitution of Federal reserve notes issued directly under the authority of the Government; (3) the prohibition against rediscounting paper executed for the purpose of speculating and gambling on the stock exchange; (4) the recognition of agricultural paper by directing its discount at the central reserve bank on the same basis as commercial paper; and (5) authorizing national banks to make farm loans for not exceeding five-year periods.

I am very glad indeed to have been a member of the committee that framed this bill and to have actively participated in the proceedings resulting in this splendidly constructive piece of legislation. That the business men of Kansas have not shared in the pessimistic predictions of our Republican and Progressive friends is evident from the fact that over 99⅝ of the eligible banks within the State of Kansas have been admitted to membership under the terms of the bill, while many State banks have, or soon will, file applications either to increase the amount of their capital stock to come within the terms of the bill or else to become national banks, in order that they may be able to accommodate the business demands of their customers.

With the inauguration of this system only one thing more will be necessary to give us complete financial independence, and that is the establishment of a farm-loan system commensurate with the needs of the country and articulating with the currency system recently established.

THE ALASKAN RAILROAD BILL.

This bill provides for the location and building of lines of standard-gauge railroad to connect one or more of the open Pacific harbors on the southern coast with the navigable waters of the interior and with the coal fields yielding coal in quality and quantity sufficient for naval use, so as best to aid in the development of the agricultural and mineral resources as well as to aid in the settlement of the public domain.

This is not a new departure in our Government. Up to June 30, 1912, the 16,239.10 miles of Government-aided railroads in the United States have received land grants amounting to over 115,000,000 acres, and of this amount the 1,654 miles of Government-aided railroads in Kansas have received their share. The difference between the old way and this, however, is that the old grants were usually straight gifts, whereas this bill authorizes an issue of $35,000,000 of 3 per cent bonds, free from all manner of taxation, for the construction of this road by the Government, the title to remain in the Government, and pro-

vides for the payment of these bonds by creating what is known as the Alaskan railway redemption fund, in which shall be paid 50 per cent of all money received from the disposal of public lands in Alaska or the coal or minerals therein or timber thereon, and into which fund shall be paid the net earnings of the railroad above operating expenses, to meet the payments on the bonds when due.

This bill is based on the report of the Alaskan Railroad Commission, the result of hearings before the Committee on Territories and the recommendations of the Department of the Interior. It is justified both from the standpoint of aiding in the development of the great Territory of Alaska and furnishing an inexhaustible supply of coal for use of the American Navy. The comparative production of Alaska is greater than that of any State in the Union. It has produced, since the time of its acquisition from Russia, in 1867, approximately $430,000,000 of mineral, sea, and fur products, the annual production of the Territory at this time amounting to about $40,000,000. It has within its borders an inexhaustible supply of the best firing coal.

The Pacific coast section of our Navy consumes, approximately, 160,000 tons of this coal each year, while a fleet operating on the Pacific coast in time of war is estimated to consume 200,000 tons of coal each month. The present supply of coal for our Pacific Coast Fleet is freighted from Newport News, Va., at a rate of from five to eight dollars per ton. Even with the construction of the Panama Canal, it is estimated that in case of war the freight on the coal for a year's supply of the Pacific Fleet would amount to over nine and one-half million dollars, nearly all of which will be saved by the construction of this railroad, without any expense to the Federal Government itself and to the great and general benefit of this mighty empire in the north.

PANAMA CANAL TOLLS.

There are two propositions involved in the Panama Canal tolls matter that, to me, appear decisive. The first is the treaty itself, and the second is the economic question involved.

With whether or not the treaty should have been made we have no concern. Wise or unwise, the fact remains that on February 22, 1902, President Roosevelt, acting through his Secretary of State, John Hay, executed the treaty. If it was made in good faith, then we are in honor bound to obey its terms, and the position of President Wilson that the Nation is actuated by the same honorable impulses as an individual is absolutely sound, and it is our duty to abide by the letter of the contract without regard to the wisdom or lack of wisdom displayed in its execution. Section 1 of article 3 of the treaty, and the only section in it that refers to the toll proposition, reads as follows:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

The condition is, therefore, what did we mean when we agreed that "there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise"? If we meant what we said and intended to do as we agreed, the matter is comparatively easy, and it only remains for us to comply with our agreement. Suppose my friend CONNELLY and I should make a contract for sale and purchase of a piece of real estate. We agree in writing that he shall sell to me a specific property for $5,000. The next day my friend HELVERING offers Mr. CONNELLY $10,000 for the same property already contracted to be sold to me. Does the fact that Mr. CONNELLY could make a more advantageous bargain with Mr. HELVERING justify his breach of the covenant made with me? Is he not bound both in law and morals to carry out the terms of his contract, and does not the same principle apply between nations as between individuals?

Now for the economic feature. The United States has expended nearly $400,000,000 in the construction of this canal. This was contributed in taxes by the people from every section of the United States, and all except about $135,000,000 raised from the sale of Panama Bonds was money taken directly from the Federal Treasury. It is estimated that it will cost approximately $4,000,000 annually for upkeep of the canal, interest on the investment, repairs, improvements, and other necessary incidental expenses. Is it a fair proposition that the whole 100,000,000 people of the United States shall be taxed this enormous sum of money just to benefit some 12 or 15 individuals who are so fortunate as to have control of the coastwise shipping traffic?

Would it not be as reasonable to ask the whole people of the United States to spend $400,000,000 in the construction of a transcontinental line of railroad and then provide that everybody should pay freight and passenger fare on this railroad except 12 or 15 individuals, who should ride free?

FARM LOANS.

The subcommittee of the Banking and Currency Committee engaged in considering this subject has its bill ready for the action of the full committee. On May 27, when the Democratic members of the committee were called in conference to consider this measure, I made a motion that the entire committee proceed forthwith to consider H. R. 16478, known as the Bulkley bill, taking it up section by section for amendment and adoption, and that when we were through with its consideration we vote to determine whether or not it should be reported to the House for passage. This motion was defeated, but the committee decided that as soon as the antitrust bills were disposed of in the House that they would take up the farm loan bill in this manner for final disposition.

The bill provides in substance for the organization of farm-loan associations along lines very similar to building and loan associations except that they are under the immediate supervision of the Government. Loans may be made to bona fide residents, or persons soon to become bona fide residents, for the purpose of liquidating indebtedness on land mortgages, to improve land, to purchase equipment and live stock with which to conduct farm operations, and to purchase and erect a farm home.

The bill also provides that these loans may be made to within 50 per cent of the actual value of the land and 25 per cent of the actual value of the building, the rate of interest to be fixed by a governing board, and not to exceed the legal rate of the State wherein the land is located. The loan may run from 5 to 30 years with annual or semiannual amortization payments, no loan to exceed $4,000 in amount and all mortgages to be exempt from national, State, and local taxation. The bill then provides an appropriation of $50,000,000 annually from the Federal Treasury with which to purchase surplus farm-loan bonds not previously issued or sold to private individuals or concerns.

I concede that the bill is not a perfect one, and that it can and doubtless will be so amended as to strengthen and broaden its purpose, and as a member of the committee having the bill in charge, I shall leave nothing undone that this measure, with any necessary amendments, be enacted into law at the earliest possible date and before the end of this Congress.

CLEANING UP THE CAPITAL.

For over 50 years the Federal Government had been in partnership with sin and vice in Washington. Each month this great Government of ours sent the officers of the law down into the vice-ridden districts of the Nation's Capital to gather in the derelicts of society and exacted a contribution of their ill-gotten gains for the privilege of conducting dens of prostitution in this city.

Year in and year out, through the administrations of President after President, this great cankering, festering sore existed almost within the very shadow of the Capitol's dome and within six blocks of the White House itself. The new President was inducted into office—this great Democrat, who rules the destinies of this mighty Nation and who believes that a nation has a conscience the same as an individual—and under his splendid leadership a law was passed forever ending this partnership between a Christian Government and prostitution, and never again will a slimy dollar find its way into the Federal Treasury.

Nor is this all. After the passage of this law and after 300 women had been driven from their haunts of sin and shame, the good women of this city banded themselves together to redeem the fallen ones back to the paths of virtue and rectitude, and acting upon the advice of the good wife of this just and righteous President, 126 of these women have been given decent and honorable employment and are now leading lives of usefulness. What a glorious example of lawgiving that tempers justice with mercy.

THE VOTERS TO JUDGE.

The people of Kansas are not my debtors. They have honored me without stint of measure, and in return I have endeavored to show my appreciation by rendering unto the people of my district and State the most loyal service of which I am capable, and it is for them to determine whether or not it has been satisfactory.

As a candidate for United States Senator I base my case upon the achievements of this Democratic administration, the first in 16 years. It has been my great privilege to give enthusiastic and earnest support to every important measure that has been enacted into law since President Wilson was inaugurated, and I am immeasurably proud to have been a Member of the Congress

that has enacted more progressive legislation in 15 months than any other Congress in the history of this Republic. If the people of Kansas believe that the part and interest I have taken in the enactment of this legislation has redounded to their benefit; that my work and utterances have been in keeping with the best thought of an intelligent and progressive people; that my three years of legislative experience in the House of Representatives is an asset that may be used for their benefit; that in upholding the hands of the ablest President who has occupied the Executive chair since the days of Lincoln, upon each and every occasion, I have contributed my mite in behalf of the average person, and that I measure up to the full stature of the demands of this important position, then I shall deeply appreciate their splendid support; but if they should decide the issue against me I will neither sulk in my tent nor intrigue against the successful nominee, but will continue to do in the future as I have done in the past and render unto my party the full measure of my service.

Labor Union Exemptions.

EXTENSION OF REMARKS
OF
HON. J. HAMPTON MOORE,
OF PENNSYLVANIA,
IN THE HOUSE OF REPRESENTATIVES,
Monday, June 22, 1914.

On the bill (H. R. 17041) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes.

Mr. MOORE. Mr. Speaker, there has been so much discussion of the bills exempting labor and agricultural unions from the operation of the Sherman antitrust law that under leave to extend my remarks I shall submit certain data which may aid to a better understanding of the question. It has been very generally asserted that the antitrust law was not intended to apply to labor unions, and a long fight has been waged by Samuel Gompers, president of the American Federation of Labor, and other labor leaders to specifically exempt combinations of labor from the provisions of that law. Mr. Gompers's attitude is well stated in his own language before the Judiciary Committee, December 16, 1913, when he said:

"Under the interpretation placed upon the Sherman antitrust law by the courts, it is within the province and within the power of any administration at any time to begin proceedings to dissolve any organization of labor in the United States and to take charge of and receive whatever funds any worker or organization may have wanted to contribute or felt that it is his duty to contribute to the organization.

"Mr. WEBB. Are there any suits pending in the courts now looking to this end, Mr. Gompers?

"Mr. GOMPERS. There are no suits now pending, but an organization of workingmen—the window-glass workers—was dissolved by order of the court under the provisions of the Sherman antitrust law, charged with conspiracy as an illegal combination in restraint of trade. And while that organization was dissolved by action of the court, yet it created no furore, for this reason: I have no desire to reflect upon the men who are in charge of that organization as its officers and representatives, but it was, in my judgment, supine cowardness for them not to resist an attempt of the dissolution of their associated effort as a voluntary organization of men to protect the only thing they possessed—the power to labor."

Prior to making this statement, in answer to Mr. CARLIN, a Democratic member of the Judiciary Committee, Mr. Gompers said:

"The labor interests opposed particularly the reelection of Mr. Taft; and, in order to accomplish that the best we could, we aided in every way in our power the election of Mr. Wilson."

Mr. Gompers then suggested that the organization had been "very patient" while the President was having the tariff and currency questions considered, and had "permitted Congress, without any objection or any agitation, to proceed at the special session."

POLITICAL PREFERENCES STATED.

In explanation of his appearance before the committee on this occasion, and by way of suggestion as to the methods that had been pursued to secure the action desired at the hands of Congress, Mr. Gompers said:

"In pursuance of that purpose we have opposed certain Members of Congress; that is, the men whom we knew were opposed to the legislation we sought and believed essential to our very existence as organized bodies of citizens engaged in laudable work. We announced to all whom it might concern that we should oppose and we have opposed certain gentlemen for reelection to Congress because we differed from them and they differed from us; whether they were right or we were right is not the question, but we believed they were wrong, and, as a matter of political duty, as well as duty to ourselves, we sought their retirement as Representatives or Senators.

"We have also undertaken to advocate the election of men whom we believed to be more sympathetically inclined and more regardful of the rights or to the justice which we, as organized workers, are entitled. We have gone into many of the districts and States to be helpful in them in order that the legislation might be passed which, we are firmly convinced, is necessary to our existence as associated working people. And we have gone further. We have gone to the various national conventions of the great political parties in our country, and we have endeavored to persuade these conventions to declare in favor of the legislation which we were seeking. While I am sure it is not new to you gentlemen, yet I think it necessary that I should read the declarations of the political parties bearing upon the legislation under consideration before your committee this morning, which we believe is best expressed in H. R. 1873. If I should read a few lines more than is contained in the declarations specifically bearing upon the subject, I trust that I may be pardoned, because there are some of the lines in the general declaration which seem to have little connection with the specific subject, and yet probably in the next line or two the matter is again referred to. Let me say in explanation that we appeared upon this subject the first time before a national convention of a political party at Chicago in 1908—before the Republican National Party convention, before the committee on platform—and submitted our requests for declarations to be incorporated in the platform. That party convention gave no heed to the subject; on the contrary, what the convention declared was practically a reaffirmation of the wrongs and the injustice against which we were protesting, so that we had nothing—no comfort, no sympathy, no promise of any sort, from that convention. From there we went to the Democratic national convention at Denver, and the party there made a declaration. Because that declaration is reaffirmed in the party platform of the Democratic national convention of 1912, it will not be necessary to read the declaration of 1908. The declaration of the Republican Party convention of 1912 was practically nil upon the subject.

"Mr. CARLIN. When you say the Republican Party, whom do you mean?

"Mr. GOMPERS. The regular Republican Party.

"Mr. CARLIN. Then, by that do you mean to distinguish the others as irregular?

"Mr. GOMPERS. Hardly. Why not take a man at his own wording? They call themselves Progressives.

"Mr. CARLIN. You were not referring to them just a moment ago?

"Mr. GOMPERS. I have not yet, not up to this moment, but I intend to. The Democratic Party's platform of 1912 contained these declarations."

SPECIAL PRIVILEGE INSISTED UPON.

Now, what Mr. Gompers and his associates demanded at the hands of Congress was to be freed from proceedings brought or that might be brought against labor organizations engaged in picketing, boycotting, and so forth, or raising and using funds for that purpose, which proceedings under the antitrust law could be brought against other combinations of men for transactions in restraint of trade. They demanded exemption from the power of the Federal courts to issue injunctions in certain cases and from punishment for contempt of court in certain cases, in effect limiting the staying hand of the law to the State courts and rendering powerless the Federal courts where interstate labor disputes arise. These were the purposes aimed at, in consequence, largely, of certain suits, notably the Danbury Hat case and others, involving the secondary boycott, or the practice of injuring persons not engaged in the controversy, and other recourses of certain organizations from which the aggrieved parties can now seek protection at the hands of the courts. When one phase of this question was being discussed in Congress by the present Secretary of Labor, Hon. William B. Wilson, a staunch friend and member of the labor unions, he admitted that the total number of wage earners in this country was about 30,000,000 and that of that number only 3,000,000 were organized, so that it is patent that 27,000,000 wage earners would not come under the excepted class and could not be exempted unless conforming to the requirements of the union. This is what has given rise to the contention that the legislation asked for by Mr. Gompers is "class legislation," and that it tends to give to a certain body of men a charter right to form combi-

nations for offensive or defensive purposes in such manner as to deprive a greater number of men of the protection of the law.

CHAIRMAN HENRY'S PARTY PROMISE.

In bringing in the rule for the consideration of the Clayton-Webb antitrust bill, which was presumed to legalize the exemption of labor unions, with the farmers' unions as an adjunct, Mr. HENRY, of Texas, chairman of the committee, made this announcement:

"Mr. HENRY. Mr. Chairman, there has been so much controversy about what was intended when the original Sherman antitrust law was passed that I think we should make clear just what we intend by this law. Some of us did not believe section 7 as originally written by the Committee on the Judiciary expressed exactly what should be in this bill. Therefore we took exception to the language of the first part of the paragraph in section 7 and insisted there should be additional language. Among those who agreed that the language was not plain enough were the gentleman from North Carolina, Mr. KITCHIN, the gentleman from Illinois, Mr. HINEBAUGH, the gentleman from Illinois, Mr. GRAHAM, the gentleman from Iowa, Mr. TOWNER, the gentleman from Maryland, Mr. LEWIS, and myself. We met to confer, and concluded that we ought to make the language more explicit. In that conference held in the committee room of the Committee on Rules on the evening of May 21, 1914, we agreed that this language should be added at the end of the first paragraph of section 7, to wit, after the word "thereof":

"Nor shall such organizations, orders, or associations or the members thereof be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

"This language I have read is exactly the verbiage used by the gentleman from North Carolina [Mr. WEBB] in the amendment offered by him and is the amendment agreed upon by Mr. KITCHIN and our conferees in my office. The Committee on the Judiciary courteously accepted the language as prepared by the gentlemen in the conference, believing, I assume, that we were correct and that the original language used by them was not quite explicit. So we came to a satisfactory agreement with the House Judiciary Committee about this addition to the first part of section 7, and, as far as I am concerned, we are standing squarely with the committee for that paragraph with our added language.

MR. GOMPERS CALLED IN AND SATISFIED.

"We called into the conference with us the heads of the American Federation of Labor, and submitted this amendment to them, and said to them that we believed its adoption as an addition to section 7 would clearly exempt labor organizations and farmers' organizations from the provisions of the antitrust laws.

"They agreed with us; they called their counsel into conference with them and with us, and we all concurred that this amendment added to the paragraph of section 7 would give these organizations what they have desired so long, and all they have been struggling for since the original enactment of the Sherman antitrust law.

"In my judgment, when Congress was dealing with 'combinations in restraint of trade' it never intended that the law should apply to labor organizations or farmers' organizations without capital and not for profit. The courts took a different view of it and construed the act as it was never intended that it should be interpreted. The time has come when we can correct that error and write the language in the law as those gentlemen insist that it should be and should have been.

"I am glad of the opportunity of espousing their cause to-day and standing with them in accord and agreement. The Judiciary Committee has acceded to their position to the extent indicated by me, and so has the President. This is entirely a satisfactory solution of the question. [Applause.]"

INTENT TO PASS THE EXEMPTION.

Mr. HENRY, Mr. BARTLETT, of Georgia, and a number of other gentlemen, including Mr. Gompers, in many of his able and lawyer-like arguments submitted to Congress, contended with very great earnestness that the Sherman antitrust law was not intended to regulate labor organizations, and they drew a distinction between property rights and individual rights, disregarding the money power of the unions or the rights of individuals not belonging to the unions, who might be made to suffer at the hands of other individuals if the offending individuals or any combination of them could not be kept within the operation of the law. As Mr. FLOYD of Arkansas, a member of the committee, put it:

"In other words, recognizing and believing as a committee that the plea made by Samuel Gompers, the head of the great American Federation of Labor, was a just plea, well founded, in the light of past decisions, and that those great organizations of workingmen ought not to be considered and classed as unlawful combinations per se and ought not to be subjected to be dissolved by court decree, we have incorporated section 7 in this bill, declaring legal labor and other organizations named therein."

PROGRESSIVES WOULD GIVE "REAL" EXEMPTION.

These quotations are cited in order to lay the foundation for the introduction of certain material which will be useful in considering the course and development of the agitation so successfully conducted thus far by Mr. Gompers and his associates. A Democratic Congress had faced the question as it was presented in the sundry civil bill prior to the retirement from office of President Taft. It had provided that labor organizations should be exempt from prosecution by the Attorney General for any acts committed in violation of the Sherman antitrust law. After the labor-organization proviso had gone through the House a proviso exempting farmers' organizations was also brought forward and passed. These exemptions had to do with any combinations that might be effected by labor organizations to win wage disputes, or by the farmers' organizations to maintain or enhance the price of food supplies, or as in restricting the production of cotton, tobacco, or farm products. When these provisos were incorporated in the Clayton-Webb antitrust bill, which was brought into the House under the rule by Mr. HENRY, of Texas, Mr. MURDOCK, the leader of the Progressive Party in the House, contended that the Republican Party had failed to exempt the labor unions, and that the Democratic Party, in an effort to comply with its Baltimore platform, concerning which Mr. Gompers had testified before the Judiciary Committee, was so ambiguous as to still leave Mr. Gompers and his associates up in the air. Mr. MURDOCK declared that the Progressives stood for genuine exemption, and that if given a chance they would pass legislation that would exempt. I quote that portion of the RECORD of June 2 which relates to this subject:

GETTING THE RECORD STRAIGHT.

"Mr. MURDOCK. Mr. Chairman, the gentleman from Pennsylvania [Mr. MOORE] this morning took occasion to drive up to my front door and leave a bouquet. [Laughter.] I want to make acknowledgment of the fact.

"Mr. MOORE. There were some thorns among the roses. [Laughter.]

"Mr. MURDOCK. If the gentleman will permit me to go on, I will yield to him later. The gentleman from Pennsylvania makes a general charge of cowardice against the membership of Congress. When asked the simple question how he would have voted yesterday had he been here, he followed the characteristic Republican attitude, and dodged. How would the gentleman from Pennsylvania have voted in the house yesterday? Will the gentleman answer the question and stop dodging?

"Mr. MOORE. If I had thought that a vote 'aye' would have meant to specialize a certain class of the 30,000,000 of workers in this country, I would not have voted 'aye,' nor would I have played the game of buncombe which has been played since this agitation began.

"Mr. MURDOCK. The gentleman from Pennsylvania typifies the political situation that prevails in the country. 'Truth is mighty and will prevail.' There is talk in New York and in Washington, with the aid of the press, in San Francisco and St. Louis, of amalgamation between the Progressive Party and the Republican Party. Do you think there is any chance of amalgamation between a set of men who want to go forward and a set of men, typified by the gentleman from Pennsylvania, who evade, dodge, and side-step on everything? [Laughter and applause.]

"Mr. MOORE. Mr. Chairman——

"Mr. MURDOCK. The gentleman from Illinois [Mr. MANN] also demonstrates this morning, I think, the situation of the country, and proves that there is no prospect of harmony between the Progressive and Republican Parties. The gentleman from Illinois typifies by his charge against me—facetious enough in its way—precisely what has been the matter with him in the last six or seven years with respect to the political situation. He did not consult Col. Roosevelt enough. By having consulted Col. Roosevelt a little more he and his party would be—well, somewhere else than on the road to destruction and decay, as it is. [Laughter.] Col. Roosevelt can not be justly accused of dodging or evading any public question.

DEMOCRATS AMBIGUOUS, SAYS MR. MURDOCK.

"The CHAIRMAN. The time of the gentleman from Kansas has expired.

"Mr. MURDOCK. I would like just two minutes more.

"Mr. WEBB. I will give the gentleman two minutes more.

"Mr. MURDOCK. The three parties are shown precisely as they stand before the Nation in the attitude of the gentleman from Pennsylvania [Mr. MOORE], that of the gentleman from

Illinois [Mr. MANN], and that of the gentleman from North Carolina [Mr. WEBB] and the Progressives on this floor. For a matter of four or five years, to my knowledge, under the leadership of Mr. Taft, backed up by the gentleman from Illinois [Mr. MANN], the reactionaries here and at the other end of this building absolutely locked away in committee every bit of remedial legislation that labor wanted. Every man within the *sound of my* voice knows that that is true.

"In those days every time we succeeded in getting an amendment in favor of the exemption of organized labor we had to do it by revolution, over the protest and veto of the Republican leader in this country, Mr. Taft, and I think sometimes over a rather serious protest from the gentleman from Illinois [Mr. MANN], although I am not certain about that.

"The Democrats came into power with a plain pledge in their platform to exempt labor, after a record of amendments in the House and Senate which gave in terms exemption. And what did the Democrats do? Why, they have followed their usual plan of action and have brought into the House for the indorsement of the Members an amendment that is ambiguous. If you put the Progressives in power, Mr. Chairman, we will not dodge as the Republicans have dodged, we will not be ambiguous as the Democrats have been ambiguous; we will bring in an exemption clause that will mean business."

Whether the gentleman from Kansas [Mr. MURDOCK] had carefully read the declarations of Col. Roosevelt upon the subject of class legislation I do not know, but I questioned very much then, as I do now, whether he recalls the famous interview between President Roosevelt and Mr. Gompers and his associates from the Washington headquarters of the American Federation of Labor, when they called to discuss their demands and to ask the support of the President for a redress of their grievances. This petition was laid before the President March 21, 1906, more than eight years ago, and in response to it President Roosevelt made a reply which is well worth repeating.

PRESIDENT ROOSEVELT TO MR. GOMPERS.

As to whether President Roosevelt believed in the exemption of labor unions from the operation of the law which Mr. MURDOCK seemed to hold, we may quote in advance this paragraph addressed to Mr. Gompers himself:

"But understand me, gentlemen, if I ever thought it necessary, if I thought a combination of laborers were doing wrong, I would apply for an injunction against them just as quickly as against so many capitalists."

The President's statement in full was as follows:

THE PRESIDENT'S REPLY.

The President's statement was as follows:

"Mr. Gompers, if your body objects to the passage of the proposed anti-injunction bill, I have no question that you can stop it, for there is not a capitalist concerned who simply as a capitalist is not against it, though I believe that a goodly number, both of capitalists and wageworkers, who are concerned primarily as citizens favor it.

"The law was worked over and substantially whipped into shape at a number of conferences between representatives of the railroad organizations, of the Department of Justice, and of the Bureau of Corporations, with me. It goes as far as I personally think it should go in limiting the right of injunction; at any rate, no arguments have hitherto been advanced which make me think it should go further. I do not believe it has any chance of passing, because there has been great criticism in both Houses of Congress against the attitude of the administration going as far as we have gone; and if you think it is not far enough, why, you will have no earthly difficulty in killing the bill.

"Personally I think the proposed law a most admirable one, and I very sincerely wish it would be put through. As for the right of injunction, it is absolutely necessary to have this power lodged in the courts, though, of course, any abuse of the power is strongly to be reprobated. During the four and a half years that I have been President, I do not remember an instance where the Government has invoked the right of injunction against a combination of laborers. We have invoked it, certainly a score of times, against combinations of capital; I think, possibly, oftener. Thus, though we have secured the issuance of injunctions in a number of cases against capitalistic combinations, it has happened that we have never tried to secure an injunction against a combination of labor.

"But understand me, gentlemen, if I ever thought it necessary, if I thought a combination of laborers were doing wrong, I would apply for an injunction against them just as quickly as against so many capitalists."

WOULD ALLOW NO WRONG.

"Now I come to the general subject of your petition. I wish, in the first place, to state my regret that you did not divorce so much of the petition as refers to the action of the legislative branch, because I can not consider any petition that you may make that reflects upon the coordinate branch of the Government, or that makes any charge whatever against it. I would not even receive it, save for the fact that in part it affects the Executive. Therefore in what I have to say I shall limit myself solely to what you assert in reference to the acts of the Executive.

"You speak of the eight-hour law. Your criticism, so far as it relates to the Executive, bears upon the signature of the appropriation bill containing the money for expenditure on the Panama Canal, with the proviso that the eight-hour law shall not there apply. If your statement is intended to mean that no opportunity was given for a hearing before me, then the statement is not in accordance with the facts. There was ample opportunity that anyone could; but not a single request for such hearing came to me. I received, however, some hundreds of telegrams and letters requesting the veto of the entire appropriation bill because it contained that proviso.

"Frankly, I found it difficult to believe that you were writing and telegraphing with any kind of knowledge of the conditions in the case. I believe emphatically in the eight-hour law for our people in our own country. But the conditions of labor, such as we have to work with in the Tropics, are so absolutely different that there is no possible analogy between them, and an eight-hour law for the Panama Canal is an absurdity. Every one of you knows that we can not get white labor, can not get labor of the United States to go down to Panama and work.

"We are driven to extremities in the effort to get any kind of labor at all; just at this moment we are working chiefly with negro labor from the West Indies. The usual result in the employment of these men is that Monday and Tuesday they work fairly well, Wednesday and Thursday there is a marked falling off, and Friday and Saturday not more than half, sometimes less than a fourth, of the laborers will be at work.

CONDITIONS DIFFER.

"The conditions that make the eight-hour law proper here have no possible reference to the conditions that make the eight-hour law entirely improper there. The conditions are so utterly different on the Isthmus as compared to here that it is impossible to try to draw conclusions affecting the one from what is true about the other. You hamper me in the effort to get for you what I think you ought to have in connection with the eight-hour law, when you make a request that is indefensible, and to grant which would mean indefinite delay and injury to the work on the Isthmus.

"As to the violations of the eight-hour law, Mr. Morrison, you give me no specifications. At your earliest convenience, please lay before me in detail any complaints you have of violations of the eight-hour law. Where I have power I will see that the law is obeyed. All I ask is that you give me the cases. I will take them up, and if they prove to be sustained by the facts I shall see that the law is enforced.

PERTAINING TO THE CHINESE.

"Now, about the Chinese exclusion. The number of Chinese now in this country is, if I remember aright, some 60,000 or 70,000. So far from there being a great influx of the Chinese, the fact is that the number has steadily decreased. There are fewer Chinese than there were 10 years ago, fewer than there were 20 years ago, fewer than there were 30 years ago.

"Unquestionably some scores of cases occur each year where Chinese laborers get in either by being smuggled over the Mexican or Canadian borders or by coming in under false certificates, but the steps we have taken, the changes in the consuls that have been made within the last few years in the Orient, and the efforts to conduct examinations in China before the immigrants are allowed to come here, are materially reducing even the small number of cases that do occur.

"But even as it is, the number of these cases is insignificant. There is no appreciable influx of Chinese laborers, and there is not the slightest or most remote danger of any. The whole scare that has been worked up on the subject is a pure chimera. It is my deep conviction that we must keep out of this country every Chinese laborer, skilled or unskilled—every Chinaman of the coolie class. This is what the proposed law will do. It will be done as effectively as under the present law, and the present law is being handled with the utmost efficiency. But I will do everything in my power to make easy and desirable for the Chinese of the business and professional classes, the Chinese travelers and students, to come here, and I will do all I can to secure their good treatment when they come, and no laboring man has anything to fear from that policy.

LABORING MAN SHOULD DO WHAT IS RIGHT.

"I have a right to challenge you as good American citizens to support that policy, and in any event I shall stand unflinch-

ingly for it, and no man can say with sincerity that on this point, or indeed on any other point, that he has any excuse for misunderstanding my policy.

"You have spoken of the immigration laws. I believe not merely that all possible steps should be taken to prevent the importation of laborers under any form, but I believe, further, that this country ought to make a resolute effort from now on to prevent the coming to the country of men with a standard of living so low that they tend, by entering into unfair competition with, to reduce the standard of living of our own people. Not one of you can go further than I will go in the effort steadily to raise the status of the American wageworker so long as while doing it I can retain a clear conscience and the certainty that I am doing what is right. *I will do all in my power for the laboring man except to do what is wrong, and I will not do that for him or for anyone else.*

SHOULD ENACT IMMIGRATION LAWS.

"We must not let our natural sentiment for succoring the oppressed and unfortunate of other lands lead us into that warped moral and mental attitude of trying to succor them at the expense of pulling down our own people. Laws should be enacted to keep out all immigrants who do not show that they have the right stuff in them to enter into our life on terms of decent equality with our own citizens. This is needed, first, in the interest of the laboring man, but, furthermore, in the interest of all of us as American citizens, for, gentlemen, the bonds that unite all good American citizens are stronger by far than the differences which, I think, you accentuate altogether too much between the men who do one kind of labor and the men who do another. As for immigrants, we can not have too many of the right kind, and we should have none at all of the wrong kind, and they are of the right kind if we can be fairly sure that their children and grandchildren can meet on terms of equality our children and grandchildren, so as to try to be decent citizens and to work together for the uplifting of the Republic.

"Now, a word as to the petitioning of employees to Congress. That stands in no shape or way on a par with the petitioning of men not employed by the Government. I can not have and will not have when I can prevent it men who are concerned in the administration of the Government affairs going to Congress and asking for increased pay without the permission of the heads of the departments. Their business is to come through the heads of the departments. This applies to postmasters, to Army and Navy officers, to clerks in the Government departments, to laborers; it applies to each and all and must apply as a matter of simple discipline."

GOMPERS ASSAILS THE COURTS.

But more to the point than this, and especially as it applies to Mr. MURDOCK'S attack upon President Taft and to the pretended friendship of the Democratic Party for labor organizations, is the letter of President Roosevelt to Senator Knox, dated October 21, 1908. President Gompers was not satisfied with President Roosevelt or with the Republican standard bearer, Mr. Taft, and under date of October 12, 1908, fiercely assailed the Republican Party as it then existed. He was particularly severe upon the judges and the courts, and flatly declared for Mr. Bryan, the Democratic candidate, as against Mr. Taft. Calling upon labor everywhere to support him in this politico-labor propaganda, Mr. Gompers said:

"Despotic power under the ermine is as dangerous as despotic power under the crown. To stay its progress, some remedy must be had, and we therefore appealed to the Republican convention at Chicago and were given the same answer in still more insulting language, if that were possible. We asked for bread, and they showed us a whip; and in order to be certain that the whip will be effectually used the Republican Party nominated as its standard bearer Mr. William H. Taft, the originator and specific champion of discretionary government; that is, government by injunction. In passing I may say that his nomination under the circumstances was logical. It would have been impossible for the party to find a more effective representative of its policy.

"Labor's representatives then went to the Democratic Party. That party made labor's contentions its own. It pledged its candidates for every office to those remedies which labor had already submitted to Congress. The standard bearer of the Democratic Party, Mr. William J. Bryan, entered fully into the essence of this struggle and declared that the real issue in this campaign is, 'Shall the people rule?'"

"The Republican Party and its candidate stand for upholding and further extending into our country a despotic government vested in the judiciary.

"The Democratic Party and its candidate stand for government by law vested in the people.

"As an American citizen, in view of these facts, I have no choice—I have only duty. Duty to preserve with my voice, pen, and ballot that form of government for the preservation of which Lincoln said, 'Men died at Gettysburg.'"

ROOSEVELT'S LETTER TO SENATOR KNOX.

President Roosevelt's defense of Mr. Taft, his denunciation of Mr. Bryan, and his discussion with Mr. Gompers of the labor-exemption question are all set out in the letter to Senator Knox, which is appended hereto:

"WASHINGTON, *October 21, 1908.*

"MY DEAR SENATOR KNOX: In your admirable speech of yesterday you speak of the action of Mr. Bryan and certain gentlemen claiming to be the special representatives of organized labor, foremost among them Mr. Gompers, to secure the support of laboring men for Mr. Bryan on consideration of his agreement to perform certain acts nominally in the interests of organized labor, which would really be either wholly ineffective or else of widespread injury not only to organized labor but to all decent citizens throughout this country. You have a peculiar right to speak on labor questions, for it was you who as Attorney General first actively invoked the great power of the Federal Government on behalf of the rights of labor when for the first time in the history of the Government, you, speaking for the Department of Justice, intervened in a private lawsuit which had gone against the widow of a brakeman and by your intervention secured from the Supreme Court a construction of the safety-appliance act, which made it a vital remedial statute, and therefore has secured to hundreds of crippled employees compensation which they would not otherwise have obtained.

LETTER FROM GOMPERS.

"The daily papers of October 13 contain an open letter from Samuel Gompers, president of the American Federation of Labor, appealing to workingmen to vote for Mr. Bryan.

"In that letter are certain definite statements which interest the wider American public quite as much as those to whom Mr. Gompers makes his appeal. These statements warrant all you have said in your speech, and they would warrant you in asking Mr. Bryan to say publicly whether Mr. Gompers states correctly the attitude of his party and himself on a subject that is of vital concern to every citizen, including every business man, as well as every farmer and every laboring man, who looks to the courts for the protection of his rights.

"Mr. Gompers in his letter asserts that the judiciary of this country is destroying democratic government and substituting therefor an irresponsible and corrupt despotism in the interests of corporate power, and he further makes clear that the means by which he believes this alleged despotism has been set up in the place of democracy is by the process of injunction in the courts of equity.

"Mr. Gompers in his letter states that his appeal to the Republican convention at Chicago for remedy against the injunction was denied, and he then goes on to state not only that the Democratic Party promised a remedy, but promised him the particular remedy that he had already asked of Congress.

"His words are:

"'Labor's representatives then went to the Democratic Party. That party made labor's contentions its own. It pledged its candidates for every office to those remedies which labor had already submitted to Congress.'

"The last sentence in this quotation indicates very definitely the specific remedies to which Mr. Gompers understands Mr. Bryan's party has pledged itself.

"His statement now makes perfectly clear an important plank in the Bryanite platform which has heretofore seemed puzzling to a vast number of earnest-minded, thinking people who are sincerely interested in the steady advance and the legitimate aspirations of labor, and who carefully read both platforms to know precisely what hopes each held out for the improvement of the conditions of wage earners.

"That plank reads as follows:

"'Questions of judicial practice have arisen, especially in connection with industrial disputes. We deem that the parties to all judicial proceedings should be treated with rigid impartiality, and that injunctions should not be issued in any cases in which injunctions would not issue if no industrial dispute were involved.'

REMEDY PROMISED.

"This is the plank that promises the 'remedy' against injunctions which Mr. Gompers asked of Mr. Bryan's party. In actual fact it means absolutely nothing; no change of the law could be based on it; no man without inside knowledge could foretell what its meaning would turn out to be, for no man could foretell how any judge would decide in any given case, as the plank apparently leaves each judge free to say when he issues an in-

junction in a labor case whether or not it is a case in which an injunction would issue if labor were not involved. Yet this plank is apparently perfectly clear to Mr. Gompers, and in his letter to his followers he indicates beyond question just what he *understands* it to mean. He asserts that he has the requisite inside knowledge. His statement that it was Mr. Bryan's party (for it was Mr. Bryan who dictated the platform) pledged itself 'to those remedies which labor had already submitted to Congress' is a perfectly clear and definite statement.

"The 'remedies' which Mr. Gompers has already submitted to Congress are matters of record and the identification of his 'remedy' against injunctions in labor disputes is easy and certain. This 'remedy' is embodied in House bill No. 94 of the first session of the Sixtieth Congress, the complete text of which is hereto appended.

"The gist of the bill, as can be seen by referring to the complete text, is this:

"First. After forbidding any Federal judge to issue a restraining order for an injunction in any labor dispute, except to prevent irreparable injury to property or a property right, it specifically provides that 'no right * * * to carry on business of any particular kind, or at any particular place, or at all, shall be construed, held, considered, or treated as property or as constituting a property right.'

"Second. It provides that nothing agreed upon or done by two or more parties in connection with a labor dispute shall constitute a conspiracy or other criminal offense or be prosecuted as such unless the thing agreed upon or done would be unlawful if done by a single individual.

"The bill here described is not only the 'remedy' that Mr. Gompers has 'already submitted to Congress' but it is the one and only remedy which he and those associated with him in his present movement have announced that they will accept in the matter of his grievance against the courts on the injunction issue.

FEDERATION ON RECORD.

"The counsel for the American Federation of Labor and Mr. Gompers, its president, are both on record to this effect.

"At a hearing before the House Committee on the Judiciary the counsel for the American Federation of Labor, on February 5, 1908 (as appears from the printed hearings), stated:

"'The bill was considered by at least two sessions of the executive council of that organization and unanimously approved. It was considered by two of its national conventions—the two latest—and by them unanimously indorsed. And in the face of many propositions to amend it, in the face of many proposed substitutes, in the face of pressure from every direction, from high sources and sources not so exalted, the organization has stood by and is to-day standing by this bill without amendments.'

"Mr. Gompers himself, in discussing this bill before the same committee on February 28, 1908 (as appears from the printed hearings), went on record as follows:

"'Events have demonstrated clearly to my mind that there is only one bill before the committee that can at all be effective to deal with this abuse, with this invasion of human rights, and that is the Pearre bill.'

"Further on in the same page of the hearings Mr. Gompers states:

"'I will say this, that I think I will try to make my position clear that the American Federation of Labor has so declared itself that it must insist upon the principles involved in the Pearre bill, and that I explained as best I could the position of labor—that we would rather be compelled to bear the wrongs which we have for a longer period than to give our assent to the establishment of a wrong principle, believing and knowing that time would give the justice and relief to which labor—the working people—are entitled.'

DEMAND OF GOMPERS.

"This bill, then, and none other represents exactly the relief that Mr. Gompers demands in the way of anti-injunction legislation; and if the statement in his letter is correct, this bill represents what Mr. Bryan and his party are pledged to in the matter of anti-injunction legislation.

"The injunction plank in the Bryanite platform may sound vague and hazy, but there is nothing vague or hazy about this bill.

"It is more than a bill; it is a program of the most fixed and definite kind; and if Mr. Gompers is correct, this bill becomes, as it were, an authorized appendix to Mr. Bryan's platform or a footnote explaining in detail the briefer and vaguer injunction plank in that platform.

"Does Mr. Bryan accept it as such?

"Mr. Bryan should state publicly whether he, in fact, accepts the principle of this bill, which is the official program of Mr. Gompers and those who stand with him.

"Mr. Gompers announces publicly that Mr. Bryan's party has made this program its own. Is Mr. Gompers correct in this statement?

"Either Mr. Gompers is mistaken as to what Mr. Bryan's party has promised him in this matter of anti-injunction legislation or those who drafted his party's platform in their haste failed to make the promise so clear that the general public would understand it precisely as Mr. Gompers understood it.

"Mr. Bryan failed in his letter of acceptance to discuss this labor plank of his party's platform. So far as I am aware, he has failed to discuss it since.

"There should be such discussion as a matter of common fairness, not only to labor but to all citizens alike. On a question of such grave consequence the people are entitled to know where Mr. Bryan stands.

"Mr. Taft has repeatedly explained exactly where he stands in this matter of regulating injunctions.

"Are we not entitled to know with equal clearness exactly where Mr. Bryan stands?

"Mr. Gompers's public statements as to what his party has promised make it imperative that Mr. Bryan declare himself.

"This bill, to the principle of which he says Mr. Bryan is pledged, declares that the right to carry on a lawful business in lawful way shall not be regarded as a property right or entitled to the protection of a court of equity through the process of an injunction and that the right to such protection, which admittedly now exists under the law, shall be taken away.

WHAT GOMPERS PLANNED.

"The counsel for the American Federation of Labor in his argument before the House committee on February 5, at which Mr. Gompers himself was present, gave a very frank illustration of what he and Mr. Gompers perceived to be the consequences of that provision of this bill which says that the right to carry on business shall not be entitled to protection as a property right.

"His words are: 'Suppose that workingmen by some operation or proceedings in the community (let us say by violence or persuasion or picketing away from the premises) reduce those works to a state of utter helplessness and there was not a wheel moving nor a process in operation and this company had no help at all—that would be an interference with his right to do business, and for that I say he has no right to be protected by injunction.'

"Is Mr. Bryan in reality pledged to this point of view?

"Will he definitely say, either in writing or in public address, whether he believes with Mr. Gompers that the protection heretofore afforded by the courts of equity to the right to carry on a lawful business in a lawful way is despotic power, and that the judges who exercise that power are irresponsible despots?

"So far as the second section of this bill is concerned, it is perfectly clear that it would legalize the blacklist and the sympathetic boycott carried to any extent. It would legalize acts which have time and again been declared oppressive, unjust, and immoral by the best and most eminent labor leaders themselves.

"Does Mr. Bryan believe that Mr. Gompers—that he and that part of the labor movement that agrees with him—has the right morally, and should be given the right legally, to paralyze or to destroy with impunity the business of an innocent third person against whom neither he nor they have any direct grievance simply because the third person refuses to join with them aggressively in a labor controversy with the real merits of which he may be utterly unacquainted; because he refuses to class as his enemy any and every other employer whom they point out as their enemy; because he refuses merely upon their peremptory order to excommunicate some other employer by ceasing all business relations with him? The black list and the secondary boycott are two of the most cruel forms of oppression ever devised by the wit of man for the infliction of suffering on his weaker fellows.

DESPOTIC POWER.

"No court could possibly exercise any more brutal, unfeeling, or despotic power than Mr. Gompers claims for himself and his followers in the legislation which would permit them without let or hindrance of any kind to carry on every form and degree of the secondary boycott.

"The anthracite strike commission, as fair-minded and distinguished a body of men as ever passed judgment on an industrial question, thus refers to the secondary form of boycott; that is, the boycott of innocent third persons for refusing to take an aggressive part in a controversy with which they have no concern:

"'To say this is not to deny the legal right of any man or set of men voluntarily to refrain from social intercourse or business relations with any persons whom he or they, with or without

good reason, dislike. This may sometimes be unchristian, but it is not illegal. But when it is a concerted purpose of a number of persons not only to abstain themselves from such intercourse but to render the life of their victim miserable by persuading and intimidating others so to refrain, such purpose is a malicious one, and the concerted attempt to accomplish it is a conspiracy at common law and merits and should receive the punishment due to such a crime.'

"The commission further states that this boycott can be carried to an extent 'which was condemned by Mr. Mitchell, president of the United Mine Workers of America, in his testimony before the commission, and which certainly deserves the reprobation of all thoughtful and law-abiding citizens.'

"Does Mr. Bryan agree with Mr. Gompers that all existing legal restraint on the enforcement of every degree of the boycott should be withdrawn, that the industrial excommunication of the innocent merchant who refuses to render unquestioned obedience to the orders of Mr. Gompers should be legalized and encouraged, or does he believe with us and with Mr. Mitchell and other labor leaders who differ with Mr. Gompers in this matter that this form of the boycott is morally wrong; that labor at war should fight with its enemies and respect the rights of neutrals; that innocent third parties should not be coerced into taking sides in industrial disputes to which they are in no sense parties, under penalty of having their business attacked and destroyed?

"Mr. Taft is perfectly definite on this proposition.

"Where does Mr. Bryan stand?

"The citizen who votes for or against Mr. Taft on this proposition does so with his eyes open and with a clear understanding from Mr. Taft himself of his position. He has frankly discussed this subject time and again with workingmen themselves, both in this campaign and prior to his nomination. He has been willing to express his position clearly and to assure workingmen that to protect them in their rights he is willing to go to the limits of what he considers justice, but that he will not go further. His definition of justice to labor does not, as we understand it, include either of the principles contained in Mr. Gompers's program, as set forth officially in this bill.

"Does Mr. Bryan disagree with Mr. Taft on these propositions?

"Will he state publicly, definitely, categorically, whether he accepts the program outlined in this bill, as Mr. Gompers in his letters has assured the public that he does?

TRIBUTE FROM BRYAN.

"Mr. Bryan's party platform paid a high tribute to our courts of justice. It stated:

"'We resent the attempt of the Republican Party to raise a false issue respecting the judiciary. It is an unjust reflection upon a great body of our citizens to assume that they lack respect for the courts.'

"The 'great body of our citizens' to whom this platform refers is admittedly Mr. Gompers and his followers.

"Mr. Gompers, now Mr. Bryan's open and avowed ally, has, in the letter quoted, attacked the Federal courts in unmeasured terms of reproach because by a long line of decisions the equity courts have refused to make an outlaw of the business man, because his right to carry on a lawful business under the peace of the law has been protected by the process of injunction, because, in a word, one of the most vital and most fundamental rights of the business world, the right of a business man to carry on his business, has been sustained and not denied by the processes of the courts of equity. This sweeping attack of Mr. Gompers upon the judiciary has been made in a frank and open effort to secure votes for Mr. Bryan.

"Are these attacks made with Mr. Bryan's consent?

"Do they meet with his approval?

"Does he indorse them or does he repudiate them?

"Mr. Bryan has frankly questioned Mr. Taft during the progress of this campaign, and very properly so, and has asked him to make clear his personal stand on public matters upon which the public was entitled to be enlightened.

"In turn, with equal frankness and with equal propriety, Mr. Bryan should be asked to break a long-continued silence and make definite and certain his own position in regard to a matter that concerns not only business men and every decent law-abiding citizen, whether a wageworker or not, just as much as it concerns Mr. Gompers and that part of organized labor that stands with him.

"There is no need of generalities, of vague expressions of sympathy for labor. Let Mr. Bryan simply confine himself to the anti-injunction plank of his own platform and tell us publicly, definitely, and clearly whether he accepts or rejects the statement of Mr. Gompers that this plank pledges him to the principles of the bill for which Mr. Gompers stands, and whether, if elected, he will endeavor to have this proposal enacted into the law. This is asked honestly in the interest of that large voting public which believes sincerely in the promotion of every legitimate right and interest of labor; but which believes also that from the standpoint of the best interest of labor it neither requires nor is entitled to more than justice, and that the right to destroy business should not be formally recognized in the law of the land.

REALIZES RIGHT TO SPEAK.

"I feel that I have the right to speak frankly in this matter, because throughout my term as President it has been my constant object to do everything in my power, both by administrative action and by endeavoring to secure legislative action, to advance the cause of labor, protect it from unjust aggression, and secure to it its legitimate rights. I have accomplished something; I hope to accomplish more before I leave office; and I have taken special and peculiar interest in Mr. Taft's candidacy, because I believe that of all the men in this country he is the man best qualified for continuing the work of securing to the wageworkers of the country their full rights. I will do everything in my power for the wageworkers of the country except to do what is wrong. I will do wrong for no man; and with all the force in my power I solemnly warn the laboring man of this country that any public man who advocates doing wrong in their interests can not be trusted by them, and this whether his promise to do wrong is given knowing that it is wrong or because of a levity and lack of consideration which make him willing to promise anything without counting the cost if thereby support at the moment is to be purchased.

WILL FIGHT ABUSES.

"Just as I have fought hard to bring about in the fullest way the recognition of the right of the employee to be amply compensated for injury received in the course of his duty, so I have fought hard and shall continue to fight hard to do away with all abuses in the use of the power of injunction. I will do everything I can to see that the power of injunction is not used to oppress laboring men. I will endeavor to secure them full and equal justice. Therefore in the interest of all good citizens, be they laboring men, business men, professional men, farmers, or members of any other occupation, so long as they have in their souls the principles of sound American citizenship, I denounce as wicked the proposition to secure a law which, according to the explicit statement of Mr. Gompers, is to prevent the courts from effectively interfering with riotous violence when the object is to destroy a business, and which will legalize a blacklist and the secondary boycott, both of them the apt instruments of unmanly persecution.

"But there is another account against Messrs. Bryan and Gompers in this matter. "Ephraim feedeth on wind." Their proposed remedy is an empty sham. They are seeking to delude their followers by the promise of a law which would damage this country * * * but which would be utterly worthless to accomplish its avowed purpose. I have not the slightest doubt that such a law as that proposed by Mr. Bryan would, if enacted by Congress, be declared unconstitutional by a unanimous Supreme Court—unless indeed Mr. Bryan were able to pack this court with men appointed for the special purpose of declaring such a law constitutional. I happen to know that certain great trust magnates have announced within the past few weeks, in answer to the question as to why they were openly or secretly favoring the election of Mr. Bryan, that the laws that Mr. Bryan proposed, including especially this law, would be wholly ineffective because the court would undoubtedly throw them out and that the promises to enact them could therefore be safely disregarded. * * *

"Sincerely, yours,

"THEODORE ROOSEVELT."

I commend particularly to the Progressive leader [Mr. MURDOCK] that portion of President Roosevelt's letter in which, in his promise to secure to all laboring men "full and equal justice," he says:

"*I denounce as wicked the proposition to secure a law which, according to the explicit statement of Mr. Gompers, is to prevent the courts from effectively interfering with riotous violence when the object is to destroy a business, and which will legalize a blacklist and the secondary boycott, both of them the apt instruments of unmanly persecution.*"

THE EXEMPTION PROVISO UP AGAIN.

That remarkable letter would seem to make Col. Roosevelt's position on the subject of class legislation perfectly clear; but members of the Progressive Party in the House continued to misunderstand it, as evidenced by the attitude of Mr. BRYAN (Progressive), of Washington, who took part in a colloquy between the gentleman from Georgia [Mr. BARTLETT], author of one of the exemption bills, and the gentleman from Pennsyl-

vania [Mr. MOORE], when the exemption clauses were again under consideration in the sundry civil bill, June 22, 1914. The CONGRESSIONAL RECORD of that date discloses the following:

"The CHAIRMAN. The Clerk will read.

"The Clerk read as follows:

"Enforcement of antitrust laws: For the enforcement of antitrust laws, including not exceeding $10,000 for salaries of necessary employees at the seat of government, $300,000: *Provided, however,* That no part of this money shall be spent in the prosecution of any organization or individual for entering into any combination or agreement having in view the increasing of wages, shortening of hours, or bettering the conditions of labor, or for any act done in furtherance thereof, not in itself unlawful: *Provided further,* That no part of this appropriation shall be expended for the prosecution of producers of farm products and associations of farmers who cooperate and organize in an effort to and for the purpose to obtain and maintain a fair and reasonable price for their products.

"Mr. MOORE. I move to strike out the proviso.

"The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

"The Clerk read as follows:

"Page 115, beginning with line 16, strike out the following words: 'Provided, however, That no part of this money shall be spent in the prosecution of any organization or individual for entering into any combination or agreement having in view the increasing of wages, shortening of hours or bettering the conditions of labor, or for any act done in furtherance thereof, not in itself unlawful: *Provided further,* That no part of this appropriation shall be expended for the prosecution of producers of farm products and associations of farmers who cooperate and organize in an effort to and for the purpose to obtain and maintain a fair and reasonable price for their products.

DOES IT OFFEND THE CONSTITUTION?

"Mr. BARTLETT. A parliamentary inquiry. I understand the gentleman moves to strike out the proviso.

"Mr. MOORE. I move to strike out the two provisos which have been read by the Clerk, beginning with line 16 and continuing to the end of the paragraph.

"This matter has been fought over in the House before, and if the trust legislation recently passed through the House means anything, this paragraph is unnecessary. The two provisos which we have here have something of a history. If we are to believe the statements of certain of our friends who assume to speak for the organized-labor movement of the United States, they have been contested for for 20 or 25 years. They appear to establish class legislation, and to set aside from the operation of the law certain men who by reason of their exemption would have privileges under the law which are not accorded to other men, contrary to the spirit of the Declaration of Independence, of the Constitution of the United States, and of all that we have ever been taught with regard to the equal rights of men.

"Mr. BARTLETT. Will the gentleman point out what part of the Constitution of the United States either of these provisos would contravene?

"Mr. MOORE. I think the spirit of the Constitution, as well as the letter of it, provides for the equality of man, so far as the protection of the law is concerned. I call the gentleman's attention to the fourteenth amendment——

"Mr. BARTLETT. The fourteenth amendment does not affect Congress. That simply restrains the States.

"Mr. MOORE. Oh, I think it establishes a principle believed in by almost everybody in the United States, that before the law all men are equal; and the gentleman from Georgia [Mr. BARTLETT], who is interested in this paragraph, and who has introduced a bill to set aside from the operation of the law certain men engaged in certain kinds of business——

BARTLETT AMENDMENT INSERTED IN ANTITRUST BILL.

"Mr. BARTLETT. I have got the principles of my bill incorporated in the antitrust bill which has passed the House.

"Mr. MOORE. If that is true, it is absolutely unnecessary here.

"Mr. BARTLETT. But if the gentleman will permit me——

"Mr. MOORE. Of course, but I have not very much time.

"Mr. BARTLETT. I apprehend the gentleman can get more time if he wants it. I was interested in knowing what provision of the Constitution this legislation contravenes. The gentleman suggested the fourteenth amendment, and I suggested——

"Mr. MOORE. The gentleman asked for something specific. You will find something in the fourteenth amendment about every man having an equal right to the protection of the law.

"Mr. BARTLETT. In the States.

"Mr. MOORE. The gentleman will also find a great deal in the preamble——

"Mr. BARTLETT. The fourteenth amendment provides that the States shall not deprive anyone of the equal protection of the laws.

"Mr. MOORE. I am trying to answer the gentleman's question.

"Mr. BARTLETT. The fourteenth amendment simply restrains the States. There is nothing in the Constitution that restrains Congress in this respect.

"Mr. MOORE. If the gentleman takes the ground that there is nothing in the Constitution that gives a man protection before the law——

"Mr. BARTLETT. I never took any ground of that sort.

CALLING UPON THE DEAD TO WITNESS.

"Mr. MOORE. I make the statement that this would appear to be class legislation, and that the bill which the gentleman introduced, which is voiced by these provisos, contemplates the exemption of a certain class of our citizens from the operation of laws which apply to other citizens. Either that, or these provisos are innocuous. Now, I was about to say that these provisos have a history. They have been advocated here for a great many years upon the ground that certain organizations ought to be privileged from the operation of the so-called antitrust laws. It has been said that the act of 1890, the Sherman antitrust law, contemplated that farmers' organizations and labor organizations should be excluded from the operation of that act.

"It has been so stated on the floor. It is constantly stated in the literature that comes to Members of Congress. These statements are usually attributed to one or two men who are dead—Senator Hoar and Senator Sherman. It happens that Senator Edmunds, of Vermont, one of the great lawyers of those times, one of the great men who had to do with the passage of the Sherman antitrust law, is still alive, and out of his mouth we have it that there was no exemption such as has been suggested contemplated in the passage of this law, and that it would have been absurd to say that Congress intended to pass a law excepting a class of citizens from its operation.

"The gentleman from Georgia has his own opinion and I have mine. It should not worry a Member of Congress to go before his constituents and say that he did not vote to except any one man from the operation of the law that he held another to, but it would be safe and right to say that he did stand for equal rights for all men before the law. I think the gentleman from Georgia in advocating the Bartlett bill took the other side—that a few men would thus be picked out of millions of others and made exempt from the operation of the law.

"The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

"Mr. MOORE. Mr. Chairman, I ask for five minutes more.

"The CHAIRMAN. The gentleman from Pennsylvania asks that his time be extended five minutes. Is there objection?

"There was no objection.

CONGRESS SHOULD NOT HESITATE TO DO WHAT IS RIGHT.

"Mr. MOORE. Now, I am not a lawyer with the fine constitutional capabilities of the gentleman from Georgia and many other of the lawyers in this House. But I think I have the common-sense view of it, and I think I have the patriotic view of it. It is not a question of courage at all. It is a question of doing what is right. I believe that if we stand here for legislation that means equality before the law, we are doing exactly what is right; and when we stand for legislation that specializes certain men, takes them out from the operations of the law, we are doing what is contrary to the oath we take when we come here and swear that we will support and defend the Constitution and the laws of this country.

"I am not alone in this view of it. Many of our great lawyers take the same view of it. The other day it was said that Mr. Roosevelt had a different thought on this proposition, and that when he and his party came into power there would be an exemption, not such as the Democratic Party proposed here, which is said to be innocuous, but an exemption that would be a real exemption.

"Now, we have it from the mouth of Mr. Roosevelt himself that he was opposed to this kind of legislation, and he so told the leaders of the labor organization when they called upon him. There was no hesitation on his part. The gentlemen who assumed to speak for him on this floor have entirely misconstrued and misinterpreted what he said if they say that Mr. Roosevelt ever favored exemption of a certain class from the laws of this country.

"Mr. BRYAN. Will the gentleman yield?

"Mr. MOORE. For a question.

"Mr. BRYAN. Can the gentleman point to any statement of Mr. Roosevelt wherein he has said that he was opposed to this?

"Mr. MOORE. I certainly can. I am glad the gentleman asked the question, because I thought he probably would. I assume now that the gentleman is speaking for the Progressive Party.

"Mr. BRYAN. I am speaking for myself.

"Mr. MOORE. President Roosevelt was speaking to Mr. Gompers, president of the American Federation of Labor, when he said in regard to these efforts to obtain special privileges for special classes of workingmen:

"But, understand me, gentlemen, if I ever thought it necessary, if I thought a combination of laborers were doing wrong, I would apply

for an injunction against them just as quickly as against so many capitalists.

"Mr. BRYAN. But he never said it was wrong to do the things mentioned in this act.

LOOKS LIKE A SOP TO LABOR.

"Mr. MOORE. When I get leave to extend my remarks I will put a good deal more in the RECORD that Mr. Roosevelt said, which controverts the statement made by the Progressives that they would give "real exemption to labor" when they came into power. The Democratic Party may not intend to give exemption to labor by this proviso. It may or may not be antitrust legislation. I question whether it is effective, because at the close of the first proviso it throws an anchor to windward, whether or not it satisfies the labor leaders, by saying that that thing that shall be exempt from the operation of the law 'shall not in itself be unlawful.' What is the use of putting this on the statute books at all?

"Mr. Roosevelt was not in favor of this kind of legislation. Mr. Taft vetoed the bill with this paragraph in it when it came before him, and your President, Mr. Woodrow Wilson, held it up for a long time, giving the general public the impression that he did not propose to stand for this legislation; finally he permitted the bill with the exemption clause to pass with a statement to the public which is not of record—a mere statement to the newspapers—that this not being substantive legislation, he did not think himself warranted in vetoing the bill. You are now going to send it back to him in the form of substantive legislation, as you lawyers call it, as it appears in the antitrust bill. There is no necessity of sending it back again in this appropriation bill, because this is an innocuous paragraph, if that line 'not in itself unlawful' means anything. It may be a sop to labor, but——

"The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

"MR. BRYAN SPEAKS FOR COL. ROOSEVELT.

"Mr. MONDELL. I yield five minutes to the gentleman from Washington [Mr. BRYAN].

"Mr. BRYAN. Mr. Chairman, a few minutes ago the gentleman from Pennsylvania [Mr. MOORE] quoted from Theodore Roosevelt—

"If there is a word I hate
"It is 'amalgamate.'"

and if there is anything that makes me hate that word more than anything else it is to have a standpatter attempt to quote Theodore Roosevelt on behalf of his principles and ideas. [Applause.]

"Mr. MOORE. I can give the gentleman a lot more quotations.

"Mr. BRYAN. Well, you have not quoted him in favor of your position yet. It is said that the devil quoted Scripture, and so, when these standpatters get up before this House and attempt to quote Theodore Roosevelt on a proposition of this kind they make about as much of a success at it as the devil did when he attempted to quote Holy Writ."

ROOSEVELT'S LABOR MESSAGE TO CONGRESS.

Thus a great leader suffers at the hands of his friends.

But to remove all doubt about Col. Roosevelt's position, which some of the Progressives have insisted was in favor of Mr. Gompers's present attitude, I refer to his message as President, communicated to the second session of the Sixtieth Congress. In that message, contrary to the recollection of the present-day Progressives, President Roosevelt said:

"At the last election certain leaders of organized labor made a violent and sweeping attack upon the entire judiciary of the country, an attack couched in such terms as to include the most upright, honest, and broad-minded judges, no less than those of narrower mind and more restricted outlook. It was the kind of attack admirably fitted to prevent any successful attempt to reform abuses of the judiciary, because it gave the champions of the unjust judge their eagerly desired opportunity to shift their ground into a championship of just judges who were unjustly assailed. Last year, before the House Committee on the Judiciary, these labor leaders formulated their demands, specifying the bill that contained them, refusing all compromise, stating they wished the principle of that bill or nothing. They insisted on a provision that in a labor dispute no injunction should issue except to protect a property right, and specifically provided that the right to carry on business should not be construed as a property right; and in a second provision their bill made legal in a labor dispute any act or agreement by or between two or more persons that would not have been unlawful if done by a single person. In other words, this bill legalized blacklisting and boycotting in every form, legalizing, for instance, those forms of the secondary boycott which the anthracite coal strike commission so unreservedly condemned; while the right to carry on a business was explicitly taken out from under that protection which the law throws over property. The demand was made that there should be trial by jury in contempt cases, thereby most seriously impairing the authority of the courts. All this represented a course of policy which, if carried out, would mean the enthronement of class privilege in its crudest and most brutal form, and the destruction of one of the most essential functions of the judiciary in all civilized lands."

WORKINGMAN IN THE HANDS OF HIS FOES.

"The violence of the crusade for this legislation, and its complete failure, illustrate two truths which it is essential our people should learn. In the first place, they ought to teach the workingman, the laborer, the wageworker, that by demanding what is improper and impossible he plays into the hands of his foes. Such a crude and vicious attack upon the courts, even if it were temporarily successful, would inevitably in the end cause a violent reaction and would band the great mass of citizens together, forcing them to stand by all the judges, competent and incompetent alike, rather than to see the wheels of justice stopped. A movement of this kind can ultimately result in nothing but damage to those in whose behalf it is nominally undertaken. This is a most healthy truth, which it is wise for all our people to learn. Any movement based on that class hatred which at times assumes the name of 'class consciousness' is certain ultimately to fail, and if it temporarily succeeds, to do far-reaching damage. 'Class consciousness,' where it is merely another name for the odious vice of class selfishness, is equally noxious whether in an employer's association or in a workingman's association. The movement in question was one in which the appeal was made to all workingmen to vote primarily, not as American citizens, but as individuals of a certain class in society. Such an appeal in the first place revolts the more high-minded and far-sighted among the persons to whom it is addressed, and in the second place tends to arouse a strong antagonism among all other classes of citizens, whom it therefore tends to unite against the very organization on whose behalf it is issued. The result is therefore unfortunate from every standpoint. This healthy truth, by the way, will be learned by the Socialists if they ever succeed in establishing in this country an important national party based on such class consciousness and selfish class interest.

"The wageworkers, the workingmen, the laboring men of the country by the way in which they repudiated the effort to get them to cast their votes in response to an appeal to class hatred, have emphasized their sound patriotism and Americanism. The whole country has cause to feel pride in this attitude of sturdy independence, in this uncompromising insistence upon acting simply as good citizens, as good Americans, without regard to fancied—and improper—class interests. Such an attitude is an object lesson in good citizenship to the entire Nation.

COURTS SHOULD TREAT RICH AND POOR ALIKE.

"But the extreme reactionaries, the persons who blind themselves to the wrongs now and then committed by the courts on laboring men, should also think seriously as to what such a movement as this portends. The judges who have shown themselves able and willing effectively to check the dishonest activity of the very rich man who works iniquity by the mismanagement of corporations, who have shown themselves alert to do justice to the wageworker and sympathetic with the needs of the mass of our people, so that the dweller in the tenement houses, the man who practices a dangerous trade, the man who is crushed by excessive hours of labor, feel that their needs are understood by the courts—these judges are the real bulwark of the courts; these judges, the judges of the stamp of the President-elect, who have been fearless in opposing labor when it has gone wrong, but fearless also in holding to strict account corporations that work iniquity, and far-sighted in seeing that the workingman gets his rights, are the men of all others to whom we owe it that the appeal for such violent and mistaken legislation has fallen on deaf ears, that the agitation for its passage proved to be without substantial basis. The courts are jeoparded primarily by the action of these Federal and State judges who show inability or unwillingness to put a stop to the wrongdoing of very rich men under modern industrial conditions, and inability or unwillingness to give relief to men of small means or wageworkers who are crushed down by these modern industrial conditions; who, in other words, fail to understand and apply the needed remedies for the new wrongs produced by the new and highly complex social and industrial civilization which has grown up in the last half century.

JUDICIAL SYSTEM SOUND AT THE CORE.

"The rapid changes in our social and industrial life which have attended this rapid growth have made it necessary that, in applying to concrete cases the great rule of right laid down in our Constitution, there should be a full understanding and

appreciation of the new conditions to which the rules are to be applied. What would have been an infringement upon liberty half a century ago may be the necessary safeguard of liberty to-day. What would have been an injury to property then may be necessary to the enjoyment of property now. Every judicial decision involves two terms—one, an interpretation of the law; the other, the understanding of the facts to which it is to be applied. The great mass of our judicial officers are, I believe, alive to these changes of conditions which so materially affect the performance of their judicial duties. Our judicial system is sound and effective at core, and it remains, and must ever be maintained, as the safeguard of those principles of liberty and justice which stand at the foundation of American institutions; for, as Burke finely said, when liberty and justice are separated, neither is safe. There are, however, some members of the judicial body who have lagged behind in their understanding of these great and vital changes in the body politic, whose minds have never been opened to the new applications of the old principles made necessary by the new conditions. Judges of this stamp do lasting harm by their decisions, because they convince poor men in need of protection that the courts of the land are profoundly ignorant of and out of sympathy with their needs, and profoundly indifferent or hostile to any proposed remedy. To such men it seems a cruel mockery to have any court decide against them on the ground that it desires to preserve 'liberty' in a purely technical form by withholding liberty in any real and constructive sense. It is desirable that the legislative body should possess, and wherever necessary exercise, the power to determine whether in a given case employers and employees are not on an equal footing, so that the necessities of the latter compel them to submit to such exactions as to hours and conditions of labor as unduly to tax their strength; and only mischief can result when such determination is upset on the ground that there must be no 'interference with the liberty to contract'—often a merely academic 'liberty,' the exercise of which is the negation of real liberty.

CERTAIN DECISIONS DETRIMENTAL TO LABOR.

"There are certain decisions by various courts which have been exceedingly detrimental to the rights of wageworkers. This is true of all the decisions that decide that men and women are, by the Constitution, 'guaranteed their liberty' to contract to enter a dangerous occupation, or to work an undesirable or improper number of hours, or to work in unhealthy surroundings; and therefore can not recover damages when maimed in that occupation and can not be forbidden to work what the legislature decides is an excessive number of hours, or to carry on the work under conditions which the legislature decides to be unhealthy. The most dangerous occupations are often the poorest paid and those where the hours of work are longest; and in many cases those who go into them are driven by necessity so great that they have practically no alternative. Decisions such as those alluded to above nullify the legislative effort to protect the wageworkers who most need protection from those employers who take advantage of their grinding need. They halt or hamper the movement for securing better and more equitable conditions of labor. The talk about preserving to the misery-hunted beings who make contracts for such service their 'liberty' to make them is either to speak in a spirit of heartless irony or else to show an utter lack of knowledge of the conditions of life among the great masses of our fellow countrymen, a lack which unfits a judge to do good service just as it would unfit any executive or legislative officer.

"There is also, I think, ground for the belief that substantial injustice is often suffered by employees in consequence of the custom of courts issuing temporary injunctions without notice to them and punishing them for contempt of court in instances where, as a matter of fact, they have no knowledge of any proceedings. Outside of organized labor there is a widespread feeling that this system often works great injustice to wageworkers when their efforts to better their working condition result in industrial disputes. A temporary injunction procured ex parte may, as a matter of fact, have all the effect of a permanent injunction in causing disaster to the wageworkers' side in such a dispute. Organized labor is chafing under the unjust restraint which comes from repeated resort to this plan of procedure. Its discontent has been unwisely expressed and often improperly expressed; but there is a sound basis for it, and the orderly and law-abiding people of a community would be in a far stronger position for upholding the courts if the undoubtedly existing abuses could be provided against.

LABOR SEEKS INJUNCTIVE PROCESS.

"Such proposals as those mentioned above as advocated by the extreme labor leaders contain the vital error of being class legislation of the most offensive kind, and, even if enacted into law, I believe that the law would rightly be held unconstitutional. Moreover, the labor people are themselves now beginning to invoke the use of the power of injunction. During the last 10 years, and within my own knowledge, at least 50 injunctions have been obtained by labor unions in New York City alone, most of them being to protect the union label—a 'property right'—but some being obtained for other reasons against employers. The power of injunction is a great equitable remedy which should on no account be destroyed. But safeguards should be erected against its abuse. I believe that some such provisions as those I advocated a year ago for checking the abuse of the issuance of temporary injunctions should be adopted. In substance, provision should be made that no injunction or temporary restraining order issue otherwise than on notice, except where irreparable injury would otherwise result; and in such case a hearing on the merits of the order should be had within a short fixed period, and if not then continued after hearing it should forthwith lapse. Decisions should be rendered immediately and the chance of delay minimized in every way. Moreover, I believe that the procedure should be sharply defined and the judge required minutely to state the particulars both of his action and of his reasons therefor, so that the Congress can, if it desires, examine and investigate the same."

TAFT VETOES THE GOMPERS AMENDMENT.

Here, then, we have the presidential denunciation of the Gompers amendment as "class legislation," and also an expression of doubt by Col. Roosevelt as to whether such legislation would be held constitutional. It will be recalled that in spite of Mr. Gompers's appeal to the labor vote to support Mr. Bryan in the campaign of 1908 the Republican candidate, Mr. Taft, was elected, and this with the cordial indorsement and support of Col. Roosevelt. The Democrats subsequently obtained control of the House of Representatives and forced the Gompers amendment as a rider upon the sundry civil bill. Enthusiastic friends of certain of the farmers' organizations in the South, seeing an opportunity to tack the farmers' organizations onto the Gompers labor-union proviso, took advantage of their opportunity. Then the bill went to President Taft, and, in a message sent to Congress March 4, 1913, he vetoed it. I append that message:

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES, TRANSMITTING TO THE HOUSE OF REPRESENTATIVES, WITHOUT APPROVAL, HOUSE BILL 28775, "AN ACT MAKING APPROPRIATIONS FOR THE SUNDRY CIVIL EXPENSES OF THE GOVERNMENT FOR THE FISCAL YEAR ENDING JUNE 30, 1914, AND FOR OTHER PURPOSES."

"*To the House of Representatives:*

"I return without my approval the bill H. R. 28775, being 'An act making appropriations for the sundry civil expenses of the Government for the fiscal year ending June 30, 1914, and for other purposes.'

"My reasons for failing to approve this important appropriation bill are found in a provision which has been added to that appropriating $300,000 for the enforcement of the antitrust laws in the following language:

"*Provided, however,* That no part of this money shall be spent in the prosecution of any organization or individual for entering into any combination or agreement having in view the increasing of wages, shortening of hours, or bettering the condition of labor, or for any act done in furtherance thereof not in itself unlawful: *Provided further,* That no part of this appropriation shall be expended for the prosecution of producers of farm products and associations of farmers who cooperate and organize in an effort to and for the purpose to obtain and maintain a fair and reasonable price for their products.

"This provision is class legislation of the most vicious sort. If it were enacted as substantive law and not merely as a qualification upon the use of moneys appropriated for the enforcement of the law, no one, I take it, would doubt its unconstitutionality. A similar provision in the laws of the State of Illinois was declared by the Supreme Court to be an invasion of the guaranty of the equal protection of the laws contained in the fourteenth amendment of the Constitution of the United States in the case of Connelly *v.* Union Sewer Pipe Co. (184 U. S., 540), although the only exception in that instance from the illegality of organizations and combinations, etc., declared by that statute, was one which exempted agriculturists and live-stock raisers in respect of their products or live stock in hand from the operation of the law, leaving them free to combine to do that which, if done by others, would be a crime against the State.

"The proviso is subtly worded so as in a measure to conceal its full effect by providing that no part of the money appropriated shall be spent in the prosecution of any organization or individual 'for entering into any combination or agreement having in view the increasing of wages, shortening of hours, or bettering the condition of labor, * * * etc.' So that any organization formed with the beneficent purpose described in the proviso might later engage in a conspiracy to destroy by force, violence, or unfair means any employer or employees who failed to conform with its requirements, and yet because of its orig-

inally avowed lawful purpose it would be exempt from prosecution so far as prosecution depended upon the moneys appropriated by this act, no matter how wicked, how cruel, how deliberate the acts of which it was guilty. So, too, by the following sentence in the act, such an organization would be protected from prosecution "for any act done in furtherance" of "the increasing of wages, shortening of hours, or bettering the condition of labor," not in itself unlawful. But under the law of criminal conspiracy acts lawful in themselves may become the weapons whereby an unlawful purpose is carried out and accomplished. (Shawnee Compressed Coal *v.* Anderson, 209 U. S., 423–434; Aikens *v.* Wisconsin, 195 U. S., 194–206; Swift *v.* United States, 196 U. S., 375–396; U. S. *v.* Reading Co., Dec. 16, 1912.)

RAISING THE PRICE OF FOOD PRODUCTS.

"The further proviso that the appropriation shall not be used in the prosecution of producers of farm products and associations of farmers who cooperate and organize in an effort to obtain and maintain a fair and reasonable price for their products is apparently designed to encourage or, at least, to discourage the prosecutions of organizations having for their purpose the artificial enhancement of the prices of food products, and thus to avoid the effect of the construction given to the antitrust law in the case of United States against Patten, decided January 6, 1913.

"At a time when there is widespread complaint of the high cost of living it certainly would be anomalous to put on the statute books of the United States an act in effect preventing the prosecution of combinations of producers of farm products for the purpose of artificially controlling prices; and the evil is not removed, although it may be masked, by referring to the purpose of the organization as "to obtain and maintain a fair and reasonable price for their products."

"An amendment almost in the language of this proviso, so far as it refers to organizations for the increasing of wages, etc., was introduced in the Sixty-first Congress, passed the House, was rejected in the Senete, and after a very full discussion in the House failed of enactment. Representative Madison, speaking in favor of the amendment which struck out the proviso, characterized it as an attempt 'to write into the law so far as this particular measure is concerned, a legalization of the secondary boycott. * * * The laws of this country,' he pointed out, 'are liberal to the workingman. He can strike, he can agree to strike, he can act under a leader in a strike, and he can apply the direct boycott; but when it comes to going further and so acting as to impede and obstruct the natural and lawful course of trade in this country, then the law says he shall stop. And all in the world that this antitrust act does is to apply to him that simple and proper rule that he, too, as well as the creators of trusts and monopolies, shall not obstruct the natural and ordinary course of trade in the United States of America. 'I believe,' he added, 'in the high aims, motives, and patriotism of the American workingmen and do not believe that rightly understanding this amendment they would ask us to write it into the law of this Republic.' (CONGRESSIONAL RECORD, p. 8850, 61st Cong., 2d sess.)

"It is because I am unwilling to be a party to writing such a provision into the laws of this Republic that I am unable to give my assent to a bill which contains this provision.

"WM. H. TAFT.

"THE WHITE HOUSE, *March 4, 1913.*"

"UNJUSTIFIABLE IN CHARACTER AND PRINCIPLE," SAYS PRESIDENT WILSON.

Mr. Chairman, the issue was presented to Congress again when President Wilson took the reins of office. The Gompers proviso reappeared in the sundry civil bill which President Wilson was called upon to sign shortly after he took his seat. There was much public interest in his decision in view of the Democratic platform promising Mr. Gompers and his associates what they wanted. Numerous protests against signing the bill were forwarded to President Wilson, but on June 23, 1913, he made the following announcement to the newspapers:

"I have signed this bill because I can do so without limiting the opportunity or the power of the Department of Justice to prosecute violations of the law by whomsoever committed.

"If I could have separated from the rest of the bill the item which authorized the expenditure by the Department of Justice of a special sum of $300,000 for the prosecution of violations of the antitrust law, I would have vetoed that item, because it places upon the expenditure a limitation which is, in my opinion, unjustifiable in character and principle. But I could not separate it. I do not understand that the limitation was intended as either an amendment or interpretation of the antitrust law, but merely as an expression of the opinion of Congress—a very emphatic opinion, backed by an overwhelming majority of the House of Representatives and a large majority of the Senate, but not intended to touch anything but the expenditure of a single small additional fund.

"I can assure the country that this item will neither limit nor in any way embarrass the actions of the Department of Justice. Other appropriations supply the department with abundant funds to enforce the law. The law will be interpreted, in the determination of what the department should do, by independent, and I hope impartial, judgments as to the true and just meaning of substantive statutes of the United States."

It will thus be seen that President Wilson permitted this important appropriation bill, which President Taft had vetoed, to go through with great reluctance. "*I would have vetoed that item,*" he said, referring to the exemption clause, "*because it places upon the expenditure a limitation which is, in my opinion, unjustifiable in character and principle.*"

THE THREE PRESIDENTS AGREE.

Therefore, in all essentials, so far as Mr. Gompers's proviso is concerned, the three Presidents, representing the three political parties—Messrs. Roosevelt, Taft, and Wilson—have taken substantially and ethically the same position—that Mr. Gompers and his associates were wrong and that the legislation they demanded was class legislation, and therefore repugnant to the doctrine of equal rights. Whether anything substantive has been yielded thus far to Mr. Gompers and his associates or not, the Democrats are claiming to have given them what was demanded, and the Progressives are insisting that the grant was half-hearted and ambiguous. But the inference to be drawn from claims thus far made in behalf of Mr. Gompers and his associates is that they will be permitted to enjoy something in the nature of special privilege and exemption under the law that is not to be enjoyed by the people as a whole. We may quote Mr. Secretary Wilson, of President Wilson's Cabinet, as to this, when, in presenting the bill creating the $500,000 Industrial Commission that is now adding to our Government expenses by touring the country and taking volumes of testimony that may never be read, he was asked if the commission would have any power to adjust labor disputes and enforce its decree. He answered that that was not the purpose of the commission, and that it ought not to have any such power. Pressed for an opinion as to the value of arbitration, Mr. Wilson, in demanding the passage of the bill, said:

"The gentleman from Massachusetts [Mr. Curley] and I can not agree on the idea of compulsory arbitration. Many of us, in fact most of us, are perfectly willing that compulsion should be used, provided that it is used on the other fellow and that we are the beneficiaries of it."

What Congressman Wilson, now the Secretary of Labor, had to say about the right of those for whom he spoke to be exempt from compulsory arbitration was oddly in line with what President Gompers had been telling the Committee on the Judiciary a few months previously about the rights of labor.

THE GOMPERS DEMANDS AGAIN ASSERTED.

"We want the right to exercise our natural, normal, and constitutional activities—the activities and the rights accorded to the people of nearly ever civilized country on the face of the globe," said Mr. Gompers, the inference being that only (?) in America are such activities curtailed.

Further than this—I am quoting from the hearing of the Clayton Committee on the Judiciary, January 17, 1912—Mr. Gompers said:

"And let me say here, now, and I do not know whether I shall have opportunity for another hearing or not, but the Germans have a phrase for which I scarcely can find the English. It is Bange Machen gillt nicht, a fair, literal translation of which is, 'frightening does not go.'

"You may put some men in jail for contempt of court. You may stifle the voice of a few men, but their silence will be more potent than any language which they can employ, and which you have throttled. The masses of the people are going to have their rights as American citizens, as guaranteed by the Constitution of our country. Putting in jail a few men, or doing anything else with them, is not going to stop it. These are the sentiments of the men and women of toil of the United States.

"At the hearing last week this committee did the honor to accord me, I read to you the instructions which came from the convention of the American Federation of Labor by a unanimous vote. Never in the history of the organization of the working people or the masses in any country, at any time, here or elsewhere, have there been more direct instructions given as to the policy which should be pursued. *We are going to get this legislation.* We hope for it at the hands of this Congress and at this session. We are entitled to it. We ask nothing which is improper. I deny that we are asking to be

accorded any privilege or any right which is not equally enjoyed by every other citizen of our country."

ANTHRACITE COAL STRIKE COMMISSION.

Perhaps no labor dispute of recent years attracted such world-wide concern as the great anthracite coal strike of 1902. The "rights of labor" about which Mr. Gompers speaks so earnestly were more deeply involved in that disastrous outbreak possibly than in any other of recent years. President Roosevelt appointed a strike commission, consisting of representatives of capital and labor, the clergy and the law, who inquired into every phase of the difficulty from the viewpoint of the laboring man and of his employer, as well as of the consumer of coal. The result of that commission's work was to bring about a better understanding between both sides to the controversy. The public was satisfied with the work done by that commission and approved of its report. The men who composed the commission had the confidence of all concerned. They included Justice George Gray, of Delaware, Labor Commissioner Carroll D. Wright, Gen. John M. Wilson, Bishop John L. Spalding, Edgar E. Clark, Thomas H. Watkins, and Edward W. Parker. The witness who commanded more attention than any other before that commission was John Mitchell, president of the United Mine Workers of America and vice president of the American Federation of Labor. William B. Wilson, secretary of the United Mine Workers of America, and now Secretary of Labor in the Cabinet of President Wilson, united with President John Mitchell in arranging with President Roosevelt for submitting "all the questions at issue between the operators and mine workers of the anthracite coal regions for adjustment to the commission."

THE RIGHTS OF MEN WHO LABOR.

These facts are cited because they have an important bearing upon the "rights of men," including their protection by the court, as found by the commission. No matter whose toes are trodden upon it is important to have the facts upon which to base our view of the wisdom or unwisdom of passing national laws which exempt certain classes of our citizens from the operation of the law and deny to others the right of their protection. For that reason I incorporate herewith the very illuminating chapter of the bulletin of the Department of Labor (May, 1903), relating to "Discrimination, lawlessness, boycotting, and blacklisting":

IX.—DISCRIMINATION, LAWLESSNESS, BOYCOTTING, AND BLACKLISTING.

"In the letter of the operators, which forms the basis of the submission of issues to this commission, the signatory parties state 'that they are not discriminating against the United Mine Workers, but they insist that the miners' union shall not discriminate against or refuse to work with nonunion men.' The testimony proved that some discrimination, on the part of both operators and union men, was made, before and after the strike was inaugurated, and even, to some extent, after it had been declared off. It is difficult, of course, to determine just how far the employers declined to reemploy miners simply because they were members of the union or just how far the miners themselves refused to work with nonunion men. In the above-mentioned letter it is stated that the understanding is that 'the miners will return to work and cease all interference with or persecution of any nonunion men who are working or shall hereafter work.'

"The testimony does not reveal any considerable amount of interference on the part of members of the union with nonunion men after work had been resumed—that is, after the 23d of October. Nevertheless, it is evident to the commission that discrimination, whether on the part of the operators or of any of their employees, is a serious menace to the discipline of the mines. There is no industry in which discipline is more essential than in mining. The hazardous nature of the work calls for the best discipline; it it to the interest of the employer and the employee to see that it is maintained. Each should aid the other, not only in establishing the best methods for securing discipline, but in efforts to preserve it. Discrimination and interference weaken all discipline.

MURDERED ASSERTING THEIR RIGHT TO WORK.

"Although some reflections on the general subject have been made, no discussion of the conditions prevailing in the anthracite region during the continuance of the late strike would be adequate that did not fully deal with the disorder and lawlessness which existed to some extent over the whole region and throughout the whole period. It is admitted that this disorder and lawlessness was incident to the strike. Its history is stained with a record of riot and bloodshed, culminating in three murders, unprovoked save by the fact that two of the victims were asserting their right to work and another, as an officer of the law, was performing his duty in attempting to preserve the peace. Men who chose to be employed or who remained at work were assailed and threatened and they and their families terrorized and intimidated. In several instances the houses of such workmen were dynamited or otherwise assaulted and the lives of unoffending women and children put in jeopardy. The armed guards employed to protect the collieries and the men who worked them appear not to have been an unnecessary precaution, and the governor of the State was, as the evidence before the commission shows, justified in calling out the citizen soldiery of the Commonwealth to preserve its peace and vindicate its laws.

"The resentment expressed by many persons connected with the strike at the presence of the armed guards and militia of the State does not argue well for the peaceable character or purposes of such persons. No peaceable or law-abiding citizen has reason to fear or resent the presence of either.

"It is true that exaggerated accounts of the disturbances were published, and there was testimony from reputable witnesses tending to minimize them and vouching for the good order of the communities in which such witnesses lived; but these were mainly in the localities where the operators made no attempt to work the collieries. It is also true, and justice requires the statement, that the leaders of the organization which began and conducted the strike, and notably its president, condemned all violence and exhorted their followers to sobriety and moderation. It would seem, however, that the subordinate local organizations and their leaders were not so amenable to such counsels as to prevent the regrettable occurrences to which reference has been made.

THE WELL DISPOSED INFLUENCED BY DISORDERLY ELEMENT.

"In making this arraignment we are not unmindful of what appears to be the fact that the mine workers of the anthracite region are, in the main, well disposed and good citizens of the Commonwealth of Pennsylvania, and that it is in the power of a minority of the less responsible men and boys, together with the idle and vicious, unless properly restrained, to destroy the peace and good order of any community. Absence of protest and of active resistance on the part of the better element means encouragement and license to the class above described. It has been declared by some persons that this state of things is no more than was to be expected in communities where such large numbers of men and boys were idle for so long a time. If this be so, and it is not necessary for our present purpose to traverse the truth of this statement, it affects seriously the responsibility of those leaders of a labor movement who are, in the main, responsible for the inauguration and conduct of a strike.

"There can be no doubt that without threats, intimidation, and violence toward those who would otherwise be willing to remain at work or take the places of those who had ceased to work the coercion of employers, which a strike always contemplates, would be less potent in compelling acquiescence in its demands. *This is the danger point of the whole matter. The law, which governs all citizens of a free country alike, can make no exception. The beneficence of labor unions is acknowledged. Their development, as we view it, has been one of real, though of slow and intermittent, progress to the betterment of labor conditions and to improvement in the relations between employer and employed. All combinations of men, however, to achieve a common purpose have potencies for evil. Such combinations are more than mere aggregations of the rights and powers of the individuals composing them. They become new and powerful entities and factors for good or ill according to the wisdom or unwisdom with which they are managed and controlled.*

RIGHT TO STRIKE UPHELD, BUT COERCION ILLEGAL.

The strike ordered by a trade union, which compasses no more than the enforcement of demands previously made, for the supposed benefit of its members, by the cessation from work in the event that those demands are not complied with, transgresses no law of a free society, and, whether wise or unwise in inception and purpose, is an exercise of no more than the legal rights that belong collectively or individually to its members.

"It is true that the stress thus placed upon employers may constitute a kind of coercion, resulting in some cases in an enforced compliance with the demands of the association or union. Such coercion, however, is not illegal and does not come within the condemnation of the law. It is the indirect consequence of the legal exercise of the right to work, or to cease to work belonging to all men.

"But a strike set on foot with the view to the accomplishment of its purpose by intimidation or violence, exercised against those who choose to remain at work violates the law from the beginning. Where, however, the strike itself is separable from the illegal violence and intimidation, which in many

cases accompany it, the legal liability for such violence and intimidation rests alone upon the individuals who commit the act, and those who aid, encourage, and abet them. Though no illegality of purpose is imputable to those inaugurating a strike, its existence, if it involve large numbers of men in a single community, tends of itself to produce disorder and lawlessness.

"As has been said, the idle and vicious, who are in no way connected with the purpose or object of the strike, often unite with the less orderly of the strikers themselves, in creating the deplorable scenes of violence and terror, which have all too often characterized the otherwise laudable efforts of organized labor to improve its conditions. Surely this tendency to disorder and violation of law imposes upon the organization, which begins and conducts a movement of such importance, a grave responsibility. It has, by its voluntary act, created dangers, and should, therefore, be vigilant in averting them. It has, by the concerted action of many aroused passions, which, uncontrolled, threaten the public peace; it therefore owes society the duty of exerting its power to check and confine these passions within the bounds of reason and of law.

DUTY OF LABOR UNIONS TO SOCIETY.

"Such organizations should be the powerful coadjustors of government in maintaining the peace and upholding the law. Only so can they deserve and attain the respect due to good citizenship, and only so can they accomplish the beneficent ends, which for the most part they were created to attain.

"A labor or other organization, whose purpose can only be accomplished by the violation of law and order of society, has no right to exist.

"The right to remain at work where others have ceased to work or to engage anew in work which others have abandoned is part of the personal liberty of a citizen, that can never be surrendered, and every infringement thereof merits and should receive the stern denouncement of the law. All government implies restraint and it is not less but more necessary in self-governed communities than in others to compel restraint of the passions of men which make for disorder and lawlessness. Our language is the language of a free people and fails to furnish any form of speech by which the right of a citizen to work when he pleases, for whom he pleases, and on what terms he pleases, can be successfully denied. The common sense of our people, as well as the common law, forbids that this right should be assailed with impunity. It is vain to say that the man who remains at work while others cease to work or takes the place of one who has abandoned his work helps to defeat the aspirations of men who seek to obtain better recompense for their labor, and better conditions of life. Approval of the object of a strike or persuasion that its purpose is high and noble can not sanction an attempt to destroy the right of others to a different opinion in this respect or to interfere with their conduct in choosing to work upon what terms and at what time and for whom it may please them so to do.

ATTACKS UPON INDIVIDUAL RIGHTS AND LIBERTIES.

"The right thus to work can not be made to depend upon the approval or disapproval of the personal character and conduct of those who claim to exercise this right. If this were otherwise, then those who remain at work might, if they were in the majority, have both the right and power to prevent others who choose to cease to work from so doing.

"This all seems too plain for argument. Common sense and common law alike denounce the conduct of those who interfere with this fundamental right of the citizen. The assertion of the right seems trite and commonplace, but that land is blessed where the maxims of liberty are commonplaces.

"It also becomes our duty to condemn another less violent, but not less reprehensible, form of attack upon those rights and liberties of the citizen, which the public opinion of civilized countries recognizes and protects. The right and liberty to pursue a lawful calling and to lead a peaceable life, free from molestation or attack, concerns the comfort and happiness of all men, and the denial of them means destruction of one of the greatest, if not the greatest, of the benefits which the social organization confers. What is popularly known as the boycott—a word of evil omen and unhappy origin—the following-named States have laws which may fairly be construed as prohibiting boycotting: Alabama, Connecticut, Florida, Georgia, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New York, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Vermont, and Wisconsin—is a form of coercion by which a combination of many persons seek to work their will upon a single person or upon a few persons by compelling others to abstain from social or beneficial business intercourse with such person or persons. Carried to the extent sometimes practiced in aid of a strike, and as was in some instances practiced in connection with the late anthracite strike, it is a cruel weapon of aggression, and its use immoral and antisocial.

CRUEL EFFECTS OF THE SECONDARY BOYCOTT.

"To say this, is not to deny the legal right of any man or set of men voluntarily to refrain from social intercourse or business relations with any persons whom he or they, with or without good reason, dislike. This may sometimes be un-Christian, but it is not illegal. But when it is a concerted purpose of a number of persons not only to abstain themselves from such intercourse but to render the life of their victim miserable by persuading and intimidating others so to refrain, such purpose is a malicious one, and the concerted attempt to accomplish it is a conspiracy at common law, and merits and should receive the punishment due to such a crime.

"Examples of such 'secondary boycotts' are not wanting in the record of the case before the commission. A young schoolmistress of intelligence, character, and attainments, was so boycotted, and her dismissal from employment compelled for no other reason than that a brother, not living in her immediate family, chose to work contrary to the wishes and will of the striking miners. A lad, about 15 years old, employed in a drug store, was discharged, owing to threats made to his employer by a delegation of the strikers on behalf of their organization, for the reason that his father had chosen to return to work before the strike was ended. In several instances tradesmen were threatened with a boycott—that is, that all connected with the strikers would withhold from them their custom, and persuade others to do so, if they continued to furnish the necessaries of life to the families of certain workmen who had come under the ban of the displeasure of the striking organizations. This was carrying the boycott to an extent which was condemned by Mr. Mitchell, president of the United Mine Workers of America, in his testimony before the commission, and which certainly deserves the reprobation of all thoughtful and law-abiding citizens. Many other instances of boycott are disclosed in the record of this case.

"IT IS TYRANNY, PURE AND SIMPLE."

"In social disturbances of the kind with which we are dealing, the temptation to resort to this weapon oftentimes becomes strong, but is none the less to be resisted. It is an attempt of many, by concerted action, to work their will upon another who has exercised his legal right to differ with them in opinion and in conduct. It is tyranny, pure and simple, and as such is hateful, no matter whether attempted to be exercised by few or by many, by operators or by workmen, and no society that tolerates or condones it can justly call itself free.

"Some weak attempt was made at the hearings to justify the boycotts we have been describing, by confusing them with what might be called, for convenience sake, the primary boycott, which consists merely in the voluntary abstention of one or many persons from social or business relations with one whom they dislike. This indeed might amount to a conspiracy at law, if the ingredient of malicious purpose and concerted action to accomplish it were present, but whether this be so or not, the practical distinction between such a boycott and the one we have been reprobating is clear.

"It was attempted to defend the boycott, by calling the contest between employers and employees a war between capital and labor, and pursuing the analogies of the word, to justify thereby the cruelty and illegality of conduct on the part of those conducting a strike. The analogy is not apt, and the argument founded upon it is fallacious. There is only one war-making power recognized by our institutions, and that is the Government of the United States, and of the States in subordination thereto, when repelling invasion or suppressing domestic violence. War between citizens is not to be tolerated, and can not, in the proper sense, exist. If attempted, it is unlawful, and is to be put down by the sovereign power of the State and Nation.

THE BLACKLIST AS REPREHENSIBLE AS THE BOYCOTT.

"The practices, which we are condemning, would be outside the pale of civilized war. In civilized warfare women and children and the defenseless are safe from attack, and a code of honor controls the parties to such warfare which cries out against the boycott we have in view. Cruel and cowardly are terms not too severe by which to characterize it.

"Closely allied to the boycott is the blacklist, by which employers of labor sometimes prevent the employment by others of men whom they have discharged. In other words, it is a combination among employers not to employ workmen discharged by any of the members of said combination. This system is as reprehensible and as cruel as the boycott, and should be frowned down by all humane men. Happily there was little evidence of its existence among the operators in the anthracite

region, one case only having been distinctly proved, and in that the refusal to employ the tabooed men continued but for a short time. Wherever it is practiced to the extent of being founded upon an agreement or concerted action, it, too, comes within the definition of the crime of conspiracy, and as such should be punished. (The United States and the following-named States have laws which may fairly be construed as prohibiting blacklisting: Georgia, Michigan, New Hampshire, New York, Oklahoma, Oregon, Rhode Island, and South Dakota.) There is also a civil remedy open to one who suffers from having been blacklisted, in an action against those who are a party to it, to recover damages compensatory of the injury received.

"The commission is fully aware of the difficulties inherent in this subject. It is a psychological matter beyond rules and awards unless the lawmaking power of the community fix a penalty upon boycotting and blacklisting. Even then, the various degrees to which the two can be carried elude the enforcement of a statue. The commission is of opinion, however, that there should be a positive utterance on its part relative to discrimination, interference, boycotting, and blacklisting, and this opinion it has put in the form of an award, as follows:

"*It is adjudged and awarded: That no person shall be refused employment, or in any way discriminated against, on account of membership or nonmembership in any labor organization; and that there shall be no discrimination against, or interference with, any employee who is not a member of any labor organization by members of such organization.*"

A LIVING WITNESS OF THE SHERMAN LAW'S INTENT.

There is one other phase of the question which I shall add to the foregoing group of significant statements. It has been asserted time and again by Mr. Gompers, or his friends in Congress, that Senators Sherman, Hoar, George, and others, all of whom have departed this life, had declared that the Sherman antitrust law was not intended to include labor organizations. The statement which I shall incorporate is that of a living witness, one of the great statesmen of the period referred to, and still one of the active legal minds of the Nation. I refer to former United States Senator George F. Edmunds, of Vermont, who was chairman of the Judiciary Committee which had the Sherman antitrust bill of 1890 in charge, and whose statement, published in the New York Evening Post of June 17, 1914, I have been able to confirm:

"'The old law,' Mr. Edmunds said, 'does not require a particle of change. No phase of business is outside the reach of the law, if we want to have equal rights under the law. As it is, we have gone as far as constitutional rights and justice will permit in the recognition of such things as now are under discussion. All that you hear about "legislation being necessary" is a fuss over details which the courts are already able to decide, and have decided.'

"Mr. Edmunds was asked his judgment on the labor amendment exempting 'fraternal, labor, consumers', agricultural, or horticultural organizations, orders, or associations' from the provisions of the antitrust law. He pointed out first that a substantially identical amendment was proposed to the original bill in the debate of 1890 was thoroughly discussed in the Senate, and was finally dropped on the ground that it was opposed to the entire spirit of the bill.

SENATOR EDMUNDS ON THE EQUALITY OF RIGHTS.

"Referring then to the recent unanimous vote of the House of Representatives for the 'labor amendment,' the ex-Senator continued:

"When two or three or a half dozen men come to a conclusion on what to them seems expedient, they usually are feverish enough, but when you multiply the number, the more feverish becomes the body and the greater the emotion. What influenced the Members of the House, comprising all parties, to vote in the manner they did, may have been, however, not mere emotion or excitement. The impulse may have come from party tactics or political motives, the House Members entering upon a race to gain advantage with the great bodies of voters. It does not appear to have depended upon reflective judgment or regard for the Constitution. This is not a good way to make laws.

"The seventh section of this act (the 'labor amendment') is evidently intended to exempt the classes named from the prohibition of the act of 1890, against conspiracies in restraint of interstate trade, and conspiracies to create monopolies, and to authorize the particular classes named to violate the provisions of that act. If these operations are not in restraint of trade they need no special protection. If they are, why should they be permitted when all other classes of the community are subject to the equal law? Equality of right before the law is the fundamental principle and the very foundation stone of republican and democratic government.

A REVERSAL OF CONSTITUTIONAL LIBERTY.

"This question was fully considered and deliberated upon when the act of 1890 was under consideration and upon passage. Labor unions, farmers' unions, and consumers' unions are already, and always have been, perfectly free and proper. It is only when they are guilty of misconduct in their actions that they are liable, like all other classes of the community, to restraint and punishment.

"It will be a singular spectacle in Republican or Democratic legislation to provide that labor unions, for illustration, may combine to stop the work of their employers, while if their employers should combine by the same means to avert such a stoppage they are forbidden to do so and punished if they do; or if the farmers' unions should combine to raise the price of their wheat, while the bakers are forbidden to raise the price of the bread they make from the same wheat.

"Such legislation would be so absolutely unjust and unequal and such a complete reversal of constitutional liberty and equal rights that even discussion of it would seem to be absurd."

Mississippi Choctaw Claim.

EXTENSION OF REMARKS

OF

HON. CHARLES D. CARTER,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, July 2, 1914.

Mr. CARTER. Mr. Speaker, rights are claimed for the Mississippi Choctaws in the language which is in italic in the following print of the fourteenth article of the treaty of 1830, commonly called the "Treaty of Dancing Rabbit Creek":

ART. 14. Each Choctaw head of a family being desirous to remain and become a citizen of the States shall be permitted to do so by signifying his intention to the agent within six months from the ratification of this treaty, and he or she shall thereupon be entitled to a reservation of one section of 640 acres of land, to be bounded by sectional lines of survey; in like manner shall be entitled to one-half of that quantity for each unmarried child which is living with him over 10 years of age and a quarter section to such child as may be under 10 years of age, to adjoin the location of the parent. If they reside upon said lands, intending to become citizens of the State, for five years after the ratification of this treaty, in that case a grant in fee simple shall issue. Said reservation shall include the present improvements of the head of the family, or a portion of it. *Persons who claim under this article shall not lose the privilege of a Choctaw citizen, but if they ever remove are not to be entitled to any portion of the Choctaw annuity.*

Their rights under this language have been adjudicated by the courts, as follows:

The Indian appropriation act of June 7, 1897 (30 Stat. L., 83), directed the Dawes Commission to determine these rights in the following language:

That the commission appointed to negotiate with the Five Civilized Tribes in the Indian Territory shall examine and report to Congress whether the Mississippi Choctaws under their treaties are not entitled to all the rights of Choctaw citizenship except an interest in the Choctaw annuities.

The decision of the Dawes Commission was to the effect that the Mississippi Choctaws were entitled to no rights of Choctaw citizenship in the Choctaw Nation in Indian Territory unless they removed to and established bona fide residence on that reservation. This case was appealed to the United States district court in the central district of Indian Territory, and the decision of the Dawes Commission affirmed. In concluding that decision, Judge Clayton said:

To permit men with, perchance, but a strain of Choctaw blood in their veins, who 65 years ago broke away from their kindred and their nation, and during that time, or the most of it, have been exercising the rights of citizenship and doing homage to the sovereignty of another nation, who have borne none of the burdens of this nation and have become strangers to the people, to reach forth their hands from their distant and alien home and lay hold of a part of the public domain, the common property of the people, and appropriate to their own use, would be unjust and inequitable.

It is therefore the opinion of the court that absent Mississippi Choctaws are not entitled to be enrolled as citizens of the Choctaw Nation.

The action of the Dawes Commission is therefore affirmed, and a decree will be entered for the Choctaw Nation.

Judge W. H. H. Clayton, who tried the case under equity proceedings, also called attention to the fact that the provisions of both the treaty of 1830 and of the fee simple patent which the Federal Government had given the Choctaws to lands in Indian Territory guaranteed this land to the Choctaws only "so long as they existed as a nation and lived upon it," and held that actual residence of the individual as well as of the tribe was a necessary condition precedent to an interest in the estate.

An appeal was taken to the Supreme Court of the United States by the attorneys for the Mississippi Choctaws in the case of Stephens *v.* Cherokee Nation (174 U. S., 445) and Jack Amos et al *v.* Choctaw Nation (see Decisions of United States Courts in Indian Territory on Citizenship Cases, pp. 458, 19; Supreme Court Report, p. 873).

The United States Supreme Court rendered a decision in the Stephens case, holding that the decision of United States district court was final, and since the issues involved in the Jack Amos case were identical, the Amos case was afterwards dismissed upon motion of the attorneys for the Mississippi Choctaws.

The absence of legal or equitable rights of the Mississippi Choctaws to any division of the property of the Western Choctaws was therefore finally decided by these decisions, which were rendered in February, 1899, and the status is now res judicata.

As to the moral rights, so often spoken of, I call attention to article 41 of the supplemental agreement:

ART. 41. All persons duly identified by the Commission to the Five Civilized Tribes under the provisions of section 21 of the act of Congress approved June 28, 1898 (30 Stat., 495), as Mississippi Choctaws entitled to benefits under article 14 of the treaty between the United States and the Choctaw Nation concluded September 27, 1830, may at any time within six months after the date of their identification as Mississippi Choctaws by the said commission, make bona fide settlement within the Choctaw-Chickasaw country, and upon proof of such settlement to such commission within one year after the date of the said identification as Mississippi Choctaws shall be enrolled by such commission as Mississippi Choctaws entitled to allotment as herein provided for citizens of the tribes, subject to special provisions herein provided as to Mississippi Choctaws, and said enrollment shall be final when approved by the Secretary of the Interior. The application of no person for identification as a Mississippi Choctaw shall be received by said commission after six months subsequent to the date of the final ratification of this agreement, and in the disposition of such application all full-blood Mississippi Choctaw Indians and the descendants of any Mississippi Choctaw Indians, whether of full or mixed blood, who receive a patent to land under the said fourteenth article of the treaty of 1830, who had not moved to and made bona fide settlement in the Choctaw-Chickasaw country prior to June 28, 1898, shall be deemed to be Mississippi Choctaws entitled to benefits under article 14 of the said treaty of September 27, 1830, and to identification as such by said commission, but this direction or provision shall be deemed to be only a rule of evidence and shall not be invoked by or operate to the advantage of any applicant who is not a Mississippi Choctaw of the full blood, or who is not the descendant of a Mississippi Choctaw who received a patent to land under said treaty, or who is otherwise barred from the rights of citizenship in the Choctaw Nation. All of said Mississippi Choctaws so enrolled by said commission shall be upon a separate roll.

This agreement was negotiated in the early part of 1902 between the Choctaws and Chickasaws and the United States, three years after the rights of the Mississippi Choctaws had been decided adversely to them. It will be noted that this agreement reopened the rolls to the Mississippi Choctaws, giving six months after the ratification of said agreement to file application for identification, six months after identification to locate in Indian Territory, and one year after identification to make proof of such settlement or location.

Moreover, it has never been the practice of any of the Five Civilized Tribes, or any other tribe so far as I know, to grant citizenship rights to absentees, or those not living within the confines of the reservation.

Seventy-seven years elapsed between the treaty of 1830 and March 4, 1907, the time of the final closing of the rolls of the Choctaw and Chickasaw Nations, and at any time during these 77 years any Mississippi Choctaw could have been enrolled by simply making application, provided he moved to Indian Territory prior to July 1, 1903, as set forth in the supplemental agreement. More than that, a standing invitation was held out to him by the Choctaws in Indian Territory during all this time, as is evidenced by the many acts of the Choctaw Council. Indeed, numerous appropriations were made by the Choctaw Council to pay for the expense of bringing these people to Indian Territory, and never prior to the final closing of the rolls was any Mississippi Choctaw denied enrollment who had established a legal, bona fide residence on the reservation in Indian Territory.

The closing of the tribal rolls is agreed to in section 21 of the act ratifying the Atoka agreement, approved June 28, 1898 (30 Stat. L., 495), and in sections 27, 30, and 35 of the supplemental agreement, approved July 1, 1902 (32 Stat. L., 641); also by sections 1 and 2 of the so-called Curtis Act of April 26, 1906.

The only distinction made by any of these acts between the Mississippi Choctaws and the Western Choctaws was that the Western Choctaws were required to be on the reservation in Indian Territory not later than June 28, 1898, while the Mississippi Choctaws were given until July 1, 1903, in which to establish such residence, a clear favor by which the Mississippi Choctaws were given five years longer than the native Choctaws in which to establish this residence.

Section 29 of the Atoka agreement (30 Stat. L., 495) provides that a division of all tribal funds shall begin not later than March 4, 1907, and section 14 of the supplemental agreement (32 Stat. L., 641) also provides for a division of these funds. These provisions directing a division of these tribal funds per capita, together with that providing for allotment of lands, were the principal benefits guaranteed to the Choctaws and Chickasaws by such treaties and the impelling force which secured the number of votes necessary to their ratification by the Choctaw and Chickasaw people. If these two provisions had not been in these two treaties, they would never have received one-twentieth the number of votes necessary to their ratification. Indeed, without some provision for a division of tribal funds per capita I doubt if the ratification of these treaties would have received one single favorable vote.

The Western Choctaws have never objected to the Mississippi Choctaws becoming citizens of their community if they would but move to the reservation. Now, since they have surrendered their tribal government, all their tribal privileges, even delivering the schools and all tribal funds into the hands of the Federal Government for division, and permitting the State of Oklahoma to be formed, they think they are entitled to their peace and that division of their property guaranteed to them by treaties cited above, to begin not later than March 4, 1907.

The Western Choctaws and Chickasaws are in full sympathy with the Mississippi Choctaws, and they agree that this great Federal Government should entertain a philanthropic view toward all the aborigines who have been by various and sometimes devious methods deprived of ownership of all the domain of this great Republic. They think that the Federal Government should deal liberally with the Mississippi Choctaws, but at the same time this great Government can not afford to deal unjustly with the Western Choctaws. This great Government has no right to exercise philanthropy and liberality toward the Mississippi Choctaws at the expense of the funds of the Western Choctaws, who the courts have already decided are under no obligations, either in law or in equity, to provide for the Mississippi Choctaws.

Creek Equalization Payment.

EXTENSION OF REMARKS

OF

HON. WILLIAM H. MURRAY,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, June 29, 1914.

Mr. MURRAY of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the Creek equalization payment. I have heretofore called attention to the justice of equalizing the payment in the Creek Nation and of completing the sale of tribal property and the payment to the Creek Indians and to all other tribes of all funds whatsoever now in the hands of the Government and which belongs to them and the final settlement of Indian estates. All of the Five Civilized Tribes should be paid all their money, and let these governments go out of existence, just as the Cherokee government goes out of existence at midnight on to-morrow. I believe it would be manifest justice to permit this payment provided for both to the new born and to others, and that especially they should be permitted to go to the Court of Claims to determine their rights in the matter. Certainly the Government should not object to try the question out with the Creek Indians, since they are willing to submit the question to the white man's court for its determination between the white man's Government and the Indians. I can do no better in this connection than to file herewith a letter upon the subject, explaining at considerable length, giving quotation of treaties, written to the chairman of our Indian Committee by Judge R. C. Allen, general attorney for the Creek Nation. Judge Allen has been for a number of years district judge in our State, and was offered the Creek attorneyship by Secretary Lane without his making application. His record as judge is a guaranty that he bears to the general public as well as the Indian a sincere desire to eliminate wrongdoing in the administration of these estates, and his letter, in my opinion, covers the laws and treaties and the arguments fairly and fully, and I offer it as a completion of my argument. His letter follows:

WASHINGTON, D. C., *June 25, 1914.*

Hon. JOHN H. STEPHENS,
Chairman Committee on Indian Affairs,
House of Representatives.

MY DEAR MR. STEPHENS: I desire to call your attention to an item adopted by the Senate as an amendment to the Indian appropriation bill, which is as follows:

"That to carry into effect the agreement between the United States and the Muskogee (Creek) Nation of Indians, ratified by act of Congress approved March 1, 1901, and the supplemental agreement of June 30, 1902, and other laws and treaties providing for a minimum allotment to each Creek citizen whose name has been placed on the roll by the Government of the United States under authority of said agreements and laws of the standard value of $1,040; and in order that the claim of said citizens of the Creek Nation who have received allotments in land and money of less value than the standard allotment of 160 acres of the standard value of $1,040 might be determined and finally adjudicated, jurisdiction is hereby conferred upon the Court of Claims, with right of appeal as in other cases, to hear, determine, and render final judgment against the United States for such amount, if any, as may be found due by the United States and as may be necessary to equalize all of such allotments up to the treaty standard value of allotments of $1,040. Said suits shall be begun by petitions filed within six months after the approval of this act, which petitions shall be verified and prosecuted by the national attorney for the Creek Nation."

This legislation has been sought by the representatives of the Creek Nation since 1906, and has since that time, at almost every session of Congress, been considered in either the House or the Senate.

In 1908 it was sought to foreclose this claim of the Creek Nation against the Government by a proviso to an item equalizing allotments in the Creek Nation upon a basis of $800 by which the Creek Indians were required to accept this sum in final settlement of all claims against the Government. This proposal was submitted to the Creek national council and by said council unanimously rejected.

In 1910 an amendment was proposed to the Indian appropriation bill authorizing the institution of this action. The matter was at that time referred to the Department of the Interior, and on the 20th day of April, 1910, the honorable the Secretary of the Interior made thereon the following report:

"DEPARTMENT OF THE INTERIOR,
"Washington, April 20, 1910.

"SIR: I have the honor to acknowledge your communication of March 25, 1910, inclosing a copy of Senate bill No. 7354 and requesting information thereon.

"This bill contemplates that the Court of Claims shall be authorized to determine whether the United States is liable to the Creek Nation for the amount which will be required to equalize Creek allotments and to render judgment in the matter, with authority to fix the fees of the attorneys representing the Creek Nation.

"In my letter to you of March 29, 1910, I furnished all the information at my command relating to the laws bearing upon this subject and to the administration of the same. I then recommended that Senate bill No. 5689, which was intended to recognize and satisfy the claim of the Creek Nation, should not be enacted into law.

Realizing, however, that the question is one of importance both to the United States and to the Creek Nation, involving the payment of upward of $3,000,000, and that there is much force in the contention of the Creek Nation that it is entitled to have a judicial determination of the matter, I feel that probably it would be better to submit it to the courts. I certainly have no objection to interpose to such action.

This bill as now worded contemplates that, if judgment results in favor of the Creek Nation, it shall be made to include the total amount which will be needed to equalize allotments, and that the funds now on deposit in the Treasury of the United States to the credit of the Creek Nation, except the sum of $50,000, shall be utilized and applied upon such judgment. In this connection I have to suggest that there will be other funds in addition to those mentioned which will be available for the equalization of allotments after the sale of the surplus lands and other property of the Creek Nation. In view of this fact, it will be seen that in arriving at a judgment the court should have authority to consider these additional funds as well as those mentioned in the bill.

I have therefore to suggest that the bill be so modified as to authorize the court to determine the general question involved affecting the liability of the United States and to prescribe a rule of calculation for the direction of the Secretary, to be applied after the total amount of money which may prove to be available for the purposes of equalization shall have been definitely determined.

Inasmuch as the original contract of the Creek Nation with the attorneys referred to in the resolution of the Creek Council of November 5, 1908, provided for a contingent fee dependent upon their success in prosecuting the claim of the Creek Nation, I am also of the opinion that the provisions in this bill authorizing the court to fix the compensation of said attorneys upon a quantum meruit for all services rendered the Indians in the matter should be clearly to the effect that they are to receive nothing except in the event of their success.

Very respectfully,

R. A. BALLINGER, *Secretary.*

Hon. MOSES E. CLAPP,
Chairman Committee on Indian Affairs,
United States Senate.

Said item was favorably recommended by the Senate Committee on Indian Affairs.

The matter was again before Congress in 1912, and on the 29th day of May, 1912, Mr. CLAPP, from the Committee on Indian Affairs, after discussing at some length the merits of the claim of the Creek Nation, concluded as follows:

"The Creek Nation asks that the Government keep this agreement with the citizens of the Creek Nation, and that, as the Government questions its responsibility or liability, then the question of whether or not the United States is legally and equitably liable should be adjudicated in the courts of the United States. Your committee is therefore of the opinion that they should be accorded the right to have their claim adjudicated in the courts of the United States."

This matter was next before Congress in the form of a separate bill introduced in the House of Representatives by Hon. JAMES S. DAVENPORT, of Oklahoma, and referred to the Committee on Indian Affairs. In addition to providing for the authorization of this action, the bill introduced by Congressman DAVENPORT provided for an equalization of allotments, upon a basis of $900, with funds now to the credit of the Creek Nation. On the 4th day of April, 1914, the honorable the Secretary of the Interior made the following report upon the Davenport bill:

DEPARTMENT OF THE INTERIOR,
Washington, April 4, 1914.

MY DEAR MR. STEPHENS: In response to your request of February 21, 1914, for a report on H. R. 13608, introduced in the House of Representatives on February 19, 1914, by Mr. DAVENPORT, of Oklahoma, and entitled "A bill providing for equalization of the Muskogee (Creek) Nation of Indian allotments, and for other purposes," and to be advised whether there are Creek tribal funds available to make such equalization payment on the basis fixed in the bill, I have the honor to transmit herewith a statement showing that there was on deposit to the credit of the Creek Tribe in the United States Treasury on February 23, 1914, the sum of $2,784,797.93, and there had been deposited of Creek tribal funds in the nation and State banks of Oklahoma under the act of Congress approved March 3, 1911 (36 Stat. L., 1058–1070), with accrued interest, the sum of $1,100,256.85, making a grand total of $3,885,054.78 of Creek tribal funds.

The Creek tribal funds on deposit in the nation and State banks of Oklahoma under the above act may, under section 7 of the regulations approved October 27, 1911, as amended February 21, 1912, to carry into effect the above act, "be withdrawn at any time by direction of the Secretary of the Interior without prior notice thereof."

The Commissioner to the Five Civilized Tribes, Muskogee, Okla., under date of March 4, 1914, advised the Commissioner of Indian Affairs that $3,059,939 is required to equalize Creek allotments—excluding newborn children—to the value of $900, and under date of April 3, 1914, he further advised that to include newborn children—2,875 in number—on the same basis—$900—would require $1,413,565 additional, thus making a total of $4,473,504 required to equalize all Creek allotments to the value of $900, for which there are only $3,885,054.78 of Creek tribal funds available, leaving a deficit of $588,449.22. So it will be seen that there are not sufficient Creek tribal funds available for equalization of all Creek allotments to the value of $900. Therefore I suggest that the figures $900 occurring in line 5, page 2 of the bill, be changed to $800.

Out of a total of 18,704 Creek citizens, about 4,500 have already received land and money exceeding in value the sum of $800, which number includes 850 who have received allotments of 160 acres of the value of $1,040. Of this last number, under the provision that precluded the appraisal of land "not to exceed $6.50 per acre," 158 allottees received allotments in excess of $1,040, such excess being $1,600.69. Of the 15,784 persons enrolled under the original Creek agreement approved March 1, 1901 (31 Stat. L., 861), and the supplemental Creek agreement approved June 30, 1902 (32 Stat. L., 500), who may be called "agreement Indians," 11,263 of them have received allotments of 160 acres of land of less value than the standard value of $1,040, and additional payments in varying amounts to each, but totaling $1,826,633, will be required to equalize their allotments on the basis of $800 as now suggested, and not $900 as proposed in the bill.

Of the 2,930 persons enrolled under the subsequent acts of Congress approved March 3, 1905 (33 Stat. L., 1048), and April 26, 1906 (34 Stat. L., 137), and who may be termed "newborns," 2,858 of them have received allotments of 160 acres of land, but of less value than $800, for whom it will take $1,116,940 to bring their allotments up to a value of $800 each, thus making a total amount of $2,943,573 required to equalize all Creek allotments to the value of $800 each, which amount subtracted from $3,885,054.78 of Creek tribal funds will leave a balance of $941,481 available for current Creek tribal expenses. However, I suggest that of the $2,943,573 required to equalize all Creek allotments to the value of $800, that $1,116,940 required to equalize the allotments of "newborn" children be set apart and withheld from payment at this time until it is determined judicially that "newborn" children are entitled equally with "agreement Indians" to have their allotments equalized upon the same basis as "agreement Indians." If distribution be made only to "agreement Indians" upon the basis of $800, as suggested, and under the terms of this bill there will remain in the Treasury sufficient funds—$1,116,940—to answer an award of equal amount to "newborn" children and a balance of $941,481 to meet current Creek tribal expenses. The following table will show the amounts required on the basis of $800, instead of $900, as proposed in the bill:

For 7,277 citizens by blood	$1,244,500.00
For 3,986 freedmen	582,133.00
Total required for 11,263 citizens by blood and freedmen (excluding "newborns")	1,826,633.00
Total required for 2,858 "newborn" citizens by blood and freedmen	1,116,940.00
Total required for 14,121 "agreement Indians" and 2,858 "newborns"	2,943,573.00
Total amount in Treasury	3,885,054.78
Balance for current expenses	941,481.00

The question arises as to whether the United States guaranteed to all Creek allottees, including the "newborn" children, an allotment of land of the standard value of $1,040, as claimed by the Creek Tribe.

The original Creek agreement with the United States, negotiated March 6, 1900, approved March 1, 1901, ratified by the Creek Council May 23, 1901, and proclaimed by the President June 26, 1901, section 2 thereof (31 Stat. L., 861), after providing for the appraisal of lands belonging to the Creek Tribe of Indians in the Indian Territory at their true value, excluding only lawful improvements on lands in actual cultivation, provided further, in section 3 thereof, for an allotment of all tribal lands among the citizens of the Creek Tribe so as to give each an equal share of the whole in value, as nearly as may be, in manner as follows:

"One hundred and sixty acres of land, valued at $6.50 per acre, shall constitute the standard value of an allotment, and shall be the measure for the equalization of values.

"The original Creek agreement remained in force about one year, when it was superseded by the supplemental Creek agreement approved June 30, 1902 (32 Stat. L., 500), which was ratified by the Creek National Council on July 26, 1902, and proclaimed by the President on August 8, 1902, whereof section 2 changed the method of appraisement of the lands at their true value, as provided in section 2 of the original agreement, which was amended to read that all lands 'shall be appraised at not to exceed $6.50 per acre, excluding only lawful improvements on lands in actual cultivation.'"

Section 3 of the supplemental agreement amended paragraph 2 of section 3 of the original agreement to read:

"If any citizen selects lands the appraised value of which is $6.50 per acre, he shall not receive any further distribution of property or funds of the tribe until all other citizens have received lands and moneys equal in value to his allotment."

Creek tribal officials sought the enactment by Congress of the act of March 3, 1905 (Stat. L., 1048), under which 2,099 minor children, both blood and freedmen, born after May 25, 1901, and prior to March 4, 1905, and living on said latter date, were enrolled, and the later act of April 26, 1906 (34 Stat. L., 137), under which were enrolled 821 minor children, both blood and freedmen, living on March 4, 1906, whose parents had been enrolled, making a total enrollment of 2,920 newborn children enrolled under the above acts.

The Creek tribal officials claim that at the time they sought the enactment by Congress of the two above acts enrolling the newborn children they had not knowledge of the exact number of Creek allottees nor of the amount of land already allotted to them. Believing that there would be a surplus of unallotted tribal lands and that all of their children were equally entitled as allottees, they sought the enactment of the above acts enrolling their newborn children born after May 25, 1901, up to and including March 4, 1906, numbering 2,920 minor children, of whom 1,135 are Creek freedmen newborn minors. Had the enrollment been completed and stopped with the enrollment of minor children living on May 25, 1901, there would have been sufficient lands and tribal funds to equalize all allotments on the basis of $1,040, as provided in the original and supplemental agreements, to the 15,784 persons enrolled under the original and supplemental agreements.

An additional enrollment of 2,930 newborn minor children under the subsequent acts of March 3, 1905, and April 26, 1906, produce the deficiency of which the Creeks now complain and charge that the United States is liable to make good the deficiency, and ask that jurisdiction be conferred upon the Court of Claims to hear and determine whether the United States guaranteed that every Creek allottee, including newborn children, should have an allotment of the standard value of $1,040 and whether the United States is liable to the amount of $3,028,878.17 required to equalize all Creek allotments on that basis.

To settle the controversy, which has arisen at several sessions of Congress, I offer no objection to a reference of the matter to the Court of Claims for adjudication, and as this is a tribal and not an individual claim the Creek tribal attorney, who is capable, should alone appear on behalf of the Creek Tribe. I suggest that the words "principal chief" be inserted in lieu of the word "governor," appearing in line 19, page 2, of the bill, as the proper designation to be given the executive of the Creek Nation, and that after the words "Creek Nation," appearing near the beginning of line 20, page 2, of the bill, there be inserted this language, "and the Attorney General shall appear on behalf of the Government of the United States and defend the action herein authorized." I suggest further that in lieu of the words "subsequent agreements," appearing in line 7, page 1, of the bill, there be substituted the words, "the supplement Creek agreement approved June 30, 1902 (32 Stat., p. 500).

Inasmuch as section 34 of the Creek agreement approved March 1, 1901 (31 Stat. L., 861) provided that "the United States shall pay all expenses incident to * * * allotment of land made under the provisions of this agreement," it is believed that the expense of equalizing Creek allotments on a money basis, which will be in lieu of land, should be borne by the United States, and it is suggested that immediately after the figures "$1,040," occurring in line 6, page 2, of the bill, there be inserted the following language: "and the sum of $10,000 is hereby appropriated out of any moneys in the United States Treasury not otherwise appropriated to pay all the expenses incident to the equalization of Creek allotments under this provision."

To afford proper protection to restricted allottees from imposition I suggest that the bill be amended by adding thereto the following:

"That all payment hereunder to restricted Creek allottees shall be made by the United States Indian superintendent, Union Agency, Muskogee, Okla., under the same supervision as is now exercised over the payment of individual funds accruing from the sale of restricted lands of allottees."

With these suggested amendments I urge the enactment of the bill into law.

Very truly, yours,

A. A. JONES,
First Assistant Secretary.

The matter was next before Congress in the form of an amendment offered by Senator OWEN to the Indian appropriation bill pending before the Senate committee. This amendment was almost in the exact form of the amendment finally adopted by the Senate, the only change that was made was the elimination of the provision authorizing the Secretary of the Interior to approve certain contracts held by various firms of attorneys. The amendment proposed to the Indian appropriation bill was unanimously adopted by the Senate committee and was also reported with recommendation that it do pass as a separate bill by the Senate Indian committee.

The report upon the measure as a separate bill I am inclosing herewith.

Thus it will be seen that two Secretaries of the Interior have urged the enactment of this provision into law, and that this legislation has been approved by three different Senate Committees on Indian Affairs.

I call your attention to the observations made by the Senate Committee on Indian Affairs in 1912 and by the two Secretaries of the Interior, whose reports are set out herein that the affairs of the Creek Nation can not be wound up until this claim is determined.

As shown by the report of the present Secretary of the Interior $1,116,940 will have to remain in the Treasury of the United States to the credit of the Creek Nation until the question of whether or not the newborns are entitled to an equalization of their allotments upon any basis is adjudicated. All these matters will be finally determined in the action I am seeking authority to bring if this authority is granted.

I am not very strongly of the opinion that the Creek Nation will be able to win this claim if permitted to go to the Court of Claims. I do feel, however, that there is great merit in the contention that they are making, that the Government of the United States should accord to them the right to have the question of the legal liability of the Government adjudicated finally by the Supreme Court of the United States.

I am presenting the contention of the Creek Nation to you in this manner for the reason that my appointment having occurred after the Indian appropriation bill had passed the House I could not present the matter to your committee.

I would not now be so insistent in urging this legislation were it not for the fact, as stated in the committee report and by the Secretaries of the Interior, that every year that the authorization of Congress is withheld to the bringing of this action means a corresponding delay in winding up the affairs of the Creek Nation.

I will be much pleased to have your favorable consideration of this item.

Very respectfully,

R. C. ALLEN,
Attorney for the Creek Nation.

The President's Fourth of July Address at Philadelphia.

EXTENSION OF REMARKS
OF
HON. WILLIAM A. CULLOP,
OF INDIANA,
IN THE HOUSE OF REPRESENTATIVES,
Monday, July 6, 1914.

Mr. CULLOP. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include an address by the President of the United States, delivered at Philadelphia on July 4, 1914.

The address is as follows:

THE PRESIDENT, AT INDEPENDENCE HALL, PHILADELPHIA, JULY 4, 1914.

Mr. Chairman and fellow citizens, we are assembled to celebrate the one hundred and thirty-eighth anniversary of the birth of the United States. I suppose that we can more vividly realize the circumstances of that birth standing on this historic spot than it would be possible to realize them anywhere else. The Declaration of Independence was written in Philadelphia; it was adopted in this historic building by which we stand. I have just had the privilege of sitting in the chair of the great man who presided over the deliberations of those who gave the Declaration to the world. My hand rests at this moment upon the table upon which the Declaration was signed. We can feel that we are almost in the visible and tangible presence of a great historic transaction.

Have you ever read the Declaration of Independence or attended with close comprehension to the real character of it when you have heard it read? If you have, you will know that it is not a Fourth of July oration. The Declaration of Independence was a document preliminary to war. It was a vital piece of practical business, not a piece of rhetoric; and if you will pass beyond those preliminary passages which we are accustomed to quote about the rights of men and read into the heart of the document you will see that it is very express and detailed; that it consists of a series of definite specifications concerning actual public business of the day. Not the business of our day, for the matter with which it deals is past, but the business of that first Revolution by which the Nation was set up, the business of 1776. Its general statements, its general declarations, can not mean anything to us unless we append to it a similar specific body of particulars as to what we consider the essential business of our own day.

Liberty does not consist, my fellow citizens, in mere general declarations of the rights of man. It consists in the translation of those declarations into definite action. Therefore, standing here where the declaration was adopted, reading its business-like sentences, we ought to ask ourselves what there is in it for us. There is nothing in it for us unless we can translate it into the terms of our own conditions and of our own lives. We must reduce it to what the lawyers call a bill of particulars. It contains a bill of particulars, but the bill of particulars of 1776. If we would keep it alive, we must fill it with a bill of particulars of the year 1914.

The task to which we have constantly to readdress ourselves is the task of proving that we are worthy of the men who drew this great declaration and know what they would have done in our circumstances. Patriotism consists in some very practical things—practical in that they belong to the life of everyday, that they wear no extraordinary distinction about them, that they are connected with commonplace duty. The way to be patriotic in America is not only to love America but to love the duty that lies nearest to our hand and know that in performing it we are serving our country. There are some gentlemen in Washington, for example, at this very moment who are showing themselves very patriotic in a way which does not attract wide attention but seems to belong to mere everyday obligations. Those Members of the House and Senate who stay in hot Washington to maintain a quorum of the Houses and transact the all-important business of the Nation are doing an act of patriotism. I honor them for it, and I am glad to stay there and stick by them until the work is done.

It is patriotic, also, to learn what the facts of our national life are and to face them with candor. I have heard a great many facts stated about the present business condition of this country, for example—a great many allegations of fact, at any rate, but the allegations do not tally with one another. And yet I know that truth always matches with truth, and when I find some insisting that everything is going wrong and others insisting

that everything is going right, and when I know from a wide observation of the general circumstances of the country, taken as a whole, that things are going extremely well, I wonder what those who are crying out that things are wrong are trying to do. Are they trying to serve the country, or are they trying to serve something smaller than the country? Are they trying to put hope into the hearts of the men who work and toil every day, or are they trying to plant discouragement and despair in those hearts? And why do they cry that everything is wrong and yet do nothing to set it right? If they love America and anything is wrong amongst us, it is their business to put their hand with ours to the task of setting it right. When the facts are known and acknowledged, the duty of all patriotic men is to accept them in candor and to address themselves hopefully and confidently to the common counsel which is necessary to act upon them wisely and in universal concert.

I have had some experiences in the last 14 months which have not been entirely reassuring. It was universally admitted, for example, my fellow citizens, that the banking system of this country needed reorganization. We set the best minds that we could find to the task of discovering the best method of reorganization. But we met with hardly anything but criticism from the bankers of the country; we met with hardly anything but resistance from the majority of those, at least, who spoke at all concerning the matter. And yet so soon as that act was passed there was a universal chorus of applause, and the very men who had opposed the measure joined in that applause. If it was wrong the day before it was passed, why was it right the day after it was passed? Where had been the candor of criticism not only, but the concert of counsel which makes legislative action rigorous and safe and successful?

It is not patriotic to concert measures against one another; it is patriotic to concert measures for one another.

In one sense the Declaration of Independence has lost its significance. It has lost its significance as a declaration of national independence. Nobody outside America believed when it was uttered that we could make good our independence; nor nobody anywhere would dare to doubt that we are independent and can maintain our independence. As a declaration of independence, therefore, it is a mere historic document. Our independence is a fact so stupendous that it can be measured only by the size and energy and variety and wealth and power of one of the greatest nations in the world. But it is one thing to be independent and it is another thing to know what to do with your independence. It is one thing to come to your majority and another thing to know what you are going to do with your life and your energies; and one of the most serious questions for sober-minded men to address themselves to in the United States is this, What are we going to do with the influence and power of this great Nation? Are we going to play the old rôle of using that power for our aggrandizement and material benefit only? You know what that may mean. It may upon occasion mean that we shall use it to make the peoples of other nations suffer in the way in which we said it was intolerable to suffer when we uttered our Declaration of Independence.

The Department of State at Washington is constantly called upon to back up the commercial enterprises and the industrial enterprises of the United States in foreign countries, and it at one time went so far in that direction that all its diplomacy came to be designated as "dollar diplomacy." It was called upon to support every man who wanted to earn anything anywhere if he was an American. But there ought to be a limit to that. There is no man who is more interested than I am in carrying the enterprise of American business men to every quarter of the globe. I was interested in it long before I was suspected of being a politician. I have been preaching it year after year as the great thing that lay in the future for the United States, to show her wit and skill and enterprise and influence in every country in the world. But observe the limit to all that which is laid upon us perhaps more than upon any other nation in the world. We set this Nation up—at any rate, we professed to set it up—to vindicate the rights of men. We did not name any differences between one race and another. We did not set up any barriers against any particular people. We opened our gates to all the world and said, "Let all men who wish to be free come to us and they will be welcome." We said, "This independence of ours is not a selfish thing for our own exclusive private us. It is for everybody to whom we can find the means of extending it." We can not with that oath taken in our youth, we can not with that great ideal set before us when we were a young people and numbered only a scant three millions, take upon ourselves, now that we are a hundred million strong, any other conception of duty than we then entertained. If American enterprise in foreign countries, particularly in those foreign countries which are not strong enough to resist us, takes the shape of imposing upon and exploiting the mass of the people of that country, it ought to be checked and not encouraged. I am willing to get anything for an American that money and enterprise can obtain except the suppression of the rights of other men. I will not help any man buy a power which he ought not to exercise over his fellow beings.

You know, my fellow countrymen, what a big question there is in Mexico. Eighty-five per cent of the Mexican people have never been allowed to have any genuine participation in their own Government or to exercise any substantial rights with regard to the very land they live upon. All the rights that men most desire have been exercised by the other 15 per cent. Do you suppose that that circumstance is not sometimes in my thought? I know that the American people have a heart that will beat just as strong for those millions in Mexico as it will beat or has beaten for any other millions elsewhere in the world, and that when once they conceive what is at stake in Mexico they will know what ought to be done in Mexico. I hear a great deal said about the loss of property in Mexico and the loss of the lives of foreigners, and I deplore these things with all my heart. Undoubtedly upon the conclusion of the present disturbed conditions in Mexico those who have been unjustly deprived of their property or in any wise unjustly put upon ought to be compensated. Men's individual rights have no doubt been invaded, and the invasion of those rights has been attended by many deplorable circumstances which ought some time in the proper way to be accounted for. But back of it all is the struggle of a people to come into its own; and while we look upon the incidents in the foreground let us not forget the great tragic reality in the background, which towers above the whole picture.

A patriotic American is a man who is not niggardly and selfish in the things that he enjoys that make for human liberty and the rights of man. He wants to share them with the whole world, and he is never so proud of the great flag under which he lives as when it comes to mean to other people as well as to himself a symbol of hope and liberty. I would be ashamed of this flag if it ever did anything outside America that we would not permit it to do inside of America.

The world is becoming more complicated every day, my fellow citizens. No man ought to be foolish enough to think that he understands it all. And therefore I am glad that there are some simple things in the world. One of the simple things is principle. Honesty is a perfectly simple thing. It is hard for me to believe that in most circumstances when a man has a choice of ways he does not know which is the right way and which is the wrong way. No man who has chosen the wrong way ought even to come into Independence Square; it is holy ground which he ought not to tread upon. He ought not to come where immortal voices have utttered the great sentences of such a document as this Declaration of Independence upon which rests the liberty of a whole nation.

And so I say that it is patriotic sometimes to prefer the honor of the country to its material interest. Would you rather be deemed by all the nations of the world incapable of keeping your treaty obligations in order that you might have free tolls for American ships? The treaty under which we gave up that right may have been a mistaken treaty, but there was no mistake about its meaning.

When I have made a promise as a man I try to keep it, and I know of no other rule permissible to a nation. The most distinguished nation in the world is the nation that can and will keep its promises, even to its own hurt. And I want to say parenthetically that I do not think anybody was hurt. I can not be enthusiastic for subsidies to a monopoly; but let those who are enthusiastic for subsidies ask themselves whether they prefer subsidies to unsullied honor.

The most patriotic man, ladies and gentlemen, is sometimes the man who goes in the direction that he thinks right, even when he sees half the world against him. It is the dictate of patriotism to sacrifice yourself, if you think that that is the path of honor and of duty. Do not blame others if they do not agree with you. Do not die with bitterness in your heart because you did not convince the rest of the world; but die happy because you believe that you tried to serve your country by not selling your soul. Those were grim days, the days of 1776. Those gentlemen did not attach their names to the Declaration of Independence on this table expecting a holiday on the next day, and that 4th of July was not itself a holiday. They attached their signatures to that significant document, knowing that if they failed it was certain that every one of them would hang for the failure. They were committing treason in the interest of the liberty of 3,000,000 people in America. All the rest of the world was against them and smiled with cynical incredulity at the audacious undertaking. Do you think

that if they could see this great Nation now they would regret anything that they then did to draw the gaze of a hostile world upon them? Every idea must be started by somebody, and it is a lonely thing to start anything. Yet if it is in you, you must start it if you have a man's blood in you, and if you love the country that you profess to be working for.

I am sometimes very much interested when I see gentleman supposing that popularity is the way to success in America. The way to success in this great country, with its fair judgments, is to show that you are not afraid of anybody except God and his final verdict. If I did not believe that, I would not believe in democracy. If I did not believe that, I would not believe that people can govern themselves. If I did not believe that the moral judgment would be the last judgment, the final judgment, in the minds of men as well as at the tribunal of God, I could not believe in popular government. But I do believe these things, and therefore I earnestly believe in the democracy not only of America but of every awakened people that wishes and intends to govern and control its own affairs.

It is very inspiring, my friends, to come to this that may be called the original fountain of independence and liberty in America and here drink draughts of patriotic feeling which seem to renew the very blood in one's veins. Down in Washington sometimes when the days are hot and the business presses intolerably and there are so many things to do that it does not seem possible to do anything in the way it ought to be done it is always possible to lift one's thought above the task of the moment and, as it were, to realize that great thing of which we are all parts, the great body of American feeling and American principle. No man could do the work that has to be done in Washington if he allowed himself to be separated from that body of principle. He must make himself feel that he is a part of the people of the United States; that he is trying to think not only for them but with them, and then he can not feel lonely. He not only can not feel lonely, but he can not feel afraid of anything.

My dream is that as the years go on and the world knows more and more of America it will also drink at these fountains of youth and renewal; that it also will turn to America for those moral inspirations which lie at the basis of all freedom; that the world will never fear America unless it feels that it is engaged in some enterprise which is inconsistent with the rights of humanity; and that America will come into the full light of the day when all shall know that she puts human rights above all other rights, and that her flag is the flag not only of America, but of humanity.

What other great people has devoted itself to this exalted ideal? To what other nation in the world can all eyes look for an instant sympathy that thrills the whole body politic when men anywhere are fighting for their rights. I do not know that there will ever be a declaration of independence and of grievances for mankind, but I believe that if any such document is ever drawn it will be drawn in the spirit of the American Declaration of Independence, and that America has lifted high the light which will shine unto all generations and guide the feet of mankind to the goal of justice and liberty and peace.

Constructive Public Opinion, or the Duty of the American Business Man.

EXTENSION OF REMARKS

OF

HON. RICHARD W. AUSTIN,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Friday, July 3, 1914.

Mr. AUSTIN. Mr. Speaker, under permission to print I do not know of a more valuable contribution I can make to the CONGRESSIONAL RECORD—a greater service to the American business man—than to submit to the calm and dispassionate judgment of the Members of Congress and to the entire country the great address delivered a few days ago before the New Jersey State Chamber of Commerce, at Newark, by the Hon. F. V. Vanderlip, president of the National City Bank, of New York City, and an able and efficient Assistant Secretary of the Treasury under President McKinley.

I rejoice in the fact that I represent a district which believes in equal and exact justice to all men—a square deal to the business man, the wholesale and retail merchants, the manufacturers, professional men, miners, farmers, and wage earners.

In my judgment, when the lawmaking bodies of this country, National and State, cease to make unjust warfare upon the honest business man, refuse to listen to and heed dangerous demagogues and irresponsible muckrakers, it will be a glorious day for America—for the honor, prosperity, and happiness of our people.

The excellent advice of Mr. Vanderlip should be heeded by every business man in the United States.

The speech referred to is as follows:

CONSTRUCTIVE PUBLIC OPINION.

Gentlemen, there is special significance and promise in the character of this gathering. You have met as representatives of the many chambers of commerce organized throughout this State. These associations of business men have of late grown so numerous that there is hardly a commercial town of any importance in the State that does not have its chamber of commerce, forming a center for the exchange of commercial thought and a platform for the utterance of commercial opinion.

The movement is significant in indicating, as it does, that business men are coming to grasp the necessity for that kind of organization. This meeting to-night, bringing together representatives of the chambers of commerce throughout the State, is full of promise, for it indicates a recognition of the value of association among these organizations. It indicates an understanding of the good which will come from an interchange of views, and of the added power which will result from concerted effort.

There is reason enough why business men of this State, and why business men of the whole Nation, should see the need for such organization. There is necessity for the association of these business organizations into effective forums for the discussion of current affairs. There is need to band them together for the promulgation of unified views, that will help a right public opinion. I believe that business men are face to face with a peremptory necessity for taking a deeper interest in political affairs. It is no longer a time for platitudes about discharging one's duties by going to the polls. There is a much larger duty of citizenship. The polls are merely the place of registering the conclusions of political thought.

It is the duty of business men to think deeply enough upon these problems so that their conclusions will stand the test of open discussion. It is the obligation of business men to make effective political contributions, which will help to form a sound public opinion.

Viewed in this larger sense, I believe that nearly everything that business men have to complain of in the political tendencies of the day can be pretty directly traced to their own neglect of their political duties. I believe that such neglect has brought us to a point of gravest danger, danger that involves the very foundations of the present order. That there should have been such neglect is not an unnatural thing. The conduct of business requires a high specialization, a more complete specialization to-day, with all its complexities and its keenness of competition, than it ever before required. Specialists, whether they be business specialists or specialists of other kinds, are apt to be so wrapped in their own environment that they are unable to generalize. They are obtuse regarding matters outside of their specialty and are unable to detect the course of the larger currents of affairs. That is one reason why business men are not more widely awake to the true significance of the drift of political currents.

I firmly believe that if this Nation is to avoid disaster, a general awakening is necessary. We must recognize the probable effect of present day political tendencies upon business, upon property and upon property rights, and upon the course of industrial and commercial development. I believe that currents are developing to-day that may quickly become irresistible forces, and that, too, forces of adversity and ill fortune, if their dangers are not comprehended, their direction corrected, and their sources controlled.

The stake which business men have in the outcome is enormous. Great as it is, however, it is of no more concern to them, of no more import to the future happiness of their children, than it is to the condition and outlook of the humblest of workers.

A disaster to capital, a crippling and discouragement of directive ability, the disheartening of men of enterprise, will not have its effects confined to the class which you as delegates from the chambers of commerce represent. Its results will encompass the whole social body. There is no man so humble that his interest is not as great as yours in the outcome.

Brooks Adams, whose pessimism I do not altogether share, has forcefully set forth in his Theory of Social Revolutions the thought which I have in mind.

Administration—

He says—

is the capacity of coordinating many and often conflicting social energies in a single organism so adroitly that they shall operate as a unity. This presupposes the power of recognizing a series of relations between numerous special social interests, with all of which no single man can be intimately acquainted. Probably no very highly specialized class can be strong in this intellectual quality because of the intellectual isolation incident to specialization; and yet administration or generalization is not only the faculty upon which social stability rests, but is possibly the highest faculty of the human mind. It is precisely in this preeminent requisite for success in government that I suspect the modern capitalistic class to be weak. The scope of the human intellect is necessarily limited; and modern capitalists appear to have been evolved under the stress of an environment which demanded excessive specialization in the direction of a genius adapted to money-making under highly complex industrial conditions. To this money-making attribute all else has been sacrificed, and the modern capitalist not only thinks in terms of money, but he thinks in terms of money more exclusively than the French aristocrat or lawyer ever thought in terms of caste. * * * As the capitalist is more highly specialized than the soldier ever was, he is more helpless when his single weapon fails him. * * * It would seem to be almost mathematically demonstrable that the capitalist will in the near future be subjected to a pressure under which he must develop flexibility or be eliminated. * * * Meditating upon these matters, it is hard to resist the persuasion that unless capital can in the immediate future generate an intellectual energy beyond the sphere of its specialized calling, very much in excess of any intellectual energy of which it has hitherto given promise, and unless it can besides rise to an appreciation of diverse social conditions, as well as to a level of political sagacity far higher than it has attained within recent years, its relative power in the community must decline.

This is a brilliant portrayal of a depressing outlook. There may be too much pessimism mixed in the colors with which the picture is painted. Nevertheless, it is a picture, the general outline of which the business men of this whole country are beginning dimly to see, and it is that recognition which makes it only too true that the main reasons for the present business depression are psychological.

I wish there could be a clearer comprehension of what a disheartened business community really means; what it means to the whole people! If the directive forces of business life are to lose heart, if their courage for new enterprise is to ebb, if their willingness to take risk, to test the chances of the future, to venture present possession upon prospective development, is to fail, then the psychology of the business mind becomes a matter of the gravest import.

One may well stop to ask if anything resembling such a state of mind really exists, and, if it does exist, is there any substantial foundation for it? A large part of the business world is pessimistic; yet there is much in the situation that would seem to make pessimism unwarranted. Nature is smiling as rarely before, and holding out hands overflowing with plenty. The banking situation is peculiarly free from the results of errors of judgment, and nearly every community in the country has the advantage of an easy money market and a sound credit situation. We have had no blows from any extraordinary disaster. At many points, the statistical data of business shows that it is still in large volume; in some important particulars figures could be adduced that have rarely been exceeded.

In the face of such conditions it may well be asked, Are there just grounds for apprehension? Are the dangers that some of us think we see merely phantoms? Have we minds so inflexibly bound to tradition, to the old order, that we can not grasp the significance or the beneficence of change? Do we, therefore, perforce, find in prospective changes prospective disasters, while, in fact, our apprehensions have no substantial existence? Are industries running on half time merely examples of unrealized fears? Are the many illustrations of industrial distress that might be cited, of urgent need for financing that it is difficult to do, of new enterprise abandoned, of old enterprise left with plans for expansion grown cold, only the result of a blind and stiff-necked adhesion to the old order, of an inability to conform to new conditions, to new social and political ideals?

We seem to be without leaders wise enough to answer such questions so that their conclusions will convert those holding opposite views. Thus we have many conflicting opinions. For myself, I can only say that the political current upon which we are now beginning to travel with tremendous speed seems to me liable to land us in a thoroughgoing disorganization of business and industrial life. Those currents may be engendered and guided by forces partially sincere and honest, but only partially; and even when those forces are sincere and honest they are frequently ill informed as to facts and lacking in sound understanding of great economic principles.

In legislation there is a disposition to throw experience to the winds. We seem to have a new conception of the functions of government, of what legislation may be expected to accomplish. Indeed, we have gotten far away from the conception of the fathers of our Government in our views regarding the relative balance of its three coordinate branches.

It has been well said, not by a business man, but by a distinguished historian, that—

Where Jefferson looked upon government as a negative force which would be more useful the less it interfered with the life of the individual, the present tendency is to insist upon the positive, directive, formative influence the State may exert upon the lives of its citizens. We are agitating for corrective and regulative legislation on every conceivable subject from the public health and the public morals to the hours of labor and the minimum wage. The assistance of the community is to be invoked to settle all the perplexed issues between individuals or between groups of individuals. Gradually, too, we find the authority of the central Government gaining in the public estimation and believed to possess more adequate powers and to be better able than State or city to deal efficiently and promptly with most problems. The great increase of governmental authority, which the era of regulation demands, will apparently accrue almost entirely to the Federal Government, to the exclusion of State and local governments. And it will, furthermore, break another precedent of Democracy and accrue to the executive rather than to the legislative.

This seems to me a clear exposition of a most significant phase of our political life.

A distinguished Member of the United States Senate, that once "greatest deliberative body in the world," a few days ago impressively made this statement:

Every step of human progress is the abandonment or condemnation of that which went before!

There is the keynote of much of our loose political thinking:

Every step of human progress is the abandonment or condemnation of that which went before.

The man who holds that view, the political party that legislates in the light of that pronouncement, must believe that what is is bad; that in novelty, in untried experiment, in new theory, and in newer practice alone lie those measures of government that will be beneficial. So we have a legislative restlessness that is unparalleled, a searching for novelty that results in as startling productions, viewed in the light of anything known before, as has been reached in art by the schools of cubism and futurism. To the sober-minded, somewhat unimaginative, hard-working business man, to the man whose life has been a career dealing with facts, facts as they are, some of our recent legislative proposals are no more intelligible than that famous composition which bore the title "A nude descending a staircase." I admit there may be something of truth in some of the newer forms of art, although I have never reached a point where cubism is more than a huge joke, if it is not the work of a degenerated intellect. I can understand that a picture need not necessarily be a photographic reproduction of a fact. I am quite sure the great school of impressionism has added something of permanent value to the art of the world. Carrying the parallel into politics, I believe we should not be so bound to old forms as to close our minds to the consideration of new theories. We may well admit that there is a sound basis of economic facts back of many of the demands for novel legislation. Industry is in a novel situation. The changes wrought in our lifetime by new forms of power, of transportation, of communication, are revolutionary. Even greater have been the changes wrought by corporations. Let us, too, admit that the direction of these new forces have not always rested in the hands of men of great breadth of vision. Sometimes they have not been in the hands of men of honesty of purpose. All this, I believe, gives basis to a demand for what amounts almost to a new code of business ethics and for statutes that will support such a code.

But while admitting all of that, we should see that those facts are no warrant for giving unlimited legislative freedom to groups of political cubists and futurists who do not comprehend principles, who do not know history, and who will be guided neither by experience nor by common sense. To make a specific application of what I mean, let us consider the present legislative situation. Let us weigh what it would mean to current legislative proposals if we had a sound and well-informed public opinion, and if that public opinion was so crystallized that legislative and executive powers would be forced clearly to recognize it.

No previous Congress has enacted so much legislation of immediate, novel, and fundamental importance in its relation to business as has the present Congress. Now, with its first regular session still uncompleted, it has in hand further measures of still more far-reaching importance, representing still more novel theories of governmental supervision. We find this active Congress proposing additional legislation which promises to create between business and Government a relationship entirely new, which must proceed along paths heretofore unexplored.

Not only are the proposals in the pending legislation novel in their application to business, but there is another point of dissimilarity between these measures and any that we have had before. They are being discussed and in all probability will be passed by a Congress, a large majority of which is not in favor

of passing them at the present time, and they will be added to the laws of a Nation a large majority of whose citizens are not in favor of such laws being enacted at the present time.

I am aware that these are sweeping statements. I am aware, too, that, even though the honesty of my opinion may not be challenged, the correctness of my information might be. It may well be said that although my business relations cover, with a good deal of intimacy, the entire country, and while I have a rather extraordinary opportunity for obtaining the views of men from every section, the opinions which come to me may be highly colored by prejudice; they may come from a single class, and they may fail entirely to represent the true situation. I am not unmindful of all that, but I believe I have made full allowance for such probability in testing the information that reaches me, and after doing that I still unhesitatingly say that a majority of the people of this country are not behind Congress demanding the enactment of the further business legislation now proposed.

As to the statement that a majority of Congress itself is not favorable to the passage of these measures at the present time, I can say that I have personally talked with many of the leaders, including the leaders on the administration side, and they have told me unequivocally that a majority of both Houses would prefer to give the country a period of legislative peace and end the present session without further enactments.

I believe there is not a newspaper correspondent in Washington, familiar with the views of many individual Members of Congress, who will not verify that statement.

It has been charged that there is an effort to manufacture sentiment and in turn to have that sentiment impressed upon Congress by a chain of letter writers, and the endeavor has been termed a conspiracy. I can tell you that I know of cases where Democratic Congressmen have written to their constituents, begging them in turn to write to the President and endeavor to influence him to permit Congress to adjourn this session without further legislation affecting business. I do not regard this action on the part of Congressmen as a conspiracy, but rather an effort to bring out a true reflection of public opinion.

Let us consider for a moment how these measures, of vast import as they are to the business of this Nation, and, therefore, to the life of every citizen, whether business man or not, are being handled by Congress. There is no well-crystalized sentiment there as to their form. The House has passed one measure of the first order of importance under a caucus whip and with closure of debate, openly expecting the Senate to revise it into reasonable form. Is it not probable that under the pressure of great desire to end this session, with hazy ideas of just what legislation they wish and working in a field of practically untried experiment, with debate discouraged and legislative hearings cut short, the finished product will fail of its purpose?

Patrick Henry once said:

> In proportion to the magnitude of the subject ought to be the freedom of the debate.

Surely the magnitude of the subject is great enough to warrant giving time to every Member of Congress to express his matured and deliberate opinion concerning both the principles involved in this legislation and the exact verbal form such novel enactments should take.

But of even more importance than time for discussion is assurance of freedom to register individual judgment, uncoaxed by patronage or unthreatened by power.

I will agree with the most progressive of politicians that changed times and conditions warrant changed statutes, but I still believe that when these statutes are intended to create a fundamentally new relationship between business and government, when they are designed to furnish novel curbs upon the freedom of commerce, they should have back of them a clear and certain opinion of a majority of Congress and of the citizens of the country.

You may say that I ask for delay merely in the hope of gaining avoidance; that finding proposed measures distasteful and being powerless to defeat them naturally the next step is to delay their enactment, and you may ask what good can be expected from mere delay if it is admitted that new conditions now make desirable new laws.

The proposal that I would like to see Congress agree to is this: I would by no means ask that Congress merely stop its legislative work because its Members are weary or because they hear domestic or political calls that are with great force attracting them homeward. I would ask that the two Houses go forward now with a full discussion of these several important legislative projects; that they permit free debate; and that they gather such information from hearings as they may feel will help them toward wise conclusions; that they finally, at as early a date as they can, agree upon the exact and specific form which these measures are to take on the statute books, and then, without enacting them definitely into law, that they go home and give the country three months' time in which to study their completed work. Give the voters three months' time in which to familiarize themselves with the exact terms of the law which Congress proposes to enact, give themselves three months' time in which to feel the reflection of public opinion, and if after that they are so minded let them return to Washington and enact these measures into law.

I would rest perfectly contented under such an arrangement.

I would not ask for a referendum to prove whether or not a majority of the voters actually want this legislation, which at present I doubt; I would only ask that citizens have an opportunity, for a brief 90 days, to study in its final form such important legislation as is proposed. I would ask that business men have this opportunity to discuss this legislation, which so vitally concerns not only their interests, but the interests of the whole country and of all the people for years to come. Is it too much to ask that with such a grave responsibility resting upon legislators that they permit, and not only permit but seek, such an analysis of their proposed acts and such a crystallization of sound opinion in regard to them?

We have gone through many years without this legislation; a delay of 90 days would not be fatal to the hope for beneficence from its effect.

A year ago we were told that the pending banking legislation had to be enacted at the special session. Failing that, there was finally brought to bear the greatest executive pressure to make it a law before the Christmas holidays. It is still unoperative, but the country is in no financial turmoil as a result. The Chief Executive took nearly six months to select the board which is to be responsible for its administration, and considering the admirable character of the selections made, the time may have been well spent.

It was on October 14, 1913, that the eastern roads made an application to the Interstate Commerce Commission for advance in rates. That body has felt that it was wise to take the months that have intervened for considering the matter, and has not yet made public its decision, although the general subject has been under consideration by them since the roads made application in 1910.

Why can not we, therefore, have a little patience, however strong our belief may be in the desirability of this pending legislation? Why ought we not to give the country time to study it in its specific and definite form before it is finally engraved upon the tablets?

If such a course were adopted, however, it is easy to see how important it would be that the public opinion which weighed these measures should be informed, right minded, constructive. My only fear, were such a course taken with pending legislation, would be that through the neglect by business men of their duty in helping create a well-informed public opinion, the reaction I anticipate might be delayed.

I have tried to give some hint of how important I believe it is that business men at the present time should take a wider interest in political affairs. I have no serious criticism of Congress. My criticism goes back of that to the constituency—back to a public opinion which I believe is not well informed, which does not fully grasp the force of great economic principles that are more potent than any laws that Congress can enact.

You have your full share of blame if public opinion is ill informed. As a class, you have been silent in the face of calumny. Gross misstatements in regard to business methods and aims of business men have gained credit by being confidently repeated and rarely or never answered. An important part of the public holds resentment against business men, because of the accumulation of the charges of misconduct that have been made and gone unanswered; because of the distorted pictures of your aims and methods which have gone unchallenged.

It seems to me time, if business men are men of honor, that they stand up and fight for their honor. You do not need to be told that in large part the motive back of the drudgery of business life is a motive, not of gain but of accomplishment, an idealism as pure and clear as any statesman can boast of; but the general public does not know that and will not believe it, while men bend cravenly to their tasks and never look up to answer detraction, misrepresentation, and slander.

For the comparatively rare examples of greed, of blindness to social obligations, of unfairness, and even of dishonesty we have all been made to suffer, because in the main we have silently submitted to generalizations drawn from these comparatively rare examples.

Now, it is useless to complain about a condition unless one can suggest a remedy. Fortunately, it seems to me, the remedy lies directly in our own hands.

I have tried to indicate how important it is to the future of business that we now have a background of sound and well-informed public opinion against which the new legislation which we need and are certainly going to have may stand out and be tested.

I can hardly overemphasize how important I believe that is to the business in which every one of you is engaged. With this in mind, you will not be surprised if I tell you that I believe the time will come when we should see made the most gigantic contributions that were ever made by business men to a political campaign. I do not care to which party the contributions are made, for the contributions that must be made, if you are to do anything that is effective, will not be contributions of money—they will be contributions of service; contributions of experience, of understanding, of truth; contributions in the way of an effective demand that the men whom you select as your representatives shall freely exercise their judgment, and contributions in the way of watchfulness that shall insure both honesty and intelligence in the exercise of representative obligations.

Now, all that is very well as a generalization; but we need something more specific, and I believe you have in the nature of this gathering the germ of specific action.

Let me make one more historical reference, and this time go back of the date of the foundation of the Nation and to those days when a public opinion was just beginning to form, which made our independence possible. There were a few men who saw clearly. The enactment of obnoxious laws had set many people "thinking with the eagerness and uneasiness of those who seek by some means to defend their liberties." James Otis, with his impressive eloquence, had said that he spoke in the name of 3,000 freemen "who counted upon being heard." But in truth there was no solidarity of opinion, no united front to present an irresistible resistance. The Colonies were scattered. Courage was not always equal to putting patriotism above immediate material well-being. There were "darkeners of counsel," and the need of the day was for something that would unify public sentiment. The proposal that accomplished that came from Samuel Adams when he suggested that in every Commonwealth, in every Colony, there be organized committees of correspondence. "If our design for these committees succeeds," he said, "there will be an apparent union of sentiments among the people of this province which may spread throughout the continent." The idea of the organization of these committees was popular; the members were indefatigable in their work. The result was the forming of a unified public opinion, upon which was built the independence of America.

Is there not here an idea that we could adopt to-day, and is there not in this gathering the illustration of how to do it? Let our committees of correspondence be the chambers of commerce of the United States. Let us unite them in the work of creating an informed and sound public opinion. Let the work of doing that be parceled out with the genius that you who know the value of organization, of cooperation, of the subdivision of labor, in the management of your own affairs, have proved you possess. See that the wisest and ablest men of your community are placed in the executive positions of your organizations. Make of yourselves such earnest and able lieutenants that the detail of organization may be complete and effective. Understand fully that this means self-sacrificing service; that it means an expenditure of time; and that it means constant, cooperative effort.

Through your organizations see to it that every misstatement of fact, whether made in Congress, in the press, or in any public utterance, is challenged. Let men understand that loose statement, that misstatement, can no longer go carelessly on. Have every page of the CONGRESSIONAL RECORD read, and every time a misstatement is printed there challenge the man who made it; challenge him so publicly that an answer will overtake a lie. If a man is a demagogue, if he clothes half-truths in language that appeals to prejudice, go into his district and answer and expose him. If a newspaper is ill informed, see to it first that it has every facility for correct information, and then if it is still unfair, publish its unfairness in a way which will make unfairness unprofitable, and you will have no more of it.

I do not need to elaborate this idea. You are all too familiar with what organization can do to need more than a suggestion. But I know that some of you will answer that your lives have not been lived in the forum; that you can not write; that you have not the power of speech so developed that you could with success publicly defend your views. In that I believe you are wrong. You do not know your latent powers. You can do it. You must do it. You need no tricks of rhetoric, no magic of eloquence. Just a plain, clear understanding of facts and principles and a frank exposition of them.

You may think that the contribution that I am asking is more difficult to give than have been other contributions that you have been more frequently asked to make, but I tell you the satisfaction of such contributions and the effectiveness of them will so far transcend anything you have ever done before in the way of participation in politics that you will find the blessedness of the wise giver is yours.

Such, then, is the appeal I would make for creating a constructive public opinion. The effort should include frankness to the public as to your own affairs, an appreciation of conditions outside of your own personal relationships, an active participation in political life that begins far back of the polls, begins at the beginning of the formation of public opinion—of that public opinion of which the result at the polls is only the final reflection—and I would ask that not only of the individual, but I would ask it of associations of individuals and the thorough cooperation of such associations in the work that is to be done.

I would see that there is banded together for effective, militant work, not alone every business man, but every citizen who could be induced to join these organizations. I would make special effort to bring into cooperative relationshsip those men who more than you are interested in prosperity, although their relation to it may be in the humblest capacity of laborers in those industries that you help to direct. I would especially invite representatives of labor organizations into your councils. I would ask newspaper writers and editors to join in your deliberations, in order that through the free exposition of your views and a free giving of information in regard to your acts and affairs these writers and editors may be in a better position to give facts to the public. Your organizations should be bureaus of facts. There must also be a national coordination of the work of these organizations—a national clearing house, a national executive committee. By making use of the organizations and facilities which we already have, and by giving to them thought and effort in unstinted measure, the work can be carried on with undoubted success.

But if the work is to be effectively done, you must yourselves make the contribution of service. You can not delegate the work. Do not try the plan of hiring others to promulgate your views. You can not discharge your duty by writing checks. Band yourselves together, first in small associations, and then see that these associations are united in a common effort to impress upon the country those views which are the best results of your experience, your judgment, your sympathy, and your righteousness.

Band yourselves together to make an appeal to the common sense of the people. That will not be conspiracy. Seek by your united efforts to build a public opinion that will promote the safety and happiness of posterity. Do not think only in days or in weeks, but think in decades. Realize the responsibility which is yours to turn present forces in right channels. Realize that patriotism means a submergence of self-interest. By a submergence of self-interest alone can you help to form a public opinion that will permit the creative genius of business to be recognized at its true worth, and thus give to that genius the position it should rightly have—a place where it will be above adverse criticism.

Such a course of action will create a public opinion that will be constructive, and not as now destructive, of the best sort of business activity. If you will do this, if all of us will unite to create such a movement, there need be little fear for the ultimate solution of our problems nor for the permanence of our prosperity and the preeminence of our country.

The Plan in Congress to Exempt Labor From Equal Laws.

EXTENSION OF REMARKS

OF

HON. FREDERICK H. GILLETT,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 6, 1914.

Mr. GILLETT. Mr. Speaker, under the leave granted to extend my remarks in the RECORD, I include an address by George W. Wickersham, formerly Attorney General of the United States.

The address is as follows:

THE PLAN IN CONGRESS TO EXEMPT LABOR FROM EQUAL LAWS.

(By George W. Wickersham, formerly Attorney General of the United States.)

The bill H. R. 15657, which passed the House of Representatives on June 5 provides in section 7:

That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of fraternal, labor, consumers',

agricultural or horticultural organizations, orders, or associations instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations, orders, or associations from carrying out the legitimate objects thereof; nor shall such organizations, orders, or associations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

"LEGITIMATE" AND "LAWFUL."

It will be observed that the language employed in this bill not only provides that nothing in any of the antitrust laws shall be taken to forbid the existence and operation of labor organizations for mutual self-help, but that they shall not be construed to forbid or restrain such organizations or their members from carrying out, not "the lawful objects thereof" but "the legitimate objects thereof." The legitimate object of an organization is the natural or logical purpose for which it is formed. As the organization of laborers for the purpose of mutual help is made lawful, any logical or natural means which they may adopt for the purposes of helping themselves are by this act given legality.

If the first clause of the section stood alone, the fact that labor organizations were declared lawful could not be construed to authorize them or their members to carry out the objects of their organization by unlawful means. But this consequence is expressly removed by the provision that the antitrust laws shall not be taken to forbid or restrain individual members of such organizations from carrying out the legitimate objects thereof. In general, the law punishes the carrying out of an unlawful purpose by any means, lawful or unlawful, and the carrying out of a lawful purpose by unlawful means. The natural meaning of the clause under consideration is to make lawful acts of members of these organizations done to carry out the purposes which this bill declares "legitimate," even if the acts in themselves are unlawful.

A SOP TO PUBLIC SENTIMENT.

Whatever doubts might otherwise exist on this point are removed by section 18 of the bill, which, after providing that no restraining order or injunction shall be granted in a case between employers and employees, and so forth, unless necessary to prevent irreparable injury to property, and so forth, enacts as follows:

And no such restraining order or injunction shall prohibit any person or persons from terminating any relation of employment, or from ceasing to perform any work or labor, or from recommending, advising, or persuading others by peaceful means so to do; or from attending at or near a house or place where any person resides or works or carries on business or happens to be for the purpose of peacefully obtaining or communicating information or of peacefully persuading any person to work or to abstain from working; or from ceasing to patronize or to employ any party to such dispute, or from recommending, advising, or persuading others by peaceful means so to do; or from paying or giving to, or withholding from, any person engaged in such dispute any strike benefits or other moneys or things of value; or from peaceably assembling at any place in a lawful manner and for lawful purposes; or from doing any act or thing which might lawfully be done in the absence of such dispute by any party thereto; nor shall any of the acts specified in this paragraph be considered or held unlawful.

The words "peaceful," "peacefully," and "peaceably" emphasized in this paragraph constitute the sop to public sentiment which was intended to sugar this dose for the public consumption. The provision, in effect, legalizes the secondary boycott. To appreciate its full effect let us turn to the decision of the United States Supreme Court in the famous Danbury hat case (Loewe v. Lawlor, 208 U. S., 274) and see what was there decided and how this new law would operate in such a case.

THE DANBURY CASE CITED.

The facts set up in the complaint in that case, which the court held made out a cause of action within the Sherman law, were that the plaintiffs were manufacturers of hats in Danbury, Conn., having a factory at that place where they manufactured hats which they shipped to purchasers in some 20 States other than Connecticut, a very small proportion of their output being consumed in Connecticut. The defendants, according to the statement in the opinion of the court—

were members of a vast combination called the United Hatters of North America, comprising about 9,000 members and including a large number of subordinate unions, and were combined with some 1,400,000 others into another association known as the American Federation of Labor, of which they were members, whose members resided in all the places in the several States where the wholesale dealers in hats and their customers resided and did business; that defendants were "engaged in a combined scheme and effort to force all manufacturers of fur hats in the United States, including the plaintiffs, against their will and their previous policy of carrying on their business, to organize their workmen in the departments of making and finishing, in each of their factories, into an organization, to be part and parcel of the said combination known as the United Hatters of North America, or as the defendants and their confederates term it, to unionize their shops, with the intent thereby to control the employment of labor in and the operation of said factories, and to subject the same to the direction and control of persons other than the owners of the same, in a manner extremely onerous and distasteful to such owners, and to carry out such scheme, effort, and purpose, by restraining and destroying the interstate trade and commerce of such manufacturers by means of intimidation of and threats made to such manufacturers and their customers in the several States of boycotting them, their product, and their customers, using therefor all the powerful means at their command, as aforesaid, until such time as, from the damage and loss of business resulting therefrom, the said manufacturers should yield to the said demand to unionize their factories."

That the conspiracy or combination was so far progressed that out of 82 manufacturers of this country engaged in the production of fur hats 70 had accepted the terms and acceded to the demand that the shop should be conducted in accordance, so far as conditions of employment were concerned, with the will of the American Federation of Labor; that the local union demanded of plaintiffs that they should unionize their shop under peril of being boycotted by this combination, which demand defendants declined to comply with; that thereupon the American Federation of Labor, acting through its official organ and through its organization, declared a boycott.

PEACEABLY TERRORIZED.

The complaint then went on to show that by means of threats and coercion, "peaceable" in its character, unaccompanied by any acts of violence, substantially all of the customers of the plaintiffs were terrorized into withdrawing their custom from them, until their business was absolutely destroyed. The Supreme Court decided that the acts of the defendants constituted a combination or conspiracy in restraint of the trade or commerce among the States in hats carried on by the plaintiffs, and that they were entitled to recover the damages inflicted upon them by the acts of the defendants.

The provisions in the bill under consideration are intended to prevent any employer from recovering damages in the future for loss or injury resulting to him by the destruction of his business by "peaceable" means, such as those adopted by the United Hatters of North America described in the Danbury Hatters case. The bill is an example of undisguised class legislation. If the "legitimate object" of an association of the character described in section 7 is to prevent any person from successfully conducting business unless he complies with the rules and requirements of that organization, this bill would make legal any act short of physical violence to which the organization may deem it expedient to resort for the purpose of compelling acquiescence in its requirements. It would be difficult to find an example of a clearer conflict between a law and the ideals of American freedom as expressed in the Declaration of Independence and the Constitution of the United States.

BILLS OF RIGHTS SHOULD BE FOR ALL.

Representative HENRY, of Texas, speaking in support of this bill in the House of Representatives on June 1, called section 18, above quoted, "a bill of rights establishing a 'new freedom' for labor," and he said it was "written into solemn law to endure as a Magna Charta for those who toil and produce for the balance of mankind." Bills of rights in the past have been enacted for the benefit of all the people, not for the benefit of restricted classes of the people. The "new freedom" gives to particular classes the right to terrorize over others. The old freedom, the freedom secured by Magna Charta and the Bill of Rights, endeavored to secure liberty to all the people under the law applying to all. The Declaration of Independence proclaimed that all men were endowed by their Creator—

with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed. * * *

The "new freedom" proclaimed by Mr. HENRY and embodied in the legislation under consideration would modify this to read that all men are endowed by their Creator with certain inalienable rights, among which are life, liberty, and the pursuit of happiness, except in so far as labor organizations may conclude that such rights interfere with their purposes, and that to the extent that they do so interfere no one is entitled to them.

RIGHTS FOR SOME, BUT NOT FOR ALL.

In the Northern Securities case Mr. Justice Harlan said that the antitrust act forbade any combination which by its necessary operation destroyed or restricted free competition between those engaged in interstate commerce. The rule established by the bill under consideration expressly enacts that any combination of laborers or farmers, and anything which such a combination may do to carry out its purposes shall be lawful, even though its necessary operation destroys or restricts free competition among those engaged in interstate commerce. In other words, there is one law of combination for employers and another law of combination for employees; and thus is it sought to be erected in this land a rule of class foreign to every principle that has been laid down from the earliest colonial times, and which is expressly prohibited to the States by the fourteenth amendment, which forbids any State to deny to any person within its jurisdiction the equal protection of the laws.

THE SAME PROBLEM IN ENGLAND.

It is a matter of interest and importance to note that England was called upon a few years ago to face the same problem in regard to labor unions as that which is discussed in this article.

Up to the year 1901 it had been generally assumed in England that in respect of loss or damage inflicted by strikers the only remedy at law open to the sufferer was in the form of a suit against the individual offender. In the Taff Vale railway case, 1901, it was contended in court by counsel for the plaintiff that a trade-union could be sued for acts done by its agents within the scope of their authority, and that an execution against the funds of the union could be enforced for the recovery of any damages awarded to a plaintiff.

The case was carried on appeal to the House of Lords, and the above contention was upheld. The immediate effect of this decision was to stimulate the labor unions to extraordinary efforts to have the law changed, and in 1906, largely as a consequence of these efforts, the trades-disputes act was passed by Parliament.

This act covers innumerable points in relation to intimidation, picketing, and so on; but the broad principle underlying the law is stated in unmistakable terms in its fourth section, which expressly forbids any court to entertain any action against a trade-union as a body in respect of any wrongful act alleged to have been committed by or on behalf of the union.

Whatever may be the demerits of this prohibition, it has at least the merit of perfect frankness and clarity.

Affairs in Mexico.

EXTENSION OF REMARKS

OF

HON. LATHROP BROWN,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, July 8, 1914,

On the bill (H. R. 8428) to codify, revise, and amend the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Representative and Senator in the Congress of the United States, limiting the amount of campaign expenses, and for other purposes.

Mr. BROWN of New York. Mr. Speaker, the consideration of this bill, commonly known as the corrupt-practices act, to safeguard the conduct of elections and to secure publicity of campaign contributions invites attention to matters of a similar nature across our southern borders, in Mexico. On the Fourth of July, while attending various celebrations in my congressional district, I could not help but think how fortunate is our condition compared with that of the citizens of the Republic of Mexico. In this country when we become dissatisfied with a candidate we fail to return him by the exercise of the free ballot. In Mexico the citizens are obliged to resort to a revolution, because under the military despotism which has prevailed there for 40 years it has been impossible, with one or two exceptions, to obtain an honest nation-wide election.

One of the most remarkable documents that I have ever seen was the letter of instruction sent by Gen. Victoriano Huerta on October 22, 1913, to the governors of the various States under his control, with regard to the conduct of the election officials at the presidential election soon to take place. Before coming to this, however, I wish to review briefly the series of events which culminated in the seizure of the Mexican Government by Victoriano Huerta and some of the many reasons which justified President Wilson in not according to him the political recognition for which he had hoped. With events moving as rapidly as they now are in Mexico, what is written to-day may next week be ancient history. I shall not, therefore, endeavor to make this address as pertinent as newspaper articles which are published from day to day. I shall merely try to show the underlying motives behind the two political factions now striving for supremacy in that unhappy country. Before considering past events I wish to state that, whether or not mediation shall ultimately succeed, I believe that President Wilson has rendered to civilization the greatest service in recent years by his willingness, as the head of a great and powerful nation, to discuss international difficulties in a rational way with a weak and distracted nation.

On April 21, 1519, Cortez, with his Spanish cavaliers, landed at Vera Cruz. Shortly thereafter he started on his march to what is now Mexico City, and on the 13th of August, 1521, subjugated it and became governor, captain general, and chief justice of the conquered territories of new Spain. He subjugated a race which had attained a high degree of civilization, and which, except for its religious ceremonies, was essentially a race humane, peace loving, and proficient in the arts. Of its traditions we know little, because the vast collection of pictures, paintings, writings, and historical manuscripts contained in the national archives was destroyed by the Spaniards in 1527. From 1521 until 1810 the country was governed by an appointee of the King of Spain, who in turn appointed the governors of the various States, subject to the approval of the Spanish Crown, and during this long period of almost 300 years the conquered Mexicans were enslaved both bodily and mentally. There was no pretense at education; superstition was encouraged and the masses of the people were maintained in a condition of servitude almost incredible.

The Spaniards who were acceptable politically to the Crown received enormous grants of land, which they forced the native Mexicans to work for them, but deprived of the fruits of their labor, nor was there any land which a Mexican, however industrious, could secure for himself. The haciendas of the few were maintained at the expense of the labor of the many; communication between these great estates was difficult; illiteracy was almost universal; there were poor roads and no navigable waters for the transmission of information.

Under these circumstances it will always be a wonder to me how the seeds of our revolution in 1775 and the principles embodied in our Declaration of Independence were ever sown in a field so barren. Yet it is an undoubted fact that the principles "that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness," either directly or by way of the French Revolution, which was the result of very similar conditions, found their way little by little into the farthest corners of Mexico. In 1810 Miguel Hidalgo, in a small village in the south of Mexico, started a revolution against Spanish misrule; the cause triumphed marvelously for a year, when it received a temporary setback through the betrayal and capture of Hidalgo by the Spaniards. He was tried before a military court, and when asked if he had any statement to make, he replied as follows:

> Our aim and purpose in arousing and furthering this revolution was to effect a popular election of congress, in which would be represented every individual in this country, whether he live in town or city, village or farm. It was our intention that this congress should promulgate laws for the welfare and happiness of the people and for the purity of religion in a spirit of humanity. By these laws it was our intention to establish the brotherhood of man, the destruction of poverty and ignorance, the prevention of the ruin of the nation, the progress of the fine arts, industry, and commerce, recognizing in everyone, without exception, the right to enjoy the bounteous production of our rich lands and the right to be happy.

Thereupon he was placed before a firing squad of Spanish soldiers and shot. The revolution, weakened for a time, gained additional strength, and in 1821 won for Mexico its independence from Spain.

This much having been accomplished, there was now begun the great struggle, which is still in progress, of the rights of the people against the rights of privilege. A few individuals, comprising mostly the large landowners, were loath to give up any of their prerogatives, as well as the control of the government and the army. Having controlled the revenues, they have always been able to keep control of the army, and by this means had, in one way or another, quelled almost every revolution—and there have been many—which was started in the interest of agrarian and educational reform. The century following the overthrow of Spain was chiefly notable, in so far as the United States is concerned, for the annexation of the State of Texas to the United States in 1845, followed immediately by the War with Mexico, which ended in the treaty of Guadalupe-Hidalgo in 1848. Owing, among other things, to the insolvent condition of the Mexican treasury, the French invaded Mexico in 1862, and a year later organized a government in Mexico City which elected Maximillian Emperor of Mexico. In 1865 the United States, just emerging from the Civil War, demanded the withdrawal of French troops from Mexico as being in violation of the Monroe doctrine, and in 1867 they were so withdrawn. In the same year Emperor Maximillian was executed and Gen. Porfirio Diaz, at the head of the victorious army, occupied the City of Mexico. From 1877, with the exception of one term, until May, 1911, Porfirio Diaz was the President of Mexico.

Now, in the 59 years prior to President Diaz's second term there had been no less than 52 Emperors, Presidents, or rulers of Mexico, so that President Diaz should have had ample opportunity during his presidency, or what might be called his military dictatorship, to have accomplished the various reforms so much needed by Mexico. He had accomplished the task of introducing foreign capital into Mexico and had very much stimulated the growth of the country from the outside, but for the citizens of Mexico, except for the privileged persons who were in possession of most of the land, he did absolutely nothing. He exploited his own country and paid no attention whatever to the one crying need of his people, which was and

is the distribution of the vast areas of the public domain in some such method as the public domain of the United States is open for settlement to any citizen of the country.

In 1896, if my recollection serves me, the Mexican Congress, under his direction, passed a law to the effect that any man who found that the title to land was not recorded upon the official books of the local district might seize that land from its owner in possession and obtain good title thereto. Now, in a country of scant means of communication, with illiteracy almost universal, it naturally followed that unnumbered acres of land which had been cultivated by the descendants of the original Mexicans had never been recorded as to their titles in the local offices. From the native point of view those who were lucky enough to have any land at all considered their title of possession running back in their family 300 years or more, sufficient for all purposes. Taxes had been levied on them and paid for many generations, and, according to any rules of justice, the land was owned by those in possession of it. Under the law to which I refer the rich landowners sought out these tracts of unrecorded acreage, dispossessed the rightful owners, and annexed them to their already vast estates, thereby aggravating the already terrible evil of peonage. This state of affairs could not last indefinitely. Even the brutal military power of Diaz was unable to keep in subjection the desire of mankind to own his home and to enjoy the fruits of his labor. As the leader of this revolution there appeared Francisco I. Madero, a resident of one of the northern States, where conditions were bettter than in most of the other States. Francisco I. Madero was splendidly educated, widely read, rich, and of a family long powerful and respected throughout the territory adjacent to the family estates. He realized the necessities of the situation, and, promising agrarian reform, education, and a free ballot, took possession of the country with but comparatively little bloodshed or resistance from the Diaz faction. Perhaps he was more philosopher than executive; but once elected President of Mexico he found himself surrounded at the capital by those very forces of special privilege which had kept his country in a state of semicivilization for centuries, and he was blocked and thwarted in every possible manner known to the masters of political manipulation.

And now we come to the part played by Victoriano Huerta in the recent drama. At this point it may be appropriate briefly to review Gen. Victoriano Huerta's record from 1875, when at the age of 21 years he graduated from the Military Academy, having attained special prominence in mathematics and astronomy. His first military service was under Porfirio Diaz against Lerdo de Jejada, then President of Mexico. Later, under President Diaz, he reformed the general staff and began the enormous task of making a military map of Mexico. In 1880 he was promoted to be a major, and in 1884 made a lieutenant colonel. His work during this period included a great deal of surveying and exploring, including geological reports. In 1890 he was made colonel of engineers, and for the next 10 years served on the general staff in charge of topographical work. In 1901 he successfully led troops into Guerrero. In the same year he was sent into Yucatan, where he spent the following two years, at the end of which time he had deported every native Mexican who was hostile to the Government to the jungles of Quintanama Roo. For this thorough work he was made brigadier general.

In 1911, the year of the Madero revolution, he was sent into Guerrero on behalf of Diaz, but found the revolutionary forces too strong for him. He returned to Mexico City to raise a stronger force. At this time all of southern Mexico was in a revolt. In May, 1911, after the election of President Madero, some of the southern revolutionists refused to support the Government, and Gen. Huerta was sent against them with a small column to cooperate with a force that was engaged in subduing the revolt. On this expedition it would seem that he suggested for the first time his disloyalty to President Madero. He delayed in carrying out his orders; he failed to move promptly to the relief of the division with which he was supposed to have cooperated, and although a victory was won, yet it was horribly costly in the loss of life. As a result of his poor performance he was ordered to Mexico City.

During the ad interim Presidency of De la Barra, Francisco Madero went to confer with Zapata, the revolutionary leader of the south. Huerta had been instructed not to move his troops against Zapata during the conference. He disobeyed his orders, moved against Zapata, jeopardized the negotiations, and was ordered back to Mexico City by Provisional President De la Barra on the suggestion of Francisco Madero. It is doubtful if Huerta ever forgave Madero for presuming to suggest the recall of a disobedient general.

Madero's negotiations having failed permanently to satisfy Zapata, Gen. Huerta was ordered against Zapata in cooperation with the 3,000 rurales under Gen. Figuero. For inexplicable reasons he was late in joining these forces, and a great loss of life resulted to the Government forces. Madero was properly disgusted at Gen. Huerta's inefficiency and failure in this campaign. He substituted Gen. Roblez, which, of course, again served to enrage Huerta against his President.

On March 31, 1912, Gen. Huerta was sent north to quell the Orozco rebellion after the first defeat of Madero's troops under Gonzales in the battle of Rellano. After making most elaborate preparations, he started on his campaign, moving his troops, with their enormous supplies and camp followers, up the railroad in special trains. Orozco slowly retreated in his railroad trains, tearing up the rails and burning the bridges behind him and keeping a few miles ahead of Huerta. In one engagement Huerta's superior cannon defeated the rebels, whose only guns had been made from car axles, with a total loss on both sides of 200. This Huerta reported as a desperate engagement. His advance was slow beyond description, and he at no time made any effort to send out a detachment to intercept Orozco's retreat by merely cutting across one of the numerous "S" loops which marked the railroad route. The expense of this campaign to Madero's new government was enormous, with no results of consequence.

It may be interesting here to note the first quarrel between Villa and Huerta. Villa had a good-looking horse which Huerta coveted, so he sent some of his men to take the horse from Gen. Villa. Villa naturally objected, whereupon Huerta had him arrested and sentenced him to be shot. He was reprieved by Madero just before the execution and sent to Mexico City, where he was released. This little incident, trifling as it was, stirred up anew the enmity between Huerta and President Madero.

So this expedition dragged on, culminating in what was announced by Huerta as the great victory of Bachimba, in which 14 rebels were killed. On his own statement of this victory Huerta was promoted to be major general. Guerilla warfare was continued until Gen. Huerta was recalled to Mexico City by President Madero. There he sulked and received leave of absence to have his eyes treated. For this reason he took no part in the first return revolution of Felix Diaz. During the second Diaz revolution Huerta was made the man of the hour and put in supreme command of the Madero troops. Whether or not he was in league with the Diaz party I can not say, but he permitted them to get possession of the citadel and arsenal, and then used shrapnel ammunition against tremendously strong fortifications. Urged to use solid shell, he absolutely refused. This was in February, 1913. Then came Gen. Blanquet with additional troops. Blanquet and Huerta made and laid a plot to arrest President Francisco Madero and his brother Gustavo. According to the plan which was successfully carried into execution, Gen. Blanquet was to arrest Francisco Madero, while Huerta was to capture Gustavo, which he did, at a dinner given by Gustavo Madero, at which he was a guest. Gustavo was shot to death the next night and Francisco Madero was done away with shortly after.

So much for Victoriano Huerta's military record. In his early years he showed ability and industry; in his later years he was inefficient, unreliable, and finally a traitor to the legally elected President of Mexico, to whom as a general he had taken his oath of allegiance.

Information regarding the population, area, climate, and resources of Mexico has been so widely disseminated of late that I do not propose to take up the time of the committee with these matters. I should therefore like to draw a brief picture of the life of the average peon in Mexico. Please bear in mind that the peons constitute about 85 per cent of the population. They range from full-blooded original Mexican Indians to every sort of cross. With the exception of some very few cases where the pure-blooded natives still live a communal life in some of the rich agricultural valleys, the peons are desperately poor and live under conditions which in this country would not be tolerated for a moment. The fault is not entirely theirs, because where opportunity has been given them they learn readily and make excellent workmen. The fault is not theirs so much as the fault of those governors of States and provinces, the owners of the vast haciendas, who have exploited the peons and kept them in material and mental slavery. What did it profit a very hard-working peon to earn 3, 6, 20, or even 30 cents a day, if he was obliged to buy the necessities of life for himself and his family from what I may term the "company store"? If he fell into debt, he could be transferred by his lord and master to some other vast landowner, there to spend the rest of his life endeavoring to work out his indebtedness to his former master under the same conditions which had driven him into debt. Of what use to get married, if the wedding ceremony cost as much as

two or three dollars? He could never pay half this much money. The fortunate peon is one whose shelter consists of one room, with walls of mud and roof of logs and boards. Most peons in tropical Mexico live in tiny huts made from stalks of sugar cane and roofed with the leaves of rubber plants. These one-room hovels contain not only a man and his wife and family but many relatives on both sides of his family. They have no furniture or conveniences, except an occasional sewing machine, or amenities of civilization. They have been degraded to the lowest depths.

Of course, above these comes the class of thrifty merchants who can afford to educate their children, and above these again the agrarian nobility and the military tyrants. It is the inevitable God-given law that for so long as man exists he shall rebel against such conditions as have prevailed and do prevail to-day in Mexico, and it is equally the practice that progress and civilization should be denied to others in every possible way by those who have received its benefits. Just as the Madero revolution was instigated to remedy these abuses, so was the plan to murder him and seize the reins of government instigated by Victoriano Huerta, acting on behalf of the very people who had caused the conditions against which the mass of the people were revolting.

Francisco Madero having been murdered at the instance of the commander in chief of his army, there still remained other refractory conditions to be met. The first was the lower house of the Mexican Congress. To the petition of 110 congressmen that their lives be protected in the performance of their duties, Huerta replied by throwing them into prison. Thereupon, having usurped the executive power, he proceeded to use the legislative power of the United States of Mexico, which has a constitution almost as beneficent as our own.

To show his total disregard of the very fundamental principle upon which a free government rests, the right of franchise, I will now read his instructions of October 22, 1913, to the governors of the various States regarding the election shortly to be held:

PRIVATE INSTRUCTIONS FROM THE FEDERAL GOVERNMENT TO GEN. JOAQUIN MASS, MILITARY GOVERNOR OF THE STATE OF PUEBLA, TO THE END THAT HE MAY TRANSMIT THE SAME TO THE JEFES POLITICOS OF THE STATE.

First. If any municipal president has entered into agreements with any of the militant political parties, his removal from office shall be discreetly sought; and in the case it should not be possible, cautious efforts shall be made to secure complete solidarity between said presidents and the jefes politicos.

Second. It is especially recommended that the persons in charge of the polls should be completely and absolutely reliable, so that they may follow the instructions given to them.

Third. If there should be sufficient time for it, strict orders should be given that polls for rural estates should not be established in the seat of the municipality or town, but in the estates themselves of the electoral division, this for the purpose of avoiding the attendance of those who are to take charge of the polls, the principal object being to prevent the elections in two-thirds, plus one, of the polls constituting the district. Therefore the greatest number of polls shall be ———. To meet the provisions of the law and conceal the above-mentioned commission, a complete list should be published, giving the names of the persons who are to have charge of the polls in accordance with article 13 of the electoral law of May 31, 1913, it being understood that only the appointments corresponding to the third part or less shall be sent to the sections, among which are to be included the polls in the urban wards.

Fourth. In all the polls which may operate, blank tickets shall be made use of in order that the absolute majority of the votes may be cast in favor of Gen. Huerta for President and Gen. Blanquet for Vice President.

Fifth. In spite of the fact that article 31 provides that the returns should be at once and directly sent to the chamber of deputies, the chairman of the polls shall be instructed that the returns be sent to the political prefecture, which returns shall be quickly examined by the jefe politico, and if the same are found to be in accordance with the instructions given therein, he shall return them to the chairman, informing them that they must send them directly to the chamber of deputies. If upon making the examination it should appear that the third part of the polls have not acted right, they shall fail to send the number of returns that may be necessary to the end that the chamber of deputies may receive only one-third or less of the total.

Sixth. Political parties and citizens shall be given full freedom in the polls which may operate, allowing them to make all kinds of protests, provided they refer to votes in favor of any of the candidates appearing before the people; but care shall be taken that such protests do not refer to the votes mentioned in paragraph 4 of these instructions.

Seventh. If upon examining the returns the jefes politicos should find that the votes do not agree with the instructions, before sending them they should fix them up to the end that the note of transmission, the minutes of the election, etc., should agree with the instructions.

Eighth. Persons shall be chosen who may inspire absolute confidence and may be well versed in the electoral law to make a quiet and reserved inspection of the polls which may be in operation and to present before them all sorts of protests, in accordance with article 30 of the electoral law, it being understood that all protests should refer to the candidates who may be in the field, but never in regard to votes mentioned in paragraph 4.

Ninth. After elections they shall make a quick concentration of the polls which were in operation and shall communicate this information to the Government if possible on the same day and in cipher and by special courier.

Tenth. Under their most strict responsibility the governor of a State who may receive these instructions shall comply with them under the penalty of discharge of office and other punishment which the Federal Government may see fit to apply.

MEXICO, *October 22, 1913.*

But fortune did not smile on him. Zapata in the south and Villa and Carranza in the north continued to make headway in their efforts to reestablish a constitutional government.

Mr. Speaker, the Members of this House will remember the famous telegram sent by Huerta to President Taft on February 19, 1913, which, if my recollection serves me, was as follows:

I have overthrown this Government. The forces are with me, and henceforth peace and prosperity will prevail.

Truly, he had overthrown the Government, but in so doing he had unloosed forces which will ultimately restore to the people of Mexico the very Government which he overthrew. Hemmed in on both sides, running short of ammunition, there was but one recourse open to this traitor to his country. Could he but embroil Mexico in a war with the United States there would occur one of two things—either Mexico would forget its internal grievances and unite against a common foe, as in the former war, or Huerta would be made a prisoner of the United States and take his chance of punishment at the hands of a civilized nation rather than at the hands of those leading the forces of constitutional government in a country depraved and debauched not merely by Huerta, but by three centuries of people who thought and acted as he thinks and acts. But, Mr. Speaker, that clear brain which presides over the destinies of the Nation in the White House was not to be induced into a war with Mexico by an insult from its temporary President. We all recollect well the Tampico incident; how a boat's crew of unarmed sailors from the U. S. S. *Dolphin* went peacefully ashore to buy some gasoline; how they were arrested, although in the uniform of the United States, and paraded through the streets of Tampico. For this insult to the flag the customary expression of regret and salute was requested. The expression of regret was made, but the salute was not made, and each hour there was drawing nearer to the port of Vera Cruz a merchant ship carrying a cargo of 250 machine guns and 2,000,000 rounds of ammunition. We all remember how the President requested the cooperation of Congress in a resolution which reads as follows:

That the President is justified in the employment of the armed forces of the United States to enforce his demand for unequivocal amends for certain affronts and indignities committed against the United States; Be it further

Resolved, That the United States disclaims any hostility to the Mexican people or any purpose to make war upon Mexico.

And how the House in a very few minutes almost unanimously adopted this resolution with its disclaimer of any hostility to the Mexican people or of any purpose to make war on Mexico. The purpose of this resolution was to obtain the approval of Congress of the President's plan to compel reparation for an insult to the flag and not to justify a war of invasion; and yet, Mr. Speaker, what happened to this resolution on the other side of the Capitol? The ranking Republican member of the Senate Foreign Relations Committee introduced a resolution reciting many grievances, and, as I read it, deliberately putting the Republican Party on record as desiring intervention, which means war. A war involving 400,000 young Americans, involving a death roll in the neighborhood of 10,000, and as an incident the expenditure of a million dollars a day for so long as the war should last. I read this resolution, and I think its meaning is sibility of securing protection or redress by diplomatic methods in the very clear:

That the state of unrestrained violence and anarchy which exist in Mexico, the numerous unchecked and unpunished murders of American citizens and the spoliation of their property in that country, the imposabsence of lawful or effective authority, the inability of Mexico to discharge its international obligations, the unprovoked insults and indignities inflicted upon the flag and the uniform of the United States by the armed forces in occupation of large parts of the Mexican territory have become intolerable.

That the self-respect and dignity of the United States and the duty to protect its citizens and its international rights require that such a course be followed in Mexico by our Government as to compel respect and observance of its rights.

If I am correctly informed, under the recent Republican administration there were over double the number of Americans killed in Mexico by reason of the civil strife in that country than there have been since President Wilson assumed the reins of government. In spite of newspaper clamor it is interesting to note that the damage done American property was far greater under President Taft than it has been under the firm policy of this administration. For the lives unhappily sacrificed in this disturbed and strife-riven country, for the property destroyed or temporarily rendered useless, adequate compensation in so far as money can compensate will, I am confident, be made; but I rejoice that in this crisis of our foreign affairs there was in the White House a President who would not hurl 10,000 lives after those already lost, who would not destroy the happiness of 400,000 homes, while the sure, true moral forces which have emancipated this country and many another republic are working successfully for the accomplishment of free government.

Independence Day Celebration.

EXTENSION OF REMARKS
OF
HON. J. WASHINGTON LOGUE,
OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, July 9, 1914.

Mr. LOGUE. Mr. Speaker, under the leave garnted to me to extend my remarks in the RECORD, I include an address delivered by our colleague from Ohio, Mr. FESS, at the Philadelphia Independence Day celebration last Saturday.

The address is as follows:

"Mr. Chairman, members of the committee of the greater Fourth of July, and fellow citizens, 38 years ago to-day the centennial celebration of the adoption of the Declaration of Independence was held in this city. While the historic document was being read, behind the reader, by the side of Gen. Grant, the President of the United States, sat a white-haired, white-bearded old gentleman with a faded parchment in his hands. As he followed the reading of the immortal document he frequently broke out, 'Wonderful document! Wonderful document!' Those near him noticed tears trickling down his cheeks as he thus spoke. Little did those who heard him think that in less than a dozen years the people over whom he was then ruling, who loved him passionately, but who knew that his presence in Brazil prevented a constitutional government, would say to him 'While we love you ardently, we love constitutional government better.' His own people banished him and pensioned him for life that they might translate into actual government the principles founded in the American Declaration of Independence. Hence Dom Pedro was banished, and Brazil, having gone to bed one night a monarchy, arose the next morning a republic. This was the effect of the principles of this document upon the people of the largest empire in South America in 1889.

"The Declaration of Independence adopted in this hall is properly regarded the greatest charter of human liberty known in history. It is not a form of government, but a mere announcement of a principle—greater than Magna Charta, greater than the Bill of Rights, greater than the petition of rights, greater than the plan of government. It is not an indictment against the people of the mother country, but against the tyranny of an English king, a despot. Of the 28 counts in this famous national indictment, all but 2 begin with the personal pronoun 'he,' referring to George the Third. The people of England generally believed in the majesty of the people as suggested by the power of the House of Commons, the elective body of representatives of the people.

"The greatness of this instrument must be viewed from similar documents in the past.

"In Greece, in her palmiest days, one-tenth of her people were citizens, nine-tenths were slaves. The citizens possessed all powers of government, the slaves no privileges whatever.

"It is difficult for us here to-day to realize that Greece, who gathered her students in the academic groves to be taught by her Platos and her Aristotles, was the nation whose mass of population were mere slaves, in which a mere tenth of the population had any participation in the government.

"In Rome a similar situation is noticed. When her conquering eagles perched in every quarter of the civilized world, Rome knew but two classes—the ruling and the ruled. Two entirely separate people. The patricians, one-tenth of the nation, held all power and privileges of government, while the plebeians, nine-tenths or the mass of the people, were without participation in government.

"Down to the thirteenth century all Europe was divided into two classes—the feudatory and the serf. The former owned the land, while the latter were a part of the land. The serf of medieval Europe was a rank higher than the slaves, as he could not be separated from the land of which he was a part, as a building is now regarded a part, while the slave could be sold as a chattel.

"In feudal Europe the serf possessed no privilege, no power, no participation in government to speak of.

"In modern Europe the people naturally divided themselves into the two classes known as the privileged, on the one hand, and the great middle class on the other. There has been but one current in all history, a gradual slipping away of power from the few toward the many.

"The power and privilege gradually slipped away from the one-tenth citizens of Greece, one-tenth patricians of Rome, one-tenth feudatories of medieval Europe, and the privileged few in modern Europe.

"A constant growth of influence is noticeably progressive in the slave of Greece, plebeian of Rome, serf of medieval Europe, and the great middle class of modern Europe.

"Another fundamental principle is noticed—reforms do not proceed from above as a rule, but from below. They come from the mass rather than from the class. The great middle population gave the world Magna Charta, the House of Commons in England. The same class gave the Bill of Rights and the English Commonwealth, with Cromwell at its head. The same element gave the petition of rights and the famous English Revolution of 1688, when the divine right to rule gave way to the voice of the people as heard through Parliament. It was during these days of mighty political reform that the New World was peopled, partly for the sake of religious freedom, but vastly more significant because of its political freedom.

"Out of this agitation our Nation was peopled. To New England came the Puritan with his democratic sympathies. To the Southland came the cavalier with his sense of religious and political liberty. To the central Colonies came the neutral, surcharged with the spirit of local government in which all should have a hand.

"Where this principle was contested by the mother country it was answered in the greatest document in history, written by the greatest Democrat of the age.

"Note its headlines.

"All men are created equal.

"They are endowed with inalienable rights, among which are life, liberty, and happiness.

"How would such utterances be taken in Greece, in Rome, in feudal Europe? How were they taken in modern Europe?

"Note further:

"To secure these rights governments are instituted among men.

"When they become subversive of these rights it is the duty of the people to change it, or even to abolish it, and build a new government upon the foundation that the right to govern must come from the consent of the governed.

"Here for the first time in the world's history of civil government was such an announcement made. It was fundamental here, for of all the people on earth this people, which was a picked people of Europe, was prepared for self-government.

"The Declaration of Independence is not an instrument of government, but a mere announcement of a fundamental principle of a government of the people by the people.

"On this hallowed day, here on this sacred spot, our citizenship should link to this world's famous document, our charter of liberty, that other equally historic and significant document, also adopted in this same building, the Constitution of the United States, the frame of the Government, without which the Declaration of Independence would have meant little to posterity.

"The declaration stood for liberty, while the Constitution stood for law and order.

"The first declared all men equal; the second demanded justice and general welfare.

"The first was signed by a notable group of statesmen, including Thomas Jefferson, John Adams, Benjamin Franklin, Roger Sherman, Charles Carroll, and others, while the second by George Washington, Alexander Hamilton, Benjamin Franklin, James Madison, James Wilson, and others.

"Both of these world-famous documents were drafted and adopted not only in this famous city but right here in this famous building, made sacred for all time to come.

"Well may your city be proud of this event. In future years, when the Nation shall recur to this annual occasion, may I bespeak for you a wider consideration of the real significance of the second document, the work of that immortal band of 56 statesmen unequaled by any similar group in the history of the world.

"Inspired by the authority vouchsafed them to translate the principles of the Declaration of Independence, through the power of the sword in the War of the Revolution, they couched an instrument of government in 7 short articles, of less than 40 sections, employing less than 4,000 words, thereby producing a document pronounced by Gladstone the most wonderful instrument ever stricken off by the brain or purpose of man.

"This instrument, without a parallel in history, has stood through the years of the most marvelous material development, during which a small Nation of but 13 seaboard States has grown to a Nation of a half a hundred empire States, and a mere 3,000,000 people to 100,000,000, and a war-stricken confederation to a Nation of $130,000,000,000, which is one and three-quarters times wealthier than the next wealthiest country on

the globe. Through all this growth the instrument of government has stood with less than half a dozen changes in all the Nation's life since the inauguration of its first President.

"These two historic documents, finding birth in the same building only 11 years apart, are worthy the admiration of all the world. It will be noted that the struggle in government throughout the past has been to assure a larger participation in its affairs by the individual, without regard to rank. Under these two great documents ours has become the land of opportunity. The toiler can whisper to his child in the cradle the inspiring note of future success, for avenues of distinction are open to him as to the children of the well-to-do. In America the child of poverty may become the man of eminence in many lines. This is the legitimate fruitage of the principles of the two famous instruments adopted at this historical place. Let us hold to this birthright of American liberty, justice, and common weal.

"You have done well here to-day to inaugurate the greater Fourth of July celebration. We should hold it sacred as the place and time to rededicate our lives to the service of our country, in order that we may insure to our people the security of an equal opportunity to all for the sake of justice, general welfare, and the blessing of liberty, preserved among our people to the latest posterity. Your celebration is significant in its purport. The President of the Nation has added to its meaning by his presence to address you as the head of the Nation. I congratulate you upon this one hundred and thirty-eighth anniversary of the Nation's birth."

Soldiers' Monument at Southbridge.

EXTENSION OF REMARKS

OF

HON. WILLIAM S. GREENE,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, July 9, 1914.

Mr. GREENE of Massachusetts. Mr. Speaker, I ask permission to extend my remarks in the RECORD by including an address delivered by the Hon. J. HAMPTON MOORE on the Fourth of July at the dedication of the Soldiers' Monument, Southbridge, Mass.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

The address referred to is as follows:

FOUNDATIONS OF STABLE GOVERNMENT.

[Address of Hon. J. HAMPTON MOORE, M. C., of Pennsylvania, at the dedication of the Soldiers' Monument, Southbridge, Mass., July 4, 1914.]

Veterans, ladies, and gentlemen, all things conspire to make this a memorable day on the banks of the Quinebaug. The rain and clouds of the last few days have yielded to weather that approaches the ideal; the parade, with its marching men and its attractive floats, has been creditable and inspiring; the neighboring towns of Worcester County and other parts of Massachusetts have sent their representatives, and the patriotic citizens of Southbridge have turned out in numbers running far up into the thousands. Moreover, the beautiful monument that has just been unveiled is the product of the plans and the handiwork of one of your former citizens. Altogether, Southbridge may be congratulated upon the day and upon the spirit and the harmony of so splendid a celebration.

I was honored when your distinguished Representative in Congress, the Hon. CALVIN D. PAIGE, invited me, in your behalf, to make the address upon this occasion. Coming from the old third district of Pennsylvania, I am able to bring its greetings to the old third district of Massachusetts. Indeed, I bring you greetings from Independence Hall, the very shrine of American liberty, at which the President of the United States is this day, and perhaps this hour, addressing the multitude where 138 years ago the Declaration of Independence was adopted by the Continental Congress. It will be my purpose, as briefly as may be, to trace the progress of our Nation from the period of the Declaration to the present, and to speak of that document and the other foundations of stable government which have been the secret of our success as a people, for without the foundations of government be firmly laid and, if need be, stoutly defended, the rights and liberties of the people would be mere bywords in the land.

SOUTHBRIDGE PROMPT TO RESPOND.

When the first shot in the great Civil War was fired upon Fort Sumter April 12, 1861, Southbridge, with its less than 4,000 population, far removed from the scene of action, was ready to do its part to sustain the Union. Startled and stirred by the news of the Confederate assault upon the flag the people of Southbridge, according to the New England custom, assembled in town meeting and pledged themselves to the support of the President. Thus in two days after hostilities had opened Southbridge was in line with the foremost of her sister towns and cities, prepared to meet the call of the immortal Lincoln and the requirements of the Old Bay State. Throughout the four succeeeding years call after call was made upon her resources, and in no instance did she fail to respond loyally and with promptitude. The pride of her citizens spurred them on to fill up every quota, and to her eternal credit be it said she accomplished all that was expected of her by a determined but sorely tried nation. Not only did she yield up of the flesh and blood of the rich young manhood that was willing to "enlist, fight, bleed, and die for the honor and patriotism of Southbridge," but she raised funds to care for the families of those who enlisted.

THE WOMEN WHO BORE THE BURDEN.

Records differ as to the actual number of men credited to the town who went into the service; the number was not less than 246, and by reason of enlistments elsewhere than in Southbridge may have run up to 400, but it is known that of the fighting men who went forward for the honor of their town 11 were killed in action, 25 died of wounds or disease contracted in the service, and approximately 25 others sustained the wounds of battle. So generally were they distributed that it is said a Southbridge boy could be found in nearly every battle from Bull Run to Appomattox. What these men did for the honor of Southbridge they did in a broader sense for the Nation. The monument we here dedicate to their memory symbolizes the gratitude of a people made happy and prosperous by their valor; yea, it signifies more than that—it is a tribute as well to the patience and the sacrifices of the courageous women of that period, upon whom the burdens fell with cruel severity.

APPROPRIATENESS OF THE CELEBRATION.

It is appropriate that Southbridge should have chosen our national holiday upon which to celebrate the patriotism of her brave sons and the devotion of her good women. It serves in marked degree to accentuate the purposes for which the men of Southbridge offered up their services and their lives to their country's cause. On the 4th of July, 1776, after the liberties of the American people had been assailed, their loyalty and courage were put to the first great test. A war upon their rights as a free people had, in effect, been declared by the mother country. They resisted the indignities that were heaped upon them and gave to the world through the Continental Congress, at Philadelphia, the Declaration of Independence, which, while it asserted—

that all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness—

concluded not in the spirit of warfare, but in the hope of enduring peace, that—

as free and independent States they have full power to levy war, conclude peace, contract alliances, establish commerce, and do all other acts and things which independent States may of right do.

And the signers of that immortal document, headed by your own John Hancock, of Massachusetts, with faith in the integrity of their course, appealing not to the god of war nor to the spirit of lawlessness, breathing the love of country and just government for all men, yet facing a crisis from which they could not shrink, closed their charge to the American people with these memorable words:

And for the support of this declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor.

THE AMERICAN REVOLUTION MEANT LIBERTY AND EQUALITY.

We are wont to refer to the war which was already upon us when the Declaration of Independence was proclaimed as "The War of the Revolution." In the only way they could do so as a civilized people our forefathers had chosen "to dissolve the political bands" which had connected them with Great Britain and had declared the causes which impelled them to the separation. They were not indulging in "revolution" to promote disorder or to undermine government; they were undertaking as a whole people—

to assume, among the powers of the earth, the separate and equal station to which the laws of nature and of nature's God entitle them.

And declaring—

that all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness—

they looked forward to the organization of a new government which would assure our safety and our tranquillity. They were striving not for the overthrow of law and order, but, rather, for its observance freed from tyranny and oppression.

WEAKNESS OF THE CONFEDERATION.

The Articles of the Confederation, adopted in 1781, undertook to put into effect a form of government embodying these ideas. These articles were a confession of the dependence of the people upon organized effort, but they lacked the power essential to a complete and effective organization of the States. For that reason, and because of the conflicting interest of the States and the danger of quarrels between them, the Constitution of the United States was finally adopted in 1787. The very preamble of that Constitution provided for "a more perfect union"; that is to say, a better and more effective organization; and as an assurance of the desire of the people to overcome the tendency to war and disorganization, the reason for the adoption of the Constitution was explicitly declared to be to—

establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.

In the Declaration of Independence, therefore, we had the expression of the spirit of the American people, and in the Constitution we had their general proclamation of the legal limitations by which they proposed to be bound.

THE CONSTITUTION WORTH PRESERVING.

On this historic day, when the flag of our country is unfurled to the breeze in every State and Territory of a Union made possible by the Declaration of Independence, and made "more perfect" by the Constitution, how appropriate it is, when we assemble to honor the citizen soldiery which fought and died to preserve the Union, that we should refresh our earlier studies of the two great documents to which reference has been made. Let us see how well the day and the occasion fit into the argument. If we could call by name the soldiers who went out from Southbridge and were to ask them for what they left their homes and firesides to engage in deadly combat, they would answer, "For the preservation of the Union." If we were to inquire whether they could recall the oath with which they bound their services to their country, they would tell us it carried the solemn charge, "To support and defend the Constitution of the United States." There we have the incentive, and there we link up the "Boys in blue" with the boys of '76. It was not for profit or hope of material reward that these men forsook their families for their hay mattresses under the open sky; it was because a blow had been struck at the Union of the States, at the Constitution, which guaranteed an equality of rights, and at the flag, which typified the purity and integrity of the Union. This was what these men fought for—the preservation of the very foundations of our Government—and this is what they achieved.

As Washington and his compatriots had made a Union of the States, they, under Lincoln, had defended and preserved it. That it was a good Union and worthy of preserving let these short facts attest. There were less than 4,000,000 Americans all told when the Union was established. Yet so successful was the country under that Union that there were 32,000,000 of people enjoying its blessings when the Civil War began. And if a Union of States grown in population to 32,000,000 was worth preserving at the expense of a four years' deadly war, what may we say of the work of the preservers of the Union now that its population has advanced to 100,000,000 souls?

DEVELOPMENT UNDER THE "MORE PERFECT UNION."

The half century that has passed since the close of the Civil War has witnessed marvelous changes in our progress as a Nation. Not only have we grown in numbers by the millions, now thriving upon every section of our vast area, but we have made this country under the Union the most comfortable place in which to live and labor upon the face of the globe. Since these veterans returned from their work of preserving the Union we have advanced materially more than any people in the history of the world. We have harnessed electricity and made it produce light, heat, and power cheaply and conveniently. We have invented and applied the telephone and the telegraph, thus adding to the domestic and business welfare of all mankind. We have devised and applied the typewriting machine and the automobile, both of them now a part of our daily life in commerce and utility. We have developed transportation facilities until every corner of our vast domain is accessible to the people. We have undertaken to conquer the air by the flying machine. Indeed, in science, in business, in medicine, in home comforts and conveniences, we have so widened and extended our influence and added to the value of human activities in peaceful occupations as to make startling any contrast with conditions prevailing before the war.

Wonderful as have been all these changes and all this progress, except for the Spanish-American War, peace has ruled our country and domestic happiness and prosperity have been her handmaidens. These are some of the practical, tangible results of the Declaration of Independence, of our Constitution guaranteeing an equality of rights, and of the Union of States for the perpetuation of which the Civil War was fought. There again we have the combination that made it all possible—the Declaration, the Constitution, and the preservation of the Union under the Constitution.

BARNACLES UPON THE SHIP OF STATE.

Surely what has been thus accomplished in personal and material progress by reason of "a more perfect Union" should not be lightly considered. It was attained at too great a cost of life and labor to be readily overthrown. To hold it cheap or to attempt its destruction would evidence an ignorance of the energy and sacrifice made in the upbuilding of it, as it would manifest the grossest ingratitude on the part of those who are its beneficiaries. And yet there are men assuming to speak for liberty who are this day preaching the doctrine of destruction with respect to the rights of life and property. The wave of anarchy, which periodically sweeps the centers of Europe, has had its occasional reflex in the United States. The makers and the administrators of the law have sometimes temporized with these unholy conditions, rather we should hope, in the spirit of tolerance, than for personal or political reasons. The demagogue and the scheming agitator have increased in number as our population has increased, and are still able to obtain audience with the unthinking. The liberty of the press, guaranteed by the Constitution, and the right of free speech are often abused in the desire of ambitious or misguided men to attain their ends.

THE ABUSE OF FREE SPEECH.

An ever-present menace to our institutions also is the restless man or woman, educated above the gainful occupations, who is too proud to participate in them. These and the foolish fellows who hold that "the world owes them a living," and whose chief purpose in life is to prey upon the industrious and the successful, comprise a few of the clogs upon the body politic. They are the "unearned increment" of progress. Happily the veteran soldier who made is possible for them to exist, even as barnacles upon the mightiest ship or as fungi upon the sturdiest oak, is neither a part of them, nor in sympathy with their methods. On the contrary, the veteran soldier, having yielded up something for his country, is conscious of the advantages which a stable government has given to all the people. He knows what it meant to stand for "domestic tranquillity" and the "blessings of liberty," and his voice, like that of all good citizens, is ever raised in protest against the hand of sacrilege, whether it appear in high places or in low. "The blessings of liberty," for which the Civil War was fought, include that highest of privileges, "the right of the people to be secure in their persons, houses, papers, and effects," and if that be not sufficient to satisfy the restless, then let us remember that we have still the privilege guaranteed by the Constitution of "the equal protection of the laws." When men speak of "the right of free speech" or of that "personal liberty" which are made the excuse for violence, they offend not only against civilization but against the best and truest form of government that has ever been devised by mortal men.

JUSTICE AND EQUALITY SHALL RULE.

The problems to which reference has just been made are largely social problems affecting law and order and the right of the people to enjoy "domestic tranquillity" and the "blessings of liberty." And why should the people not enjoy "domestic tranquillity" along with liberty? The mistake which some of the agitators of unrest are constantly making lies in the propaganda for special consideration at the hands of the law. What right has any man to special consideration if he infringe upon the rights of others who desire "domestic tranquillity" along with the "blessings of liberty"? Surely that man, whether native born or foreign, whose thrift and industry have enabled him to acquire a home for himself and family, is entitled to the full enjoyment of them. To those agents of distrust and disorder who so frequently occupy a larger place in the public eye than the merit or the righteousness of their utterances deserve, we may justly say: "This is our country. Our forefathers founded it under the Declaration and the Constitution. We have made it a haven and a home for the oppressed.

We have established certain principles and rules of conduct by which we have chosen to be guided. We intend that you shall enjoy every privilege that we enjoy under those principles and rules. If this country is not good enough for you and you know of one which suits you better, it is your privilege to go where you please; but if you remain here, let it be understood that you stand equal with any other citizen in all your rights and responsibilities before the law. This is the standard of equality and of justice which we have set for ourselves. It is the way we prefer to live and be governed. We intend to maintain this system at any cost, and it shall not be changed or disregarded except as the people themselves decree."

GOOD SAMARITAN FOR OTHER NATIONS.

But, as I have indicated, these are domestic problems, to be dealt with as the conscience of the people and the laws of the land direct. During the half century of our greatest progress we have had unusual experiences in our foreign affairs. Indeed, amongst other things, we have established for ourselves the reputation of being the most generous of the nations. We have attached Hawaii, yonder in the Pacific, to our march of progress. We have taken over Porto Rico, and a million souls on that beautiful island of the West Indies are now looking forward to higher and better conditions of life through our influence and assistance. We have started the 8,000,000 of people in the Philippines on the road from savagery to civilization. We accepted the responsibility of their guidance not in a spirit of conquest but rather from a sense of duty to mankind. We have dealt liberally with those islands and have given them assurance of their freedom when they shall be able to take care of themselves. We struck a quick and forceful blow for the liberation of Cuba from a thralldom of which she had long complained, and enabled her to float her own flag over her own territory as a free land. Hundreds of millions of money we might have spent upon our own projects in our own country, amongst our own people, were dedicated to the peoples of these oppressed lands, so that they might be liberated, educated, and given a chance to attain "domestic tranquillity" and "the blessings of liberty." In these respects our Union has served as a good Samaritan, even though the beneficiaries of our bounty, led by agitators or reckless men within their own ranks, sometimes seem to disregard it.

THE PANAMA CANAL A WORLD BENEFACTION.

Our work upon the Panama Canal is another evidence of the bigness of the American people under the government of "a more perfect Union." It can not be said that we did not lessen our own resources and deny to ourselves much-needed internal improvements when we undertook the task which has made our Nation famous in the realm of construction. What other nations from the days of Balboa had hoped to do, what other nations had attempted and failed to do, the United States accomplished at the Isthmus. It conquered the disease and the other apparently insuperable obstacles, and finally brought together in bonds of holy wedlock the waters of the Atlantic and the Pacific, and, if we are to take cognizance of the modern trend of legislation and of treaty interpretation we have done all this at Panama, at the enormous expense of approximately $400,000,000, in order that all the nations of the earth may enjoy it on equal terms with our own. Who will say we have not been generous with the world at Panama?

OUR COMPLICATIONS IN MEXICO.

And if it be said we have been generous or even prodigal of our progress since the "more perfect union" was sustained by the Civil War, may we not also claim to have been tolerant? Witness the conditions that now confront us along the southern border of our country. We did not strike at Mexico even when the lives and property of Americans were at stake. Any old soldier North or South would go into battle promptly should the call come to support the flag in any righteous cause. But the call has not come, and we are not yet informed, even in Congress, as to the real merits of the controversy. Perhaps our diplomacy may be wiser and more farsighted than we know. We trust the President and his advisers are masters of the situation. We may not judge hastily, but we may at least be pardoned for expressing the hope that when American sailors lay down their lives, as many of them have already done at Vera Cruz, it will not have been done as the result of any uncertain diplomatic policy, but rather and surely for the honor and the glory of the Nation.

WAR DEPLORED, EXCEPT THP CAUSE BE JUST.

Only the fool wants war with Mexico, unless there be just cause for war. If the blood and treasure of the Nation are to be taxed to shield some adventurer who has borrowed the Stars and Stripes in which to shield his deviltry, we should know it and should be saved the mark. But if the humblest American has been wronged in Mexico, our honor there should be maintained at any cost. There are some who fear we have been drawn unduly into Mexico's internal affairs. Whether this be true or not, let us hope and pray for an early settlement of our Mexican relations, peacefully and justly, if peace and justice may be attained with honor. I am sure I voice the feeling of every old soldier and of every old sailor who has fought the battles of his country when I say "God grant there may be no war with Mexico, or with any other country," and I know I also breathe his sentiments when I say that if we are compelled to maintain the country's honor, once we ascertain and make it clear to the people, there will be no dearth of soldiers or of sailors, old or young, to take up again the dreaded implements of war, and "rally round the flag" as in days gone by.

PEACE AND ORDER RISE ABOVE THE CLOUDS.

Contemplating the wonderful advancement of our country, what shall we say of the few clouds, foreign and domestic, that drift across the horizon? Are they cause for worry or alarm? Are they so portentous as to make us cease our labors and abandon the fruits of the work of 138 years since the Declaration of Independence was proclaimed? Let the old soldier answer. What does he say? Did he not take upon himself the obligation to support and defend the Constitution? Has he forgotten that? No; a thousand times, no! Do the public servants from the highest in our land to the lowest, take that same pledge of loyalty merely to violate it? Do the millions of heads of families and owners of homes throughout this great country intend to stand by idle as the Constitution that guarantees protection and equal rights is shot from under them? It can not be. Neither in the North nor in the South nor in the East nor in the West. We can safely leave this question to the soldier and the sailor and abide the test. The soldier stands for peace. His loyalty to the country has been tested in the crucible of fire. Anomalous though it may seem, the fighting men of the Civil War, like those who went from the town of Southbridge, returned from the strife the sturdiest friends of peace. Experienced in war, they stand to-day for law and order, which is guaranteed by the Constitution, as they stood by their guns in 1861. They have "a more perfect Union" now, and they are going to preserve it. There may be changes of law, but there will be no change of the patriotism and spirit which led up to the Declaration of Independence and the Constitution. Our experiences in the Revolutionary War, in the War of 1812, in the Mexican War, and in the War against Spain give us no concern as to the mettle of our fighting men; if called upon to fight, they will fight again, and the legions of their loins will follow them; but when they fight it must be for good and worthy cause. The American soldier did not fight for spoils; his goal was neither conquest nor plunder. What he sought for himself and posterity was citizenship, that citizenship which typifies to-day, as it did in 1776 and 1787, "justice," "domestic tranquillity," and "the blessings of liberty for ourselves and our posterity." And to these, in common with his fellow man, he is fairly entitled.

THE GETTYSBURG REUNION AND ITS LESSON.

Veterans and friends, a last word. We are far enough removed from the bitterness engendered by the Civil War to speak dispassionately of those who fought upon the other side. We have come to better understand the people of the South and the purposes which animated them in defense of the rights of the States. After a lapse of 50 years they are again one with their former antagonists, one under the same Constitution and the same flag. It is no disparagement of a northern soldier to say that he fought "a foeman worthy of his steel." Such a foeman he did fight, and so much more, therefore, was the glory of the victory. When "Yank" met "Johnny Reb," it was not the impact of a superior and an inferior race; it was two strong men of one race, and they were both Americans. That these men were of the same type; that they and their forefathers imbibed together the same spirit of the Declaration and the Constitution; that they were men and brothers, was beautifully demonstrated a year ago to-day when on the field at Gettysburg, a full half century after the battle, the survivors of the two great armies met and in friendship and good will clasped hands across the stone wall at the Bloody Angle, the "Yank" in the thread-worn blue and the "Reb" in the tattered gray. In the thousands of tents which covered the great field from the Round Tops to the Ridges the grizzled survivors of the North and South exchanged experiences and established friendships such only as the American soldier can enjoy. It was notice to the world that the American soldier can fight and make up; that he can take and give a blow; and, better yet, that he can recognize and admire the manly and courageous qualities of his adversary. Yea, it was more than that. It was proof that

the American soldier cherishes peace, and that after all the home, the family, and the friends are more to be desired than dissension and the sword. He had made his sacrifices for his country, had the veteran who attended the last grand rally at Gettysburg; he had seen his comrades fall upon the one side or the other; but peace restored, the craving of the soldier heart was for that "domestic tranquillity" and those "blessings of liberty" which only a stable government founded on principles of equality and justice can assure.

A Perennial National Problem.

EXTENSION OF REMARKS
OF
HON. H. GARLAND DUPRÉ,
OF LOUISIANA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, July 10, 1914.

Mr. DUPRÉ. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an article appearing in the current number of the North American Review, by CHAMP CLARK, entitled "A Perennial National Problem," which refers to the Mississippi River.

The article is as follows:

A PERENNIAL NATIONAL PROBLEM.
(By Speaker CHAMP CLARK.)

The farthest-seeing constructive statesman, the most masterful friend and champion of humanity in modern times, architect of our independence, seer of our national strength, prophet of our national progress, Thomas Jefferson, was the foremost genius of our national expansion.

When he got from Napoleon the grand domain of the Louisiana Purchase he bought for the United States the control and possession of the Mississippi River. There was nothing in this tremendous achievement of expansion westward, more than doubling the area of the young Republic, dearer to his heart, more inspiring to his imagination, than the embracing of the Mississippi River. Long before the consummation of the purchase his persuasive voice and potent pen were continually used to urge the importance of control for the citizens of the United States of the navigation of the Mississippi River. When its lower reaches were alternately in the hands of Spain and France, and disputes arose over the rights of passage by our citizens through to the Gulf waters, he ardently espoused the cause of his countrymen. The year 1801, when Jefferson became President, the area of the United States was but 827,000 square miles, all east of the Mississippi River, with all Florida and the area of the future Louisiana Purchase belonging to Spain. The possessions of that country in the Western Hemisphere amounted to over 7,000,000 square miles. Great Britain was next in New World possessions, with 3,719,000 square miles. Russia, holding Alaska, had 577,000 square miles. France, through the courage and genius of her missionaries and explorers, her soldiers and traders, had acquired a domain in North America scarcely second to that of Great Britain, but in the rivalry between the two here and in the Old World she was dispossessed of all but 29,000 square miles. It remained for Napoleon's prowess and genius to restore much of what France had lost through wresting from Spain all her possessions in the northern half of the Western Hemisphere which became known as the Louisiana Purchase. For a time Napoleon had dreamed of establishing on the western bank of the Mississippi—and controlling both sides of the lower river, with New Orleans as its seat—a great western world empire. But nearly all of the Old World got to fighting him, resisting the reckless ambition bent upon dominating the European Continent, making and unmaking kings at will to rule or caprice to play with nations as a master of the game would move the pieces on a chessboard. Great Britain was his formidable foe and was the one power that had most embarrassed his soaring fancy most effectually and most often blocked his designs. He conceived the idea of transferring by sale to the United States his embryo empire in the western world, and with it the control of the Mississippi River. He knew it was the severest blow he could deliver against the growing power of his English rival. "The accession of this territory," said Napoleon, "forever strengthens the United States, and I have just given England a maritime power that will sooner or later humble her pride."

Jefferson, with whom he negotiated the transaction, had been constantly agitating the vital importance to this Republic's safety and welfare of the complete control of the Mississippi from source to mouth. He wanted its great navigation resources and ultimate possession of the vast area drained by its waters. It can be imagined with what profound delight, with what thrilled anticipations he approached the consummation of the purchase. His cardinal principles of faith for the American people were the erection of a great structure of everlasting national commercial independence upon the four pillars of "agriculture, commerce, navigation, and manufacture." With him a most absorbing obsession was to own the Mississippi. With him it was a case of "must." "The navigation of the Mississippi," he declared as far back as 1790, "we must have." Again, a little later, and years before the Louisiana Purchase, he asserted: "The navigation of the Mississippi in full and unrestrained freedom is indispensably necessary, and must be obtained by any means it may call for."

Thomas Jefferson was the first publicity agent for the national ownership of the Mississippi River, as he had been the first publicity agent for the erection of the four pillars of our national prosperity, as he had been the first publicity agent of our national independence. As a publicity agent the world never saw his like, all for humanity, all for the progress of human liberty. He wrote much and ardently. His pen sped with a powerful unmatched enthusiasm and a fertile genius for persuasion unexcelled in any era of human forward development. His labor of love was at its best when his theme was the Mississippi Valley and the navigation of the Mississippi River.

A brilliant biographer of Napoleon said of his sale of Louisiana to the United States:

> It was an event second in importance to no other in their history, for it gave them control of the intercontinental river system, and later of the Pacific coast, while indirectly it prepared the way for the conflict of 1812, which finally secured their commercial independence.

Following the close of the Revolution, and up to the War of 1812, our American Republic was a feeble institution among the nations of the world, and might have been ignored, might, indeed, have been overwhelmed and absorbed, but for the international strife that was shaking all Europe and imperiling the foundations of empires in the Old World. We were nominally and politically independent; but not until the American victory at New Orleans did we attain American commercial independence. Jackson and his Kentuckians and Tennesseeans, the bulk of his forces coming from the States and Territories on the banks of the Mississippi River, backing the little Regular Army nucleus, rushed southward to drive the British from the lower valley and secured it forever from hostile foreign intrusion. And ever since the victory at New Orleans, with the expulsion from the Mississippi River of the great veteran British Army, with its fleet of transports and men-of-war, we have had a progressive Nation, a forward-moving, wide-expanding Republic—no longer grouped and hedged in between the Atlantic and the great water highway Jefferson vowed we must have, a set of comparatively little States, bickering among themselves about privilege and precedent, jealous of one another, and for the most part rivals only in aping England or Europe. Then, with the acquisition of Louisiana we began to be Americans; we had acquired a true center of national gravitation, the Mississippi River.

In his glorious old age Jefferson's thoughts often turned with delighted contemplation to the westward course of American empire, and he lingered with fond expectancy upon the future of the dwellers in the grand area drained by the Mississippi. "They are our sons and daughters," said he. "God bless them ever."

From the Mississippi's far reaches through its mouth across the Gulf of Mexico to the Isthmus of Panama must run a stream of commerce which will traverse the canal.

A Latin-American historian, one of the brightest of his race, F. Garcia Calderon, recently wrote:

> The canal sets a frontier to Yankee ambition; it is the southern line, the "south coast," of which a North American politician, Jefferson, used to dream. As early as 1809 he believed that Cuba and Canada would become incorporated States in the American Union, in the immense confederation. Anticipating the rude lyrics of Walt Whitman, he dreamed of founding an empire of liberty "so vast the like has never been seen." Heirs to Anglo-Saxon genius, the Americans of the north wish to form a democratic federation. They have succeeded in doing in Cuba what Japan has done in Korea; first, the struggle for autonomy, then the necessary intervention, then a protectorate, and perhaps next annexation. Thus the prophecy of Jefferson will be realized.

Humboldt, as soon as he had visited the New World in 1804, said of the destined Isthmian Canal:

> The products of China will be brought more than 6,000 miles nearer Europe and the United States; great changes will take place in the political conditions of eastern Asia, because this tongue of earth (Panama) had for centuries been the rampart of the independence of China and Japan.

The "great changes" have already set in, and mightier are yet to come. With the operation of the canal and commerce from the great American intercontinental river system converging for passage into the Pacific, bound for our western coast ports and distant oceanic and oriental marts, with this new route for international trade opened, what wondrous changes may not be wrought in the fortunes of mankind. China, Japan, India, the Philippines, Oceania, New Zealand, Australia brought thousands of miles nearer to our own and Europe's greatest shipping ports and centers of civilization would inevitably quicken human interests and universally stimulate human energy.

There will be no surer, stronger factor in this enlivening of human progress than that furnished by the life-giving commerce of the world's granary, the Mississippi Valley.

Is it any wonder, then, that the navigation and control of the Mississippi River is a perennial national problem in the United States? If there be one practical theme of common concern to enlightened Americans, to men of all political parties, it is this. The three great political parties at their national conventions two years ago, political parties which alone have representation in Congress, have vied with one another in emphasis of declaration for the improvement and maintenance of navigation of the Mississippi, the construction of an adequate system of levees, and the prevention of floods. It is recognized as a national problem, because the river is a national possession, with levees of interstate extent of necessity, and liable to overflows of waters pouring from the highlands of many States, inflicting national disaster. The Mississippi's transcendent importance as a great continental inland highway of commerce has been recognized all over the world ever since De Soto first looked upon the sweep of its majestic waters.

It is no novel proposition, no new thing that the Mississippi River imposes a continuous national problem. Jefferson's great idea was to get possession of the river. Having got it and learned something of what it was, American statesmanship took heed of the problem it presented. President John Tyler, in his message of 1844, June 11, declared of the river:

> It belongs to no particular State or States, but of common right, by express reservation, to all the States. It is reserved as a great common highway for the commerce of the whole country. * * * The United States, therefore, is charged with its improvement for the benefit of all, and the appropriation of governmental means to its improvement becomes indispensably necessary for the good of all.

Col. Thomas Hart Benton, the Pericles of the golden age of American statesmanship, lived in one of the greatest States on the Mississippi. He never saw the river, never crossed it, never thought of it, that his far-piercing intellect did not apostrophize the Mississippi. The following is an extract from a letter of his to the Chicago convention of 1847:

> Wonderful river, connecting with the seas by the head and by the mouth—stretching its arms toward the Atlantic and the Pacific—lying in a valley, which is a valley from the Gulf of Mexico to Hudson Bay—drawing its first waters not from rugged mountains, but from a plateau of lakes in the center of the continent, and in communication with the sources of the St. Lawrence and the streams which take their course north to Hudson Bay—draining the largest extent of richest land, collecting the products of every clime, even the frigid, to bear the whole to a genial market in the Sunny South, and there to meet the products of the entire world. Such is the Mississippi. And who can calculate the aggregate of its advantages and the magnitude of its future commercial results?

John C. Calhoun, opposed as he was, on strict constitutional constructive grounds, to internal improvement by the Government, in 1845 had recommended in a report to Congress an appropriation to build embankments to protect lands on the river from overflow.

Henry Clay, who never overlooked the interests of the great valley, suggested that its people would rise "en masse and tumble down your little hair-splitting distinctions about what is national and demand what is just and fair on the part of this Government in relation to this great interest. The Mississippi River, with its tributaries, constitutes part of a great system, and if the system is not national, I should like to know one that is national."

President after President has recognized the river's national scope and the national obligation due.

The old policy of river and harbor appropriations biennially or at longer intervals was a serious mistake of public conduct. The appropriations were inadequate, and consequently the public work was insufficient and inefficient. The too meager appropriation was often money wasted; it was a kind of foolish extravagance. It was like tossing gold and silver and currency into the flood as it raged on its destructive way. For these appropriations at long intervals were most flagrantly inadequate as provided for the Mississippi River, not so much in items for the improvement and maintenance of navigation as in the failure to provide for the control of the waters by the construction of an impregnable levee defense. The intervening years without appropriation by Congress witnessed the might of the waters undoing the work of previous appropriations. The flood demon was no respecter of the convenience of Congress, was reckless of policies and of the preachments of national economy. Yet, strange as it may seem, he had allies among human beings here among us in the demagogue and in a fatuous or ill-advised press. It was not until public opinion convinced Congress that annual appropriations was the wisest and, in fact, the necessary policy, not only for the improvement and maintenance of navigation but for the control of the river, that the waste was stopped and any material good accomplished, and it was recognized as a national project.

The States on the lower river had been struggling, unaided, without cessation against the ruthless enemy, while Congress was doing nothing. It was this waste and extravagance in the years that Congress furnished no help until disaster woke it, and then only to supply insufficient appropriations, resulting inevitably in frittered funds, futile talent, and vain energies. This pennywise folly provoked for river and harbor appropriations, and very naturally, too, the epithetical condemnation of "pork-barrel" legislation; it engendered suspicion and hostility outside of the Mississippi Valley, titillated pert paragraphists into saucy quips and grim jokes, and uninformed editors of provincial metropolitan newspapers of the East were kept busy upon a series of sarcastic and contumelious diatribes. Since its commencement, five years ago, the wisdom of the annual appropriation policy has been convincingly demonstrated and justified.

Floods have menaced always, and will always imperil, the integrity of the channel of the Mississippi and the homes and lives of the people on both its banks. This is so, year in and year out, that this enemy is to be contended against, an enemy far more persistent and dangerous than any foreign foe we ever had to face.

Since the Revolution we have had the War of 1812, the war of 1846–48 with Mexico, the great war of 1861–65 between the States; the War with Spain, just a part of 1898, followed by the Filipino insurrection, 8,000 miles away; and numerous little wars with Indians, whose prosecution required action of but a fractional part of our regular land forces. I need not give figures of what these few wars cost since the successful close of our war of independence, 132 years ago. The informed imagination will take care of the statistical idea. It is enough to say that by liberal annual appropriations we have taken good care of our military establishment. We have, indeed, strained every point to keep our Army and Navy up to date, ready, and equipped to meet any possible enemy at any possible time. Hundreds of millions of dollars are annually appropriated for our man-killing machinery, to say nothing of the billions that have gone for pensions, war claims, and the like. What pittance we have spent to protect property, to preserve life from a huge, ever-present menace, is a mockery of our national intelligence and a reproach to our national sense of humanity. For this flood demon and his devastating army of waters in the highlands of the States of the upper valley and in the fastnesses of the western mountains are ready every year to descend, with reinforcements from the whole drainage area of the river, upon the lands and people of the lower valley, and, unresisted, or inadequately opposed, spread destruction, desolation, and death. Out of the flood, plague, pestilence, and famine are left to garrison the melancholy sites of once happy homes and prosperous towns.

I believe in the Providence of God, the meaning of whose dispensations we may never perfectly know, that all affliction, all disaster, all calamity, whether to persons or nations, was designed to give mankind the lessons of experience. We know how swiftly travels bad news; we know it never failed to write its tragic story in the chronicles of men, preserving the treasures of experience for the heirs of all the ages.

I have thought this at the news of every flood on the Mississippi, as I did when the roaring waters wrought awful havoc in the Ohio Valley in the spring of last year. Had those Ohio torrents been joined to such floods from other parts of the Mississippi's drainage domain as have in recent years broken through the levees, there would have been disaster such as would have appalled the world.

> Sweet are the uses of adversity,
> Which, like a toad, ugly and venomous,
> Wears yet a precious jewel in his head.

Shakespeare did not need to say the "precious jewel" is experience. In the building of an adequate system of levees we have not only a common-sense dictated obligation to commerce and the general welfare, but a higher obligation, a moral obligation. We set out to improve navigation and to confine the waters in such way as to keep the channel unbroken, building levees and revetments. That is the business part of the proposition. Next is the moral obligation. No public work, however beneficent, should be undertaken and permitted that

does not guarantee that it shall be so constructed that property and life shall not be endangered thereby. The flood is the great enemy of progress to a large proportion of our people.

The Chinese built, more than a thousand years ago, a wall around the vast domain of their Cathay to fortify against their enemies. I would build a wall, if necessary, to hold the hostile floods where they would spend their might in dredging and scouring the bed of the Mississippi from Cape Girardeau to the deep waters of the Gulf, for within that extent of river reach, spreading from either bank, and subject to overflow, lie lands than which there is none richer in the world, none so near to profitable markets, none so versatile of production of necessities for the sustenance and luxuries for the enjoyment of mankind.

Much as this may mean for the future prosperity of the country, with the reclamation of the 16,000,000 acres of marvelously fertile lands that are subject to inundation, it is a minor consideration to the moral obligation of protecting lands already occupied, cultivated, and improved. Ever since the policy of annual appropriation was initiated there have been floods that have destroyed property and fortunes and lives worth more than all that has ever been spent upon the Mississippi.

We are appropriating this year, without an item in anticipation of hostilities with Mexico, $243,000,000 for our Military Establishment—$101,000,000 for the Army and $142,000,000 for the Navy. There is also $169,000,000 for pensions. The entire river and harbor bill, as it is pending, provides a little over $40,000,000, of which about $7,000,000 or $8,000,000 is for the Mississippi River. The amount given the Mississippi is less than we are spending for the construction of a single dreadnaught, or superdreadnaught for the Navy, a thing that with the advancement of naval war science and the achievement of genius in aeronautic invention, may in a year or two become obsolete and lapse into just so much for the junk heap. Levee fortification against floods is meant to endure, to save life and property from forces that will remain hostile while rains fall and waters flow.

With all our national boasting about our progress, when we are reminded of what we have done in recognition of the Mississippi River as a national institution, we must confess we are behind the advancement of other nations—nations inferior in wealth and resources. One city alone in the Argentine Republic, Buenos Aires, has just spent $83,000,000 improving her harbor, already nearly 25 feet deep, on the Rio de la Plata. On the same river, where it is half a hundred miles across, Montevideo, the capital of Uruguay, is spending $17,000,000 for harbor improvement. At Rio de Janeiro, where the harbor is one of the finest in the world, they have spent $100,000,000 for sanitation of the city and the land environing the harbor. And, strange as it may seem, the genius of our surgeons in Cuba and Panama taught them what to do to make their great ports immune from yellow fever. One hundred million dollars for preserving the health of one city in Brazil, and we doling a pittance to save life and property in the vast Mississippi Valley!

CHAMP CLARK.

The Swedish-American.

EXTENSION OF REMARKS

OF

HON. CHARLES A. LINDBERGH,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, July 10, 1914.

Mr. LINDBERGH. Mr. Speaker, at Ottumwa, Iowa, on June 24, 1914, Hon. C. O. LOBECK, a distinguished Member from Nebraska, made a speech on Swedish immigration to the United States. The speech, though brief, contains valuable statistics and information. It is certainly entitled to permanent record for use as reference. It is as follows:

"The Swedish-American, of whom I shall speak mainly to-day, has only been a factor in the immigration to our country for the past 65 years. The first important settlement in the United States during the nineteenth century was the Bishop Hill colony, in Henry County, Ill., 1845–46, and the Kassell settlement at New Sweden, Iowa, in 1846. It is true that in 1638 a Swedish colony was located on the west banks of the Delaware on the present site of the city of Wilmington, extending north to Trenton Falls. The Swedish settlers of that period lived peaceably with the Indians and prospered fairly well. Had Gustavus Adolphus, King of Sweden, lived, I have no doubt that he would have given the pioneers the support they needed, and their colony would have been a success. The succeeding Queen and King of Sweden were too busy attending to their European troubles to aid them, and the people of the colony could not defend themselves properly, and the settlements were taken over by the Hollanders. Their story is most interesting. They built churches and schools. The churches built by these pioneers still stand in Wilmington and Philadelphia, revered and protected.

"These Swedish colonists on the Delaware were a brave people, an industrious people, a peaceable people, and they lived in harmony with the Indian tribes with whom they neighbored. They believed that all men are created equal, so when the colonists declared themselves independent of British rule, we find among the signers of that noted document, the Declaration of Independence, the names of John Morten, of Pennsylvania, who had much to do with bringing Pennsylvania into the fold; John Hanson, of Maryland, another descendant of this Swedish colony, who during the time of the Revolution was one of the distinguished citizens of Maryland, and who was elected President of the First Colonial Congress in 1781. The State of Maryland has honored his memory by placing a bronze statute of him in the Capitol of the United States.

"Many instances are related of these pioneers and their descendants, and it is said that a man of Swedish ancestry rang the Liberty Bell when the Declaration of Independence had been signed, giving notice to the world that a new nation had been born and that a new era in the history of governments had had its commencement and destined to be the forerunner of a great nation, whose influence has been felt throughout other republics and the entire world.

"The descendants of this colony have made good and became leaders of thought wherever they located. In the Colonial States we find the names of the Bayards, of Delaware; the Swansons, of Virginia, who can trace their ancestry back to this settlement on the Delaware.

"I presume one of the reasons I am invited to speak here to-day is because years ago, in Illinois, my father had the good sense to propose to a Swedish lady, and like the good woman she was she showed her good judgment by accepting in marriage a man of whom any son might be proud. He was an honor to himself and a leader in every community in which they lived. For over 40 years he walked hand in hand with as pure a woman as ever lived. They lived among the Swedish-Americans, shared in the progress of these people, sympathized with them in their reverses, and rejoiced with them in their prosperity.

"The Swedish-American has been an important factor in the development of this Nation from the earliest history. From the very first history shows that the Scandinavian has been closely associated with America. History and tradition tell us that the Viking trod on America's soil. In every portion of this great Nation, from the Atlantic to the Pacific, from the Lakes of the North to the Gulf of Mexico, and from California to Alaska, the Swedish-American has made his presence felt. Not content with the United States, he has invaded Canada to the north, and I have been reading the later-day journals and in the daily press that even in far-off Asia the advice of Swedish engineers and skilled mechanics is being largely sought for.

"The sons and daughters of the north have a happy disposition, coupling therewith a quiet determination that brooks no resistance, and they succeed wherever they go.

"The history of Scandinavia is one of romance, poetry and rich literature, and of honest yoemanry and womanhood. A people loving peace, but brave in war; a people believing in freedom of thought and good government. To-day Sweden ranks as one of the leaders among the nations for good government, a monarchy in form, but a republic in its legislative and administrative functions.

"These people are careful tillers of the soil. Great mechanics, wood and metal workers, and their schools and universities are of the best. No wonder, therefore, when these people came to America to find and make a new home in a new country that they were manifestly fitted to take up this new work. The first farming settlements of Swedish-Americans in the last century were in the Bishop Hill colony, Ill.; the Andover settlement in Henry County, and in Victoria, Knox County, Ill.; and the Kassell settlements in Iowa.

"Later the settlements spread into other parts of Illinois, Iowa, and Minnesota until the Civil War in 1861. After the Civil War they extended their settlements into the Dakotas, Nebraska, Kansas, and the far West.

"The story of Bishop Hill colony is very interesting. These colonists were a great company, and, under the leadership of Eric Janson, withdrew from the State church in Sweden and decided to come to America, where they thought they would have more freedom to worship God in their own way. Most of these people came from the Province of Helsingland, Sweden. The journey to America, its long, tedious trip in sailing vessels across the Atlantic, and the journey through the States to western Illinois was a story of hardships we can scarcely understand to-day.

"The land on which they settled in Illinois was of the finest in the country, and the improvements made there by these pioneers and their descendants are of the highest class.

"A few miles west of this settlement was the village of Andover, settled by New Englanders in 1835. This village of Andover became historical in the history of the Swedish-American. My people arrived there in 1849 after a three-months' journey, having been seven weeks in crossing the Atlantic in a sailing vessel, the bark *Charles Tottie*. Arriving in New York, they proceeded on their way to their destination, via the Great Lakes to Chicago, from Chicago by canal to Peru, and thence by teams to their destination. I mention this fact because it was the best-known route at this time and used by immigrants until the railroads were built west to the Mississippi River.

"What these pioneer colonists and settlers suffered no tongue can tell; no language is adequate to express. For several years, from 1849 until 1854, Asiatic cholera played havoc among these people, leaving many motherless and fatherless families. In the company with which my mother's people came more than half of their number lost their lives from the dreaded disease.

"The first Swedish-speaking minister in the West was Rev. Jonas Hedstrom, of Victoria, Ill., coming from New York State in 1839 to the West several years before the Bishop Hill colony was located. He was an ordained minister in the American Methodist Church, but when the Swedish settlers came he began preaching in his native language. He was an able speaker, and with his familiarity with the English language, his charming personality, he was enabled to aid them in their struggles, in their privations, in their affliction by Asiatic cholera, finding homes for the orphans and homeless. He was a messenger of mercy, indeed, and he by overwork for his countrymen laid down the cares of life at an early age.

"In March, 1850, the first Swedish Lutheran Church in the West was organized by the Rev. L. P. Esbjorn in my parents' home. Rev. Esbjorn was an able man and an excellent organizer; he was helpful to the early settlers, and is lovingly remembered. The first Swedish Lutheran Church building west of the Alleghenies was built at Andover, and is still carefully and lovingly preserved by the descendants of these early pioneers. To this church Jenny Lind, the queen of song, gave a thousand dollars.

"The home in which I was born was built in 1836 under the orders of a Capt. Mix, living on Long Island, and the place was originally known as the Capt. Mix place, but later more familiarly known as the Lobeck home, and was the destination of many of the immigrants then coming to America. Being directed there because my father was able to speak several languages fluently, he therefore could be of assistance to the early pioneers.

"Time forbids my going into the details of these western settlements in Illinois, Michigan, Wisconsin, Minnesota, and the Dakotas, as well as Iowa, Nebraska, and Kansas. While the Eastern States did not receive a large percentage of the Swedish immigration from 1850 to 1880, most of the immigrants going west, since then the Eastern States have received a large immigration. Knowing this, I was not surprised when I read the census reports for 1910 and noted the wonderful increase. I find in 1910, according to the census reports, that there were in the United States Swedish population born in—

Sweden	665,207
Children born of Swedish parents or of one Swedish parent and other native	669,032
Total	1,334,239

Persons in the United States born in Sweden.

1850	3,559
1860	18,625
1870	97,332
1880	194,337
1890	478,041
1900	582,014
1910	665,207

	1910	1900	1890
NEW ENGLAND STATES.			
Born in Sweden	70,777	59,415	35,821
Natives born of Swedish parentage	55,697		
Total	126,474		
MIDDLE ATLANTIC STATES.			
New York, New Jersey, and Pennsylvania:			
Born in Sweden	87,719	74,175	51,935
Native Swedish parentage	72,551		
Total	160,270		

Persons in the United States born in Sweden—Continued.

	1910	1900	1890
EAST NORTH CENTRAL STATES.			
Ohio, Indiana, Illinois, Michigan, and Wisconsin:			
Born in Sweden	178,140	170,923	141,291
Native Swedish parentage	187,172		
Total	365,312		
WEST NORTH CENTRAL STATES.			
Minnesota, Iowa, Missouri, North and South Dakota, Nebraska, and Kansas:			
Born in Sweden	213,531	207,946	194,580
Native Swedish parentage	278,419		
Total	491,950		
SOUTH ATLANTIC COAST STATES.			
Delaware to Florida:			
Born in Sweden	2,984	2,131	1,797
Native Swedish parentage	3,081		
Total	6,065		
EAST SOUTH CENTRAL STATES.			
Kentucky, Tennessee, Alabama, and Mississippi:			
Born in Sweden	1,598	1,350	1,115
Native-born Swedish parentage	1,983		
Total	3,581		
WEST SOUTH CENTRAL STATES.			
Arkansas, Louisiana, Oklahoma, and Texas:			
Born in Sweden	6,463	5,684	3,605
Native Swedish parentage	10,038		
Total	16,501		
MOUNTAIN STATES.			
Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada:			
Born in Sweden	35,485	28,549	22,928
Native Swedish parentage	37,847		
Total	73,332		
PACIFIC STATES.			
Washington, Oregon, and California:			
Born in Sweden	68,510	31,841	24,969
Native Swedish parentage	52,244		
Total	120,754		

Population of the leading States.

	Swedish birth.	Native born.	Total.
NEW ENGLAND STATES.			
Massachusetts	39,562	28,908	68,470
Connecticut	18,208	16,296	34,504
MIDDLE ATLANTIC STATES.			
New York	53,705	36,532	90,237
Pennsylvania	23,467	28,218	51,685
EAST NORTH CENTRAL STATES.			
Illinois	115,424	114,709	330,133
Michigan	26,374	30,563	56,937
Wisconsin	26,956	29,647	56,603
WEST NORTH CENTRAL STATES.			
Minnesota	122,428	145,591	268,019
Iowa	26,763	39,432	66,195
Nebraska	23,219	35,267	58,486
Kansas	13,309	22,322	35,631
MOUNTAIN STATE.			
Colorado	12,446	12,968	25,414
PACIFIC STATES.			
Washington	32,199	23,884	56,083
Oregon	10,099	8,099	18,198
California	26,212	20,261	46,473

"I find these figures very interesting.

"With this short résumé of history comes the question, Has the Scandinavian made good in this country? Is he making good, and will he continue to make good in the future?

"He has made good.

"First, as a tiller of the soil. The Swedish pioneers coming to the West found a soil rich in nature; they had but little means,

working at such employment as they could get. They were in a strange country, hearing a strange language, everything strange and new; but with untiring and persistent energy they turned the virgin soil to the sun, sowed and planted the seed, and with such meager tools as they had at hand cared for it and waited until the harvest, and they prospered. When they came to this land they had little or no money with which to build homes, so they built the log cabin and the sod house, which sheltered them and their loved ones; but they were not satisfied with these rude types of shelter, and later built modern homes for their families and replaced the sheds with barns to provide comfortable shelter for their live stock and machinery. Their knowledge of mechanical tools was of great help to them. The traveler can tell the Swedish-American settlement by the high character of their improvements.

"In the mining and lumber industries they have prospered. The history of the great lumber camps of the Northwest would not be complete if the names of these Swedish-Americans were not mentioned.

"Go through the copper and iron mines of Michigan and Minnesota, the silver and gold mines of the Rockies and California, you will find that the Scandinavian miner is sought for because of his skill.

"As laborers in every line they have made good. They are intelligent, painstaking, careful, and industrious, and have proven themselves faithful employees. As to mechanics, the Scandinavian is a natural mechanic in metals, and as carpenters they are skillful, as cabinetmakers they are of the best. To-day the great construction firms of the country employ Swedish artisans of all kinds—engineers and draftsmen—because of their recognized ability in construction lines.

"If you will go through the manufacturing plants of the New England States, the Middle States, States like your own, in great cities, such as New York, Boston, Brooklyn, Pittsburgh, Cleveland, Chicago, Rockford, Rock Island, Minneapolis, Kansas City, and Omaha, you will note that the inventive genius of the Scandinavian is everywhere recognized. One of the greatest inventions of the age—the Brown corn planter—manufactured first at Galesburg, Ill., was invented by a Swedish boy on a farm near Galesburg. The first chilled-steel plow was the invention of Freeburg, of Moline, and the most valuable feature of the voting machine was perfected by Sjoberg, of Omaha.

"John Ericsson, who with Edison, Bell and Morse share honors with the inventors of all ages, was of Swedish birth, and was one of the greatest inventors of the nineteenth century. He excelled in inventive genius. I was reading a short time ago that he constructed the first locomotive that would make a mile a minute. The first successful application of steam to propel vessels was his invention. As a boy he constructed hydraulic pumps of all kinds. The first iron war vessel of our Navy—the *Michigan*—was constructed by him in 1841. This iron war ship still plies on the Great Lakes. The victory over the *Merrimac* in the Civil War by the *Monitor* is so well known by every schoolboy that I need not say that it was Ericsson's invention. His wonderful ideas have revolutionized the construction of the navies of the world. I might mention a great many more instances of the inventive genius of the Scandinavians, but time will not permit.

"EDUCATION.

"The education of the Swedish people is of the best, and every child endowed with common sense can read and write. The schools of Sweden are of high type. Its universities are recognized standards the world over, so it was but natural when they came to this country that they should send their children to American schools, where they could imbibe American patriotism and learn the language of their adopted land. They not only sent their children to American schools and colleges, but they have erected and endowed universities of their own throughout Illinois, Minnesota, Iowa, Nebraska, Kansas, and on the Pacific coast. And as I look over the names of the graduates of our world-renowned colleges, such as Harvard, Yale, and the others, I find the name of the Swedish-American in every branch of learning—the law, the ministry, and professions of various kinds. If you want to find a good mathematician, look for the Swedish-American. If you wish a high-class civil engineer, send for a Swedish-American. In fact, in every avenue of learning the Swedish-American has always been at the front in the march of progress.

"RELIGION.

"One of the greatest attributes to the success of the Swedish-American is the fact that they are a religious people. As a nation they stand high in the religious world. When they came to this country of ours they brought with them the Bible, the catechism, the hymn book, and the minister to preach them the teachings of the Nazarene; and we find throughout this land to-day their churches of all denominations, their homes for the homeless, the infirm, the old, little children, and their hospitals of mercy; and, I believe, according to their number, they are doing as great a work as any people in the land.

"MUSIC.

"The Swedish-American loves music, and through the country, in the large cities, in their colleges, they have their great musical choruses. They sing at their firesides as well as at public gatherings; and no nation has given better song to the world than Sweden; and Jenny Lind and Christine Nilsson enthused America with their charming voices.

"PATRIOTISM.

"The Swedish-American population of this country has proven true to the flag. He loves the Stars and Stripes. While naturally he cherishes the colors of old Sweden, yet he loves the flag of his adopted land more. I can remember when but a boy, and the call for volunteers came through the voice of the immortal Lincoln to go forth in battle that this country might be a united one, that the Swedish boy barely old enough to go, the Swedish man of mature years answered this first call and answered every call to preserve the Union. It is said that in Illinois one out of every five Swedes old enough joined the Army to defend the flag. Company C of the Forty-third Illinois, raised principally in my own home village, which I well recollect, sent its Nortons, Andersons, Klings, Ericsons, Petersons, and Carlsons. I knew personally many of them in the Fifty-seventh Illinois, under command of Capt. Forse and Capt. Eric Johnson; there were Swedish boys in the One hundred and twelfth Illinois (the Henry County regiment) and Silversparres Battery. Minnesota, under Col. Hans Mattson, sent hundreds to the front. No braver soldiers fought side by side with the sturdy German, the brilliant Irishman, the hardy Norwegian, and the native-born American at the Battles of Shiloh, Corinth, Murfreesboro, Vicksburg, Chickamauga, Resaca, Atlanta, and Nashville. They served under generals like Grant, Sherman, Thomas, Sheridan, and Rosecrans and the other great leaders.

"The story of the First Minnesota, in which Scandinavians took part in the memorable charge at Gettysburg will never be forgotten. Many of these brave men never came back to tell the story, but as we heard it from the lips of their comrades, we know they fought and fell as patriots—as Swedish-Americans can do. In the Navy, he did his work as a sailor, and directed his guns right under the orders of a Dahlgren, and Yankee Swanson was Admiral Farragut's right-hand man at the guns.

"AFTER THE WAR.

"When the Civil War was over and they came back to their homes, they adapted themselves to local conditions as farmers, merchants, and mechanics, and as true Americans helped make this country blossom like a rose.

"In the Spanish-American War they demonstrated that Swedish-American patriotism still lived, and did their duty as true soldiers; and at Vera Cruz, Eric Stream, of Brooklyn, gave his life in defense of his country.

"POLITICS.

"The Swedish-American is active in political lines, and we frequently find in the Northern and Western States, where they have been elected as city and county officials, members of legislatures, as State superintendents of public instruction, as Members of Congress, and as governors. They have ever exerted their influence for public good. I might here mention Gov. John A. Johnson, of Minnesota, who, had it not been for his untimely death, might have presided over the destinies of this Nation; and in these later days we have Gov. John Lind, of Minnesota, intrusted by the President of this great Nation with one of the most difficult and most delicate situations of the hour.

"MERCHANTS—MANUFACTURERS.

"As merchants and manufacturers they are of high class. Go through the manufacturing centers of our country and through the stores in our large and smaller cities, and you will find that the Swedish-American is well represented. Where 40 years ago scarcely a Swedish name was seen over a store or factory, to-day they rank among our merchant princes and great manufacturers.

"FINANCE.

"They understand finance, and in all towns to-day we will find they control successful banks. In the city of Chicago, among the Swedish-American banks one has deposits that run over $30,000,000.

"LITERATURE.

"In the newspaper field their presence is felt, and more than 150 Swedish-American papers and periodicals are entered into our post offices as mailable matter. Among the renowned writers I might mention the late lamented Enander; and to-day we find editors like Henschen, Schon, and others.

"SUMMARY.

"The Swedish-American people have become thoroughly American. After once coming here to live and make their home, and after breathing the fuller freedom, while they love to visit the 'fatherland' they have no desire to return to the northland across the sea.

"While I have told of the achievements of the Swedish-American, it is fair to state the opportunity he has had to show his ability. 'America is a land of opportunity.' No other nation in the New World has developed like the United States. In this country men and women have greater opportunity to make a competence than in any other land. When in the last century the Swedish immigrant came to our country the Central and far West was undeveloped—large areas of richest soil uncultivated, railways to build, cities to build, forests to fell, mines to develop—where he could use his muscle, his skill, and brain. When he first came the candle was in use; now electricity turns darkness into day. Morse had just completed his first telegraph instrument, and Washington and Baltimore were connected by wire. Now we send messages of love and business around the world by wire or wireless. Then no telephone, now a household necessity, for a Bell and Marconi solved the problem in our day and generation.

"Railroad construction then in infancy; now we have best-equipped and greatest railway system of the world. Then the stagecoach; now the Pullman coach. Then street cars drawn by horses or mules; now driven by electricity. The immigrant came by sailing vessel to our shores; now the palatial steamships cross the seas.

"Wagons were pulled by oxen or horses, a spring seat being a luxury. Now the automobile, in every form, glides swiftly along. The balloon has given place to aeroplane.

"The farm implement was then the hoe, spade, brush harrow, the sickle, and the flail. Since he came here the cultivator, the corn planter, the mower, harvester, and thresher, implements of every description for up-to-date gardening and farming have come into necessary use. To the farmer's door is now delivered news of the world by mail or wire. Then a letter cost 25 cents to mail. Every line of manufacture has the latest improvements or can not succeed. Cities have grown up like magic, and my Swedish friends have had the opportunity to assist in their development.

"I have spoken in my own way and manner about the achievements of the Swedish-American. But what about his future? I have the highest hope for the future of the Swedish-American in this Nation. Those of us who in the early days of the pioneers were only afforded limited means of education know that our sons and daughters will have better educational facilities and be better fitted to meet life than we were. Where there have been great merchants in the last 10, 20, or 40 years, there will be greater ones in the next decades; where there have been good farmers in the past, there will be better ones in the days to come; where there have been great banks, greater ones will take their places.

"As I look into the future, I see the Swedish-Americans, a great people, true to their adopted country, true to the stars and stripes, true to everything that will help elevate mankind. In a word, a great citizenship who will, under the providence of God, help make this the greatest Republic in the world, a prosperous Nation, a leader for better Government among the nations of the earth."

Tariff and Wheat Prices.

EXTENSION OF REMARKS

OF

HON. HALVOR STEENERSON,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, July 16, 1914.

Mr. STEENERSON. Mr. Speaker, during the debate on the Agricultural appropriation bill a few weeks ago I took occasion to discuss the relation of tariff to domestic prices of farm products, and especially to point out that in a commodity like spring wheat, of which we ordinarily produce only enough to supply the domestic demand, the home price usually exceeds the export price of similar grades by nearly the amount of the duty. I quoted figures tending to show that this premium over the export value of hard spring wheat, which had been paid to our northwestern farmers in the past, was due to the protective tariff, which excluded the spring wheat of western Canada from our markets. This premium, running as high as 24½ cents in some years, was almost entirely wiped out by the threatened Canadian reciprocity of 1911, and has since been greatly reduced by the Democratic tariff policy.

Since I made those remarks the discussion has continued, and our Democratic friends still insist that the Republican protective duties on farm products did not enhance their domestic price, and that this is proven by the fact that prices in 1914, after the Underwood law, are higher than in 1913, when the Republican law was in force. My colleague [Mr. HAMMOND], for instance, quotes prices at St. James, Minn., in his district, showing that March 7, 1913, corn was 36 cents per bushel, while March 6, 1914, it was 50 cents, and potatoes were worth 35 cents per bushel March 7, 1913, as against 75 cents per bushel March 6, 1914, and so through a long list of farm products, the duty on which has been either greatly reduced or entirely removed by the Underwood law. The argument deduced from this is not that the lowering or removal of the duty has caused the higher prices, but that it proves that local prices are independent of the tariff and rise and fall without regard thereto. Mr. HAMMOND says:

> It matters not to the farmer, when he hands his wheat to the elevator and receives his pay for it, whether that wheat remains in the United States or goes out of the United States, there is always a market somewhere for the staff of life.

He goes on to show that importations of potatoes under the new law were less last year than the year before under the old law, and argues from this that the tariff does not affect the market price here. The answer to this is that in a year when our domestic supply of spring wheat or potatoes is so large as to greatly exceed our demand, then his reasoning will apply, because then prices will tend to fall to an export basis; but whenever the domestic production is only about sufficient for the demand, then it will not apply, and domestic prices will tend toward the general or world prices, with cost of transportation and duty, if any, added.

To support the argument that the tariff has nothing to do with wheat prices, my colleague [Mr. HAMMOND] called attention to the fact that prices were higher in 1914 (crop of 1913) than the year before (crop of 1912). But to clear up the specific issue, the effect of the tariff on the price of spring wheat in the Northwestern States, we must take into account all the factors that go to influence prices, both local and general. The total wheat crop of 1913 was 524,000,000 bushels of winter and 240,000,000 bushels of spring, or a total of 764,000,000 bushels, whereas the crop of 1912 was 400,000,000 bushels of winter and 330,000,000 bushels of spring, or 730,000,000 bushels in all. It will be noticed that last year's spring-wheat crop was small and the year before it was the largest in history. I insert here a table of production:

UNITED STATES WHEAT CROP.

Final estimates of the wheat crop and acreage of the United States, by years, made by the Department of Agriculture, were (hundreds omitted in acreage and thousands in yield):

	Acres.			Bushels.		
	Winter.	Spring.	Total.	Winter.	Spring.	Total.
1913	31,699	18,485	50,184	524	240	763
1912	26,571	19,243	45,815	400	330	730
1911	29,162	20,381	49,543	431	191	621
1910	27,329	18,352	45,681	434	201	635
1909	28,330	18,303	46,723	446	291	737
1908	30,026	17,531	47,557	438	227	665
1907	28,405	16,800	45,211	409	225	634
1906	29,951	17,355	47,306	493	242	735
1905	29,983	17,872	47,854	419	273	693
1904	27,031	17,044	44,075	325	228	552
1903	32,510	16,954	49,465	402	236	638
1902	26,657	19,545	46,202	363	307	670

Figures for 1911 and 1910 revised to accord with census.

With such an extraordinary amount of spring wheat in 1912 it is plain that, as we could not use quite all but must export some, the price must fall to nearly an export basis, which it did, but that was only a temporary condition. I will also insert tables showing the prices at Winnipeg and Minneapolis, and ask my readers to compare the amount of the premium at Minneapolis over Winnipeg with the spring-wheat production

for those years in the United States, and it will show that when spring wheat is scarce in the United States the tariff has raised the price to the farmer nearly the amount of the duty, and when production has been the highest the premium has nearly disappeared. I have also cut from the Weekly Northwestern Miller the daily quotations in the principal wheat markets of the United States and Winnipeg for the three principal crop-moving months of October, November, and December for the years 1910, 1911, 1912, and 1913, and submitted them to the Department of Commerce to compute the averages, which I here insert:

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Washington, March 16, 1914.

Hon. HALVOR STEENERSON,
House of Representatives, Washington, D. C.

MY DEAR SIR: The clippings from the Northwestern Miller, showing quotations on wheat, which you submitted to the bureau several days ago, are returned herewith, together with a table giving average prices of December, May, and cash wheat for the last four months of 1910, 1911, 1912, and 1913, respectively, in the various markets specified.

* * * * * * *

Very truly, yours,

A. H. BALDWIN, *Chief of Bureau.*

Wheat prices.—Averages of closing prices of December, May, and cash wheat at the principal markets during the last three months of the years specified in cents per bushel.

[Compiled by the Bureau of Foreign and Domestic Commerce, Department of Commerce, from quotations published in the Northwestern Miller.]

	Minneapolis.	Duluth.	Chicago.	St. Louis.	New York.	Kansas City.	Winnipeg.
December wheat:							
1910	102.81	104.32	92.41	94.18	99.32	91.04	92.15
1911	105.12	104.79	96.28	96.47	100.60	98.66	95.72
1912	84.32	84.52	88.38	90.28	96.10	83.31	82.77
1913	82.98	83.61	86.625	88.07	95.45	81.78	82.11
May wheat:							
1910	106.47	107.91	97.74	98.785	104.22	95.12	96.02
1911	109.12	108.40	101.22	101.02	105.58	100.76	99.04
1912	89.38	89.28	93.52	94.37	99.88	88.04	87.28
1913	87.665	88.09	90.74	91.88	98.08	86.85	87.66

	No. 1 northern.			No. 2 hard.	No. 2 red.	No. 2 hard.	No. 2 red.	No. 1 northern.
	Minneapolis.	Duluth.	Chicago.	St. Louis.	St. Louis.	Kansas City.	Kansas City.	Winnipeg.
Cash wheat:								
1910	104.53	104.67	107.08	97.03	97.87	94.665	95.07	94.35
1911	105.83	105.10	109.55	103.87	97.73	102.97	97.92	98.33
1912	85.26	85.12	90.09	90.41	106.72	86.56	101.30	84.75
1913	84.83	85.19	89.66	89.40	93.95	85.61	89.29	82.37

I invite comparison particularly to the prices in Minneapolis, Winnipeg, and New York, bearing in mind that if we are on an export basis the New York price ought to be at least 15 cents per bushel higher than Minneapolis, for it costs that to haul the wheat to the seaboard. It should also be borne in mind that the Winnipeg price means wheat delivered in elevator at Port Arthur or Fort William on Lake Superior, and that it is on a parity with wheat in elevator at Duluth, so far as reaching the foreign market is concerned. The Winnipeg grades are a little stiffer than the Minnesota grades, so that when the price is the same at Minneapolis, Duluth, and Winnipeg, it is really lower by a cent or two at the latter place, because the wheat called for is a little better than what would pass in Minnesota.

I submit that an examination of the figures in these tables will convince any open-minded person of the correctness of the claim that we Republicans have made—that the duty on wheat has in the past enhanced the farm price of spring wheat by a premium of from 1 to 24 cents and on the average by about 12 cents per bushel. The same reasoning will apply to barley, rye, oats, flax, and other grains, as well as to potatoes. I contend further that the present Democratic tariff is nearly useless for protection so far as wheat and potatoes are concerned. The present law, as I stated in my first remarks, places wheat and potatoes on the free list, with a clause that 10 cents a bushel shall be imposed on wheat from any country imposing a duty on our wheat, and 10 per cent ad valorem on potatoes coming from a country that imposes a duty on our potatoes. This so-called countervailing duty can be removed at will, without notice, by any foreign country that chooses to do so by simply enacting that our wheat and potatoes may come in free into that country. This makes it uncertain how long the duty will remain; and a miller who buys a supply of wheat for future manufacture must make allowance for this uncertainty, and hence a lower price will prevail. In this manner even the slight benefit that the farmer might otherwise derive from these low duties is almost entirely taken away.

Minneapolis and Winnipeg prices and the advance of Minneapolis over Winnipeg prices, page 97 of Senate Document No. 849, Sixty-first Congress, third session, being message from the President of the United States transmitting, in response to Senate resolution of Feb. 23, 1911, a report from the Tariff Board relative to various commodities named in the proposed Canadian reciprocity measure.

	Minneapolis prices.	Winnipeg prices.	Difference.
1905.			*Cents.*
January	$1.13⅞	$1.00	13⅞
February	1.16	1.01¾	14¼
March	1.11	.92⅜	18⅝
April	1.09	.91½	17½
May	1.15½	.91	24½
June	1.10½	1.01⅜	8½
July	1.09½	1.07½	2
August	1.09½	1.01	8½
September	.82⅝	.77½	5⅛
October	.84⅛	.77	7⅛
November	.84⅜	.77½	7½
December	.87¼	.76⅜	11½
1906.			
January	.83½	.76½	7⅜
February	.82⅜	.76⅜	6⅛
March	.75½	.72½	2½
April	.80⅜	.78⅛	1⅝
May	.82½	.79⅜	2⅛
June	.84⅜	.83⅛	1⅛
July	.78⅜	.79½	1⅛
August	.75	.74½	½
September	.70¾	.72	2¼
October	.76½	.75½	1
November	.80	.73⅜	6⅝
December	.81	.73⅛	7⅞
1907.			
January	.79⅝	.72½	7⅛
February	.84⅜	.75½	8⅞
March	.81⅜	.75½	5⅞
April	.82½	.77	5½
May	.99⅜	.87⅜	12
June	.99⅜	.89⅛	10⅜
July	.99	.91⅛	7⅞
August	.95⅜	.89½	6½
September	1.07½	1.02	5½
October	1.17	1.13	4
November	1.03	1.02	1
December	1.08	1.05⅜	3⅛
1908.			
January	1.10⅜	1.08⅜	2
February	1.04	1.06	2
March	1.07½	1.09½	2½
April	1.00	1.01	⅛
May	1.08⅜	1.14½	5⅛
June	1.09	1.05½	3½
July	1.15⅜	1.04⅞	10⅝
August	1.23	1.06½	16⅜
September	1.02⅜	.98½	4⅜
October	1.02⅝	.98	4⅝
November	1.08½	1.03¾	4¾
December	1.06¾	.97½	9¼
1909.			
January	1.07⅜	.99¾	7⅝
February	1.12½	1.07	5½
March	1.16	1.10⅛	5⅞
April	1.26⅜	1.23¼	2⅛
May	1.29½	1.23	6½
June	1.34½	1.31	3½
July	1.31⅛	1.30	1⅛
August	1.37½	1.13	24½
September	1.01⅛	1.00½	⅝
October	1.03½	.99⅜	4⅛
November	1.66⅜	.98½	8⅞
December	1.13½	.98½	14½
1910.			
January	1.15½	1.04	11½
February	1.14	1.02½	11½
March	1.14	1.04	10
April	1.11½	1.03½	8
May	1.11	.97½	13⅜
June	1.05	.89⅜	15⅝
July	1.25½	1.17⅜	7⅜
August	1.15⅜	1.05¼	9¼
September	1.11	1.05	6½
October	1.07⅜	.98⅛	8⅞
November	1.04⅜	.91½	12⅞
December			

Relative to the pending tariff bill and its probable effect upon wheat prices, Secretary John G. McHugh, of the chamber of commerce, has issued a statement giving the comparative prices for Minneapolis, Duluth, and Liverpool wheat, which shows, Mr. McHugh said, that the prices ruling in Minneapolis and Duluth are not made in Liverpool. The table follows.

Comparative prices of wheat.

First trading day	Minneapolis, No. 1 northern, delivered.	Duluth, No. 1 northern, track.	Liverpool. Future.	Liverpool. England, current prices.	Liverpool. United States equivalent.	Approximate cost to take wheat in store, Duluth, and deliver in store at Liverpool.
1910.				s. d.		Cents.
Jan. 3	113 -114	114	March	8 2½	117½	24
Feb. 1	113 -114½	112⅜	...do	8 4	120	24
Mar. 1	114 -115½	115⅜	...do	8 1⅜	117½-117⅜	24
Apr. 1	115 -116½	115⅝-115⅞	May	8	115⅞-116	24
May 2	108⅝-110¼	107⅜	...do	7 2⅜	103⅝-104	18
June 1	105½-107½	104⅜-105⅞	July	6 4½	91⅜	18
July 1	113 -115	116	...do	6 9½	97⅜	17
Aug. 1	117	119⅜	October	7 3½	105½-105⅝	17
Sept. 1	112⅜-113⅜	113⅜	...do	7 6⅜	108⅜	19
Oct. 1	109⅝-109⅞	109½	...do	7 2½	104⅝-104⅞	20
Nov. 1	101 -102	102	December	6 10⅜	99⅜- 99½	21
Dec. 1	105½-106	104⅜	...do	6 10	98⅜	22
1911.						
Jan. 3	106½-107½	106⅞	March	7 2	103⅛-103½	24
Feb. 1	103 -104½	104½	...do	7 ⅜	101½-101⅝	24
Mar. 1	96 - 97½	94⅞	...do	6 9½	97⅛	24
Apr. 1	92⅝- 93⅝	93	May	6 6⅛	94⅛- 94⅜	24
May 1	98 - 99½	99⅛	...do	6 10⅜	99⅛	18
June 1	97½- 99½	98⅛	July	6 10⅜	99⅛	18
July 1	97⅛- 98½	97½	...do	6 10⅜	99⅛	17
Aug. 1	103⅛-104½	104	October	6 10⅜	99⅛	17
Sept. 1	102½-105½	105⅛	...do	7 2½	97⅞- 97⅛	19
Oct. 2	107⅜-108⅛	108¼	...do	7 4½	105⅜	20
Nov. 1	106 -106⅝	106⅝	December	7 4	105⅝	21
Dec. 1	102½-102⅞	101¼	...do	7 2⅜	103⅞-104	22
1912.						
Jan. 2	107¼-108½	107	March	7 4⅜	106⅜	25
Feb. 1	106½	105⅞	...do	7 7⅛	110½	25
Mar. 1	108½-108⅞	107½	...do	7 11⅜	114⅜-114½	25
Apr. 1	107	107	May	7 10⅜	113⅛	25
May 1	113⅜	114½	...do	7 11⅜	114½	21
June 1	112½-112⅞	113⅜	July	7 7⅜	109⅜	21
July 1	110⅜	111⅜	...do	7 7⅜	110⅜	21
Aug. 1	108½-108½	106⅛	October	7 4½	106½-106½	21
Sept. 3	88⅜- 89½	91¼	...do	7 7½	109½-110	24
Oct. 1	86½- 88⅜	88½	...do	7 8½	111	25
Nov. 1	85 - 86⅜	86⅜	December	7 7½	109¾	28
Dec. 2	80½- 82⅜	80⅜	...do	7 2⅜	103⅞-104	28

When the Ship Goes Down—Liability of Vessel Owners for Losses at Sea.

EXTENSION OF REMARKS

OF

HON. JAMES W. BRYAN,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, July 14, 1914.

Mr. BRYAN. Mr. Speaker, under authority granted by unanimous consent I extend in the RECORD the following article, which is well worth the careful consideration of every Member of this House:

WHEN THE SHIP GOES DOWN—LIABILITY OF VESSEL OWNERS FOR LOSSES AT SEA.

[Thomas I. Parkinson, Columbia University.]

If a New York-Chicago "flyer" leaves the track and plunges to destruction, carrying to death or personal injury its passengers and crew, our laws, both State and Federal, provide that the victims—the injured and the dependents of the killed—may recover their full damages out of the general assets of the railroad company. The railroad carrier is an insurer of the traveler's safety, and this fact is largely responsible for the economic argument in favor of railroad "safety first" campaigns.

What would now be said of an act of Congress providing that the liability of the company, if any, should be limited in amount to the value of the wrecked train as it lay at the bottom of the embankment plus the amount of the ticket money paid by its passengers?

Impossible as such a rule seems when applied to carriage by land, it states precisely the effect of the shipowner's limited liability laws enacted by Congress and constantly applied by our admiralty courts. For the frightful loss of life and property involved in the wreck of the *Titanic* the liability of the owner, under our laws, is limited to $90,000. This sum represents the amount of the pending freight money for the fatal voyage. Under the English law the owners of the *Titanic* are liable for nearly $3,000,000.

Victims of this disaster sought to have our courts apply the English rule in determining the amount of the owner's liability, and secured a ruling to that effect by Judge Holt in the district court; but the Supreme Court of the United States, in an opinion handed down May 25, declares that whenever our courts are resorted to for a remedy in such cases the limited liability rules established by Congress will be applied. Therefore, until Congress acts by repealing or amending these rules claimants in our courts can recover damages for ship accidents only to the extent of the value of the wreck and the pending freight. This is true even though, as in the *Titanic* case, the owner is liable, under the laws of the country whose flag the ship flies, for a much greater amount.

Briefly stated, our law provides that if the owner surrenders the wrecked vessel and pays into court the pending freight he is relieved from all further liability. If the vessel is lost, he is obliged to pay only the pending freight. Insurance money payable to the owner for the loss of the ship is not available to the damage claimant. Therefore, where the vessel is lost or seriously damaged there can be no substantial recovery.

These rules are applied as well to inland river and bay navigation as to the Great Lakes, coastwise, and foreign trade. There is no need for further illustration of their operation. They are simple and subject to almost no exception. Their effect is to leave passengers, crew, and shippers without redress for losses by accident unless they have the foresight to insure themselves.

The laws of the United States are not peculiar in limiting the owner's financial responsibility. Practically all maritime nations have adopted the limited liability principle. It is a principle of public policy. The early Roman and common law knew no such limitation. It was developed in the Middle Ages and had become the settled law of continental Europe even before its incorporation in the Napoleonic Code of 1808. It was incorporated from an earlier statute into the English merchant shipping act of 1854. It was adopted in this country in 1851 by an act of Congress obviously based on the English statute, and it has been perfected as an instrument for the protection of the shipowners by subsequent amendment and judicial interpretation.

Though the principle of limited liability is now universally accepted, there are important differences in the nature of the limitation and its amount. Our laws are substantially in accord with those of France and Germany in permitting the owner to abandon the vessel and thereby escape all further financial responsibility. Great Britain, though limiting the owner's liability, early developed the rule that the limit should be the value of the vessel before the accident.

The importance of this rule may be appreciated when it is applied to a case like the *Titanic*. The value after the accident was nil; the value before the accident, in the neighborhood of $10,000,000. In 1682 England adopted a rule more definite, more easily applied, and at the same time more favorable to the owner, viz, that the liability should be limited to a fixed sum per registered ton of the vessel. Under this rule the owner is liable for £8 or £15 per ton of the vessel's tonnage, according to whether claims are for loss of property or for loss of life, or both.

Though our act of Congress was modeled on the English laws, its language was sufficiently different to justify our admiralty courts in interpreting it as limiting the owner's liability to the value of the vessel after the accident rather than immediately before. The result is that, under our law, the fate of the vessel practically determines whether claimants recover any substantial damages. Under the English law the owner's liability is not defeated or even affected by the fact that the ship itself is no longer available for the satisfaction of damages.

If a great shipowning country like England finds it wise policy to impose such substantial liability for losses at sea, it is difficult to understand why the United States, furnishing passengers and cargo rather than ships, should provide such comparatively inadequate financial responsibility to secure redress to shippers and the traveling public. The late Senator Rayner, in addressing the Senate on the occasion of the presentation of the *Titanic* report, said:

"No matter how many suits are brought in the State court, no matter how many suits may be brought in the Federal courts, the owners of that ship, no matter how able they may be financially to answer in damages, can go into the Federal courts, sue out an injunction, have a trustee appointed, bring the ship if it exists—of course, in this case the ship is gone—bring pending freight into court, and escape all liability whatever for injury to passengers, for injury to goods, or for any cause whatever.

"That is the statute that is now upon the statute books of the United States. It ought to be repealed or modified. There is no reason on earth why it should continue. When it was passed it was thought to afford an invitation to shipowners to take to the sea and risk the hazardous character of the adventure, but I apprehend there is no more danger on the sea now than there is on land; and if these statutes are not repealed there certainly ought to be some modification of them."

OLD LAWS—NEW CONDITIONS.

We are at present scrutinizing ancient rules of law and testing them from the point of view of their effect in operation as securing justice to the individual. Does this limited liability principle operate to secure substantial justice? Are modern conditions the same as those under which it was first developed? At that time shipping was generally carried on by merchants or independent owners. A single ship frequently represented an owner's entire business investment and limited liability was an encouragement to venture in the hazardous business of navigation.

Much of our modern shipping is carried on by extensive corporations, such as the North German Lloyd, Hamburg-American, and the International Mercantile Marine. These companies frequently invest heavily in a single ship, but that ship seldom represents a very large part of their entire capital. The loss of a ship like the *Titanic* is, of course, a matter of serious concern, but it does not involve the extreme hardships to which the loss of his single vessel subjected the owner in earlier times.

Moreover, the hazards of navigation have been greatly reduced through governmental activity in improving harbors, removing obstructions, marking channels, placing signals, making accurate charts, patrolling ice fields, and destroying derelicts. Wooden sailing vessels have been replaced by modern steamships. Voyages which took months have been reduced to days. General use of wireless telegraph, submarine signals, prescribed lanes, and the increase of speed bring steamships into closer communication and give to the shipowner a control over his vessel which, in so far as the prevention of accidents goes, is equivalent to that exercised by the operating department of a railroad over its moving trains. It can no longer be said that the control of the shipowner ceases when the vessel passes beyond the horizon.

These circumstances suggest for serious consideration the desirability of repealing the special privilege enjoyed by water carriers as compared with carriers on land. If repeal be unwise or impossible, it is at least possible and seems desirable to modify these laws as now applied in the United States so that, irrespective of the value of the vessel after the accident, there may be some substantial fund to which claimants may have recourse.

The adoption by Congress of the English rule has been advocated by the limited liability committee of the Maritime Law Association of the United States. The committee declares the change essential to work justice to the owner as well as to the passenger. Their report says:

"A fixed rate per ton furnishes the nearest practicable approach to equality of responsibility among all vessels in performing similar services and for damage claims incurred in performing them."

This recommendation has not been urged upon Congress, and there are no bills pending to carry it into effect.

Conflict of varying rules, resulting from the fact that vessels enter territorial waters and become subject to the jurisdiction of several different nations, suggests the desirability of adopting by international agreement a uniform rule governing the nature and amount of the owner's financial responsibility, just as the London conference recently prepared such an agreement as to rules governing the construction, equipment, and operation of vessels in the interest of increasing safety at sea.

THE INTERNATIONAL AGREEMENT.

The problem has already received consideration at several diplomatic conferences, and a tentative draft of an international convention which substantially adopts the English rule has been prepared. It was expected that another international conference dealing with this subject would be held in Brussels in September, 1913, and an appropriation was made by Congress to pay the expenses of delegates representing the United States. Congressman MONTAGUE, of Richmond, Va.; Edwin W. Smith, Esq., of Pittsburgh, Pa.; and Judge Ward, of the Circuit Court for the New York District, were named as delegates from this country. The conference was postponed, however, and has not yet been held.

Prior to the conference an effort ought to be made to develop a public opinion respecting the questions of policy involved in reaching an international agreement. The interests not only of the shipowner and the cargo, but of the traveling public as well, should be represented. Agreements involve compromises. If the United States, Great Britain, France, and Germany, along with the other maritime nations, are to reach an agreement as to the rule which should in future be applied in cases like the *Titanic*, it is obvious that the position of the United States must be either to help France and Germany to compromise England down to the lower limit provided by these continental countries or to help England to compromise Germany and France up to the higher limit provided by the English law.

POLICY OF THE UNITED STATES.

If our delegates are to exercise any influence upon the terms of an international agreement they must fix upon a policy which the United States as a nation deems just and desirable from the point of view of owners, shippers, and passengers. Who is to determine what the policy of this country should be? Are our delegates to assume that existing acts of Congress represent our policy on this important subject, or is the State Department to determine the matter and instruct our delegates irrespective of existing acts of Congress?

Of course, there will be ample opportunity for full discussion of the terms of any agreement when it is submitted to the Senate for confirmation; but an intelligent discussion of the subject by Congress and the general public prior to the formulation of such an agreement seems desirable.

We have no Federal legislation fixing the liability of the shipowner for injury to or the death of a member of his crew. Under the rules applied by our admiralty courts the right of the seaman or his dependents to recover for his injury is extremely limited. The injured seaman is entitled to "maintenance and care, at least during the continuance of the voyage." After the termination of the voyage the disabled seaman or his dependent family can recover nothing for loss of earning power or support except in cases of actual negligence on the part of the owner, for the owner is not liable for the negligence of the master or crew.

Even in cases of the owner's actual negligence the claim of the seaman or his dependents is subject to the limitation of liability laws which permit the owner to abandon the ship to the claimants, and thereby escape personal liability. This means in cases of wreck that even where there is a right to recover there is no substantial recovery. In the *Titanic* case, for example, any judgment recovered by the crew or their dependents shares with other claimants the $50,000 to which, under the United States law, the owner's liability is limited.

Compare this with the laws of England, France, and Germany. In these countries seamen and their dependents are provided for in the workmen's compensation laws. The injured seaman or his dependent receives compensation irrespective of the circumstances under which the injury occurred, and also without regard to the limitation of liability enjoyed by the shipowner as to other claims.

Several bills providing a system of workmen's compensation for employees engaged in interstate transportation by land have been introduced in Congress, but none of these has provided for compensation for employees engaged in interstate or foreign transportation by water. Transportation by water is specifically referred to in but a few of our State compensation acts, and it is not yet settled how far this industry is within the scope of these acts, particularly as to injuries occurring outside of the State.

FEDERAL COMPENSATION.

The attorney general of the State of Washington has ruled that the compensation act of that State does not apply to vessels plying on navigable waters having an outlet to other States even though such vessels be engaged solely in intrastate commerce. Whether or not the State acts apply there can be no doubt that a uniform Federal rule is as desirable in the case of employees engaged in interstate transportation by water as in the case of employees engaged in interstate transportation by land.

It is difficult to obtain any statistics of accidents to seamen, but it is a matter of common knowledge that injuries to this class of labor are of frequent occurrence. In 1906, according to the report of the Census Bureau, there were 37,321 vessels of 5 tons or more operating under the United States laws. These vessels employed 140,929 persons, with an aggregate pay roll of $71,636,521. The figures for the last census are not as yet available.

Judge Alexander, for the House Committee on Merchant Marine, recently introduced a bill extending the jurisdiction of the Interstate Commerce Commission to water carriers engaged in foreign and interstate commerce, including our coastwise, Great Lakes, and inland river trade. This legislation, if enacted, will probably be a stepping stone toward the application to all transportation under Federal control of regulatory legislation affecting any part of such transportation unless clearly inapplicable. Irrespective of such a development, however, there is immediate need for Federal legislation extending the existing Federal employer's liability acts (or, if they be passed, the interstate railroad workmen's compensation acts) to employers engaged in interstate and foreign commerce by water.

If Congress passes a workmen's compensation act covering seamen, the problem of shipowner's liability so far as members of the crew are concerned will be entirely and satisfactorily solved. Under the English workmen's compensation act the shipowner is liable to the full extent of his resources for the limited sums provided in the schedule of compensation. Such an act in this country would dispose of all questions as to the nature, extent, and amount of the shipowner's liability. Instead of being limited to the amount provided by the forfeiture of a stated sum per registered ton or derived from the sale of the wreck and the collection of pending freight the seaman or his dependents would be entitled to recover from the general assets of the owner the compensation which the act provided for his case.

ACCIDENT INSURANCE.

This would result in making the owner's liability for injuries to his seamen a matter for insurance and would probably result, as it has done in the case of other employees, in forcing the owner to keep his seamen insured for the full amount of the compensation provided by the act. This is the fairest, most economical, and in the long run most satisfactory method of dealing with the owner's responsibility for injuries to his seamen.

Sick and disabled seamen are provided with care and treatment by the United States Marine Hospital, for which Congress appropriates nearly $1,000,000 annually. Formerly shipowners were required to contribute to the support of the hospital and were permitted to deduct the amount of the contribution from the seamen's wages. Later a tonnage tax was levied for its support, but now it is maintained solely by Government appropriation. This institution is excellent as far as it goes and may well form a precedent for the establishment of Government hospitals for sick and injured in other lines of industry; but it takes no account of loss of earning power or of support to which injury and death subject seamen and their dependents.

The freedom from personal or unlimited responsibility for his own and his agents' negligence enjoyed by the shipowner under our laws is not confined to his position as a carrier of passengers and an employer of seamen. The common-law exemptions from liability, such as an act of God or a public enemy, have been so expanded by our acts of Congress, and particularly by the Harter Act, that the owner is now under little or no liability for cargo losses. Not only is his liability for such losses limited in amount, but in the ordinary case he is entirely exempted from any responsibility for the loss.

These exemption laws and their development form one of the most interesting and important chapters in our admiralty law. A brief quotation from the hearings of the Senate Commerce Committee on Senator Nelson's bill to amend the Harter Act indicates the present state of these laws:

"The effect of the Harter Act has been constantly burdensome to American shippers ever since its enactment. The full force of its provisions has been made conclusive by court decisions. In practically all cases of damage or loss, whatever the actual facts may be, it is almost impossible to show that the shipowners have not used due diligence to make the vessel seaworthy and properly manned, equipped, and supplied, and it is almost always possible for the shipowners to allege, for the purpose of escaping liability, that the accident was due to faults or errors in navigation or in the management of the vessel."

Before the same committee Howard S. Harrington, a New York admiralty lawyer, said:

"I should like to say a word from the standpoint of a practicing lawyer to whom an American cargo owner comes whose cargo has been shipped on the vessel and the vessel has gone on the strand, and she, with her cargo, is a total loss in many instances as a result of gross negligence, and he asks what recovery he has. Under the existing state of law, with the Harter Act in force, we have to advise him that he has practically no recovery whatever."

READJUSTMENT OF LIABILITY LAWS.

Like the limited-liability laws, these exemptions from liability laws apply to all claims for damages made in our courts whether the vessel be American or foreign and whatever the nationality of its owners.

The readjustment of our laws respecting the owner's liability for cargo losses may safely be left to the shippers. But the readjustment of laws fixing the owner's responsibility for injuries to passengers and members of the crew calls for intelligent public discussion and organized public opinion.

The legislative changes suggested by the conditions described may be summarized as follows:

1. An amendment to our limited-liability laws similar to the English rule, increasing the owner's liability so that where the owner is liable the persons to whom he is liable may have recourse to some substantial fund irrespective of the condition or value of the vessel after the accident.

2. The enactment by Congress of a law authorizing the district courts in admiralty to entertain actions to recover damages for death, so that our admiralty courts may not in future be dependent, as they are now, on the existence of such laws in the State or country to which the ship belongs in order to give redress in death cases. Under our present Federal law the old common-law rule that an action dies with the person still obtains, and it is only by applying the State or foreign law that our admiralty courts can take jurisdiction of an action for damages for death at sea.

3. An amendment of the Harter Act decreasing the owner's exemption from liability for cargo loss.

4. The extension of the Federal employers' liability laws or future interstate railroad workmen's compensation laws to seamen on vessels in foreign, lake, coastwise, and inland river trade.

These extensions of the owner's liability, besides doing justice to passengers, shippers, and crew, would in all probability have an important indirect effect in preventing accidents at sea. Until a short time ago we were taught to believe that transportation on the water was comparatively safe compared with transportation on land. Lately a large number of serious accidents, involving great loss of life, have impressed upon us that there is much to be done to increase safety at sea.

Considerable attention has been devoted to the problem of increasing safety by governmental regulations respecting the construction, equipment, and operation of vessels. Senator LA FOLLETTE's bill, directed particularly to improving the condition and efficiency of seamen, has been passed by the Senate and is pending in the House. The London conference has prepared a code of rules, which are recommended to maritime countries for adoption. The House Committee on Merchant Marine has introduced a bill based on this code.

No consideration seems to have been given, however, to the possibility of contributing to this safety movement by increasing the owner's financial responsibility for accidents when they occur.

The movement for prevention has been tremendously advanced by the employer's realization of the economic advantage to him of prevention and the economic cost of accidents. It is not probable that increased liability on the part of the shipowners will result in increased efforts on their part to devise ways and means of preventing losses. However effective governmental regulations may be, it can not be so successful as the concerted efforts of the owners to conserve their own property.

No one accuses the owners of deliberate carelessness in exposing the traveling public to unnecessary danger, but there is good reason to believe that the owner's active and positive attention to the safety of his passengers will increase in proportion to increases of his financial liability for the damages suffered by them in case of accident.

Mr. Speaker, in referring editorially to the preceding article the editor of the Survey says:

The loss of the *Titanic* aroused public interest in the general subject of safety at sea. The recent decision of the United States Supreme Court that the liability of the owners of the *Titanic* for damages to the victims of that disaster is limited to the sum of $90,000, whereas their liability under English laws is in the neighborhood of $3,000,000, has directed attention to the present state of our limited liability laws in admiralty.

In all the thousands of bills introduced in Congress since the *Titanic* disaster none provides for placing on shipowners a substantial liability to answer in damages for losses occurring by accident at sea.

The editor of the Survey, when he wrote that comment, had not had called to his attention House bill 12807, introduced on February 2, 1914, by myself and referred to the Judiciary Committee, as follows:

A bill (H. R. 12807) relating to the maintenance of actions for death or injuries on the high seas.

Be it enacted, etc., That every person, firm, or corporation engaged in transporting of passengers or freight by water, or who shall own or operate any vessel or sailing craft on the high seas, Great Lakes, or any navigable water of the United States within the admiralty jurisdiction of the United States and out of the jurisdiction of any particular State, shall be liable in damages to any person suffering injury while such person is employed on any such vessel, or is a passenger thereon, or is on or upon any such vessel under any other conditions, or in case of death of any such employee, passenger, or person, to his or her personal representative, for the legal benefit of the surviving widow or husband or children of such person; and if none, then of such employee's parents; and if none, then of the next of kin dependent upon such employee, for such injury or death resulting in whole or in part from the negligence of any of the officers, agents, or employees of such person, firm, or corporation, or by reason of any defect or insufficiency due to its negligence in its engines, appliances, machinery, works, boats, wharves, or equipment.

SEC. 2. That in all actions hereafter brought against any such person, firm, or corporation under or by virtue of any of the provisions of this act to recover damages for personal injuries to an employee, or where such injuries have resulted in his death, the fact that the employee may have been guilty of contributory negligence shall not be considered.

SEC. 3. That in any action brought against any such person, firm, or corporation under or by virtue of any of the provisions of this act to recover damages for injuries to or the death of any of its employees, such employee shall in no case be held to have assumed the risks of his employment to prevent or limit recovery.

SEC. 4. That any contract, rule, regulation, or device whatsoever, the purpose or intent of which shall be to enable any such person, firm, or corporation to exempt itself from any liability created by this act, shall to that extent be void: *Provided*, That in any action brought against any such person, firm, or corporation under or by virtue of any of the provisions of this act, such person, firm, or corporation may set off therein any sum it has contributed or paid to any insurance, relief benefit, or indemnity that may have been paid to the injured employee or person entitled thereto on account of the injury or death for which said action was brought.

SEC. 5. That no action shall be maintained under this act unless commenced within two years from the day the cause of action accrued, or within two years from the death of the decedent, unless during that period there has not been reasonable opportunity for securing jurisdiction of the vessel, person, firm, or corporation sought to be charged: *Provided, however*, That after the expiration of a period of two years from the decedent's death the right of action hereby given shall not be deemed to have lapsed until 90 days after a reasonable opportunity to secure jurisdiction has offered.

SEC. 6. That any receiver or receivers of any person, firm, or corporation liable under this act may be sued under the provisions of this act without first obtaining the consent of any court under whose jurisdiction such receivers may have been appointed.

SEC. 7. That nothing in this act shall be construed to abridge the rights of suitors in the courts of any State or Territory to a remedy given by the laws of any State or Territory in case of injury or death from injury received on the high seas or elsewhere.

SEC. 8. That the personal liability of any shipowner or person sued under this act shall not be subject to any form of limitation on account of the provisions of Congress or general admiralty law as to limiting liability of shipowners.

This bill is based on the employers' liability law as applied to common carriers by railroad, and, if enacted into law, would give adequate relief to any persons or their dependents in case of injury or death at sea. I do not know how it could be made better, except by a modern workmen's compensation act requiring all owners of vessels flying the American flag to pay a certain set sum, properly proportioned, into a fund for immediate payment by a commission or one of the departments at Washington for injuries sustained, just as quickly as they could be reported and proofs submitted. We will come to that, but the country as a whole has not attained that degree of civilization yet. The State of Washington, for instance, has, but it will take 10 years, probably, for Uncle Sam to get the idea.

The present shipowners' liability laws are absolutely unconscionable. They were, in the main, worked through Congress on the day before adjournment in that mass of legislation that is passed without consideration at such a time. I detailed in a speech on February 2, 1914—RECORD, page 2869—many of the facts of this situation.

All "safety-first" campaigns or other efforts to save life and limb and prevent human suffering generally involve a selfish sentiment. All legislation for safety appliances is opposed, as a rule, by the railroad or the factory which must obey it. A repeal of legislation involving liability for injuries on railroads and in the shops would be followed by carelessness and an increase of such accidents.

It is only reasonable to suppose that the same rule applies on the ocean. It is a reproach to Congress that a seaman or an employee or a passenger or a shipper on the water is given any less protection by the law in these matters than is given under like circumstances on the land.

A Statement by Mr. Andrew J. Peters, a Representative in Congress.

EXTENSION OF REMARKS

OF

HON. WILLIAM F. MURRAY,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 11, 1914.

Mr. MURRAY of Massachusetts. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include a statement by Mr. ANDREW J. PETERS, a Representative in Congress from Massachusetts, which appeared in the Boston Sunday Post of June 14, 1914.

The statement is as follows:

SEES GOLDEN ERA OF PROSPERITY—PRIVILEGE DESTROYED AND EQUAL OPPORTUNITY PROVIDED BY RECENT LEGISLATION, SAYS PETERS.

WASHINGTON, *June 13.*

The Hon. ANDREW J. PETERS, Representative for the eleventh Massachusetts district, was interviewed to-day by the Boston Post representative regarding his views on industry and the administration.

He talked frankly, as follows:

"If there were ever an era in American trade when our great principle of equal opportunity shed its rays with greatest brilliancy, that era is now here. Toward the light the faces of earnest men are turned; they see the clouds of privilege and industrial discrimination evaporate in the glorious sunshine.

"LAST HOWL FOR HOWLER.

"The calamity howler is having his last howl. We hear it reverberating throughout the land. Its sound has grown familiar during the long, wearying months, while the real thinkers, the real workers for the public good, have wrought out the remedy for the real ills of industry and placed the policeman's club and the industrial germicide where they would do the most good.

"There are no fanciful theories in the new situation with regard to business and finance. Sound remedies were needed to meet an emergency that bordered on a crisis. These remedies have been compounded to check and eliminate the big ills and evils that have crept into our industrial system, festering, clogging, and strangling the arteries of business.

"DIAGNOSING ILLNESS OF BUSINESS.

"Uncontrolled concentration of wealth and power has always been, since the earliest civilization of mankind, a menace to the happiness, the freedom, and the progress of the masses of the common people. History is blackened with the tyranny of privilege and abused power.

"The United States to-day is suffering from an overdose of privilege. We have reared a vast crop of industrial parasites, fed and fattened by tariffs. They are weaklings and dare not meet the competition of the world. Their narrowed visions can see safety only in the prop that has kept them in glorious, selfish profits.

"The most able legal talent is subsidized in the service of privileged factions. A powerful press supports its views. The railroads, the coal mines, the oil fields, and much of the machinery of production are in subjection. The necessaries of life itself are concentrated in the hands of a few.

"The chains of banks interlocked by directors form a network over the land. There are barbs in the network that pierce the fabric of agriculture and industry.

"The most important evil of our time is dependence. The necks of business men are bent to the yoke of gigantic combinations. Thousands are forced to become mere servants or agents;

they have no voice in the shaping of business policy. These dependents were formerly independent factors in trade; they were the pride, the backbone of American development.

"MEDICINE PRESENTED BY CONGRESS.

"The present administration has undertaken to prescribe the remedy for the crying evils that clog American industry. All thinking men who have broadened their knowledge of mankind agree that the American principle of equal opportunity is the basis on which we place our hope for healthy, normal growth of prosperity. They believe true Americanism is possible of achievement; that industrial despotism, like political despotism, has no place in our country.

"The men of large business who see economy in large operations are entitled to every opportunity. The public is equally entitled to protection from oppression of large operations. The greatest consideration of a combination must eventually be, not that it does a large business, but that it does no unfair injury even to the 'little fellow.'

"The antitrust measures, the trade measures, and the banking and currency measures form the principal ingredients of the remedy now being provided.

"To insure equality of opportunity, to insure the square deal to everyone in industry, to bring to bear on the minds of big business men that they are amenable to the American people for their conduct—these are some of the healing effects we are confident will restore American business to normal health.

"INDUSTRIAL SAFEGUARD.

"There can be no question that the object of government is to protect the happiness, the homes, and the lives of the people. When any of these inherent blessings are endangered no diverting cry from one small portion of the people can dissuade the prompt action of the representatives of the whole people.

"The strengthening of our industrial safeguards at the present time means an immediate relief from the danger of discrimination. The danger is not theoretical; it is a tangible, active, and threatening danger, and at its mercy lies the vital trade and prosperity of the country.

"The elimination of discrimination means the strengthening of the bulwarks of equal opportunity. Without equal opportunity, American progress is at an end. For the accumulation of wealth by the few, through special privilege or through unlawful discrimination, must not be allowed to supplant the accumulation of wealth by the many, even though the latter is a slower process.

"Piracy has its origin in the human mind. Corporations will commit no crimes when men are made to refrain from committing them. When monopoly becomes criminal, some human culprit deserves the penal code.

"To check the modern industrial evils and encourage American initiative and individual enterprise is the sole object of the new legislation. Could any greater aid come to the relief of American industry?

"RIDDING TRADE OF HIGHWAYMEN.

"The little thinkers have shouted their fears broadcast that the new trust and trade legislation threatens wholesale and unlimited persecution of business men. I doubt if there ever arose in a large movement an equal of this bugaboo. Every jostle on the sidewalk can now be made the subject of complaint for assault and battery. Yet such prosecutions are rare, and persecution from this source is unknown. The penalty is read into our laws; it needed to be placed there to lessen the jostling in general by bringing flagrant cases into court.

"The right to prosecute industrial thuggery in the business that sustains the American Nation is just as fundamental and necessary in our laws.

"By what twisting of the imagination can the American business man—the honest business man—foresee any interference with his business? Can the little thinkers induce him to believe that the policeman's billy was provided to rap every head on the highway?

"A CONGRESS OF ACTION.

"During the months of strenuous work on the big trade, currency and trust bills, I have not passed unnoticed the cries of 'halt' that have arisen in Boston and throughout New England. There has been a needless fear that the Democratic administration was aiming to brand as a dishonest rascal every man who had earned and saved a modest fortune; that we were devising laws to hamper instead of to aid business.

"Some there were who felt thankful they were not fed to wild beasts or thrown off cliffs.

"The calamitous utterances of the past few months appears to me to be founded on shortsighted views of present conditions and the trend of events. The fact is that a crisis in industry had been reached. There could be no delay in framing the laws that would curb the enemy of progress.

"No better time than now, when the business depression has spent its full force upon trade relations and industries of New England, could I better illustrate the error that the little thinkers have fallen into.

"The causes of fear and utmost concern in America to-day lie in the discrimination that is discouraging our Yankee enterprise. They do not lie in the great movement of the present administration to apply the remedy for the evils.

"THE DEPRESSION IN TRADE.

"America is suffering to-day, in common with the other countries of the world, from a depression in industry and trade. The causes of the depression are not American, although the scare of 'big business' may have contributed to the general effect.

"The entire world of commerce is closely woven to-day. Boston, New York, and Chicago are in constant touch with London, Paris, and Berlin. Conditions in every important center of trade reflect on the general fabric of commerce, and any review of the depression must take into consideration the general trend in the world's markets.

"I quote from the Statist, of London, the issue of May 23:

"'There is discouragement in all the leading markets. In Paris, which is always so deeply interested in investments in foreign countries, the fall in securities has brought about a great lock-up and has therefore tied the hands of large numbers of operators. In Germany there is a shrinkage in trade, an increase of unemployment, and an exceptional cheapness of money. In Germany the tone of trade has been affected by unfavorable foreign trade statistics for April, which show a bigger reduction in exports than has been registered for several years. In Austria-Hungary trade, if possible, is worse than it was.

"'It would, indeed, be surprising, when this is the general state of things, if London were either optimistic or active. On the contrary, it is depressed. The great public is holding aloof, and operators are doing as little as they can. In such a time it is inevitable that there should be rumors of all kinds afloat pointing to this and to that personage or institution at home and abroad. There is no use in reasoning with that kind of mischief-making. It will not be stopped until confidence begins to revive and people see the extravagance of the rumors they were supplied with.'

"BLAMING THE TARIFF A HABIT.

"Whenever there is a falling off in trade, when the merchant and manufacturer find less demand for their goods, we Americans have become accustomed to blaming the tariff. It is the first specter that looms up when dullness comes, and this is particularly the case in times of revision.

"Now, it is a fact that industrial depression exists all over England, with her free trade. Is that depression due to the American tariff?

"In Germany, where there is a highly centralized industry, a high tariff and trusts, a similar condition of stagnation exists. Has our tariff caused it? Can our tariff be blamed for 'a bigger reduction in German exports than has been registered for several years'?

"Is business at its lowest ebb in Austria because of the American tariff? Has our Democratic tariff revision brought about the immense fall in securities in France, where a high tariff exists?

"The high-tariff advocate, viewing the dullness in his sphere of business, ascribes it to the act of his Government, quite ignoring the fact that across the sea, some thousands of miles away, there is even greater dullness under the very conditions which he would establish here.

"A TEST OF REAL PATRIOTISM.

"In addition to the downward trend of the world's trade in general, the American manufacturer and merchant are bearing an added burden of depression brought on by the false scare in regard to the new banking, trade, and trust legislation.

"Our forefathers bore the burden when they threw off despotic oppression and established liberty. The light they established shone in the darkest corners of the world, uplifting hopeless millions who had been doomed by oppression to abject slavery. We advanced the entire world, and established new principles that will bear fruit while mankind endures.

"We are now face to face with the problem of preserving industrial freedom, the most vital feature of our progress. In order to preserve individualism and the opportunities of individudal progress, we must guarantee every man the square deal in trade. We must drag out by the roots the parasites that have been sapping the lifeblood of American trade, and encourage the healthy, normal growth of every industry, big and little.

"The manner in which American industry adjusts itself to the new order of things will be a test of real patriotism. The

sooner the American business men will recognize that there has been a crisis, that the crisis has been met by a fearless administration, and that the new laws threaten no business, large or small, that is honestly and fairly conducted the sooner will come that great and lasting boom of prosperity which we all hope for.

"TIDE OF BUSINESS TURNING.

"Already the pulse of commerce is quickening, and there is a slow but steady recovery of hopefulness in the big centers of the world's trade.

"The Statist, of London, issue of May 30, says:

"'There are signs that courage is recovering in France. In fact, Paris is buying once more.

"'We shall see a revival here and in the United States precede the revival elsewhere.

"'Quiet people with money to spare are investing in the aggregate on a large scale and are sure when things right themselves to make exceedingly profitable bargains. By and by it will be found that the wreckage floating in the market is very much smaller than people now apprehend. Some fine day people will wake up and discover that stocks are really growing scarce. Then recovery in earnest will begin.'

"In our own country those who were scared the most have discovered that their fears were unfounded. Every day there is a noticeable increase of hopefulness and faith in the new order of things. There is the promise of a bumper crop, and this is materially aiding the recovery in business.

"The time has arrived to clear the track and release the brakes. Ahead lies prosperity unlimited. The rights of way are protected from the highwaymen of industry. Opportunity beckons more invitingly than ever before."

Address Delivered by Hon. Samuel A. Witherspoon in Tammany Hall July 4, 1914.

EXTENSION OF REMARKS

OF

HON. MICHAEL F. CONRY,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 11, 1914.

Mr. CONRY. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an address delivered by Hon. SAMUEL A. WITHERSPOON in Tammany Hall July 4, 1914.

The address is as follows:

(Address delivered by SAMUEL A. WITHERSPOON in Tammany Hall July 4, 1914.)

Ladies and gentlemen, if I were required to compress my entire speech in one sentence, I should say that this is the 4th day of July. It is the anniversary of our independence. It is the birthday of human freedom. It is the day whose dawn ended the long dismal night of tyranny and oppression and spread the light of human freedom and happiness throughout the ends of the earth.

THE SIGNIFICANCE OF THE DAY.

It is the day on which our forefathers first repudiated the doctrine accepted in all the ages that people lived to serve their governments and substituted therefor the principle that the sole object of governments is to promote the happiness of the people. However violent the shock which the Declaration of Independence inflicted upon the opinions of mankind, and however stubborn the resistance throughout the world to an acceptance of the lessons it taught, yet after an experience of 138 years the wisdom and justice of the act is no longer and nowhere questioned. The multitude of blessings to the human race and its rapid approach to a higher and better destiny, following as effect follows cause, the Declaration of Independence constrains a grateful humanity to crown our forefathers with the glory of solving the great question of human liberty. The foundation of this solution, the corner stone of this liberty, the right for which each colony strove for two centuries was the right of local self-government, and this right expressed in the existence of each State and in the terms of the Constitution now no longer depends upon reason to uphold it, but appeals to the testimony of an experience of 138 years to demonstrate how vital it is to the growth of the Nation and the happiness of the people.

One lamentable exception in this long period when the right of local self-government was suspended and when disorder, bloodshed, riots, humiliation, and tyranny followed its abandonment, illustrates and measures its value. It was in the dark decade from 1865 to 1875 when the carpetbagger and the public plunderer made the laws under which the southern people were forced to live. In the desperate struggle of a prostrate, helpless, hopeless people for its lost freedom the friendship of this great democratic society, breathing the spirit of our fathers and fired by the same love which first bound the American Colonies into Union, has not yet been forgotten. The notes of your sympathy came stealing through the wreck and ruin of a proud civilization like the plaint of the æolian harp—mournful, but sweet to the soul. And to us it matters not what may be your political fortunes, whether you rise in power and victory or go down in defeat, when your last friend, like ours, has deserted, if you listen, you will hear in the hearts of the South the echo of the poet's song:

With all thy faults, we love thee still!

THE DIFFICULTY OF THE PROBLEM.

The political problem which found its solution in the Declaration of Independence was the most difficult ever submitted to patriots and statesmen. The representatives of the Colonies assembled to deal with the situation before them were confronted with obstacles which had never been surmounted. On the one hand, they owed allegiance to what they had considered the best Government on earth. The English system of laws, its trial by jury, its habeas corpus, its Parliament with the right of representation, and its bill of rights and the Magna Charta were cherished blessings which held the Colonies with love and reverence in allegiance to the mother country, and to enjoy these privileges under the Crown was the wish of the colonists even after the War of the Revolution had begun. But there was one right more sacred than all the others, and that was the right of local self-government. To make the laws under which each Colony should live was the only condition of its allegiance to the King, and this condition he was unwilling to grant.

The right of local self-government, including the right to choose their own officers, to levy their own taxes, and to pass the laws touching local affairs, was the only condition to the continuance of Colonial allegiance to the Crown, and if this right had been conceded the Declaration of Independence would not have been written and the Revolution would not have occurred. The denial of this right resulted in the severance of all connection with England. But the weakness of each Colony by itself inspired no hope that, acting singly and independently, they could establish, maintain, and preserve this sacred right, and hence arose the necessity of union. The necessity of a union was the result of wars with the Indians, the French, and of the actual war at the time with the mother country. The idea of union had been growing for more than a century. It found its first formal expression in 1642 in the New England confederacy, called the United Colonies of New England; but when the Crown took away from the four Colonies thus united the right of local self-government on which it was founded the union itself fell. Again, a union of six Colonies was formed in the Albany Congress in 1754, but the terms of this union were rejected by every Colony represented in the convention. But oppression continued and tyranny grew more unbearable, and the idea of union grew stronger, until two years of war with England made the acceptance of the idea possible. But there was in history no precedent for a permanent and successful union of free and independent States, and all the republics of the past had either merged into empires or fallen into decay and ruin, with the loss of popular liberty. Under these circumstances the formation of a lasting union with the power to protect the States, and at the same time to insure to each State the right of local self-government, was the problem presented to our fathers, and the question answered in the Declaration of Independence.

ANALYSIS OF THE DECLARATION OF INDEPENDENCE.

Its analysis discloses three vital propositions:

First. It renounces all allegiance to Great Britain and dissolves all political connection with its Government. This part of the Declaration of Independence has given to it the name of the Declaration of Independence, but the full significance is lost, unless we consider the other parts of the instrument. If this had been the only purpose and object, it might have been expressed in one sentence. We might have declared our independence of England and substituted another monarchy for the old one. The dissolution of all connection with Great Britain was a small part of the work accomplished.

Second. It declares that the Colonies are, and of right ought to be, free and independent States. To be free meant that each one should have the right to make the laws under which its people should live and to choose the officers who should administer those laws; and to be independent meant that no other

power, neither England nor any government to be formed, should have the right to interfere with the enactment or enforcement of those laws. Here we have a clear and unmistakable expression of the right of local self-government, but in order that the world might understand its full meaning we have a long enumeration of the instances in which George III had denied this right set forth as the justification of the declaration. And in order to make the meaning still clearer we have a statement of the principles on which government must rest, namely, that all men are created equal and have inalienable rights, or, in other words, rights which government can not take from them and which they themselves can not surrender, among which are life, liberty, and the pursuit of happiness; that governments have no other excuse for existence except the maintenance and preservation of these rights; and that government has no just powers except those derived from the consent of the governed, and should be abolished whenever it fails to recognize and uphold the liberties of the people.

Third. We find the idea of union. In order to throw off the yoke of tyranny, to preserve the liberties of the people, and to shield us from all enemies it was necessary to combine the powers of all the Colonies and to unite them in one general government, and for the fulfillment of this purpose each one as security to all the others executed a mortgage upon its life, its fortune, and its sacred honor. Local self-government and union are therefore the corner stones of the political structure whose foundations were laid on the 4th day of July, 1776.

The Constitution follows the solution of the problem of liberty set forth in the Declaration of Independence.

This interpretation of the Declaration of Independence subsequently guided the framers of the Federal Constitution when they came to form a more perfect union on the principles stated on the 4th day of July, 1776. So the General Government, which is a union of the States, is given all governmental powers over the public defense, the coinage of money, post offices, interstate and foreign commerce, and all other subjects in which all the States have the same interest and in which no State has a special or peculiar interest, and all powers of government affecting the local affairs and welfare of each State and constituting the right of local self-government are reserved to the States.

To the States are reserved not only all matters of local self-government but the election both of its own officers and of all officers whose functions in combination form the union itself. When each State chooses, elects, and commissions its electors and these electors meet at its capitol and cast the vote of the State for President and Vice President of the United States, and when the votes of all the States for these officers are counted and declared, we have in the persons of the President and Vice President chosen the union of the States in the executive department of the Government. When each State has chosen and commissioned its Representatives and Senators, and these officers of the States meet and organize the House of Representatives and the Federal Senate, we have in the organization of the Congress and in the performance of its functions a union of the States in the legislative department of the General Government. And when the President and the Senate thus chosen by the united action of the States select the Federal judges, we have the union of the States in the judicial department of the Government. It is plain, therefore, that in the very Constitution of the dual form of our Government its foundation rests upon the idea of local self-government expressed in the existence and complete jurisdiction of the States over all matters of local concern and upon the idea of the union of all the States in all governmental matters of general concern; that the continuance of the Union is coextensive with the existence of the States; and that the destruction of the States involves the destruction of the Union.

But in addition to this division and separation of all governmental powers between the Union on the one side and the States on the other, the fact that all powers of government vested in any man or any body of men will be abused to the injury of the people caused our fathers to further separate and divide both governmental powers delegated to the General Government and those reserved to the States into three classes—the executive, legislative, and judicial—and hence we have in each State government and in the General Government three separate, distinct, and independent departments, with a number of checks and balances to enable each one to protect itself against the encroachment of the other. This fundamental division of all political powers between the States and the General Government and this separation of the powers of each government into three departments, together with a number of constitutional prohibitions against the exercise of certain powers by both governments and the enumeration of a number of rights which neither the State nor the General Government can take from the citizen, constitutes the solution of the great question of human liberty, whose fundamental principles were established, and whose corner stones were laid in the glorious Declaration of Independence which we are celebrating to-day.

FAITH IN THE PERFECTION OF OUR DUAL FORM OF GOVERNMENT.

And the practical question for you and for me is whether in the administration of our Government and in the development of our country it is wise to assume that this solution of the question of our liberties was the wisest and best that can be made, or shall we assume that it is wrong in principle or filled with defects and imperfections and endeavor to change it in the hope of securing something better? For my part I have never had a doubt that the dual form of Government founded 138 years ago to-day and perfected in the adoption of the Federal Constitution is the wisest and best Government ever conceived in the mind of man, and that all our national ills and troubles have resulted not from any defects or imperfections in the form of our Government, but solely from the selfish and wicked administration and reckless violation of its sacred principles, and that the same administration of any other form of government would have resulted in far greater and more grievous wrongs.

I resent all efforts to change or alter the Union of our fathers. The evidences of its wisdom, the proof of its perfection, and the blessings of its administration would require volumes to tell, but I will mention one or two reasons on which I base my confidence and allegiance.

First, experience and history gives us no other form of government on which we can rely for the preservation of human liberty and the happiness of the people. In all forms of government, whether it be monarchiaristocratic or democratic, whether it be a republic or an empire, there has been a failure to accomplish the true ends of government, which, in the language of the Declaration of Independence, in the rights of life, liberty, and the pursuit of happiness, and none of the Governments which have failed were founded, as ours is founded, on the doctrine of local self-government and the union of free and independent States. Lacking this fundamental requisite of good government, the Republic of Rome was merged into an empire, and the liberties of her people were lost in the tyranny of her rulers.

The Grecian Republics have all passed away, and all the glories and achievements of that great people serve to demonstrate that their governments were founded on wrong principles. The British Government, which is the most perfect of all, has blackened its own history with despotism and oppression, and a long list of its tyrannies was the cause of the Revolution and the establishment of our Government. It took seven long years of war and a humiliating surrender at Yorktown to teach the English that the right of local self-government is the right of free men; and the prosperity, happiness, and contentment of her colonies throughout the world is due to the practice of the lesson they learned from Washington. In all her wide domain England has for centuries seen no such suffering, poverty, and wretchedness as in the only part of her Empire to which she has denied the right of local self-government, and she has at last rectified this wrong by granting home rule to Ireland. Therefore, whether we look back through the centuries of the past or among the present nations of the earth, if our dual form of government is not the best, where is the one for which we would be willing to exchange it?

Again, if it be conceded that our dual form of government is imperfect, still it is impossible for us to change it and substitute a better. It is impossible for us to give the subject the same consideration received from our fathers. For two centuries their best thought and greatest wisdom were fastened on the problem. The deprivation of liberty drove them from the land of their birth and induced them to face and endure the dangers and hardships of an untried life in the wilds of the new continent. The oppression and tyranny from which they suffered for more than a century aroused the genius of our fathers to a degree which we can never hope to attain. No other age of the world has developed such patriots and statesmen as the heroes who conceived and formed our Government. And no people engrossed as we are in the enjoyment of the blessings and in the pursuit of the riches which have resulted from the work of our fathers can hope to change and alter and overturn the result of their labors with any reasonable hope of improvement upon the nature of our Government. Therefore I submit that the dual form of our Government should be regarded, as the courts regard their decrees, as the final settlement and determination of the question of human liberty. It is the res judicata of politics. No reason, argument, or testimony against it should ever be received, and the Declaration of Independence should be regarded as the Bible of our liberties,

and all its principles and doctrines should be sacred in our love and reverence.

All objections or criticisms should find their refutation in the words of the instrument itself. A few days ago I received a letter from a good woman in my district asking me to have Congress pass a law prohibiting all public schools from teaching our children that the earth is round. She referred me to a great many passages from the Bible where it speaks of the four corners of the earth and declares that the sun rises and sets. She knew that the Bible is true, and to her it was horrible that children should be taught what is false. She said she had heard that many people had traveled around the earth, and therefore believed that it was round; but she said that if they would only read the Bible, which we know is true, they would see how badly they are mistaken. I wish every American had the same sublime faith and love for the Declaration of Independence. When its principles are assailed, when its lessons are rejected, when its doctrines are repudiated, I wish we could always answer the objector by telling him that if he would only read the Declaration of Independence he would see how badly he is mistaken.

THE WANT OF CONFIDENCE IN OUR GOVERNMENT.

But the tendency of all Republics is to drift into the empire. The very patriotism of the people and their pride in a great government leads them to enlarge its powers and to approve its usurpations until their liberties are gone. The rapid strides of the Union of our fathers into a great centralized Nation or empire is appalling. The loss of confidence in the State governments and a reliance upon the General Government marks the decline of the Republic. The transfer of the powers of local self-government from the State to Washington is alarming.

THE WORK OF THE REFORMER.

The transition of the Union of our fathers into a great Empire is the dream of the reformer, and he never loses an opportunity to take a step in this direction. He began this work of transformation in the midst of the excitement and passions following the Civil War and secured the adoption of the fifteenth amendment to the Constitution. He succeeded, by the fifteenth amendment, in transferring jurisdiction over the question of franchise, so far as it is affected by race, color, or previous condition of servitude, from the State to the Federal Government.

He is now taking advantage of a great popular movement in favor of woman suffrage, and while a number of States have already conferred this right on women, and while any and all of the others can do so whenever they deem it wise and best, yet the irrepressible reformer has seized upon this question as affording an opportune time to transfer the subject of franchise, so far as it affects women, from the jurisdiction of the State to that of the Federal Government. When the General Government begins to determine what negroes and what women shall vote, it will not be long until all your State, county, and city officers will have to come to Washington to find out who shall vote in your State elections. The right of the franchise lies at the foundation of local self-government, and the removal of this foundation stone will shake the whole structure of the Union.

One of the effects of class legislation and of vicious and extravagant laws which have marked Federal legislation for the past 50 years has been to concentrate the wealth of the country in the hands of the few, and this in turn has resulted in the corrupt election of United States Senators by State legislatures in many instances. This great evil aroused a widespread popular movement for the election of Senators by the people, and when the constitutional amendment to accomplish this purpose was pending, the ever-watchful reformer got in his work again, and succeeded in fastening upon the resolution the Bristow amendment, which effectually transfers from the State to the Federal Government the ultimate power of control over all State elections for United States Senators.

This terrible blow at the Union of our fathers emboldened the reformers to the degree that in the very same Congress they succeeded in passing a law to purify and regulate State primary elections which are purely the creatures of State statutes and over which the Federal Government has no more jurisdiction than the Czar of Russia. And there is now pending in the House of Representatives a bill to perfect and enlarge this usurpation with almost a certainty of its passage.

From time immemorial both the Federal and all of the State governments have acted on the assumption that the construction, maintenance, and repair of public highways through the country was a purely local question and formed a part of local self-government.

You can not walk in a street or an avenue of an American city or travel a public road in the country without observing the achievement of State jurisdiction, but the House of Representatives has passed a bill to tax the American people $25,000,000 to be distributed among the States, ostensibly for the purpose of improving the public highways, but really for the purpose of enabling each Member to show his people how much money he has procured for them and thereby facilitate his reelection.

But what is regarded as the greatest evil of the day is the evil of intemperance, and the magnitude of this great curse demands a drastic remedy. The removal of this great evil presents another rare opportunity to the reformer, and he now wants an amendment to the Federal Constitution which will transfer to the Federal Government the police powers of the States.

THE ASSISTANCE OF THE IMPERIALISTS.

The American reformer has always found powerful support in the imperialists of our country. Those who never had any faith in the Union of our fathers and who have always favored a strong, centralized, imperialistic government at Washington have made the successes of the reformer possible. Some years ago a presidential election was made to turn upon the paramount issue of imperialism, and the patriotic defenders of the Union of our fathers went down in defect.

As a consequence we spent seven years, which was the exact period it took our fathers to establish the independence we celebrate to-day, in crushing out the independence of the Philippines and in coercing their submission to a Government whose powers are not derived, as the Declaration of Independence says all just powers are derived, from the consent of the governed, but from our superior naval and military forces.

And to-day we are exercising powers of government over a part of our nearest neighbor, Mexico, and in order to do so we have slain 321 of our neighbors.

The powers of government which we are exercising over Veru Cruz, and the territory still moist with the blood we have shed, are derived not from the consent of the governed, but from the presence of battleships and dreadnaughts.

If we continue to exercise the powers of government over the people of foreign countries without their consent, we will finally destroy our own love and reverence for the principle laid down in the Declaration of Independence that all just powers of government are derived from the consent of the governed, and eventually our own Government will usurp and exercise over us powers which it did not derive from our consent.

When the reformers and the imperialists shall have succeeded in transferring to the Federal Government full jurisdiction over the elective franchise, over the elections of the States, over the public highways, and over the police powers of the States you had just as well blot out all State lines, burn up the Declaration of Independence, and try to forget what was done on the 4th day of July, 1776.

Against this imperialistic tendency I oppose the wisdom, the patriotism, the love of liberty, and the statesmanship of our fathers. I appeal to your love and reverence for the Declaration of Independence. And if you entertain any doubts on the subject I ask you to read the Declaration of Independence and see how badly the reformers and the imperialists are mistaken.

But if all argument fails, if reason ceases to act, if experience has lost its value, then I make one last appeal to the lesson of the flag. Look at its glorious stars. Each is the emblem of a State created solely to preserve the right of local self-government. They sparkle, they twinkle, they shine, they blaze in the flag-like diamonds of liberty. The stars never grow, shrink, or die. They never change their size, their weight, their course, nor their brilliancy. From the dawn of creation they have been ever shining, still the same. And when they cluster together in the flag they teach us that the States and local self-government which they emblemize shall never been destroyed or impaired. This same idea is expressed in the background of blue in which they shine. It is the color which never fades. The crimson red glow of the sunlight on the cloud soon fades into shadows and darkness. The beautiful green with which nature robes her grasses and leaves must soon change to the colors of decay and death. But when God stretched the sky above us he painted it with his own fadeless blue, and the paintbrush dropping into the deep, wide sea gave it the same unchanging hue. And as long as the seas around us and the skies above us refuse to change their eternal color, and so long as the stars of heaven are beautiful and bright, so long does the flag teach us that the free and independent States of the Union and local self-government which they embody shall be the anchor of liberty throughout the generations to come.

The Tariff.

EXTENSION OF REMARKS
OF
HON. PHILIP P. CAMPBELL,
OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 11, 1914.

Mr. CAMPBELL. Mr. Speaker, in going through an old CONGRESSIONAL RECORD a few days ago I came across a speech I delivered in this House over 10 years ago. I discussed the effects of protection and free trade on the prosperity of our country. The present condition of our laborers, our farmers, and our industries, so soon after the enactment of a Democratic tariff, is my justification for calling the attention of the House to that speech at this time.

I shall omit some of the questions of other Members and my answers, and submit that 10-year-old speech as a proper charge against the tariff law enacted by this Democratic administration.

Free trade is producing the same old Democratic hard times.

The speech is as follows:

"It may be said without fear of successful contradiction that the Democratic Party, as an organized body, to-day is and forever in the past has been opposed to the protective policy. The gentleman from Missouri [Mr. CLARK] on yesterday delighted his Democratic friends with an assault upon the protective policy. In his speech he adopted as his own the sentiments expressed by the gentleman from Mississippi [Mr. WILLIAMS], the leader of the minority upon this floor. That gentleman has voiced the sentiments of the Democracy of this day upon the tariff question when he says:

"LEGALIZED ROBBERY.

"The system is one of legalized robbery. That is the result and that is the effect. It is robbery for the reason that it prostitutes the Government to do what government has no right to do, viz, to build up or hothouse one man's industry, one man's capital, one man's labor by laying a tax upon the labor and capital of all men.

"The gentleman from Mississippi [Mr. WILLIAMS] gives expression to the position of his party.

"The last official announcement of the Democratic Party in the campaign that elected this House said:

"The theory of free trade is that both the seller and the buyer are benefited by the exchange of commodities, and that as all are consumers the greatest good to the greatest number requires that there be no barriers to trade in order that the goods may be as cheap as possible and the cost of living reduced to the minimum.

"That has been the position of free traders at all times and everywhere. The gentleman from Mississippi [Mr. WILLIAMS] in his leadership is consistent. He stands upon the platforms that the Democratic Party has made in the past upon this question. For 40 years, when that party was in the ascendency, their position upon the tariff question was against protection.

"The Democratic Party at one time adopted a constitution, and in the convention which adopted it there were none but Democrats. That constitution was adopted by the Confederate States of America, and in it was inserted this clause:

"Nor shall any duties or taxes on importations from foreign nations be laid to promote or foster any branch of industry.

"HATRED OF PROTECTION.

"Mr. Chairman, I take it from the expressions of the minority of this House that that party has not changed its position on the policy of protection. Every time any gentleman on that side has spoken during this Congress upon this question he has given expression to the sentiments that animated his party in the past and that animate it to-day. Every assault made upon the protective policy has met with round after round of applause from the minority on this floor.

"Now, Mr. Chairman, the system or policy of protection is called 'legalized robbery.'

"It must not be supposed that this allegation is a statement of facts. It is only the declaration of a theory. The fact is that the policy of protection, wherever and whenever practiced, has led to general prosperity, and the abandonment of that policy has led to universal depression and adversity.

"Under the policy of protection the British Empire became the greatest commercial power in the world. Its commercial enterprises became a very hive of industry, and its commerce covered the seas.

"But in the midst of her marvelous prosperity she yielded to the siren voice of the free trader and in 1846 adopted that policy. Since that time she has witnessed the growth and prosperity of the commerce of her competitors while her own has been diminishing year after year.

"This has been the experience of England. The theorist may exhaust the vocabulary in demonstrating his proposition, but the actual fact of growth under protection and of decay under free trade is clearly set forth in the experience of England.

"But, Mr. Chairman, we need not confine experience under the policy of protection and the theory of free trade to the people of the British Empire. We have had experience of our own.

"HELP FOR THE YOUNG REPUBLIC.

"The protective policy was adopted by the American people by the act of July 4, 1789. We were then a young Republic rising from the ashes of a revolution resulting in our independence. Our enterprises had been sacrificed and our resources had been exhausted in the acquisition of that noble and lofty ambition. But six short years after the enactment of our first protective-tariff law, President Washington, in his annual message to Congress in 1795, said, referring to our prosperity:

"Our agriculture, commerce, and manufactures prosper beyond former example, with burdens so light as scarcely to be perceived.

"LETTING WELL ENOUGH ALONE.

"The policy of protection was continued, the people letting well enough alone, and in 1812, on account of the war with England, the tariff schedules were doubled in the act of that year. Under that act the Republic waged a victorious war against the fleets and soldiery of the British Empire, and was richer and more prosperous at its close than when it began.

"The act of 1812 provided for its own expiration. One year after the war was over the schedules expired.

"By the act of 1816 an attempt was made to make a low tariff a protective tariff, but the rates in that act were not high enough to meet the conditions in the Old World.

"When our manufacturers undertook to compete with the manufacturers of Europe under the act of 1816, they found that their European competitors were able to undersell them in our own markets. The importations of goods from foreign countries flooded our country, swamped our industries, and absolutely ruined manufacture, agriculture, and other industries, so that a condition of almost hopeless despair was apparent on every hand. A period of hard times set in, agriculture was unprofitable, manufactures suspended, labor was without employment, industrial and commercial paralysis existed throughout the land, and revenues were insufficient for the expenses of the Government in a time of peace.

"EFFECTS OF DEMOCRATIC REVISION.

"President Monroe in 1819 in his annual message, speaking of the condition of the country, said:

"The great reduction in the price of the principal articles of domestic growth which has occurred during the present year and the consequent fall in the price of labor, apparently so favorable to the success of domestic manufacturers, have not shielded them against other causes adverse to their prosperity. The pecuniary embarrassments which have so deeply affected the commercial interests of the Nation have been no less adverse to our manufacturing establishments in several sections of the Union.

"Again, in 1821, referring to the public revenue, he says:

"At the close of the last session it was anticipated that the progressive diminution of the public revenue in 1819 and 1820, which had been the result of the languid state of our foreign commerce in those years had in the latter year reached its extreme point of depression. It has, however, been ascertained that the point was reached only at the termination of the first quarter of the present year.

"RELIEF CAME.

"Mr. Chairman, in 1824, having had eight years under a tariff revised by the Democratic Party and seven years of the greatest depression and hard times that had been known to the country, the people returned to the policy of protection for relief, and, Mr. Chairman, they did not return to this policy in vain. With the enactment of the law reestablishing the policy of protection, relief came. This act was supplemented and strengthened by the act of 1828, and under this tariff the country witnessed marvelous prosperity throughout every industry. Agriculture and manufacture revived on every hand, idle labor returned to remunerative employment, revenues poured into the Treasury, and the national debt was paid and the expenses of the Government fully met without resorting to the pawnbroker.

"President Jackson, in 1830, in his annual message, referring to the prosperous condition of the country, said:

"The pleasure I have in congratulating you upon your return to your constitutional duties is much heightened by the satisfaction which the condition of our beloved country at this period justly inspires.

"Again, President Jackson, in his message of 1832, said:

"I can not too cordially congratulate Congress and my fellow citizens on the near approach of that memorable and happy event, the extinction of the public debt of this great and free Nation. Faithful to the wise and patriotic policy marked out by the legislation of the country for this object, the present administration has devoted to it all the means

which a flourishing commerce has supplied and a prudent economy preserved for the Public Treasury.

"Now, Mr. Chairman, it might reasonably be expected, with the experience they already had, the people of that day would have been satisfied to let well enough alone; but the Democratic Party said the tariff was 'legalized robbery,' and that party was again given the privilege of revising the tariff, and gave the country the act of 1832.

"MORE DISASTER.

"The results that followed that tariff revision by the Democratic Party were similar to those that followed the act of 1816. The industries of the country languished, its revenues were insufficient, and the Government became a borrower of money with which to defray the expenses incident to its operation in a time of peace, hawking the Government's bonds through the markets of the country without finding buyers.

"Upon that subject President Tyler said, in 1841:

"Of the loan of $12,000,000 which was authorized by Congress at its late session only $5,432,726.88 have been negotiated. The shortness of time which it had to run has presented no inconsiderable impediment in the way of its being taken by capitalists at home, while the same cause would have operated with much greater force in the foreign market. For that reason the foreign market has not been resorted to, and it is now submitted whether it would not be advisable to amend the law by making what remains undisposed of payable at a more distant day.

"Now, sir, we have again seen the people rise with prosperity under the policy of protection as established by the act of 1824 and pay off the Nation's debt, and we have seen them go down with adversity under the tariff revised by the Democratic Party in 1832 and become the borrowers of money with which to pay the ordinary running expenses of the Government.

"DEPRESSION SET IN.

"In 1842 the policy of protection prevailed, and all manner of industry revived; but the people yielded to the demands of the free trader in 1846, when the Democratic Party, the friend of free trade, again revised the tariff, and again, sir, a period of depression set in. The industries of the country became inactive, and labor engaged in agriculture and manufacture throughout the land was without remunerative employment.

"President Fillmore, in his annual message in 1851, referring to the condition of the country, said:

"The value of our exports of breadstuffs and provisions, which it was supposed the incentive of a low tariff on the large importations from abroad would have greatly augmented, has fallen from $68,701,921 in 1847 to $26,051,373 in 1850 and to $21,948,653 in 1851, with a strong probability, amounting almost to a certainty, of a still further reduction in the current year

"The policy which dictated a low rate of duties in foreign merchandise, it was thought by those who promoted and established it, would tend to benefit the farming population of this country by increasing the demand and raising the price of agricultural products in foreign markets.

"The fact is, Mr. Chairman, in theory we expand our exports under free trade, but in practice they diminish under that policy.

"Again, speaking of the disastrous effects upon the country under the 1846 tariff revision by the Democratic Party, President Fillmore said:

"In my first annual message to Congress I called your attention to what seemed to me some defects in the present tariff and recommended such modifications as in my judgment were best adapted to remedy its evils and promote the prosperity of the country. Nothing has since occurred to change my views on this important question.

"Without repeating the arguments contained in my former message in favor of discriminating protective duties, I deem it my duty to call your attention to one or two other considerations affecting this subject. The first is the effect of large importations of foreign goods upon our currency. Most of the gold of California, as fast as it is coined, finds its way directly to Europe in payment for goods purchased. In the second place, as our manufacturing establishments are broken down by competition with foreigners, the capital invested in them is lost, thousands of honest and industrious citizens are thrown out of employment, and the farmer, to that extent, is deprived of a home market for the sale of his surplus produce. In the third place, the destruction of our manufactures leaves the foreigner without competition in our market, and he consequently raises the price for the article sent here for sale, as is now seen in the increased cost of iron imported from England.

"PRESIDENT BUCHANAN.

"There was no change in the tariff, and conditions became no better. The country was still under the Democratic tariff, revised by that party in 1846, when President Buchanan, in his first annual message in 1857, said:

"We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country in its monetary interest is at the present moment in a deplorable condition. In the midst of unsurpassed plenty in all the productions of agriculture and in all the elements of national wealth, we find our manufactures suspended, our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want.

"Now, Mr. Chairman, we have seen the first half century of our country's history rising under the protective policy to prosperity and falling under tariff revision by the Democratic Party to adversity. A condition of prosperity came with the policy of protection and a condition of adversity came when the theory of free trade was yielded to, and this has been without an exception.

"REPUBLICAN POLICY.

"It is not strange, then, that among the first laws enacted by the Republican Party was a law putting into effect the policy of protection, a policy that was sustained for almost a third of a century after its adoption in 1861.

"That period, Mr. Chairman, began with a bankrupt Treasury, with industrial depression on every hand, with civil war and secession—a war that cost billions of treasure and the lives of thousands of the best men in the Nation and took four years and more of the Nation's time, reducing its energies and its resources and prostrating the whole South so that that section had to begin anew. The great West was a wild, unbroken prairie, designated on the maps as a part of the great American desert. The West and South at the close of the war had nothing except a determined purpose on the one hand to subdue the prairie and on the other to restore its waste places. Few, if any, implements; less, if any, farm animals; and but few of the merest necessities of life. The people of the South looked out upon desolation and ruin; the home seekers and settlers of the West looked out upon an unbroken prairie that receded to the horizon in every direction. There was nothing to gladden the vision or to cheer the heart of either.

"MARVELOUS DEVELOPMENT.

"Mr. Chairman, the fact is that no like period in the history of this or any other country has ever witnessed such marvelous development of resources and such unparalleled prosperity of industry. Agriculture and manufacture have grown up and prospered together. The farmer has a market at home for his produce. The manufacturer has not had to go abroad with his wares. Both have prospered by practicing the profitable economy of eliminating distances from the question of trade. The policy of protection has preserved the American market for the products of American manufacturers, and American manufacturers have made markets for the products of American farmers, and together they have established the high standard of American living and made possible a high scale of American wages. [Applause on the Republican side.]

"The farmer of the West has learned and the farmer of the South ought to learn that when the factory is closed he not only loses customers for his products, but also meets additional competitors in his production. The workman, losing his employment in the factory, settles upon a farm and becomes a producer of the products he formerly bought from the farmer. The prosperity of the farmer depends upon the prosperity and employment of those who buy his products.

"The West and South experienced a marvelous growth and prosperity during the period I have mentioned, all under the policy of protection, and continue to prosper under that policy. The gentleman from Mississippi [Mr. WILLIAMS] admits this fact for Mississippi.

"I make the admission for Kansas, and in addition cite the fact that on the 1st day of January, 1904, the Kansas bank account contained $73 per capita for the entire State. In the West we have built houses, barns, schoolhouses, churches, colleges, bridges, courthouses, charitable institutions, and magnificent statehouses, and are as well provided with all these as any section of the Union. This growth and prosperity has been gradual, and we may hope that it will continue while the policy that made it possible is maintained. [Applause.]

"What has been said of the South and West may be said of the whole Union, and it may be said without fear of successful contradiction that there is no like period in the history of this or any other country anywhere in the world where the people made such marvelous development and progress in all that ministers to the welfare and happiness of a people. [Applause.]

"FREE-TRADE ECLIPSE.

"But in 1892, in the midst of plenty, surrounded by unusual conditions of prosperity, the Democratic Party raised the old banner of opposition to the protective policy and again asked for an opportunity to revise the tariff. The policy of protection was then called a system of robbery that made the rich richer and the poor poorer, and hothoused into prosperity one industry at the expense of another. The people had forgotten their country's history, and said, 'We'll try it.' The depression and ruin that was inaugurated with that tariff revision by the Democratic Party is vivid in the minds of all. It is impossible to exaggerate the condition of devastation that followed upon the ruins of every industry throughout the land. Banks suspended, factories closed, furnaces drew their fires, mills suspended work, agriculture was prostrated, industry of all kinds languished, values of farm products and farm animals went downward, farm

values went to a low ebb, values of all commodities went down to the ruin of all industry.

"There was little or no incentive to work upon the farm, and nothing to do in the factory. This wreck of industry resulted in the loss of employment to more than 3,000,000 of workingmen, and those who were not let out of employment entirely were working upon less than one-half time. Railway employees, except those on scheduled trains, were fortunate if they made one-third of their usual wages; coal miners were fortunate if they made one-fourth of their customary earnings, and factory operatives in all branches fared no better. Revenues were insufficient for expenses, and the Government took its bonds to the money lender.

"ARMY OF THE UNEMPLOYED.

"There were no complaints about trusts or combines. There was just one great organization brought into being during that period—Coxey's army—an army made up of men without work, who wanted something to do. These honest men had voted for tariff revision by the Democratic Party. They were now marching upon Washington, demanding nothing but an opportunity to work.

"These men, and all who went out of employment with them under the Gorman-Wilson tariff revision, had been, under the Republican policy of protection, large consumers of the best products in well-supplied markets, but under the Democratic revised tariff they subsisted upon soup provided in large part by public charity. So sudden a change from a condition of employment that made possible a demand for better pay, as was done in 1892, to a condition of no employment at all could only be repeated by again permitting the Democratic Party to revise the tariff. [Applause on the Republican side.]

"But, Mr. Chairman, it did not take long to get enough of the Gorman-Wilson tariff revision, and the election of 1896 called upon the Republican Party to again give the American people the benefits of the protective policy.

"RETURN OF PROSPERITY.

"The Dingley Act restored that policy, and with that restoration came a return of prosperity. The whistle blew, and idle labor found its way to industries that were opening their doors throughout the land. Smokestacks throughout the country began again to emit in ceaseless streams the emblem of a country's prosperity, and the hum of spindles made a song of gladness that echoed throughout the land. The 3,000,000 of men who went out of employment with the revision of the tariff by the Democratic Party found employment in the enactment of the Dingley law by the Republican Party, and a million and a half have been added to those who have employment in the industries of the country. Agriculture revived, banks rechartered and opened, industry of every kind acquired new life and energy. Every field of industrial life became a field of industrial activity. The railroads of the country added hundreds and thousands of men to their employees, endeavoring to take care of the commerce of the people. [Applause on the Republican side.]

"EFFECT ON AGRICULTURE.

"Now, Mr. Chairman, much has been said about the condition of the country immediately preceding the last revision of the tariff by the Democratic Party, and it has been declared upon this floor recently that the agricultural interests of the country were in a condition of hopeless bankruptcy during the years immediately preceding the year 1893. Now, sir, the fact is that the value of farm animals for the four years from 1889 to 1892, inclusive, was nine and three-quarter billions of dollars, in round numbers. The value of farm animals from 1893 to 1896, inclusive, was eight billions, in round numbers—nearly two billions less. The value of farm products from 1889 to 1892, inclusive—that is, corn, wheat, and oats—was five and a quarter billions of dollars, and the value of corn, wheat and oats from 1893 to 1896 was three and three-quarter billions of dollars; and the value of farm animals for the seven years following the enactment of the Dingley law was twenty and a quarter billions of dollars, and the value of corn, wheat, and oats, nine billions of dollars.

"Between March 4, 1889, and March 4, 1893—Harrison's administration—we paid $365,500,000 of the national debt. From March, 1893, to March 4, 1897—Cleveland's administration—we went in debt $265,000,000. Our exports the last year of the Harrison administration, under protection, were $334,500,000. Our exports the first year under the Cleveland administration under the Gorman-Wilson bill were $196,000,000. [Applause on the Republican side.]

"BOURBON TARIFF TINKERS.

"But the Democracy now claim that the tariff should be revised because it is claimed, first, that the protective policy creates and maintains trusts; second, that the products of manufacture are sold cheaper abroad than at home; and third, that the protective policy keeps us out of foreign markets.

"Now, sir, upon the first of these propositions. The people of this country understand the trust question. It is well known to the reading public to-day that free-trade England has her full proportion of aggregations of capital known as trusts; that every civilized country in the world, whether upon a free-trade or protective basis, if there is a prosperous condition of industry at all, is experiencing the same conditions of organization and aggregation we are experiencing in this country. The people also know that many of the trusts in this country do not engage in the production of protected commodities.

"TARIFF AND TRUSTS.

"Mr. WILLIAMS of Mississippi. Will the gentleman from Kansas submit to an interruption?

"Mr. CAMPBELL. Yes.

"Mr. WILLIAMS of Mississippi. The gentleman has just made that statement. Now, will the gentleman name one trust—just one trust is all I ask—engaged in the manufacture of a nonprotected product?

"Now, Mr. Chairman, if it were true that the policy of protection made trusts possible in the first place and made their continuance possible in the second place, we must still object to the remedy the Democratic Party proposes, to wit: If any trust is engaged in the manufacture of a protected commodity, put that commodity in open competition with the products of the world. This plan of the Democratic Party would open the markets of this country to all the world if any of the articles manufactured in whole or in part, produced in whole or in part, by aggregations of capital known as trusts. That would be just like shooting into a chicken coop full of chickens with a double-barreled shotgun with both barrels for the purpose of killing a weasel. [Laughter and applause.]

"Twenty furnaces are independent, five furnaces are in a trust, all produce a like product. The products of the whole are put upon the free list for the purpose of destroying the trust. Three hundred factories are independent, 10 are in the trust. The products of all are put upon the free list for the purpose of destroying the 10 in the trust.

"When you draw the fire in a furnace or close the door of a factory, whether it is one of a combine or maintains its independence, you throw the workmen employed by that furnace or in that factory out of employment.

"DESTRUCTIVE REMEDY.

"Nothing is truer than that if the people of this country are supplied by the manufacturers and labor of foreign countries, whether the purpose be to destroy trusts or to establish free trade, the manufacturers and laborers of this country will not be called upon for those supplies, and just to the extent that they are not called upon for them will our factories close their doors and our labor go without work. There is no question that the proposed remedy would accomplish its purpose. It would destroy the trusts, but their destruction would take with it the last employment of thousands and tens of thousands.

"The trust question was not a serious one from 1893 to 1896, when industrial paralysis extended into every avenue and industry in our whole country.

"No, Mr. Chairman, it is not the intention of the Republican Party to wreck the prosperity of this country in order to control the trusts.

"A patriot and a statesman at the White House, conscientiously devoted to the well-being of the whole country, alert alike to the welfare of the rich and the poor, the employer and the employed, with competent and able assistants in all the departments of Government, is controlling and regulating, rather than destroying, the enterprises of this country, by whatever name they may be known. [Applause on the Republican side.]

"EXPORT PRICES.

"Now, as to the charge that the products of manufacture are sold cheaper abroad than at home, therefore, we should put the country upon a free-trade basis.

"It has not been my privilege to see a list of the articles that are sold cheaper in foreign markets than they are in our own, and I do not deny that it is done in some particulars. I have heard it stated, however, upon as good authority, that the prices quoted by those who make the charge is the retail price at home and the manufacturer's price to the jobber abroad. It was charged two years ago that sewing machines and reaping machines were selling cheaper in foreign markets than to our own people. It has been stated, upon the authority of dealers in Sydney, Australia, that the Deering binder sold there for $155 to $182, while it sells here for $125; that the McCormick binder sold in Sydney for $165 to $194, and sold at home for $125; the New Home sewing machine sold in Sydney, Australia, for $55, in this country for $35.

"But, if the allegation were true, it is better that American manufacturers get into foreign markets by that method than that foreign manufacturers come into American markets by the same method. [Loud applause on the Republican side.]

"LESSONS OF EXPERIENCE.

"We have had experience—our markets have been exploited by foreign manufacturers.

"In 1846 iron rails sold in the United States for $50 per ton. As soon as the tariff was removed by the Democratic Party in 1846 English manufacturers reduced the price of iron rails to $40 per ton, swamped the American market, then, after ruining that industry in this country, they raised the price to $75 per ton for iron rails.

"And that was not our only experience. Our markets were exploited by the manufacturers of foreign countries at another time when we were under a tariff revised by the Democratic Party. As far back as 1819 Monroe says in his message of that year, referring to the way foreign manufacturers ruined our manufactures—

"Their manufactures have been shipped by the manufacturers to the United States and in many instances sold at prices below their current value at the place of manufacture. Although this practice may, from its nature, be considered temporary or contingent, it is not on that account less injurious in its effects.

"We were then under the tariff act of 1816. Foreign manufacturers were exploiting our markets, ruining our manufacturing establishments, and establishing the sale of their products here.

"To whatever extent the products of American manufacture, protected or otherwise, are sold in foreign markets cheaper than they are sold at home, the American consumer could ill afford to exchange places with the foreign consumer. A factory, a shop, a furnace, an industry of whatever nature that is established here becomes a part of the property of the great body of the American people. Taxes are paid, schoolhouses are built, and schools maintained, churches are built and maintained, the institutions of the country are supported by the industries of the country.

"The manufacturer who is not engaged in producing articles on the protected schedule could not afford to have a neighboring factory engaged in some other product that is on the protected schedule, transferred, with its employees, to a foreign country. The farmer could not afford to have a manufacturing establishment engaged in producing a protected article that is sold cheaper abroad than it is at home, removed to the place abroad. So I say, to whatever extent the practice is followed, it is better for us that our manufacturers practice it in foreign markets than that the manufacturers of foreign countries should practice it in our markets. [Loud applause on the Republican side.]

"Now, sir, as to the objection that our products are kept out of foreign markets by the policy of protection. The most emphatic answer to that objection is that it is only true in theory, and that it is in no sense true in fact.

"PROTECTION AND EXPORT TRADE.

"Why, sir, we have advanced from year to year under the protective policy from one of the lowest exporters among the great nations of the earth, until to-day we rank first. Our exports last year were one and a half billions in round numbers, while England's exports were one billion four hundred millions; Germany's one billion two hundred thousand, and France's eight hundred millions.

"We have extended not only the amount but the variety of our exports from year to year, and the year that has just closed has shown the greatest export from this country that has ever been made by any one country in any one year.

"But we are told that we can not sell our products in the world's markets while we refuse the world the privilege of selling in our markets. But we do. [Applause on the Republican side.]

"COST OF LIVING.

"It is said the cost of living has increased in a greater proportion than the wage scale has been raised, therefore the tariff should be revised by the Democratic Party.

"Now, conceding, for the sake of the argument, that some of the necessities of life are higher now than they were from 1893 to 1896 under the last revision of the tariff by the Democratic Party. Bread and meat were cheap in those days, but people went without food. Clothing was cheap, but people went without raiment. Hardware and lumber were cheap, but men did not build houses. Land was cheap, but people did not buy farms. Live stock was cheap, but farmers did not buy stock. Everything was cheap, but no one could buy.

"To-day bread and meat may be a little higher, but no one goes hungry. Clothing may be a little higher, but all are clad. Hardware and lumber may be a little higher, but throughout the whole land people are building houses. Farm lands have doubled in value, but all over the country men are buying farms. Many farm animals have more than doubled in value, but all over the country men are buying stock. Sites for industries are higher and material and labor are higher, but enterprising men are purchasing sites and material and establishing industries. Wages are higher, but employers are employing men. The soup house has disappeared and the market has taken its place. [Loud applause on the Republican side.]

"But we are told by the Democratic Party that the policy of protection is in no sense entitled to credit for our splendid prosperity. The declaration is made that the beneficence of a kind Creator has thrust this prosperity upon us, and that our commercial policy has had nothing to do with it.

"PROTECTION AND PROSPERITY.

"Now, I have been taught and have always believed that God was invariable in all His purposes and just in all His ways, and I refuse now to believe that the Divine Being would uniformly withhold from His people the blessings of prosperity and visit upon them the hardships of adversity following a revision of the tariff by the Democratic Party, and lift the hand of adversity and restore prosperity following an enactment of a tariff law by the Republican Party.

"You see, Mr. Chairman, that would be a discrimination that could not well be harmonized with the promise that 'He maketh His sun to rise on the evil and the good, and sendeth rain upon the just and the unjust.' [Applause on the Republican side.]

"So I say again, in closing, Mr. Chairman, that adversity with every variety of hardship has been visited upon the people of this country following every revision of the tariff by the Democratic Party. [Loud and continued applause.]"

Administration at Washington Fighting for the People's Rights.

EXTENSION OF REMARKS

OF

HON. WILLIAM E. COX,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, July 16, 1914.

Mr. COX. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include an article prepared by Mr. George P. Hampton, published in the Pennsylvania Grange News, July, 1914, on "The administration at Washington fighting for the people's rights."

The article is as follows:

ADMINISTRATION AT WASHINGTON FIGHTING FOR THE PEOPLE'S RIGHTS.

[By George P. Hampton.]

When the farmers of Pennsylvania in their great fight defeated the $50,000,000 good-roads bond issue the opposition was bitter in its denunciation, and all manner of dire consequences were prophesied by those who hoped to benefit by this exploitation of the people. The same thing is happening at this time in the State of Washington, where the combined farmer and labor forces are making a great popular government fight to secure the adoption of seven important measures, popularly known as "the seven sisters," which will take power from the saloon and special interests and place it in the hands of the people. The splendid way in which the Grange, the Farmers' Union, and the labor forces are working together, and the prospects that they will succeed, makes the opposition exceedingly bitter. The State is flooded with denunciations of the leaders in "the seven sisters" movement, and every effort is made to scare the voter with dire forebodings of calamity and disaster if "the seven sisters" should carry.

These experiences are similar to what happens in every State whenever things are doing which are positively beneficial to the people and which are correspondingly effective in stopping their exploitation and robbery by special-privilege interests. They are typical of what is going on here in Washington to-day. To listen to the calamity howlers of the special-privilege interests, the hordes of hungry office seekers, and the political opponents of the present administration, the country is going

to the dogs and neither Congress nor the Government is doing anything to justify the confidence of the people, and least of all the farmer.

But, leaving out the political opponents of the administration, who, because of their intense desire to win in the next election, are politically color blind and therefore not to be taken too seriously, the trouble with these calamity howlers is that this Congress and administration is actually doing things for the people, and doing them so aggressively that they see their chances of continuing their exploitation and robbery through special privileges slipping away from them.

The special-privilege interests were made to realize that they were up against the real thing in government for the people in the thorough way in which the investigations of the Steel Trust, the Sugar Trust, the Money Trust, etc., were conducted. They got a taste of what was coming in the passage of the law providing for the direct election of United States Senators. Since then the assault on the citadel of special privilege has been continuous and increasingly effective.

The special-privilege interests got another staggering blow in the passage of the parcels-post bill, and they have since failed in every effort to put a brake on it or to curb the Postmaster General, who is determined to give the people a square deal in its rapid development. But that is not the worst, as viewed by big business, this Postmaster General, backed by the President, is doing. He has declared for the Grange plan of Government ownership of telegraphs and telephones and means business. He has also declared for a revision of the railway mail pay, which will safeguard the rights of the people, and Congress has pending a bill embodying his recommendations. Such a Postmaster General is indeed dangerous to the interests. From their point of view he is a menace and must be discredited. But how about the people?

The interests were again hard hit in the tariff revision, and their great fear now is that abundant crops and good prices will prevent them stampeding the farmers into helping them restore the old high-protection days on the plea that they have been robbed by this tariff reduction.

Special privilege got another staggering blow when the currency bill passed. Wall Street has been dull, and Wall Street gamblers have been wailing ever since. How heavy the blow Wall Street got may perhaps be seen somewhat from the fact that the price of a seat on the New York Stock Exchange dropped from $80,000 to $45,000.

The interests are now fearing the loss of more special privileges in the passage of the administration antitrust bills. There are five of them, and all have "teeth." Consequently, every effort is being made by those whose power to rob the people is not blocked to stir up public opinion against them and prevent their enactment at this session, in the hope that a new Congress will be more "pliable." By means of press bureaus and letters, telegrams, and petitions to the President and Congress every effort is made to show that business is suffering by even the fear of such legislation, and that it is time to let a "tired and worn-out Congress go home" and put off the passage of these bills until after election. But the President insists that the antitrust bills must pass before Congress adjourns. Such stubbornness in a President, such indifference in the White House to their demands, is alarming to "big business." Of course the kings of Wall Street and the trust magnates have no use for such a President and will discredit him and this Congress with the people if it can be accomplished. They must do this if they are to retain the special privileges they have or regain any of those which have already been taken from them.

The interests are again hard hit in the five bills of the administration's conservation program. It is a clear-cut conservation program for the people. The water-power bill alone, House bill 16673, which effectively stops the grabbing of our water power by private corporations and provides for their utilization by the people, is alone enough to make this administration and Congress memorable as a people's administration and Congress, and consequently to win for it the bitter opposition of the "big business" exploiters who wanted these water powers for their private gain. Of course a President and a Congress standing for such things must be discredited and driven from power. But what do the people say?

In the handling of the Alaska situation the story is the same. The private exploitation of that vast and wonderfully rich Territory by the Guggenheims and other syndicates has been stopped, and legislation enacted providing for its development for the benefit of all the people. Bitter? Of course the "big interests" that intended to monopolize the natural resources of Alaska are bitter and denounce a President and Congress standing for such things.

In the legislation for the District of Columbia the same fight for the people against special-privilege monopoly is being fought by this Congress. The Crosser bill to provide for the municipal ownership of the street railways of the National Capital has stirred up the opposition of all the group of special-privilege interests who profit by the monopolization of municipal public utilities.

Again, this Congress and administration has dared to be friendly to the farmers' ideas about good-roads legislation, and insist that in all such legislation "from farm to market" must be the guiding principle. Against such a stand the interstate highway pleasure boulevard advocates have so far been unable to make headway, and so they, too, have no use for this Congress. But how about the farmers? As State Master Kegley says, "It is not millions or even hundreds of millions, but billions that are at stake in this fight."

Again, Congress has grappled with the great subject of rural credit with an evident desire to give the farmers a sound, comprehensive, and complete rural-credit system.

Hearings have been held by a joint committee for months, and dozens of bills introduced, but the spokesmen of the farmers have been hopelessly divided in their ideas and demands, and this division of opinion is reflected in the opinions of those Members of Congress who are honestly working on the subject. Realizing that more time is needed to bring about a general agreement and work out a satisfactory system, the farmers themselves have asked that legislation be put off until next session, and in this both Congress and the President have concurred.

So far the rural-credit discussion has centered around land-mortgage credit, but, important as that is, the evidence is conclusive that there is a growing realization among the leaders of thought in farm circles that the big side of farm credit is capital and commercial credit. The writer ventures to assert that this idea will grow and will dominate in the rural-credit legislation when finally enacted. The right solution of this question means the saving of billions to farmers. The progressive granges are grappling with the problem, and so, too, are the editors of the great farm papers, and with strong prospects that a common understanding will be reached before Congress meets in the next session.

The story of what this Congress is accomplishing for the people is far from complete, but its continuation and the details of any particular measure must be left to another letter. It may be said, however, of this Congress that it is the greatest people's Congress in a generation. The amount of legislation it has passed in the interest of the people and the administration measures still pending is greater than that of the six immediately preceding Congresses put together. It is legislation with teeth in it. It will do what is intended. That is the reason the special-privilege interests attack it so bitterly and insistently. It is the reason why the alleged failures of the administration in its Mexican policy and the alleged surrender to England in the repeal of the Panama Canal tolls are magnified and made so much of.

All this, of course, is intended to pull the wool over the eyes of the people, blind them to their real issues, and get them to quarreling among themselves over matters of, to them, far less moment. The farmer's great fight is to destroy the monopoly conditions at home which rob them of the profits of their toil, which robs them in the marketing of their crops, subjects them to extortionate charges for what they must buy, that rob them in discriminations in transportation charges, and prevents them in controlling their own credit facilities, thereby compelling them to pay interest charges which makes reasonable profits impossible and which prevents them from securing the capital necessary for the proper development of their farming operations. As State Master Kegley has said: "The battle between the farmers and their monopoly exploiters as to who shall enjoy the profits of agriculture is on in earnest." The victory is bound to be with the farmers if they do not allow these outside issues to distract them from their own fight.

This is a people's Congress, not because it is a Democratic Congress, for there are reactionary Democrats who do not trust the people and who oppose the farmers' measures. But it is a people's Congress because there are in all the parties representatives who are fighting on the side of the people, and these working together, aided by the President, are strong enough to carry the people's program through. It is the best nonpartisan Congress we ever had, and farmers should see to it that those who have made good from the people's standpoint, regardless of their party affiliations, are reelected and returned to Congress to continue their good work.

Navigability of the Susquehanna.

EXTENSION OF REMARKS
OF
HON. J. HAMPTON MOORE,
OF PENNSYLVANIA,
IN THE HOUSE OF REPRESENTATIVES,
Thursday, July 16, 1914.

Mr. MOORE. Mr. Speaker, on October 22, 1913, I introduced a bill (H. R. 9001) declaring navigable the Susquehanna and its tributaries, in the following form:

Whereas the Susquehanna River rises in the State of New York and courses through Pennsylvania and Maryland to the Chesapeake Bay and Atlantic Ocean, being an interstate stream capable of responding to the needs of modern commerce and navigation; and
Whereas the Susquehanna River and its tributaries are capable of affording a competitive means of transportation for the agricultural, mining, and industrial products bordering thereon, including the rich coal fields of Pennsylvania; and
Whereas the Susquehanna River has been closed to navigation by the construction of a dam at McCall Ferry for the erection of which no sanction was obtained from the Government of the United States; and
Whereas no Federal supervision of the Susquehanna River or any of its tributaries above the Maryland border line has been exercised by the War Department because of an Executive order declaring said stream to be nonnavigable above the Maryland border line: Therefore

Be it enacted, etc., That the Susquehanna River and its tributaries be, and they are hereby, declared navigable in law wherever they are navigable in fact, any Executive or departmental order to the contrary notwithstanding.

Subsequently, on February 26, 1914, I addressed the House upon this subject, calling attention to the enormous drainage area of the Susquehanna and its tributaries, and to the increasing population for whose transportation purposes the streams might be made available, and said:

"The recent awakening of the people of Massachusetts to the bridging over of their streams and to the heavy freight charges to which they have been subjected because of the incompetency and neglect of their rivers affords a lesson for the people of New York, Pennsylvania, Maryland, and Virginia with regard to the treatment of the Susquehanna. Not only have the old canals which were fed by the river and its tributaries been put out of business, but the Susquehanna itself has been completely dammed at McCalls Ferry in Pennsylvania, and the unusual position has been taken by the War Department that the river is not to be regarded as navigable above the Maryland line. It is possible the rocky condition of the river and the expense of dredging may have had something to do with the edict of the War Department, but it is easily demonstrable that engineering problems such as are presented by the Susquehanna have already been met by the expenditure of large appropriations upon other streams where the public purposes to be served are not so great as those that would result from the improvement of the Susquehanna."

There was much more relating to the peculiar condition under which dams and bridges might be erected on the Susquehanna and its tributaries without Federal supervision. The great dam at McCalls Ferry in Pennsylvania, reported to have cost $16,000,000, and being second in size only to the Keokuk Dam, was built so that it completely blocks the Susquehanna River, and therefore bars effectively all interstate navigation, although the construction of the dam itself resulted in the creation of a splendid deep-water pool 6 or 7 miles in length.

Amongst other things, I then said:

"It was a great piece of engineering, but it escaped the scrutiny of the Federal Government, which it could not have done had the Government exercised its ordinary jurisdiction. No lock or passageway for vessels seeking an outlet to the Chesapeake Bay or to the sea was provided. Even the shad fishermen above the dam were shut out of their usual occupation, and although a fishway has since been set up, there is no method for fishing vessels to pass the dam. The structure is a barrier to commerce above and to commerce below; it is as much a barrier to the potatoes and tobacco of York and Lancaster Counties as it is to the coal from Wyoming or Luzerne.

* * * * * * *

"In the light of these facts, it would seem to be an act of simple justice to revoke the ruling of the War Department, so that the Susquehanna River may hereafter be treated as a navigable stream free to the people of the Nation. It is nature's highway to the sea from the very heart of the greatest anthracite coal fields of the world and ought to be preserved by the Government for the free use of the people, whether Congress is ready to improve it for transportation purposes or not."

I do not intend to quote further from the speech of February 26, except to say that the arguments therein made as to the navigability of the Susquehanna and its tributaries have been fully sustained by the War Department in connection with the application of the Susquehanna Power Co. for the approval of its plans for a power dam across the Susquehanna River near Conowingo, in Maryland.

In view of the increasing importance of maintaining the navigability of our streams and also of utilizing some of them for the development of power, and inasmuch as this whole question is about to be considered when we reach the bill presented by the gentleman from Georgia [Mr. ADAMSON] to amend the general dam act, I have obtained from the War Department for the information of the House a copy of the opinion of the Judge Advocate General upon which the action in the Conowingo Dam case was based.

While the opinion does not deal fully with such exigencies as may have induced the action of the War Department in declaring the Susquehanna nonnavigable above the Maryland line in 1904, it goes very fully into the mooted question of State jurisdiction over streams wholly within the boundaries of a State, and so sustains the exercise of Federal jurisdiction over all streams that are navigable, that it is well worth perusal at this time. I append it in full:

THE OFFICE OF THE JUDGE ADVOCATE GENERAL,
June 8, 1914.

The SECRETARY OF WAR:

Application by the Susquehanna Power Co. for approval of its plans for a power dam across the Susquehanna River near Conowingo, Md., which involves the legal question whether that river is one "the navigable portions of which lie wholly within the limits of a single State" and across which, therefore, the legislature of the State may authorize the construction of this dam under the first proviso of section 10 of the act of March 3, 1899.

1. In 1907 the War Department, following the view expressed only once before and under circumstances hereinafter referred to, that the Susquehanna is a stream the navigable portions of which lie entirely within the limits of Maryland, approved the location and plans for a dam proposed to be built by this company across the Susquehanna River near Conowingo. Nothing was done upon the actual construction of this dam in pursuance of this approval, and on February 24, 1913, the company, addressing the Secretary of War, stated that contemplated changes in the original project necessitated a change in the location of the structure as formerly approved, which new location was indicated on a map, and requested either that the instrument of approval of 1907 be amended so as to show the approval of the changed location or that a new instrument be executed covering approval of the construction of a dam and power plant at the new location. After consideration, the Secretary of War concluded, apparently with some doubt, however, that the application for the relocation of a dam by the Susquehanna Power Co. might be authorized by the department if properly supported by authority of the Legislature of the State of Maryland and if the location and plans for the dam were such as to receive the approval of the Chief of Engineers and the Secretary of War, and indicated, in communicating to the company his conclusion, the provisions which an instrument of approval should contain. On April 2, 1913, the Chief of Engineers communicated the foregoing decision to the company. Apparently nothing has been done since, and now the company states that it may desire to build a dam at a location several thousand feet above the one heretofore approved, with an increase of 20 feet in the height of the structure; and the present questions arise upon the company's inquiry whether an application for approval of these changes would be considered merely as a modification of the former approval or as an entirely new proposition. The Chief of Engineers is of the opinion that such an application would have to be considered as covering a new project. In this view I concur, and the question becomes, as upon an original application, whether the State of Maryland can grant the authority for a dam which the company now proposes to construct, or must the company seek and obtain the authority of Congress?

2. Notwithstanding the action of the department upon the former application, I am convinced that that action was not in accordance with the law and that a different view must now be taken for the present and future guidance of this department. The action of the department in approving this company's former application and thus regarding the Susquehanna as a river whose navigable portions lie entirely within a single State, has resulted from a single departmental precedent, which marked a departure from the traditional attitude of the department toward this river and those similarly situated and of like importance, and which should now be reviewed. That single precedent is the decision made by Secretary Taft

in 1904 in the case of the Pennsylvania Railroad Bridge at Havre de Grace to the effect that the Susquehanna is a river the navigable portions of which lie wholly within the State of Maryland, and that the bridge could therefore be authorized by the Legislature of Maryland. When that application first came to the department the Chief of Engineers found, evidently, that the Susquehanna River is navigable in both Pennsylvania and Maryland, and, after adverting to the fact that a river is navigable in law when it is navigable in fact and that the navigability of a stream does not depend upon the mode by which commerce is conducted upon it nor upon the difficulties attending navigation, such as those made by falls, rapids, sand bars, concluded as follows:

Under the circumstances, I am of the opinion that the department should hold that the consent of Congress to the construction of a bridge over the river is necessary, and I recommend that the Pennsylvania Railroad be so informed.

These views and recommendations were concurred in by Assistant Secretary Oliver. Subsequently, however, applicant obtained a reconsideration by the Secretary himself, as a result of which Mr. Secretary Taft came to the following conclusion:

WAR DEPARTMENT, *Washington.*

In the absence of Secretary Oliver, I have reexamined the question as to whether the Susquehanna River can be said to be a navigable river within the provisions of the act of Congress requiring that navigable rivers in two States shall not be crossed by bridges except by authority of Congress, or should be considered as navigable within one State, consent to cross which may be given by the legislature of a State with the approval of the Secretary of War.

My own judgment is that in the present condition of the Susquehanna it is navigable only within one State. There is no interstate navigation such as was in the mind of Congress in making the distinction. For this reason the consent of the Secretary of War will be regarded as sufficient for the construction of the bridge in accordance with plans to be approved by this department. This conclusion is reached on the assumption that the State of Maryland has already consented to the erection of the bridge.

Thus the Secretary of War overruled the views and recommendations of the engineer department and the action of the Assistant Secretary of War.

3. The department's action on the power company's application was based entirely on Secretary Taft's decision. The Chief of Engineers, in presenting the application to the Secretary, said:

The Susquehanna is an interstate stream, but under the ruling of March 8, 1904, by the Secretary of War, it is held to be navigable only within one State, in view of which the authority cited appears to be sufficient to justify action by the department on the plans presented without the authority of Congress.

And accordingly recommended approval. When in February, 1913, this company submitted an application for an approval of the relocation of the dam, Mr. Frankfurter submitted to the Secretary of War a memorandum saying that the permit of April 9, 1907, was based upon a finding of Secretary Taft, of March 8, 1904, that the Susquehanna River in its then condition was navigable solely within the State of Maryland. That memorandum then proceeds:

Secretary Stimson directed an inquiry into the present condition of the navigability of the Susquehanna River. The Chief of Engineers reports that the conditions since the ruling of Secretary Taft are unchanged, and that the navigable reach of the river is still wholly within the limits of the State of Maryland. Therefore the application for the relocation of the dam by the Susquehanna Power Co. may be authorized by the department if properly supported by the authority of the Legislature of Maryland and if the location and plans for the dam are such as to receive the approval of the Chief of Engineers and the Secretary of War. (Sec. 9, river and harbor act of Mar. 3, 1899, 30 Stat., 1151.)

The records of the department do not show what kind of inquiry was made—indeed, it is assumed that nothing but an office investigation was made—into the present condition of navigability of the Susquehanna River by the Chief of Engineers, but that officer, on February 27, 1913, in a memorandum filed with the Secretary of War, said:

About 30 years ago the Government expended about $45,000 in improving navigation on the north branch of the Susquehanna River between Wilkes-Barre, Pa., and the New York State line, and since 1853 about $168,000 has been expended in securing a 12-foot channel from the mouth up for a distance of 5½ miles. There is no navigable connection between these two reaches of the river and practical interstate navigation has not been possible. Too, from the mouth up to Port Deposit, a reach wholly within the State of Maryland, is the limit of boat navigation, and in a decision rendered by Secretary Taft March 8, 1904, it was held that the river "should be considered as a navigable river within one State," i. e., the State of Maryland.

(a) There has been no change in conditions since the aforesaid ruling of the Secretary of War, and navigation above the Maryland State line is impracticable on account of obstructions both natural and artificial.

So, then, if the decision in the Pennsylvania Railroad's bridge case was wrong, so has been the action of the department in the present case.

4. Whether regarded as a conclusion of fact that the Susquehanna is navigable in fact only in Maryland, or as a conclusion of law that the mere absence of interstate navigation places a stream within the proviso in question, the decision in the Pennsylvania Railroad case is unsound, and equally so from both viewpoints. The Susquehanna River is navigable in Maryland and also in Pennsylvania. The navigable stretch in Maryland is vastly important, connecting with the Chesapeake Bay and the ocean. It is also well known that this river has several navigable reaches in Pennsylvania. The entire river within the limits of that State has been regarded by the courts and legislature of that State as a navigable river and important public highway from the earliest time. (Price's Index to Local Legislature, p. 1032; Carson *v.* Blazer, 2 Binney, 475; 4 Amer. Dec., 463.) Its possibilities as a great highway of commerce have at all times been recognized by that State. It was first declared to be a public highway in 1785. As early as 1791, £6,290 were appropriated for its improvement, and large sums have been appropriated from time to time even to this day. Active canals were heretofore maintained to insure navigation throughout its length and the length of its important branches. With the coming of railroads, however, the canals have been gradually and largely abandoned, being in the most cases bought out by the railroad companies. The Federal Government also has regarded the river as navigable in Pennsylvania, and Congress has from time to time appropriated money for its improvement. The Engineer Department regarded this river as navigable within the State of Pennsylvania even at the time of the Pennsylvania Railroad decision, and accordingly held that the consent of Congress had to be obtained for the construction of the bridge. A recent report from the local engineer officer at Baltimore shows beyond all question that the river is navigable within the limits of that State. There are numerous ferries on the river for commercial passenger traffic. There is a section of the river now used by steamboats of large size at and near Williamsport on the west branch. At Harrisburg the river is navigated by gasoline launches, canoes, flat-bottom ferryboats, and flat-bottom barges propelled by flat-bottom rear-wheel steamboats. These barges are used for handling coal and sand. When the 4½-foot dam at Harrisburg is completed larger traffic of this character may be expected. Above the Clarkes Ferry Dam there is canoe and motor-boat traffic extending within the limits of slack water. Motor boats are also used above the wing wall of the York Haven Power Co., at York Haven and Goldsboro, and motor boats are used at the pool above McCall Ferry. There is a tendency among practical men to conceive of navigable capacity as nothing less than what is sufficient to carry on trade and commerce by means of the usual large carriers propelled by steam or wind, but it is well established by the courts that if a stream can be used for commerce or trade in any form to any substantial extent, even for the floating of rafts of logs or lumber, it is a navigable stream. The supreme test is capacity. The law depends on that fact. If capacity is present, the stream is navigable. In determining navigable capacity it must be considered whether the stream is fit for valuable floatage; whether the public are interested in transportation in any form upon it; whether the periods of floatage capacity are sufficiently long to make it susceptible of use beneficial to the public; whether it has ever been previously used by the people generally, and for how long. The evidence should not be confined to the present or past use, but capacity for future use, as the country develops along its shores, must be considered as well. It is not necessary that waters be fit for navigation at all times, but their capacity therefor must recur with regularity. Nor is it essential that waters, in order to be navigable, shall afford a continuous passage throughout their entire extent for water craft or logs or other traffic. Navigability of waters must be determined by their capability for use as highways for commerce, trade, and travel, for the transportation of the products of the country, of its industries, of its fields and forests or mines, in the customary mode of such transportation. This capability of use affords the true criterion of navigability rather than the extent and manner of that use. If it be capable of being used for purposes of commerce, no matter in what mode the commerce may be conducted, it is navigable in fact, and becomes in law a navigable river or highway, although its navigability may be encompassed with difficulties by reason of natural barriers. (Genessee Chief, 12 How., 443; The Daniel Ball, 10 Wall., 557; The Montello, 20 Wall., 430; Barney *v.* Keokuk, 94 U. S., 324; Water Power Co. *v.* Water Commissioners, 168 U. S., 349.)

5. The Susquehanna beyond all question has navigable portions in Pennsylvania as well as in Maryland. Whether the portion lying across the Pennsylvania-Maryland boundary is navigable in fact or not is not certain. Accepting the definition of navigability as laid down by the courts, however, I am not convinced that the river at the boundary is not navigable. Assuming, however, that it is not, does that fact make the Susquehanna River one whose navigable portions lie wholly within the limits of a single State, within the meaning of the first proviso of section 9 of the act of March 3, 1899? I am con-

vinced to the contrary. Said section 9, so far as pertinent here, is as follows:

That it shall not be lawful to construct or commence the construction of any bridge, dam, dike, or causeway over or in any port, roadstead, haven, harbor, canal, navigable river, or other navigable water of the United States until the consent of Congress to the building of such structures shall have been obtained and until the plans for the same shall have been submitted to and approved by the Chief of Engineers and by the Secretary of War: *Provided*, That such structures may be built under the authority of the legislature of a State across rivers and other waterways the navigable portions of which lie wholly within the limits of a single State, provided the location and plans thereof are submitted to and approved by the Chief of Engineers and by the Secretary of War before construction is commenced.

The act of which this section is a part is a revisal of the act of 1890. The entire act is somewhat infelicitously drawn, and, like most great pieces of constructive legislation, there are portions of it which are more or less obscure; but this proviso, I think, is not one of them. Any present doubt of its meaning is not inherent, but has been cast upon it by the decision in the Pennsylvania Railroad bridge case, which I regard as erroneous.

When the general scope and tenor of this statute and its antecedent are considered in connection with its main purpose and view of the facts to which Congress must have meant it to apply, there is little or no difficulty attending its interpretation; and least of all in this proviso. The main object of the statute is clear. For many years the States of the Union, with the tacit assent of Congress, had been exercising control over the navigable waters of the United States within their respective limits. By these acts the whole policy of the Government was changed. By them Congress asserted its paramount power in sweeping terms over all navigable streams of the United States. It was intended that thereafter the navigable waters of the United States should be under the exclusive control of the United States; that for the future their navigability should be interfered with only by the express permission of the United States, granted in some cases through special consent of Congress and in others through its agents, the Secretary of War and the Chief of Engineers. The whole purpose was to preserve these great instrumentalities of commerce and their navigable capacity from possible adverse action not only by individuals but by the States as well. Congress left to the States no power of consent, except in one instance, namely, where, as said in the proviso, the navigable portions of the river lie wholly within the limits of a single State. And even here State consent is not effective until the location and plans of the obstruction are submitted to and approved by the Chief of Engineers and the Secretary of War.

6. The patent error in the decision which I am now questioning proceeds out of the idea expressed in the following language:

There is no interstate navigation such as was in the mind of Congress in making the distinction.

The act is not limited in its scope to interstate navigation. It operates not directly on interstate navigation at all, but upon the agencies and instrumentalities of that commerce. Its sole object is the preservation and protection of the navigable capacity of these great instrumentalities. It does this, not by preventing obstruction to navigation only, but to navigable capacity. Most of our streams and watercourses are, in fact, more or less navigable in some of their reaches, and the nonnavigable portions serve as feeders for and are so connected with the navigable sections that it is difficult and scarcely practicable to apply a separate rule for each. This is so, of necessity, where ample regulation of the navigable section can only be secured through regulation of the nonnavigable section. The proviso refers to streams the navigable portions of which lie entirely within a single State. The decision of 1904, in order to get within the language of this proviso, considers a stream with navigable portions in more than one State but with no practical navigation at the boundary, as so many separate navigable waterways, each of which lies entirely within a single State. The purpose of this statute is protection, and for this purpose the Federal Government's jurisdiction covers the entire stream and treats it as a unit. (United States *v.* Rio Grande Co., 174 U. S., 690; St. Anthony's Water Power Co. *v.* Water Commissioners, 168 U. S., 349; The Montello, 20 Wall., 430.) In the Rio Grande case the Supreme Court had before it the question of the scope of this act in construing section 10 thereof, which provides:

That the creation of any obstruction not affirmatively authorized by Congress to the navigable capacity of any of the waters of the United States is hereby prohibited.

In that case it was contended that, although the Rio Grande is navigable for a certain distance above its mouth, inasmuch as it was not navigable in New Mexico the statute forbidding obstructions to navigable waters did not apply to obstructions in said nonnavigable portions. It was there decided, in effect, that a navigable stream is a unit within the purview of the laws of the United States made for the protection of navigation, the court saying:

It is urged that the true construction of this act limits its applicability to obstructions in the navigable portion of a navigable stream, and that as it appears that although the Rio Grande may be navigable for a certain distance above its mouth, it is not navigable in the Territory of New Mexico, this statute has no applicability. The language is general and must be given full scope. It is not a prohibition of any obstruction to the navigation, but any obstruction to the navigable capacity, and anything wherever done or however done, within the limits of the jurisdiction of the United States which tends to destroy the navigable capacity of one of the navigable waters of the United States is within the terms of the prohibition. Evidently Congress, perceiving that the time had come when the growing interests of commerce required that the navigable waters of the United States should be subjected to the direct control of the National Government and that nothing should be done by any State tending to destroy that navigability without the explicit assent of the National Government, enacted the statute in question. And it would be to improperly ignore the scope of this language to limit it to the acts done within the very limits of navigation of a navigable stream.

The purpose of the act was protection to navigable capacity. In order to preserve the navigable portions lying within one State, the act reaches the nonnavigable portions lying within the same or another State. All the more so does it reach the navigable portions, though they lie in different States. Navigable portions not continuous and separated by barriers and other obstacles are not to be considered as separate and distinct navigable waters, neither in common understanding nor in law. (St. Anthony's Water Power Co. *v.* Water Commissioners and The Montello, supra.)

7. Congress here simply recognized what we all know and what the courts recognize, that a navigable water may have several navigable portions. The only distinction made is between rivers whose navigable portions lie entirely within a single State and those whose navigable portions lie within more than a single State. And this distinction was made not because in the latter there is, and in the former there is not, interstate navigation, but because where all navigable portions lie entirely within a single State that State would have no reason, interest, or opportunity to act otherwise than to preserve and protect in the most efficient manner the navigable portions of the stream all of which lie within its borders. On the other hand, where one or more navigable portions lie in different States, each State may, in the control of its portion, act injuriously to the navigable portions lying within the other State or States. Thus, were it not for the paramount power of Congress, Pennsylvania, in the present case, may obstruct its navigable portions injuriously to the navigable portions in Maryland.

Aside, however, from all other considerations, the language of the section is too clear to admit of construction. I refer again to the language of this section (section 9). After declaring it unlawful to place any dam, etc., in any navigable waters of the United States without the consent of Congress, it says:

Provided, That such structures may be built under authority of the legislature of the State across rivers and other waterways the navigable portions of which lie wholly within the limits of a single State.

Inasmuch as Congress for the first time took over in one sweeping act complete jurisdiction of all waterways of the United States and required, except in one instance, congressional consent to dam a stream, and highly penalized the construction of a dam without such consent, it would naturally be expected of Congress to use definite language to describe the streams excepted from its control and left to the partial jurisdiction of the States. The phraseology is, as was to be expected, clear and concise, and indicates just what waters are to be under the jurisdiction of a State after the passage of the statute—rivers and other waterways the navigable portions of which lie wholly within the limits of a single State. That language is plain enough, and there is in it no accidental or insignificant word.

8. An examination of the CONGRESSIONAL RECORD shows clearly that the intention of the committee in reporting the bill, and Congress in passing it, was not to include such rivers as the Susquehanna in the description of those whose navigable portions lie entirely within a State. The Susquehanna River is more than 500 miles long, with navigable portions in at least two States. Its basin is the largest and most important drainage area commercially in the North Atlantic States. Its drainage basin has a total area of about 28,000 square miles, of which 22,000 lie in the State of Pennsylvania, comprising about 47 per cent of the entire area of that State; 6,000 square miles in New York, or 13 per cent of the area of that State; and 260 square miles in Maryland, or about 2 per cent of the area of that State. What the committees of Congress had in view were rivers of minor importance. For instance, it was said for the committee in the debate on this very proviso:

But as regards the small rivers entirely within the limits of a State, it is intended to go to the extent of authorizing the bridging of such rivers without getting the authority of Congress to build a bridge, provided that the plans for such bridges across such small rivers be submitted to the Secretary of War and approved by him.

Again:

The gentlemen of the committee have conceded that it will be of very great advantage to the commerce of the country and to the business of this House to allow rivers that are entirely within a State to be bridged by corporations having State authority therefor by submitting their plans for the approval of the Secretary of War.

And again:

The object of this provision is simply that if a navigable river wholly within the limits of a State shall be bridged, or if the State shall authorize the construction of the bridge over it, the approval of the Secretary of War shall first be obtained. (Page 5402, CONGRESSIONAL RECORD, vol. 21, pt. 6, 51st Cong., 1st sess.)

9. Upon mature consideration, I am convinced that it was erroneous in law for the department to hold as it did in the Pennsylvania Railroad bridge case and to follow that holding in the original permit in this case. I am convinced that a lax view of Federal jurisdiction over such streams or a failure upon the part of the department to enforce full Federal jurisdiction over such streams is none the less erroneous in policy, and will lead to a point, as in some instances it may have already done, where the Federal Government will not be consulted at all. The inevitable result will be that artificial obstructions will become so numerous and insuperable as to be destructive of navigable capacity and prohibitive of future navigation improvement.

10. I recommend that applicant company be notified that it is the view of the present Secretary of War that the consent of Congress, under existing law, must be obtained for the construction of a dam across the Susquehanna River. The Secretary may be inclined to question the equitableness of such a step at this stage of the proceedings, but it is clear that the present proposition is one de novo and should be considered independently of all previous applications. Furthermore, notwithstanding the approval of this company's original plans was given seven years ago, nothing has been done yet on actual construction. This case does not involve the question of the power to rescind a permit after the permittee in good faith has made contracts and spent sums of money upon the strength of the permit. It is not a question of rescission at all, but of a new approval. It is not a question of a lawful permit having been given in the first instance, but of an unauthorized approval. So, too, nothing has been spent on actual construction. In my judgment it is better law and better policy to stop the matter here.

E. H. CROWDER,
Judge Advocate General.

Panama's Independence of Colombia.

EXTENSION OF REMARKS
OF
HON. J. HAMPTON MOORE,
OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 13, 1914.

Mr. MOORE. Mr. Speaker, our generosity as a Nation seems to be without bounds. If we have been generous heretofore in Panama, in Cuba, or in the Philippines, the present administration does not intend to let suffer the reputation we have already attained. If any other nation wants anything, our modern diplomacy seems ready to yield it, just because we are a big, strong Nation and can afford to give away most anything that anybody wants. This was about the position we assumed in the Panama Canal controversy with Great Britain, and it is about what the present Secretary of State thinks should be our policy with regard to Colombia. In his statement to the newspapers, issued July 12, Secretary Bryan, in support of the proposition that we shall pay Colombia $25,000,000 and apologize for taking the Panama Canal which we have since dedicated to the world, tells us that Colombia has a grievance against us and that we ought to pay a cash consideration to to salve her wounded feelings.

Colombia feels—

Says the Secretary—

that she has been aggrieved; and whatever may be said as to whether or not this feeling is justified, no one will deny that she has sustained great financial loss in the separation of Panama from her.

Therefore we should pay Colombia $25,000,000 and charge that up along with the $400,000,000 we are spending upon the Panama Canal, because while it will be a slight burden upon the taxpayers of the United States it will be a great boon to the Government of Colombia. Secretary Bryan tells us that he found an estrangement existing between the United States and Colombia.

It is not necessary—

He says—

to discuss the events which gave rise to this estrangement, because it does not matter which party was at fault. The estrangement exists, and this is the fact that must be dealt with.

Therefore, no matter whether Colombia has lorded it over Panama in spite of Panama's right to independence; no matter whether Colombia, as the strong and powerful nation, had used little Panama as a pawn in a great national grab game; no matter whether in the last instance Panama's independence was rightfully or wrongfully established, it is our duty, according to Secretary Bryan, not only to—

do justice to Colombia, but in case of doubt as to what is just we must resolve that doubt against ourselves and in favor of Colombia.

In other words, as the Secretary views it, there are no two sides to the question, and we, the people of the United States, who have been so liberal to the world at Panama, must pay tribute to Colombia or lose her valued friendship.

This new policy is certainly not in accord with the precedent established by George Washington when he held aloof from France in her controversy with Great Britain after France had assisted us in the Revolutionary War, nor is it quite in harmony with the spirit of Jefferson or those other earlier patriots, who, after they had tolerated the payment of tribute to the Algerian pirates for a little while, finally sent Decatur and Bainbridge and men of their type into the Mediterranean Sea to shoot up the brigands who waylaid our commerce.

Of course, we may be more civilized to-day than we were a century and more ago, and it is possible we may have passed through and beyond the era of "dollar diplomacy." Therefore in the spirit of good will to all men, and because we can afford to do it, we may give over our rights in the Panama Canal to those who seek them; and while we are in doubt, because of our great strength and power, as to what we may do in Mexico to preserve the lives and rights of our citizens we can still afford, since Colombia requests it, to give her $25,000,000 in cold cash rather than permit the estrangement that exists to continue.

From the beginning of this controversy which involves the question of the strong nation being generous with the weak I have wondered whether in view of Colombia's peculiar attitude toward Panama the sympathy of the Secretary of State has not been like unto that of the good old lady, who, looking upon the blanched face of the culprit behind the bars, prays for his release in spite of the fact that the victims of his deviltry are still suffering the wrongs inflicted by his hands. Colombia's title to Panama was never so clear as to free it from the suspicion that Panama's strategic and financial value was more to be desired by Colombia than any purpose to advance Panama or promote the independence of her people. The history of the whole transaction from the days of the discovery of the Isthmus down to the present time develops an interesting and heroic chapter of the efforts of a people to be free. And when that story is carefully considered in all its tragic details there is ample justification for the belief that the United States ought not to yield up $25,000,000 without a better understanding of the situation and need not apologize to Colombia for the upbuilding of Panama until all the facts are ascertained.

One of the most careful students of South American history of whom I have knowledge is Mr. Wilfred H. Schoff, secretary of the Commercial Museum at Philadelphia. He has gone over the Spanish and American records with great care, and at my request has prepared a summary of facts bearing upon the controversy which I trust will have the consideration of Congress and of the State Department. I append Mr. Schoff's historical review of the Panama-Colombia controversy hereto, because of the light it throws upon the whole subject:

PHILADELPHIA, *July 10, 1914.*

Hon. J. HAMPTON MOORE, M. C.,
Washington, D. C.

DEAR MR. MOORE: In the course of a recent conversation you asked for my opinion of the treaty now pending in the Senate, in which it is proposed that the Government of the United States should make an expression tantamount to an apology to the Government of Colombia because of the act of our Government in recognizing the independence of the Republic of Panama in 1903.

I feel very strongly that it would be inadvisable and unnecessary to include in a treaty with Colombia any such expression of regret or apology, because that would involve the admission that the United States had committed a wrongful act, and this, as I read the history of the whole affair, seems clearly not to be the case.

The relations of the Isthmus of Panama to the Colombian union and of the United States to the Isthmus seem to resolve themselves into two definite propositions: First, that in joining the Colombian union the Isthmus reserved the right to separate therefrom, fought for that right when it was trespassed upon, secured the acknowledgment thereof in two constitutions of the Republic, never relinquished that right, and exercised it in 1903 in accordance with the original reservation.

Second, that the Colombian administration from the years 1900 to 1904 was irregular and dictatorial and governed contrary to the provisions of the Colombian constitution, so that its acts with reference both to the Isthmus and to the United States were irresponsible and invalid under Colombian law.

As it has been asserted on numerous occasions by Colombian representatives that under the Spanish decrees the Isthmus had always been incorporated with the viceroyalty of the new Kingdom of Granada, which subsequently became the Colombian Republic, I append quotations from a number of royal decrees, showing the contrary to have been the case, and will subsequently cite passages from the laws and records of Colombia in support of my proposition above stated.

From the first days of Spanish settlement the Isthmus and the mainland of South America were distinct administrative entities. In 1508 King Ferdinand made the division into two Provinces, the boundary of which ran through the Gulf of Uraba at the head of the Bay of Darien and close to the mouth of the Atrato River. East of the dividing line as far as the Cape de la Vela, practically the present coast of Colombia, was granted to Ojeda, and west of that line as far as Cape Gracias a Dios, the present coast of Panama, Costa Rica, and Nicaragua, to Nicuesa. Balboa, the discoverer of the Pacific Ocean, lost his life because as a follower of Ojeda he entered on territory west of that concession and there stirred up rebellion against Nicuesa, who was the royal grantee. For two centuries this division was strictly maintained, the reason being that the mainland, of which Cartagena was the fortified port, was naturally in closer communication with the interior, where the Spanish power was centered in Bogota, while the Isthmus, with its fortified ports of Nombre de Dios and Panama, was in closer communication with the viceroys of Peru at Lima. The reason was imposed by the topography of the continent. Cartagena was the only possible seaport for handling the precious metals coming down the Magdalena River, and Panama was the only possible port for handling the precious metals coming up by sea from Peru.

This condition is clearly shown by a royal decree of 1535, by which Panama was made an independent audience, and in fiscal matters attached to the viceroy of Peru. (Recopilacion de las Leyes de Indias, titulo 15, libro 2.)

In 1550 Emperor Charles V ordained that the Isthmus should be one of the Provinces of Peru. (Recopilacion de las Leyes de Indias, titulo 1, libro 5.) This was confirmed by a similar decree in 1568 (Recopilacion de las Leyes de Indias, titulo 3, libro 3) and 1606 (Recopilacion de las Leyes de Indias, titulo 2, libro 5).

About 1600 a royal statement of officers of the Indies classified as districts under the viceroys of Peru the following:

1. Panama, including Tierra Firme, Veragua, Santa Catalina, and Porto Bello.
2. Lima.
3. Santa Fe (new Kingdom of Granada).
4. Charcas.
5. San Francisco de Quito.
6. Chile.
7. Trinidad and Buenos Aires.

Panama and Bogota were under that decree of equal rank and independent of each other. (Recopilacion de las Leyes de Indias, titulo 2, libro 5.) Again, by royal decree of Philip III in 1614, Philip IV in 1628, it was ordained that "The president of the audiencia of Panama shall obey the viceroy of Peru and hold regular communication with him." (Recopilacion de las Leyes de Indias, titulo 1, libro 5.)

It was not until 1717, nearly 200 years after the creation of the viceroyalty of Peru, that Santa Fe de Bogota was elevated to the viceregal dignity, and the decree that established it mentioned as its Provinces Santa Fe, Cartagena, Santa Marta, Maracaibo, Caracas, and Quito. These are the modern Republics of Colombia, Venezuela, and Ecuador. Panama was not included in that decree, and remained attached to the viceroys of Peru. (Coleccion de Los Tratados del Peru, Vol. I, p. 267.) This new viceroyalty did not please the King of Spain, and it was reduced again to the rank of a captaincy by decree of 1723. (Coleccion de Los Tratados del Peru, Vol. I, p. 269.) A subsequent decree in 1739 re-created the viceroyalty of Santa Fe, and this time its borders were enlarged so as to include the Audience of Panama (Coleccion de Los Tratados del Peru, Vol. I, p. 121), but the same decree kept Panama in fiscal matters (by far the most important) subject to Lima, as before. "Notwithstanding the separation of your Province from Lima and its attachment to Santa Fe, the viceroyalty of Peru is directed to make its remittances to you as heretofore." (Coleccion de Los Tratados del Peru, Vol. I, p. 122.) The reason is manifest. Panama was in regular and easy communication with Peru, while the journey to Bogota and return required several months. Economic necessity kept the Isthmus subject to Lima, however much the military influence might procure its attachment to Bogota.

The assertion of Gen. Reyes during his futile mission to Washington in December, 1903, that "All the royal letters patent from 1533 to 1803 incorporated the Isthmus into the viceroyalty of the new Kingdom of Granada" was incorrect; first, because the viceroyalty of New Granada did not exist until 1717; and second, because when, for judicial purposes, Panama was attached to Bogota in 1739 its fiscal relations were expressly reserved to Peru.

In the long war of rebellion against Spain the Isthmus took no part. The city of Panama was garrisoned by a strong Spanish force. The independence of Colombia had been completely achieved by Bolivar before Panama had a chance to act. In fact, one campaign undertaken for the liberation of the Isthmus by a foreign legion consisting of volunteers under English officers, but with the approval of Bolivar, was disastrously defeated by the Spanish forces on the Isthmus and fled to Maracaibo. (Restrepo, Historia de la Revolucion de Colombia, I, ch. XII.)

The Republic of Colombia was formed in December, 1819. Panama rose against the Spaniards in November, 1821, when the Spanish governor, Col. José Fabrega, himself convened the provincial council and obtained the passage of an ordinance of independence, of which he was the first signer, as well as the first governor of the new Republic.

The resources of the Isthmus were felt to be insufficient to insure its independence without further aid, and its citizens had the choice of federating with the Central American Republics or with the greater Colombian Republic, headed by Bolivar. They chose the latter as the stronger power, and from a communication forwarded by Fabrega to Bolivar I quote a few words only:

"I have the high pleasure to communicate to your excellency that the Isthmus has decided upon independence from the Spanish rule. This act causing the total change of a political system which might have led to disastrous struggles has been accomplished with such order that its like could hardly be found. It is memorable in the pages of the history of free America. * * * We need disciplined men with competent officers to garrison the more important points where we might be attacked. My own gratitude is very deep at having been found worthy of public confidence to govern an independent Isthmus. I am determined to make any sacrifice for the country at whose birth I was present. I hope you will report these facts to your Congress, with the view of admitting us to the Republic which you represent."

This letter was dated at Panama November 29, 1821. Bolivar's reply was dated Popayan, February 1, 1822, from which I quote again a few words:

"I desire to congratulate the illustrious Province over which you have the glory of presiding. It is impossible for me to express the feeling of joy and admiration which I have had upon knowing that Panama, the center of the universe, is regenerated by itself alone and free through its own strength. The act of independence of Panama is a more glorious monument than any other American Province can offer to history. * * * I repeat the gratitude with which I have accepted in the name of Colombia the services which you and your generous people have accorded it in thus completing the boundaries that Providence and nature have suggested for our immense Republic." (Posada, Resena Historica de Panama, 28–29.)

Thus in Panama's act of independence, and from the pen of the great liberator himself, we have the direct assertion and acknowledgment of the independent sovereignty of the Isthmus.

The first Colombian Republic, which was formed in 1819, was a federation of sovereign States, the political formation of which was modeled after ideas borrowed from the French Revolution. Bolivar assumed far more autocratic powers than the constitution contemplated, and dissatisfaction on the Isthmus was so great that in 1830 an ordinance of secession was adopted under the leadership of Jose Espinar; at about the same time other Provinces of Colombia separated and formed the Republics of Venezuela and Ecuador, which have remained independent since that time. The Isthmus, however, was persuaded to return to the federation, but not until after the passage of a second ordinance of secession, under Juan Alzuro, in July, 1831.

Civil war broke out in 1839 throughout the Colombian Republic, lasting until 1841, and so great was the dissatisfaction of the Isthmus with the rule of Bogota that an isthmian convention, elected under call of Col. Tomas Herran, met at Panama November 18, 1841, and formally declared a separation, reasserting the independent sovereign rights of the State. The chief articles of the declaration were.

"1. The former Provinces of Panama and Veraguas shall compose an independent sovereign State which shall be constituted as such by the present convention under the name of the State of the Isthmus.

"2. If the organization which may be adopted by New Granada shall be federal and agreeable to the interests of the people of the Isthmus, this may form a State in the federation: *Provided*, That in no case shall the Isthmus be incorporated into the Republic of New Granada under a central system of government." (Valdés, La Independencia del Istmo de Panama, p. 4.)

This was the third ordinance of secession from Colombia adopted in Panama, and in each case the political rights reserved on the gaining of independence in 1821 were redeclared and reasserted. The separation lasted this time until 1842, when Gen. Mosquera, representing the Bogota Government, visited Panama and succeeded in persuading the people of the Isthmus to return to the federation on the promise that their rights would be fully acknowledged in the new constitution.

Once again, however, were these promises broken, as the constitution of 1843 was almost an exact copy of the previous one, against which the Isthmus and other Provinces had revolted, and a further revision of the constitution in 1853 made no change as regarded the Isthmus.

Panama was in a state of almost continuous insurrection from 1842 to 1854. It was this condition which brought about the treaty of 1846, by which the United States gained the right of transit across the Isthmus in return for a guarantee of its neutrality and the maintenance of order on the interoceanic highway.

The rights of Panama were recognized by the Bogota Government in 1855, when an amendment to the Granadine constitution constituted it a federal sovereign State, although all the other Provinces remained under direct control of the central government. (Valdés, La Independencia del Istmo de Panama.)

The forces of the Federalists triumphed in 1858, when a new constitution was adopted forming the Granadine Confederation, a group of sovereign States federated for limited purposes, but otherwise independent and possessing at all times the right to secede and to nullify the acts of the Federal Government. Under this constitution any State had the right to secede and declare itself independent and to enter into general relations with the Republic.

It is hardly necessary to note the inadvisability of such a constitutional provision. The essential fact remains that the rights thus recognized as belonging to the people of the Isthmus were never legally and voluntarily relinquished by them.

In 1860 several States seceded from the Granadine Confederation, and among them was the State of Panama, the President of which, Jose Obaldia, issued a proclamation June 4, 1860, in which he stated that "The Isthmus, to secure its own welfare, has no way left open except to emancipate itself forever from the disorganized Granadine Confederation."

Mosquera, president of the confederation, once more persuaded the Isthmians, against their best judgment, to withhold final action. He held out the prospect that the capital of the newly organized Republic should be located at Panama, and his message concluded with these words:

"I trust that in reply to this letter you will advise me that the State of Panama is still in union with the others, and that you will send your plenipotentiary to take his seat in the Congress, the convocation of which I have indicated to you." (Valdés, La Independencia del Istmo de Panama, p. 8.)

This, it will be observed, was a written acknowledgment by the President of the Republic of the independent sovereign rights of the State of Panama in 1860. Panama returned to the federation in 1861, under a written agreement entered into between its President, Santiago de la Guardia, and Manuel Murillo Toro, commissioner of New Granada. This agreement, signed at Colon, September 6, 1861, contained the following specific reservations of the sovereignty of Panama:

"ARTICLE 1. The sovereign State of Panama shall be incorporated into the new national entity which is called the United States of New Granada, and shall continue in consequence to form one of the Federal sovereign States which compose that association * * * with the specific reservations and conditions expressed in the following article.

"ART. 2. * * * the said State to be hereby incorporated with the United States above mentioned, but this State in exercise of its sovereignty reserves to itself the right to refuse its approval to the said new pact, and to the constitution which may be drawn up whenever, in its judgment, it may violate the autonomy of the States." (Valdés, La Independencia del Istmo de Panama, p. 9.)

This agreement was ratified by the legislative assembly of Panama, September, 1861, with the following stipulation:

"The President of the State is hereby authorized, in order to reconstitute the Republic, to incorporate the said State therein: *Always provided*, That it shall be accorded the same concessions as set forth in the agreement of September 6, last." (Valdés, La Independencia del Istmo de Panama, p 11.)

The rights of nullification and secession recognized in the constitutional amendment of 1855, constitution of 1858, and the agreement of 1861 were never relinquished by the citizens of Panama, and the terms of this agreement of 1861 were included in the Colombian constitution of 1863, by the terms of which it was also provided that an amendment to the constitution should be proposed by a constitutional convention, and after ratification by the State assemblies, reenacted by the succeeding Congress before becoming effective; but notwithstanding this fact a new constitution was promulgated in 1885 by executive decree, without observing the forms of amendment specified in the constitution of 1863, and in direct violation thereof. In this constitution of 1885 the sovereign rights of the Isthmus were terminated without its consent, and it was reduced to the status of a crown colony without representation in Congress. (Colombian Constitution, art. 76, sec. 4.)

The Isthmus was held in involuntary subjection by overpowering garrisons of the national army stationed in its cities by order of the executive at Bogota. This policy had been adopted by the administration before the constitution of 1885 had been promulgated. The president of the State of Panama in 1875, Dr. Pablo Arosemena, was then seized and thrown into prison and his office declared vacant, "because he had not seconded the electoral plans of the president of the nation." (Valdes, La Independencia del Istmo de Panama, pp. 12 and 13.) He protested in a remarkable letter, and the State assembly adopted ringing resolutions of protest against this invasion of their sovereign rights and suspended the session, but in the face of superior force nothing more could be done by them. (Valdes, La Independencia del Istmo de Panama, p. 14.)

The act of secession adopted by the citizens of Panama in popular assembly November 3, 1903, was, therefore, a reassertion of legal rights maintained since the independence of the Isthmus was achieved by its citizens in 1821 and on numerous occasions subsequently asserted by Panama, acknowledged by the Colombian Government, and never relinquished by the citizens of Panama in the form required by the constitution in which those rights were specifically set forth.

Notwithstanding the foregoing procedure for amendments, the constitution of 1885 states as its basis of authority in the preamble that approval has been given "by the municipalities of Colombia." The manner of bringing this about was a fair sample of administrative procedure according to Colombian ideas. The legally elected governors of the States were deposed by executive decree, governors appointed from Bogota to succeed them, the State legislatures were abolished by decrees of the governors, and municipal councils chosen from lists of appointees prepared by the governors. Such constitutional amendment was a Punch and Judy show, and nothing more.

There was nothing secret or underhand about that act of secession of 1903. It was adopted by the municipal council at open session in the Cathedral Square, in the city of Panama, and the written articles were thereupon signed by a great number of citizens, there being no opposition whatever. Every district council on the Isthmus promptly confirmed the act. The movement was organized by a group of citizens of Panama—Manuel Amador Guerrero, José Agustin Arango, Ricardo and Tomas Arias, Manuel Espinosa, C. C. Arosemena, Nicanor A. de Obarrio and Federico Boyd—all prominent citizens of the Isthmus, who acted in full recognition of the risk involved. As Señor Boyd observes in his Exposición Histórica, pages 5 and 26, these men "decided to risk all—lives, family, fortune, and social position—in behalf of our fellow citizens," and as a result of the movement instituted by them the Isthmus accomplished its own independence (Exposición Histórica, pp. 12 and 33) "with its own resources only, with its own elements, without any material aid from foreigners, pecuniary or otherwise, and the movement was planned and prepared exclusively by its own people three or four months before, with admirable caution, precision, and judgment."

The correctness and legality of the Isthmian act of secession of 1903 was recognized by the Government of the United States, and nowhere more succinctly set forth than in a letter from Hon. ELIHU ROOT, Secretary of State, to Diego Mendoza, minister from Colombia in 1906:

"We assert that the ancient State of Panama, independent in its origin and by nature and history a separate political community, was federated with the other States of Colombia upon terms which preserved and continued its separate sovereignty; that it never surrendered that sovereignty; that in the year 1885 the pact which bound it to the other States of Colombia was broken and terminated by Colombia and the Isthmus was subjugated by force; that it was held under foreign domination to which it had never consented; that it was justly entitled to assert its sovereignty and demand its independence from a rule which was unlawful, oppressive, and tyrannical." (S. Doc. 542, 60th Cong., 2d sess., p. 10.)

It now remains to review the course of administration at Bogota with reference to the concession for and work upon the Panama Canal, the negotiations for the transfer of that concession to the United States Government, and the intrigues within the Colombian Government for the control of those negotiations during the years 1899–1903.

The construction of the Panama Canal was undertaken by the French company under a contract known as the Salgar-Wyse concession, dated March 20, 1878, and under its terms the canal company was to be organized within 2 years and the canal work to be completed within 12 years from such organization. (Report of the Isthmian Canal Commission, 1899–1901, vol. 1, p. 473.) It is well to recall that at almost the same date the Bogota Government, in order to reserve to itself absolute control over the Isthmus, sent troops to Panama in violation of the constitution against the protest of the governor of the State, who was removed from office for having the temerity to make such protest, although as an elective State officer the Federal Government at Bogota had no right or constitutional power to intervene. The canal company's concession was extended by law of December 26, 1890, for 10 years upon payment to the Colombian Government of $2,000,000 gold and 10,000 shares at $100 par in the company. (Report of the Isthmian Canal Commission, 1899–1901, p. 479.)

A further extension of time was given the canal company by contract with the Colombian Government April 4, 1893. The original canal company having failed, its rights were turned over to the reorganized company, which was granted until October 31, 1894, to complete its organization, and was given a period of 10 years from that date, or until October 31, 1904, to complete the canal work. In consideration, the $2,000,000 owing and unpaid by the old company was to be increased by $400,000 and in addition to the 10,000 shares of stock in the canal held by that Government. (Report of the Isthmian Canal Commission, vol. 1, p. 481.)

Under this concession the original French Canal Co. and its successors had expended very large sums on the canal work. While much of this money was misused and wasted there is no doubt that between $100,000,000 and $150,000,000 were actually spent in construction work on the canal. The engineering difficulties met with on the Isthmus were far greater than originally anticipated; furthermore, the canal company had no control of isthmian sanitation and was powerless to combat the epidemics of yellow fever and malaria. It became evident as early as 1898 that it would be unable to complete the work within the period of its concession as extended, and that a further extension of time would be necessary. This had been predicted in a report to the Bogota Government from its military inspector of the canal work, Col. Armero, even as early as 1886. (Nelson, Five Years at Panama, pp. 236–237.)

The company therefore petitioned the Colombian Government in 1898 for a further extension in order that its finances might be placed on a more secure footing. Civil war existed in the Republic at that time. Congress was not in session, and a state of siege being proclaimed, the executive possessed under the Colombian constitution almost unlimited powers. (Colombian constitution, 1885, art. 121.) At that time the Colombian President, Dr. Manuel Antonio Sanclemente, whose term of office began November 3, 1898, for a six-year period, granted an extension of the canal company's concession to run until October 31, 1910, by executive decree, indorsed by the ministers of his Cabinet, as required in such cases by article 121 of the constitution. It was this action which finally brought about the imprisonment of President Sanclemente and the establishment of the military dictatorship under the Vice President, José Manuel Marroquin.

That the steps of this intrigue may be clearly understood it is well to recall the provisions of the Colombian constitution of 1885 regarding the election and powers of the executive and legislative branches of the Republic. By title 17, articles 173, 174, and 176, the citizens vote for electors, one for each 1,000 inhabitants, who in turn vote for President and Vice President of the Republic. In practice these electors frequently name the leading candidate President and his leading opponent Vice President, and this was the case in the election of 1898, when Dr. Sanclemente, formerly justice of the supreme court and a member of the national party, was chosen President, and Dr. Marroquin, of the liberal party, a newspaper man and littérateur, not at all in sympathy with Sanclemente, was chosen Vice President. The powers of the Vice President are defined by article 124 of the constitution as follows:

"The Vice President shall perform the duties of the executive office during the temporary absence of the President. In case of the permanent absence of the President the Vice President shall occupy the executive office until the expiration of the term for which he was elected. The death or accepted resignation of the President shall be the only causes of permanent absence."

The legislative branch is composed of two bodies—Senate and House. Article 93 of the Constitution provides that—

"The Senate shall be composed of three senators from each Department. Two substitutes shall be elected for each senator."

And article 99—

"The House of Representatives shall consist of one member for every 50,000 inhabitants of the Republic. Two substitutes shall be elected for each representative."

Article 68 of the constitution directs that—

"The two houses of the legislature shall meet in ordinary session by virtue of law every two years on the 20th of July, in the capital of the Republic. The ordinary session shall continue 120 days, after which the Government may declare the houses adjourned."

Article 72:

"Congress shall meet in extra session when summoned by the Government. In extra sessions only such business may be considered as the Government may submit for consideration."

Article 113 further provides:

"In case of the temporary or permanent absence of a member of Congress, the vacancy shall be filled by his substitute."

In this constitution there are all the necessary elements for internal intrigue looking toward the replacement of the legal officials by their substitutes, who may be, and frequently are, of opposite political affiliations, and it was the existence of these congressional substitutes which enabled President Marroquin to propose to President Roosevelt that if "the recognition of Panama should be revoked he would declare martial law and approve the treaty by executive decree, or call an extra session of Congress with new and friendly members of Congress to do so," it being an easy matter to insure enforced absence of senators and representatives and the sitting of their substitutes in their places in Congress. At this time the two parties in Colombia were divided with reference to the French canal company's rights—the leading item of their foreign affairs. The National Party favored the reasonable continuation of the company's charter rights until funds could be raised and work prosecuted in good faith for the completion of the canal. The Liberal Party, doubting the ability of the canal company to fulfill its obligations, favored the cancellation of its concession on the strict letter of the contract, the forfeiture of its rights and properties to the Colombian Government, and the resale thereof to another purchaser.

This purchaser was, of course, to be the Government of the United States, which, following the Spanish-American War of 1898, and the hazardous voyage of the battleship *Oregon* around South America, was resolved upon the immediate construction of an interoceanic canal.

The procedure favored by the Liberal Party of Colombia was the same as that carried into effect by the administration of Nicaragua, under which the rights of the Maritime Canal Co. for the construction of the Nicaragua Canal had been declared forfeited to the Nicaraguan Government and were now offered for sale.

At this time there was active competition as between the Panama and Nicaragua Canal routes. Either route was feasible from an engineering standpoint, and the probable cost was estimated to be so nearly the same that the choice depended in large part on the arrangements that could be made for the purchase by the United States Government of the rights and properties on either route. Nicaragua was in a position to deliver, and the Isthmian Canal Commission appointed by President McKinley, and headed by Rear Admiral Walker, had submitted a preliminary report favoring that route. The French Canal Co., which was in financial difficulties and was in no position to complete the work, met the Walker Commission's report by a flat offer of its properties and privileges for $40,000,000, upon which the Walker Commission submitted a second report favoring the Panama route as against that through Nicaragua, and the issue was thus brought directly between the French Canal Co. and the Colombian Government as to which should receive the payment from the United States. It was certainly the part of honor for the Colombian Government to stand back of its

concessionaire in order that the great sums invested in good faith in the canal work by French stockholders should not be entirely wiped out, but a powerful element within Colombia favored the exaction of the letter of the contract and the cold-blooded forfeiture of the canal property and the apportionment of its proceeds by Colombian citizens.

Under such conditions President Sanclemente issued his extension of the canal company's concession to run until October 31, 1910. His opponents within and without the administration argued that this extension by executive decree was invalid and must be ratified by the Colombian Congress. President Sanclemente was then an old man past 70 years of age, and had availed himself of article 123 of the constitution by accepting temporary leave of absence from the capital. During this brief period the vice president, Marroquin, performed the executive duties, and the signature of President Sanclemente began to appear, and continued some time thereafter, on official documents in the form of rubber-stamp impressions, a most irregular and illegal proceeding.

Being dissatisfied with the conduct of public affairs, and having recovered his health, President Sanclemente returned to the capital, but subsequently again availing himself of a Colombian statute in force for many years, transferred the executive office to a country estate at Anapoima, in the department of Cundinamarca, at no great distance from the capital. From this time open dissension existed within his cabinet and council of state. Sanclemente was upheld by his minister of state, Rafael M. Palacio, and his minister of war, Gen. Manuel Casablanca, while the remainder of the cabinet sided with Vice President Marroquin, who was urged to assume the Presidency. This condition of anarchy existed until July 31, 1900, when Vice President Marroquin declared himself in the exercise of the executive power, named and installed a ministry, and took possession of the Government.

This proceeding was reported to the United States Government by its minister at Bogota, Charles Burdett Hart, August 5, dispatch No. 391, President's Message and Foreign Relations, 1900, Fifty-sixth Congress, second session, H. Doc. No. 1, page 406. Mr. Hart reported that—

"This act was made possible by first getting possession of the garrison in Bogota, and this in turn was made possible by an understanding with the commanders. Such commanders as were not favorable to the movement were superseded by friends of Marroquin and held under strict surveillance while the necessary steps were being taken to get possession. There was no resistance whatever, and, considering how the matter was accomplished, none was reasonably to be expected."

Minister Hart further reported the treatment extended to President Sanclemente and his loyal minister of state, as follows:

"The first knowledge that President Sanclemente had of the coup d'état was when a Marroquin force arrived at Villeta, President Sanclemente's temporary residence, a day's journey from Bogota, and made him prisoner, together with Rafael M. Palacio, his minister of government."

On August 3 President Sanclemente issued a protest to the nation, stating that Marroquin had violated the constitution and had made himself military dictator, and his Minister Palacio prepared messages to the foreign powers, but, as Minister Hart further reports, "no friend of the Sanclemente government has been able to send or to receive a message by telegraph," and Palacio was subsequently brought to Bogota, paraded through the streets of the capital with the greatest indignities, and lodged in jail. Minister Hart reported again on August 15, 1900:

"Mr. Palacio, minister of government under President Sanclemente, has been brought here a prisoner. On the day of his arrival he was paraded up and down the principal streets under guard before being taken to prison. This was regarded as an act of needless cruelty, and aroused the criticism of men of all parties. * * * Many of President Sanclemente's friends have been taken as prisoners to keep them from conspiring against Vice President Marroquin's government."

When President Sanclemente and his minister of state were imprisoned the minister of war protested in vain against the arbitrary course of Marroquin, and, according to the statement put forth by the Marroquin government, "he desisted from his position only in the conscience of duty fulfilled" and "in the manifest presence of superior force."

The events thus reported by the American minister show clearly that the government set up by Marroquin violated the constitution of Colombia, which provides in article 124 that the death or accepted resignation of a President should be the only cause of permanent absence during which the Vice President should occupy the office, and that the entire subsequent course of the Marroquin administration was illegal and irresponsible and depended solely on his arbitrary control of the military forces of the Republic. It was, therefore, by comparison with more recent events, on an exact parallel with the administration set up in Mexico City by Gen. Huerta; and might equally well be characterized in President Wilson's words, "We can have no sympathy with those who seize the power of government to advance their own personal interests and ambitions."

Sanclemente's concession was granted by executive decree 721 of 1900. (Isthmian Canal Commission Report 1899–1901), vol. 1, p. 483.) It extended the time of the company for an additional six years, to expire October 31, 1910, upon payment of $1,000,000 to the Colombian Government. This decree of extension was signed by the President and by all of his council of ministers, in accordance with the Colombian constitution, article 121.

"In case of foreign war or of civil commotion, the President may, after consultation with the council of state and with the written consent of all the ministers, declare the public order to be disturbed and the whole or a part of the Republic in a state of siege.

"After such declaration the President shall be invested with the powers which the laws confer upon him to defend the rights of the nation or to repress disturbance, and, in case the laws are defective, he shall use the powers conferred by the law of nations. The extraordinary means or legislative decrees of a provisional character, which, within the said limits, the President may ordain, shall be obligatory, provided they bear the signatures of all the ministers.

"The Government shall declare the public order reestablished as soon as the commotion or foreign danger shall have ceased; and the President shall send to Congress a statement of the reasons that induced his measures. All officers shall be responsible for the abuses which may have been committed in the exercise of extraordinary powers."

It should be noted that under this article of the constitution the acts of the President having authority of the council of state during a state of siege are not required to be submitted for approval to the Congress when it shall reassemble, but are only required to be reported as acts accomplished. The Sanclemente extension was strictly in conformity with the constitutional requirements; not only did it bear the signature of the President and all his ministers, but it bore the report of a meeting of a council of ministers, at which it was unanimously approved and the signatures of the president and secretary of the council authorizing the President to issue the extension were attached. (Isthmian Canal Commission Report, 1899–1901, vol. 1, pp. 483–484.)

The granting of this extension was made a political issue in Colombia and was followed, after an interval of only three months, by the arbitrary seizure of power by the Vice President, the imprisonment of Sanclemente's minister of state, dismissal of the remaining ministers, and the appointment of a new cabinet by Marroquin on July 31, 1900. So lawless were the acts of Marroquin that telegraphic communication was denied even to the diplomatic dispatches of foreign Governments. Secretary Hill at Washington, for instance, advised Minister Hart as follows:

"Although the probability of interference with telegraphic communications in Colombia may delay your reception of a cable message, I have embodied the essentials of this instruction in the following cipher message telegraphed you this day:

"'When new government is in possession of machinery of administration, maintaining order, executing the laws in Colombia with general assent of the people, and responsibly fulfilling international obligations, you may notify readiness to enter into relations.'"

Finally, with considerable hesitation, Marroquin was recognized on September 15, 1900, by the ministers of the United States, France, Germany, Great Britain, and Spain. The papal legate declined to join in the act of recognition.

The minister of foreign affairs appointed by Marroquin was Dr. Carlos Martinez Silva, who had previously served as Colombian minister in Washington. This minister addressed a circular letter to foreign Governments, in which, on behalf of the Marroquin government, he attempted to justify this seizure of President Sanclemente's person on the ground that he was incapacitated by insanity due to senile decay, and thereby an unusual occasion had arisen not contemplated by the constitution and the laws. This assertion was not substantiated by evidence or judicial proceedings, and both the American minister at Bogota, Mr. Charles B. Hart, and the American consul general, Mr. Arthur M. Beaupré, interviewed President Sanclemente while he was held captive, and reported no signs of mental disability. On the contrary, he seemed in full and vigorous possession of his faculties, and protested forcefully against Marroquin's treachery. Minister Carlos Martinez Silva's statement was hardly more than an excuse to lay some sort of foundation for the Marroquin government and deceived no foreign Government whose ministers were then resident at Bogota. It was universally recognized that the reason for the violent and illegal change in administration was the determination of the Liberal Party to cancel Sanclemente's extension of time to the canal company, to control the canal negotiations, and, if possible, to bring about a forfeiture of the canal property to the Colombian Government. On the reassembling of the Colombian Congress, Marroquin submitted the Sanclemente extension as an executive order requiring confirmation, and the Congress refused to confirm it. It then became the policy at Bogota to delay final action, if possible, until October 31, 1904, when the canal concession would be forfeited under the terms of the previous extension. The course of events was, however, too swift for this plan to be carried out.

The Isthmian Canal Commission reported on November 16, 1901, in favor of the Nicaragua route, but indicated that if its valuation of $40,000,000 for the Panama rights and properties should be accepted, its report would be modified so as to recommend that route instead, and the Hay-Pauncefote treaty, which enabled the United States Government to undertake the construction of the canal, was signed at Washington November 18, 1901, and proclaimed February 22, 1902.

These events were followed by the acceptance by the Panama Canal Co. of the $40,000,000 offered by the Walker Commission, and by the revision of that commission's report, so as finally to recommend the Panama route.

On June 28, 1902, the President approved the Spooner Act, providing for the construction of the canal, which authorized the President "to acquire from the Republic of Colombia, for and on behalf of the United States, and upon such terms as he may deem reasonable, perpetual control of a strip of land not less than 6 miles in width," and "to secure satisfactory title to the property of the new Panama Canal Co., and to pay therefor $40,000,000, and to the Republic of Colombia such sum as shall have been agreed upon." The act further authorized the President, in the event that he should be "unable to obtain for the United States a satisfactory title to the property of the new Panama Canal Co., and the control of the necessary territory * * * within a reasonable time and upon reasonable terms * * * to enter into a treaty for the construction of a canal over the Nicaragua route."

This act forced the opening of negotiations with both Nicaragua and Colombia, and for a year there was active competition in Washington between representatives of both Republics to secure the final choice of the route favored by each. The Marroquin government was in a poor position to negotiate. The Colombian people had not accepted his usurpation of power, which was followed immediately by an outbreak of civil war, which lasted nearly four years, which devastated the country, and led to the killing of about 250,000 Colombian citizens and the issuance by the different departments of the Colombian Government of more than $700,000,000 of paper money to circulate among the population of a little over 4,000,000, so that the rate of exchange arose to 10,000 per cent, and for a time it cost $5 Colombian money to send a letter from Barranquilla to New York. (Report of Mr. Dickson, British vice consul at Bogota, reports 1901–2–3.)

The Marroquin Government did not send a minister to Washington but maintained as chargé d'affaires Dr. Tomas Herran, secretary of legation. The Colombian Congress was not in session, a state of seige being proclaimed, owing to the civil war, and the negotiations were directed personally by Marroquin at Bogota. After many delays a protocol was submitted by Dr. Herran as the basis of a treaty, in which, under article 1, the Government of Colombia authorized the canal company to sell and transfer to the United States its rights, privileges, properties, and concessions, as well as the Panama Railroad and all the shares of that company, the Government reserving only its shares in the canal company, for which it demanded payment at par, and this protocol further provided that "the railroad company and the United States, as owner of the enterprise, was to be free from all obligations imposed by this concession"—including the reversion to the Colombian Government on August 16, 1966—except as to payment of its outstanding bonds, and the United States was granted control of the canal strip without affecting the sovereignty of the Republic of Colombia over that territory, which, in article 4, the United States acknowledged and recognized.

This treaty was signed in Washington, January 22, 1903, and confirmed by the United States Senate, but the Colombian Congress was once more in session and the treaty was referred to it by the Marroquin Government as a new matter for consideration. The report of the Colombian Senate asserted the invalidity of the Sanclemente extension, and stated that "if not valid the question would be changed in consequence of the fact that when a year later the Colombian Congress should meet in ordinary session the extension of 1893 would have expired and every privilege with it," and Colombia would then have become "the possessor and owner, without any need of a previous judi-

cial decision and without any indemnity, of the canal itself and of the adjuncts that belong to it," and would be "in clear, definite, and advantageous position, able to contract without any impediments," and the treaty was unanimously rejected by the Colombian Senate in August, 1903, such rejection being accompanied by a memorandum of reasons setting forth that the Colombian sovereignty would be injured—although definitely confirmed and recognized in the treaty—and that such an agreement would only be approved by a national convention or an amendment to the constitution.

This declaration seems peculiar in view of the fact that the original draft of the treaty had come from Bogota, and the Senate committee's report, which proposed to delay the negotiations until the French canal company's property had been forfeited, no doubt gave the real reason. It is perhaps idle to speculate on the possibilities, but it is hardly conceivable that the French Government would have permitted the forfeiture of that concession and the seizure of the property of the French company without compensation for the vast sums expended there in good faith by the French investors. It is altogether probable that the French Government would have intervened by military force and would have insisted upon a just and equitable settlement of the difficulties.

The rejection of the treaty by the Colombian Senate was not accomplished without a strong protest on the part of the people of Panama, whose Representative in the Colombian Congress warned the Government in so many words that unfavorable action on the treaty would be followed by a revolt on the Isthmus. Anticipating such action, the citizens of Panama had obtained arms and ammunition and had been drilling diligently for months. There was no secrecy about their determination to secure a canal settlement at that time. The newspapers of Panama, New York, and Bogota all printed dispatches referring to these warlike preparations, and the writer was personally informed during the summer of 1903, by several gentlemen from Panama, of the same. The citizens of the Isthmus arose and declared their independence on November 4, 1903. Their declaration of independence stated that their "grievances would have been borne with resignation for the sake of harmony and national union had there been a possible remedy. We must solemnly declare our sound conviction that all such efforts are futile and useless, and all sacrifices have been required of us alone * * *." The declaration referred to the "summary rejection of the canal treaty," and to the "irreparable and perpetual damage which would be caused by the manner in which it was done, which was equivalent to closing the doors to all future negotiations. The people of the Isthmus, in view of such notorious causes, have decided to recover their sovereignty and enter the society of free and independent nations."

Following this declaration, a republican Government was instituted, and a minister sent to Washington to resume the canal negotiations.

Out of the innumerable assertions that have appeared regarding these events the essential fact stands forth unchanged. The United States had agreed, by treaty with the Republic of New Granada in 1846, to maintain neutrality and order on the Isthmus. That Government had disappeared. It had been succeeded by another Government—the Republic of Colombia—which was based on an arbitrary and illegal constitution, proclaimed by military force, the pretended ratification of which was only secured by the dismissal of the legally elected governors of the respective States and by the presidential appointment of new officers, who signified, under orders from Bogota, their approval of the constitution; and under this arbitrary constitution the legal rights of sovereignty reserved to the Isthmus under previous constitutions were invaded, trampled upon, and extinguished by military force and against the protests of the people. Furthermore, the administration pretending to govern under the constitution was itself an illegal and usurping administration, acting contrary to the provisions even of that illegal constitution and irresponsible, in that it had denounced the treaty negotiated at its own request upon its own terms, because, in the meantime, it saw a possibility of securing, through delay, a larger return. On the other hand, was a government resting on the approval of the people, depending on constitutional rights never relinquished, offering to the United States in a business-like and definite manner a satisfactory contract for the construction of a canal. There was but the one thing to do, and any man having the interest of his country at heart must have done the same thing, namely, deal with the party having the best legal standing and at the same time making the fairest offer, and that party was the Government of Panama.

It is unfortunate that so much personal animosity has entered into the subsequent discussion of this matter. The canal treaty was negotiated by Secretary Hay, one of the greatest of American diplomats, and had his unreserved approval. It was referred to by him as an act "forged white hot upon the anvil of statesmanship," and it was ratified in the United States Senate by an overwhelming vote. Subsequent attempts to make of this a party or personal matter are unfortunate and unnecessary. The Colombians, through their narrowness of party strife and personal cupidity, and their disregard of their own constitution and laws, had forfeited the respect of the world, and they were themselves responsible for their downfall.

Gen. Reyes, sent to Washington to recover, if possible, something from the wreck, returned in due course to his country, and in the course of his report stated:

"It was undoubtedly a very serious mistake on our part that we put ourselves in the position of soliciting of the United States Government the ratification of a treaty for the construction of the Panama Canal, when we ought to have carefully awaited from that Government any proposition of that kind. We made a still graver mistake when, without having come to any previous agreement with the canal company as to the conditions under which it might be authorized to transfer to the United States Government the concessions which it held from Colombia, we implicitly authorized it, without contract or agreement, in definition of our rights and its obligations, to join its interests with those of the United States. * * * We let pass the opportunity of demanding and arranging an indemnity; and when we wished to claim it, and did in effect claim it, our demand was ill received, not only by the company but by the Government of the United States, and in the daily press of the highest character our claim was qualified as unlawful extortion (blackmail). * * * We must also admit that the United States Government had granted to us by way of compensation in the Hay-Herran treaty much more than we had asked in the memorandum of our minister in Washington, which served as a basis for that treaty. Comparing these two documents, the Government of the United States may well point to the generosity of its dealings with Colombia and obtain the public opinion of the civilized world in considering as an indisputable fact that the obstinacy of our Government was the only real obstacle to the construction of the canal by the United States, which was the only agency capable of bringing to completion so colossal and gigantic a work. * * * It is highly humiliating for our national patriotism to see the extremes to which we have been brought by our common errors, and to look, without power to remedy them, upon the misfortunes of every kind which have come upon us as the fruit of domestic strife and anarchy; but more humiliating still it has been for us as a nation to submit to the verdict of the great majority of the nations of the world, which have united without hesitancy to sanction the violent spoliation, of which we have been the victims."

The words of Gen. Reyes's report of 1904 are just as true in this year of 1914 as when they were written. There is no step in the Isthmian Canal negotiations where the Colombian Government does not stand convicted upon its own record. As Secretary Hay wrote to Gen. Reyes during his brief mission in Washington, the proposed cancellation of the French canal concession and the proposed forfeiture of its properties in order that the Colombian Government might offer them for sale with a title based on rapacity and fraud, was "a scheme to which the United States Government could not become a party."

It is almost inconceivable at this time that the United States Government, acting as it did, as the agent of civilization and the representative of the great nations of the world in procuring a final and satisfactory settlement of these long-pending negotiations, should now be expected to offer an apology for the course adopted by it in 1903–4, and so unanimously and unreservedly approved at that time by all the great powers of the world. Its actions were such as it may still take pride in and be not ashamed.

WILFRED H. SCHOFF.

Pensions.

EXTENSION OF REMARKS

OF

HON. AUGUSTINE LONERGAN,

OF CONNECTICUT,

IN THE HOUSE OF REPRESENTATIVES,

Friday, July 10, 1914.

Mr. LONERGAN. Mr. Speaker, Senate bill 5207, now before us, is an important matter and deserves careful consideration.

In approaching this subject a twofold duty must be borne in mind, what we owe to the soldiers, sailors, and widows and what we owe to the taxpayers in the matter of safeguarding the Treasury against excessive appropriations. I am in favor of keeping down to a judicious minimum the appropriations which must be made. Nevertheless I do not consider it wisdom, economy, or justice to reduce our Government expenditures at the expense of the old soldier, sailor, or widow. Believing that it is only right and just that loyal patriots' service should be rewarded, it has given me pleasure to vote for appropriations providing for the payment of pensions.

It is an interesting and noteworthy fact that the dollars expended by the Government in pensions for worthy soldiers go where they will do the most good. The money goes direct to the homes of those to whom the question of subsistence is a serious problem—direct to the homes of aged veterans, widows, and, in some cases, dependent children. The money is widely distributed and it very quickly finds its way into circulation. It is safe to say that a smaller percentage of the pension appropriation is wasted or misused than of any other Government appropriation of equal size. The records of the Pension Bureau for the year ending June 30, 1913, show that only 61 new cases for that year were presented by the bureau to the Department of Justice for prosecution on account of offenses against the pension laws. As no less than 860,294 persons participated in the pension appropriation, this small number of violations of the pension laws is excellent evidence of the honesty, integrity, and honor of the soldiers, widows, and dependent children. The low percentage shows very little tendency to practice fraud or deception.

NUMBER OF PENSIONS.

It will be of interest at this time to refer to official records which show how many persons are receiving pensions from the Government. At the close of the year ending June 30, 1913, there were 820,200 pensioners on the roll. Of this number 503,633 persons rendered service in the Army or Navy of the United States, including 328 Army nurses, and the remaining 316,567 were pensioned as widows and dependents. The number of individuals who served in the Army and Navy of the United States during the Civil War is estimated at 2,213,365.

The survivors of the Civil War on the roll on the 1st of July, 1912, numbered 497,263. These survivors at the end of the fiscal year June 30, 1913, were, by death, reduced in number to 462,379, or a net loss during the year among the Civil War veterans of 34,884. This amounts to an annual reduction in the ranks of those heroes of 7¼ per cent.

On the 1st of July, 1912, there were 232,947 widows of Civil War veterans on the pension roll. On the 1st of July, 1913, there were 232,864 such widows on the pension roll, being a net loss of 83 during the last year.

The largest number of pensions ever carried on the rolls of the Government were 999,436 in the year 1902. The total

amount paid in pensions for that year was $141,335,646.95. The greatest amount of pensions ever paid in one year was in the year 1913, when the Government expended for that purpose $176,714,907.39. It may seem strange that during the year 1913, when there were 179,246 less soldiers, widows, and dependents on the pension roll than in the year 1902, that the amount of pensions paid in 1913 should be $35,379,050.44 larger than in 1902. An explanation, however, is simple and is due exclusively to the increase in pensions for Union soldiers provided for by the Sherwood age and service pension act, which became a law May 11, 1912.

It has been recommended that a considerable sum of money could be saved for pensioners by abolishing all unnecessary agencies, special examiners and boards of examiners; that the money saved in this way could be used in increasing the pensions of thousands who need increases.

No time should be lost in bringing about this change, for whatever is to be done for the old soldier must be done quickly. Everybody knows how the ranks are thinning; one by one they are dropping off; each public appearance of the Grand Army of the Republic posts shows great gaps in the ranks and tells the pathetic story of the passing of the veteran.

In common with other Members of the House, I am indebted to Representatives ADAIR, of Indiana, and BURKE, of Wisconsin, for much valuable information on the subject of pensions.

UNJUST TO THE WIDOW.

There are laws in force which are unfair to thousands of deserving widows and should be repealed. One of the most unjust of these laws is the "widows' pension act," passed April 19, 1908, which denies the right of pension to any widow who married a soldier subsequent to June 27, 1890. For instance, a widow who married a soldier on June 26, 1890, may have a pension, but a widow who married a soldier on June 28, 1890, two days later, can not. If the husband of the widow who married before the date specified died a week after the marriage, the widow could receive a pension. Yet in the case of the widow who married just after the arbitrary date, there would be no pension for the faithful wife, even though she ministered to the husband's wants with loving care and devotion for 20 years.

I agree with one of my colleagues who recently pointed out that a soldier's widow may have lived and struggled on with him during 24 years in adversity, sorrow, and in toil, from youth to old age, through storm and through sunshine, and it makes no difference how many long, weary days and nights, through long years she may have nursed him in his sickness and helplessness, nor that in sorrow and tears she spends her last dollar to plant flowers on his grave, she is turned down at the Pension Bureau because of the provisions of this harsh, unjust, and arbitrary law.

Justice demands that so long as we are to continue the policy of pensioning the widows of soldiers and sailors that this class of widows who married since June 27, 1890, should be afforded immediate relief. It is true that the Committee on Invalid Pensions frequently recommends special bills in the case of very needy and destitute widows who married within a short time after the passage of that law. But the granting of a special bill to one of this class, when they all ought to enjoy this privilege as a lawful right, in the absence of proof that the mariage was contracted merely to collect a pension, is discrimination and an injustice to those who married no later and who have not been able to obtain relief through Congress.

THE SOLDIER'S DUE.

I am in favor of more liberal pensions to the veteran, because I believe it is his due. And I believe that there is a growing sentiment that the soldiers, sailors, and widows who are in need shall be guaranteed against want at the sunset period of their lives. The debt which a Nation owes its soldiers can not be measured in dollars and cents. Patriotism can not be weighed on the money scale, nor can sacrifice be described in monetary terms. In computing the value of the soldiers' service we must think of the hardships they experienced, the wounds they received, the privations and suffering on long marches and in desperate campaigns, absence from the loved ones at home, and the dangers and horrors of the battle field. With thousands of the veterans their trials did not end with the closing of the war. Wounds and disease have been doing their insidious work, and the silent sufferings of many brave fellows have gone on year after year, unknown to the general public.

NOT PAID IN FULL.

One fact which is often lost sight of is that the old soldier did not receive full payment for the services which he rendered. The money used in paying the soldiers was depreciated currency, the same kind of currency the Government received from the bondholders who bought the bonds issued by the Government to pay the cost of the war. The fact remains that the soldiers were never paid in money worth 100 cents on the dollar, but the bondholder has been paid in full and in gold. By an act in 1869, known as "An act to strengthen the public credit," these same bonds were payable in gold, and millions of dollars of money went into the pockets of men who loved their money more than they loved their country; while the men who sacrificed health, home, and everything, and who loved their country better than their money, and who were willing to give up all God had given them for the preservation of the Union, are still unpaid.

It has been estimated that $51,061,222 more than the sum paid the Union soldiers should have been given them, and would have been had they received 100 cents on the dollar. Plainly speaking, this was the depreciation on their monthly pay, and computing the period at 48 years, and allowing simple interest at 6 per cent, the interest alone would amount to $147,056,319; to this must be added the principal, which makes the enormous sum of $198,117,541 which would have been paid the soldiers. Do we wish to declare by national legislation that money is more sacred than manhood; that cash is more valuable than patriotism?

TECHNICALITIES VERSUS RIGHT.

Pension cases which have come to my attention during the past year or two have convinced me that there is a deplorable lack of humane understanding in certain of our pension laws. A wound on the battlefield should not be a requisite in order to get a decision from the Bureau of Pensions to the effect that a soldier's disability is due to his military service.

There are cases in which loyal soldiers left the service apparently sound physically, yet in reality, as a result of arduous service, exposure, and strain, returned home with health shattered, never again to know their former strength and vigor. Handicapped by their afflictions, they soon went down in the struggle for a livelihood. Conditions forced them to make application for a pension from the Government which they had served so well. Yet, under existing pension laws, what was the answer to their appeal? "The applicant has failed to show that the disability is due to his military service." In his extremity the applicant perhaps appealed again to his Government, and filed a new series of affidavits. Again the answer came back, calculating and cold, "The applicant has failed to show that the disability is due to his military service."

It ought not be said with truth that this rich, powerful Nation will let such technicalities deprive the Union soldiers of the necessities and comforts of life in their declining years. Statistics show that the old soldiers are now dying at the rate of 1 every 14 minutes, 115 each day; over 40,000 died last year, and many of them were in destitute circumstances. Let us remove technicalities that justice be done.

SPANISH-AMERICAN WAR PENSIONS.

I gladly voted for House resolution 13044, the measure which has for its object the payment in part of the debt we owe to those who served in the Spanish-American War, the Philippine insurrection, and the Boxer uprising in China. The bill as passed the House would grant $12 monthly to the widow of an honorably discharged soldier or sailor, and $2 monthly for each child under 16 years of age, provided that the widow shall have married the soldier prior to the passage of the bill. The pensions are to be limited to widows without means of support other than their daily labor and an actual net income not exceeding $250 a year.

On the 1st of July, 1912, there were on the pension roll 23,841 survivors of the War with Spain, and 24,157 on the 30th of June, 1913. On the 1st of July, 1912, there were on the pension roll 2,931 widows of Spanish War soldiers, and at the end of that year there were 2,860 such widows on the roll. May this great Nation never forget its debt of gratitude to that soldier and sailor body of young men who rendered service to their country within a period remembered by every man in this House.

SPANISH-AMERICAN WAR CLAIMS.

At this moment I have in mind the cases of certain Spanish-American War veterans who rendered loyal service to their country, but are to-day paying a heavy price for their loyalty. They came back from the front with health undermined, and they have hardly known a well day since. Their futures were clouded. They were handicapped in their performance of manual labor, and, unlike the rest of mankind, had no chance to lay aside a little surplus or a safeguard for the proverbial rainy

day. They know, their physicians know, and everybody else who has heard of their cases believe, that their disability is due to the hardships of their military duty. Yet when enforced idleness and medical expense made it necessary for them to appeal to the Government, for which they had offered up the best gift of all, their health, what was the response? "The applicant has failed to show that his disability is due to his military service."

Shot and sword are not the only means for incapacitating our soldiers; and the fever-wrecked trooper who drags himself home after having done his duty, and finds himself wrecked physically, has just as sound a claim in his disability as has the soldier wounded on the field, but it seems to be much more difficult for him to establish his claim.

A LAME DECISION.

There has come under my observation an instance in which a Connecticut soldier was seriously wounded at the Battle of Shiloh. Sworn testimony and X-ray photographs prove that for many years prior to his death he had an open gunshot wound the size of a man's hand on his right leg. When death came he was driving in his wagon; his body was found by the roadside.

The medical examiner was called and he quickly satisfied himself that there had been no violence. "Heart failure" was his verdict. He had never seen the soldier, knew nothing of the condition of his heart or any other organ prior to his death, and did not know of the serious gunshot wound which required dressing every day and had been sapping the soldier's strength for years. And yet the medical examiner merely followed a long-standing general custom.

"Heart failure," wrote the medical examiner in his report, and behind this verdict the Pension Bureau intrenches itself to-day, and affidavits and evidence galore can not induce the change of view. In other words, a medical examiner is called to view the body of a deceased soldier, his chief function is to ascertain the presence or absence of signs of violence; he makes a superficial examination of the man whom he has never before seen, he quickly writes down the result of the superficial examination, and this proceeding is taken as the final word by the pension officials; affidavits and statements are futile, and the "heart-failure" verdict would bar the widow—in this case absolutely destitute—from securing a pension.

For years this widow had ministered to her husband. She dressed his wounds each day. A special bill was introduced in Congress in her behalf. Again she encountered our arbitrary pension laws, she had married the soldier subsequent to June 27, 1890. She was again denied a pension, and to-day she is entirely dependent upon the generosity of kind friends.

However, I trust that the last word has not yet been spoken in this case. I have hopes that a way will yet be found whereby this deserving woman and the soldiers I refer to will receive their just due.

DEMOCRATS IN EARNEST.

The needed changes in the pension laws will come, and they should come, through the Democratic Party. The solicitude of that party for the welfare of the Union soldier has already been written into our legislative history. In the records of the period from August 15, 1876, to May 11, 1912, we can point to no less than 26 legislative acts which were either approved by a Democratic President or passed by a Democratic House of Representatives for the benefit of the soldiers, sailors, widows, and dependent children.

FOR THOSE WHO NEED.

I am in favor of more liberal pensions for those who merit assistance from the Government. The first question should be: Is the pension needed by the applicant? If the answer is in the affirmative, I, in common with all grateful Americans, believe it should be granted. We know that this country is disposed to deal generously with those who fought and bled for it in time of war. I agree with the statesman who said:

We should show the Nations of the world that this Republic is not ungrateful nor forgetful of its defenders. To those who are worrying about the increase cost, let them remember that at every period of the expansion of our pension policy that there has been objection to every increase in pensions, and yet the country has been able at all times to meet its debt of gratitude, to fulfill its governmental obligations, and to prosper. Let them remember that every dollar that the Government spends for pensions makes the Government just so much stronger in the affections of its citizens. The money goes into every avenue of trade and into every section of the country. In numerous cases the distribution of pensions under our present system saves the old soldier or sailor or his widow from State, county, or municipal charity. Nothing could be sadder than to see one of the Nation's heroes dependent upon public or private alms. Loyal and patriotic Americans of all political parties are determined that such shall not be the lot of any of the Nation's defenders.

Letters of Members of Congress Read at the State Convention of the State of Washington.

EXTENSION OF REMARKS

OF

HON. WILLIAM E. HUMPHREY,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Friday, July 17, 1914.

Mr. HUMPHREY of Washington. Mr. Speaker, the Republicans of the State of Washington held a State convention on June 18 last. The Members of Congress, being detained in Washington City by their official duties, could not be present, but each of them wrote a letter, that was read to the convention. I insert these letters in the RECORD, and also a copy of the platform adopted by the convention.

LETTER OF SENATOR JONES.

WASHINGTON, D. C., *June 4, 1914.*

Hon. W. A. RUPP,
Chairman Republican State Committee,
Aberdeen, Wash.

MY DEAR MR. RUPP: Your favor asking me, if unable to be present, to write you a letter to be read to the Republican State convention to be held in Tacoma, June 18, at hand. I appreciate this courtesy, and as it will be impossible for me to be present at this meeting, I avail myself of the opportunity so kindly given.

This convention should, and I believe does, represent the awakened intelligence, aroused patriotism, and ardent Republicanism which move the masses of the people. Two years ago, through our division, the welfare of the people and the destinies of the Republic were placed in the hands of our Democratic friends. This convention should be a step toward union and the overthrow of the Democratic Party and the reinstatement of that party under which, with all its mistakes, the country prospered as no other country on the face of the earth, and under which the most beneficent legislation that ever blessed a people was enacted.

This convention will ratify, I trust, the steps taken by the national committee to make the party and its organization truly responsive to and representative of the real thought and sentiment of the people. Parties are necessary in a representative government. They must, however, keep abreast of the maturely progressive thought of the people, not only in principles and party methods, but in candidates and organization. The national committee has submitted certain changes in the methods of party organization that will make the party more responsive to and more representative of the wish and belief of its members. Some of these changes may not be so radical as some would have, but they represent the composite judgment of the representatives of the party from every section of the country, and if adopted will insure to every voter a fair opportunity to give expression to his views on principles and candidates and have those views duly represented and recorded in the councils of his party. The way is prepared for the determination of any contest that may arise in the party over candidates or principles as the real, genuine majority may desire. State laws and State primaries are to be duly recognized, preliminary or temporary organization is to be perfected in an orderly way, and party strength in the different States will have a more just and equitable influence than ever before. When these rules are ratified, as they will be, the power of the individual will be minimized, the influence of the people magnified, and the candidates presented and the principles declared will be those of the majority, and will be such that all the party can cheerfully accept and earnestly support.

Under the banner of Republicanism the people are going to rule. The party is to be worthy of its great leaders of the past and its best traditions. What it has done is an inspiration to me and to all and makes the word "Republican" an incentive to higher and better work. Under its leadership has been written the history of the Nation during the last 50 years. Every great law upon our statute books in the interest of the masses has been enacted by it. The stupendous progress of the last 50 years, the marvel of the world, has been made under its guidance and leadership. Lincoln, Grant, Hayes, Garfield, Arthur, McKinley, Harrison, Roosevelt, Taft, Blaine, Logan, and a host of other great statesmen and patriots have gained renown, added luster to our Nation's glory, and made us proud of our Nation's history under the banner of Republicanism.

They have not been ashamed of the name "Republican." All they have achieved for humanity has been achieved through it. Is there anything in that word to be ashamed of? Is there any reason why it should now be spurned by those who two short years ago were so proud of it? Surely not. Some of its leaders may not be what they ought to be. What party has none such? You can rid a party of undesirable leaders by staying with it, not by deserting it. If its principles are not all they ought to be, help us to correct them. What party does not have some principles that some of its members do not approve? The Republican Party is not and never has been perfect, but it has been the greatest political agency for the good of humanity that ever blest a Republic, and, impelled by the glorious traditions of the past and moved by the demands and needs of the present, it will gather together the universal good sense, the universal hopes, the universal aspirations, the universal beliefs, the universal courage, the universal patriotism, the universal righteousness of the plain people of this great country and weld and mould them into an aggressive and progressive and determined force to meet and solve the problems of the changed conditions of to-day, so as to promote the social well-being of our people. This can be done with but little, if any, change in the great and fundamental principles of the National Constitution which our forefathers made, not for the day or for fixed conditions, but which are but the fundamentals of a growing, developing, progressing Government, and adapting themselves to ever-changing conditions and the problems growing out of the same. Republicans do not believe the Constitution to be a strait-jacket, suitable only to the puny people and the undeveloped Nation at the time of its adoption, but they regard it as a great charter of liberty for a free, representative, and powerful Government, under which may come unlimited growth and development. This is the belief of the great majority of the people of this country to-day, and they are not longer going to allow their hopes and ideals to be defeated by their own divisions over nonessentials.

Call it what you will, Republicans are going to be Republicans *and are going* to vote and act together. He is indeed blind who does not see and know this. Every election held since 1912 demonstrates this. Those 4,000,000 who two years ago voted under another name did not cease to be Republicans. Their principles were and are substantially the same as ours who voted under the Republican name. Their intelligence, honesty, patriotism, and Republicanism are not to be questioned for what they did then. The past is gone, but principles remain. Those principles need them and they need us. We and they should welcome a union under that banner of which we have been and are so proud and under which so much of good and glory have been accomplished on behalf of the fundamental principles in which we all believe. We can accomplish nothing without each other and united action; together we can accomplish all things needful. Would-be leaders may say, "We will not get together." They speak only for themselves. They may try to boss the people while denouncing "bossism," but they will fail. The people are not going to be bossed and delivered like so many sheep and cattle under any party banner whatever. They will act for themselves and for their best interests. They prefer the triumph of principles to the personal success or ambitions of any individual, and they propose now to move, act, and vote together, that principles may triumph and stability, good government, and prosperity may bless the land. They know what conditions are now. It is not a "state of the mind" with them, but a present, pressing, and actual condition of political chaos, a widespread industrial depression affecting each one, and foreign complications of the most humiliating character.

This is a time for patriotism, not partisanship. This is a time for unity of thought and action and a time for party differences and personal ambitions to be laid aside. Theodore Roosevelt said a few days ago, having in mind the actual conditions confronting the people and the Nation to-day:

> Times come when it is the duty of all good citizens to sink ordinary party differences and stand up either against flagrant wrongdoing in public life or against policies fatal to the welfare of the Nation at home and to the honor of the Nation abroad.

There spoke the patriot. That principle should determine the course of action of every patriotic citizen in this hour of national trouble, disturbance, and depression. A condition confronts us now. What Republicans and third party men said two years ago would happen in the Democratic Party was entrusted with power has happened and is happening and more. That party by our division has been in power a little over a year. Its promises have not been kept.

The prosperity turned over to it by the Republican Party has disappeared. Business is halted, industries are paralyzed, factories are shut down, mills are closed, men are out of employment, railroads are threatened with bankruptcy and are pleading for authority to further tax the people through increased freight rates in order to live. The cost of living has not been reduced except at the expense of the farmer and laborer. Trusts have not been prosecuted, dissolved, or destroyed. Hesitation, uncertainty, and stagnation prevent development. Vascillation, stupidity, and chaos mark our foreign policy. Ignorance, helplessness, inexperience, incapacity, and fear mark their attempts at legislation. By force of numbers they carried out the orders of the President in framing and passing the tariff law. It is not the product of their judgment and experience, but of his decrees. They may have improved our currency system, but they threaten its efficiency by making it the football of spoils politics. Following in the pathway pointed out by a Republican administration they have provided for the construction of a railroad in Alaska, the only commendable piece of legislation enacted, and the only legislative act of any importance passed during this year of continuous session. They are destroying the merit system by legislative as well as by Executive act. They are increasing appropriations and multiplying public offices. About the only economy secured comes from the discharge of war veterans. Legislation is sectionalized, and our colored citizens are openly and avowedly discriminated against. Platform promises are repudiated or disregarded. Nonresidents are appointed to Alaska and Hawaii. Domestic interests are discriminated against and sacrificed at the behest of foreign corporations, and the Panama Canal is made an instrument for the destruction of American industry, and converted into a subsidy to foreign wealth and greed, and will hang as a millstone about the neck of the American toiler and producer until the American people rise in their wrath and assert their rights in their own property, purchased and constructed by the money of our own citizens. In the face of such a record I appeal to all patriotic citizens in the words of Theodore Roosevelt: "Sink ordinary party differences and stand up against policies fatal to the welfare of the Nation at home and to the honor of the Nation abroad."

We can confidently appeal to the people not only upon the record of failure and incompetency of the Democratic Party, but upon the record of accomplishment of the Republican Party during the last four years of its control which simply continued the great record of Roosevelt and McKinley. Whatever the shortcomings of the last administration the impartial historian will write it down as one of unsurpassed legislative accomplishment. Even to-day our people can look upon it and weigh it impartially and recognize its merits. Whatever may be said of its tariff revision it can not be charged that it halted or disturbed business. It closed no mills or factories. It neither curtailed the markets nor reduced the prices of the farmers' products. It threw no laborer out of employment and reduced no wages. Railroads were prosperous, Government revenues were adequate, and foreign trade expanded without injury to our domestic trade. It was a revision downward, though not so great as the people desired, but its superiority over the present disastrous revision has been actually demonstrated. Aside from its tariff articles it contained many excellent provisions, like the customs' court, the tariff commission, the maximum and minimum clause, and the corporation tax, which alone commended it as an act of large statesmanship. Aside from this, however, there is a long list of wise and progressive measures that prove to an unprejudiced mind the progressive character of the Republican Party and its responsiveness to the people's demands and beliefs. The powers of the Interstate Commerce Commission were tremendously increased, so that it could suspend, determine, and fix railroad rates, force joint rates over rail and water lines, control competing water lines, and force equal treatment by the railroads of all water connections. A postal savings bank system was established and a parcel-post system inaugurated. Publication of campaign contributions before and after elections was provided. The Constitution was amended so that an income-tax law is possible, and Senators are to be hereafter elected by the people. The power of the President to withdraw lands in the interest of conservation was made certain. An economy commission was created, and a children's bureau provided. An industrial commission was created, the eight-hour law extended, and the white slave act passed. A Department of Labor was organized; the Panama Canal act was passed exempting coastwise ships from tolls and extending the powers of the Interstate Commerce Commission over rail and water lines, and asserting our sovereignty over our own territory and property.

The physical valuation of railroads, telephone and telegraph lines was provided, a Territorial government given to Alaska, and a survey looking to a Government railroad there was provided for and made and construction urged by the President. This record shows what we can do when united and what the

people may expect when again they place us in control. In the State the party has been a remarkable instrument of progress. Woman suffrage, direct primaries, control and regulation of railroads and other public utilities, initiative, referendum, and recall, labor laws, laws for the welfare of women and children, the minimum wage, accident insurance, and a multitude of other laws for the social welfare demonstrate that the party locally is and has been progressive as any one might desire and that a new party is not only not needed but that it would stop progress rather than promote it.

In view of the conditions that seem to be upon us now it may not be amiss to contrast briefly the material conditions under Democratic policies from 1893 to 1897 and under Republican policies since that time. We can more nearly comprehend the wonderful influence and effect of Republican policies on the development of the Nation. The Democratic administration is a memory, as the present one will be, although it is now a stern reality. While figures are dry, they are sometimes more eloquent than any words spoken by the most gifted and eloquent orator, and I am going to dare, in this letter and being far away, to call to the attention of the convention, and through it to the people, what happens under Republican policies as contrasted with Democratic policies.

In 1890 the value of farm property was placed at $16,000,000,000. In 1900, with four years of Democracy included, it was $20,000,000,000, or an increase of $4,000,000,000 in 10 years. In 1910, with unbroken Republican policies, it was placed at $40,000,000,000, or an increase of $20,000,000,000. In 1893 the value of farm animals was placed at $2,433,000,000, while in 1897, at the close of the Democratic administration, it was placed at $1,655,000,000, or a decrease of $778,000,000. In 1912 it was $5,008,000,000, or an increase of $3,358,000,000 under continued Republican rule. This increase is eloquent with new houses built, mortgages paid off, farm homes happy and contended.

In 1893 the deposits in the savings banks of the country amounted to $1,808,000,000, and in 1897 they were $1,983,000,000, or an increase of $175,000,000 under the Democratic policies. In 1912 they amounted to $4,451,000,000, or an increase of over $2,468,000,000. In 1893 the wages paid in the manufacturing industries amounted to $1,891,000,000, and in 1900 they were $2,008,000,000, or an increase of $117,000,000, while in 1910 they were $3,427,000,000, or an increase of $1,319,000,000. In 1894 the wages paid railroad employees amounted to $447,000,000, and in 1896 they were $468,000,000, or an increase of $21,000,000, while in 1911 they had reached the enormous sum of $1,208,000,000, or an increase of $740,000,000, telling of well-fed, well-clad women and children and cheerful, joyful firesides. In 1893 the total expenditures for the public schools was $164,000,000, while in 1897 it was $187,000,000, or an increase of $28,000,000, while in 1911 it was $446,000,000, or an increase of $249,000,000, telling us of better schoolhouses built, better salaries paid teachers, and a broader enlightenment and a better citizenship. That means real uplift, real advancement.

What of our foreign trade? In 1893 our imports were $866,000,000, and in 1897, under a Democratic tariff, they were $764,000,000, or a decrease of $102,000,000, while in 1912, under a protective tariff, they were $1,653,000,000, notwithstanding it was contended that it was a wall to keep out foreign goods, or an increase of $889,000,000. In 1893 our exports were $847,000,000, while in 1897 they were $1,050,000,000, or an increase of $203,000,000, while in 1912 they were $2,204,000,000, or an increase of $1,154,000,000, telling of general prosperity and a wonderfully expanding foreign trade as a complement to a prosperous domestic commerce.

In 1893 the railroad mileage was 179,834, and in 1897 it was 188,844, or an increase of 9,000 miles, while in 1912 it was 254,732, or an increase of 66,000 miles, telling of a wonderful internal expansion and development. These are but examples to bring to our recollection the wonderful industrial contrast under Democratic and Republican policies and to show that the present general industrial depression and hesitation is not so much "a state of the mind" as it is the inevitable result of policies which bring doubt, distrust, and disaster. No political Christian science can make the laborer prosperous without work, the farmer prosperous without markets, the business man prosperous without customers, the railroads prosperous without freight, factories and mills prosperous without orders, Americans prosperous on foreign products and foreign labor. No psychological treatment can clothe the naked or feed the hungry. United action and united voting by the majority will inspire confidence, remove distrust, guarantee wise action, repeal destructive policies, and bring stability and activity to business and rest and peace to the mind.

Our duty is plain. Sink all minor and past differences. Let this convention declare clearly and definitely for the needs of the hour. Let us sink all personal ambitions and keep in view only the good of the people, which means the party's good. Do this and those of one faith and one belief will sink minor differences and go forth to a great victory preparatory to the contest of 1916, when the forces of good, wise, and patriotic policies and progressive accomplishment will unite under the leadership of that man, no matter who he may be, who will best represent and exemplify the hopes, aspirations, and ideals of the American people and be placed in control of the destinies of the Republic under the banner of Republicanism for another 20 years.

Earnestly, yours, for union and victory,

W. L. JONES.

LETTER OF CONGRESSMAN HUMPHREY.

JUNE 10, 1914.

Hon. W. A. RUPP,
Chairman Republican State Central Committee,
Aberdeen, Wash.

MY DEAR MR. RUPP: I believe in party and party responsibility. I believe in platforms and conventions. Under our form of Government these have been the most effective methods whereby the people have been enabled to enforce their wishes.

The Democratic Party came into power upon the broad issue that they would better the general conditions of the country. What patriotic citizen would not, if he could, change the present condition for the conditions such as were enjoyed for 16 years under Republican rule?

The Democratic Party promised to reduce the high cost of living. Does anyone believe that promise to-day? They have not reduced the cost of living, but they have reduced the opportunity to earn a living.

They declared that they would injure no legitimate industry; that they would enact a tariff law that would strike the shackles from trade, give us the markets of the world and bring unexampled prosperity. How have they kept that promise?

Six months the present Democratic tariff law has been upon our statute books, and every day business has decreased.

Every day we have bought more from the foreigner and sold him less.

Every day we are giving more work and more wages to the foreigner and less to our own.

Every day our imports increase and our exports decrease.

Every day mills and factories are closing.

Every day the number of the unemployed increases.

Every day this Nation is going in debt more than half a million dollars.

To-day 238,000 freight cars stand idle—the largest number ever known.

To-day 500,000 railroad employees are out of work.

To-day the business of the entire Nation is 40 per cent below normal.

To-day more than 3,000,000 men are idle asking for work—the greatest number in the life of this Nation.

To-day the balance of trade is against us—the first time it has been in favor of the foreigner since the Cleveland administration.

The business of this Nation has decreased a million dollars every hour that Woodrow Wilson has been in the White House.

History again repeats itself. Again the Democratic Party is in power.

Again we have a Democratic administration.

Again we have universal business depression, fear and uncertainty, closed mills, silent machinery, smokeless factories, idle men, poverty, want, idleness, and rags.

Our foreign policy has excited the derision and the contempt of the civilized world.

This Nation practically declared war against an individual to compel him, not to make reparation for Americans murdered, not to pay for millions of American property destroyed, but to fire a gun 21 times instead of 5.

To keep a consignment of the materials of war from reaching this individual one of the mightiest battleship squadrons of all the world was sent to blockade Mexican ports. Vera Cruz was seized, $7,000,000 in money was expended, and 17 young patriotic Americans yielded up their lives following their country's flag.

And then a few days ago this same cargo from the same ship, through the incomprehensible stupidity of the administration, was permitted to be landed without molestation, and these same guns shotted with that same ammunition are now ready to be turned upon and kill American soldiers. More incomprehensible still, we are now informed that, with the consent of the Secre-

tary of State, guns and ammunition are now being sent to the constitutionalists and that the American Government, if necessary, will enforce its delivery at Tampico, again furnishing the means of killing American soldiers to probable enemies.

The world furnishes no parallel to our blundering stupidity in our Mexican affairs, and it is charity not to designate it by stronger language.

It will be a gainful day to this Nation when that prince of peaceful blunders, that foremost of limelight lovers, once more takes up the poetic pursuit of filling his purse and feeding his longing soul on popular applause and again stands in Chautauqua's glad glare, in exciting contest with the yodeler, the acrobat, and the unadorned dancer, and leaves the affairs of state to subordinates or to happy chance.

The people of the United States have built the Panama Canal; they have paid for it; they own it; it is on American soil; the American flag floats over it; and, in spite of the Democratic Party, they are going to control it. Congress passed a law giving the United States the absolute control of this canal and permitting our vessels in the coastwise trade to pass through the canal free. The Democratic Party in its platform specifically indorsed this law. Woodrow Wilson, when a candidate for President, particularly commended it. The Democratic majority in Congress on roll call voted for it. The people on the Pacific coast believed that they could rely upon those Democratic promises and pledges. In that belief they spent millions of dollars and contracted to expend many million dollars more.

President Wilson just one year after he had been in office surrendered to the transcontinental railroads and the influence of British worshippers in this country, and he appeared before Congress and pleaded with them to repeal this law without raising the question "whether we were right or wrong." He gave no reason why we should do this, and has not yet given any except that the Nation was so involved in its foreign relations that he would not know what to do unless we yielded in "ungrudging measure" to his request. That was the most astonishing and humiliating message ever delivered by a President of the United States. The Democratic majority, coerced by fear of defeat and persuaded by patronage, did as they were told. This law will probably be repealed when this letter is read.

This repeal will increase the freight rate of every thousand feet of lumber from Puget Sound to the Atlantic coast, both by rail and water, $1.50. It will increase the rate more than $50 on every car load of freight hauled across the continent.

This repeal will take the great benefit of the canal from the State of Washington and give it to British Columbia.

No foreign nation has protested or is protesting against this law. The only protest comes from home. As the transcontinental railroads alone will benefit by this repeal, the people of this country will decide what influence changed the President's attitude.

The Democratic Party has deceived, betrayed, and robbed the people of the Pacific coast.

One of the first acts of the Republican Congress that will meet in special session on the 4th day of March, 1917, will be to reenact the American Panama Canal law that the Democratic Party so cowardly repealed.

The Republican Party has placed upon the statute books in the State of Washington more progressive legislation than is written upon the statute books of any other State in the Union. What it has done in the State of Washington it will do in the Nation, but it will not be done by a large element of our party becoming assistant Democrats. It will not be done by dividing among ourselves and keeping the Democratic Party in power.

The Progressives mostly left the Republican Party because of their admiration for Col. Roosevelt, but they are in all essential policies Republicans; they are protectionists; they believe in the honor and integrity of their own country; they are opposed to our cowardly and humiliating surrender of the Panama Canal; they are opposed to our discreditable and blundering Mexican policy; they are proud of the achievements, the traditions, the memories, and the great leaders of the Republican Party.

The great issues of the coming campaign will be protection and prosperity, a patriotic foreign policy, and opposition to the humiliating surrender of the Panama Canal. Upon these overshadowing issues Republicans of all beliefs and of all faiths can and will unite in behalf of our common country and will present a solid front to our common enemy.

What this Nation needs to-day is less law and more business. The only hope of the country is a Republican Congress, to stop further destructive legislation.

The greatest blessing this Congress could bestow upon the Nation would be to adjourn and never meet again.

Again, by bitter experience, the people have learned the meaning of Democratic success. The Democratic Party has learned nothing, it has forgotten nothing. It is the same old party of incompetency, free trade, and poverty.

The people are now engaged in "watchful waiting"—waiting for an opportunity to vote the Republican ticket.

Again will history repeat itself. Again the system of protection will be restored. Again the wheels of industry will be set in motion, idleness will disappear, there will be work and bread for all, the un-American policy of surrender will be repudiated, our flag will be once more honored and respected abroad, and the country will enter upon another 20-year period of matchless prosperity, when, as it certainly will at the next election, the Republican Party again comes into power.

Sincerely, yours,

W. E. HUMPHREY.

LETTER OF CONGRESSMAN LA FOLLETTE.

HOUSE OF REPRESENTATIVES,
Washington, D. C., June 10, 1916.

Mr. W. A. RUPP,
Chairman Republican State Committee,
Tacoma, Wash.

MY DEAR MR. RUPP: I duly received the invitation tendered me to be present at the Republican State convention at Tacoma June 18, and to address the delegates and other Republicans there assembled, and if unable to attend in person to make the address by letter.

I wish first to thank you for the invitation and to express deep regret that my compliance has necessarily to be by letter and not in person. I desire to extend heartiest greetings to the delegates and the members of the party assembled in convention. To them through you I say "All hail."

It is well that the representatives of the greatest party in advancement and progress that the world has ever known should meet together at this time to consult and to discuss ways and means whereby this country can be saved from the wave of disaster and commercial paralysis that began to envelop it as soon as the present administration was inaugurated, and has steadily incresed as the usual program of the Democratic party—that of merciless destruction to American industries and welfare—was applied.

Not that the intentions of the party were not good. Now, don't somebody get off that old saw about Tophet being paved with good intentions. I am proud to say that I think our Democratic friends are as well-meaning and desirous of the public good as are the members of any other party. Their patriotism is of high order, and their blunders have all emanated from mistaken policies and not from any desire that prosperity should wane or that the country should suffer depression. The members of that party in Congress have waited longingly and prayerfully for the triumphant wave of prosperity promised by Mr. Wilson in his first message to Congress, wherein he stated that his party expected to legislate to the end that the people would be able to enjoy and benefit from the "new freedom" promised by Democracy, and they no doubt expected by this time it would hover around and about us like a benign blessing; but alas and alack! while, as Representative ROBERTS, of Nevada, said on the floor of the House the other day—

> the opposition party may justly claim the honor of giving more men, women, and children perpetual holidays in the same length of time than any other party in our history—

it is regrettable that it is not a very good talisman of prosperity or of benign blessing.

I do not purpose in this letter to go into figures to any great extent, as I have no doubt that those present have kept close watch and well know that our Treasury balances have shrunk more than $70,000,000 since the Democratic Party came into power; that our trade balances are diminishing by leaps and bounds; and while our revenues are steadily decreasing our importations are just as steadily increasing, displacing American grown and American manufactured products, causing depression in our manufacturing districts, displacing American labor, and steadily putting the real application of Wilson's new freedom in force—freedom from work; unfortunately this does not carry with it freedom from hunger. In a great many districts in the East there is much suffering. I hope there is none of that yet in the West.

The last political campaign is too recent to have been forgotten. It is seldom that a campaign has had crowded into it so much bitterness, so much misrepresentation, so much recrimination, as had that one. It always takes time for the ill-feeling engendered in such a contest to die down and sober second thought to find place and give opportunity to analyze and digest

a lot of the claims that had been advanced and charges that had been made.

You all know that owing to a split in the Republican Party both it and the offshoot from it went down to defeat, and that the Democratic Party, after 16 years as the principal minority party of the Nation, was again restored to power, it having gone to defeat following the nightmare of misery and depression brought on largely by the ill-balanced trade-paralyzing Wilson tariff bill of 1894.

My friends, it is necessary that we have at least two political parties in a country governed like ours; the function of the party in power being to legislate and administer, of the other to criticize and condemn. One is just as necessary to our welfare and permanent well-being as is the other.

The Democratic Party has been an excellent minority party, but never has been—and history will bear out the assertion—a success as a majority party. During the debate on the late tariff bill in the House of Representatives the Democratic floor leader [Mr. UNDERWOOD] referred with some pride to the period of Democratic rule just prior to our Civil War. In answer to him in a speech made later, I read the following extract from the first annual message of President Buchanan to the Thirty-fifth Congress:

> We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country, in its monetary interests, is at the present time in a deplorable condition. In the midst of unsurpassed plenty, in all the productions of agriculture, and in all the elements of national wealth, we find our manufactures suspended, our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want. The revenue of the Government, which is chiefly derived from duties on imports abroad, has been greatly reduced, whilst the appropriations made by Congress at its last session for the current fiscal year are very large in amount.
>
> Under the circumstances a loan may be required before the close of your present session; but this, although deeply to be regretted, would prove to be only a slight misfortune when compared with the suffering and distress prevailing among the people. With this the Government can not fail to sympathize, though it may be without the power to extend relief.

Then I said:

> Does this extract from the message of a Democratic President correspond with the claims of universal prosperity in ante bellum days?

This is not the only time that such claims could be easily refuted. There never was a time in our history when the Democratic Party was in power that depression, shrinkage of values, and general stagnation did not follow. Why is this? It surely is not because the party leaders have lacked patriotism, good will, or desire for the country's prosperity and welfare. No; they have not been deficient in any of these qualities; instead, they have not entertained the correct ideas on economic questions. Their guiding star, their sheet anchor, the lodestone which holds them steadfast to their Democracy, is the fallacious doctrine of free trade. It has pervaded the minds of Democratic leaders for a hundred years, and the present leaders still hold to those principles which have been their party's undoing so often in the past.

Free trade has been their Waterloo time and time again. But this they refuse to acknowledge. Each time they are returned to power they "bob up serenely" with the same old backfiring musket that soon kicks them again into a minority position—a position they have held with success and distinction in the past.

For a while the indications were that the present leaders of the party had seen the light of day and would profit by past experiences. In their platform enunciated at Baltimore they had this to say:

> We favor immediate revision of the tariff by the reduction of import duties. Articles entering into competition with trust-controlled products should be placed upon the free list; material reductions should be made in the tariff upon the necessaries of life, especially upon articles competing with such American manufactures as are sold abroad more cheaply than at home; and gradual reductions should be made in such other schedules as may be necessary to restore the tariff to a revenue basis.

You will note that articles entering into competition with trust-controlled products should be placed upon the free list. Material reductions should be made upon the necessaries of life, especially upon articles competing with such American manufactures as are sold abroad more cheaply than at home.

It sounds and reads well. But when they passed the recent tariff bill what did they do? If they carried out their platform, the only articles they found entering into competition with trust-controlled products were the products of the farm, 90 per cent of which they placed upon the free list; and they found no other to make free with which to punish the trusts.

Material reductions in tariff on necessaries of life was construed to mean total elimination, so they promptly placed the products of the American farmer on the free list in open competition with all the world. The only "malefactors" of great wealth to be placed upon the free list, other than the farmers, were the lumber and shingle manufacturers and the millers of various commodities who buy and grind the farmer's products. Practically all food products, both raw and manufactured, were placed upon the free list. Has the country become more prosperous since? Millions of dollars' worth of corn, oats, and barley have been shipped into our country—shipped in by men who contribute nothing to the support of this Government. Has the cost of living been reduced? Are the farmers of the North and West buying everything cheaper than they did—enough cheaper to make up for the lower prices which they have received for their produce? I think not.

The difference in the Treasury receipts and disbursements during the life of this administration and that of the Republican administration it succeeded is most marked and carries out graphically the general business conditions of the country and, to a large extent, the conditions of individuals and of firms doing business throughout the land.

I but now received a Treasury balance sheet for the close of business June 9, 1914, and I looked through my desk to see if I could find one of a somewhat corresponding date in 1911 for comparison. I did not find one for June 9, but did find one for July 7, 1911, and used it. I found that the Treasury balance in the general fund July 7, 1911, was $147,965,208.39. On June 9, 1914, it was $77,766,218.93, making a difference of $70,198,989.46 between the close of business July 7, 1911, and June 9, 1914, with Mr. Wilson as President.

There was a balance in the general fund at the close of the fiscal year 1911, when Mr. Taft was President, of $139,801,415.99. The balance in the general fund at the end of the fiscal year 1913, when Mr. Wilson was President, I have not available at present, but the balance June 9, 21 days previous to the end of the fiscal year 1914, was $77,198,989.46, showing a difference in favor of 1911 of more than $62,000,000.

These balances are, of course, subject to heavy fluctuations; but the steady trend has been downward ever since this administration wrote its tariff law, with the exception of the short time it was collecting the reduced revenue rate on the millions of dollars' worth of goods held here in bond awaiting the passage of the bill. For a short time so great was the volume of goods so held there was an increase of revenue, and some enthusiastic Democratic Members, who were not conversant with the goods-in-bond proposition, were wont to point with pride to the Treasury showing under their new law. Suffice to say, they have been eating crow for some time now, as the revenues grow steadily less and the free or insufficiently taxed foreign products pour in with increasing volume, displacing American products, putting our mills and producers and their laborers out of commission.

At the close of the fiscal year 1913 the excess of revenue receipts over Treasury disbursements under the general fund was $8,220,999.74. At the close of business June 9, 1914, 21 days before the close of the fiscal year 1914, disbursements were $34,462,318.08 in excess of receipts, or a difference of more than $42,000,000 on the wrong side of the ledger since the end of the fiscal year 1913, in the ordinary disbursements of the Government.

For the fiscal year 1913, up to and including June 9, 1913, the net excess of receipts of every description collected by the Government was $28,219,416.96 over and above disbursements; at the close of business June 9, 1914, the excess of expenditures above receipts was $66,101,959.86 for the fiscal year 1914 to that date, showing a difference for the two years contrasted of $94,321,376.92, and all on the wrong side of the ledger.

Against this amount, though, must be deducted a difference in excess disbursements for 1914 over 1913 up to June 9 of each year of $16,586,641.81, leaving a net decrease in Treasury assets of $77,734,735.11 for 11 months and 21 days of the fiscal year 1914. They—the Democrats—of course expect to make this up by means of the income tax, but it is generally conceded that it will fall some $20,000,000 short of doing it.

The theory of the Democratic Party leaders was that a decrease in tariff rates would allow additional imports to enter the country, causing closer competition and resulting in cheaper living to the consumer. They are strong on playing the consumer. You would imagine consumers are a distinct class to hear them play on the word. As for me, I have never been able to differentiate between producers and consumers, as we all are acting in these capacities, one for the other. And in addition to this those citizens who were recipients of incomes above a certain amount should contribute to the expenses of Government by paying a special tax to make up for decreased revenues—for the benefit of their not so fortunate fellow citizens. This was all right, and by a three-fourths majority vote of all the States we agreed to the levying of such a tax; but, alas,

where is the cheaper living promised us? The revenues have shrunken nearly $100,000,000. Part of this will be made up by the special income tax; but up to date where is the benefit to the people? Ninety per cent of the product of the State of Washington, both raw and manufactured, is placed on the free list. Is prosperity abounding in the State of Washington? If conditions continue as they are, will an increased or decreased proportion of our population pay an income tax? I very much fear the latter.

The net benefit, if any benefit is received from the legislation of the majority party in Congress up to date, that will accrue to the State of Washington is the Alaska railroad provision passed early in this session. That is constructive legislation. I very much fear, though, that it will be but poor compensation for the destructive legislation enacted, that will influence our lumber industry, our shingle manufacturers, our fisheries, our stock and agricultural interests. The products of these industries have all been placed on the free list in competition against the world.

I will wind up my tariff remarks with a poem by Mr. Jack Wiley, written during the time that the general public was exercised over the purchase of a large order of flag bunting by the Secretary of the Navy from an English firm. His poem is entitled "The Limit" and reads as follows:

THE LIMIT.

Shall the flag be made in England?
Kinder riles one up a bit;
Kinder starts the blood a bilin'
Just to merely think of it.
Shall the flag we call Old Glory
In a foreign land be made?
This is certainly the limit
Of the foul work of free trade.
Shall the flag be made in England?
Far away across the deep?
Down with sentiment and feeling,
Buy your bunting where it's cheap!
What care free-trade foes of country?
They've no patriotic pride.
What's the flag but so much dry goods?
Make it on the other side!
Shall the flag be made in England?
Kinder riles one up a bit;
Kinder starts the blood a bilin'
Just to merely think of it.
Work and wages they have taken,
And in idleness men lag;
Taken industry to England,
Now they want to take the flag.

This administration is strong for England. Walter Hines Page, our ambassador to that country, at a banquet in London, congratulated Great Britain on the near completion of the Panama Canal, and stated that it is a source of much satisfaction to this country that Great Britain would be the principal beneficiary thereof. Then, to lend emphasis to that assertion and to show that our ambassador's remarks were approved of, if not authorized, by the administration, we had President Wilson's remarkable message to Congress asking that we repeal the free-tolls clause of the Panama Canal act, wherein we had granted our coastwise shipping, where not controlled by railroad common carriers, free passage through the canal.

The last three months of the present session of Congress has been devoted principally to protests against and justification of repeal. While the President is responsible for the legislation, it is in no way confined to party lines; strong speeches have been made against repeal by prominent Democrats in both House and Senate. Speaker Clark wound up a strong speech with this graphic utterance as a climax:

Now, may the God of our fathers who nerved 3,000,000 of backwoods Americans to fling their gage of battle into the face of the mightiest monarch in the world, who guided the hand of Jefferson in writing the charter of liberty, who sustained Washington and his ragged and starving army at Valley Forge, and who gave them complete victory on the bloodstained heights of Yorktown, may he lead Members to vote so as to prevent this stupendous folly—this unspeakable humiliation of the American Republic.

Many of his Democratic colleagues, though, who had originally voted for free tolls and made speeches in its favor, as did President Wilson when he said that "Platforms were written to stand on and not simply to run on," and pointed with pride to the free-tolls plank in the Democratic platform, reversed themselves and prated of free tolls being a subsidy, oblivious of the fact that there is a law on the statute books of the United States to the effect that all canals then constructed, when the law was passed, and all canals constructed or owned by the United States in the future, should be free to our domestic traffic. Little things like that did not influence them when their President had ordered them to reverse themselves. The result will be that after spending some four hundred millions of dollars to build a canal, largely as a check against high freight rates by transcontinental railroads, we will by this act of the President nullify it all for the benefit of the Canadian Pacific and other transcontinental railroads at the behest of Great Britain.

This letter is becoming too long, so I shall but refer briefly to the Mexican situation—I came near saying "policy"; but if this administration has any foreign policy in general, or Mexican policy in particular, it has been very successful in disguising it from the public up to date.

The promiscuous flirting it has indulged in with Carranza, Zapata, and the murderous Villa has convinced the general public that the President's antipathy to Huerta must have other grounds for censure and complaint than the way Huerta acquired his present position. I do not care to criticize the President for not recognizing Huerta, but I do criticize his negotiating with and his toleration of Villa, Zapata, and Carranza. His open preference for these murderers has largely offset the effect of his virtuous refusal to recognize Huerta.

The President of the United States, by a message delivered to Congress in person, advocated and advised that legislation be enacted to establish a system of rural credits, and a bill was introduced and extensive hearings held thereon; but later on the President, as on the free-tolls provision, suffered a change of heart, and when he and the House leaders met and agreed on legislation to be passed at this session this legislation for the benefit of our great rural population was not included.

Every indication and sign pointing to the general trend of public feeling and determination demonstrates that there is a realignment for the party that has for more than 50 years been the prop, mainstay, and insurer of general prosperity to the entire people of the United States.

The people are fully realizing the fact that "special interests" belong to no one political party; that the cry of "special interests" in the Chicago convention of 1912 was repeated at Baltimore, where the names of prominent Democrats were protested against, and when pandemonium raged in the convention.

The Progressive convention and Party were dominated and financed by members of the great Harvester Trust and the Steel Trust, and there is no reason for going back on the party of advancement and progress—the Republican Party—on account of "special interests," but rather to stay with, weed out, and purify it. All things now point to the full realization of this fact, not only by former members of the Republican Party, but also by thousands of those who have for years been aligned with the Democratic Party.

With best wishes and kindest regards to you all, I remain,

Sincerely, yours,

WM. L. LA FOLLETTE.

LETTER OF MR. JOHNSON OF WASHINGTON.

JUNE 9, 1914.

Hon. W. A. RUPP,

Chairman, Tacoma, Wash.:

I regret that I can not be present at the Republican State convention. Already it is becoming difficult to maintain a quorum in this Congress, which has been in longer continuous session than any Congress since the first one, which convened March 4, 1789, and held three sessions, covering 519 days. The Sixty-third Congress bids fair to exceed that first one in length of days, but not in importance.

Many of the laws of this Congress will have to be made over. Leading Democrats admit that the Underwood-Wilson Tariff Act is not a success. They admit that a deficit is inevitable and a bond issue almost a certainty. They admit that the income-tax law is practically unworkable, too complex to be of value, and that the cost of collection eats heavily into the profits.

They are beginning to express doubt as to the ultimate result of the banking and currency law, and are afraid that it will need double the machinery which has been given to it. They are unable to frame a farm-credits bill. They are unable to decipher the President's war policy, and they have no faith in the general foreign policy of the Secretary of State.

In this Congress the South is in the saddle as never before. The chairmanships of all the important committees, except two, are in the hands of Members from the far South. And rightfully so, for those Democrats who are now chairmen of the big committees have been in Congress for from 12 to 20 years, awaiting for just what happened when the Republican Party divided. The Congressmen from Mississippi, Alabama, Georgia, and Texas, who have been here year in and year out, went right to the top, outranking in committees the newer Democratic Congressmen from Ohio, Indiana, Iowa, and other States, who came in as a result of Republican insurgency. In every Democratic caucus the Southern Democratic Congressmen have outvoted the Northern Democratic Congressmen, and the result is a species of iron-clad rule, by which four Democrats, comprising a majority of the seven Democrats in the Committee on Rules, say what Congress shall and shall not do in its sessions. These

four Democrats take orders from the President of the United States, all of whose writings and speeches mark him a pronounced federalist. Thus the people who have been stoutly clamoring for more control in public affairs are daily finding themselves in possession of less control.

The result will soon be overmuch Government, and the West will be the first to feel its effect. We have great problems; we have a wide and scattered area, and while the East thinks we have no population, I find that we have a voting population far in excess of, for instance, Mississippi, which has, in fact, but little more population than Washington, and which sends eight men to the House of Representatives, while Washington sends but five. One Mississippi Congressman has but 12,000 voters in his District, while the District which I have the honor to represent cast in the last election about 80,000 ballots, representing an active, aggressive constituency of which the Mississippi man does not even dream.

With conditions so different in the West, I see more and more the necessity of cooperation among the Members from all the Western States. One is often reminded of many accomplishments resulting from the teamwork that prevailed when the State of Washington was represented by JONES, HUMPHREY, and Cushman.

As a Senator, WESLEY L. JONES has faithfully represented our State. Why any single voter in the State of Washington should seek to dislodge him is more than I can understand. With the West facing problems of the greatest moment, Senator JONES should not be asked to even think of making a campaign for reelection, which is his due. No Senator from any State has ever served the whole people with more fidelity.

Representative WILLIAM E. HUMPHREY is the ranking Republican member of the Rivers and Harbors Committee. It is believed by many leaders that the next Congress will be Republican. Leading Democrats here admit that their overwhelming majority in this House is likely to be not over 20 to 30 in the next Congress. Some think it will disappear. Let the House become Republican and Mr. HUMPHREY becomes chairman of the great Rivers and Harbors Committee. No citizen of Washington can fail to realize what this means to the State, with its great rivers and enormous shore line, with its harbors becoming yearly more important, and with the Panama Canal about to go into full operation. As a member of this committee all these years Mr. HUMPHREY has accomplished much. As chairman of the committee the State would receive without protest even more than now secured through the continued efforts of this entire delegation, backed by leading citizens of the various communities, who know the real worth and merit of all the projects presented and who believe that our rivers and harbors should at least have an equal share with the rivers and harbors of Texas and Florida.

This may look like a selfish view, but, in my opinion, the time has come for not only our State but for all of the Western States to be a little more selfish in these matters and a little less free in tendering to the United States advanced ideas in political economy.

Show me any New England or Southern State that would call upon men like JONES and HUMPHREY—both in the very prime of active life—to even think of having to fight to hold the advanced positions which they have earned among the lawmakers of the Nation.

What I have said of Representative HUMPHREY applies in a large measure to Representative LA FOLLETTE. He is the third man on the important Public Lands Committee. Ranking above him are Congressman LENROOT, of Wisconsin, and Congressman FRENCH, of Idaho, one of whom, I understand, has other political aspirations. Let Congress become Republican, and WILLIAM L. LA FOLLETTE rises to the position of ranking member of the House Committee on the Public Lands. Think what that means to our State and to all of the 11 Western States, one-fifth of whose Federal problems go through this committee.

As for myself, I am a member of the Committee on Immigration—which place I sought—and a member of the Committee on the Territories, where I hope I did my share in perfecting and helping to pass the Alaska railroad bill. I hope to continue on these committees. Both have important work ahead, and I am in hopes that the bill now under consideration in the Committee on the Territories, which provides for the cutting of the red tape around Federal affairs in Alaska, and which dispenses with the overlapping of departmental control, will point a way toward cutting similar red tape in the western part of the United States.

For instance, if it is agreed that in Alaska the national forests should be taken from the control of the Secretary of Agriculture and placed under the control of the Secretary of the Interior, who handles land matters, why would not the same plan be beneficial to our Western States? If we can cut out Government delay and Federal mismanagement in Alaska, why not in the State of Washington?

Western Members in Congress have to work hard, and will have to work harder as the Government goes more and more into Federal control. There are not likely to be many more short Congresses, and there will be, in my opinion, an increasing need for a united delegation, in harmony not only as to party but as to principles of government.

Yours, sincerely,

ALBERT JOHNSON.

PLATFORM ADOPTED BY THE REPUBLICAN STATE CONVENTION.

Following is the declaration of principles of the Republican Party of Washington, which was adopted yesterday at the State convention held at Tacoma:

Proud of the achievements of the Republican Party in the past, and confident of the future, the Republicans of the State of Washington, in convention assembled, hereby declare:

We congratulate the people of the State of Washington and of the United States upon the imminence of the return of the Republican Party to power. The unwisdom of party division has been emphasized by the disastrous results of Democratic misrule upon the industrial life of the State and Nation. In their manifest intention to unite in their allegiance to the principles of the Republican Party, the electors of this State show their keen realization of the causes which led to existing industrial distress and their determination upon a speedy restoration of Republican power and prosperity. The coming triumph of the party is clearly forecasted by the result of every election held since 1912, and the general outcry for relief from Democratic mistakes and misgovernment. The great mass of the people of this country believe in the capacity and ability of the Republican Party to govern and govern rightly—a capacity and ability that have been demonstrated through many years of prosperity under Republican rule. Republican rule and prosperity are inseparable in this country; Democracy and depression are synonymous now as they have always been.

We reaffirm our fealty to the long-established principles of the Republican Party, and we pledge our services to the maintenance and perpetuation of our country's republican and representative form of government and institutions.

We condemn the present Democratic national administration for its repeated violations of plighted faith with the people. It promised a revision of the tariff that would not disturb business. It has enacted a sectional tariff measure which has depressed and prostrated business to an extent unknown since the last Democratic tariff revision, 20 years ago. It has discriminated against every product of the Northwest and of the State of Washington in particular.

The Democratic Party promised a tariff that would reduce the cost of living and at the same time perform the magical feat of maintaining wages and upholding the price of farm products. It has given the people a tariff which has not reduced the cost of living, but which has reduced the wages of workingmen, closed factories, crippled every line of industry, and forced prosperity to give way to increasing poverty and distress. The Democratic tariff has turned the American markets over to foreign producers. Millions of Chinese eggs have been imported, and New Zealand butter and Australian beef are supplanting our home products without the slightest decrease in the cost to the consumer.

The Republican Party is now and has always been the consistent and steadfast advocate of protection to American labor and promotion of American industries. We hold that the tariff policy of the Republican Party is the only true policy of service to the best interests of all the American people.

Realizing that a tariff too low brings on destructive foreign competition and that a tariff too high may in certain instances afford a shelter for monopoly, we favor a nonpartisan tariff commission which shall be authorized to make tariffs, to the end that all duties shall be adjusted to the difference between the cost of production at home and abroad.

We condemn the present national administration for its direct violation of the Democratic national platform which declared for free tolls for American coastwise vessels through the Panama Canal. Under circumstances which betray subservience to the commands of Great Britain and the Canadian railways, the President has forced through the present Democratic Congress repeal of the act exempting coastwise shipping from the payment of tolls. This is another injury to the industries of the State of Washington, already crippled by the viciously sectional tariff act. The history of this country fails to disclose a more shameless betrayal. The Panama Canal was built with the money and by the brains, the energy, and the labor of the

American people, and our ownership of it and our right of sovereignty over it are not open to question.

We reiterate our belief in the wisdom and justice of the act exempting American coastwise ships from the payment of tolls in the use of the Panama Canal, and we condemn the Democratic surrender of American sovereignty over this great highway.

We believe that every American citizen should be protected in his life, liberty, and property wherever he may be, and we condemn the present national administration for a foreign policy that fails the American citizen abroad in his hour of need and makes the American Nation an object of ridicule. The Diplomatic Service of this country has been debauched to pay political debts, and antics of this administration in dealing with foreign nations have made us the laughing stock of the world. American history has not hitherto recorded such weak and spineless statesmanship.

We believe Colombia has no shadow of claim on this Nation for the acquisition by the United States of the Panama Canal Zone, and we condemn this administration for its proposal to yield to Colombia's unwarranted demand for the payment of $25,000,000, as set forth in the treaty now pending. If this treaty shall be consummated, it will say to the world that we have built the Panama Canal upon stolen land, and it will add another humiliating act to the record of the present administration.

We favor legislation for the opening of Alaska and the development of its resources along reasonable lines.

We favor such national legislation as will develop a modern system of rural credits.

We favor such adequate restrictions on the immigration of foreigners to this country as will effectually exclude all of the ignorant and anarchistic classes not capable of becoming loyal American citizens.

We commend the late Republican national administration for its extension of the civil service, and regret that the Democrats have not seen fit to adhere to this policy.

We give our emphatic approval to the course in Congress of Senator WESLEY L. JONES and Representatives HUMPHREY, JOHNSON, and LA FOLLETTE, and we commend them without stint for their fine and loyal stand for Republican principles, and here express our appreciation of the high public services of prominent members of our party who have passed to the great beyond since the last State convention—former United States Senator John L. Wilson, former Gov. Albert E. Meade, and former Congressman W. E. Doolittle.

The Republican Party in State and Nation has always been in the forefront in the advancing sentiment of the people upon the vital and pressing problems of social and economic justice. We point with pride to the long list of wise and beneficent laws enacted along these lines by Republican lawmakers. We mention the following national laws: The establishment of Departments of Commerce and Labor, an employers' liability act, safety appliance acts, pure food and drugs act, the institution of postal savings banks, the parcel post, the establishment of a Bureau of Mines to protect life in the operation of mines, and a Children's Bureau for the promotion of the health and welfare of children. We also call attention to the fact that the State of Washington leads practically every State in the Union in remedial and constructive legislation calculated to overcome the inequality of wealth, capacity, and opportunity, and that every statute of such character was enacted by a Republican legislature. These laws concretely illustrate that the people can safely leave further and needed legislation along these lines to the Republican Party, whose record is a pledge that it will ever keep step with public demands.

We demand a radical decrease in the burden of taxation to which the State of Washington is now subjected. The load must be lightened. We demand a pledge from all candidates for office on the Republican ticket throughout the State to a policy of strictest economy consistent with efficient public service.

We condemn the refusal of the present national administration to restore to the school children of this State the land locked within United States forest reserves, and declare our allegiance to all policies concerning State and National lands which will permit the utilization rather than the waste of our natural resources.

We favor the sale at the earliest practicable date of the lands granted by the Federal Government to the State of Washington for the purpose of the construction and maintenance of the State university, State agricultural college, normal schools, and State capitol buildings, thereby placing the same upon the tax rolls of the State of Washington, and the money derived therefrom upon interest, which shall be used for the maintenance of such institutions, which will greatly lessen the burden of the taxpayers of the State.

The administration of the affairs of the State of Washington by a Democratic governor has again demonstrated to the people of this State the complete inability of that party to govern. Good men, long and honorably employed in the service of the State, with a record of efficiency unsurpassed and unquestioned, have been displaced in too many cases by incompetents, whose only claim to recognition is political activity.

We commend the Republican State officers for their faithful attention to their duties.

We favor arbitration in industrial disputes where questions of wages or hours of service are involved. A State labor commission should have authority to act as arbiter in all controversies where the parties thereto are unable to agree.

The Republican Party reasserts its steadfast opposition to the child-labor evil, and pledges itself to remedy the same wherever found in the State.

We favor the enactment by the legislature of a complete and modern irrigation code.

We favor the enactment of a stringent practice act.

Under the present laws of this State, a political party must cast 10 per cent of the vote at a general election in order to maintain its statutory existence. It should be also required clearly to define its position on public questions. We therefore favor the passage by the legislature of a bill requiring political parties to hold State conventions every two years, in May or June, preceding a State primary, and that at such convention the party shall make a clear and concise statement of their principles and general legislative programs, if any, and we further favor a law which will prohibit any individual from entering a party primary as a candidate under its name unless he shall, as a part of his declaration of candidacy, indorse and agree to support, if elected, the platform and program announced by his party at its last convention.

We further believe the primary law should be strengthened and supplemented by a provision that all voters who expect to participate in a party primary shall at the time of registering declare their party preference, and further providing no voter shall participate in any party primary unless he has so declared his party and then only in the primary of the party for which he has declared his preference.

The Republican Party of the State of Washington hereby declares that it is opposed to the selection of delegates to any convention of the party held for any purpose, by any method which does not give to the full membership of the party a voice in such selection, and we do hereby instruct and direct the Republican organizations, State and county, to henceforth see to it that some method be adopted for the selection of delegates that will carry out the spirit and intent of this declaration.

Learning A B C's at 70.

EXTENSION OF REMARKS

OF

HON. SAMUEL J. TRIBBLE,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, July 17, 1914.

Mr. TRIBBLE. Mr. Speaker, under authority granted by unanimous consent, I extend in the RECORD the following article by Hon. Franklin K. Lane, Secretary of the Interior:

LEARNING A B C'S AT 70.

[By Franklin K. Lane, Secretary of the Interior.]

Illiteracy is a direct menace to the progress of a nation. Its existence rebukes civilization and its extent measures the efficiency of the social system. If all classes of population are considered, no section of the United States can claim even approximate freedom from adult illiteracy. The number of illiterates now in this country exceeds the total population in 1800.

The Federal census for 1910 shows that there were then in the United States 5,516,163 persons over 10 years old who were unable to read and write. This was 7.7 per cent of the total population of corresponding age. The full meaning of these figures will be better understood when it is remembered that the aggregate total is less by only a few thousands than the total population over 10 years old in all the New England States, and more than the same population in Boston, Baltimore, Washington, Buffalo, Cleveland, Detroit, Cincinnati, Pittsburgh, Indianapolis, Louisville, New Orleans, St. Louis, Kansas City, Minneapolis, St. Paul, Seattle, Spokane, San Francisco, and Los Angeles. In double line of march, at intervals of 3 feet, these 5,516,163 illiterate persons would extend a distance of 1,567

miles. Marching at the rate of 25 miles a day, it would require more than two months for them to pass a given point.

A mighty army is this, with its banners of blackness and darkness inscribed with the legends of illiteracy, ignorance, helplessness, and hopelessness; too large for the safety of our democratic institutions, for the highest good of society, and for the greatest material prosperity.

The significance of illiteracy as a measure of popular enlightenment depends upon many conditions. Chief among these are its extent and racial character and the density of population, which are the things that in a great measure determine the success or failure of the endeavor to bring all children under instruction. As to adults, their ignorance is not wholly or chiefly their own fault. To a large degree it is due to lack of opportunity, because of their poverty or the negligence of the States and communities in which they spent their childhood. It has recently been learned that the country school attendance is lower where the roads are bad.

Of the total of illiterates, 3,184,633 were white persons (1,534,272 native and 1,650,361 foreign), 2,227,731 were negroes, and the remainder were Indians, Chinese, Japanese, and others. In the New England, Middle Atlantic, and East North Central States the percentage of illiteracy was greater in the urban than in the rural population. For the rest of the country illiteracy in the rural population was from two to five times greater than in the urban population. Boston had 24,468 illiterates over 10 years old, Washington 13,812, Fall River 12,276, Birmingham 11,026, Memphis 8,855, and Nashville 7,947. By States, Wyoming had the smallest total of illiterates, or 3,874; while New York had the highest, or 406,020. Yet it must not be forgotten that New York's foreign-born illiterates totaled 362,025.

There is every hope that illiteracy may eventually be stamped out in the United States, and soon. It was reduced 3 per cent between 1900 and 1910, or at the rate of 1 per cent every 40 months. At this rate illiteracy would be ended in about 25 years.

Eliminating illiteracy, however, is not a task that can be reckoned by time. Remedial legislation, tandem work by the Federal Government and the States, and persistent effort are the only means with which to combat conditions that perpetuate ignorance.

Bills now in Congress providing that the Commissioner of Education shall investigate illiteracy among the adult population and the means by which it may be eliminated or reduced, are a step in the right direction. It is believed that by cooperative effort, in which the Nation, the States, individuals, and associations shall join, and with such aid as Congress may give, the stain of illiteracy in this country can be almost, if not wholly, obliterated. By an effort of this kind France reduced the number of adult illiterates from forty-five in a hundred to five in a hundred. In one year 1,000,000 men, women, and children over school age were enrolled in French schools, learning to read and write. The schools were organized and supported by national and local cooperation.

Dr. P. P. Claxton, Commissioner of the Bureau of Education, recently approved a bill carrying an appropriation from Congress for a small group of men and women in the bureau to plan and direct the work of investigating "the methods that have been and are now used in any part of the United States and in foreign countries in teaching illiterate adult men and women to read and write and in inducing and assisting those of meager education to extend their knowledge of subjects pertaining to their individual welfare and to their duties and responsibilities as citizens and members of society."

An appropriation of $15,000 is urged; but Commissioner Claxton says that even with no appropriation it will be possible, because of the additional authority granted to him, to obtain the cooperation of the States, counties, districts, and municipalities, and of churches, Sunday schools, women's clubs, and other organizations interested in the public welfare, to such an extent that within the next 10 years the percentage of illiteracy in this country may be reduced to a fraction of 1 per cent. I hope the bill will become a law in the present session of Congress, so we may have plans ready for beginning this work next fall. Indeed, it is not too much to believe that with prompt action the result expected by the commissioner may be secured by the time the national census of 1920 is taken.

Experimental work already done along this line shows that rapid progress is possible. Rowen County, Ky., and Worth County, Ga., have specialized, with great success, in teaching mixed classes of adults and children in the rural districts. Buffalo, through the North American Civic League for Immigrants, has undertaken not only the education of immigrants, but also classes in citizenship instruction. By providing requisite appropriations, this is the first city in the country to take a forward step in minimizing foreign-born illiteracy by placing citizenship education on a clearly recognized and distinct basis.

JUDGE FRANK PARK, OF GEORGIA.

The Old Field School, of Worth County, has a picturesque history. It is, in reality, a homeless school, where Webster's blue-back speller is the principal textbook and where sex and age lose their perspective as they fuse into the desire and thirst for knowledge. Higher education there is an unknown quantity, because where an individual of 67 is busy mastering the intricacies of A B C side by side with a child of 10, higher education loses its importance in favor of elemental education. The school term is indefinite; it fluctuates with the crops. It begins as soon as the cotton is laid by and the corn attended to, and it ends when the students must return to the fields to harvest the crops. "Between roastin' ear and hard corn" is the way these people of the wire-grass country would describe it.

Its founder is FRANK PARK, now a Member of Congress from Georgia. In 1906, when he began the classes, he was a judge of the superior court of the State. Actuated by the realization that most of the individuals who came before him as jurors, witnesses, complainants, and defendants were mature and aged men who could neither read nor write, he decided to provide the means for giving them a limited education. Out of his salary he paid the expenses. He has bought the books and now pays the two teachers, although the first year he taught school himself.

The school has no fixed home. Last year it held its sessions in an unpainted frame country church, which was so small that fully half of the 125 pupils were obliged to study under the trees outside. The closing day of school is as big an event to the residents of Worth County as is the presentation of diplomas, accompanied by addresses in Latin, to the students of modern colleges. Side by side under the trees boys and girls, mothers and fathers, aunts, uncles, grandparents, and other relatives stand up for an old-fashioned spelling match.

Has it been worth while? John Denby, a veteran of Company D, Sixty-fourth Georgia, Confederate States Army, who learned to read and write in that school at the age of 67, is one of the most enthusiastic students. Another, a youth of 20, who, with his mother and sister and a little jack-rabbit mule, farmed a plot of poor land miles from the city, walked a long distance every day to study his A B C's with eagerness. At the end of the term he sold his crops, and with $60 went to Macon and put in three months at a business college. After he was graduated there he became assistant cashier of a bank, and is now earning a fine salary. There were two red-haired, bright, and plucky brothers who formed a partnership in order to obtain their education. One worked on the farm during the year that the other went to school; the next season they changed off, and eventually they started to prepare for college on the same plan. This year one of them will be graduated from Princeton. The other is teaching school in Oregon, and out of his salary has lived himself and kept his brother through the year. Next year the Princeton graduate will go to work and the other will enter college.

Three years after the Old Field School was founded the county school superintendent, Walter R. Summer, wrote that "the cross mark on promissory notes has been almost wiped out in Worth County. During the first year 21 adult men learned to read and write." And under the guidance of W. E. Grubbs, who volunteered his services as an expert bookkeeper, instruction in business arithmetic has been added. So men who had been depending upon others to write their letters and transact their business for them are taught to write their own business communications, how to make out, sign, and indorse checks and notes, execute mortgages, open bank accounts, compute the number of cords in a pile of wood, the quantity of timber in a tree, or the acreage of a piece of land.

No purer Anglo-Saxon blood runs in the veins of any American than in these people of the wire-grass country. Descendants of the early pioneers of the Virginias and Carolinas, they have kept their blood pure and their lives clean. The war beggared them, however. The veterans who came back had nothing and were forced to begin life over again. For their children there were no schools; and even if there had been, they could not have gone. Now there are some public schools, but not enough. Because of the method of apportioning the State's school money, the districts have to discount the payments, borrowing from the banks at 10 per cent interest. Pupils must buy their own books, and the schools are generally open at the time when children are needed on the farms.

Mrs. Cora Wilson Stewart's attempt to teach adults is one of the most notable, showing that grown-ups are a precocious lot of students.

As superintendent of schools in Rowan County, Ky., Mrs. Stewart had occasion to study the conditions of the neighborhood carefully, and as a result decided to open schools for adults on moonlight nights in the public schoolhouses. All the teachers of the county volunteered to help. On Labor Day, 1911, these teachers visited the homes of the people, explaining the plan, and the next evening more than 1,200 men and women from 18 to 86 years old were enrolled. They came trooping over the hills and out of the hollows, some to add to the meager education received in the inadequate schools of their childhood, some to receive their first lesson in reading and writing. Among these were not only illiterate farmers and their illiterate wives and children, but also illiterate merchants, ministers, and lumbermen. Mothers, bent with age, came that they might learn to read the letters from absent sons and daughters and to write to them.

In the words of Mrs. Stewart, "They had all the excuses and all the barriers which any people might offer—high hills, bridgeless streams, rugged roads, weariness from the day's hard toil, the shame of beginning study late in life, and all the others—but they were not seeking excuses; they were sincerely and earnestly seeking knowledge. Their interest, their zeal, and their enthusiasm were wonderful to witness. It was truly an inspiring sight to see these aged pupils bending over the desks which their children and grandchildren had occupied during the day. Their delight in learning and their pride in their achievements exceeded any joy that I have ever witnessed."

In the fall of 1912 the movement spread to other counties, the success of the schools showing that it is not so difficult for illiterate grownups to learn to read and write as is generally supposed. One man of 30, after four lessons in the evening school, wrote the county superintendent a legible letter. Another man, aged 50, wrote a legible letter after seven lessons. A woman of 80 wrote a legible letter after eight nights of study. Many succeeded in securing Bibles which had been offered as prizes by the superintendent to those who would learn to write a letter during the first two weeks of the moonlight school term.

In some of the districts the enrollment of adults exceeded that of children. In two districts the enrollment ran as high as 70, and in several as high as 65.

One teacher had only four adult pupils in her class; but one of these was a preacher who learned to read the Bible and a newspaper after a few weeks of earnest study. After four lessons he signed his name to a paper for the first time, and after seven lessons, to quote the county superintendent, "He wrote an enthusiastic letter, with a period as large as a bird's eye at the close of each sentence."

In another night school, of 65 enrolled 23 were illiterates, and there were three preachers in the class. Several octogenarians were enrolled in these schools; one a woman of 85, another a man of 87, and others past 80. Some entered a schoolroom for the first time in their lives when they enrolled as night pupils.

A significant fact brought out in this experiment is that adults of limited education have taken advantage of the opportunity to return to school and increase their knowledge. Of the 1,600 adult pupils attending night school during the second term, 300 were unable to read and write at all, 300 were from those who had learned in September, 1911, and 1,000 were men and women of meager education. In a number of instances adults from the night schools have enrolled as pupils in the day schools, and the superintendent says that the presence of a determined man or woman in the class has proved an inspiration to both pupils and teacher.

The change in attitude of the community toward the school, wherever the night classes have been undertaken, is in itself significant. A school trustee thus described the change:

"I have lived in this district for 55 years, and I never saw any such interest as we have here now. The school used just to drag along, and nobody seemed interested. We never had a gathering at the school, and nobody ever thought of visiting it. We had had night school but three weeks until we got together right. We papered the house, put in new windows, purchased new stovepipe, made new steps, contributed money, and bought the winter's fuel. Now we have a live Sunday school, a singing school, prayer meeting once each week, and preaching twice a month. People of all denominations in the district meet and worship together in perfect unity and harmony, aged people come regularly, and even people from the adjoining county are beginning to come over to our little schoolhouse."

The experiments in Rowan and Worth Counties show that it is possible to bring help to illiterate men and women even in the most difficult and adverse circumstances. They show that the schools can succeed, whether the pupils available be few or whether they run into the hundreds. They show that the spirit of seeking knowledge is paramount, regardless of age and sex, and that the classes, therefore, can be run upon a homogeneous basis.

By knowing just what must be done in the various localities in the United States, and doing away as much as possible with the present system of closing many schoolhouses on account of the impassable conditions of the roads, by adopting the system of central schoolhouses in vogue in Ohio and elsewhere, another attempt in the right direction will have been made.

The Department of the Interior, through the National Bureau of Education, can map out the dark territory and stimulate a greater desire for self-help, and the bills now before Congress will enable the authorities to do the work. It is my earnest conviction that rural schools demand our attention, and that until a satisfactory system has been devised to provide proper schooling in remote localities no steps ought to be taken toward the creation of a national university.

There are methods and plans to formulate for the campaign against illiteracy. It is important that the Bureau of Education be empowered to receive and distribute funds for the work, as it has received offers of contributions which without legislation it can not accept or distribute.

It will be a great accomplishment, entirely feasible, to inaugurate and superintend a movement concerted and nation wide in extent, which will place the United States where it belongs—at the head of the nations of the world in literacy.

To wait for the passing generation of illiterate men and women and the present generation of illiterate children to die, is a slow and painful process. There is a shorter and a surer way, and that is to teach them their A B C's.

The woman of 70 voices the feelings and sentiments of all adults who have learned to read and write in these mixed schools when, asked how she had liked going to school, she replied, "More than I can tell, because now I know what it means to know how to read the Bible, and I can write to my grandchildren."

Prosperity in the West.

EXTENSION OF REMARKS

OF

HON. MARTIN D. FOSTER,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 18, 1914.

Mr. FOSTER. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an article from the Chicago Tribune of July 17, 1914.

The article is as follows:

[From the Chicago Tribune, July 17, 1914.]

MANY GET JOBS AS GREAT CROPS ROUSE BUSINESS—INDUSTRIAL AND COMMERCIAL ENTERPRISES SHOW SIGNS OF REAL PROSPERITY—RAILROADS MAKE READY.

Big business and little business, industrial and commercial, already are beginning to feel in a moderate degree the effects of the record crops promised by the American farmer.

Jobs left vacant through the period of "watchful waiting" are beginning to be filled, and transactions involving millions of dollars, which have been permitted for months to hang fire, are being closed daily.

The biggest immediate reflection of the bumper crops is shown by the railroads. Car manufacturers and railway officials throughout the country are increasing their operating forces and the working time at their plants.

RAILROAD TONNAGE INCREASES.

A significant report came from the traffic department of the Santa Fe showing an increase over last year's business. This report gives the total number of cars of all kinds of revenue freight loaded on all Santa Fe system lines and received from foreign connections during the month as 106,627, compared with 102,799 for the same month last year, an increase of 3,828 cars, or 3.72 per cent.

Further evidence along this line came from a Burlington official. He stated that the volume of traffic is practically up to normal now, and the same as a year ago. As yet grain movements are comparatively light, as is to be expected at this time of the year. Preparations are complete for the handling of the new crop, and a very heavy tonnage is expected. General merchandise and miscellaneous freight show increases ranging from 4 to 5 per cent over a year ago.

NORMAL CONDITIONS FORESEEN.

Another thing, besides the crops, which is causing better spirits in the railroad world is the belief that with the settlement of the 5 per cent advance freight-rate case this week confidence will be restored to such a degree that transportation conditions will return to normal.

The Inland Steel Co., the Illinois Steel Co., the Pullman Co., and other great industrial corporations of Illinois have observed an improvement in their markets, but the concrete results have not, of course, reached them with full force.

Actual orders with these industrial companies have increased some, with greater promise held out for the near future, when it is expected thousands of more workers will be needed.

HUNDREDS GET JOBS.

The Pullman car plant at Pullman has added hundreds of men to its working force.

Three hundred men were put to work in the freight department of the Standard Steel Car Co.'s plant at Hammond, Ind., last week, raising the total number now employed to 1,000. Prospects are said to be good for the placing of another large shift in the passenger-car department within two weeks. The company is building a large addition to its present plant to handle the looked-for business increase.

Last month a total of 16,055 orders for new freight cars was placed by the roads with the various car factories of the country, as compared with 8,154 in May. The New York Central purchased over 9,000 freight cars in June, while the Illinois Central placed orders for 5,000 all-steel box cars.

ORDERS FOR EQUIPMENT.

Large orders for freight and passenger equipment and for locomotives are expected to be placed this month. It is reported the Union Pacific is figuring on a purchase of about 9,000 freight cars.

The Illinois Central expects to rebuild with steel underframes a total of 10,000 cars this year. The Chicago & North Western has undertaken exactly the same program. The Rock Island expects to have 8,000 cars rebuilt.

INCREASE WORKING TIME.

The Chicago, Milwaukee & St. Paul this week increased the working time of 2,000 men employed in the road's shops at Milwaukee from 8 to 8½ hours.

According to R. V. Taylor, president of the Mobile & Ohio, $5,000,000 has been set aside for the construction of a new bridge across the Ohio River at Cairo, Ill. He also announced the Mobile & Ohio would spend $1,122,000 for new equipment. The Monon is in the market for 250 box cars, and the Wabash for 7 postal cars.

National Banks and Farm Loans.

EXTENSION OF REMARKS
OF
HON. VICTOR MURDOCK,
OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 18, 1914.

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a short article from the National Field, which is the official organ of the National Farmers' Union. It seems recently John Skelton Williams, Comptroller of the Currency, said there were $500,000,000 now available under the new law for farm loans. The representative of this organization asked farm loans from national banks and failed to obtain them, and this is a recital of the attempt.

The SPEAKER. The gentleman from Kansas asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

The article is as follows:

JOHN SKELTON WILLIAMS, COMPTROLLER OF THE CURRENCY, SAID THAT THERE WAS $500,000,000 NOW AVAILABLE FOR FARM LOANS.

Here is a dispatch which appeared in all the dailies:

FIVE HUNDRED MILLION DOLLARS TO LOAN ON FARM MORTGAGES.

WASHINGTON, *June 18.*

Comptroller of the Currency Williams estimates that about $500,000,000 in national banks throughout the United States is available for farm-mortgage loans under the provision of the Federal reserve act making it possible for national banking associations to lend money on improved farm lands.

Scores of inquiries concerning this provision reach the Treasury Department daily, and there does not seem to be a general understanding that the farm-loan clause of the act is now in force, and makes it possible for national banks to make farm loans before the formal organization of the Federal Reserve Board.

The estimate of Comptroller Williams is based on reports showing the capital stock and surplus of national banks to be $1,777,000,000. Twenty-five per cent of this amount, or $444,250,000, is available for farm loans. Furthermore, the Federal reserve act provides that national banks may grant farm loans up to 33⅓ per cent of their time deposits. Banks with large deposits will be able to far exceed the sum they could lend on farms under the 25 per cent clause, and the estimate of Mr. Williams is believed to be conservative.

Farm loans under this act are not to be made for longer than five years, and the amount of each loan is not to exceed 50 per cent of the actual value of the farm offered as security.

FARMER C. S. BARRETT ASKED FOR A SMALL BIT OF THIS $500,000,000 THROUGH ATTORNEY S. G. M'LENDON.

Here are the replies:

THE THIRD NATIONAL BANK OF ATLANTA
(Capital and surplus $1,700,000),
Atlanta, Ga., June 26, 1914.

Mr. S. G. MCLENDON, *Atlanta, Ga.*

DEAR SIR: As we never lend money on real estate, I regret that we could not consider the proposition contained in your letter of June 25.

Ours is strictly a commercial bank, and our loans run from 30 days up to 6 months' time.

Yours, very truly,

T. C. ERWIN, *Cashier.*

NOTE.—"Ours is a strictly commercial bank." No farmers need apply.

—

THE ATLANTA NATIONAL BANK
(Capital and profits $2,000,000),
Atlanta, Ga., June 26, 1914.

Mr. S. G. MCLENDON, *Atlanta, Ga.*

DEAR SIR: We have your favor of the 25th instant, and in reply beg to state that under the national banking laws we are prohibited from making farm loans.

Yours, very truly,

GEO. R. DONOVAN, *Cashier.*

—

THE LOWRY NATIONAL BANK OF ATLANTA
(Capital $1,000,000, surplus $1,000,000),
Atlanta, Ga., June 26, 1914.

Mr. S. G. MCLENDON, *Atlanta, Ga.*

DEAR SIR: Your favor of the 25th noted. The loans mentioned by you, both being secured by real estate, makes it necessary for us to decline to make them, for the reason that a national bank can not accept such security.

Yours, very truly,

THOS. D. MEADOR, *Vice President.*

NOTE.—But John S. Williams says national banks are not prohibited from making real estate loans.

—

THE FULTON NATIONAL BANK OF ATLANTA
(Capital $500,000),
Atlanta, Ga., June 26, 1914.

Mr. S. G. MCLENDON, *City.*

DEAR SIR: Your letter of June 25 received, relative to farm loans.

Replying, will state that this bank is not in the market for farm loans. We thank you, however, for offering same to us.

Very truly, yours,

A. B. SIMMS, *Vice President.*

—

Note.—This last letter is the gem of the collection. No polite regret, no excuse about it being impossible under the law (the old law, abrogated when the letters were written), but simply, "We are not in the market for farm loans."

—

JUNE 30, 1914.

Hon. CHAS. S. BARRETT, *Union City, Ga.*

MY DEAR SIR: Relying upon the published statement credited to the Comptroller of the Currency, John Skelton Williams, copy of which is attached, I made application for a loan for you and another client to national banks whose combined capital and surplus amounts to $6,200,000, of which Mr. Williams says 25 per cent, or $1,550,000, is now available for loans on improved farms.

I inclose copy of my letter making application for these loans of $2,750 and $3,000, respectively, and also original letters declining the loans.

No relief is coming to the farmer until you quicken the negotiability of his asset—land, and this can easily be done. There is, however, the very refinement of cruelty and political hypocrisy in pointing out to the farmer the tree of life glitering with the golden apples of Hesperides that turn to ashes upon his lips.

Your note secured two, three, or four to one is not in demand. There is some difference between your note and your vote. Perhaps if I had mentioned that you were the representative of 3,000,000 farmers your note might have been considered with more favor.

The only consolation that I can offer you is that your vote is right now in very active demand, and that the bank which replied "We are not in the market for farm loans," had on deposit March 4, 1914, $93,758.05 of United States funds, and on the same date deposits of United States disbursing officers amounted to $89,823.59.

Congress has done, and is going to do, nothing, though it could do much for the farmer.

Your friend,

S. G. MCLENDON.

Now, brethren, Farmer Barrett wanted to test out this thing beyond the question of a doubt.

Neither the question of title or security had anything to do with the matter. The banks simply refused to even consider the question of making a loan on any sort of farm property.

Those who indicated that they might, if they were allowed by the banking laws to do so, were strangely misinformed as to the laws governing their own business. The new law authorizing them to take real estate security as collateral for loans up to 25 per cent of the capital stock and surplus had been in force several months.

The two other national banks refused on their own motion, without beating around the bush at all.

These banks are under no compulsion. They have the right and the privilege of accepting or rejecting. Mr. Williams is right in his statements that the banks can make farm loans.

In other words, brethren, these banks have permission to do what not a blessed one of them ever wanted to do or ever proposes to do. Not on your life! "We are a strictly commercial bank." "We are not in the market for farm loans." And they might have added, with entire truth, "What are you rubes going to do about it?"

In order to satisfy us fool farmers that something has been done for our relief dispatches saying that there are millions of dollars at our disposal are broadcasted over this country.

Rural credit remains just where it was before the banking or the currency laws were changed. All this "hogwash and soul butter" about there being plenty of money available for the farmers is the cheapest, flimsiest, and most despicable political chicanery that was ever deliberately stewed up for the farmers' undoing. His vote is wanted, and mighty bad. His note and his real estate are N. G. as security for a loan on the same terms others get. The farmer must be gouged on interest and time prices. Likewise he must be put so near starvation that he must rush his crop to town and turn it over for whatever he can get.

Railway Mail Pay.

EXTENSION OF REMARKS
OF
HON. JAMES T. LLOYD,
OF MISSOURI,
IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 18, 1914.

Mr. LLOYD. Mr. Speaker, the story of railway mail transportation and its marvelous development is interesting in the extreme. It begins with the competition of the stage coach and ends without a rival. At the outset it afforded but little better accommodation than the stage coach, because of the rapid transit of the coach and the slow time then made by the trains.

The first railroad whose trains were propelled by locomotive engines began its service in 1829, but not until 1834 were the railroads utilized for the purpose of carrying the mails, excepting in an experimental way. In 1838 the first general statute providing for railway transportation of the mails and a regular system of pay was enacted. This was the first law which recognized the railroads as post routes.

The mayor of the city of Washington in 1835 expressed his delight that it was then possible to leave Washington in the morning and return in the evening, and visit Baltimore, 40 miles away, in the meantime; but at that time the mail was transported by coaches between these points. It was then contended that the railroads were not sufficiently reliable in making their schedule to depend upon them at the distributing centers, and the coach was insisted upon as the only system of prompt and speedy dispatch. This, in the light of modern railroad transit, is an interesting story. In all the early contracts with the railroads they were required to agree to deliver the mails with equal expedition to the stage coach. Some contracts fixed a speed limit and required the trains to make at least 10 miles per hour, and later on the trunk lines carrying through mail were required to make 16 miles per hour.

In the Postmaster General's report for the year 1835, in discussing the possibilities of railway mail service, the optimistic view was expressed that the railroad service would in a short time be so perfected that the mail would be carried from New York to Washington in 18 hours. This was recognized as a wonderful achievement and greatly to be sought. To-day the mail is transported between these points in less than six hours.

It is interesting to note the crudity of the system at that time and the peculiarities of the contracts that were required. For example, the Postmaster General then recommended that a strong fireproof box be purchased as receptacle for the mail; that it be placed in the train and that keys be held at both the initial and terminal points by the postmasters, so that the railroads would have no liability excepting for transportation. To-day railroads provide traveling post offices, and Government employees distribute the mail as the train passes, and the mail is received and distributed from town to town with the greatest accuracy and dispatch.

Another interesting situation arose in that early period. The Government seriously considered the question of purchasing its own trains and of requiring the railroad companies to permit their use upon their roadbeds. It was then insisted that the railroads were monopolies and that competition in bidding could not be secured. It was argued that to secure reasonable compensation and the most rapid transportation for the mail the Government would be compelled, in self-protection, to have its own trains. This is a forceful illustration of the fact that the question of monopoly is not a new one. At that time letters of inquiry were sent to all the railroads, and the matter was investigated by the Post Office Department and by Congress, but no definite action was agreed upon.

In 1839 the first law fixing specific pay for railway transportation of the mails was enacted. It provided that not more than $300 per mile per annum should be paid to the railroads for carrying the mails.

By comparison it may be of interest to know that if the rate then adopted had continued in existence until the present time the Government would pay 30 per cent more for railroad transportation than it pays under the existing law, and this notwithstanding the weight of mail carried on the railroads is many times greater per mile than it was at that time. It costs now about $205 per mile of road.

Congress in 1845 provided a definite system of compensation, based upon the weight of the mail, the speed of the trains, and the importance of the service; three classes were fixed, not more than $300 per mile per annum was allowed in the first class, $100 in the second class, and $50 in the third class. A curious feature of that law was that it provided 25 per cent additional compensation where the mails were carried at night. Under that system and rate of pay the compensation to the railroads was about the same per mile of railroad as is paid under existing law, but the weight of mail was nothing like so great as it is now.

This system of compensation remained without material change as the method of pay until 1873, when a system of payment based upon the weight of the mail was adopted by Congress.

In 1876 the rates of compensation fixed in 1873 were reduced 10 per cent and in 1878 the rates established in 1876 were reduced 5 per cent, so that the rates in 1878 were as follows:

On routes carrying their whole length an average weight per day of 200 pounds, $42.75.

500 pounds	$64.12
1,000 pounds	85.50
1,500 pounds	106.87
2,000 pounds	128.25
3,500 pounds	149.62
5,000 pounds	171.00
For every additional 2,000 over 5,000 pounds	21.37

In 1907 the law was changed so as to provide that on routes carrying their whole length an average weight of mail per day of more than 5,000 pounds and less than 48,000 pounds the rate shall be 5 per cent less than the then rates on all weight carried in excess of 5,000 pounds, and all routes carrying their whole length an average weight of mail per day of more than 48,000 pounds the rate shall be 5 per cent less than the then rates on all weight carried in excess of 5,000 pounds up to 48,000 pounds, and for each additional 2,000 pounds in excess of 48,000 pounds at the rate of $19.24 upon all roads other than land-grant roads, and upon all land-grant roads the rate shall be $17.10 for each 2,000 pounds carried in excess of said 48,000 pounds.

The general law provides that all land-grant roads shall receive 80 per cent of the allowance to other railroads.

In May, 1910, the law was changed so far as it affected land-grant roads, where the rate fixed was $17.10 for each 2,000 pounds carried in excess of 48,000 pounds, so as to make the rate $15.39 for each 2,000 pounds carried in excess of 48,000 pounds.

In addition to the charges fixed in the statute in 1873 for the weight of the mail carried, the law provides that additional pay may be allowed for every line comprising a daily trip each way of railway post-office cars of a rate not exceeding $25 per mile per annum for cars 40 feet in length, and $30 per annum for 45-foot cars, and $40 per mile per annum for 50-foot cars, and $50 per mile per annum for 55 to 60 foot cars.

This law was changed in July, 1907, so as to provide a rate not exceeding $25 per mile per annum for cars 40 feet in length; $27.50 per mile per annum for 45-foot cars, and $32.50 per mile per annum for 50-foot cars, and $40 per mile per annum for cars 55 feet or more in length.

The law of 1873 was the first statute that fully provided for the railway post-office car. The law of 1873 provided that the average weight of mail should be ascertained in every case by the actual weighing of the mails for such a number of successive working days, not less than 30, as might be designated by the Postmaster General, and not less frequently than once in every four years.

In March, 1905, the provision with reference to the weighing of the mail was changed so as to require the weighing to continue during a period of not less than 90 days.

One of the most difficult things to explain is how the average weight of mail is ascertained. The present system of pay is

based on the weight of the mail. The mail is weighed once in four years; the United States is divided into four sections; the mail is weighed in one of these sections each year, during the period of 90 days, and the average weight then ascertained serves as the basis of pay for the four years, beginning with the 1st day of July thereafter.

To ascertain the average weight of mail, the mail that is placed on the train at the initial point is weighed, that which is thrown off at the first station of the route is weighed; that which is taken on at each station is weighed. The weighings of that which is taken on and that which is thrown off are ascertained at each station along the route, and at the terminal stations, and then on the return trip the weight is ascertained at the terminal station, which now becomes the initial station, and the weights taken on and the weights of the mail thrown off are ascertained at each station back to the starting point. From these several data it is ascertained by proper computation what is the average amount of mail carried on the route, and this ascertainment is made on every train during the period of 90 days, and the general average carried on the road each day is obtained by proper computations, and the weight thus ascertained becomes the basis of pay for the succeeding four years.

This system is so complicated that it can hardly be explained except by actual demonstration and calculation.

The question has repeatedly been raised whether the present system can not be improved and a more equitable and scientific basis of pay ascertained. From time to time numerous persons advocated what is termed the space system as the basis of pay; that is, that the railroad companies shall receive compensation according to the amount of space used by the Government. Others have insisted that a combination scheme providing partly for weight and partly for space could be devised, which would be more nearly correct in measuring the proper compensation than either the weight basis or the space system.

There have been various efforts at different times to ascertain information upon which to base a satisfactory conclusion as to the advisability of changing the present system. There has been an almost constant agitation in favor of a changed rate in the payment to the railroads, and the public generally have been impressed with what was alleged to be the fact, that the railroad companies were receiving pay much beyond that which was a reasonable compensation for the services rendered.

Commissions have been appointed in the past to investigate the subject of railway mail pay and report their findings to Congress with such recommendations as to change in pay or in system of pay as in the judgment of the commission should be made.

These commissions have ascertained valuable data, have presented the hearings obtained, and reports of their ascertainment, which have been of great service in connection with the study of this intricate question, but up to the present time the question of railway mail pay has been unsettled, unsatisfactory, and many persons believe the system adopted unjust.

There are several objections that may be urged to the present system. It may be that the most serious criticism that can be offered is that the system is so complicated that no one but a close student of the law and an expert accountant can fully understand it. If the question were asked, "What is paid to the railroads for carrying the mails?" about the best answer one can make is "$55,000,000 per year"; but from such an answer the individual can form no conception as to whether the compensation is too much or too little. It may be stated in further explanation of the compensation that is paid the railroads that there is an average payment of $205 per mile of road per annum, but this does not give information to the individual as to whether such payment is reasonable compensation or not. One may go further and make the calculation, and show to such persons that the railroad company receives 2¾ cents per pound for every pound of mail handled on train, and yet one does not know whether the compensation is reasonable or not, for this is much more than is paid per pound for the transportation of other commodities; he must yet be in doubt as to the correctness of the charge. In transportation of any other commodities, distance in travel and the weight of the commodities are both considered in determining compensation. This latter deduction will more nearly satisfy the individual as to the reasonableness of present railway compensation than any other, but it is in no sense satisfactory.

In June, 1898, a commission was appointed by Congress to investigate the prices paid for the transportation of the mails, the sources of revenue, and the expenditure of the Postal Service, and the rates of postage. They were required also to ascertain whether or not excessive prices were paid to the railroad companies for the transportation of the mails and for compensation for postal-car service.

The commission consisted of Senators Edward Wolcott, W. B. Allison, and Thomas S. Martin, and the following House Members: E. F. Loud, W. H. Moody, T. C. Catchings, and William H. Fleming. This commission made a very thorough and exhaustive investigation of the subject of railway mail pay, and had the advantage of the best expert assistance they could secure; and as a result of that investigation the commission found, and so reported to Congress, that the prices then paid to the railroad companies for the transportation of the mails was not excessive, and recommended that no reduction thereof be made. This recommendation included not only the regular pay to the railroad companies but the expenditure on account of railway post-office cars as well. Mr. Fleming of the commission dissented and stated that in his judgment there might properly be made a reduction of 5 per cent on the then existing rates, but said also:

> I freely admit the perplexities of the problem. I agree in the opinion that the cost to the railroads of handling the mail can not be ascertained with entire accuracy. I am also fully convinced that those persons who have contended that under the law of 1873 and its amendments of 1876 and 1878 the railroads are being paid, as some have charged, from two to ten times what they should receive are in grave error. There is no such exorbitant overpayment for the total transportation of the mails as has been charged.

It will be remembered that mail pay was reduced in March, 1907, quite materially on roads which carried a large amount of mail. It will also be remembered that what is known as the change in divisor with reference to the construction of the law as to successive working days was made, which had the effect of making large reductions in the amount of pay which the railroad companies receive, so that under existing law the rate of pay is much less than that which was recommended by Mr. Fleming in his dissenting opinion.

The investigation made by what was known as the Loud Commission, above referred to, left the matter fully enshrouded in doubt as to what the real compensation to the railroad companies should be. The finding was, in effect, that the railroad companies were not receiving too much, but there was no specific finding, except by inference, as to what the pay should be. The views of Mr. Moody, now justice of the Supreme Court, expressed at length in a separate opinion, conveying, I have no doubt, the real situation as was then shown, that with the information which they had it was impossible to determine what was the proper compensation to be fixed in payment for carrying the mails. Perfectly naturally, since that time, as well as before, it has been a mooted question, and has been discussed at various times and under different conditions, and numerous opinions have been expressed.

The uncertainty with reference to this matter led Congress, on August 24, 1912, to take further action, and it then provided:

> That a joint committee shall be appointed, composed of three members of the Senate Committee on Post Offices and Post Roads and three members of the House Committee on the Post Office and Post Roads, to be designated by their respective chairmen, to make inquiry into the subject of postage on second-class mail matter and compensation for the transportation of mail.

There was appointed in obedience to that requirement, from the Senate, Jonathan Bourne, jr., Harry A. Richardson, and John H. Bankhead; from the House of Representatives, James T. Lloyd, William E. Tuttle, jr., and John W. Weeks. This commission shortly thereafter began the work of investigation of the subject of railway-mail pay, and their hearings have been the most exhaustive of any heretofore made, but their report, based upon the information received, has not yet been submitted.

In August, 1911, the Postmaster General transmitted a letter to the Speaker of the House of Representatives, submitting a report giving the results of the inquiry as to the operation, receipts and expenditures of railroad companies transporting the mails, and recommending legislation on the subject. This communication was printed as a House document and is known as No. 105, Sixty-second Congress, first session. The action of the Postal Commission was based upon this document and the recommendations therein, and the exhaustive investigation which followed was predicated upon the information obtained from said Document No. 105. The document has been repeatedly assailed by the representatives of the railroad companies, and they claim that the deductions found in Document No. 105 are not accurate and that they are unfair to the railroad companies. The Post Office Department, on the other hand, has insisted that the information found in Document No. 105 is reliable and furnishes accurate information on the subjects involved.

Under the authority granted the Postmaster General by act of March 3, 1879, he required all railroad companies transporting the mails to furnish such data relating to the operating receipts and expenditures of such railroads as, in his judgment,

was deemed necessary to enable him to ascertain the cost of mail transportation and the proper compensation to be paid for the same. The information called for by the Postmaster General was reported by the railroads in great detail, and the Post Office Department has carefully tabulated and analyzed the information thus obtained. The Postmaster General appointed a committee of department officers, consisting of the Second Assistant Postmaster General, the Chief Post Office Inspector, the General Superintendent of Railway Mail Service, the Assistant General Superintendent of Railway Mail Service, the post office inspector in charge of the Washington district, and the Superintendent of the Division of Railway Adjustments. This committee after careful investigation found as a result of their inquiry that the amount of mail service performed by railroad companies can be ascertained in comparison with the passenger and express service they performed, thus permitting an apportionment of the revenues and expenses among these three classes of service. This method had never before been employed. It is found possible for the first time to determine with some degree of accuracy the total expense chargeable to the performance of mail service in comparison with the revenues received by the railroad companies therefor, and to show the gain or loss in the aggregate of the service performed. It developed from the calculation made by this committee on the basis indicated, after what is thought to be a proper assignment of operating expenses and taxes, that the performance of the mail service at the present rate is profitable to certain railroad companies and unprofitable to others. Taken as a whole, it was claimed by that committee that the railroad companies are receiving from the Government for transporting mails payments considerably in excess of the cost of such service. The committee ascertains that through a readjustment of railway mail pay on the basis of cost, with 6 per cent profit, a saving to the Government could be made of about $9,000,000.

The desirability of a revision of the methods of ralway mail pay has long been suggested by the department, but it has heretofore failed to make specific recommendations to Congress; but the reason of this failure was due to the fact that the department did not have at hand the information which is necessary to make a satisfactory finding, and they could not suggest a definite plan without being left in the field of conjecture as to what would be the result of the adoption of such plan.

The report of this committee was accepted by the then Postmaster General, and as a result of their finding he submitted, on the 12th day of August, 1911, the tentative draft for the proposed law for the regulation of railway mail pay. This proposition authorized and directed the Postmaster General to require companies operating railroads by steam, electricity, or other motive power to furnish, under oath and seal, not less frequently than once in each fiscal year such information relating to the operation, receipts, and expenditures of such roads for a period of not less than 30 days, to be designated by him, as may in his judgment be deemed necessary to enable him to ascertain the cost to the companies for carryng the mails on their respective roads and the proposed compensation to be paid for that service.

After such information was furnished the Postmaster General, he was required under this proposed draft to determine the cost to each railroad company for carrying the mails on its respective road or roads, and then he was authorized to credit, assign, and apportion the revenues and expenses of the railroad companies in such manner as he deemed fair and equitable and as in his judgment was necessary to ascertain the cost, and he was authorized and directed, further, to readjust the pay to the companies operating railroads for the transportation and handling of the mails not less frequently than once in each fiscal year at a rate of compensation per annum not to exceed the cost to the railroad companies of carrying the mails, as ascertained by him, and 6 per cent of such cost. The proposed law had all the details necessary to provide for the proper execution of the law on that basis.

On the question of whether the existing law furnishes accurate compensation to the railroads from the data submitted by the railroads and compiled in Document No. 105, referred to, the railroad companies insisted that a proper ascertainment under a proper tabulation of the statistics obtained showed that the railroad companies did not receive sufficient compensation to meet the expenses of carrying the mails by at least $15,000,000.

At the outset of the work of the joint railway pay commission of Congress it was confounded by this variance in statement of fact. If the computation of the Government was accepted, it was the duty of the commission to find that the railroad companies were overpaid; if the contention of the railroads and its ascertainment under the facts submitted was accepted as correct, then the commission must necessarily find that the railroads are greatly underpaid. This difference between the Government and the railroads was based partly upon the proposed assignment of what is called "dead space" or space not used in a car, or "deadhead space," which is space not paid for in a car. For a number of days hearings were had largely upon this phase of the question, as to what in a passenger train should be the amount of space that is charged to the passenger service, what space should be charged to express service, and what space should be charged to mail service. All concede that the space in a passenger car and the space used for baggage in a baggage car should be charged to passenger service. All agree that whatever space was used in carrying express should be charged to express, and whatever space was used in carrying mail should be charged to the mail account, but the question of difference was, in fact, which one of these three classes of service shall be charged with any vacant space that may be found in a mail car or express car, or in a car which carried both mail and baggage. There is necessarily in every train which has cars only partly filled with mail or partly filled with baggage or partly filled with express vacant space which in the train must be charged to some service.

The railroad company insisted that this space, if in a mail car, should be charged to mail; if in a baggage car, should be charged to passenger service; if in an express car, should be charged to express service; or if there is vacant space in a car which is used for both baggage and mail that there should be an equitable division of that space, according to the amount of space actually used for carrying mail, and the actual space employed in carrying baggage. The Government, on the other hand, insisted that it shall only be charged with the space it actually uses and that any vacant space, even in a mail car, should be charged to the passenger service, at least it should not under the circumstances be charged to the Mail Service.

Now, the difference in computation between the railroad companies and the Post Office Department on that question of vacant space, denominated "dead-head space" and "dead space" leads to the wide diversion between the claim of $9,000,000 overpayment by the Government and $15,000,000 underpayment by the railroads.

The Railway Mail Pay Commission, appointed by Postmaster General Hitchcock November 4, 1910, made their report to the Postmaster General July 25, 1911, and in that report they say:

> It is shown that upon this basis of calculation, the information furnished, and the assignment of operating expenses and taxes—the factors of expense considered—the performance of mail service at the present rates is profitable to many companies and unprofitable to others, but that the net result shows that the Government is paying more for this service than it costs the railroad companies to perform it; furthermore, that this excess over cost and 6 per cent profit is about $9,000,000 a year.

Postmaster General Hitchcock, in his letter to the Speaker of the House, transmitted the report of the Railway Commission, which he appointed to ascertain the cost of, and compensation for transportation of mail on railroads, in a letter dated August 12, 1911, amongst other things, stated:

> It develops from the calculations made on this basis, after a proper assignment of operating expenses and taxes and a full consideration of all other factors of expense, that the performance of mail service at the present rates is profitable to certain railroad companies and unprofitable to others. Taken as a whole, it is shown that the railroad companies are receiving from the Government for transporting mails payments considerably in excess of the cost of such service.

The committee estimates that through a readjustment of railway mail pay, on the basis of cost with 6 per cent profit, a saving to the Government could be made of about $9,000,000.

It is but fair to the Second Assistant Postmaster General, who was chairman of that railway pay committee and is the authority of the Post Office Department on all matters affecting Railway Mail Service, that he did not mean to imply from that statement in the report that in his opinion, based upon the information received and deductions made in his study of the question, that the railroads have been overpaid $9,000,000 annually for the transportation of mail. His purpose was to convey the idea that, considering the data and the computations made by the department based upon that data, that the cost of the service on that basis would be $9,000,000 less than the amount which is now being paid to the railroad companies for the transportation.

It is also due to Postmaster General Hitchcock and his Second Assistant, Mr. Stewart, to say that their conclusion was that the railroad companies should properly receive reasonable compensation for their service and 6 per cent upon a fair valuation of the property employed in performing the mail service, in addition to the cost of that performance, and that if this allowance were made it would eliminate the $9,000,000 and cost the Government for the transportation of mails about the amount

that is now expended. In other words, Postmaster General Hitchcock and his Second Assistant, after careful investigation of the matter, reached the conclusion that the railroad companies were receiving in the aggregate about what ought to be paid them for the service rendered the Government by the railroads in the transportation of mails.

I think the railway pay commission, appointed by the Postmaster General, in their report, and the reiteration of their statement by the Postmaster General, was unfortunate, because it left the impression that they believed the railroad companies were overpaid $9,000,000 for their services, when their corrected statement, as shown in the hearings before the commission, is to the effect that the railroad companies are paid only a reasonable compensation for the service they render.

The present Postmaster General, Mr. Burleson, through his representative, Mr. Stewart, the Second Assistant Postmaster General, in his final computation on the subject of overpayment to the railroad companies, reduces the amount to $221,832, and expresses the belief that in taking every fair consideration into the account that on any reasonable theory the railroad companies can not claim underpayment, but that, in fact, there was an overpayment of at least the amount named. In his deductions, found in hearings, on pages 994, 995, and 996, he reaches the conclusion that there is an excess in payment of $1,616,532, but explains that in making this computation he has not made the reduction that should be made by reason of the increased mail that would be carried after the weighing in one of the contract sections.

So that, in fact, the record now shows that everyone who has made computations in the matter or who has made a careful estimate with reference to the question of overpayment has concluded that the railroad companies are not receiving more than they ought to receive for carrying the mails, and that if reasonable compensation is to be given in the future, with a fair estimate of cost on any changed basis, it ought to produce in revenue to the railroads as much as the railroad companies now receive for such service.

The railroad companies, through their respective representatives, have made various estimates, differing in amount from about four million to over twenty-five million as the amount of underpayment; but the railroad companies up to this time have not agreed upon the amount of underpayment, and have no definite statement upon which anyone could base a positive declaration with reference to the amount that the railroads claim in underpayment. The truth is that in many instances the railroad companies have not sufficient data on which to base an accurate opinion from their own statistical information as to whether the railroads are adequately paid or not; and while the railroad companies are bold in their declaration that the railroad companies are underpaid, they have no definite statement upon which anyone could rely in proving the amount of such underpayment.

The investigation before the Railway Mail Pay Commission of Congress has developed certain data from which it is now possible to reach a reasonably satisfactory conclusion, based upon relative pay to other branches of service, as to the payment which the railroad companies should receive for carrying the mails. If it is conceded that the railroad companies should pay on the same basis as is paid for passenger service or express service, valuable data has been obtained through the Post Office Department and the Interstate Commerce Commission which will enable the careful student to reach a definite conclusion as to the compensation which ought to be received by the railroad companies for their service in transporting the mails.

It has been definitely ascertained by the Interstate Commerce Commission that the railroad companies receive, on an average, 25.43 cents per mile for every mile a passenger train travels. A passenger train is composed of strictly passenger service, mail service, and express service. The service rendered in these three classes of transportation make up what is termed passenger service. Now, if the mail is to bear its proportionate part of the compensation received by the railroads for full passenger service, then the railroad companies should receive 25.43 cents per mile for every mile a full mail car is transported. If, however, such a rate were adopted as the basis of pay, then the railroad companies would receive considerably more for carrying the mails than they now receive for its transportation. There is some difference in the consideration that should be given for the carriage of mails, different from express service or purely passenger service, but it is difficult to tell how much weight should be given to these items of difference. The mail service should not, as most persons believe, be charged with the expense of passenger agents, ticket agents, and service that belongs exclusively to the transportation of passengers.

On the other hand, it is true that the Government requires that the mail shall be carried on the fastest trains with the greatest possible dispatch; they require the mail cars to be especially equipped for the distribution of mail en route and for the transportation of all postal employees. On every train carrying a post-office car there are from 2 to 10 persons on such train carried without fare to the railroad companies, excepting in the amount which it receives in general compensation. Many persons contend, however, that the railroad companies owe something to the General Government for the special protection extended them and the special privilege granted them, and that this should be taken into account in determining the transportation pay. Others think that the certainty of service, the consistency in service, and the certainty in pay entitles the Government to some consideration not enjoyed by individuals. In any event, however, it is generally conceded that these considerations should not materially reduce the amount of pay to the railroad companies, because nearly all these elements, except Government protection, enter in a more or less degree to every transaction, because railroad companies have no credit system and the compensation is a cash transaction.

In any event, the passenger seeking transportation must pay in advance, the express company must make frequent reports of its gross earnings, and make settlement with the railroads on a cash basis. If, therefore, the railroad companies are to receive about the same compensation for carrying the mail for the Government that an individual would pay for service which the railroad companies might render him, then the compensation should be practically the same. It is usually agreed that an ordinary passenger coach is of about the same size and something like the same cost as a railway post-office car, and the expense to the railroad company for transporting the mail car is understood to be about the same as the transportation of a passenger coach, and a necessary deduction would be that the railroad companies should receive about the same pay for carrying a mail car that it should receive for carrying a passenger coach.

It seems to me, however, that from any viewpoint the Government should bear its proportionate part by paying reasonable compensation to the railroad companies for carrying the mail. If the Government requires the railroads to make gratuity in carrying the mail, the amount of that gratuity will necessarily be added to the other passenger service, and individuals will have to pay that which might be saved to the Government by cutting down railway mail pay.

The most satisfactory basis on which payment can be made is to require the Government to pay for transporting its mails just as individuals are required by the regulations of the Interstate Commerce Commission to pay the rates imposed by the railroads for the service rendered the individual. In other words, there is no good reason why the Government should receive favors at the hands of the railroads which can not be enjoyed by individuals; there is no reason why the Government should not pay reasonable compensation for the service which the railroads render them, just as the individual is required to do for the service that the railroads render.

In determining the amount which the Government should pay for carrying the mails, we ought to fix a rate which is commensurate with the service rendered and somewhat similar to the rate which is required to be paid to the railroad companies for service rendered corporations and individuals.

If this theory is correct—and it seems to me there can be no doubt about it—then the rates to the railroads for carrying the mails should be similar to the rates that are given to the railroads for service rendered individuals; and since all parties agree that the railroad companies are not receiving any more for carrying the mails than they do for service rendered individuals, it is plain that the aggregate amount received by the railroad companies should not be materially reduced. This is an important factor in determining what should be the rate of compensation, because if the total amount of compensation is not to be reduced, then any system of pay should provide in the aggregate as much as is now paid to the railroad companies for the transportation of mails.

The question which has been agitating the public mind for years and those best posted on postal matters have been considering is a question as to whether the present system of railway mail pay is the simplest and best. One serious objection to the present weight system of payment is the difficulty in ascertaining the compensation under the law. If it is possible, a system ought to be devised that the people generally can with ease understand, a system such that every individual who desires may ascertain what is the payment, and the system

ought to be so simple that the individual may reach a reasonable conclusion as to whether the compensation paid is reasonable compensation or not.

One reason the people generally are impressed with the idea that the railroad companies are largely overpaid for carrying the mails is because they do not know and can not ascertain, and because the aggregate amount paid is such a large sum they naturally conclude it is too great. If it is possible to devise a simple system of payment so that the citizen of the Republic may know for himself the amount of charge and have an idea of the reasonableness of that charge, it would be far better, and if no other reason could be given for devising a different system this ought to be sufficient.

The question of mail pay will be a mooted one as long as the knowledge of what is paid, and the reasonableness of that pay can not be ascertained by the masses of the people. It is no reflection on any man to-day that he does not understand the present system of railway mail pay and does not know whether we are paying too much or too little, and it is no reflection on anyone who believes that the aggregate payment is greatly excessive because he is entitled to his opinion and does not know the fact.

A system ought to be devised so simple that all may know, and then if the rates suggested under that system are not high enough they may be increased. Or if a rate in the first instance is named which gives to the railroad companies a greater compensation than that to which they are reasonably entitled, then all that is necessary for a succeeding Congress is to change that rate.

The present system is objectionable because it has two rates of pay—one based upon the average daily weight of the mail, and the other in compensation for the use of full railway post office cars in which mail is distributed. There should be one system of pay for transportation instead of two, and parts of cars in which mail is distributed should have compensation as well as full cars.

The present system is objectionable because it in no way recognizes frequency of service in compensation for weight carried. There is the same payment whether the mail is carried on one train each day or whether it is distributed on several trains during the day. There should be some compensation for frequency of service. It is more trouble to the railroad companies to carry the mails on six trains a day than it is to carry it on one.

The present plan is wrong because payment is not made for the actual service rendered. The mails are weighed only once in four years, and unless the business is stationary, which is seldom the case, the weight is not the same each year and is therefore inaccurate. The railroad companies should receive pay for all the service they render and no more.

The present plan is faulty because of the great expense to the Government of the weighing of the mails, which amounts to more than $400,000 annually. This sum ought in some way be saved to the Government.

The present plan is wrong, because it does not compensate the railroad companies for the use of apartment cars in which mail is distributed. The apartment car is required to be fitted up the same as a full car, with all the equipments necessary for the distribution of mail, and if there should be pay for the use of the full car there should be compensation for a part of the car in which mail is distributed.

The present system is most unjust, because it does not produce equality of payment. From every source and through every individual who has made careful investigation conclusion is reached that some railroad companies receive too much compensation and others do not receive sufficient pay. As a rule, the main trunk line, long-distance roads are overpaid and the short line and poorly patronized roads receive too little in compensation.

The railroad companies complain of the present system and claim it is unjust, but they also insist that it is better than any suggested plan. Their principal reason for this contention, however, is that they fear there will be a reduction of pay in any other system that may be adopted. The big railroads which receive too much pay do not wish any change in the plan, because they do not wish the reduction which would follow such change. The small roads which receive too little pay are so dominated by the great trunk lines that they will not assert their own rights.

What can be done to remedy this? Can a better and more equitable system be devised? I feel sure that a simple, feasible, equitable plan can be adopted, and I am fully confident that the plan which has been worked out by the joint railway-mail pay commission of Congress meets all the conditions, and is an equitable system which will result in the payment to all railroads for the service they render in carrying the mails.

Numerous suggestions have been made, different plans have been devised, but none, in my judgment, compares with the system suggested by the joint commission. It is true that their plan has been evolved from the suggestions and schemes that have been proposed, and they are under obligations to those who have contributed these suggestions for much valuable information. The joint-commission plan proposes to change the basis of pay so that weight shall not be a factor and that the pay shall be determined solely by the space that may be used by the Government in the transportation of the mail. Under this plan no space can be used that is not authorized by the Postmaster General, and whatever space he authorizes must be paid for by the Government. A fixed rate per mile traveled is charged, so that the people, on the one hand, may know just what they are to pay for carrying the mails, and the railroad companies will know the amount they are to receive for their services.

It is interesting in this connection to note the progress of the Post Office Department in the investigation of this important subject. On July 26, 1912, Postmaster General Hitchcock had introduced in the Senate a bill embodying the views of the department as to the method that should be employed in the determination of the compensation the railroads should receive. This plan provided that the Postmaster General should ascertain the cost to the railroads for the service they should render, and in addition to that they were to be allowed 6 per cent of such cost, and this should be the basis of pay.

On January 9, 1913, after the investigation of this subject had begun and much valuable information had been secured, the Postmaster General, Mr. Hitchcock, submitted another bill which made the following modifications:

First. That the Interstate Commerce Commission, instead of the Postmaster General, be authorized to make the separation of operating expenses between passenger and freight service.

Second. That in computing the car-foot-miles the mail service shall be charged in both directions for a line of railway post-office cars with the maximum space authorized in either direction.

Third. That in addition to the operating expenses and taxes apportionable to the mail service, and 6 per cent thereof, companies may be apportioned such additional amounts, if any be necessary, as shall render the whole a proper portion of a fair and reasonable return on the value of the property necessarily employed in connection with the mail service.

The serious objection to this department plan and the modification of the same is that it leaves the whole question of the determination of pay to the Postmaster General. This is manifestly not fair either to the railroad companies or to the people. Some kind of system should be devised that would fix the rates so that the people would know the compensation to be paid and the railroad companies the amount which they are to receive for service rendered.

Postmaster General Burleson evidently saw the serious difficulty of the enforcement of such a plan and the many complications which would arise in the attempt to enforce it, and after there had been hearings before the congressional joint railway mail pay commission and a thorough investigation of the subject by it with which his representatives were entirely familiar and in which they participated his department, through the Second Assistant Postmaster General, presented an entirely different scheme embodying many of the features which had been evolved through the work of the postal commission.

This plan was sent to the commission in a communication from the Second Assistant Postmaster General February 12, 1914. This plan has been slightly modified in the department bill, which is now section 13 of the bill now pending before Congress, providing for changes in postal laws, which was introduced by Mr. MOON, of Tennessee.

We now come to consider the proposed plan so far as it affects railway mail pay, which provides that the Postmaster General may state the railroad mail routes and authorize mail service on railroads of five classes: First, the full railway post-office-car service; second, the apartment post-office-car service; third, the storage-car service; fourth, the closed-pouch service; and fifth, the side and transfer service. All these kinds of service are now performed by the railroad companies. There is no change in the power of the Postmaster General to state railroad mail routes and to authorize mail service, but it designates the kinds of service specifically which the Postmaster General may authorize. At present all the service here provided for is paid for by the Government, excepting the side and transfer service. This service has heretofore been borne by the railroad companies, and it is proposed that the side and transfer service shall hereafter be performed by the Government.

Under existing law and regulations, railroad companies are required to receive from the post offices that may be within 80

rods of the railway station and deliver to such post offices all mail of every character without additional compensation. It is the judgment of the Post Office Department, the Postal Commission, and everyone, so far as I know, who has carefully investigated the subject, that side service, such as this, should not be required of the railroads, because it is no part of their transportation.

The new scheme makes a different arrangement with reference to car service to that which has heretofore been adopted. Under the proposed plan a full railway post-office car and a storage car must be 60 feet in length, inside measurement, and pay for apartment cars is authorized of two sizes—30 feet in length, inside measurement, and 15 feet in length. In other words, apartments are to be in sizes one-half or one-fourth the size of the full car.

The three-unit system, namely, 60 feet, 30 feet, and 15 feet, is provided. In the judgment of the Post Office Department, the Postal Commission, and those who have investigated the subject there seems to be a unanimous opinion that the system proposed will provide an easier method of adjustment and a more satisfactory adjustment of space than the assignment of smaller units. The objection that may be urged to the three-unit plan is that in some instances for the time being the Post Office Department will need more space than is authorized by the smaller unit and less space than would be given by the larger unit. But this division of space, after careful consideration, is considered the best division that can be made.

Before the Postal Commission the question of the division of space was very thoroughly discussed, and I think there can be no valid objection urged to this plan of division. It is much easier to keep the accounts, fewer differences will arise between the railroad company and the Government, and it will be much easier of administration than a system that had a greater number of units.

Under the proposed system the smallest apartment car that can be used would be a 15-foot car. It is practically impossible to have the mail worked in less space than 15 feet. The apartment car will have mail distributed in it just as the mail is distributed in the full car. The railway mail clerk who distributes the mail will perform the work of distribution within this space, and from every standpoint it would seem that no smaller unit would be satisfactory. If a 15-foot car is not sufficiently large to carry the mail and give space for distribution, then a 30-foot car may be authorized; and if the mail is so heavy and the amount of work necessary to be done requires so many persons that a 30-foot space is not sufficient, then a 60-foot space may be authorized.

Under the proposed plan the Postmaster General completely controls the authorization of space. The railroad companies are required to furnish whatever unit of space the Postmaster General may direct and have nothing to do in determining the amount of space.

The railroad companies complain of this proposed scheme because they fear that the mail will be compressed into the smaller units of space, and thereby reduce the compensation which the railroads will receive; but if the railroad companies receive compensation for all the space that the Government uses, they certainly are not in a position to complain, providing the compensation given for space used is a reasonable payment for their services.

A full railway post-office car is one 60 feet in length, which is used as a traveling post office for the carriage and distribution of mail.

An apartment car is a portion of a railway car used as a traveling post office for like purpose.

A storage mail car is a full-size mail car used for the purpose of the storage of mail in transit, and is one not used primarily for distribution purposes en route. A much larger tonnage of mail is carried in a storage car than in a railway post-office car. The average weight of the mail in a storage car is from 7 to 10 tons, while the average weight of mail in a railway post-office car is from 2½ to 3 tons. The weight of mail in a 30-foot apartment car is a little over 1 ton, and the average weight of mail in a 15-foot apartment is from 1,000 to 1,500 pounds.

The next class of mail provided for in the pending bill is the closed-pouch mail.

It was a mooted question with the joint railway pay commission whether the space basis could be applied to this class of mail, which is the mail that is carried in sacks and bags in baggage and other cars and is not sufficient in amount to demand the use of a full car or an apartment car for its transportation. After much inquiry and discussion the joint postal commission reached the conclusion that it was entirely feasible and practicable to pay for the transportation of this class of mail on the space basis, and that it was not necessary to weigh the pouch mail in order to determine the pay that should be received for the service in carrying it, but that it could like the rest of the mail be paid for on the car-mile basis.

Two units have been made to apply to this service—one where the space authorized in a car is more than 3 feet and less than 7 feet; the other is where the space authorized is less than 3 feet. The Post Office Department estimates that 100 pounds of mail can be carried in 6 inches of space, so that 600 pounds of mail might be carried in the smallest division and 1,400 pounds in 7 feet of space.

This may be too large an estimate, but it is probably safe to say that 500 pounds might be carried in 3 feet of space and 1,000 pounds within the 7 feet of space. With this estimate it may be readily seen that the rate of pay is not excessive. In order to equalize pay and secure proper compensation to short-line roads the same rule is applied as to initial and terminal charges as to other cars, and charge is made for that service.

Another very troublesome question was to determine what should be done about the payment to the railroads for the side and transfer services. The side service is a delivery of mail from the train to the post office where the distance is less than 80 rods, and the transfer service is the delivery of mail from one railroad station to another station within the city or town where there are different railway terminals which are not the destination of the mail.

It is agreed, as I have heretofore explained, that it is not a legitimate part of railroad transportation and should be performed by the Government. It is no more the duty of a railroad to deliver mail 40 rods from a train than it is to deliver it 200 rods from a train; the regulation fixing a limit of 80 rods is purely arbitrary and is not based on any business principle. The actual amount paid in cash by the railroads for this side and terminal service, according to their several reports, is about $500,000 annually. It is estimated by the Post Office Department that it will cost the Government $2,118,000 annually to perform this side and terminal service. Now, if this burden is assumed by the Government, the railroads will profit to the extent of $500,000, but a burden will be added to the Government which will cost, according to the estimates, four times that amount. If the Government is now paying the proper aggregate amount for carrying the mails, it might properly reduce railway mail pay by $500,000 if this service is rendered by the Government, but $1,600,000 must be added to the expense of the Government for the performance of this service; and while it is right for the Government to perform this work at its own expense, it looks like a hardship that the Government should be required to pay so large a sum on account of it, and yet there seems to be no equitable way to relieve the Post Office Department of this added burden on account of this side and terminal service. To partially relieve this situation the railway pay commission and the department agree that the railroad companies should be permitted to bid for this service, and where they will perform the service cheaper than others the Postmaster General may employ the railroad companies to perform this service.

The most difficult thing in connection with the whole subject is to determine what is the compensatory and equitable rate, fair alike to the railroads and the Government, for the transportation of the mail on the space basis. The amount actually received per car for each mile traveled by a passenger train is estimated by the Interstate Commerce Commission to be about 25.43 cents. This includes three kinds of service—actual passenger service, express service, and mail service. The secretary of the Interstate Commerce Commission gives as the average revenue of a passenger train for one mile of travel for the year ending June 30, 1911, as 25.43 cents. This includes the mail revenue and is probably about the revenue received by the railroads at the present time, and this sum is recognized by the Interstate Commerce Commission as reasonable compensation to the railroad companies for the performance of passenger service, which includes both mail and express.

The next question to determine is what should be the revenue that should be paid for carrying the mail car which is a part of the passenger train. Is 25.43 cents per mile of travel too much or too little for this mail-car service? The Railway Pay Commission are of the opinion that the rate per mile might be slightly less, but not materially so. It has been attempted to segregate the service and make the ascertainment of present cost for mail, express, and passenger coaches, which make up a passenger train, but an exact agreement has not been reached as to what should be the proportion of each kind of service.

From reports to the Interstate Commerce Commission and deductions made therefrom it is shown that the railroad companies have been paid on average of 23.16 cents per car-mile

for the full car space used in transporting express. This is about 2.24 cents less than the full train passenger service.

It is claimed by some that this should be accepted as the basis of pay for mail transportation, and that whatever rate is fixed it should equal that sum, because this is the rate voluntarily fixed by the railroads by private contract and the Government ought not to be expected to pay more for service to the railroads than private corporations or individuals would pay.

It is insisted, on the other hand, that more should be paid per car for the transportation of the mail than for express, because more is required to be done by the railroad company in carrying the mail than for the carriage of express. The railroad companies are required to carry all postal officials, either in the mail car or in the passenger coach, free of charge when traveling on official business; they are required to especially equip the mail cars and construct them according to the requirements of the Post Office Department. The cars are required to be made of steel; the greatest possible expedition is required in transit, and transportation on the fastest trains is required under penalty. The railroad company is responsible in damages for death or injury that may occur to the postal employee on the train, while express companies assume their own liabilities. Fines and penalties are imposed for failure to meet the requirements of the Post Office Department.

The railroad companies are required to furnish frequent service on nearly all passenger trains, and in many respects require a service that is not given to the express companies.

The proposed scheme of pay on space basis does not change this extraordinary service. The kind of cars, the frequency or speed of transit—the only change is in the method of determining the amount of pay which the railroad companies shall receive.

With the requirements of the service, it is estimated by the Post Office Department that there will be 103,295,263 car miles used by full railway post-office cars, and this at the rate of 21 cents per car mile will make the annual pay for the mail carried on such cars $21,692,005.

The Post Office Department estimates that 30-foot apartment cars will cover 165,695,629 car miles annually, and this, at the rate of 11 cents per car mile, will cost the Government $18,226,519.

The department estimates that there will be 75,226,521 car miles employed in carrying 15-foot apartment cars, and this, at the rate of 6 cents per car mile, will produce an annual pay of $4,513,591.

It is claimed by the department that for this fiscal year the storage cars used will cover a mileage of 51,417,527, which, at the rate of 20 cents per car mile, will cost the Government $10,784,922.

So that the cost for the carriage of all mail other than that carried in pouches under the closed-pouch system will cost $55,217,037. This amount should be reduced by the 20 per cent reduction made on all land-grant railroads; that is, all railroads to which land grants were made to encourage or aid in their construction. This will amount to $1,199,667.

For the closed-pouch service, under the proposed space plan, there will be an estimated expenditure of $1,179,269 on space that may be used in cars greater than 3 feet and more than 7 feet, and for such service where the space used is less than 3 feet the estimated cost for such service is $1,882,627. Adding to the car service the closed-pouch expenditure and making land-grant deductions, there will be an estimated expenditure of $57,079,356 covering the full-line charge.

For the side and transfer service, which has heretofore been performed by the railroad companies, which it is proposed shall hereafter be performed by the Government, there will be an estimated expenditure of $2,118,820. This is an assumption of a new burden and adds the amount of its cost to the annual expenditure for railway-mail pay. If this is taken into the account and added to the expenditure for car service and pouch service, it will make a probable total of about $59,198,176 as the amount necessary in annual expenditure.

For many years there has been serious complaint that the short-line roads did not receive sufficient compensation, and this objection might be made to the proposed system if it rested simply on what may be termed the line or car-mile charge, but to remedy this inequality the railway mail pay commission have provided for what it terms initial and terminal charges. That is, compensation for preparing the car for receiving the mail and for loading it and for delivering the mail at the terminus and caring for the car there. This is compensation for switching, cleaning, lighting, loading, and unloading. This charge is the same on all lines, long and short, and gives the railroad compensation for every service it renders. The Railway Pay Commission have obtained from the Interstate Commerce Commission the amount paid for such service and the cost to the railroad for performing it, and have fixed what seems to them, after thorough investigation, a fair and equitable rate, as follows:

For full railway post office and storage cars for the round trip	$8.50
For 30-foot apartment cars for the round trip	5.50
For 15-foot apartment cars for the round trip	4.00
For 7-foot pouch-space cars for the round trip	1.00
For 3-foot pouch-space cars for the round trip	.50

This is estimated by the Post Office Department to cost annually $5,848,956. This sum, added to the line or car-mile compensation, makes an estimated total annual charge for all service of $65,047,132.

This new system will at once give the railroads pay for all the service they render, and on that account may add slightly to the first year's expenditure, but it is evident that the increase in pay under this system will not be so rapid as heretofore, and railway mail pay will remain more nearly stationary.

Mr. Speaker, I am delighted with the proposed scheme. I believe a thorough, practical, scientific, and symmetrical system has been worked out, one that ought to settle the question of mail pay hereafter. The plan is so simple that anyone may understand its provisions, and yet so complete that every service rendered by the railroads is paid for. The Government directs the amount of space to be used and the railroads have a fixed compensation for whatever space is authorized. The wholesale and retail principle is recognized, so that for a part of the car there is slightly more paid proportionately than for a full car, a business principle universally recognized elsewhere. The rates are less than the passenger rates and practically the same as the express rates when those rates are reduced to a car-mile basis.

I hope this scheme may commend itself to every Member of Congress, and I feel sure that the enactment of this scheme will, when fully understood and tested, receive the hearty commendation of the people of the United States who are anxious to see the railway mail pay question satisfactorily settled upon terms that all may understand. I am hopeful that it shall have full opportunity to be tried, and then my judgment is the people will be as well pleased with the system as those who have worked it out.

Stock Raising Homesteads.

EXTENSION OF REMARKS

OF

HON. HARVEY B. FERGUSSON,

OF NEW MEXICO,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 18, 1914.

Mr. FERGUSSON. Mr. Speaker, in some remarks I made to the House in support of H. R. 15799, to provide for stock-raising homesteads, I inadvertently stated that what is known as the Mimbres Valley, in which is situated the prosperous city of Deming, N. Mex., is underlain by an apparently exhaustless lake of pure water, and that the waters of this lake could be tapped by wells so near to the surface of the ground that farming by pumping for irrigation is highly successful and many farmers were making money on their lands.

One of my constituents, Mr. Willard E. Holt, secretary of the Chamber of Commerce of Deming, N. Mex., has reminded me that this is not a lake from which this water is so successfully pumped, but that it is an underground stream, which rises some distance from Deming in the mountains. When it reaches the plains, consisting of this deep, porous, and very rich soil, it spreads out under the soil to a width not yet ascertained and continues to flow to an outlet down in the Republic of Mexico known as Palomas Lakes.

I append hereto, as a part of my remarks, Mr. Holt's letter, received by me to-day, on this subject:

DEMING CHAMBER OF COMMERCE,
Deming, N. Mex., July 14, 1914.

Hon. H. B. FERGUSSON, *Washington, D. C.*

MY DEAR MR. FERGUSSON: I note that in the CONGRESSIONAL RECORD for 1914, page 12171, in an address before the House of Representatives, you used the following language concerning this region:

"The land is underlain with an immense underground lake of unknown extent as yet, and is so near the surface that irrigating the land by pumping is both possible and profitable."

While your statement was, of course, intended to say a very nice thing for the valley it would give a somewhat wrong impression, as the Mimbres Valley is not underlain by a lake. The water under the entire region is a running stream, flowing from the northwest to the

southeast, originating in something like 1,400 square miles of mountain drainage and being emptied into the Palomas Lakes, south of the Mexican border. There is a distinct motion in this direction of all underground water. You could easily understand that a lake might be pumped dry with 1,000 wells belching forth from 300 to 3,000 gallons per minute, but with a running stream this is different.

As a matter of fact, a number of wells in different parts of the valley are from 6 inches to 4 feet higher than they were at this time last year, and it doesn't matter how much is pumped from the well, the water plane is never lowered. I saw a well Saturday delivering 1,000 gallons per minute that had been pumped continuously night and day for 30 days, and the water level had not been affected an inch.

From our great volume of water one could readily imagine that this was a great underground lake, but the motion of the water and the outlet at Palomas Lakes establishes the theory beyond a doubt that it is a moving stream, fed by a mountain drainage that can never be lessened, unless the face of nature changes.

The chamber of commerce would appreciate the fact if, at your earliest convenience, you could go on record as correcting this statement. We would also appreciate the fact very much if you would ask the Geological Survey, Department of the Interior, to cease circulating the little pamphlet "Water Supply Paper 345 C," on the underground waters of Luna County, N. Mex., by N. H. Darton. While in a general way his paper is easily understood, it so happened that he was unfortunate in getting some of the very worst pumping plants and some of the most expensive installments by people who had no previous experience in the work.

In a general way, the pamphlet is harmful to the valley, although the intention is to treat us with the utmost fairness.

We are always willing to have every person understand the actual conditions here, both the good parts and the drawbacks, but we also desire that people shall be fully informed concerning the water conditions.

Hoping you will give this matter your personal attention, and that I may have the pleasure of hearing from you in the near future, I am,

Very sincerely, yours, WILLARD E. HOLT,
Secretary.

General Dam Act.

EXTENSION OF REMARKS
OF
HON. LATHROP BROWN,
OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 20, 1914.

Mr. BROWN of New York. Mr. Speaker, under permission to express myself on the general dam act, I desire to call attention to some of the vital defects in the bill as originally presented to the House.

The man who can bring a legitimate industry to his own country is deserving of his nation's thanks. The man who can bring a legitimate industry within the borders of his own State has earned the gratitude of that sovereign body. Therefore the consideration of this bill must resolve itself into an accurate balance between the inducements which must be offered capital on the one hand and the public interest on the other.

The proponents of this measure, realizing that under the present dam act, which reserves to Congress the right to amend, alter, or repeal, capital has failed to seek investment in building dams across the navigable waters of this country, have brought forward a proposition ostensibly giving to capital the assurance of a 50-year uninterrupted permit in which to do business, and provides a nominal consideration for the privilege. The effort obviously is to induce capital to build dams across navigable streams in aid of navigation for the sake of the profit to be earned in selling light and power generated from the surplus waters of the streams. While I am as anxious as any man to encourage the development of our water powers, yet I shall hope to be able to show that this bill, if enacted into law as it was reported to the House, would, in effect, be handing over all the water powers of the United States in perpetuity without adequate compensation. I trust and believe that this bill will be amended by the committee in some vital particulars. If it is, I shall be happy to support it; but if it is not, I can not conscientiously do so.

Before addressing myself briefly to the subject of the amendments which I should like to see incorporated in this bill I would urge upon the committee the thoughtful consideration of the brilliant speech made on this subject by the gentleman from Wisconsin [Mr. LENROOT]. While I can not compare with him in powers of description or clarity of statement, yet I will venture briefly to set forth my views. I shall proceed on the assumption that the Government, in granting a permit for a dam, can attach thereto any conditions consistent with the public interest which it may choose.

The hearings held by the present Committee on Interstate and Foreign Commerce consist of only 46 pages, and include the statements of two hydroelectric engineers, numerous letters from bankers with regard to the difficulty of financing water-power projects, and a letter from the Secretary of War. No doubt the older Members of this House are familiar with the subject of water powers, but there are upward of a hundred new Members on the Democratic side alone who would naturally refer to the hearings for authoritative information on both sides of this subject. As I read them, the hearings before the committee contain only one side. I have, fortunately, been able to secure some of the previous hearings before other committees, and perhaps for that reason am qualified in a measure to state my views with regard to this bill.

On page 2 of the bill, beginning with the word "then," in line 25, an amendment should be adopted requiring the grantee at any time to make such improvements in its dam as may be necessary in the interest of navigation. The primary purpose of this bill is to promote navigation. The manufacture and sale of electricity, as the distinguished gentleman from Georgia has said, is but the bait to attract capital to perform a public service. What is that public service but to promote navigation? Therefore I say that whenever the interest of navigation shall require, the company that controls the water levels shall, at its own cost, let commerce go past its dam. In all other respects I favor a flat 50-year permit, with conditions and charges stated in advance so far as possible; but as to the one condition of the free right of commerce to pass any dam, that should be at all times reserved to the people of the United States.

The next amendment is, on page 5, line 3, to strike out the maximum charge of 5 per cent of the value of the public lands used. There are about 20,000,000 horsepower on the public domain. Shall they be appropriated in perpetuity, except for one alternative, for a maximum consideration of 5 per cent of the then value of the lands used? I say that if a valuable power site should be granted for the establishment of a cyanamid plant, and that company will use every kilowatt of power developed, it is only reasonable that such a company should pay an adequate sum for the privilege. The gentleman from Wisconsin [Mr. LENROOT] has reviewed the legislation of Norway and Canada with regard to length of term of the grant and provisions of recapture. I would only add that in the unhappy Republic of Mexico, whenever the grant shall exceed 60 years in duration the entire property shall revert to the Government, without cost, at the termination of the period of the grant. Therefore I hold it to be absurd to limit the consideration to 5 per cent of the value of the few acres of public lands which might be used in connection with the dam site.

If the gentleman from Georgia is sincere in his statements, he can surely have no objection to the adoption of a proviso at the end of line 8, page 5, stating that the provisions of this act are not intended to apply to nonnavigable waters on the public domain. As I shall endeavor to show in a few minutes, this bill as drawn repeals every act now in force with regard to permits for irrigation purposes, for pumping purposes, and for municipal domestic purposes. Certainly the provisions of this act should not be so extended as to so apply to all future grants of water-power sites on the public domain.

The next amendment I hope to see adopted to section 9 would do two things. First, it would define definitely the date of the beginning of the grant. Under the loose language of the bill the "structure" might easily be the last unit of generating machinery, which might not be installed for 100 years, and what was intended to be a grant of 50 years might run on indefinitely before it even began.

But now comes the worst part of all. The bill as presented to the House prevents any change of terms and conditions of the grant forever and ever, amen, unless the United States Government shall buy out the company at the end of the indefinite 50-year grant, bag and baggage, unearned increment, and all. The presumption is that the United States Government will not want to go into the business of buying and operating these enterprises. Unless it does so, the original conditions named in the grant run on forever. The franchise may become worth $1,000,000 or $2,000,000 or $10,000,000, on which the consumers may be made to pay large returns; and yet this Government, under this bill, would be absolutely powerless to protect the public interest in any way whatever.

Section 10 omits from the conditions of recapture the very fundamental idea of the public interest in a grant of this sort. The franchise costs nothing in the beginning, and yet when the Government wants to get it back in the interest of the people it has to tax the people to pay for the values which they themselves have created. Could anything be more absurd? From the cost of recapture should be omitted any increase in value of water rights or rights of way after acquisition by the grantee.

Section 13 is probably the most monstrous section of the bill. I have endeavored to show that the bill as it stands is practically a free gift of all the water resources of the United

States, and to make sure that those who receive permits shall not be molested under it for a thousand years, section 13 provides that the right to alter, amend, or repeal the act as applied to grantees under the act shall be reserved only when the conditions of consent have been violated. The public is in great danger of being deprived of its right to use the navigable waters of the United States without paying enormously therefor, in the event of some junior engineer making a mistake in arithmetic. It is inconceivable that this should be so.

Section 14 is entirely in keeping with the rest of the bill. It permits the Secretary of War and the Chief of Engineers to lease the right to develop power from the surplus water flowing over any dam, present or future, for any length of time, with or without consideration. As far as my experience goes, Congress is not in the habit of delegating to others the disposition of the public's resources in this fashion, and, I hope, will not do so now.

Section 17, the repealing clause of the bill, is a fitting conclusion of a very remarkable measure. It revokes all previous permits of whatever kind—permits for the use of water for domestic and municipal purposes, for irrigation, for pumping, for mining, for lighting, for power, long or short, State or National—all are revoked. This is itself a somewhat serious matter. But, Mr. Chairman, this section goes further. It brings all previous grants, temporary permits, irrigation ditches and all, under the provisions of this act and puts them forever beyond the reach of the public interest.

In conclusion, I would again urge on the committee the urgent desirability of adopting amendments to this bill, which, briefly to recapitulate, will limit the scope of this bill to rivers which are navigable in fact, rivers whose primary use is for purposes of navigation as opposed to water power or other uses; amendments which will definitely fix the term of the grant to 50 years, with not only adequate provision for recapture at the end of that time, but, in case recapture should be undesirable, amendments which will permit of the making of new conditions upon the expiration of the term of the grant; amendments which will bring the action contemplated in section 14 under the provisions of the rest of the bill as amended; and, lastly, amendments which will prevent the revocation of permits for irrigation ditches, municipal water supplies, and other kindred purposes.

Business Prosperity.

EXTENSION OF REMARKS

OF

HON. FRANK T. O'HAIR,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, July 21, 1914.

Mr. O'HAIR. Mr. Speaker, in the very nature of things it is to be expected that a few people can be found who make the claim that the country is either suffering from a panic or a dreadful business depression. A few of those who make such absurd statements know better, but I am charitable enough to believe that most people who believe that such a condition now exists have been misled by those who are more cunning, and who are seeking political profit, even at the expense of destroying countless millions of dollars in value to the assets of our country if by so doing they and their party can be wafted into power.

I do not believe there are many people of this class but unquestionably there are a few. They are possessed of such an insatiable desire for political power, and seem to be backed by such big but dishonest interests that they attract attention, and therefore they command consideration.

If there is business stagnation or a financial panic in the country it ought not to take a lot of political speakers to convince us of that fact, and the true patriot would attempt to minify that condition instead of exaggerating it.

A man who will give a false fire alarm is a man who will commit arson for the insurance. A man who will attempt to depress business interests by making false statements is a public enemy, and the more I see and know of such men the higher regard I have for thieves and plunderers.

On the other hand, to be perfectly square, if there is business prosperity in the country it should not require any logician or spellbinding orator to prove that fact. "It is the mind that makes the body rich." It is also the mind of the people that has most to do with making panics or business depressions. I have no doubt that there are a few concerns which have been pampered and which have prospered by the protective tariff who would be perfectly willing to close down their plants for a time if by so doing they could lend effective assistance to the creation of a condition that would cause the people to put the high protective apostles back in power. Thereafter these same concerns might hope to recoup their temporary losses by unjustified and unwarranted profits.

The people of this country are ever open to conviction, and the time has arrived when the people can do their own reasoning and philosophizing. I intend to combat fancy and fiction by proposing facts and figures.

LEGISLATION NONPARTISAN.

As far as legislation is concerned, I suppose all well-informed and fair-minded people will agree that the only strictly partisan measure which has been passed under the present administration was the tariff bill, and upon this measure in the House of Representatives—which is, of course, an administration measure—four Progressives, two Republicans, and one independent voted with the administration, while five Democrats strayed from the party fold when the issue was finally joined.

In the Senate the only Progressive Senator and the great and distinguished progressive Republican Senator from Wisconsin voted for the measure.

The currency legislation of this administration is admittedly nonpartisan. Everybody seems to agree that the monetary legislation of the Republican Party for the last 50 years has been dangerous and in a large measure has been responsible for many of our business and financial disturbances. When that bill passed the House 35 Republicans and Progressives voted for it, and the balance of the stand-pat party would doubtless have voted for this measure except for the fact that they disliked to be found supporting any measure, however meritorious it might be, which was originated by a Democratic administration.

In the Senate six Republicans and Senator POINDEXTER, scattered from Massachusetts to California, voted for the measure.

The tolls repeal act, which is indorsed by most everyone who does not want to pay a subsidy to the Shipping Trust, was carried by an overwhelming nonpartisan majority. There were 52 Democrats against repeal and 23 Republicans for repeal.

In the United States Senate 13 Republicans joined with a majority of the Democrats in passing this repeal and 11 Democrats sided with the Republicans, so that the bill commonly known as the tolls repeal act is not a party measure, and could not have been passed through the United States Senate except with the support of Republican friends.

A good deal of dust was kicked up and a good deal of flubdub created at the time this bill was pending to the effect that Great Britain was forcing the United States to repeal this act. It never did seem to me reasonable that Great Britain should seriously care whether we charged our own boats for using our own canal or not. It would not cut much more figure with the ordinary Britisher whether we charged American citizens for using the canal than it would if we charged an American citizen for using a Government-owned railroad. If we have free tolls for boat owners who use our canal, then if I ever have the chance to go to Alaska and ride over the railroad that our Government is proposing to build and own, I want free transportation over that railroad, and not only myself but everybody else is entitled to free transportation over that railroad.

On July 4 last Mr. Bryce, who was for many years ambassador from Great Britain to this Government and who is one of the most honored and most respected Englishmen that has ever been in this country, made a speech in which he flatly denied that Great Britain had brought pressure on the United States in order to get a repeal of the Panama Canal tolls exemption. Mr. Bryce said that he had advised his Government that if the President of the United States thinks it is right to repeal he will do it.

Mr. Bryce further said that no country in the world has a stronger desire than the United States to do what is right and honorable. But the same class of men who get up false calamity howls also preach about English subjugation.

On the question of the President's Mexican policy and the use of the Army and Navy by the President in whatever way he thought proper in order to bring about peace, the vote in the House stood 337 for the President's policy and 37 against the President's policy. Of the 37 who were against the President's policy 29 were Republicans, 2 were Progressives, and 6 were Democrats, so that a great majority of the Republicans in the House, when they saw the country was in danger, were glad to give President Wilson the power which he deserved in order to handle the situation.

When the resolution came up in the Senate even a greater vote of confidence was given by all parties to the President in handling the situation. Only 13 standpatters withheld the au-

thority from the President of the United States, who is the Commander in Chief of our Army and Navy, to use all of our forces in whatever manner he deemed wisest in bringing about peace in distracted Mexico.

The antitrust bills passed the House by a vote of 275 to 54. Of those in favor of the antitrust bills 41 were Republicans and 15 were Progressives. These patriotic Republicans and Progressives joined with the Democrats in passing these salutary measures.

Those antitrust bills are now pending in the Senate and I have no doubt will soon be enacted into law. There were more than 1,300,000 aliens came to this country during the last year. It is to be expected that the labor market in spots may be overcrowded, but as a rule there is not enough in this country to do the work.

There are two classes of people whose interests have been specially well cared for by the present administration, namely, the farmer and the laboring man, while at the same time the manufacturer has demonstrated during the first eight months that the tariff has been in operation that he is able to hold his own in competition with all foreigners.

The amount of manufactured imports into this country during the last eight months has only increased 8.08 per cent over what it was a year ago. This much increase would be naturally expected, owing to the further expansion and growth of the country and the prosperous condition of our people.

Everything that the farmer has to sell has advanced in price during the present administration, and I offer in proof of that assertion the following table of prices taken from the Bureau of Labor Statistics.

PRICES OF FARM PRODUCTS.

Articles raised on the farm and the market prices on June 1, 1913, and June 1, 1914:

Wholesale prices.

Commodity.	June 1, 1913.	June 1, 1914.
GRAIN.		
Barley, choice, to fancy malting, by sample, price per bushel in Chicago	$0.68	$0.64
Corn, contract grades, cash	.59	.70½
Oats, contract grades, cash	.39¾	.39½
Rye, No. 2, cash	.63	.65½
Wheat, No. 1 Northern spring, cash	.94	.97½
Wheat, No. 2 Red winter, cash	1.00¼	.96
LIVE STOCK.		
Cattle, steers, good to choice corn feds, price per 100 pounds in Chicago	8.30	9.00
Cattle, steers, choice to prime corn feds	8.65	9.30
Hogs, heavy, shipping and packing	8.75	8.17½
Hogs, light bacon and selected butchers	8.80	8.20
Sheep, native wethers	6.15	6.50
Sheep, western wethers	6.15	6.50
Horses, choice to extra draft, price each in Chicago	170.00	175.00
Mules, 16 to 16½ hands, price each in St. Louis	175.00	150.00
MISCELLANEOUS.		
Cotton, upland middling, price per pound in New York	.1170	.1375
Flaxseed, No. 1, cash, price per bushel Minneapolis	1.30½	1.61½
Hay, timothy, No. 1, price per ton Chicago	14.50	17.50
Hides, packers' heavy native steers, price per pound Chicago	.17¾	.18½
Hops, prime to choice New York, in New York	.22	.40
Poultry, live, choice	.18	.16
Tobacco, good dark-red Burley leaf, price per 100 pounds in Louisville	13.00	15.00
Wool, unwashed, ¾ blood Missouri and Wisconsin, price per pound in Boston	.24	.25½
Wool, unwashed, ½ blood Missouri and Wisconsin, price per pound in Boston	.24	.26
Eggs, freshfirsts, per dozen in Chicago	.18½	.18¾
Butter, Elgin creamery, price per pound in Elgin	.28	.26¼
Potatoes, white, fair to fancy	.40	.87

PRICES OF ARTICLES CONSUMED.

Practically everything that the farmer has to buy is either the same price that it was a year ago or else it is sold at the same price but better and more material put in the article.

On the 27th of June, 1914, I received a letter from the largest retail department store in Chicago. This letter was written in answer to an inquiry which I had addressed to the company a few days before, and reads as follows:

In reply to your letter of June 23, making inquiry in regard to prices of wearing apparel for men, women, and children last year and at the present time, we have to say that the prices of similar articles show very little change during the year. In wool goods there is a tendency to place a little better grade of cloth in the article. In other words, the customer gets better value for the same amount of money.

I also received several communications from others engaged in the retail of farm machinery, and in every instance the reply was that there was an attempt to hold prices this year at what they were last year, but that in doing so it had become necessary to add all new improvements free of charge to the purchaser and in many instances to make the machines of a higher grade in order to command the price that was heretofore easily maintained, and that therefore the farmer was getting a better grade of farm machinery for the same price that he had heretofore paid which is in effect getting the same machinery for less money.

The secretary of the Federation of Labor in Chicago informed me personally a few days ago that he knew of no instance in which labor received less pay than it did a year ago and that in a few of the trades the price of labor had increased in the last 12 months.

In the matter of the products which people eat there has been very little change, although in a few instances where there was a great shortage last year in the crops there has been a slight increase in prices, and in a few instances there has been a slight decrease in retail prices.

The following is a list of prices taken from the statistical Department of Labor, which shows the selling price of food articles on the 15th day of May, 1913, and on the 15th day of May, 1914:

Selling price of food articles.

Commodity.	May 15, 1913.	May 15, 1914.
Sirloin steak, per pound	$0.22½	$0.24½
Round steak, per pound	.20	.20
Roast, bone in, per pound	.19½	.20½
Chuck roast, per pound	.15½	.15½
Pork chops, loin, per pound	.18	.20
Bacon, smoked, per pound	.29½	.28½
Ham, smoked, per pound	.26½	.25½
Lard, pure, tub, per pound	.14½	.14½
Leg of lamb, yearling (2), per pound	.21	.19½
Hens, year or more old, dressed, not drawn, per pound	.24½	.24½
Flour, wheat, per ¼-barrel bag	.70	.69½
Corn meal, per pound	.03	.03
Eggs, strictly fresh, near by, per dozen	.23½	.23½
Butter, creamery, per pound	.32½	.30
Potatoes, Irish, per 15 pounds	.20	.23½
Sugar, granulated, per pound	.042	.038
Milk, fresh, unskimmed, delivered bottled, pasteurized, per quart	.08	.08
Coffee, Rio No. 7	.11½	.9½
Rice	.04½	.04
Short ribs, per barrel, Chicago	11.50	11.20

IMPORTED BEEF.

There has been a great deal said by the "false alarmers" about the flooding of American markets with Argentine beef, so that the cattle raisers in America will be forced to take a very low price for their beef or go out of business.

The Chicago packers, all of whom are standpatters, on the 9th day of July issued a statement in which they say that meat prices will rise above the record figures of recent years, despite the huge grain crop. So that by criticizing this Democratic administration for permitting beef from Argentina and other countries to come in free the calamity howler is saddled with the responsibility of trying to starve the beef eater.

WHEAT IMPORTATIONS.

There has been an attempt to scare the wheat grower in this country because the tariff was taken off of wheat, yet the facts show that the United States not only supplies its own wheat, but sells millions of bushels abroad in the foreign markets of the world.

On the very day that the question of putting wheat on the free list was discussed in the House of Representatives it was shown that wheat sold in Winnipeg, Canada, for 3 cents per bushel more than it sold for in St. Paul. About the only purpose for which wheat is imported into this country from Canada is for seed.

In the month of April, 1913, six months before the tariff went into effect, there was imported into this country 36,000 bushels of wheat. In the month of April, 1914, six months after the wheat was put on the free list, there was imported into this country 13,000 bushels of wheat. I am told there are plenty of farmers in the far West who raise in one year more bushels of wheat than have been imported from Canada into the United States during the first six months that wheat has been on the free list, and although it is shown that the production of wheat for the year 1914 is something like 200,000,000 bushels more than the average annual production, yet the price of wheat is a very little lower than it was a year ago.

WOOL.

Another prophecy of these "wish-is-father-to-the-thought" gentlemen is with reference to free wool. How they would have

been delighted to have seen the price of wool go down! And now that wool has gone up since it has been put on the free list and the country has become so prosperous, instead of being ashamed of their attitude they ignore it.

On June 1, 1913, unwashed wool sold in Chicago at 23 cents and 24 cents per pound; on the same date in 1914 it sold for 26 cents per pound. Putting wool on the free list did not make it go up, neither did it make it go down; but enacting legislation that honestly distributes prosperity has raised the general level of all products not heretofore controlled by combines and trusts.

CORN FROM ARGENTINA.

Out in my part of the country there has been sporadic and futile effort to convince the farmers that putting corn on the free list will subject them to competition with the half-Spanish and half-Indian population of the Argentine Republic. The best argument on earth to convince any man who really wants to know the truth about it is simply to show him the Argentine corn. It is a disgrace to good healthy pop corn.

In the last 15 years there has been three times as many acres added to the corn-producing area in the United States as there is corn land to-day in Argentina under cultivation, and yet during all that time the price of corn has gradually gone up, and only about seven times in the history of this country has corn been as high or higher than it is to-day.

The Hon. HENRY T. RAINEY, of Illinois, on the 6th of June last, delivered a most exhaustive speech in the House on the question of Argentine corn. The facts compiled by Mr. RAINEY show that up to the time of making his speech, which was about six months after corn was put on the free list, there had only one carload of Argentine corn reached Chicago, and that was sent for experimental purposes in order to see whether or not it was good for chicken feed. Even though last year produced a very poor corn crop in the United States, yet we exported to foreign countries 45,000,000 bushels of corn.

In the first eight months after corn was put on the free list there was imported into this country from Argentina 9,000,000 bushels of corn, most of which was used in corn-producing plants by manufacturers of corn into products for exportation.

At the present rate of importation from the Argentine Republic we might expect about thirteen or fourteen million bushels of corn from there in one year.

McLean County, Ill., produces every year about 16,000,000 bushels of corn, and many other counties in the corn belt produce about the same amount.

I have heard that an elephant is afraid of a mouse; in about the same measure the American corn coward ought to be afraid of the Argentine corn raiser.

BUSINESS MEN'S OPINIONS.

Inasmuch as business conditions are of a psycological nature I also offer, not only cold facts in evidence, but I will offer opinion evidence based on facts from competent witnesses who are the leading business men in Danville, Ill., the largest city in the district which I have the honor of representing in this House.

These gentlemen are for the most part either Republicans or Progressives and therefore, according to the politician, might be said to be testifying against their interests, but these men whom I know personally are Americans and patriots and business men first, and partisans only as a secondary matter.

Below are their statements which have been published in the newspapers of their city within the last few months:

WHAT DANVILLE, ILL., MERCHANTS SAY OF CONDITIONS THERE.

[By L. C. Chaffee, president of the Peyton Palmer Co.]

I will say, from a personal knowledge, that to-day retailers are very hopeful concerning future prospects. They are enjoying excellent business and their patrons are optimistic. Illinois is about to experience one of her best trade years, simply because everybody is pulling for prosperity, thinking prosperity, and talking prosperity.

[By H. E. Espenschied, insurance broker.]

Fire insurance men throughout the State are unanimous in the opinion that Danville's fire protection is good; in fact, better than other towns in the State I am acquainted with. Their services in the past have been excellent, and with the addition of improvements and better fighting accessories which are being secured from time to time the future of the local department seems bright.

[By C. L. English, president First National Bank.]

I am an optimist. The outlook in Danville and Vermilion County from a banking and commercial standpoint is exceptionally bright. I expect the year 1914 to go down in history as a year of much prosperity and many successes in all lines of business. With a boomer crop, which will doubtless come as a matter of course, the farmer has every reason to see in 1914 a year of great possibilities.

[By I. H. Louis, of the Straus & Louis Co.]

There is strong competition among Danville merchants, but that competition seldom becomes bitter and acts only a spur for better business methods and advanced business ideas. Personally I am glad I have been in Danville as long as I have. I hope it may be my privilege to stay here long. The past, with its successes, is to me a harbinger of what is to come.

[By J. S. Emery, president of the Emery Dry Goods Co.]

There is not another class of Danville people to whom prosperity means more than to we merchants. Prosperity means to us good business, a return on our money invested, and the ultimate expansion of our establishments. I believe when I say that 1914 from a mercantile standpoint has more brilliant prospects in store than any other year since the dawn of the twentieth century, that I am echoing the belief of every other merchant in Danville.

[By George W. Telling, president of Commercial Trust & Savings Bank.]

The saving habit pays. People are learning, more and more, that it pays. Show me a man who is saving money and I will show you a man who is a booster for the town in which he is living. I believe every man connected with a local bank will agree with me when I say that more Danville toilers and wage earners—the city's backbone—are saving money now than ever before.

[By Harvey C. Adams, secretary Vermilion County Building Association.]

The outskirts of the city, which have hitherto presented a vacant and barren appearance, are filling up with handsome little homes—abodes for the toilers and wage earners—the men who form the backbone and foundation of every city in this country. This process of building, this filling up of what was once waste places, is the surest sign of prosperity visible in Danville to-day.

[By Charles U. Feldkamp, president Civic Federation.]

Cooperation has ever been the keynote in the advancement of all municipalities. Danville's present standing in the commercial life of Illinois has been attained by cooperation, and her future depends wholly upon cooperation. The city is prosperous to-day, and the present is the time to take advantage of this prosperity and lay plans for the future.

[By O. P. Haworth, county superintendent of schools.]

If the farmer did not believe that he is paying for something that will eventually prove a good investment in an educational way he would not vote for the schools. What is good for Vermilion County is good for Danville. With the county prosperous, Danville will be prosperous. Residents of the county outside of Danville have faith in the future; so has Danville, and I believe there is good cause for that belief.

[By H. C. Smith, president Allith-Prouty Co.]

Business conditions have settled from the somewhat spasmodic business outlook of a year ago. Factory prospects in Danville for the ensuing year are excellent, not only with us, but, I believe, every other concern in Danville that relies mainly upon the Nation at large for its profits.

[By A. L. Webster, president the Webster Grocer Co.]

The only method of making an intelligent prediction of future commercial activity is by comparison. Early in 1913, conditions prevailed which caused me to believe that a good business year was ahead. My opinion was later proven. Nineteen hundred and thirteen was productive of bigger business than any other year since I came to Danville, almost a half century ago.

[By M. J. Wolford, president the Palmer National Bank.]

The attitude of Danville people toward the banks and the building associations has been that of the prudent man toward institutions where he can secure a safe investment. Both institutions are friends, not only of the wage earner but of the business man as well. Both types of citizens are ever willing to cooperate with the building associations, because while they are saving money they are also making money.

A CONDITION OF PROSPERITY IN CHICAGO.

Chicago is probably as good a combination of all classes of people and all kinds of business interests as the United States or the world affords. Business stagnation as a national issue ought to be felt in Chicago. On the other hand, business prosperity as a proposition which would apply to the whole country would be evidence by conditions in Chicago.

Chicago has to-day the same board of assessors acting under the same law and the same conditions that prevailed in Chicago one year ago, so that it is fair to presume that any increase or decrease in the value of the personal property in Chicago ought to indicate, in some measure at least, the business conditions which are now prevalent there.

If values have greatly gone down, it would indicate that the great composite business interest shows an unhealthy condition due either to the crops, politics, legislation, or some other evil.

If the value of the personal property in Chicago should show an enormous increase within the last 12 months, we certainly have a right to consider that the business interests of Chicago are in flourishing condition.

The figures which show the value of the personal property in Chicago about July 1, 1914, made by the board of assessors give all the personal property in Chicago this year as fairly worth $853,325,670. A year ago the value of all the personal property as assessed by the same board was $675,546,861, a clear increase in the value of the personal property of Chicago of $177,778,809.

A stupendous prosperity, an increase upon the value of all of the personal property in Chicago one year ago of 26 per cent.

These are figures and facts, all of which are sworn to and which are matters of public record.

The "get-poor-quick" schemers can not explain such prosperity away any better than they can prove that 2 and 2 are 5. Some of the newspapers and political scarecrows have been telling around to anyone who would listen to them that business would not branch out and new industries are a thing of the past.

NEW AND EXTENDED BUSINESS ENTERPRISES.

There is a magazine printed in Chicago that is known as the Manufacturers' News, and it is so rabid against anything that relieves the people of paying tariff taxes that it is impossible for this publication to tell the truth, although they seem to make an honest effort in that direction. Out of the pages of their own publication the editorials of the Manufacturers' News stand convicted of treason to their country and falsehoods to their readers. I will quote a few of the paragraphic notations of new and extended business enterprises which are going up throughout the land and as set forth in the News on April 9.

In the week ending April 9, 1914, the Manufacturers' News, although claiming editorially that the business interests of the country was suffering because of the tariff legislation, yet they give us a list of enterprising business men who are going forward with the establishment of new factories and the extension of old ones:

[From the Manufacturers' News, April 9, 1914.]

NEW FACTORY BUILDINGS.

Albert Felscher will establish a branch mattress factory at Victoria, Tex.

The Mayfield (Ky.) Woolen Mills will double the size of their present factory.

The Federal Brass Manufacturing Co., of Cleveland, Ohio, plans a new plant.

Ground has been broken for the new plant of the Fremont Steam Boiler Co., at Fremont, Ohio.

A $20,000 factory building will be erected at Anderson, Md., by the Mid-West Paper Box Co.

Sites are being inspected and plans prepared for a large machine shop and foundry, to cost $150,000, at Akron, Ohio.

The National Fireproofing Co. will spend $300,000 for furthering the development of the Hayensville, Ohio, tract.

Plans are being made by the C. & E. Wolfe Shoe Co., of Columbus, Ohio, to rebuild the plant in Fulton Street recently destroyed by fire.

Connersville, Ind.: A big addition to the spring department of the Ansted Spring & Axle Factory, of Connersville, Ind., is to be built at once.

Permit has been issued to the Decatur Manufacturing Co., at Decatur, Ill., to erect a factory building at corner of North and Short Streets. Cost, $17,000.

Construction of the rope and twine factory for the Hooven & Allison Co., in north Kansas City, has been under way about a week. Cost, $100,000.

Rees & Strong will build a new foundry at the foot of Collins Avenue, in Columbus, Ohio. It will manufacture core supports for molds and will be 60 by 100 feet.

The contract for the construction of the factory buildings of the Griffin Car Wheel Co., in Vernon, Cal., has been awarded to Carl Leonardt, of Los Angeles.

The Gund Manufacturing Co. will erect a new factory building, to cost $12,000, at La Crosse, Wis. Its chief product will be drive twist anchors, used in fastening guy wires.

Plans are being drawn by Mortimer B. Cleveland, of Waterloo, Iowa, for a big factory building which will be erected by the Iowa Gate Co. the coming year. Cost, $50,000.

It is proposed to erect a factory for the manufacture of metallic fence posts, fences of wire, barb wire, gates, and nails at North Mankato, Minn. Carl Lippert, of that place, is the promoter.

The Altorfer Bros. Co., has purchased 21 acres of property just across the section bridge in East Peoria, and will soon begin the erection of their big washing-machine factory there.

The J. H. Weir Sign Co., of this city, has filed articles of incorporation. Capital, $20,000. The concern will erect a factory at Benton Harbor, Mich., and engage in the manufacture of electrical signs.

A building permit was issued to the Union Printing Co. at Akron, Ohio, for the erection of a $10,000 factory building at 1033–1035 South High Street. The building is to be of brick and 50 by 150 feet in size.

The Nebraska Blaugas Co. has announced a new plant to be built at Des Moines, Iowa, costing over $75,000, and the purchase of new equipment for the Omaha and Des Moines plants involving about $125,000 more.

A plant for the manufacture of a patented concrete railway crosstie, owned and operated by the Percival Concrete Tie & Socket Co., 201 Queen Street, and Crescent Building, will be started in New Orleans shortly.

Material is being contracted for the new $900,000 steel mill which will be erected by the Massillon, Ohio, Rolling Mill Co.

Nathan and Alexander Friend have acquired the vacant property at the northeast corner of West Twenty-third and South Robey Streets, Chicago, south front 22 by 124 feet, as the site of a two-story factory building to cover the entire lot and to cost approximately $70,000.

A large force of workmen are rushing the construction of the new $50,000 plant of the Western Paper Makers' Chemical Co., located near the Kalamazoo Vegetable Parchment Paper Co. building.

The Spengle Bros., manufacturers of specialties on the water power, expect to erect a modern two-story building, 50 to 150 feet, on their property on Kiswaukee Street, near Harrison Avenue, at Rockford, Ill.

The Clarke-Boothe Doyle Co., incorporated for $250,000, will build a plant for the manufacture of ice at Portorville, Cal., this summer.

Otis S. Cutler, president of the American Brake Shoe Co., has closed negotiations for the purchase of a site for a branch plant of his firm at Vernon, Cal. Contract will be let at once and work will be started May 1.

On April 16 the News gives to its readers and the public its list of a few of the most important enterprises established during the week, from which I select the following as typical of their list:

[From the Manufacturers' News, April 16, 1914.]

NEW FACTORY BUILDINGS.

Work has been started on the Cincinnati branch of the Paragon Refining Co.

Harrison, Ark.: New electric light and ice plants are to be constructed in Harrison at once.

The Illinois Central plans extensive improvements in its yards at Clinton, Ill. Cost, $100,000.

New buildings added to the plant of the Kissel Motor Car Co., at Hartford, Wis., have increased its floor space by 60,000 square feet.

Business men of Carthage, Mo., have given $30,000 bond to guarantee the erection of a shoe-factory building for the Kaut-Reith Shoe Co.

The Continental Line Co. has let the contract for the erection of four reinforced-concrete buildings at Dallas, Tex., to Buchanan & Gilder, of that city, for $164,000.

De Pere, Wis.: A proposition is to be put up to De Pere people that would lead to the establishment of an automobile factory here, if accepted. Citizens subscribe for $25,000 in stock.

The Concrete Steel Construction Co. has begun work upon a $100,000 factory building on Taylor Street, near Monument Avenue, at Dayton, Ohio, for the Doty Manufacturing Co.

La Salle, Ill.: Peru is to have a new factory, the shirt factory of the Icas Manufacturing Co., the machinery and equipment of which have been installed in a building secured for the purpose.

S. A. Maxwell & Co., wall-paper dealers and manufacturers, have purchased a tract of approximately 41,320 square feet fronting east on Iron Street extended, between West Thirty-sixth and West Thirty-seventh Streets, Chicago, for $27,861. It is the intention of the purchasers to improve the lots with a five-story and basement heavy mill construction factory and warehouse, to cost about $200,000.

Amite City, La.: Fruit and vegetable growers have been given assurance that before another shipping season the parish will have one of the most complete crate manufacturing plants in the South.

The International Roofing Manufacturing Co. will erect a $100,000 plant on 8 acres it has acquired in Chicago, in South Western Boulevard, between Fifty-second and Fifty-fourth Streets.

The Doty Manufacturing Co., of Dayton, Ohio, expects to erect a $100,000 plant on Taylor Street, near Monument Avenue. It will be 80 by 100 feet, of concrete. This company makes vacuum sweepers and other specialties.

To take care of its increasing business the Lagonda Manufacturing Co., of Springfield, Ohio, will erect an addition to its plant this spring. It will be an all-steel structure 65 feet wide and 125 feet long. It will be erected east of the main plant.

It has been definitely determined that the factory to utilize the great plant deposit 10 miles northeast of Attica, Ind., is to be located in Danville, and if present plans are carried out a large refractory brick plant will be built there during the coming summer.

The Turner Construction Co. has been awarded the general contract by C. F. Mueller & Co., manufacturers of macaroni, for the construction of their new factory at High Street and Baldwin Avenue, Jersey City, N. J. The building will be reinforced concrete throughout, four stories, and 160 by 160.

The Mutual Liquor Co., a cooperative combination of retail liquor interests, is being organized in New Orleans with a capital stock of $100,000. A plant will be erected that will require the employment of 100 men. Plans for the construction are being prepared. The promotors are in the market for a site.

The Pacific Power & Light Co., North Yakima, Wash., which is now completing cement work on an extension of the Wapatox Canal, in the Naches Valley, expects to push construction of the supplementary power plant, which is to furnish some 5,000 horsepower additional to the Naches power station.

About $50,000 is to be spent by the Ohio Veneer Co. in the construction of a plant at the northwest corner of Colerain Avenue and Brashears Street, Cincinnati, Camp Washington. President Ferdinand Bosken, of the company, yesterday closed a deal for the purchase of the manufacturing site, which is 180 by 400 feet.

Contracts have been awarded by Architect Herman J. Esser for an additional manufacturing building for the Harsh & Edmonds Shoe Co., to be erected on Reed Street south of Maple Street, adjoining the company's plant at Maple and Hanover Streets, Milwaukee, Wis. The building will have an 80-foot frontage on Reed Street and will be 160 feet deep and 7 stories high. The first floor will be of reinforced concrete construction, while the upper stories will have a steel skeleton, incased in concrete, with brick curtain walls. The cost will be about $80,000.

Lots have been purchased by the International Roofing Manufacturing Co. for the erection of a factory on the southwest side in Chicago. Eight acres on Southwestern Boulevard between Fifty-second and Fifty-fourth Streets are involved. A brick-and-stone building will be erected at once, and the deal when the building is completed will represent an investment of about $100,000.

On April 23 the News gives us a list of new enterprises, which indicate the confidence of the business men throughout the country in the stability of business matters:

[From the Manufacturers' News, April 23, 1914.]

NEW FACTORY BUILDINGS.

Girard, Ohio: The Girard Machine & Repair Co. has arranged for a factory site.

Manitowoc, Wis.: A factory to manufacture gum will be established in this city within a month.

Racine, Wis.: Racine is to have another $12,000 factory building. It will be erected by the Racine File Co.

Work has been started upon the new roundhouse and shops of the Illinois Central at Jackson, Miss. Cost, $300,000.

Dallas, Tex.: The Sherwin Williams Paint Co. will locate a branch plant here. It desires 10,000 feet of ground space and a three-story building.

Rocky Ford, Colo.: The largest silo in the county will be built the coming summer by the American Beet Sugar Co., near its factory in this city, for the storage of beet pulp.

Springfield, Ohio: To take care of its increasing business, the Kelly-Springfield Motor Truck Co. plans to begin the erection of an addition to its plant at Burt Street and Sheridan Avenue.

Oroville, Cal.: The California Ripe Olive Co. has purchased an acre and a half in the Gray tract for a building. The building will be erected during the coming summer at a cost of $10,000.

Whitesburg, Ky.: T. C. Seaman Stave Co., with headquarters at Winchester, has purchased a large boundary of Big Leatherwood Creek timber and will begin the installation of some stave mills.

Joliet, Ill.: The Joliet Wall Paper Co. has closed a contract with the Johnson Construction Co., of Chicago, for the building of the plant south of the water works at the foot of Logan Avenue.

The Chicago Car Roofing Co. is to erect a new plant at Warren, Ohio, which will employ 300 men. The plant and equipment will cost $100,000. The Trumbull Steel Co. has furnished steel for this plant.

Toledo, Ohio: One of the greatest printing and binding plants in the Middle West, in a building the exterior of which will reveal the highest ideals in modern architectural creation, will be established at Monroe Street and Sylvan Avenue by the Express Publishing & Printing Co.

Dallas, Tex.: Announcement is made that a brick manufactory owned by the Brown Brick Co. will be in operation in Dallas within the next 30 days. The plant will be located in the outskirts of the city, being near the foot of Lenway Street and the Missouri, Kansas & Texas Railroad.

Chattanooga, Tenn.: The Cincinnati, New Orleans & Texas Pacific Railroad Co. will begin the construction of its $100,000 car plant in Chattanooga within the next two weeks. Several hundred men will be given employment. The plant will have a capacity of from 25 to 30 passenger cars.

Cincinnati, Ohio: Between $75,000 and $100,000 is to be spent by the Andrew Jergens Co., spay manufacturers, in factory improvements at Camp Washington some time this summer, which will result in the plant being enlarged about one-third. Plans for the structure are now being prepared by Architect Harry Hake.

Youngstown, Ohio: Extensive improvements are being made by the Andrews Hitchcock Iron Co., of this city, at its Hubbard furnaces, an order for 800 tons of structural steel just being placed with the American Bridge Co. This material will go into the construction of a new power plant, boiler, and casting house.

The William P. Squibb Distilling & Cattle Feeding Co. has closed a contract for the construction of a new distilling plant in Lawrenceburg, Ind. The new building will be of reinforced concrete and brick, equipped with all of the latest improvements, and will have a capacity of 5,000 bushels of grain per day. The grain elevator will have a capacity of 50,000 bushels of grain. The new distillery will cost about $250,000.

Fremont, Ohio: Preparations for the opening of Fremont's newest factory are nearly completed and the Clauss Cutlery Co.'s plant on South Wood Street will soon be running full time. Henri Clauss, president and treasurer of the factory, announced Saturday that he expects machinery to be installed by May 1. Equipment will cost more than $15,000. Not less than $50,000 will be invested in the building and machinery, Mr. Clauss said.

Week ending April 30. The following are a few of the new enterprises that show prosperity in building and extending their business:

[From the Manufacturers' News, April 30, 1914.]

NEW FACTORY BUILDINGS.

Saginaw, Mich.: The Detroit Cycle Car Co. may move its plant to this city.

Akron, Ohio: Plans are being prepared for a 12-story building by the Northern Ohio Traction Co.

Charlotte, Mich.: The Hancock Manufacturing Co. is planning to enlarge the factory. It will be constructed of brick.

Hobart, Okla.: J. L. Kraft & Bros., cheese manufacturers of Elkhorn, Wis., are negotiating for the erection of a cheese factory here.

Grand Rapids, Mich.: The Grand Rapids Wood Furnishing Co. is making a second addition to its factory on Ellsworth Avenue.

Belleville, Tex.: This place has been chosen as the location for a factory for the manufacture of the Bucking Ram washing machine.

Duluth, Minn.: A $2,500 dry kiln and cooper shop will be erected by the Superior Manufacturing Co. at its present factory on the bay front.

Butte, Mont.: The Anaconda Co. has decided to build a sulphuric acid plan at the Washoe smelter, with a capacity of 100 tons of acid a day.

San Antonio, Tex.: A company to finance the erection in San Antonio to manufacture an automobile tire proclaimed as "puncture proof" is being organized.

La Salle, Ill.: The contract for the construction of an additional building for the Western Clock Co.'s factory has been left to the Peru Construction Co.

Saloas, Tex.: The chamber of commerce announces that the Oxygen Gas Co. of Texas has just closed all arrangements for the location in Dallas of a factory for the manufacture of oxygen gas.

Muscatine, Iowa: A $25,000 plant will be erected by the Zeidler Concrete Culvert Co. in South Muscatine.

Fremont, Ohio: Operations will be started in a few days on the erection of the new plant of the Fremont Steam Boiler Co., to be erected in Bidwell Avenue, adjoining the company's present plant.

Hillsdale, Mich.: Within a few months Hillsdale County will have a new industry—a peat factory. The Montgomery Peat & Fuel Co. is getting the material on the ground for the erection of a new factory at a cost of $20,000.

Cleveland, Ohio: The Cleveland Worsted Mills Co. obtained permits for two structures to be erected at its plant, 5932 Broadway. One will be a manufacturing building costing $8,000. George S. Rider & Co. are the architects.

Palestine, Tex.: T. E. Ritchey, of San Antonio, is in the city looking for a suitable location to establish a mattress factory. He was brought to Palestine by the Young Men's Business League. Mr. Ritchey proposes to build a plant with a capacity of 100 mattresses a day.

Joliet, Ill.: Officers of the De Launty Engine Co., of Chicago, were in the city looking for an eligible site for a factory to build a new type of gas engine for automobiles.

Milwaukee, Wis.: Plans for a $125,000 building to be erected by the Standard Paper Co. at Detroit Street and Broadway were filed yesterday with the building inspector. The ground dimensions will be 120 by 135 feet. It will be five stories high and of reinforced concrete construction.

Massillon, Ohio: The plant of the Massillon Electric & Gas Co. is to be enlarged immediately to three times its present size, at a cost of between $100,000 and $125,000, to supply current to new industries recently secured, according to an announcement made to-day by General Manager R. A. Brooks, who has just returned from New York, where the contracts were let.

A contract has just been awarded to the Westinghouse-Kerr Co., of New York, by the Taylor-Wharton Iron & Steel Co. for the erection of a 25-acre plant of the company in Easton, Pa., and for enlarging its present plant in High Bridge, N. J. The contract aggregates $2,000,000. More than $1,500,000 of that sum is to be used as the initial outlay for the new Easton works.

Spokane, Wash.: A factory for the manufacture of lumber into finished products on the mail-order basis and a distributing yard will be placed in Sumner, Wash., by the Hewitt-Lea-Funk Co., of Seattle. More than 50 men will be employed steadily before midsummer. The initial outlay for buildings will be $50,000.

Cincinnati, Ohio: The Andrew Nessner Co., brass founders, has commissioned Architect Anson Rieg to make plans for the rehabilitation of the factory on Patterson near Bank Street, which was partly destroyed by fire two weeks ago. The interior of the building is to be changed so as to make it comply with the new building regulations.

Charlotte, Mich.: The factory building furnished the Hancock Manufacturing Co. by the city of Charlotte automatically becomes the property of the company this month. They have faithfully carried out the obligations of their seven-year contract with the city to occupy the plant. The company is now planning to build a 72 by 100 foot addition to their factory.

On May 7 we select a few of the enterprises that are unable to see business depressions ahead of them.

[From the Manufacturers' News, May 7, 1914.]

NEW FACTORY BUILDINGS.

Bethlehem, Pa.: The Bettendorf Co. will erect a branch factory building here at a cost of $150,000.

Windsor, Canada: A branch of the Jagelmeyer Manufacturing Co., of Bay City, Mich., will be located here.

Robinson, Ill.: The Robinson Manufacturing Co., L. M. Smith, manager, has begun the erection of a plant.

Lockport, Ill.: Negotiations have been favorably progressing for the location in Lemont of a plant for the manufacture of piano plates.

Thomas, Okla.: J. L. Craft & Bros., of Chicago, have decided definitely to locate here and will soon begin shipping their machinery.

Chicago: The Watrous Acme Manufacturing Co. will erect a $300,000 factory on Western Avenue, south of Forty-third Street.

Cleveland, Ohio: The Owens Improvement Co. will erect a $75,000 building to be leased in units to small manufacturing concerns.

Detroit, Mich.: Foundations now are being laid for the new production plant of the Banner Cigar Manufacturing Co. at Warren and Mitchell Avenues.

Hibbing, Minn.: The water and light board of this village is considering the erection of a new power plant at a cost of $265,000.

San Angelo, Tex.: An interlocking concrete State factory for the making of silos is to be established here within the next two weeks by the West Texas Lumber Co.

Freeport, Ill.: The Perfection Manufacturing Co., of Cedar Rapids, will bring its plant here on condition that $12,500 more stock is sold by the Freeport Chamber of Commerce.

Duluth, Minn.: The Northern Cold Storage & Warehouse Co. has decided upon the erection of a seven-story reinforced concrete addition to its plant, to entail an outlay of $120,000.

Raleigh, N. C.: About 90,000 ordinary building bricks and 10,000 repressed bricks will be the daily capacity of the plant soon to be completed by the Johnson & Johnson Co. of Raleigh.

Cedar Falls, Iowa: Work has been started on an addition to the Cedar Falls Foundry Co.'s plant, which when completed will double the present capacity of the rapidly growing concern.

Detroit, Mich.: The Gordon-Chapman Co., of Chicago, one of the largest mattress-manufacturing firms in the country, will open a factory here, with the intention of making Detroit its headquarters.

Chicago: The Stanley Works, manufacturers of builders' hardware, located at New Britain, Conn., will have a western branch in this city and have acquired the site for a $500,000 factory in the central manufacturing district.

Chattanooga, Tenn.: Chief Engineer Wallis, of the Durham Coal & Iron Co., and other engineers of that concern will arrive in Chattanooga Tuesday evening for the purpose of locating a site for the new million-dollar coking and by-product plant to be established here.

Oakland, Cal.: The Westinghouse Electric & Manufacturing Co. will expend $1,500,000 on a big factory that will occupy 2 acres of the old Emeryville race track. It will employ 2,500 men. The H. J. Heintz Co., also of Pittsburgh, will build a plant occupying an entire block at the corner of Seventh and Cedar Streets.

Portland, Oreg.: O. E. Heintz, proprietor of the Pacific Iron Works, has appointed MacNaughton & Raymond, local architects, to draw up plans for the $90,000 building he proposes to erect on the north side of East Ankeny Street, between East Second and East Third Streets. The building will occupy a half block and be five stories high.

Canton, Ohio: Structural work on the new factory building being built along the Pennsylvania Railroad by the Monarch Metal Manufacturing Co. will be started within a few days. The excavation work is completed, and building material is being placed on the site. The plant expected to start operations about June 1, when plans were completed for their removal here.

Belleville, Ill.: Ground has been broken and work started on the erection of a new shoe factory in Belleville, Ill. The new shoe company is composed entirely of local men, and all the $35,000 capital of the concern has been subscribed and paid in by local people. The company will be known as the Hoerr-Adam Shoe Co., and a line of boys shoes will be the only thing manufactured.

On May 14 we call attention to some of the enterprising business men of the country, who are either extending their business or installing new business enterprises:

[From the Manufacturers' News, May 14, 1914.]

NEW FACTORY BUILDINGS.

Chicago: The Illinois Modern Machine Co. will erect a 4-story factory building at 2237–2245 Ogden Avenue. Cost, $35,000.

Evansville, Ind.: The Shimer Steel & Wire Co. plans to start the construction of a wire factory within 60 days, at a cost of $100,000.

Peoria, Ill.: Preparations are being made for the erection of a factory building by Altorfer Bros., manufacturers of washing machines.

Sterling, Ill.: The contract has been let to the Schmidt Bros. Construction Co. for the erection of the new factory building for the Frantz Manufacturing Co.

Tulsa, Okla.: The establishment of the largest broom factory of the Southwest in Tulsa is the ambition of Elworth J. Green, a veteran broom manufacturer of Enid.

Springfield, Ohio: It is reported that E. L. Shuey will soon be ready to accept proposals on the erection of the power plant to be built at Jefferson and Center Streets.

Tampa, Fla.: Architect John W. Biggar, of West Tampa, has begun work on plans for a $12,000 addition to the Jose Escalente cigar factory at Palmetto Beach.

Grand Rapids, Mich.: Machinery company has increased its capital stock from $15,000 to $30,000 for contemplated expansion and installation of additional equipment.

Raleigh, N. C.: The town of Rowland has let the contract for an $18,000 electric-light plant, and Winston-Salem is to vote in June on the issue of $250,000 of bonds for such plant.

Youngstown, Ohio: Contracts for extensions at the Trumbull Steel Co.'s plant in Warren have just been awarded, and the equipment and machinery will be installed as soon as delivery is made.

Carlvie, Ill.: A new shoe-manufacturing company, to be known as the Hoerr-Adams Shoe Co., has been organized in Belleville with a capital of $35,000, and a three-story factory is in course of construction.

Council Bluffs, Iowa: The local plant of the Soda Products Co., to manufacture Glauber's salt and sal soda, will soon be opened. The plant will begin operating at the capacity of 240 cars of sal soda and 350 of salt per year.

Delphos, Ohio: The Combination Portable Mantel Co., recently organized for the manufacture of portable mantels, have purchased the buildings of the Fortner foundry, and will install machinery and will be in operation about June 1. Capital, $50,000.

Milwaukee, Wis.: The site now occupied by the Milwaukee Wrecking Co. on Reed Street, between National Avenue and Walker Street, was sold to the Wisconsin Plumbing & Heating Supply Co. Plans are drawn for a factory building to be erected on this site.

Des Moines, Iowa: Two biscuit factories are preparing to open. One is a branch plant of the Manchester Biscuit Co., which expects to erect a $125,000 building. The other will be the Hen Biscuit Co., operating plants at Omaha, Clinton, and Oklahoma City.

Lima, Ohio: Lima is to have a new automobile-manufacturing concern. It will be backed by W. A. Williams, local automobile dealer and former secretary and vice president of the Lima Automobile Club, and will be the first concern in Lima to manufacture cars for pleasure purposes.

Milwaukee, Wis.: A permit was issued on Friday for a 3-story factory building to be erected on Prairie Street, between Fourth and Fifth Streets, by the Carbolenium Co., at a cost of $15,000. The building is to be of reinforced concrete construction, and will be fireproof throughout.

Toledo, Ohio: Construction of a large new factory building for the Urschel Bates Valve Bag Co., at Summit and Michigan Avenues, will be started in a few days. It will occupy ground 90 by 112 feet. It will be two stories high, and entirely concrete and steel, except the front, which will have a brick facing. The building will cost $47,500.

Cincinnati, Ohio: Work has started here on the new building which is to be constructed for the International Harvester Co., under a long-time lease arrangement by the trustees of the University of Cincinnati, on ground owned by them on Lock Street. It will cost in the neighborhood of $70,000, will contain five stories and a basement, and will be of reinforced concrete.

Toledo, Ohio: Extensive improvements, affecting the east side gardeners and farmers, are planned by the Harbauer Co., condiment manufacturers, this season. Four new tomato pulp mills will be erected this spring—one at Curtice; another at Walbridge; a third at Custer, Ohio; and a fourth at Wayne Street, Air Line Junction. Every one of these plants will have a capacity of 8,000 barrels of pulp for the season's run.

Staunton, Va.: The State lime-grinding commission has announced that the contract for machinery to equip the lime-grinding plant soon to be opened and operated by convict labor has been awarded to the firm of Smith-Courtney Co., of Richmond. The act creating the State lime-grinding commission carries an appropriation of $30,000 for the purchase of desirable rock deposits, the installation of machinery, and the operation of the plant until it becomes self-sustaining.

On May 21 quite a number of citizens reported to the News that they were ready to partake of the business prosperity of which the country was then in possession.

[From the Manufacturers' News, May 21, 1914.]

NEW FACTORY BUILDINGS.

Ottawa, Ill.: The Clinton Die & Tool Works, of Chicago, is considering locating its plant either here or in La Salle.

Harrisburg, Ark.: George I. Dill & Son are organizing a corporation to erect a factory here for the purpose of manufacturing machines.

Chicago, Ill.: The American Building Foundry Co. has begun the erection of a foundry and office building between Twenty-second Street and Burlington tracks.

Buchanan, Mich.: E. D. Clark, president of the Telfor Tool Co., has announced plans for the immediate construction of a $100,000 building to the present plant.

Elkhart, Ind.: The Elkhart Manufacturing Association contemplates building a $50,000 electric power plant on the site of the old mill near Beardsley Avenue and Riverside Drive.

Dallas, Tex.: The chamber of commerce announces the location of a branch house of one of the largest lithographing, engraving, printing, and bookbinding concerns in the United States within 60 days from date.

Warren, Ohio: The Warren Board of Trade has closed a deal with C. G. Clause and Frank and Ira Thomas, of Niles, whereby they will erect a six-mill sheet plant near this city. The board of trade purchased the William Van Wye farm east of the Trumbull Steel Co.'s plant on the Niles River road, adjoining the Pennsylvania lines, for a 50-acre site for the new plant. The plant will cost $500,000 and will employ from 450 to 500 men.

Toledo, Ohio: Construction has been started on the big new plant for the Toledo Pipe Threading Machine Co. at 1437 Summit Street. The buildings, of concrete, steel, and brick, will be 122 by 162 feet and will cost $30,000.

Newbern, N. C.: Andrews & Co., a Norfolk concern, are preparing to erect and operate near Newbern a plant to manufacture lime from the oyster-shell rocks which are to be found in abundance a few miles above the city.

Des Moines, Iowa: The Sac City Electric Co. has let the contract for the erection of a new generating plant to take the place of the smaller building erected 16 years ago. The new structure will be concrete blocks and will be 60 by 80 feet in size and 18 feet high.

Chicago, Ill.: The Illinois Modern Machine Co. has acquired from Isadore Bell the property at 2237–2345 Ogden Avenue, 100 feet square, as the site of a four-story factory building, which will contain 40,000 square feet of floor space and will cost about $35,000, to be used for the manufacture of button machines and button parts.

Columbus, Ohio: General offices of the National Paving Brick Co., just organized with $400,000 capital, are to be located in this city. The company's plants will be located at East Zanesville and South Zanesville. It is planned by the organizers of the new company to manufacture paving brick or blocks for streets and highways on a large scale.

Youngstown, Ohio: A new steel company, to be known as the Western Reserve Steel Co., has been organized by Niles and Warren capital and will start the building of a new plant at once. The capital stock is $600,000. The new plant will include six hot mills, a galvanizing department, sheet-metal department, and all other necessary departments for the operation of such a plant. The new company, of which C. G. Thomas, of Niles, is president, will absorb the Sykes Metal Lath Co. and the Niles Metal Roofing Co. and will be located on a site about 60 acres in extent in Warren.

On May 28 the News furnishes to their readers a copy of some of the more important enterprises that are extending their operations or establishing a new business.

[From the Manufacturers' News, May 28, 1914.]

NEW FACTORY BUILDINGS.

Media, Pa.: For George Allen & Sons; plans completed by Walter Smedley, architect. Ready for bids.

Waukegan, Ill.: Waukegan is to have another factory, as the plans are being drawn by Architect Weber.

Natchez, Miss.: The Wakeman Cement Stave Silo Co., of Portland, Ind., has decided to erect a plant here.

Stewart, Ohio: The Jackson Shear & Razor Co. is installing a drop forge plant for six hammers, ranging in capacity from 800 to 1,600 pounds.

Marshall, Tex.: A canning factory with a capitalization of $30,000 is to be built here by a corporation to be known as the Marshall Canning Co.

Belleville, Ill.: A building permit was issued to the Hoerr-Adams Shoe Co. for the erection of a $7,500 brick factory building on West Main Street.

Goshen, Ind.: The Elkhart Manufacturers' Association contemplate building a $50,000 electric power plant on the site of the old mill near Beardsley Street.

Clinton, Iowa: The Chicago & North Western Railway Co. has authorized an expenditure of $100,000 for a general freight-car repair yard at Clinton.

Grand Forks, N. Dak.: The Crookston Cordage Co. has been incorporated with a capital of $75,000 and will manufacture rope, twine, or cord from hemp, flax, straw, and the by-products.

Cincinnati, Ohio: Plans for the new Ford factory calls for a four-story concrete building to cost $300,000, to have 236 feet frontage and a depth of 167 feet. Five hundred people will be employed.

Philadelphia, Pa.: The Hellwig Silk Dyeing Co. was granted permits yesterday for the erection of a group of factory buildings on the tract at the southeast corner of Nilnor and Homestead Streets. The total cost will be $66,000.

Buffalo, N. Y.: For Buffalo Shirt Co., three-story reinforced concrete factory building, containing 48,000 square feet of floor surface; heating, electrical equipment, sprinkler system; plans ready for bids June 21; Day & Zimmerman, architects and engineers.

Nashwauk, Minn.: It is understood that the Wisconsin Steel Co. here has perfected plans for the erection of modern machine shops, to be constructed of concrete and equipped with the most modern machinery available. The appropriation made for these improvements is $50,000.

Cincinnati, Ohio: The Krippendorf-Dittman Co. yesterday was placed in a position whereby it can enlarge its shoe factory on Sycamore Street. It bought, through Broker C. C. Mund, 41.6 by 120.1 feet on the east side of that thoroughfare 50 feet south of Seventh Street, from the Gaff estate.

Massillon, Ohio: Work on the proposed plant of the Massillon Aluminum Co., in Canal Street, is to be started in the near future. One of the largest orders for lumber ever placed in Massillon, to be filled by the Massillon Lumber Co., for the erection of the main building. A total of 200,000 feet, to be shipped here in 10 cars, are required.

Kalamazoo, Mich.: A rejuvenation of the William E. Hill Co., with the habilitation of a new consolidated factory and a double output, is now under way, and within a short time the old plant of the concern, 312 North Park Street, will be abandoned for larger consolidated headquarters near the Standard paper mill. The company manufactures sawmill machinery and steam engines.

On the week ending June 4 the News furnishes a list of the new enterprises then being established throughout the land.

[From the Manufacturers' News, June 4, 1914.]

NEW FACTORY BUILDINGS.

Dayton, Ohio: The Air Friction Carburetor Co. contemplates enlarging its plant.

Muskegon, Mich.: The Walker Candy Co. will erect a two-story addition to its factory in Muskegon.

Columbus, Ohio: The E. R. Thomas Motor Co., of Buffalo, has decided to remove its plant to Columbus.

Chicago Heights, Ill.: B. J. Patrick, of Spokane, Wash., was in the city looking up a site for an automobile factory.

Sandusky, Ohio: The Hinde-Dauche Paper Co. contemplate the erection of a concrete dock and four-story building.

Cincinnati, Ohio: The Acme Machine Tool Co., of Buck Street, is planning to increase the size of its plant later in the year.

Jackson, Mich.: The Union Steel Screen Co. proposes to build a gray iron foundry just north of the plant on Huron Street.

Youngstown, Ohio: An addition to the Consolidated power house will be completed by July 1, increasing the plant's capacity by 10,000 horsepower.

Marshall, Tex.: A canning factory with a capital of $30,000 is to be built here by a corporation to be known as the Marshall Canning Co.

Grand Rapids, Mich.: Work has started on the new plant of the John R. Raab Chair Co., Ionia and Bartlett Streets. It will be four stories high with steel and brick construction.

Grand Rapids, Mich.: A building permit for an addition to the John Raab factory to the amount of $67,000 has been taken out. Besides enlarging the floor space additional stories will be built.

Cincinnati, Ohio: The Dalton Adding Machine Co., located in East St. Louis, employing more than 1,000 persons, will be removed to the plant of the Dana Manufacturing Co., Beech Avenue, Norwood.

Houston, Tex.: The International Union of Bricklayers will finance a new $100,000 brick plant in El Paso, which will undertake to furnish contractors with material at a price that will permit competition with Mexican labor.

McKenzie, Tenn.: Hendricks & Co. have machinery ordered for the erection of a broom factory in McKenzie. A campaign is being made among the farmers for a large acreage of broom corn. This will make the second factory for the city.

Findlay, Ohio: Former Mayor E. L. Groves has purchased the basket factory in this city from John T. Bryant, and will double the capacity at once by employing 25 men. New equipment will be installed. Mr. Bryant will establish a factory in Toledo.

Mobile, Ala.: For the Kahn Manufacturing Co. the Sullivan estate will erect a three-story brick building at the corner of Royal and St. Louis Streets, on the site occupied by Elmer Maddox. In this building the company will continue the manufacture of overalls and workingmen's pants.

Indianapolis, Ind.: Robert J. Spencer, jr., Orris E. Wiltsie, and High Cooney have organized a stock company for the manufacture of automobile tires. The capitalization of the company is $125,000. A factory will be built in Marion. Wiltsie and Cooney have been engaged in the work of making rubber tires at the Indian Rubber & Insulated Wire Factory at Jonesboro.

Hickman, Ky.: Hickman will have another industry added in the near future in the way of a shingle factory, which will be put in by the Townley Shingle Co., a big concern operating a number of mills in the South. They have bought timber on 2,800 acres of land from Hale & Ward and will buy other available timber and have their plant located here in the city, and work will start in the near future.

On June 11 we quote from the News a part of its list of enterprises established the week proceeding:

[From the Manufacturers' News, June 11, 1914.]

NEW FACTORY BUILDINGS.

Argeta, Ark.: A canning factory is being erected here.

Harrisburg, Ark.: The G. I. Dill Tractor Co. has been organized to manufacture a tractor for cutting rice in the mud.

Cleveland, Ohio: The Firestone Tire & Rubber Co. is building additions to its plant on account of increasing business.

Mankato, Minn.: Steps were taken at a meeting of the North Mankato Commercial Club looking to the establishment of a canning factory in the village.

Rockford, Ill.: Another step toward the consolidation of the Emerson-Brantingham Co. interests have been decided upon with the removal of the company's seeder factory from Marion, Ind., to this city.

Kalamazoo, Mich.: The D'Arcy Spring Co. this morning secured a permit from Building Inspector John Gilman for the erection of an addition to the plant of the company at 223 East Patterson Street.

Kansas City, Mo.: The Marietta Chair Co., Marietta, Ohio, has purchased a triangular piece of ground with two-story warehouse on it, on which they will erect a two-story addition to the factory; cost $100,000.

Hibbing, Minn.: E. B. Jackson, the consulting engineer, was instructed by the water and light board last evening to prepare plans and specifications for the construction of a $10,000 heating plant, to be run in connection with the present power plant.

Dallas, Tex.: Announcement was made Saturday evening by E. F. Myers, local manager of the Sherwin-Williams Paint Co., of their new building and store purposes. It will be concrete structure, reinforced with steel, and is to cost in the neighborhood of $30,000.

Youngstown, Ohio.: The Youngstown Sheet & Tube Co. has selected a site adjoining the furnace of the Ohio Iron & Steel Co. in Lowellville as a location for the proposed open-hearth steel plant which will be erected to supply semifinished steel for its Haselton plant.

Joplin, Mo.: The McElhaney & Tatum Furnishing Goods Co., Fourth Street and Grand Avenue, has converted its entire second floor into an overall and work-shirt factory. Seventy-five machines, where 80 girls will be employed, have been installed, and the first lot of overalls will be completed Monday morning, when 25 girls will do the first work in the factory. The number of machines may be increased to 500 within two years, officers of the company believe.

Montreal: A million-dollar, 10-story factory is projected on the block to the rear of the company's store. The new structure will cost from $600,000 to $1,000,000, depending upon whether it will be 6 or 10 stories in height.

Savannah, Ga.: The Savannah Lighting Co. will install additional equipment, improve generating and substation, etc., at cost of $300,000; install 500-horsepower turbogenerator with condenser, exciters, boilers, and induced-draft apparatus, construct water canals and conduits, etc.

Columbus, Ohio: Work has started on the construction of the central electric power station to be established in the Hocking Valley coal fields at Floodwood. Contracts have been awarded for practically all of the equipment and machinery of the plant, and as rapidly as the building is completed they will be installed.

Minneapolis, Minn.: The Minneapolis General Electric Co. will spend $2,000,000 in the coming year in general improvement work and extension of service. The big new power plant at Coon Rapids is being pushed to completion, and machinery is going in at a rate to warrant expectation that current will be distributed on October 1.

Houston, Tex.: The most important step ever taken for encouraging the fruit-raising industry in Houston territory was inaugurated this week, when local capitalists organized the Houston Fruit & Preserving Association. The new enterprise will be capitalized at $200,000, and will build three preserving plants at Algoa, Crosby, and Pearland which will be put in operation about July 15 of this year.

Tampa, Fla.: The United Paper Co., a million-dollar corporation, and the largest manufacturers of citrus fruit and vegetable wrapper in the South, with headquarters in Atlanta, who opened a branch establishment at No. 104 Tampa Street last November, has found it necessary to double the capacity of the Tampa plant in order to handle the rapidly increasing business which comes through Tampa.

Big Pittsburgh contract: Steel mills in Pittsburgh are to start at once on supplying $5,000,000 worth of steel needed in the construction of the new tunnels under the East River from New York to Brooklyn as part of the extension of the subway system.

On June 18 the News furnished a very extensive list of new enterprises. We will quote therefrom the facts relating to but a few:

[From the Manufacturers' News, June 18, 1914.]

NEW FACTORY BUILDINGS.

Upper Sandusky, Ohio: The United States Cereal Co. has planned a new plant.

Lansing, Mich.: The Reo Motor Car Co. expects to erect several new buildings.

Rock Island, Ill.: The Illinois Oil Co. will erect a large factory here at a cost of $100,000.

Kansas City, Mo.: City commissioners are securing estimates on the cost of constructing an ice plant.

Jacksonville, Fla.: Stockholders of the Ocala Iron Works, recently destroyed by fire, plan to rebuild the plant.

South Bend, Ind.: A permit was issued for a $21,000 2-story brick factory building for the Williams Bros. Short Co.

Cairo, Ill.: A million dollar concern picks Cairo as the logical point for its location. The concern is Sambucetti & Co., wholesale liquor dealers.

Minneapolis, Minn.: Permit for the erection of a 7-story addition to the Bemis Bros. factory, 606 Fourth Street, to cost $65,000, has

Elgin, Ill.: Prospects are fair for Rock Island to secure the Jacob Hafsh Co., whose plant was destroyed by fire at DeKalb Monday night.

St. Louis, Mo.: A permit was issued to Daniel Catlin for a new factory building on the northwest corner of Second and Morgan Streets. Cost, $30,000.

Richmond, Va.: N. & G. Taylor Co., Cumberland, Md., at cost of $100,000, will enlarge tinplate factory, increasing capacity about 60 per cent.

Detroit, Mich.: The contract has been let for the Detroit Auto Specialty Co. on the addition to the factory building located at 909 Greenwood Avenue.

Columbia, Mo.: The Evans Construction Co., of Moberly, was awarded the contract for the hog-cholera serum plant to be built on the farm purchased for the purpose. Cost, $10,600.

Toledo, Ohio: J. B. Breyman has awarded to the Schmidt-Harwood Co. contract for a new factory building at 1025 Front Street, to cost $28,000. The building will be occupied by the Peerless Bedding Co., manufacturers of mattresses and other bed supplies, and the McCreery Co., manufacturers of mittens.

Atlanta, Ga.: In order to meet the rapidly increasing demand for their product, the Firestone Tire & Rubber Co. are again adding new additions to their plant.

Racine, Wis.: Guilbert & Funston, architects, are making plans and specifications for a new factory building to be erected by the Hamilton-Beach Manufacturing Co. Cost, $35,000.

Portsmouth, Va.: The Seaboard Air Line Railway, Portsmouth, Va., is reported to expend $100,000 to $200,000 to install additional machinery and improve car building and locomotive repair shop.

Houston, Tex.: The Houston Packing Co. obtained a building permit for a $50,000 cold-storage plant—three stories, concrete construction. The American Construction Co. has the contract.

Anderson, Ind.: The acquisition of the Plost Post Co., of Marion, as one of Anderson's new factories, was announced at the general mass meeting of the chamber of commerce held last evening in the Armory Building.

Hattiesburg, Miss.: The Hattiesburg Wood Reduction Co. has begun operation. T. S. Jackson is manager of the new enterprise, whose success will mean the clearing of thousands of acres of south Mississippi stump land.

Lemont, Ill.: Owing to the demand for aluminum cooking utensil line made by Aluminum Products Co. the company finds it necessary to extend their plant at Lemont, the contract for which has already been awarded.

Gadsden, Ala.: The Gulf States Steel Co. has awarded to one of the large manufacturing concerns a $35,000 contract for electrical machinery necessary to make the change to take power from the Alabama Power Co.

Cleveland, Ohio: A big addition to the large cold-storage facilities of the Sheriff Street Market & Storage Co. will be provided by erection of an eight-story structure to front on Bolivar Road SE., just east of the market house.

Shreveport, La.: That a manufacturing enterprise, to begin operation by September 1, has been obtained for Shreveport of the manufacturing committee of the Chamber of Commerce is an important announcement made in local industrial circles.

Los Angeles, Cal.: The $10,000,000 plan of E. H. Harrison to build near San Pedro a large steel mill for the manufacture of steel rails and structural steel may be realized through a favorable ruling of the land office on Riverside country claims.

Peoria, Ill.: Building permits of recent issue include the Nelson, Morris & Co. cattle barns, to replace those destroyed a few weeks ago when a thousand cattle were burned as the work of Fogelsong, the incendiary. The new barns, in the same location, at the foot of Cass Street, will be 355 by 366 feet, and the cost is to be $18,000.

Cincinnati, Ohio: The Victor Auto Parts Co. yesterday submitted preliminary plans to the commissioner of buildings for the construction of a four-story fireproof factory building at Spring Grove Avenue and Dunham Street. The building will be constructed of brick, and will be 60 by 165 feet. It will cost approximately $45,000.

Bay City, Mich.: Promoters from Ohio wish to enlist the support of residents in starting a fertilizer plant. The requirements are that the village provide a site and that $10,000 worth of stock in $50 shares be subscribed. It is asserted that $50,000 will be expended if the venture is started. Among other things the company plans on erecting a plant to cost $20,000.

Milwaukee, Wis.: The Standard Separator Co. has begun work at Forty-sixth Avenue and Burnham Street, where the company will erect this year a new factory of brick and steel construction. The first building erected will have a frontage of 250 feet on Burnham Street and 150 feet on Forty-sixth Avenue. The building will be two stories in height on Burnham Street, the upper floor being designed for offices.

Knoxville, Tenn.: N. & G. Taylor Co., Cumberland, Md., at a cost of $100,000, will enlarge tinplate factory, increasing capacity about 60 per cent; erect steel building 80 by 100 feet; install additional 25-ton open-hearth furnace with 40-ton overhead traveling crane and 3-ton charging machine in connection; also install 30-kilowatt generator connected to 500 horsepower engine in power house and locomotive to handle all open-hearth material from stock yards to furnace.

Charles H. Kellerman has contracted to erect for the Walter Baker Co. a four-story building at the southeast corner of Kingsbury and Erie Streets, Chicago. * * * The building will have 12,875 square feet to the floor, with a bearing capacity of at least 175 pounds to the foot. The land and building will, it is said, represent an investment of about $175,000.

On June 25, according to the News, the rush to establish and extend the factories and business enterprises of the country had not abated.

[From the Manufacturers' News, June 25, 1914.]

NEW FACTORY BUILDINGS.

Shreveport, La.: A creosote paving-block factory will be started here.

Duluth, Minn.: A large manufacturing plant will be erected here, at a cost of $50,000.

Lima, Ohio: The Gramm-Bernstein Co., manufacturers of motor trucks, will erect a brick plant and shop 62 by 48 feet.

Duluth, Minn.: The Zenith Box & Lumber Co. will enlarge its plant. It has made three extensions in the last three years.

New Orleans: The Philadelphia Quartz Co., manufacturers of silicate of soda, will erect a large plant at Lembou and Noel Streets.

Moline, Ill.: That Rock Island will get the proposed new $100,000 oil-can factory of the Illinois Oil Co. seems certain at this time.

Winnifield, La.: F. M. Boyer, of Danville, Ind., has been here two days looking over the ground with a view of locating a glass factory in Winnifield.

Bay City, Mich.: Stroud, Bridge & Connors have architects at work on plans for a two-story factory for the manufacture of automobiles.

Philadelphia: Grading has been commenced for the $2,000,000 plant to be established at Easton by the Taylor-Wharton Iron & Steel Co.

Cincinnati, Ohio: The Andrew Juergene Soap Co. filed plans for a four-story reinforced-concrete factory and office building, to cost $45,000.

Hico, Tex.: Central Texas Power & Transmission Co., Hico, Tex., was incorporated, with a capital stock of $100,000, to build electric plant, etc.

Cairo, Ill.: The McClure Co., manufacturers of silos, will double the capacity of its plants. It is the largest user of California redwood in the country.

Duluth, Minn.: A $2,000,000 freight-car manufacturing industry will be located in Douglas County near the new steel plant within a year, according to T. W. Wahl.

Wausau, Wis.: Work commenced this morning on a new factory for Wausau. The Badger Bag & Paper Co. will erect a building at First and De Kalb Streets.

Peoria, Ill.: Peoria's newest factory, the Progressive Engineering Co., will be opened within the next two weeks, according to a report issued by the officers of the company this morning. Articles of incorporation have been filed with the secretary of state, and license received. The entire stock of $150,000 has been pledged, and will be taken up immediately.

Paducah, Ky.: J. A. Cromby, of Brooklyn, N. Y., general manager of the Lancaster Parquet Flooring Co., expects to erect a factory building in Mechanicsburg.

St. Louis, Mo.: The seven-story and basement building at the southeast corner of Fourth and Vine Streets for the Skinner & Kennedy Stationery Co. will cost $75,000.

Marietta, Ga.: The Kennesaw Marble Co. will build addition to factory and crane runway, at cost of about $20,000, and install machinery to increase marble sawing capacity one-third.

Detroit, Mich.: Smith, Hinchman & Grylls let for the Larned Carter & Co. the masonry contract on a four-story brick addition to the factory building at Fourth Avenue and Howard Street to A. R. Yops.

Alexandria, La.: Through the efforts of the chamber of commerce the J. L. Jones Manufacturing Co., of Kansas City, will establish a silo manufacturing plant in this city to begin operations about July 1.

Youngstown, Ohio: Surveyors for the Youngstown Iron & Steel Co. have started to lay lines for the erection of the new open-hearth plant of four furnaces which the company will build at Lowellville. The construction work will be pushed to completion.

Cleveland, Ohio: Evidence of building activities on the West Side appears in the plans of Hustav Schaefer Wagon Works Co. to build a four-story factory at 4166–4200 Lorain Avenue. The building will cost $40,000 and will be 60 by 70 feet.

Matherville, Ill.: About 150 men who have been out of employment for some time, owing to lax business conditions here, will be given work after July 1, when Deere & Co. will open their foundry in the new modern building recently completed at East Moline.

Galveston, Tex.: News came to Galveston by cablegram Friday from G. W. McElhiney in Europe that the Southwestern Development Co., a $30,000,000 corporation, has been successfully financed by European capital. The news of the successful financing of the Southwestern Steel Development Co. means assurance of the construction of an immense steel plant just across the bay from Galveston, at Texas City.

Paducah, Ky.: Clearing of the site for the factory to be built by the Lancaster Parquet Flooring Co. in Mechanicsburg has begun, and the three buildings will be erected within a few weeks. If the company spends $75,000 for salaries in five years, it will become owner of the property.

Metropolis, Ill.: Work on a factory for the Metropolis Refining & Separating Co. will be commenced soon, a deal having been closed this morning between representatives of a flour spar syndicate and local business men. The factory will be located on the Burlington's property.

Denver: The Sunset Mining & Development Co., which acquired the old Tramps Consolidated Mine at Rhyolite, Nev., has now let a contract to the Colorado Iron Works for the building of a mill on the property at a cost of $30,000, the plant to have a capacity of 2,000 tons a month.

Charleston, W. Va.: Wheeling Ceiling & Roofing Co., Wheeling, W. Va., will establish plant to manufacture metal ceilings, shingles, roofing, conductor pipe, one-piece conductor elbows, eaves trough, stovepipes, etc.; building bids close June 6 on five buildings containing 35,000 square feet of floor space; install sheet-metal forming machinery, cost $65,000.

Memphis, Tenn.: N. & G. Taylor Co., of Cumberland, Md., at a cost of $100,000, will enlarge tinplate factory, increasing capacity about 60 per cent; erect steel building, 80 by 100 feet; install additional 25-ton open-hearth furnace with 40-ton overhead traveling crane, and 3-ton charging machine in connection; also install 30-kilowatt generator connected to 500-horsepower generator connected to 500-horsepower engine in power house, and locomotive to handle all open-hearth material from stockyards to furnace.

Cincinnati, Ohio: The Dalton Adding Machine Co.'s factory at Poplar Bluffs, Mo. * * * The company increased its capital stock from $1,500,000 to $2,750,000 at Columbus Monday as a preliminary to its location here, as its salary roll and output will be more than doubled. The company now employs 600 men in its Poplar Bluffs factory. There will be more than 1,200 employed here.

On July 2 the enormous increase in the manufacturing activity of the country compelled the News to set forth a few of the prosperous concerns scattered throughout the land which are now engaged or preparing to engage in extending the manufacturing power and thrift of the Nation:

[From the Manufacturers' News, July 2, 1914.]

NEW FACTORY BUILDINGS.

Elvira, Ohio: The Kleervue Film Co. will open a $30,000 picture plant here.

Sullivan, Ind.: Messrs. Gonter & Hoschstetler, of Center Point, Ind., will locate a canning factory in this city.

Canal Dover, Ohio: An additional mill, making six in all, is being installed at the plant of the Reeves Manufacturing Co.

Dallas, Tex.: The Egan Milling Co. will erect a $50,000 plant for mixed feed, the largest of its kind in this country.

Lemont, Ill.: Contracts have been awarded by the Aluminum Products Co. for the enlargement of their plant No. 2, located here.

New Orleans, La.: The Philadelphia Quartz Co., manufacturers of silicate of soda, will build a factory building, at a cost of $250,000.

New Orleans, La.: Inquiries were received last week by a local real estate man for a site for a large power-boat plant in this city.

Keokuk, Iowa: The Keokuk Wire Products Co. is the name of the new factory secured for Keokuk by the industrial association.

Fort Worth, Tex.: Fort Worth will have added to its industries a plant for the manufacture of puncture-proof inner tubes for automobile tires.

Portland, Oreg.: Two lots in block 1 of Southport addition have been sold by L. G. Wiedewitsch to the North Star Iron Works for $4,000 for a factory.

Saginaw, Mich.: Extension of the Federal Rubber Manufacturing Co.'s factories at Cudahy, Wis., just outside of Milwaukee, was resumed last week.

Albuquerque, N. Mex.: The Santa Fe Magazine, received here yesterday, brought the news that the Atchison, Topeka & Santa Fe Railway Co. has appropriated $100,000 for the new roundhouse.

Washington, Mo.: The International Shoe Co., of this city, has submitted a proposition to the Commercial Club to build a large two-story addition to their factory at this place.

Detroit, Mich.: The Ford Motor Co. will double its plant before fall, making it by far the largest manufacturing plant of any kind in the country. Seven new buildings and a power house will be erected, the total cost being about $5,000,000.

Shelbyville, Ind.: Shelbyville is to have a $12,000 enterprise. The Mirror Screen Co., manufacturing the Rembush patented mirror screen for motion-picture theaters, is making arrangements to produce its entire output in Shelbyville.

San Antonio, Tex.: Greenville, Tex., capitalists, owners of the Texas Refining Co., have purchased something more than 2 acres of land at the intersection of Frank and Dignowity Streets, and will erect a large cottonseed-oil mill, at a cost of about $125,000.

Salt Lake City: Plans for the big tin-can factory to be constructed at Ogden for the American Can Co. have been received in Salt Lake City. The work of construction will be pushed to completion as rapidly as possible, in order that the new plant may be in operation by next winter.

Grand Junction, Colo.: Stockholders of the Western Slope Fruit Growers' Association, at Palisade, have voted to install a mutual canning factory for handling small and overripe peaches, at Palisade, next August. The peaches will be canned in gallon jars and sold for pies. Work on the factory will start at once.

Findlay, Ohio: Work is under way on the three-story addition to the American Mask Manufacturing Co.'s plant on West Main Cross Street. The addition will be a duplicate of the present factory and will adjoin it on the rear, where a little frame building formerly stood. The addition will cost $25,000.

San Antonio, Tex.: San Antonio is to have another large factory in the near future. The Brown Cracker & Candy Co. will erect a large manufacturing plant. Property has been purchased, and the erection of the building will be started within the next few weeks. The new plant will supply all of south Texas and will employ 250 people.

Birmingham, Ala.: The first contract in the $1,500,000 construction by the Southern Railway shop and yards, to be called the Finley Shop and Yards, was given yesterday to the Consolidated Engineering Co., of New York.

De Queen, Ark.: A modern pine sawmill is to be started in this locality by the Dierks family and other interests. There are thousands of acres of virgin pine in this neighborhood.

Roanoke, Va.: The R. J. Reynolds Tobacco Co. has had prepared plans for another handsome new steel and concrete fireproof building to be erected at the corner of Second and Depot Streets.

Indianapolis, Ind.: Frank M. Talbott, president of the Indianapolis Basket Co., has purchased a factory site in Willard and Henry Streets. He will in the near future erect a two-story factory building.

Moline, Ill.: Manufacture of licorice will be started next week in the new plant of the National Licorice Co., recently completed on Fourth Avenue between Twenty-third and Twenty-fourth Streets.

Ogden, Utah: Joseph Geoghegan, representing the American Can Co., of New York, has received the plans and specifications for the can factory which will be erected on Lincoln Avenue during the summer.

Gainesville, Tex.: Work has just started on another large electric power plant in Gainesville which will cost when completed about $50,000. The new plant is being erected by the Texas Power & Light Co.

San Antonio, Tex.: San Antonio is to have another large factory in the near future. The Brown Cracker & Candy Co. is to erect a large manufacturing plant on the corner of Medina and El Paso Streets.

Jackson, Mich.: The Fenn Manufacturing Co., of this city, have purchased the Charlotte Manufacturing Co., 3 acres of land north of the Grand Trunk passenger depot, where a new factory building will be erected.

Whitesburg, Ky.: The McGlone Bros. Lumber Co., with headquarters at Morehead, Ky., are making preparations for the installation of some large lumber mills at a point near Roxana, on the Lexington & Eastern Railroad.

Evansville, Ind.: An addition to the Kelsay hame factory is being built in the rear of the part that is now used for the woodworking department. The new building will be two stores high, 75 by 128 feet, of red brick, with cement flooring.

From July 9, in the last issue of the said Manufacturers' News, I take pleasure in furnishing the House a partial list of the new business enterprises of the country.

[From the Manufacturers' News, July 9, 1914.]

NEW FACTORY BUILDINGS.

Birmingham, Ala.: The Southern Railway Co. will build a $75,000 roundhouse here.

Grand Rapids, Mich.: The Fritz Manufacturing Co. is planning an enlargement of its plant.

Lockesburg, Ark.: The Dierks Lumber & Coal Co. will, at an early date, rebuild its big mill.

Jackson, Mich.: It is planned to greatly increase the capacity of the plant of the Miller Block Machine Co.

Waukegan, Ill.: Plans for the erection of a large envelope factory have been prepared. A $100,000 building will be erected.

Nashville, Tenn.: Marbury Oil Mill Co., Marbury, Ala., was incorporated with capital stock of $25,000 to build cotton-oil mill.

Cincinnati, Ohio: The A. Jergens Co. secured a permit to erect a four-story addition to its factory on Alfred Street at a cost of $43,000.

Norfolk, Ohio: A proposition to issue $120,000 of bonds to erect a municipal electric lighting plant in this city was carried at a special election.

Pittsburgh: Julian Kennedy has been awarded the contract for the construction of the new $1,000,000 plant of the Youngstown Iron & Steel Co. at Youngstown, Ohio.

St. Joseph, Mo.: The Varner Furniture Co. on July 1 will occupy its new plant on the west side of Fourth Street. The new building was erected at a cost of $30,000.

Butte, Mont.: Galveston dispatch says construction of steel plant at Texas City by Southwestern Steel Development Co.; capital, $30,000,000, is now assured, as financial arrangements have been made in Europe, principally in Belgium.

Tampa, Fla.: Building Inspector Paul Gasser has issued to the Stone & Webster Engineering Co. a permit to build an addition to the Tampa Electric Co.'s plant at Grand Central Avenue and Parker Street, which is to cost $82,500.

Nashville, Tenn.: Industrial Power Co., Hot Springs, N. C., organized, with a capital stock of $100,000, to build hydroelectric plant, developing horsepower of 2,000 on French Broad River near Hot Springs.

Columbus, Ohio: The Columbus Die, Tool & Machine Co. will erect a new factory building at the corner of Fourth and Cleveland Avenues, to cost in the neighborhood of $25,000. The company is now located at Cleveland and Mount Vernon Avenues.

Milwaukee, Wis.: Plans have been submitted by the Milamp Realty Co. for a three-story building of reinforced concrete on the east side of Fourth, between Chestnut and Poplar. The building will cost about $55,000. Schnetzky & Don are the architects.

Los Angeles, Cal.: Apropos to the industrial development of southern California comes the report that the Southern Pacific Railroad is contemplating the carrying out of a plan of E. H. Harriman for the erection, near San Pedro, of a $10,000,000 steel mill for the manufacture of steel rails and structural steel.

Milwaukee, Wis.: The new building of the Wisconsin Machinery & Manufacturing Co. is the latest type of factory architecture. It is a steel and concrete structure, with a wide window area and sawtooth roof. The floor space is 20,000 square feet. The new factory increases the company's capacity about fivefold.

Elgin, Ill.: Announcement is made by President Leath, of the Commercial Club, that the Cracraft, Leich Electric Co. of Genoa is under written agreement to begin the erection of a $35,000 factory building in Elgin, providing the $15,000 subscribed by Elgin men to bring the factory to this city is paid up within 25 days.

Augusta, Ga.: Industrial Power Co., Hot Springs, N. C., organized with capital stock of $100,000, to build hydroelectric plant developing 2,000 horsepower on French Broad River, near Hot Springs. Atlantic Coast Line Railroad will build shops, roundhouse, turntable, planing mill, etc., at Florence, S. C., to cost $110,000. Southern Railway will build roundhouse at Birmingham, Ala., to cost $75,000.

Youngstown, Ohio: Work has been started on the plant of the Newby Process Insulator Co. The new company has taken over the Newby Manufacturing Co. and increased the capital stock from $10,000 to $500,000, $350,000 of which will be preferred stock and $150,000 common. The plant will employ about 250 people. Porcelain insulators and other porcelain products will be made by the new firm.

St. Louis: A building permit has been issued to the St. Louis Screw Co. for a one-story open shelter for the proposed new plant at 6808 Prescott Avenue. The cost will be $41,000. This is the second permit that has been issued to the company, which has just begun to improve a tract of 8 acres with a large iron-working plant, to which the company will move when the plant is completed. Several other buildings will be erected on the tract.

San Antonio, Tex.: Announcement was made last week that Greenville capitalists, owners of the Texas Refining Co., had purchased something more than 2 acres of land at the intersection of Frank and Dignowity Streets, and would erect a large cottonseed oil mill at a cost of about $125,000.

Indianapolis, Ind.: W. R. Hughes, of Pittsburgh, arrived in Indianapolis to-day to superintend the engineering work in the construction of the buildings of the new plant of the Federal Foundry Co., which is being built at Harris Avenue and Victoria Street. The plant is a new manufacturing concern in Indianapolis, and probably will employ from 200 to 300 men.

New Orleans: A million-dollar company to manufacture automobiles in New Orleans has been launched by local promoters.

I have given only a small percentage of the great and growing enterprises and manufacturing concerns which are every week being established throughout the United States; and although much abbreviated, the list is laboriously extended; but the business uplift and the prosperous outlook for the American people are so extensive and so enormous that I think it worth while to present the cold and indisputable facts, so that none who may have been inoculated by the calamity virus may escape.

This evidence might be multiplied many, many times, but I do not seek to convince any against their will; neither do I desire to preach facts to those who will not or can not understand.

The greatest field for the gambler is the stock market. This includes all kinds of stock, especially railroad and industrial stocks. There is no reason why a share of a railroad stock or a share of the stock in some great manufacturing concern should run up and down the scale of prices, frequently changing in value 50 per cent in the course of a week or month. If farm lands that are worth $60 per acre should increase within 30 days to $100 per acre and within the next 30 or 60 days go back to their original price the people of the country would be frightened at the wild speculative fever abroad in the land. Yet that is what has been occurring to stocks under the old standpat Republican régime.

Stocks have been pretty steady during the last year, and in a little while longer will be more settled.

I will quote the market price of some of the best-known industrial and railroad stocks.

	July 17, 1913.	July 17, 1914.
American Telephone & Telegraph	127¼	119
Bethlehem Steel Co	29½	40½
Republic Iron & Steel Co	19½	21⅝
United States Steel Co	53⅞	60½
Westinghouse Electric	59½	77⅞
American Locomotive	29½	29½
United States Rubber Co	59½	56
Pennsylvania R. R	114¾	110½
New York Central R. R	97½	85
Southern Pacific R. R	92	90⅛
Northern Pacific R. R	107⅞	109
Chesapeake & Ohio R. R	53½	46½
Great Northern R. R	124	122½
Union Pacific R. R	83	82½

Thus it will be seen that railroad stocks for more than one year have not held their own, and there is a reason for this which is largely due to their overcapitalization, but industrial stocks, although in many instances overcapitalized, have usually shown a healthy growth.

If there is any depression or improvement due to legislation, it must and will be charged to the change in tariff rates. No other legislation has taken on a partisan character, although the Democrats are, of course, chargeable with the conduct of the administration.

I believe to-day the country is enjoying a degree of substantial and reliable prosperity such as we have never known. Everybody is tired of a condition that lets speculation run rampant and lays our body politic and industrial life open to the ravages of gamblers and public plunderers.

I do not believe that a band of high financiers can be gotten together within the United States who would attempt to defraud and plunder innocent stockholders out of a quarter of a billion of dollars, as it is shown by the report of the Interstate Commerce Commission was done in the case of the New York, New Haven & Hartford Railroad Co.

It can truly be charged that mistakes have been made in the matter of corrective legislation during the past year and a half. A square deal can not be given instantly and all wrongs can not be righted at once, any more than a sick body can be cured instantly.

An honest effort has been made to encourage all of the people in an effort to create national wealth with a hope that the same will be equitably distributed. No wealth has been or will be destroyed, but it will be more justly distributed.

To accomplish the distribution of the Nation's wealth in proportion to deserts has been the ambition, the aim, and effort of this administration.

The Advancing Tide of Business.

EXTENSION OF REMARKS

OF

HON. ALFRED G. ALLEN,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 18, 1914.

Mr. ALLEN. Mr. Speaker, under unanimous consent granted to me to extend my remarks in the RECORD I include an article from the Cincinnati Enquirer of July 15, 1914.

The article is as follows:

THE ADVANCING TIDE OF BUSINESS.

The building permits issued in the city of New York for the month of June, 1914, represented values of 25 per cent greater than those issued during June, 1913.

It is stated that sales of bonds in the United States since January 1 are greater by 18 per cent than they were in the same period of last year.

The increasing pay rolls in the Pittsburgh industrial district are evidence of better business that can not be controverted by the most obstinate of the pessimists.

The record-breaking harvest of wheat and the large and pressing foreign demand for it is a stimulus to business that will be felt in every hamlet, every village, every town, every city, every State in the Union.

The cargoes of the productions of our soil which will go to foreign countries during the next 12 months will furnish immense traffic to the various transportation lines of the United States, as well as bring to our agriculturists great sums of ready cash.

It does not take long for the intelligent American citizens to grasp and understand the psychological effect upon business throughout the Union of great crops to be sold at good prices, and that condition seems to be the fortunate one in which our country finds itself to-day.

The farmers and the planters now seem certain of large cash returns from the products of their lands, and the manufacturers and the merchants of the Union have an ideal season of profitable trade before them if the estimates of the harvests are realized.

The Enquirer has for months called attention to the small stocks of materials in the hands of manufacturers and of merchandise in the shops and stores of the merchant, wholesale and retail, and the pressing demand that will come upon both merchant and manufacturer when the retail purchasing becomes active this summer and autumn.

That well-known authority in merchandising, Marshall Field & Co., in their last week's review of trade, called attention to this existing condition of extremely low stocks on hand, and emphasized this point as to the call that would come upon the merchants and the manufacturers under the active trade that is now appearing.

With each passing week the advancing tide of business will be marked by reemployment of workers by the railways, the mines, the mills, and the factories; will be noted by the growth in value of our exports, the increase in the traffic of the transportation lines, and the greater call upon the merchants for the articles they have for sale.

Judicial Proceedings in the United States Courts.

EXTENSION OF REMARKS
OF
HON. H. GARLAND DUPRÉ,
OF LOUISIANA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 20, 1914.

Mr. DUPRÉ. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of this bill by incorporating in the RECORD a report which I made from the Committee on the Judiciary, which report was prepared by Mr. Everett P. Wheeler, of New York.

The SPEAKER. The gentleman from Louisiana asks unanimous consent to extend his remarks on the bill H. R. 4545. Is there objection? [After a pause.] The Chair hears none.

The report is as follows:

[House Report No. 162, part 2, Sixty-third Congress, second session.]

JUDICIAL PROCEEDINGS IN THE UNITED STATES COURTS.

Mr. DUPRÉ, from the Committee on the Judiciary, submitted the following views, to accompany H. R. 4545:

The legislation proposed by this bill (H. R. 4545), hereinafter reproduced in full, has been urged for some time by the American Bar Association. A committee of that body, headed by Mr. Everett P. Wheeler, the well-known attorney and publicist of New York, and including former Representative Paul Howland, of Ohio, appeared before the Judiciary Committee specially in support thereof. Former Representative John W. Davis, Solicitor General of the United States, by direction of the Attorney General, joined this committee in indorsing the measure.

The Judiciary Committee thereafter ordered the bill favorably reported. The report, however (No. 162), merely recommended that the bill do pass. It did not explain the measure. Being in full sympathy with the bill and desiring that the membership of the House should have at hand, when it is reached, some explanation of its objects and purposes, I requested Mr. Everett P. Wheeler to prepare a brief analysis of the bill. This he has done in a lucid and convincing manner, and adopting his views as my own, I herewith submit them:

The object of the first section of this bill is to enable the district courts of the United States to correct a mistake made by the plaintiff in describing his suit as a suit at law when his remedy should have been in equity, or in describing his suit as a suit in equity when his remedy should have been at law, without the necessity of bringing a new action. The practice thus proposed exists in most of the States in which there is no separate court of chancery. In the so-called code States the provision which was adopted by the New York Code of Procedure in 1848 has been adopted, namely, that the distinguishing forms of actions at law and suits in equity have been abolished. It is not proposed in any way to abolish the essential distinction between remedies at law and in equity, but to obviate the necessity of dismissing one suit and beginning another. This seems all the more reasonable, because in the Federal courts the same judge presides over trials at law and hearings in equity. There is the same clerk's office, and in most cases the same clerk.

The proposed act does not in any way interfere with the right of trial by jury. If the action is brought in equity and transferred to the law docket, the issues will be triable by jury as before. The practice thus proposed has already been in part adopted by the Supreme Court by equity rule 22 of 1912:

> If at any time it appear that a suit commenced in equity should have been brought as an action on the law side of the court, it shall be forthwith transferred to the law side and be there proceeded with, with only such alteration in the pleadings as shall be essential.

If the court had power to deal with proceedings at law to the same extent which it has to deal with proceedings in equity, it would undoubtedly have adopted a similar rule with reference to suits begun on the law side of the court, but this power has not been conferred upon it, and therefore the proposed act still is necessary.

The object of the second section is similar. It authorizes the defendant to interpose equitable defenses by answer or plea without the necessity of filing a bill on the equity side of the court. This enables the court in the one suit to deal with the whole controversy and obviates the expense and delay caused by a separate suit. As, for example, if the action were brought on a contract, the defendant could by answer allege that there was a mistake in reducing to writing the actual terms of the agreement and that on this ground he was entitled to have the contract corrected so as to conform to the real agreement of the parties.

The details of the procedure are left by the bill to be regulated by rule of court.

This proposed legislation is in strict harmony with the provisions of the new equity rule of the Supreme Court—rule 30—that abolishes the old practice of a cross bill and requires the defendant in equity suits to set up by answer "in short and simple form any counterclaim arising out of the transaction which is the subject matter of the suit," or any "counterclaim against the plaintiff which might be the subject of an independent suit in equity against him." Here again the bill proposes to extend to the court in actions at law the same power which it now has in actions in equity.

The third section of the bill was drawn to meet a difficulty which sometimes arises in practice and has caused grievous injustice. The plaintiff brings his suit and fails to allege in his pleading all the necessary jurisdictional facts. It has been held that it is necessary that the jurisdiction of the court should appear on the face of the pleadings, and actions have been dismissed after testimony has been taken and hearing has been had because of the failure to insert the proper allegations of citizenship. Indeed, there are instances in which the defendant has not made the objection until after judgment, and has then sued out a writ of error and succeeded in reversing the judgment, solely because of the failure of the pleading filed by the plaintiff to make the proper allegations of citizenship.

This bill is in strict analogy to section 921 of the Revised Statutes, which provides:

> That when causes of a like nature or relative to the same question are pending before a court of the United States or of any Territory, the court may make such orders and rules concerning proceedings therein as may be conformable to the usages of courts for avoiding unnecessary costs or delay in the administration of justice, and may consolidate said causes when it appears reasonable to do so.

The object of the bill is identical with that of the statute—to avoid unnecessary cost or delays in the administration of justice.

[H. R. 4545, Sixty-third Congress, first session.]

A bill to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

Be it enacted, etc., That the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, be, and the same is hereby, amended by inserting after section 274 thereof three new sections, to be numbered, respectively, 274a, 274b, and 274c, reading as follows:

"SEC. 274a. That in case any of said courts shall find that a suit at law should have been brought in equity or a suit in equity should have been brought at law, the court shall order any amendments to the pleadings which may be necessary to conform them to the proper practice. Any party to the suit shall have the right, at any stage of the cause, to amend his pleadings so as to obviate the objection that his suit was not brought on the right side of the court. The cause shall proceed and be determined upon such amended pleadings. All testimony taken before such amendment shall stand as testimony in the cause with like effect as if the pleadings had been originally in the amended form.

"SEC. 274b. That in all actions at law equitable defenses may be interposed by answer, plea, or replication without the necessity of filing a bill on the equity side of the court. The defendant shall have the same rights in such case as if he had filed a bill embodying the defense of seeking the relief prayed for in such answer or plea. Equi-

table relief respecting the subject matter of the suit may thus be obtained by answer or plea. In case affirmative relief is prayed in such answer or plea, the plaintiff shall file a replication. Review of the judgment or decree entered in such case shall be regulated by rule of court. Whether such review be sought by writ of error or by appeal, the appellate court shall have full power to render such judgment upon the records as law and justice shall require.

"SEC. 274c. That where, in any suit brought in or removed from any State court to any district court of the United States, the jurisdiction of the district court is based upon the diverse citizenship of the parties, and such diverse citizenship in fact existed at the time the suit was brought or removed, though defectively alleged, either party may amend at any stage of the proceedings and in the appellate court upon such terms as the court may impose, so as to show on the record such diverse citizenship and jurisdiction, and thereupon such suit shall be proceeded with the same as though the diverse citizenship had been fully and correctly pleaded at the inception of the suit, or, if it be a removed case, in the petition for removal."

Ex-United States Minister to Colombia James T. Du Bois on Colombia's Claims and Rights.

EXTENSION OF REMARKS

OF

HON. H. ROBERT FOWLER,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, July 24, 1914.

Mr. FOWLER. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I insert the following article by ex-United States Minister to Colombia James T. Du Bois:

EX-UNITED STATES MINISTER TO COLOMBIA JAMES T. DU BOIS ON COLOMBIA'S CLAIMS AND RIGHTS.

HALLSTEAD, PA., *July 1, 1914.*

I was in the Department of State in 1903 when the press announced that the mailed hand of the United States had stopped Colombian soldiers from suppressing a revolution on the Isthmus of Panama. Amazed at this enterprise, I said to those present: "*This, if true, is a shocking injustice to Colombia, and the United States must pay dearly for it in the end.*"

Three years ago, when I was asked to go to Bogota as minister, I frankly stated my sincere sympathies for Colombia, and was informed that friendly relations with that country were desired by the United States, and that my sympathies were no bar to my mission.

An impartial investigation at Bogota, running over a period of two years, confirmed my sympathies, and convinced me that instead of "blackmailers" and "bandits" the public men of Colombia compare well with the public men of other countries in intelligence and respectability, while the social life is as refined and cultured as can be found in any capital in the world. Bogota is called the "Athens of South America."

Impressed by the humiliation and sufferings that had befallen Colombia by the act of 1903, *I have worked unselfishly for the true interests of the United States in Latin America by trying to secure a settlement of our unfortunate differences on a broad and just basis, and the new treaty will accomplish the result. I deeply regret the antagonism to it displayed in certain quarters, and I deplore Col. Roosevelt's bitter and misleading attack embodied in his recent public statement.*

DIRECT BENEFICIARIES FOMENTED THE REVOLUTION.

He says: "The people of Panama were a unit in demanding the revolution." I say, and can prove it, that *a handful of men, who were to be the direct beneficiaries of the revolution, conceived it,* and not the hundredth part of the inhabitants of the Isthmus knew of the revolt until *an American officer, in the uniform of the United States Army, raised the flag of the new Republic.*

"We never fired a shot at any Colombian," says Col. Roosevelt. True, but *the execution of the orders of President Roosevelt to the American warship was an act of war,* and if the Colombian soldiers had attempted to suppress the conspiracy they would have been captured or driven into the sea or killed, because that is the way our brave marines have of doing things when they are let "loose."

Again he says his "attitude was absolutely in accordance with the principles of the highest international morality." Col. Roosevelt's useful life challenges the admiration of men, but he is not infallible. *If armed interference that prevents a friendly nation from maintaining sovereignty over her most valuable Province, which we had pledged our national honor by solemn treaty obligations to maintain, is the "highest international morality," the lowest must be amazing,* and 99 per cent of the people who know the facts will support this view.

ALLUSIONS TO FRANCE MERELY GUESSES.

"France would have seized the Isthmus" and "the canal would never have been dug if I had not acted as I did," says Mr. Roosevelt. Nothing of record proves either statement; both are guesses, and both are simply multiplying suppositions by imagination. It is a matter of record that Colombia never seriously intended to seize the French company's property, and everybody knows that Colombia wanted the canal dug and wanted the United States to dig it, and had urged it for 50 years.

Col. Roosevelt unfortunately feels that the new treaty discredits his administration in an act which he considers the most important of his life.

No self-respecting man will tolerate for a moment the thought that a single act of Col. Roosevelt's useful life was inspired by tainted motives, but no man is always right. In the Panama incident, while doing what he believed to be a great thing for mankind and in accordance with the principles of the highest international morality, he did a bad thing for Colombia. He put himself in the position of the dentist apprentice who pulled the wrong tooth—he can not put it back and he does not want his employers to realize his mistake.

Col. Roosevelt says that Acting President Marroquin was an "absolute and uncontrolled dictator." He was a helpless and hapless old man placed in the midst of a great national unrest and disorder at the close of the most disastrous civil war in the history of Colombia. He was not in accord with the Congress, and the Congress was alive with discord, and 5,000,000 of innocent and hapless people saw the true interests of their country destroyed by the selfish disputes of less than 100 men. If Theodore Roosevelt had realized the true situation in Bogota at that hour he would have reenforced his patience with sympathy for that hapless people who had been for 100 years our best friends south of the Rio Grande. But he was badly informed, and cabled to Bogota, "The treaty must not be modified or amended" (a right belonging to every nation), and then, placing the last straw on the back of Colombia pride, cabled again, "*Ratify the treaty or you will regret it.*" The Colombian Congress, amazed and indignant, adjourned without considering the treaty. Within a short time the United States was urged by Colombia to reopen negotiations, but Col. Roosevelt concluded that "it was after the fair" and immediately "took Panama," commenced digging the canal, and let Congress debate the incident at leisure. He now opposes the new treaty on the grounds that it discredits his act, and he calls it a blackmailing agreement.

MINISTER DU BOIS'S NEGOTIATIONS.

Let us see if this is true.

In my instructions, prepared by the Taft administration, the most scrupulous care was exercised not to impugn the motives of President Roosevelt in "taking" Panama. Those instructions refused to give Colombia something for nothing, as that would acknowledge that he had done wrong, so I was instructed to give Colombia $10,000,000 for the perpetual lease (amounting to a sale) of two islands, whose future value to the United States would have been inestimable, and, in addition, I was requested to secure an unlimited option to build a canal through the old Atrato route when the commerce of the world demanded it. The instructions were drawn with so much regard for Col. Roosevelt's feelings that I orally informed the department that I might as well try to fly to heaven in a battleship as to go to Bogota with those instructions and expect to succeed; and so it was. When, in a preliminary and informal conversation with President Restrepo, I suggested the Atrato concession and the perpetual lease of the islands, he said very firmly, in effect: "President Roosevelt took Panama, our richest asset, and now you are sent here to take our islands, and the only canal route we have left. Is there anything else that the northern Colossus would like to separate us from?"

Col. Roosevelt also feels that the Wilson administration has intended to discredit his "taking" of Panama. This grave difference with Colombia must be settled some time. *Owing to the tender regard for ex-President Roosevelt contained in my instructions, I failed. The Wilson administration has taken a broader and more correct view of the entire question, and has presented to the American people a treaty that ought to be heartily approved, because it is just to Colombia and will remove forever an intolerable situation.* Let us see what the treaty really means.

"CHIVALROUS EXPRESSION OF REGRET."

Article 1 contains a simple expression of regret that anything has disturbed the friendship that existed between the two

nations for a century. *While negotiating for a treaty I made the Colombian authorities understand that under no circumstances would the United States apologize to any nation for a political act—that was our unwritten law that never had been and never would be broken. In purely informal conversations and in my unofficial memorandum I suggested that a chivalrous expression of regret that our friendship had in any way been marred, such as any real gentleman would freely grant to another, might later be embodied in the treaty as a balm for the wounded feelings of a once friendly nation which had been humiliated before the world, whose credit had been destroyed in foreign countries, whose borrowing ability had been annihilated, and whose persistent appeals for arbitration had been ignored. The United States in negotiating the treaty and Colombia in ratifying it distinctly understood that no apology was embodied in article 1 and nowhere else in the agreement.*

The opposition to this feature, on the ground that it is an apology, is not just and is not in the true interests of the United States. It is an unreasonable interpretation of a chivalrous act toward a weaker nation which is in deep distress because of an incident in which we were intimately associated, a chivalrous act which is in strict accord with the principles of the highest international morality. If the Anglo-Saxons are to live in harmony with the Latins on this continent they must treat them with absolute justice, just as we shall exact justice from them.

Article 2 is essentially the same as the one President Roosevelt approved in the Root-Cortes treaty of 1909, and the fourth article is also similar to an article of the same treaty. Thus these two articles are perhaps beyond the criticism of Col. Roosevelt, as he approved both five years ago.

WHY COLOMBIA IS ENTITLED TO $25,000,000.

As the third article is the most important feature of the treaty I consider it last. This article has been placed in the "blackmailers' club" by Col. Roosevelt with some harshness. He says that we might as well give Colombia 40 millions as 25 millions, because she is not entitled to a cent. Is he right?

Under the contract of 1867 Colombia ceded the Trans-Isthmian Railroad Co. to the Panama Railroad Co. for a period of 99 years, and for this Colombia was to receive $250,000 annually during the life of the contract. *At the time of the separation of Panama there were remaining 64 annuities unpaid, amounting to $16,000,000.* The concession also insured to Colombia reversionary rights in the Panama Railroad at the expiration of the contract in 1967.

The physical value of the railroad shortly after the revolt was placed at $16,446,000. In addition Colombia claims that she is entitled to several millions of dollars for that part of her national debt incurred in the interests of Panama before the revolution, a claim which was recognized in the treaty of 1909, made under the Roosevelt administration. Altogether these claims total about $36,000,000. But ex-President Roosevelt insists that all of the civil rights, titles, and pecuniary interests of Colombia passed to Panama at the moment of actual separation, and therefore the third article of the treaty is a direct attempt to blackmail the United States. *The truth is the ownership and these rights were virtually recognized by the Roosevelt administration itself.* Colombia, by an agreement concluded in 1880, contracted a debt of $3,000,000 with the railway company, amortizable in 29 years by the company's $250,000 annual payments. The amortization actually proceeded and the debt would have been liquidated in 1909. After that date the company would have had to resume the payments of the $250,000 annuities until 1967, when, under the terms of the contract, the railroad, with all of its appurtenances, would have become the absolute property of the Republic of Colombia.

COLOMBIA'S RIGHT OF OWNERSHIP RECOGNIZED.

To prove that our Government virtually recognized the inalienable civil rights of Colombia to the royalities, and incidentally to the reversionary rights, it may be stated that the amortization could not have been terminated until 1909. But as the United States prevented by physical force the suppression of the insurrection on the Isthmus by Colombia six years before the debt could be entirely paid, and never attempted to exact the six missing installments of the amortization, they recognized Colombia's right of ownership. Therefore to deny the legitimate material claims of Colombia would not be in accordance with the principles of even common commercial integrity.

Under my instructions to settle our unfortunate differences with Colombia I was authorized to consider the possible arbitration of the justiciable claims of that country to reversionary rights in the Panama Railroad, the arbitral court to be limited in its scope of inquiry. It is generally believed that such a court would have given a verdict in favor of Colombian claims. I do not believe there is any doubt of it.

In the spirit of justice, therefore, the United States, now in undisputed possession of the Panama Railroad, should compensate Colombia for the annuities which she is entitled to receive, and also for the reversionary interests in the railroad. To say that these lawful interests passed to Panama at the separation is as unjust as it would be to say that we have discharged our obligations to one man by paying what he was lawfully entitled to into the hands of another man.

A MATTER OF SIMPLE JUSTICE.

These and other material claims of Colombia justify the indemnification article of the treaty, to say nothing of the tremendous territorial loss and humiliation that Colombia has sustained.

The time is not distant when Latin America will have a hundred million of people inspired by new conditions of national and commercial life. Those now living feel that the Panama incident is the only real injustice committed by the United States against the Latin-American people. *The treaty will correct that feeling and greatly change the sentiment that is now running heavily against us in all South America, and place this country and Colombia upon that friendly footing so greatly desired by the people of both nations.*

If any person believes it is pleasant for me to oppose a great leader whose fortunes I devotedly followed for 10 years, and for whom I have profound esteem, he is radically mistaken. I am a Republican and have been all my life, and I have been urged not to make this statement public, because a successful issue of the treaty will help the Wilson administration.

I do not care to live to greet that day where my love of party smothers my love of justice and halts my courage in doing what I believe is right for the true interests of my country.

JAMES T. DU BOIS.

Income Tax.

EXTENSION OF REMARKS

OF

HON. LOUIS C. CRAMTON,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 20, 1914.

Mr. CRAMTON. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include a letter by Claude P. Spriggs.

The letter is as follows:

HUGO, OKLA., *July 17, 1914.*

Hon. LOUIS C. CRAMTON, M. C.,
Washington, D. C.

HONORABLE SIR: I trust that you will pardon my presumption in writing you this letter, but having read your speech, delivered in the House there, on the administration of the income-tax law, on June 27, I desire to say to you that you are eminently correct in the position taken and a great injustice is being done by the collection of this penalty. In our State there is something like 1,000 small domestic corporations who are liable for this penalty. These corporations are non-revenue producers, and there is not one dime of profit made by them for the past 12 months and not 1 cent of dividends has been paid to their stockholders. One case in particular is that of the Hugo Building and Loan Association, a mutual organization here for the benefit of its members. It has been almost insolvent and is only holding its charter until such a time as a reorganization can be effected; in fact, the State building and loan auditor came here and took charge of its affairs, but by eliminating certain expenses and agreeing to liquidate he permitted it to continue business in so far as same extended to liquidation of its affairs.

This corporation has not made one dime of profit, as the report filed the 1st of March will show, yet the revenue collector is insisting on the payment of $50.

I could give you names after names in Oklahoma where these small corporations have been called upon to pay this penalty for failure to make return, and the records will disclose the facts already stated in this letter, that not one dime of revenue has been derived from the corporations affected; neither have they paid any dividend whatever. In behalf of the corporations of this State I desire to express to you their thanks for the position you have taken and assure you that any relief secured will be appreciated by them, and if there is any additional information that you desire or any assistance that we in far-off Oklahoma could render you it would only be a pleasure for us to do so.

Thanking you for the position taken, and wishing you success in accomplishing the passage of your resolution, I am,

Very truly, yours,

CLAUDE P. SPRIGGS.

Interest and the Reclamation Projects.

EXTENSION OF REMARKS

OF

HON. ALBERT JOHNSON,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, July 22, 1914,

On the bill (S. 4628) extending the period of payment under reclamation projects, and for other purposes.

Mr. JOHNSON of Washington. Mr. Speaker, it is proposed in the amendment under consideration to require settlers on irrigation-project lands to pay 3 per cent interest on deferred payments due for the construction of the plants.

Mr. Speaker, 37 years ago—in 1877—Robert G. Ingersoll delivered a great address to the farmers of Illinois, in which he devoted a little time to the subject of interest. Illinois then was not so very far from the frontier, and his hearers could easily hark back to the time when they were reclaiming a wilderness.

Ingersoll found the Illinois farmers of 1877 in debt, paying not 6 per cent but a much higher rate, and his remarks will bear repeating now. He said:

> Get out of debt as soon as you possibly can. A mortgage casts a shadow on the sunniest field. There is no business under the sun that can pay 10 per cent. Interest eats night and day, and the more it eats the hungrier it grows. The farmer lying awake at night can, if he listens, hear it grow. If he owes nothing, he can hear his corn grow.

Then Ingersoll paid his particular respects to Old Ten Per Cent—told how it would eat up the farm; how it would starve the cattle; how it would send the children barefooted to school, and hungry to bed; how it would keep the wife pinched and wan; and how it would drive away both happiness and hope.

Mr. Chairman, those who heard Bob Ingersoll that day were reminded by him that it had not been such a great many years before, when in Illinois, they received 10 cents a bushel for corn; when they sold 4 bushels of potatoes for a quarter; 33 dozen eggs for a dollar; and a hundred pounds of pork for a dollar and a half. That was ended by the building of thousands and thousands of miles of railroads in Illinois. Farm lands became valuable. The sons and daughters of the Illinois pioneers, to whom Ingersoll gave his warning about interest, went West, where land was still free. They went to Kansas, to the Dakotas, and elsewhere, took up homesteads, and started as their fathers had started. And to stock and seed their farms and to build habitable homes and good barns, they did as their fathers had done—borrowed money and paid big interest—10, 12, and even 14 per cent. The best of the western lands were soon taken, and the rising generation pressed on still farther West—to Colorado, Oregon, Washington, Montana, Utah, Idaho, and to other States—where they found lots of good land and also lots of worthless, waterless, arid, alkali desert.

About this time two great movements were commenced by the Federal Government: First, it withdrew nearly all of the far western lands that were good; and, second, it started to reclaim with water a whole lot of them that were not considered worth much.

A great "back-to-the-land" movement was started. The papers were full of it. A President promoted it. Magazines put forth pictures and pipe dreams concerning reclamation. Government press agents were active; they went the limit, just as they are now doing along other lines.

Thousands went onto the irrigation projects only to find that all costs were double and even quadruple what Uncle Sam had promised. And now, when they are asking for an extension of time in which to pay for the cost of the great dams and reservoirs, they are met with a demand for interest. Already they are in the predicament that Bob Ingersoll found the farmers of Illinois 40 years ago. The people who are reclaiming these arid lands pay interest for the money they borrow to get their irrigated farms stocked, seeded, and habitable. A big, fat interest they pay, too; and, strangely enough, the cream of that interest flows right straight to the great cities—New York, Chicago, and Philadelphia—represented in Congress in part by the distinguished gentlemen who to-day have stood strongest for more interest to be paid by those who are reclaiming the desert. These gentlemen want 3 per cent to be paid. One wants 4 per cent, but would compromise at 3½ per cent.

One thing more. Strangely enough, Mr. Speaker, these and some other gentlemen from the great cities cried out, almost with one voice, last spring when the bill restricting the great stream of immigrants now pouring into this country was passing the House: "Let them come in. Let them come and drift to the millions of unpeopled acres in the far West."

Millions of acres, they declaimed. Millions! And most of the best of it locked up in forest reserves, many of them treeless, and a whole lot of the rest held under a great, miscalculated irrigation scheme, on which it is now proposed that settlers shall pay all of the costs of getting ready to irrigate, costs of the water itself, taxes, general interest, and 3 per cent to the United States, which urged them to settle there.

Outside the reclamation boundaries and outside the forest reserves there is not a great deal of public domain left, and it falls in two classes—one class so hard that you could not shoot a seed into it with a force pump, and the other kind comprised of sand with such shifting qualities that you could not anchor your seed to the ground with anything lighter than a horseshoe.

And still the immigration bill sleeps, while we talk of relieving the congested cities and while we hold out our arms to the oppressed of all the world. Let them come on. Put them on the irrigated lands to help pay for the dams that Uncle Sam built, at 3 per cent. Let them buy cows and live stock at 8 or 10 per cent. Let them pay taxes, at 5 or 6 per cent. It is even proposed to let them have 35 or 40 years in which to pay for money loaned to build the irrigation plant—35 or 40 years—at interest.

Ainsworth R. Spofford gave out a few facts about interest a few years ago. He said:

> One dollar loaned for 100 years, at 6 per cent, with the interest collected annually and added to the principal, will amount to $340.
> At 8 per cent it amounts to $2,203.
> At 10 per cent it is $13,809.
> At 12 per cent, $84,075.
> At 18 per cent, $15,145,007.

That is the way interest grows. Of course, 3 per cent does not cut any such gigantic figure, but it would be enough to either drive the irrigation farmers off of their farms or add very materially to the already high cost of living.

Reclamation Extension Bill.

EXTENSION OF REMARKS

OF

HON. WARREN WORTH BAILEY,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, July 22, 1914,

On the bill (S. 4628) extending the period of payment under reclamation projects, and for other purposes.

Mr. BAILEY. Mr. Speaker, all I desire to say on the bill under discussion is this, that it is, in effect, a subsidy measure, extending a privilege to a special class, and therefore indefensible on any solid Democratic ground.

Not long ago I stood on this floor to oppose the proposition to allow free passage to coastwise shipping through the Panama Canal. I denounced the toll-exemption scheme as a thinly disguised subsidy which no Democrat could justify himself in supporting. On precisely the same fundamental principle I denounce the pending proposition. It confers a subsidy on those this measure designs to benefit.

This whole reclamation project seems to me to be a departure from the settled policy of the Government. Never before has it been proposed to lend the credit of the Government to private enterprise in this fashion. Never before has a reclamation project been saddled as a burden on the whole people, instead of assessing the cost of it on those deriving the pecuniary benefit. The submerged or swamp lands of the West have been drained, not at the cost of the Government, not by loans from the Public Treasury, but by the efforts and the enterprise of the people immediately concerned.

We shall open the doors very wide indeed, Mr. Speaker, if we shall establish this precedent, for if we lend money without interest to entrymen on these reclamation projects, with what face shall we deny similar loans to landowners in Pennsylvania, Ohio, Indiana, Illinois, and Kansas? If we shall subsidize the one class of landowners, how shall we deny a like subsidy to landowners the country over?

Achievements of the Democratic Congress and President Wilson.

EXTENSION OF REMARKS

OF

HON. CYRUS CLINE,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, July 23, 1914.

Mr. CLINE. Mr. Speaker, what did the electorate of the United States mean when it sent Woodrow Wilson to the Presidency in 1912 and the Democratic Party to power in all branches of the Government service? The answer to that question is an easy one. It preferred the theory of government on great economic problems advocated by the Democratic Party to the theory of government on the same economic questions advocated and practiced by the Republican Party, that is all. It had tried the Republican Party in all branches of the Government for 14 years, knew what that party was committed to, and knew what it would do if intrusted with further power; knew under what influence it operated, and it refused to permit it to control the Government any longer. It is proper very briefly to inquire what the Republican Party has been guilty of that it should be so completely repudiated by the people, that it was able to count in the electoral college but 8 votes for its candidate for the Presidency, Mr. Taft, out of a possible 531. Four of those votes were cast by the tariff pap-sucking State of Vermont and the other 4 by the State of Utah, the only one in the Union where the public and private morals of a part of the people made it necessary to regulate them by Federal statute.

The two great dominant political parties in this country are the Democratic Party and the Republican Party. The only means by which governments can be maintained is through taxation. The taxing power is the absolute power of the Government. Out of the exercise of that power arises all the blessings or evils that come to the people. The attitude of the two parties is easily contrasted. The Democratic Party believes that the only constitutional power the Government possesses to levy taxes is to collect a sufficient amount to discharge the expenses of the Government incurred through an economical administration. The Republican Party believes the Government has the constitutional power, and ought to exercise it, to impose and collect taxes upon all the people for the benefit of a small class of the people. It believes in governmental paternalism. It has infiltrated that doctrine into the body politic for 50 years under the guise that such a system was a wise, equitable, and just fiscal policy. To put it in plainer terms, the Democratic Party believes that only such a rate of duty should be levied at the customhouses as shall create sufficient revenue to pay the expenses of the Government. The Republican Party believes that it is its duty when in power to lay a rate of taxation so high at the customhouses that such rate of duty will destroy all competition and corner the American market for the sole benefit of the American producers. It believes that such a statute, like the Payne-Aldrich-Smoot bill, is a just and equitable system of taxation, and that collecting money for the discharge of the necessary expenses of government is a mere incident to the right to tax the people.

In other words, it believes in creating favorites in taxation, and that the class of citizens who reap the benefits of legislative favors are entitled to the benefits to no greater extent than they can be relied upon to keep in power the party that created the favors. The Democratic Party has fought that malicious doctrine for years. We spend more than a thousand millions a year to maintain this Government. Somebody must pay the taxes that go to make up this immense amount. The Democratic Party is in favor of wiping out favoritism and levying the bulk of that tax equitably and fairly upon those best able to pay. The usual jabber about free trade by the man and party that wants to tax the people for special favors will always be heard. There is no free-trade party in this country and never will be. The customhouse is here to stay. The Democratic Party, neither in its platform nor anywhere else, ever advocated free trade. Absolute free trade is an impossibility, and no man knows it so well as the Republican who attempts to discredit the Democratic Party through misrepresentation and prejudice. But what reasons had the people for repudiating the Republican Party in 1912? What great issues were before the country for solution that all parties had spoken on in their platforms and on which the people had a right to have action by the party in power? There were three paramount issues—the tariff, the currency, and antitrust legislation. On every one of these issues the Republican Party has violated its pledge to the people.

TRUST MONOPOLIES.

A protective tariff is the chief tenet in the theory of civil government as advocated by the Republican Party. Its solution for economic problems lies in its belief in the power to tax and tax to the utmost. What is its so-called political principle on this subject? It is that certain classes of citizens engaged in business may be the recipients of special legislation that gives them advantage and not only enables them to destroy all competition, but compels every citizen where that competition is destroyed to purchase in a market wholly controlled by the special favorites of legislation. As the Apostle Paul once said, "It is known of all men" that during the 14 years the Republican Party remained in power its financial support came from these favorite classes. No Republican denies that immense combinations in restraint of trade grew and prospered under Republican rule. Every great line of industry was financed by great wealth moved upon a common plane in a single line with one single ultimate purpose, and under the command and generalship usually of one head, like that of the Steel Corporation under Gary, or the house of Morgan, that controlled the money and credit of the whole people of the Republic. And these combinations extended to coal, iron, water power, manufactures, and railroads. The chief purpose in every line of industry was to completely occupy the entire field of production, transportation, and distribution. These mighty combinations had one common ground on which they assembled in the commercial world, namely, that of controlling productions and fixing prices. To do this they interlocked their directorates so that the entire economic forces of society were involved in their power and shaped and fashioned at their will.

The failure and inability of the Republican Party to meet these problems that grew out of a protective tariff, to construct a comprehensive currency system, its failure to invade the field of special privilege with supplementary antitrust legislation, convinced the people that their only hope of preserving their liberties was to commit the country to the charge of the Democratic Party.

UNDERWOOD TARIFF LAW.

The platform of the Democratic Party in 1912 provided as a fundamental principle of the Democratic Party that the Federal Government under the Constitution had no right or power to impose and collect tariff duties except for the purposes of revenue, and we demanded that the collection of such taxes shall be limited to the necessities of the Government honestly and economically administered. The Democratic Congress elected in 1912 was called into extra session in April, 1913, and the Underwood bill became a law in August of that year. We sought to do two things by that bill: First, to destroy the legal refuge that sheltered the trusts and combinations that were exploiting the American market, and, second, to establish a fair competition in trade, beneficial alike to the producer and ultimate consumer. We are the greatest distributing Nation in the world. We are now and always must be a great export Nation.

If we do not exchange goods with the foreigners, we shall not be able to sell him our surplus agricultural products, steel, cotton, and woolen productions. We must take from them those things they have to sell that we do not make and sell them what they need for their comfort. We ought to give the commerce of this country its largest possible range of freedom from artificial restraint. The Underwood bill very largely increases the free list. During its consideration the tariff grabbers made the bitterest attack upon the agricultural items. They declared the wheat industry would be ruined by importation from Canada; Argentine beef and corn would destroy those American industries; Australian wool would undersell American wool and put the sheep growers out of business; free sugar would close the beet-sugar mills of the country. The bitter anguish exhibited by the stand-pat Republican, as he wept for the agriculture interests that the Democrats were about to ruin, has no parallel. What has been the effect of the Underwood bill on prices? At my request the Department of Commerce prepared a comparison of prices of 13 leading farm products for 10 years on the 1st day of March, beginning March 1, 1905.

FARM PRODUCE PRICES AT CHICAGO, ILL.

Quotations for first week in March for 10 years ending with 1914.

[Compiled by the United States Department of Labor and from the Chicago Inter-Ocean price current.]

Commodity.	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914
Wheat, No. 2, red	$1.16	$0.83½	$0.76	$1.00	$1.25	$1.25	$0.88¾	$1.02	$1.08	$0.97½
Corn, No. 3, mixed	.45	.39½	.43½	.57½	.64	.62½	.43¼	.65½	.50	.64½
Hay, timothy, first	12.00	11.00	17.00	15.50	12.00	18.00	17.00	21.00	14.00	15.50
Oats	.30½	.31½	.43	.52½	.53	.46	.30½	.34½	.34½	.40
Potatoes	.35	.48	.46	.73	.93	.40	.43	1.10	.48	.70
Hogs, best fat	5.12½	6.42½	7.00	4.70	6.55	9.90	7.20	6.52½	8.55	8.75
Cattle, best fat	5.60	6.40	6.60	6.00	7.10	8.10	6.95	8.90	9.00	9.75
Sheep, best fat	5.90	6.25	6.15	5.65	5.70	7.90	4.75	5.00	6.95	6.25
Lambs, best	7.75	7.10	7.50	6.90	7.85	9.25	6.00	7.00	8.75	7.85
Horses, draft, extra good	200.00	185.00	285.00	200.00	200.00	225.00	190.00	285.00	275.00	225.00
Butter, creamery	.32	.27	.33	.32	.28	.30	.26	.28	.35½	.34
Eggs, fresh, first	.27	.13½	.21	.20	.21	.22½	.17	.27	.19¼	.27
Wool, Boston, Shropshire, unwashed	.28	.32	.30	.25	.30	.36	.27	.28	.26	.26

Read it and make your own comparison. Nine of these products were higher March 1, 1914, than they were in 1905 under the McKinley tariff law, and the remaining four were but slightly lower. Some of these prices under this so-called free-trade bill were higher on the 1st day of March, 1914, than for any period in 10 years. Under the Payne bill you sold your wool for 17 cents a pound, with a specific tariff of 11 cents a pound. Under the Underwood bill, with the tariff off, your wool went to 25 or 27 cents a pound, as much at your door as the Boston market is after it gets into the hands of the speculators. If the tariff makes the price, why did it not keep it up for you under the Payne bill? Hams and shoulders were 4 cents under the Payne bill. In 1907, during the last Republican panic, you sold your hogs for less than the tariff on hams and shoulders. You did not get the money, either. Your hogs, cattle, butter, and eggs are bringing more in this July market than in any other July market in years. Every intelligent farmer knows by experience that a tariff on his commodity benefits no one except those who can corner his production and raise prices.

THE NEW CURRENCY LAW.

The Republican panic of 1907 brought home to the American people another reminder of the unwillingness and incompetency of that party to protect the interests of the people with a safe and elastic system of currency for the promotion of their commercial interests. The rigidity of the old system, unyielding to emergency, left the great agricultural sections of the country helpless when immense crops were to be moved. Instead of distributing sufficient funds to populous cities south and west for the movement of crops, Republican Secretaries of the Treasury took the Government funds to its pet banks on Wall Street, deposited them without interest, and put the country banks of the South and West at the mercy of the stock gamblers and money jobbers for cash accommodations to move the great agricultural products. I appeal to every man if I do not state the fact when I say that every period of crop movement brought a temporary money stringency throughout the country. Banks were compelled to curtail credit; business lost confidence in the system. Yet during these times Wall Street was speculating upon the surplus funds of the Government. Contrast the conduct of Republican Secretaries of the Treasury with that of Secretary McAdoo. Instead of sending fifty millions to Wall Street last fall, he sent it to the great agricultural trade centers of the South and West. What was the result? Not half the fifty millions was used. The country banker found the Democratic Party was in power and the Government had been broken away from the Wall Street system. Because the new currency law is not in active operation the Secretary has inaugurated the same plan for the movement of the present crop. Because of the confidence in the new currency bill there is not the slightest indication of uneasiness with the banks; money is plentiful and rates of interest low for the financing of every legitimate business. We recognize that "banks exist for the accommodation of the public and not for the control of business."

No measure ever received greater indorsement from the interests directly affected than did the new currency law. In less than 30 days after its passage 98 per cent of the national banks of the country made application to become a part of the new system. What does this new system do for us. It makes us independent, not dependent upon the banks of Wall Street; it decentralizes the currency of the country and places the surplus in 12 regional reserve banks where the business demands it; it invests the system with such expansion of credit as may be necessary for the transaction of legitimate business; it makes the American dollar, or its representative, equal to gold in any path of commerce it may find its way; and last, but not least, it so distributes the funds of the country that no man or set of men can control credit. It has been said that 12 men own and control sixteen hundred millions in Wall Street and Chicago, and that through interlocking directorates they control sixteen hundred millions more. That means that the money they own and can control is equal to all the circulating cash in this Government. Does that kind of a system that permits such a congestion of cash appeal to you? In February, this year, the banks of New York and Chicago had on deposit from banks and trust companies throughout the country $1,000,000,000. Less than one hundred million was loaned back to depositing banks and trust companies. The other nine hundred millions that belonged in the legitimate avenues of trade in the country were locked up for stock-gambling speculation. No banker or business man can be found who criticizes the administration for this splendid piece of legislation.

ANTITRUST LEGISLATION.

The third step in the administration's program was to supplement the Sherman antitrust law so as to make definite what its violations should consist of, so that business might know its own limitations. The Sherman law was enacted 24 years ago. Our marvelous development in that period, changed economic conditions, make this legislation necessary. The Republican Party, owned and controlled by the unruly "big business" of the country—and I mean by that business that has no regard for the rights of its associates—refused to permit that party, though in absolute control for 14 years, to enact any legislation. If the Democratic Party has one tenet that it holds to more than another it is that of equality of opportunity. The Government wants small business to have a chance in commerce and in trade. It is as much the function of the Government to protect the weak against the strong commercially as to protect the weak against the strong physically. The Democratic Party is the friend of honest "big business," no matter how big it is. It is the enemy of "big business" that smashes and ruins small competitors. The antitrust legislation consists of three bills—(1) the interstate trade commission bill; (2) the Clayton bill, limiting and defining the power of corporations; (3) supervision of the issue of railroad stocks and bonds. The interstate trade commission bill gives the Interstate Commerce Commission power to investigate as it may deem advisable the organization, business, financial conditions, conduct and practices, and management of any corporation engaged in commerce and report its findings to Congress. The Government ought to know what the relation of corporations is to each other. This bill passed the House without a dissenting vote. For years the courts have been called upon to construe the Sherman Antitrust Act of 1890. Its provisions are uncertain. Business men were not sure whether their activities might not be a violation of the law. The country demanded that the uncertainty be removed by describing as nearly as might be what acts constituted a combination in restraint of trade, so that there need be no further excuse that the law was indefinite and it could not be known what a violation consisted of. This bill proposes to give the small-business man, as far as possible, an equal opportunity with the big-business man and to punish with imprisonment any combination that proposes to destroy that opportunity.

The third bill lodges the authority to decide when a railroad may issue stocks and bonds in the Interstate Commerce Commission. The report on the investigation of the New Haven Railroad shows what the possibilities are and the necessity for such legislation as shall safeguard the general public. Every man who is familiar with railroad manipulation for the last decade knows that railrods have been stocked and bonded for many times their original cost, a large portion of which represents no actual investment. Such management has been used

to cover the most glaring and iniquitous frauds that were possible. I quote a line from the report of the Interstate Commerce Commission:

In 10 years, from 1903 to 1913, the capitalization of the New Haven increased from ninety-three million to four hundred and seventeen million. Of the increase, only one hundred and twenty million was spent on the road itself. The other two hundred and four million was spent in operations outside of the railroad's sphere.

I quote again:

The difficulty under which the railroad systems have labored in the past are internal and wholly due to its own mismanagement. Its troubles have not arisen because of regulation by governmental authority. Its greatest losses and most costly blunders were made in attempting to circumvent governmental regulation and extend its dominion beyond the limits fixed by law.

The closing sentence taken from the report of the commission expresses the full truth of the matter and the necessity for this legislation. It is as follows:

The revelations of this record make it essential for the welfare of the Nation that the reckless and profligate financiering which has blighted this great railroad system be ended, and that until this is fully done there will be no assurance that the story of the New Haven will not be told again with the stockholders of some other road as its victim.

More than sixty millions was worse than squandered by the Morgan-Rockefeller syndicat, which involved the earnings of thousands of trusted and innocent investors because there was no governmental regulation to forbid it.

THE MEXICAN POLICY.

No feature of the administration is more satisfactory than the President's Mexican policy. We inherited the Mexican problem from the incompetent Taft administration. Against the high and patriotic purposes of the President the yellow journals, the subsidized press, and men and corporations who had exploited Mexican resources set up every possible sort of embarrassment. Those interests wanted intervention for the sole purpose of forcing the United States with its money and the blood of its sons to underwrite and make valuable their interests. No more patriotic words ever fell from the lips of a man at the head of a powerful nation than those uttered by Mr. Wilson when he said:

We are the friends of Mexico and want to help her. I am opposed to the acquisition of another foot of soil on this hemisphere by conquest.

We do not want Mexico. We want that Government, older than our own, to solve its own problems. Mexican poverty, race antagonism, so alien to us in spirit, blood, and religion, must be settled among themselves. We shall not enter upon the task of assimilating 15,000,000 of people so foreign in every respect to us as the inhabitants of Mexico are. We have no business in Mexico. We want her friendship, not her antagonism. We want her trade, because through it we will get her confidence and that of all the Republics that lie south of us. We could not afford to barter the confidence of a hemisphere of Republics for forced intervention in Mexico. We have exhibited a nobility of spirit, a respect for justice and humanity that stands unparalleled in the world's history. Forceful intervention is not in conformity with our national ideas practiced for a hundred years. It ought to be our purpose to establish an empire of national conscience and bring into our relationships in that empire the feeble Republics of the South that they might early learn that peace, happiness, and prosperity came through the orderly processes of obedience to law. That is the predestined mission of this Republic.

But the benefits of Democratic legislation have not been confined to what I have discussed.

CIVIL WAR VETERANS.

The veterans of the Civil War should remember that it was the Democratic Party that passed the Sherwood law on May 11, 1912, and after the Republicans in the preceding Congress had defeated the dollar-a-day Sulloway bill. The Republicans had 14 years of continuous power to redeem their promises to the soldier and failed to do it.

SPANISH-AMERICAN WIDOWS.

We passed a bill authorizing the Government to pension at $12 the widows of Spanish-American and Philippine soldiers, regardless of the cause of the soldier's death. The Democratic Party has always been the most faithful friend the soldier has had.

PARCEL POST.

We gave the country a parcel-post law. It saves the people many millions a year that formerly went into the coffers of the express companies.

TWO CONSTITUTIONAL AMENDMENTS.

We passed the income-tax law that this year relieved the great masses of people of seventy-five millions in taxes and placed the burden where the Democratic Party has always claimed it should be placed, namely, on the pockets of those most able to pay.

By constitutional amendment United States Senators are now elected by a direct vote of the people. This is bringing the Government back to the people and making its representatives directly responsible to them. This progressive Democratic movement was fought by the Republican Party in its national convention as late as 1908.

LABOR LEGISLATION.

It has been our purpose to recognize the rights of the men who toil. We have restricted the authority of Federal judges to issue injunctions and restraining orders; given the defendant, when charged with indirect contempt, the right of a trial by jury; and exempted labor organizations and farmers' associations from the operation of the Sherman Antitrust Act.

The House of Representatives consists of 290 Democrats and 150 Republicans. What support did these important measures receive from the Republican Party? It must be admitted that these measures are party-platform measures; if they did not have real merit, they would have been opposed by the united opposition. What is the record?

Seven Republicans (and Progressives) voted for the Underwood tariff bill.

Thirty-eight Republicans voted for the currency bill.

Forty-seven Republicans voted for the antitrust (Clayton) bill.

Only 12 Republicans voted against the stock-and-bond bill.

No Republican voted against the trade commission bill.

Republicans ought to stop criticizing the Democratic administration or stop voting for its measures. There are some Republicans who profess to believe that there is a chance to return to power in the November election. I want to submit a few interrogatories to that class of Republicans who place the welfare of the country above party:

Do you want to return the Republican Party to power and reinstate Cannonism? You know that will happen if the Republicans elect the next House.

Do you want to repeal the Underwood tariff bill and substitute the Payne-Aldrich law?

Do you want to repeal the new currency system and turn your fiscal affairs back to Wall Street to manage for you again?

Do you think the antitrust legislation ought to be repealed and the Morgan-Rockefeller combination once more given a free hand?

Are you dissatisfied with the income-tax law that saves you a hundred millions a year in your taxes?

Do you not believe that the United States Senators ought to be elected by the people?

Are you anxious to repeal the parcel-post law and go back to the express companies that robbed you for years with excessive charges?

Is the old soldier satisfied with the Sherwood pension law?

Does he want to trust the Republican Party to legislate for him that disappointed him for 14 years?

Does the Spanish-American soldier have any complaint of a Democratic Congress that provided a pension for his wife and minor children if he should be taken from his family?

Is union labor willing to repudiate the party that protected him with legislation and return to power that party that turned a deaf ear to his appeal? If you are satisfied with this progressive legislation, why should you take the chance of a change?

Building Up Our Merchant Marine.

EXTENSION OF REMARKS

OF

HON. SAMUEL W. BEAKES,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Monday, August 3, 1914.

Mr. BEAKES. Mr. Speaker, while this bill permitting American individuals or American corporations to purchase foreign ships and take an American register so that they may fly the American flag and be entitled to its protection is only an emergency measure and will not alone restore us to our old-time supremacy in transporting our imports and exports across the ocean, I look upon it as a step in the right direction. Once America was the proud commercial mistress of the seas. Our flag was found in every port. Now the American flag is

rarely seen on vessels entering European ports. We have given over the transportation of even our own products to foreign hands. The emergency now upon us should force home with overwhelming force the folly of our marine policy and the extreme danger to our people in allowing this condition to remain. At last even the people in the interior of America should be able to see that their own pockets are directly affected. With practically all Europe embarked in a destructive war, how are we to get our wheat, our corn, our cotton, our agricultural and manufactured products over the ocean? What good will our bountiful crops do if we can not sell them to people who need them now even more than ever, when soldier reserves have all been called into action and the farm and factory in Europe is illy manned? We can not ship these in vessels of the warring powers subject to capture and confiscation. We can not ship them in our own vessels, because we do not have the vessels. We have allowed the American fleet to be driven from the seas. Hence the emergency. Hence the need for quick action. If our farmers are to sell the products of their farms some means must be devised to transport them to the markets. If our factories are to run overtime to supply Europe with what she needs when her own factories are idle, we must have some means of transporting the manufactured goods abroad.

In the first speech I made after my election to Congress I called attention to the great need of building up the American merchant marine. I know many others have felt the same along this line, but in the great constructive work in which we have been engaged the devising of the needed measures has been put off too long. They can not be devised hastily. It needs much hard study and work, much deep thought. This Sixty-third Congress has already put more constructive legislation on the statute books than any Congress within the recollection of the present generation, but there is one further task that we must undertake, undertake it earnestly and at once, and that is to so revise our marine policy that once more American ships shall sail the seas, American products in American bottoms enter every port, and over all the ocean once more shall wave the American flag.

The present emergency calls with more force upon us than can any mere words to take back the trade that once was ours. The first step we took when we passed the Underwood tariff law, and there was no provision of that law that I took as much delight in voting for as that provision which rebated 5 per cent of the duty on goods imported in American bottoms. Foreign countries made it profitable for their people to ship in vessels not American. We should make it profitable to ship in American vessels. In passing this measure we returned to the principle put into law by the first Congress in 1789 and which did much to encourage American shipping. But, unfortunately, our untrained diplomats had been overreached in our commercial treaties, and we find ourselves with our hands partially tied. We allow other nations to favor their ships at the expense of ours, but it is claimed that our treaties will not allow us to favor our ships in return. It should be the settled policy of the Nation to put in force this discriminatory duty as found in the Underwood tariff law. But this is only one step. I am sure that now that the need of action is so imperatively pointed out this constructive Congress will complete and pass a bill which will aid in keeping up the American marine.

Just a momentary glance to show how our shipping grew and how it declined. In 1789 there was carried in American ships 23.6 per cent of our imports and exports. By 1795, largely under the influence of a provision similar to that placed in the Underwood bill, American ships carried 90 per cent of our imports and exports, and our imports and exports had in the meantime very largely increased. This increase kept up until 1807, when we were carrying 92 per cent of our imports and exports. Then our trade was preyed upon by other nations. Our seamen were impressed by Great Britain. The War of 1812 followed, and by 1814 our foreign commerce had dropped to less than one-twelfth of what it had been in 1807, and our vessels were only carrying 54.5 per cent of that. After the war we gradually got back our share of the carrying trade, but it was not until 1825 that we had reached 92.3 per cent of it. After the day of wooden vessels we lost part of our supremacy owing to the fact that England was able to build iron vessels much cheaper than we were, but still we grew in our shipping, losing only in the proportion of our foreign commerce which we carried until in 1860, with a foreign commerce of $687,192,176, we were carrying in American bottoms 66.5 per cent of it. Then came our great and destructive war, and in 1864 we were carrying only 27.5 per cent of a very much reduced commerce. Our proportion of the trade picked up slowly with advancing commerce, and in 1870 we were carrying 35.6 per cent of our commerce. Then followed a rapid decline until in 1890 we were carrying only 12.8 per cent of our commerce and only 9 per cent of the goods we sent abroad. In 1896 we still had 12 per cent of the carrying trade, but even that has gradually fallen off until in 1912 we only carried 1.7 per cent of our exports in our own vessels, while over 51 per cent was carried in British vessels and over 17 per cent in German vessels. The following nations carried more of our exports than we did: Great Britain, Germany, France, Holland, Italy, Belgium, and Denmark. Austria carried practically as much as we did.

In 1913, as Mr. UNDERWOOD has pointed out, 80 American vessels cleared from American ports for Europe, while 4,636 foreign vessels cleared. To our shame be it said that there are only 6 American trans-Atlantic steamers. While British passenger ships made 478 voyages from the United States to Europe, German ships made 302, French ships 158, and Italian 73, American ships made only 23 out of the 1,300 voyages that were made in 1913. Our present shipping could not carry the wheat alone that we export to Europe, if it carried nothing else. Hence, the need for this emergency bill, and hence the resolve that we should make to so build up our shipping that we may never again be caught as at present. With our flag practically banished from foreign ports, as it would be practically banished from our own ports were it not for our coastwise trade, we should set about restoring it to the seas. Great Britain took away the bulk of our carrying trade during the Civil War. Now comes our own opportunity to get back what we lost then, but if we keep it we must have other and better regulations in the future.

We must aim for the markets of the world as all nations have been aiming. The quickest method to increase our exports is by the establishment of American shipping lines. Our trade will follow the flag; our American vessels will increase our market. Let us not stop with an emergency measure, but let us wisely set to work to build an enduring merchant marine, and once more show our starry banner in every port in the world.

Industrial Conditions in Indiana.

EXTENSION OF REMARKS

OF

HON. WILLIAM E. HUMPHREY,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 8, 1914.

Mr. HUMPHREY of Washington. Mr. Speaker, just prior to the commencement of the great war in Europe I was furnished with a review of the industrial conditions in the State of Indiana. This information furnished me was gathered from many sources. I will first insert a general summary and then add a more detailed statement from the different counties.

I am glad to insert this information in the RECORD, as the State of Indiana has no Republican representative in either House of Congress. The general summary is as follows:

GENERAL SUMMARY.

INDIANAPOLIS, IND., *July 29.*

In spite of the desperate efforts that have been made by the Democratic newspapers of Indiana loyal to the Wilson administration to make it appear that commercial conditions throughout the State are highly satisfactory from the standpoint of the manufacturers, large and small, all sections of the State report a volume of business far below that usually had at this time of the year. In the larger cities of the State a number of important manufacturing concerns have suspended operations completely, and other manufacturers, having sharpened their wits, have reduced their working forces from one-fourth to one-half compared with the same month a year ago, and in a number of instances the working time per week has been reduced from 50 per cent to 75 per cent compared with normal. In no industrial center in the State of Indiana at this time are commercial conditions as satisfactory as they were before the Democratic tariff bill went into effect.

The prospect for immediate improvement is not bright. A feeling of unrest and uncertainty seems to be general. There is an impression that the current volume of business would be much less at this time than it is but for the momentum that has been acquired during 16 years' workings of a Republican tariff law, and the impression prevails that as soon as this momentum is completely spent conditions, in spite of large crops, will show a further startling decrease in volume.

In the city of Vincennes the Central Foundry Co., one of the important manufacturing concerns, is running but half time and

half force, as is the National Rolling Mill, and the Indian Creek Mining Co. is running but two days a week.

In Lawrence County several of the large stone mills have closed down, throwing hundreds of men out of employment. The stone mills that are running are running but half their force.

In Anderson, the county seat of Madison County, a number of the most important factories are working but 50 hours a week, and some even less than this. There is considerable complaint regarding the lack of work, and a feeling of uneasiness is noted among the merchants, and the farmers are dissatisfied with the current prices of their products.

In Marion 90 per cent of the factories are not running according to their normal schedule.

In the city of Peru, another one of the important industrial and railroad centers, conditions are about 30 per cent of normal. A condition of widespread dissatisfaction with county, State, and national affairs is reported by careful observers.

In Crawfordsville a furniture factory, employing 50 men, has closed down indefinitely, as has also a glove factory, employing 70 people.

In Parke County the Bloomingdale Clay Works has shut down, throwing 50 men out of work.

In Tell City, out of 30 factories several are running half time and others are running five days a week. Most of them are operating reduced forces. There are more idle men in Tell City than at any time since the last Democratic administration was in power. Some of the larger factories have reduced their forces 75 per cent.

In South Bend it is estimated that 5,000 men have been thrown out of work during the last eight months. Among the larger concerns that have been forced to reduce the number of their employees are the Oliver Chilled Steel Plow Co., the Studebaker Co., the South Bend Woolen Co., the Stephenson Underwear Mills, and the Singer Manufacturing Co.

In Sullivan County, in the heart of the Indiana coal fields, not more than half a dozen of the county's 40 mines are working, and those are only working half time or less. Between 2,000 and 3,000 miners are idle in this county.

In Lafayette the Monon Railway shops have not been running full time for more than a year. The managers of the large manufacturing concerns state that they have been for months running on short time and with comparatively short forces.

In Tipton a number of men have been laid off by the Lake Erie & Western Railroad Co. and a number of the factories have reduced their working force and working time.

At Shoals, in Martin County, about 50 men and boys have been thrown out of employment because of the closing down of the button factories. The Carnahan Manufacturing Co., at Loogootee, reports that business has fallen off 50 per cent, compared with the same month a year ago, and that it is now running on small local orders which they would never take in the past.

The Bimel Spoke & Auto Wheel Co., located at Portland, reports that the volume of its business is about one-fourth of what it was under the Republican tariff law. The Portland Body Works reports orders hard to get, and the Creamery Package Manufacturing Co., makers of butter tubs, reports business unusually slow. Business men say collections are the slowest since the Cleveland administration.

The coal mines of Greene County are running on about one-third time. A large number of miners are living on charity. The Jones Dugger Chair Factory has closed down indefinitely, throwing 100 men out of employment.

A furniture factory in Paoli, in Orange County, that has been working for years without a shutdown, has suspended operations, throwing 65 men out of employment. The Wells Sawmill, at Paoli, is shut down, and another large sawmill is working about half time. In Orleans one furniture plant, employing from 40 to 50 men, has closed down.

The managers of the furniture factories, veneer works, and foundries in Goshen are complaining of great loss of orders. The railroad shops in Elkhart have felt the effect of the general business depression, and as a result a large number of employees are now out of work.

One of the largest factories in the city of Lebanon is closed down entirely and others are running on a 50 per cent basis. General business conditions are worse than they have been in 18 years.

The Stout Furniture Co., at Salem, is now employing but half as many men as a year ago, and they are working but five days a week.

The Adams Lumber Co., at Decatur, has only run two weeks this year. The Smith & Bell Co. are now employing but one-half dozen men where 2 years ago they employed 20. The Decatur hoop plant is idle and the S. H. Adams heading plant is working but half time. The Ward Fence Co. is working but half time and the Decatur Foundry, Furnace & Machine Co. is running but 9 hours a day.

The Emerson-Brantingham-Reeves Co., at Columbus, has cut its working force in one year from 800 to 200, with reduced wages and 75 per cent of full time. The Orinoco Furniture Co. has reduced in the last year its working force of 150 to 100 men, and is now working on samples. The working time per week has been cut 75 per cent. The Lincoln Chair Co., practically without orders, is working but three-fourths time. The Glanton Furniture Factory is doing about half the business of a year ago. The shirt factory has cut its number of employees during the last year from 500 to 250.

Reduced orders have caused the Boss Mitten Factory at Clinton to discharge 100 girls and women from its employ. The MacDougal Kitchen Cabinet Co. has reduced its working force about one-half and the working time has been cut about 50 per cent. The management of the National Handle Factory has announced it will close indefinitely as soon as the timber in the yards has been used up.

Joseph Taylor Sons, at Logansport, are buying leather goods in Canada for the first time in the history of the company. The Ash & Hadley Furniture Factory has cut down its working force from 35 to 16 men and is working but four days a week. Among the other concerns in this city that have been hard hit by the Democratic tariff bill are Shirkin-Nelson Cabinet Factory, the Hagenbuck-Parker Co., the Radiator Works, the Voorhees Lumber Co., the Western Motor Car Co., Bligh Lumber Co., and the W. L. Fernald Lumber Co.

The stone business in Crawford County is demoralized. The Marengo Stone Co. is not running and 75 men are out of work.

The manufacturing concerns of Muncie are running about 65 per cent of their capacity and working force. The Republic Iron & Steel Co. has been forced to dispense with the services of a number of its employees.

The iron industries in New Albany are in bad shape. None of the foundries during the past month have been working full force. Some have closed down and others are only working part time.

There are probably 2,000 factory men in the city of Marion out of employment. Nearly all of the manufacturing concerns are running a part of their force.

The Keller Wagon Co., of Corydon, during recent months have reduced their working force from 125 men to 53, and their present employees are working on short time.

The Erie railroad shops at Huntington are operating with a much smaller force than a year ago.

The three veneer factories at Franklin are running on half time, and the Starch Works, one of the leading industries of the town, has closed down.

REPORT FROM DIFFERENT COUNTIES.

BLACKFORD (HARTFORD CITY).

Chief industry glass and steel casting. Outlook for glass business not good. Steel casting mills in operation, but not full time. Bad times very much in the air.

BROWN (NASHVILLE).

Farming community. Farmers very hard up; money tight; merchants complain; collections almost impossible. Business bad and people dissatisfied.

BENTON (FOWLER).

Farming entirely. Farmers dissatisfied over corn prices.

BARTHOLOMEW (COLUMBUS).

Mooney Tannery Co. very few orders.

Emerson-Brantingham-Reeves Co. have cut force in one year from 800 to 200, with reduced wages and 75 per cent of full time.

Orinoco Furniture Co. reduced in a year from 150 men to 100 men; practically no orders; working on samples for Grand Rapids furniture show; working three-fourths time.

Lincoln Chair Co. practically no orders, working three-fourths time.

Glanton Furniture Factory doing about half of last year's business.

Hedge & Co., builders, about one-half time; 30 to 40 men.

Shirt factory cut down in a year from 500 to 250.

Contractors have about half their normal work.

Business men generally complain.

CLINTON (FRANKFORT).

Boss Mitten Factory, employing 100 girls and women, out of business.

MacDougall Kitchen Cabinet Factory reduced its force; working about half force and half time.

National Handle Factory announces it will close as soon as timber in yard is used up.
All lines of business feeling the pressure.

CASS.

Joseph Taylor Sons, buying leather goods in Canada first time in history.
Ash & Hadley Furniture Factory, Logansport, cut down from 35 men to 16, working four days a week.
Shirkin-Nelson Cabinet Factory closed.
Hagenbuck-Parker Co. closed.
Radiator Works, closed.
Voorhees Co., lumber, nothing to do.
Western Motor Co., begging for orders.
Bligh Lumber Co., begging for orders.
W. L. Fernald Lumber Co. shipped one carload this May against 70 last May.

CRAWFORD.

Stone business dull, crushers working one-half time.
Marengo Stone Co. not running—75 men out of work.

DEARBORN (LAWRENCEBURG).

Farming community very much incensed over the Argentine corn.

ELKHART (GOSHEN).

In Goshen the furniture factories, veneer works, and foundries are complaining of great loss of orders. They are having hard times.
In Elkhart conditions worse.
Railroad shops are especially suffering.
Farmers complain of prices.

BOONE (LEBANON).

Manufacturing business running rather slow. Largest factory closed down entirely; will be another factory closed down in a few days. Others running on the 50 per cent basis.
Merchants report business generally dull. Conditions in worse shape than in the past 16 years.

NOBLE (ALBION).

Merchants complain that business is very bad, giving the cause as the Democratic administration.
Farmers complaining about the prices.

WASHINGTON.

Industrial conditions very dull.
Stout Furniture Co., Salem, Ind., about one-half as many men, and running only five days a week.
Stout-Mehornay-Duckwall Co., Salem, shut down for several weeks.

ADAMS (DECATUR).

The Adams County Lumber Co. run only two weeks in the year.
Smith & Bell Co. employ five and six men, where in Republican times they employed 20 men.
The Decatur Hoop Plant idle.
S. H. Adams Heading Plant working half time.
Ward Fence Co. working half time.
Decatur Foundry, Furnace & Machine Co. working nine hours, and business is very bad.

DELAWARE (MUNCIE).

Factories running about 65 per cent of capacity and force.
Republic Iron & Steel Co. have shut down, throwing from five to six hundred people out of work.

FLOYD (NEW ALBANY).

Iron industries in bad shape, some closed down and others working part time.
Lumber and veneer works going, but the outlook for continuance is bad.
Farmers are not satisfied.
Lot of unemployed men.

FRANKLIN.

Agricultural county. Grain raisers and dairy men uneasy over outlook.
Strong Democratic county, but the feeling against the administration is in evidence.

HENRY (NEW CASTLE).

Principal industries: Maxwell Automobile, Jesse French & Sons Piano Factory, Hoosier Kitchen Cabinet Factory, and the Shovel and Bridge Factory.
Automobile factory doing well; employs about 1,000 men.
Piano factory conditions fair; force fairly regular.
Hoosier Kitchen Cabinet factory has no competition and is doing well.
The smaller factories are not running as regularly as a couple of years ago.
All retail men complaining; two business failures within the last six weeks and one now closing out business.

MARTIN.

Button factories at Shoals shut down; 50 men and boys out of employment.
The Carnahan Manufacturing Co., at Loogootee, large planing mill, claims business has fallen 50 per cent; running on small local orders, which they have never taken before.
Farmers are dissatisfied over the prices.

JAY (PORTLAND).

Bimel Spoke & Auto Wheel Co., wheel department; one-fourth of the business which they had at this time last year. In the buggy and wagon spoke departments, no business that amounts to anything.
Portland Body Works: Orders hard to get and seriously needing same.
Creamery Package Manufacturing Co., manufactures butter tubs; business very slow for this time of the year.
Journey Manufacturing Co., making wagons and wagon parts; business very dull.
Portland Foundry & Machine Co.: Business very bad.
Business men say collections are the slowest since Grover Cleveland's administration.
Farmers complaining about taxes and prices.

GREENE (LINTON).

General industry: Coal mining.
Mines running about one-third time. Any number of coal miners living on charity.
Real estate is a drug on the market.
Jones Dugger Chair Factory at Bloomfield closed down indefinitely; 100 men out of employment.
Farmers are dissatisfied; wheat the lowest it has been for 15 years.

PORTER (VALPARAISO).

No large manufacturing industries. One small factory shut down.
Farmers dissatisfied.

ORANGE (PAOLI).

Industrial conditions very bad. One furinture factory in Paoli that has been working for years without a shutdown is now shut down completely, throwing 65 men out of employment.
Wells Sawmill, Paoli, shut down.
One sawmill working about one-half time.
In Orleans one furniture plant, employing from 40 to 50 men, closed, and lumber business also bad.
These conditions with drought of 1912 have made conditions deplorable.

GRANT (MARION).

Nearly all factories running short force. There are probably 2,000 factory men out of employment in Marion. Prospects are that more will be out.

HAMILTON (NOBLESVILLE).

Banks loaned to limit.
Farmers complaining some.

HARRISON (CORYDON).

Keller Wagon Co. laid off 53 men out of 125. The rest are working short time.
Farmers are complaining of grain prices. Many farmers going West to seek employment.
Democratic farmers complaining as well as Republicans.

HENDRICKS (DANVILLE).

Farming country. Farmers are not satisfied with administration.

HOWARD.

Factories not running full time.

HUNTINGTON.

Erie Railroad shops have cut force.

JASPER.

Farmers are able to employ plenty of labor where they could not before.

JENNINGS.

Manufacturing interests have noticed scarcity of orders.

JOHNSTON.

Three veneer factories one-half time.
Starch works shut down.

KNOX (VINCENNES).

Central Foundry Co. running half time and half force.
National Rolling Mill running half time and half force.
Indian Creek Mining Co. running only two days a week.

KOSCIUSKO (WARSAW).

Some building building at present. After that is completed the outlook for laboring man is gloomy.
Farmers not pleased.
Portland Cement Co. running full time, but reduced force.
Lumber mills complaining.

LAGRANGE.

Farming community. Not many men out of work.

LAWRENCE (BEDFORD).

Several stone mills closed down.
Those that are running are employing half force.

MADISON (ANDERSON).

Important factories are working only 50 hours a week and some less.
Laboring classes are grumbling at conditions and lack of work.
Many people asking for work.
Merchants complaining.

MARION.

Ninety per cent of the factories not running according to schedule.

MIAMI (PERU).

Industrial conditions 30 per cent normal.
Never has been such universal discontent and dissatisfaction with county, State, and national affairs.

MONTGOMERY (CRAWFORDSVILLE).

Furniture factory employing 50 men closed down.
Glove factory employing 70 people closed.

NEWTON.

Farming country. Farmers very much disturbed over prices.

OHIO.

Some discontent among farmers.

PARKE (ROCKVILLE).

Bloomingdale Clay Works shut down; 50 men out of work.

PERRY (TELL CITY).

Out of 30 factories several are running half time and several only five days a week. Most of them have reduced forces.
More idle men in Tell City than any time since last Democratic administration. Some of the largest factories have reduced their forces three-fourths.

POSEY.

Scarcity of orders in manufacturing businesses.
One Democratic manufacturer complaining a great deal.

PULASKI.

Farmers are against drop in wheat prices.

RANDOLPH.

Quite a number of idle men.

STEUBEN.

Farmers complaining about low prices, and cutting out every possible expense, which affects the merchants.

ST. JOSEPH (SOUTH BEND).

Oliver Chilled Steel Plow Co., 2,500 men out of work.
Studebaker Co., 1,800 men out of work.
South Bend Woolen Co., 500 men out of work.
Stephenson Underwear Mills, 300 men out of work.
Singer Manufacturing Co., 1,000 men out of work.
Altogether about 6,000 or 7,000 out of work in eight months.

SULLIVAN.

Not more than half a dozen of the county's 40 mines working, and those only half time or less. Between two and three thousand miners idle.
Farmers are expecting a sharp break in prices of wheat when Canadian wheat comes in.

TIPPECANOE (LA FAYETTE).

Monon shops have been closed, and have not been running full time for a year.
Other factories admit that they have not been running full time or with full force.

TIPTON (TIPTON).

Lake Erie & Western Railroad laid off a good many men.
Farmers not pleased with prices.

WHITE.

Farmers not spending, and affecting merchants accordingly.
Farmers complain of prices.
Land buying dropped considerably.
Independent voters and liberal Democrats against administration.

Mr. Speaker, many years ago, when I was a student in Wabash College, at Crawfordsville, Ind., there was at the same time a student in that institution by the name of Howard Maxwell. Mr. Maxwell has become one of the leading lawyers and orators of the State of Indiana, and I take pleasure in inserting a speech that he delivered at Indianapolis on April 22, 1914, upon the political situation in that State.

The speech is as follows:

SPEECH OF HON. HOWARD MAXWELL.

[Delivered at Indianapolis, Ind., April 22, 1914.]

It is now five years since the Democrats came into power in this State upon a platform pledging retrenchment and economy in the management of State affairs and containing this language:

We are opposed to the creating by the Republican legislature of enormous, useless offices, boards, and commissions, with large salaries, and we propose to abolish all such offices, boards, and commissions when in power.

Gov. MARSHALL, in the campaign of 1908, again and again in public address declared that we had too much government, and that there were a great number of unnecessary boards, commissions, and officials, and that the Democratic policy would be to root out, lop off, and abolish these boards and commissions, reduce the number of persons in the public service, and thus minimize the cost of government. What is the record?

The facts are that under Democratic administration the number of boards, commissions, and offices have persistently increased. There is not a single department of state with offices at the statehouse, in which increased salary has not been given to the chief officer or some one or more of his deputies. At the statehouse alone at least 50 additional positions have been created since the close of Republican administration, and if you consider appointees under various recently created boards not drawing their pay direct from the State treasury, the number of such increases runs into the hundreds. This increase of salary to former officers and deputies, added to salary paid new officers and deputies, all officing at the statehouse, aggregates the total sum annually of $138,450. New boards have been established. The legislature of 1911 created four commissions. That of 1913 three commissions. In 1908, the last year of Republican administration, the total annual expense of all the boards and commissions then existing was $317,098.67, while in 1913 the total annual expense of the boards and commissions now existing was $533,430.18, an increase of $216.331.51, or 68 per cent. If, in 1908, we had, according to Gov. MARSHALL, too much government, we are certainly boiling over with government now. The Democratic Party has signally failed to keep its promise to the people of Indiana.

But how about their pledges to economically administer State affairs? Take the reports of the auditor of state for the years 1908 and 1913. The year 1908 marks the close of Republican administration, while the year 1913 marks the beginning of the present Democratic administration. What do the records show as to the conduct of the three old established departments of State government?

In 1908 the expense of the office of secretary of state was $14,293.89. In 1913 this expense was $38,247.64, an increase of $23,953.75, or 167 per cent, and, compared with the legislative year 1907, an increase of 44 per cent.

In 1908 the expense of the office of auditor of state was $58,941.44. In 1913 this expense was $72,602.32, an increase of $13,660.88, or 23 per cent.

In 1908 the expense of the office of treasurer of state was $12,176.24. In 1913 this expense was $13,492.70, an increase of $1,316.46, or 10 per cent.

Let us go further. In 1908 the expense of the bureau of printing was $77,037.26; last year, $118,352.44, an increase of $41,315.18, or about 54 per cent; and, compared with the legislative year 1907, an increase of 23 per cent.

In 1908 the expense of the board of education and the office of superintendent of public instruction was $20,808.74; last year, $29,802.62, an increase of $8,993.88, or 43 per cent. In 1908 the library and library commission expended $25,299; in 1913, $35,088.93, an increase of $9,789.93, or 38 per cent. In 1908 the expense of the board of health was $42,886.06; last year, $62,393.39, an increase of $19,507.33, or 45 per cent. In 1908 the expense of the board of charities was $16,343.63; last year, $27.703.67, an increase of $11,360.04, or 70 per cent.

In 1913 the expense of the board of accounts was $63,550.01. This is the amount paid directly out of the State treasury, and does not include the thousands upon thousands of dollars paid by the municipalities, counties, and townships for so-called investigations by this board, many of these reports covering the conduct of ex-officers so far back that the statute of limitations barred any recovery against the officer or his bondsmen, and these reports being without any practical profit or utility to anyone.

In 1908 the expense of the railroad commission was $30,861.96. In 1913 the expense of this commission and the public-service commission, which had been added to it, was $59,251.68, an increase of $28,389.72, or 92 per cent.

In 1908 the aggregate expense of the then three separate departments, known as the labor commission, the department of inspection, and inspector of mines, was $29,467.66. Under Democratic rule these three were consolidated under one, known as the department of inspection. One would ordinarily suppose that such consolidation would result in reduced expenditure, but, on the contrary, the facts are that this one department in 1913 expended $50,196.36, an increase over the three departments in 1908 of $20,728.70, or 70 per cent.

Then there is the office of gas inspector. We had been under the impression that they no longer had natural gas. In 1908 the expense of this office was $4,273.92, and in 1913 $8,656.18, an increase of $4,382.26, or 102 per cent. Under these figures natural gas ought to be increasing in the State of Indiana.

Take the office of State entomologist. In 1908 the expense of this office was $3,247.02. In 1913 $14,970.98, an increase of $11,723.96, or 361 per cent. The last regular legislative session under Republican rule, that of 1907, cost $130,024.87. That of 1913 $162,507.67, an increase of $32,482.80, or 25 per cent.

A glance at the conduct of the State's institutions reveals the same general condition. In 1908 the expense of all the institutions of the State, including the penal, correctional, charitable institutions, all schools, and soldiers' monument, amounted to $1,852,663.56. In 1913 this expense was $2,775,092.28, an increase of $922,428.72, or 50 per cent. In view of these enormous increases some one may say that there exists something peculiar and extraordinary about these years 1908 and 1913. It may be possible that in some particular instance peculiar and unusual conditions prevailed that would make that particular comparison an unfair one. So that there can not be a shadow of doubt in the matter, let us compare the annual average cost of government for the entire four years of Republican rule under Gov. Hanly with the average annual cost of government for the entire five years of Democratic rule, under Govs. Marshall and Ralston.

There can be no successful contention that this basis of comparison is not entirely fair. When the State buys grounds, makes permanent repairs, and erects new buildings, or makes payment upon the State debt, it has, after the expenses are incurred, something to show for them. Payment upon the debt relieves us of that much debt, and while the money is gone with which the grounds were bought and buildings erected, the equivalent, the grounds and buildings, remain actual, visible, tangible property. Expenses, such as salaries, maintenance of institutions—in short, all other expenses—are intangible; that is, after they are incurred the State has no actual property or thing of value to show as their equivalent, and these expenses, in the truest and strictest sense, constitute the actual cost of government. Excluding, then, the items of payment upon the State debt and cost of grounds, permanent repairs, and new buildings, so as to arrive at the actual cost of government, there was expended for all other purposes during the four years of Republican administration under Gov. Hanly an annual average of $2,805,163.29; during the four years of Gov. Marshall's administration, an annual average of $3,673,812.03, an average increase each year of $868,648.74, or of about 31 per cent; and during the one year of Gov. Ralston's administration, $4,453,879.70, an increase of $1,648,716.41, or more than 58 per cent.

I might abuse your patience with further reference to these reports. These facts abundantly established the proposition that in the great majority of all the important departments of Indiana's State government enormous increase of expenditure has occurred, until economy has become a mere Democratic catchword, to be used only in the platform and then dropped from their political dictionary. The Democratic Party has signally failed to keep its promise to the people of economical government.

The history of the State debt tells the same story. The administration of Gov. Durbin is noteworthy for the amount of public debt paid. At his incumbency it was $4,704,615.12, and at the close of his administration it had been reduced to $1,902,615.12. The same policy was continued under Gov. Hanly, so that in 1906, the second year of his administration, all had been paid on the foreign debt that could be paid, the balance not maturing until 1915, and the bondholders refusing payment prior to 1910, when payment was optional with the State. At the incumbency of Gov. Marshall the debt was $1,510,163.12.

The Democratic Party could not deny this truly remarkable achievement, but they formerly contended that it was due to the tax law, which they claimed as a Democratic measure, and that this tax law in a sort of automatic way paid the debt. During the administration of Gov. Marshall the debt was reduced $250,000, so that when the present administration came into power the debt was $1,260,163.12. The valuation of taxable property in the State, which in 1908 was $1,723,311,564, in 1913 was $1,938,207,235, an increase of more than $200,000,000. The levy, which in the last year of Republican administration was 33.35 cents on the $100, was by the legislature of last year, fixed at 40.10 cents on the $100, an increase of 6.75 cents, or about 20 per cent. Not only has the State rate been thus elevated, but recent Democratic legislatures have been prodigal in creating a number of minor additional county officers and increasing salaries of old county officers. In Marion County alone salaries of county officers have thus been increased more than $40,000 annually. Never in the history of Indiana in times of peace has every section and community been so oppressed with the burden of taxation as at this very hour. The last legislature also created several forms of special taxes yielding large revenues, notable among which are the automobile license fees and the inheritance tax. Now, with this immensely increased valuation, with the higher rate, with these special taxes, and with the same old tax law, we find that the State debt, including floating or temporary debt, was at the close of the fiscal year 1913 $1,470,163.12, an increase of $210,000.

The citizenship of the State is humiliated by the fact that the State institutions are kept open and the State government is now being run on money borrowed of Chicago bankers, and that more money must be borrowed and more loans negotiated in order to keep these institutions open, the government running, and to prevent the State from failing to pay its obligations, like a common bankrupt. This enormous increase in the cost of government, this contracting of additional debt, have all occurred under Democratic rule, under normal conditions, when no war, famine, or pestilence vexed the State's borders. Fiscal mismanagement, combined with legislative extravagance, have placed the State's finances in an intolerable condition. In fine, Democratic administration may be characterized as a time when all of the financial dreamers and incompetents, out of jobs and hungry for public provender, and the money derelicts gather together around the State treasury to hold high carnival.

Before the recent Democratic State convention Gov. Ralston made a lengthy speech in attempted defense of the record of his party. It is an able speech by an able man in a hard cause, a speech replete with explanation, extenuation, and special pleading. When the speech is analyzed the governor's defense for the present conditions is largely based upon two propositions, the first of which is that the Democratic Party ought to be excused for the increased cost of running the State's institutions because of high prices. No one disputes the fact that prices have advanced since 1908, but if care is taken to analyze the figures, this increased cost of our institutions is explained only in minor degree by high prices. The cost of maintenance of inmates has only reasonably increased, about which there can be no fair criticism. In other words, the Democratic Party has not been lavish in clothing and feeding these unfortunate members of society.

But the increased expenditure is mainly attributed to administrative charges; that is, for salaries and expenses of a large number of added officials and employees. This whole defense, however, is one that by the rule of political ethics Gov. Ralston should be estopped from making. The Democratic promise was: Put us in power and we will reduce the tariff and lower prices to a reasonable level. Well, they have tinkered with the tariff, put thousands out of employment, and, according to Gov. Ralston, affected prices not at all. What they need is more tariff and less taxes in the State of Indiana. The governor's other proposition of defense is that, while many new laws have been enacted and new offices created, entailing an increased expenditure, the people demanded them because the legislature passed them. The fallacy of this argument is easily shown. The Democratic legislative majority is not the people of Indiana and does not represent the majority of the people, but, as we all know, is only representative of a minority. It is a far cry, indeed, that because the legislature made the laws the people demanded them. The voice of the people is the voice of God. If, according to Gov. Ralston, a Democratic majority in the legislature, elected by a minority, is the voice of the people, then such Democratic legislative majority is the voice of God, a logical calamity, which God forbid.

I submit that they can no longer afford to make their statehouse an experimental station for all the fads, fancies, and follies of the Democratic Party.

The difference between the parties in the administration of State affairs can be summed up in this: The Republican Party in the State of Indiana is a debt-paying party; the Democratic Party a debt-making party.

And so with these conditions we naturally find the political prophets forecasting that Indiana will again be Republican in 1916.

The American Navy.

EXTENSION OF REMARKS
OF
HON. H. ROBERT FOWLER,
OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, August 13, 1914.

Mr. FOWLER. Mr. Speaker, it is axiomatic that the existence of imminent danger justifies the employment of force. It is equally axiomatic that the greater the danger the more powerful should be the weapons of defense. Danger and force are coordinate terms, but without the existence of the one extravagant preparations for the other can not be justified. The laws of economics and of expediency demand that the extent of naval programs should be measured by the extent of real danger, or danger to be reasonably anticipated, from foreign foes. Should such danger be great and imminent, then the preparations to overcome and conquer should be elaborate and efficient, so that victory may be certain and national prestige and national honor may be preserved unsullied. But if little or no danger should exist and the international relations are such that none can be reasonably foreseen, a lavish expenditure of vast sums of money for the construction and maintenance of mighty engines of death in a mad race to excel in size and strength of menacing fleets is an unjustifiable waste of wealth, no less criminal than if such means should be appropriated and used to increase private bank accounts.

SELF-PRESERVATION IS THE WATCHWORD OF CREATION.

The law of self-defense is as old as human society. Its origin dates back to the beginning of creation and springs from the necessity of preserving animal life, the responsibility of which is cast upon the individual, who is made by nature the keeper and guardian of his own physical welfare. All animals are armed with weapons for this purpose by the God of creation. The canine and feline species have the heavy jaw and sharp teeth; the bovine species are armed with the stout horn and thick hide; the antelope and reindeer speed away unharmed by aid of the fleet foot; the oyster and tortoise rest secure in the thick shell; the cuttlefish carries a pouch, well filled with inky fluid, with which to darken the waters so that he may escape unobserved; on the approach of danger the mud turtle, by instinct, dives to the bottom and stirs up the mud in order to conceal his miserable form; the insect has its poisonous sting, the reptile its deadly fangs, and the swordfish can sink a ship at will. All nature teems with specific preparation for defensive warfare, arming all animal life with weapons of self-defense. She has issued a perpetual injunction against invasion for conquest and sounded a propitious warning of punishment to all transgressors. The same responsibility which nature has imposed upon the individual for self-preservation rests upon the State by virtue of the social compact, and it is the duty of the State to prepare such means of defensive warfare as may be reasonably necessary to protect the life and property of the citizen.

DO WE NEED A BIG NAVY?

What nature has done for the individual in a small way, she has done for America on a large scale. She has supplied us with natural weapons for national defense far more powerful and enduring than can be forged by human hands. On the east she has separated us from all of the great powers of Europe by an insurmountable wall of tempestuous waters 3,000 miles wide and 3,000 feet deep, beset with dangerous reefs, huge icebergs, stormy billows, and breakers mountain high. On the west she has stretched between us and the "yellow peril" another impregnable wall of waters 10,000 miles wide. These walls never have been successfully scaled in the past by any invading army and never will be in the future. Great Britain tried the experiment in 1776, when our population numbered less than 3,000,000 souls, but she failed. She tried it again in 1812, but we literally ate her up on land and sea and made her more anxious for peace than she ever had been for war. That peace has existed for a hundred years and is likely to continue undisturbed for centuries to come.

If the greatest military power in the world could not whip us on our own soil during our infancy, what have we to fear now? What nation or combination of nations would be foolish enough to try it now? There are not enough vessels in the world and there never will be enough with sufficient capacity to transport an army to our shores big enough to whip us. All the munitions of war, such as guns, cannons, powder, shells, and all that is necessary to equip and discipline an army, including horses and mules, supplies for the same, and food and clothing for the soldiers, must be transported from abroad. This can not be done. The base of supply is too far away. All the nations of the world combined could not bring an army over here big enough and maintain it long enough to capture even one small section of our territory, and it is idle to talk about danger by invasion from foreign shores. Some advocates of a big army and a big navy have become alarmed because of our long line of seacoast, and seem to live in mortal dread of the capture of some of our coast cities. Well, suppose some nation should do that, what good would it do? We would soon recapture it, and either capture their entire army or drive their shattered forces back home in disgrace. We now have a population of 100,000,000 of the bravest and most patriotic people in the world. Great Britain has a population of 45,369,090; Germany, 40,165,219; France, 39,601,509; Russia, 167,003,400; and Japan, 52,200,679. We have a wealth of $130,000,000,000; England, $80,000,000,000; France, $65,000,000,000; Germany, $60,000,000,000; and Japan much less than any of the others. With this advantage in wealth, population, and bravery of our people, aided by our splendid isolation, war on our own soil with other countries is impossible. We never have been whipped and never will be as long as we stay at home and attend to our own business, but if we should go away from home and get to meddling with the business of other nations we might get whipped, and we ought to get whipped and be taught a lesson for being so foolish.

During the last 30 years our population has increased 85 per cent, our wealth 185 per cent, and our expenditures 400 per cent. The greatest increase in expenditures has been made for war and on account of wars, as will be revealed by the following figures:

For a period of 15 years prior to the Spanish-American War our annual appropriations for the Navy ranged from $14,000,000 to $30,000,000, and for the Army less than $25,000,000, averaging for both of these great departments less than $50,000,000. But since the close of this war the appropriations for these departments have increased so rapidly as to astonish the entire world. In 1883 our appropriation for the Navy was $14,903,559; in 1893 it was $23,543,267; and in 1899 it jumped up to $56,098,969. During the last six years it has averaged $130,212,290 a year, and for the fiscal year ending June 30, 1915, it will probably reach $150,000,000. The increase for the Army is no less astonishing. The appropriations for 1915 are more than $100,000,000, making a grand total for the Army and Navy for 1915 about $250,000,000.

Wonderful increase of the Navy.

1883	$14,903,559
1893	23,543,267
1894	22,104,061
1898	33,003,234
1899	56,098,783
1900	48,099,969
1903	78,856,303
1908	98,958,507
1909	122,662,485
1910	136,935,199
1911	131,410,568
1912	126,405,509
1913	123,151,538
1914	140,718,434

Mr. Speaker, I have had access to the figures, dating back many years, which show the expenditures for war and on account of wars for Great Britain, Germany, France, and Japan, and have carefully compared them with our expenditures. Our total revenue, exclusive of postal receipts, for the year 1908 was $574,000,000; our expenditures for war and on account of wars, $384,801,059. When reduced to percentage, it shows that we expended for war and on account of wars 67.5 per cent of our entire revenue, not including postal receipts. For the year 1906 Great Britain expended 42.5 per cent of her revenue for war and on account of wars, Germany 42.9 per cent, and France 32.2 per cent. We had an Army at that time of 52,000 men and a Navy of 42,000, while England had an army of 204,200 men and a navy of 129,000 men; France had an army of 550,000 men and a navy of 56,285 men; Germany had an army of 600,000 men and a navy of 62,000 men.

During the year 1912 our entire revenue, not including postal receipts, amounted to $702,000,000. Of this we expended $654,000,000 to defray the entire cost of the Government; $444,000,000 was paid out for war and on account of wars, or 67.88 per cent, showing an increase of .38 per cent since 1908. I have had the figures compiled for the year 1914, showing the total revenue receipts and the expenditures for war and on account of wars for the United States, Great Britain, Germany, France, and Japan which I will place in the RECORD; but for the present I

desire to make the comparison in round numbers, so that the increase of expenditures for war and on account of wars can be more readily understood:

Entire revenue for the fiscal year ending June 30, 1914.

Postal receipts not included (estimated)	$700,000,000
Expenditures for war and on account of wars	476,541,785
Great Britain's revenue for 1913 and 1914	965,443,419
Great Britain's expenditures for war and on account of wars	365,440,027
Germany's revenue for 1913 and 1914	760,760,956
Germany's expenditures for war and on account of wars	424,981,769
France's revenue for 1913 and 1914	933,148,123
France's expenditures for war and on account of wars	327,311,168
Japan's revenue for 1913 and 1914	293,403,799
Japan's expenditures for war and on account of wars	132,792,822

Expenditures for war and on account of wars reduced to percentage.

United States:	
1914	68.07
1908	67.5
Great Britain:	
1913 and 1914	37.85
1906	42.5
Germany:	
1913 and 1914	55.86
1906	42.9
France:	
1913 and 1914	35.07
1906	32.2
Japan, 1913 and 1914	45

The full complement of the standing army and navy of these countries is as follows:

Great Britain, 1913 and 1914, army, 254,500 men; navy, 137,500 men.

Germany, 1913 and 1914, army, 870,000 men; navy, 66,783 men.

France, 1913 and 1914, army, 720,000 men; navy, 60,621 men.

Japan, 1913 and 1914, army, 250,000 men; navy, 51,054 men; with a reserve naval force, 114,000 men.

United States, 1914, army, 91,416 men; navy, 52,757 men.

Russia has a standing army of 1,200,000 men; navy, 52,463 men.

Mr. Speaker, on close examination of these figures we will find the revenue of Great Britain to be greater than ours by nearly $300,000,000, but that our expenses for war and on account of wars is more than $100,000,000 greater than hers. We will also find that the aggregate of her army and navy is nearly four times as great as ours. Germany's revenue exceeds ours by $60,000,000, but our expenditures for war and on account of wars exceeds hers by more than $50,000,000, yet her army is more than nine times as large as ours, and her navy exceeds ours by 14,000 men. The revenue of France is more than $233,000,000 greater than ours, but our expenses for war and on account of wars is nearly $150,000,000 more than hers, notwithstanding her army is eight times as large as ours and her navy excels ours by 10,000 men. Although our revenue is nearly two and one-half times that of Japan, yet her army is nearly three times as large as ours, with a naval force nearly four times the size of ours, yet our expenses for war and on account of wars is more than three and one-half times that of hers.

During the last 10 years we have expended for the Army and Navy alone more than $2,000,000,000—a sum sufficient to dig the Panama Canal, pay off the national debt, and have enough left to defray for one whole year the entire expenses of all the churches, including foreign missions, all the free schools, colleges, and universities in America. Yet we find that instead of curtailing these enormous expenses, Congress seems to have surrendered to the "big Navy" policy. In 1906, and again in 1912 and 1913, Congress settled upon a policy of one battleship a year; but, in spite of efforts to cut down expenses, the majority of the Committee on Naval Affairs and the Secretary of the Navy recommended two battleships for 1915. The Naval Construction Board recommended four. The House passed the bill providing for two, but the Senate added an amendment providing for the sale of the *Idaho* and *Mississippi* with authority to construct another battleship with the proceeds, making three battleships for 1915.

There are two forces behind the "big Navy" policy in America, one of which is inspired by greed for big profits through the sale of construction material, armor, and armament, while the other is prompted by a false ambition to place on the high seas the largest navy in the world. Neither of these blind leaders should be followed into the ditch of national bankruptcy. Navies should be constructed and maintained for the same reasons that walls were built around cities in ancient times—to keep out the enemy. They can not be justified on the ground that they are necessary in order to satisfy the ambition of individuals or on account of national pride to compete with other nations, and excel in the size, strength, and number of fighting units. The maxim, "Never buy what you do not want because it is cheap," is based upon a sound economic principle, and Congress may profit by standing upon the broad principle that our country should not be compelled to buy what we do not want—a big navy—because other nations are buying what we do not want—a big navy. In the South they used to say they raised cotton to sell to get money to buy "niggers" to raise cotton to sell to get money to buy "niggers" to raise cotton to sell to get money to buy "niggers," and the friends of the big Navy say we build battleships because other nations build battleships. But now, I presume, they will have another reason, since the proposition to sell two of our battleships has been suggested—agreed upon by way of a Senate amendment—which will run something like this, "We are in favor of building battleships to sell to get money to build battleships to sell to get money to build battleships to sell to get money to build battleships, and the last reason, meaningless as it appears, is more sensible than the first.

WE ARE TOO BUSY FOR WAR.

Mr. Speaker, we should remember that we have more than 400,000,000 acres of unimproved farm lands to rescue from the wilderness and the plains and place under the magic influence of skill and culture before we can expect a bounteous yield therefrom for the relief of our rapidly increasing population. We have 75,000,000 acres of swamp land to reclaim from a watery grave, land the richest in the world, and anxious for ages to exchange the music of the frog and the hiss of the serpent for happy firesides of song and prayer and rich fields of golden grain as a reward to the industrious farmer. We have the greatest rivers in the world to improve with locks and dams, so as to insure water navigation the year around. We have more than 2,000,000 miles of unimproved roads in America to level and harden for the benefit of commerce and many new roads to lay out and prepare for easy and rapid transit. We have railroads to build, canals to cut, new furnaces to build, new factories to erect, old walls to tear down, old machinery to remove, new and better buildings to erect, modern machinery to install, new inventions to study out, so that more labor can be saved, and new improvements made in every avenue of business and commerce. We have 100,000,000 people to be fed, clothed, schooled, and churched, all of which will require great activity, the employment of an ever-increasing army of labor, the use of vast capital, and the application of much mental skill and labor.

Every man and every dollar abstracted from this wonderful work retards our progress and lessens our hope of success and at the same time adds an additional burden upon those engaged therein. The soldiers and sailors must be fed and clothed by others. Their arms must be forged by others. Money for their salaries must be earned by others. Warships, dry docks, armor-plate, armament, machinery, and all that is necessary to equip an effective Navy and Army must be furnished by the skill and labor of others, and the vast sums required for their construction, equipment, and maintenance must be paid for by the industrious workman. A navy and an army are burdens on the backs of the industrious, and the larger the greater the burdens. This being true, we should practice the greatest economy, based upon our actual wants.

THE VOLUNTEER SOLDIER IS THE BEST WARRIOR.

In a republic like ours the security, power, and prestige of the Nation does not depend upon the size of standing armies and permanent navies. The volunteer soldier has been our greatest wall of defense in times of distress, and I have no doubt but what he always will be the strongest fighting unit in future wars, should we have any. It was his valor that forced the mailed hand of imperial power to slacken its grip upon the government of the colonies. It was his victory which witnessed the surrender of King George's army at Yorktown and his hands into which Cornwallis delivered the King's sword. It was his bravery and courage which drove Packingham's shattered forces from the shores of the American continent and the British warships off the high seas, that commerce on the ocean might be free. It was his brave hand that planted the Stars and Stripes upon the ramparts of the Montezumas and forced Mexico to acknowledge our territorial rights. It was he, more than 2,000,000 strong, from the North, who met his brother, legions strong, from the South, on a thousand bloody battle fields during the Civil War, where the steel of the North clashed with the steel of the South in deadly conflict, such as mortal struggle had never witnessed before, and painted the land red with the mingled blood of dying soldiers from both sides from Bull Run to Appomattox. It was his valor which rescued bleeding Cuba from the foul clutches of tyranny and transformed her into a living republic.

Such men have left as a heritage to the American people an imperishable record of the greatest courage and bravery, of the most lofty type of patriotism and love for country—a record of

eternal fame and glory such as has never been equaled by the deeds of mortal men before or since. Upon the wisdom and courage of such men—the common people—this Nation will always depend for the enforcement of its policies, both domestic and foreign, rather than upon standing armies and permanent Naval Establishments. In their patriotic hands our liberty and peace at home will always be secure and our prestige abroad will ever be maintained. Our strength as a Nation will always depend upon the development of our internal resources, the intelligence and industrial activities of our people, our adherence to the sound principles of a free government as marked out by our forefathers, our fairness in dealing with international questions affecting the rights and liberties of other people, our patriotism and devotion to the lofty teachings of nature and nature's God, and not upon the size of our standing army or the strength of our Navy. Upon this rock the hope of a mighty Republic can ever rest securely, with every assurance of the love, respect, and admiration of all the nations of the world.

OUR POLICY OF PEACE CHANGED TO A POLICY OF WAR—WHY?

Mr. Speaker, for more than a century our Navy consisted of a few hundred men, and our standing army was less than 25,000 soldiers; but now the full complement of our Navy is 51,757 and our standing army is 91,416. Under a policy of peace we have developed into the richest and greatest Nation in the world; but now we are told that we are in great danger and must have a big army and a big navy to protect ourselves. What has caused this sudden change from a policy of peace and progress to a policy of blood and bluster? Why this wild clamor? Why this idiotic rush? Why this unwarranted expenditure of the people's money, bordering on criminality? Why this madness to place on the high seas the greatest Navy in the world? Is it the outburst of patriotism in response to the country's call in defense of liberty, or is it a conspiracy, in whole or in part, against the Treasury, prompted by greed? Let us see. During the Spanish-American War certain corporations and trusts got a taste of big profits, and they seem to be wedded to a useless waste of public funds, but they are shrewd enough to keep in the background and let their agents manage their cause. The Navy League, with handsome headquarters in the Southern Building, in Washington, D. C., officered by rich men, closely connected by blood or marriage and closely allied in business, as I am informed, with some of the biggest trusts and most notorious money pirates in the country, is the active agent of this reckless policy. It publishes and circulates a periodical called The Navy, for the purpose of working up public opinion in favor of a big Navy. Royal banquets are spread at its expense for the entertainment of Members of Congress and officers high up in military and naval affairs. All of this trouble and enormous expense is borne by this league for some definite purpose, which is open to serious question in the minds of certain Members of Congress.

Here are the names of some of them:

NAVY LEAGUE.

The Navy League seems to be dominated by millionaires and their friends. The following gentlemen are intimately connected with this league: J. Pierpont Morgan was a director at the time of his death. His son, J. Pierpont Morgan, is the treasurer of the league, as I understand. Mr. Herbert L. Satterlee is general counsel for the league. He is a brother-in-law of J. Pierpont Morgan. Robert L. Thompson is chairman of the executive committee of the league. He is president of the New York Metal Exchange and chairman of the board of the International Nickel Co. and a close friend to the Morgans. Gen. Horace Porter is president of the league. For many years he was identified with the Pullman Co., a Morgan corporation. Charles C. Glover, president of the Riggs National Bank of this city, which is closely identified with Wall Street, is the treasurer of the league. J. Frederick Pams is a director of the league, a member of Morgan's yacht club and a New York society yachtsman. Ex-Postmaster General George von L. Meyer is a director of the league, and was Secretary of the Navy under the Taft administration.

In his testimony before the Committee on Naval Affairs on the 28th day of January, 1914 (naval hearings, p. 588), Rear Admiral C. E. Vreeland, a member of the General Naval Construction Board, was asked by Congressman FARR, of Pennsylvania, this question: "What is the object of the Navy League?" To which Admiral Vreeland replied, "It is purely patriotic." Yet the admiral and the naval board of which he is a member has recommended the building of four battleships a year for the last eight years, for reasons, I presume, "purely patriotic." The present plan of this board is to build an effective fleet of 48 battleships, with a supply of auxiliary torpedo and submarine destroyers. The Naval League is in complete harmony with this policy, and for reasons, I presume, "purely patriotic." It scatters its literature abroad and sets its banquets in stately halls, at its own expense, for the purpose of making the people believe that unless we put on the high seas the greatest navy in the world Japan or some other nation will jump on us, capture our country, take our homes away from us, and establish over us, without our consent, an imperial form of government, with a real tyrant at the head as our supreme ruler.

Table showing total revenues for various nations and the amounts used for war and on account of wars.

[Compiled by FOWLER.]

Nations.	Total revenue 1913 and 1914.	Total effective revenue for Army 1913 and 1914.	Total non-effective revenue for Army 1913 and 1914.	Total revenue for Army 1913 and 1914.	Total effective revenue for Navy 1913 and 1914.	Total non-effective revenue for Navy 1913 and 1914.	Total revenue for Navy for 1913 and 1914.	Total revenue for Army and Navy for war and on account of wars, 1913 and 1914.	Per cent of revenue used for war and on account of wars, 1913 and 1914.	Estimated standing Army 1913 and 1914.	Estimated standing Navy 1913 and 1914.
Great Britain	$965,443,410	$118,248,470	[1] $2,482,336 19,182,930	$139,913,736	$211,028,788	$14,497,503	$225,526,291	$365,440,027	37.85	254,500	137,500
France	933,148,123			191,431,580	[2] 43,621,944		92,257,645	327,311,168	35.07	720,000	60,000
Germany	760,760,956			216,095,635	[2] 94,380,450		114,505,683	424,981,769	55.86	870,000	66,783
United States	700,000,000	105,095,466	[2] 5,951,000	[2] 210,877,285 111,046,466	144,280,433	[3] 10,329,600	265,664,499	476,541,785	68.07	91,416	52,757
Japan	293,403,794			48,968,038	[2] 35,283,881		48,540,903	132,792,822	45.00	250,000	[4] 114,000 51,054

[1] Provided in civil service and revenue department estimate. [2] Total as a result of wars. [3] Miscellaneous. [4] Reserve naval force.

This reminds me of the statement said to have been made by Andrew Carnegie at a Republican club meeting in New York on the 7th day of January, 1911, reported in the Washington Post January 8, 1911, in which he claimed to have received a cablegram from Secretary Tracy, of the Navy, while coaching in Scotland, to the effect that the President believed it to be his duty to come home and engage in the manufacture of armor plate, so that the Government would not be delayed in the building of warships on account of a lack of armor plate; that he immediately returned and built a plant. In commenting on the cablegram, he said, "If the President thinks it is my duty to do anything or go anywhere for my country, I consider it the voice of God." Yet in his first contract, November 20, 1890, to furnish armor plate for the *Indiana*, and so forth, he made a secret deal with Secretary Tracy for 6,054 tons without advertising for bids, in violation of the law, whereby he received from the Government on an average more than $600 a ton, and, in addition, 2 cents a pound for all armor furnished as a guaranty against all royalties he might be required to pay on account of a French patent for nickel steel used in making armor plate, which cost the Government $130,000. I suppose this was in answer to the "voice of God" and prompted by motives "purely patriotic." In 1897 Congress fixed the price of armor plate at $300 a ton, but his company—Carnegie, Phipps & Co.—and the Bethlehem Iron Co. were then the only plants in America making armor plate, but they refused to put in bids and forced the Government to pay them $425 a ton. In 1899 Congress again fixed the price at $300 a ton, but both of these companies again refused to put in bids, for reasons, I presume, "purely patriotic" and in answer to the "voice of God," although the Bethlehem Co. in 1894 had contracted to furnish, and did furnish, Russia 1,500 tons of the same kind of armor plate for $249 a ton.

On the 22d of May, 1894, the House passed a resolution authorizing the Committee on Naval Affairs to investigate the charges of fraud filed against the Carnegie Steel Co., then

Carnegie, Phipps & Co. The investigation was made by a subcommittee consisting of Messrs. Cummings, Money, Talbott, Dolliver, and Wadsworth. The evidence was large and convincing. Here is some of the evidence bearing directly upon the question of fraud in the manufacture of armor plate by this God-fearing man.

Charles M. Schwab was then superintendent of the company, but now president of the Bethlehem Steel Co. He testified that the armor plate did not "receive uniform treatment"; that they did not make any armor plate that did not "have blowholes"; that the "blowholes" were secretly "plugged" and kept "concealed" from the Government inspectors; that he knew of this fraudulent work.

The superintendent of the works, W. A. Cline, testified that he almost invariably changed the figures so that false reports of the treatment of the plates were systematically made to the Government inspectors; that he discharged some of the workmen because they told the truth about this fraudulent work.

William E. Cory, a superintendent, testified that the tensile strength of each plate was stretched so as to increase their apparent tensile strength without the knowledge of the inspectors of the Government; that he knew false specimens were substituted for the plates selected by the Government inspectors, but he considered it "a matter of small importance"; that plates selected by the Government inspectors for physical and ballistic tests were re-treated before the tests were made and without the knowledge of the Government inspectors. This fraud led the inspectors to believe all the armor was as good as the specially treated plates secretly made after they had been selected for making tests.

Mr. T. F. Van Kirk, a workman in this company's works, testified that on April 11 and 12, 1892, a plate, x–9, 13 inches, was—

plugged and hammered up. Forty holes in top and bottom of plate. This plate was afterwards finished, stamped x–8, 13 inches, April 23 and 24, 1892. Holes in top of plate run in wire 4 feet or more. The material in this plate was very bad, and in trying to plug the plugs would fall in, but we finally doctored it up and it passed inspection.

In an affidavit Samuel Sheriff says:

The plugging and doctoring of plates was generally done at night, when no inspectors were about, but I seen one fixed one day at noon.

Mr. T. F. Farley, another workman, testified in an affidavit that—

the plates were frequently imperfect, were full of deep holes and defects; frequently taken off the planer in the daytime and hidden or covered up until night, so as not to be seen by the inspectors, and then worked upon in the nighttime. I have seen these defective plates passed, inspected, and shipped from the works to their destination.

Mr. G. W. Kountz says in his affidavit:

I have known of heavy plates being plugged of holes from 4 to 6 inches, unknown to the Government inspectors. This fraud has been practiced upon the Government since long before November, 1892, and since September, 1893.

Mr. T. F. Farley says in his testimony:

When I first went there they were plugged by taking cuttings from the same plates, * * * hammering them in with a punch, and placing more and more in the hole until it was level, until it could stand no more plugging. I have run wires in to the depth of 18 inches into these plates, and I know that plates that I run a wire in 18 inches passed and is now somewhere.

Samuel Sheriff testified that two or three barbette plates of the *Indiana* were plugged and passed; that he knew a patch put on one of these plates to fill a hole 2 or 3 inches square.

All of this was done, I presume, in answer to the "voice of God" and prompted by motives "purely patriotic," as it was "a matter of small importance." But he was found guilty, and damages were assessed against his company in the sum amounting, in round numbers, to $600,000, but he compromised the matter for $140,000. The committee, after reviewing the evidence, said in its report:

Such are specimens of the testimony regarding the plugging of plates. In the opinion of your committee, they bear out Commodore Sampson's allegations that "the concealing of the blowholes was a fraud upon the Government."

But what did this nighthawk of commerce care for the lives of the men who stood as a wall of defense to his ill-gotten gains? What did he care for the efficiency of our Navy? What else did he care for save huge profits and large dividends?

In his address to the working girls of New York on February 10, 1911, reported in the Washington Post February 11, 1911, he said:

I have made 42 or 43 millionaires in my time, but I want to say that the only right a man has to wealth lies in his acquiring it by his own labor.

Here is his measure for the amount of wealth a laboring man is entitled to accumulate—that and that only which he can earn by his own labor. This is the "voice of God" to be followed by labor, but it is not the same voice followed by him in his dealings with his Government in a matter of vital importance to the security of life in our Navy and the honor of our country. It is not the rule followed by him in accumulating his millions. I heard him in answer to a question while on the witness stand before the Stanley investigating committee in 1912, propounded by Congressman BEALL of Texas, as to whether he consulted his attorney to learn the law so as to operate his business according to law, to which he replied: "I never bothered my head about the law," pointing to his head with his index finger. What did he care for the laws of his country? What does he care for the laws of God? The only voice he ever heard which can be denominated the "voice of God" is the voice of the god of mammon; and he has consistently followed that voice to victory—from a standpoint of millions.

In 1896 Congress authorized Hon. H. A. Herbert, Secretary or the Navy, to investigate the cost of the production of a ton of armor plate and the cost of an armor factory, and he requested, by letter, information from the Carnegie and Bethlehem Cos. on this subject, but they refused, saying:

It is very unusual for Congress to inquire into the business of private corporations.

Congress had already inquired into the conduct of the Carnegie Co. and had fined it more than $600,000, and was making arrangements to inquire into other irregularities. Secretary of the Navy B. F. Tracy, at the urgent request of William M. Folger, on June 20, 1891, by letter, requested special action by the Patent Office on an application for a patent filed by Howard A. Harvey for supercarburizing armor plate, Folger having prompted Harvey to apply. The patent was issued September 29, 1891, and in the summer of 1892 a contract was entered into with Harvey for the use of his patent, and in the contracts for armor plate in 1893 with the Bethlehem and Carnegie Cos. they were required to use the Harvey process and were paid from $50 to $100 a ton more than the regular price formerly paid.

Harvey had taken out a patent June 20, 1888, for hardening steel. William M. Folger, then inspector of ordnance at the Washington Navy Yard, procured the sale of steel thus treated to the Navy. It was undoubtedly through the influence of Folger, for he became Chief of the Bureau of Ordnance in February, 1890, and as such chief negotiated a contract with Secretary Tracy for the use of the Harvey process at one-tenth of 1 cent per pound for the finished product. Folger received $20,000 worth of the stock in the Harvey Steel Co. and employment in that company at a salary of $5,000 a year. This stock paid 20 per cent dividends from sales to United States. He knocked out Lieut. Seabury's device for a breech-closing machine and promoted an invention of a similar kind and had Lieut. Dashiell take out a patent, on which he received $125 for each gun. He also defeated Maxim's invention and gave it to Mr. Fletcher, saying in his testimony in a suit, Seabury against Dashiell:

I look upon the production of that officer—

Meaning Dashiell—

with more sympathetic consideration than I do upon the production of an outsider and free lance, who comes in for the pelf alone.

There was also some cloud hanging over William E. Corey, of the Carnegie Co., concerning his patent for carburizing or reforging armor, as well as the French patent by Creusot for nickel steel.

Secretary Tracy had become the attorney for the Harvey Steel Co. to defend its patents. The special interest which he had taken in one of these patents before its issue and while he was Secretary of the Navy was revived and created much criticism. Gen. William Crozier had been appointed Chief of the Bureau of Ordnance in the Army, and the sale of his patent for a disappearing gun carriage to the Bethlehem Iron and Steel Co. for $10,000, with the understanding that he should receive royalties until his income had reached $50,000, was also revived; and it was recalled that it was the Bethlehem people who first suggested to him to take out a patent on this device. Whether these naval and military officers had been prompted by motives "purely patriotic" in their actions relating to patents affecting materials to be used in the construction of our Navy, or whether they had "come in for pelf alone," was then giving Congress much concern, and when Secretary Herbert requested the Carnegie and Bethlehem Cos. to furnish him with certain information concerning the cost of producing armor plate and the cost of the construction of an armor-plate factory, they readily reminded him that "it is very unusual for Congress to inquire into the business of private corporations."

I am reminded of Æsop's fable of the lion who sought to get his food without chasing down his prey. He pretended to be sick and issued a proclamation to that effect and invited all of the beasts of the forests to come to see him. Some time after his proclamation was razed, he chanced to meet the fox, and demanded to know why he had remained away, upon which the

fox replied, "Oftentimes I was moved to visit his majesty and minister unto his wants, but on each occasion on approaching the door of his lair I discovered the tracks of many beasts going in, but none coming out. I was therefore so frightened I did not dare venture in."

What snake-charm spell has come over these men with motives "purely patriotic"? What wizard dope has been administered to them, the effect of which leads them directly into the camps of recklessness and extravagance? Why have they not detected and exposed the frauds perpetrated by the Armor Plate Trust? They are paid to do it. Why do they oppose investigations, and why do they defend the enemies of the Treasury and try to cover up their unlawful methods by saying they are "prompted by motives purely patriotic"?

In his annual report for the year 1913 Secretary of the Navy Josephus Daniels says, on page 41, that the "Russian Government claims to be able to produce armor at a saving of about $200 a ton over the price asked by the private manufacturers, and the French Government estimates that an equal saving has already been made on their plate," but Rear Admiral Joseph Strauss, Chief of the Bureau of Ordnance of the Navy, in his testimony before the Committee on Naval Affairs, on January 26, 1914 (naval hearings, p. 511), in referring to the manufacture of armor plate by the Russian and French Government plants says: "Whether the result of the establishment of these factories has been to reduce the price charged by private contractors is open to question." Yet I presume he was prompted to make this statement from motives "purely patriotic," although its effect was to discourage the establishment of an armor-plate factory in America. One peculiar feature about all of these statements made by these "patriotic" men and "patriotic" organizations is that they point directly to the interests of the Armor Plate Trust.

THE ARMOR PLATE TRUST.

We have only three armor-plate factories in America—the Bethlehem Iron & Steel Co., located at Bethlehem, Pa., established in 1887; the Carnegie Steel Co., at Homestead, Pa., erected in 1893; and the Midvale Steel Co., of Philadelphia, Pa., erected in 1903. The first contract for American armor plate—6,891 tons—was let on the 1st day of June, 1887, to the Bethlehem Iron & Steel Co. at $604.85 per ton, and the second contract was made, without advertising for bids, with Carnegie, Phipps & Co., on the 20th day of November, 1890, for 6,054 tons, at the same price per ton with a bonus of 2 cents a pound. The reasons offered by Secretary of the Navy, Hon. B. F. Tracy, was to promote the construction of another armor-plate factory, so as to secure competition and have a better chance to get our armor plate at home at better prices. But let us see what happened. In his report (H. Doc., vol. 58, p. 22, 54th Cong.) Secretary of the Navy, Hon. H. A. Herbert, in commenting on the question of a trust says:

> I am informed upon authority which I believe to be good that about, or perhaps before, the time of the last contract of the Bethlehem company with Russia there was a meeting in Paris of the representatives of the principal, if not all, of the armor manufacturers of Europe and America.

This was in 1894; and commenting upon the prices charged in Europe and America, he says, on the same page:

> These facts seem to lead to the conclusion that there is at least a friendly understanding or agreement among the principal manufacturers of the world that prices shall be maintained at about the same level.

Here we find evidence 20 years old of a world-wide Armor Plate Trust.

Mr. Speaker, in the naval hearings for 1914, page 621, the present Secretary of the Navy, Josephus Daniels, used the following language in referring to an advertisement for bids for armor plate for the dreadnought *Pennsylvania:*

> When we came to the armor we rejected all the bids, and were then absolutely in a situation from which it appeared there was no relief. Though you can not establish it in black and white, there is no doubt of an Armor Plate Trust all over the world. That is to say, the people abroad who make armor plate will not come here and submit bids, because they know if they do our manufacturers will go abroad and submit bids. They have divided the world, like Gaul, into three parts.

Further on, on the same page, in speaking of this contract, he says:

> In other words, they held us up.

Mr. Speaker, again we find evidence, coming from a high source, of a world-wide Armor Plate Trust, the American end of which is holding up the executive department of our Government. What kind of men engage in holding people up? Is it the law-abiding and God-fearing? No; they are criminals, such as train robbers and night sluggers, men usually apprehended, convicted, and sent to the penitentiary. Even the wayfaring tramp who, under the pressure of hunger, happens to thrust his hand through a broken window and takes out a loaf of bread or a roll of sausage to relieve the pangs of hunger is hurried off to begin a long term of prison life, while multimillionaires who systematically rob the Treasury of millions annually are hailed as great benefactors or peacemakers, because they cunningly donate a small portion of their ill-gotten gains to a library, school, or church or to some deceptive peace foundation. The commercial trusts are now engaged in a holdup game with the business of the country in an effort to force Congress to adjourn without enacting further trust legislation. The subsidized press of the country is their loudest mouthpiece, and the corrupt and unscrupulous politician is their strongest advocate. For 20 years this trust has blossomed like a rose and flourished like a green bay tree right under the eyes of the Attorney General. With all the proof compiled by Congress necessary to a conviction, why this inactivity? Wake up, wake up! A new political star is shining. Wake up, wake up! The dawn of a new day is breaking, the light of which will shine in on every administrative avenue of government and reveal all irregularities and secret combinations which may exist between the trust and the official. Government must be free from the influence of the invisible hand which has written contracts for the Government, laws for the Federal statute, and decisions for the Federal court. Criminals must be prosecuted and the Treasury must be protected. Men in office with chocolate backbones must retire and give place to men of courage, honesty, and activity.

Mr. Speaker, from 1893 to 1903, a period of 10 years, the Carnegie Steel Co. and the Bethlehem Steel Co. have put in practically the same bids for all the armor plate manufactured in this country. The Midvale Steel Co. came on the market in 1903 with a bid averaging $396.99; the Carnegie and Bethlehem companies protested against giving her any part of the contract, but the Secretary of the Navy divided the order, nearly 18,000 tons, about equally among the three; but notwithstanding the price submitted by the Bethlehem and Carnegie companies was about $20 a ton above the Midvale price, yet the Midvale was compelled to accept her part of the order at her bid, $396.99 on an average, while the other two companies were given their part of the order at their bids, averaging about $416.

In 1905 an order of 8,000 tons was offered, and the Midvale Co. bid from $385 to $398 per ton, but the other two companies put in bids at exactly the same figures—$400 to $420 per ton—yet the Midvale received only 1,041 tons at the price bid by her, and the remainder was given to the Carnegie and Bethlehem at their figures, $400 to $420. In July, 1906, between 7,000 and 8,000 tons were offered. The Midvale put in a bid averaging $345.90, and the other two companies put in the same bids, averaging $370 per ton. The order was divided equally among the three at the lowest bid. This was the first time all bidders were required to accept the price of the lowest bidder, and instead of giving all the contract to the lowest bidder the order was divided up, so that each received one-third of the order. This was the beginning of the destruction of competition. To refuse to give the entire order to the lowest bidder, and then, after the bids were in, divide it up among them in equal parts, was equal to establishing a rule like this: The lowest bidder will get no more than the highest bidder, therefore it is advisable for all to get together and fix the price and all put in the same bid, and that is just what they did, for they have put in exactly the same bids in all the orders since that time and increased the price annually until last year, 1913, it reached $454 a ton. This is the logical result of dividing the order among all. But by giving it to the lowest bidder it might have kept up the competition between the Midvale on the one side and the other two companies on the other. Who is to blame for destroying the competition, the companies or the Navy Department? If the Navy Department, what could have been its motive? Was it prompted by motives "purely patriotic," or did it "go in for self alone"?

Let us see what the companies have to say when interrogated as to the cause. On the 12th day of April, 1913, the Secretary of the Navy, Hon. Josephus Daniels, addressed a letter to the Bethlehem and Midvale Cos., requesting their reasons for putting in identical bids, to which the Midvale replied on the 6th day of May, 1913, as follows:

> We wish to assure the department that when equal prices for Government material have been quoted by competing concerns, such uniformity is entirely due to the Navy Department's long-established policy. * * * This policy that no one company would receive all the work, but that orders would be divided at the lowest price bid, has resulted in establishing for many years past uniform prices for ordnance material.

On the 19th day of April, 1913, the Bethlehem made the following reply:

> Instead of awarding a contract for the whole of an order to the lowest bidder, the department, in most cases of the kind, divided the order between two or more of the competing firms upon the highest bidders agreeing to reduce their price to the price named by the lowest

bidder. In view of that practice it has become to be understood by every manufacturer that the naming of a low figure by him would merely lower the price that he and each one of his competitors would receive for a part of the order. * * * It is in this way alone that we can explain the fact that the Midvale Co. has named the same price for nickel-steel forgings that have been named by this company.

In Congressman BARCLAY'S district in Kentucky, an old itinerant school-teacher flourished in former days. He was noted for the long list of rules used by him to govern his schools. Rule No. 49 read as follows:

No swearing while climbing trees.

When paraphrased for the Navy it would read this way: "No cutting prices while bidding against brother members of a trust. It will not be permitted by the Navy Department."

Listen: "In other words, they held us up." These are the words of the Secretary of the Navy, crying like a drowning man for help. Do you hear him, my dear colleagues; will you go with me to his rescue? We have the power to save. Do you hear him, my dear Attorney General; will you go to his relief? You have the power to save the Treasury from the hands of the unlawful who seek to hold up its guardians.

A GOVERNMENT ARMOR-PLATE PLANT IS A PERFECT CURE FOR THE ARMOR-PLATE TRUST. SHALL WE BUILD IT?

Mr. Speaker, in 1896 and 1897 Secretary Herbert of the Navy, under authority from Congress, made one of the most exhaustive investigations concerning the cost of the labor and materials to make a ton of armor plate, and of the cost of constructing an armor-plate factory. He appointed to assist him what was known as the Roher Board, consisting of Karl Roher, Kossuth Neiles, and A. A. Ackerman, all experts of many years' experience in making armor. This board made an exhaustive investigation, and they reported the cost of a ton of harveyized nickel-steel armor plate, including labor and all materials except the nickel, to be $167.30. Lieut. Commander Rodgers, inspector at the Bethlehem Works, was requested to make an estimate, and he placed the cost of materials and labor at $178.59. Ensign C. B. McVay, inspector of ordnance at the Carnegie Steel Plant, was also requested to make an estimate, and he fixed the price of labor and materials at $161.54. The Secretary secured the assistance of Capt. W. T. Sampson, Chief of the Bureau of Ordnance for the Navy, and afterwards one of the heroes at the naval battle at Santiago in 1908; also the services of Philip Hichborn, Chief of the Bureau of Construction and Repair, in this great work. He took the average of the three sets of figures and added thereto 10 per cent for loss by defects, and reported the cost of a ton of single-forged armor at $185.38 and a ton of reforged armor at $197.78.

In 1894 the Bethlehem Steel Co. contracted to furnish, and did furnish, to Russia enough armor plate for three warships, at $249 per ton. It is to be supposed that a profit was made on this order. Corporations do not usually make bad and losing bargains. In 1897 the Illinois Steel Co. proposed to furnish our armor plate for $240 per ton, provided we would furnish her with contracts annually for a period of 20 years for not less than 6,000 tons and not more than 12,000 tons, but the Government declined to accept the offer. Since that time we have used 174,043 tons; by the expiration of the 20 years we will have used more than 200,000 tons, at an average cost of not less than $440 a ton. This would have saved $200 a ton, which would have amounted to $40,000,000. If the Illinois Steel Co. could have made a profit at that price, as I have no doubt but what it could, then the $40,000,000 represents the wonderful graft which has been taken out of the Treasury unlawfully. It is high time that we should make an honest effort to save the Treasury from such raids in the future, and I think we can do it more successfully by building a Government armor plant big enough to supply ourselves with all the armor we will need. While I think a 10,000-ton plant will be big enough, yet that matter can take care of itself by making additions should occasion require.

In his investigations in 1896 and 1897 Secretary Herbert made his estimates for a 4,000-ton plant. He had hearings on the subject in America and secured estimates from England and France. He had applied to the Bethlehem and Carnegie companies for estimates, but they declined at first. Finally, Carnegie estimated his plant at $3,000,000, and the Bethlehem estimated its plant at $4,000,000. But after an extensive investigation the Secretary estimated that a 4,000-ton plant could be built for $1,590,000 complete. England estimated that such a plant could be built in England for about $1,000,000, and France estimated that she could build such a plant for $700,000. I have frequently talked with experts, and they assure me that a 20,000-ton plant can be built for $4,000,000. Many estimates have since been made, and in each instance I find the price increasing in some instances enormously. On page 510 of the naval hearings for 1914 Admiral Joseph Strauss estimates for three different capacity plants—20,000-ton plant will cost, according to his estimate, $11,288,431; a 10,000-ton plant, $8,466,000; and a 5,000-ton plant, $6,300,000. And he figures the cost of the best armor plate manufactured in these plants at $269 a ton in a 20,000-ton plant, $349 a ton in a 10,000-ton plant, and $400 a ton in a 5,000-ton plant. On page 511 of the same hearings he says, in speaking of the Government plants in Russia and France:

Whether the result of the establishment of these factories is to reduce the price charged by private contractors is open to question.

Although Secretary Daniels says his information is that Russia and France are saving $200 a ton by manufacturing their own armor plate in Government plants.

Since the investigation of Secretary Herbert I have seen none of the officers high up in naval authority advocating a Government plant, except Secretary Daniels. Ice water from all sides is dashed into the face of the proposition notwithstanding we have Government plants for manufacturing our powder and munitions of war, and it has been conclusively shown that we can make powder at a cost not to exceed 38 cents a pound, whereas we used to pay Du Pont Powder Co. 85 cents a pound, and we have forced down the price to 53 cents for what we buy of his plant and forced down the price of armor-piercing shells for 12-inch guns from $320.72 each in 1892 to $165 each in 1914. Like reductions have been made in the price of our cannons. We can manufacture 14-inch cannon for about $60,000 each, but on an order for 10 such cannon the Bethlehem and Midvale Cos. bid $79,000 each, while the Army plant is now making them for $61,000. Do these gentlemen connected high up in the Navy and the other gentlemen connected with naval affairs oppose Government armor plants for purposes "purely patriotic" or do they "come in for pelf alone"? June 7, 1900, Congress appropriated $4,000,000 to build an armor-plate factory by the Government, but by some trick it was not used.

If we should assemble a large number of different kinds of animals for observation and we should find that some of them, such as the cow, sheep, goat, deer, antelope, moose, and elk, grazed in the daytime and when at rest masticated their food. Then if we should make an examination of the mouth of each of these animals and find that they have no upper front teeth we would be in possession of two important facts. Now, if we should chance to find on the plains the skull of an unknown animal and on examination we should find that it had no front upper teeth we would at once class it with the cud chewers.

Now, if the people should find on investigation that we have an Armor Plate Trust, defrauding us in the price and quality of the armor plate furnished for a period of 20 years, and if the people should further find that all the principal naval officers whose duty it is to guard the Navy and the materials out of which it is made, and the price paid for the same, so as to get the best results at a minimum cost, are closely connected with the agents of the trust, accepting invitations to royal banquets served in stately halls, and never detecting any of the many frauds, although warned of the same every session of Congress, but always defending them and their agents, saying that they are prompted in their fraudulent conduct by motives "purely patriotic," and should the people further find Members of Congress in charge specially of the supplies for the Navy and all that is connected therewith, and such men should never make any movement to check such frauds, and always be found defending the methods and tricks of the trust and never missing an opportunity to discourage investigations of fraud and all efforts to secure relief by prosecution or taking over the business by the Government in its own plants, would the people not be forced to the conclusion that we have cud chewers connected with the Navy and cud chewers in Congress? If so, who are the real cud chewers of trust benefits and trust profits?

Mr. Speaker, from what I can learn about the cost of producing armor plate we can save enough on the three battleships now ordered for 1915 to pay for the construction of an armor plant. We will need at least 20,000 tons, but we will not be ready for it for about two years. If an appropriation had been made during this session of Congress for the construction of an armor factory instead of fooling away at least one year with a commission detailed from the Committee on Naval Affairs to inquire into the cost of a site for a plant and the cost of the factory, we would have done something for the people. We could have manufactured the 20,000 tons in our own plant, but as it stands we will have a report, perhaps, from this commission some time in the future, which will give no one any information. Under all probabilities it will be a burden instead of an asset, and we will be further away from the beginning of a Government factory than ever. This is the history of such reports in the past. What we want is a separation of Congress

from the influence of the Armor Plate Trust, so that Congress will be free to discharge its duties for the support and maintenance of a constitutional form of government according to the intent of our forefathers, on the principles of economy and progress. An armor-plate factory, owned and operated by the Government, is demanded for many reasons, among which is economy, the most important of all to the Government except our honor. I am told by experts that much of the armor plate furnished for our Navy is worth no more than steel rails. If this be true, we are being sadly imposed upon, and this furnishes one of the best reasons for a Government plant, for all the materials used in the construction of our warships should be of the very best. In a Government plant there would be no incentive to work off defective materials on the Navy, but our highest ambition would be to construct and maintain an efficient Navy, able and enduring, so that should the occasion arise to use it we will not be disappointed nor disgraced. Another and one of the most important is the preservation of naval secrets. If we should develop a superior quality in any of our materials, such as structural materials, armor plate, guns, projectiles, or powder, or anything used in the construction or equipment of our war vessels, we will be able to preserve it for our own use. We will have no speculators in patents and naval secrets to peddle out to other nations. All connected with our Navy will be surrounded with influences "purely patriotic," and none will have an opportunity to come in "for pelf alone."

Mr. Speaker, there is another splendid reason for Government plants in which to manufacture all of the most important parts of our warships and the munitions of war. Cæsar is said to have been the greatest general in Europe, if not in the world. He certainly was one of the most successful. Every soldier in his army was an artisan, self-supporting when not engaged in battle. They could make their own weapons and repair them. This was done during wars as well as in time of peace. We are sadly in need of employment for our standing Army and our permanent Navy. If we had factories of our own in which all of our materials for the Army and Navy could be made, our soldiers and sailors could find employment as skilled workmen, at decent wages, in time of peace. Under such conditions they would always be employed and be deeply interested in their work, instead of becoming indifferent under long years of nothing to do. In addition, they would be able to earn some money. Government plants should be built with a view of being accessible to the Navy and Army, without interfering with their military duties. I would not make such work compulsory nor continuous, but offer it to volunteers, permitting them to work during certain hours or certain days.

AN EFFICIENT NAVY IS A WALL OF NATIONAL DEFENSE.

Mr. Speaker, while I am not in favor of big navies and large standing armies, yet if we must have a big navy, it will not cost any more to build an efficient one than to build an inefficient one, and whatever money we appropriate for this purpose should be used for all that it is worth. We have often been told that we can not build our war vessels in America as cheap as can be done in Europe, and I have no doubt of the truth of this contention. On the 13th day of December, 1911, before the First National Business Congress of the National Business League of America, in Congress Hotel, Chicago, Ill., Robert Dollar, president of the Robert Dollar Co., Oriental Steamship Lines, San Francisco, delivered an address on the subject "The American merchant marine in our foreign trade," read by Mr. James W. Nye, from which I quote the following paragraph:

> First. In the building of ships, or first cost, our politicians and others who do not know, or those who willfully distort the truth, all tell us that it only costs 25 per cent or 30 per cent more to build ships in an American yard than in a British yard. What are the facts? I have just built a steamer in Scotland, 423 feet long, 54 feet beam, with engine, 2,500 horsepower, and of 8,880 tons dead-weight capacity. The price, ready for sea, was $250,000. Inquiry from American yards brought out the information that it could not be built for less than $600,000. Now, to build this vessel in an American yard, and to permit her to meet the keen competition in the foreign trade, Congress must pay the builders a subsidy of $350,000. I need not ask you, Will they do it? The answer is plain on the face of it. They will not do it.

If this is to be taken as evidence of the difference of the cost in building our war vessels in America and the building of warships for other nations, it is clear that if we try to build and maintain as large a navy as other great powers we will need twice as much money as they do in order to keep up with them, and our burdens will be twice as heavy as theirs, with no better navy. Our duty is clear. We must weed out extravagance.

Mr. Speaker, an efficient navy must be up to date in at least five essentials, to wit, the strength of the materials used, the model of her fighting units, the speed of each, her armament, and her projectiles. I understand that much of the materials used in the building of our present fleet in inferior, such as armor plate, structural materials, and a portion of the armament.

If this is true it is not because of a lack of adequate prices paid. It comes from another source. Here is room for much-needed improvement, if I am properly informed. The production in our own plants will do much to relieve this defect. Our armor plate should be the very best, as it is said to determine the life of a ship in battle to a great measure. I have seen many photographs of armor used for experiment, and one or two shots by an armor-piercing shell played havoc with it, while other samples have not been much injured by many shots. From the best information I can get there is no armor strong enough and thick enough to withstand the force of the torpedo shell. If this is true, then we must change the plan of a single plate hull model to a double or tripple plate hull. I understand that Great Britain and Japan are building double-plate vessels and Germany is building tripple-plate ships. The reason for double or tripple plate vessels is this: A torpedo shell will break only one plate if a space is left between the plates to act as a cushion—12 inches is left between the plates by Great Britain and Germany, as I am informed. So that if one plate should be broken the vessel will still be good until an accident shot should strike in the same place and break the inner plate. The invention of the torpedo shell has made it necessary to change the plan of construction, and if we should continue our obsolete models and plans all the money used in the building of new battleships will avail us nothing. All of our new vessels should have double or tripple plate protection, with high speed. The invention of the torpedo shell has not only revolutionized the models for new navies, but it has revolutionized the distance at which naval engagements will take place in the future. As the speed of a fleet is no greater than the speed of its slowest vessel it becomes necessary that all new fleets should be made up of vessels of about the same speed, otherwise all slow vessels would either hold back the entire fleet to its detriment or would force the fast vessels to abandon them and leave them to the mercy of the enemy.

THE SLOW AND PONDEROUS DREADNOUGHT IS A BURDEN TO AN EFFICIENT NAVY.

I have been informed that Great Britain has changed from ponderous dreadnoughts to smaller vessels with greater speed. Her naval program for 1913 called for five new battleships of the *New Elizabeth* class, which is 640 feet long with a displacement of 28,000 tons and equipped with Parsons turbines, capable of developing 50,000 horsepower, and giving her a speed, under ordinary conditions, of 25 knots. The *Queen Mary* is 660 feet long with a displacement of 27,000 tons, and said to have a speed of 35 knots. These vessels are said to be the most remarkable war vessels in the world. They combine the speed of the cruiser with the strength of the battleship with the most powerful guns. The *Queen Elizabeth* is to carry eight 15-inch guns, mounted in four 2-gun turrets. This is a most wonderful improvement over the slow, ponderous dreadnought, and, in my opinion, is worth a dozen of the *Idaho* and *Mississippi*, whose sale we provided for in the bill just passed and signed by the President, whose speed is 14 or 18 knots. They are good coast-defense ships, and will no doubt serve the purpose desired by their purchaser, Greece.

NATURE'S PLANS ARE THE BEST.

Mr. Speaker, in the caves and strata of the earth we find evidence of extinct ponderous animal life of a long time ago. According to estimates, some of these animals weighed many tons. It is said that the brontosaurus was 70 feet long, stood 30 feet in the air on its hind feet, and weighed 30 tons, making a track a yard wide. It is also said by our scientists that in the earlier stages of the earth the vegetation was much more luxuriant than now, so that nature could better afford to feed these monster masters then. As nature's plan seems to be a systematic progress from a lower and sluggish type of animal life to a higher and more active life, all animals not able to keep pace with nature's plans suffer. What she can not use she throws on the scrap pile, so nature has thrown most all mighty masters of a low type of animal life on the scrap pile for economic reasons—they were too expensive to support. If we will only get in touch with nature's plans and follow her example in the future construction of battleships, we will improve the efficiency of our Navy. Here we can find a few mammoths, mastodons, dinosaurus, and brontosaurus for the scrap pile. By selling the *Idaho* and *Mississippi* we make room for higher life and greater speed. If those in authority will catch the drift of the progress of the times, we will repiace them with better ships. Shall we follow nature's plan or will we follow an obsolete plan? Everybody connected with this important work should be prompted by motives "purely patriotic," and none should "come in for pelf alone."

Mr. Speaker, military genius now, as in the past, is in a death struggle with itself for supremacy in defensive and offensive warfare. In olden times the wall around the city claimed a victory for defensive warfare as long as contests were waged with the fist, club, bow and arrow, knife, sword, and lance, but as science advanced in favor of offensive warfare and invented the battering-ram, the wall hesitated and gave way in weak places; and as further advances were made by the invention of the cannon, the wall tumbled and fell, and now lies in ruins as evidence of a victory of offensive warfare over defensive warfare. The same struggle is going on now, and military genius is taxed to the limit on the one hand to construct a warship that can not be destroyed by a projectile; while on the other hand military genius is equally taxed in its efforts to produce a projectile with sufficient power to destroy the most powerful dreadnought afloat. If the torpedo shell is as powerful as is claimed by its friends, we may conclude that offensive warfare is about ready to announce another victory over defensive warfare.

THE TORPEDO SHELL IS MASTER ON THE HIGH SEAS.

Mr. Speaker, it is well known by all naval experts that armor-piercing shells have but little force beyond 7,000 to 10,000 yards. The Naval Manual, edited by Viscount Hyde, places the distance at from 8,000 to 11,000 yards, depending upon the thickness of the armor plate. The theory on which the effectiveness of this shell is based contemplates the piercing of the armor of the enemy's vessel, followed by an explosion of the shell, hoping thereby to disorganize the vessel on the inside. It is well known that it is a matter of impossibility to penetrate the armor of a vessel below the water line with this shell. It is also well known by experience that in order to get the greatest effect from a shot of this kind it must strike the enemy's vessel point-blank. Such a shot is highly improbable at a long range, for two reasons:

In naval engagements the vessels usually face each other with bow afront, and a point-blank sho tis difficult under such circumstances. Again, in order to throw a shell from 7,000 to 10,000 yards it must be elevated, which gives it a curved course in the air, with the point of the shell ranging downawrd on approaching the vessel, which makes a point-blank hit impossible. For this reason the armor-piercing shell requires a close range of battle in order to produce its greatest effect.

On page 124 of the Naval Manual above referred to, Viscount Hyde, in speaking of the use of armor-piercing shells in the Battle of Tsushima in 1905, says:

> From the results of that war it has been estimated that 100 hits from the 12-inch and other guns then in use are required to put a ship of the line out of action.

That is to say, that if our Navy were engaged in battle with the enemy it would require 100 hits from our guns before silencing the guns on a vessel of our enemy.

Mr. Speaker, what would be the results of an engagement between our Navy, armed with armor-piercing shells, and the Navy of France, Germany, Japan, or Great Britain, armed with high-explosive shells? This question can be more correctly answered by referring to what has actually taken place by the use of these two types of shells. In 1911 the Department of the Navy selected the *Puritan* and *Texas* for target practice in order to test the effect of the torpedo shell as compared with the armor-piercing shell. One torpedo shell of 200 pounds was sufficient to sink the *Puritan* within a few minutes after it exploded, while it is said a constant fire was kept up on the *Texas* with armor-piercing shells for two days before she sank. The press report at that time claimed that she was not sunk by the shots, but that she was scuttled before she went down.

In November, 1913, Great Britain selected the battleship *Empress of India* for target practice at a range of more than 16,000 yards. The account of this practice is reported in the United States Naval Institute Proceedings for January and February, 1914, No. 149, page 255, as follows:

> The target-practice experiment against the old battleship *Empress of India* took place on November 3, 1913, some 30 miles from Portland, in the vicinity of West Bay, out of sight of land. The first Lord of the Admiralty and his colleagues witnessed the firing * * *. The small ships with their light-caliber guns were to open the firing, followed by the battleships and battle cruisers firing at ranges between 8 and 9 sea miles. How much was attained as the result of carrying out the experiment can not be learned. The first onslaughts were made by individual ships which severely peppered the target with their smaller weapons. The 12-inch guns were used, and finally the 13.5-inch guns were fired at a range of over 8 miles. When the squadron firing by the second battle squadron took place the *Empress of India* showed signs of doom. Flames burst out, and a pause was made in the bombardment while tugs pumped water into the burning ship.

Here is what was done to the ship in the language of this report:

> Holes like lock gates were made in the side of the ship, and as each shell struck her she heeled over to a considerable angle.

In the naval engagement on the 27th and 28th days of May, 1905, known as the Battle of Tsushima, between the Russian and Japanese fleets, Russia had 8 battleships and Japan had 4; Russia had 3 coast-defense ships and 3 armored cruisers, Japan had 8 armored cruisers; Russia had 38 ships and Japan had much less; Russia had the advantage in 9 and 12-inch guns, while Japan had the advantage in 8-inch and smaller guns. Japan's ships had an average of 2 knots the advantage in speed, but her greatest advantage proved to be in her torpedo shells, which was unknown to Russia. The Russian fleet was essentially an American fleet supplied with armor-piercing shells, because we had built one of her vessels in our own yards, and had furnished her the larger portion of her armor, her guns, and shells; while the Japanese fleet was poorly armed with guns, being mostly smoothbore, rifling worn out, but her great advantage came in the speed of her vessels and her torpedo shells. Capt. Semenoff was on board the Russian flagship *Suvaroff* during the battle and took notes from which he wrote a book entitled "The Battle of Tsushima," wherein he describes the battle in vivid terms. Here is what he says:

> The difference between our main force and that of the Japanese was very material. The oldest of Togo's 12 ships, the *Fuji*, was two years younger than the *Sissry*, which among our 12 best came 6 in seniority. Their speed was one and one-half times as great as ours, but their chief superiority lay in their new shells, of which we had no inkling. It seemed as if these were mines, not shells, which were striking the ship's side and falling on the deck. They burst as soon as they touched anything, the moment they encountered the least resistance in their flight. Such havoc would never be caused by the simple impact of a shell, still less by splinters. It could only be caused by the force of the explosion.

In speaking of the effect of these shots on the *Oslyabya*, he quotes the following language of the officer of that ship:

> Three shells, one after another, in the same identical spot! Imagine it! All of them in the same place. All on the water line under the forward turret. Not a hole, but a regular gateway. She almost keeled over at once and then settled under the water.

Further on he says:

> The 4.75 millimeter guns had been torn off their mountings, and in vain I looked for marks. None could be seen. The havoc had clearly been caused by the force of the explosion and not by the impact of the shell. How was this? Neither mines nor pyroxylene were stored in the battery, so the enemy's shells must have exploded with the force of mines.

Of the 38 vessels in the Russian fleet, 22 were sunk outright and only 2 escaped; the remainder were captured. While Japan lost only 3 torpedo boats, and none of her ships were incapacitated for future service. Capt. Semenoff attributes the success of the Japanese fleet to the use of torpedo shells, which has never been denied by Japan. Mr. Speaker, had the American fleet been substituted for the Russian fleet in that battle, would the results have been different?

In other words, can any fleet, however large, supplied with armor-piercing shells, whip a smaller fleet of greater speed when armed with torpedo shells? If not, then we must concede that as naval science now stands there are two points of superiority to be considered in building warships—speed and high-explosive shells.

In the Battle of Tsushima it was demonstrated that the torpedo shell is destructive no matter how it gets to the enemy's vessel. The cannon on the Japanese fleet is described as being much worn and smooth without rifling, and the shells thrown therefrom tumbled over and over in the air much like a boy in turning handsprings, but their deadly effect soon destroyed the Russian fleet.

Now that we have seen the *Empress of India* go down under the deadly effect of this shell at a distance of more than 16,000 yards, with holes in her sides like great lock gates; that we have seen the *Puritan* sink within a few minutes from the explosion of one shell; that we have seen the Russian fleet disappear forever from the thunderbolt shock from this wonderful projectile, what else do we need to convince us of its superiority and the necessity of supplying the American Navy with it? What doubting Thomas in Congress or in the Navy will wait until he is permitted to place his finger in the rent in the side of our defeated Navy? If we wait for this proof, we will probably discover ghastly partings in the sides of our ships "like great lock gates," through which a mighty army might pass, instead of a small hole for the hesitating finger of Congress or

the Department of the Navy. Many patriotic Members of Congress have worked hard for the addition of this powerful projectile to the armament of our Navy, but whenever we have pointed to its wonderful destructive results the Naval League yells, "Dangerous." The Bureau of Ordnance takes up the cry and yells "Dangerous," through its chief, Admiral Strauss. The Naval Construction Board yells "Dangerous," and a majority of the Committee on Naval Affairs yells "Dangerous," through its chairman and the gentleman from Massachusetts [Mr. ROBERTS]. And then when we point to its use at the Battle of Tsushima Admiral Strauss and Congressman ROBERTS yell "Shimose powder."

Mr. Speaker, whether it was Shimose powder or torpedo shells, such as the Isham, Gathman, or English types of approved shells, it acted much like the brand of whisky which Gen. Grant was accused of drinking during the Civil War and which Lincoln readily approved and expressed an anxiety to furnish to his whole army if it had anything to do with Grant's glorious victories.

If I am properly informed, we need a change in the model of our ships from single plate to double or triple plate so as to avoid the deadly effect of a single shot from a torpedo shell. We need to improve the speed of all our new vessels so that other navies will not have the advantage of us in choosing the range of naval engagements. Our 12 to 18 knot ships would have no chance in selecting the range of battle now were we called to meet Germany's 20 to 25 knot ships or Great Britain's 25 to 35 knot vessels. We need torpedo shells on our ships to prevent our fleet from meeting the fate of the Russian fleet at the Battle of Tsushima. We can not excuse ourselves from this solemn duty by folding our hands in doubt while the Steel Trust, through the Navy League and its other agents, shouts "Danger," "Shimose powder." Let me tell you, our greatest danger lies in putting off till to-morrow what we ought to do to-day.

The money which we are putting in slow ships of the dreadnought type is a waste of money for unwieldy sea junk. Give us faster vessels, combining the battleship with the armored cruiser, protected by the best armor and supplied with the most improved armament. Then if we should be so unfortunate as to be called to meet a foreign fleet in battle we will not lose our fleet nor lose our reputation. Let us act wisely, so that our brave seamen will have no cause for doubt, but will ever act under the inspiration of our naval motto, "Don't give up the ship," and never have cause to report the results of any future naval engagement in any other words than in the language of our other naval motto, "We have met the enemy, and they are ours."

At a test on July 11, 1914, one torpedo shell sank a target representing the *Pennsylvania*.

Mr. Speaker, this speech was prepared while the naval appropriation bill was under consideration in the House, but as I failed to get time sufficient to deliver it I have obtained permission to insert it in the RECORD.

As the war in the East has broken out since the writing of this speech, it is my best judgment that it will be wise for the Department of the Navy to await developments before beginning the construction of any of our new battleships. I expect to see naval engagements between the contending forces before the war is over, and the results of such may furnish a splendid reason for changing our plans of building ponderous, slow dreadnoughts. It has been my opinion for some time that such ships are not practical and are unable to compete with ships combining the elements of the battleship and the armored cruiser, with a high rate of speed, such as the *Queen Mary*, of the British Navy. My prediction is that if a naval engagement should take place between any of the first-class vessels in the East it will reveal that the fast ships armed with torpedo shells will have a decided advantage over the slow ship of the dreadnought type, armed with armor-piercing shells.

Mr. Speaker, it is well known that Germany, England, France, Russia, and Japan have been actively engaged for many years in placing on the high seas the most powerful war vessels possible to construct, and never before has there been constructed such masterful fleets as now float on the waters. The reason offered as a justification for a big navy is that it will insure peace. The present outbreak of hostilities bursting upon us like a thunderbolt out of the clear sky has exploded this theory, and instead of adhering to the policy of "The greatest preparation for war is the greatest guaranty for peace" we should adopt a common-sense policy which will mean something. Really the greatest guaranty of peace is the least preparation for war. Such a policy will not only preserve peace, but it will insure progress, happiness, and prosperity. The constant agitation for a high state of preparation for war diverts the public mind from peaceful pursuits to an ambitious rivalry to excel in the constructions of instrumentalities of blood and death. Imaginations of evil intent on the part of would-be rivals will be conjured up as an excuse to bring on engagements to give a chance to try the strength of new instruments of war. Let us not deceive ourselves by being led away from the plain path of duty into the camps of those who feast on the fruits of misfortune, but let us be satisfied with the teachings of our Savior, "On earth, peace, good will toward men." Let us hope and let us pray for a speedy return of peace to our sister nations across the waters. Let us lead the way for universal peace, and beckon on the nations of the world to follow, with the abiding faith that brotherly love will prevail, and that perpetual peace and prosperity will hover over the nations of the earth and continue to bless mankind throughout the ceaseless ages to come.

I submit the following tables of statistics, which show the vast amount of the people's earnings which are annually expended for war and on account of wars.

UNITED STATES.

Appropriations made at the third session Sixty-second Congress, for the fiscal year 1914 on account of preparation for wars.

Army appropriation act	$94,266,145.51	
Army deficiencies, 1914 (63d Cong., 2d sess.)	6,418,932.24	
Military Academy appropriation act	1,099,302.87	
Armories and arsenals (sundry civil act)	643,000.00	
Military posts (sundry civil act)	$805,428.00	
War Department (legislative, etc., act)	1,862,658.00	
		$105,095,466.62
Permanent appropriations for Army and militia, fiscal year 1914:		
Arming and equipping militia	4,000,000.00	
Soldiers' Home, District of Columbia, interest fund	100,000.00	
Soldiers' Home, District of Columbia, permanent fund	400,000.00	
Reimbursement to States and Territories, War with Spain	50,000.00	
Extra pay to Volunteers, War with Spain	5,000.00	
Miscellaneous funds	15,000.00	
Ordnance materials	75,000.00	
Powder and projectiles	6,000.00	
Pay of Army, deposit fund	1,300,000.00	
		5,951,000.00
Naval appropriation act	140,800,643.53	
Navy deficiencies, 1914 (63d Cong., 2d sess.)	697,953.68	
Navy Department (legislative, etc., act)	875,365.00	
Navy Department, deficiencies (63d Cong., 2d sess.)	19,901.90	
Permanent appropriations for Navy:		
Naval home, Philadelphia	82,209.00	
Miscellaneous funds	4,360.00	
Ordnance material	50,000.00	
Naval hospital fund	700,000.00	
Clothing and small stores fund	50,000.00	
Navy fines and forfeitures	500,000.00	
Pay of Navy, deposit fund	500,000.00	
		144,280,433.11
Fortification appropriation act		5,218,250.00
Panama Canal fortifications (sundry civil act)		4,870,000.00
Panama Canal fortifications (deficiency act, 63d Cong., 2d sess.)		249,350.00
Total, preparation for war, fiscal year 1914		265,664,499.73
Percentage of estimated revenues		37.95

Appropriations made at the third session Sixty-second Congress for the fiscal year 1914 as result of wars.

Pension appropriation act	$180,300,000.00
Pension Office (legislative, etc., act)	2,067,450.00
Artificial limbs, appliances for soldiers, trusses (sundry civil act)	91,000.00
National Home for Disabled Volunteer Soldiers (sundry civil act)	3,981,265.00
National Home for Disabled Volunteer Soldiers (deficiency, 2d sess. 63d Cong.)	19,950.72
State and Territorial soldiers' homes, aid to (sundry civil act)	1,200,000.00
Back pay and bounty claims (sundry civil act)	30,000.00
Back pay and bounty claims (deficiency, 2d sess. 63d Cong.)	35,000.00
National cemeteries (sundry civil act)	292,620.00
Interest on public debt	22,860,000.00
Total, as result of wars, fiscal year 1914	210,877,285.72
Percentage of estimated revenues	30.12
Estimated revenues, fiscal year 1914	700,000,000.00
Total preparation for war	265,664,499.73
Total results of wars	210,877,285.72
Total amount for preparation for war and on account of past wars	476,541,785.45
Percentage of estimated revenues	68.07

The total revenues, exclusive of postal, as shown by the Treasury Daily Statement, for the first 11 months of the current fiscal year amount to $609,962,933.62; making due allowance for what will be realized out of the income tax and from all other sources during June, the last month of the year, the total ordinary revenues of the Government will probably reach $700,000,000 for the entire year.

GREAT BRITAIN.

Estimates on account of preparation for war and on account of past wars.

ARMY ESTIMATES, 1913–14.

	Gross estimates.	Appropriations in aid.	Net estimate.	Net estimates, U. S. money.
I. NUMBERS.				
Total number of men on the home and colonial establishments of the army, exclusive of those serving in India			185,600	
II. EFFECTIVE SERVICES.				
Pay, etc., of the army	£10,063,000	£1,440,000	£8,623,000	
Medical establishment: Pay, etc	441,400	1,400	440,000	
Special reserve	722,500	7,500	715,000	
Territorial forces	2,819,700	4,700	2,815,000	
Establishments for military education	252,350	106,350	146,000	
Quartering, transport, and remounts	1,757,500	63,500	1,694,000	
Supplies and clothing	4,697,500	190,500	4,507,000	
Ordnance Department establishments and general stores	932,000	212,000	720,000	
Armaments, aviation, and engineer stores	2,027,000	350,000	1,677,000	
Works and buildings	2,626,803	191,803	2,435,000	
Miscellaneous effective services	66,920	920	66,000	
War office	443,550	550	443,000	
Total effective services	26,850,223	2,569,223	24,281,000	$118,248,470.03
III. NONEFFECTIVE SERVICES.				
Half pay, retired pay, and other noneffective charges for officers, etc	2,364,000	515,000	1,849,000	
Pensions and other noneffective charges for men, etc	2,478,500	528,500	1,950,000	
Civil superannuation compensation and gratuities	140,105	105	140,000	
Total noneffective services	4,982,605	1,043,605	3,939,000	19,182,930.00
Total effective and noneffective services	31,832,828	3,612,828	28,220,000	137,431,400.00
Amounts provided in the civil service and revenue department estimates, 1913–14			509,720	2,482,336.40
Grand total	31,832,828	[1] 3,612,828	28,729,720	139,913,736.40

[1] Includes contributions from colonial revenues, Government of Egypt, Indian Government, etc.

Estimates on account of preparation for war and on account of past wars—Continued.

NAVY ESTIMATES, 1913–14.

	Gross estimates.	Appropriations in aid.	Net estimate.	Net estimates, U. S. money.
I. NUMBERS.				
Total number of officers, seamen, boys, coast guard, and royal marines			146,000	
II. EFFECTIVE SERVICE.				
Wages, etc., of officers, seamen, and boys, coast guard, and royal marines	£8,537,200	£138,000	£8,399,200	
Victualing and clothing for the navy	3,729,028	799,028	2,930,000	
Medical establishments and services	290,810	18,610	272,200	
Martial law	3,460	60	3,400	
Educational services	228,025	68,325	159,700	
Scientific services	97,270	31,070	66,200	
Royal Naval Reserves	480,201	4,201	476,000	
Shipbuilding, repairs, maintenance, etc.:				
Section I. Personnel	4,089,500	26,400	4,063,100	
Section II. Matériel	6,462,000	610,400	5,851,600	
Section III. Contract work	12,333,790	107,490	12,226,300	
Naval armaments	4,521,600	125,600	4,396,000	
Works, buildings, and repairs at home and abroad	3,481,500	33,500	3,448,000	
Miscellaneous effective services	600,045	9,345	590,700	
Admiralty office	459,062	9,062	450,000	
Total effective services	45,313,491	1,981,091	43,332,400	$211,028,788.00
III. NONEFFECTIVE SERVICES.				
Half pay and retired pay	1,022,094	16,294	1,005,800	
Naval and marine pensions, gratuities, and compassionate allowances	1,588,186	26,086	1,562,100	
Civil superannuation, compensation allowances, and gratuities	409,423	423	409,000	
Total noneffective services	3,019,703	42,803	2,976,900	14,497,503.00
Grand total	48,333,194	[1] 2,023,894	46,309,300	225,526,291.00

[1] Includes recoveries on account of seamen's clothing, etc., contributions from the Government of India, the Australian Commonwealth, etc.

RECAPITULATION.

	English money.	United States money.	Per cent.
Estimated revenues, 1913–14	£198,243,000	$965,443,410.00	
Total, preparation for war, 1913–14	68,123,120	331,759,594.40	
Percentage of estimated revenues			0.3436
Total, as result of wars, 1913–14	6,915,900	33,680,433.00	
Percentage of estimated revenues			.03488
Total, preparation for war, 1913–14	68,123,120	331,759,594.40	
Total, results of wars, 1913–14	6,915,900	33,680,433.00	
Total amount for preparation of war and on account of past wars	75,039,020	365,440,027.40	
Percentage of estimated revenue			.3785

Estimates on account of preparation for war and on account of past wars.

GERMANY.

	Marks.	U. S. money.
ARMY ESTIMATES, 1913-14.		
Ordinary	726,867,245	
Extraordinary	12,700,000	
Occasional	160,831,238	
Total	900,398,483	$216,095,635.92
NAVY ESTIMATES, 1913-14.		
Ordinary	197,209,263	
Extraordinary	51,150,000	
Occasional	228,747,751	
Total	477,107,014	114,505,683.36
Total preparation for war	1,377,505,497	330,601,319.28
Percentage of estimated revenues, 0.4345.		
ESTIMATES ON ACCOUNT OF PAST WARS.		
Ordinary:		
Pensions	142,542,052	
Interest on public debt	244,935,589	
Occasional: Interest on public debt	5,774,236	
Total as a result of wars	393,251,877	94,380,450.48
Percentage of estimated revenues, 0.1241.		
Estimated revenue, 1913	3,169,837,319	760,760,956.56
Total, preparation for war	1,377,505,497	
Total, results of war	393,251,877	
Total amount for preparation for war and on account of past wars	1,770,757,374	424,981,769.76
Percentage of estimated revenues, 0.5586.		

FRANCE.

	Francs.	U. S. money.
Army estimates, 1913-14	957,157,901	
Navy estimates, 1913-14	461,288,219	
Total preparation for war	1,418,446,120	$283,689,224.00
Percentage of estimated revenues, 0.3040.		
Military pensions	[1] 125,152,480	
Navy pensions	[2] 91,111,917	
Supplementary pensions, army and navy	[1] 1,845,324	
Total on account of past wars	218,109,721	43,621,944.20
Percentage of estimated revenues, 0.0467.		
Estimated revenues, 1913-14	4,665,740,619	933,148,123.80
Total preparation for war	1,418,446,120	
Total on account of past wars	218,109,721	
Total on account of preparation for war and on account of past wars	1,636,555,841	327,311,168.20
Percentage of estimated revenues, 0.3507.		

JAPAN.

	Yen.	U. S. money.
ARMY ESTIMATES, 1913-14.		
Ordinary:		
Department proper	387,583	
Expenditures for military affairs	73,607,523	
Other expenses	4,160,297	
Extraordinary	19,780,673	
Total	97,936,076	48,968,038
NAVY ESTIMATES, 1913-14.		
Ordinary:		
Department proper	194,192	
Expenditures for military affairs	42,019,112	
Other expenses	22,911	
Extraordinary	54,845,591	
Total	97,081,806	48,540,903
ESTIMATED REVENUES. (586,807,588 yen.)		
Total on account of preparation for war	195,017,882	97,508,941
Percentage of estimated revenues, 33.		
Interest on war debt	39,721,314	19,860,657
Pensions and annuities	30,846,449	15,423,224
Total on account of past wars	70,567,763	35,283,881
Percentage of estimated revenues, 12.		
Total on account of preparation for war and on account of past wars	265,792,822	132,792,822
Percentage of estimated revenues, 45.		

[1] La dette viagère. [2] La caisse des invalides de la marine.

I am indebted to Mr. James C. Courts, clerk of the House Appropriation Committee, for the estimates for the United States and to Mr. A. T. C. Griffin, assistant librarian of the Congressional Library, for the estimates for the foreign countries.

Post Office Appropriation Bill.

SPEECH

OF

HON. H. ROBERT FOWLER.

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, January 16, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. FOWLER. Mr. Chairman, I regard the Post Office Committee as being one of the greatest in Congress. The members of that committee began the study of its work early in this session. In fact, much of the work was done during the extra session. The extent to which that work has been carried on by the committee has been revealed by the wonderful speech made by the chairman of the committee, showing his familiarity with every detail and his great interest in and devotion to this service. Mr. Chairman, the importance of this committee and the Postal Service can be arrived at only by considering the vast service which it is now giving to the people of the country. It not only reaches the large cities of the land but it penetrates the country, reaching even the hovels on the frontier. It gives to the poor man in the country an equal service to-day with that which is given to the rich man in the city. It spreads out its beneficent wings and hovers over hill and dale alike, and showers its blessings upon all people alike by conveying to them the newsy intelligence of the day. What our forefathers were contented with in the beginning of this Government would not be tolerated to-day. In 1790 the appropriations were only $32,000, an average of less than 1 cent per capita to the population of the country. To-day it is more than $305,000,000 for the year 1915, averaging nearly $3 per capita. This wonderful growth in the expense reveals the wonderful growth in the service, and, in my opinion, Mr. Chairman, we have not yet reached the limit by any means in the cost and efficiency of the Postal Service.

Mr. Chairman, this reveals, in my opinion, what we may expect in the near future as to what will be the results from the Parcel Post Service. It is difficult to tell what the future will bring forth, but I may say that it may be fairly well understood that the income henceforth will exceed the expenditures, thereby furnishing a surplus which may be used in extending and perfecting the Postal Service. We are improving our instrumentalities. We are taking advantage of new devices and inventions, thereby cheapening the cost of the service. We are driving better bargains for the transmission of our mails. And, in my opinion, Mr. Chairman, the time will soon come when the post-office system will arrive at that degree of perfection which will give a maximum service at a minimum cost.

Mr. Chairman, we have already instituted some of those economic methods; for instance, the blue-tag system has been applied to our periodicals and magazines by giving them fast freight transportation instead of carrying them in our regular mail cars. Similar improvements, in my opinion, can be made by extending this service to the parcels which do not need rapid transit, but which can wait for the fast freight, thereby lessening the cost to the consumer and also giving him as good service as he could receive from the transportation in our regular mail cars.

As the volume of business increases, we ought to be able to introduce economic methods along that line, because a certain force is required to do the work in the various divisions of this great service, and as the volume of business increases we may be able to hold down the cost by having that increased volume of work done by the same force and by the same instrumentalities without a corresponding increase in the cost.

But, Mr. Chairman, in considering this question, we must consider efficiency along with cost. They are twin brothers in this service, and it would not do to lessen the efficiency of the service in order to lessen the cost of the same. We must first try to arrive at the greatest degree of efficiency at the lowest cost, sacrificing efficiency at no time in order that we may lessen the cost.

PARCEL POST.

Mr. Chairman, there has been added to this service another department, which has come to stay, in my opinion. The parcel post has long been agitated in America. The parcel express has been established in other countries, and we have, within the last few months, established a system of parcel post. It is one of the greatest additions to this service which could possibly have been made. In my opinion, Mr. Chairman, it is the harbinger of a new day, the dawn of a new intelligence, giving the people rapid transit from the farm, factory, and mine to the consumer, thereby lessening the cost of living and at the same time giving the people a convenience that can be had in no other way.

I know that we have had in the past some objections to extending this service, and I know that there are still men in the country who object to it. When it was first established it was contemplated that 300,000,000 parcels would be carried in the mails during the first year. But by experiment it has been found, from data collected, that 300,000,000 parcels were carried in the first six months, and it is fair to predict that the service will be doubled by the end of this year, and that not only 300,000,000 parcels, but more than 600,000,000 parcels will be carried. In my opinion, Mr. Chairman, by the end of the second year of this experiment—if it can be called an experiment—the number of parcels will reach a billion, and at an average of 10 cents per package that will add to our postal revenue an income of $100,000,000.

Indeed, Mr. Chairman, I believe that the parcel post is not only going to be a great blessing to the people in the country in the way of giving them cheapness and convenience, but that it will prove to be a wonderful source of revenue. I think I can see in the near future the establishment of a system of parcel post that will carry a package of from 50 to 100 pounds from the farm, from the factory, or from the mine, to the consumer.

It has been estimated by Mr. Yoakum that in 1910 the farms produced $9,000,000,000 worth of property. He estimated that the farmer consumed $3,000,000,000 worth for seed and for home consumption, and sold $6,000,000,000 worth to the other consumers in the country. That the cost of transportation and the middleman's profit was $7,000,000,000, making $1,000,000,000 more for cost of transportation and middleman's profits than the farmer received for raising the entire crop of 1910.

Mr. Chairman, I do not believe that we have yet contemplated the great importance of the parcel post of this country. In Europe they are shipping fish by postal express from the seashore to the consumer in the country and in the cities. They are shipping from the farms 100-pound packages of farm products to the consumers in the cities and towns. They are shipping from stores and factories like packages, which are lessening the cost of transportation and lessening the cost of living. There they eliminate to a large extent the middleman, and the producer deals direct with the consumer largely, benefiting both.

Mr. GOULDEN. Will my friend from Illinois pardon an interruption?

Mr. FOWLER. Yes.

Mr. GOULDEN. The gentleman seems to be familiar with the parcel post in Europe, and I want to ask him, is there any limitation as to the goods or commodities carried there?

Mr. FOWLER. There are some limitations, but the tendency is to carry everything by postal express that can possibly be carried from the place of production to the consumer, and I trust that will be the ultimate end of the parcel post in America.

Mr. Chairman, the people of this country have suffered because of a want of such cheap transportation. The express companies have been robbers. I say that advisedly, because I have a concrete example which occurred only a few months ago in this city. My wife is here with me. Down in Illinois she has learned to love a certain variety of Winesap apples, and she sent an order for four barrels to be shipped here by freight. When they were taken to the local railroad station for shipment in Illinois the freight agent and the American express agent were one and the same man, and I am informed that he told the teamster who carried the apples to the railroad station that the apples would freeze in transit or rot before they could get to Washington if shipped by freight, and that the only safe way to ship them was by express. So when the apples came to Washington they were delivered at my house with a bill of $5.50 a barrel as express charges. When I saw it my wits were staggered and my sense of justice was outraged. Apples were selling here at that time from $2 to $2.50 per barrel. The rate charged by the express company was equal to a complete confiscation of my property from the time it took charge of the barrels until they were sold by the express company. It was an outrageous robbery, intolerable and indefensible.

Mr. RUSSELL. Did you pay the bill?

Mr. FOWLER. No; I did not pay the bill; and that is not all. They took my wife's apples and sold them for $2 a barrel, over my protest and without notice to us.

Mr. Chairman, those apples ought to have come here by freight at a much less rate than that, because the express company would have paid the railroad company 47½ per cent of that $5.50 a barrel if I had paid the bill, and would have retained 52½ per cent for the company. Mr. Chairman, if an outraged people, as intelligent as the American people, are represented in Congress by men who have no more nerve and love for their constituents than to allow such robbery as this to continue, then they are practically without representation. I mean no reflection whatever on any man in this good Congress, but my recent experience teaches me that our express system in America is a system of robbery, and sooner or later must give way to decency and fair dealing. The people have it marked for slaughter, and justly so. We have started in the right direction by instituting the parcel post. We are marching steadily onward. The Postmaster General has recently increased the weight of the package which can be shipped by parcel post, until now in some of the zones 50 pounds may be carried, and in the near future I have no doubt but that 100 pounds will be carried, and instead of paying $5.50 freight upon a barrel of apples we will get a hundred-pound barrel of apples shipped and placed at our doors at a minimum cost. That is what parcel post means to the American people.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield again?

Mr. FOWLER. Yes.

Mr. GOULDEN. If those apples had been in bags of sufficient weight to be carried by parcel post, what would it have cost to ship them?

Mr. FOWLER. It is a thousand miles away, and I have not figured out the cost.

Mr. GOULDEN. Will the gentleman estimate it approximately?

Mr. FOWLER. They could not have been shipped in that way because of the zone system, unless they were put up in 20-pound packages.

Mr. GOULDEN. That is what I mean, in 20-pound packages.

Mr. FOWLER. In 20-pound packages they would probably have cost as much or more as by express, on account of the zone system. I have not figured it out. I will do that and print it in my remarks.

Mr. GOULDEN. I wish you would do that, because it would be an interesting thing, in view of what you say about the charges made by the express company.

Mr. FOWLER. Yes; I will do that. Express charges on 100 pounds from St. Louis, Mo., to Washington, D. C., is $2.45, and by parcel post the rate on 100 pounds is $6.02. The high parcel-post rate is caused by the zone system, which is not only a burden but must be either materially modified or done away with entirely. The people will not tolerate it, because such rates are unreasonable.

Mr. Chairman, there is another important saving that we may make in the Postal Service, and that is in the way of contracts for transportation of mails. We are now paying on an average 9 cents per ton-mile for this transportation, and the railroads are charging only 7 mills per ton-mile for freight, and they are only getting 5.7 cents per ton-mile for carrying the express of this country. Mr. Chairman, if we deal with the railroads as they have voluntarily agreed to deal with the express companies, we certainly ought to be able to lessen the price of the carriage of the mails by the railroads, and I am in favor of it.

Mr. Chairman, the bill provides for an experiment. The railroads own all the cars now used for transporting mail, but our committee has incorporated a provision in the bill appropriating $200,000 for the purchase of United States mail cars, to be owned by the United States and to be used for mail purposes. While I am not altogether in favor of such experiments, because of conditions surrounding the handling both the cars and the mail, yet I trust that some good may result from this experiment.

If you have a horse and hire his keep, feed, and stalling, it will not be very long until you will have no horse. I apprehend the same rule will apply to the railroad post-office cars owned by the Government.

Mr. WILLIAMS. Will the gentleman yield?

Mr. FOWLER. I will.

Mr. WILLIAMS. Is it not true in the transportation of mails that the railroads have to be differently equipped, with better facilities, than for the transportation of ordinary freight.

Mr. FOWLER. I can not say that that is true.

Mr. WILLIAMS. Assuming that it is true, has the gentleman figured out what would be the difference in transportation of the mails and the transportation of freight?

Mr. FOWLER. It is true that ordinary freight can be carried over a much rougher road than our mails should be transported.

Mr. WILLIAMS. Is it not true that there is an exorbitant charge for carrying the mails by the railroads?

Mr. FOWLER. I think that is so, and I think that opinion is shared by a majority of the committee. However, I can not speak for all of them.

Mr. GOULDEN. Will the gentleman yield?

Mr. FOWLER. I will yield to the gentleman.

Mr. GOULDEN. The distinguished chairman of the committee yesterday made the statement that there would be a saving in 15 years of $50,000 on each car, allowing for the upkeep and care. I find in 15 years that would amount to $60,000,000 in money. Now, if that is true, we want to save that money to the people of the country.

Mr. FOWLER. I heard the statement made by the honorable chairman of the committee, in whose opinion I have great confidence. But, Mr. Chairman, I have applied economic rules to the handling and keeping up of property owned by one man when it is required to be kept in the possession and under the care of another. If these economic principles are as true when applied to the United States railway post-office cars as it is in the case of the horse, of which I have just given an illustration, then I am inclined to believe that at the end of the 15 years, instead of any great saving that our good chairman has pictured out to us, we will fall short and will be compelled to return to the present system of transportation of the mails, because they must be carried by contract. The care and keep of the cars owned by the United States must be by contract, and the railroads will hold both ends of the string to that bag and have the right to draw it as they see proper.

Mr. GOULDEN. Will the gentleman yield again?

Mr. FOWLER. I will.

Mr. GOULDEN. The chairman also, I think, allowed 20 per cent for the upkeep. If that is high enough, and I am inclined to think it is, I believe the saving that he has predicted will occur, and I believe that we should realize it.

Mr. FOWLER. The destruction of such cars would undoubtedly be the loss of the United States, and these cars are just as liable to be injured or destroyed in transit the same as other cars.

Mr. MOON. Will the gentleman yield?

Mr. FOWLER. With pleasure.

Mr. MOON. The proposition in the bill is not to purchase all railroad post-office cars. It is an experimental proposition, and so thoroughly experimental is it that it is left entirely in the discretion of the Postmaster General.

Mr. FOWLER. Absolutely so, with the limitation of $200,000 at his command.

Mr. MOON. While under the law the arrangement must be contractual and not statutory, still the discretion which is given to the Postmaster General is so wide that if he finds there is no advantage to the Government in this purchase and operation of the cars, he is not compelled to do it. It is merely a matter of experiment.

Mr. FOWLER. And for that reason I consented to join the committee in making this provision.

Mr. WILLIAMS. Will the gentleman consent to another interruption?

Mr. FOWLER. Certainly.

Mr. WILLIAMS. Will the gentleman state the reason why these zones were established, and why larger packages are permitted to be carried in the near-by zones and not in those farther off?

Mr. FOWLER. The provision for establishing zones was placed in the bill by an amendment in the Senate. The extension of the weight of the package is in the discretion of the Postmaster General.

Mr. WILLIAMS. Is there any good reason why a package of a given weight once started on its journey should not be carried a farther distance, with an increase in the amount paid?

Mr. FOWLER. Perhaps not.

Mr. WILLIAMS. Is there any good reason why the zones should not be abolished and a rate established according to distance?

Mr. FOWLER. That was my original idea. However, there is such a large per cent of short hauls over the long hauls. From 50 to 200 miles takes in a very large per cent of our parcels.

Mr. WILLIAMS. I understand, but let the charge be according to the distance.

Mr. FOWLER. And for that reason the zone system was adopted by the Senate.

Mr. WILLIAMS. Would the cost of carrying parcels by mail increase very much by the distance? Would not the handling at the two ends be the same?

Mr. FOWLER. The handling at the two ends would certainly be the same.

Mr. WILLIAMS. Thereby it would be nearly as profitable to carry it a great distance as a short distance?

Mr. FOWLER. Yes; in a sense. However, there must be some exceptions reserved to that statement. My own idea was originally that we should get as near a flat rate as possible, and I think that was the idea of the chairman of the committee.

Mr. MOON. As possible; yes.

Mr. FOWLER. I have not changed my mind. I believe the greatest practical distance that we can have with a flat rate will bring a greater good to the people than the present zone system. Long hauls of 1,000 miles and more afford some reasons for the zone system, but we find that the cost of handling parcels is the same on short hauls as on long hauls, and for this reason the argument for zones loses much of its force. By all means, a flat rate should be established on all parcels with a transit less than 1,000 miles. Then the express companies will either come to time or get out of business.

EXPERIMENTAL FREE DELIVERY.

Mr. Chairman, if I may be permitted to advert to one other subject in this discussion, I would like to do so, and that is our free-delivery system. Our people are paying for this Postal Service. We have free delivery in a large number of cities, something over 1,500. This bill carries $200,000 for experimental free delivery, which is to extend such service to second and third class post offices where free delivery has not yet been established. I think in every instance where this experiment has been tried the people are clamoring for its continuance. I favor the extension of this service, because I believe free delivery will ultimately result in placing the mail of every American citizen at his door daily, and that we will not be satisfied short of that. We have an extension of free delivery to the country, and justly so, and two great objects were accomplished by that, and perhaps three. One is that it gives to the people of the country that degree of quick mail service which we get in the large cities. It also will act as a great incentive to the construction of good roads in this country. Good roads! Ah, there is a question that invites the keenest attention of the American people, and, in my opinion, it is the greatest work that awaits Congress in the future, and when we can cope with the old countries in good roads we will then compete with them in the cost of transportation and in the cost of living. The average cost per ton-mile of taking the farmer's products from the farm to the nearest market is 25 cents. That is unreasonable. It ought not to be so, and our people ought to get about this great work at once, because it will give to the people of the country as a whole a greater degree of relief than any other one thing I can think of. Not only that, but it will be the greatest factor in lessening the cost of living and making the people of the country satisfied with the farm. It will do more in that respect than any other improvement that can be inaugurated in America. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MOON. Mr. Chairman, I yield 10 minutes more to the gentleman from Illinois.

RURAL FREE DELIVERY.

Mr. FOWLER. Mr. Chairman, I thank the chairman of the committee for his kindness. The Rural Free Delivery Service is one of the most important parts of the Postal Service. It brings the people of the country in close touch with the daily transactions of the great centers of the world, thereby giving the public ample opportunity to become generally informed upon the public questions of the day, questions which are vitally necessary in the daily transactions of our busy life. The vast importance of this work can not be properly appreciated until we take into consideration that one-half of our population has been deprived of these great advantages until the establishment of rural free delivery. The great wonder is that such an important piece of work should have been delayed so long; but its rapid growth would seem in a measure to make up for the delay. It is less than 15 years old, and yet it constitutes one of the greatest divisions of the Postal Service.

It was first suggested by Postmaster General John Wanamaker in his annual report for the year 1891. The first bill authorizing such delivery was introduced by Hon. James O'Donnell, of Michigan, in 1892, and the first appropriation made for this purpose was enacted March 3, 1893, and provided

for $10,000 for experimental rural delivery. Again, on July 16, 1894, $20,000 was appropriated for this purpose; but as both of these sums were too small for practical use, it was not until July 9, 1896, that a sufficient sum was appropriated to inaugurate this great work, and it was not until October 1, 1896, that experiments in this service began. Three places in West Virginia, to wit, one route at Charles Town, one at Uvilla, and one at Halltown, began at the same time, and within nine months thereafter this service had increased to 83 routes emanating from 43 post offices in 29 different States. The rapidity of its growth indicates its universal approval by public opinion and the pressing need for such service. At the close of the fiscal year 1913 it had reached the enormous magnitude of 42,562 carriers, covering 1,020,615 miles at a cost of $45,655,593; and on the 1st day of last May the number of rural free-delivery carriers had increased to 43,262, covering 1,050,615 miles, at an annual cost of nearly $50,000,000.

No part of our postal system has enjoyed such a wonderful growth and received such unanimous approval of public sentiment as the Rural Delivery Service. When we consider that it began about fifteen years ago with 3 carriers covering 1,843 miles at a cost of only $14,840, and that it now comprises a service with 43,262 carriers covering 1,050,615 miles at an annual cost of about $50,000,000, it sounds like a fairy tale, but nevertheless it is true. The present bill provides for an appropriation of $53,000,000 for this service during the fiscal year ending June 30, 1915.

The first complete Rural Free Delivery Service was established December 26, 1899, in Carroll County, Md. From that date to the present time this service has rapidly developed until it now covers more than 947 counties, extending to every State in the Union. About 25,000 fourth-class post offices have been discontinued on account of this service, thereby saving to the country $8,194,006. Many star-route services have been superseded by the Free Delivery Service, thereby saving nearly $10,000,000. This indicates the superiority of the Rural Free Delivery Service over the star-route and fourth-class post-office service. Indeed, its growth is marvelous, but its benefit to the public is more useful than marvelous. Its importance must not be underestimated, and its progress should not be checked in any wise, for in my opinion it will not stop until it pours out at the door of every family the glad tidings of the daily intelligence of the world. Why should not the people in the country have their mail delivered at their own homes? This is being done now in all the cities of any importance, and experimental free delivery is now going on in villages in many places of the country. The country people are just as much entitled to this service as the city, and, in my opinion, the Members of Congress representing country districts will not be satisfied until this service has been extended to every dwelling in the land.

Congress has not been unmindful of the importance of this service, as is revealed by the rapid increase in the salary of the rural carrier. A very small salary was paid at the beginning, but it has rapidly increased, until now the carrier on a full route of 25 miles receives $1,200 per annum. The changes which have taken place are indicated by the following table:

Aug. 1, 1897	$300
July 1, 1898	400
July 1, 1900	500
Mar. 1, 1902	600
July 1, 1904	720
July 1, 1907	900
Mar. 9, 1914	1,200
Sept. 30, 1912	1,100
July 1, 1911	1,000

As a member of the Post Office and Post Roads Committee, I have been one of the strongest advocates of such increase, because I think the conditions of the service amply justify the increase. The burdens of this work have been increased largely by the addition of the parcel post, and the salary should be increased to meet the extra expenses occasioned thereby. During the fiscal year of 1913 this service carried 500,000,000 parcel post packages, aking a total of 3,093,000,000 pieces. This was an increase of many million packages over that of 1912, and I have no doubt but what the number of packages during the next fiscal year will reach 4,000,000,000. The importance of this work carries with it great responsibilities, and as its burdens are rapidly increasing annually it would be unjust to the carriers if Congress should refuse to increase their salary in proportion to the increased burden. While I have always been a strong advocate of economy in the public service, yet I am strongly wedded to the doctrine that the laborer is worthy of his hire.

ASSISTANT POSTMASTERS.

There is another feature of this bill to which I desire to address myself, and that is the feature which affects the service in the post office. I believe that the man who is responsible, who has resting upon his shoulders the responsibility in any department of the governmental service, ought to have a right to control that business and subordinate those who are under him to his will and wishes. For that reason this bill carries a provision for the purpose of eliminating assistant postmasters from the civil-service rules and regulations. I know that there is some opposition to this feature of the bill. I have had letters from various quarters of the country asking me to oppose it. In each instance I have replied that I am in favor of it because I believe the postmaster ought to have the right to control the post office over which he presides, and to cause those who are under him to conform to his will and wishes in its management. There must be a head to every business; and wherever you find a business without a head, you find a business on the road to ruin. I had an example of that given to me a few days ago by one of the Members of this House. He said that after the appointment of a new postmaster in one of his towns the assistant postmaster came up short $4.80. The postmaster called on the Congressman to know what to do. The Congressman advised him to call upon his assistant postmaster to go down in his pocket for the $4.80 to make up the shortage. When he did so, the assistant refused at first, but finally went down in his pocket after the $4.80, but excused himself a short time afterwards, and, on returning, said he had sold a postoffice order for $4.80 and had failed to collect for it.

If it had not been for that iron hand that the postmaster held over him, the postmaster would have lost $4.80. Mr. Chairman, I am opposed to life tenure in office. I have always been opposed to it. I wish that every postmaster in this broad land could be elected by the patrons of the office for a definite number of years, say, four years, as it is now the case for first, second, and third-class offices.

Why? Because the people of this country have a vested interest in every position of the public service, and they ought to be consulted before servants are placed over them in those important positions; and when inefficient servants, either because of mental disqualification or moral turpitude, are put in over them, they ought to have the right to recall them at the end of their term, if not sooner.

Now, Mr. Chairman, I listened to the remarks of some of the gentlemen on the other side opposing this provision of the bill, but I think it is wise; I think it is economical; I think it is for the best interest of the service; and every postmaster who has placed upon his shoulders the great responsibility of efficient service and the economic handling of the funds of the office ought to have that character of subordinates and assistants who will conform to a strict observance of wise rules to bring about the best results.

Mr. Chairman, I feel quite sure that if all the postmasters in this country were elected by the people that we would have less trouble in this country in selecting good men; and I am not complaining of the qualifications of our present postmasters, but I am complaining of the political graft, if I should use the word, which is given to Members of Congress, enabling them to establish a political bossism in their districts, regardless of the will of the people. I do not believe that the post offices belong to any Member of Congress and should not be used as a means of paying political debts. We are servants of the people and have no right to play the rôle of masters by organizing postmasters into political rings to defeat the will of the people at the polls. Election of postmasters by the patrons of the various offices is democratic and the most rational method of selecting these public servants.

Mr. SLOAN. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Illinois yield?

Mr. FOWLER. For a question.

Mr. SLOAN. There are a number of elections held in our State this year for postmasters. Some question has arisen about who should be the voters—whether they should be legal voters or patrons or voters of the prevailing political party. What is the gentleman's view upon that? I ask the question in absolute good faith.

Mr. FOWLER. Mr. Chairman, under the Constitution our postmasters are appointed by the executive department. That method must stand until it is changed. All good citizens ought to conform to it, and I am trying to do that as best I can; and if the gentleman wants to get advice from the patrons of the office by holding an election, I congratulate him on his Democracy, and extend to him an invitation to come over on this side of the House. [Applause.]

Effect of Underwood Tariff on Pay Checks.

EXTENSION OF REMARKS

OF

HON. FRANK W. MONDELL,

OF WYOMING,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 20, 1914.

Mr. MONDELL. Mr. Speaker, on Saturday, July 11, the gentleman from Indiana [Mr. CLINE], under leave to extend remarks, inserted in the RECORD a letter from Samuel L. Foster, president of the German-American National Bank of Fort Wayne, Ind., to Wilbur F. Wakeman, treasurer and general secretary of the American Protective Tariff League, in answer to a letter from Mr. Wakeman seeking information as to the total amount of pay-roll checks in President Foster's bank for the week ending June 21, 1913, and also for the corresponding week ending June 20, 1914.

Mr. Wakeman's letter to President Foster was identical with similar letters sent to bankers throughout the country with a view of ascertaining the wage payments of the industries of the country for the week of 1913 referred to as compared with the corresponding week in 1914. In his remarks in the RECORD, to which I have referred, the gentleman from Indiana referred to this inquiry which the American Protective Tariff League was making as a "system" "employed by unscrupulous organizations who want to accomplish under cover of secrecy what they do not have the courage to do in the open—to discredit the present Democratic administration."

The absurd and illogical character of this statement of the gentleman from Indiana may be fully appreciated when one takes into consideration the fact that these letters of inquiry as to business conditions, as evidenced by wage payments, were sent to bankers in industrial centers generally, with the statement that the results were to be published for general information. I understand they will be published in the very near future in the Economist.

Our Democratic friends are very tender when it comes to the statement of actual facts with regard to industrial conditions. Facts were what Mr. Wakeman sought, and it is facts that the Economist proposes to publish, facts having a direct bearing on actual industrial conditions—the most important facts relative to industrial conditions, those that relate to the wages of the men engaged in the industries of the country. If conditions are so prosperous and altogether satisfactory, as Mr. CLINE and other gentlemen on the Democratic side claim, what have they to fear from a publication of the facts sought and obtained through Mr. Wakeman's letter? Their agitation over the proposed publication of these important facts is in itself proof that they realize how unfortunate are industrial conditions, and would, if possible, suppress the important facts as to these conditions.

The following article from the American Economist of July 10 explains fully the reasons for seeking this information through those best qualified to furnish it:

LET THE FACTS BE MADE KNOWN.

It would seem that bankers more than any other class of business men are in a position to judge accurately of general business conditions. If business is flourishing, that fact is apparent in bank transactions; in loans and discounts; in bank clearings; in deposits; and, above all, in checks drawn to meet pay rolls. Merchants and manufacturers are the best customers of the banks. They are the largest borrowers. In recognition of the accuracy of the bank barometer as a true index to business, the American Protective Tariff League recently sent out to the leading banks of the country the following letter of inquiry:

[Confidential inquiry.]

THE AMERICAN PROTECTIVE TARIFF LEAGUE,
339 Broadway, New York, June 26, 1914.

DEAR SIR: Our president, Col. Francis L. Leland, who is well known to you as a banker, believes that one of the best barometers of industrial conditions is the weekly pay-roll checks of merchants and manufacturers, and at his suggestion we have the honor to ask:

First. What was the total amount of the pay-roll checks in your bank for the week ending June 21, 1913?

Second. What was the total amount of the pay-roll checks for the corresponding week ending June 20, 1914?

We will under no circumstances divulge the name of a bank giving us this information, but wish to publish a statement giving the comparative pay-roll checks in bulk for the weeks named.

We earnestly ask your cooperation in this inquiry.

Sincerely, yours,

W. F. WAKEMAN,
Treasurer and General Secretary.

The importance of this inquiry is very generally recognized. Several of the leading newspapers have asked the privilege of printing the results when they shall have been obtained and tabulated. Many replies have already been received. A full statement of returns will appear in the American Economist of July 31, 1914.

The only expression of dissent thus far received in response to the "confidential inquiry" above quoted is the following:

THE GERMAN-AMERICAN NATIONAL BANK,
Fort Wayne, Ind., June 29, 1914.

DEAR SIR: Replying to your "confidential inquiry" of the 26th instant, in which you ask for data which you propose to use for the purpose of instituting a comparison between the pay rolls of this year with those of the same time a year ago, I beg to say:

It would be more creditable to your organization if it would use its funds along lines that would tend to decrease any tendency toward business depression that may exist rather than along lines that have a strong influence toward increasing this tendency.

The purpose of your inquiry is so clearly political and the intent to discredit the present administration and recent legislation so apparent that this bank declines to have anything to do with it, and feels justified in giving expression to its lack of sympathy with your efforts. It is such movements by such organizations as yours that justify the charge that there is being made a systematic and disloyal effort to create a condition of mind in the people of the country that will bring about and intensify a spirit of commercial depression.

No more descreditable and dishonorable thing could be attempted by men claiming to be loyal citizens of the Republic. As you very well know, to spread broadcast over the country any evidence or argument tending to show the existence of business depression only tends to produce and heighten this depression. That this is your intention and purpose is revealed in your letter, though not explicitly stated.

Very truly, yours,

SAM'L M. FOSTER, *President.*

The writer's inference that the effort to obtain reliable facts concerning business conditions is "clearly political" would seem to warrant the inference that his refusal to supply such information is also "clearly political." It reveals him as a thick-and-thin supporter of the present free-trade administration. Obviously he concludes that the disclosure of bad business conditions would be hurtful to that free-trade administration. Wherefore he declines to aid in such disclosure. But if business was booming, if pay-roll checks were larger than ever before instead of being smaller, and if the showing was in the highest degree creditable and helpful to the free-trade party and administration, would this gentleman then refuse to furnish the information sought? And if he did furnish it, would not that, too, be "clearly political"?

Does Mr. Foster believe that the truth should not be made known concerning business conditions? Would he suppress facts of vital consequence? Would he, for example, if he had the power, prevent the publication of the $34,000,000 Claflin failure? Several important New York newspapers were asked to join in suppressing any mention of that big business crash. They declined to comply, feeling that the public had a right to know the facts. Suppression of facts, as Mr. Foster should know, is not the way to inspire the largest degree of public confidence in financial and commercial institutions.

The business men who comprise the membership of the American Protective Tariff League are not likely to sanction any policy or procedure that tends to hurt business. They claim to be "loyal citizens of the Republic." Many of them are fully as eminent in the world of business and finance as is the president of the German-American National Bank of Fort Wayne, Ind. Their judgment in matters of business and finance would weigh at least as much as his. These gentlemen see nothing discreditable or dishonorable in getting and publishing the truth regarding business conditions. Apparently they think that the American people have a right to know the truth and the whole truth.

"Clearly political" the confidential inquiry set on foot by the Tariff League may be, especially in the sense that present business and trade conditions are largely due to political policies, and can only be remedied and made better by a reversal, through political action, of those destructive policies. The country wants to know what ails business. When the country finds that out it will know what to do next. And what the country does next will be "clearly political."

We observe with some surprise that President Foster has been the first to violate the obligation imposed by the "confidential inquiry" of date of June 26, quoted above. In the Fort Wayne Journal of July 1 appears a double-column facsimile of the "confidential" letter of inquiry from the secretary of the Tariff League, and below it the full text of President Foster's reply, also given above. It is, we believe, unusual for confidential letters to be exploited in the newspapers by reputable business men.

A Speech Delivered By Hon. S. M. Ralston, Governor of Indiana, at New Harmony, at the Centennial on Indiana Day, June 10, 1914.

EXTENSION OF REMARKS

OF

HON. CHARLES LIEB,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 25, 1914.

Mr. LIEB. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include a speech delivered by Hon. S. M. Ralston, governor of Indiana, at New Harmony at the Centennial on Indiana Day.

The speech is as follows:

[Address by Hon. Samuel M. Ralston, on occasion of Indiana Day at New Harmony centennial celebration, June 10, 1914.]

Ladies and gentlemen, this occasion is one of reminiscences, and you will therefore pardon me for recalling at the outset of my remarks the fact that Posey County gave to the State one of my distinguished predecessors, Gov. Alvin P. Hovey. Gov. Hovey was born in Posey County. That fact seems to have had much to do in giving him a broad view of life. A Posey County

man, especially one born within the influence of New Harmony, who is narrow-minded after he reaches manhood, is a freak of nature. Here Gov. Hovey grew into young manhood and took up his chosen profession, the practice of law. From here he enlisted in the services of his country and distinguished himself as a soldier in the Civil War. From here he went to the governor's office, which he filled with signal ability. Numerous acts of public service are to his credit, not the least among them being the construction of the Maclure will by the supreme court, giving 146 free libraries to 89 of the 93 counties in Indiana. Men of his type and caliber always adorn public office and make more conspicuous the honor done those who follow in their official footsteps.

You have doubtless been told many times that this is a very unusual event, and it is. It is of such sweeping significance that its importance does not have to be impressed upon you. New Harmony is known throughout the world because of the facts out of which this event has come.

I am not here to-day to criticize or to condemn. Those whom we are assembled to honor have lived their lives and promulgated their philosophy. As pioneers in thought it would be strange indeed if they did not have their faults and their philosophy its defects. Whatever they said or did to usher in a better day for humanity, to that we should cling and for that we should revere their memories. The man who stands on the mountain top of his day signaling the truth to those resting on the slopes is a real servant—both of God and man.

IDEALS OF FATHER RAPP.

Who ever flung in the face of this old world a finer bit of philosophy or a more inspiring creed than did Father Rapp in his teaching of humility, neighborly love, industry, prayer, self-examination, and the abandoning of all self-interest, except as that interest will conserve the welfare of the whole community? While adhering to this conception of man's relation to his fellow man and to his God, the Rappites soon after coming to this site made such progress in agriculture and manufactures that their little community was characterized by a critical stranger as a republic and commended for the great good it has done.

While their theory of government was founded on high ideals, and for a short period their socialistic scheme succeeded along material lines, yet when we delve beneath the crust of their movement it is apparent that the success they achieved was due to the individual initiative of George Rapp and Frederick Rapp. They are the leaders of their community. They planned, experimented, and wrought for their socialistic family with care, thought, and diligence as do men who are citizens of a Republic.

They were the directors of the movement at the head of which they stood. George Rapp held the place of greatest authority, but Frederick carried its spirit to the outside world; and from the outside world he learned lessons in citizenship and statecraft that must of necessity have tended to weaken his faith in the communistic schemes he was advocating. It is hardly conceivable that he could have participated in framing the first constitution of Indiana without having his faith weakened in communism. At any rate, after 10 years of communistic endeavor in this productive section of country and after the accumulation of great wealth the Rappists negotiated a sale of their lands and other possessions located here to the wonderful Robert Owen and quietly withdrew from these peaceful surroundings.

I understand you have designated this day as Indiana Day in your celebration. I deem it very appropriate to inquire if as a State we have to any extent shaped our course by any of the teachings of Robert Owen. He tells us he came to this country to introduce a new and enlightened state of society. We have his word for it that he was anxious to eliminate ignorance and selfishness—a most laudable ambition, we will admit, but one that calls for the changing of human nature as certainly as would the consummation of his desire to remove all cause for contest between individuals. But I am not to criticize.

I prefer on Indiana day to find something to commend in the teachings of this worshipper at the shrine of truth, this apostle of equality, liberty, and fraternity. And here is something he has said that the citizen of a free Government, where the voice of the people is all powerful, should take to heart if he wants to see man's condition improved:

"The religion of truth teaches the science of the influence of circumstances over human nature; and that good and rational circumstances will produce good and rational men and women, while inferior or bad circumstances as certainly produce inferior, bad, and irrational men and women."

Indiana has recognized the soundness of this principle in the enactment of her housing law by the last legislature. When she passed this law she did not look to the comfort only of the occupants of the tenements, she had in mind also the development of their morals and the building of their characters. She believed that the water they drank, the air they breathed, the home and social comforts they enjoyed bore directly upon the citizenship they developed. And when Indiana observes before long public health or "clean-up" day, as she is planning to do, she can with propriety pay respect to the memory of Robert Owen. Thomas Jefferson wanted to be remembered as the author of the Declaration of Independence, as the author of the Statutes of Virginia, and as the father of the University of Virginia. Every board of health is a recognition of Robert Owen as a public benefactor. His doctrine of environment alone makes his fame forever secure.

OWEN'S NAME ENDURING.

But you may toss to the winds everything Robert Owen ever taught as faulty and hurtful to society and still he will retain a warm place in the hearts of Indiana people, even unto the latest generation. His four brilliant and public-spirited sons will keep his memory fresh in this State. No man ever made a greater contribution to Indiana society than did Robert Owen through his four sons. Their superior talents and ceaseless labors placed them in the front ranks of its citizenship. As geologist and educator; as educator and soldier; as editor and financier; and as a politician, statesman, and philosopher, they have enriched Indiana history and made her name synonymous with vigor of thought, rational progress, and strength of character.

HIS FACE TOWARD CAPITOL.

On the capitol grounds at Indianapolis there are statues of three widely famed Indianians. They represent the great war governor, Oliver P. Morton; the polished statesman and former Vice President, Thomas A. Hendricks; and last, but not least, the world-renowned Robert Dale Owen. Morton and Hendricks are looking outward and away from the capitol, as though they are seeking information to enable them to serve their constituents more acceptably. But the face of Owen is toward the capitol, where public servants are at work and the laws are interpreted and justice administered, as though he were keeping watch over the conduct of those charged with the performance of public duties. His position is a characteristic one for him. He was a believer in work and efficiency. There was a directness and courage in what he did that challenged attention and admiration. Duty to society and to the State meant more to him than did loyalty to party. With him patriotism came before partisanism and the public welfare before the pride of opinion. This is why he was willing to abandon theories and surrender policies and stand with Lincoln, with whom he was not in sympathy politically, for the preservation of the Union. His letter appealing to the overburdened President for the liberation of the negro affected the latter as no other plea had done. It was thought by those who were in a position to know that the most potent personal influence moving the President to issue the emancipation proclamation was Owen's masterly argument in support of such a course.

The founders of Harmony and New Harmony have served society to a great purpose, and so are you, their successors, in recalling their virtues by this celebration.

Trade Conditions and the Achievements of the Present Administration.

EXTENSION OF REMARKS

OF

HON. WM. ELZA WILLIAMS,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 27, 1914.

Mr. WILLIAMS. Mr. Speaker, we are approaching an important general election, at which the policies of the present administration are to be submitted to the great American jury, the body of the public, for ratification and approval. For this reason gentlemen on the Republican side of the Chamber, who are lonesome because of the fewness of their number, work overtime portraying business depression, predicting panic, and creating business alarm, with the hope of gaining some party advantage at the expense of the country's happiness and prosperity. They know too well that if we go to the country in the coming election on facts and conditions as they are, with a splendid record of party achievement, that the people will ratify the present administration by the return of a Democratic majority to both branches of Congress. They realize that their

only hope lies in creating either a panic in fact or the appearance of one, and they do not care which, providing it has the desired effect on the mind of the public and restores the standpatters and reactionaries to power.

Mr. Speaker, this is a serious charge to prefer against men who are commissioned to represent the people in the great American Congress, but however serious and alarming the charge may be, I regret to say it is true. The relic of the Republican Party on that side of the House, who have led the Republican procession in its headlong flight toward its doom, who have championed the cause and been the servile tools and effective instruments in the hands of monopoly to advance big business and aid it to exploit the public, and who have profited politically by the association, have become desperate in their attempts to revive the putrid corpse and put new life into their party organization. Politics with these men is a business. Party success with them means financial and political gain. They are partisan to the core. They hate Democrats because the Democratic Party stands the one barrier between them and their schemes of exploitation and party aggrandizement. These men are so partisan, so narrow, and so mean, so unpatriotic in their instincts and their motives and so treasonable in their utterances, so permeated and imbued with party expediency and the desire for political prestige, so intense and absorbed in their pursuit of power that they would willingly see the country precipitated into the throes of business ruin and financial panic, want and hunger stalk at the door of the poor, and women and children cry for bread if thereby they could discount and discredit the Democratic Party and pave the way for Republican success in the coming election. That is all that this insistent talk of hard times means. The gentlemen know that every utterance along these lines is without foundation, that there is nothing the matter with business, that money is plenty, labor employed, and wages remunerative; that nature is smiling and blessing mankind with bountiful harvests, and that a hundred million mouths are fed by the hand of plenty. Business, however, is as sensitive as a barometer, and these gentlemen hope by their constant, incessent, and chronic prating and croaking about business conditions to keep business alarmed and backward about investment and speculative enterprises until after the election, in order to make it appear that there is a stagnation and depression in the business world, and to afford them some kind of an argument or pretext for the repudiation of the Democratic Party and the restoration of the party of pelf and privilege to power.

Mr. Speaker, what is the issue before the people? Shall Democratic supremacy and progressive ideas in legislation be continued and prevail, or shall we return to the evil days when standpatism and monopoly were in the saddle, hand in hand, plunging headlong toward national ruin, disgrace, and dishonor, and which was so happily arrested and averted by the practical annihilation of the Republican Party at the last presidential election? Shall we continue the reforms which have been effected with such success and unanimity on the part of the present Congress, or shall we retrace our steps, turn back the hands of time, surrender the fight, and admit that we are powerless in the hands of monopoly? Shall we concede that the people are incapable of self-government and that big business shall henceforth and forever write party platforms, dominate public policies, and dictate national legislation? Have we come to this that we must surrender and crawl on our bellies in the presence of organized wealth, and submit to its exorbitant, extortionate, and intolerant demands, for fear that if we dare sneeze business depression will follow and a panic ensue? Shall the beneficent, remedial legislation which has been enacted by the present Congress be repealed because big business sulks and refuses to be comforted? Let us not underestimate the issue before us and what Republican ascendency at this time means. Of what do they complain? They condemn the new tariff law. Is it to be repealed and the business world treated to another era of delay and uncertainty by further tariff legislation? There is no mistaking the issue; that is just what it means. Why else do the tariff barons and the monopolists, who have profited by protection, demand a change? Is it proposed to repeal the new currency act and place Wall Street again in control of the entire financial system of the country to make and break panics at will? If not, why do the magnates of Wall Street, the Morgans, the Rockefellers, and the Carnegies, demand a change? Do they intend to repeal the income-tax law, by means of which wealth is required to contribute toward the expense of government, and to again place the whole burden of taxation on the consumers and the producers of the land?

If they do not propose this, then why is organized wealth arrayed against the Democratic Party, protesting against its just share of taxation and demanding a change? Is it proposed to repeal the parcel-post law and to compel the public to again bow at the shrine of monopoly and submit to the intolerant extortion of the express companies? If not, why are the great express companies of the country, which have heretofore pillaged the public and exacted the pound of flesh to the last pennyweight, vociferating against the Democratic Party, and urging the restoration of the Republican Party to power? Is the constitutional amendment for the popular election of Untied States Senators, by means of which the Senate has been popularized and made responsive to the public will, to be repealed or nullified? And is it proposed to return to the dark days when the United States Senate was a millionaires' club, when reform was mocked and remedial legislation scoffed at? If not, why are the Lorimers and the Aldriches and the Guggenheims so bitterly opposed to the Democratic Party and so hostile to the Senate as now constituted? What do gentlemen on the other side of the Chamber want—peace or war? Is it to repudiate the administration's Mexican policy, by means of which war has been avoided, Huerta forced into exile, and peace vouchsafed in troubled Mexico? Do you want to substitute for the President's peace policy the emblem of the God Mars and revel in war with all its fearful consequences for the sake of vain glory? Would you for mere partisan advantage force your country into a war and sacrifice thousands of precious lives and millions of treasure? If not, why do you condemn the President's policy and declare it a failure? Shall the antitrust laws, which have passed the House and are pending in the Senate and which will receive the signature of the President and become laws before the coming of the autumn, be repealed or rendered nugatory by lax enforcement, and the big trusts, which have heretofore dominated the business of the country, be again installed into power, with license to forage upon and exploit the public as in days of old? If not, why all this clamor and protest against antitrust legislation? Why the organized propaganda to force the adjournment of Congress without legislating upon this vital question?

Why this concerted action on the part of monopoly everywhere of withholding money from legitimate business, proclaiming hard times, and creating the appearance of business depression? Why such a determined attempt to force the hand of the administration and prevent amendment to the Sherman antitrust law? Would you repeal that provision in the Clayton bill, passed by the House and approved in the Senate, exempting labor organizations and agricultural associations from the penalties and operations of the antitrust law, and other legislation favorable to labor which has been enacted by the present and the preceding Congress? These provisions were opposed by the leaders on the Republican side of the House, and the minority leader, Mr. MANN, went so far as to trifle with this most vital, serious, and important question, and declared on the floor of this House that whether he would vote for or against the provision exempting labor organizations would depend upon the question as to whether he could make more trouble for the Democratic Party by voting one way or the other. In other words, the minority leader is so partisan and so indifferent to the demands of labor and the rights of laboring people that he would make a political toy of legislation needed for the amelioration of mankind, and play for party advantage at the expense and sacrifice of labor. I assume that the party for which Mr. MANN speaks, and which has so consistently and continually opposed legislation sought by organized labor, will lose no time, if restored to power, in its efforts to repeal these most essential laws.

The success of the Republican Party means nothing more and nothing less than the repeal of all these laws which are the product and the fruits of the spirit of reform which has been sweeping over the country and the world in the last few years. Mr. Speaker, I can not believe that it will occur; that the people will ever submit to the repeal of these laws and to the substitution of the rule of monopoly. That is the issue, and that is the question presented to the American people for solution and settlement at the coming election.

Upon the debate on the Underwood tariff bill during the summer of 1913 the principal argument advanced by those Republicans who opposed the bill—and they consisted of the standpat element of the party—was that the proposed tariff schedules would adversely affect trade conditions, close American factories, and open the floodgates to the cheap manufactures of Europe; that the fires would be banked in the furnaces, the whir of machinery stilled; that devastation and want would follow and famine stalk throughout the length and breadth of the land. The new tariff law has been in operation 10 months, and what are the conditions? I will not become sacrilegious and appropriate the bounty of nature and claim credit to the Democratic Party for the sunshine and the rain, as our Republican friends have done in so many campaigns, but I do believe that Providence in its wisdom has justly pronounced its bless-

ing upon the head of the present administration and the Democratic Party and rewarded the labor of man with a bountiful harvest in recognition and approval of a just administration and wise laws. We are told that we were striking a fatal blow at the farmer by reducing the tariff on the products of the farm or by placing them on the free list, and that our pains would be rewarded with the destruction of the farming interests and the flooding of the country with the cheap farm products of other countries. Another season has gone, and what do we witness? A bumper crop and flattering prospects, which under ordinary conditions would tend to lower the price of farm products; and yet the fact remains that the price of the principal products of the American farm are higher to-day than they were one year ago under the old tariff law. The advocates of the new tariff law answered that the new schedule would not only maintain the present prices of farm products, because there is no country on earth that can produce in competition with American ingenuity, American machinery, and American labor, but further answered that the reduction of the tariff on the manufactured or finished product would tend to cheapen not only the cost of production, but the price of the finished product to the consumer, and I am here to say that this remarkable effect has been produced.

On the 24th day of July, 1913, under the old tariff law, corn was selling on the Chicago market at 61 to 62 cents per bushel; on the 24th day of July, last Friday, under the new tariff law, corn was selling on the same market at 68 to 73 cents per bushel, an average increase of 10 cents per bushel, and this in the face of the most promising outlook for corn throughout the entire corn belt which ever appeared at this season of the year. Seventy cents is a good price for corn, and it has rarely been maintained at that price for so long a period of time as it has during the present season. It is not a sufficient answer to reply that this is because of a shortage of the corn crop last year. There was a local drought in a portion of Indiana, Illinois, and Missouri, but the crop generally throughout the corn belt was good, and the total yield but a little below normal.

We hear very little nowadays about Argentine corn. That scare was worked overtime, and seems to have reacted. About 10,000,000 bushels of Argentine corn have come through our ports within the last year. One carload of this corn reached the State of Illinois. The busy ones, who seemed to have nothing to do but write scare-head lines and manufacture campaign material, multiplied that carload many fold, and created the impression that a carload had reached its destination at every important railroad station in the State. Like the man who wanted to go somewhere, and started 15 directions at the same time, they had this carload of corn going everywhere, and held it up as a bugaboo to stampede the farmer. It worked well for a time, and I am told that in certain portions of Illinois resolutions were introduced at farmers' institutes condemning the Democratic Party for its sacrifice of agricultural interests and the destruction of the corn industry. The fact is that more corn can be produced in any one of a dozen counties in the State of Illinois, and is annually produced, than was brought from abroad to our ports since the new tariff law went into effect. The annual production of corn in the United States is over 3,000,000,000 bushels.

The entire importation of Argentine corn for the year is but a mere drop in the bucket, as 1 to 300, and had as much effect on the market as an extra yield of one-thirtieth part of 1 bushel to the acre in the corn belt or as an extra bushel would have in the Chicago market for the day. It has been openly charged, with much semblance of truth, that the Argentine corn was brought here or induced to be shipped in for political effect; but however this may be, it is certain that except for the extraordinary high price here no Argentine corn would reach our ports. If it came merely as an experiment, through legitimate trade channels, it was brought because the shipper believed there would be some profit in it. The fact that so little has come, and that the importation is falling off from month to month, makes it evident that there is nothing to be feared from this source, and that under no conditions will there be enough of Argentine corn brought in to appreciably affect our supply or the market price of domestic corn.

Wheat is about 5 cents per bushel lower than it was a year ago, which is due to the exceptional crop produced this year, and not to the tariff. The tariff law is not changed and will not become effective as to wheat except by reciprocal agreement with countries which admit our products free of duty.

Oats have been, until the present crop was placed on the market, higher by 10 cents per bushel this year than last. The Chicago market reports of last Friday, July 24, and that of one year ago on the same date show the price of oats almost identical, although oats have been placed on the free list, and a relatively small quantity has been received from Canada.

Rye on the 24th of July was 3 to 4 cents per bushel higher than a year ago.

Hay on the same date—July 24, this year—was $2 per ton higher in the Chicago market than a year ago.

The market price of hogs this year and last on corresponding dates is about the same, and ranges from $9 to $9.50.

Cattle have increased in value on an average of about $1 per hundred, and this notwithstanding dressed meats are admitted free of duty.

Sheep, including ewes, wethers, and lambs, average about $1 per head higher than a year ago, and we hear no more about the destruction of the sheep industry by placing wool on the free list. In 1913 the market price of wool was 21 cents; in 1914, 25 to 26 cents per pound. Oh, shades of MANN, MONDELL, and others, who predicted with such great assurance that we would ruin the sheep industry in the United States and deprive the farmer of his profits from this enterprise.

Corn, wheat, oats, and rye, hogs, cattle, sheep, and wool are the principal products of my State and my section of the country, and I speak by authority when I say that the farmers of Illinois and the Middle West are entirely satisfied with conditions, and are not taking alarm or becoming frightened by all this political claptrap emanating from the sources indicated. Farming with me is a side line. My earnings from the legal profession, what I have not spent in politics, have been invested in Illinois farm lands. My boyhood days until I attained my majority were spent on a farm, and I have never lost interest in agricultural pursuits. I for one am gratified with conditions, so far as agricultural interests are concerned, and I believe that my convictions are shared in common by the great mass of farmers in my State and throughout the Middle West.

Mr. Speaker, I stated at the beginning of my remarks that the price of farm products have been maintained, and that the producer has received as great profits under the new tariff as he received under the old. This fact, I submit, is conclusively demonstrated by the figures and the market reports which I have given. I further stated that the finished product is cheaper to the consumer and the cost of living not so great as last year. A reference to the market prices of the principal staple products will demonstrate the truth of my statement. Take flour, for instance, it was on the 24th day of July, last week, 80 to 90 cents per hundredweight cheaper than it was a year ago, yet the price per bushel of wheat is but 5 cents less than it was the same date last year. There is no material change as to the price of hog products, although the general average is a trifle lower.

Beef products, however, are much reduced in price, notwithstanding the fact that beef cattle are a dollar per hundred higher than last year. Extra mess beef is quoted, July 24, 1913, at $17.25 to $17.50, while on the corresponding date 1914, the same meat is quoted at $15.75 to $16. Plate beef is reduced from $20, July 24, 1913, to $16, July 24, 1914. This is easily accounted for by the fact that dressed meats have been placed on the free list, and there has been some importation of Argentine chilled meats, and the Beef Trusts have not had an exclusive market. The consumer gets the benefit of this reduction in the price, while the profit of the Beef Trust is curtailed and the price of the beef cattle produced on American farms and ranches is not adversely affected. Coffee is cheaper by 50 cents per hundred than a year ago, and sugar is cheaper by a dollar per hundred, which means a saving of approximately $50,000,000 to the consumer, and a corresponding reduction in the profits of the Sugar Trust. It is nonsense to contend that the consumer does not get the benefit of the reduction of prices occasioned by reducing tariff duties. The figures that I have given show clearly where the profit goes.

The most interesting effect of the tariff is found in the price of the raw material and in the finished product of cotton and woolen goods. There is no question but that these goods are cheaper on the market than they were under the old tariff law. Both cotton and woolen goods and cotton and woolen manufactures of all kinds are cheaper to-day on the counters of the retail merchant than they were a year ago. Because of different varieties, and varying quality with which the ordinary purchaser is not familiar, it is difficult to fully appreciate and determine, except that your merchant knows the fact and will tell you that it is true, and that he does supply the market cheaper and his goods are marked down a very substantial per cent less than they were a year ago. And he will tell you more, that his trade is good and the demand as great as it was this season last year.

I could multiply these figures indefinitely and show by market reports and retail prices that the cost of staple products which enter into every man's living is materially cheaper under the present than it was under the old tariff, but I assume that this is not necessary, as it is a fact that everyone can ascertain for himself by very little effort. Flour, beef, pork, sugar, coffee, woolen and cotton goods are the most staple and the most

essential necessities of life. These, as I have clearly shown and demonstrated, are cheaper now than then, and I reaffirm, Mr. Speaker, that what I said is true, that the profits of the producer of the raw material and the products of the farm are greater to-day than formerly, and that the price to the consumer of the products of these various staples is cheaper, and the cost of living is materially reduced as a direct result of the Underwood tariff law.

Not only have the new tariff schedules benefited the producer and the consumer alike, but business conditions throughout my section of the country seem to be all that could be desired. Since April 4, 1914, 27 new State banks have commenced business in Illinois, according to a statement issued on the 21st day of this month by the State auditor. The total resources of the 748 State banks in Illinois on July 1 were $910,845,522, an increase of $9,609,737 in three months. The increase during the same period of the capital, surplus, contingent fund, and undivided profits was $845,095, and the total deposits during that period were increased $13,097,787. The savings deposits, subject to notice, aggregated $310,828,833, an increase of savings deposits of $5,347,288 for the period of three months subsequent to April 4. I have long understood that the condition of laboring people was more clearly manifested by the condition of savings deposits in a community than by any other means or indication, and to me it is gratifying to know that the savings deposits in the State banks alone, which do not include national banks and trust companies, was increased in the period of three months by the enormous amount of over five millions of dollars. Certainly labor is not unemployed, and certainly the price of wage is not unremunerative. Let gentlemen who croak about hard times and bewail the condition of laboring men while voting against their interests and who shed crocodile tears at the bier of labor while opposing legislation for its benefit pause in the face of these figures and seriously consider whether they are fooling labor or whether they are fooling themselves; whether they are deceiving the country and misleading their constituents or whether they themselves are misguided by party hatred and partisan zeal.

Mr. Speaker, the Democratic Party has now been in control of the Government less than 17 months. During that time Congress has enacted more laws in the interest of the people than any Congress ever assembled. The Democratic Party came into power with a party platform and a declaration of faith which commended it to the sober thought of the world. These platform pledges were not platform fulminations for mere expediency and party advantage; they were made in good faith, to be kept sacredly, and not as "molasses to catch flies." Every promise has been kept and every pledge has been redeemed. We have fought a good fight; we have kept the faith.

I am gratified that I have had some part in these achievements. I have represented the State of Illinois in the capacity of Congressman at Large during the present term of Congress and have consistently stood by the President and supported the policies of his administration in all things, and I am standing for reelection and asking of the voters of the Democratic Party of Illinois an indorsement and a ratification of Democratic policies at the coming primary election. No party and no administration within the history of the Government has accomplished so much of remedial legislation for the ultimate good of mankind as has the Democratic Party during the brief time it has been in power since March 4, 1913. In the very nature of things we can not hope to enjoy the full fruition and the present benefits of this legislation in a day, although we already begin to feel the effect and enjoy the benefits of the wholesome laws enacted, notwithstanding the wail of the calamity howlers, who preach hard times for political effect and who prefer party ascendency to the welfare of the country.

Tariff revision, which maintains the price of natural products to the producer and at the same time tends to lower the cost of production and the cost of the finished product to the consumer; the income tax, which in a measure relieves the burden of taxation and imposes it on those who have excessive incomes and are most able to pay; the establishment of a new financial system, which deprives Wall Street of the control of the money market and maintains an equitable distribution of money in all sections of the country in proportion to the demand and provides a currency sufficiently elastic to meet the requirements of trade and commerce at all seasons; the antitrust bills, which are about to be enacted and will be in force before this session of Congress adjourns, by means of which the rapacity and greed of monopoly will be restrained and big business controlled and regulated; bills for the amelioration of labor, including the eight-hour bill, the Children's Bureau bill, the bill creating the Department of Labor, a bill creating a Commission on Industrial Relations, have already been enacted into law, and the anti-injunction bill, contempt bill, a bill creating a bureau of labor safety, a bill for the exemption of labor organizations from the penalties and operations of the antitrust law, and a bill prohibiting the interstate shipment of convict-made goods have passed the House and are pending in the Senate, with excellent prospects of enactment; the direct election of United States Senators, which has popularized the United States Senate and made it responsive to the public will; the parcel post, which has increased the mailing facilities and cheapened the cost of transportation of the necessities of life to the people; the ousting of Huerta and the establishing of peace in troubled Mexico without the sacrifice of men and money are the principal achievements of the Democratic Party and of the present administration and furnish a record unequaled in legislative annals. Upon this record I congratulate the country and am willing to abide in the coming election, confident that the policies of this administration and the high aims and purposes of our distinguished President will be ratified at the polls.

Business Conditions in Calumet District.

SPEECH

OF

HON. JOHN B. PETERSON,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 27, 1914.

Mr. PETERSON. Mr. Speaker, of late Members of this House and others have asked me frequently about business conditions in the Calumet district, which is a part of the district which I have the honor to represent. In view of these questions I have made diligent efforts by personal investigation to ascertain the true situation.

In this region are located the cities of Gary, Hammond, East Chicago, Indiana Harbor, and Whiting, all manufacturing centers.

I find business and industrial conditions throughout the tenth congressional district of Indiana are satisfactory. Bank balances show larger deposits for the time of year than have existed in 10 years. There is more building and general improvement going on all over the district than at any recent period. Of course, it goes without saying that the farmers are prosperous. Crops generally were never better.

Railroads are taking on men and making general improvements everywhere. At La Fayette the Monon Railway shops are running full force and employing more men each week. The Pennsylvania Co. has a large force of men treble-tracking its road between Chicago and Logansport. The Lake Shore & Michigan Southern is building a $40,000 station at Chesterton.

In the manufacturing portion of the district optimistic feelings prevail. At East Chicago the Republic Iron & Steel Co., the chief industry, is running with nearly full force. During this month a permanent addition to its mill costing more than $25,000 was completed. Conditions at Gary are rapidly improving. There are now in operation at the Gary works of the Indiana Steel Co. 27 open-hearth furnaces out of a total of 42, while 6 of the 8 blast furnaces are in operation. The number of open-hearth furnaces in operation represents an increase of 8 since May 15, when there were only 19 open hearths in operation. This was the information given out at the general offices of the Gary works, coupled with the general information that the working capacity of the plants were being gradually increased, and that the prospects for further increases are considered good. From other reliable sources it is learned that some big rail orders have been received, and that the billet mills, the merchant mills, and axle mills are gradually increasing their output and running well up toward capacity. The open-hearth furnaces are never all in operation at the same time because of the necessity of periodical repairs.

Most important, however, of all recent additions to the capacity of Gary mills is the completion of the great slab mill, costing more than $2,000,000, that went into operation only last week. One hundred and fifty men are employed as a full-day shift on this new enterprise. An immense Corliss steam engine, generating 12,000 horsepower, is required to operate this mill.

The Standard Steel Car Co., at Hammond, has increased its working force more than 300 men within the last month, is tak-

ing on more men, and in some departments is working overtime. It has recently completed a very large addition to its plant.

The Simplex Co., at Hammond, is increasing its force, and soon will be running to its normal capacity.

The Inland Steel Co., at Indiana Harbor, the largest independent mill in the United States, reports very satisfactory conditions. It is reliably stated that the directors of this company will declare a 25 per cent stock dividend, and recommend that the authorized capitalization of $10,000,000 be increased at the annual meeting of the stockholders to be held at Chicago July 28.

So far as workingmen are concerned, conditions are exceptionally good. Labor scales are higher than usual. A prominent labor-union man from the Calumet district was in my office to-day and said the scale for puddlers is 25 cents per ton higher than it has ever been in the history of organized labor. Every union mill from Maine to California is working, and has signed up new wage scales at advanced rates.

Indiana Day.

An address delivered by Mr. LIEB at the one hundredth anniversary of the founding of the city of New Harmony, Ind., June 10, 1914.

EXTENSION OF REMARKS

OF

HON. LINCOLN DIXON,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 25, 1914.

Mr. DIXON. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an address delivered by Mr. LIEB at the one hundredth anniversary of the founding of the city of New Harmony, Ind., together with a letter from the President read on that occasion.

The address and letter are as follows:

[Address by Hon. CHARLES LIEB, of Indiana, on occasion of Indiana day, at New Harmony (Ind.) centennial celebration, June 10, 1914.]

BRINGS MESSAGE FROM WILSON.

Mr. Chairman and members of the New Harmony Centennial Commission, it is not my desire to take up much of the time allotted this afternoon to other speakers on the program.

In connection, however, with an errand I have been asked to perform by the President of the United States, I can not resist the tempation to voice the sentiments which I entertain as I am brought amidst the men and women celebrating a great event.

When great minds of almost a century ago were shaping the destinies of a Nation, laying a foundation for fundamental achievements which to-day make the United States a Nation among nations, New Harmony was a center of uplift greater in many respects than the National Capital itself.

It is not necessary to repeat the things of which history tells us New Harmony formed a vital part. The State of Indiana must admit that her greatness, with all the brilliant men she has produced, would be less marked to-day but for one of your illustrious sons, Robert Dale Owen. His greatest single service to Indiana, perhaps, was the reputation he helped to give the State for its advanced educational facilities. His activity in Indiana legislation led to generous provisions for free schools. Not long after this new era took hold the London Times said: "Indiana has attained the highest civilization of any State in the Nation." Who denies the statement that this is true to-day?

LIFE OF OWEN.

I can not help but dwell upon the life of Robert Dale Owen, as his achievements but serve to illustrate the achievements of many others of early New Harmony.

It was due to Robert Dale Owen's perseverence and initiative as a Member of the Twenty-ninth Congress that the great Smithsonian Institution was established. Eight years had transpired since the United States Government had obtained the funds for building the institution when Mr. Owen took up the cause. He was a ripe scholar, had traveled much, and was familiar with the best institutions of Europe. He was fond of architecture and was one of the most active members of the Board of Regents in forming the plans for the building. He was chosen by his people to hold many high positions, being several times a member of the House and Senate of Indiana, member of the constitutional convention that formed the present constitution of the State; he also served as minister to Naples, and his service in Congress will always be a monument to science.

As the world has gained much from New Harmony people of the past, so it may gain a great deal from the efforts of your commission to fittingly celebrate the centennial. Fifty years from now a future generation may point back to this event as having furnished some incentive or inspiration for a man or men whose names will go down in history as have the names of George Rapp, Robert Owen, William Maclure, and many others. Destinies are made and unmade in a minute. A man inspired by something he reads, hears, or sees may, on the spur of a moment, reach out into the unknown and confer a blessing on all mankind that will live forever.

Robert Dale Owen was born a genius, but without his father's inspiring example much of the incentive would have been lacking. Had Robert Dale Owen faltered a moment in his purpose, we might not have to-day a Smithsonian Institution. Without a Smithsonian Institution the world to-day would be denied many scientific advantages.

MUST ENDURE RIDICULE.

Some must even endure ridicule in their efforts to enlighten humanity. One of the fruits of the Smithsonian Institution was the successful efforts of its secretary, Mr. Langley, to invent a flying machine. Only recently the Langley model was successfully propelled, showing that the world erred in criticizing the great invention.

Too much praise can not be bestowed upon the New Harmony Centennial committee having the program in charge. You have done a great and lasting service to the entire world, and as I have endeavored to point out, no one can conceive the vast good you may do for future generations.

I wish to express my appreciation for being invited to attend your celebration and upon being permitted to appear before this intelligent audience. I have a warm spot in my heart for New Harmony and I feel as one of you.

Before leaving Washington I had the distinct pleasure of talking with President Wilson about your celebration. You have all heard he is a student, but you would have been surprised at his intimate knowledge of the affairs of New Harmony. He spoke in high praise of your enterprise and expressed his most sincere regrets that he would be unable to make a long trip to take part in the celebration. Mr. Chairman, may I have the honor to present to you the message from President Wilson, which he asked me to personally deliver.

PRESIDENT WILSON'S GREETING TO NEW HARMONY.

THE WHITE HOUSE,
Washington, June 2, 1914.

Mr. GEORGE C. TAYLOR,
Secretary New Harmony Centennial Celebration,
New Harmony, Ind.

MY DEAR MR. TAYLOR: It is with deep and genuine regret that I find myself prevented by public duties here from attending the celebration of the centennial of New Harmony. Everything that I know about that interesting and remarkable community and its unusual history of progress and enlightenment has made me desirous of taking part in a celebration which will illustrate so many of the most interesting features of American life. The history of New Harmony is in a way a type of what America has afforded men of high ideals and steadfast purpose an opportunity to do. The people she has bred, the men she has sent out from her public service, all attest ideals and achievements which I would fain believe to be peculiarly characteristic of the great country we love when seen at its best.

Cordially and sincerely, yours,

WOODROW WILSON.

Effect of the Democratic Tariff.

EXTENSION OF REMARKS

OF

HON. FRANK W. MONDELL,

OF WYOMING,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, July 28, 1914.

Under leave to extend his remarks on the subject of the effect of the tariff, Mr. MONDELL submitted the following:

Mr. MONDELL. A few days since I placed in the RECORD a statement relative to an inquiry which was being made by the officers of the American Protective League with a view of ascertaining the extent to which wage payments had decreased during the third week in June, 1914, as compared with the third week in June, 1913. The startling result of that inquiry is

very clearly set forth in an article which appeared in the American Economist of July 24, 1914, which is as follows:

DIMINISHED PAY-ROLL CHECKS AN ACCURATE BAROMETER OF BUSINESS CONDITIONS.

A startling decrease in the income and purchasing power of American wage earners in this period of industrial and business depression; following the enactment of the Underwood free-trade tariff law, is shown as the result of careful inquiry by the American Protective Tariff League. The decrease in pay-roll checks passing through the banks in the chief centers of industry and business is the surest possible proof of the serious blight that free trade has inflicted upon the earning and spending capacity of American labor.

This shrinkage in wage payments, as reported by 64 banks, amounted to $866,908.01 in the third week in June, 1914, as compared with the third week in June, 1913, when the Payne protective tariff was in operation. If the same rate of decrease should apply for the whole year from the 64 banks reporting, it would show a decrease of wages paid amounting to $45,079,216.52. If applied to all the banks of the country for a full year, the shrinkage would mount up into hundreds of millions of dollars. It is a shrinkage that is felt in every line of business. When a free-trade tariff thus reduces the number and contents of American pay envelopes, the calamity becomes Nation-wide.

Replies have been received from 88 banks in response to the confidential inquiry sent out June 26 by the American Protective Tariff League asking for information on the following points:

First. What was the total amount of the pay-roll checks in your bank for the week ending June 21, 1913?

Second. What was the total amount of the pay-roll checks for the corresponding week ending June 20, 1914?

We will under no circumstances divulge the name of a bank giving us this information, but wish to publish a statement giving the comparative pay-roll checks in bulk for the weeks named.

The fact that in response to 404 letters of inquiry 88 banks responded is in the highest degree creditable to the banks, as it shows a disposition to make public facts of high importance relative to existing industrial conditions as disclosed by the volume of pay-roll checks. The 88 banks responding to the letter of inquiry are located in the following-named cities:

Connecticut: Bristol, Danbury, Derby, Hartford, Meriden, and Rockville.
Delaware: Wilmington.
Illinois: Aurora, Chicago, Danville, Pekin, and Peoria.
Indiana: South Bend and Terre Haute.
New Jersey: Carlton Hill, Jersey City, Newark, New Brunswick, Passaic, and Trenton.
New York: Albany, Binghamton, Buffalo, Johnstown, and New York.
Ohio: Cincinnati, Cleveland, Zanesville, and Youngstown.
Maine: Portland.
Maryland: Baltimore.
Massachusetts: Holyoke, Lynn, New Bedford, and Springfield.
Michigan: Lansing
Missouri: St. Louis.
Pennsylvania: Beaver Falls, Bristol, Harrisburg, Hazleton, Philadelphia, and Pittsburgh.
Rhode Island: Centreville.

Twenty-four of the 88 banks responding stated that their books were not kept in such a way as to give reliable comparative statements, but 64 banks returned answers to the questions propounded. It is shown in the official reports received that 43 banks had a decrease in their pay-roll checks for the third week in June, 1914, and 21 banks report an increase.

In harmony with the last paragraph of the letter of inquiry we can not divulge the names of the banks reporting, but the tabulated returns indicate that the 64 banks referred to above cashed pay-roll checks as follows for the weeks ending June 21, 1913, and June 20, 1914:

Pay-roll checks cashed week ending June 21, 1913	$9,926,905.17
Pay-roll checks cashed week ending June 20, 1914	9,059,997.16
Decrease	866,908.01

This falling off of $866,908.01 in a single week in wage payments through 64 banks in 44 cities of the United States is an index of conditions which no free trader can challenge and no theorist can explain away. It stands out as a big, bold fact of marked significance. It tells, in part, the fearful price which American labor and industry are paying for the rash and reckless policies of a "free-trade" Congress and administration. It tells of closed mills and factories, of idle workmen, of decreased business by merchants and tradesmen, of commercial failures larger in number and amount of liabilities than at any time since the last free-trade paralysis of 1893–1897. The pay envelope is by far the greatest single factor in American prosperity. When free trade comes, the pay envelope shrinks. Then all business shrinks. Then prosperity is changed to adversity. That is what has happened now. That is what is disclosed in the reduced volume of pay-roll checks as reported by the banks. (From the American Economist, July 24, 1914.)

River and Harbor Appropriation Bill.

SPEECH

OF

HON. ALFRED G. ALLEN,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 24, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 13811) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. ALLEN. Mr. Chairman, I rise to oppose the motion of the gentleman from Wisconsin [Mr. FREAR], which is to strike out the following paragraph:

Improving Ohio River: Continuing improvement by the construction of locks and dams with a view to securing a navigable depth of 9 feet, $2,000,000: *Provided*, That the Secretary of War may enter into a contract or contracts for such materials and work as may be necessary to prosecute the said project, to be paid for as appropriations may from time to time be made by law, not to exceed in the aggregate $3,000,000, exclusive of the amounts herein and heretofore appropriated.

The difficulty with the gentleman from Wisconsin is that he is not familiar with the facts pertaining to the Ohio Valley; that it is the great workshop of America; that the Ohio is one of the great rivers of the world susceptible of improvement by a system of locks and dams which will provide a depth of 9 feet from Pittsburgh to Cairo, a distance of almost 1,000 miles.

Congress, in March, 1905, authorized the Secretary of War to make an investigation of this project by the following enactment:

The Secretary of War is hereby authorized and directed to appoint a board of engineers to examine the Ohio River and report at the earliest date by which a thorough examination can be made the necessary data with reference to the canalization of the river and the approximate location and number of locks and dams in such river, with a view both to a depth of 6 feet and 9 feet; and in said report shall include the probable cost of such improvement with each of the depths named, the probable cost of maintenance, and the present and prospective commerce of said river, upstream as well as downstream, having regard to both local and through traffic. They shall also report whether, in their opinion, such improvement should be made and whether other plans of improvement could be devised under which the probable demands of traffic, present and prospective, could be provided for without additional locks and dams, or with a less number than is described in surveys heretofore made, giving general details relating to all of said plans and the approximate cost of completion thereof. They shall also examine the said river from the mouth of the Green River to Cairo, with a view to determining whether an increased depth can be maintained by use of dredges.

I hold in my hand House Document No. 492, Sixtieth Congress, first session, which is the report, and a most interesting and voluminous one, upon this Ohio River improvement.

The board of engineers provided for was appointed and organized on May 12, 1905. This board made a thorough inspection of the river and conducted a hydrographic survey and collected data and statistics from all available sources. It gave an exhaustive consideration to the question of present and future commerce, both upstream and down. It found the commerce of the river at that time to be over 9,000,000 tons per annum and increasing.

The report finally concludes with the recommendation that the 9-foot project, involving 54 locks and dams at an estimated cost of $63,731,488, should be adopted. I quote from pages 2 and 3 of the report:

Having in view the fact that a canalized river offers an upstream navigation lower in cost and quicker in transit than an open-river project, the board, arguing from the known natural resources of the section and its population, concludes that a river improved by this method will afford facilities for the cheap exchange of mineral, agricultural, and manufactured commodities which, from their low value and bulk, can not be exchanged unless such cheap facilities are offered, and that there is every probability that the improvement of the Ohio River by canalization, as proposed, would induce a very large future commerce, which does not now exist, in addition to retaining and greatly facilitating and cheapening the commerce which the river now bears. * * *

The board finds that the probable demands of traffic, present and prospective, can not be provided for by any other plan of improvement not having locks and dams, or having a less number of locks and dams than those proposed in the report.

The report deals with a number of interesting matters, which time permits me to mention but briefly. We learn that there are but 79 days in the year when boats drawing 8½ feet can leave Pittsburgh, and but 97 days in the year when such boats can pass Louisville. Yet the present commerce is found to be over 9,000,000 tons annually, and that if the river were navigable

all the year round to a depth of 9 feet this commerce would be enormously increased.

Attention is called to the fact that within the 30 miles next below Pittsburgh, where a 9-foot navigable depth is completed, practically every site suitable for a large manufacturing plant has been acquired. All the heavy tonnage from around Pittsburgh—steel, iron, and coal—will, on account of cheaper freight rates, resort to transportation by river and seek a market South and Southwest in this country and on the Pacific coast and the Orient when the Panama Canal is completed.

But the report also points out that all the conditions favorable to a large increase in local commerce are present, and compares the results to be achieved with what has been accomplished by the improvement of the Rhine in Germany and the Volga in Russia.

While actual statistics are not obtainable for all our waterways, it is generally conceded that water transportation costs only about one-sixth as much as the average cost by rail.

The report makes the astonishing statement that—

> The steamer *Sprague* tows to market from Louisville to New Orleans sometimes as much as 60,000 tons of freight on a single trip. The *Kaiserin Augusta Victoria*, one of the largest ocean ships afloat, has a freight tonnage of 25,000 tons. The horsepower of the *Sprague* is 2,175, while that of the *Kaiserin Augusta Victoria* is 17,200, and that of sufficient railroad locomotives to haul the *Sprague's* cargo on an average-grade road 24,000.

I might add here that prior to this time there had been a survey of the river from Pittsburgh to the mouth of the Big Miami River and the improvement to a 6-foot stage contemplated by the construction of 37 locks and dams.

President Taft in his message to Congress in December, 1909, included a recommendation that Congress provide said sum of $64,000,000 necessary to complete said improvement a distance of 1,000 miles.

The Mississippi River has already been improved to a 9-foot stage from Cairo to New Orleans, a distance of another 1,000 miles. Of the tributaries flowing into the Ohio from the south, the Monongahela, Kanawha, Big Sandy, Kentucky, and Green Rivers have been improved to a 6-foot stage; and the Cumberland and Tennessee Rivers are now being improved to the same extent. The Muskingum is improved to a point above Zanesville, and the Allegheny has been made navigable to a point 25 miles above Pittsburgh, and the improvement is being extended.

Congress determined to proceed with this great enterprise, appropriating $5,500,000 in 1911, $5,600,000 in 1912, $5,000,000 in 1913, and this bill carries $5,000,000 to prosecute the work.

Lock and Dam No. 37, known as the Fernbank Dam, to which the gentleman refers, is located about 10 miles below the city of Cincinnati, and was completed about two years ago. It has created a 9-foot stage of water in front of the city of Cincinnati and as far up as Coney Island, 10 miles above, which enables commerce to move in the harbor the year around. Great quantities of coal are transferred from the coal harbor above to the elevators in front of the city, and we now have the assurance of sufficient water to enable boats to constantly move up and down the harbor in the transfer of freight. But in addition to this is a feature of passenger traffic to which I desire to direct your attention.

There is a pleasure resort some 10 miles above the city, known as Coney Island, and between this resort and the city steamboats ply hourly during the summer. Not only is it a place of recreation for our populace generally, but a breathing spot for the children of our congested districts. There is not much that is inspiring in brick walls and stone pavements or tin roofs and chimney pots, and to these who never beheld the glories of a sunrise nor the beauties of a sunset the little diversion of a ride on the river and a few hours in the open air is wholesome in their growth and the development of their characters. I have seen these children fairly hug the cool grass as they rolled in it and experienced the delight of the change from the hot, dusty city.

In former years it was not an unusual thing for these boats to be tied up for many days in July and August on account of low water, just at the time when they could be most useful. But since the completion of the Fernbank Dam they are able to make their trips regularly.

Under the present bill the $3,000,000 for the Ohio River is a part of the $5,000,000 required to be furnished annually under a declaration in the rivers and harbors bill passed in 1910 of an intention to complete the improvement in 12 years; that is, the amount necessary to complete the project shall be appropriated within that period.

I will incorporate as part of my remarks a statement containing information respecting these locks and dams, showing their location, those in operation, those under construction, and the date set for their completion, which is as follows:

Ohio River improvement, 1914.

No. of dam.	Miles below Pittsburgh.	Information.	In operation.	Under construction.	Date for operation.
1	4.7	Davis Island Dam, Bellevue, Pa.	About 15 years.	.....	.....
2	9	Neville Island Dam, Glenfield, Pa.	About 10 years.	.....	.....
3	10.8	Glenosborne, Pa.	....do.....	.....	.....
4	18.5	Legionville, Pa.	....do.....	.....	.....
5	23.8	Freedom, Pa.	....do.....	.....	.....
6	28.7	Merrill, Pa. Beaver Dam.	....do.....	.....	.....
7	37	Midland, Pa. Contract awarded T. A. Gillespie Co., Pittsburgh, Pa., in September, 1910.	.....	Completed 1913.	1914
8	46	East Liverpool, Ohio.	About 2 years.	.....	.....
9	55.6	New Cumberland, W. Va. Contract awarded National Contract Co., of Evansville, Ind., in September, 1910.	.....	Completed 1913.	1914
10	63.4	Steubenville, Ohio, above Panhandle bridge. Contract awarded National Contract Co., Evansville, Ind., in November, 1912.	.....	Yes.....	1916
11	76.3	Wellsburg, W. Va., 2 miles miles below. Dam for Wellsburg, Mingo, Brilliant, and Steubenville Harbors.	About 2 years.	.....	.....
12	87	Warwood, W. Va. Contract awarded Pneumatic Caisson Co., New York, N. Y., in October, 1910.	.....	Yes.....	1915
13	95	McMechen, W. Va., 6 miles below Wheeling, W. Va.	About 5 years.	.....	.....
14	114	Woodland, W. Va. Contract awarded Missouri Valley Bridge & Iron Co., Leavenworth, Kans., in May, 1911.	.....	Yes.....	1916
15	129	New Martinsville, W. Va. Contract awarded Dravo Contracting Co., Pittsburgh, Pa., in June, 1911.	.....	Yes.....	1915
16	146.4	Bens Run, W. Va. Contract awarded T. A. Gillespie Co., Pittsburgh, Pa., in July, 1913.	.....	Yes.....	1918
17	167.4	Waverly, W. Va., about 4 miles above Marietta, Ohio. Contract awarded T. A. Gillespie Co., Pittsburgh, Pa., in July, 1913.	.....	Yes.....	1918
18	179.4	Constitution, Ohio, about 5 miles above Parkersburg, W. Va. Dam for mouth Muskingum River and Marietta.	5 years.....	.....	.....
19	191.4	Little Hocking, Ohio, 7 miles below Parkersburg. Dam for Parkersburg and mouth Little Kanawha River. Pass completed in 1910. Contract for lock, bear traps, etc., awarded Pneumatic Caisson Co., New York, in September, 1910.	.....	Yes.....	1915
20	201.4	Belleville, W. Va. Contract awarded Sheridan-Kirk Contract Co., Cincinnati, Ohio, in June, 1911.	.....	Yes.....	1915
21	213.7	Buffiington Island above Ravenswood, W. Va. No work started.	.....	No.....	.....
22	220.0	Ravenswood, W. Va. Understand Government forces start work summer 1914.	.....	Yes.....	1918
23	229.6	Millwood, W. Va. No work started.	.....	No.....	.....
24	241.5	Racine, Ohio, contract awarded Sheridan-Kirk Contract Co., Cincinnati, Ohio, August, 1913.	.....	Yes.....	1918
25	260.0	Above Point Pleasant, W. Va. No work started.	.....	No.....	.....
26	274.0	Below Gallipolis, Ohio. Dam for Gallipolis, Point Pleasant, and mouth Big Kanawha River. Completed by Government forces.	.....	Yes.....	1914
27	288.4	Crown City, Ohio. No work started.	.....	No.....	.....
28	309.0	Huntington, W. Va. Government forces started construction during 1911. Expect to complete during 1914.	.....	Yes.....	1915
29	320.0	Catlettsburg & Ashland, Ky. Contract awarded Bates & Rogers Construction Co., Chicago, in June, 1911.	.....	Yes.....	1915
30	338.9	Greenup, Ky. No work started.	.....	No.....	.....
31	358.3	Portsmouth, Ohio. Contract awarded Sheridan Kirk Contract Co., Cincinnati, Ohio, November, 1912.	.....	Yes.....	1918

Ohio River improvement, 1914—Continued.

No. of dam.	Miles below Pittsburgh.	Information.	In operation.	Under construction.	Date for operation.
32	383.7	Concord, Ky. No work started.	.....	No.....	.....
33	400.4	Above Maysville, Ky. No work started.	.....	No.....	.....
34	431.0	Chilo, Ohio. No work started.	.....	No.....	.....
35	449.7	New Richmond, Ohio. Contract awarded National Contract Co., Evansville, Ind., in November, 1913.	.....	Yes.....	1918
36	460.0	California, Ohio. No work started.	.....	No.....	.....
37	481.3	Home City, Ohio, 12 miles below Cincinnati.	4 years.....	.....	.....
38	501.3	Rising Sun, Ind. No work started.	.....	No.....	.....
39	529.6	Markland, Ind. Government forces start work in May, 1914.	.....	Yes.....	1918
40	552.7	Madison, Ind. No work started.	.....	No.....	.....
41	604.0	Louisville, Ky. Canal. In operation. Contract enlarging same awarded Ohio River Contract Co., Evansville, Ind., October, 1911.	Yes.....	Yes.....	.....
42	623.0	West Point, Ky. No work started.	.....	No.....	.....
43	652.0	Amsterdam, Ind. Government forces start work in May, 1914.	.....	Yes.....	1918
44	660.2	Leavenworth, Ind. No work started.	.....	No.....	.....
45	699.7	Above Cleverport, Ky. No work started.	.....	No.....	.....
46	749.0	Owensboro, Ky. No work started.	.....	No.....	.....
47	771.3	Newburg, Ind. No work started.	.....	No.....	.....
48	804.1	Below Henderson, Ky. Dam for Henderson, Evansville, and mouth of Green River. Contract awarded Ohio River Contract Co., Evansville, Ind., October, 1911.	.....	Yes.....	1917
49	830.5	Uniontown, Ky. No work started.	.....	No.....	.....
50	859.6	Caseyville, Ky. No work started.	.....	No.....	.....
51	876.9	Elizabethtown, Ill. No work started.	.....	No.....	.....
52	912.4	Above Paducah, Ky., near Smithland, Ky. No work started.	.....	No.....	.....
53	947.3	About 10 miles above Mound City, Ill. No work started.	.....	No.....	.....
54	962.0	Near Cairo, Ill. No work started.	.....	No.....	.....

Requires 54 locks and dams to complete system.

According to light list of the fourteenth lighthouse district, corrected to October, 1906, measured according to channel, the distance from Pittsburgh, Pa., to the larger cities is as follows:

	Miles.
Wheeling, W. Va	90
Parkersburg, W. Va	183½
Point Pleasant, W. Va	263½
Huntington, W. Va	306½
Portsmouth, Ohio	353½
Cincinnati, Ohio	466½
Louisville, Ky	598
Evansville, Ind	783
Paducah, Ky	920
Cairo, Ill	965

SUMMARY.

	Projects.
In operation during the year 1913	12
Under construction and which should be completed, according to contract:	
During 1914	3
During 1915	5
During 1916	3
During 1917	1
During 1918	8
No work started on	22
Total	54

Until the improvement is completed river traffic will be uncertain. As it is now a great deal of the traffic is held at the place where it originates until there is a rise in the river, whereupon it comes down on the crest of the rise. Even under these conditions the tonnage last year amounted to over $75,000,000 in value. When the river can be used 12 months in the year it will readily be seen what an immense traffic there will be, for then freight can move upstream as well as downstream. A complete transportation system by water will be set in the midst of the Ohio Valley and so devised as to serve all sections. It will mean a general lowering of freight rates from Pittsburgh to Kansas City and from the Lakes to the Gulf. Uninterrupted navigation to hundreds of towns and cities will mean an increase of business along all lines. The cheap transportation of raw materials will stimulate manufacturing enterprises, and this great valley will become a beehive of industry.

Brief on Control by Congress of Water Power in Navigable Waters of the United States, by Edward B. Burling.

EXTENSION OF REMARKS

OF

HON. SWAGAR SHERLEY,

OF KENTUCKY,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, July 28, 1914.

Mr. SHERLEY, under leave to extend his remarks, submits the following brief on control by Congress of water power developed in navigable waters of the United States, by Edward B. Burling.

The brief is as follows:

CONTROL BY CONGRESS OF WATER POWER DEVELOPED IN NAVIGABLE WATERS OF THE UNITED STATES.

CHICAGO, *November 10, 1909.*

CHARLES W. ELIOT, Esq.,
President National Conservation Association.

DEAR SIR: I shall endeavor to give as briefly as may be the grounds for my belief that Congress, in granting permission to construct a dam across or to divert water for water-power purposes from navigable waters of the United States, may, without exceeding its constitutional powers, exact compensation of the licensee or may require him to submit to a regulation of the rates to be charged for the use of the water power. The question divides itself into two branches, one concerning the extent of the power of Congress to forbid or to permit such dams or such diversion of water; the other, assuming a case where there is full power either to forbid or to permit, concerning the conditions which can be attached in case permission is granted. For convenience I shall consider these two questions in inverse order.

I.

Assuming for the present that the proposed dam or proposed diversion is lawful with and unlawful without a permit from Congress and that the consent of the State is not required, may Congress require the grantee to pay money or to submit to a regulation of rates? In my opinion it may do either of these things. If it be assumed that in a given case Congress may, in its discretion, refuse or grant permission, then it seems to me to follow as a necessary legal consequence that it may impose as a condition to a grant any terms whatever not in themselves unlawful.

Those who deny this power must do so, I suppose, on the theory that the sole concern of Congress in the premises is the protection of navigation; that all its power over navigable waters being derived from the power to regulate commerce between the States and with foreign nations, it can decide whether or not the proposed dam or diversion is consistent with the interests of commerce and navigation, but has no jurisdiction to legislate on the subject of rates to be charged for the use of water power or to exact compensation therefor. Those who take this position must, it seems to me, deny the power of Congress to impose any condition unrelated to navigation, for I do not see what valid distinction can be drawn between a condition exacting compensation and any other condition unrelated to navigation. If their reasoning be sound, it would follow that Congress could not impose any of the conditions suggested in the following illustrations:

(a) Congress, in granting a permit to build a bridge across navigable waters, requires:

1. That the grantee shall not charge more than a certain price for the carriage of munitions of war, United States mails, or troops.
2. That it shall admit a joint occupancy by other railroads upon certain terms.

Are these conditions valid? They have no more to do with protecting navigation than a condition exacting compensation. The case supposed is not hypothetical. Congress did in fact impose just these terms as a condition to the permit to build a bridge over the Arthur Kill, lying between New Jersey

and Staten Island. The act, after granting permission, provided as follows:

SECTION 1. That all railway companies desiring to use the said bridge shall have and be entitled to equal rights and privileges in the passage over the same, etc.

SEC. 3. No higher charge shall be made for the transmission over the same of the mails, troops, and the munitions of war of the United States than the rate per mile paid for their transportation over the railroads or public highways leading to said bridge; and the United States shall have the right of way for postal telegraph purposes across said bridge.

In Stockton *v.* Baltimore Co. (32 Fed., 9), on grounds which do not concern us here, the constitutionality of this act was in question. The special conditions above set out were not referred to, but the act as a whole was held valid, and apparently no one thought of questioning the power of Congress to impose them.

Congress, in authorizing a bridge across the Mississippi River at Clinton, Iowa, enacted that the bridge—

shall be a lawful structure, and shall be recognized and known as a post route, upon which also no higher charge shall be made for the transmission over the same of the mails, the troops, and the munitions of war of the United States than the rate per mile paid for their transportation over the railroads or public highways leading to the said bridge.

Mr. Justice Miller held, in The Clinton Bridge (1 Wool., 150), that the act of Congress was valid and that an injunction against the bridge should not be granted. The above section was not referred to by the court. This decision was affirmed in Tenth Wallace, 454.

Congress passed an act authorizing the erection of a bridge over the Niagara River between the United States and Canada, the grant containing this condition:

All railway companies desiring to use the said bridge shall have and be entitled to equal rights and privileges in the passage of the same * * * under and upon such terms and conditions as shall be prescribed by the district court of United States, northern division, New York.

In Canada Southern Railway Co. *v.* International Bridge Co. (8 Fed., 190) this act was carefully considered by Judge Wallace. The precise point decided was that Congress did not mean to give power to determine the compensation to be exacted from the railroads by the bridge company. But the language of the court shows clearly that the only question in his mind was one of construction—to determine what conditions Congress intended to impose. He assumes that there is full power on the part of Congress to fix the conditions. He said:

While the opinion originally expressed has been confirmed in all that relates to the constitutional right of Congress to confer jurisdiction upon the court to decide what compensation the bridge company may charge the railroad companies for the use of the bridge, the reconsideration has led to the conviction that the act was not intended to and does not confer such jurisdiction. Assuming that Congress intended to confer upon this court authority to prescribe the compensation which the bridge company might charge for the use of their property, no doubt is entertained of the constitutionality of the act. It was an inherent condition to the complete enjoyment of the grant conferred by the State of New York and the Dominion of Canada upon the corporation that Congress should sanction the undertaking proposed, as Congress was a necessary party to any compact which involved the cession of the sovereignty of the United States over that part of the Niagara River lying within the boundaries of the State of New York. The river is a public navigable water, and under the power to regulate commerce Congress undoubtedly had the right to prohibit obstructions to its navigation; to declare any obstruction a public nuisance; to declare what degree or description of obstruction should be a public nuisance; to direct the mode of proceeding in the courts of the United States to remove it; and to punish anyone who might erect or maintain it. (Taney *v.* Wheeling Bridge Co., 13 How., 579.) The franchises granted by the State of New York and the Dominion of Canada were accepted by the bridge company, subject to the right of Congress to intervene whenever its power to regulate commerce should be invoked, and to determine what should be the character and extent of its intervention. (Gilman *v.* Philadelphia, 3 Wall., 725; the Clinton Bridge, 10 Wall., 454; County of Mobile *v.* Kimball, 102 U. S., 691.)

It can not, therefore, be maintained that the act of Congress is a disturbance of any vested rights of the bridge company under the charters which it had obtained, even had it not been passed before the company commenced to build the bridge. But it was passed before anything had been done by the bridge company toward the construction of the bridge, and it was undoubtedly passed when it was in order that the company might know in advance what terms Congress would require as the condition of its sanction to the undertaking.

How is it possible to distinguish between the conditions contained in the grants considered in the foregoing cases and a condition requiring compensation? A distinction may be attempted by claiming that these conditions relate to interstate commerce. But this can not be maintained. Ordinarily the price the Government will pay for the transportation of troops, munitions of war, or mails is fixed by agreement, and not by an act of Congress. In no sense would that be a regulation of commerce. Nor can the Government obtain a free right of way for a postal telegraph route by mere act of Congress. It is evident that these are conditions arbitrarily imposed as the price of a privilege granted. A public benefit, viz, the cheap transport of munitions of war, or a free right of way for a postal telegraph line, is secured in exchange for a grant, which grant Congress can withhold. How would it be different if the grantee was required to pay money which Congress could use for the same purpose—to reduce the cost of transporting munitions of war or to purchase a right of way for a telegraph line?

Let us consider other illustrations of conditions which do not concern navigation.

(b) Suppose the erection of a dam without fishways will destroy a valuable variety of fish. Congress has no power to legislate, for the protection of fish and fishways will not affect navigation or commerce. Is it then beyond the power of Congress to put a condition in a grant of permission to build a dam requiring the grantee to maintain fishways? If Congress does impose this condition, what is the effect of the grant? Can the grantee erect the dam and leave out the fishways? It may be said that this condition can be imposed because it directly affects the character of the dam to be built. This is not true, because the fishway might be a separate construction.

Practically every recent act of Congress authorizing the erection of a dam has required fishways to be maintained. And Congress has recognized that this has nothing to do with navigation; for, while the features affecting navigation are to be approved by the Secretary of War, the fishways are to be such "as the Secretary of Commerce and Labor shall prescribe." See act of Congress of June 21, 1906 (34 Stat., 386); act of Congress of April 23, 1906 (34 Stat., 130).

(c) Suppose the proposed dam would affect, favorably or unfavorably, adjacent lands, either by overflowing them or by draining them. Congress has no independent power to legislate on these subjects. Nevertheless, could it not put a condition in a grant of permission to build a dam requiring the grantee to drain these lands or to take measures against overflowing them?

There is a decision which seems to indicate that Congress may legislate in regard to a navigable river with the purpose of indirectly protecting adjacent lands. An act of Congress regulating the deposit in navigable rivers of débris caused by hydraulic mining was under consideration in United States *v.* North Bloomfield Gravel Mining Co. (81 Fed., 243). The court, in speaking of the conditions which had led to the passage of the act, said:

Long-continued mining by this process had resulted in depositing * * * upon much of the adjacent lands vast quantities of débris * * * rendering valueless large quantities of otherwise fertile lands.

And the act of Congress provided that the mining might continue "provided the same can be accomplished without injury to the navigability of said rivers or the lands adjacent thereto." And the court go on to say that it is the intent to permit mining where it can be done without injury to "the navigability of the said river systems or to the lands adjacent thereto." The case was affirmed in the circuit court of appeals (32 C. C. A., 84).

Congress has required a grantee of a permit to build a dam for water-power purposes, to furnish to the Government land and power (act of June 21, 1906, 34 Stat., 386); and to furnish "electric current * * * to move the gates and operate the locks in connection with said dam, and to light the United States buildings and grounds free of cost" (act Mar. 4, 1907, 34 Stat., 1288; act Apr. 26, 1904, 33 Stat., 309; act June 29, 1906, 34 Stat., 628). Congress has required a licensee to waive certain claims he held against the Government. (Act Mar. 2, 1907, 34 Stat., 1103.) I do not see that any distinction can be made between the conditions contained in these acts of Congress and any other condition.

Many other illustrations suggest themselves. For instance, could Congress impose a condition requiring the grantee to see that no stagnant water is permitted to affect the health of the community? Or, if the dam is for the purpose of reclaiming overflowed land belonging to the grantee, could there be a condition requiring the grantee to dedicate portions of it for public uses? If the dam will create a reservoir of water available for irrigation, may a condition be imposed in the grant requiring an equitable distribution of the water to be made? Can Congress legally impose in a grant of permission to erect a dam for the purpose of creating a reservoir to supply drinking water conditions requiring the grantee to take proper precautions to protect the water from pollution? Or if valuable minerals were discovered in the bed of a navigable river, which could be extracted profitably only by structures erected in the river bed, hindering navigation, then if Congress granted a permit to erect the structures, could it impose a condition requiring the grantee to pay over for Government uses a percentage of the minerals recovered? None of the conditions suggested in this paragraph concerns navigation or commerce. Independently, Congress could not legislate in regard to any of these subjects, and if it be true that Congress can impose no conditions except those which relate to a subject over which it has jurisdiction, then none of these conditions could be imposed.

To be sure, the illustrations prove nothing, for it may be that neither a condition requiring compensation nor any of the conditions suggested in this paragraph may legally be imposed by Congress. They may be all bad. Nevertheless, it is well before deciding hastily that compensation can not be exacted as a condition to a grant to consider the logical consequences of such a conclusion. In my opinion, Congress may legally impose any of these conditions or any other condition which is not in itself unlawful. And I say this notwithstanding that thereby Congress may control a subject quite outside its delegated powers. I think it will be shown that there is ample authority for this general doctrine. It can be shown that where any legislative body has absolute authority to grant or to refuse permission it may use this power for the purpose of controlling indirectly a subject it could not deal with independently.

Illustrations of the general doctrine may be found in the law upon the subject of street railroad grants. The cases upon this subject may depend to some extent on the phraseology of the legislation of the several States upon the subject. But in general it may be said that where a municipality has power to grant or refuse a permit to construct a street railway line in a street it may impose such conditions as it pleases. See Chicago Gen. Ry. Co. *v.* Chicago (176 Ill., 253), People *v.* Suburban R. R. Co. (178 Ill., 594), City of Allegheny *v.* Millroh (159 Pa. St., 411), Street Railway Co. *v.* Covington (9 Bush., 127). In the first Illinois case cited an ordinance was considered which contained a condition requiring the payment of a mileage tax of $500 per mile. After accepting the ordinance the grantee attempted to repudiate the condition on the ground that it was one the municipality had no power to impose. The court held that the condition was valid, saying:

* * * Even though it might be held that the condition upon which the permit or license was granted to the defendant railway company was ultra vires, the city not having the power to impose it, nevertheless, the ordinance having been accepted by the company with the condition attached, agreeing thereby to perform it, it became a valid contract between it and the city, the validity of which the defendant is now estopped to deny.

On first impression one would be apt to say that the cases cited are not parallel with the one we are discussing. But the more one reflects upon the subject the more difficult it is to point out any distinction. It may be said that the city owns the streets, but that is not true. The fee of many of the streets of Chicago is owned by the owners of the abutting property, and the power of the municipality there is the same as in those streets where the fee is in the public. It may be said that the city has police authority over streets, but I do not see how this affects the question, since the city may impose conditions which have no relation whatever to police authority; and, further, I do not think it can be safely asserted that Congress could not exercise police authority over the navigable waters of the United States if it deemed it expedient to do so as a regulation of interstate commerce. The exaction of compensation as the condition of a grant by a municipality bears no relation to traffic upon the street. The situation we are considering is very like that existing where a railroad must get from a municipality permission to cross a street. The railroad is not obliged to cross the street, but if it wants to do so it must get permission. The municipality is under no obligation to grant permission, and if it does it may attach its own conditions—conditions quite unrelated to the highway crossing. It seems to me that the exaction of compensation by a municipality in these cases, when made without specific charter authority, rests upon nothing except the general power that it has to grant or refuse a permit in its discretion. It is, I believe, simply another illustration of the proposition that the necessity of obtaining consent implies the right to impose conditions to the giving of it.

The neatest illustration of the doctrine is found in the cases involving the right of a State to impose conditions upon its grant of permission to a foreign corporation wishing to do business therein. A foreign corporation (except in so far as engaged in interstate commerce), having no absolute right to recognition in a State other than that of its creation, must accept such terms as the State may impose. As was said in Monroe Savings Bank *v.* Rochester (37 N. Y., 365):

If the grantee accepts the boon, it must bear the burden.

In the leading case of Paul *v.* Virginia (8 Wall., 168, p. 181), the court said:

Having no absolute right of recognition in other States, but depending for such recognition and the enforcement of its contracts upon their assent, it follows, as a matter of course, that such assent may be granted upon such terms and conditions as those States may think proper to impose. They may exclude the foreign corporation entirely; they may restrict its business to particular localities, or they may exact such security for the performance of its contracts with their citizens as in their judgment will best promote the public interest. The whole matter rests in their discretion.

To the same effect are Home Insurance Co. *v.* New York (134 U. S., 594) and Horn Silver Mining Co. *v.* New York (143 U. S. 305).

These cases are cited for the general proposition that where there is power to forbid any terms may be imposed as a condition of giving permission. There are other cases which show that, by virtue of this power to grant or withhold consent, a State may secure control over a subject which as a matter of independent legislation it could not deal with at all. The State of Wisconsin passed a law requiring as a condition to admission that foreign corporations should agree not to remove cases to the Federal courts. An insurance company consented to this condition and was admitted to the State. Subsequently, in violation of its agreement, it attempted to remove a case. The Supreme Court held that it had the right to remove the case; that its agreement not to do so was not binding upon it, since it tended to deprive the Federal courts of jurisdiction. (See Insurance Co. *v.* Morse, 87 U. S., 445.) Thereupon the secretary of state for Wisconsin being about to cancel the license to do business because of the violation of this condition, the company filed a bill to restrain the cancellation. The Supreme Court of the United States held that the cancellation of the permit could not be restrained; that the State, having the power to grant or withhold a license, could revoke it for any reason it pleased. (Doyle *v.* Insurance Co., 94 U. S., 535.) In making this decision the court used language which is singularly applicable to the present case. They said:

If the State has the power to do an act, its intention or the reason by which it is influenced in doing it can not be inquired into.

* * * * * * *

The argument that the revocation in question is made for an unconstitutional reason can not be sustained. The suggestion confounds an act with an emotion or a mental proceeding which is not the subject of inquiry in determining the validity of a statute. An unconstitutional reason or intention is an impracticable suggestion, which can not be applied to the affairs of life. If the act done by the State is legal, is not in violation of the Constitution or laws of the United States, it is quite out of the power of any court to inquire what was the intention of those who enacted the law.

* * * * * * *

The statute of Wisconsin declares that if a foreign insurance company shall remove any case from its State court into the Federal courts, contrary to the provisions of the act of 1870, it shall be the duty of the secretary of state immediately to cancel its license to do business within the State. If the State has the power to cancel the license, it has the power to judge of the cases in which the cancellation shall be made. It has the power to determine for what causes and in what manner the revocation shall be made.

* * * * * * *

It is said that we thus indirectly sanction what we condemn when presented directly, to wit, that we enable the State of Wisconsin to enforce an agreement to abstain from the Federal courts. This is an "inexact statement." The effect of our decision in this respect is that the State may compel the foreign company to abstain from the Federal courts or to cease to do business in the State. It gives the company the option. This is justifiable, because the complainant has no constitutional right to do business in that State; that State has authority at any time to declare that it shall not transact business there. This is the whole point of the case, and, without reference to the injustice, the prejudice, or the wrong that is alleged to exist, must determine the question. No right of the complainant under the laws or Constitution of the United States by its exclusion from the State is infringed, and this is what the State now accomplishes. There is nothing, therefore, that will justify the interference of this court.

I have endeavored by the cases cited and the illustrations used to emphasize what I believe to be the correct doctrine, and that is, where there is power to grant consent or to withhold it, there must be absolute discretion to impose conditions (not in themselves unlawful) of any sort whatever. Indeed this would seem to be true as a matter of logic, if not of law. How can power to grant or to withhold permission be defined except as including power to permit upon conditions? The greater, necessarily it seems to me, includes the less. Any action on the part of another which I have the legal right to forbid absolutely, I can permit upon such terms as I please, however capricious or unreasonable I may be. Those who challenge this proposition as applied to the power of Congress to prohibit or permit dams over navigable rivers must, it seems to me, be driven to say that Congress can not impose as a condition anything it could not require of the licensee as a matter of independent legislation. I do not see how there can be any middle ground. If it be admitted that Congress can impose any condition which it could not secure as a matter of independent legislation, where is the line to be drawn? It may be answered that Congress can impose a condition which it could not impose as a matter of independent legislation if that condition concerns a subject matter over which Congress has jurisdiction. But a little reflection will show that no such distinction can be made. If legislation is beyond the power of Congress it is just as much unconstitutional although relating to a subject matter over which Congress has jurisdiction as it would be if it bore no relationship whatever to any subject within the domain of Congress. For instance, Congress has jurisdiction over mails

but has no jurisdiction to regulate the height of buildings. Nevertheless I submit that an independent act of Congress requiring a bridge company to carry mails without compensation would be just as unconstitutional and to the same extent as an act of Congress regulating the height of buildings. And the point I am here seeking to make is that in a grant by Congress to obstruct navigable waters, no distinction can be drawn between a condition requiring the licensee to carry mails free and a condition limiting the height of his buildings on shore, or requiring him to pay compensation. It can not even be said that in the one case there is an invasion of the domain of the State while in the other there is not. For if it is an invasion of a State's rights for Congress to exact compensation from a licensee (I do not myself see how it is) then it is equally an invasion for Congress to require him to carry mails gratuitously. In each case Congress is using one of its admitted powers (to grant or to withhold permission) to secure something which it could not independently accomplish, and it can make no difference whether the result secured relates to a subject within the jurisdiction of Congress or whether it is totally unrelated. And therefore I return to the proposition which I stated earlier, that, as I see it, there can be only two logical theories. One is that, assuming that Congress has the absolute power either to grant or to withhold permission, it can impose any conditions it pleases not unlawful in themselves; the other theory is that it can impose no condition which it could not secure by independent legislation.

There may be some lurking feeling that this is a dangerous doctrine; that, if sound, it will enable the General Government to invade the domain of the States and to control subject matter not delegated to it by the framers of the Constitution. But a little consideration will show that whenever the States or the General Government have absolute power in a given case, it is inevitable that this power should be capable of being used to accomplish indirectly some unrelated end. And when that end is a beneficent one for the protection of public rights I fail to see what objection can be raised to it. Possibly the apprehensions of those who are jealous for the prerogatives of the States would be allayed if the condition in the grant was simply that the grantee should charge such rates as should from time to time be fixed by proper State officials. This, to my mind, presents no different legal theory, but while preserving the authority of the State, it would protect the public against private exploitation of public rights. At all events, there is no doubt whatever that this sort of thing is permissible. For instance, the State of Illinois has no power directly to prescribe factory regulations for application outside the State. But suppose it should declare that no foreign corporation shall be allowed to do business in Illinois except upon the condition that it first discontinues the use of child labor in its factories, no matter where situated. In this way the State of Illinois would be indirectly legislating in regard to child labor in a foreign State. But certainly an act of that sort would be constitutional and it would have to be observed by any foreign corporation wishing to enjoy the privileges granted. The Wisconsin legislation in regard to foreign corporations discussed in the cases cited above is an example of the same sort. The State of Wisconsin has no power to legislate about the jurisdiction of the Federal courts. Nevertheless it did succeed in controlling their jurisdiction. And the Supreme Court of the United States upheld this legislation.

Authority for this doctrine is found in a very celebrated case. I refer to Veazie Bank *v.* Fenno (8 Wall., 533). In that case there was called in question the validity of an act of Congress which imposed a tax of 10 per cent upon notes issued by State banks. It was, of course, apparent that the legislation was not for revenue purposes. No revenue at all would be produced since the tax was so heavy as to destroy the objects upon which it was levied. And that was the real purpose of the tax—to suppress these notes in the interest of the Federal currency. Congress thus used a power of one sort for the purpose of affecting an unrelated object—and one which it could not have legislated about directly.

My conclusion upon this branch of the case is that whenever Congress has absolute power to grant or to refuse permission, its motives in granting permission—which is another way of saying the benefit secured by the conditions—can not be called in question by anyone.

II.

Up to this point the discussion has proceeded upon the assumption that Congress has the discretion to grant or withhold permission for the proposed dam or the proposed diversion of water. I come now to consider in what cases Congress has this absolute discretion. The cases on this subject are reviewed in Union Bridge *v.* United States (204 U. S., 364). Certainly Congress may control or prohibit any action in any way affecting the navigability of the navigable waters of the United States. And its authority is paramount. It can authorize a bridge even over the protest of a State. (Penn. Ry. Co. *v.* Baltimore & N. Y. Ry. Co., 37 Fed., 129; Stockton *v.* Baltimore, etc., R. Co., 32 Fed., 9; Decker *v.* Baltimore & N. Y. R. Co., 30 Fed., 723.) And the power of Congress is not limited to actions directly affecting the navigability of a navigable stream. It may control actions on land or on nonnavigable portions of a stream. (See U. S. *v.* North Bloomfield Gravel Mining Co., 81 Fed., 243; U. S. *v.* Rio Grande Irrigation Co., 174 U. S., 690.)

Newport & Cincinnati Bridge Co. *v.* The United States (105 U. S. 470) is a very interesting case. The States of Kentucky and Ohio had authorized a bridge across the Ohio River. Then Congress passed an act consenting to the construction but reserved the right to withdraw the assent. After the bridge was well under way, Congress passed a new act requiring it to be made higher, but providing that the bridge company should have the right to file a bill to determine whether any compensation was due it from the United States because of the change. A majority of the court denied the right to compensation, saying:

> The paramount power of regulating bridges that effect the navigation of navigable waters of the United States is in Congress. It comes from the power to regulate commerce with foreign nations and among the States.
>
> The bridge company asked of Congress permission to erect its bridge. In response to this request permission was given, but only on condition that it might be revoked at any time if the bridge was found to be detrimental to navigation. This condition was an essential element of the grant. * * * What the company got from Congress was the grant of a franchise expressly made defeasible at will. * * * It was optional with the company to accept or not what was granted, but having accepted it must submit to the control which Congress in the legitimate exercise of the power that was reserved may deem it necessary for the common good to insist upon.

It is not necessary to spend time on this, for I think it will be conceded that if the proposed action of erecting a dam or diverting water does affect the navigability of a navigable stream, Congress has complete power either to permit it or to forbid it, no matter at what point that action is proposed to be done. It is more difficult to say just what things do affect such navigability. About a great many things there is no difficulty. Any structure placed in water which is itself navigable of course is subject to the control of Congress. There are many other actions which only indirectly affect navigation, about which there can be no question. But beyond this there must, it seems to me, always be a borderland as to which no legal definition can be attempted. But in any case, if an action does affect the navigability of navigable waters, Congress may prohibit it. And primarily the power to decide what classes of actions do have this effect must be in Congress. And if Congress undertook to prohibit any class of actions on the ground that these actions indirectly affected navigation, then the Supreme Court, it seems to me, would hesitate to hold the act unconstitutional. And I should think there would be very few classes of actions in any way directly or indirectly affecting a navigable stream as to which the Supreme Court would be willing to set up their opinion contrary to that of Congress. Further, if the Supreme Court conceded the validity of the general prohibition, then I do not believe they would permit an inquiry as to whether a particular action, if it came within the general class of prohibited actions, did, in fact, affect navigation. Some such rule as this, it seems to me, would have to be made as a matter of convenience. Otherwise there would be an endless amount of litigation and every exercise of this power by Congress would be challenged. What I have said implies a power on the part of Congress more extensive than that body has ever exercised. But admittedly Congress has greater powers in this respect than it has ever exercised.

Legislation by Congress requiring everyone engaged in hydraulic mining to secure a permit before depositing any débris in any of the source streams of a navigable river was upheld even after a judicial finding that in the particular case the impounding works "prevented the escape of any débris from its mine into the navigable waters * * * that would tend to impair or injure their navigability"; and even though on the pleadings it was admitted that the only débris escaping "consist solely of light flocculent matter of about the same specific gravity as water and so finely comminuted as to readily float in and be moved by the slightest movement of the water in which it is suspended"; and that "no part thereof does injure or threatens to injure, either by itself or in connection with débris from any other mine, any of the navigable waters, etc." Here it will be seen that it is implied that Congress can prevent the putting into a stream of even "light flocculent matter" which is carried out to sea. (See United States *v.* North Bloomfield Gravel Mining Co., 81 Fed., 243; affirmed by the

Circuit Court of Appeals in 32 C. C. A., 34.) The court said "the fact is that the question as to whether the acts committed by appellant are injurious to the free navigation of the river is settled by the terms of the act itself." This goes to the extent of saying that Congress can prohibit any acts whatever relating to the navigable waters of the United States and that, if a given act is included within the terms of the prohibition, it is not open to anyone to say in a legal proceeding that the act will not in fact injure navigation. The court said, further, on this point:

It is too late now for anyone to question the power on the part of Congress to declare that débris of any character or any other thing constitutes an obstruction to the navigable waters within its control and to prohibit the use of such waters by any such débris or any other thing. The power to absolutely prevent the use of such waters for the objectionable purposes necessarily includes the power to prescribe the terms and conditions upon which they may be so used.

In a way, this whole second part of the argument, viz, the attempt to determine just when a dam or a diversion of water will affect navigation so as to justify a prohibition by Congress, is really foreign to our problem, since if such dam or such diversion can not be prohibited, then no grant or permit from Congress at all is required. The admission that a Federal license is required is an admission that to some extent—make it as slight as you will—the proposed action of erecting a dam or diverting water will affect navigation; and our whole discussion concerns the conditions Congress can put into a grant or permit, not those it can impose when no grant or permit is needed. At all events, the question suggested above, viz, the determination of the outside boundaries of this power of Congress beyond which it can not go, we need not attempt to answer. It will be more useful to consider whether in specific instances Congress has the power in its discretion to grant or refuse permission.

(A) PERMISSION TO A RIPARIAN OWNER TO DIVERT WATER WHERE THE WATER POWER IS MADE AVAILABLE BY GOVERNMENT WORKS.

Where a water power has been incidentally created by Government works for the improvement of navigation, it seems to be generally conceded that Congress may prohibit the use of that water power except upon terms fixed by itself. In numerous cases of this sort Congress has assumed the right to control the water power. In regard to a dam across the Coosa River, Congress gave the Secretary of War authority "to prescribe regulations to govern the use of said water power." (Act June 4, 1906, 34 Stat., 211.)

In another case the Secretary of War having been authorized to dispose of the water power was required to advertise "stating specifically the right or privilege proposed to be leased or conveyed with its exact limitations, inviting bids for the same." (Act June 28, 1902, 32 Stat., 408.) In providing for investigations of the feasibility of works proposed for improving navigation Congress has assumed that the surplus water power may be disposed of by the Government. (Act June 25, 1906, 34 Stat., 456.) Where the Government already had a dam in the river the grantee of a permit to build another dam was required to pay such sums as the "Secretary of War may impose * * * for the use of the flowage rights of the United States." (Act May 1, 1906, 34 Stat., 155.)

That Congress may in such cases prohibit the use of water except upon its own terms seems to have been implied in the decision in Green Bay Canal Co. *v.* Patten Paper Co. (172 U. S., 58). The Green Bay Co. was the successor of a company which had built a dam across the Fox River in Wisconsin. The Green Bay Co. had sold the dam and other improvement works to the Government, but had reserved the water power, the Government, pursuant to act of Congress, confirming the company's ownership of the water power. The question in the case was whether the company had the exclusive right to the use of the water power as against other riparian owners. The Supreme Court of Wisconsin had denied the right to the exclusive use, holding that the other riparian owners upon the stream were entitled to a portion of the use. The case was then taken by writ of error to the Supreme Court of the United States, where the decision was reversed, that court holding that the Green Bay Co. had the exclusive right to the water power. The court said:

Whether the water power, incidentally created by the erection and maintenance of the dam and canal for the purpose of navigation in Fox River, is subject to the control and appropriation by the United States, owning and operating those public works, or by the State of Wisconsin, within whose limits Fox River lies, is the decisive question in this case.

On page 79 the court said:

The legal effect and import of the sale and conveyance by the canal company were to vest absolute ownership in the improvement and appurtenances in the United States, which proprietary rights thereby became added to the jurisdiction and control that the United States possessed over the Fox River as a navigable water. By the findings of the arbitrators the sum of $325,000 was payable to the canal company, but, by agreement and under the act of Congress of June 10, 1872, the United States consented to the retention by the canal company of certain personal property and of the water powers, with the lots appurtenant thereto, in part payment of the sum at which the entire plant had been appraised; and accordingly, in its deed of conveyance, the company reserved to itself such personal property and the water powers and appurtenances, and the United States paid the remaining sum of $145,000.

The substantial meaning of the transaction was that the United States granted to the canal company the right to continue in the possession and enjoyment of the water powers and the lots appurtenant thereto, subject to the rights and control of the United States as owning and operating the public works, and that the United States were credited with the appraised value of the water powers and appurtenances and the articles of personal property. The method by which this arrangement was effected, namely, by a reservation in the deed, was an apt one, and quite as efficacious as if the entire property had been conveyed to the United States by one deed, and the reserved properties had been reconveyed to the canal company by another.

So far, therefore, as the water powers and appurtenant lots are regarded as property, it is plain that the title of the Canal Co. thereto can not be controverted, and we think it is equally plain that the mode and extent of the use and enjoyment of such property by the Canal Co. falls within the sole control of the United States. At what points in the dam and canal the water for power may be withdrawn, and the quantity which can be treated as surplus with due regard to navigation, must be determined by the authority which owns and controls that navigation. In such matters there can be no divided empire.

On page 82 the court, giving its conclusion, said:

Our conclusion, then, is that, as by the judgment of the Supreme Court of Wisconsin there was drawn into question the validity of an authority exercised under the United States, to wit, the granting of the said water powers and easement, and the decision was against the validity of such authority, thereby depriving the plaintiff in error of property without due process of law, the judgment of that court must be, and is hereby, reversed and the case remanded to the Supreme Court of Wisconsin for further proceedings not inconsistent with this opinion.

If the court had based the company's exclusive right to the water power distinctly upon the grant from the United States at the time the Government purchased the dam, the case would be clear authority for the proposition that where the Government owns the dam it can grant an exclusive use to one and prohibit the use by all others. And this does not depend upon the use of any Government property; for the other riparian owners were attempting to use the water power by works on their own land. But the opinion leaves one in doubt as to the principles controlling the decision. The court referred to the history of the dam, showing that by earlier grants from the State of Wisconsin the water power had been granted to the predecessor of the Green Bay Co. But I do not see that these facts could have affected the decision, since the Supreme Court of Wisconsin had decided against any claim of exclusive right based upon these legislative acts (90 Wis., 370; 93 Wis., 283). And the Supreme Court of the United States took jurisdiction of the case on the sole ground that there was drawn in question the validity of an authority exercised under the United States, to wit, the claim of an exclusive right based upon the grant of the water power at the time the dam was purchased by the Government. But the power of the Government to grant at that time an exclusive use must have been predicated on its governmental control over navigation and not upon its ownership of the dam, for, as owner of the dam simply, it could not have enlarged the rights which the vendor already had and which it reserved. The Supreme Court of Wisconsin had held that, so far as the mere reservation of rights was concerned, no exclusive use could be claimed, so that the Supreme Court of the United States must have construed the act of Congress as enlarging the rights which the company had possessed as owner of the dam. This, it seems to me, necessarily involves the assertion that when the Government owns the dam, its authority in relation to water power is greater than that of a private owner; that it depends upon its private ownership plus its governmental authority to control navigable waters, and that the sum of these two powers gives it the right to prohibit all use of the water power except on such terms as it may dictate.

If it should be held that the Government can exact compensation where it owns the dam, but that its power is confined to such a case, then the decision in the Green Bay case might afford a means of bringing nearly every instance within the power of Congress.

It will be noted that the Government did not build the dam, but purchased it from the constructor. As consideration therefor the vendor received (a) a sum of money and (b) a grant of the water power from the Government. It would be very easy to throw every grant of permission to dam a navigable stream into this form. It could be provided in every case that the dam should be the property of the Government; that the licensee should build it as the contractor of the Government, receiving as his compensation not money but a certain portion of the water power. The balance of the water power would belong to the Government as the owner of the dam. This balance of water power the Government could then sell either to the licensee or to any other applicant. In this way Congress se-

cured the ownership of the Hales Bar dam in the Tennessee River. Congress there authorized the Secretary of War to grant a permit to build the lock and dam, but required the grantee to deed the land and to "give said lock and dam to the United States, completed, free of cost." In consideration the Government granted "such rights as it possesses to use the water power * * * for a period of 99 years." Act Apr. 26, 1904, 33 Stat., 309.) An act containing the same provisions was passed for a dam across the White River, Ark. (Act June 29, 1906, 34 Stat., 628.)

However, I do not think it is in the least necessary to resort to any device placing the title to the dam in the Government, for I think it will conclusively appear that the Government's right to exact compensation for the use of water power does not depend upon the technical ownership of the dam, and that the right to exact compensation in such case is no greater than in any other case.

(B) GRANT OF PERMISSION TO BUILD A DAM ACROSS A NAVIGABLE PORTION OF A RIVER.

There is no doubt that Congress can prohibit the construction of a dam across the navigable portion of a navigable river which is a direct obstruction to navigation. It is not necessary to cite cases on this point. On the other hand, I think there is no doubt that Congress can permit such a dam to be built. There might be two arms of a navigable river and Congress might permit the building of a dam across one arm, considering the other arm to be sufficient for the purposes of navigation; or I suppose Congress might permit a dam to be built which destroyed the navigability of the river at that point, for no other reason than it believed that the general public benefits to be secured by the dam were greater than the benefits from the navigability of the stream.

One of the early cases is Wilson *v.* Blackbird Creek Co. (2 Peters, 245). A dam had been built under State authority completely obstructing a navigable arm of the sea, for the purpose apparently of improving the health of the neighborhood and of enhancing the value of real estate. It was held that the dam was a lawful structure. To be sure, there was in that case no express permission from Congress. But the theory of the decision is that Congress had, by implication, permitted the dam, because it had not prohibited it. The court would certainly have sustained an act of Congress expressly legalizing the dam. This case was followed in Gillman *v.* Philadelphia (3 Wall., 713), Willamette Iron Bridge Co. *v.* Hatch (125 U. S., 1), Pound *v.* Turck (95 U. S., 459), Miller *v.* New York (13 Blatch., 469, and 109 U. S., 385), Manigault *v.* Springs (199 U. S., 473).

A very good statement of the law is found in Frost *v.* R. R. Co. (96 Me., 76). A railroad company had built a trestle over an arm of the sea, destroying navigation into a cove and rendering valueless a wharf of the plaintiff. Then Congress passed an act declaring it to be a lawful structure. The court held that the act of Congress was conclusive, saying:

> When, therefore, Congress acts and so far as it acts in the premises, the jurisdiction of the State government, judicial as well as legislative, recedes. If Congress declares a bridge or other structure over or on navigable waters to be an unlawful structure, the State legislature can not make it lawful nor can the State court declare it to be lawful. So, if Congress declares the structure to be lawful, neither the State legislature nor the State court can, even upon the most plenary proof, declare it unlawful as interfering with navigation.
>
> The sovereign had the absolute control of it and could regulate, enlarge, limit, or even destroy it, as he might deem best for the whole public, and this without making or providing for any compensation to such individuals as might be inconvenienced or damaged thereby. The sovereign can not take private property for public uses without providing for just compensation to its owner, but this constitutional provision does not limit the power of the sovereign over public rights. If, in the evolution of life and commerce, the sovereign comes to believe that the public good will be increased by the creation of some new or additional means of communication and commerce at the expense or even sacrifice of some older one enjoyed merely as a public right, the sovereign can so ordain, even to the detriment of individuals. If, in the judgment of the sovereign, a railroad across a navigable channel of water and completely obstructing its navigation is of more benefit to the public than the navigation of the channel, he has the unrestricted power to thus close the channel to navigation, without making compensation to those who had been wont to use it.

I think it must be the law that Congress can weigh the relative advantages to the public of keeping the stream in its navigable condition against the benefits to be derived—either to health, or value of real estate, or reclamation of useless land, for example—from works which have the effect of destroying the public right of navigation. Congress having the power to legislate upon the subject, has the exclusive decision whether it will forbid such a dam to be built or will permit it.

When the matter is examined more closely what distinction can be made between this class of cases and the preceding—that is, the use of water power created by works owned by the Government? The rights in this latter case do not depend on the use of any of the Government's property. Admittedly the Government has no greater power of control over an improved navigable stream than over one in its natural condition. And to what extent does the doctrine go? How great would the improvement to the water power have to be to bring it within the class? No water power is created by artificial works. It may be improved thereby and rendered more available, but a water power must depend upon the stream in its natural condition plus the artificial controlling works. Now, how great must the element of governmental improvement be in order to justify the charging of compensation? Must the use of the water power be in the immediate vicinity of the dam? That would seem a poor test, because a Government dam in one case might have only a slight effect upon a water power in the immediate vicinity and in another case it might be a large element in a water power many miles distant. So, again, relatively inexpensive Government works may render available a water power of enormous value, while costly Government works may increase but slightly the value of the water power. Must the court consider all these elements in determining the validity of an act of Congress requiring compensation? If it is said that it is payment for facilities furnished, then an inquiry would have to be made as to the amount of benefit conferred by the works in the particular case.

Is there not a confusion of ideas here? Has not this case been hastily likened to a charge for the use of public property? But it is not a case of charging for public property. Aside from the lands and works actually owned by the Government a navigable river in its improved condition is no more public property than one in its unimproved condition. And except for the power to regulate navigable waters, Congress could not charge compensation for the use of water power, even although that water power were created by Government works. Is it not apparent that the right to charge compensation where the Government has improved the water power is dependent upon precisely the same thing as where it has not, namely, the right to grant or refuse permission to use it? If it could not prohibit the use it could not charge compensation.

Government works in a navigable stream may have the effect of draining adjoining wet land to the great enrichment of the owner thereof. He may get just as great a pecuniary benefit through the increased availability of his land due to the Government work, as the riparian proprietor gets through the increased availability of his water power due to the same works. There is the same proprietorship on the part of the Government in each case. That it can charge compensation in the latter case and not in the former is due to its political authority to prohibit in the one case and not in the other. But there is the same political authority to prohibit the use of a water power where the Government owns no improvement works.

If the distinction between a case where there are Government works and a case where there are none is to be supported at all, the courts surely would not inquire into the extent of the Government contribution to the value of the water power. They would have to say that wherever the Government has made any substantial contribution then it may charge compensation. In this form the doctrine might be made to cover the whole subject, for the courts could not reasonably confine the power of Congress to cases where the contribution by the Government was in the shape of a dam. Any Government work increasing or rendering water power available would come within the doctrine. Thus any work upon the source streams of a river conserving the water supply or rendering the flow more regular would increase the value of the water power throughout the entire length of the stream, and Congress might require one using the water power lower down to contribute his share toward defraying the expense of the Government work which had rendered that water power more valuable or more available.

But I do not think this distinction attempted to be drawn between the use of a water power where there are Government works and a use where there are none is valid. Possibly it might affect the equity of the charge, but as a legal proposition the exaction is dependent in each case upon nothing but the political power of the Government to grant or refuse a permit in its discretion. The fact that the owner of an existing or potential water power would derive great benefit from Government expenditures on the stream which clearly increased the amount and value of his water power simply emphasizes the importance and the wisdom of using the full legal powers of Congress to compel such an owner to contribute to the cost of the improvements.

(C) PERMISSION TO ERECT A DAM ACROSS NONNAVIGABLE PORTION LYING BETWEEN TWO NAVIGABLE PORTIONS OF A NAVIGABLE RIVER.

Is this different? It is, of course, different if Congress has no power to prohibit such a dam. Can Congress prohibit it?

I have no doubt whatever that it can. Congress has power to prohibit any action affecting the navigability of a navigable river, and if it should pass an act prohibiting the erection of all dams across either the navigable portions or any nonnavigable portion, lying between two navigable portions, I am sure such an act would be constitutional.

The reason is plain. The power of Congress is not limited to prohibiting things which directly obstruct navigation. Any act affecting navigation is within its power to control. No court can say that a dam across a nonnavigable portion lying between two navigable portions will not in any respect affect navigation. One does not need a technical education to understand that it may seriously affect the navigation upon the navigable portions. To be sure, such a dam will not prevent the passage of boats at that point. But this is unimportant. The dam might make impossible the passage at some other point; and Congress has jurisdiction over a navigable river as a whole, no matter if navigation be obstructed by shoals or rapids.

In *The Montello* (20 Wall., 430) it was held that the Fox River, in Wisconsin, in its natural state was a navigable water of the United States, even although there were obstructions to the navigation by rapids and falls. The test is whether it is a highway for commerce. To the same effect is Spooner *v.* McConnell (1 McLean, 337).

In St. Anthony Water Power Co. *v.* Water Commissioners (168 U. S., 349) the court said:

> Primarily, it may be said that the Mississippi River is a navigable stream. In order to be navigable it is not necessary that it should be deep enough to admit passage of boats at all portions of the stream.

In United States *v.* Mississippi, etc., Boom Co. (1 McCrary, 601, district of Minnesota, 1880) there was a bill by the United States to enjoin the floating of logs over an apron which had been constructed by the Government on the Falls of St. Anthony to prevent their washing away. The defense was that the apron was in fact constructed in aid of a private water power and was a hindrance and not an aid to navigation. The court held that Congress had authority to make improvements in navigable rivers and no inquiry could be made as to whether the particular work was judicious.

As a practical matter, it is probable that a nonnavigable point lying between two navigable points would be the very place at which Congress would be asked to authorize a dam. Generally speaking, it is at falls or rapids that water power can be developed. In fact, most of the acts of Congress granting permits, so far as one may judge from the acts themselves, have applied to such places. Thus dams have been authorized "at Porter Shoals" (act Feb. 5, 1907, 34 Stat., 878), at "the Des Moines Rapids" (act Feb. 8, 1901, 31 Stat., 764; act Feb. 9, 1906, 33 Stat., 712), at "Coon Rapids" (act Apr. 12, 1900, 31 Stat., 75), at "Rock Island Rapids" (act Apr. 5, 1904, 33 Stat., 158), at "Sauk Rapids" (act Feb. 26, 1904, 33 Stat., 52), at "Methaline Falls" (act June 1, 1906, 34 Stat., 205), at "St. Croix Falls" (act Feb. 7, 1903, 32 Stat., 802), at "Gregg Shoals" (Act Feb. 5, 1907, 34 Stat., 876), at "Hattons Ford" (act Mar. 2, 1907, 34 Stat., 1240), at "McDaniel Shoals" (act Mar. 2, 1909, 34 Stat., 1238), and at "Muscle Shoals" (act Mar. 6, 1906, 34 Stat., 52).

The above are only a few of the instances where Congress has undertaken to sanction the building of a dam across a nonnavigable portion of a navigable river. Evidently in all these cases the parties assumed that the dam would be unlawful without the consent of Congress, implying that Congress could grant or could withhold permission to build it. If that is true, permission to build a dam at such a point is precisely the same as a permit in either of the two cases previously considered, viz, a permit to divert water where the Government owns the dam or a permit to build a dam at a navigable point of a navigable river.

But it is said that the permission to build a dam at a nonnavigable point lying between two navigable portions must be considered as a decision that such a dam is not an obstruction to navigation. Why? Admittedly, the power of Congress in permitting structures is not confined to those which will not, directly or indirectly, affect navigation. It may expressly authorize dams which are conceded to be obstructions to navigation. The cases involving the Wheeling Bridge illustrate this. The bridge had been judicially decreed a nuisance as an obstruction to navigation. (See 13 Howard, 518.) Thereafter Congress passed an act legalizing the bridge, and this act was held to be constitutional in Penn. *v.* Wheeling Bridge (18 Howard, 421). (See also Frost *v.* Ry., supra.)

It seems to me it must be admitted that a dam at such a point may indirectly obstruct navigation, but that nevertheless Congress has the power to permit it. And why should one construe a permit applying to a point where ships can not pass as a declaration that the dam will not interfere with the navigation of the stream any more than a similar permit applying to a navigable portion? The same reasoning would apply to every permit. Why should not all permits be interpreted as admitting that the proposed work will not affect navigation? But this is a reductio ad absurdum. For it would follow that Congress had no right to regulate at all, since every time a license was granted it would be in itself evidence that no license was required, so that the mere granting of the license would carry with it the implication that the Government was exceeding its powers in granting it. But notoriously there is no such general implication. To construe the acts of Congress above referred to, which grant permission to build dams at "shoals" or "rapids" or "falls," as nothing more than official declarations by Congress that the dams will not affect navigation and that the Government has no concern with them, is to give an astonishing turn to the language of Congress. For all these acts read as though Congress considered itself to have a very lively concern, indeed. The phraseology commonly used by Congress is that the grantee, "its successors and assigns, is hereby authorized to construct, maintain, and operate a dam," etc. Such language, instead of being a mere renunciation of jurisdiction by Congress, sounds much more like what the Supreme Court of the United States in the Newport Bridge case, supra, called it, viz, a "grant of a franchise." Congress itself has seemed to consider that it was granting a franchise. (See act June 4, 1906, 34 Stat., 211.)

There is no ground for construing a permit to construct a dam at a nonnavigable point of a river in any different way from a permit to build a dam at a navigable point or a permit to divert water where the Government owns the dam. The same reasoning would apply to all three cases. The use of the word "obstruction" does not change the case. It does not matter whether an obstacle to navigation caused by the dam is direct or indirect. The only question is whether such a structure affects navigation either at that point or any other point. If it does, it is unlawful without a permit. I submit, therefore, that there can be no justification for construing such a permit to be anything other than what it purports to be, viz, governmental sanction for an undertaking which without such sanction would be unlawful.

I conclude, therefore, that all three of these classes of cases are governed by precisely the same legal principles. The power of Congress to exact compensation necessarily flows from power to prohibit absolutely or to grant permission, and there is just as much power in one case as in the other.

(D) PERMISSION TO ERECT A DAM ACROSS A NONNAVIGABLE PORTION LYING ABOVE ANY NAVIGABLE PORTION OF A RIVER.

If a dam in such a position would affect the navigability of any navigable portion of the river lower down, then Congress could prohibit it; and if it could prohibit it, it could grant permission to erect it upon terms.

The dam might destroy the navigability of all the lower reaches of the river. Such apparently would be the effect of the dam considered in United States *v.* Rio Grande Irrigation Co. (174 U. S., 690). Here were irrigation works proposed to be constructed by private individuals many miles above any navigable portion of the river. The effect of the dam apparently would be to withdraw so much water as to seriously affect the navigability of the lower reaches. The court held that the proposed act could be enjoined upon the suit of the Government. I do not doubt, however, that in this very case, even after the decision of the court, Congress could have passed an act legalizing this structure. And since the owners of the dam could not continue it under the decision of the court without such authorization, how could they have escaped the performance of any terms which Congress might have imposed upon them? Why should not Congress have power to decide that while it would not permit the navigability of the lower reaches of this river to be injured for private benefit, it would permit this injury in exchange for a public benefit in its opinion of more importance to the community than the continued navigability of the stream? And this greater benefit to the public might be in the form of a cash payment to be used in some public work, or it might be in the form of securing an equitable plan of irrigation for the general benefit of the public. Is it said that Congress ought not to be allowed to sell the navigability of its rivers, no matter how great the benefit promised in return? The pertinent

answer is that it ought to be allowed to sell it if it can give it away.

The hydraulic mining case, which I have cited, is an extreme illustration of the power of Congress to prohibit actions on source streams which only indirectly affect navigation.

To say, however, that Congress has the legal power to prohibit all dams on all source streams is certainly claiming the extreme limit of the powers of Congress in this direction. The court said of a similar contention in Leovy *v.* United States (174 U. S., 801) that it would mean "that there is scarcely a creek or stream in the entire country which is not a navigable water of the United States," and they added: "If such were the necessary construction of the statutes here involved their validity might well be questioned." This, however, was only a dictum; and there can be no doubt that Congress may legally prohibit the erection of some dams across source streams above any navigable water, and as to those dams Congress can impose conditions.

Although as a strictly legal question it ought not to make any difference, still I think the attitude of the Supreme Court toward an act of Congress which prohibited dams across source streams except on the payment of a money compensation might be affected by the uses to which the money was to be put.

If they thought that the real purpose of Congress was to raise money out of water powers not in aid of navigation, but for general purposes, they might hold the whole act bad, not on the ground that the conditions were illegal, but on the ground that the dams which the act undertook to prohibit would not affect navigation. And therefore, as a practical matter, it might swing the scale in favor of the constitutionality of such an act, if it were provided that all the moneys received by way of compensation should be devoted to improving the navigability of the river. The practice of disposing of the water power for the purpose of improving navigation has been sanctioned by the custom of several of the States.

After all is said and done, what is meant by saying that it is beyond the constitutional power of Congress to exact compensation in a case where it is admitted it can grant or withhold permission in its discretion? As I see it, an act of Congress to be unconstitutional must be either an invasion of the rights of an individual or of the separate States. There is nothing of the first sort here. None of the constitutional provisions for the protection of individual rights is infringed. So that if this is unconstitutional it must be because the rights of the States are encroached upon. Admittedly it is in general a governmental power to impose terms upon the granting of permission to place structures in navigable rivers. That being so, this governmental power must reside somewhere. Where is it? It is not in the States, since no dam can be built without the consent of Congress, and if that is secured the consent of the State is not necessary. A dam can be built, notwithstanding the protest of the State. Can it be said that here is a governmental power with no government constitutionally capable of exercising it? A dangerous doctrine, surely. Does it not follow that Congress has all the governmental power in regard to obstructions to navigable waters since it can authorize obstructions, notwithstanding the protest of a State?

Those who deny this power to Congress, it seems to me, look too narrowly at the powers of Congress. The General Government is just as truly sovereign as the States. The sovereignty is split up. Whether this power be in the General Government or in the States, in either case it does not depend upon technical ownership. Any such power depends upon political authority over the subject matter. And it can not be denied that the General Government has the actual power in this case. And is it not a contradiction in terms to say that a thing which Congress can actually accomplish without any court having the power to intervene is unconstitutional? If it can do a thing with no court having the right to interfere, is not that thing necessarily within its constitutional powers? Admittedly in a given case Congress can in explicit terms prohibit the erection of a specific dam, and it can in so many words explicitly authorize the dam. Suppose it passed an act like this:

Whereas ——— ——/——— has applied for permission to construct a dam across the ——— River at ———, being a navigable water of the United States: Now, therefore,

Be it enacted, That the Secretary of War may issue a permit to erect said dam over said river, upon and after the performance by the said grantee of the following conditions (among others): That is to say, the payment by the said grantee into the United States Treasury for General Government purposes of the sum of ——— dollars.

And the said Secretary of War is hereby expressly forbidden to permit said dam and said dam shall be unlawful until said grantee has performed the foregoing conditions.

In just what way can the unconstitutionality of an act of that sort be demonstrated? It will not be claimed that the applicant could build his dam without the permit from the Secretary of War, nor, I suppose, will it be claimed that the Secretary of War could be compelled to issue the permit until the conditions had been complied with; and, if the applicant should perform the conditions and get the permit, I suppose no one would say that he could sue and recover back the money that he had paid. Then, could a court at the suit of one interested in navigation enjoin the erection of the dam on the ground that the act of Congress was unconstitutional? Surely not. Congress has power to authorize or forbid the dam, and the interests of navigation are not in any way affected by the motives of Congress in granting or withholding consent. As was said in the Doyle case, supra, "An unconstitutional reason or contention is an impracticable suggestion." Nor can I see a way by which any State could intervene. Would it not have to be admitted that this legislation would be effectual to accomplish the purposes Congress had in mind, namely, the securing of a sum of money as the price of permission to erect the dam? But can it be that it is within the power of Congress to accomplish a thing with no court having power to upset it, and yet that thing be unconstitutional? Does not the very term "unconstitutional" as used in our law when applied to an act of Congress mean that in the last resort the effect of it can be nullified by the Supreme Court of the United States in some proper legal proceeding?

It seems to me that a doctrine the effect of which will deprive Congress of the power to protect these public rights ought not to be strained after. The public right of navigation at a given point might be regarded by Congress as of slight value to the public, but yet, slight as it was, a thing not to be parted with without some corresponding public benefit. And there would be no public benefit whatever if it permitted a dam to be built for private purposes. It would in that case be destroying a public right of some value, although small, for the purpose of enriching private individuals. Since commerce and navigation affect the whole people, why may not Congress properly say that if a private individual desires permission to produce an injurious effect, slight as you please, upon that commerce and navigation, then he must give in return some public benefit. I see no reason why Congress—the granting power—is not the suitable body to determine just what public benefit is the equivalent of the public detriment. An ordinary citizen would be perplexed to be told that there was no governmental power to secure for the public the benefits which the licensee stood ready to give. Admittedly no State or municipality could require any compensation, because they have no control over the subject matter. It is not beyond the bounds of possibility that the time may come when all navigation by rivers will be of slight value, so slight that it may be unanimously agreed that the loss of all such navigation will bring no substantial harm to the community. What, then, would be done with the rivers? Would there be no alternative except either to keep this practically useless public right or to turn over the water power for private exploitation? Such a conclusion ought not to be accepted unless it is inevitable.

The opinion of the Attorney General, dated July 13, 1909, has been called to my attention. With admirable clearness he points out the nature and extent of this power of Congress. The question to which he was primarily devoting himself, namely, the true construction to be placed upon various acts of Congress, does not concern us here; but I note that he, by implication, at any rate, supports the views I have in this opinion suggested. He seems to approve the provisions of the act of Congress of June 21, 1906 (34 Stat., 386), authorizing the Secretary of War to impose as a condition upon the permit to construct a dam a requirement that the person owning such dam shall convey to the United States free of cost "title to such land as may be required for a lock" and shall grant to the United States a "free use of water power for building and operating such constructions." And the Attorney General goes on to say that Congress "may undoubtedly require such payments or assumption of expenses as are necessary or proper to insure the navigability of the stream." This is really all that is necessary for our purposes, for under this suggestion to insure the validity of an act of Congress it would be enough if the grantee were required to pay certain sums of money, "said sums to be expended under the direction of the Secretary of War in improving the navigability of said river." There can, of course, be no distinction made between an act requiring the grantee to donate land and power directly and one requiring him to furnish money with which the Government may purchase land and power to be used in improving navigation.

EDWARD B. BURLING.

War—Reply to Hon. Franklin D. Roosevelt.

SPEECH

OF

HON. ALBERT JOHNSON,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 27, 1914.

The Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 12873) relating to the assessment for taxation of real estate in the District of Columbia, and for other purposes.

Mr. STAFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Chairman, on the night of this day one week ago, when the House voted for the President's "near-war" resolution, which resolution was promptly thrown into the wastebasket by the Senate, Hon. Franklin D. Roosevelt, Assistant Secretary of the Navy, was in the city of Seattle, and at a Democratic meeting there that night saw fit to criticize the votes of my colleague [Mr. LA FOLLETTE] and myself. Of course, Mr. Chairman, the Assistant Secretary of the Navy has the full and free right to criticize any vote I may cast, but I regret that he deemed it wise to appear at a meeting of a Democratic club more than 3,000 miles from his office in order to charge me with casting a partisan vote. His criticism came from the wrong place. He said:

> Just 37 Members of the House of Representatives put themselves in their true character.

He continued:

> Party fealty was greater than national fealty. These men can not see above party affairs. They have not put back of them the days when Republicans could oppose Democrats and Democrats Republicans with impunity, disregardful of the merits of the cause.

I am informed, Mr. Chairman, that the Assistant Secretary of the Navy, Mr. Roosevelt, further along in his speech before the Seattle Democrats discussed the doings of his party. This statement I have just quoted was not greeted with quite the enthusiasm that he had expected. One daily newspaper reports that he had misjudged his audience. Further along, when Mr. Roosevelt reached the subject of the tariff and undertook to tell the people of western Washington how splendidly it was working, the silence there was death itself.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. JOHNSON of Washington. I will, gladly.

Mr. HUMPHREY of Washington. I want simply to suggest that he was talking to a Democratic club.

Mr. JOHNSON of Washington. Exactly so. He was speaking at a Democratic club meeting. I am not criticizing the Assistant Secretary, whose office must be a very busy one right now, but I want to make the point that it seems hardly fair for an official high in the affairs of the Nation in this time of stress, to turn up in a Democratic club meeting 3,000 miles from his office and charge any Member of Congress with casting a partisan vote on this question. If ever in my whole life I cast a vote which was not partisan in any way it was on last Monday, when I voted against that resolution.

The text of the resolution, as adopted by the House after heated debate, was as follows:

> A joint resolution justifying the employment of the armed forces of the United States in enforcing certain demands against Victoriano Huerta.
>
> *Resolved, etc.*, That the President of the United States is justified in the employment of the armed forces of the United States to enforce the demands upon Victoriano Huerta for unequivocal amends to the Government of the United States for affronts and indignities committed against this Government by Gen. Huerta and his representatives.

When that resolution went over to the Senate, all of the Senators except one or two voted against it. After long debate an entirely new statement was adopted, notably different from the House declaration, and carrying the following additional clause:

> *Resolved*, That the United States disclaims any hostility to the Mexican people of any purpose to make war upon them.

The Senate was straightening out and correcting the short-sighted House resolution at the very moment Assistant Secretary Roosevelt was trying to make politics out of the situation in far-away Seattle.

It seems, Mr. Chairman, that while the Assistant Secretary of the Navy was making his speech in Seattle he brought up and undertook to defend the repeal of the free-tolls clause, and once again there was silence as deep as death.

He also undertook to defend the Secretary of State, and again his words failed to win acclaim. The Secretary of State at that time was either going or coming from a lecture tour; the Secretary of Labor was campaigning in Pennsylvania; and the Assistant Secretary of the Navy was making a political speech in Seattle.

Next day, in the House, I had occasion to make a few remarks in which I expressed the hope that international peace might be arranged. I pointed out what the four great powers might do, and in the course of my remarks on that occasion I quoted from one of the articles of William J. Bryan in the last Commoner, and I said that Mr. Bryan had written these——

Mr. THOMPSON of Oklahoma. Will the gentleman yield?

Mr. JOHNSON of Washington. I will yield.

Mr. THOMPSON of Oklahoma. Mr. Chairman, I raise the point of order that the gentleman is not speaking to the subject under consideration.

Mr. JOHNSON of Washington. This is general discussion, Mr. Chairman.

The CHAIRMAN. We are under general debate, and the gentleman has the right, as the Chair understands.

Mr. THOMPSON of Oklahoma. I make the point that the gentleman can not talk about anything except the subject under consideration.

The CHAIRMAN. The Chair's understanding of the status is that a bill is now under general debate, and the rule is that under general debate it would be in order for a gentleman to discuss any question he desires.

Mr. THOMPSON of Oklahoma. The gentleman can talk about the sun, moon, and stars, and still be in order?

The CHAIRMAN. He would be entirely in order while a bill is under general debate.

Mr. JOHNSON of Washington. Mr. Chairman, I hope that this is not to be taken out of my time. On Wednesday last I undertook to read from the New York Sun some quotations from W. J. Bryan's Commoner, and a little later I defended Mr. Bryan, showing that what he said in the Commoner as to what he wanted to do was not what he was, as Secretary of State, was forced to do by conditions and circumstances. The New York Sun charges that I am "lauding the cooing dove, Mr. Bryan." Then the Sun proceeds to have some fun with the names of counties in my district such as Chehalis, Clallam, Klickitat, Skamania, and Wahkiakum, but, nevertheless, the Sun called attention to the fact that Mr. Bryan on March 5, speaking to newspaper men the day after he had been sworn in as Secretary of State, said:

> The United States shall never go to war as long as I am Secretary of State.

Mr. Chairman, the determination of the Secretary is commendable; the views of the President are praiseworthy. The desires of both that there shall be no war by us on Mexico are the views of a great majority of our people. But, Mr. Chairman, having gone thus far; having captured a customhouse with shot and shell, when a simple note would have done the business; having, to quote the President's own words:

> Gone down to Mexico to serve mankind.

And, having armed one side and disarmed the other, together with the expressed determination of this administration to settle the land problems of our distressed sister, I can greatly fear, Mr. Chairman, that we will be there a long, long time. That is why the definite statement on the part of the Senate that the United States disclaims hosility to the Mexican people and will not make war on them is a wise and sane declaration, and one that will carry for all time, I hope.

While we are debating the plank of the Democratic platform which calls for a free Philippines, we will be supervising elections in Mexico and O. K.ing this or that brand of paper money below the Rio Grande. We are into it now. Our first bill of expenses amounts to five or six millions. We will vote that without a dissenting vote, just as there were no votes here against the Senate resolution of a week ago when it came to this side of the Capitol.

I do not believe that the United States desires to assimilate any more tropical people. We can pay out our money to better purpose.

Mr. Chairman, I ask unanimous consent to extend my remarks by adding letters written by Mr. LA FOLLETTE and by Mr. JOHNSON of Utah, and some further statements.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

Mr. JOHNSON of Washington. Mr. Chairman, yesterday Representative LA FOLLETTE received a letter from a constituent criticizing his vote. Mr. LA FOLLETTE made the following reply, which, in my opinion, deserves wide circulation.

REPRESENTATIVE LA FOLLETTE'S LETTER.

WASHINGTON, D. C., *April 27, 1914.*

Mr. L. C. CAMPBELL.

MY DEAR MR. CAMPBELL: I am in receipt of your favor of April 21, wherein you express your indignation at my vote, "No," on a certain resolution introduced and voted on in the House of Representatives on April 20, in answer to a request and following a message delivered by President Wilson on that day.

I beg to preface this reply to your letter by saying that you were evidently misled by the article you read to the extent of misunderstanding what the President asked for and what the vote did or did not stand for.

You say: "If you are correctly reported in to-day's paper as voting against the resolution to back up President Wilson in his request for authority, etc." He asked for no authority. He said he already had authority. He asked for our "approval" of what he was about to do. The resolution, which was submitted to Secretary of State Bryan by the committee having the same in charge, was in turn submitted by Secretary Bryan to the President. He, Bryan, breaking all speed limits in getting the resolution to the White House, and the resolution, you might say, was the President's own as it passed the House absolutely as O. K'd by him, and it read:

"Resolved, etc., That the President of the United States is justified in the employment of the armed forces of the United States of America to enforce demands made upon Victoriano Huerta for unequivocal amends to the Government of the United States for affronts and indignities committed against this Government by Gen. Huerta and his representatives."

So you see it was not authority that he wanted; it was justification.

He (the President) said:

"But I earnestly hope that war is not now in question."

Yet before he had succeeded in getting his vote of justification through Congress he had thrown our forces into Vera Cruz and killed and wounded more than 200 Mexicans, and this within a very few hours of the time he had said to Congress:

"We do not desire to control in any degree the affairs of our sister Republic. Our feeling for the people of Mexico is one of deep and genuine friendship," etc.

Mr. Campbell, I have no objection whatever to intervention in Mexico; in fact, I think we should have intervened several months ago. There was ample cause; but the causes the President gave for his action were so puerile and so unworthy a motive for hostilities, leading to death and desolation, that I think I do not overstate the truth when I say that every Member of Congress, regardless of the way he voted, was ashamed of them.

We were not asked to justify the President in what he was about to do because of crimes and outrages against American citizens or destruction of their property or long months of disgraceful domestic strife in Mexico, which it seemed they were not able to cope with and was growing steadily worse instead of better. Oh, no! President Wilson could not very well start against Huerta on these grounds, for he (Huerta) had steadily tried to maintain such order as was possible over the section of Mexico he controlled, and had also protected life and property. It was Villa, Carranza, and Zapetta who had committed most of those atrocities and outrages, and with these brigands the President of the United States had been communicating and impatiently awaiting the downfall of Huerta.

He had for that reason removed the embargo against arms and munitions of war going into Mexico across the northern border, and for months thousands of stands of arms and thousands of rounds of ammunition have been steadily pouring across the northern border, and it is safe to say that most of it will be used against our own troops if they cross the line with a hostile intent. No, we were not asking for justification for using the armed forces of the United States against Huerta because of atrocities or outrages, nor for humanity's sake. No! The President came before Congress and told of the landing of a small boat from one of our war vessels on the beach at Tampico and of their arrest by a petty Mexican officer; of their being conducted up one of the streets of the town; of their meeting a superior Mexican officer, who ordered them back to their boat, where they were detained about an hour and a half, when their release was ordered by the commandant of Tampico with an apology. This was later followed by expressions of regret by Gen. Huerta himself, with explanations of cause, etc.

The commander of the American ship, the *Dolphin*, Admiral Mayo, was not satisfied with the apology, and communicated with Washington. President Wilson, who had supinely waited and allowed outrages of many descriptions to pass unnoticed, or, if noticed, without protest, immediately came to the conclusion that the man whose reign he had refused to recognize—and I never blamed him for that—must fire 21 guns in salute of our flag in addition to two apologies already made for an act in which there had been no violence nor hardship of any kind. The commandant at Tampico had offered a salute of five guns; Gen. Huerta offered to give the salute of 21 guns if our vessel would acknowledge the salute with a return salute of 21 guns in honor of the Mexican flag. This President Wilson refused to accede to and went to war.

He mentioned one or two other affronts of minor importance, none of which entailed any suffering or hardship, only indignity at the hands of an unrecognized government. The main grievance was the Tampico affair. Because Huerta did not agree to burn 21 loads of powder instead of five, some 20 American boys who were alive when the President read his message are now dead, and 75 American boys are grievously wounded, and for what—only the difference between tweedledum and tweedledee.

Mr. Campbell, do you think the great, strong United States can afford to write on history's page a chronicle stating that for the above flimsy reasons we commenced hostilities against a sister Republic, spent thousands and millions of dollars, made childless homes, added to our roll of widows and orphans, and of maimed, crippled, and dependent men? You may feel like justifying it for such a reason; I did not; and I voted that way.

I have four boys; I feel that I could give them up for their country's sake if it was in peril, or even for the sake of bettering the conditions of suffering humanity in other lands, but not for a demand for the useless burning of 21 charges of gunpowder in addition to two apologies already offered for an offense committed by a government we had refused to recognize as a government; I would not willingly allow my boys to offer their lives for such a cause; I would not vote a justification for the President to send your boys for such a cause, where I could not conscientiously send my own. I regret losing your good opinion. But President Wilson must have what is in my opinion higher ground and a more worthy cause before he can get my vote of justification, and that was all this resolution called for. It was not for authority of any kind.

I shall always vote for the upholding of our national honor, if I am satisfied it requires bolstering. Now that war is practically declared, even for a flimsy and, in my judgment, an unholy reason, I will vote for money and for the raising of men to carry it to a successful conclusion. I feel that it is my duty so to do, and I shall always try to do my duty as I see it, but a vote of justification is another matter; that is a thing that has to be settled by a man's own conception of right or wrong, and I thank God that I have courage to vote in such a case as my conscience dictates. I offer no apology to anybody for so doing. I shall back the President of the United States just so long as I think he should be under the Constitution. I will back him when I think he is wrong if I think it is best for my country that I should do so. But I will never give him a vote of justification if I think he is wrong, so help me, God.

Some of the newspapers have tried to make it appear that politics had to do with the "no" vote against this justification resolution. Such a contention is simply silliness. There were 5 Democrats, 2 Progressives, 1 Independent, and 29 Republicans voted "no." I am satisfied that politics did not figure in the minds of any of them when they voted. I fully expected to receive much criticism for my vote instead of political advantage.

If I am defeated for reelection, or had I known I would be if I so voted, I would still be proud of that vote. While I regret losing the good opinion of some good people, I am satisfied that I will never cast a vote that meets with the approval of my own conscience more than did that vote on nonjustification.

With best wishes and kindest regards, I remain,

Very sincerely, yours,

WM. L. LA FOLLETTE.

POSITION OF MR. JOHNSON OF UTAH.

I desire to add a portion of a letter written by Representative JACOB JOHNSON, of Utah, to one of the Salt Lake newspapers that had criticized him.

His position is very much the same as mine, and he has stated it most clearly. His letter follows, in part:

In your article of criticism you evidently refer to the votes cast by the Hon. JOSEPH HOWELL and myself in the House of Representatives on Monday, the 20th day of April, 1914, when the said House had under consideration House joint resolution No. 251, and which said resolution was then passed by the House by a vote of 337 for and 37 against its passage, and of which said 37 votes Mr. HOWELL and myself cast 2.

Now, Mr. Editor, I will not believe that by the publication of said article you willfully intended to misrepresent Mr. HOWELL and myself. I prefer to believe that you had been misinformed, or had no sufficient information upon the subject to acquaint you with the facts.

Now, the facts are these: That on Monday, the 20th day of April, 1914, and after the President of the United States had delivered his message to the joint Houses of Congress, House joint resolution 251 was introduced in the House of Representatives, and after numerous amendments had been proposed to the said resolution by the 37 Members who voted against the original resolution, and had been promptly voted down by the majority, the original resolution was passed by the House by a vote of 337 to 37, Mr. HOWELL and myself being of the 37 who voted against the same. It immediately went to the Senate, where it failed to receive a single vote in its favor, but all of the resolution after the enacting clause was by the Senate stricken out and a new and different resolution was substituted in its stead, and which said substitute contained in substance the amendments which the 37 Members of the House had proposed in the House as amendments. And in this shape the substitute was passed by the Senate by a very large majority, after which the substitute was returned to the House and was passed by the House by practically a unanimous vote. And the original House joint resolution 251, and against which Mr. HOWELL and myself and 35 other Member voted, was repudiated, first, by the 37 votes of the House; second, by the whole Senate; and lastly, by the almost unanimous vote of the House in which it originated, and even without a roll call of the House, and it now reposes in the official wastebasket of the Senate, where it will rest forevermore.

The above facts may be verified by an examination of the CONGRESSIONAL RECORD on the 20th and 21st of April.

So the 37 Members, including Mr. HOWELL and myself, who voted against the original House joint resolution 251, have been vindicated by both Houses of Congress and, I believe, by the country at large and, I believe, will be by the people of Utah when they shall be made acquainted with the facts. Just wherein "Utah has been misrepresented" in this matter I am at a loss to discover, unless it shall be found in the publication of your said article. That because the Representatives of Utah refused to be carried off their feet by the clamor and excitement of the House for the moment, but stood firm in what they believed and what afterwards proved to be right, they are stigmatized as "Huertistas" and are accused of placing their State in a false position.

As for my patriotism and loyalty to the country and its flag I yield to no man, and my over 40 years' residence in Utah enables me to state that the people of Utah are, as you say, intensely patriotic and loyal to the country and its flag.

As to what will justify a declaration of war with Mexico, I may differ with some others. War is a terrible thing; once put in motion no man can say where, how, or when it may end. It should be avoided as long as may be, with honor; should be resorted to promptly when necessary for the protection of the lives and rights of the citizens and the vindication of national honor.

The conditions existing in Mexico present a vexed problem, which must be solved by the United States. It has no government which is recognized by our Government. It has a number of persons claiming to exercise authority in the Republic, such as Huerta, Villa, Carranza, Zapata, and others too numerous to mention, all claiming to be either presidents, generals, chiefs, bandits, and what not, and practically all engaged in war, the one with the other, for supremacy in that unhappy country. During their strife the citizens of the United States residing in Mexico have suffered greatly; they have been insulted, robbed, tortured, and killed by the score; the mothers, wives, sisters, and daughters of citizens of the United States have been insulted, assaulted, outraged, tortured, and killed by the score; they have been driven from their homes and their property destroyed or confiscated, all by such of the Mexican chiefs as for the time being happened to have the power to execute their diabolical purpose, and all with apparent impunity. They, and each of them, are all equally guilty. They have insulted our flag and defied our authority, and I regret to say that the State of Utah has suffered more than many of the other States from the above conditions.

The above-mentioned and many other grievances suffered by the people of the United States and without any prospects of redress or a discontinuation of such wrongs are, to my mind, sufficient to not only justify but they demand that our Government should declare to the world that it will resort to force for the redress thereof; and our declaration of war against Mexico should be based upon such wrongs and against all who have participated therein and not upon the personal animosity which the President of the United States may entertain against any one of such alleged chiefs. The Tampico incident, in and of itself, when the facts are fully understood, is not a sufficient justification for a declaration of war. It resulted from the mutual mistakes of the marines on the one side and the arresting officer on the other. The marines erred in landing their boat at the Iturbide bridge, in violation of the orders of the commander of Tampico, but the marines had no notice of such orders. The arresting officer erred in his belief that the marines had notice of the orders not to land at that point, and the further belief that the marines were willfully violating the order by such landing, and thereupon arresting them for such violation; but as soon as the matter came to the knowledge of the commandant of the place, he immediately ordered the marines to be released and apologized to the marines. The commander of Tampico also sent an apology to the naval commander of the United States at Tampico for the arrest. Huerta also sent from Mexico City his regrets and apology for the arrest of the United States naval commander at Tampico.

Huerta, not being recognized by the United States as other than a private person, could not be required by the United States to do any act other than a personal one. He should not be required to deliver a national salute of the Mexican Government, because we have constantly refused to recognize him as representing the Mexican Government.

We have ample cause for war against Mexico without the Tampico and kindred incidents, and, as a matter of fact, war now exists between the United States and Mexico. Let us declare to the world the true reason for engaging in such war. The original House joint resolution No. 251, against which I voted and which died in the Senate, did not so state.

JACOB JOHNSON,
Representative in Congress from Utah.

WAR AND PEACE.

Mr. JOHNSON of Washington. Mr. Chairman, the strained situation in Mexico will soon pass. But we will be there when Huerta is gone, and we will not get away easily.

In the meantime thoughtful people might remember that in the past 10 years the United States of America, without an enemy in the world, has spent for wars, past or to come, $1,975,000,000, enough to have paid the entire national debt and built three Panama Canals, or to have covered the entire Nation from coast to coast with a network of the finest roads in the world.

Also, that the cost of our Civil War to free the slaves, entirely aside from the billion dollars of pensions paid since, would have bought, paid for, freed, educated, and endowed for life every slave ten times over.

And again, during the past 30 years 71 per cent of the entire income of the United States Government has been expended for war supplies, armaments, the Army, Navy, interest on war debts and war pensions, and but 29 per cent for all other purposes combined. Does that sound good to those who pay the taxes?

WAR MACHINES BRING ON WAR.

Mr. Chairman, the "civilized" nations of the world spend two and a quarter billion dollars a year on their military establishments. As long as they build great war machines and try to regulate each others' affairs they will fight. If the United States gets too insistent for humanity in Mexico, we will increase the number of war widows and orphans at home.

We often hear that war is what Gen. Sherman said it is. Do you remember just what he said? Here it is:

I am tired and sick of war. Its glory is all moonshine. It is only those who have neither fired a shot nor heard the shrieks and groans of the wounded who cry aloud for more blood, more vengeance, more desolation. War is hell.

I close, Mr. Chairman, with a stanza from Rudyard Kipling's famous "Recessional":

If, drunk with sight of power, we loose
Wild tongues that have not Thee in awe—
Such boasting as the Gentiles use,
Or lesser breeds without the law—
Lord God of Hosts, be with us yet,
Lest we forget; lest we forget!

Indian Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. WILLIAM KETTNER,

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 27, 1914,

On the conference report on the bill (H. R. 12579) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1915.

Mr. KETTNER. Mr. Speaker, I am intensely interested in some of the provisions of this bill, because they concern and have to do with a large number of the wards of our Government who are either living within my district or else frequently journey into it in their efforts to provide themselves with sustenance. Our Government is now maintaining 25 Indian schools in California, of which 15 are in my own district, and it is also maintaining 35 reservations, with a total population of over 5,000 Indians, within the district. In addition, in the lands bordering along the Colorado River, which is between my district and the State of Arizona, several other large reservations, supporting a goodly population, provide us with constant visitors.

My interest, therefore, in the continued welfare of our Indian tribes lies not only in the fact of my general desire and disposition to do well by these wards of our Government, whithersoever they may be dispersed, but also in the fact that from my long acquaintance with conditions in my own district, I know the needs of our Indians therein and know how well they are entitled to and how much they can profit from our bounty. As wards we owe them not only the duty of giving them food and raiment as the same may be needed, but, more than that, we should provide them with such opportunities as may be possible whereby through their own efforts they may contribute to their own welfare and peace of mind.

In this spirit I am particularly concerned with two items—one providing for the support and education at Sherman Institute, Riverside, of 100 more pupils than are now accommodated there and the other appropriating $25,000 in aid of the construction of a bridge over the Colorado River.

The work accomplished and being carried on in educating the Indians at Sherman Institute is of an inspiring nature. The superintendent in charge has given particular attention to educating the boys and girls into a vocation—teaching the boys blacksmithing, carpentry, painting, and so forth; teaching the girls cooking, the elements of nursing, sewing—giving them credits on the farm and household work done during the vacations, so they will go back to their homes the leaders and teachers of the better methods, instead of being educated away from their home conditions, with no new place made for them. Owing to the excellent climate at Riverside and the possibility of utilizing sleeping porches during all of the year, the school has been running at its full capacity, while its high character has brought scores of applications for admittance that of necessity were turned down. It is therefore gratifying that this bill provides for 100 more pupils in this school.

The other item, as I have already suggested, refers to a new bridge over the Colorado River. By the terms of the bill $25,000 is appropriated for the construction of a wagon bridge across the Colorado River at or near Topock, a station a few miles from Needles and nearly midway between the Colorado and Mojave Indian Reservations, situate in Arizona, along the boundary between that State and California. The appropriation is intended to supplement other appropriations that have been promised by the States just named, and the actual expenditure of the money embraced in this item is made conditional upon the appropriation and expenditure of such amounts by the authorities of Arizona and California.

It is estimated that with the $75,000 thus secured a good substantial steel bridge can be erected over the Colorado, whereby freer access may be had between the States named and a fair opportunity may be afforded the members of the various Indian tribes located upon the two reservations in western Arizona to cross the Colorado River and journey to Needles, which is the market and supply point for the entire valley. It is also the end of a division on the railroad, with several overland trains a day, and the Indians depend upon the travelers on these trains for the sale of beadwork, baskets, rugs, and blankets. Besides this, the town is a market for the agricultural products raised by the Indians and for the cordwood which is cut on the reservation.

The only means of communication across the Colorado is a dilapidated ferryboat and rowboats owned by the Indians. During the low water it takes from a half hour to an hour to cross, and during the high water, besides being extremely dangerous, it takes from three to five hours to make the trip one way. In the summer of 1909 a boatload of supplies for the Fort Mohave Reservation, amounting to $1,400, sank; supplies are damaged to a considerable extent every year; and this spring several of the Indians lost their lives. These conditions fully warrant, if not demand, a diversion of the public revenues for this aid.

It is in keeping with the action taken a year ago in the Indian appropriation bill in providing for a similar bridge near Yuma. In addition, as a result of the active cooperation of the Federal Government and of the two States named, interstate traffic of every sort will be promoted and another step toward

the settling up of the cultivable portions of the great southwestern desert will be taken.

For over 30 years I have watched and marveled at the growth of the agricultural importance of California, a growth brought about and made possible only through the settling up and reclaiming of her erstwhile arid lands, lands that until the coming of the industrious farmer and the hardy pioneer were barren, unproductive, and inhospitable to an extreme degree.

The multiplication of the means of communication and of travel by the construction and maintenance of such necessary structures as is here under consideration can not do other than spell for greater opportunities and greater benefits for large numbers of our people.

Rules and Regulations of the Chamber of Commerce of Minneapolis.

EXTENSION OF REMARKS

OF

HON. CHARLES H. DILLON,

OF SOUTH DAKOTA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, August 6, 1914.

THE GRAIN MARKET OF THE NORTHWEST.

Mr. DILLON. Mr. Speaker, I shall briefly discuss the rules and regulations of the Chamber of Commerce of Minneapolis and make a few observations concerning the grain market of the Northwest.

The Chamber of Commerce of Minneapolis was organized October 19, 1881. Its declared purpose is to inculcate just and equitable principles of trade, to adjust disputes among its members, to create a board of arbitration, a board of appeals, with power to administer oaths, to try offenders for disobedience of its rules, and to inflict penalties therefor.

The corporation itself is not engaged in trade, neither is it conducted for corporate profits. It exists for its members, a mere fraternal organization trading in the food supplies; a device to bring together the speculators on the grain market. The operations of its members are for personal gain. They do not operate for the benefit of the producer or the consumer.

It will be conceded that the members are making legitimate sales and purchases, yet they are also engaged in America's greatest gambling game—the buying and selling of future options. I assert that under the rules and practices of the chamber its members are violating the provisions of the antitrust law.

THE RULES AND REGULATIONS OF THE CHAMBER OF COMMERCE.

Let us now examine the rules and regulations. Section 1, rule 12, proclaims its membership shall not exceed 550. Section 2 gives the directors the arbitrary right to reject an applicant who may present an unimpaired certificate of membership, duly transferred. Moral character, business ability, or financial integrity do not constitute a passport into the grain-trading combine. A new member must pay a transfer fee of $15, while the old member pays no transfer fee whatever.

Section 6 of the same rule allows a member to hold any number of membership certificates, but limits his voting power to one vote. In the hearing before the Committee on Rules it was declared that more than 100 of the shares were held by the milling industry and elevator companies.

The Minnesota legislative investigation of 1913 clearly established the fact that the big milling industries and the elevator companies have controlled and dictated the policies of the chamber of commerce. Through interlocking directorates and business associations these institutions have for 30 years been levying their tribute upon the food supplies of the Northwest.

The value of the certificate of membership ranges from $3,500 to $5,000. If one member becomes indebted to another on grain transactions the rules give the creditor a lien upon the debtors certificate for the sum so due. This lien is superior to the rights of other creditors, and all disputes must be adjusted before the certificate can be transferred.

The rules exclude the courts from passing upon controversies of the members and places the right of trial in a board of directors, whose decisions are final, without appeal. The directors may inflict fines, suspend or expel the members. Through the absolute power vested in the board of directors the combination of members are able to control and perpetuate their monopolistic powers.

The rates of commission are established by fixed rules. Under rule 8 no member can handle consigned grain for less than the established commission rates. The rates of commission are higher for nonmembers than for members.

The member who purchases grain for shipment to Minneapolis must make allowance for transportation, commission, switching, inspection, and weighing charges and must charge interest on all advances made on grain shipments.

Under section 7 of rule 4 the member can not accept a speculative account from the employee of another member without the consent of such employer. Under Circular 141, issued December 20, 1909, the member can not trade before or after the regular trading hours, but may remain in the exchange room 15 minutes for the purpose of adjusting his accounts; then the exchange room must be vacated.

By section 2 of rule 13 any person who is in default on account of any business transaction with a member of the chamber shall not be permitted admission to the exchange room while such defalcation remains unsettled. Under section 7 of rule 11 the members are prohibited from gathering in any place, public or private, except the exchange room, for the purpose of making any trade or contract for the future delivery of grain.

Circular 61, issued December 10, 1907, prohibits "personal bids" or "personal offers" on the exchange and provides that all bids or offers to buy or sell grain shall be open for acceptance by any member.

Circular 223, issued December 8, 1910, provides that all offers to buy or sell futures or cash grain in the exchange room before the opening of the market, price being based upon the opening price or any other price, are forbidden.

Circular 401, issued September 25, 1912, interprets section 11 of rule 8 to the effect that the member is prohibited from placing on deposit any money in any bank on any basis for the purpose of influencing shipment of grain by or through the bank. Circular 296 requires the members to report all spot sales of cash grain from country points to the cash-grain reporter.

Section 10 of rule 8 provides that every member buying in carload lots on track at country points for shipment to Minneapolis shall make their purchases on the basis of the Minneapolis market values less commission, and such bids shall be subject to the charges of switching, inspection, weighing, freight, and interest on advances.

Here we find a rule that fixes the value of every carload of grain and prohibits the members from buying at any other price. The individuality of the purchaser and seller is eliminated. The institution acts for them, makes the price, and enforces its mandates by its rules. Thus are the antitrust statutes violated with impunity.

Circular 440, issued March 15, 1913, prohibits the member to whom grain is consigned for sale from selling the same to any company either owned or controlled by such consignee. This circular cites the fact that shippers were consigning grain for sale to members of the chamber who were selling such grain to companies owned or controlled by such consignee. The circular further states that the board of directors deem the practice unwise because it might furnish temptation for unfair dealing.

In the hearings before the Rules Committee it was shown that this system of double dealing was a common practice and had existed in the chamber for many years. No rule of law could justify such double dealing. Here the consignee, who pretended to represent his principal, was selling the principal's grain to his own company. He was representing the principal and at the same time representing himself. He was the seller as well as the buyer. The chamber of commerce through many years tolerated this system of double dealing until public sentiment condemned it, resulting in the issuing of the circular prohibiting the practice, but the evil was not eliminated. They now accomplish the same result through dummy sales.

A member may employ a regular traveling representative, but such agent can not act until he passes an examination and obtains a license from the chamber. He is subject to the rules and regulations and may be fined or suspended, and his license may be revoked at any time.

The price for future delivery of grain dealt in is absolutely fixed by the chamber of commerce. Under section 7 of rule 4 no member can buy at a price higher than the current selling price nor sell below the current bid price for future delivery of any commodity dealt in on the trading floor of the chamber of commerce.

Circular 405, issued October 8, 1911, forbids the member from acting as the agent of any individual, firm, or corporation in the cities of Minneapolis or St. Paul or elsewhere not a member of the chamber and who is soliciting shipments of grain from the farmer or the country shipper.

These rules are not reasonable, and very few of them could be enforced in court if contested. They prevent competition; they stifle individual effort; they destroy freedom of trade; they permit the members to manipulate the market; they subvert the rights of the producer and the consumer; they create a monopoly among the members of the association. The law of supply and demand does not fix the price of the future delivery. Neither does the Liverpool market control it, but the association pushes aside the functions of supply and demand and substitutes its own judgment in the interest of its own members. The rules themselves furnish conclusive evidence that the members of the organization are violating the provisions of the antitrust laws.

DAMAGES FIXED ON DEALING IN FUTURE OPTIONS.

Section 1 of rule 10 provides the damages to which parties shall be entitled when contract for future delivery is broken. This section clearly contemplates that the value may be manipulated for the purpose of obtaining damages, because the rule gives a remedy for such manipulated cases by the following language:

Provided this section shall not be construed as authorizing extortionate claims based on values manipulated for the purpose of securing such claims.

A special committee is authorized to hear and determine the question as to "the equitable measure of damages, if any, to be paid by the party in default." Also—

The said committee in determining the measure of damages to be paid by the defaulter shall be authorized to consider whether or not the value of the property in dispute has been enhanced by combination or by any individual for the purpose of extorting unreasonable damages and shall also consider the effect on values produced by sales in excess of the marketable supply.

This section fixes damages for default on future deliveries. If the sale is legitimate, the defaulting party should pay the full damages and thus make good his contract. This section, however, contemplates that the members may be engaged in gambling contracts for future deliveries. Otherwise, why protect him from "extortionate claims based on values manipulated"? Why relieve the member from the fixed rule of damages and establish an "equitable measure of damages"? Why consider whether the "value of the property in dispute has been enhanced by combination"? Why "consider the effect on values produced by sales in excess of the marketable supply"?

These rules expressly recognize the fact that the members are engaged in gambling on the grain market. They protect themselves while dealing with each other, but they prey upon the inexperienced, the tenderfoot, and the sucker.

THE CHAMBER OF COMMERCE AND ELEVATORS ACTING TOGETHER.

Rule 21 permits the chamber of commerce to say which elevators will be considered regular. Under this rule the chamber reaches out and brings favorite elevators under its own control. The rule provides that elevators operating under the State warehouse law shall file with the secretary a weekly report of grain in store by grades. They must enter into an agreement to render full and unreserved compliance with the rules of the chamber before being considered regular. Section 5 of the rule provides that the managers shall honestly and cordially comply with the rules of the chamber of commerce.

Section 7 provides that the secretary of the chamber of commerce or his assistant is to have free access at all times to all "regular" terminal elevator books. Section 8 makes it the duty of the regular warehouse at all times to furnish in writing a statement of the condition and management of the business. Section 9 provides for a system of inspecting and of measuring the contents of the regular elevators.

On page 113 of the Thirtieth Annual Report of the Chamber of Commerce, December, 1912, it is stated that on December 31, 1912, the total storage capacity for grain in Minneapolis amounted to 38,550,000 bushels. The capacity of public State elevators, regular under chamber of commerce rules, being 31,650,000 bushels, while the capacity of public State elevators not under chamber of commerce rules and private elevators was 6,900,000 bushels. Following this we find the statement:

The receipts of private houses and public State elevators not under chamber of commerce rules are not regular for delivery on contract.

Why should the chamber of commerce assume the power to declare which elevators are regular and which are irregular? Why require them to enter into an agreement to comply with the rules? Why should it have free access at all times to the books of the regular terminal elevators? Why should the terminal elevators furnish statements of their condition and the management of their business? Why should the representative of the chamber inspect and measure the contents of regular warehouses? Under what rule of fair dealing can it discriminate against other public State elevators and private warehouses?

Here are trustees who invite the representatives of the chamber of commerce to take a full inventory of the trust's properties. Here the custodian, in violation of law, permits the balement to be controlled by the rules and regulations of the chamber. The regular elevator permits an inspection of its books and records, which constitutes a rank breach of the duty it owes to the consignors of the grain.

The purpose of creating regular elevators is to make more effective the combination of the milling industries and the elevator companies, in order that the grain market may be more fully controlled and manipulated. Under these rules a few manipulators are able to and do control the grain market in violation of the antitrust laws.

CHARGES URGED AGAINST THE CHAMBER OF COMMERCE.

In the hearing before the Rules Committee it was openly charged that the shippers were badly cheated by the system of inspection and grading; that more grain of the higher grade was shipped out than was received; that it was not necessary that grain should be elevated to the cupola in order to get honest weights; that the grain was frequently doctored and mixed with inferior grain and the value thus lowered; that the lower grades of grain, through the process of mixture, were stored in the public elevators and formed the basis on which gambling in futures was conducted; that the milling companies refused to buy grain from the cooperative exchange; that a price-list bureau was in operation, with its office in the chamber of commerce, showing price of grain at local stations, which price was often manipulated at the request of the elevator companies.

It was claimed that the crop news as disseminated was wholly unreliable; that the chamber assumed a paternalism over the regular elevators and denied the same privilege to other public elevators; that the members of the chamber for 20 years collected illegal switching charges and illegal demurrage charges until forced to discontinue the extortionate practice.

The testimony in the Minnesota legislative investigation in 1913 discloses that the expense of maintaining one of the commission houses amounted to $300 per day. It was conceded in the hearings that 33 commission houses in Minneapolis incurred an expenditure of $519,000 in 1911 and $443,722 in 1912. There are not less than 100 of these commission houses engaged in the grain trade in that city, and their office expenses amount to $1,400,000 per year. The chamber also maintains a clearing house for clearing transactions of its members at an annual expenditure of $24,000.

The receipts in Minneapolis of wheat, oats, corn, barley, and rye in 1912 were 164,905,770 bushels, while the Chicago receipts for the same year amounted to 290,249,000 bushels. The commission on cash wheat sales is 1 cent per bushel, rye and barley three-fourths cent per bushel, and oats one-half cent per bushel. The commission firms do not get a commission on more than one-half of the grain shipped into these cities, and it is estimated that not more than 50 per cent of the grain shipped is consigned grain.

The elevator companies buy their own grain and make their own shipments. Assuming that the Chamber of Commerce of Minneapolis and the Board of Trade of Chicago handle one-half of all the grain received at 1 cent per bushel, on an average each member of the Chamber of Commerce of Minneapolis would receive less than $1,500 per year, while the members of the Board of Trade of Chicago would receive less than $885 each per year.

Where do they get the money to pay their expenses, to maintain their expensive equipment and luxurious offices, and accumulate enormous wealth? It is the repeated sales to themselves, the sales for future deliveries, the gambling in the grain supplies, that furnish them the expenses of operating and the profits of the business in which they are engaged.

The burden of these expenses is a dead weight on the trade, and is carried by the producer and the consumer who must pay for the operation of this extravagant system. The 550 members of the Minneapolis Chamber of Commerce and the 1,640 members of the Chicago Board of Trade should not be commissioned trustees for those who produce the grain, nor should they be allowed to manipulate the market for their selfish purposes.

FUTURE SALES.

The amount of future sales in these terminal markets is unknown. No investigation has ever been able to disclose the amount of "phantom" grain that is sold by the members of the exchanges. Mr. Benjamin Drake, of Minneapolis, estimates that the sales in future transactions in the Minneapolis exchange exceed 10,000,000,000 bushels per year. Mr. S. A. Greeley estimates that the members of the Board of Trade of Chicago sell 30,000,000,000 bushels of grain every year for future delivery.

Ninety-nine per cent of the transactions in the pit are never consummated by actual delivery. The speculators, by concert of action in the different markets, often throw on the market immense hedging orders, which must of necessity depress the market. If the buying orders are numerous, the price will necessarily go up. If the selling orders are heavy, the price will of necessity go down.

The grain producers usually sell their grain as soon as it is harvested, and it thus passes out of the hands of the producers into the hands of the speculators and remains there until it finally reaches the consuming public. The distribution goes on while values rise and fall during the period of speculation. The producer is not carrying the risk of distribution, nor is the consumer. They have turned the job over to the speculators, who have assumed the burden for compensation, and during the period of distribution the gambling on the risk goes on.

The speculators relieve everybody from the hazards of distribution except their own victims. These operators will tell you that everyone has the right to hedge; that it is an insurance that the banks will accept as security, but they fail to inform us about the other fellow, who buys the hedging contracts for speculative purposes.

It must be admitted that every deal in futures must register its effect upon the cash price of grain. The cash price responds to the bidding on futures. Here is a comparative table of Minneapolis and Chicago future markets for eight years taken from page 107 of the Thirtieth Annual Report of the Chamber of Commerce of Minneapolis, issued December 31, 1912, namely:

Comparative table of Minneapolis and Chicago future market for eight years.

MINNEAPOLIS.

Date.	May.			July.			September.			December.		
	High.	Low.	Difference.	High.	Low.	Difference.	High.	Low.	Difference.	High.	Low.	Difference.
1905	$1.29	$0.60	$0.65	$1.17½	$0.90½	$0.27	$0.99⅜	$0.78	$0.21⅜	$0.96⅜	$0.79⅛	$0.17¼
1906	.90¼	.75	.15⅜	.88	.73½	.15½	.83⅜	.68⅛	.15⅜	.84½	.69½	.15
1907	1.03½	.75½	.28	1.05⅛	.77⅜	.27⅛	1.09	.76½	.32½	1.15¼	.77	.38¼
1908	1.18	.96½	.21⅜	1.18½	.96⅞	.21⅜	1.06	.87	.19	1.09½	.85⅜	.23⅜
1909	1.34⅞	1.00⅜	.34½	1.34¼	1.04⅜	.29⅜	1.13⅜	.93½	.20¼	1.14	.91⅛	.22⅜
1910	1.15	.96⅛	.18⅜	1.27½	1.00½	.27	1.18⅜	.89⅜	.29	1.17½	.87⅜	.29⅛
1911	1.18⅜	.90⅜	.28	1.09⅜	.91⅞	.18½	1.08½	.88	.20½	1.11⅞	.90¼	.20⅝
1912	1.16⅞	1.02⅜	.14½	1.17¼	1.02½	.15¼	1.09¼	.84⅜	.24½	1.08	.78¾	.29¼

CHICAGO.

1905	$1.21½	$0.83⅜	$0.38⅛	$1.02⅜	$0.81⅜	$0.21½	$0.95½	$0.77⅞	$0.17½	$0.90⅞	$0.77½	$0.13⅜
1906	.92⅜	.76½	.16⅜	.85⅜	.76½	.09⅜	.84⅜	.69½	.15½	.85½	.71⅜	.14⅛
1907	1.12⅜	.75	.37⅜	1.05½	.74⅛	.31⅜	1.04½	.75⅜	.28⅛	1.07⅜	.80½	.27⅛
1908	1.11	.89	.22	1.04⅛	.83⅜	.20⅜	.98½	.82⅛	.16⅜	1.04⅜	.84⅛	.19¼
1909	1.35½	.96⅛	.38⅜	1.29	.95⅞	.33⅛	1.20	.93	.27	1.19⅜	.92⅛	.26⅞
1910	1.16½	.93½	.22⅜	1.11½	.91½	.20⅛	1.09	.88½	.20½	1.10⅞	.87	.23⅞
1911	1.15	.84⅜	.30⅛	1.00½	.84⅜	.15⅛	.96	.85	.11	1.02½	.86⅜	.15⅛
1912	1.19	.94½	.24⅜	1.15	.92	.23	1.11	.87⅜	.23⅜	1.11	.83½	.27½

It will be observed that the difference between Minneapolis high and low May wheat for 1905 was 65 cents per bushel, while the difference between high and low tide in Chicago for May wheat in 1905 was 38⅛ cents per bushel. This leeway constitutes the gambler's delight.

During these eight years the lowest figure between the high and low water mark in Minneapolis for May wheat was 14½ cents per bushel, while in Chicago it was 16⅜ cents per bushel.

This table, issued by the Minneapolis Chamber of Commerce, conclusively proves that there is a constant fluctuation in the grain values caused by the speculations in futures.

C. W. Smith, of England, in speaking of the evils of the board of trade, said:

It is by such deadly "bull and bear" international gambling weapons that these men have also cunningly and secretly obtained the key to the financial, agricultural, and commercial conquest of the world.

Hon. W. P. Hepburn, of Iowa, said:

All the race-track gambling in the world, all the games of cards in the "tenderloins" and "red-light districts" of the cities, all the games of chance at Monte Carlo and the other famous gambling resorts of the world are as drops in the bucket compared with the enormous transactions of the stock exchanges of the United States.

Secretary William J. Bryan in 1908 said:

The legitimate business transacted by the stock exchanges is infinitesimal compared with its gambling business. It is the most gigantic sneak-thief bullyragger civilization has ever known.

The farmers' elevator companies for years waged a fight in competition with the old-line elevator combine at local stations. They won the fight, they established for themselves a better market. The elevator combine, pressed in competition at local markets, seized the terminal grain markets, and from this citadel of power they, with the cooperation of the boards of trade, are now controlling the terminal markets for their selfish purposes.

What matters it to them who controls the local markets so long as they are supreme at the terminal stations, so long as they can hold the supply until it is needed for consumption, and so long as they can keep this waiting supply for gambling purposes on future options? The accumulation of grain in private elevators at the terminal grain markets under the control of the board of trade constitutes the gamblers' reserve. It is this pile of chips upon which the game in future options is being played.

In 1912 the entire amount of wheat shipped into Chicago amounted to only 35,914,000 bushels. We are informed by the press of the country that on July 28, 1914, 100,000,000 bushels of wheat were sold on the Chicago Board of Trade. The sales amounted to 100,000 bushels per minute. An obscure pit trader while playing at the game pocketed $25,000 in five minutes. This obscure pit trader did not produce any wheat, did not own any. He bought and sold something that was not in existence; he was a "juggler" playing in the great gambling game on our food products.

REMEDIES.

To tax contracts carrying future delivery will not destroy the evil. It should be exterminated. The system is indefensible and serves no useful purpose. It is a school of vice; its devotees sow nothing, reap nothing, own nothing, yet they buy and sell "prophecies," and through the gambling game they live in luxury.

Those engaged in the business have selected stocks and grain for their gambling operations. These exchanges constitute the trust that is now engaged in buying and selling these commodities. No one speculates in future delivery of coal, coffee, or sugar, yet the value of these commodities should not be more stable than the grain value. The trusts have undertaken the job of distributing coal, coffee, and sugar, while the stock exchanges have taken over the job of distributing farm products.

As soon as the farmer harvests his crop he puts it on the market at a time when it is not needed for consumption. It will not do to assume that the consumer wants the grain when the market is oversupplied; it is the speculator who wants it. The crop should go to the consumer as rapidly as it is needed for consumption.

The successful manufacturer does not rush his product on the consumer regardless of the demand. He holds it and thus feeds the demand, and so does every other producer except the farmer. Forgetful of the rule of supply and demand, forgetful of the expenses of distribution, he fails to engage in distribution and turns it over to the speculators.

The farmers, through organization, ought to hold their grain and sell only as fast as it is needed for consumption, and by so doing they would supply the market according to the demand. This is what every other business is doing. The farmer, in protecting his own interest, should not stop with production, but should follow his grain to the end of distribution. To him distribution is as important as production. For the want of cooperation he has been forced to turn his products over to the speculators.

To reach results they should establish warehouse systems with a central management and deliver their products, not to the speculator but to their own selling agency for the consumer. Thus the wholesaler, the jobber, and milling company would buy direct from the selling agency and cut out the speculator. With unity of action, through cooperative terminal warehouses, they could put the speculator out of business and become masters of their own products from seeding time to harvest and from harvest to the time of consumption.

Prohibiting the exchanges from dealing in future sales should be the first step. This, however, will bring no lasting relief to the producer, because the speculator would instantly take up the business of distributing the products and make all the profit that could be wrought out of the business.

The burden of caring for distribution belongs to the producer, and he should protect that distribution until it reaches the consumer. If he does not do so, the speculator will assume the function and pocket the profits. The operators on these exchanges do not produce any grain, and they add no value to the product. They simply rake in the sheckels and give no value in return.

Cooperative action is the demand of the hour. State associations, binding together local cooperative associations, should be formed for the mutual benefit of the members and should be operated without profit. The fruit growers and the tobacco planters have succeeded in putting into operation the cooperative system, and what they have accomplished is a forerunner of what the grain-producing farmer may accomplish through cooperation.

The individual should not buy separately, nor should the individual sell separately. The association should be the selling agency for all members of the local association. The products of the American farms in 1912 was valued at $13,000,000,000. In the distribution of these products the railroads received 3.8 per cent, the selling expenses were 9.2 per cent, waste in selling was 12 per cent, dealers' profit was 28.9 per cent, and the producers' share was 46.1 per cent.

It will be seen that it costs more to distribute than it does to produce. The object should be to eliminate the waste. Local production for local consumption is no longer feasible. The local dealers will not buy the farmer's stock for local consumption for fear the packers will refuse to sell him supplies. The local dealer recognizes that the farmers' sales will not make a continuous supply for the market, while the packers furnish regularly the demand of the consuming public.

The farmer must discard the old individual methods of sale. He must eliminate the monopolistic methods and join in the cooperative system of business founded upon a genuine cooperation with his neighbor, whether weak or strong, operated in a spirit of loyalty and good will toward the neighbor. Without loyalty there can not be cooperation.

There should be standardization, Federal inspection, and grading of the products. Let the farmer enter into the enterprise of distribution, becoming a part of the cooperative system that reaches from the producer to the consumer, and gather in the fruits of his labor.

The remedies needed are, first, prohibit gambling on the stock and grain exchanges; second, provide a system of rural credits, furnishing long-time loans at low interest rates; third, conservation of the farm products through the cooperative system reaching from the producer to the consumer; fourth, Government warehouses at terminals, Federal inspection, grading, and standardization of farm products at terminal market places.

Our Export and Import Trade.

EXTENSION OF REMARKS

OF

HON. CHARLES A. TALCOTT,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, July 30, 1914.

Mr. TALCOTT of New York. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I insert the following:

THE SECRETARY OF COMMERCE,
July 19, 1914.

Hon. CHARLES A. TALCOTT,
House of Representatives, Washington.

DEAR MR. TALCOTT: Herein is an example of how an official statement can be emasculated by omissions. I prepared the statement myself, and was curious to see how it was treated. The New York Times gives it in full. The Post makes some significant omissions. The first omission is that showing the decrease in exports and increase in imports to be very largely due to our own crop shortage of foodstuffs in 1913 and its consequent results; but that the foodstuffs imported, so far from being a menace to our farmers, were only a small portion of what we lacked. This condition has already altered.

The second omission is that showing the tendency of our recent import excess to change. This is a point—this import excess—on which our adversaries harp no little. Observe the facts which the Post omits:

Import excess—	
April	$11,339,544
May	2,476,896
June	653,522

Now that harvesting is forward this is likely to disappear in July and leave an export excess as usual. The net exports—excess exports—of gold are not serious, and have in the past been exceeded. The whole statement is very interesting as showing the substantial maintenance of our foreign trade under adverse foreign conditions, the changes being but 4.47 per cent and 4.07 per cent, respectively, and these due to short crops chiefly. The trade balance of $470,000,000 is greater than that of Taft's first year and over double that of his second year, during which period the foreign markets in which we have to sell were better far than of late they have been.

Sincerely,

WILLIAM C. REDFIELD.

[Special to the New York Times.]

WASHINGTON, *July 18, 1914.*

The foreign commerce of the United States in the fiscal year ended June 30, 1914, aggregated $4,258,795,735, being only $20,096,648, or less than one-half of 1 per cent, below the high record of 1913 and $401,208,392 above the highest record of any earlier year. Imports, according to preliminary estimates just completed by the Bureau of Foreign and Domestic Commerce of the Department of Commerce, aggregated $1,894,169,180, an increase of $81,160,946, or 4.47 per cent, over last year; and domestic exports aggregated $2,329,731,886, a decrease of $98,774,472, or 4.07 per cent. Foreign goods reexported were valued at $34,894,669, or $2,483,122 less than those of 1913.

In a statement on the subject to-day the Bureau of Foreign and Domestic Commerce says:

The details of exports and imports are not yet available, but for the 11 months ending May 31 there was a decrease in total exports of foodstuffs in excess of $70,000,000 and an increase in total imports of foodstuffs of over $53,000,000.

For the month of June imports aggregated $157,772,973, an increase of $26,527,096 over June of last year, being, however, $6,436,542 below May, $16,122,803 below April, and $24,782,331 below March of the current year. Total exports during June were valued at $157,119,451, a decrease of $6,285,465 compared with June, 1913, and being $4,613,168 below May, $5,433,119 below April, and $30,379,783 below March of the current year.

About 59½ per cent of the imports in June and the fiscal year which ended with June entered free of duty, against 54½ per cent in the year before.

The excess of exports over imports for the year ending June 30, 1914, was $470,457,375, against an excess of $652,875,915 in the year ending June 30, 1913, $551,057,475 in the year ending June 30, 1912, $522,094,094 in the year ending June 30, 1911, $188,037,290, in the year ending June 30, 1910, and $351,090,880 in the year ending June 30, 1909.

Gold imports aggregated $66,538,659 and gold exports $112,038,529, while silver imports aggregated $30,326,604 and silver exports $54,965,022 during the year.

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[From the Washington Post July 19, 1914.]

Foreign commerce of the United States during the year ended June 30 aggregated $4,258,795,735, being $20,096,648, or less than one-half of 1 per cent below the high record of 1913, and $401,208,392 above the highest record in any earlier year. Imports, according to preliminary figures by the Bureau of Foreign and Domestic Commerce, aggregated $1,894,169,180, an increase of $81,160,946, or 4.47 per cent over last year, and domestic exports aggregated $2,329,731,886, a decrease of $98,774,472, or 4.07 per cent. Foreign goods reexported were valued at $34,894,669, or $2,483,122 less than those of 1913.

FOODSTUFF EXPORTS FALL OFF.

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HEAVY EXPORTS OF GOLD.

Gold imports aggregated $66,538,659 and gold exports $112,038,529, while silver imports aggregated $30,326,604 and silver exports $54,965,023 during the year.

Logan Day.

EXTENSION OF REMARKS
OF
HON. MARTIN D. FOSTER,
OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 11, 1914.

Mr. FOSTER. Mr. Speaker, under the unanimous consent granted to me to print I include an address delivered by my colleague, Mr. HILL, at Murphysboro, Ill., on Logan Day.

The address is as follows:

DELIVERED AT MURPHYSBORO, ILL., ON AUGUST 3, 1914.

Ladies and gentlemen: First, I desire to congratulate this vast audience of thousands of attentive listeners who are here and who have been standing in this intense heat for three hours, giving the closest heed and ear to all that is being said on this occasion. I know that you could not be so intently held under these conditions were it not for the fact that we are here celebrating the beautiful life of the most favorite patriot of this county and one of the greatest known in all history.

It is indeed a genuine as well as a great pleasure that I have been accorded the opportunity to participate in the exercises to-day, to lend my encouragement and assistance in behalf of the efforts of Worthen Post, of the Grand Army of the Republic, to set in operation the movement to erect a fitting monument to the memory of one of the most distinguished sons ever produced in the great State of Illinois.

First, I wish to emphasize the gratitude and praise due Senator Keller, of this county, for initiating the plans and program for the purpose of securing funds with which to erect this monument on the very spot where Gen. Logan was born almost one century ago.

My friends, as I understand it, this is a meeting for the purpose of providing plans to raise funds for the erection of a monument to the memory of this distinguished warrior and patriot. I here now offer my services and means to help carry out any plan that is here agreed upon. Some time ago I prepared a bill for Government aid to this proposition. I talked the matter over with Senator Keller, and he requested that it be not introduced in Congress until after this meeting and probably not at all if it should be decided that these funds should be raised by personal popular donations. I am to-day leaving a copy of this bill with your committee and stand ready to act in accordance with your conclusions.

About three weeks ago the telephone in my office rang at about 10 o'clock in the morning. Upon answering the same this is what I heard in a clear and distinct tone: "This is Mrs. Logan. Do you intend to be in Murphysboro on the 3d of August. I intend to go, and I thought maybe we could arrange to go on the same train." I regret most exceedingly that she could not be here, but it was impossible for her to come on such a long journey at this time in this extreme heat, and although she is now a thousand miles away, yet I know her heart is here. Yes, my friends, it extends here and entwines with sincere love and good cheer every person present who is here to make this meeting in honor of her noble husband a success. To know Mrs. Logan is to admire and love her. I have been a guest in her home, I have been her guest on public occasions, but at no time nowhere have I enjoyed being her guest more than I enjoy it on this occasion, together with the thousands of other guests of hers here to-day. I shall ever cherish this day as one of the most pleasant events of my life.

In this connection allow me to say that I would not, if it were within my power, say one word that would detract from or lessen the glory and honor achieved by Gen. Logan as a soldier, a statesman, or a benefactor to mankind, but I do want to say that the good companion of Gen. Logan during all the most active years of his life as a soldier and a statesman contributed consistently and materially to all his achievements.

What gave George Washington courage to lead his soldiers, who were ragged and starving and whose foot tracks were marked with blood through the awful horrors of Valley Forge, and who were finally successful and triumphantly victorious on the blood-stained heights of Yorktown? Was it for pomp of power or glory and renown? Ah, no, my friends; it was his devotion to the cause of liberty for the oppressed American people. The result of his achievements was a successful campaign to sustain the Declaration of Independence and paved the way for the formation of that immortal document, the Constitution of the United States. The very preamble of this everlasting document provided—

to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.

In 1861, when the very tenets of this preamble were about to be assailed, when the "more perfect Union" was attacked with threatened dissolution, when "domestic tranquillity" was about to be destroyed, when the "blessings of liberty" were constantly being overthrown, it remained for brave, independent, and courageous men to assert themselves.

When the first gun broke the stillness at Charleston Harbor and resounded across the bay against Fort Sumter, the fire of enthusiasm utterly inflamed the spirit of devotion to patriotism in the brave breast of Congressman Logan. Endowed with the same patriotic devotion to the cause of liberty that inspired Washington to fight for our liberty and the establishment of this Union, the matchless Logan resigned his seat in Congress to fight for the preservation of this Union and for the honor of our flag. He returned here to his district and raised the gallant, brave, and fighting Thirty-first Illinois Regiment, and it is here noteworthy to say that this district, then the ninth congressional district, furnished more soldiers according to its population than any other congressional district in the United States.

His first engagement was at Belmont, Mo. The next was at Fort Donelson, and at this place Col. Logan was dangerously injured. On account of his undaunted bravery and marvelous military sagacity at Donelson the eagle of the colonel gave way to the star on his shoulder straps, in a short time to be replaced by the double star of the major general. He never sought promotion, but it came to him almost of necessity.

Time will not permit me to follow him through the history of the war. Belmont, Donelson, Corinth, Champion Hills, Jackson, Raymond, and Vicksburg were witnesses to his valor. All along the march to Atlanta and the sea battlefields are linked with his fame and took reflected luster from the gleam of his sword.

In my judgment, as a general his record is second to no one, and it is everywhere conceded that he was the greatest volunteer general on earth.

Gen. Logan was born a leader of men. As a soldier he was the spirit of intense energy. He enjoyed the confidence of his superiors and the most enthusiastic love and devotion of his soldiers. Yes, my friends, Gen. Logan fought to sustain a "more perfect Union," and to secure "the blessings of liberty to ourselves and our posterity."

In his public service for his country he was the same patriot, honest, brave, independent, and fearless. He was the soul of honesty. He lived in times of great corruption when many men fell by public exposure and otherwise, but this great patriot's life of 5 years of Army service and 30 years of public official service stands aglow without tarnish or stain.

Gen. Logan died poor in purse, but he left his family and his country the inheritance of a good name more precious than rubies. Gen. Logan was the commoner of his time. His heart was full of sympathy that reached out at all times to all mankind. There is a story accredited to Congressman JACK BEALL of Texas, and in this connection I will relate it: "I heard a story; read it somewhere, of a mother, a great lady of the land, who was about to start on a long journey. She had three sons. She asked them to give her before she left them some token of their affection and love. One of the sons brought to her a beautiful tablet of marble, with her name chiseled upon it; another brought her a piece of finest gold, with her likeness engraved upon it; the third son came to her and said: 'Mother, I have no tablet of marble, no likeness of gold to give you; but I have a heart; upon that heart your name is written and your likeness is engraved; that heart full of affection will follow you wherever you may go and be with you wherever you may repose.'"

No; Gen. Logan could not erect towering monuments to his family or those who have done great deeds; he could not endow great institutions as men of riches do, but the affection of his heart toward his fellow man erected a towering name that no power on earth can molest or destroy. Hearts full of affection as his was are doing the great work in uplifting humanity and inspiring it with nobler ideals and higher actions. The golden thread of sympathy and love and affection that extends from one brother down into the depths touches and is entwined about the heart of the fallen one, lifting him up, is making the world more grand and beautiful than it has ever been before.

To look upon his life, it is grand. I fail to find words to express my conception of it. In conclusion, I can not do better than to refer to a few lines from one of the lectures of John Temple Graves: "I have seen by night the glowing headlight of a great locomotive rushing onward in the darkness, heedless of danger and uncertainty, and I have thought the spectacle grand. I have seen the lightning flash across the storm-swept sky till night and darkness and the shadow-haunted earth gleamed with noonday splendor, and I have thought the spectacle grand. I have seen the light come over the eastern hills in glory till leaf and tree and blade of grass sparkled like myriad diamonds in the morning, and I have thought that it was grand, but the grandest thing, next to the radiance that flows from the Almighty's throne, is the light of a noble and beautiful life shining in benediction upon the destinies of men and finding its home at last in the bosom of the everlasting God."

So, my friends, the lives of all the soldiers who fought for the preservation of this Union, together with the life of the devoted patriot, brave soldier, and fearless statesman which we are to-day honoring, will forever be an inspiration and benediction to all mankind.

Compensation of Rural Carriers.

EXTENSION OF REMARKS

OF

HON. J. CHARLES LINTHICUM,

OF MARYLAND,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 11, 1914.

Mr. LINTHICUM. Mr. Speaker, I am opposed to the amendment of the gentleman from Indiana for several reasons, the chief one of which is that I believe the Post Office Department should be conducted strictly on a business basis. I am convinced that it would be impossible to do this under the amendment offered. Reflecting the views of the post-office employees themselves on this measure, I submit herewith a letter received this morning from Mr. E. J. Cantwell, secretary of the National Association of Letter Carriers:

MY DEAR CONGRESSMAN: Under date of August 7, 1914, when the bill (H. R. 17042) to amend the postal and civil-service laws, and for other purposes, was under consideration, an amendment was offered by Mr. CULLOP, of Indiana, which reads as follows:

"Strike out section 3 and insert the following in lieu thereof: That hereafter any assistant postmaster, clerk, or employee in any post office, who may be required by law or by authority or direction of the Postmaster General to execute a bond to the United States to secure faithful performance of official duty may be required to also execute a bond to the faithful performance of his duties as such, in the discretion of the Postmaster General. The postmaster of all such offices shall have the power to select his assistant postmaster, all clerks, and employees irrespective of any civil-service law to the contrary, and all laws, regulations, and orders in conflict with this act are hereby repealed and nullified: *Provided*, That all such appointments shall be for a period of four years."

This amendment was agreed to by a vote of 75 in favor to 25 against.

After the bill had been disposed of in the Committee of the Whole a separate vote was demanded on the Cullop amendment. A roll call developed no quorum present. Another vote will be taken when the bill again comes up for consideration, which will probably be the first business on Tuesday, August 11.

Should this amendment become a law it will virtually break down the civil-service law in so far as it applies to post-office employees, and will no doubt have a tendency to injure the effectiveness of the postal service, the success of which depends largely on the efficiency of the employees.

I trust you will inquire into the merits of this amendment and that you will not think it presumptuous on my part for drawing your attention to it.

To this letter from Mr. Cantwell I immediately replied as follows:

I do not think the Letter Carriers' Association need have any fear on account of amendments of this sort; they will never, in my judgment, be passed and will always be voted down when brought before the House and a roll call is asked for. I have no idea that the Members of the present Congress have any desire to cripple the civil service as it now affects the postal employees.

The same objections expressed by the National Association of Letter Carriers appear to be shared by the National Federation of Post-office Clerks. A letter embodying their views was addressed to my colleague, Hon. CHARLES F. CURRY, Member from the third California district, which he has just handed me and which I submit:

WASHINGTON, D. C., *August 11, 1914.*

Hon. CHAS. F. CURRY,
House of Representatives, Washington, D. C.

DEAR SIR: In behalf of the National Federation of Post-office Clerks, an organization made up of men in the ranks of the Postal Service, who have come into it under the rules prescribed by the Civil Service Commission, I ask your aid in defeating the Cullop amendment to the Moon bill, now pending before the House, which seeks to remove postal employees from their civil-service status by granting to postmasters the full power to appoint their subordinates for a period of four years, irrespective of the present civil-service laws.

Knowing you to be a practical post-office man, a former employee in the service, and knowing that since your entrance into public life you have always retained a keen interest in the welfare of the postal workers, I feel that we can depend upon you to view this attack as we do—an unwarranted, unjustifiable attempt to despoil the present efficient postal organization. I look for the weight of your influence to be exerted toward maintaining the efficiency of the service by aiding in the decisive repulse of this assault upon the employees proposed by the Cullop amendment.

Having had the advantage of personally coming into contact with the men in the Postal Service, and learning intimately from years of association of their duties, you realize perfectly well what would happen if the men were removed from their present civil-service status and made the political pawns of each transient political boss. Instead of the present orderly force we would have chaos. Instead of a permanent body of capable workers we would have a changing crew, whose chief interest was the perpetuation in office of its particular political guardian. The proper handling of the mails would be subordinated to the reelection of the ticket.

You can readily conceive, I know, of this situation arising under the system proposed by the Cullop amendment: The carriers on their routes would, of necessity, devote the bulk of their time and attention toward the upbuilding of the postmaster's political machine, upon which the permanency of their position depended, rather than serving the patrons. It would be a case of "carry" the district for the boss rather than carry the mail for the people. A carrier's worth would be measured by the number of votes he "carried" instead of the amount of mail. Or picture the clerks driven to the necessity of cultivating a large acquaintanceship among the "boys," in their hours off duty, instead of utilizing this time in studying distribution schemes. Men placed on the pay roll at the request of influential politicians—and the service would be rapidly filled with such men—with the probabilities of only a four-year term ahead of them, would not settle down to master the details of the many intricacies of the Postal Service. And with the uncertainty of their tenure of position, no one could condemn them for not wasting time in acquiring knowledge which can not be applied out of the service in any other occupation.

I regret that all of our legislators do not know, as you do, that more than one-half of the entire clerical force in this Postal Service must work nights or portions of nights to keep this great volume of mail in constant motion. In order to qualify to distribute this mail, it should be known, it takes years of tiresome study of perplexing scheme books. A post-office scheme is never mastered; changing train schedules and addresses of business firms necesitate constant study on the part of the distributor, in order that the letters and parcels be properly dispatched without any loss of time. And this expert knowledge, representing a lifetime of study, is absolutely valueless outside the walls of the particular post office in which the clerk is assigned. Who can conceive of a four-year-term post-office clerk taking home after office hours an intricate scheme book in order to master its contents? Yet that is what the clerks, the 20,000 distributors in the service, are doing every day and night. These men make the service their life work, their profession, devoting themselves assiduously toward acquiring information to be used solely toward expediting the dispatch of mail.

Under the Cullop amendment, should it be enacted, we would shortly have a mail service topheavy with titled officials. Congressmen and postmasters would be besieged with willing applicants for executive positions with the titles and the emoluments, but few of the faithful constituents, I fear, would be clamoring to do the hard, burdensome work which is so necessary to keep the great mass of daily mail in motion.

Imagine the rude awakening of a political constituent placed on the department pay roll when, instead of a desk and swivel chair which he fondly pictured as perquisites of a post-office clerkship, he is ordered to report at night, don overalls and jumper, to aid in distributing a mountainous pile of letters, cards, parcels, and papers, working at top speed and high tension amid insanitary surroundings in order that no dispatch or delivery be missed. Such is the daily, or nightly rather, routine of the poor postal clerk, whose job appears so attractive to those who see it from the outside. These night workers, these men who are toiling behind the granite walls of the magnificent post offices which dot our land, frequently working under conditions which the Government would not long tolerate in any corporation, are deprived of participation in all social life. Their evenings are given over to the Government. And now the one redeeming feature of their work—its permanency—is attacked. After fitting themselves by years of study for mail distributers, thereby naturally unfitting themselves for anything else, it is proposed to limit their tenure of position to four years.

Picture, if you can, the surprise of the average political appointees—the men who want the "soft" berths—should they be ordered to report at daybreak to case and deliver a hundred pounds or so of mail to impatient patrons, with the route so scientifically arranged that not a moment's time can be wasted. Summer or winter, regardless of the elements, the carrier must make his schedule or suffer the penalties that weigh with heavy hand upon the luckless post-office employee unfortunate enough to run contrary to the thousands of rules and regulations which hem him in.

Or picture the indignant surprise of the expectant office seeker who happened to be placed on the substitute list of a large post office as clerk or carrier. He would find it necessary to report daily to take chances of some mishap incapacitating a regular, thereby necessitating the employment of a substitute. Often, maybe for days, he would get no work. And no work means no pay, for a substitute is paid only for actual services rendered. It follows, then, that the income of the

substitute depends upon circumstances—it fluctuates from month to month. In the "lean" months Mr. Substitute may not earn $30—less than a dollar a day. As the period of substitution may run from one year to six or seven years in some instances, during which time the department can not guarantee to pay him except for actual work performed, the postal service presents a much less roseate hue from the inside to the substitute than it presents to the man on the outside clamoring for the job with no definite knowledge of its requirements.

A regular clerk or carrier in first or second class post offices begins at $800 after serving his period of substitution, which varies according to circumstances. Promotions, based always on efficiency—for efficiency is the shibboleth of the service—are granted to the clerks and city carriers yearly until $1,100 is reached. From $1,100 to $1,200 but 75 per cent of the men are promoted in the first-class offices, Congress having adhered to this policy in recent years. The $1,200 grade, then, is the pinnacle; and every man in this grade, in these days of economy and efficiency experts, earns every dollar of his salary. The ever-present fear of demotion stirs the old and young to greater efforts. And now Congress, if it adopts the Cullop amendment, will put the still greater fear of the probable loss of position into the hearts of these faithful postal workers.

If Congress is sincere in any effort to improve the efficiency of the Postal Service there is a way open. It can remove it entirely from politics and make it possible for the young man entering the service to aspire by meritorious work to reach the highest positions in the department. To inject an additional political flavor into the service can result only in its complete demoralization, the breaking down of its efficiency.

In conclusion, Mr. CURRY, I realize that you appreciate the extent of the calamity that would result from the adoption of the Cullop amendment, and I ask that you again show your interest in the welfare of the service and the employees by combating its enactment.

Appreciating your past efforts toward the extension rather than the contraction or the abolishment of the civil service, I am,

Sincerely, yours,

THOS. F. FLAHERTY,
Secretary-Treasurer National Federation of Post-Office Clerks.

I believe that the Post Office Department should be conducted nearly as possible as a private individual or corporation would conduct an immense business. We should treat the employees of the department fairly and justly. We should pay them adequate salaries for the work performed, and in return we should insist upon receiving the very highest class of services possible. I favor adequate compensation to rural carriers, and I felt when voting for an increase in the salaries of the rural carriers that they were not receiving the compensation to which they were entitled for the services performed, and that this failure resulted in an injustice to them which should be remedied as early as possible.

The Postal Service is one branch of the activity of the National Government in which we all come intimately in contact. Hardly a day passes—I could almost say hardly an hour of the day—but what some representative of the Post Office Department is brought in personal contact with each of us. The class of men engaged in this service—indeed the class of men required for the service—is of a high order. They must be mentally alert and well informed, physically capable and active. And I hasten to say that the exception has been rare indeed among those members of the Postal Service with whom I have been brought in contact when they did not fully measure up to these qualifications.

I believe that the rural service is one branch of the post-office work which the majority of us view with particular admiration and pride. I remember very clearly that not many years ago the postman or post-office facilities was to the great bulk of our rural population as distant as the nearest town or village. To get a letter or a newspaper usually required a trip of several miles or more to the post office. Since we established the rural route as a factor in the delivery of rural mail the post office has been brought in closer relations with many additional millions of our population. I have often had occasion to observe the rural carrier who serves the route which supplies the mail to my farm at Linthicum Heights. He is but a representative of the type of men engaged in the rural service, and when this measure came before us I could not help but have in mind a personal recollection of the value of his work to myself and the other patrons of the route which he attends.

It would be a difficult matter for you to find in any branch of the Government service a class of employees whose duties are more exacting and onerous, whose time is more fully taken, whose duties are more important, than those rendered by our rural carriers. They are an exceptional army of splendid men excellently qualified for the work in which they are engaged. To refuse to pay men of this character possessing these abilities engaged in such a responsible work an income such as will amply compensate them for the time, labor, and expenses involved is to perpetrate a grave injustice.

In a small way, my time since I have been in Congress has been devoted to correcting injustices which have been brought to my attention, and I promise you that on this occasion I do not purpose to change that policy even though my resolution may result in the expenditure of a few hundred thousand dollars more of Government revenue. In truth, as an economic proposition, I believe it better to have well-paid, competent, satisfied men, than underpaid, incompetent, and dissatisfied ones. It has been written, "The laborer is worthy of his hire." I fail to see why the rural carrier should be exempted from the operation of this statement.

We have been told that our Postal Service is practically self-supporting, that it is a formidable institution contributing to the education of our people, to the intellectual necessities of our citizenship, wielding a tremendous moral force which is a potent factor in the uplift of all classes of our inhabitants. This I believe to be true, and it is for these reasons that I am unqualifiedly in favor of maintaining the personnel of this service of a high order. You can not secure good men in the Postal Service, you can not expect these men to devote the best years of their life to this service, unless you hold out to them the promise of permanency of tenure, and pay them a salary that will enable them to live under conditions to which the average American citizen is habituated.

It was for these reasons, I believe, that Congress was influenced to enact the law approved March 9, 1914. Apparently the intent of that act is not clear to our Postmaster General, and I hope that the present amendment will supply any deficiency in its meaning and authorize the Post Office Department to do what Congress intended to have done. I agree with the Postmaster General in the wisdom of stimulating rural carriers to activities that will result in increased business, for I believe that would be the attitude and policy of private employers, but I do not believe that this effort for greater business should be sought in a way to override what was the obvious, clear intent of Congress.

It was manifestly the intent, judging from statements made on the floor of this House, that 43,535 rural carriers should receive an increase of $100 each, and the appropriation for the pay of these carriers was increased to meet that figure.

I want the rural carriers of Maryland to have the increase we voted to give them, and therefore I favor the amendment to make our intent along that line so clear that it can not be misinterpreted by any one. The rural carriers in Maryland, I know, are worthy and deserving of this increase, and so far as it is within the range of my vote to secure it for them they shall have it.

An Efficient Government.

EXTENSION OF REMARKS
OF
HON. HENRY M. GOLDFOGLE,
OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 14, 1914.

Mr. GOLDFOGLE. Mr. Speaker, under the leave accorded by the House, I desire to call the country's attention to the well-written editorial in the New York Evening Post of last Tuesday, August 11, which portrays the highly efficient manner in which, amid the trying and difficult situations that recently have presented themselves, Woodrow Wilson, our President, conducted the administration of affairs.

That editorial is as follows:

AN EFFICIENT GOVERNMENT.

"Whatever of evil the war of nations may have brought upon us Americans, the country is indebted to it for a clear revelation of the efficiency of the administration of President Woodrow Wilson. The great machinery of government has functioned quickly and well. If we have seen in England a fairly amazing subsiding of popular passion, but yesterday threatening civil war, we have witnessed on this side of the water a similar and a most praiseworthy readiness to rise above partisanship and stand by the President in his effort to take in all possible sail and render the ship of state as safe as may be in the hurricane that has suddenly burst upon it. Quietly and effectively every disposition has been made, without the slightest blowing of trumpets or hurrahing about it; if anything has been overlooked which might have been foreseen, it has yet to appear.

"While the credit for all this belongs to many men, the chief praise is, of course, due to the captain, who, face to face with a most distressing personal bereavement, yet continued to wreak himself upon his work, precisely as is his mind were completely at ease as to all private affairs. He has met the national emergency with the same poise and skill with which he has held Congress to its work from the very inception of his administration. The sneered-at college professor has shown again not only

what it means to have communed with the world's philosophers, but has demonstrated the supreme value of rigid mental discipline as well. His hand on the helm has never wavered; his own coolness and steadiness under conditions which might have snapped many a physically stronger man have won him the unbounded admiration of the corps of newspaper men, who have daily found him about the only outwardly unruffled man in the intense heat and fearful strain of Washington. They will not soon forget the eloquent words with which he outlined to them the gravity of the war crisis and the duty of the press—words spoken primarily for them, but which they demanded for publication. And the public will not forget that his message tendering the good offices of this Government to the warring nations of Europe was written at the bedside of his dying wife. In every way in this grave emergency he has given fresh proof of his marked fitness for the headship of the Nation.

"It was Mr. Wilson who seized the opportunity to press for the confirmation of the nomination of Mr. Warburg, and quickly selected Mr. Delano to fill the vacancy created by the withdrawal of Mr. Jones. Under his direction the Aldrich-Vreeland Act providing for an emergency bank-note currency was put into force, to the great relief of the financial world. The President himself moved to have Congress amend our shipping laws to meet the emergency on the ocean; if the result of this is not yet clear, it is certainly a step in the right direction, and will doubtless be followed by others. And his administration is entitled to special praise for cooperating vigorously in the organization of strong committees to deal with all phases of the business situation as the emergencies may arise—a bit of contructive statemanship deserving higher praise and greater attention than it has received. To all of this must be added the prompt measures for the relief of the stranded Americans abroad—all of which were submitted for presidential approval—and the constant keeping in touch with our foreign ambassadors, who have had to assume heavier burdens than have ever fallen to the lot of American diplomats. The administration has also acted vigorously and most wisely in dealing with the enforcement of our own neutrality, the President himself writing a letter directing Army and Navy officers to refrain from all comment on foreign happenings, and particularly the military operations.

"That all of this has been appreciated by the public is obvious from the changed political atmosphere in Washington. So far from being impatient to return home, Congressmen are ready now to stay on as long as the leader in the White House demands it. The Senate has speeded up its own business so that its deck may be cleared of the trust bills by the end of this month, and it may be ready for any action the Nation's situation may then warrant. That so keen a politician as Mr. Roosevelt has called off his proposed criticisms of the amateur in the White House is clear proof of the changed status at Washington. It is no longer the thing to talk about the Democrats' certain loss of the House. If a financial depression is impending, the Democrats are not likely to suffer from it; no Republicans would have the face to lay this at their rivals' door, though they have done about as unwarranted things in the past. If anything like this should be attempted, the answer can readily be imagined. It will be sufficient to silence any critic by simply asking him what he thinks of Mr. Wilson's handling of the war situation, and whether at any period in our history we have ever had a smoother-working governmental machinery in a grave national crisis. It is a record of which the whole country may justly be proud, and one that will be all the more creditable as time passes."

First Aid for Calamity Howlers.

EXTENSION OF REMARKS

OF

HON. WARREN WORTH BAILEY,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, August 13, 1914.

Mr. BAILEY. Mr. Speaker, I have been a sympathetic listener to the howls of calamity from my friends across the aisle, and particularly to those proceeding so ceaselessly from the distinguished gentleman from Washington [Mr. HUMPHREY]. Only one without heart could hear his wails unmoved. Day after day, week after week, month after month he has lifted up his voice in anguished protest against the frightful conditions which he has conjured up from the vasty deep of his perturbed imagination with respect to a Democratic tariff, which has limited or cut off the secret levies of the trusts and combines on the substance of the plain people. But it has seemed to me, Mr. Speaker, that the gentleman from Washington has been betraying symptoms of personal distress here of late, a certain feebleness of purpose, a groping for further material, a disposition to work over old stuff in the absence of new. So it has occurred to me, Mr. Speaker, to come to his assistance, and I do so by furnishing him for his enjoyment and the enrichment of his store of calamity a few newspaper headlines which should bring joy to his soul and fresh inspiration to his lagging imagination.

Let me read the first, and let me hope he will seize upon it with accustomed avidity:

More than 2,000 men march to city hall at Detroit and demand work.

Who said that a Democratic tariff was not the forerunner of industrial distress? Who said it was not the enemy of the wage earner?

Then here is another. It is just as impressive as the first and just as certain to serve the gentle purpose of the Jeremiah of Seattle:

Chicago Federation of Labor estimates the total number of unemployed men in Chicago at 100,000, and issues a warning to all craftsmen to keep away from the city.

Joy, and still more joy. Here is grist for the calamity mill. Here is Ossa piled on Pelion for proof of what a deadly Democratic tariff will do. Here is gloom enough not merely to satisfy the somber knight from the far Pacific, but to spread over into the realm of the gentleman from Wyoming [Mr. MONDELL] and into that of the gentleman from Pennsylvania [Mr. MOORE].

Nor is this all. Headlines tell other stories, which I fear the gentleman from Washington has overlooked, but which I am humbly and gratefully able to supply for his melancholy satisfaction. Let him read and treasure this:

New York City government urged by Central Federated Labor Union to let subway contract to furnish work for 500,000 unemployed men.

Five hundred thousand unemployed men, in one city, at one time; and yet there are those with the effrontery to sneer and carp at the gentleman from Washington when he shouts calamity and calls for the mountains to fall upon the Underwood tariff and bury it beyond the hope of resurrection. There are those, like the gentleman from Alabama [Mr. HEFLIN], who would mock at him and make merry at his expense when he assumes the rôle of chief mourner at the funeral of prosperity.

My disposition to help the gentleman from Washington does not faint thus early, and I proceed, Mr. Speaker, to quote the headlines for his sorrowful exaltation. Let him roll this under his tongue as a sweet morsel, and so transform it into another biting indictment of criminal Democratic stupidity:

One hundred thousand men march through the streets of New York singing the Marseillaise; speakers preach revolution and demand work; a bomb thrown at police by anarchists.

Yet ribaldry is heard from Alabama and laughter and derision from New York when the gentleman from Washington arises in his place to chant the mournful strains which he has made so familiar and to fulminate his denunciation of a party lost to all the finer sensibilities associated with big business and alien to that enlightened selfishness which has flowered forth in our Carnegies, our Weyerhaeusers, our Havemeyers, our Perkinses, our Schwabs, our Fricks, and our Guggenheims.

And still the headlines run red across the page of history in the making to tell the tragic tale of Democratic ineptitude or worse:

More than 200 Bulgarians petition governor of Colorado for employment or for aid to return to Bulgaria.

Stranded in the land of freedom! Penniless in a State whose hills are seamed with silver! Workless in a region where opportunity is unbounded and where Republicanism flourished like a green bay tree for more than a quarter of a century! And yet we have on this side of the Chamber impatient persons, like the irrepressible gentleman from Connecticut [Mr. DONOVAN], who would choke off the gifted prophet of disaster from the West when he seeks to warn a stricken land of the perfidy and dishonor which have overtaken it under the leadership of Woodrow Wilson and OSCAR UNDERWOOD.

Nor is the chapter closed. Other and perhaps direr revelations remain to be made, for here is another headline to challenge even the least thoughtful:

One thousand foreigners march toward Philadelphia City Hall demanding work; a riot; 3 policemen shot; 14 marchers arrested; hundreds beaten by mounted police.

That this should have escaped the eagle eye of the gentleman from Washington is queer. Yet, evidently he was so absorbed

in the contemplation of his own genius as an inventor of calamitous circumstance that so small a thing passed him unnoticed.

This also must have been the case with the following:

Labor union report 50,000 idle men in Kensington (Pa.) district—

The district where protection is supposed to have made all things blossom as the rose, the district that, of all others, should—and the gentleman from Washington doubtless believes would—exhibit the finest fruits of that blessed policy which a besotted Democracy has so ruthlessly attacked.

Not alone in the East is the tragic tale unfolded. The evil eye has fallen upon the Golden Gate, and from the troubled waters of the bay come rolling thunders of discontent. Listen:

Unemployed in San Francisco form a league and demand the issue of $23,000,000 in bonds to aid unemployed.

Has not the gentleman from Washington ample occasion for his deepening gloom? Is he not in the fullest degree justified in attributing all the woes of this western world to the presence of a Democratic President in the White House and a Democratic majority in both wings of the Capitol?

And the bread line, the soup house, the tramping thousands. Who is permitted to forget them while our Republican friends on the other side still have breath left in their shaken bodies? Here is a headline telling its own story better than I could hope to do, perhaps even more succinctly than the fluent gentleman from Washington would consent to attempt:

On thousand Hungarians march through the rain to receive a loaf of bread each at Toledo.

And still there are those who have the temerity to doubt the honest gentleman from Washington when he clothes himself in sackcloth and ashes and sits in the gate to prophesy of direful things. Could anything be more direful than the marching Hungarians in the rain or more appealing to human pity than the meager loaf of bread doled out by charity?

The types click, the presses roll, and red ink and black proclaim the happenings of a day. And here is one of them chronicled in another headline which I pass along for the behoof of the gentleman from Washington:

At Camden, N. J., a riot follows application of 1,500 men for 300 jobs advertised by the Joseph Campbell Co.

Five men for each job. Stop a moment to think of it. It is bad enough when there are 10 men for 9 jobs; it is a fearful tragedy when the men outnumber the jobs 5 to 1. And when the gentleman from Washington stumbles upon instances such as this which I here present him free of cost he has a right to howl with all his strength and with all his soul and with all his genius for howling, for there is nothing in all the affairs of men which is so challenging as a surplusage of men in relation to the jobs that are to be done. This, indeed, is the problem of the ages—a problem which seems not to have been solved at Camden.

Nor yet at Philadelphia. For a headline throws light on the situation there:

Loan of $9,000,000 to provide funds for public works asked by city of Philadelphia unemployed; race riot followed demonstration of unemployed; Italians attacked by other nationalities.

What a tale this tells. What hunger and nakedness and distress it suggests. What occasion it gives for the howl of calamity. With what unction it should be embraced by the gentleman from Washington as ammunition for his arsenal of woe.

All this, Mr. Speaker, is submitted to him with my respectful compliments and renewed assurances of my distinguished consideration. But do I hear it suggested that the headlines I have taken the liberty to quote are not current? That they date back to 1907 and 1908? That they tell of happenings under Theodore Roosevelt and the ever-blessed Dingley tariff? Well, what of that? Were not all these things as clearly traceable to the Underwood tariff of 1913 as the panic of 1893 was to the Wilson tariff of 1894? Was not Tenterden steeple the cause of the Goodwin sands? And may we not with equal logic ascribe the tragic story told in the headlines quoted above to what a sinful and perverse Democracy has done years later?

It has been in a spirit of generous good feeling that I have made this little contribution to the gayety of nations for the especial edification of the gentleman from Washington. Perhaps I may not be rewarded with the gratitude to which I am clearly entitled. Yet I shall not be cast down. The reward is in the doing. It is enough to know that I have restocked the empty magazine of my valiant friend, who stands guard at the citadel of privilege. With the material now at hand, he may perform feats in comparison with which those of the more recent past must pale into utter insignificance.

The Effect of the Hydroelectric Enterprise of the Mississippi River Power Co., at Keokuk, Iowa, and Hamilton, Ill., Upon Industrial Development, Navigation, and the Welfare of the Region Served.

EXTENSION OF REMARKS

OF

HON. CHARLES A. KENNEDY,

OF IOWA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 11, 1914.

Mr. KENNEDY of Iowa. Mr. Speaker, in view of the many misstatements that have gained currency, and charges made in the committee bearing on the development of the power in the Mississippi at Keokuk, Iowa, I submit this summary of the facts:

HISTORY OF THE DEVELOPMENT.

EARLY PLANS.

For over 60 years—from 1836, when a company was organized for the purpose, until 1910, when construction by the Mississippi River Power Co. was begun—efforts were made by the people of the Mississippi River Valley to have developed the water power in the Mississippi River at Keokuk, Iowa. The project was impossible commercially until the country reached a certain stage of development; it was impossible in engineering until the revival of concrete construction.

In April, 1900, was organized the Keokuk & Hamilton Water Power Co., of Illinois. This corporation was unique. The money it spent was appropriated to its use by the city councils of Keokuk, Iowa, and Hamilton, Ill. These appropriations were made after very full public notices of intentions through newspaper articles, with the request that any objections be filed in advance. There was actual unanimity of the citizens in favor of these appropriations. Some years later every dollar thus appropriated was paid back into the city treasuries when the project became a reality.

ACTION BY CONGRESS.

In 1901 this company secured from Congress permission to build a wing dam on the east side of the river (31 U. S. Stat., 764), and later the plan of a wing dam was abandoned for a dam across the river. Congress passed a resolution directing an examination and report on the project by the War Department Board of Engineers, especially as regards its effect on navigation. This board reported that the project was feasible, practical, and would aid navigation (Annual Report, War Department, vol. 10. pt. 2, pp. 1507-1812), and various public organizations like the Upper Mississippi River Improvement Association and the Trans-Mississippi River Congress indorsed the project.

The Illinois Legislature passed a resolution in January, 1905, urging the passage of the act then pending before Congress, which act became known as the act of February 9, 1905. (See Laws of Illinois, 44, G. A. 1905, p. 405.) The resolution was based on the improvement to navigation. For the debates on this act of February 9, 1905, in Congress, see CONGRESSIONAL RECORD, January 27, 1905, page 1537, and February 2, 1905, page 1788.

The report of the committee of the House of Representatives having the measure in charge is known as Report No. 3989, House of Representatives, Fifty-eighth Congress, third session, and this reoprt states that the construction of the proposed dam and new lock would render navigation easier for some distance above the dam and over the present Des Moines Rapids, and to that extent would greatly aid navigation; it also stated that the total cost of the expense of operation of the new lock would be nominal as compared with the expense of operation of the series of locks.

A hearing was had before the Committee on Interstate and Foreign Commerce of the House of Representatives on January 20, 1905, and the proceedings of this were published. The report of this committee was also published on January 26, 1905. The bill was passed by the House of Representatives on January 27, 1905, reported to the Senate by the Committee on Commerce of the Senate, and passed on February 2, 1905, and approved by President Roosevelt February 9, 1905. (See for final act, 33 U. S., 712.)

At this time the Keokuk & Hamilton Water Power Co. was composed of 23 citizens of Keokuk, Iowa, and Hamilton, Ill.

DIFFICULTY OF INTERESTING CAPITAL IN THE PROJECT—FINAL SUCCESS.

The corporation to which the rights had been granted now advertised that it stood ready to transfer its rights and privileges to somebody who would and could build the works. It issued a prospectus containing a great deal of information, which was mailed to engineers and capitalists, but no responsible persons or corporations could be found before September, 1905, to carry the work to completion.

In September, 1905, Hugh L. Cooper came in contact with the Keokuk & Hamilton Water Power Co.

Mr. Cooper is an American, born in Minnesota, and is not an Englishman, as has been asserted. He has built bridges in Iowa and elsewhere, and was in charge of large bridge construction near Seattle, but later changed his activities to hydraulic engineering. His first water-power construction was in Jamaica. Later he did more important work in Mexico, and the very important water-power installation at San Paula, Brazil, in the high, almost inaccessible mountains. He was constructing engineer of a plant at Niagara, the tail race of which opened under the curtain of the fall. He was chief engineer of the development at McCalls Ferry, Pa. He has been consulting engineer for many hydraulic promotions in Europe and Asia. Before he came to Keokuk Mr. Cooper had built twice as much water-power development as any other single engineer.

The company gave Mr. Cooper and certain Toronto bankers a two years' option on its stock and franchise, but the Toronto capitalists abandoned the plan.

Between February and December, 1906, Mr. Cooper made a preliminary survey of this part of the river. In July, 1907, the local corporation made a new contract with Mr. Cooper, giving him personally the same option previously given his Toronto backers, which later was extended to February 1, 1910. In October, 1908, the local corporation, before the Mississippi River Power Co. came into existence, made a contract for furnishing 60,000 horsepower in St. Louis. Mr. Cooper then exercised his option on the Keokuk & Hamilton Water Power Co., which was turned over to him and reorganized with new officers and directors.

For a period of several years before and after the last date above Mr. Cooper had been making strenuous exertions to induce capitalists to invest in the enterprise, but without success. He visited capitalists with large resources, and scores of these rebuffed him before he awakened any serious interests in anyone. The risk of investment in water-power development was thought too great to tempt any of the bankers, engineering or construction firms. Fifty-six prospective sources of capital for the enterprise in this country and abroad refused to take sufficient interest in furnishing the money needed. This list of important financial houses is in the files and records of Mr. Cooper and of the Mississippi River Power Co.

Mr. Cooper expended all of his own personal assets in this search for capital, even to mortgaging his property. The necessary amount had not been obtained after four years of labor, when, in the latter part of 1909, Mr. Cooper succeeded in obtaining financial help.

WORK OF CONSTRUCTION.

Construction work began with the beginning of the year 1910; from the middle of 1911 to the middle of 1913 it continued on a large scale; it will be completed practically by the end of 1914, except the south half of the power house, which is deferred.

Eminent European engineers have called this the greatest achievement in the history of engineering. It involves building the greatest power dam in the world, the largest hydroelectric power house in the world, the lock of the same width as those at Panama, with a higher lift than in any one lock in the Isthmus; the largest dry dock in fresh water; the relocation and elevation of 14 miles of railroad track without interruption to operation; the building of 25 miles of expensive roads, with a maximum grade of 6 per cent over the river bluffs, with such incidental features as one fill of 200,000 cubic yards for the dry dock, and excavation and dredging below the works costing about $200,000. All this work was done with a minimum interruption of the regular activities in the vicinities, although the work is offshore the middle of a city of 15,000 population; there was no interruption to railroad traffic, agricultural pursuits, nor any commercial activities. The interruption to navigation was only a few weeks' delay in opening navigation in 1913, with the approval and by order of the War Department.

DESCRIPTION OF THE PLANT.

A brief description of the plant as it now stands is as follows:

PLANT.

Dam, power house, lock, dry dock, sea wall, ice fender, all one concrete monolith with a total linear measurement of 13,185 feet, or 2½ miles, and containing more than half as much concrete as has been used at Panama.

DAM.

Length, 4,278 feet, plus east abutment, 290 feet, and west abutment, 81 feet; total, 4,649 feet, or nearly nine-tenths of a mile; width, 29 feet at the top and 42 feet at bottom, composed of 119 arched spans with piers 6 feet thick and span 30 feet inside; spillway sections each 30 feet long. Steel gates on top of spillways, 11 by 32 feet. Upstream face, vertical; downstream face of spillways, an ogee curve. Dam keyed into limestone bottom of river about 5 feet.

POWER HOUSE.

Final length, 1,718 feet; width, 132 feet 10 inches; total height, 177 feet 6 inches. Substructure of monolithic concrete; walls of reinforced concrete. Four floors, first containing generators and accessories and others containing oil switches and electric accessories. Substructure, 70 feet high to generator floor, 78 feet high to transformer floor. Superstructure, 107 feet 6 inches from generator floor to pinnacle.

INSTALLATION.

Fifteen power units. Turbines, each 11,000 horsepower. Generators, each 7,500 kilowatts. Total capacity of present station, 165,000 horsepower.

TRANSMISSION LINES.

One to St. Louis, 144 miles; voltage, 110,000; six copper cables five-eighths inch in diameter, each composed of 19 wires, supported on steel towers set on concrete foundations in right of way 100 feet wide. Crosses Mississippi River twice and Missouri River once. One to Burlington, 40 miles; voltage, 11,000; aluminum cables on poles. Both lines built to withstand extraordinary weather and minimize accidents.

LOCK.

Width, 110 feet; maximum lift, 40 feet; height of walls, 52 feet 4 inches; thickness of walls, 8 to 33 feet; length of lock, 400 feet inside and 618 feet 6 inches outside; depth on sill, 8 feet; gates span 115 feet; are steel trussed, pivots hardened steel on bronze; motive power, pneumatic from water power; time of lockage, 10 to 15 minutes; time saved steamboats between Keokuk and Montrose, over 2 hours. Lock ceded to United States gratis after being built by the water-power company entirely at its own expense.

DRY DOCK.

Location, between lock and Iowa shore. Dimensions, 150 by 463 feet. Like the lock, dry dock, with power to operate perpetually, is deeded to the Government gratis, after being built by the water-power company at its own expense.

THE DEVELOPMENT HAS GREATLY IMPROVED NAVIGATION.

BENEFICIAL CHANGE IN NAVIGATION CONDITIONS.

Formerly the Des Moines rapids in the Mississippi River extended from Keokuk upriver about 12 miles, with a slope of about 23 feet in that distance. To enable steamboats to pass above Keokuk the United States many years ago built a canal about 9 miles long, with three locks 80 feet wide and a lift of about 8 feet in each. These locks were almost worn out and would have needed large repairs in 1913. The cost of operating the canal is stated by Montgomery Meigs, United States civil engineer in charge, to have been over $40,000 a year. (Hearing by War Department commission and in several public statements.)

These former conditions are replaced by a lake about 40 feet deep at the dam, and raises the gauge zero at Burlington over 7 feet; one lock requires about 15 minutes only for its operation; in the lake above the dam steamboats now ply in straight courses instead of the frequent tackings required to keep the channel in other parts of the river. The river landings along the lake have a more constant height above the water, which rises and falls little with the changes in river stage. Various upriver towns contemplate building modern river terminals, and the Mississippi River Power Co. has built docks at Hamilton, Ill., and Montrose, Iowa, at its own cost.

The value of the improvements to navigation caused by the Keokuk Dam is difficult to state in terms of dollars. The United States saves in the cost of maintaining and operating the old canal $25,000 a year; the cost of wing dams and dredging to provide a channel between the head of the old channel and a point above Burlington, which Col. C. W. Durham, United States Army, stated would save the Government about a million dollars; the replacing of a comparatively small dry dock at the old middle lock by the largest dry dock in fresh water in the world, which, like the lock, becomes the property of the United States upon completion at the cost of the company, with a power plant for its perpetual operation. These and other items make a total which may be conservatively estimated at a capitalization of

$5,000,000, which a number of steamboat men place at $10,000,000. The variation is caused by different estimates of costs and benefits made by the Government engineers.

It has been stated that the Government is required to purchase power for lock operation. This is not true. The Mississippi River Power Co. built at its own expense an independent water-power plant for this purpose which was given to the United States. The arrangement, contrary to statements which have been made, makes the Government independent of the power company.

The Keokuk Lock is 110 feet wide, 400 feet long inside the chambers, with a normal lift of 40 feet, which is the same width and higher lift than in any one lock chamber at Panama. The first boats locked through were two of the largest boats on the upper river, at the same time. The lock was opened June 12, 1913. Before the close of navigation in that year there passed 98,281 steamboat passengers, which was more than double the number in 1912, and steamers aggregating 162,029 tons, an increase over the previous year. (See official report of lock station.)

NEED OF IMPROVEMENT RECOGNIZED.

The improvement to navigation to result from the building of the dam was investigated, discussed, and recognized before construction began.

The river and harbor act of June 13, 1902, in the first paragraph thereof, authorized the Secretary of War to cause an examination to be made of the Mississippi River at the foot of the Des Moines Rapids to determine whether a dam constructed at the foot of said rapids would be a benefit or impediment to the navigation of said river. As a result of this resolution the Government engineer made a detailed report September 22, 1902, showing the many advantages to navigation of the proposed development.

The Upper Mississippi River Improvement Association and its officers, by resolutions and public statements, approved the effect to be had on navigation. See resolution of October 10, 1906; report made on October 7, 1909; speeches of president of association July 12, 1910, and October 26, 1911, in which he said:

The dam will create a deep pond of practically slack water, over 40 miles long, and by having only one lock instead of three, as now, there is no question but that it will be a great boon to navigation on that stretch of the river and a large saving to the Government in costs of operation over the present system of locks and canals.

The General Government and the water-power company both realize the value that each is to the other, and especially the General Government realizes that the water-power company has been liberal toward it in the navigation end of the enterprise.

Your association can proudly point to the fact that for many years it has been a constant and loyal worker for the success of this development now rapidly being completed, and you have reason to be especially encouraged in the work you have in hand in finding your efforts in this behalf crowned with success.

The work and its effect on navigation were approved officially by the Illinois Legislature by resolution in January, 1905.

The Trans-Mississippi River Congress approved by resolution the work and its effect on navigation.

BENEFICIAL EFFECT OFFICIALLY RECOGNIZED.

The general effect upon navigation has been so beneficial that it is a matter of common knowledge and universally admitted by Government engineers.

Maj. Meigs, in charge of the Des Moines Rapids Canal, in an address at Hannibal, Mo., in the fall of 1913, in speaking of the Keokuk water power and the Mississippi River Power Co., used the following language:

After 60 years of dreaming that it could be accomplished a genius comes along and makes the dream a fact. Congress authorized this because it was seen to be a conservation of something going to waste and valuable to the whole of this country. It is saving right now a thousand tons of coal daily, 365,000 tons per annum, and when fully developed will save much more. So far as I can see the men who built that power have acted in good faith with the Government.

They have replaced our old canal, with its slow navigation and the dangerous 3½ miles of rocky channel below Montrose, with a lake 40 feet deep, where boats can run at top speed without thinking about the channel nearly to Burlington.

Lake Cooper itself is a beauty spot that the steamers have brought thousands of tourists to see and which vies with Lake Pepin in scenic beauty. The old locks, whose dimensions were too small for the largest modern river boats, have been replaced by a great lock sufficient in dimensions for anything likely to come along in the next 50 years.

They have shortened the time by river between Keokuk and Burlington two hours. The lock and dry dock are built even better perhaps than the Government would have built for itself. They have shown no inclination whatever to spare any expense in making what they built for the Government what they tried to do for themselves, a work as perfect as the present knowledge of engineering enables them to do.

They have cut down the $40,000 which it took to operate the old canal to $14,000 per annum; capitalized this means $560,000. The lock and dry dock will cost them $1,000,000. They are cutting a channel through the rock bottom below the lock to give a 7-foot depth at low water that will cost them $100,000 to $150,000 more. They are to give the Government $50,000 to be used as it sees fit in improving the river, if necessary, below the bridge at Keokuk. The improvement of the river between Keokuk and Burlington rendered unnecessary by the dam means an added $900,000.

Gen. W. H. Bixby, United States Army, retired, former Chief of Engineers, on October 19, 1913, said:

The completion of the Keokuk Dam I regard as a gold mine to this section of the valley. * * * Your future is assured if you grasp the opportunities confronting you. I notice the steamboat men are apparently misinformed regarding the holding back of the water by the power company, as, to my mind, the dam is of great benefit to the boats plying this section of the river, below as well as above Keokuk. * * * The power company would not hold back water for two reasons: First, because if they could hold it back for over 24 hours, it would be illegal, and, second, it would be bad business policy. * * * You must also note that if the water should at any time be kept back for a few hours and the water should change its stage, the steamboats, by waiting, would have the same chance that a steamer waiting for the tide has and get the benefit of a better stage of water than if they moved before the high water had a chance to help them.

Brig. Gen. A. Mackenzie, Chief of Engineers, United States Army, in memorandum to Secretary of War, March 24, 1908, said:

It will be noted, moreover, that the company obligates itself to contribute $50,000 whenever required to aid in any work * * * below the dam for the purpose of increasing the depth in that portion of the river. Attention should, therefore, be invited to the great advantages resulting to the navigation of the river by the construction of these works. These are:

First. The elimination of two locks in passing the Des Moines and substitution of one lock for the three.

Second. The substantial increase in dimensions of this lock. This feature is very greatly emphasized and its value to river commerce is urged in strong terms by leading representatives of river interests.

Third. The substitution of a canal trunk 11½ miles long of limited width and depth for a wide and deep pool 40 miles long, carrying all navigation of the best possible type from Keokuk practically to the city of Burlington.

Fourth. The reconstruction of the Government dock at Keokuk.

The United States engineer who has charge of the lock for the Government at Hannibal, Mo., October 15, 1913, said:

This one delay to the *Quincy* (Streckfus Line) is the only one I know of to any boat due to low water last season. The *Keokuk*, the daily packet (Blair's White Collar Line), got aground at the landing, but that was because they took no precautions such as every boat uses at St. Louis in setting spars to keep the boats away from the bank. * * * At once, after the occurrence of August 26 (to the *Quincy*, due to some big stones not yet removed by the dredges), the officials of the power company took steps to minimize these fluctuations as much as possible.

In a letter by Lieut. Col. Leach, Corps of Engineers, dated April 9, 1908, he said:

I am sure that we all highly appreciate the fullness of satisfaction which you express at the outcome of our recent negotiations anent the *Keokuk* and Hamilton Water Power Co.'s proposition. The discussion was in many of its aspects a novelty in the experience of this office. To have the interests of the United States carefully recognized by persons whose personal interests were adverse, is a pleasure we do not often enjoy.

Maj. Charles Keller, Corps of United States Engineers, said at a public hearing on August 14, 1912:

Col. Burr suggests that, in justice to the United States and to aid you and the interests you represent to take a more liberal view of the entire situation, it is proper to explain that the power company has, in its relations with the United States, conceded everything that the United States has asked in behalf of navigation and has also given a great deal over that to the United States that it has not expected, and every citizen ought to understand that in all the relations between the power company and the United States the power company has not only tried to do everything that is necessary, but it has given things that we regard as almost superfluous, but are nevertheless useful, and have involved a good deal of expense, at least $200,000.

DEEPER NAVIGATION PROVIDED FOR.

The Government originally planned to have water 8 feet in depth over the miter sill in the new lock. The upper lock gates, as constructed, provide for 11 feet of water over the miter sill in the lock. This difference made the gates more expensive than if the concrete miter sill had been built up higher and a gate of 8 feet provided, but in this way a deeper waterway was rendered available and the more expensive gates were installed.

In a letter of January 20, 1906, Maj. C. S. Riché, Corps of Engineers, United States Army, wrote Mr. Cooper in regard to the question of gates:

Regarding design for similar structures at Keokuk, especially as to choice between metal and wood for gates, what I believe to be proper is that the United States should require what is most economical in ultimate cost, first cost being given proper weight. For example, steel gates would unquestionably be most economical to the United States in ultimate cost, where in this case you, and not the United States, had to pay the first cost; but this would hardly seem equitable.

We believe you should be required to put in what the United States would put in if it was doing the work itself. With this view, therefore, it may develop that wooden upper gates would be the most economical, in which case I would be willing to accept them.

Steel gates were put in nevertheless. Two gates, in fact, were put in where, if the Government had been doing it, doubtless only one would have been installed.

INCIDENTAL PUBLIC IMPROVEMENTS.

GOOD ROADS.

The power company flooded public highways on both sides of the river above the dam. A far better road on both sides of the river was constructed. This road is over 25 miles in length.

Much of the distance along the river the old road was established by prescription, and was no wider than the actual traveled way. This was replaced with a wide road—for much of the distance 15 to 20 feet wider, crossing iron bridges with concrete decks.

From Keokuk to Montrose, in Iowa, and from Hamilton to Nauvoo, in Illinois, an excellent roadbed was dug out of the sides of the hills, graded to a very nominal grade, with no steep inclines, properly ditched and properly bridged, and a good, heavy macadam roadbed constructed.

On the Illinois shore between Nauvoo and Fort Madison a roadway was constructed which hitherto has been suitable for travel only by pedestrians and those on horseback, and across a creek was swung an excellent iron bridge, which hitherto has not been spanned by any bridge.

FLOWAGE AND OTHER LANDS SECURED BY DIRECT PURCHASE.

The power company purchased outright 23,232.75 acres of land and, in addition, acquired the right to overflow 5,696.41 acres. In acquiring its land rights it expended $3,075,885.52. In acquiring the necessary rights in regard to overflow land it had dealings with over 1,000 landowners and had only two condemnation suits.

In both cases the jury awarded a less amount than had been offered by the power company. In addition to this the power company purchased a transmission line to St. Louis, Mo., a distance of 147 miles, and a branch to Alton, Ill., of some 28 miles in length; and there was not a condemnation suit had in connection with the purchase of the entire transmission line right of way.

RAILWAY IMPROVEMENTS.

The Chicago, Burlington & Quincy Railroad Co. relocated its entire right of way from Keokuk to a point about 2 miles north of Montrose, placing it upon a modern, substantial roadbed. In addition to this, the Chicago, Burlington & Quincy rebuilt and relocated its entire switching yards in Keokuk, Iowa, and expended thereon an immense sum of money.

The Keokuk Electric Co., which was the owner of the street railways in Keokuk, relaid practically its entire railway system, put on new cars, discarded the old ones, and in many ways improved its railway and street car system.

RIVER FRONT.

The scenic beauty along the river front was very much improved. Heretofore the river banks had been lined with willows, driftwood, and an irregular growth of trees, which were removed.

At Montrose, Iowa, the company expended a considerable sum of money in the construction of a wharf. The wharf formerly at Montrose was a muddy river bank with sloping sides. The company has filled in the water, piled in rock, rolled the same, and raised the earth above the new water so as to provide a splendid wharf extending the full length of a block.

At Hamilton, Ill., the company constructed a wharf of considerable length in a similar manner to that at Montrose, and also built a warehouse for the city on the wharf.

At Fort Madison the company filled in a considerable part of the river-front park and added to its area, raising the same above the new water level, and in addition to that gave the city $10,000, which it could use in any way it saw fit in building a harbor.

INCREASE OF TAXABLE VALUATION.

The taxable valuation has increased and in a large part is attributable to the construction work of the development. Practically all the property that has been purchased by the power company was increased in the assessed valuation given it.

STIMULATION OF PUBLIC IMPROVEMENTS.

Immediately after the commencement of the construction work on the power house, lock, dry dock, and dam there was a great impetus given public improvements in all the cities roundabout. In the smaller cities proprietors of store buildings tore the front of their establishments out and made them into modern store fronts; where there had been old and dingy stores, the buildings now have modern entrances and are well lighted. There was a general improvement in all forms of private property in Keokuk, Hamilton, and other surrounding cities.

New waterworks systems, lighting systems, both gas and electric, have been installed in the cities of the zone of power distribution. The city of Hamilton, for instance, spent $100,000 for a sewerage system. At Keokuk the Government grounds have been quadrupled in area, all of which is raised up level with the sea wall, and on this will be constructed a Government office building and other shops and necessary buildings which the Government has required. All of these will be larger and more commodious and more substantial than the buildings formerly owned by the Government. The buildings that were formerly located here were old sheds and in a very much dilapidated condition, and were of little or no value. The office building, while it was substantial and well built, was small and overcrowded.

The company has also agreed to pay to the Government, at any time it sees fit to demand it, $50,000, to be used in improving the river bed south of the lock and dry dock.

CONSERVATION AND INDUSTRY.

AVAILABLE POWER GREATLY INCREASED.

Study of population, manufacturing, and coal production in the United States leads to the inevitable conclusion that the maintenance of the present standard of civilized living depends greatly upon the ability to produce cheap power in ever-increasing quantities. The dam and hydroelectric plant at Keokuk, Iowa, and Hamilton, Ill., has added already 120,000 delivered horsepower to the available supply. The ultimate capacity is nearly double the present capacity. This is 12 per cent of the existing water power in the United States. (Figures based on United States Census Bureau.) It is 4 per cent of the capacity of all electric stations in the United States in 1912. (United States census figures.)

CONSERVATION OF COAL SUPPLY.

A plant or plants capable of delivering by coal consumption the present output of this Keokuk hydroelectric development would require over 500,000 tons of coal per year, more than 2,000 tons per day.

The resource of this water power has been and would be wasted for every day that it remained undeveloped.

Had this plant been constructed 10 years earlier, assuming the demand for power to have been the present demand, 3,600,000,000 kilowatt hours would have been caught and used by mankind.

At the average rate of income per kilowatt hour of all the electric stations in the United States, this 10 years of undeveloped power has wasted over $94,000,000.

At the rate of income per kilowatt hour of electric energy of the Mississippi River Power Co., approximately $18,000,000 of value in production electric energy has been lost in the 10 years before development was made.

ENCOURAGING NEW ENTERPRISE.

The Mississippi River Power Co. now has a capacity of 120,000 horsepower (delivered). It has thus far been able to market only 92,000. To increase its sales the company has formed an industrial department to assist the industrial associations and commercial bodies in the towns served by the transmission lines of the company in securing interest toward the ultimate location of manufacturing industries. This department has recently secured offices in Chicago and in New York, at which places men will be stationed to assist in this general work, so that interviews can be had without any appreciable loss of time for traveling, at the same time offering opportunity to the industrial bodies in the different towns to have a place to meet with prospective manufacturers.

Arrangements have been, or will be, made with many agents located in different parts of the United States to assist in this general work and to forward to the industrial department of the Mississippi River Power Co. information relating to the possible moving of existing plants or the formation of new companies, so that steps may be taken to persuade them to locate in the power zone. The expense of this work is estimated at $25,000 a year.

Any of the industrial associations in the power zone will testify to the cooperation furnished.

HOW THE COMPANY SELLS ITS POWER.

A WHOLESALER—ITS TRANSMISSION LINES.

The Mississippi River & Power Co. is a wholesaler and not a retailer of electric energy; it sells energy in large blocks only. The company has built lines to East St. Louis, Ill., serving through retail companies St. Louis, Alton, a plant in Hannibal, Mo., the city of Quincy, and a few other customers hereafter mentioned, and to Burlington, serving Nauvoo and Dallas City, Ill., Fort Madison and Burlington, Iowa. The line to St. Louis is of 110,000 voltage; that to Burlington, 11,000 voltage. The company serves also the public-utility companies at Keokuk, Iowa, and Hamilton, Ill., direct from the power house.

SERVICE OPEN TO ALL.

The company is a public-service company, and sells without discrimination to all who require its service. To take service from the high-tension transmission lines requires substations, transformers, and other transmission lines—apparatus which must be paid for by the buyer or included in the cost of service by the seller. The fact that any prospective buyer has or will in the future be met by this immutable economic condition is not chargeable to the company and is not discriminating in any sense.

PRINCIPAL SALES TO PUBLIC UTILITIES.

Its principal sales of power are to public utilities which have been established in the business of retailing electric energy and which have franchises of their own and investment in distributing systems.

The public utilities to which power are sold are in Iowa, Illinois, and Missouri, each of which States, except Iowa, now has a public-service commission which is empowered to regulate rates and service of these public utilities. In Iowa the municipalities have this power.

The Mississippi River Power Co., when contracting to sell electric energy, has not attempted to fix the resale price of electric energy, except that it has insisted that rates charged in resales shall not be above the maximum established by the rate schedule of the company, a provision which benefits the consumer. The Mississippi River Power Co. is not, however, chargeable with responsibility for resale prices.

EXISTING CONTRACTS ANALYZED.

The company has contracts to supply power to the following public-service companies:

First. People's Gas & Electric Co., of Burlington, Iowa. This is the name of the local company at Burlington which supplies light and power. No one connected with the Mississippi River Power Co. has any interest in that company. It is a company that is controlled by what is known as the Walsh interests. The Walsh people have no interest in the Mississippi River Power Co. aside from their interest in this contract.

Second. Nauvoo Electric Light & Power Co., of Nauvoo, Ill. This is the local company which suplies light and power in Nauvoo, Ill., and the Mississippi River Power Co. does not own any of its stock and has no connection with the management of that company.

Third. Quincy Gas, Electric & Heating Co., of Quincy, Ill. This is the name of the local company supplying light and power at Quincy, and is not connected in any way with the Mississippi River Power Co. other than by this contract.

Fourth. East St. Louis Light & Power Co., of East St. Louis, Ill. This is the name of the local company supplying light and power at East St. Louis, and is not identified with the power company in any way with respect to stock ownership or control of either company. This company also supplies light and heat at Alton, Ill., and it is controlled by what is commonly known as the Clark Syndicate, and the power company has no stock interest in this company.

Fifth. North Missouri Light & Power Co. This company is to serve the towns of Perry, Center, New London, and Frankford, Mo. It is a local company organized by local men, and that company has no interest in the Mississippi River Power Co. other than this contract. Neither does the power company have any interest in that company.

Sixth. E. T. Perkins Syndicate. This company is to serve territory in Marion County, Mo. This company is not interested in the Mississippi River Power Co. Neither is the power company interested in the Perkins Syndicate.

Seventh. The Electric Co. of Missouri, of St. Louis, Mo. This company was formerly known as the Mississippi River Power Distribution Co., and is controlled by men identified with the North American Co. The power company has no interest whatever in the stock or profits of the Electric Co. of Missouri or its predecessor aside from the contract with it.

Eighth. The Central Illinois Public Service Co. This is a corporation that serves a number of towns in central Illinois between the Mississippi and Illinois Rivers, extending as far south as Jerseyville, Ill. It is a company organized by Samuel Insull and men identified with him. The power company has no voice in its affairs or management and no interest in it aside from the contract for power.

Ninth. In addition to the foregoing, the power company has contracts to serve a few private concerns not within cities, such as the Atlas Portland Cement Co. and the E. I. du Pont de Nemours Powder Co. These are consumers of large blocks of power and have built up their own industrial communities.

In none of the foregoing companies, however, do any of the officers of the power company have any voice in the affairs of said companies, and neither do those companies have any interest in the Mississippi River Power Co. aside from the contracts. The relation between them is merely that of wholesale power seller and buyer.

Tenth. Neither the men identified with the North American Co. nor the Central Illinois Public Service Co. nor the Electric Co. of Missouri have anything to do with the management and operation of the Mississippi River Power Co. The Electric Co. of Missouri sells its power to the Union Electric Co., of St. Louis, and the United Railways, which are companies owned and controlled by the North American Co.

Eleventh. In addition to the foregoing, the Mississippi River Power Co. has a contract with the Fort Madison Electric Co., of Fort Mad'son, Iowa; the Keokuk Electric Co., of Keokuk, Iowa; and will have a contract in the near future with the Dallas City Light Co., of Dallas City, Ill. These three companies serve the people in their towns with light and power, and each of these three companies is managed by the Stone & Webster Management Association, which manages the power company.

The prices charged these companies by the power company for electric energy are based upon the same rates and methods of charge which may be enjoyed by any of its customers demanding the same service.

The rates charged by them to the consumers are as low as, or lower than, any in effect in the cities where the energy of the power company is distributed under like condition.

COMPANY'S RATES FOR POWER.

LESS THAN 6 MILLS PER KILOWATT HOUR.

The company necessarily does a wholesale business only, dealing with customers whose minimum requirements are 100 horsepower.

Its rates are based upon the kind of power sold.

Two kinds of power are sold, i. e., primary power and excess power.

Primary power is power which the company obligates itself to deliver for 365 days in the year.

Excess power is power which the company is able to deliver at times when the river flow will allow it to do so, and the purchaser operating his own generating plant at such times as the company is unable to deliver. Rates for this class of service are approximately one-half those charged for primary power.

These rates are based upon a scientific schedule.

The average income yielded to the company per kilowatt hour is less than 6 mills.

The average income per kilowatt hour of all electric-generating plants in the United States is 2 cents and 6 mills. (See U. S. Census reports.)

COAL COMPETITION OVERRIDDEN.

The effect of this cheap electric energy has been to override the competition of coal-generated power. Any statement to the contrary is false and is refuted by the following facts:

An analysis of various steam plants in the Mississippi Valley, 22 in number, with a total capacity of 4,730 horsepower, plants which have replaced steam drive with electricity since the new development was made, shows a cost varying from $21 to $67 per horsepower year on the steam plant, and $17 to $50 per horsepower year on electric drive. The accompanying table gives the actual conditions and costs of the energy required in the manufacturing processes of these plants. The number of tons of coal saved yearly is 68,550.

Steam.

Plant No.	Horsepower.	Total cost.	Cost per horsepower year.	Total cost.	Cost per horsepower year.
1	100	$5,200	$52.00	$4,800	$48.00
2	330	15,100	46.00	9,800	30.00
3	200	7,600	38.00	5,600	28.00
4	100	6,000	60.00	3,500	35.00
5	100	4,300	43.00	2,530	25.00
6	50	2,606	52.00	1,432	28.00
7	275	14,000	51.00	12,000	44.00
8	80	5,000	62.00	3,600	45.00
9	275	13,000	47.00	8,700	31.00
10	250	9,000	36.00	8,000	32.00
11	80	4,600	57.00	3,300	41.00
12	150	4,500	30.00	2,800	15.00
13	125	7,800	62.00	6,300	50.00
14	75	5,000	67.00	2,500	34.00
15	60	1,900	32.00	1,000	17.00
16	330	9,000	27.00	7,500	23.00
17	200	7,700	38.00	5,900	29.00
18	450	9,500	21.00	7,500	17.00
19	700	21,000	30.00	15,000	21.00
20	600	12,500	21.00	10,000	17.00
21	200	10,800	54.00	5,300	27.00
22	1,200	50,000	42.00	34,400	29.00

NOTE.—Variation in cost per horsepower due to variation of load.

STEAM PLANTS DISCARDED.

That the electric energy sold by the company is low in price and much lower than that generated by coal and steam is indicated not only by the fact that purchasers have bought it, but by the fact that, discarding steam generation and preparing to receive electric energy, they have invested, on their own account, in equipment, a total of over two million and a half dollars.

REDUCTION IN RATES TO CONSUMERS.

The Mississippi River Power Co., as has been explained, does no retail business. Its sales of cheap energy to public utilities

furnishing current for lighting purposes, however, has been the cause of marked reduction in rates in the zone of its sales. Any allegation to the contrary is refuted by the changes in the retail lighting rates since the company began its sale of power in the territory served.

A typical effect in the result of the retail rate reductions can be shown in the case of Keokuk. There the average receipts per kilowatt hour have been reduced 29 per cent, or from 4¼ cents in 1912 to 3.01 cents in 1913.

RETAIL LIGHTING RATES REDUCED.

These reductions vary according to size of the community served, state of development of the service, improvements needed, and distance of transmission, as shown by the following:

Burlington, Iowa.

OLD RATES.

Residence lighting:	
First 30 kilowatt hours	$0.126
Next 60 kilowatt hours	.108
Next 60 kilowatt hours	.090
All over 150 kilowatt hours	.072
Commercial lighting:	
First 30 kilowatt hours	.090
Next 60 kilowatt hours	.081
Next 60 kilowatt hours	.072
All over 150 kilowatt hours	
Power rates (net):	
0 to 100 kilowatt hours	.080
100 to 250 kilowatt hours	.050
250 to 500 kilowatt hours	.045
500 to 1,000 kilowatt hours	.040
1,000 to 2,000 kilowatt hours	.035

NEW RATES.

Lighting (per kilowatt hour, net):	
First 25 kilowatt hours	$0.10
Next 150 kilowatt hours	.09
Next 225 kilowatt hours	.08
Next 400 kilowatt hours	.06
Next 800 kilowatt hours	.04
All excess	.02
Minimum charge per year	12.00
Commercial power (per kilowatt hour, net):	
First 40 kilowatt hours per month per horsepower of demand	.05
Next 1,000 kilowatt hours per month per horsepower of demand	.03
Next 1,000 kilowatt hours per month per horsepower of demand	.02½
Next 2,000 kilowatt hours per month per horsepower of demand	.02
Next 4,000 kilowatt hours per month per horsepower of demand	.01

Minimum: First horsepower, $1 net; for each horsepower in excess of 1 horsepower, 75 cents net per month.

Monthly minimum charge for elevator service, $1 net per horsepower per month.

Maximum demand: For 1 to 5 horsepower, inclusive, the connected load will be taken as demand. Above 5 horsepower, 80 per cent of the connected load will be assumed as demand.

For 10 horsepower or more of connected load, measured demand at maximum load, may be used instead of 80 per cent of connected load.

Wholesale power (for not less than 100 horsepower): A monthly maintenance and investment charge of $0.75 net per horsepower, together with a current charge of $0.015 per kilowatt hour for first 8,000 kilowatt hours used each month and $0.006 per kilowatt hour for the kilowatt hours taken each month in excess of 8,000.

A discount of 10 per cent is allowed on the kilowatt-hour charge, provided monthly bill is paid by 10th of the following month.

Fort Madison, Iowa.

OLD RATE.

Street arc lights: $60 per year for open series arcs on moonlight schedules; 2,000 hours per year.

Commercial lighting (per kilowatt hour, net):
Flat rate of 10 cents.

Commercial power (per kilowatt hour, net):
No standard rate.

Wholesale power:
No standard rate.

NEW RATE.

Street arc lights: $60 per year for open series arcs on all-night every-night schedule; 4,000 hours per year.

Commercial lighting (per kilowatt hour, net):	
First 25 kilowatt hours	$0.10
Next 150 kilowatt hours	.09
Next 225 kilowatt hours	.08
Next 400 kilowatt hours	.06
Next 800 kilowatt hours	.04
All excess kilowatt hours	.02
Minimum charge, per year	12.00
Commercial power (per kilowatt hour, net):	
First 40 kilowatt hours per month per horsepower of demand	.05
Next 1,000 kilowatt hours per month per horsepower of demand	.03
Next 1,000 kilowatt hours per month per horsepower of demand	.02½
Next 2,000 kilowatt hours per month per horsepower of demand	.02
Next 4,000 kilowatt hours per month per horsepower of demand	.01

Minimum: First horsepower, $1 net. For each horsepower in excess of 1 horsepower, $0.75 net per month.

Monthly minimum charge for elevator service: $1 net per horsepower per month.

Maximum demand: For 1 to 5 horsepower, inclusive, the connected load will be taken as demand. Above 5 horsepower, 80 per cent of the connected load will be assumed as demand.

For 10 horsepower or more, connected load, measured demand at maximum load may be used instead of 80 per cent of connected load.

Wholesale power (for not less than 50 horsepower): A monthly maintenance and investment charge of $0.75 net per horsepower, together with a current charge of $0.015 per kilowatt hour for the first 8,000 kilowatt hours used each month and $0.06 per kilowatt hour for the kilowatt hours taken each month in excess of 8,000.

A discount of 10 per cent is allowed on the kilowatt-hour charge provided monthly bill is paid by the 10th of the following month.

Hamilton, Ill.

OLD RATES.

Street arc lights: Sixty dollars per year for open-series arcs on moonlight schedule; 2,000 hours per year.

Commercial lighting (per kilowatt hour):	
1 to 29 kilowatt hours, inclusive	$0.15
30 to 34 kilowatt hours, inclusive	.14⅔
35 to 39 kilowatt hours, inclusive	.14½
40 to 44 kilowatt hours, inclusive	.14¼
45 to 49 kilowatt hours, inclusive	.14
50 to 54 kilowatt hours, inclusive	.13⅔
55 to 59 kilowatt hours, inclusive	.13½
60 to 64 kilowatt hours, inclusive	.13¼
65 to 69 kilowatt hours, inclusive	.13
70 to 74 kilowatt hours, inclusive	.12⅔
75 to 79 kilowatt hours, inclusive	.12½
80 to 84 kilowatt hours, inclusive	.12¼
85 to 89 kilowatt hours, inclusive	.12
90 to 94 kilowatt hours, inclusive	.11⅔
95 to 99 kilowatt hours, inclusive	.11½
100 to 104 kilowatt hours, inclusive	.11¼
105 to 109 kilowatt hours, inclusive	.11
110 to 114 kilowatt hours, inclusive	.10⅔
115 to 119 kilowatt hours, inclusive	.10½
120 to 124 kilowatt hours, inclusive	.10¼
125 kilowatt hours and over	.10
Minimum charge, 50 cents per month.	
Commercial power (per kilowatt hour, net):	
First 200 kilowatt hours	.08
Next 200 to 250 kilowatt hours	.07⅔
Next 250 to 300 kilowatt hours	.07½
Next 300 to 350 kilowatt hours	.07¼
Next 350 to 400 kilowatt hours	.07
Next 400 to 450 kilowatt hours	.06⅔
Next 450 to 500 kilowatt hours	.06½
Next 500 to 550 kilowatt hours	.06¼
Next 550 to 600 kilowatt hours	.06
Next 600 to 650 kilowatt hours	.05⅔
Next 650 to 700 kilowatt hours	.05½
Next 700 to 750 kilowatt hours	.05¼
Next 750 to 800 kilowatt hours	.05
Next 800 to 850 kilowatt hours	.04⅔
Next 850 to 900 kilowatt hours	.04½
Next 900 to 950 kilowatt hours	.04¼
Over 950 kilowatt hours	.04

Wholesale power: 5 cents to 3 cents per kilowatt hour.

NEW RATES.

Street arc lights: Sixty dollars per year for 6.6-ampere magnetite arcs on all-night every-night schedule; 4,000 hours per year.

Commercial lighting (per kilowatt hour, net):	
First 25 kilowatt hours	$0.10
Next 150 kilowatt hours	.09
Next 225 kilowatt hours	.08
Next 400 kilowatt hours	.06
Next 800 kilowatt hours	.04
All excess	.02
Minimum charge, $12 per year.	
Commercial power (per month per horsepower of demand, net):	
First 40 kilowatt hours	.05
Next 1,000 kilowatt hours	.03
Next 1,000 kilowatt hours	.02½
Next 2,000 kilowatt hours	.02
Next 4,000 kilowatt hours	.01

Minimum: First horsepower, $1 net. For each horsepower in excess of 1 horsepower, 75 cents net per month.

Monthly minimum charge for elevator service, $1 net per horsepower per month.

Maximum demand: For 1 to 5 horsepower, inclusive, the connected load will be taken as demand. Above 5 horsepower 80 per cent of the connected load will be assumed as demand.

For 10 horsepower or more of connected load measured demand at maximum load may be used instead of 80 per cent of connected load.

Wholesale power for not less than 50 horsepower: A monthly maintenance and investment of 67½ cents net per horsepower, together with a current charge of $0.0135 per kilowatt hour for the first 8,000 kilowatt hours used each month, and $0.0054 per kilowatt hour for the kilowatt hours taken each month in excess of 8,000.

A discount of 10 per cent is allowed on the kilowatt-hour charge provided monthly bill is paid by the 10th of the following month.

Warsaw, Ill.

OLD RATE.

Commercial lighting (per kilowatt hour):	
1 to 29 kilowatt hours, inclusive	$0.15
30 to 34 kilowatt hours, inclusive	.14⅔
35 to 39 kilowatt hours, inclusive	.14½
40 to 44 kilowatt hours, inclusive	.14¼
45 to 49 kilowatt hours, inclusive	.14
50 to 54 kilowatt hours, inclusive	.13⅔
55 to 59 kilowatt hours, inclusive	.13½
60 to 64 kilowatt hours, inclusive	.13¼
65 to 69 kilowatt hours, inclusive	.13
70 to 74 kilowatt hours, inclusive	.12⅔
75 to 79 kilowatt hours, inclusive	.12½

Commercial lighting (per kilowatt hour)—Continued.	
80 to 84 kilowatt hours, inclusive	$0.12½
85 to 89 kilowatt hours, inclusive	.12
90 to 94 kilowatt hours, inclusive	.11½
95 to 99 kilowatt hours, inclusive	.11½
100 to 104 kilowatt hours, inclusive	.11¼
105 to 109 kilowatt hours, inclusive	.11
110 to 114 kilowatt hours, inclusive	.10½
115 to 119 kilowatt hours, inclusive	.10½
120 to 124 kilowatt hours, inclusive	.10¼
125 and over	.10
Minimum charge (per month)	.50
Plus meter rental of	.25

NEW RATE.

Commercial lighting (per kilowatt hour net):	
First 25 kilowatt hours	.10
Next 150 kilowatt hours	.09
Next 225 kilowatt hours	.08
Next 400 kilowatt hours	.06
Next 800 kilowatt hours	.04
All excess	.02
Minimum charge	12.00
Commercial power (per kilowatt hour net):	
First 200 kilowatt hours	.08
Next 200 to 250 kilowatt hours	.07½
Next 250 to 300 kilowatt hours	.07½
Next 300 to 350 kilowatt hours	.07¼
Next 350 to 400 kilowatt hours	.07
Next 400 to 450 kilowatt hours	.06½
Next 450 to 500 kilowatt hours	.06½
Next 500 to 550 kilowatt hours	.06¼
Next 550 to 600 kilowatt hours	.06
Next 600 to 650 kilowatt hours	.05½
Next 650 to 700 kilowatt hours	.05½
Next 700 to 750 kilowatt hours	.05¼
Next 750 to 800 kilowatt hours	.05
Next 800 to 850 kilowatt hours	.04½
Next 850 to 900 kilowatt hours	.04½
Next 900 to 950 kilowatt hours	.04¼
Over 950 kilowatt hours	.04
Minimum charge (per month)	2.00
Plus meter rental (per month)	.25
Commercial power (net):	
First 40 kilowatt hours per month per horsepower of demand	.05
Next 1,000 kilowatt hours per month per horsepower of demand	.03
Next 1,000 kilowatt hours per month per horsepower of demand	.02½
Next 2,000 kilowatt hours per month per horsepower of demand	.02
Next 4,000 kilowatt hours per month per horsepower of demand	.01

Minimum: First horsepower, $1 net. For each horsepower in excess of 1 horsepower, 75 cents net per month.

Monthly minimum charge for elevator service, $1 net per horsepower per month.

Maximum demand: For 1 to 5 horsepower, inclusive, the connected load will be taken as demand. Above 5 horsepower 80 per cent of the connected load will be assumed as demand.

For 10 horsepower or more of connected load measured demand at maximum load may be used instead of 80 per cent of connected load.

Wholesale power: Five cents to 3 cents per kilowatt hour.

Wholesale power: For not less than 50 horsepower, a monthly maintenance and investment charge of $0.67½ net per horsepower, together with a current charge of $0.0135 per kilowatt hour for the first 8,000 kilowatt hours' use each month, and $0.0054 per kilowatt hour for the kilowatt hours taken each month in excess of 8,000.

A discount of 10 per cent is allowed on the kilowatt-hour charge provided monthly bill is paid by the 10th of the following month.

Keokuk, Iowa.

Same reductions as at Hamilton, Ill.

Quincy, Ill.

After Mississippi River Power Co. service was contracted city council made local company adopt a schedule reducing rates substantially to conform to other reductions in power zone. This schedule is as follows:

(See Quincy ordinance No. 523, sec. 17.)

OLD RATE.

Commercial: Flat rate of 11.4 cents per kilowatt hour.
Retail power rates: 5 cents to 3 cents per kilowatt hour.
Wholesale power: 5 cents to 3 cents per kilowatt hour.

NEW RATE.

Commercial:	
First 30 kilowatt hour use of one-half connected load	$0.11
Next 60 kilowatt hour use of one-half connected load	.09
All excess kilowatt hours	.05

Retail power rates: 0.06 for first kilowatt hour per horsepower of connected load; 75 cents per horsepower per month minimum.

1 to 10 horsepower, 100 per cent of connected load.
11 to 20 horsepower, 80 per cent of connected load.
21 horsepower and up, actual measured demand.
Next 1,000 kilowatt hour, at 2 cents.
Next 1,000 kilowatt hour, at 1.5 cents.
All excess, 1 cent.

For a customer's use of over 3,000 kilowatt hours per month a discount of 10 per cent.

Wholesale power: For not less than 100 horsepower, a monthly maintenance and investment charge of 75 cents net per horsepower, together with a current charge of .015 cents per kilowatt hour for first 8,000 kilowatt hours used each month, and .006 cent per kilowatt hour for the kilowatt hours taken each month in excess of 8,000.

A discount of 10 per cent is allowed on kilowatt hours charged, provided a monthly bill is paid by 10th of following month.

Seamen's Bill.

EXTENSION OF REMARKS
OF
HON. JAMES W. BRYAN,
OF WASHINGTON,
IN THE HOUSE OF REPRESENTATIVES,

Wednesday, August 12, 1914.

Mr. BRYAN. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include the following letter:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., August 11, 1914.

Hon. JAMES W. BRYAN,
Member Committee on Merchant Marine and Fisheries,
House of Representatives, Washington, D. C.

SIR: It has come to me that the Committee on the Merchant Marine and Fisheries, of which you are a member, is about to have a meeting for the consideration of a number of corrections and amendments to the committee's substitute for Senate bill 136, commonly known as the seamen's bill, and having in mind that you, as well as your associate members of the committee, would desire to have enacted a bill which shall for at least a long period of time have the effect of determining a better condition for seamen, I am impelled to submit to you a few thoughts which I trust may commend themselves to your earnest and favorable consideration. From the information which comes to me there appears some doubt upon incorporating in the bill certain features, and it is to these I desire to apply myself.

As you know, section 4 of the committee's substitute bill provides that the seamen shall be entitled to one-half of their pay in any port where the vessel loads or discharges cargo. This provision is made applicable to foreign vessels while in harbors of the United States—

Provided, That treaties in force between the United States and foreign nations do not conflict herewith.

My information is that the half-pay provision would apply to the vessels of Great Britain and of Japan only, and there is some doubt as to Japan, by reason of the most-favored-nation clause in our treaty with that country.

When other workingmen leave their employment they usually receive the wages earned. The purpose of the proviso seems to be to deny to the seamen even one-half of the wages earned, and thus compel them to remain with the vessels against their will. What justification can there be for any law that would give to a man the right to quit his employer but would authorize the employer to withhold from him all the wages that he had earned, and thus leave him destitute among strangers in a strange country? Such a law can have but one purpose, namely, to compel men against their will to remain with the employer.

Then, again, as you know, section 11 of the committee's substitute bill prohibits all advancement of wages or any allotment to an original creditor, and this section is made applicable to foreign vessels while in the ports of the United States. But you will observe also that the following proviso is incorporated in this section:

Provided, That treaties in force between the United States and foreign nations do not conflict herewith.

Under this proviso I am advised that German vessels would be enabled to continue to pay advances, and it is not necessary to call your attention to the fact that other nations might, and no doubt would, claim the same right under a most-favored-nation clause of any of existing treaties or under treaties which may be negotiated.

The provision in the Senate bill was to destroy the pernicious crimping system, a system which every student of the seamen's situation, and everyone who hopes to do fairly by the seamen, has denounced and undertaken to remedy.

I am advised that the subject determining the three shifts for the firemen, oilers, and water tenders has been satisfactorily concluded, and therefore it is not necessary that I should refer to that subject herein. I trust, however, that no more than four hours' continuous work in the fireroom shall be required of these workers.

May I submit that sections 4 and 11 of the committee's substitute bill be so changed as to strike out the provisos contained therein?

Summarizing the above, I respectfully submit for your favorable consideration that sections 4 and 11 of the committee's substitute be so changed as to strike out the provisos hereinabove quoted, and that section 16, page 72, be amended, on line 5,

by inserting, after the word "imprisonment," the words "and any other treaty provision in conflict with the provisions of this act," so as to make the House committee's substitute correspond with the Senate act on this particular point.

In the form herein suggested, and to maintain the integrity of the purpose of the bill, I earnestly submit to your serious and I trust favorable consideration and action that it may pass the House, so that the other differences between the Senate bill and the committee's substitute may be then considered in conference and passed.

Of course I understand that some men may entertain grave doubts as to the wisdom of granting this new freedom, and particularly to seamen. Indeed, there never was conceived an idea to give greater freedom to any people but what was viewed with great concern and alarm. It is not necessary to call your attention to the fact that greater freedom has always been accompanied with greater self-respect, self-restraint, and a higher and better conception of duty and obligation. Shipowners and masters of vessels have for centuries believed not only in the necessity of their absolutism in dominating the lives of the seamen at sea, but when the ships were in safe harbor. Under the old and still existing conditions the fact that seamen in foreign ports could be hounded and hunted and returned to their vessels and perform compulsory, involuntary labor, gave the masters and shipowners such a tremendously unchallenged power that they treated the seamen tyrannically and often brutally.

The legislation proposed in the bill and as herein suggested would, it is true, give the seamen some freedom to quit their employment when the vessel was in safe harbor, but it would be at the sacrifice of half the pay they had already earned, and it is only a fair presumption that they would not quit the vessel and make that sacrifice if conditions on the vessel for the return trip were at all tolerable, but that they would have the right to quit the vessel in safe harbor when the conditions were intolerable they could do so by making the forfeiture of half their pay and yet have some little means to tide them over for a brief period and to seek employment upon another vessel, and this newly acquired right would compel better consideration and treatment at the hands of shipowners and masters, and unquestionably tend not only to reduce the number of desertions, but to bring about a better mutual understanding between all concerned.

I am sending a copy of this letter to each member of the House Committee on the Merchant Marine and Fisheries.

Very respectfully, yours,

SAML. GOMPERS,
President American Federation of Labor.

Coastwise Ships Ought to Be Safeguarded as Well as Cotton or Corn.

EXTENSION OF REMARKS
OF
HON. JULIUS KAHN,
OF CALIFORNIA,
IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 15, 1914,

On the conference report on the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes.

Mr. KAHN. Mr. Speaker, there are several provisions of this conference report that are open to severe criticism, but that provision which would put the newly acquired vessels into the coastwise trade even for a limited period of two years is downright vicious and ought to be defeated. Does anyone here believe that these vessels will be withdrawn from that trade in two years from now? Why, you all know better than that. It will be the old story of the camel first getting his head under the tent, preliminary to getting his whole body into it. This provision is manifestly unfair to the steamship lines now engaged in the coastwise trade of this country for a number of reasons. In the first place, the American ships at present in that trade were all constructed in American shipyards. They could have been built in foreign yards for from 40 to 50 per cent cheaper than in the American yards, the additional cost being largely due to the higher wages paid in this country. There is no doubt about that.

Take a case in point that I know about personally. Within the year the Matson Navigation Co., of California, constructed two new steamers to ply between San Francisco and the ports of the Hawaiian Territory. They are the *Matsonia* and the *Manoa*. The former cost $1,450,000 and the latter $800,000. They were built at the Newport News Shipbuilding Co.'s plant, in the State of Virginia. Under existing law they had to be built in this country in order to run in that trade between the ports of San Francisco, Honolulu, and Hilo. These two vessels are not yet a year old. They could have been built in a foreign shipyard for about $1,350,000. At the very outside they might have cost abroad $1,500,000, thereby saving the company on the two ships from $750,000 to $900,000. In order to run these ships profitably the company must figure earnings on $2,250,000. It must figure insurance on that basis. It must earn enough on that amount to enable it to write off 5 per cent every year on the investment, in accordance with the rule universally followed in the shipping industry. It carries a crew hired in the United States and pays American wages to its officers and men. How can the company hope to compete with ships built in foreign shipyards at 60 per cent of the cost of their ships, with officers and crews shipped in foreign lands and receiving foreign wages? The thing is simply impossible. The Americans will be driven to the wall if this folly be persisted in.

And what is true of the Matson Co. is equally true of every other company in the coastwise trade of the United States. Ah, Mr. Speaker, I know the difficulties under which the American companies running between the mainland of the United States and Honolulu have labored. Some years ago an agitation was started to abolish the coastwise trade laws between the Hawaiian Islands and the mainland. If the fight for the repeal of those laws had been successful, it is doubtful whether we would have any American ships in that trade at this time, except possibly the Pacific Mail Steamship Co.'s vessels. The Japanese line, the Toyo Kisen Kaisha, officered and manned almost exclusively by Japanese and Chinese—whose wages are only a small fraction of the wages paid to the officers and men on American ships—this Japanese line, whose ships cost only a fraction of what the American ships cost, would have run the latter off the Pacific Ocean long ere this. I had the honor of leading that fight against repeal on this floor on several occasions. Fortunately the legislation was never enacted. As a result seven splendidly equipped American ships have been put into that service within the past five or six years, and to-day there is no complaint from Honolulu or anywhere else about inadequacy of steamship accommodations between the mainland and the Hawaiian Islands. By having given the American companies a chance for their lives those companies have made good and have added a considerable tonnage to our merchant marine.

And now it is proposed once more to inflict hardships on those whose money is invested in these ships. When this proposed emergency legislation was offered in this House there was no reference in the bill to the coastwise trade. That provision, not exactly in the form in which it is now before us, was inserted by the body at the other end of this Capitol. Sirs, you from the Southern States, and you from the Mississippi Valley region, who want to protect the investments of your cotton growers and your corn growers, ought to have some consideration for those Americans who have invested their money in ships built in American shipyards and paying American wages to their officers and crews. These American shipowners are just as much entitled to your consideration as are your cotton growers and your corn growers. Ships are as valuable as cotton or corn. The money they represent is just as material to the country's welfare as is the money represented by cotton or corn.

Oh, this matter of the upbuilding and maintenance of the American merchant marine is not a new question. It has been thrashed out over and over again in this House and on this floor as well as in the Senate. We can sympathize with the agriculturalists of the South and Middle West who find themselves with bumper crops on their hands, but no ships in which to send those crops to the great world markets in which they are generally consumed. But, sir, the condition that exists to-day is entirely of their own making.

The Representatives from the Southern States and from the Middle West have constantly fought all attempts to build up an American merchant marine. These Representatives claimed to voice the sentiment of the cotton growers and the farmers of their respective sections. If the ocean mail pay bill of a few years ago had been enacted into law, as it should have been, we would have had to-day a goodly number of American-built ships, flying the American flag, engaged in the over-sea trade. They would have been able to carry not alone your crops to market, but to bring home the thousands of American citizens who now are marooned in the warring countries of Europe, looking with anxious eyes toward their own Government to

bring them home. The heartburnings, the worry, the annoyance, the nervous strain under which they are laboring would all have been avoided. Surely the present situation must be a lesson to you. Let us see if you can rise equal to the occasion. Let us see whether you can take the broad view of the question. Let us see whether you believe that the owners of cotton and corn are entitled to special consideration, a consideration which you would deny to owners of American coastwise ships. Let us see whether you are so thoroughly imbued with your own selfish interests that you are willing to sacrifice the interests of the men whose money is invested in American ships engaged in the American coastwise trade. Let us see whether you are big enough and patriotic enough and broad minded enough to take the larger view of this question and strike out the vicious clause that would deal such a severe, and, in many instances, fatal blow to the American coastwise trade.

The Democratic Administration and the Merit System.

EXTENSION OF REMARKS

OF

HON. FREDERICK H. GILLETT,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 11, 1914.

Mr. GILLETT. Mr. Speaker, the Democratic Party has now been in power long enough for us to judge of its purposes, not simply by its professions, but by its conduct. I wish to trace succinctly its conduct toward the civil service during the past 15 months. It shows an unvarying and unrelenting hostility to the merit system, evidenced by assaults so persistent that they have inflicted on it more serious damage than it has suffered in all the 30 years since first it was enacted into law. This has been accomplished in the face of the pledge of their platform, which hypocritically declared that—

> The law pertaining to the civil service should be honestly and rigidly enforced, to the end that merit and ability shall be the standard of appointment and promotion rather than service rendered to a political party.

And with the acquiescence and assistance of their President, who before his election had been a vice president of the National Civil Service Reform League, and on resigning that office to become President declared that his interest and support of the cause would in no wise diminish.

Moreover, these assaults have been committed at a time when it was easier for a politician to support the merit system than ever before, because it had secured a stronger hold on the public favor. To stand up and fight for it 20 years ago required courage, for it was then imperfectly understood and had few friends. To-day in many sections of the country it has strong popular support, so that a man or a party can stand by its convictions or its promises without danger. The excuse of necessity or expediency no longer holds; if the merit system is assailed, it is from choice and not from popular compulsion.

In this House there has developed under this administration a system of partisanship and greed for spoils unexampled in recent history. Party discipline was not unheard of here before. For years the Democratic Party denounced the power of the Republican machine here and deplored the lack of individual influence and responsibility and the crushing omnipotence of the Speaker and his party management. Revolution against the rules was organized and successfully effected by a coalition between the Democrats and those Republicans who claimed that there should be more individual freedom and more exemption from party and machine domination. Yet in this very House, where the Democratic Party has for years proclaimed itself the champion of individual independence, there has resulted from the Democratic control a rough overriding not only of the minority party but of the minority of the majority party by means of secret party caucuses, which has established a party discipline and a party tyranny and an overthrow of individual influence and responsibility unknown for a generation.

I believe in party government and party responsibility, but I do not believe the people want all legislation originated and amended and completed in the secret caucus of one party. The tendency of late years has been against strict party domination, and Democrats in this House have been most vociferous and indignant in condemning it, but with power they seem to have acquired new principles and now themselves are practicing and elaborating and extending what they have so long been denouncing in us.

This year the party has not only framed in caucus the tariff bill and the currency bill in all their minutest details and bound themselves to support them without regard to individual convictions or the interests of their constituents, but they have also determined in caucus what other legislation should be permitted—and none could be introduced without caucus approval. And not only has this caucus rule prevailed in the House, but even in the Senate, where it has been unknown, where the pride of the individual Senator has established that famous and demoralizing "courtesy of the Senate"; even there this new steam-roller system of legislation has been successfully introduced and Democratic Senators have bound themselves in secret caucus to abandon their individual opinions and obey the majority. The Senate used to taunt us with our rigid rules and our previous question and boast that theirs was the only body of true deliberation and free and effective debate, but they must now abandon their claim, for debate in the open Senate on administration bills is now a farce; there, too, judgment has been made up in advance, minds are not free to be influenced by argument, speeches are made for the RECORD and not to affect the result—for that has already been decreed in a secret party caucus.

And if current rumor and opinion is correct, both in caucus and out of caucus the Democrats have recognized the controlling voice of their leader in the White House and the Legislature has obediently registered his will. There has been no such example of party discipline and party subserviency for a generation at least, and the individual influence and responsibility and equality for which Democrats in this House have been pathetically pleading for 10 years has absolutely vanished under their own system of legislation.

And as a natural corollary to this spirit of partisanship the old spoils system has revived and the cause of civil-service reform has already suffered more severely during this administration than in any period since it was first introduced.

At the beginning of the session an outcry was at once raised in this House against the order of President Taft extending the order of President Roosevelt and placing all fourth-class postmasters under civil service. I can well understand the dismay on that side of the House at seeing this time-honored relic of the old spoils system snatched away from them just as their mouths were watering for its reception, and it was not surprising that a movement was inaugurated to set aside such a depressing order. A motion was made here to exempt all fourth-class postmasters from the civil-service requirements. But the ingenuity of the administration was equal to the emergency and made this legislation superfluous. The enraged Congressmen who had been so violent against this extension of the civil service listened with satisfied and mirthful complacency to the manifesto of the President that the civil-service principle which had so outraged them was to be still further extended, and that as a further measure of reform all existing fourth-class postmasters were to submit to competitive examinations. The pent-up wrath was at once dissipated and the whole Democratic side experienced a miraculous conversion to this extremist extension of civil service. The program is for the Civil Service Commission to certify to the Postmaster General the three highest eligibles for each post office, and then he will ask the Congressman of the district which of the three would make the most efficient officer. Political considerations are nominally to be barred, but I can imagine just how many Republican postmasters will be indorsed or appointed in Democratic districts and how inefficient all opponents of the Congressmen will prove to be. Throughout the South they might just as well have printed in the circular of qualifications "no Republican need apply." Under the pretense of extending civil-service reform they are really devitalizing it, and under the ingenious cloak of a fresh examination they are accomplishing the purpose, which so many of them avowed, of turning Republicans out and installing Democrats in their places. That is not civil-service reform.

Exactly the same course has been followed with the assistant postmasters, except that in this case the change has been made by this House and not by the President. When the Post Office Committee reported the Post Office bill last winter it contained a provision taking all assistant postmasters out of the classified service and making them once more pure patronage appointments. This was peculiarly unjustifiable, for when President Taft covered the assistant postmasters into the classified service and so gave them a tenure during good behavior and prevented them being the spoils of politicians, he inserted a provision, different from any other, that this classification should only apply to such assistant postmasters as should be able to satisfy the Postmaster General of their capacity and efficiency. All men were not covered in—only the efficient ones. Moreover, it

is peculiarly important that the assistant postmaster should be a man experienced in the office and should not be turned out like the postmaster at every change of administration. He is the permanent, valuable man who can instruct the new postmaster and keep the office running properly during all changes, and even when an incompetent political hack is above him. Our system certainly needs such a class of officers. It is preposterous that such an enormous business institution should be managed as it is. A system which puts at the head of the largest and costliest business enterprise in the country a southern planter without any business experience and forces upon him for his agents thousands of politicians, many of them equally inexperienced and not selected for efficiency, such a system must cost this Government wasted millions of dollars—and ought to have some class of permanent and experienced assistants. Yet despite this the Democratic Post Office Committee, in making its appropriations of hundreds of millions for the service, recommended changing the law and making all assistant postmasters once more spoils appointments. To show that it was done for the purpose of getting the patronage I will quote a few sentences from the speech of the chairman, Mr. MOON of Tennessee, when advocating the change:

That is what I call a Democratic section of this bill. [Applause on the Democratic side.]

If the power were mine, I would put none but Democrats on guard. [Applause on the Democratic side.]

I want to say that so far as the postmasters and their assistants are concerned I would have the party in power to name them and to take the responsibility. You can not administer this Government in accordance with the principles and policies of the Democratic Party as decreed by the people at the polls a year and a half ago unless you have Democrats to aid in this administration. [Applause on the Democratic side.]

That is what the gentleman really desired, and that is what that side of the House really purposed; but the Postmaster General, who is a man of great ability and high purpose, opposed the change, and against his influence the Post Office Committee could not carry their proposition. So, being forced to drop that, they attempted to do indirectly what they could not do directly, and followed exactly the precedent of the fourth-class postmasters, and in their next bill provided that all existing assistant postmasters should be subject to a fresh competitive examination to show again the efficiency which they have already once proved. Of course the purpose is not to show who is efficient, but to enable the Congressman, when the names of the three who stand highest are certified, to have a chance to select a helpful politician and eject the trained and experienced official. Their real desire was disclosed by Mr. RUCKER, of Missouri, when advocating the original bill, in the following colloquy:

Mr. COOPER. Is it not true that under the policy or practice suggested by the question of the gentleman from Missouri [Mr. RUCKER] assistant postmasters were appointed in this way: The Member of Congress wanted it understood that if John Smith was appointed postmaster it was done upon the express condition that John Brown should be the assistant postmaster, and that in many cases the postmaster had to agree to that before he could get the appointment, and in that way the Congressman fixed up a part of his own machine.

Mr. RUCKER. That is exactly what I would do in every case, and I have no apology for it.

Is it not clear that the purpose of ordering new examinations for fourth-class postmasters and assistant postmasters was not to test the officials but to get party spoils?

Suspiciously contemporaneous with the new activity imposed upon the Civil Service Commission by the President as to fourth-class postmasters came the reorganization of that commission by the President. In the 20 years that I have been here appointments to that commission have been singularly free from any charge of partisanship. I know of no time up to the present administration when selections to that commission did not seem to be made for merit and not for partisan purposes.

The law provides that the commission shall consist of three persons, not more than two of whom shall be adherents of the same political party. As the main purpose of the commission was to eliminate partisanship from appointments, care was taken that the commission itself should not be partisan. That spirit was so recognized and obeyed in the administrations of Presidents Roosevelt and Taft that two of the three commissioners, including the president of the board, were Democrats, although the administrations that appointed them and retained them and had full power of removal were Republican. Ever since Theodore Roosevelt resigned from the commission, in 1895, the president of the board has been a Democrat, and during these administrations no changes occurred in the board except by the voluntary resignation of a commissioner.

But although two of the three commissioners were Democrats, in its eagerness for patronage this administration at once peremptorily removed two of them, one Republican and one Democrat. It is not often that an administration can dispose for a useful partisan purpose of an office that must be filled by a member of the opposite party, but the Republican commissioner, whom I always found an exceptionally able and efficient official, was removed and his place filled by a citizen of the State of Washington, recommended by a Progressive Senator from that State, and that Senator's vote has steadily favored every important administration measure. No Republican was left upon the board. The Democrat who was removed was a man of great distinction, who had been commander of the Grand Army of the Republic, and his place was given to the secretary of one of the Senators from South Carolina, whose training one would hardly expect to fit him preeminently for this nonpartisan position.

Encouraged, apparently, by the administration attitude, the Democrats in Congress sought new opportunities for patronage. In the tariff bill the Senate inserted a provision that collectors of the income tax should be exempt from civil-service requirements. It was already in the power of the President to exempt them if he thought there was occasion for it, but Congress did not propose to take the chances of his action, for he still had some reputation as a civil-service reformer. This amendment can not have escaped his attention. If current rumor is correct, he was not backward in making suggestions as the bill progressed—and his suggestions were seldom in vain—but he evidently offered no objection to this amendment, and it passed the Senate. When it came back to the House Ways and Means Committee the Democrats there, doubtless overjoyed at finding the President so amenable to the arguments of the spoilsmen, and so willing to see his power curtailed and his right to classify income-tax collectors taken away, ventured to go a step further and provided that these income-tax collectors might be employed in other work of the internal-revenue office, thus making it possible to gradually fill that whole immense bureau with patronage appointees and drive out the classified employees already there. Still no objection came from the White House, and in that form the bill was enacted by both Houses and approved by the President. While this matter was being considered in the Senate and before the even more vicious House amendment was added, the National Civil Service Reform League sent a long letter to each Member of Congress on the subject—and, I presume, to the President—in which they said:

This proposed legislation is an attempt to secure patronage at the expense of the merit system and is contrary to the civil-service planks in the platforms of the three great parties. We therefore ask your assistance in preventing any such spoils raid.

The President, before his entrance into politics, had been a supporter and officer of this league, but this did not prevent his joining in this "spoils raid," and he has never since expressed publicly any disapproval.

Grown bolder by such Executive approval, the Senate seized the next possible opportunity and amended the deficiency bill by providing that deputy marshals and deputy collectors of internal revenue and their subordinates should be removed from the classified service. The legislation in the tariff bill about income-tax collectors was a vicious departure from the civil-service system, but this was far worse. That applied only to new offices just coming into existence, and which, therefore, had no previous civil-service status, although under existing regulations they would have been automatically classified except for this legislation. But this exemption of deputy collectors and marshals was a distinct step backward and reversed a practice of many years. Deputy marshals were first covered into the classified service by President Cleveland in 1896, were excepted by President McKinley in 1899, and were again classified by President Taft in 1909. Deputy collectors were classified by President Roosevelt in 1906. So that both offices have been in the classified service seven years, during which Congress has seen no reason to interfere.

But now at the outset of an administration eager for spoils the satisfactory experience of seven years has been ignored, the party platform abandoned, and for the first time since the adoption of the civil-service law in 1883 the legislative and executive branches have combined to remove from the classified service large classes of offices which had been included there for years. I can see no reason or excuse for such action except a selfish partisan desire for the old-fashioned, discredited patronage.

The vote in the House on the amendment exempting those officers from the civil-service law was very close. Despite the enormous Democratic majority, so many Democrats voted against the amendment that it was only carried by a majority of four. Can anyone doubt that a word or whisper of disapproval from the President, who has not seemed in other cases at all averse to such suggestions, would have changed the majority? It was a singularly sectional vote. In the northern States, where Democrats have to fight for their election, where

there is a large independent vote, and where men no longer dare to openly advocate the old spoils system, a majority of the Democrats voted against the amendment, but in the South every Democrat voted for it. Every Republican vote was against it, but enough northern Democrats joined with the solid South to carry the amendment. I fully expected the President to veto the bill. I believed that he had been sincere in his civil-service professions. It was not a pressing bill. There was no special urgency for its passage. A veto would only have caused a short delay until the obnoxious clause which could never have procured a two-thirds vote was stricken out. President Roosevelt vetoed a great census bill because of a departure from civil-service principles much less flagrant, though he thereby caused the bill to go over to another Congress and another administration. If the President had wished to defeat this patronage legislation, the way by a veto was clear and sure. But he signed the bill, and then gave out this extraordinary statement:

I am convinced, after a careful examination of the facts, that the offices of deputy collector and deputy marshal were never intended to be included under the ordinary provisions of the civil-service law. The control of the whole method and spirit of the administration of the provision in this bill which concerns the appointment of these officers is no less entirely in my hands now than it was before the bill became law; my warm advocacy and support both of the principle and of the bona fide practice of civil-service reform is known to the whole country, and there is no danger that the spoils principle will creep in with my approval or connivance.

Certainly his advocacy and his conduct here part company. In this extra session his party in two different bills have inserted clauses intentionally violating the principle and practice of civil-service reform—one of them the most reactionary step ever taken. A word of disapproval from him would easily have eliminated them during their progress through Congress. A veto of the most vicious one would have caused no other inconvenience. He waits until it becomes law—until the mischief is done—and then chooses the moment of giving his approval to this permanent breach in the civil-service law to assure us of his devotion to the principle he has just maimed and crippled.

As to the clerical positions affected by the provision he offers no justification, but says he is convinced that the other offices were never intended to be included under the civil-service law. That is the familiar argument that every spoilsman has advanced in every debate on the subject. I presume it is true that the originators of this law did not foresee how far it could and would be extended. I presume they never intended, for instance, that the fourth-class postmasters, whose classification President Wilson recently approved, should be included. The application of the law has broadened steadily ever since its passage, and doubtless many classes are now included which its framers never dreamed of. But by friends of the principle that possibility of growth and development has been considered one of the best features of the law. It has been only the foes of the principle who have constantly complained that the scope had become vastly larger than was intended. But that argument has gone down in defeat again and again before the steady expansion by presidential order, and it is strange now to hear a President who is a friend of the principle criticizing what each one of his predecessors in office has approved and adopting the threadbare argument of its inveterate enemies.

The President also states that the control of appointments is no less in his hands than before, and that his reputation as a civil-service reformer is a guaranty that the spoils principle will not creep in. There are several obvious answers to this argument.

But perhaps the best answer is the practical one of experience; and I will give an illustration from my own State, which I presume is typical: When the newly appointed Democratic collector of internal revenue of Massachusetts turned out his experienced deputies, in filling their places he allowed each Democratic Congressman to nominate one deputy. There were eight Democratic Congressmen from Massachusetts and nine deputies. When the collector began to get acquainted with this heterogeneous body of novices, who had no experience in common except politics, he found it impossible to perform his duties through such agents, and hastened to Washington for a remedy. This was published in the press. Did the President interfere? Was the collector advised, in the words of the President's statement, that the "appointments were still in the President's hands, and that the spoils principle must not creep in"? Oh, no. The collector and the Treasury Department consulted, and were able to persuade some of the Congressmen to change their recommendations, and a body of deputies was wrung from them with which it was possible to begin business. I do not believe they were efficient. I do not believe they were nearly as useful as would have been secured through civil service, but they were not utterly impossible. I presume a similar experience is repeated in each State, though I fear often the collector does not even protest, but accepts whatever material is forced upon him. How much it costs the Nation in unearned salaries and inefficient collections who can tell?

Good Government, the organ of the National Civil Service Reform League, called on the President, if he was sincere, to issue an order, as he had a right to, requiring all these offices to be filled by competitive examination, but he refused and issued a general order forbidding political appointments—and how well he enforced it the Massachusetts experience illustrates.

This provision has the distinction of being the only law which has been passed since the first civil-service law was enacted in 1883 which takes a positive step backward and throws again into patronage offices which had been classified; and it seems almost sarcasm for a President, in signing such a law, to profess his warm support of the principle of civil-service reform.

The most recent example of greed for patronage is in the law creating the Reserve Board. One would expect that in first establishing such a body, which has boundless control of our whole financial system, every effort would be made to command the confidence and cooperation of all parties. But they could not resist the temptation of obtaining a few new places for partisans, and the law expressly exempted "all attorneys, experts, assistants, clerks, and other employees" from the civil-service laws, thus making sure that all these places would be filled by Democratic workers and political favorites. Every member of that board of seven as originally nominated was a Democrat.

These facts are enough to show, I think, a constant purpose during this administration to cripple the merit system, to make partisanship and not efficiency the test for office, to weaken and destroy at every opportunity the civil-service reform which has been encouraged and developed by every President since Grant, to break the pledge of the Democratic platform, and to return to that system of political patronage which popular indignation condemned and overthrew 30 years ago and which it will never allow to be permanently reestablished.

Editorials From the Washington Post of August 6 and 7.

EXTENSION OF REMARKS

OF

HON. OTIS T. WINGO,

OF ARKANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, August 12, 1914.

Mr. WINGO. Mr. Speaker, the Washington Post, in its issue of August 6, 1914, contained an editorial in which there is used this language:

"It is too early to comment upon the utter collapse of the much-vaunted gold basis of European financiers, upon the breaking down of its pretensions and the crumbling away of its promises in the very citadels of its pride and power—London, Paris, Berlin, and St. Petersburg.

"It has fallen amid its worshipers.

"Its ruins are marked by the placards of moratoriums, official notices to the world of its failure, its wreck, and its downfall.

"A financial system that was to be a Gibraltar for the world went down in disaster upon the urgent needs of five nations, Great Britain, France, Germany, Russia, and Austria-Hungary, its strongest upholders, its pillars and supports.

"Instead of being able to do the work securely and safely for all the continents, it fell, shattered and shivered, at the calls of one."

On the next day the same paper contained an editorial on the handling of the cotton crop, which is as follows:

"The delay in Congress of the financial legislation promised for the relief of the agriculturists of the country renders it more needful for the administration and that legislative body to extend special relief to the cotton planters of the South in this time of suspended ocean transportation.

"Granted that much of the unwise opposition to the promotion of an American marine service has come from the representatives of the southern planters.

"Granted that the planters themselves, in large measure, are the parties responsible, by that opposition, for the lack of ocean transportation for their cotton and cotton manufactures to-day, yet there should be no hesitation in protecting the cotton planters, as far as possible, from the evil results of existing conditions.

"It would be a grievous blunder, an egregious error, a deplorable failure on the part of our Government to fail to aid the cotton planters now in holding for later exportation and sale the results of their work of the past 12 months—their crops of cotton.

"It would be more than all this; it would be a national calamity to permit this crop, which will bring many hundreds of millions of dollars in gold to its producers later on, to fall into the hands of speculators now to reap the higher prices which will surely come within the next 60 or 90 days.

"It is the planters, the men who produce this crop, who should be the recipients of the favor and aid of the Government now and during the continuation of the abnormal conditions prevailing in financial conditions abroad and in ocean transportation at every port.

"We sincerely trust that the Secretary of the Treasury, the banks of the country, and, if need be, the Congress will be able to devise and perfect some plan by which the cotton planters of the South will be financially aided over this brief interval between now and resumption of exportation of their crop.

"It is due to the people of the South, it is to the interests of every citizen of the United States that this be done—done promptly, done efficiently, done fully—so that not a planter will suffer from the extraordinary conditions now prevailing in finance abroad and transportation on every ocean."

The Late Representative Roddenbery.

MEMORIAL ADDRESS

OF

HON. EDWARD W. SAUNDERS,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Sunday, February 8, 1914,

On House resolution (H. Res. 407) paying tribute to the memory of Hon. S. A. RODDENBERY, late a Representative from the State of Georgia.

Mr. SAUNDERS. Mr. Speaker, another colleague has left us. Another vibrant voice is hushed. Pallid death has stilled forever the activities of that flaming spirit we knew in the flesh as SEABORN A. RODDENBERY. He died in harness, a slave to duty, self-immolated on the altar of toil. In his unremitting application, in his eager response to every call to service, he failed to heed the limitations imposed by a fragile physique, which established barriers that he could not pass without loosing the silver cord, and breaking the golden bowl of life. I fancy that he knew this. I fancy that in the silent watches of the night, when he communed with his own spirit, there was borne in upon him the conviction that in the strenuous discharge of his self-imposed duties as a Member of this House, he was literally taking his life in his hand, was deliberately shortening a career that was rich in its promise of usefulness, and honors. But so intense were his convictions, so ardent his spirit, so vehement his noble rage against wrong, and wrongdoing, whether among men of high or low degree, that all consideration of self was eliminated, when he threw down his gage of battle in behalf of a cause that enlisted his sympathies, and enchained his convictions. He must have counted a life spent in battling for the right, as a life well lost. Not otherwise can we explain the strain to which he deliberately subjected a frail constitution in the discharge of a devoted and unselfish service. A Member of Congress sooner or later, becomes associated with some particular phase of the work of the House, either as an advocate, or an opponent. In the rôle thus assumed, whether by choice, or force of circumstances, we find our level, and make, or unmake ourselves in the estimation of our colleagues, and of the country. Mr. RODDENBERY'S chief work during his all too brief career in the House of Representatives, was that of a tireless, indefatigable, and resourceful opponent of omnibus pension bills. With unerring precision he put his finger on the unworthy, and undeserving who have found, and continue to find, a place in our pension system, for lack of a sufficient, collective manhood in this body, to resist these ignoble demands, and disregard the political advantage that is supposed to attach to legislation of this character.

His task was a hopeless, and a thankless one, and frequent defeat would have deterred a less bold spirit from renewing the conflict. But like Antaeus, who was refreshed and invigorated when hurled to his mother earth, our friend seemed to find in defeat an excuse for further effort, and an inspiration to greater activity. He soon ascertained that to be most effective in his chosen field of combat, it was not sufficient to be a keen and logical debater, or to limit his activities to the cut and thrust, the parry and return, that mark our parliamentary contests, and bring to mind the picture of the ancient duello. To be most effective it was necessary to call to his aid the resources that are furnished to the diligent student, in the vast body of congressional precedents. Hence he became a student of parliamentary law, and wielding the weapons thereby afforded, he was soon a very thorn in the flesh of his harassed and wondering adversaries. And thus he grew to the fullness of his stature in the esteem and admiration of his colleagues. There was no element of malice, or personal antagonism in his attitude. Fully recognizing the propriety of a pension system founded in justice and right, and dealing with the men who did actual service in the cause of the Union, he was ablaze with indignation against that class of unworthy pensioners who have been aptly described as "pension buccaneers." He lashed them, and the efforts to pension them, with vivid invective, and glowing rhetoric, well knowing that he was fighting a losing cause. But he took counsel neither of his fears, nor his hopes. He was contented to do his duty as he saw it. In his own words, he lived his convictions, and in his closing hours this reflection must have afforded him much gracious comfort. In his parliamentary combats he gave hard blows, and received returns with equanimity, but he was unfailing in his courtesy, and never overstepped the line of propriety, or hit below the belt. In these contests, when smitten on one cheek he did not turn the other, but sought to make his return with usury. In this he often succeeded. His mind was keen, analytical, fertile, and resourceful.

In addition, unremitting study had supplied him with so abundant a store of facts, and figures, of repartee, and illustration, that he was a foeman worthy of any man's steel. He was loyal to his friends, and to the cause which he espoused. In their behalf, he spared neither time, nor endeavor, but expended himself with a lavish zeal that recked little of his own interests. To these habits of profuse endeavor, of generous and lavish expenditure of time, talent, and energy, may be traced with unerring precision the untimely termination of a career that was fairly flowering into its highest usefulness. There was no selfish purpose in his make-up. So far as it is given to mortal nature to be, he was altruistic in that field of work and endeavor which had early brought him into favor with the people of his State, and in due time marked him for a seat in this parliamentary Chamber, so often and so justly acclaimed as the greatest legislative body in the world. In the darkest and most hopeless hours of whatever cause he championed, he was cheerful, alert and sanguine, if not of immediate, at least of ultimate success. "His courage never faltered. He was stirring, potent, tireless, resourceful, filled with the joy and fire of battle." Others have told of his early struggles, his success as a teacher, his victories at the bar, his triumphs on the hustings. He did not wait on success. He achieved it. His private life was beautiful, and his devotion to his wife and children has been noted as a conspicuous feature in his strong and notable character. He was trusted by his fellow men, because he deserved to be, because he was earnest, hearty, true, clean, and brave. The pastor who received him into the church, and pronounced the benediction at the grave, wrote of him that he was a friend who could be counted on at all times, and under all circumstances, that he was bold and aggressive in his advocacy of what he conceived to be right, true and loyal to his friends, and to the cause which he espoused, and always on the right side of every moral question. Sometimes these things are said under the impulse of that charitable disposition which inclines us to say nothing, save what is good, of the dead. But in this case, these are the words of truth, and soberness, not of lavish and indiscriminating eulogy. We mourn a good, strong, brave, clean man. His life should be an inspiration to his people, at once so gentle, and with the elements so well mixed, that all the world which knew him, was prompt to say, "This was a man." He was one of the forces that have contributed life, and hope, and power to this generation. No soldier on a forlorn hope, ever rendered himself up more freely to the call of duty, than our colleague. He kept his faith and fought his fight without the blare of trumpets, or the boom of guns, day by day holding his post with unflinching tenacity in the very shadow of approaching death. If to-day is better than yesterday, and to-morrow will be better than to-day, it is because men like S. A. RODDENBERY have lived, and have eagerly pressed forward toward the mark of the prize of their high calling. The reflection that such men do not die in vain, tempers our sense of loss in his death. The fleeting breath can never be recalled to its mansion. So in reverent submission to the eternal wisdom that orders all things well, let us say of our friend, "Peace to his ashes."

State of California.

EXTENSION OF REMARKS

OF

HON. DENVER S. CHURCH,

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, August 20, 1914.

Mr. CHURCH. Mr. Speaker, it affords me great pleasure to address this House upon the subject of my native State, California. Out there we enjoy many blessings, yet we have some woes peculiar to ourselves, from which we must look to Washington for relief.

First, California must be protected against the influx of Hindus and Japanese, not because we despise these people, for we despise none of the sons of Adam, but because they are a detriment to our civilization and State. Back in the black past, far beyond the first glimmer of the torchlight of history, they united their destinies with the land in which they now reside, and we are anxious they should there remain.

Over in Asia, not far from India and Japan, they tell us is located the birthplace of the human race. They tell us mankind possessed a restless and roving spirit; that immediately after his creation he broke the rules and passed beyond the boundaries of his garden home, and, choosing the sun as his guide, started on a great pilgrimage westward, destined to take him around the world.

In this long and weary way all things were new. No blazed trees to indicate a hidden pathway through the woods, no buried cities, no Aztec ruins, and no beacon lights encouraged and directed him in his course. His was a cautious and a courageous task. In his great march he crossed one river after another, emerged from one forest into another, climbed one mountain range after another, went from one island of the sea to another, crossed one ocean after another, and at last from the Old World with triumph he stepped onto the continent of the new, but no historian can ever describe the wars, pestilence, and famine that beset him in his way. More lives were lost than there are sands on the ocean's shore, and more blood spilled than there are drops of water in the great Amazon.

Did it pay? The philosophers of earth declare with boasting tongue that it did. In exploring the world we have developed the human race and carried out the will of God.

Mr. Speaker, the men of nations toiled, explored, and died on the outposts of the long and tedious reaches of the way, and their brothers, pressing on, finding the mute and grim remains, took up the fallen banner of progress and bore it on until interrupted by a similar fate. At last through the strength, courage, and lives of hundreds of generations, the prizes of progress were won, wrestled from jungles, oceans' grasp, and bloody battle fields.

During all of this time the Japanese and Hindus bore no flag and contributed nothing to that long, sad, weary march. They were at home eating with wooden spoons and plowing their lands with crooked, wooden sticks. They were at home worshipping strange gods with glaring eyes and serpents that coil and hiss. Yes, they were at home while all the world was on the march, while the great battles of humanity were being fought, at home asleep while intellectual day and light was beaming on other lands.

When at last the Anglo-Saxon pioneers reached the last land of the West, the prize land, California, and stood upon its golden, happy shores and saw the white caps of the sea toss and nod like the cotton fields now in Dixie land, they knew across the great watery way was the morning land from whence they came, and that their great journey was at an end. Gentlemen, I wish I could describe to you the wealth and beauty of that prize. As the night of rest comes after a day of toil, so God reserved for humanity as His last choice gift this land of promise.

I wish I could describe this land—my native land—to you. I wish I could place you at a favorite, lonesome spot near Shelter Cove, and from under the great pines have you watch the sun go down behind the sea and view its crimson streak reaching backward toward the shore, and watch the great waves beat and dash against the black and ancient rocks, and see the tide come in and the ships pursue their lonesome, solitary way. I wish you could be at Ocean Park, Long Beach, or Venice-by-the-Sea, down where the breakers roll. I wish you could stand on the summit of the Sierras, 12,000 feet above that shore, at close of day, like the pioneers of old, and with your hand above your brow, look westward and behold the sun as it passes through the red heavens behind the Pacific, far away—superb vision of beauty, surpassing any of the fancy pictures of this eastern land—and in the morning behold the twin sister picture of the night before, the sun rise above the Wasatch, this side of the great Salt Lake, a thousand miles away. Step lightly, you are on hallowed ground, for this is where the pioneers stood in 1849, and by yon spring is where they camped and slept the first night on California soil. From here they picked their trails and took their course. They ran the drifts, they sunk the shafts, they washed the sands and rocked the mountain streams for gold; but they are gone, their camp fires have long since ceased to burn, their cabins have fallen with the weight of years, and, like their broken picks and shovels, their work is done and they are still.

From where you stand behold the peaks marking the outlines of the great Yosemite—

> Where the storm king reigns upon his granite throne,
> Where the lightnings flash around the thunder's home,
> Where the eagle builds her nest, and the lofty peaks defy.
> Where rivers fall from towering heights, and rainbows paint the sky.

Or look down upon Tehippitti, with its dome 5,000 feet hanging overhead, monarch of the sky, chiseled smooth and polished through the ages by winter's storm and nature's hand. And oh, the mossy glades, the tossing fountains, the drifting spray, the fishes in the stream eager to grasp the hook, and the wild deer bounding around the cliffs, and the sighing pine trees overhead will charm your heart. Look down among the redwood and sequoia groves, wonders of the West, for as Mount Whitney, less than a hundred miles away, lifts its snowy, ancient head above all other mountains of this land, so these great trees stand, without kith or kin, survivors of another age from which all but they are gone. Oh, if they could speak what strange stories would they tell of mountain peaks, of canyons, of wilderness, and possibly of prehistoric man—history not written on tablets or in books, but on circles, strata, petrifications, and banks of shells. They would tell of a day about which no others speak, when mad winds swept the land, when strange clouds and smoke filled the sky and when ashes fell, when cliffs went down and mountains rose and canyons deep were made, and the great inland waters burst through the Golden Gate and mingled with the seas and the western plains were born. They would tell how when the storm was past they stood alone, their companions gone, a new world everywhere. Oh, if they could only speak, what history would they tell; but they will not speak. What did I say? They will not speak? Why, in days gone by they have spoken in silvery tones to me. When, a shoeless child, I tried to climb their rough and rugged trunks they spoke to me, and when in after years at night I camped alone amid their groves and heard the forest winds and saw the shadows change and the great moon drifting overhead they spoke to me, and in winter, far back in Sierra's heights, when the snow was deep and fond memories constrained me to visit my ancient friends, I found them standing as they had stood through the ages, and there in solitude, clad in overcoats of snow, these sullen, sulky giants spoke to me. I never asked them a question they did not answer. And oh, the choice lessons they imparted. They taught me to love the lesser trees, the vines, the mountain trail, the snow-clad heights, and all the wonders of the woods. They taught me to love my fellow man. They made me wonder, and as I wondered I thought of God, the destiny of my country, and of the human race.

Away to the north you might see the steam rising from the crest of Mount Larsen, the California volcano. Down south you would behold Tehachapi, which holds the gateway to the desert, and divides northern from southern California. Below this is Los Angeles, and on every side, far and near, orange and lemon trees surpassing the groves of Italy.

Below, again, is San Diego, the city of marvelous growth, where now, with superb energy and skill, it is preparing for a great fair. Below San Diego the dim outlines of marvelous Imperial Valley, with its fields of green extending like a panorama down to the Colorado and the border of Mexico.

Far away to the north and west is our great metropolis, San Francisco, standing by the Golden Gate through which the ships of all nations come and go. There the great fair is practically complete, waiting for the thousands to come and view its wonders.

Eleven thousand feet below you will see the inland valley of the State, as rich as the Valley of the Nile, and the largest of its kind in the world. It is 500 miles from north to south, with an average width of 60 miles, and is as level as this floor.

In the high Sierras to the north and east the Sacramento River has its source, and passes south and westward through this great valley to mingle its icy waters with the bitter waters of the sea, while high in the same range, to the south and east, starts the beautiful San Joaquin, and after reaching the valley runs north and westward until it joins the Sacramento and passes to the bay. This valley contains 11,425,000 acres of splendid soil. Within its boundaries 140,000,000 pounds of raisins are annually produced, more than 99 per cent of the entire raisin product of the United States.

Within this valley we have soil, water, and sunshine sufficient to produce enough raisins to supply the world. Here nearly a third of the oranges and lemons of the United States are grown; and we have water, soil, and sunshine enough to supply the whole United States with citrus fruit. In this valley we grow Smyrna and other choice figs, nowhere surpassed for size and quality; and we have here soil, water, and sunshine enough to supply figs for all Europe.

The best table grapes you have here come from that valley, and the dried peaches and prunes you use come from there. We have 30 cities within its boundaries, and farmhouses, stock farms, and green fields of alfalfa everywhere. That land is now a land of milk and honey. Sixty years ago it was a desert, bleak and bare, where nothing but sagebrush grew, and where the coyote's howl was heard at night; but to-day it is a land transformed, a desert blooming as the rose. Irrigation has done its work; for these two rivers, the Sacramento and the San Joaquin, and many smaller rivers which contribute to their water supply, have been diverted from their original channels and made to meander like great serpents around and across those plains. But, gentlemen, I am sorry to say millions of acres of that land is yet a desert unreclaimed, and that the great bulk of our mountain water passes down and serves no purpose save to feed the fishes of the sea. The great problem of my people is to bring this waste water in touch with the dry lands of the plains. In the high Sierras, where the rivers start, and which bound this valley on the east, the snow falls 10 or 15 feet in depth and remains there until the warm summer sun smites it and turns it free; then it passes down in torrents, swollen streams, and rivers that overflow their banks. Frequently the waters of the Sacramento and the San Joaquin Rivers, during these periods of overflow, submerge hundreds of thousands of acres of fertile fields about the time the farmer is ready to gather his crop.

We need Government aid to assist in building great reservoirs in these mountains to enable us to catch, hold, and distribute at will these flood waters upon the parched land of the plains. Water is the farmer's friend, the chief ingredient of his crop, and to permit it thus to go to waste is like casting gold dust into the sea.

Since being here in Washington, and years before I came, this thought has been the burden of my mind, and many of you, I am thankful to say, are trying to help me work it out. It is a shame for any part of this wonderful valley to remain a desert when there is waste water enough, if conserved and properly distributed, to make every acre a source of revenue to the Government and State. It is the hope of my people that some day soon Uncle Sam will come to their relief and at least assist in conserving the flood waters for irrigation purposes, instead of permitting them to go to waste. These reservoirs would serve two important purposes: First, hold the flood waters of the rivers and mountains so the same could be regulated and used at the time and in the manner most necessary. Second, this regulation would prevent the disastrous and dreaded overflow. This plan would bring complete relief, in my judgment, to the dry lands, as well as to the overflowed lands in that division of the valley through which passes the San Joaquin. The reservoir system, however, would not bring adequate relief to the lands adjacent to the Sacramento River. There being such a tremendous amount of flood water it would be impossible to manage it in this way; therefore the flood-control project to which the Government has recently committed itself will necessarily have to be carried out as the only remedy against the submerging of hundreds of thousands of acres of good land along the Sacramento River.

Representing, as I do, a large portion of this, one of the largest agricultural valleys in the world, I can not refrain at this time from saying, while the Underwood tariff bill is the best tariff measure that has been passed in several decades, I am not altogether satisfied with some of its provisions. I think some of our Western products were discriminated against, and that it would have been much better to have permitted a higher rate of duty on the products of some of our local and struggling industries.

No party believes in injuring a legitimate industry by tariff manipulation. I do not claim to say we have felt as yet any evil effects, and am greatly encouraged for the future when I take into consideration the promise to me on the part of some of our leaders that if evil effects shall arise the same will be remedied by later amendments. Personally I am in favor of taking the consideration of tariff schedules from the hands of political parties. I am pleased to note a growing sentiment in this respect among all political parties. I do not maintain this view because the Democratic Party holds an erroneous view, but because no political party should hold the destiny of all the business interests of this country in its hand. It causes instability, financial uncertainty, and unrest. It paralyzes business of all kinds during general election time. Generally men are politicians, not statesmen, when they first come as Representatives to Washington. Little do they know, and little opportunity have they had to know, the details of the complex tariff schedules and bewildering tariff law. The majority of us would have to study the subject at least five years before being informed sufficiently to cast an independent, intelligent vote.

I want to see this matter in the future handled in a business-like way by a nonpartisan commission composed of the wisest and all-around biggest men this country can produce, and have them serve during good behavior for a long period of years. Pay them an annual salary sufficient to guarantee the best business brains that can possibly be found and let them, without fear or favor, dig and work the matter out. Such a committee, working for the good of the whole country and not in the interests of any political party, and working with Congress under adequate and suitable laws, will have a permanent effect for good.

Gentlemen, in order to further convince you of the wonders of this great western valley, let me say, on its border, nestling among the foothills, are great oil fields, the marvel of the world. In these fields nearly one-fourth of the oil output of the world is found. A bill recently introduced by me was passed the other day and is now the law. This law is calculated to bring much-needed relief; but another bill, which I also filed, is pending, and I sincerely hope when it comes before this House you will consider its provisions well, because all we ask is just.

Mr. Speaker, I have wandered far from India and Japan, the real objects of these remarks. These nations, through all the ages, have been sitting with idle hands and satisfied brains in temples of superstition, dreaming of spooks and hobgoblins and worshiping false and wooden gods. Now and then some traveler, by infinite patience and courage, taught them some of the rewards of progress, won by the blood, daring, and ingenuity of those brave spirits who obeyed the voice of God and went forth to conquer the earth. At first they rebelled against any change, and the strange man of progress was tried in heathen courts, and in the presence of the grinning and hideous gods was adjudged worthy of death.

Gentlemen, there are many reasons why these strange people should not be admitted to our shores. First, their form of government and ours is fundamentally different. Ours to them is a matter of amusement and curiosity, while theirs to us seems ridiculous and absurd. It is impossible, within the same land, for Christians and heathen to live in peace. Each will be an object of hatred and ridicule to the other, and by-and-by this will lead to war. Had we not excluded the Chinese in time their presence would have caused the wholesale shedding of blood, and if we do not exclude the Hindu and Japanese their presence will in time lead to war. That may seem strange to some, but it is true.

I am in favor of excluding the orientals, because I believe an ounce of preventive is worth a pound of cure; because legislation is always superior to the sword. They can never be assimilated by our people, because we have no use for them and they have no use for us. They dislike us as a people as much even as we dislike them. They will not stop at any American hotel nor eat at a white man's table; neither will they partake of food except prepared by a man of their own caste and race. While I was district attorney of Fresno County, Cal., I was frequently called upon to prosecute Hindus for robbery and other violations of the law, and it was a real problem to keep the defendant from starving while he was in jail, for in every instance each utterly refused to eat the food touched by the unclean and sacrilegious American hand. In my district in California, where there are thousands of them, they make their homes generally beside the public highway. Their visible earthly belongings consist of a few blankets spread upon the ground. When they move they put out their fires and slowly walk away. They can be seen going on the public highways all hours of the day and night.

I maintain their heathen and outlandish superstitions forbid even the thought of their living in this Christian land. Let us recall some of their vicious practices and decide whether we want them instituted in the United States.

Heretofore the most terrible of all the Hindu gods was the crocodile, and in order to appease the wrath of these scaly and saw-teethed monsters loving, but superstitious, mothers frequently cast from the banks of the Ganges their helpless offspring into the crocodile's mouth.

This heathen Hindu land is overrun by 33 varieties of poisonous serpents, the worst of which is the cobra. By the natives these reptiles are worshiped as a god. The bite of the cobra is certain death. A hundred thousand lives each year are sacrificed as victims of its fangs. To injure this miserable, slimy reptile is an insult to the heathen's god, and so the cobra is everywhere given the right of way. To kill a poisonous snake would equal the assassination of a god. They have special shrines for snake gods in the Himalaya Mountains. In Benares, Nagiswar is the serpent deity. Harmless snakes they regard as the ghosts of their ancestors and guardians of their homes and goods. Many of the villagers believe in the domunha, a serpent with a mouth at both ends. I submit a poisonous snake with a mouth at both ends would cause a general stampede in this country.

With these thoughts in view it is plain the ideals of the Hindu will not fit the notions of the West. Their sacred crocodiles and serpents can not exist in harmony with our emblem, the California bear. Their darkness will spoil our light, their superstitions will ruin our enlightment, and their strange gods can never reign with our God, Jehovah.

I wish you had seen the Hindu and knew him as I do. If such were the case I would not have to speak to you of him. His swarthy, ragged form, his leaden, dreamy eyes, would speak. His lifeless, shuffling walk and drooping, downcast head would speak. He is as hopeless as a lonesome crane, a human form from which light and hope seem gone, while the body wanders on, guided by strange, superstitious fears.

Another reason for urging this exclusion is because it would be absolutely necessary some time to pass the law, and the question is, Why not do it now? Three hundred and fifty million Hindus are at home in India, dark, benighted, and oppressed. Fifty million of them, at least, in time will permanently abide with us if we permit. Shall we wait until the tidal wave is on? Absurd! Let us exclude them now.

Another reason for making the exclusion is to prevent the debasing of our wage standard. In Japan the average wage for a day's labor is 42 per cent of a yen, equal to 21 cents in American money. In India the average daily wage is from 12 to 24 cents per day. The Hindu is perfectly willing to work for the same wage in this country that he does at home, if necessary. At present he cuts wages and is content with what he gets. The only thing a Hindu likes that pertains to our civilization is the American dollar. By and by, if the immigration of these fellows is not restricted, wages will be the same here as in India, for every one who comes lowers, in a certain *definite* degree, not only our standard of wages but our standard of morality, intelligence, and patriotism as well. Not only do they lower our wage standard, but every dollar that comes into their possession they send home to British India, from whence no dollar ever returns. I wish right here to read and have inserted in the RECORD a statement compiled by Myra Ellsworth, superintendent of the money-order division of the Stockton (Cal.) post office, for the month of October of last year as a sample showing to what country our money is going:

Great Britain	$358.01
British India	18,489.27
Germany	303.93
Italy	1,628.00
Greece	150.25
Sweden	105.00
Japan	3,908.00
Norway	97.00
France	81.01
Austria	853.10
Russia	86.75
Switzerland	39.00
Denmark	110.00
Turkey	15.00
Azore Islands	50.00
Hungary	3.50
Holland	5.00
Total	26,282.82

It will be observed that of the total, $26,282.82, $18,489.27 went to British India.

Mr. Speaker, it is evident if we propose to save any jobs for the laboring classes of the future or save any money in circulation for any classes we must hasten to make this exclusion. They are coming now by the thousands; in the future, if not prevented, will come by the millions. American labor can not and does not want to compete with them. A Hindu can live as cheap as a wild goose, and he is as wiry and tough as a piece of rawhide. He has no more love for this country than a rattlesnake has for a young turkey. About all he consumes comes from India, and he can live on a handful of rice or corn for a day. When he becomes hungry he simply takes up another notch in his belt.

At present they do not bring their slaves—the female Hindus—with them; traveling expenses are too high; but it will be only a matter of time when they will establish themselves here domestically and religiously. That is, they will bring with them their families and their family gods, the latter consisting of graven images, crocodiles, and venomous reptiles. When that day shall come, tourists traveling in our sublime Sierras will have to wear iron boots in order to escape the poisonous fangs of the Hindu god; and I suppose on the banks of our two majestic rivers, the Sacramento and the San Joaquin, will be Hindu temples dedicated to the charming god crocodile.

The last reason I urge for the exclusion of the oriental laborer is because it is constitutionally wrong for these strange people, who have slept and degenerated through the ages, to thus wait until the last great prize of civilization, America and California, has been won, and then take a short and reversed course across the sea, traveling in ships made possible through the inventive genius of other lands, and fall upon California like hateful birds upon the first ripe fruits of spring. I believe the rewards of civilization should be enjoyed only by those who have endured the hardships of the way. I object to having California become the babbling and gabbling ground of people speaking strange tongues. I object to our beautiful valleys of the West being filled with serfs and hovels in which strange people live. I object to our far-famed cities being disfigured by oriental sheds and shacks, and I object to the seashore, the river banks, and the green mountain sides of my California becoming the building sites of heathen temples. California deserves no such oriental scourge. Its founders were the bravest of the brave.

They came in ox teams from far across the plains. They brought progression, light, and hope, the intellectual achievements of every land. Superstition's chains had long since been cast aside and simple faith and trust in God were the leading tenets of their creed. The destiny of such a State in such hands is safe, for progression has ever followed in their wake—schoolhouses, churches, universities, institutions of learning everywhere. To wound that people's pride and command the Golden Gate to stand ajar to permit heathen to invade their land would be to deface earth's greatest landscape and stab civilization to the heart.

Mr. Speaker, over in India there are 350,000,000 Hindus. A large per cent of them are anxious to come and abide with us. The question is, Do we want them? If not, we must pass the Hindu exclusion bill now pending in committee. If this bill is not passed, in time California will have 15 Hindus for every white man, and its fertile valleys and beautiful garden spots will then be dungeons of poverty and want, inhabited by this strange black race from across the sea. There is no use of waiting for a few thousand Hindus more to come before enacting the law. Our cup is full; we have enough. Had we waited until now to have passed the Chinese exclusion act, instead of having a few hundred thousand, as we have, there would be at least 5,000,000 Chinese in the West, and a greater pilgrimage would have taken place of the white man toward the East than there was toward the West when gold was discovered in California. For as the oriental, with his dark, devious, and superstitous ways, comes in, the American, with his ideals, standards, and religion, goes out. We were far too late in excluding the Chinese, for we have hundreds of thousands of them on the Pacific coast and hundreds of joss houses full of idols and altars dedicated to heathen gods. You must bear in mind it is just as necessary to exclue the Japanese and Hindu as it was a few years ago to exclude the Chinese.

If there is one man in this Chamber who is looking backward instead of forward, who believes the Anglo-Saxon race has advanced far enough, and that it is time to let loose of the ladder of progress and roll back into the swamps at the foot of the hill, I would like to have him rise and declare himself in favor of the oriental invasion.

Mr. Speaker, in conclusion let me say, if we make this Asiatic exclusion, when your children or your children's children shall go to California to choose a home they will find a land for beauty unsurpassed. They will see our cities blooming with thrift and pride and our highways gay with happy life. They

will see the farmer king of men, his bounteous crops and happy homes in valleys fair, where fruit trees thrive and grapevines make the landscape green.

To this land the farmer of the Old World lifts his tired eyes and in his imagination beholds this goodly land across the sea. With such a land and such a longing on the part of the people of the Old World to come, I submit we should exercise great care in determining who shall help us work out the destiny of this Nation. Our form of government, like our soil, is the envy of the world. Our great Statue of Liberty represents the intellectual light upon our shores, for here we have the accumulated experience of the ages—the intellectual, religious, and moral gleanings of all time. It would be a shame to lower our standards; a shame for heathen temples to deface California; a shame for heathen incense to darken its sky, for out there the moon is big, the stars are bright, the heavens are blue, the nights are calm, and the days are filled with peace. Our there are sons of pioneers, the choice blood of the human race. Out there we have one flag and one Master—God.

Rural Credits

EXTENSION OF REMARKS

OF

HON. J. A. FALCONER,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Monday, August 3, 1914,

On the bill (S. 6192) to amend section 27 of an act approved December 23, 1913, and known as the "Federal Reserve Act."

Mr. FALCONER. Mr. Speaker, the haste and the hurry with which we are asked to consider this measure, an emergency currency measure, is very extraordinary. And the ease with which we propose to increase our currency to the extent of $500,000,000 is certainly interesting. The cry comes from the New York Exchange and the response here in the Congress is phenomenally quick. The gentleman from Kansas [Mr. MURDOCK] asserts that this measure gives aid to the investment bankers at the expense of the discount bankers of the country. The gentleman from Alabama [Mr. UNDERWOOD] replies that the passage of this act, and that right speedily, is necessary to save the country from a panic such as we have not seen before. I am impressed, Mr. Speaker, more than ever before that the issuance of currency is a Governmental function. The New York Exchange should not have the exclusive or subsidized right to set the Government in action in the exercise of this function. Why do we not pass a bill at this session of Congress that would accrue to the men engaged in productive enterprises?

FARM CREDITS.

Mr. Speaker, some months ago I inserted an article in the RECORD covering the subjects of Land Development and Long-time, Low-interest Farm Loans. Of late I have received a number of communications referring to this article and the subjects involved.

I am convinced, Mr. Speaker, that one of the most interesting and far-reaching questions before the country to-day is the land question, involving land ownership, and further, the value of land as a basis upon which to fix loans for land development and establishment of country home life.

In the State in which I live there are vast tracts of fertile stump lands, undeveloped because of the expense of clearing, and arid lands needing large capital for reclamation.

The Government of the United States has done much for arid lands in our State. Thousands of farmers have benefited by the Government's reclamation policy.

But stump lands found in portions of our State have had little opportunity for development because of the want of financial arrangements whereby the farmer could procure low-interest money.

The subject of farm credits is not a local question. Every State in the Union is interested in the subject. Evidence of this is found in the fact that nearly every State, through its Representatives, has introduced bills dealing with the matter. Probably at this time there are pending before Congress a hundred different bills, introduced by as many Congressmen.

STATE SYSTEMS OF FARM CREDITS.

Nor is this subject confined to the consideration of the Congress, for a number of our States have inaugurated systems of farm credit, some of which are working admirably.

Idaho's system loans permanent educational school funds, and now has $2,000,000 outstanding on farm loans, and in 20 years time has had only six foreclosures.

Iowa loans its common-school funds through its several counties, charging only 4½ per cent to the counties, which charge the farmer 5 per cent.

Indiana loans common-school funds in limited amounts on real estate at 6 per cent, term five years, and loans are made through the counties.

North Dakota has over $2,000,000 loaned at 5 per cent; term of loan limited to 12 years. The law provides that one-third of the permanent school funds shall be loaned to farmers on land mortgages. Eventually $17,000,000 will, under this law, be loaned on farm mortgages. Only one foreclosure has been made in the State in 25 years.

South Dakota has a similar plan and loans its school funds on farm lands.

Oklahoma has made 3,700 loans to farmers in the last seven years; term, five years and interest 5 per cent.

Utah has made provision for farm loans, as also has Oregon.

AUSTRALIAN SYSTEM.

I have previously, Mr. Speaker, referred to the system in force in an Australian State. This system provides loans direct to the farmer at 6 per cent; 4½ per cent of which pays interest and 1½ per cent is placed in a sinking fund to pay principal; term of loan is 31½ years.

This system is comprehensive and helpful and in many ways extraordinary.

One of the leading points in this system is the provision for a public-land overseer, a man who sees that land speculators do not sap the substance of the settler. The State protects the immigrant by directing him to good lands at first price. The policy of the State is to open an opportunity to every man of industry regardless of money or means.

The State advances 75 per cent for permanent improvements and for clearing, grading, and seeding one-fourth of his land, and gives him 10, 20, and 30 years to repay the money advanced.

NEW ZEALAND.

New Zealand, in 1894, 20 years ago, passed an act providing for farm loans. Bonds are sold as low as 3 per cent and the State charges the farmer 5 per cent, resulting in a large annual income to the Government. Loans are made for 20, 30, and 36½ year terms.

New Zealand has a population slightly less than Washington State. Since the inauguration of the system 36,000 farmers have made loans, the total amount aggregating over $66,000,000, averaging about $1,800 each. Only 36 mortgages have been foreclosed, and in this no loss has resulted to the Government. More than 50 per cent of the borrowers have paid up their entire indebtedness, and generally long before it is due.

NORWEGIAN SYSTEM.

Mr. Speaker, I would call attention to the system and progress made by the Norwegian Bank of Laborers' Holdings and Dwellings, which has been in vogue for 10 years. State funds are used to capitalize this bank; present capitalization, 10,000,000 crowns.

Funds needed for loans are raised by issue of loans to bearer, guaranteed by the Government. The limit of bond issue is six times its capital.

Loans are made for the purchase of farms at 3½ per cent, also for permanent improvement at 4 per cent. The character and integrity of the individual is a large factor. Loans are granted up to nine-tenths land value. This could not be done in our State because of great difference in land prices. The land speculator and exploiter would prove embarrassing factors to the inauguration of this system in Washington.

DENMARK'S SYSTEM.

Cooperation is the leading factor in Denmark's success. The Government is very generous with an industrious and deserving citizen. Every encouragement is offered the small farmer. In 1900 the Government decided that the thing most needed to put Denmark on a thriving basis was tillers of the soil; accordingly it was provided that any laborer of good character, with agricultural experience, could borrow a certain sum to engage in farming. The limit was put at nine-tenths value of the land he elected to buy, and the amount of the loan was not in any case to exceed $2,144. The loan carries 3 per cent.

THE GERMAN SYSTEM.

Germany did a farm-loan business in 1909 and 1910 of many million dollars. The several banking systems employed seem to work in harmony. The principle of each institution differs little from the other, but covers a different field.

The Raiffeisen system does a volume of business of over $1,500,000,000 per annum. There was outstanding at the end of

the year $465,000,000 and deposits at the end of the year of $460,000,000. This system handles chattel mortgages and serves along lines of personal securities as well as a limited amount of land mortgages.

The Schulze-Delitzsch system did a total business of over $3,000,000,000 in 1910. This system has to do principally with town people and has done for the villages and towns people what the Reiffeisen system has done for the country people. During 1910 loans granted amounted to $998,060,000, and there was outstanding at the end of the year $321,000,000. This system has two kinds of assets, money paid in for shares and the unlimited pool of the credit of all members.

This system compares in some respects to our building and loan associations, installments and dividends paid in the same way. Profits are divided in two parts, one part to the reserve fund, which shall amount to 20 per cent of the share capital and the other part to the shareholder. The Schulze-Delitzsch Bank gets its funds from deposits and from rediscounts by outside banks.

The Landschaften system is a real land-loan institution, and does an annual volume of business of nearly one billion dollars. This system is carried on on lines of the strongest cooperation and has the "brand" found on the operations of the American Trust. Groups of farmers merge their lands, and issue negotiable bonds which, because of substantial backing and safe security, find ready sale in the money market. Men of character and farms of value, little or great, find ready earning power through this system. It eliminates the jobber—the commission merchant. The farmer is the whole thing up to the consumer.

The Landschaften (land banks) are syndicates of borrowers. The candidate for a loan applies to the bank for a bond for which he gives a mortgage on his property after the application has been accepted by the officers. Either he or the bank sells the bond in the open market and this bond is secured by the entire masses of mortgages in the aggregate. Four per cent bonds find a ready market. The loaning of money is mandatory when the borrower meets all the requirements. But should the borrower let his property deteriorate, the loan can be recalled. Because of the integrity of the individual admitted to membership and because of the positive spirit of cooperation, the securities of the Landschaften are gilt edge and sell on the market as readily as railroad or any other bonds or securities.

The origin of the landschaften is as interesting as their development, quoting Mr. Frederick J. Haskin:

> We must go back to the Seven Years' War in Germany to see the beginnings of the present system of cooperative credit. That war hit the noble landholders a terrific blow, leaving them land-poor in the superlative degree. They had acres and acres of land, but they had not a mark with which to cultivate it. To add to the confusion, Frederick the Great suspended all interest charges against debtors for a period of three years, and afterwards extended the period, thereby banishing the money lender, and leaving the landowner with no power to get money.
>
> At this juncture there came upon the scene a Berlin business man, Herr Buhring, who had the ear of the great monarch. "Require the nobles to pool their credit," said he to Frederick, "and then they can borrow money." So a royal edict was issued, forcing the nobles to join the association whether they wanted to borrow money or not, and to make their lands liable, without limit, for all loans granted by the association. In that idea were born the two greatest factors in modern commercial life—the trust and the cooperative credit association.
>
> The experiment worked like a charm. Soon the association found itself with unlimited credit in keeping with the unlimited liability it extended, and so the first landschaft started. Others were formed voluntarily. And from that day to this, nearly a century and a half, the associations of borrowers in Germany have thrived and have made German agriculture the world's best example of the possibilities of the soil.

THE FRENCH SYSTEM.

The French system, established only 30 years ago, follows cooperative credit lines. Local agricultural banks and state regional banks combine in one great organization.

The Bank of France under the law must advance to the state without interest a loan of eight millions and pay an annual tax upon the basis of business done, which averages about $800,000. These funds the Government places at the disposal of the regional banks. The local French rural bank must subscribe to a certain number of shares of the regional bank, and as a result can take advantage of the regional bank's credit facilities. A member of a local bank borrows money by signing a bill, which, if accepted, is indorsed by the local bank and sent to the regional bank, which bank discounts the bill, charging 3 per cent, and forwards the cash to the local bank, which charges 1 per cent additional, making 4 per cent. The regional banks discount as high as $15,000,000 per year in this way. Time of loan is limited from 3 months to one year.

Another system in force is the Credit Foncier, organized along lines of the German Landschaften. The term of loan is from 10 to 75 years. It is a centralized institution and has produced splendid results in financing French farmers and landholders. The Government appoints its principal officers. It has brought the borrower and the lender together with the least possible expense of administration.

Under the laws of France the Credit Foncier may receive deposits of $20,000,000, one-fourth to be kept as a reserve fund. Besides the long-term mortgage business it does it has a large short-term credit business. On long-time loan the annuities are small, and the amortization system is generally accepted. Nothing but first-mortgage securities are accepted on long-time loans, and these only on property producing a certain income. Fifty per cent of the land value is the maximum for loans, and the society makes loans and issues the bonds upon the mortgages. Under this system the French Government has fully met the needs of rural credit in France.

ITALIAN SYSTEMS.

For 35 years Italy has employed a farm-loan system, resembling the German cooperative Landschaften. The Catholic Church has taken up this work and fully two-thirds of the rural banks are under its supervision. Unlimited liability of all its members for the bank's obligation resembles the German system.

The Luzzatti town bank system of Italy is unique in having a large board of directors with much power. This system has no unlimited liability feature. It keeps close watch over the individual's assets and habits as regards his industry and integrity. Thousands of small Italian farmers have been enabled to get a substantial start through Italy's banks.

SOUTH AFRICA.

Even South Africa has risen to the opportunity for improvement in rural matters. Transvaal, Natal, and Orange Free State have established the Agricultural Bank of South Africa, which handles the agricultural loans of these three States, amounting to something less than forty millions, for which the Government has issued bonds. Direct appropriation provides funds. It is strictly a governmental affair. The rates of interest are 5 per cent and less. The average loan is about $1,700. The Government clears from one-half to three-quarters of a million a year on the enterprise.

PHILIPPINE ISLANDS.

In 1907, by the act of March 4, the Philippine Government was authorized to pay and guarantee 4 per cent on private capital, invested for a period of 25 years, in agricultural banks, which loaned their capital and deposits to the Philippine farmers. It was not successful, because money could find investment at a greater interest. The Government was quick to act, and on the advice of the United States Attorney-General Bonaparte, the Philippine Government, on June 1, 1907, established an agricultural bank and provided capital to the amount of half a million dollars from Government funds. This bank started operations some 15 months later, and the ministers of finance and justice report of 1910 says that usury in the Provinces was greatly on the decrease.

The United States Government has helped the Philippine farmer greatly in this matter, and demonstates the efficiency of the system, I believe, if applied to the domestic farmer.

AUSTRIA, RUSSIA, HUNGARY, SWITZERLAND, AND CANADA

have established and are operating to the advantage of the farmer systems of land loan banks. The whole tendency of these systems is to make the cooperating farmer a predominating and leading factor in financial affairs. It is a fact demonstrated in every country tried out that where the Government has given its capital to establish mortgage credit the results have been beneficial to the agricultural interests.

I want here, Mr. Speaker, to say that the principle of cooperation is an established principle in European countries. Men of relatively meager means and men of larger means seem to draw together for the purpose of mutual help. They have a neighborly and lively interest in each other's welfare, resulting in uniting for mutual benefit. This in a large measure is the result of the success of the cooperative banking system of these European countries. The very remarkable volume of business done in Germany in the Raiffeisen, the Schulze-Delitzsch, and the Land-schaften systems is made possible through the fixed and accepted practice of cooperation.

Among the farmers of America the cooperative spirit does not obtain to any marked degree. As a matter of fact the per cent of farmers in America who would enter into a cooperative scheme where each would be liable as far as his wealth would extend, for the total indebtedness of the mutual association, up to this time has been negative.

Our farmers will cooperate to sell produce and to buy certain merchandise, but that is about the limit of cooperation for the American farmer, and it is due very largely in our western country to the vast areas of undeveloped lands which have up to this time failed to reach an approximately fixed average value.

In old-established Central and Eastern States, where the land values are fixed, where each knows the value of his neighbor's holdings, a cooperative system might be feasible, and yet it is doubtful if these farmers would pool in a common fund the "old homestead." These men pool their wealth, but it is usually surplus, invested in bank stock, looking for the best interest investment.

There is very little difference between a farmer banker and a city banker when it comes to considering "interest getting" on their surplus money.

I have had the pleasure and the advantage of a very interesting two hours' conversation with Mr. David Luben, the American delegate to the International Institute of Agriculture. He, together with the delegates of all civilized countries, is stationed at Rome, Italy, and it is their office and duty to make statistical forecastings of the world's crops.

Mr. Luben has given close attention to the agricultural status and progress of European nations. He has given much information to the executive departments of our Government on the systems of farm and finance cooperation. He has succeeded in interesting our economists, with the result that rural credit and agricultural cooperation is a live subject and holds a strong position in proposed legislation.

The Southern Commercial Congress espoused the cause and recommended that a commission of Americans go abroad to make a close study of the detailed operation of the several systems in Europe. The commission did its work and has made a report of its findings and to-day many public men and many agriculturists are studying the several systems.

PROPOSED AMERICAN SYSTEMS.

Returning, Mr. Speaker, to the Congress, a brief review of the bills indicate that there is a tendency to follow two lines of procedure.

First. Local and Federal land banks issuing currency direct on mortgage paper of the individual, or on the mortgage paper of a local association with common liability, or issuing bonds backed by the corporations, association mortgage paper and turning the funds raised over to the local organization.

Second. Perfecting the postal-savings-bank system to meet the demand for long-time, low-interest money.

The post-office bill, which passed the House recently, raised the maximum amount of deposit to $1,000, and no doubt when the administration perfects its plans through the rural organization branch of the Agricultural Department, the interest item will be raised to a figure that will attract much larger deposits and for longer periods.

Mr. Speaker, of the many rural-credit bills now before Congress I will consider several to demonstrate the views of gentlemen who have given much time to this subject. They have made a study of the expert testimony of men who have traveled abroad at the direction of our Government and of those who work under the auspices of the several societies interested in farm credits.

H. R. 11897, by Mr. BATHRICK, of Ohio, provides for a farm credit bureau in charge of a commissioner appointed by the President; a farm credit board consisting of the Secretaries of Agriculture and Treasury and Postmaster General and two farmers appointed by the President shall make necessary regulations for the carrying out of the act. Loans made to the farmers through these farm credit associations organized under this act must not exceed 60 per cent value of the property. The commissioner shall organize division districts. Application for loans must be made through the chief examiner of that district.

H. R. 11524, by Mr. THOMPSON of Oklahoma, provides for a bureau to be known as the "Division of Rural Banking." A rural banking board, consisting of the Secretary of Treasury, Secretary of Agriculture, and Secretary of Labor, shall have charge through the commissioner of the system. A central credit bank shall be located in Washington with a capital stock of $100,000,000. This bank shall be the clearing house for the local banks organized under the provisions of the act. Local rural credit banks shall issue bonds for not more than 50 per cent value of farm lands, for which is given a first mortgage, or for 40 per cent value of growing crops.

H. R. 12685, by Mr. Moss of Indiana, provides that a bureau shall be formed in the Department of Treasury to supervise farm-land banks, whose chief shall be commissioner of farm-land banks. He shall be appointed by the President and under the direction of the Secretary of Treasury. Amortization tables shall be provided covering periods of from 6 to 35 years at varying rates of interest. Associations formed of not less than 10 persons shall be called "National Farm-Land Banks," or when wishing to apply cooperative principles, "National Farm-Land Bank Cooperative."

The powers of the farm-land banks will be to (*a*) accept deposits and pay interest on said deposits; (*b*) to make loans upon farm lands anywhere in the State in which such bank is operated. Loans must be no longer than 35 years, and such loan be secured by first mortgages. Loans to be made for following purposes:

First. To complete the purchase of agricultural lands mortgaged.

Second. To improve lands.

Third. To pay debts secured by mortgages.

Loans must not exceed 50 per cent value of lands.

During the Sixty-third Congress, second session, Mr. HULINGS, of Pennsylvania, speaking before the House committee on H. R. 9988, says:

The plan proposed is an adaptation of the building and loan plan to farm loans. Any number of practical farmers, not less than 25, within a given radius from the chosen place of business, may organize a Federal corporation with a capital stock of not less than $25,000 in manner following closely the method of organizing national banks. Subscribers are required to give their notes, secured by mortgage upon farm lands that for three years preceding have been assessed for taxation at double the amount of the mortgage, payable to a trustee, for use of the United States, with such rate of interest as the association may prescribe.

The association then makes its note payable to the Treasurer of the United States for the amount of its capital stock for the term of 25 years, with 3 per cent interest, with amortized payments that will, after the second year, gradually discharge the principal debt; and as a security therefor attaches the individual notes and mortgages of the subscribers, together with a satisfactory bond of the trustee and policies of insurance of the titles by approved title-insurance companies.

The Secretary of the Treasury then issues to the association, out of the funds not otherwise appropriated or from the proceeds of 3 per cent United States bonds that are authorized to be sold for the purpose, Treasury notes to the amount of the capital stock of the association, and places in the hands of the trustee the individual notes and mortgages for collection and, in addition, charges him with the prevention of waste or other diminution of the securities.

The association distributes this fund among its shareholders in proportion as they have contributed the securities.

So long as the shareholder pays the rate of interest agreed upon—which presumably will be 3 per cent semiannually—foreclosure has no terrors for him. He is assured that if the stipulated interest is paid to the end of the term he will be free from debt, and every dollar paid above 3 per cent and the cost of administration discharges a part of his debt.

The longer the term the smaller is the sum required each year, and to this sum is added the administration expenses, which, for a small association, should not exceed $250 per annum.

The proposition includes also the plan of requiring a cash subscription of 10 per cent, which would defray preliminary expenses and serve as a fund from which small loans could be made to meet the temporary wants of the members. This provision, coupled with the plan of paying no part of the principal for two years, and then gradually increasing the amortized payments to a sufficient sum to repay the Government within the term, would result in the gradual increase of a fund from which "short loans" could be made. Each association can also provide that members or nonmembers may deposit savings which can be loaned to short-term borrowers working out a scheme on the same general plan of building and loan companies without in any manner involving the Government or affecting its security.

The stipulations of repayment to the Government are provided as follows:

Three per cent of sum borrowed for 2 years.
Five per cent of sum borrowed for 3 years.
Six per cent of sum borrowed for 10 years.
Seven per cent of sum borrowed for 10 years.
This is an average of 6.04 per cent.

Worked out on the assumed plan that 10 per cent were originally paid in cash for preliminary expenses and capital, and that a loan for $25,000 should be secured from the Government, and the administration expense should not exceed $250 a year—which should be sufficient for a small neighborhood concern—the following would be the results:

The total cost to the shareholders would be		$45,912
Less surplus at end of term	$2,231	
Less cash received from Government	25,000	
		$27,231
Net cost of loan to shareholders		$18,681
Net cost of loan annually		$747
Average annual amount of loans to stockholders		$28,955
Rate of interest paid resultant from compounded accretions	per cent	2.58

That is, 3 per cent paid semiannually for 25 years will pay the principal and 3 per cent interest plus the assumed administration expenses and accumulate besides a sum sufficient to reduce the actual cost of the loans to a 2.58 per cent rate.

The cost of a loan under this plan as compared with a straight 6 per cent loan is apparent:

Interest on $28,955, at 6 per cent for 25 years		$43,432.50
Principal that must be repaid		28,955.00
Amount of principal and simple interest		72,387.50
Cost of same by this plan	$45,912	
Less surplus at end of term	2,231	
		43,681.00
Difference in favor of this plan		28,706.50

Mr. DOOLITTLE, of Kansas, speaking of his bill H. R. 11755, says:

The establishment of a bureau of farm loans in the Treasury Department, for the purpose of loaning money to bona fide tillers of the soil, taking farm mortgages as security for repayment. It is a home-builders' bill and will put a family on every quarter section in the Middle West and insists that borrowers shall be residents of the farm to obtain the benefits of its provisions. It provides for the appointment of an assistant farm loan commissioner in each State, whose

office shall be at the State capital. This is done to make the department easier of access, and to expedite business. This commissioner is to pass on the title and see that all applications are made in due form; if he finds everything correct he recommends the making of the loan to the bureau in Washington, who in turn instructs the preparation of the funds, and the money is sent to the borrower through the proper State commissioner. The loan can not exceed 65 per cent of the taxable value of the land, nor more than $6,000 in any event. This limitation is made for safety, and the tax value is taken as the real value to do away with the necessity of a lot of appraisers and the chance for any favoritism. The loan can only be made for the purposes of purchasing land, permanently improving it, or paying off indebtedness for prior incumbrances contracted for the purchase price or improvements. This limitation is to prevent speculation. All loans are made for 50 years, at not exceeding 3 per cent interest, payable at any time, and provides that 2 per cent per year be paid on the principal sum—amortization it is called—thus wiping out the whole debt by paying 5 per cent, which includes interest and principal each year. As the mortgages are paid just so is the currency issued on them retired and canceled. When the mortgage is all paid it is canceled and release recorded. And in the concluding section a penalty is provided for false statements and breach of conditions. These are my views in what I consider an ideal and at the same time practical and businesslike system and are expressed in the bill. If this system is paternalism I prefer it to capitalism! It is not class legislation. Any one who would comply with the conditions could obtain the loan.

S. 5003, by Mr. GRONNA, of North Dakota, provides that there shall be created a farm-loans bureau in charge of a director appointed by the President.

The United States shall be divided into districts, in each of which shall be established a branch of farm-loans bureau in charge of manager appointed by the Secretary of the Treasury. The board of organization consists of the Secretary of the Treasury, Secretary of Agriculture, and director of farm.

Loans to be made for no less than $200 or more than $15,000, and only to actual farmers engaged in tilling the soil. Rate of interest, 4½ per cent; terms, not less than 1 or more than 20 years.

The funds to be loaned include: First, postal-savings funds deposited in Federal Reserve Bank. Second, other moneys Secretary of Treasury shall have deposited in any Federal Reserve Bank beyond what the Secretary of the Treasury shall deem necessary for business of the Government. Third, funds obtained by sale of bonds borrowed from the Government in accordance with the provisions of the act.

H. R. 12746, by Mr. HOWARD, of Georgia, provides that a "division of farm-land banking" shall be created in the Treasury Department under the direction of a farm-land banking board, consisting of Secretary of the Treasury, chairman; Secretary of Agriculture; and Comptroller of Currency, the work to be in charge of a director of farm-land banking appointed by the President.

Local, State, and National farm-land banks may be formed. The amount of stock in a local bank is limited, and provision is made to prevent the control of any set of individuals, according to the author of the bill. The distinguishing feature of the farm-land banks is "To guarantee the payment of loans upon farm lands located within the county or other political subdivision in which such bank is operated."

One feature of the bill is the acceptance of postal-savings deposits and placing as security for such deposits the national land-bank bonds issued against mortgages in the State where the local bank is situated.

Mr. HOWARD says in regard to it:

> It is a serious question as to whether the Government shall invest postal-savings funds directly in national farm-land bonds. Under this provision the Government simply deposits the postal-savings funds with the local banks and takes as security therefor the national land-bank bonds issued by the central bank.

H. R. 18135, by Mr. KEATING, of Colorado, provides for a farm-loan bureau, to be established in the United States Treasury. The bureau to be in charge of a commissioner appointed by the President. The commissioner, together with the Secretary of the Treasury and Secretary of Agriculture, form a board of supervision of the farm-loan bureau.

The purpose of this act is to loan money direct to the farmers of the United States upon the security of farm first mortgages through the agency of the postal-savings banks.

S. 5756, by Mr. POINDEXTER, of Washington, provides that one-half of the funds deposited in postal-savings banks shall be loaned upon approved farm mortgages at not more than 4 nor less than 3 per cent interest. Principal to be repaid in not less than 5 nor more than 30 equal annual instalments.

Postmaster General shall provide post offices with printed forms to be used for applications and shall make rules necessary and have charge of the administration of the act.

Mr. Speaker, I have briefed the plans of these several bills for the purpose of giving a general idea of the scope of proposed legislative action on rural-credit systems of finance.

Practically all the bills before the committees of Congress follow some one of these lines.

It is reported to be in the program of the administration to enact a farm-loan banking law before this Congress adjourns.

The postal savings banks present a tangible basis upon which to build, and no doubt will be a substantial factor in the final solution. Increasing the rate of interest paid to the depositor and removing the amount limit of deposit of the individual are material features being considered. The deposits covered into the Government farm-loan banks to be loaned directly to individuals on first mortgages and the loan value of the land to be based upon assessed valuation covering a period of several years back.

This would probably eliminate some lands in my State which have been sold on inflated values by the land speculator, but the fact that ours is a country of magnificent land areas varying in acreage value presents a problem here that thickly-settled European countries do not have. It is essential to the success of the farm-loan systems adopted that the land values be fixed on a safe basis.

National and State granges, the Treasury and Agricultural Departments, and many men who have made a study of this subject are at work, and a system or systems will soon be demonstrating the wisdom of long-time, low-interest farm loans.

The Democratic Tariff and the Price of Sugar.

EXTENSION OF REMARKS

OF

HON. FRANK W. MONDELL,

OF WYOMING,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 18, 1914.

Mr. MONDELL. Mr. Speaker, granulated sugar is selling to-day on the New York market at $7.75 a hundred pounds wholesale. It was selling for less than $4.25 a hundred when the European war broke out. I am not proposing to charge the Democratic Party for this advance of $3.50 a hundred pounds in the price of sugar in less than three weeks, but I do charge that the principal beneficiary of this advance is the ally of the Democratic Party, the Sugar Refining Trust, for with the exception of the sugar which grocers and jobbers may have had on hand no one in this country except the Refining Trust had any considerable quantity of sugar at the outbreak of the war.

I do not pretend to know how much of the increase is justified by war conditions in the great sugar producing and exporting regions of France and Germany, and how much of it is just pure criminal manipulation on the part of the Sugar Refining Trust. I have been in hopes that every available agency of the Government would be utilized for the purpose of learning the facts as to increased prices of sugar and other foodstuffs, and have been glad to hear that such investigation and inquiry was proposed and on foot with a view of punishing those who might be found guilty of forestalling the market or combining to raise prices. My hopes with regard to these investigations have, however, been somewhat disappointed by the reported trend of some of the inquiries being made. For instance, relative to sugar prices, I noticed in the Washington Herald of last Sunday, August 16, in what seemed to be an inspired statement from the Department of Justice, the following:

> One report as bearing on the sharp increase in the price of sugar was of especial interest to the department. It is stated that there is an unaccountable and apparently unwarranted delay in the shipment of the western beet-sugar crop to the refineries.

I fear some practical joker was trying to have fun with the dignified Department of Justice, as beet sugar is refined at the factories where it is extracted from the beets and never goes to a "refinery." It might, I presume, very truthfully be said at any time that there was "delay" in shipping it to the refineries. It never goes there. The Washington Star of last Sunday also gives us a little information from the Department of Justice, as follows:

> The big beet-sugar supply and crops which should now be on the market, but which are being held up somewhere, furnish excellent clews for the Government to follow.

I sincerely hope the "Government agents" will follow this promising clew. They will find that with the exception of the California sugar-beet crop, which is just beginning to be made into sugar, the sugar-beet crop of the country will not mature for a month or more. It may be a little expensive to have to educate these Government agents to that fact, which most schoolboys know, but it may be worth while.

PUTTING THE DEPARTMENT ON A BLIND TRAIL.

The Sugar Refining Trust is an astute organization; they can be depended upon to be on the job when their interests are at stake or in jeopardy. They robbed the Government out of millions of dollars in revenue through the manipulation of scales, and paid a partial penalty in fines running into the millions and in jail sentences for their officers and employees; nevertheless they were on sufficiently intimate terms with the Democratic leaders to be able to put their arguments for free sugar in the Democratic textbook of 1912, and their agents furnished the Democratic Party with the arguments on which free sugar was advocated and provided for in the Underwood bill. All this being true, it is not strange that the agents of the trust, realizing that they were responsible for and almost the only beneficiaries of the increase in the recent rise in sugar should impose on the uninformed and gullable agents of the Department of Justice and start them off on the wrong scent in the search after the causes of the increased price of sugar.

I hope the department will investigate the situation with regard to American producers of sugar, beet and cane, and I hope they will publish the facts as they discover them; then, if it is not expecting too much, I hope they will get after the real culprit, to wit, the Refining Trust, which does not produce any sugar but which buys sugar in the raw, mostly from foreigners, and sells it in the refined form. The department will have no special difficulty in finding out about the beet-sugar industry. Mr. Truman G. Palmer, under date of August 18, has furnished the essential facts, which can be easily verified.

Mr. Palmer publishes telegrams from seven of the nine California manufacturers of beet sugar. These telegrams show that these factories are not only not holding back any sugar, but that all they have made so far has been shipped as fast as made, and that these shipments and more to follow were sold at the prices prevailing before the advance since the European war. With the exception of these California factories no American beet-sugar factory can begin to manufacture sugar until the latter part of September or the early part of October, for the very good reason that beets will not be mature until that time. Furthermore, I am reliably informed that following their usual custom, the bulk of the anticipated product of all these factories for the coming fall and winter was contracted for long before the recent advance in price, so that if the price continues to be high the American beet-sugar producers will be benefited only to the extent of that limited portion of their output which was not sold in advance. The situation of the refiners is far different. They had large stocks of raw and refined on hand when the war broke out, the price of which they immediately advanced. Their increased profits must be many millions of dollars wrung from the American people.

DISASTROUS EFFECT OF REDUCTION OF DUTY ON SUGAR.

What I have said relates to the present sugar situation. What I particularly desire to discuss, however, is the effect before the European war began of the reduction of duty on sugar and the proposal to put sugar on the free list, on the American people and the American sugar industry. The unexpected war conditions, the unjustified increasing of the price of sugar by the Refiners' Trust have thrown a new and sinister light on the questions involved. This war coming at a time when American producers of cane sugar in Louisiana, and of beet sugar throughout the country, had no sugar on hand and had not had for months, left the country completely at the mercy of the importers and refiners of foreign sugar. How much worse off we would be, if the war in Europe is to continue, had we no beet-sugar industry in the country to temper prices when their product comes on the market. This is the condition which the refiners seek to accomplish through free sugar. Eight beet-sugar factories will be idle this fall, which but for the reduction in the duty and the certainty of free trade in two years would be running, and the acreage of the other factories has been so reduced that the output for this year will be less than last by nearly 3,000,000 bags of 100 pounds each. Let us see what the effect of the Underwood tariff bill policy was before the beginning of the present war conditions. What I shall say now was written August 1 and relates to the situation then.

THE SITUATION BEFORE AUGUST 1.

Mr. Speaker, the Underwood tariff bill reduced the duty on sugar 25 per cent, or 34 cents per hundred pounds, beginning March 1 of this year, and provided that sugar should go on the free list May 1, 1916. Most vigorous protests against radical reductions of the sugar schedule were voiced by Republicans on behalf of all of our sugar-producing industries and by Democrats from Louisiana on behalf particularly of the Louisiana cane-sugar industry.

Those familiar with conditions in the portions of the country producing beet sugar were willing to agree to a reduction of about 20 per cent in the existing duties, as it was believed that the beet-sugar industry having become well established, in certain parts of the country at least, could be maintained and reasonably expanded under such a reduction. The Louisiana sugar growers, however, insisted that even so slight a reduction would be very harmful to, if not destructive of, their industry.

But the free traders, supported in their position by the President, would have nothing less than a complete wiping out of the tariff without regard to its effect upon industries. They declined to include the sugar-producing industry in the United States among the "legitimate" industries which, before the election, the President assured the people would not be injured. It was claimed feebly by some Democrats that the beet-sugar industry in the United States could thrive even under free trade, but few were foolhardy enough to venture such an assertion. Most of them took refuge in the claim that reduced rates and free sugar would be of great advantage, through lower prices to consumers, and therefore were justified even though the industry were wiped out.

The friends of protection contended that the 25 per cent reduction in tariff would not help the consumer or give him cheaper sugar, but that, coupled with the provision placing sugar on the free list in 1916, it would close factories, reduce the income of the farmers engaged in raising sugar beets, and discourage the building of new factories. Protectionists insisted that no new factories would be built and that with the coming of free sugar in 1916 practically all of the beet-sugar factories, except a few which might survive owing to local markets, would close, thereby depriving farmers of a market for millions of dollars' worth of sugar beets and other industries of a market for a wide variety of products used in the making of beet sugar.

As sufficient time has not elapsed to verify all of these predictions the free traders may and still do insist that the results prophesied will not all come to pass; some of them cling to the wholly contradictory view that sugar will be reduced to a price below what it can be produced for here and that American production will still flourish and expand. It can be said, however, with regard to the predictions made by the friends of protection as to the effect of the reduction already made in the duty on sugar that they have been more than borne out by the actual facts of the situation since the passage of the Underwood bill. The harmful effects so far have been even worse than was anticipated, while no benefits whatever have come to the American consumer.

THOSE AFFECTED.

Mr. Speaker, the 25 per cent reduction in the sugar tariff, which became effective March 1 of this year, affects, either favorably or unfavorably, four classes, namely, the consumer, the domestic beet and Louisiana cane-sugar industries, the farmers, and the refiners of imported raw sugar.

Some gentlemen on the Democratic side have had the temerity to contend that the price of sugar to the consumer has been lowered since the tariff reduction became effective and that it is lower to-day than it was prior to the reduction. If this is true in any single case, it can only be where retail dealers make a "leader" of sugar, selling it sometimes below the price at which they purchased it at wholesale in order to attract trade, or where they sell sugar at a loss, provided the purchaser buys $1 or $2 worth of other commodities on which there is a large profit. But it is self-evident that the average consumer is not able to purchase his sugar at a lower price than he did prior to the 25 per cent tariff reduction, for the wholesale price of granulated sugar is higher now and has been on the average since the reduced rates went into effect. To prove this assertion, I present a table showing the average weekly New York wholesale price of granulated sugar from January 8 to July 30, 1914, and the decrease or increase in this price since March 1, based upon the average weekly price for 8 weeks prior to tariff reduction, or from January 8 to February 26. (The table is printed on following page.)

From this table it will be seen that the average weekly New York wholesale price of granulated sugar from January 8 to February 26, the last weekly quotation prior to the date when the 25 per cent reduction became effective, was 3.92 cents per pound. For the week ending March 5 the price remained the same. From March 12 to May 7 the decrease in the wholesale price ranged from less than one-tenth of a cent to two and a half tenths of a cent per pound. Mr. Speaker, it is a well-known fact that the retailer works on a very small margin in selling sugar, and it is idle to contend that a reduction in the wholesale price of nine one-hundredths, fifteen one-hundredths, or even twenty-

five one-hundredths of a cent a pound is reflected in the retail price of sugar. But the slight reduction in the wholesale price of granulated only lasted for nine weeks after the tariff reduction became effective. Since that time the price gradually has been increasing, and to-day the wholesale price is nearly a third of a cent nigher than it was for eight or nine weeks before the reduction became effective. As will be seen by the table, for the week ending May 14 the price was 3.92 cents per pound, the same as it was prior to reduction; the next week it increased slightly; for the next three weeks it increased nineteen one-hundredths of a cent per pound; and for the past six weeks it has been selling for twenty-nine one-hundredths of a cent higher, and for the week ending July 30 for 24.5 higher than the average for eight weeks prior to reduction.

Consumer's table.

Date.	New York wholesale price of granulated sugar.	Increase or decrease in price since Mar. 1, based on price for 8 weeks prior to tariff reduction.	
		Decrease.	Increase.
1914.	*Cts. per lb.*	*Cts. per lb.*	*Cts. per lb.*
Jan. 8	3.92		
15	3.92		
22	3.92		
29	3.92		
Feb. 5	3.92		
11	3.92		
19	3.92		
26	3.92		
Mar. 5[1]	3.92		
12	3.822	0.090	
19	3.773	.15	
26	3.773	.15	
Apr. 2	3.773	.15	
8	3.675	.245	
16	3.675	.245	
23	3.735	.185	
30	3.735	.185	
May 7	3.832	.088	
14	3.92		
21	4.018		0.098
28	4.116		.196
June 4	4.116		.196
11	4.116		.196
18	4.214		.294
25	4.214		.294
July 2	4.214		.294
9	4.214		.294
16	4.214		.294
23	4.214		.294
30	4.165		.245

[1] 25 per cent tariff reduction effective Mar. 1, 1914.

Mr. Speaker, in the face of these figures, it is apparent that when my Democratic colleagues claim that the consumer is getting sugar cheaper to-day than he was before the 25 per cent tariff reduction became effective they must be talking "psychologically" and not according to the facts in the case. The only way in which anyone can get sugar for less than before the tariff reduction is by buying it below cost or at a reduced profit, for sugar is higher than it was and not lower.

EFFECT ON BEET AND CANE SUGAR INDUSTRIES.

Now, let us see what effect the sugar tariff reduction has had upon the domestic beet and Louisiana cane-sugar industries. It is not necessary to argue that it practically has destroyed the Louisiana industry. Even the friends of the Underwood bill admit this fact—yea, even glory in it. Frank C. Lowry, the sales agent of the Spreckels Sugar Refining Co., says the Louisiana sugar industry does not deserve to live. Lowry wrote that part of the Democratic campaign book relating to the sugar question. His employers contributed liberally to the Democratic campaign fund. It is up to the people of Louisiana to decide what they propose to do in the face of this Democratic betrayal of their great industry for the benefit of the Sugar Trust, which was the active agent in the campaign for free sugar.

The effect of the tariff reduction on the domestic beet-sugar industry has been ably portrayed by the gentleman from Michigan [Mr. FORDNEY] and the gentleman from Tennessee [Mr. AUSTIN]. The disastrous effect may be "psychological," Mr. Speaker, but it is a stern reality that the beet-sugar factories are closing their doors, throwing out of employment thousands of technical experts and laborers, and that approximately $10,000,000 of capital invested in these factories will remain idle this year, and unless the Democratic administration sees the error of its way and repeals the free-sugar clause of the Underwood bill these factories, together with the others which have accepted the short respite granted by the Democratic Party and are still operating, will be thrown onto the scrap heap in 1916.

Mr. Speaker, let us glance a moment at the magnitude of the beet-sugar industry in this country. I have not complete figures for the 1913–14 campaign, but in 1912–13 there were 73 beet-sugar factories in operation in this country, scattered all the way from Ohio to California. The cost of construction of these plants, exclusive of lands, irrigation works, working capital, and so forth, is estimated at about $84,000,000. The total number of operatives in 1912–13 was approximately 32,000. The aggregate daily slicing capacity of the factories was 67,208 tons of beets, or 5,224,377 tons during the campaign, from which were produced 692,556 short tons of granulated sugar. The output of domestic beet sugar during the 1913–14 campaign is given by the Agricultural Department as 733,401 short tons. The foregoing figures give one an idea, in a general way, of the manufacturing end of this industry, and when it is remembered that it has grown to these great proportions within the past 15 years, notwithstanding all the agricultural, technical, and legislative vicissitudes through which it has passed, its growth must be conceded to be marvelous.

The following beet-sugar factories have so far been put out of business by the reduction of duty and the certainty of free trade in sugar; they have not contracted for beets and will not operate, with more to follow:

Name of company.	Location of factory.	Daily slicing capacity, tons of beets.	Erected.
Continental Sugar Co.	Fremont, Ohio	500	1900
Rock County Sugar Co.	Janesville, Wis.	700	1904
San Luis Valley Beet Sugar Co.	Monte Vista, Colo.	600	1911
Sacramento Valley Sugar Co.	Hamilton City, Cal.	700	1906
Alameda Sugar Co.	Alvarado, Cal.	800	1870
Nevada Sugar Co.	Fallon, Nev	500	1912
Iowa Sugar Co.	Waverly, Iowa.	500	1907
Ottowa Sugar Co.	Ottowa, Ohio	600	1912

This list does not include a number of factories which have had the question of closing down under advisement and may yet conclude to close down. Neither does it include a number of factories, including the Western Sugar Refining Co., at Marine City, Mich.; Holly Sugar Co., Holly, Colo.; Las Animas Sugar Co., Las Animas, Colo.; and American Beet Sugar Co., Lamar, Colo., which will not operate this year and did not operate last year. The probability is, however, that all or a part of these factories would have operated this year had it not been for the hostile legislation in the Underwood bill.

OTHER INDUSTRIES INJURED.

But the destruction of the beet-sugar industry, Mr. Chairman, will also seriously affect other industries. No industry, great or small, stands by itself. The effect of a failure or the destruction of one industry necessarily is felt in other lines of trade. And this especially is so of the beet-sugar industry. In the operation of these factories immense sums of money are spent annually in the purchase of supplies, such as coal, coke, lime rock, cotton and burlap bags, filter cloths, expensive machinery, and so forth.

Railroads are benefited by the vast amount of freight which they haul, including beets and supplies to the factory and the shipment of sugar, molasses, and pulp from the factory. In 1912–13 the total expenditures for these purposes amounted to over $32,000,000, while approximately $30,000,000 were paid to the farmers for beets. It is estimated that since the erection of these 73 factories approximately $400,000,000 has been expended for these various items. All of these expenditures will, of course, cease with the placing of sugar on the free list, and the loss of this business naturally will be felt, and seriously, too, in many instances, in other lines of trade.

But the Democratic Party has decreed that sugar shall be placed on the free list on May 1, 1916. These 73 gigantic sugar mills, except as a few of them may be able to struggle along on local markets, will cease operations and will stand as silent monuments over the grave of a great American industry whose life was sacrificed on the altar of political theoretics.

HOW INDUSTRY SUFFERS THOUGH PRICES ARE NOT PERMANENTLY LOWERED.

The question may be asked if the price of sugar has not decreased since the 25 per cent tariff reduction became effective why has it been necessary for the 10 or 12 beet-sugar factories to shut down? It is not so much the present price of sugar which has caused the closing down of these factories as it is the fact that the seaboard refiners have a lever in their hands

on account of the reduction by which they can seriously cripple the domestic beet-sugar industry at will. The beet-sugar manufacturers do not sell their sugar direct to the retailer; it is sold through brokers to wholesale dealers, and so the wholesale price governs their sales. The price they have to compete with is the wholesale price, which is fixed by the refiners of imported raw sugar. Beet sugar being on the market for but three to five months in the year, while the refiners' product is on the market the year round, in order to induce the wholesaler to divert his sugar purchases from cane to beet sugar during the time the latter is on the market the beet-sugar manufacturer must undersell the refiners' product. This he does, beet-sugar quotations usually ranging from 10 to 30 cents a hundred below refined cane sugar, although there is absolutely no difference in the quality.

The beet-sugar manufacturer knows that while at the present time the seaboard refiners are absorbing 100 per cent of the 34 cents per hundred tariff reduction, they have it within their power to pass this reduction on to the wholesaler during the time when beet sugar shall come on the market. If temporarily they cease to pocket all or the bulk of the reduction and reduce the wholesale price 34 cents per hundred pounds, and the beet-sugar manufacturer is compelled, for the reason stated above, to undersell their product from 10 to 30 cents a hundred, it means a selling price for beet sugar at a figure so low that there is no profit to the manufacturer at all, and perhaps a loss. But in addition to all this there is the prospect of free sugar in two years, when the refiners will be given another cent a pound reduction in the tariff, which they can use temporarily to beat down the wholesale price of granulated sugar far below the cost of producing domestic beet sugar. Then, when they have destroyed this competition, they can fix the price to the consumer to suit their will.

Again, the beet-sugar manufacturer, in carrying on his business, must look ahead at least one year and sometimes two years. He first must contract with the farmer this year for the beets he is to grow the next, guaranteeing the farmer a stated price per ton for his beets, no matter at what price he may be able to sell his sugar. If he is successful in securing sufficient acreage to operate his factory, he must contract for the sugar-beet seed in advance of the sowing. As he figures on his expenses a year in advance, so must he figure in advance on his probable profits, which are based not upon the selling price of sugar this year but a year hence, so that while the price of sugar has not been reduced since the 25 per cent tariff reduction became effective, many of the beet-sugar manufacturers do not feel warranted in entering into contracts to purchase beets, seeds, and so forth, for the next year's campaign, when they know that the refiners have it within their power—and without question will exert that power—to reduce temporarily the wholesale price of sugar low enough to crush beet-sugar competition and destroy that industry.

HARD BLOW TO FARMERS.

Having shown that the consumer has not benefited by the 25 per cent reduction in the sugar tariff and that this reduction has seriously crippled the Louisiana cane and domestic beet-sugar industries, I will now consider the effect of this legislation upon the sixty-odd thousand American farmers who grow sugar beets and the additional 60,000 farm laborers which the Department of Agriculture estimates are engaged each year in beet culture. In order to have some assurance that they will not operate at a loss, most of those beet-sugar factories which have not "given up the ghost" have found it necessary to reduce the price paid to farmers for beets an average of about 50 cents per ton. It is well known that American farmers are paid a much higher price for their beets than the farmers of any other country in the world, and the question naturally arises, Can the American farmer afford to take less for his beets—that is, can he compete with European beet growers? For under free sugar he indirectly is thrown into competition with them. To answer this question, Mr. Speaker, it only is necessary to compare the farm-wage rates prevailing in this country and in Europe.

In the Department of Agriculture Crop Reporter for March, 1913, is given a table of the wages of farm labor in the United States in 1902 and in 1912. The average wage of farm labor in the United States in 1912 is given as $1.87 per day at harvest and $1.47 per day during other seasons of the year. From this table I have taken the average farm-wage rates prevailing in the 16 beet-sugar States in 1912, the average being $2.45 per day at harvest and $1.95 per day during other seasons.

Official reports of European Governments show that the prevailing wage rate in the beet fields of those countries, without board, is as follows:

Country.	Men.	Women.	Children.
	Cts. per day.	*Cts. per day.*	*Cts. per day.*
France	69.0	43.0	.....
Germany	47.0	28.5	22.8
Hungary	44.9	32.7	24.7
Denmark	43.3	35.7	.....
Austria	30.2	26.8	20.0
Russia	24.9	17.5	10.0
Average	43.2	30.7	19.4

Mr. Speaker, when we compare the average farm wage of $2.45 per day prevailing in the 16 beet-sugar States in this country with the average daily wage for men in Europe of 43.2 cents, no argument is necessary to show why the American farmer can not compete with European farmers in raising beets. And, as the gentleman from Michigan has stated on the floor, no one who has seen the condition of the European farm laborer and his family working at these low wages would ask that our American farmer and farm laborer be compelled to work at such starvation wages and place himself upon the same level with them, as far as living conditions are concerned.

Many American beet-sugar factories facing the possible reduction in the price of sugar through the reduction in the tariff, a reduction which the Democrats who voted for reduced duties said was sure to come, felt obliged to reduce the amount which they paid the farmers for sugar beets. I have not complete data as to the reduction made by all the factories, but I have information to the effect that the following factories reduced their prices for sugar beets in the amounts stated:

Great Western Sugar Co. (nine factories in Colorado), 37½ to 50 cents per ton reduction.
Billings Sugar Co., Billings, Mont., from 37½ to 50 cents per ton.
Scottsbluff Sugar Co., Scottsbluff, Nebr., 50 cents per ton.
Santa Ana Cooperative Sugar Co., Santa Ana, Cal., 75 cents per ton.
Southern California Sugar Co., Santa Ana, Cal., 75 cents per ton.
Western Sugar & Land Co., Grand Junction, Colo., 50 cents per ton.
Owosso Sugar Co., Bay City, Mich., 50 cents per ton.

The closing up of those factories which have ceased operations on account of the Underwood tariff bill will mean the loss to American farmers of a market for approximately 500,000 tons of sugar beets, which, figured on the average price which they received per ton for their beets last year, will amount to nearly $3,000,000. It is estimated that the decrease in acreage grown to sugar beets this year as compared to last year will amount to about 20 per cent, or approximately 139,000 acres. This means the loss of a market for an additional 1,390,000 tons of beets. In other words, based on the 1912–13 farm value of beets, the farmers this year will stand to lose nearly $11,000,000, due to the Democratic tariff bill. Of course, when sugar is placed on the free list, and the beet-sugar industry is destroyed, our farmers will lose a market for over $32,000,000 worth of sugar beets.

It may be argued that these farmers will devote their beet lands to other crops, which is true. But, Mr. Speaker, aside from the cash returns of the sugar-beet crop, there is another feature of sugar-beet culture which is of far more importance, not only to the farmers of this country, but to every citizen of the land. I allude to the fact that sugar-beet culture improves the condition of the soil and greatly increases the yield of all other crops following on the same land. Until a few years ago the idea prevailed among our farmers that sugar beets were hard on the soil. This was due to the fact that, through lack of experience, the beet growers had been planting beets on the same tract of land year after year, instead of rotating them with other crops.

The continuous planting of any land to one crop naturally will deplete the soil, and without giving consideration to this fact, the farmers became so prejudiced against sugar beets that the factories had great difficulty in securing a supply of beets sufficient to operate to their full capacity. But now our farmers have come to learn that by a proper system of rotation—planting beets on the same tract of land only once in every three or four years, as they do in Europe—they thereby increase the acreage yield of all other crops planted on the same soil from 25 to 100 per cent, and to-day there is hardly a beet grower who is not enthusiastic in the praise of the sugar beet as an important factor in increasing his acreage yield of all other crops. When this indirect advantage of sugar-beet culture shall have permeated the minds of all of the sixty-odd thousand American beet growers, when they realize that through practicing a proper method of rotation in growing sugar beets they can grow two bushels of grain where they now grow but one, and this without additional acreage and with very little

additional expense, they probably will be willing to take a much lower price for their beets than they now receive, but it will take time to make them all realize this fact, as it took time to accomplish the same result in Europe.

CONTEMPLATED FACTORIES ABANDONED.

As disastrous to the hopes of communities as the closing of factories already built, and even more far-reaching in its paralyzing effect, is the blasting of the hopes of many communities which were looking forward to the establishment of sugar factories. I am in a position to know that the State of Wyoming, which I have the honor to represent on this floor, would in all human probability have had at least two beet-sugar factories under way or built at this time had it not been for the passage of the Underwood bill. Options had been taken for lands to be used in connection with one of these factories. I do not pretend to be personally informed with regard to the prospects for factories elsewhere, but I have no doubt but what the passage of the Underwood bill had as disastrous an effect on the hopes and expectations in this regard of the people of other States as upon the people of our State. Had the tariff on sugar remained unchanged, or only reasonably reduced, the industry of growing sugar beets and of making beet sugar would have continued to develop and expand with even greater rapidity than in the past.

THE REFINERS THE ONLY BENEFICIARIES.

Now, Mr. Speaker, I come to the fourth class which has been affected by the reduction in the sugar tariff, namely, the seaboard refiners of imported raw sugar, and I will show that, with the exception of the Cuban planter, who has received a small portion of the tariff reduction, the refiners are the only ones who have received any benefit whatever from the 25 per cent reduction. To substantiate this assertion, I present a table covering the price of raw and refined sugar, the refiners' margin, and other data, from January 8 to July 30, 1914, based on the figures of Willett & Gray.

Refiners' table showing that the seaboard refiners have received 77.8 per cent of the 33.7 cents tariff reduction.

Date, 1914—	New York price of Cuban 96° centrifugal sugar, duty paid.	New York wholesale price of granulated.	Decrease in duty paid, price of raw sugar since Mar. 1, based on average prices for 8 weeks prior to tariff reduction.	Increase or decrease in New York wholesale prices of granulated since Mar. 1, based on average for 8 weeks prior to tariff reduction.		Refiners' margin between raw and refined.	Increase in refiners' margin since Mar. 1, based on average for 8 weeks prior to tariff reduction.	Proportion of reduction absorbed by refiners.[1]
				Decrease.	Increase			
	Cents per pound.	*Cents per pound.*	*Cents per pound.*	*Cents per pound.*	*Cents per pound.*	*Cents per pound.*	*Cents per pound.*	*Per cent.*
Jan. 8	3.23	3.92				0.69		
15	3.29	3.92				.63		
22	3.355	3.92				.565		
29	3.48	3.92				.44		
Feb. 5	3.48	3.92				.44		
11	3.48	3.92				.44		
19	3.42	3.92				.50		
26	3.39	3.92				.53		
Average of above	3.39	3.92				.53		
Mar. 5	3.01	3.92	0.38	0	0	.91	0.38	[1] 100
12	2.95	3.822	.44	0.098		.872	.342	[1] 100
19	3.01	3.773	.38	.15		.763	.233	68
26	2.95	3.773	.44	.15		.823	.293	86
Apr. 2	2.95	3.773	.44	.15		.823	.293	86
8	2.92	3.675	.47	.245		.755	.225	65
16	2.98	3.675	.41	.245		.695	.165	49
23	3.01	3.735	.38	.185		.725	.195	58
30	3.04	3.735	.35	.185		.695	.165	49
May 7	3.14	3.832	.25	.088		.692	.162	48
14	3.20	3.92	.19	0	0	.72	.19	56
21	3.32	4.018	.07		0.098	.698	.168	50
28	3.39	4.116	0		.196	.726	.196	58
June 4	3.32	4.116	.07		.196	.796	.266	79
11	3.32	4.116	.07		.196	.796	.266	79
18	3.39	4.214	0		.294	.824	.294	87
25	3.32	4.214	.07		.294	.894	.364	[2] 100
July 2	3.32	4.214	.07		.294	.894	.364	[2] 100
9	3.26	4.214	.13		.294	.954	.424	[2] 100
16	3.26	4.214	.13		.294	.954	.424	[2] 100
23	3.26	4.214	.13		.294	.954	.424	[2] 100
30	3.29	4.165	.10		.245	.875	.345	[2] 100
Average since reduction	3.164	3.975	.226			.811	.281	77.8

[1] Mar. 1, decrease in duty, 0.337 cent per pound.
[2] In each of these periods the increase in the refiners' margin amounted to more than the 33.7 cents per hundred tariff reduction, as shown by column 7.

Column 1 shows the weekly New York price of Cuban 96° sugar, duty paid; column 2, the weekly wholesale price of granulated; column 3, the decrease in the duty-paid price of raw sugar since the 25 per cent reduction became effective, based on the average price for eight weeks prior to reduction; column 4 shows the weeks and the amount of decrease in the wholesale price of granulated since tariff reduction, based on the average price for eight weeks prior to reduction; column 5 shows the weeks and amount of increase in price since reduction; column 6 shows the refiners' margin; column 7, the increase in refiners' margin since reduction; and column 8 shows the percentage of the 33.7 cents reduction in the tariff which the seaboard refiners have absorbed.

If anything is needed to substantiate the argument that the refiners are the principal beneficiaries of tariff reduction, these figures certainly demonstrate the fact.

An analysis of the table shows that, using as a basis the figures for eight weeks prior to tariff reduction, the average duty-paid price of Cuban 96° raw sugar has declined 22.6 cents per hundred pounds, while the wholesale price of refined increased 5.5 cents per hundred, making the average increase in the refiners' margin 28.1 cents per hundred. The 25 per cent reduction in the sugar tariff amounts to 33.7 cents per hundred. The refiners absorbed 77.8 per cent of this amount, or about 26 cents per hundred, and the consumer paying 5.5 cents per hundred more for his sugar than he did before the reduction.

Mr. Speaker, the 28.1 cents per hundred increase in the refiners' margin amounts to $6.32 per ton. On the meltings of the refiners since March 1 this means an additional profit to the refiners of approximately $7,000,000, and on our total annual consumption of 4,000,000 tons would add $25,000,000 to their profits. No wonder that the refiners fought so hard for free sugar, when a 25 per cent reduction alone will add over $25,000,000 to their profits.

A GREAT REVENUE PRODUCER.

Sugar at the rate of duty which has heretofore been carried upon it has been one of our great revenue producers. The duty collected on sugar for the year 1913 amounted to more than $53,000,000; and yet sugar at the price at which it has been sold in the United States, which, by the way, is lower than that of any European country except Great Britain, has, compared with its food value, been one of the very cheapest articles of food. It is one of the few articles of food which has declined in price when other classes of food were steadily advancing.

This decline in price under protection is clearly shown in the following table:

New York wholesale price of raw and refined sugars, 1882 to 1913, inclusive.

Year.	Raw centrifugals per pound.	Hard granulated per pound.	Difference between raw and refined.
	Cents.	*Cents.*	*Cents.*
1882	7.29	9.35	2.06
1883	6.79	8.65	1.86
1884	5.29	6.75	1.46
1885	5.19	6.53	1.34
1886	5.52	6.23	.71
1887	5.38	6.02	.64
1888	5.93	7.18	1.25
1889	6.57	7.89	1.32
1890	5.57	6.27	.70
1891	3.92	4.65	.73
1892	3.32	4.35	1.03
1893	3.69	4.84	1.15
1894	3.24	4.12	.88
1895	3.23	4.12	.89
1896	3.62	4.53	.91
1897	3.56	4.50	.94
1898	4.24	4.97	.73
1899	4.42	4.92	.50
1900	4.57	5.32	.75
1901	4.05	5.05	1.00
1902	3.54	4.46	.92
1903	3.72	4.64	.92
1904	3.97	4.77	.80
1905	4.28	5.26	.98
1906	3.69	4.52	.83
1907	3.76	4.65	.89
1908	4.07	4.96	.89
1909	4.00	4.76	.76
1910	4.19	4.97	.78
1911	4.453	5.345	.892
1912	4.162	5.041	.879
1913	3.506	4.278	.772

LOSS OF REVENUE.

The placing of sugar on the free list will result in the entire loss of the great revenue which we have been obtaining from that source. The reduction of 25 per cent in the duty on sugar, which went into effect March 1, has resulted in a loss of revenue for the four months, March to June, inclusive, of approximately $8,640,000.

If this great loss of revenue were benefiting the American people by a reduction in the price they pay for sugar, thus reducing the cost of living, we could well forego the revenue and secure it in some other way; but the fact is that no dollar of this loss of revenue has gone to the benefit of American consumers. On the contrary, the greater part of it has gone directly into the pockets of the refiners, while a little of it has gone to the benefit of the Cuban planter and the small remainder to the benefit of the wholesale dealers. Sugar July 31 and for some time before was higher in price at wholesale than it was when the duty was reduced, or for a considerable period prior to that time. I am not surprised at that condition of affairs, for it is exactly what we prophesied would occur when the Underwood bill became a law. The refiner, however, has it in his power to drop the price at any time, and it is this menace, this danger, that prevents the maintenance or the extension of the domestic industry and will render it impossible to continue it to any considerable extent, at least when sugar goes on the free list.

THE ILL EFFECTS OF THE CHANGE OF THE SUGAR DUTY.

It has practically ruined the Louisiana sugar industry.

It has closed eight great beet-sugar factories.

It has rendered idle $10,000,000 invested in these factories.

It has prevented the starting up of four factories heretofore built.

It has discouraged the erection of new factories which were in contemplation.

It has compelled fifteen factories to reduce the price of beets about 50 cents a ton.

It will throw thousands of experts and factory hands out of employment by the closing of factories.

It has deprived American farmers of a market for half a million tons of beets.

It has reduced the farmers' sugar-beet market to the extent of $11,000,000.

It has resulted in loss to railway and other industries of at least a million dollars by reason of reduced demand for service and supplies.

It has reduced the revenues of the Government over $8,640,000.

Over against these disastrous effects it is impossible to set any compensating benefits to the public at large. Sugar is not cheaper; it is higher. No industry has taken or will by operation of the tariff take the place of those destroyed or crippled. No new employment has been or will be furnished under the Underwood bill to those who have lost or will lose their employment in field and factory. Out of this loss and ruin but one interest has benefited—the Sugar Trust. The reduction of the duty has added over $7,000,000 to their profit. They have absorbed practically all that the Federal Government has lost in revenue. All this, let it be remembered, relates to the period antedating August 1 to the effect of Democratic tariff legislation before the outbreak of the war in Europe. I commend these facts to the defenders of and apologists for the Democratic tariff bill. Such gentlemen will, no doubt, ask the farmers and the investors in sugar industries to console themselves with the fact that the trust is doing well.

Lake Superior and Mississippi River Canal.

EXTENSION OF REMARKS

OF

HON. CHARLES R. DAVIS,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, August 12, 1914.

Mr. DAVIS. Mr. Speaker, for 25 years the slogan of the friends of American waterway transportation has been for a "Lakes-to-the-Gulf through channel of navigation."

Waterway conventions by the score have been assembled at the sound of that slogan in the cities of the Mississippi Valley, the Great Lakes, the Gulf, and the National Capital during that quarter of a century period. The logic of such a through waterway is plain. Commerce requires through channels; it abhors dead ends. Shipments are not ordered until the connections are complete. There must be an uninterrupted and unbroken line of connection from the point of production through all ramifying lines to the thousand points of final consumption.

The Government has expended about $160,000,000 on the improvement of the Mississippi River and its tributaries without producing any considerable volume of commerce. Why the failure to develop commerce? The answer is, Lack of through connections and channels of through commerce. There was only the little local trade of the "way stations," St. Paul being the last "way station" on the Mississippi going north.

On the other hand, about $100,000,000 had been expended on the Great Lakes for harbors, the Soo Canal, the Detroit River, and kindred improvements. The Lakes investment developed commerce for two reasons: First, because for 1,000 miles from Duluth to Buffalo a chain of great inland seas lay ready at hand for what is now the greatest merchant fleet which floats the American flag; and, second, because the opening of the Soo Canal link between Lake Superior and the lower lakes opened a through channel of commerce between the iron mines, wheat fields, lumber camps, and flour mills of Minnesota on the one hand and, on the other, the furnaces, factories, and general markets of the lower lakes region, the cities of the Atlantic coast, and Europe.

The Great Lakes waterway investment, therefore, was laid on a logical basis, namely, it opened up a through channel of commerce for such western commodities as iron ore, wheat, flour, and lumber, and likewise for return cargoes of coal and merchandise. How enormous this commerce has become we may read in the report of the United States engineers in charge.

Last season there were carried through the Soo Canal 79,718,344 tons of freight, as against 20,125,120 tons carried through the Suez Canal, which measures the volume of intercontinental and interocean commerce between Europe and all the nations which border upon the Pacific and Indian Oceans.

In other words, that short link which furnished through connections and an open channel to commerce to and from Lake Superior and the lower lakes and Atlantic developed a volume of commerce nearly four times that which passes between the continents of Europe and Asia. It developed a commerce which required during seven months of lake navigation last year the services of 853 registered vessels, which earned $44,380,864 of freight revenue in carrying a volume of freight valued at $865,957,838, an achievement in commercial navigation which double discounts all other operations combined of the American merchant marine on our coasts and the high seas.

It is the purpose of the Lake Superior-Mississippi Canal link to continue this channel of commerce via the canalized St. Croix into the Mississippi to the Gulf.

There is no question that in the comparatively near future there will be a Lakes-to-the-Gulf channel of through commerce. The demand for it is universal. There appears to be no dissenting voice. The only question is the route. Of course Ohio favors a link from Lake Erie via the Ohio River, and Illinois favors the expansion of the Illinois Drainage Canal as the route from Lakes to Gulf. I may say here that the time appears to be ripe for our friends at the head of the Lakes—Duluth and Superior—to look after their laurels.

However, I think that it can be easily demonstrated that the logical route from Lakes to Gulf is from Lake Superior to the Mississippi and not from Lake Michigan or the lower lake. The first point is tonnage. Of about 90,000,000 tons—1912 record—of total lake tonnage, through and local, 72,000,000, or just four-fifths of the whole, is to and from Lake Superior. The continued development of the Northwest beyond Duluth-Superior and the development of steel works and great coaling plants at Duluth-Superior insure a still more heavy trend of lake commerce through the Soo Canal into Lake Superior in the future than in the past.

Compare the 72,000,000 tons of Lake Superior commerce (Chief of Engineers, 1912), largely that of Minnesota, with the Lake Michigan commerce handled via Chicago, South Chicago, and Milwaukee. The 1913 report of the Chief of United States Engineers gives the total receipts and shipments of lake commerce for Chicago in the calendar year ending December 31, 1912, as 3,644,745 tons; South Chicago, 8,318,838 tons, of which 5,552,727 tons represent iron ore brought chiefly from Minnesota mines; while the Milwaukee total is 7,779,627 tons. That is to say, the total lake commerce of Chicago, South Chicago, and Milwaukee, via Lake Michigan, is barely 20,000,000 tons, and it appears that approximately one-half of this consists of iron ore, wheat, and lumber from Lake Superior, chiefly destined to South Chicago and other near-by mills and furnaces for consumption.

The fact stands that in the calendar year of 1912 the official register of lake commerce was 45,635,496 tons for the harbor of Duluth-Superior and 3,644,745 tons for Chicago and not quite 12,000,000 tons for Chicago and South Chicago combined, of which over one-half represented iron ore, grain, and lumber from Lake Superior.

Moreover, while Chicago's lake commerce declined from 6,105,553 tons in 1903 to 3,644,745 in 1912, that of Duluth-Superior Harbor increased from 18,000,000 tons in 1903 to 45,000,000 in 1912. So that Chicago has ceased to be a lake port of the first class, and its lake tonnage is on the wane; whereas, with a record of over 100 per cent growth in the past 10 years, Duluth-Superior to-day has the largest tonnage of any harbor in the world.

This should be sufficient to deterimne and fix the location of the lake end of the Lakes-to-the-Gulf connecting channel at Duluth-Superior. The purpose of the waterway is to carry commerce, and the commercial tonnage available is that of Lake Superior.

There is also a vital engineering and treaty cause which appears to bar the Chicago Drainage Canal from the necessary deepening and development of its channel for any considerable volume of commerce, a cause which does not affect the Lake Superior-Mississippi route. The water supply for the Chicago Canal, if deepened for commerce, would be drawn from Lake Michigan. This neither the Canadian nor the American engineers can allow, for the boundary treaty between the United States and Great Britain in regard to international waters and likewise the Lake navigation interests of Canada and this country will not permit the lowering of the lake level by artificial means.

The Lake Superior-Mississippi project, on the other hand, avoids this dilemma by drawing its water not from Lake Superior, but from the great timbered and watered plateau of northwestern Wisconsin, which is the source not only of the St. Croix and the Brule, but of nearly all the other Wisconsin tributaries of the Mississippi and of many streams which supply the lake along the south shore. This broad height of land bordering the south shore of Lake Superior is filled with lakes and swamps and has a heavy rainfall and run-off. It has ample water for the canal, and brings us into no conflict with the Canadian and United States Governments in regard to the level of international waters.

It appears that private capital, supposed to represent iron and coal interests, is about to build the Lake Erie-Ohio River canal, the Government taking charge of the job of construction. But this project is to be developed rather for the local purpose of cheap transportation of iron ore from Lake Erie to Pittsburgh, with coal for return cargoes, than as a Lakes-to-the-Gulf project of through commerce. Its development should prove a stimulus to northwestern enterprise in water transportation, rather than a detriment. Certainly the Lake Erie project means more abundant and cheap coal for the entire lake trade and increased cargoes for the Lake Superior-Mississippi waterway.

This brings us to a consideration of the local industries, the tonnage, the towns, and territory that will be most directly affected by the operation of the St. Croix canalization project. Attention has been widely called to the effect of this canal link upon through commerce. It is within the memory of nearly all adult readers of these lines when the commerce of the Great Lakes was a comparatively small affair. The Soo Canal link developed the commerce and the industries. Without the Soo Canal, which gave Minnesota iron ore access to the furnaces of the lower lakes and Pittsburgh, the great iron ranges of Minnesota would have stood undeveloped for decades. The increase in Soo traffic from 9,000,000 tons in 1890 to 79,000,000 tons in 1913, along with a reduction of 50 per cent in lake rates and a corresponding reduction in competitive rail rates, tells the story of what one rightly placed canal link will do in developing through commerce. The St. Croix link carries this lake commerce south into the Mississippi to the Gulf, and at the same time virtually makes Duluth-Superior Harbor the head of Mississippi River navigation. This volume of through commerce will be strongly accelerated by four industrial and navigation projects:

1. The completion next year of the new $130,000,000 Erie Barge Canal which New York is building to secure the grain, flour, and general commerce of the Northwest and the upper Mississippi Valley.

2. The completion of the $25,000,000 furnace, coke oven, cement works, and steel works of the Minnesota Steel Co. at Duluth, which is expected to be in operation during the coming year.

3. The completion of additional extensive coal-handling and coal-storage plants at Duluth-Superior, bringing the coal capacity of that harbor to 20,000,000 tons.

4. The completion of the $20,000,000 upper Mississippi River improvement project establishing 6 feet as the minimum low-water stage for navigation up to St. Paul and concluding with the 30-foot dam across the Mississippi between St. Paul and Minneapolis with slack-water navigation to the Minneapolis mills.

These projects will all be complete and in operation some time before it is possible to finish the Lake Superior-Mississippi project, even were the work to start next season. But each of these highly important projects will add greatly to the tonnage and commercial efficiency of the proposed canal, and will count greatly as a stimulus to local industry and commerce.

It is proper that we of the third Minnesota congressional district should allow our neighbors at the Twin City and Duluth-Superior terminals to grow enthusiastic in regard to the possibilities of cheap water transportation in developing their terminal commerce. We are glad to see them wake up and take notice. There is no question of the great benefits that will result to our big neighbors. At the same time, why should we ignore the fact, so plain that a schoolboy can read the returns in advance, that the most direct and signal benefit from this waterway will go to the towns and counties en route; and especially to such towns as Stillwater, Hastings, South St. Paul, Red Wing, and near-by points along the upper Mississippi and St. Croix, which will enjoy a shorter haul and thereby lower rates than even the Twin Cities. In the handling of coal, grain, brick, stone, cement, iron, and steel, and heavy produce and merchandise generally, these river towns will enjoy a restoration of commerce which will be phenomenal. With doubled transportation facilities, reduced rates, economical handling, a short route, and other advantages of direct location on the waterway, the towns of this district will prosper in every line of industrial and commercial development.

It is interesting to look over the field and note the principal industries that will receive benefit. Among such enterprises are the flouring mills, saw mills, grain elevators, stone quarries, brickyards, sand and gravel pits, foundries, machine shops, coal yards, cement works, packing houses, linseed-oil mills, warehouses for such heavy commodities as salt, iron, and steel, and manufacturing works which turn out pottery, sash and doors, and building materials in general. And the benefits will extend to all lines of agriculture not only because of lower rates for transportation but because of stimulated home markets for farm produce.

It is surprising to note how large a figure such little-advertised industries as clay and stone working cut in the volume of the country's business. The clay products of this country in 1912 were valued at $172,800,000, which nearly equals the value of the anthracite-coal product, and exceeds the combined gold

and silver product by $40,000,000. The stone, sand, and gravel industries—not including slate, talc, pyrites, phosphate rock, mica, grindstones, lime, and gypsum, which together total $40,000,000—which supply building industries only, turn out a $100,000,000 product, which beats the gold output by $7,000,000.

The St. Croix and upper Mississippi have immense deposits of clay and limestone, even forming the banks of the streams for miles. These clay banks have received marked development from the Twin Cities down to Red Wing, and limestone quarries constitute a general source of industry through the Minnesota and upper Mississippi Valleys. Barges southbound with coal cargoes from the lake will load with brick and stone for return cargoes. Besides the finished product, the barges likewise will take crude lime rock for the Duluth furnaces and cement works. It is estimated that the Duluth blast furnaces will require upward of 1,000,000 tons of limestone for the furnaces as a flux in blasting iron ore. The lime which goes through the furnaces and comes out as slag is thereupon converted into cement at the steel plant, and the unit of production at Duluth for this purpose is a 1,000,000-ton cement plant.

Stillwater, Hastings, South St. Paul, Red Wing, and their municipal neighbors will become distributing points for coal, iron, steel, and cement from Duluth-Superior; and elevator, milling, and general shipping points for grain, flour, brick, limestone, packing-house and general farm products destined to the Great Lakes and New York. They will do business for considerable areas of tributary territory on both sides of the river.

Consider for a moment the great volume of agricultural interests that will be affected. Statistics compiled by the Lake Superior-Mississippi River Canal Commission show that the value of the farms in the 12 Minnesota counties in the canal zone and lying between Winona and the head of the lakes grew in value from $111,000,000 in 1900 to $205,000,000 in 1910, and that the crop and live-stock value of the products of these farms in 1910 was $47,000,000. These dozen counties produced 8,000,000 bushels of potatoes and 27,000,000 bushels of grain along with a large dairy, fruit, and widely diversified farm product. But 18 other southern Minnesota counties, whose grain surplus must either cross the Mississippi to reach Chicago or go to the lakes, raise 70,000,000 bushels additional of grain alone, which, if it does not use the canal and river route for direct reduction in rates, will profit indirectly by the effect on competitive rail rates.

The commission's figures indicate a reduction of about 42 cents per ton, which is a cut of 40 per cent in the present average ton rate in car lots from the Twin Cities to Duluth-Superior, as a result of the use of the proposed water route. If the third congressional district contributes only 1,000,000 tons a season all told in cargoes both ways—including coal, iron and steel, cement, salt, and general merchandise from the lakes, and grain, flour, brick, pottery, limestone, packing-house and general farm products destined to the lakes—the value in rate reduction to this district will reach $400,000 a year. This saving may eventually increase to $1,000,000 per annum. But after all the great benefit is the industrial development which will result from these added facilities and lower rates, in furnishing employment and wages to labor, and stimulating legitimate enterprise in all lines, and the building and improvement of homes.

The reason why the State of New York is now investing $130,000,000 in the new Erie Barge Canal, as stated by the commission which includes representatives of the New York Stock and Produce Exchanges, is that it was the old Erie Canal which gave New York its great ascendancy over Philadelphia and Boston in the days when these three cities fought for the position of chief emporium of the Atlantic coast. If New York business men can justify a $130,000,000 investment in a 500-mile canal to Lake Erie in order to enjoy the benefits of lake commerce, how much more readily ought not Minnesota to see a justification in building a 200-mile waterway at a cost of only $8,000,000. Moreover, the waterway advantages of the Lake Superior-Mississippi River project are doubled, because of the fact that in opening the channel of through commerce we are receiving the benefits not only of lake navigation and commerce but of the commerce which thereby will be developed over the Mississippi to the Gulf as well.

As a regulator of rates the Soo Canal has reduced not only lake-and-canal and lake-and-rail but all-rail rates on wheat, flour, and other commodities over one-half, even between Chicago and New York, because of lake competition via Duluth. Rates on the old Erie Canal on wheat from Buffalo to New York averaged 2 mills per ton-mile compared with 6 mills by rail. The Monongahela carries 12,000,000 tons of river coal into Pittsburgh at a rate so low that even the roads which parallel the river banks have no chance in competition; the saving, as shown by the report of the Chief of United States Engineers, being as much as 30 to 50 cents per ton even on a short haul of 50 to 75 miles.

This rate reduction has a wide radius of influence, and the ultimate benefit to Minnesota producers, merchants, and shippers from the combined upper Mississippi River improvement project and the Lake Superior-Mississippi Canal, with their large increase in transportation facilities at reduced rates, will be distributed over a wide range of territory.

In the general movement for the rehabilitation of the inland waterways of the country to relieve the traffic congestion of the railways there is no project more logical and worthy in its purpose than that joining the two greatest waterway systems of our continent, the Mississippi system and the Great Lakes, by the proposed Lake Superior-Mississippi link. The Government has invested $160,000,000 on the Mississippi and its tributaries without opening the necessary connecting link to produce a through channel of commerce. A further investment of $100,000,000 on the Great Lakes leaves the benefits of lake commerce only half extended. The $8,000,000 estimated by the Government engineers as necessary to build the Lake Superior-Mississippi Canal is only 3 per cent added for connecting the two great projects of waterway development into one system of through commerce, while the benefits to the commerce of the great Mississippi Valley might be doubled or increased 100 per cent. An increase of 3 per cent in the extension of an enterprise in order to complete its main purpose and double its benefits would ordinarily be considered an exceedingly conservative and businesslike proposition.

Extension of the American Merchant Marine.

EXTENSION OF REMARKS

OF

HON. ALFRED G. ALLEN,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 14, 1914.

Mr. ALLEN. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an article from the Cincinnati Post of Wednesday, August 12, 1914.

The article is as follows:

[From the Cincinnati Post, Wednesday, August 12, 1914.]

MORE SHIPS FOR UNCLE SAM.

Before our Civil War Uncle Sam's flag floated over two of every three merchant ships that plowed the seas.

In the struggle to end negro slavery it all but disappeared.

War takes away, but war can restore.

When the *Oregon*, under rush orders, had to round the Horn ere it could take part in the humbling of Spain the American Nation awoke to the fact that a canal at Panama had to be. That dream of the ages is now a reality, its splendid completion in less than the estimated time having added to the world's great achievements an entry of which every mother's son of us is proud.

The canal wasn't dug by a private corporation seeking profit. It was dug by the American people as a work of prime necessity.

And now another war—this time not of our making—finds us face to face with the need of supplying many nations, but without ships to carry the goods.

Congress has voted to let American-owned ships which have been sailing under other flags take down those other flags and put up the Stars and Stripes. But the ships will still be privately owned, and the change of flags will bring neither certainty of escape from risks of capture nor assurance that, trouble over, the flags won't be switched right back again.

You can't insure a ship's immunity in war time by changing its flag and its register.

There is, however, a way by which, on lawful errands, its safety may be assured beyond a shadow of doubt.

That is, for the American people to buy it and own it. Own it unconditionally, as they own their battleships.

The reason for such ownership is identically the reason for national ownership of the Panama Canal—public necessity; the necessity of national defense.

We are not to blame because the ships which have been carrying to foreign markets the products of our mines, farms, and shops are suddenly taken out of this useful service to be used in war.

But we should be very much to blame if we did not see to it that not again shall our peaceful commerce be thus wiped out.

There have been thrust before us both the duty and the extraordinary opportunity of protecting our millions of peaceful workers and traders both at once and for years to come. It will not be enough to temporize with private makeshifts liable to fail us as soon as the crisis of the present war shall have passed.

Our flag shall go back on the high seas to stay.

Uncle Sam himself should carry as well as make and fetch.

Now is the time to make Congress see this.

Strike while the iron is hot.

We have the money. We have the goods. Let's make dead sure that we'll never again lack the ships to carry the products of our soil and factories to the markets of the world.

Attitude of the Democratic Party on Woman Suffrage.

EXTENSION OF REMARKS

OF

HON. FRANK W. MONDELL,

OF WYOMING,

IN THE HOUSE OF REPRESENTATIVES,

Friday, July 31, 1914.

Mr. MONDELL. Mr. Speaker, on the first day of the present session of Congress I introduced House joint resolution No. 1, which is as follows:

Joint resolution proposing an amendment to the Constitution of the United States, extending the right of suffrage to women.

Resolved by the Senate and House of Representatives of the United State of America in Congress assembled (two-thirds of each House concurring therein), That the following article be proposed to the legislatures of the several States as an amendment to the Constitution of the United States, which, when ratified by three-fourths of said legislatures, shall be valid as part of said Constitution, namely:

"ARTICLE —.—SECTION 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex.

"SEC. 2. Congress shall have power, by appropriate legislation, to enforce the provisions of this article."

This resolution was referred to the Committee on the Judiciary, and on the 3d day of March, 1914, a hearing was had before that committee, at which hearing I spoke in part as follows, as reported in the hearings:

"Gentlemen of the committee, in the very brief period alloted to me it would be impossible for me to make an argument, or at least an extended one, as to the propriety and advisability of giving the people of the States an opportunity to express their opinion relative to this very important subject. A very high authority in this country—the highest of all authorities in the country—has recently said that the ladies were abundantly able to speak for themselves. We are sure that has been demonstrated this morning and will be further demonstrated as the hearing proceeds. Unlike that high authority, I am very happy to speak for them if the opportunity affords, but I think it is hardly necessary to speak for them at any great length, for, as the President says, they are abundantly able to speak for themselves.

"Personally, while I belong to the Republican household of faith, which is supposed to be somewhat Federalistic in its tendencies, I am a good deal of a 'States' righter,' as you, my colleagues, know. And yet I believe that it is entirely proper, expedient, and wise that this matter of granting the franchise to women, or of preventing any State from denying or prejudicing the right of franchise to women, be presented to the people of the country for their determination. The Federal Constitution is difficult of amendment. For one, I would not make it less difficult. I believe that the fundamental law should not be changed except after careful consideration and upon the approval of a very large majority of the people. But, gentlemen, I understand it to be your duty not to decide whether you individually believe that it would be wise and proper and for the public interest that women should vote, but the decision with you is as to whether this is a question of sufficient importance and sufficiently lively interest throughout the country that it is your duty as members of this great committee to give the Congress an opportunity to pass upon the question of presenting it to the States for their determination. [Applause.]

"There is, it seems to me, one very strong and really convincing argument among the multitude of arguments presented that ought to appeal to us all relative to this matter. The National Government, the people as a whole, have invaded—if I may use that word—the rights of States relative to suffrage in the fifteenth amendment. I think no one will suggest that it is not infinitely more important that the States shall not deny the suffrage to the more virtuous and intelligent half of its citizenship than that they shall not deny the suffrage to people by reason of race, color, or previous condition of servitude. [Applause.] And the necessity, the importance, the wisdom of a Federal amendment increases as suffrage spreads through the States, because as State after State grants its women the franchise we are gradually reaching that condition where a denial of franchise to women by some of the States results in depriving American citizens of the franchise as they move from one Commonwealth to another. [Applause.]

"Uniformity in the exercise of the franchise is a most excellent thing, and it seems to me that our Federal Union will be more and more cemented as we come more nearly to that point where qualifications for citizenship are approximately the same throughout the Union. I would not deny to the States the right to withhold the franchise from the illiterate, or from other classes, by reason of their own faults, who are believed not to be entitled to the franchise; but to deny the franchise by reason of a failing which the individual may himself cure and to deny the right of franchise because of sex are two widely differing propositions." [Applause.]

On the 9th day of May the Committee on the Judiciary reported the resolution to the House without recommendation, and on May 14 I introduced a resolution, which was referred to the Committee on Rules, asking for a rule for the consideration of the resolution.

In the meantime a movement was started for the appointment of a Committee on Woman Suffrage, which would be charged with the duty of considering the resolution for an amendment to the Constitution and all other proposals of legislation relating to the question of woman suffrage. Hearings were had and forceful and eloquent arguments were made for the appointment of such a committee, but the Democratic members of the Rules Committee declined to act favorably on the proposition.

From the very beginning of the Wilson administration women interested in the cause of woman suffrage and delegations representing the suffrage movement endeavored, from time to time, to secure an expression from the President as to his views on the subject and his attitude toward pending legislation. All such efforts made during the special session of Congress were fruitless, the President insisting that the necessity of considering tariff and currency legislation excluded all other matters.

NEW JERSEY WOMEN CALL ON THE PRESIDENT.

On November 16, 1913, however, a deputation of women from New Jersey succeeded in seeing the President and in getting a brief though somewhat criptic statement from him. The interview and its result was reported in The Suffragist of November 22, 1913, as follows:

SUFFRAGE DEPUTATION INTERVIEWS PRESIDENT WILSON.

The deputation of New Jersey women who visited Washington last week for the purpose of waiting on President Wilson in behalf of the suffrage amendment were received at the White House at 11 o'clock Monday morning. The delegation was composed of 73 women representing the New Jersey State Suffrage Association, the Women's Political Union, and the Equal Franchise Society, the three suffrage organizations in the State.

Although the leaders of the deputation had made strenuous efforts to arrange an appointment with the President, they were unsuccessful, and when the delegates met on Monday at the headquarters of the Congressional Union their expected audience was without date; that is, it was without date at the White House. Representative McCoy, of New Jersey, who had offered to arrange the audience, had apparently failed in his mission and could not be located.

NO ONE TO MAKE OUR APPOINTMENT WITH.

Efforts were made to reach by telephone the President's secretary, Mr. Tumulty, but he, too, had mysteriously disappeared. The leader of the deputation asked the unknown at the other end of the wire if it would be possible for the women to see the President without the formality of an appointment. The answer, in a shocked and reproving voice, came back:

"Certainly not. Nobody can possibly see the President unless an appointment has been made."

Whereupon the women's representative replied gently, but firmly, "Very well. The deputation is starting immediately for the White House. It will arrive in 10 minutes and it expects to be received by the President. The women have come prepared to stay a month, if necessary, but they intend to see the President. They have something important which they desire to communicate to him. Good-by."

In 10 minutes the women, 73 strong, appeared at the door of the Executive Office. Here they were met by a White House attaché who courteously informed them that the entire delegation would be received after the President had talked with the leaders. The presidents of the three organizations, Mrs. E. F. Feikert, Mrs. Mina Van Winkle, and Mrs. Harry Compton, with several members of the Congressional Union, were at once shown into the private office, where the President stood waiting to receive them.

MRS. FEIKERT AND MRS. VAN WINKLE SPEAK.

Mrs. Feikert spoke for the New Jersey State association, saying that she represented 7,000 women in the State who desired the ballot, and briefly reviewing suffrage activities, including the introduction in Congress of joint resolution No. 1, for a suffrage amendment to the Consti-

tution. Mrs. Feikert reminded the President of the enormous number of petitions presented to the Senate on July 31 and of the cordial reception the petitioners had been accorded by men high in the councils of the various parties represented in Congress. She added:

"Since our measures have not met with the desired success, we have been asked by the women of New Jersey to come to Washington at this time to lay our cause before our Representatives in Congress and before you, Mr. President. We ask you to take up the matter of equal suffrage in your next message to Congress and to make it an administration measure. We also hope that you will use your best efforts to have a woman-suffrage committee appointed in the House of Representatives, such as has already been appointed in the Senate."

Mrs. Van Winkle, president of the Women's Political Union of New Jersey, made a speech, stating facts regarding the condition of working women in the State and pointing out the urgent necessity of giving them the protection of the ballot.

WILSON ON SUFFRAGE.

President Wilson replied: "I am pleased, indeed, to greet you and your adherents here, and I will say to you that I was talking only yesterday with several Members of Congress in regard to a suffrage committee in the House. The subject is one in which I am deeply interested, and you may rest assured that I will give it my earnest attention."

At this point the rest of the deputation was admitted and was most cordially received by the President.

The Suffragist of the same date comments on this interview with the President editorially as follows:

PRESIDENT WILSON HAS THOUGHT ABOUT SUFFRAGE.

President Wilson has been brought face to face with the question of the woman-suffrage amendment, and his response, while not entirely satisfactory, has become a matter of record. Heretofore President Wilson has been resolutely noncommittal on the subject of woman suffrage. His nearest friends have been unable to guess his attitude toward this important reform. His invariable reply to questions has been, "I am thinking about it."

Now, at last, we know that he has really been thinking about it, and more than that, he has been talking about it with Members of Congress. Presumably those Members were also members of the Rules Committee and of the Judiciary Committee, the two bodies in charge of the suffrage measures. We are justified in assuming that those committees will act in the matter as the President desires. In fact, it is hardly conceivable that they would do otherwise.

Thus we shall know, and know very quickly, whether President Wilson, chosen leader of the Democratic Party, is a true believer in the principles of democracy or if he merely believes in democracy for a privileged class; in other words, no democracy at all. President Wilson has been thinking about suffrage. Therefore, he is either a suffragist or he is not. Nobody can think about suffrage without lining up in one or the other rank.

If President Wilson, apostle of democracy, has decided that he is not a suffragist we shall have no House suffrage committee appointed this year, and we shall have no favorable report on the suffrage bill from the present Judiciary Committee. In all probability we shall have no consideration at all during the next Congress. If President Wilson has decided that he is a suffragist we shall have a splendid chance to get the Federal amendment through the next Congress. At all events, we shall see the amendment given every possible facility.

We are waiting to learn what President Wilson will do about suffrage. Meanwhile it will not be out of order to remind President Wilson that another President, to most minds the greatest one we ever placed in office, thought most favorably about it. Fifty years ago President Lincoln said, "I go for all sharing the privilege of the Government who assist in bearing its burdens, by no means excluding women."

No President could be accused of radicalism who does no more than confirm an opinion voiced by the wisest man of his generation 50 years ago. We hope that President Wilson will lose no time in informing the women of this country whether or not he agrees with those words of the immortal Lincoln. We hope that he will embody that information in his first message to the coming Congress.

If the President fails to do this we shall know that he has chosen to line up with the antisuffrage forces. Every man who is not an active friend is, at best, a passive foe to woman suffrage.

A second effort to enlist the aid of President Wilson was made on December 8, 1913, by a delegation of 55 women appointed by the National American Woman Suffrage Association. During the annual convention of this association in Washington President Wilson delivered his message to Congress on December 2. The following day this convention, made up of women from every State in the Union, unanimously voted to appoint a committee to call on President Wilson. Preceding the appointment of this committee and the adoption of resolutions Members expressed their surprise and indignation at the President's complete omission of all reference to woman suffrage in his message to Congress. The resolutions passed by this convention follow:

RESOLUTIONS PASSED BY CONVENTION.

Since the President omitted all mention of woman suffrage in his message of yesterday, and since he has announced that he will send several other messages to Congress outlining the measures which the administration will support, I move that the whole convention wait upon the President to enlighten him concerning our movement and to demand that he make the woman-suffrage amendment an administration measure, recommend it immediately to Congress, and insist that it be considered before taking up any other legislation whatsoever.

The following account of this interview is taken from the Suffragist of December 13, 1913:

The deputation which waited upon the President was made up of delegates sent to the national convention from every State in the Union.

Dr. Shaw, addressing the President, said they had come from the National Suffrage Association, authorized by the association to present the claims and the object for which they were organized, which object was to secure to the women of the United States a representation in the Government with the men citizens of the United States through legislative enactment. That they had made these pilgrimages for many, many years, and the committees had received them and listened to their arguments; the difficulty was that the committees had buried their requests. They had not permitted these requests to come before Congress so that Congress itself might act upon them, nor had they been submitted to the electors of the various States.

The wish of the association was to have a national constitutional amendment enfranchising the women citizens of the land and preventing the States from depriving the women citizens from an equal representation in the Government.

Since the committees of Congress had not reported the measure before Congress and had not given Congress an opportunity to discuss it, nor even given the men of the country an opportunity to speak upon it or express their will upon it, the women asked that a special committee in Congress should be appointed for that purpose.

Some years ago, Dr. Shaw continued, the Senate did appoint such a special committee, to which the question was referred; a group of suffragists had appeared before this committee this year, and the committee had reported favorably upon the request to present the measure to the Senate. Therefore, the women of the country were hoping that the administration, of which the President was the representative and head, would use its influence to bring the matter before the Senate, where it might be favorably acted on.

In the lower House women had failed to persuade the Judiciary Committee to report their measure. They appealed to the President, therefore, to ask his assistance.

The association asked the President, first, to send to Congress a special message asking Congress to submit to the legislatures of the country an amendment to the National Constitution enfranchising the women citizens of the United States; secondly, to use the administration's power to influence the Rules Committee to appoint in the lower House a committee corresponding with the Suffrage Committee in the upper House, a committee which had the leisure to examine the subject of woman suffrage and give it its time. The present Judiciary Committee, Dr. Shaw stated, would unquestionably give the subject more time if they had it; but she had found in the President's messages, which she read with great care and in which she was deeply interested, that this committee had been given an immense quantity of work and would have very little leisure for the suffrage question. Therefore it was necessary to ask that a special House committee be appointed in order to take the question into consideration and view it carefully and judicially on all sides.

"So we come," Dr. Shaw continued, "and appeal to you in behalf of the women citizens of the country. Many of the women have cast their ballots for the President already and have an influence in the Government and can affect the Government and do affect it; many of the women are very eager to take an equal part and appreciate the just manner in which you have, since your administration began, weighed these questions. Recognizing your splendid stand on the liberties and rights of the people, we appeal to you because we believe you will bring to our question that same spirit of justice which you have manifested toward all other great questions.

"In behalf of our association we make this appeal to you to-day, and thank you for the kindness you have shown, in your present ill health, in receiving so large a delegation and in giving us your time."

The answer of the President, as reported in the Washington Post of December 9, is as follows:

THE PRESIDENT'S SPEECH.

"I want you ladies, if possible—if I can make it clear to you—to realize just what my present situation is. Whenever I walk abroad I realize that I am not a free man; I am under arrest. I am so carefully and admirably guarded that I have not even the privilege of walking the street. That is, as it were, typical of my present transference from being an individual with his mind on any and every subject to being an official of a great Government and incidentally, or so it falls out under our system of government, the spokesman of a party. I set myself this very strict rule when I was governor of New Jersey, and have followed it as President, and shall follow it as President, that I am not at liberty to urge upon Congress in messages policies which have not had the organic consideration of those for whom I am spokesman. In other words, I have not yet presented any legislature my private views on any subject, and I never shall, because I conceive that to be part of the whole process of government, that I shall be spokesman for somebody, not for myself.

"When I speak for myself I am an individual; when I speak for an organic body I am a representative. For that reason, you see, I am by my own principles shut out, in the language of the street, from 'starting anything.' I have to confine myself to those things which have been embodied as promises to the people at an election. That is the strict rule I set for myself.

CREATION OF HOUSE SUFFRAGE COMMITTEE.

"I want to say that with regard to all other matters I am not only glad to be consulted by my colleagues in the two Houses but I hope that they will often pay me the compliment of consulting me when they want to know my opinions on any subject. One member of the Rules Committee did come to me and ask me what I thought about this suggestion of yours of appointing a special committee of the House, as the Senate has already appointed a special committee, for the consideration of the question of woman suffrage, and I told him that I thought it was a proper thing to do. So that, so far as my personal advice has been asked by a single member of the committee, it has been given to that effect. I wanted to tell you that to show you that I am strictly living up to my principles. When my private opinion is asked by those who are cooperating with me, I am most glad to give it; but I am not at liberty until I speak for somebody besides myself to urge legislation upon the Congress.

MEMBERS OF THE DELEGATION.

Accompanying Dr. Shaw were Mrs. Susan Walker Fitzgerald, Mrs. Mary Ware Dennett, Miss Ruutz-Rees, Mrs. Stanley McCormick, Mrs. Medill McCormick, Mrs. William Kent, Mrs. William Borah, Mrs. George H. Chamberlain, Mrs. Miles Poindexter, Mrs. Robert M. La Follette, Mrs. Frank W. Mondell, Mrs. Philander Claxton, Mrs. Grace Frances, Mrs. Frances Maule Björkman, Miss Clara Hill, Mrs. Eliza L. Jones, Miss Mabel Vernon, Mrs. Mary L. Lendon, Mrs. Ballenburg, Mrs. Jessie Hardy Subbs, Mrs. Elizabeth C. Earl, Mrs. Anna Noland, Miss Laura Clay, Mrs. George W. Woodland, Mrs. D. R. Hooker, Miss Garrett, Miss Margaret Foley, Mrs. W. Dexter, Mrs. Parker, Miss Katherine Kiager, Mrs. T. J. Jennison, Mrs. Huntley Russell, Mrs. William F. McKnight, Mrs. C. B. Hamilton, Mrs. C. H. Clark, Mrs. Katherine Farrar, Miss Emily Perry, Mrs. William Clagett, Mrs. Mary Morris Lockwood, Miss Alice Paul, Miss Jeannette Rankin, Miss Doris Stevens, Miss Anne Martin, Mrs. George Rubell, Mrs. Gallinger, Miss Frances Baker, Mrs. Maud Anderson, Mrs. H. G. Danforth, Mrs. M. M. Welsh, Miss Portia Willis, Mrs. Minnie E. Brooke, Mrs. Nina E. Allender, Mrs. Harriet

Taylor Upton, Mrs. Russell MacLennan, Mrs. Lawrence Lewis, Miss Mary B. Anthony, Mrs. Yates, Mrs. E. S. Tenney, Mrs. L. Durand, Mrs. W. G. Crabbe, Mrs. Crozier, Mrs. Lota McDaniel Sells, Mrs. Charles V. Meredith, Mrs. Monroe Hopkins, Mrs. Randolph Keith Forrest, Mrs. Gilson Gardner, and Miss Charlotte Johnston.

The brief and unsatisfactory statement made by the President to the delegation of New Jersey women in November, and his equally evasive and adroit denial on December 8, remained his only statements on the subject until February 2, 1914, when a huge deputation of women, representing more than 50 trades in which women are engaged, from 10 States called on the President, hoping to get some friendly word from him in behalf of the suffrage movement. That meeting and its outcome is reported in the Suffragist for March 7, 1914, as follows:

PRESIDENT WILSON SEES WORKING WOMEN—CAN NOT SPEAK FOR PARTY.

The huge deputation of women who had come together from 10 industrial States, representing more than 50 trades in which women are engaged, assembled for a mass meeting preliminary to waiting upon the President. This deputation of self-supporting women was the most convincing argument for self-government that was ever put before any person, and by far the most significant to seek audience with President Wilson.

At 10.30 o'clock the Public Library auditorium was full to overflowing with those eager to hear the program arranged, while a still larger crowd began to slowly assemble on the plaza to await the deputation.

Miss Paul, chairman of the Congressional Union for Woman Suffrage, called the meeting to order. She said:

"We meet here this morning to welcome you on behalf of the Congressional Union, and to tell you of the support which we all give you in this deputation to the President.

"This is the sixth deputation which has gone to see President Wilson. Last spring a deputation of women voters called on the President. A deputation of college women and a deputation from the National Suffrage Association went to him also. This November 73 women from President Wilson's own State, the State of New Jersey, went to the President. In December the National Suffrage Convention, which was in session here, sent a deputation. These deputations appealed to him, as the leader of his party and as the head of the Nation, to aid in this struggle for enfranchisement.

"Though the President has taken no action as yet, we still hope and believe that he will realize the great opportunity before him, and will do something to help the women of this country.

"There is probably no deputation which has ever gone to him that is so full of meaning as is this labor deputation. We are filled with hope as to the results to be accomplished by your mission. What you are doing will help not only working women but all women. We wish you Godspeed.

"I will now introduce to you the first speaker, Miss Melinda Scott, an organizer of the Woman's Trade Union League and a resident of the State of New Jersey."

Miss Scott: "Madam Chairman and Friends: We have been asked to come to Washington and tell why working women need the ballot. First of all, woman suffrage is a woman's question. It is a woman's question because the issues involved are important to us women, caring as we do for the welfare of all women and children, and also because the problems of the working women are so great that they need the ballot to help them in their industrial conditions.

"No one could be serious when they maintain that the ballot will not help the working woman. It has helped the workingman to better his conditions and his wages. Men of every class regard the ballot as their greatest protection against the injustice of other men. Women even more than men need the ballot to protect their especial interests and their right to earn a living. The disenfranchised can not protect themselves nor their labor. [Applause.] How often have we proven this to be the case when we have journeyed to our different capitols, State and National, begging our legislatures to enact laws that will protect women and children and, indirectly, the Nation, such as a shorter working day. Eight hours a day is long enough for anyone to work [applause], much less women, who are supposed to be the weaker sex; and if we can not earn enough of wages to keep us from the poorhouse working eight hours a day, then there must be a leak somewhere in our industrial as well as our political system.

"We want a law that will prohibit home work. We know that home work is a deadly menace to all of society, not only by reason of its insanitary experiences, but because of its cutting down the wages of the women employed in the factories. [Applause.] We hear about the sacredness of the home. What sacredness is there about a home when it is turned into a factory, where we find a mother, very often with a child at her breast, running a sewing machine, running up 37 seams for a cent; ironing and pressing skirts, 70 cents a dozen; and children making artificial flowers for 1 cent a gross—think of it, 144 flowers for 1 cent—taking stitches out of coats, helping their mothers, where they have finished them for 6 cents a coat? These women have had no chance to make laws that would protect themselves or their children. Disenfranchisement helps to keep women's wages down. [Applause.]

"The organized working woman has learned through her trade-union the power of industrial organization, and she realizes what her power would be if she had the ballot. She could obtain through legislation the appointing of factory inspectors and labor commissioners who would be obliged to work earnestly and faithfully for the welfare of all women and children.

"Men legislating as a class for women and children as a class have done exactly what every other ruling class has done since the history of the world. They discriminate against the class that has no voice. Some of the men say, 'You women do not need the ballot; we will take care of you.' We have no faith in man's protection. [Applause.] Men are not very gallant as a rule to working women. She knows it by experience and not by theory. [Applause.] Give us the ballot and we will protect ourselves. [Applause.] Some people say that working women do not want the ballot; and we working women who do think we want to get it for the working women who say they do not want it, because we know when working women get the ballot our hours will be shorter. We shall have a chance to educate ourselves.

"We are part of the people who house and clothe and feed the world; and anyone that can support themselves under the industrial conditions as they are to-day ought not to be classed as an imbecile, lunatic, or idiot. [Applause.] Give the working women a chance to grow and work out their salvation. We are tired of being told by others what is good for us. You are ready to give us everything under the sun but wages and shorter hours and a chance to make our own home surroundings and our own pleasures. If you are really in earnest about helping the working women, if you really mean to help us, help us get the ballot. I will now conclude in the words of the national president of the Women's Trade Union League: 'The woman's movement and the labor movement are two expressions of the democratic spirit of our times. Every woman in America who wishes to see our land bring forth a great people must join us working women in insisting that unto us be given full control of the conditions under which we live and work.'" [Prolonged applause.]

Miss Scott was followed by Mrs. Mary Waxman, representing a delegation of unemployed women of New York City.

Miss Rose Schneidermann, vice president of the National Women's Trade Union League, then said:

"Fellow workers: I think the very fact that we are gathered here, all of us working women from 10 States, means a great thing in behalf of progress. President Wilson, in his 'New Freedom,' states that conditions to-day are so much different than they were 20 years ago. I think the President struck the note. Especially do working women find the conditions to-day different than they were during the times of their grandmothers. Women always worked all through history, only they did it under different conditions years ago. We did not work for wages at one time. We worked for the home; and with the introduction of machinery, we were forced out of that home. As a result we find ourselves to-day, women and children, in these factories; and the question is what we are going to do about it. We know that in industry there is no chivalry. We are not considered any more than the man next to us, unless we are going to take one-half of the wages that he asks for; and so long as we consider ourselves a loop, and so long as we are recognized as such, then so long we are going to be disenfranchised.

"In order to bring about better working conditions we need the ballot, and we need organization after we get the ballot. [Applause.] We need organization so as to sell our labor collectively, because individualism has played its last card. [Applause.]

"If you have got to work for your living, you need organization [applause]; and if all the working women of America were to organize to-day and demand the ballot, I am sure they would get it the same day they demanded it." [Applause.]

Miss Margaret Hinchey, of New York, a laundry worker, and Miss Rose Winslow, of Pennsylvania, a textile worker, in stirring and forceful manner made strong appeals for votes for the working women to improve their industrial conditions.

The delegates fell in immediately behind their State banners. Standards bearing their trades dotted the entire line. High in the air mottoes carrying pertinent bits of the President's "New Freedom" were easily read by the spectators. One heard them reading aloud, "We have got to humanize industry," "I absolutely protest against being put into the hands of trustees," etc.

It was a most impressive sight, the march of these women, with steady step, heads erect, and keenly alert to the justice of their demand. As the band struck up the glorious strains of "The Marseillaise," their faces seemed to shed light anew. Mrs. Glendower Evans, of Boston, carried the American flag, with Rose Schneidermann, vice president of the Women's Trade Union League, by her side, and led the procession. Directly behind them came Rose Winslow, Margaret Hinchey, and Melinda Scott, carrying the huge banner, "We demand an amendment to the United States Constitution enfranchising women."

The army of 400 arrived safely, with perfect police escort, at the doors of the White House. We were amazed to learn that the President would see only 25 of the women. He had said he would "receive the delegation." The selected number then went in; the remaining 375 waited in line outside.

Mrs. Glendower Evans, in her inimitable way, took charge of affairs inside. After the women had assembled, she at once began to address the President, saying:

"Mr. President, I had the honor a year and a half ago to have an interview with you upon this suffrage matter at Sea Girt. At that time you were good enough to explain to me your position somewhat fully, going into the pros and cons as they lay in your mind. I had not expected that, but only a straight yes or no. As you explained your position, you went such a very long way toward our side that I have since felt you were almost with us, and since your election I have been looking and hoping almost week by week for some favorable word from you. I come here now heading a deputation of working women. They come from 10 States in the Union—Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, Wisconsin, and the District of Columbia—among whom are representatives from practically every State in the Union. There are several hundred women waiting outside.

"As I said, these are working women, women who are earning their bread. As you know, there is no chivalry in industry. You know how powerfully the ballot has helped the workingmen and you must know that workingwomen, because they are weaker, need the defense of the ballot even more.

"As the leader of the party in control of the Government, a great power is in your hands. Will you use it to lift the legal disabilities under which these women labor? That is our question.

"I will now ask a few of the representatives of these workingwomen to speak for themselves, though under some difficulty as each one of them is under a limitation of two minutes. I now call upon Miss Margaret Hinchey, laundry worker, from New York."

Miss Margaret Hinchey, laundry worker, New York, then spoke. She said:

"Mr. President, it is shaking and trembling, I as a laundry worker, come here to speak in behalf of the workingwomen of the United States. I have read about you and think you are fair, square, on the level, and so much a real Democrat that I believe when it is made clear to you how much we workingwomen, who organize in the factories, the mills, the laundries, and the stores, can help every true Democrat you will use your power to wipe out this great injustice to women by giving us the vote."

Mrs. Evans: "I now call upon Miss Rose Schneidermann, cap maker and organizer of the Woman's Trade Union League."

Miss Schneidermann: "Mr. President, we workingwomen watched carefully for your message and were very disappointed to see no mention of our cause. You must know, Mr. President, that our conditions have changed. We have followed our work out into the industries and there suffer the same conditions as our men do. We know what it is to hunt for work, to be faced with the possibility of losing our jobs, and knowing that there is nothing but destruction and starvation left for us. Therefore, the vote to us is an economic necessity. We urge that you consider it."

Mrs. Evans: "I will now call upon Miss Melinda Scott, labor organizer from New Jersey, your own State, Mr. President."

Miss Melinda Scott: "We workingwomen come to you, Mr. President, because we are part of the people who house and clothe and feed the world. This Government is supposed to be a democratic Govern :ent, but it can not be truly democratic when only one-half of the people have the making of the laws. We ought to have something to say about the laws under which we live and work. No one could be serious when they say the ballot has not bettered the workingman's condition, and we hope that you will bring out in your next message, Mr. President, the necessity of enfranchising the women."

Mrs. Evans: "I now call upon Miss Rose Winslow, of the textile workers in Pennsylvania."

Miss Winslow: "Mr. President, I am one of the thousands of women who work in the sweated trades, and have been since a child, who give their lives to build up these tremendous industries in this country, and at the end of the years of work our reward is the tuberculosis sanitarium or the street. I do not think to plead with you, Mr. President, nor make a regular speech. I don't speak to Presidents every day; it hasn't been my job, so I don't do it very gracefully."

Here the President interrupted Miss Winslow by stating that he did not see why she should be nervous, as Presidents are perfectly human. Miss Winslow then continued:

"Yes; I know, and that is why I can speak to you, because you are human and have a heart and mind and can realize our great need. I do not need to remind you how we women need the ballot. You are too intelligent a man and understand conditions too thoroughly in this country to need reminding, and I am confident that in a short time we will receive our enfranchisement through you."

The President, to committee of workingwomen, at the White House, February 2, 1914, said:

"I need not tell you that a group of women like this appeals to me very deeply, indeed. I do not have to tell you what my feelings are, but I have already explained—because I felt obliged to explain—the limitations that are laid upon me as the leader of a party. Until the party as such has considered a matter of this very supreme importance and taken its position, I am not at liberty to speak for it; and yet I am not at liberty to speak as an individual, for I am not an individual. As you see, I either speak to it in a message as you suggest or I do not speak at all. That is the limitation I am under, and all I can say to you ladies is that the strength of your agitation in this matter undoubtedly will make a profound impression."

Mrs. Evans said the following after the President spoke:

"We understand your position and its difficulties quite well, Mr. President, but nevertheless we ask, Can we look for political action? We recognize that the verdict must come not from you alone, but from the whole party. Nevertheless you are the leader of that party. I do not ask you to break with your party, what I ask is, Will you use your influence within your party? I don't ask the impossible, though I might from you, for you have done the impossible."

Miss Alice Paul, commenting on the answer of the President to the workingwomen's deputation, said:

"The President stated in sum that he was waiting for the verdict of his party on woman suffrage, and he commented on the strength of our agitation. Women must learn to go on agitating with a view to securing from the party in power a favorable verdict on the question of their right to political freedom."

The impression which the President's answer made on this delegation of self-supporting women is indicated by the following from The Suffragist of February 7, 1914:

THE PRESIDENT'S ANSWER.

[By Mrs. Glendower Evans.]

The President is a gentleman, and he is likewise an accomplished diplomat. It was an adroit turn when he closed an embarrassing dialogue with the working women's delegation to the White House by asking that the members of the delegation who had been excluded from the audience be admitted to the extent of shaking his hand. That courtesy delivered him for the moment. But for the moment only. In the meeting following, held at the Young Women's Christian Association, where the delegates adjourned for lunch, the poverty of his position was revealed in all its nakedness. "What did he say?" asked the excluded delegates. "Will he help us or won't he?" Then the hard fact came out with no handshaking to divert the issue. He will not raise his hand to help us. He will not speak a word, because he is bound by his party. He denies himself the right of free speech on this burning issue of justice and of freedom. "But if you can not speak for your party why not speak to it, Mr. President? Will you promise us that?"

Until he will give that promise both he and his party must be held responsible, together and singly, leader and rank and file. That is where the President left the issue. Let the women of the country, enfranchised and unenfranchised, understand.

The illogical attitude assumed by the President in regard to suffrage compared with his attitude on the question of the canal tolls is clearly set forth in the following editorial from the Suffragist of February 7, 1914:

PRESIDENT WILSON AND THE CANAL TOLLS.

"Until the party, as such, has considered a matter of this very supreme importance, and taken its position, I am not at liberty to speak for it; and yet I am not at liberty to speak for it as an individual, for I am not an individual." (President Wilson to the workingwomen's deputation, Feb. 2, 1914.)

Not all who heard President Wilson pronounce these words were deceived into thinking them anything more than an evasion, a "diplomatic utterance," as such things are called. A few there were, however, who went away from the White House depressed and disappointed. They really believed that the President meant what he said, that he was confiding in them one of the sacred policies by which the country is being governed. President Wilson was the servant of his party. He was going to do what the party, in its platform, promised the country that he would do. Moreover, he wasn't going to do anything else. No matter how much he yearned to effect some reform the platform forgot to mention he wasn't going to yield to temptation and effect it, because the party had not told him to. Perhaps some of the credulous, despairing of suffrage, went home and looked up the Democratic platform of 1912 to see for themselves what could happen to the country in the way of legislation during President Wilson's administration. If any woman did that she may have noticed two little paragraphs which read as follows:

"We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal.

"We also favor legislation forbidding the use of the Panama Canal by ships owned or controlled by railroad carriers engaged in transportation competitive with the canal."

The canal tolls plank in the platform was indorsed with great enthusiasm by the Democratic convention. In fact, not a single voice was raised against it. Tolls exemption for American vessels was almost the most popular thing in the way of planks that the Democratic carpenters handled that week in Baltimore. Tolls exemption figured in almost every speech made by Mr. Bryan and the other orators during the campaign. It was one of the policies on which the Democratic Party went to the country.

Yet, within a few days after President Wilson had told the women that he could not recommend a suffrage measure to Congress because the Democratic Party had not passed on suffrage, he did something still more impossible; he demanded of Congress the repeal of the free-tolls provision in the canal act. He not only recommended a reform not indorsed by his party, a thing he told the women he would never do, but he demanded a reform which the Democratic Party had expressly declared against. And he will get his reform. The Washington Times said, editorially: "President Wilson has demanded the repeal of the free-toll provision in the canal act, and it needs no gift of prophecy to foresee that a large number of the Democratic Members of the House and Senate who voted for free tolls will hasten to beat a retreat. The question will not be tried on its merits. For most of the Democratic membership of both Houses it will be sufficient to know what the President wants done."

Some of the Democratic leaders, rather aghast at this audacious repudiation of platform policy, yet anxious to obey the crack of the whip, have made a very brilliant suggestion. They advise a referendum of the convention delegates with a view to finding out the truth of a horrid rumor, to wit, that the free-tolls plank was slipped into the platform when everybody's back was turned. It was, in fact, handed to the party by a trick.

We like that suggestion immensely. You could do almost anything you liked with a simple device like that. For instance, you could take a referendum and find out that woman suffrage was left out of the Democratic platform by an oversight, or even that it was cut out of the platform at the lunch hour, like a Mona Lisa out of its frame. Then, of course, the President could tell Congress to appoint a suffrage committee in the lower House and carry the amendment to the voting stage. He might even order Congress to pass the bill, without receding from the policy outlined to Mrs. Glendower Evans and her deputation of working women. Certainly what is possible for a canal act ought to be possible for a suffrage amendment.

The activity of the various organizations, working on behalf of woman suffrage, naturally had its effect on the majority in Congress. A number of Democrats representing suffrage States, or States where there was a strong sentiment favorable to the extension of the right of franchise to women, feeling that their political fortunes were being endangered by the failure of the party to give fair consideration to the suffrage question, sought to secure caucus action on the subject, and a Democratic caucus was called and held on the evening of February 4. After considerable discussion the following resolution, introduced by Mr. HEFLIN, of Alabama, was adopted by a vote of 124 to 56:

Resolved, That it is the sense of this caucus that the question of suffrage is a State and not a Federal question.

I clipped from the Suffragist of February 7 the following editorial on this action of the Democratic caucus:

THE CAUCUS DECISION.

The decision of the Democratic Party in caucus last night that woman suffrage is not a Federal question is simply an error. Any question affecting citizens of more than one State is a Federal question. An amendment extending the franchise to the women of the country is most obviously a Federal question. It is always perfectly constitutional to amend the Constitution at any time and in any direction. It is the business of Congress to consider such proposed amendments on their merits. They may decide against these amendments, but to decide that they are not Federal questions is simply unreasonable.

There is direct and indirect precedent for Federal action on the suffrage question. The Federal Government has once by constitutional amendment extended the franchise to the negro. Indirectly they have also extended the franchise to many white men who vote to-day under Federal naturalization laws. That these naturalized citizens obtained the right to vote by State law does not affect the fact that millions of men became citizens and therefore voters by Federal law. If Federal interference in regard to the electorate of the various States were disastrous, a large part of our present voting arrangement must be regarded as disastrous.

It is true that the States can enfranchise their women. But that is no reason why Congress can not. It is women's business to decide by what avenue they shall seek enfranchisement; which road to success is the most direct and the most economical of their time, money, and energy. If we choose to appeal to the National Government, the National Government must hear our plea.

The vote of the Democrats in caucus simply means that the Democratic Party is not yet willing to use its power to extend the franchise to women.

The same issue of the Suffragist contains the following appeal to the Democrats to remedy the mistake they had made by their caucus action:

THE NEXT STEP.

On Monday President Wilson referred a deputation of suffragists to the Democratic Party for action on the suffrage measure. On Tuesday the suffrage question was put squarely up to the Democratic Party by the calling of the Democratic caucus. The Democratic Party by its action in caucus has refused at this moment to take up the suffrage cause. The work of suffragists from now on must be to organize such demonstrations throughout the country and to give such evidence of the strength of their movement as to convince the Democratic Party that the time has arrived for this question to be taken up by the party. We hope that before this session ends the Democratic Party will come to a realization of the great opportunity which is before it. It has in its hands at this moment as great an opportunity as that which was before the Republican Party when it enfranchised a race.

Suffragists are glad to know just where the Democratic Party stands, and just where further pressure ought to be brought to bear. They have by no means given up hope of attaining success in this present session, and will turn at once to the Judiciary Committee of the House, which has had the proposed suffrage amendment in its charge since last April. They will ask immediately for a hearing by this committee, and will press for a report.

Though the campaign for the creation of a suffrage committee in the House, similar to that existing in the Senate, has met with a temporary setback, the suffrage measure itself is still before both Houses of Congress, having received a unanimously favorable report in the Senate and being still in committee stage in the House.

The energy of suffragists will now be centered on the main suffrage bill, attention no longer being given to the minor question of a suffrage committee. We enter into this campaign full of hope that the Democratic Party will soon awaken to a realization of the justice of this question of self-government.

Meanwhile there was no let up in the efforts to get the Rules Committee to report out a rule for the consideration of the suffrage amendment. I made appeals in that behalf to different members of the committee at various times. I found the Republican members and the Progressive member of the committee ready to act at any time, but the Democratic members went so far as to avoid holding meetings of the committee in order to side-step a consideration of this matter.

Finally, however, the situation with regard to other legislation necessitated a meeting of the Rules Committee, and I quote from the Suffragist of June 20 a statement relative to what occurred, as follows:

RULES COMMITTEE MEETS—NO ACTION ON SUFFRAGE.

Wednesday morning, June 10, shortly after the antitrust measures were passed in the House and sent to the Senate, the Rules Committee met to frame a program for the ensuing days of the session. They had before them a resolution, introduced by Representative FOSTER, of Illinois, proposing a special rule providing time in the House for the consideration of a group of conservation bills, a rule introduced by Representative CANTRILL, of Kentucky, for the consideration of the prohibition measure, and the rule proposed by Representative MONDELL for the disposition of the suffrage amendment.

It is interesting to note that the conservation and prohibition rules were both proposed by members of the Rules Committee, Representatives CANTRILL and FOSTER. Dr. FOSTER had assured successive deputations of women that he would absolutely refuse to vote in favor of the suffrage rule because Congressmen were in need of a holiday and must not be detained for further business. Yet he was the author of the rule allotting time for the consideration of bills providing for the leasing of coal lands in Alaska, for the mining of radium, for the development of water power on public lands, and for a commission to codify and suggest amendments to the general mining laws. It is expected that the discussing of these measures will keep the great majority of Congressmen in Washington for at least a month.

The action of Dr. FOSTER and of Mr. CANTRILL in proposing their resolutions is a curious commentary on Mr. HENRY'S statement that the Rules Committee could not consider the suffrage rule until they were instructed to do so by the Democratic caucus.

The meeting of the committee was prolonged, and occasionally marked, according to report, by sharp debate. Representative MONDELL went in person to the Rules Committee room, and calling the chairman out, urged that his resolution allotting time for the consideration of the suffrage amendment be favorably reported to the House.

At 1 o'clock the committee adjourned till 4 the same afternoon. It was then officially announced that favorable action had been taken on the conservation measures, which have accordingly now become the privileged business of the House. At 4 the prohibition rule was considered at length. Action upon it was postponed till the next meeting of the Rules Committee on July 1. No action was taken with regard to the suffrage resolution. On the evening of the same day Chairman HENRY left for Texas, to be gone for two weeks.

ANOTHER DELEGATION TO SEE THE PRESIDENT.

Efforts to secure action by Congress having failed, the good women interested in the cause of suffrage concluded to make a seventh appeal to the President, and the plans and purposes of this deputation are set forth in the following article from the Suffragist of June 20:

CLUB WOMEN TO ASK ACTION—MRS. WILEY TO LEAD.

Immediately upon receipt of the news that the Federation of Women's Clubs had given its indorsement to suffrage, Mrs. Harvey W. Wiley, vice president of the District of Columbia branch of the federation, announced that she would lead a delegation of club women to wait upon President Wilson on June 30 to lay before him the fact that approximately a million organized women had gone on record as desiring the success of the suffrage movement and to urge him to secure the passage by Congress of the Bristow-Mondell suffrage amendment.

The deputation will go to the White House on the day preceding the meeting of the Rules Committee on July 1, and will ask the President's help in securing action from that committee in creating a special rule allotting time for the consideration of the suffrage resolution in the House.

This will be the seventh deputation of suffragists to wait upon the President since he assumed office, over a year ago.

PREVIOUS DEPUTATIONS.

The first deputation, representing the congressional committee of the National American Woman Suffrage Association, went to him shortly after his inauguration with the request that he include suffrage in the program which he would put before Congress in his message convening the special session. The second and third deputations, which went shortly after the first, and which represented the College Suffrage League and the National Council of Women Voters, respectively, laid the same request before him.

To the first delegation the President replied that he would take the matter under consideration. To the second and third he stated that he could not put suffrage in his message owing to the necessity of concentration at that particular time on the tariff.

Last November, shortly before the convening of the regular session, President Wilson was waited upon by a delegation of over 70 women from his own State of New Jersey, who came to Washington to ask him to put suffrage in his program for the regular session, as outlined in his forthcoming message. To this deputation he replied that the question was one in which he was much interested and which would have his serious consideration.

Immediately after his message had been given at the opening of the regular session, a committee of 55, representing the National American Woman Suffrage Association, which was then meeting in convention in the city, again waited upon him, expressing their dissatisfaction with his nonaction on the suffrage question, and again asking him to use his influence to secure the passage of the measure by Congress. He stated to this deputation that he was unable to act because he was simply the spokesman of his party, and his party had not given its indorsement to this measure.

Early in February a deputation of women wage earners called to ask him once more to take action on this question. To this deputation he gave the same reply as to the preceding one.

This seventh deputation, led by Mrs. Wiley, promises to be the largest and most representative that has yet approached the President. Its leaders hope that it will be the last that it will be necessary to send.

The same issue of The Suffragist sets forth clearly the reasons why, in the opinion of the friends of suffrage, the President should give his aid and encouragement to the cause, as follows:

PRESIDENT WILSON AND SUFFRAGE.

Once again suffragists are appealing to the President to do his part in removing the ancient sex inequality that has so long endured in our political life. We are appealing to him as the head of the National Government and as the leader of the party which is in control of Congress.

Six times we have been to the President without avail. Twice he has told us that he was interested in the subject and that it would have his earnest consideration. Twice he has told us that the program was too full to allow him to take up this matter; and twice he has said that he was the spokesman of his party and could not act until suffrage had received the party indorsement. To quote his own words: "I am not at liberty to urge upon Congress in messages policies which have not had the organic consideration of those for whom I am spokesman. * * * I have to confine myself to those things which have been embodied as promises to the people at an election." (Reply to deputation from National American Woman Suffrage Association, December, 1913.) Again, in meeting the labor deputation, in February, he said: "I have already explained * * * the limitations that are laid upon me as the leader of a party. Until the party as such has considered a matter of this very supreme importance and taken its position, I am not at liberty to speak for it."

We are now waiting anxiously to hear what reply he will make to this, the seventh deputation, and what action he will take before his great opportunity of playing his part in enfranchising many million of women has entirely passed away.

We will not be satisfied this time with the answer that he is considering the matter and giving it his serious attention. The subject is too important to be trifled with. Those who have power to help and who do not can not seek excuse on the ground that their minds are not yet made up. We are now facing the time for action. Those who are not with us are against us.

The President can not say this time that the program is too full to permit the consideration of suffrage. There is nothing before the House but the conservation and appropriation bills, which will soon be out of the way. All that is needed is a few hours for the settling of the question. The Senate has the antitrust measures before it, it is true, but the Senate has given long debate to the subject and can easily afford the time to call the roll again and pass the amendment.

The President can not plead this time that he is unable to act because of the lack of a party mandate on the subject. Since he made that statement to us in December and again in February he has himself, by his action on the Panama tolls case, abandoned the position that he is simply the spokesman of the party. On Monday of this week, with the signing of the Panama tolls repeal bill, a chapter in national legislation has been completed in which the President has not only initiated legislation but has actually forced it through when it was in actual contradiction to a plank in the Democratic platform.

No one who follows legislation at the National Capital need be told that the President is the mainspring of action and the great source of power. We have seen him put through the tariff and the currency bills according to his own views. We have seen him force through the Panama tolls repeal bill in violation of the terms of the Democratic platform. The antitrust measures, which have just been passed by the House and which the Senate is now reluctantly carrying through, were presented to Congress as the President's program. The conservation measures which have just been adopted as the next program for the House were known to have the administration's indorsement.

What the President has done in all these matters he can do with regard to suffrage. He has greater power than any other person or group of persons to secure the passage of the suffrage amendment before the session is over. As is his great power, so is his great responsibility. Suffragists are not content to wait until another session. If the President fails to use his power to help, he must bear the responsibility of having been against us in our hour of need.

THE PRESIDENT RETREATS.

According to program a large delegation of women, representing the National Federation of Women's Club, called on the President by appointment on July 1. The day was a beautiful one, the ladies were appropriately gowned for the occasion, nearly all in white, and as they marched up to the White House carrying their State and club banners they presented a most charming and inspiring sight. The manner of their reception is fully set forth in the article from the Suffragist of July 4, as follows:

PRESIDENT REFUSES AID TO DEPUTATION—FIVE HUNDRED CLUBWOMEN MARCH TO WHITE HOUSE.

President Wilson to-day retreated behind his high privilege as Chief Executive and refused to commit himself as to whether the framers

of the Constitution meant what they said when they wrote Article V providing for the amendment of that instrument.

Declaring that he had in the past expressed the limitations placed upon him as the head of his party, he stated to-day to 500 representative club women that personally he believed the question of woman suffrage should be settled by the States.

Mrs. Harvey W. Wiley, who led the deputation, begged to remind the President that three-fourths of the States would have to pass upon the proposed constitutional amendment enfranchising women before it could become law, and Mr. Wilson objected that by that process it would be forced upon the other one-fourth.

"Mr. President," said Mrs. Rheta Childe Dorr, who had made the appeal for the passage of the proposed amendment, "don't you think that when the Constitution was framed it was agreed that when three-fourths of the States wanted a reform, the other one-fourth would accept it also?"

The President's mouth hardened into a straight line. His face flushed. "I can not say," he said, stiffly, "what was agreed upon. I do not think that has anything to do with my convictions, and I do not think it is quite proper that I should submit myself to cross-examination."

THE DEPUTATION.

The deputation had assembled for a preliminary mass meeting at the Public Library at 1 o'clock, where an address of welcome had been made by Mrs. Harvey Wiley, who sent out the call which brought the club women to Washington. Stirring speeches were also made by Mrs. Ellis Logan, Mrs. Frank Miles Day, of Pennsylvania, Mrs. Eugene Shippen, of Michigan, and Mrs. Josepha Whitney, of Connecticut.

Leaving the library, the deputation, which extended over several blocks, marched in single file to the White House, preceded by a band playing the Marseillaise, the Star Spangled Banner, and other stirring national airs, and led by four banner bearers carrying the now famous amendment banner demanding the passage of the Bristow-Mondell amendment enfranchising women. Arriving at the White House, it passed through the arcade and into the East Room, the band continuing to play meanwhile outside the building.

The women were massed about the State Department, filling it from end to end and leaving a hollow square in which Mrs. Ellis Logan and Mrs. Wiley, president and vice president, respectively, of the District of Columbia Federation of Women's Clubs, and Mrs. Rheta Childe Dorr, of the Congressional Union for Woman Suffrage, awaited the President's arrival.

Preceded by his aid, Col. Harts, the President entered and bowed to Mrs. Wiley, who stepped forward to meet him.

"Mr. President," said Mrs. Wiley, "we come to you to-day as the representatives of 1,000,000 club women to present to you the resolution of the General Federation of Women's Clubs indorsing woman suffrage. This is a most significant action. No longer can it be said that women do not want the ballot, when the women's congress, meeting in biennial session, votes its 'earnest belief in the principle of political equality regardless of sex.' We come to you, therefore, backed by the force of this great body, to ask you to use your influence in the manner provided in the Constitution with that other Congress on the hill—to there further in every possible way the Bristow-Mondell amendment now pending before it. I will leave it to the two appointed speakers to bring this matter to you in detail.

"I have the pleasure of introducing Mrs. Ellis Logan, president of the District Federation of Women's Clubs, and Mrs. Rheta Childe Dorr, author of What Eight Million Women Want."

Mrs. Logan presented to Mr. Wilson an engrossed copy of the resolution adopted by the federation at Chicago indorsing the principle of political equality for men and women, regardless of sex.

"Eight million working women have their eyes on the results of this resolution to-day," said Mrs. Logan. "Suffrage is the duty of woman. It is her patriotism to safeguard her womanhood. This resolution demonstrates in unmistakable terms that the women of the country are looking to Congress to pass this amendment before this session adjourns.

"Mr. President, on the eve of the Fourth of July, when the Declaration of our forefathers still rings its jubilant note around the world, what more fitting hour and time for our President, the father of daughters, to give his voice and his influence to our cause?"

The President turned to Mrs. Dorr.

"Mr. President," said Mrs. Dorr, "we are well aware that you are the busiest of men. I shall therefore go directly to the point and tell you that our reason for calling on you to-day is to ask you if you will not use your powerful influence with Congress to have the Bristow-Mondell suffrage amendment passed in this session.

"On former occasions when we came to you on this business you told us that you could do nothing for us because you were committed to a restricted program defined by the Democratic platform and that you were determined never to initiate any important legislation until the party had given you its instructions. Since our last visit to the White House you have receded from that position. You have initiated and carried through Congress an extremely important piece of legislation without waiting for party instruction. In fact, you have carried it through in the face of positive instruction to the contrary written in the platform on which you were elected. You did this because you deemed it the wise and the right thing to do, and you had the courage to act according to your conscience and your convictions. In the matter of the legislation to which I have referred your justification rested on the fact that a certain situation had changed and a changed situation called for a changed policy. We submit that the situation in regard to woman suffrage has changed absolutely since the Baltimore platform was written. No other political situation has changed so completely as this one."

Mrs. Dorr traced briefly the growth of the suffrage movement and pointed out its evolution from an academic to a nationally important political issue. She asked the President to use his influence first with the Rules Committee to secure the report allotting time for the consideration of the measure in the House and then to do what he could to secure for women their enfranchisement during the life of the present Congress.

"And now, Mr. President," said Mrs. Dorr, "it was extremely kind of you to receive this deputation, but we have reached a point where we are not satisfied with kindness and toleration. We want action. We therefore ask you, President Wilson, to answer a plain question. What are you going to do now, in this present session of Congress, for woman suffrage? Are you going to use your powerful influence to induce Congress to pass the Bristow-Mondell resolution?"

THE PRESIDENT'S ANSWER.

The President replied:

"Mrs. Wiley and ladies, no one could fail to be impressed by this great company of thoughtful women, and I want to assure you that it is to me most impressive. I have stated once before the position which, as the leader of a party, I feel obliged to take, and I am sure that you will not wish me to state it again. Perhaps it would be more serviceable if I ventured upon the confident conjecture that the Baltimore convention did not embody this very important question in the platform which it adopted because of its conviction that the principles of the Constitution which allotted these questions to the States were well-considered principles from which they did not wish to depart. You have asked me to state my personal position with regard to the pending measure. It is my conviction that this is a matter for settlement by the States and not by the Federal Government, and therefore, that being my personal conviction, and it being obvious that there is no ground on your part for discouragement in the progress you are making, and my passion being for local self-government and the determination by the great communities into which this Nation is organized of their own policy and life, I can only say that, since you turned away from me as a leader of a party and asked me my position as a man, I am obliged to state it very frankly, and I believe that in stating it I am probably in agreement with those who framed the platform to which allusion has been made.

"I think that very few persons, perhaps, realize the difficulty of the dual duty that must be exercised, whether he will or not, by a President of the United States. He is President of the United States as an Executive charged with the administration of the law, but he is the choice of a party as a leader in policy. The policy is determined by the party or else upon unusual and new circumstances by the determination of those who lead the party. This is my situation as an individual. I have told you that I believed that the best way of settling this thing and the best-considered principles of the Constitution with regard to it is that it should be settled by the States. I am very much obliged to you."

The President paused. He looked relieved. There was a moment's silence, and then Mrs. Dorr said:

"May I ask you this question? Is it not a fact that we have very good precedents existing for altering the electorate by constitutional amendment?"

The President's face changed. "I do not think," he said, "that that has anything to do with my conviction as to the best way that it can be done."

"It has not," agreed Mrs. Dorr, "but it leaves room for the women of the country to say what they want through the Constitution of the United States."

"Certainly it does," the President said hastily. "There is good room. But I have stated my conviction. I have no right to criticize the opinions of others who have different convictions, and I certainly would not wish to do so."

Mrs. Wiley stepped forward. "Granted that it is a State matter," she said, "would it not give this great movement an impetus if the resolution now pending before Congress were passed?"

"But that resolution is for an amendement to the Constitution," the President objected.

"The States would have to pass upon it before it became an amendment," said Mrs. Wiley. "Would it not be a State matter then?"

"Yes," the President interrupted, "but by a very different process, for by that process it would be forced upon the minority; they would have to accept it."

"They could reject it if they wished to," said Mrs. Dorr. "Three-fourths of the States would have to pass it."

"Yes," the President said with distinct annoyance, "but the other fourth could not reject it."

"Mr. President," said Mrs. Dorr, "don't you think that when the Constitution was framed it was agreed that when three-fourths of the States wanted a reform, the other fourth should accept it also?"

The President was plainly disconcerted. He stepped back.

"I can not say," he replied, frigidly, "what was agreed upon. I can only say that I have tried to answer your question, and I do not think it is quite proper that I submit myself to cross-examination."

"Very well," Mrs. Dorr said, quietly. "We will not cross-examine you further."

"Thank you, Mr. President," said Mrs. Wiley, "for your courtesy in receiving us."

The President bowed. "I am very much obliged to you," he said. "It has been a pleasant occasion."

As the President retired, the women gathered in groups about the East Room and talked for several moments before there was a general movement toward the door. The interview had lasted more than half an hour.

The following editorial from the Suffragist of July 4 clearly indicates how little the President's attitude appealed to the judgment of the friends of the suffrage movement:

OUR DEMOCRATIC PRESIDENT.

The President has told a deputation of club women that they must win political freedom from State legislatures, but not from him, nor from Congress.

This position is obvious pretense. The National Government has the power, granted it by the Constitution, to enfranchise women. It has therefore the duty of doing so, if women's claim to enfranchisement is just.

The President knows as well as we do the enormous difficulty of winning the vote by amending the constitutions of 39 different States. It is amazing that a man can be found who will calmly direct women to take up this great burden when men are responsible for their need. Men alone, in all but 10 States, have the power to change our laws. The good or evil of these laws is their praise or blame. It is a public injustice to-day that men deny to women, in the ballot, a means of self-protection which they are glad to possess themselves. Men are ethically on the defensive—particularly the man or group of men who from time to time monopolize political power. For the President of the United States, who incorporates in himself the political power of the whole Nation and who is therefore more responsible than any other one person to-day for the subjection of women, to declare that he washes his hands of their whole case is to presume upon greater ignorance among women than he will find they possess.

Nevertheless we are specifically informed by the President that it is "not proper" for us to "cross-examine" him on the grounds of his refusal to help us.

Only fitfully do women realize the astounding arrogance of their rulers.

NO HOPE FOR SUFFRAGE FROM THE DEMOCRATIC PARTY.

There is little to record of progress in the suffrage movement before Congress since the President's retreat before the cross-

examination of the representatives of the women's clubs on July 1. This lack of progress is, however, in nowise due to any lack of earnestness or activity on the part of the women who are conducting the active work of the woman suffrage movement before Congress. The presentation of petitions from all over the country have kept Members informed as to the lively sentiment for suffrage in their districts. Whenever there has seemed the slightest hope of securing a meeting of the Committee on Rules ladies connected with the Congressional Union for Woman Suffrage have been on hand to urge the reporting of a rule for the consideration of the suffrage amendment.

But no rule has been reported. The Committee on Rules has not held a meeting, so far as is publicly known, since they reported out the rule for the conservation bills June 10. It was reported that a meeting was to be held on August 1, but August 1 came and went with no meeting. Meanwhile the Republican members and the Progressive member of the Committee on Rules stand ready to report out a rule at any time, but they can not hold a meeting unless the Democratic majority wills it. The Democratic majority of the committee, realizing that the Democratic majority of the House is not only opposed to woman suffrage, but opposed to giving the people of the country an opportunity to vote on it, decline to meet and decline to act, and there you are.

Hon. Wm. E. Humphrey's Work in Congress.

EXTENSION OF REMARKS

OF

HON. WILLIAM L. LA FOLLETTE,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 18, 1914.

Mr. LA FOLLETTE. Mr. Speaker, having served in this House several years with Congressman HUMPHREY, knowing his marked ability and his high standing in this body and his devotion to his duties and to the interests of his constituents, I take pleasure in inserting in the RECORD a letter written by Senator W. L. JONES, that has been published in the papers, giving a brief review of the work of Mr. HUMPHREY during his long service as a Representative in Congress. Perhaps no one is quite so well qualified from personal observation as is Senator JONES to write such letter. The letter, written at the request of Mr. J. P. Todd, of Seattle, is as follows, and speaks for itself:

SENATOR JONES'S STATEMENT.

MY DEAR MR. TODD: Your favor asking me for a statement of the record of work done by Congressman HUMPHREY during his service in the House at hand. I am pleased to comply with this request so far as it is possible to do so, and all the more so because of my continued service with him and because of our almost general agreement upon the important matters of legislation that have come up during the last 12 years. Of course, I can not cover everything he has done or been connected with. He has taken an active part in so many different matters and so many important subjects have been under consideration that to cover all would be beyond the scope of this letter.

No one who has kept track of his record at all will deny the fact that he has steadily grown in ability, effectiveness, and influence from the time of his entrance into the House. His ability, industry, courage, devotion to his constituents, and his high integrity are known to his friends and admitted by his opponents. Having served with him during the 12 years he has been in Congress and having cooperated with him unreservedly in behalf of the State on those great questions which have been up for consideration, I can speak of his work from personal knowledge as well as from the record. It is with pleasure that I call your attention to some of the most important measures he has favored and some of the most important work he has performed.

HIS RECORD ON LABOR LEGISLATION.

Labor: His votes have been uniformly in behalf of American labor. He voted for the employers' liability act and the workmen's compensation bill, which our Democratic friends have failed to pass; for requiring materials to be used in the construction of the Panama Canal to be purchased in the United States; for limiting the hours of service for the men working on railroads; for the various safety-appliance laws in relation to railroads; for the various eight-hour laws that have been passed; for the laws creating the Bureau of Mines, the Children's Bureau, and the Department of Labor; for a child-labor law for the District of Columbia; for the eight-hour law for women in the District of Columbia; and for many others of a similar character. Surely these mentioned show that his vote and his sympathy can always be counted upon for those who toil. This is natural. He worked with his hands when a boy and young man. He knows what it is to earn his daily bread by manual labor, and his sympathy for and interest in labor does not come from a theoretical idea of what it means to work, but from actual experience. He can be counted on to support every reasonable measure for the welfare and protection of labor.

FRIEND OF WAR VETERANS.

Pensions: Mr. HUMPHREY has always been an active friend of the old soldier. He voted for the age-pension law, the law increasing the pensions of widows, the law removing the income provisions for widows, the Indian veterans' pension law and its increase, and for every bill, public or private, for the relief of any soldier. His friendship for the old soldiers, their widows, and dependents has not decreased as their ranks have thinned and their numbers lessened. He has declared in public addresses "that it is a sacred duty of this Nation to pay to every soldier who served his country in its hour of need a sufficient pension to provide him with the necessities of life, and that the Nation should care for the soldier's widow and orphan." He has also supported every provision of law giving the soldier a preference in Government employment, and has protested against its violation.

ELECTION OF SENATORS AND INCOME-TAX AMENDMENTS TO CONSTITUTION.

He voted at every opportunity for the resolution submitting to the people an amendment to the Constitution providing for the election of Senators by the direct vote of the people, and he also voted for the resolution submitting the income-tax amendment to the people.

SUPPORTED REFORM MEASURES.

Regulating trusts and combines: He voted for the Hepburn law to prohibit rebates and discriminations by the railroads, probably the most important antitrust legislation that has gone upon the statute books since the passage of the Sherman antitrust law. He voted for the law enlarging the powers of the Interstate Commerce Commission by giving it, among other powers, the right to ascertain and fix reasonable rates; to suspend proposed rates until their reasonableness could be determined; the right to fix through rates on rail and water lines; the right to enforce terminal connections between rail and water lines; and the right to divest railroads of control and ownership over water lines that might be competitive. He voted for the law providing for the physical valuation of railroad, telephone, and telegraph lines, for the law prohibiting the giving of passes, and for many other acts tending to control trusts and prevent monopoly, including the act prohibiting corporations from making contributions to campaign funds.

He also voted for the laws requiring publicity of campaign contributions, both before and after elections.

POSTAL SERVICE.

He was one of the first men in Congress to make a speech in favor of the postal savings bank system, and did effective work for the passage of the present law. He favored and voted for the present parcel-post system.

AGGRESSIVE FOR PURE-FOOD LAW.

Health and morals: He worked and voted for the present meat-inspection law and for the pure-food law. He was especially aggressive in his work for the pure-food law, contending that it was and is one of the most important statutes that Congress ever enacted, and that it vitally affects the welfare of the entire people. He worked and voted for the "white-slave law" prohibiting the transportation of women for immoral purposes, and for the law prohibiting the importation of opium into this country for other than medicinal purposes.

ALASKA.

He has always been an aggressive and influential friend of Alaska. He fought for the act giving her a Delegate in Congress and helped to pass the law giving her a Territorial form of government. He drew, himself, and had passed the present Alaska game law. As a member of the Committees on the Merchant Marine and Fisheries and of Rivers and Harbors, he has been able to do much to protect the great fishing industry of Alaska and for the improvement of her harbors. His speech for the recent Alaska railroad bill was conceded to be one of the most effective and convincing delivered upon this subject. It contains a remarkable amount of definite information regarding that Territory. While his speech was very influential, I am in a position to know that the greatest and most effective

influence was exerted by him through his position on the Committee on Rivers and Harbors, and I doubt if any individual Member of the House had a greater influence than he in overcoming opposition to the measure appropriating $35,000,000 for the building of a railroad in Alaska by the Government. He is one of the best and most influential friends Alaska has in Congress to-day, and his retirement would be a loss to Alaska that can not be overestimated.

PANAMA CANAL.

Mr. HUMPHREY has always fought and worked for the construction of the Panama Canal or a canal across the Isthmus. As it is built on and entirely within American territory by the American people, and as the American people will pay for it, operate it, maintain it, and defend it, he believes that this Government has the right to control it and to use it with its own ships as it pleases. He believes that it is the right of the United States not only to do this, but that it is its duty to use the canal to bring about effective competition between the transcontinental railroads and the ships that pass through the canal in order to lower the freight rates between the two coasts for the benefit of the entire people of the country. He voted to have the canal constructed upon the present plan and vigorously opposed a "sea-level" canal.

We unhesitatingly approved the prompt, active, wise, and statesmanlike steps taken by President Roosevelt to promote the world's progress by acquiring the territory through which this canal could be constructed, and we will both oppose to the limit any action that will reflect upon him or compel the American people to pay blackmail money for doing that which was so necessary to the success of an undertaking primarily in the interest of all the nations of the earth.

FOUGHT AGAINST THE TOLLS REPEAL.

No man in Congress was more active or vigorous in the fight in favor of the law giving American ships in the coastwise trade the right to pass through the canal without the payment of tolls than Mr. HUMPHREY. WILLIAM C. ADAMSON, chairman of the Committee on Interstate and Foreign Commerce, says that no man in Congress did more to pass that act than he. As you know, he has been equally active and energetic in his opposition to the repeal of that law. He has denounced this proposed repeal as a cowardly and un-American surrender to Great Britain and to the transcontinental railroads.

His speech in the House is regarded by both Democrats and Republicans as one of the strongest made on this question. He pointed out especially the great injury that such action would bring to the State of Washington, and declared that if the present law is repealed it will take with it the great benefits that the canal would bring to the State of Washington and give them to British Columbia, and that it would be better if the canal had not been built. He is of the opinion, however, that the repeal of the present act will not end the fight, but that Congress will again enact a law reasserting our sovereignty in our own canal and bring about competition between the steamship lines and the transcontinental railways as soon as the people have had an opportunity to express their will at the polls upon this proposition.

ALWAYS A PROTECTIONIST.

Tariff: He has always been a protectionist. He has always believed that free trade means industrial ruin to the country and has always contended that our labor should be protected from the cheap pauper labor of the rest of the world. He has often declared that "this nation can not prosper if it gives its work and its wages to foreign labor." As you know, he declared in the last campaign repeatedly that if the Democratic Party came into power and revised the tariff it would bring industrial ruin to the counry; that mills and factories would close or reduce their output; and that many of our laboring people would be thrown out of employment and have their wages reduced. Present conditions demonstrate the correctness of this prophecy.

MEXICO.

He was one of the first public men to criticize the attitude of the administration toward Mexico. Speaking at Indianapolis on the 12th day of last February, he declared that while the administration was preaching peace their attitude and actions were daily bringing the country nearer war. He declared its policy at that time to be weak, vacillating, and blundering. Was he not correct?

ATTENTIVE TO HOME INTERESTS.

Local matters. I think you know and everyone should know that no constituent, however poor or humble, however prominent or influential, has even written to Mr. HUMPHREY that he did not receive a prompt reply and prompt attention to his request. During his entire service all these many matters have received his personal atttention, and he has performed his heavy task ungrudgingly, feeling that it was his duty to do so.

His State and his district have had his best service, and it is doubtful if any district in the Nation has received more from the National Government than the district which he now so ably represents. The expenditures made in the State of Washington by the National Government, through legislation of which he has had charge in the House, has amounted to many millions of dollars. Of the many appropriations which have been granted for needed improvements during his service and mine, and which have had his most earnest and efficient attention, I will mention the following:

Lake Washington Canal	$2,275,000
Dry dock at Bremerton	2,300,000
Fortifications on Puget Sound	4,000,000
For public buildings at Bellingham, Everett, Seattle, North Yakima, Olympia, Walla Walla, and others, over	1,000,000
For river and harbor improvements in the State	15,000,000
For submarines	2,000,000

Many others could be named, but these are sufficient to show the effectiveness of his work in behalf of local interests. They are the largest and most important, although I want to say that it not always the largest and the most important that calls for the most work and attention. This consideration of local interests has been secured without in any way compromising his opinions or his independence of action. He succeeded me on the Committee on Rivers and Harbors, and during the last six years has had practical charge of legislation in the House involving an expenditure in our State for public improvements of practically $25,000,000.

MAN OF POLITICAL INDEPENDENCE.

His political independence: He has the courage to follow his judgment, even against his own party. When the bill for the admission of New Mexico and Arizona as one State was before Congress both President Roosevelt and Speaker Cannon personally asked him to vote for it. He did not believe it was fair to the Southwest, and spoke and voted against it. He was strongly urged by President Taft to vote for the reciprocity bill, but he did not think it was fair to to the Northwest or to the State of Washington, and voted against it because of his own convictions. These instances show that he possesses the courage of his convictions, which is perhaps the most valuable of all traits in a public man. While he is a partisan, he refuses to follow his party when its action does not meet with his convictions of duty.

POSITION IN THE HOUSE.

Mr. HUMPHREY is now one of the recognized leaders of the House of Representatives. He is the oldest man in continuous service from the Pacific coast. Speaker CLARK once said:

Wisdom dictates that men who have proved that they are of service should be kept in Congress, and the value of their services increases in exact proportion to the length of service.

Mr. HUMPHREY is an illustration of the truth of that statement. His influence is constantly increasing, and he has grown more rapidly during this and the last Congress than ever before. He now has a national reputation and is everywhere regarded as an authority upon the questions of the tariff, rivers and harbors, merchant marine and fisheries, and the Panama Canal. His speeches in the House this session have been most widely circulated and most frequently commented upon. He has taken first rank among the debaters of the House. More than 75,000 copies of his speech at Indianapolis have been printed and circulated in various portions of the country.

IMPORTANCE OF HIS REELECTION.

Among those who are watching the trend of political affairs there is to-day a strong belief that is constantly growing that the Republican Party will have a majority in the next House of Representatives. If that should occur, Mr. HUMPHREY will be the chairman of the great Committee on Rivers and Harbors. This would be a higher honor and a position of greater influence than has ever come to a Member of the House from the State of Washington or from the entire Pacific coast. No one could well overestimate the value of his influence in this position, not only to the State of Washington, but to Alaska and the whole country.

He is now the ranking minority member on this committee. This places him on all conference committees relating to rivers and harbors and makes him the leader of his party in such matters and is a position of influence in all respects exceeded only by that of the chairman of the committee.

Much complaint has been made heretofore of the influence of Members from the East, both in the House and the Senate.

This influence has come from the very fact which Mr. HUMPHREY's position emphasizes. The East has kept its Members continuously in the House and the Senate, and in this way they have very naturally risen to positions of power and influence in both bodies. This power and influence will come to the West if it will but learn the lesson of experience and keep its active, energetic Members in Congress.

Mere differences of opinion on matters of minor importance can not justify retiring a Member of long experience and standing upon committees which give him a power and influence for good on behalf of his constituents which it would take a new man, however able and industrious, years to attain.

I do not desire to interfere improperly in the selection of a candidate by the Republican voters of Mr. HUMPHREY's district, but I believe that it is my duty as a citizen of the State of Washington to call attention to the importance of his renomination and election, not only to the people of his own district but to the people of the entire State, and then, of course, they will decide what is best for them to do.

BIG QUESTIONS LOOMING.

We are now practically at war with Mexico, and what the end will be no man can foresee. The Panama Canal question is one of vital and far-reaching importance and will not be settled at this session, no matter what our action may be. The industrial conditions of the country are very bad and call for immediate and wise changes in our tariff policies.

Alaska must have many additional laws passed if she is to develop as she should. If there has ever been a time during the past 25 years when it was important to keep in Congress men of ability, experience, and influence, it is now. Mr. HUMPHREY'S influence and standing, great as it now is, will constantly increase, and his usefulness will be greater in the next Congress than in this. The people of the State of Washington have been educating and training him during the past 12 years for the duties of Congress.

He has not neglected his opportunities, and his defeat now would be a public calamity to the entire Pacific coast. When he is better fitted than ever before to perform the duties of his office, when he is in a position to be of greater influence than ever before, when his services are more urgently needed than ever before, what could justify his retirement? Surely Seattle, with all her needs and with her local pride and local spirit, will not retire him from a position that is of such tremendous importance to her and her development.

When Congressman from the entire State and from a large district, though living in Seattle, Mr. HUMPHREY represented fully and impartially all sections of the State and his district.

Politics was not considered, and locality was not unduly considered; and now that his district is almost entirely confined to Seattle, I am sure that his great influence will be used for the benefit of the whole State; but very naturally he will give special attention to the needs and interests of his home city, and that city which has so long honored and trusted him will surely be for his reelection largely without regard to party or politics.

HIS LONG RECORD SATISFACTORY.

Criticism: Mr. HUMPHREY, like all men that have been in public life during the last 10 years, has been criticized by some as too radical, by others as being too conservative. In the light of to-day, those who criticize him for favoring the postal savings bank and the parcel post and various labor legislation will admit that he was right. As a follower and admirer of Col. Roosevelt, I believe that if you will study Mr. HUMPHREY'S record during the last 12 years you will find little to criticize. I doubt if you would to-day say he voted wrong upon a single question.

What higher praise than this can be given his courage and judgment? He, as you are aware, has enjoyed in a high degree the confidence of Col. Roosevelt. The colonel, in a letter written to him for publication September 30, 1910, said:

> You always had in view the interests of the whole American people, and for those interests you stood in a straightforward and progressive fashion.

In one of his speeches, Mr. Roosevelt said:

> The man who has the power to act is to be judged not by his words but by his acts.

Judged by that standard, I feel certain that there is little in the record of Mr. HUMPHREY that you or any other Progressive or other Republican will condemn, and certainly there is much to meet your sincere approval and admiration. With very kindest regards, and trusting I have adequately complied with your request, I am,

Yours, sincerely, W. L. JONES.

The Civil-Service Propaganda.

SPEECH

OF

HON. WILLIAM A. CULLOP,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 4, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 17042) to amend the postal and civil-service laws, and for other purposes.

Mr. CULLOP. Mr. Chairman, the amendment I have offered is as follows:

> That hereafter any assistant postmaster, clerk, or employee in any post office who may be required by law or by authority or direction of the Postmaster General to execute a bond to the United States to secure faithful performance of official duty may be required to also execute a bond to the postmaster whose assistant, clerk, or employee he is, for the faithful performance of his duties as such, in the discretion of the Postmaster General. The postmaster of all such offices shall have the power to select his assistant postmaster, all clerks, and employees, irrespective of any civil-service law to the contrary, and all laws, regulations, and orders in conflict with this act are hereby repealed and nullified: *Provided,* That all such appointments shall be for a period of four years.

This amendment I have offered and support its adoption in the interest of the improvement of the public service. I am aware of the fact that well-meaning people, but people who are not aware of the poor service foisted upon the country under the present system, will denounce this course on my part as that of a "spoilsman," and pour out their anathemas upon me, but if they would investigate the public service as operated under the civil-service law, they would soon change their attitude on this subject. I know to the theorist the civil-service system is most admirable; but all theories do not hold good when reduced to practice. This theory is one of them, as has been demonstrated beyond cavil and doubt. The more we see of it the less we like it. Men at the head of the post offices of the country realize this fact; they comprehend the real situation, and for the improvement of the service realize that a change of the system is desirable. Since this bill has been pending I have received a number of letters from different postmasters over the country, and I am going to take the liberty of reading from one of them bearing on this subject, as I think it very pertinent to the question under discussion. It is as follows:

> DEAR MR. CULLOP: I just got through rereading your amendment in regard to postal employees. I wish to express to you my admiration of your course in this matter. I have been for many years employing quite a large number of people, but never before have I been compelled to assume the responsibility of the conduct of a business without something to say about the personnel of the employees upon whom I have to depend in the conduct of its affairs.
>
> I do not mean that the employees of this office are insubordinate or inefficient, but there is a growing air of independence, particularly among the rural carriers, that to one who has had a long experience in handling men, says, "You have very little to do with us." That is humiliating, to say the least.
>
> For instance, they carry around a publication that seems to be of more interest to them than the P. L. & R., which encourages dissatisfaction among them with the orders of the department, and such dissatisfaction is easy to incite among a force who are to a man at heart enemies of the present administration, and who were used by a former one as a political machine.
>
> As an example, their salary was raised last month, or I should say that of part of them, those who did not receive the maximum, regardless of the amount of work done, are disgruntled and hope, through their union, as their association should be called, to bring about the payment of the maximum to all, regardless of the service performed.
>
> They are all what among sailors are known as "sea lawyers"; they take great pains to keep just within the limit of the law, and this can be done without great trouble, owing to the limited authority of the postmaster.
>
> Now, don't take it from this that I am having any trouble in this office, I am simply giving you the situation from the viewpoint of the man on the ground, which I hope may help you to get a comprehensive view of things.

This letter is from an experienced man of good business qualifications, and he has had the opportunity to observe the operation of the civil-service law. He is an ideal postmaster and fully understands the requirements of the service and the desires of the patrons. He realizes the difficulties the present system affords, the abuses it furnishes. He knows that it is indefensible and should be abolished for the good of the service and the improvement of this most important department of the Government. If there is one department of this Government above all others that the people are vitally interested in, it is the Post Office Department. All the people patronize it and desire it to be efficient, and hence they are zealous in having its standard high and its service thorough. As long as this is as now and has ever been a Government of parties politics will, is expected to, and must necessarily have something to do with

its administration. Men may attempt to eliminate this feature, but they never can, and all attempts will prove futile. It matters not how competent a Postmaster General may be, with the advent of a new administration of a different political faith he will be exchanged for one of the same political faith of the incoming administration. This is the fortune of politics. If experience and knowledge are so important in one, why not in the other? New blood and new energy is always desirable, and is so recognized in everything. The change is made in the Cabinet to have men in sympathy with the policies of the new administration. It should be made all along the line for the same reason. When the people vote for a change it should be given them.

But, now, what is the situation and the danger which confronts the Republic over this civil-service propaganda? In the classified civil service there are, in round numbers, 400,000 officials. This does not include the Army and Navy. This number is in the civil service of the Government. It is an enormous army of employees. Suppose their salaries average $1,000 a person per annum—and this is a conservative estimate—then their aggregate salaries amount to $400,000,000 per year—a stupendous sum. This is too much power and too valuable a patronage to intrust to the disposal of any three men. It endangers the safety of the Republic, is a constant menace to the liberties of the people, and unless restricted will assert itself to their detriment. It is not an exaggeration to say that each of these is able to control at least five votes, on account of relationship and personal friends, and this means a voting strength of 2,000,000.

If the three men who preside over this commission saw fit to wield the power confided to them they could control the election of the Federal officeholders; and this power has already on more than one occasion been attempted, with much success as a result. These employees are thoroughly organized, and permeate every community in the entire country, organized for the purpose of advancing their personal interests, and are able to do so with telling effect. We have just witnessed an instance. A few moments ago the gentleman from South Carolina [Mr. FINLEY] introduced an amendment to the bill under consideration to nullify an order of the Postmaster General promulgated a few days ago. The organization of civil-service employees affected by it was hostile to it because it affected their personal interest. What was the result? Every man on this floor knew the order was right, was fair, was founded on justice, and yet, in spite of all this, only four votes were cast against the Finley amendment. It was adopted by a vote of more than 25 to 1. As the organization which it affected ramifies every neighborhood in the entire country, it manifested its power and won the fight by almost a unanimous vote. The civil service has constructed in this country the greatest machine ever known; and here was an example of its influence, of its power when it is exerted.

The Post Office Department has ever been a party to the construction of this machine, fostered and nurtured it, and now in this instance it turned against its patron and knocked it completely out of the ring. It now recognizes how powerless it is when, though right, it attempts to foist something on the employees they do not want. This is a mere object lesson, and should be heeded.

I want to impress on the House the fact that the amendment I have offered limits the term of office to four years for those affected by it. The importance of this feature should not be overlooked or underestimated. A life tenure of office, such as is created by the civil-service law, is hostile to every principle underlying the foundation of our Government, and is a menace to the liberty of the citizen.

In only one department of our Government—the judicial—did its founders, wise and able as they were, provide for life tenure of office. They came, many of them, from countries where life tenures were the rule and not the exception, and well knew of the abuse of such a system of office holding. They knew the result of it was bureaucratic rule, dominated by a life-tenure office-holding class, and from its imperious rule they hoped to relieve the people of the new Republic, which was destined to be the greatest Government of all the world. They knew well that with power would come selfish demands to serve sordid interests, that history would repeat itself—and it has. What have we confronting us to-day? Potential in form, selfish in purpose, and tyrannical in demand—an old officeholders' pension. It is the outgrowth of the life-tenure system created by the civil-service law. It is backed by the most formidable lobby that ever patroled the corridors of this great Capitol. It is officered and manned by shrewd and able men who know how to manipulate legislative action. With whip in hand, spurs on their heels, they propose to force this legislation down the throats of the American people and fasten on this country a burden from which it will never be relieved. This is the outgrowth of civil service in the creation of life-tenure of office. Already men noticing the power of this vast organization of 400,000 persons, yearly increasing by leaps and bounds, the most perfect organization in the country, aside from the Army and Navy, are advocating in the Halls of Congress the enactment of this proposed legislation. Was there ever a political machine constructed anywhere in the world as perfectly organized and as powerful as this? Search will be made in vain to find one anywhere throughout the entire history of time. Notice what it proposes. I have heard it proposed that a law should be enacted retiring all civil officeholders who have served 30 years or attained the age of 60 years on a pension of three-fourths pay. What would this mean as a burden to the taxpayers of this country? There are now 400,000 employees, at least, under the classified service, and it is estimated that under such a law as proposed one-fourth of them are eligible now to retirement. That would mean 100,000 would go into retirement at once.

Estimating their average salaries at $1,000 per year each, three-fourths of which is $750, at the outset it would require $75,000,000 a year to pay this pension, and in less than 10 years it is estimated it would reach the enormous sum of $200,000,000. Does any man on the floor of this House believe his constituents would indorse such a proposition, that they are ready to assume such a burden for such a purpose? Would they tolerate such action? Oh, no; they would resent it and defeat the men who stood sponsor for it; but this is what the system is leading up to. Let no man deceive himself about it. If continued, it will come as sure as night and day follow each other. Why should these men be pensioned? They exerted themselves to get the positions they have, held onto them voluntarily; they were not compelled to hold them; other people wanted them, and they resisted all attempts of removal. Their remaining in office was a matter of choice and not of compulsion; they were at liberty to retire any day and engage in other businesses, but they did not. They remained in office, feeding from the Public Treasury, out of the taxpayers' garner, and now why should they be retired and still paid the remainder of their lives out of public moneys without rendering any service in return? No good reason can be given, and none will be attempted, but if their powerful machine is put in motion once on this measure, it will probably go through with as little resistance as the Finley amendment.

Now, I have more than once asserted on the floor of this House that the civil service is a machine operated for partisan purposes. I repeat the charge with confidence, and no man will be able to successfully contradict it. Let us for a moment consider a fact connected with it. Out of the 400,000 persons now in the classified service, more than 90 per cent are Republicans. If politics has not been considered in its operation, how did it happen that nearly all of one political faith secured the positions? We know that people of all political persuasions are about equal in ambition, in education, and in intelligence, and hence how, if appointments have been made on a nonpartisan basis, has it happened that the appointees have been almost entirely of one political faith? It is true they have been. Oh, politics have dominated the action and controlled the operations of the Civil Service Commission, as every close observing person well knows. From this conclusion there is no escape.

If an investigation of its operations for the last 16 years was made, it would strike rich pay dirt and expose a condition that would astonish its advocates and inform the public of its disgusting machinations. So revolting would the exposure be, in my judgment, that the people would rise and demand its immediate abolishment. They would denounce it as a "swindle service" instead of calling it a civil service. The sooner it is investigated the better it will be for the welfare of the people, the good of the service, and the efficient conduct of the departments. It would clearly demonstrate that it has been a machine prostituted to partisan purposes, a subterfuge, a sham, and a fraud. The people must control it, curtail its power, or it will soon dominate and rule the country. How vicious and audacious its emissaries have become—how brazen and tyrannical in conduct. It has been the case here in some instances that when appropriation bills have carried increases of salary for chiefs of bureaus that were not authorized by law, and points of order were made against the increases, that men affected thereby have threatened Members who have made the points of order that unless they withdrew them the offending Members would lose the patronage in the bureaus affected, and thereby innocent people, who pay for public service and are entitled to it, would be punished because their Congressman

had attempted to prevent an unwarranted raid on the Public Treasury. Such shameful methods have been employed by this life-tenure office-holding class as no other class of officials would dare indulge in or attempt to employ. Again, Mr. Chairman, it is a well-known fact, the experience of nearly every man, that not only the heads of departments but the chiefs of bureaus and divisions, to make an administration successful, should be in sympathy with it. We have to-day a large number of the heads of bureaus and a large majority of chiefs of divisions in this Government who are not in sympathy with the policies of this administration and are not ambitious for its success. They are ever attempting to embarrass, hinder, and discredit it. These heads of bureaus and chiefs of divisions make up estimates for appropriations, furnish information upon which important legislation is based, and hence are in positions where they can hinder and discredit the administration, and are in some instances doing it. Does any man doubt the proposition that it would be far better in the direction of the policies of this or any other administration that men who are to assist in the formation of its policies and the execution of them should be in sympathy with it and in harmony with its views in order to assure the proper formulation of legislative measures and their speedy adoption and successful execution? If so, what good reason can be given for the present conditions?

It is well known that now these chiefs of bureaus and heads of divisions are, in many instances, embarrassing the progress of the work of this administration, by a failure to give prompt service, in delaying information called for, and thereby discrediting its splendid work. No other officials than life-tenure officers would dare attempt such an embarrassing and discrediting course. Men elected to office for a term of years are most careful to keep in touch with public sentiment and respond to it, but men appointed for life feel no obligation to do so, and therefore disregard public sentiment, ignore public demands, and refuse to respond to their requirements. Life tenure denies the opportunity of the people to instruct officials to carry out public wishes and obey public requirements; it enables the official to be supreme, responsible to no one save himself and his peculiar whims. If the system is continued, it may become contagious, and with its power secure a foothold in the State and municipal governments of our Union, and there establish the policy of a life-tenure officeholding class, through appointments, and deprive the people of local self-government. Election of officers for a fixed period is the safest method, as experience has shown, for the preservation of self-government. It enables the people to select officials, to make changes when desirable, and to enforce their will, and thereby rule the officials and dictate the policies instead of being ruled by the officials and having them dictate the policies of the Government.

Postmasters should be elected by the patrons of the offices for a fixed period of years and held responsible for the administration of the same, and should select their own subordinates in order that they may control their official conduct. Under the life tenure the right is denied others, because of the favored few, to hold office and render public service. I do not believe the people of this country are in favor of the system of appointing men to office for life. I do not believe the people desire the system continued or enlarged, but desire it abolished. I do not believe the people of this country are ready to have established a bureaucratic government, which this system is rapidly doing, and directing the policies of legislation; but I do believe they desire that the governed shall dictate the policies, select the officials, and retain the power to rotate officials when they believe it is to their best interests to have it done, in order that the will of the people may be supreme and not the will of the officeholding class. I oppose the life-tenure system, a bureaucratic government, and insist that the people and not the officeholders are the masters, and I shall use my best efforts to preserve the rights of the people as was intended by the founders of this great Republic.

The civil-service law strikes a deadly blow at local self-government, the leading principle upon which the Government was founded and the guiding feature of its marvelous growth, strength, and endurance. It strikes it down and denies the people the right to select their officials, or even to have anything whatever to do with their selection; it foists upon them, without their consent, officials in many instances undesirable, and denies them the right of participation in their selection. This is hostile to the spirit of our institutions; it is breeding discontent among the people served, destroying interest in the official class, and is not conducive to a good public service. The people in each locality know far better and much more about who are suitable for the local Federal offices than any man or set of men a thousand miles away, it matters not who they are or what their positions may be. The people who are taxed to sustain an office, pay the salaries of the officeholders, and the expenses connected with its entire operation are vitally interested in its personnel and conduct and should, in all fairness, have a voice in the selection of the persons who are to hold and administer the same.

If the people are to be interested in the administration of the Government, it is essential that they have a voice in the selection of the persons chosen for that purpose, and to deny this right is the exercise of arbitrary power inimical to the ideals of our Government, a long step in the direction of the restraint of the liberties of the people, which sooner or later they will resent. The people have demonstrated their ability for self-government, their desire to maintain it, and their hope to extend it. Displaying these noble purposes, their rights should be extended instead of curtailed and every opportunity given to encourage them in their exalted purpose.

This is not merely a question who shall hold the offices, but underlying it is a much greater question, the preservation of the rights of the citizens, the perpetuity of our republican form of government, the preservation of our institutions as handed down to us by the patriotic and self-sacrificing founders who established here and committed to posterity the greatest of all free governments.

The Record Reviewed.

EXTENSION OF REMARKS

OF

HON. JOHN R. CONNELLY,

OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 14, 1914.

Mr. CONNELLY of Kansas. Mr. Speaker, I desire to take this opportunity to make some observations that I feel are proper and opportune. I hope that in discussing the matters that I desire to touch upon I may do so in such a way as not to be offensive to those who hold opinions different than my own. Parties are necessary in the great plan of our economic structure, and it is the part of good citizenship at all times in discussing party measures to exercise that charity for the opinions of others that is most pleasing when exercised toward us. The boundary line is very clearly marked between the statesman and the demagogue in this Congress as well as out of it by the charity that men exercise or fail to exercise for the honest opinions of their fellow men.

Mr. Speaker, it is significant that in the primaries held in the various States of the Union recently many of the candidates who have bitterly opposed this administration and have shown a disposition to unduly question the motives of President Wilson in this House and in the other legislative body have gone down in defeat if they have been so unfortunate as to have opposition. I believe that we are coming to the time in our national life when it is no longer safe for men elected to represent a great district in this Congress to play the demagogue. The politician who thinks that he can fool people by insincere criticism is paying his people a questionable compliment. In most districts of the country the people are bright enough to see through unfair and unmerited criticism, and they are patriotic enough to resent it. I am sure that as we grow nearer to the ideal in our Government we will grow further away from the bitter partisan criticism that always shows a bigoted and narrow mind, and we will grow into that other criticism that has for its purpose an appeal to the higher and better elements of civic endeavors. I am not saying that the man who has criticized this administration in a just and fair way is not a good patriot or that he has forfeited his right to the respect of good men and women in all parties. I believe that the right to criticize is one of the most sacred rights that belong to a people of a republic, and because it must ever remain a right inviolate by statutes, the governing power to regulate and to discern between fair criticism and bitter partisan rancor, must be the respect that the one inspires and the disgust the other incites in the breasts of fair and patriotic people.

The record of this Congress, whose members are soon to go out to the people of the country in the various districts and secure anew the right to remain in power, is one of which every Democrat can well be proud, and it is only fair to say that some of the Republicans have, either through the belief that the laws were just or through the fear of the righteous indignation of their people at home, lent their assistance, and we want to believe in most instances that the desire to do right has been the impelling cause.

Mr. Speaker, I take it that the great majority of the laws of this Congress will be either approved by our Republican and Progressive neighbors in the coming campaign or they will be ignored with a stealth of purpose that will do honor to their judgment, if not to their purpose. I can not conceive of men and women going out to criticize the record of this Congress before the intelligent audiences of the country; I can not conceive of men and women trying to make the people believe that the income tax, that is the result of 20 years or more of Democratic agitation and which lays the burden of taxation on the backs of those who get most benefits from Government and who are best able to pay it, is a bad law.

I can not believe that these critics will say much about the currency law, that takes the control of the volume of money out of the hands of the banks and places it in the hands of the Government, that mobilizes the currency of the country in sections where it is needed and takes from the moneyed interests the power to bring on a panic at their will. I can not conceive of any man dwelling long on this law in criticizing the acts of this administration.

I do not believe that they will insult the intelligence of our people by telling them that the Democratic Party erred when it made United States Senators elective by the people.

I am sure that they will pass the matter of electing the committees of the House and doing away with "Cannonism" over very lightly.

I am sure that the driving of the great legislative lobby from the halls of this Capitol Building will not engage their criticism for long.

The liberality of this Congress in the matter of pensions to the soldiers of the Civil War and their widows and the giving to dependent widows and orphans of deceased Spanish-American War soldiers pensions will not compel attention in criticism for any great length of time.

I shall not expect them to dwell at length on the error made in passing the Alaskan Railway bill, for the RECORD will show that it was passed by practically a unanimous vote of Democratic, Republican, and Progressive Members.

They will be entitled to all the enthusiasm that they can inspire in criticizing the repeal of the Panama tolls bill, which took from the pockets of the taxpayers millions of money and handed it over to the Shipping Trust in the form of free passage for their vessels through the canal.

I can not believe they will dwell long on the criticism of the antitrust bills which seek to correct many of the evils that have grown out of so-called "big business" and which have been demanded by the best men in all parties for many years. The demand for this legislation was so universal that no man who represented an intelligent constituency dared to oppose its enactment into law.

They will hardly tell the farmers, as well as the urban voters, that increased appropriations to be expended to better the cause of agriculture in the country is not a wholesome interest in their behalf.

They will not stir up much enthusiasm when they tell the people that the developing of the parcel post, the good-roads legislation, the exempting of farmer and labor organizations from the provisions of the antitrust law are not all wholesome legislation and directly in line with the best and most progressive thought of the day.

One of the bright spots in the history of this administration is the policy that it has followed in dealing with that sorely stricken and war-cursed country of Mexico. Every week for many months the rabid partisans in the Republican Party in Congress arose in their seats and sent up a wail about the policy of watchful waiting that was so distasteful to them and demanded that a more rigorous policy be pursued by the administration. They would have had the President and his Secretary of State follow a policy that would have led to war with a people already sorely plagued with the horrors of a civil conflict. They would have called the young men and boys from the fields and factories, the mills and the mines of this peaceful and happy land, drilled them in the arts of organized conflict, and sent them away to fight a people who were already bleeding at every pore and who were fighting, many of them, for the right of constitutional government, as did your ancestors and mine.

I am persuaded that while the Republican partisans were blaming the President and a good many of them were voting to tie the hands of the President when he came to Congress and asked for its support and sympathy in handling affairs in Mexico, they were not representing the rank and file of their constituents at home, who I am fully persuaded were in sympathy with the President and wished him Godspeed. I refuse to believe that the people of this country are ready to repudiate the leadership of Woodrow Wilson and go back to the standard of Joseph G. Cannon, who announces that he is a candidate for his old place in the House and proclaims that the issue is squarely as to whether the people want to indorse President Wilson and this administration or whether they will repudiate the same. I say to you that the glove thrown at the feet of Democracy by the defeated and repudiated sage of Danville is taken up, and we are willing to go to the people on that issue, and we do not fear for the verdict at the ballot box in November.

After reviewing the various laws thus far and finding no grounds upon which a sane opposition can hope to make a fight, I am persuaded that the opposition will be compelled to make a great deal of noise about the new tariff law, for the reason that the intelligence of the people will prevent them from getting very far with opposition otherwise. If the matter of tariff legislation was as simple as are the other laws that have been enacted and as well understood, there would be no more chance to make the people believe that the present law was not enacted with their welfare in view than it is to convince them that the other laws are not wholesome. But with the tariff the matter is more difficult to understand. For years special interests have fattened off the earnings of the agricultural classes of the country and have employed the best talent, who have conjured up every catch phrase and every sophistry to mislead the people of the agricultural sections in regard to the merits of the tariff.

It has never been necessary to go to any great trouble to show the manufacturing sections that a tariff was to their interests and against the consuming sections of the country; but, as to the farmer, it has taxed the ingenuity of these hired emissaries of special interests to dodge from one untenable position to another faster than the rank and file of the people could follow and dislodge them with reason. So it will be this fall in the coming campaign. They will go out into the farming sections and not discuss the laws which are almost universally approved by the people, but their hope for success is to try to show the farmer by long lines of figures and tables of percentages that no one understands or cares about that he has been wronged by this tariff law. These prophets of evil omen started a year ago, when a prominent Republican Senator from the State of Kansas visited the State soon after the enactment of the new tariff law and gave out an interview in which he deplored the fact that, with meats on the free list, the Meat Trust would ship in this commodity from Argentina so cheap as to break the heart of the American cattle grower. His was a pitiable story indeed. Now, when the law has been in force well-nigh onto a year, cattle are selling in the markets of this country for a dollar a hundred more than they were at the time the law was enacted, and the farmer who was scared with the news that his beef would go begging in the markets of the world because of a Democratic tariff law knows now that the Senator who gave out the interview might have been honest, but he was not informed. After it was apparent that the prices of cattle were not going to slide up and down to meet their predictions, they were not discouraged to the extent that they refused further to speculate; but, on the other hand, the farmer and his good housewife were next to be approached with the warnings that eggs would come in from China and butter from Siberia in such quantities that it would not pay them to gather the eggs or skim the cream from the milk. The farmer and his wife have now had enough time to see that the ranges of prices for these things have seldom been higher than at this time, and another story of plaintive calamity has come to naught. Then, to finish the farmer and put him clear down and under the ropes, he was told that the corn from Argentina would come in and glut the market and run the price so low that it would hardly pay to gather it from the stalks. This also has proven only a scare, and the farmer is getting to the place where he begins to have some doubts of the accuracy of these prophets of evil who have been prolific with their prophecies but not with their proof.

When it was announced in the daily papers that the country would raise the greatest wheat crop in its history it looked as if one consolation would come to these prophets of disaster, and they said that wheat would now go down in price on account of the tariff. Hardly a man who has reached middle life, who was reared on a farm, but who can remember the days when he sold his wheat at from 35 to 45 cents per bushel and that at a time when a tariff was high on the same. I myself raised good wheat in Kansas in the year 1892 and sold it for 42 cents per bushel, and that was when the Republican Party was in power in every branch of the National Government and a high Republican tariff was on the statute books. I can also recall that, in 1890, when the Republican Party and high protection were both rampant and in their full prime, I bought good cows for $8 and $12 per head, and to-day it is not an unusual thing to read of good cows selling in my country for $75 per head, and cattle

are on the free list. With this array of evidence before us it would appear that the enemies of the administration would not be able to get very far with their plaintive cry about the way the farmer is abused by the tariff law.

The facts are, the farmer is a good deal brighter fellow than these fellows who would mislead him give him credit for being, and he has learned that the benefit that really accrues to the farmer through the agency of the tariff can be hid very readily in his eye without any great obstruction to the vision, while on the other hand it is often the cause of increasing the price of the things that he consumes, to his detriment and to the benefit of others, who are the real beneficiaries of the tariff.

In order to help the honest man who really desires to know whether or not the claims of those who pretend to believe that the produce of the farm has been lowered in price since the new tariff law went into effect and to make him ready to repudiate the contentions of those who have been loud in promises but silent in performances regarding the farmer's interest, I have, through the kindness of the gentleman from Indiana [Mr. CLINE], inserted in this speech a table furnished to him by the Department of Labor and taken from the Chicago Inter Ocean price current, showing the price of 13 leading agricultural articles for the first week in March for each of the past 10 years. A few minutes spent in studying this table will show any fair-minded man that the claim that the Underwood tariff law has been detrimental to the farming interests is a delusion and a snare, a pure fabrication with no foundation in fact. The Underwood tariff law, like the other laws passed by this Congress, has had in mind the great principle which has been the basis of all just legislation since time began, and that is "Equal rights to all and special privilege to none." Below is the table referred to:

Quotations of farm produce prices at Chicago, Ill., for first week in March for 10 years ending with 1914.
[Compiled by the United States Department of Labor and from the Chicago Inter-Ocean price current.]

Commodity.	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914
Wheet, No. 2, red	$1.16	$0.83½	$0.76	$1.00	$1.25	$1.25	$0.88⅞	$1.02	$1.08	$0.97½
Corn, No. 3, mixed	.45	.39½	.43½	.57½	.64	.62½	.43½	.65½	.50	.64½
Hay, timothy, first	12.00	11.00	17.00	15.50	12.00	18.00	17.00	21.00	14.00	15.50
Oats	.30½	.31½	.43	.52½	.53	.46	.30½	.34½	.34½	.40
Potatoes	.35	.48	.46	.73	.93	.40	.43	1.10	.48	.70
Hogs, best fat	5.12½	6.42½	7.00	4.70	6.55	9.90	7.20	6.52½	8.55	8.75
Cattle, best fat	5.60	6.40	6.60	6.00	7.10	8.10	6.95	8.90	9.00	9.75
Sheep, best fat	5.90	6.25	6.15	5.65	5.70	7.90	4.75	5.00	6.95	6.25
Lambs, best	7.75	7.10	7.50	6.90	7.85	9.25	6.00	7.00	8.75	7.85
Horses, draft, extra good	200.00	185.00	285.00	200.00	200.00	225.00	190.00	285.00	275.00	225.00
Butter, creamery	.32	.27	.33	.32	.28	.30	.26	.28	.35½	.34
Eggs, fresh, first	.27	.13½	.21	.20	.21	.22½	.17	.27	.19¾	.27
Wool, Boston, Shropshire, unwashed	.28	.32	.30	.25	.30	.36	.27	.28	.26	.26

Out in my State Providence has been kind to my people in the way of giving us plenty of rain and sunshine, and the crops are bounteous and the farmer is happy. Go to many of the towns in my district, which is purely an agricultural district, on a Saturday afternoon, and you will find the farmer has come to town with his automobile and has brought in his wife and his family and they are dressed as well as any people need to dress, and he could dress them still better if he so desired. Kansas has raised a splendid crop, for which we are thankful to a merciful Providence, and she is shipping it to market and getting a very good price, and we are thankful for that. If Kansas would sell her wheat at the present market price, she could with the money received pay off her mortgage indebtedness and have enough left to last her for some time. Kansas is not only happy in the harvesting of a good crop, but her splendid men and women are intelligent enough to view with approval the work done by this Congress. They believe in the wisdom and the patriotism and the virtue of Woodrow Wilson, our great President. They believe that he comes nearer possessing the scholarship of a Jefferson, the rugged honesty of a Lincoln, and the indomitable courage of a Jackson, than any President that has held that office in a hundred years. They believe that he is devoting his great talent and his energy to better the conditions in this country, and I shall be very much surprised if the rank and file of the people, whom the President and Congress have served so well, do not set their seal of approval on both of them when the opportunity comes.

I realize, Mr. Speaker, that the contest between the people and the forces that have been crowded away from special favors in the country, will not be a light one. These interests have the munitions of war and they have the disposition to fight those who have attempted to stay the greedy hands which have for years enjoyed the privilege of reaping where they have not sown. These interests will not be idle, and the only hope for the success of the Republican Party in the coming November is the hope to mislead enough of the voters and again be in position to pass legislation friendly to them, or at least be able to prevent further legislation in the interest of justice and fairness.

The average man or woman wants to be fair, and they want to know the truth. It will avail no man anything who tries to play upon their prejudices for political gain. If there has been a wrong in the way that we have considered political questions in the days gone by, it has been the appealing to prejudices of long standing, when every argument should of right stand upon the foundation of reason. I hope that we are coming to the time in this country when it will not be considered a criminal offense to follow wherever an honest conviction leads in matters political. The very fact that States of the Union which have been strongly Republican for many years are now becoming debatable grounds, and States that have been overwhelmingly Democratic for long stretches of time can hope to remain so only through responding to the proper demands of the people, who are showing strong inclinations to break away and refuse longer to be bound by traditions.

Mr. Speaker, I am glad that the time is at hand when bitter partisan politics are becoming obsolete. I am sure that it is a wise provision in the great economy of thought that men and women reach different conclusions and reason by different processes. I have lived to believe that the great majority of the people desire for the right to prevail and are partisans only because they feel that one party will bring to the whole people a greater sum total of happiness than will the other.

Measured by its efforts on the part of the great common people of the country, the Democratic Party of this Nation has proven its right to continue to serve the people, and I believe that right will be conceded by a great majority of the voters of the country at the coming election. I am sure that should the Republican Party be placed again in power at some time in the future, it would no more dare to touch the great constructive legislation of this Democratic Congress than did hands profane dare to touch the Ark of the Covenant in days long gone by.

Postal and Civil-Service Laws.

SPEECH
OF
HON. S. KIRKPATRICK,
OF IOWA,
IN THE HOUSE OF REPRESENTATIVES,
Saturday, August 8, 1914,

On the bill (H. R. 17042) to amend the postal and civil-service laws, and for other purposes.

Mr. KIRKPATRICK. Mr. Speaker, I very much regret the necessity for the reenactment of a law passed by this Congress not more than 90 days ago, which was in the very nature of itself an act to increase the pay of all rural mail carriers employed on standard routes, thus resulting in conflict between the Postmaster General, an executive branch of the Government, and the legislative functions thereof.

In this it is possible that both factors are in the right, provided we apply the rule of desire to the executive branch and that of intent to the legislative body. I am frank in saying that I believe the Postmaster General has studiously, earnestly, and zealously sought to bring about equitable results, as will be seen by the application of certain rules and regulations published for the guidance of all concerned; but the conclusions of Mr. Burleson do not measure up to the intent of Congress, as evidenced by the fact that appropriations were so increased

as to warrant the payment to all standard rural mail carriers the sum of $1,200 per annum. And I am sure the House so understood it at the time of the passage, and will not now recede from its former action. I am not authorized to speak for the Post Office Department, but I am sure that the manifest loyalty of Mr. Burleson to the great work now in hand will not urge or permit him to antagonize the almost unanimous desire of Congress in this matter.

The public servants, under the provisions of this bill, are not overcompensated for the services they render. They are the dispensers and distributors of human happenings. The system has come to stay, and those men who stem the tides of storm and adversity should be fully recompensed; and for this and other similar reasons I am going to stand by my first convictions in the matter and vote to give emphasis to the original bill.

Article Written by Charles W. Eliot on Wilson's Foreign Policies.

EXTENSION OF REMARKS

OF

HON. J. THOMAS HEFLIN,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, August 26, 1914.

Mr. HEFLIN. Mr. Speaker, I desire to extend my remarks in the RECORD by printing an article written by Charles W. Eliot on Wilson's foreign policies, and appearing in Harper's Weekly August 22, 1914.

WILSON'S FOREIGN POLICIES.

[By Charles W. Eliot.]

Within a few weeks the whole country will be ringing with denunciation by Republican and Progressive orators of the omissions, short-comings, and failures of the Democratic Party since it came into power in March, 1913. Inevitably the party has provided the orators with ample material for criticism and reproach. The task which the party and the President had set themselves was overwhelming at best; within the party there were wide differences of opinion about persons and policies; Democrats of large experience in public business were but few; and very grave troubles in and with Mexico early claimed the earnest attention of the administration to the comparative exclusion of some domestic problems of serious import to the business interests of the country, such as civil service, both at home and in the insular possessions, the crippled railroads, and the industrial warfare. Nevertheless, the achievements of the present administration are extraordinary in amount and remarkably significant and far-reaching. The principal achievements are contributions to sound international policies and conduct.

Under the guidance of President Wilson, the United States has been thoroughly committed to nonintervention by force of arms when adventurous American investors in the territory of a foreign State are threatened with loss of life, liberty, or property on the foreign soil, or have actually suffered such losses. American investors had gone into Mexico of their own accord and at their own risk, because they thought they could make more money by applying their inventive or constructive power and their capital there than they could at home. The disordered condition of the country threatened losses to these enterprising Americans; and the armed intervention of the United States might perhaps have prevented these losses, or at least have avenged them. Influential persons, corporations, newspapers, and public officers urged vehemently that American troops should at once seize northern Mexico. President Wilson's administration declined to intervene; brought the exposed Americans out of Mexico in safety; helped the citizens of other countries to leave Mexico if they desired to do so; left the care of aliens' properties to Mexicans; and induced European Governments to follow the policy of the American. In this patient but persistent process the President of the United States deliberately abandoned the policy pursued for centuries by Rome and England in their dealings with weaker foreign countries. The Roman citizen must be safe anywhere in the Mediterranean world. Great Britain has pursued the seizure, indemnity, and "punitive expedition" policy down to the present day. No European nation has ever announced or acted on the policy of nonintervention on behalf of its endangered or injured commercial or missionary adventurers. The American Republic has the honor of making first this great contribution to international peace and the progress of civilization.

It is not the first time, however, that the American Government has shown its dislike of the prevailing indemnity policy. The United States took part in the international military expedition to Pekin during the Boxer insurrection, and joined its allies in demanding heavy indemnities from China; but when the Amercan indemnity turned out to be excessive, the excess was returned to China. Again, when riots and disorders of various kinds occurred in many parts of China after the outbreak of the revolution of 1912 in that country, President Taft ordered the American minister at Pekin to call into Pekin all the American missionaries and teachers whose lives were endangered, in order that no claims on the Chinese Government for indemnities might be established. The missionaries and teachers came in with great reluctance; but they cordially supported the view of the American administration that occasions for indemnities ought to be avoided, since the payment of indemnities was always irritating and often unjust. These incidents were remote and the threatened injuries were comparatively small. The Wilson administration has applied the doctrine of nonintervention to a disorderly next-door neighbor on whose territory large American interests were imperiled.

The present national administration has also accepted the mediation of three American Republics in a peaceful effort to reestablish good relations between itself and Mexico, and to compose the factional fighting in that unhappy country. This effort is in the highest degree creditable to the United States, no matter whether the present mediation be entirely successful or not.

President Wilson has also succeeded in procuring the repeal by Congress of the exemption of American coastwise vessels from paying tolls on the Panama Canal, and on the simple ground that the national honor required that repeal. This achievement of President Wilson, by the force of his public speech and of his legitimate influence on honorable men of all parties, has added to the self-respect of the American people, and greatly strengthened their future influence in international affairs.

The present administration has also supported the proposals of President Taft's administration to effect an amicable settlement with the weak and distracted Republic of Colombia, in spite of the protestations of some members of each of the three political parties that the United States should never express regret for any injury it may have done to a neighbor—especially if the injury were inflicted in an attempt to benefit all mankind—and should always be extremely careful not to make an exaggerated reparation, even in cases where some reparation is admittedly due. To be sure, the new treaty with Colombia has not yet been ratified by the Senate; but it is a great credit to the national administration that it laid such a treaty before the Senate. Taken together with the corresponding act of President Taft's administration, the proposal of this treaty should work a great improvement in the relations of the United States to the Central and South American Republics—relations which were seriously disturbed by the act of President Roosevelt's administration on the Isthmus of Panama.

Two other achievements of President Wilson's administration have international bearings of high importance, namely, the downward revision of the tariff and the establishment of a better currency and banking method in the United States; for both these measures will have great efficacy in the development of that international trade on which the prosperity of the American manufacturing industries clearly depends. The time has long past when the domestic market could maintain the large-scale American manufactures. All the great national industries need broad developments of their foreign trade, including American agriculture when crops are abundant. For the development of foreign trade three things are necessary: (1) The abolition of duties on raw materials and foods; (2) the abolition of protected monopolies, those hot-beds of selfishness, stagnation, and inefficiency; and (3) the provision of American banking facilities, both at home and in foreign parts, as sound and flexible as those of European nations. The Republican administrations for a dozen years past had been inquiring and talking about these beneficent measures. The present Democratic administration and Congress achieved them in 14 months.

The means by which these achievements have been accomplished are: Frank declaration by the administration of its intentions and objects; publicity through the press about events and persons as soon as the state of the business in hand permits; and direct appeals to the best thinking and feeling of the American people and its representatives. President Wilson, in

particular, has appealed directly to the people on every one of the issues mentioned above, asking on the highest grounds, before Congress had taken action, for the people's support. Some people believe him to be a reticent and mentally isolated person; but on every one of these policies he has spoken directly to the people with candor and energy, and with an admirable confidence in the ultimate intelligence and fairness of the voters.

The fact is that President Wilson's process in arriving at a decision concerning the next responsible action is just that of every resolute man who has the scientific habit of mind. While he is making up his mind he seeks all possible information and various advice and suggestion; but after he has reached a deliberate conclusion, volunteered advice does not take much hold of him, although fresh information is always welcome. He seems to possess remarkable powers of persuasion in inducing others to cooperate with him in that course of action which seems to him wise, but this is persuasion and not the imposition of his opinions.

These are great services to the Republic, and they are accomplished facts. To be sure, the political critic or opponent of the administration may easily say, "Yes; President Wilson has kept the United States out of a war with Mexico, but with how much less trouble and expense he could have accomplished that desirable result if he had recognized Huerta." Or he may say, "Can anyone suppose that such a disorderly and hopeless Government as that of Mexico can continue to exist indefinitely on the southern border of the United States? It is well that war is now postponed; but it must come." Or the critic may say, "How trivial a pretext for armed invasion was the flag incident at Tampico; how rash and how inconsistent was the forcible seizure of Vera Cruz; how unstable was the conduct of the Washington administration about the embargo on munitions of war." To all such queries, speculations, and anticipations of evil, the administration and the Democratic Party may confidently reply, "The accomplished facts speak for themselves; they are all very good, and they prophesy more public good in the future, for they will promote peace, good will, and mutually helpful intercourse among the nations."

(NOTE.—On July 13 I mailed the above article from Asticou, Me., to a friend in Massachusetts, with the request that he would cause it to be published at his discretion. On account of the absence of this friend from his summer home, the article did not reach Harper's Weekly for more than a fortnight; and there was then some delay in communicating with me. On August 5, Harper's Weekly asked me if I wished to make any changes in or additions to the article, because of the extraordinary events in Europe since the article was written. On August 6 I mailed to Harper's Weekly the following postscript.—C. W. E.)

POSTSCRIPT.—The sudden invasion of Servia by Austria, and of Luxemburg, Belgium, France, and Russian Poland by Germany, without formal declaration of war, and in great force, has proved conclusively that those two military powers are capable of using the armies they always hold in complete readiness to attack any one of their neighbors without reason or excuse. The peace of the civilized world has been broken by them in the most wanton manner; and the commerce of the world is suddenly interrupted, in utter disregard of the interests and welfare of other nations.

Compare these actions of two great military monarchies with the actions of the United States toward Mexico during the past 16 months. Every American and every republican has a right to be proud of the contrast, and to anticipate with joy that great gains for human rights and welfare will come in time out of this demonstration of the superiority of democratic institutions as regards public morality and international good will.

Some Conditions as They Have Been Pictured and as They Really Are.

EXTENSION OF REMARKS

OF

HON. DUDLEY DOOLITTLE,

OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, August 12, 1914.

Mr. DOOLITTLE. Mr. Speaker, in view of gross misrepresentations I feel constrained to address myself to a few facts and conditions. I refer to facts concerning the actual condition of the country and the alleged condition that the calamity-howling partisan press and politicians would picture it as being.

DELIBERATE ATTEMPTS TO DECEIVE.

At the beginning of this administration certain hostile and subsidized newspapers throughout the country began a systematized attack on the confidence of the people, actually insulting their intelligence, and the acts of the administration and Congress. The harping critics started their campaign of deception and villification even before the tariff bill was passed, and tried in vain to make the people think that Congress and the President were not their friends. They did all they could to produce a panic, and failing in that began a black-hand propaganda to bring about hard times. To destroy the confidence of the people was their set plan; with confidence gone, everything else would be easy for their schemes and money to accomplish and a return to the days of special privilege and favored monopolies would be upon us. But the President in the White House and the Congress in the Capitol did not become frightened by these dire predictions of manufactured calamity any more than the people did.

WOOL AND SHEEP.

I remember that certain gentlemen on the other side of this House tried to scare somebody into thinking that "free wool" would ruin the sheep industry, and I have no doubt some of their constituents, who have heretofore had more confidence in them than we have, believed what was said, really thought the panicky outcry was genuine, and proceeded to sell off their sheep and to contract in advance the sale of their wool at the then prevailing prices. But the sheep raisers and woolgrowers know more now than they did when they took these loud-mouthed confidence wreckers at their word. Wool is selling at a straight advance of 5 cents per pound over the price it brought under so-called protection. The price of sheep has also greatly advanced; and what will these misguided constituents of our crusty carpers do to these "statesmen" who permitted them to act on false outcries? Let election day answer.

"CHINA EGGS."

Failing to depress the price of sheep and wool, these muck-raking orators and newspapers turned to eggs, "China eggs" imported right square from China to compete with our own domestic eggs. The political press was full of "China eggs" and the cheap price of home eggs for about two months, just so long as our old hens were working overtime, like they do every spring when eggs get cheap; but when the hens began to curtail the supply the price began to ascend, just as it always does and always will do. Then, what became of the howl about "eggs from China"? Gone again, to return when our Leghorns and Plymouth Rocks begin another season of an egg per day average. What gets me is why these eggs from China fail to show up when the price is high. It strikes me that would be the proper time to import them. The answer is, of course, nobody would believe the China eggs had any effect on the price if eggs are selling high. So in order to get more profit—political profit, I mean—the time to import the China eggs is when we have lots of our own eggs and the price is low. That talk will not go for a minute; if importers handle eggs, they do so because of the money there is in it, and if they can ship eggs 7,000 miles and make anything on them, most surely they will sell them at the best possible price; so let us have them when eggs are high—for the consumer's benefit—but not a China egg do you hear of then. Roll out the China egg now, Mr. Politician and Mr. Political Newspaper—not an egg and not a word.

"ARGENTINE BEEF."

And then there was a protracted uproar over "Argentine beef." Political reactionaries grew blue in the face and partisan papers ran out of ink printing scare heads. A considerable number of cattlemen became honestly concerned. That was about the time, and just after a severe drouth in our State, when pastures were dried up and water was about gone. Shippers had to ship, and the cattle were not fat. The markets were glutted, and the prices were not satisfactory. Then old "Argentine beef" was trotted out like a nightmare to scare the producer. The importer wanted to get it on the market right then and there, while the market was low, because his profit would be so much more than when cattle were high. Believe that if you want to. But since then, the summer and fall of 1913, thank God our great old State of Kansas has been favored by nature, for which the Democratic Party does not claim any credit, but this is one time when our friends the Republicans can not claim the credit for the rain, the sunshine, and the prosperity. We have produced 184,000,000 bushels of wheat, an immense oat crop, excellent alfalfa crops, with a fine prospect for a good corn crop; our pastures are green and water is plentiful. We are not being forced to ship our cattle prematurely and are in no rush to sell, although the market is higher than ever before at this time of the year. Now, where is old "Argentine beef"? Seems to me it would be the proper

time, if I were an importer, to trot him onto the block again, when prices are high, not low, as when he was last being agitated. But, of course, the importing packers are in the business for their health and not for profit. Shall we believe that? And the yellow political press even find it too much for them. They can not mix the high prices and "Argentine beef"; and as we have the former, and as much of the latter as ever, they will not succeed in distorting the facts.

Let me give a couple of authentic market reports from leading livestock papers, one for last winter and another for this summer:

[From the Kansas City Daily Drovers' Telegram, February 25, 1914.]

RECORD PRICE AROUSES INTEREST—NATIVE STEERS BROUGHT $9.20 HERE—TOPS FOR 10 YEARS.

The sale of 51 head of 1,530-pound steers on the Kansas City market yesterday at $9.20, the highest price ever paid here in February, has aroused interest in the tops on beef cattle in February in preceding years. Following is a record of the top February prices the last 10 years:

1914	$9.20
1913	9.00
1912	8.15
1911	6.75
1910	7.50
1909	6.75
1908	5.85
1907	6.50
1906	5.85
1905	5.80

[From the Drovers' Journal, Chicago.]

RECORD PRICE FOR CATTLE—CHOICE BEEVES SELL FOR $10 AND $12 BEFORE CHRISTMAS, IS PREDICTED.

CHICAGO, *July 13.*

Cattle prices at the Union Stock Yards reached a record point to-day, when choice beeves sold for $10. This price was the highest ever paid here in July, and was a top point for the year. Hogs touched $9, the highest level in months.

When prices decline again, as they always do go up and down, we will find our old acquaintance "Argentine beef" running at large, chiefly in the so-called "news items" of hostile subsidized newspapers, where he is more profitable to the packers' monopoly than he is as a competitor of the native steer.

ARGENTINE CORN.

Then we had an unwarranted "scare" about "Argentine corn," that was fixed up principally for Indiana, Illinois, Iowa, and other States that produced immense corn crops last year, and where prices were expected to be low, but the shortage in Kansas, Nebraska, Oklahoma, and parts of Missouri made up the demand, and the hard-times prophets were disappointed. One car of Argentine corn did get as far as Indianapolis, Ind., but the expense of shipping, averaging 19 cents to 22 cents per bushel, and the inferior quality of the corn hushed the criticizing journals. Meanwhile the States where the corn crop was almost a failure were drawing on the other States for corn, and corn was bringing 72 cents per bushel—not a bad price at all if you have it to sell, but a bit steep if you want to buy. So "Argentine corn" was recalled from the front pages, chucked into the back for a while, and then relieved of labor entirely. Not a word do you hear about "Argentine corn." Why? The price has been too good, and of course the importers would want to wait until the price they could get for it went down, as they did not want to make any money—not at all; it was all charity with them. But if the good corn crop that we hope for and expect this year turns the market down, then, when it is cheap, out will come "Argentine corn," just like "China eggs" and "Argentine beef," and the "competition will be ruining the "American farmer"—in the pages of a hostile political press only, however. There is and has been as much coming in as at any time when prices were lower. I surmise that in the campaign this fall we will have this all rejuvenated and remodeled for the occasion, but the facts will be in possession of the people.

TRUMP CARD PLAYED.

Then there was a trump card the administration's enemies played.

"Coxey's army," that had rested itself and slept for 20 years, was suddenly revived and recruited by these confidence destroyers and hard-times promoters. A big effort was made to enroll enough unemployed men to make a showing, but small success was had except in the columns of certain antiadministration papers and in the mouths of certain politicians; there the "army numbered thousands." Coxey started at Massillon, Ohio, and marched to Washington. I saw him when he drove into the Capitol Grounds at the head of his "army." There were exactly seven people all told, Coxey, his wife, and son, dressed in fine fashion—for it must be remembered that Coxey is a well-to-do manufacturer—and four "privates," just common bums and hoboes. The "army" never did number more than 26 people at any time—this "great army of the unemployed denouncing Democratic hard times." And this scheme met the fate of all the other misrepresentations. So Coxey's army was lost in the shuffle of business activity and from the pages of the subsidized press.

WHEAT.

I think I have covered fairly most items of interest to the people I have the honor to represent here that have been the main subjects of attack. I will refer to one other item—wheat—before I close. This year we produced the largest crop in our history, and prices at the commencement of the harvest were low—about 65 cents per bushel—not so low, as I remember, under so-called protection in 1906, when it sold for 58 cents, but it was low, entirely too low for profit. Just then out trotted certain panicky political press and leather-lunged "statesmen" and partisan orators over the country denouncing "Canadian wheat"; and at the very instant wheat was selling for 3½ cents a bushel higher in Winnipeg, Canada, than in the United States, but, of course, it "was being imported in large quantities into the United States from Canada," in the columns of those papers and the imagination of those orators. The American farmer is not a fool and will not believe any such statements; he is intelligent, and so is the Canadian farmer, who will not sell his wheat in the United States for less than he can get for it at home. Here are some 1914 market quotations, just before the new wheat came on the market and afterwards:

June 4: Winnipeg, 95⅛ cents; Minneapolis, 91⅛ cents.
A month later, July 3: Winnipeg, 89⅜ cents; Minneapolis, 87⅛ cents.
Then, just before the European war jump, July 22: Winnipeg, 91⅛ cents; Minneapolis, 87⅝ cents.

Incidentally, these calamity howlers overlooked the fact that there is an import duty on wheat of 10 cents per bushel from Canada, and "Canadian wheat" took for back-page cover promptly, and then out entirely. They almost tried to use the same "ruination" argument on this so-called protected article that they did on the so-called free article, like corn. So far as the actual price was concerned, they might as well have done it.

BOARD OF TRADE INVESTIGATION.

I think it proper to mention, in passing, that malicious misrepresentation is not only the weapon used regarding prices. I have in mind a matter that this House already has had called to its attention—market manipulation, the unjust difference in the price paid for grain at loading elevators and the price for which the same grain was sold for export at export markets. It was the habit of these exporters and others on the board of trade to send out card bids for grain, and no firm could bid above the price stated. I have heretofore presented statements of wheat producers that 63 cents was what they had received on the card bid from the exporter or broker at the elevators, and that the same wheat was sold out of an export market for $2½ cents to 85 cents per bushel; and the average freight rate was less than 6 cents per bushel from the country elevator. This is what brokers call "spread" in prices. My resolution calls for the investigation of the marketing conditions and how the prices are fixed and determined. That a Federal investigation was pending became public, and the price to the producer advance the next day. A paper in the wheat belt—the Newton Republican, July 23, 1914—has this to say editorially:

While it may not have been due to the fight Congressman DOOLITTLE has been making to have an investigation as to whether there is any truth in the charge that the Kansas City grain dealers are paying the farmers a less price than they should for their wheat, it is noticeable there has been a marked advance in Kansas City wheat prices since the resolution was introduced in Congress.

And certainly it was not printed to compliment me, a Democrat.

FICTION NO MATCH FOR FACTS.

My contention is this: The "political prices" of products over the country, the "tainted-news" prices, as it were, do not coincide with the actual prices. If my word is doubted, read the market reports.

THE REAL PRICE MAKER.

Prices and the prosperity of our country are not controlled by legislation nor the theories of any political party; there is a gauge, an ever-present rule and guide, a standard of measure, genuine and true. It is the universal law of supply and demand. Attempts to change it, distort it, or to nullify it fail in their own effort. It is the same to-day as it was the first day, and ever will be. A striking example is now before us—conditions caused by the terrible struggle of the European powers. Their brave men are in the armies—their factories are closed and their fields are deserted. Those who produced now consume. Our factories and our fields must provide for the increased demands.

TRIUMPH OF AMERICAN DIPLOMACY.

And we can do it without overexertion on our part, and although the unhappy strife among European nations brings sadness to the hearts of our citizens, we can thank our Creator

that our country is at peace with the world; that we are not engaged in war, and therefore have the time and opportunity to pursue vigorously our lines of industry in factory, store, and farm; that the "amateur diplomacy" of "grape-juice diplomats"—how that mockery must burn in the ears of the enemies of this administration—have put to an end governments by assassination and all that would pattern after Huerta, have led to prosperous peace. We have come out of Mexico with a minimum death loss, and only a score of wounded of the thousands of Uncle Sam's boys who avenged the injuries and studied insults to the Flag at Vera Cruz; have escaped a second war with Mexico and its attendant pension roll; escaped a daily expense of $4,000,000—all by the "amateur diplomacy" of the once ridiculed "grape-juice diplomats," and that ever-present, ever-watchful, big, patient, intelligent, whole-hearted American, President Woodrow Wilson. Cool-headed, firm persistence has accomplished in Mexico all that war could and more. From "professional diplomacy" deliver us, if it all lead to war; give us the "amateur diplomacy" that leads to an honorable peace.

COUNTRY MOURNS DEATH OF MRS. WILSON.

And I pause to express my profound sadness and sympathy, like all other citizens of our Republic, for this great man in this his time of deepest sorrow in the death of his noble wife and helpmate. I bow before the flag as I see it solemnly and silently floating at half-mast to-day. Not one of us knew that she was seriously ill, so close was her fatal condition kept back from a sympathetic public. In all the midst of official duties at home and abroad, bearing down on him more heavily than any President since Abraham Lincoln, came this added burden of loss and sorrow. For four months the ravages of Bright's disease, always fatal, was taking the life of this tender friend, mother, and wife—and our President, mindful of the happiness of the people, keeping back the knowledge from the country that she must go, bore it in silence and alone.

Mr. Speaker, before I leave the stale subject of the tariff I want to incorporate as a part of my remarks the latest general table to be had, showing prices at one of the central markets of important products:

FARM PRODUCE PRICES AT CHICAGO, ILL.

Quotations for first week in March for 10 years ending with 1914.

[Compiled by the United States Department of Labor and from the Chicago Inter-Ocean price current.]

Commodity.	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914
Wheat, No. 2, red	$1.16	$0.83½	$0.76	$1.00	$1.25	$1.25	$0.88½	$1.02	$1.08	$0.97½
Corn, No. 3, mixed	.45	.39½	.43½	.57½	.64	.62½	.43½	.65½	.50	.64½
Hay, timothy, first	12.00	11.00	17.00	15.50	12.00	18.00	17.00	21.00	14.00	15.50
Oats	.30½	.31½	.43	.52½	.53	.46	.30½	.34½	.34½	.40
Potatoes	.35	.48	.46	.73	.93	.40	.43	1.10	.48	.78
Hogs, best fat	5.12½	6.42½	7.00	4.70	6.55	9.90	7.20	6.52½	8.55	8.75
Cattle, best fat	5.60	6.40	6.60	6.00	7.10	8.10	6.95	8.90	9.00	9.75
Sheep, best fat	5.90	6.25	6.15	5.65	5.70	7.90	4.75	5.00	6.95	6.25
Lambs, best	7.75	7.10	7.50	6.90	7.85	9.25	6.00	7.00	8.75	7.85
Horses, draft, extra good	200.00	185.00	285.00	200.00	200.00	225.00	190.00	285.00	275.00	255.00
Butter, creamery	.32	.27	.33	.32	.28	.30	.26	.28	.35½	.34
Eggs, fresh, first	.27	.13½	.21	.20	.21	.22½	.17	.27	.19½	.27

During this spring and summer all prices have advanced, and of course just recently jumped on account of the war.

PASSED BY TRI-PARTY VOTE.

Those extreme partisans who would blindly condemn the Underwood tariff law should remember that Republican, Progressive, and Democratic votes together passed it, and no less a Republican than Senator LA FOLLETTE supported and voted for the bill in the Senate. Some of our people may have been misled, and it is my purpose that they shall know the truth.

THE NEW CURRENCY LAW.

And then chronic carpers commenced on the currency bill even before it was on the statute books, but it will have a chance to prove its worth now; and I would call your attention to the difference in the money situation and what it was in 1907—no bank is refusing to pay all demands in full, and the Old World is at war such as has never before been seen; their investors are dumping their securities on our markets to raise cash to pay the expense of the war, rated at about $50,000,000 a day; think of it. Would such an ability to buy everything in sight ever been possible under the old national-bank act that is giving way to the new Federal reserve act? The panic of 1907 answers the question, when a depositor at a bank had to go hat in hand to his banker and ask for enough to pay a week's board. As a matter of fact the new currency law is so good 38 Republicans and Progressives voted with the Democrats for the bill, and currency reform was a Democratic platform pledge. This Congress has done what every Congress since the Civil War tried and failed to do.

ALL PARTIES JOIN.

But the lurid misrepresentations of hostile press and politicians could not stop the trend of proper policies and honest legislation. There came later the trust measures, and on them 47 Republicans and Progressives voted with the Democrats. And the vote on the trade-commission bill was unanimous.

ONLY PARTLY DONE. FARM LOAN BILL.

The House passed a bill giving widows of Spanish War veterans a pension of $12 per month; a bill giving the States Federal aid for roads; the immigration bill; and other general constructive measures. There are pending now bills to standardize the grading of grain, and I think one will be passed this session. Another bill is pending to prohibit board of trade gambling in farm products, and it should be passed without delay. An old-age, cripples', and blind person's pension bill that should be considered, farm-loan legislation, and other good measures. This last-named subject has been urged by me from the time I first set foot in this House. Many and difficult have been our labors this session, and long have been the hours, but I say now that we should remain in session until this legislation is passed, if it takes until March 4 next. Members from the city districts will yet see that low interest rates are essential to a larger prosperity, and if you do not see it, I believe we will muster enough votes to pass in without your support. Money-loaning concerns can not throttle this bill very long.

HONEST LAWS.

There are some changes each of us would make in the tariff, currency, or any other law probably, if each were writing it for himself, but we are not and can not. No law can truthfully be called strictly perfect, but not one law that has been passed this session can truthfully be called corrupt or dishonest. As imperfections appear, let them be remedied. No insidious lobby has got its work in on these laws. Would you repeal the Underwood tariff law, in which no special interest or lobby had any hand, and which includes the income tax that raised about $85,000,000 revenue for the Government its first year, to return to the reeking, reactionary, trust-breeding Payne-Aldrich hybrid? Remember Schedule K, and what the "protected" interests were—Steel Trust and all the rest. Would you repeal the Glass currency law and take back from the Government its control over our money, to return to the days of the restricted, inadequate national-bank currency law, locking up all our surpluses in Wall Street, where we could not get them when we wanted them? Remember the panic of 1907 and the Money Trust. Would you have us at war with feeble Mexico, and possibly European nations, rather than enjoying the profits and pleasures of domestic peace? Remember Huerta and the hostile jingo press that once denounced "watchful waiting" and "amateur diplomacy." Call to mind those impatient hot-heads who would dump the country into war and strife, and recall further those inefficient ultraconservatives who would get us nowhere.

REPUDIATION OR RATIFICATION?

If you would repudiate the humane, efficient, and constructive policies of Woodrow Wilson, backed by a hard-working, patriotic Congress, you have a champion and leader who has already spoken.

He is former Speaker Joseph G. Cannon, reactionary boss, again running on the Republican ticket for Congress in Illinois. He has two opponents—a Democrat and a Progressive. At Danville, Ill., July 29, 1914, when he opened his campaign, he said:

"We are trying Wilson's Democratic policies. If you like them, choose a Democratic House next November. If you don't like them, return a Republican House that will tie the hands of the President in dictating further destructive legislation."

Who best represents your policies, President Wilson or ex-Speaker Joseph G. Cannon? I leave it to you. Shall we reverse

and go back to Cannonism? You know what it stands for. Shall we cripple the President, or will you say: "You are right, President Wilson; we are with you, not against you." America faces front. She advances. She will not turn back while the fight goes on. It is again the people's fight; the President is leading their cause. Lincoln said, "Don't trade horses in the middle of the stream."

The Federal Reserve Act.

SPEECH
OF
HON. H. ROBERT FOWLER,
OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, September 17, 1913.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 7837) to provide for the establishment of Federal reserve banks, for furnishing an elastic currency, affording means of rediscounting commercial paper, and to establish a more effective supervision of banking in the United States, and for other purposes.

Mr. FOWLER. Mr. Chairman, the President has called Congress together in extra session for the purpose of discharging a most important duty to our country—a duty which, if properly performed, will relieve the people from the embarrassing financial conditions now holding in check the business of the country and threatening our future happiness and prosperity. As the bushel is a measure for grain, and as the warehouse is a place for its convenient storage, so money is a measure of value and the bank is a place for its safe deposit. If the bushel should be either too large or too small, or should the warehouse be insecure, trade and commerce would suffer, and the result would be loss through fraud and injustice. The same is true with an imperfect system of banking and currency, and the greater the imperfections the greater the stagnation in business and the greater the loss.

Mr. Chairman, it is freely admitted by students of government, scholars of high repute, and statesmen everywhere that America has the poorest and most imperfect system of banking and currency of any of the civilized nations of the world. The great wonder is that we should have permitted it to stand so long. Under it we have frequently seen financial panics sweep over the country nation-wide, paralyzing our industries, threatening our commercial interests with ruin, and entailing upon the masses misery and want for more than a decade at a time. We have stood by like helpless children and suffered these destructive ravages to repeat themselves upon our wealth and civilization without making any substantial effort to guard against their repetition. We have constructed levees and sea walls to prevent loss by inundation. We have provided for fireproof buildings and established fireproof districts in cities to guard against loss by conflagration; but we have failed for a century and more to construct safeguards against the dreadful ravages of our most destructive enemy—financial panics. Legislation for the last 50 years has added nothing but patches to the old financial garment which at first was a misfit. The proposition now is to cast aside the old imperfect garment, with all of its clumsy and foolish patches, and establish a new monetary system, patterned after the best wisdom of the age, and so skillfully arranged and adjusted in all of its parts that when completed it will afford ample protection against the repetition of future panics and give to our people the widest latitude possible for the unrestricted development of our internal resources and the free extension of our commerce to the markets of the world without halt and without hinder.

Mr. Chairman, the present bill as it comes from the hands of the Senate, in my opinion, meets all the requirements of the pressing emergency which now confronts us. Indeed, it is a great constructive measure, providing for a system of banking and currency which is not only a vast improvement upon our present system but which, in my opinion, will prove to be the most perfect system in the world. It gives us a uniform system of banking, and at the same time it provides for a systematic increase of our money to relieve us when in financial distress, and which will keep pace with the increase of our population and the growth of the business of the country.

FEDERAL RESERVE DISTRICTS.

The bill which comes from the conference committee, and which will soon be presented to the President for his signature, provides for a "reserve bank organization committee," consisting of the Secretary of the Treasury and not less than two members of the Federal Reserve Board, whose duty it will be to select not less than 8 nor more than 12 cities in the United States, to be known as "Federal reserve cities," and to divide the territory of the United States, including Alaska, into Federal reserve districts, so that each district will have one, and only one, Federal reserve city. It is proposed to establish one Federal reserve bank in each of these Federal reserve cities for the benefit and accommodation of the people residing within the limits of such district, the title of which must include the name of the city in which it is located, as "The Federal Reserve Bank of Chicago."

ORGANIZATION OF FEDERAL RESERVE BANKS.

These Federal reserve banks will be organized much on the plan of a big corporation with many stockholders. All of the national banks, State banks, and trust companies with the requisite capital, within the limits of the Federal reserve district, may become stockholders in the Federal reserve bank. All national banks must signify their intention in writing to become members within 60 days after the establishment of the Federal reserve bank, and must become members within 1 year thereafter or surrender their charter and cease to do business as national banks, while State banks and trust companies are permitted to become members without limitation as to the time of making application, but the terms prescribed for membership apply to all alike, or nearly so.

No Federal reserve bank will be permitted to open its doors to transact business with a capital stock less than $4,000,000. Its capital stock will be divided into shares of $100 each, and before any State or National bank or trust company will be permitted to become a member it must subscribe to the capital stock of such Federal reserve bank a sum equal to one-sixth of its own capital stock and surplus, one-sixth of which sum must be paid on call of the organization committee, one-sixth within three months, one-sixth within six months, and the remainder or any part thereof must be paid when called for by the Federal Reserve Board. All of these payments must be made in gold or gold certificates.

FEDERAL RESERVE BANK STOCK MAY BE SOLD TO INDIVIDUALS OR TO THE UNITED STATES UNDER CERTAIN CONDITIONS.

Should the banks and trust companies within a Federal reserve district fail to subscribe for Federal reserve bank stock in the sum of $4,000,000, then the organization committee may offer for sale at par to the public a portion of such stock until $4,000,000 has been subscribed, to be paid for on the same terms as is done by banks and trust companies, with this limitation—no individual, company, or corporation will be permitted to purchase more than $25,000 worth of said stock. And in the event that the public should fail to subscribe for enough of such stock to bring the total up to $4,000,000, then the organization committee must allot to the United States so much of such stock as may be necessary to enable such Federal reserve bank to begin business, such stock to be held by the Secretary of the Treasury and disposed of by him at not less than par for the benefit of the Treasury.

Under the provisions of this bill the Comptroller of the Currency is required to forward the necessary blanks to all national banks and all State banks and trust companies known to be eligible, within the limits of the Federal reserve district, for stock subscription, as soon as the Federal reserve districts are established. The boards of directors of banks and trust companies desiring to become members must execute these blanks by the adoption of a resolution which will be found on such subscription blanks.

As soon as the required amount of stock has been subscribed, the organization committee will select five banks which have subscribed for stock and which are within the limits of the Federal reserve district, to prepare an organization certificate for such Federal reserve bank, which certificate shall contain the name of the Federal reserve bank, the extent of its territory, the city and State in which it is to be located, the amount of its capital stock, the number of shares into which such stock is to be divided, the name and place of business of each of the five banks executing the certificate, the names of the banks and trust companies which have subscribed for stock in such Federal reserve bank, and the number of shares subscribed for by each. Such certificate must be acknowledged by a judge of a court of record or a notary public with the seal of such court or notary public attached thereto, which certificate must then be filed with the Comptroller of the Currency for safekeeping.

On the filing of such certificate such Federal reserve bank shall become a body corporate, and as such shall have power to adopt and use a corporate seal; to continue to do business for 20 years, unless sooner dissolved; to make contracts; to sue and be sued in any court at law or equity; to appoint its subordinate officers through its board of directors and fix the terms upon which their services are to be rendered; to prescribe its own by-

laws according to law; to enjoy and exercise all powers prescribed by the provisions of this bill and such incidental powers as are necessary to its operation under the terms of this bill; and to receive circulating notes from the Comptroller of the Currency equal to the par value of all United States bonds which it may have deposited in the Treasury.

The business of each of such Federal reserve banks shall be conducted by a board of nine directors, divided into three classes of three members each, designated as classes A, B, and C, and shall hold office for a term of three years each. The directors of classes A and B will be elected by the member banks, and while the members of class A will be selected with a view of being strictly representative of the banks, yet the three members of class B must be selected from the industrial walks of men actively engaged in agricultural, commercial, or some other industrial pursuits. The three members of class C will be appointed by the Federal Reserve Board, one of whom will be named as the chairman of the board of directors of such Federal reserve bank, and shall be designated by such board of directors as Federal reserve agent. He must keep his office on the premises of the Federal reserve bank and act as the official agent of the Federal reserve bank, and must make reports of the acts and doings of such Federal reserve bank to the Federal Reserve Board.

No State bank or trust company will be permitted to become a member of such Federal reserve bank unless it has a paid-up and unimpaired capital sufficient to entitle it to become a national bank, where it is now located under the national banking laws now in existence. Any bank incorporated under any special law of any State or special law of the United States having an unimpaired capital sufficient to entitle it to become a banking association under existing laws, may, by a vote of 51 per cent of its capital stock, be changed into a national banking association when approved by the Comptroller of the Currency. All such banks and all State banks may become member banks of a Federal reserve bank by making application to the organization committee or the Federal Reserve Board for stock in the Federal reserve bank located in the Federal reserve district in which such banks are located. If such banks or trust companies are found to possess all of the qualifications necessary to become national banks under existing law, they may be permitted to take out stock and become members of a Federal reserve bank. Such stock shall be issued and paid for under the same rules and regulations as are required by this act for national banks. This act will afford an opportunity for practically all of the National banks, State banks, and trust companies to be converted into one uniform system of banking, under the control of the Federal Government.

EARNINGS OF THE FEDERAL RESERVE BANK—HOW DISPOSED OF.

The banks of the country have been much interested as to what disposition will be made of the money paid by them into the vaults of the Federal reserve banks. This money will be held by the Federal reserve banks as long as they continue to do business or as long as the member banks remain solvent and conduct their business according to the rules and regulations provided for in this act. The least amount which will authorize a Federal reserve bank to open its doors for business is $4,000,000. One-sixth of this sum must be paid in when the stock is issued, one-sixth within three months, and one-sixth within six months, and the remainder when called for by the Federal Reserve Board. It will thus be seen that at least $2,000,000 in cash must be paid in within six months after the Federal reserve bank has been established, and the remainder must be paid in whenever called for by the Federal Reserve Board. This money is the working capital of the Federal reserve bank, and will be used by it for the uses and purposes indicated under the powers of this bill, many of which I have pointed out heretofore. The member bank may or may not receive a return on this money. It will depend upon the business prosperity of the Federal reserve bank. The running expenses of the Federal reserve bank must be paid first, after which the surplus income will be used to pay the member banks a dividend on the stock purchased from the Federal reserve bank. The greatest amount which can be paid under the terms of this bill is 6 per cent per annum, and the intention is that the stockholders shall be paid this amount, as it is expected that the business of the Federal reserve bank will yield an income sufficient to do so.

After paying the running expenses and the 6 per cent dividend to the stockholders, the balance of the income, if any, will be paid to the United States as a franchise tax. In other words, it will become the property of the United States, one-half of which will be paid into a surplus fund until it equals 40 per cent of the paid-in capital stock of the Federal reserve bank. The Secretary of the Treasury may use these net earnings to supplement the gold reserve held against outstanding United States notes, or he may use it to pay off the outstanding bonded indebtedness of the United States. Should these banks become prosperous, as banking institutions usually have been in the past, we may reasonably hope that the Government will soon have an income from this source sufficient to pay off the national debt. There is still another way by which the United States may profit by this new banking system, and that is, should any of the Federal reserve banks fail or be dissolved, the surplus, after paying all debts, such as running expenses, dividends to stockholders, and par value of the stock, shall become the property of the United States and must be used to redeem United States bonds or to keep up the gold reserve required for outstanding United States notes.

Mr. Chairman, I think this provision is one of the best features of this bill. Heretofore Federal franchises have been given away to corporations without reserving any right in the Government to share in the income from the business conducted under such franchises. Vast sums have been accumulated by the few, through the advantages gained by such franchises, and yet they have paid nothing to the Government as a consideration therefor. Such rights originally belonged to the people, and they had a vested interest in them which should not have been disposed of without their consent or without adequate consideration. Valuable franchises should be used as a source of revenue in order to lift the burdens of taxation from the shoulders of the struggling many. This provision sets in motion the correct policy of conserving such rights. Neither should such rights be granted to individuals or corporations in perpetuity. All laws granting such franchises should reserve in the State the right of recovery at stated periods. The framers of this bill wisely guarded our rights by limiting the right to do business by Federal reserve banks under this act to 20 years. After the expiration of this period, they must come back to the United States for a new commission, and at that time I have no doubt but what the public will be much better prepared to act wisely, and more wisely undoubtedly, than can be done by Congress now, for the actual business experience in this system of banking will then enable the people to judge more correctly the value of this right, and if the United States is not getting an adequate consideration for it, they will then be able to guard it more accurately, and perhaps be able to secure a better and more equitable consideration for its future use. In 1912 we had 305,336 corporations, according to the records of the Commissioner of Corporations, with a capital of nearly $62,000,000,000 and a net income of nearly $4,000,000,000. Had the States been guarded in letting these rights, they could have had enough income from this source alone to defray the expenses of State government of all the States in the Union and to construct a system of hard roads in every county in all of the States of the Union. Ten per cent of the net income of these corporations for one year is nearly $4,000,000,000, which is enough to dig 10 Panama Canals. It is nearly six times as much as we spent last year for the maintenance of all our churches and foreign missions, all of our colleges, universities, and public schools in America.

All of the property of Federal reserve banks, including the capital stock and surplus, and all the income derived therefrom, is exempt from Federal, State, and local taxation, except taxes on real estate. This is another valuable right which is not enjoyed by the citizen, and it affords another reason why these banks should divide the income with the United States.

INCREASE AND DECREASE OF THE CAPITAL STOCK.

Mr. Chairman, these Federal reserve banks may increase their capital stock in two ways, one of which results in case of an increase of the capital and surplus of the member banks, and the other is caused by new banks applying for membership. In either case it will be necessary to increase the capital stock in order to supply the demand for additional stock. Should a member bank increase its capital and surplus, it is required to subscribe for an additional amount of capital stock of the Federal reserve bank equal to 6 per cent of the increase of its own capital and surplus.

The Federal reserve bank may decrease its capital stock in two ways: Should a member bank decrease its capital and surplus, the Federal reserve bank is required, on application of the member bank, to take up the surplus capital stock of such member bank. Should a member bank fail or go out of business, then the Federal reserve bank is required to take up for cancellation all of the capital stock held by such member bank. Whenever a member bank reduces its capital and surplus, it is required to surrender a proportionate amount of the capital stock of the Federal reserve bank held by it; and should it cease to do business for any cause, it must surrender all of its Federal reserve stock. In such event its liabilities to the Federal

reserve bank will be paid and the remainder, if any, will be paid to such member bank; that is, it will receive a sum equal to its cash-paid subscription on the shares of stock surrendered and one-half of 1 per cent per month since the last dividend payment, less its liabilities to the Federal reserve bank. If a member bank should default and go into the hands of a receiver, then the Federal reserve bank would retain enough to pay all the debts of the member bank due to such Federal reserve bank and pay the remainder, if any, over to the receiver.

Federal reserve stock held by a member bank can not be transferred, neither can it be hypothecated as security for loans or otherwise. This is necessary, because it is the basis or charter on which such member bank is permitted to do business; and, further, such stock represents the amount on which 6 per cent dividend will be paid annually by the Federal reserve bank. While such stock is sound in the hands of a member bank, yet it might be worthless in the hands of a third party, as in case of a failure of such member bank with large liabilities to the Federal reserve bank.

FEDERAL RESERVE BOARD AND ITS DUTIES.

Mr. Chairman, as the head is the chief organ of the human body, so the Federal Reserve Board is the supreme power over this new banking and currency system. It consists of seven members, made up of the Secretary of the Treasury, the Comptroller of the Currency, and five other members to be appointed by the President, by and with the advice and consent of the Senate, not more than one of whom shall be from the same Federal reserve district. The five appointive members are required to devote their entire time to the duties of the Federal Reserve Board, two of whom are required to be persons of experience in banking or finance before their appointment, and each will receive a salary of $12,000 per annum. The first board will hold office for terms of 2, 4, 6, 8, and 10 years, according to allotment; thereafter as such terms expire the vacancies will be filled for terms of 10 years each. None of these five members will be eligible to hold any office, position, or employment during such term of office, and for 2 years thereafter, in any member bank. The Secretary of the Treasury, the Assistant Secretary of the Treasury, and the Comptroller of the Currency are also barred from holding any such positions for the same period of time. The President has the power to remove any of these five members for cause, and it is his duty to name one of them as governor and one as vice governor of the board. The governor will be the chief officer of the board. All of the five are required to take the oath of office within 15 days after appointment. None of the members of this board will be permitted to be an officer or director of any bank, banking institution, trust company, or Federal reserve bank, nor will they be permitted to hold any stock in any bank, banking institution, or trust company, and before taking the oath of office as such member of such Federal Reserve Board each of them must certify under oath to the Secretary of the Treasury that they have complied with this provision. It is the duty of this board to make full report of its operations annually to the Speaker of the House, who must cause it to be printed for the benefit of Congress.

This board will be a very important factor, because it is possessed of large supervisory powers. It will have the right to examine at its discretion the accounts, books, and affairs of all the Federal reserve banks and all the member banks, and to require of each a report of its acts and doings as often as may be necessary. Such board is required to publish weekly a statement of each Federal reserve bank and a consolidated statement of all of the Federal reserve banks, showing in detail the assets and liabilities of the Federal reserve banks, single and combined, the character and amount of the money held as reserves, the nature and maturities of the paper and other investments owned or held by Federal reserve banks.

By an affirmative vote of not less than five members of such board it will have the power to compel a Federal reserve bank to rediscount the discounted paper of other Federal reserve banks at a rate of interest to be fixed by the Federal Reserve Board. Mr. Speaker, this is a power that ought to be exercised with great caution. If exercised arbitrarily it might result in serious loss, and that, too, without the fault and against the protest of the Federal reserve bank. It will also have the power to assess a tax semiannually against each of the Federal reserve banks, in proportion to their capital stock and surplus, sufficient to pay the estimated expenses and the salaries of its members and employees, together with any deficits which may have been carried forward from the preceding half year.

Certain reserves are required to be kept by the member banks. The Federal Reserve Board has the power to suspend such requirements for 30 days at a time and to renew such suspension for 15 days. Forty per cent in gold is required to be put up before any amount of Federal reserve notes will be issued. If at any time this reserve should fall below 40 per cent of the amount of Federal reserve notes issued the Federal Reserve Board is required to place a tax of not more than 1 per cent per annum on such deficiency until such reserve drops to 32½ per cent. Should such reserve fall below 32½ per cent, then the Federal Reserve Board is required to place a tax of not more than 1½ per cent per annum on such deficiency for every 2½ per cent or fraction thereof that such deficiency drops below 32½ per cent. Such tax must be paid by the Federal reserve bank, but such bank has the right to add it to the rate of interest and discount fixed by the Federal Reserve Board.

It will have complete power over the issue and retirement of Federal reserve notes and to prescribe rules and regulations to govern the Comptroller of the Currency in putting out such notes for circulation.

It will have the power to increase, reclassify, or discontinue reserve and central reserve cities as it may deem proper; to suspend or remove any officer or director of any Federal reserve bank and cause the reasons in writing to be forwarded at once to such officer or director and to the Federal reserve bank; to order any Federal reserve bank to check off from its books and balance sheets worthless assets; to suspend the operation of any Federal reserve bank, take charge of it, operate it during its suspension, wind up its entire business or reestablish it, as in the judgment of the Federal Reserve Board may seem wise. All of this may be done in case such bank fails to comply with the provisions of this act.

Whenever a Federal reserve bank desires to borrow from the United States Federal reserve notes, the application must be made through the Federal reserve agent. The Federal Reserve Board has the power to require bonds of such Federal reserve agent. Such board has the power to prescribe rules and regulations for safeguarding collaterals, bonds, Federal reserve notes, money, or property of any kind deposited with such Federal reserve agent. And it has the power to make all rules necessary to carry into effect all of the powers and provisions of this act. It will have general supervision of all the Federal reserve banks, and will have power to grant permits to national banks, when not prohibited by State or local laws, the right to act as trustee, executor, administrator, or register of stocks and bonds, under rules to be prescribed by such board.

Such board will also have the power to employ attorneys, experts, assistants, clerks, or any other help necessary to conduct the business of said board regardless of the civil service, but the President may place them under the classified service. The salaries of such help will be fixed in advance by such board and will be paid in the same manner as the salaries of the members of such board. It will be seen that the Federal Reserve Board is all powerful in the regulation and conduct of this new system of banking and currency. The abuse thereof might result in much danger to our free institutions, but it is hoped that all of its powers will be administered at all times for the good of a more perfect system of banking and currency.

FEDERAL ADVISORY COUNCIL.

Mr. Chairman, each of the Federal reserve banks will have the right, through its board of directors, to select from its own Federal reserve district one representative who will be a member of what is styled in this bill, "Federal advisory council." There will be as many members of this council as there are Federal reserve districts. The compensation of each of these members will be fixed by the board of directors of the respective Federal reserve banks. It will be their duty to hold at least four meetings annually in the city of Washington, D. C., and oftener if called upon by the Federal Reserve Board, and such council may hold such other meetings either in Washington, D. C., or elsewhere, as they may deem proper. It will have a right to select its own officers and adopt its own method of procedure.

Such council will have the power, either by itself or through its officers, to confer directly with the Federal Reserve Board on general business conditions, to make oral or written representations concerning matters within the jurisdiction of said board, to call for information and to make recommendations in regard to discount rates, rediscount business, note issues, reserve conditions in the various districts, the purchase and sale of gold or securities of reserve banks, open-market operations by such banks, and the general affairs of the reserve banking system. Each member will be expected to look after the immediate welfare of his own Federal reserve bank, as well as the general welfare of the whole banking system. It will certainly be a very valuable council, and, acting in connection with the

Federal Reserve Board, it is to be hoped that this new system will be well guarded.

BANK RESERVE REQUIREMENTS.

As soon as the Secretary of the Treasury shall announce that a Federal reserve bank has been established all subscribing banks in the Federal reserve district must maintain reserves as follows: If a member bank should not be located in a central reserve city or a reserve city, its reserve must be equal to 12 per cent of its aggregate demand liability and 5 per cent of its time deposits. Four-twelfths of such reserve must be kept in its own vaults for a period of 24 months after such notice; two-twelfths must be kept in the vaults of the Federal reserve bank for a period of 6 months after such notice; and for each succeeding 6 months an additional one-twelfth until five-twelfths have been so deposited, which shall be the amount permanently required. For a period of 24 months after such notice the balance of its reserve may be held in its own vaults or in the Federal reserve bank or in banks of reserve or central reserve cities. After the expiration of 24 months said reserve may be held in the vaults of the member bank or in the Federal reserve bank or both, in its own discretion.

If the member bank should be located in a reserve city, then its reserve must be a sum equal to 15 per cent of its aggregate demand liability and 5 per cent of its time deposits. Six-fifteenths thereof must be kept in its own vaults. At least three-fifteenths must be kept in the vaults of the Federal reserve bank for a period of six months after such notice; and for each succeeding six months an additional one-fifteenth must be deposited until six-fifteenths have been so deposited, which shall be the amount permanently required.

Should such member bank be located in a central reserve city, it must maintain reserves equal to 18 per cent of its aggregate damand liability and 5 per cent of its time deposits, six-eighteenths of which must be kept in its own vaults, three-eighteenths must be kept in the Federal reserve bank for six months after such notice, and permanently thereafter six-eighteenths. The balance of such reserve must be held in its own vaults, or in the Federal reserve bank, or both, at its option.

This is a smaller per cent than is now required by the present law, and will give the member banks an opportunity to lend a greater per cent of their capital than heretofore.

POWERS AND DUTIES OF FEDERAL RESERVE BANKS.

A Federal reserve bank as provided for in this bill will be very popular, in my opinion, because it offers many conveniences to the public. While its doors will not be swung open to the public for the transaction of ordinary business, yet it will be open to the member banks and to the United States for the deposit of current funds in lawful money, national-bank notes, Federal reserve notes, or checks and drafts drawn on solvent member banks payable on presentation and for exchange purposes only. The member banks may receive from the Federal reserve bank deposits of current funds in lawful money, national-bank notes, or checks and drafts on member banks or other Federal reserve banks payable on presentation.

Federal reserve banks may discount notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or where the proceeds have been or are to be used for agricultural, industrial, or commercial purposes, if indorsed by one of its own member banks, with a waiver of demand, notice, and protest, provided such notes, drafts, and bills of exchange mature within 90 days; but if such notes, drafts, and bills of exchange are based on live stock, or have been drawn or issued for agricultural purposes, they may be discounted, although they do not mature for a period of six months. This is a salutary provision based upon the principles underlying agriculture, and is regarded as a victory for the farmer. It really places a premium upon all such paper based upon live stock and the products of the farm. A long and bitter struggle was waged before this provision was incorporated in the bill, and had it not been for the manly courage displayed by the Members of Congress representing agricultural districts it would not be in the bill now. It was not in the original draft of the bill, but was placed in it by way of an amendment after one of the most furious fights known to this session of Congress.

The Federal reserve bank may discount paper known as acceptances based upon importation, exportation, or domestic shipment of goods, provided that such paper is indorsed by at least one member bank and provided further that it matures within three months. The amount of such discount made for any one member bank can not exceed one-half of the paid-up capital stock and surplus of such member bank. Notes and bills of exchange, indorsed by only one person, company, firm, or corporation, when presented for rediscount by any member bank, will not be accepted by the Federal reserve bank in excess of 10 per cent of the unimpaired capital and surplus of the member bank.

FARMERS MAY BORROW ON FIVE YEARS' TIME.

Mr. Chairman, the bill provides that the farmer may borrow money from his home bank on five years' time, if he can secure the loan by improved and unincumbered farm lands. The original bill fixed the time at nine months, but it was amended by the friends of agriculture in the Democratic caucus by extending the time to one year, and the Senate extended the time to five years. This provision gives the farmer a chance to borrow money on long time, so that he may build comfortable homes or improve his lands, as he may deem proper. The only other feature necessary to meet the demands of the farmer is a low rate of interest. While the question of the rate of interest could not be handled here without endangering the bill, on account of a constitutional question, yet if the farmer does not get relief at the hands of the banks Congress will enact a rural-credit law, authoriizng farm banks, primarily for the accommodation of home seekers and farmers in general. It may be that local banks will not be full handed enough to lend much money on long time; and if this should prove to be true, then it will be necessary to enact a rural-credit system. It is absolutely necessary that the farmer should be in a position to borrow money readily on long terms at a low rate of interest for the improvement of his premises and for the production and movement of his crops.

OPEN-MARKET OPERATIONS.

Federal reserve banks may, under rules prescribed by the Federal Reserve Board, go on the open market, either at home or abroad, and buy and sell cable transfers, bankers' acceptances, and bills of exchange made eligible by this act for rediscount either with or without the indorsement of member banks. They have the power under this act to go on the open market either at home or abroad for the purpose of dealing in gold coin and gold bullion. They have the right to make loans thereon, to exchange Federal reserve notes for gold, gold coin, or gold certificates, or to contract for loans of gold coin and bullion, and to hypothecate security therefor, such as United States bonds and any other securities which such banks are permitted to hold under the provisions of this act.

They also have the right to go on the open market at home or abroad and sell and buy bonds and notes of the United States and revenue bonds, notes, and warrants issued in anticipation of the collection of taxes or in anticipation of assured revenues by any State, county, district, political subdivision, or municipality of the United States. They also have a right to purchase from member banks and to sell with or without their indorsement bills of exchange arising out of certain commercial transactions.

They have the right to establish rates of discount to be charged by Federal reserve banks for all classes of paper handled by them, subject to review by the Federal Reserve Board. They have the right to establish accounts with Federal reserve banks for exchange purposes, to open and maintain banking accounts with foreign countries, appoint correspondents and establish agencies in such countries for the purpose of purchasing, selling, and collecting bills of exchange, and to buy and sell bills of exchange with or without indorsement arising out of commercial transactions with no more than 90 days to run and which bear the signature of two or more responsible parties, all of which is subject to review and consent of the Federal Reserve Board.

Mr. Chairman, under the terms of this bill the Secretary of the Treasury has the right to deposit in these Federal reserve banks any part or all of the revenue of the Government or the general funds held in the Treasury, except the 5 per cent fund held for the redemption of outstanding national-bank notes and the funds provided for in this bill for the redemption of Federal reserve notes. When so deposited it may be checked out on account of the Government, the same as money is now checked out by individuals on their bank account. This is a very wise provision and will give the Government a much-needed freedom from its present clumsy and expensive plan.

PAPER MONEY ISSUED DIRECT BY THE GOVERNMENT.

Mr. Chairman, one of the wisest provisions in the bill is that which confers upon the Government the right to issue paper money direct without the intervention of national banks. While the Constitution confers upon Congress the right to coin money and regulate the value thereof and of foreign coin, yet it has always been contended by many statesmen that the Government

should not issue paper money. Such money in this act will be known as Federal reserve notes, and must be received by all national banks, Federal reserve banks, and member banks, and for all taxes, customs, and other public dues. They must be redeemed in gold when presented to the Treasury Department in Washington, D. C., or in gold or lawful money when presented to a Federal reserve bank for redemption.

All of our bank notes are secured by the indebtedness of the country—United States bonds. But the paper money provided for under the terms of this bill will have behind it the wealth of the country, and as our wealth is unlimited our opportunity for money is equally unlimited, and justly so. As money is the yardstick of values, why should there be a scarcity of yardsticks while we are actively engaged in the measurement of the vast productions of the farm, mine, and factory? Why should the wheels of transportation be halted for a want of sufficient money to place the products of industry in transit? There is no more reason for this than there is for a shortage of cars or boats during the busy season of moving crops. The wonder is that civilization should permit a shortage of money to exist anywhere. Land values are inestimable in any country and is the most stable security in the world. Alaska is rich and worth billions of dollars. The title to most all of her land is in the Government. Suppose $1,000,000,000 in paper money were issued with the lands of Alaska pledged to redeem it, what could cause such money to depreciate? Nothing. Why? Because Alaska is rich and eternal.

During the consideration of this feature of the bill we have been confronted with the argument that asset money is unwise and certain to breed disaster, while, as a matter of fact, all of our bank notes have been secured by the indebtedness of the country, as evidenced by Government bonds; and, if such security is good, why should not the vast amount of wealth required as collateral in this bill be good? For every dollar of Federal reserve notes issued by the Government the Federal reserve bank receiving the same is required to put up with the Government $1.40, 100 cents of which must be of the best gilt-edge security and 40 cents must be in gold. The national-bank notes now have only the evidence of United States debt behind them in the sum of dollar for dollar, and yet they are good. Who doubts the stability of the Federal reserve note with 140 cents of the best security on the market behind every dollar of it?

This is not the only safeguard. It is provided that when the Federal reserve note has been placed in circulation it may remain out until it reaches a Federal reserve bank; then it must be retired, which means redeemed, and if it should be recirculated 10 per cent interest thereon must be paid. In other words, it is an emergency money for the movement of crops and to give relief in case of financial distress, whatever may be the cause. Nothing could be more sensible and nothing will inspire greater confidence. It is the beginning of a sensible method of money supply. To stop the wheels of commerce and business because of a shortage or inadequate supply of money is as foolish as to refuse to feed corn to a herd of starving cattle because of a want of a bushel measure to measure it before feeding it. Money is no more sacred than wheat or corn, and not half so much, because wheat and corn are useful to man as food for himself and his domestic animals. No such use can be made of money, and suffering and want should never be tolerated because of a shortage of money necessary for the rapid movement of all articles necessary for food, raiment, and shelter and for the ample supply of business generally. While some Members of Congress look upon this feature of the bill with some misgivings, yet I welcome it as one of the strongest and most important provisions of the bill, and regard it as a complete safeguard against future panics.

OUR STOCK OF MONEY.

Mr. Chairman, we have a very complex system of money, consisting of many kinds. We have four kinds of metallic money—gold, silver, nickel, and copper. We have four kinds of paper money—the Treasury note, or greenback, the bank note, the gold certificate, and the silver certificate. On the 1st day of November, 1913, the sum total of all of this money amounted to $3,775,994,796, divided as follows:

Gold, including gold bullion in the Treasury	$1,905,901,516
Standard silver dollars	565,683,263
Subsidiary silver coins, etc	176,239,292
Treasury notes of 1890	2,590,000
United States Treasury notes, or greenbacks	346,681,016
National-bank notes	758,899,709
Total	3,755,994,796

None of this money is a legal tender for the payment of all debts, both public and private, except our gold, which gives it rank in a class by itself. It is therefore called primary money, while all other kinds are classed as secondary money and must be redeemed in gold. While it is true that we have outstanding $480,079,731 in silver certificates, yet we also have in the Treasury standard silver dollars with which to redeem them; but as the silver dollars themselves must be redeemed in gold, it practically places gold behind the silver certificates. We also had outstanding on the same day $1,021,451,879 gold certificates, which must be redeemed in gold. If this amount should be taken from our stock of gold, it would leave $884,449,637 as our stock of primary money with which to redeem our secondary money, which amounts to $1,850,093,235. It will be seen that our stock of secondary money is more than twice as large as our stock of primary money, and yet according to law it must be redeemed in gold.

Suppose we were called upon to redeem all our outstanding secondary money, we would fail by nearly a thousand million dollars, although our wealth amounts to more than $130,000,000,000. This reveals the weakness of our monetary system and at the same time exemplifies the vast advantage hoarders of gold have during periods of financial distress. Many weak firms in primary money, yet rich in property values, have been forced to the wall in times of financial panics, and their vast holdings have been swallowed up by designing gamblers and speculators in gold, as in the case of the Tennessee Coal & Iron Co. in 1907.

Let us go a little further. It is estimated that the deposits in national banks amount to $7,000,000,000, and that the deposits in private banks, State banks, and trust companies amount to $13,000,000,000, making a total deposit in the country of $20,000,000,000. Suppose these institutions were forced to redeem their obligations in gold. They would not be able to pay 10 cents on the dollar, even though they owned all the gold coin and gold bullion in America. It is quite evident that our stock of primary money is too small, and what is true in America is true all over the world.

The civilized world has heretofore proceeded upon the theory that money should be coined out of a metal with a steady, unfluctuating intrinsic value equal to its face value. Nothing could be more misleading. No such metal ever has or ever will be discovered. Outside of the fine arts gold would have but little commercial value were it not used as a money. Its inadequacy to supply the demand for primary money increases its commercial value. Intrinsic value depends upon what use can be made of the article. Hogs and cattle, corn and wheat are very useful to man as food products. Wool, cotton, and flax are also very useful to him for raiment; so is timber useful to him for shelter. All of these articles have intrinsic value, because of the needful uses they are to mankind, but no such use can be made of gold. All money ought to be primary or uniform in value, redeemable in property values, in order to prevent fluctuation.

The idea of money is based more on theory than in fact. By theory, we agree that money has a certain fixed value for convenience in trade, while, as a matter of fact, it may not be worth anything intrinsically. To illustrate, our gold dollar is worth a hundred cents, both in theory and in fact. In theory it is worth a hundred cents because we have agreed to accept it in trade for a hundred cents. In fact, it is worth a hundred cents as long as it is kept up to its standard weight. The bank note in theory is worth as much as the gold dollar, while in fact its commercial value is nominal, not worth as much as one-tenth of 1 cent. Yet in practice it is much more desirable than gold, because of its convenience as a medium of exchange, less bulky to carry, and more easily cared for, and, as a matter of fact, it is worth more than the gold dollar, because the gold dollar is dependent upon itself alone to make good, and as it loses in weight by use it depreciates and falls below its face value, while the bank note has property value behind it many times its face value in the nature of a promise to redeem by the United States; and it does not make any difference how much use is made of it nor how ragged it may become, it always passes for its face value, and when it becomes too badly worn for use it may be replaced at a nominal cost with a new bank note.

I know this is true by experience. At Chicago, on my way to Congress, I applied to the Pennsylvania ticket office for transportation from Chicago to Washington, D. C. I offered a $20 gold coin as pay for my ticket; whereupon I was promptly informed by the ticket agent that it was no good. I demanded his reason for refusing it. He said it was too light. I threw out another $20 gold coin, and he refused it. I then hunted up the general passenger agent and told him what had happened. He went with me to the agent and inquired why he had refused

gold in pay for transportation. His reply was, "Too light." I had five $20 gold pieces with me, and to test his good faith I handed all of them to him and told him to pick out a good one. He took them and went away for a short time and returned with the report that all of them were short in weight. I then tendered him a $20 bank note, which he accepted readily, without any thought of discount.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent that the gentleman have time to conclude his story.

There was no objection.

Mr. FOWLER. Mr. Chairman, I cite this experience to illustrate the difference between money with intrinsic value and money without intrinsic value. The gold coin is based on the assumption that it has within itself a property value worth its face value and sufficient to maintain its face value, which is not true, for it grows weaker and less in value all the time. The bank note is based upon the theory that it has a property value behind it sufficient to maintain its face value as long as it may be used as a money, while in fact no property in particular has been pledged for its security, and its only security is the promise of the United States to redeem it in gold. It would be just as stable and worth just as much in trade if the promise were to redeem it in hogs and cattle or wheat and corn or land. The naked promise to redeem with or without an intention to redeem is what gives it its value as money. It is said that Venice issued a paper money at one time based upon gold locked up in her treasury vaults. Things went on all right, but in the meantime some Jewish shipping merchants quietly borrowed the gold to increase their trade, but the people of Venice were kept in ignorance of this fact. The paper money did not depreciate when the gold was taken away, and when Cæsar went down to Venice to take the treasury by force, on opening the vaults he found not a dollar in gold. This paper money served the same purpose after the gold had been loaned as it did before. Suppose the security had been land, which no invading army can carry away, how could the money have been made more secure or more stable?

Mr. Chairman, there is something radically wrong about any system of money which does not have enough strength within itself to maintain its face value. One of my gold coins was light about 30 cents, as I remember. Suppose it should change hands 50 times in a day, the loss on it would be $15 for one day, and in four days it would be $60, or three times its original value. Such a coin is a cheat and a fraud, I do not care what material it is made of. The trouble about any money with an intrinsic value is that the longer it is used the less it is worth. This is true with gold, the most popular of all metallic moneys, and sooner or later it will have to be abandoned as a circulating medium. This is practically the case now in the United States.

Mr. Chairman, one of the best features of this bill is that part which provides for a system of money based upon correct principles—a paper money secured by property values. Under it we will not be required to wait for the discovery of new gold fields before we can get relief from financial distress, but whenever we find a shortage in the supply of money we can go direct to the Federal Reserve Board for relief, and by giving the proper security required by this act we can get all the money that will be needed within a few hours. No one with property need remain long in want for money. No chance for depreciation. No cause for alarm. The most sacred thing about money, if it can be said to be sacred at all, is the certainty in maintaining its face value. The plan offered by this bill is a guaranty against depreciation in value, because it has behind it a security of 140 cents for every dollar of the new issue; and, besides, it has the promise of the United States to redeem it in gold or lawful money. This is the best assurance of stability in values. It is not only a guaranty against depreciation in value, but it is a guaranty against a shortage in the supply. It is a harbinger of a new system, safe and sound, with enough elasticity to spread out all over the country to relieve want and suffering wherever it may be found. Its attributes are stability, activity, and sufficiency. It is the dawn of a new era, with a rainbow of promise, that panics in American shall be known no more; that business shall fly on the unclipped wings of activity, regulated by greater skill and conducted on larger scales, with more certainty of a steady income; that the unknown shall be discovered and that the impossible shall be made possible by the wise use of the instrumentalities provided by this bill; that peace and prosperity shall ever be within easy reach of our people, leading steadily onward and upward to a higher civilization and a more perfect and useful life here below. [Applause.]

"My Thought Is of America"—President Wilson's Appeal for American Neutrality.

EXTENSION OF REMARKS
OF
HON. EDWARD T. TAYLOR,
OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, August 20, 1914.

Mr. TAYLOR of Colorado. Mr. Speaker, on day before yesterday President Wilson issued an earnest appeal for real American neutrality that is one of the most eloquent and patriotic appeals for self-control on the part of all American citizens that has ever been uttered in the history of this or any other country.

I thought some more distinguished Member of this House or of the Senate would insert that proclamation of neutrality and appeal to humanity in the CONGRESSIONAL RECORD and preserve it for all time; but not seeing it in the RECORD this morning I ask permission to extend my remarks by inserting in the RECORD the President's solemn words to his fellow countrymen in this critical hour to guard against any breach of neutrality.

Every patriotic citizen of this Republic ought to carefully read the President's message, and the heart of every loyal son of this Union ought to swell with pride to observe the magnificent spirit in which the press of this country has received this message, as shown by the editorials in the issues of yesterday and to-day.

I feel that it is especially appropriate that the President's earnest and sensible warning to the public should be given not only the widest publicity, but that it should go into our RECORD. Especially do I make this request because one of the greatest newspapers in referring to the President's message said:

> The point of latent peril is in Congress. Reckless Members of either House, occupying positions of responsibility, where their words carry weight far beyond their intrinsic merit, because they are spoken officially, can do damage in a few minutes that could not be undone in years. If Mr. Wilson will keep Congress quiet for a while until the worst of this storm blows over, he can depend upon the people of this country to do their share. Absolute neutrality is the only course for the United States.

The tenor of the press of the country is that the American people should keep cool at this time and avoid creating internal difficulties. One newspaper says:

> The patriotic words from President Wilson's appeal to the American people fall like a message from a higher and nobler sphere.

While we may think that our country is secure, owing to our position, and we are all proud that we have no entangling alliances at this time, and that America is happily safe for the present, yet this simple and sincere expression of our President, "My thought is of America," is a sentiment that should fill every American's heart with pride and remind him of his duty to our beloved country. The Washington Star of last evening aptly says:

> We can not as a Nation remain aloof from the issues of the war if we work up violent factional feeling, which will quickly lead to bitter recriminations in public.

The New York World says:

> While Germans and French and English and Austrians and Belgians and Russians and Serbs in Europe are slaughtering one another in the most devastating war of all time, men of those same races are living and working in peace and amity under the American flag. What higher tribute than this can be paid to the spirit of the Republic?

There is a pathetic wisdom and foresight in the President's remarks that can not help but be appreciated by all right-thinking people. He says that to stir up racial strife in this country by violent speech or editorial utterances might involve us in foreign controversy, if not in war, and every lover of his country should avoid doing anything that may in any way tend to embroil the United States in controversy with any foreign country, especially at this critical time.

President Wilson has from the day he entered the White House up to this good hour always stood for peace—for peace at home as well as peace abroad. And the American people owe him a debt of everlasting gratitude for the fact that the United States is at peace with the world to-day. If the example of our own President had been followed by the crowned heads of Europe it would have been a blessing for all humanity for all time to come.

Mr. Speaker, in presenting this remarkable and solemn warning to the American people by our President I will only say "My thought is of America."

THE PRESIDENT'S SOLEMN WARNING TO HIS FELLOW COUNTRYMEN TO GUARD AGAINST ANY BREACH OF NEUTRALITY.

Addressing the American people, the President yesterday issued a statement in connection with the European war, warning citizens of the United States against "that deepest, most subtle, most essential breach of neutrality which may spring out of partisanship, out of passionately taking sides."

The President's statement follows:

"My fellow countrymen: I suppose that every thoughtful man in America has asked himself during these last troubled weeks what influence the European war may exert upon the United States, and I take the liberty of addressing a few words to you, in order to point out that it is entirely within our own choice what its effects upon us will be, and to urge very earnestly upon you the sort of speech and conduct which will best safeguard our Nation against distress and disaster.

"The effect of the war upon the United States will depend upon what American citizens say and do. Every man who really loves America will act and speak in the true spirit of neutrality, which is the spirit of impartiality and fairness and friendliness to all concerned. The spirit of the Nation in this critical matter will be determined largely by what individuals and society and those gathered in public meetings do and say, upon what newspapers and magazines contain, upon what our ministers utter in their pulpits, and men proclaim as their opinions on the streets.

"The people of the United States are drawn from many nations, and chiefly from the nations now at war. It is natural and inevitable that there should be the utmost variety of sympathy and desire among them with regard to the issues and circumstances of the conflict. Some will wish one nation, others another, to succeed in the momentous struggle. It will be easy to excite passion and difficult to allay it. Those responsible for exciting it will assume a heavy responsibility; responsibility for no less a thing than that the people of the United States, whose love of their country and whose loyalty to its Government should unite them as Americans all, bound in honor and affection to think first of her and her interests, may be divided in camps of hostile opinions, hot against each other, involved in the war itself in impulse and opinion, if not in action. Such diversions among us would be fatal to our peace of mind, and might seriously stand in the way of the proper performance of our duty as the one great nation at peace, the one people holding itself ready to play a part of impartial mediation, and speak the counsels of peace and accommodation, not as a partisan but as a friend.

"I venture, therefore, my fellow countrymen, to speak a solemn word of warning to you against that deepest, most subtle, most essential break of neutrality which may spring out of partisanship, out of passionately taking sides. The United States must be neutral in fact as well as in name during these days that are to try men's souls. We must be impartial in thought as well as in action; must put a curb upon our sentiments as well as upon every transaction that might be construed as a preference of one party to the struggle before another.

"My thought is of America. I am speaking, I feel sure, the earnest wish and purpose of every thoughtful American, that this great country of ours, which is, of course, the first in our thoughts and in our hearts, should show herself in this time of peculiar trial a Nation fit beyond others to exhibit the fine poise of undisturbed judgment, the dignity of self-control, the efficiency of dispassionate action; a Nation that neither sits in judgment upon others nor is disturbed in her own counsels, and which keeps herself fit and free to do what is honest and disintested and truly serviceable for the peace of the world.

"Shall we not resolve to put upon ourselves the restraint which will bring to our people the happiness and the great and lasting influence for peace we covet for them?"

American Citizens in Europe.

EXTENSION OF REMARKS

OF

HON. ANDREW J. VOLSTEAD,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 15, 1914.

Mr. VOLSTEAD. Mr. Speaker, allow me to call to the attention of this House the complaint made by the passengers on the White Star steamer, the *Celtic*, that landed in New York on Saturday, the 15th of this month. They prepared a memorial to the President, part of which was published in the Washington Post yesterday, which reads:

CRY OUT TO UNCLE SAM.

Days without food, inability to obtain funds, the canceling of steamer tickets with no refund of money, the loss of personal belongings, in some cases actual hostility from the population about them, have brought American men, and especially women and children, to a pitiable state.

Thousands are in need of transportation, which they can not supply. We should like to bear testimony to the wonderful kindness and courtesy of the English people to those Americans who have been fortunate enough to reach England. But English help is inadequate, and every week, every day, adds to the acute sufferings of those left without funds in a foreign land.

In connection with this appears a communication from Paris dated August 15, from Dr. Herman B. S. Chayes, of New York, of which I quote the following:

I share the indignation of many of my fellow countrymen on the Continent at the supine, shillyshallying attitude which the American Government presents in the present crisis. Many Americans are in dire need through no fault of their own. The situation is little short of a disgrace.

This expression of my opinion merely echoes the sentiments of hundreds of other Americans.

Has our Government been derelict in caring for our citizens abroad?

This memorial and communication clearly indicate that American citizens have been and still are in need of the actual necessaries of life, such as food and shelter, and that every week and every day add to the actual suffering of those abroad who are left without funds. What has our Government done to relieve that distress?

On the 3d day of this month Congress appropriated $250,000 for relief, and on the 5th the President asked for $2,500,000 for this same purpose, which was promptly granted. What has the State Department done with this money? On the 5th of this month there appeared in the Washington Times, in boldface type, so as to attract attention, the following statement:

HOW TO CABLE MONEY TO FRIENDS IN EUROPE.

Sending money to relatives and friends marooned by the war in Europe is a simple procedure. Explained by Wilbur J. Carr, Chief of the Consular Service, this is the "how":

"Send to the State Department a certified check, draft, or postal money order payable to 'Chief, Bureau of Accounts, State Department.' State plainly the name of the person (full name), city, and address, if any, abroad.

"The money will be cabled immediately to the nearest American consul, who will issue local currency or a draft (United States warrant) upon the State Department, payable to the payee, who calls at the consulate."

This statement appears on its face to be authorized by the State Department. The same information was republished in other papers. On the day following this publication—the 6th—I paid, as directed in this notice, a sum to be transmitted to an American, then at St. Gall, Switzerland, and was promised that the money would be transmitted by cable that day. Two or three days later I called at the State Department to inquire and was told that the money had been cabled, but that no answer had been received. Asked if they would not repeat the message, they promised to repeat it that day. I then waited until the evening of the 12th, when I called the consular office on the telephone to again inquire, when I was told that the office had no record of any payment made by me for transmission to anyone. It was too late that night to make a personal call at the office, but next morning I called and was again told that the office had no record of my payment; that the money had not been cabled; and that the office had nothing further to do in regard to the matter, as it had been arranged that the Treasurer of the United States should make these payments. I at once called on the Treasurer, and he easily convinced me that he had nothing to do about the transmission of this money abroad. He admitted that the Consular Service had turned the money over to him, and said that he had certified the receipt of it to the Secretary of the Treasury. I then called at the office of the Secretary of the Treasury and found my payment in a list of several thousand like payments which had been certified back to the Secretary of State for transmission to Europe. Armed with this information I again, on this same day, called at the consular office to see if action could not be secured. Defeated in their evident effort to get rid of me by claiming that they were not charged with the duty of transmitting this money to Europe, I was told the cables were so congested that they could not reach the consul at St. Gall; but I finally convinced them private cable messages had gone through very recently, and that this excuse could not be accepted. They then made a third promise to direct the consul at St. Gall to pay this money at once. I was further told that instead of doing what was promised in the published notice, namely, direct our foreign consuls to issue warrants payable by the United States, they had concluded to wait until the *Tennessee* could reach Europe with the money and until the money could be sent from that ship to the consuls.

It was explained that no arrangement had been made with any banking house to take care of any of these warrants, and

it was not claimed that any attempt had been made to secure any such arrangement. With this as the policy, it was evidently considered unnecessary to cable to the consuls in Europe that payments had been made for transmission until the actual money could reach the consul, though this information might be of inestimable value to those in distress. I was told that except in some special cases it was not until Saturday, the 15th, that cable messages were sent directing the payment of the deposits made for transmission since the beginning of the war. As these payments are not to be made through any bank, it is likely that considerable more delay must be expected. When I made my first payment I did so by depositing the money in the consular office, when I made a payment for another party at a later date I was directed to pay the money to the Treasurer. Between the two dates, the 6th and 8th of August, this change in policy had been adopted. I was frankly told in the consular office that this change in policy had caused a delay of a week in the transmission of this money; that this was due to some friction or misunderstanding as to what department should handle the matter and that in the meantime these payments had accumulated so rapidly that great confusion had resulted.

Thousands of our people all over this land are waiting with intense anxiety for news from their loved ones abroad. Is there not some way in which they can get prompt action instead of mere promise, mere pretense? Is the credit of this Government so poor that no one in Europe will take its promise, though the gold is hastening over the sea to redeem that promise, or must our people starve because of the indifference of our Government?

Panama Canal.

EXTENSION OF REMARKS
OF
HON. KENNETH D. McKELLAR,
OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 25, 1914.

Mr. McKELLAR. Mr. Speaker, the European war has completely upset the entire cotton business of the South and placed our people in a situation that is a more serious menace to their welfare than anything that has occurred since the Civil War. At least 50 per cent of our entire cotton crop is exported to the nations that are now engaged in deadly strife. This trade is not only demoralized but practically shut off entirely, leaving our people without a market for half of the probable yield of 14,000,000 bales of cotton this year. That the war will continue for an extended period is now obvious. The cotton-spinning business in this country is also demoralized. The domestic spinners do not know whether to buy or not, because they are afraid the price will go lower, and a consequent loss will occur to them. The result is that we are practically without a market for our cotton to-day.

In a radius of 150 miles from the city of Memphis, where I live, 2,000,000 bales of cotton are produced with a value in ordinary years of about $140,000,000. The prosperity of our entire people is largely dependent upon this crop. In banks, in business houses, in clubs, in exchanges, and on the streets, whenever and wherever business men meet in our city, the calamitous condition of the cotton market brought on by this war is almost the sole subject of conversation. Recently a great convention of country and city merchants, numbering nearly 3,000, was held in Memphis. This convention appointed delegates to meet the Secretary of the Treasury in conference here this week. That great good will come of this conference we all believe. That the Government will aid us in this great emergency in a way that will be practical and safe we are all confident. That Secretary McAdoo will arise to the occasion as he did last year in raising money for crop-moving purposes we have no doubt. In this connection I want to attach as a part of my remarks a telegram sent me by the Cotton States Merchants' Association, in convention at Memphis, and also letters from Mr. Leon Sternberger, Mr. Calvin Perkins, and Mr. Robert Wilkinson, all of Memphis, all referring to the present emergency situation in the cotton trade. Both Mr. Wilkinson and Mr. Sternberger are, and have been for many years, among our most active cotton men. They are familiar with the whole situation and their views are entitled to great respect, and I believe their letters will be useful in aiding us in solving the most serious proposition that we have before us, and therefore I take pleasure in putting them in the RECORD.

MEMPHIS, TENN., *August 21, 1914.*

Hon. K. D. McKELLAR,
House of Representatives, Washington, D. C.:

The following resolutions were unanimously passed by convention of 3,000 members Cotton States Merchants' Association. Please present in person to President and to House.

"*Resolved by the 3,000 delegates of the Cotton States Merchants' Association in convention assembled,* That we express our confidence in the intrinsic value of the cotton crop now about to be marketed. In our judgment, every pound of this cotton, regardless of present conditions, is worth at least the average price at which cotton has been sold during the past five years.

"The closing of the markets and the lack of immediate demand for a portion of the crop, owing to the present European war, will apparently make it necessary for a part of the crop to be carried until conditions are again normal.

"We believe that the producers of this cotton should receive such financial assistance as will enable them to hold their crops or such parts of their crops as they are not able to sell at its true value, to the end that the producer may enjoy the profits for which they have labored.

"It is our earnest conviction that the producer of the cotton should be enabled to borrow, with his crop as security, a sum sufficient to cover at least the cost of production, and in order that our banks may be enabled to make the necessary loans, be it further

"*Resolved,* That we respectfully petition the honorable President of the United States, the Senate, and the House of Representatives to promptly provide ways and means as will prevent this unusual surplus created by abnormal conditions from depressing the market until the export trade is again opened or until such time as they may think judicious and expedient."

J. R. PAINE, *Chairman.*

STERNBERGER, McKEE & CO.,
Memphis, Tenn., August 21, 1914.

Hon. K. D. McKELLAR,
Washington, D. C.

DEAR MR. McKELLAR: I am taking the liberty of addressing you in behalf and concerning the cotton situation brought about by the European war, and do so reluctantly, for I realize that you are a very busy man and have no doubt been worried no little with inquiries as to what the Government will try to do toward relieving the situation. However, the solution of the cotton problem is of vast importance to the whole country, and I feel confident that you are vitally interested in developing some plan by which the South will be aided in carrying the heavy burden imposed upon it by the troubles abroad, therefore will pardon me for intruding on your valuable time.

There seems to be a unanimity of opinion as to the Government extending financial aid to assist the South in carrying the surplus cotton in some form or another that will be caused by curtailment of our exports, and it is thought by the cotton trade that this surplus will aggregate about 3,500,000 bales. These figures are arrived at by estimating the coming crop on a basis of 14,500,000 bales. In my humble opinion, the amount of surplus cotton will depend largely upon the increased consumption in this country, also as to the ability of England to keep her mills in operation during the war; and further, if the Atlantic Ocean will be kept clear of the German fleet in order that our exports to England and France, and to countries which are neutral, will not be molested. If we can be assured that our shipping to England and France will not be disturbed and exporting facilities can be secured for our exports to countries which have declared their neutrality, we can with some degree of confidence rely upon having a considerable increase in consumption of cotton in this country, and we can with some safety estimate the surplus cotton not to greatly exceed 3,500,000 bales, of a market value of about $200,000,000, based on the close of the market in New York.

Now, if we are correct in our views as to the amount of surplus cotton, the next and most important proposition to consider is the most expedient method of financing this surplus, in order that the producer may obtain funds on this surplus to assist him in liquidating his indebtedness, carry him through the winter months, and have some means to commence his farming operations next spring without being forced to throw this surplus cotton on the market and having to sell it at destructive prices, resulting in irreparable loss, not only to the producer, but to the whole country, for the whole of the United States is so allied in commercial activities that what is detrimental to one section is felt to a certain extent by all other sections.

It occurs to me that while a great many plans have been suggested for financing the surplus cotton, all of the plans are based upon securing aid of the United States Government, without considering that when our Senators and Congressmen from the South try to secure Government aid for their section that Senators and Congressmen from other sections will try to do the same thing for their States; and I fear very much that under such conditions the South may not be successful in securing the assistance it so rightfully deserves, and I thought possibly some plan might be evolved by which each State could act independently of the other and secure such financial assistance as such State may require through the different reserve banks.

The plan which I suggest is as follows:

Let the governors of each State call an extra session of the legislature at once for the purpose of considering the situation which obtains in their respective communities; and as we are interested in the cotton situation, we will discuss the plan from that point of view and take the State of Tennessee to illustrate the plan.

After the governor has called an extra session of the legislature there should be a resolution adopted authorizing the issuance of bonds by the State in such amounts as will be needed to finance the surplus in this State. Our State will produce about 350,000 bales, and its portion of the surplus will aggregate about 90,000 bales, of a market value of about $5,000,000; this surplus cotton, together with the amount that will be necessary to take care of the cotton-seed products, will amount to about $7,000,000. If bonds can be issued for that amount, it would be desirable to have them run for a period of five years, with the option of the State to redeem them at the expiration of one year, and the bonds to bear interest at 3 per cent. The bonds after being issued could by an act of Congress or an amendment to the reserve banking laws be exchangeable for United States currency at par upon deposit of the bonds with the respective reserve banks. The State or States could then deposit the currency received from the reserve banks in the different State depository banks, subject to the State depository laws, without any agreement other than that arising from the general State bank depository law; but the banks could be relied on to loan the money on authenticated cotton warehouse receipts or bills of lading for lumber or other good securities and thereby relieve the financial stress.

The object in having the bonds run for a period of five years is that the war may be prolonged until next spring, and even longer, and in this event the loans on cotton should not be disturbed until the demand for cotton assumes nominal proportions; and perhaps conditions may be such that this surplus may have to be sold gradually covering a period of two years, but as fast as the surplus cotton is sold the banks could repay their State deposits and the State in return could redeem its bonds.

If such a plan could be formulated, it would stop all discussions in Congress about any one section being favored, for if the act permitting reserve banks to issue currency to the States could be passed, each State would have the option of securing funds to relieve the situation in its territory, and the United States Government would not have to contend with the worry and complications arising from the issuance of warehouse receipts deposited with the reserve banks, even if it was inclined to do so, for under the plan we are discussing the United States Government or reserve banks would only be doing business in relieving the situation with the different States, and would be absolutely safe in doing this without a peradventure of a doubt.

I have gone over this plan with our mutual friend, Mr. John Martin, and, while he thought the plan feasible and if adopted would relieve the situation, still he was of the opinion that article 2, section 31, of the constitution of Tennessee might prohibit our State from issuing bonds for this purpose, and he requested me to call your attention to this article. Of course, I realize the plan is extraordinary, but at the same time we are going to be confronted with extraordinary conditions during the next six months and until peace is declared, and we will be forced to meet these conditions with heroic measures in order to save our people from grave consequences resulting from the war.

I herewith hand you a letter from Mr. Calvin Perkins, giving his opinion as to whether the constitutions of Tennessee and Mississippi, respectively, prohibit the legislatures of those States from authorizing the issuance of State bonds, as suggested by me.

I desire to add, further, that it is not my purpose to appear visionary or to seek notoriety, nor do I care to be placed in the limelight by submitting this plan, for if any good can emanate from it or from any other plan that may be derived from it, or should any other plan of relief be evolved, it will be sufficient for me to know that something will be done to relieve the South and all other sections that need relief of serious conditions in these troublesome times. If you do not deem the foregoing suggestions worthy of consideration, kindly consign same to the wastebasket and oblige.

Yours, very truly,

LEON STERNBERGER.

MEMPHIS, TENN., *August 21, 1914.*

MR. LEON STERNBERGER, *Memphis, Tenn.*

DEAR SIR: I have read your letter of this date to Hon. K. D. MCKELLAR, M. C., dealing with the subject as to what can be done in the way of governmental aid in overcoming the difficulties in carrying the surplus cotton and other products arising from the curtailment of our exports occasioned by the European war.

You have asked me in this connection for my opinion as to whether there are any constitutional difficulties in the way of carrying out the scheme outlined in your said letter.

Article 2, section 31, of the constitution of Tennessee is as follows:

"The credit of the State shall not be hereafter loaned or given to or in aid of any person, association, company, corporation, or municipality."

Article 14, section 258, of the constitution of Mississippi is as follows:

"The credit of the State shall not be pledged or loaned in aid of any person, association, or corporation."

It will be seen that the two constitutional provisions, so far as they bear upon the question involved, are substantially the same, and I presume that there may be similar provisions in the constitutions of the different States of the United States.

In my opinion there is nothing in the constitution of Tennessee or Mississippi to prevent the carrying out of the scheme suggested by you. If the States should issue their bonds and pledge or sell them for the purpose of raising an emergency fund for the general welfare of all of the inhabitants of the respective States, and should deposit the money so raised in the respective State depositories, to be held by the depository banks, subject to be drawn out by the States in accordance with the provisions of their respective depository laws, it would not, in my opinion, be a pledge or loan or gift of the credit of the States "in aid of any person, association, or corporation."

There would doubtless have to be legislation by Congress on the subject, certainly for the purpose of fixing the basis, determining the amount of State bonds to be accepted by the reserve banks from the respective States, and it seems to be that a per capita basis, to be determined by the population of the respective States, as shown by the last census, would be the most just basis as between the respective States.

There would doubtless be other legislation necessary to be enacted by Congress to authorize the reserve banks or other national banks to handle the State bonds.

You will observe that in order to avoid any constitutional difficulties arising from the provisions of the constitutions of the States of Tennessee and Mississippi and other States having similar provisions, I restrict myself in approving this scheme to the moneys to be distributed among the different State depositories, to be held by them under the general depository laws of the respective States, without any restriction as to the lending of the money to any particular class of persons or upon any particular class of credits.

If in any given State there should be no State depository laws, or the laws as now existing do not fit onto the scheme as outlined by you, the legislatures of the respective States could, of course, make the necessary changes in their State depository laws.

Yours, very truly,

CALVIN PERKINS.

WILKINSON & CARROLL COTTON CO.,
Memphis, Tenn., August 22, 1914.

HON. K. D. MCKELLAR,
House of Representatives, Washington, D. C.

DEAR SIR: Inclosed find a letter which is self-explanatory. Read it over, and if you think well of the plan suggest it. Would be glad to have you show it to Hon. JOHN SHARP WILLIAMS and Mr. Love, who is in Washington. The reason I would like for Mr. WILLIAMS to see it is that he is a large planter himself; but if you do not think there is any merit to the plan outlined, just put the letter in the wastebasket.

Had a talk with Mr. Omberg, and he suggests that cotton be put in bonded warehouses and warehouse receipts issued for same. The warehouse receipts to be used as bonds on a basis of $25 per bale, to take the place of currency, the bonds to run for a period of one to two years. Think $25 per bale would be entirely too small an amount to carry this crop, besides it is extremely doubtful about the Government doing this. If some plan could be gotten up so that cotton could be sold gradually just as there is a demand for it, and the surplus held off the market, the South ought to realize 13 cents per pound for this crop, otherwise it might sell at a price so low that it would bankrupt the entire South.

Thanking you in advance for anything that you may do along these lines, and with kindest regards, I beg to remain,

Yours, very truly,

ROBT. WILKINSON.

[Inclosure.]

Since the outbreak of the great European war the all-important question is: What will the South do with her cotton? It would be suicidal to dump it on the market and sell it for little or nothing; and, in the writer's opinion, there is only one possible way to prevent this being done, namely, let all the cotton-growing States call a convention right away to be held at some central point, like Memphis, each State to be represented by a certain number of delegates, proportioned according to the number of bales of cotton raised therein. This convention to agree upon a minimum price at which one-half of this crop, say, 7,000,000 bales, shall be sold. The balance of the crop to be held off the market without attempting to sell it until the war is over or until normal conditions prevail. The delegates to this convention to be composed of bankers, merchants, and planters, and to bind their respective States to reduce the cotton acreage next year 33⅓ per cent, which would leave twenty-four and a half million acres to be planted to cotton next year, and under normal conditions ought to produce about 10,000,000 bales. And, in our opinion, a 10,000,000-bale crop would bring more money than a 15,000,000-bale crop. Not only that, but there would be left twelve and a half million acres in the South heretofore planted to cotton that could be utilized to good advantage in diversified farming and for pasturing cattle, which ought to result in the South having an abundant supply of meat and bread next year, thereby greatly reducing the high cost of living.

It is true that the Farmers' Alliance made several unsuccessful attempts to control the price of cotton, but this organization was composed entirely of farmers and had little or no facilities for storing cotton and had small financial backing. And it would be a very different proposition for a convention representing the entire South and composed of bankers, merchants, and planters undertaking to control the price of cotton, and the Farmers' Alliance undertaking to do it. If a convention of this kind should be held and an agreement entered into as outlined above, would the people live up to it? Yes. Why? First, a great many would keep the contract because they had agreed to do it, and a great many others would keep it because self-interest and self-preservation would make them stick. Now the question is, Will the banks advance the money to carry this surplus of cotton? The prosperity of the South depending almost wholly upon agriculture, the banks are just as much interested in getting a good price for cotton as the farmers. Therefore it would be reasonable to expect their cooperation in a movement of this kind.

Revoking Leaves of Absence.

EXTENSION OF REMARKS

OF

HON. JAMES W. BRYAN,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 25, 1914,

On House resolution 601, as follows: *"Resolved,* That all leaves of absence heretofore granted to Members are hereby revoked," etc.

Mr. BRYAN. Mr. Speaker, my vote is for this resolution. At the same time, I do not believe the adoption of the resolution accords fair treatment to those of us who have been here for all these months. I am sure I have spent as many hours on this floor since my election as any Member, with the exception of the gentleman from Illinois [Mr. MANN].

I have not been home for almost a year. I was in Washington State last September, along with my colleagues Mr. FALCONER and Mr. HUMPHREY. At that time the House was, in the main, marking time awaiting action by the Senate on administration measures. I had intended to return soon to my district. My family must return, as I intend to put my children in school in Seattle next year. My family can not remain here without breaking into my children's school year at the adjournment on March 4th next. Several personal matters and two or three items of personal business of a quasi public nature make me intensely anxious to return at this time to my home. Besides this, of course, I want to be at my own home primary and at the Progressive Party convention, which will follow the primary.

Owing to the inexcusable and continued absence of others, we find ourselves without a quorum, and this resolution is deemed necessary. I vote for the resolution and continue at my post because my first duty is here, but I certainly believe on account of these conflicting obligations I am compelled to fail in very essential duties at home. I very much regret the situation.

How the War Will Affect American Agriculture.

EXTENSION OF REMARKS

OF

HON. WILLIAM E. COX,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 29, 1914.

Mr. COX. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include the following article:

[From the Indiana Farmer, Indianapolis, August 29, 1914.]

HOW THE WAR WILL AFFECT AMERICAN AGRICULTURE—UNITED STATES WILL BE CALLED UPON TO SUPPLY FOOD AND OTHER NECESSITIES.

(By Hon. RALPH W. MOSS, Member of Congress from the fifth Indiana district.)

[Editor's note.—We know of no one better qualified to discuss the above topic than Hon. RALPH W. MOSS, Member of Congress from this State. Mr. Moss is a practical farmer; he was reared upon a farm near Brazil, Ind., and now owns and successfully operates that farm himself. His service in Congress, extending over many years, has given him a broad insight into national and international affairs. Added to this equipment is his experience as chairman of a national commission, appointed by President Wilson in the spring of 1913, for the purpose of investigating farm conditions in Europe. Our readers will remember that Mr. Moss wrote some interesting and instructive articles for the Indiana Farmer while serving upon that commission. His practical acquaintance with farming in this country, his special knowledge of European farming, and his years of legislative experience, which have been devoted largely to questions affecting the interests of farmers, all combine to make him an authority on the question of the probable effects of the European war upon the farm and live-stock interests of this country. Mr. Moss gives his views in the following article.]

The war now raging in Europe, involving the principal nations, presents the greatest crisis in the history of the world. No other convulsion among civilized people can compare with it in magnitude or possible destructive results. Happily we are outside of the zone of physical combat; but our Nation can not escape being most profoundly affected by this great catastrophe. What will be its probable effect on American agriculture?

The answer will in part depend on the duration of the war, but certain tendencies are manifest and it does not require the gift of prophecy to foretell some of the results which will flow from this great struggle. The southern farmer stands to lose heavily, and it is not beyond the possibilities that this war will force the reorganization of his agriculture. All agricultural authorities have deplored the stubborn resolution of the average southern farmer to depend upon a single crop for his income. Cotton is the great agricultural staple of that section. This product must seek a foreign market, as less than 40 per cent of our crop is taken by domestic consumption. More than 60 per cent of this crop is purchased by those European nations which are now at war. Cotton is also largely produced in Egypt, India, China, and South Africa. These countries are not included in the war zone. We thus have the anomalous situation that all cotton-producing countries are in peace while the principal cotton-consuming countries are at war. The paralysis of the manufacturing industries in the war zone destroyed the market for cotton overnight. The price fell from 14 cents to 9 cents per pound in a day. Practically speaking, there has been no market for spot cotton since the first declaration of war, and the new crop, estimated at 13,000,000 bales, will start to the gin within the next 30 days. The European war has therefore produced the most serious condition which the cotton farmer has faced since the Civil War. The inevitable rise in the cost of living and other expenses incident to the production of cotton only adds to the present disadvantages of the exclusive cotton planter. The Government, in conjunction with all public-spirited men of the South, is striving to mitigate this condition, but the normal balance is so greatly disturbed and the baleful influences of the war are projected so directly against the cotton market that no agency can seemingly prevent great losses as measured with normal conditions.

THE SITUATION IN INDIANA.

Fortunately Indiana farmers face a totally different situation; every result of this war will be to increase the price of our farm products, and thereby enhance the prosperity of our farmers. I have frequently remarked in recent public addresses that the present generations of farmers are the most favored of any men since the day of Adam. I had reference, of course, to the improvement of transportation facilities, our splendid markets, good roads, improved live stock, improved strains of seed grains, improved agricultural tools, rising prices for land, and the wide diffusion of scientific knowledge of agriculture. These manifest advantages were never before placed at the command of an intelligent, self-governed people; but this European crime against the brotherhood of man has largely augmented even these wonderful advantages. The great nations now at war produce essentially the same agricultural products as do our Indiana farmers. These are the great food staples, without which nations can not sustain life.

Napoleon was the first military genius to point out that armies traveled "on their bellies," which is another way of saying that only well-fed armies can be effective in the field. The European peasant may scrimp his appetite or live on coarse food; but in this life-and-death struggle among these great nations their soldiers will be well fed. The consumption of food will be greater in war than in peace; at the same moment the withdrawal of these millions from farm as well as factory means a diminished production. This interruption to European agriculture will be greater than if similar conditions would obtain in the United States. First, we depend upon machinery to a far greater degree than does the European farmer. They produce a greater food supply from an acre than we do, but it requires the labor of many more men or women than it does with us. Thus we have the greater production per man employed, and they have the greater production per acre under cultivation. Under European agricultural methods the general mobilization of their population will mean the demoralization of their agricultural operations, though it is true that their women are more generally engaged as agricultural laborers than with us.

EUROPE MUST HAVE OUR FOODSTUFFS.

Their agriculture is more highly organized than is ours. It has been raised to its present high level during the past 30 years largely by governmental aid and activity. It is an agriculture which can be sustained only by the most perfect organization. I will venture the assertion that the agricultural population of Germany, France, and Austria were the most highly organized at the moment of this outbreak of any similar people in the history of the world. Europe is very thickly settled and every acre of ground is made to be productive. Germany and France are about the same in area. A State the size of Alabama can be taken out of Texas and leave a larger territory than now comprises the German Empire; yet Germany and France together have as large a population as does continental United States. Belgium is more thickly populated than either France or Germany. These States, including the British Islands and Holland, are the very gardens of Europe, yet their fields are to be despoiled by the invasion of millions of armed men, their crops destroyed and their herds confiscated. After such devastation their agriculture must lie prostrate, requiring years for recovery. Even in times of peace, and with their high development of agriculture, Russia is the only great nation at war that can feed its own people. The result can only be to increase very largely the demand upon American farmers for the staff of life.

But it is said that we have no American ships engaged in the oversea trade and that our export trade will be lost. Let no man fear this delusion. Food is as much a military necessity as are men or ammunition. The war can not go on without drawing on our food supplies. We have a considerable fleet of vessels which are now eligible to American registry and ample provisions have been made by Congress for additions by purchase. If one of the warring nations does not soon obtain control of the seas and open them to commerce, then we will as a nation buy merchant vessels and engage in carrying trade under our own flag. Such a venture is both possible and profitable. Therefore it will be done. Our food supplies will be carried to those who must purchase them. The same result will obtain as to our manufactured articles if the war is prolonged. The really doubtful factor is whether we will have the surplus food suppleis to send away when the ships come to our wharves to load.

CROP CONDITIONS HERE AND ABROAD.

This is a bad crop year in Europe. Before the war broke out it was estimated that the Continent would be short more than 300,000,000 bushels of grain as compared with a normal yield. How great this shortage will be, now that men have been called from the fields, leaving the harvest to lie rotting under the sun, can only be conjectured. Last year our corn crop was 680,000,000 bushels below that of the previous year; our prospect is no better for this year. Here, we begin with a shortage of 1,360,000,000 bushels of grain. As an offset our present wheat crop is larger by 244,000,000 bushels than an average. This leaves us in round numbers 1,000,000,000 bushels of grain shortage to add to that of Europe. Truly, war and famine have come hand in hand. With grain prices based on peace conditions, last year we imported 2,000,000 bushels of corn more than we exported. This year under normal conditions we would not export a bushel

of our corn crop—our domestic demands would absorb our entire supply.

The world faces famine conditions in Europe, while we have but a scanty grain supply in the United States.

In meat products the world is not more fortunate. It is well known that these European countries now at war do not grow a full domestic supply of meat even under their low standard of living. The soldier will consume more meat on the battle field than he would have done in the shelter of his humble home. It is certain that breeding and milk herds will be seized for slaughter. A sustained war will so diminish brood stocks of animals that Europe can not build up a normal supply of live stock in a generation. At the same moment we have so depleted our supply of beef animals that we can barely feed our own people. In this connection, let us consider our census tables. In 1910 we had on American farms 69,080,000 beef animals; in 1911 the number had fallen to 61,225,800; in 1912 to 57,959,000; in 1913 to 56,527,0000. To confirm these figures it may be said that the number of cattle received at the 10 leading markets for the first six months of 1914 shows a reduction of nearly 8 per cent from the number received during the like period in 1913.

Turn any way you may and you will be confronted with a demand for the products of our Indiana farms, which will exceed our ability to supply for years to come. From this conclusion there is no escape. We are entering a long period of high prices for farm products which no governmental investigation can prevent. The prices of these products must rise until they reach the limit of the ability of the purchaser to pay. We are entering, for the first time in the history of our Nation, a period when the necessities of life are to be measured out to men, not in proportion to their ability to consume, but in proportion to their ability to pay the prices which the hunger of the world will place upon an inadequate food supply. This is the inevitable result of this stupendous crime against future as well as the present civilization of the world.

OUR DUTY AS FARMERS.

Now, what is our duty as farmers? Manifestly, it is to exert every effort to drive our production to the maximum limit and hold it at that point until the world is well fed. We must shorten this period of semistarvation to the lowest possible limit. This means larger activities from every active, progressive farmer. It is most fortunate that we farmers can promote our own individual fortunes and at the same time benefit mankind in the greatest degree. Large production from Indiana farms means both of these results. To do this, our farmers must avail themselves liberally of credit. The European farmer developed his splendid agriculture by using money borrowed at low rates on liberal terms. This is the crying need of the hour, and is the only way in which our farmers can rise to this great opportunity, as well as great national duty. Fortunately, our financial situation is absolutely sound. We will emerge from this crisis the leader of the world in finance. The new Federal reserve law gives us a flexible asset currency based upon the industry of our country. The power to rediscount prime paper can be made the basis to develop our new and better agriculture. There will be absolutely no excuse if any Indiana banker seeks to raise the rate of interest or declines to extend to any honest farmer ample credit. If they refuse to display this patriotic and helpful spirit, then we must organize cooperative banks and go direct to the Government for our rediscount privileges. This golden hour of opportunity has been thrust upon the American farmers, and it must be met in a broad business manner. I trust that Indiana farmers will lead the Nation in this imperative call to a better and more profitable agriculture.

In this hour of temptation of high prices let me urge you not to sacrifice your breeding herds or reduce them below the proper level. Remember that high prices are here to stay for years and not for days. It is a time to enlarge your operations, and we should not cripple our future income by selling useful breeding animals even to appease the desperate hunger of the hour. Do not hesitate to go moderately in debt if necessary to enlarge your activities. The next legislature must enact a model rural-credits law; we can, however, with perfect safety go forward under our new Federal reserve act. All legitimate demands of productive industry will be met, and there is no possibility of a money panic such as we have been familiar with in the past. We met the shock of this world crisis without a single commercial failure except among those engaged in speculative buying. The demand is here; prices are good and will grow better; financial conditions are sound; currency will be supplied in ample volume to meet every legitimate demand from industry. It is a time for every man to get busy, for he is certain to receive an ample reward for his industry.

Old Soldiers and the Present Administration.

EXTENSION OF REMARKS

OF

HON. CLARENCE B. MILLER,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 21, 1914.

Mr. MILLER. Mr. Speaker, it appears that the old soldier has been a very severe sufferer under the present administration. Some interesting records are being prepared, showing throughout the civil service hundreds of old soldiers demoted or expelled, and apparently in open defiance of existing law.

Dr. J. K. Gleeson, for many years a prominent physician of the city of Washington and now department commander of the Department of the Potomac, Grand Army of the Republic, sends me a communication which he has prepared with great care after extensive research. The communication contains, first, a partial list of soldiers who have recently been demoted in the United States Pension Office. There follows a commentary on these removals. Then is given a copy of the address by the newly appointed Commissioner of Pensions to the employees of his office. The communication concludes with a series of comments upon this address of the commissioner and upon the general situation.

Dr. Gleeson's statement is well worthy the serious consideration of the patriotic people of America. It appears to be popular to praise our citizen soldiers in extravagant language, honor them, almost glorify them when they enlist in their country's service, and yet there appear to be some of our citizens in official position who are willing, if they do not desire, to humiliate the citizen soldier in his declining days, curtail his means of support and cause him to die, wondering what has become of his grateful country. The statement of Dr. Gleeson is as follows:

A partial list of soldiers demoted in the United States Pension Office.

	Former salary.	Pension per month.	Present salary.	Remarks.
J. B. Algate	$1,000	$30	$900	
A. B. Bennett	2,000	19	1,600	
J. D. Bloodgood	1,400	24	1,000	Vice Arthur Vanderlip, promoted.
J. N. Culberson	1,600	25	1,200	
I. N. Everett	1,200	24	1,000	
E. D. Godfrey	1,600	24	1,200	Vice Catherine Vanderslate, promoted.
Chas. Hanback	.....	.....	.....	
Jos. E. Hart	2,000	.....	1,600	
M. B. Hayes	1,200	None.	900	Wounded twice in left arm.
A. B. Hayward	1,200	55	900	Right arm amputated at shoulder.
E. H. Holbrook	1,800	15	1,400	
W. H. Honn	1,200	30	900	
—— Howard	.....	.....	.....	Son of Maj. Gen. O. O. Howard.
O. D. Kinsman	1,400	30	1,000	Vice Chas. H. Chapman, promoted.
G. C. Kniffin	2,000	30	1,600	Former chief of division. Succeeded by N. H. Halley, since dead, and was succeeded by H. C. Bell, a Democrat, who was a substitute; served 1 year and 10 days. Pensioned at $14 per month.
C. M. Matthews	1,600	23	1,000	
J. B. Robinson	1,800	55	1,400	Left arm amputated at shoulder before he was 21 years old.
E. H. Ripley	1,400	65	1,000	Left arm amputated at shoulder.
I. B. Thatcher	1,200	27	900	Four brothers in the service. He was wounded and discharged on account of wounds; afterwards raised a company, was appointed captain, and went back into the service.
E. D. Tracy	1,400	30	1,000	Vice Alvin L. Bellman, promoted. Three brothers in the service; one died in the service and one is a physical wreck from exposure and is pensioned at $21 per month.
C. S. Wilder	1,400	23	900	

The efficiency board, organized to pass upon the ratings of those who offered the full measure of devotion—their lives—to save the country and make it possible to preserve a Government under which such men can hold office, is composed as follows:

A deputy commissioner, a Democrat.

A chief clerk, holding office since 1889.

An assistant chief clerk, a son of an ex-rebel, holding office since 1884.

A law clerk (private secretary), holding office since 1884.

A chief of division, holding office since 1900.

All of these men are Democrats, and at least four of them served for years under the preceding Republican administrations, and all of them are opposed to the veteran Union soldier. The result of the reorganization of this bureau, with a force of about 1,400 employees, of which less than 200 are Union veterans—I am told there are only

about 160 of them—is that 50 or more veterans have been reduced in salary by amounts ranging from $100 to $500, and this in the face of the fact that section 4 of the act of Congress approved August 23, 1912, provides as follows:

"All promotions, demotions, or dismissals shall be governed by provisions of the civil-service rules. Copies of all records of efficiency shall be furnished by the departments and independent establishments to the Civil Service Commission for record in accordance with the provisions of this section: *Provided*, That in the event of reductions being made in the force of any of the executive departments no honorably discharged soldier or sailor whose record in said department is rated good shall be discharged or dropped or reduced in rank or salary."

In many of these cases the amount of the demotion is more than the pension received by the veteran, and in other cases all or nearly all of his pension has been sequestered or confiscated in violation of the decisions of the Supreme Court of the United States, to the effect that "Pensions are the bounties of the Government which Congress has the right to give, withhold, distribute, or recall at its discretion." The Congress only can take a pension from a man when it has been legally granted.

These pensions have been taken from the soldier under the false plea that it is a part of his income. Furthermore, his efficiency record has been cooked by a board organized for that purpose—to "make the punishment fit the crime." But as Cataline said to the Roman Senate, "If ye dare ask for justice, be answered by the lash." One of the victims said: "Admit for argument that in a very few cases the demotion would have been just and generous, yet in a majority of the cases it has been decidedly unjust and discriminatory. The old soldier has but a few years longer to live; why not let him live the remainder of his life in comfort and die in peace? I speak not alone for myself, but for others. If, however, it can be properly shown by record that I have not done as good work, as much work, and as important work as I have done any year since I entered the Pension Office, I am ready to stand or fall by the report of my efficiency." The appropriation for the fiscal year 1915 was $284,500 less than for the fiscal year 1914, and this amount could easily have been saved without disturbing the status of a single soldier or soldier's widow. Following the reorganization of the bureau the commissioner issued an address to the employees, as follows:

AN ADDRESS BY THE COMMISSIONER OF PENSIONS.

To the employees of the Pension Bureau:

The necessity for a reduction in the number of employees in the bureau has caused the officials much regret.

Our noble and kind-hearted Secretary of the Interior enjoined upon us that in effecting reductions and removals we should be guided by considerations of efficiency and humanity. These cardinal principals we have endeavored to follow, but we were well aware that there could be no exact measurement of comparative justice in making selections from the nearly 1,400 employees of the bureau. We have done the best we could. The task has been laborious, continuous, and disheartening, but our labors were made easier by manifestations of the loyalty and forbearance of the employees themselves.

The painful experience through which we have just passed should impress on our minds very seriously and forcibly at this time a few important lessons. One is that we have no certain tenure of employment; the Government is under no moral or legal obligation to keep us on the pay roll when it has no work for us to do.

Each has his own ideas about retirement laws and civil-service pensions, but these are subjects wholly within the province of, and to be determined by, the Congress. We can only deal now with the situation as it is. Other lessons are that the work of the Pension Bureau is diminishing; that the number of old soldiers and their widows is decreasing rapidly; that the act of May 11, 1912, as amended by the act of March 4, 1913, has greatly curtailed the work to be done in their behalf; that the force now in the bureau must soon be still further largely reduced. We should prepare now to be ready. Now, this is to notify you that changes may be expected at the end of this fiscal year; circumstances will imperatively require them. Therefore you should make such arrangements in the Government service, or elsewhere, as will best promote your own welfare. Frugality is commended; lay aside something for the day of need. Transfers to other branches of the public service will be encouraged.

Let us remember that our rating depends upon our own qualities.

Nature deals more generously with some than others, but all can overcome handicaps by continued effort. Let us continue true to our high ideals; let us aim to do a little better this year than ever before, and thus continue to deserve the high praise that is now given to the employees of this bureau. Let us appropriate and apply the precepts of President Wilson and regard service as an opportunity.

For your loyalty and kindness all have my heartfelt thanks.

G. M. SALTZGABER, *Commissioner.*

This letter or "address" is truly a remarkable document. It is founded in political chicanery, constructed throughout of the purest sophistry, and its obvious purpose is intimidation and forceful acquiescence of those injured by the unjust official acts of those temporarily in charge of the Pension Bureau.

The following analysis of and notes on the same are submitted:

In the first paragraph of his "address" the commissioner attempts to assuage the sorrow of the many faithful employees among the numerous Union soldiers whose salaries are materially reduced by expressions of regret; then he launches forth into a eulogy of the Secretary of the Interior, for selfish purposes, of course, quoting him as having instructed that in making reductions and removals considerations of efficiency and humanity should govern.

He then says "we (meaning his committee of five prejudiced Democrats) endeavored to follow the Secretary's instructions," but he admits that his committee found it impossible to follow instructions. He does not say why, but the reason is apparent, as his prejudiced committee discovered that they could not apply the laws of efficiency and humanity and at the same time remove and reduce capable Union soldiers, which was the ultimate object of the grand scheme. But, continuing, the commissioner said "we did the best we could." This expression was intended to give to employees the idea that they had been treated as well as they could be, but to his superiors the commissioner's statement conveys the idea that he got rid of as many Union soldiers as possible without absolutely disrupting the efficient operations of the Pension Bureau. Continuing, he says "the task has been laborious, continuous, and disheartening, but our labors were made easier by the loyalty and forbearance of the employees themselves." (It is stated that several G. A. R. men in the office and one from the outside were called into conference and the general plan of reorganization laid before them and that they approved of it, and it seems to be a fact that none of those in the office were demoted and the outsider is steadily refraining from any adverse criticism of the general onslaught made upon the rank and file of the veterans.) His use of many-syllabled generalities in attempting to show that the hardship inflicted was as great to the one who wielded the ax as upon those beheaded or seriously maimed fails to distract attention from the cowardly acts of his committee, whose efforts to cut off the means of livelihood of faithful and capable Union soldier employees was not met with resistance, as they should have been, but with loyalty and forbearance. The very attitude of these men would have actuated one who was possessed of those qualities which go to make up a real man to have recognized them as still the true soldiers and loyal patriots they had so thoroughly proven themselves to be during the country's greatest crisis, and thus appreciating them and their faithful services to have permitted them to continue to earn their livelihood as they had been doing before the advent of this wonderful commissioner; but not so with him, as he and his committee led them to the slaughter and rather congratulated themselves that their task was made easier because the victims opened not their mouths.

The fact is that these veterans, the heroes of many bloody battles, where their courage did not fail, are now in their old age so cowed by the effect of the rebel forces now in the saddle that they do not dare to make a move in defense of their rights, as distinctly provided for by the act of August 23, 1912, for fear that the Damocles sword suspended over their heads by this "address" might be let go at any time and end for all time their official life.

In the second paragraph of his "address" the commissioner, after vainly attempting to include himself among those who had passed through a painful experience, undertakes to admonish those whom he so unjustly chastised on the uncertainty of Government tenure, and there is no doubt he rightly included himself as one of those likely to be affected by the uncertainty. He says the Government is under no legal or moral obligation to keep "us" on the pay roll when it has no work for us to do, although he knew when he made this statement that section 4 of the legislative, executive, and judicial appropriation act of August 23, 1912, contained the plain, unequivocal provision that "in the event of reductions being made in the force in any of the executive departments, no honorably discharged soldier or sailor whose record in said department is rated good shall be discharged or dropped or reduced in rank or salary," and is sufficient to set aside his claim that the Government is under no legal obligation to retain Union soldiers upon the pay roll; and when it is remembered that their records for loyal, patriotic, unselfish service to their country have been not only good but excellent, the highest moral obligation on the part of the Government they preserved to protect them in their positions immediately arises, and a fair construction of the statute enacted for the specific purpose of preventing just such outrages as the commissioner has perpetrated requires that there shall be no dearth of work for the Union soldier until after all those who do not possess this honorable title have been removed from the service in order that there may continue to be work for the Union soldier.

In the third paragraph of his "address" the commissioner, after attempting to distract attention from the real issue by his reference to retirement laws, attempts to nerve himself and intimidate others for willing submission to another political slaughter. He says that because the work of the Pension Bureau is diminishing, the number of old soldiers and their widows decreasing rapidly, and the act of May 11, 1912, as amended March 4, 1913, has greatly curtailed the work to be done in behalf of the soldiers, the force now in the bureau must soon be still further greatly reduced, and he admonishes all to prepare now to be ready—a horrible prospect to hold out to the soldier employees.

It is true that in the natural course of events the old soldiers and their widows are rapidly passing away, and it is equally true that the administration of the Pension Bureau is doing much to decrease the pension list, both directly and indirectly—directly, by cutting off the means by which the soldier lives, thus taking his life, as Shakespeare puts it; and, indirectly, by reducing his salary in an amount equal to or in excess of his pension.

The acts of Congress referred to by the commissioner do not reduce the appropriation for the Pension Bureau, and had Congress contemplated any reduction in the amount of work to be performed it would have made a proportionate decrease in the appropriation. The provision in the act of March 4, 1914, referred to by the commissioner was intended to prevent the appointment of persons additional to those already in the service, but could not by any reasonable intendment be construed to justify or necessitate the removal of Union soldiers.

In paragraph 4 of his "address" the commissioner continues on the same lines. He formally notifies the employees that imperative circumstances will necessitate changes at the end of the fiscal year, and that they should therefore make arrangements, either in the service or elsewhere, to provide against the predicted adversity. The imperative circumstances, of course, arise from a demand by Democratic politicians for some places for rebel soldiers and other Democrats. The object of the admonition is twofold. First, the commissioner hopes that by instilling fear into the hearts of all he may intimidate Union soldiers, already reduced into a quiet submission; second, he hopes to so frighten any who have not yet been disturbed that they will either be contented with any minor position assigned them or will secure transfer to another department, thus relieving the sympathetic and tender-hearted commissioner of the sad task of reducing or removing them. In his extreme solicitude for the welfare of his beloved employees, particularly the Union soldiers who he thought of reducing or removing, he recommends frugality and suggests that they lay aside something for the day of need.

Here the commissioner appears to have disclosed his generous purposes toward the Union soldier, namely, that by reducing their salaries they might be taught the important lesson of economy and of not only living within their means, but saving out of their reduced salary for a rainy day.

In the fifth paragraph of his "address" the commissioner again, including himself among the unfortunates, says that "our ratings depend upon our own qualities; nature deals more generously with some than others, but all can overcome handicaps by continued effort." Investigation discloses that ratings in the Pension Bureau where the Union soldier is involved depends upon the prejudiced ratings of a so-called efficiency board, composed of five Democrats, four of whom have served many years during the Republican administration, and the dominating personality of the board is the son of an ex-rebel soldier. It is hard to conceive of a more diabolical scheme for getting rid of Union soldiers than that now in operation in the Pension Bureau. The efficiency rating of a Government employee is his stock in trade, his

all; and for those to sit in judgment of his work and capabilities who at the outset are by environment, training, heredity, and sentiments opposed to everything that makes for his welfare is to violate the inexorable law for constituting juries and tribunals. Of course the Democratic Party will be called to account for the outrage, but that will not repair the damage done to the individual soldier. The commissioner well knew that the handicaps to continuity of service on the part of the Union soldiers could not be overcome.

They could not obliterate the fact that they offered their lives, if need be, in order that the Union might be saved. They would not if they could, and so the real handicap could not be overcome, as stated by the commissioner.

His admonition to them to continue to their high ideals was uncalled for, as none of them would sacrifice one jot of their patriotism or just pride in services rendered their country in her time of need for any position or salary the Government they saved might offer.

The commissioner, not being contented with having patronized the Secretary of the Interior with a cheap eulogy, again using the pronoun "us," attempts to ingratiate himself with the President by reference to some statement the Executive made which he does not yet appear to have modified or changed.

(It might be proper at this point to state that in October, 1913, the writer had an interview with President Wilson, and informed him that demotions of the Union soldier had begun in some of the departments, and that the amount of the demotion was in some cases equal to and in others more than the amount of pension the soldier was receiving. The President expressed surprise at this statement, and asked if it was really true, and upon assurance that it was true said, "That is all wrong, as the pension a man gets has nothing to do with his salary as an employee of the Government, and should not be taken into account in connection with it at all." He said it was news to him, as he had not heard of it before, and that he would at once take it up with his Cabinet officers. Did he do so? If yes, with what result? How far did it restrain operations in the United States Pension Office? The southern contingent is boasting that they have taken from the pensioners there at least $25,000, and with a Union soldier at the head of the bureau.)

In concluding this remarkable letter the large-hearted, whole-souled commissioner expresses his heartfelt thanks for the loyalty and kindness of his employees.

While the commissioner is responsible for this effusion, to which his name is attached, it is difficult to believe that he originated it. It is so glaringly amateurish, shallow, and altogether so absurd that it would be easy to believe that he had adopted the thing after it had been framed by some underling who was ambitious to be graduated into a first-grade clerk.

Veterans have been demoted and blatant rebel women, who have held high-salaried places for many years, are retained intact in this bureau.

Progress of the Third Congressional District of Minnesota.

EXTENSION OF REMARKS

OF

HON. CHARLES R. DAVIS,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, August 27, 1914.

Mr. DAVIS. Mr. Speaker, the best index of the material progress of a community or district is the rate of progress of the leading and dominant industry of that community or district.

Of the total land area of the 10 counties—Carver, Dakota, Goodhue, Le Sueur, McLeod, Nicollet, Rice, Scott, Sibley, and Washington—composing the third congressional district of Minnesota, 91.1 per cent, or 2,920,767 acres, belong to farms. Therefore we may safely say that farming is the leading and dominant industry of the third Minnesota district.

According to the United States census the value of the farm property of these 10 counties increased from $118,056,962 in 1900 to the total of $210,361,362 in 1910. In other words, the farm wealth of the third district increased $92,304,400, or 78.2 per cent, in the brief 10-year period, 1900–1910. The average yearly gain in the value of the farms was $9,230,440, or 7.8 per cent, to say nothing of the value of the crops and live-stock products.

The farm acreage of this congressional district is greater than the total for the State of Massachusetts or New Jersey or Nevada or New Mexico. The value of the farm property is greater than the State totals of Maine or Wyoming or Vermont or Utah, double that of New Hampshire, three times that of Nevada, and six times that of Rhode Island.

Sixty-eight per cent of the farms of this district are mortgage free, and the mortgage total of $8,605,848 is secured by $32,707,816 of farm valuation, and represents only 4 per cent of the total farm value of the district. One-fifth of one year's product will wipe out the entire mortgage principal.

The farms are not the only index of the progress of the third district. This one congressional district contains 957 school districts, which expend $1,250,000 per annum for the education of over 42,000 pupils. The 10 counties have 750 high schools, grade schools, rural schools, and industrial schools which are entitled to and receive special State school appropriations. Enterprising school districts availing themselves of the State's liberal inducements to advance their school facilities thus earn nearly $200,000 from the State over and above the general school appropriation and local school taxes. This explains why only 3 per cent of the population is illiterate and why the ratio diminishes each year.

Taxpayers in this connection will be interested to note that every county in the third district receives from the State treasury in the shape of school, road, and bridge appropriations more money each year than the total collected in the county for all State purposes. For the calendar year 1912, according to the report of the State auditor, the total amount of State taxes collected in the 10 counties was $320,614, while the State treasury returned to these counties for schools, roads, and bridges $393,836. Thus the State actually contributed to the third district $73,222 over and above the amount levied for all State purposes.

This farm and school district is also a banking district. Although the third district has only three cities in the 10,000 population class, and none in higher population classes, it has 117 banks, 22 being National and the remainder State banks, which, according to the banking directory of 1913, had $5,526,000 of capital, including surplus and undivided profits, and aggregate deposits of $32,023,000.

Thus, in proportion to population, the people of the third congressional district carry as heavy a volume of banking deposits as the cities of St. Paul and Minneapolis, notwithstanding the fact that as national banking reserve cities the Twin Cities carry the country reserves, which, indeed, constitute a large factor in their deposit volume. The $32,000,000 carried by the 117 banks of the third district, or about $300,000 per bank, represents original savings, the saved income and working capital of the farmers, merchants, small manufacturers, and townspeople of these 10 counties.

Besides the business of the farmers and merchants handled by these banks, there are the manufacturing enterprises, the State institutions, the creameries, mills, and elevators.

At Stillwater the State binder-twine and farm-machinery plant turns out a product valued at near $1,500,000, and 38 other manufacturing industries, including shoes, clothing, and lumber, add to the total output of that manufacturing center about $3,000,000 a year.

At South St. Paul is located the principal stock-yards and packing-house industry northwest of Chicago. The Union Stock Yards Co. handles 550,000 cattle, 600,000 sheep, and 1,000,000 hogs yearly, and the packers require 2,000 cattle, 3,000 sheep, and 8,000 hogs daily. The value of live stock received annually at South St. Paul is $45,000,000. The annual pay roll is $2,000,000. The annual bank clearings of this industrial center are $65,000,000.

Red Wing has about 40 manufacturing enterprises which employ 1,400 people, with a pay roll of $600,000, but is noted specially for the operation of the leading sewer pipe and stoneware industries of the upper Mississippi. Faribault is a manufacturing center which vies with Red Wing and Stillwater in volume of output and number of people employed. Kasota has the most extensive building stone industry of this section of the Northwest. Hastings is a pioneer in flour production. Cannon Falls has a large water power for varied power purposes, while every city and town in the district has its mills, elevators, and varied manufacturing enterprises, which swell the bank deposits and pay rolls of the town, while affording a good home market for the strongly diversified agricultural industry tributary.

Among the strongest of the local industries are the creameries, 115 in number, with 11,500 patrons, or an average of 100 to the creamery. The annual butter product of third district creameries runs from 12,000,000 to 15,000,000 pounds, and the total payment to patrons usually exceeds $3,000,000 a year.

Supplementing the work of the creameries in taking care of the product of the farm, there are 10 cheese factories which make 1,200,000 pounds of cheese per annum, and as many canneries, which turn out about 3,000,000 cans of corn, beans, peas, and tomatoes, nearly one-half of the canned product of the State.

Many of these enterprises are cooperative. The Yearbook of the Department of Agriculture for 1913 credits Minnesota with 632 of the total 2,165 farmers' cooperative creameries in the United States, and about 90 of them are located in the third district. The same Government authority credits this district with 28 farmers' elevators, 30 farmers' mutual insurance companies, and 8 cooperative cheese factories. To this may be added about 50 farmers' cooperative telephone companies.

The mills and elevators take care of that part of a grain product of 32,000,000 bushels which is not converted into live-stock products on the farm. Although the 10 counties of the district pride themselves on diversified farming rather than on grain production, Dakota County in the census year yielded 2,211,000 bushels of oats; Goodhue, 1,889,000 bushels of barley and 1,678,000 of oats; Sibley, 1,667,795 of wheat and 1,229,000 of corn; McLeod, 1,416,200 of wheat and 2,000,000 of other cereals; Rice, 3,600,000 as total of four cereals; while even little old Nicollet turned over 1,000,000 each of corn and wheat.

It is plain that the rise in value of the farm property during the census decade of 1900–1910 of 78 per cent was due to value of production and investment and not to speculative influence of population growth. In the first place, there was no increase in population. On the other hand, there was a marked growth of development all along the line of diversified agriculture, with improvement in live stock and farm methods, increased investment in buildings, live stock, and machinery, and an upward trend of prices maintained by a good local as well as general market for farm produce. The short of the story is that the United States census of 1910 credited the farmers of the third district with a total farm income in crops, dairy, poultry, and live-stock products approximating $40,000,000, which is nearly 20 per cent per annum on the entire $210,000,000 valuation of the district in lands, buildings, farm implements, and live stock. An industry which returns 20 per cent gross on the investment, with very little outside expenditure for labor and materials, is surely a sound business proposition.

Crops alone, including cereals, hay, vegetables, fruit, and special corps, brought in $27,127,028, which was more than the State total of Connecticut, Utah, or New Hampshire, or of New Mexico, Nevada, Arizona, and Rhode Island combined.

Live stock and poultry brought in $6,763,702, which exceeds the State totals of a half dozen separate States, while the dairy product was valued at $4,688,596, which exceeded that of Idaho, Delaware, Florida, and Arizona combined.

Though the third district has only 10 per cent of the State's population, it is credited by the United States census with 16 per cent of the total dairy receipts of Minnesota, which is one of the leading dairy States of the Union. Its milk product of 39,000,000 gallons, butter fat sold amounting to 5,493,148 pounds, and dairy receipts of $4,688,598 exceed, according to United States census statistics, the respective State totals of these items for a dozen different States.

As showing the generally diversified character of the farming industry of the third district, the hens earn nearly $2,400,000 a year, which is twice the cost of supporting the schools. We have 340,000 apple, plum, and cherry trees in our orchards, which yield 300,000 bushels of fruit. Our vines yield 65,000 pounds of grapes, our strawberry and raspberry patches yield 900,000 quarts of fruit, and we are even credited by the census authorities with 231 peach and nectarine trees, which in the census year bore 72 bushels of peaches and nectarines.

Most important of all, with a population somewhat less than 210,000, we have 42,397 families, or a family for every 5 persons, which shows that we have very few unattached wanderers. Moreover, for these 42,397 families we have 41,297 dwellings. In other words, there is a separate home for every family except 1,100, which doubtless live in city apartments, with a few young married couples living at home on the farm with the old folks.

In short, our little 10-county district of 210,000 people prove their progress and prosperity by this solid evidence of their faith and good works:

Farm acreage of 2,920,767 acres, 91 per cent of the total land area, and greater than the farm acreage of Massachusetts.

Farm property valued at $210,000,000, $1,000 for each man, woman, and child in the district, and greater than the total for the State of Maine.

Nine hundred and fifty-seven school districts, with $1,250,000 for the education of 42,000 pupils, with 750 special high, graded, rural, and industrial schools earning State maintenance.

Appropriations netting $393,836 from the State treasury for schools, roads, and bridges, in return for $320,614 paid to the State for taxes.

One hundred and seventeen banks, carrying $32,000,000 of home deposits.

A State binder-twine and farm-machinery plant, which puts the trust out of business in Minnesota, with a $1,500,000 product at reduced prices.

A stock-yard and packing-house industry which takes $45,000,000 of live stock per annum.

Manufacturing industries which, in the aggregate, add a good many million dollars to the annual pay roll.

One hundred and fifteen creameries, which pay $3,000,000 a year to 11,500 patrons and make upward of 12,000,000 pounds of gilt-edged butter.

Ten cheese factories, which show a 1,200,000-pound product, and 10 canneries, which have a 3,000,000-can output.

Farmers' cooperative creameries, cheese factories, canneries, elevators, mutual insurance and telephone companies, over 200 in the aggregate, manned and financed by the farmers for their mutual benefit.

A 32,000,000-bushel grain crop, a 39,000,000-gallon milk product, a 300,000-bushel fruit crop, and a total farm income from crops, live stock, and dairying amounting to approximately $40,000,000 per annum, which is 20 per cent on the $210,000,000 investment and shows the cause of a 78 per cent increase in the value of the farms of the third district for the decade 1900–1910, and incidentally why this district is one of the most prosperous in the Union.

For a detailed statement, by counties, of the principal agricultural statistics summarized above, the reader is referred to the following comparative tables:

FARM ACREAGE AND VALUE OF THIRD CONGRESSIONAL DISTRICT.

The 1910 statistics of the United States Census Bureau in regard to farm acreage and value of farm property for the 10 counties of the third congressional district of Minnesota follow:

Counties.	Farm acres (1910).	Per cent of land total.	Value of farm property.		Increase.
			1910	1900	
					Per cent.
Carver	216,391	89.9	$20,370,744	$9,342,243	118
Dakota	329,801	86	22,986,004	11,793,346	94.9
Goodhue	462,052	94.1	32,266,663	18,044,617	78.8
Le Sueur	261,945	87.8	20,048,441	11,126,777	80.2
McLeod	298,961	94.2	23,120,367	12,441,951	85.8
Nicollet	262,212	92.5	15,863,289	10,156,362	56.2
Rice	297,944	94	22,753,492	14,202,328	60.2
Scott	207,884	88.7	14,610,955	8,738,720	67.2
Sibley	357,265	95.4	22,006,868	13,148,368	69.4
Washington	226,312	89.1	16,334,539	9,062,150	80.2
10 counties	2,920,767	91.1	210,361,362	118,056,962	78.2

THIRD DISTRICT VERSUS ENTIRE STATES.

The 10 counties of the third Minnesota district exceed in farm acreage the following States:

	Acres.
Massachusetts	2,875,941
Nevada	2,714,757
New Jersey	2,573,857
New Mexico	1,246,613
Delaware	1,038,866
Rhode Island	433,308

Land in farms constitutes 91.1 per cent of the total land area of the third congressional district, as compared with 75 per cent for the East North Central States, 71.2 per cent for the West North Central States, 67.5 per cent for the Middle Atlantic States, 49.7 per cent for New England, and 46.2 per cent for the United States at large.

VALUE FARM PROPERTY—THIRD DISTRICT VERSUS ENTIRE STATES.

The farm property of the 10 counties of the third Minnesota congressional district was valued by the Census Bureau in 1910 at $210,361,362, as compared with $118,056,962 in 1900, an increase of 78.2 per cent in 10 years. With only 10 per cent of the Minnesota total population, the third district compares with certain entire States in value of farm property, as follows:

Third district	$210,361,362
Maine	199,271,998
Wyoming	167,189,081
New Mexico	159,447,990
Connecticut	159,399,771
Utah	150,795,201
Vermont	145,399,728
Florida	143,183,183
New Hampshire	103,704,196
Arizona	75,123,970
Delaware	63,179,201
Nevada	60,399,365
Rhode Island	32,990,739

Third district has only 7 per cent less wealth in farm property than the State of Massachusetts, and only 15 per cent less than New Jersey. Moreover, third district farms are worth almost 25 per cent of all the farms of the six New England States. The increase in value during the 10 years, 1900–1910, was 78.2 per cent for the third district, as compared with 28.1 per cent for the Middle Atlantic States and 35.6 per cent for New England.

This increase in value was normal, being based on increased farm income. Population showed no increase, which eliminated increase in speculative value. The farmers of the district do not seek immigration or inflation of property values, being well satisfied to enjoy the benefits of prosperous farming undisturbed.

Farm buildings, implements, and live stock of third Minnesota congressional district (1910).

County.	Value buildings.	Value implements.	Value live stock.
Carver	$4,240,216	$665,282	$2,001,427
Dakota	4,135,230	783,320	2,397,794
Goodhue	6,491,836	1,120,114	3,613,070
Le Sueur	3,247,980	590,072	1,959,174
McLeod	4,204,800	819,895	2,396,522
Nicollet	2,971,489	633,312	1,842,065
Rice	4,304,725	727,941	2,520,537
Scott	2,522,625	504,736	1,548,639
Sibley	3,678,471	795,438	2,291,990
Washington	3,819,045	587,150	1,728,057
10 counties	39,665,917	7,227,261	22,299,375

THIRD DISTRICT VERSUS VARIOUS STATES.

In value of farm buildings the 10 counties of the third district excel the State total of the following States:

Third district	$39,665,917
Idaho	25,112,509
Montana	24,854,628
Florida	24,407,924
Delaware	18,217,822
Utah	18,063,168
Rhode Island	12,922,879
Wyoming	9,007,001
Arizona	4,935,573
Nevada	4,332,740
District of Columbia	1,037,393

In value of farm implements the third Minnesota district excels: North Carolina, $7,011,513; Connecticut, $6,916,648; New Hampshire, $5,877,657; Utah, $4,468,178; Florida, $4,446,007; New Mexico, $4,122,312; Delaware, $3,206,095; Wyoming, $3,668,294.

In value of domestic animals on the farms the third Minnesota district exceeds the following States:

Third district	$22,299,375
Massachusetts	20,741,366
Florida	20,591,187
Nevada	19,213,930
New Hampshire	11,910,478
Connecticut	14,163,902
Delaware	6,817,123
Rhode Island	3,276,472
District of Columbia	152,840

Value of crops, poultry, and live stock receipts.

County.	Value of crops.	Value poultry product.	Live stock sold.
Carver	$2,264,655	$249,156	$436,192
Dakota	3,177,701	263,420	535,229
Goodhue	3,997,787	320,005	661,709
Le Sueur	2,473,797	232,691	400,698
McLeod	2,894,083	286,265	371,070
Nicollet	2,349,362	167,807	330,491
Rice	2,914,736	258,297	588,087
Scott	1,807,505	182,771	318,931
Sibley	3,117,610	247,123	375,715
Washington	2,129,792	173,131	371,604
10 counties	27,127,028	2,374,576	4,389,126

In value of crops the third district exceeds the State totals of Connecticut, $22,487,999; Utah, $18,484,615; New Hampshire, $15,976,175; Wyoming, $10,022,961; Delaware, $9,121,809; New Mexico, $8,922,397; Nevada, $5,923,536; Arizona $5,498,872; Rhode Island, $3,937,077; District of Columbia, $546,479.

In value of live stock sold the third district exceeds Nevada, $4,339,040; New Hampshire, $3,482,591; New Jersey, $3,433,924; Louisiana, $2,933,052; Connecticut, $2,687,816; South Carolina, $2,430,169; Florida, $1,350,243; Delaware, $768,034; Rhode Island, $580,949.

DAIRY CENSUS OF THIRD CONGRESSIONAL DISTRICT.

The United States Census Bureau gives the following facts regarding the dairy industry of the 10 counties comprising the third Minnesota congressional district for the year 1910.

County.	Number cows.	Milk produced.	Butter fat sold.	Value product.
		Gallons.	*Pounds.*	
Carver	19,532	5,086,733	928,738	$606,016
Dakota	12,204	3,606,034	319,816	430,403
Goodhue	24,111	6,413,763	1,166,835	760,130
Le Sueur	13,068	2,201,098	112,505	303,656
McLeod	19,537	4,213,903	716,424	596,884
Nicollet	11,122	2,534,308	295,986	257,804
Rice	20,700	5,607,021	1,047,423	688,992
Scott	12,349	2,404,008	322,462	282,453
Sibley	16,611	3,061,976	464,977	374,099
Washington	10,637	3,972,611	117,982	388,161
10 counties	159,971	39,101,455	5,493,148	4,688,598

The 10 counties of the third congressional district have 208,040 people out of 2,075,708 for the State, or almost exactly 10 per cent of the total State population.

In number of dairy cows the third district has 159,971 out of the State's total of 1,035,290, or 15 per cent.

In value of dairy products the third district realized in 1910 the total sum of $4,688,598 out of a State total of $29,219,406, or 16 per cent.

In other words, as a dairying district the third district has a per capita income 60 per cent larger than the State's average.

The cows on our 20,000 farms put nearly $5,000,000 into our local banks each year, which is better than 159,971 people do in some places.

FARM MORTGAGES OF THIRD CONGRESSIONAL DISTRICT.

Statistics of farm mortgages are restricted to farms operated by owners. The 1910 returns of number of farms free of mortgage, number farms mortgaged, value of mortgaged farms, and amount of mortgage debt for the 10 counties of the third Minnesota congressional district follow:

County.	Number farms free.	Number mortgaged.	Value mortgaged farms.	Mortgage.
Carver	1,138	522	$4,037,120	$1,107,773
Dakota	1,072	503	2,764,785	682,220
Goodhue	1,423	626	3,946,439	1,096,360
Le Sueur	1,307	521	3,137,910	838,738
McLeod	1,306	575	4,313,025	1,068,372
Nicollet	688	251	1,493,324	424,805
Rice	1,139	778	4,658,930	1,216,067
Scott	899	306	2,093,930	528,186
Sibley	1,049	502	3,420,418	945,821
Washington	983	585	2,841,935	697,505
10 counties	11,004	5,169	32,707,816	8,605,848

SUMMARY.

Of 16,173 farms in the third district operated by owners, 11,004, or 68 per cent, are mortgage free; 5,169, or 32 per cent, have mortgages.

The value of the mortgaged farms is $32,707,816, and the amount of the mortgages is $8,605,848, or 26 per cent of the security.

The total real value of the farm property of the third district is $210,361,362; so that the total amount of farm mortgages, which is $8,605,848, is only a fraction over 4 per cent of the total farm valuation of the district.

The total farm income of the district for 1910 exceeded $40,000,000. Accordingly, about one-fifth of the annual production of one year will pay off all the mortgage debt.

STATE PRISON AND MANUFACTURING PLANT AT STILLWATER, MINN.

A Government committee of experts visiting the new prison and manufacturing plant at Stillwater reported to the United States War Department: "It is the finest and most modern prison in the United States, and probably in the world."

It is not difficult to build a State capitol or State university that will add credit and fame to the city in which the institution is located. All that is required is liberal appropriation by the legislature. It is a far greater achievement to build and maintain a State prison that will add to the attractiveness, business, and fame of a city which is the home of a prison; but that is what has been done in Stillwater.

It is true that the legislature has responded liberally to the enlightened demands of the State for a State prison worthy of our civilization. The legislature of 1909, which started the ball rolling for the new prison plant with an appropriation of $2,250,000, made a noble response to the demands of Minnesota. But it must be borne in mind that years of prior efficient administration had demonstrated in actual earnings turned by the

management into the State treasury that the investment was profitable as a money-maker and could prove its wisdom in dollars and cents.

Every year for the past 12 years this institution, through its splendid industrial plant and business organization, has shown an excess of earnings over expense for the maintenance of the State inmates. The average net earnings per capita, after deducting expenses from gross earnings, is over $160 for each inmate during this 12-year period. At that rate of profit the State simply exercised ordinary business sagacity in providing a modern, up-to-date, and enlarged capacity plant. The only limit to the income seems to be a slight shortage in public labor supply, namely, the application and receipt of convict inmates.

The report of the board of control and the warden to the last State legislature showed total earnings of the industrial plant for the year ending July 31, 1912, to be $305,084.54. The net earnings, after payment of all salaries and wages, provisions and clothing, fuel, light and water, traveling expenses, telegraph and telephone, stationery and printing, hospital and medical attendance, building repairs and industrial expenses, and all other incidentals, was $139,635.79. The State can borrow money at 4 per cent. The 1912 net earnings of approximately $140,000 would pay 4 per cent on an investment of $3,500,000, which is more than the total required. But this does not allow for the increase in output due to the enlarged capacity and improved machinery and methods of the new industrial plant. There is little question that the management soon will be demonstrating net earnings of $200,000 per annum, which would pay interest on double the required investment.

The industrial experiment of Minnesota with its binder-twine plant is the most notable success of the kind in this country. It is notable from three points of view: First, in its humanitarian aspect in providing a useful and healthful occupation with pleasant quarters and a business incentive to the inmates; second, in giving the farmers of Minnesota assured protection against possible extortion by twine and machinery trusts and combines; and, third, in making our State prison a self-supporting and even a revenue-producing institution instead of one that is a burden upon taxpayers.

Considering the last-named point first, it appears from the official report to the last legislature that the total net profit of the twine plant up to August 1, 1912, had been $1,786,247.27. I have no doubt that this total has grown during the two years that now have elapsed since that report to approximately $2,000,000. It should certainly be good news to State taxpayers, who since time immemorial have looked upon a State institution as a tax-eating State burden, to learn that they have one State institution that not only has supported itself but earned $2,000,000 of net profit.

To twine manufacture has been added the successful manufacture of a variety of farm machinery. This at first was experimental. New types of farm machinery had to be practically invented, because patents covered everything turned out by corporate manufacturers. The whole business, both manufacturing and jobbing, had to be built up from the bottom. In 1910 there was a start made with 80 binders and 233 mowers, with some loss on the experiment. But in 1912 the plant turned out 1,100 binders, 2,200 mowers, 1,200 hayrakes, and 1,100 wagon and transport trucks, on which the sales department showed a net profit of $21,207.10. I understand that a corn harvester and other farm implements and machines have now been added and the total output fully doubled. There is little question that with steady development on this excellent beginning the machinery department will soon duplicate the phenomenal record of the twine department, and become a powerful regulator of the agricultural-machinery market in the interests of a fair deal for the great farming industry of our State.

In this respect, the binder-twine plant has achieved a notable record. The zone of its influence has extended not only throughout Minnesota, but into Wisconsin, Iowa, North and South Dakota. The average sales now appear to be about 18,000,000 pounds of State-produced binder twine per annum. Doubtless this season the output exceeds that figure. It is estimated that the average economy to the farmer because of the production and competition of the State twine plant is about 2 cents per pound. On the 18,000,000 pounds annually sold the saving to the farms would be $360,000. But this is only a part of the story; for doubtless the lion's share of the saving is in the reduced prices which the twine and harvester combines have been compelled to make in the entire zone tributary to the twine and farm-machinery industry of the State at Stillwater. There is little question that the total economy to the agricultural industry of our State approximates $1,000,000 per annum.

Expert commissions and students of humanitarian questions have visited this institution from the various States of the Union, and from many foreign countries, and go away to report the excellent humanitarian results of the Minnesota experiment in providing an industrial occupation with well-lighted and airy surroundings, perfect sanitation, and in every respect considerate and humane treatment on a par with that of a model modern business house, which prevail at the new State prison and manufacturing plant. The average visitor who passes through the new manufacturing plant would never guess from the faces of the workers or from the busy rush of business on every hand that he was visiting a prison, unless he had been informed of the fact beforehand. The airy and roomy sleeping berths of the men have nothing in common with the narrow stone cells of the traditionary prison. The sanitary conditions would well serve for a model for many a privately owned factory. The effect on the cheerfulness and energy and health of the inmates is marked. They take interest in their work. Indeed, the institution furnishes an individual incentive to this end by offering an opportunity to each inmate to earn for himself a fund to aid his dependent relatives or as a savings fund against the day of his release. The success of this experiment is apparent in the fact that most of the inmates avail themselves of the opportunity and accumulate such savings. The net effect is shown in the comparative numbers in the three prison grades: First grade, or honor list, 657; second grade, 152; and third grade, who wear the traditional stripes, only 5—as of July 31, 1912, the date of report to the last legislature.

So that, not only as a model structure and plant, but likewise as a model of business development and management, as a revenue producer to the State, and as a humane institution conducted in the interests of the inmates as members of our common humanity, we may say with the commission which reported to the Secretary of War:

> It is the finest and most modern prison in the United States, and probably in the world.

Coast-Guard Bill.

EXTENSION OF REMARKS

OF

HON. LATHROP BROWN,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 8, 1914.

Mr. BROWN of New York. Mr. Speaker, before taking up in detail the merits of the Coast Guard bill, I wish to state that I began to take an interest in the Live-Saving Service at a very early age. The 1st of August was with me a date to conjure with, because on that date the life-saving crews reassemble and begin anew their work, which on the eastern coast lasts for 10 months of the year. Long before breakfast time I used to let myself out of the house, hurry over to the beach, and beg to be taken out through the breakers in the surf boat by Capt. Burnett, of the Southampton Station. A small boy can curl up in a very small space in the bow of a boat, and I doubt if the crew knew half the time if they had a passenger. Morning after morning would find me in my place, the bow of the boat rising under the spent breakers, each surfman partly in the water beside his oar, ready for the word. Then a wave greater than the others would lift itself over the outside bar, come towering toward the beach, and topple over with a roar of seething water. Instantly the boat would be shoved out toward the sea, the bow men climbing aboard first and pulling furiously at their oars—the others following immediately—to drive the heavy craft through the danger line before the next wave should capsize it. Time and again the second wave has broken under the boat, dropping it 10 feet with the noise of a cannon, but always that boat goes forward, in preparation for the time when shipwrecked sailors shall need its help on some squally winter's night.

Twice a week, as I remember, there was practice at shooting the life line over a mast. The breeches buoy would be rigged, and on those quiet summer mornings a small boy would have to serve for an exhausted frozen crew and passengers.

What urgency brings this bill before the House? It has already passed the Senate. A brief statement of the conditions of service of these men whom I may well designate as heroes of peace will, I hope, suffice.

On the Atlantic and Gulf coasts the life-saving stations are open for 10 months in the year—on the Great Lakes about 8½ months—and the surfmen receive $65 per month for the number of months during which they are on active duty. In addition, they receive 30 cents per diem for rations, as they have to live away from their families. On $65 per month for 8 or 10 months—unless they are so fortunate as to secure employment during the other months—the surfmen are supposed not only to bring up their families but to set aside a fund for their old age, which is obviously impossible. Thirty cents a day will not feed a man very well, except in great numbers; and, in additon to living expenses, the surfmen must furnish their own uniforms, rubber boots, oilskins, and other necessaries. No. 1 surfmen get $70 per month; keepers, $1,000 per annum; and district superintendents, $2,200.

The duties of the surfmen, under the direction of the keepers, are to patrol the coast by day and by night, warn vessels away from danger, and go to the rescue of any vessel, her crew and passengers, at all times with boat or life lines, or both. They must be prepared to risk and give their lives at any time in the ordinary performance of their duties. They must be expert in the handling of their boats, and must be able to work together, for a green man in a boat at night in a howling gale and raging sea is worse than none. The slightest mistake means disaster both to the life-saving crew and the mariners in distress.

They must be sound in wind and limb and very strong, in order to row their boats sometimes for 10 hours at a stretch in zero weather with the wind and snow blowing 40 miles an hour. Each year they must pass a medical examination before they can sign on for the ensuing year, and as exposure and strain become apparent in rheumatic or heart symptoms, incurred in the line of duty, they are dropped without consideration except a maximum of two years' pay to themselves or to their widows, should they be killed while on duty.

Clearly this is an extra hazardous profession, and, like all similar professions, is inclined to draw to itself the bravest of brave men, yet in competition with commercial positions fewer and fewer men can afford to enter the service for their families' sake. Something must be done.

Capt. Chapman, superintendent of the tenth district, testified before the Senate committee:

My district averages from 25 to 30 per cent of vacancies in the crews, which are filled constantly by temporary men, who, to a large extent, are unskilled. The cry to-day from the keeper is, "Give me men; give me skilled men."

The Buffalo crew last year had but one enlisted man and seven temporaries. The Cleveland crew was about the same.

Capt. Morgan, superintendent of the seventh district, testified:

We have had some trouble getting men, and a good many of them are leaving the service. They can find occupations that will pay them better.

Capt. Harding, superintendent of the first district, testified:

Our service is getting impaired. We can not get men; and why? You hold out no inducement for promotion; you hold out no reward.

Capt. Bowley, superintendent of the second district, testified:

We can not get good men to enter the service. There is nothing to care for them if they are disabled on patrol or regular work, and they simply will not come in.

Capt. Tunnell, superintendent of the sixth district, testified:

Now, I am losing good men in my district—No. 1 men; very valuable fellows—because they do not see any prospect of advancement in the future; and they are going into commercial business.

Capt. Kiah, superintendent of the eleventh district, tesified:

I have trouble in not getting enough men; we are short, and have been.

From Maine to Michigan is the same story. What relief, therefore, is provided in this bill in order to place this invaluable service on a plane of the highest efficiency?

Mr. Speaker, many of the Members of this House will remember the bill, passed during the Spanish War at the urgent request of the Secretary of the Navy, continuing the duties of the Life-Saving Service on the Atlantic coast during the months of June and July of that year for coast patrol work. It is obvious what a splendid first naval reserve would be the 4,000 trained members of the life-saving crews, combined with the Revenue-Cutter Service, during a war.

This bill combines the Life-Saving Service with the Revenue-Cutter Service in the Coast Guard, operating in times of peace under the Secretary of the Treasury, as at present, but putting the Coast Guard under the orders of the Secretary of the Navy in time of war or at the direction of the President. The benefit to the national defense from such a course is obvious, and to offset the added danger this bill makes applicable to the life savers, when combined into the Coast Guard, those provisions of the Revenue-Cutter Service act which have chiefly been responsible for its high standard of excellence and efficiency.

The officers and enlisted men of the Coast Guard as a military organization will become entitled to certain benefits due to those occupied in extra hazardous professions. The surfmen of to-day under the Coast Guard bill will be entitled to—

1. Retirement at 64 years of age, or after 30 years' service, or for disability, on a retirement allowance of 75 per cent of their active-duty pay.

2. Longevity pay amounting to $1 per month for each three seasons in the service.

3. Clothing allowance of $45 the first year and $20 each year thereafter.

4. Free treatment in the Government hospitals.

5. Rations as at present.

The No. 1 surfmen, keepers, and superintendents will receive larger longevity pay, amounting to 10 per cent for each five years of service, not to exceed 40 per cent. While I should like to see the pay of the surfmen increased in a like amount, yet the actuary of the Treasury Department estimates that the annual expense of the service under the provisions of this bill, including about $40,000 additional to the Revenue-Cutter Service, will be about $400,000 more than at present. This is, of course, a large sum in itself, and perhaps sufficient to accomplish the desired results at this time.

The men in the service are almost a unit in their approval of the Coast Guard bill. The keepers and the superintendents are for it. The Secretary of the Treasury has submitted to Congress a very favorable report on it. The Senate has passed it. The House Committee on Interstate and Foreign Commerce has favorably reported it to the House. All the preliminary work has been done, and this great measure only awaits the vote of the House.

In conclusion, Mr. Speaker, I wish to state that while the number of persons rescued in the boats of the Life-Saving Service during the past year has aggregated the high total of 4,096, averaging almost two persons for each life-saver, and the value of ships and cargoes assisted by the life-saving crews without other help amounts to $6,032,935, one feature of their work has received but little attention. On their coast-patrol duty the life-savers gave warning signals to 182 vessels which were running into danger. One hundred and forty-two of these were given at night, so that it is impossible to tell what kind of vessels were warned or how many persons they carried. Without assuming that, but for these timely warnings, all of these 182 vessels would have run ashore and that lives and property would have been lost, yet I believe that this work alone would justify the Members of this House in giving full consideration to the urgent needs of this splendid body of men, who I repeat again, may well be called "Heroes of peace."

American Subsidies to Foreign Ships Using the Panama Canal.

EXTENSION OF REMARKS

OF

HON. STANLEY E. BOWDLE,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, August 26, 1914.

Mr. BOWDLE. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include the following editorial and my response thereto:

AMERICAN SUBSIDIES TO FOREIGN SHIPS.

For each ton of foreign shipping using the Panama Canal its foreign owner, or the government of its foreign owner, will pay the United States an average of $1, and the taxpayers of the United States will contribute an additional $1.70 for each ton. It is estimated that the first year 10,000,000 tons of ships will use the canal, at an expense to the United States, as computed by Senator O'GORMAN, of $5,000,000 for maintenance and operation, $10,000,000 for military defense, and $12,000,000 interest cost.

It is of record that British foreign-going shipping slightly exceeds that of all the rest of the world. It is a fair estimate, therefore, that not less than 5,000,000 tons of ships using the Panama Canal will be British, and that the taxpayers of the United States will annually contribute $8,500,000 to facilitate the passage of British ships through the Panama Canal. It is estimated that 2,000,000 tons of American shipping in domestic and foreign trade will use the Panama Canal, whose owners will pay full tolls as well as their proportionate share of the $17,000,000 deficit resulting from our ownership, administration, and defense of the Panama Canal.

Article 2 of the Hay-Pauncefote treaty provides that the United States "shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and

management of the canal." Since it would be "dishonorable" for the United States to "violate" any of the terms of that treaty, American taxpayers can not escape the supreme and unalloyed enjoyment of subsidizing foreign shipping in the sum of $13,600,000 annually in their use of the canal. As that consummate wit, Ambassador Page, would say, our pleasure will be all the greater as we realize that $8,500,000 of this $13,600,000 American subsidy to foreign ships will facilitate the use of the canal by British shipping.

As a toll contributor the United States will achieve a distinction far surpassing that of a toll collector. How American taxpayers will enjoy paying $13,600,000 annual subsidies to piece out the cost of passing foreign ships through the Panama Canal as they reflect that dear old, generous, magnanimous John Bull will pocket each year the tidy $8,500,000 that his ships will save at the expense of the American people.

HOUSE OF REPRESENTATIVES,
Washington, August 19, 1914.

THE MARINE NEWS,
New York City.

GENTLEMEN: Your reprinted editorial in the current issue of your paper, entitled "American subsidies to foreign ships," is very interesting. I am, however, not entirely clear as to which of two conclusions you desire the reader to reach, for the article will support either, viz: (a) Since there will be a great deficit in the operation and maintenance of the canal under the present tollage, the rate should be raised to a point which would wipe out the deficit and possibly give us a balance, and then we would, in fact, "enjoy" the ownership, or (b) the tolls repeal law should not have been passed, and then the much greater deficit paid by the whole people would have been thoroughly "enjoyed."

I say, I don't know which of these conclusions you desire to support. As the article, skillfully written, is so critical of the present situation with respect to tolls, I take it that you did not wish free tolls disturbed; but that having been disturbed you now open up the whole question by reflecting upon the economic policy of the entire Panama situation.

That there will be a very large deficit to be made up by the American people is evident enough, but how this deficit is to be made easier to handle by increasing it by free tolls to any interest is past my ken.

Again, admitting the deficit, which I do, I should be glad to rid the country of it (the deficit); but it so happens that the Panama tollgate, like any tollgate, has a limit which can be charged without driving vessels around the Horn. Whether the present charge per ton might not be horizontally raised without hindering or suppressing traffic, I can not say, but time ought to tell. If it can be raised, there is nothing in the law which would prevent the President of the United States from doing so.

Your very decided objection to what you call the "subsidy" paid to British shipping is based on the evident idea that we should not pay for British use. But why should the whole people pay for any ship that uses? Of course I know we speak of "our ships" affectionately, but why not speak of "our Standard Oil Co." in the same terms?

But again, since the whole deficit would be greater with free coastwise tolls, would what you allege to be the "subsidy" paid to England be lessened?

You break into fine sarcasm over the use of that word "enjoy" in the Hay-Pauncefote treaty. Allow me to ask if this word is altogether misused, if the canal, at its inception, was regarded as a military necessity for the union of our widely separated coasts? If a nation, by a great work, attains for itself a great object, may it not be said to "enjoy" that work?

With my compliments, I am,
Sincerely, yours,

STANLEY E. BOWDLE.

Banking and Currency.

EXTENSION OF REMARKS
OF
HON. OSCAR W. UNDERWOOD,
OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 29, 1914.

Mr. UNDERWOOD. Mr. Speaker, under the unanimous consent granted to me to extend my remarks in the RECORD, I include the following statement by Secretary McAdoo:

STATEMENT OF SECRETARY M'ADOO.

Among the eligible securities to be used as a basis for the issue of currency I have decided to accept from national banks, through their respective national currency associations, notes secured by warehouse receipts for cotton or tobacco, and having not more than four months to run, at 75 per cent of their face value. The banks and the assets of all banks belonging to the currency association will be jointly and severally liable to the United States for the redemption of such additional circulation, and a lien will extend to and cover the assets of all banks belonging to the association and to the securities deposited by the banks with the association, pursuant to the provisions of law; but each bank composing such association will be liable only in proportion that its capital and surplus bear to the aggregate capital and surplus of all such banks.

This plan ought to enable the farmers to pick and market the cotton crop if the bankers, merchants, and cotton manufacturers will cooperate with each other and with the farmers and will avail of the relief offered by the Treasury within reasonable limits. Such cooperation is earnestly urged upon all these interests. The farmer can not expect as high a price for cotton this year because of the European war, yet he should not be forced to sacrifice his crop. The banker and the merchant should not exact excessive rates of interest, and the manufacturers should replenish their stocks as much as possible and pay reasonable prices for the product. If this is done, and it can be done if everyone displays a helpful spirit, a normal condition can be restored and there ought to be no serious difficulty in taking care of the cotton problem.

This is a time when the entire country expects that purely selfish interests shall be subordinated to the common good; that undue advantage shall not be taken of the necessities of each other. I am happy to say that this spirit seemed to animate those who attended the so-called cotton conference held at my request in Washington on August 24 and 25.

Since the law leaves it entirely in the discretion of the Secretary of the Treasury to issue or not to issue the currency to which I have referred, I shall not hesitate to refuse it if I am convinced that it will be used merely for speculative purposes instead of for the operation of harvesting and carrying the crop until a reasonable market can be found and for the needs of legitimate business.

It is not my purpose to prescribe the character of warehouses in which cotton and tobacco may be stored. The banks will be relied upon to see that warehouse receipts issued by responsible warehousemen or warehouse companies alone are accepted, and that the cotton and tobacco stored in such warehouses is covered by adequate fire insurance and is protected against injury by the elements.

In order to obtain such currency the following things should be observed by banks applying therefor:

First. Not less than 10 national banks in any given territory, each having an unimpaired capital and surplus of not less than 20 per cent, desiring such currency, shall form a national currency association with an aggregate capital and surplus of not less than $5,000,000, as required by the act. Full particulars and blank forms for this purpose may be had upon application to the Comptroller of the Currency, Washington, D. C.

Second. Any national currency association formed in accordance with law will receive the approval of the Secretary of the Treasury. Already 37 such associations have been organized in the various States.

Third. Under the law the Secretary of the Treasury may accept as security for currency—

(a) Bonds of any State or of any city, town, county, or other legally constituted municipality or district in the United States which has been in existence for a period of 10 years and which, for a period of 10 years previous to such deposit as security, has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and whose net funded indebtedness does not exceed 10 per cent of the valuation of its taxable property, to be ascertained by the last preceding valuation of property for the assessment of taxes.

(b) Any securities, including commercial paper, approved by the Secretary of the Treasury, held by a national bank and made available through a national currency association under the direction and control of the Secretary of the Treasury, at not exceeding 75 per cent of the cash value of such securities or commercial paper.

(c) No national bank shall be permitted to issue circulating notes based on commercial paper alone in excess of 30 per cent of its unimpaired capital and surplus.

Fourth. The total amount of currency issuable to any bank, including its circulating notes issued against United States bonds, shall not be more than 125 per cent of its unimpaired capital and surplus.

Fifth. Each bank or currency association receiving currency must maintain in the Treasury at Washington a redemption fund in gold of at least 5 per cent. The Secretary of the Treasury may at any time require such additional deposits in gold as in his judgment may be sufficient for the redemption of such notes.

I am convinced that there is adequate power under existing law to issue through the national banks all the currency to meet any reasonable demand that may develop in any part of the country and that it is not necessary to extend the note-issuing privilege to State banks.

The Secretary of the Treasury already has the power to issue $1,000,000,000 of additional national-bank currency if it should be required, but I can not imagine a condition when any such need will arise.

Revoking Leaves of Absence.

EXTENSION OF REMARKS
OF
HON. CHARLES H. BURKE,
OF SOUTH DAKOTA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 25, 1914,

On House resolution 601, as follows:

"*Resolved*, That all leaves of absence heretofore granted Members are hereby revoked;

"*Resolved further*, That the Sergeant at Arms is hereby directed to notify all absent Members of the House by wire that their presence in the House of Representatives is required and that they must return without delay to Washington;

"*Resolved further*, That the Sergeant at Arms is directed to enforce the law requiring him to deduct from the salary of the Members their daily compensation when they are absent for other cause than sickness of themselves and their families."

Mr. BURKE of South Dakota. Mr. Speaker, I voted against the resolution offered yesterday by the distinguished majority leader revoking all leaves of absence heretofore granted to Members and instructing the Sergeant at Arms to notify them that their presence here is required, and further directing him to deduct from the salary of Members their daily compensation when they are absent for other causes than sickness of themselves or families; and I desire at this time to discuss the proposition, which I am sure would not have been adopted by the House if the vote upon it had been postponed until to-day.

So far as that portion of the resolution revoking leaves of absence and directing the Sergeant at Arms to notify absent Members to return is concerned, I am in full accord, though I do not believe any resolution was necessary, as the Speaker might have directed such a message to be sent to absent Members. It is the following portion of the resolution that caused me to vote as I did:

Resolved further, That the Sergeant at Arms is directed to enforce the law requiring him to deduct from the salary of the Members their daily compensation when they are absent for other cause than sickness of themselves and their families.

The statute which the Sergeant at Arms is directed to enforce is section 40 of the Revised States, which was originally enacted in 1856. It reads as follows:

SEC. 40. The Secretary of the Senate and Sergeant at Arms of the House, respectively, shall deduct from the monthly payments of each Member or Delegate the amount of his salary for each day that he has been absent from the Senate or House, respectively, unless such Member or Delegate assigns as the reason for such absence the sickness of himself or of some member of his family.

There is no doubt that the law of 1856, which was an act fixing the compensation of Members of Congress, was repealed by subsequent acts changing the compensation. It appears, however, that section 5 of the 1856 act was carried into the Revised Statutes as section 40, which I have justed cited. In 1866 Congress passed an act relating to the compensation of Members, and after it went into effect, if there had ever been any deductions of the monthly salary of each Member on account of absence, it was abandoned upon the passage of said act. The law of 1856 did not provide for paying Members monthly or that they should be paid during the recess of Congress, but only during the sessions; whatever remained unpaid at the end of the Congress of the $6,000 provided was paid to the Members. I think the statute of 1866, dealing with the same subject matter as the act of 1856, and being repugnant thereto, repealed it by implication. While it may be claimed that by the enactment of the Revised Statutes on June 22, 1874, section 5 of the act of 1856 was reenacted and continued in force, and assuming such to be the case, it is my opinion that it was repealed by the act of January 20, 1874, repealing the act increasing the salaries of Members of Congress of March 3, 1873, because the act of January 20, 1874, was passed subsequent to December 1, 1873, the date when the Revised Statutes went into effect. In Bradshaw *v.* United States (14 Ct. Cls. Rept., p. 81) it is held:

The Revised Statutes were passed June 22, 1874, but embraced the statutes in force December 1, 1873 (Rev. Stats., sec. 5595). Between those dates Congress passed many acts repealing and altering previous statutes which were incorporated into the revision. It is, no doubt, the correct construction that all such acts are to be taken as having to that extent altered the Revised Statutes.

If section 40 of the Revised Statutes was not repealed by the act of January 20, 1874, it clearly was repealed by the act of February 26, 1907, which is the latest law fixing the compensation of Members of Congress. Section 4 of the legislative act of 1907 fixed the compensation of Senators and Representatives in Congress at the rate of $7,500 per annum each. The next section—section 5—reads as follows:

SEC. 5. That all laws and parts of laws inconsistent with this act are repealed.

Any law that would reduce the salary of a Senator or Representative would certainly be inconsistent with the law making the salary $7,500 annually, and therefore section 5 clearly repeals section 40 of the Revised Statutes.

At the time when its enforcement was attempted in 1894 there was a situation prevailing that made the presence of a quorum necessary, there being an important tariff bill under consideration that had to be passed, and a quorum was demanded. On this occasion there was no such emergency, and besides, the roll call disclosed, on the passage of the resolution, the presence of 248 Members, 30 more than a quorum, and I have no doubt that several more were in the city who did not happen to be in the House.

Congress has been in session all of the time since the special session that began on April 7, 1913, and the business of this session, so far as the House is concerned, has been mostly transacted, and there is no occasion for the membership being here constantly. If an emergency should arise and the presence of more Members should be necessary, they could be brought here by a telegram from the majority leader or the Sergeant at Arms without any action on the part of the House such as the adoption of the drastic resolution presented by the distinguished leader of the majority.

No such resolution was ever adopted in the House of Representatives on any other occasion, although the law was enacted nearly 60 years ago. The fact that it never has been enforced, with the exception of the one month in the Fifty-third Congress, when the Sergeant at Arms attempted to enforce it by order of the Speaker, would clearly indicate that it had been repealed. In the Fifty-first Congress, when there was important legislation pending and the Republicans were in control of the House, they not only obtained a quorum but secured the attendance of every Republican Member but one when it was necessary, thereby preserving a quorum and a majority by the party that was in control. The Republicans when in control of the House have always been able to keep a quorum present whenever necessary to transact the public business and without the passage of a resolution directing the Sergeant at Arms to perform his official duty by penalizing Members by withholding any part of their salaries. The resolution adopted neither takes from nor adds to the law, and is a mere declaration that the Sergeant at Arms enforce it, which by implication suggests that he has not been doing his duty, and I submit if he can be held liable for paying out money to Members that may be absent at any time for some cause other than sickness in the future, then he can be held responsible for money that he has heretofore disbursed under such circumstances.

Section 40 of the Revised Statutes, as I have already stated, was enacted in 1856 and was a section of a law fixing the compensation of Members of Congress, and the amount was $6,000 for each Congress. Under the terms of the act the salary was paid to Members only during the session at the rate of $250 per month, and at the end of the Congress on March 4 whatever remained of $6,000 was paid to them. The Secretary of the Senate and the Sergeant at Arms of the House were required to deduct from the amount paid to the Members each month on account of absences for other causes than sickness, I assume at the rate of about $8 per day. The Senate has never paid any attention to it at any time, and yet it applied to Members of the Senate as well as to Members of the House. To enforce it now would mean that Members of the House would receive less compensation than the Senators, and I submit that the act of 1907 did not contemplate that a Member of the House should rceive less compensation than a Member of the Senate.

I think the House clearly has the right to excuse a Member for any purpose, and yet this law, if enforced, would require the Sergeant at Arms to deduct the salary of a Member for any absence, even if excused, no matter what the purpose or how brief the absence might be, unless on account of sickness. The House might by resolution appoint a special committee or delegate a standing committee to make an investigation of some subject away from Washington, such as is often done. The Committee on Labor during the present session had subcommittees in Michigan and Colorado. The Committee on the Judiciary had one or more subcommittees away making investigations, and it is the practice of the House upon the death of a Member to appoint a committee to attend the funeral of the deceased. In all such cases, under the resolution adopted yesterday, the Sergeant at Arms in the future will be required to withhold the salary of Members who may be absent under such

circumstances. It can not be said that the Underwood resolution adds anything to the law, assuming that it has not been repealed, and if the Sergeant at Arms is justified in withholding the salary of Members that may have been absent during the last month, and the law has not been repealed, it will have to be enforced hereafter. There is adequate remedy for forcing the attendance of Members, and it is quite within the power of the House, by resolution, to reprimand Members who refuse to attend when summoned, and it might be carried to the extent of expulsion.

As the distinguished minority leader, the gentleman from Illinois [Mr. MANN], remarked, in discussing the resolution, while it was a show of virtue on the part of the majority leader to offer the resolution it was certainly in bad form in view of the fact that it was not offered until the very last day of the holding of primary elections in the Southern States, and as the gentleman from Illinois stated, during the time primaries were being held throughout the South, and the business of the House was being delayed for want of a quorum, there was no suggestion of the offering of a resolution demanding that the Members return, and threatening to forfeit their pay; but now, when all the primaries have been held in the South, and everybody has been nominated, which means an election, it is proposed to penalize Members from other States where primary elections have not been held for absenting themselves during their campaign. The best thing that could happen for the good of the country would be the adjournment of this session of Congress and let the people have an opportunity to attend to their business without the fear of what Congress may or may not do, and thus afford some opportunity for a restoration of confidence, even if it is only temporary.

I was rather astonished and amused to observe the number of gentlemen on the majority side of the House that applauded the resolution offered by the gentleman from Alabama and vociferously applauded his remarks and the remarks of other gentlemen who favored the resolution and voted for the resolution in a tone that would indicate how virtuous they were in so doing—gentlemen that have been absent for weeks and weeks, and some of them who had just returned and were on the floor of the House yesterday for the first time. Their primaries are over. They have been renominated. They are now willing to support a proposition proposing to penalize their colleagues on both sides of the House by voting for a measure that requires absent Members to forfeit their salary for the few days they have been away, and if they wish to continue away until their primaries are held. The injustice and the unfairness of proposing such a resolution, giving Members no opportunity to return, is so apparent that it needs no discussion. Members of the House who have been here without losing a single day for weeks and months left Washington within 48 hours before this resolution came up, intending to return during the present week; and yet it is proposed to penalize them, while Members who have been away for weeks, and in some instances for months, and happened to get back yesterday, are allowed to escape. How such Members could vote for such a resolution and not return to the Treasury the salary for the time they were absent is beyond my comprehension. I wonder what some of these virtuous Members that have been away all of the present month, and only got back in time to vote for the resolution, will do if the Sergeant at Arms attempts to deduct their salaries for the month, as he undoubtedly will if he obeys what he is directed to do by the resolution.

I was away from Washington for a short time during this session, engaged in making a campaign for the Senate. It was with much reluctance that I absented myself even for a short period, and I proposed to my opponent, who is a Member of the Senate, that we both return and leave our contest with the people, believing that it was our duty to be here. If I had voted for the Underwood resolution, which in effect directs the Sergeant at Arms to withhold the salary from some Member who is now away because of a contest in his district, I would certainly without delay return to the Treasury the salary that accrued to my credit during the time I was away, and I can not see how any man who supported the resolution, who may have been absent at any time, can do otherwise. I have been a Member of this House nearly 14 years, and during that period I have not only been in Washington, but upon the floor of the House the greater part of the time during the sessions. It did not require any resolution to suggest to me that I ought to be here when Congress is in session, because I have too high a regard for the responsibilities of my position, so that I do not need to be told what my duty is. During the past two years I was compelled to be in a hospital on three different occasions, for a period of over one month the first time and two weeks or more at the other times, and so particular was I in wanting to be here during the sessions, I arranged it so that I did not lose a single day from attending the sessions of the House, being on the three occasions in the hospital twice between the sessions and once during a holiday recess. With the exception of an absence for a short time last winter, during my entire service I have rarely ever been absent except when away on the business of the House or on account of illness, and since my return last winter I have only missed attending two sessions of the House.

The question of how a public official ought to discharge the duties of his office, and especially a Member of Congress, is a matter for his constituency. It is not a question of just how many days he may have been absent from the sessions, or whether he may have missed a few roll calls, but it is what he accomplishes and whether he represents the sentiment of his constituency upon public questions. If he is neglectful of his duties and indifferent with regard to questions that may arise in which his constituency are interested, he will promptly be recalled, and therefore there is an adequate remedy where Members fail to perform their duty.

Enlarged Homesteads and Cheap Money for Western Farmers.

SPEECH

OF

HON. EDWARD KEATING,

OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, August 20, 1914,

On the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes.

Mr. KEATING. Mr. Speaker, I hope the motion of the gentleman from Illinois [Mr. MANN] will be voted down. The enemies of this legislation would like to see the gentleman's motion prevail, because they know that with section 14 eliminated this bill would not be permitted to pass the Senate, and the result might be that the proposed legislation would fail.

The men who drafted this bill had no thought of leasing the water in streams of the West. A reading of the bill will demonstrate that its sole purpose is to permit the Secretary of the Interior to lease the lands owned by the United States and bordering on the streams of the West.

To permit the Federal Government to seize upon the waters of our streams for power or any other purpose would be such a serious invasion of the rights of the West and would bring upon our people such confusion and financial loss as would justify the Representatives of the West in using every honorable means to prevent the consummation of the outrage.

The adoption of the amendment offered by the gentleman from Illinois might well cause the Water-Power Trust to chuckle, but it should cause every genuine conservationist to grieve.

This water-power bill and the other so-called conservation measures which will come before the House within a few days are of very great importance to the West, but I confess that they do not interest me to the same extent as another bill dealing with the public domain which I had hoped would be included in the Secretary of the Interior's legislative program. I refer to the enlarged homestead bill introduced by the distinguished gentleman from New Mexico [Mr. FERGUSSON].

To my mind that is the most important piece of legislation affecting the West now pending before Congress.

If the tens of millions of acres of land in the West now controlled by the Federal Government are to pass into the hands of home builders, it is absolutely necessary that we recast our homestead laws. Outside of the reclamation projects, it is practically impossible for a settler to find 160 acres of Government land which will support him and his family. Even the 320-acre-homestead act is no longer sufficient. The land-hungry citizens of this country have searched the public domain from the Canadian border to the Rio Grande and have filed on practically every desirable homestead. Only the poorest of the land remains. Of this land at least 640 acres are required to support a family, and in some instances two sections, or 1,280 acres, will be required.

While Congress is safeguarding the water-power sites and the coal, oil, and asphaltum deposits in the West, it should give some thought to the necessity of giving the settler a place where he may erect his "shack" and make a home for himself and his family.

I am constitutionally opposed to landlords and landlordism. Speaking for the people of my own State, I want to say that

we are unequivocally opposed to any system which will place our grazing and agricultural lands on a lease-holding basis. On that point there is no division of sentiment among our people. We want the public domain to pass into the hands of actual settlers. We will join with you in any steps you may take to resist the encroachment of monopolies, but we insist that the national Congress can not render a greater service than to open the door of opportunity to the man who, in good faith, undertakes to build a home on the public domain.

We hear a great deal of complaint about settlers abandoning their claims or securing title and then selling out to cattle companies and others. This process will continue just so long as the Government fails to give a man sufficient land to sustain him. He can not live on 160 acres or 320 acres, but if you give him 640 acres, and where it is necessary 1,280 acres, he will make it a homestead in fact as well as in name, and you will transform a wanderer into a fixed and permanent settler.

Next in importance to the enactment of the enlarged homestead act is the passage of a proper rural credits system. I regret that the House has not been afforded an opportunity to consider this latter measure at this session. Farmers in my district are paying 10 and 12 per cent per year for the money needed to finance their operations. The same is true in practically every other State in the West, and to a great extent in the States farther East and South.

I believe the problem of furnishing the farmer with cheaper money can be easily met. If we will throw open the postal savings banks of this country and permit citizens to deposit such sums as they see fit, the Federal Government will find itself in possession of all the money required to finance a rural credits system commensurate with the size and needs of the Republic.

I have introduced a bill which will accomplish this purpose, and I beg leave to submit as a part of my remarks an article from the pen of the well-known Washington correspondent, Mr. Gilson Gardener, in which he states the scope of my bill so clearly and concisely that it can be easily understood.

Mr. Gardener's article is as follows:

WASHINGTON, D. C., *August 4, 1914.*

Farm loans made direct to the farmers of the United States by the Federal Government at 4 per cent interest out of moneys deposited in the postal savings banks is the unique plan for rural credits proposed in the bill introduced to-day by Congressman Edward Keating, of Colorado.

The bill proposes to remove all limitations on the amounts which may be deposited in postal savings banks, and that such money, instead of being turned over to private banking interests, shall hereafter be covered into the Treasury for use in making loans to farmers.

LOANS TO REAL FARMERS.

The establishment of a "farm-loan bureau in the Treasury Department, in charge of a commissioner, appointed by the President, who with the Secretary of the Treasury and the Secretary of Agriculture are to constitute the board of supervision of the farm-loan bureau," is contemplated by the bill. This board is to provide the necessary rules and regulations to carry out the purpose of the act, which is "to loan money direct to farmers upon the security of first mortgages through the agency of the postal savings banks."

Only persons actually engaged in the business of tilling the soil and raising farm products are entitled to borrow money under the bill. The terms of every loan extending for more than five years are required to contain a provision for its amortization or reduction by annual payments of 1 per cent of the principal, but the whole or any portion of the loan in multiples of $100 may be paid at any time.

NO LOAN OVER THIRTY YEARS.

No loan is to run longer than 30 years, according to this proposed legislation, and no loan is to be made for more than 50 per cent of the value of the improvements attached to the land. Whenever the improvements are offered as part of the security, the destructible property must be insured by the borrower to the satisfaction of the bureau.

Loans can be made only for the following purposes:

(1) To aid in increased production of the land.

(2) To make useful improvements upon the land to be mortgaged.

(3) To make payment of part of the purchase money of the land mortgaged, or to pay off an indebtedness already existing against the land.

It is provided, however, that 25 per cent of the loan may be used for the purpose of purchasing stock and farm necessities.

No loan under this bill could be larger than $12,000, and none is to be made for less than $500, "and loans upon single mortgages for less than $5,000 shall receive the preference." This is to give the man who most needs the money the preferential right to borrow.

Postmasters and other officials of the Government may be called upon, without additional compensation, to furnish information to the bureau as to the character and value of lands offered as security for loans, and the board of control may make the usual provisions for carefully appraising the land on the ground before loans are made. United States district attorneys are required by the bill to prosecute foreclosure proceedings where loans are foreclosed.

EXPENSE COMPARATIVELY SMALL.

Another unique feature of the bill is the provision that in making payments either of interest or principal "the person making such payment may pay the same to the postmaster designated by said commissioner of the bureau of farm lands, and such postmaster shall immediately notify the bureau of such payment, and the transmission of the money so paid."

The bureau has the right to sue and be sued, and lands obtained by the bureau under foreclosure proceedings may be disposed of at sale by it.

The bill carries an appropriation of $100,000 to start the machinery. As it seeks to utilize all the existing machinery of the Government, the cost of operating the bureau would evidently be very small.

Of course the amount of money now in the Postal Savings System would not meet a fraction of the demand for farm loans, but the Postmaster General has stated that the removal of the limitation on deposits would result in doubling the amount on deposit almost immediately.

PEOPLE LEND TO THEMSELVES.

That the amounts so deposited in the Government banks would enormously increase is evident. This bill really proposes to allow the people of the country to lend themselves money. Postal savings constitute the savings of the workers and the small farmers. If this money could be utilized to finance farmers in the work of supplying the food that the country needs, without the interposition of the private banker, with his rake-off of private profits, everybody else in the country would be the gainer.

I also desire to submit the following editorial on my bill, which appeared in the Denver Express of August 5, 1914, under the caption "Democratic banking":

Suppose you owned a small farm which was just about paying its way but needed fertilizers and improved machinery to make it yield as it should.

Why should you pay 6 or 8 per cent to a bank or private note shaver on a short-time loan to meet these needs when Uncle Sam, in his postal savings bank, where you get your mail, has money not working, on which he pays only 2 per cent interest?

At present that idle money in Uncle Sam's postal bank, when used at all, is first loaned to a banker, and he in turn takes a nice toll before he reloans it to some producer of wealth who needs it in his business. The scheme is rigged to give the banker first chance at a profit.

With due respect to the banker, what is the matter with letting Uncle Sam loan the money direct, thus cutting out the unnecessary profit of the banking middleman?

That is exactly what is proposed in the Keating bill now in Congress awaiting action, as Gilson Gardner explained the other day in detail.

KEATING would let a real farmer, for creative farming purposes, borrow up to $12,000 for not more than 30 years on his farm as security, if double the value of the loan, at 4 per cent interest, he pledging to pay not only interest every year, but also at least 1 per cent of the principal.

Of course, to make this plan workable, the present limit on what a person may deposit in a postal savings bank, a limit fixed low to appease frightened private bankers, would need to be removed. But why should there be a limit, anyhow? If a man prefers Uncle Sam's 2 per cent interest and safety to what a private banker will give him, shouldn't he be allowed his choice as far as he wants to go?

The Keating bill probably won't come up till next session, but it's none too early to be thinking about it. You can bet the bankers will be thinking about it and sitting up nights plotting to kill it.

KEATING restricts this low-interest borrowing chance to farmers, preferably those needing small loans. That makes it look like class legislation.

Come to think of it, why not let anybody in who can hock the required security? Seems to us that's the real way to pull the teeth of the Money Trust.

Splendid Record of a Democratic Congress and Administration.

EXTENSION OF REMARKS

OF

HON. MICHAEL E. BURKE,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, August 26, 1914.

Mr. BURKE of Wisconsin. Mr. Speaker, the work of a Democratic House from April 4, 1911, to March 4, 1913, and of a Democratic Congress and administration from March 4, 1913, to this date, is and will be of the greatest importance, and is of the most statesmanlike character. More important and necessary constructive legislation has been considered and placed upon the statute books by Congress, within this short period, than has ever been considered and enacted into law in the same time, since the establishment of this Government. So rapid has been action on the numerous important subjects confronting Congress and the administration that it is necessary for even Members of Congress to pause and review the same, before being able to recall all those important matters.

A brief review of the history of Democratic legislative work during those periods may well serve as an impressive lesson to the country, and as a scale upon which to weigh the claims of the Democratic Party in the coming campaign.

REVISION AND LOWERING OF TARIFF DUTIES.

The campaign of 1908 was largely fought out upon the tariff question. The Democratic platform of that year declared squarely in favor of a downward revision of the tariff. The Republican platform of that year in a rather ambiguous way declared in favor of a revision of the tariff downward. It was successful in that campaign, but immediately proceeded to revise the tariff upward, as shown by the Aldrich-Payne tariff law. At any rate, both parties campaigned in that year upon the assumption that the people were in favor of a downward revision of the tariff. The people were deceived by the Payne-

Aldrich tariff law, and continued more vigorously than ever in their efforts to force a downward revision.

Again in 1912 the Democratic national platform declared in favor of a revision of the tariff downward, and in favor of a tariff for revenue only. The people of the country in that campaign reposed confidence in the Democratic Party by electing its candidate for President, and a majority of that party in both branches of Congress.

In accordance with the platform pledges given by the party upon that subject, and indorsed by a majority of the people of this country in the 1912 election, a Democratic Congress during this session passed a law revising the tariff downward and for revenue purposes only. This was approved by the President and became a law on the 3d of October, 1913. For many years previous to its adoption, and in fact since the Republican panic of 1907, down to the present time, there has been a world-wide depression in business. It went into operation at an unfavorable time, and under unfavorable circumstances.

Yet in spite of the adverse circumstances prevailing, not only in this country, but in all civilized countries, both before and since its passage, it has worked fairly satisfactory. The great majority of the productive industries of our country have become adjusted to the present tariff, and are prospering in a satisfactory degree, while others not yet adjusted may not do so well. Some of our industries which have not yet adjusted themselves to the new situation are unnecessarily apprehensive, and are stumblingblocks in the way of their own business prosperity.

Every new tariff in the history of our country has unsettled conditions to some extent for short spells in the beginning. It always has required, and it now requires, a reasonable length of time for business to adjust itself to the new business conditions created by the new tariff rates. It is impossible for any party to make a new tariff that will not require business to readjust itself more or less. Our new tariff may not be perfect. It is impossible to make a perfect tariff law. Every change in the tariff laws may be injurious to some industry here and there. Changes in tariff laws are justified only upon the ground that the good that is accomplished in the majority of industries far exceeds the little injury that may be done to a few industries. In other words, under present circumstances, the new tariff is working far more satisfactorily and more equitably than any tariff law placed upon the statute books since the Civil War. Patience and experience will soon demonstrate this to the minds of all impartial and observant citizens.

INCOME TAX.

In the year 1912 a sufficient number of States ratified a resolution to amend the Constitution of the United States so as to confer power upon Congress to pass a Federal income-tax law. In 1894 Congress passed such an act, providing for a Federal income tax, but the same was held unconstitutional by the Supreme Court. For over a generation the Democratic Party in its national conventions and in Congress, and on the hustings, had advocated the passage of a Federal income-tax law. Promptly upon the announcement of the ratification of the sixteenth amendment to the Constitution, authorizing the passage of an income-tax law, the Democratic Party in this Congress, as a part of the tariff law, passed a Federal income-tax law.

Such laws have been a part of the taxing system and in use in all other civilized countries for a generation. They have worked justly, equitably, and satisfactorily, and there is no reason why such a system should not be made use of in this country. This Democratic Congress had the wisdom and the courage to place the same upon the statute books, and it has produced during the 10 months for which returns and collections were made $35,000,000 from individuals and $54,000,000 from corporations, making a total of $89,000,000. With an unavoidable increase in the expenses of government this tax is, and will continue to be, absolutely necessary. It is fair, just, and is derived from a class of wealthy people who have heretofore often escaped their just share of taxes, and who can well afford to contribute to the support of the Government in this manner. It is a wise, useful, and constructive use of the taxing power. In a few years, with more experience in its operation, it is bound to produce an increased amount of revenue for the Government each year.

BANKING AND CURRENCY.

The greatest and most serious obligation resting upon the Democratic Party when this administration came into power was the framing, considering, and enacting of a sound and satisfactory banking and currency law. Repeatedly in previous campaigns both of the great political parties had recognized in their platforms this necessity and had pledged their parties to the adoption of such a law. There was sufficient necessity and demand for their platform pledges, as the people had in various ways repeatedly voiced their demands for a new and safer banking and currency law.

The fearful and expensive lessons of the disastrous financial panics of 1873, 1884, 1893, and 1907 taught the public, and especially the business men of the country, that our banking system was unsafe and inadequate to meet the demands of business in times of emergency. It had been found defective and unwieldy in many ways. Even in years free from panics the system proved faulty in not responding to the seasonal financial needs of the country. The public was exposed to and did suffer great inconvenience and loss by reason of the unwieldy financial methods of the then existing banking system.

For 16 years while the Republican Party was in power, notwithstanding that it was under platform party promises to remedy our defective banking and currency system, it failed to do so. As usual, it remained for the Democratic Party, upon being restored to full power, to promptly fulfill its pledge upon this subject to the American people. This it did by passing on the 23d of last December a modern, practical, and new system of banking and currency. The organization provided by the same has just been completed, and it is about to enter upon what everyone believes to be a most successful period of business activity and usefulness. All business interests now have confidence in the new system, and are giving it their hearty support and confidence. Its success is assured, and no longer complaints are made of a defective and dangerous banking system.

Under this new banking law such emergencies as financial panics will be unknown, for it provides such a system of checks and balances as to completely prevent the same. Its virtues are so numerous and so generally conceded that it is unnecessary at this time to dwell in detail upon the same. Thus another great national problem that has confronted the business people for years has been solved to the satisfaction of all people interested in a safe, practical, elastic, and workable banking and financial system.

POPULAR ELECTION OF UNITED STATES SENATORS.

For more than a quarter of a century there had been a widespread and growing demand among the people of our country for the election of United States Senators by vote of the people instead of by the legislatures of the several States. That there was a good and sufficient foundation or reason for this demand was proven by the numerous deadlocks in State legislatures, and by several nation-wide scandals in the election of United States Senators, and in the indifference of many Senators in legislative matters to the wishes of the people. Sentiment for this change grew so strong that at last the great political parties of the country pledged themselves to an amendment to the Federal Constitution for this purpose.

The House of Representatives on numerous occasions passed a resolution providing for the submission of this important amendment to the legislatures of the several States, but in each case, so long as the Senate remained under Republican control, this popular measure was defeated in the Senate and the will of the great majority of the people at large was defeated. It remained for a Democratic House, in the Sixty-second Congress, to originate and pass through that House and, with the assistance of public sentiment, to force through a Republican Senate a joint resolution providing for the submission to the legislatures of the several States of a proposed amendment to the United States Constitution providing for the election of United States Senators by direct vote of the people.

After such proposed amendment had been submitted by Congress, the necessary number of State legislatures in a remarkably short time adopted this proposal for the popular election of United States Senators. The people of this country, who had so long demanded this important legislation, had the proud satisfaction of hearing a Democratic Secretary of State, Hon. William J. Bryan, proclaim the ratification of this the seventeenth amendment to the Constitution by the necessary number of States on the 31st day of May, 1913. Thus at the first opportunity in returning to full power in the Nation the Democratic Party fulfilled and carried into effect its promise to provide for the election of United States Senators by vote of the people, having been prevented from so doing for 16 years by the presence in power of the Republican Party.

STATEHOOD FOR ARIZONA AND NEW MEXICO.

For more than 20 years the people of the Territories of Arizona and New Mexico had demanded the establishment of a State government for each of those Territories. For 20 years the two great political parties had promised to admit those Territories to statehood. It remained, however, for a Democratic House of Representatives in the Sixty-second Congress to originate and pass statehood bills providing for the admission of those Territories into the Union as sister States. The presence in the House and Senate of the United States of a Republican

majority for 16 years previous thereto had prevented the Democratic Party from earlier carrying out the statehood pledges of its party platform, and during all of those years had deprived the citizens of Arizona and New Mexico of the privileges and rights of statehood. Arizona was admitted on the 14th day of February, 1912, and New Mexico on the 6th day of January, 1912, thereby placing the whole continental United States under State government. Since their admission to the sisterhood of States they have proudly and loyally performed the duties of statehood and promoted the welfare of democratic institutions and liberty.

SHERWOOD PENSION BILL.

A Democratic House in December, 1911, originated and passed what is known as the Sherwood pension bill. This bill was introduced by Gen. ISAAC R. SHERWOOD, a Democratic Congressman of Ohio, on the first day of the first session of the Sixty-second Congress. The year before, when the House and Senate were both Republican, the Sulloway general pension bill, providing an increase of pensions for Civil War veterans and their widows, was defeated. The passage of this Sherwood pension bill through the House by a large majority, supported, as it was, by the general sentiment of the country, forced it through a Republican Senate, but not until after that body had amended it so as to make it less liberal and less just to the old soldiers than when it passed the Democratic House.

Official estimates place the decrease in the annual amount distributed among the old soldiers by reason of the restrictive Republican Senate amendment between $2,500,000 and $3,000,000 a year. The Democratic Party had repeatedly in its national platforms pledged itself in favor of liberal pensions to the soldiers of the late Civil War and their widows, and the party carried out its promises and proved its friendship to the Civil War veterans and their widows by passing at its first opportunity the most liberal pension bill that has ever been placed upon the statute books of the United States.

SPANISH WAR WIDOWS' PENSION BILL.

In April, 1914, a Democratic House, by an overwhelming vote, passed a general pension bill granting pensions to the widows and minor children of officers and enlisted men who served 90 days or more in the Army, Navy, or Marine Corps of the United States in the War with Spain, in the Philippine insurrection, or in the Boxer War in China. This bill is reasonably liberal in its provisions. It provides a rate of $12 per month for such widows, without the necessity of proving that the husband's death was the result of his Army or Navy service. This bill has been reported favorably by the Senate committee with a just, important, and valuable amendment.

This amendment provides for the repeal of the present harsh, arbitrary, and discriminating law in relation to pensions for widows of Civil War husbands, who married since the law of June 27, 1890. By its terms all widows of soldiers or sailors who served the requisite length of time in the Army or Navy of the Civil War, and who married previous to the passage of the proposed new law, shall receive pensions of $12 per month without proving their husbands' death to be the result of their Army or Navy services. The hardships, cares, and sorrows endured by the widows who married since June 27, 1890, and who are now prohibited by law from securing a pension at the bureau, were and are naturally more severe by reason of the old age and helplessness of their soldier or sailor husbands than were the hardships of those who married previous to that date. This will be, as it should be, according to the principle of equal rights to all and special privileges to none.

There are excellent prospects for the passage of the Spanish War widows' bill with this important amendment in the Senate before the adjournment of this session, or at the furthermost at the next December session of the Senate. These two liberal pension measures must demonstrate to the most doubtful that the Democratic Party is the friend of both the old and young soldiers and their widows.

GOVERNMENT FOR PANAMA CANAL ZONE.

With the completion of the Panama Canal it became necessary for the creation by law of a civil government for the Panama Canal and Zone. Ever eager to do its duty, the Democratic House in the Sixty-second Congress originated and passed a bill providing for an executive and judicial government for the Panama Canal Zone, which has since become a law. This is a most important piece of constructive legislation, nothing of the kind having heretofore been created or passed by our Government.

The government of that canal will attract world-wide attention, and must necessarily be adaptable not only for the government of the zone but for the transaction of the world's business which will be passing through that canal for generations to come. As an original important and constructive piece of legislation it can scarcely be overrated. It affords convincing proof, notwithstanding all idle criticism to the contrary, that the Democratic Party is capable and qualified to prepare and pass the most important constructive legislation.

TERRITORIAL GOVERNMENT FOR ALASKA.

A long-continued demand for the establishment of a Territorial form of government for Alaska has existed for years. The people and business interests of that Territory had demanded of Congress repeatedly that provisions be made for the establishment of the usual Territorial form of government. Indifference, however, on the part of a Republican majority in Congress for 16 years left the people of Alaska without self-government. One of the first acts passed by the Democratic House in the Sixty-second Congress was a bill providing for a Territorial legislative form of government for Alaska. This great area of land came into possession of the United States in 1867. Thus, for a period of 46 years it had been left without the means of self-government, until a Democratic House, realizing the justice and equity of the demands of the people of Alaska, conferred upon them the blessings of self-government.

ALASKAN RAILWAY.

Nature has stored the Territory of Alaska with a great abundance of natural wealth, in the shape of coal, minerals, timber, and other valuable natural resources. Nature's climate, however, has placed many obstacles in the way of the usual development of the great resources of that Territory. Alaska, with its many resources of wealth, is considered a great storehouse for the future. An enlightened public sentiment throughout the country has decreed that those great natural resources shall not be given away improvidently or squandered upon corporations, as was done many years ago by Congress in granting public lands with lavish hands to our western railways. It has been decreed by a Democratic House that these great natural resources shall be conserved, or kept for the benefit and use of the people, making at the same time provision for the present development and utilization of the same for the present generation.

This Democratic Congress has shown the most progressive statesmanship in the history of all Congresses by passing a public law providing for the Government contruction and ownership of an up-to-date and practical railway in that Territory as speedily as convenient, and appropriating for that purpose the sum of $35,000,000. It is intended that this sum shall build and construct at least 1,000 miles of railway. The ownership of the rolling stock and the operation of the railways constructed are to be under Government control. This is most practical, enlightened, constructive, and statesman-like legislation and is bound to result in the development of the industries and general welfare of Alaska and in the increased happiness and prosperity of its people.

LEASING OF COAL LANDS IN ALASKA.

It was not until recent years that the general public realized the importance and value of the coal mines of America. When their importance and value were realized, the public also realized that the title to nearly all the coal mines of continental United States had passed from Government to private ownership, and that that ownership was being used almost exclusively for the benefit of itself and to the disadvantage of the public. What nature had intended as a common treasury for the human family has been monopolized by the fortunate few. In order to preserve for the present and future inhabitants of Alaska the great natural stores of coal which nature has planted in the bosom of that Territory, the Democratic House during this session of Congress has prepared, and now has upon its calendar ready for passage, a bill providing for the leasing of coal lands in the Territory of Alaska.

This means that the title to these coal beds shall forever hereafter remain in the name of the United States Government; that is, the people, and those coal mines shall forever remain in the control and care of the American people, to be used for the interest of the people, and not to be used against the people, as is now the case with coal mines used by privately owned and corporate interests. A wiser provision could not be conceived for the welfare of the people of that Territory, and it is a crying shame that our legislators before us failed to pass such a wise provision for the Government ownership and control or operation of the coal mines of continental United States.

LABOR LEGISLATION.

The record of the present Democratic administration, and of the Democratic House of the Sixty-second Congress, in the consideration and passage of legislation demanded by and in the interest of labor has never been equaled in the history of our country. In the Sixty-second Congress the House, with a Democratic majority, originated and passed a bill creating a

Department of Labor, and making the head thereof a Member of the President's Cabinet. This bill subsequently became a law and is now in force.

All genuine friends of labor rejoice in knowing that a Democratic President worthily filled the newly created Cabinet position of Secretary of Labor in the true spirit in which that position was created by appointing as the first Secretary of Labor Hon. William B. Wilson, an actual and genuine representative of organized labor, who in his early days earned his living and supported his family in the sweat of his brow, handling a pick in coal mines down in the bowels of the earth. He has borne the burdens of labor, and by actual experience knows the weight of the laborer's burdens. In him all honest labor finds the sympathy of a genuine friend. A higher compliment and honor could not be paid to the dignity of labor.

In the Sixty-second Congress a Democratic House originated and passed as a part of the sundry civil appropriation bill a provision directing that no part of the money appropriated in that bill for the prosecution of trusts should be spent in the prosecution of any labor organization, agricultural or horticultural societies for entering into any combination or agreement having in view the increase of wages, shortening of hours, or bettering of conditions of labor, or for any act done in furtherance thereof not in itself unlawful. It was concurred in by the Senate and vetoed by President Taft.

In the special session, and in this regular session of the present Democratic Congress, similar amendments to similar appropriation bills were adopted and passed by Congress and approved by President Wilson.

Section 7 of the Clayton antitrust bill, passed by the House during the present Congress, contained the following labor provision:

SEC. 7. That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of fraternal, labor, consumers', agricultural, or horticultural organizations, orders, or associations instituted for the purpose of mutual help, and not having capital or conducted for profit, or to forbid or restrain individual members of such organizations, orders, or associations from carrying out the legitimate objects thereof, nor shall such organizations, orders, or associations, or the members thereof, be held or construed to be an illegal corporation or a conspiracy in restraint of trade under the antitrust laws.

In several national platforms the Democratic Party pledged itself to the passage of this legal provision regarding the rights of labor unions, fraternal orders, and farm organizations. The public now must realize that the Democratic Party fulfills its promises at its first opportunity. It must not, however, be understood that this labor provision exempts labor or farm organizations or the members thereof from the consequences of any act of theirs which may otherwise be unlawful.

Labor again succeeds to its rights by two additional provisions in the Clayton antitrust bill. Both of them correct judicial abuses against which labor has long complained. One gives to everyone charged with indirect contempt the constitutional right of trial by jury, which has heretofore been denied by the Federal courts to persons so charged, and trial by court alone resorted to. The other labor provision provides rules for the issuing of injunctions in labor disputes, and forbids the promiscuous use of injunctions in such disputes except in well-defined cases.

CONVICT-MADE GOODS.

In the matter of goods, wares, and merchandise wholly or in part manufactured, mined, or produced by convict labor, or in any prison or reformatory, a bill was passed during this session of Congress by the House of Representatives and is now pending in the Senate making such goods, wares, and merchandise entering into interstate commerce subject to the operation and effect of the laws of each State and Territory to the same extent as though such goods, wares, and merchandise were manufactured, produced, or mined in such State or Territory. This is to protect free labor in each State that has laws for its protection against the cheap-made goods and products of convicts in other States. Its purpose is to prevent free labor from being exposed to the ruinous competition of convict labor.

PROHIBITION OF IMPORTATION OF CONVICT AND PAUPER MADE GOODS.

A bill of a similar nature prohibiting the importation into this country of the products of foreign countries produced, in whole or in part, by convict, pauper, or prison labor, or in the production of which such labor has been employed, directly or indirectly, has also been passed by the House during the present session of Congress and is now pending in the Senate, with good prospects of its passage. It is the purpose of this bill to protect not only American labor and American manufacturers from the ruinous competition of convict, pauper, and prison labor of foreign nations, but also to wholly exclude from importation into this country all such products, whether products of the field, quarry, mine, or factory.

It will be a genuine protection for American free labor against the actual convict, pauper, and prison labor of foreign lands. A considerable percentage of the total products imported into this country, as well as a considerable percentage of the products of this country, are made, in whole or in part, by convict, prison, or pauper labor. These products heretofore entered into competition with the products of free labor. These two last measures are designed, in the one instance, to prohibit the importation of that class of products and to deprive the products of the other class of convict labor of certain interstate-commerce rights upon their arrival in any State which has laws protecting the products of free labor from those of convict labor.

This Congress has established in the Department of Labor various divisions for the purpose of promoting the labor interests of the country. It has provided those newly created and existing divisions of the Department of Labor with liberal appropriations for carrying on the duties imposed upon them.

MEDIATION.

In the first session of the present Congress, when a widespread strike on all the eastern railways was threatened on the part of several branches of railway employees, at the suggestion of President Wilson, an important amendment was made to the arbitration and mediation laws, under which the railways and employees accepted mediation. This threatened to be one of the worst strikes in the history of the country, but the thoughtfulness and resourcefulness of a Democratic President and a Democratic Congress devised means of mediation by which that threatened disastrous strike was averted by granting an increase of pay to the railway employees and the saving of the traveling public from great embarrassment and annoyance. This was another genuine example of high constructive statesmanship on the part of the present administration.

There is now pending a threatened strike of a similar nature on railways west of the Mississippi River, and the same agencies, under the amended law above mentioned, are being employed to settle the same with every prospect of success, and to the great advantage of the public.

SEAMEN'S FREEDOM AND RIGHTS.

Last but not least we come to the promise contained in the Democratic national platform of 1912, with reference to the rights of seamen. There passed the Senate last October, and just recently passed the House, a bill known as the "seamen's bill." It contains a provision abolishing arrest and imprisonment as a punishment for the desertion of seamen from the merchant marine. At the close of the war the several States adopted an amendment to the Federal Constitution abolishing slavery and involuntary servitude. It was generally supposed that this wiped out every remnant of involuntary servitude in this country, excepting as a punishment for crime.

Our Supreme Court, however, has since held that this constitutional amendment did not extinguish or abolish the peculiar laws relating to discipline at sea. This is a freeman's country in all its parts, and no species of involuntary servitude should be permitted to exist under our flag. Hence, it is in accordance with the promises of the Democratic Party that we have passed the seamen's bill. This bill also materially promotes the general welfare of seamen in their employment, and materially promotes the safety of the traveling public at sea.

NO PRODUCTS OF CHILD LABOR IN INTERSTATE COMMERCE.

Among the important bills introduced in the House relating to the interest of labor and humanity is one to prevent interstate commerce in the products of child labor. Its purpose is to make it unlawful for any producer, manufacturer, or dealer to ship or deliver for shipment in interstate commerce the products of any mine or quarry, mill, workshop, factory, or manufacturing establishment which have been produced, in whole or in part, by the labor of children under certain ages.

The overworking of young children is one of the curses of our modern civilization. Both human and economic considerations demand that the working of young children under certain ages for gainful purposes should be prohibited. Their physical and mental development should not be dwarfed in the formative period of their lives. This bill has been favorably reported, and is now upon the House Calendar waiting its turn for consideration and passage.

MISCELLANEOUS LABOR LAWS AND MEASURES.

In the Sixty-second Congress the following labor measures became laws:

The eight-hour bill; the Children's Bureau bill; bill creating the new Department of Labor; bill creating the Commission on Industrial Relations; the Bureau of Mines bill, which extended the scope and usefulness of that bureau; resolution providing for an investigation of the Taylor system of shop management; dredge workers' eight-hour bill; provision in the Post Office ap-

propriation bill removing the so-called "gag rule," restoring to the postal employees the right to petition Congress; and the phosphorus-match bill.

The following labor measures have to date been passed and become laws in this the Sixty-third Congress:

Eight-hour law for women employees in the District of Columbia; bill creating Commission on Industrial Education; resolution providing for an investigation of industrial conditions in West Virginia; resolutions providing for investigations of industrial conditions in the coal fields of Colorado and the copper district of Michigan; and an increase of $100 per year in the salary of rural mail carriers—all Democratic work.

COMPENSATION FOR INJURED EMPLOYEES.

The last Democratic platform pledged that party, so far as Federal jurisdiction extends, to the passage of a Federal compensation law, providing adequate indemnity for injury to body or loss of life of its employees. It affords all friends of Government employees, and of labor in general, genuine satisfaction that there is now upon the House Calendar, favorably reported, H. R. 15222, otherwise known as the McGillicuddy-Kern compensation bill. This bill provides compensation for employees, or their heirs in case of loss of life, of the United States suffering injury or occupational diseases in the course of their employment, and for other purposes. It is now upon the Calendar for Unanimous Consent, and there is every prospect that it will soon be reached and passed. Thus another pledge of the party of Jefferson will be soon turned into law.

ANTITRUST LEGISLATION.

For years both the Republican and Democratic Parties have promised to strengthen the Sherman antitrust law for the purpose of wiping out and exterminating trusts and monopolies and controlling corporations and other business interests who by their evil practices have and are taking advantage of the consumers of the country and small business interests. It remained, however, for the Democratic Party at its first opportunity to carry out and fulfill this promise. The present Congress has in this session passed an interstate trade commission bill, and imposing by law upon this newly created commission certain duties to perform, and investing it with power to aid in the enforcement of the antitrust laws.

The House has also passed, and there is now pending in the Senate, a bill known as the Clayton antitrust bill, relating to the strengthening of the Sherman antitrust law, and providing for the elimination and prevention of many pernicious abuses and extortions on the part of monopolies, trusts, and combinations in restraint of trade.

Many gigantic frauds and abuses in bonds and stocks have for years been practiced by the railways of this country in the issuing and selling of so-called watered stock and bonds, until the actions of many railways have resulted in ruin to thousands of honest and innocent investors, and with great shame and disgrace to American laws and institutions and investments. A bill requiring that no stocks or bonds shall hereafter be issued or sold by railways, excepting in certain minor cases, without permission from the Interstate Commerce Commission passed the House this session almost unanimously. This bill is now pending in the Senate with every prospect of an early passage.

The interstate trade commission bill passed the House by a vote of 175 to 15. The Clayton antitrust bill passed that body by a vote of 175 to 54. The bill preventing the issuing or selling of railway stocks and bonds without permission from the Interstate Commerce Commission passed the House by a vote of 160 to 12. This shows that the representatives of the people are almost unanimously in favor of these long-demanded and much-needed measures. It also shows that the public had to depend upon a Democratic Congress to pass the same.

IN RELATION TO FARMING.

Since the Democratic Party has been returned to power it has rightfully devoted much of its time and attention to the protection and promotion of the welfare of farmers. It has legislated for and encouraged the farmer and farming interests of the country from practical standpoints.

GOOD ROADS.

At this session the House formulated and passed a practical plan for the encouragement and permanent improvement of postal routes used by rural mail carriers upon certain conditions to be complied with by each State that desires to take advantage of such Federal assistance and authorized an appropriation therefor of $25,000,000 per annum. This is the first proposed appropriation for a highway plan to meet with the approval of the House of Representatives since the beginning of the Government. This bill is now pending in the Senate, with reasonable prospects of passage. So long as the Government continues to pursue the policy of appropriating millions annually for rivers and harbors, to promote water travel, there is absolutely no reason why it should not furnish a portion of the money necessary to permanently improve the highways which its own rural mail carriers use.

AGRICULTURAL EXTENSION LAW.

True to its platform pledges upon that subject, this Congress passed a law known as the Lever cooperative agricultural extension bill. The purpose of this law is to aid in the distribution among the farming people of the United States of useful and practical information relating to agriculture, home economics, and to encourage the application of the same. This is to be done through the Agricultural Department and the colleges in each State, which under the act of 1862 received donations of public lands from the Federal Government to provide colleges for the benefit of agriculture and mechanic arts. It is, in other words, a system of practical farm instruction that can not be derived from books, magazines, or lectures. It consists in sending experienced and qualified instructors from the agricultural colleges and experiment stations out among the farming people to teach them by practical work and demonstrations many of the secrets and practical advantages of farming.

It will bring to the attention of the farmer, the farmer's wife and children—not through books, papers, and magazines, but in the most striking, practical, and instructive manner—such demonstrated truths and practices of successful farming which, if lived up to, will make farm living desirable and profitable as an occupation. It will carry out to the farmers the improved farming and practices of the agricultural colleges, experiment stations, the Department of Agriculture, and the best farmers, and demonstrate their value upon the farm itself, thus providing means by which the organized farming institutions may be made to serve all the people, as should be the case, rather than a limited and privileged few.

Earnest scientists are discovering every day useful truths which, if known by the farmer and applied by him, will mean financial independence and social progress. Much of this knowledge can not be acquired by the reading of books, papers, and magazines. But few farmers can afford to attend agricultural schools, and therefore this law has been passed for the purpose of carrying newly developed practical farming knowledge to the farmer. Under the provisions of this bill, for the first few years there will be an increasing appropriation made by the Federal Government each year for this important and useful work, until after seven years there will be permanently appropriated the sum of $4,500,000 for this purpose, annually.

MARKETING DIVISION.

Among the new forces created for the purpose of helping the farmer was a provision for the establishment of a marketing division in the Department of Agriculture. The purpose of this division is to assist the farmer in disposing of his crops as efficiently as it has assisted him in producing them. Some of the principal lines of investigation which will be undertaken in connection with this work are cooperative production and marketing, market surveys, methods and costs, market grades and standards, city marketing and distribution, transportation of farm produce, storage problems, marketing miscellaneous products, and marketing by parcel post.

It is of little benefit to farmers to improve the quality and increase the quantity of their crops if they can not learn when, where, and how to sell them to the best advantage; and both he and the consumer suffer if abundant harvests are allowed to be sold at ruinous prices in glutted markets while insufficient supply causes exorbitant prices and want at other points. The problem of distribution is equal in importance to the problem of production.

PARCEL POST.

A Democratic House, in 1911, originated and passed a country-wide Parcel Post System in connection with the Post Office Department. For more than a generation this valuable and practical means for the transportation of small packages has been a part of the postal system of nearly every civilized country. Its merits had been demonstrated by experience. During that same time there was a widespread and strenuous demand for its adoption in this country. Everyone vividly remembers the exorbitant charges exacted by express companies up to the time of the establishing of a Parcel Post System as a part of our Postal System.

For 16 long years, while the Republican Party was in power, these demands were repeatedly presented to Congress, and repeatedly Republican Congresses turned deaf ears to the appeals of the farmers and consumers of the country. In 1911, upon the restoration of the Democratic Party to power in the House, this long-continued and widespread demand on the part of the people for a Parcel Post System was passed and finally enacted into law.

So great has been the volume of business transacted by this branch of the Post Office Department that express rates on nearly all commodities, not exceeding the weight allowed to be carried by the Parcel Post System, have been reduced on the average about 60 per cent of the charges previously made by express companies. It is bound to bring the farmer and ultimate consumer into closer business relations, and enable the consumer to buy many articles of farmers' produce directly from the farmer at a lower price than that which he now pays, and at the same time bring the farmer higher prices for many articles produced and sold by him. Firm assurances are held out by the Postmaster General that in the near future, with further experiments and experience, that the usefulness and efficiency of the parcel system will be extended in every necessary direction in the promotion of the happiness and welfare of the farmers and the public at large.

INCREASE OF AGRICULTURAL APPROPRIATIONS.

This Congress has also shown its friendly disposition to the farming interests of the country by increasing the annual appropriation for the Department of Agriculture by over $2,000,000, making a total appropriation under this administration for the benefit of farmers of nearly $25,000,000 per annum.

HOG CHOLERA.

Upon the outbreak of hog cholera in the swine-raising sections of the country a year ago Congress promptly responded with an emergency appropriation of $600,000 for the purpose of aiding in controlling and exterminating that disease. In many other directions and ways the farming interests of this country have received the attention and assistance of Congress.

ENFORCEMENT OF OLEOMARGARINE LAW.

The judicial department of the administration has shown an active and practical interest in the protection of the butter interests of the country. Before this administration the enforcement of the laws controlling and regulating oleomargarine was considerable of a joke and produced insignificant results. A sample of the interest taken by this administration in the welfare of the farmer is shown by its vigorous prosecution of John F. Jelke, a millionaire oleomargarine manufacturer, who was convicted on the 4th of May last, in the United States district court at Chicago, for various violations of the oleomargarine laws. He was given the maximum penalty and sentenced to serve two years in the Federal penitentiary and pay a fine of $10,000 for conspiring to defraud the United States Government out of taxes on oleomargarine.

Nine of Jelke's associates and employees were also convicted and fined $2,500 each for conspiring with him in defrauding the Government out of oleomargarine taxes. Oleomargarine frauds had been perpetrated by the Jelke Co. to such an extent that it had deprived the Government of about $2,000,000 in oleomargarine taxes. A compromise of this vast sum due the Government for violations of the oleomargarine laws was made by Secretary of the Treasury MacVeagh, a Republican Cabinet member, for $101,000, but before it could be carried out a Democratic administration came into power and the proposed compromise was rejected and a vigorous prosecution ordered, with the result that a forcible example was taught the oleomargarine manufacturers of this country that will undoubtedly result in a permanent respect for this law and for the rights of the genuine butter manufacturers of the country. This is upon a large scale, one of the many practical demonstrations of the interest that this Democratic administration has taken in the welfare of the farmers of the country.

This Congress has also passed a law regulating the sale of cotton futures. It takes from the cotton exchanges of the country many of their gambling powers and advantages and guards the interests of the individual cotton grower. This law in a short time will undoubtedly be used as a pattern upon which all grain speculations will be regulated and controlled and the farmers protected in the sale of their grain and corn products.

LOANS ON FARM LANDS.

In the framing and passage of the banking and currency bill the Democratic Party did not lose sight of the great interest of farm owners in the money question. Before its passage and ever since the Civil War national banks were forbidden by law to under any circumstances make loans on farm lands, however valuable they might be. There were during the last years of that period and now are about 7,500 national banks in the country. Before the passage of the new banking and currency law it was impossible for any farmer, regardless of how much valuable and unencumbered land he had, to legally borrow any money upon it from any national bank. This forced the farmer when in need of money to borrow from trusts, State banks, or private individuals. This law limited the amount of money available for loans to farmers and made loans more difficult to secure and draw more interest.

The new banking and currency law, however, permits every national bank, excepting those situated in central reserve cities, of which there are only three, to make loans secured by improved and unencumbered farm land, but no such loan shall be made for a longer time than five years or for an amount exceeding 50 per cent of the actual value of the property offered as security. Such bank may not make such loans in excess of 25 per cent of its total capital stock and surplus or to more than one-third of its time deposits. This will make money for the farmer cheaper and easier to obtain. This also should be conclusive proof to the most doubtful that the Democratic Party in the consideration of the most important legislation placed by Congress upon the statute books in this country since the Civil War has paid careful attention to the interests and welfare of our farmers.

OTHER FINANCIAL MATTERS—INTEREST ON PUBLIC MONEY.

Under the Republican administrations large portions of the public funds were deposited with favored banks and no interest for the use thereof collected. Under this Democratic administration, however, public moneys in the same proportions were deposited in banks and interest thereon collected and paid into the Treasury for the benefit of the Nation. The interest thus derived for the Nation's benefit during the first year of this administration amounted to several million dollars. No such practical use of the Government's money has ever before been made by any national administration.

THREATENED BANK PANIC.

In the summer of 1913, when the banking interests of the country had quietly made arrangements to precipitate another money panic, a wide-awake and practical Secretary of the Treasury, Hon. William G. McAdoo, checked and exposed this scheme to plunge the country into a panic by publicly announcing that he would make practical use of the Vreeland currency bill, which until then had remained unused and unthought of, and under which the sum of $500,000,000 is authorized to be issued by the Government in financial emergencies. This quickly and effectively checked the proposed artificial bank and money panic. The history of the 1907 Republican panic tells a different story.

At the outbreak of the present European war, owing to the sale of American stocks and bonds and other investments held by European investors and the withdrawal of the proceeds thereof to Europe, and with European rates of interest and speculation in gold running high, there was created a great stringency in the money markets of this country, and again a widespread panic threatened this country. This time, however, it was of a bona fide nature. Again the brilliant and experienced Secretary of the Treasury came to the rescue of the country by requesting Congress to extend the provisions of the Vreeland currency bill for another year, the original provisions of that bill having expired on the 1st of July, 1914. To his request this Congress promptly responded, and the result is the restoration of confidence in the finances of the country.

NATIONAL DEFENSES—NEW LAND AND NAVAL VOLUNTEERS.

Among the many important laws passed by this Congress none are more important from the standpoint of national defenses than the law relating to the land volunteer forces and Naval Militia of the United States. It is true that laws upon this subject were upon the statute books, but they were inadequate, ineffective, obsolete, and out of date. Taking notice of such conditions, this Congress has prepared and passed a complete, up-to-date law providing for the raising of the volunteer forces of the United States in time of actual or threatened war. It has also placed upon the statute books a law to promote and increase the efficiency of the Naval Militia. Both laws were urgently needed and will greatly promote the efficiency, mobilization, and raising of troops and sailors in time of actual or threatened war.

BATTLESHIP PROGRAM.

A Democratic President and Secretary of the Navy have successfully and patriotically advocated the renewal of the two-battleship program as and for an adequate naval defense of the country. Congress, in compliance with their suggestion, has made provision in the naval appropriation bill for the construction of two more modern, up-to-date battleships and has also made provision, upon the sale of two obsolete naval vessels, to use the proceeds in building and constructing a third battleship or dreadnought, to be the largest in our Navy. The policies of the present Democratic administration aim to make and continue a naval policy which has for its object the upbuilding of an adequate Navy for the protection of the country.

PROGRESSIVE CONSERVATION LEGISLATION.

In compliance with the Democratic platform pledges, the fulfillment of which by the enactment into law has been strenu-

ously urged and advocated by the present administration, the Democratic House has considered and passed three several and distinct conservation measures, with two more reported favorably for passage. They are now pending in the Senate, with excellent prospects of passage in that body not later than at the last session of this Congress. These measures have been carefully considered and weighed in reference to the present development of the natural resources of the country, and are for the benefit of the present and for the preservation and usefulness of the same for future generations.

WATER POWERS.

Among such bills passed by the House we find one for a general water-power law applicable to the navigable streams of the United States not on public lands. Of all the country's natural resources none are as important as the water powers of the country. The welfare of the present and future generations demand that they shall not be improvidently disposed of, but that they shall be sacredly kept and controlled so that their usefulness may be utilized for the benefit of succeeding generations as well as the present. By using wisdom in this direction in future generations, when the country's supply of coal and other fuel shall have been exhausted, the people will then have ready and under their control the water powers of the country for the purpose of generating light, heat, power, and perhaps for other useful purposes. The bill passed by the House is generally considered the most up-to-date and progressive law that has ever been considered and passed in this country upon that important subject. The proposed law places the administration thereof in the hands of the Secretary of War.

A similar bill applying to water powers upon Government or public lands, including those in Alaska, is prepared and upon the House Calendar and will soon be passed. This bill places the control and execution of this law relating to water powers on public lands in the Department of the Interior.

RADIUM.

The world-wide importance of radium and its kindred ores to the medical profession and to diseased humanity has made it the part of wisdom to guard and conserve the deposits of carnotite, pitchblende, and other radium-producing ores. The efficiency and importance of radium in certain medical treatments can scarcely be overestimated, and it is wise that an adequate supply of radium for the use of the Government and people of the United States should be retained in the possession and ownership of the Government. Up to the present time nearly all of this important element has been monopolized by a few corporations and persons, and the prices thereof advanced beyond the reach of all sufferers excepting those who may be fortunate enough to be millionaires. To preserve for the use of humanity the wonderful curing effects produced by radium this House has thought it wise to place all ore deposits containing the same exclusively under the control of the Government.

Therefore the House of Representatives during the present session prepared a bill, which is now on the House Calendar ready for passage, which provides for and encourages prospective mining and treatment of radium-bearing ores upon lands belonging to the United States, in order to secure an adequate supply of radium for the Government and other hospitals in the United States. The purpose of this is to enable our people of moderate means who may be afflicted with diseases which are controlled and cured by radium to purchase and use the same at reasonable prices.

TO PROVIDE FOR LEASING COAL, OIL, ETC., PUBLIC LANDS.

To prevent any further increase in the number or size of existing monopolies, trusts, and combinations in coal, phosphate, oil, gas, potassium, or sodium, another bill has been prepared for passage during the present session by the House. The object of this bill is to encourage the development on public lands, under mineral leases, of the undeveloped mineral resources of the country. Instead of donating or selling title to mineral-bearing lands to private corporations or persons, it aims to keep the title and ownership of such lands in the public. This purpose is to accomplish by a method of leasing on a royalty basis the mineral fuels and mineral fertilizers and the public-utility minerals contained in the public lands of the United States, exclusive of coal in Alaska. It aims to preserve these great natural sources of wealth and their usefulness, to apply them to the use and benefit of the public, instead of, as has been done by Congress heretofore, giving complete title to private corporations and persons to be shortly thereafter developed into monopolies and trusts. It aims with these natural and public resources to protect and promote the welfare of this and future generations. Its importance can scarcely be overestimated.

RECLAMATION SERVICE.

Another bill of this nature passed by the present Congress that has become a law is the one relating to arid land and Reclamation Service. No more useful service to the human race can be performed than to turn the arid and unreclaimed lands of the country, which in a state of nature are useless, into fertile and productive soil, producing the crops so absolutely necessary to the sustaining of human life. The bill passed at this sesssion very materially enlarges and extends the scope of the present United States Reclamation Service. Its usefulness has been broadened and intensified to the happiness and welfare of the people, who at present and in the future will make their homes upon such lands.

MISCELLANEOUS CONGRESSIONAL AND ADMINISTRATION WORK.

The Democratic House in the Sixty-second Congress originated and passed a national campaign publicity and corrupt practices law, the first of the kind worthy of the name. This was also in compliance with the platform promises of the Democratic Party. During the present Congress, a bill to strengthen and improve the national campaign publicity and corrupt practices law has been introduced and passed and is in a fair way of receiving concurrence in the Senate. For nearly a quarter of a century the Democratic Party and the independent public press of the country demanded the enactment of such a law, but it remained for the Democratic Party to place it upon the statute books after being restored to power.

BIRD LAW.

The farmers of the country have in years past, and are at the present time, losing millions of dollars each year in crops because of crop-destroying insects. Recent experiments have shown the value of insect-devouring birds in helping to save the farmers' crops from destruction by insects. This Congress has placed upon the statute books a law prohibiting the destruction of such insect-devouring birds, and making ample provision for the enforcement of the same. If effectively enforced, it is predicted by scientists that our farmers will be saved millions of dollars annually.

ENFORCEMENT OF ANTITRUST LAWS.

One of the great pressing problems confronting this country for years has been the antitrust question. The strengthening and enforcing of the laws against trusts, monopolies, and combinations has been strongly demanded by the public. During 16 years of full power Republican administrations have failed and neglected to strengthen these laws, and to but feebly and in few instances only enforce the same.

This administration, however, has promptly and vigorously instituted and prosecuted numerous suits for the dissolution of many of the well-known, powerful, and oppressive trusts and monopolies. It has but recently successfully prosecuted to dissolution the International Harvester Trust, one of the most extensive and detestable of all trusts in the country. With threat of prosecution it has broken up and forced into reorganization within the law other notorious combinations and monopolies, such as the New York, New Haven & Hartford Railway Co.

It has broken up and dissolved the telegraph and telephone monopoly and various other minor trusts. The various divisions of the Department of Justice are busily and faithfully engaged in prosecuting to dissolution or out of existence in the courts various other trusts, monopolies, and combinations in restraint of trade. It can be depended upon at all times to make it unpleasant, unhealthy, and destructive for all concerned in violating our national antitrust laws.

WATCHFUL WAITING.

This administration inherited the troublesome, perplexing, and dangerous Mexican problem. At times it has appeared almost certain that this country would be driven into war or intervention with the Mexican nation. Conditions were such at times that war or intervention with that country was at the very threshold of this country. Our Army and Navy were prepared. Even the militia of the several States were expecting a call to arms.

The well balanced and patriotic wisdom of the President, however, directed our relations with that nation in such a manner as to avoid both intervention and war, with the result that the sunshine of peace now appears to be smiling on distracted Mexico. For months the greater portion of the Republican press and leaders sneered at the policy of the President with contempt and ridicule and dubbed it the policy of "watchful waiting." Now, when success has crowned the President's policy of watchful waiting and peace is restored in Mexico the same press and partisans are not even fair enough to give the President credit for having saved the people

of this country from the horrors and cruelties of a war with Mexico.

If it were not for the well-balanced policy of the President in the Mexican situation our troops would now probably be engaged in guerrilla warfare in that unfortunate country. A different policy would have forced this country to sacrifice upon Mexican soil thousands of useful and noble American lives and millions in money. We would have had before this time upon our hands the cruelties, barbarism, and horrors of war.

If the policy of watchful waiting, so much ridiculed and scorned by some of our public press, had prevailed in the councils of warring European nations the bloodiest war of all human history would not now be raging throughout the continent of Europe. It is said that peace has her victories as well as war. Who, then, is there among patriotic Americans who will deny that the victory of President Wilson in his policy of watchful waiting will not be considered by history greater, grander, and more sublime than any victory which crowned heads or victorious generals may finally win in the present European conflict. With the policy of watchful waiting we have, with honor, avoided war and all its attendant cruelties, horrors, and barbarism.

Federal Aid to Demonstrate the Practical Value and Uses of Denatured Alcohol.

EXTENSION OF REMARKS

OF

HON. J. A. FALCONER,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, July 29, 1914,

On the bill (H. R. 18479) to provide the Federal aid necessary to demonstrate the practical value of the amendments to the denatured-alcohol laws of the act of October 3, 1913.

Mr. FALCONER. Mr. Speaker, I desire at this time to refer to the subject of the value and uses of denatured alcohol as a source of power on the farm.

The consensus of opinion among farm leaders is that we have the framework of an excellent denatured-alcohol law. It is further suggested, however, that the Congress should provide the means to carry development of this important industry over the experimental stage.

Powerful interests are opposed to the development, and for Congress to fail to make adequate provision to demonstrate to the farmers and liquid-fuel users of the Nation the practical value of the legislation is to breed distrust where there ought to be confidence.

It is a great agricultural proposition, Mr. Speaker, and the object of my bill H. R. 18479 is to round out the legislation by providing for the machinery and means to prove the immense practical value of the denatured-alcohol laws given to the country by this Congress in the act of October 3, 1913.

The importance of the subject and the viewpoint of the farmers, may I think, be clearly seen in a memorandum supporting the proposed legislation drafted by a committee composed of C. B. Kegley, master of the Washington State Grange; William T. Creasy, master of the Pennsylvania State Grange; and George P. Hampton, the Washington representative of these and other grange organizations. I ask, Mr. Speaker, that the memorandum or rather brief, for it is a very comprehensive argument, be printed in the RECORD as a part of my remarks.

THE FARMERS' ARGUMENT IN FAVOR OF H. R. 18479.

The object of this bill is to give the necessary aid to demonstrate the practical value of the amendments to the denatured-alcohol laws of the act of October 3, 1913.

The original denatured-alcohol law of June 7, 1906, was intended by Congress, as a review of the committee hearings and speeches in Congress will show, to be of special benefit to agriculture. But as the Bureau of Manufactures of the Department of Commerce and Labor, in special Consular Reports, No. 51, states:

> Contrary to general expectation, it did nothing toward facilitating manufacture on a small scale in such agricultural distilleries as are operated very generally in Europe. However, in the following year an amendatory act was passed (approved Mar. 2, 1907) which was intended in part to remedy this defect in the original law.

The evidence of the CONGRESSIONAL RECORD and other official documents is equally conclusive that the amendment of 1907 was claimed by Congress to have been enacted for the benefit of agriculture. Farmers generally so accepted it, and their confidence that at last they had been given a square deal in the matter was strengthened, first, by an appropriation by Congress to provide for pioneer demonstration distilleries and educational and research work, and, second, by the actual installation of an experimental plant and the opening of a school of instruction by the Department of Agriculture.

That was seven years ago, and the farmer has had absolutely no benefit from it. Either the law was defective, and the efforts to make farm denatured alcohol distilling successful not sincere, or the advantages claimed for industrial alcohol distilling on the farm did not exist or were grossly exaggerated.

A review of the facts and evidence shows:

First. That powerful monopolies are vitally interested in preventing any competition with kerosene and gasoline in supplying the liquid fuel demand for light, heat, and power, or any competition with wood alcohol in supplying the demand for solvents in the manufacturing arts.

Second. That denatured alcohol is a better liquid fuel than either kerosene or gasoline and a better solvent in the arts than wood alcohol; that an abundant supply of denatured alcohol is the one thing these monopolies have to fear; and that the supply of denatured alcohol, if farm industrial distilleries are allowed to develop, is not only unlimited but can not be monopolized.

The development of industrial alcohol distilling on the farm is a menace to the oil and wood-alcohol monopolies, and considering the enormous amounts of the monopoly profits at stake, it is natural to assume that every effort has been made and will continue to be made to prevent such development.

An examination of the amendatory act of March 2, 1907, will show that it was not only a "gold brick" for the farmers, but that it was drafted with the plain intent of benefiting the large distillers.

Section 1 was ostensibly for the benefit of chemical manufacturers, but in a final "*Provided*" its real intent is shown to have been to give the Tobacco Trust special advantages in securing tax free rum for flavoring chewing tobacco.

Section 2 provides for the establishment of central denaturing bonded warehouses, which the development of the past seven years shows have been of immense serviceability to the industrial-alcohol trust.

Section 3 provides for the simplification of the regulations for manufacturing in large distilleries and for the shipment of the alcohol in tank cars in bond to any denaturing warehouse. The development of the past seven years shows that this also has been of great benefit to the industrial alcohol trust.

Section 4 is the farmers' "gold-brick" section. Its purpose would seem to have been to fool the farmers into helping to get the other sections enacted in the belief that they were getting something of real value. But, intentionally or unintentionally, they were deceived, and it remained for this Congress, at its first session, to amend the law so that it would be of real worth to the farmers.

THE PLAN OF FARM DISTILLING PROVIDED FOR BY THE NEW LAW.

While it had become quite generally known that the farm-distillery provisions of the denatured-alcohol laws were defective and actually operated to prevent the manufacture of industrial alcohol on the farm, it was not generally understood what the defects were or what were the essentials of a practical plan for farm distilling. The defects in the old law and the far-reaching industrial importance of the new, which entirely removes them, will be better understood by noting the essential features of a practical plan for operating farm distilleries, viz:

First. Small low-proof stills on the farms, of varying capacity to meet the needs of each farm, under the lock and seal of the Internal-Revenue Service.

Second. Central plants, of not less than 300 gallons daily capacity, to which the low-proof spirits from the small stills of the surrounding farms can be sent to be redistilled and denatured. In addition to redistilling the low-proof spirits received from the small farm stills, these central plants to insure their commercial success must have the right to make alcohol direct from farm products.

Third. Tank wagons for the transferring in bond of the low-proof spirits of the small farm stills to the central redistilling plant. Denaturing is impracticable until after redistillation in the central still, and the method adopted for distilling in the small farm stills and transferring their spirits direct to the redistilling plant must be such as to insure the internal-revenue control necessary to guard against fraud.

Fourth. The manufacture of industrial alcohol from the waste products of the farm is impracticable unless such manufacture is entirely free from many of the rigid regulations that rightly

govern the production of tax-paid spirits. The taxes on distilling apparatus would be burdensome on the small industrial farm still, and the tax on the manufacture of stills, which even the repairer of a single still would have to pay, would make the cost of the repair of the farm still excessive. Farm distilling must be made as inexpensive as it is possible to make it, and the farmer must be free to operate or to discontinue operation when he chooses. Therefore the regulations rigidly defining the material to be used, the percentage of alcohol that must be derived therefrom, and the time of operation can not apply to this class of distilleries without effectually blocking their development.

These essentials were all barred under the old law, but the new law removes all restrictions; and the new regulations prescribed by the Commissioner of Internal Revenue are as broad and liberal as this new act of Congress. So far as the law is concerned, the way is now open for practical development.

FEDERAL DEMONSTRATION.

But to leave the law as it stands without providing means to demonstrate its practical value is to convince the farmer that again, as is now being asserted, he has been "gold-bricked" and fooled with more legislation of no benefit to him.

Wherever the farmer has shown a disposition to take hold to operate under the new law, he has found it impossible to get reliable information, and has met such a mass of skepticism and doubt that he has been discouraged from taking the initiative. The argument is unanswerable—that if the leaders in Congress had faith that the law would do what is claimed for it they would have provided for the necessary demonstration and educational work.

Other farmers who appreciate the practical value of the new law realize that in the face of powerful monopoly opposition and a general feeling of doubt they are powerless to do much until the pioneer demonstration work has shown conclusively that the law is all right and that the practical commercial possibilities are all that are claimed for them. They look to the Government to do this and to Congress to provide the means.

EFFECT ON GASOLINE INTERESTS.

Prior to the passage of the new law the news items and press dispatches telling of the scarcity of gasoline and the steady advance in price and deterioration in quality were frequent. But now that the law makes farm operation practical and the abundant supply of denatured alcohol liquid fuel an early possibility, thus menacing the liquid fuel monopoly, the press dispatches tell a different story. The duplication of articles in newspapers in all parts of the country, to the effect that the "gasoline output is increasing yearly" and that "there is no need to worry over a substitute for motive power for motors," shows a common origin and that a general publicity bureau is at work.

In direct contradiction to this new publicity policy of the gasoline interests is the statement of Joseph A. Anglada, chairman of the Metropolitan section of the Society of Automobile Engineers. The following quotations are taken from an address delivered by him before the automobile school of the West Side Young Men's Christian Association, of New York, on May 20 last:

The subject of motor-car fuels of late has been receiving a great deal of attention on the part of the engineering profession and, to some extent, by the public. In fact, the unsatisfactory quality of "gas" now available has become a topic of almost every-day discussion. Prof. Magruder, of the Ohio State University, stated a few months ago that if all the gasoline engines in the country now in use were to run at their rated horsepower for 10 hours a day the known gasoline supply would last about 30 days. In other words, if the gasoline engines in use were run at their maximum horsepower the amount of gasoline available would be sufficient only to run them one hour a day for about a year.

This puts to rest the popular impression that the high price and low grade of present-day gasoline is due mainly to trade combinations and artificial restrictions of output. At various meetings of engineering societies held during the past few years, at which representatives of fuel producers were present, it was authoritatively demonstrated that the grade of fuel obtainable from crude petroleum must necessarily decrease in quality and increase in price, due to the restricted amount of available crude oil suitable for the production of gasoline. It must also be considered that the increase in the number of engines using gasoline means an increase in the quantity of lubricating oil necessary for the operation not only of these engines but other machines, contrivances, and devices used for industrial and household purposes. Differently expressed, the production of lubricating oil from crude oil has also served to reduce the quantity of crude material for the manufacture of gasoline.

Experiments conducted by the United States Government as well as foreign Governments and independent laboratories are conclusive in establishing the fact that any gasoline or kerosene engine on the American market can operate with alcohol as a fuel without any structural change whatsoever.

An engine designed for gasoline or kerosene will give about 10 per cent more power when operated on alcohol, provided the necessary modifications are made. An engine specially built for alcohol will give from 20 per cent to 30 per cent more power than is obtainable from a regular gasoline engine of the same size. Because of the increased efficiency obtainable from a standard size of engine using alcohol, the cost of production per horsepower will be less than that of gasoline or kerosene engines of the same class.

Furthermore, the deposit of carbon in an alcohol engine, if the proper grade of lubricating oil be used, is impossible, while gasoline and kerosene engines can not be used without having the interior parts become "sooty," with a resultant loss of power. Another factor which counts in favor of the alcohol engine is the fact that its exhaust is not as hot as that from a gasoline or kerosene engine, thus minimizing the danger from ignition and the possibility of burning the lubricating oil, the latter being a decided advantage over gasoline and kerosene engines.

In conclusion, it will be interesting to note that the subject of alcohol as a fuel is now receiving primary consideration by some of the world's leading engineering organizations. In England the Imperial Motor Transport Council has formed an alcohol motor fuel committee, composed of internationally famous scientists, and in France the Automobile Club of France, in collaboration with the Society of Automobile Engineers in this country, has undertaken the scientific development of an engine for conducting experiments to determine the best features of construction and factors regulating an engine to operate to the greatest advantage on alcohol.

IMPORTANCE OF FARM INDUSTRIAL DISTILLING TO AGRICULTURE.

Our consul general at Berlin, in a special report, stated:

The law governing the industrial uses of alcohol was enacted in 1887, and by reason of its underlying causes and practical results is worthy of study as an example of intelligent, far-seeing fiscal legislation.

The landowning class, which included the influential nobility, urgently demanded legislation which would save the waning profits of agriculture.

It was accordingly decided to make alcohol for industrial uses as cheap as possible, and to promote by all practical means its production and consumption in this country.

And after 17 years of trial our consul general, in the same special report, states:

The wisdom of the system established by the law of 1887 has long ceased to be a question of debate. For every Reichsmark of revenue sacrificed by exempting denatured alcohol from taxation the Empire and its people have profited tenfold by the stimulus which has been given thereby to agriculture and the industrial arts.

The Commissioner of Internal Revenue, the Hon. John G. Capers, accompanied by the chief chemist of the bureau, made an official investigating trip to Europe in the summer of 1907, and in his annual report for the year ending June 30, 1908, gave a detailed report of his investigations. The report says:

There were in operation during the year 1906–7, however, 13,837 agricultural distilleries, of which 5,871 used potatoes as a raw material, and 7,966 used various kinds of grain. These distilleries produced, in round numbers, 86,000,000 gallons out of a total production of 101,000,000 gallons, of which 78,000,000 gallons were made from potatoes.

They must use exclusively as raw material grain or potatoes grown on the farm or farms of their owner or owners and must use all the residues or by-products as feeding materials or fertilizers on the same farms. They are all fairly good-sized plants, capable of producing high-proof alcohol, in continuous process, and with a daily capacity of 120 to 400 gallons proof spirit.

Speaking of the development of use in the United States, the report says:

The use of denatured alcohol for purposes of fuel, light, and power in this country is increasing, notwithstanding the relative cheapness of petroleum products, as the necessary appliances for such use are being manufactured and introduced, and the merits of alcohol as a source of energy brought to the attention of the public.

The greatest ultimate advantage to be reaped from the denatured-alcohol law, however, are its benefits to agriculture, in the shape of increased diversification of crops, enhanced productiveness of unfertile soils, and utilization of what would be otherwise waste crops or by-products of crops.

The one thing we need in our country in this matter more than anything else is the reduction of the cost of making alcohol. The Germans, after 40 years of experience and experiments, use cheap potatoes, while we are yet compelled to use high-priced grain. Our western country—the Dakotas, Nebraska, Minnesota, Montana, Iowa, and Kansas—will be the first to produce alcohol from potatoes and farm molasses, the by-products of the sugar beet.

All who have visited Germany to make a study of agricultural distilleries and the benefits which German agriculture has derived from these agricultural distilleries and the value of alcohol as a fuel and important factor in that country's manufacturing development bear the same testimony. From no disinterested source do we find a dissenting voice.

DOES NOT IMPOVERISH THE SOIL.

As to the immense advantage of alcohol manufacture as a factor in soil conservation equal unanimity of opinion exists among men of science. Dr. H. W. Wiley, formerly Chief of the Bureau of Chemistry, Department of Agriculture, in testifying before the Ways and Means Committee of Congress at the free-alcohol hearing, said:

The farmer can grow any amount of starch and sugar that may be wanted for any purpose in the world. There is no limit to the amount of starch and sugar which the farmers of this country can grow, and not a pound of starch or sugar takes one element of fertility from the soil. It is a pure gift of God, and if He had not meant it to be used, I suppose He would not have given it to the world. So there is no limit, in my opinion, upon the capacity of the farmers of this country to supply the materials for making ethyl alcohol.

Prof. S. Lawrence Bigelow, of the University of Michigan, in a paper on denatured alcohol in the Popular Science Monthly, said:

It is not too much to say that if we arrange all the liquids known to us in the order of their general usefulness water, which heads the list,

of course, will be followed immediately by ethyl alcohol. * * * Made by the growth of plants utilizing carbon dioxide and water from the atmosphere, it contains nothing but carbon, hydrogen, and oxygen. All the rest of the plant may be returned to the soil, which thus is not impoverished. It is the best method known to us to-day to store the sun's energy.

So much for the scientific side of the question and the evidence of great practical success in Germany. Surely this is enough evidence to show that the legislation was wise, and that under right conditions agricultural distilleries can be and are being rapidly developed.

THE REAL BEGINNING.

State Master William T. Creasy, of the Pennsylvania Grange, speaking for the grange organizations generally to a gathering of 5,000 farmers at Chestnut Hill, Pa., on Agricultural Distilleries and Industrial Alcohol Development, in concluding his address, said:

The building and operating of the first denatured alcohol farm distillery will mark the real beginning of this great industrial development that shall bring to every farming district and every farm the full benefit of this great advance in farm betterment. Industrial alcohol farm distilleries properly established mean all modern improvements in the rural home, the lessening of the toil of the farmer's wife, the cheapest and best of all liquid fuels for light, heat, and power, and the profitable utilization of waste and otherwise unsalable crops, and, above all, the natural method of preserving soil fertility.

Those who study the possibilities of farm industrial alcohol distilleries purely from the standpoint of alcohol production fail to realize their great importance. In the big central distilleries making potable alcohol is the all-important thing, and the by-products are of minor importance. In the small farm distilleries conditions are reversed; the feed and fertilizing features are most important and the alcohol the less important product. So true is this that there are doubtless places in the United States where it would even pay to operate industrial alcohol distilleries if the denatured alcohol had to be sold at a merely nominal price. The local farm distillery, in fact, will be one of the farmer's best profit producers and a sure safeguard against loss from glutted markets and injured crops.

The industrial advance made possible by the amendment to the denatured-alcohol laws providing for industrial alcohol distilling on the farm may be summarized as follows:

The conservation of soil fertility.
The utilization of waste products of the farm.
Modern improvements in the rural home.
An abundant meat supply.
Freedom from monopoly control of liquid fuel for light, heat, and power.
An unlimited fuel supply for the automobile.
Cheaper alcohol for industrial purposes.
The development of new industries.
Natural enforcement of scientific farming, the profits of farm distilling being directly proportional to the adoption of the best methods of crop rotation in combination with stock raising and scientific soil conservation.

As long ago as 1908 the Commissioner of Internal Revenue, after a visit to Europe, showed in his annual report the requirements for farm distillery development, and urged the farmers to be patient. On this point he said:

It must necessarily require much time and work for this development, but if the farming community in different parts of the country, instead of becoming impatient for direct and immediate results, will extend earnest sympathy and cooperation to the scientific workers in the several State experimental stations and in the Federal departments engaged in the problem much greater progress will be made.

The farmers were patient, but no results came from departmental activity. Congress remained indifferent to the needed changes in the law until this Congress at its first session amended it. This constructive legislation now needs to be supplemented by an appropriation for demonstration or educational work.

In 1907, when the original law was amended, ostensibly for the benefit of the farmer, the pioneer demonstration work was undertaken by the Government, and money was appropriated therefor by Congress. But the farmers got no benefits, because the law, for them, was inoperative. Now they are told that the new law enacted at the first session of this Congress is a good law, and their reasonable expectation is that Congress at this session will provide the means to demonstrate that it is a law of genuine practical value to farmers. If Congress does not do this, why should they not believe they have been given another "gold brick"?

Congress appropriates millions and hundreds of millions of dollars to improve our waterways, to irrigate our dry areas, to reclaim marshes and deserts, to build canals, to reforest our mountains, and to aid commerce in many ways. But, in proportion to the amount, no appropriation Congress was ever called upon to make was more far-reaching in its effects or more directly affected all the people than would this appropriation for the pioneer work in farm denatured alcohol distillery development. And the amount is not millions, but only $100,000.

This Congress, after years of neglect and failure to do anything, amended the law to make it workable. Can it now afford to adjourn without making the small provision necessary to demonstrate the practical value of the new law?

Revoking Leaves of Absence.

EXTENSION OF REMARKS
OF
HON. CHARLES H. SLOAN,
OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 25, 1914.

On House resolution 601, as follows:

"*Resolved*, That all leaves of absence heretofore granted Members are hereby revoked;

"*Resolved further*, That the Sergeant at Arms is hereby directed to notify all absent Members of the House by wire that their presence in the House of Representatives is required and that they must return without delay to Washington;

Resolved further, That the Sergeant at Arms is directed to enforce the law requiring him to deduct from the salary of the Members their daily compensation when they are absent for other cause than sickness of themselves and their families.

Mr. SLOAN. Mr. Speaker, on the 25th of August, 1914, Majority Leader UNDERWOOD presented a resolution to the House by which all leaves of absence were canceled. Presence of all Members was demanded, and the enforcement of a penalty, to wit, the forfeiture for nonattendance of salary was threatened.

To myself and Republican colleagues, Messrs. KINKAID and BARTON, this resolution has little personal concern, because we have been present and, with few exceptions, in constant attendance upon the sessions of the House, with but few exceptions, since April 7, 1913.

Numerous civic and educational societies, as well as public associations have during that time requested our attendance in our State and respective districts to make addresses on public occasions. We have, however, recognized and obeyed the demands of public duty, and thereby disappointed our constituents and friends.

Constant attendance of the membership of the House and reasonable application by those in authority could have very easily finished all our work, save and except a few emergency matters incident to the European war by the 1st of June this year, or, at the latest, the 1st of July. Yet one of the annual appropriation bills, which should have been completed months ago, has not become a law.

A great many of us believe that the period from December 1, 1913, up to July 1, 1914, should have been the time for special activity on the part of the House of Representatives and the enforcement of attendance. Because the same power existed then which is being exerted now to compel attendance and the passage of the resolution, except for publicity purposes, is a mere vain thing. The law fixes a Congressman's salary at $7,500 a year, in 12 equal payments. I do not believe that his salary can be reduced by resolution of the House, as the question of his attendance or nonattendance and the manner of the performance of his duty is largely a question between him and his constituents, except, of course, the summary process of the House will compel attendance.

It is well known that the primaries and conventions in the solid Democratic States of the South settle the congressional successions, and the constitutional elections are then regarded as a mere matter of form, depending alone on the advance of the calendar.

The gentleman from Alabama [Mr. UNDERWOOD] stated in answer to the minority leader, Mr. MANN, as follows:

Now, I want to say to the gentleman from Illinois [Mr. MANN] that what he says about the membership of the House leaving here to go home and attend to their primary elections is not warranted by the facts, only in exceptional cases. I know that when the primary election in Alabama took place, with one exception, the Alabama delegation was on the floor of the House attending to its duties. [Applause on the Democratic side.] And I know that is true in most of the other Southern States.

And Mr. HEFLIN, his colleague from Alabama, stated as follows:

The Alabama delegation, the most of it, remained here. I had no opposition. * * * The Mississippi delegation did not go home. Others who had opposition did not go home except for a day or two before the primary in order to vote. * * * Democrats, regardless of North, East, West, and South, are demanding that the Republicans stay here and perform their duty. * * * We propose to keep you here and make you attend to your duty. * * * [Applause on the Democratic side.]

The foregoing remarkable statements seemed to be authoritative, as no Member from the States referred to submitted either criticism or correction. Members from those States can not complain if the challenge of the Alabama gentleman is accepted and the record appealed to.

This resolution was being considered when the last Democratic primary was being held in the South. That was in South

Carolina. The resolution, of course, if it had any vitality, could not become operative until the next day. Meanwhile South Carolina Members could return, but Michigan and California Members, whose primaries were held the same day, could not reach Washington, nor could Congressmen engaged in the Maine campaign, where the election takes place on the 14th of September, reach Washington on the 26th.

The gentlemen's statements as to the nonattendance of Members at certain primaries or campaigns leading up thereto would have been more convincing if they had shown where these gentlemen actually were prior to their respective primaries, because the CONGRESSIONAL RECORD reveals the following facts:

ALABAMA.

(Primary April 6, 1914; 10 Representatives.)

There were 8 roll calls between March 9 and March 31 when there were 10 Representatives (1 of these being seriously ill).

At each of these roll calls not more than 6 were present.

At 6 roll calls only 4 out of 10 were present.

At 1 roll call only 3 out of 10 were present.

Six roll calls between March 31 and April 7 when there were 9 Representatives.

At 5 of these roll calls only 5 out of the 9 were present.

At one roll call only 1 out of the 9 was present.

Three Members were absent at every one of the 14 roll calls.

One other Member was absent at all except 1 roll call; 1 other Member was absent at 7 out of 14 roll calls. Making 5 Members who were absent at more roll calls than they were present.

ARKANSAS.

(Primary March 27; 7 Representatives.)

Thirteen roll calls between March 2 and March 27.

At 5 of these roll calls only 4 out of 7 were present.

At 6 of these roll calls only 5 out of 7 were present.

At 1 roll call 6 out of 7 were present.

One Member was absent at all 13 roll calls.

Two Members were absent 6 out of 13 roll calls and 1 Member was absent 4 out of 13 roll calls.

FLORIDA.

(Primary June 2; 4 Representatives.)

Twenty-two roll calls from May 6 to June 3.

At none of these roll calls were more than 2 of the Members present.

At 14 of these roll calls 3 out of the 4 Members were absent.

At 2 roll calls all 4 of the Members were absent.

GEORGIA.

(Primary August 19, 1914; 12 Representatives.)

Thirty-six roll calls between July 31 and August 21.

At none of these were more than 6 out of 12 Members present.

At 11 roll calls only 5 out of 12 were present.

At 17 roll calls only 4 out of 12 were present.

At 3 roll calls only 3 out of 12 were present.

Five Members were absent at each one of the 36 roll calls.

One Member was absent at 33 out of the 36.

One Member was absent at 23 out of the 36 roll calls.

Seven out of 12 Members were absent at more roll calls than they were present.

It should be said that 2 Members of this delegation were seriously ill during this time.

LOUISIANA.

(Conventions August 27 and September 21; 8 Representatives.)

Forty roll calls from July 27 to August 27.

At none of these roll calls were more than 4 out of 8 Members present.

At 4 roll calls only 3 out of 8 were present.

At 12 roll calls only 2 out of 8 were present.

At 9 roll calls only 1 out of 8 was present.

At 12 roll calls no member of the delegation was present.

Four Members were absent at each one of the 40 roll calls.

One Member was absent at 32 out of the 40 roll calls.

One Member was absent at 29 out of the 40 roll calls.

One Member was absent at 26 of the 40 roll calls, making 7 out of 8 Members absent at more roll calls than they were present.

SOUTH CAROLINA.

(Primary, August 25; 7 Representatives.)

Thirty-three roll calls between July 27 and August 26.

At 1 roll call 6 out of 7 Members were present.

At 2 roll calls 5 out of 7 Members were present.

At 6 roll calls 4 out of 7 were present.

At 3 roll calls only 3 out of 7 were present.

At 10 roll calls only 2 out of 7 were present.

At 3 roll calls only 1 out of 7 was present.

At 8 roll calls all 7 Members were absent, making 24 roll calls at which more Members of the delegation were absent than present.

One Member was absent at 31 out of 33 roll calls.

One Member was absent at 29 out of 33 roll calls.

Two Members absent at 23 out of 33 roll calls.

Three Members absent 17 out of 33 roll calls.

Each of the 7 Members was absent at more roll calls than he was present.

TEXAS.

(Primary July 25; 18 Representatives.)

Thirty-two roll calls from June 25 to July 23.

At none of these was more than 11 out of the 18 Members present.

At 5 of the roll calls there were 10 of the 18 Members present.

At 3 of the roll calls there were only 9 of the 18 Members present.

At 7 of the roll calls there were only 8 of the 18 Members present.

At 10 of the roll calls there were only 7 out of the 18 present.

At 4 of the roll calls there were only 6 out of the 18 present.

At 1 roll call only 5 out of the 18 were present.

At 1 roll call only 1 out of the 18 was present.

Making 26 out of 32 roll calls at which one-half or more of the Members of the delegation were absent.

Six Members were absent at all 32 roll calls.

One Member was absent at 31 out of 32 roll calls.

One Member was absent at 27 out of 32 roll calls.

One Member was absent at 24 out of 32 roll calls.

One Member was absent at 22 out of 32 roll calls.

One Member was absent at 18 out of 32 roll calls.

Making 11 Members who were absent at more roll calls than they were present.

Notwithstanding the above statements in the RECORD, Messrs. UNDERWOOD and HEFLIN charge the minority with being sectional in its opposition to this resolution. With this primary record and the particular time of presentation of this resolution, it is not difficult to see who brings in sectionalism and attempts to thus control the Maine election and prevent discussion of national issues throughout the North.

The charge of Messrs. UNDERWOOD and HEFLIN against Mr. MANN for springing sectionalism reminds one of the outlaw in the oriental desert meeting the pilgrim, and, drawing his sword, demanded "Art thou a follower of the true faith or a Christian dog?" The pilgrim said: "Stranger, I am a Christian." The outlaw, swinging the sword of Moslem, said: "Then, by the beard of the Prophet, thy purse and life are forfeit to his sword. Thou shouldst not have sprung the religious question."

Moreover, there are, barring temporary vacancies, 435 Members of the House of Representatives. The Democrats have 288. The remaining 147 belong to the minority divisions. It requires 218 Members present to constitute a quorum. There have been in this session of the Sixty-third Congress up to August 25 197 roll calls. At only 37 of these have there been as many as 218 Democrats present. Since the 5th of June, 1914, the Democrats have not had enough for a majority of the House present at any roll call. Since that time and up to and including this resolution there were 100 roll calls. On the passage of this resolution on August 25, 1914, there were absent 111 Democrats, 41 short of a quorum. This resolution was opposed by 6 Democrats, most of whom were quite regular attendants. This resolution was favored by many Democrats, varying in their nonattendance from the casual and infrequent attendant to the mysterious stranger whom their colleagues had had little opportunity to see or know. I expect and have expected to remain in attendance upon Congress while it will be in session and my presence needed. This resolution will have nothing to do with my attendance, absence, or drawing of salary. I do object, however, to this resolution as being a mere spasm of virtue and a paroxysm of patriotism entirely uncalled for, out of season, and out of place.

The Sergeant at Arms' duty is now precisely what it was at the beginning of his term of office, April 7, 1913. If the law is in force authorizing him to enforce the penalty referred to in the resolution, he should have enforced it from that day without any direction from this House. If he enforces it now, he certainly should enforce it as from April 7, 1913.

There is presented in this unusual procedure a remarkable confession of the breaking down of the obnoxious caucus rule, which has declined so much from its former vigor that it now either has not the force or efficacy to compel its own Members to attend the sessions of the House or it has become recognized as so inefficient that it was not resorted to.

Criticism is not leveled against the Members of the Southern State delegations for spending such reasonable time as they saw fit in presenting their claims to their constituents. They should not have fathered or stood for a move that practically prohibits a northern Member from doing a similar turn.

Railway Mail Pay.

EXTENSION OF REMARKS
OF
HON. JEFFERSON M. LEVY,
OF NEW YORK,
IN THE HOUSE OF REPRESENTATIVES,
Saturday, August 22, 1914.

Mr. LEVY. Mr. Speaker, it is to be assumed that in enacting new laws regarding railway mail pay or any other subject Congress will always seek the guidance of the fullest information obtainable and will take advantage of every source of illumination upon any question concerning which legislation is proposed. This is so obviously the duty of the law-making branch of the Government that there should properly be no necessity for asserting it or occasion for urging its observance.

But the necessity and the occasion nevertheless do exist. This bill, H. R. 17042, which would completely reconstruct the entire system of railway mail pay, introducing new and wholly untried features and subjecting the railroads to a degree of arbitrary control for which no parallel exists or has hitherto been proposed, can not be passed unless Congress not only chooses deliberately to disregard the earnest and honorable labors of one of its own committees, but also closes its eyes to the most important body of facts concerning this long-disputed question that has ever been collected.

A joint bipartisan committee of Congress has spent two years in studying the railway mail pay problem. The committee held repeated hearings, at which a large number of railroad officers and Post Office Department officials were examined. Both sides presented elaborate statistical studies bearing upon the question, partly on their own initiative and partly in response to specific requests by the committee for information upon certain points.

It is safe to say that every recognized authority on railway mail pay in the United States, whether in the service of the railroads or of the Government, appeared before the committee and, orally or in writing, told all he knew about the matter. Furthermore, the committee had the advantage of the independent advice of a representative of the Interstate Commerce Commission and other disinterested experts on the science of transportation.

The committee concluded its hearings last spring, the termination of the inquiry having been delayed by the submission on the part of the Post Office Department of voluminous additional exhibits after it had been informally understood that both sides had finished their presentations.

Since the termination of the hearings the committee has been at work coordinating the immense mass of facts, figures, comments, and opinions that have been laid before it in order to present the whole in systematized and understandable form to Congress in its report. The committee has not yet been able to work this report into final form for submission, but it is generally known that this labor is nearly completed.

Enough has been said to indicate that this report may reasonably be expected to be the most valuable contribution to the solution of the railway mail pay problem ever compiled. To take hasty action upon mail-pay legislation prior to the appearance of this report would be nothing short of the choice to act in darkness instead of in light; yet if the efforts to rush through this bill, H. R. 17042, prevail, that is the position in which the House of Representatives will be placed.

If it is said that the Post Office Department officials, whose views are embodied in this bill, attended the committee hearings, and that the facts collected are available for their consideration, the answer is that it can not in common sense be supposed that they have made an absolutely impartial study of these facts, with only the object of abstract justice in mind, or that they have analyzed the whole situation and coordinated and systematized the whole mass of complicated information from a purely disinterested viewpoint.

The officials of the Post Office Department are interested parties. Their personal advantage, political and otherwise, is bound up in keeping the expense of the Post Office Department as low as possible. They have the right to present their case before a disinterested tribunal; but to allow them to decide the controversy, which is what the passage of this bill would accomplish, would be equivalent to allowing a party to a lawsuit to act as the judge.

Moreover, the rates named in this bill are entirely too low, and of this fact abundant evidence was given before the joint congressional committee. The base rate named in this measure is 21 cents per mile for the movement of a 60-foot mail car. The rate first named was only 20 cents, but the trifling concession of another cent was later allowed, and appears in the amended form of the bill.

The mails are transported in passenger trains. Furthermore, the bulk of them move in the fastest trains, those that are the most expensive to operate. It was shown in the hearings before the joint committee that the average earnings from passenger trains throughout the country were at the rate of substantially 25½ cents per car mile. This included the revenue from the mail and express moved in the same trains.

It was shown also that in a typical mixed passenger train the space devoted wholly to passengers yielded relatively the highest return, although concededly passenger traffic is not generally remunerative to the railroads. The space devoted to express came next in yield, and the mail space was the least productive of all.

The evidence indicated that express space is 19 per cent and passenger 37 per cent more productive relatively than mail space. Considering only the actual transportation service rendered, the railroads, on the average, do as much to earn $5 from the mails as to earn $6 from express service, yet the latter is far less expensive and burdensome to the railroads by reason of the fact that many extra and wholly unpaid services are rendered the Government in connection with the mail service, while nothing but the bare transportation is furnished the express companies under their contracts. Anything extra in the way of services or accommodations the express companies pay for, while the Government does not.

The rates named in this bill would accentuate and perpetuate these inequalities. The bill would not only enact maximum rates for carrying the mails, which, on a car-mile basis, are 4½ cents lower than the dead level average of car-mile earnings in passenger trains throughout the country, but would establish a basis considerably lower than the most disinterested advice received by the joint congressional committee indicated would be the least that could possibly be fair.

Dr. M. O. Lorenz, associate statistician of the Interstate Commerce Commission, made an independent study of the mail pay problem for the joint congressional committee and reported that in his opinion the railroads were entitled to an advance of at least 10 per cent in their total payments for carrying the mails, and named 22½ cents per car-mile as a base rate at which they certainly would not be overpaid. This is 1½ cents higher than the maximum rate which this bill now before the House authorizes.

Dr. Lorenz, moreover, suggested that the 22½-cent base rate be regarded as merely experimental, with the understanding that the railroads should have recourse to the Interstate Commerce Commission if, after trial, they believed it failed to provide them adequate remuneration.

This bill now before the House would not only establish a maximum scale of rates much too low to be fairly remunerative, but would also inaugurate a system of determining the actual payments which is condemned not only as being unscientific and unfair, but also as being objectionable on the grounds of public policy.

Under the present system about 90 per cent of the mail pay of the railroads is derived from a simple ton-mile basis; that is, the railroads are paid in proportion to the average weight of the mails hauled daily on each route multiplied by the number of miles in the route. The wholesale and retail principle is recognized by the fact that the rates of pay decrease sharply as the average weight on a given route increases.

The other 10 per cent of railway mail pay consists of allowances made for the use of the traveling post offices, or railway post-office cars, which are constructed and furnished especially by the railroads for the accommodation of mail clerks in sorting mails en route and which are not available for any other form of transportation service when not used for carrying the mails.

The system which this bill proposes to establish is based on the car space required, or supposed to be required, for the transportation of the mails on every route. The fundamental rate is the one already named, a maximum allowance of 21 cents per mile for the movement of a full 60-foot traveling post-office car, with proportionate allowances for 30-foot and 15-foot compartments and with an allowance for mail-storage cars 1 cent less per car mile than that for the traveling post-office cars.

The first objection that can be raised to this system is that weight times distance, or the ton-mile, is the universally recognized and entirely logical measure of the service of transporting goods or freight of any kind. In a broad sense, although not technically, the mails are a kind of exceedingly high-class freight. When the Government pays for the actual weight of the mails in proportion to the distance they are transported,

it is paying for a definite and specific service rendered, which is capable of exact determination and about which there can be no dispute. When it is paying on any other basis it is paying by estimate or opinion.

The bill leaves it wholly to the judgment of the Postmaster General to say what space is required for the different routes. The pay to the railroads will be based entirely on that space as designated, irrespective of the actual extent of the service rendered. The designation of space is a matter of opinion, and both the railroads and the Government would be deprived, by the terms of this bill, of the protection which is given by a system under which the service really rendered may be ascertained by ordinary physical measurements.

The Postmaster General could not, of course, personally exercise his judgment in the case of every route. He would be compelled to rely on the reports of subordinates and merely place the stamp of official approval on their actions.

It is almost self-evident that, according as the currents of politics might change, a Post Office administration, under the terms of this proposed law, could unduly favor or harshly discriminate against the railroads. The possibilities for corruption among minor officials and employees on both sides which would be opened up by a system of paying by opinion, instead of by actual service rendered, hardly need pointing out.

There is one other feature of this bill that is of a most serious character, and that alone should insure its defeat, even were this an appropriate time for mail-pay legislation and the measure otherwise apparently most fair and admirable. This is the feature of the measure by which no specific or definite rates are named at all, but merely maximum limits to the exercise of the Postmaster General's discretion.

It is nowhere stated in the bill that the Postmaster General "shall" pay the railroads anything for carrying the mails. It is merely specified that he "may allow" them for their different services "not exceeding" certain rates.

It is left wholly to his personal discretion to make the actual payments, in practice, as much less than these maximum amounts as he chooses or thinks wise or expedient. So the railroads would not even be sure of a level of compensation based on the 21 cents per mile rate for a full 60-foot railway post-office car, inadequate as that allowance itself might be. For all that this bill says the Postmaster General could cut the allowance to 18 cents, 15 cents, or anything else he might decide upon.

He could make discriminatory rates between different roads and could throw upon the railroads the burden of any loss that might be sustained elsewhere in the administration of the Post Office Department. As in the case of the discretionary powers conferred in regard to designating space, this feature of the bill would create the possibility of almost unlimited corruption, in addition to presenting to the head of the Post Office Department a most powerful temptation to make political capital at the cost of the railroads by unfairly cutting down the cost of operation of the Post Office Department at their expense.

This provision of the bill, combined with the clause making the carriage of the mails compulsory, under penalty of $5,000 for each refusal, would make it perfectly possible, as far as this measure is concerned, for the Postmaster General to dictate to the railroads any terms he might please for the performance of this most invaluable public service.

Hitherto the railroads have theoretically acted as free agents in accepting the mail contracts. While probably in practice no large system would refuse to carry the mails, merely because of what they felt to be a moderate degree of injustice in the existing system, there is no doubt there has been material protection against palpably confiscatory practices.

But with mail transportation made compulsory, and the power to name the terms placed in the hands of the Postmaster General, who is representative of the shipper, it would appear that Congress by passing this bill would intentionally throw the railroads upon the protection of the constitutional guaranty against confiscation.

There is no necessity before Congress for immediate or even very early legislation concerning railway mail pay, and this applies with redoubled force to favorable action upon any measure so vulnerable to criticism as the bill now before the House.

The appropriations for the current fiscal year covering railway mail pay have already been made, and the transportation of the mails under the present system is financed until the 30th of next June. Congress is burdened with a legislative program of the most diversified and important character to early action, on much of which it is definitely committed. Furthermore, foreign problems of a most serious character demand the consideration of the Government.

Under such circumstances mail pay would hardly receive the careful, judicial attention which it merits at the hands of Congress, even were the report of the joint committee on this subject immediately available. Fairness and practical expediency demand that consideration of the matter be postponed. At the next session of the Congress time will doubtless be available for the proper consideration of the mail-pay problem in an orderly and judicial manner in the light of the forthcoming report of the joint committee.

Revoking Leaves of Absence.

EXTENSION OF REMARKS

OF

HON. FRANK W. MONDELL,

OF WYOMING,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 25, 1914,

On House resolution 601, as follows: "*Resolved,* That all leaves of absence heretofore granted to Members are hereby revoked," etc.

Mr. MONDELL. Mr. Speaker, on yesterday the gentleman from Alabama [Mr. UNDERWOOD] introduced the following resolution:

Resolved, That all leaves of absence heretofore granted to Members are hereby revoked.

Resolved further, That the Sergeant at Arms is hereby directed to notify all absent Members of the House by wire that their presence in the House of Representatives is required, and that they must return without delay to Washington.

Resolved further, That the Sergeant at Arms is directed to enforce the law requiring him to deduct from the salary of the Members their daily compensation when they are absent for other cause than sickness of themselves and their families.

Mr. Speaker, no Member of the House will be less affected by this resolution than I; no Member of the House would be less affected than I if it were made retroactive, so as to apply to the past as well as the future. I have never asked for a leave of absence; I do not expect to do so, but I voted against the resolution, because I consider it embodies a breach of faith to the Members who have been granted leaves of absence by the House, and because I consider it a reflection on the House and its membership. It is based on the assumption that Members value their salaries more than they consider their sworn duty to be here and help transact business.

In 18 years of service in the House I have been absent from the Capitol but three days when the House was transacting business, and my absence on one of those three days was due to a railroad wreck. On two occasions during the period of my service when the House was only nominally in session, adjourning three days at a time, waiting on the Senate to complete consideration of legislation, I was absent at home for 10 days. With these exceptions I have been here constantly and continuously.

I do not refer to this record of uninterrupted service, which I think few, if any, Members of the House can match, for the purpose of claiming any especial credit for it. I have considered it my duty to be here. Having no colleague from my State in the House with whom to leave pending questions of importance to the people I represent, it has, in my opinion, been but the performance of my duty to be present at all times. I could therefore have voted for the resolution without a reflection on my past conduct or apprehension that the enforcement of its provisions would affect me in the future.

While I have not asked for leave of absence and do not anticipate doing so, I think the House does itself little credit when, without notice, it revokes leaves of absence which have already been granted. I have no disposition to cast any reflections on Democratic Members notorious for their absenteeism, Members who have been away most of the time for months who happening to be here now, assume an air of superior virtue, propose for the future to treat Members as though they were a lot of hired hands, who could only be kept here by docking their pay. If what they have done squares with their ideas of good faith, they are welcome to whatever consolation they can get out of it.

It is notorious that for months past, while the House has been endeavoring to maintain a quorum, the majority of the southern Members have been away attending their primaries. The southern primaries are now over; those Members have no contests in the election. They are more comfortable and content in Washington than anywhere else; hence this resolution. In the North, and particularly in the far West, Republicans,

Progressives, and Democrats alike have contests in the elections as well as in the primaries, which in many places have not yet been held, and southern Democrats, having gotten through with their contests, are perfectly willing to sacrifice the Democrats from the North and Northwest, as well as the Progressives and the Republicans, by denying them the opportunity to go home for even a day.

This resolution is the final and complete confession of the incompetency of the Democratic majority. With a majority in the House of more than 2 to 1 they can not maintain a quorum without resorting to the most unusual methods of procedure, thus repeating the history of the Democratic Fifty-third Congress in Cleveland's time, which resorted to similar measures. The Republican Fifty-first Congress had a majority of three only, and yet kept a quorum constantly for the transaction of business.

Of course, Members ought to be here; it is their duty to be here, and while I never have and never expect while I am a Member of this House to be an absentee, as many Members are, I realize that it is sometimes necessary for Members to be away for brief periods, and I do not desire to go on record as being opposed to grant brief and necessary leaves of absence, though I have not asked such privileges for myself.

The fact is, the House has dawdled along, consuming months of time unnecessarily to no real useful purpose, and if the majority insists on doing this it ought to be able to secure a quorum without resorting to the unusual method now employed. Republican Congresses have always done so. The law deducting the salary of absentees is on the statute books; why has not the Sergeant at Arms enforced it against the chronic absentees, gentlemen mostly on the Democratic side, who, instead of being here, have been adding to their salaries by Chautauqua lectures, lingering at seaside resorts, or home looking after their personal and political fortunes? Instead of doing that, a resolution is brought in reflecting on the entire membership of the House, and revealing the incompetency of the majority in control.

Seamen and Safety at Sea.

EXTENSION OF REMARKS
OF
HON. MICHAEL E. BURKE,
OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, August 27, 1914,

On the bill (S. 136) to promote the welfare of American seamen in the merchant marine of the United States, to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto, and to promote safety at sea.

Mr. BURKE of Wisconsin. Mr. Speaker, for about 20 years the American seaman has been rapping at the doors of Congress and appealing for the passage of better, more modern, and safer navigation laws. For about 20 years his appeals have gone unanswered. At last the attention of the great mass of the traveling public has been focused upon this matter. A long series of world-shocking horrors and disasters at sea have now reached the ear and attention of Congress, and command it to pause long enough to consider the pending bill, designed as a remedy for some of the existing abuses and evils in the merchant marine of our Nation. It is, then, high time that serious consideration be given to the complaints of American seamen and to the demands for promotion of safety for the traveling public at sea.

DEMOCRATIC NATIONAL PLATFORM.

The Democratic Party, in its 1912 national platform, took notice of the serious and dangerous conditions under which seamen work and the public travel on vessels at sea, and joined in the demand for the passage of this or similar legislation. It incorporated in its last national platform the following plank:

We urge upon Congress the speedy enactment of laws for the greater security of life and property at sea, and we favor the repeal of all laws and the abrogation of so much of our treaties with other nations as provide for the arrest and imprisonment of seamen charged with desertion or with violation of their contract of service. Such laws and treaties are un-American, and violate the spirit, if not the letter, of the Constitution of the United States.

Consideration and passage of this bill therefore is a duty imposed upon this side of the Chamber by its national platform. It is but fair, however, to state that our friends on the other side of the Chamber, in their national platform of 1912, also promised similar legislation.

EXPLANATION.

For some months past a portion of the public press, and especially some journals devoted to the interests of the seamen, have seen fit to indulge in criticism of your Committee on the Merchant Marine and Fisheries for what they have regarded as an inexcusable delay in reporting this bill to the House. They have even seen fit, without any foundation whatsoever, to attribute the delay to the alleged insidious operations of shipowners whose representatives appeared before your committee in opposition to certain features of the bill. Those who have known the facts know that there is no foundation whatsoever for these insinuations and criticisms.

It is true that the reporting of this bill has been delayed, but it has been an excusable delay. We as a committee have no apology to offer for this delay. A decent respect for the judgment of an interested and intelligent public and an impartial public press may require an explanation from us.

HISTORY OF THE BILL.

This bill passed the Senate on October 23, 1913. It is true that the House remained formally in session until the 1st of last December. Its committees, however, during the extra session were not organized nor permitted to work, except the Committees on Ways and Means and on Banking and Currency. When the December session came we were without the chairman of the committee, Judge ALEXANDER, who, having been honored by an appointment as a member of the International Safety at Sea Conference, held in London, was necessarily absent on that duty. Your committee held hearings upon various features of the bill during December and the early part of January. When we finished the London conference was still in session, and we waited until the return of Judge ALEXANDER and for the purpose of ascertaining the result of that convention.

It will be remembered that in accordance with custom the convention agreement was not made public at once, and no one was at liberty to make its contents public until after it was filed with the United States Senate and that body saw fit to do so. This took time and caused delay. After it was filed with the Senate we met with the request from the Senate Committee on Foreign Relations that action on this bill be deferred until the Senate ratified or rejected that agreement. We did wait a few weeks, and then finally decided to proceed with the consideration of this bill, regardless of the fate of the agreement for international safety at sea in the Senate. More time was required for the careful consideration of the bill, and finally it was reported to the House with an amendment by way of a substitute on June 19, 1914.

OBJECTS OF BILL.

The first object of this bill is to promote safety at sea.

The second object is to give freedom to the seaman, to better his condition, and by so doing induce a better class of men to seek the sea.

The third object is to abolish the differential in favor of foreign vessels in wage cost of operation, when competing with domestic vessels in taking passengers and cargo from American ports to foreign ports. In other words, to endeavor to place the American shipowner, in the matter of wages, upon an equal basis in competing with foreign ships. Let it be understood from the beginning that your committee does not pretend that this bill covers all the remedial legislation necessary for promoting and maintaining safety at sea. It is merely a step in one or two directions for that purpose, but there are other directions in which there is plenty of room for the passage of remedial legislation to promote and maintain safety at sea, which we have not had the time to examine or peruse. There is a pressing demand for the preparation and passage of remedial legislation in other directions relating to safety at sea, and it is imperative that something in those other lines should be done as soon as possible.

DEMANDS OF SEA-DISASTER VICTIMS.

Let no one for a moment think that the widespread and strenuous demands for the passage of this seamen's bill and for other improvements in the navigation of the merchant marine are due to the righteous appeals of the humble seamen. Let no one think that this agitation for the improvement in the seamen's conditions is due entirely to an enlightened public demand. A more comprehensive and imperative demand to go forward and improve the laws of navigation has never been witnessed. It is a serious and melancholy demand; it is a most solemn and impressive demand. A yearly train of world shocking, life destroying, and indescribably horrible disasters at sea make this demand of us.

One thousand five hundred and ninety-five victims went to a watery grave on April 14, 1912, when the *Titanic*, in all her pride and glory, went swiftly and suddenly to an ocean grave 400 miles from the nearest shore. The moans and shrieks of

those unfortunate victims of that tremendous disaster of the sea ring in our ears and urge this Congress forward to its duty. One thousand victims, mostly children, of the *General Slocum*, whose lives were negligently sacrificed when that vessel went down on June 15, 1904, while going through Hell Gate on the East River in New York appeal solemnly to us. Their sad spirits and agonizing cries urge us on to our duty.

Impatient with our procrastination upon this subject, it seems as if the Lord were trying to drive us to the performance of our duty, when a sacrifice of 1,036 lives on board the *Empress of Ireland* was made, on May 29, 1914, in the St. Lawrence River.

To arouse the public to a realizing sense of its obligations, it would seem that a supernatural warning was staged a few days ago when the burning steamer *Massachusetts*, with 900 lives on board, in New York Harbor, in the presence of one-half million people, and when this magnificent ship, with its precious lives on board in broad daylight drifted down the Hudson to the harbor, in plain view of this human mass, surrounded by scores of fire boats, but fortunately saved with all on board. This great near catastrophe should be a solemn warning to the traveling public and to Congress to pass this legislation, which has been demanded for the last 20 years.

Let no one think these three ship disasters are all the solemn and imperative warnings that have occurred in recent years. Here is a partial list of the great sea disasters since 1891, but the records are filled with hundreds of sea disasters of lesser dimensions.

ADDITIONAL LIST OF GREAT SEA DISASTERS.

March 17, 1891, Anchor liner *Utopia* sank in collision with British steamer *Anson*, off Gibraltar; 574 lives lost.

January 13, 1892, steamer *Nanchow* wrecked in China Sea; 414 lives lost.

In 1894 the steamer *Horn Head* was sunk by an iceberg; 62 lives lost.

On January 30, 1895, the German steamer *Elbe*, in collision with the British steamer *Crathie*, in North Sea; 335 lives lost.

On May 27, 1895, the steamer *Colima*, bound to Panama from San Francisco, capsized at sea; 198 lives lost.

In 1896 steamer *Copernicus* sunk; 152 lives lost.

In 1896 steamer *Drummond Castle* sunk off Ushant, France; 250 lives lost.

On February 27, 1897, the French liner *Ville de St. Nazaire* sprunk a leak and foundered off Cape Hatteras; 62 lives lost.

On July 4, 1898, steamer *La Bourgogne* collided with the British sailing vessel *Cromartyshire;* 571 lives lost.

In 1898 the steamer *Clara Nevada* sunk in the Lynn Canal, Alaska; 110 lives lost.

In 1898 the bark *Helen W. Almy*, bound from San Francisco to Alaska, foundered off Golden Gate, San Francisco; 46 lives lost.

On October 14, 1898, the steamer *Mohegan* ran on rocks in the English Channel; 116 lives lost.

In 1904 steamer *Norge* wrecked on reef; 750 lives lost.

On January 8, 1904, steamer *Clallam* foundered in the Straits of Juan de Fuca; 54 lives lost.

On November 18, 1905, steamer *Hilda* sunk off of the northern coast of France; 128 lives lost.

January 22, 1906, steamer *Valencia* ran ashore near Cape Beale, Vancouver Island, British Columbia; 117 lives lost.

August 4, 1906, Italian emigrant ship *Sirio* struck a rock off Cape Palos; 350 lives lost.

February 11, 1907, steamer *Larchmont* sunk in collision with the schooner *Harry Knowlton* in Long Island Sound; 185 lives lost.

February 21, 1907, steamer *Berlin* wrecked near the Hook of Holland, on voyage from Harwich, England, to Rotterdam; 128 lives lost.

June 24, 1907, steamer *La Roche* struck a reef off Corunna; more than 100 lives lost.

November 24, 1907, steamer *Kaplan* foundered in Mediterranean; 115 lives lost.

March 23, 1908, Japanese steamer *Matsu Maru* sunk in collision near Hakodate; 300 lives lost.

August 23, 1909, steamer *Nicholaus Castania* wrecked on the south coast of Cuba, near Hells Cove; 31 lives lost.

October 25, 1909, steamer *Hestia* went ashore off Grand Manan Island, Me.; 36 lives lost.

May 23, 1911, steamer *Taboga* struck a rock off Punta Mala, Panama; 60 lives lost.

In 1913, the German steamer *Acillia* left Corral, Chile, on October 27, with 98 persons on board and was never heard from after leaving port.

October 11, 1913, steamer *Volturno* burned and sunk in mid-Atlantic; 136 lives lost.

January 30, 1914, steamer *Monroe*, of the Old Dominion Steamship Co., sank following a collision with the steamer *Nantucket*, while bound from Norfolk to New York; 43 lives lost.

FILLING VACANCIES IN THE CREW.

The first section of the substitute is nearly the same in its provisions as the present section 4516, Revised Statutes, the only difference being that in the substitute this section contains, in line 11, page 22, the words "or higher grade or," not found in present law, and the final sentence, exempting fishing and whaling vessels and yachts from this section. It conforms in all its language with the first paragraph of the Senate bill, excepting the final sentence exempting the vessels and yachts aforesaid. It is important in that the requirements for the filling of vacancies in the crew in all ports outside of the home port, caused by desertion or otherwise, are made somewhat stronger than in the present law.

SECTION 2 RELATES TO THE DIVISION OF WORK AMONG SAILORS.

Section 2 of the substitute is an entirely new provision. There is at present no corresponding provision in existing law. In Senate bill 136, and in the Wilson bill, H. R. 23673, passed by the House in the second session and by the Senate in the third session of the Sixty-second Congress, the provisions of the present section 2 constituted part of section 1 of those bills.

In those bills, including the Alexander bill, H. R. 4616, second session, Sixty-second Congress, the provisions of what is now section 2 of the substitute applied to the sailors on all merchant vessels of the United States only while at sea. The phrase "while at sea," I am reliably informed by no less an authority than the United States inspector general, means the high seas, so that in the so-called La Follette bill, and all other bills except in this substitute, the provisions of section 2 applied only to sailors while at sea, and did not apply to sailors while engaged in navigating the Great Lakes, bays, sounds, rivers, or harbors.

Section 2 of the substitute applies not only to sailors while at sea, but in certain instances it applies in a certain manner to sailors on rivers, harbors, bays, sounds, and the Great Lakes. In other words, this section 2 applies as far as the provisions in any other bill did upon this subject, and goes further. Its scope of application in the substitute must be measured by the language of that section, which in substance is as follows:

SEC. 2. That on all merchant vessels of the United States of more than 100 tons gross, excepting those navigating the rivers, harbors, bays, and sounds exclusively, the sailors shall while at sea be divided into at least two and the firemen, oilers, and water tenders into at least three watches, which shall be kept on duty successively for the performance of ordinary work incident to the sailing and management of the vessel.

Where the word "successively" is used in section 2 the word "alternately" is used in the other bills, the expression "successively" being more expressive and to the point than the word "alternately" used in previous bills.

PROVISO.

From the foregoing language it is apparent that unless there is something further in this section of the bill that all vessels of over 100 tons navigating rivers, harbors, bays, or sounds are without any provisions governing them as to the division of work among sailors, firemen, oilers, and water tenders into watches. It must not be considered for one minute that if there were no further language governing or controlling in this section of the bill that all vessels of over 100 tons upon such excepted waters would go without any rules or regulations. Such would not be the case. A general statute exists which authorizes the Board of Steamboat Inspectors to in such cases make the regulations and rules in their judgment necessary for the proper protection of sailors on boats navigating on such waters. It is in the power of that board to say whether there shall be one, two, or three watches upon the vessels navigating the excepted waters. This should do away with the criticisms to which some of the friends of the seamen have subjected the provisions of section 2 of the substitute.

The language of section 2 upon this subject gives to the law the utmost elasticity for the promotion of the welfare of sailors, firemen, oilers, and water tenders on vessels in such waters, and they may be extended the utmost consideration and protection. It is not fair, on the other hand, owing to the varying conditions of navigation on rivers, harbors, bays, and sounds, to establish arbitrary laws with relation to the division of such employees into watches.

In order to avoid any and all ambiguity, the committee will, in my belief and as I am informed, offer an amendment after the word "sea," in the phrase "while at sea," by adding the words "or navigating the Great Lakes." Gen. Uhler is of the opinion that the words in the phrase "while at sea" applies only to the high seas, and he advises that in order to avoid all ambiguity over that language that the Great Lakes be specifically included in the language here used. He has advised

that the phrase "or navigating the waters of the Great Lakes" should be added by way of amendment.

I have read the criticism of the representatives of the Seamen's Union on the language of this section, excepting certain waters from its provisions, and have carefully considered their objections, and I am firmly of the opinion that there is no foundation to such objections and criticism. I not only believe but I know that the provisions of section 2 in regard to the division of sailors into watches is broader, better, and an improvement over the same provisions in the Senate bill.

FURTHER PROVISIONS OF SECTION 2.

Considerable complaint exists and has been made in the past on the part of the representatives of the seamen of the abuses that have grown up in the employment of men who had been shipped aboard a vessel for work thereon. The abuses consist in shipping seamen for one purpose on board a vessel, and then compelling such men, when in the power and discipline of the shipowner beyond the reach of civil authorities, to compel those men to do other work. For instance, seamen shipped to do deck duty have in many instances, according to the complaint of the seamen, been compelled to do work in the fireroom, and vice versa.

It requires but little reflection to see the great injustice of this practice, and in my opinion the seamen are amply justified in their complaint against this practice, and they are entitled to a remedy to prevent the same. When on land men are employed for one purpose, and it is sought to drive them to perform duties of an entirely different character, they have a means of escaping from the burdens which it is attempted to force upon them. But it is not so on board a ship, where, under its peculiar discipline, failure to obey the orders of the master authorizes him to imprison and even flog a sailor if he refuses to do as he is commanded. This is a species of slavery which has existed for the last 50 years on board American ships, notwithstanding the emancipation of slaves by the passage of the thirteenth amendment to the Constitution of the United States.

To limit the authority and to prevent such abuses hereafter your committee has seen fit to incorporate among the various provisions of the pending seamen's bill a provision that seamen shall not be shipped for work alternately in the fireroom and on deck, nor shall those shipped for deck duty be required to do work in the fireroom, or vice versa. Upon the slightest reflection on the part of anyone who has ever had an opportunity of noticing the difference in the positions and services of firemen, engineers, oilers, and water tenders, on the one hand, and a deck man on the other, it will be readily seen that to compel a fireman to alternately do the duty of a fireman and a deck man is not only an inhuman practice but borders on slavery.

Much complaint, however, has been made on the part of the representatives of the vessel owners that this provision is detrimental to the safety of the vessel and the lives of passengers and crew in the event of a wreck, collision, or emergency. It has even been contended that this section would prevent the firemen or the stewards from being compelled in times of emergency to give their services to the lowering and manning of lifeboats. Such critics, however, have overlooked a further provision in this section, which says:

> But these provisions shall not limit either the authority of the master or other officer or the obedience of the seamen when, in the judgment of the master or other officer, all the sailors or all the firemen or the whole crew are needed for the maneuvering of the vessel or the performance of work necessary for the safety of the vessel or her cargo or for the saving of life aboard other vessels in jeopardy, or when in port or at sea from requiring all the sailors or all the firemen or the whole crew to participate in the performance of fire, lifeboat, and other drills.

These last provisions are specifically and expressly designed to give the master, and those lower in authority in his absence, power to compel the whole crew, or any part of the crew, if necessary, to do the labor of life saving. A comparison between this provision in the substitute bill and a similar provision in the Senate bill discloses the fact to be that this provision in the substitute bill is broader than a similar provision in the Senate bill. In fact, the corresponding section of the Senate bill contains no requirement in relation to the drilling of all firemen or the whole crew in fire, lifeboat, and other drills. It contains no language corresponding to the same.

It is only in the committee's substitute that power is given the master and officers to require all sailors and all firemen, or the whole crew, no matter for what purpose shipped, to participate in fire, lifeboat, and other drills. Notwithstanding this improvement, which must be apparent to the mind of every intelligent and impartial person, yet there are those who charge that the committee spent its time in the consideration of this bill not for the purpose of improving it, but for the purpose of weakening it. The committee calls upon those who can read and think to judge for themselves.

SUNDAYS AND HOLIDAYS.

Further on in this same section there is found a new humanitarian provision prohibiting seamen while the vessel is in a safe harbor from being required to do any unnecessary work on Sundays, on New Year's Day, the Fourth of July, Labor Day, Thanksgiving Day, and Christmas. Here again we have an improvement over the Senate bill, for the latter bill, instead of naming the specific days of rest, referred to the same as legal holidays, a term which is very indefinite and ambiguous. If the phrase "legal holiday" had become a part of the law, there would have been a continued dispute between the crew and the masters as to what constituted legal holidays. In some cases the crew might contend that they were entitled to a holiday on Good Friday when in port in Louisiana, because in that State that day is a legal holiday.

Holidays are different in different States and in different countries. To avoid this misunderstanding and ambiguity your committee has named the holidays, the same corresponding to what are commonly used as holidays throughout the Nation, whether established by law or not.

But the provision in relation to requiring no unnecessary work to be done on Sundays and certain named holidays shall not interfere with the dispatch of the vessel on her schedule or when ready to proceed on her voyage.

In conformity with the strong demands of organized labor, a provision has been incorporated providing that while the vessel is in a safe harbor that nine hours, inclusive of the anchor watch, shall constitute a day's work. Failure on the part of the master of any vessel to comply with the provisions of section 2 entitles the seaman to be discharged from such vessel, and upon demand he shall then be paid the wages then earned. It is expressly provided that this section shall not apply to fishing or whaling vessels or yachts.

SECTION 3 OF THE SUBSTITUTE.

Section 3 of the substitute corresponds to and is identical in its provisions with section 2 of the Senate bill. It is amendatory and revisory of section 4529 of the present Revised Statutes of the United States. In substance it requires that the master or owner of every vessel making coasting voyages pay his seaman within two days after the termination of the agreement under which he was shipped or at the time such seaman may be discharged. It further provides that in the case of vessels making foreign voyages or from a port on the Atlantic to a port on the Pacific, or vice versa, that such seaman shall be paid within 24 hours after the cargo has been discharged, or within 4 days after the seaman has been discharged, with a further provision that in all cases the seaman at the time of his discharge, regardless of the cause, shall be entitled to be paid on account of wages in a sum equal to one-third part of the balance due him, and provides a penalty for every master or owner who fails to comply with such pay requirements. This section, however, is made inapplicable to the masters or owners of vessels or seamen who are entitled to a share in the profits of the cruise or voyage. The changes proposed in the existing law by this section are but slight, but in the interest of the seamen.

INVALIDATING CERTAIN SHIPPING STIPULATIONS.

Section 4 of the committee's substitute corresponds with section 3 of the Senate bill, and is amendatory and revisory of section 4530 of the present statutes of the United States. The main idea contained in this section is to create a legal pay provision for the protection of the sailor, which can not be waived, annulled, or avoided by agreements, stipulations, or contracts between the master and the seaman. It provides that every seaman on a vessel of the United States shall be entitled to receive, on demand, from the master of the vessel to which he belongs, one-half part of the wages which he shall have then earned, at every port where such vessel, after the voyage has been commenced, shall load or deliver cargo, before the voyage is ended, and all stipulations in the contract to the contrary shall be void.

In the present law, which has been on the statute books in its present form since December 21, 1898, the language, "All stipulations in the contract to the contrary," is not to be found. On the contrary, the reverse of it is to be found in the present law, and the language of the reverse provision in the present law is as follows: "Unless the contrary be expressly stipulated in the contract." The law as it now stands upon our statute books has in practice proven a fraud and a snare, and the seamen are fully justified to use the strong words of condemnation of the present law which they did in the hearings upon this subject.

The present law holds the cup of hope to the lips, only to have its contents dashed to the ground, by the masters and shipowners compelling every seaman entering their employment to sign a contract expressly stipulating that during the voyage no part of the wages earned shall be paid to the seamen. This the masters and shipowners have done by reason of their advantageous positions in dictating to the seamen the conditions under which they shall work, and the wages that they shall receive. The masters and shipowners have laughed at this provision of the present law and smiled with contempt at the feeble efforts of the poor seamen who have tried and insisted upon enjoying the advantages and conveniences of obtaining part payment of their wages during a voyage to use for their personal comforts or convenience, or to send to their families.

In order to prevent abuses by the master of the ship, and to prevent those unthrifty seamen who may be addicted to the spending of their wages at the first opportunity, provision is made in this section of the substitute bill against such abuses. It is provided that demands for the payment of one-half part of the seamen's wages which shall have been earned at every port shall not be made oftener than once in five days. To show the abuse of this provision for payment which is invited by the Senate bill, I call your attention to the fact that this section in the Senate bill contained a provision whereby every seamen on a vessel of the United States should be entitled to receive within 48 hours after demand therefor, from the master of the vessel to which he belongs, one-half part of the wages which was then due at every port where such vessel, after the voyage has been commenced, shall load or discharge cargo, and that all stipulations to the contrary are void. Under this provision of the Senate bill, if it became a law, it was sought to provide that the sailor shall be paid one-half part of his wages at every port the vessel entered to load or unload when demand therefor had been made more than 48 hours previously.

Under this provision of the Senate bill the master of the vessel might be required to make as many as three, four, and five payments to the seamen in 24 hours. Under such a provision unthrifty and undisciplined seamen might spend their time in making demands for payment of their wages and keeping a record of the same, instead of performing the duty for which they were shipped. It would be an embarrassment and an annoyance to the master, and in a majority of the cases it would be to the disadvantage of the seamen. Oftentimes the seamen would abuse the privilege, and the vessel would lay at its port until new seamen could be secured, thereby often breaking its schedules. It would be of no advantage to either seamen or masters, but a source of abuse and disadvantage to the seamen and annoyance to the shipowner.

Your committee has stricken out from the Senate bill in this section the words "which shall be due him," and have inserted in lieu thereof the words "which he shall have then earned," the purpose of the change of language being to avoid the ambiguity contained in the language "which shall be due him," as used in this section of the Senate bill. The provision of the committee's substitute providing that a demand for one-half of the wages earned shall not be made oftener than once in five days gives the American sailor when in foreign ports an opportunity to draw one-half of his wages and send it, or so much thereof as he wishes, to his family by mail or to use it for his own convenience, or to purchase or invest it in such articles as he may prefer and bring the same home with him.

It enables the foreign sailor when in American ports to draw one-half of the wages he has then earned and to send it to his family or spend it for his convenience or to purchase such articles as he prefers to take home to his family. It will enable him to enjoy the life of a freeman while in port. Without any part of his wages he would be tied to his boat as firmly and securely as if bound with ties of cord or wire. It is a provision of humanity and of freedom that will be cherished and enjoyed by sailors and applauded by all lovers of liberty.

This section also contains a provision giving every court having jurisdiction power to set aside any releases that the seamen may carelessly or tacitly sign off of their right to collect one-half of their wages under this section and to take such action as the court may think justice requires.

It contains another provision of the greatest importance, and that provision is in this language:

Provided further, That this section shall apply to seamen on foreign vessels while in harbors of the United States, and the courts of the United States shall be open to such seamen for its enforcement.

We are aware, and have considered the arguments advanced by the representatives of the seamen, that the purpose of this unqualified provision is to equalize the wages of American and foreign seamen. We have listened with deep and sincere interest and sympathy to their eloquent and earnest arguments to this effect. We have considered and weighed the same from every point of view, with the greatest of care and seriousness. We have finally convinced ourselves that this change will result in the benefits claimed to them and to the American merchant marine. The provision as it stands in the substitute bill, in our opinion, will tend to equalize the wage cost of operation of domestic and foreign ships.

Your committee agreed to give the seamen on foreign vessels in our ports the right to enter our courts to enforce this law in all cases where there are, as well as where there are not, conflicting treaty provisions between the United States and the foreign nations to which they belong. We have such treaties with many nations, and with others we have not. The nations with which we have treaties or consular conventions on the subject of wages on foreign ships in American ports are Austria, Belgium, Denmark, France, Germany, Greece, Italy, Holland, Spain, Norway, and Sweden. This provision, however, as it is written in the committee's substitute, will not violate any treaties upon this subject with Great Britain, Canada, Australia, New Zealand, Russia, Portugal, Japan, Argentina, Brazil, Chile, and Cuba. None of these last-named nations have a merchant marine of any consequence or importance, excepting Great Britain, Canada, and Japan. The British clearances, in round numbers, from American ports amount to about 15,000 annually; all other foreign clearances to about 5,000.

It is claimed by the representatives of the seamen's union and others who have given thought and consideration to this important subject that by making the provisions of section 3 of the Senate bill, or section 4 of the committee's substitute, apply to seamen on foreign ships that it would tend to equalize the operating wage expenses of both domestic and foreign vessels. It is also claimed that without this provision being made applicable to foreign seamen in American ports that the provisions of this bill abolishing arrest and punishment for desertion will be rendered nugatory and of no avail nor advantage, because the foreign shipowner would then be at liberty, by reason of his contract, to deny his seamen in our ports any part of the wages earned by them. It is pointed out that foreign seamen, desiring to desert, although not subject to arrest, would be compelled by financial reasons to cling to their ships. To desert under such circumstances would be to do so without a dime in hand to buy a meal or secure a night's lodging, or even to buy a stamp and paper to write his family.

If American ships and seamen are to be subject to this law, and foreign ships and seamen not subject to it, then, of course, the final result will be that the American shipowner will place his ship under a foreign flag to avoid this law.

In the report accompanying H. R. 23673, known as the seamen's bill, made in the House of Representatives in the Sixty-second Congress, second session, May 2, 1912, the following explanations of the objects and reasons for this provision are to be found. It states concisely the position of the seamen, of organized labor, and the views of students of this problem:

Under existing laws men may be and are employed at the ports where the lowest standard of living and wages obtain. The wages in foreign ports are lower than they are in the ports of the United States; hence the operating expenses of a foreign vessel are lower than the operating expenses of an American vessel. It is not proposed to prevent vessels from employing seamen in ports where they can secure them cheapest, but it is proposed by this bill to give the seamen the right to leave the ship when in a safe harbor, and in time this will result in foreign seamen engaged on vessels coming into ports of the United States being paid the same wages as obtain here, as a means of retaining their crews for the return voyage. That will equalize the cost of operation, so that vessels of the United States will not be placed at a disadvantage.

It will, however, give a greater freedom to the seamen, and it is claimed will operate not only to equalize wages but to elevate the conditions and service of the seamen, which is its purpose, and then the provision will justify itself and be of benefit to the American merchant marine in equalizing the cost of transportation between our ships and those of other nations. In fairness to the committee it should be stated that we were not unanimous in making this provision apply to foreign ships.

I do not believe in lightly breaking our international treaty obligations. On the other hand, my heart is full of sympathy for the struggling seamen and their cause. In common with all patriotic Americans I hope for a revival of the American merchant marine upon the oceans. I am, therefore, willing to give the benefit of the doubt to the claims of the seamen and the claims of those patriotic American students of merchant marine, who contend that this is one of the ways in which the welfare of the American merchant marine can be substantially promoted. I am not wholly satisfied that it will justify itself, yet I believe that there can be no substantial harm in a real experiment, and if it proves satisfactory, well and good, and if it proves unsatisfactory it will not take another Congress long

to repeal it. It can do our foreign merchant marine at the utmost but little damage, because it is so insignificant at present.

COMPLAINT OF UNSUITABLE CONDITION OF THE VESSEL.

Section 5 of the substitute is the same as section 4 of the Senate bill. The language of this section is exactly the same as that now found in section 4559 of the Revised Statutes of the United States, with a slight exception. The present law requires that a complaint of the unsuitable condition of the vessel must be signed by the first or second officer and a majority of the crew of any vessel. Under the proposed law, as set forth in this section of the substitute, a complaint of the unsuitable or unsafe condition of the vessel is only required to be signed by the first and second officers or by a majority of the crew of any vessel. The difference between the present and proposed law is slight but important. Such difference is based upon sufficient and justifiable reasons. Under the proposed law a bare majority of the crew is all that is necessary to sign the complaint, or instead of a majority of the crew signing the same it may be signed by the first and second officers. It gives more liberty of action and judgment to the crew in making a complaint of the unsuitable conditions of the vessel on which they are employed. It is not necessary for any officer to join with them. The sympathies of the officers are often against or indifferent to the welfare and safety of the crew. Under this bill the crew will be free and independent, whereas under the present law no such complaint can be made without being signed by either the first or second officer. The change is in the interest, welfare, and protection of the crew, the ship, its cargo and passengers.

ACCOMMODATIONS FOR THE CREW.

Section 6 of the substitute corresponds with section 5 of the Senate bill, and slightly revises section 2 of an act to amend the laws relating to navigation, approved March 3, 1897, relating to accommodations for the crew. The present law requires that every place set aside for the lodging of the crew shall have a space of not less than 100 cubic feet, and not less than 16 square feet measured on the deck or floor of that space for each seaman or apprentice lodged therein. Section 6 of the substitute changes this by requiring that every such place set aside for the lodging of any member of the crew shall have a space of not less than 120 cubic feet, and not less than 16 square feet measured on the floor deck of that place for each seaman or apprentice.

Another new provision requires that each seaman shall have a separate berth, and that not more than one berth shall be placed one above another, and that every such crew space shall be kept free from goods or stores, not being the personal property of the crew occupying such space in use during the voyage.

The second paragraph of this section relating to steamboats of the United States plying upon the Mississippi River or its tributaries is the same as the second paragraph of section 5 of the Senate bill, and the same as the present law upon this subject.

The third paragraph of section 6 is entirely new, and is devoted solely to the sanitation of the quarters of the crew. It is designed to promote their health and preserve their strength while on the voyage. Its provisions are as follows:

> All merchant vessels of the United States the construction of which shall be begun after the passage of this act having more than 10 men on deck must have at least one light, clean, and properly ventilated washing place. There shall be provided at least one washing outfit for every two men in the watch. The washing place shall be properly heated. A separate washing place shall be provided for the fireroom and engine-room men, if their number exceed 10, which shall be large enough to accommodate at least one-sixth of them at the same time, and have hot and cold water supply and a sufficient number of wash basins, sinks, and shower baths.

The fourth paragraph of this section provides a sufficient penalty for any violation of this section by the owner or owners of vessels. The penalty is the same as provided in the Senate bill upon this subject, and is identical with that the present law provides.

PUNISHMENT FOR DESERTION.

Section 7 of the substitute corresponds with section 6 of the Senate bill, and is a revision of section 4596 of the existing Revised Statutes of the United States, relating to punishment for desertion by a seaman. Under the present law any seaman deserting may be arrested and punished, at the discretion of the masters' court, by imprisonment for violation of seven of the eight different offenses defined by section 4596.

The present section retains imprisonment as a punishment in no case where the seaman has been merely guilty of desertion. It retains such punishment, however, for other well-known violations of discipline, so that those who fear that the abolition of arrest for desertion will destroy the discipline on vessels may have assurance that the masters of vessels will still have the power to enforce discipline while at sea. Such power to enforce discipline has been possessed by the masters of vessels since time immemorial, and by reason of the great dangers at times to shipping interests while at sea they ought to continue to possess power to enforce the same.

DESERTION OF SEAMEN ABROAD.

Section 8 of the substitute is the same as section 7 of the Senate bill, and is a revision of section 4600 of the present statutes. The only change made by this section of the proposed law is the depriving of all consular officers of the power and duty of reclaiming deserters from American ships in foreign ports. So long as it is proposed to abolish arrest and imprisonment for desertion it is only consistent and right that consular officers should no longer be invested with the power to arrest and reclaim such deserters. It is simply making this section consistent with the previous section, from which the power to arrest and imprison deserters is intended to be eliminated.

CORPORAL PUNISHMENT PROHIBITED.

Section 9 of the substitute is identical with section 8 of the Senate bill and is a revision of section 4611 of the present statutes relating to corporal punishment. This section prohibits flogging and all other forms of corporal punishment on board any vessel and provides that no form of corporal punishment on board of any vessel shall be deemed justifiable. Any master or other officer who shall violate any of the provisions of this section shall be guilty of a misdemeanor, punishable by imprisonment for not less than three months nor more than two years, and when any other officer, other than the master of the vessel, shall violate any of the provisions of this section it is made the duty of the master to surrender such officer to the proper authorities, providing he has actual knowledge of the misdemeanor or complaint thereof is made within three days after reaching port. Any failure on the part of the master to use due diligence to comply with this section which may result in the escape of such officer, may render the master or owner of such vessel liable in damages for such flogging or other corporal punishment to the person so punished. The terms of this section are made sharp and positive in order to make certain that neither flogging or any other form of corporal punishment shall be administered to seamen on board vessels.

INVOLUNTARY SERVITUDE.

By the thirteenth amendment to the Constitution of the United States, which became a part thereof on December 18, 1865, it is provided that—

> Neither slavery nor involuntary servitude, excepting as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States or any place subject to their jurisdiction.

This language seems to be plain, positive, and without possible exception. The Supreme Court of the United States, however, in a decision rendered since the adoption of that amendment, held that the forcible arresting and punishing of a deserter from a ship was not included within the amendment prohibiting involuntary servitude. The exception made by this decision of the Supreme Court has continued as a part of the law down to the present time, with the exception of deserters from ships engaged in the coastwise trade and with near-by ports of Canada. It is plainly to be seen, however, that when a sailor is arrested and imprisoned for merely deserting his ship or breaking an expressed contract that he is no more deserving and that there is no more reason for punishing him criminally than there is to punish by imprisonment a man who engages to work for another for six months or any prescribed time but leaves without cause before the end of the contract period.

For the purpose of the discussion of this bill it is useless to go into the reasons assigned for this decision by the Supreme Court. Suffice it to say that the law thus interpreted by the Supreme Court has continued down to this day and is the existing law upon that subject. It is probably one of those decisions which inspired the leader of the Bull Moose Party to invent and advocate the recall of judicial decisions. If there are many more cases in which such strange exceptions are engrafted upon the Constitution, the recall of such decisions may become popular and justifiable.

The law for arrest and imprisonment for deserters, I am glad to say, was abolished by Congress in our coastwise trade and to near-by Canadian ports in 1898. Then, as now, it was freely predicted that the prohibition of arrest and punishment for mere desertion would destroy necessary discipline on board ships and greatly impair the safety of the traveling public and property upon the merchant marine while at sea. Happily, experience has since demonstrated that when given freedom from this enslaving and humiliating law the American seaman has proven himself to be a man of honor, honesty, and well worthy

of having this stigma, disgrace, and relic of barbarism and slavery removed forever from this ancient and honorable calling.

The representatives of the shipowners, with the exception of one or two, who appeared before the committee made no protest against the removal of the present penalty for desertion. It is but fair at this point to say that in all of the voluminous evidence produced before our committee there appears no case of arrest or imprisonment for desertion or flogging in the American merchant marine for a number of years last past. Notwithstanding that in the case of American seamen the existing law in relation to desertion and punishment by imprisonment or flogging is no longer imposed, yet it is a humiliation to and a stigma upon the fair name of our seamen while laws legalizing such punishment are upon our statute books.

All liberty-loving Americans will rejoice when this bill becomes a law, and this last remnant of law authorizing involuntary servitude and slavery shall both upon the land and waters of our beloved country be abolished and consigned to oblivion forever.

REPEAL FAVORED BY 1912 DEMOCRATIC PLATFORM.

The importance of this provision attracted the attention of both the Democratic and Republican national conventions in 1912. The Democratic platform declared:

And we favor the repeal of all laws and the abrogation of so much of our treaties with other nations as provide for the arrest and imprisonment of seamen charged with desertion or with violation of their contracts of service.

A similar provision appears in the Republican national platform of that year; but as in a dozen other cases this bill when passed will be the fulfillment of another platform promise by the Democratic Party. In this, as in other promises, it may be depended upon to fulfill the same.

INCREASE OF PROVISIONS ALLOWED SEAMEN.

Section 10 of the substitute is identical with section 9 of the Senate bill. The present law provides a scale of provisions to be allowed to be served out to the crew of each vessel during its voyage.

This scale is to be found in section 4612 of the Revised Statutes. By this section, in the pending bill, it is proposed to increase the items of water and butter with which the members of the crew are supplied. Instead of 4 quarts of water daily, as now provided by law, the shipowner is required to furnish the seaman with 5 quarts, and in lieu of a daily requirement of 1 ounce of butter, as now provided by law, the seaman shall be provided with 2 ounces of butter daily.

PAYMENT OF SEAMEN'S WAGES.

Section 11 of the substitute is practically the same as section 10 of the Senate bill, and is a revision of the present law upon the subject of seamen's wages being paid in advance. Experience has shown that many abuses have grown up in the securing of positions for seamen. Many unscrupulous persons running lodging and boarding houses have taken advantage of the seamen's indebtedness to them by securing orders or assignment of wages to be earned, upon the masters of vessels for the payment of wages in advance to reimburse them for some trifling loan or favor. This abuse has grown to such proportions that it has become a nuisance to shipowners, as well as practically keeping the seaman in slavery. Many times the seaman is confronted at the end of his voyage with an assignment of his wages, which leaves him without a dollar for either himself or his family. While existing laws apply to this subject, yet they have been found insufficient and wanting. For the purpose of strengthening them and for the further protection of the seamen it is considered advisable to revise and improve this section for the welfare of all seamen.

WAGES NOT SUBJECT TO ATTACHMENT.

Section 12 of the substitute corresponds with section 11 of the Senate bill and is a revision of the present section 4536 of the Revised Statutes. It provides in substance that the wages of a seaman shall not be subject to attachment, and prevents the sale or assignment of wages by seamen before being earned. No assignment or sale of wages made prior to the accruing thereof shall bind the party making the same, excepting such advances and allotments as are authorized by this section. Permission, however, is given by this section for the advancement or assignment of a portion or the whole of the seaman's wages to be made to his wife or minor children. This section protects the seamen from the unscrupulous boarding and lodging house keepers, otherwise known as "crimps." Part of this section is also applicable to fishermen, who are represented to be in dire need of such protection. It also permits a court by order to apply any part of a seaman's wages to the support of the seaman's wife and minor children. This is new and is designed for the protection of the seaman's family, and will prove to be a gratifying humane provision.

LANGUAGE TEST.

Section 13 of the substitute bill, in so far as it relates to the language test, is the same as in the Senate bill upon that subject. It provides that no vessel of over 100 tons gross, excepting those navigating rivers and the smaller inland lakes where the line of travel is at no point more than 3½ miles from land, and except as provided in section 1 of the bill, shall be permitted to depart from any port of the United States unless she has on board a crew 75 per cent of which, in each department of such vessel, must be able to understand any order given by the officers thereof.

This language test has been the bone of vigorous contention between the representatives of the seamen's unions and the representatives of vessel owners. On the one hand the labor unions insist that this provision is necessary for two reasons—one to encourage the going to sea of the white man, and the other to promote the safety of the traveling public. It is contended that the perils of the sea are increased by reason of the failure of the crew to understand the language in which the officers' orders may be given. On the other hand, the vessel owners claim that this provision will be extremely burdensome to them and will result in driving the American merchant marine off of the ocean. It is claimed that this will be particularly true on the Pacific Ocean.

To my mind, there does not seem to be in this provision the virtues claimed for it by the American seamen for themselves. On the other hand, I am unable, in view of the testimony given at the hearings, to see the destruction and danger which the vessel owners claim will be the result of this language test.

At the hearings the vessel owners from the Pacific coast reiterated time and again that if they were compelled to use a crew speaking and understanding the language of the officers, that it would necessarily mean the employment of a white crew. It is necessary to pay American white seamen so much higher wages that it is contended it would be impossible for American vessels employing such labor to compete in the Pacific trade with the vessels of Japan, which employ cheap Japanese, Chinese and Lascar labor; that the result would be that they would have to place their ships under the flag of some foreign nation in order to avail themselves of the cheaper labor.

But these same vessel owners at the hearings repeatedly stated in trying to force upon the committee their views of the injurious financial effects to them of paying white seamen greater wages, that the labor of Chinese, Japanese, and Lascar seamen could be secured for four or five times less than they are obliged to pay white American seamen. If this be true, then I see nothing in this bill which will prevent such vessel owner from hiring this cheap labor, and before placing them on their vessels, school this labor in the language of the officers. It is a poor and dull Japanese, Chinese, or Lascar who could not in a month or two learn to understand all orders necessary to be given on American vessels by the officers thereof.

The reason why your committee deemed it wise to insert and require this language test is that where the crew is unable to understand the orders of the officers, the crew is thereby in emergencies rendered inefficient. Certainly when a crew is inefficient, the safety of the traveling public and property is imperiled. This language test is a provision primarily designed to promote the safety of the traveling public, but the selfishness of both the vessel owners and the seamen prevent them from but faintly seeing the primary purpose designed by this language provision. The seamen honestly think that with this language in the law they will drive the Chinese, Japanese, and Lascar from off of the American merchant marine on the Pacific. The vessel owners think that they will be forced to abandon the American flag, and be driven into carrying the flag of some other nation. The truth of the matter, however, is that by virtue of this legal requirement the safety of the traveling public at sea will be guarded and promoted to a great extent, without any further detriment to the welfare of seamen or of shipowners.

HISTORICAL ILLUSTRATIONS.

The importance of requiring a language qualification on the part of at least 75 per cent of the crew of every vessel, passenger or cargo, of over 100 tons gross is plainly and forcibly illustrated in some of the sea disasters of recent years. The most widely known wreck occurring by reason of the crew not understanding the orders of the ship's officers was the wreck of the ship *City of Rio de Janeiro*, of the Pacific Mail Steamship Co., which sank at the entrance of San Francisco Bay on February 22, 1901, with a loss of 122 lives. A suit growing out of this wreck was decided by the United States Supreme Court, in which that court said among other things:

The ship was insufficiently manned for the reason that the Chinese sailors were unable to understand and execute the orders made impera-

tive by the exigency that unhappily arose and resulted so disastrously to lives.

At that time great public indignation arose because of this great loss of lives by reason of a Chinese crew that was unable to understand the language in which the orders of the ship's officers were given. At once a widespread demand requiring the crew, or the greater portion of the crew, to be composed of those sailors who were able to understand the orders of their officers arose. No change has been made in this respect from that time to this in any vessels of the Pacific Mail Steamship Co. There are other examples of sea disasters occurring from the same causes of nearly equal proportions.

QUALIFICATIONS OF ABLE SEAMEN.

There is an apparent difference between the qualifications required for an able seaman by the Senate bill and this substitute, but no difference in effectiveness. Both the substitute and the Senate bill require after the fourth year from the passage of this bill into a law that the deck crew, exclusive of licensed officers, shall be composed of 65 per cent of able seamen.

The Senate bill defines an able seaman as follows:

No person shall be rated as an able seaman unless he is 19 years of age or upward and has had at least three years' service on deck at sea or on the Great Lakes.

This is the only qualification to be found anywhere in the Senate bill relating to the rating of an able seaman. To be sure, it contains a provision for ascertaining the facts upon which the qualifications of an able seaman are based. Under the wording of the Senate bill an able seaman on Chesapeake Bay, on Long Island Sound, on Puget Sound, on any Pacific, Atlantic, or Gulf coast sounds, or on the Great Lakes and on ocean routes can only be one who has had three years' service on deck at sea or on the Great Lakes. It requires but brief consideration and reflection to see, on the one hand, that this definition of an able seaman is too narrow to be applied to all the navigable waters plied by the United States merchant marine, outside of those excepted in the section. A seaman may serve not only for 3 years, but for 10 years, on such bays, sounds, and harbors, and he will not possess the qualifications necessary for an able seaman as defined in the Senate bill.

It is a well-known fact that the shipping season on the Great Lakes does not exceed on the average eight months per year. This is all the experience that a lake sailor obtains in a year. Yet under the Senate bill a lake sailor who has served but 24 months, for he only gets 24 months' sailing experience in three years, is qualified to make an able seaman on the high seas or on the Great Lakes, but a sailor who has been 24 months on the high seas is disqualified from becoming a seaman on the Great Lakes or on the high seas. An ocean sailor can only qualify himself as an able seaman for service on those waters of the Great Lakes after spending at least three years' service on deck at sea. No matter how long such sailor may have served on the bays, sounds, harbors, and lakes where the routes are less than 3 miles offshore, he can not become in less than three years an able seaman for service on the Great Lakes or on the ocean.

To do that he must have served on those particular waters for three years. This application and comparison of the provisions of the Senate bill is pointed out at this time for the inspection and consideration of the Members of this House and for the inspection and consideration of the country, for the purpose of showing that the Senate bill, at least in this section, was not perfect or reasonably so when it reached the House committee. Your Committee on the Merchant Marine and Fisheries has delved deep into this matter, and they have come to the conclusion that in reference to lakes, bays, harbors, sounds, and other minor bodies of water the Senate bill is unreasonable and arbitrary in its provisions for the qualifications of able seamen. We have therefore taken the liberty of presenting qualifications for able seamen that we consider efficient and sufficient, by way of a substitute, and more reasonable and just in their application.

QUALIFICATIONS OF ABLE SEAMEN ON DIFFERENT BODIES OF WATER.

The House committee's substitute in section 13 provides, among other things, for the qualifications necessary to be rated as an able seaman. These qualifications are divided into classes, according to the bodies of water upon which the seamen are to serve.

In all classifications of an able seaman, no person can be rated as an able seaman unless he has attained the age of 19 years or upward.

ABLE SEAMEN ON THE HIGH SEAS.

It is provided by section 13 of the committee's substitute that no person shall be rated as an able seaman and qualified for service as such on the seas—meaning the ocean or high seas—unless he has had at least three years' service on deck at sea. This means three years' service on deck at sea, and not on the Great Lakes. It will probably include three years' service on deck on bays and sounds, and it will also probably include any person who has had three years' service on deck on bays and sounds attached to the Atlantic and Pacific Oceans or the Gulf of Mexico.

QUALIFICATIONS OF ABLE SEAMEN ON THE GREAT LAKES.

To be an able seaman and qualified as such to serve on the Great Lakes it is necessary that the seaman shall have had at least 24 months' service on deck at sea or on the Great Lakes. The Senate bill requires that the qualifications of an able seaman for service on the Great Lakes shall be the same as required for service of such seaman on the high seas.

QUALIFICATIONS OF SEAMEN ON BAYS, SOUNDS, ETC.

By the committee's substitute the qualifications for an able seaman to serve as such on bays and sounds, and on lakes other than the Great Lakes, shall be at least 24 months' service on deck at sea, on the Great Lakes, or on the bays and sounds. It will be noticed that able seamen upon all vessels in all navigable waters, excepting those in the class exempt, are governed by one and the same rule as to their qualifications as a seaman in the Senate bill. Yet it is apparent to every intelligent and impartial person that the qualifications necessary for an able seaman on smaller bodies of water are not naturally required to be as great and as effective as those required to discharge the duties of an able seaman on the high seas.

Our conclusion as to the qualifications necessary for an able seaman on bays, sounds, and the Great Lakes are founded not upon guess or speculation, but upon the testimony of both the representatives of the seamen and the vessel owners on the Great Lakes and on the bays and sounds. Of course, no objection could or would be found or justified on the part of the traveling public, on the part of the representatives of the seamen, or on the part of your committee to require an able seaman, qualified for service on the Great Lakes, bays, and sounds, to possess the same qualifications as required on the high seas. Such qualifications, however, we considered unnecessary and unreasonable upon water routes other than on the high seas, and if adopted would, in our opinion, work a hardship on both sailors ambitious to become able seamen and upon the vessel owners. While the storms may be as fierce and oftentimes produce as great disasters on the Great Lakes, bays, and sounds as on the high seas, yet the opportunities of rescue on those bodies of water are far greater and more numerous than in case of the high seas; the voyages of vessels are shorter; they are nearer to shore; the passing of other vessels is more frequent; the aid summoned by wireless more promptly comes to hand; and in various other ways the risks of travel upon these lesser bodies of water are far less dangerous and less treacherous and not as numerous as upon ocean-going voyages.

It is also provided by this section that for services on deck, at sea or on the Great Lakes, bays, or sounds, no one even possessing the required length of service on deck shall be rated as an able seaman unless he, upon examination, under rules prescribed by the Department of Commerce, as to sight, hearing, and physical condition, may be found to be competent. This excludes seamen who may have spent the required number of years on deck at sea but who are defective in sight, hearing, or in any other physical condition. It is a requirement that able seamen should possess as a qualification more than service alone. He must be in proper physical condition. He must have had proper boat, fire, and other drills. No such method of discrimination for weeding out the defective seamen is provided for by the Senate bill.

ENCOURAGEMENT OF AMBITIOUS SEAMEN.

Section 13 of the committee's substitute, in addition, contains a provision for the encouragement of ambitious seamen. Oftentimes men are found who by natural adaptation and equipment are able to perform the duties of an able seaman with far less experience at sea than the average sailor and are anxious to be advanced. These ambitious seamen are given an opportunity to do so under a provision found in this section. It provides that upon examination, under rules prescribed by the Department of Commerce as to eyesight, hearing, physical condition, and knowledge of the duties of a seaman, men found competent may be rated as able seamen after having served on deck 12 months at sea. We all know that there are to be found men naturally adapted for this or that work, and oftentimes that is the case with men having a proneness for the sea. Men naturally inclined to the sea rapidly acquire the knowledge necessary for a seaman in a short time, whereas others may require two, three, or four times as much experience in order to be equally qualified. It is to encourage such ambitious individuals that this provision was inserted in the committee's substitute.

To prevent any misuse of this last provision, the committee has considered it wise to attach a provision guarding it against any possible abuse. It was apparent to us that unscrupulous local inspectors, masters, or vessel owners might at times attempt to secure a complete list of the required number of seamen from that class of competent seamen who have been found to be so by examination, and thus fill the quota of able seamen required by law for their vessel with a whole crew having an experience of only 12 months at sea. To prevent this possible abuse, a further provision has been attached to the first paragraph of section 13 to prohibit seamen examined and rated as competent under this last provision from composing more than one-quarter of the number of able seamen required by this section to be shipped or employed upon any vessel.

This provision for the encouragement of ambitious men inclined to a seafaring life is not to be found anywhere in the Senate bill. A wise administration of this provision will undoubtedly tend to open an opportunity for all those who are prone to sea life and make rapid their advancement. It will attract the attention of those naturally inclined to the sea and make an opening for them without requiring them to go through what to them is unnecessary and get three years' experience at sea in order to make an able seaman.

EXAMINATIONS FOR CERTIFICATE OF ABLE SEAMANSHIP.

The second paragraph of section 13 provides the method of examination by which any person making application for a certificate of qualification as an able seaman may be made. The application is to be made to the board of local inspectors, which under the law is composed of men appointed by the United States district judge and collector of customs. The examination is to be conducted by the local board of inspectors under oath and under rules approved by the Secretary of Commerce, showing the nationality and age of the applicant, the vessel or vessels upon which he has had service, and the waters upon which such service was rendered. If he is found competent, a certificate of service is to be issued by the board to him, and this is to be accepted as prima facie evidence as to his rating as an able seaman. Each board of local inspectors is required to keep a complete record of all examinations and certificates of able seamanship issued by them and to whom issued, and shall keep on file the evidence upon which the examination was conducted and the certificate granted.

ENFORCEMENT OF THIS SECTION.

The fourth paragraph of section 13 of the substitute bill provides means for the enforcement of the provisions of this section. It requires that the collector of customs may, upon his own motion, and shall upon the sworn information of any reputable citizen of the United States complaining that this section is not being complied with, cause a muster—that is, a roll call—of the crew of the vessel complained against to be made to ascertain the fact. The clearance of any vessel failing to comply with this section is prohibited. To prevent interference with the scheduled movement of the vessel, and to afford time for investigation, it is provided that every such complaint in order to hold the vessel must be filed at least six hours before it is scheduled to depart. The making of any false affidavit under this section is made perjury and punishable by a heavy penalty. A violation of any of the provisions of this section subjects the owner, master, or officer in charge of the vessel to a penalty of from $100 to $500.

NO PRESENT ABLE-SEAMEN REGULATIONS.

The importance of shipping a sufficient number of able seamen must be apparent to everyone. Their duties are among the most responsible to be performed by any part of the crew. Their position with reference to the lowering of boats and the handling of the same when lowered, in times of collisions, wrecks, or emergencies, is of the first magnitude. Their services in the saving of lives under such circumstances are indispensable and their training and experience are most important and valuable in the saving of living and helpless human beings. On them depends the rescuing of the lives of passengers and crew.

Notwithstanding the importance of their duties and position, yet, strange to say, up to the present time there has been no law upon the statute books of the United States defining the qualifications of an able seaman nor requiring service on deck of any vessel at sea for such seamen. Strange, yet no such provision is to be found among the rules and regulations adopted and promulgated by the board of steamboat inspectors for the guidance of our merchant marine. Failure to ship and carry a proper number of able seamen by any vessel is not punishable under any law or rule of our land. Is it, then, any wonder that when at this late date it is proposed by this bill to define by statute the qualifications of an able seaman the masters and vessel owners should strenuously object? Vessels have been at liberty to carry as many or as few able seamen as suited their pleasure and convenience and as did not lessen their dividends. Under this section, however, from the fourth year after the passage of this bill at least 65 per cent of the sailors on deck must be able seamen.

A STRANGE FACT.

It is said that truth at times is stranger than fiction. In the case of sailors we have a forcible illustration of this saying. The average person naturally thinks that those familiar with and employed about water will necessarily become familiar with the art of swimming. In the minds of most people the sailor is supposed to swim with the ease and grace of a duck or other aquatic bird. From extensive hearings held before the committee, however, we learn that there is but a small percentage of even able seamen who are able to swim. There is no law, rule, or regulation of the board of steamboat inspectors requiring them to acquire this art. One would think they would voluntarily, unconsciously, or instinctively acquire it for their own safety, if for no other purpose. I for one hope that the board of inspectors will consider this feature and in the near future establish a rule requiring every so-called able and ordinary sailor or seaman to become proficient in the art of swimming.

LIFEBOAT EQUIPMENT AND LIFE RAFTS.

Section 14 of the substitute is an amendment to section 4488 of the present Revised Statutes. This new part of the section makes provision for every steam vessel navigating the oceans, lakes, bays, or sounds to carry a sufficient number of lifeboats, floats, rafts, life preservers, and other life-saving appliances and equipment, and the means of propelling and handling the same as will best secure the safety of all passengers and crew on board such vessels in case of disaster; and every sea-going vessel carrying passengers and every such vessel navigating any of the northern or northwestern lakes is required to have the lifeboats provided by law, and also be provided with suitable boats and davits, so arranged as to allow the same to be safely launched while such vessels are under speed or otherwise.

The committee has deemed it advisable that the provision with reference to lifeboats, life rafts, davits, embarkation of the passengers in lifeboats and rafts, the manning of the boats, muster rolls, and drills should be incorporated in an amendment to section 4488 of the Navigation Laws, because of its relationship and germaneness to the subjects treated. Hereafter such important subjects as lifeboats, floats, rafts, life preservers, and other life-saving appliances and equipment, and the requirements as to davits, embarkation of passengers, and lifeboats and rafts, the manning of lifeboats and rafts, musters, drills of the crews on steamers navigating the oceans, lakes, bays, or sounds of the United States after July 1, 1915, will be subject to the provisions, limitations, and minimum requirements herein set forth, and such vessels will at all times hereafter be required to comply in every respect therewith. The requirements for such purposes established in this section will hereafter remain the statutory requirements until changed by Congress, and will not be subject to modification or repeal by the Board of Inspectors.

This section classifies lifeboats and sets forth how they shall be constructed, the strength of boats, buoyancy, the manner of their construction, and the type of pontoon life rafts that may be approved; the capacity limits and the number of persons who may be embarked in each lifeboat or life raft; also the equipment of lifeboats and life rafts; storage of the boats and launching of the same, and the number and strength of the davits and gear and the manner of manning each lifeboat.

LIFEBOATS REQUIRED BY THE SENATE BILL.

The language of the Senate bill in relation to lifeboats is as follows:

Provided, That no vessel carrying passengers, except those navigating rivers and harbors and the smaller inland lakes, as hereinbefore specified, exclusively, shall be permitted to depart from any port of the United States unless she is provided and equipped with a sufficient number of seaworthy lifeboats to carry and transport at one time every passenger and every member of the crew licensed to be carried on board such vessel and unless she shall have a sufficient crew to man each lifeboat with not less than two men of the rating of able seaman or higher, who shall be drilled in the handling and lowering of lifeboats under rules and regulations to be prescribed by the Board of Supervising Inspectors with the approval of the Secretary of Commerce: *Provided further*, That the Board of Supervising Inspectors be, and are hereby, authorized and directed to prescribe rules and regulations, to be approved by the Secretary of Commerce, to provide, in harbor and at sea, for lifeboat drill and fire drill to be held for the training of the crew in fighting fire, in abandoning the vessel, and in caring for the passengers, and to provide for the assignment of each passenger to a particular place in the lifeboats, said assignment to be made at the time the person is taken aboard the vessel as a passenger, who shall thereupon be informed of such assignment.

CERTIFICATED LIFEBOAT MEN AND MANNING OF LIFEBOATS BY SUBSTITUTE BILL.

Section 14 provides for certificated lifeboat men and the manning of lifeboats and rafts, as follows:

CERTIFICATED LIFEBOAT MEN—MANNING OF THE BOATS.

There shall be for each boat or raft a number of lifeboat men at least equal to that specified, as follows: If the boat or raft carries less than 61 persons, the minimum number of certificated lifeboat men shall be 3; if the boat or raft carries from 61 to 85 persons, the minimum number of certificated lifeboat men shall be 4; if the boat or raft carries from 86 to 110 persons, the minimum number of certificated lifeboat men shall be 5; if the boat or raft carries from 111 to 160 persons, the minimum number of certificated lifeboat men shall be 6; if the boat or raft carries from 161 to 210 persons, the minimum number of certificated lifeboat men shall be 7; and, thereafter, 1 additional certificated lifeboat man for each additional 50 persons.

The allocation of the certificated lifeboat men to each boat and raft remains within the discretion of the master, according to the circumstances.

By "certificated lifeboat men" is meant any number of the crew who holds a certificate of efficiency issued under the authority of the Secretary of Commerce, who is hereby directed to provide for the issue of such certificates.

In order to obtain the special lifeboat man's certificate the applicant must prove to the satisfaction of an officer designated by the Secretary of Commerce that he has been trained in all the operations connected with launching lifeboats and the use of oars; that he is acquainted with the practical handling of the boats themselves; and, further, that he is capable of understanding and answering the orders relative to lifeboat service.

Section 4463 of the Revised Statutes, as amended, is hereby amended by adding the words "including certificated lifeboat men, separately stated," to the word "crew" wherever it occurs.

MANNING OF BOATS.

An officer or able seaman shall be placed in charge of each boat or pontoon raft. He shall have a list of its crew, and shall see that the men placed under his orders are acquainted with their several duties and stations.

A man capable of working the motor shall be assigned to each motor boat.

The duty of seeing that the boats, pontoon rafts, and other life-saving appliances are at all times ready for use shall be assigned to one or more officers.

MUSTER ROLL AND DRILLS.

Special duties for the event of an emergency shall be allotted to each member of the crew.

The muster list shows all these special duties and indicates in particular the station to which each man must go and the duties that he has to perform.

Before the vessel sails the muster list shall be drawn up and exhibited, and the proper authority, to be designated by the Secretary of Commerce, shall be satisfied that the muster list has been prepared for the vessel. It shall be posted in several parts of the vessel and in particular in the crew's quarters.

MUSTER LIST.

The muster list shall assign duties to the different members of the crew in connection with—

(a) The closing of the water-tight doors, valves, etc.
(b) The equipment of the boats and rafts generally.
(c) The launching of the boats attached to davits.
(d) The general preparation of the other boats and the pontoon rafts.
(e) The muster of the passengers.
(f) The extinction of fire.

The muster list shall assign to the members of the steward's department their several duties in relation to the passengers at a time of emergency. These duties shall include—

(a) Warning the passengers.
(b) Seeing that they are dressed and have put on their life jackets in a proper manner.
(c) Assembling the passengers.
(d) Keeping order in the passages and on the stairways, and generally controlling the movements of the passengers.

The muster list shall specify definite alarm signals for calling all the crew to their boat and fire stations and shall give full particulars of these signals.

MUSTERS AND DRILLS.

Musters of the crews at their boat and fire stations, followed by boat and fire drills, respectively, shall be held at least once a fortnight, either in port or at sea. An entry shall be made in the official log book of these drills or of the reasons why they could not be held.

Different groups of boats shall be used in turn at successive boat drills. The drills and inspections shall be so arranged that the crew thoroughly understand and are practiced in the duties they have to perform, and that all the boats and pontoon rafts on the ship, with the gear appertaining to them, are always ready for immediate use.

LIFE JACKETS AND LIFE BUOYS.

A life jacket of an approved type, or other appliance of equal buoyancy and capable of being fitted on the body, shall be carried for every person on board, and, in addition, a sufficient number of life jackets or other equivalent appliances suitable for children.

It must not be inferred from the foregoing that there will only be one licensed officer or one able seaman in each lifeboat. The foregoing provision really only provides an able seaman, or licensed officer, for the officering of each lifeboat in lowering and when lowered, and who has charge of the boat or raft while upon the water.

CERTIFICATED LIFEBOAT MEN, WHERE FROM?

The question naturally arises, From what part of the vessel are these certificated lifeboat men to come? Another question is, Why not have enough able seamen among the deck crew to furnish at least two able seamen for each lifeboat, as required in the Senate bill?

Under the operation of the provisions of this section for certificated lifeboat men there is absolutely no question but what every able seaman on deck, as defined by section 13, will be included among the certificated lifeboat men. It was shown by the testimony of every master and vessel owner who appeared before the committee that it is not necessary or essential for the modern steamer to carry a number of able seamen sufficient to furnish two for each lifeboat where a lifeboat accommodation for all the passengers and crew is required. It was shown to the satisfaction of the committee that if a sufficient number of able seamen were required to provide two for each lifeboat that the additional able seamen which the boats would, under such rules, be required to procure and carry, would have nothing to do aboard the vessels while at sea but to wait for emergencies calling for the use of the lifeboats and equipment. Of course additional help, whether necessary or unnecessary, imposes additional burdens on vessel owners.

This committee has no sympathy for any argument which has for its sole purpose the increasing of the present high dividends of the vessel owners. On the other hand, we do not consider it our duty to create additional positions solely for the sake of increasing the number of jobs for persons seeking employment. We acknowledge the wisdom and necessity of having at least two efficient and qualified lifeboat men for each boat or raft. We consider it necessary for the safety of passengers and crew on every such lifeboat that there should be at least two qualified and efficient lifeboat men, capable of handling, managing, and guiding in an expert manner these lifeboats and rafts.

If there were no other reasonable way in which to provide two efficient and qualified lifeboat men for each lifeboat and raft, we would have gladly and unanimously recommended that the vessel owners maintain enough of able seamen on each vessel to furnish at least two efficient and qualified lifeboat men for each boat and raft. We found from the evidence before us, to our satisfaction, that it is not necessary to compel the vessel owners to employ any more lifeboat men than this proposed law requires for the purpose of taking care of and manning the lifeboats, if we make provision for the purpose of using other efficient and qualified members of the crew for that purpose.

Witness after witness came before the committee and testified that there were always to be found among the members of the steward's and firemen's departments, stewards, firemen, and others with as much skill and experience in handling and steering lifeboats in cases of emergency and necessity as is possessed by the average able seaman. It will be remembered that under the rules and regulations of the board of inspectors that the crew of every vessel is now required, and will be required under this proposed law, both in and out of port, to attend and participate in fire, boat, and other drills which under rules of said board are held once a week. In these drills the members of the steward's and firemen's department are required to participate with the able seamen, and it is the testimony of impartial witnesses that the skill, bravery, and efficiency shown by many of the members of those departments are equal to and even excel in many instances the records of the best able seamen in lowering, in embarkation, and in the handling and steering of lifeboats and rafts.

Members of the steward's and firemen's department are to be found in great numbers on every vessel, who have followed the sea not only for the length of time that is required by this bill for the making of an able seamen, but for much longer periods. Some of the longest sea-experienced members of the crew are always to be found in the steward's and firemen's department. Why should the services of such men be discarded in times of emergency? There is only one possible answer that can be made why they should not be pressed into service when there is an impending disaster. It may be urged by those without experience or study of the situation that they will be needed in alarming, assisting, and guiding the passengers from their rooms to the decks in emergencies and disasters. Such, however, are the duties of a large number of the members of those departments, but it must be remembered that frequently there are as many stewards and firemen as there are passengers, and it is seldom that there is not at least one steward for every four or five passengers aboard. It is by rules made the duty of members of the steward's department to arouse and alarm the passengers, and to assist them in dressing and putting on the life preservers, and guiding them to the decks, but in every case there is a great sufficiency of such help, and there are plenty of such members of the crew experienced and qualified to assist in the embarkation and launching of lifeboats and steering them when lowered.

To this committee it did not seem sensible or reasonable to require an additional and unnecessary force to be employed on the deck of the vessel, when there was plenty of efficient and qualified help already on board to properly man the lifeboats.

Equal and joint participation in all required boat and other drills has shown that the members of the steward's and firemen's department equal, and in many instances excell, the regular so-called able seamen in the manning and handling of lifeboats. Why should not such be the case when many of them have had as much, or longer, experience at sea than the so-called able seamen? Why should not they have the qualifications necessary for manning the lifeboats when for years they have participated in all the same prescribed drills and exercises with the able seamen?

The only difference in their experience is that the able seamen naturally acquire a little more of the swinging and motion of the vessel, because they are necessarily more of the time on deck, where the vessel's motion is greater, than are the members of the stewards' and firemen's department, whose time is spent more in the center and interior of the vessel. The testimony before us shows that the stewards and firemen are as expert on the average as the able seamen in swimming, rowing, and handling the life boats and rafts. I admit that the more ideal condition would be to have a crew of able seamen sufficient to furnish at least two seamen for each lifeboat; but as it is, there will be at least one able seaman or licensed officer in each lifeboat, and in a majority of the lifeboats there will be at least two such officers or able seamen, the balance only being supplied by certificated lifeboat men from members of the stewards' and firemen's department. If it were my humble opinion that for the safety of the traveling public able seamen only possessed sufficient qualifications for the proper manning of lifeboats, I should be the last one to support the provisions and requirements for certificated lifeboat men as reported by the committee.

RESCUERS OF "VOLTURNO'S" PASSENGERS.

A most forcible and practical illustration of the value of members of the stewards', firemen's, and other departments of the vessel as lifeboat men was shown in the work of rescuing passengers from the *Volturno*, which burned in the mid-Atlantic last October.

According to the statement of Capt. Kreibohm, of the *Kroonland*, an American vessel flying the American flag, at the time of rescue the winds were so terrific and the sea was so high and dangerous that in the judgment of Capt. Kreibohm it would have been criminal on his part to order the lifeboats lowered and manned. In accordance with the custom prevailing in the merchant marine in such appalling emergencies, he called for volunteers, and many from all departments of the vessel responded and engaged in the work of rescue. Here is what Capt. Kreibohm said in part in his report to the managers of the corporation to which his vessel belonged. In speaking of the rescue work he said:

When my ship rescued 88 people from the burning *Volturno*, there was a heavy gale blowing and a terrific sea running. Many volunteers from all departments of my crew offered to go in the boats. All were eligible for the work of handling the lifeboats. I selected a crew composed of sailors, firemen, and stewards; in my judgment, the said firemen and stewards being more competent than some of the deck hands, due to their frequent training in boat drills, and I launched three boats.

The German steamship *Grosser Kurfurst* was also engaged in rescue work at the time of the *Volturno* disaster. Capt. Moeller of that steamship in his report to his superiors concerning the same said:

Besides sailors, also stewards, scullery men, and coal trimmers volunteered, and were picked to man the lifeboats of the *Kurfurst*.

The first lifeboat was sent out under the second officer, and the crew was made up as follows:

One quartermaster, one sailmaker, four sailors, one boilermaker, one coal trimmer.

So there were three who were not sailors in this crew.

Second lifeboat under third officer, six sailors, three stewards, one trimmer.

Making six sailors and four others of the crew.

Third lifeboat under fourth officer, two quartermasters, two sailors, two stewards, one scullery man, two trimmers.

Two quartermasters and two sailors would make four, and there were five others—two stewards, one scullery man, and two trimmers.

The last boat was manned by a majority of nonsailors:

These three lifeboats went to rescue at night, during heavy storm and high sea, and saved 32 persons from *Volturno* before daybreak. Rescue after daybreak comparatively easy on account of moderated weather.

I repeat that not only our sailors, but all the men employed in the different departments on board are constantly drilled in handling lifeboats.

In the face of this recent and awful experience, in which when a call for volunteers was made to man the lifeboats in a sea so dangerous, that the captains of the vessels considered it criminal to order the lifeboats lowered into the sea; when in some instances more than a majority of the men manning the lifeboats who volunteered, were from the stewards, firemen, and other departments, risked their lives and successfully succeeded in manning the lifeboats and in rescuing human lives, who can reasonably contend that able seamen are the only members of the crew qualified to act as lifeboat men? Experience has thus demonstrated the fallacy of such claims.

EMBARKATION OF PASSENGERS IN LIFEBOATS AND LIFE RAFTS.

Section 14 also contains a provision requiring that suitable arrangements shall be made for embarking passengers in lifeboats and rafts, in accordance with regulations made by the board of supervising inspectors, with the approval of the Secretary of Commerce.

The Senate bill requires that there shall be a sufficient number of seaworthy lifeboats to carry and transport at one time every passenger and every member of the crew licensed to be carried on board such vessel. The Senate bill includes all waters and all boats in the same class. It makes no distinction in the dangers of navigating the different bodies of water. It does not take into consideration the different conditions upon the different bodies of water for rescuing those in distress. It proceeds upon the theory that the dangers of all waters, oceans, lakes, bays, and sounds are equal and alike and requires the same provisions for lifeboats in all waters and in all seasons. It contains no provisions for life rafts. As a general proposition life rafts are not as efficient and serviceable as lifeboats. The testimony in the hearings before your committee disclosed beyond dispute that in many instances in marine disasters in all bodies of water that situations and emergencies for life saving arise in which the lifeboats can not be used at all or not to as much advantage as life rafts. The testimony showed that in some instances, owing to the character of the disaster and the surroundings of the vessel, that it was impossible to lower or use lifeboats but that life rafts could be used in such cases for the purpose of saving lives.

The committee's substitute upon this subject has taken into consideration the actual and natural conditions in the navigation of vessels on the different waters. It makes a difference in the number of lifeboats and rafts required, but no difference in the number and qualifications of the men required to man the lifeboats, except in the source from which drawn. For the purpose of showing in full the provisions of the committee's substitute upon this subject I herewith take the liberty of setting forth in full the requirements in lifeboats and rafts which section 14 of the substitute requires for every vessel on the different bodies of water that are navigated:

EMBARKATION OF THE PASSENGERS IN THE LIFEBOATS AND RAFTS.

Suitable arrangements shall be made for embarking the passengers in the boats, in accord with regulations by the board of supervising inspectors, with the approval of the Secretary of Commerce.

In vessels which carry rafts there shall be a number of rope ladders always available for use in embarking the persons on to the rafts.

At no moment of its voyage shall any passenger steam vessel of the United States on ocean routes have on board a total number of persons greater than that for whom accommodation is provided in the lifeboats and pontoon life rafts on board.

If the lifeboats attached to davits do not provide sufficient accommodation for all persons on board, additional lifeboats of one of the standard types shall be provided. This addition shall bring the total capacity of the boats on the vessel at least up to the greater of the two following amounts:

(a) The minimum capacity required by these regulations;

(b) A capacity sufficient to accommodate 75 per cent of the persons on board.

The remainder of the accommodation required shall be provided, under regulations of the board of supervising inspectors, approved by the Secretary of Commerce, either in boats of class 1 or class 2, or in pontoon rafts of an approved type: *Provided*, That during the interval from May 15 to September 15, inclusive, any passenger steam vessel of the United States, on ocean routes less than 20 nautical miles offshore, shall be required to carry accommodation for not less than 70 per cent of the total number of persons on board in lifeboats and pontoon life rafts, of which accommodation not less than 50 per cent shall be in lifeboats and 50 per cent may be in collapsible boats or rafts, under regulations of the board of supervising inspectors, approved by the Secretary of Commerce.

At no moment of its voyage may any ocean-cargo steam vessel of the United States have on board a total number of persons greater than that for whom accommodation is provided in the lifeboats on board. The number and types of such boats shall be determined by regulations of the board of supervising inspectors, approved by the Secretary of Commerce.

At no moment of its voyage may any passenger steam vessel of the United States on the Great Lakes, on routes more than 3 miles offshore, have on board a total number of persons, including passengers and crew, greater than that for whom accommodation is provided in the lifeboats and pontoon life rafts on board. The accommodation provided in lifeboats shall in every case be sufficient to accommodate at least 75 per cent of the persons on board. The number and types of such lifeboats and life rafts shall be determined by regulations of the board of supervising inspectors, approved by the Secretary of Commerce: *Provided*, That during the interval from May 15 to September 15, inclusive, any such steamer shall be required to carry accommodation for not less than 50 per centum of persons on board in lifeboats and pontoon life rafts, of which accommodation not less than two-fifths shall be in lifeboats and three-fifths may be in collapsible boats or rafts, under regulations of the board of supervising inspectors, ap-

proved by the Secretary of Commerce: *Provided further,* That all passenger steam vessels of the United States, the keels of which are laid after the 1st of July, 1915, for service on ocean routes and on the Great Lakes, on routes more than 3 miles offshore, shall be built to carry, and shall carry, enough lifeboats and life rafts to accommodate all persons on board, including passengers and crew: *And provided further,* That not more than 25 per cent of such equipment may be in pontoon life rafts or collapsible lifeboats.

At no moment of its voyage may any cargo steam vessel of the United States on the Great Lakes have on board a total number of persons greater than that for whom accommodation is provided in the lifeboats on board. The number and types of such boats shall be determined by regulations of the Board of Supervising Inspectors, approved by the Secretary of Commerce.

The number, types, and capacity of lifeboats and life rafts, together with the proportion of such accommodation to the number of persons on board which shall be carried on steam vessels on the Great Lakes, on routes 3 miles or less offshore, and on all other lakes, and on rivers, bays, and sounds, shall be determined by regulations of the Board of Supervising Inspectors, approved by the Secretary of Commerce.

All regulations by the Board of Supervising Inspectors, approved by the Secretary of Commerce, authorized by this act, shall be transmitted to Congress as soon as practicable after they are made.

The Secretary of Commerce is authorized in specific cases to exempt existing vessels from the requirements of this section that the davits shall be of such strength and shall be fitted with a gear of sufficient power to insure that the boats can be lowered with their full complement of persons and equipment, the vessel being assumed to have a list of 15 degrees, where their strict application would not be practicable or reasonable.

From the above provisions it will be seen that all passenger and cargo steam vessels of the United States on ocean routes are required to have on board at all times and seasons sufficient lifeboats and pontoon life rafts to accommodate all passengers aboard of each vessel, as well as all members of the crew. There are no exceptions to this provision of any name, nature, or description. Neither is there any question of sufficiency of accommodation for all passengers and crew in lifeboats and rafts. This provision is complete and ought to be satisfactory to every impartial and fair-minded person who is posted upon this subject.

From the remainder of the provisions, relating to the embarkation of passengers and crew in lifeboats and rafts, it appears that under this bill, when it becomes a law, all passenger steam vessels of the United States operating on ocean routes not less than 20 nautical miles off shore are required to carry sufficient boats to accommodate all on board, excepting during the summer season, from May 15 to September 15, a period of four months. During this period such vessels shall carry accommodations for not less than 70 per cent of the total number of passengers and crew on board in lifeboats and pontoon life rafts.

Passenger and cargo steam vessels of the United States on the Great Lakes are required to carry throughout the year accommodations in lifeboats and pontoon life rafts for the total number of persons, passengers and crew, on board such vessel the year around, excepting during the period from May 15 to September 15, where the route is more than 3 miles off shore.

During the summer season, from May 15 to September 15, inclusive, such vessels upon the Great Lakes shall be required to carry accommodations for not less than 50 per cent of all persons on board in lifeboats and life rafts; not less than two-fifths of such accommodations shall be in lifeboats, and three-fifths may be in collapsible boats or rafts, in accordance with the rules of the Board of Supervising Inspectors, approved by the Secretary of Commerce.

It thus will be seen, and it should, in weighing this bill, be constantly held in mind, that accommodations are required by this bill for all persons on board of each passenger or cargo steam vessel of the United States on ocean routes all the time, and on ocean routes less than 20 miles off shore eight months of the year, and on the Great Lakes eight months of the year.

LIFEBOAT ACCOMMODATIONS UNDER PRESENT REGULATIONS.

In pursuance of a duty imposed upon the Board of Supervising Inspectors by authority of law that board heretofore made and promulgated general rules and regulations affecting navigation. Among such rules and regulations is a provision relating to lifeboat accommodations to be carried by passenger steam vessels of the United States while navigating different bodies of water. Complaint has been made that the present regulations are in some respects insufficient and inefficient. The terms of this substitute show that it is the opinion of your committee that the present regulations with regard to lifeboat accommodations are a proper subject for improvement. To show the improvements in lifeboat accommodations in the substitute bill as compared with the present rules and regulations upon that subject adopted by the Board of Supervising Inspectors I invite your attention to a comparison of the present and proposed lifeboat accommodations.

We find under the present rules and regulations of the Board of Steamboat Inspectors that lifeboat accommodations are required as follows upon the following bodies of water:

PRESENT RULES AND REGULATIONS.

All American ocean steamers carrying passengers to and from foreign ports shall be equipped with lifeboats of sufficient capacity to accommodate at one time all persons on board, including passengers and crew. One-half of such lifeboat equipment may be in approved life rafts or approved collapsible boats.

On all coastwise passenger steamers there shall be accommodations at one time for all persons on board, excepting during the summer season from May 15 to December 15.

From May 15 to September 15 such coastwise steamers shall carry lifeboat accommodations for 30 per cent of all persons on board.

Two-thirds of all lifeboat accommodations required of such steamers in coastwise trade throughout the year excepting four months of the summer may be in approved life rafts or collapsible boats.

Steamers carrying passengers on routes more than 5 miles offshore on the Great Lakes, other lakes, bays, and sounds are required under the present regulations to have lifeboat accommodations for all persons on board at one time, excepting during the summer season from May 15 to October 15, during which period such passenger boats on lakes, bays, and sounds are required to carry accommodations at one time for at least 30 per cent of all persons on board.

Passenger steamers on lakes, bays, and sounds, navigation routes lying at all points within 5 miles from land or only on waters whose depth is not sufficient to entirely submerge the vessel in case of disaster, during the summer season from May 15 to October 15, are required under the present regulations to only carry lifeboat accommodations at one time for not less than 10 per cent of all persons on board.

Lifeboat accommodations are required of vessels on lakes, bays, and sounds tributary to the Pacific coast, Atlantic coast, south of the 33d parallel, or on the Gulf of Mexico for at least 30 per cent of all persons on board without any exception in the summer season. But passenger steamers upon the last-named waters whose routes are within a distance of 5 miles from land, or only upon waters whose depth is not sufficient to entirely submerge the vessel in case of disaster, shall carry accommodations sufficient to accommodate at all times at least 10 per cent of all persons on board.

Steamers navigating the bodies of water last named may have three-fourths of the required lifeboats in approved rafts or approved collapsible lifeboats.

Passenger steamers equipped with wireless telegraphy navigating in daylight only and whose routes are at all times within 10 miles from land or over waters whose depth is not deep enough to entirely submerge the vessel in case of disaster, during the period from May 15 to October 15, are required to be equipped with lifeboat accommodations sufficient to accommodate at one time at least 15 per cent of all persons on board, but three-fourths of this lifeboat capacity may be in approved rafts or approved collapsible lifeboats.

The present regulations also apply to passenger vessels upon rivers and harbors and to smaller steamers of less than 100 tons gross, with local regulations in a number of other places.

COMPARISON.

For the purpose of fairly and pointedly showing the improvement in the substitute bill over the present rules and regulations prescribed by the Board of Supervising Inspectors, I desire to call your attention to the increase in lifeboat accommodations required by the provisions of the substitute bill. This comparison applies solely to passenger steamboats of the United States and to lifeboats proper.

INCREASE IN LIFEBOAT ACCOMMODATIONS.

A comparison of the lifeboat accommodations required by the substitute bill, with such accommodations as required by the present rules and regulations, show the following increase under the substitute bill:

	Per cent.
On ocean routes, increase in lifeboats	50
On coastwise steamers, increase in lifeboats excepting between May 15 and September 15	125
Coastwise steamers, increase from May 15 to September 15	50
On lakes, bays, and sounds on passenger steamers on routes more than 3 miles offshore, excepting from May 15 to October 15	200
On such lakes, bays, and sounds, steamers from May 15 to October 15, not more than 3 miles offshore, increase	60

Under the present rules and regulations such passenger steamers on lakes, bays, and sounds, with routes within 5 miles of shore, need carry in the summer season, from May 15 to September 15, lifeboat and raft accommodations at one time for only 10 per cent of all persons on board; only one-quarter of this 10 per cent accommodation need be in lifeboats.

Under the provisions of this substitute bill the accommodations for lifeboats on vessels whose routes are within 3 miles from shore, instead of 5 miles, as under the present rules and regulations, are left to the discretion of the board of steamboat inspectors; but there is a change in the present substitute for the greater safety of life by confining the scope of this last provision respecting near-shore routes to distances within 3 miles from shore instead of 5, as under the present rules and regulations. It is safe for us to assume that the board of steamboat inspectors, in view of the fact that in all other respects this bill requires an increase in lifeboat accommodations, will take notice and require an increase in lifeboat accommodations required to be carried by passenger steamers on lakes, bays, and sounds within 3 miles from shore. Public sentiment, in my humble opinion, will force the board to do this.

ACCOMMODATIONS ON GREAT LAKES—PERSONAL OPINION.

Notwithstanding that I shall support the provisions of the substitute bill in relation to the lifeboat accommodations required of vessels on the Great Lakes, yet I do so merely for committee purposes. I deem it but justice to myself at this time to say that in the committee I did my utmost to persuade my colleagues to insert a provision requiring all passenger steamers on the Great Lakes, without regard to the distances of their routes off shore, to carry lifeboat accommodations for 75 per cent of all on board during the excursion season, from May 15 to the 15th of September, exclusive, and that of such 75 per cent two-thirds of such accommodations should be lifeboats proper and the balance in life rafts or collapsible lifeboats. My views upon this subject were, however, contrary to the majority view of the committee. I considered it my duty to promote as best I could the reporting and passage of this bill at this session. For that purpose, and for that purpose only, I consented to surrender for the time being my personal views upon this subject, and have consented, for the purpose of making some progress with this important legislation, to the views of the majority of the committee. I desire that it should not be overlooked that my contention is that there should be no lessening of the amount of lifeboat accommodations required of boats on the Great Lakes because of the nearness of their routes to shore.

EQUIPMENT OF NEW VESSELS.

In section 14, page 63, the bill requires that all passenger steam vessels of the United States, the keels of which are laid after July 1, 1915, for service on ocean routes and on the Great Lakes more than 3 miles offshore, shall be built to carry, and shall carry, enough lifeboats and life rafts to accommodate all persons on board, including passengers and crews, and that all of these accommodations shall be in lifeboats, excepting that not more than 25 per cent of the same may be in pontoon life rafts or collapsible lifeboats. Experience and statistics show that the average life of a merchant marine vessel is but 20 years. Without requiring existing vessels to carry any accommodations beyond those provided for in this bill it will be but a short period of 20 years before all vessels afloat, if this bill becomes a law and remains on the statute books, will be carrying full accommodations in lifeboats and rafts for all on board all the time and in all seasons. But I believe that with the passage of this bill and a few short years' experience under it that there will be increased additional accommodations in lifeboats and rafts required and imposed upon existing passenger steam vessels.

LICENSED PASSENGER CAPACITY SHOULD BE MEASURE FOR LIFEBOAT ACCOMMODATIONS.

In my humble opinion the provisions of the substitute bill requiring lifeboat accommodations should not be based on the number of passengers and crew on board. The number of passengers on the same vessel in different voyages may and do differ greatly. Accommodations for 50 per cent of all on board on voyages, when the vessel is carrying the greatest number of passengers it is licensed to carry, will provide more than full lifeboat accommodations for all on board on the average trip of such vessel. Under the lifeboat-accommodation provision in the proposed law the vessel owner must of necessity be provided with at least lifeboat accommodations for 50 per cent of the highest number of passengers which the boat is licensed to carry.

It is plain to be seen therefore that so long as the owner is obliged on some voyages to have lifeboat accommodations for 50 per cent of all persons it is licensed to carry that it will not harm or cause any additional burden to the vessel owner to compel him to carry at all times lifeboat accommodations to the amount of 50 per cent of the highest number of persons it is licensed to carry on every trip that such vessel makes. It will require no more help, and it will not make one additional dollar of expense, if this 50 per cent of lifeboat accommodations to be carried on lake routes required in this bill was amended so as to make it apply to 50 per cent of all the persons that the vessel was licensed to carry. Then the passenger vessels affected by such a rule would have during the summer months lifeboat accommodations sufficient to provide for all passengers and crew on board on all voyages made by the vessel excepting a few during those four summer months.

It was shown in the evidence before the committee that the *Christopher Columbus*, a steel passenger steamboat plying between Chicago and Milwaukee, with a capacity of 3,800 passengers, carried on only about five or six trips in the summer season passengers in excess of 2,100 or 2,200 persons. It was admitted by the representatives of the company owning the *Christopher Columbus* that there was sufficient room on this vessel to store away lifeboats without additional room or expense for them, sufficient to accommodate 2,100 to 2,200 persons on board. Such accommodations would afford lifeboats for all on board during every voyage that the vessel made during the excursion season except some five or six. Therefore I am firmly of the opinion that the law should base the lifeboat accommodations which the vessel is required to carry on the number of passengers which the vessel is licensed to carry instead of on the number of passengers and crew on board.

There is absolutely no question but where both lifeboats and life rafts can be used that everyone prefers lifeboats, and every experienced sailor will so testify, and that is the reason, as I understand it, that the present up-to-date leviathan passenger ocean steamships provide accommodations in three or four times more lifeboats than life rafts.

A good illustration of the superiority of the usefulness of lifeboats was afforded in the wreck of the steamer *Oklahoma* at sea in the North Atlantic some time in January, 1914. One of her lifeboats which embarked and was launched in the ocean, hundreds of miles from shore, with 17 persons on board, drifted and endured over heavy wintry seas for two weeks, and when found 11 of the 17 persons on board were still living. It is inconceivable that any such record of life preserving could be accomplished by means of life rafts. The opportunities for the use of lifeboats are far more numerous than for the use of life rafts. As said before, however, there are some emergencies and positions in which a lifeboat can not be used at all or efficiently, but where the life rafts can and are successfully used.

WHY NOT NOW?

Immediately the advocates of requirements imposing complete accommodations for all to be carried by existing steam passenger vessels ask, why not now impose such requirements upon existing passenger steam vessels? This is where the rub comes. It is the dividing line. It is where a plain and natural distinction is drawn between the Senate bill and this substitute. This is where we find that this portion of the Senate bill was not based upon any hearings or evidence. This shows why your House Committee on the Merchant Marine and Fisheries has spent the necessary time in taking and considering hearings. This is where the House committee draws a natural distinction between this unconsidered provision of the Senate bill and certain indisputable and uncontrollable facts in the navigation of the most valuable, largest, and majestice existing ships afloat.

The representatives of the seamen's unions have strenuously demanded that accommodations be provided on each passenger steamboat vessel of the United States for all persons on board, regardless of the consequence. The unthinking portion of the public, unversed in the arts or even simple facts of navigation, have added their hue and cry to the demands of the seamen's representatives. Yet undisputed facts show that if we were to require all such ships on the Great Lakes to carry full lifeboat accommodations for all on board at all time, that we would be doing that which would render public travel upon a large portion of those vessels far more unsafe, dangerous, and unreliable than it is now. This class of people do not seem to be able to see beyond an able seaman and a lifeboat. Undisputed evidence was produced before the committee showing that a great number of the passenger steamboats on the Great Lakes, bays, and sounds can not comply with such a requirement without rehauling and reconstructing their vessels from almost their bottoms at a cost in many instances nearly as great as the original cost of the ship. The increased number of lifeboats that they would be required to carry in order to provide such accommodations would in many instances be two or three times as many as they are carrying now.

It must be remembered that lifeboats necessarily weigh more than a market basket, for many lifeboats weigh from 3 to 4 tons. If these vessels were required to comply with such a lifeboat requirement, their lifeboats would have to be stored away on the center and upper decks, not only displacing passenger room, which I for one would not give a moment's consideration to in hearing the claims of the vessel owners, but

by such additional lifeboats an unprovided-for weight would be placed on the top of the vessel, making the same unseaworthy, top-heavy, unsteady, and unreliable; making them easy in even light storms or with swift movements of the vessel to be capsized and sunk; making them, in common parlance, unreliable, unsteady, top-heavy, easily unbalanced and capsized, in spite of all able seamen, and necessarily and naturally unsafe and unmanageable and easily to be capsized. By such requirements we would be making one means of safety to the public the cause of providing a danger many times greater than that likely to occur where there is a mere insufficiency of lifeboats.

This is the reason that your committee has drawn a distinction in the matter of lifeboat equipment between existing passenger steam vessels and those to be hereafter constructed. I for one would gladly impose upon existing vessels the additional burdens of complete lifeboat accommodations, if it were not that by so doing an avenue of safety was provided for on the one hand and troubles and dangers a hundredfold greater to the safety of the traveling public made on the other hand. My belief is that if this bill is passed that a little further experience will show how these boats may safely be required to carry more than herein required, and when this bill shall have become a law and experience shall have demonstrated its value in relation to the new steam vessels to be built, the demand on the part of the traveling public for the most improved vessels will drive existing passenger steamboats, without full accommodations in lifeboats, out of business, and as time goes by they will be more rapidly replaced with the modern constructed passenger steam vessels than otherwise.

MY PERSONAL OPINION OF LIFEBOATS.

With respect to two or three important provisions in this important bill I entertain two different opinions. On those particular subjects I have a private opinion, and also a committee opinion. It is my private opinion that every existing passenger steam vessel of the United States so built as to be conveniently prepared to do so, regardless of the waters upon which its routes may be, and regardless of the seasons of the year, should be required by law to maintain and carry at all times lifeboats sufficient to afford accommodations for all passengers on board, including all members of the crew. I believe in the usefulness of life rafts. In many emergencies and on many occasions they can be used conveniently and efficiently where and when lifeboats can not be used at all. Those emergencies and occasions, in my opinion, are but few. Therefore, in addition to a full accommodation of lifeboats for all, I believe that each such passenger steam vessel shall at all times be required to carry a supply of life rafts to supplement the lifeboat accommodations to be used only under certain conditions or circumstances where it is impossible or inconvenient to use lifeboats. There is absolutely no question but where both lifeboats and life rafts can be used that every one prefers lifeboats, and every experienced sailor will so testify, and, as I understand it, such is the actual preparation and practice of the present up-to-date leviathan passenger ocean steamboats.

THIS IS AN AMBULANCE PROVISION.

I regret to say that by reason of the nature and scope of this bill it does not contain those broad protective measures for the safety of travel at sea, that are so desirable and are so generally believed to be contained in the bill, except as to increase the efficiency of the seamen. This bill is not intended to be an absolute guaranty and protection against shipwrecks, collisions, or disasters. There is not a single line in it relating to the construction of future vessels, except to make room for lifeboats for all. There is not a single line of it relating to the storing of the cargo so as to prevent the breaking out of fire; there is nothing of a preventative nature in it, unless it can be said that the requirements necessary for able seamen and lifeboats on future vessels be such. All other provisions, outside of lifeboats, are merely remedial of the seaman's sanitary, physical, and financial conditions.

This bill, so far as it relates to the safety of public travel at sea, is simply an ambulance bill. Complete accommodations by way of lifeboats and rafts do not prevent collisions, do not prevent fires, and do not prevent other disasters at sea. Able seamanship, it is true, may reduce the number of disasters that are due to the controllable elements of human nature. No increase in the efficiency or number of able seamen would have prevented the *Titanic* disaster. No increase in efficiency or number of able seamen would have prevented the catastrophe of the *Empress of Ireland*. No increased efficiency or more able seamen would have rescued more lives from the burning *Volturno*. No increase in efficiency of seamen or in their numbers would have prevented the collision between the *Nantucket* and the *Monroe*. All these disasters—outside of the *Volturno*, which was due to fire—were due to human elements which had nothing to do with the seamanship, or number of sailors, or with the supply of lifeboats. If the fire, in one instance, had not broken out; if the ambition to make a world's record-breaking trip had not existed on the part of the officers and owners of the *Titanic;* if a weak streak in a petty officer, who made a slight mistake in moving a screw in the machinery of the *Empress of Ireland*, had not existed; and if better discipline had been exercised by the officers of the *Nantucket*, none of these gigantic disasters would have happened. On the other hand, every one of them would have happened if there had been twice as many improvements in seamanship and lifeboat accommodations as called for by this bill.

I say again, this bill is but an ambulance bill. The safety of public travel at sea must be taken care of in the improved construction of vessels so as to render them unsinkable, or as nearly so as it is possible for human ingenuity to devise in the way of construction. Greater discipline and greater assistance to those in authority with the actual navigation, aided by improvement in the crew, will go further to stop preventable disasters than if there were a lifeboat for each passenger and half a dozen lifeboat men to handle it. Let it be borne in mind that, in the matter of safety of travel at sea, the truth of the old proverb is again forcibly illustrated: "An ounce of prevention is worth a pound of cure." So with disasters of ships at sea, an ounce of reliable construction is worth a thousand lifeboats or a thousand able seamen.

LAWS TO AVOID SHIP DISASTERS AT SEA.

The virtues of the Senate or so-called La Follette seamen's bill have been boasted much of by the press and persons directly interested in the bill. The measure is deserving of a great deal of praise, but the committee's substitute is deserving of greater praise and virtues, for it is an improvement upon the La Follette seamen's bill. I regret, however, that neither the so-called La Follette seamen's bill nor the committee's substitute are as broad or far-reaching as they ought to be. This is necessarily so, however, because the scope of both bills has been limited so as to carry matters of an ambulance character and not to serve to prevent disasters. We are dealing with disasters and wrecks; instead of that we should be dealing with preventives. But neither this committee nor any other Committee on the Merchant Marine of this House will ever have the time, technical knowledge, and experience to frame and present to this House navigation laws that are best adjusted to the prevention of ship disasters at sea. Your committee has worked hard, long, faithfully, and loyally upon this bill. It has given it more consideration than any bill of this character has received at the hands of its predecessors in the last 20 years, and yet we have only scratched the surface. The La Follette bill does no better. It even does not scratch as much surface as the committee substitute.

While the members of this committee have as much experience in law, and perhaps legislation, as the average Representative, yet there is not one among us that ever worked upon the construction of a passenger or cargo steam vessel. Not one of us owns an interest of any nature, manner, or description in any such vessel. Every member upon the committee, excepting four of us, are serving our first term upon that committee. We consider ourselves as capable as any other equal number of men of this House to consider the evidence and law that was brought before us. We flatter ourselves with the assumption that our work upon this bill has been well done. We feel that if we were to continue upon this committee until there shall have been four or five years' experience under this bill as a law we would have but little desire to subtract from this bill, but that there would no doubt be many things which experience would show us to be wise to add to it. But you can not reasonably expect this committee or any ordinary committee of this House to frame and devise a set of scientific, expert, and practical navigation laws relating to the construction of the great modern passenger steamships which will avoid all preventable disasters at sea by rendering them unsinkable or fireproof.

Here is a broad field in which Congress may well appoint a select investigating committee, composed of practical experts, to thoroughly investigate the great problems of producing by improved construction nonsinkable and fireproof steamships, and advancing the arts of navigation and the means necessary to obtain the utmost safety to the traveling public, and report the same to Congress; or to study, analyze, frame, and present proposed laws expressly designed to be a preventive of ship disaster at sea. For this purpose a commission of experts should be appointed to take the testimony of practical marine engineers upon this question of the construction of ocean and other steamships. Let them, then, simplify the language and terms used, and let it then be turned over to a committee of Congress. Then such committee will have on its hands a fund of practical

knowledge with which to frame these important laws, and we will not be dependent upon the selfish interests of either the representatives of labor on the one hand nor the vessel owners on the other, nor the ignorance of the public upon this important subject. For years too little serious attention has been paid to the subject of preventing sea disasters, and our national merchant marine as a whole has been treated by Congress and the people with criminal neglect.

ENFORCEMENT OF VIGILANCE AT SEA.

One of the most important forces in promoting the safety of passengers and crew while traveling at sea is vigilance. Eternal vigilance is not only the price of liberty, but it is the price of the greatest safety at sea for the traveling public. Whatever promotes vigilance in the navigation of vessels at sea promotes safety. Whatever promotes self-interest promotes vigilance. Whatever promotes the shipowners' financial responsibilities for accidents and ship disasters promotes vigilance. Therefore let the financial reponsibilities of shipowners be increased.

CHANGE SHIPOWNERS' LIMITED LIABILITIES.

Our laws limiting the liability of shipowners have done as much as any one cause to lessen the shipowners' vigilance, by reducing his financial responsibilities for personal injury and loss of life at sea. With his financial responsibilities reduced to a minimum, and in many cases to nothing, the shipowner becomes disinterested and negligent in the navigating of his ships. Place upon him a financial responsibility for these injuries and losses of life, and he will exercise the utmost diligence in the navigation of his ships to prevent such injury and losses.

A simple case forcibly illustrating this proposition is found in the American litigation growing out of the *Titanic* catastrophe. That vessel cost when it put to sea on its fatal voyage in round numbers $10,000,000. In the litigation brought in the courts of the United States and finally passed upon by our Supreme Court it was held that under our liability law the company owning the *Titanic* was subject to a liability only of $90,000. Why? Because our law limits the liability of the vessel owner to the pending freight money and to whatever value is left of the wrecked vessel, and in the majority of cases the wreck goes to the bottom of the ocean and there is nothing left to pay the claims of those who were injured and the heirs of those who were lost, but whatever money may be due that vessel's owners for freight carried by that vessel upon its fatal voyage.

Under the English law the liabilities of the owners of the *Titanic* amount to fully $3,000,000. This is bad enough. Under our law even the insurance money derived from the destruction of the ship can not be reached to pay claimants for damages. Both the English and American rules of liability are unjust and inequitable. There is no reason in justice and equity why under proper circumstances, where the vessel is lost through the negligence of the shipowners or the vessel's officers, that the company should not be liable to claimants entitled to damages to the full value of the ship before the wreck. Then justice and equity can be done to those having legal claims arising out of the wreck or destruction of the vessel.

In addition shipowners should be compelled by law to insure their ships for the average or usual percentage of the ship's value. In case of loss by wreck, fire, or otherwise such insurance should be subject to be applied in the payment of any judgment which any claimant may obtain against such vessel owner for loss or injury to property or person. In addition there should be Federal legislation fixing the liability of the shipowner for injury to or the death of a member of his crew. At the present time the extent to which a seaman or his dependents may recover for injury to himself is extremely limited and includes merely maintenance and care, at least during continuance of the voyage. Here again our law amounts to a license to the shipowner to neglect and overlook the selection of proper members for the vessel's crew and to be indifferent to the manning and discipline of the same.

Let us change our laws upon this question and attach such liabilities to shipowners, and we will thereby enforce upon the part of shipowners eternal vigilance in the navigation of their ships and for the protection of their own and shipper's property, and passengers' lives. They will then exercise the utmost care and caution to provide sufficient and efficient manning and equipment for their ships. Self-interest will then prompt them to take a lively interest at all times in the safety of the traveling public at sea. When this is done, then the traveling public may safely repose confidence in the glittering promises of navigation companies with reference to the safety of their vessels while being navigated at sea. Financial responsibility of the shipowners to the full value of their ships before the accidents will be the fountain from which their eternal vigilance will flow.

Absenteeism.

SPEECH

OF

HON. SILAS R. BARTON,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 25, 1914,

On House resolution 601, as follows:

"*Resolved,* That all leaves of absence heretofore granted to Members are hereby revoked.

"*Resolved further,* That the Sergeant at Arms is hereby directed to notify all absent Members of the House by wire that their presence in the House of Representatives is required, and that they must return without delay to Washington.

"*Resolved further,* That the Sergeant at Arms is directed to enforce the law requiring him to deduct from the salary of the Members their daily compensation when they are absent for other cause than sickness of themselves and their families."

Mr. BARTON. Mr. Speaker, lawmakers should studiously obey the law. If a law is bad, it should not be nullified by custom, but should be stricken from the statutes by a vote of Congress. The test as to whether or not it is a bad or good law would be the vote to repeal it. The law reads:

SEC. 40. The Secretary of the Senate and Sergeant at Arms of the House, respectively, shall deduct from the monthly payments of each Member or Delegate the amount of his salary for each day that he has been absent from the Senate or House, respectively, unless such Member or Delegate assigns as the reason for such absence the sickness of himself or of some member of his family.

And yet it is a notorious fact that for the past 60 days, with a membership of 435, it has been almost impossible to secure a quorum—about 200 Members going their several ways, doing the thing that pleases their fancy, but not staying here on the job.

The majority leader this morning, in order to secure a quorum, brings in a resolution which says in words resolved, that we will enforce the law. It reads as follows:

House resolution 601.

Resolved, That all leaves of absence heretofore granted to Members are hereby revoked.

Resolved further, That the Sergeant at Arms is hereby directed to notify all absent Members of the House by wire that their presence in the House of Representatives is required, and that they must return without delay to Washington.

Resolved further, That the Sergeant at Arms is directed to enforce the law requiring him to deduct from the salary of the Members their daily compensation when they are absent for other cause than sickness of themselves and their families.

Think of the proposition: Resolved, that the Sergeant at Arms is directed to enforce the law. Did he not in taking his oath of office swear that he would do so, and have we come to the point in our Nation's history where we must compel an officer who has sworn to enforce the law to do so by resolution?

I take the position that the same rights and restrictions should apply equally and alike to each and every Member; that if one Member has the right to make Chautauqua lectures at so much per, adding to his income, or to attend his personal business or take a vacation, the rest of the membership should have the same privileges. If they did, and exercised the privilege, we would not only be without a quorum, but without a Congress.

There is another law greater than written law—the law of common honesty and fairness. In my opinion, common honesty demands that a man in public office should give his time and talent to the performance of that work for which the people honor and pay him. If he can not afford to do so and his personal business demands his time, then he has one right provided for in all our laws—the right to resign—and we well know that there are plenty of able men ready and willing to be our successors and give their entire time to the work.

If a farmer, merchant, or banker had an employee who devoted a great part of his time to taking pleasure trips or working somewhere else for money, said employee's place would soon be filled by another who would do the work for which he was paid.

I have marveled that the people, who now more than any period in our Nation's history are demanding honesty and square dealing from their public servants, would approve the action of Members of Congress who ought to be in their seats, but who are out, at so much per week, telling the country how Congress ought to be run instead of staying in the body and doing the business for which they were elected.

Mr. UNDERWOOD, the majority leader, on August 3 said:

I think the gentlemen who have stayed here through this long summer and have answered the roll calls and "stayed on the job" deserve great credit for it and the commendation of the country and their con-

stituents, but I want to say also that I think the gentlemen who have not been here, who have been away the greater part of the last 60 days, ought to be willing to do their turn at the wheel [applause]; and I say this in the hope that what I say will be carried by the press of the country, and that in this critical time the absentees who are with their own people will return to the roll call of the House. [Applause.]

I have been in attendance every day of this session and voted on every question considered, but do not think it a mark of honor—simply my plain duty and common honesty with my constituents. I ask again: If we who stayed had done as the Members did who were not here, how could business be transacted? And are not our rights and privileges equal to theirs?

I think to introduce and pass this resolution at this time absolutely unfair in a political sense, and is positively unfair to the North. While the primaries were on in the South we had no such rule, and the RECORD will show that southern Members were not present; they were at home among their constituency looking after their primaries. When they are nominated their fight is over, but the northern Democrats and Republicans must contest for their seats.

The majority leader knew that, and now, just at the time when the southern primaries were concluded, he brings in this resolution. The absentees' time ought, in fairness, to be deducted from the beginning of this session, or even further back.

I hope the rule will be enforced. I insist that the same privileges be granted each Member, and I believe it the duty of a Member to be present when Congress is in session doing business.

The Potato Crop.

EXTENSION OF REMARKS

OF

HON. J. HAMPTON MOORE,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 29, 1914.

Mr. MOORE. Mr. Speaker, what I desired to say about the potato crop is this: If you were to run through Maine as I did a week or so ago, you would think Aroostook County alone would be able to supply the American demand for potatoes for the coming winter. It is a wonderful sight, those fields of solid green, sometimes covering a hundred acres without a break, with their comfortable and well-ordered farm houses and barns. They have good roads up there, too, and electric lights and automobiles—one they say to every 49 people—so that if the potato crop is in any way responsible for it the potato crop is worthy of our consideration in Congress along with the cotton crop, or corn crop, or other products of the farm.

CARING FOR COTTON.

You know, Mr. Speaker, we have been doing a great deal for the cotton crop lately. Cotton is a natural monopoly in the profits of which Maine does not participate, although potatoes can be grown all over the South and are actually raised in Florida and other cotton-growing States from the seed potatoes of Maine. You will remember the Democratic Congress took good care of cotton in the Underwood tariff bill. It aided the dealer in raw cotton to a larger market in Germany and Great Britain by cutting down the protection given to the manufacturers of raw cotton in New England, who pay higher wages than the manufacturers of Great Britain and Germany. The price of raw cotton was thus protected, while the output of the New England mills was reduced and many workmen were laid off.

In addition to this, Mr. Speaker, all recent financial legislation has contemplated an oversight and a care of the cotton interest that has shown the present Congress to be a friend indeed to the cotton planter. We have safeguarded him against the boll weevil and the floods. We have given him Government experts a plenty; we have provided for his educational institutions, and we have afforded means by which his credit at the bank may be facilitated. And finding that he is up against the war conditions in Europe, we have arranged to purchase foreign ships and give them American registry so that he may not have to "dump" his goods, as he fears he may have to do, upon the American market. We are even going to insure the risk of sending his cargoes into belligerent territory. But that is not all. The Secretary of the Treasury is to see that his banks are financed so that his prices shall not fall; and if that is not sufficient, we still have in reserve the proposition to buy his cotton with Treasury funds to tide him over a possible fluctuation in value.

THE POTATO IS DIFFERENT.

I remind you of these things we are doing for the cotton crop. Mr. Speaker, because we are not doing these things for the potato crop. The men who went up into Maine and cut their way through the forests were pioneers of a type that delights the American heart. When they changed their mountain wilderness to fertile fields and started to develop the great industry for which they found the soil adapted, they were confronted with a competition such as cotton has never experienced in America; the competition of New York, Pennsylvania, and other States nearest the potato market, and the keener competition of the Canadian farmer, whose cheaper land and farming conditions were a terrific handicap against the Maine farmer.

What did we do to assist the pioneer potato farmer of Maine? Under the Republican system of protection we gave him a tariff of 25 cents a bushel. That kept the Canadian competition at a respectful distance. It even induced Canadians to cross the border and take up American citizenship, and some of them to-day are possessed of the best farms in the State. The protection of 25 cents a bushel enabled the Maine farmer to get to market, and now his potatoes are shipped in great quantities to all parts of the country. They are American potatoes, and they command the American price. This is what the Republican Party did for the farmer of Maine.

THE POTATO MUST FIGHT.

But, Mr. Speaker, the framers of the Democratic tariff law, whose devotion to cotton has been so steadfast, upset the Republican system of protection, which transformed the forests of Maine into marvelous potato fields, and took the duty of 25 cents a bushel away from potatoes. There was no duty on cotton. Why should there be any duty on potatoes?

The answer, Mr. Speaker, may be had by a reference to the Department of Commerce statistics. I would like to write them in big roman letters, so that all the people of Maine who were induced to assist the Democrats into power in 1912 might clearly see and understand them. Here they are:

In nine months of the Republican Payne tariff law foreign potatoes, paying a tariff duty of 25 cents a bushel, came into the United States to the extent of 308,000 bushels.

In the corresponding nine months of the Democratic Underwood law foreign potatoes come in free to the extent of 1,650,000 bushels.

In other words, Mr. Speaker, just as soon as the bars were let down Germany, Bermuda, Ireland, Canada, and other countries began to flood the American market with potatoes until in the first nine months of the operation of the new law five times as many foreign potatoes came in as were received during the corresponding Republican period. What the Democratic Party did was to threaten the very existence of the Maine potato farmer, while it did not reduce the price of potatoes to the consumer anywhere. The failure of the Democratic plan to reduce the cost of living by taking away the farmers' protection on potatoes was so evident, that if it were not for the discovery of the potato wart or scab justifying a departmental quarantine against foreign potatoes the consequences to the Maine farmers would by this time have proved disastrous.

DISCRIMINATION AGAINST THE POTATO.

In a recent address to the House, Mr. Speaker, my colleague, the gentleman from Nebraska [Mr. SLOAN], indicated that Argentine corn, which now comes in free competition with American corn, can be landed at New York for 3 cents a bushel as against a transportation cost of 12 cents a bushel from Omaha. If all other conditions were equal, which they are not, how long could the American farmer stand against that 9 cents per bushel disadvantage? We can get potatoes cheaper in Philadelphia from Germany or Bermuda than we can from Maine. How long, therefore, can the Maine farmer or any other American farmer—even our own prize farmers of Lancaster and York Counties, Pa.—stand the competition of free potatoes?

NO ADVANTAGE TO CONSUMERS.

From the viewpoint of the consumer in the cities, Mr. Speaker, it would not be so bad if the removal of the duties on potatoes would reduce the cost of living, but it has not done so and it probably never will so long as the Democratic tariff law also takes away the protection accorded to the workmen in the mills and factories, whose shorter shifts and diminished pay, by reason of the competition with cheap foreign labor, reduces and destroys their power to purchase. If the men in the mills are idle it profiteth neither the cotton planter nor the potato grower.

But as to the potato crop, Mr. Speaker, it promises to be the greatest Maine has produced. The warehouses will soon be full, and the American market, in good times, is the best in the world. So far as is known, the Maine farmer has done

his own financing. He has borrowed money in the usual way and made good in the usual way. He spends generously for fertilizer and he gets no Government assistance for removing the potato-bug pest nor for eradicating the rust or the scab.

THE MAINE FARMER CHIPS IN.

The Department of Agriculture maintains an experimental farm station in Maine, and it has made an allowance of $50,000 for inspection of potatoes before they leave the State; but I am informed that to complete the inspection the farmers and shippers of Maine will have to contribute another $50,000 out of their own funds. It is a hardship and rather unusual, but they are going to stand it, for they want to get their potatoes out while the quarantine is on. For the quarantine in Maine, Mr. Speaker, is at once a blessing and a menace. So long as it continues under the present conditions the Maine farmer will have protection against foreign imports. When the department decides that the foreign potato has been cured of its malady, free trade sets in again, and the sword of Damocles falls. What, then, Mr. Speaker, shall we say of the policy of the Democratic Party? To protect cotton, which it said needed no protection, it has been put to desperate straits. To protect potatoes, which it made free, it embraces the foreign scab and declares a quarantine.

DEMOCRATIC SCHEME A FAILURE.

Inheriting a balance of $50,000,000 from a protective-tariff system, it finds itself $100,000,000 short in the brief space of nine months of free trade. Where is the burden to fall, Mr. Speaker? Shall we levy another tax upon incomes, reducing the amount to the $1,000 man? Shall we put it on rum and tobacco? Shall we make it a stamp tax, or shall we devise some other method of increasing our domestic burdens? Mr. Speaker, the potato grower of Maine is beginning to think these matters over for himself, and so are the producers in other sections of the country. And if the outcome of this independent thinking upon the part of those who are most concerned shall be to rely a little less upon foreign competition and foreign gold and a little more upon the Republican system of protection and the value of the great American market, how much stronger as a people we would be.

FOREIGNER FIXES THE PRICE.

There is another thought, Mr. Speaker, which may be advanced in connection with the Democratic method of dealing with the cotton crop and the potato crop. Under the Republican system we enable American producers to fix their own prices; under the Democratic system we permit the foreign competitor to fix the prices for us. Under the Republican system we make the foreigner pay for the privilege of doing business in the American market; under the Democratic system we give the American market away to the foreigner. When you took the duty off of sugar, did the retail price come down? Not much. To-day under the Democratic system the sugar importers are pocketing the duty that foreign sugar formerly paid, the American sugar-beet industry is silent, the Government is out a large proportion of the $60,000,000 of revenue it used to collect from foreign sugar, and the poor consumer is paying twice as much per pound for sugar as he did under the Republican system of protection.

OUR LOSS HIS GAIN.

How about lumber? The Democratic Party said it would reduce the price of lumber by taking the duty off. It took the duty off and the Canadian lumber dealer added it to his price. Therefore the Government lost the duty and the Canadian got the money. Wherein does that system aid the American lumberman or reduce the cost of living? Or, if we consider the lumberjack, wherein does it help him? Last year, under the Republican system, the lumberjack going into the forests of Maine could get all the work he wanted at $35 per month. This year, under the Democratic system of free foreign lumber, the lumberjacks of Maine are hunting work at from $26 to $30 per month.

FREE CATTLE, HIGHER PRICES.

And how about cattle? In nine months of the Republican law last year we admitted foreign cattle paying duty to the value of $5,771,000. In the corresponding nine months of the Democratic law, foreign cattle were rushed in free of duty to the value of $16,300,000. Did it reduce the price of beef, as promised by the Democrats? Not much. We are paying more for beef in the big cities than ever, and, due to the business depression and slack employment for our industrial workers, we have less money to buy beef. That the American farmer is not benefited is now generally admitted. I learned in Maine that even the cattle dealer, who thought he could make something by buying Canadian cattle free of duty, found the Canadian price had gone up to correspond with the duty we had taken off.

THE GRATEFUL FOREIGNER.

Wise, indeed, Mr. Speaker, is the foreigner who has paid the American duty under the Republican system. Is it any wonder he is grateful to the Democratic Party when it takes the duty off? The American farmer and the American consumer may suffer when the duty comes down, but the Canadian farmer, like the European manufacturer, can raise his hands to high heaven and exclaim, "Thank you, Mr. Democratic Party. You have given us the American market and we embrace it. You have removed your duties and we have put them on. You have taken $100,000,000 from your own people, and must raise it by direct taxation. The burden used to be on us, but now the joke is on you. But for the accident of the war your brilliant statesmanship would certainly have given us the world's supremacy in production and trade; and we thank you."

HOW LONG CAN WE STAND IT?

With imports of foreign oats jumping from 37,000 bushels in nine Republican months to 22,000,000 bushels in nine Democratic months, how long, Mr. Speaker, can the American farmer stand it?

With butter and substitutes jumping from $250,000 of value in nine Republican months to $1,600,000 in nine Democratic months, how long can the American farmer stand it?

With imported wool jumping from 136,000,000 pounds duty paid in nine Republican months to 223,000,000 pounds free in nine Democratic months, how long can the American farmer stand it?

WORKINGMEN ALSO WANT TO KNOW.

Mr. Speaker, the Maine farmer and every other farmer is thinking these questions over this year, and it goes without saying that in those great centers of population where workmen have been laid off because their work is being done by foreigners and where they are drawing upon the savings of Republican prosperity, they, too, are asking "How long can we stand it?"

Correspondence Between National Contract Co. and the Government of the United States.

EXTENSION OF REMARKS

OF

HON. CHARLES LIEB,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 28, 1914.

Mr. LIEB. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a letter from Mr. Sam L. May, president of the National Contract Co., of Evansville, Ind., to Lieut. Col. F. R. Shunk, of the Government Corps of Engineers, Pittsburgh, Pa., relating to a contract now existing between said National Contract Co. and the Government of the United States. This information is of interest to Members of the House as it gives the status of the work on locks and dams under construction on the Ohio River.

STEUBENVILLE, OHIO, *August 25, 1914.*

Lieut. Col. F. R. SHUNK,
Corps of Engineers, United States Army, Pittsburgh, Pa.

DEAR SIR: We have your favor of August 21, 1914, desiring to know the number of men of each general class that would have been employed on our contract at Dam No. 10, Ohio River, Steubenville, Ohio, on October 1, 1914, had the river and harbor bill become a law, and the number of men that will be employed should the bill not become a law.

According to our understanding, necessary appropriation for completion of our contract at Dam No. 10, Ohio River, Steubenville, Ohio, was included in the sundry civil bill passed by Congress during July, 1914, and sufficient allotment made by the Ohio River board of engineers. If such is the case, there will be no difference in the number of men employed at Dam No. 10, Ohio River, Steubenville, Ohio, on October 1, 1914, whether the river and harbor bill passes Congress or not.

If we are not correct in assuming that sufficient funds are available for completion of Dam No. 10, Ohio River, it will mean a suspension of work until necessary funds are provided by Congress.

The number of all employees at Dam No. 10, Ohio River, Steubenville, Ohio, on Saturday, August 22, 1914, was as follows:

One superintendent, 1 assistant superintendent, 1 bookkeeper, 1 stenographer, 1 timekeeper, 15 overseers or foremen, 1 blacksmith, 11 carpenters, 3 water boys, 9 machinists, 6 steamboat crew, 15 hoisting engineers, 15 firemen, 12 handy men, 1 watchman, 113 laborers. Total, 206.

With favorable river and weather conditions until December 15, 1914, and assuming that sufficient funds are available, we hope to be nearing the end of our contract at Dam No. 10, Ohio River.

However, failure of passage of the river and harbor bill at the present session of Congress would have one demoralizing effect on our organization after the end of this season. We would be in position, probably, to take up new work. We make it a point to keep our organizations together when we have work ahead for the following season.

The laborers are practically the only men not held together in the dull or winter season for the next year.

If the river and harbor bill fails to pass Congress at this session, we understand there would not be any new contracts come up for next year. We would have very little work to complete Dam No. 10, Ohio River, in every detail early next year. We could not afford to keep our organization together after the end of this season without any new work in sight for next year. It would mean that we would have to dispense with the service of practically all of our men at the end of this season.

The work of constructing a lock and dam in the Ohio River is, in our opinion, a special line of work. It requires a plant built especially for this class of work, and is really worthless without any contracts. We have an investment of approximately $150,000 in plant at Dam No. 10, Ohio River. What will this plant be worth to us if we do not have any contracts on hand to keep it busy? It will be an expensive proposition to take care of and keep up.

The work requires men especially trained for river work. It requires several seasons before a man becomes of any benefit to us above the ordinary laborer. Conditions are always arising that require special knowledge of river construction. We must always be prepared for a flood and must know exactly what to do to protect our interests and the work of the Government in such emergencies. This requires special training.

It has taken us several years to secure these organizations and feel that we are in position to carry forward this work successfully. We think we have succeeded in securing such an organization at Dam No. 10, Ohio River. Failure of passage of the river and harbor bill means that we can not afford to keep this organization together. It would certainly demoralize working conditions and make it very expensive to get the organization together again and teach new men the first season after securing new contracts.

Failure to pass the river and harbor bill at the present session to us would mean a $150,000 plant practically worthless after this season and now employed at Dam No. 10, Ohio River, and an organization of practically 100 men that would be disrupted at the end of this season. It means four years of hard work practically wasted.

The question of plant and organization does not affect this company alone. It means the same to the contractors at Dams 12, 14, 15, 16, 17, 19, 20, 24, 29, 31, 35, 41, and 48, Ohio River. Possibly some of these contractors would have work beyond this season, but they would not feel encouraged to make additional investments in plant or build larger organizations for the future. We passed through this stage of the experiment when appropriations were made in small amounts and the construction of a lock and dam was awarded in three or four contracts and required six, seven, eight, and nine years to complete and place in operation.

Since 1910 the work on the Ohio River has been placed on a business basis. Appropriations have been sufficient to allow contracts for three, four, and five Ohio River locks and dams to be awarded each year. Contractors were encouraged to build proper plants and secure necessary organizations to complete the first general contract within four years. What has been the result? Dams 7 and 9, Ohio River: Contracts awarded in September, 1910, and first general contracts completed in fall of 1913, or three seasons; will be placed in operation within four years. Dam No. 10, Ohio River: Contract awarded in November, 1912, and which might be completed and placed in operation during 1915.

Contracts placed in 1910 for Dams 7, 9, 12, and 19, Ohio River; during 1911 for Dams 29, 14, 15, 20, 41, and 48, Ohio River; during 1912 for Dams 10 and 31, Ohio River; during 1913 for Dams 16, 17, 24, and 35, Ohio River; all with four-year time limit for completion. Government hired labor completed Dam No. 26, Ohio River, during 1908, 1909, 1910, 1911; work on Dam No. 28, Ohio River, during 1911, 1912, 1913, and 1914; and understand must suspend on August 1, 1914, on account of lack of funds. Dams Nos. 21 and 22 can not be started on account of lack of funds. Dam No. 39 was started this spring and suspended on July 31, 1914, on account of lack of funds. Dam No. 43, started this spring, and understand must be suspended on September 30, 1914, on account of lack of funds.

It would certainly be a terrible calamity to the Ohio Valley if the river and harbor bill fails to pass Congress at the present session of Congress.

We feel that we have more than covered the information requested in your letter, but we are so interested in this matter that a complete presentation of this matter would not be out of place at this time.

Very respectfully,

NATIONAL CONTRACT COMPANY,
SAM L. MAY, *President*.

Remarks Made by the President at the White House, December 23, 1913, After Signing the Currency Bill.

EXTENSION OF REMARKS

OF

HON. B. P. HARRISON,

OF MISSISSIPPI,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 4, 1914.

Mr. HARRISON. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include remarks made by the President at the White House, December 23, 1913, after signing the currency bill.

The President, at the signing of the currency bill at the White House December 23, 1913, said:

"Gentlemen, I need not tell you that I feel a very deep gratification at being able to sign this bill, and I feel that I ought to express very heartily the admiration I have for the men who have made it possible for me to sign this bill. There have been currents and countercurrents, but the stream has moved forward. I think that we owe special admiration to the patience and the leadership and the skill and the force of the chairmen of the two committees; and behind them have stood the committees themselves, exercising a degree of scrutiny and of careful thought in this matter which undoubtedly has redounded to the benefit of the bill itself. Then there have grown, as we have advanced with this business and the great piece of business which preceded it, evidences of teamwork that, to my mind, have been very notable indeed. Only constructive action, only the action which accomplishes something, fills men with the enthusiasm of cooperation, and I think that at this session of Congress we have witnessed an accumulating pleasure and enthusiasm on the part of the membership of both Houses in seeing substantial and lasting things accomplished.

"It is a matter of real gratification to me that in the case of this bill there should have been so considerable a number of Republican votes cast for it. All great measures under our system of government are of necessity party measures, for the party of the majority is responsible for their origination and their passage; but this can not be called a partisan measure. It has been relieved of all intimation of that sort by the cordial cooperation of men on the other side of the two Houses who have acted with us and have given very substantial reasons and very intelligent reasons for acting with us. So that I think we can go home with the feeling that we are in better spirits for public service than we were even when we convened in April.

"As for the bill itself, I feel that we can say that it is the first of a series of constructive measures by which the Democratic Party will show that it knows how to serve the country. In calling it the first of a series of constructive measures, I need not say that I am not casting any reflections on the great tariff bill which preceded it. The tariff bill was meant to remove those impediments to American industry and prosperity which had so long stood in their way. It was a great piece of preparation for the achievements of American commerce and American industry which are certainly to follow. Then there came upon the heel of it this bill, which furnishes the machinery for free and elastic and uncontrolled credits, put at the disposal of the merchants and manufacturers of this country for the first time in 50 years. I was refreshing my memory on the passage of the national-bank act, which came in two pieces, as you know, in February of 1863 and in June of 1864; it is just 50 years ago since that measure, suitable for that time, was passed, and it has taken us more than a generation and a half to come to an understanding as to the readjustments which were necessary for our own time. But we have reached those readjustments. I myself have always felt when the Democratic Party was criticized as not knowing how to serve the business interests of the country that there was no use of replying to that in words. The only satisfactory reply was in action. We have written the first chapter of that reply.

"We are greatly favored by the circumstances of our time. We come at the end of a day of contest, at the end of a day when we have been scrutinizing the processes of our business, scrutinizing them with critical and sometimes with hostile eye. We have slowly been coming to this time which has now, happily, arrived when there is a common recognition of the things that it is undesirable should be done in business and the things that it is desirable should be done. What we are proceeding to do now is to organize our peace, is to make our prosperity not only stable but free to have an unimpeded momentum. It is so obvious that it ought not need to be stated that nothing can be good for the country which is not good for all of the country. Nothing can be for the interest of the country which is not in the interest of everybody; therefore the day of accommodation and of concession and of common understanding is the day of peace and achievement of necessity. We have come to the beginning of that day. Men are no longer resisting the conclusions which the Nation has arrived at as to the necessity of readjustments of its business. Business men of all sorts are showing their willingness to come into this arrangement, which I venture to characterize as the constitution of peace. So that by common counsel and by the accumulating force of cooperation we are going to seek more and more to serve the country.

"I have been surprised at the sudden acceptance of this measure by public opinion everywhere. I say surprised, because it seems as if it had suddenly become obvious to men who had looked at it with too critical an eye that it was really meant in their interest. They have opened their eyes to see a thing which they had supposed to be hostile to be friendly and serviceable; exactly what we intended it to be, and what we shall intend all our legislation to be. The men who have fought for this measure have fought nobody; they have simply fought for those accommodations which are going to secure us in prosperity and in peace. Nobody can be the friend of any class in America in the sense of being the enemy of any other

class. You can only be the friend of one class by showing it the lines by which it can accommodate itself to the other class. The lines of help are always the lines of accommodation.

"It is in this spirit, therefore, that we rejoice together to-night, and I can not say with what deep emotions of gratitude I feel that I have had a part in completing a work which I think will be of lasting benefit to the business of the country."

War Prices.

REMARKS

OF

HON. ALBERT JOHNSON,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Friday, August 28, 1914,

On the bill (S. 6357) to authorize the establishment of war-risk insurance in the Treasury Department.

Mr. JOHNSON of Washington. Mr. Speaker, the war-risk insurance bill is in connection with the plan to transfer foreign ships to American registry. The hope is to build up an American merchant marine. Unfortunately, both the war insurance and the proposed transfer are put forth on temporary measures, with a time limit, and, therefore, will not quicken the movement for a permanent American merchant marine on a large scale.

All of these measures are put forward in an effort to save us from the disastrous consequences of the terrible European war. Foreign credits and means of exchange have broken down. Business is ruined abroad and affected here. In this country a tendency to force war prices for foodstuffs has caused great alarm. In this connection I desire to present a letter from Mr. Oscar R. Redlich, a forceful citizen of Tacoma, Wash. Mr. Redlich has given profound study to economic subjects, and in the 17 years that I have known him his views, as published from time to time, have been keen cut and sensible. In this case, however, he propounds no problems, but states simply what must be in the minds of many Americans. His letter is addressed to the President of the United States, and I have the writer's permission to make it public. The letter follows:

TACOMA, WASH., *August 14, 1914.*

To His Excellency the PRESIDENT OF THE UNITED STATES.

DEAR MR. PRESIDENT: The real beginning of the infernal war now raging in Europe was August 1, 1914. On August 4 I took the liberty to wire you that if the first scoundrels who attempted to commit worse than highway robbery by boosting food prices, taking the European war as a pretext, were treated to a necktie party, much good would be accomplished. In what light you may consider the extreme measure I proposed is of no concern to me. Certain exigencies demand stern procedure.

Just now the Commission on Industrial Relations, appointed to investigate cause of "discontent," the answer my 11-year-old boy has on his tongue's end, is in session in the near-by city of Seattle. If Congress deemed it expedient to appropriate $100,000 about eight months ago to discover something that could have been acquired for 5 cents, it goes without saying that if immediate decisive steps are not taken by the powers that be to protect the American people from these buccaneers, they themselves will do the "investigating." The lesson of history is that all human endurance, all human conventions and close-knit systems will at last wear down to the bone and then suddenly collapse.

Just now it is the usurious foodmongers I have in mind who sow the wind, and if not speedily checked will reap the sirocco. On August 4, when I wired you to be on the alert against any contemplated move on the part of the villains who might attempt to strangle the very existence of an already overburdened populace, I anticipated what has come to pass, since at that time they had not marshaled their forces. To be sincere, my telegram to you was to an extent inspired by Lincoln's warning issued in 1865:

"I see in the near future,' prophetically said Lincoln, "a crisis approaching that unnerves me and causes me to tremble for the safety of my country. As a result of war, corporations have been enthroned, and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all the wealth is aggregated in a few hands and the Republic is destroyed. I feel at this moment more anxiety for the safety of our country than ever before, even in the midst of war. God grant that my forebodings may be groundless. Monarchy itself is sometimes hinted at as a refuge from the power of the people. In my present position I could scarcely be justified were I to omit to raise a warning voice against the approach of a returning despotism."

We have gone down to Mexico in the interest, so claimed, of the peons of that country.

Are the common people of the United States, in their plight to-day, of as much consequence?

A gold ship has been sent to Europe to assist Americans on pleasure bent and stranded for the time being. No one would object to that, but if the Democratic principle, "Equal rights to all, special privileges to none," should prevail, will like relief measures be extended without a moment's loss of time to the stranded thousands and millions in our own country, whose lot is being made harder by reason of this war and the rapacity of speculative jackals in the necessities of life?

Will any protection be immediately afforded us against this army of (in)human vampires who are sweeping down upon the Nation's food supply and capturing it in order that they may later release it at still greater ransom than they now exact?

Mr. President, whilst at variance with you politically, I am on record as having a stanch belief in your honesty of purpose. That estimate remains unimpaired.

To appoint a commission to judge by past experience of doubtful performances, to report two years after the war is over, whether prices were raised unnecessarily and what remedy, if any, could be applied will not suffice nor satisfy the clamoring of an outraged citizenship.

I am ignorant of the ethics of Government and man-made laws, but the law of common sense, which I would invoke in the last analysis, establishes the axiom that when an emergency exists Government has power and is compelled to act, and it is incumbent upon those in authority to eschew subterfuge and useless palaver.

I trust that my communication will be accepted in the spirit in which it is sent.

Within the average man's heart abides a sense of justice. Confident that you approve of and acquiesce in the plea I submit, permit me to be, sir,

Your obedient servant,

OSCAR R. REDLICH,
Corresponding Secretary German-American League,
Tacoma, Wash.

To those who are thinking about this subject I present the following dispatch from New York, which I find in the Washington Star:

EXORBITANT PRICES LEGAL, SAYS COUNSEL—DEALERS MAY HOARD FOODSTUFFS OR RAISE QUOTATIONS LAWFULLY IN NEW YORK.

NEW YORK, *August 29, 1914.*

An opinion from the corporation counsel's office that individuals can not be interfered with in hoarding their property or offering it for sale at exorbitant prices practically put an end to-day to all hope of the mayor's committee and other organizations for obtaining some measure of relief from the high prices of food through criminal prosecutions.

Some members of the committee are in favor of retiring, so that some other organization may take up the leadership of a movement for a nation-wide campaign for Government control of prices or an embargo on exports of food.

A comprehensive plan for free public markets to be opened September 1 was announced to-day. Its novel part is an arrangement made for the bringing in of produce on old trolley cars specially run for the purpose at night.

The following editorial from the Washington Post is also of interest:

THE FOOD PROBLEM.

In a comprehensive report the citizens' committee on food supply appointed by Mayor Mitchel, of New York, has made various suggestions that might well be taken to heart by the consumers of other cities. From its observations and investigations the committee, composed of some of the ablest men in New York, has found that "there is not the slightest doubt that the increase in prices has been brought about almost wholly by four important factors." Summed up, the important factors appear to be as follows:

First. The present and anticipated foreign demand for our domestic foodstuffs for future shipment.

Second. The heavy buying of household supplies by housewives against future needs.

Third. The holding back by the producer.

Fourth. The stocking up by local storekeepers and village storekeepers—the latter class having made unusually heavy demands on the producers and wholesalers throughout the country.

The ordinary remedies which have been discussed since the high trend of prices began, remedies such as prosecution of alleged conspirators and an embargo on exports, are dealt with exhaustively by the committee, but its most interesting recommendation, and one that is practicable in every household without waiting for legislative or judicial action, is the conservation of food supplies.

It is a well-known fact that Americans are a long way behind other leading nations in the knowledge of how to buy and prepare food; that in many other countries people live and thrive on smaller quantities of food than in this country; and also that they are far less wasteful in their general housekeeping methods.

The United States has always been a prodigal nation. Producing so lavishly, the people have been careless of economy. The value of educational work in connection with the present situation is perhaps best illustrated by the general appeal that the New York committee made to the citizens that they eat less meat in these summer days and more fish and vegetables. The committee learned from a great many sources that the suggestion had been followed to such an extent that meat dropped in price and fish increased in price. It is a fair deduction, therefore, that the law of supply and demand is not being disregarded altogether in the present situation.

Mr. Speaker, while war in Europe may lead to excessive prices on foodstuffs and many other commodities in the United States, it will work havoc along other lines. Note the following telegram from Vancouver, British Columbia:

LIFTS EMBARGO ON LOGS—BRITISH COLUMBIA WILL MARKET ON PUGET SOUND.

VANCOUVER, B. C., *August 27.*

The British Columbia government has decided to lift its restriction which has for several years prohibited the export of logs from this Province to the United States.

There are now approximately 125,000,000 feet of logs in the water here in excess of local demands. All these will doubtless be shipped to Tacoma, Seattle, and Everett for sale in the open market.

Just at the present there is no market in British Columbia, and the government wishes to assist the lumbermen to realize on their product so as to keep workmen busy and get in cash when it is needed in war times.

Since the date of that dispatch I am informed that 250,000,000 feet of logs have been dumped into the waters of western Washington. British Columbia gives employment to its workmen and takes it from the workmen of the lumber counties of western

Washington, all because we have no antidumping clause in the Underwood tariff bill as regards timber and lumber.

This gives a plain object lesson in the workings of the tariff.

We need great additional revenue. The Government was falling behind in income under the Underwood tariff. Those British Columbia logs should have paid a tariff tax of $1 per thousand feet. That would have given the United States Treasury $250,000 in one week.

The war has still further reduced our revenues. We are about to pass a tax bill to provide necessary funds for the United States Treasury.

Why should not any more logs which British Columbia wants to dump on us pay $1 per thousand, particularly as the tax will not add 2 cents a thousand to the retail price of dressed lumber anywhere in the United States?

Editorials Written and Published by Senator R. M. La Follette on the Subjects "The Farmer and the Tariff Bill" and "Why I Voted for the Tariff Bill."

EXTENSION OF REMARKS

OF

HON. MICHAEL E. BURKE,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

September 9, 1914.

Mr. BURKE of Wisconsin. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include two editorials, one entitled "Why I voted for the tariff bill," and the other "The farmer and the tariff bill," written and published by Senator R. M. LA FOLLETTE, of Wisconsin, in La Follette's Weekly Magazine, at Madison, Wis., in September, 1913.

[From La Follette's Weekly (Vol. V, No. 37), Madison, Wis., September 13, 1913.]

("Ye shall know the truth and the truth shall make you free.")

THE FARMER AND THE TARIFF BILL.

The farmer has derived on the great bulk of all that he produces but little direct benefit from the protective system. The duties on wool and beet sugar have been a material aid to the limited number of farmers growing wool and sugar beets. The duty on wheat, barley, flax, poultry, vegetables, has yielded some protection to the farmers in the States contiguous to the Canadian border. The same is true to a limited extent as to meats, and animals from which they are derived. But as to all these products, excepting wool and beet sugar, the advantage has been comparatively small and severely limited to the territory so located as to be brought into competition with imported products.

For the millions of farmers distributed throughout the country the only benefit of the protective system has been that which came to them through the upbuilding of diversified industries and the near-by market which the employees of those industries created to be supplied by products of the American farms. This home market has been the basis of effective appeal to the farmers to support high protective duties on manufactured products since the days of Horace Greeley.

As a member of the Ways and Means Committee that framed the McKinley bill, speaking of the advantage to the farmer which would flow from its enactment, I said:

> The bill seeks to give the farmers of this country a much larger body of consumers for their products right here at home by multiplying the factories and adding to the millions engaged in mining and manufacturing pursuits.

More than that, we encouraged the farmer to believe that this home market, with its millions of industrial workers employed at wages so high as to reach "the American standard," would afford him the best market in the world in which to sell his products. The farmer was encouraged to believe that this was his market. He felt an honest pride in building it up.

The theory was sound. The argument was logical. The belief in it was sincere. It was effective. For years and years the farmers of this country, particularly in the Northern States, have stood solidly for the protective principle. They have gone to the polls election after election and returned to power the party pledged to this doctrine. They have had small part in the writing of the tariff schedules. It was not directly for their advantage that the tariff wall was raised higher and higher. But in the belief that they were ultimately to come into their own through the upbuilding of this great home market, for many years they consented to the maintenance of these high duties. They were not unmindful of the fact that they were thereby compelled to pay more for the manufactured products they purchased than would otherwise be the case if these products came to them untaxed. But strong in the faith that they would be rewarded in the prices paid for their products in the American market, they were content to go on paying more to the manufacturers who made their clothing, their machinery, manufactured their lumber, furniture, and all supplies which they were required to purchase. They believed that by fostering our manufacturing industries the general prosperity of the Nation would be enhanced, that a great and well-paid manufacturing population was the best guaranty of a great and well-patronized farming population.

Thus the farmer was persuaded to support the protective system. With patience and good cheer he gave long years of toil to the hardship of opening up new lands and creating new agricultural empires to afford a wider and firmer foundation for the Nation's prosperity.

What was his reward?

The home market was created, but it was not just the home market which had been the farmer's dream and for which he had sacrificed so much. Behind the protective-tariff wall which he had helped to rear the industries of the country, sheltered from foreign competition, had grown rich and powerful. They had become allied with other great and powerful interests engaged in transportation, and those in turn had formed monster organizations for the control of stockyards, packing houses, and grain elevators. In short, these interests owned and controlled the home market. They fixed the farmer's prices arbitrarily. They took the profit of his toil. Added to this, the manufacturers, protected against foreign competition, suppressed home competitors and compelled the farmer and other consumers to pay higher and higher prices for manufactured products.

The result of these conditions may be said to be somewhat reflected in the recent census report, which shows a steady increase in the proportion of farms mortgaged over those which are free from encumbrance. In 1890 the number was 28.2 per cent, in 1900 it was 31.1 per cent, in 1910 the percentage of farms mortgaged had increased to 33.6.

With the market in which he must buy all his manufactured products controlled largely, if not wholly, by combination, which has steadily increased the price of everything he buys, and with the market in which he must sell everything he produces controlled by combinations, which arbitrarily fix the price that he receives, the farmer's support of the protective system will be a constantly diminishing factor as long as these conditions exist.

ROBERT M. LA FOLLETTE.

[From La Follette's Weekly (Vol. V, No. 38), Madison, Wis., September 20, 1913.]

("Ye shall know the truth and the truth shall make you free.")

WHY I VOTED FOR THE TARIFF BILL.

The Republican Party four years ago established a rule by which to fix the amount of duty in each case necessary to protect American industries. That rule provided that the duties should, in all cases where any protection is required, be established at a level which would measure the difference in the cost of production at home and abroad.

Upon this declaration the Republican Party carried the presidential election of 1908 by the largest majority ever given any party in the history of the country.

Following that election, the standpat Republican bosses of the Aldrich-Cannon type, then in control of the organization in both branches of Congress, proceeded to revise the tariff. In so doing they repudiated the rule established as the measure of protective duties and increased the excessive tariff burdens under which the people had long been suffering. The break between the Progressive Republicans and the standpat Republicans came on this issue, the Progressives taking the ground that the Payne-Aldrich tariff bill was a wanton betrayal of a public trust. It merited and received the severest condemnation. It divided and defeated the Republican Party.

As a sort of concession to Progressive Republicans, Aldrich added to his tariff bill a five-line provision authorizing the President to "employ such persons as may be required to secure information to assist the President in the discharge of the duties imposed upon him * * * and the officers of the Government in the administration of the customs laws."

President Taft made this provision much more effective than was anticipated by those who framed it, and under it built up the Tariff Board. This board conducted investigations on several schedules, and made valuable reports in 1912 on the pulp-wood and print-paper industry, on cottons, on wool and manufactures of wool, and partial investigation of the iron

and steel industry, earthenware, and glassware, and the manufactures of leather, of sugar, and the agricultural products, and had accumulated valuable material preparatory to an investigation of the production cost of silk, hemp, and flax.

Believing as I do in a scientific basis for tariff revision, I asked President Wilson for the privilege of using this material. It was given. With the assistance of Tariff Board experts, whose services I was so fortunate as to secure, I made it the basis for the amendments which I offered to the bill while pending in the Senate. Although throughout the debate the framers of the Democratic tariff bill insisted that they had "not been guided in their deliberations by the investigations of the Tariff Board," and that they had "not taken cost of production into account in framing the bill," nevertheless a careful analysis of the mass of material gathered by the Tariff Board disclosed that the Democratic bill was in many important schedules a moderately protective measure, conforming to the principle of difference of production cost urged by the progressive Republicans as the basis of the Payne-Aldrich bill.

But theory is one thing, and application of theory to practical tests is quite another thing.

The makers of this tariff bill found at the beginning that they could not safely reduce the tariff to a revenue basis. To do this might let in such a vast quantity of manufactures from abroad that domestic industries would be forced to close down, labor be thrown out of employment, business depression, failures, and panic follow—a responsibility and political risk which they could not afford to incur.

They were bound to reduce the tariff. They desired to cut it so low as to take away all of it that afforded protection, or, as some of them stated in debate, to "wipe out every vestige of protection." But this they dared not do at one stroke.

How much, then, of the protective element of the tariff could they safely remove at one time?

Regardless of the interests of the manufacturers and the labor employed by them, the business stability of the country and the political success of the administration required that the duties should not be reduced below the point which would enable the American mills to continue in business.

To determine this point they were forced to consider the cost of producing in an American factory as compared with the cost of producing in a competing foreign country.

But this brought them face to face with the necessity of being obliged to resort to the difference in the cost of production at home and abroad as a means of measuring the amount of tariff which would admit the importation of only so much foreign manufacture as would hold in check the American manufacturer from unduly raising prices to the consumer, and still exclude enough of the products of foreign manufacture to keep the American mills employed.

Driven, therefore, to adopt the principle of the difference in the cost of production, they gave it another name, and announced that their bill was framed upon the principle of establishing "competitive tariff rates"; that they "would not injure legitimate American industries" but would "lower the tariff sufficiently to insure enough foreign competition to protect the American consumer from extortionate prices."

But these tariff makers found it impossible to lay down the basis for a competitive tariff without comparing the cost of producing a given article in this country with the cost of producing a corresponding article in the competing foreign country. This appears from time to time throughout the debate, when members of the Committee on Finance disclosed the plan upon which they had determined upon what rates should be fixed. An example of this was the naive statement of Chairman SIMMONS regarding pig iron, billets, and the coarser products of the metal schedule. In opening the debate he said:

> We have put pig iron and certain allied products upon the free list. There is no reason for a duty upon these products. That pig iron can be produced as cheaply in this country as anywhere in the world is abundantly established by the testimony not only of disinterested witnesses, but by the admission and sworn testimony of the leading representatives of the iron and steel industry.

This is a distinct admission that in deciding whether domestic pig iron could compete with imported pig iron the committee first ascertained the cost of producing pig iron in this country and in competing countries as well. Otherwise it would not have been assured that "pig iron can be and is produced as cheaply in this country as anywhere in the world."

It is obvious, therefore, that this "competitive tariff bill" is constructed upon a plan that is not so widely at variance with the strict application of the principle contended for by Progressive Republicans; that is, "the difference in the cost of production at home and abroad."

That the bill squares itself with this principle in all particulars is not contended. A tariff bill deals with thousands of products. Reliable data for determining the cost of production have as yet been worked out, with scientific accuracy, upon only a portion of the articles covered by the bill. As to products, the cost of producing which is not known, any committee must make the best estimates possible with the material at hand. A Progressive Republican committee would be compelled to adopt estimates on production cost for a large number of products. But a close study of this bill will convince any unbiased mind that in the main—excepting upon food products—the general plan and purpose of those who framed the bill was to lower the high and often prohibitory tariff rates of the Payne-Aldrich law to such a level as to insure enough foreign competition to prevent the combinations, formed behind the tariff wall, from continuing to exact monopoly prices from the consumer. And, on the other hand, the conclusion will be reached that it was not their purpose to admit enough foreign competition to injure American manufacturers who are dealing fairly with the American people.

Upon the products of the farm suitable for human food, those who constructed this bill abandoned the principle upon which the balance of the bill was framed and placed those articles upon the free list. The purpose of this was manifestly to reduce the cost of living. And it is their contention that as to those products the farmer derives little or no direct benefit from the protective tariff.

In large measure this is true. Aside from the influence of the world price upon agricultural products, the Packers' Trust, the grain elevator, and other combinations control with iron hand the market in which the farmer sells his products and sets at naught the influence of the protective tariff and in large measure the natural law of supply and demand. Nevertheless, the local markets are, in some degree, free from these influences, and the farmer does secure some benefit from the tariff in those markets contiguous especially to the Canadian border. In view of this fact, the bill is unjust to farmers so located.

But in this respect it does not bear upon them with the same hardship as did the reciprocity pact with Canada. That bill took away all protection on farm products, as this does on all food products, and it gave them nothing of value in exchange. But this bill makes large reductions in the tariff on cottons, woolens, and all other supplies which they must buy and thus, I believe, more than compensates them for any loss sustained by a tariff on the food products which they produce.

I believe that the duty on sugar should have been reduced, but that the provision for the entire removal of the duty in three years should have been stricken from the bill. Not that this duty directly benefits the farmer. He is compelled to sell his sugar beets at such price as the one factory which is his sole purchaser chooses to pay him. But it is reasonably certain that the manufacture of beet sugar can not meet and withstand open competition with the foreign producer. Free trade in sugar will stimulate tropical production, and as it increases domestic production will decrease. Upon broad grounds, and as a matter of public policy, I believe it wise to maintain a measure of independence in domestic sugar production against the world.

While I have never been an advocate of free wool, I am bound to say that a study of this subject since the report of the Tariff Board on wool has compelled the belief that free wool will ultimately place the sheep industry on a sounder economic basis than that upon which it rests to-day.

If the farmer raises the crossbred mutton type of sheep, he can grow wool profitably as a by-product without any tariff. If he raises the pure-bred Merino type, a prohibitory tariff could scarcely make the business profitable. With free wool we shall import coarse grades, not grown here, which will take the place, not of American wool, but of shoddy and rags, in the manufacture of cheap, coarse, but clean all-wool cloth for people who are now forced to wear a mixture of cotton and shoddy.

However, of the 600,000 farmers who have more than two hundred and thirty-two millions of money invested in sheep, thousands upon thousands are growing a type of nonmutton sheep for wool alone. This bill, in fairness to them, should not have removed all the protection at one sweep. The duty should have been removed by stages, giving them three or four years, at least, in which to crossbreed their flocks to the mutton type. I think it but just to the Democrats of the House and Senate to say that this would doubtless have been done except for the insistence of President Wilson and Secretary Bryan, who forced free wool into the bill.

In each of the schedules of this bill a few of the rates, as I have worked them out, will on trial prove lower than the industries affected can sustain without loss. In the main, however, the bill as it passed the Senate will be found fairly protective.

Added to this, the bill provides for a direct tax upon incomes which will collect upwards of a hundred million dollars from the owners of great fortunes who have heretofore so largely

escaped the payment of a fair proportion of the taxes necessary to support the Federal Government.

No tariff measure, with its thousands of rates, can attain to perfection. The question presented at this time is a choice between this bill, with its general level of duties on manufactured products, reasonably just to home industries, excepting as I have indicated, and the iniquitous rates imposed upon the American people by the Payne-Aldrich law.

On this issue, which involves the general welfare of the millions in every walk of life, partisan politics should have no place. The contest is really between the people and intrenched privilege. It is an unequal struggle, and calls for the highest service which men now in public life can render to their country.

The trusts and combinations in their relentless oppression of the public have been materially aided by the monstrous tariff law enacted four years ago. Their power will not be broken when that law is supplanted by the present bill. But its passage is significant. It marks a change. It is the winning of the first battle in the long war which must be waged against industrial monopoly. This warfare is not against legitimate business. It is against the tyranny of unlawful combinations, overprotected, overestimulated, overcapitalized. Our industries will of necessity feel the strain of readjustment to a normal healthy basis—a basis of actual values. Through this period we must pass to secure industrial peace and real industrial prosperity.

ROBERT M. LA FOLLETTE.

Leasing of Coal Lands in Alaska.

SPEECH

OF

HON. H. ROBERT FOWLER,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, September 5, 1914,

On the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

Mr. FOWLER. Mr. Speaker, this bill is entitled:

A bill to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

By the terms of the bill the Secretary of the Interior is authorized to survey the coal fields of Alaska and to lease the same. He is given the right to lease the lands before the survey is made. Somebody must be anxious to obtain a lease or this provision would not have found a place in the bill. The law now provides for a survey and before any lease is made the land should be surveyed.

The bill also provides for the payment of a royalty of 2 cents a ton to the United States for these rich coal fields. This is so small that it looks like giving it away. While this provision is the minimum rate, yet it has been generally considered as the fixed rate in the past wherever the law fixes a minimum limitation. I trust that the Secretary of the Interior will not so consider this provision, but that he will diligently inquire into the actual value of the coal and see that our rights are fully protected.

These coal deposits are among the few natural resources left, yet our country was rich in them in the beginning. The great majority of them have passed into the hands of corporations long ago and have been used as a means to exploit the people. Franchise and corporate rights have been used for the same purpose, until it is now claimed that 90 per cent of the wealth of America is owned by 2 per cent of our people. Just how this has been accomplished is a mystery to the people. A few extracts from an article written in 1907 by Charles Edward Russell entitled "Where did you get it, gentlemen?" will probably shed some light upon the methods employed by shrewd manipulators of wealth. The article referred to is as follows:

WHERE DID YOU GET IT, GENTLEMEN?

Philadelphia saw the beginning of the real traction industry of America, and the Centennial Exposition of 1876 disclosed the first sure glimpse of the golden treasure. Large numbers of people must be transported about the city; the horse-hauled street car was the only vehicle for these migratory millions. The cars were slow and scarce; the service was in its infancy. * * * Slowly the fact became apparent that the business was not really to be despised, for it contained two elements that made it worth while. First, it built up suburbs and had therefore within it the power greatly and rapidly to extend itself without effort, without care, without investment on the part of its owners; for the more suburbs, the more people were to be carried. Second, it was actually possible by debauching public servants, corrupting politics, buying elections, and forming alliances with the bosses, to secure free and unrestricted possession of the public highways not for one year nor for two, but for a hundred years or a thousand. * * *

Into this fertile and lovely field came now the men who long reaped its golden harvest. * * * To the first of them, indeed, Charles T. Yerkes, belonged a certain combination of hardihood, audacity, dexterity, and persistence that was rather out of the common. But he had served some months as a convict in a Pennsylvania prison, and that experience had doubtless, and in more than one way, resulted to his advantage. It gave him time for reflection, taught him caution, and indicated how close with safety a man might steer to the reefs of the penal code. * * *

YERKES GOES TO JAIL.

Yerkes was a daring young broker, reputed to have means, and noted for a brilliant success in juggling State bonds with the old banking house of Drexel & Co. With his prestige and magnetism he induced Joseph F. Marcer, who was then city treasurer of Philadelphia, to invest money in Chicago. Some of the money, much of it in fact, was the city's. When the fire came it cleaned out Yerkes and Marcer, and in that crash the theft of the city funds was discovered. Yerkes was indicted as accessory to the embezzlement, convicted, and sentenced to two years and four months' imprisonment; Marcer received a sentence about twice as long. * * *

You will find now in the best residence region of Philadelphia a magnificent marble palace, as grand, as imposing, as costly as any in New York or elsewhere, and surely one of the most beautiful of private residences. It contains a really wonderful art gallery and many rare books and tapestries; it is one of the show places of the city; the natives point it out with pride and strangers regard it with just admiration.

WIDENER ONCE A BUTCHER.

That house was born of the defalcation of Marcer and the plight of Charles T. Yerkes. It belongs to P. A. B. Widener. About 40 years ago he was a young butcher in Spring Garden Market, in no way distinguished from 200 other butchers there, except that he took an interest in partisan politics, belonged to the political organization of his ward, and worked at the polls on election day. As a reward for these services his party found use for him as a lieutenant and lobbyist at Harrisburg, and when Marcer was removed from the city treasury the young butcher got the vacant post. In those days the city treasurer of Philadelphia was allowed certain fat perquisites. Hence, it was a good thing, and when young Widener relinquished the office, he was legitimately the richer.

The butcher was a friend of Yerkes, who had also mixed much in the odorous pool of Philadelphia politics. Yerkes, being released from the penitentiary, looked about for something to do and stumbled upon the street railroad business. A piece of scrap iron known as the Seventeenth and Nineteenth Street line was offered to him on credit at 4 cents on the dollar. He took it. The exposition came on and traffic greatly increased. Mr. Yerkes needed money. It may be supposed that he badly needed money. Money was hard to come by. Mr. Yerkes tried a very doubtful experiment. On the rattle-track contrivance he had bought he issued a small amount of bonds—about $200,000 worth, it is said. Very likely, to his great amazement, he found that these bonds could be floated. With the proceeds he secured another link of railroad and issued more bonds on that, and thus the whole system was started on its truly wonderful career through the choicest realms of finance. Mr. Yerkes had hit upon the great truths that in normal times somebody can be found to buy a bond on anything, and that with the power to issue bonds the gathering of great fortunes is simpler than the gathering of ripe apples, for they fall from the tree into your very hand and while you sleep.

* * * Jay Gould had shown the precious potency of the agreeable formula when he watered the stock of Erie from $17,000,000 to $78,000,000 and made himself rich. Since his achievement practically every great railroad corporation had followed in his august footsteps until to overcapitalize an average railroad had become a far more important source of wealth than to operate it. Mr. Yerkes and his friends imitated Mr. Gould and then bettered their instruction. Gould loaded two or three railroads with water and then departed with the bagged proceeds. They made the loading of one railroad the means to secure a second and the loading of the second a means to secure a third, and so on until everything in sight was loaded—and theirs.

QUAY SCENTS LOOT.

How easily this good thing could be worked was demonstrated by Yerkes's Seventeenth and Nineteenth Street lines. That grimy genius, Matthew Stanley Quay, who had infallible scent for graft, succeeded Mr. Yerkes in the Seventeenth and Nineteenth Street lines, which he helped to "reorganize" into the Continental Street Railway Co. The Kemble-Widener-Elkins people "reorganized" their Seventh and Ninth Street lines into the Union Passenger Railway Co., with which, by the handy processes already referred to, they amalgamated one small line after another until their system had swollen to a portly size. In 1880 they had accumulated enough watered stock to lease Mr. Quay's company. In 1883 they took in the Tenth, and Eleventh, and Twelfth, and Sixteenth Street lines. Then they leased the Chestnut Street and Market Street roads, among the most important in the city. The next year they reorganized again, this time into the Philadelphia Traction Co.; capital, $30,000.000; nominal and ostensible cash investment, $7,000,000; actual cash investment, next to nothing.

PHILADELPHIA'S GRISLY GRAFT.

It has meant much more to Philadelphia than a mere enterprise to transport passengers or a mere enterprise to manipulate stocks and bonds. Gradually the public-utility corporations had come to own the city government of Philadelphia just as absolutely as they ever owned any acres of land or team of mules. They elected city officers and determined city policies. They maintained the most perfect system for political corruption that has ever been known among our cities. The rest of the country has heard much about the "Philadelphia ring." The very life and substance of the ring were the public-utility interests, and the foremost of these interests was the traction corporation.

Under the system the ring established there were cast every year in Philadelphia from 60,000 to 80,000 fraudulent votes, and it was by means of these votes that the public-utility interests retained their grasp upon the city government and upon the privileges that made them rich. Every criminal enterprise in the community had share in this colossal structure of fraud; the respectable stock company went into partnership with the brothel for the maintenance of existing conditions. The money that stole elections and stuffed ballot boxes and hired criminals to beat citizens, all to keep this gang in power, was supplied by the public-utility corporations. For years they systematically made of the city government in Philadelphia something before which all patriotic Americans bowed themselves in humiliation and unutterable shame; they did it, these corporations with special privileges.

WELDING THE SHACKLES.

For years dishonest aldermen, crooked public officers, election thieves, repeaters, floaters, thugs, keepers of criminal resorts, the men that falsified returns, were actively leagued with them. Every protected dive in Philadelphia, every illegal drinking place, every house of ill fame, paid a regular tribute to the ring—not in money, but in the votes that kept the grip of the ring upon the city. Each of these lawless resorts was recorded in a list, with figures representing the number of illegal votes it must furnish. So long as it furnished these votes it could continue to break the law; if it failed to furnish these votes, it must cease to do business. From these illegal votes and others was developed an autocracy practically as perfect as a satrap's. No man could ordinarily be elected to anything except by the will of the men that wielded this power. * * *

GRAFT BY SPECIAL TRAIN.

The public-utilities combination had now far progressed in its arts of municipal corruption; it could, in fact, do as it pleased with the city government. It had elected the mayor and most of the aldermen; had chosen them for reasons of its own, and knew upon whom it could depend. A dummy company was formed. It applied for a franchise covering all the remaining streets, avenues, and alleys in the city. Mr. John Wanamaker made an offer to operate the public's traction utility for the public good. The combination's mayor, with ostentatious contempt, flung the offer upon the floor. The legislature at Harrisburg met one night in extra session. The enabling act necessary to the granting of the franchise was rushed through both houses, which sat up until 3 o'clock in the morning to pass it. A special train carried it to Philadelphia. There the city council was convened in a special meeting. As soon as the enabling act was received, the necessary ordinance was introduced and passed, making to the dummy company a free gift in perpetuity of the public highways of Philadelphia. This done, the aldermen lolled back in their chairs and sang ribald songs. One of them long lingered in the memory of Philadelphia because of its chorus, which contained these significant lines:

Hail! hail! the gang's all here!
What the hell do we care! What the hell do we care!

Later, as might be expected, the dummy company sold to the Union Traction Co. the amazing franchise thus secured, and the anxiety of the company was relieved; there was no longer any question about possessing the streets; it could go on to reap forever the golden harvest; it had won a great victory.

* * * About 10 years ago, under pretense of supplying a new and better kind of gas, the United Gas Improvement Co. secured a lease for 10 years of the city gas works. Instead of furnishing better gas or cheaper, the company furnished poorer gas and dearer. By the terms of the lease a renewal for another period was possible after the expiration of eight years. The question of renewal came up in 1905, and the allied interests planned in their usual way to add to their fortunes by securing a lease monstrously to their benefit.

THE VALUE OF A HANGMAN'S NOOSE.

But the public discontent for once broke over the barriers of custom and fraudulent elections, and for once the allied interests were defeated; the force of public indignation was plainly too great to be withstood. When mobs gathered in the placid Philadelphia streets and with ropes in hand promised to hang the aldermen, there was evidently no time for gangsters considerate of their own welfare to be making further raids on the people's purses. So the precious scheme lapsed. In the height of the trouble the residences of prominent men that supported the gang were surrounded by threatening mobs, and for several days the inmates deemed it advisable not to appear on the streets, a fact that indicates the extent to which people were aroused.

This is the way the thing has gone in Philadelphia; it is the way it has gone elsewhere. Rotten business and rotten politics—the two are invariably mingled in these triumphs. Without the corrupting of politics the sudden fortune builders could never have obtained their huge privileges; without their huge privileges they could never have possessed their gleaming palaces. So, flat dweller, with $1,639 of total possessions, here is one way in which the difference in brain cells manifests itself. Rather poor, it seems, does it not, and cheap and stained and tawdry look the gleaming palaces so gained, when you think of stuffed ballot boxes, debauched public officers, and that soiled and wretched alliance with the dive keeper and the brothel. At least a man can live in a flat amid his $1,639 of possessions and die struggling hard with rent bills and butchers' bills and yet know that he has done nothing to debase public virtue nor to lower his country in the eyes of the world. * * *

THE FORMULA FOR WEALTH AS IT WAS WORKED IN CHICAGO AND NEW YORK.

Mr. Yerkes * * * came to Chicago with $20,000, said to have been borrowed money, and asked for an option on some scrap-iron street railroad on the north side. He found that some one else had an option that would expire on a certain day.

"At what time on that day?" asked Mr. Yerkes.

"At noon," said the cashier of the bank that was financing the deal.

Mr. Yerkes went away, and on the specified morning returned with his $20,000 certified check in his hand. He sat facing the clock, which he watched patiently. The instant the hands reached 12 o'clock he leaped at the cashier with his check. The option gave him the required wedge into the concern. In a short time he had hypothecated the stock, borrowed money on it, got more stock, secured control, started the printing presses on a bright new line of stocks and bonds, and possessed himself of the whole institution, gaining moreover a surplus, from which he repaid the $20.000 he had borrowed for the option.

He now proceeded to apply his Philadelphia experience, issued more securities, bought more roads, milked them with construction company and other devices, and eventually, piling one corporation upon another and one "reorganization" upon another, emerged, with the Union Traction Co. of Chicago, embracing all the lines of the city except those upon the south side. As a concrete illustration of his methods and their results I may say that the Union Traction Co. was capitalized at $120,000,000, and in the height of its prosperity it was estimated by an expert examiner to be worth as a going concern $16,000.000.

Except for legislation, aldermen, and newspapers, it cost Mr. Yerkes nothing. As a system of transportation it was the most picturesque lot of junk ever seen in this world, and furnished undoubtedly the worst service. Junk is the right word for it; Mr. Yerkes said so himself. "The secret of success in my business," he once observed, "is to buy old junk, fix it up a little, and unload it upon other fellows." I may remark in passing

that there was very little fixing up in the case of the Union Traction, of Chicago. Why there should have been any more, indeed, is not apparent, since the good people of Chicago not only endured Mr. Yerkes and his methods, but in 15 years supplied him with $40,000,000 of net profits on an investment of nothing, with the which comfortable assets he presently left them and secured control of the underground system of London.

But he had stayed long enough to make an enduring place for himself in Chicago's history. Only one cloud there obscured his success. The junk that he manipulated was operated under franchise. That is to say, that when the people of Chicago presented their streets to the street railroad companies a date was set at which the right of possession should expire. For most of the roads the date was July 1, 1903, and its approach worried Mr. Yerkes. To his ability, energy, and foresight the expiration of the franchises seemed of very great importance. * * *

The law of the State forbade the granting of any franchise for a longer term than 20 years. Mr. Yerkes went to the legislature, which he well knew how to manipulate, and secured the introduction of a bill repealing the 20-year limit and granting him a franchise for 50 years. This was the celebrated Humphrey bill. A tremendous outburst of public indignation followed its appearance and its sponsors in the legislature lost heart. The bill was quietly allowed to die in committee. Mr. Yerkes waited a little and presently the equally notorious Allen bill made its appearance, authorizing the City Council of Chicago to grant Yerkes a 50-year franchise if it should see fit to do so. This bill was passed—in haste. As there was in the State of Illinois not one human being except Mr. Yerkes that desired to have it enacted and as probably there were very few that did not fully understand the nature of the reasons for its passing, the extent of the resulting scandal is easily understood.

The battle was now transferred to the city council. Mr. Yerkes had been long and skillfully at work and had secured a clear majority of the aldermen. He looked, therefore, toward an easy victory. But the popular wrath was aroused. The thing was too palpable, the corruption was too gross. Indignation meetings began to be held. The newspapers were flooded with protests. Spontaneously men gathered and declared that so monstrous a bribery was not to be endured. The atmosphere seemed stormy. On the night the vote was to be taken an immense crowd gathered about the city hall. It was observed that many men were armed and some bore ropes and clubs. The constituents of one alderman marched down town with a band at their head, sent into the chamber, dragged out their representative, and told him in the plainest of words what would happen to him. There were cries of "Lynch them!" and "Shoot them!" Even sober-minded men advocated violence if the ordinance should go through.

The gallery of the council chamber was packed to its limits with an angry and threatening crowd. The evening newspapers issued hourly extras; the entire city was aroused. The aldermen looked at the sinister faces about them and heard the shouts of the crowd in the street, and their courage failed them. Men that had doubtless bargained away their votes refused to stay bought, and the ordinance was defeated.

It had cost Mr. Yerkes, at Springfield and in Chicago, close upon $1,000,000, and for his expenditure he had nothing to show except some indisputable evidences of public hatred. The lesson must have sunk deep. He never repeated the attempt to have his franchises extended, and when he left Chicago the question of their future was still unsolved. Those that care to consider how surely we progress in such matters may be interested to know that the thing Mr. Yerkes desired and failed to get has now, in the main, been secured by Mr. Morgan and Mr. Ryan, and without any riots, disturbances, or indications of public wrath. All of which shows that there is more than one way to pull off a rotten franchise.

With Mr. Yerkes, in the fatness of the goodly Chicago harvest, were associated his old Philadelphia friends, P. A. B. Widener and W. L. Elkins. The only thing better than to own the traction system of one city is to own the traction systems of many cities. So when Mr. Yerkes let the others into the good thing of Chicago, all fared together exceedingly well. Mr. Yerkes was faithful to his friends and, in certain ways, generous with the vast sums of money that rolled in upon him. He had a picturesque way of dealing with aldermen, and then another picturesque way of talking about his deals that rather endeared him to those that fancy cynic humor. One of his compressed comments on a certain Chicago editor has passed into local history. So have other remarks of his. He can not be said to have originated the plan of running too few cars and overcrowding these, but he certainly gave that plan most extensive usage. Under this system, the cars in Chicago customarily carried three times their normal capacity, and the suffering inflicted as a result was great and general. The people complained at last of this method of fortune building, and occasionally some one would arise to remark that, as the streets Mr. Yerkes was using for the purposes of his aggrandizement were really the people's, and as Mr. Yerkes was there by sufferance, it would be decent for him to provide tolerable accommodations to a public from which he was drawing so many millions. Some one actually suggested that Mr. Yerkes should run more cars.

"Tush," said Mr. Yerkes when these matters were called to his attention, "it is the strap hangers that pay the dividends."

Dividends, however, were a small part of his profits, the most of which were made in issuing and selling vast masses of fictitious securities and from construction companies that were supposed to do work for the traction company and really served as covers for the issue of more water. Two of these construction enterprises organized by Mr. Yerkes paid something like 500 per cent, which was cheerfully added to the load of obligations on the traction company. As Mr. Yerkes presently withdrew himself from the traction company, the extent of these obligations was a matter of no concern to him. I may add that the people of Chicago have found them of much more serious import.

Mr. Yerkes was undeniably a huge element for evil in the city, but some men liked him.

Remarks Made by the President at the White House, October 3, 1913, After Signing the Tariff Bill.

EXTENSION OF REMARKS

OF

HON. B. P. HARRISON,

OF MISSISSIPPI,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 4, 1914.

Mr. HARRISON. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include the remarks made by the President at the White House October 3, 1913, after signing the tariff bill.

The President, at the White House, October 3, 1913, after signing the tariff bill, said:

"Gentlemen, I feel a very peculiar pleasure in what I have just done by way of taking part in the completion of a great piece of business. It is a pleasure which is very hard to express in words which are adequate to express the feeling, because the feeling that I have is that we have done the rank and file of the people of this country a great service. It is hard to speak of these things without seeming to go off into campaign eloquence, but that is not my feeling. It is one very profound, a feeling of profound gratitude that, working with the splendid men who have carried this thing through with studious attention and doing justice all 'round, I should have had part in serving the people of this country as we have been striving to serve them ever since I can remember.

"I have had the accomplishment of something like this at heart ever since I was a boy, and I know men standing around me who can say the same thing, who have been waiting to see the things done which it was necessary to do in order that there might be justice in the United States. And so it is a solemn moment that brings such a business to a conclusion, and I hope I will not be thought to be demanding too much of myself or of my colleagues when I say that this, great as it is, is the accomplishment of only half the journey. We have set the business of this country free from those conditions which have made monopoly not only possible, but in a sense easy and natural. But there is no use taking away the conditions of monopoly if we do not take away also the power to create monopoly; and that is a financial rather than a merely circumstantial and economic power. The power to control and guide and direct the credits of the country is the power to say who shall and who shall not build up the industries of the country, in which direction they shall be built, and in which direction they shall not be built. We are now about to take the second step, which will be the final step in setting the business of this country free. That is what we shall do in the currency bill, which the House has already passed and which I have the utmost confidence the Senate will pass much sooner than some pessimistic individuals believe. Because the question, now that this piece of work is done, will arise all over the country, 'For what do we wait? Why should we wait to crown ourselves with consummate honor? Are we so self-denying that we do

not wish to complete our success?' I was quoting the other day to some of my colleagues in the Senate those lines from Shakespeare's Henry V, which have always appealed to me, 'If it be a sin to covet honor, then am I the most offending soul alive,' and I am happy to say that I do not covet it for myself alone. I covet it with equal ardor for the men who are associated with me, and the honor is going to come from them. I am their associate. I can only complete the work which they do. I can only counsel when they ask for my counsel. I can come in only when the last stages of the business are reached. And I covet this honor for them quite as much as I covet it for myself; and I covet it for the great party of which I am a member, because that party is not honorable unless it redeem its name and serve the people of the United States.

"So I feel to-night like a man who is lodging happily in the inn which lies halfway along the journey, and that in the morning with a fresh impulse we shall go the rest of the journey and sleep at the journey's end like men with a quiet conscience, knowing that we have served our fellow men and have thereby tried to serve God."

Article from the Wilkes-Barre Record on Plan of Miss Genevieve Clark to Encourage the Buying of Cotton Goods.

EXTENSION OF REMARKS

OF

HON. JOHN J. CASEY,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, September 24, 1914.

Mr. CASEY. Mr. Speaker, I request unanimous consent to extend my remarks in the CONGRESSIONAL RECORD by inserting an article from the Wilkes-Barre Record on the plan started by Miss Genevieve Clark, the distinguished daughter of the Speaker of the House of Representatives, to encourage the buying of cotton goods by the people of the country, said plan having for its purpose the relief of southern cotton growers from the unfortunate conditions forced upon them by the terrible war now raging in Europe.

The article is as follows:

WOMEN TO HELP—LUZERNE COUNTY SUFFRAGE PARTY WILL HELP SELL COTTON—LOCAL LEADERS ANNOUNCE INTENTION OF SUPPORTING MOVEMENT STARTED BY CHAMP CLARK'S DAUGHTER—PLAN INSURES SALE OF COTTON AND WORK FOR TEXTILE OPERATIVES.

The Luzerne County Woman Suffrage Party has announced, through one of its leaders, that it will support the movement which has as its motive the distribution of the excess of the cotton crop created by the war in Europe. The plan is to have shoppers throughout the country purchase their cotton goods immediately instead of waiting until spring as is usual. This will insure not only a sale for the cotton growers, but work for the textile operatives also. The movement was started by Miss Genevieve Clark, daughter of CHAMP CLARK. Commenting upon it the chairman of the Luzerne County Suffrage Party said:

"A project for a nation-wide movement to buy American-made cotton goods this fall instead of in January next is so sensible, so feasible, as to deserve instant organized backing. Custom has taught housekeepers and mothers to buy cotton goods between January and July; the dressmakers have reenforced custom with fashion. But a year of world war may easily see both custom and fashion execute a right-about face when a patriotic motive demands the change.

"The Luzerne County Suffrage Party and the Wilkes-Barre League for Suffrage will give every aid in their power to the movement launched by Miss Clark for the relief of American farmers with too big a crop of cotton, and for the support of more than a million textile workers who are facing a winter of starvation. An enormous percentage of the workers in cotton manufactures are girls and women. To help women workers into a better economic position is one of the great principles of equal suffragists the world over. When a definite, practical plan for tiding these cotton workers through a bad five months is laid before the suffrage organization, it becomes their plain duty to take a hand.

"That the solid South has opposed the woman suffrage movement in the past and that the southern cotton grower is the first man to profit by the stimulation of the cotton market should not be remembered now against the project undertaken by CHAMP CLARK'S daughter. Nor is the organized help to the cotton trade to be permanent or very long sustained, for, given some time and some free money, the cotton mills of the United States will get and keep much of the South American trade which has been Germany's and will sell the last of the 1914 crop beyond Panama. But for the critical few months factories must be kept running and pay envelopes of the women workers must be filled as in a normal year."

In an effort to stimulate the cotton industry, Miss Genevieve Clark, daughter of CHAMP CLARK, proposed to-day that a national bargain day in cotton goods be held in every city and town in the country. The idea which Miss Clark will seek to carry into effect is based on suggestions of business men who believe that if the cotton trade is revived, business generally will be benefited. It is contended that if a demand for cotton goods is created, factories now without orders will be able to resume work.

The idea originated with Miss Clark, and in order to popularize cotton goods she intends to organize a big bazaar in Washington, to which no woman who does not wear a cotton gown will be admitted. She wants a week set apart in October on any one day of which each city and town will have a general bargain sale of cotton goods. All the dry-goods stores of a city are to be asked to cut prices in cottons on the day selected for the sale in that city.

Miss Callie Hoke Smith, the daughter of the senior Senator from Georgia, and Miss Lucy Burleson, the daughter of the Postmaster General, have joined with Speaker CLARK'S daughter in the movement and will be her chief lieutenants.

This nation-wide bargain sale of cotton goods is really a part of the "buy-a-bale cotton" movement that is approved by President Wilson, members of his Cabinet, and business men. In spite of the abnormally low price of raw cotton, the mills are working on part time only. They can not sell cotton goods, because the retail stores are loaded up, the war having curtailed consumption.

"In this European crisis," said Miss Clark, "women of all nationalities have given up, at a great cost to themselves, whatever they were doing and have gone into the Red Cross hospital and charitable movements of their various countries, to say nothing of carrying on whatever is done commercially in these warring countries while their husbands and the other masculine members of their households are at war.

"It seems to me that if Pavlowa, the great Russian dancer; Adelina Patti, the great singer; and various other women of international repute can return to their homes and take up these dangerous and arduous tasks in the cause of their country, it is as little as American women can do to wear for one season cotton clothes made in America in order to avert a great financial deadlock on which depends mainly the prosperity of our great South.

"It has been said that no person can live so that his life only affects himself, and so while this problem is essentially the problem of the South, it affects the northern section of our country by eliminating $400,000,000 spent annually by southern cotton growers in the North.

"It has been said by the business men of the country, who understand the financial situation, that there is no real lack of money in this country, that the trouble lies in the fact that people, anticipating a stringency, are holding on to what they have. Thus, should this idea of a great nation-wide bargain sale in cotton appeal to 10,000,000 women, each buying $1 worth of cotton materials on a certain day, it would put in circulation $10,000,000 of the hoarded gold, as most hoarded money is in gold, and to that extent alleviate the stringency.

"The cotton factories of the country are at this time putting out only about one-half of the materials that they are equipped to turn out. The reason for this is that the merchants will not buy any more cotton materials until they have sold what they have on hand.

"All the women of Europe, to meet the crisis which they have had to face, have gone in training for hospital and commercial service. If the women of America by using more cotton can avert this crisis it is certainly their patriotic duty to do so."

"I think every patriotic American woman should heartily indorse the proposal to make cotton dresses fashionable and aid the national bargain-sale idea, which will be a long step toward bringing cotton into popular use," said Miss Lucy Burleson. "American women can make any movement successful and prosperous, and surely in this unequaled opportunity for industrial expansion for our Nation we should take pride in 'made in America' goods and 'made in America' fashions. American fashions for Americans is a new idea for American women, but it is a patriotic and inspiring one, and I shall do all in my power to promote it."

It is claimed for this national bargain sale of cotton goods that it is expected to have a very material influence on the banking situation. Paul M. Warburg told the House Committee on Banking and Currency this week that the people were hoarding many millions of cash and thereby embarrassing business.

Emergency Revenue Legislation.

EXTENSION OF REMARKS
OF
HON. DENVER S. CHURCH,
OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. CHURCH. Mr. Speaker, there are some things that the Creator of the heavens and the earth can not do, for the Scriptures teach us that God can not lie. There are some things that the President of the United States and the Congress of the United States can not do. Congress can not pass a law which is fundamentally wrong and by so doing cause it to become fundamentally right.

In my district is manufactured one-fourth of all the sweet and dry wine that is produced in the United States. The actual cost of producing dry wine is 12 cents per gallon. The actual cost of sweet wine is 20 cents per gallon. It is proposed in our war measure to place a tax of 12 cents per gallon on dry wine and 20 cents per gallon on sweet wine. In other words, we propose to levy a tax of 100 per cent on sweet and dry wines. Such a tax is fundamentally wrong, and a thousand years of time can not make it right. It is ruinous and confiscatory. How would you like to pay a tax each year equal to the full value of your land? Suppose you had a cow worth $40 and the tax collector would collect a tax of $40 a year on her; how long would you keep your cow? You would sell her at once, would you not? No; you would not; you could not even give her away.

This war tax is supposed to be general. It is claimed that it will fall equally upon all. Such is not the case. In my district was manufactured last year 10,000,000 gallons of sweet wine, more than a third of all that is produced in this country. Based upon last year's amount of the product, this year my constituency will have to bear a $2,000,000 tax on sweet wine alone, one-third of the entire amount proposed to be raised by the tax on wine. If each of the other congressional districts of this country had to bear in this crisis a proportionate amount of revenue $868,000,000 would be raised.

A very wise man once said, "There is a time for everything." If such is the case, certainly this is not the time to place 100 per cent tax on dry and sweet wine. September 10 is when the farmer gathers his grapes. At this very hour there are hundreds of thousands of acres of grapevines in California purple with the ripened, unpicked crop. The wine makers refuse to buy the grapes. They say it is too great a risk, because this year it will cost twice as much as heretofore to manufacture wine, and they prefer to sell the old wine they have on hand rather than to take a chance. Thus the farmers' crop, if you pass the proposed bill, will rot upon the vine. If wine is to be taxed as demanded, do it after the crops are gathered, so the farmer will have time to adjust and prepare for the shock. It is no time to demand and take your neighbor's house when the winter is on. Wait until spring.

You say I do not want my constituents to bear their equal proportion of this war tax. You are mistaken. My district produces between a fourth and a fifth of the oil output of the world and many oil refineries are located there, but you have not heard me or any other man from California raise his voice against the proposed 2 cents per gallon tax on gasoline. Two cents a gallon is a reasonable tax, but if you proposed to tax gasoline 12 or 13 cents, the full cost of manufacturing it, as you propose to tax wines, you would hear a strong protest. I will say, however, it would be far more just and equitable to place a small tax per horsepower on automobiles than it would to tax gasoline. Automobiles are used in every section of the United States, while gasoline is a local production. The owner of an automobile can well afford to pay a tax, for an automobile is in the nature of a luxury, while gasoline is used for pumping, propelling machinery, and in a thousand different ways as a necessity. A flat-rate tax per horsepower on automobiles would bring immediate funds, which it is claimed are needed, while a gasoline tax will come in from day to day during the entire year.

Mr. Speaker, I notice a strong disposition on the part of some here to discriminate against California. Well, I have traveled over this country to a greater or less extent, and I have made up my mind that outside of a few garden spots in the South and a couple of hundred acres in the Mississippi Valley there is not enough of the United States east of the Sierra Nevada Mountains worth talking about.

Importations of Farm Products.

SPEECH
OF
HON. CHARLES H. SLOAN,
OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 11, 1914.

Mr. SLOAN. Mr. Speaker, in a speech made on the floor of the House on March 3, 1914, I submitted tables showing importations of a number of leading farm products for the first four months under the Underwood tariff law.

On the 23d of July, 1914, I submitted to the House figures showing the importations of leading farm products for an additional period of four months, running up to June 1.

At that date statistics for importations for June were not available; but I herewith submit them, together with totals, for a period of nine months ending July 1, 1914.

Imports into the United States of certain farm products for June, 1914, under the tariff law of 1913, together with the imports of the same articles for June, 1913, under the tariff law of 1909.

Articles.	June, 1914.		June, 1913.	
	Quantity.	Value.	Quantity.	Value.
Cattle[1] ..... number..	43,128	$1,257,006	46,993	$676,883
Horses[2] ..... do....	1,474	163,884	744	85,027
Sheep[1] ..... do....	2,672	6,782	334	6,415
Animals, other (including live poultry)[3]	.....	21,926	.....	32,928
Bread and biscuits[4]	.....	28,405	.....	16,581
Corn[5] ..... bushels..	1,596,309	1,005,959	19,124	15,145
Oats[6] ..... do....	324,918	126,736	6,087	2,067
Wheat[7] ..... do....	44,750	42,165	21,083	19,405
Hay[8] ..... tons..	19,348	218,882	11,978	108,986
Beef and veal[9 10] ..... pounds..	30,207,645	[21] 2,706,732		
Mutton and lamb[9 10] ..... do....	3,206,269	[21] 314,974		
Pork[9 10] ..... do....	2,112,304	[21] 250,545		
Prepared and preserved meats[9 10]	.....	[21] 279,816	.....	125,493
Bacon and ham[10 11] ..... pounds..	536,254	[21] 93,179		
All other meats[9 10]	.....	[21] 50,848		
Sausage and bologna[12] ..... pounds..	61,129	15,559	85,434	14,949
Sausage casings[13]	.....	357,173	.....	181,789
Milk and cream, fresh and condensed[14]	.....	509,991	.....	194,124
Butter and substitutes[13] .... pounds..	201,027	46,246	85,391	24,372
Cheese and substitutes[14] ..... do....	5,005,775	828,228	4,412,006	767,144
Eggs[14 15] ..... dozen..	340,150	50,334	.....	.....
Vegetables:				
Beans[16] ..... bushels..	106,345	178,941	70,021	130,665
Onions[17] ..... do....	61,682	87,447	73,112	39,203
Peas, dried[17] ..... do....	28,729	46,937	12,012	18,120
Potatoes[18] ..... do....	19,675	21,151	50,946	21,567
All other in natural state[19]	.....	66,564	.....	36,978
Wool, unmanufactured[20] .... pounds..	24,415,238	5,527,583	7,383,817	1,203,235

[1] Free on and after Oct. 3, 1913.
[2] Duty reduced from $30 per head where value not over $150, 25 per cent ad valorem where value over $150 per head, to 10 per cent ad valorem on all.
[3] Live poultry reduced from 3 cents per pound to 1 cent per pound, dead from 5 cents per pound to 2 cents per pound.
[4] Either placed on the free list or duty reduced about one-half.
[5] Free on and after Oct. 3, 1913. Duty was 15 cents per bushel.
[6] Duty reduced from 15 cents per bushel to 6 cents per bushel.
[7] Free if imported from countries which impose no duties on like imports from United States, otherwise 10 cents per bushel. Duty was 25 cents per bushel.
[8] Duty reduced from $4 per ton to $2 per ton.
[9] Free on and after Oct. 3, 1913. Duty was 25 per cent ad valorem.
[10] Included in all other meat products prior to July 1, 1913.
[11] Free on and after Oct. 3, 1913. Duty was 4 cents per pound.
[12] Free under both laws.
[13] Duty reduced from 6 cents per pound to 2½ cents per pound.
[14] Duty reduced from 6 cents per pound to ad valorem duty equivalent to about 4 cents per pound.
[15] Included in all other articles prior to Oct. 3, 1913.
[16] Duty reduced from 45 cents per bushel to 25 cents per bushel.
[17] Duty decreased from 40 cents per bushel to 20 cents per bushel.
[18] Free if imported from countries which impose no duties on like imports from United States, otherwise 10 per cent ad valorem. Duty was 25 cents per bushel.
[19] Duty reduced from 25 per cent ad valorem to 15 per cent ad valorem.
[20] Practically all free of duty since Dec. 1, 1913.
[21] Total value of all meat products, except sausage, bologna, and bologna casings, for 9 months, $19,672,625; for June, 1914, $3,696,094, compared with $125,498 for June, 1913.

The increase in value of importations for the first four-month period was 140 per cent over the importations of the same articles for a similar period one year before. The tables submitted for the RECORD on March 3 did not include all of the articles submitted at the two later periods, but in arriving at the percentage just stated I have included all the articles named in the subsequent tables.

The increase for the eight-month period ending June 1 showed an increase of 149 per cent in value over the corresponding period of one year before.

The period of nine months ending with July 1 showed an increase over the corresponding nine-month period under the old law of 159 per cent. This period is significant in this, that it covers three-fourths of the fiscal year of 1914 and does not include any part of the period influenced by anticipation or actual occurrence of the European war. These figures show not only an enormous increase of farm products, but a progressive one.

Imports into the United States of certain farm products for 9 months ending June 30, 1914, under the tariff law of 1913, together with the imports of the same articles for 9 months ending June 30, 1913, under the tariff law of 1909 and the per cent of increase. Also the imports of the articles for the 9 months under the present tariff law compared with the imports of the same articles under the 1909 tariff law for the full year ending June 30, 1913.

Article.	Total imports for 9 months, October, 1913, to June, 1914, inclusive, under tariff law of 1913.		Total imports for 9 months, October, 1912, to June, 1913, inclusive, under tariff law of 1909.		Per cent of increase or decrease, 9 months under 1913 law, compared with 9 months under 1909 law.[22]	Total imports, year ending June 30, 1913, under tariff law of 1909.		Amount of increase in value for 9 months under new law over full year under old law.	Per cent of increase, 9 months over full year.[23]
	Quantity.	Value.	Quantity.	Value.		Quantity.	Value.		
					Per cent.				*Per cent.*
Cattle [1] ..... number..	725,584	$16,345,448	366,130	$5,771,094	98	421,649	$6,640,668	$9,704,780	146
Horses [2] ..... do....	29,911	1,803,930	7,852	1,386,086	280	10,008	2,125,875	.....	.....
Sheep [1] ..... do....	220,809	391,648	13,330	74,127	1,548	15,428	90,021	301,627	335
Animals, other (including live poultry) [3]	.....	584,915	.....	201,027	190	.....	248,980	335,935	134
Bread and biscuits [4]	.....	354,244	.....	207,433	69	.....	255,336	98,908	38
Corn [5] ..... bushels..	11,843,166	7,598,702	274,733	160,761	4,210	903,062	491,079	7,107,623	1,444
Oats [6] ..... do....	22,276,137	7,882,733	79,966	37,678	29,145	723,899	289,364	7,593,369	2,627
Wheat [7] ..... do....	1,971,430	1,755,955	472,385	368,846	317	797,528	559,559	1,196,396	213
Hay [8] ..... tons..	143,865	1,410,738	106,026	956,812	35	155,763	1,514,311	.....	.....
Beef and veal [9 10] ..... pounds..	176,333,072	[24] 15,140,173				4,288,764	322,567	14,817,606	4,593
Mutton and lamb [9 10] ..... do....	12,690,924	[24] 1,112,294				212,843	16,406	1,095,888	6,679
Pork [9 10] ..... do....	4,594,602	[24] 537,946				261,247	38,682	499,264	1,290
Prepared and preserved meats [9 10]	.....	[24] 1,754,888	.....	1,103,949	1,677	.....	426,788	1,328,100	311
Bacon and ham [10 11] ..... pounds..	2,006,960	[24] 383,669				628,367	156,933	226,736	144
All other meats [9 10]	.....	[24] 693,665				.....	297,581	396,084	133
Sausage and bologna [12] ..... pounds..	553,422	141,235	597,648	133,877	— 7	728,469	157,871	.....	.....
Sausage casings [12]	.....	2,227,856	.....	1,753,179	27	.....	2,476,082	.....	.....
Milk and cream, fresh and condensed [1]	.....	1,889,752	.....	859,039	119	.....	1,203,833	685,919	56
Butter and substitutes [13] ..... pounds..	7,390,147	1,646,408	980,622	258,367	652	1,162,253	304,090	1,342,318	441
Cheese and substitutes [14] ..... do....	48,090,810	8,775,541	38,084,797	7,027,405	26	49,387,944	9,185,184	.....	.....
Eggs [1 15] ..... dozen..	5,832,725	1,059,593	[25] 953,823	143,784	511	1,271,765	191,714	867,879	452
Vegetables:									
Beans [16] ..... bushels..	1,416,566	2,504,214	711,511	1,383,695	99	1,048,297	1,938,105	666,109	34
Onions [17] ..... do....	810,956	742,291	573,730	361,222	41	789,458	481,756	260,535	54
Peas, dried [17] ..... do....	771,023	1,638,709	657,290	1,074,849	17	1,134,346	1,835,775	.....	.....
Potatoes [18] ..... do....	1,652,658	799,554	308,960	279,103	494	327,230	303,214	496,340	163
All other in natural state [19]	.....	1,374,413	.....	1,172,418	17	.....	1,410,354	.....	.....
Wool, unmanufactured [20 21] ..... pounds..	223,146,052	48,730,303	136,169,670	25,040,880	63	195,293,255	35,579,823	13,150,480	36
Total	.....	129,280,817	.....	49,853,631	159	.....	69,322,865	.....	86

[1] Free on and after Oct. 3, 1913.
[2] Duty reduced from $30 per head where value not over $150, 25 per cent ad valorem where value over $150 per head, to 10 per cent ad valorem on all.
[3] Live poultry reduced from 3 cents per pound to 1 cent per pound, dead from 5 cents per pound to 2 cents per pound.
[4] Either placed on the free list or duty reduced about one-half.
[5] Free on and after Oct. 3, 1913. Duty was 15 cents per bushel.
[6] Duty reduced from 15 cents per bushel to 6 cents per bushel.
[7] Free if imported from countries which impose no duties on like imports from United States, otherwise 10 cents per bushel. Duty was 25 cents per bushel.
[8] Duty reduced from $4 per ton to $2 per ton.
[9] Free on and after Oct. 3, 1913. Duty was 25 per cent ad valorem.
[10] Included in all other meat products prior to July 1, 1913.
[11] Free on and after Oct. 3, 1913. Duty was 4 cents per pound.
[12] Free under both laws.
[13] Duty reduced from 6 cents per pound to 2½ cents per pound.
[14] Duty reduced from 6 cents per pound to ad valorem duty equivalent to about 4 cents per pound.
[15] Included in all other articles prior to Oct. 3, 1913.
[16] Duty reduced from 45 cents per bushel to 25 cents per bushel.
[17] Duty decreased from 40 cents per bushel to 20 cents per bushel.
[18] Free if imported from countries which impose no duties on like imports from United States, otherwise 10 per cent ad valorem. Duty was 25 cents per bushel.
[19] Duty reduced from 25 per cent ad valorem to 15 per cent ad valorem.
[20] Practically all free of duty since Dec. 1, 1913.
[21] Per cent of increase of wool for 7 months under new law over same period of last year under old law, 96 per cent.
[22] Per cent of increase figured on quantities, where quantities are given, otherwise on values.
[23] Per cents of increase figured on values.
[24] Total value of all meat products, except sausage, bologna, and bologna casings, for 9 months, $19,672,625.
[25] No figures for months under old law. Quantity and value figured as two-thirds of year.

Post Office Appropriation Bill.

EXTENSION OF REMARKS

OF

HON. ARTHUR R. RUPLEY,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, August 11, 1914,

On the bill (H. R. 11338) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1915, and for other purposes.

Mr. RUPLEY. Mr. Speaker, I have been in and out of Congress a true friend of the rural free delivery carriers of my own section. I have had the pleasure during my congressional life of more than 17 months of casting my vote for every measure presented and every amendment presented and for every clause amending an amendment in the interests of the Rural Delivery Service of the United States.

I am proud of this great system which has nationalized the means of communication and which has placed that service at the front door of everyone between the Atlantic and the Pacific and between Canada and the Gulf.

I know of no words in the English language at the present time more prominent and which express and mean more to that great life of this magnificent country of ours, urban, interurban, and rural, than those grand old words "Rural Free Delivery," and those of to-day, "Rural Delivery."

I have a keen recollection of a number of carriers with their uniform and other insignia of their position in the great Government service meeting in my office in my home town and there organizing themselves in the county organization for the purpose of securing better equipment and increased salaries. I recall the gentlemen who met there taking up their many other needs and discussing them, to wit, the improvement of the public roads, securing the placing of boxes at convenient places by the patrons of the route, and in fact at this early meeting they were more concerned about public roads and the means of securing improved public highways than they were about their salaries, although at that time these salaries were much smaller than at this time.

A gentleman of my home town, Mr. George R. Traxler, of Carlisle, Pa., became sufficiently prominent by reason of these meetings held in my office and the active interest of himself and his associates that he was elected the first president of the Rural Carriers' Association of Pennsylvania.

I had the pleasure a few days ago of introducing a bill—and I was not solicited to do so—which bears the number H. R. 18279. In addition to the Finley amendment to House bill 11338, the Post Office appropriation bill, which is now before the House, I have incorporated a section in this bill providing "that all rural letter carriers shall be extended the right and privilege of engaging in any profession or occupation that will not conflict with or detract from their duties as rural letter carriers after the time required to discharge the duties of their employment."

At the time I introduced this bill I was aroused and desired to criticize the department of the Government. I know we are a great democracy, and we unhesitatingly criticize a public servant. I thought when I voted for the Post Office appropriation bill in March that I was voting for a measure which would increase the salaries of all carriers who were receiving $900 per annum to $1,000, those receiving $1,000 to $1,100, and those receiving $1,100 to $1,200—in fact, for a measure which increased the salaries of all rural carriers $100 per annum until the maximum of $1,200 was reached. Now that department head is being subjected to the criticisms which I have heard on the floor of this House, to wit, that he is attempting to legislate as a department head, that he is assuming legislative functions, and that he is changing the clear intent of the provisions of an act of Congress.

In introducing my bill, H. R. 18279, my thought was to make this as clear as crystal, so that the verbiage of the provision could not be misunderstood or misinterpreted. This bill is so plainly stated that no department head can change the crossing of a "t" or the dotting of an "i." It reads as follows:

A bill (H. R. 18279) regulating the salary of letter carriers of the Rural Delivery Service and permitting their engaging in other employment.

Be it enacted, etc., That on and after July 1, 1914, the compensation of each rural letter carrier for serving a standard route of 24 miles and over, six days in the week, shall be $1,200 per annum, payable monthly; on routes 22 miles and less than 24 miles, $1,152; on routes 20 miles and less than 22 miles, $1,080; on routes 18 miles and less than 20 miles, $960; on routes 16 miles and less than 18 miles, $840; on routes 14 miles and less than 16 miles, $720; on routes 12 miles and less than 14 miles, $672; on routes 10 miles and less than 12 miles, $624; on routes 8 miles and less than 10 miles, $576; on routes 6 miles and less than 8 miles, $528; on routes 4 miles and less than 6 miles, $480. A rural letter carrier serving one triweekly route shall be paid on the basis for a route one-half the length of the route served by him, and a carrier serving two triweekly routes shall be paid on the basis for a route one-half of the combined length of the two routes.

SEC. 2. That all rural letter carriers are hereby extended the right and privilege of engaging in any profession or occupation that will not conflict or detract from their duties as rural letter carriers after the time required to discharge the duties of their employment.

I think that section 2 of my bill is a salary raiser in itself. I feel sure there is not a Member in this House who would not emancipate the rural carrier from the hours which he is justly entitled to, and I believe that in the future when the rural carriers have employment outside of the time they devote to their routes—the time they give the Government—they will not be annoyed and harassed if they use that time for their own benefit.

There are 43,000 rural carriers in the United States. At an average of $1,000 per annum, their salaries would aggregate $43,000,000 paid annually out of the Treasury of the United States. I see great amazement here, and doubtless Members are thinking that is an enormous sum to be paid annually by the Government to the carriers. Yet only the other day a gentleman testified before a committee of Congress that, beyond any doubt, we had within the confines of the United States selling the products of this land and of manufactured industries 300,000 traveling men. And this gentleman was the president of the traveling men's association. He said that the average pay, salary, expenses, mileage, transfer of baggage, and taking care of baggage amounted to $3,000 a year, and that means the enormous sum of $900,000,000 for the middleman, for the wholesaler, or for the retailer to simply spot the goods, and nothing more. Nine hundred million dollars! If we add the amount of money paid for the transportation of mail to the railroads to the amount paid the rural carriers you will find it is but a drop in the bucket compared with the expenses of distribution of the products of our land, both of field and orchard and of manufactured industries.

I see no reason why this bill, H. R. 18279, should not be enacted into law as a specific measure by this House. If this be done, then it would not be so easy for Congress to change the enactment through an appropriation bill. We could point to specific legislation in the records and enter the plea that the act of Congress should not be changed in this hasty manner.

In conclusion permit me to express a thought—a conclusion reached after looking over the body of men constituting the rural delivery carriers and the postal clerks that this great Government, under an efficiency program, in filling the many post offices under the civil service must eventually recruit their postmasters—first, second, and third—from these two branches of the Postal Service.

Trade Commission Bill.

EXTENSION OF REMARKS
OF
HON. A. W. LAFFERTY,
OF OREGON,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 11, 1914.

Mr. LAFFERTY. Mr. Speaker, in extending my remarks upon the great issue involved in this bill, which is really that of control by monopoly or control by the people, I can not do better or more briefly express my views than to adopt as my remarks certain political articles written by me during the past summer. In these articles I not only favor Government control as provided for in this bill, but I also favor Government and municipal ownership. These articles, while lengthy, do not occupy as much space as would a speech necessary to cover the subject. Therefore I deem it economy to adopt the articles as my remarks, as follows:

[This article was printed as a paid advertisement in the Oregonian, August 7, 1914.]

A NATION OF SLAVES—LESS THAN 1 PER CENT OF POPULATION OWNS 70 PER CENT OF WEALTH—PUBLIC OWNERSHIP AND ASSET CURRENCY NECESSARY TO BREAK STRANGLE HOLD OF MONEY POWER, SAYS CONGRESSMAN.

The wealth of the United States is estimated at $120,000,000,000. That is $1,200 for every man, woman, and child. No other country in the world has so much wealth. But how is it divided? Seventy per cent of this wealth is owned by 200,000 men, leaving only 30 per cent for the remaining 99,800,000 people. In other words, two-tenths of 1 per cent of the population owns 70 per cent of the wealth. The plain arithmetic of the situation is that we are a nation of slaves. Our necessities make us such. Two things make slaves—necessity and fear.

THE "EMPTY DINNER PAIL."

"The empty dinner bucket" is now cited as a reason why we should withdraw further resistance to the money power. The agents of plutocracy told me before I left Washington that the people would this year yield to the "bread-and-butter argument" and return them to full control of the legislative machinery of the Government. I did not believe them then. I do not believe them yet.

There are 436 congressional districts in this Union. The Members from the other districts are watching the contest in this district. If we win here this year it will be a tremendous victory. It will be a demonstration that a Congressman can serve the public, defy the money power, and still retain the authority of the people to vote and speak for them in the National Legislature. It will mean the beginning of the end. It will mean that complete victory for the people is in sight. It will mean that the Government that our fathers suffered for at Valley Forge and fought for at Brandywine is going to be put back into the hands of their descendants.

CURSE OF OVERCAPITALIZATION.

We have been made a nation of serfs and paupers in two ways: First, by overcapitalization of public-utility corporations and the collection of millions annually from the people to pay dividends on this inflated capitalization. Second, by a system of duplicating deposits and the loaning of billions of dollars that did not exist to farmers and business men and by the collection of millions of interest annually upon the "credit" so loaned. These are the methods by which the money changers have robbed those who toil and gotten all the wealth into the hands of a few.

What is the remedy? It is simple enough, if the facts can but once be placed before the people and they will put men in Congress who will serve the public. Let the Government and the municipalities take over the public utilities at their physical value and thereafter furnish the service to the country at cost, and let the Government issue agricultural asset currency and loan it to the farmers at a very small rate of interest on first mortgages upon their farms, not exceeding 50 per cent of the unimproved value thereof, and the "money power" will no longer be able to rob our people.

METHODS OF MONEY CHANGERS.

The total amount of money in the United States to-day is $3,500,000,000, or $35 per capita. Yet the farmers alone have borrowed $8,000,000,000. In other words, the farmers alone have borrowed nearly three times as much money as there is in existence in the United States. How is it possible? The money power is simply loaning the farmers "credit"—loaning them money that is not in existence—and collecting 6 per cent interest on it. The farmers are paying interest annually amounting to $500,000,000, or more than the cost of the Panama Canal.

Give the country an honest Congress, and one that is not afraid, and every man who works will be able to make a good living, take a vacation each year, and lay by something for his old age besides. The idea of an able-bodied man in a country like this being compelled to work for his board and clothes all his life, as nine-tenths of us are

doing, is ridiculous and absurd. It is an outrage. The voters are idiots if they stand for it in this district.

I have a bill pending for agricultural asset currency. I also have a bill pending for public ownership in the District of Columbia, the only city that Congress has jurisdiction over. My bill was the first ever introduced for public ownership of the street railways in Washington. Since it was first introduced a similar bill, introduced by ROBERT CROSSER, of Cleveland, Ohio, has been favorably reported to the House and will be voted on this winter.

MUNICIPAL OWNERSHIP A SUCCESS.

The city of Cleveland has a sort of halfway city ownership of her street railways now, and the plan has proved an immense success. It proves that complete city ownership, the acquisition of title being made at actual physical value of the property, would be even more profitable than the Cleveland experiment has been, for the city of Cleveland has undertaken to run the street car system upon the basis of the full value claimed by the street car company.

When the franchise of the Cleveland Railway Co. expired in 1909—five years ago—the city council granted a new franchise for 24 years, but only upon the condition that all profits above expenses, taxes, interest on bonded indebtedness, and a 6 per cent profit to the stockholders should go to the reduction of fares and the betterment of the service. That plan has been in operation five years. The city had the right to prescribe the fares and the service and to keep an auditor in the office of the company, with a corps of assistants, to check receipts and expenditures.

TWO-AND-A-HALF-CENT FARES IN CLEVELAND.

The result has been as follows: First, a fare of 3 cents was required and 1 cent for transfer, to see if it would produce the required revenue. It not only produced all the money required, but in one year put a surplus in the treasury of $700,000. Then the fare was reduced to 3 cents and 1 cent for transfer to be rebated when transfer was taken up. And now two tickets are furnished for 5 cents. Let anyone doubting this statement cut out this article and send it to the mayor of Cleveland for verification.

The Portland Railway, Light & Power Co. last year took in $6,723,742. Its total expenses and taxes were only $3,298,319, so that over 50 per cent of its revenues were profits, to be distributed among its bondholders and stockholders as "interest and dividends." If the city would take this utility over at its physical value, as it ought to do, fares would not be over 2 cents in Portland.

The Pacific Power & Light Co., of Portland, and the Portland Gas & Coke Co. are both owned by the American Power & Light Co., of Maine. These two Portland utilities last year took in over $1,250,000 each, while their operating expenses and taxes were less than half that amount each. Telephone service under city ownership would be less than half what it is to-day.

PROFITS TO THE PUBLIC.

Government and municipal ownership of public utilities would reduce the cost of living to each person at least $50, and to each family of five at least $250.

Government ownership and operation of ocean ships, such as I have proposed, would keep in the United States the $350,000,000 which now goes annually to the Ocean Steamship Trust, would further reduce the cost of living at least $1 per capita per year, would give us the greatest auxiliary navy and greatest force of trained sailors in the world, and would enable Americans to travel around the world in safety and comfort under their own flag and at less than one-half the present cost. Senator LEWIS, of Illinois, has introduced a bill providing for 100 Government owned and operated ships since I first advocated the idea in the House a year ago.

Government ownership and agricultural asset currency combined would eliminate the dishonest profits of the money power and give to every citizen an equal opportunity. That, and nothing short of that, is what the people of this country are entitled to. Such will they receive if they stand by their guns when the forthcoming battle rages.

Respectfully,

A. W. LAFFERTY.

[This article was printed as a paid advertisement in the Portland Oregonian July 14, 1914.]

THE CONGRESSIONAL FRANK—REPRESENTATIVE LAFFERTY SHOWS HOW 1-CENT LETTER POSTAGE IS PREVENTED BY MAGAZINE MAIL SUBSIDIES.

In the House of Representatives six bills are pending for 1-cent letter postage, and two in the Senate. The Post Office Department says that if second-class mail shall be required to pay the cost of transportation, not only will 1-cent letter postage be made possible thereby, but that the entire Postal Service will be improved.

VOTERS KEPT IN IGNORANCE.

Has any voter been told anything about this situation by a daily newspaper? He has not.

On page 26, the editorial page of the Saturday Evening Post for March 7, 1914, appears this statement:

"It is pretty definitely settled that we shall grant no more ship subsidies. The notion of taxing the public for the benefit of any special interest no longer appeals."

Yet the Curtis Publishing Co., which owns the Saturday Evening Post, receives a mail subsidy amounting to more than $4,000,000 a year. These are the figures of the Post Office Department. That sum represents twice the amount involved in the question of free tolls at Panama, over which the entire Nation has been stirred for months. The total amount of tolls on coastwise vessels at Panama will be less than $2,000,000 annually, while we are donating each year to the Curtis Publishing Co. alone more than $4,000,000 in mail subsidy.

HALF LETTER POSTAGE A TAX.

Half your letter postage is a tax to pay for carrying at less than cost the merchandise of corporations publishing magazines and daily newspapers. I favor requiring all mail to pay cost of transportation, and no more. When we do that we shall have 1-cent letter postage.

Now as to the "congressional frank." I have used that frank more than most Congressmen, and I have sent out less than 4 tons of mail a year. The Journal and the Oregonian send out by mail over a ton each per day. The Journal admitted editorially August 28, 1912, that it mails 50 tons a month. Those two papers will average 600 tons each by mail per year. They pay the Government only 1 cent a pound, or $20 per ton. The Government loses on the 1,200 tons it transports annually for the Oregonian and the Journal at least $4 per ton, or $48,000. The Oregonian is making a quarter of a million clear a year and the Journal is making almost as much. Yet these papers yelp because I send out 4 tons of the people's mail per year, which is carried free, while they send out 1,200 tons per year of their private merchandise, which is carried four-fifths free.

WORK FOR DISTRICT CRITICIZED.

The garden seeds which I sent out were the property of the people themselves. Each Congressman is allotted 22,000 packages. I have sent out 52,000 packages annually, because I paid for the addressing of 30,000 extra franks each year and had them on deposit with the Agricultural Department on April 1, the day the regular distribution closes. The rule is that all seeds left over will be sent out under the direction of the Secretary of Agriculture, and by taking my chances and having the extra franks addressed and on hand I have received for my district 30,000 extra packages each year. Because I went to this extra trouble, extra work, and personal expense I have been criticized for sending out too many seeds.

SPEECHES PAID FOR OUT OF PRIVATE FUNDS.

As to the speeches I have sent out, I paid for the printing of all of them out of my personal funds. The Government Printing Office will not print a speech for a Congressman unless he puts up a check in advance against his salary account for the cost of same. My account for printing at the Government Printing Office the first year I was in Congress and the cost of addressing the speeches out to the people of Oregon was $3,700, or a little more than half my salary. I sent speeches on the railroad land grant to each voter in Oregon, whether in my congressional district or not. I was making a fight to win. That is the kind of a fight I shall continue to make.

Very sincerely,

A. W. LAFFERTY.

[This article was printed as a paid advertisement in the Oregonian and Portland News June 8, 1914.]

HIDE OF PORTLAND NEWS LIFTED—CONGRESSMAN EXPOSES FAKE "LABOR PAPER" AS THE CREATURE AND TOOL OF MULTIMILLIONAIRE E. C. SCRIPPS.

Another editorial impugning my honor and insulting my manhood appeared in the Portland News Saturday afternoon. This time I was referred to as a "demagogue" and a "liar." I had challenged Dana Sleeth, the editor, a week earlier to produce his facts to show wherein I was unfit, as he told the readers of the News during the campaign, and his only reply is to call me a "demagogue" and a "liar." People with brains will demand more than that.

I have charged, and here charge, that E. C. Scripps, a multimillionaire, is the owner of the Portland News. Has Sleeth answered that charge? He has not.

I have charged, and here charge, that E. C. Scripps owns a majority of the stock of the United Press Association. Has Sleeth answered that charge? He has not.

SCRIPPS OWNS THE NEWS.

I have charged, and here charge, that Sleeth is merely the hireling of E. C. Scripps, and that he does the dirty work ordered by his multimillionaire master. Has Sleeth answered that charge? He has not and can not.

How has Scripps made his millions? By starting penny papers in all the principal cities of the United States, by falsely pretending to be the friend of the poor man, and by collecting millions from the earnings of the poor man.

Is the Portland News an independent newspaper? It is not. It is merely one of the many newspapers owned and controlled by E. C. Scripps, and its policies are determined by its owner, of course.

Has the Portland News ever done anything for the poor people of Portland? It has not.

Has the Portland News ever said one word in favor of Government or municipal ownership of natural monopolies, to the end that the people may have the benefits of their own country? It has not.

FRIENDLY TO GRAFTERS.

Has the Portland News ever said one word in favor of the enforcement of the Southern Pacific land grant, to the end that the law shall be upheld and thousands of poor people of Oregon given homes? It has not.

Has the Portland News ever said one word in favor of agricultural asset currency, to the end that the Government and not the money power shall extend "credit" to the farmers on first mortgages, thereby saving to the people $500,000,000 in unearned interest now going annually to the Rothschilds, Morgans, and Rockefellers? It has not.

Has the Portland News ever advocated a single law which, if passed, would give to the public a fairer share of the wealth produced? It has not.

Has the Portland News ever actually opposed the money power in one single instance? It has not. The idea of E. C. Scripps opposing the money power is so absurd as to be laughable.

NEWS DECEIVES PEOPLE.

How does the Portland News fool the people? By calling them "Mutts," taking their money, and harping continually about the recall of Albee and Tom Word.

When the poor people cry for bread what does E. C. Scripps hand to them? A cold gray stone. Do you get it?

Yet your own servant, who has refused bribes of cash and bribes of newspaper support to desert your interests, does not suit Multimillionaire E. C. Scripps. Scripps asks you to retire your own public servant and turn your fortunes over to his hireling, Dana Sleeth, and such officials as Sleeth may select. Should you worry about what Sleeth or Scripps want? I should hope not.

Sleeth says the bill I introduced to make the Associated Press and the United Press common carriers is a "fool bill." And he says it would not affect the United Press because it, "alone of all press associations," now sells to all comers and on equal terms. Then why does he call it a "fool bill"? He has only told part of the truth, as you shall presently see.

PRIVATE MONOPOLY HIT.

When I introduced the bill in April, 1913, Bond P. Geddis, the agent for Scripps in Washington, came to me and said that if the bill should pass, making it possible for any paper to secure the Associated Press report, that there would no longer be so much demand for the United Press report, because the Associated Press has a wider service. He asked me to drop the fight to break up the Associated Press monopoly on the ground that it would hurt the business of Scripps, and he promised me the support of the Portland News if I would accede. I refused. I introduced the bill to break up the Associated Press monopoly because I believed then, as I do now, that it will be almost impossible to ever get laws through Congress for the benefit of the public until the press of the country is set free from the domination of

the news trust. I placed the interests of the public above those of even Mr. Scripps, and for that reason I stood by my bill. If the people stand by me, it will be a law in less than two years.

I wish every voter would go and see Sleeth, get a good square look at the cast of his countenance, and then come and see me and decide for himself who is the liar.

The last ounce of energy and the last drop of blood in my body is dedicated to this fight.

Very sincerely,

A. W. LAFFERTY.

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[The Oregonian refused to print this article as a paid advertisement August 23, 1914.]

SOUTHERN PACIFIC FEARS LAFFERTY—HAND OF FENTON SEEN IN LATE EDITORIAL ATTACK—CONGRESSMAN'S DEMAND FOR RAILROAD LAND-GRANT ENFORCEMENT, NOT FORFEITURE, LOOMS IN SUPREME COURT.

Phrased in the undisguised language of William D. Fenton, chief counsel for the Southern Pacific, a vicious editorial attack upon me appeared in Saturday's Oregonian. I challenge Mr. Fenton to deny that he either wrote or was responsible for the editorial.

I am accused of being a mere "intervenor" in the land-grant case. The truth is that I started the litigation when I filed the test case of John L. Snyder, September 16, 1907. It was a year later, September 4, 1908, before the Government reluctantly "intervened" in the suits that I had begun and filed its claim of forfeiture.

LAFFERTY DEMANDS ENFORCEMENT.

The case is now soon to be argued and decided in the Supreme Court, after a seven years' bitter fight. Three theories are to be presented: My demand for enforcement of the law to the letter, the Government's demand for a forfeiture, and the railroad's claim to the land.

Mr. Fenton wants the issue in the Supreme Court to be "forfeiture or nothing." If the court be limited to that harsh remedy, it will probably let the railroad keep the land.

From the start the Government proceedings have been of the most halting and dilatory character. And the special assistants to the Attorney General have fought my enforcement theory quite as vigorously as has Mr. Fenton. If I can be eliminated, it will leave the issue just as the railroad wants it, and it will win.

PUBLIC WARNED AGAINST FORFEITURE HOPE.

I warn the public now that there was never a chance to secure a forfeiture in this case. No one knows that better than the railroad. But if the enforcement theory shall be properly presented to the Supreme Court, it is certain that the railroad will be required to live up to the law in the sale of the remaining lands.

The test suits which I filed for 65 settlers in advance of the Government's intervention were brought upon the theory that the law means just what it says. I am confident the Supreme Court will hold with me, provided I shall not be repudiated and hamstrung by my own district before the case is reached.

RECEIVERS TO SELL TO SETTLERS.

If a decree of enforcement be entered, receivers will be appointed to take charge of the lands and sell them according to the terms of the granting acts. These terms are that sales shall be made to actual settlers only, in quantities not greater than a quarter section, and for prices not exceeding $2.50 per acre. The receivers would formulate rules, and would doubtless provide for a drawing system. They might also sell the more valuable lands in tracts of 40 acres.

Two million three hundred thousand acres are involved. This body of land would furnish 160-acre homes for 15,000 families, or 40-acre homes for 60,000 families. The lands embrace the most fertile and picturesque portion of western Oregon. Water power is present to run trolley lines into every township. If opened up, this area will become the paradise of America.

Less than 100 settlers are on the land. Only a portion of the 65 for whom I filed the test cases without fee are sticking it out. A few have remained in the face of every discouragement, chief of which has been the wet blanket the Department of Justice has continually thrown upon the enforcement theory.

LAW MEANS WHAT IT SAYS.

The thousands of applications that have been filed for these lands by nonsettlers amount to nothing. These applicants have been swindled. The law says the lands must be sold to "actual settlers," not to "nonsettlers."

I argued this case for three days before Judge Wolverton. I wrote every word of pages 640 to 672 of the record. I appeared and argued the case in San Francisco, urging haste above all things, and I filed a printed brief of my argument. Previously, on September 30, 1913, I had introduced a bill in Congress (H. R. 8703) directing the San Francisco court to certify the case to the Supreme Court at once, without decision, in order to expedite final determination. The court did exactly what I wanted done.

POLITICAL TRICKSTERS FIGHTING LAFFERTY.

It is also complained that I am absent from Washington, and that I am running for reelection. I admit both of these charges, and I expect to be elected by the largest majority I have ever received. No crowd of professional politicians, and special-interest men, need put fake advertisements in the papers on me, stack the newspapers against me, and then expect me to supinely abide by any primary decision secured in that way.

Besides, it does not lie in the mouth of the Oregonian, Mr. Fenton, or any of the old Republican machine to complain that I am running regardless of the late primary. Two years ago, when I had the primary nomination, that whole crowd refused to support me, and attempted to defeat me with Thomas McCusker. The Republican State committee two years ago, headed by Charles B. Moores, passed a formal resolution indorsing McCusker. What fealty does any Republican voter owe to that same machine now? None whatever.

Very respectfully,

A. W. LAFFERTY.

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The following is the Oregonian editorial of August 22, 1914, which Mr. LAFFERTY charges was written by W. D. Fenton, chief counsel for the Southern Pacific, and which charge stands undenied either by Fenton or the Oregonian:

[From the Oregonian of August 22, 1914.]

LAFFERTY AND THE RECORD.

Mr. LAFFERTY, Representative in Congress for Oregon (third district), has now been absent from his post of duty at Washington continuously for more than 100 days, or about 4 months. He has been for the greater part of that time in Portland and vicinity publicly carrying on his campaign for reelection, although he was beaten in the primary. But he repudiates the verdict of the people in the primary. The explanation for his absenteeism, given by Mr. LAFFERTY, is twofold: That he is here to carry on his campaign, and he is also here to represent the public in the Oregon & California land-grant case. The substance of his contention as to the land-grant suit is as follows (from his self-signed advertisements):

More than two-thirds of my time since my arrival here in May has been devoted to the Oregon & California Railroad land-grant suit. I was three weeks in California preparing and arguing the case in the circuit court of appeals. The transcript of the record of the trial, as had before Judge Wolverton, amounts to 17 printed volumes. The case is now in the Supreme Court, where we must argue it again about January next. Any lawyer, in order to make an intelligent presentation of the case in the Supreme Court, must have mastered those 17 printed volumes of the record.

Mr. LAFFERTY says also that he will, if successful in this suit, accomplish more than the entire Oregon delegation in 20 years, and that he will break up a great land monopoly.

The Oregonian believes it has a duty to correct the continuous LAFFERTY misrepresentations in this important litigation, and it therefore gives the exact facts with regard to his recent so-called public service:

The land-grant suit is between the United States Government and the Southern Pacific Railroad (Oregon & California Railroad Co.). LAFFERTY appears as intervenor, representing private clients who are seeking to get possession for their own benefit of certain parcels of the land.

Mr. LAFFERTY did not prepare a word of the voluminous record of 17 volumes. The Lafferty brief consisted of two pages, excluding title and cover. He never appeared before the examiner who took the testimony in this case, consisting of 11 typewritten volumes. The demurrers to his cross-complaints and bills of intervention were sustained by Judge Wolverton.

The three weeks Mr. LAFFERTY spent in California narrow down to 1 hour and 15 minutes, spent by him in oral argument before the circuit court of appeals.

The circuit court of appeals, upon its own motion and not upon Lafferty's motion, nor any lawyer's, decided to certify the case to the United States Supreme Court to decide certain questions of law. As a matter of fact, the case has not yet been so certified, and it is not now in the United States Supreme Court. But it will be.

Mr. LAFFERTY says he has entered this case to break up a "land monopoly." But it is clear that the ultimate judgment of the Supreme Court will be to decide for the railroad company or for the Government—one or the other.

If the railroad company wins, it will be the owner of the land grant and will sell the lands on its own terms.

If the Government wins, the lands will be withdrawn under the act of Congress August 20, 1912, and the terms and conditions upon which they will be opened for settlement will be determined only by subsequent legislation. The only possible chance for the Lafferty intervenors to get anything will be to have the court give them a status as actual settlers and to award them title to lands which they claim to occupy as bona fide claimants.

It becomes plain, therefore, that the Lafferty contention that he is performing a public service in this litigation has no basis in fact. He is appearing for private clients. No citizen other than his clients, and perhaps some unknown others who may be able to show that they sought to take up lands prior to this litigation, will be benefited by their success.

[The Oregonian refused to print this article as a paid advertisement August 27, 1914, although it had printed the article by Garrigus on August 26 which follows this.]

GARRIGUS EXCORIATED—LAFFERTY'S DEFAMER ONCE RESIGNED BAR UNDER EMBEZZLEMENT CHARGE—WAS DENOUNCED IN SAN FRANCISCO BY LAFFERTY FOR TAKING "FEES" FROM DUPED "ACTUAL APPLICANTS."

The Oregonian accepted from Lewis C. Garrigus, and printed on the editorial page of Wednesday's paper, a scurrilous article, pronouncing as "brazenly false" my printed statements touching my service to the people of this State in the land-grant case.

ATTORNEY FOR "ACTUAL APPLICANTS."

Recently, at San Francisco, I denounced Garrigus for having appeared there as "attorney" for duped "actual applicants" for railroad lands, when the law is as plain as the noonday sun that the lands must be sold only to actual settlers. I stated then, and I state now, that those applicants have been defrauded and swindled. Garrigus has received thousands of dollars from these ignorant people. I have not received one cent for my services in trying to have these lands sold to the people of Oregon who may be willing to make actual settlement upon them. Two men, Logan and Minard, are now in jail for accepting fees from "actual applicants," but Garrigus is at large, and is given free space by the Oregonian to defame the Representative of this State while serving the people.

The following copy of the order of the Supreme Court of Oregon (vol. 28, Sup. Ct. Repts., p. 587) in the disbarment case of this same Lewis C. Garrigus, will show who he is:

"EX PARTE GARRIGUS."

"On September 5, 1895, the attorney general, at the request of the grievance committee of the Oregon State Bar Association, filed a complaint in the supreme court charging Lewis C. Garrigus, an attorney duly admitted to practice in 1890, with embezzling funds that had been intrusted to him by certain clients, and praying that he be disbarred from practice. It was afterwards discovered that after an investigation by the committee of the bar association and before the charges had been filed by the attorney general, Mr. Garrigus had filed his resignation as an attorney with the clerk of the county court of Multnomah County. This resignation was forwarded to and filed with the clerk of the supreme court on September 6, 1895. Afterwards, on motion of the attorney general, the complaint was withdrawn."

Very respectfully,

A. W. LAFFERTY.

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[The letter from Garrigus printed in the Oregonian of August 26, 1914.]

"BRAZENLY FALSE," SAYS LAWYER—LAFFERTY'S PROFESSED CHAMPIONSHIP OF PEOPLE IS BUNCOMBE.

PORTLAND, *August 25.*

To the EDITOR:

Is it not passing strange that honorable men will see a question of honor from such different angles? For instance, a great many men who had submitted their claims to the arbitrament of the people at a

primary election would feel themselves in honor bound to abide the result; but there are some honorable exceptions to this way of looking at it. Now, we all know that Hon. A. W. LAFFERTY is an honorable man, and he seems to think it all right to disregard the voice of the people, as declared at the primary election in April. He does not seem to think that his honor is at stake; and he may be right, but many differ from his way of looking at it.

A great many people know that the Hon. Mr. LAFFERTY is a Member of Congress. I know it because I heard him declare the fact to the United States circuit court of appeals at San Francisco when the appeal of the Oregon & California land-grant case was up for argument in May last. Mr. LAFFERTY opened his remarks to the court by the declaration, "I am a Member of Congress." Those who heard this declaration thought that two members of the court looked a little bit incredulous, but the presiding judge, though he might have been chagrined, could not deny that it was true.

Mr. LAFFERTY followed up his declaration aforesaid by giving the court a history of what he had done in the matter of the land-grant controversy, and amongst other things told the court that if Mr. Townsend, the special assistant to the Attorney General of the United States, had taken his (LAFFERTY'S) advice the controversy over these granted lands would have been settled long since. The fact is that Mr. LAFFERTY took up more than three-fourths of the time allotted him for argument in reciting a laudatory history of Mr. LAFFERTY'S connection with the matter, to all of which the court gave respectful attention, but from which it received no aid in the settlement of the questions involved.

Mr. LAFFERTY, in a communication to the newspapers about that time, brazenly asserted that it was upon his motion that the court acted in deciding to certify the questions involved up to the Supreme Court of the United States. The truth is that neither Mr. LAFFERTY nor any other attorney engaged in the matter made any suggestion to the court as to what it should do in the premises. There was not another attorney engaged in the case who would have had the unlimited gall to make such a claim, and every other attorney engaged in the argument of the case knows the utter falsity of the claim made by the honorable gentleman.

In other published statements Mr. LAFFERTY has made the claim that he is the only attorney originally connected with the land-grant matter who has stuck to it and is still fighting for the rights of the people. This statement is as brazenly false as the other. As soon as Representative HAWLEY called the attention of the country to the status of this land grant I went to Washington City to try to get permission to sue in the name of the Government for a large number of clients whom I represented. I was there informed that the Government was preparing to proceed in the matter and that permission could not be granted to individuals to sue in the Government's name; that we would have to bide our time and become parties to the litigation by petitions in intervention. The late Daniel J. Haynes and myself were partners at the time, and we were no doubt the first lawyers with whom Mr. Townsend conferred upon his arrival here to look into the matter.

I have been steadily and persistently following the matter up since its inception, and there are other attorneys representing other parties who applied to the railroad company to purchase bonds under the terms of the grant who have done the same thing, hence the untruth of Mr. LAFFERTY'S claim must be apparent. The fact is that but for my efforts in their behalf Mr. LAFFERTY'S clients would not have been heard upon the appeal of the case.

Mr. LAFFERTY'S claim for support in his candidacy for reelection to Congress upon his alleged championship of the people's interests in the Oregon and California land litigation, like his claim that he was swindled out of the nomination at the April primary election, is brazenly false, and should be rebuked by the people at the November election. No man should be permitted to ride into public office upon false pretenses. "Let justice be done though the heavens fall."

LEWIS C. GARRIGUS.

[The Oregonian refused to print this article as a paid advertisement Aug. 16, 1914. It was printed Aug. 16 in the Journal and on Aug. 17 in the Telegram as a paid advertisement.]

MCARTHUR'S RECORD ANALYZED.

Any man who runs for office submits his entire record to the scrutiny of his opponents and of the public. The people are entitled to know the truth touching the past and present of each candidate.

Clifton Nesmith McArthur is a grandson of James W. Nesmith, who was a United States Senator and Congressman from this State; he is a graduate of the Oregon State University, late speaker of the Oregon Legislature, and a gentleman of pleasing appearance and many good qualities. But when this much is said, praise must cease and honest criticism must begin.

"PAT M'ARTHUR, PIPER'S FRIEND."

On the very threshold of his career Mr. McArthur, then a reporter on the Oregonian, allied himself with Edgar B. Piper, managing editor of that paper. While employed on the Oregonian in 1905 McArthur was hired by Detective W. J. Burns to aid in securing jurors in the land-fraud cases. Notes made by Burns at the time, and now on file at Washington, show that he repeatedly referred to "Pat McArthur, Piper's friend," as having aided him in selecting the names of jurors from Polk and other counties to go into the original box of 600. Burns recites that McArthur was a reporter on the Oregonian. The Oregonian was for conviction and hostile to the Mitchell faction. Throughout the record Burns refers to McArthur as his trusted agent and as "Piper's friend."

That McArthur well knew that what he did in helping to fill the original jury box with the names of prejudiced men was wrong is conclusively shown by his own sworn admissions. Recently one of the defendants who was convicted by the jury so selected, Willard N. Jones, applied for and received a pardon on the ground that he could not possibly have had a fair trial before such a jury. McArthur was called upon for an explanation of the part he took in the selection of the jury, and his affidavit, now a public record at Washington, admits his connection with the transaction, but pleads that he participated in it with great reluctance and under duress and after much persuasion.

THE ATTORNEY GENERAL'S LETTER.

The letter of the Attorney General to President Taft, dated May 10, 1912, contains this language:

"Mr. McArthur, it is to be remembered, was one of Burns's agents, and furnished many of the reports which are on file in the department. He claims, however, that he did so with great reluctance and under duress and after much persuasion. He does not state the nature of the duress, but, I am informed, is willing to do so if you insist.

"Respectfully,

"GEO. W. WICKERSHAM,
"Attorney General."

To understand exactly what Burns did, with the aid of McArthur, it is necessary to know what the original box of 600 was. The law required that two men of opposite political faith, to wit, a jury commissioner named by the court and the clerk of the court, should select the names of several hundred citizens from the body of the State and put them into a box. These jurors were supposed to represent all shades of opinion, and were not supposed to be tampered with, interrogated, or investigated in any manner whatsoever. From the box in question the law required that the clerk of the court should draw out the names of jurors to be summoned into court as needed.

Not until the jurors arrived in court was either the prosecution or defense entitled to question them on any subject. For each case some 60 jurors were to be summoned, and when they arrived in court each side then had ample opportunity to interrogate them in the presence of the judge, to ascertain whether or not they were duly qualified. The law had provided these safeguards so as to insure the trial of each defendant by a jury of his peers, summoned without discrimination from the body of the State. The right, when accused of crime, to be tried before a fair and impartial jury is the most sacred heritage of English-speaking people.

HOW JURY WAS SELECTED.

But Mr. Burns, with the aid of McArthur, "Piper's friend," deliberately set this right at naught. Burns and his confederates secretly took advantage of the defendants by having placed in the original box of 600 only the names of men known to be hostile to the accused and predisposed to convict. This gave the prosecution a tremendous advantage, which was illegal, and left the defendants no reasonable chance to be acquitted. Evidence is nearly always conflicting, and when the jury is biased they usually decide according to their preconceived notions.

In order to fill the original jury box with the names of prejudiced men, Burns secured typewritten copies of the lists of proposed jurors which the various county clerks had sent in to the jury commissioner and the clerk of the United States court. Burns then sent McArthur and his other agents into the several counties to investigate the men whose names appeared on these lists. The names of all men found to be prejudiced against the accused were allowed to go into the original box, while the names of all men found to be fair, or friendly to the accused were not allowed to go into the original box.

The jury commissioner and the clerk of the Federal court should not have allowed Burns and his agents to dictate the names which went into the original box, and it is possible that they did not know it. The Attorney General, in his letter to the President, says that Burns probably got in his work by having a deputy in the United States court strike off the names of the jurors not desired by him before the lists were turned in to the jury commissioner and the clerk of the court. In any event, the records show that every name favorably reported on by Burns and his agents went into the original box, while every name adversely reported on by them was excluded.

McArthur not only checked the entire Polk County list for Burns, but he aided in checking the lists of several other counties. He received a good salary from the Government for his work. McArthur's reports, still on file at Washington, do not bear out his present contention that he acted under "duress," but, on the contrary, show that he acted with great enthusiasm and took keen delight in his work.

"WILL VOTE TO CONVICT."

The following are verbatim extracts from official reports made by McArthur. The names of the men reported on are left blank solely because it is not desired to expose them to the humiliation that would attach to the publication of their names in connection with these reports. The names of these men are in my possession, and will be shown to any citizen desiring to verify this statement. McArthur reported on Linn, Washington, and Columbia Counties, as follows:

"Linn County.

"_____ _____, merchant, Halsey: Regular yellow-dog Democrat. Will vote to convict any Republican on sight.

"Washington County.

"_____ _____, Gales Creek: This man is a Republican, a cheap shyster; always for sale.
"_____ _____: A Mitchell-Hermann-Huston man.
"_____ _____, Gales Creek: A Mitchell man; ferninst the Government.
"_____ _____, Forest Grove: A boozerino.
"_____ _____: An old soldier; a Republican; a crank.
"_____ _____: Merchant, schools; a Mitchell man.
"_____ _____, Hillsdale: Republican; for sale.

"Columbia County.

"I don't know anybody in Columbia County except members of the Mitchell-McBride-Williamson-Fulton push; this push is very strong in Columbia County, which is McBride's home county. For this reason I would recommend that the county be thrown out."

McArthur recommended that a certain merchant of Halsey go into the box, because he was a "regular yellow-dog Democrat," who would "vote to convict any Republican on sight," but he wanted the entire citizenship of Columbia County excluded from service on the jury, because that was "McBride's home county," and McBride was friendly to Senators Mitchell and Fulton and Congressman Williamson. Accordingly the Columbia County list was thrown out. The McBride referred to by McArthur is Judge Thomas A. McBride, present Chief Justice of Oregon, and one of the grand old men of this State.

"I need not go further in a recital of the high-handed outrageous conduct on the part of the officers of the prosecution," concludes the letter of the attorney general. McArthur now claims that he acted under "duress." Let him state just what kind of duress could possibly have induced him to aid in packing a jury against a fellow citizen, whose liberty and reputation were at stake. No duress could justify such an act.

FERDINAND REED M'ARTHUR'S BOOSTER.

This is the same Mr. McArthur who joined hands with Mr. Piper and Ferdinand Reed in the late primary to defeat me for the regular nomination of my party for reelection to Congress. Mr. McArthur's past record and present affiliations show beyond the peradventure of a doubt that he would, if elected, stand with the corporations and the millionaires.

In 1910 Mr. McArthur was not only one of the prime movers in the holding of the "assembly" in Portland, but he received the nomination of that assembly for State senator. Mr. McArthur was defeated by George W. Joseph, the direct-primary nominee.

Between the years 1910 and 1912 Mr. McArthur was out of office, and whom did he serve in private life? He served as president of the Hood River Gas & Electric Co., organized by the Pacific Power & Light Co., of Portland, for the purpose of freezing out an independent at Hood River.

M'ARTHUR'S CORPORATION CONNECTIONS.

The Pacific Power & Light Co., of Portland, is a large holding corporation. Guy W. Talbot is its president and Lewis A. McArthur, brother of the candidate for Congress, is its assistant general manager. The Pacific Power & Light Co. is a $16,000,000 corporation, organized under the laws of the State of Maine. It, in turn, is owned by the American Power & Light Co., also organized under the laws of the State of Maine.

Although only a subsidiary of the American Power & Light Co., the Pacific Power & Light Co. owns the electric light companies at The Dalles, Pendleton, Dayton, Wash., Pasco, and Vancouver, and it is rapidly acquiring other holdings. It also owns water works and gas plants in Oregon, Washington, and Idaho. It owns the street railway at Walla Walla and the interurban line from that place to Freewater, Oreg.

MANY FRANCHISES GRABBED.

This corporation has acquired franchises at Richland, Toppenish, Waitsburg, Lewiston, Touchet, Prosser, Underwood, Dufur, Attalia, Benton City, Clarkson, Grandview, Lowden, Moxee City, Outlook, Parker, Prescott, Wallula Junction, and numerous other towns and cities in Oregon, Washington, and Idaho. The New York advertisements of the Pacific Power & Light Co. boastingly assert that all of its franchises are "free from objectionable restrictions," and that some of them extend as far into the future as 1981. How encouraging to the public! The gross earnings of this company for 1913 were $1,288,059. Its expenses and taxes were only $663,674, leaving its net earnings $624,385. In other words, nearly 50 per cent of its income was clear profit, to be distributed as "interest and dividends" among its bondholders and shareholders. This company was organized January 10, 1910, and has since been very active in acquiring its holdings. The American Power & Light Co., which owns the Pacific Power & Light Co., also owns the Portland Gas & Coke Co.

M'ARTHUR AT HOOD RIVER.

In 1911 the Pacific Power & Light Co. bought the electric light company at Hood River. A citizen up there, Neil C. Evans, now residing at 315 East Thirtieth Street, Portland, organized an independent company and began cutting rates. The original company did not wish to bring its rates down, because, in order to make things look right, it would have to do the same in other towns in Oregon, where it did not have competition. But the Pacific Power & Light Co. hit upon the scheme of organizing the "Hood River Gas & Electric Co." as a subsidiary with which to fight the independent, and it put in C. N. McArthur as president of this subsidiary company. That McArthur served as its president as late as 1912 is proved by the annual report of the corporation on file at Salem. The independent company made terms with the subsidiary company, and the Pacific Power & Light Co. now controls the situation at Hood River.

Not only do I have the right to give to the public Mr. McArthur's record but I would be unworthy to hold the position of United States Congressman if I did not do so unflinchingly. I have undertaken certain work for the common people, and I do not propose to be sidetracked by any combination made up of Mr. McArthur, Mr. Piper, Ferdinand Reed, and the multimillionaires and special-privilege corporations whom they are serving.

PUBLIC OWNERSHIP NEEDED.

If reelected, as I expect to be, I shall be able to secure the passage of some, if not all, of the laws I am advocating. Among these are Government and municipal ownership of all public utilities, agricultural asset currency, and power to the interstate trade commission to control industrial monopolies, like the Sugar Trust, the Steel Trust, the Oil Trust, the Coal Trust, and the Harvester Trust, even to the extent of fixing maximum prices, pending a restoration of competitive conditions. I shall also continue to work for the enforcement of the railroad land grant and for the conveyance of the forest reserves in trust to the States wherein located, giving to the States all the profits from the sale of ripe timber, but not allowing any of the lands to be sold, holding them permanently in public ownership.

This latter law would reduce taxes in Oregon one-half, as this State has 16,000,000 acres in the forest reserves worth $400,000,000. The profits from the sale of ripe timber would net the State at least 2 per cent a year on the value of the standing timber, or $8,000,000, and that amount is equal to one-half of all the taxes now collected annually in Oregon. And as only the ripe trees would be cut, giving the young timber a chance to grow up and replace the old, the present stand of timber would be preserved permanently.

Very respectfully,

A. W. LAFFERTY.

[This article was printed as a paid advertisement in the Oregonian August 22, 1914.]

SHIP PURCHASE FAVORED—WILSON LAUDED BY LAFFERTY FOR STEP TOWARD PUBLIC OWNERSHIP—MORGAN OPPOSITION SHOWN—NATION SHOULD ALSO OWN RAILROADS AND CITIES THEIR PUBLIC UTILITIES, SAYS CONGRESSMAN.

"President Wilson's advocacy of the bill to be introduced in Congress to-morrow for Government purchase of merchant ships belonging to belligerents has aroused the jealous attention of the maritime nations at war.

"Besides the international aspect of the question, there is another and serious one, which is brought to the attention of Secretary McAdoo to-day by J. Pierpont Morgan, the New York banker. Mr. Morgan offered objections to the plan for Government purchase of the Hamburg-American steamers on the ground that it is likely to lead to embarrassment to the Government in the end and be disadvantageous to the existing steamship lines."

The foregoing is from a Washington dispatch by John Callan O'Laughlin, printed on the first page of the Oregonian yesterday.

NEWS COLORED TO INFLUENCE PUBLIC.

This kind of "news" is intended to defeat Government ownership of merchant vessels.

Uncle Sam, being a neutral power, has the right to buy merchant vessels, if he so desires. No nation would have the right to capture or sink such vessels, unless at the time aiding an opposing belligerent by carrying to them arms or munitions of war.

The three big steamship companies crossing the Atlantic are the White Star, the Cunard, and the Hamburg-American Line. The first two are English and the last is German. We now have a chance to buy the vessels of the Hamburg-American line in our ports, and the President favors the idea. I stand with the President, and have wired the Clerk of the House to pair me for the passage of the bill if it comes to a vote before I arrive back in Washington.

FAVORS BUILDING GOVERNMENT SHIPS.

A year ago I delivered a carefully prepared speech on the floor of the House advocating the building and operation of a fleet of 200 large merchant vessels. Our exports being $2,000,000,000 a year and our imports $1,500,000,000, practically all of which is now carried both ways by foreign ships, we could well afford to build a fleet of our own. Such a fleet as I suggest would cost $800,000,000, or twice the amount of the Panama Canal.

I estimated the cost of each vessel at $4,000,000. At that price the ships would be the largest and finest in the world. It would require 60,000 bluejackets to man the 200 vessels, thus giving us the largest force of trained sailors in the world. The fleet would be auxiliary to our Navy, and would give to us such power on the high seas as has never been dreamed of by any nation heretofore.

But, at the same time, this fleet would pay for itself in less than 12 years, provided we carried only half our own outgoing and incoming commerce. We now pay ocean freights amounting to $350,000,000 a year on our over-the-seas trade. Should our fleet carry only half our commerce (and it would have the capacity to carry it all) our income would be $175,000,000 a year from freights. The mails and the passenger fares would meet the cost of operating the ships.

SEE WORLD UNDER AMERICAN FLAG.

Ownership by the Nation of such a fleet as I have proposed would enable Americans to travel anywhere under our own flag. It would give to our Republic the influence and power that it justly should have in shaping the destinies of nations. Napoleon had an ambition to be emperor of the world. My ambition is to see America republicanize the world by the force of her example.

Not only should we own the ships, but we should own all natural monopolies on land. The Government should own and operate the railroads, telegraphs, and telephones, and the parcel post should be made to supersede the express companies. The various cities should own their own water works, gas and electric light plants, street car systems, and local telephones.

COST OF LIVING WOULD BE REDUCED.

The American people now pay $30.57 each to the railroads per year. This is $152.85 that each family of five pays yearly. This transportation bill would be cut down at least one-half under Government ownership. We could buy the railroads to-day at their physical value if Congress would pass a law to that effect, and authorizing the sale of the bonds to pay for same. The roads would pay for themselves in less than 15 years at present rates, and in 30 years with the rates reduced one-half. No employees would be discharged. The Government now owns the Panama Railroad and steamship line, and it is paying over 30 per cent annual profits on its capitalization of $7,000,000.

Savings to the people through public ownership of telephones, telegraphs, gas and electric light works, and street car systems would be even greater in proportion than on the railroads, and would bring the total annual savings to each citizen up to at least $40 annually, or at least $200 a year to each family of five.

NATION ENSLAVED TO WEALTH.

To-day 200,000 men own 70 per cent of the wealth of the United States, leaving 99,800,000 people owning only 30 per cent. This condition has come about solely through private ownership of public monopolies, and resulting exorbitant charges exacted under cover of overcapitalization. That is why I favor taking over monopolies at their physical value for the public use, as our Constitution provides may be done. Otherwise we shall continue a Nation of slaves. There is no alternative. Commissions to "regulate" natural monopolies have failed. The monopolies have "regulated" the commissions.

The time has come to act. You elected me to Congress as an "insurgent" against present conditions. I have kept the faith and grown stronger in it. If reelected, I shall return to Washington able to accomplish what you desire accomplished, and other Congressmen and aspirants for Congress will make the same fight I am making.

Very respectfully,

A. W. LAFFERTY.

[This article was printed as a paid advertisement in the Oregonian July 6, 1914.]

PUBLIC OWNERSHIP CHEERED BY 3,000.

Fully 3,000 people heard the Fourth of July address of Congressman LAFFERTY at the Lents picnic July 4, 1914. It required Mr. LAFFERTY only seven minutes to deliver his address. He was frequently interrupted by cheers, and at the conclusion the applause lasted several minutes. Mr. LAFFERTY said:

"Mr. Chairman, ladies, and gentlemen: After all, conditions have not changed so much in the last 138 years. July 4, 1776, found 3,000,000 Americans scattered along our Atlantic seaboard, all subjects of the money power of London, and nominally ruled by a King and a Parliament. King George was merely a tool of the money power then, just as our Government is a tool of the money power now. That power then desired to keep Americans under subjection indefinitely. It expected to reap untold wealth from the toil of the poor who had fled from England, Ireland, France, Germany, and Holland to make homes in a new world.

PEOPLE MORTGAGED TO MONEY POWER.

"The patriots of 1776 refused to stand for what they knew to be outrageous. They refused to be enslaved. They declined to stand idly by and see the chains forged for their children's children. So it happened that on July 4, 138 years ago to-day, the American patriots, through their representatives in Continental Congress declared their independence, and they made good that declaration upon the field of battle.

"Only a short time has passed since that—less than a century and a half—and while a great Republic has been filled with people, and these people have created tremendous wealth and made many inventions, the same money power is with us still, and it has received nearly all the financial benefits of our progress and invention. It has accomplished by bribery and corruption what its hirelings were unable to do upon the field of battle. It has completely enslaved the American people. Sev-

enty per cent of the wealth of America to-day is owned by 200,000 men, and many of them residents of London.

"To-day each of the 48 States of this Union are mortgaged to the money power, through public-utility corporations which are overcapitalized billions of dollars. Our farm lands alone are mortgaged to the manipulators of credit for $8,000,000,000, while our total stock of money in the United States is only one-third of that amount. Unless these mortgages be removed by fair legislation, providing for Government and municipal ownership of public utilities, and for agricultural asset currency, it is my opinion that our children and our children's children will remain enslaved to the money power for all the long future.

DEFINITE RELIEF PROPOSED.

"Representing the people of Multnomah County in the American Congress I have proposed laws for Government ownership, agricultural asset currency, and for an interstate trade commission with power to control industrial monopolies, even to the extent of fixing maximum prices. I have proposed a law giving to Oregon all the profits from her forest reserves which would reduce taxes in this State one-half, as one-half of the taxable wealth of the State is now kept off the tax rolls by being included in the forest reserves. I have started and pushed to the Supreme Court the railroad land-grant suit, which, if won in that high tribunal, as I believe it will be inside of the next year, will result in opening up to actual settlers 2,300,000 acres of the best lands in western Oregon. No plainer law was ever passed than the one making this land grant, and, if it can not be enforced, there is no use for Congress to pass any laws in the future. And now that the interests have found that I am in dead earnest and that I can not be bribed, they propose to retire me and put in my place one of their tools or a nonenity.

"The same blood that coursed hot through the veins of American patriots in 1776 is now beginning again to boil in the Americans of to-day. A new declaration of independence is long overdue. Multnomah County has sounded the battle cry in this new revolution. The eyes of Congress and of the Nation are upon the pending struggle in this district. The issues involved are clear cut. Let the battle of Concord be refought and won in Multnomah County November 3 next, and victory will follow in the entire Nation inside of five years."

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[This article was printed as a paid advertisement in the Oregonian June 1, 1914.]

A PLATFORM THAT SPECIFIES.

I hereby declare myself a candidate before all the people, regardless of party affiliations, for reelection to the office in which I am now, and for 3½ years last past have been, serving all the people, and in which I expect to serve all the people for some years to come.

My name will be printed on the ballot in the regular way. Each voter on November 3 will be given an opportunity to cast a ballot either approving or disapproving my record in Congress.

SHOULD DEFEAT REWARD FAITHFUL SERVICE?

Between now and election day I shall make such a campaign as I have never made before. It is my candid belief that my defeat would postpone for at least 10 years a realization of national laws giving to the general public the prosperity and share of wealth produced which it deserves. If defeat should be my reward for drafting and fighting for such laws, no Congressman in the future could be expected to take up the same fight.

These are some of the things I am fighting for:

1. The enforcement of the Oregon & California Railroad land grant, that the majesty of a solemn act of Congress may be upheld and that thousands of poor people in Oregon may have homes. I started this litigation September 16, 1907, pushed it to a favorable decision before Judge Wolverton, in Portland, July 1, 1913, and, while I am writing this announcement, I am in San Francisco fighting the case in the United States circuit court of appeals. Ex-Senators Spooner and Gearin and Hon. W. D. Fenton and Mr. Peter F. Dunne are here representing the railroad. Mr. B. D. Townsend, who has represented the Attorney General since 1907, withdrew six weeks ago, and the Attorney General is represented by Mr. C. J. Smyth, of Omaha, and young Mr. Rabb, of Indiana, lately a special agent of the Land Office at Portland. I am the only man originally in the case against the railroad who is sticking to it, and I shall stick to the end.

GOVERNMENT UTILITIES TO PREVENT EXTORTION.

2. For Government ownership of railroads and Government or municipal ownership of all other public monopolies, to the end that the per capita charge for public utility service may be reduced in this country to cost, which would mean a saving annually to each citizen of at least $50.

3. For agricultural asset currency of exactly the same tenor and effect as the commercial asset currency provided for in the recent currency law, except that first mortgages on farms, not exceeding 50 per cent of the unimproved value thereof, shall be taken as security by the Government in place of personal notes, to the end that the $500,000,000 annual interest which our people are now paying to the money power, through the farmers, shall go to the Government—to the people—and not to the Rothschilds, Morgans, and Rockefellers. This bill alone would save the American people $5 a year each. Nobody would be hurt except the money power, which is now loaning "credit" to the farmers. The farmers have borrowed $8,000,000,000, while there are only $3,500,000,000 in existence in the United States, or but little more than a third of the amount the farmers alone have borrowed. The Government is better equipped to act as fiscal agent, hold the securities, and extend the credit than is any private bank. No wonder the Associated Press and the United Press and their newspapers are fighting me. The money power controls the news channels of this country. It would be idiotic not to do so, since it has the price.

WOULD ELIMINATE MONOPOLIES.

4. For a law making all press associations common carriers, to the end that any person or corporation may start a daily newspaper and compel the press associations to furnish their out-of-town service, and at a reasonable price, just as any citizen may now compel a railroad to carry him as a passenger if he tenders the fare. When I introduced this law Mr. Bond P. Geddis, agent at Washington for Mr. E. C. Scripps, asked me to let up on my fight for the bill, and to apologize for my statement in the CONGRESSIONAL RECORD that the press associations were controlled by the money power. Mr. Geddis told me that Mr. Scripps owned the Portland News; that Scripps also owned the United Press, or the majority of it, which serves both the News and the Journal in Portland; and that if I did not apologize and drop my fight Scripps would have his paper, the Portland News, fight me for reelection. I refused to surrender.

5. For an interstate trade commission, with powers to control private trusts, like the Steel Trust, the Tobacco Trust, the Oil Trust, the Harvester Trust, and all other trusts, even to the extent of fixing maximum prices to be charged for any commodity when found to be controlled by an absolute monopoly, pending the elimination of the monopolistic conditions and the restoration of free competition.

These are not empty promises. I have put all these propositions into the form of specific laws. All that would be required to realize them would be to elect 219 Congressmen—a majority—willing to serve the public. I have taken my office seriously; have worked like a slave the last 3½ years, and of course the interests will try to defeat me and put in a standpatter or a nonentity.

REFUSED BRIBE TO BETRAY PEOPLE.

I had not been in office six months until I was approached and offered a bribe to serve the "interests." I was offered a salary to serve as "attorney" for the "Coos Bay & Eastern Electric Co." I refused to be bought, and have kept the faith. I shall keep it hereafter, let come what will.

Had any fair presentation of the tremendous issues involved in this fight been made to the voters by the newspapers in the late primary I should regard the result as binding. But such was not done. Early in my congressional career the newspapers ridiculed me, and later, when I had been recognized by my colleagues at Washington and placed on the Committee on Interstate and Foreign Commerce, one of the most important committees of the House and the most important on which any Oregon Member serves, the newspapers then absolutely ignored me. The newspapers are impressed with a public interest, as has been held by the Supreme Court, and they have no right to close their columns to news concerning a public officer. But that is what the Portland papers did. And at the same time the public is helping to support the newspapers by carrying their papers through the mails for $20 per ton postage—almost free. The same papers complained bitterly because I sent a few speeches, not over 2 tons in three years, through the mails.

The newspapers did worse than to ignore the work I am doing in Congress and in the courts for the public. They actually tried to poison the minds of the public against me as an individual, well knowing that they could not attack my public record. The Oregonian closed an editorial supporting McArthur, Sunday before the primary, with the statement that "there are excellent reasons why LAFFERTY should be left at home." The Portland News, favoring McArthur's nomination, habitually followed the lead of the Oregonian and would close its editorials supporting McArthur and opposing me with the statement that "there are other reasons not necessary to mention why LAFFERTY should be defeated."

HURLS DEFIANCE AT NEWSPAPERS.

I refuse to be killed off politically by any such blank cartridges. I challenge these newspapers to produce leaden bullets, and show wherein I am unfit. If any person can show where I have ever been immoral, or committed any offense against any law of any country, I will resign from office.

As a capsheaf to the campaign of newspaper infamy, on the afternoon before the primary, large and glaring paid advertisements were inserted in all the afternoon papers, when it was too late for me to expose the fraud, headed: "Congressman LAFFERTY for prohibition." That piece of trickery alone cost me at least 3,000 votes. Every reader of the advertisements supposed I put them in the papers, and, of course, those who are against prohibition were incensed that I was using the influence of my political office in that fight. The advertisements were inserted by my political enemies, who well knew the head thereon was false, and who well knew that the printing of such advertisements, supposedly coming from me, would put me in a false light and cost me thousands of votes. I have taken no personal public stand for or against prohibition, and shall not try to influence the people either way on that subject. I shall vote for the resolution submitting the question to the States, if it comes to a vote before the November election, and if it comes to a vote after that, I shall vote as Multnomah County votes on the subject in November. No Congressman has any right to vote otherwise than as desired by a majority of his constituents, when that desire has been clearly expressed with notice in advance that the referendum vote of the people will be followed. That was the very principle of statement 1.

I want every voter to call to see me. I shall be home in a few days, and shall be engaged in the campaign every day until November 3, except such time as I may find it necessary to be in Washington.

Very sincerely,

A. W. LAFFERTY.

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[This article was printed in the Oregonian as a paid advertisement August 19, 1914.]

LIST OF BILLS PASSED.

"LAFFERTY unblushingly claims to have a record of achievement. He has none."

The foregoing is from an editorial in The Oregonian of August 18.

LAFFERTY'S BILLS PASSED DURING SIXTY-SECOND CONGRESS.

The following is a list of my bills which were passed during the Sixty-second Congress, my first term:

H. R. 7690. To authorize the construction of a bridge across the Snake River at Nyssa, Oreg.

H. R. 14588. Granting a pension to Hattie Fordyce, $12 per month.

H. R. 15181. For the relief of Harry S. Wade, injured at Celilo Canal, appropriating $2,500.

H. R. 15182. Granting an increase of pension to George P. Walling, $30 per month.

H. R. 20956. Granting an increase of pension to Edmond Bonneau, $30 per month.

H. R. 26156. Granting an increase of pension to Daniel J. Haynes, $40 per month.

H. R. 22002. Innocent-purchaser act, relating to Oregon & California Railroad land grant. Under same $1,000,000, approximately, has been turned into the United States Treasury and the decks cleared to win the case against the railroad in the main case for the 2,300,000 acres of unsold lands.

H. R. 25971. For acquisition of a site and erection of a post-office building at St. Johns. Passed, appropriating $5,000 for site.

H. R. 17355. For the relief of Robert F. Scott. Passed House, appropriating $487.07. Did not pass Senate.

H. J. Res. 108. Loaning Army tents to Astoria Centennial.

H. R. 17838, 14675, 14699, 17840, 17841, 17842, and 17843, appropriating a total of $66,000 for final settlement with seven Indian tribes in Oregon and Washington, were favorably reported by the House Indian Affairs Committee, included in Indian appropriation bill and passed.

RECORD FOR PRESENT CONGRESS.

The following is a list of my bills so far passed during the present Congress:

H. R. 4380. Granting an increase of pension to Edward D. Hamilton, $40 per month.

H. R. 4961. Granting an increase of pension to Regina F. Palmer, $30 per month. Has not passed the Senate.

H. R. 9626. Granting an increase of pension to Joseph R. Brown, $30 per month.

H. R. 9627. Granting an increase of pension to Chester W. Lynds, $24 per month.

H. R. 11149. Granting an increase of pension to Frederick H. Rix. Passed House March 17, 1914. Rix died June 14, 1914, before Senate had acted on bill.

H. R. 8212. Granting pension to Susan R. Benson, $12 per month.

H. R. 1797. To authorize the establishment of fish-culture stations on the Columbia River or its tributaries in the State of Oregon, appropriating $50,000 for that purpose. Favorably reported by the House Committee on the Merchant Marine and Fisheries April 9, 1914, and included in omnibus fish-culture bill, H. R. 15505. Now on calendar.

H. R. 1234. Granting a pension to Nancy E. Tate, $12 per month.

H. R. 1242. Granting a pension to Mary Dager, $12 per month.

H. R. 1243. Granting a pension to Rebecca Crawford, $12 per month.

H. R. 1246. Granting an increase of pension to Rachel I. Holliway, $20 per month.

H. R. 1247. Granting an increase of pension to John Beazen, $40 per month.

H. R. 1249. Granting an increase of pension to Samuel W. McLean, $24 per month.

H. R. 1250. Granting an increase of pension to Robert D. Rector, $40 per month.

BENEFICIARIES RESIDE IN PORTLAND.

All of the persons mentioned in the foregoing private bills are residents of Multnomah County and most of them reside in Portland. A tremendous amount of work was connected with the securing of the passage of so many relief bills. Hundreds of affidavits were written and presented to the examiners of the committees. The granting of a pension by special act of Congress is never done except where the circumstances show that the applicant is deserving and that justice can not be done under the general law. As I have stated before, my private secretary, Richard L. Merrick, is entitled to the credit for my having secured the passage of so many private bills. He looked after the details of the cases and appeared with me before the Committee on Pensions.

INTRODUCED MANY OTHER MEASURES.

The foregoing list of 31 bills passed is only a small percentage of the bills I drafted and introduced. My bill providing for an eight-hour day for women in the District of Columbia was the first ever offered in Congress. The same is true of my bill for public ownership of the street railways in the Capital. LA FOLLETTE followed me six months in offering the eight-hour bill, and his bill became the law. CROSSER, of Ohio, followed me a year in offering a bill for public ownership of the street railways, and his bill has just been favorably reported to the House. I was first to introduce a bill providing for the loaning of Treasury notes direct to the farmers. The plan is now being seriously considered, but mine is the only bill pending which provides for agricultural assets currency.

I secured the first vote ever had in the House on the parcel-post law, when I offered an amendment to the Post Office appropriation bill in May, 1912, providing for a parcel post. It failed in the House, but was a law inside of three months.

HAS STOOD FOR THE PUBLIC.

The fact is that I have performed my simple duty and stood for the folks at home on all occasions. That is why I have shocked those who are in the habit of using Congressmen as mere tools of the various special interests, whose lobbyists infest our National Capitol. The interests also use the newspapers and magazines as powerful weapons with which to bludgeon timid Congressmen into line. I was either fool enough, or courageous enough, whichever you choose to call it, to tell all those in the habit of misusing your agents at Washington to go straight to the hot regions, and that will be my course hereafter if continued in office. November 3 will tell whether it pays to serve the folks at home or the greedy special interests present around the Capitol.

Very respectfully,

A. W. LAFFERTY.

[This article was printed as a paid advertisement in the Oregonian June 15, 1914.]

THREE YEARS IN CONGRESS REVIEWED.

The daily newspapers have for two years absolutely refused to print anything I was doing at Washington and have deliberately tried to deceive the people into the belief that I was not taken seriously in the National Capital and was not accomplishing anything there.

Let the public records speak for themselves:

At the beginning of my second term I was promoted from membership on the Committee on Irrigation of Arid Lands to the Committee on Interstate and Foreign Commerce. The latter is the highest committee on which any Oregon Member of Congress serves.

MODERN RULES PROPOSED.

On the first day of this Congress I was selected by the Progressives and progressive Republicans to present for adoption a complete new set of rules of procedure in the House, requiring, among other things, record votes in committees and in the Committee of the Whole House, so that the public may place responsibility for failure to report bills or to adopt them in Committee of the Whole. My motion to substitute these rules failed, but it received 6 votes more than the combined strength of the Progressives and progressive Republicans.

When the bill to repeal free tolls was reported to the House, I submitted a minority report. This report was copied in full in many eastern papers, but was not mentioned in a single Portland paper. By a vote of the House I was given control of a part of the time in the tolls debate. I parceled this time out among my colleagues opposed to the repeal, yielding first to one and then to another. Members get time to speak on a given bill by securing it from the one having control of it.

SENATE ADOPTS PROPOSALS.

When the interstate trade commission bill was reported to the House—also from my committee—I made a minority report recommending that the number of commissioners be raised from 3 to 7, and that the commission be given power to control monopolies as well as to "investigate" them. The House turned down my recommendations, but the Senate committee, where the bill is now pending, has adopted many of them. The Progressives and progressive Republicans voted for my proposed amendments in the House. During the present session of Congress I have secured the passage of 12 private pension bills, the largest number secured by any of the five Members of the Oregon delegation.

During my three years in Congress the appropriations for river and harbor work on the Columbia and Willamette Rivers have averaged $2,000,000 a year, the largest in the history of Oregon. Two years ago the river and harbor bill carried a larger appropriation for my congressional district, at that time taking in eastern Oregon as well as Portland, than for any other district in the United States. Yet they say I have done nothing in Washington but talk.

RECLAMATION FUND RETURNED.

My bill has been introduced at each session to compel the return to Oregon of the $7,000,000 she has contributed to the reclamation fund in excess of the amount she has received. The department has fought it and made adverse recommendations to the House committee, preventing favorable report. But I have kept at it, and only recently Secretary Lane, recognizing the justice of Oregon's claim, has ordered the building of the West Umatilla project, to cost $4,000,000.

I helped secure the passage of the Borah three-year homestead bill through the House. The department opposed it and finally succeeded in having an amendment added requiring that one-eighth be cultivated the third year—20 acres on a 160-acre homestead—which practically nullified the act as to western Oregon. The cultivation of 2 acres would be enough in a timbered country, and I have a bill pending to reduce the amount to 2 acres. I have a bill pending to eliminate all agricultural lands from the forest reserves and open them to homestead settlers only. The department opposes this bill also, and I shall not be able to secure favorable action unless the President comes to the aid of western settlers, which we expect him to do at the December session.

RAILROAD LANDS FOR SETTLERS.

For seven years I have worked on the railroad land-grant case without pay. The opening of that tract of 2,300,000 acres to settlers will be accomplished inside of two years if the people will back me up, and the result will be an increase in the value of every dollar's worth of property in western Oregon. June 1 the circuit court of appeals at San Francisco made an order certifying the case to the Supreme Court, thus saving at least three years of delay. I started this litigation September 16, 1907, and I appeared and argued the case at San Francisco. I shall appear in the case without pay in the Supreme Court at Washington this winter. I shall keep after this case, whether defeated or elected, but if I am repudiated by the very people I am working for it will probably mean the death knell of the case.

REDUCE OREGON'S TAXES.

My bill to convey the forest reserves in trust to the States wherein they are located would, if adopted, reduce the taxes of Oregon one-half for all time to come. Oregon has 16,000,000 acres in the forest reserves, worth $400,000,000. The taxes on that amount at 20 mills, the average rate in Oregon, would amount to $8,000,000 a year. These lands are kept off the tax rolls, so Oregon loses $8,000,000 in taxes annually thereby. My plan is to have the Government convey the forest reserves in trust to the States, not absolutely, but upon condition that the States shall not sell any of the lands, but shall hold them forever for forestry purposes, and shall only market the ripe timber from time to time, thereby keeping up the present average stand forever.

But the sale of ripe timber would net Oregon at least $8,000,000 a year and reduce her taxes one-half, thereby compensating the State for taxes lost, and, besides, would give Oregon people employment, and give us home rule. The department is against my bill. If Portland repudiates me, Congress will say that Oregon is also against the plan. I invented the plan, and am the only man who has such a bill pending.

Besides what I have done to bring about the consideration of laws for the benefit of Oregon, I have voted in the interest of the people on every question that has come up, and even my enemies do not deny this. The five big bills which I have helped to pass are the parcel-post, income-tax, direct election of Senators, currency law, and Alaska railway bill.

FOUGHT FOR PARCEL POST.

I secured the first vote ever had in the House on the parcel post, offering it as an amendment to the Post Office appropriation bill of 1912. My amendment was defeated, and the bill went to the Senate carrying no parcel-post provision. It was there that Senator Bourne secured the adoption of the amendment, giving to this country its first parcel post.

Senator CHAMBERLAIN'S bill appropriating $35,000,000 for the building of 1,000 miles of railway in Alaska is the most important bill of the Wilson administration, outside of the currency bill. I worked hard for the Alaska railway bill, having introduced the bill in the House as early as 1911, and I aided Delegate WICKERSHAM, of Alaska, the past winter in presenting the facts to the Committee on Territories, and on the floor of the House. Not one word concerning my work was mentioned in any Portland paper. This bill is bound to be of great benefit to Portland and the entire Northwest, as well as to Alaska.

During the consideration of CHAMBERLAIN'S bill Senator NORRIS offered an amendment for the building of 20 Government ships connecting the railroad with the States. The amendment received 9 votes and the promise of others when the matter shall come up as a separate bill.

GOVERNMENT UTILITIES NECESSARY.

This brings me to a brief consideration of Government and municipal ownership of public utilities, including steamships, railways, telegraphs, telephones, electric lights, gas works, and street car systems.

I am absolutely convinced that the cost of living will never come down to the average citizen until the Government shall take over all natural monopolies and furnish public-utility service to the country at cost. I am also convinced that no man or set of men has any right to own a public monopoly, upon which the public must depend for its very existence, and through which individuals can, and do invariably, charge the public exorbitant profits.

I am not in favor of confiscating the property of monopolies. I favor taking them over at their actual physical value, and thereafter furnishing the service to the country at cost. No one would be hurt thereby. Everyone owning stock in any public monopoly would receive all his property was worth. He would not be entitled to the speculative profits of the future.

PROFIT FROM GOVERNMENT SHIPS.

Recently I made a speech pointing out how the Government could build a fleet of 200 great ocean liners, the largest and finest in the world, to cost $4,000,000 each, making the total cost $800,000,000, or twice the cost of the Panama Canal, and could yet pay for same in less than 12 years by carrying only half our outgoing and incoming commerce, at the rates at which it is now carried by the Ocean Steamship Trust. This fleet would have the capacity to carry all our commerce.

Since I made that speech Senator LEWIS, of Illinois, has introduced a bill in the Senate providing for 100 Government ships. His bill also provides for Government acquisition of the railroads. We could take over the railroads at the price they claim they are worth, increase the wages they are paying, and then pay for the railroads in 15 years. But if we take them over it will be at their physical value, which is about half their claimed value, and it is upon the latter that they are now charging the American people freight and passenger tariffs to the tune of $30.57 per capita per year.

BUSINESS REVIVAL DUE.

The Glass-Owen currency bill will soon be in operation, and it will revive business and give to our people as much prosperity as we have ever enjoyed. But even then they will not be getting what they are entitled to, nor will they get their full dues till the measures I herein advocate are passed. But the currency law is a great measure, and it is by far the biggest bill of the present administration.

By the new currency law the country is divided into 12 regional reserve banks. San Francisco is headquarters for this district. Each bank within the district subscribes to the regional reserve association's stock to an amount equal to 20 per cent of the stock of the local bank. When the 12 regional reserve banks are so organized, which will be within a very few weeks now, the Government is going to loan to the regional reserve banks all the currency they desire on collateral security. The modus operandi will be this: A local business man wanting to borrow $10,000 or any other amount will go to the local bank and deposit his note for 90 days for the amount he borrows. The local bank will indorse the note and forward it to San Francisco to the regional reserve bank where it will be again indorsed. Then the Federal reserve agent, one of whom will be stationed at each regional reserve bank, will accept the note as collateral security for the loan to the regional reserve bank of Treasury notes of the United States for the full amount of the note so deposited as security. The Government is only going to charge one-half of 1 per cent interest for the loan of the Treasury notes. The Treasury notes purport on their face to be obligations of the United States, and are redeemable in gold at the Treasury of the United States on demand.

Interest rates, even on short-time loans, ought to come down to 4 or 5 per cent under the new law. One London writer says that America's new currency law will have a greater effect on the business of the world than will the opening of the Panama Canal. Certain it is that we shall have no more artificial panics, as men can hereafter get money so long as they have property. This is what we call "asset currency."

SHOULD LOAN TO FARMERS.

My bill for the loaning of Treasury notes of the same tenor and effect to the farmers upon first mortgages not exceeding 50 per cent of the unimproved value of their farms, and at 2 or 3 per cent interest—much more than we are to charge the banks—has received favorable comment from farm journals all over the country, but has not been mentioned in Portland. Of all the rural credit bills pending, mine is the only one which proposes loans of Treasury notes direct to the farmers. The other bills authorize the farmers to "organize" for the purpose of borrowing money. They can do that without an act of Congress. My agricultural asset currency bill, if passed, would be the greatest stimulus to farming ever enacted in the way of law. It would save to the people the $500,000,000 in interest which the farmers are now paying yearly to the money power for the loan of "credit."

Are you surprised that I am hard fought? Look out for real war between now and November 3.

Very sincerely, A. W. LAFFERTY.

Clayton Antitrust Bill.

EXTENSION OF REMARKS

OF

HON. MARTIN B. MADDEN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 28, 1914.

Mr. MADDEN. Mr. Speaker, the Clayton bill, so called, has now reached the final form in which it is about to go on the statute books among the laws of the Nation, and the time is ripe for some one to show that what are claimed in this bill to be safeguards to labor's rights, and beneficial to workingmen, are, when not mere Democratic shams and subterfuges, a great deal worse for labor than no legislation at all. I have confidence that intelligent men of labor, throughout the country, are tired of empty platitudes and glittering generalities, and are eager when interested politicians are trying to convince them that things have been done for them to have the record shown, and to see what has been done to them.

A great deal of mere cant and empty platitude vaguely bearing on this bill has been placed in the CONGRESSIONAL RECORD and sent broadcast through the country; but in it all you will find little that even purports to point out and specify what the bill contains or to explain its real effect upon the status and rights of labor. All of it has been thus far designed to make the false impression that great service has been performed for workingmen and that the Democratic Party has performed its platform pledges; but not one Democratic Member of this House, when the bill was being debated, dared attempt a specific statement of its legal effect, and even the special labor representatives, elected on that party ticket, sat speechless when amendments were being proposed by Republicans, who were merely endeavoring to see that justice was done. Not only so, but these special labor Democrats united with the other Democrats in voting down and speaking against important amendments which would have removed some features of the bill which the heads of labor organizations now realize are exceedingly vicious and vastly prejudicial to labor's interests.

A comparison of Democratic promise and Democratic performance nessitates a brief review of party history. I presume I need not emphasize the enormity of the wrong done when a great political party deliberately violates the solemn pledge contained in its platform, whether the pledge be to a class or to the entire electorate. In our country, and necessarily in a representative government, such betrayal has been regarded as peculiarly odious and unforgivable.

I will say at the outset that I am not to be understood as advocating any particular measure for labor's benefit, because, owing to political conditions in Congress, it would be a waste of time for me to do so. I may also say that since I have been a Representative I have never failed to support a measure calculated to promote the real interests of labor.

Without exploiting political history in detail it should be stated that prior to the last presidential election the important demands of labor's representatives for congressional action were these: First, believing themselves menaced in their organized relation by the application of remedies under the Sherman Antitrust Act they sought a clear and explicit declaration which would leave their status no longer doubtful and would free them from the menace of proceedings against them. Second, believing themselves to be unequally and unjustly dealt with in injunctive proceedings they demanded that jurisdiction to issue injunctions and restraining orders should be better defined or limtied. Third, as an additional safeguard against injustice they demanded provisions in the law which would allow jury trials in contempt cases.

Upon each of these propositions declarations were made in the Democratic platform of 1912. The pledge of exemption from prosecution under the antitrust act was in these words:

The expanding organization of industry makes it essential that there should be no abridgment of the right of the wage earners and producers to organize for the protection of wages and the improvement of labor conditions, to the end that such labor organizations and their members shall not be regarded as illegal and combinations in restraint of trade.

In sober truth all the clamor about an application of the Sherman Act to labor unions, contrary to the intentions of its authors, was due to a wild vagary or hallucination. It was much ado about nothing, and often took the form of willful distortion and perversion of truth. The authors of the Sherman Act did not, as has been repeatedly shown, expressly exempt labor unions, because they well knew that no such exemption was needed. But assuming, without debating the question, that labor's demand for an express exemption, as promised in the Democratic platform, was meritorious we come directly to a comparison of promise and performance. The so-called exemption in this act, formerly section 7, reads as follows:

SEC. 6. That the labor of a human being is not a commodity or article of commerce. Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade, under the antitrust laws.

The sentence with which it begins, "That the labor of a human being is not a commodity or article of commerce," is a mere truism, never seriously controverted by anybody; but it conspicuously omits to include the wages of labor, and for that reason may work mischief hereafter when labor organizations, in combination, attempt to have their wages increased. While it is true that labor is not a commodity or an article of commerce, it is only true in the abstract. Nearly all contracts create merely a personal relation, and confining our attention to that phase of contracts, the same declaration as in this section might be made as to all contracts; but the view that labor contracts are things of value in the world's commerce and industry has often served labor well. Upon any other theory it is doubtful if Congress would have the power to come to labor's aid, even as is attempted in this section; and if the courts should seriously accept that declaration as sound law, it may work to labor's prejudice; but when Democrats were catering to the delusion of some supersensitive but misguided

leader of labor and putting in that expression, why did they omit its equivalent as affecting the relation of the employer to his avocation? For years labor has contended that the mere right to do business is not property or a property right. Here was an excellent opportunity to have the whole idea rather than part of it given recognition. The skillful phraseologist appears to have had much to do with this as with other parts of the bill.

Now, there are two fatal defects in the exemption section which need only to be mentioned to be clearly seen—first, by leaving absolutely to the courts the determination of what are the legitimate objects of labor organizations, all the decisions which have been the subjects of persistent complaints by leaders of labor are left unaffected and in full force, and these decisions and precedents, rather than any views of Democratic or labor leaders, will control future decisions; secondly, the entire section was given a form which renders it obviously and conspicuously unconstitutional. How easily might the legislative declaration have been made, such as labor desired that it should be, in plain, direct, and unambiguous language, which is the usual and normal form of statutes passed by Congress. That was clearly involved in the carrying out in good faith of the Democratic Party pledge. But a stilted, sinister form of expression was employed, because apparently the large employing interests of the country would not be entirely satisfied with the legislative abortion unless the stamp of unconstitutionality was deeply and indelibly stamped upon it. Of course, no lawyer need be told that a direction to a court that it shall construe a statute so and so is of no more force or effect than so much blank space on the printed page. The courts, coordinately created by the Constitution, will not allow their proper domain to be thus invaded by the legislative department. And thus the only substantial provisions of section 6 are studiously placed under the nullifying formulas "shall not be construed to forbid" and "nor shall such organizations or the members thereof be held or construed," and so forth. But in order to even more strongly guarantee the employing interests against the danger that some remnant of vitality might remain in the exemption clause, the right conceded in the bill that the unions may carry out their "legitimate" objects is skillfully qualified by the insertion, before the words "carrying out," of the word "lawfully." The effect of this is to unequivocally confirm to the courts the power already possessed to determine, as heretofore, the legality or legitimacy not only of their purposes but of the means employed to accomplish them. Thus Congress again invites the attention of the courts to and fixes their attention upon the fact that the legislation, aside from any constitutional question, is a mere faux pas, innocuous and farcical in substance as well as in form.

Next I come to the matter of injunctions in labor cases, and here I also will compare party pledge and party performance. I will at this point limit myself to the most recent declarations by the national conventions of the Democratic Party, and further along will review briefly its serpentine trail on the subject, ending at this session of Congress in a shameful betrayal and ignominious surrender to opposing interests.

In the Democratic platform of 1912, among other declarations, was the following:

RIGHTS OF LABOR.

We repeat our declarations of the platform of 1908, as follows:

* * * * * * *

"Questions of judicial practice have arisen, especially in connection with industrial disputes. We believe that the parties to all judicial proceedings should be treated with rigid impartiality, and that injunctions should not be issued in any case in which an injunction would not issue if no industrial dispute were involved."

Conspicuously appears the fact that this is literally copied from the platform of 1908, and the meaning annexed to it by the leaders of the party and accepted by the leadership of labor organizations as well as by large numbers of the rank and file of labor, in the prior campaign as well as in that of 1912, is of undoubted importance on the question of performance or nonperformance.

We must go back to the Fifty-ninth Congress for a clear understanding of the obligation assumed by the Democratic Party. Labor organizations had prior thereto advocated various anti-injunction bills, so called, not one of which was entirely acceptable to either political party represented in Congress or entirely acceptable to labor organizations themselves. But in April, 1906, a bill was introduced by Hon. George A. Pearre, a Republican, upon which labor at once united and succeeded in enlisting in its support the entire Democratic minority in the Judiciary Committee of the House. It would be well worth while for those desiring complete information on this subject to read the Pearre bill, because it embodies the full measure of labor's demands upon Congress for legislation during several years and four political campaigns. I will insert it here, so as to preserve it for reference:

A bill to regulate the issuance of restraining orders and injunctions and procedure thereon, and to limit the meaning of "conspiracy" in certain cases.

Be it enacted, etc., That no restraining order or injunction shall be granted by any court of the United States, or a judge or the judges thereof, in any case between an employer and an employee, or between employers and employees, or between employees, or between persons employed to labor and persons seeking employment as laborers, or between persons seeking employment as laborers, or involving or growing out of a dispute concerning terms or conditions of employment unless necessary to prevent irreparable injury to property or to a property right of the party making the application, for which injury there is no adequate remedy at law; and such property or property right must be particularly described in the application, which must be in writing and sworn to by the applicant or by his, her, or its agent or attorney. And for the purposes of this act no right to continue the relation of employer and employee or to assume or create such relation with any particular person or persons, or at all, or to carry on business of any particular kind or at any particular place, or at all, shall be construed, held, considered, or treated as property or as constituting a property right.

SEC. 2. That in cases arising in the courts of the United States or coming before said courts, or before any judge or the judges thereof, no agreement between two or more persons concerning the terms or conditions of employment of labor, or the assumption or creation or termination of any relation between employer and employee, or concerning any act or thing to be done or not to be done with reference to or involving or growing out of a labor dispute shall constitute a conspiracy or other criminal offense or be punished or prosecuted as such unless the act or thing agreed to be done or not to be done would be unlawful if done by a single individual, nor shall the entering into or the carrying out of any such agreement be restrained or enjoined unless such act or thing agreed to be done would be subject to be restrained or enjoined under the provisions, limitations, and definition contained in the first section of this act.

SEC. 3. That all acts and parts of acts in conflict with the provisions of this act are hereby repealed.

Now that, by the force of the majority, directed by a Democratic hierarchy, having its seat of power in the White House, the Clayton Act has passed it may be at least a decade or much longer before labor can recover its lost ground and stand in the progressive position occupied by it when it stood behind and urged the enactment of the Pearre bill.

The moment that Democratic Representatives learned that the Pearre bill was satisfactory to the labor organizations they assumed sponsorship for it. Many speeches in its favor were made by them in the closing hours of the first session of the Fifty-ninth Congress, and used in the campaign of 1906. In the short session of the Fifty-ninth Congress a motion in the committee to report it was only defeated by one vote, the committee being two to one Republican; and in the closing hours of the Sixtieth Congress, in the spring of 1908, a motion to make its enactment part of the Republican program of legislation was defeated in a Republican conference by only seven votes. Nevertheless, as is well known, in that year the Democratic platform adopted at Denver was penned by William J. Bryan. He was visited by the officers of labor organizations at his home just prior to the convention, and the platform declaration on the subject of injunctions, which I have already read, was agreed upon and accepted as entirely satisfactory and as amounting to a party pledge to enact the provisions of the Pearre bill in case of Democratic success. The proofs that such was the understanding between Mr. Gompers, Mr. Bryan, and Democratic leaders generally are overwhelming. The principal advocacy of that plank devolved on Mr. Gompers and other labor leaders, who entered into the contest heartily and actively supported Mr. Bryan for President and Democratic candidates generally. Mr. Bryan carefully avoided that part of the platform, and in so far as he referred to labor and capital at all in his speeches indulged in glittering generalities. But the labor leaders openly and confidently asserted that Democratic success meant the enactment of the Pearre bill. Their assertions went uncontradicted during that campaign and were reiterated and uncontradicted during the entire campaign of 1912.

About two weeks prior to the election in 1908 President Roosevelt published a statement calling attention to the statements which were being made by Gompers and others, denouncing the policy of the Pearre bill, and insisting that Mr. Bryan either admit or deny that there was such an understanding as that claimed by Gompers and others. Mr. Gompers promptly volunteered to answer, reaffirming his previous statements; but Mr. Bryan was silent. At the end of three or four days, however, Bryan, upon urgent demands of labor leaders, as well as of the press and public, put out a statement the substance of which was that Gompers had already correctly answered Roosevelt.

At the 1910 election the Democrats got control of the House by a good working majority, and Mr. Gompers promptly put in an appearance, full of confidence. Mr. William B. Wilson, the new chairman of the Committee on Labor, promptly introduced a bill which naturally became known as the Wilson bill. With an

immaterial variation, it was an exact reproduction of the Pearre bill. Mr. Gompers took charge of his own fight, and felt so confident that he went against the opposition before the Judiciary Committee single handed. Others had made the fight for it when difficulties were great and the whole situation discouraging. Now, since the Democrats on the committee had stood for the Pearre bill; now that the committee was two-thirds Democratic; now that Mr. Bryan, the party leader, had during the 1908 campaign fully obligated himself, Gompers felt that the fight could be won by his own unaided efforts. But he soon found that Democrats with only the power to promise what they will do when given the opportunity are not the same Democrats, even if the same individuals, when possessing the power of performance. The Wilson bill was cut and slashed, reintroduced, reconsidered, put into the junk heap, dug out, revamped, and then introduced a third time. It was even then a pretty fair measure, as compared with the Clayton bill of the same session, though falling far short of what labor had demanded. There was a general understanding that in its final form it would be reported. But in an evil moment the attorneys for the National Manufacturers' Association and American Antiboycott Association got a peep at it, and from that hour its fate was sealed.

The next step taken by Mr. Gompers was to secure the introduction of the Bartlett bill. The Labor Committee promptly reported it, and a struggle began for a special rule which would permit its consideration. But, though the strategy of Mr. Gompers and his associates was fine, they soon discovered that their influence with the Democratic House organization was nil. No rule could be obtained, and the Bartlett bill went to keep the company of the Wilson bill, into the congressional wastebasket.

The Clayton injunction bill of the Sixty-second Congress was then reported and passed by the House and smothered in due course by the Judiciary Committee of the Senate. Among the minor objections to it were that it was unconstitutional, ambiguous, incongruous, and unintelligible. The session was coming to a close, and Mr. Gompers realized that he had lost his fight.

But the national Democratic convention was about to meet, and to that Gompers turned his eyes; to that he riveted his faith. Naturally he felt encouraged upon finding his old-time yokemate and coworker, Bryan, in full control of the platform committee. And his confidence was fully restored when he found the 1908 declaration in the platform, word for word.

Now, in all seriousness, Mr. Gompers and his organization were justified in voicing a sense of security when at the election in 1912 they saw a Democrat—well, anyhow, Mr. Woodrow Wilson—elected to the Presidency, with a Democratic House, and a result otherwise assuring a Democratic Senate. And a fuller confidence was, no doubt, felt by them when, on the day of Mr. Wilson's inauguration they saw that same old-time ally, Mr. Bryan, sworn into the office of Secretary of State, with all the incidental authority and influence. And those who have been interested in all this spectacular farce of legislation, with its tragical sequel, so far as labor is involved, have marveled at the attitude of cool indifference and the sphinxlike silence of Mr. Bryan when he was appealed to, according to circumstantial statements published at the time, to come to their aid in behalf of amendments they were endeavoring to have inserted in the Clayton House bill. But whether appealed to or not would seem to be immaterial in view of his past relations and continuing obligations. Possibly he looked upon this as public business which should not be allowed to interfere with his private business as a Chautauqua lecturer.

The Bartlett bill, of the Sixty-second Congress, was reintroduced at the first session of this Congress immediately upon the inauguration of Mr. Wilson and organization of the House, and referred to the Judiciary Committee. The members of that committee had scarcely taken their seats at their first meeting in the regular session when Mr. Gompers appeared, affable and confident, to ask that the Bartlett bill be promptly reported. Surely, considering all that had gone before, he had only to ask in order to receive, "in full, heaped, and rounded measure."

The Bartlett bill was promptly and unceremoniously laid aside, and all labor legislation was hotchpotched with trust legislation and legislation of several other kinds—all find lodgment in the bowels of that wonderful document known to fame and otherwise as the Clayton bill. When it came into the House, six months of the session were gone. Nobody knew what the bill meant or has ever been able to find out; but all could readily see the freakish and gruesome phase of the so-called labor provisions; all except those who were hypocritically playing the rôles of special friends of labor among the Democrats. These, by some strange perversity, had lost their tongues or been gagged in the party conference held during the period of the bill's incubation.

But even the most friendless culprit excites a certain interest and becomes an object of pity even among strangers when deserted by all his former friends. The unfriendliness to labor of the provisions bearing on labor and the wide divergence between them and what labor had persistently demanded excited comment and drew expressions of condemnation from unexpected sources even after it had developed in debate on this floor that those provisions had been accepted by the heads of the labor organization, and even after it was admitted by Mr. HENRY, chairman of the Rules Committee, and other Democratic leaders in the House that they had been submitted to and approved by President Wilson.

After the worst phases and most pernicious legal effects of the labor sections had been called to the attention of the official heads of the American Federation of Labor, the O. K. which had been previously placed on them by Mr. LEWIS, chairman of the Labor Committee, was repudiated by them, and several radical changes were submitted by them to the President and promptly rejected. And yet these special representatives sat silent and indifferent while provisions were being enacted which placed the labor of the country more completely at the mercy of the courts and in a much worse condition generally, from a legal standpoint, than if there had been no attempt at legislation whatever.

And so, with formal and colorless amendments—not real amendments at all, but mere sops—the bill passed the House containing these and all its other abortions and abominations.

I wish now, with as much skill as is possible for one making no pretentions to technical legal learning, to point out, with due attention to all important details, the parts of this act bearing on injunctions and to state their legal effect in order that it may be clearly seen that my criticisms are based on the record and are not mere assertions of my own views. I exposed the shortcomings of the bill before it went to the Senate, but although I then thought it impossible that it could be made worse, the bill comes back with various expurgations and several new twists in its phraseology, making it necessary to go over much of the ground previously covered by me, but with new adaptations. Much time and space would be required to discuss all of these. One of them I need only refer to for a complete understanding of its effects by labor organizations and their members, who are familiar with the uses of "blanket" injunctions and restraining orders. In section 19 of the final print of the bill the words "or participating" were inserted after the words "in active concert." The effect of this is to make persons liable to contempt proceedings for violating an injunction or restraining order, though they may have acted without knowledge thereof, and though their only specific intent in the action which they took was to carry out what they honestly and innocently believed to be the legitimate purposes of their organization.

I stated on the former occasion, and now repeat, that if the labor leaders believed the matter of injunctions as important as they professed to believe, and believed that the Democratic Party on coming into power would live up to its pledges and pretenses on the subject, they were justified in supporting the candidates of that party; and now that its pledges have been outrightly and flagrantly violated, I am justified by the same logic in warning labor of the folly of retaining a continuing trust with it, or of again trusting it or any of its candidates for a legislative or an executive office. I have already quoted the Pearre bill, and the Wilson and Bartlett bills contained substantially the same provisions. Section 20 of the Clayton Act is paraded by Democrats as a fulfillment of the pledge given to labor to enact the provisions of the Pearre bill, and the only way to compare the two enactments within any reasonable space of time is to state what they respectively provide or declare. Section 1 of the Pearre bill would have prevented the issuance of injunctive process of any kind between parties holding the relations mentioned in said section "or in any case involving or growing out of a dispute," and so forth. If the application to the court stated a case which involved or grew out of a labor dispute, however remotely, the court was forbidden to enjoin the impending act or conduct, even though it consisted in a boycott or involved forcible coercion, "unless necessary to prevent irreparable injury to property, or to a property right, of the party making the application for which injury there is no adequate remedy at law"; but the more effective force of the Pearre bill remains to be stated. As a complete forestallment of any court when asked to issue an injunction in cases involving or growing out of labor disputes, it also contained in the first section these words:

And for the purposes of this act, no right to continue the relation of employer and employee, or to assume or create such relation with

any particular person or persons, or at all, or to carry on business of any particular kind or at any particular place, or at all, shall be construed, held, considered, or treated as property or as constituting a property right.

Labor's representatives argued with enough force to almost convince a majority of a Republican committee, and afterwards its propaganda almost won a majority of a Republican caucus to this principle as one founded in justice and equity. The declaration in the Pearre bill dealt with the relation of the wage earner to his employment as being the same as that of the business man to his business, and as having the same status with reference to injunctive processes, and it must be admitted that if Congress assumes to deal with the one it should also deal with the other. Referring now to the first sentence of the so-called exemption section a gross injustice is seen to result from denying any value to a contract of employment and leaving the employers' avocation to be still treated by the courts as a property right entitled to protection by injunction. Surely no sane friend of labor's cause ever suggested the discriminating first sentence of that section.

Section 2 of the Pearre bill gave labor just what it has always claimed it was entitled to, no more nor less, and gave it in plain, direct, and unambiguous language. If labor had stood by that bill and been able to procure its enactment, there never could have been a dispute or quibble over the question of whether the antitrust act still applied to labor organizations or their aitivities. If any such theory could ever be advanced as that acts done to carry out their objects were within that statute, the second section would, if enacted, have stood like a stone wall against such theory. And it would have accomplished the purpose without expressly changing the Sherman Act or even mentioning it. One only has to read as I have quoted it in order to see that my statement is absolutely true.

Section 20 of the Clayton Act reads thus:

SEC. 20. That no restraining order or injunction shall be granted by any court of the United States or a judge or the judges thereof in any case between an employer and employees, or between employers and employees, or between employees, or between persons employed and persons seeking employment, involving or growing out of a dispute concerning terms or conditions of employment, unless necessary to prevent irreparable injury to property or to a property right of the party making the application, for which injury there is no adequate remedy at law, and such property or property right must be described with particularity in the application, which must be in writing and sworn to by the applicant or by his agent or attorney.

And no such restraining order or injunction shall prohibit any person or persons, whether singly or in concert, from terminating any relation of employment or from ceasing to perform any work or labor or from recommending, advising, or persuading others by peaceful means so to do; or from attending at any place where any such person or persons may lawfully be for the purpose of peacefully obtaining or communicating information; or from peacefully persuading any person to work or to abstain from working; or from ceasing to patronize or to employ any party to such dispute; or from recommending, advising, or persuading others by peaceful and lawful means so to do; or from paying or giving to or withholding from any person engaged in such dispute any strike benefits or other moneys or things of value; or from peaceably assembling in a lawful manner and for lawful purposes; or from doing any act or thing which might lawfully be done in the absence of such dispute by any party thereto; nor shall any of the acts specified in this paragraph be considered or held to be violations of any law of the United States.

The first paragraph of the section is put forth as a fair substitute for section 1 of the Pearre bill, but the substitution is a cruel mockery. The words in the Pearre bill "between an employer and employee, or between employers, or between persons employed to labor and persons seeking employment as laborers, or between persons seeking employment," are really superfluous, as they are also in section 20 of the Clayton Act. The clause just quoted was probably used in the Pearre bill to cover some case that might possibly arise but which seldom could arise. But anyone can see the wide range of cases covered by the clause "or involving or growing out of a dispute," and so forth, and can also see the far-reaching effect of omitting in this section 20 the word "or," with which it is introduced. The effect is to change the clause from a provision creating an almost limitless class of cases which the exemption from injunction process would have embraced to a clause qualifying a class of cases which was already almost purely theoretical and speculative. The section as enacted can never be available or afford any relief after the relation of employer and employee has been severed or terminated by a strike or lockout, and it is then, if ever, that protection against arbitrary injunctive and restraining orders is needed. No one ever heard of the power of the court being invoked to protect by injunction anyone against another prior to the severance of relations, nor did anyone ever hear of employers or persons out of employment, or seeking employment, applying for an injunction against each other. Much less are any of those holding such relations or seeking employment ever likely to apply for an injunction to protect property or property rights, and each of these phases or elements must be present as conditions precedent to the operation of the prohibition against use of injunctive process as found in section 20.

In other words, no area or space of jurisdiction is covered by it for any practicable purpose when the limitations are considered and given effect. The section is a mere string of words, meaningless and nugatory. They were obviously intended to be so.

And we find any conceivable value or utility that might otherwise have attached to section 20 destroyed because of the fact that its second paragraph is tied to its first by the word "such," appearing in the first line of the second paragraph. Supposing, however, that any court might ever be called upon to consider this section at all, it would have to make note of the words "lawful," "peaceable," "lawfully," and "peaceably," studiously and frequently interjected. The use of these words throws the whole of any such case as might be brought before a court wide open to general principles, and would compel the court to resort to the whole body of the law in reaching a decision, regardless of anything contained in this section. In other words, the court must apply its independent views of jurisprudence to the case in determining the legality of the conduct of the party or whether his conduct was peaceable, just as if Congress had not spoken at all. And for these reasons it may well be doubted whether even the primary boycott will hereafter be held to be lawful and exempt from injunction.

Great stress has been laid by those responsible for this section upon the words "nor shall any of the acts specified in this paragraph be considered or held to be violations of any law of the United States," which are found at the end of the section. In view of the studious insertion of the qualifying terms which I have just now discussed, the addition of the clause does not appear to affect the meaning of the section in the slightest degree.

When the Clayton bill was brought into the House by the Judiciary Committee this section ended with the word "thereto," where we now see the semicolon. The representatives of labor were very much dissatisfied with the section as reported; in fact, they were furious. They went to the Judiciary Committee with a proposed amendment, which would have added, after the word "thereto," the substance of section 2 of the Pearre bill. A conference was held between them and the Democratic members of the committee, the upshot of which was a visit to the White House. President Wilson flatly refused to approve the proposed addition. Then occurred one of those strange and mysterious compromises which tend largely to discredit legislation and destroy public confidence in the good faith and integrity of their Representatives. With all the gravity and solemnity that might characterize the christening of a prince of the royal blood or a state funeral this tail was strung to the section, on motion of the chairman of the Judiciary Committee, its adoption being secured by sheer numerical voting strength of the Democratic majority. The amazing announcement was then made by him that the amendment made the section and the bill satisfactory to labor, as represented by the American Federation of Labor and the special labor Members of the House. And it is one of the things beyond human wit and wisdom that such a coup, so patent and, I fear, so fateful in its results, could come off in broad daylight and receive the approval of all the Democratic Members of the House who claim to be the special champions of labor's cause. Upon that occasion the chairman of the Judiciary Committee used these words:

Mr. Chairman, we are frank to say, in our opinion, everything set forth in section 18—

That being then the section number of what is now section 20—

is the law to-day.

That was equivalent to an admission that the whole subject was being trifled with for a sinister and unavowed purpose; and I know of nothing more reprehensible than for the majority party in a legislative body to consume days, weeks, and months, at enormous public cost, in the enactment of futile statutes, in the passage of bills which neither change nor add anything to existing laws, with no other purpose than to gain a temporary political advantage by misleading and bamboozling part of the electorate. There can be no stronger exemplification of unscrupulous, unconscionable, accursed party rule. In this instance, however, we shall not only see a miscarriage of the shameful intrigue but a reprisal.

Owing to a widespread misunderstanding among employers, a flood of protests came to Congress and to the White House against the section, and the President and Democratic leaders were so apprehensive that the employing interests would become prejudiced against them that they were profuse in conciliatory declarations contained in interviews given to the press, to the uniform effect that the legislation was really colorless and that the law would remain as before. Indeed, there were ample grounds for all these assurances and reassurances, though complete candor would have required admissions that the law as changed was much worse for labor than no legislation at all.

I have already shown that almost the entire field of jurisdiction to use injunctive process is left untouched by the section which I have been discussing. It is doubtful if a case will ever arise in which the provisions of that section can be invoked in labor's interest. But conceding that there may be some little margin or aperture of jurisdiction in which it may become operative, then it must be admitted that all the jurisdictional field not so included is excluded according to a well-known canon of construction. But section 17—formerly 15—is a confirmation of the entire field of jurisdiction outside section 20; that is to say nearly the whole area of jurisdiction in labor cases will be covered and controlled by section 17, unmodified and unaffected by the provisions of section 20.

As finally amended and passed, all of section 17 necessary to be here discussed reads as follows:

SEC. 17. That no preliminary injunction shall be issued without notice to the opposite party

No temporary restraining order shall be granted without notice to the opposite party unless it shall clearly appear from specific facts shown by affidavit or by the verified bill that immediate and irreparable injury, loss, or damage will result to the applicant before notice can be served and a hearing had thereon.

Very little attention has been given to the substance and real effect of this provision because contained in a part of the act having notices in injunction cases for its subject matter. But its actual result is concealed or disguised by cunning phraseology and arrangement. It crystallizes as statutory law the exact reverse of labor's contentions of many years past and gives to opposing interests more than they have ever dared demand at the hands of Congress. Although dealing nominally with the subject of notice, the section also deals with conditions under which injunctions may be granted, thereby regulating and fixing boundaries of jurisdiction. And jurisdiction, its nature, scope, and limitations, have been the very matters in controversy during all the years that the subject of anti-injunction legislation has been before Congress.

In the closing days of the Fifty-ninth Congress some 15 or 20 speeches were made by Democratic Representatives in advocacy of the principle of the Pearre bill and in defense of the proposition that the jurisdiction to grant injunctions could only be exercised to protect property or property rights, and that mere personal rights could not be protected; that for infractions of personal rights legal remedies were adequate. The proposition as thus stated is one the soundness of which was never, until the passage of this act, assailed from any source, the disputed point having always been as to what rights were included within the one class or the other; and it was the main purpose of the Pearre bill to exclude the mere right to do business from the category of property rights. But with the enactment of this section as read it is wholly immaterial whether the right to do business be considered as of the one class or the other, because the language completely wipes out the dividing line between personal rights and rights of property. And after the passage and presidential approval of this act, containing section 17 as read, if the courts see fit to use the injunctive process to the extent here authorized, no legal reason can be interposed, as might have been heretofore, when they enjoin or restrain workingmen from marching on the street in front of the applicant's store, or even from striking for a reason which does not commend itself to the court as "lawful," if he be only willing to swear to a complaint charging that the act being done or about to be done will cause him to suffer loss in some way in his business, for which he has no adequate remedy by an action at law.

The first sentence, constituting a separate paragraph of section 17, and reading, "That no preliminary injunction shall be issued without notice to the opposite party," is superfluous and wholly abortive, because rendered entirely nugatory by what follows it. The part following that just quoted merely changes the description or name of the thing designated by the term "preliminary injunction," calling it a restraining order, and proceeds to lay down an entirely new rule governing its use. A restraining order may be just as broad in its commands and requirements and accomplishes exactly the same results as a preliminary injunction. Both are in the same sense and with like effect forerunners of permanent injunctions if at the hearing which follows the alleged grounds therefor be found to exist. And all intelligent men of labor in the country know, as is shown by the records at committee hearings, that temporary restraining orders are the forms usually resorted to and mostly complained of in labor cases.

It says:

No temporary restraining order shall be granted without notice to the opposite party, unless—

If the condition which I am about to read be complied with, the restraining order issues without notice, and of course the implication is irresistible that if notice be given a restraining order may be issued in the absence of a compliance with the condition. But what is the condition? In the bill as it passed the House the condition read thus:

Unless it shall clearly appear from specific facts shown by affidavit or by verified bill that immediate and irreparable injury, loss, or damage will result to property or a property right of the applicant—

And so forth.

In the Senate the words "property or a property right of" were stricken out. So that now only personal rights need be described in the affidavit or bill—as, for instance, that the men are assembling in a public place and making untrue statements about the applicant for an injunction, or are carrying banners on the street, whereby the applicant's customers are kept away from his store or factory and his profits diminished.

It will be observed that not the slightest check or limitation remains where any court or judge whimsically, capriciously, maliciously, or corruptly issues an injunction, provided he merely goes through the form of requiring a notice to be given, which may be just as short a notice as he cares to make it. And the extraordinary power thus given, this complete reversal of every previous conception of judicial authority, was clearly and forcibly shown by Republican Senators and Representatives. No Republican Congress has ever gone so far as to claim or admit that the limitation to the protection of property or property rights should be removed, however much they may have differed from Mr. Gompers and others as to what were on the one hand property, and on the other personal rights. Of course, I am not to be understood as believing that the courts will misuse powers thus conferred upon them, but rather the contrary. Nevertheless, the leaders of labor believe otherwise, and I fully recognize their right to a differing belief.

The Democratic Party also explicitly pledged itself to labor to provide for jury trials in contempt cases. The Clayton Act contains four sections on the subject, mostly devoted to matters of practice and procedure. After making broad provision for jury trial in contempt cases a section is inserted reading as follows:

SEC. 24. That nothing herein contained shall be construed to relate to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice, nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of or on behalf of the United States, but the same, and all other cases of contempt not specifically embraced within section 21 of this act, may be punished in conformity to the usages at law and in equity now prevailing.

This section removed from the operation of the act not only contempts in Government cases, which is a matter of no importance, in view of what I am about to show to be an exemption or exception as broad as the right itself. It is provided, as shown in the section just quoted, that nothing contained in the act shall be construed to relate to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice. Now, it has been as thoroughly and firmly settled as any rule or principle that could be mentioned that, as regards contempts, the presence of the court has no geographical limits, and that remoteness from the place where the court sits or transacts business is of no importance. A contempt of the District Court of Maine committed in Oregon or Florida is committed constructively so near the court as to obstruct the administration of justice. Therefore this pretense of allowing jury trials in cases of contempt is sham, farcical, and wholly abortive. So we have here another instance of solemn marching up the hill and down again; and so the Democratic Party has as utterly failed to fulfill its pledge with reference to jury trials in contempt cases as in carrying out its other pledges.

What I have said to-day may be denounced as a partisan attack, but I have merely performed a duty to those mostly interested in such legislation, and empty and shallow disapproval, without argument, is the only answer that can be returned, because I have used the record and notoriously admitted facts as a basis for all I have spoken. The whole matter stands of record so clearly and convincingly as not to be refuted. I have refrained from citing judicial authority, but I throw out the invitation to any and all to produce a decision complained of by labor the rendition of which would have been prevented by this legislation had it been passed prior to such decision; and not only so, but there are several decisions against labor the soundness of which is doubted by lawyers and bitterly condemned by the leaders of labor's cause which find sanction and support in the provisions of this act. For instance, there is the case of Neal against Lumber Co., in the District Court of the Southern District of New York, in which it was held that the court might investigate the motives for a strike, and if it found that it had been set on foot in order to keep out of New York builders' supplies furnished by nonunion producers outside of the State, that constituted an illegal

conspiracy, and the court was warranted in issuing an injunction against the members of the union as strikers. Without attempting a discussion of the merits or demerits of the decision, I call attention to the fact that for aught that this act contains any number of such decisions may be again rendered and enforced, and for confirmation I refer to language found in the report of the Judiciary Committee on this bill, with special reference to its labor sections, where it said, "The bill does not interfere with the Sherman Antitrust Act at all; it leaves the law of conspiracy untouched."

During the debates in the two Houses long laborious speeches were made by supporters of the bill. Of course any bill on these subjects can be made the text for effusive protestations of everlasting friendship for and loyalty to labor's cause; but very little of the debate bore any relation to what was really in the bill. Laborers, of course, have many rights, as have individuals of other callings; but it is nonsensical and deceptive to take the most obvious of their rights, embody them in an act of Congress, and then orate profusely and voluminously about it as containing "Labor's Bill of Rights," or by any such deceptive title; and in exposing the fraudulent and prejudicial nature of this legislation I know I am doing a great service to labor and am actuated by the friendliest of motives. So much, it seems proper to say in conclusion, as to my personal relation to what I have said for the benefit of any who may not be familiar with my private and political record. Among those who know me best even this I need not have said.

Antitrust Bill.

EXTENSION OF REMARKS

OF

HON. MARTIN B. MADDEN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 14, 1914,

On the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. MADDEN. Mr. Speaker, the Clayton bill, so called for no conceivable good reason, has been the nightmare of Congress and the country for several months. What originally appeared as such was sprung on the public as unexpectedly as were the developments resulting in the outbreak of the war in Europe. No account of its legislative history, no discussion of its legal and economic effects, would be complete, or even intelligible, without a description of the conduct and attitude and professions of the Democratic Party responsible for it, and of the utterances of its leaders prior to its advent and while it has been pending. Unfortunately, I can not go into those with any attention to detail in a 15-minute speech.

For years the candidates of that party, from the highest to the lowest, condemned everything done or attempted by opposing parties, without regard to whether it was good, bad, or indifferent, not sparing or hesitating to assail the courts wherever they could find a court, like the Supreme Federal Court, a majority of whose judges were appointed by a Republican President. In the course of procedure two great cases reached the Supreme Court and were decided on appeal in April, 1911. Did Democratic politicians and leaders attempt any analytical or logical discussion of the soundness or unsoundness of the conclusions reached, or the grounds of decision? They did nothing of the kind, because, for their partisan purposes, that was not necessary. It was enough for them that they saw in the changed or modified views of the court an opportunity to create a widespread prejudice against judicial authority which could be capitalized to their political advantage, and they did capitalize it in the form of an insidious or inferential declaration found in the Democratic national platform in 1912 in these words:

> We regret that the Sherman antitrust law has received a judicial construction depriving it of much of its efficacy, and we favor the enactment of legislation which will restore to the statute the strength of which it has been deprived by such interpretation.

Now, I have only to remind you that the single point of criticism of the decision, the only peg upon which to hang their platform declaration, was the fact then dwelt upon by many Members of Congress and others that the introduction of the words "unreasonable or undue" before the word "restraint" created so great an uncertainty as to produce the want of efficacy mentioned in that plank of their platform. There is but one way known, but one way that human wit or wisdom can devise, for removing uncertainty or inefficiency from a statute, and that is by direct amendment. But that is not the Democratic way. Its leaders have been so long accustomed to doing their legislative and partisan work by indirection that direct open and straightforward approaches to the little legislative work they do is tabooed as old-fashioned or too Jeffersonian. So when at the beginning of this session Democratic Senators and Representatives introduced bills designed to honestly do what the platform clearly indicated was to be done, in case of Democratic success, such bills were, figuratively speaking, knocked on the head and kicked under the table. In lieu of these there has been engineered through both Houses and is now in the hands of conferees that stage play act, that freak of Democratic blundering incapacity, that economic and political monstrosity which I have already mentioned. Nobody knows what obsession or obfuscation possessed the draftsman of the platform, Mr. Bryan, and caused him to think the antitrust act had been deprived of its efficacy by the decisions in the Standard Oil and Tobacco cases. But the purpose of the time-serving and misleading party pledge is clearly discernible. It was to capitalize and turn to political account a popular error and hallucination. Mr. Wilson, nominated on the Democratic platform, preserved a sphynxlike silence as to its meaning until he had been inaugurated. But among his first presidential utterances was one that he did not believe the certainty which the platform pledged the party to attain by legislation should be sought by direct amendment, but by "supplementation," and it is strange that the absurdity of the idea was not seen by the public.

Now, it is just as absurd and impracticable to remove the ambiguity or uncertainty of language by the subsequent use of other language as it would be to alter the momentum or direction of a stream by altering its channel below the point where the change is suggested. We might as well talk of straightening a crooked stick by placing beside it a straight stick. In this instance, conceding that any straightening was needed, it is attempted by supplementing it with something so crooked that any attempt to follow its bends, curves, and sinuosities would be vain. Can anyone point out a word or a hint in its several pages which would stand in the way of the courts rendering a hundred or a thousand such decisions as those referred to in the platform? I have seen a dog chasing his tail by the hour to amuse himself or to catch a flea; I have seen a crazy wheel invented to amuse little boys and girls turn on a pin at a speed of a thousand revolutions a minute, and then come to rest with no other result than a flare and splutter and without ever changing position relatively to other objects; and hereafter when I see those things it will remind me of the farce set on the legislative boards by the Democrats and culminating in this so-called Clayton bill. But what I have just said refers only to its alleged effect on actual restraints and monopolies of interstate commerce, such commerce alone being within our power to protect and regulate. Not one of its provisions will seriously embarrass any trust whose exactions or oppressions have been the subject of complaint. Not one abuse of the privilege of carrying on interstate commerce is corrected by it which is not already prohibited and fully provided for by the Sherman antitrust law. The other provisions are mere annoyances and inflictions upon the country's business. So many forms of intermeddling with, crippling, or robbing the small manufacturer and dealer. No gigantic or overcapitalized corporation will be disturbed in either its control or operations, but all small and moderately successful corporations will be subjected to serious embarrassments and heavy losses. For one thing, they will have to employ lawyers to tell them how this act can be obeyed, and even then they will not certainly know until possibly in the dim and distant future the courts have discovered its meaning. Some of its provisions, however, if valid for any purpose, are so drastic and disintegrating as applying to particular legitimate businesses that those now in control of them will conclude that the only way of safety lies in winding up and quitting. Of course I can not in such limited time take up more than one or two sections. I will first notice section 2, affecting the ownership and use of patents. I discussed it as section 4 when the bill was pending in the House, its number having been changed. As section 2 and in its final form, it reads as follows:

> SEC. 2. That it shall not be lawful to insert or incorporate a condition in any contract relating to the sale or lease of or license to use any article or process protected by a patent or patents the effect of which will be to prohibit or restrict the purchaser, lessee, or licensee from using any article or class of articles, whether patented or not, or any patented process, supplied or owned by any person other than the seller, lessor, or licensor, or his nominees, or the effect of which will be to require the purchaser, lessee, or licensee to acquire from the seller, lessor, or licensor, or his nominees any article or class of articles not protected by the patent; and any such conditions shall be null and void, as being in restraint of trade and contrary to public policy. Any person violating the provisions of this section shall be guilty of a misde-

meanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both, in the discretion of the court.

It was shown before the Judiciary Committee at its hearings in 1912 that the business in this country which would be affected by such legislation amounts to the enormous annual sum of $25,000,000,000. A loss of even 1 per cent of that vast sum inflicted "by act of Congress" would be $250,000,000. How would that loss be compensated? Who would be the gainers? Suppose such great patent-owning establishments as those manufacturing storage batteries and the great automobile factories were broken up and put out of business, who would profit by it? It would be found unprofitable for their successors, even if any would be found possessed of sufficient capital and brains to do the business in any other way and survive. In such institutions you must have cooperation and coordination of many departments and machines, and if only one company in the country has had the brains, enterprise, and foresight to assemble them into effective working relations, then that company will have a monopoly. The question is not at all whether a monopoly is desirable. If that were the question, no one would be readier with a negative answer than I. But the question is whether it is not better to endure a few monopolies, especially when it is not shown that their charges for service are unreasonable, than make a disastrous attempt to put them out of business at the behest of disgruntled agitators and wreckers.

One of the first labor strikes of which history gives an account was caused by the invention and installation of the spinning wheel, and the introduction of the steam hoist in coal mining was one of the grievances of the Molly Maguires in Pennsylvania. So we have in certain Southern States a deep-seated prejudice against all patents. Their Representatives here, spurred on by certain intellectual corkscrews and wielders of the monkey wrench, seek to destroy all the rewards of inventors and designers and the value of patented machinery, worth not mere millions, but billions. The same destructive and predatory instinct will impel them to take the next step, and the next. And why should they not raid the art galleries and convert the paintings, to which artists have given their lives, into wallpapers for their houses. And how about copyrights? Why should not those priceless works of ancient and modern literature, the productions of great authors, in vellum de luxe, be taken and placed in their hearth jambs? It is the same barbaric spirit displayed by the cannibals in the Sandwich Islands as described by Mark Twain. After having dined on missionaries, they were strutting around wearing the victims' plug hats and just one other garment. I do not of course compare our short-sighted friends to savages, but they exemplify the same spirit. I think it impossible that any great number of people want such legislation and that very few wish to destroy the prosperity created by and based on the arts and sciences. There is no sadder delusion than that about patents and their relation to industry and to profitable production. It is said that nearly every man you meet thinks he could run a hotel or edit a newspaper. So the uninformed think that with a certificate of novelty and utility from the Patent Office covering a new idea the patentee is thereby enriched and can safely go on a vacation and depend on capital to pursue and tempt him. But of over a million patents granted by our Government only a few patentees have become rich, a few hundred have enjoyed liberal incomes, and a few thousand have received moderate sums by selling their inventions, while the others have been financially disappointed.

Time and patience are required to attract capital to the best patents and the capitalist assumes the difficult task of changing the habits of the people, combating prejudice and educating with respect to the new method of doing things previously done otherwise. There always is a risk and large expenditures are absolutely necessary before a dollar of profit can be realized. Few patented articles can be produced without the construction and installation of special machinery. Then the manufacturer must find or create his market, requiring further expenditures. Is it not too obvious for argument that all sensible and just men should and will condemn a campaign of destruction against the men who have devoted their lives and fortunes to discover and perfect labor-saving devices and machines, as well as those who took the risk, invested their capital and patiently waited for profits and by so investing and waiting made this Nation great and prosperous? Are they not entitled to protection, encouragement, and praise? Nevertheless we find abroad in the land or quartered or camped at Washington a few economic theorists who teach and possibly believe that anybody who has realized a profit by owning and using a patent is a public enemy to be punished by discriminatory, confiscatory, and penal statutes. On a former occasion I discussed several other conspicuous vagaries and revolutionary provisions then contained in this act. But having tasted the blood of capitalism the legislative socialists have succeeded as they at first desired to do, in adding a section reading as follows:

SEC. 25. That whenever a corporation shall acquire or consolidate the ownership or control of the plants, franchises, or property of other corporations, copartnerships, or individuals, so that it shall be adjudged to be a monopoly or combination in restraint of trade, the court rendering such judgment shall decree its dissolution and shall to that end appoint receivers to wind up its affairs and shall cause all of its assets to be sold in such manner and to such persons as will, in the opinion of the court, restore competition as fully and completely as it was before said corporation or combination began to be formed. The court shall reserve in its decree jurisdiction over said assets so sold for a sufficient time to satisfy the court that full and free competition is restored and assured.

It is expressly designated as part and parcel of the anti-trust laws, so that if by some inadvertence or lack of understanding, not being omniscient, the officers of a corporation should technically violate one of the many obscure prohibitions of the act, and a judgment against the corporation should result, the court of equity must immediately reach out its strong arm through a receiver and take possession of all its property assets and business. The stockholders, who may have been as innocent of wrongdoing as the unborn, wake up to find the entire value of their shares confiscated and the company in which they had invested, though solvent and prosperous, being administered like the estate of a decedent or a bankrupt. Is this part of that creed entitled "The new constitution of peace" embodied in the President's message of last January? Let me quote from it a few lines:

Constructive legislation is always the embodiment of convincing experience and of the mature public opinion which finally springs out of that experience. What we are purposing to do, therefore, is happily not to hamper or interfere with business, as enlightened business men prefer to do it, or in any sense to put it under the ban. * * * And fortunately no measures of sweeping or novel change are necessary; * * * what we have to do can be done in a new spirit, in thoughtful moderation, and without revolution of any untoward kind.

If it could be shown that there was a widespread or even any considerable demand for this legislation, still it would well become us, in view of its drastic character, to pause and consider until senseless clamorers and mad and restless innovators who have prompted it had reduced their temperatures. But, in sober truth, it has been concocted and sprung so unexpectedly, so suddenly, and demand or reason for it is so utterly wanting, that the action of the majority can only be accounted for upon the theory of supposed political advantage. If that theory be correct, then, however mistaken the Democratic opinion as to the political effect, no one will doubt the desperate nature of the emergency.

I will close with the words used on the other occasion referred to by me:

Notwithstanding the respectable characters of those now in charge of the country's affairs, I warn them to pause before committing wrongs that can never be remedied, before they destroy the little of business prosperity which has survived their work thus far, and to forbear to break up the solid foundations upon which all prosperity may hereafter rest; to halt, to stay their ravages, to give time for investigation, and a kindlier reception than they have heretofore given to the voice of reason and justice. [Applause.]

Delay Means Waste.

EXTENSION OF REMARKS

OF

HON. J. HAMPTON MOORE,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 14, 1914.

Mr. MOORE. Mr. Speaker, delay in the passage of the rivers and harbors bill is dangerous. To stop work upon worthy projects because of opposition to new ones does not justify the filibustering tactics that are sometimes resorted to to kill important measures. The rivers and harbors bill ought to be one of the regular appropriation bills. It is not a bill involving only the outgo of public funds. To a large extent it is an instrument for deriving income. It involves public work of a beneficent order, keeping the ports clear to our customhouses, and opening up our inland waterways for the interchange of commerce. Where projects have been undertaken, unless proven unworthy, they should be continued to avoid waste. A stream must be kept open just as a highway must be kept in repair. Both necessarily incur the cost of

maintenance. On a river like the Delaware, which produces an annual customs revenue of about $20,000,000, the maintenance cost is approximately $300,000. Critics say that cost is too great, but where under the sun is such a return obtained on such an investment?

Through the delay in the passage of the present rivers and harbors bill the dredges that have been maintaining the channel of the Delaware have stopped work for lack of appropriations. Nothing but waste can ensue. Upon the Hudson River an enormous piece of dam construction has been stopped in midstream because the appropriation period has expired, and the bill which should have passed last spring to continue the work is still pending. It is evident that the disorganization of the force working upon the dam will result in loss and extra expense to the Government, and the work so suddenly stopped must suffer damage.

But the tides and the shoals which make coast navigation dangerous and suggest the importance of developing our intracoastal waterways must also be reckoned with. If regulating works are not created or properly maintained, commerce suffers and human life is added to the toll. For years the people of southern New Jersey who have something to buy and something to sell and the people of New York have been seeking to do business by sea. The principal barrier has been at Atlantic City, where the inlet crosses a dangerous bar. Vessels have succeeded in carrying commerce back and forth, but the depth at the bar has made the passage difficult. Some time ago the Government agreed to construct a dredge to keep the bar clear. Commerce at once took courage, and vessels renewed the passage, with every prospect of an increase in the interchange of commodities between the States.

Commerce does not always wait for Government improvements. If it did, in some instances it would wait a long while. But the demands of the people for cheap freight rates and for the expeditious handling of their goods induced well-intentioned citizens to anticipate the Government promise of opening the bar at Atlantic City. The penalty for this display of public spirit has been very great. The bones of some of the vessels that yielded to it are now sinking in the shifting sands of the New Jersey coast. They are still waiting for the Government to act upon its implied promise.

On Sunday last the last of the steamships that expected the Government to act went upon the shoals. The Government dredge is ready, but until Congress permits the rivers and harbors bill to break with the filibuster that now delays it there will be no money for putting the dredge in operation. Gentlemen may complain of some projects in the rivers and harbors bill which they do not approve, but there seems to be no excuse for dilly-dallying with these worthy eastern projects which involve so great a commerce and so heavy a drain upon human life. In the hope that it may aid in bringing about the early passage of a relief measure, I insert the story of the mishap to the steamer *Atlantic City* because it had the temerity to undertake to do business without waiting for the verdict of this exceptionally prolonged session of Congress:

This appeal from the shoals to the heart of Congress is from the Philadelphia Public Ledger of this morning:

STEAMSHIP ON BAR OFF ATLANTIC CITY WITH 31 PASSENGERS—COAST GUARDS FROM NEARBY STATIONS STAND READY TO BEGIN RESCUE WORK IF DANGER THREATENS.

ATLANTIC CITY, *September 13.*

Rising and falling upon a heavy sea, the steamship *Atlantic City*, of the Atlantic City Steamship Line, inbound from New York, with 31 passengers on board, is pounding the shoals in the inlet. The big liner, owned by Warren Webster, of Camden, and built about two years ago, at a cost of $100,000, lies almost directly off the head of Pacific avenue and about a mile seaward of the excited crowds watching her from the inlet beach and board walk. Early this afternoon the *Atlantic City*, her stern driven deeply in the sand shoal, was lying within a short distance of the buried wreck of the liner *Brazoria*, of the bankrupt Atlantic City Navigation Co., which struck the shoals under similar circumstances several years ago, broke in two, and became a complete wreck.

Officials at the local terminal of the Atlantic City Line at 2 o'clock this afternoon, after talking by wireless with Capt. Townsend, veteran commander of the stranded liner, declared the craft is in no danger whatever. Company officials believed the *Atlantic City* would be floated upon high water, in spite of unfavorable conditions, with a 30-mile gale blowing from the northeast.

Keeper Lambert Parker, of the Government coast guard station, succeeded in fighting his way through the heavy sea to the stranded liner shortly after the *Atlantic City* first struck, and signaled that she was in difficulties. Later the unsinkable power cruiser of the Federal Life-Saving Service also raced down the inlet to where the *Atlantic City* was tossing and laid by, prepared to render any help that may be required in the event of a decision to take off the passengers.

Coast guards at Chelsea have been ordered to hold themselves in readiness, in case they are needed, and the guards from the North and South Brigantine stations, on the north side of the inlet, are also under call. The situation recalls the sensational saving several years ago of some 70 passengers and crew from the Clyde steamer *Cherokee* by Capt. Mark Casto and his gallant fishermen, who forced their way through in a fishing sloop to the stranded liner when Government guards were powerless in one of the worst storms of recent years.

Line officials this afternoon said the *Atlantic City* had successfully passed the outer line of shoals and was proceeding smoothly, when she nosed an unexpected shoal in the channel, shifted somewhat by the heavy winds of the past 96 hours.

The ship backed to avoid the bar, and was driven hard upon another sand hummock.

The *Atlantic City* is the sole survivor of the fleet of the Atlantic City Transportation Co., which lost three ships in an attempt to establish a water service between the city of New York and Philadelphia, and went into the hands of a receiver. Mr. Webster, of Camden, the heaviest stockholder, bought in the *Atlantic City* to protect himself, and, in spite of heavy losses, put the ship in commission again early in the summer under a pledge of support from the chamber of commerce.

Contrary to expectations, in the face of handicaps—and one of the greatest of which was the irregularity of schedule, due to impossibility of entering or leaving the inlet except upon high water, because of the shallow channel—the venture promised to become profitable. On Sunday last the *Atlantic City* carried more than 200 persons here. The stranded craft has a large consignment of freight in its hold.

Government Railroad Development in Kaibab National Forest.

EXTENSION OF REMARKS

OF

HON. JAMES W. BRYAN,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 14, 1914.

Mr. BRYAN. Mr. Speaker, under authorization to extend my remarks in the RECORD on the conservation bills now pending before Congress I desire to refer to the devolpment of the Kaibab National Forest in northern Arizona. On the 2d day of last March I received the following letter from the Commercial Club of Salt Lake City:

COMMERCIAL CLUB,
SALT LAKE CITY, UTAH, *March 2, 1914.*

Hon. JAMES W. BRYAN,
United States House of Representatives, Washington, D. C.

DEAR SIR: I wish to call your attention to the attached newspaper clippings containing comment on a plan this club has under way for the construction of branch railroads into undeveloped regions of Western States.

In brief, the plan is to amend present State and national laws and urge the enactment of new ones, if necessary, which will permit of Federal land grants and State and county bond issues as bonuses to companies which will undertake the construction of roads into countries which would develop in time to a state that would make the railroad profitable.

A committee from this club is now compiling data on three branch roads of this character in Utah and will prepare briefs on changes necessary in State and National laws to make possible the bonuses mentioned. Commercial organizations in the States of Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming are being asked to take similar action.

May I have your opinion on the feasibility of the plan and suggestions for the furtherance of it?

Yours, very truly, WILL G. FARRELL, *Secretary.*

One of the clippings referred to was from the Herald-Republican, of Salt Lake City, as follows:

ASKS NATIONAL AND STATE HELP FOR RAILROADS—COMMERCIAL CLUB ALSO DECIDES TO ASK MUNICIPALITIES TO VOTE BOND ISSUE.

"Needed Railroad Extensions" in Utah was the subject of a discussion before the board of governors of the commercial club yesterday afternoon, and a plan suggested by President W. F. Jensen to secure Government aid in constructing branch lines to the already existing roads was indorsed by the board. Mr. Jensen in laying his plan before the board of governors pointed out that the first transcontinental railroads were constructed only through the assistance given by the Federal Government, which made land grants to the several companies, thus enabling them to operate at a loss until such time as the country which they traversed was productive of sufficient business to warrant their operation.

In outlining his plan yesterday Mr. Jensen called attention to the fact that most of the railroads operating in Utah and many other Western States are largely for through traffic and in many cases pass through the least productive portions of these States. The development of the State, he said, would be brought about largely through the construction of branch lines to the already existing roads.

In keeping with the plan suggested by Mr. Jensen the club will begin at once an active campaign to collect data on the districts where railroads are needed and seek the cooperation of other commercial bodies in the State in the work. In placing the arguments before the people to secure their assistance it will be shown that many sections of the State now wholly or partly undeveloped are held back in the building up and developing of their resources through lack of railroad facilities. It is planned to take this matter up with the Federal and State officials and endeavor to have enacted such measures as will be necessary to permit the National and State Governments to set aside such land as is needed to reimburse railroads for the loss sustained in the first few years operation in these sparsely settled districts.

The board of governors was unanimous in the indorsement of Mr. Jensen's plan and he was authorized to appoint a committee of 10 to take the preliminary steps in bringing the proposed railroad extension before the people. This committee will consist of W. F. Jensen, chairman; W. C. Orem, C. W. Nibley, W. W. Armstrong, Gov. William Spry, Simon Bamberger, James H. Moyle, M. H. Walker, T. G. Webber, and Glen Miller.

RICH LAND IS IDLE.

It is known that much of the richest land in the State is idle and undeveloped on account of lack of railroad facilities, the long distances from railroad connections making it impossible to interest people in the districts. It is planned to construct a line into the extreme southern portion of the State, which has thousands of acres of valuable agricultural land wholly undeveloped. This section of the State also holds within its boundaries the most wonderful scenery in the American Continent, but it is practically unknown because of the difficulty in reaching the district. The great Uinta Basin has but hundreds of people, whereas it would have thousands, it is said, if there were adequate railroad facilities.

There is also in southern Utah thousands of feet of ripe timber awaiting the lumberman, but which can not now be taken out as there is no railroad available. The Federal Forest Service recently issued a prospectus of the Kaibab National Forest offering to dispose of nearly a billion feet of timber. There is sufficient timber in this tract alone, according to the Forest Service, to pay for the construction of a railroad on the proceeds of the hauling of timber and leaving a nice profit besides. This timber would have to find a market outlet through Salt Lake, as it is impossible to cross the Grand Canyon of the Colorado. It is estimated that it will require at least five years to take this timber out.

STUMBLING BLOCKS IN WAY.

But on account of the certain restrictions placed by the Government Forest Service no company has yet cared to take up the proposition. An effort will be made to secure Government assistance in this and to have eliminated some of the features of the Forest Service contracts, which, it is said, are stumbling blocks to persons who might otherwise take up the Government's proposition.

Another branch which is contemplated is into the St. George country and to the southeast to Monticello, which is now about a nine days' trip from Salt Lake. In addition to the land concession which will be asked for, it is proposed that municipalities vote bond issues for concessions. The plan will not be restricted and confined to Utah, but a campaign will be carried into all the Western States which are similarly affected, as this would be the only way in which national assistance could be secured.

The committee will begin its work at once.

The other clipping was the following editorial from the Salt Lake Tribune:

GETTING NEW RAILWAYS.

President W. F. Jensen, of the Commercial Club, is to be commended for his efforts to secure branch railroads in Utah and other Western States. The club's board of governors has appointed a committee of 10 to seek Federal and State aid.

As President Jensen has pointed out, the trunk lines were constructed for transcontinental traffic and run through some of the poorest and most sparsely settled regions of the West. Regions rich in resources are held back by the fact that they have meager transportation facilities. Future development depends, therefore, upon the building of lines that will connect with the great railroad arteries. By the very fact that the regions into which these branches will be extended are undeveloped, the lines can not be placed on a paying basis at the start, and yet within a few years after such roads are built they will be highly profitable.

Mr. Jensen has formulated a plan whereby the branch roads can be constructed by Government and State assistance, just as the principal western links in the transcontinental lines were constructed. Evidently it is the plan to secure lands from the Government and the States which shall supply revenue to make up the difference between the value of the roads to investors and the much higher initial cost of the roads. For example, if a road costing $10,000,000 can pay interest on only $5,000,000, it will be necessary to secure assistance to the extent of $5,000,000. This assistance is to be supplied by Government and State land grants and by bond issues on the part of counties or municipalities. The land need not be worth very much per acre at the beginning, because its value will increase as a result of the construction of the railways. The investors, however, would figure that such land would be worth enough in a few years, say 5 or 10 years, to compensate them for any loss incurred in building and operating the roads during such periods.

In order to obtain Government assistance it is necessary that Utah should associate itself in this movement with other States of the West, because the Government can not make land grants for the promotion of railroads within one State. Many of the States are as badly in need of these branch lines as is Utah, and doubtless will join enthusiastically in the movement inaugurated here.

The Government now has a standing offer of aid in its proposition to sell 1,000,000,000 feet of timber in the Kaibab Forest. While many are of the opinion that the Government's terms are not sufficiently liberal, yet a railroad has been built on similar terms in California, where the only possible freight was the timber itself.

Of the 2,000,000,000 feet of timber owned by the Government in this forest, about half of it, or 1,000,000,000 feet, is ready for the market, and for purposes of economic administration and proper development of the forests this ripe timber should be cut and used. It is going to waste as it is. It is so far removed from transportation, however, that it is next to impossible for the Government to market it.

Of course, the plan of giving this away in land and timber subsidies to private concerns does not appeal to the intelligence of the people of this day. Since receipt of these communications I have been studying the Kaibab National Forest. I have obtained the following data from the Forest Service:

"LOCATION OF FOREST.

"The Kaibab National Forest embraces over 1,000,000 acres in Coconino County, Ariz., just north of the Grand Canyon of the Colorado River, which forms the south boundary of the forest. The main timbered portion of the forest is confined to the Kaibab Plateau, or Buckskin Mountain, which is a high mesa ranging between 7,500 and 9,000 feet elevation. The topography is level and rolling. This region, lying in the northwestern corner of the State, is effectually cut off from the remainder of the State by the Grand Canyon of the Colorado River, one of the grandest scenic wonders of the world.

"Geographically, the Kaibab Forest contributes to the northward in Utah and directly to Salt Lake City. All development of the region has been and will continue to be from the northward. The most practicable route to the forest is from Marysvale, Utah, the present terminus of the Sanpete branch of the Denver & Rio Grande Railway. From this point the route follows the Sevier River to Panguitch and Hatchtown and then drops over a low divide onto the headwaters of the Rio Virgin River, and thence to Kanab either by Kanab Creek or Johnson Creek. From Kanab to the Kaibab Plateau is approximately 30 miles across a level stretch of sagebrush land. From Marysvale to Panguitch is 53 miles; from Panguitch to Kanab, via Johnson Creek, is 76 miles. This is the route followed during the past summer by the Salt Lake Tribune automobile party, which established an automobile route between Salt Lake City and the Grand Canyon of the Colorado River. According to the route followed by this party, the distance from Marysvale to Bright Angel Point is approximately 200 miles. This distance, however, would be considerably reduced by a railroad.

"ESTIMATED STAND AND SPECIES.

"The Kaibab Forest is estimated to contain approximately 2,000,000,000 feet of merchantable timber. This estimate is based on an intensive field cruise made by the Forest Service. Only trees over 12 inches in diameter 4½ feet from the ground were included in the estimate, which is known to be conservative. Checks made on the original cruise show the estimate to be 15 to 25 per cent low. Over 80 per cent of the timber is western yellow pine; the other species are Douglas fir, blue spruce, Englemann spruce, and white fir.

"The 1,000,000,000 feet of timber which the Forest Service has placed on sale embraces that naturally most accessible. Of this amount, it is estimated approximately 800,000,000 feet b. m. is western yellow pine, 70,000,000 feet b. m. is Douglas fir, 30,000,000 feet b. m. is blue spruce and Engelmann spruce, and 100,000,000 feet b. m. is white fir. In the yellow-pine type the number of trees per acre and the average diameter of the trees at a point 4½ feet from the ground will run about as follows:

Species.	Average number of trees per acre.	Average diameter of trees in inches.
Yellow pine	23.5	20 to 24
Douglas fir	.6	16 to 18
White fir	1.3	16 to 20
Spruce	.5	18 to 20

"In the mixed type, as follows:

Species.	Average number of trees per acre.	Average diameter of trees in inches.
Yellow pine	9.4	18 to 24
Douglas fir	3.3	18 to 22
White fir	5.4	16 to 22
Spruce	4.3	16 to 20

"The common maximum diameter of the yellow pine is about 42 inches, although occasional trees with a diameter breast high of 60 inches occur. The other species run up to 40 inches in diameter. In the yellow-pine type the average stand per acre is about 7,000 feet b. m. and in the mixed type about 6,000 feet b. m. per acre.

"LOGGING CONDITIONS.

"In view of the fact that the timbered portion of the forest embraces a rolling plateau, logging conditions are ideal. Logging roads can be constructed almost anywhere at very small cost. The rolling nature of the plateau will be an assistance to logging, and there will be practically no rough mountain logging. There are numerous open parks in the forest, offering excellent camp sites, and there are sufficient springs available for camp and logging purposes.

"Owing to the favorable topography of the region actual logging costs will be low. Forest Service lumbermen estimate that the average costs will be about as follows:

	Per 1,000 feet.
Cutting and felling	$0.75
Brush disposal	.15
Felling snags	.03
Skidding	.75

	Per 1,000 feet.
Hauling	$1.50
Road construction	.03
Camp construction	.01
Spotting and loading cars	.50
Unloading at mill	.12
Administration	.10
Freight to mill	2.00
Interest on working capital	.18
Depreciation and interest on logging equipment	.22
Total	6.34

"Climatic conditions are also favorable to logging on the Kaibab Plateau. It is a region of long dry summers, rarely interrupted by storms sufficient to stop operations in the woods. The summer logging season begins about the 1st of May and continues until December. In some years the season will extend well into January. During the summer season there are few rains and the roads remain hard and dry and always in good condition. During many winters hauling logs on sleds is entirely practicable, although this method of logging can not always be relied upon, since winters occur when the snowfall is too light.

"There are no experienced lumberjacks in the Kaibab region, although across the Grand Canyon to the south extensive lumbering operations are carried on in a region similar in topography and timber, and probably some labor could be secured here. A large company operating on the Kaibab would better import experienced lumberjacks, even though a great deal of local labor is available. Teams, hay, grain, meats, and vegetables necessary in logging and milling could be obtained locally.

"The forest is well equipped with telephone lines. The Forest Service has constructed a line from Kanab to Ryan, Jacobs Lake, Big Park, Quaking Asp, and Bright Angel Point, thus giving adequate communication with all parts of the forest and with the outside country.

"ACCESSIBILITY.

"The timber on the Kaibab Forest can be made accessible for marketing only by the construction of a railroad which will serve as a transportation outlet for the manufactured lumber. It will remain inaccessible until such a railroad is built. The construction of a railroad and the exploitation of the timber have therefore been considered interdependent and the business point of view taken that the practicability of the project is determined by the return which may be expected upon the total investment required in railroad construction and in lumbering operations. In working out this problem the construction of a railroad not only to handle the timber, but to serve also as a common carrier to the southern Utah country has been figured upon. The idea has been to make available an amount of timber, which, together with other local traffic which the region now offers, will assure a profitable return on the entire investment necessary.

"LOCAL DEVELOPMENT.

"A railroad connecting the Grand Canyon of the Colorado River and southern Utah with Salt Lake City has many local inducements aside from timber to justify its consideration. Such a road will tap a region of 15,000,000 acres exceedingly rich in natural resources, but entirely lacking railroad transportation. Over 4,000,000 acres of this region have been appropriated and 365,352 acres just recently entered under the enlarged homestead act. The principal industries and natural resources of the region are sheep and cattle raising, farming, coal, copper, iron, timber, oil, extensive agricultural lands, and alunite. One of the largest coal fields in the State is found in Iron, Washington, Kane, and Garfield Counties. It would be directly tapped by a railroad to the Kaibab Forest.

"Compared to the total area of the region, the amount of agricultural land actually under cultivation is not great, although there has been a big increase in the last few years, due to a number of reclamation projects (State and private) at the head of the Sevier River, near Panguitch, Orderville, Kanab, Alton, and on Johnson Creek. A railroad into this region would result, it seems certain, in the speedy development of several million acres of land admirably suited to farming and fruit raising. It should further develop immediately much activity in mining, particularly of coal, copper, and iron, which can not now be worked profitably owing to lack of transportation facilities.

"Another feature of the region that will furnish a railroad much traffic is the Grand Canyon of the Colorado River, which will draw thousands of tourists each year. The scenic beauty of the Grand Canyon is admittedly unsurpassed, while the approach to the canyon through the Kaibab Forest, which is called the most beautiful natural forest in the world, offers unexcelled opportunities for one of the most wonderful tourist resorts in the country. With a direct railroad route between Salt Lake and the Grand Canyon the assured tourist traffic would be a large item of revenue.

"RAILROAD CONSTRUCTION.

"There are several practical railroad routes to the Grand Canyon from the north. The one used as a basis by the Forest Service in determining the feasibility of marketing the Kaibab timber is from Marysvale, the present terminus of the Denver & Rio Grande Railway, via Junction, Panguitch, Hatchtown, Ranch, Johnson Creek, and Kanab. The total distance figured upon from Marysvale to Bright Angel Point is 200 miles, with 25 miles addition for logging spurs. This route involves no difficult engineering problems, and for much of the distance construction costs will be exceedingly low. It is estimated that the total cost of the road proposed will approximate $2,720,000. This estimate is low as applied to a modern equipped standard-gauge road. The estimate, however, is based on constructing a road which will be capable of handling the timber and available local traffic efficiently, with the idea of improving it as the traffic and carrying capacity increases. Many of the best paying roads in the country have been built in this manner.

"ESTIMATED RETURNS.

"In estimating the returns to be expected the combined investments necessary for railroad construction and logging operations of 40,000,000 feet per annum have been taken. The traffic derived from logs and lumber can be computed quite accurately, but that to be obtained from other sources is estimated on the basis of the present development and producing capacity of the region.

Total initial investment.

Railroad construction and equipment	$2,716,484
Mill construction, logging equipment, and working capital	603,000
Total	3,319,484

Estimated annual return.

LOCAL TRAFFIC.

	Tons.
1. Hay, grain, fruit, and other farm produce	10,000
2. Sheep, horses, cattle, wool, and hides	25,000
3. Inbound general merchandise	20,000
Total	55,000

"The average freight rate figured on in handling the above tonnage is $2.50 per ton. Therefore—

Items 1, 2, and 3, 55,000 tons, at $2.50 per ton	$137,500
Passenger and tourist traffic	150,000
Mail and express	20,000
Telephone and telegraph receipts	5,000
Total gross earning per above	312,500
Operating expenses on above traffic 60 per cent	187,500
Total net earnings on above traffic	125,000
Net profit on logs and lumber:	
32,400,000 feet, at $6.67 per thousand	216,108
7,600,000 feet, at $6.32 per thousand	48,032
Total earnings above operating cost	389,140
Deduct interest on railroad investment (6 per cent on $2,716,484)	162,157
Total net earnings	226,983

"The above earnings represent an annual return of 12⅔ per cent on the total investment of $3,319,000. This percentage includes depreciation on the railroad. The railroad will, however, increase in value from year to year as the country is developed. Maintenance is included under operating expenses. Interest, depreciation, and maintenance on all lumbering investments have been charged off against stumpage.

"STUMPAGE APPRAISALS.

"In appraising the Kaibab timber an effort has been made to fix stumpage rates at a figure which will assure the operator a fair return upon his total investment in lumbering and railroad construction, taking into consideration of course the returns which may be expected from other sources. The timbered area was divided into five compartments, and the average cost of the logs at the mill from each of the compartments determined. The average cost of milling and transporting lumber from the mill to Marysvale was then estimated as closely as possible, and the total conversion cost per thousand feet at Marysvale deducted from the average wholesale selling price which will be received at that point. These estimates were made by Forest

Service lumbermen after a careful study of logging, milling, and transportation problems on the ground. The summarized estimates are given below:

LOGGING.

	Logs per 1,000 feet.	
	Yellow pine.	Other species.
Average cost of logging	$3.94	$3.94
Transportation by rail to mill	2.00	2.00
Interest on working capital	.18	.18
Depreciation and interest	.22	.22

MILLING.

Average cost of milling	$5.29	$3.66
Interest on working capital	.09	.06
Transportation to Marysvale	.75	.75
Mill depreciation	.10	.10
Interest on mill investment	.15	.15
Milling overrun	.62	.47
Total conversion costs	13.25	11.53
Average selling price at Marysvale	21.92	19.25
Difference cost and selling price	8.67	7.72
Stumpage value	2.00	1.40
Operator's profit	6.67	6.32

"The profit per 1,000 feet as shown above is equivalent to a total annual net return from the lumbering operations of $264,140 above all interest charges on milling and logging investments and working capital. The above profit is actually earned, however, by the combined lumbering and railroad investment. The charges for hauling logs from woods to mill and lumber from mill to Marysvale is placed at the actual operating cost. Of the above profit, therefore, the railroad should be credited, on the basis of an equitable freight rate, with $1.84 per 1,000 profit on the log haul and $0.61 per 1,000 profit on the lumber haul, or a total annual profit on handling logs and lumber of $100,140. The net profit on the lumbering operation would then be $4.10 per 1,000 feet, or $164,000 annually. As applied to the entire investment, the total profits indicate a return of 12⅔ per cent.

"MILL SITES.

"The scarcity of water on the Kaibab Plateau makes questionable the feasibility of locating a large mill on the forest. While the supply of water on the forest is sufficient for logging purposes, enough water for a large mill would have to be developed. The proposed plan of operations as figured upon, however, is based on the location of a mill at McDonald's ranch, at the headwaters of a branch of the Rio Virgin River. At this point there would be plenty of water available for a log pond and all other mill needs. The one disadvantage to this site is the long log haul involved. This would be approximately 90 miles from the timber to the mill. Several other sites off the forest are available, and the location of a mill to handle this timber is, of course, a matter in which the purchaser can use his own judgment. An excellent mill site could doubtless be obtained in the vicinity of the Hatchtown Reservoir, but this site would involve a still longer log haul. Doubtless a satisfactory mill site might also be obtained on Kanab Creek, although practically all of the water in this creek is appropriated.

"LUMBER MARKETS.

"The timber from the Kaibab Forest will contribute directly to the large and rapidly increasing lumber markets of Utah, western Colorado, and Wyoming. This market can easily consume all of the annual cut of the lumber manufactured from the forest, although an operator would desire to ship east a large per cent of the upper grades, for which fancy prices can be obtained. At the present time eastern Oregon operators are shipping upper grades of western yellow pine as far east as New York and Boston.

"The annual consumption of timber in Utah during 1912 was approximately 205,000,000 feet board measure. This estimate is based on an extensive investigation made by the Forest Service during the spring of 1913. Of the total consumption only about 10,000,000 feet are produced locally by small mills cutting almost exclusively for ranch and farm trade. There are no large mills in Utah and the small mills which manufacture rough lumber only can not compete in the main consuming cities with the well-manufactured and closely graded lumber imported from the large mills in Oregon and on the coast. The opportunity for a large mill in Utah is therefore unexcelled since it would have a large market close at hand and a great advantage in freight rates over present competing mills.

"Salt Lake City is the logical distributing point for a large timber operation on the Kaibab Forest. The city is situated in the center of the most fertile and densely populated portion of the region and is well equipped with railroads radiating in all directions. At the rate of present development the future possibilities of the Utah market seem unlimited. The population increased approximately 40 per cent during the past 10 years, and in the past few years there has been a wonderful development in the way of settlement, reclamation of arid lands, and the generation of electric power. The present rate of increase may be depended upon for several decades, as only a small per cent of the available land and natural resources of the State have been developed.

"On the basis of the grades which can be obtained from the Kaibab timber, it was estimated that the average wholesale price which yellow pine will bring on the Salt Lake market is approximately $23.40 per 1,000 feet, log scale. This average price is based on a grade production of 10 per cent better than No. 1 common, 10 per cent No. 1 common, 25 per cent No. 2 common, and 55 per cent No. 3 common. This estimate of grades is very conservative, considering the class of timber involved. The average wholesale selling price at Marysvale, used in the stumpage appraisal, is determined by discounting the average wholesale selling price at Salt Lake by the freight rate from Marysvale to Salt Lake City."

It is said that adequate transportation facilities would increase the value of the Government's timber $4,000,000. If this forest were owned by private parties they would build the road and they would make tremendous fortunes out of the proposition. In response to a request for information on this subject I received from Mr. Graves, Chief Forester, on April 24 and June 18 the following:

UNITED STATES DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, April 24, 1914.

Hon. J. W. BRYAN,
House of Representatives.

MY DEAR MR. BRYAN: Your letter of March 27 has just been called to my attention, and I regret exceedingly that an earlier reply has not been sent you. Through inadvertence your letter had been misplaced.

The Forest Service is now advertising 1,000,000,000 feet of timber, consisting largely of western yellow pine, on the Kaibab National Forest, Ariz. Bids for this timber will be received up to June 15, 1914. In appraising the value of the stumpage it was necessary to consider the construction of transportation facilities to established routes and the total approximate cost of placing the lumber to be manufactured upon the market. The most practicable means of transportation was judged to be by the construction of a railroad south from Marysvale, Utah, the present terminus of the Denver & Rio Grande Railroad. Other routes are available, and the particular route chosen by an operator is, of course, of no concern to the Forest Service. While a survey of the route from Marysvale south to the Kaibab National Forest was not made it was estimated roughly by the logging engineers of the Forest Service that 200 miles of road would be required at an approximate cost of $2,720,000. The prospectus prepared for this sale contains the more important data concerning the character of the country, the timber, and the opportunities for railroad traffic. I am therefore inclosing a copy of it for your information, together with a map of the region.

This is a typical instance of the need for transportation facilities to make many tracts of national-forest timber accessible to market. As you are aware, fully 75 per cent of timber on the national forests is inaccessible from established transportation, and extensive railroad construction is the first necessity to bring about the utilization and sale of national-forest timber on a scale commensurate with the extent of these resources and the annual return which they are capable of producing. Obviously, if it is the desire of Congress to develop these resources immediately and secure in the near future the maximum revenue which they are capable of producing, under conservative methods of management, the construction of railroads which will afford an outlet to market is simply a matter of business necessity.

From the standpoint of commercial returns to the Government, logical business arguments may be advanced for railroad construction under such conditions, assuming always that it is to be the public policy to develop these areas immediately rather than wait for more gradual development from private initiative. As indicated on page 7 of the attached prospectus, it was necessary in appraising the Kaibab timber to allow aggregate profits to the operator for railroad transportation of logs and lumber of $2.45 per thousand board feet. This is aside from the cost of operating the road and from any depreciation or sinking fund charges to recover the initial investment. If the Government itself built the railroad, the greater part of this amount could be added to the sale value of the timber. The Kaibab National Forest contains, all told, some 2,000,000,000 feet of stumpage. Unquestionably the construction of a railroad would increase its average value at least $2 per thousand feet. The total increase would thus approximate $4,000,000, or considerably more than the estimated cost of the railroad. This amount might, of course, be credited separately to railroad earnings instead of to increased value of the timber.

Aside, however, from opening up the national forest, such railroads would greatly benefit many adjacent sections, which are now shut off from markets, and stimulate the development and use of much unreserved public land which now is comparatively idle. The Kaibab railroad, for example, would traverse a rich agricultural, grazing, and mineral district in southern Utah and northern Arizona, whose development would be greatly hastened by Government construction of the road.

It should, of course, be borne in mind that such railroads as this will sooner or later be built by private capital. That is the basis upon which the timber-sale policy of the Forest Service now rests. In the appraisal of all inaccessible tracts of timber, as in the case in question, full allowance is made for the cost of constructing the railroads required and for a fair profit on the investment in transportation facilities as well as in the strictly lumbering improvements and equipment. In other words, we are now offering such inaccessible bodies of timber as that on the Kaibab for sale at terms which should attract conservative investors and induce the construction of the necessary railroads by private capital. Under the sale contracts approved during the last two years, between 150 and 200 miles of railroad will be built in various parts of the West to tap national-forest timber at the cost of the operators, which investment with adequate profits thereon must, of course, be provided for in the appraisal of the public stumpage.

There may be some question as to how far the Government ought to anticipate the construction of such needed transportation facilities by private initiative and private capital through embarking upon a policy of public railroads. As indicated above, it is, in my judgment, primarily a question of time as to how rapidly Congress desires to develop the resources in the national forests and increase their revenues. In the Kaibab instance, for example, it is entirely probable that within 10 or 15 years at the outside, if not sooner, a privately built road will tap this territory. The same is true of many other similar situations.

Another question which occurs to me is whether railroads alone should be considered in a policy of large expenditures for the improvement and development of the national forests. From the standpoint of making their resources available for the entire country, as through putting their timber into the general lumber markets and of increasing their revenues, railroad construction should obviously come first. From the standpoint of increasing local usefulness of the national forests, other improvements, particularly wagon roads, should in many cases be given first consideration. Among such local improvements I would also consider the construction of small public sawmills at strategic points where the Forest Service might furnish lumber at cost to settlers in remote districts.

Before embarking upon a general policy of railroad construction it would seem to me desirable to consider all of these needs and frame a comprehensive plan of Federal development and improvement of these areas which would meet both demands—(1) development of resources for the benefit of the entire country and increased receipts, and (2) local development in the primary interest of settlers and adjacent communities.

Very sincerely, yours,

H. S. GRAVES, *Forester.*

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UNITED STATES DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, June 18, 1914.

Hon. JAMES W. BRYAN,
House of Representatives.

MY DEAR MR. BRYAN: I have been greatly interested in the letter of March 2 addressed to yourself from the secretary of the Commercial Club of Salt Lake City, and the clippings from the Herald-Republican and Salt Lake Tribune, which were recently referred to the Forest Service by you. These papers are being returned with this letter.

I sympathize fully with the desire of local communities to secure railroad extensions in the many inaccessible portions of the West where agriculture and all other lines of industrial development are badly handicapped by lack of transportation. This is a very vital and very real need in every new region. As far as the State and county or municipal governments feel it desirable to assist such railroad construction by bonuses through local bond issues, no question can be raised to such a course. Distinctly local benefits are anticipated or insured by such development; and it is simply a business question as to whether the State, county, or municipality will profit sufficiently by a new railroad to contribute toward its construction. A significant illustration of this sort of encouragement is the action taken by the city of Denver in voting bonds for the construction of the Moffat Tunnel through the Continental Divide west of that city. In this instance, however, the bonds do not form a subscription to the cost of the enterprise, but are to be repaid by the railroad company, the city, in effect, virtually loaning its credit to the enterprise. Local assistance in such forms is clearly a case of quid pro quo, a definite outlay from which equally definite and direct local advantages are anticipated.

I feel that the situation is distinctly different in the case of Federal land grants for the aid of such enterprises. In them the property of the entire country—of the people in Vermont and Florida as well as in Utah—is disposed of to aid in an enterprise whose benefit will be primarily local. It does not seem to me that the grant of public property in return for such definitely localized benefits is justifiable.

Furthermore, as you are doubtless aware, such land grants have in the past greatly aided the development of monopolies of timber and other natural resources. This is because the Government not only grants the railroad property of a certain present value, but also of a very much greater speculative or future value. The enormous grants to the Northern Pacific Railway Co. and the Southern and Central Pacific Railway Cos., a considerable part of which have subsequently passed into the ownership of very large timber-holding corporations, has done as much to bring about the present concentration in the ownership of standing timber in the West as any other single act of the Federal Government. Regardless of the wisdom of disposing of public property for local benefit, therefore, I feel that it would be very unwise to continue in any form the old policy of land grants, because of their direct encouragement of private speculation and private concentration of public resources, whose enhancing future value in many cases has enormously exceeded anything contemplated at the time the grant was made. Aside from the actual values involved, furthermore, the monopolies in danger of resulting from such concentration of public resources in private hands have a very far-reaching effect.

Rather than dispose of its public resources in this manner, it would be preferable, in my judgment, for the Federal Government either to make a direct monetary subscription to the construction of railroads under such conditions, to loan money to the railroad company by taking up its bonds or otherwise, or to build the road itself.

Very sincerely, yours,

H. S. GRAVES, *Forester.*

I have made some effort to ascertain the resources of other Government lands in the region involved and have received the following from Mr. Blanchard, of the Reclamation Service:

DEPARTMENT OF THE INTERIOR,
UNITED STATES RECLAMATION SERVICE,
Washington, D. C., June 9, 1914.

Hon. J. W. BRYAN,
House of Representatives.

DEAR MR. BRYAN: I made a special effort to secure all possible information concerning that little-known region of southern Utah in which it is proposed to initiate construction of a Government railroad to connect with the present terminus of the Denver & Rio Grande Railroad and the Kaibab National Forest in Arizona.

I am returning with this the data supplied you by the Forest Service, together with additional material from the United States Geological Survey. I wrote letters to the State authorities in Utah, but was not able to secure information of any value in this connection. There are about 1,200 acres of land irrigated in the region immediately tributary to the proposed line. Adjacent to this section and undoubtedly offering an opportunity for branch lines is the valley of the Virgin River, which contains a much larger area of good land, a portion of which is now in cultivation. There are numerous little settlements along each of the streams in this region. The irrigation works at present are comparatively simple, but as no studies have been made of the run-off, it is not possible to determine with any degree of accuracy the possibilities for more extensive irrigation development through storage of flood waters.

The fact, however, that this railroad could be built from the proceeds of the sales of timber which would be received in excess of what may now be counted upon without a railroad, offers to my mind a very strong argument for the Government's undertaking this job. The success of our first national venture in railroad building on the Boise project, which you mentioned in your recent speech, should furnish additional argument for the Government's continuing this sort of work.

I hope my delay in getting these papers to you will not prevent you from presenting your argument before the close of this session.

Very truly, yours,

C. J. BLANCHARD, *Statistician.*

My plan for the improvement of this valuable property and the development of the lands in that region owned by the Government and by private parties is to build the railroad at Government expense, exactly as we are about to do in Alaska. There is not a reason applicable to Alaska that does not apply in this case. I have accordingly introduced a bill, which I hope will be passed. The people of the State of Utah and of Arizona should take a hand in this, and I feel quite sure that by faithful and hearty cooperation we can accomplish the desired result and pass the bill, as follows:

A bill (H. R. ——) to authorize the President of the United States to locate, construct, and operate a railroad from Marysvale, Utah, to the Kaibab National Forest, Ariz.

Be it enacted, etc., That the President of the United States is hereby empowered, authorized, and directed to adopt and use a name by which to designate the railroad or railroads and properties to be located, owned, acquired, or operated under the authority of this act; to employ such officers, agents, or agencies, in his discretion, as may be necessary to enable him to carry out the purposes of this act, such officers, agents, or agencies to be appointed or designated by him or under his direction; to authorize and require such officers, agents, or agencies to perform any or all of the duties imposed upon him by the terms of this act; to detail and require any officer or officers in the Engineer Corps in the Army or Navy or any official in the civil list of the United States to perform service under this act without additional pay, but upon allowance of actual subsistence and traveling expenses; to locate and designate a route or routes for a line or lines of standard-gauge railroad in the States of Arizona and Utah, to be so located as to connect the Kaibab National Forest, in Arizona, with the present terminus of the Denver & Rio Grande Railway at Marysvale, Utah, so as best to aid in the development of the timber, agricultural and mineral or other resources of the Kaibab National Forest and the settlement of the public lands of the Government which may be tributary to the said railroad when constructed therein, and so as to provide transportation of lumber, logs, and mineral and agricultural products for governmental and public uses; to construct and build a standard-gauge railroad or railroads, with the necessary branch lines, feeders, sidings, switches, and spurs, along such route or routes as he may so locate and designate between the said points named; to purchase or otherwise acquire all real and personal property necessary to carry out the purposes of this act; to exercise the power of eminent domain in acquiring property for such use, which use is hereby declared to be a public use, by condemnation in the courts of competent jurisdiction in accordance with the laws now or hereafter in force; to acquire rights of way, terminal grounds, and all other rights; to purchase or otherwise acquire all necessary equipment for the construction and operation of such railroad or railroads; to build or otherwise acquire bridges, docks, wharves, terminal facilities, and all structures needed for the equipment and operation of such railroad or railroads; to fix, change, or modify rates for the transportation of passengers and property, which rates shall be equal and uniform, but no free transportation or passes shall be permitted, except that the provisions of the interstate-commerce laws relating to the transportation of employees and their families shall be in force as to the lines constructed under this act; to receive compensation for the transportation of passengers and property, and to perform generally all the usual duties of a common carrier by railroads; to make and establish rules and regulations for the control and operation of said railroad or railroads; in his discretion, to lease the said railroad or railroads, or any portion thereof, including telegraph and telephone lines; after completion, under such terms as he may deem proper, but no lease shall be for a longer period than 20 years; or, in the event of failure to lease, to operate the same until the further action of Congress: *Provided*, That if said railroad or railroads, including telegraph and telephone lines, are leased under the authority herein given, then and in that event they shall be operated under the jurisdiction and control of the provisions of the interstate commerce laws; to purchase, condemn, or otherwise acquire, upon such terms as he may deem proper, any other line or lines of railroad which may be necessary to complete the construction of the line or lines of railroad designated or located by

him: *Provided*, That the price to be paid in case of purchase shall in no case exceed the actual physical value of the railroad; to make contracts or agreements with any railroad owner for joint transportation of passengers or property over the road or roads herein provided for and such railroad, and to make such other contracts as may be necessary to carry out any of the purposes of this act.

The authority herein granted shall include the power to construct, maintain, and operate telegraph and telephone lines so far as they may be necessary or convenient in the construction and operation of the railroad or railroads as herein authorized, and they shall perform generally all the usual duties of telegraph and telephone lines for hire.

That it is the intent and purpose of Congress through this act to authorize and empower the President of the United States, and he is hereby fully authorized and empowered, through such officers, agents, or agencies as he may appoint or employ, to do all necessary acts and things in addition to those specially authorized in this act to enable him to accomplish the purposes and objects of this act.

The Presidenet is hereby authorized to withdraw, locate, and dispose of, under such rules and regulations as he may prescribe, such area or areas of the public domain along the line or lines of such proposed railroad or railroads for town-site purposes as he may from time to time designate.

Terminal and station grounds and rights of way through the lands of the United States are hereby granted for the construction of railroads, telegraph and telephone lines authorized by this act.

SEC. 2. That the cost of the work authorized by this act shall not exceed $3,500,000, and in executing the authority granted by this act the President shall not expend nor obligate the United States to expend more than the said sum; and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000 to be used for carrying out the provisions of this act, to continue available until expended.

SEC. 3. That the officers, agents, or agencies placed in charge of the work by the President shall make to the President annually, and at such other periods as may be required by the President or by either House of Congress, full and complete reports of all their acts and doings and of all moneys received and expended in the construction of said work and in the operation of said work or works and in the performance of their duties in connection therewith. The annual reports herein provided for shall be by the President transmitted to Congress.

War Taxes of $105,000,000 in Time of Peace—The Price We Pay for Democratic War on American Industry, for Democratic Extravagance, for Democratic Incompetency.

EXTENSION OF REMARKS

OF

HON. C. BASCOM SLEMP,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. SLEMP. Mr. Speaker, the bill before the House proposes to tax the people of the United States $105,000,000 to bolster up the falling revenues of the Government. After a trial of 19 months of Democracy the American people find that they must pay additional taxes to an amount equivalent to $1.15 for every man, woman, and child in the United States to meet the expenses of the Government.

The Democratic leaders call it a "war-revenue" bill, hoping to appeal to the patriotism of the country and thus avoid criticism.

This designation is absurd, unless they mean the war on business that has been carried on since they have been in power. In that sense, and in no other, can this bill be called a "war-revenue" bill.

We are not at war with any nation in the world, and no additional expense, so far as military establishments are concerned, will be needed.

This additional $105,000,000 will be needed, if at all, for the ordinary expenses of the Government, and not for war expenses.

Some of our actual war expenses, for example, our pensions, were less last year by $11,000,000 than the previous year, so it would seem that we should raise less rather than more money for "war revenue."

Likewise the expenditures on the Panama Canal were less by $20,000,000 than the year before.

It is said that this tax bill should be called a "war-revenue" bill because there is a war in Europe.

There is a war in Europe, but the United States is not connected with it, and will not be except as an excuse for taxation.

The Democratic leaders tell us that this European war has so demoralized business that foreign imports have fallen off and that the customs revenues for that reason will fall off about $10,000,000 per month.

There was a falling off in revenues for August, 1914, the first month of the war, of about $11,000,000, as compared with August, 1913. The Democrats claim that the European war caused this loss. How do they account for a falling off of about $5,000,000 customs revenues in July before the war began? How do they explain a falling off in February of about $10,000,000 customs revenues, months before this war was dreamed of?

But, independently of the decreased revenues before the war, let us examine the situation after the war began. There have been nearly two months of war—August and September. The demoralization of ocean traffic was greatest during August, yet imports for that month amounted to $129,767,890, as against $137,651,553 in August, 1913, or a difference of less than $8,000,000. The figures for September are not available, but for the port of New York the importations for the first two weeks of the present month compare favorably with the first two weeks in July, before the war began. The importations at the present time are practically normal.

It can not therefore be truthfully stated that new taxes are to be levied because importations have fallen off. Importations actually fell off 6 per cent for the month of August only, while customs revenues have fallen off over 35 per cent for that month. The Democratic claim that they must raise $105,000,000 because importations have fallen off 6 per cent for this one month is too ridiculous to discuss, nor have they a logical reason to assume that importations in the future will be much below the Democratic normal. The above facts completely destroy the arguments presented by the Democratic leaders as justifying this revenue bill. Mr. UNDERWOOD claimed in defending the bill that it was based on the idea that nearly all importations to the United States from the countries at war would cease.

These importations not only have not ceased, but are almost normal, as the following table shows.

Imports from the countries involved in the European war during August, 1913, compared with last month, were:

	1913	1914
Belgium	$3,450,950	$2,329,145
France	13,091,521	6,902,633
Germany	15,626,176	9,400,043
Russia	1,725,123	760,231
United Kingdom	20,718,597	17,872,270

The true reason is that their revenue bill is a failure, as all so-called tariff-for-revenue bills have been when tried. They are compelled to raise more revenue because they are spending more money than they are receiving. They try to use the European war as a reason, but they are not convincing, because the reason assigned is only an excuse.

The haste with which the Democratic Party seized upon this European war to impose a tax of $105,000,000, and the grimly urgent methods the Democrats are employing to pass this bill before the war can possibly be ended, would create suspicion in any honest mind as to the integrity of their assertions.

The Underwood bill expected to raise $249,000,000 from a tariff tax for this year. The Payne bill raised $319,000,000 during the last year of its operation, or a difference of $70,000,000 in favor of the Payne bill. The Democrats expected to lose this $70,000,000 and make it up by raising $65,000,000 from a tax on individual incomes and the remainder on corporation incomes, but they will be disappointed in this. During 10 months in 1913 they only raised $28,000,000 from individual incomes. Business in 1914 is worse than in 1913, so that instead of raising $65,000,000 from incomes this year they will probably not get more than $30,000,000 from this source. Likewise the revenues from the tax on corporations will fall off; so that they will fail by from $30,000,000 to $40,000,000 in making up by taxes on incomes the $70,000,000 they lost on their revenue bill and which they gave the foreigner.

It is to make up this loss, caused by reducing tariff rates, and further to cover the excessive expenditures of this Congress, amounting to more than $100,000,000 more than a Republican Congress ever expended, that this tax of $105,000,000 is being levied. There is no other way to look at it. The Democrats would like to charge this to the European war, but the facts do not justify it.

There is another feature of this case. The Republican Party when it went out of power left in the Treasury of the United States a net balance of $149,335,711.78, of which there is left to-day $118,000,000. Why not use some of this money, rather than tax the people, or why not restore a protective tariff, and make the foreigner pay, instead of taking the money out of the pockets of our own people?

Most of this $118,000,000 is placed among the banks, but the President says that it is better to take the money from the people than to take our surplus out of the banks. The people in the country are harder pressed now—it is more difficult to get money or to make money, or to sell one's products—than at any time in the past 20 years. Yet in times of such universal distress the Democratic Party takes the position that the peo-

ple, hard run as they are, can pay additional taxes easier than the banks can return the money the Government has deposited with them. Public criticism at the same time is directed at these same banks for hoarding the money they have, far beyond their legal reserves, and not loaning it to the business people of the country.

The money could be drawn from the banks a little at a time, not all at once. The Government would pay its obligations, and thus the same money would find its way right back among the people. The European war might stop by Christmas—who can say it will not—and we certainly have an ample surplus, even without "war revenue" taxes or taxes from any other source, to tide over the Government until January 1, 1915, and many months beyond. With reduction in expenditures we would need no new taxation at all. Ordinary common sense would have dictated such a course, yet the Democratic Party, the "friend of the people," prefers taxing the people to using the Government's own money deposited in the banks or reducing expendi-

The Democratic tariff bill is not only a failure from a revenue standpoint, but it is a failure from a business standpoint. It has transferred our foreign trade from a favorable to an unfavorable national balance. In other words, it has made us poorer nationally. During the last year of the Republican tariff, ending June 30, 1913, we sold abroad more than we bought abroad goods to the value of $652,875,915, and we had this wonderful balance of foreign trade in our favor for many, many years, and as a Nation we were happy and prosperous, the envy of all the nations of the world.

After the new Democratic tariff law got fairly under way and months before the European war was dreamed of the balance of trade began to run against us. During April, May, June, and July, 1914, the balance of trade was against us. In those four months we bought abroad more than we sold abroad over $20,000,000. We pay this difference in gold to the foreigner.

During the same four months in 1913 we sold abroad more than we bought abroad $168,490,733. Then the difference in gold was paid by the foreigner to us. This was under a Republican tariff.

Which system is the best, the one that loses us $70,000,000 in revenue per annum, changes the balance of trade in our favor of $168,000,000 to one against us of more than $20,000,000 in four months, increases foreign imports about $160,000,000 in eight months, taking our gold to enrich the foreigner, or the one that makes the foreigner pay to enter the American market and that brings to our country each year an average balance in gold of $650,000,000 to enrich our people?

Under which system are our people happier, more contented, and more prosperous? There is only one answer to this question, and this will be indicated by a Republican House of Representatives here after November.

In connection with this discussion I may add that the theory of Democracy that the Republican tariff was the cause of high prices is as certainly disproven by the hard facts of everyday trading as it is possible to disprove any theory. We have a Democratic tariff now, and prices are not lower, but higher. There is not an article affecting the common people placed on the free list or the duty on which has been lowered that can be bought any cheaper to-day than when the duty was on. The Democrats reduced the duty on sugar 25 per cent on March 1. The consumer has bought his sugar at no lower price, but, as a matter of fact, has paid more for it. Boots and shoes were placed on the free list, and boots and shoes have gone up in price. Wheat was placed on the free list, but flour is not cheaper, and in fact harder to buy. Wool was placed on the free list, but flannel shirts are no cheaper. It is not necessary to enumerate additional articles showing this situation. Every housewife in the country knows the conditions well.

The reduction of tariff duties without lowering prices to the American people also demonstrates that the consumer has not been paying the tariff duty on articles upon which there is competition in this country. If there is any principle ever advocated by any political party that has been thoroughly disproved and discredited, it is the Democratic argument that if a tariff duty be placed on an article produced in this country the consumer pays that tariff duty as a tax. The Democrats have howled and raged and stormed all over this country that the consumer was being taxed to death by the tariff duties. We hear nothing of this now. Instead they talk of European wars, of the Mexican muddle, of Philippine independence, of anything to keep away from their delinquencies.

One by one the theories under which the Democratic Party was intrusted with power are discredited by the experiences of the American people. What is the sum of this whole matter? War taxes of $105,000,000 in time of peace is the price we pay for Democratic war on American industry; for Democratic extravagance; for Democratic incompetency.

Shall the Pendulum Swing Back?

EXTENSION OF REMARKS

OF

HON. ARTHUR R. RUPLEY.

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 14, 1914.

Mr. RUPLEY. Mr. Speaker, the Sixty-third Congress is drawing to a close. In a representative capacity we have a commission, not an office. We must submit our briefs to the people. Election is near at hand; our commissions will be renewed or canceled as the result of our representative system. We must render an account of our stewardship.

As I read history, no period is brought to view where the people, realizing their responsibilities, played so important a part as in the election of 1912. The old-time idolatrous devotion to the Republican and the Democratic Parties was not so prevalent. The voter was thinking, and in his thinking period he cast his ballot. This was a healthful condition of the public mind—a full realization of the responsibilities of citizenship—and the voter was guided by party platforms, their promises and covenants.

To continue this condition and maintain an increasing intelligent citizenship, it is imperative that these covenants, promises, and pledges become real live enactments.

As Representatives, elected by the people, we become a party to a contract with the people. They not only will and desire, but demand by their votes the enactment into law of the pledges contained in the Democratic platform, and, I may also say, in the Progressive platform. The Democratic voters and the voters for the Progressive principles constitute the vast majority of all the people of this great Republic.

The first demand of all the platforms—Democratic, Republican, and Progressive—was an immediate downward revision of the existing high, and in many cases prohibitive, tariff rates. To the Democrats was intrusted the solution of this great economic problem, this tremendous responsibility.

To frame a new tariff bill which would result in revision downward and have no deterrent effect upon the great industrial world was a gigantic task. If a tariff bill were fundamentally correct, scientifically drawn, it could not be tested out in a brief period of twelve months. A great restless people, interested in profits and wages, had great expectations of a tariff bill that would meet every condition—automatically change a sliding, slipping business into one of immediate and ever-increasing prosperity—a harvest without sowing—results from remedies before the healing time—was the severe test applied by the reactionary Republicans, in whose hands largely rested the great business interests of the country. In nursing the patient, however, they deliberately violated the doctor's orders and exposed it to all sorts of danger—criminally reckless of their responsibilities and obligations. The people's representatives and not theirs was the directing force, and it was their fervent hope and prayer that the patient would not survive. Born of a desire for power, no government should succeed but one of their making. They never intended that the Democratic tariff measure should succeed—their one thought was to be returned to power—power for reactionaries at the price of their country's ruin. This was not too large a ransom for them to pay.

Representatives of all parties—Democrats, Republicans, and Progressives—voted for the tariff bill, in answer to the will of the people. Most of them believed in the principles of a real protective tariff for infant industries and those needing protection, and that monopolies and trusts that were unfair to labor or conducted business in violation of Federal statutes were not entitled to protection. That labor and capital should share in the profits derived from protection and in that sharing labor was not to suffer more than capital, nor capital more than labor. In the repudiation of the Payne-Aldrich tariff bill, it was clearly established that high tariff rates favoring monopolies and granting special privileges would not be tolerated by the American people.

All tariff is for revenue, either limited to the necessities of government, or highly protective, producing great revenue and wealth. In the present world condition either plan would produce little revenue—not even sufficient for the necessities of the government. At a time like this should we not place patriotic principles above self, and our country above our party?

The income tax, a part of the tariff law, is the fairest kind of taxation. Under this plan those with large incomes are taxed, and those without incomes are not taxed. No one having income and profit will object to a tax of this kind.

This tax, fought for so long a period, goes upon the statute books and meets conditions, taking its place as though it were part of the fundamental law, and no protest is heard.

The banking and currency law, voicing the sentiment of the people, opposed by many banking institutions before its passage, complimented after its passage by many who had previously opposed it—a law that will prevent panics and will insure a stable financial condition, a real emergency bill at this time, is upon the statute books.

An arbitration act providing for conciliation and arbitration in controversies between capital and labor, which has already been successfully employed in preventing great strikes that would have tied up the entire railway business of the Nation, has also been enacted into law.

The enlargement of the scope of the parcel post, which has reduced the cost of transportation and become a lasting and convenient instrument of benefit to the consumer and producer, has given the people their own express company.

The Clayton antitrust bill, the trade-commission bill, and the railway securities bill (extending the Interstate Commerce Commission's jurisdiction over the issuance of railways securities) were demanded by the people from the administration and their representatives. Let us hope that these bills will make the trusts and railroads apply the Golden Rule and "do unto others as they would have others do unto them," by obeying court decrees, abandoning unfair cutthroat competition, ceasing discriminating between purchasers of their goods, disgorging control of competitors acquired under the "holding company" system, and surrendering the enormous power wielded through interlocking directorates.

All these great administrative measures were passed without strong partisan vote, Democrats, Republicans, and Progressives alike uniting in supporting them.

At this time when all the nations of the earth are warring against one another, and when in the course of events vast numbers of Europeans must attempt to enter this country, a restrictive immigration measure should be and could be very wisely placed upon the statute books. A measure restricting immigration has already passed the House. Why is it held up in the Senate? Measures which passed the House after the passage of the immigration bill in that body have taken precedence in the Senate. The people's Representatives nearly passed an immigration bill in the last administration over the veto of a Republican President. The people's Representatives in the lower branch, at this session of Congress, passed the Burnett immigration bill, with a fair educational test, by a large majority. The immigrant should at least know his own language.

The great Democratic program of constructive legislation will be without a keystone if the promises made by the Representatives to the people are not carried out in the upper branch of Congress. If this immigration measure fails, who will be responsible for such failure? Want of time will be no excuse for this omission. The American people have asked for a restrictive immigration bill; their vote was cast for such bill; their Representatives are pledged to its passage; the people of this country will not tolerate such excuse when the passage of this bill was possible.

The one big blot upon the magnificent record of achievement of this administration should be effaced by the passage of an immigration bill which was promised by the Democratic Party. This question looms up very large at this time—larger than at any other time in the history of our country—because of the conditions existing abroad. Small wonder that European immigrants will swarm to the United States after having lost homes, friends, relatives—everything which bound them to the Old Country. Small wonder, indeed, that they should turn their steps toward the only nation, peace-loving, spelling peace on every hand—this Isle of Safety—this Neutral Zone—the United States of America!

Our Democratic friends say "No President has ever made such a record." This will ring much truer if a restrictive immigration measure is promptly passed and signed by the President.

A nation of one hundred million people now has before it the solution of a new tariff law and all these great constructive measures, and every patriotic American should contribute his humble part in a stupendous effort to assist in the adjustment of these problems. Let me offer up a special plea at this time, when the whole world is at war and when not a single war speck blots our peaceful existence in the Western Hemisphere, that we owe our patriotic devotion to the Administration, to the President of the United States, the world-renowned leader of peace, and to our Representatives in Congress. Our welfare is in their hands, and at this time an untried tariff bill and other measures striking at real evils within the country, when the strongest and mightiest tariff wall is around the country, should not make us Americans cowards, unwilling to grant the time for the solution of these great economic and industrial problems and an honest trial of the legislation for human betterment. We have more protection than was ever dreamed of by the American people. None or little imports from Great Britain, Russia, France, Germany, Austria, Servia, Belgium, or Italy; but the pendulum must not swing back to the measures and platforms repudiated by nearly twelve million thinking voters.

Mexico, perpetually revolutionary, disturbed our peace. Our own people and the European nations cried for armed intervention. A big figure in the world's arena stood nearly alone for a firm policy and one of "watchful waiting"—a policy which has prevented war, much dreaded, and which has made this country the foremost peace nation on the globe. Would we wish it to be said that this great continental war started with the United States of America engaging in conflict with a sister Republic, Mexico, and finally spreading to Germany, England, France, Austria, Russia, Belgium, Servia, Montenegro, and Japan? That the young Republic of the Western Hemisphere moved by a restless desire for war against a weaker Republic, communicated this war germ to the Eastern Hemisphere, resulting in the greatest war in the history of the world and the greatest step backward in the history of civilization? Or would you have the United States of America as it is to-day, through its ministers abroad, although our embassies are surrounded by swords, guns, cannon, shrieks, and groans of the dying upon the battlefields, the guardian angel of all the peoples of the world at war—the one trusted power—the one power on which the eyes of the world are focused to carry out the obligations brought on by this frightful carnage? The American flag does not appear upon many ships, but that flag to-day appears upon the breasts of the German in Russia, the Russian in Germany, the German in France, and the Frenchman in Germany, the German in Great Britain, and the Englishman in Germany, and the German in the Japanese Empire, and the Japanese in the German Empire—to all of whom it affords safety and protection. Is not this glory sufficient for our flag?

Banking and Currency.

EXTENSION OF REMARKS
OF
HON. KENNETH D. McKELLAR,
OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 29, 1914,

Mr. McKELLAR. Mr. Speaker, on last Tuesday, during the great cotton conference called by the Secretary of the Treasury, the Secretary, Mr. McAdoo, delivered a speech which I think should have wide circulation in this country, especially in the cotton States, and therefore I ask unanimous consent that the same be placed in the RECORD as a part of my remarks.

It will be remembered that a little earlier than this, last summer, a question was raised as to whether or not there was sufficient money in the country for the purpose of moving the crops, it being claimed that because of currency agitation that there would not be sufficient money. It was at this time that Mr. McAdoo rose to the occasion, distributed money in national banks throughout the farming sections of the country, and no trouble was experienced in getting crop-moving money, and the trouble was settled.

The present situation, of course, especially with the cotton producers and dealers, is far more serious. Many and good plans have been suggested for aiding the cotton situation; but the remarks of the Secretary of the Treasury, below stated, though they were wholly extemporaneous, deal with the subject in a most practical, encouraging, and helpful way. They show that he is determined to lend every legitimate, safe, and proper aid which the Government can lawfully render under present laws to our cotton industry, and that this aid will be of immense benefit in this emergency no one can doubt.

The cotton problem is not local, but it is national in its aspects, and I think the Secretary of the Treasury is entitled to the highest praise for the help that he is lending.

"REMARKS OF SECRETARY M'ADOO AT THE COTTON CONFERENCE HELD ON AUGUST 25, 1914.

"Secretary McADOO. I want to deal with this problem. This conference was called really for the purpose of trying to devise some means of meeting the situation. With all due respect to Congressman SISSON, we did not come here to discuss the question of State bank note issues. I am perfectly willing to have

it discussed, if you gentlemen think that this is of more importance than the real issue. It is not, however, necessary for a single State bank to issue a single dollar of currency to deal with the situation; and, furthermore, let me say to you that the integrity of the financial structure of this country to-day depends on the national banks. [Applause.] They are the only ones that have come into the Federal reserve system and stood like rocks in this situation, and they are the only ones that have got the supervision that makes the issuance of national bank currency safe in this country, so that every dollar which passes from one end of this country to the other may be accepted at par and without the slightest doubt or hesitation upon the part of the man who takes it that he will get dollar for dollar for every piece of paper of that character that comes into his hands.

"I am not old enough to know what happened prior to the Civil War, but I do know this from history—and we can not ignore history—that before the national-bank act was passed every man to whom a circulating note was offered in payment for anything had to get the Secret Service or a detective agency or a commercial agency, or something of that sort, in motion to trace up that issue and ascertain whether or not it was worth anything; and if you are going back to the days of wildcat State issues of currency, you will destroy the whole financial fabric of this country. I make this statement, gentlemen, because I think it is important that it should be understood now.

"Congressman SISSON. There is no law that prevents that State bank from issuing currency now, is there?

"Secretary MCADOO. Yes, sir.

"Congressman SISSON. The 10 per cent tax?

"Secretary MCADOO. I think that is enough.

"Congressman SISSON. They have made it unconstitutional to pass a law preventing a State bank from issuing currency.

"Secretary MCADOO. You asked me if there was anything to prevent it.

"Congressman SISSON. But it is unconstitutional to pass a law directly. You have done indirectly what you could not do directly.

"Secretary MCADOO. I do not know who did it, but I think it was a wise thing for somebody to have done. [Applause.]

"Now, gentlemen, let us get down to business. Enough power exists in the Secretary of the Treasury to-day to issue more currency than you can ever use to finance the cotton crop and all the other crops in this country. If you will pardon me for a moment I think it is important to clarify the atmosphere. You can not issue State bank currency anyway, so what is the use of talking about it? Let us get down to a practical basis and try to solve these problems. There is enough currency authorized by law to-day to wreck the United States of America, and the danger in this situation, gentlemen, is that by ill-considered views and ill-considered actions we may put out so much inflationary paper money that we will ruin the country. [Applause.]

"A very wide discretion is lodged in the Secretary of the Treasury about the issue of the national-bank currency. It imposes upon the Secretary of the Treasury a degree of responsibility which I myself wish I did not have, but which I am bound to exercise with all the intelligence and capacity God has given me, and I hope He has given me enough to enable me to deal with this problem with intelligence and capacity. [Applause.]

"But you gentlemen must remember that this issue of currency is not Government money. The Government has not got money that it is going to hand out to anybody. The only money in the Treasury of the United States to-day is the gold fund, the surplus over and above its liabilities, amounting to about $130,000,000, and that is none too much to enable this Government to carry on its business and to take such reasonable measure of protection for the general interests of the country as the use of any surplus part of that fund may enable it to do. But the issue of currency that you are speaking of is currency issued to the national banks of this country upon live assets, and even that currency can not be issued with safety unless those banks put behind it a fair measure of gold reserve; because, after all, in order to get a safe basis of credit and a safe basis for the conduct of the business of the country, you must have a metal base behind this currency proposed to be issued, and therefore the law imposes the duty on the Secretary of the Treasury of requiring that a gold redemption fund, not less than 5 per cent, shall be put behind this identical currency, and that at any time it becomes necessary, in his judgment, to require an increase of that redemption fund he shall exact it, and that is exactly what he is going to do. So long as he has power to deal with the situation he intends to see that all these currency issues are safe, because, I tell you gentlemen, you can not bring upon this country a greater disaster than an inflation of the currency to a point that is going to wreck the whole fabric of credit. [Applause.]

"Congressman SISSON. Will you permit one interruption? Do you believe, then, that under the present law, if the cotton security is offered, that the banks under the present law are able to take care of the situation?

"Secretary MCADOO. Why, they can get all the currency that is necessary to take care of this situation. I stated it here yesterday, and I repeat it now.

"A MEMBER. Let me ask you just one question, please. Tell us how to do it and let us adjourn. [Laughter.]

"Secretary MCADOO. I will tell you how to do it, so far as getting the currency is concerned, but I can not tell you how to defy every law of nature and every law of business in order to do it. What you must do, gentlemen, is to consider this: That nobody can arbitrarily fix prices. The National Government can not do it; let us get away from that; let us try to be practical. The States can not fix prices for one commodity, or for all commodities, and get away with it. The history of civilization shows that nations have been strewn with wrecks of that character. I need only call your attention to the condition of France in the French Revolution, when similar things were attempted, and resulted in the prostration of industry, credit, and everything in the land.

"Mr. NESBITT. If you will keep your head, Mr. Secretary, while all around you are losing theirs and blaming the situation on you, you will save the country and prove yourself the man we believe you are.

"A MEMBER. We indorse that statement.

"Secretary MCADOO. If you attempt to valorize—in the first place, it could not be done, because nobody can pass such a law; it is a perfectly wild and ridiculous expedient and should not be resorted to in any circumstances. When you seek to do that, what have we then? I received a telegram this morning from a man representing the canning industry, asking me to do something of the same sort, and saying that if any valorization was going around they wanted to share in it. Of course they do, and ought to have it. If we are going to go into that, we shall have to valorize everything. You will have to valorize canned salmon, wheat, corn; you will have to valorize every single thing produced in this country, because, as I tell you, gentlemen, the shock of this great cataclysm in Europe has affected for the moment every line of industry. Of course, somebody is going to get hurt. You can not help that. It is our business not to see that nobody shall be hurt, but it is our business to keep in touch with the situation, and, if possible, to prevent anybody from being hurt any more than is absolutely necessary, and that is all you can expect to have accomplished.

"I want to say in connection with this emergency currency or this national-bank currency, which the Secretary of the Treasury is authorized to issue, that the conditions are simply these: I have encouraged throughout this country the organization of what we call national currency associations. Those are associations of the national banks of this country. Those national banks constitute a homogeneous strong financial bulwark in this situation. Why? Because they have the power of the National Government behind them and are compelled to live up to certain sound laws of finance and administration. They are under governmental inspection and examination. They have a uniform system of examination so that a national bank in one State is examined exactly in the same way that a national bank is examined in another State. We have the reports from them from all parts of the country, and we know their condition. That is the reason they are, as I said before, a homogeneous whole and a strong bulwark in this situation. Those banks, upon organizing these associations, have the right, upon application to the Secretary of the Treasury, to get 125 per cent of their unimpaired capital and surplus, provided a bank has a surplus of 20 per cent—it can not have less than that—in national-bank currency, to be secured how? To be secured by 30 per cent of commercial paper and 70 per cent of securities of a kind acceptable to the Secretary of the Treasury.

"I stated here yesterday that it was my purpose to accept from the banks of those currency associations notes and obligations secured by cotton-warehouse receipts, properly certificated, and issued by responsible warehousemen or warehouse companies. I do not say that those warehouses have got to be built of brick, stone, steel, or anything else, or that they must be bonded. All I ask is that those warehouses shall be of such a character as to protect the cotton itself from deterioration or destruction, with adequate insurance against fire, and backed by responsible agencies, so that when their warehouse receipts are issued we know that they represent something actually in storage there, something that can be had on presentation of receipts. I said we would accept those as security under this act. What does that mean? It means that the national banks

of this country can borrow to the extent of 70 per cent of their unimpaired capital and surplus on notes secured by warehouse receipts for staple products—not alone cotton—that I think it is safe to lend on.

"Now, is not this the simplification of the situation? The Government has no agencies, and it ought not to attempt to do this business. It is not the business of the Government to do this sort of thing, to make loans, to trace out the location and security of every bale of cotton behind one of these notes that is made the basis for this currency. The banks are the proper agencies. They are highly organized; they are in every part of the country, and so long as they are put in possession of the means of financing these things it is their business to finance them. And I know that they will be glad to finance them if they can get the resources, and all that these banks have got to do—all these associations have got to do—is to make application for currency under that act and comply with its provisions. I believe that if they will do that, acting always with prudence—acting with a very high degree of prudence and common, ordinary business judgment—that all the money that this country needs or ought to have for the financing and carrying of this cotton crop until it can be marketed and sold is largely in hand.

"What have you got to do? You have got to get your warehouses in shape. You made a good start in that direction yesterday. They need be, in my judgment, only of the simple character I have described. And, as has been referred to heretofore, the national banks, if they get plenty of circulation, are going to let the State banks participate in it. Why? Because even if they did not want to do so, they could not help themselves, because every man who knows the most elementary thing in economics and finance knows that when you put a dollar in circulation you can not control its movements. If you turn money over to the national banks it will find its way to the State banks inevitably, because when that bank issues currency it pays it out to somebody—pays it out to you—and you take it over and deposit it in the State bank, and the State bank participates, of course, in that money which is put in circulation. Why, the State banks participate to such an extent that the national-bank notes now issued are held by them as a part of their reserves, and it is the amount and volume of money in circulation that has an effect upon this situation, and it does not necessarily have any relation to the particular agency of issue. As a matter of fact, we could have only one single bank in this country issuing the currency, but if it issued enough currency to go around it would get into circulation and everybody would get a part of it. It is not necessary to have everybody issuing currency. The national banking system of this country, properly inspected and under governmental supervision, should be the controlling agency for the issue of this currency, in order that we may know that every dollar that is in circulation has been supervised by the Government and that it will pass current wherever it appears.

"I had not intended, gentlemen, to make these remarks at the moment, yet it seems important to do so, in order to clear the atmosphere so we may get down to the real practical questions before us.

"A MEMBER. I have just one more question. We are all with you and indorse your statements, and indorse them as correct. But now, how can the State banks get the benefit of the currency issued unless they become members of the association? Would you explain that to us, sir, please?

"Secretary MCADOO. I thought I had already answered your question pretty completely. If the national banks take out circulation the State banks inevitably get the benefit of it, because you can not put out any money which they themselves do not participate in the use of.

"A MEMBER. We understand that.

"Secretary MCADOO. The State bank does not have to get the circulation direct.

"A MEMBER. That is the object of my question.

"Secretary MCADOO. They can not get it directly, but can get it indirectly. This is what is happening in the Treasury Department every day. State banks are actually depositing their securities with the national banks, and the national banks are getting the issue against those securities and turning it over to the State banks. It is perfectly simple to get it. There is no difficulty about that. All you have to do is to have proper security.

"A MEMBER. Right on this point I want to say that I propose to telegraph on to have a warehouse ready. I leave for New York to make arrangements for my national correspondent to do this business for the State banks.

"Secretary MCADOO. You can do it through the national bank in your own community, if necessary."

Secretary McAdoo later added the following as a part of his remarks:

"Among the eligible securities to be used as a basis for the issue of currency, I have decided to accept from national banks, through their respective national currency associations, notes secured by warehouse receipts for cotton or tobacco, and having not more than four months to run, at 75 per cent of their face value. The banks and the assets of all banks belonging to the currency association will be jointly and severally liable to the United States for the redemption of such additional circulation, and a lien will extend to and cover the assets of all banks belonging to the association and to the securities deposited by the banks with the association, pursuant to the provisions of law, but each bank composing such association will be liable only in proportion that its capital and surplus bear to the aggregate capital and surplus of all such banks.

"This plan ought to enable the farmers to pick and market the cotton crop, if the bankers, merchants, and cotton manufacturers will cooperate with each other and with the farmers, and will avail of the relief offered by the Treasury within reasonable limits. Such cooperation is earnestly urged upon all these interests. The farmer can not expect as high a price for cotton this year because of the European war, yet he should not be forced to sacrifice his crop. The banker and the merchant should not exact excessive rates of interest, and the manufacturers should replenish their stocks as much as possible and pay reasonable prices for the product. If this is done, and it can be done if everyone displays a helpful spirit, a normal condition can be restored, and there ought to be no serious difficulty in taking care of the cotton problem.

"This is a time when the entire country expects that purely selfish interests shall be subordinated to the common good; that undue advantage shall not be taken of the necessities of each other. I am happy to say that this spirit seemed to animate those who attended the so-called cotton conference held at my request in Washington on August 24 and 25.

"Since the law leaves it entirely in the discretion of the Secretary of the Treasury to issue or not to issue the currency to which I have referred, I shall not hesitate to refuse it if I am convinced that it will be used merely for speculative purposes instead of for the operation of harvesting and carrying the crop until a reasonable market can be found and for the needs of legitimate business.

"It is not my purpose to prescribe the character of warehouses in which cotton and tobacco may be stored. The banks will be relied upon to see that warehouse receipts issued by responsible warehousemen or warehouse companies alone are accepted, and that the cotton and tobacco stored in such warehouses is covered by adequate fire insurance and is protected against injury by the elements.

"In order to obtain such currency the following things should be observed by banks applying therefor:

"1. Not less than 10 national banks in any given territory, each having an unimpaired capital and surplus of not less than 20 per cent, desiring such currency shall form a national currency association, with an aggregate capital and surplus of not less than $5,000,000, as required by the act. Full particulars and blank forms for this purpose may be had upon application to the Comptroller of the Currency, Washington, D. C.

"2. Any national currency association formed in accordance with law will receive the approval of the Secretary of the Treasury. Already 37 such associations have been organized in the various States.

"3. Under the law the Secretary of the Treasury may accept as security for currency—

"(a) Bonds of any State or of any city, town, county, or other legally constituted municipality or district in the United States which has been in existence for a period of 10 years and which for a period of 10 years previous to such deposit as security has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it and whose net funded indebtedness does not exceed 10 per cent of the valuation of its taxable property to be ascertained by the last preceding valuation of property for the assessment of taxes.

"(b) Any securities, including commercial paper, approved by the Secretary of the Treasury, held by a national bank and made available through a national currency association under the direction and control of the Secretary of the Treasury at not exceeding 75 per cent of the cash value of such securities or commercial paper.

"(c) No national bank shall be permitted to issue circulating notes based on commercial paper alone in excess of 30 per cent of its unimpaired capital and surplus.

"4. The total amount of currency issuable to any bank, including its circulating notes issued against United States bonds, shall not be more than 125 per cent of its unimpaired capital and surplus.

"5. Each bank or currency association receiving currency must maintain in the Treasury at Washington a redemption fund in gold of at least 5 per cent. The Secretary of the Treasury may at any time require such additional deposits in gold as in his judgment may be sufficient for the redemption of such notes.

"I am convinced that there is adequate power under existing law to issue through the national banks all the currency to meet any reasonable demand that may develop in any part of the country, and that it is not necessary to extend the note-issuing privilege to State banks.

"The Secretary of the Treasury already has the power to issue one billion dollars of additional national bank currency if it should be required, but I can not imagine a condition when any such need will arise."

Rural Credits.

EXTENSION OF REMARKS
OF
HON. CHARLES H. DILLON,
OF SOUTH DAKOTA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, August 20, 1914.

Mr. DILLON. Mr. Speaker, the European countries have made great progress in the development of rural-credit systems. Germany commenced developing a rural-credit system as early as 1832. The bond issue is based upon the mortgages of many individuals and guaranteed by the State.

France started the system in 1852. In 1899 district agricultural banks were established with Government funds.

Austria started rural credits as early as 1869 with a number of provincial banks. These banks issue bonds which are guaranteed by the Province and are operated with but little initial capital. Loans are made at low rates on amortization annuity.

Hungary gives substantial aid to the farmer, carrying on its work through credit cooperative societies. Mortgage bonds are issued and guaranteed by the State governments.

In Switzerland the banks are furnished with capital by a State bond issue. These banks deal directly with the farmer, mortgages running as long as 59 years at low rate of interest.

Denmark loans directly to the farmers at 3 per cent interest up to 90 per cent of the value of the property.

New Zealand issues bonds at 3 to 3½ per cent and loans to the farmers. The Government expense of handling the loans is fifteen one-hundredths of 1 per cent, the mortgages running 36½ years. It is said the Government policy reduced rates of interest from 8 per cent to 4 per cent on farm loans.

Norway loans up to 60 per cent of the value, mortgages running 40 years at 4½ per cent. Bond issues are obligations of the Government.

Italy has three main banks with no shareholders. The State gets the profits. Loans are made to the farmers at 5½ per cent and carry interest and amortization.

In Australia loans are made direct to the farmers. The State obtains money by bond issues. Loans are with amortization and run as long as 36½ years.

For Ireland an appropriation was made for aiding the farmers in buying homes and assisting them in building cottages and granting long time for payment.

Russia, through its land-mortgage banks, purchased large estates from landlords and cut them up into small farms. The banks took mortgages running 55½ years, allowing annual payments, including amortization and costs. The Government obtained the money by bond issue.

A Government agricultural bank is now in operation in the Philippine Islands. It is being operated with good results and has reduced interest rates.

In Nova Scotia farm lands are bought, divided into small tracts, buildings erected, and the farmer is given long time to make payments. The Government borrows the money to make the purchases.

The European commission states that the loans in Europe vary from 30 to 60 years; that the charge for administration varies from fifteen one-hundredths of 1 per cent to thirty-five one-hundredths of 1 per cent; and that the borrower has the right to discharge his obligation at any interest period after a fixed time; that in every instance where Government capital has been granted to establish mortgage credit of any nation the result has been favorable to the agricultural interests.

The rural credit system in Europe has justified its existence. Success has everywhere followed the movement through its evolution, and history records but few failures in its advancement.

States, counties, cities, villages, and townships, ever since the formation of our Government, have issued bonds for public improvements, the security being the property within such political subdivision issuing the bonds. Behind the municipal corporation debtor is the taxing power through which agency the bond issue is liquidated. This principal has been extended to drainage districts, public roads, sewer and paving districts.

The laws giving cheap credit to the municipal corporations have never been applied to the advantage of those engaged in agricultural pursuits. It now remains to apply these old-time principles to a combination of borrowers, whose assets form the base of a credit system. The farmers execute their individual mortgages, and these individual mortgages are combined into one financial transaction upon which long-time bonds are issued and sold.

The foreign countries have for years been aiding the farmer in his productive work. They give him instruction in scientific methods of farming, they shield him by tariff against destructive competition, they aid him in cooperative methods of selling and buying, and they provide him with long-time loans at a low rate of interest.

Let us appropriate and use this knowledge and experience for our people. The United States has wonderfully aided the farmer in educational methods. It has until recently protected him against foreign competition, and has built up great manufacturing industries, giving him a home market for his products. It has, however, failed to give him any just credit system. He has been compelled to wage his own fight against those who controlled his credit and his products, the usurer and the speculator.

The cost of living should be reduced, not by importation of food supplies but by increasing our food supplies, by giving the farmer greater productive power and better facilities, by increasing his earning capacity, by helping him to get credit for his operations, by protecting him against the foreign producer, and by assisting him in getting a fair profit for his labor.

The old banking law gave service only to those engaged in commerce and industry. The good real estate mortgage was not bankable credit. The Federal reserve act is wholly in the interest of commerce and does not supply the farmer with credit for his productive development nor with a credit for holding his products. Those engaged in commerce and industry obtain credit; for money at 4 per cent or 5 per cent interest while the farmer must obtain his credit through the money lender, costing him for loans, commission, and expense 8 per cent interest.

High interest rates, the need of credit, small earnings, want of cooperation in the marketing of his products, competition with the foreigner, increasing long hours of toil, and discouragement hold out but little inducement for the boys and girls to remain on the farm. The back-to-the-farm movement will never be realized until farming becomes a profitable business and until agriculture is placed upon an equality with other industries.

At the beginning of our Government 90 per cent of our people were engaged in farming. Now only about one-third are so engaged. Twenty-seven and three-tenths per cent of the value of the farms are now under mortgage. In 1900 the average farm mortgage was $1,224. In 1910 it was $1,700.

The farm owners and farm tenants are struggling under a debt of nearly $6,000,000,000, with an interest burden of $510,000,000 per annum. It is estimated that the farmer does not receive more than 2 per cent on his investment above a fair price for his labor.

What kind of a rural credit system are we to have—one controlled by the money lenders or one in the interest of the borrowers?

President Wilson on the convening of Congress in regular session urged "that special provision be made for facilitating the credits needed by the farmers of the country." He further said, "The farmers, of course, ask and should be given no special privilege, such as extending to them the credit of the Government itself."

The Secretary of Agriculture also opposes Government aid. We are told that governmental aid would be helping private enterprise, granting special privilege, establishing a paternalism; that our farmers do not want special privilege and ought not to have it.

The force of this argument might be admitted if the farmers were to be the sole beneficiaries. Legislation which benefits the whole people can not be said to be paternalism nor is it

class legislation. It is a broader question, going beyond classes; one that vitally affects the interest of all of our people.

Some policy must be inaugurated that will take a part of the people now congesting the large cities and locate them upon the farms, that the benefit of their labor may flow to all classes of our people. The congested condition of our cities is a menace to our national life. If continued it means decay in our civilization.

The feeding of the people is a great governmental policy. More farmers are needed, not for the benefit of those now engaged in that industry but for the benefit of all of those who consume the products of the farm. By assisting the farmers we assist everybody. It is said that France has provided Government loans to the farmers at 2 per cent per annum, and when the farmer stays upon the farm until he is 65 years old he is given a pension for the rest of his life.

The Postal Savings System, established in 1910, had on June 30, 1913, funds amounting to $33,818,870. Its resources were invested in Government bonds to the amount of $117,960 The balance of the money above the 5 per cent reserve and what is needed for current expenses is loaned to the banks at 2¼ per cent interest. If it is a governmental policy to loan to the banks why not extend the principle, and make loans direct to the farmer upon his good real estate security?

It would not be class legislation or paternalism as much as the custom of turning over to the banks millions of dollars at 2 per cent and 2¼ per cent interest and allowing them to loan the money thus obtained at a high rate of interest.

In one instance it helps only a special class, while in the other it would help all of the people. Government loans direct to the farmer would not interfere with the Federal reserve banking system as that system will control the commercial loans, while the Government and State should make loans to the farmer on his good real estate mortgage or lend their credit in the form of a guaranty of bond issue based on many individual mortgages, and thus free the system from the money trust, encourage agriculture, and bestow upon all of our citizens a lasting benefit.

The Ceremonies Attending the Unveiling of the Statue to Commodore John Barry in Washington, D. C., Saturday Afternoon, May 16, 1914.

EXTENSION OF REMARKS

OF

HON. JOHN J. EAGAN,

OF NEW JERSEY,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, September 16, 1914.

Mr. EAGAN. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include an address of Hon. JAMES A. HAMILL, of the twelfth district of New Jersey.

The address is as follows:

SPEECH OF CONGRESSMAN JAMES A. HAMILL, OF THE TWELFTH DISTRICT OF NEW JERSEY, AT THE CEREMONIES ATTENDING THE UNVEILING OF THE STATUE TO COMMODORE JOHN BARRY, IN WASHINGTON, D. C., SATURDAY AFTERNOON, MAY 16, 1914.

The chapter of our country's history which pictures the period of the Revolution will ever contain for us the richest sources of patriotic inspiration. The story of that time "that tried men's souls," with its struggles, self-sacrifice, and trials, teaches us to comprehend more vividly the heaven-born principles and ideals on which this Government was founded and enables us to estimate more truly the precious value that attaches to our common inheritance of American citizenship.

But history is not an impersonal matter. It is woven out of the achievements and failures, out of the triumphs and defeats, of those whom it describes, and it can not be properly understood unless we penetrate the motives and purposes of the characters who live in it. Biography therefore has well been termed "the key to history."

And so we now draw aside the curtain that conceals the past and illustrates the lofty and unselfish patriotism that characterized the Revolutionary era by contemplating the life and services of one of the most glorious in the galaxy of American immortals. We dedicate this beautiful May afternoon the affectionate offering of a grateful Nation's homage to his memory and here in the Capital City unveil this splendid monument, so that his fame may flourish as long as the land he lived and fought for endures, and that posterity, gazing upon it, may profit by a lively remembrance of the sterling worth and sincere loyalty of America's illustrious sea king—Commodore John Barry.

What name on the long and shining roll of our heroes is more fitted to thrill our pulses or worthier of our unbounded admiration? What deeds have lent brighter luster than his to American arms upon the sea? What services were more generous or unremitting than those rendered by Barry? "I serve the country for nothing," was his remark, and that service was rendered in ample and ungrudging degree. He threw himself into the Revolutionary struggle at the commencement, and he continued in it with unabated energy and ardor until its close. He commanded the first vessel that put to sea under authority of the Continental Congress; he was first to unfurl from the masthead the American flag upon the oceans—the same flag that Washington hoisted at Cambridge in January, 1776; he captured and carried to his country as prize the first armed vessel of war that ever struck her colors to an American ship; he commanded the *Alliance*, the fleetest and stateliest vessel of the Continental Navy; with his own ship alone he almost invariably in naval conflict contended against two vessels of the enemy, and generally succeeded in capturing both as prizes, while it required two hostile vessels to inflict upon him the single naval defeat he ever experienced; he superintended the construction of the ships which formed the beginning of our present Navy. He received personally from the hand of Washington commission No. 1, creating him ranking officer and head of the United States Navy. He served all through the mighty conflict, not only upon the sea but upon the land as well, and his tired hands rested from toil and his great heart ceased to throb for his country only when it was stilled in death. This prince of American patriots was in truth no ordinary mortal.

In County Wexford, Ireland, John Barry first saw the light in 1745. No strange portents marked his advent into the world, No stars fell from the firmament, and he was born not to high but to humble station; the event of his birth was not heralded as something of great importance. It created scarcely a ripple of attention in the quiet rural Townland of Ballysampson. It was merely another soul come to live and struggle in a land which, though rich in resources, had been legislated into poverty, and where the iron heel of oppression was employed in a futile endeavor to crush out a national spirit which for centuries had fought a heroic but unavailing battle for freedom. But the spirit that entered the world under these unnoticed circumstances was destined one day to challenge the supremacy of his country's conqueror and to wrest from her the proud title of mistress of the seas. Such is the origin of most men of achievement.

Barry left Ireland in early boyhood. He went first to the island of Jamaica, and from there came to Philadelphia when about 15 years of age.

We find him at the age of 21 commanding the merchant ship *Black Prince*, which arrived at Bristol, England, in 1775 after a voyage from Philadelphia. In the month of June of that year he was in London. Here he first learned of the revolt of the American Colonists. The shot fired by the embattled farmers, which was heard around the world, reechoed in the capital of the English nation. Lexington had been fought and the people of America were preparing for the momentous struggle which lost to England the brightest jewel in her crown and created this Nation, which ever since has been, and we pray ever will be, the land of hope and opportunity to earth's oppressed people everywhere.

Barry was at that time rapidly climbing the ladder of prosperity. Fortune had smiled upon him, and his prospects for amassing wealth and rising into importance were of the brightest.

The voice of selfishness would have prompted him to offer his allegiance to Great Britain. The outlook for victory to the colonies was gloomy in the extreme, and the probability as it then appeared was that loss of property, if not life, would result from an espousal of the patriot cause. For a seafaring man the risk was hazardous in the last degree, because practically every merchant ship was under the British flag. But the heart of Barry was not amenable to considerations of this character. He heard the call of his country and hastened across the Atlantic to respond to it. Arriving at Philadelphia on October 13, he immediately tendered his services to the Continental Congress, which were so eagerly accepted that on the very day they were offered he was appointed to duty, with the commission of captain, the highest naval rank at that time conferred.

Congress had resolved to equip and man two armed cruisers, and to the larger of these, the *Lexington*, so named in honor of the first battle of the Revolution, Capt. Barry was assigned. This was the first naval force created by the Congress, and

Barry was intrusted to command it. Still this first feeble effort to create an American Navy was not accomplished without extreme difficulty. The plan encountered stubborn opposition. There were some who regarded the whole affair as the height of folly and futility. That a few armed American vessels could cope with or even challenge the unconquered naval power of England was an idea which appeared so preposterous and visionary that the project was looked upon by many thoughtful men as a foolhardy venture. "It is the maddest idea in the world," declared Samuel Chase, of Maryland.

But the daring and successful exploits of Barry proudly and promptly justified the venture. Through the Delaware River, then choked with ice and rendered perilous by the presence of the enemy's war ships, he succeeded in bringing the *Lexington* out into the open sea. This was the first time the flag of the United States had been unfurled on the waters, and the event has ever since been memorable in our history.

Cruising for a week along the coast of Virginia without capturing any prizes the *Lexington* finally, on April 7, 1776, fell in with the British war ship *Edward*. Barry riddled her in a terrible manner, and after she had surrendered carried his captive to Philadelphia. This was the first vessel of war ever captured by the American Navy. The joy in patriot circles was great, for the capture was of immense advantage to the colonists. It effectually silenced the carping voices of the critics, and demonstrated that our infant Navy, though small in numbers, could successfully contend on the sea against her powerful enemy. "We begin," said John Adams the day after Barry brought in his prize, "to make some little figure in the navy way."

Barry was rewarded for this exploit by being given command of the ship *Effingham*, then under construction. But at this time affairs in the patriot Army were in a deplorable condition. Washington had retreated across New Jersey, hotly followed by Cornwallis. His Army was disspirited and rapidly disappearing. "In 10 days," exclaimed he, despairingly, "this Army will have ceased to exist"; and he called upon Congress to reinforce it. Treason was rife everywhere, and many who formerly had been stalwart in their fidelity were rapidly returning to British allegiance. But the stout heart of Barry did not grow faint, nor did his energies flag in support of the cause in which he had enlisted. When not engaged on the sea he busied himself on the land. We find him leading a company of volunteers for the assistance of Washington's Army and aiding in the transport of troops across the Delaware to the brilliant Battle of Trenton. When the British captured Philadelphia he industriously engaged in harassing the enemy in the lower Delaware and destroying their supply ships. One exploit of his at the time was so daring and well conceived that it forms a most noteworthy achievement of his life.

On the evening of March 7, 1778, he, with 27 men, in four rowboats, slipped down the Delaware and in the early dawn espied a large armed schooner, mounting 10 guns. Those on board the warship paid little attention to a mere handful of men in four rowboats. But before they were aware of the fact, Barry and his men had come alongside and jumped on the deck of their vessel. The frightened Britons rushed panic stricken down the hatches, which were promptly fastened down. The schooner with the two transports which accompanied her were taken into port, and when the sailors were released from the hold of the vessel it was found that Barry with 27 men had captured 1 major, 3 lieutenants, and 130 armed soldiers, sailors, and marines. One writer, speaking of the feat, has declared that "for boldness of design and dexterity of execution it was not surpassed during the war." The capture had a far-reaching effect. It terrified the British Army in Philadelphia, for it subjected them to constant fear that their supplies might at any time be cut off by an enemy which, though weak in naval equipment, could with so little means accomplish such great results. More than that, it cheered the heart of Washington at Valley Forge and renewed the spirit of the Continental troops. Washington, writing to Barry after this capture, said, "may a suitable reward always attend your bravery," and to this let us add, may that bravery always be recalled with gratitude and pride by this people, whose independence was won by the aid of Barry's incomparable courage and genius.

Let us refer briefly to a naval fight which Barry lost, but against odds so overwhelming and after a defense so gallant that his conduct on the occasion has served to enhance his fame.

He was assigned to command the *Raleigh* and on September 28, 1778, was ordered to go in quest of the British frigate *Persius*, which he was directed to "take, sink, burn, or destroy," together with any other of the enemy's vessels he might fall in with. He sailed from the port of Boston, and when out several days was attacked by two British frigates, one of which was larger than the *Raleigh*, while both combined carried more than double the number of guns. The battle raged from 5 in the afternoon until midnight. Barry continually frustrated the attempt of the larger ship to prevent him from making the shore. Finally, when he saw victory was impossible and that defeat was impending, he decided, if he could do so, to run the ship ashore. This feat was successfully achieved, and he and his 85 men landed safely and escaped. He set fire to the ship and would have succeeded in burning it had it not been for the negligence or treachery of a midshipman, who extinguished the flames and permitted the ship to be captured. The Secretary of the Navy board, in informing Congress of Barry's loss in this unequal battle, in which one ship contended with desperate valor against two, declared that "perhaps no ship was better defended." Cooper in his History of the Navy has written, "Capt. Barry gained credit for his gallantry on this occasion," while the Pennsylvania Post, at the time voicing public opinion, stated that "his good conduct and bravery are universally allowed."

After this fight Barry was without a regular war ship, and he took command of a privateer, harassing the enemy's commerce and inflicting such havoc that the merchants of England began to clamor for the cessation of war.

In the fall of 1780 the Continental Congress had fitted out a ship named the *Alliance*, so called in compliment of alliance with France. A swifter and grander ship never rode the waves; it was equal to any vessel in the navies of France or England, and was a perfect specimen of the naval architecture of the time. It was placed under the command of Barry, in accordance with the fixed custom of always recognizing him as senior officer and awarding him the best commands. In battle the *Alliance* was always victorious. This appointment of Barry was of immense significance. It came about the time the treason of Arnold was discovered and Washington in despair had asked "whom can we trust now." Barry's assignment to the best vessel in the service was the reassuring answer to Washington's broken-hearted inquiry.

The *Alliance* sailed to France carrying Col. Laurens, the American commissioner sent to the French court to negotiate for assistance. It sailed back again to America carrying the 6,000,000 French livres which enabled Washington to pay his troops, transport his victorious Army to Yorktown, and strike the blow which terminated British supremacy in America.

But on returning home the *Alliance* encountered two war vessels—the *Atlanta* and the *Trepassy*. So badly damaged was the ship of Barry in this fight that it was said in all the sea never "was anything less fit to float than Barry's vessel except the enemy's ships which he had reduced to a worse condition." During this battle Barry was wounded in the shoulder and carried below. While his wound was being dressed his lieutenant came down and asked leave to strike the colors. The indomitable spirit of Barry broke out, and he passionately refused permission, saying that if the ship could not be fought without him he would be carried on deck and do so himself. But before he reached the deck his enemies had struck their colors.

After this victory Barry captured nine prizes. Four of these vessels were sent to France, where they were sold for the sum of two and one-half million dollars, being the largest prize money realized in the Revolution.

The British forces having surrendered in Virginia, the *Alliance* again sailed to France, bringing home the distinguished Lafayette. The Congress considered the safe delivery of Lafayette a matter of the highest importance. Knowing, therefore, the facility with which Barry attached himself to the enemy's ships and usually brought two, at least, home with him in company, he was particularly instructed to take no prizes and to keep in mind as his sole object to make quiet and safe passage to some port in France. Barry was ever obedient to duty, though it was said of him that as he more than once avoided the tempting opportunity to capture British vessels encountered in his course he often wished, in thought, that Lafayette were in France.

On November 30, 1782, preliminary articles of peace had been signed, and on December 5 King George had prohibited the further prosecution of the war. But the last shot at sea was fired by Barry in the month of March following. He had left Habana in company with another ship carrying public moneys to America. They were overhauled by three British war vessels, and in order to save his companion ship, which was slower than the *Alliance*, and to afford her opportunity to escape, Barry for almost an hour held his pursuers at bay in a most spirited engagement. Therefore we see that Barry had fought the first and the last sea fight of the Revolution, and by his conduct during the war glorified the American Navy.

When our present Navy was created in 1794 the relative order of rank was established by the War Department, and Capt. Barry was, on February 22, 1797, assigned to the com-

mand of the frigate *United States* and awarded commission No. 1. He received this commission personally from the hand of Washington. Thus did the Father of his Country, recognizing the indisputable right of Barry to the highest place, constitute him father of the American Navy, a distinction which no one can justly deny him.

I have rapidly sketched the leading events of Barry's life; but to tell as it should be told the golden story of his career would require the scope of volumes.

Barry, though gentle in character, was also firm and resolute. He possessed the unconquerable spirit of the warrior race from which he sprung, and illustrated the adaptability of that race to military pursuits. Short-sighted oppression had driven him to America, just as it exiled many others who lived after him whom America fondly numbers among her best and bravest. Oppression always exiles the best, but his banishment was an incalculable gain to the land in whose behalf he unsheathed his spotless sword and in whose bosom his ashes now happily rest.

In all lands the unselfish heroism of those who risked their lives and fortunes for their country's liberty has been the kindly inspiration of patriotic fervor. This is especially true of the hero whose memory we venerate to-day. In the greatness of the cause for which he fought, in the purity of the patriotism which inspired his heart, in the dauntlessness of the valor which nerved his arm, and in the magnitude and value of the results he assisted in winning he takes rank among the worthiest and best of America's elect.

Let us cherish therefore most closely his memory and venerate his deeds of daring.

First in our American pantheon stands the majestic figure of George Washington, and close beside him John Barry, on whose strong arm he was wont to lean with confidence in his hours of bitter anguish and trial—one the idolized Father of his Country, the other the venerated father of our Navy. Washington's written wish to Barry was that a suitable recompense might always attend his bravery. If the bronze lips of this eloquent and imposing statue could speak audibly to us to-day this gallant defender of the Nation's banner would tell us that the recompense he would deem most acceptable would be for us to ever maintain and cherish the power, prosperity, and grandeur of the Nation to which he contributed services so imperishable and precious.

Agriculture Appropriation Bill.

SPEECH

OF

HON. MICHAEL K. REILLY,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 5, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. REILLY of Wisconsin. Mr. Chairman, the Agriculture appropriation bill now under consideration is the most important to the people of all the appropriation bills that come before Congress for consideration.

Agriculture is our largest and leading industry. More than one-third of our people are engaged in the great work of tilling the soil, and of our total wealth, estimated at one hundred and thirty billions of dollars, forty billions are said to be invested in agriculture, twenty billions in manufacturing, and about fifteen billions in railroads.

In 1912 the agricultural products of our country were valued at more than nine billions of dollars.

It is estimated that since 1882 the miners of Alaska have dug from the earth gold to the value of three hundred and fifty millions of dollars. The farmers of Wisconsin, a State which I have the honor in part to represent, have a gold mine in their cows that yields more than eighty millions of dollars in a single year, and the marked difference between the Alaskan gold mines and the Wisconsin cow mines is that the Alaskan gold mines are being exhausted while the Wisconsin cow mines are increasing each year their golden output.

We have great natural resources in this country, valuable forests, the most extensive coal mines in the world, and the richest deposits of silver, gold, iron, and copper found anywhere; but when our forests are cut down and our mines have yielded up their treasures, our timber and mineral resources will have become exhausted. Not so with our agricultural resources. Under proper treatment the agricultural resources of our country should and will increase their annual production of wealth.

The Agricultural Committee, of which I am a member, representing on the same one of the great agricultural States of this Union, has given painstaking care to the study and consideration of the various items constituting this bill.

While the bill carries appropriations of approximately twenty-five millions of dollars, not to exceed ten millions of this sum are appropriated strictly for agricultural purposes.

In its origin the Agricultural Department of the United States Government was created for the purpose of gathering together and disseminating among the farmers of this country information on subjects relating to agriculture, but each session of Congress has seen the growth of this department by the creation of new bureaus and the enlarging of the fields of activity of bureaus already established until to-day the United States Agricultural Department is organized into 16 groups as follows: The Bureau of Animal Industry; the Bureau of Plant Industry; the Bureau of Forestry; the Bureau of Chemistry; the Bureau of Soils; the Bureau of Entomology; the Bureau of Biological Survey; the Divisions of Accounts and Disbursements; the Division of Publications; the Bureau of Statistics; the Office of Experiment Stations; the Office of Public Roads; and the Office of Markets.

To the Bureau of Chemistry has been assigned the important work of looking after the enforcement of our pure food and drug act.

The Weather Bureau and the Forestry Bureau, two branches of the work of the Agricultural Department that are not directly concerned with agriculture, require large appropriations for their support. These two bureaus in this bill will get over $7,000,000.

It can not be charged that the Agricultural Committee is guilty of extravagance in bringing in a bill that appropriates less than $10,000,000 for the sustaining of Governmental work pertaining to strictly agricultural purposes. Neither can it be charged that the bill as a whole is in anyway extravagant when it is considered that the total appropriations carried go to support the activities of a department of the Government that touches the daily lives of all our people—a department that has for its aim the development of the food supply of the Nation.

Congress, it would seem, has never lavished appropriations upon the Agricultural Department—that is, compared with the enormous sums spent in other lines. Since 1880 there has been appropriated only $162,000,000 for agriculture, while during the same time the appropriations for the Army have exceeded $1,700,000,000, and for the Navy, $1,800,000,000.

That farming has now come to be recognized as a science will be seen from a study of the activities of the different bureaus of the Agricultural Department. There was a time when it was deemed unnecessary for a farmer to be educated, or to have any special knowledge regarding agriculture. In those days it was thought that in order to be a farmer a man needed only land, equipment, and muscle; but those times are past, and we are now living in an age when it is generally recognized that the successful farmer is the man who is able to combine mind with muscle in the work of tilling the soil.

This bill among other things provides for the investigation of plant diseases, the ravages of which cost the farmers of our country hundreds of millions of dollars every year; for the study of diseases of animals, because of which the farmers lose annually more than two hundred millions of dollars, and for investigating and providing a remedy for exterminating the insect life that destroys the farmers' crops entailing a loss of seven hundred millions of dollars annually.

Much has already been done by this department in the way of controlling plant diseases, animal diseases, and in the destruction of insect life that destroys the farmers' crops.

The department has given special attention to the hog cholera problem, and has perfected a remedy that is accomplishing a great deal in controlling this disease, one of the greatest menaces to the meat supply of our country. Texas fever and cattle ticks are gradually being eliminated from the southern sections of our country, resulting also in a great saving to the farmers.

Thus it will be seen that the different bureaus of the Department of Agriculture are working along lines of vital importance to the farmers, trying to solve the problems of animal and plant diseases, of insect life, in order that much that is now produced by the farmers may be saved, not for the benefit of the farmers alone, but for the benefit of all the consumers of agricultural products.

In recent years considerable attention has been given by the Agricultural Department, and this bill contains appropriations for the continuing of this line of work to the seed problem. Investigations have proven that the farmers suffer a great loss by planting and sowing imperfect or inferior grades of seeds. The idea being that without any extra effort on the part of

the farmer, except the effort necessary to acquire the knowledge to distinguish between good seeds and poor seeds and how to procure good seeds, results are obtained that largely increase the farm profits.

Another great problem vital to the success of farming is the problem of transportation, the problem of reducing the cost of carrying the product from the farm to the consumer, and devising the best and most expeditious methods for making that transfer.

In this field the Agricultural Department has been carrying on investigations, and the work is to be continued under appropriations contained in this bill.

More than $350,000 are appropriated to continue the work of the Bureau of Soil Survey. This work is carried on in cooperation with the various State agricultural institutions, and is of undoubted value to the farmers, inasmuch as it supplies him with definite knowledge as to what crops his soil can best produce, and what element or elements are lacking in order that other crops may be produced.

Two hundred thousand dollars is appropriated for the study of the problem of marketing. How to secure an economical marketing of farm products is the one great agricultural problem that confronts the producer and the consumer. To-day there is an enormous waste that occurs from the time the product leaves the farm until it finally reaches the consumer, estimated at more than 50 per cent of the cost of the product to the consumer. This line of work is very valuable, and it is to be hoped that the experiments and investigations being carried on by the Agricultural Department will result in the devising of methods of distribution that will eliminate to a large extent this great loss.

Almost $2,000,000 of the amount appropriated in this bill goes to support the various experiment stations maintained by the Agricultural Department all over the country, and almost $200,000 are appropriated for the Division of Publications.

The Division of Publications is the mouthpiece, so to speak, of all the lines of activities of the entire Agricultural Department. Millions of bulletins are issued annually and distributed all over the country. These bulletins are valuable to the farmers, containing suggestions as to the most approved and successful methods of agriculture, and they also contain valuable information for all persons who are interested in the question of home economics.

For some time the Department of Agriculture has been engaged in the work of organizing throughout the country what are known as boys' clubs. Thousands of farmer boys have been organized into corn clubs, pig clubs, and potato clubs, and even the girls of the farm have been organized into tomato clubs and poultry clubs.

The results obtained from these organizations have been most gratifying. First of all, the young people on our farms through these clubs have become interested in farming, not as a branch of work that anybody can take up and make a success of, but as a business that needs study and investigation in order to be conducted successfully.

Particularly have the boys' corn clubs yielded gratifying results in the way of interesting the boys in farming, and in securing increased yields of corn per acre. Many of these young farmers have been able to surprise not only their fathers, but also the experts of the Agricultural Department, in the results they have obtained from the planting of carefully selected seeds and in caring for the crop after it is planted.

I believe that these clubs of farmer boys and girls now being organized by the Agricultural Department are going to be most useful in wedding, so to speak, the younger generation to agriculture careers.

The boy who early acquires the knowledge of seed selection, of the best methods of planting, and of the best system of taking care of a growing crop is much more likely to make a contented and successful farmer than the boy who is without such knowledge and such training.

For the first hundred years of our national life our predominating industry was agriculture, and our people were largely engaged in that industry. To-day all is changed; we are no longer an agricultural people. Industrial and commercial United States, and not agricultural United States, are the predominating influences in our life to-day.

Even as late as 1880 we were an agricultural people; that is, the larger part of our population was engaged in agriculture. The census of that date gives 70 per cent of our people as living on the farm, but the census of 1910, however, tells us that only 50 per cent of our people are engaged in agriculture. It is doubtful if there are to-day more than 40 per cent of our people actually living on the farm.

Thus it would appear that for some reason or other our people are flocking to the city, thereby increasing at an alarming rate the number of consumers without any adequate increase in the number of producers.

In ancient times, and also in more recent centuries, agriculture was deemed an honorable calling. Workers in the mechanical and industrial arts were looked down upon, while the agriculturists were considered to be engaged in the only occupation worthy of a gentleman. Also in the early history of our own country farming was considered to be an honorable occupation.

Ever since the Rebellion the field of interest in American life has not been held by agriculture. Manufacturing and commerce and the professional lines have claimed the attention of the young Americans. Legislatures, National and State, have done everything possible to make city life more attractive, to make manufacturing and commerce more profitable, while very little has been done by these same agencies to make agricultural life more inviting and remunerative, and as a result agricultural development has not kept pace with the development in manufacturing, commerce, and other lines of general industry.

Manufacturing has been much more profitable than agriculture during the past 50 years. A large part of the agricultural wealth in this country to-day has not resulted from the profits of the industry but is the result rather of the increased value of land, the unearned increment, as the followers of Henry George states it.

While the manufacturer's plant has been deteriorating 10 per cent or so per year, the farmer's plant has been increasing several per cent a year, and if it were not for the fact that agricultural land has gone up in value many times over the original cost, the farmers would have but little to show for their years of toil.

Our farmers have worked early and toiled late, denying themselves the luxuries, and many of them the necessities, of life in order that the mortgage might be paid and their children educated. They have suffered from unfavorable weather conditions; the results of their season's labor have often been destroyed by the pests of the fields; they have been the victims of the bulls and bears of our boards of trade, still they have gone on uncomplainingly in their daily work of furnishing the food and clothing for a great nation in a most wonderful and profitable period of industrial development.

This shifting of population from the country to the city that has gone on in this country, and is going on to-day, is not due to the fact that our agricultural demands are being oversupplied or that our millions of acres of fertile plains and rolling prairies are occupied and tilled.

This movement from the farm to the city has been due primarily to a belief on the part of those who dwell in the country that country life is not as pleasant, as remunerative, or as honorable a life as in the city.

The country boy has been attracted to the city because he believes that he can get a living easier in the city than on the farm, and probably also because he has learned that there is more money in selling to the consumer the products his father raises on the farm than there is in raising the products.

It would seem that our farmer boys have fallen victims to the modern idea that has possessed our country, the idea that the principal aim in life is to make money; not enough money to live on, but untold heaps of money.

No wonder the farmer boys of the past quarter of a century, with the money idea in the air, have looked longingly to the marts of trade and commerce as the places where they could make themselves rich in a short time. No wonder they have turned their backs on the old homesteads of toil and self-denial, and gone forth to our large cities to cast their lot with the army of struggling humanity seeking wealth in America's new industrial life.

If the present tendency to gather in our cities continues the American people are going to be seriously affected by the problem of the high cost of living. We have that problem to-day, but what is the problem to-day in comparison to what it will be in a quarter of a century from now, when probably not to exceed 20 per cent of our people will be engaged in producing the food and clothing that 80 per cent will be engaged in consuming.

We now consume 91 per cent of our wheat and 92 per cent of our corn crops. In 1906 we exported 500,000 head of cattle, and in 1912 only 106,000 head. In 1906 we imported 29,000 head of cattle, and in 1912 318,000 head. In 1907 our cattle numbered 51,000,000 head, and in 1913 they numbered only 36,000,000 head.

We are a meat-eating and bread-eating people; our two principal staple foods are bread and meat. Our people consume more meat per capita than any other people in the world except the people of the Australian Commonwealth. The per capita consumption of meat in the United States is 185⅛ pounds per year, while in the Australian Commonwealth the per capita yearly consumption of meat is 262⅛ pounds.

In the past we have been able to send hundreds of millions of dollars worth of meat, wheat, and corn to the markets of the world, but these days are over, and unless a decided change takes place in the bettering of our agriculture industry, we will become dependent upon other countries for our food supply.

While it is true that the American farmer produces more than the European farmer, it is also true that the American farmer uses more land in order to make his production. We have not yet begun to produce what we ought to produce in this country on our farms, and what we will have to produce in the future in order to feed our people.

Germany with an area not much larger than the State of Texas produces seven times as many potatoes as all our country. The agricultural land of Europe that has been cropped and recropped for centuries produces more per acre than our almost virgin soil, much of it having been farmed but for a few decades. Our farmers can learn much from the European farmers, particularly from the farmers of Germany. The German agriculturist is far in advance of his associates in the work of tilling the soil. The marketing problem that is such a serious one with us has been solved in Germany to quite a satisfactory extent—at least to the extent of preventing food trusts and combinations of the character that we are afflicted with in this country.

I was born on a farm, and spent my early days as a farmer boy, and if I were to be born again, and had the right to select my place of birth, I would locate it amid the hills of my native town.

In my judgment, a boy country born and country reared is most fortunate; fortunate because he has a chance to grow and develop into manhood as nature intended that he should grow and develop; because he has the opportuntiy to lay the foundation for a sturdy physique, a prime requisite in this day and age, to escape the dissipating influences of a city life, and to learn to labor and to appreciate and honor industry.

While my life since boyhood days has been along other lines than agriculture, I have not lost my interest in the welfare of the tillers of the soil.

My study of the history of nations has lead me to believe that a country is strong only as its agricultural population is efficient, prosperous, and contented. Rome was great and powerful at home and abroad until her agricultural classes became slaves. Our strength as a Nation in the future will not depend upon battleships and armies, upon manufacturing and commerce, but rather upon our ability to furnish the toiling masses in our great industrial centers with food and clothing.

The truth is, every man, woman, and child in the land who belongs to the nonagricultural class are deeply interested in the success of the farmer. At the end of every telephone line, at the end of every road or highway that leads from the city or village to the country, is an anxious consumer, wondering if the harvest time of the farmer will bring plenty or want.

We hear a great deal to-day about the "back-to-the-farm" movement. Some of the best minds of our country are engaged in attempting to solve the problem of how to make more numerous and efficient our agricultural workers, and it is a peculiar fact that the most active workers in this movement are not farmers, or representatives of farmers, but rather the representatives and spokesmen of dwellers in our cities.

The Members of this House who come from the great industrial centers, where the ordinary dweller has not ground enough on which to grow a bean, are anxious and willing to record their votes in favor of the appropriations carried in this bill, because they realize how vitally their constituents are interested in the success of the work of the Agricultural Department in its endeavors to build up in this country a more efficient and happy agricultural class.

This "back-to-the-farm" movement may be all right, and I hope it will accomplish much good, but what we need to-day is not so much a "back-to-the-farm" movement as a "stay-on-the-farm" movement. The times demand a movement that will stem somewhat the tide of humanity now flowing from the country to the city, a movement that will result in retaining in agricultural pursuits a great many of the farmer boys and girls that are now drifting to our large cities, and it is to further this stay-on-the-farm movement that the appropriations in this bill are made.

The Agricultural Department, through its various agencies, will continue its work of bringing about better conditions in rural life so that the rising generations of farmers' sons and daughters will not find it necessary to go to our cities in order to enjoy life, and to secure adequate returns for industry.

The rural mail, the daily newspaper, the telephone, the automobile, good roads, better schools, and better social conditions are some of the forces at work to-day in transforming rural life. There are no reasons why there should not be as much happiness and contentment in our agricultural homes as in our city homes, why the boys and girls of the farm should not have the same opportunities for securing an education that the city boys and girls have, and why agriculture should not be just as profitable for the amount of money invested and efforts put forth as any other industry.

To make it possible for the country boy and girl to have equal opportunities with the city boy and girl; to make farming more remunerative; in other words, to put the great agricultural industry of the country on the same plane as other industries is the laudible work of the Department of Agriculture.

Of course, it is not to be expected or desired that all farmer boys will follow the life work of their fathers. There are many boys on the farm to-day who have undoubted talent for other lines of work than agriculture—boys who will make able lawyers, skilled surgeons, famous educators, brilliant ministers of the Gospel, successful business men, or great captains of industry. These boys will not stay on the farm and can not be kept there, and it is best for the world that they be allowed to enter the fields for which they have special talent.

The professional, business, and public life of our Nation has in the past made heavy drafts upon the farmer boys. Many of the distinguished names that embellish our professional and industrial history, and many names on the honored roll of our country's statesmen are of men once farmer boys who came up to do part of their country's great work from the hills and valleys of agricultural America.

In this country we have no royalty, thank God; but if we have any uncrowned kings, they are our independent farmers, who rule at their own firesides—our independent farmers who are satisfied with and appreciate their work, who are able to mix brawn and brain in their toil, who understand the composition of the soil they till, who know something of food values, and of plant and animal life, who realize that they are important factors in the economy of the world, and are engaged in the most independent and honorable occupation that can occupy or invite the efforts of man.

War Revenue Bill.

EXTENSION OF REMARKS
OF
HON. LUTHER W. MOTT,
OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914.

Mr. MOTT. Mr. Speaker, this bill to impose an additional $105,000,000 of taxes on the people, after the great burdens already put on them by the party now in control of the Government, is the most inexcusable measure that we have yet been called upon to consider. The war in Europe is given as an excuse for the imposition of this great burden of taxation, though we all know that it is not the result of that war, but of the war which the Democratic Party has conducted against the interests of the people and for the benefit, presumably, of one section of this country. The appropriations of this Congress greatly exceed those of any other Congress in the history of the Nation. Then the revenues of the Government have been enormously reduced by the so-called "revenue" tariff act that has been passed. The Democratic Party in the campaign of 1912 was loud in its denunciation of the party then in power for alleged profligate extravagance. Congress was charged with wasting public money, and the public was promised that if the Democrats came into control of the Government expenditures would be greatly reduced. By a division in the Republican ranks the Democrats were enabled to get control of the Government; and what is the result?

WHAT THE PARTY IN POWER HAS DONE.

All the efforts of the party in power were concentrated on the passage of a bill to reduce the tariff and place on the free list many manufactured products produced in this country. The tariff bill then in force had helped to extend our trade, increase our exports, and profit the country in other ways. Everybody wanting work could get it under that law. But Democratic tradition, coming down from slavery days, when the country was ruled by the South, was in favor of free trade. Hence, they passed a law as near to free trade as they could get it, under the circumstances, with a promise to bring about the abolition of the tariff altogether as soon as possible. The inevitable result was promptly shown by the great increase in imports and the decline in exports. There was a balance of

trade against the United States of $250,000,000 for the first seven months of that tariff law, which was before anything was thought of a war in Europe, although in the last fiscal year of the protective-tariff law the balance of trade in favor of the United States was $652,875,915. That will give some idea of the tremendous loss the country has sustained as a result of this tariff legislation, to say nothing of numerous other disturbing measures.

The exports for eight months under the new tariff ending with July this year, which was before the war in Europe had any particular effect, were $143,411,154 less than for the corresponding months last year under the protective tariff; but the imports for the same time were $151,874,823 more. In other words, the loss in that time to the workmen and producers in the United States aggregated nearly $300,000,000 on the foreign trade alone, to say nothing of the enormous loss at home caused by the vast army of idle workmen and by depression generally. That is the way the Democrats expanded trade and increased prosperity, as they promised they would do when they got control of the Government.

THE WAR A MERE PRETEXT.

When the Republicans gave up the control of the Government to the Democrats they left a balance of the general fund in the Treasury of nearly $150,000,000. The Democrats reduced that balance as low as $74,151,000. But in the meantime they had imposed an income tax in addition to the corporation tax which the Republicans put on the statute books. Thus an enormous sum is already raised from direct taxation. Now, we are called on to add $105,000,000 more because of the war in Europe. We are not engaged in that war and there is no excuse for this taxation at this time. The balance in the Treasury on August 31 was $121,500,000. That is nearly $30,000,000 less than the amount the Republicans left, notwithstanding the great amount received from the income tax. But it is the result of placing on the free list a great many manufactured as well as agricultural products, and at the same time reducing the tariff below the protective point on numerous other things. Thus the inexcusable tariff law and the extraordinary increase in appropriations, with the disastrous effect on business generally of the legislation enacted by the party in control of the Government, have brought about a situation where more revenue may be needed. For this purpose the pending bill has been introduced with the pretext that it is made necessary by the war in Europe.

The decrease in the revenue in July was $4,818,189. That was not caused by the war. The decrease in August was $11,503,689. Deducting the amount of the loss in July, not caused by the war in the least, from the total loss in August, shows a decline of $6,700,000. The situation so far as the war is concerned, is constantly improving. The demand for our products grows greater as the war proceeds.

If the loss sustained in August, as a result of the war, should keep up for a year, which is altogether improbable, it might reach $80,400,000—that is not much greater than the reduction made in the general-fund balance last May, and there was no call for war taxes at that time. The Government now has $75,000,000 deposited in national banks on call. Is it any worse to withdraw the public money from the banks as it may be needed than to tax the people who must draw their money from the banks? It would not be necessary to withdraw the Government's money except as occasion required. It would be immediately disbursed, and then return to circulation. Congress is to meet again in December, even if it adjourns, which, in the present outlook does not seem probable, and there would only be two months, and probably much less, after this bill could go on the statute book until Congress would reassemble, even if it does not remain here all the time.

AN INEXCUSABLE BURDEN.

What possible excuse can there be for the imposition of this enormous additional tax of $105,000,000 at this time, under the pretext that it is made necessary by the war? The country is not in a condition to stand such a great additional burden without suffering. Democratic extravagance and unwise legislation have already imposed vast burdens on the people. The party seems to have no consideration for the people when sectional interests are concerned. The river and harbor bill is an illustration of that fact. That bill as reported to the Senate, involved an expenditure of nearly as much money as would be collected from this alleged war-revenue bill. The Democratic Party fought tooth and nail for weeks to get that enormous appropriation bill through the Senate, but patriotic Republicans valiantly contested against the unnecessary expenditures in that bill, and finally it has been reduced in that body to $20,000,000.

The revenues of the railroads of the country fell off $44,700,000 during the last fiscal year. That is the best index to the business situation that can be had from any single source. All that enormous loss is wholly due to the Democratic Party and its shameless legislation. The default on railroad securities up to the 1st of August amounted to $583,000,000. There is a like condition in other lines of business. Charitable and kindred organizations are now preparing for the most distressing winter they have had in many years. The Government is the only one not cutting expenses. It is piling up expenditures at a rate hitherto unknown and then imposing direct taxes to make up the amount. Securities of insurance companies and savings banks have shrunk in value in 18 months, under this administration, to the extent of $500,000,000. Congress is largely responsible for that result.

Senator BANKHEAD, an old Member of Congress and a leading member of the Democratic Party, speaking of this alleged emergency revenue bill, said, "No man can tell how long it will be before another emergency will require an additional levy." Thus we may expect before long more taxes on some other pretext. Mr. BANKHEAD, in speaking of the river and harbor bill, said, "Why should we insist on taxing the Treasury with $30,000,000 more than we can possibly expend?" We may well ask in regard to this pending measure why should the people be taxed $105,000,000 when not a cent of it will be expended necessarily this year and Congress will be in session to act whenever it may be necessary to do so, as it probably will be necessary in time under the control of the present party in power?

GOVERNMENT OWNERSHIP OF RAILROADS, ETC., UNWISE.

The Democrats have had the benefit of $3,800,000 from the surplus fund in the Postal Service during the fiscal year of 1913, which should have been credited to that year. They also have had the benefit of the sale of two war vessels for $12,000,000 to Greece. With these advantages and reasonable expenditures there would have been no need of any additional revenue beyond that already collected by the income tax and in other ways. The President is authorized, under the war-revenue act of 1898, to issue certificates of indebtedness, when necessary to meet public expenditures, to the amount of $100,000,000. That shows how utterly ridiculous is this war pretext for imposing $105,000,000 more of taxes. They have passed a law, or, rather, propose to do so, having received the approval of the party in power and the President, to issue 3 per cent bonds for $30,000,000 for the Government to buy ships and engage in foreign trade. This ridiculous proposition for the Government to engage in the shipping business is only one of many such extraordinary measures that have been brought forward by the party in power. The Government ownership of railroads and telegraph and telephone lines, the manufacture of armor plate, the construction of more shipyards to build war vessels, the construction of a railroad in Alaska are some of the other measures proposed or approved by that party. A bill has been introduced for the Government to take over the tobacco and cigar industry, the same as is the case now in France and in some other European countries. In fact there hardly seems to be any end to the extent to which Democrats would involve the Government in competition with private enterprise. The Governemnt has not undertaken anything in that way without vastly increasing the expenditure for the purpose. The printing which the Government does costs about twice as much as it would if done by contract.

The Postmaster General has proposed to save something like $20,000,000 a year by contracting for the Rural Free Delivery Service, the same as was done with the Star Route Service. Every warship that has been built in a Government yard, if the interest on the money invested in the yard and the salaries of all officials were taken into consideration, cost a great deal more than when done by contract. Millions of dollars more are paid to railroads for the Postal Service than would be expended for the same purpose by private corporations. The Government can not do its work as cheaply as individuals and private corporations, but there are some things which it is necessary for the Government to do. The attempt of the Democrats to involve the Government to a vast extent in business not necessarily belonging to it is very unwise, and doubly so when that party is all the time trying to nullify the civil-service law and even to repeal it.

THE REVENUE PROVISIONS EXTRAORDINARY.

The provisions of this revenue bill are extraordinary. Whisky, a product, to a large extent, of Kentucky and other Southern States, is exempted from the provisions of the bill. Why? There is no answer in reason. The State of Kentucky has some very pronounced free traders in this Congress, but their whisky has not been hurt in any respect by taxation under the present party control of the Government. Foreign spirits pay a duty of $2.60 a proof gallon. The internal-revenue tax in the United

States is $1.10. Thus this great Kentucky product is protected by the tariff to the extent of $1.50 a proof gallon. There is no product in this country that could better afford to be taxed than this domestic whisky. The State of Virginia, by a very large majority, has just voted to stop the sale in that State of intoxicating beverages. Many other States have voted in like manner. The prohibition sentiment is largely increasing in the South because of the desire to keep liquor away from the colored man. What, then, is the powerful influence of the distillers and whisky dealers that exempts this article from further taxation and which gave it such large protection in the existing law?

Wines are taxed, though they are used for many other purposes than for beverages, particularly in drugs and medicines. The tax imposed by this bill on California wines, for instance, in which State $160,000,000 is said to be invested in their production, is equal to the market value of the wine. No possible excuse can be given for this high tax on wine while whisky is exempted. The additional tax of $2 on every $1,000 of capital and surplus of banks is equivalent to an income tax of 4 per cent, assuming that net earnings of banks average 5 per cent. The United States in 1913 produced 140,000,000 gallons of distilled liquors, of which 97,000,000 gallons were whisky, gin, and rum, and there were imported large additional quantities of such stuff. Nothing else offers so well for taxation as whisky, and so forth. The tax on gasoline is also inexcusable. It is used by automobiles, which seems to be the excuse for the tax, but automobiles are largely used now for farming and business purposes. But gasoline is used to run many different kinds of engines and other motors. The tax on life insurance policies and on fire insurance, and so forth, and on mortgages, telegraph and telephone messages, express and freight, promissory notes, and all things of that kind are taxes that fall upon the people, chiefly on the poor. They are the ones who incur mortgages and who necessarily take out life and fire insurance policies and give promissory notes, and it is a shame to impose more taxes on them to make up for extravagant appropriations by the party in power, which has also imposed on the people of this country vast millions of dollars in the way of taxes that were heretofore collected from manufacturers and others in foreign lands.

BUSINESS CONDITIONS IN NEW YORK STATE.

Letters from leading manufacturers and business men in my district, which I present herewith, show that business was adversely affected long before the war in Europe began by the Democratic tariff law and the so-called "reform" legislation in general. While I do not think that business there, as a rule, was hurt as badly as in some other sections, yet the injury has been great and continuous. Unfortunately, as will be seen, the manufacturers look for worse conditions instead of better under this administration. They believe that some improvement may follow a Republican sweep at the coming elections. That would at least partially end the work of destruction by putting this House in control of a party that does not believe in reckless experiments largely for the benefit of the old Southern States. In that respect a halt would be called, awaiting the time when the Republicans could come into complete control of the Government again and undo some of the destructive work already accomplished.

HOW THE FARMERS HAVE BEEN HURT.

There is a large agricultural interest in my district. There, as elsewhere, they reaped a fair harvest this year, which would ordinarily have brought prosperity to practically all of the people. But that result was negatived by the destructive tariff legislation, which aimed a cruel blow at the northern farmers. They are subject to the unfair competition of Canadian farmers across the lake, and of those of other lands, who do not pay anything like as high wages or contribute to the support of our Government, and who are at the same time protected at home from foreign competition.

Farm products have been imported under the new tariff to an alarming extent, even when produced abundantly in this country. Foreign producers in many cases have, in addition to cheap labor, advantages in transportation rates, and thus have been able to ship, for instance, Argentine corn as far west as Chicago. We exported $24,445,693 worth of corn in eight months last year under the protective tariff, and only $4,740,454 in the corresponding time this year with the new tariff in operation. With the Panama Canal now open for traffic, we shall, in time, have a flood of oriental products on the Atlantic coast in addition to those which now come from Canada, Mexico, Europe, and elsewhere. Do we want to reduce American workmen to the level of Chinese, Japanese, Hindu, and other such workmen? How can that be avoided if we admit the competing products of those countries free of duty or at rates which are not protective?

WHAT THE MANUFACTURERS SAY.

The paper industry is a large one in my district. How that fares can be seen from the letters, including one from the secretary and treasurer of three old mills now in the hands of a receiver. That is a business that has been demoralized over all of the country by the Democratic tariff law. But that law greatly accelerated business in Canada, where many new mills have been erected. Paper of the kind that is admitted free into the United States is excluded from Canada by high protective duties. It is the same way with farm products and many other things put on the free list by the Democrats. Even an industry not directly affected by the tariff change is hurt indirectly by the forced restriction or entire closing of mills in other industrial lines. Thus a firm of coal dealers in Watertown, in my district, tell how their business is adversely affected by the great injury to the paper manufacturers.

The half-baked legislation rushed through Congress to supplement the Sherman antitrust law is another source of loud complaint. It causes uncertainty which will take years of court decisions to straighten out.

THE FAR-REACHING EFFECT OF THE TARIFF CHANGES.

The head of a yarn company tells how the removal of protection from the finer grades of cotton goods made in the North, thus forcing manufacturers into the lines of cheaper goods largely made in the South with child labor, has hurt his business. The proprietor of a large machine works in Oswego was in Europe this year, before the war began, investigating conditions there. He tells about the wonderful growth of manufacturing in Germany as a result of Bismarck's wise course in adopting a protective tariff, such as had accomplished great wonders in the United States. How small factories have grown rapidly into large enterprises in Germany is well known. There is no great party in that country all of the time threatening its industries and prosperity, such as the Democratic Party does in the United States. In fact, there is not another great nation in the world beset in that manner, as they have no such teachings from the slavery days to contend with. The German manufacturer is now shut out from competing by the war, but when that ends he may be expected to renew the contest with redoubled energy.

THE WAGE CONTRAST.

The great difference in wages in Europe and in this country is a cause of remark by the Oswego investigator. That is a subject on which there is no ground for a difference of opinion. The British Government sent agents to the United States and to other countries to determine the facts. Of course, the comparison was not altogether fair, as only the rate of wages fixed by trade-unions in England, about one-sixth of the total workers, was taken into consideration. In this country rates were obtained from various sources. Even then the British Government conceded that the average rates are about two and one-third times higher in the United States than in England, while they are four or five times higher than the wages in some continental countries, and there is hardly room for comparison with the pitiable sums paid in China, India, Japan, and other Asiatic countries. But under the Democratic tariff law American workmen are compelled to compete with the foreigners receiving such wages. That is why imports increased so rapidly while exports declined after the Democratic tariff law took effect, and accounted for the army of idle workmen and the closed and partly closed shops.

The Oswego manufacturer who made this investigation in Europe says that if wages were reduced in this country nearer to the level prevailing in other countries we could hope for a larger share of the foreign trade. That is true enough; but the people of this country will never consent to any such a reduction in wages. We want our workmen to be well paid, and capable of maintaining their families in comfort, and of giving them an education and other advantages. For that reason the workmen should not only be protected but relieved from the burden of helping to maintain a vast army of insane, feebleminded, and other derelicts brought to the United States from foreign countries. Of the many millions of dollars expended by New York State annually to maintain the insane in its asylums one-half the sum is for insane persons that have come from other lands, and the same is trure of other derelicts. They should be more rigidly excluded and our people relieved of such an unjust burden.

THE WORDS OF AN EXPERIENCED MANUFACTURER.

One of the letters I have not printed gives the experience of a man long in the manufacturing business in my district. He tells of the injurious effect of the Democratic tariff law in curtailing the output of his factory, forcing the discharge of workmen, and injuring him generally, and he tells of the like effect in other lines of trade throughout the country. That

man's business in my district is not an exception. He said, before the European war began: "Every factory here has laid off men since the 1st of last January, and things are not improving." He tells of like conditions in Syracuse, Utica, Auburn, Fulton, and other places, and expresses the belief that "we have not seen the worst of it." That is the truth. A Republican victory at the coming elections will aid in restoring confidence, as it will demonstrate that the voters no longer intend to keep the free-trade minority in power by dividing the opposition.

NO REDUCTION IN THE COST OF LIVING.

The Democratic Party made the reduced cost of living the chief ground for asking for the votes of the people. They promised in their platform and in the speeches of their candidates, including the President, to bring that about. Why the destruction of the protective tariff on so many things, the dismissal of millions of workers, this almost continuous session of Congress with its disturbing threats and legislation and increased expenditures, if the cost of living were not to be reduced? There is no gain from any other point of view.

It was like many other promises made in the platform of that party, only to be repudiated after they obtained office. There has been no reduction in the cost of living. That is conceded in official reports. The first six months of this tariff we paid $5,000,000 a month more on the average for foods imported, and exported 50 per cent less, while the cost of living increased instead of diminished. The war in Europe has some effect now, but the new tariff was thoroughly tested before that war began. The disastrous result, as shown in a decreased revenue, higher prices, business depression, workmen unemployed, and so forth, was indisputable.

The importers have made a great deal more money under the new tariff. They undersold the American producer just sufficient to drive him out of the market, and then put up the price. Take chloral hydrate, for illustration. It was put on the free list and the American factory driven out of the business. When we became dependent on the foreign supply, before the war, the price was put up 50 per cent. In many lines of chemicals similar results have followed from the Democratic tariff law. We have built up in this country a large chemical industry as the result of protection, and were adding to the total in the way of fine chemicals when the Democrats passed their free-trade law, striking a tremendous blow at the industry. Germany, by Government favor and trust organizations, aided by low wages, became the greatest producer of chemicals in the world, taking away much of Great Britain's and France's trade in those lines. The Democrats proposed to increase our dependence on Germany and other nations, and did so by their tariff law. Now, war comes and cuts off dyes and other necessary articles, completely demonstrating the folly of their course. We should be independent instead of dependent, and can only be so under a protective tariff.

Wool was put on the free list and the Government lost $15,000,000 in revenue, while the price went up. But at shearing time it was 10 cents a pound lower than a year ago. When the wool growers had sold at that loss the importers put up the price. Consumers get no benefit from this loss to flockmasters. Sugar factories in Michigan were paying under contract 50 cents a ton less for beets before the war began—a loss of $5 an acre to the farmers—but the price of sugar to consumers was increased, and now is vastly more without benefit to the farmer. The Government has lost a large revenue on sugar, but the full loss has not been met yet, as the total abolition of the duty has been deferred for some months. But the way the trust and its associate refiners put up prices before the European war began tells the story of the great wrong done by the Democratic free traders.

THE WORKING BALANCE DECREASED.

The Republicans left a working balance in the Treasury of $150,000,000, which the Democrats reduced more than one-half, and have added enormously to taxation, with still more coming. The sale of securities in June was the smallest in 20 years, or since the time of Cleveland and the previous Democratic tariff. Very many large corporations passed dividends and others reduced their payments. Long before the European war began Senator LIPPITT, of Rhode Island, told of the American Woolen Co. turning a profit of $3,000,000 a year into a loss of $800,000, while at that time they were employing only from 50 to 60 per cent of their regular force of employees, but woolen imports greatly increased though consumers could buy woolen clothing no cheaper. This company operates a splendid mill at Fulton, in my district.

Eggs and pig iron come from China; steel rails from India; corn and meats from South America; tin plate in greatly increased quantities and other manufactured products from Europe; paper, hoop iron, and steel, and so forth, from Canada; and numerous other products which could as well, except for wages and transportation costs, be produced at home come from various parts of the world, while American workmen who should be employed in making those things are in idleness.

What is the explanation? President Wilson says that it is "psychological" or imaginative. But that does not give employment to the workmen, feed their families, open the closed mills, or do anything else except offer exercise for the President's imaginative faculties. That did not satisfy the creditors to the extent of some $40,000,000 of the Claflin establishment in New York, started 71 years ago. The head of that great importing establishment was naturally a free trader who did not like to find fault with the policy of his party. But the corporation had a number of retail houses scattered over the country carrying large stocks. The new tariff caused a very considerable depreciation, while the depression in trade affected the receipts, with the result that the house in New York was called upon to make good the losses. Failure followed. It was useless to try and disguise the cause. Had the new tariff law not gone on the statute books, that failure would not have taken place. It was the largest failure of the kind in the history of the country, but only one of many due to the monstrous sectional free-trade tariff law.

ONLY PART OF THE DESTRUCTIVE WORK YET ACCOMPLISHED.

It must not be forgotten that the Democratic work of tariff destruction has only begun. President Wilson has repeatedly declared his belief in sweeping away, in the words of Speaker CLARK, "every vestige of a protective tariff." That is the belief of a majority of the Democratic Party, particularly those of the South. They look out for peanuts, whisky, tobacco, rice, and other southern products, but want duties swept away on all northern products. They have only begun that work, to use their own language. If enabled to retain control of both Houses of Congress by the division in the Republican ranks, they intend to carry out their aim in that respect. Instead of compelling the foreigner who sells his goods in this country to help pay the expenses of our Government, the Democrats propose to impose that burden almost exclusively on our own people and let the foreigner reap his rich harvest without any contribution. The income tax explains one way of accomplishing that purpose. If that tax were extended so as to include workmen, as in free-trade England, and as it probably will be here if the Democrats remain in control, it could be enormously increased. It has proven a disappointment so far, and now another $105,000,000 is to be collected from the people under the pretext of the war in Europe.

RIVER AND HARBOR BILL AS AN ILLUSTRATION.

Notwithstanding the deficit in the revenue, the river and harbor bill, as reported to the Senate, which illustrates appropriations this year, involved expenditures in order to complete its projects of about $95,000,000, much the largest bill of the kind ever passed. I believe in wise appropriations for such a purpose, but they are constructing a canal along the Ohio River to cost $64,000,000. Only about 10 per cent of the river traffic uses the part of the canal already constructed. The Ohio River lost 43 per cent of its traffic between 1905 and 1912, but the lake traffic greatly increased. Some $144,000,000 have been expended on the Mississippi River, and nearly $50,000,000 more are involved in the improvements named in the pending bill. In New York we expend without aid from Washington over $100,000,000 on a barge canal to connect the Lakes with the ocean. Much of the Government money expended on the Mississippi River has been absolutely wasted. The reckless appropriations illustrates the way money is being "saved" by the Democrats in accordance with their platform declaration demanding "a return to that simplicity and economy which befits democratic government, and a reduction in the number of useless offices, the salaries of which drain the substance of the people." That river and harbor bill was finally cut by the Senate because forced to do so by Republican opposition.

OFFICES GREATLY INCREASED.

Not only are expenditures much greater, but the number of offices was never so rapidly increased in time of peace. The chairman of the Committee on Appropriations boasts that they cut the estimates submitted by the administration about $40,000,000, but there is no assurance that it was wisely done, while in the river and harbor and other matters the advice of the administration was never asked. Even at this session the Treasury Department asked for an increase of 219 places outside of those provided for in the collection of the income tax, while other departments also asked for increases.

Some old soldiers have been dismissed in the Post Office and in other departments to make places for Democrats, and Con-

federate veterans are now given the same military honors in burial in Arlington that are given to Union veterans, strange as that is. Many civil-service employees have been demoted because they are not Democrats. The Senate provided for another Assistant Secretary of State—to keep an account of the Secretary's lecture engagements, as one Member suggested—and also for another Assistant Secretary of the Treasury. That is the way offices have been reduced. The Secretary of the Treasury asked for $1,000,000 for use in collecting the income tax, but he was given $1,500,000. Why? Possibly because those places were excluded from the civil-service law and $500,000 can be used for political ends in appointing Democratic politicians to places where they can travel over the country, expenses paid, and do campaign work.

MULTIPLYING THE PLACES.

The Secretary of Commerce asked for $100,000 in order to appoint a commercial attaché in each foreign country, with a secretary, to "extend trade." Of course he got what he asked for and also an increased amount for commercial agents. In both cases these places are excluded from the civil-service law, and the Secretary fixes the pay and allows expenses. Commercial attachés are given places where social duties will be prominent, and they must be persona grata to the Government to which they are accredited, but their aid in extending trade will be nil. The commercial agents and the consuls are much better situated to do such work. But that is a mere illustration of how new places have been created instead of "reducing offices," as demanded by the Democratic platform.

These new places have been excluded from the civil-service regulations, and not only that but many other places, such as deputy internal-revenue collectors, and so forth, have been removed from under the civil-service law, a beneficent statute which Senator KERN, of Indiana, and other Democrats have given notice of their intention to try and get repealed at the next session of Congress. The Government clerks, excluding a few in the highest grades, have not had their salaries increased since back in the fifties. How they can live, as a rule, on their present salaries is a matter of wonder. Congressmen and others have had their salaries raised more than once, but many Democrats want to make the underpaid clerks subject to political considerations in obtaining appointments and holding their places. It is strange that any sane and patriotic man should favor such a policy. But we have seen brewers and other such men appointed to diplomatic offices because of their contributions to Democratic campaign funds, while men who have worked their way up by long years of faithful service have been removed. That is the civil-service reform record of the party in power.

ENORMOUS GOLD EXPORTS—RAILROADS LOSE.

Foreigners distrust us under this new Democratic law, and they were selling our securities, as well as taking less of our merchandise, and selling us their products for cash long before the European war began. Hence the unprecedented outflow of gold, amounting to an increase of 140 per cent in six months. In 1904 when we were paying France for the Panama Canal we sent $68,500,000 to Europe in a short time, but this year we exported $84,000,000 in the corresponding time without getting anything to our advantage in return.

During the first half of June the movement of freight cars on the Pennsylvania Railroad decreased 17 per cent. That was double the loss for the five months from January to June, and it shows that if we are suffering from "psychology" the disease was growing worse instead of better. Gross earnings of the Pennsylvania system for the first five months this year decreased $12,920,469. The seven most important railroads in the Central Freight Association territory reported a decrease in 10 months of $19,588,000 in the net earnings with which to meet interest and other obligatory charges. They had a 11.40 per cent decrease in gross earnings for May and 14.30 per cent decrease for two weeks in June. Idle cars increased 140 per cent. Commercial failures showed a 71 per cent increase this year over 1912, under Republican control. The Baldwin Locomotive Works usually employed 19,000 men in 1912, in the corresponding time this year they were using less than one-half that number.

Mr. Hays, chairman of the State Republican convention of Indiana, in accounting for the decrease in the Progressive and Democratic vote at the primaries in that State, said:

> The industrial conditions in this State are distressing. This was first felt by our great steel industries, and has extended over the State to the recent shut-down of the great Showers Furniture Factory, one of the largest in the country. There are a thousand empty coal cars in sidings in one county in Indiana.

Like reports come from other States, and this was before the European war began.

LEGITIMATE DEMAND FOR MONEY RESTRICTED.

The New York banks were overflowing with money before the war began; call money on stock exchange collateral was a drug in the market because of the lack of demand; but investment funds for new enterprises could not easily be obtained, as the banks did not know what might happen and they want their funds ready for use.

We were told here last December that "when the currency act passed, everything would blossom as a rose," but as my colleague, Mr. PAYNE, remarked, it is the blossoming of thistles instead of roses. That act went into effect long ago, but like the tariff law, the good things promised turned to ashes. Now, the trust amendments are held up as the regenerating feature, but we know well enough that only bitter fruit will come from that ill-digested legislation.

Congress has been kept in session and business agitated without any reason. Months were worse than wasted in repudiating the emphatically expressed wishes of the voters in favor of the exemption from tolls on the Panama Canal of coastwise vessels. We were given to understand that complications in our relations with Great Britain demanded such action. Now, former Ambassador Bryce, and Earl Grey, the British foreign secretary, both declare that no communication on the subject had passed between Great Britain and the United States since Woodrow Wilson was inaugurated. All of that time wasted and great injury done to our commerce for no reason except to allow the President to show his boss control over Congress. Nearly every other nation subsidizes its vessels. We do not. Foreign countries pay the tolls of their vessels in the Suez Canal and some of them have already made arrangements to do so at Panama. Our vessels can not compete under such gross discrimination.

But not satisfied with that, the President has entered into an agreement with Colombia to pay her $25,000,000 and allow her vessels the free use of the canal, which is denied to our vessels, and at the same time apologize to her because we were able to construct the canal without paying Colombia a large sum in practical blackmail. And this shameful agreement was made in order to discredit a Republican administration. It seems almost incredible.

THE SOUTH HURT ALSO.

While the southern Democrats representing a comparatively small minority of the country control nearly every important committee in Congress, as well as the Presidency, and have dominated all legislation, they have not been able to escape the effects of their own short-sighted folly. A southern business man, Mr. L. F. Edmunds, in a letter from his mills in Georgia, written before the European war, said:

> In this section, around Athens, Ga., there are nine cotton mills. One of these is running full time, the balance all running four days in the week, and have been for some time. Business this year with us has been the worst yet; whether this is due to the tariff law, we can not say. We have not been able to sell our product this year, and so had to cut down running. Could not get near cost for yarn, and so we quit making it.

The president of the Armstrong Cotton Mills Co., at Gastonia, N. C., which is equipped with the most modern machinery, said that they were operating only one-half of their machinery, and that at a loss, for some time.

The secretary-treasurer of a mill corporation at Mount Holly, N. C., said that they were running on short time on old orders, and that prices offered were below the cost of production, and that "it seems that very soon we will of necessity have to close down."

The Jewell Cotton Mills (Inc.), at Thomasville, N. C., said in June that—

> The cotton mills are curtailing quite a lot, and some of them have closed down indefinitely.

Several other mills in that section made like reports. Mr. Reinhardt, president of the Elm Grove Cotton Mills, at Lincolnton, N. C., stated that 1,000,000 spindles were not running more than two-thirds time.

Many of the sugar plantations and mills in Louisiana are in bankruptcy and others have ceased to operate, although sugar has not yet gone on the free list, though the duty has been reduced. The Daily Trade Record, in an article about the result at Fall River, Mass., said:

> Idle machinery throughout the mills has been estimated this week at approximately 85 per cent.

Hence the South, as well as the North, suffers, though not to the same extent, because manufacturing is comparatively light in the southern section. The war can not be used as an excuse for this condition of affairs, which existed before the war began.

WHY AMERICANS CAN NOT COMPETE.

Steel rails were shipped to this country before the war from Bombay, where 159 Europeans and 7,000 natives are employed in the industry, and the 159 Europeans get nearly the same amount in wages that is paid to the 7,000 natives. Mr. Charles P. Perrin, an American, is connected with the mills and is good authority on the subject. Pig iron from the furnaces is carried by women who receive 8 cents a day. Common laborers receive 8 cents a day. Similar wages are paid in China, which is shipping to the Pacific coast. The Democrats put pig iron and many other things on the free list, and Americans are asked to compete with such labor.

Janeaway & Co., the oldest wall-paper concern in the United States, with extensive mills at New Brunswick, N. J., announced their intention to retire from the industry because of the Democratic tariff.

Senator GALLINGER told of a Nashua (N. H.) shoe manufactory which lost a Baltimore customer who bought $200,000 worth annually because he could purchase lower of an English house. Two woolen mills in Lebanon, N. H., which had been running one-third capacity, closed down entirely.

Numerous cases of a like nature might be recited if it were necessary to show the superlative folly of the Democratic attack on our protective tariff.

HARM DONE IN OTHER WAYS—MR. HEARST'S WARNING.

I have already referred to the Panama Canal legislation, but the same kind of work goes on in other directions. What greater folly could be shown than in our dealings with Mexico? We went to great expense and loss of life in capturing Vera Cruz to prevent a German vessel from unloading arms, and then we permitted it to unload at a not distant port, holding Vera Cruz at the large cost of several millions of dollars without any purpose. The administration conceded to Colombia greater rights in the Panama Canal than we have ourselves, under our present Government contention.

The new Federal Reserve Board, under the currency act, was all made up of Democrats, and one of the men came to the United States in 1902, and a director in the International Harvester Trust, one of the greatest trusts in the country, was nominated though not confirmed. Bills have been introduced with the President's sanction to give the Philippine Islands practical independence, with the assurance of full independence in the early future, though former President Taft and others familiar with the islands assert that they are totally unfitted for independence, of which there can be no doubt.

Mr. William R. Hearst is an eminent Democrat with a large following. He says:

> It will be the duty of loyal American citizens to consider only the welfare of our people and our country and to remove a party which is a menace to national prosperity and progress. * * * There is no limit to the injury that the Democratic Party might inflict upon this country if it were returned to power with any sort of indorsement of its dangerous and disloyal acts. The country must be rescued from such possible injury, and the injury already inflicted must be repaired as far as it is possible to do so.

This country sends $500,000,000 annually to Europe to pay interest on bonds, dividends on stocks, shipping bills, and so forth. When we had a balance of trade in our favor of $652,875,915, as we did under the protective tariff law in 1913, there was no difficulty in meeting that $500,000,000 of European demands. But with a balance of trade against us, as is now the case, it is going to be a difficult task to prevent bankruptcy, and if the existing tariff law remains in force bankruptcy will stare us in the face, as it does now a vast number of merchants and corporations. Within six weeks, up to September 20, nearly 40 corporations ceased paying their accustomed dividends. With a huge tax bill imposed on them, in addition to what they already have to pay, what will become of the business men of the United States? The Wall Street Journal has printed letters from Maine, Massachusetts, Utah, Nebraska, Colorado, Missouri, Chicago, and other States and cities, from leading business men, as to the effect on business of the war in Europe. These letters practically all agree that, except where manufacturers have been deprived of raw material, the war has not seriously interfered with business.

HOW IMPORTS INCREASED IN JULY—CANADA'S DUTIES.

Hosiery imports in July increasd 45 per cent, as compared with July, 1913. Other knit goods increased 2,120 per cent. Autos and parts increased 495 per cent; seeds, 158 per cent; manufactures of silk, 228 per cent; wool, class 1, 731 per cent; class 2, 503 per cent; class 3, 53 per cent; cloths, 124 per cent; carpets, 58 per cent; dress goods, 201 per cent; wearing apparel, 92 per cent; other manufactures of wool, 133 per cent; cutlery, 88 per cent; lace, 92 per cent; linen yarn, 60 per cent; leather and tanned skins, 98 per cent; paper and manufactures of, 54 per cent. That was the rate of increase in one month before the war had taken effect. That is the trouble with the country and not the war.

Canada has just put into effect a number of changes in her tariff which, like previous changes, have an adverse effect on the United States, notwithstanding that the Democratic tariff law admits so many Canadian products free of duty, while similar products are dutiable in that country and low rates of duty are imposed on the remainder of Canada's products. The United States has to pay what is called the general tariff rates in Canada, which are much higher than those imposed on many other countries, and an average of a third higher than those paid by British products.

Following the example of some of her European neighbors in repudiating treaties, Turkey has taken a step in the same direction, and she proposes to increase duties 100 per cent on foreign textiles, shoes, alcohol, etc. That is the tendency the world over; the lowering of rates and admission of foreign products free is confined to legislation in the United States under the Democratic Party. Alongside that goes an enormous increase in expenditures. These will amount to at least $100,000,000 more for the current fiscal year than was ever appropriated before in the history of the country. That readily accounts for the alleged necessity of this emergency revenue bill, with a prospect of another one before long. Senator KENYON, who was formerly a Government officer, says:

> You can hardly go along the streets of Washington without being run over by a Government automobile in which is riding the wife of some Government official or somebody else at Government expense, to make calls—

And so forth.

That is an example of the way the Government is now being run to save expenses which were imaginative features of the Democratic canvass in 1912.

Senator RANSDELL, speaking no farther back than September 14, and he is a Democrat who has long been a Member of Congress, said:

> All kinds of food products are high, higher than usual. The cost of living in this country has constantly increased. The wages of our people have not increased. Most of our laboring men are obliged to support their families on exactly the same wages as formerly, though the prices of food are higher. They are going to suffer, more or less

WHAT MANUFACTURERS SAY.

The following letters from representative manufacturers in my district, all written before the European war began, will give a fair idea of the way in which business has been injured and workmen thrown out of employment by the new Democratic tariff law:

[Mark S. Wilder, receiver for the Remington-Martin Co., Raymondville Paper Co., Norwood Paper Co.—"The Remington Group." Mills at Norfolk, N. Y., Raymondville, N. Y., Norwood, N. Y. C. R. Remington, president; F. M. Hugo, secretary and treasurer.]

WATERTOWN, N. Y.

Hon. LUTHER W. MOTT,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: The above letterhead, "Mark S. Wilder, receiver for the Remington-Martin Co., Raymondville Paper Co., and Norwood Paper Co.," is a complete answer to your question as to the effect of the Underwood tariff law on the paper industry in northern New York.

The Underwood tariff bill has resulted in the demoralization of the news-print business, not only in northern New York but throughout the United States. The news-print paper market of the United States has been handed over to the Canadian producers without any consideration to the American manufacturer. The daily importation of news-print paper from Canada into this country has increased almost five fold in the past three years—from 300 tons to 1,350 tons. The result is the building up of the news-print business in Canada at the expense of the American manufacturer. The daily production of news print in Canada is being increased by the construction of large paper mills which will increase the daily production by 600 tons and will increase the daily importation from Canada to 1,950 tons. The effect of this increased importation has been the decrease in the price of print paper in this country of $3 per ton during the past two years.

The American manufacturer is unable to produce print paper as cheaply as his Canadian rival, because pulp wood costs at least $4 per cord more delivered at the average American mill than at the average Canadian mill, and it takes about a cord and a quarter of wood to make a ton of paper. The tariff board, after an exhaustive examination of the whole news-print business in the United States and Canada, reported to the President about four years ago that the cost of manufacture of a ton of news print in this country was $5.25 more than in Canada, but in spite of this fact the tariff has been taken off entirely from news-print paper. The news-print manufacturers of this country have been compelled to compete against this handicap, with the inevitable results—loss of profits and loss of employment for thousands of employees, bankruptcy, and receiverships. There are in northern New York to-day four paper mills in bankruptcy and several others in the hands of their creditors, and the end is not yet.

The above conclusions prove conclusively the truth of the statements made by the news-print manufacturers to the Ways and Means Committee of Congress and the Finance Committee of the Senate, that the news-print manufacturer of this country needed the protection of at

lease $5.25 per ton to enable him to compete with the Canadian producer.

Yours, very truly, FRANCIS M. HUGO.

[Newton Falls Paper Co.; Frank L. Moore, president and general manager; F. T. Helmer, treasurer. Incorporated 1894.]

WATERTOWN, N. Y.

Hon. LUTHER W. MOTT,
Washington, D. C.

MY DEAR CONGRESSMAN: Replying to yours of the 13th, I will say that the general effect on our business is very disastrous.

The duty on papers, not otherwise specified, under the Payne-Aldrich bill was 35 per cent. This was changed to 25 per cent for the same classification; but the most serious effect is the fact that news was put on the free list, and many of the older machines manufacturing news paper have been forced to get onto other grades, which brings them into the class "not otherwise specified."

Of course this makes an overproduction of papers which have been included in that class. As you will undoubtedly hear, Norway, Sweden, Germany, etc., have been landing news paper at any seaport on the Atlantic coast for 2 cents per pound. If there was a duty, this would be stopped.

This is largely responsible for forcing machines off of news onto such grades of paper as are included in this classification, and this is the most disastrous effect of the Underwood bill upon us, and I can assure you that it is so bad that many mills are not running full time. This, with the widespread curtailment in consumption, is proving a very serious menace for the future prosperity of this industry in the United States.

Yours, truly,

F. L. MOORE, *President.*

[The Carthage Tissue Paper Mills, manufacturers of tissue, Carthage, N. Y.; W. O. Ball, president and treasurer; A. R. Ball, manager of manufacturing; W. D. Ball, vice president.]

Hon. LUTHER W. MOTT,
House of Representatives, Washington, D. C.

DEAR SIR:

* * * * * * *

Our business has been affected indirectly very seriously by the closing or running part time by those to whom we sell our product. I believe these mills to whom we sell our product have closed or run part time directly on account of the tariff and the general slackening of business, which latter condition I also believe is due to the tariff.

I do not think we shall see any very prosperous times in this country until we have a change in the administration and a change in the tariff. I inclose you a clipping of this morning from the Syracuse Post-Standard, which shows which way the tide is setting.

Yours, truly,

CARTHAGE TISSUE PAPER MILLS,
W. O. BALL, *President.*

The following is the clipping referred to:

LACE MILL CLOSES DOORS FOR INDEFINITE PERIOD—INTERNATIONAL CO.'S PLANT AT GOUVERNEUR AFFECTED BY GENERAL SLACKENING IN BUSINESS.

GOUVERNEUR, N. Y.—The plant of the International Lace Co. has been closed indefinitely. While machines are idle an inventory of the stock will be taken.

The lace industry has been dull throughout the country. Large plants in Philadelphia, Pa., and other eastern cities, which are in connection with the local plant, have either been closed for a number of weeks or are about to discontinue operations indefinitely.

The reduction of the tariff is claimed by the lace companies to be the cause of the recent decline in this branch of business.

[Oswego Falls Pulp & Paper Co., Fulton, N. Y. H. L. Paddock, president; F. G. Weeks, vice president; C. W. Tooke, secretary and treasurer. Sales agents for Skaneateles Paper Co., Skaneateles, N. Y.]

Hon. LUTHER W. MOTT,
House of Representatives, Washington, D. C.

DEAR SIR: The effect of the Underwood tariff bill is easily told in a few words. In the year 1912 our average selling price per ton, news paper, was $41.15. For the month of May, 1914, the average selling price was $37.83. These figures represent the net selling price f. o. b. our mill after all freights, commissions, and discounts have been deducted. This fall in the price of news paper is due to the dumping of the Scandinavian and Canadian news product into our market duty free. So long as Canadian mills are favored by exemption from taxation and by discriminatory railroad rates which give them equal access to the market of American mills, it is easy to see that the American mill, which has to import its pulp wood, is at a disadvantage, and unless some change in tariff legislation is made to protect it against this unfair competition the American mills will have to give up making news in the near future.

Of course you understand that notwithstanding the Underwood tariff law the cost of living of our employees has not decreased, so that no readjustment of wages is practicable, while at the same time local taxes, insurance, and many other items entering into the cost of paper have materially increased.

Trusting that this information may be of some value to you, we remain,

Yours, truly,

OSWEGO FALLS PULP & PAPER CO.,
C. W. TOOKE, *Secretary.*

[The Victoria Paper Mills Co. Paper and bag manufacturers. E. R. Redhead, president; F. W. Snyder, treasurer; C. R. Bennett, secretary.]

FULTON, N. Y.

Hon. LUTHER W. MOTT,
United States House of Representatives,
Washington, D. C.

DEAR MR. MOTT: The principal trouble with us at present is on account of the general depression in business which has curtailed the consumption of paper in a large number of ways. We have not been for some time running much above 75 per cent of capacity.

The discussion of the antitrust bills in Congress at present is a serious handicap to business, and until these bills are either put into law in some definite shape or else defeated the business of the country will not know what to do. In other words, it will be a decided gain to the business of the country to have Congress finish its work and adjourn, as we shall then be pretty sure that there will be no legislation for several months affecting business.

Sincerely, yours, E. R. REDHEAD.

[The Watertown National Bank, Watertown, N. Y.; G. W. Knowlton, president; A. F. Wardwell, vice president; W. W. Rice, cashier.]

Hon. LUTHER W. MOTT,
Washington, D. C.

MY DEAR SIR: In this locality the large manufacturing interest is the making of paper from wood. It has absorbed millions of capital and employs thousands of men and not a few women. The free trade in paper which came in under the so-called reciprocity bill, but for which we got nothing in return, cut the ground out from under the manufacturers of newspaper and cheap manilas (wrapping).

It would be out of the question for anyone to start a manufacturing enterprise now in this country looking forward to making paper from wood, because it would be impossible to meet successfully the competition from Canada. Very few mills on this side of the line are so equipped as to be able to meet the low prices the Canadian manufacturer can make because of his cheap wood and abundant water power.

Free trade in other lines of paper simply means we on this side have to contend with the lower wages of Europe. Their mechanical appliances are as advanced and complete as are ours so we have no advantage and we are at the disadvantage of much higher wages.

A large machine shop comparatively new and fully equipped for building paper-mill machinery have almost no business now and have discharged many men and are regretting that they did not give up here and transfer their plant to Canada. These are the things that make this community feel very sore over present conditions, and we can see no relief in the future, because it looks to us as though the business has gone to Canada and will not return. What I have said applies to a very large portion of northern New York.

Yours, truly,

G. W. KNOWLTON.

Kamargo Mills, founded 1808.

WATERTOWN COAL DEALERS SUFFER ALSO.

[Marcy, Buck & Riley, anthracite and bituminous coal, Watertown, N. Y.]

Hon. LUTHER W. MOTT,
Washington, D. C.

MY DEAR CONGRESSMAN: Our coal business is very closely identified with the chief industry of this section—the manufacture of paper. The paper business has been very seriously affected by tariff legislation.

Complaining about business conditions seems to be at the present time the popular subject of conversation. Business men in all lines are acting as conservatively as possible, and the curtailment of purchases and expenses seems to be the order of the day.

Very truly, yours,

R. J. BUCK, *President.*

What a man of large business experience says:

[Thomas P. Kingsford, Oswego, N. Y.]

Hon. L. W. MOTT,
House of Representatives, Washington, D. C.

DEAR MR. MOTT: While I can not give you definite information from personal experience as to the effects of the Underwood tariff law, yet I feel from conversations I have had with other persons that it has enabled the foreign exporters to raise the prices of their goods proportionately in many cases. Regarding your inquiry as to the effect pending legislation is having, I can not do any more than to reiterate what you already know, and that is the expressed hostility of the administration and of a large number of the Members of Congress to "big business" has developed a feeling of uncertainty in all lines, so that the business public, as well as industries, are very timid about increasing present plants or exploiting new industries until more is known of the outcome and settlement of laws relating to all corporations and business. This is most unsatisfactory, and I fear that unless something is done to inspire confidence and to allow business interests a breathing spell to recover from all the changes brought about by the Underwood tariff and other legislation that it will take a long time to restore confidence and business prosperity.

When the railroads are prosperous and buy supplies the whole country feels the benefit and is generally prosperous; if the reverse is the case, as it is now, depression and lack of business results.

Personally I am in rather a pessimistic frame of mind regarding the general business outlook, and see in the future a still further reduction in business activity and increase of unemployed labor unless our legislators at Washington use some common sense and allow a feeling of confidence and legislative support to business, instead of an attitude of hostility.

I inclose a letter received yesterday from the president of the National Founders' Association, an organization composed principally of iron founders throughout the United States, which gives the views of this organization and many manufacturers regarding the labor legislation as embraced in the Clayton bill.

Yours, very truly, T. P. KINGSFORD.

[The National Founders' Association. Main office, 29 South La Salle Street, Chicago. William H. Barr, president, Buffalo; Otto H. Valk, vice president, Milwaukee; A. E. McClintock, Com., Chicago; J. M. Taylor, secretary, Chicago.]

CHICAGO, ILL.

Mr. T. P. KINGSFORD,
Kingsford Foundry & Machine Works, Oswego, N. Y.

DEAR SIR: The effect of the present attitude of the administration at Washington upon business is lamentable. The artificial conditions created by Congress and the fear of threatened radical action by it is such that business is timorous, and as a consequence the whole community suffers. Thousands of idle men can be found on the streets whose idleness is the direct effect of the unpardonable lack of foresight that has dominated the administration during the past 12 months.

The appointment of Mr. Wilson as Secretary of Labor and his speech at Seattle, wherein he practically declared that he would ignore the rights of independent workmen and use his energies toward the advancement of the claims of organized labor; the make-up of the Industrial Commission in many of its aspects; and the so-called antitrust legislation which has just passed the House indicate a purpose on the part of Congress to hound business for the purpose of attaining a temporary popularity, with the ultimate object of helping Members of Congress at the polls in the next November canvass.

An opportunity is afforded at this time to business men of the country such as has not heretofore been presented to prove that they are not in sympathy with legislation of this character. The impelling consideration to Members of Congress at the present time is not a patriotic desire to accomplish the best in the interests of the people, but to do those things which will cater to class, so that a temporary personal benefit may be obtained.

It should be emphasized that under the Clayton bill opportunity will not be afforded to punish an organization of dynamiters, such as that connected with the structural iron workers.

Congressmen who have seen fit to pass this measure should be attacked in their own districts aggressively.

Further, every possible effort that is legitimate should immediately be put forth to convey to the Senate of the United States the menace and injustice of the Clayton bill.

Yours, very truly, WILLIAM H. BARR, *President.*

How an Oswego spinning mill is hurt:

[Standard Spinning Co., department of Frisbie & Stansfield Knitting Co., manufacturers of combed and carded cotton yarns.]

Hon. LUTHER W. MOTT,
House of Representatives, Washington, D. C.

MY DEAR SIR: Last year the demands on our spindles were much in excess of our capacity, and the difficulty was to supply the yarn fast enough to keep our customers satisfied, and at prices that showed good margins of profit. Last year we had much difficulty in getting a sufficient supply of experienced help. This year experienced help is a-plenty and on the waiting list, but it is a tough scramble to get business enough to keep the mill going—and competition is keen, almost to the verge of recklessness—for the few orders that are obtainable.

That the tariff tinkering has been generally harmful there is no gainsaying; and the worst of it is the anticipation that in reality the worst is yet to come. Money is certainly easy and plenty, and with the promise of abundant crops the country would certainly be bracing up to a revival of prosperity if it were not for the general feeling that business is going to get it "in the neck" from Washington harder than ever before national affairs are again on a safe and sane basis.

The manufacturers of the finer grades of goods, on which protection has been most cut down, have been compelled to crowd over onto other lines, and so on down; so that in reality we are all suffering from this tariff revision as well as from the general lack of confidence, which seems to be mainly engendered by apprehension of what the effects are to be of this fatuous persistence in political tinkering with legitimate business.

Yours, very truly, JAMES G. MERRIMAN.

A manufacturer's experience in Europe:

[Oswego Machine Works, Niel Gray, jr., proprietor.]

Hon. LUTHER W. MOTT, *Washington, D. C.*

DEAR SIR: Acknowledging your letter asking how the Underwood tariff law has affected my business, I would say that it is too early yet to determine the full effect on the Oswego Machine Works' business, which, as you know, makes heavy cutting machinery for use in paper mills and by printers, lithographers, box makers, textile works, etc. The ultimate effect of a policy of tariff reduction leads into so large a discussion that I won't attempt it. I will simply tell you what I have seen with my own eyes recently in my two months' trip to England and Germany, from which I have just returned, and where I went to learn something about their manufactures and the factories and wage rates and the living conditions of the people who work in the various shops.

I found the condition so interesting—in fact, too interesting—that I do not know just where to put this new problem in relation with the other problems that are pressing hard and fast now with the legislation governing labor and industrial matters in this country. We have always thought that the United States was preeminently the land of romantic business development, but I saw plants started in Germany with the founder and one helper alone in one case, 15 or 20 years ago, and now running 900 men; other similar plants of 300, of 1,500, or 3,000, etc., and all of most rapid growth on account of the industrial policy there, which is to help, and not to hinder, manufacturing industries, and which adopts new laws governing the living conditions of workers or their employment only after the most careful investigation of the effect of similar laws passed in other countries, and then only when modified so as to best suit the local condition. Such foolish, quick legislation as the Clayton antitrust bill, for instance, I think would be unheard of in Germany's program.

If it is desired to develop American industries, every possible aid must be given to them, if they are to hold their own against the shops of other nations. I am frank to say I do not see how we are going to do it, however, under existing law. Changes are necessarily so slow that the present world-wide trend toward equalization of wage rates will not come to a stable equilibrium until a good many years after you and I are dead.

I talked with machinists, for instance, employed in English shops, who told me their highest weekly wage rate was from 40 shillings to 55 shillings for work which here we pay nearly double for. And in endeavoring to locate new markets for Oswego products I always came face to face with a difference in price that in many cases was prohibitive. If there should be a leveling down of all duties, so that the wage rates in the United States could be reduced nearer to those of other nations, then we might hope for a larger share of the export business, but that would not naturally suit the workman.

The present ability of Americans to secure business abroad is due more to originality of design, together with excellence of manufacture, than anything else; but the constant and persistent copying of these designs abroad by foreign manufacturers, and then the more economical construction of them on account of the lower wage rate, makes the proposition continually more difficult.

The fact is that even before the duty was reduced to 15 per cent on bookbinders' and printers' machinery, German firms could lay down on vessels in New York Harbor, and pay duty and freight, and sell for about the same price that American machine shops could deliver practically the same machinery in New York City. Now the foreign advantage is much greater.

Yours, truly, NIEL GRAY, Jr.

How the candy business suffers:

[Oswego Candy Works, Oswego, N. Y.]

Hon. L. W. MOTT,
Washington, D. C.

MY DEAR CONGRESSMAN: I do not think the reduction of the tariff on sugar has made any difference one way or the other with our business. But we have never experienced the dull times that we are experiencing just at present. Collections are very hard, and we have had more failures this year than we had all during the past year—1913—and business is almost at a standstill.

Yours, respectfully, D. D. LONG.

Housing of Working People in Foreign Countries.

EXTENSION OF REMARKS

OF

HON. FRANK BUCHANAN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 22, 1914,

On the House resolution 604, as follows:

Resolved, That the Secretary of Labor be, and he is hereby, requested to transmit to the House of Representatives any information now available in the possession of the Bureau of Labor Statistics concerning public aid for home owning and housing of working people in foreign countries.

Mr. BUCHANAN of Illinois. Mr. Speaker, the material called for by this resolution is necessary for the proper consideration of at least three bills already introduced at this session of Congress. These bills are in the hands of three committees. One of these, introduced by myself (H. R. 8472), is referred to the Committee on Post Offices and Post Roads. It would authorize the use of the postal savings fund to aid workingmen to own their homes; another bill, introduced by Mr. J. I. NOLAN, of California, and referred to the Committee on Banking and Currency (H. R. 13871), would authorize a special issue of Treasury notes to aid in the building of workingmen's homes. Still another bill, the Borland bill, which has been considered for some time by the District Committee, authorizes the District of Columbia to aid in building sanitary houses for rent to the poor of this District. For the proper consideration of these bills, whether in committee or on the floor of this House, it is exceedingly important that we know what other countries have done in the way of legislation and what degree of success has followed the enactment of various kinds of laws having the increase of home owning for their ultimate purpose. The attention given to plans for public aid to home owning since Belgium began the movement by its law of 1889 is shown by the international housing and home-owning congresses which have been held in Europe since that date. Ten such international congresses have been held, and I know of no better indication of the public interest in the subject in European countries and of the activity of organized effort to deal with this serious problem. The first international housing and home-owning congress was held in Paris in 1889, almost immediately after Belgium had passed its law to encourage workingmen-home ownership. The second congress was held in Antwerp in 1894; the third in Bordeaux in 1895; the fourth in Brussels in 1897; fifth in Paris, 1900; sixth in Dusseldorf in 1902; seventh in Liege, 1905; eighth in London, 1907; ninth in Vienna, 1910; the tenth in The Hague in 1913. As a result of the investigations made through these congresses most European countries have enacted legislation providing for government aid in one form or another for the better housing and better tenureship of the working people.

The countries that have enacted such laws are Austria; Australia, including New Zealand and the various Australian States; Belgium, which was the first country to enact legislation in aid of home ownershsip among workingmen; Denmark; Germany; Great Britain; Italy; Luxemburg; Netherlands; Norway; Roumania; and several other countries in lesser degree.

The information called for by this resolution will cover ample digests of all the laws enacted by each of these countries relating to the subject, and a careful study of the results of operations under these laws. The safety of investment of public funds in private home-owning enterprises is amply discussed in this material. Many countries have invested their most

sacred funds in long-time loans on workmen's homes. The old-age pension funds, the sickness insurance funds, and trust funds of this character have been invested in financial aid to home owning. In one country alone such funds have been invested to the amount of $115,000,000. These funds must return the interest provided for by law, and they do it through these home-buying loans; but more than the interest returned, the country secures a home-owning people, and in the large cities a healthier, stronger, more efficient people. In Liverpool the death rate was reduced in a given area more than half by the removal of slum tenement houses and the rehousing of the people under sanitary and home-owning conditions. I know it is a common thing for men to say, "Oh, that is all right for the old and congested cities of Europe, but in America there is no necessity for the investment of public funds in aid of home owning." I want to say to the Members of this House that in the cities at least of this country the homes owned free of encumbrance are comparatively few, and that more good can be done right now by this use of public trust funds, such as the postal savings deposits, than most of us have believed. I want to tell you that of the 1,020,827 homes in New York, 884,616, or 88 per cent, are rented; that of 117,740 claimed to be owned, 81,007 are encumbered; and that only 34,951, or 3½ per cent of the whole, are owned free of debt. In Chicago but 55,025, or 12 per cent, of the total homes are owned free from encumbrance. I will insert here in the RECORD a table (Table 1) showing the home-owning situation in 50 cities of the United States. Of the 4,424,326 homes in these 50 cities, 3,196,941, or 74.1 per cent, are rented; 547,723, or 12.8 per cent, are held through an encumbered ownership; and only 558,206, or 13.1 per cent, are really owned.

In one ward—the eighteenth—in Chicago there are 4,905 homes, of which only 105 are owned free of encumbrance. In the eighth assembly district, in the Borough of Manhattan, there are but 6 homes owned free of debt by the occupants, while 11,962 are rented. I will insert in the RECORD Table 2, showing the facts of ownership by wards for a few cities selected at haphazard from all parts of the country to show that the evils of nonownership are not confined to any one part of the country, and Table 3, showing percentages of ownership in the same selected cities in 1890, 1900, and 1910. I think these tables will convince any Member of this House that we have a housing and a home-ownership problem in this country. The tables presented are compiled and condensed from the Census Bureau; the cities selected are New York, Chicago, Philadelphia, St. Louis, San Francisco, Atlanta, Ga., Birmingham, and New Orleans. If any Member desires to know the facts for other cities, he can get them from the census reports.

If relief is to be had for those struggling to secure homes, it must come soon. The rapid rise in land prices in our cities tends to make home ownership for the poor more and more impossible. To cite the well-known case of the Chicago one-quarter-acre lot which sold in 1830 for $20; in 1840 for $1,500; in 1850 it was worth $17,500; in 1860, $28,000; in 1870, $120,000; in 1880, $130,000; in 1890, $900,000; and in 1894, $1,250,000. This is perhaps the most startling example of how land prices get home owning out of reach; but the same tendency is everywhere, and will be so long as the unearned increment that comes from condensing population is permitted to be capitalized by individuals.

I merely call your attention to these figures to show that a condition exists in this country as well as in Europe which will eventually call out of committee such bills as have been introduced in this session. That such information as is called for by this resolution, and which is now in the Department of Labor, will be needed to finally draft and pass a bill that will successfully meet this problem is apparent. It is information this House needs.

The question will be asked, Why does not the bureau preparing this report publish it?

In accordance with the directions contained in the act of Congress approved May 1, 1913, an act making appropriation for certain expenses incident to the first session of the Sixty-third Congress, and for other purposes (Public, No. 1), there was transferred from the Department of Commerce to the Department of Labor the sum of $84,000 as its allotment for printing and binding for the fiscal year 1914. The act making appropriation to supply urgent deficiencies in the appropriations for the fiscal year 1914, approved April 6, 1914, appropriated $30,000 for printing and binding for the Department of Labor, thus making a grand total of $114,000 as the printing and binding allotment of the department for the fiscal year 1914.

Requisitions for printing and binding covering the full amount were made on the Public Printer, who, on July 1, presented bills for $106,746.64, leaving a balance to the credit of the department of $7,253.36, which balance must according to law be covered back into the Treasury and becomes a liability against the appropriation for 1915.

The full amount of the appropriation was not expended for the reason that the deficiency bill did not become a law until April 6, 1914, too short a time before the expiration of the fiscal year to permit of the completion of this department's orders. The Government Printing Office was overwhelmed with work at this time and was therefore unable to perform more than the amount stated before the close of the fiscal year.

Of the total appropriation above mentioned the sum of $54,500 was allotted to the Bureau of Labor Statistics. Against this sum the Government Printing Office presented bills totaling $46,962.78. At the close of the above-mentioned fiscal year there was remaining in the Printing Office uncompleted and unbilled work of the Bureau of Labor Statistics to the extent of $21,567.97, which sum, of course, becomes a liability against the bureau's allotment for the fiscal year 1915.

It will cost something like $700 or $800 to print this report, which will consist of some 200 printed pages. In other words, 10 per cent of the money appropriated on the floor of the House as deficiency in the printing fund, but which finally went back to the Treasury because of the rush of work in the Printing Office, will print this report. Had the Bureau of Labor Statistics been able to use all of its printing fund it would not be necessary to call for this material through a House resolution. As it is, that bureau, after paying for the uncompleted printing on last year's work, has but $23,000 with which to print all the reports the bureau may complete within the present fiscal year.

As stated in the beginning of my remarks, this material supplies information necessary to the proper consideration of three bills now before committees of this Congress; it supplies information needed for Members and for the public. I believe the resolution should be adopted.

Distribution of homes according to proprietorship and encumbrance, in cities having, in 1910, 100,000 inhabitants or more.

[From Thirteenth Census of the United States, 1910, vol. 1, Population, p. 1313.]

City.	All homes.												
	Total.	Owned.				Rented.	Unknown.	Per cent of total.				Per cent of owned.	
		Total.	Free.	Encumbered.	Unknown.			Owned.	Rented.	Owned free.	Owned encumbered.	Free.	Encumbered.
Albany, N. Y.	24,069	6,338	4,347	1,885	106	17,189	542	26.9	73.1	18.8	8.1	69.8	30.2
Atlanta, Ga.	35,813	8,580	5,553	2,947	80	26,213	1,020	24.7	75.3	16.1	8.6	65.3	34.7
Baltimore, Md.	118,851	38,400	26,795	11,006	599	75,381	5,070	33.7	66.3	23.9	9.8	70.9	29.1
Birmingham, Ala.	31,050	8,910	5,475	3,303	132	21,115	1,025	29.7	70.3	18.5	11.2	62.4	37.6
Boston, Mass.	139,700	23,496	10,540	12,731	225	114,312	1,892	17.1	82.9	7.7	9.3	45.3	54.7
Bridgeport, Conn.	21,689	4,671	1,531	3,055	85	16,504	514	22.1	77.9	7.4	14.7	33.4	66.6
Buffalo, N. Y.	91,328	30,592	14,277	16,033	282	58,745	1,991	34.2	65.8	16.1	18.1	47.1	52.9
Cambridge, Mass.	22,765	4,282	2,187	2,064	31	18,378	105	18.9	81.1	9.7	9.2	51.4	48.6
Chicago, Ill.	473,141	121,447	55,025	64,981	1,441	342,472	9,222	26.2	73.8	12.0	14.2	45.9	54.1
Cincinnati, Ohio.	87,541	19,965	12,983	6,801	181	66,153	1,423	23.2	76.8	15.2	8.0	65.6	34.4
Cleveland, Ohio.	124,822	43,473	21,701	21,526	246	80,005	1,344	35.2	64.8	17.7	17.5	50.2	49.8
Columbus, Ohio.	42,645	14,862	7,468	7,184	210	26,787	996	35.7	64.3	18.2	17.5	51.0	49.0
Dayton, Ohio.	28,370	10,596	5,425	5,071	100	17,244	530	38.1	61.9	19.7	18.4	51.7	48.3
Denver, Colo.	51,339	17,774	10,732	6,779	263	31,342	2,223	36.2	63.8	22.2	14.0	61.3	38.7
Detroit, Mich.	100,356	40,471	20,752	19,501	218	57,831	2,054	41.2	58.8	21.2	19.9	51.6	48.4
Fall River, Mass.	24,378	4,317	1,881	2,411	25	19,926	135	17.8	82.2	7.8	10.0	43.8	56.2
Grand Rapids, Mich.	26,925	12,599	6,184	6,230	185	13,690	636	47.9	52.1	23.9	24.1	49.8	50.2

Distribution of homes according to proprietorship and encumbrance, in cities having, in 1910, 100,000 inhabitants or more—Continued.

City.	All homes.												
	Total.	Owned.				Rented.	Unknown.	Per cent of total.				Per cent of owned.	
		Total.	Free.	Encumbered.	Unknown.			Owned.	Rented.	Owned free.	Owned encumbered.	Free.	Encumbered.
Indianapolis, Ind	58,645	19,036	9,829	8,985	222	38,702	907	33.0	67.0	17.2	15.7	52.2	47.8
Jersey City, N. J	56,790	11,209	4,899	6,104	206	44,394	1,187	20.2	79.8	9.0	11.2	44.5	55.5
Kansas City, Mo	59,296	20,711	8,595	11,870	246	36,537	2,048	36.2	63.8	15.2	21.0	42.0	58.0
Los Angeles, Cal	78,678	34,159	17,249	16,671	239	42,202	2,317	44.7	55.3	22.7	22.0	50.9	49.1
Louisville, Ky	52,155	13,603	10,232	3,251	120	37,621	931	26.6	73.4	20.2	6.4	75.9	24.1
Lowell, Mass	21,932	4,848	2,689	2,132	27	16,761	323	22.4	77.6	12.5	9.9	55.8	44.2
Memphis, Tenn	31,154	7,541	4,906	2,441	194	22,363	1,250	25.2	74.8	16.3	8.9	64.6	35.4
Milwaukee, Wis	80,566	28,824	12,875	15,720	229	50,352	1,390	36.4	63.6	16.4	20.0	45.0	55.0
Minneapolis, Minn	63,241	24,539	13,571	10,515	453	36,195	2,507	40.4	59.6	22.8	17.6	56.3	43.7
Nashville, Tenn	26,077	7,879	5,797	1,972	110	17,868	330	30.6	69.4	22.8	7.8	74.6	25.4
New Haven, Conn	29,271	7,326	2,792	4,467	67	21,394	551	25.5	74.5	9.8	15.7	38.5	61.5
New Orleans, La	73,377	16,273	12,615	3,058	600	54,113	2,991	23.1	76.9	18.6	4.5	80.5	19.5
New York, N. Y	1,020,827	117,740	34,951	81,007	1,782	884,616	18,471	11.7	88.3	3.5	8.2	30.2	69.8
Manhattan Borough	493,545	14,103	5,356	7,909	838	468,927	10,515	2.9	97.1	1.2	1.7	40.4	59.6
Bronx Borough	93,897	12,071	2,654	9,267	150	80,114	1,712	13.1	86.9	2.9	10.2	22.3	77.7
Brooklyn Borough	353,666	63,842	17,335	45,954	553	284,739	5,085	18.3	81.7	5.0	13.3	27.4	72.6
Queens Borough	62,001	21,176	6,410	14,601	165	40,020	805	34.6	65.4	10.6	24.0	30.5	69.5
Richmond Borough	17,718	6,548	3,196	3,276	76	10,816	354	37.7	62.3	18.6	19.1	49.4	50.6
Newark, N. J	77,039	15,119	4,979	9,999	141	60,473	1,447	20.0	80.0	6.6	13.4	33.2	66.8
Oakland, Cal	36,723	16,870	9,683	7,084	103	19,263	590	46.7	53.3	27.0	19.7	57.7	42.3
Omaha, Nebr	26,359	10,095	5,739	4,178	178	15,269	995	39.8	60.2	23.0	16.8	57.9	42.1
Paterson, N. J	27,978	6,538	2,695	3,770	73	20,714	726	24.0	76.0	10.0	14.0	41.7	58.3
Philadelphia, Pa	327,263	83,262	35,950	46,312	1,000	229,354	14,647	26.6	73.4	11.6	15.0	43.7	56.3
Pittsburgh, Pa	110,457	29,983	16,052	13,445	486	77,288	3,186	28.0	72.0	15.2	12.7	54.4	45.6
Portland, Oreg	42,029	18,509	11,089	7,131	289	21,495	2,025	46.3	53.7	28.2	18.1	60.9	39.1
Providence, R. I	49,129	10,071	4,795	5,107	169	38,276	782	20.8	79.2	10.1	10.7	48.4	51.6
Richmond, Va	26,914	6,255	4,609	1,318	328	19,801	858	24.0	76.0	18.7	5.3	77.8	22.2
Rochester, N. Y	46,787	19,321	7,876	11,306	139	26,525	941	42.1	57.9	17.3	24.8	41.1	58.9
St. Louis, Mo	155,555	37,761	22,178	15,197	386	113,515	4,279	25.0	75.0	14.8	10.1	59.3	40.7
St. Paul, Minn	41,548	16,665	10,910	5,621	134	23,826	1,057	41.2	58.8	27.2	14.0	66.0	34.0
San Francisco, Cal	86,414	27,500	16,329	10,996	175	55,946	2,968	33.0	67.0	19.7	13.3	59.8	40.2
Scranton, Pa	26,312	9,711	5,524	3,935	252	16,116	495	37.6	62.4	22.0	15.6	58.4	41.6
Seattle, Wash	51,042	22,167	13,464	8,508	195	27,245	1,630	44.9	55.1	27.5	17.4	51.3	38.7
Spokane, Wash	22,676	11,165	5,869	5,112	184	10,610	901	51.3	48.7	27.4	23.9	53.4	46.6
Syracuse, N. Y	31,551	12,202	4,873	7,225	104	18,547	802	39.7	60.3	16.0	23.7	40.3	59.7
Toledo, Ohio	39,677	17,170	9,622	7,438	110	21,609	898	44.3	55.7	25.0	19.3	56.4	43.6
Washington, D. C	71,339	17,375	9,918	7,178	279	51,607	2,357	25.2	74.8	14.6	10.6	58.0	42.0
Worcester, Mass	30,743	7,431	2,196	5,162	73	23,057	255	24.4	75.6	7.3	17.1	29.8	70.2
Total, 50 cities	4,424,326	1,119,631	558,206	547,723	13,702	3,196,941	107,754	25.9	74.1	13.1	12.8	50.5	49.5

Number of homes, classified according to proprietorship and encumbrance, by wards in selected cities, 1910.

[From Thirteenth Census of the United States, 1910, vol. 1, Population, p. 1356.]

City and ward.	All homes.					
	Total.	Owned.			Rented.	Unknown.
		Free.	Encumbered.	Unknown.		
Chicago city	473,141	55,025	64,981	1,441	342,472	9,222
Ward 1	3,900	145	9	15	3,527	204
Ward 2	10,002	612	177	72	8,837	304
Ward 3	10,372	974	343	23	8,778	254
Ward 4	10,471	1,558	671	20	8,109	113
Ward 5	11,419	2,306	1,382	18	7,569	144
Ward 6	17,304	1,691	824	71	14,312	406
Ward 7	12,738	2,058	2,176	20	8,211	273
Ward 8	22,221	1,543	1,775	55	18,354	494
Ward 9	8,958	737	474	11	7,553	183
Ward 10	10,685	798	763	29	8,931	164
Ward 11	11,948	1,248	1,071	13	9,316	300
Ward 12	18,278	2,351	3,246	38	12,383	260
Ward 13	13,874	1,735	1,401	53	10,408	277
Ward 14	12,169	1,391	908	10	9,679	181
Ward 15	13,794	1,496	1,868	19	10,270	141
Ward 16	12,928	1,215	1,218	11	10,265	219
Ward 17	14,028	837	831	54	12,071	235
Ward 18	4,903	105	29	29	4,393	347
Ward 19	11,300	621	567	46	9,704	362
Ward 20	12,461	1,138	838	26	10,190	269
Ward 21	8,577	601	181	30	7,153	612
Ward 22	11,193	703	374	26	9,862	228
Ward 23	11,032	1,219	613	28	8,962	210
Ward 24	11,648	1,469	1,615	14	8,423	127
Ward 25	25,235	2,768	3,076	77	18,795	519
Ward 26	17,589	2,432	4,399	76	10,389	293
Ward 27	24,728	3,094	9,150	194	11,887	403
Ward 28	15,739	2,045	2,722	19	10,837	116
Ward 29	15,787	2,509	2,814	34	10,221	209
Ward 30	11,299	1,652	724	55	8,691	177
Ward 31	17,467	2,463	4,160	90	10,444	310
Ward 32	16,056	2,596	3,441	24	9,775	220
Ward 33	14,519	2,645	3,048	33	8,530	263
Ward 34	14,942	2,248	4,089	50	8,360	195
Ward 35	13,577	2,022	4,004	58	7,283	210

Number of homes, classified according to proprietorship and encumbrance, by wards in selected cities, 1910—Continued.

[From Thirteenth Census of the United States, 1910, vol. 1, Population, p. 1356.]

City and ward.	All homes.					
	Total.	Owned.			Rented.	Unknown.
		Free.	Encumbered.	Unknown.		
Atlanta city	35,813	5,553	2,947	80	26,213	1,020
Ward 1	5,101	596	181	4	4,221	99
Ward 2	4,764	781	344	7	3,480	152
Ward 3	5,658	978	533	23	4,026	98
Ward 4	5,675	713	442	10	4,420	90
Ward 5	2,909	408	182	9	2,259	51
Ward 6	5,193	464	145	12	4,261	311
Ward 7	1,567	370	345	5	798	49
Ward 8	1,459	483	249	4	676	47
Ward 9	1,928	504	408	5	964	47
Ward 10	1,559	256	118	1	1,108	76

[From Thirteenth Census of the United States, 1910, vol. 1, Population, p. 1355.]

Birmingham city	31,050	5,475	3,303	132	21,115	1,025
Ward 1	686	15	4	.....	638	29
Ward 2	2,009	130	47	6	1,709	117
Ward 3	1,746	363	217	1	1,135	30
Ward 4	1,711	237	123	22	1,297	32
Ward 5	1,363	47	15	2	1,195	104
Ward 6	1,271	126	58	6	1,009	72
Ward 7	1,827	285	104	8	1,378	52
Ward 8	1,725	194	90	1	1,359	81
Ward 9	2,156	309	242	8	1,570	27
Ward 10	891	202	43	27	535	84
Ward 11	1,904	321	385	1	1,162	35
Ward 12	3,239	944	769	7	1,405	114
Ward 13	1,787	241	194	1	1,325	26
Ward 14	2,298	546	106	16	1,592	38
Ward 15	3,066	929	498	11	1,543	85
Ward 16	3,371	586	408	15	2,263	99

Number of homes, classified according to proprietorship and encumbrance, by wards in selected cities, 1910—Continued.

[From Thirteenth Census of the United States, 1910, vol. 1, Population, p. 1357.]

City and ward.	All homes.					
	Total.	Owned.			Rented.	Unknown.
		Free.	Encumbered.	Unknown.		
New Orleans city....	73,377	12,615	3,058	600	54,113	2,991
Ward 1.....	3,147	383	57	22	2,475	210
Ward 2.....	3,746	350	71	10	3,123	192
Ward 3.....	7,899	984	379	28	6,182	326
Ward 4.....	3,572	418	116	17	2,889	132
Ward 5.....	6,033	787	154	16	4,812	264
Ward 6.....	3,486	671	66	16	2,534	199
Ward 7.....	6,944	1,346	302	36	4,966	294
Ward 8.....	3,058	566	91	40	2,237	124
Ward 9.....	5,270	1,213	264	57	3,580	156
Ward 10.....	5,009	665	148	16	3,964	216
Ward 11.....	6,271	852	153	57	4,972	237
Ward 12.....	4,643	1,007	194	9	3,313	120
Ward 13.....	3,648	740	238	88	2,426	156
Ward 14.....	3,121	974	272	36	1,730	109
Ward 15.....	3,573	736	149	132	2,418	138
Ward 16.....	1,899	450	216	16	1,146	71
Ward 17.....	2,058	473	188	4	1,346	47

[From Thirteenth Census of the United States, 1910, vol. 1, Population, p. 1361.]

City and borough	All homes.					
	Total.	Owned.			Rented.	Unknown.
		Free.	Encumbered.	Unknown.		
New York City.....	1,020,827	34,951	81,007	1,782	884,616	18,471
Manhattan Borough.....	493,545	5,356	7,909	838	468,927	10,515
Assembly district 1....	14,792	70	98	15	14,120	489
Assembly district 2....	16,555	21	64	6	16,036	428
Assembly district 3....	15,675	29	61	14	15,101	470
Assembly district 4....	18,353	19	83	18	18,000	233
Assembly district 5....	12,535	73	105	13	11,962	382
Assembly district 6....	18,049	25	107	19	17,678	220
Assembly district 7....	11,298	126	126	8	10,750	288
Assembly district 8....	20,209	6	72	14	19,812	305
Assembly district 9....	12,579	55	75	30	12,075	344
Assembly district 10...	20,906	29	135	22	20,354	366
Assembly district 11...	12,392	68	108	30	12,011	175
Assembly district 12...	16,813	75	160	15	16,240	323
Assembly district 13...	12,187	38	54	2	11,852	241
Assembly district 14...	14,749	52	147	30	14,124	396
Assembly district 15...	14,809	790	828	95	12,676	420
Assembly district 16...	12,295	106	269	56	11,602	262
Assembly district 17...	14,913	274	405	73	13,759	402
Assembly district 18...	17,338	89	287	8	16,754	200
Assembly district 19...	21,571	120	257	30	20,785	379
Assembly district 20...	15,548	61	252	3	14,951	281
Assembly district 21...	17,298	161	478	10	16,346	303
Assembly district 22...	12,600	49	270	16	12,104	161
Assembly district 23...	31,147	315	751	39	29,559	483
Assembly district 24...	18,340	15	131	25	17,927	242
Assembly district 25...	10,806	264	180	27	9,905	430
Assembly district 26...	16,325	22	209	5	15,786	303
Assembly district 27...	10,104	1,005	305	62	8,200	532
Assembly district 28...	16,985	48	243	14	16,396	284
Assembly district 29...	12,168	993	691	75	10,033	376
Assembly district 30 (pt.).....	20,557	142	394	21	19,537	463
Assembly district 31...	13,649	216	564	43	12,492	334
Bronx Borough.....	93,897	2,654	9,267	150	80,114	1,712
Assembly district 30 (pt.).....	5,427	49	234	3	5,059	82
Assembly district 32...	27,721	963	3,081	67	23,056	554
Assembly district 33...	18,451	291	759	16	17,125	260
Assembly district 34...	23,674	496	2,409	30	20,319	420
Assembly district 35...	18,624	855	2,784	34	14,555	396
Brooklyn Borough.....	353,666	17,335	45,954	553	284,739	5,085
Assembly district 1....	10,172	649	559	27	8,638	299
Assembly district 2....	10,460	308	437	12	9,472	231
Assembly district 3....	12,567	637	783	12	10,902	233
Assembly district 4....	12,379	687	1,046	15	10,381	250
Assembly district 5....	13,912	1,055	2,350	37	10,316	154
Assembly district 6....	14,774	549	1,359	31	12,680	155
Assembly district 7....	13,025	754	1,536	11	10,595	129
Assembly district 8....	12,338	618	869	2	10,723	126

Number of homes, classified according to proprietorship and encumbrance, by wards in selected cities, 1910—Continued.

City and borough.	All homes.					
	Total.	Owned.			Rented.	Unknown.
		Free.	Encumbered.	Unknown.		
New York City—Continued. Brooklyn Borough—Con.						
Assembly district 9....	19,810	824	4,219	39	14,339	389
Assembly district 10...	11,528	1,288	1,211	8	8,791	230
Assembly district 11...	12,671	936	1,301	20	10,243	171
Assembly district 12...	13,456	1,007	1,946	14	10,312	177
Assembly district 13...	13,591	466	1,060	12	11,900	153
Assembly district 14...	13,135	324	585	21	12,015	190
Assembly district 15...	12,867	405	1,191	17	11,135	119
Assembly district 16...	19,014	1,161	5,844	26	11,632	351
Assembly district 17...	11,617	1,148	1,881	18	8,332	238
Assembly district 18...	19,070	1,445	5,032	44	12,300	249
Assembly district 19...	15,920	265	1,187	25	14,225	218
Assembly district 20...	13,490	557	1,779	9	11,014	131
Assembly district 21...	16,356	158	630	31	15,362	175
Assembly district 22...	30,209	1,269	5,765	81	22,729	365
Assembly district 23...	31,305	825	3,384	41	26,703	352
Queens Borough.....	62,001	6,410	14,601	165	40,020	805
Assembly district 1....	12,620	1,186	1,871	73	9,328	162
Assembly district 2....	12,504	1,701	3,067	19	7,555	162
Assembly district 3....	20,746	1,446	4,355	38	14,642	265
Assembly district 4....	16,131	2,077	5,308	35	8,495	216
Richmond Borough [1].....	17,718	3,196	3,276	76	10,816	354

[1] Richmond Borough comprises but one assembly district.

[From Thirteenth Census of the United States, 1910, vol. 1, Population, p. 1364.]

City and ward.	All homes.					
	Total.	Owned.			Rented.	Unknown.
		Free.	Encumbered.	Unknown.		
Philadelphia city....	327,263	35,950	46,312	1,000	229,354	14,647
Ward 1.....	9,325	621	1,282	35	6,894	493
Ward 2.....	7,940	345	719	13	6,551	312
Ward 3.....	4,944	167	341	11	4,101	324
Ward 4.....	4,592	107	256	6	3,754	469
Ward 5.....	3,458	88	223	22	2,984	141
Ward 6.....	1,256	49	52	1	1,123	31
Ward 7.....	5,847	579	274	9	3,916	1,069
Ward 8.....	2,478	408	181	27	1,517	345
Ward 9.....	934	70	18	5	736	105
Ward 10.....	3,382	272	148	12	2,620	330
Ward 11.....	2,349	72	93	3	2,030	151
Ward 12.....	3,236	165	181	5	2,516	369
Ward 13.....	4,421	184	285	11	3,323	618
Ward 14.....	4,322	289	198	8	3,209	618
Ward 15.....	9,336	1,326	786	24	6,791	409
Ward 16.....	3,533	241	183	4	2,756	349
Ward 17.....	3,869	265	187	2	3,250	165
Ward 18.....	5,902	768	475	12	4,444	203
Ward 19.....	11,316	1,449	1,044	32	8,344	447
Ward 20.....	9,750	1,155	1,129	32	6,583	851
Ward 21.....	7,233	1,017	1,365	35	4,564	252
Ward 22.....	14,402	2,209	3,089	32	8,688	384
Ward 23.....	7,091	1,026	1,475	19	4,474	97
Ward 24.....	11,300	1,567	1,470	16	7,732	515
Ward 25.....	8,654	971	1,214	52	6,150	267
Ward 26.....	11,289	1,272	1,589	18	7,905	505
Ward 27.....	4,234	607	532	11	2,724	360
Ward 28.....	11,745	1,423	2,110	46	7,991	175
Ward 29.....	6,742	1,014	1,026	64	4,461	177
Ward 30.....	6,348	815	451	28	4,567	487
Ward 31.....	6,713	1,049	620	15	4,872	157
Ward 32.....	9,029	1,446	1,600	22	5,655	306
Ward 33.....	11,280	907	1,528	15	8,621	209
Ward 34.....	11,289	958	2,380	25	7,661	265
Ward 35.....	2,174	424	439	28	1,226	57
Ward 36.....	12,666	1,096	1,293	51	9,789	437
Ward 37.....	5,270	897	873	7	3,320	173
Ward 38.....	10,449	1,360	2,253	15	6,586	235
Ward 39.....	11,046	859	1,229	15	8,622	321
Ward 40.....	8,850	689	1,472	19	6,497	173
Ward 41.....	2,885	404	696	10	1,710	65
Ward 42.....	5,237	720	1,798	9	2,638	72
Ward 43.....	9,868	1,297	2,398	18	5,918	237
Ward 44.....	8,595	781	1,323	70	6,170	251
Ward 45.....	5,256	654	824	30	3,560	188
Ward 46.....	9,538	964	2,608	25	5,791	150
Ward 47.....	5,890	904	602	31	4,020	333

Number of homes, classified according to proprietorship and encumbrance, by wards in selected cities, 1910—Continued.

[From Thirteenth Census of the United States, 1910, vol. 1, Population, p. 1359.]

City and ward.	All homes.					
	Total.	Owned.			Rented.	Unknown.
		Free.	Encumbered.	Unknown.		
St. Louis city	155,555	22,178	15,197	386	113,515	4,279
Ward 1	5,369	1,130	540	14	3,592	93
Ward 2	4,936	687	228	6	3,955	60
Ward 3	5,156	521	135	10	4,350	140
Ward 4	8,536	429	243	9	7,652	203
Ward 5	5,355	67	67	16	4,920	285
Ward 6	3,994	72	13	7	3,702	200
Ward 7	4,743	320	71	7	4,261	84
Ward 8	6,320	413	122	19	5,595	171
Ward 9	5,781	625	135	9	4,871	141
Ward 10	5,205	881	385	8	3,785	146
Ward 11	5,919	1,206	818	14	3,796	85
Ward 12	5,801	1,393	1,131	7	3,148	122
Ward 13	6,614	1,265	1,529	34	3,662	124
Ward 14	5,960	1,332	590	8	3,936	94
Ward 15	4,627	720	259	8	3,560	80
Ward 16	4,946	585	203	13	4,053	92
Ward 17	5,029	311	78	9	4,188	443
Ward 18	5,020	734	205	16	3,962	103
Ward 19	4,961	482	258	7	4,038	176
Ward 20	4,970	719	271	9	3,800	171
Ward 21	5,512	1,136	919	5	3,329	123
Ward 22	5,273	783	660	4	3,688	138
Ward 23	4,767	835	308	12	3,415	197
Ward 24	6,637	1,210	1,554	10	3,738	125
Ward 25	5,608	939	631	14	3,872	152
Ward 26	5,245	913	709	3	3,500	120
Ward 27	7,907	1,310	2,316	55	4,044	182
Ward 28	5,364	1,160	819	53	3,103	229

[From Thirteenth Census of the United States, 1910, vol. 1, Population, p. 1355.]

City and district.	All homes.					
	Total.	Owned.			Rented.	Unknown.
		Free.	Encumbered.	Unknown.		
San Francisco city	86,414	16,329	10,996	175	55,946	2,968
Assembly district 28	751	37	29	1	550	134
Assembly district 29	694	33	16	6	589	50
Assembly district 30	1,448	115	44	5	1,242	42
Assembly district 31	3,194	468	256	26	2,235	209
Assembly district 32	6,900	1,990	702	9	4,122	77
Assembly district 33	10,299	3,611	3,199	13	3,273	203
Assembly district 34	8,529	2,183	1,626	11	4,513	196
Assembly district 35	5,240	813	407	5	3,812	203
Assembly district 36	2,805	225	132	12	2,350	86
Assembly district 37	8,066	1,095	502	12	6,154	303
Assembly district 38	5,736	527	247	12	4,596	354
Assembly district 39	11,865	2,633	2,693	23	6,313	203
Assembly district 40	4,504	633	233	5	3,469	164
Assembly district 41	5,640	1,274	508	9	3,625	224
Assembly district 42	1,757	51	54	5	1,570	77
Assembly district 43	2,058	111	70	.....	1,827	50
Assembly district 44	3,160	67	21	17	2,867	188
Assembly district 45	3,768	463	257	4	2,839	205

Distribution of homes according to proprietorship and encumbrance, in selected cities: 1910, 1900, and 1890.

[From Thirteenth Census of the United States, 1910, vol. 1, Population, pp. 1313–1314.]

City.	Per cent of total homes.					
	Owned.			Rented.		
	1910	1900	1890	1910	1900	1890
Atlanta, Ga	24.7	18.6	22.6	75.3	81.4	77.4
Birmingham, Ala	29.7	13.8	10.2	70.3	86.2	89.8
Chicago, Ill	26.2	25.1	28.7	73.8	74.9	71.3
New Orleans, La	23.1	22.2	21.5	76.9	77.8	78.5
New York, N. Y	11.7	12.1	.....	88.3	87.9	.....
Philadelphia, Pa	26.6	22.1	22.8	73.4	77.9	77.2
St. Louis, Mo	25.0	22.8	20.5	75.0	77.2	79.5
San Francisco, Cal	33.0	24.1	21.5	67.0	75.9	78.5

Distribution of homes according to proprietorship and encumbrance, in selected cities: 1910, 1900, and 1890—Continued.

City.	Per cent of total homes.					
	Owned free.			Owned encumbered.		
	1910	1900	1890	1910	1900	1890
Atlanta, Ga	16.1	13.5	20.9	8.6	5.1	1.7
Birmingham, Ala	18.5	10.6	8.9	11.2	3.1	1.3
Chicago, Ill	12.0	11.8	16.3	14.2	13.2	12.4
New Orleans, La	18.6	19.2	20.4	4.5	3.1	1.1
New York, N. Y	3.5	5.1	.....	8.2	7.0	.....
Philadelphia, Pa	11.6	12.1	14.1	15.0	10.0	8.8
St. Louis, Mo	14.8	14.2	15.1	10.1	8.6	5.4
San Francisco, Cal	19.7	16.0	15.4	13.3	8.1	6.1

City.	Per cent of owned homes.					
	Free.			Encumbered.		
	1910	1900	1890	1910	1900	1890
Atlanta, Ga	65.3	72.5	92.7	34.7	27.5	7.3
Birmingham, Ala	62.4	77.3	87.2	37.6	22.7	12.8
Chicago, Ill	45.9	47.3	56.8	54.1	52.7	43.2
New Orleans, La	80.5	86.2	95.0	19.5	13.8	5.0
New York, N. Y	30.2	42.2	.....	69.8	57.8	.....
Philadelphia, Pa	43.7	54.7	61.3	56.3	45.3	38.7
St. Louis, Mo	59.3	62.4	73.5	40.7	37.6	26.5
San Francisco, Cal	59.8	66.5	71.5	40.2	33.5	28.5

The Shortest Road to Universal Peace.

EXTENSION OF REMARKS

OF

HON. ROBERT CROSSER,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 15, 1914.

Mr. CROSSER. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include a Labor Day message by Congressman WARREN WORTH BAILEY.

The message is as follows:

"THE SHORTEST ROAD TO UNIVERSAL PEACE IS THROUGH DIRECT TAXATION."

(A Labor Day message by Congressman WARREN WORTH BAILEY.)

I am asked in the present industrial situation incident to foreign wars what message I think pertinent to give the laboring man appropriate to Labor Day.

And this is the message which seems to me most pertinent:

The shortest road to universal peace lies through direct taxation.

The wars now raging in Europe and deluging that continent in priceless blood were made possible only by indirect taxation. Had the nations of Europe been obliged by direct methods to take from their citizens and subjects the stupendous treasure which "preparedness" called for, the insane rivalry in armament on land and on sea would have been checked in its very incipiency. Without the big ships and the big guns, without the forts and the arsenals, without the soldiers and the marines, what nation would have thought of war?

There has lately been much talk of a "war tax" here in our own country.

* * * * * * *

It has seemed to me, however, that if more revenues are required to cover the deficit which a falling off in customs receipts is expected to occasion the better policy would be to resort to direct methods; and with this in view, I have prepared a bill providing for a Federal tax on land values, without respect to improvements, this tax to be apportioned among the States on the basis of population. As land values are in fact people's values, their relation to population is definite and universal.

Land values are the measure of the benefits of government. That is to say, the value attaching to land by reason of the growth of population and the development of the arts is the equivalent of the advantages of society—of cooperation. As war does not and can not tend to the growth of population and the development of the arts, as it does not and can not promote

cooperation, it can not and does not produce land values, and so if government were limited for its revenues to land values, it would never have resources to meet the cost of war. Before it could make preparations for war, or attempt to prosecute it, government would be compelled to resort to drafts upon labor in the form of taxes on the products of industry, on self-denial and thrift, on decency and comfort.

A tax on land values would be the greatest peacemaker and peace preserver the world has known. Its adoption would mark the longest step toward universal federation yet taken. To put it into effect in any one country would be to force all other countries to adopt it as a matter of economic self-defense. And so its peacemaking, its civilizing, its humanizing influences would spread, not by force, not even by the slow processes of education, but through the gentle yet irresistible compulsion of competition, for no country which stood out against the land-value tax could hope to keep pace with the countries where opportunity were made free by it, where under its beneficence labor reaped the full reward of its exertion and where capital without penalization might expand indefinitely and without hurt to anyone.

There are other direct taxes besides the land-value tax. But there is no other with such moral or such economic sanctions. The income tax is direct and it can not be shifted, but after all it is a tax on conscience; it falls most heavily upon the honest man, most lightly on him who winks at perjury. The inheritance tax is direct. But if private property may not rightly be seized from the man who produced it by his labor while living, by what process of reasoning shall we justify its seizure after he is dead? Or if we may seize a part of it simply because the man who produced it is no longer here to defend his right to it, why not seize it all?

The land-value tax differs fundamentally from both the income tax and the inheritance tax. These are levied against private property. They take something from the individual which belongs to him and appropriate it to the public. The public does this by the sheer exercise of power. It has no moral right to private property. But we have seen that land values are due to the growth of population and the development of the arts; not to individual effort or industry, but to the cooperation of the community. These values are therefore community values. They belong of right to the whole body of the people whose cooperation has produced them. And clearly the community has a right to these values; in justice to itself and to those it must otherwise rob it ought to take them in lieu of the taxes it now levies on individual property.

In the brief space allowed me for this message for Labor Day it is impossible for me to say all I would like to say in support of the contention laid down above, that the land-value tax would make for peace as it surely would make for human advancement, for a higher standard of comfort, for wider enlightenment, for a larger life amid a nobler civilization. But let me hope that enough has been said to arrest the attention of those who read and to start an inquiry which must convince any candid mind that this is no "pipe dream," and that I speak within the mark when I repeat that the shortest road to peace lies through direct taxation.

Abuse of the Franking Privilege.

EXTENSION OF REMARKS
OF
HON. JAMES W. BRYAN,
OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, September 9, 1914.

Mr. BRYAN. Mr. Speaker, a great deal has been said about abuse of the franking privilege. It is true that the franking privilege has been greatly abused, and Members of Congress, for purposes entirely unwarranted, have used that privilege, which is of so much value to the public in the dissemination of information. The demand for publicity of this very sort has become a campaign watchword in city, State, and Nation. In attacking the abuse of this essential privilege, things have been said which have entirely misled the public about some of the features involved. A Member of Congress delivers a speech on the floor of the House which advances his idea on some particular subject of national importance. It is of value to his constituents to know his position on that subject, both from a standpoint of general information and in order to ascertain whether his views meet with their approval.

If there were no abuse of this privilege, the public could well afford to pay the printing bill in order to obtain the publicity which is given in many cases. But to minimize abuses the law provides that a Member must pay the cost of printing these speeches. There is a general impression in many of the congressional districts that the Government prints these speeches for the Member free of cost to him. This is not true, and the public ought to know that the Congressman keeps the Government clear of all cost in such cases, except that there is no postage charge on the pamphlets. I have not sent a printed speech to my State under frank except where I paid the full cost of same. And it costs as much to have these printed at the Government Printing Office as at a private plant.

A Member of this House whose service is such as to secure for him the favor of the big newspapers of Seattle and Tacoma, Wash., for instance, may send advance proofs of one of his speeches out and have a hundred thousand copies of his speech distributed free of all cost to him. If I take the opposite view and answer that speech, the big newspapers are not going to publish my view, which opposes their policy, and some of them may report it in an unfair way. The only recourse I have is to publish my speech and send it out in a Government envelope. I was elected here from the State at large, and I represent in part every inhabitant of the State. I must pay every cent of cost to the Government except postage and all cost of securing names and addressing throughout the State. In the other case the Government collected from the newspaper such a low rate of postage as to make it almost free. The progressive who objects to such a use of the franking privilege by a Member is shortsighted, indeed, and is being made a cat's-paw of by the monkeys of special interests.

The abuse of the franking privilege of which I complain comes where the special interests or particular organizations use it to disseminate doctrines or propoganda in their own behalf all over the country. It is never an abuse for a Member to print his own speech and send it to the people of his own State that they may know how he is representing them. We need more of that kind of publicity, and it would be a great loss to the public for all the Members of Congress to be left subject to the big newspapers as to their communications with their constituents, especially while the newspapers themselves very correctly enjoy a privilege as to postage which so nearly approaches the franking privilege of a Congressman. The newspaper, for an inconsequential amount of postage, circulates paid advertisements as well as news matter. I am glad the newspapers have this right. The privilege of publicity is a very useful and important one to the public.

It is likewise of great value to the public to have bulletin lists, so that they may have general information as to what publications may be had and that there may be a fair distribution of them. Members of Congress have a right which no one would question to send out these bulletin lists in a franked envelope. They are inclosed in the envelope, ready for mailing, without expense to the Member. But it has been found almost essential to inclose with the bulletin list a brief letter of instructions, informing the party addressed how to proceed in order to get such bulletins as may be desired. This is more important than would be presumed at first thought. Many people are not in the habit of writing letters, and those who need these bulletins the most are the ones whose time is consumed in the arduous duties of the farm, of the factory, or the home, and who find it quite difficult and sometimes embarrassing to sit down and write a letter to a Congressman. This letter of instructions must be simple and plain, and every facility ought to be granted for its distribution as widely as the bulletins are distributed. The man or woman who is not a good letter writer ought to have as good a chance at these bulletins as those better educated or more ready as letter writers.

Members are compelled to get out this letter of instructions, mimeograph and fold it, and insert it at considerable personal expense, which makes it a substantial burden where the mailing list reaches a large number of people. If this letter could be printed as a part of a pamphlet at the expense of the Congressman, it would not increase the Government expense and would in many cases answer the same purpose. It could then be inserted along with the bulletin list and other public documents at a great saving. Members could follow that plan in connection with the mailing out of their bulletin lists and might use such a letter on the envelope or in connection with a speech entirely at the Member's own expense, and thereby save great trouble and reduce the expense to the Government by reducing the size and bulk of the mail and at the same time reach more people and, I believe, render a greater service to the Government

and make a saving of expense and trouble all around. A letter such as I refer to would be about as follows:

DEAR CONSTITUENT: I am inclosing herewith a list of Farmers' Bulletins. I have quite a number of these and will fill orders, free of charge, so long as my supply lasts. They are termed "Farmers' Bulletins," but I find many of them contain very interesting information for those living in the city as well as in the country. I suggest that you indicate by number any of these bulletins that you may desire (not to exceed four, unless special interest requires) on the dotted lines below and return the envelope to me. I want the identical envelope returned, *so there will be* no mistake about your address. I shall be glad to have you write a letter asking for any special information you may desire.

Faithfully, yours,

_____.

_____

_____ Bulletin numbers desired.

_____

_____

I should have no hesitancy in using such a letter printed by the Government Printing Office at my expense. I am sure such a course would be a substantial economy to the Government and to the Member.

Basis of Representation in Republican National Conventions.

EXTENSION OF REMARKS

OF

HON. JAMES R. MANN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 15, 1914.

Mr. MANN. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an address to the Republican State conventions of the United States relative to the change in the basis of representation in the future national conventions of the Republican Party.

BASIS OF REPRESENTATION IN REPUBLICAN NATIONAL CONVENTIONS.

AN ADDRESS TO THE REPUBLICAN STATE CONVENTIONS OF THE UNITED STATES RELATIVE TO THE CHANGE IN THE BASIS OF REPRESENTATION IN THE FUTURE NATIONAL CONVENTIONS OF THE REPUBLICAN PARTY.

To the Republican conventions in the several States:

The national committee of the Republican Party met in Washington in December last to revise the rules governing the calling, election of delegates to and organization of future national conventions of the party.

In response to the growing belief in the minds of the voters that the election of delegates to national conventions in direct primaries is the most effective means of recording and expressing the will of the voters, the committee, under the powers granted it by the national convention, adopted a resolution providing—

That in any State which shall require by law, prior to the election of delegates from such State, the election of such delegates to national conventions of political parties by direct primaries, the delegates from that State shall be elected in conformity with such law.

It is necessary that the party as a national organization recognize the right of the voters in any State to determine for themselves the question of whether a part of the delegates from a State shall be elected from congressional districts or all from the State at large.

Several States have already enacted laws requiring the election of all delegates to national conventions of political parties from the State at large rather than part from congressional districts and part from the State at large.

In order to eliminate conflicts in the future between the rules of the party and the laws of such States, and of other States that may hereafter enact similar laws, the committee adopted this resolution:

That all delegates from any State may be chosen from the State at large, or part from the State at large and part from congressional districts, in conformity with the laws of the State in which the election occurs.

If the law of a State requires the delegates to a national convention to be elected in a direct primary election the law designates some officer of the State to issue certificates of election to delegates so chosen. The national committee should recognize certificates so issued and place the names of the holders thereof upon the temporary roll of the convention.

The committee passed a resolution which in definite terms provides for the recognition by the committee of such certificates, and directs that the names of the delegates presenting such certificates be placed upon the temporary roll of the convention.

The resolution adopted is in these words:

That delegates presenting certificates of election from the canvassing board or officer created or designated by State law to canvass the returns and issue certificates of election to delegates to national conventions of political parties in a primary election shall be placed upon the temporary roll by the national committee.

Some States already have enacted laws providing for the election of delegates to national conventions of political parties in direct primary elections, and other States will have enacted similar laws prior to the convention to be convened in 1916 to nominate candidates for President and Vice President.

The action of the national committee as set forth in these resolutions not only guarantees the recognition, in the call to be issued for the next national convention, of the right of any State to provide for the election of delegates in direct primaries, and of the right of any State to elect all delegates from the State at large, or part from the State at large and part from congressional districts, but also eliminates the consideration of many contests by the national committee which in the past have produced discord and dissension.

While the national committee was granted by national conventions of the party, the authority to make these changes in the rules governing the choosing of delegates and the organization of the convention, the committee did not believe that it possessed the power to alter the basis of representation in future conventions without submitting its action for ratification to a national convention, or to conventions convened in the several States.

This question of changing the basis of representation in national conventions has at various times in the past been presented to conventions convened for the purpose of nominating candidates for President and Vice President. The existing method of basing the number of delegates to a national convention on the population of a State, without regard to the vote cast for the nominees of the party, has been in use from the foundation of the party until now. The weakness in the method has long been recognized. But no change has been made because the contest for the nomination for the great office of President has overshadowed in national conventions all other questions and prevented the unprejudiced consideration of this important question.

Some members of the committee and numerous Republican voters believed that it would be wise to convene a special national convention for the purpose of considering and adopting a new basis of representation in future conventions. Undoubtedly a special convention uninfluenced, as it would be, by the passions ordinarily aroused by a contest for the Presidency, and undisturbed, as it would be, by the complications always present in a nominating convention, would have produced a solution just to the Republican voters of all the States if the delegates chosen to such a convention were representative of the rank and file of the party.

Other members of the committee and numerous other Republican voters maintained that inasmuch as there were no methods provided by the existing laws of the various States for the election of delegates to a special national convention in direct primary elections, a convention held at this time might not represent the sentiments and desires of a majority of the party.

The national committee resolved to consider the question, formulate its conclusions, and submit the result of its deliberations for ratification to State conventions assembled in the several States.

The committee believed that should conventions of delegated representatives of the party, convened in the number of States entitled to cast a majority of the votes in a national convention, ratify the action taken by the national committee in this respect, its action could be assumed to fairly express the sentiment of the great majority of the party, for obviously such State conventions when taken together would consist of more representatives of the party than would be assembled in a national convention.

The plan adopted and recommended for ratification provides that the Republican voters in each State shall hereafter be represented in a national convention of the party by four delegates at large; two delegates for each Representative at large in Congress; one delegate from each congressional district, and an additional delegate from each congressional district in which the vote of 1908 for any Republican elector or for the Republican nominee for Congress in 1914 shall not have been less than 7,500.

The plan proposed further provides that the Republican voters in any State may elect all delegates from the State at large, or part from the State at large and part from congressional districts, and that in the case of any State electing all

Representatives in Congress from the State at large, such State shall be entitled to the same number of delegates as though the State were divided into separate congressional districts.

Alaska and the District of Columbia under the plan presented will each be entitled to two voting delegates, while Hawaii, Porto Rico, and the Philippine Islands will each be entitled to two delegates without the right to vote.

The result of this change in the basis of representation, in case the plan be ratified by the action of the requisite number of State conventions, and if the vote for presidential electors in 1908 is used, will be as disclosed by the statement appended, that the number of delegates from the Southern States will be decreased 76, the delegates from Tennessee will be decreased 3, from the State of New York 2, and the number of voting delegates from the Territories and territorial possessions 8.

Should 7,500 or more votes be cast for the Republican nominee for Congress in 1914 in any congressional district not entitled to two delegates on the basis of the vote cast for presidential electors in 1908, such district would be entitled to send two delegates to the convention of 1916.

Some members of the party may believe that a greater reduction in the southern representation would have been advisable. Without going into a discussion of the merits of this question, it will be apparent that a great step will have been taken toward assuring a convention in 1916 that will voice the principles and wishes of the great mass of the party voters when the voting strength of those States in which the number of delegates should be reduced has actually been reduced by such a large proportion.

It is evident that the Republican voters in all the States desire the present basis of representation changed and the basis proposed by the national committee made effective for the convention to be held in 1916.

The convention to be convened in that year will, of course, have complete jurisdiction of the entire question, and if the majority of that convention desires to establish a new basis of representation for future conventions, it will be entirely within its province so to do.

The resolution relating to the change in the basis of representation adopted by the committee provides that the change will become effective only in the event that conventions held in pursuance of the laws of the separate States or called by the Republican State committees of the separate States, in the number of States entitled to cast a majority of the votes in the present Electoral College, which is equivalent to the number of States entitled to cast, on the present basis of representation, a majority of the votes in a national convention of the party, shall ratify the action of the committee before January 1, 1915.

The resolution as adopted and proposed by the national committee, a copy of which is appended, can therefore be ratified by any State convention convened under the laws of the State for the purpose of nominating candidates for State offices, or for the purpose of adopting a party platform, or by any convention called by the Republican State committee and held within the time designated.

The committee appointed to present the proposed plan to the State conventions believes that it is desirable from every point of view that the action of the national committee be ratified and made effective. All who are opposed to the fundamental principles of the Democratic Party should join in the election of delegates to the national convention to be convened in 1916. The basis proposed for the election of delegates assures the States having the greatest number of Republican voters the larger proportion of voting strength in the supreme council of the party, and by the changes made in the rules the way is open for the separate States to enact laws for the election of delegates in primary elections and for the majority of the voters participating in the primaries to elect delegates who will voice the sentiment of the majority.

CHARLES B. WARREN, *of Michigan.*
WM. E. BORAH, *of Idaho.*
HENRY D. HATFIELD, *of West Virginia.*

RESOLUTION.

Confident that the action of this committee, representing as it does the practically unanimous sentiment of the Republican voters of the various States, will be ratified and made effective.

Be it resolved, That this committee shall issue the call for delegates to the national convention to be held in the year 1916 to nominate candidates for President and Vice President, in accordance with the following basis of representation:

Each State shall be entitled in such convention to four delegates at large;

Two additional delegates at large for each Representative at large in Congress elected from any State entitled to one or more additional Representatives in Congress under the apportionment made in accordance with the last census, but in which State no new congressional district has been provided by law;

One delegates from each congressional district;

An additional delegate for each congressional district in which the vote for any Republican elector in 1908, or for the Republican nominee for Congress in 1914, shall have been not less than 7,500;

Provided, however, That the total number of delegates to which any State is entitled shall be chosen from the State at large, if the law of the State in which the election occurs so prescribes; and

Provided further, That in the case of any State electing all Representatives in Congress from the State at large, such State shall be entitled to as many delegates, elected at large, as though the State were divided into separate congressional districts.

For each delegate chosen, an alternate, to act in the absence of the delegate, shall be chosen in the manner prescribed in the call for the convention: *Provided, however*, That if the law of any State prescribes the method of choosing alternates, they shall be chosen in accordance with the provisions of the law of the State in which the election occurs.

Alaska and the District of Columbia shall each be entitled to two delegates; Hawaii, Porto Rico, and the Philippine Islands shall each be entitled to two delegates without the right to a vote, and all delegates and alternates from the Territories and Territorial possessions shall be chosen in the manner prescribed in the call for the convention.

The above basis of representation, however, shall not be made the basis of the call for the national convention to be held in the year 1916 unless prior to January 1, 1915, Republican State conventions held under the laws of the States, or called by the Republican State committees of the States in such number of States as are entitled to cast a majority of the votes in the present Electoral College, shall ratify the action of this committee in respect to determining the basis of representation.

STATEMENT OF CHANGES IN THE NUMBER OF DELEGATES BASED ON THE VOTE OF 1908.

Alabama will lose	8
Arkansas	3
Florida	4
Georgia	11
Louisiana	8
Mississippi	8
North Carolina	3
South Carolina	7
Texas	16
Virginia	8
Hawaii	4
Porto Rico	2
Philippine Islands	2
Total	84
Tennessee will lose	3
New York	2
Total reduction	89

Moon Postal and Civil-Service Bill.

EXTENSION OF REMARKS

OF

HON. JOHN L. BURNETT,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 8, 1914,

On the bill (H. R. 17042) to amend the postal and civil-service laws, and for other purposes.

Mr. BURNETT. Mr. Speaker, I am delighted to know that on the Post Office Committee the rural carriers have always found a faithful and unflagging friend in my distinguished colleague from Alabama [Mr. BLACKMON].

For years I have contended for fair pay and fair play for these faithful servants of the Government and of the men who, amid sunshine and rain, have been Uncle Sam's school-teachers, dispensing light and knowledge to those in the rural districts who are fortunate enough to live along their routes.

When the Postmaster General sought to place a construction which was never intended on the law recently passed by Congress, my good friend, the young giant from the fourth Alabama district, Mr. BLACKMON, a valuable member of the Post Office

Committee, arose in his might and led a fight in which I am proud to follow him.

Only a few months ago this Congress passed a bill which everyone believed fixed the salary of rural carriers on all standard routes at $1,200 a year. Many similar bills have been passed since I have been a Member of Congress giving an increase of salary to these faithful and hard-worked employees of the Government, and no Postmaster General has heretofore given it the construction placed on it by the present incumbent of that high office. I have no desire to unduly criticize my good friend, the present Postmaster General. He came into this House as a Member of Congress from Texas at the same time that I took my seat as a Member from Alabama, and during his long service here I always regarded him as one of the ablest and most earnest defenders of the rights of the people. However, in his desire to economize the expenditures of his department he has, in my opinion, fallen into an egregious error in assuming the right to construe the act which we passed to increase the salaries of rural carriers as giving him the power to gauge those salaries by the weight of and the number of pieces handled by the carriers. Why has he never placed this construction on the law fixing the pay of the city carriers? I have no desire to cut down the salaries of that splendid body of men—the city carriers—but gentlemen let us have fair play when we go to regulating the pay of any faithful employee of the Government. The city carrier goes out to deliver mails to the city patrons wtih a pouch furnished him by the Government, and with no expense for horses, for vehicle, or for anything else. The rural carrier has to incur the expense of his team, his vehicle, the feed of the team, and the upkeep of both the team and the vehicle.

Upon whom does this unjust ruling of the Postmaster General fall most heavily? Upon the man who really does the hardest work. The carrier in the thickly settled communities will be given the increase because he carries the heaviest mail and the greatest number of pieces. But he operates on the best pike roads, where in a few hours he can trot over his route, while the man who pulls his team through the mud and over the mountains must content himself with the same meager salary which he has received for years. A just Congress, composed of just men, never intended any such unjust discrimination.

There is no branch of the Government that is doing more for the education of the masses than the rural carrier. Nearly 43,000 of these schoolmasters go forth every morning into the rural districts bearing their burdens of light and knowledge and are met by the happy-hearted children of the farmers on their routes.

A short while ago one of the rural carriers on a little mountain route in my district told me that he delivered 142 daily papers on his route every day. A few years ago there were not a dozen weekly papers taken in that area, because of the lack of mail facilities.

It was charged by many that the last Postmaster General under the Republican administration tried to retard the extension of this great system of education, and some believed that it was his purpose to do this because the people were reading and learning of the iniquities of that party of special interests. A Democratic Congress has increased the pay of these faithful heralds of education, and let it not be said that a Democratic Postmaster General in his misguided zeal for economy shall be permitted to thwart this beneficent purpose of Congress in passing this righteous law.

The increased cost of living has fallen as heavily upon these boys in the country as upon the city carrier, and let us by our vote this day prove that this laborer is worthy of his hire.

Mr. Speaker, I am from a rural district, where muddy roads must be traversed and steep mountains must be climbed, and instead of driving these men who have borne the heat and burden of the day out of this noble work I want to encourage them and bid them Godspeed on their toilsome way.

They are my friends, and many a time, as I have gone over my district, have I met them, bespattered with mud, their horses struggling to drag the precious burdens that are to carry joy and knowledge to those whom I have the honor to represent. They are men of intelligence and of tact or they could not remain in Government service. They have their homes and their families, and their sympathies run out to the struggling workers and their families as they meet them on their way.

They are not here with paid lobbies, as are the great carrying interests of the land. They know their Congressmen, and they trust them to see to it that their rights are subserved. Will we do it? Let every Democrat, at least, answer "yea." [Applause.]

Chesapeake & Delaware Canal Facts.

EXTENSION OF REMARKS

OF

HON. J. HAMPTON MOORE,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, September 16, 1914.

Mr. MOORE. Mr. Speaker, in recent publications, including the CONGRESSIONAL RECORD, there has been so much misinformation concerning worthy projects incorporated in the rivers and harbors bill that is now being delayed in another body that in the interest of fairness and truth it seems advisable to make a statement. For seven years the Atlantic Deeper Waterways Association, a voluntary organization of business men along the Atlantic coast, has been agitating against the neglect by Congress of certain important eastern waterways that have been overlooked in the general scheme of waterway development contemplated by river and harbor appropriations. The aggressiveness of this association has resulted in criticism, although to a certain extent it has merely sought equality in appropriations with projects of less commercial importance and of no especial use for raising revenue.

To illustrate briefly, the association has insisted that whereas large sums of money have been appropriated by Congress to meet the transportation needs of other sections of the country, it has been unfair and unjust that in the most densely populated States of the Union, where commerce is handicapped by inadequate railroad facilities, the business men of the country, given free water transportation elsewhere, should be forced to do business under heavy toll charges on antiquated and inadequate canals between great cities like New York and Philadelphia, Philadelphia and Baltimore, Baltimore and Norfolk, and Norfolk on to below Cape Hatteras.

It has been deemed equally unjust that shipping must constantly take to the open sea around Point Judith and Cape Cod when an 8-mile cut through Cape Cod would save the outside passage and put Boston into direct communication with inland cities along the coast. Perhaps it is no argument in reply to the critics of an inland-waterway system, to those who are asking $63,000,000 for locks and dams upon the Ohio or to carry Idaho to the Pacific coast by way of the Columbia River, or to make Iowa a port through the Mississippi, that the Chesapeake & Delaware Canal, which cuts off 325 miles of outside navigation by a 13-mile cut through the Delaware and Maryland Peninsula, is a relic of 1825 and is still doing business in a limited way and at high freight rates for shippers along the Atlantic seaboard. It may be no argument to those who do not inform themselves of the facts that the canal between New York Harbor and the Delaware River and points south was handed down to us by our forefathers of 1834 and is now the sole property of a railroad company, which has no special desire to improve the property or to encourage business men to use it. However, the facts with regard to these vital links in the Atlantic intracoastal waterway are exactly as stated, and any Congressman or Senator who wishes to examine the property or to make inquiry of trades bodies or business men who are up against these unfair transportation conditions will have no trouble in verifying them. Indeed, it would seem to be the duty of any editor or magazine writer or statesman who acquires his information from these sources to make a personal examination of the routes referred to and satisfy himself as to the difficulties under which a long-suffering people have labored against adverse conditions.

It may be no special argument to gentlemen who criticize such worthy projects to say that money thus spent to encourage business is money well spent, which brings back a splendid return upon the investment; but it is nevertheless true that the ports of New York, Boston, Philadelphia, and Baltimore, which have not heretofore been treated very generously by the Government, are the instruments through which more than 80 per cent of the customs revenue of this country are collected. With improved means of communication and connecting streams so treated as to encourage commerce to greater activity, there would undoubtedly be returns to the Government justifying its investment, apart from doing that justice which has long been due these willing burden bearers of the Government.

I have already indicated elsewhere in the RECORD the damage that is being done upon important streams like the Hudson and Delaware because of the delay in the passage of the rivers and

harbors bill. That delay is prejudicial and wasteful as to work actually under way which has stopped for lack of appropriations. It fails of justification in the matter of projects that are wholly worthy and have been held up for years only because the influence of committees has been more potential as to other projects less pressing and more fortunate in the champions supporting them.

I wish also to put some facts in the RECORD with special reference to the project of the Chesapeake & Delaware Canal. It is an old story—so old, in fact, and so often told that it is amazing how little is actually known about it when it comes into conflict with appropriations for other sections or threatens to become a reality as an everlasting boon to the shippers and consumers who have so long and so patiently paid the freight. It was an old story when representatives of every Atlantic seaboard State assembled in 1907 to form a permanent association to appeal to Congress to provide relief. Each year since then these representatives of the business interests in the territory sheltering 30,000,000 of people have continued to meet, and step by step their progress has been reported. First they asked Congress for a survey. While that had been undertaken previously, it was again granted. The trusted agents of the Government were put upon the work. Their findings were incorporated in the records; everything that Congress requires in matters of this kind was done, and done over again. No session of Congress since 1907, at least, has failed to receive adequate data upon the Atlantic coastal project as a whole or upon the Chesapeake & Delaware Canal project in particular.

No one ever asked to have the entire project completed at once; no one familiar with our methods of appropriation or with the difficulties in obtaining recognition for a project would expect anything of the kind. A definite, rational plan was presented, the very kind of a plan that statesmen who are regarded as experts on waterways have insisted upon as requisite. The Chesapeake and Delaware section of the coastal plan being meritorious and long delayed, was urged upon Congress this session. It was but one step, and one step only, in a definite, rational plan which Congress itself had sanctioned. It was no sudden "pork-barrel" effort, such as the enemies of cheaper transportation delight to exploit, but it was a solid, substantial, carefully worked out, thoroughly investigated, and officially approved project, intended to develop our country's resources and to increase its revenues and the welfare of its citizens.

But in Congress, as in other mundane affairs, the old stager forgets and the newcomer does not know. A gentleman reading the Podunk Bugle, in ignorance of the fact that Podunk has been liberally treated in former appropriation bills, discovers that "it costs money" to take over the Chesapeake & Delaware Canal, and he makes a great to-do about it in the magazines where every page is a thrill and the outside cover is constantly changing color.

Fortunately, however, the critics of the Chesapeake & Delaware Canal project, whether they be old stagers or newcomers, are barking up the wrong tree. There is nothing for the yellow journal in this enterprise. It has been approved by the House of Representatives and, I believe, by a majority of the fair-minded Members of the Senate. It is not such a project as can be criticized as of the "pork-barrel" variety. It needs only to be investigated to be properly understood.

It is almost idle to refer sensational gentlemen or the magazine detectives to the dozens of volumes and reports that have been written and officially sanctioned upon this subject; they want the headlines, not the facts. They want the news for the day and the sensation it creates. The millions of people who are paying excessive freight rates, the thousands of shippers whose merchandise is clogged and delayed, the hundreds of lives that have been sacrificed in needless risks at sea, even the necessities of the Government for purposes of protection in times of war, are nothing to those who yearly seek the notoriety which these modern denunciations of legitimate projects afford.

Some good may be done by picking flaws in a river and harbor bill that has passed the scrutiny of the Members of the House. Such bills have been passed before despite criticism even of those who are now inclined to criticize. But no good can be accomplished by the deliberate destruction of worthy projects, which, if work upon them be stopped, as has already happened in numerous instances, will result in waste, damage, and loss, which the people must pay, even though in the matter of these antiquated eastern waterways they have already paid heavily. "The end may justify the means," but it will not do so with respect to such projects as the opening up for free transportation of the waterway bisecting the Delaware-Maryland Peninsula.

I wish, Mr. Speaker, to extend these remarks by inserting an article prepared by the secretary of the Atlantic Deeper Waterways Association for publication in the forthcoming bulletin. This statement, by Mr. Schoff, is a very clear analysis of some of the principal objections that have been raised to the retention of the Chesapeake & Delaware Canal in the rivers and harbors bill, and I trust it will have equal consideration by readers of the CONGRESSIONAL RECORD with the statements therein that have called it forth:

"CRITICISM OF THE ATLANTIC WATERWAY.

"The river and harbor bill has been made the target for some very wild shooting. Legitimate opposition based on a correct statement of facts and figures calls for facts and figures in defense; but when an attack takes the form of quotations from reports 10 to 30 years old on entirely unrelated projects and on citations of figures double or treble the amount of those at present reported, and, furthermore, when assertions are made which by their very wording indicate strongly that the speaker has no personal knowledge of the project criticized and has never personally visited or examined the waterways under discussion, it is not so easy to make fitting reply. Such, we very much regret to state, has been the nature of the attacks on the river and harbor bill by Senators BURTON, of Ohio, and KENYON, of Iowa, in so far as they refer to the Atlantic intracoastal project; and it may be of interest, both to the Senators mentioned and to business interests generally in the seaboard district, to take up in detail some of the statements made by them in the Senate debate. We quote from the CONGRESSIONAL RECORD for September 3:

"Mr. BURTON. As subsidiary to the ocean, it is proposed to construct inland waterways that are protected from the storm.

"In a sense, this insinuation begs the whole question. The Senator must know of the progressive disappearance of coastwise shipping from the ocean routes and of the decrease in coastwise port tonnage at many points thereby resulting. The whole intracoastal project has arisen, not primarily to provide safe passage for ocean-going vessels, but to provide a means of water communication north and south through the great industrial seaboard district for an entirely different type of navigation—that handled in barges, which cost very much less to construct, operate, and insure, and which are able, therefore, to carry freight in large quantities where the more expensively built ocean-going vessel is so generally succumbing to adverse conditions. We need not go into any long array of statistics to remind the Senator of this unfortunate condition. If he will examine the figures for coastwise losses by wreck, he will find an alarming shrinkage year by year which is not balanced by any new construction. Capital no longer ventures into the beautiful white-winged schooners, and unfortunately business firms seeking to charter vessels for freight cargoes are being very painfully reminded of the entirely inadequate supply of such craft. The intracoastal project is therefore not a subsidiary, but a plan necessitated by changing conditions of navigation the nature of which requires a comprehensive view of the whole situation and makes a parsimonious local policy inadvisable.

"Mr. BURTON. What is the sensible thing to do in this situation? To go ahead and construct all these waterways, build them hit or miss wherever there is influence enough behind them, or wait and give the best of those which have already been selected a trial?

"Here again the Senator quite misunderstands the problem. There is no hit or miss about it. The whole project has been reported on by all the engineering boards having jurisdiction, and there is a definite recommendation in favor of a 12-foot waterway from Long Island Sound to Beaufort Inlet, N. C., and of a 7-foot waterway from Beaufort Inlet, N. C., to the St. Johns River, Fla. The 12-foot northern section connects through the Hudson River with the State barge canal system of New York, thence with the Great Lakes and Canada, and it connects, furthermore, through Long Island Sound with the ports of southern New England, and through the Cape Cod Canal, now open to traffic, with the port of Boston. There is no hit or miss about it. There is no question of local influence about the several links. Each one has a relation to the general plan, and the value of each one is vastly extended if the whole plan be realized. Let us ask the Senator whether he would advise, in building a railway system, that a link between Cleveland and Toledo be completed and opened to traffic to prove its value before deciding whether the line should be extended in either direction to Buffalo and Chicago? What possible value in relation to a national transportation problem could that short link have, and how could it prove its value in long-haul traffic? The Great Lakes are brought to the seaboard by the New York canal system. They will be brought to all the coastal bays and chains through the intracoastal waterway. The several parts are interdependent. The Cape Cod Canal will show a larger

traffic if that traffic can be brought through the Delaware and the Chesapeake and the Albemarle and Pamlico Sounds than if it is confined to the local traffic between Boston and Providence. Argument of this kind is unfair and misleading.

"Mr. BURTON. First, the Boston and Narragansett Bay section will cost from $17,000,000 for a canal 18 feet deep to $40,000,000 for a canal 25 feet deep.

"The Senator is respectfully reminded that the Board of Engineers have not submitted any final report on this section nor the Rhode Island section adjoining it. He takes exception to the estimated cost of $12,000,000, and those figures submitted are preliminary and are out of all proportion to the general cost now estimated, for the reason that they are not based on the standard depth now adopted of 12 feet, so that these figures which he adds up to the total cost of the project, $40,000,000 plus $12,000,000, have nothing whatever to do with it, and to include them is unfair and unjust.

"Mr. BURTON. The next item to which I desire to call attention is one for the New York Bay and Delaware River section. The estimated cost of an 18-foot waterway between Bordentown and Trenton is $45,000,000.

"Two thoughts occur with regard to this extraordinary statement: First, that Bordentown and Trenton, which are 4 miles apart, are both at the lower end of the proposed waterway, the actual route being between Raritan Bay and Delaware River, so that the Senator had very insufficiently considered the project which he so freely criticizes; second, that the figures for an 18-foot waterway are not those recommended by the engineers, their final report being for a 12-foot waterway at less than half the cost. We respectfully suggest that the Senator consult the latest report on this project (H. Doc. 196, 63d Cong., 3d sess., p. 7). His information will be brought up to date, and he will then be constrained to make a further reduction of $25,000,000 from his total estimated cost of the intracoastal waterway. Parenthetically we might suggest that many such deductions must be made to bring the current criticism of the river and harbor bill within sane and justifiable limits.

"Mr. BURTON. The next one is the Delaware River and Chesapeake Bay section, where the estimate for a 12-foot canal is $8,000,000. Then there is the Norfolk to Beaufort Inlet section, where there is an estimate for a channel 12 feet in depth at an estimated cost of $4,901,580, with $500,000 expended for the Albemarle & Chesapeake Canal. Now, you will note that there are here for inland waterways, reaching as far as North Carolina, estimates to the amount of $120,000,000.

"With the Senator's permission, we can note no such thing; and if again he will follow our suggestion that the latest and final reports on this matter be quoted, he will find that the total cost of that section now recommended by the Army engineers figures up to $33,400,000. We repeat, $33,400,000. Hardly more than one-quarter of the Senator's fearful total for one section of the waterway he so sweepingly condemns, and less than one-fourth of the amount which the State of New York alone is now spending on the Great Lakes connection which this coastwise project proposes to extend and develop for the advantage of the whole seaboard district. It is well to consider these questions in their relative proportion.

"Mr. BURTON. It is proposed to provide a waterway (through the sounds of North Carolina), to cost $5,400,000, with a channel 12 feet deep, where already waterways are in existence of 10 and 9 feet depth.

"Again, if the Senator will consult the engineers' report in connection with a map of the North Carolina sounds, he will note that the short artificial waterways connecting Hampton Roads with the North Carolina sounds, and which shippers will assure him do not provide the present depth he asserts, are only a small section of the project contemplated, and that through the various connecting sounds of North Carolina there are shoal spots to be dredged out and a line of communication opened up exceeding by many times the length of the short section to which he refers. The engineers' report on this section he will find in House Document 391, Sixty-second Congress, second session, pages 100 to 131.

"Mr. BURTON. There are no through sailing boats that could go in a 12-foot channel. The whole tendency in our transportation is to increase the size of the units. That is one reason why it (the intracoastal waterway project) is not of a general or national importance.

"Here, we regret to say, the Senator clearly misunderstands the whole problem, which is that units of the size constituted for ocean delivery are steadily disappearing, and that the problem of handling bulk traffic is that of getting it into more cheaply operated units of barge character, to which the waterway system is especially adapted. Let us repeat that this is exactly the unit contemplated in the New York State Barge Canal system, and that this is again the unit which has recently been shown to be commercially practicable on the Mississippi River. The Senator is therefore shooting quite wide of the mark in complaining that the inside route is not adapted for the fast disappearing deep-sea vessels. No one ever supposed that it was.

"Mr. BURTON: I wish in the next instance to call attention to the Chesapeake & Delaware Canal. There is a certain amount of traffic through this canal, amounting to perhaps 600,000 or 700,000 tons a year. The bill came from the House with an appropriation of $1,300,000. There were both bonds and stock of this company. The bonds have been quoted at 49 cents on the dollar, which would make $1,300,000 an ample price for its purchase, but an amendment has been reported by which the amount is increased to $2,250,000, and there are elaborate provisions for the condemnation of the property of this private company.

"Here are, indeed, some very peculiar grounds for objecting to a very important improvement. It is quite true that a few of the Chesapeake & Delaware Canal bonds were sold at auction, back in 1904, at a price around $49, and that at such a quotation the outstanding bond issue, $2,602,950, would be worth around $1,300,000. If, however, the Senator had taken the trouble to inquire he would have found that the very report which cited these quotations intimated that they were not representative and could not fairly be taken as a basis of valuation. (S. Doc. 215, 59th Cong., 2d sess., p. 19.) If, furthermore, he had read the latest report on the subject (Senate hearings; resolution 304, pp. 142–145), he would have noted that current quotations are materially higher, and that the bonds are paying 5 per cent on a valuation approximately that reported by the Senate committee, $2,250,000.

"As to the condition of the canal and the interest of this association in securing its acquisition and improvement by the Government, it may be stated: First, the owners of the property have not signified any desire to dispose of it, and have indicated their willingness to continue collecting the interest on their bonds out of current income; second, the owners of the property are unable out of current income to put it in the condition required by interstate commerce seeking to pass through it; third, the imposition of tolls on a waterway connecting great courses of water traffic such as Chesapeake and Delaware Bays is a monopolistic privilege and an unreasonable hindrance to commerce under present conditions, which should be abated; fourth, the waterway should be modernized, widened, and deepened and put in permanently good condition, and this when done would create not only a valuable interstate communication, but would be of decided advantage to the Government as a passage for Federal craft of many types; fifth, as regards any price or set value, this association has no interest. It does not represent any of the security holders of the canal company, whom it only knows through the Senate committee's published list. It does, however, represent trade bodies of the entire seaboard district from New England to Florida, who have repeatedly for many years joined in the passage of resolutions emphatically calling upon Congress for the exact action now materialized in the pending bill. There is no doubt that a large and substantial commerce awaits the opening of this waterway, and it might fairly be stated that the commerce of the East has been patient long enough while streams in Senator BURTON's territory and elsewhere have received improvement out of proportion to the commerce they carry, and that the East is now justly entitled to claim and demand fair recognition.

"The figure of $1,300,000 reported in the House bill for the purchase of this waterway was not a practicable figure. Everyone knows that the property could not be purchased for that amount either amicably or through condemnation proceedings, and that the waterway is fairly worth much more. The Senate committee's amendment was based on careful examination of the question after repeated hearings, and we believe was a fair approximation of the value of the property. Does Senator BURTON suppose that because one railroad bond once sold below par any legal requirement is thereby created that it must forever thereafter sell at its minimum quotation? In any case, the sales quoted, as he would have found on consulting the report on the matter, were for small amounts only, and were never representative of the value of the property.

"As to the traffic of the Chesapeake & Delaware Canal, had the Senator referred to the Senate committee's hearings (resolution 304) he would have found that it has been steadily increasing, even under present adverse conditions of toll, rising from 591,000 tons in 1907 to 908,000 tons in 1913 (p. 35), which in itself may suggest not only that the property is not deteriorating in value, but one other important fact, which any Chesapeake Bay shipper might have told him, namely, that the opening of the North Carolina sounds to free traffic with Chesapeake Bay has materially increased the through shipments to Delaware River points, so that unless the Government opens the northern connection it will merely have added to the profits of the bondholders of the Chesapeake & Delaware Canal Co., who may be quite satisfied to sit tight and take what a liberal Government gives them. We believe it to be the better policy at this time for the Government to finish the job, open up the en-

tire chain, and do away once for all with the anachronism of a private toll canal connecting large bodies of water for an active and increasing commerce.

"Mr. KENYON. There is much testimony in the hearings showing that the canal is in bad condition and that it will require a large sum of money to put it in good shape.

"The fact is that the present condition of the canal is of no consequence to the final waterway contemplated by the Government engineers. This will be a sea-level connection of larger dimensions than the present ditch, and it is not a question of repairing works that have gone out of condition but of tearing them out altogether.

"Mr. KENYON. There was some report from Capt. Turtle to Lieut. Col. Craighill, I think, as to about 7,000 feet of that canal being quicksand.

"For the benefit of the Senator, let it be stated that a suggestion of this kind, based on entirely unchecked observation, was included in a report made in 1882. It was based merely on the flow of a certain small quantity of white sand through the boring pipe. (See S. Doc. No. 215, 59th Cong., 2d sess., p. 69.) This subject was very carefully tested by the United States Engineer Corps and reported on in the present survey (H. Doc. No. 391, 62d Cong., 2d sess., pp. 92, 93) as follows:

"No conclusive evidence of the presence of quicksand at any point in the deep cut has been found. * * * It is believed that the apparent flowing of the sand is not real * * * when the pump used in boring was replaced by a larger and more powerful one the supposed inflowing of the sand was no longer noted, the explanation being that the sand particles were carried to the surface more rapidly and that there were fewer particles held in suspension to settle back when pumping ceased. * * * It is believed that it is in no sense a quicksand and that it will not flow under pressure, but doubtless it will wash away readily when its surface is exposed to the action of flowing water.

"As the proposed improvement of the Chesapeake & Delaware Canal calls for suction dredging operations, the existence of sand here suggested would, if anything, tend to reduce the cost and increase the speed of such dredging work.

"The Senator is respectfully advised that this quicksand matter has been magnified beyond all possible importance by certain interests which would like to sell to the Government at a very high price a canal right of way over an alternative route on which every engineering board that has considered the question has brought in an adverse report.

"Mr. KENYON. This project, as it seems to me—I may be wrong about it—is simply the unloading on the Government of a worthless proposition.

"The Senator is respectfully advised that if he will consult the reports on this project, and more especially if he will take occasion to visit the waterway and familiarize himself with the present cramped conditions of commerce through it, and if he will consult any of the business interests now hampered by it, we have no hesitation in predicting that he will himself admit that he may not only be but is 'wrong about it.'

"The above passages are a fair sample of the arguments put forward against the pending river and harbor bill. This association holds no brief for projects not within its territory. As regards the projects included in the bill along the Atlantic seaboard district, we do unhesitatingly assert the value and extreme importance of the physical connection between the great navigable rivers of that district and the great industrial cities within it, such as will provide the means of economical and practicable modern barge navigation. This problem is entirely distinct and apart from that of providing for the trans-Atlantic liners in specified harbors, or the assisting of coastwise navigation through harbors of refuge. Such projects are of local importance and stand or fall on their own merits. The intracoastal waterway project must be considered as a whole, and any statesmanlike view of the growth of commerce must suggest the advisability of adopting a general plan and proceeding in accordance with it. We do not expect the whole work to be realized to-day or to-morrow, but it does seem reasonable that step by step it should be carried along to final completion; and having in mind the density of population and preponderance of commerce in the territory interested, it seems only fair that for this great territory the Government should be willing to adopt at a reasonable rate of progress a project of which the total cost, as estimated by the Government engineers, will be less than one-third of the cost of a canal of the same standard dimensions built by the State of New York alone for connecting the Great Lakes traffic with the seaboard interstate traffic contemplated by the commercial interests united in this association.

In order that there may be no misunderstanding as to the present scope of the Atlantic Deeper Waterways Association, which, I repeat, is a voluntary organization with no paid agents to agitate for it, I insert the resolutions passed by the last two conventions, one held in the North, at New London, Conn., in 1912, and the other and last held in the South, at Jacksonville, Fla., in 1913.

RESOLUTIONS ADOPTED AT NEW LONDON, 1912.

We, the members and delegates of the Atlantic Deeper Waterways Association, representing all the States of the Atlantic coast region, from Maine to Florida, inclusive, in fifth annual convention assembled in New London, Conn., do hereby reaffirm to the American people, to the States and municipalities within our territory, and especially to the Congress of the United States our recognition of the need and our demand for the completion of improved connecting protected waterways, owned and operated by the Nation, along the entire Atlantic coast.

Within the Atlantic coastal region, comprising all the original American colonies, are now located more than one-third of the total population of the United States, and an even greater proportion of its commerce, industry, and wealth.

Within these coastal States are situated the most densely populated industrial communities of the country and the most rapidly increasing centers of population. Congestion of population, industry, and commerce require, as their remedy, larger, better, and cheaper facilities of transportation. It is now time that such be provided within the Atlantic coastal territory.

The existing lines of railways, splendid as their equipment unquestionably is, and rapidly as it is being expanded, are now, and have been for years past, unable during certain periods to handle the amount of traffic offering with assurance of quick transit, safe delivery, and minimum cost.

Under these conditions it becomes imperative to seek additional means of transportation, and these are provided by our coastal bays and sounds, if connected through the short spaces of intervening lowland by modern sea-level canals, freely operated as public highways.

It has been suggested that the ocean is sufficient for the coastal traffic. In reply it may be stated that our Atlantic seaboard is a lee shore; that it is lined with dangerous shoals; that these shoals are blackened with the wrecks of thousands of ships, and bear the bodies of many thousands of American mariners; that the average annual loss is more than 200 human lives and $4,000,000 in property; that this loss in two decades equals the cost of our proposed waterway chain; that, meantime, coastwise shipping is disappearing from the seas, coastwise insurance steadily rising, and coastwise commerce declining. The ocean does not provide the needed facilities of cheap coastwise transportation.

With this statement of facts it is hereby—

1. *Resolved*, That we congratulate the Atlantic States upon the favorable report and survey of the Army Engineers now reported to Congress, at the insistence of this association, proving the feasibility of its project.

2. *Resolved*, That we demand the adoption and construction of the Atlantic intracoastal waterway as a national project, and the continuous appropriation by Congress of funds sufficient for its early completion.

3. *Resolved*, That we commend the initial step taken by Congress in the river and harbor act passed at the recent session, which contained a provision adopting that link in the proposed intracoastal waterway extending from Norfolk, Va., to Beaufort Inlet, N. C., and carrying an appropriation immediately available of $500,000 for the purchase of the Chesapeake & Albemarle Canal, and an additional $100,000 for the improvement and maintenance.

4. *Resolved*, That we demand of Congress at its next session an act acquiring the Chesapeake & Delaware Canal, one of the most essential links in the whole intracoastal chain, one of the most feasible to improve for modern requirements, and the next in logical order of progress northward, all of which is fully shown by the recent report of the United States Army Engineers. And, in event of failure to negotiate a satisfactory contract for the purchase of the canal, we favor the immediate condemnation thereof by the Government or the construction of a canal over an alternative route.

5. *Resolved*, That we demand of the next Congress the adoption of the New Jersey sea-level canal project, thus connecting southern waters with those of New England and New York.

6. *Resolved*, That we urge steady progress northward and southward at every session of Congress until the entire route shall be opened to traffic.

7. *Resolved*, That to provide safe passage through the Hudson River for vessels from the Lakes through the Erie Canal, and to establish a feasible connection with the intracoastal waterway, we advocate early completion of the improvement of the upper Hudson as the approach to the Erie Canal, and also of the East River and lower Hudson and Harlem Rivers and the opening of Bronx Kills and Little Hell Gate.

8. *Resolved*, That we advocate the authorization by Congress of a survey for the extension of the intracoastal waterway northwardly from Boston to such point on the coast of Maine as may be deemed desirable and feasible.

9. *Resolved*, That we demand the adoption of a national policy of waterway improvement which shall gauge the amount of the appropriation according to the commerce, existing and prospective, that will be served by such improvement.

10. *Resolved*, That the Atlantic intracoastal waterway, exceeding as it does in its commercial importance all other projects of waterway improvement, deserves and should receive the means for its completion in a ratio at least equal to that accorded to projects in other sections of the United States.

RESOLUTIONS ADOPTED AT JACKSONVILLE CONVENTION, 1913.

We, the delegates and members of the Atlantic Deeper Waterways Association in sixth annual convention assembled in the city of Jacksonville, Fla., congratulate the business interests of the entire Atlantic seaboard upon the favorable reports of the Government engineers with respect to the projects advocated by this association.

Six years ago we formed our organization in order to work for a better recognition of eastern waterways in the National Congress. Elsewhere in the world there existed no chain of natural bays and sounds along the coast line comparable with those extending along the Atlantic coast of the United States from New England to Florida navigable by deep-draft barges and freight carriers of every description and requiring nothing more than a few short connecting artificial waterways to bring them all together into one great transportation system, with all its attendant advantages in the economical carriage of bulk cargoes, in reducing the cost of maintenance, insurance, and power, and in relieving the needs of the busiest and most closely settled portion of our country.

The construction of these short connecting waterways and their dedication to public use was urged by our association from its beginning. The feasibility of the plan was self-evident. Small canals had been built in the infancy of the Republic over routes closely approximating those we advocated. But unfortunately, having been acquired by other interests unfriendly to their development, or having been unable to form such connections as would permit the issuance of

through bills of lading, they had remained in their original state, while the progress of commerce and industry left them far behind, utterly unsuited to modern traffic requirements.

We called upon Congress for instruction to the Army engineers to survey and report upon routes for an intracoastal waterway to run from Boston, Mass., to Key West, Fla., passing through the bays and sounds and connecting into one system the many great navigable rivers that drain the Atlantic slope.

The reports of the engineers have confirmed our judgment as to the feasibility and desirability of the Atlantic intracoastal waterway, and have recommended that the project be undertaken by the United States Government.

The several links in the intracoastal chain of waterways from Long Island Sound to St. Johns River, Fla., have received favorable reports through the Chief of Engineers United States Army recommending their construction. It now only remains for the people and the commercial interests of the Atlantic seaboard to insist that Congress shall follow the recommendations of the engineers and authorize the construction of these several links.

One of the links, that from Norfolk, Va., to Beaufort, N. C., has been adopted by Congress. One of the early canals, the Chesapeake & Albemarle, constituting a section of this link between the Elizabeth River, Va., to Albemarle Sound, N. C., has been purchased by the Government and is now being operated as a free waterway. This Norfolk-Beaufort link is to have a minimum depth of 12 feet, with appropriate widths.

With this recital of facts, the desires of the Atlantic Deeper Waterways Association for immediate progress toward the realization of its purposes are formulated in the following preamble and resolutions:

"Whereas the Chief of Engineers United States Army has reported to Congress that 'it is advisable for the United States to buy the Chesapeake & Delaware Canal at a cost not exceeding $2,514,290, and to then enlarge it to a sea-level canal 12 feet deep and 90 feet bottom width, with the least interference practicable to existing traffic, at a cost of $8,000,000,' with provision for subsequent enlargement to 25 feet depth and 125 feet bottom width; and

"Whereas the Chief of Engineers has further recommended to Congress that it provide for the construction of 'a lock canal of 12 feet depth and 90 feet bottom width across the State of New Jersey from New York Bay to Delaware River, provided the State of New Jersey will promptly secure and donate to the United States all rights of way necessary for a 125 feet bottom width, 25 feet depth sea-level canal along the same route, and provided that the 12-feet depth canal construction work be carried on in such a way as to allow of a greater development to a 25-feet depth canal whenever such development is found advisable'; and

"Whereas the State of New Jersey has provided by law an appropriation of $500,000 for acquiring the necessary right of way and has caused the same to be surveyed and marked; and

"Whereas by the completion of the New York Barge Canal at a cost approximating $130,000,000 and the Cape Cod Canal at a cost of $12,000,000 both expected to be opened to traffic during the year 1915, New England waters and the Great Lakes will be connected by inland waterways with New York Bay; and by the completion of southern projects recommended and authorized similar communication will be opened northward as far as the head of Chesapeake Bay and the early connection of these great waterway systems is imperatively called for:

"*Resolved*, That we demand of Congress the immediate acquisition of the Chesapeake & Delaware Canal at the price fixed by the Chief of Engineers, and in default of an agreement of sale by the present owners the acquisition thereof to be promptly effected by condemnation proceedings;

"*Resolved*, That we demand the insertion of an item providing for this purchase in the next rivers and harbors act, with a sufficient allowance for beginning the work of improvement.

"*Resolved further*, That we demand of Congress the approval of the New Jersey canal project and the insertion in the next rivers and harbors act of an item sufficient to begin the work and to secure the donation of the right of way from the State of New Jersey.

"*Resolved*, That we approve as an essential part of the intracoastal waterway the improvement of the East River and the construction of the Harlem or Bronx Kills Channel as heretofore recommended in the report of the Army engineers.

"*Resolved*, That we urge the early completion of the improvement heretofore authorized of the upper section of the Hudson River between Hudson and Troy, so that the same shall be completed at least contemporaneously with the completion of the Erie Barge Canal. We further recommend that Congress authorize a supplemental survey of the upper section of the Hudson River, with a view of providing a still deeper channel up to the city of Troy. We further recommend the improvement of the Hudson River from Spuyten Duyvil, at the entrance of Harlem River, to the Battery, heretofore recommended by the Army engineers.

"*Resolved*, That we recommend the construction of a canal between Fishers Island Sound and Bissells Cove on Narragansett Bay, thereby avoiding the dangers of navigation around Point Judith and affording a safe inside route between Narragansett Bay and Long Island Sound.

"*Resolved*, That this association is committed to the construction of an intracoastal waterway from the St. Johns River to Key West an integral part of the system, and as a part of such route it recommends the purchase of the existing canal of the Florida Coast Line Canal & Transportation Co., in so far as the interests of the United States may be subserved by the purchase of such canal and its appurtenances.

"*Resolved*, That we commend to the entire Nation the paramount importance of the Atlantic intracoastal waterway among the engineering projects now under consideration by Congress as a necessary factor in the economic development of that section which is most thickly populated, has the greatest industrial output, uses the greatest bulk of raw materials, and needs the greatest supply of food from distant points.

"*Resolved*, That the present condition of neglect in the matter of eastern waterways, the high cost of transportation due to obstructive tolls and inadequate facilities, the great loss of life and property in coastwise traffic, the prohibitive rates of marine insurance, and shrinking tonnage of coastwise shipping alike call for immediate approval of the Atlantic intracoastal waterway and rapid progress of the work through generous appropriations by Congress.

"*Resolved*, That we call upon business interests and trade organizations throughout the United States, and especially in the seaboard States, for such united and persistent support and agitation of these demands as will result in their sure recognition at the next regular session of Congress."

Commission to Codify Mining Laws.

EXTENSION OF REMARKS
OF
HON. EDWARD T. TAYLOR,
OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 21, 1914,

On the bill (H. R. 15288) to provide for a commission to codify and suggest amendments to the mining laws, and for other purposes.

Mr. TAYLOR of Colorado. Mr. Speaker, this is one of the most important bills that there is before Congress for the development of the West, and more particularly the mining industry. This measure has been urged by the mining interests of the United States for at least 20 years.

I have set forth in the report that I have prepared upon this bill sundry resolutions and reasons given by various associations of mining men, as well as prominent mining engineers, and I feel that this information is so important that it ought to be presented to the House, and I will give the substance of that report, which is as follows:

This bill was referred to the Interior Department, and the Secretary reported thereon as follows:

DEPARTMENT OF THE INTERIOR,
Washington, April 11, 1914.

Hon. MARTIN D. FOSTER,
Chairman Committee on Mines and Mining,
House of Representatives.

DEAR DR. FOSTER: In reply to your request for opinion respecting H. R. 15288, a bill to provide for a commission to codify and suggest amendments to the general mining laws, I inclose copy of my report of February 12, 1914, addressed to the Committee on Mines and Mining, United States Senate, upon S. 4373, a somewhat similar measure. You will note that S. 4373 provides for a commission of three members, while H. R. 15288 provides for a commission of five members. A proviso to section 2 of S. 4373 is to the effect that the proposed code "shall not deal with lands containing deposits of coal, oil, gas, phosphates, or soluble potassium salts." H. R. 15288 does not contain this provision. It was inserted in the Senate bill for the reason that the deposits named occupy a somewhat different status from other minerals with respect to formation, methods of mining, and use of the minerals.

As you are aware, the department has recommended legislation peculiarly adapted to the development and disposition of coal, oil, gas, phosphates, and potassium, which bills are now pending before the Senate and House Committees on Public Lands—S. 4898 and H. R. 14094. I am therefore of the opinion that section 2 of H. R. 15288 should be amended by adding the following:

"*Provided*, That said code shall not deal with lands containing deposits of coal, oil, gas, phosphates, or soluble potassium salts."

Cordially, yours,

FRANKLIN K. LANE.

A similar but not identical bill was introduced in the Senate, and referred to the Secretary of the Interior, who reported thereon as follows:

DEPARTMENT OF THE INTERIOR,
Washington, February 12, 1914.

Hon. T. J. WALSH,
Chairman Committee on Mines and Mining, United States Senate.

MY DEAR SENATOR: I am in receipt of your letter of February 9, 1914, transmitting for report a copy of S. 4373, a bill designed to provide for a commission to codify and suggest amendments to the general mining laws. The bill provides that the proposed code shall not deal with lands containing deposits of coal, oil, gas, phosphates, or soluble potassium salts. Various recommendations for amendments to the general mining laws have been suggested by this department from time to time, and there seems to be more or less desire on the part of those connected with prospecting or mining for certain amendments to the law. The codification of all laws relating to the location, development, and disposition of such mineral lands would also, in my opinion, be desirable. I believe that the investigations and findings by such a commission as is provided for in this bill would be of material value to Congress, and have therefore to recommend that the measure be enacted.

Very truly, yours,

FRANKLIN K. LANE.

For 25 years there has been a general dissatisfaction with the mineral-land laws of this country. The Interior Department has many times recommended changes. The American Institute of Mining Engineers, the Mining Metallurgical Society of America, and the American Mining Congress have all been for many years persistently urging a revision of our mineral-land laws. Protests from all over the West have been presented to Congress and various public gatherings annually, and a few isolated efforts have been made to secure relief; but no concerted or systematic effort has been made to revise, systematize, and bring up to date the mineral-land laws. Many able addresses have been delivered and profound papers read, and the mining public generally concede many evils, absurdities, and obsolete provisions in the mining laws; but no body of men has ever been authorized to revise or codify them, and the Interior Department, the Bureau of Mines, and the committee have deemed it best to recommend the creation of a commission, to be appointed by the President, of high-class men, of recognized experience in the mining industry and mining laws, to make a thorough and exhaustive investigation of this subject and report their conclusions to Congress.

It is believed that this commission should and will hold public hearings in the principal mining communities of the West and Alaska, and give ample opportunities for full expression by the public of their experience and the wisdom derived from years of observation.

While various individual bills have been introduced from time to time, the mining men of the country are apparently of "the conviction that no tinkering or patchwork revision can afford any perceptible

relief. The present mining laws as a whole are hopelessly at variance with the geological realities of ore-deposit structure, and also with the practical operation of prospecting and mining. Moreover, their various parts are so interdependent that it is practically impossible to correct individual faults without revising them as a whole." (Report of Edmund B. Kirby on Mining Law Revision, at New York meeting, February, 1914.)

The American Mining Congress at its annual session held in Spokane, Wash., on November 25, 1912, appearing at pages 80 to 81 of the report of the proceedings is the following:

"MEMORANDUM.

"The American Mining Congress, representing the mining industry of the United States and Alaska, asks that Congress shall undertake a general revision of the mineral-land laws.

"IMPERFECTIONS OF THE PRESENT LAWS.

"The mineral-land laws of the United States and Alaska, framed in 1872, and interwoven with a mass of supplementary State legislation, differing in every State, fail to meet the present requirements of the industry. Moreover, they have developed various evils, the injurious effects of which are steadily increasing. These have become so serious as to retard the development of mining and to create dissatisfaction and complaint everywhere.

"At every annual session of the American Mining Congress during the past 12 years the prevailing discontent with the present code has been voiced by various resolutions calling attention to its evils and asking for the correction of this or that feature of the laws relating to mineral claims located upon the public domain. Such complaints steadily increasing in volume have found expression not only in the mining congress but also in the press of the mining communities, all the mining journals, in the societies of mining engineers, and, in fact, through every medium available for the expression of public sentiment. They have nevertheless been without result, for the reason that the mining laws are largely interdependent, and it is difficult, if not impossible, to correct one fault without straightening out the entire code. Moreover, the States affected, some of which have often attempted to make improvements, find that nothing effective can be done without the action of Congress. In short, patchwork is impossible and a general revision is necessary.

"DIFFICULTIES OF THE WORK.

"Since the problems involved in the work are peculiar to the industry and are unusually difficult, it is evident that their satisfactory solution will require the aid of the most experienced judgment, together with a free and direct expression of views by the mining communities themselves. Among the many questions which will arise during a revision are the following, which will illustrate the nature of the work:

"SOME OF THE PROBLEMS.

"The apex law, with the uncertainties of title and litigation caused by it. The latter includes not only the conflicts caused by the extra lateral right, but also those occasioned by the consequent shapes of claims and the overlapping of lines.

"The creation of a definite procedure for acquiring rights to those claims in which the mineral is not near the surface and where discovery must in consequence be long deferred.

"Tunnel locations and the uncertainties of title caused by them in neighboring claims.

"The present nonobservance of the law of discovery.

"The partial or complete nonobservance, through various expedients, of the law of assessment.

"The location of an unlimited number of claims by one individual.

"Locations by proxy.

"REASONS FOR REVISION NOW.

"A general revision now will be particularly timely because of the public interest in conservation and the new legislation now under consideration for timber, oil, phosphate, and coal lands; also power sites. To omit the 'mining code' from any program for the betterment of laws relating to natural resources would be to pass by the field where relief is most urgently needed."

Hon. Horace V. Winchell, of Minneapolis, Minn., at the New York meeting of the American Institute of Mining Engineers, last February, read a very learned and lengthy paper on the subject "Why the mining laws should be revised." A few of the reasons which he gave and elaborated upon were in substance as follows:

(1) That the present mining law was not planned for the kind of mineral deposits or mining conditions that we have to-day; that the law of 1866 and amendatory act of 1872 applied primarily to fissure veins, and has never been adapted to the other forms of deposits.

(2) That the present law discourages prospecting and discovery and development of new mines.

(3) That one of the features of the present mining law, which seems to be not only criticized but almost universally condemned, is the "apex" or "extralateral" right, by which the miner is allowed to follow his vein beneath the surface of land owned by another. The Hon. D. W. Brunton, of Denver, former president of the institute and also president of the American Mining Congress, in his presidential address to the latter, uses the following language:

"It is a most unusual thing for a mine to find its way into the producing stage without having to fight one or more 'apex' lawsuits, and all because our legislatures in 1872 gave us the most archaic law that was ever placed on the statute books. No other nation possesses such an antiquated, absurd, and irrational mining law, which, no matter what it was intended to do, has only resulted in a continued expense and annoyance to mine owners and big fees to lawyers and experts. * * * One of the most disastrous effects of this continuous litigation is to frighten capitalists away from mining investments, because observing eastern investors have learned that the discovery of a new mine carrying rich ore is almost certain to be the beginning of the most expensive and interminable litigation."

(4) There seems to be an almost universal demand for a modification of the law that will permit of an appeal to the courts from the decisions of the land-office officials in metalliferous mining cases.

(5) A provision of the law requiring notices of mining claims to be filed with the General Land Office or some duly constituted Federal office. It is asserted that Uncle Sam has been a very careless custodian of the mining property and that the United States Government to-day does not possess either records or maps showing what portions of its mineral lands have been appropriated by valid mining locations.

(6) There is a wide discrepancy between the law pertaining to lode claims and placer claims. As an illustration, the law at present provides a limit to the time within which patented quartz claims may be attacked for fraud or irregularities of location, but makes no such provision for patented placer claims. Contests have been brought against placer patents 25 years after their issuance. The law should provide the same protection for placer as for lode claims.

(7) It is asserted that the present statutes are defective in permitting the location of an unlimited number of lode claims in any district and not requiring actual and useful development. Many promising mining claims, and even mining districts, have been smothered for years by this practice. Mr. Winchell also mentions many other irregularities that it would seem ought to be and would be remedied in a general mining code.

The essential features of the general mining laws of the United States were determined over 40 years ago, when the total production of mineral substances in this country did not amount to more than $300,000,000 per year. Since that time the value of the total mineral output has increased to $2,250,000,000 per year, a sevenfold increase. This growth has in part resulted from the discovery and utilization of many mineral substances not previously known to be of any economic value. Since these substances were not within the purview of the original law, no provision was made for their development, and only through the use of strained and forced constructions of the law has it been possible to develop such deposits at all. It is frequently stated by mining men of wide experience that for the past two decades the mining industry of the Western States has developed in spite of rather than through the aid of the general mining law. Nor is this all, for the nature of the ore deposits of the mineral substances contemplated in the original law was but little understood at that time, the great amount of scientific study which has since been devoted to them having at that time only just begun. Furthermore, certain deposits which have since been nearly exhausted were at that time the center of attention and were considered to be typical, though they have since been discovered to actually be somewhat unusual. As a result it has been found that the general mining law is not even well adapted to those mineral deposits to which it was intended to apply, and the mining industry as a whole is in much the same situation as a manufacturer obliged to attempt to carry on his present business with the equipment regarded as satisfactory 40 years ago.

Of all the defects of the general mining law, the most serious is the present uncertainty of title of a locator to the mineral land he claims. This works an especial hardship on the prospectors and men of small means by whom the discoveries of new mineral deposits are chiefly made. Such men rarely can command sufficient capital to develop to their full extent the mineral deposits which they have discovered, and are obliged to sell their claims to individuals or corporations of greater means. In buying such a claim the purchaser not only has to take into consideration the possibilities as to whether the deposit may prove, on development, to be of great or small value, but must also consider whether the title of the prospector to the deposit may not prove to be invalid, and the whole investment be lost. The prospector often thus obtains for his discovery but a fraction of the sum he otherwise might receive, and not only becomes discouraged from attempts to make further discoveries, but in him is engendered a feeling of discontent and resentment which is not only bad for the individual but for society as a whole. In addition the development of new mining districts is powerfully hampered to an extent which can best be appreciated by quoting the words of a well-known engineer, who at a recent meeting of the American Institute of Mining Engineers stated publicly that he would not recommend to any of his clients the purchase of any mining properties in the United States so long as opportunities for investment can be found in Canada and Mexico because of the uncertainty of title which here exists.

The method proposed in this bill creating a commission of five men, skilled in the knowledge of the mining industry and the laws governing it, who shall, without compensation other than the payment of their necessary expenses, hold hearings in the principal mining centers, consider the needs of the situation in this country, as well as the results attained under the laws which govern the industry in other important mining countries, and submit to Congress a report together with a suggested code for enactment into law is one which has the unqualified approval of this committee and also of the Secretary of the Interior Department. The matter is so complex and the preservation of all existing rights while providing for the easier development of the public mineral lands requires so much careful study that Congress can not afford to devote the necessary time required for the preliminary work. It is also necessary that the commission shall visit the principal mining districts and hear the views of the men actually engaged in the labor of the development and operation of mines, so that the law, when finally enacted, shall as completely as possible meet all the needs and desires of the mining population as a whole. The provision that the commissioners shall serve without compensation insures that the work shall be done with reasonable promptness and dispatch, and men of small means will undoubtedly be willing to serve on such a commission, since many such men have already devoted much time and effort to bring about a revision of the law.

The vital importance of this matter is not alone measured by the 2,300,000 men engaged in the mining industry and the $4,500,000,000 worth of products which results from their labors, but rather by its effects on the whole of our people. More than half the freight hauled by our railroads is the product of the mining industry, and of the $20,000,000,000 worth of manufactured products annually produced in this country almost the whole involves the employment of metallic mineral substances. Indeed, it may truly be said such substances perform for the commerce and industry of the Nation much the same function which the blood performs for the maintenance of the body. The committee believes that this bill will meet with the hearty approval of prospectors, miners, operators, and the people generally everywhere, and we sincerely trust that it will pass.

The bill with the committee amendment would read as follows:

[H. R. 15288, Sixty-third Congress, second session.]

"A bill to provide for a commission to codify and suggest amendments to the general mining laws.

"*Be it enacted, etc.*, That the President shall appoint a commission of five members, who shall be selected because of their recognized experience in or knowledge of the mining industry and mining law, and who shall serve without compensation.

"SEC. 2. That it shall be the duty of the commission so appointed to prepare for the information and use of the President and Congress a tentative code of laws providing for the location, development, and disposition of mineral lands and mining rights in the lands of the United States, including the Territory of Alaska, as in the opinion of the commission are best adapted to existing conditions and will correct defects or supply deficiencies in existing general mining laws: *Provided*, That such code shall not deal with lands containing deposits of coal, oil, gas, phosphates, or soluble potassium salts.

"SEC. 3. That the commission shall hold public hearings in the principal mining centers in the western United States and Alaska, invite and receive suggestions and opinions bearing upon or relating to existing mining laws or desirable amendments thereof, and may also consider the laws and experience of other countries with respect to disposition and development of mines and minerals.

"SEC. 4. That within one year after the passage of this act, at which time the said commission shall expire, it shall submit to the President full report as to its operations, conclusions, and recommendations, including in or transmitting with said report a tentative code of mineral laws, as provided in section 2 hereof, and as soon thereafter as may be practicable the President shall transmit the same to Congress with his recommendations.

"SEC. 5. For the payment of the actual and necessary expenses of the commission, including traveling expenses and the services of a secretary and other necessary employees, the sum of $25,000, or so much thereof as may be necessary, is hereby appropriated out of any money in the Treasury not otherwise appropriated."

While I realize the force of the remarks of the gentleman from Illinois [Mr. MADDEN] as to the necessity at this time for economy—and I am willing to go as far as he or any other Member of this House is in the direction of economy—at the same time I feel that there could be no more economical or better expenditure of money than the investment of the small amount provided for by this bill. In fact, I have been criticized for not providing a salary for the commissioners. The commissioners ought to have a salary, and I feel that it is a mistake to provide that they should do this work for nothing. At the same time the Director of the Bureau of Mines and the Mines and Mining Committee were so exceedingly anxious to have this commission appointed that I put that provision in the bill. I earnestly hope that when the present financial stringency caused by the European war is over that the House will not only permit me to pass this bill, but will authorize a reasonable and fair salary to be paid to the commission for doing this work that is of so much importance to the West.

Emergency Revenue Legislation.

EXTENSION OF REMARKS

OF

HON. WILLIAM H. HINEBAUGH,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the income of revenue, and for other purposes.

Mr. HINEBAUGH. Mr. Speaker, I am opposed to this bill. A war tax in time of peace can not be justified. Our people are already overburdened by unnecessary taxation.

Extravagant and reckless appropriations made and proposed by this Congress could easily be cut down to meet the situation created by the war in Europe.

It is proposed to raise $100,000,000 by means of this bill. According to the reports of the Secretary of the Treasury, the Government now has $75,000,000 on deposit in the various banks of the country.

The estimated deficit in the customs revenue for the month of August is approximately $8,000,000, but the estimate so far in the month of September indicates that for this month it will not exceed $2,500,000.

Mr. Speaker, what possible harm could be done the banking institutions of the country by gradual withdrawal of from two to five million each month for the next six months of the Government deposits in the national banks?

Thirty million dollars has recently been saved by eliminating the "pork" from the rivers and harbors bill. Ten millions more could be retained in the Treasury by defeating the proposed shipping bill, the propriety of which, to say the least, is doubtful.

If, however, as the Democratic leaders claim, the passage of this bill at this time is necessary, why jam it through the House under a cloture rule in seven hours without the right of amendment? Mr. Speaker, had we been permitted to offer amendments to this bill I should have offered an amendment to strike out the section which imposes a tax on insurance premiums and in its place would have offered a substitute providing a tax of 10 cents on all catalogues issued by the great mail-order houses of the country. The tax proposed on insurance premiums will not yield more than $1,500,000 annually, and must be borne by the poor man, whose average policy does not exceed $1,500. The adoption of my amendment would produce immediately $1,800,000 annually, and would be paid out of the excessive profits of the great billion-dollar corporations.

WHY THE MAIL-ORDER HOUSE SHOULD BE TAXED.

That the mail-order houses draw more from and contribute less to local, State, and National taxation is an oft-repeated claim that is proven by the mere knowledge of the methods under which they do business. That they are well able to afford a tax that would make them bear their share of public expenses is shown by figures.

During the debate on the trade commission bill Senator LIPPITT said, in part:

Sears, Roebuck & Co., of Chicago, a mail-order house, consists of a number of people who have united their resources into a corporation which now has a capital of $58,000,000. In 1913 it did a business of $91,357,000. In the first four months of that year its business increased from $39,359,000 to $41,808,000, an increase of $2,449,000, or at the rate of $7,347,000 per annum.

Another union or combination of people in the same manner, the Montgomery Ward Co., made sales for 1913 of $39,725,000.

So rapid has been the growth of the business of these concerns, especially since the establishment of the parcel post, with its C. O. D. and other special features, that those who have watched the methods of the mail-order houses for years estimate that the three largest Chicago houses—the two named and the Chicago House Wrecking Co., owned by the Harris brothers—will do an aggregate business during 1914 of $360,000,000.

As an evidence of the growth of this business during the current year the following is quoted. It is from testimony before the Judiciary Committee of the House, given by M. L. Corey, secretary of the National Retail Hardware Association:

Last night I passed down one of your streets and my attention was called by a gentleman who is the traffic manager of one of the Chicago houses. I asked him what he was doing here. He said he was here to see the Postmaster General; that their business had increased to 42,000 packages per day, and he was here to make arrangements to carry these packages. That means 474,000 packages every week and 29,124,648 packages a year. Do you wonder what is the matter with the small town?

The foregoing is from the record. Mr. Corey explained in conversation that the increase was in parcel-post packages for the first three months of the year, and that was before the ruling of the Postmaster General under which mail-order catalogues became mailable as parcel-post matter.

As to the methods under which this business has been built up, it may be said that the Chicago House Wrecking Co. started as a seller of the building materials used in some of the structures of the Columbian Exposition, but that the name still fits, although it has since developed into an enormous general mail-order house, may be judged by the following, which is quoted from an advertisement of the company inserted in a farm paper:

It is estimated that about 10,000 merchants annually meet with business disaster. This is why our company exists. If the stock is sufficiently large and the goods are new and desirable, they find their natural way to our great 40-acre plant for distribution at a small added profit to our thousands of customers, who in this way get the benefit of the wonderful bargains. In many cases our prices do not even represent the original cost of production. We stand foremost in our line. We recognize no competition. That's why we are called "the great price wreckers."

Before a New York association of retailers a representative of the National Association of Retail Druggists read a letter purporting to have been written by Montgomery Ward & Co., in which it was flatly stated that they expected the mail-order houses to drive all small-town merchants out of business and that the only recourse for the latter was to become farmers.

The largest of these mail-order houses has stated that its catalogues go into one-third of the American homes, on the basis of five to a family. Of a population of an estimated 95,000,000 that would mean over 6,000,000 catalogues of this one house. However, the frequent issues of catalogues make an estimate of 18,000,000 per year conservative, not counting the millions of special lists, and so forth.

In a letter written to a Member of the House by the secretary of the National Retail Hardware Association the following occurred:

I have before me two Sears, Roebuck & Co. catalogues; one received March 12, postage 27 cents; the other March 23, parcel post 8 cents; a difference of 19 cents. I have three other catalogues from Chicago mail-order houses, all by parcel post, and all showing corresponding reductions.

Several students of the problem estimate that the three leading mail-order houses are saving from one and one-half to two million dollars per year by the ruling of the Postmaster General which placed catalogues under the parcel-post classification.

Who gets it may be judged from the following, the substance of a newspaper article that appeared in many papers throughout the country, but originating with the Chicago Tribune:

Julius Rosenwald, president of a mail-order house, will pay the largest Federal income tax of anyone in Chicago. His return was filed during the 30 days' extension of time, which ended to-day (April 1), and showed an income of $1,100,000 for the 10 months ending December 31, 1913. This would be on a basis of $1,320,000 per year.

Commenting on this, the Journal of the National Association of Retail Druggists said:

Mr. Rosenwald's income for three weeks exceeds the amount paid to the President of the United States as a salary for a full year. There has been much said about the collection of the income tax at the source. Probably you will agree with me that it would be better if Congress paid more attention to the source of the income.

It is said that there is more parcel-post mail going out of Chicago than originates in the three States of Ohio, Indiana, and Michigan. Aside from the exclusive mail-order houses, the great department stores and chain-store trusts are almost feverishly developing catalogue business. It has been stated that the Siegel-Cooper-Greenhut Co., of New York, frequently send a carload of parcel-post mail in a day; that the old-established house of Boggs & Buhl, of Pittsburgh, now has a mail-order business equaling its local trade; that the Rothchilds Co., of Chicago, is doing a catalogue business of a million dollars per month; and that there are 200 establishments in the United States doing a catalogue business exceeding $500,000 per year each. Nearly all of this is taken from the dealers in the small towns and villages, and by methods akin to those briefly related in the foregoing.

Thus it would seem that the time and conditions are opportune to place upon this, what seems to be rapidly developing into a universal distributing monopoly, a just portion of the financial burden of government.

Mr. Speaker, it is proposed in Schedule A of this bill to practically reenact the stamp-tax feature of the Spanish War act. Had it been possible under the rules of the House to offer an amendment I should have presented the following amendment for the consideration of the House:

Insurance (marine, inland, fire): Each policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description (including rents or profits), whether against peril by sea or on inland waters, or by fire or lightning, or other peril, made by any person, association, or corporation, upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof: *Provided*, That any person, association, or corporation shall be entitled to rebate or refund upon the return premium paid upon the cancellation or return of any policy of insurance or other instrument by which insurance shall be made or renewed, as provided herein, to be paid by the warrant of the Secretary of the Treasury upon the Treasurer of the United States out of any money arising out of the internal taxes not otherwise appropriated: *And provided further*, That purely cooperative or mutual fire insurance companies, carried on by the members thereof solely for the protection of their own property and not for profit and premiums upon reinsurance, shall be exempted from the tax herein provided.

The reason for this amendment is so ably presented by Hon. O. B. Ryon, formerly of the Insurance Department of the State of Illinois, that I am pleased to make his statement a part of my remarks.

The act of Congress of June 13, 1898, entitled "An act to provide ways and means to meet war expenditures, and for other purposes," by Schedule A (stamp taxes) and upon page 16 of the printed copy of the act, provided as follows:

Insurance (marine, inland, fire): Each policy of insurance or other instrument by whatever name the same shall be called by which insurance shall be made or renewed upon property of any description (including rents or profits), whether against peril by sea or on inland waters, or by fire, or lightning, or other peril, made by any person, association, or corporation, upon the amount of premium charged one-half of 1 cent on each dollar or fractional part thereof: *Provided*, That purely cooperative or mutual fire insurance companies, carried on by the members thereof solely for the protection of their own property and not for profit, shall be exempted from the tax herein provided.

The administration of the act of 1898 was productive of very serious and probably unintentional injustice to the fire insurance companies. Instead of a tax of one-half of 1 per cent the companies paid eight-tenths of 1 per cent upon their actual premiums during the time the Spanish War tax law was in force. This occurred because no provision was made for credit in case of policies canceled or returned "not taken."

Every fire insurance policy issued in the United States, so far as we are advised, contains a provision that it may be canceled under certain conditions at the instance of either the company or the insured, and in such cases a portion of the premium is returned. The act of 1898 made no provision for this condition, and the department permitted no credit whatever for such return premiums, and the amount involved was very considerable.

The report of the president of the National Board of Fire Underwriters, May 28, 1914, for the business for the year ending December 31, 1913, shows at Tables 1 and 3 the gross premiums in the United States for the year 1913 were $474,000,000 and the net premiums $324,000,000, or, in round numbers, $150,000,000 of return premiums, being about one-third of the gross amount written. It does not appear to require any argument to indicate that it is grossly unfair and contrary to the spirit of all tax laws to require the payment of any tax whatever upon these premiums which, as a matter of fact, do not remain the property of the companies, but are returned to the premium payers by reason of the contract obligation.

By the ruling of the department the act of 1898 was so construed as that direct-writing fire insurance companies were not entitled to any credit whatever in the payment of the tax provided by the law upon premiums paid for reinsurance, but the reinsurance companies, that is, those accepting from direct-writing companies portions of their business, paid the same tax as the company initially receiving the business. The result of this ruling and the operation of the act of 1898 was double tax upon a very large amount of premium. It seems obvious either that the direct-writing company should receive credit for the tax upon premiums paid for reinsurance or that the premiums of reinsurance companies should not be taxed. Let me illustrate:

The Home Insurance Co. of New York writes for one of its clients a policy charging a premium of $500 and attaches to the policy revenue stamps for $2.50. It immediately reinsures in the Aetna Fire Insurance Co. one-half of its liability and pays the Aetna one-half of the premium, or $250, and receives from the Aetna Insurance Co. a policy for one-half of the Home Insurance Co.'s liability for an express consideration of $250 with a revenue stamp of $1.25.

There is involved in this transaction but a single risk, and the premium is only distributed to cover the divided liability. It should pay but one tax, but actually, instead of $2.50, it pays $3.75. There should be some provision in the law to cover this contingency, because in 1913 the stock companies of the United States paid in interchange of business of the character above mentioned, in the way of revenue, about $70,000,000, and under the act of 1898 the result would have been the double taxation of about $70,000,000 of premiums.

It was undoubtedly the intention of the Congress in preparing the act of 1898 to require fire insurance companies to pay upon their net or actual premiums, not upon sums of money which remained temporarily in the hands of the company, but subsequently, by reason of the terms of the contract issued, were returned to policyholders.

If it is the present purpose of the Ways and Means Committee to report substantially the provisions of the act of 1898 upon this subject in the bill now under consideration, it seems obvious that there should be an amendment giving credit under proper conditions for these return premiums and exempting reinsurance.

It was no doubt the intention of the Congress by the act of 1898 to provide only for the taxation of the premium income of the fire insurance companies, but the practical application of the law was to impose a very much greater tax than that intended by the Congress.

The act of the Illinois Legislature providing for a tax of 2 per cent upon the gross premium receipts of foreign fire insurance companies furnishes a very striking example of this injustice in the taxation of fire insurance premiums.

The act was construed by the Supreme Court of Illinois, and we quote in part from the opinion in the case of the German Alliance Insurance Co. *v.* Van Cleave (191 Ill., 410):

In the construction of the act effect is to be given to the intention of the legislature, and that intention appears to be to levy a tax on the gross income of foreign fire insurance companies.

The object is to require such companies to pay at designated times a tax of 2 per cent on the gross receipts of their business for the previous calendar year.

There is no dispute as to the meaning of the word "gross," and it is conceded that it means the whole or entire amount of premiums received for business done in this State during the year. The word "gross" is not opposed to "net," and its ordinary meaning is the entire amount of the receipts of a business after deductions for the expenses and charges of conducting the business. It is claimed on one side that the legislature meant by the gross amount of premiums the entire premiums received for furnishing insurance indemnity during the year, while on the other side it is insisted that they meant to include all the money which goes to the insurance company, although paid under an agreement for refunding upon the cancellation of the policy, and although the policy is canceled and the insurance ceases and the money is refunded. If it is true that the part of the premium unearned and returned to the insured is a premium for business done, it is equally true that if the whole premium were returned and there was in fact no insurance the money would be premium for business done. According to the argument which would include premiums returned on canceled policies, if the insurance company should issue a policy and receive a premium and at once cancel the policy and return the premium, it would have done the amount of business represented by the policy, and the amount received would be a premium for insurance business done. We do not think the language used will bear that construction. The merchant would not think of including in the gross receipts of his business any sales of goods with the privilege of return on the part of the purchaser where they are in fact returned. In such a case there is in the end no sale and no business done in any proper sense. So in the case of an insurance policy for a definite period with an agreement that it may run any portion of that period and then cease; if the policy is canceled and the insurance ceases, there is no insurance business for the remaining portion of that period.

The premiums returned are not paid as a liability of the insurance company or as a charge or expense of conducting the business, but because one party or the other avails of the option and terminates the insurance. An insurance company would not be authorized to omit from its statement any part of premiums received merely on the ground

that policies might be canceled in the future; but where they have been in fact canceled and the money returned the entire or gross premium rates can not by any fair interpretation include the moneys so returned. The 2 per cent collected by the insurance superintendent and paid under protest is upon moneys which do not inure to the benefit of the insurance companies in any manner, and which are not premiums for furnishing fire insurance or indemnity to holders of policies. The apparent purpose of the act is to levy a tax on gross income and not upon money which is not in any sense revenue to the insurance companies.

The opinion very clearly indicates the infirmity found not only in the Illinois law under consideration but in the act of Congress of June 13, 1898. If the contemplated act can not be so amended as to absolutely eliminate further taxation of stock fire insurance companies, it should be amended to exclude from its operation return premiums and amounts paid for reinsurance.

It will be noted by Table 3 of the report of the president of the National Board of Fire Underwriters that in the year 1913 the stock companies in the United States paid $8,500,000, or 2.62 per cent, on their net premiums written, these payments being made to the several States in which the companies transact business.

In view of the fact that not all of the property in the United States is insured, these taxes are upon only a part of the taxable property, but for the benefit of everybody, and it might also be suggested that since the year 1898 the companies have been subjected to a Federal income tax, which is a very serious burden and should be entitled to some consideration from the Congress in the proposed emergency tax.

There appears sufficient reason for excluding stock companies, as well as mutuals, from the provisions of the proposed emergency tax laid, but absolutely no reason can be discovered for the double taxation which resulted from the act of 1898, and which would again result from a reenactment of that law without the amendment suggested.

Reclamation Projects.

EXTENSION OF REMARKS

OF

HON. CARL HAYDEN,

OF ARIZONA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, July 29, 1914.

Mr. HAYDEN. Mr. Speaker, under the leave granted to extend my remarks in the RECORD I include the following letter:

DECEMBER 12, 1913.

The honorable the SECRETARY OF THE INTERIOR,
Washington, D. C.

SIR: Pursuant to your request made at our conference yesterday, I hereby present in writing the arguments that I then advanced in favor of permitting homestead entrymen under reclamation projects to receive patents for the entire area of their entries.

By a letter addressed to the president of the Salt River Valley Water Users' Association you have notified all entrymen that it is the intention of the department to establish 40 acres as the farm unit under the Salt River project. Your conclusion that 40 acres is all that may be reasonably required for the support of a family on irrigated lands in Arizona would indicate that this area will also be fixed as the farm unit under the Yuma project.

Such an order, when issued, will prevent the future entry of the vacant public lands now included in these projects in any larger areas than 40 acres, and to this no one can object, because you are acting clearly within the discretion given to the Secretary of the Interior by the reclamation act.

The effect of such an order will not, however, bear equally upon all lands heretofore entered under these projects as homesteads. The act of June 23, 1910, provides that upon the acceptance of satisfactory proof of residence, improvement, and cultivation, entrymen under reclamation projects may assign any part of their entries to other persons, who may receive patents in their own name. As a result of this act, all of the homestead lands under the Arizona projects may be divided into two classes: First, the lands where the entryman has received a certificate that his proof of residence, improvement, and cultivation is satisfactory, and, second, the lands where, by reason of a failure to obtain water for irrigation, it has been impossible to make such proof up to the present time.

Most of the entrymen under the Salt River project have been able to make satisfactory proof to the department and have obtained certificates that will permit them to assign their excess holdings for a compensation. The same is true of almost half of the entrymen under the Yuma project. But the unfortunate entryman who has not to date succeeded in having his proof accepted will be forced to relinquish all above 40 acres to the United States and can receive nothing for his improvements. He may have cleared the land, leveled and bordered and ditched it. He may have built fences and houses at great expense while waiting for the water to come, but there is nothing that he can do except to select the particular 40 acres that he will retain as his home.

If the order fixing the farm unit is delayed for another year and the contemplated lateral system is fully completed under each project at an early date, then most of the entrymen in the second class will be able to make the proof required by law. Certainly within two years practically everyone would be able to save his right to sell his excess holdings. To issue such an order immediately will, therefore, cause great hardship to many worthy settlers who, through no fault of their own, have been unable to comply with the law, and they are the very class of men that the department ought to be the most anxious to assist.

Section 4 of the reclamation act reads:

> That upon the determination by the Secretary of the Interior that any irrigation project is practicable he may cause to be let contracts for the construction of the same, * * * and thereupon he shall * * * limit the area per entry, which limit shall represent the acreage which, in the opinion of the Secretary, may be reasonably required to support a family upon the lands in question * * *.

In the years 1903 and 1904 the Secretary of the Interior did determine that the Salt River and Yuma projects were practicable, and he did cause contracts to be let for their construction. He did not, however, limit the area per entry, as provided by the act. It may be that he was advised that under the law he must permit homestead entries under these projects, but certainly he could not have been criticized if, following the plain and mandatory provisions of the act, he had written a letter to the local land officers in Arizona directing them not to receive entries of more than 40 acres for public lands included within the limits of the Salt River and Yuma projects. The entryman would have been helpless, because his filing would not have been received for a larger area.

It may be argued that the Secretary could not obtain satisfactory information at that time upon which to base a decision as to the size of the farm unit. It is the same land, the same climate, and the same water was running in the streams. Large areas of land had long been in cultivation under both projects. All the necessary data could have been quickly assembled. It was his duty to make some kind of a decision, and his failure to do so gave every entryman the right to believe that ultimately he would receive a patent for all of his entry.

It will certainly not be claimed that the author of the reclamation act or any Member of Congress who voted for it had in mind that the word "thereupon" would be construed to mean 10 years, nor will any reasonable man insist that it was the intention of Congress that the provision fixing the farm unit should be retroactive. By what authority of law did the department say to the entryman, "You may enter 160 acres of land subject to reduction in area at the pleasure of the Secretary of the Interior?" There may be a technical answer to this question, but it certainly is not such an answer as would occur to the mind of the average homesteader. To my mind it was the plain duty of the Secretary of the Interior, in order to protect the rights of prospective entrymen, to determine the area per entry at the earliest possible date. This he failed to do, and the prospective entryman therefore lost that which ought to have been preserved for him and which could have then been preserved without doing injustice to anyone. It is too late now, because in the meantime the actual settler has been upon the land and thus acquired equitable rights which in all fairness ought to be recognized.

The maps which I exhibited clearly demonstrate that most of the homestead lands in the Salt River and Yuma Valleys are located on the outskirts of the projects at the greatest distance from the towns, railroad stations, schools, and churches. These lands are situated at the ends of the poorest roads, and the farmers are therefore handicapped in marketing their products. The assessed valuation of the patented lands nearest the homestead entries indicates that the average value of the unpatented land under the Salt River project is not over $60 per acre, and not over $45 per acre under the Yuma project. You will remember that I presented a letter from the Arizona tax commission certifying that all property in my State is assessed at its full cash value, and that the total assessed value of all

property has been raised from $142,624,635 to $379,005,740. The raw lands that have been obtained by the homestead entrymen can not, therefore, be said to be worth $100 per acre or even more, as has been represented by the Director of the Reclamation Service.

It can not be successfully argued that it is necessary to reduce the farm unit to 40 acres in order to compel the division of large areas into smaller tracts, because this process is going on at a rapid rate as the result of the natural demand for small farms. In 1902 about 1,200 men owned all the land included in the Salt River project. By 1909 the number of landowners had increased to 1,892, and in 1912 the number had grown to 3,048, a gain of 66 per cent. In the same four years the average holding was reduced from 59 to 49 acres. I am reliably informed that the number of landowners under the Salt River project is now more than 4,000, and I am confident that the area of the average farm is not over 40 acres. I can see no necessity for the use of force when the natural law of supply and demand is already accomplishing the purpose.

I willingly admit that a man who obtained his land at $1.25 an acre from the Government is better able to pay the charges due for the cost of the project than one who has purchased land at $100 an acre from a private owner. The latter must pay interest on his mortgage and make payments on the purchase price. The sums due to the reclamation fund must come out of a much narrower margin of profit. There is also no doubt but that many men are trying to farm more land than they can successfully cultivate with the limited capital they possess. If a man has nothing but his two hands and a team of horses, it will be easier for him to produce the sum required to meet the reclamation charges on 40 acres than on a quarter section.

But after all most people have common sense, and they learn by experience. The unsuccessful farmer always has creditors who want their money, and the man who is land poor must sooner or later dispose of most of his holdings to pay his debts. Among the 90,000,000 people in the United States there are an ample number who are willing and able to pay a fair price for western irrigated land, so it is not difficult to find purchasers. Of course, everyone would like to see ideal conditions immediately established under all of the reclamation projects, but any attempt to prematurely force the division of large holdings into smaller tracts by paternalistic regulations is bound to meet with resentment from a class of men who are firmly convinced that they know more about the proper conduct of their own business than any Government official. Is it not better to let questions of this kind settle themselves? The world was not made in a day.

Permit me to say that no one except the officials of the Reclamation Service has asked that the farm unit be reduced to 40 acres. On the contrary, every organized body of water users is on record as being opposed to the reduction in area of homestead entries under reclamation projects made prior to the passage of the act of June 25, 1910. In the suggestions made at your request by the representatives of the water users' associations present at the conference held in your office last May the following recommendation was made:

> That land entries, under the reclamation act, should not be subject to reduction after bona fide entry.

At the annual meeting of the National Federation of Water Users, held at Salt Lake City in September, 1912, the following resolution was adopted:

> We recommend that the following law be passed: Land entries under the reclamation act of June 17, 1902, of 160 acres or less made prior to June 25, 1910, shall not be subject to reduction to a lesser farm unit than the acreage entered; and that on all projects containing lands in private ownership the maximum farm unit to be allowed be immediately established by the Secretary of the Interior.

The officers of the Salt River Valley Water Users' Association have repeatedly requested the department to make no reduction in the area permitted to be entered in the absence of designation by the Secretary of the farm unit. As one example I will quote from a resolution passed by the board of governors on April 23, 1913:

> We further believe that in justice to those homestead entrymen within the Salt River project who filed on their lands previous to the passage of the act of June 25, 1910, the unit should not be reduced below 160 acres.

The only reason, therefore, for the reduction of the farm unit to a lesser area than the maximum permitted under the reclamation act is that it is the duty of the Department of the Interior, representing all of the people, to protect the inchoate rights of future entrymen. As I have already pointed out, this duty should have been performed immediately after it was determined that the project was practicable. To make such a reduction after 10 years have elapsed violates the established rights of actual entrymen.

If the surplus lands above 40 acres in each entry are to be taken away from the entryman, may I inquire who is going to get them? Not his minor children, because the law does not permit them to enter land. This land will go to the first man who enters the door of the local land office on the day that the land is declared open to entry or, if a drawing is held, to the lucky man at the lottery. When the homesteader was sweating in the sun grubbing up mesquite roots, and when he was spending his hard-earned money on other improvements he thought he was doing something for the benefit of his wife and children, that their condition might be improved. But he was not doing anything of the kind. He was working for the benefit of some unknown nebulous person, now a part of the general population, who will appear on the appointed day to take from him the fruits of his labor. This person has endured no hardships; he has not waited, year after year, in the hope that water would soon be brought to his land, only to suffer disappointment again and again. He goes on the land obtaining free of cost all of the improvements that have been made, and secures, unearned, all of the increase in real estate values that have accrued during the past 10 years. To do this thing may be lawful, but it does not comport with my idea of simple human justice.

On another occasion I presented this subject to your predecessor in office, and thereafter in a letter addressed to the Director of the Reclamation Service, dated March 3, 1913, he said:

> With regard to the size of farm units applicable to homestead entries made prior to the act of June 25, 1910, I am of the opinion that these entries should be treated on exactly the same basis as private-land holdings are treated in the same reclamation project. Indeed, private-land holdings and homestead entries included in the same reclamation project should be treated alike with respect to farm units unless exceptional circumstances appear calling for different treatment.

I am sure that on careful reflection you will agree with Secretary Fisher in this statement. Why should the homesteader be penalized merely because you have the power to do so? As to the Arizona projects, the conclusion is inevitable that no water should be furnished to lands in private ownership in excess of 40 acres to any one individual, or else the homesteader should be permitted to retain the full area of his entry.

Secretary Fisher further stated:

> Homesteaders who entered prior to June 25, 1910, appear to me to be in a different situation from those who entered since the passage of the act of that date, and these equities should be recognized by giving them the benefit of all doubts as to the size of the farm unit "reasonably required for the support of a family." If I were clear as to the technical statutory authority to do so I would enter a general order providing that entries made prior to June 25, 1910, should be treated on the same basis as private lands in the same project. A difference of opinion exists, however, among my advisers upon this question, and I find that I have not time available before the close of the administration in which to give the subject sufficient consideration to justify entering such an order.

All that I am asking you to do is to give the homestead entryman the benefit of any doubt that there may be in your mind or the minds of your advisers.

If you do not feel that under the law as it exists you can conscientiously issue a general order directing that all homestead entries made prior to June 25, 1910, shall not be reduced in area, then I invite your attention to the inclosed bill which will amend the law to that effect. I am satisfied that, with no opposition from the department, it will not be difficult to convince Congress of the justice of such a measure.

Yours, very respectfully,

CARL HAYDEN,
Member of Congress from Arizona.

Importations—Comparison of 11 Months Under Democratic Tariff and Republican Tariff.

EXTENSION OF REMARKS

OF

HON. JAMES R. MANN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, September 26, 1914.

Mr. MANN. Mr. Speaker, the Department of Commerce has just issued a circular letter showing importations of various articles for the 11 months ending August 31, 1914, while the Democratic tariff was in effect, as compared with the 11 months ending August 31, 1913, while the Payne tariff law was in effect.

This statement shows that importations have greatly increased under the Democratic tariff law, and the statement shows the following increases in importations under the Demo-

cratic tariff law over what they were under the Republican tariff law for the 11-month periods:

Increase in importations.

Cattle	$11,968,347
Corn	9,775,179
Oats	7,984,053
Hides and skins	13,523,927
Fruits and nuts	8,201,183
Leather and tanned skins	5,926,782
Meat and dairy products	30,453,388
Paper, and manufactures of	5,452,729
Flaxseed	7,741,139
Vegetables	4,791,525
Wool, unmanufactured	30,136,171
Wool, manufactures of	22,596,828
Sugar	8,829,374
Cotton, manufactures of	5,056,927
Fertilizers	5,026,772
Fish	3,239,031
Silk, manufactures of	3,441,080
Wheat	1,473,040
Sheep	483,546
Butter	1,517,019
Eggs	928,680

The Department of Commerce has also just issued a statement showing importations for the eight months of the calendar year 1914 ending with August 31 as compared with the similar period in 1913. The statement includes the month of August, which is the first month of the European war and when shipping on the sea was most deranged.

For the eight months of 1914 we increased our importations over the same period of 1913 from the following countries by the sums named:

Argentina	$26,196,590
Australia	7,391,082
Belgium (decrease)	858,984
Brazil	3,576,631
Canada	$26,803,944
China (decrease)	728,335
Cuba	13,376,519
France (decrease)	7,141,653
Germany	1,830,854
India, British	3,974,854
Italy	1,170,248
Japan	10,818,211
Mexico	10,652,160
Netherlands (decrease)	1,128,745
Russia (decrease)	1,899,626
United Kingdom	18,593,245

The statement also shows that while for the eight months our importations from Canada increased from $78,786,141 in 1913 to $105,590,085 in 1914 our exports to Canada in the same eight months fell off from $282,993,099 to $219,960,317. The increase of imports from Canada and the decrease of exports to Canada probably represent a normal condition as the result of the Democratic tariff law, as our relations with Canada could not have been much affected by the European war, even in the month of August.

The figures speak for themselves and are an unanswerable and terrible indictment of the Democratic tariff policy, which plainly favors the producers of foreign countries at the expense of those of our own country.

Emergency Revenue Legislation.

EXTENSION OF REMARKS

OF

HON. JACOB JOHNSON,

OF UTAH,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. JOHNSON of Utah. Mr. Speaker, I find myself compelled to protest against the enactment of House bill 18891 into law; first, because I believe it to be unnecessary and because of its imposition of an unnecessary burden upon the American people; and, secondly, if necessary, that the revenue to be raised should be obtained from a different source and in a different manner. In the first place, to extract from the American people the sum of $105,000,000, or more than $1 from every man, woman, and child of the Nation, under the guise of a war tax or emergency revenue legislation, at a time when our Nation is at peace with the world, is a novelty in the political or financial history of the American Nation, and one to be developed for the first time by the Democratic Party, and for the express purpose of obscuring the dismal policy or, in other words, the results of the dismal policy of said party. The financial stress, if indeed there be a financial stress at the present time, is the direct result of the extravagant manner in which the Government of this Nation has been administered. By your appropriations you have appropriated about $1,100,000,000, a sum far in excess of any appropriations heretofore made by any Congress of this Nation. You have sought in every way to hamper, obstruct, and retard private business and to replace the same by governmental agencies; you have involved the Government in the undertaking of the constructing and maintaining of railroads, marine insurance, the ownership of shipping, the conducting of the banking business, and many other private enterprises, properly the subject of individuality and not governmental in their nature. You have loaned to the banks of this Nation $75,000,000 of Government money at 2 per cent interest, and which money is subject to demand, and we are informed by the newspapers that the banks are charging and receiving from 8 to 24 per cent interest on this money from the borrowing public. And yet you propose by this bill to leave said amount of Government money in the hands of the banks and extract, under the guise of taxation, from the people the additional sum of $105,000,000 more money. In other and plain words, you propose to abstract from the people the sum of $105,000,000 to be loaned to the banks at 2 per cent interest, so that said banks may reloan the same to the people at from 8 to 24 per cent interest.

Mr. Speaker, I can not become a party to any such transaction. If the Government needs the money, let it withdraw the $75,000,000 which it has on deposit in the banks; let it withhold the $35,000,000 appropriated for the construction of railroads, the $10,000,000 appropriated for insurance, and the millions intended for the purchase of ships and return to the economical principles of the Republican Party. You of the other side of the aisle are in power, you are responsible for the legislation of this Congress, and you must abide the verdict. Notwithstanding your pledge of economy to the people, you have greatly increased the numbers of officials of the various departments of the Government, raised the salaries, and revolutionized the system of Government service; you have added millions of dollars to the expenses of the administration; you have cut off the principal sources of revenue of the Government, and now propose to recoup the same by a direct tax upon the people.

Under the Payne tariff law the receipts from the tariff proved sufficient to meet the expenses of the Government and at the same time a sufficient protection to American industrial pursuits, but you repealed that law and enacted the Underwood law in its stead. The effect of the Underwood law has been to increase importation and to decrease exportation, to decrease the receipts of the Government, to destroy American industries, and to leave the American laborer without employment. You now find yourselves in the predicament which your policy invites—a failure.

The Democratic Party went into power upon the general promise that they would better the conditions which had existed in this country under Republican rule. For years they had preached that labor was oppressed, that business was shackled, and that if the Democratic Party once went into power it would reduce the cost of living, increase wages, bring business expansion, and widen our markets. They went into the campaign joyfully preaching the doctrine of the "new freedom." The President declared that what the men of this Nation needed was to sharpen their wits in competition with the rest of the world, that what was needed was to break down the tariff wall.

Well, we have now had a little more than nine months' experience under a Democratic tariff law and the "new freedom," and what is the result? Will any man in this Nation outside of a padded cell or a Democratic office say that he would not like to change the conditions that exist to-day for the conditions which existed for 16 years under Republican rule?

Remember that while the Democratic Party went into power on the 4th of March, 1913, that the Underwood tariff law did not go upon the statute books until the 3d day of October, 1913. However, the shadow of Democracy had its effect upon business even before President Wilson was inaugurated. Here are some of the results of a Democratic administration that was to bless the Nation with unexampled prosperity.

I compare 1913 and 1912, although during 1913 we had but 3 months of the Democratic tariff law and 10 months of Democratic administration, but even that much Democracy is strikingly different in the results.

The bank clearances in 1912 were $4,175,000,000 greater than in 1913. On the last day of January, 1913, the United States Steel Co. had orders for 7,850,000 tons of steel. On January 1, 1914, it had orders for 4,250,000 tons; on the 1st day of June, 1914, it had orders for 2,675,000 tons. What could tell a more distressing story?

Steel is one of the great business barometers of the Nation. To-day more than one-third of the steel mills in the entire country are closed.

To-day the steel production in this country is 40 per cent below normal.

To-day there are $150,000,000 invested in idle steel mills.

To-day there are a million idle men in the iron, steel, and associated industries, representing a daily pay roll of more than $2,000,000.

To-day there are 275,000 miners in this country out of work who in Republican times were earning $750,000,000 annually.

To-day there are 242,000 idle freight cars, the largest number in the history of this Nation. When the Republican Party went out of power there were none.

To-day there are more than 500,000 railroad men out of employment that were receiving more than a million dollars per day in wages when Woodrow Wilson was inaugurated.

To-day the wage earners of this Nation are losing more than $5,000,000 every 24 hours. There are 2,000,000 idle men in this Nation to-day. We are facing the awful problem of unemployed everywhere.

Every day that the Democratic Party has been in power we have bought more from the foreigner and sold him less. We have lost more than half a million dollars each day in trade.

Every day the Nation has gone in debt half a million dollars.

Every day the number of unemployed has increased.

Every day mills and factories have closed.

The new Democratic tariff law immediately closed more than 60 per cent of all the shingle and lumber mills of the State of Washington, threw 8,000 men out of employment, and the mills are closed now. It immediately opened the mills of British Columbia that for months had been closed, and they have been running full capacity ever since, and 90 per cent of their output is sold in the United States; yet the prices have not been reduced. Agricultural products are being shipped to this country from Canada. Eighty carloads of potatoes were shipped to Detroit in one week. Coal is being shipped to Montana and other points. More than $2,000,000 in wages each month is now being taken from the American workman in this country and given to the Chinaman, the Japanese, and the Hindu in British Columbia.

During the first six months of the present Democratic tariff law 33,000,000 pounds of tin plate, valued at $1,034,000, was imported into this country—ten times as much as was brought into this country during the last six months of the Republican tariff law.

This Nation during the six months under a Democratic tariff used less tin plate than it had during the last six months under a Republican tariff. This means $1,000,000 in work and wages taken from the men who work in industries of this country and given to foreign labor. Thousands of tons of foreign steel manufactured by foreign cheap labor are going into San Francisco and Seattle. Thousands of tons of pig iron are coming into those ports from China, produced by labor paid from 6 to 8 cents per day.

Thousands of tons of cotton ties are going into the ports of Galveston, New Orleans, and Savannah to be used by the southern cotton planters.

During the last month of the Republican tariff law the Pittsburgh Steel Co. that manufactures cotton ties paid to its workmen $194,000 every two weeks. Now it pays to these workmen $14,000 every two weeks. The rest of this pay roll—$180,000 every two weeks—has been taken from them and given to the foreigner. More than 3,000 men that worked for this company are out of employment, wondering how they are going to earn their daily bread; and the above is a very fair sample of nearly all the mills and manufacturing establishments of the East. Only a few days ago the National Tube Co., of McKeesport, Pa., closed, throwing out of employment 2,500 men. Their work and their wages have been taken from them and given to the foreigner. Many of the factories are running on half time and many are closed.

During the first three months of 1914 under a Democratic tariff law our sale of cotton goods to the foreigner decreased $1,200,000. Our purchases during the same period increased $2,100,000, or a balance in favor of the foreigner of $3,300.000.

During the first three months of 1914 our imports of woolen and worsted goods were $7,664.370 under a Democratic law; during the first three months of 1913 they were $2,254,010 under a Republican tariff law. In three months after the Underwood law went upon the statute books Bradford, the great woolen and worsted center of England, increased its sale of these goods to the United States 280 per cent. Comparing this year with last year, during the month of March the amount sold abroad at the port of New York alone decreased $11,000,000. During the month of April at the same port it decreased $12,000,000 or a loss in our foreign markets of $23,000,000 in two months at this one port alone. Our imports increased for the same two months in the same port over $26,000,000.

Our tremendous loss of trade is shown more strikingly still when we remember that our imports of materials used in manufacturing has decreased in the first six months under the Underwood law more than $48,000,000. Each month since then the figures show a still greater loss.

During April, 1914, the last month for which figures are available, as compared with April, 1913, we bought from the foreigner $36,000,000 more and sold him $37,000,000 less, or a balance in favor of the foreigner in a single month under the Democratic law of $73,000,000. During the first six months under the Underwood law our foreign trade decreased more than $100,000,000 as compared with the first six months under the Payne law.

Our imports since the Underwood law has gone upon the statute books in six months has increased 37 per cent. Our exports during the same six months has decreased 31 per cent. This shows the result of sharpening our wits in competition with the cheap labor of foreign nations. All this increase of imports and decrease of exports means that much less work done at home. It is estimated that every million dollars increase in imports and every million dollars decrease in exports means a thousand idle men in this country. To pay for all this increase of imports we are sending abroad hundreds of millions of gold until we are upon the very verge of a panic, and would have had a panic but for the Treasury coming to the rescue with $500,000,000 of Government money.

Let us look upon the new tariff for a few moments as a revenue producer. I find that during the first six months of the new tariff law, as compared with the old tariff law, our revenue has decreased $25,000,000, notwithstanding the fact that more than $35,000,000 was collected from the income tax, not theretofore collected. During the same period the excess of expenditures over receipts has been $37,000,000. During the same period next prior thereto, under a Republican tariff, the excess of receipts over expenditures was $7,500,000. But a Democratic administration means an empty Treasury.

My Democratic friends, your policy is a failure; your Underwood tariff bill will not produce the revenue which you predicted upon its passage, but it has destroyed a great part of the American industries. It is the fallacy of free trade, and if continued will reduce the American Nation and its people to a level with the Asiatic nations and races.

Upon what theory do you justify the collection of $105,000,000 from the people of this Nation to be invested by the Government in railroads, ships, insurance, and banking? Is there any excuse for such a tax for such purposes? I am unable to discover any justification for such action. If you will confine the activities of the Government to its legitimate functions, you will have ample revenues for that purpose, without the necessity of further burdening the people with additional demands. I am not unmindful of the claim made by some of the Members of this House that the necessity for this proposed additional tax, called a war tax, is made necessary by reason of the war now existing in Europe, but it must be remembered that the American Nation is not a party to such war. We are at peace with the whole world, and I hope that we may forever remain so. Then, why call this a war tax? In 1898 we levied a similar tax, but that was at a time when we were at war with Spain. To-day we are at peace with the world. Why a war tax?

The facts are, Mr. Speaker, that immediately upon the Democratic Party coming into power it proceeded to enact the Underwood law and repeal the Payne tariff law; that the said Underwood tariff law has been found to be deficient in every respect in so far as it proposes to supply revenue for the running of the Government, and has proven, as we said that it would, disastrous to the business of the Nation. It next attempted to reform our banking and currency system and to tinker with finance and credit, and to such an alarming extent was this tinkering carried on that to avoid a panic Congress was requested to authorize the Secretary of the Treasury to issue $500,000,000 emergency currency, and the Treasurer of the United States, to avoid or prevent such panic, distributed to banking institutions throughout the United States large sums of the Government's money. The business of the Nation was much disturbed and harassed, confidence destroyed, and general distrust created, and now it is proposed to remedy the evils by the collection of a war tax from the people to the amount of $105,000,000.

How can anyone look upon these facts and figures without serious apprehensions? But such is the price which the people must pay to have the affairs of this Nation controlled by the Democratic Party. In conclusion, Mr. Speaker, I most solemnly protest against the enactment of the pending bill into law.

To Aid in Developing Denatured-Alcohol Production on the Farm, and its Use for Light, Heat, and Power and Other Industrial Purposes.

EXTENSION OF REMARKS

OF

HON. JOHN J. CASEY,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, September 24, 1914,

On the bill (H. R. 17855) to provide an industrial alcohol commission, under the direction of the Secretary of Agriculture, for the purpose of aiding the development of denatured-alcohol production by farm distilleries, and its uses for light, heat, and power and other industrial purposes.

Mr. CASEY. Mr. Speaker, four years ago this month one of Pennsylvania's distinguished sons addressed a gathering of over 5,000 people at Chestnut Hill, Philadelphia, on "Agricultural distilleries and industrial alcohol development." The Speaker was the Hon. William T. Creasy, master of the Pennsylvania State Grange, the great progressive farmers' organization of over 80,000 members of the Keystone State. It was an occasion, Mr. Speaker, on which this official leader and spokesman of the farmers of Pennsylvania was expected to present from the grange standpoint the attitude of the farmers on one of the fundamental farm questions, and to declare the grange policy in regard to that question. He chose for his subject, as I have said, "Agricultural distilleries and industrial alcohol development." The presentation of the farmers' side of the question and the agriculture importance of denatured-alcohol distilling on the farm was clear and conclusive.

That speech, Mr. Speaker, impressed me with the importance and significance of denatured alcohol as a farm proposition. After my election to Congress I questioned Mr. Creasy again on the subject. His explanation of the need of additional legislation on this question, his description of the possibilities of this product, his explanation of what small denatured-alcohol stills on the farm would mean to the farmer, as well as to the consumer, and the vast benefits the liquid fuel buying public would enjoy from this industry, still further impressed me with the importance of the subject, and I decided to use my best efforts to secure the needed changes in the law. This was accomplished by the passage of the amendments to the denatured-alcohol laws in the Underwood tariff act of October 3, 1913, except that at that time no provisions were made to assist in the development of the industry. This, I believe will be accomplished by the enactment into law of the bill introduced by me in the House on July 11, of which the following is a copy:

A bill (H. R. 17855) to provide an industrial alcohol commission, under the general direction of the Secretary of Agriculture, devoted to aiding in developing denatured-alcohol production in farm distilleries, and its use for light, heat, and power and other industrial purposes.

Be it enacted, etc., That there shall be established under the general direction of the Secretary of Agriculture an industrial alcohol commission, composed of a commissioner and assistants, for the following purposes:

First. To establish a bureau of information and educational publicity covering all questions relating to industrial alcohol.

Second. To conduct experimental and research work in the industrial uses of alcohol.

Third. To build and operate for demonstration purposes one or more industrial alcohol-distilling plants composed of small low-proof stills on farms in combination with a central redistilling denaturing plant, as provided for in the revised denatured alcohol laws of the act of October 3, 1913.

The commission shall be conducted under such regulations as the commissioner, with the approval of the Secretary of Agriculture, may prescribe. The commission shall be for a term of five years from the date of passage of this act.

SEC. 2. That the commissioner of industrial alcohol shall have been identified with industrial alcohol development, particularly in its relation to agriculture; that he shall be appointed by the President, with the advice and consent of the Senate, and shall hold office during the life of the commission, or for a term not exceeding five years, unless sooner removed by the President upon reasons to be communicated by him to the Senate, and he shall be entitled to a salary of $6,000 a year.

SEC. 3. That the Secretary of Agriculture, at the request of the commissioner, may appoint an assistant commissioner and such experts and clerks as may be necessary to discharge such duties as the commissioner shall direct.

SEC. 4. That no demonstration distillery or distillery group provided for in this act shall be built and operated in any community unless a part of the cost of the central plant is subscribed locally and a sufficient number of farmers within a radius of 5 miles of the proposed central distillery to insure the practical success of the demonstration agree to install on their farms small low-proof stills and operate them on such terms and conditions as the commissioner of industrial alcohol, with the approval of the Secretary of Agriculture, may prescribe.

SEC. 5. That for the purpose of carrying out the provisions of this act there is hereby appropriated, out of any money in the United States Treasury not otherwise appropriated, the sum of $40,000, or so much thereof as may be necessary.

SEC. 6. That this act shall take effect immediately on its passage.

Mr. Speaker, I have called particular attention to this speech of the master of the Pennsylvania State Grange because not only in Pennsylvania, but in Maine, our most northeasterly and in Washington our most northwesterly States, in the grain sections of the Mississippi Valley, and in the mountain sections of Colorado it was accepted by the farmers as the opening gun of the grange campaign to make the manufacture of industrial alcohol on the farm possible.

Mr. Speaker, one great step forward was taken on this important question when this Democratic Congress, during the last session, passed the Underwood tariff law of October 3, 1913, which contained an amendment to the denatured-alcohol laws of 1907. Before the passage of that amendment these laws were considered a farce by the farmers of the country. But the elimination of the "joker" in the act of 1907 is not considered sufficient. More than that is required to encourage the development of this industry. The farmers who are directly interested in this question desire an industrial alcohol commission, under the supervision of the Department of Agriculture. This commission shall conduct experimental and research work in the industrial uses of alcohol, and to demonstrate the practical value of the revised denatured-alcohol laws passed during the last session it shall build and operate one or more industrial distilling plants, composed of low-proof stills, on farms in combination with a central redistilling plant, as provided for in the revised law. It shall also conduct publicity campaigns, so that the farmers may be able to secure the information gathered by the commission and also get the full benefit of the demonstration plants.

The farmers do not mean, not for a minute, that the Government shall pay all of the expense of this undertaking. It is clearly specified in the bill I introduced in the House, which is known as H. R. 17855, that no demonstration distillery, or distillery group, provided for in the bill shall be built or operated in any community unless a part of the cost of the central plant is subscribed locally.

In this undertaking, as in every great movement directly requested by the American farmers, a spirit of fairness is displayed. This great body of producers move slowly, yet with precision. They have learned that cooperation is the best policy. They have watched the foreign farmer manufacture denatured alcohol and have noted the interest displayed in the undertaking by foreign governments.

They realize that this Government, particularly the present administration, is foremost in every movement that will aid in the development of American products, trade, and commerce, and believing in our methods of fair dealing, they, through their Representatives, have asked for additional laws, that the way may be securely opened to them, so that they may enjoy all the benefits now enjoyed by the farmers of foreign countries in the development of this very important part of a scientific system of agriculture. I do not believe we can afford to deny this request. I believe it is our duty to render every possible aid to the American farmers. To attempt to describe what these brave, tireless, and faithful producers did in time of war and in peace would be almost impossible, except to say that they have been the pioneers who cleared the lands in order to make our great cities possible.

FARMERS' COMMITTEE ON DENATURED ALCOHOL.

The question of denatured alcohol is considered by the farmers of the country to be of such importance to them and to the people of the country that they have selected a special committee, which is known as the committee on denatured alcohol. This committee is composed of C. B. Kegley, master of the Washington State Grange and president of the Conference of Progressive State Granges; W. T. Creasy, master of the Pennsylvania State Grange and chairman of the executive council of the Conference of Progressive State Granges; H. L. Loucks, of South Dakota, vice president of the Conference of Progressive State Granges and formerly national president of the Farmers' Alliance; H. F. Baker, president of the Farmers' Mutual Fire Insurance Co., of Michigan; W. C. Shaffer, of Quakertown, Pa., an expert on industrial alcohol and its relation to agriculture; and G. P. Hampton, Washington representative of a number of State granges and, as I understand, one of the pioneers in denatured-alcohol work in this country and one whose knowledge of the subject was obtained first-hand by a special trip to Europe for that purpose. These men, Mr. Speaker, are unanimous in their statements that this Congress, by its action during the last session in amending the denatured-alcohol laws of 1907, gave to this country as good a denatured-alcohol law as that of any other country, but that the additional legislation provided for in my bill is necessary to overcome the difficulties incident to the beginning of the industry.

The experts of the farmers' committee, Messrs. Hampton and Shaffer, were in Washington in an advisory capacity almost continuously during the time Congress had under consideration the amendment to the denatured-alcohol laws, which I have previously referred to, and I believe every Member of the Senate and the House and all others who took an active interest in that legislation have a high appreciation of the valuable assistance these experts gave to those who were active in shaping this legislation. Mr. Creasy made frequent trips to Washington to consult with them. I was frequently invited to be a party to their councils during the consideration of this important question, and it would not be amiss for me at this time to say that I have met no men who were more thorough masters of their subject or more devoted to the interests of those they represented than were these men, and I feel that it is an honor, Mr. Speaker, after enjoying such confidence and cooperative intimacy, that these men, the spokesmen of over 80,000 farmers of my State, should desire that I present their claims to Congress. And it shall be a pleasure for me to use my best efforts in endeavoring to impress upon my colleagues the absolute need of the legislation provided for in my bill in order to make workable and carry into effect the splendid denatured-alcohol laws now on the statute books, as amended during the last session of Congress.

The desire for this legislation is general among the farmers of the Nation. The newspaper comments, the letters, and telegrams which I have received from all sections of the country plainly indicate that many others besides the farmers are interested in this question. The American public, ever alert, is actively concerned.

I have been asked probably a hundred times why, after amending the law, does Congress delay in providing the means necessary to prove its workability?

It appears to me that further delay on the part of Congress in acting upon legislation of such public importance may likely create unrest among the farmers of the country.

Since my bill was introduced in the House the farmers of Washington have become very much interested in this question, and in response to their requests the Congressman at large from that State, Mr. FALCONER, has introduced a bill similar in scope to my bill, except that his bill calls for an appropriation of $100,000 instead of $40,000 as provided for in the bill I introduced.

The reports which I have received indicate that the sentiment in favor of this legislation is the same from Maine to California. The farmers have submitted their case to Congress, and, believing that merit will be found in their request for additional legislation covering the great field of industrial alcohol development, they believe that within a reasonable time Congress will grant their request. But should there be unjustified delay, an attempt to pass over without requisite consideration, it is only reasonable to expect that there will be dissatisfaction among these sturdy pioneers of the country.

They realize that powerful monopolies are vitally interested in preventing competition with kerosene and gasoline in supplying liquid fuel for light, heat, and power, and the same forces might try to prevent any competition with wood alcohol for solvents in the manufacturing arts.

It is admitted even by the most pessimistic that denatured alcohol is a better fuel than either gasoline or kerosene, a better solvent in the arts than wood alcohol, and the abundant supply which will be made possible by the passage of this act causes concern to these monopolies. The supply under the regulations I have outlined will be unlimited. It never can be monopolized.

Besides, the passage of the law will open a new source of revenue for the farmer. It will allow him to use nearly all his products now ruthlessly going to waste. There will be no impoverishment of the soil, but it will be a mighty factor in soil conservation, because farm experts have declared that the farmer can grow any amount of starch and sugar that may be wanted for any purpose in the world. And not a pound of it can take any fertility from the soil. All of these things considered, Mr. Speaker, convinces me that the opening of the small still on the farm under strict Government supervision will mark a new era in industrial alcohol development. It will lessen the toil; it will give the country the cheapest and the best of all liquid fuel for light, heat, and power; it will permit the profitable utilization of farm waste and otherwise unvaluable crops, and, above all, it will bring to the farmers of the country the natural method of preserving soil fertility. It shall always be a sure safeguard against glutted markets and injured crops.

Mr. Speaker, I desire to say the committee representing the farmers previously referred to have prepared a statement or memorial in support of the legislation provided for in my bill H. R. 17855, and, while not a member of the committee, it was my privilege to be consulted while the memorial was being prepared, and therefore I can claim with propriety to be unofficially a part of the committee. It expresses my views, and it most assuredly conveys the sentiments of the farmers of the Nation.

It should be read carefully by every Member of the House and Senate. In order that they may have every opportunity to do so, I shall request that it be printed as a House document. It is my conviction that no Member can read the memorial without realizing the justice of the farmers' expectation.

I have also received a number of very instructive and interesting communications bearing on this question. Two of these letters from Mr. Shaffer, of Pennsylvania, are, in my opinion, especially valuable. I believe a careful perusal of them will give a vivid description of the far-reaching effect such legislation will have upon the farmers, as well as the general public. I will insert them as a part of my remarks:

LETTER FROM W. C. SHAFFER.

QUAKERTOWN, PA., *July 15, 1914.*

Hon. JOHN J. CASEY,

House of Representatives, Washington, D. C.

DEAR MR. CASEY: Yours received in due time, and in acknowledging same regret that I am obliged to send you this without the definite results I expected from the experience attained at distilleries now working or who have tried to work under the law for making denatured alcohol, which you were so good as to assist in bringing into existence.

From hearsay I am advised that these distilleries are meeting with some difficulties in getting such satisfactory results as were expected. This, however, as I understand, is not the fault of the regulations, which can be changed without further legislation, but it is due to antiquated and inadequate equipment and principally to the want of proper knowledge respecting the type of apparatus and of methods evolved in the practice derived from the experience of years through which the European farm distillers were obliged to pass before attaining their present success.

I will cite you, for illustration, an instance in which the apparatus employed was secondhand—that of a successful American whisky still. But this equipment, even with the addition of a doubler, could not, with the methods employed, turn out in one operation spirits of the required strength for denaturing. My informant states that the best that could be attained at this establishment was 145° alcohol (72½ per cent). The law requires it to be at least 180° (90 per cent) for all purposes, except that rum may be denatured for tobacco at 150° (75 per cent). For industrial purposes and economical distribution denatured alcohol of less than 90 per cent would have little market value, because wanting in heat units and not being a sufficiently good solvent for its principal uses. Commercial alcohol is of 94 per cent and 95 per cent (188°–190°). For this reason I can see no benefit in changing this feature of the law. In fact, I believe the new law, in so far as it goes, is more liberal than the laws of any country where alcohol is treated as a source of revenue, and that it is broad enough to meet all the requirements of any farmer desiring to install a still for denatured alcohol, because of its provision for central stills to finish the product at the required strength.

PROMOTING SCHEMES.

All stills recently erected in the first Pennsylvania and the first New Jersey districts are, I am informed by revenue officials, equipped for making alcohol from molasses only, and depend on imported raw material. These stills are represented to be farm propositions, but none of them has thus far been equipped for handling domestic farm produce, such as potatoes, fruits, etc., in making alcohol for denaturing. So, in my opinion, neither of these distilleries can be classed as a farm proposition, such as we had in mind when advocating the passage of the law. It would seem that every one (of these) thus far erected has been launched as a shrewd scheme to enrich the promoters, or else as purely commercial enterprises, and without considering the agricultural end at all, and that neither one of these promoting classes provides the stills with facilities to render them an effective agency in conserving waste, low-grade, or damaged farm produce, nor as a means of furnishing a cheaper stock food, or of providing an additional market for domestic farm produce. The Quakertown still is now in the hands of the courts, and if the stockholding farmers succeed in securing this property—which their money paid for—they propose to make it an up-to-date farm and central still, such as was contemplated in the passing of the act.

BARRIERS TO PROGRESS.

Lacking financial aid and means of disseminating that definite and comprehensive knowledge which the European Governments so freely bestow on those of their subjects considering the installation of farm stills, it becomes very difficult to introduce this industry on American farms, and under present conditions the aid of promoters seems to be indispensable. But stock promoters as a class always demand and get their full share (generally the biggest) before the enterprise is in operation. They seldom risk money of their own. If when they see no further chances of personal profits before realizing on or disposing of their individual stock holdings, they throw the uncompleted plant into litigation or retain menacing control. But eventually an uncompleted, unsuccessful, or inoperative plant is placed into the hands of inexperienced and frequently plundered stockholders, while the knowledge that such a plant remains idle and unproductive becomes widely spread and scares others about to engage in the business from entering into arrangements to build these stills, and thus delay the introduction of that up-to-date farming which this industry would hasten.

Yet another retarding influence the farmer meets in investigating the use of the still as an agricultural business proposition is the difficulty he encounters in securing reliable and accurate information concerning the cost of apparatus, installation, and equipment. He can hardly obtain an address where suitable apparatus can be procured. After many inquiries, lasting over seven years and in all parts of the country, I have yet to find in America a supply house or manufacturer where efficient apparatus, such as is used on European farms, can be purchased.

It is true that several coppersmiths were willing to make such machinery, but stated that, not being familiar with modern European practice, they could not guarantee successful operation unless working drawings and other data was furnished, and could give no figures as to cost of apparatus, nor for operation.

Suitable apparatus is hard to select from European catalogues (printed in a foreign language), and are all wanting in such description of the details and operation that a novice needs to acquire, a knowledge sufficient to enable him to make an intelligent estimate of the requirements. Nor do they contain a comprehensive table, giving the running expenses, amount of water required, and other necessary details in such a manner that from a study of their tables calculations can be made from their figures, whereby the ordinary American inquirer would be able to figure out for himself the necessary data to meet the conditions or circumstances prevailing in any locality economically.

Before the big concerns and the trust absorbed and monopolized the business many manufacturers of stills were capable of giving the information and furnishing all the required data. But the coppersmiths not in the combination were so hampered with Government restrictions and red tape imposed in the supervision of the whisky business that even now, with restrictions removed by law, the memory of past experience with revenue authorities causes them to hesitate and hold back, and they seem to have lost all interest or knowledge in the art of making apparatus for distilling industrial alcohol corresponding to that so common in Europe.

But perhaps the greatest drawback in the way of the rapid introduction of the still on American farms is the inertness or want of interest (I am not yet quite ready to call it ignorance or incompetence) upon the part of those charged with the duty of instructing and replying to inquiries respecting farm distilleries. Farmers considering the advantage of erecting farm stills, knowing that great sums of money have been spent by the Department of Agriculture in investigating the industry, and that the department has made many experiments, published a number of bulletins, and other printed matter on the subject, think that the department, with its trained observers and experts, has the best opportunity to acquire the most complete fund of accurate and comprehensive knowledge of the art obtainable. They therefore depend upon it to furnish them the information desired or required. But upon inquiry at that source the farmer receives bulletins, reports, and other matter, which, while interesting, absolutely ignore the principal benefits of and the reason for establishing the farm still as seen within the horizon of the successful up-to-date European agriculturist.

The department in conducting its experiments (of doubtful value for purpose intended) employed the regular American machinery and methods employed in making whisky under the supervision of regular American distillers, apparently rejecting the consideration of the modern methods in vogue on a European farm. Their experiments resulted in no startling advance in the process of making an American intoxicant, and as the by-product of the still as a stock food was not considered, nor the influence of alcoholic fermentation on the life, propagation, and distribution of injurious parasitic growth and insect pests, they resulted in no advance in the production of a cheap stock food, made no new markets for farm produce, in no wise helped to utilize the waste, low grade, or damaged products of the farm, nor did they in any way help to conserve or increase the fertile elements of the soil. In no way did they show how industrial distilleries on the farm would help the land to increase its yield, which is year by year diminishing through our present methods of farming. If they had commenced where the European farm distiller left off, or if they had only duplicated the present European practice, instead of sticking to the old plan of making a good potable beverage, and if they had fed cattle on the slops and determined the value of a balanced ration made from distillery residue and ascertained the relative value of fresh as compared to dry slops as a ration, then the American people might have had some adequate return for the liberal sums spent in the investigations. We might by this time have arrived at the balance of live stock to be economically maintained on the farm to increase and insure the continued fertility of the land without spending vast sums for artificial fertilizers and thus double the yield per acre on the average, as has been done in parts of Europe, and at the same time free ourselves from the necessity of depending on far distant lands for the meat we eat and the grain we consume, the supply of which in case of war can only be assured by the overwhelming strength of our Navy. Had they done this we would have been relieved of the necessity of annually sending large sums of money abroad for potash and nitrogenous salts to be used as an artificial fertilizer, and the annual recurrence of insect and other injurious pests would be gradually wiped out, while the necessity of spending large amounts of money to protect the growing crops from their ravages would be greatly diminished if not entirely done away with.

How far the Revenue Department restrictions will affect the industry is, in my opinion, yet to be determined. It is true that the officials, confronted with an entirely new condition, are not yet familiar with the requirements, nor can they with their present knowledge render much assistance in interpreting the regulations, which are not easily understood in their present form. The officers, being compelled to learn the ramifications of the income tax, have not had time to post themselves on the farm-distilling end. But of this I feel sure that the commissioner is in favor of the cause, and that he will do all that he can to further it consistent with his duty in protecting the principal source of revenue (tax on distilled spirits), and I believe the law as it is restricts any future commissioner from placing insurmountable obstructions in the path of the forward march of the industry.

FEDERAL COMMISSION.

From the above it would seem that there are many important factors tending to retard this industry, and it is my opinion that under present conditions Government help is required if we expect to see the rapid introduction of the still on American farms. In view of the past experience with the Agricultural Department, I do not think an appropriation to the department would be of any great help to the cause unless a new bureau were formed and run under the supervision of a true friend of the new industry. The fact is, it looks to me that this department has already too many ramifications and covers so many activities that I should hesistate in advising that any of the existing bureaus be burdened with more duties. I rather favor the appointment of a special commission, composed of friends of the cause, to investigate and recommend the best means of distributing the knowledge required to promote this industry, said commission to be empowered to call upon and receive from the different departments and experiment stations facilities, service, and means to experiment, all independent of the control of any other department or bureau. I was in high hope that several demonstration farm distilleries would by this time be in successful operation, but without Congress establishes the commission and provides the necessary assistance, it will be a vain hope. And now, warmly appreciating your good work, and with best wishes and always for the cause, I am, sincerely,

Yours to command, W. C. SHAFFER.

SECOND LETTER OF W. C. SHAFFER.

QUAKERTOWN, PA., *July 25, 1914.*

Hon. JOHN J. CASEY,

House of Representatives, Washington, D. C.

DEAR MR. CASEY: I am forwarding this as a supplement to mine of the 15th, and hope the matter presented herein may prove of interest, if not lend aid in clearing away the difficulties now obstructing the installation of denatured alcohol stills on the farms of our country.

A number of persons have been abroad to study the industry, with a view of its introduction here, and interesting reports have been made as to the great benefits derived by farmers and the public at large where farm stills have been in operation. But the investigations upon which these reports were based were mainly, if not altogether, conducted in summer. The stills being closed during that season would prevent such investigators witnessing the various activities and methods of conducting the industry while in actual operation or to note the paramount importance attached to the successive steps taken in the comprehensive system of utilizing the residue of the still to benefit the land and stimulate the raising of live stock as an essential part of farm distilling.

A detailed knowledge of these practices would have enabled these investigators to acquire that enlightened comprehension of European farm practice and methods necessary to produce like results here. But the reports, in so far as being an aid to the farmer intending to install such a still is concerned, are of little value and are misleading in reference to the most important value and function of a still for making denatured alcohol in the farm industry.

Literature freely distributed by our Department of Agriculture concerning agricultural stills and farm practices which should govern their operation have not accomplished the desired end, if the purpose of their issue was to instruct the farmers how to obtain the equipment and to practice successful methods in the employment of this the most effective of all agencies for fructifying his soil, increasing his yield per acre, utilizing his waste and unmarketable harvestings, to reduce his expense for artificial fertilizers, and to insure profitable return in exchange for the money expended in installing a still.

With the exception of a few transient passages, all matter printed in the English language I examined, in the expectation of securing data or other matter illustrating the advantages and benefits a farmer might derive from the operation of a still, absolutely ignored the fundamental and only economic reasons justifying a farmer in erecting a still for making denatured alcohol, while volumes in English easily obtained treated upon the alcohol itself, its uses, and the raw materials from which it may be produced. All such may be interesting and stimulate further inquiry, but such documents are of little, if of any, value to furnish the real particulars or data necessary to sucessfully compute how to meet varying conditions and other requirements, a knowledge of which is essential preliminary to the erection of a denatured-alcohol still intelligently.

THE FARMER MUST HAVE THE FACTS.

The farmer wants to know what present or eventual gain or advantage he may expect to secure before going to the expense of installing apparatus for making denatured alcohol from the limited supply of raw material economically available in his own selected locality, also where and how to procure the required equipment or to obtain satisfactory advice, information, and assistance whenever required for successful operation or any other cause. He desires access to comprehensive tables or other pertinent matter which will serve as a standard for close approximation, and which will enable him to intelligently calculate and determine for himself the cost of equipment, operation, water and fuel supply, capacity, and other particulars which are essential factors necessary to consider in the formation of estimates covering expenses, profits, and other advantages to be expected through the operation of such a still.

I know of no place in America to-day prepared or equipped to furnish detailed or definite information or other matter of the character required for the erection or operation of a small farm still for making denatured alcohol profitably.

Therefore the establishment of a common central or national bureau with facilities for analysis and experiment, and for the collection and distribution of data, advice, and other particulars of interest to those contemplating the erection of a farm still is, in my opinion, a prerequisite to the general or speedy introduction of the same in this country. Such a bureau should be a Government bureau, independent of department control. At all events, it should follow the successful methods and practice of the great German distilleries bureau whenever conditions justify or warrant.

The Agricultural Department experiments on this line, from which so much was expected, and the results from which were so anxiously awaited for years, although conducted on a small scale, followed the methods and were influenced by the economic factors that govern the practice in the operation of large stills and concentrated units for the profitable manufacture of potable spirits from high-grade raw material, whereas the farmer's interests require and his profits are necessarily derived from the employment of small units easily operated in widely scattered localities from low grade or inexpensive material.

If our Agricultural Department, like the European departments, had studied this industry as purely agricultural, and not as a manufacturing one, it must soon have recognized the tremendous influence and power for good the operation of small and scattered stills would, as in Europe, exert upon the welfare of the Nation. It would have conducted its experiments and studies after the approved and superior methods which have resulted in such great material benefit to the nations practicing them. Before the department began its investigations Europe was already enjoying the beneficent rewards resulting from the influence of the farm still in stimulating its agricultural elements to the profitable production of crops and live stock, as shown by increasing the average yield per acre, and the great annual addition to the number of farm animals maintained for human consumption.

The department pursuing its investigations should have rejected the unsuitable American practices and machinery whose principal efficiency lies in the production of whiskey in large distilleries. Or if it were unwilling to follow German practice it should have began where Germany left off and studied the subject with a view of promoting agriculture and its allied industries (treating the alcohol as a profitable by-product) and widening its field of inquiry so as to include the final disposition of the slops, and investigated the combined and ultimate effect of the different steps in the farm distilling industry upon the

general welfare, and particularly the influence it would exert upon the individual farmer in conserving better farming, the right proportion of stock, and the fertile value of his lands.

The soil is our most valuable asset, and its preservation and improvement for successful cultivation or other profitable agricultural use is the principal if not the only good and legitimate reason for the department's existence, and the only excuse for its vast and ever-increasing expenditures.

INCREASED YIELD OF CROPS.

Quoting the Agricultural Yearbook and other Government publications, it is shown that in 1889 there was appropriated for the department $1,716,010, and that the total gross value of farm products for the year reached the sum of $2,460,107,454, or $1,433.62 for every dollar expended; while in 1912 the appropriation had amounted to $16,900,016, or nine and eighty-four one-hundredths times as much as in 1889, and the gross value of production had not increased proportionally, and was only $9,342,790,149, or $552.83 for every dollar expended, and but three and seventy-nine one-hundredths times the production of 1889. If the same ratio of expense to production would have prevailed in both years, the yield of 1912 would have reached the enormous value of $24,228,200,937, or $14,885,401,788 more than it did in fact.

In Germany with its naturally poorer soil and climate, the average production of wheat per acre for the 10 years 1890–1899 was 24.5 bushels per acre, and for the following 10 years 1900–1909 the average had grown to 28.9 bushels per acre, an average increase in 10 years of 4.4 bushels per acre. In the United States for the first 10 years quoted, 1890–1899, the average yield was 13.2 bushels per acre, and the average grown from 1900 to 1909 was 14.1 bushels per acre, an increase of nine-tenths of a bushel. Compare this to the German increase of 4.4 bushels of wheat per acre.

In Germany the increased yield for oats for the same period was 10.7 bushels; in the United States, 3.2 bushels. This shows the German increase to be 7.5 bushels more per acre than our own.

In Germany the increase for barley for the same area and period was 5.9 bushels; in the United States, 2.1 bushels. This gives Germany an increase of 3.8 bushels more than the United States.

Rye in Germany showed an increase in same area and period of 4.7 bushels; in the United States, 1.8 bushels. An increase for Germany of 2.9 bushels more per acre than the United States.

The average yield of potatoes per acre in Germany for the 10 years 1900 to 1909 was 200 bushels. The average for the United States, same area and period, was 91.4 bushels, or a German average production covering that period of 108.6 bushels more than that of the United States—more than twice as much. The acreage yield in Germany had increased in 1913 to an average of 235.8 bushels, whereas in the United States the acreage yield had fallen to an average of 90.4 bushels, or 1 bushel less than the 10-year average.

Considering these figures and those in the tables (printed at end of letter) in connection with the history of farm stills in this country, I, who have devoted time and money in active missionary work toward promoting their introduction, am somewhat skeptical as to the advisability of placing the future of the industry into the uncontrolled hands of the same persons who directly supervised the activities of the department in handling the farm or agricultural stills heretofore, and who, while provided with abundant means and facilities for comprehensive investigation in laboratory and field, enjoying the privilege of selecting their own skilled experts to work out their own ideas, had not during the seven years of time elapsed caused the erection or operation of a single farm still for denatured alcohol on an American farm. Nor has there been evolved from all their activities any satisfactory or sufficient reason why this industry—which is more important to the welfare of the Nation and its agricultural interests than all the whisky industries combined—should languish as it does here now, or why it should flourish as elsewhere, even though it may be in countries where it labors under the disadvantages of smaller supply and more expensive raw material.

In the department's literature I have failed to find any explanation as to why the agricultural still in European countries had become many times more widely employed and produced many more times the quantity of alcoholic spirits—approximately four times—than all the stills for making potable alcohol exclusively combined. Nor have they furnished the reason why the European Governments felt justified in paying bounties, or the equivalent, for the alcohol produced in these farm stills to foster the industry, and to all who were complying with certain requirements respecting capacity and disposition of the slops, and yet denied the same reward to all other distilleries.

For some reason to me unknown the early interest in this industry manifested by the department withered and died or became dormant, while the American people are yet awaiting the long-expected benefits to be derived from the denatured-alcohol farm still, and are wondering how it is that the German farmer, with naturally inferior soil and poorer climate, manages to harvest, on an average, such enormous crops, acre for acre, with greater profits, as compared to our own meager yield for the same acreages.

For some time past European Governments have recognized the paramount importance of profitable agriculture, and the perpetual conservation of the fertile elements of the soil to their national welfare and existance, and were also convinced that there was but one way to bring about such a desirable consummation, and that was to offer persuasive inducements to the individual cultivators or community of farmers to practice the most approved modern methods in which the alcohol still and disposition of the slops became the most important factor.

For awhile it was feared that the introduction of many small farm stills might interfere with the thorough collection of revenues derived from the manufacture of potable spirits, but it soon became apparent that the universal extension of the industry would justify any outlay or risk they might be able to make or take, because of the much larger returns received and the general benefits derived from increased yields of flocks and fields, and the creation of many new industries and enterprises following the introduction of this great conserving industry and one which was exerting unexpected restraint on monopoly, and uncontrollable influence in freeing these nations and their people from their dependence upon foreign countries, or the intolerable exactions of trusts for liquid fuel, food, and expensive fertilizers.

Our necessities for the farm still is every year becoming more urgent and acute, on account of frequent failing of crops or forage over large areas and insufficient meat supply. We have already been obliged to stretch forth our hands across the Torrid to South Temperate Zones to snatch from British colonies, Argentina, and other countries the means to allay the pangs of hunger.

FARM-LABOR BALANCE WHEEL.

Our present methods of farming provide no balance for labor in profitable employment during all seasons of the year, which is a great impelling cause of flow of rural labor from country to city. An adequate supply of farm labor is consequently not always available, or within easy reach at the most critical time, and the farmer is obliged to spend precious time, as well as money, in scouring the country to secure transient, and often inefficient or worthless, help to harvest the crops—the fruits of his year of toil. The farm still and its allied industries would act as a balance wheel to fill up the gaps in the constant employment of rural activities. The two industries are complementary—farming being mainly a summer and distilling a winter occupation.

After a full consideration of all the elements affecting the present condition of the industry in the United States I do not think that one would be justified in stating that it is making that progress the Nation's welfare and agricultural interests are warranted in demanding, if we consider the awful possibility of war, with its blockades, in connection with our greatly increasing consumption as compared to our annual production and the great additional drain which will of necessity be imposed upon it for food by a large and probably increasing emigration, remembering that even now the ratio for increase in home consumption is greater than that of our production of food materials, a conviction is forced upon us that we have at last arrived at the point where the future source of food supply must be given deliberate consideration, lest we be menaced with the sufferings, destruction, or disturbances which always accompany a scarcity of food. Should we have a war in a year of short or insufficient supply the prices of food necessary to maintain life would be lifted and soar way beyond the reach of great masses of our people to the detriment of all. As a Nation we should be in perpetual condition to use every means that can be made available in times of peace to help our people in times of war or famine and to perpetuate the general welfare regardless of any large interests or big business combinations whose monetary or other interests may be affected adversely.

FOLLY FOR CONGRESS TO DELAY ACTION.

To hasten progress and speed up the installation of farm stills upon our farms and orchards I would suggest that a Government commission be appointed composed of persons favorably identified with their introduction in the past and friends of the farm—not the manufacturers—end of the industry, whose duty it should be to investigate and direct the character of experiment and research necessary to procure, publish, and furnish the required data and information for the farmer's use and instruction. Give our farmers reliable data, and under prevailing conditions, with the present economical pressure, and the assurance that the Government will render every aid to those following the industry consistent with its just powers, and the American farmer will be as quick to make use of this great industry for his own betterment as the farmer of any other nation. No emergency legislation now pending in Congress is more important and it is folly for Congress to delay action.

In the meantime please accept my thanks for your interest and valuable assistance to the great cause. If I can be of any service to you, command and I will render good measure if possible. Finally, with best wishes for your success and happiness, I am,

Sincerely, your friend,

W. C. SHAFFER.

TABLES REFERRED TO IN MR. SHAFFER'S LETTER.

Table showing production of principal farm products of the United States, 1913, as compared to 1912 and other years as given.

[Compiled from Yearbook, 1913, Department of Agriculture.]

Crop of—	Yield of 1912.	Yield of 1913.	Increase, 1913.	Decrease, 1913.	Farm value of shortage, Dec. 1, 1913.
	Bushels.	*Bushels.*	*Bushels.*	*Bushels.*	
Corn	3,124,746,000	2,446,988,000	.....	677,758,000	$468,330,778
Wheat	730,267,000	763,380,000	33,113,000	.....	.....
Oats	1,418,337,000	1,121,768,000	.....	296,569,000	116,255,048
Barley	223,824,000	178,189,000	.....	45,635,000	24,505,995
Rye	35,644,000	41,389,000	5,745,000	.....	.....
Buckwheat	19,249,000	13,833,000	.....	5,416,000	4,089,080
Potatoes	420,647,000	331,525,000	.....	89,122,000	61,226,814
Sweet potatoes	55,479,000	59,057,000	3,578,000	.....	.....
Flaxseed	28,073,000	17,853,000	.....	10,220,000	12,253,780
Rice	25,054,000	25,744,000	690,000	.....	.....
Cotton	[1] 13,703,000	[1] 14,116,000	[1] 413,000	.....	.....
Tobacco	[2] 962,855,000	[2] 953,734,000	.....	[2] 9,121,000	1,167,488
Hay	[3] 72,691,000	[3] 64,116,000	.....	[3] 8,575,000	106,587,250

[1] Bales. [2] Pounds. [3] Tons.

Farm animals on farms in the United States Jan. 1, 1914, compared to years given.

	Year.	Head.	Head Jan. 1, 1914.	Increase head.	Decrease head.	At price Jan. 1, 1914.
Horses	1910	21,040,000	20,962,000	.....	78,000	$8,526,960
Mules	1913	4,386,000	4,449,000	63,000	.....	.....
Milch cows	1910	21,801,000	20,737,000	.....	1,064,000	57,392,160
Other cattle	1907	51,566,000	35,855,000	.....	15,711,000	489,083,430
Sheep	1903	63,965,000	49,719,000	.....	14,246,000	57,553,840
Swine	1911	65,620,000	58,933,000	.....	6,687,000	69,544,800

Farm value of shortages: Crops, December 1, 1913, $794,416,233; farm animals, January 1, 1914, $682,101,190; total diminished value of production, $1,476,517,423.

If the same amount and kind of material as shown in the next to last column in the table above representing decrease of production in 1913 on the farms of the United States were to be transported by rail, it would furnish carloads as follows:

For the grain, seed, and potatoes, 1,124,720 carloads of 1,000 bushels capacity each; for the hay, 577,666 carloads of 15 tons each; for the

tobacco, 304 carloads of 30,000 pounds each; for the horses and cattle, 674,120 carloads of 25 head each; for the sheep and swine, 209,330 carloads of 100 head each; making a total of 2,586,140 carloads.

Average yield in bushels per acre of different crops grown in the countries named, in 1913.

Crop of—	United States.	Germany.	United Kingdom.	Austria.	France.	Excess of German yield over United States in 1913.
	Bushels.	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*
Wheat	15.2	35.1	32.6	19.9	19.9	19.9
Oats	29.2	61.1	45.6	39.3	32.6	31.9
Barley	23.8	41.3	35.1	29.7	25.6	17.5
Rye	16.2	30.4	30.0	22.0	17.8	14.2
Potatoes	90.4	235.8	242.0	[1] 149.0	[1] 145.8	145.4

[1] In 1912.

Table showing what the American production of above would have been at the German rate of yield per acre in 1912.

Crop of—	United States, 1912.		The same at German rate of yield per acre.	
	Acres planted, 1912.	Production, 1912.	Production if acreage yielded at the German rate.	Additional production which would have been yielded at the German rate.
		Bushels.	*Bushels.*	*Bushels.*
Wheat	45,814,000	730,267,000	1,539,350,400	809,083,400
Oats	37,917,000	1,418,337,000	2,051,309,700	632,972,700
Barley	7,530,000	223,824,000	306,471,000	82,647,000
Rye	2,117,000	35,644,000	62,451,000	26,807,000
Potatoes	3,711,000	420,647,000	829,408,000	408,761,500

Table showing farm values of the above on Dec. 1, 1912, compared with what they would have been if produced at the German rate of yield per acre for 1912 and sold at the farm price of Dec. 1, 1912.

Crop of—	Farm value of above, United States, 1912.		Same at German rate of yield.	
	Average farm price, in cents per bushel, Dec. 1, 1912.	Farm value Dec. 1, 1912, in United States dollars.	Farm values at German rate of production, United States dollars.	Indicated loss to American farmers not maintaining German yield per acre, in dollars.
	Cents.			
Wheat	76.0	$555,280,000	$1,169,906,304	$614,626,304
Oats	31.9	452,469,000	654,367,794	201,898,794
Barley	50.5	112,957,000	154,767,855	41,810,855
Rye	66.3	23,636,000	41,342,562	17,706,562
Potatoes	50.5	212,550,000	418,851,040	206,301,040
		1,356,892,000	2,439,235,555	1,082,343,555

TO SAVE THE PROFITS OF AGRICULTURE.

Mr. Speaker, the evidence I have submitted herein and in the farmers' memorial which I have inserted as part of my remarks and which I have asked to be printed as a House document, demonstrates conclusively the great national importance of the legislation provided for in my bill. Its importance to the consumer in assisting to reduce the high cost of living; to the manufacturer in furnishing a cheap, indispensable solvent and raw material in the industrial arts; to those using power in furnishing an unlimited supply of the best of all liquid fuels; and to agriculture in soil conservation, in providing profitable use for otherwise unsalable crops, can not be overestimated, and I earnestly hope that Congress will see the importance of passing this bill at this session.

Our consul general in Germany has testified in his official reports that the denatured-alcohol laws in Germany were enacted to "save the waning profits of agriculture," and that "for every reichsmark of cost the German Empire and its people had profited tenfold by the stimulus which had been given to agriculture and the industrial arts." As a Nation, Mr. Speaker, we are 50 years behind Europe in the development of this great benefit to agriculture, and this Congress, true to its reputation as a people's Congress, loyal to the best interest of agriculture, should right the wrong of this delay by the speedy enactment of this legislation. This, Mr. Speaker, is the reasonable demand and expectation of the farmers of my State and of the Nation.

DENATURED ALCOHOL PRODUCTION ON THE FARM.

Memorial presenting the farmers' position in support of an industrial alcohol commission as provided for in a bill (H. R. 17855) introduced in the House of Representatives by Hon. JOHN J. CASEY, of Pennsylvania, July 11, 1914, by C. B. Kegley, master of Washington State Grange; William J. Creasy, master Pennsylvania State Grange; H. F. Baker, president Farmers' Mutual Fire Insurance Co., of Michigan; H. L. Loucks, Watertown, S. Dak., vice president conference of Progressive State Grange; W. C. Shaffer, Quakertown, Pa.; and George P. Hampton, of New York, Washington representative of Pennsylvania, Kentucky, South Dakota, Nebraska, Colorado, Idaho, Oregon, and Washington State Granges.

The object of the proposed legislation is to give the necessary aid to demonstrate the practical value of the amendments to the denatured-alcohol laws of the act of October 3, 1913.

The original denatured-alcohol law of June 7, 1906, was intended by Congress, as a review of the committee hearings and speeches in Congress will show, to be of special benefit to agriculture. But as the Bureau of Manufactures of the Department of Commerce and Labor, in Special Consular Reports, No. 51, states:

"Contrary to general expectation, it did nothing toward facilitating manufacture on a small scale in such agricultural distilleries as are operated very generally in Europe. However, in the following year an amendatory act was passed, approved March 2, 1907, which was intended in part to remedy this defect in the original law."

The evidence of the CONGRESSIONAL RECORD and other official documents is equally conclusive that the amendment of 1907 was claimed by Congress to have been enacted for the benefit of agriculture. Farmers generally so accepted it, and their confidence that at last they had been given a square deal in the matter was strengthened, first, by an appropriation by Congress to provide for pioneer demonstration distilleries and educational and research work; and, second, by the actual installation of an experimental plant and the opening of a school of instruction by the Agricultural Department.

That was seven years ago, and the farmer has had absolutely no benefit from it. Either the law was defective and the efforts to make farm denatured-alcohol distilling successful not sincere or the advantages claimed for industrial alcohol distilling on the farm did not exist or were grossly exaggerated.

A review of the facts and evidence shows:

1. That powerful monopolies are vitally interested in preventing any competition with kerosene and gasoline in supplying the liquid fuel demand for light, heat, and power, or any competition with wood alcohol in supplying the demand for solvents in the manufacturing arts.

2. That denatured alcohol is a better liquid fuel than either kerosene or gasoline and a better solvent in the arts than wood alcohol; that an abundant supply of denatured alcohol is the one thing these monopolies have to fear, and that the supply of denatured alcohol, if farm industrial distilleries are allowed to develop, is not only unlimited but can not be monopolized.

The development of industrial alcohol distilling on the farm is a menace to the oil and wood-alcohol monopolies, and, considering the enormous amounts of the monopoly profits at stake, it is natural to assume that every effort has been made and will continue to be made to prevent such development.

An examination of the amendatory act of March 2, 1907, will show that it was not only a "gold brick" for the farmers, but that it was drafted with the plain intent of benefiting the large distillers.

Section 1 was ostensibly for the benefit of chemical manufacturers, but in a final "Provided" its real intent is shown to have been to give the Tobacco Trust special advantages in securing tax-free rum for flavoring chewing tobacco.

Section 2 provides for the establishment of central denaturing bonded warehouses, which the development of the past seven years shows have been of immense serviceability to the industrial alcohol trust.

Section 3 provides for the simplification of the regulations for manufacturing in large distilleries and for the shipment of the alcohol in tank cars, in bond, to any denaturing warehouse. The development of the past seven years shows that this also has been of great benefit to the industrial alcohol trust.

Section 4 is the farmers' "gold-brick" section. Its purpose would seem to have been to fool the farmers into helping to get the other sections enacted, in the belief that they were getting something of real value. But, intentionally or unintentionally, they were deceived, and it remained for this Congress at its first session to amend the law so that it would be of real worth to the farmers.

THE PLAN OF FARM DISTILLING PROVIDED FOR BY THE NEW LAW.

While it had become quite generally known that the farm distillery provisions of the denatured-alcohol laws were defective and actually operated to prevent the manufacture of industrial alcohol on the farm, it was not generally understood what the defects were or what were the essentials of a practical plan for farm distilling. The defects in the old law and the far-reaching industrial importance of the new which entirely removes them will be better understood by noting the essential features of a practical plan for operating farm distilleries, viz:

1. Small, low-proof stills on the farms of varying capacity to meet the needs of each farm under the lock and seal of the Internal-Revenue Service.

2. Central plants of not less than 300 gallons daily capacity, to which the low-proof spirits from the small stills of the surrounding farms can be sent to be redistilled and denatured. In addition to redistilling the low-proof spirits received from the small-farm stills, these central plants, to insure their commercial success, must have the right to make alcohol direct from farm products.

3. Tank wagons for the transferring in bond of the low-proof spirits of the small-farm stills to the central redistilling plant. Denaturing is impracticable until after redistillation in the central still, and the method adopted for distilling in the small-farm stills and transferring their spirits direct to the redistilling plant must be such as to insure the internal-revenue control necessary to guard against fraud.

4. The manufacture of industrial alcohol from the waste products of the farm is impracticable unless such manufacture is entirely free from many of the rigid regulations that rightly govern the production of tax-paid spirits. The taxes on distilling apparatus would be burdensome on the small industrial farm still, and the tax on the manufacture of stills, which even the repairer of a single still would have to pay, would make the cost of the repair of the farm still excessive. Farm distilling must be made as inexpensive as possible to make it, and the farmer must be free to operate or to discontinue operation when he chooses. Therefore the regulations rigidly defining the material to be used, the percentage of alcohol that must be derived there-

from, and the time of operation, can not apply to this class of distilleries without effectually blocking their development.

These essentials were all barred under the old law, but the new law removes all restrictions, and the new regulations prescribed by the Commissioner of Internal Revenue are as broad and liberal as this new act of Congress. So far as the law is concerned, the way is now open for practical development.

FEDERAL DEMONSTRATION.

But to leave the law as it stands, without providing means to demonstrate its practical value, is to convince the farmer that again, as it is now being asserted, he has been "gold-bricked" and fooled with more legislation of no benefit to him.

Wherever the farmer has shown a disposition to take hold to operate under the new law, he has found it impossible to get reliable information and has met such a mass of skepticism and doubt that he has been discouraged from taking the initiative. The argument is unanswerable—that if the leaders in Congress had faith that the law would do what is claimed for it they would have provided for the necessary demonstration and educational work.

Other farmers who appreciate the practical value of the new law realize that in the face of powerful monopoly opposition and a general feeling of doubt they are powerless to do much until the pioneer demonstration work has shown conclusively that the law is all right, and that the practical commercial possibilities are all that are claimed for them. They look to the Government to do this and to Congress to provide the

EFFECT ON GASOLINE INTERESTS.

Prior to the passage of the new law the news items and press dispatches, telling of the scarcity of gasoline and the steady advance in price and deterioration in quality, were frequent. But now that the law makes farm operation practical and the abundant supply of denatured alcohol liquid fuel an early possibility, thus menacing the liquid-fuel monopoly, the press dispatches tell a different story. The duplication of articles (see appendix) in newspapers in all parts of the country, to the effect that the "gasoline output is increasing yearly" and that "there is no need to worry over a substitute for motive power for motors," shows a common origin and that a general publicity bureau is at work.

In direct contradiction to this new publicity policy of the gasoline interests is the statement of Joseph A. Anglada, chairman of the metropolitan section of the Society of Automobile Engineers. The following quotations are taken from an address delivered by him before the automobile school of the West Side Young Men's Christian Association of New York on May 20 last:

"The subject of motor car fuels of late has been receiving a great deal of attention on the part of the engineering profession and, to some extent, by the public. In fact, the unsatisfactory quality of 'gas' now available has become a topic of almost everyday discussion. Prof. Magruder, of the Ohio State University, stated a few months ago that if all the gasoline engines in the country now in use were to run at their rated horsepower for 10 hours a day, the known gasoline supply would last about 30 days. In other words, if the gasoline engines in use were run at their maximum horsepower, the amount of gasoline available would be sufficient only to run them one hour a day for about a year.

"This puts to rest the popular impression that the high price and low grade of present-day gasoline is due mainly to trade combinations and artificial restrictions of output. At various meetings of engineering societies held during the past few years at which representatives of fuel producers were present, it was authoritatively demonstrated that the grade of fuel obtainable from crude petroleum must necessarily decrease in quality and increase in price, due to the restricted amount of available crude oil suitable for the production of gasoline. It must also be considered that the increase in the number of engines using gasoline means an increase in the quantity of lubricating oil necessary for the operation not only of these engines but other machines, contrivances, and devices used for industrial and household purposes. Differently expressed, the production of lubricating oil from crude oil has also served to reduce the quantity of crude material for the manufacture of gasoline.

"Experiments conducted by the United States Government, as well as foreign Governments and independent laboratories, are conclusive in establishing the fact that any gasoline or kerosene engine on the American market can operate with alcohol as a fuel without any structural change whatsoever.

"An engine designed for gasoline or kerosene will give about 10 per cent more power when operated on alcohol, provided the necessary modifications are made. An engine specially built for alcohol will give from 20 to 30 per cent more power than is obtainable from a regular gasoline engine of the same size. Because of the increased efficiency obtainable from a standard size of engine using alcohol, the cost of production per horsepower will be less than that of gasoline or kerosene engines of the same class.

"Furthermore, the deposit of carbon in an alcohol engine, if the proper grade of lubricating oil be used, is impossible, while gasoline and kerosene engines can not be used without having the interior parts become 'sooty,' with a resultant loss of power. Another factor which counts in favor of the alcohol engine is the fact that its exhaust is not as hot as that from a gasoline or kerosene engine, thus minimizing the danger from ignition and the possibility of burning the lubricating oil, the latter being a decided advantage over gasoline and kerosene engines.

"In conclusion, it will be interesting to note that the subject of alcohol as a fuel is now receiving primary consideration by some of the world's leading engineering organizations. In England the Imperial Motor Transport Council has formed an alcohol motor fuel committee, composed of internationally famous scientists, and in France the Automobile Club of France, in collaboration with the Society of Automobile Engineers in this country, has undertaken the scientific development of an engine for conducting experiments to determine the best features of construction and factors regulating an engine to operate to the greatest advantage on alcohol."

IMPORTANCE OF FARM INDUSTRIAL DISTILLING TO AGRICULTURE.

Our consul general at Berlin, in a special report, stated:

"The law governing the industrial uses of alcohol was enacted in 1887, and by reason of its underlying causes and practical results is worthy of study as an example of intelligent, farseeing fiscal legislation.

"The landowning class, which included the influential nobility, urgently demanded legislation which would save the waning profits of agriculture.

"It was accordingly decided to make alcohol for industrial uses as cheap as possible and to promote by all practical means its production and consumption in this country."

And after 17 years of trial our consul general, in the same special report, states:

"The wisdom of the system established by the law of 1887 has long ceased to be a question of debate. For every reichsmark of revenue sacrificed by exempting denatured alcohol from taxation the Empire and its people have profited tenfold by the stimulus which has been given thereby to agriculture and the industrial arts."

The Commissioner of Internal Revenue, the Hon. John G. Capers, accompanied by the chief chemist of the bureau, made an official investigating trip to Europe in the summer of 1907, and in his annual report for the year ending June 20, 1908, gave a detailed report of his investigations. The report says:

"There were in operation during the year 1906–7, however, 13,837 agricultural distilleries, of which 5,871 used potatoes as a raw material and 7,966 used various kinds of grain. These distilleries produced, in round numbers, 86,000,000 gallons out of a total production of 101,000,000 gallons, of which 78,000,000 gallons were made from potatoes.

"They must use exclusively as raw material grain or potatoes grown on the farm or farms of their owner or owners and must use all the residues or by-products as feeding materials or fertilizers on the same farms. They are all fairly good-sized plants, capable of producing high-proof alcohol in continuous process and with a daily capacity of 120 to 400 gallons proof spirit."

Speaking of the development of use in the United States the report says:

"The use of denatured alcohol for purposes of fuel, light, and power in this country is increasing, notwithstanding the relative cheapness of petroleum products, as the necessary appliances for such use are being manufactured and introduced and the merits of alcohol as a source of energy brought to the attention of the public.

"The greatest ultimate advantages to be reaped from the denatured-alcohol law, however, are its benefits to agriculture in the shape of increased diversification of crops, enhanced productiveness of unfertile soils, and utilization of what would be otherwise waste crops or by-products of crops.

"The one thing we need in our country in this matter more than anything else is the reduction of the cost of making alcohol. The Germans, after 40 years of experience and experiments, use cheap potatoes, while we are yet compelled to use high-priced grain. Our western country—the Dakotas, Nebraska, Minnesota, Montana, Iowa, and Kansas—will be the first to produce alcohol from potatoes and farm molasses, the by-products of the sugar beet."

All who have visited Germany to make a study of agricultural distilleries and the benefits German agriculture has derived from these agricultural distilleries, and the value of alcohol as a fuel and important factor in that country's manufacturing development, bear the same testimony. From no disinterested source do we find a dissenting voice.

DOES NOT IMPOVERISH THE SOIL.

As to the immense advantage of alcohol manufacture, as a factor in soil conservation, equal unanimity of opinion exists among men of science. Dr. H. W. Wiley, formerly chief of the Bureau of Chemistry, Department of Agriculture, in testifying before the Ways and Means Committee of Congress at the free alcohol hearings, said:

"The farmer can grow any amount of starch and sugar that may be wanted for any purpose in the world. There is no limit to the amount of starch and sugar which the farmers of this country can grow, and not a pound of starch or sugar takes one element of fertility from the soil. It is a pure gift of God, and if He had not meant it to be used, I suppose He would not have given it to the world. So there is no limit, in my opinion, upon the capacity of the farmers of this country to supply the materials for making ethyl alcohol."

Prof. S. Lawrence Bigelow, of the University of Michigan, in a paper on denatured alcohol in the Popular Science Monthly said:

"It is not too much to say that if we arrange all the liquids known to us, in the order of their general usefulness, water—which heads the list, of course—will be followed immediately by ethyl alcohol * * *. Made by the growth of plants utilizing carbon dioxide and water from the atmosphere, it contains nothing but carbon, hydrogen, and oxygen. All the rest of the plant may be returned to the soil, which thus is not impoverished. It is the best method known to us to-day to store the sun's energy."

So much for the scientific side of the question, and the evidence of great practical success in Germany. Surely this is enough evidence to show that the legislation was wise, and that under right conditions agricultural distilleries can be and are being rapidly developed.

THE REAL BEGINNING.

State Master William T. Creasy, of the Pennsylvania Grange, speaking for the grange organizations generally to a gathering of 5,000 farmers at Chestnut Hill, Pa., on "Agricultural Distilleries and Industrial Alcohol Development," in concluding his address, said:

"The building and operating of the first denatured alcohol farm distillery will mark the real beginning of this great industrial development that shall bring to every farming district and every farm the full benefit of this great advance in farm betterment. Industrial alcohol farm distilleries properly established mean all modern improvements in the rural home, the lessening of the toil of the farmer's wife, the cheapest and best of all liquid fuels for light, heat, and power, and the profitable utilization of waste and otherwise unsalable crops, and, above all, the natural method of preserving soil fertility.

"Those who study the possibilities of farm industrial alcohol distilleries purely from the standpoint of alcohol production fail to realize their great importance. In the big central distilleries making potable alcohol is the all-important thing, and the by-products are of minor importance. In the small farm distilleries conditions are reversed—the feed and fertilizing features are most important and the alcohol the less important product. So true is this that there are doubtless places in the United States where it would even pay to operate industrial alcohol distilleries if the denatured alcohol had to be sold at a merely nominal price. The local farm distillery in fact will be one of the farmers' best profit producers and a sure safeguard against loss from glutted markets and injured crops."

The industrial advance made possible by the amendment to the denatured alcohol laws providing for industrial alcohol distilling on the farm may be summarized as follows:

The conservation of soil fertility.

The utilization of waste products of the farm.

Modern improvements in the rural home.

An abundant meat supply. (See appendix, "The Farmer and the Meat Supply.")

Freedom from monopoly control of liquid fuel for light, heat, and power.

An unlimited fuel supply for the automobile.

Cheaper alcohol for industrial purposes.

The development of new industries.

Natural enforcement of scientific farming: the profits of farm distilling being directly proportional to the adoption of the best methods of crop rotation in combination with stock raising and scientific soil conservation.

As long ago as 1908 the Commissioner of Internal Revenue, after a visit to Europe, showed in his annual report the requirements for farm-distillery development and urged the farmers to be patient. On this point he said:

"It must necessarily require much time and work for this development, but if the farming community in different parts of the country, instead of becoming impatient for direct and immediate results, will extend earnest sympathy and cooperation to the scientific workers in the several State experimental stations and in the Federal departments engaged in the problem, much greater progress will be made."

The farmers were patient, but no results came from departmental activity. Congress remained indifferent to the needed changes in the law until this Congress, at its first session, amended it. This constructive legislation now needs to be supplemented by an appropriation for demonstration or educational work.

In 1907, when the original law was amended, ostensibly for the benefit of the farmer, the pioneer demonstration work was undertaken by the Government, and money was appropriated therefor by Congress. But the farmers got no benefits, because the law—for them—was inoperative. Now they are told that the new law enacted at the first session of this Congress is a good law, and their reasonable expectation is that Congress at this session will provide the means to demonstrate that it is a law of genuine practical value to farmers. If Congress does not do this, why should they not believe they have been given another "gold brick."

Congress appropriates millions and hundreds of millions of dollars to improve our waterways, to irrigate our dry areas, to reclaim marshes and deserts, to build canals, to reforest our mountains, and to aid commerce in many ways. But, in proportion to the amount, no appropriation Congress was ever called upon to make was more far-reaching in its effects, or more directly affected all the people, than would this appropriation for the pioneer work in farm denatured alcohol distillery development. And the amount is not millions or even hundreds of thousands, but only $40,000.

This Congress, after years of neglect and failure to do anything, amended the law to make it workable. Can it now afford to adjourn without making the small provision necessary to demonstrate the practical value of the new law?

APPENDIX.

A. The New Denatured Alcohol Law—Marked Effect on the Policy of the Gasoline Interests.

B. The Farmer and the Meat Shortage, by George P. Hampton.

APPENDIX A.

THE NEW DENATURED-ALCOHOL LAW—MARKED EFFECT ON THE POLICY OF GASOLINE INTERESTS.

Prior to the amendment of the denatured-alcohol laws removing the jokers from the law which prevented the making of fuel alcohol from waste farm products it was a moot question among automobilists whether the advance in the price of gasoline and deterioration in quality was due to the adoption of a policy by the oil interests to boost the profits of their monopoly or to a relative scarcity, due to the great increase in consumption in proportion to production. The oil interests certainly encouraged the idea that the supply was overtaxed and that the use of lower grade fuel was inevitable.

The Literary Digest, October 8, 1910, states that "the present severe tax on the gasoline supply has caused it to be announced by the largest company supplying gasoline that it could no longer guarantee its supply of 64°—it already having been reduced from 76°—and Mr. Thomas White, one of the greatest authorities in this line, believed it to be inevitable that we will have to accept 58° or 59° in less than two years.

That was over three years ago. No appreciable change in the tone of these gasoline news items was noticeable until after October 3, 1913, when Congress passed the act amending the denatured-alcohol laws. Then a change came over gasoline news—increasingly optimistic as to an ample supply. The following, which appeared quite generally in the automobile sections of papers throughout the country on the 20th of this month (June, 1914), is a fair sample of the efforts now being made to show that previous reports were erroneous:

"GASOLINE OUTPUT INCREASING YEARLY—NO NEED FOR ANY WORRY OVER A SUBSTITUTE FOR MOTIVE POWER FOR MOTORS.

"Probably the most unfounded topic among motorists to-day is the supposed catastrophe of losing gasoline as a motor-car fuel. Whenever they meet the one live topic is the practicability of benzol, alcohol, condensed natural gas, or other mediums as a gasoline substitute.

"Apparently the motorists seem to be dreading that the petroleum from which gasoline is produced will soon give out. That their fears are unfounded is evident by the increased amount of gasoline being produced from petroleum and the increased mileage being secured per gallon.

"According to an investigation by a leading automobile authority there are 1,700,000,000 gallons of automobile gasoline refined each year, and only 2,000,000 motor cars to use it.

"Chemists employed by large gasoline refiners claim they are doubling the gasoline production by improving refining methods, which have replaced the wasteful ways of a few years ago.

"Besides, automobile manufacturers are now adopting methods by which they are perfecting every part so minutely and scientifically that every possible ounce of power is secured from a gallon of 'gas.'

"With the increased production of gasoline and steadily increasing mileage the motorist need fear no immediate loss of fuel."

If the facts are as above stated, then there was no justification for the steady advance in price and lowering of grade of gasoline of the past two years, and the oil interests stand convicted of imposing upon the automobile public unwarranted monopoly prices. If the mere passage of a law making denatured-alcohol competition possible has such marked effects in changing the policy of the gasoline interests, what would be the effect of actual competition? This is an important thing for liquid-fuel users to consider.

CHEAP FUEL FOR THE AUTOMOBILE.

The dependence of the automobilist on a fuel steadily advancing in price and deteriorating in quality is a menace which will be instantly checked by the establishment of a Federal industrial alcohol commission as provided for in House bill 17855. Every increase in the supply of alcohol fuel and reduction in price will intensify this effect. The price of denatured alcohol in the future will affect the price of gasoline and will depend on the extension of and degree of perfection reached in farm denatured alcohol distilling. Both alcohol and gasoline will reach their lowest price level when farm distilling has become an established part of good farming and alcohol becomes the by-product in a highly profitable method of stock raising and soil fertilization. Cheap denatured alcohol through the development of farm distilling is the one possible guaranty which the automobilist has for a permanent supply of cheap fuel.

THE COMMON INTEREST OF THE AUTOMOBILIST, MANUFACTURER, AND FARMER.

In securing the rapid development of farm distilling the interests of the automobilist and the farmer are one. The future cheap supply of fuel for the automobilist, for scientific farming, and for the maintenance of soil fertility—the very foundation of national prosperity—are indissolubly united; and the interest of the manufacturer who uses alcohol in manufacturing is hardly less important. The prospect of competition with the supply from farm distilleries will quickly affect the present supply, and decline in price will be fast or slow according as farm distilling is developed.

APPENDIX B.

THE FARMER AND THE MEAT SHORTAGE.

[By George P. Hampton, Washington representative, Progressive State Granges.]

The disposition to blame the farmers for the high cost of living is strikingly shown by the letters and articles in the press on the meat famine. From the meat packer to the man in the street, every one is ready to tell the farmer how to remedy the shortage, and the comments on his mental capacity for not seizing the great opportunities for profit in the present high prices are, to say the least, far from complimentary.

That the average householder, under the stress and irritation of steadily rising prices and consequently enforced lowering of the quality and quantity of the family meat supply, should go off half cocked and form opinions based on mere surface evidence, is perhaps to be expected. But the farmer has a right to expect that those who claim to speak authoritatively would not be so misled but would get down to the economic causes of the shortage and present some convincing evidence of the changes necessary to bring about the desired increase in production.

The farmer has no prejudice against making money. Prove that raising stock is profitable to him and that he will not be at the mercy of the packers, and he will raise stock. Is there money in it, as a permanent proposition? This is the only question that an intelligent farmer can allow to determine his action in the matter.

Dr. Rawl, of the Bureau of Animal Industry of the Department of Agriculture, has pointed out that farmers will not, to any extent, produce a crop for which there is not a ready market; that with few exceptions the older farming sections have been poor markets for animals on the hoof; and that often there is no market at all for animals in small lots—the only kind of a market that is worth much to the farmer. Our packers, who now recommend our farmers to raise two or more steers a year, are the very ones, who, by their policy of compelling the retail butchers to buy of them, destroyed the local markets which made stock raising profitable to the farmer. The packers reaped a rich harvest owing to the sacrifice price at which the farmer had to sell his stock during the early years of the meat monopoly. With the farmer's local market and profits destroyed he quit raising stock, and now the consumer—and the packers themselves, perhaps—have to pay the price for this "future-be-damned" plan of controlling the meat supply. The packers have sowed the wind. The consumers are reaping the whirlwind.

Allow the monopoly of cattle to continue and high prices for meat are inevitable. Restore local slaughtering and competition among the butchers of every local community, and the meat supply from the farm will increase.

But the present cattle shortage is the result of years of exploitation, and to insure the restoring of cattle to the farms on a sufficiently large scale and rapidly enough to affect the price of meat in the near future, some extra and powerful inducement must be offered to the farmer to get him to move en masse in this direction.

This incentive the farmers now have. The bountiful supply of cheaper meat wanted by the consumer, the cheap liquid fuel wanted by the automobilist, the cheap fertilizer necessary to maintain the soil fertility required for an increased food supply, and the market needed by the farmer for his waste and otherwise unsalable crops, all are made possible by a subsection of the new tariff act, the far-reaching consequences of which have been largely lost sight of in the consideration given to the tariff and the income features of the act. This is the section amending the denatured-alcohol laws, removing the obstacles to making industrial alcohol on the farm. Its significance in affecting the meat supply is found in the fact that farm distilling is primarily a stock-feeding proposition, and that unless the farmer makes stock feeding a part of his farming he can not, except in rare cases, make farm distilling pay. But with a still of a size to suit his farm and stock in the right proportion to his still, there is a big profit, provided there is a free market for his stock and the product of his still. This development only awaits a reasonable appropriation by Congress to meet the cost of pioneer demonstration work and establish a bureau of information.

HIGH COST OF LIVING DUE TO MONOPOLIZED MARKETS.

But whatever benefits the farmer may receive from the rebuilding of stock raising as a part of the new farming, there is no way for the consumer to share in a cheaper meat supply, except by the restoration of free market conditions. The question of free markets is primarily the consumer's concern. For while monopolizing the market robs the farmer of the profits which alone will induce him to produce, it robs the consumer of his living. A monopolized meat market is a high-priced market, and if the monopoly affects the farmer enough to make him quit raising stock, the price of meat must go up as the supply diminishes and remain up until profits induce the farmer again to raise stock.

There is no way to remove the responsibility for the shortage in the present meat supply from the packer. The policy of the past has been to destroy competition, monopolize business, and dictate prices, both to the producer and to the consumer. The people are now reaping the fruits of this policy. Possibly the packers themselves are now feeling its destructive effects, and if it is true that they have developed their business to where they can handle it on a 2 per cent margin, including all by-products, there is no doubt they can hold their trade in a free market. If they are wise, they will try to restore the old conditions of free markets and in every way to aid and encourage the raising of stock again on the farms as a part of the modern scientific method of farm industrial distillery development. The cooperation of the consumer and the packer with the farmer in the rapid development of farm denatured alcohol distilling is the sure way to end the meat famine and will result in benefit to all.

Performances of a Great Party in 18 Months—Achievements of the Democratic Party in Sound and Helpful Legislation.

EXTENSION OF REMARKS

OF

HON. EDWIN Y. WEBB,

OF NORTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, September 19, 1914.

Mr. WEBB. Mr. Speaker, the Democratic Party has been in complete power something less than 19 months, but in that short time has made history rapidly. During the transition period from 1909 to 1913 it made promises to the people as to the tariff, the currency, the trusts, and many other propositions, which, during the last year and a half, have been religiously redeemed. The Democratic Party looked upon its promises as debts contracted with the people, and when honored by the people with their votes and confidences, they began at once to pay their debts, and in less than two years have paid off every one of them. The Republican Party prior to 1909 lived in a land of promises which, not being kept, left the people to "die of hunger." They attained power on a promise of downward revision which was kept by the enactment of a tariff higher than the old Dingley law. Their promises were lightly made, frequently made, and quickly forgotten. The Democrats did not promise much, but did much; they recognized that performances, not promises, retain friends and set in at once to redeem their word. The result is a record of legislative achievement worthy of a party of patriots and of the commendation of a patriotic people.

THE PEOPLE'S DEMANDS.

The elections of 1910 showed that the people were awake and that they proposed to realize their demands for a long list of changes, some of which were as follows:

1. The right to buy as well as to sell in a competitive market.
2. Fair prices in an open market for their crude products.
3. A lowered cost of living.
4. The destruction of monopolies.
5. The destruction of gambling in agricultural products.
6. The control of Wall Street gambling in stocks.
7. The valuation of railroads and telephones.
8. A remedy for overcapitalization.
9. A corrupt-practice act with "teeth" in it.
10. Regulation of campaign expenditures and contributions.
11. An end of railroad rebates and discriminations.
12. A systematic development of good roads.
13. Development of our waterways.
14. A wider play for the postal savings banks.
15. A more extended system of parcel post.
16. An income tax.
17. An employers' liability law.
18. A more rigid control of injunctions.
19. A better banking system.
20. A correction of the evils of civil service.
21. An end to the corporate grabbing of our national resources.
22. A prison term for plutocratic offenders against law.
23. An American marine other than a subsidized system.
24. A more comprehensive system of agricultural schools.
25. A more rational immigration law.

ANTECEDENT WORK OF A DEMOCRATIC HOUSE.

The Democratic Party began its good work in the Sixty-second Congress, when it only controlled the House of Representatives, by introducing and passing the following laws, which later led the people to intrust it with full control of the Government:

1. The House of Representatives revised and liberalized the rules of the House so as to give the representatives of the people freedom of speech and action.

2. It authorized investigations of certain executive departments of the Government and of certain industrial combinations, including the United States Steel Corporation, the American Sugar Refining Co., and the Shipping Trust, the Beef Trust, and the Money Trust.

3. It passed a bill providing for the publication of campaign expenses before and after elections and fixed a limit on the election expenses of Senators and Representatives.

4. The Democratic House, by a vote of 237 to 39, passed a resolution referring to the various legislatures for ratification the proposition of amending the Constitution so as to provide for the election of United States Senators by a direct vote of the people.

5. It admitted Arizona and New Mexico to statehood.

6. It passed a resolution which forced the President to abrogate the Russian treaty.

7. It passed a bill to establish agricultural extension departments in connection with agricultural colleges in the several States.

8. It passed a bill providing for stricter laws and regulations to promote the safety of passengers at sea.

9. It passed a bill "to protect American trade and American shipping from foreign monopolies."

10. A bill creating a Department of Labor.

11. On the passage of supply bills it has saved the National Government millions of dolalrs.

12. A bill providing for an excise tax on incomes.

13. The Alaskan civil government bill, creating a legislature of one house.

14. It passed many other measures of great general and local importance, such as bills providing for a parcel post; Government aid to public highways and post roads; revision of our patent laws; and a resolution for the appointment of a commission to investigate foreign rural credit societies, with a view to the inauguration of a sound system of easier agricultural credits.

15. Trial by jury of indirect contempt.

16. Relief of post-office employees from the executive gag rule.

17. And a bill to stop midnight injunctions.

The Democratic victory in the elections of 1912 was an indorsement by the country of the work of the Democratic House of Representatives and of the declared policy of the party as to future legislation. In the elections this year the work of the administration, composed of a Democratic President and a Democratic majority in each branch of Congress, will to some extent be passed upon by the people. All interest centers in the verdict of the people. A leading newspaper, in reviewing the work of the Democratic Congress, to determine what the verdict should be, concludes that "they have fought the good fight and they have kept the faith." That "this Congress has a record of achievement in behalf of the average man that entitles it to the warmest commendation and that should guarantee another sweeping Democratic victory at the polls in November."

Another leading newspaper, in advising the voters this year to stand by the Democratic Congress, concludes that the Democratic House "has justified the confidence of those of us who hailed it with so much hope." This writer continues:

> This Congress has revised the abuses out of an extortionate tariff. It has imposed an income tax which lifts part of the burden of taxation from poverty to wealth. It has enacted a banking and currency law for which the American people have been striving for nearly 20 years. Whatever differences of opinion there may be about the administrative details of this measure, all financial authorities agree that under it this country can not have another panic like those of 1873, 1893, and 1907.
>
> In addition, this Congress has destroyed the lobby. In the matter of Mexico it has scrupulously avoided all semblance of jingoism and demagogy. Taking its work as a whole, the Congress that is still in session has achieved the most important record of constructive legislation of any Congress in 50 years.
>
> In spite of mistakes and shortcomings, we can recall no previous Congress that so fully kept its faith with the people, no previous Congress that was so little controlled by sordid special interests, no previous Congress so free from scandal and manipulation and treachery to the public welfare, no previous Congress that so fully embodied the theory and responsibilities of representative government.

This newspaper goes on to say that it—

> would not advise a man who believes in a Payne-Aldrich tariff to vote for another Democratic Congress. It would not advise a man who believes in government by Wall Street and special privilege to vote for such a Congress. It would not advise a man who believes in secret lobbies and in treaty-breaking and in hidden subsidies to vote for such a Congress. It would not advise a man who expects an immediate millennium to vote for such a Congress. But if any Congress in a generation has earned a vote of confidence at the polls it is this Sixty-third Congress now in session in Washington.

I quote this editorial conclusion for the reason that it aptly expresses my own. The reforms that were begun by the Democratic House in the Sixty-second Congress have, by the aid of a Democratic President and a Democratic majority in the Senate, been carried forward in this present session until the pledges made by the Democratic Party to the people have been written into the statute law of this Nation.

The following brief review of legislation by this Congress will illustrate how well the Democratic Congress has kept its promise to the people:

CHARGE OF INCOMPETENCY REFUTED.

It had been repeatedly charged by Republicans that it was not safe to entrust the Government to the Democrats for the reason that they lacked the capacity for constructive legislation.

This Democratic Congress found itself surrounded by the paid lobbyists of special interests, who were seeking to influence legislation in behalf of their clients just as they had done in the past. Following the fearless attack of the President, Congress drove these lobbyists from the Capitol and then proceeded to offer such well-considered bills for the revision of the tariff, for currency reform, for an income tax, and other subjects of legislation that they not only received the support of the Democrats, but of Republicans and Bull Moosers as well. With such unmistakable indorsement as this it is needless to further refute the charge.

PANIC PROPHECY.

Republican orators, both great and small, freely prophesied business disaster as the sure result of Democratic success. The Wilson administration has completely revised the rules of business without the usual and heretofore inevitable panic. It has taken from the special interests their fostered monopolies and compelled the trusts to sell to our own people as cheaply as to the people of foreign lands. It has wiped out the old and antiquated currency system and enacted a new one under which you get your money when you need it without having to first apply to Wall Street. It has passed an arbitration act for the settlement of controversies between labor and capital, which has already been successfully employed in preventing great strikes that would have tied up the entire railroad business of the Nation. Democratic success has proven itself to be a preventive of panics.

The following further review of legislation by this Congress will illustrate how well the Democratic Congress has kept its promise to the people:

1. TARIFF PROMISES REDEEMED.

The motive actuating the Democratic Party in revising the tariff was that of the public good. Republican revisions, as a rule, considered the welfare of the protected interests as paramount and the interest of the people as a mere incident. The Democrats put the people above every other consideration and presented the country with a tariff for revenue. Promises were redeemed (1) by an enlarged free list, (2) by lower duties on other goods, and (3) by an income tax.

THE FREE LIST.

All foodstuffs were made free, including wheat, corn, wheat flour, semolina, corn meal, bread, biscuits, wafers, eggs, fresh beef, veal, mutton, lamb, lard, fish, pork, hogs, cattle, sheep, bacon, hams, potatoes, bananas, rye, rye flour, salt, and sugar.

Besides these, the free list was enlarged so as to include agricultural implements, bituminous coal, coke, bagging for cotton, cash registers, sewing machines, typesetting machines, typewriters, shoe machinery, cement, hemp, flax, hoop iron, band iron, bar iron, railroad iron, pig iron, barbed fence wire, fence wire, baling wire, iron ore, sole leather, upper leather, patent leather, split leather, belting, harness and saddle leather, boots and shoes, harness, cut nails and spikes, wire nails, horseshoes and nails, needles, tacks, printing paper, logs, timber, boards, lumber, fence posts, shingle bolts, shingles, hubs, wagon blocks, oar blocks, heading blocks, clapboards, laths, pickets, palings, staves, ship timber, broom handles, wood pulp, and wool.

COMPARISON OF FREE IMPORTS.

Our total imports for the three years last past of articles free of duty were as follows:

June 30, 1912, total free valuation	$881,670,830
June 30, 1913, total free valuation	987,524,162
June 30, 1914, total free valuation	1,127,592,690

This last valuation comprises the operation of about three months of the Payne law and nine months of the new law. Of these free imports foodstuffs in crude condition amounted to $201,851,983 in 1914, or about 17.80 per cent of the total free import, as against $180,127,316 in 1912. Free corn brought in 11,843,193 bushels between October 3, 1913, and June 30, 1914, hardly worth mentioning in comparison with the 2,858,000,000 bushels of home-grown corn. Free wheat brought in 168 bushels during the same period, while our production was 930,000,000 bushels. No free flour was imported, nor any corn meal. Two hundred and four thousand six hundred and eighty dollars worth of free bread came in, $1,041,540 of sago, tapioca, and so forth.

Cement	$121,070
Lime	383,171
Eggs	1,050,502
Hemp	$1,472,460
Flax	2,572,095
Bagging	584,593
Fresh fish	2,481,037
Herring	2,498,135
Mackerel	1,390,396
Iron ore	4,466,347
Pig iron	3,112,158
Scrap	220,229
Machinery	844,455
Needles	481,631
Printing paper	10,365,043
Salt	304,826
Potatoes	1,231,732
Lumber	12,188,310
Railroad rails	312,061
Belting leather	3,200,307
Upper leather	2,597,534
Other leather	2,471,220
Boots and shoes	336,770
Other manufactures of leather	234,360
Beef and veal, fresh	15,140,173
Mutton	1,112,294
Pork	537,946
Bacon and hams	383,669
Prepared meats	1,676,360
Cream	585,572
Milk	1,056,230
Laths	1,067,070
Shingles	1,791,245
Wool	45,524,495

All the above free imports are for the period from October 3, 1913, to June 30, 1914, except wool, which covers a period from November 30, 1913.

The influence of these importations has not been sufficient to batter down the high prices buttressed by 50 years of protection, but they have been felt in many localities and will in time be felt generally. Our total import of foodstuffs, free and dutiable, amounted to $474,000,000, while our farmers will receive nearly $11,000,000,000 for their total farm products in 1914. An industrial class that can cash a check for $11,000,000,000 a year turns up its nose at a half-billion-dollar competitor.

DUTIABLE IMPORTS.

Nearly every other import was left on the dutiable list, but the rates were cut materially. Raw wool had been paying a duty of about 44 per cent; this was put on the free list. Changes on manufactured woolens were made as follows:

Cloth from 94 per cent to 35 per cent.
Blankets from 73 per cent to 25 per cent.
Flannels from 93 per cent to 25 per cent and 30 per cent.
Women's dress goods from 102 per cent to 35 per cent.
Knit fabrics from 85 per cent to 35 per cent.
Clothing from 80 per cent to 35 per cent.
Webbing from 60 per cent to 35 per cent.
Shawls from 79 per cent to 35 per cent.
Brussels carpet from 76 per cent to 25 per cent.
Tapestry Brussels from 62 per cent to 20 per cent.
Treble ingrain from 64 per cent to 20 per cent.
Two-ply carpet from 62 per cent to 20 per cent.
Stockings from 94 per cent to 30 per cent and 40 per cent.

Reductions on cotton goods were as follows:

Cotton cloth from 43 per cent to 25 per cent.
Waterproof from 50 per cent to 25 per cent.
Handkerchiefs from 60 per cent to 30 per cent.
Clothing from 50 per cent to 30 per cent.
Collars and cuffs from 64 per cent to 30 per cent.
Plushes from 55 per cent to 40 per cent.
Stockings from 75 per cent to 50 per cent.
Shirts and drawers from 60 per cent to 30 per cent.

Further reductions:

Rice paddy from (pound) ¾ cent to ⅝ cent.
Rice, uncleaned, 1¼ cents to ⅝ cent.
Rice, cleaned, 2 cents to 1 cent.
Common brick, 25 per cent to 10 per cent.
Fire brick, unglazed, 30 per cent to 10 per cent.
Tiles (square foot), 4 cents to 1½ cents.
Common china, 55 per cent to 35 per cent.
Rockingham ware, 40 per cent to 30 per cent.
Fish in tins, 30 per cent to 15 per cent.
Green apples (bushel), 25 cents to 10 cents.
Lemons (pound), 1½ cents to ½ cent.
Oranges, 1 cent to ½ cent.
Shelled almonds, 6 cents to 4 cents.
Bottles, 60 per cent to 45 per cent.
Spectacles, 50 per cent to 35 per cent.
Hay (ton), $4 to $2.
Telephone wire, 40 per cent to 15 per cent.
Structural iron (pound), four-tenths cent to 10 per cent.
Cast-iron pipe (pound), one-fourth cent to 10 per cent.
Hollow ware, 1½ cents to 10 per cent.
Chain, 45 per cent to 25 per cent.
Printing presses, 30 per cent to 15 per cent.
Steam engines, 30 per cent to 15 per cent.
Circular saws, 20 per cent to 12 per cent.
Hand and mill saws, 25 per cent to 12 per cent.
Kitchen utensils, 40 per cent to 25 per cent.
Lime (hundredweight), 5 cents to 5 per cent.
Matches (gross), 6 cents to 3 cents.
Poultry (dead), 5 cents to 2 cents.
Butter, 6 cents to 2½ cents.
Cheese, 6 cents to 20 per cent.
Paints reduced 50 per cent.
Potato starch (pound), 1½ cents to 1 cent.
Other starch, 1 cent to ½ cent.
Granite (cubic foot), 10 cents to 3 cents.
Vinegar, 7½ cents to 4 cents.
Furniture, 35 per cent to 15 per cent.

Hundreds of other reductions were made in character the same as those already outlined. There was no question but that the tariff had been reduced and a new era of business freedom—of business opportunity—opened to the United States. Republicans predicted disaster, but were as poor prophets as they had been poor promise redeemers. President Wilson, the great Democratic leader, promised a new freedom to business coupled with a greater prosperity, and both the freedom and the prosperity have been realized.

THE INCOME TAX.

Coupled with these great tariff reductions went another great achievement, the passage of the income-tax law. Great fortunes were made to bear their just proportion of the burdens of taxation. Taxes were shifted from consumption to wealth, and a more perfect harmony established between burden bearers.

REVENUE REDUCTIONS.

With these sweeping reductions of the tariff corresponding reductions in revenue were expected. It was estimated that the receipts from customs the first year would amount to $270,000,000, as against $318,000,000 for 1913, the last year of the Payne law. The revenue from customs, however, exceeded our expectations and yielded $292,000,000 in 1914, or $22,000,000 more than the estimate, or an actual falling off from the Payne collections of about $27,000,000, instead of a falling off of $49,000,000 as had been estimated.

The receipts from internal revenue, exclusive of the corporation and income taxes, for the fiscal year 1914 were about $309,000,000, or a falling off of $3,000,000 from the estimate, but were equal, despite this falling off, to the internal-revenue receipts for the last year of the Payne law.

The receipts from the corporation and income taxes amounted to $75,000,000. It may be safely assumed that the collections from these sources for the year 1915 will be $100,000,000. The miscellaneous receipts of the Government approximate $57,000,000.

The total revenue at the passage of the tariff law was estimated at $736,000,000, but the actual receipts were but $733,000,000. In other words, the new tariff working but nine months produced a revenue but $3,000,000 short of the estimate, and $2,000,000 of this shortage came from miscellaneous receipts. The reduced tariff proved to be an adequate revenue producer, and the affairs of government under the reduced tariff are abundantly protected. Those who criticized the bill on the ground that it would show a deficit were wrong in their criticisms, and the Democratic arguments of a half century have been proven true by the operation of this new tariff law. The receipts were $733,000,000 and the ordinary disbursements were $703,000,000, leaving $30,000,000 balance to the credit of Democratic management, with the income tax working only a part of the year.

This does not include the Panama Canal expenditure, which is an extraordinary expense; this expense for the past year was $35,000,000. In other words, the new tariff pays the ordinary expenses of government and $30,000,000 of the Panama Canal expense, leaving a shortage in the grand total of these items of only $5,000,000. Much more than $5,000,000 is in the Treasury as surplus, and the Government will not have to borrow from any man to pay its debts. Thus endeth the first glorious chapter in the new freedom.

2. FEDERAL RESERVE BANKS.

The second step forward in the complex process of redemption of promises was taken by the Democratic Party in September, 1913, when Mr. UNDERWOOD called up the bill to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, and to establish a more effective supervision of banking in the United States. This bill was ably debated, and on September 18, 1913, passed the House by a vote of 287 ayes to 85 noes. Thirty-six Progressives and Republicans voted for the bill, while 85 Republicans and Progressives voted against it—the principal opposition coming from the "Old Republican Guard," the forlorn group of standpatters of the Sixty-third Congress.

The Senate passed the bill by a large vote, and it was signed by the President. It is now a law. The President demonstrated his eminent executive ability by the character of men he selected to put the law into operation. Universal confidence succeeded, and almost the entire body of national banks approved the law by voluntarily coming under its wings. In the language of the President the bill gives us a—

currency, not rigid as now, but readily, elastically responsive to sound credit, the expanding and contracting credits of every day transactions, the normal ebb and flow of personal and corporate dealings. Our banking laws must mobilize reserves; must not permit the concentration anywhere in a few hands of the monetary resources of the country or their use for speculative purposes in such volume as to hinder or impede or stand in the way of other more legitimate, more fruitful uses. And the control of our system of banking must be public, not private, must be vested in the Government itself, so that the banks may be the instruments not the masters of business and of individual enterprise and initiative.

Thus, while other great rulers of the earth have mobilized their reserves for destructive purposes, it remained for the President of the United States to mobilize our reserves for great constructive ends, for the well-being and lasting prosperity of the people of the United States.

Following this, came rapidly the enactment of the following important legislation:

3. Passage of a law for cooperative agricultural work between the agricultural colleges in the several States and the United States Department of Agriculture.

4. A law prohibiting the importation and entry of convict or pauper labor goods made in whole or in part or in any measure manipulated by convict or prison labor has passed the House and is now pending in the Senate.

5. Passage of a law by which free tolls to our coastwise shipping in the Panama Canal was repealed.

6. A law regulating the hours of employment and safeguarding the health of females in the District of Columbia.

7. A law appropriating funds for the investigation and eradication of hog cholera and dourine.

8. An excellent immigration bill has passed the House and is pending in the Senate.

9. A bill to increase the efficiency of the Naval Militia.

10. The passage of a better homestead law.

11. A law to provide for raising the Volunteer Forces of the United States in time of war.

12. A law providing for the relief and transportation of American citizens in Mexico.

13. A law providing for the relief and transportation of American citizens in Europe.

14. A law providing American registry for foreign-built but American-owned vessels.

15. An act appropriating $25,000,000 a year for post roads went through the House and will doubtless pass the Senate.

16. A law providing Government insurance of ships against war risks.

17. RAILROADS IN ALASKA.

Not the least of Democratic achievements is that piece of constructive legislation by which Alaska is to have not more than 1,000 miles of Government-owned and Government-constructed railroads connecting tidewater of the Alaska Gulf with the Yukon River at a cost of $40,000,000.

The President of the United States is to select the lines which will best promote the settlement of Alaska, develop its resources, and provide adequate and suitable transportation for coal for the Army, Navy, and other Government services, of troops, arms, and munitions of war, of the mails, and for other Government and public uses, together with such branch lines, feeders, sidings, switches, and spurs as he may deem necessary.

While other rulers are overwhelmed by a policy of destruction and war, the Democratic Party, guided by the greatest constructive leader of this age, commits itself irrevocably to a reversal of the Republican policy of "neglect for Alaska" and to the upbuilding and development of this far-off American peninsula. This long-slighted Northwest Territory is to become a tremendous "experiment station" for the most advanced of Government policies.

18. AMENDMENTS OF THE ALDRICH-VREELAND LAW.

Another achievement of the Democratic administration was the direct effect of the European war. This was an amendment to the Vreeland emergency currency law which enabled the banks to draw upon the $500,000,000 of additional currency authorized by that law. The war in Europe played havoc with European finances, but brought all our banking interests into instant harmony with the Treasury of the United States and led to this precautionary step. The collapse of international banking machinery united the financial intellects of the United States into common aims. Our national credit became impregnable, and the wheels of our industry will revolve and hum despite the catastrophe that has overtaken Europe. The breakdown of European civilization will injure our prosperity to some extent, but will not seriously retard it.

19. LEASING OF COAL LANDS IN ALASKA.

Woodrow Wilson stands behind this proposition, and in due course of time it will ripen into law. The withdrawal of the coal areas of Alaska from entry blazed the way to some sort of leasing plan by which development may ripen into fruitage without the concomitant of monopoly and plutocratic ownership of our great national resources.

20. THE MEXICAN SITUATION.

Walter Lippeman in his "Preface to Politics" calls attention to a class of persons who follow precedent and never create one,

and who go on winding the red tape of their business contentedly and continuously. He calls them "Routineers"—men of "immobility" caused by "too much gazing at bad statues of dead statesmen." Woodrow Wilson in his Mexican policy defied precedents and created a policy of "watchful waiting," which justifies Americans in trusting him as a great leader. The North American Review begged him to reverse his policy as to Mexico as he had reversed the Democratic policy as to "free tolls." The great editor of the Review was a most powerful suppliant and brought to his aid the editorials of a score of really great American editors. Woodrow Wilson adhered to his text and would not intervene nor recognize Huerta. Time has demonstrated that the President was right—that he is a virile thinker, an intellectual giant, and not a mere routineer. His vision was greater than that of any other leading American, and the outcome has not only silenced venal and other criticism but has also disclosed an American Moses leading the people of two countries out of the wilderness of uncertainty into the Canaan of certainty and hope.

His firm policy, pursued in the face of frenzied demand for aggressive action from many sources, has saved this Nation from a war with Mexico in which many lives would have been sacrificed and much property destroyed. Such a mistake would have completely demoralized business and left us a staggering war debt.

21. THE ANTITRUST LAWS.

To this mass of really constructive legislation achieved by the Wilson administration is to be added the three bills completing the antitrust program, two of which have passed the Congress of the United States, and the other is in process of completion. The two finished products are known as—

1. The trade commission bill, and

2. The Clayton bill, a measure to further regulate trusts.

The third piece of construction sure to be passed is known as—

3. The bill regulating railroad stock and bond issues.

The trade commission bill makes unlawful all and every form of "unfair methods of competition," and creates a commission with adequate powers to destroy monopoly in its genesis.

The antitrust bill makes unlawful—

a. Interlocking directorates.

b. Holding companies.

c. Trying companies which in the sale of one article require the purchaser to use only such complementary articles as are sold by the seller.

d. The bill fixes personal responsibility for unlawful corporate acts. Guilt is made personal. The antitrust law on the statute books, and known as the Sherman law, is supplemented by the present act and made capable of enforcement as a criminal statute.

The railroad securities bill is designed to lift railroads from the slough of speculation and dishonesty to the high plane of genuine worth and practical honesty. Fake fiscal agencies will no longer exploit railroad securities to the detriment of stockholders. Private banks will not become depositories for interstate corporations. Supplies and equipment will be purchased in open competitive fields and not from fake companies established to rob the stockholders of the railroads—minority stockholders will not be open to robbery. The stock exchange will lose its mechanical power over transportation and national banks no longer be permitted to act as exploiters disguised as promoters.

Woodrow Wilson, the President of the American people, has in his advocacy of these laws made himself the greatest living example of developed national ethics, and in the passage of these laws the American people are assured of the existence of a new code of business ethics, and the dawn of a new era of business practices. These laws clinch the "new freedom" by assuring all comers "equality of honest opportunity." They are substantial reforms; they have already awakened the national conscience, and back of their birth, spurring them forward into action, stands the form of Woodrow Wilson, not only our greatest of great Democratic leaders, but the great leader of us all.

THE PEOPLE'S DESIRE TO HEAR THE PRESIDENT.

The following letter from Congressman DOREMUS to the President shows that the people of the United States have not been unmindful of the work of their President and that there was a general desire to hear him during the present campaign.

The answer of the President follows, and will be read with pleasure by all our people. It is a strong, able, and patriotic document, and will win commendation from the people generally:

CHAIRMAN DOREMUS'S LETTER.

SEPTEMBER 1, 1914.

MY DEAR MR. PRESIDENT: For some time the national Democratic congressional committee has been receiving requests from every State in the Union urging us to enlist your active participation in the important election contest just before us. These requests come from scores of friends of your administration, who view with intense pride and satisfaction the splendid achievements that have resulted through, to use your own phrase, the cooperation of one "human being with other human beings in a common service."

I hazard nothing when I say that you are very near to the hearts of the American people and that your presence among them would be to them a source of much gratification.

I realize how occupied you are in these trying days and how steadfastly you have remained at your post of duty, safeguarding the best interests of all the people in this great crisis, and for that reason I almost hesitate to take up with you the matter of a speaking campaign. However, it is important that we who are responsible for putting before the American people in the coming election contest as best we can the splendid record of achievement of your administration should know as early as possible to what extent, if any, you can give us your valuable time.

Yours, very sincerely, FRANK E. DOREMUS.

THE PRESIDENT'S LETTER.

SEPTEMBER 4, 1914.

MY DEAR MR. DOREMUS: I have read your letter of September 1 with a keen appreciation of its importance. It appeals to me as the leader of the party now in power with peculiar force and persuasiveness. The close of a very extraordinary session of Congress is at hand, which has, I venture to say, been more fruitful in important legislation of permanent usefulness to the country than any session of Congress within the memory of the active public men of our generation. A great constructive program has been carried through, for which the country has long waited, and has been carried through with the approval and support of judicious men of all parties, and we have abundant reason to congratulate ourselves upon the record that has been made during the busy 17 months we have devoted to our great legislative task. Certainly in ordinary circumstances, if we were free to disengage ourselves for the purpose, we would be warranted in now directing our energies to a great campaign in support of an appeal to the country to give us the encouragement of its indorsement at the autumn elections.

We could go to the country with a very sincere appeal in which there need be no pretense or boast of any kind, but a plain statement of things actually accomplished which ought to be and I think would be entirely convincing. It is a record which shows us at peace with all the world; the questions which plagued business with doubt and uncertainty and irresponsible criticism out of the way, thoughtfully settled and disposed of; the apparent antagonism between Government and business cleared away and brought to an end with the plain reckoning accomplished; the path for sure-footed adjustment clear ahead of us, prosperity certain to come by means which all can approve and applaud.

MORE WORK TO BE DONE.

Moreover, there is a program of another kind ahead of us to which it is inspiriting to look forward—a program free from debate except as to the best means by which to accomplish what all desire. The great questions immediately ahead of us are the building up of our merchant marine with all that that means in the development and diversification of our foreign commerce and the systematic conservation and economic use of our national resources, subjects much talked about but little acted upon. There are other great pieces of constructive legislation waiting to be done to which we could turn without any controversy except, as I have said, as to the best ways of doing them.

I believe that ways can be found to do these things readily enough if the country will give us its generous support and trust us to do them; and it would have been a genuine pleasure to me to ask to be given again colleagues such as I have had in the two houses of Congress during the present memorable session. I trust that there will be many occasions upon which I may have the privilege of calling the attention of my fellow countrymen to the fine and unselfish service which has been rendered them by their present representatives, ready at all times to respond to any appeal which spoke convincingly of the public welfare.

But in view of the unlooked-for international situation our duty has taken on an unexpected aspect. Every patriotic man ought now to "stay on his job" until the crisis is passed, and ought to stay where his job can best be done. We must do whatever is necessary and forego whatever is necessary to keep us in close and active concert in order to relieve in every possible way the stress and strain put upon our people during the continuance of the present extraordinary conditions. My job, I now know, can be done best only if I devote my whole thought and attention to it, and think of nothing but the duties of the hour. I am not at liberty and shall not be, so far as I can now see, to turn away from those duties to undertake any kind of political convass.

A TWOFOLD RESPONSIBILITY.

In the present emergency I am keenly aware of the twofold responsibility I am called upon to discharge; the responsibility which devolves upon me as President of the United States and the responsibility under which I am laid as leader of a great political party. Of course, the whole country will expect of me and my own conscience will exact of me that I think first of my duties as President, responsible for exercising so far as I have the ability a constant guidance in the affairs of the country, both domestic and foreign. The labors of Congress have a natural and customary limit; the work of the Houses can be and will be finished; Congress can adjourn. But the President can not, especially in times like these, turn away from his official work even for a little while. Too much depends upon his keeping all the threads of what is occurring in his hands.

I have, therefore, reached the conclusion that I can not in any ordinary sense take an active part in the approaching campaign; that I must remain here to attend to the serious work sure to fill the months immediately before us—months that will carry with them obligations, no doubt, of the most tremendous sort. I know that you will feel similarly about your own obligations; that Members of Congress, too, without distinction as to party affiliations, will feel that they must remain to do their work of necessary and pressing service and bring it to a successful conclusion.

TO BE JUDGED BY RECORD.

I shall no doubt take occasion as opportunity offers to state and perhaps restate to the country in the clearest and most convincing terms I can command the things which the Democratic Party has attempted to do in the settlement of great questions which have for many a long year pressed for solution, and I earnestly hope that they will generously open their minds to what I may have to say; but I shall not allow my eagerness to win their approval or my earnest desire to be granted by their

suffrages the support of another Congress to interfere with the daily performance of my official duties or distract my mind from them. The record men make speaks for itself. The country can not be deceived concerning it, and will assay it justly. What it chiefly expects and demands and what it will certainly be most surely won by is the performance of duty without fear or favor and without regard to personal consequences.

And certainly this is a time when America expects every man to do his duty without thought of profit or advantage to himself. America is greater than any party. America can not properly be served by any man who for a moment measures his interest against her advantage. The time has come for great things. These are days big with destiny for the United States, as for the other nations of the world. A little wisdom, a little courage, a little self-forgetful devotion may under God turn that destiny this way or that. Great hearts, great natures, will respond. Even little men will rejoice to be stimulated and guided and set an heroic example. Parties will fare well enough without nursing if the men who make them up and the men who lead them forget themselves to serve a cause and set a great people forward on the path of liberty and peace.

Cordially and sincerely, yours,

WOODROW WILSON.

SIGNIFICANCE OF THE MAINE ELECTION.

It must be gratifying to the President and to Members of Congress who have remained in Washington during the long term of the present session to find evidences of appreciation coming in from the people at home. The President and Congress have not been more diligent in trying to carry out the people's demands than the calamity howler has been in attempting to demoralize business, clog the wheels of commercial prosperity, and discredit the administration. The verdict has been rendered in Maine. The message announcing the election of a Democratic governor by an overwhelming majority over his Republican opponent and a Democratic legislature in this State where Democracy has, until recent years, been so greatly in the minority shows that the voters of Maine are appreciative of the faithful and honest efforts in their behalf, and that they approve the Democratic record. There is no reason to suppose that the voters of other States will be less appreciative. This is but the forerunner of a sweeping indorsement at the polls in other States. We have often heard it said in the past, "As Maine goes, so goes the Nation."

Development of Water Power.

SPEECH

OF

HON. SILAS R. BARTON,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, August 20, 1914,

On the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes.

Mr. BARTON. Mr. Speaker, the pending bill does not come before us with the stamp of partisanship indeliby written therein; neither is it, like most of the measures presented, to be forced through this House by the force of majority under the whip and spur of caucus rule. On the contrary, it has received the most careful consideration at the hands of the committee, all members being admitted to the councils. Extensive hearings were held, covering 724 pages of record, and such men as ex-Secretary Fisher, ex-Forester Gifford Pinchot, Dr. George Otis Smith, and Mr. O. C. Merrill, chief engineer of the Department of Agriculture, Forest Service, and some of the ablest financiers and water-power engineers of this country have contributed their information to assist in making a bill that would carefully preserve the rights of the States and of the United States—which means the people of this country—as against the locking up or monopolizing of this valuable asset by speculative corporations.

The bill grants preference in leasing to States, counties, and municipalities, when the application is made for municipal use, so that it is not necessary for municipalities to compete with corporate power to secure their natural rights. It also provides for the prosecution of the work so that when a lease is made it can not be laid away for speculative purposes, but must be prosecuted or the lease becomes valueless.

This bill also provides that a lease can not extend beyond a period of 50 years, and, as Mr. FERRIS, chairman of the committee, says:

It lays down the three specific things that the Federal Government can do at the expiration of any lease made under this act: First, the Federal Government may retake it and operate it itself; second, it may renew the lease to the original lessee upon such terms and conditions and for such term as may be authorized under the then existing applicable laws; third, the Secretary of the Interior, upon the expiration of the lease, may lease the property of the original lessee to a new lessee upon such new conditions, new terms, and for such new periods of time as the applicable laws of that date authorize, providing that the new lessee shall pay for the property according to the rule laid down in section 5 of this act. It is the thought that section 6 makes it sufficiently clear that at the expiration of the term the Federal Government will have a free hand to do what it desires to do with the property. It is thought that anything short of this would be giving away more than the public or Congress would intend to do.

In fact, this bill does not lock up our valuable resources, but unlocks them for use, keeping the key in the hands of our Uncle Sam, where it rightfully belongs.

Much power is vested in the Interior Department, but this power must of necessity be lodged somewhere, and I think that no better plan could be arranged than to put this responsibility square up to a department that represents and is responsible for so much of our natural-resource wealth; and as the people of our country are now wide awake to the value of these natural resources, I am confident that our rights will be most carefully safeguarded.

This department draws the contract, and I think they would be wise in following the suggestions offered by the chairman of the committee, which are:

First. No legislation, Executive order, or departmental ruling should permit the patenting or the title in fee to pass out of the Federal Government under any conditions. The fee title should be reserved in perpetuity to the United States.

Second. The dam sites should be leased for a period of time not longer than 50 years, without any entangling alliances or phrases difficult to understand, on which the courts might quibble or debate as to the relative rights of the Federal Government and the lessee after the term has expired.

Third. The recapture provision should provide that all nonperishable property, such as land, water rights, dam sites, good will, etc., should go back to the Federal Government at actual cost, and that all perishable property in connection with the plant should come back to the Federal Government at the end of the lease at its fair value. In both cases the interest of the public is conserved and made certain.

Fourth. Strong, clear, well-understood provisions should be inserted in the lease contract for the revocation of the permit for a violation of the conditions thereof.

Fifth. Provisions should be inserted in the lease requiring diligence and prompt construction of the plant, so that the property may not be held for speculative purposes.

Sixth. A royalty or rental for the use of dam sites and the property of the Federal Government should be required in all cases except for municipalities, at least sufficient to cover the cost of administration.

Seventh. The Federal Government should at all times maintain its paramountcy and full control.

Eighth. Annual reports should be exacted from the power companies, so that the public might at all times know of their acts and doings.

Ninth. The Federal Government should reserve to itself full power to fix rates for service, capitalization, bond issues, etc., in interstate projects, and, where there is no public-utilities commission for this purpose, in intrastate projects.

Tenth. Each lease, permit, or consent of Congress should contain a provision that upon proof that any such permittees, lessees, or grantees have conspired to prevent the development of water power or to limit the output of already constructed plants the lease should be revocable in a court of competent jurisdiction.

The estimates of potential developed and undeveloped horsepower of this country varies; it is surely conservative to place it at the low mark of 35,000,000 horsepower. Only 6,000,000 horsepower have been developed and are now in use. The chairman tells us in his speech that the value of the products is $17,000,000,000, or seven times the receipts of all the railroads in this country. While I think that the estimate of undeveloped power is much greater, yet on the basis as stated we can readily see that it is of extreme importance that this valuable asset be so safeguarded by law that the people's interest will be preserved.

On page 383 of the hearings is a map showing the present condition of the hydroelectric power that has been developed. This map shows that of the power developed practically all is controlled by companies having interconnecting directorates and holding companies within holding companies, most all, as has been the usual thing in the good old days, being controlled by the big fellow who lends aid and comfort to the little fellow until he gets him fat enough for consumption. Then he is used as an incident in the business, or off comes his head, and he is swallowed, entering into the great system.

Our coal, our forests, our water above and under the surface, are all God-given property of all the people, and their values should not be taken to fatten the fortunes of a favored few; on the contrary, all the safeguards of legislation should be thrown around the privileges when franchises or rights are ceded.

Neither do I think that we should like a miser keep these treasures just to look at; they were put here for our use, and the just use of them is, in my opinion, the highest form of conservation.

We should not let ripe timber go to waste on our forest reserves, as we are doing now. We should not forbid the use of our public lands for any legitimate enterprise, neither should we let this valuable asset, water power that will generate our hydroelectric energy so cheaply, go to waste. We should use it, and frame such laws in a businesslike way that would invite its use.

I think this bill does that very thing, and while it places a very great power in the hands of the Secretary of the Interior, I am confident that we will have honest, patriotic men filling that high place in our Government.

This bill has been considered on its merits, open to amendment, open to all reason, and not passed under the party lash by caucus rule, nor written and ordered passed without amendment, but brought in, as all legislation should be, for the fair consideration of this body, and I believe such action means the best kind of legislation.

Labor Legislation.

EXTENSION OF REMARKS
OF
HON. JOHN A. M. ADAIR,
OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 15, 1914.

Mr. ADAIR. Mr. Speaker, the Democratic Party, in its last two national platforms, made certain pledges of legislative action favorable to labor and in the interest of the plain people generally. Each and every one of these pledges have been fully and completely redeemed. In my own campaign for Congress I promised laboring men of my district that, if elected, I would use my voice and vote in securing such legislation as would do them full justice. I have sacredly and faithfully kept every promise I made to them. This Democratic House has passed more legislation in the interest of labor than was passed during the 16 years of uninterrupted Republican rule.

Mr. Speaker, for 16 years workingmen petitioned Congress for certain legislation favorable to labor, but their petitions were pigeonholed and their demands ignored. Finally they turned to the Democratic Party for relief and for justice, and our party heard their appeals and recognized their rights by enacting legislation which has, and will, greatly improve labor conditions and raise their standard of living.

The demands made upon Congress by labor have been fully met and the hearts of workingmen everywhere are filled with gratitude for those of us who contributed our voices and votes in the redemption of our platform pledge and in conformity with their petitions.

Mr. Speaker, since you have occupied that chair and have presided over a Democratic House the following bills, recognized as labor measures, have been passed and enacted into law:

First. The 8-hour bill, extending the operations of the eight-hour law to work done for the Government as well as work done by the Government.

Second. The Children's Bureau bill, to promote the welfare of children and to devise means whereby the necessities of the parents can not be used to retard the development of the children, who are the citizens of to-morrow.

Third. The anti-injunction bill, to protect workingmen during the period of trade disputes, and to give to them the same protection in the courts that other men enjoy. For more than 30 years there has been a tendency on the part of the equity courts to assume legislative power and to declare by injunction certain acts to be criminal during labor disputes that are not criminal at other times, and then try men for committing these crimes without the protection of a trial by jury. That is contrary to the spirit of Democracy, and this House has put its stamp of disapproval on such usurpation on the part of the courts by the passage of the anti-injunction bill.

Fourth. The contempt bill, to provide a trial by jury in the cases of indirect contempt when the acts alleged to have been committed in violation of the orders of the court are of a criminal character, which would otherwise be tried by a judge and jury in our law courts.

Fifth. The Department of Labor bill, creating a department with a Secretary who shall be a member of the President's Cabinet, and who shall have the power of mediation in trade disputes and the right to appoint conciliators in such cases when, in his judgment, it is wise to do so, and while his good offices may be used for the purpose of bringing the contending parties together, he shall have no power to enforce his own views upon either of them.

Sixth. The industrial-commission bill to investigate the entire subject of industrial relations between employer and employee, with a view of ascertaining the best methods of dealing with industrial disputes, so as to protect the rights of all persons directly or indirectly interested.

Seventh. The investigation of the Taylor and other systems of so-called scientific shop management in order that the workingman might be protected against speeding up beyond his normal power. It can not be said that the interests of capital and labor are identical, but they have a mutual interest in securing the largest possible production with the same expenditure of labor. It is only when it comes to a division of that which has been produced that their interests diverge. That is true scientific shop management which secures a larger production with the same expenditure of labor power. The manager who can not secure a proper amount of production without speeding up his workmen beyond a normal and safe rate is not even an efficient manager, let alone a scientific one, and can only be classed as a man driver.

Eighth. The seamen's bill to give freedom to the seamen, provide a standard of skill for seamanship, promote safety of travel at sea, and equalize the operating expenses of foreign vessels with American vessels, so as to build up an American merchant marine without resorting to subsidies.

Ninth. The convict-labor bill requiring the sale of convict-made goods to conform to the laws relative to convict-made goods in the States in which they are sold. There are many States which provide by their laws that all prison-made goods shall be branded as such, and yet when these goods have been made in one State and shipped into another for sale they have not been branded in accordance with the laws of the State into which they have been shipped; customers have been deceived, and an unfair competition maintained with the products of free labor. The bill will remedy that defect and remove a part of this illegitimate competition with free workmen and the manufacturers who employ them.

Tenth. The Bureau of Mines bill, to widen the scope of the Bureau of Mines so that it may be better able to develop methods of preventing accidents in mines and have greater efficiency in rescue work when accidents occur, not only in the coal-mining industry but in the mineral and miscellaneous mines as well.

Eleventh. The dredge workers' 8-hour bill, to remedy a decision of the Supreme Court that men engaged in dredging work in our rivers and harbors are not laborers and mechanics, but seamen, and therefore did not come within the provisions of the general 8-hour law.

Twelfth. An 8-hour provision included in the fortification bill to apply to civilians engaged in the manufacture of ordnance and powder for the Government.

Thirteenth. An 8-hour provision in the Post Office appropriation bill for post-office clerks and letter carriers.

Fourteenth. An 8-hour provision in the naval appropriation bill making the 8-hour workday apply to workmen employed under the current appropriations.

Fifteenth. A provision in the Post Office appropriation bill removing from post-office employees the gag rule which has been applied by Executive order, issued by President Roosevelt and broadened by President Taft. This provision would make it possible for postal employees to bring their grievances to Congress without fear of being discharged for doing so. It seems strange, but it is nevertheless true, that Theodore Roosevelt was the first President of the United States to issue an Executive order denying to the wageworkers employed by the Government the right of petitioning Congress for redress of their grievances unless their petitions had been passed upon and received the approval or consent of the heads of the departments, who may have been responsible for the grievances complained of.

Sixteenth. The phosphorus-match bill to protect the health of workers in the match industry.

Seventeenth. The bill to extend the provisions of the compensation-for-injury act to the employees of the Bureau of Mines.

Eighteenth. The bill to give to official papers of trades-unions and fraternal organizations second-class mail privileges.

Nineteenth. A provision in the naval appropriation bill requiring all coal purchased for the use of the Navy to be mined on an 8-hour workday.

Twentieth. The masters and mates' bill to reduce the hours of masters and mates, making it impossible to require them to continue on duty for indefinite periods, as has been the case in the past. It has been shown by the testimony before the Merchant Marine and Fisheries Committee that masters and mates have frequently been required to work 24 hours, and in some instances as high as 60 hours, continuously without a rest. This policy endangers the lives and property intrusted to their care. The bill passed by this House fixes the employment of masters and mates at 9 hours while in a safe harbor and to 12 hours

while at sea, a restriction which everyone must admit is in the interest of safety as well as of humane treatment to masters and mates.

Twenty-first. The trades disputes act embracing the relation of labor organizations to the antitrust laws of the country; the regulation of the issuance of injunctions and the guaranty of the right of trial by jury for alleged contempts committed out of the presence of the court.

In discussing this act the chairman of the Committee on Labor [Mr. LEWIS] said:

Mr. Chairman, it is no exaggeration to say that the above law is the greatest single piece of legislation ever passed at the instance of laboring people on the American Continent. At a single stroke it adjusts all the perversions of ex parte court procedure that have arisen by the confessed misuse of the injunction so frequently occurring, grants the constitutional right of trial before an open-minded jury, and corrects the juridical mistake as to the intent of Congress in passing the Sherman law. It is not too much to say, I repeat, that by this single stroke of the legislative hand more is being done in our country to rectify the judicial status of the great toiling masses than has ever been accomplished in our history before. Nor does this mean violent or radical treatment of the relations of labor and capital.

Thus section 7 of the Clayton bill, taken with its complementary sections, places the American workman where the British workman was placed by Parliament in 1906. Their experience shows that property will be as safe, the rights of employers will be as secure, with this measure enacted into a law, which I predict will become known as the Magna Charta of American workmen.

Everybody understands that section 7 would have been written into the Sherman Act in 1890 had there been any thought of the application since made of that great act. Everybody knows that Congress at that time had no thought of legislating with regard to the relations of employers and employees. I challenge contradiction for that statement. If Congress had ever intended to legislate upon these relations and saw fit to do what the States may well do and are doing, for it is their subject matter and not a Federal subject matter—prescribing penalties for individual wrongs when committed—I challenge gentlemen of this House to say that Congress would have ever said to the toiler, "If you overstep the line and commit a tort, you shall be subject to threefold damages." That was the natural sentence to have pronounced on the trust, an outlaw organization that sought to suck up all the commercial profit and power of the Republic. That is a sentence—the sentence of outlawry—that never can be pronounced, now or in the future, on a peaceful organization of workingmen.

I know there is some misapprehension. Some honest people are inclined to think that this section of the Clayton bill may mean a species of class legislation. They commit the error of considering labor as a commodity, a natural error inspired by the circumstances under which the price of labor, unfortunately, is sometimes determined by the iron laws of the market; but there is this distinction between labor and a barrel of oil—a commodity: Labor is never in truth a commodity; labor can never under our institutions be property, either before the court or before the legislature. Under our Constitution, property in human beings has forever ceased. While a barrel of oil is not only a commodity in the market it is a commodity before the courts; it is a commodity before the legislature. The legal attribute of a commodity is property, but the legal attribute of the workingmen is citizenship. A different principle of sociology and justice apply to these two subjects matter when they are before Congress or before the courts. The rules that are rationally applicable to the commodity can seldom be justly applied to the man.

Mr. Speaker, in addition to these laws recognized as purely labor measures, we have passed the following bills which affect either directly or indirectly every workingman in the country, and were petitioned for by millions of laboring men representing both organized and unorganized labor:

First. A bill providing for the election of United States Senators by a direct vote of the people.

Second. A bill revising the tariff downward from an average of 97 per cent to 26 per cent. This bill in conjunction with the antitrust bills just passed will result in bringing great relief to the consuming masses. While it will not lower the price of farm products because of the increased demand and limited supply of such products, it will give to the consumer cheaper clothing, cheaper dress goods, cheaper stockings, cheaper blankets, cheaper wearing apparel of all kinds, and cheaper manufactured products of every description.

Third. A bill providing for a system of parcel post which is already saving to those working for daily, weekly, and monthly wages, over $11,000,000 per year. Heretofore this vast sum of money was taken from the wage earners and turned over to the express companies, which enabled these corporations to pay annual dividends as high as 70 per cent.

Fourth. A bill providing a system of currency which takes the control of money and the fixing of interest rates out of the hands of Wall Street and places it with the people where it properly belongs. Labor has suffered more from the criminal manipulation of the money market than from any other source. This law puts a stop to such methods and will go a long way toward insuring steady employment for labor.

Fifth. An income-tax law which raises about $100,000,000 of taxes from the wealth of the country and relieves the average man of this great burden of taxation. Labor petitioned time and again for this legislation, but never got it until the Democratic Party came in control.

Sixth. Antitrust laws which will prevent combinations in restraint of trade and will protect the wage earner from the extortion heretofore practiced by giant monopolies and combinations.

Mr. Speaker, I took an active part in securing for labor all of this legislation. During the eight years I have occupied a seat in this House I have stood loyally and faithfuly by those who worked for daily, weekly, and monthly wages, no matter where employed. I have at all times claimed the right to speak for labor. I was born and reared in the atmosphere of poverty, worked three years in a factory, side by side with those who earn their living by the sweat of their faces. I am glad I did; I am proud of that experience; it taught me lessons I shall never forget; I learned then and I know now their wants and needs, and I shall always stand by them, whether in or out of Congress. I want to help bring about a condition where colossal fortunes accumulated through the sweat, privation, and worry of the men, women, and children of working people will be impossible; where poverty and want will be unknown and all those who are willing to work will receive such compensation as will enable them to secure comfortable homes, all the food and clothing they desire, and equal opportunities for themselves and for their children for recreation, rest, and mental development with every other citizen of this Republic.

Mr. Speaker, the workingmen of my district are intelligent, industrious, and appreciative. Not a drop of ingratitude will be found in the blood coursing through their veins. They are grateful for what we have done, and you may feel well assured that in the coming campaign they will cast their lot with the Democratic Party. They have stood by me in the past. They will stand by me in the future.

Summer Homesteads.

EXTENSION OF REMARKS
OF
HON. EDWARD T. TAYLOR,
OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 21, 1914.

Mr. TAYLOR of Colorado. Mr. Speaker, in my judgment there are several very serious and important objections to the bill H. R. 17780, presented by the gentleman from Oregon [Mr. HAWLEY]. In the first place I am, as nearly everyone on this floor knows, seriously opposed to the leasing of the public domain under any pretext. I feel that that is a false and erroneous policy, and that we can not build up the West, and that neither the Government nor the State are benefited, by temporary tenants. We want the people to own their homes and to have real estate and taxable and financial interest in the country in which they live.

The Colorado Democratic State platform two years ago contained a plank favoring the enactment of a law providing for the entry of lands suitable for summer homes to be sold in small tracts, and under proper restrictions for that purpose. And pursuant to that plank in our party platform, on the 8th of December, 1913, I introduced H. R. 10072, a bill authorizing summer homestead entries, which bill, with the amendments agreed upon, is as follows:

A bill authorizing summer homestead entries.

Be it enacted, etc., That any person entitled to enter land under the homestead laws may locate upon and enter as a summer residence homestead not to exceed 10 acres of any of the public lands either within or without the forest reserves, and upon either surveyed or unsurveyed land, by making improvements thereon to the value of $300, including a habitable residence and suitable outbuildings, and maintaining in good faith a summer residence of not less than two months during each of the three summers succeeding his entry: *Provided*, That lands chiefly valuable for coal, or for minerals or timber, shall not be subject to entry under the provisions of this act: *Provided further*, That the entryman shall not be required to be a resident of the State in which the entry is made; *Provided further*, That all such entries shall be subject to a public right of way on each side of all streams on the public domain, and that no entry shall have a frontage of more than 20 rods on any lake or running stream.

The Western Governors' Conference, composed of all the governors of all the Western States, met in Denver last April and adopted quite an elaborate set of resolutions, under the heading of "What the West wants." One of their main resolutions reads as follows:

SUMMER HOMESTEAD LAW.

We favor the passage of a summer homestead or preemption law, permitting land not valuable for timber, minerals, or agriculture, but suitable for summer homes, to be acquired in not to exceed 40-acre tracts for summer homes. The entryman should not be required to be a resident of the State in which the land is situated, and suitable improvements of the value of $300 and three years' summer residence should be necessary to secure patent.

The gentleman from California [Mr. RAKER] has also introduced a bill on this subject, H. R. 16021, which is, I think, very much preferable to the bill of the gentleman from Oregon.

There is no question but what there is a demand for a law authorizing entries of small tracts of land for summer homes in the mountains. The people should be induced to come to the mountains of our country and spend their summers rather than spending them abroad. This is a very important and far-reaching measure. It would have a wonderfully beneficial influence toward the upbuilding of the West, and I hope some legislation along this line will be passed. But I earnestly feel that the people should be offered a title to at least a small tract of land upon some reasonable conditions, so that they would feel that they owned something and hold it permanently, rather than by a temporary permit, subject to the whims of any forest ranger. That is too much like a tent camping expedition. We of the West want people to come out there and build substantial summer homes and return there every summer and become a part of our country, as many thousands of them would if a reasonable law could be enacted. Moreover, I feel that it is entirely wrong and contrary to good policy for the Agriculture Department to attempt to handle public-land matters in the way the bill of the gentleman from Oregon would allow. That bill would take the entire handling of these public-land matters out of the Interior Department and turn it over to the Forest Service. It would give the Forest Service absolute control, not only as to the occupancy but as to title, of 185,000,000 acres of the public domain. Neither Congress nor the public has ever contemplated extending the authority of the Forest Service to that extent. The disposition and title of all our public lands should be controlled by the Interior Department, and I therefore hope that whenever this measure is enacted into law, if it ever is, that it will be placed under the jurisdiction of the Interior Department and that there may be some reasonable proceeding whereby the occupants of the public land may acquire a title to at least a small tract of land, even if it is only 5 acres.

Labor.

EXTENSION OF REMARKS

OF

HON. WILLIAM A. CULLOP,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 29, 1914.

Mr. CULLOP. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an address by my colleague, the Hon. H. ROBERT FOWLER, made at Bicknell, Ind., on the 7th day of September, 1914—Labor Day.

The address is as follows:

LABOR DAY.

The achievements of the world are the achievements of labor. The history of the world is a history of labor. It is the great fountain of supply for human wants. It is the source of all creative wealth and the firm basis upon which the civilization of the world stands. It is the ladder upon which all nations have climbed from the low depths of society to the intellectual heights of light and liberty.

It has always stood upon the firing line, skillfully conducting the progress of man and patiently bearing his burdens. As master mechanic it has industriously conducted the business of the world from the days of the clumsy hoe under tropical skies and the noisy ax in primeval forests to the management of the quiet lever which regulates the speed of flying trains across continents or guides the airship in its trackless course through the clouds.

Yea, more; labor found man in the jungles of barbarism and blood, conducted him safely through the winding and misty valley of superstition and ignorance, pointed out to him fruitful fields for his employment and profit, led him up the sober heights of judgment and reason, placed a crown upon his head, and converted him into an intellectual and moral god. [Applause.]

The dawn of civilization found labor in the foul and cruel clutches of human slavery, and for more than 5,000 long and weary years it was compelled to toil upon a plane with the beasts of burden, driven by the lash of cruel masters by day and chained in miserable quarters by night and closely guarded by sentinels to prevent its escape. But as liberty is the birthright of man, labor claimed it as its own and bravely organized itself against the doctrine of servitude of the many for the benefit of the few, and never ceased its manly efforts until it had placed itself upon a plane of equality before the law with the best citizenship of the world. For centuries it waded through many bloody servile wars of long duration, sometimes victorious but often defeated, yet only to organize and come again. During peace it had seen many of its members subjected to the most cruel and inhuman torture and often put to death for trivial causes. In time of wars it had seen its comrades captured and cruelly put to death by the thousands. It had seen them compelled to fight duels with wild beasts in the arena for the amusement of the king's loyal subjects. It had seen its armies surrender on terms of peace and promise of protection, but after being disarmed it had seen them butchered in cold blood by the thousands. The weapons it had been compelled to forge were used against it to shed its own blood; the fires it had been compelled to kindle were used to torture its own flesh.

Again, it had heard the historian boast of the democracy of Greece and Rome, but on investigation it found on actual count that in Athens, the boasted home of liberty, with a population of 515,000, only 9,000 had a voice in government, or about 1 in 40. In wealthy Corinth, with a population of 700,000, only 40,000 were free. In Attica, the home of learning and freedom, with a population of 550,000, more than 400,000 were slaves. In Rome, with a population of 90,000,000, more than 60,000,000 were slaves.

Again, it saw the nations of the world ruled by kings, supported by mighty armies, with the wealth of the world at their command. It saw wars waged for conquest and plunder and the inhabitants of nations taken captive and sold into slavery. It saw the dark clouds of sin and crime enveloping human society everywhere, and the heart of labor was chilled and beat slowly with fading hope, then stopped, as if to exchange hope for despair, but just then it heard a voice coming from the ranks of the lowly, saying, "On earth, peace; good will toward men," and it was amazed at such strange words. It listened again, and heard these words, "God created man in his own image," and labor recalled the teachings of its masters to the effect that laboring men were no better than animals, that they had no souls to save, and that when they died that would be the end; nothing for the future.

Labor also recalled that its masters denied it the privilege of worshiping a God and punished its members severely, often putting them to death, for engaging in divine worship, and it wondered what could be the meaning of this new doctrine; but just then it heard the voice for a third time, but in tones as if spoken by authority, saying, "Do unto others as you would have them do unto you." Then labor took on new hope, threw down its weapons of steel, and enlisted under the banner of the Prince of Peace to wage war against the sinful practices of masters and rulers by using weapons which conquer the souls of men without shedding blood. Guided by the light that streams from Calvary's cross, labor wisely organized itself into unions, where it could discuss economic and social questions affecting human rights and where it could agree upon plans for action. It hoisted above the bloody horizon of time its banner on which was inscribed in living letters the golden rule, "Do unto others as you would have them do unto you"—a motto of equal and exact justice to all and special privileges to none. Under the inspiration of this motto it has waged an unrelenting war against its enemies and has driven back the despoilers of human rights step by step, until it has risen from the lowest depths of human slavery, through varying degrees of local scanty rights, until it reached the plane of serfdom and villenage during the Middle Ages, where only the cactus of human rights grew. Encouraged by these meager rights, it anxiously and bravely pressed on, until it merged into the rosy morning of the seventeenth and eighteenth centuries, where, as a common servant, it was permitted to own and inherit property and enjoy the fruits of its own toil. Not satisfied with less than a full measure of civil and political liberty, it bravely struggled on through misfortunes, disease, and low wages, often suffering reverses on account of bloody wars, waged by ambitious princes, until the nineteenth century, when it emerged into the beautiful sunlight of the intelligent employee, enjoying all of the political and civil rights of a free government. What a victory! It is the marvel of the world. Nothing could equal it. But the task of labor has not yet been finished. Steady employment, improvement of sanitary conditions and a fair division of the profits are among the many problems which must be adjusted.

In America we have never been troubled with royal blood and the feudal system. All of our ancestors, with few exceptions, came from the laboring classes of other countries, and our Government was established upon the principle of liberty for all and special privileges for none; so we have the advantage of other countries. We began with liberty for all, with one exception, and before we had solved this question it cost us the lives of more than a half a million of our bravest men and the loss of more than $2,000,000,000 of our wealth.

COAL MINING.

Coal mining is one of the most useful occupations in the world, and under present conditions it would be impossible to carry on business and commerce without it. The use of coal for motive power and heat and lighting purposes is so common and the quantity consumed annually for these purposes is so large that we may reasonably conclude that coal mining in America will continue to be one of our greatest industries for centuries to come, and it is not too much to say that as time passes on coal mining will become more profitable, both to the operator and the miner, affording steady employment at good wages.

In 1910, the world produced a little over 1,000,000,000 tons of coal. Of this the United States mined more than 500,000,000 tons, which was more than one-half of the world's product. Great Britain produced nearly 300,000,000 tons, but she had employed more than a million miners, while we had only a little over 700,000. Germany produced a little less than 160,000,000 tons, but she had employed nearly 600,000 men. These figures reveal that the United States mined about 700 tons per man employed, while England mined about 300 tons per man employed and Germany about 270 tons per man employed.

During the same year a little more than 3,000,000 men were employed in the coal mines of the world. America mined more than one-half of the entire output, with less than one-fourth of the men employed, while England mined less than one-third of the entire output with more than one-third of the men employed. Germany mined about one-sixth of the product with one-fifth of the men employed.

DANGEROUS.

Coal mining is one of the most dangerous employments in the world. There is but one other business more dangerous, and that is metal mining. During 1910, 2,840 men were killed in coal mining in the United States, while in Great Britain only 1,754 and in Germany 1,140 were killed. We lost a much larger per cent in death per thousand men employed than either of the other two countries. Our loss was 3.92 for every thousand men employed, while Geramny lost 1.79 and Great Britain 1.70. Our loss per million tons of coal produced was less than either of them, ours being 5.66 to the million tons produced, Great Britain's 5.92, and Germany's 7.18.

This is a very important question for both the miner and operator. Both should be equally interested alike, and both should strive to make the conditions of the mines as safe as possible. While it is true that the operator has the responsibility of making his mines reasonably secure and he is held to answer in damages for a failure to exercise reasonable caution to do so, yet the miner can do much to aid in this much-needed work. On examination of statistics of deaths and injuries in coal mines, we are able to locate the most dangerous places in mines and the causes of injury and death.

During the years of 1910, 1911, and 1912 the average loss of life in our coal mines in America was a fraction over 2,639. All the underground accidents averaged 2,382, and the deaths from falls of coal and falls from roofs averaged a little over 1,261, which constitutes nearly one-half of all the deaths from all causes, which is 47.78 per cent. The next highest death rate comes from the use of mine cars and mine locomotives, and then follows deaths by gas and coal-dust explosions. The same is true in the coal mines of all other countries.

In Great Britain, for 1911, 1,232 men were killed in coal mining; 599, or 48.62 per cent, were killed from falls from roofs and coal. Germany for the same year lost a total of 1,176 men in coal mining; 442 were killed from falls of coal and from roof falls, or 37.59 per cent. For 1910, France lost 213 men in coal mining, and 81 of these, or a little over 38 per cent, resulted from falls from coal and roofs. During the same year Japan lost from all causes 307 men, and 198 of these, or 64.50 per cent, were killed from coal and roof falls. During the year of 1911 India lost 148 men from all causes, but she lost 84 from falls of coal and from roof falls, or 56.76 per cent.

It will be seen from these figures that the highest rate of death results from falls of coal and roof. It would seem that the greatest danger to miners is falls from roof and gas and dust explosion. The Bureau of Mines, both in the States and the Nation, is doing a great work in trying to lessen this high death rate, and many bulletins on these subjects have been published containing valuable information on new methods of handling these difficult problems.

LABOR UNIONS.

We often hear it said that all the troubles between labor and capital could be readily and easily settled if it were not for labor unions. Yes; but how would they be settled, and who would be present when the settlement is made? History tells us that all of the material advancement made by labor in the past has been accomplished through organized efforts. It was through a well-organized union that labor was able to defeat its cruel masters on the island of Scio, lying off the coast of Greece, about 400 years before Christ. Their brave leader, Drimakos, fled to the mountains with his followers and set up a separate government for labor and dictated terms on which his men should be protected and supplied with food and raiment.

It was through a combination of labor that the "shepherd hero of the mountains," Viriathus of Spain, in 149 B. C., defeated the well-trained armies of Rome and made himself King of Spain. It was through a well-organized system of labor that the corrupt Government of Sicily was overthrown in 143 B. C., and Unus, "the king of the slaves," was made ruler for 10 years. Spartacus, the gladiator, and the greatest labor leader of ancient times, organized, through labor unions, an army of 300,000 men and defeated 11 different armies of Rome in 11 successive battles, beginning in 74 B. C. But all of these great labor movements were unsuccessful in the end, for all of their efforts were based upon force. But here is an example where labor was successful. Moses not only organized the children of Israel into unions about 1,400 years before Christ, but they went out on a strike, 600,000 men, besides women and children. Pharaoh followed them with his army, but the Lord was with labor and saved it from the wrath of its cruel Egyptian taskmasters.

Our Savior organized a union of 12 and sent them out in the world to teach men how to conquer without shedding blood, and, as a rule, we have gained our best results by following His wise counsel.

But let us see what unions have done in coal mining, to lessen the rate of death. I have made a computation of the average rate of death per 1,000 men employed in all of the coal-producing States from 1896 to 1911, inclusive, a period of 16 years, and I find the highest rate to be in Colorado, 7.59, and I find the lowest rate to be in such States as Missouri, with 1.98; Indiana, 2.13; Iowa, 2.26; Kentucky, 2.28; Ohio, 2.50; and Illinois, 2.77, all heavily unionized.

Colorado coal miners have never been organized into unions, and it is pretty well conceded that the terrible suffering in that State for the last two years is the result of an effort to organize unions, which has been bitterly opposed by the operators. A very high death rate existed in other Western States until the organization of unions. Wherever labor has been well organized it has been the means of improving sanitary conditions and lessening the rate of death and injuries. Colorado is taken as a type of nonunion labor, because it has always been nonunion until the last two years, and it can not now be classed with union-labor States. Here we find the greatest death rate in the United States, except Utah, and her high rate is caused on account of an explosion in 1900, bringing her death rate up to 159.79 for that year. In the six great coal-mining States—Missouri, Indiana, Iowa, Kentucky, Ohio, and Illinois—the death rate is 2.32, as compared with 7.59 for Colorado. Pennsylvania produces four times as much coal as any other State in the Union, and yet her death rate per thousand men employed is only 3.32, notwithstanding it has been one of the greatest battle grounds between capital and labor in the country, but now its labor is fairly well unionized.

West Virginia produces next to the greatest amount of coal of any State in the Union, but of recent years labor has had much trouble with capital on account of its effort to systematize labor and improve its condition, yet its death rate for the last 16 years is about 5 per thousand men employed. It is quite evident from these figures that wherever labor has been brought under the magic influence of the union it has resulted in the improvement of conditions beneficial both to the miner and operator alike, and at the same time it has thrown about itself a greater security, thereby lessening the number of casualties.

WAGES.

In 1910 the Commissioner of Labor made an investigation as to the wages and hours of employment of the labor in the iron and steel industries of the country. It covered nearly all of the iron and steel plants in the United States, including 338 blast furnaces, steel works, and rolling mills. It covered the wages

and hours of work for 172,705 employees, which is more than 80 per cent of the men then employed in the plants examined. Fifty thousand of these employees were required to work seven days per week, and two-thirds of them were compelled to work more than 84 hours per week. Eighty-eight per cent of the men in the blast furnaces worked seven days a week. The seven-day work extended also to the Bessemer converters, the open-hearth furnaces, rails, and structural mills. It was also found that when the night shift was changed to the day shift, and vice versa, workingmen were required to remain on duty from 18 to 24 consecutive hours without rest or sleep. Seventy-two thousand five hundred and twenty-nine, a little more than 42 per cent of the whole, worked 72 hours per week, making a 12-hour day for six days in the week. Sixty per cent of these employees were required to work 60 hours per week, while only 22 per cent had a working week of 60 hours and only 14 per cent had a working week of less than 60 hours.

Thirteen thousand eight hundred and sixty-eight, or a little more than 8 per cent of the men employed, received less than 14 cents per hour; 20,527, or about 12 per cent, received 14 and less than 16 cents per hour; 51,417, or nearly 30 per cent, received 16 and less than 18 cents per hour. Thus it will be seen that nearly 50 per cent of the entire working force in these iron and steel works receive less than 18 cents per hour. In the New England district unskilled labor receives 16 cents; in the eastern district, 13 and 14 cents; the Pittsburgh district, 16 and 17 cents; the Great Lakes and Middle West district, 15 to 17 cents; and the southern district, from 10 to 13 cents.

Since this investigation and since the protest of union labor the hours have been shortened and the wages have been increased. It is quite evident that labor has received its greatest advancement in wages through the efforts of the union and through publicity by State and National Government.

One of the modern wonders in business is revealed from this investigation: The Steel Trust is the largest trust in the world and controls more than $30,000,000,000 worth of corporate stocks and other properties, yet it has been forcing labor to work more than 12 hours a day for seven days in the week. It is said that Rome had her thousands of slaves, but here is a modern Rome of the twentieth-century type huddling its thousands of employees in sweatshops, which challenges the boast of our institutions of liberty and learning. This is a problem not only for labor unions but for legislative bodies as well, and I am glad to say that Congress has been very active of recent years in the passage of remedial legislation for the benefit of labor. During the Sixty-second Congress more than 21 labor measures were passed, among which was the establishment of a Department of Labor in the Cabinet of the President. Heretofore labor was compelled to look after its own interest, but hereafter it will be dignified with a seat in the President's Cabinet. Hon. William B. Wilson, a union-labor man, has the distinction of being the first Secretary of Labor. A higher honor could not be conferred upon any man in America or elsewhere. The eight-hour law compels contractors for Government work to observe the eight-hour law. Before the passage of this law Government contractors refused to comply with the provisions of the 8-hour law, but now they will forfeit, out of their contract price, $5 a day for each violation of the 8-hour law.

A provision in the Post Office appropriation bill extends the provisions of the eight-hour law to clerks in post offices, letter carriers, and postal employees and repeals the gag law, thereby liberating labor in the Postal Service and giving it a right to present its grievances to its Member of Congress and to the committees of Congress without first being subjected to the danger of being thrown out of employment.

The present administration has made a record in which the rights of labor have not been neglected; the arbitration act, which prevented a general railroad strike by a peaceful adjustment of the differences between labor and the railroads; the Industrial Commission act, which gives a right to investigate industrial disputes and to settle such disputes peaceably upon terms of equity and justice; an act exempting labor organizations and farmers' unions from the provisions of the Sherman Antitrust Act and a provision in the same act regulating Federal injunctions and the issuance of the same, thereby granting labor the right of trial by jury in all cases where the injunction has been issued for alleged contempts not committed in the presence of the court. Had this law been in force at the time of the indictment of Samuel Gompers, John Mitchell, and Frank Morrison they would have been entitled to a trial by jury, and, in my opinion, they never could have been convicted. I regard the trial in this case as one of the most disgraceful in America.

We are now revising the law relating to Federal procedure, and two amendments were adopted a few days ago, one of which prevents Federal judges from taking a case from the jury when there is evidence to support the issues. The other provision prohibits the Federal judge from expressing an opinion to the jury as to the sufficiency of the evidence, as is the case now. Your own Congressman is the author of both of these amendments. They were prepared by his own hand and presented by him on the floor of the House. [Applause.] He not only secured the adoption of these two amendments, but he has to my personal knowledge supported every labor measure for the last three years which has been before Congress. You are to be congratulated on having such an able, fearless, and conscientious Congressman from your district. [Applause.] I have been told that I must not talk about politics here, but it is impossible to discuss living issues without wading into politics to some extent, and I must say that in my judgment the cause of labor can be best served in legislative bodies by selecting men of ability, honor, and integrity, who are not afraid to make public their views on this subject before the election, and who will have the manly courage to stand by them after the election. Men and measures is the watchword in the selection of representatives to legislative bodies, and no man should allow anything, political or otherwise, to stand between his vote and his conscience when he goes into the booth to mark his ballot. [Applause.]

TRADES-UNIONISM.

Herr Carl Legien gives the following interesting table denoting the strength and progress of the trades-unionism of the world, with the exception of Australasia:

Countries.	1910	1911
Great Britain	2,440,723	3,010,346
France	977,350	1,029,238
Belgium	138,928	92,735
Holland	143,850	153,689
Denmark	123,864	128,224
Sweden	121,180	116,500
Norway	47,453	53,830
Finland	24,928	19,640
Germany	2,698,144	3,061,002
Austria	451,232	486,263
Bosnia-Herzegovina	6,269	5,587
Croatia-Slavonia	6,805	8,504
Hungary	86,778	96,180
Servia	7,418	8,337
Roumania	8,515	6,000
Bulgaria	3,000	.....
Switzerland	93,797	78,119
Italy	783,538	709,943
Spain	40,984	80,000
United States	1,710,433	2,282,361
Total	9,905,198	11,435,498

Number killed per 1,000 employed in and about the coal mines of the principal coal-producing countries, 1901–1911, inclusive.

Years.	(1) India.	(2) Belgium.	(3) Austria.[1]	(4) Great Britain.
1901	0.68	1.17	1.19	1.36
1902	.66	1.07	1.08	1.24
1903	.84	1.14	.74	1.26
1904	.67	.93	.92	1.24
1905	.73	.91	1.45	1.35
1906	.89	.95	1.03	1.29
1907	.87	1.03	1.07	1.31
1908	1.37	1.07	.86	1.32
1909	1.09	.95	1.07	1.43
1910	1.52	.95	.93	1.70
Average, 1901–1910	.96	1.02	1.04	1.36
1911	1.39	1.15	1.25	1.17

Years.	(5) France.	(6) New South Wales.	(7) Germany.	(8) Japan.	(9) United States.
1901	1.21	1.39	2.34	2.39	3.25
1902	1.09	8.19	1.99	1.71	3.71
1903	1.02	.93	1.92	2.53	3.20
1904	1.07	.85	1.80	2.14	3.50
1905	1.04	1.71	1.86	3.22	3.63
1906	7.17	1.41	1.97	5.25	3.35
1907	1.10	1.00	2.40	3.63	4.88
1908	.95	1.18	2.71	1.93	3.64
1909	1.17	.77	2.04	3.51	4.00
1910	1.08	1.19	1.97	2.23	3.92
Average, 1901–1910	1.09	1.74	2.11	2.92	3.74
1911	.....	.86	2.00	.....	3.73

[1] Figures based on fatalities in the bituminous and anthracite mines; fatalities in lignite mines not included.

Number killed per 1,000,000 short tons of coal mined in the principal coal-producing countries, 1901 to 1911.

Years.	(1) New South Wales.	(2) Great Britain.	(3) Austria.	(4) Belgium.
1901	2.54	4.38	6.49	6.41
1902	15.78	3.95	5.91	5.71
1903	1.83	4.06	3.87	6.06
1904	1.78	3.97	4.66	5.14
1905	3.23	4.30	6.92	5.12
1906	2.46	3.97	4.71	5.08
1907	1.75	4.05	4.91	5.63
1908	2.05	4.39	3.86	5.97
1909	1.78	4.82	4.96	5.25
1910	2.29	5.92	4.28	5.16
Average, 1901-1910	3.70	4.40	5.05	5.56
1911	1.54	4.05	5.55	6.49

Years.	(5) United States.	(6) Germany.[1]	(7) France.	(8) India.	(9) Japan.
1901	5.37	8.56	5.56	7.53	18.11
1902	6.39	7.40	5.44	7.76	12.62
1903	5.08	6.88	4.42	8.78	19.33
1904	5.91	6.49	4.89	6.50	15.99
1905	5.78	6.73	4.60	6.67	20.12
1906	5.19	6.52	33.96	7.84	39.14
1907	6.93	8.15	4.99	7.55	30.76
1908	6.05	9.71	4.51	12.05	14.99
1909	5.79	7.54	5.35	9.41	32.25
1910	5.66	7.18	5.04	12.54	17.76
Average, 1901-1910	5.83	7.55	7.79	9.00	22.71
1911	5.48	7.04	.....	10.97	.....

[1] Figures are based on fatalities in the bituminous and anthracite mining; fatalities in lignite mines are not included.

Number killed in and about the coal mines of the principal coal-producing countries in 1910, in relation to the production and to the number employed.

Countries.	Production (short tons).	Number employed.	Number killed. Total.	Per 1,000 employed.	Per 1,000,000 short tons mined.	Production per death (short tons).
United States	501,596,000	725,030	2,840	3.92	5.66	177,000
Great Britain	296,148,000	1,032,702	1,754	1.70	5.92	169,000
Germany	158,694,000	577,263	1,140	1.97	7.18	139,000
France	42,274,000	196,786	213	1.08	5.04	198,000
Belgium	26,364,000	143,701	136	.95	5.16	194,000
Japan	17,285,000	137,467	307	2.23	17.76	56,000
Austria	15,183,000	69,969	65	.93	4.28	234,000
India	12,755,000	105,285	160	1.52	12.54	80,000
New South Wales	9,155,000	17,618	21	1.19	2.29	436,000

Number killed in United States from all causes and per 1,000 employed in 1910, 1911, and 1912.

Causes.	Year.	Number killed.	Number killed per 1,000 employed.
All causes (grand total)	1910	2,840	3.92
	1911	2,719	3.73
	1912	2,360	3.15
Underground accidents	1910	2,554	3.52
	1911	2,473	3.40
	1912	2,119	2.83
Falls of roof and coal	1910	1,310	1.81
	1911	1,321	1.81
	1912	1,151	1.53
Mine cars and mine locomotives	1910	375	.52
	1911	393	.54
	1912	362	.48
Gas and coal-dust explosions	1910	518	.71
	1911	379	.52
	1912	301	.40
Explosives (underground)	1910	176	.24
	1911	134	.18
	1912	133	.18
Electricity (underground)	1910	79	.11
	1911	87	.12
	1912	76	.10
Other causes (underground)	1910	96	0.13
	1911	159	.22
	1912	96	.13
Shaft accidents (total)	1910	75	.11
	1911	63	.09
	1912	54	.07
Surface accidents (total)	1910	211	.29
	1911	183	.25
	1912	187	.25

Number killed in United States from all causes, etc.—Continued.

Average for three years from falling roof, 47.78 per cent.

Number killed and injured in and about the coal mines of Great Britain in 1911, with the fatalities and injuries classified according to cause.[1]

Causes.	Number killed.	Per cent of total number killed.	Number injured.[2]	Per cent of total number injured.
Falls of roof and coal	599	48.62	57,692	35.20
Haulage accidents (underground)	256	20.78	(3)	(3)
Gas and coal-dust explosions	34	2.76	165	.10
Explosives (underground)	16	1.30	(3)	(3)
Other causes (undeground)	81	6.57	93,281	56.92
Shaft accidents	99	8.04	625	.38
Surface accidents	147	11.93	12,122	7.40
Total	1,232	100.00	163,885	100.00

[1] Data from Mines and Quarries: General report, with statistics.
[2] Includes all persons incapacitated for more than 7 days.
[3] Not separately reported; included under "Other causes."

Number killed in and about the coal miles of Germany[1] in 1911, with the fatalities classified according to cause.[2]

Causes.	Number killed.	Per cent of total number killed.
Falls of roof and coal	442	37.59
Haulage accidents (underground)	181	15.39
Gas and coal-dust explosions	32	2.72
Explosives (underground)	43	3.66
Other causes (underground)	[3]219	18.62
Shaft accidents	102	8.67
Surface accidents	157	13.35
Total	1,176	100.00

[1] Prussia only.
[2] Data from Zeitschrift für das Berg-, Hütten- und Salinenwesen im Preussischen Staate.
[3] Includes unclassified accidents.

Number killed and injured in and about the coal mines of France in 1910, with the fatalities and injuries classified according to cause.[1]

Causes.	Number killed.	Per cent of total number killed.	Number injured.[2]	Per cent of total number injured.
Falls of roof and coal	81	38.03	15,660	36.10
Haulage accidents (underground)	28	13.14	10,549	24.32
Gas and coal-dust explosions	9	4.23	4	.01
Explosives (underground)	3	1.41	79	.18
Other causes (underground)	16	7.51	11,716	27.01
Shaft accidents	37	17.37	363	.83
Surface accidents	39	18.31	5,010	11.55
Total	213	100.00	43,381	100.0

[1] Data from statistique de l'Industrie Minérale et des Appareils à Vapeur en France et en Algérie.
[2] Includes all persons incapacitated for more than 4 days.

Number killed in and about the coal mines of India in 1911, with the fatalities classified according to cause.[1]

Causes.	Number killed.	Per cent of total number killed.
Falls of roof and coal	84	56.76
Haulage accidents (underground)	16	10.81
Gas and coal-dust explosions	16	10.81
Explosives (underground)	0	0.00
Other causes (underground)	6	4.05
Shaft accidents	12	8.11
Surface accidents	14	9.46
Total	148	100.00

[1] Data from Report of the Chief Inspector of Mines in India.

Number killed and injured in and about the coal mines in 1911, with the fatalities and injuries classified according to cause.[1]

Causes.	Number killed.	Per cent of total number killed.	Number injured.[2]	Per cent of total number injured.
Falls of roof and coal	56	33.94	23	19.01
Haulage accidents (underground)	27	16.36	32	26.45
Gas and coal-dust explosions	1	.61	0	0.00
Explosives (underground)	8	4.85	11	9.09
Other causes (underground)	23	13.94	19	15.70
Shaft accidents	29	17.57	8	6.61
Surface accidents	21	12.73	28	23.14
Total	165	100.00	121	100.00

[1] Data from Annales des Mines de Belgique.
[2] Includes only persons seriously injured.

Number killed and injured in and about the coal mines of Japan in 1910, with the fatalities and injuries classified according to cause.[1]

Causes.	Number killed.	Per cent of total number killed.	Number injured.[2]	Per cent of total number injured.
Falls of roof and coal	198	64.50	3,746	51.35
Haulage accidents (underground)	37	12.05	1,174	16.09
Gas and coal-dust explosions	8	2.60	66	.90
Explosives (underground)	1	.33	27	.37
Other causes (underground)	31	10.10	1,488	20.40
Shaft accidents	18	5.86	89	1.22
Surface accidents	14	4.56	705	9.67
Total	307	100.00	7,295	100.00

[1] Data from Statistical Report of the Department of Agriculture and Commerce Japan.
[2] Includes seriously and slightly injured.

Labor Legislation.

The dignifying of labor by humanitarian laws which guard the health and safety of the employees and guarantee to them an honest wage for their service is the highest compliment to our Nation; but the peon and the serf are a reproach and a reflection on the countries in which they are found.

EXTENSION OF REMARKS

OF

HON. WILLIAM B. FRANCIS,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 14, 1914.

Mr. FRANCIS. Mr. Speaker, it is conceded that the greatest problem before the American people for solution to-day, is to regulate the legal relation between employer and employee so that a just balance may be maintained for a fair standard of living for our American workmen.

There enters into this great subject many material things, such as the hours which he shall work; the employment of women and children; immigration, contract, and convict labor; the sanitary conditions surrounding the employee; the provision for his safety in the performance of his work; the liability of the employer for injuries sustained; and the provision for compensaton provided by the State or otherwise for his relief.

In this respect the State of Ohio has taken an advanced step in the enactment of laws to provide relief for injured workmen which in its brief operation has already been the means of adding comfort and cheer to many homes which, without its enactment, would be disconsolate; and in this organized labor's efforts have in a great measure been rewarded.

The new eighteenth district, lying along the Ohio Valley a distance of more than 60 miles, seems to have been molded by the hand of nature for a great beehive of various industries, with its superior advantages of water transportation, supplemented by many railroads, with great coal fields, clay mines, limestone, oil and gas, all ready for the hand of man.

Its great pottery, brick, and tile works; tin works; being first in coal production; glass works, iron and steel works, furnaces and smelters, have attracted to this vicinity an army of skilled workmen and laborers which have made it one of the most important districts in the United States in point of diversified industries and in the vast army of laborers employed.

This district is therefore vitally interested in national labor legislation which will relieve and better the condition of workingmen.

I am pleased to have assisted in the great measures which have been enacted during the Sixty-second and Sixty-third Congresses in the interest of labor. They are not a panacea for all of labor's troubles by any means, yet we have made greater progress in the enactment of humanitarian laws and in the advancement of the interests of labor in the last two terms of Congress than was accomplished by Republican administrations in 25 years before.

We have just celebrated another national labor day—the first Monday in September. On this day in 1882 a great parade was held in New York City and another in 1884. In the year 1887 Colorado made the first Monday in September a legal holiday, and other States have rapidly fallen in line until to-day the cause of labor is recognized by a national holiday which is observed throughout the several States of the Union.

We have only to turn our eyes a short way back on the pages of the history of our country to see the unsanitary conditions under which workmen were compelled to perform their services and to observe the employment of women and children, with little or no legal regulations for their health or safety.

These conditions are immeasurably improved, but they are not yet ideal. The inhumanely long hours that were formerly exacted, even in the most dangerous employments, were scarcely less than brutal; but we are glad to see that organization, education, and legislation are resulting in better things.

As late as the year 1844 there seems to have been no limit as to time or the amount of service to be performed for a day's work, and President Van Buren found it necessary to issue an order that "All public working establishments will be hereafter regulated as to working hours by a 10-hour system."

But to-day nearly all the States of the Union have passed factory acts in some form or other. These laws relate to two different subjects, the one to the conditions of employment, and affect women, young persons, and children, and the safety and health of the employees generally. These laws are being enforced, usually by factory inspectors. As to the other, it has been the great aim of organized labor to have fixed by law the hours of service not only in the States but in the Nation. In many of the States there have been laws enacted which determine what shall constitute a day's work in the absence of contract—what shall constitute a day's work in public works and on public roads and to regulate a day's work in special occupations, and in limiting the day and week's work at which women and children may be employed. The dignifying of labor by humane laws which guard the health and safety of the employees and guarantee to them an honest wage for their service is the highest compliment to our Nation; but the peon and the serf are reproachful and a reflection on the countries in which they are found.

The Labor Committee of the House of Representatives deserves great credit for its untiring work during the short time the Democrats have been in power, an able review of which has been prepared by its chairman, Hon. DAVID J. LEWIS.

Mr. LEWIS's sympathies, by birth, early training, and occupation, are with labor, having been employed at mining when 9 years old, learned to read at Sunday school, continued at mining until 1892, when through his own studious efforts he was admitted to the bar, and has since practiced law until elected to Congress. His great ability is readily recognized in Congress as a labor leader. His review is as follows:

"It is something more than a coincidence that the following measures could not be passed through this House, or even considered, under the rule of Cannonism, and that they have been passed almost without opposition since the party of Woodrow Wilson and of CHAMP CLARK has been intrusted with legislative power.

"BILLS NOW LAWS.

"First. The 8-hour bill, extending the operations of the 8-hour law to work done for the Government as well as work done by the Government.

"Second. The bill providing an 8-hour day for all female employees in the District of Columbia, a jurisdiction over which Congress has complete power to act. This law is now in actual operation in the city of Washington, without any of those grave business disturbances which overfearful persons had been led to expect.

"Third. The dredge workers' 8-hour bill, to remedy a decision of the Supreme Court that men engaged in dredging work in our rivers and harbors are not laborers and mechanics, but seamen, and therefore did not come within the provisions of the general 8-hour law.

"An 8-hour provision included in the fortification bill to apply to civilians engaged in the manufacture of ordnance and powder for the Government.

"An 8-hour provision in the Post Office appropriation bill for post-office clerks and letter carriers.

"An 8-hour provision in the naval appropriation bill making the 8-hour workday apply to workmen employed under the current appropriations.

"Fourth. A provision in the naval appropriation bill requiring all coal purchased for the use of the Navy to be mined on an 8-hour workday.

"Of these 8-hour bills the present Secretary of Labor, Hon. William B. Wilson, who is a former coal miner, who entered the coal mines at 9 years of age, an experience identical with my own, observes:

"It has been said on the floor of this House that the labor measures we have passed would not give an additional sandwich to any wage-worker. This act alone will reduce the hours of labor of hundreds of thousands of workmen, directly or indirectly employed by or for the Government, giving greater opportunity for rest, recreation, and mental development to those who are affected by it. It will do more than that. While men working an 8-hour workday can naturally be more efficient per hour than when working 10 hours, it has never been contended that men can accomplish as much in 8 hours as they can in 10. The shortening of the workday, therefore, means the giving of employment to thousands of those who are now among the unemployed, giving them an opportunity of earning a livelihood which they do not now have, and that means not only a sandwich but a full meal.

"Fifth. The Children's Bureau bill to promote the welfare of children and to devise means whereby the necessities of the parents can not be used to retard the development of the children, who are the citizens of to-morrow.

"Sixth. The Industrial Commission bill to investigate the entire subject of industrial relations, with a view of ascertaining the best methods of dealing with industrial disputes so as to protect the rights of all persons directly or indirectly interested.

"Seventh. The phosphorus-match bill to protect the health of workers in the match industry.

"Eighth. The trades disputes act embracing the relation of labor organizations to the antitrust laws of the country; the regulation of the issuance of injunctions and the guaranty of the right of trial by jury for alleged contempts committed out of the presence of the court.

"Mr. Chairman, it is no exaggeration to say that the above law is the greatest single piece of legislation ever passed at the instance of laboring people on the American Continent. At a single stroke it adjusts all the perversions of ex parte court procedure that have arisen by the confessed misuse of the injunction so frequently occurring, grants the constitutional right of trial before an open-minded jury, and corrects the juridical mistake as to the intent of Congress in passing the Sherman law. It is not too much to say, I repeat, that by this single stroke of the legislative hand more is being done in our country to rectify the judicial status of the great toiling masses than has ever been accomplished in our history before. Nor does this mean violent or radical treatment of the relations of labor and capital.

"Thus section 7 of the Clayton bill, taken with its complementary sections, places the American workman where the British workman was placed by Parliament in 1906. Their experience shows that property will be as safe, the rights of employers will be as secure, with this measure enacted into a law, which I predict will become known as the Magna Charta of American workmen.

"Everybody understands that section 7 would have been written into the Sherman Act in 1890 had there been any thought of the application since made of that great act. Everybody knows that Congress at that time had no thought of legislating with regard to the relations of employers and employees. I challenge contradiction for that statement. If Congress had ever intended to legislate upon these relations and saw fit to do what the States may well do and are doing, for it is their subject matter and not a Federal subject matter—prescribing penalties for individual wrongs when committed—I challenge gentlemen of this House to say that Congress would have ever said to the toiler: 'If you overstep the line and commit a tort, you shall be subject to threefold damages.' That was the natural sentence to have pronounced on the trust, an outlaw organization that sought to suck up all the commercial profit and power of the Republic. That is a sentence—the sentence of outlawry—that never can be pronounced, now or in the future, on a peaceful organization of workingmen.

"I know there is some misapprehension. Some honest people are inclined to think that this section of the Clayton bill may mean a species of class legislation. They commit the error of considering labor as a commodity, a natural error inspired by the circumstances under which the price of labor, unfortunately, is sometimes determined by the iron laws of the market; but there is this distinction between labor and a barrel of oil—a commodity: Labor is never in truth a commodity; labor can never under our institutions be property, either before the court or before the legislature. Under our Constitution, property in human beings has forever ceased. While a barrel of oil is not only a commodity in the market, it is a commodity before the courts; it is a commodity before the legislature. The legal attribute of a commodity is property, but the legal attribute of the workingmen is citizenship. A different principle of sociology and justice apply to these two subjects matter when they are before Congress or before the courts. The rules that are rationally applicable to the commodity can seldom be justly applied to the man.

"Ninth. The Department of Labor bill, creating a department with a Secretary who shall be a member of the President's Cabinet, and who shall have the power of mediation in trade disputes and the right to appoint conciliators in such cases when, in his judgment, it is wise to do so, and while his good offices may be used for the purpose of bringing the contending parties together he shall have no power to enforce his own views upon either of them.

"Mr. Chairman, the Department of Labor is a real living and dynamic fact. And why? Its Secretary is a real son of labor.

* * * * * * *

"He is a credit to his race. He is a credit to the labor sentiment of the country, which has trusted and supported him, and a credit to the administration whose arduous responsibilities he so splendidly shares. Surely in William B. Wilson labor has a voice in the great councils of the Nation.

"BILLS WHICH HAVE PASSED THE HOUSE.

"First. The bureau of safety devices bill. This measure, the Mann-Bremner bill, after the death of Mr. Bremner ably supported by Mr. WALSH, of New Jersey, already favorably reported in the Senate, is designed to create in the Department of Labor a clearing house for devices preventive of industrial accidents. The ratio of accidents in the United States tends to run from two to four times as great as in other countries, and it is meant through this bureau to supply employers and employees with the best methods and devices in order to reduce as far as possible the frightful carnage in life and limb.

"Second. The Hensley and Booher convict-labor bills. One of these is designed to prevent the importation of convict-made goods from foreign countries and the other of convict-made goods from one State to another in competition with the products of free and self-supporting American labor.

"Third. The seamen's bill. This bill passed the Sixty-second Congress and was pocket vetoed by President Taft. It has since passed the Senate in the Sixty-third Congress and is now before the Committee on the Merchant Marine and Fisheries of the House, with most of its provisions agreed upon, and certain to become a law during the Sixty-third Congress. Its principal objects look to abolishing imprisonment as a penalty for desertion, and corporal punishment on board ship, Sunday work while in safe harbor reduced and regulated, establishes seaman's right to half wages upon arrival at any port, and 120 feet boat space for each seaman and apprentice; two years' service on lakes, bays, and sounds to entitle the sailor to rank of able seaman, and 12 months on the sea; regulating the number of lifeboats and saving equipment each vessel is to carry.

"Fourth. A provision in the judicial revision bill allowing appeals to the Supreme Court from decisions of the State courts nullifying State statutes on the ground of conflict with Federal law. A great many State labor laws have been invalidated by the State courts. This provision allows an appeal to the Supreme Court in such cases, and will doubtless save many State laws, as, for example, the semimonthly pay law of New York, recently sustained by the Supreme Court.

"BILLS REPORTED FROM COMMITTEE.

"First. The Deitrick bill regulating the use of the so-called Taylor system in Government shops.

"Second. The Maher bill amending the law under which the wages of employees in the Government navy yards and arsenals are to be determined and giving the Secretary of Labor a voice in such adjustments.

"Third. The Palmer child-labor bill.

"Mr. Chairman, this bill calls for the most thorough discussion, but for my present purpose I can only briefly describe its provisions. Urging the precedent of the convict-labor-made goods bills which have already passed this House, it provides—

"That it shall be unlawful for any producer, manufacturer, or dealer to ship or deliver for shipment in interstate commerce the products of any mine or quarry which have been produced in whole or in part by the labor of children under the age of 16 years or the products of any mill, cannery, workshop, or manufacturing establishment which have been produced in whole or in part by the labor of children under the age of 14 years, or by the labor of children between the age of 14 years and 16 years, who work more than eight hours in any one day or more than six days in any week or after the hour of 7 o'clock p. m. or before the hour of 7 o'clock a. m.

"I believe, sir, that the tender conscience of the people where childhood is involved and the national sense of the necessity of Federal action to protect those who can not protect themselves will justify us in passing this bill reported from the Committee on Labor.

"I say it is something more than a coincidence that these measures have passed a Democratic Congress and were not even considered by the Cannon rule. What is the cause? What is the difference? The difference, sir, I submit is this: The party of Joseph G. Cannon represented only a part of the people. The party of Wilson and CLARK represents them all. One is the tory, who thinks all law-made changes are dangerous and, as Wendell Phillips said, is afraid to brush down the cobwebs lest the ceiling may fall. The other is the liberal and progressive, who knows that as social and economic conditions change, so must change the rules of the State which regulate the relations of human beings.

"Mr. Chairman, it is not claimed for these measures that they will end the labor problem; that they will realize for labor all its rights or secure the employer from all occasional wrongs. We know that the rights of labor involve vastly more than its relations to the employer. Having secured fair wages and conditions of employment from his employer, the workman has then to meet that other problem common to all consumers, namely, how shall he be able to make his wages bring him an equitable share of the products of other men's labor? And it is here even more than with the employer that his task of rightful adjustment really lies.

"A brilliant orator a generation ago, taking his inspiration from the magnificent achievements of the inventors, declared that the inventor would soon emancipate the sons of toil from their physical drudgery and painful forms of labor by the substitution of machine for pick and spade. Well, sir, what do we find? Truly, the inventor is doing his part; but how about the correlative processes of exchange and distribution? Well, that problem remains unchanged, and has now become so aggravated as to be generally conceded as the cause of our high cost of living. How shall he make his wages bring him something like an equivalent of what he gave for such wages? I think all students now agree that the labor problem has become chiefly the consumers' problem. It is something to have stated the problem clearly. I shall do no more to-day. But, sir, we do not leave this problem, momentous as it is, entirely without hope. There ought to be some way by which the inordinate tax imposed by the processes of distribution—the tax that doubles, yes, trebles, the price of the product between producer and consumer—may be greatly lightened. In the last two generations the producer and transporter have done their part in cheapening the cost of the article. Productive and transportation costs have been pulled down and down in an almost never-ending scale of reduction. Meanwhile distribution agencies, unorganized and ever multiplying, show a piling up of expenditures, ever increasing the distribution tax, from which all must suffer, for we are all consumers. Can not this problem be adjusted? Must we confess our helplessness in its presence—this ever-widening maw that is swallowing nearly all of the fruits of mechanical advancement, and threatens to swallow more? Perhaps some one of the nations now at war and soon to be under extreme stress to feed its people will discover and apply the remedy. Necessity is the mother of invention—perhaps. If so, even this monstrous crime against humanity and organized repudiation of Christianity will prove some good.

"In this connection we can point to the industrial commission which has power to consider this subject and report its recommendations; and we may also point to the development of the parcel post by this administration as a promising means, when our people learn to use it, to purchase direct from the trucker and farmer as it becomes further perfected for that purpose.

"Mr. Chairman, such is the record of the Democratic Party in labor legislation in the Sixty-second and Sixty-third Congresses. Valuable as it is in itself, it is yet even more significant as an earnest of the fixed determination of our party to meet the problems of a growing and changing state of society and to adjust them—to adjust them calmly and justly, but to adjust them. It can not be said that our work has been partial and one-sided and that we have confined our work to a single class. We have met in the same spirit all the problems of our day. The direct election of Senators, the parcel or postal express, the prevention of corrupt practices at primaries and elections, the national banking law, the antitrust laws, the conservation bills, the income tax, and many other useful measures in the interest of society generally. Compare this record with the almost blank pages under Cannonism for 20 years—a record of unblushing toryism and inertia."

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Mr. Speaker, it will be highly interesting to labor to know that the outlook for employment never was better than at present, although the enactment of these and other progressive laws by Congress has called forth the prophecies of the calamity howlers, founded in hope but not in truth, that disaster would come to our Nation.

The leading Republican paper in our district, the Martins Ferry Times, places our national prosperity above partisan politics, and carries in its columns, in its issue of September 12, a summary of 48 replies which were received by Taylor-Critchfield Co., of Chicago, from the leading manufacturers and business men in all sections of the United States on the subject of the great wave of national prosperity which is now upon us, which is as follows:

"HERE'S PROOF OF PROSPERITY—BUSINESS IN THE UNITED STATES IS SOUND—AMERICA FACES HER GREATEST COMMERCIAL OPPORTUNITY.

"This country is on the eve of an awakening—due to a wholesome state of affairs at home and to a condition abroad that will establish our trade supremacy beyond question.

"The above statements represent a summary of the replies received by the Taylor-Critchfield Co., of Chicago, to telegrams addressed to some of the leading business men of the United States.

"Their answers ring with optimism, hope, assurance, confidence.

"Business must be good. Proof of prosperity is found in the following messages:

"E. Mapes, secretary Cream of Wheat Co., Minneapolis, Minn.:

"I see no reason why, if business is not hampered for political reasons, the United States should not see great commercial prosperity during the continuance of the European war. This, however, is a time when the utmost latitude should be allowed by the Government to all legitimate business interests. Upon that, coupled with wise action toward the establishment of mercantile marine and adequate banking facilities, I think the question depends entirely. I think this is the greatest chance for the American manufacturer and business man that will probably come in several lifetimes, and think the business man of the United States can be safely trusted to take advantage of it if not hampered too much by unreasonable Government restrictions. Of course, there will come a reaction after the war, and how much the same will affect the United States depends entirely upon how firmly we have established our footing during the continuance of the war period.

"Windsor T. White, president the White Co., Cleveland, Ohio:

"Business with the White Co. has steadily improved since the scare following the first announcement of war abroad. I believe general business will continue fair in this country and will boom if our surplus farm products and manufactures can be shipped to other countries.

"United Cigar Manufacturers Co., New York City:

"In the main the present disturbances in American business are due to financial and merchandising readjustments made necessary by the European upset. This readjusting process is already well under way. In the meantime it would be a mistake to fear that the real fundamentals of American business are endangered. Even the cotton losses are already offset by grain increases. American business will emerge stronger from the present crisis than ever before, while other countries now at war will emerge hardly weakened. Speaking for ourselves, we are following our normal progressive policy.

"The Bartholomew Co., Peoria, Ill.:

"Our trade this year will exceed that of last year and previous years. The war has had no effect on the sale of our automobiles, and with the increased prices that farmers will receive for their products we look for still larger business in all rural communities in the Central West.

"A. J. Lavuer, general manager, Burroughs Adding Machine Co., Detroit, Mich.:

"General conditions in America do not warrant the slump in business which is being felt all over the country. The uneasiness created by the sudden changes made necessary on account of European disturbances is responsible for the lack of business activity. However, I believe that as soon as the business public decides as to the best way to proceed under existing conditions business will resume its normal attitude and should show a considerable increase.

"Woolson Spice Co., Toledo, Ohio:

"Our business is decidedly above normal. Outlook for fall and winter very favorable. We are taking advantage of present opportunity to extend our interests in many sections of the country.

"G. M. Skiles, president, Ohio Seamless Tube Co., Shelby, Ohio:

"My opinion is that this country was never on a more sound financial basis. If we will all comply with the President's message to the people; that is, to be calm, cool, level headed, and not 'rock the boat,' this country will continue to dominate the world.

"Studebaker Corporation, South Bend, Ind.:

"Our advertisement, 'Optimism and Opportunity,' expresses our views. We believe the opportunities for business heretofore supplied by Europe are now open to American manufacturers and merchants, and they should unite vigorously in taking advantage of the situation. Fundamental conditions of the United States are absolutely sound.

"E. Rosenbaum, president Southern Plow Co., Dallas, Tex.:

"The larger the army the greater the commissary needs. Texas, the world's commissary, stands ready to feed the hungry and clothe the naked with an unusually large feed crop made and a big cotton crop maturing. We should quickly recover from the temporary depression caused by the closing of European cotton markets and eventually supply the world with finished cloth instead of raw cotton, to our lasting benefit.

"Samuel Moody, passenger traffic manager Pennsylvania Lines, Pittsburgh, Pa.:

"Business conditions and prospects good. The European war will, in my judgment, bring out the Yankee genius to produce the wants of home manufacturers, so that this Nation will not be dependent upon the foreigner in the future as it has been in the past.

"C. W. Nash, general manager Buick Motor Co., Flint, Mich.:

"War or no war, there will be 40,000 Buick automobiles built in the 1915 season. We are going to manufacture 40,000 cars because we expect to dispose of that number, and we have every assurance that we will. The present demand for Buick cars in this country has never been equaled, and the cars we had planned to ship abroad will be sold in this country. The fact that no foreign-made cars are likely to be shipped into this country because of the war will have a balancing effect on the automobile situation and in a measure affect the foreign shipments heretofore made by American automobile concerns.

"Northwestern Knitting Co., Minneapolis, Minn.:

"Munsingwear sales this year are larger than last year. We expect a greatly increased demand this fall and winter. We deplore European conditions, but believe they indicate long-continued prosperity in the United States. We are enlarging our plant and employing additional help. Those merchants will be wise who anticipate as far as possible the increased business that is certain to come as a result of good prices for farm products and good wages in industry.

"Silas McClure, secretary Malleable Iron Range Co., Beaver Dam, Wis.:

"The volume of our orders and the recent improvements in collections, with only a limited movement of crops up to this time, confirm our opinion that trade conditions are sound throughout the agricultural districts of the whole United States.

"Detroit Engine Works, Detroit, Mich.:

"The best proof of our belief in trade conditions is that our advertising campaign is larger than ever before. We believe present conditions, while deplorable, will increase in a very short time the already prosperous conditions of the United States. The crops of this country alone and prosperous condition of the farmer make anything else impossible.

"B. A. Fuller, president Hercules Manufacturing Co., Centerville, Iowa:

"Our neutrality, our record-breaking crops, and the immense European demand for our surplus crops are absolute proof that we are on the verge of the greatest wave of prosperity in the history of our country. The Treasury Department decision to accept cotton and tobacco warehouse receipts as a basis for emergency currency means the South will get its share of this great prosperity at once, the same as every other section.

"James A. Craig, general manager Janesville Machine Co., Janesville, Wis.:

"With the abundant harvest we have this year and the positive assurance of high prices for all agricultural products, and being at peace with all nations of the world, we can't help but prosper.

"J. L. Hamilton, president Alabastine Co., Grand Rapids, Mich.:

"Europe's calamity is America's opportunity. We are due to witness, and can be instrumental in securing, the greatest era of prosperity known in this country's history. Wise legislation, liberal financiering, universal optimism, avoidance of strikes and lockouts, more fuel under the boiler, more pressure on the steam gauge, more money in advertising, and we will arrive.

"Detroit Steel Products Co., Detroit, Mich.:

"The fact that the business community has mobilized forces and is on guard, associated with strong fundamental conditions, should insure a safe future. The most serious handicap is the attitude of Congress toward successful business. That has been sufficient to retard prosperity. If continued during the strain caused by war we may face hard times.

"W. N. Brown, Collins Plow Co., Quincy, Ill.:

"American trade conditions are sound, but have been sluggish for a year. A strong revival which had set in has been temporarily checked by European war. We look for a heavily increased demand from foreign countries, to be followed by enormous demand for all other commodities from neutral countries and at home.

"Hugh Chalmers, president Chalmers Motor Car Co., Detroit, Mich.:

"I believe the basic conditions in this country are extremely good, and I believe that after the people become accustomed to the war headlines in the papers and settle down that business conditions in this country are going to be of great benefit to us and in my opinion it will not affect our business seriously after the next 30 days. A great catastrophe such as this war is, can not help but have a bad mental effect upon our people temporarily, but this will wear away and then we will realize how fortunate we are to be Americans at this time and what a great opportunity for the world's trade is open to us.

"J. Walter Earle, president Remington Typewriter Co., New York City:

"Our sales are a barometer of trade. Indications point to an increasing volume of business. America, as the one great industrial nation free from the ravages and horrors of war, should so shape her activities that she may in increasing proportion supply the needs of those beyond her shores as well as her own people.

"James Manufacturing Co., Fort Atkinson, Wis.:

"In our opinion the war not only opens great new fields for business abroad, but also large markets at home for goods heretofore imported. Our information shows enormous crops practically throughout the United States, with prices high and money conditions sound. Farmers and business based on agriculture must prosper. The gates of opportunity stand wide open to America's business. Our own sales were never better. July and August were both record breakers. Collections are normal. The war should increase our sales on dairy-barn equipment in the United States, because our customers, which include farmers and city business and professional men, will have more money to spend.

"Stark Bros. Nurseries & Orchards Co., Louisiana, Mo.:

"Business conditions with us are highly satisfactory. Our sales at this date show an increase of 38 per cent over this same date last year. Prospects for fall business are the best in years.

"M. W. Savage, president International Stock Food Co., Minneapolis, Minn.:

"Absolute and permanent commercial supremacy of the world is the present exceptional opportunity of the United States, and this requires only good judgment and cool-headedness and such a practical optimistic outlook as is fully justified by big crops and extraordinary markets and large increase in farm product prices and in the strength and energy of our people. Fair and square commercial war will finally subdue man's animal tendency to kill his fellowmen and can be made the means of bringing about universal peace. The United States has the brains and the money and the undaunted ambition to lead the world in vast business enterprises and will quickly dominate the markets of all Nations of the earth and help establish permanent peace. Farmers form the true basis of our prosperity and the present condition of the farmer, both as to home life and financial condition, is overwhelming and solidly optimistic. War among nations as well as war on business must necessarily cause tremendous unrest and loss. Mutual fairness between business and government, and a strong pull together, and the greatest commercial victory in all history will be ours.

"George A. Hormel, president George A. Hormel & Co., Austin, Minn.:

"In Minnesota and the Northwest crops are good, and we understand the banks are able to furnish money for the movement of grain, live stock, and legitimate business enterprise. Collections good. Labor is scarce and well employed at good wages. We see no immediate cause for alarm.

"James V. Rohan, president Belle City Incubator Co., Racine, Wis.:

"The effects of the war in my opinion should tend to improve rather than to retard the American trade conditions within the United States and Canada, though the export trade may be affected for a time.

"Bissel Carpet Sweeper Co., Grand Rapids, Mich.:

"We consider the outlook for fall and holiday business very good, and beyond this believe this country is approaching an era of prosperity greater than any in all its era.

"Hayes Pump & Planter Co., Galva, Ill.:

"Bigger crops than ever before, better prices, and the certainty for increased acreage of all cereal crops will give the greatest buying impulse this country has ever known. Surely the coming year looks like big business.

"Frank D. Blake, advertising manager Deere & Co., Moline, Ill.:

"Agriculture is the basis of our wealth. With the greatest number of bushels of foodstuffs in our history and the best prices in years our people will save money, materials, and wealth. There is a chance for greater expansion. Our factory products will be in demand, our people profitably employed. We are a great agricultural people at peace with the whole world.

"E. C. Simmons, Simmons Hardware Co., St. Louis, Mo.:

"General business is absolutely sound and healthy. There need be no fear or apprehension about it. Our August business will, I think, show the largest sales of any August for 50 years, with promise of better business later.

"John Clay, president Clay, Robinson & Co., Chicago:

"The live-stock business is not suffering from the effects of the war. It is likely to be benefited, as a continuance of the fighting will tend to increase the demand for our products. We are decidedly short of cattle and sheep, with a fair supply of hogs, the latter depending automatically on the corn crop. We are dealing in a product needed every day, and the country can not afford to have the streams of production and consumption seriously interfered with. In my judgment we are at the beginning of a long war, which will only end by exhaustion. The enormous resources of the conflicting parties point this way. The United States is certainly at the gate of opportunity, and by honest and upright dealing, payment of her just debts, even although other nations are tardy, she will gain immense benefits in credit and trade by a wise and liberal policy.

"C. A. Patterson, president Peoria Drill & Seeder Co., Peoria, Ill.:

"Close attention to business and the new necessity caused by the existing conditions abroad will keep farm and factory busy. Opportunity has been unexpectedly forced upon the inventive minds of American business men and the splendid results of their accomplishment will be a surprise to other nations and an appreciable financial benefit to the United States.

"L. Klima, general manager King Ventilator Co., Owatonna, Minn.:

"General outlook for business is very good. The increase in price on raw materials is more than offset by the value of farm products. Business generally will be what business men make it. We can keep the public from buying by talking war. We will make business by talking peace.

"A. L. Haecker, Woods Bros. Silo & Manufacturing Co., Lincoln, Nebr.:

"The business outlook for the United States was never better. Our crops are good, our people are at work, and we are mindful of our opportunity. There is a unity of sentiment for peace and thrift among us all. This will ripen into a golden period of prosperity.

"W. C. Davis, secretary Davis Milk Machinery Co., North Chicago, Ill.:

"We have been extremely busy and business has been very good with us. Our volume has run over 80 per cent in gain over last year's business for the same period, and indications are that business will be fairly good throughout the year.

"R. W. Neff, president the Remmers Soap Co., Cincinnati, Ohio:

"No condition exists that does not indicate that we Americans should have every confidence in the present and future. Bumper crops, banks sound with plenty of money, no overproduction. Although the war may affect a few, it will build up so many others that the few become negligible.

"The E. C. Brown Co., Rochester, N. Y.:

"Though our past fiscal year just closing has been the best in our history, many signs point to improvement in 1915. While collections have been tardy, the excellent crop and market conditions already show improvement and a boom seems started.

"Beechnut Packing Co., Canajoharie, N. Y.:

"We look confidently to the future, expecting supply and demand to regulate prices as they always have in the past. We are doing our best from day to day to promote our business. We feel that conditions are good; that the best times we have ever had are coming soon.

"John Wanamaker, Philadelphia, Pa.:

"Now is certainly a most excellent time for the American people to find out how much they can do for themselves of the things they have been depending upon foreign workmen to do. We not only can, but must, find out now whether or not this Nation can stand firm on its own 200,000,000 feet and make its own inventions to meet its own necessities and provide its own luxuries, and at the same time feed and clothe a great part of the rest of the world. We have the youth, energy, capital, will, the men and women to do these things. We can do everything that we are called upon to do, but deliver the goods, and we can't deliver the goods because we have no merchant marine. Let us get the ships, first of all. It will be no trouble to put the crews and cargoes aboard them. We must start plowing the seas for an early harvest.

"B. L. Hupp, secretary, Loose-Wiles Biscuit Co., Kansas City, Mo.:

"We look for favorable business conditions in this country during the war period, since European manufacturers are hampered in doing business here, especially in agricultural sections and in those manufacturing districts, a demand for whose products is directly created by the war. We anticipate a very satisfactory business this fall.

"Fred Warner, sales manager Oakland Motor Car Co., Pontiac, Mich.:

"Our connections throughout the entire United States report constantly improving business conditions. The only complaints are from the cotton States, and the feeling there is that their condition will be righted very soon. War should in most lines very materially increase our volume of business and prestige in world markets. We believe the next 12 months will show great prosperity.

"L. K. Wynn, president Black Silk Stove Polish Works, Sterling, Ill.:

"American business and the new banking system are concrete. There is no cause for alarm. The people are the architects of the situation. If there is any danger, it is in the minds of the people who might become panicky. Ignore discussion—keep everybody busy.

"H. C. Phelps, president Ohio Carriage Manufacturing Co., Columbus, Ohio:

"Our great crops, with good prices assured, backed by our safe and sound banks, make an irresistible force. What others destroy we can and will replace. There is nothing wrong with Ohio or the United States. We can't be stopped.

"O. E. Sovereign, president North American Construction Co., Bay City, Mich.:

"If we can keep our hat out of the ring, we will have the greatest period of prosperity in history. Our own immediate business future looks exceptionally bright. Our Aladdin mills have been running full force 20 hours a day for 5 months. Orders booked now necessitate doubling our capacity for 1915.

"Alfred Hanchett, advertising manager F. A. Patrick & Co., Duluth, Minn.:

"The European situation will bring American commercial independence and preeminence. It will be a strong stimulus to American manufacturers, a powerful promoter of foreign trade. Our administration, with keen business foresight, should make opportunities out of present conditions.

"W. R. Wooden, general manager Nichols & Shepard Co., Battle Creek, Mich.:

"The conservative lines followed by business generally for the last two or three years make present conditions sound. Sane advantage of present opportunities insures a period of commercial prosperity.

"A. O. Silver, treasurer W. K. Mullins Co., Salem, Ohio:

"Business is perfectly healthy, but taking a vacation pending further developments of the European war and exportation of crops. An American merchant marine now would open the doors of opportunity unused by American manufacturers.

"O. C. Hansen Manufacturing Co., Milwaukee, Wis.:

"American inventiveness, ingenuity, and push will cope successfully and rapidly with any detrimental conditions the war between European nations may have precipitated in this country, and the new opportunities now at hand will result in a new prosperity for this country never before realized."

The Philippine Islands.

EXTENSION OF REMARKS
OF
HON. WILLIAM GORDON,
OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 1, 1914,

On the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

Mr. GORDON. Mr. Speaker, the Constitution of the United States provides that "For any speech or debate in either House, Members shall not be questioned in any other place." This imposes the gravest responsibility upon Members, and the duty of promptly calling attention to any erroneous statement of fact made by a Member, whether intentional or not, for the purpose of protecting the public interests and the reputation and dignity of this House. For this reason I have on several occasions called attention to misstatements of fact made by the gentleman from Ohio [Mr. FESS], and by so doing seem to have incurred his bitter enmity. This ought not to deter a Member from performing a public duty. On the last day this bill was under consideration, knowing the feeling which the gentleman from Ohio [Mr. FESS] entertained toward me, I was reluctant to interrupt him, and would not have done so except with his permission, and then only because I believe that to misrepresent the Philipino people on the floor of this House in reference to their illiteracy, concerning which all peoples are extremely sensitive, might involve grave consequence to the people of the United States by arousing resentment in the islands toward us and the men appointed by us to govern the people of the islands. For two members of the Committee on Insular Affairs to say, time after time, on the floor of this House that 85 per cent of these people are illiterate, without calling forth a rebuke from other members of the committee who knew of the falsity of the statement, seemed to me to impose upon other Members of the House advised of the facts the duty to call attention to them. In the majority report of the Committee on Insular Affairs is the following statement upon this subject, which is uncontradicted and undenied in the minority report signed by the gentleman from Ohio [Mr. FESS] and the gentleman from Minnesota [Mr. MILLER]:

The late James Le Roy, who for two years was connected with the Philippine Commission and who therefore possessed exceptional opportunities for securing information upon the subject, says in his admirable book on the Philippines, published in 1905, that "approximately one-half of the Christian population over 10 years of age is literate," and that this includes "the people of the most backward and outlying Christian settlements in the mountains of north and central Luzon, in unsettled islands like Mindoro and Palawan, and on the outskirts of Mindanao." In the Tagalog Provinces, where the percentage of literacy is highest, it is stated by this authority that the number able to read "is something over 70 per cent of the population above 10 years of age."

This was nine years ago and before the American system of education was fairly under way; before there were thousands of trained Filipino teachers conducting the schools in the English language. So much for the literacy of the Filipinos.

Our own census, taken by Army officers in 1903, after these people had been engaged in war almost continuously for seven years, shows but 55.5 per cent of illiteracy, and this was before the "educational campaign," so much talked about on the other side of the House, was commenced.

The gentleman from Ohio [Mr. FESS] opens his remarks with the statement that his course upon this bill will be governed by what he thinks is best for the Filipino, and not so much from the standpoint of our own citizenship; the gentleman mistakes his function as a Member of this House; he was elected to represent the American people and not the Filipinos; their accredited representatives have seats in this House and their voices and votes are in favor of this bill and they probably know more about what is good for their own people, and what their capacity is, than the gentleman from Ohio.

Further adverting to the issue of veracity tendered by the gentleman from Ohio [Mr. FESS] in answer to my inquiry the gentleman says that by the "ruling plank on this question in prior campaigns" the Democratic Party has demanded "immediate withdrawal." No platform of the Democratic Party adopted since we went into the Philippines has declared in favor of the immediate withdrawal from the islands. The gentleman has so frequently misrepresented the Democratic platform that it has come to be a habit with him, or he has

convinced himself that our platforms have declared for something that can not be found in them. The gentleman from Ohio further says that the "grandfather clause" in the constitution of some of the Southern States "denies to the colored people in those States the right to vote." This statement is not true in detail, substance, or effect. The so-called "grandfather clause" is not a limitation on the right of suffrage, it simply exempts from the operation of a literacy test imposed upon the right to vote certain persons who are lineal descendants of those who were qualified electors on January 1, 1868. I will not discuss the reasons which impel the gentleman from Ohio [Mr. FESS] to insist upon a much higher qualification upon the right of the Filipino people to vote in their own country upon local questions than the constitution of the State of Ohio itself imposes upon electors in that State. The gentleman probably insists that the Filipinos shall possess a property qualification and also be able to read and write the English language before they can exercise the right of franchise in their own country, out of his extreme solicitude for their welfare, as expressed in his opening remarks.

The constitution of Ohio by its terms grants the right to vote to male white citizens 21 years old and over, excluding convicts, idiots, and insane, if they are known to be such. Upon the question of the utility of this bill at this time, it enlarges the powers of the Filipino people over their own local affairs and transfers to them the authority to exercise the sovereign power of taxation. Twelve years ago Senator Hoar, of Massachusetts, declared that the cost of the Philippine enterprise to this Government in dollars and cents exceeded $600,000,000, and his figures have never been successfully challenged. The committee estimates that since that time the annual cost of retaining the islands has been fifty millions per year, so that, so far as the United States is concerned, the islands to-day represent an outlay by us in money of the stupendous sum of $1,200,000,000. The terrible war now raging in Europe will end when all men able to bear arms are killed or wounded, if not before. The President of the United States will probably be asked to occupy the seat at the head of the table when terms of peace are agreed upon. If these terms of peace included, as most civilized people in the world to-day hope and pray, provisions for international peace and disarmament by these nine leading nations of Europe and Asia, what will prevent the insertion of a clause in that treaty guaranteeing the autonomy and perpetual independence of the Philippine Islands? No policy of international peace and disarmament would be complete without including the neutralization of the Philippines.

The independence of Switzerland has been maintained for 100 years by virtue of such a treaty made at the close of the Napoleonic wars. Every nation north, east, and west of Switzerland is now at war, and yet by virtue of this treaty every soldier who has set foot on the soil of Switzerland since the war began has been immediately disarmed, and Switzerland to-day enjoys profound peace with all the nations. If President Wilson, foremost advocate of world peace to-day, could, as a part of the service which he is rendering mankind, secure an international agreement with the nations now at war, guaranteeing the perpetual independence and neutralization of the Philippine Islands, which would leave the people of those islands to work out their own destiny in their own way, free from foreign interference, he will be looked upon by that people for all time to come as their greatest benefactor, and make for himself a place in history second to no man living or dead, and, if enabled to lead to a successful conclusion the movement inaugurated by this administration for universal and perpetual peace, the coming generations of mankind will call him blessed throughout all the tide of time.

Emergency Revenue Legislation—Tax on Wine.

EXTENSION OF REMARKS

OF

HON. CHARLES F. CURRY,

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. CURRY. Mr. Speaker, I hold in my hand hundreds of letters and telegrams from my constituents protesting against the almost confiscatory tax on wine imposed by this bill. The letters and telegrams are individual expressions of opinion and do not represent an organized effort to manufacture public sentiment. Some of the protests are from commercial organizations, business men, bankers, professional men, and wine makers, but the great majority of them are from farmers, vineyardists, who do not make wine, but who grow the grape.

Mr. Speaker, I do not propose to discuss the question as to whether or not the condition of the Treasury makes it necessary for the Congress to enact a law providing for the collection of additional internal-revenue taxes to meet the running expenses of the Government. In my opinion that claim was convincingly disproved by the very able speech of Mr. PAYNE. But assuming, for the sake of argument, and taking it for granted that the money is needed and the method of raising it by internal-revenue taxation is advisable, I wish to call attention to the manner in which this bill, if enacted, will affect the people of my State.

It is estimated that the United States has a population of about 100,000,000, and the State of California has a population of 2,250,000, or 2¼ per cent of the population of the country. This bill proposes to raise in internal-revenue taxes $105,000,000, of which amount California industry will be called upon to contribute, at a conservative estimate, between $10,000,000 and $12,000,000; that is, the 2¼ per cent of the population of the country residing in California will pay more than 10 per cent of the entire tax. I believe the combined tax on wine and gasoline in my State is expected to produce more than $10,000,000. Can any gentleman defend that as an equitable distribution of the burdens of this tax? I think not.

The vineyardists and wine manufacturers of the State are in particular subjected to an outrageously excessive and unjust tax of from 100 per cent to 150 per cent on wine. This tax will hurt the farmers, the growers of the grape, more than it will the wine makers. It is estimated that this tax alone will produce a revenue of $6,000,000.

In California 340,000 acres of land are planted in grapes as follows:

	Acres.
In wine grapes	168,500
In raisin grapes	110,500
In table grapes	61,000
Total	340,000

There are 15,000 vineyards in the State, some of them ranging in size from 200 acres to one of 3,200 acres, but most of them are in small holdings of from 10 to 25 acres each.

Seventy-five thousand people are supported by grape culture in California. They depend on raising and selling grapes for a living. This does not take into account the number of people and their families engaged in the wineries, making wine from the grape.

The amount of money invested in vineyards and wineries is over $200,000,000.

The cost of making a vineyard of bearing vines averages $300 per acre.

Grapevines yield from 4 to 8 tons per acre per annum, and are sold to the wineries at from $7.50 to $11 per ton. Some years extra choice dry wine grapes may be sold for as much as $25 a ton.

The net profit to the grape grower is small, as the cost of developing and cultivating a vineyard is great.

A ton of grapes makes from 150 to 160 gallons of dry wine or 80 gallons of sweet wine. The reason that a smaller quantity of sweet wine than dry wine is made from a ton of grapes is because a portion of the grapes in the manufacture of sweet wine is distilled into brandy, which is used to fortify the sweet wine.

It costs from 8 cents to 12 cents per gallon to make dry wine and 20 cents per gallon to make sweet wine.

Dry wine is sold at the wineries in bulk for from 16 cents to 19 cents per gallon, and sweet wine at an average of 29½ cents per gallon.

This bill will put a tax of from 100 per cent to 150 per cent on dry wine and of 100 per cent on sweet wine.

If the pure-food law is rigidly enforced, the sweet wine can stand the tax, excessive as it is, better than can the dry wine, as in this country most of the sweet wine is used in the manufacture of patent medicines, is prescribed by physicians, to a limited extent is used in cooking, and but a small amount is used by the people as a beverage.

Dry wine is an article of diet used as a drink with their meals by a large number of our citizens, particularly those of foreign birth and their children, and more particularly by those from France, southern Europe, and parts of Germany. Dry wine is also regularly used on the tables of many Californians

and Louisianians. They use it with their meals as most people use tea and coffee. This tax on dry wine will add to the cost of living of many frugal, hard-working people in moderate circumstances. The alcoholic content of much of the light California dry wine is very small; no more, in fact, than is contained in the so-called soft drink, ginger beer. Sweet wine has an alcoholic content of not less than 14 per cent and not more than 24 per cent.

The product of the California vintage of 1912 was:

	Gallons.
Dry wines	24,000,000
Sweet wines	17,718,000
Total	41,718,000

The vintage of 1913 of both dry and sweet wines was about 42,000,000 gallons, about 25,000,000 gallons of which was dry wine and about 17,000,000 gallons sweet wine.

Nearly one-half of our vineyard acreage is planted in wine-grape vines, and the grapes are of no commercial value except to make wine. One-third of the table and of the raisin grapes have no other commercial value than a winery value.

Only the choicest clusters of picked grapes can be sold for table use and used for drying into raisins. The balance of the table and raisin grapes are sold to be made into sweet wine and brandy.

The wineries can not stand this tax. Their capitalization represents actual investment. There is no watered stock in their corporations. During the past few years dividends have been few, small, and far between. If the tax is imposed they may slightly raise the price of wine and take part of the tax out of the consumer, but they will reduce the price of grapes, and the farmer, the vineyardist, will be compelled to accept very much less than prevailing prices heretofore paid.

The wineries have the greatest part of three vintages in their cellars, and this tax may result in their making only a limited quantity of wine for years to come. They will undoubtedly buy only enough grapes at a reduced price and make only enough wine to prevent the total destruction of the vineyards or the abandonment of the largest part of the grape-growing industry of the State.

The wine grapes are ripe and ready for gathering in California. This year's crop is the largest in the history of the State, but with the exception of those previously contracted for by the wineries they are not being picked, because the wineries will not buy them pending action on this measure. After this bill has been enacted into law the wineries may buy what is left of the crop, but they will pay for them much less than the vineyardists have been used to receiving for them.

It has been stated that domestic wine can stand the tax, as very little, if any, foreign wine will be imported during the continuation of the European war, but such is not the fact. Most of our wine importations come from Spain, Portugal, Italy, and southern France, where the wine industry is not affected by the war. No champagne and no German wine will be imported during the war, but so far as we know the manufacture of wine in the other wine-producing foreign countries and districts will not be affected by the war. It will continue to be imported as heretofore, and our excessively taxed domestic wine will be compelled to compete with it in our home market.

I hope this enormous tax will not be imposed by the Congress on our grape and wine industry.

No other country, not even one of those engaged in war, has imposed such a burden of taxation on its viticultural industry.

General Legislation by the Democratic Party.

EXTENSION OF REMARKS

OF

HON. JOHN A. M. ADAIR,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 28, 1914.

Mr. ADAIR. Mr. Speaker, no political party in the history of the country ever faced such responsibilities as were faced by our party when it recently came into power. The Republican Party had been in complete control of the Government for 16 years, during which time, by legislation, special privileges had been granted which enabled the few to take an undue advantage of the many, and these grants had continued until the beneficiaries of the system looked upon them as vested rights. The people had largely lost faith in the Republican Party, and still they were not quite willing to turn the Government over to the Democratic Party, as our party was misunderstood. The people had been led to believe that Democratic success meant destruction of business, soup houses, and panics. The Democratic Party was charged with being an enemy of business, and especially of wealth. No greater falsehood was ever uttered. The Democratic Party is not now nor never has been the enemy of wealth. Our party wants every man, regardless of his financial condition, to have the same rights, the same opportunities, and the same privileges under the law, but it is now and always has been opposed to legislating a few men rich at the expense of the balance of the people. The business interests of the country need have no fear that the Democratic Party will enact any legislation that will hinder, hamper, or destroy any legitimate business industry. The Republican Party had charged us with not being capable of constructive legislation, but the first year of Wilson's administration has proven that charge to be false, for never in the history of the country was there enacted so much constructive legislation as there was during the first year of Wilson's administration.

Mr. Speaker, I have already stated that our party faced great responsibilities when it came into power. Let me call your attention to conditions as we found them and the remedies we have applied. When we came into power we found the House completely under the control of Cannonism, and in the Senate Aldrichism was supreme. I had been in Congress but a short time when I saw what we needed was more men in both branches of Congress with more loyalty and less wealth, more patriotism and less plutocracy. Men who would not forget their constituency at home and who would rather have their names enshrined in the hearts of the plain people than to have their praises sung in the countinghouses of predatory wealth. I said the House was under the control of Cannonism, and you all know what that meant. It was simply a one-man power. Under the rules the Speaker appointed all of the committees, and he placed no Member on a committee until he was certain that Member would carry out his wishes on matters of legislation; and if after a Member was placed on a committee he refused to follow the dictation of the Speaker, he was immediately removed from the committee and humiliated before his constituency. No legislation could be considered in the House or voted upon unless the Speaker was willing. In fact, the Speaker of the House was practically in control of all legislation. When we came into power the first thing we did was to destroy Cannonism. We took the power of appointing committees of the House away from the Speaker and put it in the hands of the Ways and Mean Committee, where it properly belonged. We changed the rules of the House so that it is impossible for committees to smother legislation demanded by the people. Now every Member is free to vote his judgment and conscience on any bill before the House without fear of being punished by the Speaker. In other words, the House has been taken out of the hands of a vicious system known as Cannonism and restored to the people. Over in the Senate we found 38 millionaires and a large number of near millionaires occupying seats in that body. It was charged that seats for many of them had been purchased by some of the great corporations and trusts in order that no legislation might be had that would be detrimental to their interests. The Steel Trust had its representative on the floor of the Senate; the Powder Trust had its representative also in that body, and, as everybody knows, a certain Senator represented the Woolen Trust and Cotton Trust in the Senate for 30 years. With such conditions prevailing in the Senate it was impossible for the interests of the people to receive consideration. But it is altogether different now. The election of 1910 and 1912 has largely changed the membership of both the House and the Senate, and now the demands of the people can be heard and fairly and honestly considered.

Mr. Speaker, for many years the Democratic Party had insisted upon election of United States Senators by a direct vote of the people, but as the great financial interests of the country were in control of the Republican Party it was impossible to secure such legislation. Eight years ago, when I first entered Congress, I introduced a resolution providing for a change in the Constitution making it possible to elect Senators by a direct vote of the people. Theodore Roosevelt was then President, and during the seven years he occupied the White House he never sent a message to Congress recommending the election of Senators in this way, and never did favor such a method until he fell out with President Taft and was nominated for President on a Bull Moose platform, declaring for the election of Senators by a direct vote of the people. I went before Mr. Cannon's committee to which my bill was referred and made the best effort I could to secure a favorable report, but as the Speaker of the House and the administration, as well as the Republican

boss in the Senate, were against the legislation the committee refused to report my resolution.

During President Taft's administration I again made an effort to secure the legislation; but as the President was opposed to it, and as Cannon was still in control, my bill was pigeonholed. I said to the committee that if they did not report my resolution I would remain in Congress until the Democratic Party was in control, at which time I was sure such legislation as this, demanded as it was by the people, would receive favorable consideration. I did stay in Congress, representing a Republican district, until the Democratic Party came into power and immediately reported out a resolution providing for the election of United States Senators by direct vote of the people and passed it through the House by an overwhelming majority. It is now a law, and hereafter our Senators will be elected in that way. The people had demanded this legislation for years, but they never would have gotten it had they not turned to the Democratic Party.

Mr. Speaker, for many years our party had charged that the great financial interests were contributing large sums of money in each national campaign to perpetuate the Republican Party in power, in order that the special privileges they had secured through that party might be continued. You will remember in 1904 our candidate for the Presidency, Mr. Alton B. Parker, made the charge that the trusts and combinations were contributing thousands of dollars for the election of Theodore Roosevelt. You all remember how vigorously the charge was denied by Mr. Roosevelt; but recent investigations made by Congress disclosed the fact that more than twice the amount charged by Mr. Parker as having been contributed by the "interests" to the Roosevelt campaign fund had actually been paid in to the Republican campaign committee. Our Republican friends, pretending to be in favor of honest elections, passed a law providing that campaign committees should make a report within 10 days after the election showing the amount of contributions received, who from, and how expended. But what good did such legislation as this do? What good does it do to lock the stable door after your horse is stolen? We Democrats thought the people should know before they voted who was attempting to buy the election, as well as to know who had bought it after the election was over; so we passed a law providing that candidates and campaign committees should make a report of all contributions received and expended 10 days before the election as well as after the election; and this law has had much to do with purifying our State and National elections.

For many years our party had denounced the waste and extravagance in our Government expenditures that permeated every branch of our public service and promised, if given the power, that the affairs of government should be conducted in the largest degree of efficiency and economy. The first thing we did was to wipe out all extravagances in conducting the business of the House of Representatives.

When we took control of the House we found a large number of men on the pay roll drawing salaries from $1,200 to $3,600 per year who were leeches on the Federal Treasury, and who were rendering no service whatever for the Federal Government. They were simply ward politicians, placed on the pay roll of Uncle Sam by the Republican Party to compensate them for services rendered in a political way. We immediately appointed a committee to make an investigation and report the number of employees actually needed, and when this report was made and house cleaning was over we had saved the United States Government over $100,000 a year. This useless drain on the Treasury had been going on for 16 years, and nearly $2,000,000 of the people's money had been given away to ward politicians, who had rendered no service whatever to the Government. Next, we consolidated the pension agencies scattered throughout the country and effected a saving of over $400,000 a year; and then we changed the manner of paying pensions and effected another saving of over $200,000 a year. Following this came a readjustment in all the departments of government, whereby useless and unnecessary employees were weeded out and the strictest economy put into practice. While the Government expenditures will necessarily grow larger each year, due to the new fields of operation entered into by the Government, it can be truthfully stated that hereafter, under Democratic rule, but little, if any, of the people's money will be wasted. The people are not worrying about how much money is expended for governmental purposes, but they do want to know, and have a right to expect value received for every dollar expended.

Mr. Speaker, the Republican Party had fastened upon the people a system of taxation that was not only a burden, but an outrage from every standpoint. For years and years our party had denounced the protective system as unjust and unfair, but when we did so we were charged with trying to array labor against capital, with destroying the motive power behind the wheels of industry, and with removing the foundation stone of American progress. The system was allowed to continue year after year. The people were misled and deceived, and the outrage continued, and as a result of its continuance it distorted the functions of what God intended to be a free government into tools of greed and vehicles of oppression. We saw the Woolen Trust extorting from the American people over $100,000,000 each year in excess of what would have been a fair profit on woolen goods. We saw the Cotton Trust taking out of the pockets of the people over $90,000,000 a year more than they should have taken on cotton goods; and this vast sum of money was very largely coming out of the pockets of the men employed in the mills and factories and on the farm, and much of it from the 7,000,000 working girls in the factories and behind the counters. We saw the Steel Trust piling up colossal fortunes through enormous prices charged for steel products. One member of the Steel Trust has been giving away millions of dollars each year for a number of years, and has been unable up to this time to dispose of a very large part of the tremendous profits he received through a high protective tariff. Under this system we saw the wealth of the country drifting into the hands of a few men. It was enough to alarm us when we saw 50 men owning one thirty-fifth of all the wealth of the United States, and these 50 men largely dictating and controlling the legislation of the country.

It took the Democratic Party a number of years to educate the people on the tariff question, but finally they were awakened and in 1908 demanded of all parties a revision of the tariff downward. Every political party in existence promised, if given the power, to remove this burden of high protection. The people took the Republican Party at its word and commissioned it to revise the tariff downward, but the promise of that party was violated when the Payne-Aldrich bill was passed increasing the burdens of taxation instead of diminishing them. Then it was that Mr. Taft lost his opportunity. If he had vetoed the Payne bill and sent it back to Congress, accompanied by a statement to the effect that it was not a redemption of the party pledge, it would have made him the hero of the hour, and in all probability he would have been reelected to the Presidency. But Mr. Aldrich and Mr. Cannon and a few other standpat Republicans induced him to go over the country telling the people it was the best tariff law ever enacted in the history of the country. The people knew it was a vicious piece of legislation, the press had denounced it from one end of the country to the other, and at the ballot box they answered Mr. Taft by the election of an overwhelming Democratic majority in the House of Representatives. Then the eyes of the people were turned on the Democratic Party to see what it would do. Every Democrat has a right to feel proud of the record made by our party in the redemption of our platform pledge. We immediately revised the tariff downward from an average of 97 per cent to an average of 26 per cent, making the rates highest on the luxuries of life and lowest on the necessities of life. We passed a tariff law that is indorsed by practically all of the people, regardless of party. There is plenty of protection in it for every legitimate industry, and it has not up to this time and never will close a single factory or throw a single laboring man out of employment. Our manufacturers are selling billions of dollars' worth of goods abroad in competition with the world, and time will show an increase in our foreign trade. The Underwood bill is the first tariff bill ever passed that did justice to the farmer. Heretofore the farmer has sold his products on a free-trade market and was compelled to buy the things he had to have on a protected market. This was unfair. In writing the Underwood tariff bill we made it possible for the farmer to buy on a free-trade market as well as to sell on a free-trade market. I can take the Underwood bill and convince any farmer it is the first time he has ever had a square deal, so far as tariff legislation is concerned. While the Underwood bill will not lower the price of farm products, it will reduce the cost of living to the people in the great cities to a considerable extent. It will give them cheaper clothing, cheaper shoes, cheaper stockings, cheaper wearing apparel of all kinds, and will give them cheaper food products by preventing the trusts having control of the farm products from charging outrageous prices during the winter months, when products fresh from the farm are not obtainable. In other words, it will prevent the extortion practiced by the combinations having in their possession and in cold storage food products of the farm. Our Republican friends have been trying to prejudice the farmers against our tariff bill because a few eggs and some butter was shipped from Argentina into New York City last winter.

The fact is, the cold-storage men, having in their possession all the eggs and butter of the country, raised the price to the

point of extortion, and as a result a few eggs and some butter was imported; but this did not affect the price paid to the farmer. He had already sold his butter and eggs, and therefore was not affected by the price under such conditions in New York City. I am sure every farmer in the country will rejoice in the fact that the new tariff bill makes it impossible for the trusts and combinations to rob and plunder the poor people of the great cities. Every intelligent farmer knows that the price of his product is fixed by the law of supply and demand, and as the farmers are unable to form a trust or combination and hold their products the tariff has nothing to do with the price. So far as the Underwood bill is concerned, it can not lower the price of a single farm product, but will lower the price of the things the farmer must necessarily buy. It places all kinds of agricultural implements and farm machinery on the free list. It also places on the free list boots, shoes, harness, leather goods, wire fencing of all kinds, and many other necessities purchased annually by the farmer. The leading agriculturists of the country have already indorsed the legislation and are satisfied with it. It is a complete redemption of our platform pledge and proved conclusively that our party knows how to legislate for all the people.

Mr. Speaker, the Democratic Party had been advocating for many years the enactment of an income-tax law. Under our system of taxation it frequently happened that a poor man with a large family contributed more toward the running expenses of the Government than did the millionaire who was too proud to raise a family and had no one to feed and clothe except a wife and possibly a poodle dog. It was impossible to get such legislation through the Republican Party for the reason that the wealth of the country had found shelter under the wings of that party and was contributing the money to perpetuate it in power. For years the appeal of the people for such legislation was denied; but just as soon as our party was restored to power we passed an income-tax law that will raise about $100,000,000 off of the wealth of the country to be used in paying the running expenses of our Government. In other words, we lifted this burden from the shoulders of the poor people and placed it on the shoulders of the rich, where it rightly belongs.

Prior to the election of 1910 it was charged by our Republican friends that the Democratic Party was antagonistic to pension legislation, and that if our party came into power no soldier could expect an increase of pension. Ex-Senator Beveridge went over Indiana telling soldiers that I was not sincere in my effort to secure for them better pensions; that what I was doing was done purely for political purposes; but the action of our party when placed in power showed conclusively how untruthful his statements were.

The first week of the first regular session after the House became Democratic we reported out of the Pension Committee, of which I was a member, the most liberal pension bill ever passed by Congress in the history of the country. I was placed in charge of the bill on the floor of the House, and succeeded in passing it through that body in less than one week. For 16 years the Republicans had been in control of both branches of the Government and had persistently refused relief to the old soldier, but just as soon as we were given the power we forced through Congress the most liberal bill ever enacted into law. Following the enactment of this law, I had presented to me by the commander in chief of the Grand Army of the Republic a lithograph copy of a resolution passed by the Grand Army of the Republic thanking me for what I did in securing that legislation. Under the circumstances there is every reason in the world why Union soldiers should hereafter support the Democratic Party. Many of them have been doing so, and more of them will in the future.

Mr. Speaker, in my humble opinion, the greatest legislative achievement during the past 50 years was the enactment of the new currency law, which demonstrated conclusively that our party is capable of constructive legislation. For 30 years our currency system had been looked upon as a mere patchwork, and in fact was the laughingstock of the world. The necessity for the change was admitted by all. Investigations had been made and discussions had, but nothing in the way of action resulted. The old system was satisfactory to the moneyed interests of the country who were in complete control. These interests had been putting up the money to finance the Republican campaigns, and that party had paid them back by depositing millions of money in the great banks of Wall Street without charging the banks any interest. When I first came to Congress, several years ago, I introduced a bill requiring national banks to pay 2 per cent interest on Government funds. It was being paid on township, county, and State funds, and I could see no reason why it should not be paid on Government funds. I tried to get an indorsement of my bill from the Secretary of the Treasury under the Roosevelt administration, and again from the Secretary of the Treasury under the Taft administration, but was unable to do so, as neither of the Secretaries were willing to charge the banks of Wall Street any interest upon such deposits. I made an investigation of the matter, and I found if national banks had paid 2 per cent interest on Government funds during the past 25 years, that it would have amounted to $36,000,000, and this vast sum of money was actually given away by the Republican Party for the campaign contributions received from these big banks. When the Wilson administration came in I was going to reintroduce my bill, but was informed by the Treasury Department that the Secretary of the Treasury had the right to fix the conditions on which these deposits might be received, and soon thereafter the Secretary of the Treasury issued an order that national banks having on deposit Government funds should pay interest, and they are now paying it; and it is amounting to something like a million dollars a year. Who would have thought that any party, in order that it might receive large campaign contributions, would have given away millions of dollars of the people's money? President Wilson insisted that currency legislation should follow the enactment of the new tariff law, not alone because it was a pledge of our party, but because there was real need for it. Under the old system we had witnessed the power used and held by the great banks of the East in manipulating the money market, fixing interest rates, largely controlling the prices of farm and factory products, and bringing on panics when it suited the Wall Street crowd to do so. No such condition will ever again arise under the new law. The control of money and the fixing of interest rates have been taken out of the hands of the big banks and placed in the hands of the people, where it properly belongs. The enactment of this law sounds the death knell of the Money Trust, and means no more financial panics. It makes it impossible for the frenzied financiers of Wall Street to ever again concentrate the money of the country in that city. It extends a helping hand to the farmer while protecting fully the interests of the business man and the banker. It makes it possible for your local banks to secure money to loan to legitimate business in order that the wheels of industry may not be stopped, and that business may be carried on for the benefit of those engaged in it, as well as for the benefit of the general public. It is legislation that will bring great good to all the people, and wipes out for all time to come every form of special privilege, so far as our banking and currency system is concerned.

Mr. Speaker, if I had the time I should like to take up other achievements of the Wilson administration. I should like to speak of the system of parcel post we have established, which has been a remarkable success. It has made the Post Office Department self-supporting and has saved the people millions of dollars by reason of cheaper transportation. I should like to present to you in detail the 21 bills passed in the interest of labor, which have given to workingmen the protection they deserve and have filled their hearts with gratitude for the Democratic Party. I should like to present to you the splendid results to be obtained through the Lever bill for farm-extension work and review in a general way the separate legislative acts we have passed directly in the interest of agriculture. I should like to discuss the antitrust laws we have just passed, which will protect the people from the extortion practiced by giant monopolies and combinations. I should like to remind you of the President's policy of "watchful waiting," which has resulted in peace between the United States and Mexico and saved to the American people millions of money and the lives of thousands of our American boys. I should like to speak of the successful fight President Wilson made against the Wall Street Money Trust, which resulted in preventing a disastrous panic. I should like to go into detail and show how the lobby was eliminated from the Halls of Congress and seat of government through the exposures made by President Wilson. I should like to speak of the peace program of Secretary of State Bryan, who has negotiated treaties embodying the principle of "postponement" as an integral feature of international law, which treaties have been accepted by more than 30 Governments, more than two-thirds of the whole number in existence. I should like to speak of the work of this administration resulting in the voluntary breaking up of interlocking directorates, which all admit have been the backbone of the trust system. I should like to speak of the Alaskan railway bill, which was an administration measure, and will result in making Alaska one of the most productive and prosperous northern countries of the world. There are many other achievements of this administration I would like to speak of, but I shall not take the time.

Mr. Speaker, the splendid work our party has done should inspire us with new zeal to press forward in our fight for the

rights of the people. Let us as Democrats continue to stand for equal and exact justice to all men and oppose special privilege in every form. Let us see that every man has a square deal and an equal opportunity under the law. Not many years ago we frequently heard members of our party speak of themselves as Jackson Democrats, Cleveland Democrats, Bryan Democrats, gold Democrats, and silver Democrats, but now, thank God, we are all just plain Democrats, united as we never have been before, standing together shoulder to shoulder with Woodrow Wilson, fighting the battles of the people. Let us hope this happy condition will continue for the good of humanity, for the good of the country, and for the cause of constitutional liberty throughout the world, until the nations of the earth, hearkening to the American drumbeat, under one language, one liberty, and one God, shall march down the pathway of time into the dawn of the millennial day.

War Tax.

EXTENSION OF REMARKS

OF

HON. JAMES A. FREAR,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. FREAR. Mr. Speaker, the question before the House is, briefly, Shall a war tax of $100,000,000 be passed largely to pay for a scandalous $53,000,000 pork-barrel bill? Why pass a vicious bill that has been riddled here and in the Senate? Why tax Wisconsin $5,000,000 annually in order to pour floods of money into southern creeks and rivers, where navigation is a joke? Why give the enormous sum of $53,000,000 in cash, $33,000,000 in new projects, and $7,000,000 through the sundry civil bill, amounting in all to $93,000,000, principally to States south of the Ohio River, that furnish less than 10 per cent of the total water traffic?

Why tax Wisconsin, Illinois, Indiana, Ohio, and Pennsylvania approximately one-quarter of the total amount in order to turn an unprecedented pork barrel into 50 creeks and insignificant harbors of North Carolina and Florida and into many other wasteful projects elsewhere?

If the pork-barrel bill of $53,000,000 is defeated or reduced, why collect $100,000,000 war tax to cover an expenditure that is not to be made? Why tax the people to pay for a pork barrel, anyway? Why waste public money? The river and harbor bill follows the war-tax bill in the House. Both bills are wrong in principle.

In his message of September 4 recommending a war tax the President said that the people of the country are intelligent and profoundly patriotic. Irrespective of partisanship, Representatives upon this floor have supported the President whenever it has been possible to do so. We have witnessed patriotism before partisanship on many occasions during the present session. By our support of the currency bill, from which Republican committee members were excluded during the preparation; by our support of a Mexican policy, which bristled with dangerous possibilities; by our support of antitrust measures and other important legislation Members on this side of the aisle have patriotically supported the President whenever it was believed for the best interest of the country to do so.

We opposed to a man the unscientific, sectional Underwood tariff bill that discriminated against the vast agricultural interests of the North; that closed up sugar factories all over the country and will cut off over $50,000,000 annually in sugar tariff revenues alone. That tariff bill has not reduced the price of sugar or the high cost of living, but, on the contrary, it provides insufficient revenues and disappoints its supporters, as was inevitable.

We have opposed caucus rule that governs the entire legislative program of the Democratic majority, and I hope we will patriotically oppose the ill-advised proposition advanced for the first time in the history of the country to levy a war tax in times of peace in order to cover wasteful and extravagant expenditures.

The President asks for a war tax to raise $100,000,000 annually. For what? Administration leaders say it is to cover past and future appropriations that have been made or are to be made. It is profitless to denounce responsibility for a deficit that will be caused by $50,000,000 lost in revenue receipts from sugar alone; and yet the country should know just why this tax is to be levied.

A tremendous increase in Government expenditures under the present Democratic administration has been caused by wasteful appropriations. Statements submitted by the Appropriations Committee to the House show that increase during the last three years to be as follows:

1913	$988,353,340
1914	1,057,605,694
1915	1,089,408,777

Within two years the party that came into power through denunciation of Republican extravagance now admits its own wasteful extravagance to the extent of $101,055,437 annually beyond appropriations made for the last Republican administration.

I listened to the able Democratic leader, Mr. FITZGERALD, chairman of the Appropriations Committee, when he said on this floor:

> Whenever I think of the horrible mess I shall be called upon to present to the country on behalf of the Democratic Party I am tempted to quit my place. * * * Our Democratic colleagues have not given support to us thus far during this session of Congress. They have voted against recommendations they should not have voted against; they have unnecessarily piled up public expenditures until the Democratic Party is becoming a laughingstock of the country.

These words of condemnation from a qualified judge—and a Democrat—explain why over $100,000,000 in extra burdens will be saddled onto the country.

It is now proposed to levy a war tax of $100,000,000, to include a pending pork-barrel bill, largely built for southern projects; projects so scandalous that the bill has been condemned all over the country, both North and South.

Upon September 9 in the Senate the Senator from Utah, a recognized tariff authority, estimated a future shortage in the Treasury arising from tariff losses due to the European war of fifty or sixty millions of dollars a year. If the $53,000,000 pork barrel is passed, that will cover this shortage, which is included in estimates at its full amount. How can we save that money and avoid a tax? The rivers and harbors bill passed the Senate for $20,000,000. Why not reduce the war tax $33,000,000 or for the full sum of $53,000,000?

On the 30th of June, 1914, the unexpended appropriation for rivers and harbors amounted to $45,338,653. In addition to this amount, $6,990,000 was appropriated in 1914 through the sundry civil bill, so that over $52,000,000 in available appropriations is waiting to be spent on good, bad, or indifferent river and harbor projects all over the country.

By spending $52,000,000 now available for river improvements and defeating the pending bill of $53,000,000 a deficit of $50,000,000 in tariff receipts will be avoided and a war tax in time of peace will be unnecessary. That is a plain business proposition. Drop the 1914 pork barrel.

Let us economize and, if need be, pass a small emergency fund in addition to the $52,000,000, which is twelve times the amount spent in former years, when river traffic was at its height. Let us provide for meritorious river and harbor projects of the country, but let us save millions of dollars from the twenty-odd crooked creeks of North Carolina found in the bill and scores of other crooked creeks in Florida, Georgia, Texas, and other States. Let us save part of the $9,000,000 that is to go into a questionable $60,000,000 lower Mississippi River land reclamation project; also $2,000,000 that is a part of a $20,000,000 Missouri River project, although it has been demonstrated Missouri River commerce will cost the Government over $150 per ton. Let us save $2,250,000 in the 1914 bill which provides that amount as a payment on a $20,000,000 bankrupt Delaware & Chesapeake Canal scheme. Let us save on the Tennessee, the Cumberland, the Coosa, and scores of other wasteful projects that reach into many millions.

Let us economize in earnest by stopping this shameful waste of money, money which must be raised, if at all, by compelling the people of my State and of every other State to pay a heavy war tax for a river and harbor pork barrel.

If the pork barrel must go through, if we have lost all sense of economy and legislative responsibility, then let us postpone for a brief time the building of an Alaskan railway or the inauguration of big highway expenditures. Let us economize and avoid the war tax.

Facing all the mistakes of an unscientific tariff reduction, we may yet prevent a direct war tax of $100,000,000 by practicing economy.

For five days in the House I exposed wasteful items in the pork-barrel bill. The people now are aroused to the wickedness

of the bill. It would never stand for a moment if it did not mix good projects with bad ones, but the people have a right to demand that bad projects be struck out, that the unexpended appropriations be used, and that a war tax be avoided.

Where are the professions of the Democratic platform promising economy? How do they square with $60,000,000 for rivers and harbors and $32,000,000 for new projects, which, added to the $52,000,000 now available, makes $137,000,000 proposed in cash or new obligations in 1914 for rivers and harbors? Is not it wasteful beyond parallel? Compare it with the old days when actual river traffic existed, when river and harbor bills rarely exceeded $10,000,000 annually. Every legitimate waterway interest would be amply covered by $52,000,000 now available. Why rock the boat?

I desire to be patriotic. I desire to support the President's wish whenever it is based on sound reasoning, but a Congress that has placed $101,055,437 extra burden upon the people within the past two years will perform a patriotic service to the country by defeating such wasteful expenditures. Let us throw the barrel overboard and save the ship.

The people are patriotic and intelligent, as the President well says, and they are patient and indulgent when they believe they are being well governed, but the responsibility for wastefulness lies primarily with Congress, and extravagance will not be forgiven if it is to be covered by a war tax which places an average burden of $1 on the shoulders of every man, woman, and child in the country.

Does any Member or any citizen doubt the sentiment of the country as to the 1914 river and harbor bill? Extracts from some of the leading papers, taken from hundreds which have come to my hands, are significant.

The Philadelphia Inquirer said editorially on September 16:

> Gaily the debate over the thieves' bill, politely known as the rivers and harbors appropriations, goes on in the Senate. Having cut out appropriations of genuine merit to serve the interests of southern statesmen, it is interesting to watch the antics of our southern friends in their efforts to defend the great steal. * * * The South is in the saddle sure enough.

The Chicago Tribune of September 10 says:

> If the rivers and harbors appropriations were 50 per cent pure they would be opposed by uncompromising Congressmen determined that filching should not have recognized place in the process of Government. Until the question of internal improvement can be taken up honestly by Congress these bills ought to be opposed.

To the same effect are scores of papers at hand, including the Detroit News, the Christian Science Monitor, the Milwaukee Free Press, the Milwaukee Sentinel, and the Washington Herald, which says "There's that $53,000,000 river and harbor bill, most of which is admitted to be sheer 'pork.'" That waste should be stopped where it is. If the Democratic majority in Congress lacks the nerve to stop it, the President should veto it. The whole country would applaud.

I could quote from the Washington Times, New York Sun, the Press, the Times, the Philadelphia Press, Cleveland Plain Dealer, and innumerable papers that ask Congress to swat the barrel.

Collier's National Magazine, La Follette's, Pierson's, Chappel's, World's Work, Saturday Evening Post, Harper's, and other periodicals have had strong editorial utterances on the subject. Many of these journals have had commendatory words regarding my own efforts in helping to start the fight, for which I am grateful, because it has been an unpleasant duty to perform. Yet it is a just fight, and when we consider the scandalous character of the pork barrel and understand that $52,000,000 is now available for waterways improvement, and that a Democratic Congress is demanding a war tax to cover an additional $53,000,000 pork barrel, it is time for hypocritical cant about Democratic economy to take to the woods and avoid the wrath to come. The people are patient and long-suffering, they respect the President, but no Democrat can look with favor upon a Democratic Congress which robs the people through a war tax in order to distribute political pork over the country, three-fourths of which goes to the South, to be paid largely by the North. Sectionalism is a matter of regret, but we only stultify ourselves when we wink at fraud, and the 1914 pork barrel is the worst fraud that has ever tried to roll through Congress.

Let us use the $52,000,000 now available, defeat the pork barrel, and avoid a burdensome war tax. If the tax measure is passed by Congress in the face of these facts let full responsibility fall upon the shoulders of the party that has rolled up unprecedented and extravagant burdens during its brief period of public service.

The Democratic Party and Its Labor Legislation Record.

EXTENSION OF REMARKS

OF

HON. CYRUS CLINE,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, September 23, 1914,

Mr. CLINE. Mr. Speaker, it has been said that labor-union men do not enter into politics. Theoretically, that may be true; practically, it is not true and should not be. It is the duty of every man to associate himself with that party that stands for the principles in which he believes and desires to see enacted into law. The Democratic Party in its last two platforms has taken a firm and decided stand upon questions affecting labor. It stated what it would do if intrusted with power and it has redeemed its promises. The last two Congresses have been democratic. They have given to labor, both organized and unorganized, all the recognition and legislation labor has had. In the 16 years the Republican Party was in power it not only failed to legislate on important labor subjects but it organized its committees of the House, notably the Judiciary and Labor Committees, so that no legislation could be reported out of those committees.

I desire to recite a few things that the Democratic Congress has done to ameliorate and better the condition of the laboring man:

First. It constituted an 8-hour day a lawful day's labor for all work done for the Government as well as all work done by the Government.

Second. Congress passed a bill making the eight-hour law apply to a great number of men employed in dredging rivers and harbors and doing fortification work. The Supreme Court has declared that men performing this labor were not laborers and mechanics but seamen.

Third. The fortification appropriation bill contained a provision applying the eight-hour law to those engaged in the manufacture of powder and ordnance.

Fourth. The eight-hour bill applies to post-office clerks and city mail carriers.

Fifth. In the military and naval appropriation bills we applied the eight-hour law to all work on naval construction.

Sixth. The Children's Bureau is a Democratic creation designed to promote the health and intelligence of those persons who will come to-morrow to administer the Government. One feature of the bureau is to put an end to child labor and liberate the child from those conditions that dwarf both the mind and the body.

Seventh. The Democratic Party created the Department of Labor, with a Secretary to be a member of the President's Cabinet, to help shape these policies that shall best protect and promote the interests of the laboring classes. The Secretary of Labor has the power of mediation in disputes between labor and capital and the lawful authority to appoint conciliators in cases where, in his judgment, it is wise to do so.

Eighth. The industrial commission bill, providing for the investigation of all disputes between the employer and the employee.

Ninth. The seamen's bill, to give freedom to the seamen, provides skilled seamanship, and equalizes operating expenses of foreign with American vessels.

Tenth. Denying interstate commerce to convict-made goods unless the goods are branded according to the law of the State into which the goods are shipped, that the purchaser may be advised as to the character and make of the goods. This is done that unfair competition with free labor may be broken up.

Eleventh. The abolition of the gag rule that, through the Executive order of Presidents Roosevelt and Taft, prohibited the employees of the Post Office Department from presenting their grievances to Congress under penalty of being subjected to discharge. Under the Executive order the absurd condition imposed was that an employee could not take his or her grievance to a Member of Congress unless it had the "O. K." of the superior officer. In all probability the superior officer may have been responsible for the grievance.

Twelfth. The Democratic Party passed the phosphorus-match bill to protect the worker in the match industry from the injury known as phossy-jaw.

Thirteenth. We provided a compensation-for-injury act to apply to employees in the Bureau of Mines when in demonstration and other dangerous work.

Fourteenth. The naval appropriation bill contains a provision that all coal mined for use in the Navy shall be made under the eight-hour law.

Fifteenth. The anti-injunction bill to protect workingmen when a dispute arises between employer and employee in a square deal with the employer before the courts. Federal judges have assumed an autocratic power not in harmony with our institutions in issuing injunctions and restraining orders. We denounce the usurpation of such power and its application to labor bodies and farmers' organizations when the Sherman antitrust law never contemplated that its provisions should apply to those classes.

Sixteenth. We also passed a bill to provide for trial by jury where the defendant was charged with indirect contempt. This is the American doctrine. No man charged with an offense criminal in its nature ought to be denied a trial by jury.

Seventeenth. We passed recently the Clayton bill amending the Sherman antitrust law wherein we distinctly provide that the law shall not apply to labor unions and farmers' organizations not organized for profit on a stock basis. It is the object of the Democratic Party to protect the rights of property and the liberty of the citizen. Undoubtedly this act is the most significant piece of labor legislation enacted in this or any country.

The discussion of the Sherman law with relation to labor usually proceeds from a false premise. Originally, the Sherman law dealt with commercial property—not men. It sought to prohibit men who entered into a corporate capacity in commercial transaction from destroying lawful competition in trade, controlling prices, and operating in restraint of trade. So well was the object and purpose of this legislation understood by its promoters in its inception that evidence is abundant to show that it was not presumed to include labor unions and farmers' organizations. The historical fact is the great corporate bodies, fortressed by unlimited capital, covering wide stretches of territory and employing many thousands of men, were then in the infancy of their development, but sufficiently dangerous to demand restrictive legislation. Labor unions and farmers' organizations were likewise in their infancy.

The purpose of the Sherman Act was to liberate commerce and commercial transactions from the grip of greedy men. The Sherman law was confined to articles of trade and exchange, and rightfully so. No man understands now or understood then that labor is a commercial product that you could go into the market and buy and sell. We only sell the product of labor, not labor itself. So no man or set of men can "corner" it, restrict it, or control it so as to operate it as a limitation on production or as a restraint upon trade. I voted to exempt labor organizations and farmers' organizations from the operation of the Sherman law. I believed it was the correct and proper thing to do. Let me give you a reason for doing so. Labor is the most important and necessary element of our social and economic life. It invests the finished product of the factory, the mine, and the wide diversity of our commercial industries with 50 to 80 per cent of their value. The potential power of labor is the greatest asset in our national development. Our unlimited field of natural wealth is waiting for the genius of labor. The basis of all national happiness and the enjoyment of property lies in extending to the laborer the largest liberty. Civilization moves upward as you enlighten and thereby strengthen labor and share with it its proper proportion of the wealth it creates. This age of progress will be preserved so long as you keep in mind the equitable division of the profits that the worker produces. Capital enters into combination for its mutual protection and profit. It has a right to do so under certain well-defined limitations. Against such combinations the worker enters into organization to protect his capital, his labor, increase his wages, and shorten his hours. Why should not the same rights be accorded labor that are accorded to capital? The Clayton bill simply makes definite the original purpose of the act. No man would deny the right of the laboring man to organize to benefit his condition. If he may organize, he may exercise certain rights and powers that make effectual the organization, else the mere act of organizing would be an absurdity. I would not indorse any legislation eliminating the laboring man or any other citizen from the operation of the criminal statute in the destruction of life or injury to property. This is a Government of law, not of license. Equality before the law is the genesis of free and enduring government.

In addition to the direct labor legislation that I have invited your attention to somewhat in detail, we have passed many other important measures of great benefit to the laboring classes, among which are the following:

First. A bill providing for direct election of United States Senators.

Second. A bill revising the tariff downward that carries an average rate of duties of 100 per cent to an average rate of 25 per cent duties. This legislation is a companion to the antitrust legislation that will result, when business conditions have been properly adjusted, to lowering the cost of the necessaries of life.

Third. A bill providing for a parcel-post system that has saved the people over that paid formerly to express companies within one year nearly nine millions of dollars.

Fourth. We have enacted a new banking law that takes the control of our money affairs out of Wall Street banks and distributes the money throughout the country, keeps it in channels of trade where it belongs. Nothing so militates against the steady employment of labor as the evil manipulation of our currency.

Fifth. We have enacted an income-tax law that, following the Democratic doctrine, takes $100,000,000 of taxation from necessities that the common people must have and places the taxation where it belongs, to wit, on those best able to bear it.

This legislation is Democratic legislation; reported from Democratic committees and enacted into law by the Democratic Congress. I challenge any Republican to show where his party is entitled to credit for originating and passing a single act of importance to relieve the laboring man. The laboring man ought to stay with his friends. Not an act enumerated but what has received my support and vote. The laboring man who wants to reenact the Payne-Aldrich tariff bill ought to vote the Republican ticket. I am opposed to it. The laboring man who wants to submit himself and his fellow-workers to midnight injunctions again ought to vote the Republican ticket. I am opposed to them. The laboring man who wants to repeal the income tax on wealth that pays a hundred million of taxes and pay his share of it himself ought to vote the Republican ticket. I will not support such legislation. The laboring man who is opposed to the parcel-post law ought to vote the Republican ticket. I am in favor of the law. The laboring man who wants an unlimited foreign immigration to come to our shores and compete for the job he has ought to vote the Republican ticket. I want to restrict immigration. On the contrary, the laboring man who wants to correct the evils of Republican legislation, who wants to maintain equality of opportunity for himself and his children in the race of life, ought to vote the Democratic ticket. That is the cardinal doctrine of the Democratic Party.

Emergency Revenue Legislation.

EXTENSION OF REMARKS

OF

HON. ANDERSON H. WALTERS,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. WALTERS. Mr. Speaker, in opposing the passage of the so-called war-tax bill I desire to direct attention to a phase of the processes of legislation, not confined to this measure alone, but which characterizes every bill of importance considered in the House. Members of the House have been in receipt of protests from various trade and business organizations, corporations, and individuals against levying taxes on the products of their business, on their resources, or on their incomes. No fault can properly be found with the great majority of these communications, but it is of interest to note the methods in vogue by business men and others to secure an influence with and in the Congress. In a late primary campaign in Pennsylvania the following was issued:

[Independent Brewing Co. of Pittsburgh; capacity, 1,200,000 barrels; general offices, twenty-third floor, First National Bank Building, Pittsburgh, Pa.; Walter P. Hansell, president; C. H. Friend, vice president; James P. Mulvihill, vice president and sales manager; H. C. Baxmeier, secretary; Charles E. Succop, treasurer. Breweries: Duquesne, American, D. Lutz & Son, Chartiers Valley, First National, Homestead, Hill Top, Home, Globe, Charleroi, Monessen, New Kensington, Loyalhanna, Anderton, Butler.]

To our stockholders:

In view of the strenuous campaign being carried on by the Anti-Saloon League, kindred organizations and their followers, aiming to enact sumptuary legislation in our State, and the effect such legislation would have on the value of brewing investments, it is absolutely

necessary, in order to properly protect your interests, that you become active in the campaign.

We therefore solicit your cooperation and influence in behalf of the candidacies of the Hon. BOIES PENROSE for United States Senator and Messrs. Thomas S. Crago, M. M. Garland, A. J. Logan, and John R. K. Scott for Congressmen at large, as well as for the local congressional, State senatorial, and State legislative district candidates, as shown on the folders inclosed herewith.

We have no hesitancy in indorsing all of these candidates for the respective offices named, and believe that your holdings will not suffer in any manner in the event of their election, as they are broad-gauged, liberal-minded men, who can be depended upon to treat your interests fairly in all legislative matters.

Respectfully, yours,

INDEPENDENT BREWING CO.,
WALTER P. HANSELL.

River and Harbor Bill.

EXTENSION OF REMARKS
OF
HON. STEPHEN M. SPARKMAN,
OF FLORIDA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 21, 1914.

Mr. SPARKMAN. Mr. Speaker, in view of the full and lengthy discussion of the rivers and harbors bill now in the Senate, when that measure was before the House I had supposed that it would be unnecessary for me or anyone else favoring it when here to again speak in its defense, nor do I know that such a course is necessary now; indeed, I am inclined to believe it is not. But in view of criticisms since made here and elsewhere I shall ask the indulgence of the House while I refer to some of them, together with the policy we have been pursuing for many years and are yet pursuing toward the improvement of our navigable waterways.

These critics of rivers and harbors bills are not the first who have arisen, nor will they be the last. Others have occupied the same field before them, have gone over the same ground, and others will follow them. Then, too, with an occasional exception, they are of one class here—new Members—the origin of their criticism in most cases being likewise the same—lack of information as to the importance and nature of the work to be done. The new Member, coming fresh from other fields of endeavor, in which he has not had the opportunity or time to study and familiarize himself with the great transportation problems of the country and the important bearing our navigable waterways have upon the just and proper solution of these problems, is inclined to fall into the error of supposing that this class of governmental work is unnecessary and a wasteful use of the public revenues. Service here, however, for a few terms, followed by the study of those questions, eventually works a change in the views of such critics and they come to understand the importance of the appropriations Congress has been making for the improvement of our rivers and harbors. They come to know what a large majority of the people already know—that every dollar of their money judiciously expended in that way comes back multiplied many times in cheaper freight rates, in increased transportation facilities, and in the stimulus given to productive energy resulting in the more rapid development of the great and varied resources of our country. They learn, too, what the people already know—that while mistakes may and do occur both in engineering and in the selection of projects for approval by Congress, these are few and unavoidable in an undertaking so great as the improvement of hundreds of harbors on ocean, gulf, and lake and of more than 25,000 miles of navigable rivers and canals. They also learn that the rivers and harbors bills are not "pork-barrel" affairs nor the result of logrolling practices; that the Members of Congress, sent here by honest constituencies, are honest and honorable men who would not and do not stoop to the reprehensible practice of bartering the public money for votes in the legislative halls, whether House or Senate. All these things are soon learned, and the one-time critic gives way to some newer Member or Members, who in turn learn the same lessons as the days go by.

Now, I do not wish to be understood as objecting to honest and fair criticism, for no harm can be done, while good may be accomplished thereby. If a measure like a river and harbor bill is defective, it ought to be criticized and the defects pointed out in order that they may be corrected. If it is a proper measure, analysis and fair criticism will not hurt it.

Those of the national legislators who have found fault with the pending river and harbor bill are not numerous—only two or three in the House and as many perhaps in a coordinate body. Of these last, however, I will not speak, nor will I take note of their criticisms.

While objection has been raised here to the size of the bill the weight of the criticisms have fallen on individual items. The gentleman from Wisconsin [Mr. FREAR], for instance, after pointing out what he thought were many vicious items in the measure when it was before the House, some days after its passage through that body printed in the RECORD of April 10 last an extended and what I presume was designed to be a complete and exhaustive statement of all his objections to the bill. In this statement, containing some 22 pages of the CONGRESSIONAL RECORD, he specifies, in his charge of logrolling and waste, a little more than 2 dozen items—26 items to be exact—out of 301 projects in the bill as it left the House. These items are, however, too many by 26 if his denunciation of them is well founded, for, that being true, they should not be in that or any other measure. To be sure, he denounces as a fraud and a criminal waste of public money 90 per cent of the bill, yet only specifies the projects I have mentioned. Of these, 18 call for expenditures aggregating the relatively small sum of $1,179,669, and yet the waterways to be improved by this expenditure have a commerce of more than 3,000,000 tons. Of course some of these waterways carry a greater tonnage than others, but each is an important artery of trade judged by the chief test of merit, that of commerce to be benefited, present and prospective. These 26 streams are all on the Atlantic and are located in the States of New Jersey, Delaware, Maryland, Virginia, North Carolina, and Florida. True, there are others referred to by him, but they are all large projects, or relatively so, and none, I believe, except the upper Mississippi north of the Ohio River.

Time will not admit of a specific reference to all these waterways, nor of a detailed answer to the criticisms he makes of their treatment in the pending bill. Two of them, however, the Oklawaha and Kissimmee Rivers, being in the State which I have the honor of representing here, I shall take the liberty of noticing and of dealing at some length with his criticisms of the projects submitted for their improvement.

When the gentleman strikes these two waterways he is particularly caustic and severe, characterizing the adoption of the Oklawaha River project as a crooked game, filching money from the Treasury for the benefit not of commerce but to develop water power for the benefit of one J. D. Young.

Now, first, I want to deny with all the emphasis at my command that the improvement is to develop water power for J. D. Young or anyone else, for it has absolutely no foundation in fact, as a study of the report will show. The gentleman was kind enough to refer to a certain portion of the engineer's report as proof of his assertion, and yet a reference to this particular paragraph contradicts the charge he makes, for it is there shown that it is not proposed by this improvement to develop any water power whatever. That portion of the paragraph which is found in the district officer's report, page 19, is as follows:

> A small amount of water power could be developed at the proposed dams at the lower end of the Kyle & Young Canal and at Moss Bluff. The fall at these dams would be 7 feet 6 inches and 11 feet, respectively. The amount of water available is 124 cubic feet per second. I do not believe that any plan for the development of this power could be coordinated with a plan for the improvement of the river in the interest of navigation, in view of the very small amount of power that could be developed.

True, in another part of the report a suggestion is made that by certain changes in the plan outlined large bodies of land could be drained. The chief, however, advises against this for the present, but recommends that the Secretary of War be given authority in the future to make such modifications of the project submitted as may be approved by the Chief of Engineers and as may be necessary to provide for land drainage and reclamation as well as for navigation, the work, however, not to be undertaken until local interests shall have deposited with the Secretary of War an amount equal to the estimated cost of such improvements, meaning improvements exclusively in the interest of drainage and reclamation.

So it will be seen that the improvement recommended and to be made by the Government is solely for the purpose of navigation, and that if any drainage plan is undertaken later the parties benefited are to pay for the same to the last cent. Hence I say it is purely a navigation project and one, too, of great merit. As to that let us see.

The river rises and for a part of its course runs through the lake region of the middle peninsula of Florida, one of the citrus fruit growing sections of the State; thence for a greater part of the remaining distance, through thousands of acres of the finest truck and farming land in the world. Tributary to this river and entirely dependent upon it for water transportation are not only large areas of heavily timbered land, together

with a farming section second to none in the State, but also the flourishing towns of Ocala, Leesburg, Eustis, Umatilla, Tavares, and numerous others, containing or surrounded by more than 50,000 inhabitants, the most of them following the various industrial pursuits incident to a progressive people engaged in the development of a State with perhaps a greater variety of resources than any other in the Union. There are also large kaolin and infusorial earth deposits along this waterway, with an output of upward of 40 carloads of the former product per day or, say, 60,000 tons now being shipped by rail at figures making the margin of profit small and greatly crippling the industry, all of which, together with a hundred thousand tons of the latter per annum, could and no doubt would use the river if it were improved as contemplated.

The improvement would not only furnish a navigable channel of more than 90 miles, but would connect several large lakes with a perimeter of 125 miles, thus making the entire shore line of the waterway at least 215 miles. As bearing to some extent upon conditions there and the resources of the country adjacent to the river, I quote from Capt. (now Maj.) Slattery's report on the project the following:

> Most of the land on the banks of the lakes is susceptible to cultivation, and the adjacent land is high and rolling and favorably situated for orange groves, truck farms, and picturesque building sites. The citizens are enterprising and enthusiastic in regard to the development of the locality. Many miles of hard-surfaced road have been constructed, and the citizens of Leesburg authorized the bonding of the town for the construction of a canal through the town to connect Lakes Harris and Griffin, between which the town lies, and the limits of which extend from lake to lake. A length of 2,350 feet of this canal has been excavated from Lake Griffin and 2,140 feet from Lake Harris, leaving 3,400 feet still to be excavated, which includes a new alignment of the portion of the canal from Lake Harris. The right of way for this canal and wharfage space at the basin, I am informed, has been acquired by the municipality.

And I may add that this canal is to be turned over to the Government free of cost, and will become a part of the waterway. There was formerly a large commerce on this river, which finally diminished in volume owing to the fact that the channel was not kept in repair and with such depth of water as would warrant its free and constant use, but there is, even now, under all the difficulties attending the navigation of the stream, a respectable traffic of upward of a hundred thousand tons per annum, as shown by the latest reports. This tonnage, when the navigation of the upper river is improved as contemplated through that magnificent region, with its numerous and valuable products of forest and mine, of orchard and grove, of farm and garden, will largely increase. What is especially significent in that connection is the estimate, a conservative one, too, it would appear, made by the engineers that a saving in the transportation of freight, mostly by water, will be made of at least $600,000 per year; but if half that is saved, the people of this country will in two and one-half years get back more than the entire cost of the improvement, for not only would the shippers be benefited by such saving, but the consumers as well.

Moreover, this improvement is intended to form a part of the waterway across Florida from the Atlantic to the Gulf whenever that waterway is constructed in its entirety. Such a proposition has recently been under consideration by the engineers, but while reporting against the immediate construction of a canal across the State, they find that the route embracing the present Oklawaha River with the proposed improvement would be the best whenever the canal is constructed, which it is thought will be desirable in the not distant future. This proposed use of the waterway would abundantly justify the improvement if the other great advantages mentioned were eliminated.

Certainly a work promising so much by way of benefit to general as well as local commerce is abundantly justified, and its adoption should not be characterized as a steal or the filching of money from the United States Treasury.

The gentleman from Wisconsin is equally unfair and equally wide of the mark when he comes to deal with the Kissimmee River, which he characterizes as a creek, dry eight months in the year, the improvement of which, according to his more or less solemn asseveration, is a real estate scheme worked in the interest of an ex-Member of Congress. He winds up his tirade—I can not characterize it otherwise—against this unfortunate and unoffending object of his wrath with an illustration which he no doubt thinks apt and by which he would liken his colleagues on this floor to cracksmen and horse thieves.

Now, Mr. Speaker, there is nothing in this project to justify this characterization, for it is a highly meritorious proposition, one for the benefit of commerce, and for the especial benefit of no individual or scheme. That river, which he prefers to call a creek, like the Oklawaha, rises in and runs partly through one of Florida's many lake regions and partly through a fertile prairie country from 10 to 30 miles wide. It has its source in Lake Tohopekaliga, on which the thriving city of Kissimmee is located, and flows for a distance of 137 miles into Lake Okechobee, which has a natural outlet through the Caloosahatchee River to the Gulf and through two or three drainage canals constructed by the State into the Atlantic. The purpose of the improvement is not only to furnish increased transportation facilities for the people and products near the stream to and from its source at Kissimmee, but also to open up a navigable waterway from its mouth in Lake Okechobee, 150 miles from the Gulf and almost the same distance to the Atlantic, the whole when completed to give a continuous navigation from Kissimmee 250 miles to the Gulf and about 220 miles to the Atlantic. This, too, at a first cost of only $47,000.

There being no railroads through that section, the river furnishes the only means of transportation the people there have. At ordinary low water the stream has only 2 feet of available depth, but even in its lowest stages it is not dry eight months in the year, as the gentleman asserts, nor is it dry during any period, short or long, but is navigable and is navigated by boats carrying freight and passengers the year round.

True, Mr. Speaker, navigation is difficult there when the water is low; but in face of these difficulties few, if any, streams in the country can show a more healthy or a more satisfactory commercial growth. From 1909 to 1912 its freight tonnage grew from 10,000 tons to 71,000 tons, an increase in three years of more than 700 per cent, the commerce consisting of such items as bricks, lumber, building material, fertilizers, fish, grain, oranges and other fruits, vegetables, groceries, and general merchandise. One of the engineers, calling attention to this remarkable increase, in a recent report states that it is due to general prosperity, and particularly to an increase in the fruit and vegetable output, which are staple products of that section, and products, too, in which the entire country is interested. Just here a pertinent question would be, If the increase of traffic has been so rapid under the adverse conditions mentioned, what may we expect when we give the people in that fertile valley a 3-foot navigation the year round, as is contemplated in the project adopted?

Now, Mr. Speaker, a word as to the charge that the project is a real estate scheme. I suppose the only foundation for this charge is a copy of a letter contained in the document recommending the project written by a Mr. Kribbs to one of the engineers, who was evidently seeking information as to the possibilities of the section from a commercial standpoint. In this letter the writer refers to a large tract of land near the river which the owners were proposing to divide into lots and sell to prospective purchasers, who, no doubt, would need and would use water transportation, as there is none other to be had. But how this can justify the charge made is beyond my comprehension. I can understand how it may furnish an argument in favor of the improvement, as it would offer a promise of an increase in the products of the section and added freight for the river traffic, but can not understand how it could constitute an argument against the work.

Let me only add that if this is not a worthy project there are few, if any, in the bill, and the same, even if in slightly varying degrees, may properly be said of all the remainder of the 17 smaller projects criticized by the gentleman.

As I said, time will not permit me to go over the remaining smaller items, but I may add that they are, in my opinion, all worthy and in line with the liberal but conservative policy we have been pursuing for the past 20 years toward our rivers and harbors.

The gentleman from Wisconsin also mentions some 8 or 10 larger projects scattered about, mostly in the Southern States, which he designates in his easy and choice rhetoric as "larger and more important grafts." These include the Mississippi, the Missouri, the Trinity, the Brazos and Coosa Rivers, the Chesapeake & Delaware Canal, and last but not least, the Ohio River.

Mr. Speaker, I have not the time to notice in detail his attack on these projects, and it is not necessary that I should, as all of them, except the Chesapeake & Delaware Canal, were started prior to 1910, while the projects for the remaining streams, except the Missouri, were adopted prior to that year, and have hence been under improvement for a long while, even during most of the time covered by the incumbency of the Hon. T. E. BURTON, chairman of the House Committee on Rivers and Harbors, who justly enjoyed the reputation of being the best informed man in either branch of Congress on river and harbor matters, as well as that of an able and honest legislator. If they had been unworthy, either he or some other Member of this House would doubtless have then discovered the fact. Moreover, these items have all been discussed on the floor of this House, the most of them several times during the last decade, so that the Members here are familiar with them or have had abundant opportunities of becoming so.

Mr. Speaker, I have said that I have no objection to honest and fair criticism, but I submit that the wild and intemperate language of the gentleman from Wisconsin, to which I have referred, is not of that nature and I regret to see it indulged in here or elsewhere.

After all, Mr. Speaker, what is the nature of the measure that seems to provoke such harsh language on the part of the gentleman from Wisconsin and a few others? Why, sir, it is a bill for the improvement of the navigable waters throughout the country in order that their efficiency may be increased so that they may aid the people, exporters and importers, shippers, farmers, manufacturers, and producers everywhere in reaching the consumers with the greatest ease and at the lowest possible cost, to the end that all, producers and consumers alike, may be benefited. It is a bill proposed in response to an economic, commercial, and popular demand, nationwide in its sweep, for liberal treatment of our rivers and harbors—a bill framed on the same lines and of like character, both in detail and substance, in purpose and effect, with its predecessors for the past 20 years and more.

Since 1894 there have been nine general rivers and harbors bills enacted into law, one for each of the years 1896, 1899, 1902, 1905, 1907, 1910, 1911, 1912, and 1913. That of 1896 carried cash and authorizations amounting to $76,195,570.37, being the largest in amount of any that had up to that time passed. In addition, it was the largest in the number of projects treated of any that has ever passed Congress, and may be said to have marked the beginning of the present liberal policy toward our navigable waterways.

True, the bill of 1899 was relatively a small one, only aggregating $36,730,166.07; the next bill, however, that of 1902, was much more liberal, carrying $65,107,602. Again, the bill of 1905 was not large as compared with the preceding one, only appropriating and authorizing $35,355,533.04; but this was followed in 1907 by a bill carrying in all $86,872,432, the largest by far that was ever enacted. Indeed, it was twice as large as the pending measure when it left the House. Nor were those the only efforts made during that time to enact river and harbor legislation, for in 1901 a bill framed by the Rivers and Harbors Committee of the House, during the chairmanship of the Hon. T. E. BURTON, had passed the House and was sent to the Senate carrying $59,935,415. There, however, it was talked to death by a Senator who, having determined to kill the measure, procured and held the floor in a so-called discussion of its provisions until the session came to a close on the 4th of March of that year.

This was a very meritorious bill and ought to have passed, but the language used by that Senator and one or two others in its denunciation was almost if not quite as harsh as any used in criticism of this bill. For instance, in opening his remarks on the conference report, this Senator said:

> Mr. President, I have no hesitation in saying in the presence of the Senate that the basis upon which this bill and all river and harbor bills for a dozen years, within the scope of my knowledge, have been constructed is vicious and entirely contrary to just and equitable principles of legislation. Any Senator who will carefully read this bill and in conjunction with it the report upon which it is based will inevitably be driven to the conclusion, unhappy though that conclusion may be and humiliating as it is, that the bill is framed, constructed, and completed upon the despicable principle of division and silence.

Later on in the debate another Senator characterized it as "one of those iniquitous measures that is attempted to be passed upon each and every occasion by interesting this, that, and the other Senator in this, that and the other State." He further expressed the belief that it was "an iniquitous measure, to use," as he said, "the vulgar term, a steal."

I only make these quotations, Mr. Speaker, to show not only that like criticisms of river and harbor bills have been going on for many years, but that one of the best measures ever introduced into Congress did not escape the severest condemnation. The bill was not only a highly meritorious measure, but was framed upon lines identical with others before and since, including the present, some of which passed without serious criticism.

The defeat of this measure, however, was not approved by the country. On the contrary, it was condemned by the people, who were becoming restive at the slow progress being made in river and harbor improvement under biennial and triennial bills, and noting the ease with which even one of those measures could be killed on its way to the statute books, they began to demand the enactment of annual bills.

The growth of this sentiment in favor of the liberal treatment of our rivers and harbors was voiced in the Democratic platform of 1904, which declared in favor of "liberal appropriations for the care and improvement of the waterways of the country," and condemned the "policy of starving home development in order to feed the greed for conquest and the appetite for national 'prestige' and display of strength." This declaration was followed by a still stronger one in the Democratic platform of 1908, which, after stating the well-recognized fact that "water furnishes the cheaper means of transportation," declared that "the National Government, having the control of navigable waters, should improve them to their fullest capacity." Then followed a further declaration earnestly favoring "the immediate adoption of a liberal and comprehensive plan for improving every water course in the Union * * * justified by the needs of commerce." This declaration, strong and comprehensive, was approved in the Democratic platform of 1912.

The platform utterances of the Republican Party on that subject were of a like effect. Following the liberal bills of 1902, 1905, and 1907, the last named, as has been said, being the largest ever passed by Congress, the Republican platform of 1908 pointed to the forward step in the improvement of the inland waterways of the country as one of its greatest achievements, while after the adoption by Congress in 1910 of the annual bill feature, followed by that of 1911, when every branch of the law-making body was under the control of that party, its platform of 1912 declared in favor of "a liberal and systematic policy for the improvement of our rivers and harbors, such improvements to be made upon expert information and after a careful comparison of cost and prospective benefits." So it will be seen that the two old parties, the Democratic and the Republican, are both irrevocably committed to a policy of liberal treatment of our rivers and harbors.

In the meantime sentiment in favor of annual bills became so strong that Congress after an emergency measure was enacted in 1909 adopted that feature in the bill of 1910, followed as it has been by those of 1911, 1912, and 1913, with that of 1914 now pending before the Senate.

Now, Mr. Speaker, let me ask wherein does this measure differ from its predecessors that it should be condemned even by a few, while those that have gone before are praised or quietly accepted as meritorious? Why, sir, there is practically no difference between this and the bills heretofore mentioned, except that five of the nine mentioned appropriated larger and only four smaller sums, with the further exception that there is not so much carried by way of authorization in this as in the most of those that have preceded it. But the necessity for authorizations in the case of annual bills is not so great as when such measures are passed at longer intervals, it being much easier for the engineers to estimate at the end of one fiscal year for the next than it is to make an estimate for work covering two or three years at a time. Besides, it is better to cover only one year at a time, because if mistakes are made in engineering or unlooked-for difficulties arise they can easily be rectified or the plans changed to suit altered conditions, thus often effecting economies not possible when an estimate has to cover a longer period of time. Furthermore, when annual bills have become a fixed fact, so that a contractor may reasonably expect an appropriation for a project each year, he will plan with reference to this certainty of legislation and will give the Government the benefit of figures quite as low as if he were bidding under an authorization for a continuing contract. Indeed, contracts under the annual-bill feature, though only from year to year, are in a majority of instances equivalent to continuing contracts.

And therein lies one of the troubles resulting from a break in the continuity of such legislation. If Congress should once fail to pass an annual bill, or withhold the annual appropriations on projects once started, where work should continue, and there is a reasonable expectation of its continuing, contractors would become timid, and in future bidding would take into consideration a possible failure of an annual appropriation and endeavor, by increased charges for work, to guard against losses in the future for such failure.

Some objection has been raised to the measure on the ground as charged that it pursues what is called a dribbling policy—that is, that too many projects are undertaken without provision having been made in the bill for their completion—but if that is a just charge, which I deny, it is equally true of its predecessors since and including that of 1896. Indeed it is much more applicable to some of them than this. The bill of 1896, for instance, contained 438 items, only providing for the completion of 54, or 12.3 per cent, while the pending measure has only 301 items and provides for the completion of 71, or 23.6 per cent. That of 1899 contained 391 items, the completion of 86, or 22 per cent, of which was provided for. That of 1902, containing 353 items, provided for the completion of 57, or 16 per cent. The bill of 1905, with 334 improvements, made provision for the completion of 52, or 15.6 per cent. That of 1907, containing 361 improvements, provided for the completion of 99, or 27.3 per cent. The bill of 1910, with 426 improvements, provided for the completion of 75, or 17.6 per cent. That of 1911 contained 231 items of improvement and provided for the

completion of 38, or 16.4 per cent. That of 1912 embraced 276 improvements, with provision for the completion of 43, or 16 per cent. That of 1913 appropriated and authorized the money for 302 items, making provision for the completion of 52, or 17.7 per cent. So it will be seen that in the matter of completing projects the 1914 bill as it left the House followed the lines laid down in those that have gone before, since and including 1896, except that it made provision for the completion of a larger percentage of projects than was made for a like purpose in any of the others, saving that of 1907, which only exceeded it in that particular by less than 4 per cent.

But it is not necessary to make provision for the completion of as large a percentage of projects in the case of annual as in biennial or triennial bills, because the work may be carried on quite as expeditiously with smaller appropriations in the former as with larger sums in the latter. Besides, in either case, we follow the advice of the engineers, only giving what they say they can judiciously expend during the fiscal year. We certainly should give no more, and are not likely to give less, if convinced that their estimates are correct.

Mr. Speaker, it is remarkable, in view of the strong and vigorous language used in the criticism of this bill, how the grounds of the objections thereto disappear when they and the bill are subjected to analysis and comparison is made between that measure and those held to be above criticism.

There are three things to be considered in determining the merits of a project for improving a navigable waterway—first, the engineering features; second, the cost; third, benefits to accrue. Into the latter item three elements may also enter—commerce, present and prospective; influence of the improvement upon freight rates; and the development of the country. The first, of course, is the most important. Now, apply any one or all of these tests and the work we have been doing and are proposing to do is abundantly justified. Few mistakes of engineering have been made, a fact which speaks loudly of the excellence of our Engineering Corps; at least, it speaks with a loud and convincing voice to anyone who wants to hear, and it is only to that class I am speaking. If anyone doubts, let him point out the mistakes. He will find them few and relatively of little consequence.

Nor has the cost been great when compared with similar work in other lands. Take Prussia, for instance, which in that particular is perhaps typical of the other European countries. The average cost per mile of the improvement of her navigable rivers down to 1906, the last figures available so far as I know, was $30,300, while the average in the United States up to and including 1913 was only $17,355 per mile.

Furthermore, while the cost has been moderate the benefits have been gratifyingly large. Freight rates, as a result of these improvements, have been greatly reduced, production largely increased, and the development of the country materially aided, while the tonnage of our water-borne commerce has grown beyond all expectations. All this may be ascertained by anyone who will study the reports with a view to finding out the facts.

We know, for instance, that these improvements have had a great effect upon freight rates, both directly and indirectly. The engineer reports show this and our own observation confirms it. It has been estimated that these reductions are as much as a dollar a ton for every ton carried by water. We know, too, that wherever these improvements have been made business and industrial conditions are stimulated and the country developed, especially in the sections tributary to the waterway.

But the most remarkable development has been in the growth of water-borne commerce during the more active period of river and harbor improvement—that covering the past 20 years. In 1896 the tonnage of that class of commerce was less than 300,000,000 tons. By 1907 it had grown to 625,901,653 tons, and by 1913 to 1,002,759,355 tons. This, Mr. Speaker, is a most remarkable showing and should satisfy the most captious critics of the economy and wisdom of the policy under which we are improving our rivers and harbors. Certainly it amply justifies the expenditures we are making and have made, even if mistakes now and then occur in the submission by the engineers or the adoption of projects here.

The truth of the matter, Mr. Speaker, is that this wholesale criticism is based upon an erroneous conception of the nature of this measure. But, unfortunately, the views of its critics expressed in Congress have been accepted as correct by a few of the leading newspapers and magazines throughout the country, papers justly high in public esteem and of wide circulation. Little blame, if any, can be attached to these papers, for they had the solemn assertion of a few Members of Congress that the bill contained many vicious items.

And therein, Mr. Speaker, lies one of the grounds of complaint against such characterizations of the motives of Members who feel and take a deep interest in that class of legislation. Is it any wonder that newspaper writers and others out of Congress reading in the CONGRESSIONAL RECORD charges made by a Member here that other Members are grafters, that even as important a measure as the annual river and harbor bill is a "pork-barrel" affair and the result of logrolling, graft, crookedness, and even thieving; I say is it any wonder in the face of all this that newspapers with little time to investigate should take such charges and characterizations as true and send them out to their readers as worthy of belief? They might perhaps, having no time in this busy age to investigate, be justified in saying of the Member who makes such charges, "He is on the ground and should know the facts, therefore his statements must be true." Mr. Speaker, all this but illustrates the care one should exercise in his remarks here regarding presumably honest men representing honest and patriotic constituencies. I trust I may not remain here sufficiently long, or even live long enough, to develop such an opinion of the honesty and integrity of the great American Congress.

Now, Mr. Speaker, I have shown, I trust, that this bill throughout and in all its details, like its predecessors for the past two decades, is in keeping with that liberal policy we have, in obedience to public sentiment, been pursuing toward our rivers and harbors. That policy, outlined in the platforms of the two old parties and condemned by none, but voiced by the people all over the country, demands that our navigable waters be improved to their fullest navigable capacity, so as to meet the demands of a rapidly growing commerce, present and prospective, ever keeping in mind, of course, the proper relation between cost and benefits; and not an item in the pending bill, at least as it left the House, but comes well within the scope of that policy.

If there is any wrong, it is not to be found in the bill but in the policy upon which it was framed, and for that the people of the country are responsible, for we have only responded to their wishes as we have understood them.

Now, this policy can be altered; but before doing it you had better hear from the people, who have not yet condemned it or asked for a change. Suppose, however, you conclude to make a change and to materially curtail the list of favored projects, where will you draw the line between the desirable and the undesirable? What will be your standard of excellence? What your test of merit if we depart from the policy we have been pursuing for the past two decades? This is a pertinent question, which must be answered whenever a change is to be made in that, the only policy yet demanded and upheld by the people? For political or other reasons we may depart from it, but let me warn those who may be responsible for the change that their acts will likely return to plague them; indeed, I risk nothing in saying that the change, if any, will only be temporary, because the people are determined to have ample water-transportation facilities.

Mr. Speaker, I regret to note what appears to be an effort to inject politics into this measure. During a service here of nearly 20 years I have never seen that done before if it is being done now. During all that time our rivers and harbors bills have been kept out of politics, the only consideration in and out of the Committee on Rivers and Harbors being as to the merits of each proposition, and if politics is injected into this measure it will not only be the first, but it will be a regrettable occurrence. This class of legislation is of too much importance to the country and to the whole commercial world for our deliberations upon it here to be influenced by party considerations. Any political advantage gained in that way would be dearly bought, and would be short lived. As I said, a large majority of the people are, in my opinion, behind the present bill, at least as it passed this body.

And a large majority of this House is, as it has been for the past 20 years, in favor of this liberal policy, as is evidenced not only by the votes of the Members here and at the other end of the Capitol, but by utterances on this floor from time to time of men of great influence and of national repute. From among many of such utterances I wish to refer briefly to the remarks of one who has perhaps borne a more conspicuous part in river and harbor legislation during the last quarter of a century than any other one man. It is needless to say that I refer to the Hon. T. E. BURTON who, during the time he was a Member of this body and when the bill of 1896 carrying the largest amount of any such measure ever enacted into law, except that of 1907, was before the House in advocacy of the same, used the following language, which I commend to those who think the pending bill an extravagant or unwise measure:

The argument—

Said he—

is also made that the bill is extravagant. This argument comes with very poor grace when we consider that this House a few days ago, al-

most without a dissenting voice, appropriated in one bill over $30,000,000 for our Naval Establishment. This is the one appropriation made by the General Government the immediate result of which is to increase the wealth and commercial development of our country. Indeed, it not only provides better channels and harbors for commerce, but even in case of war provides for waterways quite as essential for our safety as battleships and cruisers. The sums expended are not extravagant, but, on the contrary, very small, when we take into account the enormous extent of our seacoast along the Gulf and the two great oceans, and the unequaled mileage of our rivers, to which we must add the marvelous traffic on the great inland lakes, the most surprising of all.

In order to maintain our place among nations we must increase our exports. The sharp competition which has been brought to bear in supplying our home markets has not yet been exerted in securing foreign trade. This is largely due to the fact that we have a home market, the greatest in the world, and by the further fact that until within the last 20 years we, with little effort, had a practical monopoly in supplying foreign markets with staple products. Until recent years we largely supplied the markets of the world with cotton, the fabric most used for clothing; with the wheat which furnishes bread; also tobacco, the luxury used by the greatest number. But in recent years active competitors have arisen in the furnishing of each of these staples in either hemisphere and on both sides of the equator. In order to regain and maintain the great advantage which we formerly possessed nothing can be of so great an assistance as the improvement of our great harbors and the development of a better system of inland transportation by improving navigable rivers.

Neither is the objection that appropriations for rivers and harbors have sometimes been wasted a valid one. Beyond the inevitable loss or waste belonging to every system of expenditure maintained on a large scale, and in an era when inventions are yearly revolutionizing methods of construction, there have not been injudicious expenditures in the river and harbor bills. The waste has not been as great as in other branches of the public service. Many of the most expensive ships built for our Navy, constructed according to the best models of the time, are now rusting away at wharves, utterly useless to-day, though costing millions. The navy of Great Britain, designed in accordance with the most perfect development of the art of shipbuilding, numbers in the Admiralty list useless hulks which cost millions of pounds.

The accusation of extravagance in these expenditures for rivers and harbors is effectually disproved by a comparison with the methods of other nations of more developed resources. England and France illustrate two widely different lines of policy in the provision made for aids to commerce and transportation. In Great Britain these improvements are for the most part undertaken by private corporations or agencies other than the Imperial Government. These enterprises have been undertaken upon an enormous scale. Undoubtedly more capital is invested there in harbors, docks, and inland waterways than in any other country. In recent years the Tyne, at and below Newcastle, has been deepened and other improvements made at a cost of $20,000,000. On the Mersey and the Clyde much larger sums have been expended. The Manchester Canal, 35½ miles in length, has recently been completed at a cost of $75,000,000. In other private canal companies $150,000,000 is invested. This method of improvement by private corporations or local authorities is not suited to our methods or, especially in the case of inland waterways, to the greater extent of territory involved in each improvement.

The same arguments are as pertinent now as they were in 1896, and as appropriate to the present measure as to the one of that year. The pending bill, it is true, is not as large as the one then under consideration, but, like that or like the most of the bill of 1896, it is all for the improvement of our navigable waterways, and although much has been done since then, much remains to be done; not, however, as much by half as remained then, for since that time we have appropriated for that class of work nearly $400,000,000, the most of which has been expended. True, three-fourths of the work of original improvement solely in the interest of navigation has perhaps been completed or is in process of completion, but as a whole the work remaining to be done is as greatly needed as the work for which the bill of 1896 provided or as that provided for in any enactment since then. During that period the country has neither stood still nor gone backward, but has continued to progress rapidly along every line of material development. Production has grown to enormous proportions, water-borne commerce trebled in tonnage, while the wealth of the country has increased 60 per cent. This growth and development has made necessary increased expenditures along almost every line of governmental activity. The speaker to whom I last referred, while defending a $76,000,000 river and harbor bill, called attention to a $30,000,000 naval appropriation bill passed by that Congress, while now we have alongside of a $43,000,000 bill as it left the House a $144,000,000 naval appropriation bill enacted into law, an increase of nearly 500 per cent. But there has been, of course, no such growth in river and harbor appropriations, nor should there be, as we in making appropriations are working as we have been for two decades, to a definite end, which we will soon reach.

Now, Mr. Speaker, is it not the part of wisdom to push to early completion this important work so greatly needed and so urgently demanded, promising as it does so much for the prosperity of the country and the happiness of the people? There can be but one sensible answer, and that answer is that we should take no backward step, but, without waste or unnecessary delay, pursue this wise policy of river and harbor development until the demands of our commerce are fully met.

Emergency Revenue Legislation.

"I supported this legislation and am willing to take the consequences."

EXTENSION OF REMARKS

OF

HON. ELLSWORTH R. BATHRICK,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. BATHRICK. Mr. Speaker, this emergency, temporary tax, forced upon the American people by trouble in Europe, is very little trouble to complain about compared with the cause of complaint over there. We should be very thankful and contented with our small troubles.

I want the people to know part of what there is to be thankful for, and I insert the following synopsis of Democratic legislation for them to think about.

I supported this legislation and do not fear the consequences.

DIRECT ELECTION OF SENATORS.

We believed the people should rule in fact, and not a star-chamber clique of politicians who, under the old plan, often steered special-privilege Senators through a subsidized legislature.

THE INITIATIVE AND REFERENDUM

was read into the charters of the States of Arizona and New Mexico when they were admitted to the Union. We believed the citizens should have the veto power over bad laws.

CHANGE OF HOUSE RULES,

was made that legislation may not be smothered in committee and to abolish the tyranny of Cannonism.

A LOWER TARIFF.

It was too high. There was general demand to make it lower, and this was equivalent to a mandate from those whom I represent.

THE INCOME TAX,

putting $100,000,000 annual tax on those more able to bear it than the poor.

FREE SUGAR,

that the people might not pay about $120,000,000 tax each year in order that a very few should profit.

THE FEDERAL RESERVE BANK ACT,

that money and credit may not be controlled by big banks in New York, and money panics may be hereafter avoided.

ANTITRUST LEGISLATION,

that fair competition, honest business, and better opportunities may prevail for all who strive in commerce and that monopoly be abolished.

AGRICULTURAL IMPROVEMENT IN MANY WAYS,

that farm-science instruction can be carried to the farm practically; that large sums used for this purpose might be for the good of all, in town and country alike.

FARM CREDIT,

that the banks may loan on mortgages, and a better credit, better adapted to agricultural needs, be secured. This will be extended and improved next session.

GOOD ROADS,

that the highway from the farm to the market may be a saving on the farmer's and consumer's cost; that time, vehicles, and patience might be saved without putting the burden of construction wholly on the farmer, who uses the country roads mainly for the necessities of the city.

THE CORRUPT PRACTICES ACTS,

requiring report of campaign expenses, that unscrupulous politics may not corrupt the electorate and pack our legislative bodies with a favored class.

TO REPEAL FREE TOLLS,

believing that it would be a tax upon, not a benefit to, the people and that a diplomatic situation made the repeal wholly right as well as expedient.

PENSION BILLS,

that those who preserved our integrity as a Nation and whose sacrifices in our wars made our greatness possible may not be forgotten in their days of infirmity.

REDUCTION OF MILEAGE BELOW 20 CENTS PER MILE,

believing actual expenses would be fair. This was passed in the House.

DEDUCTING PAY OF ABSENTEES,

that public officials should not draw pay while unnecessarily absent from post of duty.

WAR EMERGENCY ACTS,

that the European war burden should fall as lightly as possible upon the American people. A world war could not leave us unscathed, and a temporary war tax and commercial adjustments became a necessity.

PEACE RESOLUTIONS,

calling on all nations for a suspension of armament, that the great burden of war be lightened.

THE ALASKA RAILROAD BILL,

that the great natural resources of that country may be developed for the people and not given over to the Guggenheim monopoly.

INVESTIGATIONS OF THE STEEL TRUST, THE MONEY TRUST,

lobbyists, etc., that better information might secure better legislation and your representatives should not be influenced by the paid lobbyists.

INDUSTRIAL EMPLOYEES' ARBITRATION,

that an impartial official might advise and adjust differences between employer and employees without disaster to either. Two dangerous railroad strikes have been averted by this law.

LABOR LEGISLATION,

that our courts might not be instruments of oppression; that shorter hours of labor might more equitably divide the fruits of production; that our girls and boys might not be stunted in their extreme youth in factories; that the great body of American high-class labor might have representation in the Presidents' Cabinet; that our seamen might be safer, as well as the traveling public; that workmen might have sure compensation for industrial accidents.

THE DEVELOPMENT OF COMMERCE IN NUMEROUS WAYS,

that foreign and domestic trade might succeed and the division of the benefits of prosperity be more general.

WOODROW WILSON.

With the masterful hand of statecraft he kept back impending national sorrow, even when his own bereavement tore at his breast. He kept guard at the gate of the Nation and denied entrance to the demon of war. He watched and waited there, that the wives and children and sweethearts at the gates of a million homes need not watch and wait for fathers, sons, and lovers who would return no more.

Some say, without just reason, we have not saved the public purse from extravagance.

What might have been but for the President's economy of passion, but for this saving of peace?

Woodrow Wilson saved a year's toil of 10,000,000 men when he saved us from war. He saved our Nation from tears, our commerce from disaster, our homes from desolation; and whatever might lie behind the black curtain of this foreign hurricane of human passion, he will save us from that, too, if we will but uphold his great purpose and cease quibbling and dragging upon his sincere endeavor.

Speech Delivered by Hon. Henry T. Rainey at the Democratic State Convention in Illinois.

EXTENSION OF REMARKS

OF

HON. MARTIN D. FOSTER,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914.

Mr. FOSTER. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include a speech delivered by Hon. HENRY T. RAINEY at the Democratic State convention in Illinois.

The speech is as follows:

Address of Hon. HENRY T. RAINEY, M. C., twentieth district of Illinois, temporary chairman Democratic State convention, Springfield, Ill., Friday, September 18, 1914.

GENTLEMEN OF THE CONVENTION: I thank you sincerely for the great honor you have conferred upon me by selecting me to preside over the temporary organization of this great Democratic convention.

We are here to-day to ratify a ticket adopted not in convention but by Democratic voters in a Democratic primary, conducted fairly and honestly, in which each man had the opportunity to express his individual preference at the ballot box. Our ticket has been selected by decisive majorities. The campaign has been unusually free from personal abuse. The fight between Democrats has been spirited, but it is over. [Applause.] The time has come for all Democrats to bow to the will of the majority in this great State; to forget factional disputes and antagonisms, and to assemble under Democratic banners in order to present a united front in the approaching elections to a common enemy. We may disagree as to who Democratic standard bearers ought to be before a primary election, but after the primary fight is over there is only one thing for Democrats to do—fall in line behind the successful candidates in the primary. We are here to-day representing the entire Democratic Party of the State, to promise on behalf of the great mass of that party to support vigorously, enthusiastically, and fearlessly the entire Democratic ticket.

THE ILLINOIS DEMOCRATIC CONGRESSIONAL DELEGATION.

Just before starting from Washington for this city I had the honor of presiding over another enthusiastic meeting, a meeting composed of the 20 Democratic Members of Congress from Illinois. There was a time when I was the only Democratic Member from this State. The great Democratic Senator who represents this State in the Senate of the United States participated in our deliberations. I was unanimously instructed, on behalf of the Democratic delegation from Illinois in the Congress of the United States, the second largest Democratic State delegation in Congress, to explain to this convention the condition of the public business which makes it inadvisable for Members of Congress to leave Washington at the present time, and which makes impossible their presence here to-day.

I expect to return to Washington as soon as this convention adjourns. I bring you greetings from the Illinois Democratic delegation in Congress, and I am authorized by them to say that they recognize the importance of harmony in Democratic ranks in Illinois at the present time. They indorse enthusiastically and vigorously the entire Democratic ticket in Illinois, from Roger Sullivan down to the bottom of the ticket. I am authorized by Senator LEWIS to say that he concurs most heartily in the action of the Democratic delegation from this State in Congress. [Applause.] A great Illinois Democrat, prominent in the national counsels of his party, by a decisive majority, complimentary to him and conclusive upon all, has been selected to head the ticket. In the approaching campaign the Democratic Party, forgetting all differences, represented here in this convention, pledges, first of all, unswerving loyalty and vigorous, active support in this campaign to the candidate who has been selected to head this ticket, the Hon. Roger Sullivan, of Chicago. [Long and continued applause.] We pledge equal loyalty and vigorous active support to all the other names appearing under his name upon the ticket adopted by the Democrats of this State in the primaries of September 9. [Applause.]

DEMOCRATIC VICTORIES.

We have assembled here under most favorable auspices. Since our last convention the Democratic Party has been victorious in the State of Illinois and in the Nation. The armies of a united, triumphant Democracy have won and are winning, and will continue to win victories on every field. The broken, discouraged forces of the enemy have tried in vain to reconcile their differences and to reunite the warring, discordant factions which have made impossible effective opposition to the splendid Democratic advance throughout the country.

REPUBLICAN DISSENSION.

To-day while a united Democracy convenes under one banner here in this hall in widely separated cities two factions of the Republican Party convene, not for the purpose of adopting plans and methods to offer vigorous opposition to a united Democratic Party, but for the purpose of developing methods of fighting each other. [Applause.] The ties that have bound together the Republican Party are being severed, and to-day throughout the State, in every community, Republicans can be found who are supporting, and who expect in the future to support, the Democratic ticket. The administration of President Wilson is being treated fairly by great Republican newspapers in this State.

We commence here to-day, not a partisan fight against Republicans, but a fight for the maintenance of the great principles we have already incorporated into the law of the land and for the policies which have brought peace and happiness and prosperity to this country while the nations of Europe are engaged in destructive war [applause], and in this fight we expect to have the support in this State of thousands of patriotic

citizens who have heretofore voted the tickets of the Republican Party. [Applause.]

We control both branches of the National Congress by decisive majorities. We control the National Executive. In this State and throughout the North Democratic State administrations strive to overcome the effects of years of Republican misrule.

WE HAVE KEPT THE FAITH.

The Democratic Party has kept the faith. We have been true to the theories upon which the party was founded and to the great unwritten constitution which has regulated and controlled Democratic policies in all the decades which have passed since the days of Jefferson.

A Democratic Congress has met without fear the great problems which have been confronting the country through all the years of Republican rule—problems which have been continually pushed forward into the future by the Republican Party through all its years of supremacy. Under the wise, patriotic guidance of the greatest President the country has had in a half century of time [long-continued applause] the present Congress has remained in session longer than any Congress since the Civil War. The term of the present Executive is not yet half over. There still remains another session of the Congress now in session, but we have already enacted into law nearly all the great remedial measures we promised the country during the last campaign for the Presidency. We proudly call attention to a marvelous record of performance not equalled by any party in the same length of time during all our history as a Republic.

DEMOCRATIC ACHIEVEMENT.

We have kept our promises literally and have revised the tariff downward. We have written into the laws tariff provisions which have wiped out every vestige of the old war tariffs. We have enacted the lowest tariff law we have had since the Walker tariff of antebellum days. Business goes on as usual. Our factories are running, many of them day and night. The predicted business disasters and panics have not come.

Already in the wholesale prices of goods the effect of our revision is being felt. Long before the next presidential election retail price reductions and cheapening of methods of distribution will make impossible the return to power of any party, in any section of the country, which promises or advocates a restoration of the old oppressive Republican tariff schedules.

We have enacted into law efficient income-tax regulations—the kind of a tax which compels the rich to bear their fair share of the burdens of running this Government. We have already accomplished the currency reform demanded by present-day conditions. The new Federal banking act is not yet in operation, but will be before the elections in November. Already the fact that the law will soon be in operation has had its reassuring effect upon the banking and business interests of the country. Bank panics and extensive business depressions are now a thing of the past. We have abolished forever the "dollar diplomacy" of the Republican Party—the diplomacy which meant that investments of Wall Street capitalists and speculators in the weaker Republics of the western world would be protected by the armies and navies of the Unitedś States and compelled to yield the return the investors demanded. We have substituted for that policy the doctrine of human rights. Already a feeling of confidence toward us is being established in the weaker Republics south of us. Bonds of friendship are beginning to hold together the Republics of the western world, and it will not be long before we may expect profitable trade relations with the prosperous, productive countries of South and Central America which up to the present time have rejected our overtures and our commercial advances.

We have driven forever out of Congress the insidious lobby and no longer are the corridors of our National Capitol filled with the men who represent great interests and who demand legislation at the expense of the great producing masses of our population.

We can call attention to the fact that we have already by wise legislation reestablished the American merchant marine, and we have accomplished it without subsidies. Under Democratic laws, enacted by Democratic majorities in both Houses of the National Congress, approved by a Democratic President, scores of ships are applying for registry under the American flag, and it will not be long until the American flag flying over American merchant vessels is as familiar upon the seas of the world as the flag of any other nation.

We have taken the necessary steps toward opening up the vast Territory of Alaska, with all its possibilities. The policy of the Republican Party was either to give away to the interests the resources of this great section of the continent or to tie them up forever. The people rebelled against the former course, and a Republican administration, weak and inefficient, merely tied up these great resources and left the problem for us to solve. We have met it unflinchingly; and to-day groups of American surveyors are penetrating the interior of Alaska preparing for the great railway made possible by a Democratic administration.

We have made effective the popular vote for United States Senators.

We have averted great railway strikes by arbitration.

We have destroyed the Telegraph and Telephone Trusts.

We have made possible an efficient parcel-post law and have extended it and cheapened it.

We have wiped out the deficit in the Postal Service and have made the Post Office Department self-sustaining.

We have made effectual and possible trust dissolutions.

We have destroyed Cannonism in the House of Representatives and have made that body responsive, not to the will of a few political bosses representing the interests, but we have made it responsive to the demands of the people of the United States. [Applause.]

Before the end of the present session we will have written into the law all the great trust bills advocated by the present administration. All of them have already passed the lower House of Congress. One of the most important of them has already become a law. The trust laws we have enacted are along Democratic lines; they are based on the Golden Rule. Under them business will flourish and trade wars will cease, legitimate, honest competition will prevail, and there will be a restoration of the honest, honorable business methods of the past. Under them the trusts must obey the decrees of courts. They must abandon unfair, cutthroat competition. Discriminations between purchasers of their goods must cease. They must abandon the control of competitors acquired by them under the "holding-company" systems. The tremendous power wielded by their interlocking directorates must cease. [Applause.] In other words, the trust laws we have enacted give to the struggling, ambitious men of moderate means a better chance in life. [Applause.]

We have enacted much-needed legislation providing for cooperative agricultural extension work throughout the land and for the fostering and development of our commerce at home and abroad.

I have called attention only to a part of the wonderful record of achievement of one Democratic Congress whose life has but half expired. We found confronting us when we took charge of the National Government and the State government contract authorizations made by previous national and State administrations, which we were compelled to meet and which have apparently prevented economies in the administration of the State and the National Government. The national administration at this present session of Congress has only authorized, in addition to the necessary appropriation bills, the building of the Alaska railroad and the establishment of the War Risk Insurance Bureau and the appropriation of $1,000,000 incident to the hostilities in Europe. The party which would promise to abandon any one of these contract liabilities could not hope to succeed in a national election. There is an increase in our Army and Navy appropriations of over $6,000,000, all of which can be traced to disturbed conditions on our southern border and to the situation at Vera Cruz. It has therefore cost us $6,000,000 to maintain peace in Mexico, and the war in Europe has cost us $1,000,000. This expenditure of a little over $7,000,000 represents what it will cost us to remain at peace with all the world for the period of one year of time. The warring nations of Europe carry on their present operations at an expense to them of $50,000,000 for each day of time. We undertake to say that the firm, uncompromising, unyielding, inexpensive foreign policy of the United States is entitled to the cordial support of the American people. [Applause.]

WHAT HAPPENED ON THE 13TH OF AUGUST.

On the 13th day of August the Senate of the United States approved 19 arbitration treaties with 19 nations of the world, submitting to arbitration all questions, making impossible for all time wars between the United States and 19 of the 59 nations of the world. On that same day the armies of France and Germany met in awful battle in the old border Provinces separating those two nations, which have been the theater of wars since the dissolution of Charlemagne's Empire, and that night the cold light of stars shone in the faces of 20,000 dead men on that awful field of carnage.

Who won that victory? Certainly not the widows of the young men who died there and who are compelled now to pursue their weary way alone through the years to come to the grave. Certainly not the thousands of children rendered fatherless on that awful day. Whoever won that battle, which

was the greater victory, the victory on that field covered with horribly mangled bodies of men, or the victory for peace won in the United States Senate—peace with 19 nations of the world? A few days later the *Ancon*, a transport of the United States Government drawing 30 feet of water, steamed through the Panama Canal in less than six hours of time, emphasizing the victory, after 400 years of effort, for peace and commerce won under a Democratic administration; the victory over the barrier which for all time had separated at that point the great oceans of the world. On that same day, in front of an old fortress in Belgium, the Germans and Belgians were engaged in awful conflict, and at the close of the battle the ground was strewn with the bodies of 25,000 men who fell. Who won that victory? No matter who won it, can it be compared to the victory for peace we won when we united the oceans of the world—the victory we won not only for the commerce of our own country, but for the commerce of all the world? [Applause.]

ARBITRATION.

We have brought peace in the great Republic to the south of us and have resisted the clamors of a considerable portion of our own population for war. Can anyone now be found in this country who will question or criticize the firm policy of watchful waiting pursued by this administration, which has saved to the country millions of treasure and thousands of lives? The Wilson doctrine—the doctrine that in the Republics of the western world presidents must be elected by the people; not selected as a result of the work of assassins and murderers—is recognized now as established among all the 22 Republics of this continent. There are pending now other arbitration treaties in the Senate of the United States, and when they have been approved, as they will be by that body, we will have accomplished treaties of peace and arbitration with over half the nations of the world. We will have established lasting peace with three-fourths of the population of the world. Is not this better than war? [Applause.] Are not the policies of the present administration entitled to the cordial support and enthusiastic approval of the voters of this country?

WHAT PART OF THE WORK OF THIS ADMINISTRATION WILL THE REPUBLICANS REPEAL?

What do those who clamor for the restoration of the Republican Party to power expect that party to do? Do they expect the Republican Party to abandon the firm foreign policy of the present administration, which insures peace for us while all the other great nations of the world are engaged in destructive war? Under Republican rule Wall Street controlled the credit of the Nation. We have destroyed that control. Does anyone think that we ought to restore it? We have driven Cannonism from the halls of Congress. Can anyone insist that it ought to be restored? The Republican Party taxed the American people $120,000,000 a year on sugar. We took it off. Do the voters of this country want to give the Republican Party a chance to put it on again? We have extended the parcel post and compelled express companies to reduce their charges. Does anyone think the express companies ought to be permitted to restore the charges they formerly made? Does the country want the paid lobbyists of special privilege to again make their appearance in the House of Representatives? We have levied a tax upon the incomes of the rich. Do the voters of this country think it ought to be taken off and the tariff restored on sugar and the other necessities of life?

I am unwilling to believe that the people of this State or of the Nation desire to undo the work of the present administration and to restore to power the party under which flourishes corporate greed and trust oppression.

ENTERING NOW UPON A PERIOD OF PEACE AND PROSPERITY.

Under Democratic rule we are entering upon a new era. An era of peace and prosperity at home—industrial peace, business harmony. Peace which gives to young men starting out in life the opportunities they ought to have. Under Democratic rule we have established peace between this country and half the nations of the world. Peace which means victories for commerce, a lessening of the burdens of war, and the restoration of our carrying trade—a peace which makes for happiness and prosperity and the material progress and comfort of the 100,000,000 people who live within the boundaries of continental United States. The starry banner of the Republic throughout this administration has stood, not for war and human misery, but for the progress, happiness, comfort, and prosperity of all the people. [Applause.]

With faces turned not toward the past, but toward the future, a united Democracy represented here by over a thousand delegates, coming from all parts of this great State, commences to-day the great Democratic advance which will result in victory in November. [Loud and continued applause.]

Eighteen Months of Democratic Rule and the Effect of the Tariff on Farm Products.

SPEECH

OF

HON. GUY T. HELVERING,

OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, August 27, 1914.

Mr. HELVERING. Mr. Speaker, in summing up the achievements of any administration the vital questions are: What promises were made? Have they been kept? Have the results accruing been of benefit to the masses, and does the future give promise of greater benefits yet to result from the policies of the administration under discussion?

It is to these questions that I propose to confine myself, and in doing so I shall strive to keep clear, as far as possible, from the domain of speculation and confine myself, as far as possible, to the facts as proven by reliable statistics, taken largely from Government sources.

Before entering into the debatable points of the subject let us first devote a little time to a reference to legislation enacted, in regard to which there is but little, if any, controversy.

We have legislated to the end that this Government shall construct a railroad in Alaska. By doing so we have placed in the hands of the Government the key needed to unlock the resources of this great national possession, to the end that they may be of benefit to all of our people and not to a few grasping monopolies.

We have legislated along lines directed to extend the activities of the Department of Agriculture so that it will be of greater benefit to the farmer. We have done constructive work in this direction by the appropriation given to the department for the stamping out of hog cholera, and we went a long way in the direction of constructive educational legislation when we paved the way for cooperation between the Government and the States for work designed to carry to the farmers the information of practical value. We have developed the parcel post until it has been of the greatest utility in bringing about fairer express rates, and we are making use of it as an instrument by which we can bring producer and consumer closer together. While doing this, we have placed the Post Office Department on a paying basis and made of it a revenue producer for the Government.

We have brought about a larger measure of self-government in the Philippine Islands, and thereby have come nearer to the day when the people of these islands will be bound to us by ties of respect and admiration instead of looking upon us as natural enemies who aim at the destruction of freedom.

Under the leadership of our President we have purged Washington of a most iniquitous lobby, and while questions arising are fully and frankly considered, according to the best light given to us by the country, we are no longer buttonholed by the representatives of selfish interests who have no vital interest in good legislation, but who profit by special favors.

Along the line of pension legislation, it is to Gen. SHERWOOD and a Democratic Congress that the old soldier owes the enactment of a law which redeemed the promises made. The Republicans had 14 years of opportunity and failed, but no sooner had the Democrats come into power than they recognized the justice of the claims of the veterans.

We have also passed a bill granting a pension of $12 a month to the widows of Spanish-American and Philippine War soldiers, and we have taken care that their minor children shall be provided for.

THE INCOME TAX.

By amending the Constitution and passing the income-tax law we have taken a burden amounting to at least $75,000,000 per year from off of the shoulders of the masses and put it upon the wealth of the country. In doing so we have recognized that the tremendous cost of government was inequitably adjusted, if it was to be paid out of the producing and consuming ability of the Nation, and that it was but fair that the wealth of the Nation, concentrated in the hands of the few and earned by the sweat of the many, should carry a larger part of the burden. No more equitable tax was ever levied, and few are those who complain because we have enacted this legislation which was so long prayed for but which had been delayed by causes indefensible.

THE TARIFF.

Coming to the controversial subjects, the tariff stands in the front rank, and as it was first in the list of the great reforms

promised by our party I propose to give to it corresponding attention.

The attempt has been made here, and doubtless will be made again, to arraign the farmers of the United States against the Democratic Party because some farm products have been placed upon the free list. That attempt will stand or fall, according as to whether farm products sell for lower or higher prices than they did under high protective tariffs. In saying this I want to keep out of consideration all reference to enhanced prices brought about by conditions arising from the present European war. I will not insult your intelligence by claiming credit for any advance in farm products due to such a cause, although it is to be regretted that too often in the past our opponents have claimed credit for results which have come through the operation of natural laws, and have not hesitated to lay on Democratic doorsteps the children born to their own incompetency or extravagance.

I herewith submit a table giving the market price of seven staple farm products as paid on April 1, 1913, and April 1, 1914:

Prices paid to producers of agricultural products, April 1, 1913, and April, 1914.

[Price of hay is per ton; other products, per bushel.]

State.	Corn.		Wheat.		Oats.	
	1914	1913	1914	1913	1914	1913
Ohio	$0.64	$0.51	$0.93	$0.99	$0.39	$0.33
Indiana	.61	.48	.91	.97	.39	.32
Illinois	.64	.47	.88	.90	.38	.31
Michigan	.64	.51	.92	.99	.40	.32
Wisconsin	.59	.49	.82	.82	.37	.32
Minnesota	.52	.41	.83	.76	.32	.26
Iowa	.59	.41	.79	.79	.34	.29
Missouri	.74	.50	.86	.95	.46	.37
North Dakota	.51	.47	.81	.72	.32	.23
South Dakota	.57	.39	.79	.73	.33	.26
Nebraska	.63	.44	.75	.74	.37	.31
Kansas	.73	.48	.80	.78	.46	.40
Oklahoma	.74	.50	.81	.77	.48	.39

State.	Barley.		Rye.		Potatoes.		Hay.	
	1914	1913	1914	1913	1914	1913	1914	1913
Ohio	$0.57	$0.50	$0.68	$0.72	$0.80	$0.56	$12.20	$10.30
Indiana	.50	.65	.63	.67	.83	.53	12.70	10.80
Illinois	.55	.54	.62	.71	.91	.58	13.90	12.90
Michigan	.64	.63	.60	.57	.50	.36	12.00	10.70
Wisconsin	.52	.50	.55	.56	.53	.31	10.30	10.60
Minnesota	.45	.43	.51	.49	.53	.28	6.40	6.50
Iowa	.52	.51	.62	.60	.93	.51	9.80	9.60
Missouri		.60	.74	.78	.99	.74	14.20	9.40
North Dakota	.39	.34	.48	.47	.57	.31	5.80	5.20
South Dakota	.44	.41	.51	.57	.75	.39	7.00	5.60
Nebraska	.52	.40	.57	.56	.94	.53	8.50	7.20
Kansas	.57	.42	.65	.67	.98	.77	12.10	7.60
Oklahoma	.68	.50	.93	.87	1.09	.91	11.50	7.40

It will be noticed that there has been an increase all along the line, and if you take the two leaders—corn and wheat—and analyze the conditions surrounding them you can plainly see that while the prices on these commodities are not affected in normal times by the tariff, nevertheless when the years of general calamity resulting from drought overtakes us and we have hungry mouths to feed and stock to care for, the free listing of these products will under such conditions ameliorate distress, and do so without injury to the American farmer.

That is so because we are an export nation of cereals, and the world price is the price at which our cereal products must be marketed.

In the fiscal year 1912-13 we produced of the 15 great staple products of the farm to the value of $11,165,000,000. Our importation of these products amounted to $36,855,000, and we sent abroad nineteen times more than we brought in. The world price is what we received for these products in foreign markets, and the home price was automatically regulated by the price at which they were sold abroad. That is well understood and no amount of sophistry will lead the farmer astray.

WHEAT.

During the major portion of the past year wheat sold in Winnipeg, Manitoba, at a higher price than it commanded in Minneapolis. Canadian wheat did not come into the United States to compete with us, for a duty of 10 cents per bushel would have prevented, even if Canadian wheat was selling at a lower price than ours. Likewise, we have a duty of 25 per cent operating against Canadian flour, so that the price of wheat or its products in the United States could not be adversely affected by Canadian competition. Is that not a fairer deal for our farmers than was given to them under the Payne-Aldrich law, when the great Minnesota milling companies were permitted to import Canadian wheat by paying a duty of 25 cents per bushel, ground it into flour, and on the exportation of that product were refunded the amount of duty paid? Democratic tariff laws have protected the United States farmer against unfair competition, while Republican laws, ostensibly designed to protect the farmer, gave an excess of protection to the manufacturer and permitted the farmer to retain only the shell of bogus protection.

"Oh," our opponents say, "we admit that there is no competition to be feared from Canadian wheat, but Argentina will take away from us our home market." That statement will not bear analysis. The statistical department of the Argentine ministry of agriculture is authority for the statement that it costs 66 cents per bushel to raise wheat in that country, and the yield averages 15 bushels to the acre. That is the basis upon which we must meet Argentine wheat in the markets of England and of the Continent. The world yield and the world demand will ever be the price factors, and as long as we are exporters the world price will prevail in our home market.

CORN.

In 1913 we did have a tremendous shortage of corn in this country—it amounted to 677,748,000 bushels—but even with that shortage this country produced in that year 68 per cent of all of the corn raised in the world. In this country there are 130,000,000 acres planted to corn, 13,000,000 in Mexico, and 10,000,000 in Argentina. When the time comes that our opponents can prove that the tail will wag the dog, then we are ready to be convinced that our corn has cause to fear competition from any section.

The shortage in our crop in 1913 did encourage importations, because it resulted in an increased price in this country. Each year we are increasing the percentage of the corn which we manufacture into cattle and hogs, and on the farms the American people are becoming more and more manufacturers as well as producers of raw material. In the English markets our corn sells for a better price than the Argentine article, because it lends itself easier to feeding in the raw state. In average years bringing Argentine corn into the United States would be equivalent to "carrying coals to Newcastle." In years of drought we need that corn if we are to feed the "teeming millions" who require meat from the cattle and hogs. Last year we had to face just such an unusual condition, but any study of the statistics, honestly made, will convince that no injury has accrued to the American farmer because of competition in our home corn markets.

THE FARMER AND CATTLE PRICES.

Our enemies would lead you to believe that the Democrats struck a blow at the farmer by placing meats upon the free list. Let us see about that. You will find your answer in the statistics gathered by our great Department of Agriculture, and they effectually dispose of the charge.

The cutting up of the great cattle ranches into small farms had brought about new conditions in this country. We were facing a condition which showed that we would soon become buyers in the meat markets of the world, where hitherto we always had been sellers. The American raiser had always obtained for his product a price based upon the world's supply as compared with the world's demand. The American consumer of that meat paid an enhanced price based upon the ability of the packer to sell at a higher price as a result of the destruction of competition—in that enhanced price the American farmer did not share.

Now let us see how this condition operated, as disclosed by the departmental statistics: From 1910 to 1914 the total number of meat animals in the United States—cattle, sheep, and hogs—decreased from 151,812,000 to 144,507,000. But in 1910 the greater number was worth on the farm $1,534,660,000, while in 1914 the lesser number was valued at $1,930,087,000. The total number of animals had decreased 7,305,000, but their value had increased $395,427,000. If that is the sort of calamity which Democratic legislation brings to the cattle raisers, then the farmers would gladly welcome more of it.

OTHER PRODUCTS OF THE FARM.

You will find similar results when you go into an analysis of the other products of the farm. Butter, cheese, eggs, and poultry command good prices, and will command better ones in the near future as the result of causes which I will discuss later on. It is true that a few months ago the Chinese hen was held up as the factor which would bring woe to the farmers' wives in this country, but we no longer hear much about that. Statistics prove that the egg supply of Missouri alone has increased more in the last 10 years than the entire amount of Chinese exportations. There is a market for the American product which will insure good prices as long as natural causes

govern. Eliminate the cold-storage houses, or, better still, regulate them, and you will do more good for the farmer's wife than you will by putting a duty of $1 a dozen on eggs, for we are exporters of double the amount that we import, and a tariff under such circumstances is a delusion and a snare.

In order that I may give to the membership of this House an exact statement as to the relative prices of eggs paid to farmers I herewith submit a table furnished me by a farmer living near Manchester, Dickinson County, Kans.

These figures are taken from a daily diary which has been kept since 1908.

	1908	1909	1910	1911	1912	1913	1914
January			$0.30½	$0.24	$0.28	$0.19	$0.26
February	$0.18	$0.18	.22½	.15	.22½	.17½	.20½
March	.12½	.16	.17½	.12½	.16	.14½	.17½
April	.12	.17½	.17½	.12½	.16½	.14½	.15½
May	.12	.18	.16	.12½	.14½	.15	.16
June	.11½	.17	.15	.09½	.13	.13½	.14½
July	.13½	.16½	.11½	.10	.14	.09½	.14½
August	.14½	.16½	.17	.12½	.15½	.12½	.16

This table shows conclusively that the farmer has received during the first eight months of 1914 an average price of more than 3 cents per dozen above the price received in 1913.

TELLS ITS OWN STORY.

Where has calamity struck the industries of the United States as the result of Democratic legislation? The answer is always most indefinite. Ever we are told of some section remote, and when we make an investigation we find that its habitation is removed and is beyond the reach of railway train, mail, or telegraph.

Surely, if any industry in the United States would have been adversely affected by tariff legislation it would have been that of the manufacture of cotton goods. Every change in the tariff, as relating to that industry, means readjustment of selling prices, and that means uncertainty until such times as selling price has been scientifically balanced in accordance with conditions prevailing.

Now, let us see how the cotton manufacturing business has fared in the past year, and the figures which I will quote are vouched for by Secretary Redfield, of the Department of Commerce.

In the 10 months ending June 30, 1914, there were consumed in this country 4,745,390 bales of cotton, and in the 10 months ending June 30, 1913, the consumption was 4,588,729 bales. Here is an increase of 156,661 bales, approximately 78,330,500 pounds, of cotton which was manufactured into goods by American labor and was sent out and entered into fair competition with foreign products.

And to trace back from effect to cause we find that in June, 1914, the number of spindles in operation in this country was 30,938,752, as compared with 30,046,121 in June, 1913, an increase of 892,631.

More spindles in operation; more cotton used; more operatives employed, all of which means more money in the pockets of cotton-mill employees and a greater opportunity to buy more American products. If this be the result of Democratic tariff revision, surely we have no reason to be dissatisfied.

EVERYWHERE OUR PEOPLE ARE PROSPEROUS.

Take any and all of the lines which denote activity here in America and what do we find? A general increase in production in the past year which can not mean otherwise than that we are making remarkable progress and are utilizing our resources as never before.

There was a healthy increase in the coal production in the fiscal year ending June 30, 1914, which would not have been the case if we were not prosperous. Twenty-four States showed an increase in coal production and only six showed a decrease. The production of coke also showed a material increase, and in petroleum we had an increase of 25,000,000 barrels and a value showing an increase of $72,000,000 over the preceding year.

In cement production we had the banner year, with a gain of more than 11 per cent over its predecessor, and yet the cement manufacturers made dire prophecies when we placed their products on the free list one year ago.

In the past year we had record products in lime, building sand and gravel, sand lime, brick, and glass sand. And among the other mineral products for which the past was a record-breaking year we find bauxite and aluminum, sulphuric acid, feldspar, mica, pottery, talc, and soapstone, and we find substantial increases in gypsum, phosphate rock, abrasives, barytes, slate, and salt.

The record is there and it is easily found and analyzed. It shows that mine and mill and smelter and furnace are prosperous, and that the calamity predictions have failed to materialize.

CURRENCY LEGISLATION.

It is my belief that when the history of this administration is fairly written the currency legislation will stand out prominently among its accomplishments. It will do so for it stands out as one of the finest achievements in constructive legislation. The world in general has given to it praise in unstinted measure and here in this country we have had several object lessons which prove to us that even before it was put into operation it had inspired the confidence necessary to insure stability.

The Claflin failure was monumental, but business at once adjusted itself and localized the damage done. The European war caused a restriction of credits in the world and was the cause for the dumping on our markets of millions of dollars' worth of American securities. We have met each and every contingency, with but little ill resulting, because it is recognized that we are, for the first time in our history, on a stable basis and are in position to make use of our wonderful resources. It has been said that the dollar is the most cowardly of possessions, because it will desert the channels of business and go into hiding at the appearance of the first threatening cloud. We have put an end to that by Democratic currency legislation, and to-day we have confidence, whereas in 1907 we had no such grave situation to face, and yet Republican currency legislation forced us—at least it was not able to prevent our being forced—into a disastrous money panic, which shattered the foundations of all business, destroyed credit, and brought about misery at the very time that our natural products of the farm were to be had in plenty, but could not be sold because money was not obtainable.

Furthermore, as a result of our currency legislation we are in position to take advantage of European conditions and give a wonderful impetus to our foreign trade, and we are able to do this because we have now on the statute books legislation which gives stability to legitimate financial transactions at home and abroad and which will provide the machinery through which Americans will be enabled to conduct trade in foreign countries without carrying a handicap.

TRUST LEGISLATION.

Coming to trust legislation, we find that this House has passed three bills aimed to bring about competition and curtail the evils which have crept into our business life as the result of the unchecked license of the big combinations. One of these bills has passed the other body, and before this session is over I look to see all of them made into law. Tariff, currency, and trust legislation formed the main part of the program promised by our party. We recognized that the three questions were interlocked and that there would be no relief from manifest evils until all were dealt with. This we have done, and that our propositions must have appealed to even many of our opponents is made manifest by a study of the votes cast on the various measures.

HOW THEY VOTED.

For the tariff bill seven Republicans and Progressives voted with the Democrats.

Thirty-eight Republicans voted with the Democrats for the currency bill.

Forty-seven Republicans voted with the Democrats for the Clayton antitrust bill.

No Republicans had the courage to vote against the trade commission bill.

And only 12 Republicans voted against the bill regulating the issue of railroad stocks and bonds.

THE PRESIDENT'S FOREIGN POLICY.

There is but one more question to which I propose to give very much attention, and that is the foreign policy of this administration.

But a short time since there was a disposition on the other side to sneer at the policy of "watchful waiting," but that is no longer in evidence. Developments in Mexico have demonstrated the wisdom of our President. We have won through the patience, courage, and far-sighted policy of a President who had a belief in high ideals and who believed that he understood his countrymen. He has gained a moral victory and has advanced American interests, and he has done so without leaving behind him a road strewn with the dead and wounded. The American homes made desolate are few, but the victory is no less important, and the great beauty of it is that the wounds made will quickly heal and leave behind them only admiration for a people great in power, but who, under wise leadership, refuse to use that power for aught but the benefit of humanity.

It is too early for us to estimate what are the advantages gained. We are facing a general war in Europe, and we find

ourselves with no entanglements and with hands free to utilize them in the doing of constructive work for the greater good of our own people and that of all of the people of the world. Ours is the only great Nation in the world in position to act as mediator, and our treatment of China, of Mexico, of Cuba, as well as our broad-minded handling of Panama Canal complications, point to us as the one Nation which will have the respect and trust of the world, so that it can act to the best advantage in bringing about the final adjustment.

Already we have entered into some 20 treaties which aim to prevent war, and these treaties are with practically every nation on this continent. We do not covet our neighbor's goods, and we are demonstrating it every day, so that the nations of this earth have but to know us to realize that we are not seeking conquered territory or aggrandizement.

Without entering into the realms of speculation, we can well imagine that the present war can not but result in a most wonderful development of American trade, carried in American vessels. Primarily this trade will come from our South American neighbors, who should be our natural customers, but ultimately it will mean that we will reap as the result of the paralysis of foreign manufacturers, who can not hope to recuperate in years to come.

It requires no great amount of foresight to realize that all this will mean such an impetus to American labor as we have never dreamed of. Our factories will have to increase and multiply if we are to meet the world's needs, and this means steady employment, good wages, and even a higher standard of living for American laborers, resulting, of course, in a market for the products of the American farms and a better one than if we had to send these products abroad in order to dispose of a surplus.

If these were all of the advantages to be gained it would be selfish on our part to rejoice, for it would mean that our success was to be purchased at the price of the misery of others. That I do not desire to see, and it is my sincere belief that our country will be the means of bringing about results from this war which will mean inestimable good to all of the civilized people of the earth.

WHAT IT MEANS.

Some months ago Members of all political parties in this Chamber united in passing a resolution designed to bring about a cessation in the world expenditures for war purposes. We were not in position to advance our views then, but we are to-day. The time was not ripe for us to get a hearing then, but it is to-day, or will be as soon as the foes across the ocean are counting the toll of human lives and of treasure offered up as a foolish sacrifice to unnecessary war.

For one moment, my friends, give consideration to the known facts. Out of every $100 spent by the Government of Great Britain, $37.85 is paid as the cost of war or in preparations for war. In France the amount is $35.07; Germany, $55.86; Japan, $45, and in our own country, where the universal prayer is for peace, out of every $100 expended, $68.07 due to war, or preparations for it.

Think of what all of that means. Consider the burden entailed upon the labor—upon the productive capacity—of this nation and of the others when such an amount of tax is annually wasted. The cry of the Nation is for economy in governmental expenditures, and when we can secure a lessening in the tremendous amounts referred to above we will have taken the first progressive step and the first constructive step to answer that cry.

Our time to act will come when called upon to mediate. The treaties already secured by our well-beloved Secretary of State, W. J. Bryan, point to the road, and the policies of Woodrow Wilson show to the world that we have the one man who has ever acted to the end that the peace of the world may be preserved without the sacrifice of human lives. That is the meaning of the situation now confronting us, as I see it, and all of us will have reason to take a new and a greater pride in our American citizenship if the results turn out as expected.

IN CONCLUSION.

That in part is the 18-months' record of this Democratic administration, as I understand it. Upon that record we welcome judgment. Under the wise leadership of Woodrow Wilson we have striven to remove the demand for a "square deal" from the mere clamor of the demagogue and write it into the law of the land. Our party has not and never will make an attack upon legitimate industry of any kind, but when we insist that business, big and little, shall obey the spirit as well as the letter of the law we simply demand that all business shall be so conducted that equality shall mean something more than a mere generality and that the fruits of competition shall be something more than "Dead Sea fruit."

Let Us Have Peace in Colorado.

EXTENSION OF REMARKS

OF

HON. EDWARD KEATING,

OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 8, 1914.

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks in order that I may place in the CONGRESSIONAL RECORD a letter addressed by the President of the United States to the coal miners and the coal-mine owners of Colorado.

The Members of this House have some knowledge of the unfortunate industrial conflict which has disturbed the State which I represent in part on this floor.

One year ago a strike was called in the coal fields of Colorado. Approximately 12,000 men were affected. Efforts at arbitration by the State authorities failed, and the representatives of the national Department of Labor tendered their good offices without success.

Secretary of Labor Wilson visited the strike zone and endeavored to mediate. He succeeded in securing a conference between the employers and their employees, but it was abortive.

As early as last October President Wilson interested himself in the situation.

With marvelous patience he has repeatedly sought to bring about an understanding, and if his suggestions had been accepted I am confident my State could have avoided a staggering loss of life and property.

Last April, in response to urgent requests from State officials, led by Gov. Ammons, mine owners, labor leaders, and citizens generally, President Wilson sent a large detachment of Federal troops to the various coal fields. They restored order at once and have remained in control of the situation.

These soldiers have established a remarkable record. They have been in Colorado for almost five months and they have not had the slightest difficulty with either party to the strike. This record has never been equaled in the history of labor troubles, and I believe both officers and men are entitled to the thanks of the country.

The presence of the soldiers has not, however, brought about a settlement of the strike. The men and their former employers seem as far apart as ever.

President Wilson feels that this situation can not be permitted to continue. The Federal troops can not be kept in Colorado indefinitely. Something must be done.

What that something should be the President indicates in the following letter which he addressed to the president of the Colorado Fuel & Iron Co., the chairman of the Victor-American Fuel Co., the president of the Rocky Mountain Fuel Co., and the officers of the United Mine Workers of America:

THE WHITE HOUSE, *September 5, 1914.*

MY DEAR SIR: I feel justified in addressing you with regard to the present strike situation in Colorado because it has lasted so long, has gone through so many serious stages, and is fraught with so many possibilities that it has become of national importance.

As you know, Federal troops have been in the State for the purpose of maintaining order now for a long time. I have been hoping every day during that time that some light would come out of the perplexities of the situation, some indication that the mine operators and the miners who are now on strike were willing to consider proposals of accommodation and settlement, but no such indication has reached me, and I am now obliged to determine whether I am justified in using the Army of the United States indefinitely for police purposes.

Many things may come out of this situation if it is not handled with public spirit and with a sincere desire to safeguard the public, as well as all others concerned. Perhaps the most serious of them all is the feeling which is being generated and the impression of the public that no one is willing to act, no one willing to yield anything, no one willing even to consider terms of accommodation.

As you know, two representatives of the Government of the United States have been actively engaged in investigating the whole situation and in trying to reach a dispassionate conclusion as to what it is possible to do in justice to both sides not only but also in the interest of the public. The result of their investigations and of their very thoughtful consideration in the matter has been the drafting of the inclosed "tentative basis for the adjustment" of the strike. I recommend it to you for your most serious consideration. I hope that you will consider it as if you were acting for the whole country, and I beg that you will regard it as urged upon your acceptance by myself with very deep earnestness. This is a time, I am sure you will feel, when everything should be done that it is possible for men to do to see that all untoward and threatening circumstances of every sort are taken out of the life of the people of the United States.

Sincerely, yours,

WOODROW WILSON.

The "tentative basis for the adjustment of the strike," referred to by President Wilson, was prepared by two men who were selected for the work because of their peculiar qualifica-

tions. One of these men, Hywel Davies, is the president of the Kentucky Coal Operators' Association—an organization of mine owners—and the other, W. R. Fairley, is a practical miner of long experience and a member of the miners' union.

It will be seen, therefore, that the President's peace plan is not a one-sided arrangement but has been prepared by men who were desirous of protecting the interests of both miner and mine owner.

The suggested "basis of settlement" is as follows:

DRAFT OF A TENTATIVE BASIS FOR THE ADJUSTMENT OF THE COLORADO STRIKE.

Whereas the industrial conflict in the coal mining fields of Colorado has disrupted the peace of those sections of the State to the extent that a state of war has practically existed for some time; and

Whereas a temporary peace is maintained by the presence of the Federal troops: Therefore there should be established a three-year truce, subject to—

1. The enforcement of mining and labor laws of the State.

2. That all striking miners who have not been found guilty of violation of the law shall be given employment by the employer they formerly worked for, and where the place of the employee has been filled he shall be given employment as a miner at the same or other mines of the company.

3. Intimidation of union or nonunion men strictly prohibited.

4. Current scale of wages, rules, and regulations for each mine to be printed and posted.

5. Each mine to have a grievance committee to be selected by majority ballot at a meeting called for the purpose in which all employees (except officials of the company) have the right to participate.

Members of said committee must be employed at least six months at the individual mine before being eligible.

Married men to be in the majority on each committee.

Grievances to be first taken up individually with the proper officer of the company. Failing adjustment they can refer to their local grievance committee for further consideration with the mine officials. Still failing adjustment, the matter shall be submitted to a commission composed of three men to be appointed by the President of the United States and which shall be representative of each side, with the third member to act as umpire whenever necessary. This commission shall during the three years of truce serve as adjusters or referees in all disputes, whether individual or collective, affecting wages, working and social conditions.

Said commission shall devote primarily all the necessary time to the consideration and adjustment of such disputes.

6. It is understood as a condition of the creation of said commission that during the life of the truce—

(a) The claim for contractual relations is to be waived, but this shall not prevent the voluntary agreement between any employer and their employees during the life of this truce.

(b) No mine guards to be employed, but this does not preclude the employment of necessary watchmen.

(c) In the establishment of the truce the presence of the Federal or State troops should become unnecessary.

(d) There shall be no picketing, parading, colonizing, or mass campaigning by representatives of any labor organization of miners that are parties to this truce which will interfere with the working operations of any mine during the said period of three years.

(e) During said truce the decisions of the commission in cases submitted shall be final and binding on employers and employees.

(f) There shall be no suspension of work pending the investigation and reaching a decision on any dispute.

(g) The suspension of a mine over six consecutive days by the company may be authorized for cause satisfactory to the commission, but not pending any dispute.

(h) Willful violations of any of these conditions will be subject to such penalties as may be imposed by the commission.

On account of the mutual benefits derived from the truce, the employers and employees should each pay one-half of the expenses of the commission.

Respectfully submitted.

HYWEL DAVIES,
W. R. FAIRLEY,
Commissioners of Conciliation.

From the inception of the strike the coal-mine owners have insisted that they would never consent to "recognize the union." All those who have essayed the rôle of peacemaker have agreed that that was the crux of the controversy.

The President has avoided that issue without sacrificing the interests of the toilers.

The "tentative basis of agreement" recognizes the workmen's right to meet and organize for the purpose of demanding the correction of grievances.

And it provides an impartial tribunal for the determination of those grievances.

In other words, it creates a "court of industrial relations," a court for which there is urgent need in every State of the Union.

Why should capital and labor adjust their differences with clubs?

If an employer and his workman become involved in a controversy over a coat and are unable to reach an agreement, they appeal to the court. Now, the court may be unfair, it may be corrupt, or it may be grossly incompetent to pass on the matter at issue, but, notwithstanding, its verdict is binding. The experience of centuries has taught us that this is a good way to adjust disputes over property.

But if the employer and his workman quarrel about wages, hours of labor, and working conditions, and either or both are too stubborn to yield a little here and there, we find that instead of appealing to some impartial tribunal they proceed to "fight it out." Sometimes this is a mere figure of speech, but sometimes it means bombs and Gatling guns, bloodshed, and property loss.

Of course, all this is very silly and very barbaric and should not be tolerated by organized society.

President Wilson has offered a humane, twentieth-century solution of the problem.

I trust the miners and mine owners of Colorado will have the good sense to accept.

That this is the sentiment of the right-thinking people of this country is amply demonstrated by the editorial comment of the great national papers on the President's proposal.

The following from the Washington Post is typical:

[Editorial from Washington Post, September 9, 1914.]

THE COLORADO STRIKE.

It will be a commentary upon their own lack of patriotism if the mine operators and employees in the coal fields of Colorado refuse to accept the President's suggestion for a three years' truce. Other interests have made many sacrifices in the general effort for national harmony at a time when the people of the country must stand together to meet the shock of the European war. The situation in Colorado, bordering on civil war, has become a national, as well as a State menace, and if the interests involved have any regard for the welfare of the country they will bring their strife to a quick end.

When it is realized that the chief obstacle, and almost the sole obstacle, to peace is the refusal of the mine operators to make a contract with the labor unions, as such, and the refusal of the employees to go to work without such a contract, the cause of the dissension appears to be almost trivial. Especially does it seem to be insignificant, and utterly unworthy of sane men, when compared to the bloodshed, poverty, and starvation that have blighted the families of the coal region.

The owners of the mines have not shown a broad spirit in dealing with the problem, and are to be blamed for refusing to arbitrate. It is all very well to say that there is nothing to arbitrate. Perhaps not. But in a crisis of this kind, even the fetich called principle might be moved back a bit to make room for the cause of humanity.

Neither side, however, need sacrifice principle under the plan submitted by the Department of Labor. They can meet upon this common ground, and thus permit the withdrawal of Federal troops and the resumption of business. The wives and children of the district, the wives and children of the union men as well as nonunion men, will breathe a sigh of relief if an end comes to their terrible travail. A blot will be removed from the integrity of the State.

War Revenue Bill.

EXTENSION OF REMARKS

OF

HON. GEORGE W. EDMONDS,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. EDMONDS. Mr. Speaker, I do not care to take up the time of the House to indulge in any lengthy discussion of the present measure, H. R. 18891, for the reason that the following figures which I shall quote tell too plainly and forcibly who is to blame and what economic policy is responsible for the enormous decrease in the revenues of our country—nothing else but the Underwood-Simmons tariff law.

During January, 1914, a few months after the Underwood-Simmons tariff law went into effect, but seven months before war among the European nations was declared, the duties collected from customs were $23,528,079.83, as compared with duties collected under the Payne law a year previous which amounted to $29,334,124.09, the decrease being $5,806,044.26.

The decrease for February amounted to $9,995,512.13.

The decrease for March amounted to $1,530,276.30.

The decrease for April amounted to $1,461,200.19.

For May, 1914, there was only a slight increase of $365,824.04.

The decrease for June, 1914, amounted to $115,151.05.

The decrease for July, 1914, amounted to $4,818,189.50.

The decrease for August, 1914, amounted to the enormous sum of $11,503,589.92.

Customs receipts continue to fall behind, with a daily average of decrease under collections of last year from $300,000 to $500,000.

Therefore, even if the war abroad had not occurred, the present administration sooner or later would have had to adopt some other means to replenish the Treasury besides taxing the items contained in this so-called war-tax bill, which title the framers are not justified in using, as such a measure should only be adopted when our own country is at war with some other nation or nations and not in time of peace.

But I can not sit by without voicing my protest against a rule, already popularly called a "gag" rule, which will prevent

a thorough discussion of this measure or the possibility of amending it in any way. Surely the chairman of the Ways and Means Committee and the majority members of that committee do not possess all the knowledge and wisdom in the framing of a bill which is to raise over $100,000,000, without the assistance of even the members of their own party, for the rule, when adopted, is as binding on the majority side of this House as on the minority.

I am thankful, however, Mr. Speaker, that there is another branch of our legislature—the Senate—where the cloture system does not exist, as has been demonstrated on more than one occasion. When this bill reaches that body let us hope that in the freedom of debate among the Senators there will be pointed out to the members of the Democratic Party the error of their ways in the framing of a tax bill the real purpose of which is to make up the enormous loss in our customs receipts brought about through the operation of the Underwood-Simmons law.

Postal and Civil-Service Laws.

EXTENSION OF REMARKS

OF

HON. WILLIAM E. COX,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, August 8, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 17042) to amend the postal and civil-service laws, and for other purposes.

Mr. COX. Mr. Chairman, I opposed this amendment while the bill was pending in our committee. I opposed it on the floor of the House, and I oppose it now. I believe for the first time in the history of the rural-route service of this country the Post Office Department has worked it out on a scientific basis. I opposed it then because I believed they were getting all the money they were entitled to. Second, I opposed it because the Postmaster General said before our committee that it was not needed. He did not come before the committee and ask for the increase of a single salary of one of his employees. The persistent, insistent demand on the part of these rural-route carriers for increase in salary has been based at different times on different things. Five or six years ago it was based on the proposition alone of the increased high cost of living, and they got it. Two years ago it was based upon the theory that they ought to have as much as the city letter carrier, and they got it. They now come before Congress and they ask for an increase in salary upon a totally different proposition, namely, because of the increased weight of their mail brought on as a result of the parcel post. Let us see what that has done for them. In 1912 the mails were weighed upon each rural route in the United States for two months before parcel post was enacted. The average weight of mails per day carried over each route before the parcel post was 28.26 pounds. One year after the parcel post was enacted and put into operation for two months again every piece and package of mail that went over the rural route was weighed, and the average weight of mail was 34.38 pounds per day per route, an increase of 6.12 pounds per day per route, and yet for that increase the demand is made here for an increase of $100 per annum on each standard route.

Why, if you gentlemen had had the opportunity of reading Postmaster General Burleson's letter, you would readily agree that he is clearly right upon this proposition. Let me call your attention to a few of these routes. For instance, there is a route out of Boston, S. C. I do not know whose district that is in, but the average weight of mail carried each month over the rural route out of Boston, S. C., is 150 pounds, while on a route going out of a town in Oregon there are carried 7,800 pounds a month. I appeal to you, is it right to pay the man in South Carolina, with 150 pounds in 30 days, the same amount as the Oregon man, who has to carry 7,800 pounds in 30 days?

I call your attention to a place in Alabama where the average weight of mail each month is only 178 pounds. Is it right to pay that man $1,200 a year, when up here in the State of Connecticut a rural-route carrier carries from 5,500 to 6,000 pounds per month?

Take my home town, Jasper, Ind., carrying upon an average of 365 pounds of mail per month, a little over 12 pounds per day. Is it right to pay that carrier $1,200 per year when a carrier on a certain rural route in New Jersey carries 4,500 pounds of mail per month?

Take the rural-route carrier out of Huron, Ind.—this is in my district—carrying on an average 395 pounds of mail per month, a little over 13 pounds per day, and a rural-route carrier in Wisconsin, carrying upward of 2,000 pounds per month. Is it fair to pay the rural-route carrier out of Huron $1,200 per year and the rural-route carrier in Wisconsin the same amount, while the carrier in Wisconsin carries eight or ten times as much mail?

Take the rural-route carrier out of Shoals, Ind., carrying upon an average of 345 pounds of mail a month—a little over 13 pounds per day—and another rural-route carrier who carries from 1,000 to 7,500 pounds of mail per month; are the carriers carrying this extra amount of mail to be classed with the carriers carrying such a small amount?

Heretofore mileage was the only basis of pay for rural-route carriers. No other element entered into its consideration whatever but the rearrangement of pay for rural-route carriers, as fixed by order No. 8246, dated July 14, 1914, and which is as follows, to wit:

POST OFFICE DEPARTMENT,
Washington, July 14, 1914.

(Order No. 8246.)

On and after July 1, 1914, the compensation of rural carriers shall be based upon the length of routes and the number of pieces and the weight of mail carried, as shown by the records of the department; and their rates of pay shall be computed on and fixed according to the following schedule:

Schedule.

Length of route.	Salary base.	Pieces of mail per month.	Pounds of mail per month.
4 miles and less than 6 miles	$480	3,000	400
6 miles and less than 8 miles	528	3,700	490
8 miles and less than 10 miles	576	4,400	580
10 miles and less than 12 miles	624	5,100	670
12 miles and less than 14 miles	672	5,800	760
14 miles and less than 16 miles	720	6,500	850
16 miles and less than 18 miles	840	7,200	940
18 miles and less than 20 miles	960	7,900	1,030
20 miles and less than 22 miles	1,080	8,600	1,120
22 miles and less than 24 miles	1,152	9,300	1,210
24 miles and over	1,200	10,000	1,300

An increase or decrease of $12 per annum shall be made for each 1,000 pieces and for each 100 pounds, respectively, greater or less than the schedule; and an allowance of $12 per annum shall be made for each closed pouch or closed sack of mail carried per day and also for each full mile of route served in excess of 25 miles in length: *Provided*, That no carrier shall be reduced in present compensation because of this order, and that $1,200 per annum shall be the maximum salary.

A carrier serving one triweekly route shall be paid on the basis and subject to the above conditions for a route one-half the length of the route served by him, and a carrier serving two triweekly routes shall be paid on the basis and subject to the above conditions for a route one-half the combined length of the two routes.

The compensation of carriers on newly established routes shall be at the rates in effect June 30, 1914.

A. S. BURLESON,
Postmaster General.

Incorporate two other elements into it:

First. Number of pieces.

Second. Weight of mail carried as shown by the records of the department.

It is perfectly idle and absurd to say that the rural-route carrier out of Boston, S. C., and Jasper, Ind., is compelled to have the same kind of equipment, where their average weight of mail per day is from 5 to 13 pounds, as the rural-route carrier must have who carries 7,500 pounds of mail per month. The rural-route carrier out of Jasper or Boston, S. C., can easily get along with one horse or a motorcycle, if the roads are good, while the other carriers, where the mail is so heavy, must have not only two horses, but a heavy two-horse wagon.

The truth about the whole matter is that very few Members of this House believe that these rural-route carriers are entitled to a flat increase of $100 per year, but the vast majority of the membership of this House are thoroughly in accord with the Postmaster General in the rearrangement of their pay. We must remember that the rural-route carriers are a powerful and potential political organization—43,000 of them—reaching about one-half of the population of the United States six days in every week. They are in a position to make themselves felt not only back home in our respective districts but here on the floor of the House.

I am in favor of giving the rural population competent, effective, and efficient mail delivery, but we could pay these rural carriers $2,000 per year and the people would not get any better service than they are getting to-day. These rural-route positions could be let out by competitive bidding and practically every one of them would be carried for less than $800 per year. Everywhere an examination is held to fill a vacancy or where a new route is established there are from 25

to 100 men who stand the examination and who are willing and anxious to get the job at the present salary. I was recently told by a Member of this House that in an examination recently held in his district to fill a vacancy, upward of 70 men stood the examination and 58 of them went on the eligible list. In a county in my own district, where a rural-route examination was held recently, 32 men stood the examination and 28 of them went on the eligible list and all after one job I undertake to say that there is not one of the defeated candidates for this job who would not have readily jumped at the opportunity to carry the mail on that route for $800 per year. The people are not crying out to spend $53,000,000 a year for this service. This is false and erroneous. It is absurd to believe that the people are crying for this. What the people want is service. They want their mail delivered to them, and they are entitled to have their mail delivered to them the same as the people in the city have their mail delivered to them. And they are entitled to have it delivered to them as cheaply as possible; and as the people have to pay for it in the last analysis, they are just as much interested in the matter of economy as we are. It costs $53,000,000 a year to pay these rural carriers, and the receipts taken in as a result of this does not exceed $10,000,000 per year, but I am not complaining about this. The country people are entitled to have their mail carried to their doors just the same as the city people, and if we are to practice economy in giving them this service, I am sure they are in favor of it. I feel sure that the amendment of the gentleman from South Carolina is going to carry, but I hope it will never become a law. The rural-route carriers are getting all they are earning, all they are entitled to, and if they feel that their present salary is too low, an easy way out of it is for them to quit and let some other fellow take his job.

Emergency Revenue Legislation.

EXTENSION OF REMARKS

OF

HON. FREDERICK H. GILLETT,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. GILLETT. Mr. Speaker, there is a concerted effort by the Democratic Party to make the European war a scapegoat for their own shortcomings and an argument for their own reelection. This bill to lay new taxes on the people is one of the evidences of that effort. Your tariff law had proved a failure. You asserted in the campaign two years ago that the Republican tariff was the mother of trusts and the cause of the high cost of living, and that the remedy for those unpopular conditions was a Democratic tariff. The country, because of a division in the Republican Party, took you at your word and you have applied the remedy. Have the diseases been cured? Have the troublesome symptoms been dissipated? Have the trusts vanished and the cost of living fallen? On the contrary, the trusts have developed a strong affection for their new stepmother, the Democratic tariff, while the cost of living shows no appreciation of the fact that it was expected to come down.

One result has happened, however, exactly as we predicted. While the blessings which you promised have failed to keep their appointments, the evils which we prophesied have presented themselves on schedule time. Employment has been scarce, millions of men have been out of work, the buying power of the people has diminished, and business depression has resulted. And all this came before the outbreak of the war. How could it be otherwise? You avowed that the purpose of your tariff law was to increase importations of foreign merchandise, which you said would give our purchasers cheaper goods. The importations have increased, but have purchases been any cheaper the past year? The result of cheapness which you promised has failed. But the increased importation of these foreign goods means necessarily that they take the place of just so many American goods and that just so much work is taken away from American workmen and transferred to foreign factories, and just so many American workmen are unemployed. That result which we predicted has followed. The importations during the last fiscal year after the passage of your tariff bill were $102,000,000 larger than for the corresponding time of the previous year. But recognizing that such an increase of importations would take so much work away from us, you were going to make up for it by selling more American goods abroad, increasing our exports, and so keep us busy. Have you done it? Instead of increasing, our exports diminished by over a hundred million dollars. So our business suffered not only because we brought into the country a hundred million dollars' worth of products more than the year before and took so much work away from our people, but, in addition, because we also sold a hundred million dollars' worth less goods abroad and so lost the work which that production would require. We lost both ways, from the increased imports and from the diminished exports.

It would have required a very material decrease in the cost of living to compensate the American people for the loss of that vast production of $200,000,000 worth of goods and all the employment and wages it represents, but there has been no decrease at all in the cost of living, and we have endured all the loss which we predicted and have enjoyed none of the compensation which you promised. Is not that of itself sufficient proof of the failure of your tariff law?

But the revenue from it is insufficient to meet current expenses, and so you have introduced this bill for extra taxes. You pretend that it is on account of the war, but under the operation of your tariff law our expenses exceeded our receipts, and for the coming year this Democratic Congress has made appropriations on a scale which would cost $30,000,000 more than last year, so that without the war in Europe there was sure to be a deficiency, and some extra provision must be made. Now, you are seizing on the pretext of the war to make good the deficiencies for which you and not the war are responsible, and to provide sufficient income for not only the war loss but for your extravagant scale of expenses. Everywhere else in this world a lessening income is reason for a reduced outlay. From the untutored savage to the most cultured economist everyone except the Democratic Party recognizes the relation between income and outgo, and that when one falls off the other should be contracted; that a time of business depression is not a time for free expenditure. The appropriations for this coming year are the largest ever made, and nearly $100,000,000 larger than for the corresponding year of the last Republican administration, which the Democrats denounced as shamefully extravagant, and it would seem to be the part of ordinary prudence and common sense to now revise and prune these enormous appropriations rather than to raise new taxes to pay for such unprecedented indulgencies. At a time when credits all over the world are rocked to their foundation it would seem natural that this Government should set an example of economy instead of levying extraordinary taxes to pay for expenditures which have been planned on an unprecedented scale but which ought to be at once curtailed. The war will still further reduce our revenues and is an additional reason for reducing expenses rather than laying new taxes.

In his message recommending this tax the President admitted that we have on deposit in the banks $75,000,000, or enough to make good any deficit for many months, and probably for the duration of the war, but he said it would cause inconvenience and distress and confusion to rapidly withdraw these deposits. That is a novel argument. The people must be taxed in order that Government money may not be withdrawn from favored banks. The banks pay the Government 2 per cent for the money and loan it out at from 6 per cent upward. So the people are taxed that the banks may make this profit. Does not taking money by taxes cause just as much confusion and distress as taking gradually the money deposited in the banks? Why should the money be drawn from the pockets of the people who have a right to it until it is needed by the Government, rather than drawn from the favored banks, who have no right to it at all? The deposit of money with banks has often been criticized as leading to favoritism and dependence on the money power and undesirable intimacy between the banks and the administration, but I never before knew of an instance where such tenderness was shown toward the banks as to tax the people rather than to demand of the banks that they should pay their debts. It has always been thought dangerous and suspicious that an administration and the banking interests should have close relations; it has always been recognized that the banks, under the influence which the United States Treasury can exert, might easily be used for partisan purposes. Indications of such influence are already apparent. When the Reserve Board was created, which should control the whole banking system of the country, all the men whom the President first nominated for those $12,000 positions were Democrats, so that the board should consist of seven Democrats and not a single Republican. I do not know of a more indefensible act of rank partisanship, and it at once excited the unpleasant suspicion

that the administration was planning to use the banking interests for partisan purposes.

The Secretary of the Treasury has recently threatened to withdraw Government deposits from banks which kept their reserve fund larger than he thought necessary. A bank never wants to keep its reserve fund unnecessarily large. The money in the reserve lies idle and earns nothing for the bank. It only keeps it as a matter of prudence and caution, to be ready to meet an emergency. The real danger and tendency is always to loan too much and keep its reserve too small. It is because a bank is always tempted by self-interest to keep its reserve unsafely low and extend its credits too far that it has been necessary to provide by law that every bank must maintain a certain reserve. And if a bank in the exercise of its discretion, with its selfish interest the other way, thinks it prudent to enlarge its reserve, should the Secretary of the Treasury, in the exercise of his assumed omniscience, or for the benefit of his party policy, set up his judgment as conclusive and threaten it with withdrawal of Government deposits? Presumably the directors of a bank are the best judges of local conditions and of the safety of local loans. Is the Secretary of the Treasury to act as the dictator of our whole financial system through membership on the reserve board and through his power of lending Government money to the banks that earn his favor and denying it to those who for any reason he dislikes? Former Secretaries of the Treasury have been very scrupulous in the exercise of this discretion. Democrats would have denounced violently any Republican administration which interfered so actively, but here constant intervention and favoritism seems to be the rule. A Democratic Senator from a southern State, whose record for paying its obligations was not stainless, complained to the Secretary of the Treasury that his State was not able to borrow $1,000,000 in New York on satisfactory terms. A borrower often finds terms unsatisfactory, especially in periods of financial disturbance. But the Secretary of the Treasury issues a public statement that it is preposterous that the State should not be able to borrow such a small amount, and that if the Senator can not raise it on satisfactory terms "I will myself see if banks can not be found to take up this loan." I have no doubt that with this threat and with his power to injure a bank the New York banks will deem it wise to loan the money, even if they do not like the investment, but I do not think that is part of the legitimate functions of administration Senators or Secretaries of the Treasury.

An enormous inflation has been inaugurated, and one product—cotton—has been selected as deserving special privileges from the banks. It is a most dangerous and sectional precedent. The present Secretary of the Treasury is notoriously the political organ of the administration. He, more than anyone else, is the dispenser of patronage and the manipulator of the political machine. And it is disquieting to see the occupant of that position also dispensing financial favors, issuing financial threats, and enforcing a policy of active personal intervention over the financial system of the country. The banks have tremendous power and ought to be kept absolutely free from partisan interference, and ought not to be subjected to the threats or the bribes of the active head of any political machine. It would not be safe for a bank to criticize or disobey his orders, but the country ought to watch with suspicion his interference.

While this war temporarily lessens our revenues and disturbs business, I think its permanent result may be advantageous to the United States. Unless it is short, our industries will adapt themselves to the new conditions, credits will gradually settle, and the war, acting not only as a protective but as a prohibitive tariff, will compel us to make for ourselves what Europe has made for us, and thus will increase both our commercial independence and our annual production. I observed recently that one of the ablest members of the Cabinet issued a statement that this war might prove a benefit to the United States by compelling us to develop certain of our own resources instead of depending on importations from abroad. I quite agree with the Secretary. But it is a singular statement, coming from a Democratic statesman. That is exactly the purpose of a protective tariff, which Democrats have persistently fought and which has been a cornerstone of the Republican Party. To make difficult the importation of competing products, so that we could supply our own needs and do our own work and develop our own resources, has been the aim of protection, and if that policy had not been in force for half a century, who can tell how prostrate and helpless this sudden cessation of European industry and imports might leave us now?

This war acts like a prohibitive tariff; it suddenly shuts down all imports from parts of Europe. It is bound to stimulate every branch of American industry which has grown to be self-independent just as soon as the first shock has passed and readjustment is made. Our opponents used to compare our tariff to a Chinese wall. This war is a protective wall reaching to the sky, for it shuts out everything from some nations, and when the Secretary says it will be an ultimate gain to us and will compel us to develop our own resources he is preaching pure Republican doctrine, and I hope he will remember it after the war is over. That was the ground on which Alexander Hamilton based the first protective tariff, and that has been its main defense ever since. We do not need such prohibitive protection, such a high wall, any longer. We can accomplish the result surely and easily by a moderate tariff.

The Secretary's sudden discovery of the virtue of cutting off foreign imports and encouraging our own development reminds me of Charles Lamb's famous essay on roast pig. You remember he detailed how, thousands of years ago, when the world was young, after the burning of a Chinese house, the owner, delving in the ruins, put his hand on the hot body of his young pig, and, licking his burned fingers, tasted for the first time roast pig. He greedily devoured the novel dainty and pined for more. He kept the delicious discovery secret and kept building new shanties and burning them down as often as he had a fresh litter of pigs to taste again the delectable result. His secret was discovered, others were carried away by the same passion for the new delicacy, huts began burning down all over China, and it looked as if human habitations would be lost, till the genius of a great philosopher discovered that the same end could be achieved by any other fire without burning down the house, and China was saved.

So I would suggest to the Secretary that while we acknowledge the merit of his somewhat belated discovery, and while we sympathize with his enthusiasm for developing our own resources and not relying on foreign supplies, yet it is not necessary to burn down the house. The conflagration of a great war is not indispensable, but the same result can be achieved safely, easily, and surely by a moderate protective tariff, such as the Republican Party advocates. In that way we can reap all the advantage and be spared all the shock and suffering.

Instead of this proposed bill, which, under the pretext of a war, seeks to provide funds sufficient for the enormous appropriations to which this Democratic Congress has treated itself, and for which the ordinary revenues would be insufficient, instead of such a bill we need a policy of retrenchment and economy appropriate to the existing conditions, and we need a protective tariff law which will again turn the balance of trade in our favor, as it was before, give employment to workmen in the United States instead of to those in foreign countries, and revive again throughout the land confidence and industry and employment.

Governmental References in Connection With Oregon Discussion.

EXTENSION OF REMARKS

OF

HON. ALBERT JOHNSON,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 15, 1914,

On the bill (H. R. 16136) to authorize exploration for and disposition of coal, phosphate, oil, gas, potassium, or sodium.

Mr. JOHNSON of Washington. Mr. Speaker, in connection with my discussion with the gentleman from Illinois [Mr. THOMSON] I desire to quote briefly from the 14-page pamphlet issued by the Department of the Interior in 1912, and prepared by Frank Bond, Chief Clerk of the General Land Office, in which seven maps are printed showing the development of the territory of the United States. Each step is noted by map and in text—La Salle's discovery of Louisiana for France, its transfer to Spain, and its sale to the United States. The French rights were to the territory drained by the Mississippi and its tributaries. Spain had no further claims, and our contest for the Northwest was with the British. This official document says:

> The common boundary along the forty-second parallel, between the Mexican cession and the Oregon Territory, is the line also fixed by the treaty with Spain of 1819. The eastern boundary of the Oregon Territory conforms to the western boundary of the Louisiana of La Salle and the Louisiana Purchase of 1803, the same being the watershed between the Mississippi River drainage and the drainage toward the Pacific Ocean. * * *
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> Map No. 6 shows, in addition to the Louisiana Purchase boundaries the boundaries of the Texas annexation of 1845, the Oregon Territory,

title to which was settled in 1846, the Mexican cession of 1848, and the Gadsden Purchase of 1853.

The Department of the Interior and the Department of Commerce and Labor, by letters of February 2, 1912, and February 10, 1912, respectively, formally accepted these boundaries and the areas thereby determined for use in all publications of the several bureaus of each department.

The Government publications which have been referred to in the discussion as to the acquisition of the "Oregon Territory" are as follows:

Historical Sketch of Louisiana and the Louisiana Purchase, with a statement of other acquisitions, by Frank Bond. 1912. Ten cents.

Areas of Acquisitions to the Territory of the United States, Areas of the States, Territories, and Possessions. Diagram showing the historical development of the States. Department of the Interior, Office of the Secretary. 1914. Five cents.

Both are interesting documents, and should be in all school libraries.

The Tariff and Labor.

EXTENSION OF REMARKS

OF

HON. JAMES W. GOOD,

OF IOWA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 29, 1914.

Mr. GOOD. Mr. Speaker, Republicanism means high wages, good prices, and good times.

Democracy means low wages, lack of employment for American workmen, and hard times.

The Republican Party has always stood for high wages for American workmen. The Democratic Party has always advocated a policy which, when put in operation, has brought low wages and lack of employment to our workmen. Republicans insist that the protective tariff as an American policy is an unfailing guaranty to American workmen of high wages and constant employment. It is a noteworthy fact that a Democratic low tariff has always resulted in low wages, idle factories, and uncertain employment to American workmen. Protection has always brought good times and good wages and constant employment.

Years ago James G. Blaine declared that "the tariff question is essentially a question of wages." The periodical removal of protection by the Democratic Party has always been followed by a loss of employment and eventually a reduction in wages to American labor. Labor is high in this country when the product of labor is high. Reduce materially the price of that which labor produces, by importations from cheap-labor markets, and with the same stroke you strike down the wage which our labor receives.

Few people realize that wages are so much higher in this country than in Europe. The following table, prepared by Brig. Gen. Crozier, Chief of Ordnance, United States Army, gives a fair idea of the superior wage scale paid American workmen:

Comparison of wages paid in Belgium and United States in the manufacture of firearms.

Designation.	Belgium.	United States.[1]
	Per hour.	*Per hour.*
Drop forger	$0.08 to $0.13	$0.37½ to $0.50
Barrel rolling	.08 to .13	.34⅜
Forging	.08 to .13	[2]
Power milling (miller)	.08 to .13	.25 and .28½
Hand milling	.07 to .13	.25 and .28½
Profiling	.07 to .13	.31¼ to .37½
Drilling	.05 to .06	.31¼
Tapping	.05 to .06	.31¼ to .37½
Shaving	.07 to .13	.31¼ to .34⅜
Polishing	.05 to .10	.32½ to .37½
Filing	.09 to .13	.31¼ to .37½
Woodworker (machinery):		
Stock turning and drilling	.07 to .09	.31¼ to .40⅝
Stock sanding and polishing	.10 to .14	.31¼ to .40⅝
Assembling, etc	.09 to .14	.31¼ to .37½
Toolmakers	.10 to .16	.40⅝ to .46⅞
Machinists	.10 to .16	.37½ to .43¾
Packers	.06 to .10	.28⅛ to .28⅛
Common laborers	.06 to .10	.25
Draftsmen	[3] 25.00 to 80.00	[4] 83.33 to 100.00

[1] Rates taken from Springfield Armory. All male employees in United States. A large majority of these employees work on piecework and make from 10 to 20 per cent more than day wages.

[2] See drop forger.

[3] Per month.

[4] Per month. Some of the arsenals employ a larger number of draftsmen than others, and the rate of pay extends to $183.33 per month.

Comparison of wages paid in Belgium and United States in the manufacture of ammunition.

Designation.	Belgium.	United States.[1]
	Per hour.	*Per hour.*
Machine operators (women)	$0.05 to $0.07	$0.14½ to $0.19
Automachine tenders	.12 to .16	.40½
Machinists	.12 to .16	.31⅛ to .50
Toolmakers	.12 to .16	.34⅜ to .47
Helpers	.05 to .09	.25
Carpenters	.07 to .10	.37½ to .40
Electricians	.07 to .10	.31¼ to .53
Steam fitters	.07 to .10	.31¼ to .34½
Draftsmen	[2] 25.00 to 80.00	[2] 75.00 to 166.67

[1] Rates taken from Frankford Arsenal. [2] Per month.

Proportion of males and females employed: 400 men to 100 women in United States. A large majority of these employees work on piecework and make from 10 to 20 per cent more than day wages.

But some one may say that the cost of living is greater in this country. This is what Samuel Gompers, president of the American Federation of Labor, says about it. He went to Europe to study this question, and in his report says:

Mentally contemplating the many cities I visited, and having in mind the conversations I had with workingmen who had lived both in Europe and America, I believe I may assert that whether the cost of living in Europe or America is greater to the workingman depends entirely on the standard of living he adopts while in America. If he voluntarily lives the life of self-denial in this country that he compulsorily lived in his native land, his outlay of money will remain about the same. Even then he will hardly be able to escape gaining something for the superior supply of the good things of life in America.

Living is cheap to the wageworker in Europe only because he does without what in America soon becomes a necessity to him.

The actual condition of the laboring class of a country is the best test as to the standard of wages and the cost of living in that country. Here is what a few noted Englishmen say of the condition of the laboring classes in Great Britain:

SOME ENGLISH OPINIONS ON LABOR CONDITIONS ABROAD.

John Ruskin: Though England is deafened with spinning wheels, her people have not clothes; though she is black with the digging of fuel, they die in cold; and though she has sold her soul for gain, they die of hunger.

John Bright: Nearly one-third of the whole people dwell in homes of only one room, and more than two-thirds of the people of Scotland dwell in homes of not more than two rooms. We find poverty and misery. What does it mean. It means more than I can describe and more than I will attempt to describe; and as need begets need, so poverty and misery beget poverty and misery. In fact, in looking at the past—to me it is a melancholy thing to look at—there is much of it which excites in me not astonishment, but horror. The fact is, there passes before my eyes a vision of millions of families—not individuals, but families, fathers, mothers, and children—passing ghastly, sorrow-stricken, in never-ending procession from their cradles to their graves.

Joseph Chamberlain: The class of agricultural laborers of this country (Great Britain) are never able to do more than make both ends meet, and have to look forward in times of illness or on the approach of old age to the workhouse as the one inevitable refuge against starvation. The ordinary conditions of life among the large proportion of the population are such that common decency is absolutely impossible; and all this goes on in sight of the mansions of the rich.

Leslie's Weekly for April, 1914, contains an article depicting the deplorable conditions of the laboring classes in England at present, from which we quote:

Recently, in London, a large conference of influential people, representing society, the church, and every political party, was called by the Duchess of Marlborough to unite with the women workers in a protest against the "sweating" system. Factories and workshops in Great Britain give employment to 2,000,000 women and girls and at least 100,000 more work in their homes. After mentioning $3.75 a week as the amount estimated for the minimum requirements for a single woman, the Duchess of Marlborough said that in organized industries there were probably 300,000 who earn less than $3 a week, while there are many who earn only $1.50 a week. A shirt maker in the meeting produced a shirt for the making of which she was paid 18 cents a dozen. By working from 5.30 a. m. to 11 p. m. this woman and her husband made in a week $2.62; out of this they had to pay 37 cents for the machine and 45 cents for cotton, leaving the net wages of the two for one week's work $1.80. We have nothing like this in the United States.

Everybody knows how well American labor was employed and the high wages it received under Republican administrations. Their splendid condition has not escaped the envy of Europeans. E. Levasseur, a noted French author, speaking of the American workman, says:

Taking everything into consideration except rents, the ordinary objects consumed by the laborer's family, quantities and qualities the same, cost rather more in France than in America, and this is particularly true of Paris as compared with New York. In consequence the average American workman enjoys a real as well as a nominal income which is probably more than twice as great as that of the French workman.

Real wages being higher in the United States, the American workman lives more comfortably than the European, certain grades of English labor excepted. He has acquired settled habits of consumption and enjoyment; his food is more substantial than that of the workman of continental Europe; he dresses better; he is more comfortably lodged, and often owns the house in which he lives; he insures his life; and, if provident in his own way, he spends more for amusement and upon the societies with which he is affiliated; in other words, he has a higher standard of life than the European workman. Such a condition is one of the most desired results of civilization, and the American people are justly proud of it. (The American Workman.)

The testimony of these notable witnesses, whose experience covers a span of more than half a century, is an inspiration, and is certainly conclusive of the fact that Samuel Gompers was right when he said—

That whether the cost of living in Europe or America is greater to the workingman depends entirely on the standard of living he adopts while in America. If he voluntarily lives the life of self-denial in this country that he compulsorily lived in his native land, his outlay in money will remain about the same.

HIGH WAGE SCALE IMPOSSIBLE WITHOUT PROTECTION.

The difference between workingmen here and abroad is the difference in the wages they receive. Our workingmen receive from two to six times more wages than the European workmen receive. Why? Why is the European workman, year in and year out, confronted with the problem of poverty, cold, hunger, and starvation? Every year witnesses an increasing number of immigrants flocking to our shores. They have learned in the hard school of adversity that Europe offers only starvation wages to her workmen and that America offers vastly more. European workmen understand that not only nominal but actual wages are higher in this country than in any other country in the world.

HIGHER WAGES AND SUPERIOR ADVANTAGES.

Wages are higher here because the policy of protection to American workmen recognizes and guarantees a higher wage scale and a higher standard of living. The policy of the Republican Party has always been, and still is, to maintain tariff duties that will measure the difference in the cost of production at home and abroad. This difference consists almost entirely of the difference in the labor cost. With an increased wage the American laborer demanded a higher standard of living than the world had ever known. As that standard of living advanced the demand for shorter hours, and for improved conditions surrounding the workmen came from the trades-union.

ACCOMPLISHMENT OF TRADES-UNIONS.

The organizing of laboring men in this country into trades-unions has done much to improve the conditions of labor, but let us always remember that it was the American policy of protection that made the accomplishment of the trades-unions possible. Without protection our manufacturers could not have paid the high wages which our laboring men now enjoy. Their product would then have come into free and open competition with the unfair and underpaid labor of Europe. Without trades-unions the workingmen would not have received this high wage scale which protection made possible. If unionism alone is responsible for the superior wages paid our workmen, why is it that in England, where labor is highly organized, laboring men are compelled to live in the most deplorable conditions? But in England the hours that constitute a day's labor are longer, and the pay the union men receive is much less than in this country. If protection is not the cause, what is the reason that our workmen are so much better paid and better fed?

UNDERWOOD TARIFF LAW UNFAIR TO LABOR.

For the past nine months we have been operating under a law enacted by a Democratic Congress which greatly reduced the tariff duties on foreign-made goods imported into this country. This law was enacted in response to a direct promise of the Democratic Party to reduce the cost of living. After a fair trial of more than nine months no one will seriously contend that this law has reduced the cost of living to the consumer. But who will not admit the Underwood law has seriously reduced the power of the American laborer to earn a livelihood? Its real effect has been to injure the American laboring man, and to improve the conditions of labor abroad. During the month of April, 1914, our purchases of foreign-made goods exceeded our purchase of such goods in April, 1913, by more than $36,000,000. During the same month our exportation of American-made goods was $37,000,000 less than in April, 1913, a loss in a single month under the Underwood Tariff Act of $73,000,000, most of which would have been paid in wages to the American workingmen.

In view of this large increase in importation of foreign-made goods that are taking the place of domestic-made goods, it might be well to inquire whether the foreign-made goods imported into this country under greatly reduced tariff duties are manufactured by laborers who are members of trades-unions; whether they were manufactured in unfair shops; whether they were manufactured by children under 14 years of age; and whether they were manufactured in the sweatshops and prisons of Europe. In Italy over 50,000 children work in textile factories 10 hours a day at an average wage of less than 10 cents; in Japan 60,000 children work 12 hours a day in textile industries at an average daily wage of less than 7 cents; while in India more than 60,000 children are employed making carpets at a daily wage of less than 5 cents. These children are all under the age of 14 years, and if their product is to come into open competition with the product of the American trade-unionist, what is to become of organized labor's demands? Can we long protect labor if we leave the product of labor unprotected?

PROTECTION AND UNIONISM HANDMAIDS OF LABOR.

It is a most encouraging sign that the rank and file of organized labor in this country is realizing that unions are useless if the product of union labor is to be brought into open competition with underpaid nonunion labor, child labor, and even convict labor of Europe. The inconsistency of a program which protects our laborers only against their American competitors is un-American and is unworthy of the rank and file of any organization. Trade-unionists should stoutly object to the product of their labor being brought into open competition with the product of nonunion and unfair labor, and for this reason, mindful of their own interests and of the high object of their organization, they will not vote to bring the product of the unfair and underpaid labor of Europe into open competition with the product of their own labor.

The man who votes to reduce the cost of living in this country to the same low level of living costs in Europe can not object to living under the same conditions and working for the same wage that confronts the European wage earner. We can not have steady employment for labor here if our people buy their supplies made in sweatshops abroad. When one buys an imported article, what assurance has he that it was not made by unfair labor? If it is right to boycott goods made in this country by nonunion men, is it not equally right, aye, is it not a duty to boycott goods made in the sweatshops of Europe by children, by unfair and underpaid labor, and even by convict labor? The American workman ought to be protected to the extent that the goods which he produces should not be displaced by goods made by unfair, underpaid, nonunion workmen of Europe. This being true, what more effective method can be devised to protect American labor from this unfair competition than the Republican policy of protection? It made unionism possible. It made possible the wage scale enjoyed by our workmen, which is the highest scale of wages paid to workmen the world over. If the many advantages that trades-unions have gained are to be preserved to the laboring men of this country, this can only be done by maintaining the policy of protection to American labor and American industry.

Record of Achievements of this Congress.

EXTENSION OF REMARKS

OF

HON. DAN V. STEPHENS,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

September 9, 1914.

Mr. STEPHENS of Nebraska. Mr. Speaker, in view of the constant criticism of a partisan minority in this House upon the record of this Congress, I feel that it is right and proper to call the attention of the country to what the real record of this Congress is when stripped of the verbiage of unreasoning partisanship. To that end I propose to briefly review the principal acts of this Congress in as fair a manner as possible.

I have no patience with partisanship when it comes to the transaction of the people's business, and I would not refer to the record of the Democratic Party as such since it has been in control of the Government were it not for the fact that it must now answer to the people in the coming general election for its conduct.

In transacting public business the party in power sometimes finds it necessary to be partisan; that is, to act as a party unit in order that business may be dispatched. If it were not for this fact, one could refer to the work of Congress without making any reference whatever to the acts of political parties, but the people have intrusted the control of the Government to the Democratic Party, and the party had to act as a party to dispatch public business, it therefore must answer to the people for the record it has made. The people will want to know how well the work outlined in the party platform has been carried out, and upon the record made the people will base their decision at the November elections.

UNPARALLELED LEGISLATIVE RECORD.

To begin with, let me state that the promises made to the people by the Democratic Party have been redeemed by this Democratic Congress now drawing to a successful close. It

has been the longest continuous session in the history of the Government, and has to its credit the enactment of more constructive, beneficial, and far-reaching legislation in the interest of the whole people than has been passed by all the Congresses put together since the Civil War. That is a remarkable and sweeping claim, but the facts prove the statement conservative. Great reforms that the most optimistic believed would not be realized in a decade have come with ease through the action of this Congress, fresh from the people, without entangling alliances of any kind. This great step forward is proof to the people that they can really control their own Government. The control came two years ago when partisanship gave way and the rank and file of the Republican Party concluded to clean house. Blind partisanship had been rife in this country so long that it seemed almost impossible to get voters to examine into the acts of the leaders of their party. Intrenched behind such a wall of prejudice, it was impossible to prevent selfish men from using the powers of government to further their own personal and private interests. The leaders under the old convention system could nominate whom they pleased, and the blind partisanship of the voters could be relied upon to elect them to office. I speak of voters in all parties, my own party included; but it so happened that the Republican Party was in control of the Government, and for years partisanship kept it in control regardless of its public acts. And these same leaders bargained out legislative privileges to special interests for campaign funds to perpetuate themselves in office.

That was the condition existing when the political revolution came that swept Woodrow Wilson, the greatest independent Democrat in the United States, into the President's chair. It was as much a Republican victory as a Democratic victory, for the Republican Party was mad clear through—mad at itself—and its members deliberately made up their minds individually that it was time to clean house, and to do a good job of it, by rebuking the leaders of the Republican Party, who had deliberately betrayed them by repudiating the promises of the party conventions made to the people.

That rebuke, delivered by patriotic Republicans to their betrayers, has had a wholesome effect on this Democratic Congress. It has served as an awful warning to the timid and the procrastinator that the wrath of the people is sure to be visited upon them if they fail to carry out their party pledges.

I have the greatest respect for those Republicans who had the courage to break away from their party to administer that rebuke, and for their sakes, as well as our own and the country's good, I am glad the Democratic Party has justified the confidence they placed in it by intrusting this great work to its hands.

No matter what the promises are that a party makes to the people, every voter wants to see them honestly kept. Therefore we are going to appeal to the country for an indorsement at this coming election upon the ground that we have kept faith with the people; that we have made good our promises to them. The obstacles have been great, because of the partisan opposition we have encountered at every turn of the road.

Mr. Speaker, since the foundation of the Government partisanship has been rife in this House. The custom is for the party out of power to harass and annoy the party in power and offer every obstacle possible to its program. I am informed the Democrats did it when the Republicans were in power, and the Republicans are now doing it. I have no patience with such methods. The party in control of the Government should be left free to enact the program which the people have ordered, and the party in power should answer to the people for its conduct.

So, as I discuss the record of this Democratic Congress I do so not in a narrow partisan way, snarling at Republicans, but rather with a sense of gratitude that the Democratic Party has had the courage and ability to carry out its program regardless of every obstacle. Every patriotic citizen should rejoice at such an example of party virtue instead of regretting that it has not been seduced by the tempters who desire to use the people's Government to further their own personal interests.

DESTRUCTION OF THE LOBBY.

President Wilson has stood firm as a rock in his determination that the Democratic Party should keep faith with the people. When the tariff bill was before Congress the Sugar Trust lobby was powerful, doing its best to defeat the passage of the bill. President Wilson called the attention of the country to its presence at the Capitol and defied it. The result was surprising and showed the moral effect of the attitude of the President on the conduct of public business. His calling attention to the Sugar Trust not only had the effect of driving the sugar lobby out of the Capitol, but every other organized lobby designed to secure special privileges was driven out. Lobbying became so unpopular that Congress was left free to do its business without intimidation from powerful interests that often raise large sums of money to prevent the reelection of Members of Congress who refuse to support their measures.

In many ways not marked out by law the President can use the great moral force of his office for or against the interests of the people. President Wilson has not hesitated to use this great force in backing up this Congress in carrying out its pledges, and he has been so successful in using this great force always on the side of the people that I do not doubt that history will record him as the greatest President of the United States since the immortal Lincoln.

If Woodrow Wilson never did another thing of importance, this one act of his has justified his election to the Presidency. But his two years of service to the people are crowded full of the most brilliant acts of statesmenship.

MEXICO.

His position as a big brother to poor, distracted, poverty-stricken, blood-stained Mexico marks him out as a man of great vision and with courage to carry out his convictions. The war lords of our Army and Navy—if they may be so dignified—used every effort possible to drag this country into a war of extermination with poor Mexico; but the President and his great Secretary of State stood like a wall of adamant for the right of Mexico to settle her own troubles, and it is most gratifying to note that she is making progress. It shows how the good sense and determination of two men rightly placed makes the difference between war and peace, and this country certainly owes to President Wilson and Secretary Bryan a debt of gratitude for keeping it out of a war with Mexico. Confidence in President Wilson and Secretary Bryan gives the people of the country additional comfort and security at the present moment, in view of the turbulent times in Europe.

APPEAL TO COUNTRY TO SUPPORT PRESIDENT.

Mr. Speaker, the Democratic Party will also appeal to the country for its indorsement of the acts of this Congress at the coming election upon the ground that it is against good public policy to divide the powers of government between two political parties by electing a Republican Congress to tie the hands of a Democratic President. Regardless of how a Republican may feel about the legislative acts of this Congress, he has one sound business doctrine in common with Democrats, and that is the doctrine that the majority must control, and since a majority has placed a Democratic President in the White House he wants that President left free to carry out his program and thereby prove to the country that his policies are either good or bad. If they prove good, a Republican can rejoice as well as a Democrat, because he is benefited with the Democrat; if they prove evil, a Republican can still be happy because his theory of government has been vindicated. One might as sensibly hitch a horse to each end of a cart and have them pull in opposite directions as to put a Democratic President in the White House and a Republican Congress in the Capitol. One is as idiotic as the other.

Let the Democratic Party try out their doctrines and see what comes of them. If these doctrines prove ineffective, the results will successfully dispose of the Democratic President and the Democratic Congress in 1916 without the aid of persons that are now trying to embarrass the administration in every way possible. If they prove to be helpful to the satisfaction of the Republicans, we can all rejoice together.

Mr. Speaker, there is nothing that the special interests who have been using the Government to further their own business would desire more than to have a divided Government, a Democratic President and a Republican Congress, because with such a condition they could feel secure against prosecution for infringement of the laws and against any new legislation that proposed taking away any of their privileges. Nothing would please these highbinders more than to have the Government deadlocked. They are now and have been making every effort to check the action of Congress in carrying out the program of reform legislation. Their intention is to defeat the Democrats who have made this legislation possible and return in their places men who would antagonize President Wilson and make the last half of his administration a failure. My judgment is that an appeal made to the people to uphold the policies of this administration will meet with a ready response, with the result that a Democratic Congress will be returned to hold up the hands of President Wilson during the closing two years of his administration. Any other course would be shortsighted and reactionary, and would so discourage reformers everywhere as to set back the progressive movement 10 years.

PARCEL-POST LAW.

Mr. Speaker, since the political revolution in 1910, when the Republican Party first concluded to clean house, some most

remarkable acts of legislation have been passed. One of the first and most far-reaching acts of the new régime was the passage of a parcel-post measure in 1911. This act has saved to the American people in express charges untold millions of dollars, and its development is yet in its infancy. Ultimately a complete parcel express will be established connecting every nook and corner of the United States. This is bound to have a far-reaching effect upon the development of the country, and is being rapidly perfected by our Postmaster General. There was never any legitimate reason why we should not have a parcel post, but it took a Congress fresh from the people to pass the law in defiance of the express companies.

THE UNDERWOOD TARIFF BILL.

The second great act of importance was the passage of the Underwood tariff bill, which scientifically revised the tariff downward, thus fulfilling the pledge made to the people by both the Republican and Democratic Parties, but carried out by the Democratic Party. This tariff bill took away excessive privileges that certain great manufacturers had obtained by assisting Congress to write tariff schedules in their own interest. It has so distributed the tax over a large number of articles that it will bear the least heavily upon the necessaries of life.

Under the Payne-Aldrich tariff the taxes were heaviest upon the necessaries and lightest upon the luxuries. Behind the excessive Payne-Aldrich tariff schedules the trusts flourished. Under the Underwood tariff schedules the trusts have found that the Government no longer gives them excessive advantages by keeping out their competitors and securing to them the right to rob consumers in the home market while they go abroad and compete with their competitors in foreign markets, furnishing the foreigner goods at a cheaper price than they furnish the consumers in the home market. The reduction of the tariff was in harmony with the demands made by all classes of people in all political parties, and has almost ceased to be a party measure, although Republican partisans have undertaken to misrepresent the effects of the Underwood tariff so as to mislead the people of the country as to its operation.

CORN.

For example, the calamity howlers immediately set up a cry that we were about to destroy the farmers of this country by permitting the importation of agricultural products from foreign countries. Especially did they harp upon the importation of corn from Argentina. The truth is that corn flourishes in America as it does nowhere else in the world, and we produce 72 per cent of all the corn produced in the world of which there is any record. In other words, we produce, in round numbers, 7 out of every 10 bushels of corn raised on the earth. When this cold-blooded fact is known to the farmer of this country he will understand the fraudulent claims made that corn importations are going to affect the price of his crop. If the foreigners, who produce about one-fourth of the corn in the world, want to sell a portion of that corn, it is not at all probable that they will ship it to the United States, which raises the other three-fourths, unless they are sure we can use it to advantage. It is more likely that a man in Argentina with good judgment who has corn to sell would export that corn to Europe, where there is a great demand for it and where very little is grown. There he would meet our corn with an equal freight charge. That is the logical way to look at it, and that is the way the business is actually transacted. Some corn has been imported into the United States—a few million bushels a month. Most of it has been used by the Corn Products Co., of New York, and manufactured into cereal foods and exported. While we were importing these few million bushels from Argentina, paying a few cents a bushel less for it than the price of our own corn, we were exporting 45,000,000 bushels to Europe and selling it, in competition with Argentine corn, at a few cents higher price.

The transaction resulted as follows: We bought cheap Argentine corn and furnished American labor employment to manufacture it into food cereals; then we shipped the cereals abroad and got back European gold for it. We also shipped abroad the American corn which might have been used by this cereal-products concern, which we sold on the European market at a few cents a bushel advance over Argentine corn. We actually made money in the transaction. Instead of the tariff act destroying the price of American corn, it enabled us to use Argentine corn for a cheap purpose to our advantage and to sell our better corn to Europe at a higher price.

My colleague from Iowa, Mr. VOLLMER, in a speech made before this House recently, very aptly stated that the importations of corn from Argentina during the entire six months that the Underwood tariff has been in effect would not furnish a respectable breakfast for the hogs of Iowa. The whole Argentine crop does not equal the crop grown in the State of Iowa in a poor-crop year, and, of course, they must eat some of it down there.

It is upon such silly claims as these that a few of these partisan opponents of the administration expect to win a victory at the coming election.

WHEAT.

The facts are, we have been in competition with foreign corn ever since we have been exporting any corn at all. The same is true of wheat. Every bushel of corn and wheat we sell abroad we sell in competition with the corn and wheat products of the world, and that price fixed our home price. We have for many years exported these two cereals, and the price of wheat in this country is invariably the price of wheat in the foreign market less the transportation charges. Every man who studies market reports knows that the price of wheat goes up and down according to the condition of the growing crops in other parts of the world. The present war in Europe is a splendid example of the proof of this statement. Wheat is going up constantly as a result of the European war, and it is impossible to trace any connection whatever between the price of wheat and the amount of tariff that is levied by this country. No wheat can be imported into this country from any country that has a tax on wheat without paying 10 cents a bushel tariff. The result is that no wheat is imported except for seed or experimental purposes. Under the Payne-Aldrich bill there was a tax of 25 cents a bushel on wheat and 15 cents a bushel on corn, and this tax was levied for the purpose of flimflamming the farmers of this country and making them believe that they were receiving a great benefit from a protective tariff, thus enabling eastern manufacturers to secure the farmers' votes for an exorbitant tariff upon their products, which the farmers are compelled to buy. Under the excessive tariff of 25 cents a bushel on wheat, the farmers of this country have sold their wheat crop as low as 40 cents a bushel, and under a tariff of 15 cents a bushel on corn they have sold their corn crop for as low as 10 cents a bushel, thus proving absolutely the uselessness of a tariff on an item of commerce which is produced in such large quantities that we must export our surplus to foreign countries.

CATTLE.

Another basis of attack is furnished the partisan opponents of this measure in the fact that under the new tariff act cattle are reduced from 27½ per cent to 10 per cent, thus permitting the country, they say, to be overrun with cattle from Canada and Mexico. We are now having an example of the effect of this tariff. There is a great scarcity of cattle in this country at the present time. There are hundreds of thousands of acres of pasture land going to waste for the want of cattle to feed upon it. Cattle are not being raised in sufficient numbers to supply the enormous demand for meat. A great herd of cattle in Chihuahua, Mexico, is now being marketed and sold in this country on account of the revolution in that country. These cattle are brought to the boundary line of the United States, and the importer then pays 10 per cent tax to the United States Government for bringing them into the United States. These cattle are then carried over the railroads—furnishing employment to our people—to the big stock centers, such as Omaha, Kansas City, Denver, and St. Louis. There they are purchased by farmers and ranch owners, and again transported over railroads, furnishing employment to our people, to the ranches and feed yards of the West. Here they consume the pasture, the forage, and the corn that is grown by our people. When these cattle are ready for the butcher they are again transported over the railroad to the packing centers, where they are prepared for food, giving employment to tens of thousands of other workers. This meat then is again transported over the railroads to the various centers of population, where it is needed for consumption, furnishing employment to other countless thousands of people.

It will thus be seen that the mere fact that the tariff was reduced from 27½ per cent to 10 per cent has enabled the importation into this country this season of several hundred thousand head of cattle that we have handled with great advantage and profit to ourselves and have not in the least disturbed the price that the farmers received for their own stock. The truth is the farmers are the buyers of this class of stuff and profit, along with others, in its importation. But the facts are there are not enough cattle in Mexico or Canada to in any way affect the price of our live stock in this country. If all the stock they possess was shipped into this country, it would not supply our markets for a week.

BEEF.

The same argument may be made concerning the importation of beef from Argentina. Since the Underwood tariff bill went

into effect we have imported from Argentina about 9,000,000 pounds of beef a month, beef being on the free list. At this rate of importation we will import annually about 108,000,000 pounds. This sounds like a tremendous amount of beef until you stop to consider the population of this country. We have approximately 100,000,000 people in the United States. We therefore import in the course of a year about 1 pound of meat for each man, woman, and child. We consume in the course of a year of all kinds of meats 172 pounds per person. So, if in the course of a year we happen to get an additional pound from Argentina it is very apparent to anyone that the price of beef is not going to be affected thereby. The claim that we are going to be injured by the importation of beef becomes absolutely ridiculous in the face of these facts. In the last four years our beef production has been decreasing rapidly and our population has been increasing very greatly. The beef packers have been so rapacious in their management of the business, and the farmers so disorganized in the marketing of their beef, that the beef-producing industry of this country has been on the wane. There is no business more hazardous than beef production to the farmer who buys his feeders, due to the beef packers' monopoly. The Chicago beef packers now control five of the nine packing houses in Argentina, and it must be apparent to anyone that they are not going to buy beef in Argentina to ship into this country to compete with the beef they buy here. It is to be hoped that the Clayton antitrust bill, now pending in Congress, will cure this evil when it becomes law.

BUTTER.

These high-tariff exponents thought they saw an opportunity to enlist the sympathy of the farmers' wives of this country to their program by trying to frighten them with the bugaboo of foreign importations of butter under the new tariff, but their efforts have signally failed, for the reason that the price of butter is now very satisfactory to the farmers, and at no time has it been affected by the importations of butter from foreign countries. Under the old tariff butter bore a tax of 6 cents a pound. Under the new tariff it bears a tax of 2½ cents a pound. This price absolutely prevents the importation of first-class butter into this country, for the simple reason that when you add 1 cent a pound for transportation charges to the tariff of 2½ cents a pound you have a total tax of 3½ cents a pound, that must be added to the foreigner's price before it can come into competition with American butter. There is only one country in the world that can compete with us in the production of first-class butter, and that is Denmark. Denmark has always had a splendid market in England for all the butter it could produce. The English are great butter eaters, and they demand the very best that can be bought in the markets of the world.

The price of Danish butter in England for the last four years has never been as low as 3½ cents under the New York price of Beatrice or Elgin butter, thus precluding the possibility of the profitable importation of Danish butter. Some cheap butters were imported into this country last spring, but in practically every instance the importer lost money in the transaction. Last March the butter price broke, which gave the calamity howlers an opportunity to criticize the tariff law; but when it was shown that the four big butter markets of the country had in cold storage on the 1st day of March 18,000,000 pounds of butter as against 9,000,000 pounds for the year before the argument failed, because the reduced price of 3 or 4 cents a pound was due wholly to the excessive quantity in storage, and was justified.

INCOME TAX.

In connection and associated with the tariff legislation is the revolutionary legislation known as the income-tax law. It is revolutionary because it is an entirely new method of raising revenue for the Government, and is one that is meeting with the unanimous approval of the masses of the people of this country. The Democratic doctrine has been to transfer as much of the tax as possible from the backs of the poor by taking it off of their food and clothing and placing it on the incomes of the rich and comparatively rich who are well able to pay it. The doctrine is that the great fortunes of this country have by a system of taxation devised by themselves been able to collect from the American people vast sums of money, and that it is no more than just that they should make a return to the National Government that gives them protection by paying a reasonable tax upon their incomes. Their incomes are gathered from the people, and they are simply required now to take a portion of those incomes and transfer it to the National Treasury, thereby relieving the burden that has heretofore been borne by the people in the form of taxes on necessaries of life. Through this income tax we will ultimately be able to raise approximately $100,000,000 a year, which is almost one-third of the revenue which has heretofore been raised by the National Government through a tariff tax.

The time will ultimately come, no doubt, when the National Government will be wholly maintained by a tax levied upon the surplus wealth of the Nation rather than upon the necessities of the people. It is not an unjust tax nor should it be complained of by those who have to pay it. They ought to be thankful for the advantages they have in possessing incomes large enough to be taxed under this law. We have many citizens in the United States whose incomes approach that of the National Government every year, and it goes without saying that such enormous incomes are paid by the great masses of our people, and it is perfectly legitimate and perfectly fair that such incomes should pay a very heavy tax to the Government. For 20 years this doctrine has been a part of every Democratic platform, and it is a matter of great pride to us to at last write it into law.

I have no doubt the time will come when an inheritance tax also will be added to this income tax, which will make it impossible for swollen fortunes to be transferred from father to son, going on increasing in enormous proportions and thereby becoming a menace to the peace and welfare of the Nation. The time will come when the greater portion of these great fortunes will be taken over by the National Government in the form of an inheritance tax at the death of their owners. I am ready to vote for such a law now.

FREE SUGAR.

This Congress took the tax of about $100,000,000 off the sugar of the people and put it on the incomes of the rich. It was in accord with the Democratic doctrine of placing the bulk of tax upon the surplus wealth of the people rather than upon their necessities. It is hardly possible that the high-tariff men will tell the people this fall that we made a mistake in taxing the incomes of the rich and comparatively rich, and that if they get into power they will repeal the income tax and raise the hundred million on the necessaries of life, mainly sugar.

NATIONAL BANK RESERVE ACT.

Mr. Speaker, for more than 50 years we have been building up in this country a national banking system which has been so illy devised that money panics have been common. Several times in the last 50 years the country has been plunged into tremendous money panics that have wiped out the savings of hundreds of thousands of our citizens. These savings, as a result of the panic, have been transferred to the pockets of those who happened to have the ready capital at the time the panics occurred. The reasons for these panics are easy to find. They were due largely to our banking system. Each national bank was an independent unit standing absolutely alone, and whenever a depression came or any sort of trouble occurred in the financial world, the independent banks in the vicinity of the disturbance immediately were called upon to bear the brunt of the burden of the community, and the people not having as much confidence in the banks as they should, made the burden greater by demanding their deposit money. Each bank being an independent institution was left helpless to fight the battle alone, with the result that there were always many bank failures following these panics, the larger banks absorbing the resources of the smaller ones in the final settlement.

For years business men have been demanding a better and safer banking system for this country, but not until the political revolution that swung a Democratic Congress and a Democratic President into power was such legislation undertaken. One of the first things that this administration undertook was the preparation and passage of a national-bank act that would mobilize the resources of the 7,500 national banks so as to make them available at any point of financial disturbance upon the shortest notice. In a nutshell, that is the national reserve act which a Democratic Congress has put on the statute books. This act organizes the national banks of the United States and State banks that join the system into a mutual protective association, so that when a bank in any nook or corner of this great Republic gets into trouble it becomes physically impossible for panic-stricken people to ruin it by demanding their deposits, for the simple reason that they can get their deposits when they want them. This will be the first time in the history of this country, when this law goes into effect, that one can put money into a national bank or a State bank that is a member of this association and be absolutely certain that he is going to get his money back again when he wants it regardless of panics. The reason for this lies in the fact that the bank's assets are composed principally of the promissory notes of those who borrow the money of depositors, and these promissory notes can be deposited with the national reserve bank and national currency secured thereon for the purpose of paying to the depositors their money at any time they may require it. It not only makes absolutely certain that depositors will get their money back whenever they demand it but, in addition to this

great advantage, farmers, business men, and manufacturers can secure money in adequate quantities to enable them to carry on their work.

Under this new law, when a bank finds itself in need of a large sum of money for the purpose of furnishing farmers with capital to buy live stock and other necessary equipment for the extension of agriculture, or for a business man to have a little additional capital to extend his line of merchandise, or for a manufacturer to buy raw material for his plant, a member bank can take the notes given by these different lines of industry and secure national-bank currency thereon for the purposes above indicated. The result of the operation of this law will be that no needy and worthy industry of any kind or character will be destroyed for the want of necessary money to keep it going. Any legitimate business entitled to credit will be able to secure it. It has been claimed that this is the best banking system yet devised in any civilized country in the world, and it certainly is one of the most important pieces of legislation enacted by this or any other Congress since the Civil War.

GOOD ROADS.

For the last 8 or 10 years there has been great agitation all over the United States for the improvement of the wagon roads of the country. The problem is a great deal larger than any one believes when he first approaches it, but the people of the States have approached it with a fair degree of success in its solution. It is not only a difficult problem to solve, but it is a stupendous problem to finance, and since the welfare of all of the people depends so completely upon the perfection of their methods of transportation and communication it has become a problem of national importance and one in which the National Government should take a particular interest. In line with this thought and in line with the action of this Congress in passing a parcel-post law, a bill has been passed through this House providing for national aid to the States in the construction of wagon roads. This bill carries an appropriation from the National Treasury of $25,000,000. This appropriation is not contemplated for the benefit of automobile routes, but it is so devised that this sum of money is to be expended in conjunction with similar appropriations by the States for the purpose of stimulating the construction of wagon roads over which the crops of this country must be moved to the markets.

The appropriation itself will not go very far toward building roads, but it will certainly stimulate enormously the action of the States, counties, and municipalities in the construction of wagon roads leading out of their centers. These local subdivisions are now spending large sums of money for the improvement of wagon roads, and this sum appropriated from the National Treasury will encourage them in this great work. It is the first time in the history of this country that the farmers, who pay nearly one-half of the taxes of the Nation, will have returned to them and expended in their midst a portion of the money they pay in the form of taxes. Heretofore practically all the money of the Government has been used for the improvement of our rivers and harbors and the construction of public buildings. Even the building of post offices does not directly benefit the agricultural community, so it is a conservative statement to say that this is the first time that the agricultural communities have had passed a piece of constructive legislation benefiting them directly since the establishment of the rural-delivery system.

We pay out in a year in the United States approximately a billion dollars for wagon freight, and if we could make our wagon roads so good that we could double our loads we would save half a billion dollars a year in wasted energy, besides increasing the comforts and pleasures of life enormously. Good wagon roads make the country a desirable place in which to live, and as the country becomes more desirable more people will seek the country and lands will become more highly improved and productive. This bill is now pending in the Senate with every prospect of becoming a law in some form or other before this Congress closes.

FARM DEMONSTRATION WORK.

The Agricultural Department of this Government is the great pride of the American farmer. It has assembled the greatest amount of scientific information ever gathered together in the history of the world on agriculture. The National Congress has been reasonably liberal in the past in its appropriations for this department, but every year the importance of the stimulation of agriculture has become more apparent to legislators. There has been a great demand from the farmers of this country for the past several years for more practical work in the development of this great basic industry of our people.

The States have tried to apply as much as possible the agricultural information they have at hand through their State schools. Through this work of the State agricultural colleges we have demonstrated absolutely the value of sending out practical men to disseminate the accumulated information for the benefit of farmers direct to the farmers themselves. It is too long to wait for the few boys we turn out of agricultural schools each year to carry on this work of scientific agriculture. It has been found necessary to educate the men in the fields on the importance of modern methods in cultivation. To that end the farmers have demanded and have secured the passage through Congress of what is known as the Lever bill, which will ultimately carry an appropriation of something like $8,000,000 a year for farm-demonstration work. This bill provides that a scientific farmer will be made available to every farmer who wishes to experiment on his own land. In other words, these expert farmers will take the experience that the National Government has accumulated and go straight to the farm with it and demonstrate in cooperation with the farmer the value of these great discoveries. This will all be done through State agricultural schools. Instead of State agricultural schools being simply theoretical institutions where farmers' boys go to talk about farming, these great institutions will reach out to every farm in the States with practical men working with the farmers demonstrating their theories; so that not only the farmer boys will get the benefit of this education, but farmers themselves and farm hands will all become students in the field of our great farmers' colleges.

This is a most ambitious undertaking, and one that will commend itself to every intelligent man. No one has given this subject any consideration whatever who does not realize that the whole prosperity of the Nation is dependable absolutely upon this great industry of agriculture. When it languishes, everything else languishes; when it prospers, every other industry prospers. It is therefore most essential that this industry receive the care and attention it deserves from this Government.

For years the National Government has coddled and protected manufactures, which in our early history was a most beneficial and wise course to pursue; but it must not be forgotten that that course was always at the expense of agriculture; and it is only in recent years that the attention of the people has been called to the importance of the industry that feeds all the others and the appalling fact that it has been languishing and falling far behind in the matter of producing sufficient foodstuffs to supply the demands of the Nation.

We are producing less foodstuffs per capita now than ever before. For example, we produce 21 per cent less corn, 15 per cent less wheat, 12 per cent less oats, 9 per cent less cotton, and 5 per cent less rye per capita than we did 10 years ago. We are also producing less meat of every kind per capita than we did 10 years ago, thus accounting for all of the increase in the price of farm products.

In connection also with this farm-demonstration work reference is made to an act appropriating $600,000 for the extinguishment of hog cholera, which has been destroying the wealth of the Nation every year to the amount of hundreds of millions of dollars; and an act protecting migratory birds, which are of such great importance to agriculture in destroying insects injurious to crops. In fact, taking it as a whole, agriculture never in our history received so much consideration from Congress as it has this session.

GOVERNMENT RAILROAD IN ALASKA.

In 1867 the United States Government purchased from the Russian Government the Territory of Alaska for the sum of about $7,000,000. It was considered at that time a very poor purchase, and for many years no particular attention was paid to it; but recently figures have been compiled showing that we have drawn from Alaska some $500,000,000, principally in gold, furs, and fish products (fisheries) since its purchase. We have also discovered that Alaska is underlaid with thousands of square miles of coal and copper. In addition to this there are immense forests of valuable timber. The question has been whether to permit private interests to go into Alaska and take possession of these vast resources or whether the National Government should retain possession and provide some reasonable method of leasing, so that private interests may make available these vast resources and render to all the people their just share of the profits. To this end this Congress has passed what is known as the Alaskan railway bill, authorizing the building by the National Government of 1,000 miles of railroad into that Territory. This step has been greatly encouraged and supported by that class of people who have been demanding that the resources of the Nation shall be conserved for all of the people and by that other class of people who have believed in Government ownership of transportation lines.

The National Government owns and is successfully operating now the Panama Railroad, which extends across the Isthmus of Panama, and a line of Government-owned steamships plying

between the ports of New York and Panama. These Government-owned corporations have proved most successful, thus encouraging this further step in Government ownership by authorizing the construction of this railroad into the wilds of Alaska. It is hoped that splendid results will follow from this great project by opening up to settlement that great region, which is one-fifth the size of the United States. In addition to this important record we are about to revive our merchant marine by suspending obnoxious shipping laws and buying a fleet of merchant ships to transport the produce of our farms and factories to foreign countries, while all Europe has abandoned its commerce and gone to war. It is truly a day of great events, and our Government has risen to the needs of the times.

PANAMA CANAL TOLLS.

When the Panama Canal act was prepared and presented to this House, in 1911, it did not allow free tolls for the American Shipping Trust, but when the bill was presented to the House a union of ship-subsidy Democrats with the Republican minority forced an amendment to the bill providing for the free use of the Panama Canal by the domestic shipping trust.

This was a great humiliation to the Democratic Party that had fought ship subsidies throughout its history, but it was outvoted and the act passed Congress providing that this great waterway costing the American people $400,000,000 was to be used by the Shipping Trust free of tolls, and the American people would pay the cost of operating the canal for their benefit, but when President Wilson came into office and found that this act of a previous Congress was in direct violation of our treaties with England, Colombia, and Panama, he immediately requested Congress to repeal the act, which it did very promptly. The United States had stalked about all over the face of the earth, demanding equal rights for its shipping in every canal in the world with the domestic commerce of the countries that owned the canals, and had secured equal rights in every instance, but at the first opportunity, when we, ourselves, became the owners of a canal, we immediately passed an act charging everybody else toll, but sending our own shipping through free, thus demanding for ourselves in our own canal an advantage that we have refused to give to any other country in the world. Our position was absolutely indefensible and could have brought us nothing but the contempt of other nations had we adhered to it. But aside from all of this, no fair-minded man can understand what right the Shipping Trust has to demand free use of a waterway that has cost the American people $400,000,000. It would be an exact parallel if, when we finish the construction of our Alaskan railroad, we permit the Standard Oil Co. to use it free of freight, while charging everybody else. As the canal act now stands, every ship passing through the canal, excepting our own warships, will pay to the National Government $1.20 toll per ton for its use.

ANTITRUST LEGISLATION.

Three bills of great importance have been prepared and are now pending in Congress for the regulation of trusts. Two of these bills will become law in a few days. The first measure provides for the formation of a trade commission which is to control big business in the exact manner that the railroads are now controlled by the Interstate Commerce Commission. The success of the Interstate Commerce Commission in handling the great railroads of this country in a manner that is satisfactory to both the railroads and the people led to the passage of this trade commission bill. This commission established here in Washington will be able to investigate the actions of large corporations doing an interstate business, and compel them to comply with the law whenever it is found that they are violating it. It is intended that a corporation doing interstate business will be able to ascertain through this commission what it can do and can not do under the law, and will do away with the long-drawn-out litigations in the courts and the tying up of great business interests that has heretofore been very common in the prosecution of trust cases.

The facts are, the prosecution of trusts in this country has cost the American people untold millions of dollars, with very little profit to them, due to the fact that the courts are not fitted to handle great business industries. Their methods are too unwieldy and too long drawn out to accomplish any good whatever. In fact, there is scarcely a trust prosecution, although it is pronounced successful, that has brought the people any relief whatever. Court procedure in this country has become so burdensome that instead of being a guaranty of justice to the people it has become a guaranty of ruin to any man who has entered its portals with the deluded idea of seeking justice through extended litigation.

With these conditions in mind Congress has attempted to equip this trade commission with powers that will enable it to compel corporations to obey the law and to prevent unfair discrimination in trade, and to a large extent this can and will be done without calling to the aid of the commission the court machinery of the country. Of course, whenever a corporation refuses to comply with the orders of the commission they necessarily will have to be haled into the courts and take the consequences, which will mainly result in giving up the plunder they have accumulated, in the form of court costs and attorneys' fees.

The second of the antitrust bills is what is known as the stock-and-bond bill, which empowers the Interstate Commerce Commission to regulate the issuance of stocks and bonds of railroad companies doing an interstate business. When this bill becomes a law no railroad can issue stocks or bonds without first submitting a report to the Interstate Commerce Commission, giving the reasons for the issue and stating what the money is to be expended for, and receiving the approval of the issue by the Interstate Commerce Commission. This will prevent the squandering of the resources of railroads by the gang of Wall Street highbinders who have made a business of wrecking railroads, the most recent example being the New York, New Haven & Hartford. The railroad industry of this country has been done irreparable harm by these men, who have been speculating in their stocks and manipulating them for the purpose of swindling stockholders out of their rightful interests in the property. It is believed that with this power the Interstate Commerce Commission will be able to put the railroads of this country upon a substantial basis, so that their stocks and bonds will be reliable investments and that in the course of time the people will have confidence in them and will not hesitate to invest in their securities. This measure is undoubtedly of far-reaching importance.

The third antitrust measure is what is known as the Clayton bill, and strengthens the provisions of the Sherman Antitrust Act in many particulars.

When these three measures become laws it is believed that the trust question will be practically solved.

This record of the Sixty-third Congress shows conclusively by its legislative acts that the people have taken possession of their own Government. Members of Congress are responsive to the will of the people. The grip of monopoly upon the reins of Government has been broken and the lobby has been driven from the National Capital. It is a day for thanksgiving and rejoicing everywhere over our progress in civic virtue.

National American Woman Suffrage Association.

EXTENSION OF REMARKS

OF

HON. DUDLEY DOOLITTLE,

OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 28, 1914.

Mr. DOOLITTLE. Mr. Speaker, the following article has been handed me by the National American Woman Suffrage Association as showing the correct political attitude of that great organization, with the request that I give the same additional publicity, which I am pleased to do:

NOT IN CONGRESS FIGHT—DR. SHAW MAKES CLEAR POSITION OF NATIONAL SUFFRAGISTS—OPPOSED TO POLICY OF CONGRESSIONAL UNION IN ITS WARFARE UPON DEMOCRATIC MEMBERS.

On September 13 the Congressional Union announced its policy of sending speakers and organizers to the equal suffrage States to oppose Democratic candidates for reelection because of the opposition of that party to congressional action on woman suffrage.

The confusion caused by the conflicting policies of the National American Woman Suffrage Association and the Congressional Union has caused the national association to make public the following telegram received by Dr. Anna Howard Shaw from Mrs. Cora G. Lewis, member of the Kansas board of administration, to emphasize the fact that the Congressional Union has no connection with the National American Woman Suffrage Association. Kansas has been an equal-suffrage State since 1912.

TOPEKA, KANS., *September 22, 1914.*

Dr. ANNA HOWARD SHAW,
National Suffrage Headquarters:

Do you indorse Woman's Congressional Union sending women to Kansas to work against Democratic Party? Every Democratic candidate for Congress and Senate pledged to national suffrage. State platform demands it. Present Democratic governor loyal. Has appointed 25 women officials superintendents institutions and State boards. Women here creating bitter feeling are Miss Trax and Mrs. Latimer,

who made partisan speeches with Roosevelt. Said they represented national suffrage organization. Answer immediately, my expense.

CORA G. LEWIS,
Member Kansas Board Administration.

Dr. Shaw sent the following reply:

SEPTEMBER 23, 1914.

CORA G. LEWIS, *Topeka, Kans.:*

National association does not indorse the Congressional Union's plan of working against Democratic Party. The Congressional Union is not a member of the national association and has no connection with it. The national association is strictly nonpartisan and opposed to working against Democrats or members of any other party as such. You can not state too strongly that I, as well as other national officers, oppose policy of Congressional Union. Mrs. Latimer and Miss Trax do not represent National Suffrage Association.

ANNA HOWARD SHAW.

Emergency Revenue Legislation.

EXTENSION OF REMARKS
OF
HON. CHARLES H. BURKE,
OF SOUTH DAKOTA,
IN THE HOUSE OF REPRESENTATIVES,
Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. BURKE of South Dakota. Mr. Speaker, that there is no necessity for raising additional revenue now is clearly admitted by the President in his message of September 4 by the following statement:

The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation. But at what cost to the business of the community? Approximately $75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call.

From this statement, and it is verified by the Treasury statement, the Government has now on deposit in the national banks *$75,000,000*, loaned to the banks at 2 per cent interest, with the express understanding that it is subject to call, as the President states. In addition to the money deposited in the banks there was in the Treasury, as shown by the statement of September 23, about $44,000,000, so on that day we had on hand and available nearly $120,000,000. Until this amount is greatly reduced why should we levy a tax upon the people of $105,000,000 annually, as proposed by this bill, when we are at peace with all the world and when there is not even a likelihood of our getting into war?

The President in his message says that it would not be desirable at this time to begin drawing from our deposits in the banks, and I will quote exactly what he did say on this point:

I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary to rapidly withdraw these deposits.

This means that rather than take money belonging to the United States deposited with the banks, upon which they are only paying 2 per cent interest, we should tax the people. When an individual deposits money in a bank, it is for the purpose of having it when needed, and who would be so magnanimous or generous as to borrow or tax himself in order to favor his bank by leaving his money on deposit, to be loaned by the bank at perhaps a large rate of interest, when he might need what he had in the bank, or a portion of it, to meet the expenses of his business and his living; and yet that is exactly what is proposed by the President in recommending the legislation contained in this bill.

It has been suggested in this debate that the money that will be taken from the pockets of the people, or a portion of it, if this measure becomes a law, will probably be deposited with the same banks that now have the $75,000,000. This suggests that it would be appropriate to amend the title of the bill, which reads, "A bill to increase the internal revenue, and for other purposes," so as to read, "A bill taxing the people to further aid certain favored national banks." According to the most ardent advocate of this bill, including the President, the very largest amount that would be required to supply the deficiency monthly would be $8,000,000, not a large sum to take out of the banks each month, and it might not be more than $2,000,000 or $3,000,000. How taking from $2,000,000, or perhaps $8,000,000, from the banks each month would cause distress by reducing the circulation more than taking it out of the pockets of the people is logic that I can not understand. The gentleman from Illinois [Mr. MANN] says that the only reason he can see for it is that we may deal more kindly with the banks which owe the Government the deposits.

I think it has been proven beyond a question of doubt that it is not necessary to raise more money at this time, and before I conclude I will endeavor to show that it is not necessary. If, however, more money is required, or should be required, there is ample means provided by existing law to meet the emergency, which may only be temporary.

The law raising war revenue enacted in 1898 provided for issuing certificates of indebtedness. Section 32 of the act, which was not repealed, is as follows:

SEC. 32. That the Secretary of the Treasury is authorized to borrow from time to time, at a rate of interest not exceeding 3 per cent per annum, such sum or sums as, in his judgment, may be necessary to meet public expenditures, and to issue therefor certificates of indebtedness in such form as he may prescribe and in denominations of $50 or some multiple of that sum; and each certificate so issued shall be payable, with the interest accrued thereon, at such time, not exceeding one year from the date of its issue, as the Secretary of the Treasury may prescribe: *Provided*, That the amount of such certificates shall at no time exceed $100,000,000. * * *

This section was designed to provide for any deficiency which might occur up to $100,000,000, and it was not repealed, but purposely left as permanent law in order that the President might issue short-time certificates to meet any emergency; and the President seems to think an emergency does exist now.

There is also a law authorizing the issuance of $375,200,980 bonds to be sold to pay the expenses of constructing the Panama Canal. Under a Republican administration and a Republican tariff law it was only necessary to dispose of these bonds, amounting, with the premium, to $138,600,869.92, paying out of the surplus in the general fund $207,008,347.37, so there is available now bonds to the amount of $240,569,000 which, under the law, can be disposed of for the purpose of repaying the general fund the $207,008,347.37 that was taken from that fund and expended in the canal construction.

A prudent individual, when disaster of any kind overtakes him and his resources are not equal to his expenses, first resorts to curtailing his expenses and begins practicing rigid economy; and then if he can not make ends meet, he borrows money, either at the bank upon his note or by mortgaging his real estate. The President, however, is not willing that the Government shall meet this emergency by issuing certificates or selling bonds, and in his message says:

And we ought not to borrow. * * * To sell bonds would be to make a most untimely and unjustifiable demand on the money market; untimely, because this is manifestly not the time to withdraw working capital from other uses to pay the Government's bills; unjustifiable, because unnecessary. * * * These are not the circumstances, this is at this particular moment and in this particular exigency not the market to borrow large sums of money.

This is more logic that I can not comprehend—that it withdraws working capital to borrow money, but to take it from the people by taxing them will not. It might only be necessary to raise comparatively a small sum, and possibly not any; but if this bill becomes a law, it will take from the people to a certainty not less than $105,000,000 before it is repealed. Of course that will enable the Secretary of the Treasury to further favor a few banks, and it will offer an inducement to our Democratic friends to continue their extravagant appropriations and possibly buy a few million bales of cotton, as is being proposed by some of our southern friends. The president of the National Farm Union, Charles S. Barrett, in addressing the joint conference of the Texas district union at Fort Worth, on August 31 last, said:

There is only one thing to do, and it is this:
That the United States must buy three or four million bales of cotton at not less than 10 cents a pound from the farmers of the South. Three or four hundred million dollars is all that will be required.
The South is in the saddle at Washington and the South can do whatever it wants. The boys at Washington will do whatever you tell them to do if you give them to understand you mean business.

The South certainly is in the saddle, and this Congress has been making the best of its opportunity, as I might show, if I had the time, by pointing out numerous instances of discriminations in favor of that section of the country.

I stated in the outset that this proposed tax is not necessary, and I will try to demonstrate that it is not by quoting from the Treasury statement of September 23, which is the latest statement available, and the statement used by those favoring the passage of the bill. This statement shows our receipts from all sources for this fiscal year, viz, from July 1 to September 23, $166,616,800.38, while for the corresponding period last year the amount was $165,881,896, or $934,904.38 less. In other words, this year we have taken in about $1,000,000 more than we did for the same time last year. This same Treasury statement shows that for the fiscal year July 1 to September 23 we have disbursed $184,708,150.11, while for the very same period last year we only disbursed $176,856,929.77; that is, we have paid out this year almost $8,000,000 more than we paid out for the same time last year. It is easy to see how this can be remedied simply by curtailing and practicing economy. The President can order each of the several departments of the Government to stop extravagances, just as a railroad president, or the head

of any great corporation, does when business is dull and expenses exceed receipts. Why not refuse to pass the river and harbor bill now pending in the Senate? The Republicans in 1898, when it was necessary to raise revenue by taxation in time of real war, did not pass any river and harbor act. If the river and harbor bill is not passed in this session it will mean the saving of many millions of dollars without injury to the interests of the Government. I presume, though, it will be passed, in order that some of the Members of Congress can secure some of the "pork" that the bill contains, and the people will be called upon to pay the bill by the passage of this iniquitous measure. I tremble for some of you who will vote for this bill, and also for a rivers and harbors bill, when you return to your districts and face your constituency. How are you going to explain your action, especially you who represent districts that do not get any of the "pork"?

In order to verify the figures that I have given, I will insert the Treasury statement for September 23, that gives the receipts and disbursements from July 1 for this year and for the same period last year.

Daily statement of the United States Treasury at the close of business Sept. 23, 1914.

RECEIPTS AND DISBURSEMENTS AFFECTING THE GENERAL-FUND BALANCE, SEPT. 23, 1914.

	This month to date, fiscal year 1915.	Corresponding month and date, fiscal year 1914.	Fiscal year 1915 to this date.	Fiscal year 1914 to corresponding date.
RECEIPTS.				
1. Revenues:				
Customs	$13,352,492.06	$21,478,252.26	$55,772,319.62	$80,219,859.24
Internal revenue—				
Ordinary	26,341,504.18	19,843,047.63	78,628,702.46	71,756,344.18
Corporation and income tax	318,394.87	53,009.62	7,927,290.95	2,195,035.65
Miscellaneous	2,307,337.42	2,675,865.21	24,288,487.35	11,710,656.93
Total	42,319,728.53	44,050,174.72	166,616,800.38	165,881,896.00
2. Public debt:				
Proceeds of sales of bonds—				
Panama Canal				
Postal savings				1,116,880.00
Total				1,116,880.00
Grand total of receipts	42,319,728.53	44,050,174.72	166,616,800.38	166,998,776.00
DISBURSEMENTS.				
1. Ordinary:				
Pay warrants issued	45,936,881.71	44,800,324.47	181,743,825.39	172,731,465.02
Interest on the public debt	403,607.54	393,574.20	5,729,990.87	5,939,112.79
Total	46,340,489.25	45,193,898.67	187,473,816.26	178,670,577.81
Less unexpended balances repaid	1,383,107.33	709,427.97	2,765,666.15	1,813,648.04
Net ordinary disbursements	44,957,381.92	44,484,470.70	184,708,150.11	176,856,929.77

There has been a gradual falling off in customs duties under the Underwood law ever since it went into effect, just as we predicted there would be, and to prove that this is true, and in order to show exactly what has happened, I will give the customs receipts for seven months this year and seven months last year. I do not bring this statement down to the present time or to the end of August, but only to July 31, as that was before there was any war in Europe:

Customs receipts, by months (first seven months calendar years 1913 and 1914), Payne law and Underwood law.

[Daily Treasury statement.]

	1914	1913	Decrease in 1914 from 1913.
January	$23,528,079.83	$29,334,124.09	$5,806,044.26
February	17,609,603.70	27,605,115.83	9,995,512.13
March	25,927,212.90	27,457,489.20	1,530,276.30
April	22,232,766.57	23,693,966.76	1,461,200.19
May	20,800,573.25	20,434,749.21	[1] 365,824.04
June	23,553,447.58	23,668,598.63	115,151.05
July	22,988,465.04	27,806,654.54	4,818,189.50
Total	156,640,148.87	180,000,698.26	23,360,549.39

[1] Increase.

It will be noted by this statement that the customs receipts have been less each month during the present calendar year, except the month of May, over the corresponding receipts for last year for the same period, and that the shortage is not confined to the month of August; yet the President in his message of September 4, in which he asks that additional revenues be provided for the Government, called attention to the loss of customs duties for the month of August, 1914, comparing the receipts with the amount received in August, 1913, stating that they were $10,629,538 less, and said, "It is due in part to the reduction made in the customs duties," and that it was due to the European war. As a matter of fact, the customs receipts for August this year were $11,503,590 less than for August last year, instead of $10,629,538, as stated by the President. If that was a sufficient cause for becoming alarmed and demanding revenue legislation, why was it the President did not demand the legislation last March, when the customs receipts for the month of February were about $10,000,000 less than for February, 1913, the exact difference being $9,995,512? In the month of May it will be noted that the receipts, while a little more than in May, 1913, were only $1,369,212 greater than for the month of August of this year. It would seem as if the war in Europe was seized upon by the President as an excuse for demanding this legislation, which had to come sooner or later, unless there should be a material reduction in our expenses and appropriations.

Under the Underwood law our imports have materially increased, while our exports have steadily decreased, as shown by the following figures:

For July, 1914:	
Imports increased	$20,615,521
Exports fell off	6,851,831
Change against us	27,467,352
For seven months ending July 31, 1914:	
Imports increased	$121,944,698
Exports fell off	126,290,975
Change against us	248,235,673
Balance of trade in our favor first seven months, 1913	308,624,462
Same, 1914	60,388,789
Loss to United States by falling off of balance of trade	248,235,673
In July, 1914, the balance of trade against us was	5,538,344
In July, 1913, the balance of trade in our favor was	21,929,008

This statement shows a balance of trade against the United States of about $250,000,000 in a period of only seven months, necessitating the shipping abroad of that much gold or its equivalent. Is it any wonder that our banks are uneasy and are refusing to make new loans, and that they are building up their reserves? The Secretary of the Treasury would blacklist banks that are seemingly doing only what prudence would suggest under the circumstances, but I do not imagine that he will get very far in forcing them to materially increase their loans, and at rates that he may fix. Banks have been commended in the past for practicing conservative methods during periods of depression and protecting their deposits, but this is the first instance in our history when a great official, the head of the Treasury Department, has seen fit to censure the banks of the country for exercising caution and declining to materially increase their loans when there is an industrial depression—which I believe is due to a mistaken tariff policy—and because of the uncertainty of threatened legislation affecting business that may be enacted, so long as Congress remains in session. The best thing that could happen to restore confidence and help the country at this time, in my opinion, would be for this Congress to adjourn and give business an opportunity to revive and move along with the certainty that for a time at least it will not be menaced by the possibility of destructive legislation.

Our opponents seek to attribute present conditions to the existing war in Europe, and yet they look upon the war as the thing that may save them in the approaching election. While it may afford them a hope, there is little chance for them to realize it. The war abroad undoubtedly does affect business in this country to some extent and has something to do with our present financial condition, but it is not by any means entirely responsible for existing conditions, which would have been as embarrassing in a few months as they are at present, even if there had been no European war.

Our Democratic friends accuse the Republicans and Progressives of being unpatriotic in opposing this measure, which most of them admit is unnecessary at this time, but they forget what happened in 1898, when we were actually at war and at a time just following an industrial depression from 1893 to 1897 that is without parallel in our history. It was not necessary then to levy taxes because the revenues were not sufficient

to meet the ordinary expenses, because the previous year a Republican Congress had repealed the iniquitous Wilson tariff law and had enacted in its place the Dingley law, but it was necessary to provide money to pay our soldiers and maintain our Army and Navy, who were engaged in defending the country against a foreign enemy. What was the attitude of the Democrats in the House at that time? They not only denounced the bill that was presented by the Republicans, but, with the exception of two or three, every Democratic Member voted against it and against the conference report, and among those who so voted were a few distinguished gentlemen on that side of the House who are still here, and among them is our beloved Speaker, who made a speech denouncing the bill and voted against it, as did the distinguished gentleman from Alabama [Mr. UNDERWOOD], who said:

This tax will fall almost entirely on the hard-working and industrious artisans, merchants, mechanics, farmers, and professional men of the country, but not on idle wealth that is protected but never made to pay for the benefits received.

I know its features are partisan and unjust; they will oppress the masses of the people; they are unnecessary, and the same amount of revenue could be raised from sources that would equalize the burdens of taxation and not be felt by the people.

He is now the sponsor for this bill, which is substantially the same as the law enacted in 1898. Following the President's message of September 4 urging this legislation, it was given out by the gentleman from Alabama that the Ways and Means Committee would prepare and report a bill proposing, among other things, to tax freight rates 3 per cent, and it was understood that such a bill had the approval of the President. What happened? A few Members on that side who do their own thinking protested and started the machinery for a caucus, secured enough signatures to a call, and a caucus was held. The slogan of that caucus was to abandon the proposition of taxing freight rates and adopt the revenue bill of 1898. The caucus in short order so decided and instructed the Democratic members of the Ways and Means Committee to prepare a bill accordingly, and now, when we are at peace with all the world, and when no war is even threatened, it is to be jammed through under a drastic rule, without even an opportunity to offer an amendment, and with only a few hours of general debate, and apparently every Democrat ready to vote for it.

The bill, if enacted into law, will not only be oppressive, but an outrage upon the people. That it is necessary to meet a deficit resulting from the war in Europe is only a pretext and is without foundation in fact, as I have clearly shown. I shall vote against it, as I did against the vicious and drastic rule that was adopted making it possible to pass it without so much as giving anyone an opportunity to even offer a single amendment. In this we have another example of Democratic inconsistency.

The gentleman from Alabama [Mr. UNDERWOOD], who is in charge of the bill, and who probably directed the Committee on Rules to report the rule for its consideration, only five years ago, in 1909, when the Payne bill was being considered in the House, in a speech said:

The rules of this House for a hundred years have recognized that when you come to consider a great appropriation bill or a great revenue bill the only way the House can express the sentiments of the country and the Members can express the sentiments of their constituencies is to consider the items contained in the bill item by item. It is impossible to get a consensus of this House or an expression of the opinion of the country by voting en bloc for a tariff bill, as much so as if it was a general appropriation bill.

Consistency is certainly not a virtue with our Democratic friends when they are in the majority and have the power to do what they wish.

Mr. Speaker, for the purpose of emphasizing that the deficiency which the President says exists is not due to the cause that he assigns, the war in Europe, but to the extravagant appropriations passed by this Congress, I propose to discuss the record the Democrats have made in this session of Congress, which is the first regular session since they obtained control of both branches of Congress. I shall also expose their hypocrisy in showing the difference between their platform promises and their performances, and will try to demonstrate that they are incompetent to successfully conduct the affairs of the Nation, as always has been the case when the Democratic Party is in power.

In 1908 the Democratic national platform contained the following declaration:

The Republican Congress in the session just ended made appropriations amounting to $1,008,000,000, exceeding the total expenditures of the past fiscal year by $90,000,000, and leaving a deficit of more than $60,000,000 for the fiscal year just ended. We denounce the needless waste of the people's money, which has resulted in the appalling increase, as a shameful violation of all prudent considerations of government and as no less than a crime against the millions of working men and women, from whose earnings the great proportion of these colossal sums must be extorted through excessive tariff exactions and other indirect methods. It is not surprising that, in the face of this shocking record, the Republican platform contains no reference to economical administration or promise thereof in the future. We demand that stop be put to this frightful extravagance, and insist upon the strictest economy in every department compatible with frugal and efficient administration.

The platform of 1912 said:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of the recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

In view of these two declarations the country had a right to reasonably expect a reduction in the appropriations made by Congress. It will be noted that the platform of 1898 refers specifically to the appropriations made by the Republican Congress in the session which had just ended, naming the amount $1,008,000,000. Now, let us see how faithfully the Democratic Party has carried out its promise with relation to appropriations.

The distinguished gentleman from New York [Mr. FITZGERALD], Democratic chairman of the Committee on Appropriations, in a speech in the House on the 12th of the present month, gave the total appropriations for the session, and no one will question their accuracy. The amount appropriated up to August 31 in the present Congress is $1,089,408,777.26. This does not include the river and harbor bill, which passed the House appropriating $39,408,004, and authorizing $4,061,500 additional contracts, a total of $43,469,504.

It appears from the statement of the chairman of the Appropriations Committee that in the appropriations made for this year the pension bill was reduced $11,150,000, which he says was not brought about by economizing at the expense of those who have borne arms in the service of the Republic, but by diminution of the numbers through natural causes of those carried upon the pension rolls. He also shows that the appropriation for the Panama Canal is only $20,718,000, which is about one-half or less than what it has been in other years, owing to the work of construction being nearly completed. By the reduction in these two appropriations there was $30,000,000 or more which had to be appropriated heretofore that was not required this year, so, naturally, in view of the platform declarations of the Democratic Party in 1908 and 1912 it might be expected that the total appropriations would at least be reduced to that extent, but what are the facts?

The total appropriations for the fiscal year ended June 30, 1913, the last year of the Taft administration, excluding the river and harbor acts, were $988,353,340.41, a difference in favor of the Republican administration of over $100,000,000.

It will be interesting to compare the appropriations for the present and preceding four years, which are as follows:

Total appropriations, excluding river and harbor acts.

1911	$978,521,087.68
1912	995,799,462.72
1913	988,353,340.41
1914	1,057,605,694.40
1915	1,089,408,777.26

The Democratic Members in the House can not say that they did not have their attention called to what would happen if they did not follow the recommendations of the Committee on Appropriations in holding down amounts, because on more than one occasion the distinguished chairman, Mr. FITZGERALD, warned them, as did other members of that committee. On April 10 last, when an effort was being made to increase an appropriation over the recommendation of the committee, Mr. FITZGERALD said:

Mr. Chairman, it may seem somewhat strange, but I hope it is not out of place, to remind Members on this side of the House that the Democratic platform pledged us in favor of economy and to the abolishment of useless offices; but it did not declare, Mr. Chairman, that the party favored economy at the expense of the Republicans and the abolition of useless offices in territory represented in this House by Republicans while favoring a different doctrine wherever a Democratic Representative would be affected. In a few months I shall be called upon in the discharge of my official duties to review the record that this Democratic House shall have made in its authorization of the expenditure of the public money. Whenever I think of the horrible mess I shall be called upon to present to the country on behalf of the Democratic Party I am tempted to quit my place. I am looking now at Democrats who seem to take amusement in soliciting votes on the floor of this House to overturn the Committee on Appropriations in its efforts to carry out the pledges of the Democratic platform. They seem to take it to be a huge joke not to obey their platform and to make ridiculous the efforts of the members of our party who do try to live up to the promises they made to the people. * * * My colleagues upon this floor seem either to be so indifferent to a very perilous situation for our party, or else, which I do not wish to believe, have so far forsaken Democratic practices and Democratic principles as not to deserve to continue in control of this Government.

We charged the Republicans for 12 years of my service in the House under Republican administration with being grossly extravagant and reckless in the expenditure of the public money. I believed that charge to be true. I believed that my party, when placed in power, would demonstrate that the charges we had made in good faith were true. We are entitled to the help and to the support of the Members on this

side of the House in honest efforts to carry out the pledges of the Democratic Party, and in our attempts to show that what we charged in order to get into power was true. We have not had that support. Our Democratic colleagues have not given that support to us thus far during this session of Congress. They have voted against recommendations they should not have voted against. They have unnecessarily piled up the public expenditures until the Democratic Party is becoming the laughingstock of the country.

I appeal to them now before it is too late; I appeal to them now before we have gone beyond recall to stop the conduct of which they have been guilty. Do not continue to vote for these improper and improvident appropriations. Those who propose to continue to do so should at least have the courage openly to assert upon the floor of this House that they believe the professions of the Democratic Party have not been made in good faith, that they can not be carried out, and that we are not entitled to power because of those professions.

The distinguished gentleman from Mississippi, a Democratic member of the Committee on Appropriations, during the month of April said:

This is the most outrageously and criminally extravagant Congress that ever sat on the American Continent. I want to apologize to the Republicans for having called them extravagant when they were in control of the House. They were modest in comparison with the appropriations that we are now making.

That no attention was paid to these and other admonitions and remonstrances is apparent by the recklessness that prevailed in the piling up of the appropriations beyond anything ever before conceived of, as shown by the figures that I have given.

The increases in the appropriations made in this Congress are not confined to any one branch of the Government, but to every department; and every appropriation bill, with the exception of the pension bill and the Military Academy bill, which is a bill only carrying about $1,000,000, shows a substantial increase over the appropriations heretofore made. While the Congress is directly responsible for the increases, it is not entirely upon the Congress alone, because the estimates of the administration were greatly in excess of estimates submitted during the Taft administration, and it is to the credit of Congress that the appropriations are less than the estimates. In other words, could the administration have had its way, we would have had still a larger sum appropriated. While the increases in appropriations are due to a large extent to the increasing of the amounts appropriated for general purposes, some of it is due to increases in salaries of officials and the creation of new offices, many of which are useless. We are indebted to the distinguished gentleman from Massachusetts [Mr. GILLETT], ranking member of the Republican minority on the Committee on Appropriations, for enlightening the House by giving in detail the different new offices, with the salaries in each case, that have been created in the present Congress, together with increases which have been made in the salaries of offices heretofore in existence. The list presented by Mr. GILLETT is as follows:

The new banking law creates five new offices with salaries of $12,000 each and increases the salary of the Comptroller of the Currency from $5,000, at which sum it had remained for 50 years, to $12,000 per annum.

The new Trade Commission act creates five commissioners at $10,000 each and a secretary at $5,000.

A new board of appeals, consisting of three members at $4,000 each, is created in the office of the Secretary of the Interior.

For commercial attachés, to be appointed by and compensated at such salaries as the Secretary of Commerce may fix, and a clerk each, at $1,500; and for traveling expenses the sum of $100,000 is appropriated for a year.

The salary of the private secretary to the Secretary of the Treasury is increased from $2,500 to $3,000, which means that the private secretaries to the other nine Cabinet officers must also be increased from $2,500 to $3,000.

A chief of division, created less than a year ago under the income-tax law, is increased from $2,500 to $3,500.

Six Assistant Attorneys General in the Department of Justice have their salaries increased from $5,000 to $7,500.

The salary of the assistant to the Attorney General was increased during the extra session on an urgent deficiency bill from $7,000 to $9,000.

The salaries of our diplomatic representatives to Argentina, Chile, and Spain are raised from $12,000 to $17,500 each per annum, and the three secretaries of the legations to these countries are increased from $2,625 to $3,000 each.

The mission to Paraguay and Uruguay is divided and a new minister authorized, with a new salary of $10,000.

Six Indian inspectors, at a salary of $2,500 each, with a like amount for expenses, for which $30,000 is appropriated. By Executive order these positions are to be filled without requiring compliance with the civil-service law and regulations.

The Democratic House of the last Congress insisted upon abolishing three internal-revenue collectors of the Republican administration at $4,500 each. At this session one of them is re-created, the place to be filled by a Democratic administration. If the office was not necessary to collect revenues then, how can it be needed now, except to meet some political exigency.

In the Pension Office 40 special examiners, at $1,300 each, heretofore employed to facilitate settlement of claims for pensions of old soldiers, and whose appointments were controlled by civil-service law, are abolished. In their places 5 special examiners, at $1,300 each, who are not under the civil service but are political appointments, are provided for.

An effort was made to provide the Secretary of the Treasury with an additional assistant, at $4,500, notwithstanding there are already three Assistant Secretaries of the Treasury, receiving a salary of $5,000 each, and a similar effort was made to provide two additional clerks in the office of the Secretary of State, with an additional assistant to the Secretary, at $4,500. These were provided by the Senate, but, to the credit of the House conferees, were all eliminated in conference.

The gentleman from Massachusetts also called attention to the way economy has been practiced at the other end of the Capitol since the Democrats came into control of the Senate by showing that there have been added to the rolls 35 additional clerks, increasing the pay roll $49,380.

Mr. GILLETT also called attention to the Democratic declaration for "reduction in the number of useless offices," and commenting thereon said:

I can think of no office that was more useless than was the special resident commissioner of the Lincoln Memorial Commission. It was created as a sinecure for a venerable Republican when he retired from the Senate, broken with age, supposed to be penniless, having given his best years to the public service, and obviously with but a short lease of life. The law was so phrased that the office terminated upon his death. Within less than a year he died. Was the office allowed to lapse? Was the promise to reduce the number of useless offices kept? No; this party of economy revived the law and perpetuated the sinecure, only substituting the name of a popular Democrat who had once been a Senator, had since held a very lucrative office, and who I hope may live long, as he apparently will, to draw his comfortable salary.

He said further, commenting upon what was done to provide for the first friend of the distinguished Secretary of State and the editor of his newspaper, the Commoner:

A celebration of the opening of the Panama Canal was to be provided. There were plenty of officials already in the service to perform all the duties involved, both practical and ornamental, but an ex-editor of the Commoner, who had been drawing a salary of $14,000 per year under this administration, was about to lose his office because by law it terminated on April 1. An appropriation was so arranged as to give him a superfluous place on the commission at the compensation of $10,000 per year. This commission was not created until May 20, but as his other office terminated April 1, President Wilson considerately made an official order that his salary should date back and begin on April 1, although it was not until May 20 that the office was created. Thus he was saved the misfortune of a hiatus in his Government salary. I believe he resigned the office to run for governor of his State, but the incident illustrates the eagerness of the President and Congress to carry out their platform and reduce useless offices.

He cited another instance of the insincerity of the Democrats in their professions of economy by saying:

The last Republican Congress increased the salary of the Secretary to the President to $7,500. That increase was fought by the Democratic Party here with a vehemence and fury quite disproportionate to the expense involved, and a casual observer would have thought that there could be no question of their intense hostility to the measure and that they really considered it an inexcusable extravagance. In the next Congress the House was Democratic and the Senate Republican, and a compromise was reached that the salary should continue at $7,500 while that administration continued, but that on the 4th of March it should again revert to its former amount of $6,000. At that time no one knew whether there would be a Republican or a Democratic President on the 4th of March, but the Democrats were loud in their professions that if they won the salary should remain at $6,000. They won; and when faced with the actual fact that they were providing for one of their own, the same Democratic House ate their words, belied their previous action, and gave their own party official the $7,500 which they had bitterly antagonized for ours.

I have already stated that whenever the Democratic Party has been in control of the affairs of the country it has demonstrated its incompetency and inability to rise to the occasion, and this is shown in the present administration by the record that has been made for extravagance and by the failure of the majority in Congress to enact the appropriation bills within the fiscal year. During the 14 years that the Republican Party controlled both branches of Congress the annual appropriation bills were enacted into law before the beginning of each fiscal year, thereby affording each department of the Government to know definitely the amount that it would be authorized to expend for the year, which is necessary in order to have a business administration. During the first year that the Democrats were in control of this body nine of the great appropriation bills were not passed until the second month of the fiscal year had nearly expired. During the last session of the Sixty-second Congress, which terminated on March 4, 1913, two of the appropriation bills, namely, the Indian bill and the one providing for sundry civil expenses, failed to become a law

within the life of the Congress. This would have necessitated an extra session of the Sixty-third Congress had a special session not been called to consider tariff legislation. This Congress has been continuously in session since April 7, 1914, and still four of the large appropriation bills failed to get through until several weeks after the fiscal year had commenced. This certainly demonstrates the inefficiency of the Democrats and the unbusinesslike manner in which they transact public business. It is, however, in accord with the record of the party, as it appears that during the first year of the last Democratic administration 20 years ago 12 of the appropriation bills failed to be passed until some time after the beginning of the fiscal year.

History seems to repeat itself. In 1893, when the Democrats were in control, Congress had to be in session the entire year in order to do its work. Now, 20 years afterwards, we are again obliged to be in session the whole year round. The gentleman from Massachusetts [Mr. GILLETT] called attention to the significance of this incident; and in speaking of it, said that in the Fifty-third Congress, 20 years ago, the Democrats had a majority of 80 in the House, and that they were unable to keep a quorum without docking the Members' pay for absences; and that now, when they have a majority of 141, they are again obliged to dock the Members in order to keep them here. He stated, and no one has disputed his statement, that from June 5 until the resolution was adopted directing the Sergeant at Arms to deduct from the salaries of the absentees, that the Democrats at no time had a quorum present, notwithstanding their majority of 141.

Mr. Speaker, in conclusion I want to again protest against the enactment of this unnecessary and burdensome measure that proposes to take from the pockets of the people $105,000,000 annually when there is no necessity for it. It would seem, in view of the facts with relation to our finances as they appear from the Treasury statement, and because there is ample opportunity by the practice of rigid economy on the part of the administration to supply any deficiency that may exist for the present, that this bill ought to be defeated. I know that it is hopeless to expect that it will fail of passage in the House, but when it goes to the other end of the Capitol, where there is opportunity for consideration and debate, and when the country will have a chance to be heard, I hope that it will be defeated; but if not, that it may at least be amended materially in some of its provisions so that the tax will be more equitably distributed.

The War Has Unified Americans.

EXTENSION OF REMARKS

OF

HON. CORDELL HULL,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, September 30, 1914.

Mr. HULL. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include the following editorial from the Washington Herald of September 30, 1914.

The editorial is as follows:

[From the Washington Herald, Wednesday, September 30, 1914.]

"THE WAR HAS UNIFIED AMERICANS.

"At such a time as the present the sterling qualities of the American people come to the front. It is a time of crisis in our business affairs of peculiar nature that has never been seen before in the country's history; and this statement is none the less true because it is a crisis that was entirely unforeseen and is even now not entirely appreciated by the mass of people. The appalling war that is being fought in Europe affects the United States in a degree only second to that with which it affects the interests of the European nations. Whoever wins or loses as a result of the war, an incalculable destruction of the world's accumulated wealth will take place; and of this loss the United States must expect to bear a very considerable share. This is an unpleasant fact, but it is a fact. There is no use of anybody's trying to avoid it. To look at the matter in its nearest and most obtrusive aspect, Europe holds perhaps $5,000,000,000 worth of the demand notes of this country in the shape of stocks, bonds, and other evidences of indebtedness, and whenever the stock exchange opens in New York a great portion of these notes will be presented to us for payment. These will be presented not because the holders of the notes think that American business affairs are bad, but because they desire to raise money for their own needs; or, in other words, to replace the wealth that has been destroyed on the battle fields of France and Belgium. They will ask for this money, and they will ask us to ship it to them in gold.

"It may be that when the stock exchange opens—and nobody knows whether or not it will open before the war is ended—these demands will not be as great as is now threatened. We can not tell about that exactly, but we must be prepared for the demands, whatever they are. Therefore, it is something from which everyone should derive hope and courage rather than dismay, that the people are bracing themselves to stand the shock in the best possible manner. Political differences are being forgotten; radical propositions which were so common a few months ago, looking forward to a destruction of wealth on our own account, are no longer agitated; extravagant schemes of national expenditure are being abandoned; raids upon the rich are no longer advocated as a means of bringing the millennium; and business men and stockholders in home industries, who have been buffeted and batted for so many years, are temporarily left in peace.

"One of the most gratifying signs of this tendency has been the general rallying of hands in support of our present national administration. Every intelligent and self-respecting man feels that now is the time to stand by the Government, whether he thinks the Government is worthy of just criticism in many respects or not. He feels, and feels rightly, that minor differences of opinion should be abandoned and that he should give his ungrudging support to those who stand on his own country's battle line and are charged with the responsibility of taking care of the great interests common to all. Nevertheless, while we think that the underlying motive which has inspired the general praise of President Wilson's attitude and conduct in recent months has proceeded from the source described, we are bound to say that, in our judgment, most of this praise has been deserved for intrinsic reasons. The President has been calm, patient, and farseeing when other people were nervous, excited, and perturbed. He curbed the thoughtless purposes of those who would make the Government's necessity for more revenue an excuse for an additional and unjustified increase of the income tax. He promptly recognized the unwisdom and unfairness of imposing a tax on railway freight revenues. He was quick to recognize that there should not be a moment's delay in having recourse to the provisions of the Aldrich-Vreeland emergency currency act, and he unhesitatingly asked the advice of men prominent in the business and financial world as to the wisest course to pursue.

"But we trust we shall not be considered as at all hedging our position of unflinching support of the President when we refer to the very obvious fact that, from one point of view, the war has been a lucky development for his administration. The tariff policy of the Democratic Party, to which Mr. Wilson committed himself, has turned out disastrously, and the war has served to obscure the fact. This tariff policy has resulted in a stupendous increase of importations of foreign merchandise—merchandise which was previously purchased from domestic producers—and all without any compensating advantage to us. In the fiscal year from June 30, 1913, to June 30, 1914—that is to say, long before the European war was ever thought of—our importations of foreign merchandise increased nearly $114,000,000; and the fact is, summing up the mass of figures on this subject, that in the foreign-trade operations of the country since January 1 alone, the balance in our favor has been $318,000,000 less than in the year preceding. Despite the largely increased value of our imports of merchandise, the decrease in the rate of duties collected under the new tariff was such that the gross amount of duties collected by the Government fell off over $26,000,000; and as the expenses of the Government increased in the same period nearly $18,000,000, there was a shortage of nearly $44,000,000 in Government revenues before July 1, or nearly a month before the European war broke out.

"No one will deny that the upsetting of our foreign trade, caused by the war, would have necessitated the raising of additional money for Government purposes, even had the Aldrich tariff law been in existence instead of the Underwood law which followed it; but, in all reason and justice, we desire to point out that, even if there had been no war, the Underwood tariff law would have produced and was producing a large Government deficit."

Mr. HULL. Mr. Speaker, the foregoing article from a leading Republican paper presents, in striking contrast with the attitude and utterances of Republicans in Congress, the serious and far-reaching effects of European war conditions upon the financial, commercial, and governmental affairs of the United States, save in one aspect to which I wish to call attention and correct. The editorial at one point falls into the patent error

so generally propagated by Republicans in Congress—that the Underwood revenue law had broken down before the war commenced. This wholly erroneous view is based upon a comparison of customs receipts alone derived from the Underwood law during the first nine months of its existence and from the Payne law during a corresponding period of the previous year. To make this comparison with any semblance of fairness it is necessary to include with the Underwood tariff receipts the amount of income tax levied for the express purpose of displacing a corresponding amount of the Payne tariff law. The excess of income tax receipts after deducting the amount that would otherwise have been derived from the Payne corporation excise tax law is $42,000,000 for the fiscal year 1913. This amount added to the yield of the Underwood law for the fiscal year 1913 offsets by more than $16,000,000 the revenue loss of the customs provision of the Underwood law, as it was intended to do. The fact must be borne in mind that imports would have been much less had the Payne law continued in operation and customs receipts correspondingly reduced. The Payne rates can not with any fairness be applied to the imports under the Underwood law.

The conclusion from all the facts that the Underwood law is a better revenue producer than the Payne law can not be escaped by the best juggler of figures. The most extreme view that the opponents of the Underwood law can present is that if this law broke down as a revenue producer before the war, still greater would have been the breakdown of the Payne law had it continued in operation. The Underwood law paid all current expenditures and $34,000,000 for the Panama Canal, whereas the Payne law had the help of two canal bond issues, and without which it would have produced a deficit for three of the four years of its existence.

Emergency Revenue Legislation.

REMARKS

OF

HON. WILLIAM L. LA FOLLETTE,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. LA FOLLETTE. Mr. Speaker, Gen. William T. Sherman has been accredited with the saying, "War is hell." I am inclined to think that the American people will have a like opinion of this revenue measure should it become a law.

Some of my colleagues who are opposing this bill have intimated on the floor that it is almost incredible to think it necessary to enact a law of this character at a time when we are at peace with all the world. We are at peace, and I sincerely hope we will remain so; nevertheless I do not consider the calling of this bill a "war measure" a misnomer. It is a war bill the enactment of which has been made necessary by the ruthless onslaughts made on our commercial activities by the poorly balanced, noneconomic, trade-paralyzing law known as the Underwood-Simmons Tariff Act.

Our industries put up a brave fight against this act, but have been compelled to give ground slowly and steadily from the day it was enacted into law, many of them being sorely wounded and large numbers of them placed totally hors de combat by its merciless assaults.

President Wilson's "new freedom," whereby our manufacturers were to be enabled to capture the markets of the world, has resulted in our industries being captured to such an extent that our foreign trade declined since its enactment more than $210,000,000, while our imports increased more than $102,000,000; and despite this increase under this poorly balanced tariff enactment our revenues have fallen off at the customhouse more than $23,000,000 since this law was enacted.

The month of February, 1914, showed nearly as much decrease in revenue—$9,995,512—as did the month of August—$10,629,538—which month's decrease was pointed out by President Wilson as having been caused by the European war, and on which he predicated his request for an additional revenue-raising enactment. The fact is the extravagant way his "party-controlled Congress" has appropriated the people's money—already millions of dollars above that of any other Congress in our history, with more than five months yet to pile up additional appropriations—makes it apparent that it would only have been a matter of a few months anyhow before additional revenues would have had to be provided to take care of the running expenses of the Government.

The general supposition was that the first act would be the selling by the Treasury as needs developed of the available Panama Canal bonds, $240,569,000 worth of which are still authorized for sale under the law.

But no; the President, who is one of the prominent historical students and writers of the day, well knew that there had never been a Democratic administration that did not have to sell bonds during its life to help defray the expenses of the Government, and he saw in this European war an opportunity to cover up Democratic revenue failure under a claim of war necessity, levying additional internal-revenue taxes on the people to supplement Treasury needs and avert during his administration the selling of bonds.

Mr. Speaker, I think the President of the United States made a mistake when, appealing to their patriotism, he asked the people of the United States to assume this added burden of taxation at a time when over this broad land there is general commercial depression brought on by unwise tariff enactment put on the people under the mask of a blessing—and I will give to the President and to you gentlemen the credit of the "hope" that it would so prove; a forlorn hope, indeed.

The railroads of the country, on account of falling off in revenues caused by decreased traffic brought on by closed factories and curtailed freight receipts from every section of the United States, all sections being hurt to some degree and some more than others by the Underwood tariff bill—as I said, the railroads are asking that they be allowed to raise freight rates to keep from going into bankruptcy, and the general rumor is that this raise is to be sanctioned by the President. The railroads have been compelled to curtail their expenses, discharge thousands of both common and skilled laborers, allow their roads to run down in upkeep, and have been unable to replace worn-out equipment—cars of all kinds, as well as locomotives. The locomotive works of the country have decreased the number of their employees by more than 50 per cent since January, 1913, and thousands of other industries more than that.

The trust barons, whose products have been placed on the free-trade list under the Democratic platform enunciated at Baltimore—that is, the only trust barons they succeeded in finding, the American farmers—lost thousands of dollars on account of the importations of corn, oats, and barley into this country, also butter, eggs, potatoes, and many other commodities from abroad, and yet the reduced cost of living which you promised to the people has not materialized.

Your "new freedom" has given countless thousands of our citizens freedom from work and holidays in perpetuity and left our people but ill prepared to assume additional burdens of taxation.

Mr. Speaker, I think it would have been much better to have sold the bonds and relieved a distressed people from this added burden; then in good time—when the party of progress and advancement has been restored to power by a people chastened by Democratic mismanagement—the Republican Party will, by a well-balanced and sane tariff enactment, take care of the bonds you would issue and our people again be prosperous and happy.

There was a total of $375,200,980 worth of canal bonds authorized to be applied on the building of the Panama Canal, which was estimated to cost $400,000,000. The canal has been completed for a little less than the estimate. It has been nearly paid for, most all of it while the Republican Party was in power. They paid more than $200,000,000 on it out of the general revenues of the Government, only issuing $134,631,980 worth of the bonds authorized. You are proposing to put this direct tax on the people to pay the $20,718,000 authorized by this Congress to be expended on the Panama Canal instead of paying either by surplus revenues or by bonds, as provided by law.

I think the American people, and especially those who live in the Pacific Northwest, will appreciate this. You are not only going to ask them to help pay these millions you have appropriated for the Panama Canal by direct taxation, but the President demanded and you passed an act repealing the "free-tolls" feature of the Panama Canal act, thus taking away from the people of the Pacific Northwest the only hope they had of regulating the freight charges of the transcontinental railroads. They will surely appreciate this direct tax to help pay for this canal, whose benefit to them you have made abortive.

Mr. Speaker, when the President delivered his message he stated that—

The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation. But at

what cost to the business of the community? Approximately $75,000,000, a large part of the Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary to rapidly withdraw these deposits; and yet without additional revenue that plainly might become necessary—and we ought not to borrow; we ought to resort to taxation. To sell bonds would make a most untimely and unjustifiable demand on the money market—untimely because this is manifestly not the time to withdraw working capital from other uses to pay the Government's bills.

Mr. Speaker, we will stop here and endeavor to analyze this remarkable argument. The Government should not withdraw its $75,000,000 loaned to national banks subject to call because, forsooth, it might work a hardship on the privileged banks which hold these Government deposits at 2 per cent, which they are in turn reloaning to their customers, who are asked to pay these direct taxes, at from 6 to 8 per cent, and in some cases, probably, 10 per cent, for the privilege of doing business with it and thus be enabled to pay this war tax. Yes; war is what Gen. Sherman said it was.

Yet on June 30, 1914, there was on deposit in the national banks throughout the United States $6,268,000,000, and the Government deposits in national banks on that date amounted to $66,000,000, or about 1 per cent of the total. How preposterous to even hint that the withdrawal of the Government's call deposits could cause "distress and confusion" even though all called at once, which would not be at all necessary. The banks holding this money well know it is subject to call, and if they have not kept themselves in shape to pay when called are unworthy the deposits and unsafe custodians of the people's money.

The President has said:

To sell bonds would be to make a most untimely and unjustifiable demand on the money market—untimely because this is manifestly not the time to withdraw working capital from other uses to pay the Government's bills.

Mr. Speaker, I have not been a college professor, hence that may be the reason why I can not differentiate between the taking of working capital from the bankers and investment brokers of the country and the taking of working capital from the pockets of the people. It is the business of the bankers and investment institutions of the country to loan money, buy bonds, and so forth, and they well know that money invested by them in Government bonds is speedily disbursed by the Government and is as speedily returned to their strong boxes as deposits and profits on transactions, but that money taken from the pockets of the people is gone from them never to return. How solicitous you are for the welfare of the banker and the broker and how callous to the welfare of the people. How different from that Democratic President, James Buchanan, who found his administration similarly embarrassed by unwise tariff legislation. President Buchanan had this to say of the condition of the country and the distress of the people:

We have possessed all the elements of material wealth in rich abundance, and yet notwithstanding all these advantages our country, in its monetary interests, is at the present moment in a deplorable condition. In the midst of unsurpassed plenty in all the productions of agriculture and in all the elements of national wealth we find our manufactures suspended, our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want. The revenue of the Government, which is chiefly derived from duties on imports abroad, has been greatly reduced, whilst the appropriations made by Congress at its last session for the current fiscal year are very large in amount.

Under the circumstances a loan may be required before the close of your present session; but this, although deeply to be regretted, would prove to be only a slight misfortune when compared with the suffering and distress prevailing among the people. With this the Government can not fail deeply to sympathize, though it may be without the power to extend relief.

You will see that President Buchanan did not hint at levying any direct taxes against the American people, whose factories and industries had been similarly affected by Democratic tariff legislation. He said that the making of a loan, while to be regretted, would be "only a slight misfortune when compared with the suffering and distress prevailing among the people. With this the Government can not fail to deeply sympathize."

Mr. Speaker, President Buchanan evidently had not realized that the vision of people without work, idle factories, and hunger and want was only a creation of his imagination, a "psychological condition"; that the hunger and want, distress and suffering among the people in the industrial centers of our country were only hypothetical and not real. President Buchanan evidently was not a philosopher, as is his successor who now occupies the White House, and was really distressed about the condition of the people. His successor is distressed for the especially favored banks, which might be discommoded by the withdrawing of $75,000,000 of the people's own money that these banks are now using at 2 per cent interest, which money could be applied to defray the expenses of the people's Government and thus relieve them from this additional burden of taxation.

Mr. Speaker, the President of the United States said that approximately $75,000,000 is now on deposit with the national banks distributed throughout the country. He gave the Congress no information as to how widely it was distributed, nor in what amounts in the various States. Several gentlemen on the Republican side of the Chamber have endeavored to ascertain the scope of this distribution from the Treasury Department, but have signally failed in their efforts. Under the circumstances, are they not justified in the supposition that while the money may be widely distributed it may only be in comparatively small amounts throughout the country in general, and that the larger part of it is in the great money centers, in the hands of investment banks—and some of our national banks could be so classed—and has been used largely to buy stocks and bonds dumped into this country from troubled Europe, bought at their own price, and with the Government aiding them, to hold them until times become settled again, when they will be enabled to add large profits to their business at the expense of the people called on to pay this tax? Congress has not been given this information. Why not?

Mr. Speaker, I am against the levying of this revenue measure against the people at this time. I think it unwise and unnecessary. What we want is economy in Government, curtailment of expenses, and wise and sane legislation that will lighten the burdens of the people instead of adding to them. I very much fear, though, that the country can not expect that from you gentlemen constituting the majority in this Congress. Your party has always been "long" on promises and "short" on performances, and it is easier for a leopard to change his spots than for you to change your false economic policies.

Out-Heroding Herod.

"Then Herod sent forth and slew all the children that were in Bethlehem, and in all the coasts thereof. Then was fulfilled that which was spoken by Jeremy, the prophet, saying, 'In Rama was there a voice heard, lamentation, and weeping, and great mourning, Rachel weeping for her children, and would not be comforted, because they are not.'"

Certain States of the South to-day tolerate conditions which out-Herod Herod. He killed swiftly and without pain; the child-snatchers of the southern mills torture before they kill. He killed the children of a tiny province; their victims are torn from a great section of a great country. He killed the body only; they too often kill mind and soul as well.

EXTENSION OF REMARKS

OF

HON. JOHN JACOB ROGERS,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 29, 1914.

Mr. ROGERS. Mr. Speaker, on July 8 last I introduced in the House of Representatives a joint resolution proposing an amendment to the Constitution of the United States to the following effect: "The Congress shall have power to regulate throughout the United States the employment of women and of persons under the age of 21 years." This resolution was referred to the Committee on the Judiciary, and is still pending in that committee.

It may not be inappropriate to set forth some of the considerations which have led me to believe that nothing short of an amendment to the Constitution of the United States will adequately remedy the conditions attending the employment of women and children now prevailing throughout the United States.

At the present time—and indeed throughout our history as a Nation—it rests with the several States to determine what restraint, if any, shall be imposed either on the employer or the employee, or both, in entering into and continuing in operation the contract of employment. This power is vested in the States, because a part of the general police power and because never withdrawn from them by the Federal Constitution.

With 48 Commonwealths, each in this particular respect entirely independent of every other Commonwealth as well as of the Nation, it is not surprising that a vast divergence of labor-protecting legislation exists. Different States, like different individuals, vary widely in their point of view as to what constitutes necessary and proper protection of the laboring classes. Massachusetts has of late years deservedly achieved the reputation of being among the two or three most enlightened and

progressive States in respect to labor legislation. Other States are equally conspicuous for their retardation in this respect.

It is perhaps not material to discuss the causes which result in this variance; the problem is before us, and demands a solution. In pointing out in some detail the precise differences between the group of States of which Massachusetts is typical and the group of States at the other extreme in labor legislation, I am especially anxious to avoid even the semblance of sectional feeling. This is solely a question of fact; and in developing my arguments I shall strive throughout to rest every assertion I make, not upon the belief or opinion of any individual, but upon statistics derived at first hand from authentic and official publications readily available to any who may care to examine them.

Before setting forth the specific respects in which a small group of States—of which North Carolina, South Carolina, Georgia, and Alabama are typical—lags far behind the advanced group, it may be profitable to consider the increased importance of the former in the manufacturing world.

These four States have during the last decade or two been forging ahead very rapidly indeed in this respect. Like Massachusetts, they are primarily manufacturers of cotton goods. The last census shows that Massachusetts is the first State in the Union in value of its cotton-manufacturing products, with an output of $186,462,000, representing 29.7 per cent of the total output of the United States. North Carolina, the second State in the Union in value of cotton-manufacturing products, had an output of $72,680,000, or 11.6 per cent. South Carolina, the third State in the Union in this respect, had an output of $65,929,000, or 10.5 per cent. Georgia, the fifth in rank, had an output of $48,036,000, or 7.6 per cent. Alabama, the ninth in rank, had an output of $22,211,000, or 3.5 per cent.

Stating these figures in another way, the three States of North Carolina, South Carolina, and Georgia had a combined output of cotton manufactures somewhat larger than that of the Commonwealth of Massachusetts, and consequently contributed a somewhat greater percentage than did Massachusetts to the total of cotton manufactures produced throughout the United States. If we include Alabama, the preponderance is, of course, much more marked. It is plain, then, that a State like Massachusetts can no longer fail to take account of the volume of the cotton manufacturing turned out by the textile mills of the Southeastern States.

A more illuminating standard of comparison is deducible from the fact that in the decade from 1900 to 1910, while the value of Massachusetts cotton manufactures was increasing 67.8 per cent, that of North Carolina was increasing 156.2 per cent; of South Carolina, 121.8 per cent; of Georgia, 160.3 per cent; and of Alabama, 172.4 per cent. In other words, these four States of the Southeast are growing, so far as the cotton-manufacturing industry is concerned, from two to three times as fast as is Massachusetts.

What is true of cotton manufacturing is true also of manufacturing in general. In the decade ending in 1910 Massachusetts showed an increase in value of all manufactured products of 64.2 per cent, while the corresponding figures for North Carolina are 154.1 per cent; South Carolina, 112.3 per cent; Georgia, 114.6 per cent; and Alabama, 102.4 per cent. The percentage of increase in several of the other Southern States is still larger, one in particular showing an increase of 560 per cent.

Perhaps a still more accurate basis for comparison of the cotton-manufacturing development of the several States is afforded by an examination of the number of spindles therein. This is graphically portrayed by the following table:

Spindles.

	1890	1900	1910
Massachusetts	5,872,852	7,931,671	9,637,601
North Carolina	344,606	1,137,328	2,958,235
South Carolina	332,784	1,436,969	3,760,891
Georgia	445,452	832,321	1,774,967
Alabama	79,362	419,968	913,503
	1,202,204	3,826,586	9,407,596

In other words, while Massachusetts in the 20 years from 1890 to 1910 did not quite double its number of spindles and in the last decade increased only 21.5 per cent, North Carolina increased nine times in the 20 years and 160.1 per cent in the 10 years; South Carolina, twelve times in the 20 years and 161.7 per cent in the 10 years; Georgia, four times in the 20 years and 113.3 per cent in the 10 years; and Alabama, eleven times in the 20 years and 117.5 per cent in the 10 years. All four States taken together have a number of spindles about the same as those of Massachusetts, although they had only one-fifth as many in 1890; their total for 1910 is eight times that of 1890.

As indicative of the fact that Massachusetts was not unduly backward in percentage of increase as compared with its neighboring States, it is interesting to notice that the percentage of increase in Maine for the decade ending 1910 was 21.3; for New Hampshire, 6.1; for Rhode Island and Connecticut, 20.3 each; thus Massachusetts had the largest percentage of increase in New England.

Taking the increase of spindles in the United States as a whole, there were in 1890, 14,384,000, and in 1910, 28,178,000—less than double the figure of 20 years previous.

The South Atlantic and South Central States had 1,779,000 spindles in 1890 and six times as many—10,553,000—in 1910. All the rest of the United States had 12,604,000 in 1890 and less than one-half again as many—17,625,000—in 1910. Thus while the Southern States had only about one-eighth of the spindles in the United States in 1890, they had about two-fifths of them in 1910.

At the risk of being wearisome I have set forth at some length these figures, which show beyond question that from year to year the South is procuring a larger and larger proportion of the manufacturing business of the United States, especially of cotton manufacturing. On the other hand, Massachusetts, which may be taken as typical of the States of the North, has gotten a smaller and smaller share at every census since 1850. Its share of the total of 1850 was 15.5 per cent and of 1910, 7.2 per cent. Strangely enough its proportion of the wage earners of the United States is also smaller to-day than in earlier years.

A State can not complain if it is fairly and squarely outdistanced in keen competition for the business of the Nation and of the world. Competition is necessarily keen, and no one can complain provided it is also fair. Massachusetts and New England as a whole are manifestly being outstripped to-day by the Southern States in the race for industrial supremacy. The only question which under these circumstances Massachusetts has the right to ask of its rivals is "Are you competing fairly?"

It is human nature on the part of every community and State and Nation to strive to win the prize. There is no doubt that the States of the Southeast are keenly alive to the possibilities of the hour and are straining every nerve to reap the fullest harvest. They are not to be criticized in this, provided only, as I say, they live up to the ideals of a civilized nation in the methods which they pursue. I have hitherto alluded to a remark made on this floor by the gentleman who is generally exepcted to be the majority leader in the next House. He is from North Carolina, and in discussing the textile situation he spoke as follows:

> We in the South intend to make the New England mills come down and put their mills there or else go out of business.

That was a straightforward utterance, and the gentleman who made it can not be accused of seeking to fight in the dark or of failing to have the personal interest of his constituents at heart. But at the same time it is hardly to be expected that the great States of the North, dependent as they are, in large measure, upon the prosperity of the textile industries there, should cooperate with the gentleman from North Carolina as he seeks to achieve his purpose. Rather should we, while ourselves living up to the rules of the game, insist that our rapidly growing rivals on the South Atlantic coast shall also conform to those rules which the enlightened minds of the Nation, whether resident in the North or in the South, have come to accept as representative of the standard of decency and right living.

We have now reached a point where it is perhaps desirable to consider what are the rules of the game as to-day interpreted by the different participants in it. These rules, of course, are the laws passed by the different States—which, as I said at the outset, vary widely from one another—regulating the terms and conditions of employment.

It will be observed that my resolution gives Congress power to legislate only for women and children. It says nothing about adult males. The reasons for this distinction are perhaps obvious, but may be stated substantially in the words of Secretary William B. Wilson, of the Department of Labor, with whom I discussed this very resolution before introducing it. After making it plain that he was speaking for himself, and not for the administration, he said, in substance, that legislation of this sort, while in his opinion manifestly desirable, was desirable only in so far as it covered the "wards of the State,"

It would for many reasons, he thought, be unwise to make it applicable to adult males, for so to do would curtail the value of individual effort and would tend to prevent the worthy and able man from mounting to that position in the world to which his merits entitle him. There may be some question whether, assuming the contention of Secretary Wilson is correct, the constitutional amendment goes too far in including women, on the ground that in a large and rapidly increasing portion of the United States they have already ceased legally to be "wards of the State." I have deemed it proper, however, to include them in this legislation. Whatever the law may say, it can surely never come to pass that women will cease to constitute the physically weaker sex, and hence the sex more deserving of especial protection.

In my analysis of the existing laws of the States with which I am especially concerned, I shall limit myself to the briefest possible synopsis of the statutory provisions affecting the employment of women and children.

MASSACHUSETTS LAWS.

Employment forbidden in any occupation during school hours or between 6 p. m. and 6.30 a. m. until the age of 14 years is reached.

No employment under 14 in any factory; workshop; manufacturing, mechanical, or mercantile establishment; barber shop; bootblack stand; public stable; garage; brick or lumber yard; telegraph, telephone, or messenger office; construction or repair of buildings; or in tenement or other houses. No employment in any of the foregoing occupations under 16 more than 6 days in any one week, nor more than 48 hours in any one week, nor more than 8 hours in any one day, nor between 6 p. m. and 6.30 a. m.

No employment under 16 in any factory, workshop, manuracturing, mechanical, or mercantile establishment unless applicant has age and schooling certificate authorizing employment.

No employment under 16 upon 21 specified dangerous machines, nor in any hazardous occupation, nor in other occupations dangerous to health or morals.

No employment under 18 in 14 specified occupations regarded as extrahazardous physically or morally.

No employment under 21 in connection with the sale of alcoholic liquors.

No employment of boys under 18 nor of girls under 21 in occupations first listed more than 6 days a week, nor more than 54 hours a week, nor more than 10 hours a day, nor between 10 p. m. (6 p. m. for textiles) and 5 a. m.

No employment under 21 in any factory, workshop, manufacturing, mechanical, or mercantile establishment unless certificate as to age and ability to read and write is on file.

No employment of any child under 18 nor of any woman in any factory or workshop or in any manufacturing, mechanical, mercantile, telegraph, telephone, express, or transportation establishment more than 10 hours a day or 54 hours a week, nor of any woman nor of any child under 21 between 10 p. m. (6 p. m. for textiles) and 6 a. m.

Compulsory schooling for all between 7 and 14, and until 16 unless able to read, write, and spell in the English language. Free schoolbooks for everyone.

Various statutes looking to the protection of health, life and limb, and morals of women and children having employment; especially noteworthy is an elaborate workmen's compensation act, compensating injured employees irrespective of negligence.

NORTH CAROLINA LAWS.

No child under 12 to work in any mine, factory, or manufacturing establishment, nor under 13 in factories except as apprentices.

No child under 16 to work in any mill, factory, or manufacturing establishment between 9 p. m. and 6 a. m.

Children between 8 and 12 required to attend school four months a year, except that if a child lives 2½ miles from school, if extreme poverty makes his services "necessary for his own support or the support of his parents," or if "unable to provide the necessary books and clothes," the child need not attend school. In other words, the child is excused in the very cases where there is the greatest need of schooling.

"Not exceeding 60 hours shall constitute a week's work in all factories and manufacturing establishments. No person under 18 years of age shall be required to work in such factories or establishments a longer period than 60 hours in one week: *Provided*, That this section shall not apply to engineers, firemen, machinists, superintendents, overseers, section and yard hands, office men, watchmen, or repairers of breakdowns."

A school term consists of six months "or as nearly as said funds will provide." Schoolbooks are free only in 1 county out of 100 in the State, and then only for very poor children who comply with certain elaborate requirements.

No workmen's compensation act.

SOUTH CAROLINA LAWS.

No employment under 12 in any factory, mine, or textile establishment.

Women in mercantile establishments not to work more than 60 hours a week, nor more than 12 hours in one day, nor later than 10 p. m.

No employment in any cotton or woolen mill more than 60 hours a week or 11 hours a day, except to make up lost time and except in the case of mechanics, engineers, firemen, watchmen, teamsters, yard employees, or clerical force. No employment between 8 p. m. and 6 a. m. under the age of 16 in any factory, mine, or textile establishment, except to make up lost time.

No workmen's compensation act.

GEORGIA LAWS.

Employees not required to work in cotton or woolen manufacturing establishments more than 60 hours a week, except to make up lost time, and except in the case of engineers, firemen, watchmen, mechanics, teamsters, yard employees, clerical force, and all help that may be needed to clean up or repair machines.

No child under 10 years of age shall be employed or allowed to labor in or about any factory or manufacturing establishment within this State under any circumstances.

The minimum is 12 unless the child is an orphan and has no other means of support, or unless an aged or disabled father or widowed mother is dependent upon him. This provision obviously lends itself readily to evasion. The minimum is 14 unless the child can write and has attended school.

No employment under 21 in manufacturing establishments or machine shops, except between sunrise and sunset. In the case of children under 14, a prohibition to work between 7 p. m. and 6 a. m. in factories or manufacturing establishments.

No workmen's compensation act.

ALABAMA LAWS.

No employment under 12 in any mill, factory, mine, or manufacturing establishment.

Sixty-hour week in mills, factories, and manufacturing establishments for children under 14.

Prohibition to work under 16 in mills, factories, or manufacturing establishments between 7 p. m. and 6 a. m.

No workmen's compensation act.

IN GENERAL.

Summing up the statutory situation throughout the United States, it may be broadly stated that the following points deserve especial emphasis:

First. Although 40 out of 48 States prohibit child labor under 14 in mills and factories, including all 6 New England States, not one of the 4 Southern States just considered is included in the number.

Second. Although 19 States, including Massachusetts, limit the hours of labor of children under 16 to eight hours a day in mills and factories, not one of the 4 Southern States just enumerated has such a law.

Third. Although night work is forbidden under 16 in mills and factories in 33 States, including Massachusetts, Georgia does not appear in the list.

Fourth. Although there are workmen's compensation acts in 24 States, including Massachusetts, not one of the 4 Southern States enumerated has such a law; and, generally speaking, it is probably not too much to say that not 5 per cent of the safeguarding legislation characteristic of the more advanced of the United States is to be found in the 4 Southern States now under discussion.

ENFORCEMENT OF LAWS.

The labor laws upon the statute books of the 4 South Atlantic States considered are sufficiently medieval in all conscience, but this statement by no means tells the whole story. The further question arises as to the extent of the enforcement of such laws as there are. Obviously the mere existence of a law is wholly valueless unless honest and continued diligence is exercised to make it effective.

LAW ENFORCEMENT IN NORTH CAROLINA.

A bulletin issued by the National Child Labor Committee in May of this year says:

Although the age limit in that State—North Carolina—is nominally 13 years, an exemption in the law for children working in an apprenticeship capacity, forced on the legislature through legal cunning hired by selfish greed, has been universally interpreted to mean that any child over 12 years might be employed in any capacity by the simple expedient of calling them apprentices. The proof is overwhelming and incontestable that, in spite of the law, children 8 and 10 years of age were employed in North Carolina until last year for a 12-hour day and are now employed for an 11-hour day. Until January 1 of this year there has been no effort to enforce the child-labor law in North Caro-

lina. On the 1st of January of this year a law which recommended itself to the law-making body because of its economy, to say nothing of its futility, became operative. Under it the county superintendents of schools were charged with the duty of inspection. Some of them have already given notice that they do not expect to attempt the fulfillment of this task; so the children go unprotected in spite of the law which was designed to protect them, because its violation is absolutely safe.

An elaborate 19-volume Report on Condition of Woman and Child Wage Earners in the United States, prepared in 1910 under the direction of Charles P. Neill, Commissioner of Labor, but only this year made fully available, says, in this connection:

In North Carolina the law was only slightly less flagrantly violated (than in South Carolina). Of the 59 establishments canvassed 44, In the 44 establishments illegally employing children a total of 1,751 of 74.6 per cent, were found to employ children under the legal age. children were employed, 202 of whom, or 11.5 per cent, were under the legal age.

LAW ENFORCEMENT IN SOUTH CAROLINA.

The May, 1914, Child Labor Bulletin, above quoted, says:

In South Carolina there are two inspectors under the Commissioner of Agriculture, Commerce, and Industries who are faithful and energetic in their work. Through a good system of records they are able to keep up, as well as can be expected, with the children who are illegally employed—that is, the children under 12 years of age.

The annual appropriation for the salaries and expenses of these officers is $3,500.

The Neill report, above quoted, says:

The most extensive violation of the age-limit law was found in South Carolina. In addition to 42 children under 12 years of age who were orphans, children of widows, etc., and who were therefore legally employed, 405 other children under 12 were found working in the establishments investigated in that State.

LAW ENFORCEMENT IN GEORGIA.

The May, 1914, Child Labor Bulletin says:

Georgia has a commissioner of the Department of Labor with one assistant. He has been unable to attempt anything by way of enforcement of the child-labor law because of the amount of office work necessary for preparing the statistics of industry. At the session of the legislature last summer the appeals he made for additional appropriations and equipment were as pitiful as they were futile.

The Neill report says:

In Georgia 20 out of 31 establishments investigated, or 64.5 per cent, employed children under the legal age.

LAW ENFORCEMENT IN ALABAMA.

In Alabama the same official charged with the duty of inspecting jails and almshouses is expected also to inspect factories where women and children are employed. The May, 1914, Child Labor Bulletin says:

His two assistants have been able to do some work in factory inspection, yet agents' reports and the photographic records recently made have demonstrated the fact beyond peradventure that the law is habitually violated.

The Neill report says:

In Alabama 8 of the 13 establishments investigated employed children under the legal age. This is a smaller proportion of establishments than were found thus violating the law in Georgia, but a much higher proportion of children were illegally employed, although this proportion was lower than in either North Carolina or South Carolina.

IN GENERAL.

The Neill report, under the caption "Employment of children under legal age in the Southern States," says:

The age-limit laws in effect at the time of the investigation were openly and freely violated in every State visited.

An appended table shows that, exclusive of children under 12 employed under legal exemption, 8.3 per cent of all children employed were illegally employed.

No children are entered in this table as under 12 years of age unless this age was admitted by the family or was proved by absolutely reliable evidence.

Some children so employed were as young as 7 years of age.

The point of view of society has, except in a few Southern States of this country, changed astonishingly in modern times. Less than two centuries ago the best minds regarded it as the crowning glory of an industrial community that employment could be obtained by tiny children. For example, Daniel Defoe, in his "Plan of English Commerce," which appeared in 1728, says:

How many millions of people are kept in constant motion, men, women, and children employed, infants (so they may properly be called) of 5, 6, and 7 years of age, made capable of getting their own bread and subsisting by the labor of their own hands. * * * In the manufacturing counties you see the wheel going at almost every door, the wool and yarn hanging up at every window; the looms, the winders, the combers, the carders, the dyers, the dressers, all busy; and the very children, as well as women, constantly employed. * * * The manufacturer sends the poor woman combed wool or carded wool every week to spin, and she gets 8 pence or 9 pence a day at home; the weaver sends for her two little children, and they work by the loom, winding, filling quills, etc., and the two bigger girls spin at home with their mother, and these earn 3 pence or 4 pence a day each. * * * I once went through a large, populous manufacturing town in England * * * there is not a poor child in the town of above 4 years old but can earn his own bread.

So far as the group of States we are considering is concerned, the march of two centuries has wrought astonishingly little improvement.

THE HELPER SYSTEM.

The "helper system" is a subterfuge very commonly found in the South whereby a law prohibiting the employment of children under a certain age is evaded. If the name is omitted from the pay roll, the employer argues that he is not employing the child. The facts that the child has an assigned task, that the work is done by the manufacturer's direction and for his benefit, and that the employer pays for it in a relative's pay envelope fail to alter his conclusion. Of course where the law provides that a child under a certain age shall not be "permitted to work," it can not be evaded in this way; thus far, however, such a provision has been kept out of the laws in the States where the child-labor evil is most prevalent.

In certain southern mills the Neill investigators found that children under the legal age of employment formed as large a proportion as 7 per cent of all the employees, this circumstance being possible in part through the present use of the "helper system."

LAW ENFORCEMENT IN MASSACHUSETTS.

The Massachusetts laws for the protection of women and children, as I have shown, are numerous and elaborate. An appropriation of from $100,000 to $200,000 a year is made by our legislature for their strict enforcement. The Neill investigators examined 22 factories in Massachusetts and found but 1 child out of over 18,000 employees who was employed under the legal age. It can not be said that Massachusetts seeks to force others to practise that which it is not willing itself to do.

EFFECT OF CHILD-LABOR LAW ON COST OF PRODUCTION.

Whatever the indirect economic and community advantage resultant from rigorous laws regulating the employment of women and children—as to which I shall have more to say later—there can be no doubt that their immediate and direct effect is to increase the cost of production. The numerous salutary provisions of the Massachusetts laws, such as those requiring seats for women, clean, well ventilated, and light places to work, guards and safety devices of all kinds, pure drinking water, wash rooms, and toilet facilities, etc.—all very rarely, if ever, found in the southern manufacturing States—mean a very considerable addition to the expense of manufacturing.

The workmen's compensation act is said to have trebled or even quadrupled the cost of insurance, yet no citizen of a State which has had this law would for a moment think of a return to the former conditions.

What is the effect upon the cost of production of the absence or nonenforcement of laws limiting and regulating the employment of women and children? Obviously and necessarily to keep down the cost of manufacturing, for the reason that the wages paid women and children are less than those paid to adult males. To employ women and children forces down the wages of adult males for two reasons: First, because the natural tendency of a wage scale is to sink to the lowest level paid for a given piece of work; and, second, because the free influx of women and children largely increases the labor supply and hence naturally tends, through the familiar economic law of supply and demand, to reduce the wage unit.

These statements are not merely theoretical, but are substantiated by the elaborate report of the Neill investigators. For example, they say:

Of the mill operatives employed in the southern mills investigated the greatest number in any wage group were earning between $3 and $3.99.

The average earnings per hour in Massachusetts for all occupations were 14.9 cents in the case of males and 13.6 cents in the case of females. The corresponding figures for North Carolina were 9.7 cents and 8.7 cents. In other words, the earnings per hour in North Carolina are about two-thirds of those in Massachusetts.

As the labor cost forms a large proportion of the total cost of the commodities produced by the respective States, there is readily seen the tremendous handicap under which Massachusetts labors in competing with North Carolina. To cite a specific instance, male weavers in Massachusetts over 16 earn 17 cents per hour. In the Carolinas, Georgia, and Alabama they earn 12 or 13 cents per hour. The prices paid in Massachusetts are not so munificent that we are willing to contemplate the possibility of anything but an upward trend.

Turning now to the caption in the Neill report "Average hourly earnings of children under 12 years of age in southern mills," we find at least a part of the explanation for the low wage scale in the Southern States. An elaborate table has been prepared to show the average wage per hour of these tots

under 12 with whom grown men supporting a family have to compete. This table shows that 4 or 5 cents an hour is apparently regarded as high pay. "The lowest earnings throughout the six Southern States investigated for spinners were those of an 8-year-old boy in Mississippi, 1.9 cents per hour, and the highest were those of a 10-year-old boy in Mississippi, 6 cents per hour."

The Neill report shows that in the case of hosiery and knit goods 13.7 per cent of the Massachusetts women employed earned under $5 a week, while 33.3 per cent of the Georgia women earned under $5 a week. Earnings under $6 per week in Massachusetts were 25.6 per cent and in Georgia 55.8 per cent. Earnings under $8 a week in Massachusetts were 56 per cent and in Georgia 80.4 per cent. Only 18 per cent in Massachusetts and 9.4 per cent in Georgia earned $10 and over per week.

In the case of woolens and worsteds the figures were: Under $5—Massachusetts, 10.9 per cent; North Carolina, 50 per cent; and Georgia, 43.9 per cent. Under $6—Massachusetts, 23.7 per cent; North Carolina, 59.7 per cent; and Georgia, 66.3 per cent. Under $8—Massachusetts, 55 per cent; North Carolina, 80.6 per cent; and Georgia, 90.8 per cent. Over $10—Massachusetts, 21.8 per cent; North Carolina, 9.7 per cent; and Georgia, 1 per cent.

I speak of these figures not because Massachusetts has any reason for pride in them, but to show how infinitely worse its southern competitors are in this respect. Lewis W. Parker, of Greenville, S. C., cotton manufacturer, who made a recent statement before the Committee on Labor of the House, in which he fully recognized the deplorable situation now prevailing, said:

I do not think it is egotism for me to say that I probably, through the corporations with which I am connected, am the largest taxpayer in the State of South Carolina. * * * I deplore our conditions. * * * I myself as a manufacturer and as a citizen regret exceedingly the scale of wages which exist in the South. I would like to see this higher as a man and as a manufacturer. * * * I believe a high wage scale is perfectly compatible with low cost of production.

City Warden Thomas Evans, of Atlanta, Ga., where a determined strike has recently been in progress to support the demands of the strikers that child labor in the cotton mills should be abolished, says:

There is hardly a factory in the city employing this class of labor that pays the employees enough for their self-sustenance. Society, through the city government and private charities, has to make up the deficit; that is, the immediate deficit. I do not know who pays the deficit in the lives of little children who work in the mills.

If I had the space I could quote the words of hundreds of prominent and reliable and responsible men of the South who deplore as deeply as anyone can the wretched condition prevailing there. The "Men and Religion Forward Movement" made the solution of the questions thus presented one of its activities in many southern cities, notably Atlanta.

HOURS OF LABOR.

Comparison between Massachusetts and the southern manufacturing States, based upon the number of hours employed, is somewhat inaccurate, because the latest authentic figures available are those of the census of 1910, since the compilation of which some changes in the labor laws, both in Massachusetts and in the South, have been made. It is safe to say, however, that the relative differences between Massachusetts and its southern competitors have been maintained, if not increased, as a result of the passage of new Massachusetts labor laws in 1913, which have been briefly analyzed above.

Perhaps the most helpful comparison is that of hours of labor in the manufacture of cotton and cotton small wares. In Massachusetts all but 150 out of 108,914 employed in this industry worked less than 60 hours a week in 1910. In North Carolina all but 52 out of 47,231 worked 60 hours or more per week. In South Carolina all but 450 out of 45,454 worked 60 hours or more a week. In Georgia all but 929 out of 27,806 worked 60 hours or more a week. These figures include boys and girls as well as adults, and show that while 60 hours or more is the practically universal schedule in the South, less than 60 hours a week is the equally universal schedule in Massachusetts.

The United States census says:

It is evident from the figures that for most of the wage earners employed in the manufacturing industries in North Carolina the hours were 60 or more a week, or 10 or more a day. The reports indicate that the cotton-goods industry is mainly on a basis of 11 hours a day, or from 63 to 66 hours a week.

Some improvement has been made recently in certain Southern States in the direction of shortening the hours of labor. On the other hand, the statement of Alexander Long, the owner of two cotton mills in South Carolina, made last May before the Committee on Labor, is illuminating as reflecting the attitude of the "progressive" manufacturer.

The CHAIRMAN (Hon. DAVID J. LEWIS). What is the hope among progressive manufacturers like yourself down there with reference to reducing the hours of labor?

Mr. LONG. We do not see why they should be reduced. If they were reduced, the child would have to earn less.

Probably the 8-year-old child above referred to as earning less than 2 cents per hour would be among those to suffer if obliged to work less than 11 hours a day. This remark of Mr. Long's is, I think, interesting as indicative of the present attitude of certain manufacturers in the South toward the adoption of legislation designed to ameliorate the condition of factory workers there.

LABOR UNIONS.

The right of labor to organize is well established in the manufacturing industries of Massachusetts and the rest of New England. Such right is very seldom recognized or exercised in the South. There can be no doubt that the condition of labor is, generally speaking, much better in a community where labor unions are found. Wages are apt to be higher, hours to be shorter, and conditions surrounding the work better.

Mr. Roosevelt said very recently:

I believe in unions. I believe that labor organizations have been one of the greatest factors in improving the material and moral conditions of the wage earner and in raising the standard of industrial citizenship. The union is as necessary an outgrowth of our modern industrial system as is the corporation. The wise and far-sighted employer will recognize this fact. He will appreciate that the men in the employ of a great corporation have the right of collective bargaining.

The labor union, in the North at least, has come and come to stay. I fully believe that its existence and prosperity tell directly for good in our industrial communities. But because of that very fact a resulting increase in the cost of production inevitably follows.

I have spoken of four of the elements which tend directly to a lower labor cost in the South as compared with the North—the employment of women and children, lower wages, longer hours, and the absence of self-helping organizations on the part of labor. Can it be said, however, that in spite of these advantages—if they can be called such—enjoyed by the southern manufacturers, other surrounding conditions are such as to counterbalance them? The answer is clearly in the negative. I can not take the time to do more than to enumerate some of the other respects in which the cost of production in the South is, or should be, less than that in the North:

First. The proximity of the cotton, with a resultant saving in freight rates.

Second. The lower cost of mill buildings, due to cheaper labor and material.

Third. The location of most industries in towns or small cities, which means a reduction of insurance rates and a lower cost of living to the wage earner, and which indirectly inures to the advantage of the employer.

Fourth. The presence of many negroes, the employment or threatened employment of whom tends to knock down the scale of wages.

Fifth. The increased use of water power, especially in the new mills of Georgia and Alabama.

Sixth. A mild climate in winter, lessening the cost of heating and, in some instances, the cost of the original construction as well.

All these elements are on the side of the southern manufacturer and against his northern competitor. Many of those enumerated are natural and inherent advantages to which he is entitled and which he will always enjoy. This circumstance, however, furnishes but another and more potent argument for insisting that those artificial advantages which constitute a crime against civilization and humanity shall no longer be tolerated.

EXTENT OF CHILD LABOR IN THE SOUTH.

I have up to this point made no attempt to consider the extent to which child labor to-day prevails in the South. It may be said by some that while the arguments are sound as far as they go, I am unduly concerned, because, forsooth, the child-labor problem in the South is a thing of the past, and the proportion of child workers there is to-day almost negligible. Let us see.

The fourth volume of the 1910 census, entitled "Population—Occupation Statistics," has been published within the last few weeks. On page 71 and following are elaborate tables setting forth the number and proportion of males and females in each age group engaged in "gainful occupations." This report shows that of nearly 11,000,000 children between the ages of 10 and 15 in the United States nearly 2,000,000—18.4 per cent—were "engaged in gainful occupations." In other words, throughout the United States as a whole one child out of every five is

working for his bread and butter. The situation for our purpose may be summarized by the following table:

Engaged in gainful occupations.

Division or State.	10 to 13				14 to 15			
	Male.	Per cent.	Female.	Per cent.	Male.	Per cent.	Female.	Per cent.
United States	609,030	16.6	286,946	8.0	744,109	41.4	350,140	19.8
New England	3,518	1.6	872	.4	34,578	31.1	24,971	22.5
Massachusetts	1,378	1.2	305	.3	17,794	31.7	13,268	23.5
North Carolina	53,457	49.7	30,822	29.3	38,192	74.0	22,161	44.1
South Carolina	39,258	50.6	29,974	39.5	27,124	74.4	20,896	57.7
Georgia	57,927	45.4	35,171	28.4	43,721	70.7	24,770	41.8
Alabama	56,591	55.0	37,003	37.5	37,535	76.1	23,583	49.1

Division or State.	10 to 15			
	Male.	Per cent.	Female.	Per cent.
United States	1,353,139	24.8	637,086	11.9
New England	38,096	11.4	25,843	7.7
Massachusetts	19,172	11.3	13,573	8.0
North Carolina	91,649	57.5	52,983	34.1
South Carolina	66,382	58.2	50,870	45.4
Georgia	101,648	53.7	59,941	32.7
Alabama	94,126	61.9	60,586	41.3

In the column of female workers between 10 and 13, it will be seen that in Massachusetts but 1 child in 335 was at work, while in the four Southern States from 93 to 133 of such children out of every 335 were so employed. It should be said, however, for the other States in the Union that the four Southern States which we are considering are worse than almost any others, Mississippi being the only other State with a figure as high as the lowest of the four. More than half of the States of the Union—25 in number—showed a proportion of less than 1 per cent in this column, and 33 States showed a proportion less than 2.5 per cent. Indeed, the only ones other than those mentioned with a percentage greater than 5 are: Virginia 7, Florida 13.7, Tennessee 11.2, Louisiana 13.9, Texas 20.2, and Arkansas 27.6. The newspapers of September 17 last tell us that Arkansas has just adopted a greatly improved child-labor law. This is good news; but it must be remembered that Arkansas has few factory children to be helped. It does not require discussion to show the disaster which may result, not only to the present generation but to posterity, from the employment of these little girls between the ages of 10 and 13.

The column showing female workers between 10 and 15 is also significant. The only States, other than the four southern manufacturing States listed, which show a percentage higher than 15 are: Florida 16.6, Mississippi 43.3, Arkansas 30.5, Louisiana 18.3, and Texas 22.5.

Bearing on the situation prevailing in 1910, as compared with that in 1900, the United States Census significantly says:

> In each geographic division outside of the South there was a decrease from 1900 to 1910 in the proportion, both of the males and of the females, 10 to 15 years of age engaged in gainful occupations. In each of the three geographic divisions of the South, however, a considerably larger proportion, both of the males and of the females, 10 to 15 years of age was gainfully occupied in 1910 than in 1900.

It can not be said, therefore, as uninformed people often attempt to say, that the situation is improving and will be cured by mere lapse of time.

In 1910, 5.7 per cent of all wage earners in Massachusetts cotton mills were under 16 years of age; the proportion to-day would be greatly reduced. In North Carolina the corresponding figure was 18.9 per cent, in South Carolina 18.7 per cent, in Georgia 15 per cent, and in Alabama 18.7 per cent.

Owen R. Lovejoy, secretary of the National Child Labor Committee, stated recently:

> Twenty per cent of all employees in the southern cotton mills are under 16 years of age. In some mills the percentage ran much higher. One cloth mill in South Carolina had 39.6 per cent of its employees children, and a yarn mill in Mississippi had 42.8 per cent of its entire working force children. Many mills were found actually trying to hide the facts from Government agents. Even the low age at which children may be legally employed did not satisfy. In 91.7 per cent of the mills visited in South Carolina children were employed illegally. In North Carolina 74.6 per cent of the establishments were trampling upon this State law, and in one mill in that State 12 per cent of the entire working force was under 12 years of age. In Georgia 64.5 per cent of the mills were violating the law. The chief manufacturing States of the South have been lagging behind; Alabama, Georgia, and the two Carolinas stand almost where they stood eight years ago.

I trust that I have shown sufficiently the extent to which child labor prevails throughout the United States, and that while it is far more rampant in the southern manufacturing States than elsewhere in the Nation, it is by no means negligible in the North and in the West. Quotations could be multiplied to show in detail the extent of the evil, but time is lacking.

It is sometimes said by well-meaning people, "Oh, yes; child labor may result in abuses occasionally, but on the whole it is a good thing, because it keeps the children off the streets and out of mischief." If this contention were sound, it would of course go far toward obviating the necessity of any change in present conditions. I assert positively, however, that it is utterly unsound and absolutely fallacious. I assert that child labor—and unregulated woman labor—is mentally, physically, and morally prejudicial to the toilers of to-day and to the children of to-morrow. Let us consider from each of these three aspects the truth of my statement.

EFFECT OF CHILD LABOR ON MENTAL CONDITION.

It stands to reason that a child put to work for long hours among the conditions so frequently surrounding textile manufactures is handicapped through life in the matter of education in at least two respects: First, through the outright lack of schooling at the period when school attendance is most natural; and, second, through the lack of development along mental lines at the age when acquisition of knowledge is easy and permanent. It is interesting to examine the extent to which inability to read and write prevails throughout those States of the South where child labor predominates as compared with those States of the North where it is infrequent.

A. ILLITERACY.

There are many tables in the United States census for 1910 throwing some light upon this question. Take, for example, that which gives the statistics of illiteracy by States for the entire population over 10 years of age.

Percentage of illiteracy to total population 10 years of age and over.

Division or State.	All.	Native whites of native parents.	Negroes.
New England	5.3	0.7	7.8
Massachusetts	5.2	.4	8.1
North Carolina	18.5	12.3	31.9
South Carolina	25.7	10.5	38.7
Georgia	20.7	8.0	36.5
Alabama	22.9	10.1	40.1

The only States in the Union having a percentage of all illiterates as high as North Carolina—the best of the four Southern States above mentioned—are Mississippi, Louisiana, Arizona, and New Mexico. Indeed, the only States besides those mentioned having a proportion as high as 10 per cent are Virginia, Florida, Kentucky, Tennessee, and Arkansas.

It is often said that the high percentage of illiteracy in the Southern States is due to the large proportion of negroes in those States. This table shows that to a certain extent this is undoubtedly true. Two facts, however, deserve mention in this connection: First, that the proportion of illiterate native whites of native parents in the four Southern States in which we are interested is from twenty to thirty times that of Massachusetts; and, second, that the proportion of illiterate negroes in these same Southern States is from four to five times that of Massachusetts. It is difficult to escape the inference from these figures that the South's illiteracy is partly chargeable to child labor, and it is equally difficult to see how the South can gain any especial satisfaction from considering these statistics.

The following table is interesting as showing the percentage of illiteracy in the various States in the period when child labor most flourishes in the South, but when it is almost universally rooted out in the North—namely, between the years of 10 and 14:

Percentage of illiteracy to total population between 10 and 14 years of age.

Division or State.	All.	Native whites of native parents.	Negroes.
New England	0.4	0.2	0.4
South Atlantic	10.0	5.0	18.9
East South Central	10.7	5.8	20.7
Massachusetts	.2	.1	.3
North Carolina	10.1	6.8	16.6
South Carolina	17.1	8.3	23.1
Georgia	13.6	5.7	22.1
Alabama	16.4	7.7	27.5

It will be seen from this table that the proportion of illiterate children between the ages of 10 and 14 in North Carolina

is fifty times that of Massachusetts; in South Carolina, eighty-five times that of Massachusetts; in Georgia, sixty-eight times that of Massachusetts; and in Alabama, eighty-two times that of Massachusetts.

The only States in the Union worse than North Carolina—the best of the four Southern States—are Florida, 10.3 per cent; Mississippi, 12.8 per cent; Louisiana, 24.6 per cent; New Mexico, 11.1 per cent; and Arizona, 15.2 per cent. No Northern State except Nevada exceeds a percentage of 1.5. Here again it can not be said with great plausibility that the negroes quite supply the explanation, the percentage of illiteracy among white children of native parents in North Carolina being sixty-eight times that of Massachusetts; in South Carolina, eighty-three times; in Georgia, fifty-seven times; and in Alabama, seventy-seven times.

The Neill report so often referred to shows that of children under 14 years of age at work in cotton mills there were unable to read and write 53.8 per cent in North Carolina, 53 per cent in South Carolina, 42.7 per cent in Georgia, and 65.5 per cent in Alabama.

Turning now to the condition of illiteracy among those from whom our voting lists are made up, we find the situation to be as follows:

Illiterate males 21 years of age and over.

Division or State.	All.	Native whites of native parents.	Negroes.
New England	6.3	1.0	8.9
Massachusetts	6.1	.5	9.4
North Carolina	21.3	14.1	38.6
South Carolina	27.1	11.0	43.1
Georgia	22.8	8.9	41.6
Alabama	24.3	10.9	43.4

It will be observed that one man out of every five men old enough to exercise the suffrage is illiterate in the four Southern States in question; the only other States in the Union having so high a proportion are Mississippi and Louisiana. This proportion is from four to five times that of Massachusetts.

Turning to the column showing illiteracy of adult white males of native parents, the proportion in the four Southern States is from 18 to 28 times that of Massachusetts.

B. SCHOOL ATTENDANCE.

The following table shows the proportion of children in several age groups attending school in the various States with which we are concerned:

Percentage of school attendance to total population between 6 and 14 years of age.

State.	6 to 9.	10 to 14.	6 to 14.
Massachusetts	90.9	94.5	92.9
North Carolina	62.4	79.8	71.7
South Carolina	51.8	71.9	62.6
Georgia	57.9	72.2	65.6
Alabama	49.1	71.7	61.1

These figures require no especial elucidation. They show that while 5 or 6 out of every 10 children between the ages of 6 and 9 are attending school in the Southern States, 9 out of every 10 are so attending school in Massachusetts; and while 14 to 16 out of every 20 between the ages of 10 and 14 are attending school in the Southern States, 19 out of every 20 are so attending school in Massachusetts.

C. COMPULSORY EDUCATION.

A rigorous compulsory education law is operative in Massachusetts and in most of the Northern States; compulsory education is virtually unknown in the South. At first blush it might be thought that this circumstance and not child labor is responsible for the high percentage of illiteracy in the Southern States. The fact is, however, that the three elements are inextricably connected. Those interested in the continuance of child labor fight vigorously against the enactment of a compulsory education law, and hence go far to perpetuate the conditions which are generally deplored throughout the South. It follows from this that a compulsory education law and a strict child-labor law should logically, and in fact often do, go hand in hand.

A prominent North Carolinian, interested in the welfare of his State, wrote not long ago:

The confinement for the long hours, combined with improperly chosen and badly prepared food, is enough to stunt the growth and lessen the vitality of a great number of children. Unfortunately the departments most commonly operated at night are those in which the children are extensively employed. Probably the monotonous routine introduced so early in their lives has a tendency to hinder mental development. Certainly the power of initiative is lessened. The greater injury is the deprivation of educational advantages. A child who goes into the mill is too often a fixture; if illiterate when he enters, too often he remains illiterate.

Dr. A. J. McKelway, testifying recently before the Committee on Labor of the House, said:

There are practically no children over 12 years of age in the cotton-mill districts of South Carolina who are attending school, the reason being obvious—that there is demand for their labor.

EFFECT OF CHILD LABOR ON PHYSICAL CONDITION.

I shall not attempt to discuss at length the undoubted physical effect of employment of children at too early an age. Common sense instantly tells us all that the most elaborate treatises could convey. Miss Julia Lathrop, head of the Children's Bureau of the Department of Labor, appeared before the Committee on Labor a few months ago. I quote briefly from her testimony:

The CHAIRMAN. Do the medical authorities find it to be a fact that the stress of continuous labor, industrial labor, affects the growth of the child, the ordinary physical development of the child?

Miss LATHROP. I think that all European and American authorities alike agree upon that. Of course the labor of children is very largely surrounded by such other disadvantageous conditions outside of the factory as go to make the factory injury from impure air or overspeeding even more disadvantageous to the child than if the child came from a happy and luxurious home, to which he or she returned, where health and comfort were preserved in every respect outside of the hours of labor.

The CHAIRMAN. What age or period of the child's life has been indicated by the physicians as the appropriate age at which labor could safely begin?

Miss LATHROP. I am not aware that there is any uniform decision by the medical profession on this matter, but I notice that every year those who study most carefully the growth and development of American children push that age further and further ahead, whether they are educators or whether they are physicians, or whether they are interested in any form of civic improvement where the interests of the child are concerned.

The CHAIRMAN. I do not know whether that indicates a general sympathy for childhood or whether it indicates a medical opinion as to the fact.

Miss LATHROP. I think it very emphatically indicates a medical opinion.

Edwin Markham, taking as his texts "We must not grind the seed corn," and the ancient injunction of the Talmud, "Children must not be taken from the schools even to rebuild the Temple," has this to say of the conditions in the southern mills:

In the southern cotton mills, where the doors shut out the odor of the magnolia and shut in the reeking damps and clouds of lint, and where the mocking bird outside keeps obligato to the whirring wheels within, we find a gaunt goblin army of children keeping their forced march on the factory floors—an army that outwatches the sun by day and the stars by night. The South, the center of the cotton industry, happens to have the bad eminence of being the leader in this social infamy. With the springing up of new mills there must now be 50,000 children at the southern looms. This is 30 per cent of all the cotton workers of the South—a spectral army of pigmy people sucked in from the hills to dance beside the crazing wheels. In the South for every 1,000 workers in the mills over 16 years of age there are 353 under 16. Some of these are 8 and 9 years old and some are only 5 and 6. For a day or a night at a stretch these little children do some one monotonous thing—abusing their eyes in watching the rushing threads; dwarfing their muscles in an eternity of petty movements; befouling their lungs by breathing flecks of flying cotton; bestowing ceaseless, anxious attention for hours, where science says that "a 20-minute strain is long enough for a growing mind."

Fifty thousand children, mostly girls, are in the textile mills of the South. Six times as many children are working now as were working 20 years ago. Jane Addams saw in a night factory a little girl of 5, her teeth blacked with snuff, like all the little ones about her—a little girl who was busily and clumsily tying threads in coarse muslin. The average child lives only four years after it enters the mills. Pneumonia stalks in the damp, lint-filled rooms and leads hundreds of the little ones out to rest. Hundreds more are maimed by the machinery, two or three for each of their elders.

The labor commissioner of North Carolina reports that there are 261 cotton mills in that State, in which nearly 40,000 people are employed, including nearly 8,000 children. The average daily wage of the men is 57 cents; of the women, 39 cents; of the children, 22 cents.

Elbert Hubbard has been through the mills of South Carolina. "I know," says he, "the sweatshops of Hester Street, New York; I am familiar with the vice, depravity, and degradation of Whitechapel, London; I have visited the Ghetto of Venice; I know the lot of the coal miners of Pennsylvania; and I know somewhat of Siberian atrocities; but for misery, woe, and hopeless suffering, I have never seen anything to equal the cotton-mill slavery of South Carolina."

The Neill report, referring to the much greater liability to accident in the case of children, says:

Though employed in the less hazardous work their rates steadily exceed those of their older coworkers, even when in that group are included the occupations of relatively high liability. The child is then apparently more liable to all kinds of accidents and especially liable to those of severity. It appears, then, that comparison of the number employed with the number injured in each age group, the consideration of a group of particular severity, and the examination of particular kinds of injury all point in the same direction—the hazard of the child is high. Another phase deserves some attention. A given injury is a more serious matter for the child. With the child there is much more likely to be a far-reaching series, the intrusion of infectious disease at an unguarded moment, a lasting damage to the functions of the nervous system, leading forward to consequences of the most serious kind in after years. A long history of degeneracy and dependence may have its beginning in exposure to industrial hazard.

Miss Elizabeth C. Watson, who has investigated the southern cotton mills for the International Child Welfare League, stated to the Committee on Labor:

In Alabama you will find very few children—I think you will find no children—under 12 years old working in the mills; chronologically they may be 12 years old, but physiologically those children are not more than 8 or 9 years old. I remember one little girl in an Alabama mill, which is the property of an ex-governor of the State, who was so small that I asked her how old she was, and she promptly replied that she was 14. The child really looked about 10 years old, as she was very short and had a little, old face. She could not have been more than 4 feet high. I found her sitting on the stairs outside the room where she worked. She had her feet all wrapped up in some old rags, and I asked her what that was for, and she said she was so tired that she felt like her backbone would go up into her head. I then asked her if her boss would say anything to her about that, and she said no, that they let them stay out there on the stairs if they wanted to. There are no seats provided for them, and they let them go out and sit on the stairs or on the floor, and in one instance I saw some children lying on the floor. In the nine mills I visited last week the boys have no opportunity to go outside; they have to hang around in the spinning room or the dye room, and can not go out of doors. All the time they are there in that close, humid atmosphere, amid the noise that prevails at all times in the cotton mills.

You can go into any community down there in Georgia and Alabama—and I think it is also true in the Carolinas—and put your hands on the children who have worked in the mills. They are pale and listless and anemic, and seem to have absolutely no interest of any kind in life. I have talked with teachers in the schools of Alabama, and they tell me that it is almost impossible to teach these children anything. The law in Alabama says that every child who works in the mills shall go to school at least eight weeks in the year; but the teachers I talked to down there told me it was almost impossible to teach the mill children anything when they came to school, because they were so tired out. They have no capacity for learning, and none of the mill children ever go beyond the three primary grades. I visited one place where they had established a night school for the children who could not attend school in the daytime; but the teacher told me the children soon fell asleep and that it was nonsense to awaken them, as they could not learn if she did.

I talked with some children in Georgia and also in Alabama—boys and girls—who told me they had been working since they were 8, 9, and 10 years old, and they were now 14 years old and could not read and write. Some of them could write a little, but they could not read.

I talked with one woman in a factory down there, who told me she was 25 years old and had been working in the factory ever since she was a child, and she looked a wreck—stooped shoulders, hollow chested, and chewing snuff. She said that all the workers had to chew snuff—that even the children used it—because it keeps them from swallowing the lint, which causes them to get consumption. This woman was engaged in a domestic factory, where she said she had been at work ever since she was a child big enough to reach the machines. I asked her if she had any children working there, and she said no; her children were not working there because "you don't get anywhere." I then asked her what she meant by saying they didn't get anywhere, and she said, "Well, when you grow up you don't get any better wages than when you are a little child."

They stand all day long at their work, from the time they start in the morning until they quit at night. I saw in Georgia the other day children who went to work at 6 o'clock in the morning and did not stop till 6 o'clock at night, and they stood all day long at their work.

The mortality statistics are so ill kept in the South that it is difficult to obtain helpful information in the way of statistics upon the effect on the death rate of child labor. Such evidence as there is, however, corroborates, if corroboration is necessary, the truth of the statements and quotations above.

I have tried to indicate the twofold nature of the physical menace to the little children in the cotton mills—the danger to life and limb and the danger from disease. There should also be emphasized the danger to the generations yet unborn, for those children who begin their life work at 7 or 8 or 10 or 12 years of age under the surroundings which we have seen prevail can not, on the average, grow up into as strong men and women as if they had had the playtime of the more fortunate boys and girls, nor can it be expected that they will become the fathers or mothers of as healthy children as would otherwise be the case.

It has been a temptation, especially in this subdivision of the discussion, to cite some of the pathetic individual cases with which the records dealing with this subject fairly teem. I have not done this, however, both because to do it would have meant an enormous extension of a speech already too long and also because I have deliberately preferred to present the subject in an abstract way rather than in a way which critics of my position might see fit to denominate as sentimental. Those who may be interested to read for themselves the heart-rending individual cases which result from the cruelly backward labor laws in these States will find abundant material both in the 19-volume Neill report and in the quarterly bulletins of the National Child Labor Committee, among the trustees of which are Felix Adler, Charles P. Neill, Paul M. Warburg, and Jane Addams.

EFFECT OF CHILD LABOR ON MORAL CONDITION.

The Neill report states:

There is a very general agreement among those who have been brought into touch with child workers and child delinquents that the connection between early employment and delinquency is close, and to a large extent causal. Night work was found among these delinquents in a greater number of cases than might have been expected.

After setting forth in tabular view the proportion of working and nonworking delinquents, the report says:

It will be seen at once that the ratio of working delinquents is very much larger than the nonworking. Among the boys the ratio of the working children is from three to over ten times as great as of the nonworking. Among the girls this proportion is even more striking. Putting children to work prematurely is not an effective method of training them for good citizens. The most immediately striking feature is the large proportion of offenses committed by the working children. The proportion varies somewhat between the sex groups, but, roughly speaking, the nonworkers are responsible for a little over one-third, the workers for something under two-thirds of the offenses. The ages at which these offenses were committed ranged from 6 to 16 years. When it is remembered that a majority—and presumably a large majority—of all the children between these ages are not working, this preponderance of offenses among the workers assumes impressive proportions. The excess of working delinquents is not confined to any one class of offenses. With a few exceptions, to be discussed hereafter, they lead in all forms of wrongdoing. Generally speaking, the excess of working delinquents is slightly larger in the offenses which are inherently serious than in those which are or may be trivial.

To these statements, which represent the latest and most authentic views upon this lately developed branch of knowledge, nothing needs to be added. The child put prematurely to work does not have an equal chance to grow up into a law-abiding citizen.

IN GENERAL.

The considerations set forth above irresistibly lead, I think, to the conclusion that neither physically, mentally, nor morally does the child put to work at a tender age have a fair chance to grow up into a useful, strong, contented, and law-abiding member of society.

Although my resolution permits the regulation by Congress of the labor of both women and children, it will be observed that these remarks have concerned themselves much more with the conditions attending the employment of the latter than of the former. I do not wish that any inference be drawn therefrom that the regulation of the employment of women is devoid of enormous importance. There are, however, several reasons for the difference in the emphasis to which I refer. In the first place, of course, "children" include girls as well as boys; in the second place the available statistics dealing with the employment of women are not so full or so satisfactory as those concerned with the employment of children. But still more important is the natural and fundamental difference between the two great subdivisions of our population. Adult women, unlike little children, can think and reason for themselves, and to a large extent care for themselves in these as well as other respects. Hence, while it is vitally important that safeguarding legislation should surround them, it is not in quite the same way, as Secretary Wilson pointed out, the province of the community to regard them as "wards of the State."

As I stated at the outset, there should be no feeling, either in the North or in the South, that the regulation of the labor of women and children is a sectional issue. It is, on the contrary, a national issue, and as such it can under our Constitution be adequately remedied only by national legislation. The enlightened men of the South recognize as fully as can any man in the North the woeful curse which the child-labor evil has been to that part of our country.

The selfishness of parents has, alas, been a considerable obstacle to progress. But the selfishness and greed of employers have undoubtedly been far and away the most potent element standing in the way of true reform. This is, it is to be feared, not unnatural; certainly it is nothing new. In the words of a great English judge, uttered over a century ago in sentencing an employer to 12 months' hard labor for overworking his young apprentices:

If the manufacturers insist that without these children they could not advantageously follow their trade, I say, that trade must not, for the sake of filthy lucre, be followed, but at once, for the sake of society, be abandoned.

These words are as sound at this moment as they were when originally uttered.

The southern manufacturers feel that a change in child-labor laws will check the unexampled growth and prosperity with which they have recently been favored. They do not take into account that the natural advantages of their locality, to which I have previously alluded, are sufficient without the barbarous and artificial ones which they are struggling to hold. Apropos are a few sentences from one of Dickens's crusading novels, Hard Times, published just 60 years ago:

Coketown had been ruined so often that it was amazing how it had borne so many shocks. Surely there never was such fragile chinaware as that of which the mill men of Coketown were made. Handle them never so lightly, and they fell to pieces with such ease that you might suspect them of having been flawed before. They were ruined when they were required to send laboring children to school; they were ruined when inspectors were appointed to look into their works; they were ruined when such inspectors considered it doubtful whether they were quite justified in chopping people up with their machinery. Whenever a Coketowner felt that he was ill-used—that is to say, when-

ever he was not left entirely alone, and it was proposed to hold him accountable for the consequences of any of his acts—he was sure to come out with the awful menace that he would "sooner pitch his property into the Atlantic." This had terrified the Home Secretary within an inch of his life on several occasions.

However, the Coketowners were so patriotic after all that they never had pitched their property into the Atlantic yet, but, on the contrary, had been kind enough to take mighty good care of it.

Anyone reading the testimony of the three southern manufacturers before the Committee on Labor recently—who were, by the way, the only persons appearing in opposition to a bill regulating child labor—would swear that the manufacturers of Coketown were present in the flesh in Washington. One of their stock arguments is that, as manufacturing is a recent thing in the Southern States, it must be nurtured carefully, not interfered with by legislation. This argument, however, if closely examined, will not hold water; one of the most progressive States in child-labor legislation in the Union (Oklahoma) is that in which the manufacturing industry is of very recent origin.

The manufacturers of the South, as they are obdurate, must, for the common weal, be forced to be humane. The medicine which is offered to them is wholesome for the body politic, and they must be forced to swallow it whether or no. More and more to-day is heard the demand, both in the North and in the South, that as certain States in the South, subject to the domination of cotton kings, will not save themselves, the Nation must step in and save them, even against their will.

I have shown at some length the importance to Massachusetts of this question. At present she is every day being more and more penalized for the humanity and progress which she has written into her statutes. It may be said that she should reduce the cost of production so that she may be able to meet the competition of the South. Can she do this? Take the case of the Lowell cotton mills, for example. An examination of their dividends for the past 8 or 10 years shows an average for all of between 4 and 4¼ per cent per year—about the Massachusetts savings bank rate. It is said that the reproductive cost of the plants alone of these mills exceeds their capitalization.

If, then, the profits are not unduly swollen or the stock watered, how can competition be met? Of course, the greatest single item in the cost of production is that of labor; but surely Massachusetts must not reduce her wage scale. Similarly, if we should take up, one by one, the various elements entering into the cost of production of those articles in the manufacture of which Massachusetts has met and must meet the competition of the South, I believe that we should find that, as a practical matter, there could be no real hope of an appreciable saving.

The only solution seems to be, therefore—certainly from the standpoint of Massachusetts—that the terms upon which the South is able to compete with the North shall be so modified that the competition shall be fair. This is, of course, no new creed in Massachusetts. For years it has from time to time been uttered. The most recent authoritative expression which I recall is that of the Massachusetts Republican platform of 1913, in the framing of which I, as a member of the resolutions committee, was proud to play a small part. The plank in question reads:

> We favor a Federal constitutional amendment which shall give to Congress the right to prescribe maximum hours of labor and a minimum age for workers throughout the United States.

I can not forget that I represent in Congress a great manufacturing State and a great manufacturing district; hence I may be pardoned for referring to the importance of this question along material lines to every man, woman, and child among my constituents. But I do not forget that I am also a Member of the Congress of the United States, charged with the duty of striving to advance the physical, mental, and moral welfare of the whole Nation. And it is in this capacity, from this point of view, that I prefer to make my appeal. The slavery of the South to-day is a slavery of children, perhaps the most pathetic, vicious, and barbarous of all human bondage. That slavery is first of all a curse, economic and moral, to the community which tolerates it; experts, practical as well as theoretical, agree that the condition of the South would be materially as well as morally improved if the child-labor evil were eradicated. But still further, child labor is a curse to the whole Nation; its abolition would tell directly for the onward and upward progress of every section of the land.

The problem, then, is national; let the Nation, through its Congress, promptly seek its wise and permanent solution. Success will mean a better South and a better Nation; it will mean better wages, better morals, better schooling, better health, better homes, better descendants, and better citizenship; it will mean that we have saved the South from itself.

Why This War Tax?

EXTENSION OF REMARKS

OF

HON. WILLIAM J. CARY,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914.

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. CARY. Mr. Speaker, the party now in control of both Houses of Congress, as well as the executive administration, was elected on several issues, but I think it will be conceded that one of the most prominent issues was the protest of the people against gag rule in the House of Representatives. I had the pleasure of being one of the first to vote against this rule in the Sixtieth and Sixty-first Congresses. Over and over again have our Democratic friends protested and promised that when they were in power they would see that every bill was carefully considered, and that no measure was to be rushed through the House by the Committee on Rules or any other small coterie of Members. Yet now they introduce this bill, affecting the whole country, and will not even permit the introduction of a single amendment; limit the debate to a few hours; and order the previous question. If this is not gag rule, I do not know what to call it. Verily they have out-Cannoned Cannon.

I had desired to offer an amendment to tax Coca-Cola and other products and to ask that the burden of taxation be equalized a little more and that beer, instead of paying 50 cents more on the barrel, be taxed 25 cents, which would be a sufficient tax to place on a single industry, especially when we consider that a barrel of whisky is worth about as much as 45 barrels of beer and costs a great deal less in both labor and material to produce and market.

If it was absolutely necessary to place taxes on intoxicating material, a tax on inflammatory magazines and newspapers, which serve no useful purpose but keep the public mind in a state somewhere between hysteria and delirium tremens, and make money at it, would have had some semblance of justice.

Furthermore, the tax is manifestly unjust geographically, and I can not say how deeply I regret the necessity of calling attention to the fact that every industry taxed heavily in this bill is an industry carried on principally in the northern part of the United States; and this certainly does not look like a square deal to me.

I introduced a bill and two resolutions, which I will insert here, and if the witnesses in the steel industry had been protected and given some percentage of the money their testimony would have returned to the United States Treasury, there would have been sufficient cash on hand at the present day to obviate the necessity of this iniquitous tax.

A bill (H. R. 7601) authorizing the Navy Department to offer and pay rewards for the detection of violations of the antitrust act of July 2, 1890.

Be it enacted, etc., That the Secretary of the Navy of the United State be, and he is hereby, authorized and directed to offer and pay rewards to the person or persons who shall first furnish to the Government of the United States information which shall lead to the detection of violations of the antitrust act of July 2, 1890, in cases where such violations shall injuriously affect the Navy Department or any business connected with the national defense, or in cases where the Government has been defrauded in the character, quality or price of the material furnished and where, as a result of information or evidence so furnished, the Government succeeds in recovering money or property as fines, forfeitures, or otherwise the reward shall be 20 per cent of the amount so recovered.

House resolution 506.

Whereas certain Chiefs of the Bureau of Ordnance have made misleading reports to their superiors and to Congress; and

Whereas Chiefs of Ordnance have attempted to deceive Congress on the effect of high explosives; and

Whereas our Navy and coast defenses are being constructed as recommended by officers who are disloyal to their official oath; and

Whereas the Armor Trust is being favored by said misleading reports: Therefore be it

Resolved, That the Speaker of the House of Representatives is hereby authorized and directed to appoint a committee of nine Members of the House, of which number five shall be of the majority and four of the minority. Said committee is hereby directed to make an investigation of the subject matter embraced, misleading Congress by false reports. Said committee is also directed to investigate if there has been a conspiracy between the United States officers and the armor manufacturers or other persons in defrauding the country or the Government.

Said committee is authorized to sit during sessions of Congress and recess of Congress, to compel the attendance of witnesses, to employ such clerical and other assistance as may be necessary, and to administer oaths to witnesses. The cost and expenses of said committee shall be paid from the contingent fund of the House of Representatives.

Said expenses shall be paid out on the audit and order of the chairman or acting chairman of said committee.

House resolution 544.

Whereas the Hon. Josephus Daniels, Secretary of the Navy, has stated in testimony before the Committee on Naval Affairs of the House and in an official letter to the Senate that there exists a combination and conspiracy of armor manufacturers who are "holding up" the Government of the United States and forcing the Navy Department by a monopoly combination to pay extortionate prices which amount to a robbery of the Government of several million dollars each year: Therefore be it

Resolved, That the Secretary of the Navy is hereby requested to inform this House what steps, if any, he has taken to have his colleague, the Attorney General, take action for the prosecution of this monopoly combine of armor manufacturers; and

Resolved further, That the Attorney General is hereby requested to inform this House what steps he has taken to prosecute civilly and criminally this Armor Trust above mentioned.

I therefore vote against this bill and voice my opposition to its passage on the ground that it is in every way a most obnoxious piece of legislation, unnecessary to be brought up at all at the present time, violating the promise of economy contained in the platform of the party that now controls Congress, and distinctly unfair in nearly every one of its provisions.

Our country is at peace. It has been stated frequently by the press, by men of large business experience, and by statesmen great and small, that the war in Europe must bring us a period of wonderful prosperity, of great business opportunity, and be in every way beneficial to us financially.

There is no apparent necessity for any sudden increase in our expenditures. We are not called upon to place any armies in the field; there is no sign of mobilization of such troops as we have, and yet we are called upon in this peaceful and prosperous time to submit to the imposition of a war tax as high as the tax on the people during the War with Spain, against which so many Democratic Members at that time made vociferous protests.

The Democratic Party were committed by platform promise and campaign pledge to curtail the expenses of the Government, cut down the annual appropriations, and rebuke Republican extravagance.

Instead of doing so they have increased the expenditures of the Government at the same time that they decreased the revenues. Long and wasteful investigations, wasting precious hours of some of our ablest Members that should have been used for necessary constructive legislation, costing immense sums of money and accomplishing pitifully meager results, have made appropriations swell.

Oh, the financiering of our Democratic friends has been remarkable for its consistency. We spent days of wrangling to save the people a few paltry pennies in mileage; we saved a few paltry dollars by lopping off the usual annual mileage of a number of poorly paid employees in the Capitol and Office Building. They reduced the number of police and elevator men in the Office Building so that useful doors have to be locked and expensive elevators can not run; and then they piled up appropriation after appropriation, creating clerkships for investigating committees, hiring counsel at exorbitant fees, printing tons of hearings that nobody would ever have the patience to read, and if they did would not be one whit the wiser; and now, after all of these sham protestations of economy, after campaigns of rebuke to Republican extravagance, they saddle this oppressive tax on the people of the country and add to the still burdensome grievance of the high cost of living an onerous and, I repeat, a totally unnecessary tax.

And when they come to place the tax, the utter lack of any principle of justice and equity is glaringly apparent. The whole burden of this tax will be borne by a few sections of the country and others will escape practically scot free.

Yesterday Virginia was added to the column of what are called "dry" States. West Virginia was made dry a few months ago, and the advocates of prohibition are claiming that several are going dry soon; and Kentucky, according to the following statement in to-day's Post, is about to go dry:

"DRYS" WIN IN KENTUCKY—CARRY NINE OF TWELVE COUNTIES VOTING ON LIQUOR QUESTION.

LOUISVILLE, KY., *September 28*.

Nine of twelve Kentucky counties in which local elections were held to-day voted "dry," according to unofficial returns to-night. Those counties voting to remain "wet" were Henderson, with a majority of 1,053; Fayette, 3,264; and Anderson, with 64.

Counties voting "dry" were Carroll, Montgomery, Mason, Bell, Boone, Clark, Shelby, Bourbon, and Scott.

Three counties—Davies, McCracken, and Christian—recently voted "wet."

To-day's election leaves 14 of 120 counties in the State "wet."

Now, everybody who knows anything about a dry State knows that the only thing that is dried up is the State treasury, and the department of the United States Internal Revenue collecting the taxes from that State. No tax for the use of the Federal Government is a fair tax unless it be distributed amongst all of the States, and yet the very first paragraph of this bill places a tax on beer and wine, which will be borne entirely by brewers and wine producers, who do their work in the open; by honest men, like those of Milwaukee, who when they drink do so decently, openly, and soberly, and obey the laws of their State and country; and the tax will be shirked by the bootlegger, the moonshiner, and the stealthy and hypocritical flask-carrying boozer of the dry State, who wants to rule the country, spend its money, pay no taxes, and make a small minority pay the bills.

In this oppressive tax measure they tax the small dealer and consumer and let the big trusts go scot free. It looks as if the American Tobacco Co., otherwise known as the Tobacco Trust, has its friends placed on the committees of the House and Senate, so that it is impossible to reach them for taxing purposes. Mr. UNDERWOOD jammed the tobacco schedule through the House without discussion in just three minutes, in a shape which permits the trust to rob the consumer of one quarter of the tobacco which he formerly got for his money by the simple expedient of reducing the size of the packages which were formerly fixed by law in multiples of 2 ounces each. Now they can make any size package they please in multiples of one-half ounce each. Formerly the workingman got 2 ounces for his nickel; now he gets 1½ ounces—robbed of one-quarter of his tobacco without his consent. This robbery enables the trust to pocket $55,000,000 extra annually and escape without an extra cent of taxation. During the Cuban war an extra tax of 8 cents per pound was levied on tobacco. The trust, through their friends in Congress, promptly got permission to reduce the size of their packages, and when the tax was taken off after the war they failed to restore the size of the package. They then reduced the poor man's 2-ounce package to 1⅞ ounces. The Underwood tariff schedule permits them to still further reduce the quantity of the workingman's package to 1¾ ounces without the addition of one penny of extra taxation. They place the tax on the small dealer. All other countries tax their tobaccos and derive a proper revenue therefrom except the United States, where the tax is merely nominal, and the trust pockets all the money.

We lose on account of this laxity much more than the entire amount which is to be raised by this emergency tax, and nobody is the gainer except the big trusts. The discussion of this question in the Senate of the United States on May 14, 1909, and June 24, 1909, pages 2022 to 2028 and 3724, shows a tobacco tax loss of $184,000,000 per annum. Why is this trust practically immune from taxation? Ask the committeemen in charge, respectively—Messrs. UNDERWOOD and SIMMONS. They know. Ask Thomas Fortune Ryan. He knows. Examine the Senate's hearings on campaign contributions and you may get a definite idea of the underlying cause.

Neither the Secretary of the Navy nor the Attorney General of the United States have vouchsafed a reply to my House resolution 544. Why not? I will be able to answer the question if they give me the power asked for in my other resolution, No. 506, and if they pass my H. R. 7601—all of which I have herein quoted—I will show by sworn testimony that a bureaucratic oligarchy corruptly controls these matters, and that if the Government collected the fines, penalties, and forfeitures from the Armor Plate and other criminal trusts they would not face the necessity of this tax, but would have millions to spare after paying the expenses of the Government.

I think I would also be able to show why our Navy is not in harmony with modern science; why we have no large-caliber guns which can throw high-explosive shells, such as are now being used in the European war; why we have no armored automobiles with automatic machine guns; why our inventors have been turned down by our Navy Department when they offered their inventions exclusively to our Government; why American inventors are obliged to sell their inventions to foreign countries, where they are received with honor and profits. England knighted our American citizen, Hiram Maxim, and made him rich for his invention of the automatic machine gun, while he received only snubs and ridicule from our bureaucracy. Germany is relying on the "Gathmann system" of high explosives and large-caliber guns to conquer the whole of Europe. Yet this Chicago inventor, after offering his various inventions exclusively to the United States Government, was rebuffed and ignored by the "ring" which controls and was forced to lay his lifework to Germany and Japan, which have adopted them, and his only hope now is that they will never be used against the Government which spurned him.

I will give only a partial list of American inventors who were first in every line of modern improvements, none of which improvements were adopted by our hypnotized Government officials, because some of them are on the pay rolls of the trusts,

whom they serve, but, of course, in the nature of things, could not be rewarded by a poor inventor:

D. W. Meacham, 908793, January 5, 1909; war car, filed May 11, 1908; class 89—40.
A. McF. McSweeney, 1002169, August 29, 1911; skirmish machine, filed July 8, 1910; class 89—40.
Bowman & Hughes, 662761, November 27, 1910; machine gun, filed April 5, 1900; class 89—40.
W. S. Isham, 622479, April 4, 1899; shell for high explosives, filed November 28, 1898; class 102—30.
H. P. Hurst, 582063, May 4, 1897; high-explosive shell and fuse, filed June 10, 1896; class 102—39.
H. P. Hurst, 608125, July 26, 1898; high-explosive shell and fuse, filed April 28, 1897; class 102—39.
L. Gathmann, 569192, October 13, 1896; high-explosive shell, filed April 16, 1896; class 102—30.
L. Gathmann, 639227, December 19, 1899; torpedo shell for high explosives, filed November 4, 1898; class 102—30.
L. Gathmann, 672827, April 23, 1901; shell for high explosives, filed November 25, 1898; class 102—30.
L. Gathmann, 569191, October 13, 1896; projectile and gun for throwing same, filed March 17, 1896; class 102—30.
J. W. Graydon, 399881, March 19, 1889; shell, filed November 8, 1888; class 102—30.
W. S. Isham, 801877, October 17, 1895; gun carriage, filed December 17, 1902; class 89—43.
S. N. McLean, 1005263, October 10, 1911; gas-operated machine gun, filed February 11, 1904; class 89—33.
J. W. Graydon, 382224, May 1, 1888; high-explosive shell, filed February 15, 1888; class 102—30.
J. W. Graydon, 382228, May 1, 1888; method of preparing explosives for use, filed February 20, 1888; class 102—30.
J. W. Graydon, 382225, May 1, 1888; high-explosive shell, filed February 15, 1888; class 102—30.
J. W. Graydon, 382223, May 1, 1888; shell for explosives, filed June 25, 1887; class 102—30.

GUNS FOR HIGH EXPLOSIVES.

Gathmann, 678557, July 16, 1901; filed March 16, 1899.
Gathmann, 569190, October 13, 1896; filed July 10, 1893.
Gathmann, 424969, April 8, 1890; filed March 26, 1889.

AUTOMATIC GUNS.

Maxim, 321513, July 7, 1885; filed May 2, 1884.
Maxim, 459828, September 22, 1891; filed December 28, 1886.
Maxim, 577485, February 23, 1897; filed March 30, 1896.
Maxim, 439248, October 28, 1890; filed April 4, 1890.
Maxim, 317161, May 5, 1885; filed May 27, 1884.
Maxim, 321513, July 7, 1885; filed May 2, 1884.
Lewis, 1004666, October 3, 1911; filed June 27, 1910.

Cotton Distress and Mill Distress.

EXTENSION OF REMARKS

OF

HON. J. HAMPTON MOORE,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, September 30, 1914.

Mr. MOORE. Mr. Speaker, the gentleman from Texas [Mr. HENRY], chairman of the Committee on Rules, has just advised us that President Wilson thinks Congress should not adjourn until the bill introduced by the gentleman from Missouri [Mr. ALEXANDER], providing for the purchase of foreign ships, shall be passed. But the gentleman from Texas [Mr. HENRY] in the five minutes' extension of time allotted to him gives as his principal reason for the passage of this bill and other legislation which he regards as equally important the salvation of the cotton crop. The gentleman from Texas pictures the distress of cotton and proposes to stay here "until the death," if it shall be necessary, to obtain relief.

Apparently it is not sufficient that northern industries are suffering, that other people besides the cotton growers are in need of money, or that we have already provided American registry for foreign ships to carry cotton and Government insurance for cargoes to be carried into the war zone; we are to go on with the scheme for purchasing ships up to $30,000,000, in spite of the fact that the Democratic Party stands for economy and has already overreached itself to the extent of $100,000,000, which the President and Congress propose to levy as a tax upon the people. Cotton is to be the first consideration, and all legislation, from the viewpoint of the gentleman from Texas, is to be directed toward that end.

COTTON HAS NOT BEEN IGNORED.

I do not suppose it would be fair, Mr. Speaker, to say that cotton has been wholly ignored by this and preceding Congresses. On the contrary, it has received all the consideration of a "special interest," with frequent appropriations attached. As I observed in all kindness a few days ago when discussing the iniquities of the $100,000,000 tax, cotton has had such a splendid monopoly in the foreign market that the incident of the European war has shattered its confidence in its own strength and induced it to appeal in various forms to the United States Treasury. But, as I then observed, other industries have suffered just as cotton is now said to be suffering, and they have come back and made good. It is largely a question of confidence in the fairness and ability of the legislation we enact. If cotton in days gone by had aided American cotton mills to a suitable protection, things would be different now. To this extent cotton is to blame for having placed its sole reliance upon its European friends.

THE MILLS PUT OUT BY THE TARIFF.

I have been interested in what the gentleman from Texas [Mr. HENRY] has had read in his time, because it chimes in with what others have said about the need of money in southern banks to move the crop and to keep the price of cotton at such a rate as to give the planter a profit. It will be remembered that when we were discussing the Democratic tariff bill "the profits" of northern manufacturers, and particularly those in the cotton industry, were to be eliminated. That was the Democratic cry, and the effect of the tariff bill was to cut profits out of the mills. It did more than cut profits; it turned the workmen out of employment. Whether distress came to the mills or not did not worry the framers of the Democratic bill, because, so far as cotton was concerned, it had a dead sure market in the cheap-labor factories of Germany and Great Britain. The European war was only an accident which interfered with the cotton program, though it induced the President to levy taxes upon the American people. If that war had not occurred, the southern cotton market would have been as strong as ever in its foreign relations and as indifferent as ever to the welfare and progress of the American mills. Hence, since the gentleman from Texas pleads for those who now find themselves in distress in the cotton fields it is fair to set off against that plea the distress of those in the mill districts who are not the victims of a foreign war, but who are in distress because of the low-tariff legislation which the cotton interests themselves persisted in enacting.

WAGE EARNERS IN ACTUAL WANT.

As against the need of southern banks for money to move cotton, let us here consider the actual want of those in the mill district who need bread. "Mill workers in Kensington are idle," says one of the great Philadelphia dailies, "and some of them are desperate." So here is another phase of the cotton question which may fairly demand a hearing along with the appeal of the gentleman from Texas [Mr. HENRY]. Pause, for instance, and read the story on which the Public Ledger of September 29 based its statement of the distress of the mill workers:

IDLE MILL WORKERS, FACING STARVATION, APPEAL FOR HELP—RICHMOND SOUP SOCIETY'S SECRETARY MAKES PLEA FOR AID, SAYING SHE IS BESIEGED BY HUNGRY WOMEN.

"For Heaven's sake, give me some food or my baby will die."

A woman, weak and emaciated, with a half-dead baby in her thin arms, made this plea to Mrs. M. W. Ketchum, secretary of the Richmond Soup Society, last night at her home, 3024 Frankford Avenue.

"I have had no potatoes nor meat for weeks, and all I eat are crusts of bread, picked up anywhere. If I can't get nourishing food, my little girl will die."

This is only one of the many heartrending applications made to Mrs. Ketchum in the last fortnight.

"Never has Kensington experienced such poverty and destitution," asserted Mrs. Ketchum. "Virtually all mills in this part of the city have shut down, and the poorer employees are absolutely without food. In many cases also they lack clothing. Thousands are undergoing the tortures of hunger. Fathers and sons tramp the streets despondently, while wives and little ones cry for food at home. Children can not go to school for lack of shoes. Each morning hundreds of people line up before the offices of the mills still in operation in a vain attempt to receive work.

"To make matters worse, many fathers are daily deserting their families. Already in want, they are now facing actual starvation. Relief must come from some source immediately or I don't know what will happen."

The soup society's funds are exhausted, according to Mrs. Ketchum. While the soup house closed last April, its secretary has continued, through donations by merchants and others in Kensington, to relieve the poor. The demands have become too great for her individual efforts, however, and Mrs. Ketchum calls for aid.

"If the people who are so anxious to sympathize with and help the destitute of Europe could spend one day at my home and see starving children and mothers beg me for food, they would realize that there is more than enough for them to do here in Philadelphia," added Mrs. Ketchum. "Morning, noon, and night my home is besieged. Women were waiting for me this morning before I was awake, and the number increased as the day wore on.

"One little girl in a starving condition told how her father had just deserted his family, leaving her mother and six children with no food in the house. One family of six, having been without food for two days, sold a bureau for 75 cents and lived on the proceeds for a week.

"Self-respect has kept many families from seeking aid, but the limit has been reached. Strong men are coming to me in desperation. One man had been out of work for six weeks."

There is no need nor time for "investigation," asserted the soup society's secretary. The need is so evident and pressing that relief must be immediate.

Mrs. Ketchum has been the good Samaritan of the Kensington poor for 16 years. She will visit a number of influential men to-day to enlist their aid.

CARE FOR AMERICANS FIRST.

The gentleman from Texas insists that the President says we shall remain here until Congress authorizes the purchase of $30,000,000 worth of foreign ships to aid in the transportation of cotton. Will the effect of this purchase be to reduce the taxes now about to be imposed upon our people, or will it add to our own circulation in this country through the wages paid to men who furnish the material and the labor for the construction of American ships? Is the proposition to purchase foreign ships of so much advantage to cotton that it will justify the American Congress in still further increasing the distress of American wage earners by depopulating the mills and destroying the shipyards? I trust the gentleman from Texas and the President for whom he speaks and the other great leaders of the Democratic Party, in their mad rush for legislation to specially aid a single industry, will have some regard for the humanitarian side of this question. They have an American market to cultivate and American mouths to feed, and the legislation they put through this Congress should be in the interest of the American people as a whole, rather than in the interest of some of the American people in conjunction with their European allies against most of the American people.

MORE MONEY FOR COTTON BANKS.

It is something of a coincidence that on the very day the gentleman from Texas takes his stand for cotton-shipping legislation, the New York Herald should publish the statement of Secretary McAdoo indicating the allotment of Treasury funds in addition to $34,000,000 already assigned in generous part to southern banks for the movements of cotton. In his address to Congress asking for $100,000,000 taxes the President indicated that the Treasury had on deposit in the banks approximately $75,000,000. It now appears that up to yesterday $34,000,000 of this, largely deposited in southern banks, was for the relief of cotton. To-day's announcement shows that of more than $13,000,000 fresh Treasury money assigned to the banks, approximately $9,500,000 is assigned exclusively to the cotton States. The States designated according to this morning's report and the amount of deposits assigned to their respective banks are given as follows:

Alabama	$300,000
Arkansas	175,000
Florida	81,250
Georgia	368,750
Kentucky	1,375,000
Mississippi	150,000
Louisiana	700,000
Maryland	1,450,000
North Carolina	456,250
South Carolina	525,000
Tennessee	675,000
Texas	793,750
Virginia	798,750
Missouri	1,530,000
Oklahoma	93,500
	9,492,250
New York	1,000,000
Colorado	499,969
Illinois	1,200,000
Indiana	150,000
Iowa	250,000
Kansas	25,000
Nebraska	325,000
Washington	87,500
	3,537,469

OTHER INDUSTRIES NOT SO FAVORED.

Here, Mr. Speaker, is evidence that relief is being given to the cotton States; such relief as is not given to industrial States under like conditions, nor to any other industry or community that raises the flag of distress. Suppose, Mr. Speaker, we should ask Congress to appropriate money to buy the products of the mill workers of Kensington? Their labor was honest labor and their services to the community at large were useful services. Suppose we were to ask Congress, when there is a glut in the tomato market in New Jersey or in the potato market in Maine, to appropriate funds to purchase the output, to tide over the emergency of lowering prices? Is it conceivable that Congress would listen to that appeal? On the contrary, these products of the farm, unless the owner sacrificed or otherwise disposed of them, would rot, as they frequently do, and the producer would necessarily stand the loss. If the shipper of these commodities were to ask the Government to provide vessels to carry the products either of the mills or of the farm, would Congress provide the ships? This, in substance, is what the gentleman from Texas, speaking for the President, desires shall be done for cotton. He asks for more than that, he seeks to have the burden placed upon the revenue producers of the country whom he has denied protection even to the extent of enabling them to raise revenue in the usual way.

I shall oppose the bill to tax the American people and to deprive them of employment in order to purchase foreign ships not only because I believe it the duty of cotton to encourage the American market, but because I do not wish to see further distress of capital and labor in those enterprises that evolve around the shipbuilding industry in the United States. I had hoped the President, satisfied with the passage of the ship-registry bill and with the bill providing Government insurance for exports into the war zone, would abandon the ship-purchase bill, which is fraught with such danger to American institutions. In the opinion of shipowners and shipping men generally such a bill is not warranted even by the conditions of war now prevailing abroad. But if the bill is to be brought forward, it is perhaps timely that some expressions of opinion with regard to it by authorities qualified to speak should now be introduced.

MARITIME EXCHANGE PROTEST.

I append the protest of the Philadelphia Maritime Exchange:

PROTEST AGAINST THE PASSAGE OF BILL H. R. 18666.

THE PHILADELPHIA MARITIME EXCHANGE,

Philadelphia, September 14, 1914.

To the honorable the Senate and House of Representatives of the United States in Congress assembled:

This memorial of the Philadelphia Maritime Exchange respectfully represents:

1. That a bill (H. R. 18666) providing for Government ownership and operation of merchant vessels in the foreign trade of the United States is pending in the Congress of the United States.

2. That by the provisions of the bill a shipping board composed of the Secretary of the Treasury, the Postmaster General, and the Secretary of Commerce may subscribe to the capital stock of any corporation now or hereafter organized under the laws of the United States, or of any State thereof, or of the District of Columbia, for the purpose of purchasing, constructing, maintaining, and operating merchant vessels in the trade between the Atlantic, Gulf, or Pacific ports of the United States and the ports of Central and South America and elsewhere to meet the requirements of the commerce of the United States.

3. That question is raised as to whether this proposed legislative action by the Government of the United States is justifiable and technically right, while the real question at issue is whether in the present emergency it is either necessary or advisable.

4. That the advocates of the measure advance the theory that shipping facilities for the transportation of our exports abroad under existing conditions are inadequate, but appear not to accept the testimony of experienced and practical men that there is no lack of vessels, and that the prevailing conditions are due largely, if not entirely, to the present paralysis of foreign exchange operations, and that with relief in this direction greater activity will immediately follow and the present and future requirements of commerce be amply met by private enterprise.

5. That under the terms of recent legislation providing for the transfer of foreign-built vessels to American registry, with necessary revision of our navigation laws to enable us to compete on equal terms with foreign shipping, instant impetus and a steady, wholesome growth will be given to our merchant marine, which, however, could not survive against Government competition.

6. That the effect of this legislation should be fully demonstrated before any other is undertaken.

7. That in dealing with this important subject the neutrality obligations of the United States should be seriously considered and any ground for criticism or even suspicion of our good faith avoided.

8. That the Philadelphia Maritime Exchange, strongly advocating the upbuilding of the merchant marine of the United States, regards the provisions of bill H. R. 18666 as dangerous in the extreme, and is of the opinion that the ownership and operation by the Government of merchant vessels is a backward rather than a forward step, and will not only discourage but destroy all private initiative in the direction so earnestly desired.

9. For these reasons the Philadelphia Maritime Exchange urgently protests against the proposed measure being enacted into law.

THE PHILADELPHIA MARITIME EXCHANGE,
By J. S. W. HOLTON, *President.*

Attest:

E. R. SHARWOOD, *Secretary.*

PROTEST OF THE CHAMBER OF COMMERCE.

Also that of the Philadelphia Chamber of Commerce:

PHILADELPHIA CHAMBER OF COMMERCE.

PROTEST AGAINST PASSAGE OF BILL (H. R. 18666) PROVIDING FOR GOVERNMENT OWNERSHIP AND OPERATION OF MERCHANT VESSELS IN THE FOREIGN TRADE OF THE UNITED STATES, NOW PENDING IN THE CONGRESS OF THE UNITED STATES.

The freight committee gave serious consideration to H. R. 18666, and unanimously agreed to recommend that the chamber of commerce protest against the proposed measure being enacted into a law for the following reasons:

1. The project is not based on economic necessity, there being at the present time no lack of ships available for cargoes and ocean freight being abnormally low.

2. It is an experiment in Government ownership and operation which we can not afford to try at the present time. It is the general experience that governmental agencies can not be conducted with the efficiency and economy resulting from private operation, and we believe such lines could not fairly compete in rates with those offered in normal times by the commercial ships of other nations. The burden of insurance, depreciation, and operating deficit would have to be borne by the taxpayer.

3. Its effect on our attitude of neutrality is by no means clear. Our Government has discouraged private loans to France, and now

appears to propose a large purchase of German ships, which are at present useless to their owners, thus releasing a large amount of money.

4. The object does not tend in a permanent and consistent manner to build up our merchant marine by overcoming the handicap which has driven our ships from the over-seas trade. It is well known that our existing navigation laws impose conditions which render the operation of shipping under the American flag so much more expensive than that of our foreign competitors as to make competition impossible, especially as it is the foreign practice to assist the merchant marine where necessary by substantial Government subsidies or their equivalent.

5. We recognize, however, that this is an opportune time for the establishment of a regular line of steamers connecting Philadelphia and New York with the principal seaports on the east and west coasts of South America, and we would welcome any assistance which the Government could offer by subsidy to the establishment of such lines.

It must be borne in mind, however, that to maintain such successfully they will have to be able to offer freight rates which will be fairly competitive with those that will be given in normal times by vessels sailing under foreign flags.

Respectfully submitted.

COLEMAN SELLERS, Jr.,
Chairman Freight Transportation Committee.

Attest:

N. B. KELLY, *Secretary.*

BOARD OF TRADE PROTEST.

Also that of the Philadelphia Board of Trade:

PHILADELPHIA BOARD OF TRADE,
Philadelphia, September 15, 1914.

To the honorable the Senate and House of Representatives of the United States in Congress assembled:

This memorial of the Philadelphia Board of Trade respectfully represents:

That there is nothing in the present emergency, so called, which justifies the Government of the United States embarking in the ownership of merchant vessels either directly or under the guise of a stock ownership, as contemplated in bill H. R. 18666, providing for the ownership and operation of vessels in the foreign trade;

That from testimony of the most experienced and practical men the present paralyzation of foreign trade is due not to the lack of shipping facilities but to the foreign exchange situation;

That so long as the Government enacts laws which entail serious extra expense upon all American bottoms as compared with vessels under foreign register; so long as American steamships are compelled to carry an extra large force of men—many more than carried by vessels of the same class under foreign registry; and so long as the Government caters to an influence which by legislation is striving to add extra cost to the operation of vessels under the United States flag, so long will it be impossible to build up a merchant marine;

That the only way to reestablish a merchant marine is to overcome the *disadvantages* under which it now labors in competition with foreign tonnage;

That nothing can be more impracticable than the attempt to resuscitate the American merchant marine through the plan set forth in the bill under criticism;

That an undertaking of the character proposed, under Government management, in comparison with the running of steamships in private ownership, must necessarily be uneconomical, and it is highly improbable that the 49 per cent of the stock to be allotted to the public of the corporation contemplated will be subscribed;

That Government ownership of vessels, which takes the money of the people to conduct an unprofitable business, is an indirect subsidy, while a direct subsidy with proper revision of the navigation laws would be effective in building up our merchant marine as well as insuring the continued operation of American shipyards;

That the possibility of complications in the purchase of vessels under the flags of belligerent nations by reason of the neutrality obligations of the United States should be seriously considered;

Therefore, your memorialist, the Philadelphia Board of Trade, earnestly protests against the proposed measure (H. R. 18666) being enacted into law.

And your memorialist will ever pray.

(True copy.)

WM. M. COATES, *President.*

Attest:

WM. R. TUCKER, *Secretary.*

VIEWS OF THE NEWSPAPERS.

I also attach an editorial from the Philadelphia Public Ledger of September 3 and another from the Philadelphia Record (Democratic) of the same date:

[From the Philadelphia Public Ledger, September 3, 1914.]

SHIP PURCHASE A HERESY AND A PERIL.

Every day furnishes new and unanswerable arguments why the Federal Government should abandon the ill-advised and unnecessary project for the purchase of foreign vessels as a means of rehabilitating the merchant marine. That consummation, so devoutly wished by every patriotic American, will be brought about only by the enterprise of its citizens, actuated by that most potent of influences—the hope of gain. To suppose that Government participation in the carrying trade, in Government-owned ships, is going to solve the problems which have baffled the business men of America is to put faith in the power of the Government that is childlike. The solution is going to be found, if at all, in the restoration of confidence in the financial and commercial world and in the determination that American investments in the foreign carrying trade shall have the same protection that is accorded by navigation laws of other maritime countries to their own investors. Open the way to that freedom by a wise revision of our antiquated navigation laws and the chief obstacle in the path of shipping under the American flag will be removed.

The right of the United States to buy the German ships now driven from the seas by the potential power of British and French naval strength is largely academic. Perhaps we have that right; probably we could defend it by accepted principles of international law. But is it wise to exercise a right which is bound to bring with it the imminent danger of friction? Is there any emergency which would justify the risk of sacrificing our present unique position of neutrality? Is there such a need of shipping for the carrying trade that would warrant a departure from the principle which has for more than a century governed the activities of the Federal Government and its embarkation upon the field of private commercial enterprise?

To all these questions the attitude of several of the powers now at war, the condition of the shipping trade, and the lessons of political economy all give an emphatic negative. From the standpoint of England and France the purchase by the United States Government of the idle German ships, even though we were to employ them solely in the South American trade, would have the effect of nullifying the advantage which sea power has won for both belligerents. Such a nullification might be protected and justified by abstract "right"; but would it be in full accord with the spirit of real neutrality of which President Wilson has spoken so earnestly and eloquently? There is just enough doubt about it to make it imperative that we should proceed very slowly in that direction; and the spectacle of steamships leaving our ports for European destinations with partial cargoes is a sufficient answer to the argument based on alleged necessity.

Every reason, therefore, of prudence, of good business policy, and of sound economics dictates the abandonment of a scheme that would, if adopted, inevitably spell trouble and complications for the United States. If the discussion of this subject shall hasten action looking toward the serious study of the conditions surrounding the merchant marine, it will have done no harm, but otherwise it is a mischievous project, which can not be too strongly condemned.

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[From the Philadelphia Record, September 3, 1914.]

RESUMPTION OF SAILINGS.

No one has yet explained why the United States Government should, without precedent in its own history or that of other nations, go into the shipping business. There is an impression that our commerce was embargoed, that we could not get our wheat and cotton out, and that we hadn't facilities for sending to South America the goods that that market is in need of on account of the interruption of commerce with Europe.

Some of these reasons never existed, and the rest of them are fast ceasing to exist.

Sailings for Western Europe are nearly normal. Exports of wheat in the week of August 13 were only 3,726,000 bushels, but in the week of August 20 they were 6,941,000 bushels, or within 92,000 bushels of what they were in the same week of 1913. During last week, according to the New York Journal of Commerce, "it is estimated that fully 20 steamers loaded with grain from Montreal, Boston, New York, Baltimore, and ports in the Gulf have sailed for London." The paper adds that "quite a few steamers have been chartered during the past week to load car grain cargoes for delivery in England with the option of unloading at French ports." Yesterday's New York Sun says:

"Foreign buyers at the Produce Exchange made heavy cash purchases of wheat and oats yesterday for immediate shipment. England and France led, although Greece continued to add to her stock of provisions. The reports yesterday indicated that 559,000 bushels of wheat left the Atlantic and Gulf ports. * * * The announcement by the Illinois Central Railroad that it had lifted its grain embargo was taken to mean that exports from New Orleans will show a large increase very soon. Exporters expressed themselves as pleased yesterday at the exchange situation. Their bills were taken by the banks at fair rates."

The New York Journal of Commerce heads an article, "No lack of shipping," and says editorially:

"It is made clearer every day that the trouble with our foreign trade in this emergency, whether with South America or with Europe, is not lack of shipping ready to do the carrying whenever it can be safely done and there is demand for it. The main trouble has been with arrangements to insure payments for consignments of goods to be carried. Without this assurance shipments will not be made. There is plenty of shipping waiting for these adjustments, and as fast as they are made it gets into action."

The same paper gives a list of 15 steamers to sail from New York this month for Mediterranean ports, and its advertising columns give the announcements of sailings for South America by the following list of steamship companies, not counting the Panama steamers:

Norton Line.
Merchants' Line.
West Coast Line.
New York & South America Line.
Booth Line.
Lloyd Brazileiro.
Prince Line.
Lamport & Holt Line.
United States & Brazil Steamship Line.
Barber & Co.
Houlder, Weir & Boyd.
Peruvian Steamship Co.

What possible excuse is there for the *United States* Government to do the unprecedented thing of engaging in merchant shipping?

THE EMERGENCY HAS DISAPPEARED.

A more recent editorial—from the Philadelphia Record of yesterday—indicates what the port statistics generally now show—that even if an emergency requiring the temporary use of foreign ships did exist, it is rapidly passing away.

[From the Philadelphia Record, September 29, 1914.]

The experience of this port is the same as that of New York and other ports; there was something close to a paralysis of shipping in August, but September is showing normal results, or something a little better than last year. In September, 1913, 18 ships cleared from here with 1,147,323 bushels of grain, and during the present month 13 ships have cleared with 1,151,640 bushels. One steamer will sail this week with 400,000 bushels of oats for France, and two ships will leave presently for England with grain cargoes. The situation created in the middle of August has entirely disappeared, except that vessels are not sailing for Germany and Austria. From all ports the wheat shipments of five weeks have been nearly 50 per cent greater than a year ago. Steamers are leaving for South America constantly, and, while the vast war must suspend a great deal of trade, the exports from this country are normal, or nearly so, and the imports are approaching that point except for shipments to the North and Baltic Seas.

Emergency Revenue Legislation.

EXTENSION OF REMARKS

OF

HON. J. M. C. SMITH,

OF MICHIGAN.

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914.

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. J. M. C. SMITH. Mr. Speaker, extending my remarks under the rule on the bill to increase the internal revenue, and for other purposes, I wish to occupy a short time to speak about that war-tax measure, so called, and other things.

I do not think it is necessary at this time when business in the country is so depressed and so many workmen are out of employment to put this additional tax upon the people. Neither do I think the necessity for this tax was brought about by the war in Europe, but by a breaking down of the Underwood tariff law and its failure to produce enough money to run our Government.

Mr. Speaker, on the 4th day of September, present month, the President came before both branches of Congress, jointly convened, and delivered a message, in which he set forth the necessity for additional revenue. Quoting from that message, he said:

* * * * * * *

During the month of August there was, as compared with the corresponding month of last year, a falling off of $10,629,538 in the revenues collected from customs. A continuation of this decrease in the same proportion throughout the current fiscal year would probably mean a loss of customs revenues of from sixty to one hundred millions. I need not tell you to what this falling off is due. It is due, in chief part, not to the reductions recently made in the customs duties, but to the great decrease in importations; and that is due to the extraordinary extent of the industrial area affected by the present war in Europe. Conditions have arisen which no man foresaw; they affect the whole world of commerce and economic production; and they must be faced and dealt with.

* * * * * * *

The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation. But at what cost to the business of the community? Approximately $75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits. And yet without additional revenue that plainly might become necessary, and the time when it became necessary could not be controlled or determined by the convenience of the business of the country. It would have to be determined by the operations and necessities of the Treasury itself. Such risks are not necessary and ought not to be run. We can not too scrupulously or carefully safeguard a financial situation which is at best, while war continues in Europe, difficult and abnormal. Hesitation and delay are the worst forms of bad policy under such conditions.

And we ought not to borrow. We ought to resort to taxation, however we may regret the necessity of putting additional temporary burdens on our people. To sell bonds would be to make a most untimely and unjustifiable demand on the money market; untimely, because this is manifestly not the time to withdraw working capital from other uses to pay the Government's bills; unjustifiable, because unnecessary. The country is able to pay any just and reasonable taxes without distress. And to every other form of borrowing, whether for long periods or for short, there is the same objection. These are not the circumstances, this is at this particular moment and in this particular exigency not the market, to borrow large sums of money. What we are seeking is to ease and assist every financial transaction, not to add a single additional embarrassment to the situation. The people of this country are both intelligent and profoundly patriotic. They are ready to meet the present conditions in the right way and to support the Government with generous self-denial. They know and understand, and will be intolerant only of those who dodge responsibility or are not frank with them.

* * * * * * *

In order to meet every demand upon the Treasury without delay or peradventure and in order to keep the Treasury strong, unquestionably strong, and strong throughout the present anxieties, I respectfully urge that an additional revenue of $100,000,000 be raised through internal taxes devised in your wisdom to meet the emergency. The only suggestion I take the liberty of making is that such sources of revenue be chosen as will begin to yield at once and yield with a certain and constant flow.

* * * * * * *

Now, Mr. Speaker, I am not claiming that it will not ultimately be necessary to raise additional revenue to run our Government if the extravagant expenditures of the Democratic Party continue, because the Underwood tariff law has broken down and failed to support the expenditures of the Democratic administration, as we shall presently see. But let us give the true reason and not another. On the 21st day of September a bill was introduced to raise this revenue by direct tax upon certain articles and by certain methods, which we find in the report to be:

THE PROPOSED EMERGENCY MEASURE.

The taxes proposed in this measure with two exceptions were assessed subsequent to and during the Civil War and in the war-revenue act of June 13, 1898. Therefore this measure opens up no new and untried system of taxation. While this country is not at war, it finds its Treasury balance rapidly falling off because of the decline in importations due to the present war in Europe. In framing this measure the committee has endeavored to propose taxes that can be collected by the present force of internal-revenue officials, slightly increased in number, with a small additional expense, and with a minimum disturbance of trade.

The bill (H. R. 18891) proposes to supplement the Government revenues by increasing the tax that is now levied on beer, lager beer, ale, porter, and other similar fermented liquors by increasing the present tax of $1 a barrel to $1.50 a barrel. It is estimated that this increase in taxation will produce an additional annual revenue amounting to $32,500,000.

The proposed bill levies a tax of 12 cents a gallon on dry wines manufactured and sold in the United States, and a tax of 20 cents a gallon on sweet wines manufactured and sold in the United States. It is estimated that the annual revenue derived from this tax will amount to $6,000,000.

A tax of 2 cents per gallon is levied upon gasoline, naphtha, and other similar products obtained from crude, partially refined, or residuum oils. It is estimated that this tax will bring to the Government a revenue of $20,000,000 a year.

SPECIAL TAXES.

It is proposed to levy the following special taxes: A tax on bankers of $2 for each $1,000 of capital used or employed; brokers, $50; pawnbrokers, $20; commercial brokers, $20; customhouse brokers, $10; proprietors of theaters, museums, and concert halls in cities having more than 15,000 population, $100; proprietors of circuses, $100; proprietors of other public exhibitions or shows, $10; and proprietors of bowling alleys and billiard rooms, $5 for each alley or table. It is estimated that the above special taxes will yield $10,000,000 during the first 12 months this law is in effect.

SPECIAL TAXES ON TOBACCO DEALERS AND MANUFACTURERS.

In addition to the above special taxes, it is proposed to tax dealers in leaf tobacco and manufacturers of tobacco, whose annual sales do not exceed 50,000 pounds, $6; those whose annual sales exceed 50,000 and do not exceed 100,000 pounds, $12; and those whose annual sales exceed 100,000 pounds, $24. The bill levies the following taxes on manufacturers of cigars: Manufacturers of cigars whose annual sales do not exceed 100,000 cigars, $6; those whose annual sales exceed 100,000 and do not exceed 200,000 cigars, $12; and those whose annual sales exceed 200,000 cigars, $24.

Each manufacturer of cigarettes will be taxed $24, and a special tax of $4.80 per year is levied on all other dealers in tobacco. It is estimated that the Government will receive $5,000,000 per year from the taxes levied on tobacco dealers and manufacturers.

The bill also proposes a tax upon telephone companies of 1 cent for each message or conversation for which a charge of 15 cents or more is made and a tax upon telegraph companies of 1 cent for each dispatch or message sent. It is estimated that the tax upon telephone and telegraph companies will yield to the Treasury during the first year this bill is in operation $1,500,000.

STAMP TAXES.

Articles upon which a stamp tax is levied and the rate of tax.	
Bonds, debentures, or certificates of indebtedness, etc., for each $100	$0.05
Certificates of stock, original issue, for each $100	.05
Certificates of stock, transfers, for each $100	.02
Sales of products at exchanges, for each $100	.01
Promissory notes, for each $100	.02
Express receipts	.01
Freight receipts or domestic bills of lading	.01
Bonds of indemnity and bonds not otherwise specified	.50
Certificate of profits, for each $100	.02
Certificate of damage	.25
Certificates not otherwise specified	.10
Broker's contract	.10
Conveyances, exceeding $100, for each $500	.50
Entry of goods at customhouse (according to value)	.25–$1.00
Entry for withdrawal of goods from customs bonded warehouse	.50
Insurance:	
Life, on each $100 of the amount insured	.08
Marine, inland, and fire, on each $1 of premium charged	.0½
Casualty, fidelity, and guaranty, on each $1 of premium charged	.0½
Mortgages and conveyance in trust, exceeding $1,000, for each $1,500	.25
Passage ticket (according to value)	1.00–5.00
Power of attorney to vote	.10
Power of attorney to sell	.25
Protest of note, check, etc	.25
Sleeping and parlor car tickets	.02

GOVERNMENT REVENUES.

Should this bill become a law as proposed by the committee, we confidently estimate that the revenue that will be derived during the first 12 months this bill is in operation will amount to $105,000,000, distributed as follows:

Fermented liquors	$32,500,000
Wines	6,000,000
Gasoline	20,000,000
Special taxes	16,500,000
Stamp taxes	30,000,000
Total	105,000,000

From the foregoing we see that the purpose is to raise $105,000,000 per annum by direct taxation. The report states that it is necessary to raise this tax because of the war in Europe, but is silent as to the great falling off of our revenue prior to any

thought of war in Europe or any other place, and is due to the breaking down of the Underwood tariff law.

The European nations declared war on the following dates:

DECLARATIONS OF WAR.

Since Austria-Hungary first declared war against Servia, on July 28, the number of war declarations exchanged between the various States has grown to 13, viz:

1. Austria-Hungary against Servia, July 28.
2. Germany against Russia, August 1.
3. Germany against France, August 3.
4. Germany against Belgium, August 4.
5. England against Germany, August 5.
6. Austria-Hungary against Russia, August 5.
7. Montenegro against Austria, August 5.
8. Servia against Germany, August 6.
9. Montenegro against Germany, August 11.
10. France against Austria-Hungary, August 11.
11. England against Austria-Hungary, August 13.
12. Japan against Germany, August 23.
13. Austria against Belgium, August 29.

The war was not anticipated by this country, but came like a bolt out of a clear sky.

RECEIPTS FROM CUSTOMS DUTIES.

The Underwood tariff bill took effect on the 3d day of October, 1913, and for the months thereafter up to and including August of 1914 the receipts as compared with the same months of the preceding year were as follows:

Customs revenue and total ordinary receipts for the fiscal years 1912, 1913, 1914, and 1915 to date.

CUSTOMS REVENUE.

Months.	1912	1913	1914	1915
July	$23,404,502.50	$28,136,502.27	$27,806,654.54	$22,988,465.04
August	25,952,466.21	30,205,331.96	30,934,952.44	19,431,362.52
September	24,746,309.77	27,475,127.85	26,794,494.25	
October	25,757,936.40	30,216,824.02	30,138,049.37	
November	24,704,345.15	25,666,353.25	21,173,627.85	
December	24,587,327.35	24,248,161.30	21,510,139.99	
January	24,654,652.30	29,334,124.09	23,528,079.83	
February	26,337,528.23	27,605,115.83	17,609,603.70	
March	30,408,561.39	27,457,489.20	25,927,212.90	
April	26,184,467.79	23,693,966.76	22,232,766.57	
May	26,578,973.14	20,434,749.21	20,800,573.25	
June	28,005,501.99	24,417,650.12	23,672,372.94	
Total	311,321,672.22	318,891,395.86	292,128,527.63	42,419,827.56

TOTAL ORDINARY RECEIPTS.

Months.	1912	1913	1914	1915
July	$52,085,061.76	$59,536,333.50	$60,231,524.12	$73,224,173.55
August	54,803,682.82	60,205,002.32	61,600,197.16	51,072,898.30
September	56,335,353.09	55,682,556.08	56,073,397.05	
October	56,054,411.33	64,469,504.07	64,196,633.15	
November	56,588,831.93	59,069,393.94	55,515,132.92	
December	53,749,605.62	55,821,538.88	53,152,435.89	
January	52,461,711.56	60,542,363.45	53,977,886.39	
February	53,932,609.01	54,803,419.47	43,633,857.33	
March	59,296,026.64	56,720,083.57	54,803,890.84	
April	53,305,711.82	53,452,556.72	50,488,806.53	
May	58,369,952.26	55,370,363.84	55,389,211.77	
June	84,795,507.53	88,438,114.00	125,280,727.05	
Total	691,778,465.37	724,111,229.84	734,343,700.20	124,297,071.85

This table is taken from the remarks of Mr. UNDERWOOD, in which he stated:

The gentlemen seem to overlook the fact that when the present Democratic law was brought before this House the country was advised of the fact that we proposed to reduce the receipts collected at the custom-house, and in lieu thereof levy an income tax to make up the difference. [Applause on the Democratic side.]

This table clearly shows that during and after the very first month after the passage of the Underwood bill to the present time, except for May, 1914, there had been a falling off of revenue from duties on imports as compared with corresponding month of the preceding year 1913 under a protective tariff, as follows:

Imports and exports under Underwood law.

Months.	Total imports.	Total exports.	Excess of—	
			Imports.	Exports.
1913—October	$132,949,302	$271,861,464		$138,912,162
November	148,236,536	245,539,042		97,302,506
December	184,025,571	233,195,628		49,170,057
1914—January	154,742,923	204,066,603		49,323,680
February	148,044,776	173,920,145		25,875,369
March	182,555,304	187,499,234		4,943,930
April	173,762,114	162,552,570	$11,209,544	
May	164,281,515	161,732,619	2,548,896	
June	157,529,450	157,072,044	457,406	
July	159,677,291	154,138,947	5,538,344	
August	129,399,496	110,369,114	19,030,382	
Total, 11 months	1,735,204,278	2,061,947,410	38,784,572	365,527,704

Imports and exports under Payne law for corresponding months of preceding year.

Months.	Total imports.	Total exports.	Excess of—	
			Imports.	Exports.
1912—October	$177,987,986	$254,633,504		$76,645,518
November	153,094,898	278,244,191		125,149,293
December	154,095,444	250,315,807		96,220,363
1913—January	163,063,438	227,032,930		63,969,492
February	149,913,918	193,995,942		44,083,024
March	155,445,498	187,426,711		31,981,213
April	146,194,461	199,813,438		53,618,977
May	133,723,713	194,607,422		60,883,709
June	131,245,877	163,404,916		32,159,039
July	139,061,770	160,990,778		21,929,008
August	137,651,553	187,909,020		50,257,467
Total, 11 months	1,641,478,556	2,298,375,659		657,897,103

Which shows that the imports were $93,725,722 more under the Underwood law in the 11 months it has been in operation than for the corresponding 11 months of the year previous under a protective tariff, while the total exports were $236,428,249 less during the same time than under the Payne law the year before.

MONTHLY REVENUES.

Months.	Revenue received on imports.	Increase under Payne law.	Increase under Underwood law.
October, 1912	$30,216,824.02		
October, 1913	30,138,049.37		$78,774.65
November, 1912	25,666,352.25		
November, 1913	21,173,627.85		4,492,724.40
December, 1912	24,248,161.30		
December, 1913	21,510,139.99		2,738,021.31
January, 1913	29,334,124.09		
January, 1914	23,528,079.83		5,806,044.26
February, 1913	27,605,115.83		
February, 1914	17,609,603.70		9,995,512.13
March, 1913	27,457,489.20		
March, 1914	25,927,212.90		1,530,276.30
April, 1913	23,693,966.76		
April, 1914	22,232,766.57		1,461,200.19
May, 1913	20,434,749.21		
May, 1914	20,800,573.25		$364,824.04
June, 1913	24,434,749.21		
June, 1914	23,672,372.94		762,376.27
July, 1913	27,806,654.54		
July, 1914	22,988,465.04		4,818,189.50
August, 1913	30,934,952.44		
August, 1914	19,431,302.52		11,503,649.92

Which shows a total falling off from custom revenue alone of $43,186,768.93; less increase for May, 1914, of $364,824.04, or a total revenue loss of $42,821,944.89 for the 11 months since the Underwood law was in effect, as compared with the Payne law for the 11 corresponding months of preceding year.

IMPORTS INCREASE AND EXPORTS DECREASE UNDER THE UNDERWOOD TARIFF LAW.

Mr. Speaker, the Underwood tariff or revenue bill became a law on the 3d day of October, 1913; since that time the imports of foreign countries have increased and our exports have decreased. I gave the figures above for those months as furnished by the Department of Commerce, and found on page 17157 of the CONGRESSIONAL RECORD of September 25, 1914.

This must prove to any fair-minded man that there is a complete breakdown of the Underwood bill as a revenue-producing measure. What does that mean? It means that of the manufactured articles imported there was just that much labor furnished to foreign laborers that would have been done by American workmen if these goods were made in this country. A plain way of stating the proposition is that articles made in a foreign country and shipped into this country furnished work to the foreign workman and deprives the American workingman of just that much labor. You can not have the work done in foreign countries and keep the wheels of industry turning in this country. No rifle, automobile, cloth, implements, or anything else made in a foreign country furnishes a day's work to a laborer in this country or builds a factory. The idea that we should buy our manufactured articles in foreign countries

because we can get them cheaper is not American, and following out that practice has always brought stagnation and depression to our country. It is a better policy to manufacture our own commodities, keep the price down by competition, and sell our surplus abroad. Women, children, and the whole family work in the factories and on the farms in foreign countries at insignificantly low wages as compared with the wages paid in our country. When we must compete with the labor of other countries we can not pay high wages here as against the low wages paid there. If we do, we involve a social question, and no one wants the women and children in this country to go into the factories and fields and work the same as they do in foreign countries. We should not make beasts of burden of American citizens.

WAR IN EUROPE.

There was no war in Europe during the months from October, 1913, when the Underwood bill went into effect, and not until August 1, 1914. But during that time our imports increased and our exports decreased. Our revenue under this bill during that time likewise fell off. They fell off $11,000,000 in August, 1914, and they fell off $9,000,000 in February, 1914. Why did you not bring in a bill to increase our revenue in February—or at least bring this falling off to the attention of the country? We are at peace with all the world. In February, 1914, there was no war in Europe. And why has no other nonbelligerent country not engaged in war not proposed to levy a war tax, as you call it? It is because of the breakdown, pure and simple, of the Underwood bill; because after the enactment of this law the revenue began falling off each month, while imports increased and exports decreased.

MONEY IN THE BANKS.

The President says in his message that we have $75,000,000 in the banks, deposited there on call, and if we draw it out inconvenience, distress, and confusion would follow. Who ever in his private business had money in the bank on call and did not draw it out when he needed it in his business? It is the people's money, and instead of taking it out of the banks as needed you propose to make the people go down into their pockets and duplicate it at a time when hundreds of thousands of workmen are out of employment; at a time when the care of the unemployed is a vital question in many of the principal cities and municipalities of the land. There is on deposit in the national banks of the country over $6,000,000,000. It is proposed to raise this revenue at the rate of $8,000,000 a month. Do you suppose that withdrawing the people's money at the rate of $8,000,000 a month for the period of one year would seriously affect the banks or hamper trade? It is a poor business proposition to tax the people for the money they have already in the banks. If you take it out of the pockets of the people you take it out of the channels of trade as much as you do to take it out of the banks. Spreading it out over a year would be a mere incident to the banks and not felt by them. It would be but a small fraction of 1 per cent a month of their deposits. The banks themselves are not saying they could not or would not pay it conveniently. No banker would say that this would seriously affect his bank. Nor would $8,000,000 a month drawn out of the banks diminish the production of $20,000,000,000 worth of manufactured products made each year in this country. If withdrawn, it could readily be placed back by emergency currency if the banks so desired. If withdrawn, it would find its way back, first, into the channels of trade and then into the banks. The $100,000,000 per year is needed by the Government because the Underwood bill failed to produce enough revenue to meet the administration expenses. The Underwood bill failed to raise enough revenue for this purpose before the war in Europe. While the war in Europe will lessen our customs receipts, why are you not fair about it and say so, and raise this war tax because your tariff-for-revenue-only bill failed to do so. The way to remedy this is to put into effect a sufficient protective tariff law. I once knew a man who would not pay his debts out of the money he had in his pocket; he would make you wait until he got hold of other additional money. This made it all right for the man, but made it a burden to the creditor and was not fair business.

The capital stock of all the national banks is $1,058,192,335. This internal-revenue tax bill proposes to place a tax of $2 a year upon each $1,000 of the capital stock of such banks. This will amount annually to $2,116,384, which is quite 3 per cent per annum on the $75,000,000 Government deposits. But let me further add, Mr. Speaker, another thing this bill proposes to do. The President said:

I need not point out to you what the probable consequences of inconveniences and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits.

Look at the proposition in the light of the people who have the tax to pay. It is a proposition to tax the people $105,000,000 a year for the purpose of leaving $75,000,000 of Government money on deposit with the banks. I think the reason given by the President is unsound. It can not be justifiable on any such ground. It taxes notes and mortgages of people in debt. We should look at it in its true light—the revenue is needed because of the breakdown of the Underwood tariff law, and which would not have happened under a proper protective tariff law.

TARIFF ACT OF 1913.

The act is discriminatory. It puts a duty of 15 per cent ad valorem on the goat hair of Texas, but puts the wool of the North on the free list. It puts a duty of three-eighths of a cent a pound on peanuts of the South, and puts potatoes on the free list. It puts a duty of five-eighths of a cent per pound on the rice of South Carolina, and puts wheat conditionally on the free list. It puts cotton bagging and cotton ties on the free list, but puts a duty on wool sacks and wheat sacks. The new tariff law is not fair to our farmers.

PARTY PLATFORMS.

The question is now being raised as to what is meant by a party declaration or a party platform. It is stated that a platform is made to stand upon and to sacredly carry out; that it is not like molasses, to catch flies.

The passage of the Underwood tariff law was especially pleasing to other countries. Canada refused to ratify the Canadian reciprocity act. It was claimed at that time by Premier Borden that by waiting they would get something better. The subsequent passage of the Underwood tariff law proved Canada knew what she was talking about. When this new tariff law brought depression to business throughout our country it was proclaimed that the effect was merely psychological and the American manufacturer was advised to whet up his wits. Perhaps it would have been more practically stated that the manufacturers would have plenty of time to sharpen their wits while the wheels of their machinery were idle.

The farmers of this country were opposed to reciprocity with Canada. They have more reason to complain of the present tariff law which opens their markets to the products of the world.

I herewith insert a table put into the CONGRESSIONAL RECORD by Hon. JAMES R. MANN, and taken from a circular letter issued by the Department of Commerce, showing the increase of importations of farm products from October 3, 1913, during the following 11 months as compared with the corresponding 11 months the year preceding under a protective tariff law:

Increase in importations.

Cattle	$11,968,347
Corn	9,775,179
Oats	7,984,053
Hides and skins	13,523,927
Fruits and nuts	8,201,183
Leather and tanned skins	5,926,782
Meat and dairy products	30,453,388
Paper and manufactures of	5,452,729
Flaxseed	7,741,139
Vegetables	4,791,525
Wool, unmanufactured	30,136,171
Wool, manufactures of	22,596,828
Sugar	8,829,374
Cotton, manufactures of	5,056,927
Fertilizers	5,026,772
Fish	3,239,031
Silk, manufactures of	3,441,080
Wheat	1,473,040
Sheep	483,546
Butter	1,517,019
Eggs	928,680

Increase in importations Jan. 1, 1914, to Aug. 31, 1914, eight months, over same months in 1913.

Australia	$26,196,590
Belgium (decrease)	7,391,082
Brazil	858,984
Canada	3,576,631
China (decrease)	26,803,944
Argentina	728,335
Cuba	13,376,519
France (decrease)	7,141,653
Germany	1,830,854
India, British	3,974,854
Italy	1,170,248
Japan	10,818,211
Mexico	10,652,160
Netherlands (decrease)	1,128,745
Russia (decrease)	1,899,626
United Kingdom of Great Britain and Ireland	18,593,245

The statement also shows that during the same eight months we increased our imports from $78,786,141 in 1913 to $105,590,085 in 1914, and that our exports to Canada during the same eight months fell off from $282,993,099 in 1913 to $219,960,317 in 1914. There was no war in Europe during that time, and it was due to the Democratic tariff law, and deprived us of the revenue.

There is signed to the Declaration of Independence such a galaxy of patriotic names that will make it an inspiration to all future generations. By the terms of that sacred instrument we are declared to be an independent Nation. We are now told, "The future growth of our American industries lies beyond the seas." The enunciation of that saying will never make it so. The war will stimulate American industry. When we import foreign goods we must ship out the gold from this country to pay for them. Lincoln said that he was in favor of protection to American industries, and that if we buy our goods at home we have both the goods and the money, but if we purchase them abroad we only have the goods and the foreigner has the money. Lincoln knew what he was talking about.

PLATFORMS AND PROMISES.

We find in the Democratic platform of 1908 this exordium and grave charge against the expenditures of the Republican Party:

ECONOMY IN ADMINISTRATION.

The Republican Congress in the session just ended made appropriations amounting to $1,008,000,000, exceeding the total expenditures of the past fiscal year by $90,000,000, and leaving a deficit of more than $60,000,000 for the fiscal year just ended. We denounce the needless waste of the people's money, which has resulted in the appalling increase, as a shameful violation of all prudent considerations of government and as no less than a crime against the millions of working men and women, from whose earnings the great proportion of these colossal sums must be extorted through excessive tariff exactions and other indirect methods. It is not surprising that, in the face of this shocking record, the Republican platform contains no reference to economical administration or promise thereof in the future. We demand that a stop be put to this frightful extravagance and insist upon the strictest economy in every department, compatible with frugal and efficient administration.

What have you now to say about the expenditures of the Republican Party, when the amount of your appropriations for the fiscal year of 1915, when you are in full control of all branches and departments of Government, being over $31,000,000 more than the preceding fiscal year of 1914, when you had control of the House, and nearly $100,000,000 more than the last Republican Congress of 1912?

I further call your attention to the fact that when you came into power in 1912 there was great business prosperity in this country. Since that time business has been halting and depressed. To show just how the chairman of the Democratic Committee on Appropriations feels about the expenditures of the Democratic Party since it came into power, I quote the following from the speech of Mr. FITZGERALD, chairman of the Appropriations Committee, on April 10, 1914:

Mr. Chairman, it may seem somewhat strange, but I hope it is not out of place, to remind Members on this side of the House that the Democratic platform pledged us in favor of economy and to the abolishment of useless offices; but it did not declare, Mr. Chairman, that the party favored economy at the expense of the Republicans and the abolition of useless officers in territory represented in this House by Republicans while favoring a different doctrine wherever a Democratic Representative would be affected. In a few months I shall be called upon in the discharge of my official duties to review the record that this Democratic House shall have made in its authorization of the expenditure of the public money. Whenever I think of the horrible mess I shall be called upon to present to the country on behalf of the Democratic Party I am tempted to quit my place. I am looking now at Democrats who seem to take amusement in soliciting votes on the floor of this House to overturn the Committee on Appropriations in its efforts to carry out the pledges of the Democratic platform. They seem to take it to be a huge joke not to obey their platform and to make ridiculous the efforts of the members of our party who do try to live up to the promises they made to the people. * * * My colleagues upon this floor seem either to be so indifferent to a very perilous situation for our party, or else, which I do not wish to believe, have so far forsaken Democratic practices and Democratic principles as not to deserve to continue in control of this Government.

We charged the Republicans for 12 years of my service in the House under Republican administration with being grossly extravagant and reckless in the expenditure of the public money. I believed that charge to be true. I believed that my party, when placed in power, would demonstrate that the charges we had made in good faith were true. We are entitled to the help and to the support of the Members on this side of the House in honest efforts to carry out the pledges of the Democratic Party, and in our attempts to show that what we charged in order to get into power was true. We have not had that support. Our Democratic colleagues have not given that support to us thus far during this session of Congress. They have voted against recommendations they should not have voted against. They have unnecessarily piled up the public expenditures until the Democratic Party is becoming the laughingstock of the country.

I appeal to them now before it is too late; I appeal to them now before we have gone beyond recall to stop the conduct of which they have been guilty. Do not continue to vote for these improper and improvident appropriations. Those who propose to continue to do so should at least have the courage openly to assert upon the floor of this House that they believe the professions of the Democratic Party have not been made in good faith, that they can not be carried out, and that we are not entitled to power because of those professions.

This statement, made by Hon. JOHN J. FITZGERALD, of New York, one of the leading Democrats of the country, charges the Democratic Party with profligate expenditures. If Mr. FITZGERALD was a cowboy we would call that shooting up his Democratic colleagues.

To show just what the amount of these appropriations are, and by way of comparison with the preceding years under a Republican administration, I insert the following table of appropriations for the last five years:

Total appropriations, excluding river and harbor acts.

1911	$978,521,087.68
1912	995,799,462.72
1913	988,353,340.41
1914	1,057,665,694.40
1915	1,089,408,777.26

May I further call your attention to the fact that there is apparently no restraint upon the Democrats' conscience in making these appropriations.

And now they propose to make a gift of $25,000,000 to Colombia as a balm, and, as said by Mr. FORDNEY, of Michigan, "Roosevelt has never cracked a smile since Mr. Bryan made this proposal."

HIGH COST OF LIVING.

May I call your attention further to the declaration in the Democratic platform of 1912 on the high cost of living?

The high cost of living is a serious problem in every American home. The Republican Party, in its platform, attempts to escape from responsibility for present conditions by denying that they are due to a protective tariff. We take issue with them on this subject, and charge that excessive prices result in a large measure from the high tariff laws enacted and maintained by the Republican Party and from trusts and commercial conspiracies fostered and encouraged by such laws, and we assert that no substantial relief can be secured for the people without import duties on the necessaries of life are materially reduced and these criminal conspiracies broken up.

Since coming into power the Democratic Party has put nearly all farm products on the free list. If anyone has purchased any commodity, whether food or raiment, from a diamond pin to a loaf of bread, cheaper since the Democrats have been in power, he has not been heard of yet. But some Democrats say, then you were not injured by the adoption of the Underwood tariff bill if prices have not been reduced. I wish to say in reply that if prices have not been reduced, then free trade has been a failure. One effect so far has been a loss of revenue to the Government, and the claim made by the Democratic Party in its platform above quoted has not been fulfilled. Subsequent times and subsequent conditions have proven that the passing of a free-trade bill has not met with their prediction in lowering prices or serving the purpose intended by it. The intention of the Democratic Party to lessen the prices of commodities to the consumer was clearly defined in their platform, but the law has not had that effect. It has reduced our revenue, and we are paying as much to-day as we did under any Republican administration for our provisions and wearing apparel, with no increase in prices to the farmer and with no benefit to the American consumer.

I herewith give a list showing the effect of placing the farmers' products on the free list:

The following imports and exports of farm products during the month of June, 1914, is taken from the last monthly summary of the Department of Commerce:

Articles.	June, 1914.	
	Imported.	Exported.
Corn	$1,005,959	$724,764
Oats	126,736	94,266
Rice	421,361	64,191
Hay	218,882	53,382
Cheese	838,228	31,426
Beans and peas	225,878	71,745
Onions	87,447	30,152
Fresh meats:		
Pork	250,545	25,277
Mutton	314,974	41,130
Beef	2,706,732	72,607
Wool, manufactures of	5,460,395	422,316
Sugar and molasses	15,717,770	211,247

This shows that there is being imported into this country more farm products in a number of instances than is being exported. This in time will affect the farmer's market, and it has not been shown anywhere that the farmer can produce or raise farm products for less than the prices usually received by him for them.

FREE TOLLS.

The Democratic Party in its platform declared for free tolls to coastwise vessels through the Panama Canal:

We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal.

And either because of lobbying or some other purpose not satisfactorily explained, the Democratic Party openly, publicly, and notoriously did not keep its promise. It was like an Indian

gift, which he holds out in his hand, and when one reaches for it he draws back his hand.

We have spent over $200,000,000 for improvements of the Mississippi River; we ply the Mississippi River with our American vessels and products free. The American people built the Panama Canal and paid for it, and they are as much entitled to the free use of it, without the intervention of any other nation, as they are to the use of the Mississippi River or any other public waterway constructed with the money of our people.

Mr. Speaker, I do not underrate the fact of the great conflict and war in Europe. It will affect us commercially and otherwise. We are at peace with all the world. In it all and through it all our glory, if any, that comes to us out of this war lies in observing the strictest neutrality, in being most circumspect to avoid agitation or partiality of any kind, the exercise of forbearance, patience, and economy is the road in which our duty lies, with the hope that eventually the clouds of war may disappear from the earth as suddenly as they came.

A Great New Party.

EXTENSION OF REMARKS

OF

HON. ARTHUR R. RUPLEY,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 14, 1914.

PART 1.

Mr. RUPLEY. Mr. Speaker, the Progressive Party, in State and Nation, is only two years old. Its principles are the greatest constructive program for human advancement in the history of political endeavor.

The history of the Progressive Party in the United States is replete with a great record of genuine effort for the general welfare of all the people of the Union. Although but a span of two years marks its milestone, it is as difficult to put in concrete form the history of the Progressive Party as to put in the same form the history of the two older political parties.

As the logical answer to human evolution, the progressive principle has been breaking through the crust of conservatism for many years. The action of the Republican Cossacks, corporation-serving bosses who received their commissions and offices by the wholesale purchase and corruption of the voters in the primaries or of delegates in the conventions, their public and notorious display of misrepresenting their constituents in a Republican national convention, accomplished the formation of the Progressive Party and the framing in a national convention a platform that more nearly represented the wishes and desires of the many as against the few than the platform of any other party within the history of the Republic. Its declarations and principles were a covenant with the people who accepted and dedicated it "the great human rights party."

In Pennsylvania this progressive movement enlisted all the forces opposed to reactionism, ultra-conservatism, political bossism, in a fight upon a political machine that notoriously defied the people at the polls, in convention, in the legislature, in the gubernatorial office, in city government, and reached the highest perfection of political rascality known among the States. Pennsylvania's political machine system—a stench in the nostrils of all good citizens of the Nation—was universally derided and condemned. This system was so firmly entrenched, so gigantic in its power to corrupt, that it was unbelievable that this independent progressive force could win a victory in a primary.

The victory was won—the people's representatives were elected to the State convention to carry out the program of progress and good will. Between the progressives and reactionaries the line of cleavage was well marked and clearly defined, and the Republican State Convention of these progressives, which met in Harrisburg in May, 1912, adopted a platform, with the following salient features:

First. We hereby declare our faith in the cardinal principles of the Republican Party of Abraham Lincoln, which we have been instructed by the electorate to reaffirm.

Second. Obeying the clear mandate of the Republican voters of Pennsylvania, we pledge our support to Theodore Roosevelt for the Republican nomination for President of the United States and urge the adoption of measures advocated by him, because we believe they will aid in the restoration of the government of the people, for the people, and by the people.

Third. The people should have the right to vote on all acts regulating the conditions of employment, payment of wages in store orders, tenement-house conditions, and other acts designated to correct the social and economic injustices or to protect the health and safety of the citizens, which are declared unconstitutional by the State courts.

Fourth. We believe in a simple, direct, and short ballot, properly safeguarded to insure purity, as the easiest and most certain means of registering popular will.

Fifth. We pledge the Republican Party of Pennsylvania to such legislative and executive action as will:

Provide for the nomination by direct vote of all candidates for public office;

Give the party members in each congressional district and in the State at large the right by direct vote to record their choice for President and make the result binding on the delegates elected;

Enable the people by direct vote to indicate their choice for United States Senator, and make the result binding on the members of the general assembly;

Define the purposes for which money may be contributed and spent in any general or primary election; limit the total expenditure; and, in addition to penalties for violations, make as a condition precedent to the right of taking office the grant of a certificate of election to be had only after due accounting and public audit; and

Make the willful violation of all laws governing elections felonies punishable by imprisonment.

Sixth. We believe that our entire system of primary and general elections and laws governing and relating to the same should be recast.

We stand for the election of United States Senators by a direct vote of the people and an amendment to the National Constitution to bring this about.

Seventh. We pledge the party to the enactment of a comprehensive and effective public utilities law; to an employers' liability and workmen's compensation act; to whatever legislation may be necessary for the protection of women and children in industry, and to whatever measures will best check the surface caving in the mining regions of the State and fix responsibility therefor.

Eighth. We pledge the party to continued generous support of the public schools and public charities; to liberal appropriations for the promotion and protection of public health, and especially for keeping up the fight against tuberculosis.

Ninth. With a view to an equitable distribution of State appropriations to the eleemosynary institutions and the efficient expenditure of the same, we favor the creation of a department of charities.

Tenth. We pledge the party to a pure-food law which will prevent fraud and deception and prohibit the sale of debased, adulterated, or misbranded foods.

Eleventh. We pledge the party to a system of road building which shall insure to the agricultural districts their full share of the benefits. The State should apply its road appropriation to the dirt road as well as to the macadam, both in construction and maintenance.

Twelfth. We urge the enactment of a law to stop the swindling of the people through the sale of stock in fraudulent corporations.

Thirteenth. The government of cities must be given special attention. The single legislative body elected at large in cities of the second class should be continued, and its operations carefully observed, as an important experiment in municipal policy. Metropolitan districts should be provided for the administration of metropolitan matters. Laws exempting corporate property from local taxation and from assessment for special benefits should be repealed, and a revision of the present laws relating to the assessment and collection of county and city taxes should be considered.

Fourteenth. We favor the constitutional and legal changes necessary to permit of the increase of city and county indebtedness for the erection of bridges, tunnels, subways, wharves, docks, sewers, streets, and other public works, when such improvements can be made self-supporting by the collection of tolls, charges, or special benefit assessments.

Fifteenth. We favor a law permitting the conveyance of title in fee to counties and cities under the power of eminent domain. We favor the enactment into law of the principle of excess condemnation under proper restrictions. We favor a revision of the laws relating to the assessment of special benefits to make the same more just and equitable, and in general we declare in favor of the enlargement of municipal powers.

Sixteenth. We demand that the next general assembly shall pass appropriate legislation to that effect. So far as there may be constitutional obstacles to the immediate carrying out of such reforms, we pledge our representatives in the legislative and executive departments to the taking of immediate steps for the amendment of the State constitution, so that the will of the people, lawfully expressed, may be carried into legislative effect.

Seventeenth. We reaffirm our belief in the true American doctrine on the subject of protective tariff. That is, that the duties should be based on the difference of cost of production in this country and abroad. We believe that the pledge of revision in that platform was a pledge for revision downward, and we hereby express regret that such a pledge was not kept to the people.

Eighteenth. We demand such national legislation on the currency as will decentralize control of the Nation's money and commercial credit, just as we demand the decentralization of control in party government.

Nineteenth. We commend to the State and the National Government the policy of the conservation of natural resources, as laid down by that eminent son of Pennsylvania, Gifford Pinchot, and vitalized by Theodore Roosevelt when he was President.

Particularly do we deem it advisable for the State of Pennsylvania to take a firm grasp upon its water problems. Transportation, flood prevention, reclamation, sewerage, water power, and other incidents of water flow are questions of extreme importance to the Commonwealth. While these questions present different aspects from the National, the State, and the municipal viewpoints, their solution can not be adequately and efficiently effected except by some plan of harmonious and cooperative action. The State of Pennsylvania, standing as it does between the Federal Government and multitudinous demands pressing upon it, and the counties and municipalities with their limited powers, must take the lead in the preparation of a comprehensive plan of development.

Twentieth. We pledge the enactment of laws permitting and providing for joint action and joint contribution of funds for these purposes. We pledge immediate State appropriations for the improvement of the Delaware River and the port of Philadelphia, and for flood prevention in the western part of the State. We further pledge immediate State appropriations for complete surveys of a canal between the Ohio River and Lake Erie, and favor legislation providing for joint action on the part of the States of Pennsylvania, Ohio, and West Virginia in the planning, construction, and operation of this great project.

Twenty-first. We urge a program of progressive government action. Nothing else will still the widespread and menacing unrest. Social and industrial justice must be made the rule and not the exception. Contentment of the people, which rests upon their well-being, will alone

in the long run make property secure. This is an irrepressible conflict. It can not be evaded. To temporize with it is to invite great national peril.

Twenty-second. Laws for social and industrial justice must be enacted to square with modern economic conditions. The people no longer are held tightly by party ties. Already the dangerous doctrine of socialism is looked upon with favor by millions of our people as the only hope for relief or for revenge. Socialism grows upon social and economic injustice, and upon nothing else. Give to the masses that justice to which they are entitled and socialism in America will cease to be a threatening factor in our civilization.

Twenty-third. We do not favor confiscation. We do not favor a "redistribution" of wealth. We reject the principle that all shall be rewarded equally. But most strongly do we demand a restoration and a continuance in this country of equal opportunity for all and special privilege for none.

PROGRESSIVE CONVENTION.

This same convention adopted resolutions pledging the party to the enactment of specific laws. To draft these measures and urge their passage by the 1913 legislature, it named a committee which has since become famous as the legislative and executive committee of the Washington Party. Their work is known to all reading citizens of Pennsylvania, and it gives me pleasure to recognize this committee and to dedicate and designate them as pioneers in an honest effort to secure progressive legislation in Pennsylvania, and I present their names, representing the eastern, middle, and western divisions of the State of Pennsylvania:

EASTERN DIVISION.—John J. Gheen, chairman, West Chester; William Draper Lewis, Philadelphia; William Jay Turner, Philadelphia; Thomas A. H. Hay, Easton; Robert D. Dripps, Philadelphia.

MIDDLE DIVISION.—Robert C. Bair, York; William H. Hoerner, Chambersburg; A. Nevin Detrich, secretary, Chambersburg; William Fawcett, Pottsville; W. Lovell Baldridge, Hollidaysburg.

WESTERN DIVISION.—William Flinn, Pittsburgh; Guy B. Mayo, Smethport; Henry K. Siebeneck, Pittsburgh; George T. Weingartner, New Castle; John B. Eichenaur, Pittsburgh; Stephen G. Porter, Sewickley; Henry G. Wasson, Pittsburgh.

The resolution creating the committee set forth the specific laws that were to be drafted. This resolution was as follows:

We, the Republican Party of Pennsylvania, in convention assembled, for the purpose of fulfilling the pledges in the platform heretofore adopted, do hereby resolve:

That a committee of nine, to be known as the executive and legislative committee, be created by this convention, with the power to add to its number six persons, who may or may not be members of this convention.

That the said committee be authorized and directed to draft bills on the following subjects in accordance with the pledges made in our platform:

First. A bill for the extension of the direct primaries to all officers elected by the people, including United States Senators, and the expression of the presidential preference.

Second. A bill defining by whom and the purposes for which money may be contributed or spent in any general or primary election, limiting the total expenditure and requiring full accounting at public audit, and such amendments to the election laws as shall guarantee the freedom of said elections from fraud, coercion, and undue influence.

Third. A bill making a willful violation of any or all laws governing elections a felony, punishable by imprisonment.

Fourth. A comprehensive and effective public utilities law.

Fifth. A fair employers' liability and workmen's compensation act and regulating the employment of women and children.

Sixth. A law to stop the swindling of the people through the sale of stocks in fraudulent corporations.

Seventh. A law creating the department of public charities, with full control, in order that the State's appropriations may be equitably and economically distributed and institutions receiving State aid may always be open to the unfortunate.

For the purpose of fulfilling these instructions, be it

Resolved, That this committee be given the power to fill all vacancies caused by death, resignation, or otherwise in the committee.

And it is hereby declared to be the clear intent of this convention that this committee shall represent this convention and shall have life until the successors of this convention are duly seated.

Resolved further, That this committee shall be empowered, as our representatives, to appear before the general assembly and the governor of the Commonwealth, demanding that the pledges of the Republican Party be enacted into law: And be it further

Resolved, That when this convention adjourns it do not adjourn without a day, but to meet at the call of the committee hereby created, or a majority thereof, for the purpose of reaffirming our demands as Republicans of Pennsylvania and for such other business as the convention may elect.

Resolved, That the State chairman is hereby instructed to mail to each candidate for the Senate and legislature the platform of this convention, with the request that each of the aforesaid state in full his position in regard to the platform, and the answer of each candidate be published as an advertisement in his district.

WASHINGTON PARTY IN PENNSYLVANIA.

All of this work was taken over by the Washington Party—the Progressive Party in Pennsylvania—the same committeemen being authorized to perform the same work and under the same resolution referred to.

PRESIDENTIAL ELECTION.

The election of 1912 is now history. The Progressives swept the State. The new party polled 457,000 votes against 273,000 votes for Taft and 395,000 votes for Wilson. The Washington Party—the Progressive Party in the State—became, by the will of the people, the dominant party in the State.

CONVENING OF THE LEGISLATURE.

When the legislature organized the Progressive sentiment in the house of representatives dominated and controlled that body. The committeemen referred to became constant attendants upon its sessions.

The legislation recommended in the platform was presented in concrete form to both of the legislative branches, and the majority of the lower house answered by their actions and votes to the pledges made and the commissions entrusted to them.

The senate, consisting of 50 senators (25 of whom were elected at the November election of 1912) refused to carry out the specific pledges made to the people, and a great deal of legislation was strangled to death in the committees of the senate. Many senators openly defied the electors to whom they had made promises to support Progressive legislation recommended by the said legislative committee. Others made dickers and deals with the old machine, accepting the promise of office, of contracts, of political preferment, of appropriations for their districts. The governor of the State, aided by a coterie of politicians, henchmen, and lieutenants, cooperated with those opposing the enactment of progressive legislation. Men in high office displayed their servility to the machine by condoning political rascality of a type that they would not tolerate in their own private business.

Senators William E. Crow, of Uniontown, Fayette County, and James P. McNichol and Edwin S. Vare, of Philadelphia, Russianized that body and were the leaders in this monumental fraud perpetrated upon eight millions of people of the great State of Pennsylvania.

Many measures were defeated in the senate, such as the bill regulating the employment of children, the bill making a willful violation of any or all laws governing elections a felony punishable by imprisonment, the bill for the repeal of the general assistance clause to voters, and a bill for a fair employer's liability and workmen's compensation act. Another sample of their handiwork was the emasculation of the public utility bill and highly flavoring it with provisions favored by the corporations and tending to destroy it as an effective public utility measure.

LAST DAYS OF THE LEGISLATURE.

In the last days of the session the nefarious enrollment act was passed and promptly signed by the governor. It provided for the personal registration and enrollment of every voter before he could participate in the primary. The registration and enrollment provisions embodied in that act applied to every hamlet, borough, small city, and township of the State, although it was designed for and only fitted in part for large cities. Electors in small precincts of less than 100 voters were compeled to register and enroll before being permitted to receive the nomination ballot of their party.

RESULT OF CROOKED ACTS.

These flagrant breaches of trust resulted in the Republican Party, that had cast a total of 840,000 votes for Theodore Roosevelt in 1904, and nearly as large a vote for William Howard Taft in 1908, dwindling at the primary in May, 1914, to only 300,000 votes. More than 400,000 progressive electors in the State refrained from enrolling or participating in the primaries and elections of 1913 and the primary of 1914. The election and primary returns disclose that these figures are not exaggerations, but numerical facts.

PART 2.

ORGANIZATION FOR THE FUTURE.

After the election of 1912, the Progressives throughout the State of Pennsylvania held many meetings and conferences, organized themselves into many leagues and organizations, meeting with many successes in the by-elections of 1913.

By reason of the registry and the assessors' lists being padded by falsely enrolled Washington Party names in the city of Philadelphia and other cities in the State (all of which was perpetrated under the enrollment law referred to, enacted by the bosses through connivance with traitors in the State senate), the Progressives decided that a general canvass should be taken of the choice of the honestly enrolled Progressives for the representative positions of United States Senator and Congressmen at Large, and the offices of governor, lieutenant governor, and secretary of internal affairs.

TOWN MEETINGS.

These conferences were held in the open and resembled the town meetings of the founders of the Republic. Although they were misrepresented in the subsidized and reactionary press of

the State, they resulted in the honestly enrolled Progressive voters nominating a ticket reflecting the Progressive sentiment and typifying and representing the great mass of electors in the State subscribing to Progressive principles, thereby defeating the raid contemplated by the old machine.

THE OTHER KIND.

At a midnight conference in Philadelphia the present candidate for governor on the Republican ticket, Dr. Martin G. Brumbaugh, met with Senator Penrose, Senator McNichol, and the Vares, to discuss the advisability of presenting his name to the Progressives of the State as a candidate for the Washington Party nomination for governor, and the reason for his failure to carry out his announced purpose of entering the primaries and seeking the Washington Party nomination remains a secret to this day.

CANDIDATES ON WASHINGTON PARTY TICKET.

The candidates on the Washington Party ticket, who were nominated at the primary, are Gifford Pinchot, of Pike County, for United States Senator; William Draper Lewis, of Philadelphia, for governor; Percy F. Smith, of Allegheny County, for lieutenant governor; Fred E. Lewis, of Lehigh County, for secretary of internal affairs; and Lex N. Mitchell, of Jefferson County, Arthur R. Rupley, of Cumberland County, Anderson H. Walters, of Cambria County, and Harry Watson, of Mercer County, for Congressmen at Large.

Following the primary, the State committeemen, elected under the rules of the party by the people at the primary, met at Harrisburg and elected A. Nevin Detrich, of Chambersburg, chairman, and completed the organization by electing the following gentlemen to the other State committee offices: Vice chairman, Thomas W. Hendrick, Punxsutawney; secretary, H. D. Lindemuth, Auburn; treasurer, Robert K. Young, Wellsboro; assistant treasurer, W. L. McCullach, Pittsburgh. Executive committee: Berkey H. Boyd, Scottdale; William A. Stone, Uniontown; William H. Sponsler, New Bloomfield; Robert F. Rich, Woolrich; Melvin P. Miller, Lancaster; Louis Reibe, Lansford; William F. Remppis, Reading; George F. Holmes, Philadelphia.

The following platform was adopted and promulgated by the Washington Party of the State of Pennsylvania:

We covenant with the people of Pennsylvania to carry into effect, if entrusted with power, every pledge herein made.

PENROSE AND PENROSEISM.

The paramount issue in Pennsylvania to-day is Penrose and Penroseism. The man who stands as the greatest living exponent of corrupt politics and special privilege is not only a political but a moral issue.

To defeat Penrose and destroy for all time the immoral system for which he stands is the greatest task which confronts us. We believe that only through the success of the Washington Party can this be accomplished, and we call upon every citizen who has the love of his Commonwealth at heart to join with us in this task.

Until this has been done, no plan for betterment of the administration of State affairs or for the promotion of social and industrial justice can be successfully carried out.

WILL PENNSYLVANIA BE DISGRACED?

Penrose's election would mean Pennsylvania's disgrace. The Washington Party does not believe that the people of this State will continue in power the man whose acceptance of a $25,000 certificate of deposit from the Standard Oil Company became a national scandal, whose subservience to special privilege resulted in the passage of the Payne-Aldrich tariff law, and the broken pledges of the Taft administration, who played the leading rôle in the crime of 1912, which finally wrecked the Republican Party and placed a Democratic administration in power at Washington.

THE TARIFF.

The Washington Party stands for protection. The tariff is a matter of business, not politics. Schedules should be adjusted on a business basis, free from political influence. Only in this way will the benefits of protection reach the great body of the people. To this end we advocate a nonpartisan tariff commission, and the revision of the tariff, one schedule at a time. Reckless haste, improper influence, sectional party politics, and the vast range of subjects affected, all unite when a general tariff bill is enacted to produce unscientific and haphazard legislation suddenly disorganizing business and menacing our prosperity as a commercial nation.

There is no hope for changed tariff conditions from Penrose. In 1909 Theodore Roosevelt left the presidency with the Republican Party firmly in power. Penrose, as party leader, engineered a course of platform repudiation which brought about a Democratic House before the end of Taft's term. The great majority of the Republican voters elected delegates to the Chicago convention opposed to Penroseism. By outrageous frauds he defeated their will as he has so often defeated the will of the voters of Pennsylvania. Under his leadership the Republican Party must continue to be what he made it—a powerless and discredited minority party. The only hope for the future is the elimination of Penrose and his kind.

PROGRESSIVE PRINCIPLES.

We reaffirm our belief in the principles enunciated by the national Progressive platform of 1912, and renew our allegiance to our great leader, Theodore Roosevelt.

The magnate system of private monopoly has dominated the politics of State and Nation, stifled equal opportunity, raised the cost of living, and skimmed the cream of industry for the overrich. The destruction of private monopoly in natural resources or the products of industry is the prime duty of the State. The power of monopolists lies in exclusive privileges. To end their power to raise the cost of living their exclusive privileges must be destroyed.

In order that monopolistic control of industry may be rendered impossible, we advocate the establishment of an interstate trade commission, with such powers as are conferred by the Progressive antitrust bills now before Congress. These bills would effectively destroy monopolistic power to fix prices and at the same time promote instead of hamper productive efficiency.

We favor the enactment of the Rupley workmen's compensation law, the Copley child labor bill, the Nolan convict labor bill, and other bills on the Progressive congressional legislative program.

The Washington Party stands for government by the people, the conservation of our human and natural resources, the encouragement of efficiency in private business, and the insistence upon efficiency in public affairs.

LOCAL OPTION.

We stand for the right of the people to deal directly with the liquor traffic. We, therefore, reaffirm our position upon this matter, and pledge ourselves to the immediate passage of a local option law with the county as a unit. We believe that the Hobson amendment to the Federal Constitution should be submitted to the States.

CONSTITUTIONAL CONVENTION.

Our State constitution stands in the way of many desirable reforms in law and administration, chief among which are home rule in local government and a reorganization of the machinery of our State government. The constitution should be thoroughly revised by a representative convention elected on a non-partisan ballot. We are opposed to further constitution tinkering by amendment.

We stand for the initiative, the referendum, and the recall of executive officers as being essential to the destruction of machine rule in politics and the preservation of our institutions. A constitutional convention should consider that method of constitution amendment misnamed "The Recall of Judicial Decisions." It should not be necessary in order to prevent the enactment of a law forbidden by a general clause in the constitution to destroy the clause. There should be a method of qualifying the clause to make the desired law possible without nullifying the entire constitutional principle.

FOR GOOD ELECTION LAWS.

Good election laws lie at the foundation of all reforms in government. We reaffirm our position in favor of a rigid corrupt practices law, which shall define the purpose for which money can be contributed and spent in any general or primary election, limit the total expediture, and prescribe penalties for violation, and require, before any elected candidate can take office, the grant of a certificate of election showing that the law has been obeyed. We therefore pledge ourselves to fight for the enactment by the next legislature of the corrupt practices act embodying these principles, which was defeated by the Penrose-McNichol-Vare forces in the senate of 1913.

We believe in the simple, direct, and short ballot, so that it may be easy rather than difficult for the voter to express his will at the polls.

Assistance to voters should be prevented except to those who are physically unable to see or mark their ballot.

Willful violation of election laws should be made felonies punishable by imprisonment.

We favor the nonpartisan ballot for local officers.

The enrollment act passed by the last legislature should be repealed.

LABOR LAWS.

Laws preventing the exploitation of labor are vital to public welfare. We therefore stand for the enactment of the following bills, defeated in the 1913 senate by the Penrose-McNichol-Vare State organization:

First. The workmen's compensation bill, so limited as not to apply to farm labor and domestic service. It should include provisions to protect employers, through insurance at reasonable rates, from loss and the payment of workmen, whether their employers are solvent or not.

Second. The child-labor bill. We should place Pennsylvania in line with other great industrial States, in which the movement for child welfare has triumphed.

Third. The minimum wage bill. Only through such a law, so framed as to apply to work for which compensation is made by time or piece, can the evils of the sweatshop be successfully attacked.

We pledge the party to a pure-food law which will prevent fraud and deception and prohibit the sale of debased, adulterated, or misbranded foods.

We stand for the right of workingmen to organize in unions and for the right of unions to be recognized in dealing with employers.

Cooperation among farmers will help farmer and consumer alike. We pledge ourselves to the enactment of a law to permit such cooperation.

We believe in standards of health, safety, and employment in mines, railroads, mills, and factories and pledge ourselves to local roads.

Plans for road improvement should primarily keep in view the industrial and agricultural development of the State. Good roads to the nearest local market or shipping point are the right of our agricultural population. Money appropriated for roads should be honestly expended, and not as at present wasted to support a political organization, by paying a horde of superintendents, inspectors, bookkeepers, and paymasters, with no new roads or repairs to inspect, and no workmen to pay but idle partisan job holders. We pledge ourselves to the abolition of Bigelowism and to an immediate reorganization of the highway department on a nonpolitical basis.

STATE CHARITABLE APPROPRIATIONS.

We believe that the proportion of public moneys devoted to State institutions should be increased, and that the constitutional prohibition against giving money to sectarian or denominational institutions should be observed. We do not believe that the State should attempt to manage from a central bureau of private charities, but we do believe that the State should exercise supervisory control over charitable institutions, especially those receiving grants from the State treasury.

EQUAL SUFFRAGE.

We believe women should be enfranchised. We advocate the passage by the next legislature of the resolution submitting the suffrage amendments to the voters, and we pledge ourselves to do our utmost to secure its ratification.

THE EMERGENCY MEN OF 1863.

We believe that the obligation to pay veterans is primarily a Federal obligation, and that every effort should be used by our Representatives in Congress to have this obligation generously fulfilled. We believe however, that the State should provide for the emergency men of 1863,

who went to the defense of the State and the Nation at the call of the governor during the Civil War, who are not pensionable under the Federal laws.

PUBLIC-UTILITIES LAW.

We believe that the public-service law passed by the last legislature is an imposition upon the people of Pennsylvania and that it should be amended to make it conform to the bill which originally passed the house. The senate amendments now in force threaten the interests of the public and interfere with the just rights of the people of a locality to control their own affairs.

We pledge ourselves to a prompt and thorough revision of our tax laws in order that present glaring inequalities and injustices may be done away with.

ECONOMY AND EFFICIENCY IN STATE GOVERNMENT.

We pledge ourselves to an honest, economical, and efficient administration of the State government.

The daily cost of running the State government now amounts to upward of $100,000 a day, or approximately $38,000,000 a year. We believe that a large amount of this sum has been wasted and favor such supervision of the expenditure of the State funds by the various departments and such inspection of institutions receiving aid as will prevent waste, extravagance, and graft and insure to the people of this State a just return for the money expended.

APPOINTMENTS BY MERIT.

To the end that the State administration may serve the people, we favor the enactment of a civil-service law which will recognize the merit system in appointments and promotions, while preserving the right of responsible officials to dismiss those in whom they have no confidence. The civil-service law must not be made the means by which a corrupt political machine, defeated at the polls, can keep its hold upon the State.

DEFEAT THE PENROSE MACHINE.

The people of this State will have this fall a priceless opportunity not only to defeat the candidate, Penrose, but to destroy Penroseism. To do so we must obtain complete control of the executive and legislative branches of the State government, and reorganize the State administration from top to bottom. To this end we must defeat the Republican organization's candidate for governor. The man who, as a candidate, can not repudiate Penrose, will, as governor, be unable to oppose Penrose and his associates. Without a governor who can do this thing, any reorganization of the State government is impossible.

Upon these declarations we rest our cause, which is the cause of the people of Pennsylvania.

Gifford Pinchot occupies such a prominent place in the State and Nation that he is a platform in himself.

Following are the principles for which he stands and the reforms for which he will work:

I. CONSERVATION OF HUMAN RIGHTS.

The rights of the people will best be conserved by—

CONDEMNING PRIVATE MONOPOLY.

The destruction of private monopoly in natural resources or the products of industry. The power of the monopolists lies in exclusive privileges. To end their power to raise the cost of living their exclusive privileges must be destroyed. That is our greatest task.

HONEST COMPETITION.

The regulation of all large corporations not monopolies. Honest competition and fair dealing with the public must be assured.

RIGHT OF WORKMEN TO ORGANIZE IN UNIONS.

The right of workmen to organize in unions, and by every fair means to compel recognition of such unions by employers. Only through their unions can the workmen meet the employers on equal terms.

FAVOR CONSTITUTIONAL CONVENTION.

A constitutional convention in Pennsylvania, so that our constitution may be adjusted to the needs of our time, and our system of taxation may be thoroughly revised.

A PROTECTIVE TARIFF.

A protective tariff which shall equalize the conditions of competition between the United States and foreign countries, and which shall be based upon the findings of a nonpartisan scientific commission. The tariff must be taken out of politics.

INHERITANCE TAX.

A sharply graduated inheritance tax. Swollen fortunes drain the people.

HONEST CLOTH.

A law to prevent fraud in clothing. Honest clothes are more needed than undoctored whisky.

II. CONSERVATION OF NATURAL RESOURCES.

Conservation of the natural resources of our country will be a reality when legislation is enacted dealing with the following subjects:

PROTECTION OF THE FORESTS.

The protection of our forests in Pennsylvania. They can be made to yield four times the lumber they do now.

LIMITED FRANCHISES.

A law to limit franchises and require compensation from waterpower companies. We have no right to facilitate the robbery of our descendants.

COOPERATION AMONG FARMERS.

State and national laws to promote cooperation among farmers. The prosperous farmer helps us all.

SAFETY OF MINERS.

A better law for the safety of miners. Over two hundred more miners were killed in Pennsylvania last year than the year before.

LIMITED WHOLESALE PRICE.

A law giving to a national commission the power to limit the wholesale price charged by the anthracite monopoly or its agents in interstate commerce. The price fixed should consist of a reasonable price for coal at the mine, sufficient to provide good wages for the miners, and a reasonable charge for transportation and handling. A reasonable profit should be included. The saving to the public should be applied in part to greater safety for miners, and in part to lowering the cost of living by reducing the price of coal. The monopoly in anthracite coal, which is a necessity of modern life, should be subject to the obligations of public service. This monopoly charges high prices because it has the power. That power must be destroyed.

III. CONSERVATION OF HUMAN WELFARE.

Human welfare will best be conserved when the whole social program of the national Progressive platform is carried out, and in particular—

WORKMEN'S COMPENSATION LAW.

A workmen's compensation law. The great transportation, manufacturing, and building industries, and not the wage earners and their families, should bear the burden of industrial accidents. Farmers and domestic employers should be excluded.

SAFEGUARD POVERTY.

A workmen's insurance law. The dread of poverty from accident should be removed.

WELFARE OF THE WORKER.

Standards of safety, health, and employment in mines, railroads, mills, and factories. The welfare of the workers comes first.

MINIMUM WAGE FOR WOMEN.

A minimum-wage law for women, and a law regulating the terms of their employment. The comforts and decencies of life should not be denied to the mothers.

CHILD-LABOR LAW.

A national child-labor law. The exploitation of childhood for profit must cease.

AN EFFECTIVE MINE-CAVE LAW.

An effective mine-cave law effectively enforced. It is outrageous that men and property should be engulfed without notice and without redress.

IV. CONSERVATION OF CITIZENSHIP.

Citizenship will have reached its highest degree of conservation when the Progressive Party will be in a position to carry out its promises to the people respecting:

INITIATIVE AND REFERENDUM.

The initiative, referendum, and recall, and direct primaries and direct voting in all elections. The people must control their Government.

EQUAL SUFFRAGE.

Equal suffrage for men and women. The women are needed in public affairs.

LOCAL OPTION.

Local option as to the liquor traffic. Each county and large city should decide for itself.

NATIONAL OPTION.

National option as to the liquor traffic through a constitutional amendment giving the people of the Nation the right to decide for themselves.

OPENING THE SCHOOL BUILDINGS.

The spread of knowledge by the State to all our citizens, old and young, to help them in solving their private and their public problems, and opening the school buildings to the people.

DESTROY MONOPOLY OF TRANSCONTINENTAL RAILROADS.

I believe in our right to exercise sovereignty over the Panama Canal, and in free tolls for the coastwise trade. Cheap transportation in American coastwise ships will break down the present monopoly of the transcontinental railroads. That monopoly must be destroyed.

A PATRIOTIC ACT.

William Draper Lewis, nominated for governor, deliberately and most patriotically requested the Washington Party to allow him to withdraw and to indorse Vance C. McCormick, thus uniting all the Progressives of the State against Brumbaugh, PENROSE's tool, and insuring his defeat.

When the boss system organize, fusionize, and unionize those of every political faith engaged in the distilling, brewing, and retail liquor business, and the unafraid and unapologetic boss, BOIES PENROSE, is able to hoodwink and deceive a man of morality and respectability to stand on his platform and lead his ticket for governor, it would be criminal negligence for the forces of right not to accept the challenge and make a united battle against this hypocrisy and rascality.

MOBILIZATION OF CANDIDATES.

All candidates on the ticket have mobilized into a force to fight PENROSE and Penroseism, regardless of their individual candidacies, willing to make any sacrifice necessary to clean the escutcheon of the Keystone State.

Progressive Legislation Enacted in Congress During the Past Three Years.

EXTENSION OF REMARKS

OF

HON. ROBERT E. LEE,

OF PENNSYLVANIA.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, September 30, 1914.

Mr. LEE of Pennsylvania. Mr. Speaker, I wish to review briefly the great work that has been accomplished by the Sixty-second and Sixty-third Congresses, of which I have had the honor to be a Member. Congress has been in almost continuous session since April, 1911, in order that the Democratic Party might carry out the pledges made to the American people in accordance with its platform. It is a source of pleasure to me to know that I have been a Member here during these three and a half years, and that I have done my full part during the period when more real progressive legislation was enacted than in 30 years before.

During my service in this House I have honestly endeavored to carry out every promise that I made to my constituents. I have been continuously at my post of duty, attending strictly to their business at all times, and I have voted for the following bills beneficial to the masses of the American people:

First. We amended the rules of the House by eliminating Cannonism, taking the power of appointing the committees of the House out of the hands of the Speaker and thus preventing him from controlling legislation.

Second. The Department of Labor bill, creating a separate department with a Secretary, thus giving the wageworkers for the first time a representative in the President's Cabinet, who shall have the power of mediation in trade disputes and the right to appoint conciliators when, in his judgment, it is wise to do so.

Ex-Congressman William B. Wilson, former treasurer and secretary of the United Mine Workers of America, a real friend of the working man and, indeed, of all the people, has the honor to be the first Secretary of Labor. His biography, as taken from the Congressional Directory, shows that he is a self-made man and a true son of toil. It reads:

William Bauchop Wilson, of Blossburg, Pa., Secretary of Labor, was born at Blantyre, Scotland, April 2, 1862; came to this country with his parents in 1870 and settled at Arnot, Tioga County, Pa. In March, 1871, he began working in the coal mines; in November, 1873, became half member of the mine workers' union; has taken an active part in trade-union affairs from early manhood; was international secretary-treasurer of the United Mine Workers of America from 1900 to 1908, having been elected each year without opposition; is engaged in farming at Blossburg; is married and has nine children; was elected to the Sixtieth, Sixty-first, and Sixty-second Congresses from the fifteenth congressional district of Pennsylvania; chairman Committee on Labor, House of Representatives, Sixty-second Congress. Took the oath of office as Secretary of Labor March 5, 1913.

Third. The Bureau of Mines bill, for the purpose of conducting, in behalf of the public welfare, inquiries and investigations with a view to improving health conditions and increasing safety, efficiency, and economy in the mining industry and safeguarding the lives of the miners.

This bureau is of great importance to all the miners of the United States and of special value to those who work in the mines of Pennsylvania, as is shown by the following extract taken from a press bulletin recently issued by the Geological Survey:

PENNSYLVANIA MINES ONE-FIFTH OF WORLD'S COAL—RECORD-BREAKING OUTPUT—LAST YEAR'S PRODUCTION REACHED THE ENORMOUS TOTAL OF 265,000,000 TONS, A GAIN OVER 1912 OF 23,000,000.

Pennsylvania mined more coal in 1913, both anthracite and bituminous, than in any previous year in the history of the industry, according to a statement just issued by the United States Geological Survey from figures compiled by E. W. Parker in cooperation with State officials. The production reached the enormous total of 265,306,139 short tons, valued at the mines at $388,220,933. Of this 91,524,927 tons was anthracite, valued at $195,181,127, and 173,781,217 tons was bituminous or soft coal, valued at $193,039,806. The total tonnage broke the previous record for 1912 by 19,079,053 short tons, or nearly 8 per cent, the proportionate increase being about the same for both anthracite and bituminous. The gain in the value of anthracite, however, was $17,558,501, or about 10 per cent, over 1912, and in bituminous coal $23,669,309, or 14 per cent. The total gain over 1912 was $41,227,810, or nearly 12 per cent.

PENNSYLVANIA MINERS WORKED MORE DAYS THAN IN ANY PREVIOUS YEAR.

There was a decided gain in 1913 in the number of working days made by the employees in Pennsylvania in both the anthracite and bituminous mines, the former making an average of 257 days, compared with 231 days in 1912, and the latter 267 days, compared with 252 days in 1912. The anthracite mines gave employment to 175,745 men and the bituminous mines to 172,196 men. The unusually large number of working days enabled the miners to make exceptionally high records, the bituminous workers mining an average for the year of 1,009 tons each and the anthracite miners 522 tons.

Fourth. A provision in the naval appropriation bill requiring that all coal purchased for the use of the Navy shall be mined in an eight-hour workday. I have the honor to be a member of the great Committee on Naval Affairs.

Fifth. The eight-hour bill, extending the operation of eight-hour law to all work done for the Government as well as work done by the Government.

Sixth. The dredge-workers' eight-hour bill, which remedies a decision of the Supreme Court and brings all mechanics and laborers engaged in river dredging under the provisions of the eight-hour law.

Seventh. The Children's Bureau bill, to promote child welfare and to devise means for the development of the children who are to be the citizens of to-morrow.

Eighth. The Bureau of Safety Devices, a bill to create in the Department of Labor a clearing house for devices that will eliminate, as far as possible, industrial accidents. The creation of this bureau is to supply employers and employees with the best methods of preventing loss of life and limb.

Ninth. The farmers' and laborers' free-list bill, placing on the free list every farming implement, from a garden hoe to a thrashing machine.

Tenth. The parcel-post law, which brings the farmer, merchant, and manufacturer in direct touch with the consumer at a great saving to the people, and which will also help to reduce the cost of living.

Eleventh. The good-roads bill, which appropriates $25,000,000 for the purpose of giving Federal aid in the construction of roads in rural districts.

Twelfth. The Lever agricultural extension bill, appropriating $3,480,000 to promote the welfare of the farmer.

Thirteenth. Rural credits, a provision in the Federal reserve act permitting national banks to make loans on farm lands and to rediscount the notes of farmers based on staple agricultural products. It is estimated that the new currency law makes available $500,000,000 of additional credit for the benefit of the farmer and the development of agriculture.

Fourteenth. The bureau of markets, with an appropriation this year of $200,000, for the purpose of investigating the present system of handling, marketing, and utilizing farm products. It will aid producers, consumers, and manufacturers, and will tend to reduce the cost of living.

Fifteenth. A provision placing sugar on the free list, thus saving more than $100,000,000 annually to the American people.

Sixteenth. The income tax, which places a tax on the incomes of the rich, thus lifting from the backs of the toiling masses of America the heavy burden of taxation forced upon them by the millionaires and tax dodgers of the country. For years the plain people of the United States have been clamoring for an income tax, and the Sixty-third Congress, marching in the van of progress, inserted a provision in the tariff bill compelling the rich man to pay his just share of taxation.

When we look around and see the rich becoming richer and the poor becoming poorer; when we read of men drawing dividends of a million dollars a month, while millions of our people have a hard struggle for bread; when we consider that one or two dozen men were in a position to create at will a financial panic worse than had ever been experienced in any age or country, that would paralyze for the time being the industrial life of the Nation and bring untold misery and suffering to the people of this country, we should feel thankful that the change has come at last.

Mr. Speaker, the idle rich would like to repeal this law. Why? Because it does not tax the men who go down in the bowels of the earth to dig our coal; because it does not tax the men who build our railroads and work upon them for a livelihood; because it does not tax the farmers who till the soil to feed the world; because it does not tax the men who build our cities and our towns; because it does not tax the men who work in our shops or behind our counters, but because it does tax the rich man, and under its provisions John D. Rockefeller, having an estimated capital of $500,000,000 and an annual income of $50,000,000, will be compelled to pay an annual tax of over $3,000,000 a year.

Seventeenth. The election of United States Senators by direct vote of the people, which will free the Senate from possible control by special interests.

Eighteenth. A bill providing for the publication of campaign expenses before and after election, also fixing a limit on the amount which Senators and Representatives may expend in elections.

Nineteenth. The phosphorus match bill to protect the health of those employed in the match industry.

Twentieth. The railway employees' arbitration act, creating a board of mediation and arbitration. This board is independent of any Government department and reports directly to the President of the United States. The first case handled by the board involved 42 eastern railroads, employing 92,000 conductors and trainmen. Their grievances were satisfactorily adjusted and without one cent of loss to the employees.

Mr. Speaker, in the Sixty-second Congress the chairman of the Labor Committee of the House was Representative William B. Wilson, who worked in the coal mines of Pennsylvania, and to whom I have already referred.

In this Congress that great committee is presided over by Hon. DAVID J. LEWIS, who was also a coal miner in his early days, and who worked in the mines of Schuylkill County, the district which I have the honor to represent. I know of no abler friend of labor's cause, and certainly none more loyal, than DAVID J. LEWIS.

During the consideration of the bill providing for the leasing of coal lands in Alaska Mr. LEWIS succeeded in having the following eight-hour amendment adopted for the benefit of the miners:

Including a restriction of not exceeding eight hours' actual labor in any one day for underground workers, except in cases of emergency; provisions securing the workmen complete freedom of purchase, requiring the payment of wages at least twice each month in lawful money of the United States, and providing proper rules and regulations to insure the fair and just weighing or measurement of the coal mined by each miner.

I had the pleasure of supporting this amendment.

Twenty-first. The Alaskan Railway bill, which provides for the construction of a Government owned and operated railroad in Alaska for the purpose of developing the territory which is teeming with coal, timber, minerals, and other natural resources. It is estimated that the saving to the Government on naval fuel alone will amount to $1,350,000 a year.

Twenty-second. The railroad compensation bill, granting compensation for injuries to workingmen engaged in interstate commerce.

Twenty-third. The banking and currency bill, which provides a plan for concentrating the reserves of 25,000 banks under one great Federal reserve association. This bill sounds the death knell of the Money Trust and puts an end to trust-made financial panics. It makes it impossible for a few high financiers ever again to concentrate the wealth of the country in Wall Street or elsewhere. Forty-nine Republicans and Progressives voted with the Democrats on the final passage of this bill.

Twenty-fourth. The Trade Commission bill, which makes unlawful every form of unfair method of competition and creates a commission with the power to destroy monopoly. This bill passed the House without a dissenting vote. Why was it not passed years ago? Because Cannonism blocked its way.

Twenty-fifth. The railroad securities bill, which prohibits the issuance or sale of so-called watered stocks and bonds by railroad companies. This bill passed the House by a vote of 352 to 12, and will prove a great safeguard to the small investor.

Twenty-sixth. The Clayton antitrust bill, protecting the rights, existence, and operations of fraternal, labor, and farmers' organizations, passed the House by a vote of 297 to 54. Its anti-injunction provision is as follows:

SEC. 7. That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of fraternal, labor, consumers', agricultural, or horticultural organizations, orders, or associations instituted for the purpose of mutual help, and not having capital or conducted for profit, or to forbid or restrain individual members of such organizations, orders, or associations from carrying out the legitimate objects thereof, nor shall such organizations, orders, or associations, or the members thereof, be held or construed to be an illegal corporation or a conspiracy in restraint of trade under the antitrust laws.

Mr. Speaker, why should workingmen in cases of dispute between employer and employee be restrained by injunction from consulting with each other, informing and peacefully advising their fellow members in matters of grave importance to their unions? Do not the employers of labor meet during the period of strikes and trade disputes to confer with one another? Then, why should the men who toil be deprived of the same right that is given to the representatives of corporations and big business? For the past 20 years the representatives of labor have been knocking at the doors of Congress pleading for this legislation. I wish to say, Mr. Speaker, that I did my full share in support of this bill. I would not deny the workingman of this great Nation any of the comforts of life to which he is entitled, whether he labors in the mill or in the mine, in the factory or upon the farm. I yield to none in my regard for the man who earns his living by the sweat of his brow. Having stood behind the anvil for 10 long years myself, I know what it means to labor hard, and I know that labor does not get its full reward.

Twenty-seventh. The Key widows' pension bill, granting pensions to the widows and helpless children of soldiers and sailors who served 90 days or more in the Spanish-American War, the Philippine Insurrection, or the Boxer War in China. This law will bring comfort to many a home made desolate by the death of the father who in the day of his youth and vigor went forth to defend the flag.

Twenty-eighth. The Sherwood dollar-a-day pension bill, granting a substantial increase to the old soldiers in their declining years.

This bill brings relief to every gray-haired veteran and will insure well-deserved comfort to the men who went to the front a generation ago, suffered hardships, sacrificed their homes and health for the perpetuation of the Union and the preservation of our Government. In supporting this measure I have not only followed the dictates of my heart, but my vote has been in accord with my best judgment. I believe we owe to these old warriors a debt of gratitude which we will never be able to pay in dollars and cents. Think of the hardship they endured, the wounds they received, the great battles they fought, the privations they went through, the untold sufferings they experienced, and the wrecking of careers that otherwise might have been successful. Then, add to all this many years of broken health, handicapped throughout life by affliction and disease contracted during their service, and who would deny them liberal pensions in their old age?

Who would contend for one moment that the debt we owe them can ever be paid? Had it not been for their sacrifices and their heroic services this would be a divided country and our standing among the nations of the world would be far from what it is to-day. Thank God, we are at peace with all the world, and the men who fought on the side of the North and those who fought on the side of the South, those who wore the blue and those who wore the gray, now rejoice in the progress that their common country has made and are proud to stand shoulder to shoulder, united as brothers under one government and one flag.

WATCHFUL WAITING.

Mr. Speaker, it is fortunate for the American people that we have a great man at the head of our Government at this critical time, a man in whose calm courage and sound judgment we have the same strong confidence that we have in his ability and patriotism.

The people of the United States should feel deeply gratified that President Wilson pursued the "watchful-waiting" policy and did not plunge this Nation into a war with Mexico. If he had issued a proclamation of war against Mexico, a great struggle would now be at its height and some three hundred thousand or more American soldiers would be fighting on Mexican soil, trying to "restore order" by shooting down the Mexicans and getting shot in return. Thanks to President Wilson's steadfast adherence to the ways of peace, in face of a widespread hysterical clamor for war, this country is to-day a great workshop instead of an armed camp; instead of planting the seeds of lasting hatred in the bosom of a neighboring people, he has strengthened our bonds of friendship, and gained the respect and admiration of all the nations of the world.

President Wilson has worked faithfully and untiringly and with unquestioned sincerity for what he considered the best interests of all mankind. He has worked unceasingly and without complaint day in and day out for the rank and file of the people and not for any powerful few. He has worked for peace—peace at home as well as peace abroad—and his name will go down in history as one of the greatest Presidents this country has ever known.

Mr. Speaker, President Wilson believes, first of all, in duty to country, on the theory that "he serves his party best who serves his country well." His devotion to duty and the path that he has blazed for every Congressman at a time when personal advantage would be best served by campaigning in our respective districts is well illustrated in the correspondence between President Wilson and the chairman of the national Democratic congressional committee. I feel that I can not better conclude these remarks than by quoting that correspondence:

CHAIRMAN DOREMUS'S LETTER TO THE PRESIDENT.

SEPTEMBER 1, 1914.

MY DEAR MR. PRESIDENT: For some time the national Democratic congressional committee has been receiving requests from every State in the Union urging us to enlist your active participation in the important election contest just before us. These requests come from scores of friends of your administration, who view with intense pride and satisfaction the splendid achievements that have resulted through, to use your own phrase, the cooperation of one "human being with other human beings in a common service."

I hazard nothing when I say that you are very near to the hearts of the American people and that your presence among them would be to them a source of much gratification.

I realize how occupied you are in these trying days and how steadfastly you have remained at your post of duty, safeguarding the best interests of all the people in this great crisis, and for that reason I almost hesitate to take up with you the matter of a speaking campaign. However, it is important that we who are responsible for putting before the American people in the coming election contest as best we can the splendid record of achievement of your administration should know as early as possible to what extent, if any, you can give us your valuable time.

Yours, very sincerely,

FRANK E. DOREMUS.

THE PRESIDENT'S REPLY.

SEPTEMBER 4, 1914.

MY DEAR MR. DOREMUS: I have read your letter of September 1 with a keen appreciation of its importance. It appeals to me as the leader of the party now in power with peculiar force and persuasiveness. The close of a very extraordinary session of Congress is at hand, which has, I venture to say, been more fruitful in important legislation of permanent usefulness to the country than any session of Congress within the memory of the active public men of our generation. A great constructive program has been carried through, for which the country has long waited, and has been carried through with the approval and support of judicious men of all parties, and we have abundant reason to congratulate ourselves upon the record that has been made during the busy 17 months we have devoted to our great legislative task. Certainly in ordinary circumstances, if we were free to disengage ourselves for the purpose, we would be warranted in now directing our energies to a great campaign in support of an appeal to the country to give us the encouragement of its indorsement at the autumn elections.

We could go to the country with a very sincere appeal in which there need be no pretense or boast of any kind, but a plain statement of things actually accomplished, which ought to be, and I think would be, entirely convincing. It is a record which shows us at peace with all the world; the questions which plagued business with doubt and uncertainty and irresponsible criticism out of the way, thoughtfully settled and disposed of; the apparent antagonism between Government and business cleared away and brought to an end with the plain reckoning accomplished; the path for sure-footed adjustment clear ahead of us, prosperity certain to come by means which all can approve and applaud.

MORE WORK TO BE DONE.

Moreover, there is a program of another kind ahead of us to which it is inspiriting to look forward—a program free from debate except as to the best means by which to accomplish what all desire. The great questions immediately ahead of us are the building up of our merchant marine with all that that means in the development and diversification of our foreign commerce and the systematic conservation and economic use of our national resources, subjects much talked about but little acted upon. There are other great pieces of constructive legislation waiting to be done to which we could turn without any controversy except, as I have said, as to the best ways of doing them.

I believe that ways can be found to do these things readily enough if the country will give us its generous support and trust us to do them; and it would have been a genuine pleasure to me to ask to be given again colleagues such as I have had in the two Houses of Congress during the present memorable session. I trust that there will be many occasions upon which I may have the privilege of calling the attention of my fellow countrymen to the fine and unselfish service which has been rendered them by their present Representatives, ready at all times to respond to any appeal which spoke convincingly of the public welfare.

But in view of the unlooked-for international situation our duty has taken on an unexpected aspect. Every patriotic man ought now to "stay on his job" until the crisis is passed, and ought to stay where his job can best be done. We must do whatever is necessary and forego whatever is necessary to keep us in close and active concert in order to relieve in every possible way the stress and strain put upon our people during the continuance of the present extraordinary conditions. My job, I now know, can be done best only if I devote my whole thought and attention to it, and think of nothing but the duties of the hour. I am not at liberty and shall not be, so far as I can now see, to turn away from those duties to undertake any kind of political canvass.

A TWOFOLD RESPONSIBILITY.

In the present emergency I am keenly aware of the twofold responsibility I am called upon to discharge—the responsibility which devolves upon me as President of the United States and the responsibility under which I am laid as leader of a great political party. Of course, the whole country will expect of me and my own conscience will exact of me that I think first of my duties as President, responsible for exercising so far as I have the ability a constant guidance in the affairs of the country, both domestic and foreign. The labors of Congress have a natural and customary limit; the work of the Houses can be and will be finished; Congress can adjourn. But the President can not, especially in times like these, turn away from his official work even for a little while. Too much depends upon his keeping all the threads of what is occurring in his hands.

I have, therefore, reached the conclusion that I can not in any ordinary sense take an active part in the approaching campaign; that I must remain here to attend to the serious work sure to fill the months immediately before us—months that will carry with them obligations, no doubt, of the most tremendous sort. I know that you will feel similarly about your own obligations; that Members of Congress, too, without distinction as to party affiliations, will feel that they must remain to do their work of necessary and pressing service and bring it to a successful conclusion.

TO BE JUDGED BY RECORD.

I shall no doubt take occasion as opportunity offers to state and perhaps restate to the country in the clearest and most convincing terms I can command the things which the Democratic Party has attempted to do in the settlement of great questions which have for many a long year pressed for solution, and I earnestly hope that they will generously open their minds to what I may have to say; but I shall not allow my eagerness to win their approval or my earnest desire to be granted by their suffrages the support of another Congress to interfere with the daily performance of my official duties or distract my mind from them. The record men make speaks for itself. The country can not be deceived concerning it, and will assay it justly. What it chiefly expects and demands and what it will certainly be most surely won by is the performance of duty without fear or favor and without regard to personal consequences.

And certainly this is a time when America expects every man to do his duty without thought of profit or advantage to himself. America is greater than any party. America can not properly be served by any man who for a moment measures his interest against her advantage. The time has come for great things. These are days big with destiny for the United States, as for the other nations of the world. A little wisdom, a little courage, a little self-forgetful devotion may under God turn that destiny this way or that. Great hearts, great natures, will respond. Even little men will rejoice to be stimulated and guided and set an heroic example. Parties will fare well enough without nursing if the men who make them up and the men who lead them forget themselves to serve a cause and set a great people forward on the path of liberty and peace.

Cordially and sincerely, yours, WOODROW WILSON.

Atlantic Deeper Waterways Association.

EXTENSION OF REMARKS

OF

HON. JOHN H. SMALL,

OF NORTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 29, 1914.

Mr. SMALL. Mr. Speaker, under the leave granted by the House, I have the honor to submit a copy of the address delivered by Hon. J. HAMPTON MOORE, president of the Atlantic Deeper Waterways Association, at the recent meeting of the association held in New York, beginning September 22, 1914. I also append a copy of the resolutions adopted by the association. This association was organized in the city of Philadelphia in 1907, since which time annual meetings have been held at Baltimore, Norfolk, Providence, Richmond, New London, and Jacksonville, all of which have been attended by a large number of delegates representing all the States on the Atlantic seaboard.

This association was organized for the purpose of promoting the most important series of waterways in the United States. It stands for the construction of an intracoastal waterway from Maine to Florida. It comprises a series of canalized links connecting the various sounds and bays along the seaboard. It will comprise a trunk line connecting with each other thousands of miles of rivers extending into the interior, and will intersect and serve that section of the country most largely populated with varied and large industries and offering the most prolific commerce.

The recent session was unique in that it was not held continuously in the same city. The session convened in New York City on September 22, 1914, and on the following day the delegates boarded the steamer *Berkshire*, the largest river steamer in the world, upon which the delegates lived during the remainder of the week. On the 23d an inspection was made of the harbor of New York, including both the Hudson and East Rivers and a visit to Perth Amboy. On the 24th, 25th, and 26th the delegates visited West Point, Newburgh, Poughkeepsie, Kingston, Hudson, Albany, and Troy. In each of these cities the most generous courtesies were extended and the utmost enthusiasm prevailed. Particularly was this true of Albany and Troy, where longer stops were made. Unquestionably these visits were educational, and the citizens of the Empire State recognized in a peculiar way the relation of the great Hudson River to transportation, and the importance of their great State barge canal connecting the upper Hudson at Troy with Lake Erie at Buffalo. To the citizens of all these cities upon this beautiful river the delegates expressed the deep sense of their appreciation for their generous reception and for the opportunity of mingling with so progressive a citizenship.

ANNUAL ADDRESS OF THE PRESIDENT.

The address of President MOORE follows:

"Ladies and gentlemen of the convention, when New York's representatives came to Jacksonville last year to ask for the seventh annual convention of the Atlantic Deeper Waterways Association some of us had misgivings about meeting in the great metropolis. The annual conventions held elsewhere, from Rhode Island, on the north, to Florida, on the south, had aroused the civic spirit of the communities into which we had gone, and we wondered if we would be equally successful in New York. We did not cherish the thought of being engulfed in the whirlpool rapids of this city's mighty commercial activities. Some of us were even skeptical, as the friends of Bunyan were when he sought their opinion on the wisdom of printing 'The Pilgrim's Progress.'

"Some said, 'John, print it'; others said, 'Not so';
"Some said, 'It might do good'; others said, 'No.'

"But the invitation was cordial, and we saw in it an opportunity to gratify the long-pent desire of many of the delegates and members to view the historic Hudson to the entrance of the Erie Canal, which is now officially called the New York State Barge Canal system, and which leads our intracoastal waterway project on to the Great Lakes and through to Canada. We relished the thought of meeting our loyal friends of Albany and Troy and of visiting various points along the Hudson, where the spirit of waterway transportation has not wholly died out and where there is evidence of intent to again do business by water with the outside world. We wanted to see the work that is being done to clear the river and to prepare for trade with the Pacific coast through the Panama Canal. We were proud of the part we had played in producing a revival of interest along the river and promoting the work of its improvement. We were also desirous of inspecting the harbor of New York, for, as Americans, we were proud of New York and cheerfully accorded it first place amongst the American ports. So finally we decided to come to New York, not only to enjoy the pleasure of the visit, but to unfold our plans, to discuss our progress, and to invite cooperation; and this whether Father Knickerbocker condescended to put his ear to the ground or not.

"NEW YORK'S SUPREMACY CONCEDED.

"We all concede New York's supremacy as a port. Limited as it is for area in which to do business, it must necessarily expand, and in expanding it must effect new combinations and cooperate on new projects. Here is where we believe the actual necessities of the port require a closer attention to inland waterway development. But great as it is and greater as its future may be, New York was not always the port of first importance in the United States. A little over a century ago Philadelphia, 100 miles inland from the sea, held the first place. It was the struggle to reach the West through Pennsylvania from the port of Philadelphia that stirred the energies of New York, and it was the inspiration of Clinton to attach the Great Lakes to the sea, through the Mohawk Valley and the Hudson, that made sure and lasting the greatness of the port.

"BUILT ERIE CANAL UNAIDED.

"The realization of the dreams of Clinton and his confreres was not affected without great labor and expenditure. The public documents of 1811, 1812, and thereabouts tell the story of an unsympathetic Congress and a doubting commercial world. Did the other States cheerfully cooperate with New York in the construction of the Erie Canal? They did not. Congress even disregarded a proposition that public lands such as we are still giving away to settlers in one form or another should be mortgaged to raise money for the enterprise. But the canal was built and it was New York money that built it, and the expenditure of that money aided in the development of the western country from beyond the Great Lakes to the sea.

"ERIE CANAL MADE NEW YORK.

"The port of New York, now grown to such proportions that its boundary lines are bulging with the accumulations of trade, may have forgotten some of its history, but the Erie Canal contributed more than any other factor in putting it upon the world's map. The people of New York have spent more than $150,000,000 building the old canal and reconstructing it for modern use, and that $150,000,000, whether in New York it be a mere bagatelle or not, is more than our glorious Federal Government spent upon all the rivers, harbors, and canals along the 1,800 miles of the Atlantic coast from the Continental era down to 1907.

"NEW YORK GREATEST REVENUE PRODUCER.

"The value of the port of New York to all the States of the Union, including those who refuse to assist in the construction of the Erie Canal, is beyond the realm of computation, but in the matter of customs receipts alone the report of the United States Treasurer for the fiscal year ending June 30, 1913, shows that there was collected at the customhouse of New York and turned into the United States Treasury the sum of $208,600,000, or approximately two-thirds of all the customs revenues collected at all the ports and customhouses of the country. It may be argued that in collecting these enormous duties New York is acting as the agent of the Government and that all the people of all the States are entitled to participate in them, but even so it is a fair question whether, when confronted by its own necessities for properly doing business for the Government and the rest of the States, New York shall be obliged to stand aside and yield an unequal proportion of all these revenues to nonproducing rivers and harbors elsewhere, and then tax itself and its own people for the improvements required for the benefit of other States.

"GIVES MUCH, RECEIVES LITTLE.

"Attention is drawn to this matter particularly because it has not yet dawned upon many of the great journals of New York, nor upon most of its active citizens, that brilliant as has been the city's career in the world of commerce and finance, New York is yet contributing, through its enormous population and its tremendous revenue-creating power, to the upbuilding of the whole country while it has been indifferent to many of the essentials of its own welfare. What, for instance, does the average New Yorker of to-day know of the antiquated canal across the State of New Jersey to the Delaware River that once, before it was absorbed by the railroads, was one of the greatest, if not the chief, feeder for New York's commerce? And though New York of to-day, in its search for operating space, is building to the clouds and tunneling beneath the rivers, though it is dependent upon railroads that are crowded with freight, what has it done to aid in the relief that might be afforded if this old-time avenue of communication were opened up to the public service?

"Until a few brief years ago New York was content that its picturesque and serviceable stream, the Hudson, should sink into disuse. A swifter means of communication had paralleled the river and the onward rush of trade and commerce was diverted from its channel. What did the mighty metropolis do to restore the Hudson to its rightful use as a burden bearer of commerce when the railroads groaned under their burdens and shipments were everywhere delayed?

"INTEREST AWAKENED.

"It was not until 1900, when the agitation of the Atlantic Deeper Waterways Association for a restoration of water communication in the East began to take a firm hold upon the people that Congress was induced again to turn its attention to the Hudson River. The average New Yorker was too busy to pay attention to the Hudson River, through which had come the very foundations of the city.

"And what of the other serviceable channels of the city's business life? Two of the most productive streams of the whole country are the Arthur Kill, which separates Staten Island from New Jersey, and the Harlem River, which separates Manhattan from The Bronx. Only in recent years have these two small streams, each of them many times stronger in tonnage than the Mississippi, received even the friendly notice of Congress. It is noteworthy that up to 1907, when, according to White House conference statistics, the substantial and thickly populated States of the Atlantic seaboard had received but $140,000,000 of a total of all Government appropriations for rivers and harbors then amounting to $552,000,000—the little Arthur Kill, only 12 miles long, and contributing vastly to New York's customs receipts, was receiving $5,000 per annum from the Government for maintenance, while the people of the lower Mississippi, from St. Louis to New Orleans, were suggesting a 14-foot channel that would cost $128,000,000, at an annual maintenance cost of $6,500,000.

"'PORK-BARREL' CRY OLD.

"The great magazines were then complaining of the 'pork barrel' very much as they do now, and as the reader who is looking for sensations seldom discriminates it is possible the Arthur Kill, with its thirty-odd millions of tonnage, suffered its share of criticism for accepting $5,000 of "pork" when more than $200,000,000 of customs were taken in at the port of New York. Conditions have improved since then, for instead of being satisfied with efforts to secure a 21-foot channel the present Arthur Kill project contemplates a 25-foot channel, at an estimated cost of $2,130,000 and an annual maintenance cost of $50,000. The Harlem River, which, reporting a tonnage of upward of 15,000,000 in 1912, had not received from the Federal Government more than $1,500,000 for improvement up to 1907, has also been doing better under the vigorous pressure of the local Congressmen, who have also been active in the work of this association. The present project for a deeper Harlem contemplates the expenditure of $3,550,000. Thus, from mere driblets in the bucket, appropriations for these worthy eastern projects began to advance just as others had been advancing, many of them without the same high degree of merit and necessity.

"The conditions that held in New York in 1907 were reflected in other eastern cities like Philadelphia, Boston, Baltimore, Norfolk, Savannah, and Jacksonville, and the purpose of the Atlantic Deeper Waterways Association was to enlist the interest of these great factors in life and trade along the coast, to the end that recognition might ultimately be obtained for eastern streams that, once improved, would come to the relief of a growing and congested population.

"A HUMANE PROPOSITION.

"In other sections of the country associations had been organized and were pressing hard upon Congress for recognition. They were making great progress, and gradually, through effective organization and cooperation, were building up their rivers and harbors and their sections of the country, while great rivers and harbors of the East were languishing and forsaken. A union of forces for the ultimate attainment of a great intracoastal waterway from New England to Florida, therefore, was timely. It was no extravagant or chimerical proposition, but one which nature had pointed out, and which our forefathers had kept steadily in mind. And there were intense human considerations behind it. In 10 years, from 1900 to 1910, the number of sea disasters along the coast had increased to 5,700. They involved the loss of 2,200 lives and the destruction of $40,000,000 of property. In addition, the coastwise sailing vessels were disappearing from the sea and barge traffic was asking for free and unobstructed passage on the inland waterways. The growth of population and the increase of commerce called for relief. The railroads of the country were then overdone, and cheaper transportation rates, especially for bulky freight, were generally demanded. So communities were aroused, and they in turn aroused their Representatives in Congress, with the result that every Eastern State began to thrill with waterways enthusiasm. The association asked for a survey of the proposed intracoastal waterway, and Congress granted it. This was in 1909.

"Incidentally many other long-neglected projects were stimulated. The Hudson River improvement between Troy and Coxsackie commenced. Projects round about the harbor of New York were revived and a new interest was awakened in the New Jersey kills. Progressing steadily and surely along the coast, holding our main project intact and gaining recognition for subsidiary projects from Maine to Florida, the association continued to gain popular favor.

"NEW YORK'S AWAKENING.

"At the Richmond convention in 1911 we had the great satisfaction of welcoming an important convert in the lamented Mayor Gaynor, of New York. With clear vision, Mayor Gaynor pictured the possibilities of the continuous waterway chain as advocated by the association. He saw it connected up link by link, until the terrors of the sea were no longer formidable and until the North and the South were united through the inland waters which nature had evidently provided for the purpose. He told of the influence this natural highway for the interchange of commerce would have upon the other carriers in relieving congestion and in moderating the rates of freight. He acknowledged the part that New York should play in this great development. If that city, greater in his judgment than any other in the world, was to continue to hold its prestige, the avenues of approach must be as numerous, as safe, and as serviceable as possible. He observed what it meant to improve the East River by Hell Gate and to connect New York with Boston through Long Island Sound and the waterways projected to avoid Point Judith and Cape Cod. He discerned that the influence of the city would extend north by way of the Hudson River to Canada and the Great Lakes; and with keen perception he pointed out the advantages that must accrue to the North, to the South, to the East, and to the West through the improvement and liberation from railroad control of the incompetent canals, now holding under toll the water roads across the State of New Jersey to the Delaware River, through the peninsula of Delaware and Maryland into the Chesapeake Bay, and on to the fertile lands of Virginia and the Carolinas. The voice of the mayor was the voice of prophecy, and now after his departure, it is gratifying to note the interest manifested in our great project by those who have succeeded him in prominence and power.

"GOV. GLYNN AND MAYOR MITCHEL INTERESTED.

"The present governor of New York has already indicated his sympathy with the work. He spoke effectively at the last meeting of the Rivers and Harbors Congress in Washington, but it remained for the present mayor of New York, Mr. Mitchel, to make an official New York request in support of the Congressmen seeking Government recognition for the waterway needs of that city. In company with our veteran Member, Col. JOSEPH A. GOULDEN, and other earnest New Yorkers, Mayor Mitchel put in an appearance before the Rivers and Harbors Committee of Congress early in the present year. The mayor supported the project for the improvement of the East River at Hell Gate, the Harlem River, and the Bronx Kills. Due to his work and the aroused interest of the New York Representatives, favorable consideration by the House and Senate committees was finally obtained. The project, as a whole, contemplates the expenditure of $13,500,000, and though it is in danger along with other eastern projects in the rivers and harbors bill now pending in the Senate, it is nevertheless an achievement, indicating that New York has at last determined to stand up for what is right.*

"REVIEW OF PAST YEAR'S WORK.

"With these well-intentioned references to our busy New York friends, I shall take up the general work of the association since the Jacksonville convention. The resolutions of that convention cited the favorable reports of the United States Army engineers on the various links of the intracoastal chain and urged the immediate acquisition of the Chesapeake & Delaware Canal, or in default of an agreement of sale by the present owners, then the acquisition of the canal by condemnation proceedings. The fight was made before the Rivers and Harbors Committee of Congress, which granted a hearing January 15, 1914, and finally incorporated the project in the House bill. It was fought upon the floor, but the advocates of the project were able to hold the item in the bill, and it passed with an appropriation of $1,300,000. This sum being deemed insufficient, the fight was resumed before the Senate Committee on Commerce, and after investigation by the Committee on Coast and Insular Survey, of which Senator SAULSBURY, of Delaware, was chairman, the valuation of the canal was raised to $2,250,000 and provision was made for condemnation proceedings if the Secretary of War should fail to purchase at a price within the appropriation.

"FILIBUSTER HINDERS BILL'S PASSAGE.

"Owing to a filibuster started in the Senate with the obvious purpose of defeating the bill, an amended bill in the nature of a substitute was reported from the Committee on Commerce September 14, the present month. This substitute cut out the appropriation for the canal property, but let the condemnation clause remain. Numerous other items in the bill for eastern, western, and southern projects were also attacked, and at the time this address was written, Saturday, September 19, a new compromise suggestion was being considered looking to the elimination of all new projects from the measure. At that time, unfortunately, bad feeling on the part of Senators and Representatives, charges and countercharges with regard to extravagance, night sessions of the Senate to kill off speeches, and not a little politics, all superinduced in part by the desire of worn-out legislators to quit Congress and go home, seriously threatened the bill.[1]

"DELAY HAS CAUSED WASTE.

"The bill should have been passed and made effective before the 1st of July. The failure of appropriations because of the delay resulted in the stoppage of work upon many important revenue-producing streams like the Delaware River on the Atlantic coast and the Columbia River on the Pacific. A serious and unpardonable interruption of public work occurred at the Troy Dam, which we are to inspect on Saturday. By reason of the failure of appropriations, due to these senatorial filibusters, work upon the great walls of the dam has been stopped in midstream. This sort of waste is not creditable, even though those responsible for it believe a public service is being performed in attacking projects which they think are unworthy. There ought to be some method by which the work can be continued to completion when once the Government authorizes the start.

"INTRACOASTAL PROJECT SET BACK.

"Whatever the fate of the rivers and harbors bill, the damage already done and the delay occasioned need not necessarily continue beyond the 4th of next March. Another bill must be considered before the close of the present Congress, and if the business interests believe themselves aggrieved the way is open for them to discuss the question with their Senators and Representatives. Our regret with respect to the action of the Senate arises from the fact that further delay will ensue before our task in connection with the Chesapeake & Delaware Canal and the other links of the intracoastal chain is completed.

"CHESAPEAKE & DELAWARE CANAL CRUCIAL LINK.

"The way is open to the sea below Cape Hatteras; the Chesapeake & Albemarle Canal has been taken over by the Government, and its improvement is under way. The course now leads up from below Cape Hatteras, through the sounds of North Carolina and the waterways of Virginia, into Hampton Roads and Chesapeake Bay. The next step is to clear the Chesapeake & Delaware Canal barrier from Chesapeake Bay to the Delaware River, and the course will then be open to Trenton, N. J. Thence it lies across New Jersey to the harbor of New York. The Chesapeake & Delaware Canal is the crucial link, and it means much to commerce. Thirteen miles across the peninsula and 500 miles of inland waters are connected. The cost of the improvement at 12 feet, as estimated by the Army Engineers, is

[1] This item finally went down with the bill.

$10,500,000, purchase cost and all. Nearly 1,000,000 tons now pay tolls annually to the existing canal monopoly. Ten times that tonnage would use the canal if it were improved and made free. Even the Panama Canal does not offer a better immediate prospect than this. The canal will save an outside sailing distance around the peninsula of approximately 325 miles. It is too big a project, too worthy a project, too needful a project to be longer delayed. The Government needs this waterway for strategic purposes as much as commerce needs it for shipping.

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"NAVIGABILITY OF SUSQUEHANNA.

"Your president took up in Congress and with the War Department the question of the navigability of the Susquehanna River, which in 1904 with all its tributaries had been declared nonnavigable above the Maryland line, and is privileged to report the revocation of the executive order which brought about that odd condition. The construction of bridges and dams across navigable streams has played no little part in the general problem of waterways, and in New England in particular bridges and dams have obtained decided advantage over navigation and to some extent have impeded progress in that direction. The danger of this sort of thing on the Susquehanna and its tributaries was apparent; not that overland transportation should necessarily be impeded, but that waterway transportation should also not necessarily be destroyed.

"The Susquehanna River courses through New York, Pennsylvania, and Maryland and empties into Chesapeake Bay. It is a great feeder of the intracoastal waterway. To close it up for 400 miles and take it out of the jurisdiction of the United States Army Engineers involved a serious question. Therefore the action of the War Department in declaring the stream navigable, in accordance with the opinion of the Judge Advocate General in line of the questions raised by this association, relieves an embarrassing situation and contributes to the maintenance of hitherto conceded rights of navigation.

"CAPE COD CANAL COMPLETED.

"I do not wish to close this address without a word of congratulation to Mr. August Belmont, of New York, and his associates, who have succeeded in completing the Cape Cod Canal, in which work the association has had a friendly interest. For more than 200 years the opening of a canal through Cape Cod to aid shipping and save life imperiled in rounding the cape had been agitated in State and Nation. Nothing but surveys ever resulted. Neither the State nor the Government cared to undertake the work, although in 25 years prior to 1910 the wrecks upon Cape Cod had mounted up to 1,000. Mr. Belmont may have had the business side of the undertaking in mind, but I am persuaded the terrific loss of life and property in fog and storm outside the cape had something to do with his final determination to embark in the enterprise. The 8-mile cut was made, and in July last the canal was sufficiently advanced to open for business at a depth of 15 feet. It is a great piece of work, creditable alike to the founder and the engineers. If there be critics of the canal among the economists, the engineers, or the deep-sea sailors, it should be remembered that the task was enormous, and that the difficulties in connection with it have been overcome. What the Government failed to do Mr. Belmont and his associates did. They stepped in where the Government neglected or 'feared to tread,' and the glory of the achievement is theirs.

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"WORK MUST CONTINUE.

"The work of the association, of course, is not yet finished. Until the filibuster in the Senate threatened the success of the river and harbor bill it was believed the long and earnest seven years' fight for the vital link in the Atlantic intracoastal waterway had been won. But the opposing allies have obtained a technical advantage, and again the friends of the project may have to gird on their armor and drum up recruits. Senators and Representatives must be pursued with every honest and reasonable endeavor until in this respect the public welfare is effectively served. The project is big, but it is meritorious; it may cost something, but it is urgently needed; and the agitation for it should continue until victory perches upon our banners. Men in public life may tire of the repetition of well-worn facts, but, after all, the voices of individual citizens are potential in public affairs. When those voices are united they will be heard. They are the more likely to be heard when they speak the truth, and the strength of the Atlantic intracoastal project rests upon its merit and the truth."

Resolutions adopted by the Atlantic Deeper Waterways Association at its seventh annual convention, September 26, 1914.

We, the delegates and members of the Atlantic Deeper Waterways Association, in seventh annual convention assembled, in the city and State of New York, reaffirm to the Congress and people of the United States the importance and wisdom of assured progress toward completion of the series of connecting waterways advocated by this association, approved by the Engineer Corps of the United States Army, and already adopted in part by Congress. Completion of these connecting waterways will establish a standard-gauge trunk line, utilizing the existing bays and sounds along the Atlantic seaboard, and providing through communication between New England and Florida. It will connect also the great seaports of the Atlantic seaboard, its industrial centers, and its areas of natural production. It will join the navigable rivers of the Atlantic slope, now unrelated units of traffic, into a comprehensive interconnected commercial system. It will, furthermore, by utilizing the Hudson River and the New York State barge-canal system, join the traffic of the Great Lakes and the St. Lawrence Valley to the entire coastal region.

The traffic to be developed on this great waterway system is of a type required by changing conditions of commerce. Increasing cost of construction, operation, and maintenance are seriously crippling the coastwise sailing fleet. The diversion of its tonnage to established steamship lines tends to concentrate traffic at the larger ports and to diminish the activities of intermediate sections less favorably situated for ocean trade. Such separation of the seaboard districts into areas alternately progressive and retrograde is a bad economic policy. The prosperity of the entire region depends upon the continuous productiveness of all its sections. The prosperity of the Atlantic seaboard is important to the entire Nation, because of the preponderance of population and industry there existing, dependent for its subsistence in large part on the great interior. The interests of the seaboard are closely interwoven with those of the inland States.

The cheapest method of transportation is by water, and the cheapest form of water transportation is by unrigged craft or barge. Government statistics show that as the coastwise fleet declines the barge fleet grows, and it is evident that the barge can reach and serve great areas which can not be served by other forms of water conveyance. The intelligent expansion of barge traffic on comprehensive lines is an important factor in reducing the costs of all commodities, in lowering the cost of living, and in increasing the efficiency of the United States for domestic and foreign commerce.

These principles repeatedly stated by the Atlantic Deeper Waterways Association have been fully indorsed by the Army Engineers and recognized in Congress by the partial adoption of measures calculated to carry them into effect. In reaffirming them at this time we call upon commercial and industrial interests of the entire Nation to support them and to press steadfastly toward their realization: It is therefore

Resolved, That we urge upon Congress the advisability and importance of steady progress at a reasonable rate of speed on all the links of the intracoastal-waterway chain as recommended by the Army Engineers, and more specifically as follows:

"*Resolved*, That we favor the immediate acquisition of the Chesapeake & Delaware Canal upon such terms as may be agreed upon, or, in default of agreement, by condemnation proceedings;

"*Resolved*, That we urge upon Congress the prompt improvement of this waterway into a sea-level canal of the dimensions recommended by the engineers;

"*Resolved*, That we favor the adoption by Congress of the New Jersey Canal project, as recommended by the Army Engineers, for a modern waterway between Raritan Bay and the Delaware River; the conclusion of an arrangement with the State of New Jersey for presentation of the right of way, and for early inception of the work;

"*Resolved*, That we favor the steady progress of work on the waterway from Norfolk to Beaufort until its completion in accordance with the plans of the engineers already accepted and realized to the extent of the purchase of the Chesapeake & Albemarle Canal;

"*Resolved*, That we favor the construction of the necessary links to provide a continuous waterway between Beaufort, N. C., and the Cape Fear River, N. C., and thence to the St. Johns River, in Florida, and the continuance of this waterway by the acquisition by the Government, upon such terms as the Army Engineers may recommend, of the Florida East Coast Canal and the subsequent improvement of the same;

"*Resolved*, That the improvement of the navigable rivers and waterways within the Atlantic seaboard district and connecting with the intracoastal waterway upon standard dimensions of the capacity determined by the engineers is of much more than local importance and should be considered in relation to the general intracoastal waterway plan;

"*Resolved*, That as an essential part of the intracoastal system, we favor such further Federal improvement of the upper Hudson River and of Lake Champlain as may be needed for the handling of modern traffic;

"*Resolved*, That we reaffirm the opinion of this association as included in the resolutions adopted at our New London convention, in 1912:

"'That we demand the adoption of a national policy of waterway improvement which shall gauge the amount of the appropriation according to the commerce, existing and prospective, that will be served by such improvement;

"'That the Atlantic intracoastal waterway, exceeding, as it does, in its commercial importance all other projects of waterway improvement, deserves and should receive the means for its completion in a ratio at least equal to that accorded to projects in other sections of the United States.'"

DEPLORE OPPOSITION TO THE BILL.

We deplore the opposition to the improvement of our harbors and waterways manifested in the Congress of the United States during the present session. The spirit exhibited was peculiarly unfortunate and ill timed. The attack was limited to a few Members and Senators, and could not have succeeded even in part except for the indifference of others and the support of some newspapers and periodicals. There were some distinguished legislators from whom their constituents rightly expected support of this important appropriation bill whose indifference has occasioned disappointment. Charging generally that the pending bill was a "pork barrel," and under the guise of economy its critics have in effect aligned themselves against the improvement of all interior waterways and against the development of transportation by water. It is not for us to impugn the motives of any Member or Senator in the Federal Congress, but we have the right and it is our province to call to the attention of the country the public attitude and record of a few distinguished gentlemen of that body against improving the facilities for water-borne commerce. If, in their opinion, there were any projects in the bill of doubtful merit or lesser merit, it was appropriate to point out the facts in support of their contention and leave the question for the determination of that body. Filibustering is a sort of legislative boycott, which should not be exercised in opposition to one of the rightful functions of government.

An annual budget followed by annual appropriations is equally as essential for the consistent and economical improvement and maintenance of our harbors and waterways as for any of the other activities and functions of the General Government.

Resolved, That this association requests the Congress to make provision at this session for the continued improvement of all meritorious projects heretofore adopted and for such additional projects as require immediate consideration in the interest of our expanding commerce.

TERMINALS AND RATES.

We realize that the deepening of harbors and providing channels for our interior waterways does not of necessity result in the development of commerce. Water carriers must be provided. These carriers must be provided with other facilities. At every considerable transfer point terminals must be provided. These terminals should have ample water front and be provided with capacious warehouses. They should be equipped with modern appliances for transferring freight cheaply and expeditiously, and should be physically connected by belt lines with all the railroads serving the community. These water terminals and belt lines should preferably be owned by the municipality or the State and operated in the interest of the public, which they are designed to serve. There must be put into effect a system of prorating in traffic rates between the water carriers and the railroads such as exists between connecting lines of railways.

Resolved, That we urge upon the Interstate Commerce Commission the enforcement of existing law for prorating between water carriers and railways in interstate traffic and that gradually appropriations for waterways be conditioned upon local cooperation in providing terminals. The States should discharge a similar function in intrastate traffic.

Resolved, That water carriers and railways should be coordinated as carriers of traffic.

NEW YORK BARGE CANAL.

Resolved, That we earnestly deplore the inaction of Congress by which the great canal system of New York State, now nearing completion, is being deprived of access to deep water on the upper Hudson River. By the intervention of the Government the State was prevented from constructing the necessary dam and lock at the head of river navigation at Troy, Congress having made that dam and the river itself a Federal project of improvement as far as Waterford, where the Barge Canal enters the river. Work is discontinued on the Troy Dam indefinitely, and even if resumed will probably be unfinished when the State work is completed. A State investment of nearly $140,000,000 is thereby held unproductive until Congress provides for the completion of the $5,200,000 Federal project. The annual loss in interest to New York State is greater than the total cost of the Government's undertaking. This is one of many important projects which are jeopardized by hesitation and parsimony in waterway improvement.

WATERWAYS OF NEW YORK CITY AND VICINITY.

Resolved, That we testify to the urgency of prompt action by Congress in providing for the improvement of the East River, the Harlem River, and the Bronx Kills, as recommended by the Army engineers. Municipal improvements of vast importance are being blocked until the Government undertakes this work. This work, essential to the commerce of New York and to the development of New York City, is one of the many projects eliminated from the river and harbor bill by the sweeping amendment in the Senate which cut out all new projects from the pending bill. We unhesitatingly assert that the policy of excluding new projects from the river and harbor bill because they are new, and the retaining of old projects because they have already been approved, is a bad policy, because it settles nothing as to the relative merits of the different projects and sets a bad precedent for future legislation.

CANADIAN CONNECTION.

Resolved, That in the opinion of this association the United States Government through appropriate legislation should enter into negotiations with the Dominion of Canada by which the two Governments will cooperate upon equitable terms in the construction of a canal or waterway connecting Lake Champlain with the St. Lawrence River, the termini and route to be located as best to subserve the interest of commerce.

On the Depositing of Additional Money in the Banks for Crop-Moving Purposes.

EXTENSION OF REMARKS

OF

HON. CHARLES H. BURKE,

OF SOUTH DAKOTA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 1, 1914.

Mr. BURKE of South Dakota. Mr. Speaker, on the 4th of last month the President addressed the Congress, assembled in joint session in this Chamber, and said:

I come to ask very earnestly that additional revenue be provided for the Government.

He further said:

The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation, but at what cost to the business of the community? Approximately $75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits.

The proposition of the President, in substance, amounted to a demand that legislation be immediately enacted to provide for levying a direct tax upon the people of the country to the extent of $100,000,000 annually in order that no part of the money of the Government loaned to the banks at 2 per cent might be withdrawn or disturbed. It would hardly seem, in view of what the President stated, that since his message more money would be taken from the Treasury and deposited in the banks, but if the statement published in the New York Herald of yesterday morning is true that is what has happened. This is what the Herald published:

PLACES CROP-MOVING FUNDS—TREASURY DEPARTMENT DEPOSITS $13,029,746, OF WHICH $1,000,000 IS SENT HERE.

William G. McAdoo, Secretary of the Treasury, announced to-day that $13,029,746 of Government funds had been deposited with the national banks of various States for crop-moving purposes. The original allotment for this purpose was about $34,000,000, to be deposited at intervals, as needed.

At first Mr. McAdoo thought no funds would be needed in New York State. Several banks in New York City, however, applied for funds, and $1,000,000 has been sent to them.

The statement continues by giving a list of the deposits and the States that have been favored by the Secretary of the Treasury, as follows:

Alabama	$300,000
Arkansas	175,000
Florida	81,250
Georgia	368,750
Kentucky	1,375,000
Mississippi	150,000
Louisiana	700,000
Maryland	1,450,000
North Carolina	456,250
South Carolina	525,000
Tennessee	675,000
Texas	793,750
Virginia	798,750
Missouri	1,550,000
Oklahoma	93,500
Total	9,492,250
New York	1,000,000
Colorado	499,969
Illinois	1,200,000
Indiana	150,000
Iowa	250,000
Kansas	25,000
Nebraska	325,000
Washington	87,500
Total	3,537,469

It is quite evident that the administration, as usual, is careful in protecting the interests of the South, as the totals given in the statement show that nearly three times as much money has been deposited in the banks located in the Southern States, including Missouri, as in the banks located in the North and West.

If it is true, as stated by the President, that there was $75,000,000 on deposit in the banks throughout the country at the date of his message, and to avoid drawing it out it is necessary to levy a direct tax, one would suppose that the condition of the Treasury must have materially improved, and that the revenue receipts have increased; otherwise the Secretary would not now be adding to the deposits in the banks, as this newspaper statement would seem to indicate. The fact is the revenues have not increased, as shown by the statement of the Treasury at the close of business on September 29. The statement does show, though, that there has been no letting up in the expenditures of the Government, as the disbursements since July 1 are $11,418,583.22 greater than for the same period last year. This means that so far in the present fiscal year it has cost $125,478 more each day to run the Government than it did last year.

I have no doubt that the banks of the South are very glad to be able to borrow money from the Government at 2 per cent, to be loaned out at the high rates of interest that now prevail in that section of the country; but I am sure the people of the whole country will resent being taxed $105,000,000 annually in order to further favor the banks in the South or elsewhere. If the money already on deposit in the banks can not be withdrawn, it would seem as if more money ought not to be deposited, when it may be needed to meet the expenses of the Government.

The distinguished gentleman from Texas [Mr. HENRY], a leader on the majority side of the House, chairman of the important Committee on Rules, the recognized friend of the President, and I assume authorized to speak for him, told us yesterday, in a formal message read by the Clerk, in effect, that Congress will be kept in session until a number of bills are passed which will take large sums from the Treasury—one to authorize the expenditure of $30,000,000 to buy foreign ships. Among other bills that he would have passed is one that he introduced on September 22, only 18 days after the President's revenue message was delivered. This bill is H. R. 18916, and is entitled "For

the temporary relief of cotton growers in the South." The first paragraph of the bill is as follows:

That the Secretary of the Treasury shall deposit in national banking associations and State banks situated in the following States, to wit: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia, $500,000,000, to be advanced to the producer of cotton, or owner of lands upon which the same was produced, at a rate of interest not exceeding 3 per cent per annum.

I presume, if this bill should be passed, then the gentleman from Texas would want to have Congress continue in session to pass another bill introduced by him on September 3, which is H. R. 18655, and is entitled "For the temporary relief of American farmers engaged in the production of cotton, to indemnify the United States against loss, and for other purposes." The first section of this bill is as follows:

That it is hereby made the duty of the Comptroller of the Currency of the United States to immediately direct the depositing in the Federal reserve banks in each Federal reserve district in which cotton is grown or produced such an amount or such amounts of Federal reserve notes, not exceeding in the aggregate $300,000,000, as may be necessary for the purpose of carrying this act into effect.

Section 2 of the bill provides that when the Federal reserve notes are deposited in the Federal reserve banks, it shall be the duty of said banks to advance on cotton 12 cents per pound.

It would hardly seem possible that Congress would seriously consider such ridiculous legislation as is proposed by these bills, but with the party now in power we may expect anything. In the Washington Star of last evening appeared a statement with glaring head lines, reading "Promise of relief to cotton growers—President to consider proposed emergency currency by State banks," and then follows the statement:

President Wilson to-day promised a delegation from the cotton conference which met here yesterday to take up with the Treasury Department a request that State banks in the South be allowed to issue emergency currency under the Aldrich-Vreeland Act without paying a 10 per cent tax. The President declared that he realized the seriousness of the situation in the South and would do everything in his power to afford relief.

This same article calls attention to the cotton conference held here during the week, composed of governors of cotton-growing States with the representatives from the South, and states that resolutions were adopted by the conference recommending action by Congress to aid the cotton producers, and pledging the governors and Members of Congress to do all in their power to maintain the price of cotton above 10 cents a pound.

This would seem to indicate that we can expect a determined effort on the part of the Members of this body from the cotton-growing States to do everything within their power to enact legislation along the lines proposed in the bills presented by the gentleman from Texas [Mr. HENRY].

It seems very strange, in view of the financial condition of the Treasury, that there should have been added $13,000,000 to the $75,000,000 already loaned to the national banks at 2 per cent, if that has been done, and that the administration and our Democratic friends in Congress would seriously entertain the consideration of legislation proposing to deposit $500,000,000 in national and State banks, to be loaned to the producers of cotton, or owners of land upon which cotton is produced, at 3 per cent. Truly it has been said of this administration, "The South is in the saddle."

War Tax Bill.

EXTENSION OF REMARKS

OF

HON. EDWARD E. BROWNE,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. BROWNE of Wisconsin. Mr. Speaker, this bill proposes the raising of over $100,000,000 by levying taxes on the people of the United States. This means a tax of at least $5 on every American family.

I am against this bill because I believe it is unnecessary, and also because it is not a fair way to raise revenue.

TAX NOT NECESSARY IF THE DEMOCRATIC PARTY HAD PRACTICED ECONOMY.

The Democratic Party came into power upon a platform of economy. The Democratic Party never adopted a county, State, or national platform without having the economy plank the most conspicuous plank in it. In the Baltimore platform the economy plank reads as follows:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

After this solemn and often-repeated declaration of Republican extravagance and Democratic economy the Democratic Party in Congress appopriated $1,100,000,000, or over $100,000,000 more than any preceding Republican Congress.

The expenses of every single department of the Government have been increased and many new positions have been created.

I herewith give a number of offices created by this administration and the increase of salaries which amount to an increase of $278,000:

New banking law creates five new offices with salaries at $12,000 each	$60,000
Salary of Comptroller of Currency increased from $5,000 to $12,000	7,000
New Trade Commission, five commissioners at $10,000 each	50,000
Secretary	5,000
New board of appeals created in the office of the Secretary of the Interior, three members, $4,000 each	12,000
For commercial attachés appointed by the Secretary of Commerce, and for clerk's traveling expenses, appropriated for the year	100,000
Private secretary to the Secretary of the Treasury increased from $2,500 to $3,000, which means an increase of pay to all other private secretaries to Cabinet officers	500
Six Attorneys General, increase from $5,000 to $7,500	15,000
Salary of assistant to Attorney General increased from $7,000 to $9,000	2,000
Salary of our diplomatic representatives to Argentina, Chili, and Spain raised from $12,000 to $17,500	16,500
Mission to Paraguay and Uruguay divided and a new minister authorized with a new salary of $10,000	10,000
Total	278,000

Time and space prevent me from going into the matter at greater length, but these serve to show the hypocracy of the platform pledge of the Democratic Party to do away with and not create more offices.

The rivers and harbors bill, which carried an appropriation of $35,000,000 and which passed the House of Representatives, is still pending in Congress. I will therefore leave that out in the computations I herewith give.

The annual appropriations for the four years including 1912, 1913, 1914, and 1915 are as follows:

Republican administration.	
1912	$995,799,462.72
1913	988,353,340.41
Democratic administration.	
1914	$1,057,605,694.40
1915	1,089,408,770.26

In other words, in the last two years, under the Democratic administration, the Government has cost the people $163,851,661.53 more than the preceding two years under the Republican administration.

It should be noted that on account of death the amount paid out of pensions was $11,150,000 less than the previous year under the Republican administration. Twenty million dollars less was required this year for the Panama Canal than for the previous years, and yet with over $30,000,000 less expense on these two items alone the total appropriations amount to $100,000,000 more than for the corresponding year of the last Republican administration, which the Democrats denounced as shameful and extravagant.

MANY WAYS IN WHICH THE GOVERNMENT COULD ECONOMIZE.

There are many ways in which the administration could have economized.

This Congress appropriated $35,000,000 to build a railroad in Alaska to serve 65,000 people. This law could be repealed or amended so as to go into effect later, as no money has yet been expended on this project.

Congress could have refused to have passed the Senate amendment to the river and harbor bill, and thus saved $20,000,000. The large appropriation made by Congress last year for rivers and harbors, amounting to $41,000,000, ought to extend over a time like this when the emergency is claimed to be so great as to warrant the levying of special internal taxes amounting to over $100,000,000.

In 1898, under a Republican administration, during the Spanish War, when the expenses of a war in which this country was involved had to be met, we levied an internal-revenue tax, but the Fifty-sixth Congress in that year refused to make any appropriation for rivers and harbors and retrenched in every way possible.

COULD WITHDRAW ARMY FROM MEXICO AND SAVE LARGE EXPENSE.

The Government could save a large amount of money by withdrawing its Army from Mexico. Huerta and his refusal to salute the flag by firing 21 guns, the pretexts for sending our Army and Navy to Mexico, are no longer reasons for keeping our Army and Navy in Mexico at the estimated additional expense of $3,500,000 per month.

When Huerta gave up the struggle several weeks ago there was certainly no further need of having our fleet and Army in Mexico under great expense.

In addition to the extravagance already incurred, the chairman of the Committee on Rules has announced on the floor of the House that his committee is prepared to report out for passage the ship-purchasing bill, which provides for an appropriation of $10,000,000 out of the Treasury and for the sale of $30,000,000 worth of Government bonds, and the President has indicated very forcibly that he is in favor of this bill.

Is it any wonder that the business interests of this country are petitioning Congress to adjourn?

I protest against such reckless extravagance and such experimental ventures.

EXTRAVAGANT APPROPRIATIONS NOT CONSISTENT WITH CLAIM THAT TREASURY IS DEPLETED.

This administration in one breath is claiming that this is such a financial crisis with this Nation that an internal revenue or war tax is necessary and that every one who opposes such a tax is not patriotic.

The gentleman from Tennessee [Mr. HULL] begins his speech by saying, "If playing politics in the face of a great crisis were proof of patriotism, I could pronounce a eulogy on the Republican side of the House."

This is characteristic of the attitude of the Democratic majority. I answer, if this is such a crisis as the Democrats claim, then why make extravagant appropriations and venture on unexplored seas of hazardous business enterprises?

It is just as inconsistent for this Nation to do these things if it is in a real financial crisis, as it would be for a man who was in such financial straits that he was obliged to mortgage his property, take the earnings of his family, and then use the money to purchase high-priced automobiles for each one of his family and buy stock in a South American rubber plantation.

THE DEMOCRATIC ADMINISTRATION PRACTICING ECONOMY ON THE FARMER.

To show how hard-pressed this great Government is, and how it is economizing, and the people it is practicing its economy upon, I insert in the RECORD a letter received by me September 19, 1914, from the Fourth Assistant Postmaster General, giving the reason why the Government failed to establish a rural route that had been approved June 16, 1914, and which would serve a large community of farmers who will have to walk miles for their mail the coming winter:

POST OFFICE DEPARTMENT,
FOURTH ASSISTANT POSTMASTER GENERAL,
Washington, September 19, 1914.

Hon. EDWARD E. BROWNE,
House of Representatives.

MY DEAR MR. BROWNE: Referring to your inquiry of the 18th instant, as to the status of proposed rural routes from Aniwa, Wis., I beg to state that these cases have been investigated and are held in the department awaiting the more favorable condition of the national finances.

It is apparently advisable to withhold for a time all applications for additional postal facilities that involve increased expenditures except in case of urgent necessity, and I think you will agree with me that much can be accomplished in this line by deferring the establishment of additional rural routes. The residents of the community to be served by the routes in question, having a full understanding of the conditions confronting the Government, will doubtless cooperate with the department in the effort to contribute a share toward meeting the situation now at hand.

Sincerely, yours,
JAMES I. BLAKSLEE,
Fourth Assistant Postmaster General.

Mr. Speaker, our farmers are the ones this administration is practicing rigid economy upon.

The farmer asked that this Government, which has appropriated in the last 30 years over $1,000,000,000 for waterways and harbors, appropriate $25,000,000 for wagon roads, and the party in power has denied their request.

The last Democratic platform reads as follows:

We favor national aid to State and local authorities in the construction and maintenance of post roads.

The farmers of this country have not for a hundred years received a dollar from this Government to aid them in building the wagon roads over which the whole food supply of this Nation is annually hauled and over which the 1914 crop, estimated at from ten to fifteen billions of dollars, will be hauled in wagons to market by millions of sweaty, tired horses driven by men toiling long hours.

Can the Democratic Party afford to spend the millions of dollars this Congress has appropriated for other things? Can it afford to appropriate $20,000,000 for rivers and harbors and $40,000,000 for ships to aid the commerce of the seas and entirely neglect the commerce on the land?

Can it afford to deliver the mail miles and miles to the humblest citizen's front door within the confines of a city and refuse to establish rural routes that have been investigated and approved and compel a community of farmers to go from 5 to 10 miles for their mail?

WHY NOT RECALL GOVERNMENT MONEY THAT IS IN BANKS?

I ask again, if this Nation is in a financial crisis, why not gradually withdraw the $75,000,000 of the people's money that you deposited in certain banks, drawing 2 per cent interest, upon which the banks are receiving a high rate of interest?

Are you justified in levying internal revenue taxes upon the people and legitimate business to raise money to loan to banks for 2 per cent interest?

Every man that uses a gallon of gasoline, that takes out a fire or life insurance policy, that sends a telephone or telegraph message, that sends a package by express or freight, every person that signs a note, gives a deed, or is unfortunate enough to be obliged to give a mortgage, is taxed by this Government to enable this Government to expend $35,000,000 for railroads in Alaska, purchase ships to the amount of $40,000,000, loan certain large banks $75,000,000 at 2 per cent interest, and appropriate $20,000,000 for rivers and harbors upon which the Democratic administration has expended the sum of $41,000,000 the previous year.

Any political party that will levy such an unjust and unwarranted tax upon the people under the pretext of a financial crisis and at the same time make such unnecessary and extravagant appropriations, I predict, will not long be allowed by the people to remain in power.

River and Harbor Bill.

EXTENSION OF REMARKS
OF
HON. FRED A. BRITTEN,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 29, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. BRITTEN. Mr. Speaker, on the 4th day of September the President delivered a message to Congress requesting this body to enact legislation that would produce an additional annual revenue of $100,000,000, and in compliance with this request we are now expected to vote upon a war-tax measure when our country is at peace with the world. We are asked to pass this bill, and are going to be forced to pass it by the Democratic majority at a time when this same majority is seeking to put through a "pork-barrel" river and harbor bill, the finished improvements of which will cost the people of this country more than $90,000,000; at a time when a Democratic administration is attempting to fasten upon an unsuspecting public the Colombian treaty, with its $25,000,000 burden on our taxpayers; and when the Chief Executive of the Nation is recommending the spending of $30,000,000 for the purchase of ships to enter the South American trade, notwithstanding the fact that many of the ships now operating between United States and South American ports are unable to secure more than half a cargo.

There are conditions, Mr. Speaker, in the country that Congress had better concern itself about than to load more taxes upon the people.

Instead of laying additional burdens upon our people, why not, like prudent business men, retrench in expenditures? Why not, you Democrats, wipe from your calendar about nine-tenths of the public-building schemes that will come up at the next session; most of them should never have been passed? Why not stop the irrigation of southern trout streams and cut the "pork barrel" down to the last stave? Abolish some of the useless offices you have created; fire the bench warmers and the supernumeraries who are falling over each other in every department of the Government. Why not postpone the Alaska railroad for a year; postpone the unnecessary public buildings; postpone the doubtful experiment of the Government investing $40,000,000 in the shipping business and cut out $30,000,000 of the rivers and harbors appropriations, and thus save more than $100,000,000?

Everybody knows the bill to improve rivers and harbors, covering $53,000,000 appropriations, goes largely to improve "political prospects." Two-thirds of this sum can be saved by

merely cutting useless and unnecessary items. Since you Democrats have taken the reins of government every department leaks money like a sieve leaks water. If the people could know how their money is wasted, a storm of anger would sweep the country from one end to the other. No up-to-date business house would permit the waste and extravagance that every Member knows exist here. Put the administration of the Government on an economical—not a niggardly, parsimonious, cowardly, nor panicky—but on a plain, sensible, business basis, and you can save every year double what you expect to raise by this tax. The President in his message asks us to vote a war tax. But why? We have no war, and expect none. The President may call this a war tax, but what he really proposes is to patch up a deficit in our national revenues caused by the Democratic so-called "tariff-for-revenue" tariff bill passed by this Congress, which has not only proven a failure as a revenue producer but has opened our markets to the manufacturers of the world and has resulted in increased importations of foreign merchandise, which is in turn responsible for the industrial depression which we are now experiencing.

Perhaps, to be a little facetious, I might say that this is a "war tax," but it would be in an entirely different sense from the idea which the President means to convey.

It is a tax made necessary by the war the Democratic Party has been waging upon American industry. Of course no one believes that our Democratic brethren desired the war that is now raging in Europe or that they rejoice at it, but they have accepted the political advantage that it has brought to them with a cheerfulness and a fortitude that commends profound admiration.

The echoes of the first shot of the great conflict had scarce died away when the Democratic Party was demanding additional tax to meet the expense of government. They were anxious to take advantage of the situation promptly for fear that something might occur that would take from them this excuse. It is true the war did slightly lessen our revenues, but it only hurried the inevitable. With decreased income and the most extravagant Congress in the history of the Nation an additional tax upon the people or a bond issue was near at hand, and would have come whether war had occurred in Europe or not. With decreased revenues on one hand and enormously increased expenditures on the other, only a Democratic statesman could fail to see what the end would be. History repeats itself. A Democratic administration and an empty Treasury are synonymous.

Our Democratic friends assure us that the falling off in revenue and therefore the necessity for taxing the people is caused by the war in Europe. They tell us the war reduced the revenue for the month of August more than $10,000,000 as compared with the same month a year ago. I wonder if it was the war in Europe that caused a decrease of $4,818,189 in the revenue last July as compared with the corresponding month of the year before. But if it is claimed the shadow of war reached back over July, when no one in all the world anticipated it, I wonder if it was the war that caused the decrease in the customs revenues of $5,806,044 last January as compared with the same month a year ago. I wonder if it was the war that caused a loss in revenue of $9,995,512 last February as compared with the same month in 1913. Here is a loss almost as great as we sustained in August, and it came six months before the war. I wonder if it was the war that caused a decrease in the customs revenue for the year 1914, up to August 1, of $23,360,549 as compared with the corresponding period of 1913. I wonder if it was the war in Europe, in the face of this falling income, that caused a Democratic Congress to forget its economy pledges, to forget its denunciation of Republican extravagance, and appropriate already at this session of Congress the staggering sum of $1,089,409,777, the largest amount ever appropriated in a single session in the life of the Nation. I wonder if this unexampled extravagance was due to the war. And there is more to follow, as this mighty sum does not include either the rivers and harbors bill or the pending ship-subsidy bill that will call for probably $60,000,000 more after they are passed.

What is the matter with this Nation to-day? Is it the war in Europe that has closed mills and factories, brought idleness and poverty, universal business depression, that has turned the balance of trade against us, sent our gold abroad, and left us with an empty Treasury?

During the first seven months of this year—before the war began—we lost in foreign trade the tremendous sum of $248,234,673. I wonder if this was due to the military war in Europe or due to the Democratic industrial war in this country?

But the staggering loss of $248,234,673 in our foreign trade in the first seven months of 1914 apparently meant nothing to the Democratic administration. They continue to spend money more lavishly and more extravagantly than has ever been done before by any other Congress. This $248,234,673 of trade against us means that much gold or its equivalent taken out of the country. It means a loss in trade of more than $1,000,000 a day. It means that more than $1,000,000 a day, as compared with a year ago, is taken from the American workman and given to the foreigner. Remember, this is the result of the tariff law that was to enable us to go forth and capture the markets of the world. And yet our Democratic friends, looking upon these figures, made public by their own official, express a profound surprise that mills and factories are closed or running on short time, that we have tramps and beggars, that millions are idle, and that there is universal business depression, and that our gold is going from us, and that we are facing an empty Treasury, and that the people must be further taxed to pay the expenses of the Government.

The trouble with this country is not the war in Europe, but the Democratic tariff law upon our statute books. It is not the war in Europe but free trade that has brought our industrial ruin.

When the President delivered his address on September 4 there was a balance in the Treasury of $122,843,190, of which $75,000,000 was deposited in national banks on call. It is a splendid thing for the Government to deposit funds in the banks to assist in moving crops and to otherwise assist the agricultural and industrial interests of the country, and this was a Republican policy adopted many years ago; but the difference is that when the Government needed the money the Republicans withdrew it gradually as the Government needed it; but you Democrats are going to tax the people in order to keep it in the banks, and tell us that if you withdraw it it might disturb business by its withdrawal. I fail to see why the drawing of $100,000,000 from the pockets of the people is preferable to the drawing of $75,000,000 from the vaults of the banks.

I trust that the people of this Nation may be made to understand that they are taxed, not entirely to pay the expenses of the Government, but to accommodate certain favored banks. What would be thought of a man that had money in the banks drawing only 2 per cent interest that would leave it there and borrow money at from 6 per cent to 12 per cent to run his business? Yet the Government does even worse. It takes the money of the people and loans it to the banks at 2 per cent and then taxes the people to pay the expenses of the Government, thereby permitting the banks to again loan this money to the taxpayer at from 6 to 12 per cent interest, and all this is done in the name of the people. All this is done in the name of reform; in the name of freeing the people from the burdens that the "interests" have so long placed upon them.

But our Democratic friends reply, "If you take the money out of the banks, you will disturb business and take it out of the channels of trade." Can it be possible that such a proposition is seriously urged by sober-minded men? When money is taken out of the pockets of the people, is it not taken out of the channels of trade as much at if it were taken out of the banks? In fact, is not the money in the banks there for the express purpose of being placed in the pockets of the people in order that it may be used in the channels of trade? When the money is taken out of the pockets of the taxpayers, is it not taken out of general circulation as much as if it was taken from the banks? Is it possible to more widely disturb business than by direct taxation? Can you possibly conceive of any method that would more generally take the money out of the channels of trade than a direct tax?

Can it be possible that drawing but $8,000,000 per month from these banks, having on deposit more than $75,000,000 of Government money, would disturb business as greatly as to levy this direct "war" tax of $105,000,000 upon the American people at this time, as you now admit, of general business depression and uncertainty?

Under this wise Democratic provision the taxpayer takes the money out of his pocket and gives it to the Government. The Government then gives it to the bank, and the bank again loans it out at a high rate of interest to the taxpayer, and he again puts it into his pocket. And yet our Democratic friends tell us that if they take it out of the banks in the first place it disturbs business.

The President says that the Treasury could get along with the money it has if it were not for this $75,000,000 deposited in certain national banks in certain portions of the country. Let me read from his message of September 4:

> Approximately $75,000,000, a large part of the present Treasury balance, is now deposited with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the public consequences of inconvenience and distress and con-

fusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits.

When, I ask, in the name of the American people, did it become the policy of the Government to impose burdensome direct taxes upon the people to enable an administration to deposit large sums of money in certain national banks in certain sections of the country? A free people will willingly bear the burden of taxation when necessary to sustain their Government in a defensive war, but it is an insult to the intelligence of the American people to assume that they will willingly pay taxes to enable any administration to deposit money out of the Treasury of the United States in national banks in any portion of our country.

Do you think that you can fool the people by calling this a war tax? Do you think that they can be deceived by the mere pretense that this is a war tax when we are at peace with all the world? Ah, no; the poor who, in the hour of their necessity, are compelled to make notes and mortgages, upon which you propose a stamp tax, will not be deceived. Every one of them will know that they are taxed to supply the Treasury, as the President requests in his message, for money to enable the administration to maintain large deposits in national banks.

Can you populistic Democrats go before your constituents in defense of that sort of taxation? You were elected to Congress because you said that you would reduce the burdens of the people. You to-day propose, before two years have passed, to increase their burdens, and for what? The cost of living is as high or higher than ever. Your appropriations are more extravagant and profligate than those of any Congress in our history. And yet you complain because there is opposition to your bill, and that is made the excuse for bringing in a gag rule, the iniquity of which has never been equaled in any Congress. Some of you Democrats say that the rule is made necessary because it has been announced that the Republicans will oppose this bill. When did it become necessary in the American Congress to prepare and pass gag rules because it was announced that an administration measure like this could not have the unanimous support of the Congress?

When the Underwood bill was under consideration you boasted that every item was open to amendment and debate. You propose to pass this bill in the House without an opportunity to offer an amendment or to vote upon any separate item in the bill. What is your defense? The necessity of raising money by burdensome taxes upon the people to enable the Treasury to deposit money in the national banks. Oh, you Democrats, when was Congress empowered to use the taxing power for such a purpose? Yet that is the excuse upon which the President largely rests his case.

Mr. Speaker, the fact is that you are driven to this action because of the failure of your new freedom; the failure of your new constitution of peace; the failure of your tariff for revenue to supply the Treasury with sufficient money to meet your extravagant expenditures; the failure of your policies to revive a widespread depression that exists all over the country; the failure of the balance of trade in our favor in our commerce with the world, making it necessary to export the gold of the country to pay our trade balances to the largest extent since you were in power before—in short, the failure of the administration to successfully manage the affairs of the Nation. These are the conditions that have made the deficit in the Treasury. These are the conditions that make it necessary for the administration to bring in this measure for a burdensome tax on the people.

The Democratic Party went into power upon the general promise that they would better the conditions which had existed in this country under Republican rule. For years they had preached that labor was oppressed, that business was shackled, and that if the Democratic Party once went into power it would reduce the cost of living, increase wages, bring business expansion, and widen our markets. They went into the campaign joyfully preaching the doctrine of the "new freedom." The President declared that what the men of this Nation needed was to sharpen their wits in competition with the rest of the world; that what was needed was to break down the tariff wall.

Under the Payne tariff law the receipts from the tariff had proved sufficient to meet the expenses of the Government and at the same time a sufficient protection to American industrial pursuits, but at the behest of the President and in the enthusiasm of your new-found power you repealed that law and enacted the Underwood law in its stead. The effect of the Underwood law has been to increase importations and to decrease exportations, to decrease the receipts of the Government, to destroy American industries, and to leave the American laborer without employment. You now find yourself in the predicament which your policy invites—a failure.

We have now had a little more than nine months' experience under a Democratic tariff law and the "new freedom," and what is the result? Will any man in this Nation outside of a padded cell or a Democratic office say that he prefers the conditions existing to-day to those that existed for 16 years under Republican rule?

My Democratic friends, your policy is a failure, your Underwood tariff bill will not produce the revenue which you predicted upon its passage, but it has jeopardized or destroyed a great part of the American industries. It is the fallacy of free trade, and if continued will reduce the American Nation to the level of the Asiatic nations and races.

I wonder how many Democratic Members of this House recall a plank in their last platform which read as follows:

> We denounce the profligate waste of money wrung from the people by oppressive taxation through the lavish appropriations of the recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

No one but a scared office-seeking Democrat can read that plank to-day without smiling. That plank of the Democratic platform has been demonstrated to be merely "molasses to catch flies." It has been brazenly repudiated, as will be the plank in regard to a second term for the President. Yet that Baltimore platform closes with these solemn words:

> Our pledges are made to be kept when in office.

In the light of the present that is one of the most humorous sentences ever uttered by a Democrat. What an altogether lovely picture Democratic promises and Democratic performances make when placed together.

This Democratic Congress, pledged to economy, that came into power with the hot denunciation of Republican extravagance upon their lips, has not only created many useless high-priced offices which have been filled by faithful Democrats as a reward for public service, but has already appropriated $100,000,000 more this session than was ever appropriated in any session by any Republican Congress that ever met in this Capitol. Yet, says the Democratic platform:

> Our pledges are made to be kept when in office.

Is this a time to indulge in unlimited expenditures? The people everywhere are compelled to economize. The people of this Nation to-day are spending far less money than they did under Republican rule. They are buying less clothes; they are eating less food; they are spending far less for pleasures and enjoyments; they are denying themselves the luxuries and many of the comforts of life. In such times as these why should not the Democratic administration practice at least reasonable economy? Why should they now tax the people that they may be indulged in the most extravagant and wasteful expenditure in all the Nation's history? Why in such times as these should this single session of Congress appropriate the enormous sum of nearly $1,100,000,000, a sum more than $100,000,000 in excess of that ever appropriated in a single session by any Republican Congress?

In the light of these facts, what becomes of the promise of Democratic economy, and upon what grounds can they now justify taxing the American people?

One by one the theories and promises under which the Democratic Party was intrusted with power are discredited by the experiences of the American people. What is the sum of the whole matter? War taxes of $105,000,000 in time of peace is the price we pay for Democratic war on American industries, for Democratic extravagance, for Democratic incompetency.

Emergency Revenue Legislation.

SPEECH

OF

HON. GEORGE E. GORMAN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. GORMAN. Mr. Speaker, I wish to submit some observations on the war revenue taxation and to state the reasons which prompt me to vote for this measure.

The request for this legislation comes from President Wilson. I very much regret the partisanship which has been displayed in the discussion of this bill. Those who oppose it assume that it is a Democratic measure and that President Wilson's request

that it be passed is a partisan request. Nothing could be further from the fact. The President of the United States, under the Constitution, is charged with greater responsibility than any other citizen of the Republic. He is in a position to know more about our national and international affairs than any Member of the House or Senate, and he is not at all times at liberty to let the public know all that he knows of governmental affairs. I think we can all agree, notwithstanding our partisan feeling, that President Wilson has no desire to impose unnecessary burdens of taxation upon the American people. He was elected upon a platform which committed him to a policy of tax reduction, and that policy was entered upon and the platform pledge in that regard was fulfilled by the enactment of the Underwood tariff law. That law went into effect on October 3, 1913, and during the 10 months that it was in operation before the world's greatest disaster occurred it worked with entire satisfaction. Treasury receipts from imports had fallen off considerably as a result of the lower tariff duties, and this deficiency was supplied by the tax on incomes, as provided for in the income-tax law, which is one of the very admirable features of the Underwood tariff bill.

But in August of this year England, France, Germany, Belgium, Austria, Servia, Russia, and Montenegro became involved in the greatest war the world has ever seen. Within a few days 10,000,000 men were suddenly ordered into the field of mortal conflict, and all the pursuits of industry and production were abandoned for the work of destruction. This sudden mad rush to arms resulted in an unprecedented demand for gold by every country in Europe. Millions of dollars' worth of American securities held by Europeans were instantly thrown upon the market and their price declined rapidly and in enormous proportion. Many such securities were held as collateral by American banks, and to protect their collateral American bankers were obliged to buy the securities so thrown upon the market. Gold began to flow in streams from America to Europe. We were on the brink of panic. In this emergency Congress acted promptly and $300,000,000 were put into circulation under the terms of the Aldrich-Vreeland emergency currency act. This prompt action by the Government stemmed the tide and averted the crisis.

During the month of August, following the outbreak of hostilities in Europe, the customs receipts fell off approximately $10,000,000. The falling off in customs receipts, as everyone knows, was due to the falling off in dutiable imports from the countries now at war. There is a sufficient balance now in the Treasury to make up this deficiency in customs receipts, and there is on deposit in national banks about $75,000,000 of Government money, which may be withdrawn on demand by the Secretary of the Treasury. But every business man knows, and none will deny, that this is no time to make withdrawals of large sums from banks for the relief of the Treasury. If the falling off in customs receipts, such as we experienced in August, is to be only temporary, then there would be no need to resort to additional taxation. The falling off in customs receipts, however, will last as long as the war in Europe lasts, and for a considerable length of time thereafter. When peace in Europe is finally restored—and I sincerely hope that will be soon—the number of those who marched forth to battle will be much reduced. Those who return from the conflict will return to barren fields, to factories and workshops laid in ruins, to desolated homes, and to poverty and wretchedness. Their first efforts will be to supply their own necessities, and it will be long, indeed, before they will have raw material or manufactured articles to send to foreign ports.

During this period of reconstruction in Europe our Treasury will have to be provided for and our Government will have to be maintained. We might have provided additional Treasury receipts by the sale of bonds and the mortgaging of the future, a proceeding which some bankers recommended and all bankers no doubt favored. It is the banker's business to sell bonds at a profit to the bankers. It was President Wilson's judgment that we should not at this juncture attempt to sell bonds, and I would rather accept the judgment of President Wilson on a proposition involving the duty of the Government than the judgment of any banker in the country. We could not, of course, raise more money by taxing imports, because it is the absence of imports which necessitates the raising of additional revenue. President Wilson is in a position to see and does see the situation clearly and, in all probability, farther into the future than any Member of the House or Senate. In making his request that Congress provide additional revenue for the Government, the President said:

> I come to you to-day to discharge a duty which I wish with all my heart I might have been spared; but it is a very clear duty, and therefore I perform it without hesitation or apology. I come to ask you very earnestly that additional revenue be provided for the Government.

In asking us to provide additional revenue for the Government President Wilson was performing a patriotic duty, and in enacting this legislation we are doing likewise.

President Wilson's policy has been "national safety first," and every patriotic citizen should sustain him in that policy. With his superior opportunities for information, in recognition of his infinitely greater responsibilities, and in the patriotic discharge of a conscientious duty to his country and posterity, he has asked Congress that this additional revenue be provided now.

Those who oppose this legislation are asking why it is being urged at this time; why not delay action for a few months and see how our Treasury receipts will run, and then, if necessary, bring in a bill providing for additional revenue.

Such a course would be out of harmony with President Wilson's policy of "National safety first." If this additional taxation is not imperatively necessary now, it will be in a very short time, and we should never "leave for to-morrow what we can just as well do to-day." In a matter of such vast consequence, delay would be dangerous. We are not only concerned with the fact that a war is going on in Europe, involving all of the great European powers and an Asiatic power, and that it has already seriously affected our revenues, but we must look to and anticipate the consequences to us of the results of that war.

I realize that this war-tax measure is unpopular; all tax bills are unpopular; but the unpopularity of a revenue measure does not determine the justice of it. The party in power in our Government is charged with the responsibility to provide for the maintenance of the Government, and any party that is not willing to rise to whatever emergency presents itself is not a proper party to be intrusted with the affairs of government.

In an emergency like the present one, it matters not what party is in power, additional revenue would have to be provided. And with our imports very considerably reduced there would be but two courses of raising additional revenue, and they are by internal taxation or the issuance of bonds. In the present instance the latter method was carefully considered and rejected.

It has also been suggested that this war-tax measure should not have been presented to Congress until after the congressional election, because its unpopularity might result in the defeat of Democratic candidates for Congress. Such a course would possess the questionable virtue of expediency, but it would also bear the brand of cowardice.

President Wilson wants to have the support of a Democratic House of Representatives in the next Congress, and he possesses sufficient confidence in the American people to know that they will not condemn him and his party for responding to a plain duty in the interest of the entire country.

If the necessity for this revenue measure exists now, and no citizen will have the hardihood to question the veracity of President Wilson when he says it does, it is our plain duty to provide it now. To postpone action until after the election upon a revenue measure that should be provided now, so as to avoid the effect of such legislation on the election, would be equivalent to obtaining money under false pretenses. In demanding that this legislation be enacted now, President Wilson has risen to the supreme heights of constructive statesmanship; he sees his duty plainly; he knows it is imperative; its performance may make him and his party unpopular, but the consequences to himself and his party are minor considerations; the welfare of the country is his paramount concern, and with rugged honesty and sincere devotion to duty, he has called upon the Congress to enact this legislation at once.

It is estimated that the measure will provide about $105,000,000; approximately, about $1 for every one of our population. With a large area of the world in arms, this is a very small contribution to the support of a Government dedicated to the pursuits of peace. Several times has the war cloud floated dangerously near to our own shores since President Wilson entered the White House, but thanks to his rare genius and wise statesmanship, we are still pursuing, and under his leadership we will continue to pursue, the paths of peace.

For the purpose of waging war upon one another, the countries of Europe are taxing their people to the full measure of their possessions. They are abandoning the fields, the factories, the workshops, and offices; productive enterprise is almost paralyzed; thousands, yes, tens of thousands of fresh young lives will be sacrificed before the bloody conflict is ended, and widows, orphans, and crippled men and boys in countless thousands will drag their weary way through life, the unhappy victims of the awful carnage. This is the price of

war to the people of Europe. It is costing the United States about $10,000,000 a month in Treasury receipts. Our sympathy goes out in full measure to the people of those unhappy countries now at war. We all fervently pray the bloody conflict will soon end, and with fervent thanks to Almighty God for the blessings that are ours, with full appreciation of the splendid service rendered to our country by President Wilson's administration, every American citizen will gladly contribute his share to the support of his Government and hope for peace in perpetuity to all the nations of the earth.

Emergency Revenue Legislation.

EXTENSION OF REMARKS

OF

HON. BENJAMIN I. TAYLOR,

OF NEW YORK,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. TAYLOR of New York. Mr. Speaker, as debate on the bill under consideration has been limited to seven hours, it has been impossible for me and practically the entire membership of the House to express our views in open debate. Such a course would consume months of time and accomplish but little. Still I feel that I should not remain silent upon a measure of its importance.

The war that is now raging in Europe has destroyed their industries and interfered with the transportation of commerce on the high seas. As a result millions of dollars of imports which have come from these countries into our ports have stopped, so that the Government has and will lose the revenue which it was to derive from the tax on these imports.

Primarily I was of the opinion that this measure was unnecessary at this time. We have to-day about $125,000,000 in our Treasury, $75,000,000 of which is distributed among our banks, where it is used for business and commercial purposes. The Treasury to-day is about $10,000,000 better off than it was a year ago, and no doubt could stand this loss of revenue for some time to come. It is evident that the present European conflict will continue for at least a year, and no doubt it will be many years before the industries of these countries are reestablished. The millions of dollars in raw materials that heretofore have been imported into this country have now practically ceased. We must seek elsewhere for these materials. Under these changed conditions, coupled with the fact that the countries of the world are making demand on this country for gold and currency, it would be the height of folly to cripple business and commerce by withdrawing the millions of dollars now lodged in our national banks from circulation.

It is contended by the minority that these funds could be withdrawn gradually as they are needed or we can issue bonds and borrow funds.

The better business method is to pay as we go. It makes no difference to the consuming public of the United States whether they pay the tax when they use the imported article or pay an internal-revenue tax. The money must be collected from the American people. It is merely a different method of collection.

Would the minority have felt better if in place of levying an internal-revenue tax to collect a hundred million dollars, we were at war with Mexico and perchance with the world, and not only sacrificing the lives of our young men, our commerce, and industries, but squandering our wealth and levying three or four hundreds of millions of dollars upon the American people to pay current expenses, to say nothing about the hundreds of millions it would be necessary to levy the next 100 years to pay pensions and to cover the cost of a destructive war?

Credit should be placed where credit is due. The minority criticizes, but offers no remedy. The sudden plea for economy which we hear emanating from the minority can fool no one, when it is considered that the last Republican Congress entered into contracts aggregating millions of dollars which the present Congress has been obliged to inherit and provide for out of the Public Treasury, and at the same time, in order to put the present Democratic Congress in a bad light, made appropriations which they knew at the time would not be sufficient to properly carry on the governmental affairs in each of the departments, and the Democratic Congress which was to succeed would be obliged to make these different appropriations, and in this way apparently increase its appropriations and furnish material to be used by the minority to cry extravagance.

Such methods are easily disclosed and must necessarily be denounced by an honest, generous people as unfair, unbusinesslike, with the earmarks of a deplorable partisanship.

As a matter of fact, the appropriations to date by this Democratic Congress are millions of dollars under the last Republican Congress. It is true the House has passed appropriations, including $25,000,000 for public roads, $28,000,000 to be paid Colombia and Nicaragua, and $53,000,000 for rivers and harbors. These measures were passed in the time of peace, when it was assumed that the revenue of the Government collected upon imports would be more than sufficint to pay them. They have not been passed by the Senate, which has already deducted $33,000,000 from the river and harbor bill, and under present conditions will doubtless refuse to confirm the appropriation of $25,000,000 for public roads and the $28,000,000 for Colombia and Nicaragua, these items can be held in abeyance. With these appropriations eliminated and an appropriation of about $34,000,000 taken out of the General Treasury to finish the completion of the Panama Canal, the appropriations of this Congress are about $30,000,000 under the total appropriations of its preceding Republican Congress. I refer to the $34,000,000 used in the completion of the Panama Canal, for the reason that the act authorizes the issuance of bonds for the construction of the canal, and by finishing it now we save the interest and the expenses contingent upon a bond issue. In other words, we are paying as we go, which is the best business method. So it is foolhardy for the minority to confuse facts and figures in a vain effort to prove that this Congress has been extravagant.

The fact that we have about $10,000,000 more to the credit of the Treasury this month than one year ago is the best evidence of the fact that the Underwood tariff bill under normal conditions was producing as much, if not more, revenue than its sponsors expected. It would be absurd for the minority to say that we have not collected as much money in taxes upon imports under the Underwood bill as they collected under the Payne-Aldrich measure. This was provided for at the time of the passage of the Underwood bill, it being the intention to levy as little tax as possible upon imports, many of which are the necessities of life. The tax upon incomes, which was levied in conjunction with the Underwood bill, was made for the purpose of making up the difference, the supposition being that the wealth of the country could much easier pay the tax than its poorer classes. The bill we have under consideration levies these taxes upon the luxuries of life; there is no tax upon the necessities.

The minority contends that the Underwood bill has not decreased the high cost of living. They assert that these articles are just as high to-day as ever. On the other hand, they contend that the Underwood tariff bill has caused a depression; that our manufacturers have not been able to compete with the foreign manufacturers; still they say the price has not decreased. It is the same to-day as it was under the Payne-Aldrich bill. These positions are inconsistent. If the prices are the same, then our manufacturers have been undisturbed. As a matter of fact, many articles have been reduced, such as the cheaper grades of clothing. The price of sugar decreased until the war increased the demand for it. Economists who have studied the question rightfully claim that disturbed business conditions and depressions have existed the world over. We have at last realized that every nation in this world is connected; that there is one nervous system which governs the entire world. Unusual conditions which affect one country reflect upon the rest. The Balkan-Turkish Wars, the acute Mexican situation, and now this European conflagration, have each in turn affected the heartbeat and pulse of the world, caused the people to hoard their gold and wealth and disturbed business conditions. It is unfair and unreasonable to charge these conditions to the Democratic administration. They are general. Were they confined to this country, there may be some reason for such a construction.

The minority have contended that this Congress has been legislating against the business interests of this country. We deny this; but we do say that certain business interests, animated with greed and avarice, control the Republican Party; and its control over that party was so effective that every item of legislation it passed for the last 15 years was at the direction of these interests for their greedy benefit. The Payne-Aldrich tariff bill is a shining example. Their greed and avarice carried them so far that many legislators and statesmen in the Republican Party were obliged for decency's sake, if no other, to openly rebel against the demands of these interests. As a result of their greed, the railroads in this country lie prostrate, millions of dollars belonging to corporations and their stockholders have been squandered in watered stocks, dividends have been

paid by the issuance of railroad obligations and notes, when, in fact, they should have been paid only from the revenues. Their revenues have been manipulated and misapplied for political campaign funds and fraudulent manipulations. To-day there is a clamor to require those who use the railroads, either as passengers or for the purpose of transporting freight, to be compelled to pay increased traffic charges. If their stocks had not been watered, political favoritism had not been shown, and their institutions had been managed to the interest of the people and the stockholders, there would be no necessity to-day to require these increases. This is but one of the numerous products resulting from unsafe Republican prosperity.

European armies are destroying millions in property which it has taken generations to acquire. The world must suffer these losses. Through unjustifiable manipulation and knavery millions of dollars have been lost to the stockholders of the New York, New Haven & Hartford Railroad Co. and other large corporations in this country. The loss of these millions must be felt by all. Everyone must stand his or her share. This is the inheritance the Democratic administration received from the Republican Party, manipulated and controlled by the interests, and still it is brazenly contended that these standpatters can be returned to office. If progress means anything, it means that we are to go ahead and not backward. The election of these standpatters would mean our country is going backward; that we want more Republican inflation, necessarily resulting in our destruction.

The minority claim we are interfering with the rule of supply and demand; that our legislation is hysterical and without a general coherent plan; we are the victim of presidential coercion and our inspirations are received entirely from the White House.

The antitrust bills which were voted for by many Republicans and Progressives do not interfere with the rule of supply and demand. They tend to relieve this rule of unnatural shackles which certain special interests, business combinations, speculators, and unfair transportation conditions have placed upon it. Mr. H. O. Havemeyer, at that time president of the Sugar Trust, while a witness before the Industrial Commission, testified there were 48 refineries in the United States, 18 became bankrupt, and of the 22 remaining 18 combined. As soon as the combination was effected 11 of them were abandoned and 7 left to do the refining that formerly 40 did. Having been asked how this combine controlled the entire output, regulated the price of sugar and its profits, he testified as follows:

Q. Would it not be the utmost limit that the consumer would pay? [Meaning the largest price the consumer would pay, regardless of the supply.]

A. Until we had competition we should be in that position, but whether or not we would exercise it is quite another matter.

This combination has killed competition. The directors of this corporation can arbitrarily say how much the American people shall pay for the sugar consumed. The Shoe Machine Trust, the Standard Oil Co., and other combinations have the same control over their products and the fixing of the price of their products and their profits. This can also be said of the Beef Trust. When a handful of men can say to the great majority of the American consumers what they shall pay for the necessities of life our free institutions are of but little value. Their power is greater than that of the tax collector. They dip their hands in the pockets of the American consumer without restraint. In this way the supply of the commodities in which they deal has been limited, the rule destroyed.

Thousands of tons of fish are destroyed each year because of our inadequate marketing conditions and transportation facilities. The same can be said of the garden products, potatoes, apples, grain, and wheat. Speculators buy great quantities of these products from the producer at insignificant prices, place them in warehouses, and thus control the entire output, supplying the market, not with the real supply but with just as much as they see fit, in order to keep up the price.

It was to remedy these conditions that the antitrust bills have been passed, making these combinations and the leasing contracts and unfair method employed by them to stifle competition illegal, and preventing the board of directors, the brains of these illegal transactions, from hiding behind the cloak of a corporation and holding them criminally responsible. These bills make attempts to throttle and divert the supply a crime and place the blame equally upon the perpetrators, whether they are individuals or corporations.

With the same idea in view, we passed the Federal reserve act, which is more than an asset-currency act. It creates new and free channels through which the currency and money of this great country can flow with freedom. It spreads it over the entire country, so that the farmer, merchant, and banker can have equal access to it. Every time an individual in this country deposited a dollar bill in a national bank, a State bank, or other banking institution at least 35 cents, and frequently 60 cents, of it found its way into the maw of Wall Street, where it was used for speculating and gambling purposes. It was these funds supplied by the people that were used by the railroad wreckers and speculators in their raids upon the railroad properties in this country. They borrowed these moneys from the national banks, which they controlled, and used it for speculation. This Federal reserve act stops this unreasonable speculation with the money of the people.

I do not oppose selling of stocks and bonds and dealing in future contracts when it is necessary to carry on the business of this country, but I do oppose those gambling operations which wreck our railroads and bring misery on our people.

It is common knowledge that much fault was found with the reserve act until it became a law, when of a sudden everybody recognized it was a good thing. Some of the money interests did everything in their power to frustrate us and divert us from the public course we laid out, and the Wall Street newspapers denounced us as know-nothings and incompetents. No one, from their viewpoint, could possibly know as much about banking and currency as their special interests.

A part of the minority, including its leader, were arrayed against this measure in favor of these interests. Still they have the hope of getting back into office, these very standpatters, who can only see prosperity and healthy conditions in legislation conducive to further the schemes of these special interests.

These same interests have been attacking our labor legislation and declaring we have been legislating for the masses and against the classes, and they point to the Clayton bill as an example. It is true that this measure does contain three distinct provisions beneficial to the laboring clases.

The courts have decided that a labor union is a trust and equal with a monopoly in violation of the Sherman antitrust law. This bill rightfully provides that a labor union shall not be considered in violation of the Sherman antitrust law. Such a union is an organization of men who work by the sweat of their brow for their livelihood and join together for their mutual benefit and advancement. The special interests have been proclaiming, for the purpose of discrediting this legislation, that this was class legislation, meaning legislation in favor of the masses and against the classes. Surely no sane man can contend that the Sugar Trust, created by Mr. Havemeyer for the purpose of controlling the supply and creating a monopoly in sugar, one of the necessities of life, is on a par with a labor union, nor can anyone seriously contend that the special interests are really a class. This would mean that all the people of wealth are interested in these unlawful monopolies and are on equal class with them. This is absurd. No doubt in some instances labor unions have been improperly managed; so have railroads and large corporations; but this fact is no reason why they should be wiped out and not allowed to exist. The decisions of the court under the Sherman antitrust law are to the effect that it should not exist. Labor unions may exist. Of course, if they commit unlawful acts and crimes they can be punished the same as the individual. I believe that the labor union and the trusts are here to stay, and it is our duty not to destroy but to build them up and make these institutions wholesome and American in every respect.

The majority of Federal judges have been the advocates of corporations and special interests. Our judges have been selected from our most prominent lawyers, and these lawyers, because of their superior intelligence and knowledge, have usually been retained by these interests, who could well afford to pay them, and naturally advanced to the bench when a vacancy occurred. They have usually taken to the bench, in many instances, an unknown prejudice or feeling in favor of the interests they have served so long. They fail to look upon the human side of the labor question, and have often granted injunctions restraining the laboring man from demanding his just rights and obtaining what is due him. This measure prevents this practice and prohibits the granting of an injunction order restraining a labor union or laborers unless first an affidavit is filed showing that the party asking the order has a good ground for it, and that there is liable to be an injury to person or property committed; at the same time the party asking the order is required to put up a bond to protect those restrained. Many of the minority protested against this provision of the bill. All that they could see was that those dear old special interests were being gradually deprived of their power and their unjustifiable use of the order restrained, and they protested loud and often.

We passed this bill with the further provision preventing these same judges from incarcerating an American citizen for

a contempt of court not committed in their presence without giving the party charged a trial by a jury of his peers. This change is entirely within the theory of our Constitution and the principles upon which this Government was founded.

There is no doubt that the trend of legislation to-day is to protect the human being and advance humanity. The eight-hour laws we passed had this idea in view. The bill which prevents the employing of females in the city of Washington for over eight hours a day was passed with the same idea to protect these frail people from the greed and avarice of wealth. Can there be any doubt that these are wholesome laws, and that they are not made for the progress and advancement of the people of this Nation?

Having this record, we Democrats naturally expect to be returned to office and receive the support of our respective constituents. Our entire legislative program has been for the purpose of restoring our country to the principles upon which it was founded by our forefathers. With this record I am neither annoyed nor afraid to appear before my constituents and ask their support.

Considering that it is impossible at this time to collect taxes on imports—and the Constitution prohibits a tax upon exports—it is therefore our duty to tax the people in another direction for the purpose of raising revenues to run our Government. We American people have pride enough in our country and its institutions to uphold our Government, and, as I stated above, we can thank President Wilson that to-day we are not involved in this war; that he kept us out of the Mexican trouble; and that we are not paying a large war tax and giving up the lives of our young men. When these facts are considered, it seems that we should all cheerfully stand behind the Government, uphold and support it, for if it ever did need supporting it surely needs it now.

Some Things Needed.

EXTENSION OF REMARKS

OF

HON. WILLIAM E. HUMPHREY,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, September 30, 1914.

Mr. HUMPHREY of Washington. Mr. Speaker, looking at the condition of the country to-day, remembering the history of this Nation, and forgetting not the experience of the last few months, I want to emphasize my belief in the following propositions:

First. That the tariff law should be immediately repealed and a law enacted that will give American markets to American producers; give our work and our wages to our own labor; that will keep the money now sent abroad at home; that will revive American industries and produce sufficient revenue to meet the expense of our Government.

Second. That we should have American ships built in American yards by American labor, paid American wages, manned by American officers and American seamen, and flying the American flag, to carry American commerce.

Third. That the law permitting American ships to pass through the Panama Canal without the payment of tolls should immediately be reenacted, and thereby give the benefits of the canal to the American people and redeem the promises made by all political parties.

Fourth. That a battleship fleet should be at all times kept in the Pacific Ocean and that the Pacific coast should be fully protected by fortifications and by submarines and torpedo boats.

Fifth. That a third dry dock should be immediately constructed at Bremerton.

Sixth. The immediate passage of laws for the development of Alaska, that will open to the world its marvelous riches and give it a permanent population of American citizens.

Seventh. The ending of constant attempts to pass legislation for political purposes that injures business, destroys confidence, and disturbs our industries. What this Nation needs to-day is more prosperity and less agitation, more business and less legislation.

Eighth. That it is the highest duty of this Nation, not only to ourselves but to humanity, to maintain strict neutrality as to all the nations now at war; that we should use every precaution to see that the anxiety for the dollar, under the plea of emergency, does not lead us into complications. And, above all, I believe that in every matter relating to the great European conflict we should stand united as one man, and that there should be no party, no partisanship, and no politics; that we should be only Americans, and our only purpose the good of our own country.

The Effect of Legislation on the Business of the Country.

EXTENSION OF REMARKS

OF

HON. HENRY T. HELGESEN,

OF NORTH DAKOTA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 1, 1914.

Mr. HELGESEN. Mr. Speaker, the farmer feeds the Nation. The Democrats promised to lower the cost of living. They said living is high because the Republican protective tariff gives to the American farmer the exclusive right to feed the United States. Strike down the farmer's protection and let cheap produce the world over come in to feed the Nation. So they said, and so they bartered the American farmer's prosperity in their plan to make living cheaper.

In their platform they said:

> The high cost of living is a serious problem in every American home. The Republican Party, in its platform, attempts to escape from responsibility for present conditions by denying that they are due to a protective tariff. We take issue with them on this subject and charge that excessive prices result in a large measure from the high-tariff laws enacted and maintained by the Republican Party. * * *

Upon assuming control of the Government they hurried to remove the farmer's protection. They did it with a vengeance. About every product of the farm was placed on the free list—that is, about every product of a northern farm—and the American farmer at once saw Canadian wheat, Argentine corn, Chinese eggs, Australian butter, Canadian hay, and German potatoes bought in American markets in place of his own products.

The Department of Commerce has furnished figures showing just what the Democratic tariff is doing to the American farmer. During the first four months the present Democratic free trade in farmers' products tariff law was in operation we find the following:

Importations of corn.	Bushels.
During four months ending Jan. 31, 1914	7,034,159
Importations same period previous year	250,000
Importations of oats.	
During four months ending Jan. 31, 1914	16,194,145
Importations same period previous year	23,580
Importations of potatoes.	
During four months ending Jan. 31, 1914	3,261,000
Importations same period previous year	79,000
Importations of butter.	Pounds.
During four months ending Jan. 31, 1914	4,573,079
Importations same period previous year	470,000
Importations of eggs.	Dozen.
During four months ending Jan. 31, 1914	2,885,561
Importations same period previous year	None.

And so we might go on down through the whole list of farmers' products. This Democratic tariff law, this free trade in farmers' products law, proved a success in one thing, it opened the American market to the cheapest farm products of the world, and the resulting increase of importations was tremendous. Then, too, this increase in importations is progressive, it grows with the passage of time. Above are given the figures for the first four months. The present increase is greater. The first rush of waters was quite a flood, but a deluge is on the way.

There are some 27 products of the farm from which the tariff was either entirely removed or greatly reduced. There has been a tremendous increase in importation of all these products. During the first 10 months of the operation of this free trade in farmers' products law there were imported into the United States $143,766,341 worth of these products. Just that much was lost to American farmers. The progressive increase in importations of farmers' products is shown by the fact that during the first 4 months it was 140 per cent; during the first 8 months, 149 per cent; and during the first 10 months, 168 per cent.

Not only have these enormous importations taken the American farmer's customers from him, but they have, of course, lowered the amount he has received for his own products. The framers of the law expected this. That is what they had in mind. That is what they wanted to do. Again they were successful.

If two bodies of water, one somewhat higher than the other, be connected, the higher level will drop down until a common level is attained. Such has been and always must be the effect of opening a free channel between the products of the American farm and the products of the world's farms. The price to the American farmer of his product must be reduced until a common level is reached.

By this depression of the price he receives for the products he sells the American farmer is directly affected and his prosperity seriously reduced. Had normal conditions continued, the American farmer would have paid hundreds of millions of dollars each year for the blessed privilege of having a tariff law written by Democrats. The war in Europe, unprecedented in its magnitude, and turning the great nations of the world from producers into consumers, will of course stop farm products from coming to America and greatly advance the price the American farmer will for a time receive for the things he sells. But when that war is over, then normal conditions will prevail, and what will happen we know from our experience under this law prior to the opening of the war, as, for example, in Nebraska, where just before the European war was declared the farmers sold their new crop of wheat at about 60 cents per bushel.

And then it does seem strange that the northern farmer is not as much in need of and entitled to protection as the southern farmer. At all events, the Democrats, who control the Government, do not think so. Some inquiring mind may find a connection between this and the fact that Democrats from southern States at present absolutely control the Government. Not strange, perhaps, they should look out for their own farmers. So while southern Democrats glibly placed northern-grown wheat practically on the free list, they put southern-grown rice on the protected list, to the extent of about 60 cents per bushel when clean or hulled; while they put northern-grown corn on the free list, they put southern-grown tobacco on the protected list; while they put northern-grown wool on the free list, they put southern-grown wool from the Angora goat on the protected list; and while they put northern-grown meats on the free list, they put southern-grown peanuts on the protected list.

Cotton bagging and cotton ties for the South are on the free list, while wool sacks and wheat sacks for the North are taxed. Mr. UNDERWOOD in his campaign for United States Senator said that free cotton bagging and cotton ties had saved $5,000,000 to the farmers of the South, which means that the farmers of the South have an advantage over the farmers of the North to the extent of $5,000,000 per year, and that the revenues of the Government were thereby decreased $5,000,000, and that the special revenue bill now before Congress had to be increased $5,000,000 to make up this loss.

Uncle Sam is now hard up. He can not pay his bills. Democratic extravagance has run riot. This Democratic tariff has failed as a revenue producer every month since it was enacted. Democrats are now further taxing the American people to pay for their extravagance and economic failure. So it is interesting to note that the placing of farmers' products on the free list has deprived Uncle Sam of a lot of money. The loss in revenue on these products alone has been more than $40,000,000.

There are two countries from which we receive cattle and meats—Mexico and Argentina. When the Democrats placed cattle and meats on the free list Mexico promptly placed an export duty on these items and pocketed the money. Our loss was her gain. Now the people are being specially taxed to make this up.

According to a Government investigation, meat and cattle from Argentina are brought in almost exclusively by the great Chicago meat packers. The sum of $2,856,859.21 is already lost to Uncle Sam on these items thus brought in from Argentina under the Democratic bill. But we are cheered by the thought that this sum went into the pockets of the meat packers; and, while we must now tax ourselves to make it up, we are consoled by the thought that we have contributed a splendid sum to a needy and hungry trust.

Trade figures published at Ottawa, Ontario, on July 26 by the department of trade and commerce for the past 12 months show a decrease of imports from the United States into Canada of $40,000,000 from the figures for the corresponding period of 1913.

On the other hand there is an increase of exports to the United States of $32,000,000.

Yes; that is the way it works. The Underwood free-trade tariff benefits every people on earth excepting the American people. Here is a shift to the wrong side of the ledger of $72,000,000 in one year's business with Canada. Thus does our favorable trade balance, always good under protection, go aglimmering under a free-trade system which decreases our sales the while increasing our purchases from foreign countries. At this rate our trade balances will soon disappear altogether.

When the farmers raise a "bumper crop" it often results in lowering the price to a point that leaves no profit; and no law can wholly prevent this. But when the farmers' crops are short and an increased price is necessary to save them from loss, protection assures them against the flooding of this country with foreign grain at less than the foreign price plus the amount of protection provided by our tariff law.

Democratic free trade compels our farmers to sell in competition with the cheapest grain in the world, whether our crops are large or small; and this catches our farmers both "coming and going," and means ruin to our farmers when their crops are short.

The Democrats claim that a protective tariff upon agricultural products does not benefit the farmer. This claim is in accord with their theory of free trade in agricultural products. The Republicans are not interested in theories unless they work out in practice. The Democrats put their theory into practice in the enactment of the Underwood tariff bill; and its effect is best illustrated by corn, which was placed on the free list. We do not need to theorize as to the effect of free corn, for we have the testimony and experience of experts upon that point.

Last May the Committee on Agriculture of the House held hearings on a bill providing for the standardization of grain, and at that hearing grain experts from all over the United States appeared. Among them was Mr. George W. Eddy, of the Chamber of Commerce of Boston, Mass., who, by reason of his location on the seaboard and being an exporter and importer of grain, is peculiarly qualified to testify as to the effect on the price of importations of Argentine corn. Examined by Congressman HELGESEN, of North Dakota, Mr. Eddy testified:

Mr. HELGESEN. To what extent do you think the small amount of corn we export fixes the price of corn that is consumed in this country?

Mr. EDDY. When we have a surplus of corn for export in this country it comes pretty near making the price of the crop while we have that surplus, in my opinion.

Mr. HELGESEN. Then, reversing it, do you think if we import corn that the imported corn, even in small quantities, tends to establish the price also?

Mr. EDDY. It does; and I think corn would have sold from 10 cents to 15 cents per bushel higher this year if it had not been for our importations.

The CHAIRMAN. How much did we import this year?

Mr. EDDY. That is hard to say how much has been engaged, but I should say that in the neighborhood of 12,000,000 bushels have been engaged to come in from Argentina.

Mr. Paddock was another grain dealer who thoroughly understands the effect of exports and imports of grain upon our home market and who testified as follows:

Mr. HELGESEN. How much cheaper can you buy corn from a foreign country, anywhere along the seaboard, under free trade than you can under a duty of 15 cents a bushel? How much cheaper can you land it in this country?

Mr. PADDOCK. Well, I should think the difference between the duty; 15 cents a bushel.

Mr. HELGESEN. If we have an ordinary average crop we would not need to ship in any corn from abroad. If you were on the seaboard, where you deal with people in New England and all along down the coast, would you pay more for American corn, even though we had plenty of it in this country, than you can import it for from Argentina?

Mr. PADDOCK. No, sir; I do not think so.

Mr. HELGESEN. Well, even though we have an average crop, enough corn, even though we do not import any to amount to anything, nevertheless the fact that we can buy corn at a certain price from abroad will establish the price of our own corn, will it not?

Mr. PADDOCK. Yes, sir. We are feeling very seriously at this time the importation of Argentine corn as a competitor of native corn, which is already largely through New England, New York, and central Pennsylvania.

Mr. HAWLEY. In what way have you felt it?

Mr. PADDOCK. We have felt it in the matter of price. Placed at the seaport the Argentine corn at New Orleans and Montreal points was brought in at a rate ranging down to 13 points lower, at 4½ cents a bushel less than corn can be shipped from the interior.

Mr. HAWLEY. Have you lost any markets by reason of it?

Mr. PADDOCK. Yes, sir. We have not sold a car of corn in Boston in three weeks, where we usually sell 10 to 20 cars a day. We have not sold a car of corn in Buffalo in six weeks, where we usually sell 10 to 20 cars a day.

Mr. HAUGEN. What is the reason for that?

Mr. PADDOCK. The reason for that is the Argentine corn comes in so low. * * *

Mr. HAUGEN. Does your company think the price of our corn has been affected by the importation of corn from Argentina?

Mr. PADDOCK. Undoubtedly.

Mr. HAUGEN. To what extent?

Mr. PADDOCK. We had a 2,000,000,000-bushel crop last year, and if it had not been for the importation of Argentine corn I think the farmers would have realized 10 cents per bushel above the present price of corn on account of its coming.

Mr. HAUGEN. You mean the importation of Argentine corn?

Mr. PADDOCK. Yes, sir. * * *

I will tell you, gentlemen, in my judgment in the past four years our total exports have been less than 1½ per cent of our corn crop, and I believe the exportable surplus of 1½ per cent has had much to do with regulating the price at which corn was sold in the United States. The importation of 1½ per cent of Argentine corn this

last year and the prospective importation of 10 per cent more has fixed the price of our corn to our farmers by and large, and eventually will supply the demand and will absolutely result in its exportable surplus of acceptable imports fixing the price. * * *

And the probable importation of 10 per cent more. That is the menace.

Mr. HAWLEY. The importation of 1½ per cent, with the possible increase to 10 per cent, a little more than 1 per cent of our crop, has diminished the price to the farmer about 13 per cent?

Mr. PADDOCK. About 10 cents, I said. * * *

The CHAIRMAN. Is it not a fact the price of corn to-day is anywhere from 12 to 15 cents a bushel higher than last year at this time?

Mr. PADDOCK. Yes, sir; and we raised 750,000,000 bushels less.

The CHAIRMAN. You think the increase in price is due to the failure of the supply?

Mr. PADDOCK. The failure in our country; and then the coming in of the Argentine corn. The price at Chicago a few days ago was 70 cents, and now that the crop of Argentine corn has begun to arrive in western points, into the interior and as far back as Syracuse, N. Y., and Troy—I have had letters from a great many customers along the line of the New York Central Road, stating they were buying at less money, so that it is now in actual competition. * * *

Mr. MOSS. Now, upon that basis, I ask you, had we had a normal crop, would the price have been so high as now?

Mr. PADDOCK. I do not think so.

Mr. MOSS. Very well.

Mr. SLOAN. Then the producers of corn this year did not get the benefit in price on what they sold that they would have gotten if the Argentine corn had not been shipped in in competition?

Mr. PADDOCK. I think not, sir.

Mr. SLOAN. In other words, when the farmers suffer a shortage of crop the competition from abroad comes in and robs you of the price they otherwise would have obtained?

Mr. PADDOCK. That is my judgment. * * *

Mr. SLOAN. In your opinion, would 15,000,000 bushels of Argentine corn have come in if the 15 cents had not been taken off of the import duty?

Mr. PADDOCK. I can say very clearly, in my judgment, it would not.

Mr. Eddy and Mr. Paddock were not indulging in the pastime of advancing chimerical theories at the expense of the American farmer. They were not trying to extract sunbeams from snowballs. They were giving opinions based upon actual experience. They were telling facts. These facts are that the price of corn to the American farmer was reduced by the Underwood bill at least 10 cents per bushel, and by reason of the importations from Argentina, American farmers lost the great New England market for their corn. The great European conflict has turned thousands of producers into consumers and will probably temporarily check the importations of corn to this country; but after the war—what?

What is true of corn will apply with equal force to oats, barley, wheat, and flax. In fact the price of everything that our farmers raise is affected by importations in the same manner that these witnesses demonstrate that the price of corn has been affected by our comparatively small importations from Argentina. In other words, it is not the amount of the importations that makes the matter serious to our farmers, but it is the effect that those importations have upon the market price of farm products in our own country.

Emergency Revenue Legislation.

EXTENSION OF REMARKS

OF

HON. HORATIO C. CLAYPOOL,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. CLAYPOOL. Mr. Speaker, I hope it is not speaking abruptly to say in the very beginning I am going to support this pending bill, for it must be admitted by all fair-minded men that the Democrats of the Ways and Means Committee did not bring it into this House by their own volition, but were compelled to do so by conditions over which they had no control. A war, the equal to which is unknown in history, ancient or modern, is now raging in Europe, thus cutting off practically all imports from that continent. That the necessity for this bill would have been obviated by a higher rate of tariff is simply the silly talk of a minority party, which feels it to be its duty to hinder, delay, and obstruct. I say a silly attempt at an argument, for the merest novice can see how utterly impossible it is to obtain revenue from tariff duties on imports when practically nothing is being imported. Under such conditions what has the tariff rate to do with it?

At the very outset, and before the real issue is reached, a doleful wail has gone up, almost a supplication, for the good old days when the Republican majority, with Uncle Joe Cannon in command, reigned supreme in the land. The disconsolate minority expressed exceedingly their regrets of the new order of things wrought by this man at the White House, Woodrow Wilson, and a Democratic Congress. The lobbyist of the National Manufacturers' Association and those of kindred associations are no longer filling the halls and controlling legislation.

The Speaker, with more despotic power than the Czar of Russia, frowning down upon committees of his own making, no longer holds forth, but in his stead presides Speaker CLARK, with no motive but to be fair, and with committees not of his own choosing but selected by the membership of this House. We are not surprised that this abrupt change jars the sensitive nerves of these stand-pat Republicans, thus in a material degree deposed. We have due sympathy, but they may as well know the old order of which the Republicans still dream has departed forever. But think of the nerve of these old stand-pat Republicans, standing on this floor and crying out against "gag rule," as they term it, when four hours are allotted for this discussion, and in spite of the minority's admission that they had no desire to offer a single amendment. And all this in the face of the facts that these same Republicans have been worshipers of Cannonism and similar methods for lo these many years, and are now looking with tear-stained eyes for "Uncle Joe's" return.

It is indeed to be regretted that the remnant of what was once, to say the least, a majority party with some kind of theories of government has degenerated into a band of calamity howlers without a suggestion of change of the bill under consideration.

But, Mr. Speaker, we readily agree that there is perhaps no other question upon which the American people differ so widely as upon the subject of collecting revenues. The underlying difficulty is that everybody is trying to escape payment. But in addition to this feature, the special-privileged class desire the great mass of consumers taxed, not alone for revenue, but for their benefit as well, under the guise of protecting American industries, American labor, if you please, while at the same time they bring to our shores a million laborers a year to take the places of our American laborers. Oh, how solicitous these protected interests are of the American laborer.

It took the American voter a long time to fully understand that if a protective tariff did not raise the price of a commodity to the consumer it could not possibly protect, and if it did raise the price so as to protect then the consumer had to pay the additional price. But this fact has finally dawned on the mind of the American citizen, and he now sees how he has been deceived and imposed upon.

In the campaign of 1908 there was a demand for a revision of the tariff downward, and to satisfy the voters the Republican "spellbinders," as well as the Democratic platform, declared for revision downward. The Republicans won. But finding themselves with a new lease of power, they showed no disposition to make good their campaign promises but proceeded at once to raise the tariff rate instead of lowering it. But, to be fair with them, they were in no position to make good to the people their pledge, for they were under everlasting obligations to the special privileged class for both votes and money to run the campaign, and they were lulled into the belief that they could again fool the people and still retain the very valuable friendship of the privileged class. But alas, they had presumed too strongly on the credulity of the voter. He refused longer to be deceived. They repudiated the Payne-Aldrich tariff law and proceeded at the first opportunity to depose those who had thus betrayed them in what they thought to be their own house.

There will still ever remain two distinct methods of collecting revenue—one by direct taxation and the other indirect or by a tariff system. The fundamental difference between the Democrats and Republicans in applying the tariff system is that the Republicans rely on tariff for protection of the millionaire manufacturers for protection's sake, making collection of revenue merely incidental or a secondary object, while the Democrats apply the principles of tariff for revenue only and make protection a secondary object.

We can readily see why the collection by the indirect method is more popular than by direct taxation. By the tariff method the consumer pays without knowing it; it is simply added to the price of the article he is buying, and he is purposely kept from knowing he is being held up not only for the necessary revenue, but held up for the protection of some wealthy firms who are at the same time growing wealthier year after year on the consumer's industry. And yet those who contend for this high protection pretend great concern and pity for the laboring man, but it is only a pretense.

Victor Berger, the Socialist, who but recently left Congress, wisely says: "You can tax the shirt off a man's back without much complaint if you do it indirectly by tariff methods." He never spoke more wisely.

HENRY GEORGE, Jr., says it is a way of getting the most feathers from the duck with the least amount of squawking. He has also expressed the idea well.

But we must all admit the manufacturers have been very adroit in covering up this fraud. They fully understood the value of a good label. They have almost shed tears when talking of the poor laborer, but ever kept well concealed the fact they were giving him $4 a day for his work but were stealing one-half of it away from him while he slept, and doing this under the name of protection. He was told we could not compete with the pauper labor of Europe, but at the same time a million paupers from Europe and Asia were landed on our shores every year to compete with our workmen in America.

But there is one feature more astonishing still, and that is that the great farming communities of the Middle West should vote to pay tribute to the East, should consent to be cruelly taxed on practically all they bought under the delusion that thereby they were enabling their eastern friends to come West and purchase their grain, hogs, and cattle at advanced prices, overlooking the further fact that they were compelled to sell their product on the open market of the world, the price being regulated by the European markets—buying on a protected market, selling on a free-trade market. Is there any wonder the farmer for a generation found it impossible to lift the mortgage from his farm? But finally the Republican politicians, by and with the consent of their allies, the woolen manufactures, took the farmer into their confidence and, in order to hold his vote, placed a few cents of protection on wool and then allowed the importing manufacturer of wool to "skirt" the wool imported, so as to make the tariff insignificant, but left it looking well to the farmer. With the tariff on wool dropped entirely and wool placed on the free list, the farmer is receiving a better price than when he supposed himself duly protected. But Uncle Abe's trite saying, "You can fool all the people part of the time, part of the people all the time, but you can't fool all the people all the time," never applied so forcibly as when applied to the delusion of protection of the laborer and farmer.

We realize that this taxing measure will not be especially popular. When was any tax measure popular, even if it came as an absolute necessity? It is not a pleasant duty for us to impose a tax on the gasoline used in your stove or automobile. But let those who object show us a better article to tax.

It is not pleasant to tax the bankers, but when we must choose between him and the fellow who works in the fields, in the mines, or in the factories, we do not even hesitate to place it on the bank stock, for it is a well-established principle of Democracy that those should pay the taxes who are best able to pay it. But our Republican minority in the House actually shed tears when they see the consumer of cheap clothing and sugar escaping this burden and the more wealthy asked to pay it, and they pray for the return of those good old times when the poor could be inveigled into willingly paying the Government's expenses, lulled to sleep by the thought of protection which in fact always missed him, but made a millionaire of his employer.

But, Mr. Speaker, I want to briefly call attention to other legislation of this Congress and of the present administration, and I venture the assertion here and now that the Sixty-third Congress has to its credit more constructive legislation enacted for the relief and benefit of the American people than has been enacted for the masses in the last half century. With these achievements, with these promises to the people faithfully kept, we go to them for their indorsement. If the American people wish to return to the high protection of the Payne-Aldrich bill, they will have an opportunity of saying so by voting the Republican ticket; if they want the consumer of sugar to be again obliged to pay a hundred million dollars to the Louisiana sugar planters, so they may grow rich at the people's expense, their course is easy. Of course these calamity howlers will tell you sugar is higher than before the passage of the law relieving the consumer of the payment of the hundred millions, but the person who has not enough intelligence to know that the price of sugar is advanced by the European war will hardly find the way to the polls.

And again, after relieving the masses of the sugar poll tax, which was practically $1 for every man, woman, and child, we were obliged to place this tax on those better able to bear it. Without the slightest hesitation we placed this deficiency caused by the relief of the burdens of the people upon incomes. But, again, I am ready to admit if any voter is distressed that we Democrats should thus relieve the poor and collect the same from the wealthy, he has his remedy by voting the Republican ticket, for practically every member of the Republican Party in Congress protested against this change, and they give us timely notice that they are ready to return to the old order of things whenever the people will restore them to power.

A Republican Member from Ohio, in a flight of oratory so vehemently expressed that his voice might have been heard in the capital of the Buckeye State, asked when this Nation had launched out upon the troubled waters of depositing money in national banks, thus making it necessary to collect revenue from the people, only to be promptly informed that sixty of the seventy-five millions were so deposited by the Republicans before the Democrats came into power, and deposited without interest, while the Democrats are compelling payment of interest. But that Member does not even yet seem to fully understand what struck him; but we hope it will eventually soak in. He, along with his Republican brethren, may object to the banks being charged with interest on the people's money, just as for many years they objected to the banks in Ohio paying interest on State funds to anybody other than Republican officeholders. It took a Democratic State administration to cure that difficulty in Ohio, and it also required a national Democratic administration to bring about a like reform in the Nation.

But there are some other achievements of this Democratic administration equally praiseworthy. For at least a quarter of a century the laboring classes appealed to the Republican Party—nearly all that period the Republicans being in power—for progressive legislation. Many bills were from time to time introduced, but all were allowed to quietly sleep in committee and never to appear on the floor of the House lest they might embarrass the Republican Members. But a Democratic Congress originated a bill which added to the President's Cabinet a representative of labor, and that branch is now headed by Mr. Wilson, of Pennsylvania, for many years a leader of organized labor. With this recognition of the demand of the honest toilers of the men seldom thought of in the days of Cannonism, do you think the laboring people of this country are desirous of returning to the old Republican standpat order of things?

For 50 years we have been laboring under a banking system under which Wall Street and a few of their allies could create a panic at will. Several times during that period the money power has found it extremely profitable to plunge the country into a panic, and the Government had no means of preventing it. At the least threat of the great banking center each national bank standing as a separate unit began to call in its loans and we at once had a financial panic the proportions of which depended solely on the persistence of Wall Street in restricting loans. We believe we have forever put a quietus to this financial disturbance by the enactment of the Federal reserve act, which is sufficiently elastic to permit the Government to come to the rescue in time of financial need. Besides this assistance, it will be the first time in a half century one could deposit money in a national bank or State bank, which is a member bank, and feel that the Government guarantees payment, regardless of panics; and this confidence can hardly fail to prevent runs on banks, thus causing a panic. Next, we expect to pass a rural credit act, especially relieving and furnishing cheap money to those engaged in agriculture. But Rome was not built in a day, and a single Congress must not be expected to pass all the remedial legislation necessary to the very best interests of our citizenship, even if we do remain in session 12 months in the year.

But why all this protest on the Republican side of the House against Democratic rule? Their wails almost startle the natives. One gentleman from the State of Washington is weeping over the cheapness of shingles and lumber, as if the poor fellow who wishes to build himself a frame house and cover it with shingles for the protection of his wife and babies has no rights that a great shingle factory and a Republican Congressman need respect, but must be held continuously to pay a high price for shingles and lumber in a protected market, because, as this noble standpat Congressman expresses it, the man buying lumber and shingles can get them cheaper of some one else than the Washington factory, if we do not forbid his buying elsewhere. In other words, the builder of a house should have no right to buy material where he can get it the cheapest. This illustrates well the Republican doctrine of protection.

If it were not for being cruel to our opponents, I would call attention to the foreign policy of this administration and the comments thereon by the opposition. A few months ago a number of speculators having invested in Mexico, and finding their property interests somewhat jeopardized by civil dissension, asked this Government to declare war with that country for no other purpose than defending the private property of the Standard Oil Co. and a few other similar interests. When President Wilson refused to expend millions of the people's money and endanger the lives of our young men he read every morning from a subsidized press such statements as "this Government is

the laughing stock of all Europe." But the President proceeded on his course, as the sequel shows, having implicit confidence in the right. To-day his manly courage is the theme of millions of American citizens, while in Europe uneasy lies nearly every head that wears a crown. And, referring to the European war, it now looks as if in a few months quite a number of second-hand crowns can be purchased at pawnshops at much less than original cost.

But I must not dwell on Democratic achievements longer. A great reading public is already familiar with many of the leading features of these enactments, and while time has not yet demonstrated the wisdom of many of them we believe the American people have confidence and will give us an opportunity of showing what good is in modern progressive legislation, for we must move forward. There is no such thing as a great nation like ours standing still. We must progress or go back. To go forward is to reach that state wherein the man who toils will eventually come into his own and enjoy the full usufruct of his labor. Our laws must be so administered that we may be able to properly distribute the products of the soil, factory, and mines, so as to give equal opportunities to all mankind. But, permit me to say here, as long as we keep our faces to the front, moving toward a higher and nobler civilization, there will never need be the slightest fear of a return to Cannonism or the days when the lobbyist dictated legislation, as was notorious in the last days of Republicanism.

Emergency Revenue Legislation.

EXTENSION OF REMARKS

OF

HON. JOHN A. MAGUIRE,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. MAGUIRE of Nebraska. Mr. Speaker, it is over 18 months since the present administration came into power, pledged to the principles of Democracy and to specific reforms in legislation and in the Government. I shall always feel a pride in having contributed my constant and enthusiastic support to the marvelous record of achievements under this administration. The people of the country appreciate and will vindicate the President, who needs no apology. As statesman, diplomat, and scholar Woodrow Wilson takes first rank. As a prudent, tactful leader of men his marked success speaks for itself. He thinks great thoughts and does great deeds.

PEACE AND NEUTRALITY.

The same public necessity which has kept Congress in session through the long summer still prevails, but to a greater extent by reason of the unfortunate conditions in Europe. By his unselfish devotion to duty the President has set an example which inspires courage to enable Members of Congress to remain here and give every possible aid to the Chief Executive in his present difficult task. The attention of the entire world has been directed to President Wilson as the most successful exponent of peace and the most available mediator of the war trouble in Europe. In his foresight and wisdom the President lost no time in declaring an attitude of neutrality for the United States and at the same time offered his services as mediator among the warring nations. He did not stop there in his patriotic efforts for peace. In a touching proclamation the President has designated October 4 as a day of prayer for peace, and all the people of the country will join in this commendable effort of President Wilson, sincerely hoping that the nations of Europe now engaged in terrible strife will soon accept the tender of good offices of this country to end the wreck and ruin of war.

While discharging the high duties to the cause of peace among the nations of the world our domestic affairs which might have suffered seriously from the war disturbance have not been overlooked. Congress provided without delay for bringing home American citizens stranded in the war zone, and through the effective cooperation of the State and Treasury Departments practically all of our citizens have been returned safely to their homes.

EMERGENCY WAR LEGISLATION.

The sudden outbreak of the war created a financial shock to the whole world, and to avoid a threatened crisis quick and wise action was necessary. Europe was going to a cash basis. American securities were unloaded to get cash and the stock exchanges were forced to close. Upon recommendation of the Secretary of the Treasury Congress amended the emergency currency law, which greatly added to our volume of currency for the banks of the country. This effectively relieved the currency scare. Congress then enacted the foreign-ship registry law and the war-risk law to still further counteract the influence of the war on ocean shipping. These measures will enable us to get our products to neutral markets of the world and also build up our long-lost merchant marine. All these new problems growing out of the European conflict have been met and solved by this administration promptly, patriotically, and successfully.

WAR REVENUE NECESSARY.

The bill now before the House presents another problem to the administration and to the party in power which was not contemplated two months ago, and we propose to do our duty with the same fidelity which has marked our conduct in dealing with the issues presented to us by our pledges to the American people. To levy a tax on our people is never a pleasant task, but as the causes which have made it necessary are not within our control as a Nation and could not have been foreseen we confidently trust that the patriotic citizens of the country will understand it to be what it really is—an emergency war tax made necessary by the falling off in custom revenues. The marked falling off since the war began is due not to the rates of duty high or low, but to the fact that the war has caused importations from the great importing nations to stop. From the eight or nine countries at war we received for the fiscal year June 30, 1914, imports valued at $385,989,551, and, estimating the same for the next fiscal year, we would lose duty to the amount of $125,811,000, assuming that all importations from these countries cease. But as it is not probable that all importations will stop we can estimate that the falling off in revenue will not exceed $100,000,000, according to the committee's estimate based upon Treasury figures.

Those who oppose this bill and those who usually oppose the President on any measure insist that if their Payne-Aldrich tariff law was still in force there would have been plenty of revenue. Inasmuch as the war would have caused importations from the countries affected to practically stop, it is plain that no tariff law could have supplied revenues at the custom-houses. Their argument means, if anything, that by the exorbitant rates of the Payne-Aldrich law they could have collected from the consumers of this country enough revenue to tide over these times of failing custom revenues. In other words, their plan would have collected from the consumers of the country what we propose to collect from luxuries and privileges, and generally from those able to pay the tax. Not only that, but about $100,000,000 which we now raise by a tax on incomes would have to be raised under their plan by a war tax. The Democratic tariff law lifted that big burden from the consumers of necessities by shifting it from the custom-houses to big incomes. It is admitted that our custom revenues alone for 1914 fell off $26,762,868, but this was contemplated and provided for by an income tax, which raised $42,189,268.

ONLY SAFE AND HONORABLE COURSE.

To meet the present emergency so ably presented by our distinguished President in his recent message, there are only three courses open. One is to call in the money deposited by the Treasury in the banks of the country. There is about $75,000,000 of this drawing 2 per cent. Under former administrations this money was deposited in the big banks without interest. To call this in for use in running the Government, as pointed out by President Wilson, would greatly embarrass the credits of the smaller banks and work great inconveniences to the borrowers during a time when this money is needed to move the great crops of the West. Bonds could be sold, but this course seemed impossible in the limited money market and would not meet the present needs for immediate revenue to take the place of that which fails to come in from custom duties.

The only effective and practical course open is to levy a tax as carried in this bill, which in brief will raise $32,500,000 on beer and liquors; $6,000,000 on wines; $20,000,000 on production of gasoline; $10,000,000 by special taxes on commercial paper except checks; $5,000,000 on tobacco; $1,500,000 on telephone and telegraph; and $30,000,000 by stamp tax, or an estimated total of $105,000,000 each year the tax remains in force while the war continues. The total taxes to be collected will not be increased, as it is simply shifting the taxes from one source to another. Confidence in the Government and in the solvency of the Treasury must be maintained at all times, but especially during times of financial stress, and I am confident the people will sustain the President in acting wisely and frankly by calling the attention of Congress to the situation.

The present administration has been marked by many national and international policies, which have been followed by the people generally with unusual interest. In the hope that a brief statement of the work of Congress and the Wilson administration will serve a proper and useful purpose, I venture to review briefly the accomplishments during the past 18 months.

In his inaugural address President Wilson said:

This is not a day of triumph; it is a day of dedication. Here muster not the forces of party, but the forces of humanity. Men's hearts wait upon us; men's lives hang in the balance; men's hopes call upon us to say what we will do. Who shall live up to the great trust? Who dares fail to try? I summon all honest men, all patriotic, all forward-looking men, to my side. God helping me, I will not fail them if they will but counsel and sustain me.

TRUE TO THE PEOPLE.

In his thought and words Woodrow Wilson was able to perceive the great tasks that lay before him—problems the people confidently expected him and his supporters in Congress and the Cabinet to solve. Reviewing the many trying situations, foreign and domestic, and the great record of constructive legislation, the people to-day express entire satisfaction with Wilson's administration. They have not been disappointed. They have learned to know and to appreciate the great leader, thinker, and statesman now at the head of the Government.

ABLE CABINET.

He called around him a Cabinet of able and experienced men who have made their respective departments of the Government reflect credit upon themselves and the President by ridding them of official scandal and by efficient, effective service. There have been many evidences that the special interests and favor-seeking corporations are no longer in control of the Government departments. Secretary Bryan will soon have united the great powers of the world by a chain of peace treaties which will reduce to a minimum the possibility of war. Dollar diplomacy has given way to a policy of justice and fair dealing in our foreign relations. "Watchful waiting" has won for Mexico what promises soon to be a stable constitutional government and peace without intervention and war. The Treasury Department has served all the people instead of the big banks in New York City. The Navy and War Departments have forced the Armor Plate and Powder Trusts to meet competition. The Post Office Department is extending parcel post against the protest of the express companies and making the department of every-day working use to the public. The Interior Department is working out conservation in the interests of all the people. The Department of Justice is dissolving the trusts rather than giving immunity baths.

DROVE OUT THE LOBBY.

With a clear purpose and a strong determination to carry out the promises for great legislative reforms this administration began to clear the way for reform by routing the lobbyists from the Capitol. The President's wrath came upon them like a bolt out of the blue sky. This done, Congress found itself free to work and act uncontrolled by any influence except the welfare of the country. A new tariff law was passed which was an honest revision and was fair to the people of the country. It reduced the rates from the high, protective, and prohibitive rates of the Payne-Aldrich law to competitive rates now in the Underwood law. This law, in spite of the unsettled conditions usually attending a tariff revision, is working entirely successfully both as a revenue producer and as a stimulant to genuine prosperity. Up to the time of the European war our revenues were amply sufficient for the needs of the Government. The income tax law which was enacted as a part of the tariff legislation would justify the friends of the measure in reducing the rates of the tariff schedules. If at any time more revenue is needed in normal times the tax on incomes can be made to raise whatever is necessary.

BANKING.

Then Congress enacted a new currency and banking law, the Federal reserve act, which is now about ready for complete operation. Party lines were lost in support of this splendid piece of statesmanship, now accepted by the country with universal confidence in its merit. The law is based upon the principle of Government control through a regional banking system, providing a more elastic currency and a better system of rediscounting commercial paper growing out of industrial, commercial, and agricultural transactions. Twelve regional banks are authorized and the temporary organization has located these banks in 12 geographic divisions of the United States. A Federal Reserve Board acts as the controlling Government authority, indicating and directing the policy of the bank, while the whole system of everyday banking details is left largely with the individual banks within the system. All national banks are compelled to join or surrender their charters, while State banks and trust companies are permitted, under regulations, to become a part of the system. So well was the legislation considered, and so acceptable was it to the country, that immediately after the passage of the law 98 per cent of the national banks made application to be permitted to come under the provisions of the new law.

For nearly half a century we have lived under a banking system enacted as an emergency war measure, based for its circulation on a fixed war debt, and which for years has been considered wholly out of date and failed to meet the business and banking needs of the people. It seemed to be a panic breeder rather than a business steadier and regulator, and whenever symptoms of financial ills developed in the business world, the system itself cultivated timidity and encouraged the hoarding of money in times of great financial stress. This law puts an end to the control of Wall Street speculators of the money, finances, and credit of the business world, and permits of the mobilization of currency and credits by the Government and makes more liquid and available the credit of the country. Loans on farm lands are permitted and liberal provision is made for the loaning, discounting, and rediscounting of agricultural commercial paper not having more than six months' maturity. This banking system will soon go into operation, and my judgment is that in years to come the law will stand out as one of the greatest pieces of constructive legislation enacted in recent years. While this administration has numerous accomplishments to its credit, still if the administration and Congress had no more to their credit than this law, they could readily and confidently go to the people for a vote of confidence.

TRUSTS.

This administration and this Congress have dealt with big problems, and when one important subject of legislation was out of the road another was taken up. Three bills have passed the House looking toward the regulation of trusts, corporations, and big business. The first was the Trade Commission bill, which has already become a law, and is for the purpose of regulating the evils of business through a commission, much the same as the railroads are regulated by the Interstate Commerce Commission, and having in a general way very much the same powers. The subject was handled in a very limited way in the past by the Bureau of Corporations, but the bureau had powers only of investigation. The bureau and its powers were taken over by the Trade Commission, which was given a very large range of powers, giving authority of regulation of business and arbitration between business and corporate concerns and the public. A very large part of these violations are properly administrative and not judicial for settlement and could be settled promptly.

The Clayton bill for the regulation of trusts is supplemental to the Sherman antitrust law and further strengthens the law in the weaknesses developed by the experience of business practices and judicial interpretation. It prevents to a large extent the evils growing out of interlocking directorates, makes holding companies unlawful, fixes guilt in all unlawful corporate acts, and makes the Sherman law possible and certain of enforcement in its criminal provisions. The bill also greatly limits and modifies the power of courts to issue injunctions in labor disputes, and in many ways defines the Sherman law and removes the doubt existing for many years surrounding many of its provisions. The bill has passed both the House and the Senate and is now in conference, and it is hoped that an adjustment of the differences will soon be reached and the bill become a law.

The third one of the trust bills is the railroad-securities bill, to regulate the issuance of stocks and bonds, and is aimed to effectively do away with stock watering. This power under the provisions of the bill is given into control of the Interstate Commerce Commission. One of the purposes of rate regulation is to arrive at a reasonable profit on investments, and through the physical valuation of railroads it is found necessary to arrive at the real value of stocks and bonds. The measure, if enacted, will remove largely the evils of forced alliance of the transportation companies with the big financiers and banking concerns and will lessen the network of banking companies, fiscal agencies, and investment brokers over transportation. The exploitation and financial wrecking of railroad companies, such as the New Haven case, will cease and honest investors and railroad operators will be permitted to conduct the business of transportation without outside collusion. While this bill has yet only passed the House, it is expected to receive favorable consideration in the Senate and be enacted into law in the near future.

AGRICULTURAL EXTENSION.

No Congress has ever passed so many beneficial and far-reaching laws for the purpose of aiding the farmer and looking to the development of our agricultural resources. The Lever agricultural extension act was passed with a view of bringing to the farm and rural homes the results of scientific investigations and best farm practices for the purpose of encouraging increased production and profits of the farms and the improvement of life and social conditions on the farm. This law carries an appropriation which will ultimately reach about $4,000,000 yearly, and will be distributed among several States through the State agricultural colleges according to the number of farms and rural population.

HOG CHOLERA.

Further emphasizing the importance of agriculture, this Congress appropriated this year $500,000 looking to the effective elimination of hog cholera and attempting to reduce to a minimum a yearly loss from this disease of about $75,000,000 to the American farmer. One year ago the item was introduced by myself and $75,000 was appropriated as a start along this line, and the success through the serum remedy and sanitary practices promises great results.

OFFICE OF MARKETS.

Last year the Office of Markets was established in the Department of Agriculture, and this year $200,000 was appropriated for the purpose of investigation and impartially furnishing information on markets and market conditions, supply and demand, packing of products for shipping, storage and warehouses, routing of products, and related subjects looking to the marketing of farm products. The public—particularly the producing public—will be furnished with the information now confined to a few, with larger returns and advantages to the farmers and corresponding benefits to the consuming public.

FARM CREDITS.

Bills on good roads, grain grading, antigambling in grain and food products, parcel post, and numerous other subjects of legislation of advantage and benefit to the farmers have been passed or are now pending in Congress. Bills are now under consideration and exhaustive hearings are being had looking to the establishment of a system of rural credits and farm loans. There is a need and a growing demand among the farmers for easier and longer time loans and lower rates of interest for the purpose of giving the farmer the same advantage as other lines of industry and business activity to borrow money for the purpose of conducting his business. While the new banking law will do much to meet the needs of the farmer, making about $500,000,000 available for agricultural purposes, still a system of farm loans separate and apart from commercial banks is needed, and is quite certain to be enacted before this Congress closes.

MONEY FOR MOVING CROPS.

Something like $50,000,000 of the Government's money is deposited by the Secretary of the Treasury in the local banks all over the country for the purpose of meeting any shortage of money in the moving of the crops. For years and up till the time of the present administration, the surplus money of the Government was deposited in the big banks of New York without interest; but the wisdom of the present Secretary of the Treasury turned these deposits into the banks all over the country, at the same time compelling the bankers to pay the Government interest on the deposits. Thus it can be seen by this and numerous other acts how consistently President Wilson, the Cabinet officials, and Congress are zealously watching the interests of the people engaged in agriculture and caring for their public needs.

CONSERVATION.

This administration and Congress have kept well in mind the big problems of our natural resources, not alone of the present time but for the future. Conservation, with use and development, is the present Government policy. Simply a reservation and inactivity on the part of the Government means in a large measure failure of intelligent conservation. A bill was carefully considered and passed the House a few weeks ago amending the laws and enlarging the powers providing for the use under limitations of our water power on navigable streams. The measure provides for a proper system of fees and charges for the use only with carefully guarded leases and franchises with conditions and terms revocable and at any time on the part of the Government for good reasons or violations on the part of using companies and concerns. Bills looking to the use of water power on our public lands and public domain under proper regulations are also under consideration. Bills are now being considered for a system of leasing of oil and phosphate lands for definite periods fully guarding the interests of the public both now and in the future, control at all times remaining in the Government. Many other bills have been considered touching upon public lands, mineral wealth, fisheries, forest resources, and other natural resources in possession of the Government.

A law was passed this session of Congress appropriating $35,000,000 for the building of a railroad to the extent of about 1,000 miles in Alaska. A portion of the sale of public lands in that Territory is to be used as a sinking fund in repayment of this large expenditure. The big interests have been till lately in control of Alaska and were laying plans for permanently controlling its mineral wealth along with its rivers and harbors and other avenues and natural highways of travel. After an exhaustive investigation of the subject of dealing with the Territory this was considered one of the safest means of the development of its wonderful mineral wealth, forest, fisheries, fur industries, and agricultural possibilities, and at the same time reserving permanently for the public these great resources.

IMPERIALISM.

Imperialism is on the wane, and our policy toward the Philippine Islands is frank and definite for gradual self-government, until they are able to take complete control of their own affairs, and a bill is now pending with that in view.

The President is committed to a presidential primary, and such a bill will doubtless add another reform to the record of achievements.

The cause of labor has been given a seat in the Cabinet and an able Secretary, in sympathy with the problems surrounding labor, is now presiding over the department. An industrial arbitration law was passed which will empower the department to aid in the settlement of labor disputes.

The power of the people will now be more effective that we have provided for the direct election of United States Senators by the people. This reform was sorely needed, and was repeatedly rejected by former Congresses. The corrupt-practices laws have also been strengthened with a view of eliminating corruption in politics.

THE PRESIDENT AND CONGRESS.

To the scoffers and legislative obstructionists who said the Democrats would fail to make good and would bring a panic, this great record of reform, both as to foreign policy and domestic, touching the diplomatic, financial, industrial, and commercial problems in a short period of one and a half years is a complete answer. The country needs Wilson at the helm. His sincere, self-sacrificing devotion to duty; his patient, dignified self-control, intellectual grasp of great problems; his splendid fortitude; his high moral standards and Christian spirit make him indispensable in these times when danger and disaster threaten the civilized countries of Europe. It is equally important that the country return a Congress in full sympathy with the President. This is no time for divided authority and responsibility. President Wilson and his constructive policies would be of little service to the country if men are elected to Congress who would make it their business to hamper and obstruct the completion of the legislative program which the business of the country and the best interests of our Government demand.

On Public Ownership.

EXTENSION OF REMARKS

OF

HON. A. W. LAFFERTY,

OF OREGON,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 2, 1914.

Mr. LAFFERTY. Mr. Speaker, under the leave granted me to extend my remarks in the RECORD, I submit the following:

Public ownership against private ownership; public welfare against private greed. Both sides of the question fully presented and thoroughly debated by C. N. McArthur and A. W. LAFFERTY, rival candidates for Congress from the third Oregon district. Election, Tuesday, November 3, 1914. Jury, the electorate.

INTRODUCTORY.

I have just received a copy of the Sunday Oregonian of September 27, containing the full text of the speech of Hon. C. N. McArthur, as delivered before the Portland Transportation Club, in answer to my speech in this House on "Government ownership of railroads," delivered March 11, 1914.

BOTH SPEECHES REPRODUCED IN FULL.

Both Mr. McArthur's speech, opposing Government ownership, and my speech, favoring Government ownership, are here reproduced in full, so that the voters of the district may know where we each stand upon this very important question. It will be cheaper for me to print both of these speeches and send them out to the registered voters, so that all may see what we have to say, than it would be to buy four columns of space in the Sunday Oregonian in which to answer Mr. McArthur. Besides, by sending out the speeches in pamphlet form, not merely will the readers of the Oregonian have opportunity to read Mr. McArthur's fine speech, but all others will have the same privilege.

M'ARTHUR'S SPEECH "INSPIRED."

If ever a collosal humbug was attempted to be palmed off on intelligent voters, this alleged "speech" by Mr. McArthur before the "Transportation Club" is it. I venture the assertion that not one word of the speech was written by Mr. McArthur, and I shall cite conclusive internal evidence, supplied by the speech itself, to prove my assertion.

The speech was written by a professional defender of private ownership of railroads in the employ of the railroads. It was sent to Portland to the transportation interests, a meeting was arranged for the "Transportation Club," and when the stage was thus set Mr. McArthur read off what had been given him to read, being in the hands of the transportation interests as mere clay in the hands of a jug maker.

INTERNAL EVIDENCES CITED.

The alleged McArthur "speech" gives as authority for most of its facts the Archiv für Eisenbahnwesen, a work printed in German by Julius Springer, of Berlin. Mr. McArthur knows no more about the contents of the Archiv für Eisenbahnwesen than he knows about the contents of the moon. Let Mr. McArthur state who furnished him his alleged data from the Archiv für Eisenbahnwesen.

Mr. McArthur also quotes "Baron Von Eltz" in a talk "before the New York Railroad Club," in 1913. Who would be expected to make a Government-ownership speech before "the New York Railroad Club"? Baron Von Eltz was doubtless procured to perform the same service for the railroads before the "New York Railroad Club" that Mr. McArthur was procured to perform before the "Portland Transportation Club," which is the same kind of a club on a smaller scale. Let Mr. McArthur state who furnished him with a copy of the baron's remarks before the "New York Railroad Club."

DECEPTION MOST TRANSPARENT.

The most casual reader can not help but see through the attempt to deceive the public by foisting on it this alleged speech of McArthur, as an original production by McArthur. For example, in the very second paragraph of the McArthur "speech" will be found this language:

> There is another reason why it should be answered, i. e., that the misrepresentations in it are typical * * *.

Note the "i. e." in this quotation. That is a form of expression that is never used in oral speech, but is characteristic of "essay" writers, scores of whom are hired by the railroad interests in the United States to-day. The "speech" delivered by Mr. McArthur was merely an essay written back East, probably right here in Washington, D. C., by one of the hired "molders of public opinion" of the railroads.

In Washington, D. C., the railroads maintain a permanent bureau of essay writers, called the "Bureau of Railway Economics." It has a large part of one floor of the Munsey Building and watches out for "molding public opinion" in favor of private ownership.

M'ARTHUR'S FIGURES RIDICULOUS.

As stated, McArthur's speech was probably written right here in Washington, and a more ridiculous production, from the standpoint of "statistics" and exaggerated statements contained therein, was never offered to the public.

The McArthur speech quotes the Archiv für Eisenbahnwesen, which he says shows only 1,758 miles of Government-owned railroads in North America. Why did not McArthur quote some American authority? Government Ownership of Railways, by Van Wagenen, published by G. P. Putnam's Sons, in 1910, gives the mileage of Government-owned railroads in Mexico alone as 5,890 miles, and Canada has 1,700 miles. Mr. Van Wagenen gives the American Consular Reports as his authority. So at the very outstart the high-brow article by Mr. McArthur which was intended to show in dignified fashion how "unreliable" my figures were, misses the mark as to Government-owned railroads in North America by nearly 6,000 miles.

FRANCE CONTROLS HER RAILROADS.

The McArthur speech also criticizes me severely for listing the railroads of France as Government owned. They are listed as Government owned by Van Wagenen, who gives his reasons as follows:

> In the above table the entire mileage of France is included in the Government ownership column for the reason stated before that France has optional contracts embodied in the charter provisions which, together with the strict control and the fact that all the railways are built on the plans of Government engineers, make the ownership of the private companies nominal only.

The McArthur essay states that the average length of haul in Germany is 62 miles and in the United States 143 miles. While the average distance hauled is considerably over twice as far in the United States, the McArthur statement admits that the average freight charge per ton-mile is only 45.5 per cent greater in Germany.

So that as a matter of fact a ton of freight is hauled for less money in Germany than in the United States, on the average, but it does not go quite as long a distance as in the United States.

OTHER ARGUMENTS FOR GOVERNMENT OWNERSHIP.

Again, the railways in this country are paid an enormous sum for carrying the mails, Government employees, troops, and Government property, all of which goes free on the German railways. Besides, all the German railways carry express as freight. A higher rate is charged, of course, but this fact brings up the average charge per ton-mile.

Moreover, according to Van Wagenen—

> The right of way in Germany cost more than the entire equipment in this country, and her railroads are worth $140,000 per mile.

So that, taken altogether, it is perfectly apparent that Government ownership furnishes far the cheaper rates to the public.

MR. M'ARTHUR'S FAKE EXCLAMATION.

The author of the McArthur essay pretends to be greatly astounded at my figures when he uses this language:

> Mr. LAFFERTY actually succeeds in finding in the 50 countries which he names 30,000 more miles of State railways than there are in the whole world!

The truth is that I gave the amount of Government-owned railways as 218,358 miles, the same as G. P. Putnam's Sons, while McArthur's essay puts the mileage of State-owned railways as almost that much, to wit, 188,258 miles, and, as heretofore shown, he leaves out nearly 6,000 miles of Government railroads in Mexico alone. He also leaves out the railroads of France, which I included, and that makes up for his entire exclamation point from the top to the bottom thereof.

The McArthur exclamation was a fake, pure and simple, intended to convey the idea to the reader that my figures are not dependable. If my figures were not reliable they would have been torn to shreds long ago.

SATURDAY EVENING POST'S SPECIAL WRITER.

The McArthur essay says:

> If one wishes an intelligent and unbiased presentation of the facts regarding State railways, telegraphs, and telephones in Europe, let him read the series of articles on Government ownership in Europe recently contributed to the Saturday Evening Post by Will Payne. Mr. Payne was sent to Europe expressly to study the subject. * * *

And here is part of the "unbiased presentation" of Will Payne, as quoted in the McArthur essay:

> I do not know whether you have ever ridden in the caboose of a way freight on a third-class railroad in the United States when there were as many passengers as the vehicle could well hold, most of them addicted to pipes and the sort of tobacco that comes in large, loose, brown paper packages. There was a time when it was my privilege to enjoy that experience rather frequently; and except for the free-and-easy sociability of the caboose, that comes much nearer to conditions of travel on some of the State trains in France than anything else I have ever seen in the United States.

The mendacity of the foregoing fantasy can only be appreciated to the full by those who have actually ridden on the palatial Government-owned trains of France, as I have done; but any man with one eye and a grain of sense, who ever heard of France, will know that there is not a word of truth in Payne's statement. I have traveled in France third class and received far cleaner and more comfortable accommodations than I have ever found on the first-class chair cars of the United States.

SUBSIDIZED "NEWS."

Following the remarkably fair and "unbiased presentation" of "Will Payne," I deem it an appropriate place to call attention to the methods of the railroads in "educating the public." The railroads spend hundreds of thousands of dollars yearly for this purpose, and they are probably getting Mr. McArthur's services free.

An investigation by the Public Utilities Commission of Massachusetts, conducted in 1913, brought to light the fact that during the sitting of the Massachusetts Legislature the New York, New

Haven & Hartford Railroad had on its pay roll the reporters for the Boston Globe and the Springfield Republican, two of the leading papers of that State. The Globe reporter's name is W. A. Murphy and the Republican reporter's name is H. W. Kendall.

The same investigation brought to light the fact that the same railroad had on its secret pay roll the Hon. Bruce Wyman, professor of law in Harvard University, and was paying him secretly $10,000 a year. Wyman was going around over the State telling the citizens what sort of legislation ought to be passed, without disclosing his employment by the railroad. He resigned for the reasons here given in December, 1913.

EXTENT TO WHICH INTERESTS WILL GO.

The fact here related will show to what lengths the interests will go in fooling the public. I have tried to do my duty without fear or favor. It has not been a pleasant duty, but I have not flinched. The welfare of the country is supreme, and every public servant should act accordingly.

The special interests have no politics. In this fight they will disregard the Democratic and Progressive candidates and concentrate on the election of McArthur, although either of the other two candidates might serve them just as well. But they know they must concentrate in order to beat me. Therefore, the duty of every honest citizen who has the welfare of his country and his children and his children's children at heart is plain. You made me your trusted agent. I have rendered to you the best service that was in me. I have reported to you the facts. Your vote will probably be the most far-reaching of any you will ever cast. It will either turn the tide for you or against you. I submit the case to you.

MOULTON AND FLEGEL OPPOSE GOVERNMENT OWNERSHIP.

Both Moulton and Flegel stand with McArthur in opposing Government ownership. Flegel is the same stripe of conservative as McArthur, and received indorsements along with McArthur for nomination at the primaries by the "Voters' Protective League," a sort of A. P. A. organization, and by the "Nonpartisan League," an adjunct of the employers' association. Flegel was a standpatter in the city council, and he is a standpatter now. He admits himself that he opposed woman suffrage until after the amendment was adopted—this at the Lincoln High School in May, 1914.

MOULTON AN INGRATE.

Arthur I. Moulton is worse than a standpatter. He is the basest ingrate that ever asked for public office at the hands of Multnomah County. Moulton is only 27 years of age, and was formerly a clerk in my office. He came to Portland from Walla Walla, Wash., in January, 1908, to work for me at $75 a month. Instead I voluntarily paid him $100 a month from the start, and he worked for me until September, 1909—nearly two years. In that period he was admitted to the bar. In that period he was married. In that period he became acquainted with my business and my clients. When I was elected to Congress in 1910 Moulton inherited nearly all of my business. Moulton enthusiastically supported me for Congress in 1910. He was even more enthusiastic in his support in 1912, going all over Multnomah County with A. C. Marsters, E. E. Jones, and others, making laudatory speeches in my behalf. Moulton was himself a candidate for the Republican nomination for the State legislature in 1910, and was properly gloriously defeated. Now Moulton thinks he ought to be Congressman in my place.

MOULTON'S PLATFORM STOLEN.

Every plank in Moulton's platform is stolen bodily from my platform, except that of prohibition; and if Moulton were sincere in his protestations he would be out supporting me now, as he did two and four years ago. Let him state what has happened within the last two years to transform me from a gentleman worthy of his enthusiastic support to one deserving of his cowardly and insinuating abuse. Let him give one specific incident, except the fact that the swell-headed Moulton, 27 years old, my former clerk, who has been made what he is by me, wants the office himself. The answer is that Moulton is merely one of the many ingrates with which this country is filled. He should and will be rebuked.

THE PANAMA RAILROAD.

Mr. McArthur states that the Panama Railroad, owned by the Government, charges a higher freight rate than privately owned roads. It does per ton-mile, but it must be remembered that the Panama Railroad is only 47 miles long and the company goes to the same expense of loading and unloading and switching charges as if the haul were from New York to Portland.

That the Panama Railroad furnishes cheaper service than private carriers and is making the Government an enormous profit at that is proved by the following statement from Hon. Joseph N. Teal, of Portland, before the National Rivers and Harbors Congress, in Washington, D. C., December, 1911. Mr. Teal said:

At the present time the prevailing freight rate by water, eastbound, on coast productions is $8 per ton, of which the steamer lines on the Pacific side receive 60 per cent, or $4.80 per ton.

For handling this freight across Panama by rail, and thence to New York by water, the Panama Railroad Co., which owns and operates a line of steamers, receives only 40 per cent of the rate, or $3.20 per ton. It carries canal employees at greatly reduced rates from New York to Colon. It handles all Government business on the railroad for a lump sum which, I am advised, is unremunerative. It has a contract for transporting cement at $1.25 per ton from New York to Colon, which, under existing conditions, certainly does not pay a profit, yet I am advised it made during the last fiscal year ending June 30, 1911, a net profit of 23 per cent on its capital stock and charged off $600,000 for depreciation on its steamships. Over 70 per cent of its business was commercial, the balance Government business. Yet this is a line owned and operated in every detail by the United States Government.

Mr. McArthur and I are so near together on the matter of the number of employees that would be required to run the railroads that I do not deem that point worth while to debate, though I contend that my original figures were and are correct.

PROFITS FROM GOVERNMENT OWNERSHIP.

Mr. McArthur disputes my claim that Government ownership would be profitable should we take the lines over at their claimed value, $20,000,000,000, and he actually figures out that the Government would lose money on the deal. If that be true, then we ought to allow the railroads to raise their rates so as to make a fair profit. I suppose Mr. McArthur would favor that if elected to Congress. Probably he would also favor letting the Southern Pacific keep its land grant, which it agreed to sell to settlers to compensate it for the great service it is rendering us in furnishing transportation at less than we could furnish it to ourselves.

But Mr. McArthur's figures on this point are absurd. Page 46 of the last Interstate Commerce Commission report shows that the railroads of the United States made a net profit in 1913 of nearly $1,000,000,000, to wit, $939,956,966.47, which was nearly $100,000,000 more than they made in 1912. In other words, the net operating income for 1913 was equal to almost 5 per cent on the claimed value of the railroads. So that if the Government should take over the roads at their claimed value, and pay 3 per cent for the money, it would make 5 per cent from the start, as the railroads are doing, and would therefore have a clear profit of 2 per cent after paying interest. This 2 per cent profit would be equal to $4 per person in the United States. Of course if we took the roads over at their physical valuation, which we would do, that valuation would be found to be far less than the $20,000,000,000 claimed value. The true value would probably be found to be not more than $10,000,000,000. In the latter case the savings to the people on freight rates would be about 50 per cent under Government ownership.

ALL NOW WORK OVER ONE DAY A WEEK FOR RAILROADS.

The average family income is $650 per year. The gross receipts of the railroads are $3,057,000,000 a year, or $30.57 per capita, or $152.50 per family of five. Therefore to pay this railroad tax, which we all do pay indirectly, we must work over one-sixth of our time now for the railroads.

The Portland Railway, Light & Power Co. collects annually gross receipts of over $6,000,000, or about $20 per person in Portland, or $100 per family in Portland. The Portland Railway, Light & Power Co. is now sending East as "interest and dividends" over $3,000,000 a year, or over half of its gross income. These figures are taken from Moody's Manual, of New York, the official guide on Wall Street of public utility corporations.

Mr. McArthur fears that Government ownership of public utilities would build up a "machine." Think what a "machine" it is now, and how it is being ruthlessly manipulated to absolutely control the Government. It is a machine. I admit it. It will never be a safe machine, one to contribute to the happiness of all, until it is taken over bodily by Uncle Sam.

M'ARTHUR'S SPEECH IN FULL.

[Delivered before Portland Transportation Club September 15, 1914.]

The speech of Congressman A. W. LAFFERTY on "Nationalization of American Railroads," delivered in the House of Representatives on March 11, 1914, is a remarkable document in that it contains hardly one statement that is not wholly disproved by the official reports of the Interstate Commerce Commission of this country and by the official reports of other Governments concerning their railroads. If those who know the truth should

let Mr. LAFFERTY's speech go unanswered, they would consciously permit the readers of it to be misled.

There is another reason why it should be answered; i. e., that the misrepresentations in it are typical of those indulged in by many advocates of public ownership, and unless something is done to stop them an entirely mistaken public sentiment may be created which might lead to public action of an unfortunate character. It is for these reasons, and not from a desire to engage in controversy, that I make this public reply to him.

GOVERNMENT MACHINE FEARED.

Mr. LAFFERTY advocates public ownership not merely of railways but of telegraph and telephone systems, steamship lines, and several other industries also. The adoption of this policy would greatly increase the number of Government employees. Many apprehend that this would have evil political consequences. This army of Government employees, it is feared, would dominate the politics of the country. Mr. LAFFERTY opposes this view. The number of Government employees would not be increased enough, he says, to do any harm. The statistics he gives in support of this view are all erroneous.

He says the Government already has 500,000 employees; but the total number of Federal civil employees, according to the statistical abstract of the United States, was, in 1912, only 396,000. He says that if we nationalize the railways we will at once make civil servants of the 1,500,000 now working for the railroads. The number of railway employees in the United States on June 30, 1912, according to the statistics of the Interstate Commerce Commission, was 1,699,218.

He says that the number of telephone employees does not exceed 100,000 and that the number of employees of telegraph and express companies is not more than 100,000. But the Bell telephone system alone, on December 31, 1913, had 157,178 employees; and it is estimated that other telephone companies now have 70,000 employees making a total of approximately 225,000 telephone employees. The express companies had 80,000 employees in 1907 and the telegraph companies have about 50,000 employees, exclusive of those employed jointly with the railroads, making a total of at least 130,000 express and telegraph employees. If the steam railways should be acquired, the Government doubtless would take over the electric railways which compete with them, and would most certainly take over the sleeping-car business of the Pullman Co. and also the various private freight-car lines which operate over the railways.

LIST REACHES MILLIONS.

Even excluding the employees of electric railways, the Pullman Co. and the private freight-car lines, the steam railways, telegraph and telephone companies and express companies have 2,055,000 employees, who, together with the 396,000 persons already in the service of the Government, would make a total of 2,451,000 Government employees. Furthermore, the work of Government employees is restricted to 8 hours a day, while railway employees work 10 hours. If, therefore, no change were made in the laws regulating the hours of work of Government employees, it would be necessary to increase the number of railway employees approximately 20 per cent, or about 340,000, which would make the total number of Government employees 2,790,000 instead of 2,200,000, as estimated by Mr. LAFFERTY.

Mr. LAFFERTY, on the basis of his erroneous figures, asserts that only 2.2 persons in every 100 of the population of the United States would be in Government employ. But the thing which would determine the political effect of Government ownership would be, not the ratio between the number of persons in Government employ and the total inhabitants of the country, but the ratio between the number of voters in Government employ and the total number of voters in the country.

EMPLOYEES WOULD BE VOTERS.

Now, practically every Government employee would be a voter, and the total number of votes cast for President in 1912 was a little more than 15,000,000, while it is estimated that the total number of votes in the country is 21,000,000. In other words, with 2,790,000 Government employees, we should have 13.5 voters in Government service for every 100 voters in the country and 19 voters in Government service for every 100 who voted for President in 1912.

Mr. LAFFERTY says that Government ownership has had no bad political effects in other countries. This statement is far from the truth. In France, for example, 900,000 out of a total of 8,000,000 voters, or 11 in every 100, are Government employees; and, as a result, according to William Morton Fullerton, an English writer, in his recent book, Problems of Power, government in France has become "a tyrannical monopoly of a minority," this minority being the Government employees.

FIGURES ARE EXPOSED.

Continuing, Mr. LAFFERTY says that Government ownership of railways is not "socialistic," and gives statistics intended to show that this policy has been generally adopted. "The world is not socialistic," he asserts, "yet 50 out of the 54 countries of the world have Government ownership of the railways, the only exceptions being the United States, Turkey, Spain, and Great Britain."

He then gives figures purporting to show the private and Government mileage in these 50 countries, their total private mileage being represented as 86,894 and their total Government mileage as 218,358 miles. He adds: "The fact that 50 out of 54 countries of the world have substantially adopted Government ownership and operation of railways as their national policy ought to be complete refutation of the claim that it is socialistic."

Either Mr. LAFFERTY is ignorant regarding his subject or the purpose of all these statements and statistics is to deceive. They tend to give the impression that Government ownership is the preponderant policy of the world, while the truth is that private ownership is and always has been the preponderant policy of the world. The Archiv für Eisenbahnwesen is the official publication of the Prussian Government railways. The latest investigation of the relative mileages of the Government and private railways throughout the world was made by this publication, and its investigation showed that on January 1, 1910, the total railway mileage of the globe was 639,621 miles, of which only 188,258 miles, or 29.4 per cent, was owned by Governments, while 451,363 miles, or 70.6 per cent, was owned by private companies.

STATISTICS FULL OF ERRORS.

The statistics given by Mr. LAFFERTY are full of the most glaring errors. For example, he credits France with 24,849 miles of Government railways and no private railways. The fact is that there are in France only 5,500 miles of State railways, while there are 25,159 miles of private railways. He credits Argentina with only 10,000 miles of private railways, whereas it has more than 15,000 miles of private railways.

Mr. LAFFERTY actually succeeds in finding in the 50 countries which he names 30,000 more miles of State railways than there are in the whole world. The mileages of railways owned by States and companies on the six great continents, as given by the Archiv für Eisenbahnwesen, are as follows:

Continents.	Mileage of State-owned railways.	Mileage of company-owned railways.
Europe	107,663	99,632
North America	1,759	284,889
South America	10,431	29,804
Asia	36,710	2,581
Africa	13,668	9,222
Australia	18,027	1,235
Total	188,258	451,363

The largest mileage of private railways is in the United States, but even outside of this country the privately owned mileage is more than 22,000 miles greater than the total State-owned mileage.

LAFFERTY'S PLAN DISCUSSED.

Proceeding, Mr. LAFFERTY attempts to show that by acquiring the railways the Government could save the people of the United States from $400,000,000 to $700,000,000 a year. The railways, he says, are capitalized for $20,000,000,000, and earned 5 per cent on this in 1913, or $1,000,000,000. The Government could acquire them for their capitalization and pay interest on the bonds issued at 3 per cent, which would enable it to save $400,000,000 annually. Not satisfied with having effected this great economy, he adds that the railways are really capitalized for twice their value, and therefore the Government probably would not have to pay more than $10,000,000,000 for them. Its interest would then be only $300,000,000 a year, and the saving would be $700,000,000 a year.

The trouble with these figures is that every one of them is either incorrect or absurd. The railways never have earned $1,000,000,000 net money in their history. On page 15 of his own pamphlet Mr. LAFFERTY gives statistics of the Interstate Commerce Commission showing that in the year ended June 30, 1913, the net operating income of railways earning more than $1,000,000 gross each was only $815,600,000.

INTEREST TOO LOW.

If the net operating income of the various small roads earning less than $1,000,000 gross each were included, they would not increase the total net operating income much—certainly not to more than $850,000,000. The Government could not borrow the large amount of capital required to buy the railways for 3 per cent. It is highly improbable that it could borrow it for less than 3½ or 4 per cent. The Prussian Government, which owns the largest mileage of railways of any country in the world, recently found itself unable to sell 4 per cent bonds at par. Mr. LAFFERTY's estimate that the Government could acquire the railways for $10,000,000,000 is extremely absurd. Charles A. Prouty, formerly chairman of the Interstate Commerce Commission, and now director of the valuation of all the railways of the United States, which the commission is making, estimated in a recent address that it would cost $20,000,000,000 to acquire them.

If the Government should pay this for them, and its interest rate were 3½ per cent, its annual interest would be $700,000,000. The interest and dividends paid by the railway companies at present amount to $675,000,000 a year. On this basis the Government would lose $25,000,000 a year by buying the railways. The railway companies invest in their properties the money they have left after paying interest and dividends; and if the Government did not do likewise it would not maintain the properties as well as the companies do now.

OPERATING COST IGNORED.

Mr. LAFFERTY says nothing of the heavy increase in operating expenses which probably would occur under Government ownership, thereby greatly reducing the net earnings unless passenger and freight rates were increased. In every country in the world where Government ownership has been adopted there has been a large increase in the number of employees and in operating expenses. Within three years after the Western Railway of France was nationalized in 1908 the number of its employees had increased by 5,280, or more than 10 per cent. Its operating expenses increased in four years from $29,600,000 to $44,500,000, or 50 per cent; and meantime its gross earnings increased only 12 per cent. Within three years after Government ownership was adopted in Italy the number of railway employees increased from 97,000 to 137,000.

As has already been shown, unless the present Federal law regarding the hours of work of Government employees were changed, the number of railway employees under Government ownership here would have to be increased by about 340,000, which, on the basis of present wages, would add about $245,000,000 a year to the operating expenses of the railways.

SALARY RULE NOW SMALL.

While Mr. LAFFERTY says nothing about these probable increases in expenses, he predicts that expenses would be curtailed by the abolition of the "princely" salaries now paid to railway officers. It is true that there are some large salaries paid on railways. But, on the average, the official salaries paid are small, and the total saving that could be made by reducing them is trifling.

The total operating expenses of the railways of the United States in the year ended June 30, 1911, the latest year for which we have complete statistics, were $1,844,065,958. The total salaries paid to the 15,824 officers in that year were $39,864,265, or but 2.16 per cent of the total operating expenses. Therefore to reduce these "princely" salaries 50 per cent would reduce operating expenses only 1 per cent, and to completely abolish all official salaries would reduce operating expenses only 2 per cent.

ISSUE ON RATES TAKEN.

Continuing, Mr. LAFFERTY states that railway rates are lower under Government than under private ownership. "If," he adds, "the German (State) railroads were operating in the United States, where they would have the benefit of the long haul, it is safe to say their rates would not be more than one-half of what we are now paying. The railway rates in Germany now are much cheaper on the average than they are in the United States."

It is true that the passenger rates on the State railways of Germany are lower than the passenger rates on the railways of the United States, but the amount of passenger traffic per mile on the German roads, owing to the greater density of population, is five times as great as on the American roads. Besides, the low average passenger rate in Germany is due chiefly to low rates made on grades of service inferior to any known in this country. The rate for first-class service in Germany is higher than, and that for second-class almost as high as, the average rate in the United States.

As to freight rates, it is the exact opposite of true to assert that they are lower in Germany than in the United States, even when full allowance is made for the fact that on the average freight is hauled a greater distance in this country. The average rate per ton per mile in Germany in 1911 was 13.9 mills; in the United States in the same year it was only 7.57 mills, or 45.5 per cent less. The average haul in Germany was only 62 miles, while in this country it was 143 miles, which tended to make it possible for the railways of the United States to handle their freight more economically.

WAGES HERE HIGHER.

But there was another and more important influence which tended to make the expense of hauling both passengers and freight much greater here than in Germany. This was the difference in the wages paid to railway employees in the two countries. The average wage paid in the United States in 1911 was $724, while in Germany it was only $392, or 46 per cent less. This difference between the wages paid is more than an offset to the difference between the lengths of the average hauls; and, all things considered, it is a fair inference that freight rates in this country are not much more than one-half as high, relatively, as they are on the Government railways of Germany.

AMERICAN FREIGHT RATES LOW.

That freight rates in this country are relatively low is conceded by German students of this subject. In a talk before the New York Railroad Club in May, 1913, Baron von Eltz, technical attaché of the German Consulate General of New York City, said: "I believe that a comparison between the American and German rates tends, indeed, to strengthen the impression that American freight rates are low, if not too low."

And in its annual report, referring to the industrial situation in the United States, the Deutsche Bank of Berlin said: "The American railway companies require higher rates, the existing freight rates are the lowest in the world; a fraction only of the English rates; although the wages in the United States are more than twice as high as the average paid in Europe."

ISSUE BECOMES VITAL.

As the view of the disinterested foreign observer it will be of interest to add the following comment which the Deutsche Bank makes: "This question (that of freight rates) is, therefore, one of decisive importance for the whole political economy of the United States, since the possibility of securing the urgently needed new capital, the consequent thriving of important industries and the increased additional opportunities for labor depend on the profit-yielding management of the great railway systems."

Generally speaking, Government railways tend to make their passenger rates relatively low while private railways tend to make their freight rates relatively low. And low freight rates are much more important because the amount of freight traffic handled is larger on almost all railways than the amount of passenger traffic handled.

It will be noted that the Deutsche Bank said that the existing freight rates in the United States "are the lowest in the world." The average rate per ton per mile on the railways of this country, as already stated, is 7.57 mills. The average rate per ton per mile on some State railways are as follows: France, 15.5 mills; New South Wales, 17.8 mills; Belgium, 11.8 mills; Switzerland, 30 mills; Denmark, 21.4 mills; Bulgaria, 17.6 mills; Austria, 14.7 mills; Hungary, 13.3 mills, and in most of these countries the railway wages are no more than half as high as those paid in the United States.

PANAMA LINE CHARGES HIGH.

To reenforce his argument for Government ownership, Mr. LAFFERTY refers to the rates made and the financial results gained on the Panama Railroad since it has been owned and operated by the Government. Now, the fact is that the average rate per ton per mile on the Government-owned Panama Railroad in 1912 was 3.99 cents, or more than five times as high as the average on the railways of the United States. The Panama Railroad earns large profits, but this is because of its excessive freight rates. Its net earnings in 1912 were $1,802,000. If its average rate per ton per mile had been only twice as great as the average on the railways of the United States, or, let us say, 1.5 cents, its net earnings would have been $1,836,000 less than they were, and instead of earning a profit it would have failed by $34,000 to earn its operating expenses. The statistics of the Panama Railroad indicate that under Government management it costs it three or four times as much to handle its traffic as it would cost an ordinarily well-managed railway in the United States to handle the same traffic.

GOVERNMENT COMPANIES SLOW.

Mr. LAFFERTY contends that Government service is much more expeditious and satisfactory than that of private companies. It is not so easy to refute this statement as it is to refute others made by him, because to do so would involve the presentation

of masses of statistical and other evidence too great to be included here. It must suffice to say that a large majority of persons who have had experience with the State railways, telegraphs, and telephones of the United States entirely differ from Mr. LAFFERTY in their opinions of the relative qualities of the service rendered in Europe and in the United States.

If one wishes an intelligent and unbiased presentation of the facts regarding State railways, telegraphs, and telephones in Europe, let him read the series of articles on Government ownership in Europe recently contributed to the Saturday Evening Post by Will Payne. Mr. Payne, who was sent to Europe expressly to study the subject of Government ownership, and especially Government service, for the Saturday Evening Post, gives fact after fact and specific incident after specific incident tending to show that the service given by State industries in Europe is far inferior to that given by private concerns in this country.

POOR SERVICE DENOUNCED.

Furthermore, the State railways, telephones, and telegraph concerns of Europe are bitterly criticized by their own newspapers for their poor service. For example, last January the London Daily Mail said in an editorial: "Why is it that Government ownership and management of telephones is practically always a failure? Why is it that for every thousand Europeans there is only 1 telephone, while for every thousand Americans there are 15? Why is it that not one of the many discoveries that have transformed the telephone industry in the past 30 years has emanated from a department of state? Why is it that throughout the length and breadth of Great Britain and the Continent hardly a single efficient long-distance service is to be found?"

Regarding the service of the railways of France, Mr. Payne says in an article in the Saturday Evening Post of May 2, after having severely criticized the service of the French Government railways:

"Of course, a good deal of this is true of the privately owned roads as well as of the State owned, yet there is an overwhelming mass of testimony to show that the State-owned roads give the poorest service and have been the slowest to make improvements."

STATE TRAINS ARE CABOOSES.

Referring again to the service of the French State railways, he says: "I do not know whether you have ever ridden in the caboose of a way freight on a third-class railroad in the United States when there were as many passengers as the vehicle could well hold, most of them addicted to pipes and the sort of tobacco that comes in large, loose brown-paper packages. There was a time when it was my privilege to enjoy that experience rather frequently; and, except for the free-and-easy sociability of the caboose, that comes much nearer to conditions of travel on some State trains in France than anything else I have ever seen in the United States."

If one will but look about him and contrast the kind of service usually rendered in his own city, his own State, and his own country by Government and private concerns, he will speedily disabuse his mind of any notion he may have that Governments ordinarily do things better than private companies.

STATEMENTS CALLED UNRELIABLE.

Mr. LAFFERTY makes numerous assertions in support of his plea for Government ownership besides those mentioned, which are equally as misleading. Enough has been said, however, to show that his statements of facts are wholly unreliable and his deductions from them entirely untenable. Like many other advocates of public ownership, he seems to believe so strongly in his cause as to think that he may rightfully resort to every form of misrepresentation in order to bolster up his argument for it.

But the public is not likely to regard the matter in that light. It is likely to conclude that a policy for which a case can not be made out except by the use of all manner of misstatements and misrepresentations is hardly a safe policy to adopt, and that men who resort to the use of such means of creating public sentiment are not safe leaders to follow.

LAFFERTY'S SPEECH IN FULL.

[Delivered in the House of Representatives March 11, 1914.]

I take advantage of this opportunity to present to Congress the reasons which have convinced me during the past three years that the American people should nationalize their railways.

In thus declaring outright for Government ownership of railroads, which, of course, would mean also the ownership of the telegraphs and telephones and the superseding of the express companies through the extension of the parcel post, I have not reached a hasty decision. Indeed, the facts in favor of Government ownership, developed by my investigations and my personal observation of Government-owned railroads in other countries, seemed overwhelming before I reached my present conclusion. I gave most careful consideration to every objection that has been urged against Government ownership.

It is my opinion that if this Congress should pass a law for the taking over of all the American railways at their actual physical value no one would be injured thereby, and that the American people would be saved billions for the future which otherwise will go to special-privilege corporations. Yet these corporations would not be hurt by such a law, because they would be paid the present value of their property. They would have no right to the speculative profits of the future.

"ARMY OF EMPLOYEES" BUGABOO.

The first objection urged against the nationalization of our railways is that it would create "an army of employees" who would dominate the politics of the country. None of the other 50 countries having Government ownership of railroads has had that experience, so let us look into the facts and see if there is any ground to believe that we would be "dominated by an army of employees." We now have 100,000,000 people, and we have 500,000 Government employees, or 1 person in 200. If we nationalize the railways we will at once make civil servants of the 1,500,000 employees now working for the railroads. That would bring the total number of Government employees up to 2,000,000, or 2 persons in 100. The total number of telephone employees in the United States does not exceed 100,000, and the total number of telegraph and express company employees will not aggregate more than 100,000. So if we nationalize the railway, telephone, telegraph, and express companies and take all the employees of those concerns into the civil service, the then total of our employees will not exceed 2.2 persons in 100. Therefore the cry that an "army of employees" would dominate our politics is the merest bugaboo. We now have 300,000 postal employees. They vote independently; they are found in all parties. The same would be true if we should have railway, telegraph, and telephone employees. Besides, there would be 97.8 persons in private life to only 2.2 persons on the Government pay roll, and any Congressman or Senator who favored the Government employees to the detriment of the private citizens would certainly be left at home at the next election.

The next principal objection to Government ownership of railways is that it is socialistic. The world is not socialistic, yet 50 out of the 54 countries of the world have Government ownership of railroads, the only four exceptions being the United States, Turkey, Spain, and Great Britain. Not all of the 50 countries owning and operating railroads own all of their lines, but they own and operate a substantial part thereof, and not a single one of those 50 countries has found Government ownership and operation of railroads a failure. On the other hand, they have found it a great success, and not one of them would take a step backward toward private ownership.

The following table gives approximately the private and Government mileage of the world by countries, excepting the United States, Turkey, Spain, and Great Britain:

Countries.	Private mileage.	Government mileage.
Alsace-Lorraine	17	1,079
Argentina	10,000	2,500
Austria-Hungary	6,931	19,694
Baden	134	1,053
Bavaria	605	3,772
Belgium	330	2,500
Brazil	6,265	4,939
Brunswick	119	274
Bulgaria	19,956	1,562
Cape of Good Hope	608	2,664
Ceylon		579
Chile	1,453	2,201
China	2,870	470
Colombia	210	220
Denmark	855	1,131
Dutch East Indies	300	1,156
Ecuador	125	80
Finland	151	1,885
France		24,849
Germany	1,248	31,000
Greece	700	(1)
Guatemala	400	(1)
India	3,973	25,321
Indo-China (France)		1,430
Italy	1,240	8,520
Japan	489	4,399
Mexico	6,319	5,890
Natal		776
Netherlands	822	985
New South Wales		3,390
New Zealand	113	2,391

[1] Small.

Countries.	Private mileage.	Government mileage.
Nicaragua	20	160
Norway	219	1,329
Orange River Colony		1,500
Queensland		3,092
Roumania		2,295
Peru	302	884
Portugal	952	531
Russia	11,450	27,691
Servia	14	360
Siam	25	350
Africa (except as above)	1,000	5,000
South Australia		1,805
Sweden	5,072	2,559
Switzerland	582	1,524
Tasmania	168	462
Venezuela		3,529
Victoria		3,398
West Australia	665	1,568
Total	86,894	218,358

The fact that 50 out of the 54 countries of the world have substantially adopted government ownership and operation of railways as their national policy ought to be a complete refutation of the claim that it is socialistic.

UTILITY OWNERSHIP PROPER GOVERNMENT FUNCTION.

I am opposed to socialism. That is to say, I am opposed to Government interference where there is natural competition. I am opposed to "community ownership." Such ownership would deprive me of my choice and my initiative in seeking my home and my happiness.

But I do favor a "commonwealth," which word means the holding of certain powers and property in common for the benefit of all the people. I favor the adding of the transportation monopoly of America to the American commonwealth, just as the postal monopoly has already been made an asset of the commonwealth. That is not socialism. That would be but exercising a just and proper function of government, a function which 50 out of the 54 countries of the world are already exercising.

CONGRESS NOT FOR THE PUBLIC.

The people of this country of all political parties are progressive; but Congress does not, according to my view, respond to the country's desire for sweeping progressive laws. In dealing with the question of monopoly Congress has not as yet "scratched the bark on the outside of the tree." I am in favor of Congress going ahead with the strides of a giant in order that the American people shall come into their own now and not 50 or 100 years from now.

The total wealth of the United States at present is approximately $120,000,000,000. The total capitalization of the American railways is $20,000,000,000, or one-sixth of our total wealth. If the railroads be nationalized, an act of Congress will direct the Government to take possession of the railroads on a given date, and the same act will necessarily provide that the stockholders shall be paid for their property at its actual physical value at the date taken over by the Government. In case of disagreement between any railway company and the Government commission having jurisdiction in the premises, a Federal court, with the aid of a jury, would hear the evidence and fix the fair value to be paid by the Government. That is perfectly constitutional. The public may always take private property for a public use upon making just compensation. No owner of railroad stock would be hurt. He would receive in cash the full value of his property.

PURCHASE WOULD BE EASY.

But the cry is also made that "it would bankrupt the Government" to buy the railroads. Let us see about that. Suppose we had to pay for the railroads the full $20,000,000,000 which they are capitalized for. We could borrow that money at 3 per cent annual interest. And last year—1913—according to the figures given the Interstate Commerce Commission by the railroads themselves, they made 5 per cent profit on their $20,000,000,000 capitalization. Therefore the Government would make a profit of 2 per cent per annum from the start, or a profit of $400,000,000 per year. That would be $4 per head profit per year to our people. But all this is upon the supposition that we would pay the railroads all they ask for their property—all they claim themselves it is worth—which, of course, we will not do.

The railroads of this country are capitalized for at least twice their actual value. That is quite generally conceded by all except the railroads themselves. Therefore, when we take over the railroads at their actual cash value, to be ascertained by a proper commission, we shall probably not be required to pay more than $10,000,000,000 for them. As our annual interest charge on that sum at 3 per cent will be only $300,000,000, and as the net operating revenues are now $1,000,000,000 per annum, we shall make an annual profit from the start of approximately $700,000,000, or $7 per head of our population. That will be the saving on rail transportation alone. The saving to each individual who uses a telephone will be about half the amount he now pays. The saving on telegrams and express will be about the same as on telephones or a little more.

ENORMOUS SAVINGS THROUGH GOVERNMENT OWNERSHIP.

The gross revenues of the American railways for 1913, according to their own figures, amounted to $3,057,163,762.78. In other words, each individual in the United States contributes to the railways each year the sum of $30.57. That shows how closely the railroads come to the people. Each family of five contributes to the railroads each year the sum of $152.85. The most of this is paid indirectly in freights. The consumer does not pay the railroad direct, but the merchant does, and the consumer pays the merchant. Seventy per cent of the total income of the railroads is from freights.

The savings to the people that I have thus far shown are incontrovertible. They are based upon cold mathematical calculation. There are other savings to the people which would come from Government ownership, but which are not capable of being reduced to exact amounts at this time. For example, the railroads are now claiming operating expenses of $2,118,585,896.52 per year. This gigantic sum, which the railroads deduct before they begin to count profits, amounts to $21 per head of our population. How much of it goes to actual legitimate expenses of the railroads there is no way of telling. But we do know that much of it goes to "educate the public" and to "create public sentiment" in favor of private ownership of railroads. All of this would be saved under honest, economical Government administration. Besides, the Government would not pay princely salaries to railroad presidents on account of their ability to foist watered stock on the public. At the same time conductors and other trainmen, shopmen, and mechanics would receive better pay and shorter hours.

To show that the railroads of this country are still engaged in wholesale bribery in order to mislead the people and maintain their hold on their present gigantic monopoly I will cite a few recent facts.

On page 609 of the report of the Interstate Commerce Commission of June 20, 1913, the commission says:

> It is worthy of remark that the general counsel of the New Haven Co. testified that, while the Legislature of Connecticut did finally vote unanimously in favor of the New Haven ownership of trolley lines, sentiment was at the outset the other way, and it was only after $100,000 had been expended in "molding" the opinion of the legislature that the final result was attained.

NEWSPAPER SUBSIDIZED TO FOOL THE PUBLIC.

Another instance of the constant endeavor of the railroads to warp public opinion contrary to the truth is that which was recently brought to light in Harvard University. A recent investigation by the Public Utilities Commission of Massachusetts disclosed the fact that the New York, New Haven & Hartford Railroad was secretly carrying on its pay roll Prof. Bruce Wyman, instructor in law at Harvard, paying him the sum of $833 per month, during which time Prof. Wyman lectured over the State on proposed legislation in which the railroad was interested. When the facts were made known, about three months ago, Prof. Wyman resigned. The same investigation by the Massachusetts Public Utilities Commission disclosed that both W. A. Murphy, legislative reporter on the Boston Globe, and H. W. Kendall, legislative reporter for the Springfield Republican, were in the secret pay of the same railroad. These are only a few cases recently made public. We do not know how many more university instructors, editors, and writers are on the secret pay rolls of the railroad companies for the purpose of "molding public opinion."

A very able book was written in 1910 by Hon. Anthony Van Wagenen, of Sioux City, Iowa, favoring Government ownership of railroads. It was published by G. P. Putnam's Sons. Mr. Van Wagenen wrote me recently that within a year after his book was published the libraries of this country were flooded with anti-Government ownership books written by inspired pens.

CONGRESSMEN MADE "ATTORNEYS" FOR RAILROADS.

A few days ago a Member of this House pulled from his pocket in my presence and in the presence of a Senator of the United States an envelope containing an annual pass for 1914 over one of the railroads of this country and a check for a retainer of the Member as attorney for the company for the coming year. So it will be seen that while we have passed a law preventing free passes to Members of Congress the railroads still

issue them to Members as part of the consideration for "services." I will give the name of the Member I have mentioned if anyone desires. In justice to him, however, I will state that he said he was going to return the pass and the check to the railroad company.

Mr. HENSLEY. Mr. Chairman, will the gentleman yield for a question?

Mr. LAFFERTY. Gladly.

Mr. HENSLEY. Does not the gentleman think that it would be a good thing to put a law on the statute books forbidding that kind of thing and making it a felony?

Mr. LAFFERTY. I certainly do. No Member of Congress has any right to draw pay as attorney for a railroad company.

Mr. MANN. Or anybody else, timberman or otherwise.

Mr. LAFFERTY. Yes; or anybody else, timberman or otherwise; and if any man can show where I have accepted a red penny since I have been a Member of this House, I will resign before the sun goes down. I challenge anybody, especially the gentleman from Illinois, if he means me, to show any such thing.

We have no means of knowing, nor does the country have any means of knowing, how many Members of this House are now under the pay of railroads or affiliated special-privilege corporations. We have passed a law requiring that campaign contributions in aid of the election of Members of the House and Senate be made public, and we should now pass a law making it unlawful for any Member of this House or a Senator to accept compensation from any outside source, or at least a law requiring the Members and Senators to make annual reports to the Clerks of the House and Senate, under oath, giving an itemized public statement of all compensation received by them from sources other than their official salaries. I have a bill pending making it unlawful for any Member of Congress or Senator to accept any compensation for personal services from any source other than his salary and allowances from the Government, and another bill which would require the statement I have mentioned to be made annually under oath by each Congressman and Senator, so long as it shall remain lawful for them to receive outside pay, so that the public may know what remuneration they are receiving, if any, in addition to their official salaries.

EUROPEAN STATE-OWNED ROADS A SUCCESS.

Another argument advanced against Government ownership is that rates are higher in those countries where Government ownership now obtains. That statement has been made all over this country, and it is absolutely false. Twice during the past year I have traveled through countries owning their own railroads in Europe, first last June and July and again during the three weeks' Christmas adjournment, and I find rates cheaper than in the United States, the time schedules faster, accidents less, and service better, although the roads are much shorter, owing to the smallness of European countries, and might, therefore, be excused if they did charge higher rates.

Mr. STAFFORD. Mr. Chairman, will the gentleman from Oregon yield for a question?

Mr. LAFFERTY. I shall be glad to yield to the gentleman.

Mr. STAFFORD. Will the gentleman inform the House how the freight rates in Germany compare with the freight rates in the United States?

Mr. LAFFERTY. In Germany, where the Government owns and operates the railways, the freight rates are only about one-half what they are in England, where they are privately owned. If the German railroads were operating in the United States, where they would have the benefit of the "long haul," it is safe to say the rates would not be more than half what we are now paying. The rates in Germany now are much cheaper, on the average, than they are in the United States.

There are certain things which the Government can do better and cheaper than any private corporation can do them, and building and operating railroads is one of those things. Private capital will not invest in expensive and hazardous undertakings unless assured of immense profits.

UNITED STATES NOW OWNS PANAMA RAILROAD.

The Government of the United States does now and for several years last past has owned the Panama Railroad Co. which operates also a line of ships. While that company is owned by the Government, it is operated on the same plan as a private railroad company, having a complete set of officers, a board of directors, and it has capital stock, all owned by the Government. Col. Goethals is president of the company. Its accounting system is the same as that of any private company. This company has from the start paid an annual dividend of over 6 per cent profit to the Government, and before declaring a dividend it charges off all depreciation, the same as any other company. The 1913 dividend of the Panama Railroad was 10.23 per cent. Yet it hauls cement from New York to Colon at $1.25 per ton. The water rate from Seattle or Portland to Alaska, a shorter distance, is from $12 to $20 per ton. This, perhaps, is an extreme illustration but it emphasizes the advantage of Government over private ownership when it comes to the matter of common carriers, either on land or water.

Therefore I favor not only the nationalization of our railways, but I likewise favor the building and operation of ships by the Government. One line of these ships should ply between Alaska and the States. Others should carry our mails to foreign ports, at the same time carrying passengers and freight. We now pay $3,000,000 a year to foreign ships for carrying our mails. That sum would pay the interest on $100,000,000 of bonds with which to build ships of our own. And when built and put into commission the ships would pay for themselves. These ships could also be made auxiliary to our Navy. They could be so built as to be convertible into cruisers in time of war. These auxiliary ships would not be a burden to the public, but would actually pay their way, and, in addition, give a profit to the United States. I want to see the time come when citizens of America can go to any port in the world in an American ship, flying the American flag, and manned by American officers and an American crew.

GOVERNMENT SHIPS ALSO FAVORED.

By water we export annually $2,000,000,000 worth of merchandise, upon which we pay the Ocean-Steamship Trust freights estimated at an average of 10 per cent of the value of the goods transported, or $200,000,000. By water we import annually goods to the value of $1,500,000,000 and pay ocean freights thereon of approximately $150,000,000, making approximately $350,000,000 that we pay each year for transporting merchandise to and from the United States upon the high seas. This Congress could well afford to provide for the building of Government ships to be operated by our Government. A fleet of 200 great ocean liners would be a good beginning. We would get at least half the traffic to and from the United States with such a fleet, and our annual freight revenues alone would be, as has been seen, one-half of $350,000,000, or $175,000,000.

The passenger and mail revenues would by themselves pay the operating expenses of our ships, leaving our cargo revenues net profit, less depreciation and repairs on the ships in commission. The depreciation and repairs annually on 200 ships of the value of $800,000,000 would not be over 10 per cent, or $80,000,000, leaving a clear profit from cargo revenues of $95,000,000 to be applied annually toward reduction of interest and principal of bonded indebtedness incurred in the building of a fleet of 200 ships at a cost of $4,000,000 each. The annual interest on the cost of the ships at 3 per cent would be $24,000,000. Subtracting this sum from the clear profit of $95,000,000 would leave the sum of $71,000,000 to be applied annually to the extinguishment of the bonded indebtedness of $800,000,000, so that in less than 12 years the fleet of 200 steamships would be paid for. An American merchant marine such as this, consisting of a fleet of 200 new ships, would be the proudest possession of any country in the world. Such a fleet would drive the Shipping Trust from the high seas and would be a godsend to the entire world. The United States is yet but a sleeping giant, lying stretched out from the Atlantic to the Pacific, embodying the strength of the richest country in the world. I predict that this giant is soon going to wake up to a full realization of his great powers and opportunities. It will not be many years, in my opinion, till an American citizen can circle the globe in a Government merchant ship, thus viewing at small expense the wonders of the world.

The argument is also made that the Government would not be as prompt and efficient in furnishing transportation service to the public as are private corporations. Experience shows the exact contrary. A few days ago I had a package of express and a parcel-post package of the same size sent me on the same day from Portland, Oreg. The parcel-post package arrived just four days ahead of the express package. The private corporations have so much checking against the supposed dishonesty of the sender and receiver of the package, as well as that of their own employees, that it takes as much time and expense to do this checking as it does to transport the package. The same is true of freight and of long-distance telephone and telegraph messages. I found personally that telegraph rates in Europe are less than half what they are in America, and the service much simpler, quicker, and more satisfactory.

These few remarks give my views touching the subject of transportation by land and water. I regard it as a proper governmental function, and one which, when left to private corporations, results in exorbitant rates, unnecessary dangers to

life and limb, and a strangulation of individual opportunity. If continued in office, I shall work and vote for Government ownership of transportation facilities whenever the opportunity offers itself.

COMMISSIONS FAIL TO "REGULATE."

The utter folly of hoping for results from attempted "regulation" ought to be shown by the fact that in 27 years the Interstate Commerce Commission has accomplished nothing in this regard. This commission has within the last few days announced a probable increase in freight rates, effective July 1, 1914, although the commission's own report for 1913, page 46, shows that the profits of the railroads are on the increase under existing rates. This report of the commission shows that the profits of the railroads for 1913 were nearly $100,000,000 greater than in 1912. What is the occasion for authorizing an increase in rates under such circumstances? The following is the report of the commission for 1913:

Summary of monthly reports of revenues and expenses of steam roads reporting total annual operating revenues in excess of $1,000,000.

Items.	Year ended June 30—		Average per mile of road operated.	
	1913	1912	1913	1912
Average number of miles of road operated	221,748.58	219,666.45	.....	.....
Operating revenues:				
Freight	$2,134,583,675.86	$1,902,742,853.03	$9,626.14	$8,661.96
Passenger	678,487,867.25	641,594,147.09	3,059.72	2,920.77
Other transportation	210,804,502.14	195,837,469.81	950.65	891.52
Nontransportation	33,287,717.53	28,789,383.52	150.11	131.06
Total	3,057,163,762.78	2,768,963,853.45	13,786.62	12,605.31
Operating expenses:				
Maintenance of way and structures	407,171,756.34	351,583,429.82	1,836.19	1,600.53
Maintenance of equipment	501,671,011.01	439,997,245.83	2,262.34	2,003.02
Traffic	61,391,495.37	59,203,342.86	276.85	269.52
Transportation	1,074,943,310.41	994,986,281.00	4,847.58	4,529.53
General	73,408,323.39	69,190,051.34	331.04	314.98
Total	2,118,585,896.52	1,914,960,350.85	9,554.00	8,717.58
Net operating revenue:				
Rail operation	938,577,866.26	854,003,502.60	4,232.62	3,887.73
Outside operations	1,379,130.21	475,163.90	6.22	2.16
Total net operating revenue	939,956,996.47	854,478,665.50	4,238.84	3,889.89
Taxes	124,356,024.17	116,419,026.43	560.80	529.98
Operating income	815,600,972.30	738,059,640.07	3,678.04	3,359.91

When first elected to Congress three years ago I did not favor Government ownership. I then favored "Government regulation." But I have investigated the matter carefully, found the facts set forth in these remarks, and have reached the conclusion that Government ownership is the only complete remedy.

MONOPOLY OWNERSHIP PREVENTS INDIVIDUAL OPPORTUNITY.

A child born in America is certainly entitled to have an interest in something besides poorhouses and jails; but at the present time the Commonwealth includes but little more than these. The total wealth of this country, as before stated, is approximately $120,000,000,000. That sum is equal to $1,200 per head of our population. I do not say that each child should be born with that much property to its credit already earned. I think some premium should be placed upon the industry and good management of parents, who are under obligations to provide for their children. But I do say that each child born into this world should have an equal opportunity to earn his proportionate share of the world's wealth, and if one-sixth or one-fourth of it is already in the hands of corporate monopoly, the child has no such chance. With Government ownership of railroads in America each child born in this country will find to its credit an interest in the National Commonwealth of a property value of $200. That common property would serve him all his life. It would aid him and help to give him an equal chance to earn his share of that portion of the national wealth which shall remain private property.

It is merely a question as to whether the one-sixth of our national wealth represented by our railroads shall remain a permanent handicap to private effort or whether these railroads shall in addition to their great value as public carriers be made a strong arm of the Government to extend a helping hand to each one of our citizens who is engaged in private business. As stated, I am opposed to socialism. I am likewise opposed to monopoly. But I favor the happy medium where that portion of the property of the Nation which is monopolistic shall be placed to the credit of the Commonwealth and where the remainder shall be always subject to private ownership.

MUNICIPAL OWNERSHIP ADVOCATED.

I certainly think that municipalities should own and operate their own public monopolies, such as street railways, gas, electric light, and waterworks; but the value of all of those when added to the value of the railroads, telephones, telegraphs, and Government-owned coal mines will not exceed one-fourth of the total national wealth, thus leaving three-fourths of the property of the United States permanently in private ownership as a reward to individual genius, industry, and frugality.

War-Tax Revenue Bill.

EXTENSION OF REMARKS

OF

HON. GEORGE M. YOUNG,

OF NORTH DAKOTA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. YOUNG of North Dakota. Mr. Speaker, I desire to call attention to two letters, written by prominent officials of the American Society of Equity; also some editorials, to emphasize the need of economy rather than the imposition of additional taxes, as proposed in H. R. 18891:

LETTER OF MR. TANK.

WAUSAU, WIS., *September 21, 1914.*

Mr. J. WELLER LONG,
Chicago, Ill.

DEAR SIR AND BROTHER: By instruction of the executive committee of our organization, I wish you would use all the influence at your command to work for legislation for the purpose of having the Government loan money to the people under the same condition and on the same security that the banks are securing such money.

You are further authorized to make known the position of this organization on the general appropriation bill, commonly called the "pork barrel," and that is that we are opposed to the reckless squandering of Government funds for apparently unnecessary things, most of such appropriation being asked for by Representatives for the purpose of making themselves solid for political purposes with their constituents at the expense of the people at large.

Fraternally,

H. G. TANK,
National Secretary-Treasurer.

LETTER OF MR. LONG.

NATIONAL UNION AMERICAN SOCIETY OF EQUITY,
Chicago, Ill., September 24, 1914.

Hon. G. M. YOUNG,
Washington, D. C.

DEAR SIR: We have noted with some surprise with what readiness Congress, under war conditions in Europe, has come to the relief of pleasure seekers, the merchant marine in buying vessels and insuring cargoes, the bankers in amending the Aldrich-Vreeland bill—I quote exact words—"that no bank shall be permitted to issue circulating notes to excess 125 per cent of its unimpaired capital and surplus," also in passing the Federal reserve act, providing for the banker without interest.

And with equal surprise we noted the indifference on the part of Congress to the distressed conditions as to the masses at home and the tardiness in coming to the rescue of the farmers and wage workers, while millions of both, the bone and sinew of the land, are going hungry and illy clad, not because they are lazy and trifling but because Congress does not act in their behalf.

Therefore, according to instructions by our national executive committee, as the following letter shows, we join with the Farmers' Educational and Cooperative Union in their demand for the issue of money on farm security to the farmer on equal privileges with the banker. Kindly let me hear from you immediately, as I have to report to this committee.

Yours, truly, J. WELLER LONG.

The Search-Light (Fargo) says:

NO TAX ON BANK CHECKS.

The proposition to again tax bank checks as a part of the war revenue to be raised, is, in the judgment of the Search-Light, unwise, especially at this time when business is so seriously interrupted on account of the general European war. Exchange should be facilitated and not hampered in this country, now that there must be and will be a great building up of internal enterprise, which building up necessarily means laying the foundation for a much greater share of the foreign trade hereafter than this country has enjoyed heretofore. Whatever revenue may be anticipated by a tax on bank checks can be very easily raised in some other manner.

The Courier News (Fargo) says:

THE WAR TAXES NOT NECESSARY.

Why must Congress put the burdensome war taxes upon us in time of peace, and just when business is struggling to recover its equilibrium? Since the Underwood bill was passed in October last the net balance in the general fund at the end of each month has been as follows:

Oct. 31, 1913	$124,963,000
Nov. 30, 1913	119,297,000
Dec. 31, 1913	111,854,000
Jan. 31, 1914	104,761,000
Feb. 26, 1914	92,866,000
Mar. 31, 1914	90,915,000
Apr. 30, 1914	80,237,000
May 31, 1914	74,151,000
June 30, 1914	145,835,000
July 31, 1914	143,776,000
Aug. 31, 1914	121,500,000

There seems to be a headlong rush to get a big lot of cash where Congressmen and Senators can loot it from the Treasury. The Republican Congressmen charge that the need of the Treasury for money is caused, not by the war, but by the extravagant appropriations of the party in power. Apart from the infamous rivers and harbors bill, the appropriations for next year exceed those of a year ago, which broke all previous records by $31,000,000. In addition, the rivers and harbors bill as it now stands will appropriate $20,000,000; the good-roads bill, $25,000,000; the Colombian treaty, $25,000,000; and other pending bills are enough to swell the total to $100,000,000 more.

Meanwhile there is also a decrease of expenses in several ways. The pension list has decreased $11,500,000, and the Panama Canal is finished, making a difference of many millions saved here.

If these reckless expenditures were cut out, there seems no reason why the country might not get along with a very small increase in revenue—possibly with none.

We have sympathy with the principles of the Democratic Party as set forth by President Wilson and Mr. Bryan, but we have no sympathy with financial maladministration. If it continues, the Democratic nominees for Congress will travel a rough road in the ides of November.

The Bismarck Tribune says:

DEMOCRATIC EXTRAVAGANCE.

Seldom has a party ever had the opportunity to redeem one of its party pledges as effectively as the Democratic Party has to-day in face of the European crisis.

The Baltimore platform pledged the party to economy of appropriations. It denounced the "wasteful extravagance" of the former administrations and set its foot firmly on a policy of retrenchment and economy.

Still it proposes to pass an emergency revenue bill without even attempting to curtail the various "pork-barrel" appropriations. The solemn promises of the party are broken in face of a crisis which imposes a double obligation upon the Democratic administration.

The fact that the revenues have fallen off some $11,000,000 is no reason for this haste in slapping on a special tax. The pruning knife administered upon the various appropriation bills would produce the same results.

However, it would be disastrous to Democratic hopes in several congressional contests if certain appropriations were vetoed by President Wilson. His machine in the House and Senate would turn upon him, as their pet appropriations, one by one, felt the weight of the veto power.

It may be possible that a special tax is inevitable, but retrenchment in appropriations would lighten the burden and might abolish the necessity entirely. Few would be injured in trying to meet the emergency through a reduction of the strictly "pork-barrel" appropriations. Also, the action would be strictly in line with the sentiments of the Baltimore platform, which seems to be the primer of the present administration.

The Times Record, Valley City, quotes with approval the following editorial, which appeared in the Minneapolis Journal:

TAXING GASOLINE.

After many trials the Democratic leaders in Congress have settled upon an emergency tax bill that may go through. The stamp taxes will doubtless be borne, despite the vexation they involve, without much objection. Similarly the special taxes laid on bankers, brokers, tobacco dealers, and purveyors of amusement generally will be accepted by their victims with what grace they may be able to assume, though many departments of the amusement business are far from prosperous, and though the brokers have for some time been traveling a rocky road.

The one item of the bill, however, that will be most unpopular is the tax of 2 cents a gallon on gasoline. The theory of this tax is that the consumption of gasoline is a luxury and therefore a proper source of taxation.

It is a singular perversion which leads the Democratic leaders to look on gasoline as a luxury and whisky as a necessity. Whisky has been rigidly guarded from any extra tax all through the eager Democratic search. The distillers have been powerful enough to prevent the placing of any extra burden on their product, and the Ways and Means Committee, of which our own Mr. HAMMOND is a member, has consistently protected whisky.

Gasoline is far more a necessity in these days than a luxury. It is true that much of it is consumed in the pursuit of pleasure, and to that extent it is a luxury. But, on the other hand, it drives innumerable engines that are doing valuable work for us. More and more are motor cars used for light delivery and other business purposes. The motor truck is used everywhere and for all sorts of business. The tractor is doing all manner of farm work. The stationary motor is pumping and churning and chopping and sawing and washing and doing a multitude of other services for manufacturing and farming.

The Democratic proposal to tax every gallon of gasoline will prove no more popular than its other schemes, like the freight tax, which it has been obliged to abandon.

If whisky is sacredly inviolable, why does not the majority in Congress add new economies to that in the river and harbor pork bill to which it was forced by the Republican filibuster in the Senate?

Rivers and Harbors—Revenues and Expenditures—The Underwood Tariff and Democratic Extravagance.

EXTENSION OF REMARKS

OF

HON. FRANK W. MONDELL,

OF WYOMING,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 29, 1914.

On the bill (H. R. 13811) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. MONDELL. Mr. Speaker, during the consideration of the river and harbor bill of last year I took occasion to criticize quite a number of items in the bill which I believed to be unjustified from any viewpoint of public interest. I called attention to the fact that some of the so-called rivers which it was proposed to improve were absolutely devoid of commerce and not likely to bear commerce if improved; that some of them might more appropriately be macadamized than canalized. I called attention to the fact that many of the creeks on which it was proposed to spend large sums of money would, at the very best, serve only a limited and purely local commerce. Some of the gentlemen on the Democratic side saw fit to vent their wrath on me for the criticisms I made, but little attempt was made to defend the projects I had criticized.

During the discussion of this bill in the House important work on the Committee on Appropriations prevented me from following up my criticisms of last year, but the gentleman from Wisconsin [Mr. FREAR] and others on this side vigorously and persistently assailed questionable and indefensible items in the bill, including most of those I criticized last year. The persistent, forceful attacks made by Republican Senators on the bill in the Senate have resulted in completely side-tracking the bill as reported by the Senate committee, carrying fifty-four millions, and resulted in the measure now before us, carrying a lump sum of twenty millions, to be expended in the discretion of the Secretary of War.

I shall support the amendment offered by the gentleman from Washington [Mr. HUMPHREY] to reduce the amount carried in the bill to $5,000,000 for two reasons—first, because there is on hand a considerable surplus for continuing the work on projects under way, and five million will preserve the works and prevent their deterioration; and, second, because, it being claimed by the administration that an extraordinary direct tax is necessary owing to the condition of the Treasury, I prefer to reduce the expenditures of the Government rather than lay heavy and unusual burdens on the people. If the sum carried by this bill be reduced to $5,000,000, the last vestige of excuse for special direct taxation is gone, and there is no reason for the passage by the Senate of the so-called war-revenue tax, which was jammed through the House under a gag rule by a ruthless majority acting, in my opinion, largely contrary to their best judgment, but in cringing obedience to orders from the White House.

CAUSE OF PRESENT CONDITIONS.

Mr. Speaker, while we have under consideration this item of expenditure, it has occurred to me that it would be highly interesting and instructive to call attention to the effect of Democratic tariff legislation; to its failure as a revenue producer and to its disastrous effect upon our international trade. It occurs to me that it would also be illuminating in the present juncture to review the record of this Democratic Congress in the matter of expenditures. I am of the opinion that an examination of the facts and conditions will make at least two things very clear: First, that the Democratic scheme of revenue embodied in the Underwood bill has been as great a failure as a revenue producer as it has been disastrous to our trade and that it is the effect of this legislation, rather than the war in Europe, that has furnished the excuse for the iniquitous taxes that it is proposed to burden the people with; and, second, that even under the handicap of this Democratic tariff legislation and the conditions it has produced there would be little excuse for levying burdensome direct taxes had it not been for the unparalleled extravagance of this Congress.

THE PRESENT SITUATION.

The breaking of the war clouds over Europe in the early days of August created conditions certain to affect the normal flow of our foreign trade and the ordinary current of our domestic business. To what extent and in what measure the disarrangement of the world's business and the operation of the forces of destruction now unleashed all over Europe shall affect our in-

ternational trade and domestic activities no one can at this time accurately forecast. This much, however, can be safely predicted, that a struggle of such tremendous proportion and frightful effectiveness for destruction must, and will if long continued, call for and demand increased quantities of foodstuffs and supplies rapidly consumed or destroyed by millions of men in deadly conflict.

To these supplies needed to fill the void caused by the waste of war must be added the increased demand on us for goods the people of the nations at war are no longer able to make for themselves with so large a proportion of their workers under arms. Many regions of the globe, more particularly, perhaps, the countries of the American Hemisphere and of the Orient, accustomed to buy largely of the manufactured products of the nations now at war, will now turn to us for many of these manufactured products. Finally our mills and factories will find an increased demand at home for classes of goods heretofore imported which Europe can no longer make for us or ship to our shores.

EFFECT OF THE EUROPEAN WAR.

I look forward, therefore, to high prices for all food products, to increased activity in many lines of manufacture, and to a general improvement in many lines of business as a result of the mighty struggle in Europe. In fact, such a result seems to me inevitable. With practically every able-bodied male in all Europe drawn from productive pursuits and engaged in the creation of waste and in the business of destruction, the forces of production must somewhere be engaged overtime to supply even a portion of the demand that waste and destruction will create. We, of all peoples, are in the best position to take advantage of any fair breeze of fortune that the tornado of war sweeping over Europe may waft us. Not only are we blessed with vast resources of supplies and in material and equipment in manufacturing plants, built up under protection, but we are specially fortunate and favored on account of our friendly and neutral attitude toward all of the warring nations.

We are the sincere friends of all the nations and peoples now unhappily engaged in conflict. We regret profoundly the differences that have arisen between them, and we would, if we could, bring peace to them all. We particularly sympathize with the plain people of all these warring nations who both during the awful carnage and wreck of war and in the toilsome rebuilding of the waste places and the painful repayment of its losses will be the principal sufferers.

Situated as we are, feeling as we do, it is scarcely conceivable that any situation could arise that would involve us in this terrible conflict. I feel confident that our Government will endeavor to maintain a proper attitude toward the belligerent powers and will avoid giving cause for misunderstanding of our friendly but neutral attitude toward all the people and nations involved.

Of one thing we are assured, that the Democratic brethren will endeavor to take credit to their party and their administration for any improvement that may occur in the depressed and stagnant conditions which have prevailed over the country and its industries. We may be equally certain that they will charge to the European war any and all unfavorable and unsatisfactory conditions that may continue to plague us. It is the fortune of war, and they may be depended upon to make the most of it, realizing as they must, and do, that the war situation will, during its continuance, tend to relieve them from many an embarrassing situation and condition, brought about by their legislation which they would otherwise have found it difficult to explain.

Under the conditions which I have outlined it is clear that in the discussion of the issues of the congressional campaigns of this fall we must largely use as the basis of our arguments, so far as they relate to the effect of Democratic legislation and policies on the welfare of the country, conditions prior to the outbreak of hostilities in Europe early in August; bearing this in mind, I propose to discuss the issues of the campaign as represented by the acts and omissions of the Democratic Congress and administration now in full and complete possession of all branches of the National Government for 18 months.

CONDITIONS AT CLOSE OF TAFT ADMINISTRATION.

No party ever came into power under such favorable conditions as confronted the Democratic Party March 4, 1913. Whatever one may think as to the Taft administration, however one may view the administration which preceded it, this no well-informed person will gainsay, that never in our history and never in the history of any other country has there ever existed conditions of such general and widely diffused prosperity as existed at the close of the last Republican administration; there were local conditions here and there, it is true, which provided exceptions to the general rule, but they only served to emphasize the generally favorable conditions.

At that time the balance of our foreign trade was largely in our favor, and to supply our foreign and an unfailing domestic demand kept our industries humming and our people steadily employed.

While our national expenditures had increased with the steady widening of national activities our revenues kept the Treasury well filled and supplied funds out of current revenues for all ordinary expenditures as well as for the building of the great waterway uniting the oceans at Panama. On the very crest of this wave of Republican prosperity the Democratic Party came into power.

TEMPORARY DIFFERENCES AMONG REPUBLICANS.

The Progressive movement under the popular leadership of Col. Roosevelt gave the Democratic Party its opportunity. Thus placed in power as a minority the Democratic Party assumed that its victory gave license to proceed to legislate in the matter of the tariff as though it had the mandate of a majority of the American people to throw overboard the protective principles under the operation of which we had grown to be the greatest producing and manufacturing people on the face of the earth.

Never did tariff legislation have so fair and favorable a trial as the Underwood bill has had. First, it had the benefit of the generally favorable conditions of trade and business which existed at the time of its passage; second, the people, weary of tariff agitation and of the constant chatter and reiteration of the free traders and tariff reformers that the tariff was responsible for ills, real or imaginary, which we suffered, even in that good time, had made up their minds to give the new legislation a full and free chance. Even those who had the most reason to fear the effect of the legislation kept their business and industries running as long as possible in hopes that the ill effect of the change of tariff rates, which were quickly apparent, would soon pass away. It may be said, therefore, that the Underwood bill has had a more than fair chance under wonderfully favorable conditions. What has been its effect?

UNDERWOOD TARIFF ACT.

The Underwood tariff bill became effective October 4, 1913, as to the majority of its schedules. Wool, however, did not go on the free list until December 1, and reduced duties on woolen goods until January 1, while the reduction of the duty on sugar did not go into effect until March 1, 1914. The Democratic tariff bill, as to the majority of its schedules, had, therefore, been in effect about nine months at the close of the fiscal year ending June 30, 1914. The effect of the new law on our foreign commerce is indicated by the following table of imports and exports for the fiscal year 1913—all under the Payne Act—and the fiscal year 1914, nine months of which was under the Underwood Act:

Total imports and exports for the years ending June 30, 1913 and 1914.

1913. Imports	$1,812,978,234	
1914. Imports	1,894,169,180	
Increase		$81,190,946
1913. Exports	2,465,884,149	
1914. Exports	2,364,626,555	
Decrease		101,257,594
Total decrease of foreign commerce		182,448,540

It will be noted that in the period named, mostly under the Underwood bill, we had increased our foreign purchases by more than $81,000,000, while our exports to foreign countries had decreased by over $101,000,000. This, let it be remembered, was under the bill which was to give us the "new freedom" and under which we were promised we would "capture the markets of the world."

It may be claimed that this comparison of fiscal years is not fair to the Underwood bill, because only three-quarters of the fiscal year 1914 was under that bill. Further, it will be urged by some that a new tariff necessarily disarranges import and export business for a time, and must be given a few months to get under headway. There is something in these contentions, and the Nation's business is too important a matter to be judged of except by figures that clearly and unquestionably represent the normal and ordinary effect of legislation. The first of August the great European war came on; manifestly it would not be fair to use figures representing the abnormal conditions which that war produced.

I have therefore prepared tables which show imports and exports for the first six months of the calendar year 1914, as compared with the first six months of the calendar year 1913, because I believe these are two periods which can be com-

pared with perfect fairness. The 1913 period was all under the Payne bill, the 1914 period all under the Underwood bill, with practically all of its schedules in full force the entire period. I shall place in the RECORD for the benefit of those who desire to study the matter in detail tables showing our exports and our imports for the first six months of the calendar year 1913 and for the corresponding period of the year 1914 by months and by classes of articles.

IMPORTS.

Our total imports from January to June, inclusive, of 1913 were $879,686,905. Our total imports for the corresponding period in 1914 were $980,589,922. The increase in the amount of our imports for this period of 1914 compared with 1913 was, therefore, $110,903,017. When we take into consideration the fact that these increased imports were almost wholly of articles which we could ourselves have produced, and under Republican legislation would have produced, we may be able to realize what a great loss this was to American producers and wage earners.

When we come to examine into the matter in detail we find a condition more alarming than the figures themselves indicate, for we find that the increased importations were of a character which most directly affected the income of the man on the ranch and the man on the farm and the employment of the wage earner. Of the approximately $110,000,000 of increased importation more than thirty-six millions was of manufactured articles ready for consumption, articles that might have been manufactured at home and given employment to our people, but which instead were manufactured abroad. Over $26,000,000 of this total increase in imports was in raw foodstuffs and food animals, the importation of which tended to reduce the price which the American farmer and ranchman received for his product, while we can all testify to the fact that the cost of these articles was not reduced to the consumer.

EXPORTS.

During the first six months of the year 1913, January to June, inclusive, under the Payne bill, our total exports of domestic goods amounted to the enormous sum of $1,146,327,078. During the corresponding period in 1914, under the Underwood bill, our total domestic exports were $1,047,779,364. This was a decrease in our exports of domestic goods of $98,548,714, a loss in foreign business of over half a million dollars a day for every day of the period. Let us not lose sight of the fact that this loss of foreign trade and foreign market occurred under the bill under which we were promised we were to secure the markets of the world.

Two features of these figures of decreasing foreign sales render the totals particularly alarming and significant. One is the fact that the decrease in exports in many lines is progressive. The amount exported grows smaller month by month. For instance, the total exports for January, 1914, amounted to over $201,000,000, while the exports for June amounted to barely $154,000,000, a difference of about forty-seven million. Not only did we lose in this six months' period nearly a hundred million in export business, as compared with the same period of the year before, but if the progressive loss of export trade were to continue the decrease in foreign trade would not be two hundred millions a year, but approximately twice that much.

DECREASE IN MANUFACTURED EXPORTS.

The other alarming feature of this decrease in exports is the decrease in the export of manufactured articles ready for consumption. Our Democratic friends first started out to blame the decrease in export of foodstuffs for the loss in foreign trade, but the fact is that the larger part of our loss is in manufactured articles ready for consumption. In the period referred to in 1913 we sold the world outside our borders manufactured goods ready to be used to the value of $403,007,989. During the same period in 1914 our sales of manufactured articles ready for use amounted to $347,052,199. The difference between these two amounts is $55,955,799. More than half of our entire loss in exports during this six months of 1914, as compared with 1913, was, therefore, in manufactured articles. Manufactured articles represent labor to a larger degree than any other class of articles. During the period in question we imported approximately $36,000,000 worth of manufactured articles more than for the corresponding period the year before, as I have already stated. We exported, as I have said, a lesser amount of manufactured articles than for the corresponding period of the year before, to the tune of about $55,000,000. Add these two figures together and we have $91,000,000 as the total loss in opportunity for employment on manufactured goods alone during the period named.

I regret I have not the time to analyze these figures more in detail, for they are mightily instructive of the awful havoc which the Underwood bill wrought on the industries of the country. The increase of imports in the period named and the decrease in exports, taken together, amount to $200,451,731. This sum measures the direct calamitous effect of the Underwood tariff bill on the business of the country, at a time when it was in full force and when conditions were normal, as compared with the corresponding period of the year before under a Republican tariff bill. It amounts to nearly one and a quarter millions of dollars a day for every day of the period.

Imports—January to June, inclusive, 1913 and 1914.

CRUDE MATERIAL FOR USE IN MANUFACTURING.

	1914	Per cent.	1913	Per cent.
January	$51,275,462	33.20	$60,192,259	36.91
February	52,938,925	35.77	55,489,973	37.02
March	62,867,811	34.40	55,652,883	35.80
April	65,868,163	37.88	52,987,663	36.25
May	62,871,328	38.29	49,331,578	37.01
June	50,735,653	43.22	45,321,310	34.50
Total, 6 months	346,557,242	.....	319,175,672	.....

FOODSTUFFS IN CRUDE CONDITION AND FOOD ANIMALS.

January	$21,285,148	13.78	$17,431,594	10.69
February	19,993,722	13.51	18,290,736	12.20
March	24,087,199	13.18	17,459,171	11.23
April	20,414,438	11.74	15,991,013	10.94
May	19,347,714	11.78	13,679,948	10.23
June	18,317,964	11.40	13,590,979	10.31
Total, 6 months	123,446,185	.....	96,543,441	.....

FOODSTUFFS PARTLY OR WHOLLY MANUFACTURED.

January	$15,711,245	10.18	$17,632,273	10.31
February	15,649,113	10.58	17,254,313	11.51
March	24,289,776	13.29	17,998,496	11.58
April	25,065,622	14.41	18,243,578	12.47
May	23,179,797	14.12	14,811,681	11.06
June	27,404,077	11.41	16,319,705	12.40
Total, 6 months	131,299,634	.....	102,260,046	.....

MANUFACTURES FOR FURTHER USE IN MANUFACTURING.

January	$23,211,004	16.33	$30,991,528	19.01
February	22,401,291	15.14	27,360,129	18.25
March	30,033,091	16.43	31,490,927	20.26
April	27,298,264	15.70	29,278,333	20.03
May	24,807,492	15.11	28,574,085	21.37
June	25,412,120	16.10	28,068,264	21.31
Total, 6 months	155,163,262	.....	175,763,266	.....

MANUFACTURES READY FOR CONSUMPTION.

January	$39,089,973	25.31	$35,259,040	21.63
February	35,572,469	24.04	29,987,294	20.00
March	39,836,077	21.80	31,563,575	20.30
April	34,082,964	19.60	28,937,438	19.79
May	32,966,144	20.07	26,449,234	19.78
June	34,585,915	21.00	27,523,376	20.91
Total, 6 months	216,133,542	.....	179,719,957	.....

MISCELLANEOUS.

January	$1,845,415	1.20	$1,556,744	.95
February	1,417,856	.96	1,531,473	1.02
March	1,649,000	.90	1,280,440	.83
April	1,167,025	.67	756,436	.52
May	1,037,040	.63	677,187	.52
June	1,073,721	.60	422,243	.30
Total, 6 months	8,190,057	.....	6,224,523	.....

Imports, by groups, during the 6 months ending with June, 1914, compared with the 6 months ending with June, 1913.

	1914	1913
Crude materials for use in manufacturing	$346,557,242	$319,175,672
Foodstuffs in crude condition and food animals	123,446,185	96,543,441
Foodstuffs partly or wholly manufactured	131,299,634	102,260,046
Manufactures for further use in manufacturing	155,163,262	175,763,266
Manufactures ready for consumption	216,133,542	179,719,957
Miscellaneous	8,190,057	6,224,523
Total	980,589,922	879,686,905

Increase of imports 1914, $110,903,017.

Exports—January to June, inclusive, 1913 and 1914.

CRUDE MATERIALS FOR USE IN MANUFACTURING.

	1914	Per cent.	1913	Per cent.
January	$80,841,845	40.09	$72,834,222	32.48
February	60,185,126	35.07	49,060,165	25.67
March	56,319,364	30.62	36,076,437	19.66
April	37,627,006	23.67	47,566,871	24.23
May	37,816,086	24.02	46,088,283	24.12
June	32,872,355	21.30	29,708,193	18.00
Total, 6 months	305,661,782	.....	281,334,171	.....

FOODSTUFFS IN CRUDE CONDITION AND FOOD ANIMALS.

January	$9,085,370	4.50	$20,827,378	9.29
February	8,549,477	4.98	16,340,432	8.55
March	7,168,732	3.90	13,907,220	7.58
April	6,328,730	3.98	13,209,610	6.73
May	10,078,917	8.40	11,006,869	5.77
June	11,047,074	7.10	9,015,447	5.51
Total, 6 months	52,258,400	.....	84,306,956	.....

FOODSTUFFS PARTLY OR WHOLLY MANUFACTURED.

January	$29,179,696	14.47	$30,875,188	13.77
February	22,153,990	12.91	31,267,405	16.36
March	22,989,066	12.50	28,759,084	15.68
April	19,588,017	12.32	26,178,111	13.24
May	20,117,749	12.77	24,937,913	13.05
June	20,075,216	13.00	23,737,499	14.00
Total, 6 months	154,103,734	.....	165,755,200	.....

MANUFACTURES FOR FURTHER USE IN MANUFACTURING.

January	$29,522,534	14.64	$34,618,264	15.44
February	28,491,259	16.60	31,643,366	16.55
March	32,856,618	17.68	35,216,394	19.20
April	31,844,607	20.03	37,044,590	18.88
May	30,431,865	19.32	37,050,329	19.39
June	31,755,039	20.61	31,453,499	19.60
Total, 6 months	184,901,922	.....	207,026,442	.....

MANUFACTURES READY FOR CONSUMPTION.

January	$52,435,369	26.00	$64,501,194	28.75
February	51,685,466	30.12	62,221,839	32.55
March	63,739,633	34.65	68,609,225	37.40
April	62,557,755	39.36	70,664,000	36.01
May	58,563,302	37.18	71,262,520	37.30
June	58,070,674	37.00	65,749,211	41.00
Total, 6 months	347,052,199	.....	403,007,989	.....

MISCELLANEOUS.

January	$609,230	0.30	$615,812	0.27
February	539,820	.32	602,237	.32
March	861,188	.47	878,430	.48
April	1,021,188	.64	1,580,524	.81
May	484,799	.31	709,886	.37
June	285,102	.10	509,031	.30
Total, 6 months	3,801,327	.....	4,896,320	.....

Domestic exports by groups during the 6 months ending with June, 1914, compared with the 6 months ending with June, 1913.

	1914	1913
Crude materials for use in manufacturing	$305,661,782	$281,334,171
Foodstuffs in crude condition and food animals	52,258,400	84,306,956
Foodstuffs partly or wholly manufactured	154,103,734	165,755,200
Manufactures for further use in manufacturing	184,901,922	207,026,442
Manufactures ready for consumption	347,052,199	403,007,989
Miscellaneous	3,801,327	4,896,320
Total	1,047,779,364	1,146,327,078

Decrease in domestic exports, $98,548,714.

BALANCE OF TRADE.

A nation, like an individual, to be permanently successful must have an income larger than its outlay; and in the case of a nation its income and outlay in its business with the balance of the world is indicated by its balance of trade. For 20 years under Republican administrations the balance of trade in our favor in our foreign commerce was large, and constantly growing. During this entire period it averaged more than $400,000,000 per annum, and in the fiscal year ended June 30, 1913, the last full fiscal year under Republican tariff legislation, the balance in our favor in our foreign trade reached the enormous sum of $652,875,915. But the Underwood tariff bill had the usual effect of Democratic tariff legislation. Under it we lost our markets abroad and increased our imports from foreign countries. The only question was, How soon would we reach the condition which existed under Cleveland and the Wilson tariff bill? The disastrous conditions came even sooner than we had anticipated. Much as I opposed the Underwood tariff bill, I would not have dared to prophesy that we would lose our enormous favorable trade balance and have an adverse trade balance the first year it was on the statute books; yet such is the astounding and lamentable fact, as is shown by the following table:

Excess of imports over exports four months of 1914:

April	$11,339,544
May	2,476,896
June	653,522
July	8,462,233
Total	22,932,195

These figures alone, showing, as they do, an adverse balance of nearly $23,000,000 in four months, are enough to condemn the Underwood bill if we had no other evidence of its disastrous effects. A favorable balance sheet of nearly $55,000,000 a month turned into an unfavorable balance of over $11,000,000 in a single month, seven months after a change of tariff schedules, is going some, even for the Democratic donkey. These figures of imports and exports and of trade balances are so startling they convey without comment the story of closed mills and factories at home and increased business in mills and factories abroad. In them the intelligent mind can see the increasing numbers of unemployed in all industrial centers, the long lines of empty freight cars, the reduced incomes, the poverty and distress which is inevitable where a nation increases its outlay and at the same time suffers a loss of income.

While it seems scarcely necessary, it may be instructive to refer to a few of the more important direct effects of the Democratic tariff policy. I shall in every case refer to conditions on or before August 1. If I used any later date Democrats would charge it to the war. I take the liberty of presenting some facts and figures as recently compiled by a reliable authority.

SOME ACTUAL FACTS IN PARALLEL COLUMNS.

1912.	1914.
Democrats coming into power found the following record for the first half of 1912: Excellent business conditions. General prosperity of the people. Full employment of labor.	The Democratic Party has just left behind it the following record for the first six months of 1914: Business stagnation. Idle freight cars. More than a million men out of employment.

Here are the actual concrete figures:

COMMERCIAL FAILURES.

January 1 to July 1.

1912 ..... $108,012,223 | 1914 ..... $185,009,773

Increase, $76,997,550, or 71 per cent.

BANKING FAILURES.

January 1 to July 1.

1912	$17,833,235	1914	$28,621,312
Number	55	Number	93

Increase: In number, 28; in amount, $10,788,087, or 60 per cent.

GROSS RAILROAD EARNINGS.

First five months of 1912 ..... $1,087,021,734 | First five months of 1914 ..... $997,558,018

Decrease, $89,513,716, or 8 per cent.

This would have kept employed many thousands of now idle railroad men and would have paid substantial dividends.

IDLE FREIGHT CARS JULY 1.

1912 ..... 70,731 | 1914 220,875

Increase of 150,144, or 212 per cent.

IMPORTS FOR FIRST NINE MONTHS OF THE UNDERWOOD LAW AND FOR THE CORRESPONDING PERIOD OF THE OLD LAW, TWO YEARS BEFORE.

1911 and 1912 ..... $1,283,093,701 | 1913 and 1914 ..... $1,446,127,491

Increase, $162,033,790, or 12 per cent.

These additional imports were moved into this country by foreign ships. Had a similar quantity been moved from one part of the country to another they would have called into activity one-half of those idle freight cars.

IDLE LABOR.

1912 ..... Practically none. | 1914 ..... Million men.

Counting one wage earner to each four persons, this would affect 4,000,000 people. So that President Wilson by his "new freedom" has released as many from voluntary service as Abraham Lincoln freed from involuntary servitude by his emancipation proclamation.

BALANCE IN THE GENERAL FUND OF THE TREASURY JULY 1.

1912 ..... $167,152,478.99 | 1914 ..... $145,835,502.10

Decrease, $21,316,976.89, or 12 per cent.

GOLD SHIPPED FROM THIS COUNTRY.

January 1 to July 1 (all this before war influence was apparent).

1912 ..... $27,000,000 | 1914 ..... $65,000,000

Increase, $38,000,000, or 140 per cent.

EFFECT ON WOOL AND SUGAR INDUSTRIES.

I can not better state the illogical and unjustifiable character of Democratic tariff policy or its effect on the wool and sheep industries of the Nation than by quoting from a speech which I made in the House on August 26, as follows:

Democratic editors and politicians in woolgrowing States, not having the courage to denounce the action of their party as now controlled in sacrificing a great industry in their region, would have us think that free trade is a good thing for wool and in line with the general party policy. If free trade in the products of woolgrowing regions is good policy, why is it not good policy in manufacturing sections? The Republican tariff rate on class 1 and class 2 wool amounted on an ad valorem basis to about 34 per cent. The Underwood bill placed wool on the free list, but placed duties averaging 35 per cent on woolen goods and as high as 50 per cent on some. Manufacturing industries need protection, but how can Democrats in woolgrowing States defend high tariff rates on the products of the eastern manufacturer while approving free trade for the products of their own people? Nothing but thick-and-thin partisanship, which places party success above the prosperity and happiness of our own neighbors, can approve such an attitude.

THE EFFECT IN BRIEF.

The Democratic Party, while adhering to a haphazard, hit-or-miss, and wholly illogical protective policy in spots and places and in regard to certain favored products and sections, has declared war on the wool industry and placed all its products on the free list.

The result of this Democratic free-wool agitation since 1909 and its actual consummation in 1913 has been—

To reduce the number of sheep in the United States more than 8,000,000—a value of over $32,000,000;

To reduce the wool clip of the United States more than 130,000,000 pounds, or over $30,000,000;

To reduce the income of growers of "Ohio" wool more than $6,000,000 on the 1914 free-trade clip and prices as compared with the 1909 protection clip and prices;

To reduce the income of Territorial woolgrowers more than $12,000,000 on the 1914 clip and prices under free trade as compared with the 1909 clip and prices under protection;

To reduce the income of the wool producers of the country during this period of agitation and consummation of free trade at least $85,000,000;

To reduce the income of the Nation on loss of revenues on imported wool in seven months nearly $20,000,000; and

To deprive textile workers of at least $5,000,000 of wages on account of increased importations of woolen goods.

Does anyone know of any good which has been accomplished by or through these losses? I will yield to any Democrat who knows of anyone on our side of the Atlantic who has been benefited. I know of no such. I could, however, fill the CONGRESSIONAL RECORD with accounts—all before the present war—of foreign mills and factories running overtime to supply goods for the American market, while 30 to 35 per cent of our wool manufacturing machinery stands idle. How long will the American people tolerate a policy which produces such results? Not for long, in my opinion. [Applause on the Republican side.]

In a speech which I made in the House on August 18 I summed up the ill effects of the Underwood Tariff Act as it affects sugar as follows:

It has practically ruined the Louisiana sugar industry.

It has closed eight great beet-sugar factories.

It has rendered idle $10,000,000 invested in these factories.

It has prevented the starting up of four factories heretofore built.

It has discouraged the erection of new factories which were in contemplation.

It has compelled 15 factories to reduce the price of beets about 50 cents a ton.

It will throw thousands of experts and factory hands out of employment by the closing of factories.

It has deprived American farmers of a market for half a million tons of beets.

It has reduced the farmers' sugar-beet market to the extent of $11,000,000.

It has resulted in loss to railway and other industries of at least a million dollars by reason of reduced demand for service and supplies.

It has reduced the revenues of the Government over $8,640,000.

Over against these disastrous effects it is impossible to set any compensating benefits to the public at large. Sugar is not cheaper; it is higher. No industry has taken or will by operation of the tariff take the place of those destroyed or crippled. No new employment has been or will be furnished under the Underwood bill to those who have lost or will lose their employment in field and factory. Out of this loss and ruin but one interest has benefited—the Sugar Trust. The reduction of the duty has added over $7,000,000 to their profit. They have absorbed practically all that the Federal Government has lost in revenue. All this, let it be remembered, relates to the period antedating August 1, to the effect of Democratic tariff legislation before the outbreak of the war in Europe. I commend these facts to the defenders of and apologists for the Democratic tariff bill. Such gentlemen will, no doubt, ask the farmers and the investors in sugar industries to console themselves with the fact that the trust is doing well.

In one of the 200 speeches which our honored Speaker in a moment of genial exaggeration said I made on the Underwood tariff bill I made the following statement as to the bill and its effects:

The measure is neither protection nor free trade; it is neither tariff for revenue or, as the gentleman from Alabama [Mr. UNDERWOOD] puts it, for competition, but a combination of them all, utterly devoid of real underlying principle and certain to start in motion certain tendencies and establish certain conditions, which, in their effect, will constitute a policy whose disastrous consequences will only be measured by the extent to which it progresses.

Subsequent events more than justify the statement which I then made. More than two months ago I predicted on the floor of the House that as a result of Democratic extravagance and the failure of their revenue measures it would be necessary in the no distant future to resort to some unusual methods to replenish the Treasury. I then said that I thought perhaps the evil day might be warded off until after the election. It is already here. The conditions produced by the European war have simply hastened; they are not primarily responsible, though they are made the excuse for, new taxes. Had proper tariff legislation been upon the statute books the Treasury would have been in condition to have easily tided over the temporary partial loss of import revenues occasioned by the war. I desire to emphasize the fact that all my figures and all statements with regard to the effect of the Underwood bill relate to happenings and conditions prior to the European war. That war and the conditions it has created have, so far as many industries are concerned, had the effect of a very high, in some instances a prohibitive, tariff. The impossibility of securing from Europe many classes of goods we have heretofore imported in large quantities will stimulate home production, just as a high tariff would, and so in certain lines of manufacture and production we shall see the activities which were common under Republican tariff legislation. These potential increases of the Underwood tariff rates by war conditions and the benefits that follow our Democratic friends will attempt to attribute to their tariff bill while charging to the war every condition of which people may complain, most of which will have been created by their legislation and administration.

DEMOCRATIC EXTRAVAGANCE.

The gentleman from Massachusetts [Mr. GILLETT] in his able speech of a few days ago, reviewing the appropriations of the present Congress, said:

It seems to be Democratic nature to be inefficient and unbusinesslike.

The gentleman from Massachusetts is noted for fairness and moderation of speech, and when he made that statement and later charged the Democratic Congress with "faithlessness" in the matter of party pledges, touching economy and the creation of high-salaried offices and unprecedented extravagance in expenditures, he was stating the case as mildly as it could be stated truthfully.

Time out of mind Democrats on the floor of the House, Democrats on the stump, and Democratic platforms have assailed Republican Congresses in the most vehement terms for their alleged extravagances and have made endless promises for their party of economy in expenditure if given an opportunity to conduct the Nation's business. Yet, lo and behold, the first Democratic Congress, with the party in control of all branches of the Government, in 20 years outtops all former Congresses in appropriations.

The last Democratic national platform not only denounced the alleged "profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of the recent Republican Congresses," but they demanded "a return to that simplicity and economy which befits a democratic government, and a reduction in the number of useless offices, the salaries of which drain the substance of the people."

Let us see how these pledges and promises have been kept. The following are the official figures of appropriations for the fiscal year ending June 30, 1911 to 1915. These figures do not include river and harbor appropriations for any of these years, because the river and harbor bill of this year is not yet a law. Determined and persistent Republican opposition to its numerous indefensible items will probably result in cutting it from $54,000,000 to $20,000,000 at the most and probably to $5,000,000. But for this the comparison would be still worse for this Democratic Congress. The figures are as follows:

Total appropriations, excluding river and harbor acts.

1911	$978,521,087.68
1912	995,799,462.72
1913	988,353,340.41
1914	1,057,605,694.40
1915	1,089,408,777.6

I take the liberty of quoting from the speech of the gentleman from Massachusetts [Mr. GILLETT], ranking Republican member of the Committee on Appropriations, with regard to these appropriations, as follows:

Excessive by all comparison as is the sum total of expenditures authorized for this first year of complete control of the Government by a Democratic Executive and a Congress Democratic in both branches, still more startling are some of the details developed by analysis of how the enormous total of nearly $1,100,000,000 has been recklessly piled up.

ARMY AND NAVY APPROPRIATIONS INCREASED.

For instance, the Army appropriation bill carries $101,010,212.50, and exceeds the last law by $6,753,066.99, and it carries the largest appropriations ever made for the support of the American Army in time of peace, with the exception of one year—1910—when it was scarcely $100,000 greater, although in that year nearly $2,500,000 more was appropriated for transportation of the Army than is appropriated by the last Army act. The last appropriations for the support of the Army made by a Republican Congress under a Republican administration were $7,644,456.53 less than the sum of this last Army appropriation act.

The naval appropriation act amounts to $144,868,716.61, exceeding the last act by $4,068,073.08, and it is not only the largest sum of appropriations, without exception, ever made for the support of the Navy, but it exceeds the appropriations made by the last Republican Congress, under recommendations of Mr. Taft's administration, by the sum of $17,590,634.84, an amount exceeding the total annual cost of maintaining our whole Naval Establishment less than a generation ago.

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PENSION APPROPRIATIONS CUT.

One of the regular annual appropriation acts, the one providing for the payment of pensions, does show a marked reduction of $11,150,000 under the one for the previous year. It would be uncharitable to claim that there is any significance in this large decrease.

The last Congress that was Republican in both branches was the Sixty-first, and that Congress made the appropriations for the fiscal year 1912. The appropriations for that year, as shown by the table, were $93,609,315 less than the appropriations of the present Democratic Congress for the current fiscal year. It was the appropriations for 1912 that the Democratic convention at Baltimore, in the summer of that year, had in mind when they denounced Republican "profligate waste." They boosted the appropriations nearly a hundred million higher the first year they have had complete control of the Government.

The appropriations for the fiscal year 1914 were originated by a Democratic House, and the appropriations were nearly $70,000,000 more than the year before. This year when they are in full control the appropriations are further increased by about $32,000,000. Democratic economy is confined entirely to a reduced appropriation for pensions in the sum of more than $11,000,000. In brief, their record for the current fiscal year is—

The largest appropriations ever made.

The largest expenditures for the Army and Navy in time of peace, with one exception.

Appropriations nearly a hundred million greater than those made by the last Republican Congress.

Appropriations nearly thirty-two millions greater than last year.

Such is Democratic economy, the return to Democratic "simplicity" which the country was promised.

USELESS OFFICES.

How about the Democratic promise of a "reduction in the number of useless offices"? The new banking law creates five new offices with salaries of $12,000 each, and increases the salary of the Comptroller of the Currency $7,000.

The new Trade Commission act creates five commissioners at $10,000 each and a secretary at $5,000.

A board of appeals is created in the Interior Department, consisting of three members at $4,000 each.

One hundred thousand dollars is appropriated for commercial attachés, with such salary as the Secretary of Commerce may fix, and traveling expenses, each with a clerk at the salary paid the clerk of Congressmen.

Five thousand dollars was added to the salary of the solicitor of the Interstate Commerce Commission.

A minister to Uruguay was provided with a salary of $10,000.

The salaries of our diplomatic representatives to Argentina, Chile, and Spain were raised $5,000 each.

Numerous increases were made in the salaries of Assistant Attorneys General, private secretaries to Cabinet ministers, and so forth, of from $1,000 to $2,500 each.

All of these new jobs and increases, with one single exception, go to Democrats, and a number of them to Democrats whose principal recommendation is party service. In the face of such a record as this it is no wonder that the gentleman from New York [Mr. FITZGERALD], Democratic chairman of the Committee on Appropriations, said, "The Democratic Party is becoming the laughingstock of the country." It will not be a laughing matter for the Democratic Party when the people record their opinion of it in November.

DELAY IN PASSING APPROPRIATION BILLS.

In no respect has the apparent inability of a Democratic Congress to do business promptly and with dispatch been illustrated so clearly and so disastrously as in the delay in passing appropriation bills. The fiscal year begins July 1. Long before that time the Government departments ought to know what their appropriations for the year are to be, so they can lay their plans in advance. This is peculiarly true of the departments that must organize and dispatch parties into the field and those engaged in construction work.

Republican Congresses have invariably passed all of the appropriation bills some time before the beginning of the fiscal year. Government departments and bureaus knew in advance what their appropriations were to be, and administration moved smoothly, efficiently, and economically. In this Congress the Democrats are in full control, and four of the great appropriation bills did not become a law until weeks after the beginning of the fiscal year. It became necessary to resort to the extravagant and peculiarly Democratic expedient of extending the old appropriations by resolution.

Not once during the three years the Democrats have controlled the House have they passed all the appropriation bills before the beginning of the fiscal year, although Congress has been almost continuously in session. This failure to transact the Government's business in proper season is abolutely indefensible. It is demoralizing to the public service, exasperating to Government officials, confusing and uneconomical to the last degree, but it is the confirmed habit of Democratic Congresses. They apparently have not changed since the days of Cleveland, when one year they did not pass a single appropriation bill until after the date when it should have gone into effect.

These plain, unvarnished facts require no comment. They can not be ignored nor disputed, and they present a record of broken promises, of extravagance, and of incompetency which the people will take the first opportunity to rebuke.

Democratic Land Legislation Unfair to Entrymen and Unjust to Western States.

EXTENSION OF REMARKS

OF

HON. FRANK W. MONDELL,

OF WYOMING,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 2, 1914.

Mr. MONDELL. Mr. Speaker, as this long session is drawing to a close it is fit and proper that we review briefly the land legislation enacted and proposed, and call attention to its more important features as compared with the land legislation heretofore enacted and proposed by Republican Congresses.

The Republican Party has legislated progressively with a view of inviting to the public domain the home seeker, the stock raiser, the miner, and all others who, in good faith, seek to utilize the public lands for the purpose of building homes, engaging in farming or stock raising, or establishing helpful and useful industries. In all Republican legislation, from the original homestead law to the enlarged-homestead act, from the original desert-land law to the reclamation act, and including the laws helpful to the stockman, the irrigationist, and the miner, the controlling idea has been that a home and land owning population is the only firm and substantial basis for a self-governing citizenship.

In recent years our efforts to furnish and maintain opportunities for home seekers and for development of the natural resources of the country have been peculiarly difficult by reason of the influence of those who would restrict and retard rather than encourage the settlement, use, and development of the public lands and their resources. For a number of years past there has been a persistent effort among a certain class of so-called conservationists to limit the title granted to homesteaders and others, and to increase the permanent control of the National Government over the public lands and their resources. Strong and persistent as these efforts have been, we have under Republican administrations preserved a good title to the homesteader and all others who secure title to the public lands.

LOCAL AND INDIVIDUAL RIGHTS PRESERVED.

In the reclamation law we preserved the control of the people of the States over the use of the water, and the final ownership of the projects to the people who settle upon the lands. In a number of trying and prolonged legislative contests in which I have participated we have preserved a title in fee to those who secure public lands against the attempt to give them a title with limitations, mineral and otherwise. The effort to place a mineral reservation in titles at the time of the passage of the three-year homestead act was long drawn out, and only prevented after a spirited contest. The legislation which I introduced and which was secured after a lively contest, giving those seeking homes upon and an opportunity to utilize the public lands containing coal, which has since been extended to oil, gas, and phosphate lands by a bill introduced by Senator WARREN, was one of the notable acts of the last Republican Congress. In that legislation the entryman secured a title that is in every way safe and secure, and at the same time affords an opportunity for the development of the mineral when needed.

PARTICIPATION IN LEGISLATION.

I consider myself very fortunate that as the representative of the good people of Wyoming I have had an opportunity to perform an active part in securing this legislation. I reported to the House the reclamation law. I presented to Congress the enlarged homestead bill which was the basis of the present law. I was a conferee on the three-year homestead law, when we saved the western landowners a title in fee. As Wyoming has large areas of coal lands withdrawn from settlement, it became my duty to devise some means whereby these lands could be utilized for agricultural purposes and a good title secured. The act for the agricultural entry of coal lands, which has since been followed by the act applying the same principles to oil, gas, and phosphate lands, to which I have referred, was the result. The owner of such a patent owns everything in the land but the body of the excepted mineral, be it coal, oil, gas, or phosphate, and is certain to suffer no loss by reason of the mining or removal of the mineral, as full compensation is amply provided for.

I have referred to a few of the more important land laws of the past few years secured under Republican Congresses, in the enactment of all of which I have actively participated, for the purpose of drawing a comparison with the land legislation passed and proposed by this Democratic Congress. With a few exceptions, the only land legislation thus far secured in this Congress has consisted of measures treating of minor and relatively unimportant features of land legislation. The two notable exceptions are the oil and phosphate land legislation, to which I have referred, and the reclamation extension bill. This latter is really Republican legislation, for it was promised by the last Republican national platform, while the former was introduced by a Republican Senator and followed Republican precedents. These two are the only important bills affecting lands which have been reported by this Congress which were really the product of Members of Congress. The other bills to which I shall refer were largely drawn in the Interior Department.

RECENT BILLS.

The bills of importance affecting the public lands, other than Alaska, which have been considered and reported by the Committee on Public Lands are as follows: The water-power bill, the coal and oil leasing bill, and the stock raising or 640-acre homestead bill. I refer to them in this order because, while the first two have passed the House, the last named still slumbers on the calendar, though the majority could take it up and pass it almost any day if they saw fit to do so.

I so fully expressed my opinion on the water-power bill while under discussion that I am not disposed to further discuss it at length now. It is, taking everything into consideration, the most extraordinary attempt to take from States and communities the control over their local concerns and to deprive them of sources of revenue ever presented to Congress. In this bill the Secretary of the Interior is given complete control over the public lands which may at any time be used for water-power development. The local community may be, and in the majority of cases would be, deprived of control over the rates they are to pay for electric current generated by water power. In many cases the Secretary of the Interior, 2,000 or more miles away, would be given full power and authority over such rates. As though it were not enough that a Federal official should be given power to fix any charge he saw fit on the enterprises of western communities, or any rate of pay for service, it is provided that the States and communities whose sources of revenue are thus dried up and rates fixed shall receive no part of the revenue thus collected, except as the States may secure some of it after perhaps 25 years when, having been paid into the reclamation fund, it has been paid back. I can repeat with emphasis what I have heretofore said in regard to this bill, that it is bureaucratic, centralizing, and federalistic; that it attempts to put the western public-land States in the position of mere Federal provinces.

PRIOR RIGHTS NOT PROTECTED.

Perhaps the most indefensible feature of this bill is that section which relates to the rights of those who, as homestead and desert entrymen, had settled on lands which were afterwards included in power-site withdrawals and those who on invitation of the Interior Department might hereafter settle upon and enter such lands and secure title to them. In addition to motions to amend I made as the provisions of the bill were being considered, I offered at the time the bill came up for final passage a motion to recommit which sought to correct three serious defects in the bill, as follows:

In making the so-called power-site withdrawals the Secretary of the Interior, out of abundance of caution, includes large areas which may or may not be utilized for generations, if ever, for power and flowage purposes; and the bill provides that the Secretary of the Interior, where he believes public interest would not be injuriously affected thereby, can allow the entry of these lands under the homestead and other land laws. The bill provides, however, in substance, that if later a power company should want these lands, they should not be required to pay the settler anything either for the land or for his improvements. This is manifestly most unjust, as it might enable a large corporation to take from the farmer some time in the future all he possessed, without paying him anything whatever for it. Such a payment would not be a burden on a power development company, but the taking of the property would be ruinous to the owner. My amendment provided that in such cases the power company should pay the value of the property other than for power purposes, including the improvements.

In many parts of the West settlers located years ago on lands which have since been included in power-site withdrawals. Section 10 of the bill would practically confiscate such rights; and my amendment provided—as the withdrawal act, through an amendment I secured, does now—that such rights should be protected.

REVENUES LOST TO WESTERN COMMUNITIES.

The bill also provides that the Secretary of the Interior may levy whatever charges per horsepower he deems best on power development. This would necessarily take from the States a large source of revenue and income in the way of taxes. My amendment provided that half of the income from leases should go to the States for school and road purposes. The gentlemen who voted against this motion to recommit the bill for the purpose of amending it will, it seems to me, have a hard time explaining their position to their constituents where the question is understood and discussed. That will be especially true of the men from public-land States. Most of the Republicans voted for my amendment, but the Democratic vote against it was almost unanimous, including a number from the western public-land States affected, who placed their loyalty to the party committee edict above their duty to their constituents.

THE COAL AND OIL LEASING BILL.

The bill known as the general leasing bill, and which provides for leasing by the Secretary of the Interior of public coal, oil, gas, and phosphate lands, is in its provisions characteristic of the plan and trend of land legislation under this administration. Drawn originally in the Interior Department, nursed and maneuvered through the committee under departmental influence, it is the sort of legislation which has the approval of the bureaucratic mind. The bill practically turns over to the Secretary of the Interior all of the public lands containing the minerals referred to, with authority, within a few general limitations, to lease as he sees fit and under such terms, conditions, and charges as may seem wise to him or appeal to his fancy. Nothing in the bill gives any assurance that any applicant may perform any act or show any qualifications that will assure or entitle him to a lease. Whether anyone may secure a lease or not depends entirely on the pleasure of the Secretary of the Interior. The bill contains no grant save the grant of unlimited authority to the Secretary of the Interior. It confers no rights except the right to the Secretary of the Interior to grant or withhold at his pleasure opportunities for mining and development.

The bill is not only based on erroneous theories, but it is faulty in its details, and while establishing some conditions and authorizing the Secretary to establish others which would hamper operations and retard development it does not contain needed and essential safeguards for the maintenance of reasonable prices. In other words, the bill lacks the very provisions for the protection of the consumer which alone warrant the adoption of a system of Federal leasing.

Not only does the bill grant power to the Secretary of the Interior which sooner or later would lead to abuse and scandal, not only does it withhold from the citizen any assurance that he may secure an opportunity to develop the mineral resources of the public lands except as a special favor from the Secretary of the Interior, not only does it fail to safeguard the community and protect consumers against combination, but when it comes to deal with the collective interests of the people where these mineral deposits are to be developed it ignores them as completely as though they did not exist. The bill leaves with the Secretary of the Interior the determination of the amount of the royalty which shall be paid by a lessee, power which should not be vested in the hands of any one man, and then provides that all of the sums realized shall be paid into the reclamation fund.

We are believers in the reclamation fund; we desire to have that fund properly sustained; but coal or oil producing communities in Wyoming can scarcely be expected to forego the

building of schoolhouses or the construction of roads in order that a reclamation project may be built in some other Western State or in a distant part of their own State. Western people have only become reconciled to the idea of Federal leasing on the theory that the people would be fairly dealt with and their communities obtain benefits through the royalties to be collected. If the Federal Government, on the contrary, assesses a considerable royalty on mining operations and takes it out of the State or out of the locality, the communities will find it difficult to secure revenues they need for the maintenance of government and of schools and the building of roads. I proposed that half of the amount received from royalties be paid to the people of the States in which collected for the support of roads and schools, and that one-half should go to the reclamation fund, but this reasonable compromise was rejected.

AMENDMENTS HELPFUL TO CLAIMANTS.

A number of important amendments I offered were, it is true, adopted, and a number which were rejected at the time I proposed them were, after further consideration, later presented and accepted. The most important of these amendments from the standpoint of present oil-land claimants was the one which gives the opportunity or option to surrender the claim to a patent and accept a lease. This provision will be of great benefit to claimants who prefer to take a lease rather than go through the sometimes tedious and uncertain process of trying to make proof and secure a patent.

The fact remains, however, that many of the vital and important amendments offered by myself and others were voted down by the majority, who did not attempt to explain or defend the provisions of the bill. The fact is they are not defendable from any standpoint of western or general public interest. Our hope is that the Senate will remedy the many and grievous faults of the measure.

THE 640-ACRE HOMESTEAD BILL.

I introduced at the beginning of the present Congress, as during my campaign two years ago I said I would, what I called a grazing homestead bill, providing for a homestead of from 640 to 1,280 acres, depending upon the productiveness of the land. Of course, as a Republican, I did not expect a Democratic Congress to report out my bill. I was pleased, however, to find that the general plan and scope of the bill was commended by officials of the Interior Department. In fact, the bill, with certain limitations, was approved by them. The bill which the Interior Department finally approved, however, and which, with some modifications, was introduced by the gentleman from New Mexico [Mr. FERGUSSON], and which, with some amendments, was reported by the committee, is a very different bill. To avoid the name which I gave to my bill, this bill was called "A stock-raising homestead bill." The acreage is limited to 640 acres, and many of the provisions of the bill are neither clear nor entirely satisfactory.

ONLY A SURFACE TITLE.

The crowning objection to this proposed legislation lies in the fact that the title which it grants is a mere surface title with a reservation of all minerals which may ever be found in any of the lands. After the successful contest which we waged only two years ago for a complete fee title in connection with the three-year homestead bill, it is exceedingly disappointing and discouraging to have a committee of the House follow blindly the recommendation of the Secretary of the Interior in this respect. We won the contest for a good title against the influence of a Republican Secretary of the Interior, but this Democratic committee supinely surrenders the rights of western landowners at the mere suggestion of the present Secretary of the Interior.

It is urged as an excuse for these proposed titles reserving all minerals to the Government that there is a reservation to the Government of the coal or oil or phosphate, as the case may be, under the laws allowing agricultural entry of coal or oil or phosphate land to which I have referred. But that is a very different proposition. Those acts apply only to lands which the Government believes and which the Government officials have classified as being valuable for these minerals. Except for that legislation such lands could not be secured by an agricultural claimant at all, and the reservation by the Government is only the body of the mineral, on account of which the land was classified, with full and complete protection for the owner for the value of his land and improvements and against all losses he might sustain by reason of operations carried on for the removal of the mineral.

I take a good deal of satisfaction in having had a responsible part in perfecting the details of the legislation providing for that class of limited titles, and I should be the last to complain did the proposed homestead bill contemplate the same kind of a title under like conditions; but such is not the case. The proposed stock-raising homestead bill would in the main apply to lands that have never been designated as being valuable for mineral lands, the major portion of them would possibly contain no minerals, yet all kinds of minerals are reserved. The term "mineral" is a very broad one. It includes clay, building stone, and many other substances besides metalliferous minerals, and the farmer would never know when his land might be invaded or his title challenged by a prospector or a coal or oil operator, or a seeker after any one of a score or more of minerals, or even a pure mischief-maker.

The bill does contain provisions intended to provide for the reimbursement to the owner of the loss he would sustain to certain of his improvements through prospecting or mining or quarrying on his land. But the owner's title would be a mere surface right, liable to be challenged at any time, and all or any part of the surface could be taken by a mineral claimant or operator without compensation to the owner. The injurious effects of legislation of this character would not for long be confined to those who might secure lands under this law. The principle of surface titles reserving all minerals being once established, it would spread to embrace all classes of land titles, so that no one could secure a complete fee title under any law. Furthermore, if the theory of more than one estate in the same tract of land is established we will soon have land titles divided among several owners of the same tract, an owner of such part of the surface as the mineral operator did not want and owners of various mineral substances. I find it hard to understand how such provisions could have been reported to the House. I had hoped the bill would be brought up for consideration so that we might discuss its faults and possibly secure the votes to remedy them. For some mysterious reason the bill was not made part of the so-called "conservation" program or brought to the consideration of the House in any other way.

THE REASON FOR IT.

One bill which illustrates the change which is coming over our land legislation is a bill which recently became a law providing for second homestead and desert entries in certain cases. The form of this bill originated somewhere in the Interior Department. It provides, among other things, that no one shall have a second entry who abandoned his first entry or lost it in any way through fault of his own or by reason of conditions within his control. Anyone at all familiar with the conditions surrounding the taking of public lands knows that an unfriendly departmental officer could deny, under such a law as this, practically every application made for a second entry, and yet we were unable to get the majority to modify their legislation. During my service in Congress I introduced and succeeded in having passed several second-entry bills. Those bills gave the entryman rights that the Secretary of the Interior could not deny. This new legislation only gives him such rights as the Secretary may see fit to grant. A large part of the difficulty with regard to the legislation I have referred to, its most glaring faults, grow out of the character of its origin. Members and committees have abrogated their functions to the departments, who draw bills and wet-nurse them through committees. They are therefore drawn from the standpoint of Government bureaus, not from the standpoint of the people interested and affected. Several years ago, while chairman of the Committee on Public Lands, a number of bills which were drawn in the Interior Department were sent me with a request that they be introduced. I declined to introduce them unless I were permitted to introduce them with the words "by request" printed on them. Evidently gentlemen do not now take that view of such matters.

In marked contrast to these department-made bills was the manner in which the reclamation law was originally drafted and the present enlarged-homestead law agreed upon. A nonpartisan committee of 17, representing all of the Western States and Territories, of which Senator WARREN, of my State, and myself were members, agreed on the first draft of the reclamation law. After I had introduced my first 320-acre homestead bill I called a conference in my committee room of western Members and Senators, Republicans and Democrats, and there those acquainted with the subject agreed on what they thought the bill ought to contain. Later the appropriate committee examined these bills in detail, and with some amendments they were reported and passed. How different were these to the methods of to-day. Land legislation now ought to carry a marginal note something like this, "Written, revised, and recommended by the Interior Department."

Of course no one objects to receiving the counsel and advice of administrative officers touching legislation. Their experi-

ence in the administration of laws frequently makes their advice timely and valuable touching questions of policy, but the responsibility for legislation rests with Congress. Policies of Government should originate under our form of government with the people or their representatives and not with appointed bureau officers. The sooner we get back to the correct view and practice in this regard the better it will be for the country.

RECLAMATION EXTENSION BILL.

The soundness of this view has a very recent illustration in the law providing for the extension of the period of repayments on reclamation projects to 20 years. It is a workable law and, considering the wide variety of conditions sought to be met and provided for, acceptable and satisfactory to all concerned in an unusual degree. The bill in its general form, plan, and scope is the product of Members of Congress familiar with the situation. The Secretary of the Interior and the officials of the Reclamation Service were in hearty sympathy with the objects and purposes of the legislation and were freely consulted with regard to it, but the legislation as agreed upon is in all its important features and details the work and product of the western members of the committee which reported it and other western Members with whom they conferred and consulted. It is therefore free from the objectionable features of the other legislation to which I have referred. Entrymen under reclamation projects, like homestead entrymen elsewhere, have those who made the contest against limited titles at the time of the passage of the three-year homestead law to thank for the fact that they receive a title in fee.

In criticizing the attitude of the present Democratic Congress and its majority on the Public Lands Committee for their attitude as reflected in legislation they have reported from the committee and supported in the House, I do not desire to detract from the credit due to certain Democratic Members from the West who in Republican Congresses viewed and acted upon these questions in harmony with those of us who have endeavored to furnish favorable opportunities to, and maintain the rights of, those who seek to establish homes upon and seek to develop the resources of the public domain. These men have, however, in a constantly increasing degree since their party assumed control been laboring under the handicap of the methods of bureau control to which I have referred, as well as the constantly increasing arrogance of the Democratic Party unit and caucus rule. I speak within the limitations of parliamentary language and but state a notorious fact when I say that a number of these gentlemen on the other side have in this Congress reflected the departmental views and the mandate of the party as represented in the committees, rather than their individual opinions, in the position they have taken in regard to these matters. We need more Republicans from the West under this administration if the reasonable and proper view of the West is to continue to be expressed and defended.

Bill Dealing with the Cotton and Currency Situation.

EXTENSION OF REMARKS

OF

HON. ROBERT L. HENRY,

OF TEXAS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, October 3, 1914.

Mr. HENRY. Mr. Speaker, under the unanimous consent granted to me to extend my remarks in the RECORD, I include a copy of the bill introduced yesterday in the United States Senate by Senator SHEPPARD, of Texas, on the cotton and currency situation.

The bill is as follows:

A bill (S. 6565) for the temporary relief of cotton growers in the United States.

Be it enacted, etc., That the Secretary of the Treasury shall deposit in national banking associations and State banks situated in the following States, to wit, Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia, $500,000,000, to be advanced to the producer of cotton, or owner of lands upon which the same was produced, at a rate of interest not exceeding 3 per cent per annum. The deposits herein authorized shall be advanced upon the terms prescribed in this act. The deposits herein authorized shall be apportioned among the several States above mentioned in accordance with the number of bales of cotton produced therein during the year 1913, as ascertained by the Department of Agriculture.

SEC. 2. That the Secretary of the Treasury shall immediately cause to be prepared United States notes to the extent of $500,000,000, to be used for the purpose of making the deposits in compliance with this act; and said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe: *Provided*, That all United States notes deposited under this act and not used as prescribed herein shall be returned to the Secretary of the Treasury and shall be canceled.

SEC. 3. That when such deposits shall have been so made as prescribed in section 1 the said banks are hereby authorized and directed to pay out the same as follows: Whenever any producer of cotton or owner of lands upon which the same was produced shall present to the national banking association or State bank within which State the said bank may be situated a bill of sale in writing to cotton in bales grown in 1914, in such form as may be prescribed by the Secretary of the Treasury, said bill of sale to be signed and sworn to by the producer or person upon whose land the same was produced, giving the number, mark, weight, classification, and location of said cotton, it shall be the duty of said banks to advance a part of said deposits on said cotton at the rate of 10 cents per pound for middling cotton and other grades at the prices, off and on, according to the established differences in prices, based on middling cotton at 10 cents per pound.

SEC. 4. That thereupon title to said cotton shall pass to and be vested in the national banking association or State bank making the advances. The said bank receiving such deposits shall pay the same over to the producer, or person upon whose land the same was produced, and shall thenceforward hold said cotton as custodian, with the right and power to appoint as many deputy custodians, with actual possession, as said custodian may deem proper and necessary; and among said deputy custodians may be included the producers of said cotton or owners of the land upon which the same was produced, said custodian to take in all cases from the deputy custodian a forthcoming bond and an acknowledgment in writing of the fact that said deputy custodian holds the same as custodian of public property with the common-law liabilities of warehousemen. The bank acting as custodian shall keep all cotton so held insured against loss by fire, loss, if any, payable to the said national banking association or State bank, and shall keep a correct and itemized account of insurance and storage actually paid; and upon the sale of said cotton, as hereinafter provided, shall have said expenditures refunded, together with interest on the same at the rate of 6 per cent per annum. Payments of insurance and storage are to stand, until paid, in the nature of an obligation of the United States. When said cotton is sold, as hereinafter provided, said bank shall, in addition to the refunding just provided for, be paid for its labor and services as custodian 50 cents per bale; and as custodian shall be responsible only for gross negligence or breach of trust. All cotton upon which advances have been made, as hereinbefore provided, with such deposits, shall be and remain the property of said bank until sold, at the pleasure of the Secretary of the Treasury, when and after middling spot cotton sells in the open market at Savannah, Ga., at 12 cents per pound, or upon request of the person or persons from whom title passed to the national banking association or State bank.

SEC. 5. That whenever the said bank, under the conditions named in the foregoing section, shall sell said cotton, interest shall be calculated on the original sums advanced by the bank at the rate of 3 per cent per annum, and principal and interest shall be remitted to the Secretary of the Treasury. The custodian shall prepare under oath and furnish the Secretary of the Treasury an account showing the amounts actually paid for insurance and storage and interest thereon, as hereinbefore provided, and also showing its compensation as herein allowed. These items the custodian shall retain to pay itself, and the balance of the proceeds arising from the sale of said cotton shall be paid over to the producer or person upon whose land the same was produced, and from whom title passed to the said bank, or to the legal representative of such person receiving such loan.

SEC. 6. That this act shall take effect and be in force upon its passage.

SEC. 7. That this act shall expire by limitation on the 30th day of June, 1916.

Antitrust Legislation.

EXTENSION OF REMARKS

OF

HON. JAMES A. HUGHES,

OF WEST VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914.

On the conference report to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. HUGHES of West Virginia. Mr. Speaker, of late there has grown up a purpose in the mind of Congress and the State legislatures to take by legislative enactment the property of one man and give it to another. The most deplorable part of this program is that it takes from the industrious, saving, and provident citizen and gives to the loafer, the lazy, and the improvident. This policy of confiscation has found its climax in the present Congress under the name of "The New Freedom." Except some routine legislation and the currency act, almost the entire list of bills passed and seriously proposed have had for their purpose, directly and indirectly, the taking from those who have and giving to those who have not. The whole force and power of this Government has been and is being used to exploit those industries and the frugal citizens who have saved something that the thriftless want. The men who have saved from their wages are victims just the same as the wealthiest people in the country. The policy of the majority seems to be that no man shall be permitted to conduct a successful business and make any money. Under the pretense of regulating business and making it honest, this House has passed some laws intended to amend and supplement the "antitrust" act, which for gro-

tesque absurdities have probably never been equaled by any parliamentary body on earth. This act and the proposals in the Senate expressly require that business men shall enter into competition with each other, and at the same time it is made a felony if one of the competitors offers a purchaser cheaper goods as an inducement to get his trade. The act condemns unfair competition and then defines unfair competition as "all other acts * * * calculated to destroy or prevent another from engaging in business, or to restrain trade, or to create a monopoly."

By the terms of this act it would make no difference how honest or sincere a man may be, if he offered his goods cheaper than his competitor it would be a penitentiary offense. Some concerns can produce their goods much cheaper than others, owing to a superior organization, better plant, more capital, and a larger output. If a manufacturer can make his goods 10 per cent cheaper than his rival, he can sell his wares at a profit and get no more from the consumer than what it costs the rival to make his. This will not only injure the rival, but put him out of business, for which, under the specific terms of this law, the efficient and up-to-date business man must be sent to the penitentiary for providing the consumer with cheaper goods.

"Any act done that will prevent another from engaging in business" is likewise made a criminal offense by this act. There are a great many people that would go into the oil business, the sugar business, the tobacco business, and the milling business if it were not for the fact that the people engaged in these businesses make and sell to the public these commodities at a price so low that small competitors can not enter into competition with them and succeed. The consumer gets these commodities cheaper than it is possible for the small producer to furnish them at the present prices. The large capital and great efficiency and low cost with which these goods can now be produced does now directly, and will continue, to "prevent others from engaging in these enterprises," although there would be no change in the conduct of the business nor in the prices charged. This will be a criminal offense upon the part of men who have been in business many years, and expect to continue without change of any sort, either in conduct or prices. It is the first instance on record among civilized peoples where it is proposed that a perfectly upright and innocent man may be imprisoned for the act, or, rather, aspirations of another, with whom he has no connection or relationship whatever. If I make and sell my goods at a price so low that it will prevent others from engaging in the same business this is a crime, and on complaint I may be convicted and sent to prison under this act.

Every business man in the country, manufacturer and merchant, is subject to this act and bound by its terms; and if they agree about prices and production with their rival, or one who wants to engage in the same business, this would be a violation of law, for it would stifle and restrain competition; and if they did not agree about prices and product, and each one attempt to run his own business and fix his own prices in his own way, this, too, is a crime punishable by imprisonment. Any socialist or agitator can go before a grand jury and testify that he is prevented from engaging in the manufacturing business, as for example, the milling business, because of the fact that other men are engaged in that business and are making and selling their flour and meal cheaper than he can do it, and they are thereby preventing him from engaging in that business, and the grand jury would have to find an indictment and a jury would have to convict. Socialism will rejoice that so potent an instrument has been furnished ready to their hands to renew and strengthen its attack upon all business and all property.

A part of this legislative program is the provision exempting labor organizations from the operation of the antitrust laws. This bill has passed the House and the Senate and is now in conference, and no doubt will become a law. A similar provision in an appropriation bill passed both Houses and was signed reluctantly by President Wilson. His only reason for signing it at all was that being a limitation of an appropriation it could only apply to that appropriation for one year and was not a substantive change of law. But the pending bill is a substantive change of law. What now will be his attitude? President Taft vetoed an appropriation bill because it contained a similar provision. This exemption places a certain class of men outside of and above the law, and makes them immune from prosecution and gives them a license to violate the law, which, if done by another set of men, would send them to the penitentiary.

A certain organization entered into a conspiracy to interfere with and stop business by blowing up bridges and dynamiting buildings and intimidating people engaged in business by assassination, violence, and murder. This statute would set such men free and encourage them to continue their lawlessness against the business of the country. Another organization entered into an agreement with coal operators in Illinois, Indiana, Ohio, and western Pennsylvania to destroy the coal business of West Virginia, in order to keep it from competing with the coal produced in other States. In pursuance of that agreement, this organization sent more than a thousand armed men into the hills overlooking the mining camps to shoot down the people living and working at the mines. A regular state of war existed for more than a year, amid scenes of violence as brutal and inhuman as those practiced by the savage when he burned his victims at the stake. The people making this agreement and directing its execution were indicted by a grand jury duly called and impaneled. These indictments were dismissed by the Washington administration, though the guilt of the defendants was not denied. They took the position that they were above the law; could murder, burn, pillage, and outrage the greatest industry in a State; drive their product out of the markets; close down the mines, and bankrupt the owners by force and violence, and the law would not interfere, because they were not amenable to law. Their position was approved by the present Washington Government, and the present Congress has legalized all such acts for the future.

On the other hand, if two merchants or manufacturers should agree that what they had to sell was worth a certain sum, they would be sent to prison. The very men who are responsible for these laws are the ones that in Congress, on the street corners, and on the hustings proclaim that they stand for and demand as a great principle of social justice, an equality of opportunity for all men. They do not seem to realize that while they are preaching equality among men, they are voting to divide up the people into hostile, warring classes, giving one an immunity to commit crimes against the other, and fastening on the backs of industry and efficiency a great mass of incompetents, a flock of drones who do little but stand on the street corners and make a noise.

THE RAILROADS.

One of the most conspicuous examples of destroying property under the pretense of regulating it by Government officials is to be found in the railroad situation. Nearly all the States have commissions created by the legislatures, which are given power to regulate railway operations within the State. Likewise the Congress has created the Interstate Commerce Commission and given it authority over all railroads operating their trains from one State to another. Within their respective jurisdictions these commissions fix the amounts which the carriers can charge for carrying freight and passengers. They have absolute control—or what is equivalent to it—over the earnings of the railroads. These commissions have the lawful authority to reduce the railway earnings to any point, short of actual confiscation of property. The courts can stop the commissions from lowering the rates to such a point that it would amount to confiscation. The courts are filled with suits to prevent the commissions from reducing the rates to a point of confiscation. The disposition of these commissioners is to compel the railroads to serve the public for nothing. Of course, the most forceful attack that can be made upon the railroads is to take from them their earning power by lowering their rates.

EFFECT OF HOSTILITY TO RAILWAYS.

The necessary and inevitable result of avowed hostility to railways by the State and National commissions is shown by the (1) decreased earnings, (2) the destruction of railway values, (3) the loss to labor, and (4) general business depression.

First. For the fiscal year ending June 30, 1914, 20 of the leading railroads of the United States earned $37,523,000 less than they did the preceding year. Another group of 11 roads earned for the year ending June, 1914, $40,462,000 less than they did in 1913. These figures were compiled by the Times Annalist, August 10 and August 3, 1914. The same measure of loss is characteristic of the railroads generally, as very few of them show increased earnings. The commissions have taken from the railroads in one year about $150,000,000 by squeezing down existing rates and refusing advances.

Second. To reduce the earnings in one year by such enormous sums has had the effect to decrease the value of the railroads to an extent exceeding $3,000,000,000. The people who owned the railroad stocks when Mr. Wilson was inaugurated have lost this vast sum of money as completely as if it had been thrown in the fire and burned. The majority of railway stockholders

are people of small means, comparatively, and this colossal loss falls mainly upon people who are least able to bear it. It is a great mistake to assume that the railroads are owned by the rich. While they are controlled in their management by wealthy men, the actual ownership is in the hands of hundreds of thousands of people in very moderate circumstances.

Third. The destruction of so great a sum from railway earnings has operated to bankrupt many railway companies and to lessen the working force, decreasing their ability to purchase materials and install improvements and extensions, all of which has reduced the demand for labor and caused decreasing employments. Directly and indirectly, the loss to labor, through all its ramifications, is incalculable.

Fourth. Of course, taking this much money out of the industries of the country must have a tendency to increase the business depression that is now so keenly felt in every field of industrial enterprise. Every blow that is aimed at the railroads of the country, that will decrease their power to serve all the public, including their own stockholders, in the most efficient manner, must fall upon the public who use the railroads.

The action of the Interstate Commerce Commission on the application of the various interstate railways to increase their rates 5 per cent was a fit example of the lack of practical knowledge to deal with such important questions. After many months of waiting and inaction they finally granted part and refused part. Every day during this long wait men were being laid off, forces reduced, idle cars increasing, trains abandoned, and earnings falling off at the rate of half million dollars a day. The credit of the roads weakened, bankruptcy and receiverships following, while the commission's action is condemned by all except the crowd that stands on the corner and spends all its time in making a noise.

An excuse is sometimes offered for making the wholesale confiscation of railroad property that has been going on in the last year or two by the statement that at one time the railroads issued watered stock, gave rebates, and practiced discrimination among shippers. Every railroad in the country of any magnitude was constructed originally by issuing bonus stock. The opposition to bonus stock has no better foundation to stand on than the purpose to keep all men from making money. The primal reason for it is envy, pure and simple. All the value that bonus stock can have is derived from the business, freight and passenger, which the owners develop along the line of a new railroad, and which would not have been created except for the building of the road in the first instance. Every property owner along the new line has it quadrupled in value by the building of the road, and such property owner should be willing, in good morals, that the builder should to some extent share in the increased values which his money and enterprise have created.

The practice of rebating and discrimination has ceased entirely, or as nearly so as it is possible to have them stop. They have not been practiced to any extent in the last 10 years, and if these things are evils, as many people maintain, they will not be practiced again, as there is now no reason for such practices. It should be borne in mind that rebates and discriminations were not looked upon as wrong, either legally or morally, when they were practiced, but were deemed as perfectly legitimate by the business conscience.

These excuses for the war that is now being waged against the railroads will not bear analysis, for if they are violating the law in any respect they can be made to stop it, without confiscating their property or impairing their usefulness as common carriers. What then is the real reason for this hostility and organized effort to destroy the railroads? The answer is a very simple one, and it is another manifestation of the purpose of those in power to take one man's property and give it to another without compensation. The system of railroads operated in the United States is the best to be found anywhere. First-class passenger fares are cheaper in this country than anywhere else in the world, and the freight rates are very much cheaper. Even under State ownership, where it is not expected to earn any money by operating the roads—except in Germany—the service by our railroads is not only better, but much cheaper. Any injury to our railway system, whether it be to take the management out of the owner's hands and place it in an irresponsible commission, or lowering rates, and destroying their credit so they can not secure money for improvements and extensions, injures the public and greatly hinders and depresses business of every character. It is a blow at the very heart of all enterprise. The purpose back of the fight against railroads is to prevent anyone from making money and to compel them to serve the public free of cost.

DEMOCRATIC TARIFF.

The present tariff was passed by the Democratic Party and went into effect in October, 1913. It has been in operation for a sufficient length of time to prove conclusively its influence upon the Nation's industries and the everyday life of the people. This act, like any other statute, must be judged by the results obtained under it. Has it operated to help the business of the country or has it been one of the principal causes of the present depression? Up to the present time no Democrat of information and integrity has been satisfied with the results.

COST OF LIVING.

The Democratic leaders attributed the high cost of living to the protective tariff of the Republicans, and based their arguments for a lower tariff on the statements that their measure would greatly reduce the cost of living. Instead of these Democratic promises the actual fact is that the cost of 25 food products, which are all that the average family uses, are much higher for the first seven months of 1914, under a Democratic tariff, than they were for the same period of 1913 under the Republican tariff. This is fully shown in tables of comparison compiled by the Annalist, a magazine owned and issued by the New York Times. The Times is a low-tariff Democratic paper and the ablest supporter of the Wilson administration. This increased cost of living is progressive; it was much higher in July than it was in January, 1914. Of course these Democratic statesmen knew that the principal cause of the high cost of living throughout the country was not a high tariff, but that it was due almost entirely to the continually increasing wages paid to all classes of labor, but they have not the courage to say so. They knew when the wages of farm hands went up that it would necessarily increase the price of farm products to the consumer; they also knew that an increased wage given to the shoemaker must be paid in the end by the wearer of the shoes; still they would not openly admit that wages always fix the cost of living.

IMPORTS AND EXPORTS.

The very best barometer of our business conditions is shown by our trade with foreign nations. If a man buys more than he sells and keeps it up, he will become bankrupt. The same is equally true of nations. If we sell more products to foreign countries than we buy from them, our producers are so much the better off. When American labor and capital is engaged in producing goods to be sold to and paid for by foreign people, we are infinitely better off than if we bought those goods from the capital and labor of other countries.

Compared with the working conditions of the last year of the Republican high tariff, the present Democratic measure has operated to deprive our own workshops and workingmen of tremendous amount of business that has gone to foreign labor and foreign workshops. The following is a summary of a statement compiled by Mr. Brown, of the Philadelphia Chamber of Commerce, from the official records, and published August 1, 1914:

CHANGES AFFECTING LABOR.

The products in this comparison require for their production large numbers of workmen. "A close study of the figures," Mr. Brown says, "must convince both manufacturers and employees that something has happened in the last six months which did not happen in the same period of 1912 and 1913." He adds:

From strictly official records, the imports of manufacturers of aluminum increased $361,635, from $458,587 to $820,240, or 78 per cent; automobiles, parts of, $353,103, from $179,759 to $532,862, or 196 per cent; cotton cloths, $3,407,725, from $4,621,562 to $8,039,287, or 73 per cent; cutlery, $513,607, from $875,803 to $1,389,410, or 58 per cent.

Fruits and nuts may be considered food products, but as their production required the services of many employees, they have been included in this comparison, the increase being $5,787,484, from $19,413,353 to $25,200,837, or 29 per cent. Glassware shows an increase of $1,126,373, from $3,090,769 to $4,217,069, or 36 per cent; knit goods, one of our important articles of manufacture, shows an increase of $2,178,989, from $1,583,843 to $3,762,832, or 137 per cent; lace and lace articles, $1,442,728, from $9,057,639 to $10,500,367, or 15 per cent; leather gloves, $777,486, from $3,844,507 to $4,121,993, or 23 per cent; leather and tanned skins, $4,202,403, from $4,466,663 to $8,669,066, or 94 per cent.

Paper, and manufactures of, increased $3,455,460 from $10,479,525 to $13,934,985, or 32 per cent; silk, manufactures of, $4,991,465, from $13,893,275 to $18,884,740, or 35 per cent; tin plate, $813,314, from $329,707 to $1,143,021, or 246 per cent.

Interesting to the woolgrower is the increase in wool, classes 1, 2, 3, of $21,024,431, from $18,708,786 to $39,733,217, or 112 per cent. Manufactures of wool show an increase of $13,155,999, from $6,702,109 to $19,858,108, or 196 per cent, which must be most pleasing to the foreign manufacturers of woolen fabrics.

Watches, and parts of, show an increase of $463,061, from $1,247,302 to $1,710,363, or 37 per cent. In this connection, it may be said that a large part of imports of watches and parts of are watchcases, which constitute a thriving industry in this country.

Linen yarns increased $172,436, from $377,140 to $549,560, or 45 per cent.

ALARM FOR FUTURE.

The totals covered by this comparison show an increase of $64,227,717, from $98,830,356 to $163,058,073, or 64.9 per cent, and as the total imports for the year ending June 30, 1914, increased over the imports for the year ending June 30, 1913, $81,160,964, it would seem that the increase in the imports of manufactured goods and products employing large numbers of workingmen have been sufficiently heavy to justify alarm for the future.

The months of June, 1913, and June, 1914, are normal months in our foreign trade. The official records show (Annalist, Aug. 10) that in June, 1913, we sent to other countries goods amounting to $163,404,916, and we bought from other countries goods amounting to $131,245,877. We had for the month of June, 1913, coming to us for the goods sold in excess of those bought by us the sum of $32,159,039, or more than a million dollars every day.

For the month of June, 1914, under the operation of the Democratic tariff, we sold to foreigners $157,119,451, and we bought from other countries goods amounting to $157,772,972. In other words, we bought from other peoples $653,521 more goods than we sold them. June being a typical month, we would import $7,842,242 more in the first year of the Democratic tariff than the last year of the Republican tariff, and therefore we would be that much in debt to foreign people; while, on the other hand, under the Republican tariff, foreigners were indebted to us in the sum of $385,908,468, for that much more we sold to them than they sold to us. Stated in terms of work and labor done by Americans, the Democratic tariff took from American labor and capital the power to produce annually goods worth $393,750,710, and gave this work and this business to people across the sea. Of course, this policy resulted in taking from hundreds of thousands of American workingmen their jobs and giving them to the workers of other countries. The necessary consequence of transferring to other countries this vast quantity of industry heretofore done by our own people is in the first place to lessen our production in industries to that extent, and also we are required to take from our other earnings that amount of money and send it abroad. This has resulted in a general business depression throughout the whole country. The falling off of our business is shown by the bank clearings for the years 1912-1914:

Clearings for 1912 were	$107,693,751,245
Clearings for 1913 were	106,900,715,307
Clearings for 1914 were	106,525,487,076

These are the clearings from January 1 to August 1 of each of these years, and show the extent of the business done for each of the three periods.

Whatever theories may be advanced by those who favor free trade, or a low tariff, as against a protective tariff, they do not and never have worked out in practice. The benefits promised under low tariff have never been realized. The fact is, that in the entire history of our country that every time there has been a general lowering of tariff duties it has been followed immediately by business stagnation and depression, resulting in great losses, both to capital and labor; while on the other hand, every time the tariff has been taken from a free-trade or revenue-only basis and put back under a protection basis there has resulted great business activity and increased employment of labor.

The mind of the low-tariff advocate closes all its doors against the most obvious fact, and that is that a protective policy is very largely to the personal interest of every man who produces more than he consumes; while, on the other hand, a low tariff or free trade is to the individual interest of nonproducers and nonworkers. Protection helps the industrious, the thrifty, and provident as against the indolent and the improvident.

ANTITRUST BILLS.

The antitrust bills that have been drawn and passed by both Houses of Congress, carrying out the program of the present administration and the Democratic Party, are based upon sentiments and feelings that heretofore have been absent from the councils of the Nation. These measures, in substance, provide:

First. That a man may not name or fix a price upon the thing he makes and has to sell if his competitor is unable to meet that price. In other words, the man who is up to date and uses all the best methods of production, introducing economies and labor-saving devices and great efficiency in every department, shall be sent to the penitentiary for selling those goods at a lower price than the man whose plant is out of date, and whose methods are wasteful, and the whole enterprise so inefficient that the cost of making his goods is much more than the other can sell for at a fair profit.

Second. That a man who has spent the best part of his life in perfecting a machine may not impose any conditions whatever upon the purchaser of that machine to maintain and keep up its standard of efficiency and reputation for usefulness. In other words, a man is prohibited from making a contract for the preservation and protection of the article he makes and sells; and

Third. It is a crime for the small manufacturer, miner, and producer to introduce savings and economics in his business in connection with other small operators, although it is absolutely necessary in order to save himself from bankruptcy brought on by a perfectly legitimate competition from large operators, who can make, sell, and distribute their products at a much lower cost by reason of the greater quantity produced.

Fourth. These bills are all based upon the feeling and sentiment that it is morally wrong for one man to have more brains than another; that it is highly reprehensible that a man should be more industrious than his neighbor; and that business success based upon superior energy, ability, and saving is grossly unlawful and should be suppressed at all events. All through these bills runs the sentiment that thrift must be penalized, the successful must be outlawed, to do things in a large way is conclusive proof of criminality, and that improvidence, unthrift, and incapacity are virtues which this Government must uphold and encourage, and that incompetence shall be the standard of excellence throughout this Republic.

To justify this assault upon the productive energies of the people the excuse is given that some men have made money by methods of unfair competition; that they have monopolized certain lines of trade, raised prices above what is normal, and have thus imposed upon the public. The fact is, as everybody knows, that there is not one man in a thousand, nor one concern in a thousand, that ever made a pretense of being a monopoly, a trust, or engaging in the business of unreasonably raising prices, although some few may have in times gone by done so. Yet, in order to correct the business honesty and morals of one man, these measures propose to tear down and destroy the business of nine hundred and ninety-nine honest men. The remedy proposed is just about as wise as the man who burned down his barn in order to be rid of rats or the farmer that hamstrung all his horses as a remedy for the roguishness of one of them.

The best lawyers and ablest men in the Congress can not agree as to the meaning and interpretation of these bills. The debates show that the members who vote for their passage openly acknowledge that they are unconstitutional and are subversive of the personal right of contract.

If these acts are permitted to stand and carry with them the force of law, it will require 25 years of litigation to interpret them, and in the meantime the business of the country must remain in a state of doubt and uncertainty. No man will know whether he is doing a legitimate business or whether he is violating the law and committing offenses punishable by imprisonment; nor can his lawyers intelligently advise him.

Farmers and labor unions are exempt from these laws. They can enter into conspiracies to oppress the public by raising prices of food and the wages for manufactured products and holding the public up and compelling it to pay the price demanded. This class of men are above the law and are authorized to enter into all sorts of trusts and combinations, whereby the public is forced to submit to outrageous exactions without any relief or remedy whatever. My town of Huntington gets 90 per cent of its food supplies from the farmers just across the river in the State of Ohio. Under the Sherman antitrust law before these amendments these farmers could have been fined and imprisoned had they entered into a combination or conspiracy to arbitrarily raise the price of their commodities to the people of Huntington. But under the present bills these same farmers may get together and raise the price of the articles of food which they sell and force the people to pay it, and they can not be punished or interfered with.

While, on the other hand, if the managers of the two gristmills, one being in Ohio and the other in Huntington, should agree to sell their flour at not less than $5 a barrel, they will be sent to the penitentiary as oppressors of the public. Asa Wilson, living on the Ohio side of the river, has five sons, three of whom are farmers living in Ohio and selling their products in West Virginia and Kentucky. One of the brothers runs a butcher shop in Huntington and one a butcher shop in the town of Chesapeake, on the opposite side of the river, in Ohio. The three farmer brothers agree among themselves that they will fix the price of their cattle and hogs which they have for market at 12½ cents per pound, which is 25 per cent more than the price should be. This act says that because they are farmers they shall have the right to do this and force the public to pay it, and the law will uphold them, while, on the other hand, if the two brothers in the butcher business agree that they will not sell their steaks for less than 25 cents per pound they will be arrested, fined, and imprisoned; not that they have done anything different from what their farmer brothers have done, for their acts are identical in principle and effect, but they are really sent to prison not for what they have done but because they are in the business of selling meat instead of being in the business of farming. In other words, a man's guilt or innocence in entering into trade agreements with his competitors

depends upon the business he is engaged in and not upon guilty conduct.

In discussing these and other questions pertaining to labor let it be remembered once for all that no fair-minded man can object to laboring men organizing for all legitimate purposes. Such an organization will be approved and encouraged by all persons capable of right thinking. But what are these legitimate purposes for which such organizations may be formed? This question may be answered by saying that workingmen can form an association for the purpose of (1) securing for themselves a just wage, (2) to better the conditions and surroundings under which the work is performed, and (3) to increase the skill and efficiency of the workers. It follows necessarily that if an organization assumes to itself the power to compel the carrying out of any of these legitimate purposes by force and violence, by threats, intimidation, coercion, assaults, murder, and assassination, it ceases to be a lawful organization of peaceable workingmen, but degenerates into an organized criminal conspiracy. It is only when it embarks on a course of violence, destructive of the public peace and private rights, that the law should prevent its activities and preserve the peace and good order of society. To accomplish the purposes for which they may lawfully organize they can not resort to criminal conduct, nor should they be permitted to invade the lawful rights of other workers or their employers. A claim to the exercise of a right which can only be maintained by violence and crime can never be allowed in any forum of justice or conscience.

It should be remembered that a large portion of the men who belong to the union are honest and upright men and good citizens. They resent the lawlessness and violence of the leaders. These men have not asked for nor do they want the Congress to give them a license to violate the law.

The policies of the Democratic Party and the laws they have enacted are now operating against the business and the industry of the country. The tariff law brought relief to no one, as the cost of living has constantly gone higher since the law was enacted. Imports have increased and exports decreased, taking from American workmen the making of goods amounting to over $300,000,000 and giving it to the labor of other countries. Manufactures have decreased, and laborers have been discharged or put on short time all over the country, that business and enterprise everywhere is depressed. No one will pretend that the industrial and material condition of the country is nearly so good as in 1912–13.

But, aside from these, the purpose and disposition of the party in power is to harass the railroads and destroy the value of their securities, divide up the people into classes, giving to some rights and privileges that are made crimes in others, and generally to place shackles upon industry and thrift, take from the saving and the provident and bestow it upon the slothful and the unworthy, and establish in this Republic a new and a strange doctrine which we may call the cult of the incompetent.

That any country can prosper with these policies controlling its councils is impossible, and that it can long endure upon such principles of injustice is not probable.

Conservation of Cotton as a National Asset.

EXTENSION OF REMARKS

OF

HON. FRED L. BLACKMON,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, October 3, 1914.

Mr. BLACKMON. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include the address of Hon. W. P. G. Harding, member of the Federal Reserve Board, before the National Association of Cotton Manufacturers at their semiannual banquet at Lenox, Mass., September 30, his subject being "The conservation of cotton as a national asset." Mr. Harding's speech in full was as follows:

"The cotton industry is perhaps as seriously affected by the European war as any other, and this statement applies with equal force to all connected with it, the producers of raw cotton, the manufacturers, and the distributers of cotton goods.

"The opportunity for expansion of our textile trade which is anticipated as an aftermath of the war, while undoubtedly a potentiality, does not as yet appear to exist to any appreciable degree. The titanic struggle between the great powers of Europe has disarranged credits and has disturbed the exchange of commodities throughout the world, and while cotton is classed as a staple crop and goods manufactured from it are necessities, they are not as supremely and immediately necessary as foodstuffs.

"Because of this fact the first effect of a great war is to advance the price of grain and to depress that of cotton. Yet the economic law of supply and demand, while apparently suspended at times, is never abrogated, and always in the end reasserts itself. When a dam or other obstruction is thrown across a stream the flow below it is reduced until the water impounded flows over the top, when the normal volume is restored, and if the obstruction be removed the flow becomes abnormally large.

"OBSTRUCTION TO NORMAL CURRENT.

"At the present juncture the war is operating as an obstruction to the normal current of the cotton trade. Sooner or later, however, even should the war continue, the level of the obstruction will be reached and the flow of business, except in some of the countries actually engaged in war, will again become normal. Restoration of peace would act as a removal of obstructions and would release a large volume of business now being held back, so that we are justified, if we look ahead, in taking a more cheerful view of conditions which appear at this time to be depressing.

"Cotton goods are the cheapest of all textiles, and should replace during hard times finer and more expensive fabrics. Cotton can be used in considerable quantities as a substitute for jute and other materials in the manufacture of burlaps and sacks. Mills in England are reported as running double time on khaki for army uniforms, and there is no reason to doubt that the trade will ultimately absorb the world's production. Cotton manufacturers must solve the problems which have grown out of the closing of the cotton exchanges of this country, whereby they have been deprived of a standardized price and of their power to hedge on contracts, and must overcome the further difficulty, occasioned by loss of confidence and curtailment of credits, of financing purchases.

"Compared with the prices that have obtained for the past three or four seasons, present quotations seem very low, but it is doubtful if large stocks of cotton could be secured at prevailing prices, as an active buying movement would undoubtedly enhance values. It is argued that the Southern States have produced a cotton crop, which added to that grown in other countries, is, under present conditions, about 5,000,000 bales greater than is required for the world's needs, and the fear that this is true is causing much apprehension in the South. There have been predictions of general bankruptcy and ruin, and yet regardless of all the pessimistic talk and in spite of increasing receipts, the price has advanced during the last three weeks 1½ cents to 2 cents per pound, and it is well worth while for cotton manufacturers to consider these facts, to analyze them carefully, and to anticipate the probable effects.

"CAUSE NOT HARD TO FIND.

"The cause is not hard to find. For many years the South has been gaining in wealth, and its farmers have been growing more independent, better methods of agriculture have been introduced, marked progress has been made in the diversification of crops, large plantations have been subdivided into small farms, and in many cases the tenant farmer has become his own landlord. There is in every normal year a certain proportion of the crop which comes in early and which seeks the market at any level that it can find, which is commonly called 'distressed cotton.' This is the cotton that is now being sold at 7½ to 8 cents, and it would be well for manufacturers to bear in mind that at these figures much cotton will be withheld from the market for months to come.

"It is true that there is a great amount of indebtedness which can be liquidated only by the sale of cotton, but in view of the increased cost of production in recent years, sales at present prices would be in many cases inadequate for the discharge of these obligations, so that even if the producer, being unable to sell his cotton for enough to pay his indebtedness, should turn it over to his creditor, many of these creditors would be in a position to hold, and much of the cotton will be withheld from the actual market.

"The financing of the present crop began with its planting last March or April. It is the one crop in the South on which loans are always freely made until it is harvested, and investigations recently made by chambers of commerce in Southern States show that advances on cotton in different States, made from the time of the planting of the crop until it left the gins, range from $30 to $44 per bale. The last four crops, including seed, have brought the people of the Southern States a gross average of nearly one thousand million dollars per year, of

which amount about one-half has come from domestic and Canadian mills, and the remainder represents the value of exports to foreign countries.

"ADDITION TO TRADE BALANCE.

"By the sale of this crop the South has been enabled not only to discharge its obligations promptly every fall but has added a half a billion dollars each year to the national trade balance. Cotton production is stimulated by high prices, and conversely, it is curtailed when prices fall below the cost of production. This has been particularly true in those years when prices were low throughout the season and continued low during planting time, in the early spring. Never have the evils of overproduction been so universally appreciated in the South as now, nor ever before has there been such grim determination to hold cotton and to radically curtail acreage. Public sentiment in many Southern States has been so aroused that there is now a general clamor for legislation by the States to regulate the production of cotton, and some farmers have gone so far as to demand that the planting of any cotton whatever in 1915 be prohibited.

"Of course, extreme action of this kind is not anticipated, but it is undoubtedly true that should prices considerably below the average cost of production, which is probably about 10 cents per pound, prevail for the next six months cotton will be parted with only as necessity arises, and most serious curtailment in acreage for the next crop will be the inevitable sequence. Many of those who might be financially able to put their lands in cotton would be attracted by the high prices for grain and would plant food crops, while others less independent might be willing to continue in cotton but would find themselves unable to secure the necessary advances.

"No well-informed man on southern conditions will deny that further diversification in southern farming is desirable, and that more attention should be paid to cattle raising and to the production of foodstuffs. But it would be most unfortunate if by any chance the production of cotton next year should be so small as to make the trade dependent upon the present crop for the greater portion of its two years' supply. Cotton goods can compete with more expensive fabrics only up to a certain price level, and if a year hence the prevailing prices for raw cotton should be as abnormally high as they are now abnormally low, the manufacturers of cotton goods will have their present problems aggravated, and would be fatally handicapped in a movement for trade expansion at the very time when it is probable that conditions would be ripe for efforts in that direction.

"DEMAND FOR COTTON GOODS.

"I shall not undertake in the presence of the foremost experts to hazard any guesses as to the probable consumption of cotton within the next few months, but I will be bold enough to predict that as the season progresses there will be a steadily increasing demand for cotton goods by consumers, with a corresponding demand for raw cotton by the mills, with a marked increase in the demand for export. Of course as long as present conditions continue the demand from Germany, Austria-Hungary, Belgium, and France will be greatly curtailed, but there should be a good demand from Great Britain, Spain, Italy, and from Russia, which can obtain its supplies independently of routings through the Baltic Sea. Ship room is now available, prompt action by Congress has enabled our Government to provide marine insurance, the Bank of England is again discounting bills, and practically all the obstacles in the way of exports to all foreign countries, except Germany and Austria-Hungary, have been removed.

"Foreign exchange conditions have within the last few days been vastly improved by the formation of the gold fund as approved by the Secretary of the Treasury and the Federal Reserve Board, and as our exports of grain and cotton increase in volume, as they must do in the very near future, normal quotations for sterling bills will again prevail. I am violating no confidence when I state that rapid progress is now being made in the organization of the Federal reserve banks, and it is my personal opinion that the system will become effective during the ensuing month. The Secretary of the Treasury has acted with wonderful celerity throughout the crisis, and by his promptness in authorizing and issuing emergency currency under the provisions of the Aldrich-Vreeland Act, as amended, has, in the face of moratoria in practically nearly all other civilized countries, kept the United States not only upon a cash basis but on a gold basis, and he asks only the intelligent and unselfish cooperation of the business community, which he confidently expects, to aid him in the speedy restoration of normal financial and commercial conditions throughout this country. The tremendous waste incident to war will, of course, be felt all over the world, and losses will inevitably ensue, but there is no reason, as far as this country is concerned, why these losses should not be so uniformly distributed that they will not fall with crushing force upon any section, or upon any industry, and I firmly believe that American pluck and American energy are going to reassert themselves and that American farmers, merchants, bankers, and manufacturers will cooperate with their Government and with each other in solving present problems, and that they will put themselves in a position to grasp the opportunities that the future is bound to offer."

The War Tax.

EXTENSION OF REMARKS
OF
HON. JULIUS KAHN,
OF CALIFORNIA,
IN THE HOUSE OF REPRESENTATIVES,

Thursday, September 24, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. KAHN. Mr. Speaker, recognizing the absurdity of trying to discuss this important measure in the few minutes that could be allowed me under the gag rule that has been adopted by the Democratic majority of this House, I avail myself of the privilege afforded me to extend my remarks, and therefore submit a few desultory observations on this subject in the RECORD. The action of the Democratic majority on this measure is another confirmation of the fact that the House of Representatives has ceased to be a deliberative body. The members of the Democratic Party in the Sixty-first Congress succeeded in stirring up a pronounced sentiment throughout the country against what they were pleased to term "Cannonism." Their principal fight at that time was directed against the rules of the House. They contended that the rules presented by the Committee on Rules shut off debate and therefore gagged the membership of the House. They forcefully argued that there could be no full, fair, and free discussion under such conditions. The American people undoubtedly believed in the sincerity of the Democrats when they made these attacks, and largely in consequence of their outcry against the special rules presented by the Republican majority of the Committee on Rules they were successful at the polls in the election that ensued, and for the first time in 16 years they secured a majority of the membership of the House of Representatives.

But, Mr. Speaker, what have they done? They have "out-Cannoned Cannon." During the 16 years of Republican domination in the House of Representatives there were only 110 special rules brought in and acted upon on legislative matters, or an average of a little less than 7 special rules per annum. During the three and a half years of Democratic domination the majority has brought in 54 or 55 special rules up to the present time, and, according to recent newspaper reports, "the end is not yet." The average number of special rules on legislative questions brought in by the Democratic majority of this House during the period they have had control of the House is over 15 per annum. So much for performance as compared with promise. In fact, the Democratic majority have shown themselves to be long on promises but very short on performances.

Mr. Speaker, this war-tax measure places a tax on wine amounting to 20 cents a wine gallon on sweet wines and 12 cents on other wines, including dry wines. That tax will fall almost entirely upon the wine growers of the State of California. The wine industry is said to be the third largest in my State. Between 85 and 90 per cent of all the wine manufactured in the United States is made in California, so that about $5,250,000 of the estimated revenue of $6,000,000 from this tax will fall upon the shoulders of the wine makers of my State. It is an unfair and unjust discrimination against that State. It must be remembered that claret, or dry wines, constitute the great bulk of the wines produced in California. Much of this dry wine is sold to people who substitute these dry wines for tea or coffee at their meals. The people who purchase these cheaper wines can not afford to pay the hundred per cent or more increase in their cost that must inevitably ensue if this bill is enacted into law, and the very purpose of the law to raise a revenue will be defeated, because the manufacturers of this cheaper grade of wine will refuse to make it.

The farmers who raise grapes for the wineries have hundreds of thousands of acres of land in California cultivated to the grape. They are dependent upon the wineries for the sale of

their product. I am told that even at the present time there are thousands of tons of grapes ready to be converted into wine, for which there is no demand on account of this proposed legislation. The grapes, now ready to be picked, are rotting in the vineyards. It takes seven years for a vineyard to reach maturity. So that the loss to the grape growers by reason of their inability to sell their crop will be an especial hardship at this time.

The Members from the Southern States complain of the loss that will fall upon the cotton growers of the South on account of the loss of their market for cotton; and yet these very Members will vote to put a tax upon one of the principal products of my State that will destroy the market for thousands of farmers in that State for their product. Let them consider that fact when this measure shall come up for final action. "Do unto others as you would be done by" is a good motto to observe in these days.

The Underwood tariff law struck a hard blow at every important industry of the State of California except the wine industry. It would seem to me, judging by the drastic tax on wine contained in the pending bill, that the Democratic majority of this House seem to feel that they made a mistake when they did not put a burden upon the wine growers of California in their tariff law. They seem determined that the one remaining industry of my State that has had to fight for its very existence for some years past shall not be allowed to go unscathed so far as the taxing power of the Government is concerned. Of course you will pass this bill. You have the power to do it; but you will defeat your purpose. You will fail to secure the enormous sum for which you have estimated under this measure. You think you see a golden egg in this wine tax, but you will find you will kill the industry that is supposed, in your judgment, to be able to lay that egg, and you will receive little or no revenue from the wine industry of this country.

Emergency Revenue Legislation.

SPEECH

OF

HON. WM. ELZA WILLIAMS,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. WILLIAMS. Mr. Speaker, the opposition to this bill is manufactured for political purposes. The gentlemen who contend so valorously against a measure to provide revenue for the Government, to supply a deficiency arising from the world's greatest calamity, are not sincere in their contention. They come with the sole purpose, if not the avowed intention, of making political capital in the hope of retrieving the lost fortunes of their party. Hypocrisy always carries with it the earmarks and the brand of insincerity, and this is particularly emphasized in this case by the inconsistent arguments advanced by those who oppose this bill.

We are told that the present tariff and internal-revenue laws are yielding an abundant revenue, and that this measure is unnecessary, and, at the same time and in almost the same breath, it is asserted that the Underwood tariff law is a failure, and that the advocacy of this bill is a confession of its infirmities. The one argument refutes the other. If there is no necessity for this bill, it is because our present revenue laws are ample and provide a sufficient revenue for all purposes of the Government; if there is a threatened deficiency, then this bill is necessary, and some provision must be made to provide a sufficient income to supply revenues and maintain the credit of the Nation.

Let me say in the outset, as the basis of my remarks, that both arguments advanced are untenable in the light of the facts. The Democratic tariff measure passed last year, by means of which the revenue for the support of our Government is derived, has proven a marked success. Until the world was overwhelmed in war, and the bloody hand of strife and destruction blighted business and paralyzed the trade of the world, revenues flowed in an abundant stream into the tills of the National Treasury, and an increasing surplus of over $130,000,000 in ready cash was accumulated to the credit of the Government. This, indeed, is fortunate, for had the sudden and unexpected coming of this war found a scant Treasury, the credit of the Nation would have been shaken, its ability to meet its obligations impaired, and widespread business ruin and disaster would have overtaken the country.

And it is furthermore most fortunate that the Underwood tariff law, which provides for reduced tariff duties and supplies a hundred millions revenue from internal sources, was in force in lieu of the Payne-Aldrich law, which relied largely upon tariff taxes as the Government's source of revenue.

The bulk of our imports are cut off by reason of the fact that the commercial nations of the world are engaged in a life-and-death struggle, and custom duties on imports are so materially reduced that if we relied on the tariff as our principal source of revenue, as was the case under the Payne-Aldrich law, our deficit would be doubled, and we would to-day find it necessary to provide revenue from other sources in an amount of two hundred millions, instead of one hundred millions, as proposed by this bill.

It does not require argument to prove that when imports cease, import duties cease, and that just in proportion as the imports of dutiable goods decrease, just in that proportion the revenues derived from custom duties decrease; nor does it take argument to prove that the larger the revenues relied upon and derived from import duties, the greater will be the reduction and loss of revenue when imports are reduced. And this would be true whatever the cause of the reduction in imports, whether in time of peace or in time of war. Seventy-five per cent of all imports received at our customhouses come from the nations now engaged in war. The ports of Germany and Austria and Russia are blockaded, and imports from these countries are almost entirely cut off. The operators and skilled workmen of England and France have been called from the workshops and the factories and sent to the front. Every able-bodied man of military age is enlisted in the army, and those remaining can not supply the manufactures necessary for their own country and the maintenance of their armies in the field, and as an inevitable and necessary result, shipments to this country are greatly reduced, and in consequence, custom duties in the way of tariff taxes paid by the American purchaser on foreign goods is reduced to the minimum, and it is but a question of time when the surplus in the Treasury will be exhausted unless some means is devised to supply the deficiency.

Gentlemen who decry against "additional" revenues play upon the phrase with scant consideration for sincerity and truth. We do not propose an additional tax; we propose a substitute tax in lieu of import duties cut off by the war. The payment of this tax added a hundred millions to the cost price of imported goods, which was in the end paid by the consumer. This tax to the extent that importations are reduced lapses with the reduction of imports, and the Treasury loses to the extent that the consumer is relieved of this burden. This revenue must be supplied from some source. The proposed bill merely shifts the tax, and in lieu of a duty on imports imposes a tax on the business and the particular articles named in the bill.

It is a cardinal principle of the Democratic Party—and this principle is applied and runs through the whole web and woof of the Underwood tariff bill—to tax luxuries most heavily and necessities less, and to compel, in so far as possible, wealth to contribute its just share to the support of the Government. For this reason an income tax was enacted, and for the same reason it is proposed by this bill to raise a considerable portion of the necessary revenue from distilled spirits, wine, and tobacco, neither of which, to any great extent, can be termed a necessity. It is proposed to raise a portion by a tax on the capital stock and surplus of banks, and by a stamp tax on bonds, debentures, and other like securities; a portion from license fees assessed against theaters and circuses, and a considerable part from a tax either on gasoline or on automobiles, regulated at so much per horsepower.

This plan furnishes a ready source of revenue and will supply the Treasury with ample funds to meet Government obligations, to maintain national credit, and to support and sustain the business of the country.

Mr. Speaker, I assume that no patriotic citizen will seriously oppose this bill, and I apprehend that those who seek to make political capital out of it, if thereby they could defeat the bill and destroy the credit of the Government, would not raise their voices against it. Gentlemen on that side of the House know full well that the Democratic majority will pass the bill, and that it will become a law; that we are charged with responsibility, not only for legislation but for the maintenance of national credit, and that no matter what they say or the purpose and motives which actuate their speech and their votes, the Democratic Party will see that the machinery of government is not blocked for the want of necessary revenue, and that the business interests of the country will not be disturbed by reason of an impoverished Treasury.

It is said that this action is premature, that there are still ample funds in the Treasury, and that this bill could be passed next December as well as now. This may be true, but why postpone the inevitable? If the President were actuated by motives of self-interest or party advantage, and concerned less about the peace, happiness, and welfare of the country, he perhaps would have postponed action until after the fall elections. But the President puts his country above his party, and is willing to take no chances that would impair the credit of the Nation and disturb business conditions for the mere sake of party expediency. Moved by the courage that possesses an honest man, and actuated by the highest motives of patriotism, he comes frankly and openly to the country, takes the people into his confidence, and says, "My country first; my party afterwards." When all the world but our own country is engaged in war, when all mankind but ourselves are locked in a death struggle, when waste and destruction and death are upon every hand and in every clime, let us be thankful that Woodrow Wilson is at the helm, steering the ship of state into peaceful harbors, and sustaining the faith and credit of the Nation with a bold and courageous hand.

No longer is his "watchful waiting" derided and scorned; no longer do men criticize his Mexican policy, but with one voice the whole world acclaims him the foremost advocate of peace, the first friend of mankind.

Those who demanded that our armies march to Mexico City and that we engage in a bloody and costly war with Mexico, with its far-reaching consequences, no longer boast, but hide their heads and skulk in silence. Those who insisted that we defy Japan and ignore or resent her claims, now admit that the policy of the administration and the timely efforts to avoid a clash with that country entitle President Wilson to the esteem, the favor, and the commendation of the world. Those who condemned him for urging the repeal of the Panama tolls act and the removal of all cause of friction between Great Britain and the United States now concede the wisdom of his policy in clearing the way for the adjustment of complications of "nearer consequence." Those who carped and criticized, scoffed and derided the peace policies of the administration as weak and truckling and vacillating, now glory in the fact that success has marked every step, and that we are at peace with the world; that hostile armies are not battling at our gates; that foreign navies are not blockading our ports and bombarding our coast cities; that the tread of armies, the clang of steel, the roar of cannon, the moans of the dying and lamentations for the dead are not heard within our borders; that the dove of peace reigns supreme throughout the land.

Nineteen peace treaties have been negotiated by the Department of State with as many nations of the world and ratified by the Senate during Mr. Wilson's brief time in office, providing for the arbitration of international disputes which do not involve national honor, and providing for the postponement of hostilities for one year after the grievance or cause of complaint arises. Seven other like treaties are pending in the Senate, and 10 other Governments have signified their acceptance and manifested their willingness to enter into negotiations to the same effect. These treaties will operate in all ordinary circumstances and under ordinary conditions to delay hostilities and afford an opportunity for the peaceful adjustment of all questions in dispute.

However, under abnormal conditions now existing in Europe, unparalleled in the history of the world, the danger of foreign complications grows with every hour. Questions of the greatest moment arise from day to day, and not until peace is restored in Europe will the people of this country rest in security that we may not in a moment be involved in war. There is but one safe course to pursue; there is but one hope of security, but one anchor of safety, and that is to sustain the President and uphold his hands in his peace policy. So long as Wilson is in the White House, sustained and supported by a Congress in harmony with him, we have reason to hope that peace will remain our heritage. Will the people handicap him by the election of a hostile Congress and tie his hands by returning to power a party which has obstructed every step in the course of the administration's policy? This is not the time to take chances and incur risk. In the homely phrase of Lincoln, "It is no time to swap horses while crossing a turbulent stream." It is a dangerous time to rock the boat in a raging storm. It is the obligation of every Member of this House to vote for this bill, and it is the duty of every patriotic citizen in the land to extend to the President every measure of devotion and support of his splendid efforts to guarantee the peace, the happiness, and the prosperity of our country. Politicians who would hazard country for party gain may prove recreant; but, mark you, the people, the patriotic citizens of the land, will not betray the President in this hour of anxiety and national peril, but will extend to the lonely man in the White House who in his sorrow and bereavement has sacrificed so much for the security and the peace of his country a vote of confidence by the return of a majority in Congress who will sustain and support him in his noble efforts and splendid achievements. I speak confidently, because I know the patriotism of the American people in an emergency like this will not be appealed to in vain.

The War Revenue Tax.

EXTENSION OF REMARKS

OF

HON. WILLIAM P. BORLAND,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. BORLAND. Mr. Speaker, some of our standpat friends who are seeking office under the old banner of the Republican Party are devoting a good deal of time and energy just now to denouncing the Wilson administration and the Democratic Party for levying a tax to sustain the credit of the Government during this period of international stress. It would have been wiser, according to their school of politics, for the Democratic Congress to have delayed the question and deceived the people until after the November elections, instead of boldly and honestly meeting the responsibilities of government and trusting to the good sense and clear vision of the American voter. Or, say they, it would have been more adroit and crafty to have borrowed the money and issued Government bonds to supply the needs of the Federal Treasury, even though the financial market is strained to the uttermost. These bonds would have to be issued at an unusually high rate of interest and the money derived from their sale would be withdrawn from channels of trade at a time when the farmer is trying to move his crops and the merchant is laying in his fall stock of goods and the business world is in need of the financial resources of the country to carry on business. We can not admit either the wisdom or the sincerity of these criticisms. We can not admit that the American people would have justified the Democratic Party in any underhanded, secret, or hidden course. The administration has chosen to meet the situation frankly and take the American voter into its confidence. It prefers to do business in the open, and in this it has my unqualified support.

The world to-day is passing through an international catastrophe which 90 days ago could not have entered into the wildest dreams of the American people. More than half of the civilized world is at war; the commerce and manufactures of great nations are paralyzed and the financial system of the world is strained to the breaking point. The countries directly concerned in the war have been compelled to withdraw millions of men from the industrial pursuits to send them to the battlefield. Their public credit is rapidly being exhausted and private credit has been practically annihilated. In the countries not engaged in the war the indirect effect has been almost as great. The whole of Europe, the whole of Asia, and the whole of South America are suffering from this condition. The one country on the globe which has been able to stand the strain and which will weather the commercial and financial storm is the United States of America. It is the one country to-day whose public credit is at par and the one country where private credit on any terms is possible for the business man. It is the inflexible determination of the Democratic administration to preserve the credit of the Federal Government. If the present administration had failed to do so through incompetence or political cowardice no more relentless critics would have appeared than these same stand-pat office seekers who are now criticizing the emergency tax.

The only honest criticism which can be made of the action of the Democratic Congress in levying this emergency tax at this time is as to whether it was absolutely necessary to do so. On this point I quote for you some extracts from the message of the President of the United States, delivered before the Senate and House of Representatives on September 4, 1914:

I come to you to-day to discharge a duty which I wish with all my heart I might have been spared; but it is a duty which is very clear, and therefore I perform it without hesitation or apology. I come to

ask very earnestly that additional revenue be provided for the Government.

During the month of August there was, as compared with the corresponding month of last year, a falling off of $10,629,538 in the revenues collected from customs. A continuation of this decrease in the same proportion throughout the current fiscal year would probably mean a loss of customs revenues of from sixty to one hundred millions. I need not tell you to what this falling off is due. It is due, in chief part, not to the reductions recently made in the customs duties, but to the great decrease in importations; and that is due to the extraordinary extent of the industrial area affected by the present war in Europe. Conditions have arisen which no man foresaw; they affect the whole world of commerce and economic production; and they must be faced and dealt with.

It would be very dangerous in the present circumstances to create a moment's doubt as to the strength and sufficiency of the Treasury of the United States, its ability to assist, to steady, and sustain the financial operations of the country's business.

In order to meet every demand upon the Treasury without delay or peradventure and in order to keep the Treasury strong, unquestionably strong, and strong throughout the present anxieties, I respectfully urge that an additional revenue of $100,000,000 be raised through internal taxes devised in your wisdom to meet the emergency. The only suggestion I take the liberty of making is that such sources of revenue be chosen as will begin to yield at once and yield with a certain and constant flow.

I can not close without expressing the confidence with which I approach a Congress, with regard to this or any other matter, which has shown so untiring a devotion to public duty, which has responded to the needs of the Nation throughout a long session despite inevitable fatigue and personal sacrifice, and so large a proportion of whose Members have devoted their whole time and energy to the business of the country.

Those who oppose the tax and seek to make political capital out of it must show that they could have sustained the credit of the Government and prevented a panic by some other means. The memory of the Republican panic of 1907 is too fresh in our minds to put much confidence in the promises of the stand-pat politicians.

We can not, however, let our stand-pat friends off quite so easily. We charge them with having left the Government of the United States in a condition of financial weakness, which would inevitably have brought widespread disaster upon the American people if it had been allowed to continue. They left us with a banking and currency system which was outworn, weak, and dangerous. It had brought on three panics, widespread and disastrous—the panic of 1873, that of 1893, and that of 1907. It made the American people the helpless victims of stock gamblers' panics, which they did not cause and which they were powerless to control. It made legitimate business the slave of the stock exchange of Wall Street. The standpatters left us also under the bondage of the protective tariff.

Under that policy most of the expenses of the Government were met by high protective tariffs on imports. It is the failure of the revenue from imports which has caused the expected deficit in the Federal Treasury. The Democratic administration carried out one of its platform pledges more than a year ago in placing upon the statute books a valid income tax. The purpose of this is to place some fair share of the burdens of government upon accumulated wealth. It is in direct contrast to the Republican stand-pat policy of taxing consumption and the necessaries of life. It is fortunate for the country that the income tax was successfully inaugurated before the present crisis. The loss in Federal revenue has been due almost entirely to the sudden reduction in the quantity of imports caused by the paralysis of industry in Europe. If the Federal Government had proceeded on the Republican policy of seeking its revenue largely from the duty on imports the war in Europe would have created widespread and permanent industrial depression in this country. The highest stand-pat tariff would have produced no more revenue than the lowest tariff, because the goods from which the revenue could be collected are not being shipped in from abroad. If the income tax were not in operation, the Federal Government, instead of needing $100,000,000 additional revenue, would have needed $200,000,000. This is shown by the figures of the Treasury Department. During the 10 months of 1913 in which the income tax was in operation a total of a little over $70,000,000 was collected. If the law had been in operation for the full 12 months of the year, including the month of January, when most dividends are paid, the total collections would have run over $90,000,000. This amount would have been lost to the Federal Treasury if the income tax had not been on the statute books. Such loss of revenue would have doubled the inevitable deficit of the Federal Treasury and more than doubled the danger to industrial conditions throughout the country. It would have made it impossible for the Federal Treasury to have left any of its money on deposit with the banks. The banks would then have had to call in all of their loans from the merchants, manufacturers, contractors, and business men. Business enterprises would have been paralyzed and the employment of labor would have ceased. Is it possible that our stand-pat friends are urging this upon the American people as a reason for their return to power? The truth is that, facing a great international catastrophe, which has wrecked the business system of every other nation on the globe, the United States of America, in the firm hands of the Democratic administration, has recovered its balance and is forging to the front toward a period of renewed prosperity. The calamity howlers are almost abashed and silenced by the indications on every side of the strength and solvency of the American business world. Factories are resuming operations all over the country. A tremendous demand for American goods has been created, and the capital and credit to meet this demand will be firmly established by the system of Federal reserve banks. The horizon of foreign trade is widening. The products of the great Southwest are seeking a profitable market, a market which means ready gold. Horses and mules, beef cattle of every grade, wheat and corn are being rushed to market. The clearings of the Kansas City banks for the month of September, 1914, during a period of the greatest financial strain, were only slightly less than the clearings for the same period in 1913, and were higher in proportion than any other city in the world. During one week of September, 1914, the bank clearings of Kansas City passed St. Louis by $70,000, and Kansas City attained the fifth place among the cities of the United States for the first time in our history.

I am frank to say that the war-revenue tax has been intentionally made of a temporary character so that it may be repealed promptly as soon as normal conditions are restored. For my part, I believe that at least one-half of it may be repealed during the coming session of Congress, which begins in December, 1914. But the effect of promptly passing such an emergency measure was to strengthen the credit of the Federal Government and enable it to aid the business world in meeting the sudden collapse of international credit. Reinforcements and reserves are not always needed in every battle, but the fact that they are at hand and can be used if necessary has won many a victory.

But I am not yet through with out standpat friends. I should like to inquire, in all kindness, which of the Democratic policies they would reverse if they were fortunate enough to be returned to power. What Democratic laws would they repeal? Will they answer these questions frankly to the American voter?—

Would they restore the Payne-Aldrich tariff bill?

Would they repeal the income tax, which places a measure of the burden of government upon accumulated wealth?

Would they tax wealth or want?

Would they repeal the Federal reserve act, which has divorced legitimate business from the stock gambling of Wall Street and has prevented the recurrence of industrial panics, and under which Kansas City has become the financial center of the Southwest?

Would they restore the panic-breeding currency laws which made possible the indefensible industrial depression of 1907?

Would they reestablish the bread lines in New York, Philadelphia, Pittsburgh, and Wheeling, which disgraced the dark winter of 1907–8, when people were starving in the East while the West was full of corn and cattle that could not get to market on account of the heavy deposits of Federal money to aid Wall Street?

Would they repeal the Democratic agricultural-extension bill, against which not a single Republican vote in either House of Congress was cast?

Would they repeal the Federal Trade Commission, created to prevent the growth of industrial trusts, against which bill not a Republican voted in the House?

Would they reject the Bryan peace treaties?

Would they reverse the policy of peace, friendship, and firm refusal to enter into entangling foreign alliances, which was taught by Washington, repudiated when we acquired the Philippines, and revived by Woodrow Wilson in his dealings with our neighboring countries?

Do they regret that America is at peace while all of the world is at war, and that no American boys are stretched upon foreign battle fields or in the fever camps of distant lands?

Would they abolish the direct election of United States Senators by the people?

Would they restore corruption of politics by repealing the laws requiring the publication of campaign expenses?

Would they reestablish the power of Federal courts to issue injunctions in labor disputes without notice, and to brand thousands of respectable citizens as criminals, and to send men to jail without a trial by jury?

Would they again play into the hands of the railroads by aiding the filibustering Senators to block the improvement of inland waterways?

Would they abandon the improvement of the Missouri River between Kansas City and St. Louis, down which stream is now moving 3,000 tons of freight every month, more than 65 per cent of which is wheat and flour?

Would they kill the Children's Bureau of the National Government, created at demand of the Christian women of America?

Would they restore the gag rule of postal employees?

Would they repeal the eight-hour legislation?

Would they repeal the laws enlarging and strengthening the Department of Labor?

Would they abolish the inspection of boilers of locomotives?

Would they close the mine-rescue stations or repeal any of the safety-device provisions which have saved the lives and limbs of American toilers and preserved the breadwinners of thousands of American families?

Are they against good roads?

Do they wish to withdraw Government funds from the banks at crop-moving time rather than to lay a tax on beer and automobiles?

Let our stand-pat friends be frank with the voters and point out which of these laws are so dangerous to the peace and safety of the American people that they ought to be repealed. Let them test fully the sentiment of the American voter. The answer they will get from the people will be that more beneficial legislation has been enacted in the 18 months of the Democratic rule than in the previous 18 years of stand-pat domination.

All over this proud land of ours to-day, wherever an American citizen labors and produces, wherever honest toil adds to the wealth of the Nation and makes this old world a better place to live in—on the farm, in the factory, at the forge, in the mines, behind the counter of the village store, on all the countless railroad trains that fly like busy shuttles through the warp and woof of American commerce—wherever labor knows its own rights and demands the just reward of its own efforts, wherever business demands freedom and enlarged opportunities, there is going up a great song of triumph which swells into a note of confidence in the administration of Woodrow Wilson and the work of the Democratic Congress.

Emergency Revenue Legislation.

EXTENSION OF REMARKS

OF

HON. WILLIAM A. CULLOP,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, September 25, 1914,

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. CULLOP. Mr. Speaker, the administration of Woodrow Wilson challenges the consideration of every patriotic and thoughtful American, because of its wise, progressive, and constructive legislation. Since March 4, 1913, the Democratic Party has been in control of the executive and legislative departments of the Government, and has during that short period given the country more beneficial legislation than has been enacted in the last quarter of a century. The Democratic Party pledged the people if intrusted with power it would enact remedial legislation for the improvement of conditions, the enlargement of opportunities for the individual, and curtail the rights of the special interests, and it has fulfilled its promises.

This has been an administration noted for performance, the redemption of its pledges made the people. By its marvelous achievements, its careful and conscientious discharge of duty, its fidelity to the welfare of the people, it has earned and won the confidence of the country more than any other in the history of this great Nation It has shirked no duty, evaded no promise, or shifted no responsibility, but has, with marked ability and great courage, met every responsibility and performed every requirement demanded of it to the complete satisfaction of a great majority of the people. When President Wilson assumed the duties of his great office he was confronted with mighty questions for settlement, upon the solution of which depended the welfare of the people of the Nation, more than any Chief Magistrate since the days of Abraham Lincoln. Ripe in scholarship, wise in statesmanship, and thoroughly versed about conditions he was equipped for the great work devolving upon him and soon demonstrated he was master of the situation and fully competent to handle the great questions to the complete satisfaction of the country, which he has so admirably done. By the able, conservative, and courageous manner in which he has discharged the great duties imposed upon him he has convinced the people of his splendid qualifications for the Chief Magistracy of this great Nation and earned and won the confidence of the people as no other President has ever done. He enjoys the gratitude of the people for the great work he has performed, for the advancement of every legitimate business, and for the uplift of humanity.

Upon assuming the duties of his great office, he dedicated himself to the great work he had been called to perform—work of greater magnitude and more importance to the welfare of the people than had fallen upon any other President in recent years. A large majority of the Congress was in full sympathy with his policies, in hearty cooperation with his efforts to relive the people of the burdens imposed upon them by the misrule of the Republican Party, through the influence of the Toryism which had dominated it for years, during all of which time special privilege had thrived, combinations in restraint of trade had multiplied, and trusts had exploited the public unchallenged. The effort to reform these abuses constituted a stupendous task and met with stubborn resistance, because of their long standing. They had grown defiant and bitterly contested every proposition directed at their control or diminution of power. But this did not prevent the adoption of the reforms the party had been commissioned by the people to carry out for their relief, the improvement of conditions and the enlargement and equalization of opportunities. The work assigned by the people was to be performed, it mattered not what opposition might array itself, or how stubbornly it might resist the effort. It has been done, the duty discharged according to the wishes of the people, and the result highly satisfactory to the country.

It has succeeded in adopting more reforms, enacted more needed legislation, and secured more relief for the people than has been done in the preceding half a century. We take pleasure in calling attention to some of the more important features of this administration and ask consideration for its great and useful work.

It has driven the corrupt lobby which special interest maintained from the National Capitol; abolished the dollar diplomacy established by the Republican Party; enacted a law requiring publicity of campaign contributions before as well as after the election, so the people could know before they voted who, if anyone, was financing the campaign of the candidates; it has enacted a law for the election of United States Senators by a direct vote of the people, so that this year, for the first time in the history of the Republic, 32 United States Senators will be elected by ballot at the coming November election; it has enacted an income-tax law whereby wealth heretofore escaping taxation is compelled to pay its proportion of the burdens of the Government, and thereby relieves the poor of that amount heretofore borne by them; it repealed the odious Payne-Aldrich tariff law and enacted the Underwood tariff, reducing duties which averaged 47 cents on the dollar to duties averaging 28 cents on the dollar, and which provides ample revenues under normal conditions to pay the expenses of the Government, leaving a surplus each year, and without injury to a single legitimate industry or reducing the wages of a single employee or without serious interruption to the business of the country; it passed a banking and currency law, which provides for the issuing of our currency on what we own instead of what we owe—on our assets instead of our liabilities, as was the case under the old law—making it possible to pay off our public debt, which could not have been done under the old system, and which will furnish the country an elastic currency system adjustable to the requirements of business, which can be expanded and contracted as the exigencies of the country make necessary, and broke the grip of Wall Street on the country's finances, destroying its power to create a panic whenever its avarice prompted; it has extended the parcel-post system, destroying the express monopoly and reducing the cost of transportation, bringing convenience and good service to the people; it enacted the Lever extension law, providing better opportunities for the farmers of this country, the improvement of their conditions; it has appropriated $600,000 to provide a remedy for the extermination of hog cholera, which last year entailed a loss on our farmers of $73,000,000 from the ravages of this disease alone, causing a shortage in our meat supply; it adopted a law requiring the physical valuation of the property of railroads, which will necessarily reduce the charges for transportation and eliminate the water from stocks and bonds; it has passed a law requiring the disputes between labor and capital to be submitted to arbitration, preventing a resort to

force and the shutting down of industries; it has enacted a law providing for jury trials for persons charged with indirect contempt of courts, laws to preserve the constitutional right of the citizen to have trial by jury; it has passed laws for the development of Alaska, to preserve its natural resources for our citizens, and to prevent the Guggenheims, Cunninghams, and their confederates from appropriating it, to the detriment of the people of the country; it has enacted conservation legislation which will preserve our great natural resources as a legacy for the people and prevent them from becoming the prey of the exploiter, the buccaneer, and the special interests, in order that they may be developed by the bona fide citizen and prove a heritage to the real settler, whose purpose is to develop and become a home builder in the Republic; it has enacted antitrust laws based on the Golden Rule, "They must do unto others as they would have others do unto them," compelling them to abandon unfair cutthroat competition, cease discrimination between purchasers of their goods, relinquish control of competitors acquired under the "holding company" system, obey court decrees, surrender the enormous power wielded through interlocking directorates, unfold their financial operations to the scrutiny of the people through the medium of the Interstate Trade Commission; it has passed laws fostering the development of commerce at home and abroad and opened the way for this great Nation to capture the commerce of the world.

It has adopted a foreign policy of peace, justice, and friendship, not one of suffering, debt, and war. It did not send the best manhood of America to die in defense of special interests in Mexico and entail an enormous debt as a legacy to future generations. It has preserved peace while all Europe is engaged in the throes of the greatest war of all the ages, entailing a cost of $55,000,000 per day. It has broken up the money trust and transferred the control of the money of the country from the buccaneers of high finance in Wall Street to the Government at Washington, so that financial magnates can not manipulate its control and through greed and avarice contract or inflate its volume as the selfish interests may dictate, and made financial panics impossible. It takes the people's money in the United States Treasury and places it in the banks of the country to assist in moving the crops, operating the industries, and employing labor, while the Republicans took it and placed it in Wall Street to assist stock gamblers and financial brokers to wring from the people in distress usurious interest and inconscionable commissions. It has broken up the partnership existing for years between rotten politics and rotten business and made it possible for the people to control the business of this the greatest Nation in all the world.

Can any other administration in the history of this great Nation point to as many marvelous achievements, to such splendid work in behalf of the people? It truly has been an administration of performances, of the enactment of progressive and constructive legislation, of the adoption of wise, frugal policies, redounding to the betterment of the masses, the increase of the opportunities of the individual. Republicans high in the councils of their party, lashed and scorned by an indignant public opinion because of the failure of their party when in power to enact legislation in the interest of the people, to promote the welfare of the country, were compelled to vote for the enactment of these meritorious measures. Every one of the laws enacted by this administration received the votes of leading Republicans in both branches of Congress on their final passage. Republicans by their conduct are estopped from criticizing them. They either ought to quit voting for Democratic measures or quit criticizing them. Consistency requires them to do one or the other.

If the Republicans were returned to power, what one of these splendid measures do they propose to repeal and what do they propose to adopt in lieu of the same? What changes would they make? Do they propose to repeal the Underwood tariff law, that furnishes ample revenues for the Government, with a surplus of $34,000,000 the first year, and reenact the odious Payne-Aldrich tariff? It was the issue in 1912 and was only indorsed by 2 States—Vermont and Utah—with only four electoral votes each, out of the 48 States composing the great sisterhood of States of the American Union. Is that their proposition? If it is, I would remind them it is the worst discredited legislation of any ever enacted by Congress in its entire history. If not that, then what do they propose? Can they point to a single measure they would repeal and tell us what they would enact in its place? On this proposition they are silent, because they know the people of this country approve these measures, the policies of this administration, and indorse its high-minded, candid, open manner of dealing with the public.

The people will indorse this great work by their ballots at the coming election, as they know full well that the President would be powerless to carry out his progressive and constructive policies without a majority in both branches of Congress in full sympathy to cooperate with him. They know that the great war now raging in Europe is doing for our industrial system what a high protective tariff system has failed to do—that it has practically eliminated all importations from Europe. Their mills, factories, and farms are out of operation; their men are in the field in line of battle; their merchant marine is out of commission; their argosies of commerce no longer plow the billows of the sea; and they know when the war is over it will take time to start their industries, to recapture their once splendid commerce. Their debt, occasioned by the war, will be enormous, provision for its payment must be made, revenues must be provided for this purpose, and this will require the greatest effort and best thought they possess. The people know this is our golden opportunity. It is said "that opportunity knocks but once at a person's door." It is knocking at ours now. Shall we seize the opportunity and make the best of it? We have our own markets without competition and an opportunity to capture those of many other nations. We are able, if we will, to do it. The people know full well at the conclusion of this awful European war that there will have to be a reconstruction of the economic and industrial system of every leading nation in the world. Conditions make it inevitable, and our people who have stood for a protective policy will face about and oppose it; other nations heretofore opposing it will favor it, because emerging from the gigantic struggle now raging within their confines will make it absolutely essential to survive and recover from the severe ordeal through which they are passing. Woodrow Wilson, with his great wisdom, his lofty patriotism, is needed at the head of this great Nation, with a Democratic Congress in sympathy with him, to work out our destiny in this great reconstruction work. He is the man for the task; he above all others is equipped for this great, important duty. The people know their interests are safe in his hands, that the business of this country is safe in charge of a Democratic Congress, and that this administration will lead them safely through the perils of the great crisis and into the haven of peace, prosperity, and industrial grandeur; that it will advance the standard of our country, and that under its wise and efficient guidance the cause of every individual, it matters not how humble, will be protected and promoted.

Rivers and Harbors.

EXTENSION OF REMARKS
OF
HON. FRANK CLARK,
OF FLORIDA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, October 12, 1914.

Mr. CLARK of Florida. Mr. Speaker, under the leave granted to me to extend by remarks in the RECORD I include resolutions adopted by the Board of Trade at Ocala with reference to rivers and harbors.

The resolutions are as follows:

MARION COUNTY BOARD OF TRADE,
Ocala, Fla., October 7, 1914.

Whereas many questions of vital importance have arisen and are to be made issues for the future welfare of Florida; and

Whereas our present Representative in Congress, Hon. FRANK CLARK, standing in the forefront watching and guarding the interests of his constituents as well as the whole State; and

Whereas the introduction in the House of Representatives of the Sixty-third Congress, second session, of bill known as H. R. 18780, September 14, 1914, entitled "A bill to equalize transportation rates on vegetables, citrus fruit, and other fruits transported from one State to other States of the United States," is one of the best movements inaugurated at this session: Therefore be it

Resolved, That the Marion County Board of Trade wishes to emphasize its confidence in our Representative, and to indorse him for his action along the line of relief to be given through his bill, which comes at such an opportune time. Just when through the efforts of the board of trade the Vegetable Marketing Bureau of Florida is being organized.

Resolved, Furthermore that we extend our sincere thanks and appreciation for courtesies extended our secretary on his recent visit to Washington in the interest of our sister city, Dunnellon, in securing an 8-foot channel on the Withlacoochee River; also in conference with the Secretary of Agriculture and heads of his bureaus in the interest of the marketing and distribution of the vegetable products of our State and securing a supply of fish for Lake Weir.

Resolved, That the secretary is authorized to certify to the adoption of these resolutions and forward same to Hon. FRANK CLARK and furnish copies for publication.

[SEAL] J. D. ROONEY, *Secretary.*

The Wilson Administration—The Character of Its Leadership—The Record of Its Achievement.

EXTENSION OF REMARKS

OF

HON. MAURICE CONNOLLY,

OF IOWA.

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, June 23, 1914.

Mr. CONNOLLY of Iowa. Mr. Speaker, I wish to take up the time allotted to me to present some views upon the Wilson administration, its leadership, and its record.

In the evolution of politics it is the sincerity of the man that counts to-day. It is his sense of honor and integrity toward the people that should impress this generation. Personal ambition and political opportunism have a tendency to blind many public men toward their duties and toward their contract with the electorate.

We sometimes hear that a man is congressional "size" or gubernatorial "size," or has the proportions for whatever office he may aspire to, and this standard has in the past sometimes been measured by superficial ability, by brilliancy, by lingual and oratorical accomplishments, but the great thinking and progressive forces of the American people to-day realize that gifts and talents when directed toward personal ambitions without regard to consistency, comprise not forces for the benefit of the people, but elements that operate against the best interests of the people.

No matter what their talents may be, work of genuine labor is often impeded by men who, in the mirror of self-contemplation, decide that there is a great political future beyond. The men who can serve the people to the best advantage are not those who have a consuming ambition for personal glorification; men who keep constantly before them their political possibilities and shape their actions accordingly, backing and filling, shifting from one foot to the other, bowing at this moment in one direction, and, at the smile of promise, turning again in another direction.

I believe the people of this country want to decide themselves as to the potentiality for good in their public men, and that so-called "size" for office does not depend upon the talents of ambitious men, but rather upon the size of the soul, the conscience, and the heart of men who work sincerely, if quietly, to carry out the program of pledges to the people who gave them office; and herein lies the power and the force for good in that dignified, earnest, modest, and conscientious servant of the people who now occupies the White House.

THE PEERLESS LEADER.

Against the background of Democracy there loom large and illustrious figures. In this present hour and under this administration we see the face and figure of one who for many years has blazed the way through the wilderness of privilege and protected interests toward the promised land of popular rule.

Democracy contemplates with affection the pioneer work of this great protector of popular rights, and no ridicule, no shafts of irony, that come from the bows of privilege can spoil our estimate of his works for mankind. The great moral forces not only of this country, but of the world, get inspiration from the purity in his life, from the virile morality, and Christian character of the great commoner—William Jennings Bryan.

Again in this hour against this background of Democracy we see the figure of a great party leader, a man of splendid judgment, rare diplomacy, self-sacrificing qualities, who, in the preparation of a great tariff bill, set an example for legislation of this character by baring the breast of his own district to the knife of tariff revision. The history of this administration can not overlook the work of OSCAR W. UNDERWOOD.

Once more in this hour of Democratic leadership our eyes turn with affection and pride toward the splendid features of one whose hair has grown gray in the labor of love for his party and its principles; of one who almost touched the presidential chair in the drama of the Baltimore convention; one whose great, rugged honesty, sincerity, and integrity of purpose are known to every Member of the House of Representatives when they see stepping up to the chair of that great body the stalwart oak of the Democratic Congress—CHAMP CLARK, of Missouri.

ACHIEVEMENTS OF WILSON.

These are men who have hewed to principle. In the same atmosphere and in this same frame of great Democratic figures there is silhouetted the form and features of a man who in practice has kept the party faith—who in practice has addressed himself to the redemption of party pledges, who upon trial has thrown his soul and heart and mind unreservedly into the battle for the protection of the people's rights. There is kindness in his smile; there is sympathy in his eye; there is deep concern of the responsibility of his high office. There is firmness in the jaw that has carried the country through the most critical and delicate situations to which the Democratic Party fell heir.

No personal ambition, no spirit of bombast, no self-exploitation, no weakness for publicity or public clamor has affected his earnest, serious purpose to do for the great American people that which God has given him the light to do. And what a trial.

Almost insuperable obstacles placed in his path, ambushed by special interests, waylaid by the representatives of protected monopoly, threatened by the desperadoes of plunder, who felt that under his guidance the agencies of government might be wrested from their control and get back to the people who created them.

Woodrow Wilson, the man of heart and iron. The heart that beats in sympathy with equality of justice to mankind. The iron of resolution that has turned from the easiest way to the stony, stubborn, jagged path of plain duty.

In turning from the principal actors and leaders in the administration let us turn to the policies which they assisted in guiding and promulgating.

REVISION OF THE TARIFF.

Turning to the tariff, our party kept its preelection pledges of a genuine revision downward. The man at the helm of Democracy felt the obligations upon this matter of tariff legislation that were imposed upon the party as a result of the campaign of 1912; but if there had not been that sense of integrity as to our contract with the people on the tariff, from the standpoint of expediency, I question whether any party could gain any headway with the American people by attempting another adjustment of the tariff such as the Payne-Aldrich bill, the net result of which revision and the average of which revision would be up instead of down, and some of the schedules of which have been described by an Iowa Senator as representing a graft "greater than that of all of the graft of all the life insurance companies through all the ages."

It may be that in the new bill containing 4,000 or more items that there should creep in some error and some inequalities, but the Underwood-Simmons bill was written with a view of taking care of the interests of the great masses of the people and giving some relief to the consuming public and taking from privilege and special interests the fortress from which, like the barons of old, they exacted toll and tribute from the wage earner, the farmer, the merchant, and the manufacturer.

The schedules of this bill were not written by any representatives of entrenched privilege or private monopoly, but by the representatives of the people.

If after this tariff law has had a fair trial and a square deal before the American people, and it develops that in some of its provisions it works hardship and does injustice and discriminates against any legitimate industry you will find the Democratic Party willing to correct such a condition, but the bill should be given a fair trial and a square deal.

If Democracy is defeated, the pendulum will swing back to high protection, the benefits of which extremity will accrue even more conspicuously than in the past to a relatively small group of monopolists, the fortunes of whom to-day are so colossal as to be a menace and disturbing influence in American life.

TARIFF AND THE FARMER.

There has been a great cry about the Democratic tariff bill playing havoc with the farmer, but the Iowa farmer can recall years under Republican rule in which the prices of his products were infinitely less than they are at the present time. Great stress has been laid upon the importation of Argentine corn, but compare the present prices with the prices prevailing last year and recall that the entire output of corn in Argentina during the last year is equal to but one-third of the shortage of 1913 in the United States as compared with 1912, so if Argentina had sent us her entire crop it would make no appreciable impression on prices throughout the United States.

And when this bubble was exploded by the actual figures as available in the Department of Agriculture the cry of ruin was raised on account of the importation of Argentine beef. As far as beef is concerned, keep in mind the fact that in the matter of cattle, swine, and sheep, the number of meat animals declined greatly from January 1, 1912, to January 1, 1914, so with this condition of decrease of meat animals, with the rapid increase of population, and the present market prices the farmer has no occasion for alarm on this score.

How strangely these claims of the Republican Party in regard to the farmer and the tariff comport with the bold, bald, and unqualified statement of the present senior Senator from Iowa [Mr. CUMMINS], as shown in the CONGRESSIONAL RECORD:

I know that my friend from North Dakota [Mr. MCCUMBER] does not agree with me in respect to these things, but I do not believe that we in Iowa receive any direct benefit for the 400,000,000 bushels of corn that we raise every year; I do not believe that we receive any direct benefit from duty on 8,000,000 or 10,000,000 hogs that we market every year; I do not believe that of the $700,000,000 of agricultural products that we pour every year into the channels of trade protection advances the price of a tithe of them. We will this year supply the people of the United States and the people of the world with a product that will surpass in value $700,000,000, and it is idle for even any enthusiast to assert that the price of these products is directly affected by the protective tariff.

However, in former years Senator CUMMINS was an ardent advocate of free trade with Canada, his ideas on this subject being expressed in the Columbia Magazine, May, 1911, page 222, as follows:

I shall go much further than to say that when an agreement providing for trade reciprocity with Canada is signed, I shall be glad. I shall express the firm belief that between the United States and Canada there should be absolute free trade in all things. To this I would make no exception.

This idea of Senator CUMMINS under the favored-nation clause would amount to free trade with practically all nations or a breach of its treaty obligations.

PRICES HAVE INCREASED.

Data that are furnished over the signature of the Secretary of Agriculture himself show that corn, oats, buckwheat, butter, eggs, and chickens all indicate increases in prices over a year ago.

In good time the farmers will realize what the Wilson administration has done for them in substantial tariff reductions on all those things that he is obliged to buy. The Democratic administration has shown its interest and desire for the advancement, welfare, and happiness of the American farmer by its substantial appropriation for farm and demonstration work, the encouragement of the corn, potato, and other demonstration clubs; appropriations looking to the elimination of hog cholera and other epidemics that beset the farmer; the spirit and tone of its good-roads legislation, which means from the farm to the market, and the development of a scientific system of markets.

The American farmer is not without gratitude, and he recalls the patriotic action of a Democratic Secretary of the Treasury by the deposit of $50,000,000 that the crops might be moved. This was a concrete instance of Democratic willingness to aid the farmer and his operations. It allayed fear, prevented stringency, and for the first time we were able to show our independence at a critical time toward the banks of Wall Street.

The American farmer also, in his earnest wisdom, appreciates that the Democratic Party is one of performance, and so he looks with confidence and favor upon the present efforts of the Democrats of the House to evolve a rural-credits bill by which the farmer may obtain credit upon long time and at a low rate of interest.

Substantial works like these enumerated should appeal to the Iowa farmer.

I commend to the Iowa farmer an article by George P. Hampton, entitled "The administration fighting for the people's rights," which appears in the Pennsylvania Grain News, July, 1914, and which is backed up by the master of the grange, and shows conclusively why the farmers should earnestly support the Wilson administration. As far as possible I shall endeavor to supply copies of this article to those interested.

NEW INCOME-TAX LAW.

In connection with the tariff, the Wilson administration deserves the approval of progressive people in the enactment of the income-tax law—a law for which the people had been contending for over a quarter of a century; a law that has obtained in many of the most advanced countries of the world.

It places the burden of taxation upon those who can best sustain it, and inordinate wealth is thereby required to bear its just proportion. Civilized nations recognize the income tax as among the fairest and most equitable forms of taxation.

Surely the progressive thought of Iowa will indorse this administration for that great constructive measure, the Federal reserve act, the new bill of rights of our currency system, under which the member banks can rediscount their paper to the extent of the agricultural, manufacturing, and commercial requirements.

The Government controls the issuance of the new currency and the governing board. This bill does away with the old system of centralization of the people's money in Wall Street and makes it possible for those who create the national wealth to reap the benefits.

Then, as to the matter of trust legislation, the character of these Democratic measures is such that the bill creating an Interstate Trade Commission had so little opposition that it was passed without a roll call.

The Democratic act—H. R. 15657—supplementing the existing law against unlawful restraints and monopolies had only 54 votes against it, and the bill to prevent overissuance of stocks and bonds had but 8 Republican votes recorded against it.

SQUARE DEAL FOR LABOR.

Besides these great basic pledges, our Democratic administration has wrought mightily in the interests of the people. It is the real friend of American labor, and has shaped its legislation to give to labor a square deal. Among other measures, it passed the industrial arbitration act by which the great industrial transportation companies and their millions of employees can adjust their differences through mediation, conciliation, and arbitration.

This administration has caused to be signed treaties with more than half the nations of the world providing for arbitration of international disputes, thus advancing the day when peace may settle among the people of the world and the stupendous expenditures of war and its horrors may be minimized.

Although the elements controlling huge concessions and vast interests in Mexico condemn the Wilson policy, events are vindicating the President's course in regard to the sister Republic, and to the peace-loving people of Iowa his effort to avoid the dire results of a long and bloody war should be most gratifying. If by this policy alone war shall be averted, President Wilson is entitled to the support and indorsement of the American people.

It is impossible in the compass of this address to enumerate all of the legislative benefits to the American people that have been enacted under the Wilson administration; but that which I would impress upon fair-minded people is that the Wilson administration is essentially committed to a program "of the people, for the people, and by the people."

When Senator CUMMINS so sharply criticized and ridiculed the President and his policies and spoke of the distress that had accompanied the enactment of Democratic legislation, he attuned his voice and qualified himself as a member of the vested interests.

FOR THE ADMINISTRATION.

In answer to any criticism of my support of the administrations' legislative policies, I will say that that support was cheerfully extended, because I felt that the Wilson administration was distinctly on the side of the people. If the President should pursue a policy against the interests of the people, then, and then only, would my support be withdrawn.

The note of progressiveism at this time seems absent in the voice of the senior Senator from Iowa, and his present praise of the old protection tariff bills does not harmonize with his previous utterances upon these lines, and suggests that he is undergoing a political reincarnation.

His attitude toward the President does not harmonize with the accredited view of the junior Senator and some members of the progressive wing of his party. His allusion to industrial distress can not be borne out by the news items in commercial and industrial centers, and the pretextile, woolen, tin, and steel industries become discredited by the trades journals in these different lines.

I have too much faith in the intelligence and the discernment of the people of America to think that they will be led astray by these assaults upon this administration on the part of the special interests and great combinations of wealth.

NONPARTISAN INTERESTS.

Now, it is not that these interests care more about the name Republican than they do Democrat, because if this Democratic administration had shaped its program so as not to encroach upon their privileged preserve in the matter of tariff, currency, trust, and other legislation our party would not be the subject of hostility and attack.

There would not be this desperate effort to oust the Democrats from control, because the Democratic Party would look all right to them, and I wish to pound home this idea that because the Wilson administration is removing the Government from the zone of privilege back to the people, where it belongs, that this inspired hostility should have the effect of unifying the people of this country regardless of partisanship or party advantage in the patriotic support of an administration that has placed the people in the saddle and earnestly purposes to keep them there. It is, therefore, up to the people to determine that they will not be unhorsed by privilege.

And it is up to the people also to support the President in his foreign policy that has steered us steadily and patiently clear

from any difficulties with Japan, and has also kept us out of war with Mexico, and thus saved our country from a billion or more war tax and a possible death list of hundreds of thousands. Notwithstanding the criticism of some of the Republicans, including that of Senator CUMMINS, of my own State, of the "watchful waiting," I feel sure that the peace-loving people of the United States will approve the President's course. We are showing to the world by this policy our devotion to the principles of peace and our appreciation of the obligations of an advanced civilization and enlightened humanity. May the spirit of the Prince of Peace guide us in our relations with the family of nations. May the Stars and Stripes continue to typify the sentiment and send forth the Christian and potential message of the ages, "Peace on earth, good will toward men."

My sentiments of love of country were inculcated in earliest childhood at the knees of a mother who was born, you might say, within the shadow of Bunker Hill upon soil consecrated by the blood of the forefathers. Her fervid Americanism pointed out to me the sacred liberties and the basic principles of our free governments, and imposed on me as an American the obligation of protection and support of these essential liberties throughout life.

River and Harbor Bill.

EXTENSION OF REMARKS

OF

HON. J. CHARLES LINTHICUM,

OF MARYLAND,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, September 29, 1914,

On the bill (H. R. 13811) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

Mr. LINTHICUM. Mr. Speaker, I shall vote to concur in the Senate amendment providing $20,000,000 to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for the preservation and maintenance of existing rivers and harbors work, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation. I must confess, however, that I deeply regret that the gentlemen of the Senate who so long considered this bill did not indicate those items to which they objected and which they consider "pork." There are many items absolutely necessary to the development of the great water system of our land, which by their action will be seriously delayed if not altogether defeated.

I have given close attention to the comments and criticisms in reference to this bill. A number of gentlemen from inland States apparently fail to realize that the seaboard cities of the land are its gateways to the people of the world. They appear to quite overlook the fact that through these gateways flow annually that vast volume of commerce which we carry on with other nations of the earth, that through these ports come and go the many tourists and the thousands of immigrants who yearly flock to our shores. If these gentlemen will pause for a moment to consider the importance of these gateways, with their ever-increasing traffic, I feel sure that objections which they may entertain relative to their improvement will be subordinated to the desire to do that which is essential to the greatest good of the great majority of our people, for the welfare of the great majority of our people is vitally involved and directly affected by legislation for the improvement of our rivers and harbors.

RIVER AND HARBOR EXPENDITURES.

I realize that many of the expenditures of Congress are the subject of protest or criticism because of the failure of an equitable distribution of benefits thereunder; but if there is one bill which ought to be safe from attack on that score, it is this annual appropriation for the improvement of our rivers and harbors. An appropriation for the erection of a public building here or there at most is but local in its effect and appreciation. That is not true of this rivers and harbors bill, for the improvement of every harbor, the deepening of every river, the opening of every new channel of navigation places at the disposal of commerce another source of trade, and thereby ministers to the wants and comforts of thousands of people the majority of whom may live at a distance remote from the place where the appropriation is expended.

We can not bring the people of the West nearer the people of the East, we can not make less the distance between the people of the North and those of the South, but it is within our power to so improve the facilities of communication that those living distant from one another are conscious of that distance only when they actually travel the same. When we improve the means of communication, when we make more numerous its channels, we do all that is within the power of man to obliterate those distances which separate him from his fellow man. In destroying the realization of the distance which men live apart we also solidify our national unity.

Through the kindness of Providence and the foresight of our ancestors, we find ourselves in possession of a large portion of one of the great continents of the earth. Our Nation extends from the Atlantic coast on the east to the Pacific on the west, from the rolling plains of the Dominion of Canada on the north to the boundary of old Mexico and the Gulf of that name on the south. Within the area embraced by these boundaries we have one of the richest and most splendid sections of the earth. Climate of every variety; altitude from lowest to the highest; soil adaptable to the raising of nearly every fruit and vegetable man requires for his sustenance and comfort, are within our possession. This vast expanse of territory is watered by a network of streams extending from its interior to the St. Lawrence River on the north, to the Atlantic on the east, to the Gulf of Mexico on the south, and to the Pacific on the west. These streams are the drainage channels of the country, and centuries before the foot of a white man trod this ground these channels were the highways of travel.

UTILIZATION OF OUR WATERWAYS.

The Indian, with an eye keen to the utilization of nature's gifts, made these rivers not only the pathways of his travel but the highways of his primitive commerce. Our fathers, taking a page from the red man's book, did likewise, and the rivers were our first channels of communication. But the discovery of steam and the invention of the steam engine diverted us from these natural lines of communication, and the latter half of the last century witnessed the girdling of our country with the steel bands of railroads, which usurped the functions of the water routes and became the chief carriers of our commerce.

Time has taught us that economy in transportation is one of the essentials of profitable commerce. As soon as we understood this we began to awaken to the importance of our water routes, with the result that there was brought home to us with increasing force the necessity of using, as did our fathers, those facilities for communication which nature has so abundantly provided. We began to realize, as we failed to understand many years before, that the cheapest and most effective means of communication is by the network of water routes which nature has provided. With the growth of this knowledge we began the improvement of our rivers and harbors, and we have been steadily building up a splendid means of internal communication that will afford us routes of interior traffic of the most economical character.

MARYLAND'S INTEREST.

The State in which is located the district I have the honor to represent is particularly interested in our waterways, for in the lap of Maryland lies the magnificent Chesapeake and those tributary waters which add to its splendor. With this arm of the sea before us, alive with the ships of all nations, we are not wanting in an object lesson of the extent to which the waterways of our country are the highways of commerce. To us is probably brought home more forcibly than to people situated in the interior of the country the realization that a nation's commerce is one of its great pillars of civilization, increasing and diffusing knowledge as it promotes the exchange of the products of the people of one land for those of another.

The city of Baltimore has spent many millions of dollars since the great fire of 1904 in building docks and piers for the accommodation of vessels entering that port, but in the work so far done it has merely "scratched the surface." There are yet miles of water front adjacent to and opposite the city along the Patapsco River, all of which can and will be improved by docks and piers, which will have abundant railroad facilities. With the utilization of this water front we will be enabled to expand our shipping facilities indefinitely and to accommodate any number of vessels coming into the port.

INCREASING BUSINESS OF OUR COAST PORTS.

Take it within my own lifetime—a space of 46 years—and note our country's development within that brief period. In 1870 our population was 63,750,810, and we had 52,922 miles of railroad track in the country. To-day our railroad mileage has increased (according to the last statistical abstract of the United States) to 244,179 miles, and our population is now approximately 100,000,000. In 1870 the exports of the United

States amounted to $392,771,768, and its imports $435,958,408. In 1912 our exports had increased to $2,204,322,409, and our imports to $1,635,264,934. It will be seen from these figures that coincident with our increase in population came an increase in our trade with foreign nations; that to meet the increasing necessities of this trade we must improve our gateways of commerce and make them capable of the most efficient service. All of that stupendous volume of imports and exports which flow to or from the various sections of our country must pass through the harbors of our seaboard cities. If you will consider the number of seaboard cities with good harbors you will find they are not in excess of what is required when you contemplate the traffic passing through them and the immense population which they serve.

We should bear in mind that the thousands of miles of railroad track over which a substantial portion of our internal commerce is carried, are not alone highways for the transportation of goods of domestic origin, but are the arteries by which goods shipped abroad, or entering our country from abroad, are taken from or distributed to the people of the several States. Every extension of our railroads invariably opens a new field for commerce and increases the amount of foreign goods brought into the country. Every increase in the consumption of imports is followed by increased imports, which result in an added burden upon our gateways of commerce. Unless we improved these gateways to meet the enlarged demands upon them, we should soon find our ports of entry overburdened through lack of facilities. In the face of such a situation the most vigorous opponent of these appropriations for river and harbor improvements can not fail to be impressed with the economic value of this work to facilitate and make better our channels of commerce.

THE PENDING BILL.

Maryland had but a few items in this bill, but the few she had, which will be eliminated by the Senate amendment, are of vast interest to my city and State. The item of $123,000 for the widening and deepening of Curtis Bay Channel at Baltimore is of much importance to us. The shipping from Curtis Bay aggregates a large sum, but the channel is too narrow and shallow for the larger boats to enter and take on full cargoes. To have deepened it to 35 feet would have been a benefit not only to the city and State, but to the Government as well, because the large Government colliers which come for coal for the warships and naval stations are unable to load to their full capacity. Had this channel been deepened, the Baltimore & Ohio Railroad, which has a very large pier in that harbor, would have constructed another pier costing not less than a million dollars. They are in need of the pier, but it would be useless to them without the deeper channel provided in those sections of this bill which have been eliminated.

Other items in which we were particularly interested were those for the survey of Baltimore Harbor and its approaches and for the West Branch of the Patapsco River to Elkridge Landing. At this time, when so much money is being expended by the city of Baltimore upon many improvements, it would have been a splendid thing to have laid down by survey the harbor of the city and the approaches thereto, so that its needs for the years to come might have been definitely determined.

Our city requires a wider and deeper channel, and its commerce will greatly increase when such a channel is secured. To have surveyed and laid out this future work would have been of inestimable benefit to our port and to those sections of our country whose shipping use our port.

In originally passing this bill the House was only living up to the pledges in the platform adopted by the Democratic Party at its Baltimore convention in 1912. In that platform we find the following:

> We favor the adoption of a liberal and comprehensive plan for the development and improvement of our inland waterways, with economy and efficiency, so as to permit their navigation by vessels of standard draft.

When the Senate amended this bill they limited the work which the framers of that platform had in mind when they drafted that section. Of course, we must not overlook that when this statement was adopted in 1912 no one dreamed that within two years' time we should be witnessing a titanic European war. The wisdom of economy at this time makes it necessary that we should exercise more than usual care in committing ourselves to expenditures.

For this reason I do not believe that the people of the United States will criticize us for not having brought out a larger appropriation for rivers and harbors.

A FAITH WELL KEPT.

I believe the great majority of the voters in this country have implicit faith in the Democratic majority in this House. This faith is not without its justification, for if ever a party lived true to its pledges it has been the party whose present head is now the illustrious occupant of the White House. If there be truth in the saying that "By their fruits ye shall know them," then Democracy need entertain no fear of its standing before the electorate of this country.

The platform adopted by the Democratic Party assembled in national convention in Baltimore from June 25 to July 3, 1912, contained 20 positive declarations of attitude entailing legislative action. These declarations referred to—

1. Tariff reductions.
2. Antitrust laws.
3. Income tax and popular election of Senators.
4. Campaign contributions.
5. Term of President.
6. Regulation of railroads.
7. Waterways.
8. Post roads.
9. Rights of labor.
10. Conservation.
11. Merchant marine.
12. Pure food and public health.
13. Civil service.
14. Law reform.
15. The Philippines.
16. Alaska.
17. Russian treaty.
18. Parcel post and rural delivery.
19. Panama Exposition.
20. Pensions.

For instance, upon tariff reform the Democratic platform said:

> We favor the immediate downward revision of the existing high and in many cases prohibitive tariff duties, insisting that material reductions be speedily made upon the necessaries of life. Articles entering into competition with trust-controlled products and articles of American manufacture which are sold abroad more cheaply than at home should be put upon the free list.

This pledge to the people was carried into immediate effect, for on May 8, 1913, the Underwood Tariff Act passed the House by a vote of 281 to 139, and on September 9, 1913, the same measure passed the Senate by a vote of 44 to 37. So truthfully in accord with our promises did we put them into execution that Senator ROBERT LA FOLLETTE, a Progressive Republican, who voted for the Underwood bill, said in his magazine:

> This administration is making a record for specific performance. Whatever faults there may be in the new tariff bill, * * * the tariff has been revised downward.

Upon the subject of trusts our platform declared:

> We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others, the prevention of holding companies, of interlocking directorates, of stock watering, of discrimination in price, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.

On June 5, 1914, the House by a vote of 297 to 54 passed the Clayton antitrust bill, carrying into effect this promise to the people; and on the same day the House put through the Trade Commission bill by acclamation, which measure also passed the Senate the same day.

In the Democratic platform of 1912 we read:

> We congratulate the country upon the triumph of two important reforms demanded in the last national platform, namely, the amendment of the Federal Constitution authorizing an income tax and the amendment providing for the popular election of Senators; and we call upon the people of all the States to rally to the support of the pending propositions and secure their ratification.

Since this statement was uttered we have had the pleasure of witnessing the popular election of United States Senators and the imposition of a tax for revenue purposes placed fairly and equitably upon the incomes of those upon whom such a tax will bear with the least hardship.

Upon the subject of banking legislation the Democratic platform affirmed:

> We oppose the so-called Aldrich bill or the establishment of a central bank, and we believe the people of the country will be largely freed from panics and consequent unemployment and business depression by such a systematic revision of our banking laws as will render temporary relief in localities where such relief is needed, with protection from control or dominion by what is known as the Money Trust.

On September 18, 1913, by a vote of 287 to 85, the House of Representatives passed the Federal reserve act. This measure the New York Tribune, a Republican paper, speaks of in the following complimentary terms:

> (It) * * * is a charter of new freedom for the business world, since it strikes off the ancient shackles of an outgrown and ill-conceived banking system.

Upon the subject of rural credits the Democratic platform stated:

> We recommend that an investigation of agricultural credit societies in foreign countries be made, so that it may be ascertained whether a

system of rural credits may be devised suitable to conditions in the United States; and we also favor legislation permitting national banks to loan a reasonable proportion of their funds on real estate security.

That promise has been carried out in full. Not only has a commission proceeded abroad and investigated the subject in European countries, but the House Committee on Banking and Currency has held a number of hearings for the purpose of developing every source of reliable information to be obtained in this country on the subject. That a bill extending to the agricultural resident the same generous treatment in matters of finance now enjoyed by his city brother will be brought before the House for consideration at an early date is not to be doubted.

In the Democratic platform will be found the following statement relative to vocational education and agricultural teaching:

We recognize the value of vocational education and urge Federal appropriations for such training and extension teaching in agriculture in cooperation with the several States.

The bills for vocational education are now pending before the Appropriation Committees of the Senate and the House, where hearings have been in progress on the same.

On January 19, 1914, the House passed the Lever agricultural extension act, and on February 7, 1914, the same measure passed the Senate by acclamation.

I could continue through this entire list and show that of these 20 pledges to the people the Democratic Party has taken conclusive action in the redemption of 16, and action on the other 4, namely, those relating to campaign contributions, the term of the President, law reform, and the Philippines, are now under consideration. For instance, the measure relating to campaign contributions has passed the House and is now before the Senate, while that of law reform, being the codification bill, is under consideration in the House, as is also the bill relating to the Philippines. These four subjects are of less importance to the people of the United States than the 16 upon which positive action has been taken, and I hope you will find before the present Congress finally adjourns that every subject upon which we declared ourselves in the Baltimore convention will have been acted upon in accordance with our pledges.

The best indorsement of our action and evidence that it has merited the approval of the great majority of our people is shown by the vote recorded for these measures. Some passed by acclamation—by the viva voce votes of Members of Congress—without a single objection or protest. Others were supported by Members representing the Bull Moose or Republican Parties, and there is hardly a measure but which has received the support of Members of other parties as well as our own.

This enduring record of achievement, of promises to the people faithfully kept, is one of which every American may be justly proud.

In Defense of the Right to Trial by Jury—Ex Parte Milligan.

EXTENSION OF REMARKS
OF
HON. WILLIAM GORDON,
OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, October 6, 1914.

Mr. GORDON. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include a speech of Jeremiah S. Black.

The speech is as follows:

IN DEFENSE OF THE RIGHT TO TRIAL BY JURY—EX PARTE MILLIGAN.

SUPREME COURT OF THE UNITED STATES.

This defense of the right to trial by jury is a marvelous display of Judge Black's extraordinary power and ability as a lawyer, and the enduring importance of the subject will render it interesting as long as the individual liberty of the citizen shall be preserved as part of the framework of human government. It was delivered during a period of great political excitement, before the passions and prejudices stirred up by the greatest civil war in history had been allayed. It affected the destiny of one whose crimes were aimed at the destruction of the Government itself, and the public desire to see the sentence of the commission executed was very general. Since the anger and excitement of the times have passed away, and the great questions involved in this case present themselves in their true aspect and importance, the argument of Judge Black becomes conspicuous as a defense of the dearest rights of the citizen, and stands like a monument to which the eyes of mankind will turn in the hour when their rights are assailed. It will be admired by the student as a comprehensive exposition of the fundamental principles upon which the law of civil liberty depends, and the causes which led to their perfection and adoption under our system. The subject loses the dry, tedious detail of a legal argument, and becomes animated with the spirit and genius of the speaker, while presenting a review of the struggle between freedom and arbitrary power which the world has witnessed for centuries. It will be considered precious by persons in every walk of life, for it defines in a masterly manner the natural rights guaranteed to each individual by the organic law, and its importance in this respect clothes it with the heritage of immortality—Great Speeches by Great Lawyers, Baker, Voorhis & Co.

May it please your honors:

I am not afraid that you will underrate the importance of this case. It concerns the rights of the whole people. Such questions have generally been settled by arms. But since the beginning of the world no battle has ever been lost or won upon which the liberties of a nation were so distinctly staked as they are on the result of this argument. The pen that writes the judgment of the court will be mightier for good or for evil than any sword that ever was wielded by mortal arm.

As might be expected from the nature of the subject, it has been a good deal discussed elsewhere, in legislative bodies, in public assemblies, and in the newspaper press of the country. But there it has been mingled with interests and feelings not very friendly to a correct conclusion. Here we are in a higher atmosphere, where no passion can disturb the judgment or shake the even balance in which the scales of reason are held. Here it is purely a judicial question; and I can speak for my colleagues as well as myself when I say that we have no thought to suggest which we do not suppose to be a fair element in the strictly legal judgment which you are required to make up.

In performing the duty assigned to me in the case, I shall necessarily refer to the mere rudiments of constitutional law, to the most commonplace topics of history, and to those plain rules of justice and right which pervade all our institutions. I beg your honors to believe that this is not done because I think that the court, or any member of it, is less familiar with these things than I am, or less sensible of their value; but simply and only because, according to my view of the subject, there is absolutely no other way of dealing with it. If the fundamental principles of American liberty are attacked, and we are driven behind the inner walls of the Constitution to defend them, we can repel the assault only with those same old weapons which our ancestors used a hundred years ago. You must not think the worse of our armor because it happens to be old-fashioned and looks a little rusty from long disuse.

The case before you presents but a single point, and that an exceedingly plain one. It is not encumbered with any of those vexed questions that might be expected to arise out of a great war. You are not called upon to decide what kind of a rule a military commander may impose upon the inhabitants of a hostile country which he occupies as a conqueror, or what punishment he may inflict upon the soldiers of his own army or the followers of his camp; or yet how he may deal with civilians in a beleaguered city or other place in a state of actual siege, which he is required to defend against a public enemy. This contest covers no such ground as that. The men whose acts we complain of erected themselves into a tribunal for the trial and punishment of citizens who were connected in no way whatever with the Army or Navy. And this they did in the midst of a community whose social and legal organization had never been disturbed by any war or insurrection, where the courts were wide open, where judicial process was executed every day without interruption, and where all the civil authorities, both State and national, were in full exercise of their functions.

My clients were dragged before this strange tribunal, and after a proceeding, which it would be mere mockery to call a trial, they were ordered to be hung. The charge against them was put into writing and is found on this record, but you will not be able to decipher its meaning. The relators were not accused of treason; for no act is imputed to them which, if true, would come within the definition of that crime. It was not conspiracy under the act of 1861, for all concerned in this business must have known that conspiracy was not a capital offense. If the commissioners were able to read English they could not help but see that it was made punishable, even by fine and imprisonment, only upon condition that the parties should first be convicted before a circuit or district court of the United States. The judge advocate must have meant to charge them with some offense unknown to the laws, which he chose to make capital by legislation of his own, and the commissioners were so profoundly ignorant as to think that the legal innocence of the parties made no difference in the case. I do not say, what Sir James Mackintosh said of a similar proceeding, that the trial was a mere conspiracy to commit willful murder upon three innocent men. The commissioners are not on trial; they are absent and undefended; and they are entitled to the benefit of that charity which presumes them to be wholly unacquainted with the first principles of natural justice, and quite unable to comprehend either the law or the facts of a criminal cause.

Keeping the character of the charges in mind, let us come at once to the simple question upon which the court below divided in opinion: Had the commissioners jurisdiction—were they invested with legal authority to try the relators and put them to death for the offense of which they were accused? We answer "No"; and therefore the whole proceeding, from beginning to end, was utterly null and void. On the other hand, it is absolutely necessary for those who oppose us to assert, and they do assert, that the commissioners had complete legal jurisdiction, both of the subject matter and of the parties, so that their judgment upon the law and the facts is absolutely conclusive and binding, not subject to correction, nor open to inquiry in any court whatever. Of these two opposite views you must adopt one or the other, for there is no middle ground on which you can possibly stand.

I need not say (for it is the law of the horn-books) that where a court, whatever may be its power in other respects, presumes to try a man for an offense of which it has no right to take judicial cognizance, all its proceedings in that case are null and void. If the party is acquitted he can not plead the acquittal afterwards in bar of another prosecution; if he is found guilty and sentenced he is entitled to be relieved from the punishment. If a circuit court of the United States should undertake to try a party for an offense clearly within the exclusive jurisdiction of the State courts the judgment could have no effect. If a county court in the interior of a State should arrest an officer of the Federal Navy, try him, and order him to be hung for some offense against the law of nations, committed upon the high seas or in a foreign port, nobody would treat such a judgment otherwise than with mere derision. The Federal courts have jurisdiction to try offenses against the laws of the United States, and the authority of the State courts is confined to the punishment of acts which are made penal by State laws. It follows that where the accusation does not amount to an offense against the law of either the State or Federal Government, no court can have jurisdiction to try it. Suppose, for example, that the judges of this court should organize themselves into a tribunal to try a man for witchcraft, or heresy, or treason against the Confederate States of America, would anybody say that your judgment had the least validity?

I care not, therefore, whether the relators were intended to be charged with treason or conspiracy or with some offense of which the law takes no notice. Either or any way, the men who undertook to try them had no jurisdiction of the subject matter.

Nor had they jurisdiction of the parties. It is not pretended that this was a case of impeachment, or a case arising in the land or naval forces. It is either nothing at all or else it is a simple crime against the United States, committed by private individuals not in the public service, civil or military. Persons standing in that relation to the Government are answerable for the offenses which they may commit only to the civil courts of the country. So says the Constitution, as we read it, and the act of Congress of March 3, 1863, which was passed with express reference to persons precisely in the situation of these men, declare that they shall be delivered up for trial to the proper civil authorities.

There being no jurisdiction of the subject matter or of the parties, you are bound to relieve the petitioners. It is as much the duty of a judge to protect the innocent as it is to punish the guilty. Suppose that the secretary of some department should take it into his head to establish an ecclesiastical tribunal here in the city of Washington, composed of clergymen "organized to convict" everybody who prays after a fashion inconsistent with the supposed safety of the State. If he would select the members with a proper regard to the *odium theologicum*, I think I could insure him a commission that would hang every man and woman who might be brought before it. But would you, the judges of the land, stand by and see their sentences executed? No; you would interpose your writ of prohibition, your habeas corpus, or any other process that might be at your command, between them and their victims. And you would do that for precisely the reason which requires your intervention here: Because religious errors, like political errors, are not crimes which anybody in this country has jurisdiction to punish, and because ecclesiastical commissions, like military commissions, are not among the judicial institutions of this people. Our fathers long ago cast them both aside among the rubbish of the Dark Ages; and they intended that we, their children, should know them only that we might blush and shudder at the shameless injustice and the brutal cruelties which they were allowed to perpetrate in other times and other countries.

But our friends on the other side are not at all impressed with these views. Their brief corresponds exactly with the doctrines propounded by the Attorney General, in a very elaborate official paper which he published last July, upon this same subject. He then avowed it to be his settled and deliberate opinion that the military might "*take and kill, try and execute*"—I use his own words—persons who had no sort of connection with the Army or Navy. And, though this be done in the face of the open courts, the judicial authority, according to him, are utterly powerless to prevent the slaughter which may thus be carried on. That is the thesis which the Attorney General and his assistant counselors are to maintain this day, if they can maintain it, with all the power of their artful eloquence.

We, on the other hand, submit that a person not in the military or naval service can not be punished at all until he has had a fair, open, public trial before an impartial jury, in an ordained and established court, to which the jurisdiction has been given by law to try him for that specific offense. There is our proposition. Between the ground we take and the ground they occupy there is and there can be no compromise. It is one way or the other.

Our proposition ought to be received as true without any argument to support it, because if that, or something precisely equivalent to it, be not a part of our law, this is not, what we have always supposed it to be, a free country. Nevertheless, I take upon myself the burden of showing affirmatively not only that it is true, but that it is immovably fixed in the very framework of the Government, so that it is utterly impossible to detach it without destroying the whole political structure under which we live. By removing it you destroy the life of this Nation as completely as you would destroy the life of an individual by cutting the heart out of his body. I proceed to the proof.

In the first place, the self-evident truth will not be denied that the trial and punishment of an offender against the Government is the exercise of judicial authority. That is a kind of authority which would be lost by being diffused among the masses of the people. A judge would be no judge if everybody else were a judge as well as he. Therefore in every society, however rude or however perfect its organization, the judicial authority is always committed to the hands of particular persons, who are trusted to use it wisely and well; and their authority is exclusive; they can not share it with others to whom it has not been committed. Where, then, is the judicial power in this country? Who are the depositaries of it here? The Federal Constitution answers that question in very plain words, by declaring that "*the judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as Congress may from time to time ordain and establish.*" Congress *has*, from time to time, ordained and established certain inferior courts; and in them, together with the one Supreme Court to which they are subordinate, is vested all the judicial power, properly so called, which the United States can lawfully exercise. That was the compact made with the General Government at the time it was created. The States and the people agreed to bestow upon that Government a certain portion of the judicial power, which otherwise would have remained in their own hands, but gave it on a solemn trust, and coupled the grant of it with this express condition that it should never be used in any way but one; that is, by means of ordained and established courts. Any person, therefore, who undertakes to exercise judicial power in any other way not only violates the law of the land, but he treacherously tramples upon the most important part of that sacred covenant which holds these States together.

May it please your honors, you know, and I know, and everybody else knows, that it was the intention of the men who founded this Republic to put the life, liberty, and property of every person in it under the protection of a regular and permanent judiciary, separate, apart, distinct from all other branches of the Government, whose sole and exclusive business it should be to distribute justice among the people according to the wants of each individual. It was to consist of courts, always open to the complaint of the injured, and always ready to hear criminal accusations when founded upon probable cause; surrounded with all the machinery necessary for the investigation of truth, and clothed with sufficient power to carry their decrees into execution. In these courts it was expected that judges would sit who would be upright, honest, and sober men, learned in the laws of their country, and lovers of justice from the habitual practice of that virtue; independent, because their salaries could not be reduced; and free from party passion, because their tenure of office was for life. Although this would place them above the clamors of the mere mob and beyond the reach of Executive influence, it was not intended that they should be wholly irresponsible. For any willful or corrupt violation of their duty they are liable to be impeached; and they can not escape the control of an enlightened public opinion,

for they must sit with open doors, listen to full discussion, and give satisfactory reasons for the judgments they pronounce. In ordinary tranquil times the citizen might feel himself safe under a judicial system so organized.

But our wise forefathers knew that tranquillity was not to be always anticipated in a republic; the spirit of a free people is often turbulent. They expected that strife would rise between classes and sections, and even civil war might come, and they supposed that in such times judges themselves might not be safely trusted in criminal cases, especially in prosecutions for political offenses, where the whole power of the Executive is arrayed against the accused party. All history proves that public officers of any Government, when they are engaged in a severe struggle to retain their places, become bitter and ferocious, and hate those who oppose them, even in the most legitimate way, with a rancor which they never exhibit toward actual crime. This kind of malignity vents itself in prosecutions for political offenses, sedition, conspiracy, libel, and treason, and the charges are generally founded upon the information of hireling spies and common delators, who make merchandise of their oaths and trade in the blood of their fellow men. During the civil commotions in England, which lasted from the beginning of the reign of Charles I to the revolution of 1688, the best men and the purest patriots that ever lived fell by the hand of the public executioner. Judges were made the instruments for inflicting the most merciless sentences on men the latchet of whose shoes the ministers that prosecuted them were not worthy to stoop down and unloose. Let me say here that nothing has occurred in the history of this country to justify the doubt of judicial integrity which our forefathers seem to have felt. On the contrary, the highest compliment that has ever been paid to the American bench is embodied in this simple fact, that if the executive officers of this Government have ever desired to take away the life or the liberty of a citizen contrary to law they have not come into the courts to get it done; they have gone outside of the courts, and stepped over the Constitution, and created their own tribunals, composed of men whose gross ignorance and supple subservience could always be relied on for those base uses to which no judge would ever lend himself. But the framers of the Constitution could act only upon the experience of that country whose history they knew most about, and there they saw the brutal ferocity of Jeffreys and Scroggs, the timidity of Guilford, and the base venality of such men as Saunders and Wright. It seemed necessary, therefore, not only to make the judiciary as perfect as possible, but to give the citizen yet another shield against the wrath and malice of his Government. To that end they could think of no better provision than a public trial before an impartial jury.

I do not assert that the jury trial is an infallible mode of ascertaining truth. Like everything human, it has its imperfections. I only say that it is the best protection for innocence and the surest mode of punishing guilt that has yet been discovered. It has borne the test of a longer experience, and borne it better, than any other legal institution that ever existed among men. England owes more of her freedom, her grandeur, and her prosperity to that than to all other causes put together. It has had the approbation not only of those who lived under it, but of great thinkers who looked at it calmly from a distance and judged it impartially; Montesquieu and De Tocqueville speak of it with an admiration as rapturous as Coke and Blackstone. Within the present century the most enlightened States of Continental Europe have transplanted it into their countries, and no people ever adopted it once and were afterwards willing to part with it. It was only in 1830 that an interference with it in Belgium provoked a successful insurrection which permanently divided one kingdom into two. In the same year the revolution of the Barricades gave the right of trial by jury to every Frenchman.

Those colonists of this country who came from the British Islands brought this institution with them, and they regarded it as the most precious part of their inheritance. The immigrants from other places, where trial by jury did not exist, became equally attached to it as soon as they understood what it was. There was no subject upon which all the inhabitants of the country were more perfectly unanimous than they were in their determination to maintain this great right unimpaired. An attempt was made to set it aside and substitute military trials in its place by Lord Dunmore, in Virginia, and Gen. Gage, in Massachusetts, accompanied with the excuse, which has been repeated so often in late days, namely, that rebellion had made it necessary; but it excited intense popular anger, and every colony, from New Hampshire to Georgia, made common cause with the two whose rights had been especially invaded. Subsequently the Continental Congress thundered it into the ear of the world as an unendurable outrage, sufficient to justify universal insurrection against the authority of the Government which had allowed it to be done.

If the men who fought out our revolutionary contest, when they came to frame a government for themselves and their posterity, had failed to insert a provision making the trial by jury perpetual and universal, they would have covered themselves all over with infamy as with a garment, for they would have proved themselves basely recreant to the principles of that very liberty of which they professed to be the special champions. But they were guilty of no such treachery. They not only took care of the trial by jury, but they regulated every step to be taken in a criminal trial. They knew very well that no people could be free under a government which had the power to punish without restraint. Hamilton expressed in the Federalist the universal sentiment of his time when he said that the arbitrary power of conviction and punishment for pretended offenses had been the great engine of despotism in all ages and all countries. The existence of such a power is utterly incompatible with freedom. The difference between a master and his slave consists only in this, that the master holds the lash in his hands and he may use it without legal restraint, while the naked back of the slave is bound to take whatever is laid on it.

But our fathers were not absurd enough to put unlimited power in the hands of the ruler and take away the protection of law from the rights of individuals. It was not thus that they meant "to secure the blessings of liberty to themselves and their posterity." They determined that not one drop of the blood which had been shed on the other side of the Atlantic, during seven centuries of contest with arbitrary power, should sink into the ground, but the fruits of every popular victory should be garnered up in this new Government. Of all the great rights already won they threw not an atom away. They went over *Magna Charta*, the *Petition of Rights*, the *Bill of Rights*, and the rules of the *common law*, and whatever was found there to favor individual liberty they carefully inserted in their own system, improved by clearer expression, strengthened by heavier sanctions, and extended by a more universal application. They put all those provisions into the organic law, so that neither tyranny in the Executive nor party rage in the Legislature could change them without destroying the Government itself.

Look for a moment at the particulars and see how carefully everything connected with the administration of punitive justice is guarded:

1. No *ex post facto* law shall be passed. No man shall be answerable criminally for any act which was not defined and made punishable as a crime by some law in force at the time when the act was done.

2. For an act which is criminal he can not be arrested without a judicial warrant founded on proof of probable cause. He shall not be kidnaped and shut up on the mere report of some base spy, who gathers the materials of a false accusation by crawling into his house and listening at the keyhole of his chamber door.

3. He shall not be compelled to testify against himself. He may be examined before he is committed and tell his own story if he pleases, but the rack shall be put out of sight, and even his conscience shall not be tortured, nor shall his unpublished papers be used against him, as was done most wrongfully in the case of Algernon Sidney.

4. He shall be entitled to a speedy trial; not kept in prison for an indefinite time without the opportunity of vindicating his innocence.

5. He shall be informed of the accusation, its nature, and grounds. The public accuser must put the charge into the form of a legal indictment, so that the party can meet it full in the face.

6. Even to the indictment he need not answer unless a grand jury, after hearing the evidence, shall say upon their oaths that they believe it to be true.

7. Then comes the trial, and it must be before a regular court, of competent jurisdiction, ordained and established for the State and district in which the crime was committed; and this shall not be evaded by a legislative change in the district after the crime is alleged to be done.

8. His guilt or innocence shall be determined by an impartial jury. These English words are to be understood in their English sense, and they mean that the jurors shall be fairly selected by a sworn officer from among the peers of the party, residing within the local jurisdiction of the court. When they are called into the box he can purge the panel of all dis-

honesty, prejudice, personal enmity, and ignorance by a certain number of peremptory challenges, and as many more challenges as he can sustain by showing reasonable cause.

9. The trial shall be public and open, that no underhand advantage may be taken. The party shall be confronted with the witnesses against him, have compulsory process for his own witnesses, and be entitled to the assistance of counsel in his defense.

10. After the evidence is heard and discussed, unless the jury shall, upon their oaths, *unanimously* agree to surrender him up into the hands of the court as a guilty man, not a hair of his head can be touched by way of punishment.

11. After a verdict of guilty he is still protected. No cruel or unusual punishment shall be inflicted nor any punishment at all, except what is annexed by the law to his offense. It can not be doubted for a moment that if a person convicted of an offense not capital were to be hung on the order of a judge, such judge would be guilty of murder as plainly as if he should come down from the bench, tuck up the sleeves of his gown, and let out the prisoner's blood with his own hand.

12. After all is over the law continues to spread its guardianship around him. Whether he is acquitted or condemned, he shall never again be molested for that offense. No man shall be twice put in jeopardy of life or limb for the same cause.

These rules apply to all criminal prosecutions. But, in addition to these, certain special regulations were required for *treason*—the one great political charge under which more innocent men have fallen than any other. A tyrannical government calls everybody a traitor who shows the least unwillingness to be a slave. The party in power never fails, when it can, to stretch the law on that subject by construction, so as to cover its honest and conscientious opponents. In the absence of a constitutional provision it was justly feared that statutes might be passed which would put the lives of the most patriotic citizens at the mercy of the basest minions that skulk about under the pay of the Executive. Therefore a definition of treason was given in the fundamental law, and the legislative authority could not enlarge it to serve the purpose of partisan malice. The nature and amount of evidence required to prove the crime was also prescribed, so that prejudice and enmity might have no share in the conviction. And lastly, the punishment was so limited that the property of the party could not be confiscated and used to reward the agents of his persecutors or strip his family of their subsistence.

If these provisions exist in full force, unchangeable and irrepealable, then we are not hereditary bondsmen. Every citizen may safely pursue his lawful calling in the open day, and at night; if he is conscious of innocence, he may lie down in security and sleep the sound sleep of a freeman.

I say they are in force, and they will remain in force. We have not surrendered them, and we never will. If the worst comes to the worst we will look to the living God for His help, and defend our rights and the rights of our children to the last extremity. Those men who think we can be subjected and abjected to the condition of mere slaves are wholly mistaken. The great race to which we belong has not degenerated so fatally.

But how am I to prove the existence of these rights? I do not propose to do it by a long chain of legal argumentation, nor by the production of numerous books with the leaves dog-eared and the pages marked. If it depended upon judicial precedents, I think I could produce as many as might be necessary. If I claimed this freedom, under any kind of prescription, I could prove a good long possession in ourselves and those under whom we claim it. I might begin with Tacitus and show how the contest arose in the forests of Germany more than 2,000 years ago; how the rough virtues and sound common sense of that people established the right of trial by jury, and thus started on a career which has made their posterity the foremost race that ever lived in all the tide of time. The Saxons carried it to England, and were ever ready to defend it with their blood. It was crushed out by the Danish invasion, and all that they suffered of tyranny and oppression during the period of their subjugation resulted from the want of trial by jury. If that had been conceded to them the reaction would not have taken place which drove back the Danes to their frozen homes in the North. But those ruffian sea kings could not understand that, and the reaction came. Alfred, the greatest of revolutionary heroes and the wisest monarch that ever sat on a throne, made the first use of his power, after the Saxons restored it, to reestablish their ancient laws. He had promised them that he would, and he was true to them, because they had been true to him. But it was not easily done; the courts were opposed to it, for it limited their power—a kind of power that everybody covets—the power to punish without regard to law. He was obliged to hang 44 judges in one year for refusing to give his subjects a trial by jury. When the historian says that he hung them, it is not meant that he put them to death without a trial. He had them impeached before the grand council of the nation, the Wittenagemote, the Parliament of that time. During the subsequent period of Saxon domination no man on English soil was powerful enough to refuse a legal trial to the meanest peasant. If any minister or any king, in war or in peace, had dared to punish a freeman by a tribunal of his own appointment he would have roused the wrath of the whole population; all orders of society would have resisted it; lord and vassal, knight and squire, priest and penitent, bocman and socman, master and thrall, copyholder and villein, would have risen in one mass and burned the offender to death in his castle, or followed him in his flight and torn him to atoms. It was again trampled down by the Norman conquerors, but the evils resulting from the want of it united all classes in the effort which compelled King John to restore it by the Great Charter. Everybody is familiar with the struggles which the English people during many generations made for their rights with the Plantagenets, the Tudors, and the Stuarts, and which ended finally in the revolution of 1688, when the liberties of England were placed upon an impregnable basis by the Bill of Rights.

Many times the attempt was made to stretch the royal authority far enough to justify military trials, but it never had more than temporary success. Five hundred years ago Edward II closed up a great rebellion by taking the life of its leader, the Earl of Lancaster, after trying him before a military court. Eight years later that same king, together with his lords and commons in Parliament assembled, acknowledged with shame and sorrow that the execution of Lancaster was a mere murder, because the courts were open and he might have had a legal trial. Queen Elizabeth, for sundry reasons affecting the safety of the State, ordered that certain offenders not of her army should be tried according to the law martial. But she heard the storm of popular vengeance rising, and, haughty, imperious, self-willed as she was, she yielded the point, for she knew that upon that subject the English people would never consent to be trifled with. Strafford, as lord lieutenant of Ireland, tried the Viscount Stormont before a military commission. When impeached for it he pleaded in vain that Ireland was in a state of insurrection, that Stormont was a traitor, and the army would be undone if it could not defend itself without appealing to the civil courts. The Parliament was deaf; the King himself could not save him; he was condemned to suffer death as a traitor and a murderer. Charles I issued commissions to divers officers for the trial of his enemies according to the course of military law. If rebellion ever was an excuse for such an act he could surely have pleaded it, for there was scarcely a spot in his Kingdom, from sea to sea, where the royal authority was not disputed by somebody. Yet the Parliament demanded in their petition of right, and the King was obliged to concede, that all his commissions were illegal. James II claimed the right to suspend the operation of the penal laws, a power which the courts denied, but the experience of his predecessors taught him that he could not suspend any man's right to a trial. He could easily have convicted the seven bishops of any offense he saw fit to charge them with if he could have selected their judges from among the mercenary creatures to whom he had given commands in his army. But this he dared not do. He was obliged to send the bishops to a jury and endure the mortification of seeing them acquitted. He, too, might have had rebellion for an excuse, if rebellion be an excuse. The conspiracy was already ripe which a few months afterwards made him an exile and an outcast; he had reason to believe that the Prince of Orange was making his preparations on the other side of the channel to invade the Kingdom, where thousands burned to join him; nay, he pronounced the bishops guilty of rebellion by the very act for which he arrested them. He had raised an army to meet the rebellion, and he was on Hounslow Heath, reviewing the troops organized for that purpose, when he heard the great shout of joy that went up from Westminster Hall, was echoed back from Templar Bar, spread down the city and over the Thames, and rose from every vessel on the river—the simultaneous shout of 200,000 men for the triumph of justice and law.

If it were worth the time I might detain you by showing how this subject was treated by the French Court of Cassation, in Geoffroy's case, under the constitution of 1830, when a military judgment was unhesitatingly pronounced to be void, though ordered by the King, after a proclamation declaring Paris in a state of siege. *Fas est ab hoste doceri;* we may lawfully learn something from our enemies—at all events, we should blush at the thought of not being equal on such a subject to the courts of Virginia, Georgia, Mississippi, and Texas, whose

decisions my colleague, Gen. Garfield, has read and commented on.

The truth is that no authority exists anywhere in the world for the doctrine of the Attorney General. No judge or jurist, no statesman or parliamentary orator, on this or the other side of the water, sustains him. Every elementary writer from Coke to Wharton is against him. All military authors who profess to know the duties of their profession admit themselves to be under, not above, the laws. No book can be found in any library to justify the assertion that military tribunals may try a citizen at a place where the courts are open. When I say no book I mean, of course, no book of acknowledged authority. I do not deny that hireling clergymen have often been found to disgrace the pulpit by trying to prove the divine right of kings and other rulers to govern as they please. It is true, also, that court sycophants and party hacks have many times written pamphlets, and perhaps large volumes, to show that those whom they serve should be allowed to work out their bloody will upon the people. No abuse of power is too flagrant to find its defenders among such servile creatures. Those butchers' dogs, that feed upon garbage and fatten upon the offal of the shambles, are always ready to bark at whatever interferes with the trade of their master.

But this case does not depend on authority. It is rather a question of fact than of law.

I prove my right to a trial by jury, just as I would prove my title to an estate if I held in my hand a solemn deed conveying it to me, coupled with undeniable evidence of long and undisturbed possession under and according to the deed. There is the charter by which we claim to hold it. It is called the Constitution of the United States. It is signed by the sacred name of George Washington and by 39 other names, only less illustrious than his. They represented every independent State then upon this continent, and each State afterwards ratified their work by a separate convention of its own people. Every State that subsequently came in acknowledged that this was the great standard by which their rights were to be measured. Every man that has ever held office in this country, from that time to this, has taken an oath that he would support and sustain it through good report and through evil. The Attorney General himself became a party to the instrument when he laid his hand upon the Gospel of God and solemnly swore that he would give to me and every other citizen the full benefit of all it contains.

What does it contain? This, among other things:

"The trial of all crimes except in cases of impeachment shall be by jury."

Again: "No person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury, except in cases arising in the land and naval forces, or in the militia when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb, nor be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation."

This is not all; another article declares that "in all criminal prosecutions the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law; and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for the witnesses in his favor; and to have the assistance of counsel for his defense."

Is there any ambiguity there? If that does not signify that a jury trial shall be the exclusive and only means of ascertaining guilt in criminal cases, then I demand to know what words or what collocation of words in the English language would have that effect. Does this mean that a fair, open, speedy, public trial by an impartial jury shall be given only to those persons against whom no special grudge is felt by the Attorney General, or the Judge Advocate, or the head of a department? Shall this inestimable privilege be extended only to men whom the administration does not care to convict? Is it confined to vulgar criminals, who commit ordinary crimes against society, and shall it be denied to men who are accused of such offenses as those for which Sidney and Russell were beheaded, and Alice Lisle was hung, and Elizabeth Gaunt was burned alive, and John Bunyan was imprisoned 14 years, and Baxter was whipped at the cart's tail, and Prynn had his ears cut off? No; the words of the Constitution are all-embracing—

As broad and general as the casing air.

The trial of all crimes shall be by jury. All persons accused shall enjoy that privilege—and no person shall be held to answer in any other way.

That would be sufficient without more. But there is another consideration which gives it tenfold power. It is a universal rule of construction, that general words in any instrument, though they may be weakened by enumeration, are always strengthened by exceptions. Here is no attempt to enumerate the particular cases in which men charged with criminal offenses shall be entitled to a jury trial. It is simply declared that all shall have it. But that is coupled with a statement of two specific exceptions—cases of impeachment and cases arising in the land or naval forces. These exceptions strengthen the application of the general rule to all other cases. Where the lawgiver himself has declared when and in what circumstances you may depart from the general rule, you shall not presume to leave that onward path for other reasons and make different exceptions. To exceptions the maxim is always applicable, that "*expressio unius exclusio est alterius.*"

But we are answered that the judgment under consideration was pronounced in time of war, and it is therefore, at least morally, excusable. There may or there may not be something in that. I admit that the merits or demerits of any particular act, whether it involve a violation of the Constitution or not, depend upon the motives that prompted it, the time, the occasion, and all the attending circumstances. When the people of this country come to decide upon the acts of their rulers they will take all these things into consideration. But that presents the political aspect of the case, with which, I trust, we have nothing to do here. I decline to discuss it. I would only say, in order to prevent misapprehension, that I think it is precisely in a time of war and civil commotion that we should double the guards upon the Constitution. If the sanitary regulations which defend the health of a city are ever to be relaxed it ought certainly not to be done when pestilence is abroad. When the Mississippi shrinks within its natural channel and creeps lazily along the bottom the inhabitants of the adjoining shore have no need of a dike to save them from inundation. But when the booming flood comes down from above and swells into a volume which rises high above the plain on either side, then a crevasse in the levee becomes a most serious thing. So in peaceable and quiet times our legal rights are in little danger of being overborne; but when the wave of arbitrary power lashes itself into violence and rage and goes surging up against the barriers which were made to confine it, then we need the whole strength of an unbroken Constitution to save us from destruction. But this is a question which properly belongs to the jurisdiction of the stump and the newspaper.

There is another *quasi*-political argument—necessity. If the law was violated because it could not be obeyed, that might be an excuse. But no absolute compulsion is pretended here. These commissioners acted, at most, under what they regarded as a moral necessity. The choice was left them to obey the law or disobey it. The disobedience was only necessary as means to an end which they thought desirable; and now they assert that though these means are unlawful and wrong, they are made right, because without them the object could not be accomplished; in other words, the end justifies the means. There you have a rule of conduct denounced by all law, human and divine, as being pernicious in policy and false in morals. See how it applies to this case. Here were three men whom it was desirable to remove out of this world, but there was no proof on which any court would take their lives; therefore it was necessary, and being necessary it was right and proper, to create an illegal tribunal which would put them to death without proof. By the same mode of reasoning you can prove it equally right to poison them in their food, or stab them in their sleep.

Nothing that the worst men ever propounded has produced so much oppression, misgovernment, and suffering as this pretense of State necessity. A great authority calls it "the tyrant's devilish plea," and the common honesty of all mankind has branded it with everlasting infamy.

Of course, it is mere absurdity to say that these relators were *necessarily* deprived of their right to a fair and legal trial, for the record shows that a court of competent jurisdiction was sitting at the very time and in the same town, where justice would have been done without sale, denial, or delay. But concede, for the argument's sake, that a trial by jury was wholly impossible; admit that there was an absolute, overwhelming, imperious necessity operating so as literally to compel every act which the commissioners did; would that give their sentence of death the validity and force of a legal

judgment pronounced by an ordained and established court? The question answers itself. This trial was a violation of law, and no necessity could be more than a mere *excuse* for those who committed it. If the commissioners were on trial for murder or conspiracy to murder they might plead necessity if the fact were true, just as they would plead insanity or anything else to show that their guilt was not willful. But we are now considering the legal effect of their decision, and that depends on their legal authority to make it. They had no such authority; they usurped a jurisdiction which the law not only did not give them but expressly forbade them to exercise, and it follows that their act is void, whatever may have been the real or supposed excuse for it.

If these commissioners, instead of aiming at the life and liberty of the relators, had attempted to deprive them of their property by a sentence of confiscation, would any court in Christendom declare that such a sentence divested the title? Or would a person claiming under the sentence make his right any better by showing that the illegal assumption of jurisdiction was accompanied by some excuse which might save the commissioners from a criminal prosecution?

Let me illustrate still further. Suppose you, the judges of this court, to be surrounded in the hall where you are sitting by a body of armed insurgents and compelled by main force to pronounce sentence of death upon the President of the United States for some act of his upon which you have no legal authority to adjudicate. There would be a valid sentence if necessity alone could create jurisdiction. But could the President be legally executed under it? No; the compulsion under which you acted would be a good defense for you against an impeachment or an indictment for murder, but it would add nothing to the validity of a judgment which the law forbade you to give.

That a necessity for violating the law is nothing more than a mere excuse to the perpetrator and does not in any legal sense change the quality of the act itself in its operation upon other parties is a proposition too plain on original principles to need the aid of authority. I do not see how any man of common sense is to stand up and dispute it. But there is decisive authority upon the point. In 1815, at New Orleans, Gen. Jackson took upon himself the command of every person in the city, suspended the functions of all the civil authorities, and made his own will for a time the only rule of conduct. It was believed to be absolutely necessary. Judges, officers of the city corporation, and members of the State legislature insisted on it as the only way to save the "booty and beauty" of the place from the unspeakable outrages committed at Badajos and St. Sebastian by the very same troops then marching to the attack. Jackson used the power thus taken by him moderately, sparingly, benignly, and only for the purpose of preventing mutiny in his camp. A single mutineer was restrained by a short confinement and another was sent four miles up the river. But, after he had saved the city and the danger was all over, he stood before the court to be tried by the law; his conduct was decided to be illegal by the same judge who had declared it to be necessary, and he paid the penalty without a murmur. The Supreme Court of Louisiana, in Johnson against Duncan, decided that everything done during the siege in pursuance of martial rule but in conflict with the law of the land was void and of no effect, without reference to the circumstances which made it necessary. Long afterwards the fine imposed upon Jackson was refunded, because his friends, while they admitted him to have violated the law, insisted that the necessity which drove him to it ought to have saved him from the punishment due only to a willful offender.

The learned counsel on the other side will not assert that there was war at Indianapolis in 1864, for they have read "Coke's Institute," and Judge Grier's opinion in the *prize cases*, and of course they know it to be a settled rule that war can not be said to exist where the civil courts are open. They will not set up the absurd plea of necessity, for they are well aware that it would not be true in point of fact. They will hardly take the ground that any kind of necessity could give legal validity to that which the law forbids.

This, therefore, must be their position: That although there was no war at the place where this commission sat, and no actual necessity for it, yet if there was a war anywhere else to which the United States were a party the technical effect of such war was to take the jurisdiction away from the civil courts and transfer it to Army officers.

Gen. BUTLER. We do not take that position.

Mr. BLACK. Then they can take no ground at all, for nothing else is left. I do not wonder to see them recoil from their own doctrine when its nakedness is held up to their eyes. But they must stand upon that or give up their cause. They may not state their proposition precisely as I state it; that is too plain a way of putting it. But in substance it is their doctrine—has been the doctrine of the Attorney General's Office ever since the advent of the present incumbent—and is the doctrine of their brief, printed and filed in this case. What else can they say? They will admit that the Constitution is not altogether without a meaning; that at a time of universal peace it imposes some kind of obligation upon those who swear to support it. If no war existed they would not deny the exclusive jurisdiction of the civil courts in criminal cases. How, then, did the military get jurisdiction in Indiana?

All men who hold the Attorney General's opinion to be true answer the question I have put by saying that military jurisdiction comes from the mere existence of war, and it comes in Indiana only as the legal result of a war which is going on in Mississippi, Tennessee, or South Carolina. The Constitution is repealed, or its operation suspended, in one State because there is war in another. The courts are open, the organization of society is intact, the judges are on the bench and their process is not impeded, but their jurisdiction is gone. Why? Because, say our opponents, war exists, and the silent, legal, technical operation of that fact is to deprive all American citizens of their right to a fair trial.

That class of jurists and statesmen, who hold that the trial by jury is lost to the citizen during the existence of war, carry out their doctrine theoretically and practically to its ultimate consequences. The right of trial by jury being gone, all other rights are gone with it; therefore a man may be arrested without an accusation and kept in prison during the pleasure of his captors, his papers may be searched without a warrant, his property may be confiscated behind his back, and he has no earthly means of redress. Nay; an attempt to get a just remedy is construed as a new crime. He dare not even complain, for the right of free speech is gone with the rest of his rights. If you sanction that doctrine, what is to be the consequence? I do not speak of what is past and gone; but in case of a future war what results will follow from your decision indorsing the Attorney General's views? They are very obvious. At the instant when the war begins our whole system of legal government will tumble into ruin, and if we are not all robbed, and kidnaped, and hanged, and drawn, and quartered we will owe our immunity, not to the Constitution and laws, but to the mere mercy or policy of those persons who may then happen to control the organized physical force of the country.

This certainly puts us in a most precarious condition; we must have war about half the time, do what we may to avoid it. The President or Congress can wantonly provoke a war whenever it suits the purpose of either to do so, and they can keep it going as long as they please, even after the actual conflict of arms is over. When Peace woos them they can ignore her existence, and thus they can make war a chronic condition of the country and the slavery of the people perpetual. Nay, we are at the mercy of any foreign potentate who may envy us the possession of those liberties which we boast of so much; he can shatter our Constitution without striking a single blow or bringing a gun to bear upon us. A simple declaration of hostilities is more terrible to us than an army with banners.

To me this seems the wildest delusion that ever took possession of a human brain. If there be one principle of political ethics more universally acknowledged than another it is that war, and especially civil war, can be justified only when it is undertaken to vindicate and uphold the legal and constitutional rights of the people, not to trample them down. He who carries on a system of wholesale slaughter for any other purpose must stand without excuse before God or man. In a time of war more than at any other time public liberty is in the hands of the public officers. And she is there in double trust—first, as they are citizens, and therefore bound to defend her by the common obligation of all citizens; and, next, as they are her special guardians—

> Who should against her murderers shut the door,
> Not bear the knife themselves.

The opposing argument, when turned into plain English, means this, and this only: That when the Constitution is attacked upon one side, its official guardians may assail it upon the other; when rebellion strikes it in the face, they may take advantage of the blindness produced by the blow to sneak behind it and stab it in the back.

The convention when it framed the Constitution, and the people when they adopted it, could have had no thought like that. If they had supposed that it would operate only while perfect peace continued, they certainly would have given us some other rule to go by in time of war; they would not have left us to wander about in a howling wilderness of anarchy,

without a lamp to our feet or a guide to our path. Another thing proves their actual intent still more strikingly. They required that every man in any kind of public employment, State or National, civil or military, should swear, without reserve or qualification, that he would support the Constitution. Surely our ancestors had too much regard for the moral and religious welfare of their posterity to impose upon them an oath like that if they intended and expected it to be broken half the time. The oath of an officer to support the Constitution is as simple as that of a witness to tell the truth in a court of justice. What would you think of a witness who should attempt to justify perjury upon the ground that he had testified when civil war was raging, and he thought that by swearing to a lie he might promote some public or private object connected with the strife?

No, no; the great men who made this country what it is—the heroes who won her independence and the statesmen who settled her institutions—had no such notions in their minds. Washington deserved the lofty praise bestowed upon him by the President of Congress when he resigned his commission—that he had always regarded the rights of the civil authority through all changes and through all disasters. When his duty as President afterwards required him to arm the public force to suppress a rebellion in western Pennsylvania, he never thought that the Constitution was abolished, by virtue of that fact, in New Jersey, or Maryland, or Virginia. It would have been a dangerous experiment for an adviser of his at that time, or at any time, to propose that he should deny a citizen his right to be tried by a jury, and substitute in place of it a trial before a tribunal composed of men elected by himself from among his own creatures and dependents. You can well imagine how that great heart would have swelled with indignation at the bare thought of such an insulting outrage upon the liberty and law of his country.

In the War of 1812, the man emphatically called the Father of the Constitution was the supreme Executive Magistrate. Talk of perilous times! There was the severest trial this Union ever saw. That was no half-organized rebellion on the one side of the conflict, to be crushed by the hostile millions and unbounded resources of the other. The existence of the Nation was threatened by the most formidable military and naval power then upon the face of the earth. Every town upon the northern frontier, upon the Atlantic seaboard, and upon the Gulf coast was in daily and hourly danger. The enemy had penetrated the heart of Ohio. New York, Pennsylvania, and Virginia were all of them threatened from the west as well as the east. This Capitol was taken, and burned, and pillaged, and every member of the Federal administration was a fugitive before the invading army. Meanwhile, party spirit was breaking out into actual treason all over New England. Four of those States refused to furnish a man or a dollar even for their own defense. Their public authorities were plotting the dismemberment of the Union, and individuals among them were burning blue lights upon the coast as a signal to the enemy's ships. But in all this storm of disaster, with foreign war in his front, and domestic treason on his flank, Madison gave out no sign that he would aid Old England and New England to break up this government of laws. On the contrary, he and all his supporters, though compassed round with darkness and with danger, stood faithfully between the Constitution and its enemies—

> To shield it, and save it, or perish there, too.

The framers of the Constitution and all their contemporaries died and were buried; their children succeeded them and continued on the stage of public affairs until they, too—

> Lived out their lease of life, and paid their breath
> To time and mortal custom;

and a third generation was already far on its way to the grave before this monstrous doctrine was conceived or thought of, that public officers all over the country might disregard their oaths whenever a war or a rebellion was commenced.

Our friends on the other side are quite conscious that when they deny the binding obligation of the Constitution they must put some other system of law in its place. Their brief gives notice that, while the Constitution, and the acts of Congress, and Magna Charta, and the common law, and all the rules of natural justice shall remain under foot, they will try American citizens according to the law of nations! But the law of nations takes no notice of the subject. If that system did contain a special provision that a government might hang one of its own citizens without judge or jury, it would still be competent for the American people to say, as they have said, that no such thing should ever be done here. That is my answer to the law of nations.

But then they tell us that the laws of war must be treated as paramount. Here they become mysterious. Do they mean that code of public law which defines the duties of two belligerent parties to one another, and regulates the intercourse of neutrals with both? If yes, then it is simply a recurrence to the law of nations, which has nothing on earth to do with the subject. Do they mean that portion of our municipal code which defines our duties to the Government in war as well as in peace? Then they are speaking of the Constitution and laws, which declare in plain words that the Government owes every citizen a fair legal trial, as much as the citizen owes obedience to the Government. They are in search of an argument under difficulties. When they appeal to international law, it is silent; and when they interrogate the law of the land, the answer is an unequivocal contradiction of their whole theory.

The Attorney General tells us that all persons whom he and his associates choose to denounce for giving aid to the rebellion are to be treated as being themselves a part of the rebellion—they are public enemies, and therefore they may be punished without being found guilty by a competent court or a jury. This convenient rule would outlaw every citizen the moment he is charged with a political offense. But political offenders are precisely the class of persons who most need the protection of a court and jury, for the prosecutions against them are most likely to be unfounded both in fact and in law. Whether innocent or guilty, to accuse is to convict them before the ignorant and bigoted men who generally sit in military courts. But this court decided in the prize cases that all who live in the enemy's territory are public enemies, without regard to their personal sentiments or conduct; and the converse of the proposition is equally true—that all who reside inside of our own territory are to be treated as under the protection of the law. If they help the enemy they are criminals, but they can not be punished without legal conviction.

You have heard much (and you will hear more very soon) concerning the natural and inherent right of the Government to defend itself without regard to law. This is wholly fallacious. In a despotism the autocrat is unrestricted in the means he may use for the defense of his authority against the opposition of his own subjects or others; and that is precisely what makes him a despot. But in a limited monarchy the prince must confine himself to a legal defense of his government. If he goes beyond that and commits aggressions on the rights of the people, he breaks the social compact, releases his subjects from all their obligations to him, renders himself liable to be hurled from his throne, and dragged to the block or driven into exile. This principle was sternly enforced in the cases of Charles I and James II, and we have it announced on the highest official authority here that the Queen of England can not ring a little bell on her table and cause a man by her arbitrary order to be arrested under any pretense whatever. If that be true there, how much more true must it be here, where we have no personal sovereign, and where our only government is the Constitution and laws? A violation of law, on pretense of saving such a Government as ours, is not self-preservation, but suicide.

Salus populi suprema lex. Observe it is not *salus regis;* the safety of the *people,* not the safety of the *ruler,* is the supreme law. When those who hold the authority of the Government in their hands behave in such manner as to put the liberties and rights of the people in jeopardy, the people may rise against them and overthrow them without regard to that law which requires obedience to them. The maxim is revolutionary, and expresses simply the right to resist tyranny without regard to prescribed forms. It can never be used to stretch the powers of government against the people.

If this Government of ours has no power to defend itself without violating its own laws, it carries the seeds of destruction in its own bosom; it is a poor, weak, blind, staggering thing, and the sooner it tumbles over the better. But it has a most efficient legal mode of protecting itself against all possible danger. It is clothed from head to foot in a complete panoply of defensive armor. What are the perils which may threaten its existence? I am not able at this moment to think of more than these which I am about to mention: Foreign invasion, domestic insurrection, mutiny in the Army and Navy, corruption in the civil administration, and last, but not least, criminal violations of its laws committed by individuals among the body of the people. Have we not a legal mode of defense against all these? Yes; military force repels invasion and suppresses insurrection; you preserve discipline in the Army and Navy by means of courts-martial; you preserve the purity of the civil administration by impeaching dishonest magistrates; and crimes are prevented and punished by the regular judicial

authorities. You are not merely compelled to use these weapons against your enemies, because they and they only are justified by the law; you ought to use them because they are more efficient than any other, and less liable to be abused.

There is another view of the subject which settles all controversy about it. No human being in this country can exercise any kind of public authority which is not conferred by law; and under the United States it must be given by the express words of a written statute. Whatever is not so given is withheld, and the exercise of it is positively prohibited. Courts-martial in the Army and Navy are authorized; they are legal institutions; their jurisdiction is limited, and their whole code of procedure is regulated by act of Congress. Upon the civil courts all the jurisdiction they have or can have is bestowed by law; and if one of them goes beyond what is written, its action is ultra vires and void. But a military commission is not a court-martial, and it is not a civil court. It is not governed by the law which is made for either, and has no law of its own. Within the last five years we have seen, for the first time, self-constituted tribunals not only assuming power which the law did not give them, but thrusting aside the regular courts to which the power was exclusively given.

What is the consequence? This terrible authority is wholly undefined, and its exercise is without any legal control. Undelegated power is always unlimited. The field that lies outside of the Constitution and laws has no boundary. Thierry, the French historian of England, says that when the crown and scepter were offered to Cromwell he hesitated for several days, and answered, "Do not make me a king; for then my hands will be tied up by the laws which define the duties of that office; but make me protector of the commonwealth, and I can do what I please; no statute restraining and limiting the royal prerogative will apply to me." So these commissions have no legal origin and no legal name by which they are known among the children of men; no law applies to them; and they exercise all power for the paradoxical reason that none belongs to them rightfully.

Ask the Attorney General what rules apply to military commissions in the exercise of their assumed authority over civilians. Come, Mr. Attorney, "gird up thy loins now like a man; I will demand of thee, and thou shalt declare unto me if thou hast understanding." How is a military commission organized? What shall be the number and rank of its members? What offenses come within its jurisdiction? What is its code of procedure? How shall witnesses be compelled to attend it? Is it perjury for a witness to swear falsely? What is the function of the Judge Advocate? Does he tell the members how they must find, or does he only persuade them to convict? Is he the agent of the Government, to command them what evidence they shall admit and what sentence they shall pronounce; or does he always carry his point, right or wrong, by the mere force of eloquence and ingenuity? What is the nature of their punishment? May they confiscate property and levy fines as well as imprison and kill? In addition to strangling their victim, may they also deny him the last consolations of religion, and refuse his family the melancholy privilege of giving him a decent grave?

To none of these questions can the Attorney General make a reply, for there is no law on the subject. He will not attempt to "darken counsel by words without knowledge," and therefore, like Job, he can only lay his hand upon his mouth and keep silent.

The power exercised through those military commissions is not only unregulated by law, but it is incapable of being so regulated. What is it that you claim, Mr. Attorney? I will give you a definition, the correctness of which you will not attempt to gainsay. You assert the right of the Executive Government, without the intervention of the judiciary, to capture, imprison, and kill any person to whom that Government or its paid dependents may choose to impute an offense. This, in its very essence, is despotic and lawless. It is never claimed or tolerated except by those governments which deny the restraints of all law. It has been exercised by the great and small oppressors of mankind ever since the days of Nimrod. It operates in different ways; the tools it uses are not always the same; it hides its hideous features under many disguises; it assumes every variety of form;

> It can change shapes with Proteus for advantages,
> And set the murderous Machiavel to school.

But in all its mutations of outward appearance it is still identical in principle, object, and origin. It is always the same great engine of despotism which Hamilton described it to be.

Under the old French monarchy the favorite fashion of it was a *lettre de cachet*, signed by the king, and this would consign the party to a loathsome dungeon until he died, forgotten by all the world. An imperial ukase will answer the same purpose in Russia. The most faithful subject of that amiable autocracy may lie down in the evening to dream of his future prosperity, and before daybreak he will find himself between two dragoons on his way to the mines of Siberia. In Turkey the verbal order of the Sultan or any of his powerful favorites will cause a man to be tied up in a sack and cast into the Bosphorus. Nero accused Peter and Paul of spreading a "pestilent superstition," which they called the Gospel. He heard their defense in person, and sent them to the cross. Afterwards he tried the whole Christian church in one body, on a charge of setting fire to the city, and he convicted them, though he knew not only that they were innocent but that he himself had committed the crime. The judgment was followed by instant execution; he let loose the Prætorian guards upon men, women, and children, to drown, butcher, and burn them. Herod saw fit, for good political reasons, closely affecting the permanence of his reign in Judea, to punish certain possible traitors in Bethlehem by anticipation. This required the death of all the children in that city under two years of age. He issued his "general order"; and his provost marshal carried it out with so much alacrity and zeal that in one day the whole land was filled with mourning and lamentation.

Macbeth understood the whole philosophy of the subject. He was an unlimited monarch. His power to punish for any offense or for no offense at all was as broad as that which the Attorney General claims for himself and his brother officers under the United States. But he was more cautious how he used it. He had a dangerous rival, from whom he apprehended the most serious peril to the "life of his government." The necessity to get rid of him was plain enough, but he could not afford to shock the moral sense of the world by pleading political necessity for a murder. He must—

> Mask the business from the common eye.

Accordingly he sent for two enterprising gentlemen, whom he took into his service upon liberal pay—"made love to their assistance"—and got them to deal with the accused party. He acted as his own judge advocate. He made a most elegant and stirring speech to persuade his agents that Banquo was their oppressor, and had "held them so under fortune" that he ought to die for that alone. When they agreed that he was their enemy, then said the king:

> So is he mine, and though I *could*
> With *barefaced power* sweep him from my sight
> And bid my *will* avouch it; yet I *must not*,
> For certain friends, who are both his and mine,
> Whose loves I may not drop.

For these, and "many weighty reasons" besides, he thought it best to commit the execution of his design to a subordinate agency. The commission thus organized in Banquo's case sat upon him that very night, at a convenient place beside the road where it was known he would be traveling; and they did precisely what the Attorney General says the military officers may do in this country—they *took* and *killed* him, because their employer at the head of the government wanted it done, and paid them for doing it out of the public treasury.

But of all the persons that ever wielded this kind of power, the one who went most directly to the purpose and object of it was Lola Montez. She reduced it to the elementary principle. In 1848, when she was minister and mistress to the King of Bavaria, she dictated all the measures of the Government. The times were troublesome. All over Germany the spirit of rebellion was rising; everywhere the people wanted to see a first-class revolution, like that which had just exploded in France. Many persons in Bavaria disliked to be governed so absolutely by a lady of the character which Lola Montez bore, and some of them were rash enough to say so. Of course that was treason, and she went about to punish it in the simplest of all possible ways. She bought herself a pack of English bulldogs, trained to tear the flesh, and mangle the limbs, and lap the lifeblood; and with these dogs at her heels, she marched up and down the streets of Munich with a most majestic tread, and with a sense of power which any Judge Advocate in America might envy. When she saw any person whom she chose to denounce for "thwarting the Government," or "using disloyal language," her obedient followers needed but a sign to make them spring at the throat of their victim. It gives me unspeakable pleasure to tell you the sequel. The people rose in their strength, smashed down the whole machinery of oppression, and drove out into uttermost shame King, strumpet, dogs, and all. From that time to this neither man, woman, or beast, has dared to worry or kill the people of Bavaria.

All these are but so many different ways of using the arbitrary power to punish. The variety is merely in the means which a tyrannical government takes to destroy those whom it

is bound to protect. Everywhere it is but another construction, on the same principle, of that remorseless machine by which despotism wreaks its vengeance on those who offend it. In a civilized country it nearly always uses the military force, because that is the sharpest and surest, as well as the best-looking instrument that can be found for such a purpose. But in none of its forms can it be introduced into this country; we have no room for it; the ground here is all preoccupied by legal and free institutions.

Between the officers who have a power like this, and the people who are liable to become its victims, there can be no relation except that of master and slave. The master may be kind, and the slave may be contented in his bondage; but the man who can take your life, or restrain your liberty, or despoil you of your property at his discretion, either with his own hands or by means of a hired overseer, owns you and he can force you to serve him. All you are and all you have, including your wives and children, are his property.

If my learned and very good friend, the Attorney General, had this right of domination over me, I should not be very much frightened, for I should expect him to use it as moderately as any man in all the world; but still I should feel the necessity of being very discrete. He might change in a short time. The thirst for blood is an appetite which grows by what it feeds upon. We can not know him by present appearances. Robespierre resigned a country judgeship in early life because he was too tender-hearted to pronounce sentence of death upon a convicted criminal. Caligula passed for a most amiable young gentleman before he was clothed with the imperial purple, and for about eight months afterwards. It was Trajan, I think, who said that absolute power would convert any man into a wild beast, whatever was the original benevolence of his nature. If you decide that the Attorney General holds in his own hands, or shares with others, the power of life and death over us all, I mean to be very cautious in my intercourse with him; and I warn you, the judges whom I am now addressing, to do likewise. Trust not to the gentleness and kindness which have always marked his behavior heretofore. Keep your distance; be careful how you approach him; for you know not at what moment or by what a trifle you may rouse the sleeping tiger. Remember the injunction of Scripture: "Go not near to the man who hath power to kill; and if thou come unto him, see that thou make no fault, lest he take away thy life presently; for thou goest among snares and walkest upon the battlements of the city."

The right of the Executive Government to kill and imprison citizens for political offenses has not been practically claimed in this country, except in cases where commissioned officers of the Army were the instruments used. Why should it be confined to them? Why should not naval officers be permitted to share in it? What is the reason that common soldiers and seamen are excluded from all participation in the business? No law has bestowed the right upon Army officers more than upon other persons. If men are to be hung up without that legal trial which the Constitution guarantees to them, why not employ commissions of clergymen, merchants, manufacturers, horse dealers, butchers, or drovers, to do it? It will not be pretended that military men are better qualified to decide questions of fact or law than other classes of people; for it is known, on the contrary, that they are, as a general rule, least of all fitted to perform the duties that belong to a judge.

The Attorney General thinks that a proceeding which takes away the lives of citizens without a constitutional trial is a most merciful dispensation. His idea of humanity as well as law is embodied in the bureau of military justice, with all its dark and bloody machinery. For that strange opinion he gives this curious reason: That the duty of the commander in chief is to kill, and unless he has this bureau and these commissions he must "butcher" indiscriminately, without mercy or justice. I admit that if the commander in chief or any other officer of the Government has the power of an Asiatic king, to butcher the people at pleasure, he ought to have somebody to aid him in selecting his victims, as well as to do the rough work of strangling and shooting. But if my learned friend will only condescend to cast an eye upon the Constitution, he will see at once that all the executive and military officers are completely relieved by the provision that the life of a citizen shall not be taken at all until after legal conviction by a court and jury.

You can not help but see that military commissions, if suffered to go on, will be used for most pernicious purposes. I have criticized none of their past proceedings, nor made any allusion to their history in the last five years. But what can be the meaning of this effort to maintain them among us? Certainly not to punish actual guilt. All the ends of true justice are attained by the prompt, speedy, impartial trial which the courts are bound to give. Is there any danger that crime will be winked upon by the judges? Does anybody pretend that courts and juries have less ability to decide upon facts and law than the men who sit in military tribunals? The counsel in this cause will not insult you by even hinting such an opinion. What righteous or just purpose, then, can they serve? None, whatever.

But while they are utterly powerless to do even a shadow of good, they will be omnipotent to trample upon innocence, to gag the truth, to silence patriotism, and crush the liberties of the country. They will always be organized to convict, and the conviction will follow the accusation as surely as night follows the day. The Government, of course, will accuse none before such a commission except those whom it predetermines to ruin and destroy. The accuser can choose the judges, and will certainly select those who are known to be the most ignorant, the most unprincipled, and the most ready to do whatever may please the power which gives them pay, promotion, and plunder. The willing witness can be found as easily as the superserviceable judge. The treacherous spy, and the base informer—those loathsome wretches who do their lying by the job—will stock such a market with abundant perjury, for the authorities that employ them will be bound to protect as well as reward them. A corrupt and tyrannical government, with such an engine at its command, will shock the world with the enormity of its crimes. Plied as it may be by the arts of a malignant priesthood, and urged on by the madness of a raving crowd, it will be worse than the popish plot, or the French Revolution—it will be a combination of both, with Fouquier-Tinville on the bench, and Titus Oates in the witness's box. You can save us from this horrible fate. You alone can "deliver us from the body of this death." To that fearful extent is the destiny of this Nation in your hands.

Relief to Cotton Planters Should be Given Fully and Promptly.

EXTENSION OF REMARKS

OF

HON. WILLIAM S. HOWARD,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, October 5, 1914.

Mr. HOWARD. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include a short editorial from the Washington Post of Monday, October 5, 1914.

The editorial is as follows:

RELIEF TO THE COTTON PLANTERS SHOULD BE GIVEN FULLY AND PROMPTLY.

The failure of foreign countries to buy our cotton crop is the most serious and adverse feature of the financial, commercial, and industrial situation in this country.

The gold usually received each year for exported cotton enabled this country to care for its debts abroad to a very great extent.

The want of the cotton credits this year has placed an enormous strain upon the foreign exchanges of the country, and is forcing an exportation of the yellow metal at the very time that the country meets a most acute demand for it from home and abroad.

This failure to export cotton has deranged the country's finances.

By the inability of the planters to cash the results of their capital, their energies, and their labor of this year, their purchasing power is largely destroyed and every branch of commerce and industry dependent upon the purchases of the southern people bids fair to suffer from the business paralysis which is rapidly spreading throughout the South.

This is a national peril and it should be dealt with in a broad spirit of patriotism by the Congress and every possible assistance should be given the planters of the South to enable them to stand successfully against conditions that by their very nature can be but of brief duration.

Congress should not adjourn until measures of ample relief be passed for the cotton planters of the South.

Better, far better, that antitrust bills be thrust into the waste basket and that war-tax measures be postponed until the revised tariff can be again revised to produce more revenue than that poverty, depression, and financial and commercial extortion be allowed to make the southern cotton planters their victims.

The flag of distress is already flying in the South, and it lies in the power of the Senators and Representatives of the South to secure relief by financial legislation for their people. Surely the administration will not look with approval upon the Congress spending its time upon antitrust bills, which nobody trusts and which everybody doubts, while the fortunes and happiness of the southern people, the prosperity of the Nation, call for instant relief to the producers of cotton.

Let all legislation save appropriation bills wait until this crisis in affairs of the South and the Nation is fully cared for. The influence of the administration in legislation is so well known, has been so frequently displayed, the southern Members of the Congress are in such powerful position in all legislative matters, the other Members of the Congress are so well disposed to aid the agriculturists of the South as well as the business interests of the entire country, that it goes without saying that sound measures for the relief of the cotton planters can be passed speedily.

No measure now before the Congress so important, so far-reaching in beneficial effects, as would be a measure that would grant this relief.

The Philippine Islands.

EXTENSION OF REMARKS

OF

HON. TIMOTHY T. ANSBERRY,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, October 6, 1914,

On the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands and to provide a more autonomous government for those islands.

Mr. ANSBERRY. Mr. Speaker and gentlemen, the debate on this question has, in my opinion, gone far afield, very far from the issue; but that is not to be wondered at when consideration is given to the fact that this question, in the abstract, has been debated throughout the country during three campaigns. Nevertheless we should not permit the issue to be obscured. The issue is the substance of this bill, which provides that the Filipinos shall exercise some additional governmental responsibilities. To the gentlemen on the other side who have objected to every step of progress which this bill provides for the Filipino people I want to say that if your contention is true that the Filipino people are incapable of self-government, then you should join with us in the passage of this bill, to the end that it would be more quickly demonstrated that these people are, as you urge, incapable of self-government, for I take it that the supreme test would be the character of the men whom they would select as their Senators; and this bill provides for the election throughout the island of the upper house of the legislative branch, with the bare exception of two, who are to be appointed by the Governor General to represent the so-called non-Christian tribes, which comprise less than one-twelfth of the total population. In other words, we give nearly 7,000,000 of the Filipino people the privilege of selecting their own Senators; that is, we are extending the privilege heretofore granted by the exercise of which they choose the members of the lower house. Should they fail in selecting proper men, or should these men fail to demonstrate their capacity for government in the legislation which they formulate—and, if your contention is right, failure is inevitable—then you will have demonstrated by actual experience that a portion of your argument, at least, is true.

I can not conceive how, sitting here as Representatives of the American people, who are wedded to the ideals which we have always cherished, ideals that we have always thought to be fundamental and basic; and if they are not, then the Declaration of Independence was but mere foam. I repeat I can not understand how, in the face of the showing already made by the Filipino people, that we can longer refuse to give them this larger measure of the handling of their own affairs. It is axiomatic that all Governments derive their just power from the consent of the governed and the inherent right of every people to establish and maintain the sort of Government which to them seems best. It would seem that the soundness of these two propositions are open to criticism if we are to take seriously the veiws advanced by my colleague from Ohio [Mr. FESS], an educator who doubtless has time and time again laid down the selfsame proposition which I have referred to as being fundamentally basic, and still my colleague [Mr. FESS] tells us here in objecting to this bill that we have done more for the Filipino people than they could have possibly done for themselves; that we have given them schools, colleges, and sent them school-teachers without number; that we have built roads, cleaned and improved their cities, encouraged agriculture, and, in a word, done everything that one people could well do for another. All of these things, of course, are admitted, but I never thought that I would live to see the day that any man would rise in the American Congress and base our right to govern any people, without their consent, on the fact that we have done the things that we have done for the Filipino people. I maintain that that is but a poor exchange for the God-given right of liberty. It is no answer to their cry. My colleague [Mr. FESS] makes mention of the fact that Members on the floor here on his side of the House applauded the answer of the Filipino Commissioner, Hon. MANUEL L. QUEZON, which answer was in response to the question as to whether or not the Filipino Commissioner thought that the Filipino people would have made as much progress as they did along educational lines if the American people had not interfered in 1898. The utterances of Mr. QUEZON were applauded, because they were the utterances of a patriot, because they were the utterances of a man who, talking to an audience composed, as he himself well said, of the judges who were to pass upon his case and the case of his people. Still, representing these people, he refused to bow the knee, but preferred rather to trust to the judgment of his judges and his people's judges rather than the literal answer which he gave, which was to the effect that he had no doubt but that the Filipino people would have made as much progress as has been made under the Government of the United States. He made the point that his people rebelled against Spain because Spain was slow and not progressive, but he insisted his people loved knowledge and sought and had taken advantage of every opportunity afforded them of getting knowledge. Had I been asked that question I would have answered that I thought Mr. QUEZON was mistaken, but that I honored him in his mistake; and hence, as I said in the beginning, his utterances were that of a patriot, that of a man who, even though his answer might prejudice his case, he still would not sacrifice one jot or tittle of the pride of his people to curry favor with the American Congress.

It is not my purpose to enter into an exhaustive argument to prove the proposition which I have laid down, but in passing I am going to insert into my speech an extract from the speech of Mr. QUEZON, Filipino Commissioner, which I think answers every argument which has been advanced against the promulgation of this American doctrine urged at this time. I also desire to express the opinion that Mr. QUEZON has demonstrated on the floor of the American Congress that, if he is a typical representative of his people, they are eminently fitted for self-government, no matter the standard that any man may require. Everyone of us has the highest regard for this young man, who, coming here some four years ago, was barely able to speak the English language, and during this debate we have heard him cross swords in this forum with the ablest men of this Nation who are opposed to the doctrine which he espouses, and he has come off victor in every instance. I am advised that Mr. QUEZON was educated in a little village of 1,000 people, far distant from Manila, at a school that was taught by a Filipino teacher, long before American soldiery ever set foot on that unfortunate shore. The basis of his education was laid in that little village, and speaks volumes for the Filipino teacher who first directed his youthful studies. He afterwards finished his education at a university in the Philippine Islands. I can not withhold this meed of praise from this young man who has doggedly and persistently, and yet in the best of temper, urged the cause of his people. His sole thought, his every aim since he has been among us, has been the promotion of the welfare of his people, and he has been spurred on by the ultimate hope held out by both Democratic and Republican administrations alike for ultimate freedom for his people. His oratorical efforts on the floor in behalf of these people deserve to and doubtless will take high rank among the best efforts of all who have labored in the sacred cause of liberty. As a Member of the American Congress I am glad to acknowledge the splendid capacity and ability shown by this young man, and I trust that his efforts will not have been in vain. I am glad of the opportunity of reproducing some of his argument made in behalf of his people.

Before I close I also desire to express the thought that the Filipino, as well as the American, people are fortunate in the character of the man who now represents as Governor General of the Philippine Islands the American people in that far-off island. I had the honor of serving a number of years in the House with Gov. Harrison, and I think I know something of his political ideals; and, in my opinion, no man, by education, by habit of thought, by ideals, or by inclination, is better fitted than

Francis Burton Harrison to help guide the destinies of the Filipino people while they are in their swaddling clothes, making a determined effort to qualify for a place among the nations of the world.

The following are extracts from Mr. QUEZON's speech:

Our adversaries proceed: The masses of the people in the Philippines are in such a state of dense ignorance that they know nothing and care less about independence. Those people are semicivilized, if not entirely savages. Some of them eat dogs, and for proof we refer you to the St. Louis Exposition, where Igorots were exhibited engaged in that toothsome pastime. As further proof of the deplorable condition of those people, behold the "moving" and "nonmoving" pictures of naked natives armed with bows and arrows and spears. It would be a pity to set this people adrift. The Government of the United States alone can civilize them, and it must, for the sake of humanity, undertake and carry to its successful termination this altruistic work.

Again the Filipinos answer: We know that we are a civilized people and have been civilized for 300 years. We know that there are only 600,000 non-Christians in the Philippines, while there are 7,000,000 Christians, 65 per cent of whom were literate before American occupation, and at least fully 75 per cent of whom now are. We know that we had a university in the Philippines even before Harvard University was established and that now we have two. We know that we had 1,674 public schools before American occupation, distributed among 900 towns, and now we have 4,404. We know that we had colleges in every important capital city and several in Manila, for both men and women, before American occupation, and that now the number has greatly increased. We know that there are Filipinos in the supreme court of the islands—the chief justice being one of them—who are at least equal to their American associates. We know that half of the judges of the courts of first instance are Filipinos. We know that all the justices of the peace are Filipinos. We know that the municipal and Provincial governments are administered by Filipinos elected by Filipino voters. We know that the Philippine Assembly, the lower house of the legislature, is composed entirely of Filipinos, also elected by Filipino voters; and we know that if permitted to elect the upper house of the legislature we would elect senators who would be equal to their task. We know that we could elect a president who would be at least as wise and patriotic as any chief executive the President of the United States could appoint over us.

DIFFERENCES BETWEEN MEXICO AND THE PHILIPPINES.

Finally our opponents end this controversy by exclaiming, "Behold Mexico to-day. If you make the Philippines independent, another Mexican situation, which would perplex the United States with a repetition of the 'watchful waiting' policy, is sure to arise."

This Mexican argument seems effective nowadays. I do not know much about Mexico and the causes that lay at the root of this unfortunate disturbance in that Republic. But there is something I can say in connection with this argument. In the first place, when we judge other people's affairs it is well to remember that paragraph of the Scriptures which tells us, in effect, that we should be fully aware of the beam in our own eye before commenting on the mote in that of our neighbor. What nation on the face of the earth has been free from internal disorders or revolution? What nation can say that it will ever be free from this, the most dreadful calamity that can befall any country?

In the second place, let me give you some points respecting the principal differences between conditions in Mexico and conditions in the Philippines, which may explain why we confidently expect that that which is going on in the distressed Republic of Mexico will not happen in the islands if free from the control of the United States. I am making no invidious comparisons, but merely stating facts. Mexico acquired its independence from Spain by force of arms, and previous to that time the people of Mexico took no part in the government of their country. Despotic foreign absolutism was the kind of government that prevailed in Mexico until then. Once independent, a democratic form of government was established. The change was so radical that the failure of the new government was inevitable. Moreover, the great majority of the people—upon which democratic governments must depend—did not have either education or property, and therefore did not possess those qualifications leading to the maintenance of public order and of law. To this day knowledge and wealth are still the monopoly of the few. In the Philippines, on the contrary, the majority of the people are literate and property owners. Besides, we have been practicing the art of self-government for 15 years under American supervision. During this time we have been electing our provincial and municipal officials, members of our assembly, and, although the political campaigns in the Philippines are heated, we have abided by the results of the elections or have gone to the courts with our protests. We have never resorted to arms to settle any controversy.

The Legislative Achievements of the Democratic Party.

EXTENSION OF REMARKS

OF

HON. CLYDE H. TAVENNER,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, September 30, 1914.

Mr. TAVENNER. Mr. Speaker, since my election to Congress I have devoted considerable time and energy in an effort to bring about the Government manufacture of all munitions of war and to prohibit the use of the stop-watch and other objectionable "speeding-up" features of the so-called Taylor system of "scientific" shop management in the arsenals and other Government establishments.

The Government appropriates in round numbers $100,000,000 annually for the Army and $140,000,000 annually for the Navy, and colossal sums are expended annually with a ring of private manufacturers for war materials. I have produced a mass of evidence before Congress proving beyond successful contradiction that the Army and Navy officers have been permitting this ring to outrageously overcharge the Government.

For instance, I have directed attention to the fact that Army officers have been very generously paying the ammunition ring $3.06 for a 3-inch finished shrapnel case which Uncle Sam can manufacture and is manufacturing in the Government arsenals for $1.75.

The Army officers are paying the ammunition ring $17.50 for a 3.8-inch common shrapnel which they can manufacture and are manufacturing in the Government arsenals for $7.94. When it is considered that the Government is each year procuring millions of dollars worth of such supplies, it will be seen that the saving that can be effected to the taxpayers by a policy of complete Government manufacture of all munitions of war is something enormous.

This policy was entered upon in the Army bill this year, this measure for the first time in the history of the Government carrying a provision specifying that not to exceed 10 per cent of the ammunition therein appropriated for may be purchased from outside private manufacturers. Ninety per cent of the appropriations must hereafter be expended for the manufacture of the supplies in the Government arsenals. As a result of this policy the Government will save on an average 35 per cent, or millions of dollars annually, and the men who do the actual work of making the munitions will receive higher wages and better conditions than if the work was awarded to the three firms comprising the ammunition ring, which are notorious as the most bitter enemies of organized labor in this country.

If all profit is taken out of war and preparation for war, I predict that some of the very millionaire patriots who are now agitating for an ever and ever increased amount of armament, in the certain knowledge they will make huge profits by supplying the same, will be the loudest to protest against the annual expenditure of $250,000,000 for war in time of peace.

I have called the attention of Congress to the fact that at the Rock Island Arsenal the Government has two great $500,000 stone buildings standing idle which could be used for manufacturing purposes, and also absolutely free power as a result of the fact that the Government owns a great power plant in the Mississippi at Rock Island Arsenal and can manufacture these war materials cheaper there than at any other arsenal in the United States.

I am also carrying on a campaign to have the Government locate the proposed $7,000,000 Government armor-plate factory at Rock Island, where the Government owns 896 acres of land ideally located for such a purpose, without having to buy land for a site elsewhere. I am carrying on a campaign to acquaint Members of Congress with the fact that the United States Government has a far greater prize than it realizes in the Rock Island Arsenal property, where it can do its manufacturing cheaper than at any other arsenal in the United States, and I make the prediction that when the Government adopts the policy of manufacturing all its munitions of war, as it is certain to do ultimately, that the Rock Island Arsenal will become one of the largest military manufacturing centers in the world.

OPPOSED TO USE OF STOP WATCH ON WORKMEN.

From the very first day I arrived in Washington following my election I have fought the installation of the Taylor system in the Rock Island Arsenal, just as I promised the workmen I would do if elected to Congress. I appeared before the Committee on Labor in support of the Deitrick bill prohibiting the use of the stop watch and other objectionable "speeding-up" features of the Taylor system in the arsenals and other Government manufacturing establishments. This matter is of vital importance to all workingmen, whether they work in the arsenals or not, because if the United States Government can be tricked into placing its endorsement upon this sweatshop system the great private manufacturers will not be long in following suit and will be in the strategic position of being able to reply to employees protesting against its installation in their plants that it must not be inhumane, that it must be all right or Uncle Sam would not have given it his official O. K. by installing the system in the Government arsenals.

The Committee on Labor has just made its report on the anti-stop watch bill recommending its passage, which practically assures favorable action on the measure by Congress.

The Deitrick bill, which is destined soon to become a law, is as follows:

A bill to regulate the method of directing the work of Government employees.

Whereas certain executive departments are installing in their respective establishments new systems of shop management, known by the generic term of "scientific management," which have for their purpose the attainment of the maximum efficiency from both plant and workmen; and

Whereas a stop watch is used in timing workmen while at work to ascertain the maximum amount of work possible for the most capable man in a given time and making this the "standard time" in which work must be done, and by a system of premiums and bonuses, together with disciplinary measures sufficiently severe to enforce the system, this "standard time" is the speed to which all workmen must eventually attain if they are to retain their employment; and

Whereas experience has shown that the American workman by his exceptional celerity performs about twice the work performed by the manual worker of other countries, with the concomitant condition that the ratio of accidents here is from three to four times as high as in other countries, and the tendency of so-called "scientific management," through the above timing and bonus features, will be to further aggravate the accident disabilities and mortality aforesaid and reduce the workman to a mere mechanical, instead of a social and moral, relation to his work, and, moreover, are unnecessary to secure adequate efficiency of labor: Therefore

Be it enacted, etc., That it shall be unlawful for any officer, manager, superintendent, foreman, or other person having charge of the work of any employee of the United States Government to make or cause to be made, with a stop watch or other time-measuring device, a time study of the movements between the starting and completion of any job of any such employee. No premium or bonus or cash reward shall be paid to any employee, except for suggestions resulting in improvement or economy in the operation of the plant in which he is employed.

SEC. 2. That any violations of the provisions of this act shall be deemed a misdemeanor and shall be punished by a fine of not more than $500 or by imprisonment of not more than six months, at the discretion of the court.

Mr. Speaker, I believe I am justified in taking some pride in the official report of the committee, which condemns the Taylor propaganda, a cruel system based on the scientific grinding down of the spirit, the hopes, and the ambitions, as well as the physical bodies, of those who toil, because this report sustains practically every charge I have made against the Taylor system during the three and a half years I have been opposing it. In this connection I desire to quote the following from the report of the committee:

The Taylor system may be divided under three headings—standardization, systematization, and stimulation. The pending legislation does not seek to interfere in any way with standardization or systematization, but is intended to eliminate the more obnoxious phases of stimulation, in so far as Government workshops are concerned.

The Taylor system regards the workman as a machine to be "speeded up" to its maximum capacity. When this human machine fails to function to the satisfaction of the management it is to be cast aside to *make room for* a new machine—a fresh workman. The authors of the system do not appear to have concerned themselves about the ultimate fate of the human derelicts who may be compelled to drop out because they can not stand the pace. Mr. Taylor boasts that when he installed his system in the Bethlehem Steel Works he purposely made the tasks so hard that "not more than one out of five laborers (perhaps even a smaller percentage than this) could keep up."

That may be the kind of "efficiency" which produces dividends for the Steel Trust, but it is surely not the system which a beneficent Government should force upon its employees.

The promoters of these various system of "scientific management" are making a determined effort to have them generally adopted by large manufacturing concerns, and labor, both organized and unorganized, is most insistent in its opposition. It can be readily seen that the advocates of the stop-watch system would have won a signal victory if they were in a position to say, "The United States Government has installed this system in its workshops. It can not be inhumane or the Federal authorities would not have adopted it."

The committee does not believe such an indorsement should be given to a system which is so inimical to the best interests of the toilers of the Nation.

The protest against these "systems" originally came from the employees of the arsenals under the War Department, when it was proposed to introduce the Taylor system into these establishments. The protest was unheeded by the officials of the Ordnance Department at that time, and the system was gradually introduced. Practically the entire system is now in operation at the Watertown Arsenal, and the features least objected to by the employees are in operation at some of the other arsenals. From present indications it still appears to be the intention of the officials of the Ordnance Department to extend the Taylor system to the other arsenals at an opportune time.

The opposition to this system by the laboring people in general has made it impractical to apply the system in as drastic a manner as its authors evidently contemplated; but the machinery for oppression is latent in the system, and is regarded by the workmen as an ever-present menace to them and furnishing a reason for their apprehension of what is to come.

The Committee on Labor has concluded that an employer who is satisfied with a normal and reasonable day's work does not need to use a stop-watch time study on his employees to ascertain what should constitute a day's work, and the ordinary incentives in general use are sufficient as a spur to the activities of the workmen without resorting to further high-pressure methods to induce intensive production.

THE "SYSTEM" IS BEING FORCED IN.

The moving spirit behind the plan to install the Taylor system in the Government arsenals appears to be Brig. Gen. William Crozier, Chief of Ordnance of the War Department, who has jurisdiction over all of the Government arsenals. Gen. Crozier appears to be determined to install the stop watch and other objectionable speeding-up features of the Taylor system in the arsenals in spite of the protests of the workmen, and even in spite of the strong denunciation of such methods by the special committee of the House of Representatives which investigated the subject during the preceding Congress.

This officer appeared before the committee and spoke in favor of the use of the stop watch and the Taylor system; and there appears to be every reason to believe that unless Congress passes legislation absolutely prohibiting the use of such methods in the Government establishments that Gen. Crozier will proceed with the extension of the system, not only at Watertown and Rock Island, but in all the manufacturing establishments of the Government within his domain.

Representative CLYDE H. TAVENNER, of Illinois, representing the congressional district in which the Rock Island Arsenal is located, appeared before the committee in opposition to the attitude of Gen. Crozier and contended that, inasmuch as the workmen at the Rock Island Arsenal are now producing war materials 35 per cent below the prices Gen. Crozier is paying outside private manufacturers, thus saving the Government hundreds of thousands of dollars annually by their present efficiency, that Gen. Crozier is not justified in installing the stop watch and other "speeding-up" processes to force the men to work still faster. He declared the same is true of the efficiency of the workmen at the Frankford Arsenal and all the arsenals, and produced figures showing the cost of various articles in the arsenals and showing the prices being paid private manufacturers for the same articles.

GOVERNMENT PRODUCT NOW CHEAPER THAN PRIVATE.

Reading from a table prepared by Col. George Montgomery, commandant of the Frankford Arsenal, Philadelphia, Mr. TAVENNER made the following specific comparisons:

That the workmen at the Frankford Arsenal are producing a 3-inch finished shrapnel case for $1.75 that the Government is paying private manufacturers $3.06 for.

That 3.8-inch common shrapnel are being produced for $7.94 in the Government arsenal, while the Government is paying the private manufacturers $17.50 for the same article. And so on.

On a contract of $1,900,064.05 worth of such work manufactured at the Frankford Arsenal, Mr. TAVENNER showed the Government saved $979,840.94, or approximately, in round figures, $1,000,000 on a $2,000,000 order. He made the point that these figures tended to show that the workmen in the Government arsenals are now efficient, and do not deserve having imposed upon them speeding-up processes compelling them to work still faster than they are now working.

LEGISLATION BENEFICIAL TO LABOR.

In addition to the friendly attitude the Democratic House has taken toward the policy of Government manufacture of munitions of war, and the bill prohibiting the use of the Taylor system in Government arsenals, considerable other legislation beneficial to labor has been passed. A bill of considerable importance to labor is the Clayton antitrust bill, which passed the House by a vote of 297 to 54, and which protects the rights, existence, and operations of fraternal, labor, and farmers' organizations, the famous anti-injunction provision of which is as follows:

SEC. 7. That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of fraternal, labor, consumers', agricultural, or horticultural organizations, orders, or associations instituted for the purpose of mutual help, and not having capital or conducted for profit, or to forbid or restrain individual members of such organizations, orders, or associations from carrying out the legitimate objects thereof, nor shall such organizations, orders, or associations, or the members thereof, be held or construed to be an illegal corporation or a conspiracy in restraint of trade under the antitrust laws.

Mr. Speaker, the House exempted labor and farmers' organizations from the provisions of the trust laws simply because it refused to consider human brawn and brain in the same class with steel rails and coal oil. The bill aims to prevent the restraint of trade in oil, steel, and other commodities. But labor is something different than a steel rail. In a rail there is bound up no man's welfare. But in the labor of the millions there is included the hopes and happiness of the masses who toil and those who depend on the toilers.

Representative LEWIS of Maryland called section 7 the magna charta of labor. He said:

Some honest people are inclined to think that this section may mean a species of class legislation. They commit the error of considering labor as a commodity. But there is this distinction between labor and a barrel of oil, a commodity:

Labor is never in truth a commodity; labor can never under our institutions be property, either before the court or before the legislature. Under our Constitution property in human beings has forever ceased.

While a barrel of oil is not only a commodity in the market, it is a commodity before the courts, it is a commodity before the legislature. The legal attribute of a commodity is property; but the legal attribute of the workingman is citizenship. A different principle of sociology and justice apply to these two subjects when they are before Congress or before the courts. The rules that are rationally applicable to property can seldom be justly applied to the man.

FINLY GRAY'S ELOQUENT APPEAL ON BEHALF OF LABOR.

Congressman FINLY GRAY, of Indiana, also gave an eloquent explanation of the principle of humanity underlying the exemption of labor and farmers' organizations from the provisions of the antitrust bill. FINLY GRAY is one of the clearest thinkers in the American Congress. Physically he is tall and gaunt and old-fashioned, and as he sits among the modern, present-day type of statesmen on the floor of the House he is a character study who will attract the visitor's attention. One can hardly help imagining that he has just stepped out of an American Congress of 100 years ago.

FINLY GRAY is in many respects a strange and unusual man. a genius in every sense of the word. He usually keeps his own counsel, and he has his peculiarities, one of which is that the burdens of the masses of the people lay heavy upon his heart. When he speaks, he speaks as one inspired, and his remarrks in the RECORD the following morning are literature.

I know FINLY GRAY, and I consider him one of the most sincere and gifted friends the plain people have in public life to-day.

When the proposition to make labor unions immune from prosecution under the antitrust law was being debated, FINLY GRAY sat listening to the arguments being advanced by various Members as to why the measure should be enacted into law.

GRAY listened carefully to every explanation offered. Finally he turned to a Member at his side and said:

Labor unions should be exempted, but the real justification for the proposition has not been stated. In justice to myself, I must state the reasons why I intend to support the measure.

GRAY had not intended to speak when he entered the Chamber, but as he sat quietly listening he had been deeply moved. He arose, and his language and philosophy held the close attention of everyone within the hearing of his voice.

Mr. Chairman—

Said GRAY—

there are certain rights which men take along with the right to inhabit the earth. Among these rights is the right to labor and to enjoy the fruits of that labor. This is more than a so-called vested right in property; it is a natural, inherent right of man. It is as sacred to him as the right of habitation itself. It is as vital to his existence as the breath of life. He must have the right to labor in order to live.

And there are certain rights in which man is upheld in a supreme and absolute defense, and in the defense of which he is sustained even to the taking of life—the defense of self, the defense of his person, the defense of his life, the defense of those who by nature are entitled to look to him or protection—and I include the defense of the right to labor in order to live and to support those who are dependent upon him.

Mr. Chairman, there was the time when the laboring man was more independent in the exercise of this right to labor to live than he is to-day. There was a time when every man could say to his employer, "If you do not wish my services, I will go back to the crossroads, to the village workshop, and I will make a plow, a wagon, or a carriage. I will employ myself and I will sell my product for my wages." But this condition of the laboring man has passed and gone. A great industrial revolution has brought a change and a new order of things. The laboring man as an individual has lost his opportunity to employ himself, his power to claim his right to labor to live. He can only work when others choose to employ him. And when he asks for employment the answer comes back and tells him whether or not he can live. The laboring man to-day finds himself confronted with an organization of employers; he finds himself confronted with a combination of capital; he finds himself confronted with a concentration of industry and control of employment—all standing between him and the right to labor to live and to support those dependent upon him.

This is the plight of the individual laboring man to-day. This is his utter helplessness as a single individual.

Under these new and changed industrial conditions union is his only remedy, his only relief, his only defense, his only hope. He must have the right to meet organization with organization. He must have the right to meet combination with combination. He must have the right to meet concentration with concentration.

There is a difference between a labor organization and a trust. There is a difference between a labor organization and a combination in restraint of trade. There is a difference between a labor organization and a monopoly of the resources of human life. There is a difference between an organization for a lawful, natural purpose, and an organization for an unlawful and a criminal purpose. There is a difference between an organization to preserve and safeguard natural inherent rights and an organization to monopolize and prey upon the vital necessities that sustain human life. There is a difference between men organizing for the lawful purpose of securing employment, and to claim the right of all men to labor, to live, and to enjoy the fruits of that labor, and men organizing as a trust, a combination in restraint of trade, a monopoly to control the vital resources of human life, the very inception of which is unlawful, the very existence of which is unlawful, the very continuance and duration of which are unlawful, and the very object and purpose of which is contrary to law and in violation of the natural inherent right of man to live.

LEGISLATION OF IMPORTANCE TO WORKERS.

Other legislation of importance which has been accomplished since the Democrats came into power in the House is as follows:

First. Amendment of the rules of the House by eliminating Cannonism, taking the power of appointing the committees of the House out of the hands of the Speaker and thus preventing him from controlling legislation.

Second. The Department of Labor bill, creating a separate department, with a Secretary, thus giving the wageworkers for the first time a representative in the President's Cabinet, who shall have the power of mediation in trade disputes and the right to appoint conciliators when, in his judgment, it is wise to do so.

Ex-Congressman William B. Wilson, former treasurer and secretary of the United Mine Workers of America, a real friend of the workingman and, indeed, of all the people, has the honor to be the first Secretary of Labor. His biography, as taken from the Congressional Directory, shows that he is a self-made man. It reads:

William Bauchop Wilson, of Blossburg, Pa., Secretary of Labor, was born at Blantyre, Scotland, April 2, 1862; came to this country with his parents in 1870 and settled at Arnot, Tioga County, Pa. In March, 1871, he began working in the coal mines; in November, 1873, became half member of the mine workers' union; has taken an active part in trade-union affairs from early manhood; was international secretary-treasurer of the United Mine Workers of America from 1900 to 1908, having been elected each year without opposition; is engaged in farming at Blossburg; is married and has nine children; was elected to the Sixtieth, Sixty-first, and Sixty-second Congresses from the fifteenth congressional district of Pennsylvania; chairman Committee on Labor, House of Representatives, Sixty-second Congress. Took the oath of office as Secretary of Labor March 5, 1913.

Third. The Bureau of Mines bill, for the purpose of conducting, in behalf of the public welfare, inquiries and investigations with a view to improving health conditions and increasing safety, efficiency, and economy in the mining industry and safeguarding the lives of the miners.

Fourth. A provision in the naval appropriation bill requiring that all coal purchased for the use of the Navy shall be mined in an eight-hour workday.

Fifth. The eight-hour bill, extending the operation of eight-hour law to all work done for the Government as well as work done by the Government.

Sixth. The dredge-workers' eight-hour bill, which remedies a decision of the Supreme Court and brings all mechanics and laborers engaged in river dredging under the provisions of the eight-hour law.

Seventh. The Children's Bureau bill, to promote child welfare and to devise means for the development of the children who are to be the citizens of to-morrow.

Eighth. The Bureau of Safety Devices, a bill to create in the Department of Labor a clearing house for devices that will eliminate, as far as possible, industrial accidents. The creation of this bureau is to supply employers and employees with the best methods of preventing loss of life and limb.

Ninth. The farmers' and laborers' free-list bill, placing on the free list every farming implement, from a garden hoe to a thrashing machine.

Tenth. The parcel-post law, which brings the farmer, merchant, and manufacturer in direct touch with the consumer at a great saving to the people, and which will also help to reduce the cost of living.

Eleventh. The good-roads bill, which appropriates $25,000,000 for the purpose of giving Federal aid in the construction of roads in rural districts.

Twelfth. The Lever agricultural extension bill, appropriating $3,480,000 to promote the welfare of the farmer.

Thirteenth. Rural credits, a provision in the Federal reserve act permitting national banks to make loans on farm lands and to rediscount the notes of farmers based on staple agricultural products. It is estimated that the new currency law makes available $500,000,000 of addditional credit for the benefit of the farmer and the development of agriculture.

Fourteenth. The Bureau of Markets, with an appropriation this year of $200,000, for the purpose of investigating the present system of handling, marketing, and utilizing farm products. It will aid producers, consumers, and manufacturers, and will tend to reduce the cost of living.

Fifteenth. A provision placing sugar on the free list, thus saving more than $100,000,000 annually to the American people.

Sixteenth. The income tax, which places a tax on the incomes of the rich, thus lifting from the backs of the toiling masses of America the heavy burden of taxation forced upon them by the millionaires and tax dodgers of the country. For years the plain people of the United States have been clamoring for an income tax, and the Sixty-third Congress inserted a provision in the tariff bill compelling the rich man to pay his just share of taxation.

Seventeenth. The election of United States Senators by direct vote of the people, which will free the Senate from possible control by special interests.

Eighteenth. A bill providing for the publication of campaign expenses before and after election, also fixing a limit on the amount which Senators and Representatives may expend in elections.

Nineteenth. The phosphorus match bill, to protect the health of those employed in the match industry.

Twentieth. The railway employees' arbitration act, creating a board of mediation and arbitration. This board is independent of any Government department and reports directly to the President of the United States. The first case handled by the board involved 42 eastern railroads, employing 92,000 conductors and trainmen. Their grievances were satisfactorily adjusted and without one cent of loss to the employees.

Twenty-first. The banking and currency bill, which provides a plan for concentrating the reserves of 25,000 banks under one great Federal reserve association. This bill sounds the death knell of the Money Trust and puts an end to trust-made financial panics. It makes it impossible for a few high financiers ever again to concentrate the wealth of the country in Wall Street or elsewhere. Forty-nine Republicans and Progressives voted with the Democrats on the final passage of this bill.

Twenty-second. The Trade Commission bill, which makes unlawful every form of unfair method of competition and creates a commission with the power to destroy monopoly. This bill passed the House without a dissenting vote. Why was it not passed years ago? Because Cannonism blocked its way.

Twenty-third. The railroad securities bill, which prohibits the issuance or sale of so-called watered stocks and bonds by rail-

road companies. This bill passed the House by a vote of 352 to 12, and will prove a great safeguard to the small investor.

Twenty-fourth. The Clayton antitrust bill, protecting the rights, existence, and operations of fraternal, labor, and farmers' organizations, passed the House by a vote of 297 to 54.

Twenty-fifth. The locomotive-boiler inspection bill, to promote the safety of employees and travelers upon railroads, by compelling railroads to equip their locomotives with safe and suitable boilers and appurtenances thereto.

Twenty-sixth. The Key widows' pension bill, granting pensions to the widows and helpless children of soldiers and sailors who served 90 days or more in the Spanish-American War, the Philippine insurrection, or the Boxer War in China. This law will bring comfort to many a home made desolate by the death of the father who in the day of his youth and vigor went forth to defend the flag.

Twenty-seventh. The Sherwood dollar-a-day pension bill, granting a substantial increase to the old soldiers in their declining years.

This bill brings relief to every gray-haired veteran and will insure well-deserved comfort to the men who went to the front a generation ago, suffered hardships, sacrificed their homes and health for the perpetuation of the Union and the preservation of our Government.

THE CAUSE OF LABOR IS THE CAUSE OF MEN, WOMEN, AND CHILDREN. IF THERE IS ANY CAUSE MORE NOBLE, WHAT IS IT?

Mr. Speaker, I am one of the youngest Members of Congress, but there is one matter in which I do not yield to the oldest Member, or to any Member, and that is in my respect for the man who labors and by the sweat of his brow supports the old mother who loves him or the wife and children who are dependent upon him for their bread.

With the single exception of life itself, labor is the most necessary requisite to civilization, for without labor there could be no civilization. Without labor the earth would be so barren it would be uninhabitable.

But, notwithstanding the fact that all the progress of the human race and all the grandeur of civilization have been due to labor, labor in every clime and in every age has been the poorest paid and the least respected.

When the curtain rose on the first dawn of civilization it revealed labor in the chains of slavery. Historians tell us that practically all the ancient Governments practiced slavery in some form, and it was declared that its origin was divine, the classes usurping to themselves the right to exploit labor to the end that the few might live in idleness and luxury at the expense of the toiling masses. For countless years labor was held subjected, without even the rights of marriage and property and without legal and political rights. For centuries the laborer slaves were told they were on a level with the beasts of burden, and should be content to serve their lords and masters without complaint.

Beginning in this condition, labor has been working its way up, up, up, toward the mountain tops of equality, for 5,000 years and more. The cause of labor received its greatest stimulus with the proclamation that man was made in the image of God, which blasted forever the blasphemous teaching of those who were exploiting man—that he was on a level with the beast of the field and had no soul.

Labor has ever made headway on its oppressors, though for centuries its progress was so slow as to be almost impossible of perception. In the last century labor has come faster and made more progress than in any 1,000 years of history. It is going to keep on climbing the mountain until its reaches the very summit.

I will not say, because it simply is not true, that labor has enough friends in the American Congress to-day to obtain for it all the reforms that it deserves and that are some day coming to it. It is absolutely true, however, that the present Congress has more sincere friends of labor enrolled among its membership than any preceding Congress in the history of the Nation has ever had; and the tribe is increasing. Labor has received at the hands of the present Congress legislation which 10 years ago would have been, and was, absolutely impossible. The very atmosphere in the Halls of Congress, with respect to labor legislation, has undergone a most remarkable change, and it is going to change still more. As late as a few years ago a Member of Congress could not approach the dignity of being considered a statesman unless he spoke for capital only; to plead the cause of labor was to relegate himself to the class of only a second or third degree statesman. Indeed, this feeling has not yet completely passed from these national legislative chambers, but it is passing. It is inevitable that the feeling that property rights are superior to human rights must pass, and the passing is merely an incident in the march of human progress.

The curtain is descending on the era of greed, and in arising is revealing the beginning of an era of humanity and the brotherhood of man. The day when a Member of Congress need apologize for espousing the cause of labor is gone, and gone forever. Let it be realized, once and for all, that the men who toil and their families are not slaves, as the ancient slave masters pretended, but that they are all God's children, made in His image, and if one would be blessed in this world let him use his abilities and opportunities, however small they may be, for the uplift of the masses of the people.

Any Representative in Congress who imagines he may degrade his statesmanship by rising in his place to cast a vote in the interest of labor, even though he may stand alone, is woefully mistaken, because the man who sincerely espouses the cause of labor, in however humble a capacity, is serving the noblest cause in which man can invest his energy. The cause of labor is the cause of men, women, and children, and if there is any cause on earth more noble, more worthy, or more divine than that of men, women, and children I pause for those who disagree to tell us what it is.

PERSONAL ATTENTION TO OLD SOLDIERS.

Mr. Speaker, the United States of America is the greatest nation on earth, and the American flag is the most beautiful flag on earth, and we could have had neither had it not been for the Grand Army of the Republic.

I am in favor of a straight dollar a day pension for every survivor of the Union Army who served 90 days or more, and have introduced a bill to that effect, which I hope and believe will soon be considered by Congress. In introducing this bill I have not only followed the dictates of my heart but my action has been in accord with my best judgment. We can never repay in dollars and cents the brave men who went forth to battle that this Nation might endure, and the very least we can do is to see to it that their declining days are made as happy and comfortable as possible.

I have made it one of my principal duties since becoming a Member of Congress to make frequent trips to the Pension Bureau to give personal attention to the pending pension claims of the old soldiers, the soldiers' widows, and the soldiers' orphans residing in the fourteenth district. The volume of pension matters that I am handling is so great that it involves much hard work, but there is nothing that I do here that affords me as much pleasure. Every old soldier or his widow or orphan is invited to write me whenever I can be of service, and while I may not be able to be successful with every claim, I will obtain the desired results in every case where there is a fighting chance of success.

EACH MEMORIAL DAY REVEALS HOW FAST "THE BOYS" ARE GOING.

Mr. Speaker, imagine that it is again Memorial Day. Once more the old blue ranks are joined. With fifes and drums sounding, the remnant of the Grand Army comes down the street.

Again the old "boys" have met at the hall. It is not such a numerous company as met there 10 years ago, or 5, or even last year. But it is still "Bill," and "Tom," and "Comrade" with a heartiness that even age can not take away. There are solicitous inquiries after health. Hands clasp silently in reunion. Many are wondering whose place in the parade will be vacant next year, next Memorial Day. "Jim" is beginning to look feeble. "Sam's" shoulders, always so erect, are beginning to have an involuntary stoop in them.

The Relief Corps has been busy for several days. But now most of the active work of preparation has been done by the grandchildren of the veterans. The grandsons have been out in the woods gathering flowers. The granddaughters have arranged the memorial baskets and bouquets. And grandchildren this year have placed the marker flags in the cemetery. They used more flags this year than ever before.

At last the parade starts. Its military appearance is kept up this year by the presence of Spanish War Veterans and the Boy Scouts. But the chief interest is in the brave little band of Grand Army men. There is a pitiful attempt, but unsuccessful, to appear in uniform. With most the uniform consists merely of the black felt hat with its gold braid. With some it is merely the gold buttons in suits of brown, black, and gray, while a very few still wear the blue suits, brass buttons, felt hat, and all.

Most of them still make a brave attempt to be military in bearing; but for all but a few the exertion is terrific. Some still have their buoyant step, but for most the march is halting and painful; and some who have always marched before this year are riding in carriages and automobiles.

No wonder that in the average small northern town eyes are wet with tears as they watch the old Grand Army march by

again. The faces in the line are mostly known to all, and some are missed. The town knows the story of all of them.

I have a purpose in rehearsing the scenes enacted on Memorial Day. The point I wish to make is that the Grand Army is going, and going rapidly. Each month now at the Pension Office in Washington 4,000 names are struck from the roll with the grim word "Dead" closing each pension account. Four thousand a month! These men who went forth to give their lives for the Union 51 years ago hardly fell on the battle fields and in the fever hospitals at that rate.

The country needs a new sense of the great debt owed to these men. The country owes it to this dwindling band to smooth out their declining years. It ought to be easier for them to get their pensions. They ought not to be subjected to the annoying delays and red tape that they have been subjected to in the past. Their pensions ought to be bigger—a dollar a day is not too much. Moreover, pensions ought to be paid more frequently. There has been introduced in Congress a bill providing for monthly instead of quarterly payment of pensions, and I hope it will pass. Time flies. Whatever is to be done for the boys in blue must and should be done quickly.

WAR WITH MEXICO WAS AVERTED.

Mr. Speaker, the country is to be congratulated upon the success of its great President, Woodrow Wilson, in keeping this Nation from going to war with Mexico. It is well to consider, too, the possibility that had we become embroiled in arms with our sister Republic to the south we might now possibly be engaged in the great war that is to-day shaking the whole world.

The terrible European war, with its accompanying bloodshed, sufferings, and cries of anguish arising from the battle fields, with its ever repeated tales of green fields and fair and bounteous lands transformed overnight into human slaughter pens and scenes of utter desolation, reveal only too vividly what this country escaped in avoiding a war with Mexico.

The people are beginning to realize why Woodrow Wilson was so patient, what he was trying to avoid, and what he succeeded in avoiding.

The wisdom of the President's course toward Mexico is now apparent. An expensive war, and a war without glory to the United States, has been avoided. The mediation caused the flag incident to escape into the background and served to postpone action by the United States against Huerta until the advance of the constitutionalists drove him from Mexico.

As the public is brought to review the recent history it will come to admire the course of Woodrow Wilson more and more. Jingoes and antiadministration newspapers are trying to create the impression that our Government came off second best in a bout involving the honor of both countries. There is also the insinuation that our administration lacked courage to attack Mexico after the seizure of Vera Cruz.

It is very true that the Wilson administration submitted to insults patiently from Huerta, when one-tenth of such insults coming from a nation the size of the United States would have been instantly and firmly resented by the brave man in the White House. It took a braver man to overlook Huerta's insults than to resent them.

But the President's tolerance of Huerta was his greatness. He was dealing not with a nation but with a violent and irresponsible individual. It was the same as dealing with a wayward child. One man might kill another if a point of honor were involved, but the same man as superintendent of an industrial school would submit to the same insult from a bad boy and only seek methods of correcting his charge. That is the way President Wilson dealt with Huerta, and he kept the United States out of war, saving untold bloodshed and misery and millions of dollars.

One great blessing sure to come out of the Mexican revolution will be a modern free public-school system for the Mexican peons. Much cynical criticism of President Wilson's policy toward Mexico has been based on the argument that the Mexicans are too ignorant to support a constitutional government, even if they should have one given to them ready-made.

The answer, of course, is that the rich landowners of Mexico who have controlled previous Mexican Governments have kept these peons in ignorance purposely. They know that with education comes determination to secure better things and greater liberty, and the power to attain them, too. To-day it is practically impossible for the Mexican labor class to get any education at all.

The constitutionalists, confident of their ultimate success, several months ago appointed a commission to study the free-school systems of the United States. The commission, appointed by Gen. Carranza, is headed by Señor Modesto C. Rolland, a former instructor in the Mexican National Military Academy at Chapultepec.

This commission will be ready to report by the time the constitutionalists set up their government in Mexico City.

The program embraces a State system of schools—primary schools, high schools, technical-training schools, and colleges.

Now contrast this prospect with the desolation that would have resulted had we gone into Mexico and reduced that country to ruins.

WOODROW WILSON CAN BE TRUSTED TO KEEP US OUT OF WAR.

The people of the United States are now all anxious that this Nation keep out of any entanglement that might involve us in the European war. President Wilson can be trusted in this crisis. He will never permit us to be drawn into the awful conflict across the Atlantic. It is only right, however, that the people should give him a House and Senate of his own political faith. Some of the more partisan of the opposition party are advising the people to elect to Congress men of a different political faith than the President, in order to throw a monkey wrench in the machinery so that he can not turn a wheel. If there ever was a time when the President should not be harassed by a Congress of a different party than his own, it is now. To "throw a monkey wrench in the machinery so the President can not turn a wheel" might be the means of involving this Nation in the great world-wide war. The advice of President Lincoln "not to trade horses in the middle of a stream" is very obviously applicable at the present moment.

President Wilson's devotion to duty and the path that he has blazed for every Congressman at a time when personal advantage would be best served by campaigning in our respective districts is well illustrated in the correspondence between President Wilson and the chairman of the Democratic national congressional committee. I feel that I can not better conclude these remarks than by quoting that correspondence:

CHAIRMAN DOREMUS'S LETTER TO THE PRESIDENT.

SEPTEMBER 1, 1914.

MY DEAR MR. PRESIDENT: For some time the Democratic national congressional committee has been receiving requests from every State in the Union urging us to enlist your active participation in the important election contest just before us. These requests come from scores of friends of your administration, who view with intense pride and satisfaction the splendid achievements that have resulted through, to use your own phrase, the cooperation of one "human being with other human beings in a common service."

I hazard nothing when I say that you are very near to the hearts of the American people and that your presence among them would be to them a source of much gratification.

I realize how occupied you are in these trying days and how steadfastly you have remained at your post of duty, safeguarding the best interests of all the people in this great crisis, and for that reason I almost hesitate to take up with you the matter of a speaking campaign. However, it is important that we who are responsible for putting before the American people in the coming election contest as best we can the splendid record of achievement of your administration should know as early as possible to what extent, if any, you can give us your valuable time.

Yours, very sincerely, FRANK E. DOREMUS.

THE PRESIDENT'S REPLY.

SEPTEMBER 4, 1914.

MY DEAR MR. DOREMUS: I have read your letter of September 1 with a keen appreciation of its importance. It appeals to me as the leader of the party now in power with peculiar force and persuasiveness. The close of a very extraordinary session of Congress is at hand, which has, I venture to say, been more fruitful in important legislation of permanent usefulness to the country than any session of Congress within the memory of the active public men of our generation. A great constructive program has been carried through, for which the country has long waited, and has been carried through with the approval and support of judicious men of all parties, and we have abundant reason to congratulate ourselves upon the record that has been made during the busy 17 months we have devoted to our great legislative task. Certainly in ordinary circumstances, if we were free to disengage ourselves for the purpose, we would be warranted in now directing our energies to a great campaign in support of an appeal to the country to give us the encouragement of its indorsement at the autumn elections.

We could go to the country with a very sincere appeal in which there need be no pretense or boast of any kind, but a plain statement of things actually accomplished, which ought to be, and I think would be, entirely convincing. It is a record which shows us at peace with all the world; the questions which plagued business with doubt and uncertainty and irresponsible criticism out of the way, thoughtfully settled and disposed of; the apparent antagonism between Government and business cleared away and brought to an end with the plain reckoning accomplished; the path for sure-footed adjustment clear ahead of us, prosperity certain to come by means which all can approve and applaud.

MORE WORK TO BE DONE.

Moreover, there is a program of another kind ahead of us to which it is inspiriting to look forward—a program free from debate, except as to the best means by which to accomplish what all desire. The great questions immediately ahead of us are the building up of our merchant marine with all that that means in the development and diversification of our foreign commerce and the systematic conservation and economic use of our national resources, subjects much talked about but little acted upon. There are other great pieces of constructive legislation waiting to be done to which we could turn without any controversy, except, as I have said, as to the best ways of doing them.

I believe that ways can be found to do these things readily enough if the country will give us its generous support and trust us to do them; and it would have been a genuine pleasure to me to ask to be given again colleagues such as I have had in the two Houses of Congress during the present memorable session. I trust that there will be many occasions upon which I may have the privilege of calling the

attention of my fellow countrymen to the fine and unselfish service which has been rendered them by their present Representatives, ready at all times to respond to any appeal which spoke convincingly of the public welfare.

But in view of the unlooked-for international situation our duty has taken on an unexpected aspect. Every patriotic man ought now to "stay on his job" until the crisis is passed, and ought to stay where his job can best be done. We must do whatever is necessary and forego whatever is necessary to keep us in close and active concert in order to relieve in every possible way the stress and strain put upon our people during the continuance of the present extraordinary conditions. My job, I now know, can be done best only if I devote my whole thought and attention to it, and think of nothing but the duties of the hour. I am not at liberty, and shall not be, so far as I can now see, to turn away from those duties to undertake any kind of political canvass.

A TWOFOLD RESPONSIBILITY.

In the present emergency I am keenly aware of the twofold responsibility I am called upon to discharge—the responsibility which devolves upon me as President of the United States and the responsibility under which I am laid as leader of a great political party. Of course the whole country will expect of me and my own conscience will exact of me that I think first of my duties as President, responsible for exercising so far as I have the ability a constant guidance in the affairs of the country, both domestic and foreign. The labors of Congress have a natural and customary limit; the work of the Houses can be and will be finished; Congress can adjourn. But the President can not, especially in times like these, turn away from his official work even for a little while. Too much depends upon his keeping all the threads of what is occurring in his hands.

I have therefore reached the conclusion that I can not in any ordinary sense take an active part in the approaching campaign; that I must remain here to attend to the serious work sure to fill the months immediately before us—months that will carry with them obligations, no doubt, of the most tremendous sort. I know that you will feel similarly about your own obligations; that Members of Congress, too, without distinction as to party affiliations, will feel that they must remain to do their work of necessary and pressing service and bring it to a successful conclusion.

TO BE JUDGED BY RECORD.

I shall no doubt take occasion as opportunity offers to state, and perhaps restate, to the country, in the clearest and most convincing terms I can command, the things which the Democratic Party has attempted to do in the settlement of great questions which have for many a long year pressed for solution, and I earnestly hope that they will generously open their minds to what I may have to say; but I shall not allow my eagerness to win their approval or my earnest desire to be granted by their suffrages the support of another Congress to interfere with the daily performance of my official duties or distract my mind from them. The record men make speaks for itself. The country can not be deceived concerning it, and will assay it justly. What it chiefly expects and demands and what it will certainly be most surely won by is the performance of duty without fear or favor and without regard to personal consequences.

And certainly this is a time when America expects every man to do his duty without thought of profit or advantage to himself. America is greater than any party. America can not properly be served by any man who for a moment measures his interest against her advantage. The time has come for great things. These are days big with destiny for the United States, as for the other nations of the world. A little wisdom, a little courage, a little self-forgetful devotion may under God turn that destiny this way or that. Great hearts, great natures, will respond. Even little men will rejoice to be stimulated and guided and set an heroic example. Parties will fare well enough without nursing if the men who make them up and the men who lead them forget themselves to serve a cause and set a great people forward on the path of liberty and peace.

Cordially and sincerely, yours,

WOODROW WILSON.

The War Revenue Tax.

EXTENSION OF REMARKS

OF

HON. JAMES C. McLAUGHLIN,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Monday, October 5, 1914.

On the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. McLAUGHLIN. Mr. Speaker, I am receiving, as I presume other Members are, many letters and telegrams protesting against the so-called war-tax bill which passed the House a few days ago, by which it is proposed to raise additional revenue to bolster up the rapidly diminishing balance in the Federal Treasury by imposing special and unusual taxes upon the people of the country to the extent of $105,000,000.

I believe the country ought to know that the measure now passing through Congress is a secret, partisan affair, and that Republicans have no opportunity whatever to take part in the preparation or consideration of it. I feel I must speak of these matters, if for no other reason than to explain more fully than I am able by correspondence with my constituents the real situation as it exists here, and why, because of the partisan, star-chamber methods of the Democratic majority, I am unable, as a Republican, even to offer assistance.

Up to the time the bill passed the House, September 25 last, it was necessary for me to answer all communications by saying that the bill was being prepared in secret by Democratic members of the Ways and Means Committee, and that later, when the bill was before the House, it was considered under a special rule, which permitted very brief debate and no opportunity whatever for amendment.

When the bill was reported from the strict privacy of the Ways and Means Committee it was considered (?) in the House under a rule which permitted Republican and Progressive Members together only two hours of debate—about one minute to each, if he wished to indulge in unavailing protest—and was rushed through without amendment—because the rule expressly provided that no amendment would be permitted—by almost a solid Democratic vote.

During the Sixtieth and Sixty-first Congresses, when Republicans controlled the House, I joined and took part in a movement to do away with what I considered were arbitrary and unjust special rules which unreasonably limited debate and which gave too little opportunity for amendment of important bills. At that time every Democrat in the House joined in the attempt we were making to correct the system by which oppressive rules, "gag rules," as they were called, were imposed; and every Democrat who then spoke, including those who are now leading the Democratic majority, expressed himself frequently and forcibly, and with some show of sincerity, to the effect that the system of "gag rule" was a Republican system which should have no place in a Democratic House.

But evidently sincerity and consistency are not Democratic virtues. The Democratic majority has frequently resorted to special rules, some of them more drastic and inexcusable than any used while the Republicans were in control. "Gag rules" are now frequently employed to pass party measures, and not infrequently for the consideration of measures which ought to be, and but for the offensive rules would be, considered in a nonpartisan manner. The rule under which the war-tax bill was forced through the House was about as bad as could be, although it was not much, if any, worse than others which have been resorted to during the last four years.

The war-tax bill is now in the hands of the Finance Committee of the Senate, where it is being considered by the same secret and partisan procedure which marked its course at this end of the Capitol. Democratic members of the committee are holding meetings behind closed doors; no Republicans are permitted to enter; no amendments can reach the committee except such as are presented on the floor of the Senate. The committee permits no hearings; no one, regardless of the extent or manner in which his business or his property may be affected, is permitted to appear—even Republican Senators, who wish to present the views or interests of their constituents, find it very difficult, often impossible, to reach the committee.

This bill is presented as a "war measure," and Congress is appealed to to be "patriotic" in its support of the administration in the "emergency" which confronts it. Such appeal is unnecessary; Congress is always patriotic and always ready to support the administration in time of war or when real emergency arises. In 1898, when our country was itself engaged in war, a "war-tax bill" was presented to Congress by Republicans; Congress had appropriated $50,000,000 to be placed in the hands of President McKinley, to be used as his judgment seemed to make necessary; and to meet further and extraordinary expenses of war, a bill providing special internal-revenue taxes was presented. Democrats now accuse Republicans of lack of patriotism and of unjustifiable partisanship. What was the attitude of Democrats in Congress in 1898? The country was prosperous in 1898, but it had lately emerged and had only partially recovered from the panic which afflicted it during four years of Democratic administration, and it was necessary to resort to special taxation to meet the expenses of war. Did the Democrats then show patriotism or partisanship? The bill was considered several days in the House; all who wished had a chance to speak, and every possible chance to offer amendment was given; but every Democrat who spoke at all opposed the bill and almost every Democrat voted against it.

The taxes to be imposed by this bill are called "war taxes," made necessary, it is claimed, by the "emergency" of the war in Europe; but in truth and in fact they are made necessary on account of failing revenues under the Underwood tariff law. It is true that that law has yielded considerable revenue—more than was expected—but the merits and capacity of any law as a revenue producer must be measured by its ability to supply revenue to meet expenditures and to meet ordinary contingencies at least.

The fact that the Underwood law yields large revenue is not creditable to it, inasmuch as the law has caused very large increase of importations, because tariff duties are made so low as to invite foreign manufacturers to flood our markets with their goods, causing mills and factories which make, or ought

to make, these goods in this country to shut down or curtail their output to such an extent as to deprive thousands of men of employment or compel them to work short time or at reduced wages. A tariff law which imposes duties which are not high enough properly to protect American producers may yield large revenue by inviting foreign producers to enter our markets, but, as they absorb our markets, they destroy or seriously embarrass producers of our own country. Under such a law as the Underwood law the greater the revenue the greater the embarrassment of home producers.

Large revenues have been collected under the Underwood law, but appropriations for which they are to be used are more than $93,000,000 more than during the last year of Republican administration; and even if customs duties had not been reduced by war it would have been necessary to meet expenditures either by sale of bonds, as is usual under Democratic administrations, or by special taxes, as is being done now.

As proof of the assertion that appropriations largely exceed the revenues which can possibly be collected, I call attention to the following statement of actual appropriations and estimated receipts for this year:

APPROPRIATIONS.

Agriculture	$19,865,832.00	
Army	101,019,212.50	
Diplomatic and Consular	4,309,856.66	
District of Columbia	12,172,539.49	
Fortifications	6,627,700.00	
Indian affairs	9,771,902.76	
Legislative, executive, and judicial	37,630,229.70	
Military Academy	997,899.54	
Navy	144,868,716.61	
Pensions	169,150,000.00	
Post Office	313,364,667.00	
Sundry civil	110,070,227.39	
Urgent deficiency	17,462,457.78	
Deficiency	5,901,128.83	
Miscellaneous	6,000,000.00	
Permanent annual	131,196,407.00	
Rivers and harbors	20,000,000.00	
War risk insurance	5,100,000.00	
For assistance to Americans in Europe	1,000,000.00	
		$1,120,508,777.26

RECEIPTS (ESTIMATED).

Customs receipts	261,840,000.00	
Ordinary internal revenue	308,613,000.00	
Corporation and income taxes (if business is good)	78,000,000.00	
Postal receipts	308,000,000.00	
Miscellaneous receipts	71,000,000.00	
		1,027,453,000.00
Deficit		93,055,777.26

The above statement as to receipts is, of course, only an estimate, but it is prepared by reliable, if not official, authority. In a speech in the House September 12, 1914, Hon. JOHN J. FITZGERALD, Democrat, chairman of the Committee on Appropriations, gave the estimated receipts as $1,036,000,000, only $8,547,000 more than the above estimate.

All estimates of receipts for this fiscal year were prepared before the war in Europe began, and therefore may be taken as the normal receipts of the year. The total receipts of last year, as reported by the Secretary of the Treasury July 2, 1914, were—not including postal receipts—$734,343,700.20; but included in this sum was $12,500,000 received on the sale of two of our battleships to Greece and also the sum of $3,800,000 surplus postal receipts turned over by the last Republican Postmaster General. If we deduct these receipts and add the amount of postal receipts estimated by Mr. FITZGERALD—$308,000,000—we have $1,026,043,700, which is $1,410,000 less than the estimate I have given and only $10,000,000 less than is estimated by Mr. FITZGERALD.

Appropriations reach the enormous sum of $1,120,508,777.26, which is $93,825,895.54 more than the sum appropriated by the last Congress while Republicans were in control of the Government; and this excessive appropriation has been made, although only $21,000,000 is appropriated this year for the Panama Canal, whereas under Republican rule it was necessary to appropriate as high as $48,000,000 for this purpose in a single year, and although it is necessary this year to appropriate $11,150,000 less for pensions than last year.

In addition to appropriations actually made, and as indicating the attitude of the entire Democratic administration in making and demanding appropriations regardless of the revenue of the Government, attention is called to the fact that the administration has approved and is demanding early passage of the bill (H. R. 18666) to provide $40,000,000—$10,000,000 in cash and $30,000,000 in bonds—to enable the Federal Government to "purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States." Only a few days ago the President announced that he would not permit Congress to adjourn until this shipping bill, one of his pet measures, shall be enacted into law. And the State Department has negotiated a treaty with the Republic of Colombia, which the President of the United States has approved and recommended to the Senate, providing for payment of $25,000,000 to that Republic as a balm to its injured feelings growing out of the organizing of the Republic of Panama and the acquisition by the United States of the Canal Zone over or through which the Panama Canal has been constructed. And another treaty has been negotiated with Nicaragua, approved by the President and urged by him for approval by the Senate, providing for payment to that country of $3,000,000. If these measures are passed, the appropriations or obligations of the Government will be increased by the sum of $68,000,000, and if the administration is extravagant enough to use all of the money it has demanded and which has been placed at its disposal by Congress, the deficit for this fiscal year will be $161,055,777.26.

The predicament in which the Democratic Party is placed on account of these immense appropriations would be amusing if it were not so serious, in view of the bitter denunciation of Republican administrations by Democratic platforms and of loud and persistent promises of Democratic economy. In the light of present conditions, it is interesting to read the "economy" paragraphs of Democratic national platforms. The Democratic platform of 1908 said:

> The Republican Congress in the session just ended made appropriations amounting to $1,008,000,000. * * * We denounce the needless waste of the people's money, which has resulted in the appalling increase, as a shameful violation of all prudent considerations of government and as no less than a crime against the millions of working men and women, from whose earnings the great proportion of these colossal sums must be extorted through excessive tariff exactions and other indirect methods. * * * We demand that stop be put to this frightful extravagance, and insist upon the strictest economy in every department compatible with frugal and efficient administration.

The platform of 1912 said:

> We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of the recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic Government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

In a speech delivered in the House April 10, 1914, Mr. FITZGERALD, Democrat, chairman of the Appropriations Committee, said:

> Whenever I think of the horrible mess I shall be called upon to present to the country on behalf of the Democratic Party, I am tempted to quit my place. I am looking now at Democrats who seem to take amusement in soliciting votes on the floor of this House to overturn the Committee on Appropriations in its efforts to carry out the pledges of the Democratic platform. They seem to take it to be a huge joke not to obey their platform and to make ridiculous the efforts of the members of our party who do try to live up to promises they made to the people. * * * They have unnecessarily piled up the public expenditures until the Democratic Party is becoming the laughingstock of the country. * * * Do not continue to vote for these improper and improvident appropriations. Those who propose to continue to do so should at least have the courage openly to assert upon the floor of this House that they believe the professions of the Democratic Party have not been made in good faith, that they can not be carried out, and that we are not entitled to power because of those professions.

In April, Mr. SISSON, of Mississippi, Democrat, member of the Committee on Appropriations, said:

> This is the most outrageous and criminally extravagant Congress that ever sat on the American Continent. I want to apologize to the Republicans for having called them extravagant when they were in control of the House. They were modest in comparison with the appropriations that we are now making.

These are not Republican professions or promises of economy in the administration of government, nor have these criticisms been passed upon the present Democratic Congress by Republican Members. The promises of economy were a part of the platform on which the candidates of the Democratic Party ran and are, or were supposed to be, the tenets of their faith in the matter of public expenditures. The speeches criticizing the Democratic majority were made by two prominent members of that party, one the chairman and the other a prominent member of the Committee on Appropriations of the House. It is certainly not necessary for me to say anything myself or to offer further testimony in support of the charge that appropriations made at this session of Congress are very large, that they show inexcusable extravagance, especially at a time when the revenues of the Government are threatened and when the Administration is demanding collection of additional revenue by way of special internal-revenue taxes.

But now, notwithstanding the statements I have made as to the revenues for this fiscal year and as to immense appropriations which apparently can not be met without an issue of bonds or special taxes, I wish, in good faith, to submit that there is, and during this fiscal year will be, no good reason for permitting a deficit to arise which can not be met without the passage of this war-tax bill.

It will not be necessary for the departments of Government, for which these immense appropriations have been made, to use all the money provided for them. They can and ought to exercise economy, and by the exercise of economy many, many millions of dollars of the money appropriated will remain in the Treasury. And the Government can recall, as it needs money, the $75,000,000 now on deposit in national banks, placed there by the Secretary of the Treasury ostensibly to "move crops" and to be loaned by the banks for general business purposes. I say "ostensibly" because a very small part of the money has been placed in banks in parts of the country where there is real need of money for moving crops. It is significant that not one dollar of the "crop-moving" money has been deposited in the banks of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, Pennsylvania, Delaware, Maryland, West Virginia, Ohio, Michigan, Wisconsin, Minnesota, North Dakota, South Dakota, Montana, Utah, Wyoming, Nevada, Idaho, Oregon, California, New Mexico, or Arizona. It might truthfully be said that the Secretary of the Treasury has been unduly liberal to banks in Southern States, but if I were to present all the evidence of favoritism and sectionalism displayed in the placing of this money, more time would be necessary than I am permitted to occupy.

But regardless of the location of the banks in which deposits have been placed and regardless of the purpose for which deposits were made, the money was loaned to the banks at 2 per cent interest, subject to call, and now, in the time of the Government's need, it ought to be returned. The President says the business of the country is in such critical condition—not on account of vicious tariff legislation, which paralyzes industry, but, as he says, "on account of the war"—that it will not be safe to withdraw money from banks; but the Secretary of the Treasury says banks are filled to overflowing; that they are hoarding money, accumulating money far in excess of the requirements of law; that banks, lending the Government's money, are making loans at exorbitant rates of interest—from 6 to 12 per cent—that they are refusing to make loans when good security is offered; that they are doing these things for the purpose of embarrassing the business of the country.

If the Secretary is right, the country will say that the deposits ought to be withdrawn from the banks, and that the Government ought to have its money to be used in meeting the "emergency" which confronts us. If the Secretary is right, the Government, with $75,000,000 of money in banks, subject to call, ought not to think for a moment of imposing special and unusual taxes upon the people. With abundant opportunity to reduce the expenses many millions of dollars, and with $75,000,000 of money in banks, subject to call, a levy of $105,000,000, or any other amount, is absolutely inexcusable.

Abstract of Mr. Bryan's Address Sunday, October 4, 1914, at New York Prayer Day Exercises.

EXTENSION OF REMARKS

OF

HON. JOHN L. BURNETT,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 8, 1914.

Mr. BURNETT. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an abstract of Mr. Bryan's address Sunday, October 4, 1914, at New York prayer-day exercises.

The abstract of Mr. Bryan's address is as follows:

"Responding to petitions from the representatives of all religious faiths the President has, by solemn proclamation, set apart this day as a day of prayer for peace, and we, by assembling on this occasion, indicate approval of his official act, while we in the spirit of worship plead with the Almighty to so make known His sovereign will as to restore peace, complete and enduring, to the nations now at war.

"It is not necessary that we should consider the causes that led up to the conflict or attempt to locate responsibility for the conditions that now exist. It is not only not necessary but contrary to the natural order. If a friend meets with an accident we address ourselves first to his immediate needs, and after we have relieved his sufferings we seek the cause of his misfortune with a view to saving others from a similar fate.

"So to-day, when a number of nations, all our friends, have been drawn into the vortex of war, our first duty is to use such influence as we may have to hasten the return of peace; there will be ample time afterwards to devise ways and means for preventing future appeals to arms.

"Prayer is a recognition of a power higher than ourselves and a confession that we believe in the existence of a force above and beyond man's control; prayer expresses humility—it is an acknowledgment of man's finiteness in the presence of the Infinite. It proclaims reliance upon a wisdom to which our minds can not aspire and a willingness to abide by the will of God, made manifest among men.

"As each individual life is influenced, even often controlled, by events which man does not foresee and which care can not avoid, so the tide of battle is sometimes turned by unexpected incidents which no precaution can prevent and which no preparedness can withstand. The believer, however fixed his opinion and however positive his sympathies, should desire the triumph of that which is right above that which may accord either with his seeming interest or his judgment. If this is our attitude toward those overruling events which indicate the pleasure or displeasure of the Heavenly Father, we can with the more profit to ourselves consider the elements which enter into the establishment of peace—remembering that we ourselves need enlightenment as to the course that will enable us to be helpful both to our own and to other nations.

"In this age our interests are so entwined with the interests of those who reside in other lands that no nation can live or die unto itself alone. If we had no higher reason for encouraging conditions conducive to peace, we should find ample justification in the fact that the burdens of war are no longer borne entirely by those who are direct participants in it. To-day every neutral nation finds itself greatly embarrassed by the disturbance which the European war has wrought in every department of human activity; and we therefore appreciate more fully than ever before how numerous are the ties that bind us together and how far-reaching are the consequences of war.

"We must not be discouraged if this, the greatest of all wars, breaks out just when we were most hopeful of the substitution of reason for force in the settlement of international disputes. It may be that the world needed one more awful object lesson to prove conclusively the fallacy of the doctrine that preparedness for war can give assurance of peace. This assumption is built upon the theory that peace rests upon fear, whereas all history proves the contrary. Love is the only foundation upon which permanent peace can rest; peace is promoted, therefore, by anything which promotes good will. Continuous preparation for war presupposes the existence of an enemy who must be hated until he can be overcome; but hatred begets hatred, and revenge is the heaviest load that man or nation can carry. It is only occasionally that one has an opportunity to do hurt to an enemy, but the desire to harm another is a continuing source of injury to one's self.

"And even if one could be completely avenged by the exercise of physical force, he could not escape the influence which the use of this force and the winning of a triumph by means of it are likely to exert upon himself. When the Creator placed man upon the earth he so arranged the restraints intended for the control of his life that he is impotent to escape from the results of his own wrongdoing. No human court can suspend the decree pronounced in the sentence, 'The wages of sin is death.' As man's happiness was placed in his own keeping when it was made dependent, not upon what the world does for him but upon what he does for the world, so his punishments were committed in part to his own hands when the Maker withheld from him the power to protect himself from the punishment which evil doing inflicts upon the evildoer.

"The commandments that relate to man's conduct toward his fellows were given not merely for the benefit of those who might without these commandments suffer injury at the hands of others but for the benefit, also, of those who without the commandments might, while inflicting injury upon others, bring still greater suffering upon themselves. Likewise the doctrine of forgiveness was not promulgated for the benefit of the forgiven alone, but that man, leaving vengeance to the Lord, might occupy his time to better advantage.

"Most of the errors which man commits in international affairs arise from a failure to understand the fundamental truth, that moral principles are as binding upon nations as upon individuals. The commandment, 'Thou shalt not steal,' covers grand larceny as well as petit larceny; 'Thou shalt not kill,' applies to nations as well as to individuals. A nation is but a group of individuals, and no group, however numerous, can expunge one syllable of the moral law. 'Though hand join in hand, the wicked shall not be unpunished.'

"We shall be aided in our efforts to promote peace if we fix in our minds certain propositions which embody pertinent and

important truths. Some of these propositions are directed against delusions, others express the conclusions drawn from the world's experience.

"First. War is not to be judged by the appearance of soldiers on parade. The regiment marching through the streets with banners flying, keeping time to the strains of inspiring music, is attractive to the eye, but this is not war. War is understood only when one visits the hospital, when disease is ravaging the camp of the battle field, where men meet face to face, grimly determined to sell their lives at the highest possible price, paid in human blood, or when one enters the fatherless home from which the breadwinner has been taken and measures the value of the protection withdrawn from the children and the added cares imposed upon the mother. Weight must also be given to the aftermath of prejudice and ill will, for each war sows the seeds of future wars.

"Second. The good that man's ingenuity may be able to extract from war must not be used to justify recourse to arms. Such advances in civilization as have been credited to war could have been secured in larger measure and at less cost by peaceful means. Man has been rowing upstream, and it is necessary to subtract the speed of the war current before we can estimate the progress which would have been made had he not been compelled to pull against the swift currents of human passion.

"Third. Man does not need to stain his hands with his brother's blood in order to qualify himself for worthy deeds. We could not worship God as we do if we believed that He had so constituted man as to make war necessary to man's elevation. If war were a moral necessity, it would be planned for, not deplored. If it were a recognized human need, men would claim credit for it, not deny responsibility, as they do to-day. One of the encouragements to be drawn from the present European conflict is to be found in the fact that the Governments involved vie with each other in refusing to admit that they began it. We have taken a long step in advance when no civilized nation will either admit a desire for war or confess an intention to inaugurate it.

"Fourth. Man is normal when in calm, not when he is angry; and his plans must, therefore, be perfected and carried out when his conscience and his judgment are free to act. When a man is angry he boasts of what he can do; when he is calm he considers what he ought to do.

"Our Nation not only largely profits by the peace policy which it has pursued, but it has put itself in a position to render a larger service to the world than it otherwise could; and with nations, as with individuals, service is the measure of greatness. By promptly accepting the mediation generously offered by the representatives of three great Republics of South America—Brazil, Argentina, and Chile—President Wilson not only secured a peaceful solution of a situation that threatened war, but he gave a strong impetus to the cause of conciliation. It will be easier than before to preserve peace in the Western Hemisphere and more difficult to excite war.

"In its dealings with other countries our Government has found it wise to discourage the employment of the ultimatum and to substitute a continuation of negotiations, on the theory that nothing is final between friends.

"Our Government, steadily advancing toward the goal of universal peace, has also found it possible to make more remote the possibility of war by the negotiation of treaties which provide for the investigation of all disputes before the employment of force. Twenty-seven of these treaties have already been signed, and the Governments which they represent embrace considerably more than two-thirds of the population of the world. In fact, almost every nation of importance has indorsed the principle, and nearly all have concluded conventions. Those treaties leave nothing which can become a cause of war until after an international tribunal has investigated the matter in dispute. The commission provided for is a permanent one, ready to be invoked at a moment's notice, and the period allowed for examination into the differences is a year—long enough to permit passions to subside and questions of honor to be separated from questions of fact. In order to secure the investigation of all questions, without any exception whatever, it is necessary to reserve to the contracting parties the right to act independently upon the subject matter after the investigation has been made; but this right, while important, is not likely to be exercised, since the investigation is quite certain to result in agreement.

"Fifth. The plane of existence will not be lowered, neither will the field of endeavor be narrowed when, as foretold in prophecy, the swords shall be beaten into plowshares and the spears into pruning hooks; when nation shall not lift up sword against nation, and when people shall learn war no more. Man has spent a considerable portion of his time in the work of destruction. In the day that is dawning he can devote all his efforts to production.

"Already we have learned that it is more advantageous to expand the land we have by doubling its productiveness than it would be to add an equal area by conquest; the sacrifices made in altruistic work prove how limitless is the field of noble effort when men rival each other in doing good. There is as much inspiration in a noble life as in a heroic death.

"Sixth. 'No question is ever settled until it is settled right.' Force is impotent to fasten upon mankind a single falsehood. There is in every righteous cause an inherent power by which it is able to overcome opposition. As the invisible germ of life in the grain of wheat takes from earth and air that which it needs for its growth and perfection, so the invisible germ of life in truth gathers nourishment from the dead things about it and grows until it becomes an irresistible force, bringing victory to those who dare to stand for it. One with God shall chase a thousand and two put ten thousand to flight.

"Seventh. The goal of humanity is universal brotherhood, and each individual is destined to find that the commandment 'Thou shalt love thy neighbor as thyself,' instead of diminishing his share of the proceeds of the general toil of the world, will give the largest assurance of permanent prosperity and advancement. He who impressed upon man His image and who holds in His hands the destinies of nations has ordained that man's welfare shall be dependent upon obedience to the divine law, and mankind is drawn together in the indissoluble bonds of common brotherhood as man sees this law with increasing clearness.

"At the close of the Civil War one of the sad experiences of that great conflict was described in verse. The story runs like this:

"'Two brothers, reared at the same fireside, had enlisted, one in the Union Army and one in the Confederate ranks. During a battle one of these thrust his bayonet into the breast of a soldier in the opposing line. When he stooped to withdraw the weapon he found that he had killed his brother,' and then the poet in touching words described the sorrow that overwhelmed him.

"It is not too much to hope that in the days which are before us we shall feel more and more the binding influence of that tie that links each human being to every other until we shall fully recognize the claim of each upon all. God speed the day!"

On Adoption of Conference Report on Antitrust Bill.

EXTENSION OF REMARKS

OF

HON. JEFFERSON M. LEVY,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 8, 1914.

On the adoption of the conference report on the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. LEVY. Mr. Speaker, the Sherman law, passed in 1890, was not enforced until about 1906, and after long litigation in the courts the construction of that law was upheld by the United States Supreme Court on May 15, 1911. Since that time the law has become more thoroughly understood by the business interests of this country, and they are endeavoring to comply with it. We now propose to enact this legislation, which will create uncertainty and further litigation. I was the first to oppose combinations and monopolies, and in the Fifty-six Congress, in a speech delivered on the floor of this House, I said:

Publicity and the prevention by State legislation of overcapitalization are the two remedies which would cure all that is bad in combinations of business and capital, and I am in favor of both of these remedies.

If the various States had adopted the system of common law as applied in England, which is the proper method of correcting these evils, we would not have had the financial and business panics which have occurred in this country ever since they have been endeavoring to enforce the Sherman law.

While the enactment of the Sherman law has undoubtedly accomplished some good, nevertheless since the enforcement of this law the disaster and distress that has been brought upon the people of this country overshadows the great benefits that have been derived from it; prices of all the commodities of life have increased, and this is traceable directly to the enactment of this class of legislation. It centralizes the power of the

Government; it destroys and derides business. A great portion of the distress in the business world to-day is charged to the gigantic conflict going on in Continental Europe at the present time, but nevertheless this class of legislation has been more the cause of distress to this country than the European war.

The American people are not so vindictive or anxious to punish their fellow citizens because they are successful in business. They are not desirous of sending people to prisons because of the violation of some uncertain statute that has not been correctly construed, but this measure proposes, in the first instance, to fine or imprison, or both, in the discretion of the court, for any infraction of the proposed law. If this bill was necessary, the punishment on first conviction should be a fine and on second conviction imprisonment.

The passage of this bill will make uncertain the Sherman law and we will be compelled to go through 10 years of litigation to determine what the Sherman law and this law combined together proposes.

If we want prosperity in this country we should give aid and encouragement to the business interests instead of denouncing all men who are successful in their various enterprises.

The State of the Union.

EXTENSION OF REMARKS

OF

HON. SERENO E. PAYNE,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 28, 1914.

Mr. PAYNE. Mr. Speaker, we have had one year and seven months of the Wilson administration, and it is fair to give a review of the results:

When President Wilson was inaugurated the country had enjoyed a period of 16 years of Republican administration and was at the high tide of prosperity. During the Taft administration our foreign trade had increased beyond metes and bounds, and the balance of trade in favor of the United States was beyond all precedent. The fiscal year ending four months after the inauguration of President Wilson showed exports amounting to $2,465,884,149 and imports amounting to $1,812,978,234, a balance of $650,000,000 in favor of the United States.

At the extra session called in the first few weeks of the administration the majority party began to shape its legislation. The first in order was the tariff bill.

They promised to injure no business, to increase our exports by increasing imports, to reduce the high cost of living, to increase the great prosperity already prevalent everywhere, and to keep at work the millions of wage earners, every one of whom was busy at full time under the previous conditions. In addition, it was to be a tariff for revenue, producing sufficient revenue to meet the expenses of the Government. The record up to the first day of August last, during which time there was no war in Europe, shows a lamentable failure in each and every one of these particulars. From the beginning our exports have steadily decreased and our imports have increased; since April the balance of trade has been steadily against the United States. The total loss exceeds a quarter of a billion dollars. Laborers had their income reduced by enforced days, weeks, and even months of idleness, and now manufacturers are seeking to reduce wages in order to keep their establishments open.

The first fiscal year demonstrates that the Underwood law would have caused a deficit if it had stood alone, and it was only saved by the fact that the Republican revenue measure was in full force for three months and in partial force for several months thereafter. Nowhere has the cost of living been reduced, but, on the other hand, it has increased. The first great measure of the Democratic Party has proved to be a dismal failure.

BANKING AND CURRENCY BILL.

The second measure of the dominant party was the banking and currency bill. They wisely availed themselves of the splendid work which had been done by previous Republican Congresses and the Monetary Commission and made up their bill almost completely from provisions taken from the commission bill. They struck out the central bank, which they had excoriated in their campaign, and substituted therefor the Federal reserve system, which supplies the place of the central bank, with branches, and is certainly a dubious improvement upon the original plan. They also availed themselves of the advice of bankers who had gained their knowledge by years of experience, and, though not in the open, they obtained advice even from Wall Street. While the law as finally passed contained some objectionable features, which seemed to have no use other than to give it the appearance of originality, it was on the whole a good law. For its success it depends very largely upon the manner of its administration. It has been on the statute books for over 10 months, and we are now promised that is will be put into operation shortly preceding the next election.

It is quite evident to the most casual and unthinking observer that banking and currency matters should be entirely divorced from any partisan politics. The bill in the House provided for a reserve board of five members, of whom no more than three should be of the same political party. With this clause the bill went to the Senate. At a meeting of bankers in Chicago one of the bankers present suggested that this clause ought to go out because no President would ever be found who would constitute a board without following substantially the terms of this provision, even if it were not in the law. This suggestion was made by a Republican banker and was concurred in by the Democratic members of the committee for the reason that all thought the law ought not to have any provision in reference to partisan politics in it. On the recommendation of these bankers the Senate struck out this provision. It was therefore a genuine suprise to these same men when they heard the announcement that the President had appointed five Democrats as members of the board. This was not a good start.

Prior to this two members of the Cabinet and the Comptroller of the Currency had astonished the country by their selection of reserve cities. Disregarding the spirit if not the mandates of the law, they had sought to turn the course of business upstream in different localities in the country. Northern New Jersey was taken away from New York and given to Philadelphia, compelling the bankers in that section to keep two accounts, one in Philadelphia to meet the requirements of the designation by these officials, and the other to do business and have an account where they must have it, in New York City. Other designations are even worse.

Banks, and people doing business with them, have not been reassured by the action of the Secretary of the Treasury. Banks are required to have a certain amount of reserve which they deposit with central reserve banks. There is a minimum limit, and there is no maximum. Naturally, from the exigencies of the banking business from day to day, this reserve is often temporarily largely increased. Recently the order was given out for the banks to make a statement of their business, and it turned out that a number of banks had considerably more reserve than the law required. Whereupon they were publicly reprimanded by the Secretary of the Treasury, and threatened with the withdrawal of Government deposits on account of keeping a reserve which he thought unnatural and in the nature of hoarding. He followed it up by publishing a list of the banks he had censured. It turns out that many of these banks, if not the most of them, were holding this reserve, temporarily on engagements to loan large amounts, most of which have since been loaned. The whole result has been a tendency to weaken the standing of the banks by this unjust interference on the part of the Treasury Department. Men are beginning to inquire whether the banking system is to be used as a political asset. It is to be hoped that the widespread criticism which has come from these acts will result in a reform in the methods hereafter in dealing with the banking interests.

The majority party was obliged to adopt the Vreeland-Aldrich Emergency Currency Act by extending its time and making it even more liberal in the allowance of emergency currency. This legislation has proved its worth by sustaining the business of the country during the critical times arising out of the distraught and distressed business which existed prior to the outbreak of the war in Europe and intensified by the war itself.

Upon the passage of the tariff bill the Democrats in Congress apologized for the failure of their promised prosperity and claimed that it would come immediately upon the passage of the currency measure. The Speaker of the House made a notable speech, in which he prophesied that upon the enactment of the currency legislation the business of the country would "blossom as the rose." The currency legislation was passed 10 months ago. Still business has continued to grow worse from month to month. In the face of overwhelming evidence this was at first denied, but finally it forced itself upon the President, who stated that the depression was psychological. Business people have struggled ever since. Factories are working without profit almost universally to keep their forces together. The signs of discouragement and business distress multiplied and continued to multiply up to the

beginning of the war in August last. Millions of people out of work or compelled to work on one-half or two-thirds time at the same old wages and the end is not yet in sight.

The war may alleviate some of these conditions, as it probably is doing now, but the end of such conditions can only come by the restoration of another party to power.

THE NEW TAX LAW.

The new tax law is now pending in the Senate, and the people will soon feel its grinding effects. This law is being enacted not alone because of the war in Europe, but mainly because of the diminishing receipts under the Underwood law and the enormous and reckless increase in public expenditures. Judging from the operations of the Underwood law for eight months prior to the 1st of August there would have been a big deficit on account of the expenditures of the Government had peace reigned all over the world. With the deadly blight on business even the income tax would probably have failed to produce as much revenue, as shown by the receipts in June last, based on the business of the calendar year 1913. A deadly blight has settled upon all business during the calendar year 1914.

The tax of $110,000,000 per annum is far in excess of any deficit that will occur during the year on account of the war. The indications are that not more than a third of the amount will be needed, and even that could be avoided by rigid economy. Why this great demand for taxation unless it is for the purpose of keeping Government funds in the banks where they are now deposited in order to carry out the scheme of the Secretary to bolster up and aid the cotton growers of the Southern States?

The proposed law as it passed the House provides for an indefinite continuance of the act except as to stamp duties on legal documents, and it seems to be framed with the idea of meeting deficits hereafter by this system of direct and vexatious taxation. It is a question for the careful attention of the voters next month, and no doubt thousands of them will desire a change in the method of taxation and the party responsible for it.

ECONOMY.

One of the most prominent and explicit planks in the Democratic platform was the promise of economy in expenditures. They criticized in unmeasured terms "extravagance of the Republican Party." But aside from the chairman of the Appropriations Committee of the House and two or three Democratic members of that committee it is difficult to find where any member of the dominant party has made any sincere attempt, and certainly any effective attempt, to check extravagance. We closed the first fiscal year of the Democratic administration on the 30th of June last with an increase of $18,000,000 of expenditures for that year. We have just closed the first three months of the second fiscal year, beginning with the 1st day of July last, with an increase of expenditures for the three months of $10,874,396.76 over the corresponding period last year, or at the rate of $43,397,587.04 per year; and this is in the face of the fact that the expenditures for pensions and for the Panama Canal have decreased at the rate of more than $25,000,000 for the present year.

ANTITRUST LAWS.

For no other reason, apparently, except to fulfill the plank in their platform, the majority party have been endeavoring to amend the Sherman antitrust law. The result is the so-called Clayton bill. Criticized and condemned by friend and foe alike, it seems to have no effective features except to add new questions of uncertainty and doubt, sowing seeds of future litigation for long years in the courts to determine what its framers meant by attempting to define what they confessed no one could define. The antitrust laws were getting along in pretty good shape, with the vigorous prosecution under the Taft administration and continued under this. No new trusts are now formed. Any amendment was of doubtful utility; so much so that the attempt was made not to amend, but to supplement. But the authors of the bill found it was getting beyond their control, as the bill really furnishes substantial amendments to the present Sherman law. Even with a wise law, it is unwise to press it at this time, with the disturbed and distressed condition of business affairs.

THE MEXICAN POLICY.

I have not discussed the Mexican situation, because I have felt it was the proper province of the Executive to take care of it. I would not mention it now were it not for the boasts we hear so constantly of the success of the President's policy in Mexico; and this in view of the fact that conditions there are in the most chaotic state. We read that Villa is making war upon Carranza; and some of Villa's force, consisting of 45,000 well-armed men, are in revolt against him; and that the "patriotic and high-minded" citizen, Zapata, is ready to fight anywhere and everywhere on his own hook. Order has not been restored, and murder has not ceased; life and property are not safe, and the Mexican problem is not yet solved. We ought, at least, not to delude ourselves upon this question.

COTTON.

The war in Europe has temporarily checked the marketing of the cotton crop and there has been some agitation in favor of Government aid to the raisers of cotton. All sorts of notions have been invented.

For the sole purpose of aiding the cotton growers of the South the Secretary of the Treasury recently announced that he would accept from national banks through currency associations notes secured by warehouse receipts for cotton, tobacco, and naval stores at 75 per cent of their face value. This, he says, left the bankers free to lend such amounts as they thought safe on the security of cotton and made it possible to convert 75 per cent of the notes so received into national bank currency. If the Secretary had the discretion to do this the action certainly shocked all good bankers throughout the Union. When it was followed up by the Lever bill, which proposed Government inspectors of warehouses, it looked as though the administration would get back on the old Ocala platform, which authorized the Government to issue greenbacks on warehouse receipts. The letter of the Secretary, dated October 9, to Mr. Henry indicates a dangerous tendency toward an enormous inflation for which the country will have to pay severely in the future.

The first Populist platform, called the Ocala platform, suggested the issuance of Government currency to the farmers secured on the crops. It was largely ridiculed throughout the country and was called "cornstalk currency." Its authors little thought that it would be revived in another form by the Secretary of the Treasury and the Lever bill, applying all the principles of the Ocala platform to cotton. Other schemes are put forward, like the one from Texas, proposing a loan of from three hundred to five hundred millions of dollars by the Government on a bond issue, the money to be used in sustaining the cotton producers of the country. It is rather peculiar that such schemes should come from Texas, in view of the low cost at which cotton can be produced in Texas compared with some of the older States. I am told that cotton farming in Texas is good business with cotton selling at 7 cents. It is selling for more than that to-day. Just why the Texas farmer should not have a savings account to tide over such a crisis, as the northern farmer does, it is difficult to understand. A few years ago it was a slogan of the Democratic Party that the farmers in Kansas were burning corn because of its low price. But those farmers did not ask Government aid. Business in the country is generally demoralized, factories are idle, railroads are stopping payment of dividends, everything is disturbed, yet we have seen no effort to furnish Government assistance to the business men of the country, who need assistance to keep them out of bankruptcy. The truth is that this is a troubled sea upon which we should never embark. Once having done so, there will be no end to the demands, and people will learn to lean upon the Government and take no thought for the future, depending upon the taxes paid by other people to keep them out of trouble.

MARINE LEGISLATION.

The shipping bills, said to have originated at the White House, are utterly without justification. It was found that there were a large number of vessels owned by three corporations—the Standard Oil, the United States Steel, and the United Fruit Co.—engaged in foreign trade, mainly in carrying their own cargoes to foreign ports, or, in the case of the fruit company, in bringing in tropical fruits. They were sailing under a foreign flag to avoid the strictness of the laws applied to American shipping, thereby saving a large percentage of running expenses, and also owning cheaper ships, which are produced in foreign yards with low-priced labor. An effort was made to bring these ships under the American flag by allowing them to come in at once, waiving all restrictions as to their age. In order to do this, the better condition of the American sailor under our law is sacrificed by the provision allowing the law to be suspended by Executive order; this has already been made.

Then a bill was passed providing for marine insurance by the United States Government. Why not let these corporations stand any increase in marine insurance? Why put this burden on the taxpayer?

It was claimed that there was a great emergency; that ships could not be found to transport our exports abroad. It turns out that more ships have been offered than there are cargoes; that ships have sailed with light cargoes or delayed their sailing on this account, and this without regard to any ships that have come ni under the law that has been passed.

But the hysteria does not stop here. It is gravely proposed to buy ships to be owned and sailed by the Government or by a corporation of which the Government is the principal, and in practice will be the only stockholder. Thirty millions of dollars of bonds are to be issued for capital to purchase these ships, to be run by the United States as sailing master. Remonstrance is said to have come from Governments friendly to us, because some of these ships proposed to be purchased are German ships partly owned by the German Government. The claim is made that the sinews of war are to be given to Germany by the United States in the purchase of these ships.

The administration seems willing to take the risk of complications with friendly powers, to get entangled in the war now raging in Europe, for the purpose of carrying out this program. Notwithstanding a large majority of the Democrats are said to be opposed to it, they have been waiting for some time for word from the White House as to whether they would be permitted to adjourn without passing this measure. The latest statement from the papers which seem to have access to the White House tell us the President still insists that this is one of the necessary bills to be passed; he consents that it go over till after election. It would seem that the purchase of these vessels in time of war, not justified by the law of nations, would inevitably get us into trouble with the nations with whom we are now at peace, and might entangle us in this terrible war which is now being waged in Europe. It is to be hoped that the sentiment of the country will kill this bill before it ever becomes a law.

It is amazing to see how little hold Democratic principles have on Democrats when they are enacting legislation. The party which has always protested against paternalism, which has decried subsidies in every shape and form and made the proposition of subsidy a party shibboleth throughout all the years of its history, now forsakes all its professions on this subject and gravely presents the most direct and obnoxious subsidy ever proposed. No one has suggested anything in the way of subsidy in the past, except to put us on even terms with foreign capital and foreign enterprise and to meet the subsidies of foreign Governments. With these shipping bills already law and the other to follow, let no Democrat hereafter shout "Subsidy!" as an argument against any proposition of that nature which might come before Congress.

THE HOUSE OF REPRESENTATIVES.

One of the scandalous results of Democratic ascendency has been the steady degeneration of the House of Representatives. The Constitution gave this body the right to originate all revenue laws, but neither the recent tax bill nor the Underwood tariff law got into the House until they were framed to meet the wishes of the Executive. Two years before Mr. UNDERWOOD had passed bills through the House, one for a 20 per cent duty on wool and the other a duty of 1 cent a pound and upward on sugar. He defended these bills strenuously in the Sixty-second Congress, as chairman of the Ways and Means Committee. But with a Democratic President in power who insisted on free wool and free sugar, wool went on the free list and sugar will come in free after May 1, 1916, a provision for a greater deficit in the revenues of $40,000,000 more commencing with that date.

One of the false promises by which the Democracy got into power was their pledge to abolish "gag rule" in the House of Representatives. During the present session no Committee on Rules has ever been so active and no such drastic rules have been known as have been applied by the Democratic majority. A fair sample is the rule under which the internal-revenue tax bill was recently passed through the House. Here was a majority grinding out more than $100,000,000 of taxes from a people already overburdened by the unwise provisions of the Underwood measure, which had proven so disastrous to business. It would seem as though it ought to have had decent consideration in the House in view of the various questions that were raised among Democrats only who had up to that time considered it. But the gentleman from Alabama proposed a drastic rule, providing that there should be but four hours of general debate on the bill and cutting out all chance for amendment and all chance for debate under the five-minute rule. This time was extended to seven hours' general debate by resolution of the Rules Committee, which passed the House by an overwhelming Democratic vote. People to be taxed had no chance for a hearing through their chosen Representatives and the House was again humiliated by this absurd party action. The Democratic platform has been well described as "a work of fiction." Mr. Wilson was elected by declaring that it meant something real; that it was a pledge to be followed, but there is hardly a promise in it which has not been broken since the party came into power.

When some members of the Democratic Party were not inclined to follow exactly the wishes of the Executive, caucuses were held, and everybody was obligated to uphold the bills as presented, unless amendments were presented by the Ways and Means Committee. The Democrats have made a great show of permitting tax bills to be open to amendment, under the five-minute rule, but this has been a farce. No amendment, however desirable, was adopted unless it was presented by the committee and was in harmony with the wishes of the President.

For some months after the session had commenced there was a disposition to ignore the minority party altogether, and that is the condition at present, so far as the House of Representatives is concerned. The difficulty of getting rid of general debate in the Senate, under their rules, however, has forced the majority there, as well as the administration, to consider the suggestions of the Republican Senators, and several wholesome amendments, especially to the banking and currency bill, were adopted at the suggestion of Republican Senators.

THE SPHERE OF DEMOCRACY.

The state of the Union is in striking contrast with the state of the Union on the 4th of March, 1913. The contrast is so striking that no one can have failed to observe it. No intelligent man living in any city or village or on a farm can fail to note it. Statistics are not needed to show that 26 per cent of the machinery in one industry is idle, or that another industry is running on half time, or that mills are closing, or that people who were able to earn a good living go hungry now or become the objects of public charity. The European war may stimulate industry along certain lines. I believe it will stimulate the exportation of farm products and manufactured goods in certain directions. It may alleviate some of the suffering which Democratic policies have brought on. But the real root of the evil will not be eradicated until the Democratic Party is relegated to its proper sphere—the minority party—to criticize only; never to originate legislation.

The Crowning Capsheaf of Labor Legislation.

EXTENSION OF REMARKS
OF
HON. ROBERT P. HILL,
OF ILLINOIS,
IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 8, 1914.

Mr. HILL. Mr. Speaker, there are so many phases of this bill known as the Clayton anti-injunction bill that it would be impossible for me to make a comprehensive discussion of all of the bill in these brief remarks. For that reason I will confine my discussion to just one subject included in this bill, and that is that part which relates to labor organizations.

There have been many enactments in this and the Sixty-second Congress which deals out in a large measure justice to those who are termed and properly known as workers. But of all the measures that have so far been enacted into law none are of so much vital importance to the rights and protection of laboring people as the section of this bill that gives right of trial by jury in cases of indirect contempt.

In the closing days of the Sixty-second Congress, when the discussion of the sundry civil bill was being had in this House, that bill provided for an appropriation for the investigation of trusts, but exempted labor unions as not combinations in restraint of trade, which were themselves lawful. I remember the distinguished gentleman of Illinois, Joseph G. Cannon, in speaking upon the bill, said in pointing out objections, among other things, that if he were President he would veto the bill, because it so exempted labor unions. His claim being that such exemption was not warranted by law. President Taft vetoed the bill and assigned substantially the reasons mentioned by Mr. Cannon.

Now, Mr. Speaker, if this bill does nothing more than to correct the evil upheld by the last administration and now contended for by the leaders on that side of the House, it is worth passing.

Since the veto of that bill by the President of the party of the gentlemen on the other side of this House it has become amusing to see the leaders over there hunt for an excuse to oppose any anti-injunction bill that in any manner contravenes the Sherman antitrust law, that works so admirably for what they regard as justice to the capitalist and the laboring man.

I am glad, however, that we will note that many Members on that side will vote with us to-day on the passage of this bill. The opposers will be the leaders who advance the doctrine of their party. The argument they have given why this conference

report should not be adopted and why instead we should still rely upon the tenets of the Sherman antitrust law has been a weak and pitiable plea.

In preparing legislation it is our duty to prepare it with a view to give legal right to the people or grant relief, as the case may be. This section that relates to right of trial by jury in all cases of contempt not committed in the presence of the court grants both a right and relief that people of this country have long contended for. This is especially true with the laborers.

When this provision of this bill is made the law of the land there will be no more long-drawn-out cases in court, such as the one against Samuel Gompers, John Mitchell, and Frank Morrison, unless there is first obtained a verdict of a jury of their countrymen.

This is one of the most salutary and remedial pieces of legislation in the interest of the common man and his cause that has ever been enacted into law.

The day this bill is signed by President Wilson will mark one of the most glittering milestones in all the history of labor progress in this country. The mentioning of this date should be a signal for applause by all United Mine Workers and all trade-unionists in this Nation.

It will be one of the last acts passed by this long and arduous session of Congress and is a most fitting capsheath for all the important labor legislation of this and all other Congresses.

Labor is not a commodity to be dealt in like corn and wheat or dry goods and groceries. It is a human right and necessity. We can perform no greater good than to legislate for humanity and its rights. To my mind no cause is greater than the cause of men, women, and children. I am glad that I am here and have the privilege of giving this measure my hearty support.

A Review of the Democratic Record in Congress—A Record of Achievement.

EXTENSION OF REMARKS

OF

HON. WILLIAM L. IGOE,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 8, 1914.

Mr. IGOE. Mr. Speaker, the Republican leaders in Congress, being hard pressed for a political issue, have seized upon the necessity for raising additional revenue as affording the last and only possible chance for an appeal for sufficient votes to return the Republican Party to power in the coming election.

The President of the United States, who is honored, respected, and admired by the American people, regardless of party, made an appeal to this Congress on September 4, 1914, for the immediate enactment of legislation that would provide for the raising of additional revenue to make up for the reduction of customs receipts caused by the disturbed conditions resulting from the war in Europe.

The President's message is as follows:

Gentlemen of the Congress, I come to you to-day to discharge a duty which I wish with all my heart I might have been spared; but it is a duty which is very clear, and, therefore, I perform it without hesitation or apology. I come to ask very earnestly that additional revenue be provided for the Government.

During the month of August there was, as compared with the corresponding month of last year, a falling off of $10,629,538 in the revenues collected from customs. A continuation of this decrease in the same proportion throughout the current fiscal year would probably mean a loss of customs revenues of from sixty to one hundred millions. I need not tell you to what this falling off is due. It is due in chief part not to the reductions recently made in the customs duties, but to the great decrease in importations, and that is due to the extraordinary extent of the industrial area affected by the present war in Europe. Conditions have arisen which no man foresaw; they affect the whole world of commerce and economic production, and they must be faced and dealt with.

It would be very unwise to postpone dealing with them. Delay in such a matter and in the particular circumstances in which we now find ourselves as a nation might involve consequences of the most embarrassing and deplorable sort, for which I, for one, would not care to be responsible. It would be very dangerous in the present circumstances to create a moment's doubt as to the strength and sufficiency of the Treasury of the United States, its ability to assist, to steady, and sustain the financial operations of the country's business. If the Treasury is known, or even thought, to be weak, where will be our peace of mind? The whole industrial activity of the country would be chilled and demoralized. Just now the peculiarly difficult financial problems of the moment are being successfully dealt with, with great self-possession and good sense and very sound judgment, but they are only in process of being worked out. If the process of solution is to be completed, no one must be given reason to doubt the solidity and adequacy of the Treasury of the Government which stands behind the whole method by which our difficulties are being met and handled.

The Treasury itself could get along for a considerable period, no doubt, without immediate resort to new sources of taxation. But at what cost to the business of the community? Approximately $75,000,000, a large part of the present Treasury balance, is now on deposit with national banks distributed throughout the country. It is deposited, of course, on call. I need not point out to you what the probable consequences of inconvenience and distress and confusion would be if the diminishing income of the Treasury should make it necessary rapidly to withdraw these deposits. And yet without additional revenue that plainly might become necessary, and the time when it became necessary could not be controlled or determined by the convenience of the business of the country. It would have to be determined by the operations and necessities of the Treasury itself. Such risks are not necessary and ought not to be run. We can not too scrupulously or carefully safeguard a financial situation which is at best, while war continues in Europe, difficult and abnormal. Hesitation and delay are the worst forms of bad policy under such conditions.

And we ought not to borrow. We ought to resort to taxation, however we may regret the necessity of putting additional temporary burdens on our people. To sell bonds would be to make a most untimely and unjustifiable demand on the money market; untimely, because this is manifestly not the time to withdraw working capital from other uses to pay the Government's bills; unjustifiable, because unnecessary. The country is able to pay any just and reasonable taxes without distress. And to every other form of borrowing, whether for long periods or for short, there is the same objection. These are not the circumstances, this is at this particular moment and in this particular exigency not the market, to borrow large sums of money. What we are seeking is to ease and assist every financial transaction, not to add a single additional embarrassment to the situation. The people of this country are both intelligent and profoundly patriotic. They are ready to meet the present conditions in the right way and to support the Government with generous self-denial. They know and understand, and will be intolerant only of those who dodge responsibility or are not frank with them.

The occasion is not of our own making. We had no part in making it. But it is here. It affects us as directly and palpably almost as if we were participants in the circumstances which gave rise to it. We must accept the inevitable with calm judgment and unruffled spirits, like men accustomed to deal with the unexpected, habituated to take care of themselves, masters of their own affairs and their own fortunes. We shall pay the bill, though we did not deliberately incur it.

In order to meet every demand upon the Treasury without delay or peradventure, and in order to keep the Treasury strong, unquestionably strong, and strong throughout the present anxieties, I respectfully urge that an additional revenue of $100,000,000 be raised through internal taxes devised in your wisdom to meet the emergency. The only suggestion I take the liberty of making is that such sources of revenue be chosen as will begin to yield at once and yield with a certain and constant flow.

I can not close without expressing the confidence with which I approach a Congress, with regard to this or any other matter, which has shown so untiring a devotion to public duty, which has responded to the needs of the Nation throughout a long season despite inevitable fatigue and personal sacrifice, and so large a proportion of whose Members have devoted their whole time and energy to the business of the country.

Shortly after the President made this appeal the Republican Members of this House, in conference, declared against any revenue bill, and, according to newspaper accounts, every Member present announced that he would oppose such a bill. In debate the Republican leaders have sought to make the measure a vehicle for a political discussion, hoping thereby to distract the attention of the people from the great work of the administration, and to pass over the great work of this and the preceding Democratic House. They have not discussed and considered the bill as statesmen, but as politicians anxious for a return to power and eager to elect a sufficient number of Members of Congress in order to hamper and embarrass the President and his administration during the next two years. They hope the people will forget the iniquities of the Payne-Aldrich tariff; they hope the people will not realize that if the Republican Party has a majority in the next House that a host of stand-pat Republicans, who were voted out of office, will return to hamper a great, progressive administration. During the debate upon the bill the orators upon the Republican side paid a high tribute to the Payne-Aldrich bill, which but four years and two years ago was so overwhelmingly repudiated by the American people. The Republican Members seem to have forgotten that rebuke. The gentleman from New York [Mr. PAYNE], who led the fight against this legislation asked by the President, was vigorously applauded on the Republican side, and seems to be regarded by them as the man who will lead them out of the political wilderness. They are hard pressed indeed for a political issue when they find themselves compelled to rally around the standard held aloft by the same standpatters whose policies were not only overwhelmingly repudiated by the voters of the country but whose course for the last few years their party was in power was such as to disgust a majority of the Republican Party and to cause a political revolution in their own ranks.

Notwithstanding that an election is at hand, the Democrats in this Congress will place patriotism and duty above mere political expediency and will pass the revenue bill which the President says is so necessary for the industrial and financial stability of the Nation. We will submit our record against the record of the Republican Party and await with confidence the judgment of the voters.

THE TARIFF.

The Democratic Party had shown the country, through the legislation passed by the Democratic House elected in 1910, that

we were mindful of promises made and had endeavored in every way to carry out those promises. As a result of the election of 1912 the Democratic Party was intrusted with full control of the Government, and the repudiation of the Republican Party was complete. Immediately after his inauguration President Wilson called Congress in special session, and since April 7, 1913, we have been in continuous session. During that time we have striven earnestly to carry out pledges, and the record that has been made is one that shows fidelity to the interests of the people through the enactment of progressive legislation. As soon as the special session was called Congress began the consideration of a bill revising the tariff. The Underwood bill, repealing the Payne-Aldrich bill, was passed, and thus the first promise of the Democratic Party to revise the tariff downward was kept. This great measure was framed in the open and none of its provisions was dictated by those who were financially interested in the high tariffs.

The Underwood bill has reduced the duties on necessaries and increased the duties on luxuries. Raw wool has been placed on the free list, sugar duties are reduced, and after 1916 will be entirely abolished. The duty on woolen goods has been reduced two-thirds, on cotton goods one-third, and has been entirely abolished on meats, flour, potatoes, dairy products, and numerous other necessaries. At the end of the fiscal year, during which this law had been in operation for nine months, the revenues of the Government exceeded expenditures by over $30,000,000. The Underwood bill not only revised the tariff downward but also provided for an income tax. This latter provision was made possible through the adoption of a constitutional amendment initiated by a Democratic House in the preceding Congress. Under this provision $31,000,000 was collected for 1913 from individuals and $46,000,000 from corporations. This tax falls on those best able to pay and who previously have not borne their fair share of the tax burdens. In the next fiscal year the returns from this source will be largely increased.

BANKING AND CURRENCY.

The next great measure enacted by this Congress was the Federal reserve act. The Republican Party during all the years of its control of the Government had either been unwilling or incapable of providing for an adequate banking and currency system. Under the provisions of this splendid law it will never again be possible for a few banks in Wall Street to control the finances of the country, as was done in 1907 and on other occasions. It means the end of the Money Trust and the opening of a new era of industrial and financial independence and progress. Under its provisions the reserve money of the country is transferred to 12 regional banks, in which both State and National banks may become stockholders. It will provide a sound and elastic currency based upon commercial assets, and in such a way as to respond to the needs of the commercial world. The whole system, including the issue of the currency, will be under the control of the Federal Reserve Board, consisting of seven men appointed by the President of the United States. This law has been universally accepted as providing a safe, sound, and scientific banking and currency system, affording protection to depositors and providing for the constantly increasing needs of the business of the country. Under its provision we will have no more financial panics, such as have periodically occurred in the past, and will enter upon a period of industrial and commercial expansion unsurpassed in the history of the United States.

TRUST LEGISLATION.

In the Clayton antitrust bill, the Trade Commission bill, and Rayburn bill for the regulation of railroad stocks and bonds the House has considered and passed three of the most important bills that have been considered by the Congress in recent years.

The Clayton bill, which will soon be a law, passed the House by a vote of 297 to 54, receiving the votes of many Republicans and Progressives. In conjunction with the Trade Commission law, it will supplement the Sherman law and enable the Government to prevent the formation of new trusts by preventing certain practices which in the past have led to monopoly and restraint of trade. It reaches the evils of the interlocking directorates, holding companies, tying contracts, and other practices and schemes that have been resorted to in order to prevent or destroy competition.

The Trade Commission bill passed the House without a dissenting vote. Under its provisions a nonpartisan board of five will have supervision of the activities of corporations engaged in interstate commerce, except banks and railroads. The commission will have the power, among others, to investigate whether final decrees entered against the trusts in dissolution suits are being carried out, and also to investigate facts as to alleged violations of the antitrust acts. The commission is also given power to prevent unfair methods in commerce. The bill declares "that unfair methods of competition in commerce are hereby declared unlawful." Authority is given to investigate complaints and, if the party is found guilty of using unfair methods, to issue an order to desist, which, if not obeyed, may be enforced through the court of appeals.

By preventing unfair methods of competition the commission will not only put an end to methods usually resorted to by trust builders, but the activities of existing trusts in stifling competition by unfair methods will be effectively dealt with.

The Rayburn bill passed the House by an almost unanimous vote. The recent exposure of the reckless management of the great railroad systems, like the New Haven, the Rock Island, and the Frisco, has made legislation of this kind necessary, not only for the protection of investors in railroad securities, but for the promotion of the prosperity of the country, which has suffered greatly through the unwise and reckless management of these great corporations.

LABOR LEGISLATION.

For many years labor has sought the passage of measures that would help the working classes of the Nation, but it is only since the Democrats have had control of affairs that the pleas of the workers have been heeded. During that short period there has been more legislation in the interest of labor than during the preceding 16 years of Republican control. Speaking of the record of the Democratic Party, the chairman of the Labor Committee said in a recent speech:

> I say it is something more than a coincidence that these measures have passed a Democratic Congress and were not even considered by the Cannon rule. What is the cause? What is the difference? The difference, sir, I submit is this: The party of Joseph G. Cannon represented only a part of the people. The party of Wilson and CLARK represents them all. One is the tory, who thinks all law-made changes are dangerous and, as Wendell Phillips said, is afraid to brush down the cobwebs lest the ceiling may fall. The other is the liberal and progressive, who knows that as social and economic conditions change, so must change the rules of the State which regulate the relations of human beings.

In the Sixty-second Congress a Democratic House originated the law which created the Department of Labor, giving it a place in the Cabinet of the President. President Wilson had the selection of the first Secretary of Labor and chose for the position Hon. William B. Wilson, a former mine worker and an actual representative of organized labor, who as chairman of the Labor Committee of the House in the last Congress rendered conspicuous service to his party and to his country.

In the Sixty-second and Sixty-third Congresses the following labor measures, among others, have been passed by the House of Representatives:

Various laws extending the operation of the eight-hour law on work done for the Government, as well as work done by the Government, including a provision making effective the eight-hour law for post-office clerks and carriers.

The Children's Bureau bill to promote the welfare of children.

The Industrial Commission, to investigate the entire subject of industrial relations with a view to ascertaining the best method of dealing with industrial disputes so as to protect the rights of all persons directly or indirectly interested.

A law providing for an eight-hour day for all female employees in the District of Columbia. This law is in successful operation.

The phosphorus-match bill, to protect the health of the workers in the match industry.

Resolutions investigating industrial conditions in the mining districts of Colorado and Michigan.

The Board of Mediation and Conciliation was created by the railway employees act of July 15, 1913. During the year, from July 15, 1913, to July, 1914, this board has handled successfully 26 cases concerning wages, hours of labor, and conditions of employment among the employees of 58 railroads; 19 of these cases have been settled by mediation and the remaining 7 by arbitration. In one case alone over 90,000 men were involved.

The Booher bill makes convict-made goods subject to the laws of the State into which they are shipped. This will enable each State to protect its own free labor by passing a law prohibiting the sale within the State of convict-made goods. The Hensley bill forbids the importation into this country of goods made in whole or in part in other countries by convict, pauper, or detained labor. The purpose of this law is to protect American workingmen from competition with foreign-made goods in the handling or manufacture of which convict or pauper labor has been used in any degree.

The Clayton antitrust bill expressly recognizes that labor is not a commodity and defines the relation of labor organizations to the antitrust laws. It regulates the issuance of injunctions

by Federal courts and provides for a jury trial in certain contempt cases.

Speaking of these provisions, Mr. LEWIS of Maryland, the chairman of the Labor Committee of the House, said:

It is no exaggeration to say that the above law is the greatest single piece of legislation ever passed at the instance of laboring people on the American Continent. At a single stroke it adjusts all the perversions of ex parte court procedure that have arisen by the confessed misuse of the injunction so frequently occurring, grants the constitutional right of trial before an open-minded jury, and corrects the juridical mistake as to the intent of Congress in passing the Sherman law. It is not too much to say, I repeat, that by this single stroke of the legislative haad more is being done in our country to rectify the judicial status of the great toiling masses than has ever been accomplished in our history before. Nor does this mean violent or radical treatment of the relations of labor and capital.

Thus section 7 of the Clayton bill, taken with its complementary sections, places the American workman where the British workman was placed by Parliament in 1906. Their experience shows that property will be as safe, the rights of employers will be as secure, with this measure enacted into a law, which I predict will become known as the Magna Charta of American workmen.

A CONSTRUCTIVE PROGRAM.

Mr. Speaker, this administration has proceeded with the work in hand in a statesmanlike and patriotic manner. Perplexing problems, the solution of which Republican administrations had deliberately avoided or were incapable of solving, have now been disposed of wisely and in the interest of the people. The country at large will certainly approve of its work and continue to support those who have shown such capacity, earnestness, and zeal in the performance of public duty.

I feel that I could not better conclude my remarks than by inserting a part of the letter written by President Wilson to Representative DOREMUS. The President, speaking of the work of Congress, said:

The close of a very extraordinary session of Congress is at hand, which has, I venture to say, been more fruitful in important legislation of permanent usefulness to the country than any session of Congress within the memory of the active public men of our generation. A great constructive program has been carried through, for which the country has long waited, and has been carried through with the approval and support of judicious men of all parties, and we have abundant reason to congratulate ourselves upon the record that has been made during the busy 17 months we have devoted to our great legislative task. Certainly in ordinary circumstances, if we were free to disengage ourselves for the purpose, we would be warranted in now directing our energies to a great campaign in support of an appeal to the country to give us the encouragement of its indorsement at the autumn elections.

We could go to the country with a very sincere appeal in which there need be no pretense or boast of any kind, but a plain statement of things actually accomplished which ought to be and, I think, would be entirely convincing. It is a record which shows us at peace with all the world; the questions which plagued business with doubt and uncertainty and irresponsible criticism out of the way, thoughtfully settled and disposed of; the apparent antagonism between Government and business cleared away and brought to an end with the plain reckoning accomplished; the path for sure-footed adjustment clear ahead of us, prosperity certain to come by means which all can approve and applaud.

Chinook Indians Are Paid After 68 Years—All of One Tribe Dead.

"Lo, the poor Indian! Whose untutored mind
Sees God in clouds, or hears him in wind."

EXTENSION OF REMARKS

OF

HON. ALBERT JOHNSON,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 8, 1914.

Mr. JOHNSON of Washington. Mr. Speaker, I report, with much satisfaction, that at last the several tribes of Indians known generally as the Lower Chinooks and living on both sides of the Columbia River near its mouth are to receive the money long due to them from the United States. This week $64,500 was sent to Tacoma, Wash., to be disbursed by the Indian agent there to the survivors or heirs of seven tribes—the Tillamooks and the Clatsops, on the Oregon side, and the Cathlamets, the Wahkiakums, the Willapas, and the Lower Band of Chinooks, on the Washington side. The sum as originally made ready for the West was $66,000, but, Mr. Speaker, time has made the Government the gainer, for the last member of the Nuc-quee-clah-we-muck Tribe is dead. Not one heir can be found, and $1,500 must be turned back to the Federal Treasury.

Mr. Speaker, these tribes receive this money as a result of treaties entered into with them by Gov. Isaac I. Stevens in 1851, by which they were to receive lands where they resided. That was 63 years ago. In lieu of lands they agreed to accept money in full satisfaction of all claims and demands. The old chiefs are gone, their children nearly all are dead, and in most cases the money goes in small amounts to grandchildren.

The official correspondence with regard to these claims makes a stack of manuscript 4 feet high. If the time of all the Indian Office employees who have devoted time to these cases could be computed as the time of one clerk, at $1,000 a year, I have not a doubt that that clerk would have been employed every day every year since 1851, which would make a total of $63,000 clerk hire to settle a debt of $66,000. Oh, what an arraignment of the law's delay! What an exhibition of red tape!

Nearly every Senator from Oregon and Washington and nearly every Representative since the beginning of Territorial days has tried to bring about a settlement. Bills innumerable have been introduced. My predecessor, the lamented Francis W. Cushman, who knew the Chinook Indians, their traits and their traditions, worked long and hard for this settlement. Senator JONES, during his long years in House and Senate, has done much. Representative HAWLEY, too, has worked hard at the tangle.

Two years ago in the Senate an amendment was added to the Indian appropriation bill setting aside $66,000 for these Indians. Then came an Indian Office problem of how to pay, followed by a Treasury problem. It looked as if another long delay was to be expected. Dr. McChesney, the scholarly and efficient agent at Tacoma, interested himself most strenuously. State Senator H. A. Espy, of Pacific County, took a hand. I did what I could, and last Saturday I received the following letter:

OCTOBER 3, 1914.

Hon. ALBERT JOHNSON,
House of Representatives.

MY DEAR MR. JOHNSON: The receipt is acknowledged of your last letter, in regard to the payment to the so-called Lower Chinook Indians.

The act of August 24, 1912 (37 Stat. L., 535), appropriated $66,000 for payment to certain bands of Chinook and other Indians in Oregon and Washington. The roll for this payment was duly approved, but further action has been held up pending a decision by the Comptroller of the Treasury in regard to certain matters affecting this payment.

This decision has just been received, and final instructions will go forward at the earliest practicable moment, with the view of consummating this payment in the very near future.

Very truly, yours,

E. B. MERITT,
Assistant Commissioner.

The money has gone forward and will be divided at once among individuals of the tribes, as follows:

Tillamooks of Oregon	$10,500
Clatsops of Oregon	15,000
Nuc-quee-clah-we-mucks of Oregon	1,500
Cathlamets of Washington	7,000
Wahkiakums of Washington	7,000
Willapas of Washington	5,000
Lower Chinooks of Washington	20,000
Total	66,000

Of this sum, $1,500 to which the Nuc-quee-clah-we-mucks were entitled, will be returned. Also the sum of $12,900 will be taken from the total sum and apportioned among four attorneys, or their heirs, for three of the lawyers are dead. The attorneys are to be paid as follows:

Herbert E. Smith, formerly of Portland	$3,720
H. Allen, Portland, administrator of Silas B. Smith	1,040
Ella M. Young, administrator of Archibald Young	4,300
Esther Nielson, administrator of John T. De Weese	3,840
Total	12,900

Some of these lawyers began their labors before there was a telegraph line to the Oregon country and many years before the typewriter. Many of the signatures of the old Indians are in broad thumb marks, of indelible red ink, made years before the Bertillon system of thumb identification was thought of.

Mr. Speaker, I am glad beyond measure that the Government has at last kept its bargain. I am proud to have had even a small part in the final settlement. Every now and then it is said—and once on this floor, Mr. Speaker—that "my heart aches when I think of the Quiniault Reservation without a Weyerhaeuser fence around it."

Mr. Speaker, there are not likely ever to be any Weyerhaeuser fences around any Quiniault lands. I think I can with propriety say that as long as I remain in Congress I shall work on for the rights of these Quiniault Indians until each one receives his just allotment, and, I hope, his citizenship. But I opine, Mr. Speaker, another 4-foot stack of correspondence will have accumulated and that this generation of Quiniaults and myself as well will have long been dead before these rights are granted.

The Work of the Sixty-Third Congress.

EXTENSION OF REMARKS

OF

HON. SAMUEL W. BEAKES,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 9, 1914.

Mr. BEAKES. Mr. Speaker, while we are "watchfully waiting" for the end of an extraordinarily long session of Congress, waiting for the Senate to send back to us some of the emergency legislation caused by the European war, it may perhaps be permitted me to review the work which has kept us here continuously for the long weary months and prevented those of us who have felt it our duty to stay on the job from looking after our own political interests at home. While we have been here continuously, it has, after all, been well worth while. This has been the greatest constructive Congress since the war. There has not been an extraordinary amount of petty private legislation. Our time and attention has largely been taken up in devising methods for the future prosperity of the country. In the past 20 or 30 years there has been an immense change in society, in our manners of life, in methods of business. But during this time the Government had not kept pace with the evolution of the times. The Republican Party, which had claimed that it embodied all the wisdom of the ages, had apparently been afraid to break away from the precedents of the past and to enact legislation which should correspond with the evolution of the times, and so, while here and there a voice was raised in an effort to have the Government keep pace with the best political thought of the day, the Republican Party was afraid. It was in power on its past record and not on its present record. Its motto was "Stand pat." And when a Democratic orator pointed out its sins of omission, the reply was "It is easy to criticize—the Democratic Party is a party of destruction, not of construction." We have had a Democratic administration for about 19 months now, and the old charge of the Republicans against us has fallen to the ground, for there has been more constructive legislation in the past 19 months than there was in 19 years of Republican administration. And if the construction was not good, why is it that every one of our great constructive measures has commanded in this Congress Republican and Progressive votes?

It has been extremely fortunate for the country at this time that we have as President Woodrow Wilson, a man who has made a life study of the problems of government, a man of vast powers of mind, who has kept pace with the growth of political thought, a man also of extraordinary clearness of expression, so that everyone can easily grasp his ideas and can not misunderstand his utterances, a man who has great faith in the common people, who takes his duties as President seriously, a man of peace, who has by his wise policy of watchful waiting saved his country from the horrors of war.

It is fortunate also that President Wilson has had back of him during this time the support of the country—not alone the support of his party, but of the thoughtful men of the Progressive and the Republican Parties—so that the country has granted a fair hearing to the great measures he has advocated. We have sometimes been taunted by gentlemen on the other side of this House with taking orders from President Wilson. That is not true in the ordinary meaning of those words. It is from the common people that we on this side of the House are taking our orders, and those of us who have sounded public sentiment know that the views expressed by President Wilson are the views of the people, and the great weight given his messages on this side of the House is due to the knowledge that he is the best living exponent of the views of the common people. I doubt if there is a single one among us who has not been admonished by letters from our constituents to "follow Wilson," and these letters have come from Republicans as well as Democrats. And it is this knowledge that the people are with the President that accounts for the fact that so many of the constructive laws this Congress has passed have had the support of members of all three parties. It is not alone in this country that the President has the esteem of the people. Returning travelers from Europe, forced home by the great and devastating European war, all bring back the same story—that the European people believe President Wilson one of the greatest and wisest rulers of the world. And that universal belief in his wisdom and justice will give him a greater opportunity to bring about a world's peace when the warring countries have deluged themselves with sufficient blood to force them to their sober second thought.

It was fortunate, too, for the country that the majority in both Houses of Congress was composed of men who thoroughly believed in the constructive policies of the President, and that many of them were willing to forgo personal comfort and devote themselves untiringly and unceasingly to perfecting the details of the great constructive measures which have been passed. It would have been unfortunate indeed had the President been confronted with a hostile Congress in either branch.

What has this Congress done? Its first act was the Underwood tariff bill, which reduced the duties downward as had been promised by all parties, and it did this without injury to the farmers or to business. There is always some uneasiness when a tariff act is passed, some disturbance of business incident to a lack of knowledge on the part of the people as to what the effect will be, while the adjustment to new conditions is being made. There was less of this uneasiness or disturbance after the Underwood tariff bill than after any other tariff bill that was ever passed. And the bill in every particular fulfilled the expectation of those who framed it. It is the only tariff bill in many years not framed in large part by the protected interests. While it was framed by a Democratic committee and completed in a Democratic caucus after a full discussion of each detail, so that it was railed at as a strictly partisan measure, it was so good that it commanded in the House the votes of three Republicans, three Progressives, and one independent, and in the Senate the vote of one Republican, the great LA FOLLETTE, and one Progressive, the only one who belongs to the third party in that body. Do our opponents now advocate the passage of a new tariff bill at this time with all the attendant disturbance of business which always follows?

In this bill was the first constitutional income-tax law which puts in force the most equitable of all forms of taxation, the taxation of men in proportion to their incomes, incomes the enjoyment of which is made possible by the Government which imposes the taxation. Will the American people stand for the repeal of the income-tax law?

This Congress passed the law which put in force the election of United States Senators by the people. Surely this is beneficent legislation.

Then came the great fight over the currency bill, weeks of hard, earnest work in the Democratic caucus, and the presentation of a bill so good that it commanded the votes of 35 Republicans and 14 Progressives in the House, and 3 Republicans and the lone Progressive in the Senate. But it did not pass until every phase of the bill had been thoroughly discussed and weighed. If this bill had been the only constructive measure of the present Congress it would have been well worth while. For 30 years currency reform had been advocated and its need had been universally felt. It remained for this Congress to act and to so fix it that there will be no more money panics in this country such as we suffered from in 1907. Who is there would repeal the currency bill? Why, even the New York Tribune said:

> Mr. Wilson's currency bill is a charter of new freedom for the business world, since it strikes off the ancient shackles of an outgrown and ill-conceived banking system.

Surely this was legislation well worth while.

Then there was the Covington Federal Trade Commission bill, a Democratic measure so good that it passed the House unanimously and had 14 Republican votes in the Senate, being opposed only in the Senate by the extreme Republican reactionaries. This commission has powers to stamp out unfair competition in business. It is the first of the great antitrust acts to become a law. It puts big interstate business in the same governmental control that the interstate commerce acts had given the Interstate Commerce Commission. This measure, it has been hinted, is a favorite one with the President, and it is believed that the commission to be appointed by him in December will become a great and popular agency of the Government. Will those gentlemen who are seeking to occupy the seats we fill in this House advocate the repeal of this law?

Second of the three antitrust laws is the Clayton antitrust bill, against which the Republican leader in this House could array only 54 of his followers, while 41 Republicans and 15 Progressives voted for it, and in the Senate it was supported by 6 Republicans and 1 Progressive, and this after the bill had been bitterly fought. Do those who are advocating the defeat of Members on this side of the House want to go on record as advocating the repeal of this bill? This bill defines more clearly the Sherman law, strikes out the evil of interlocking directorates, prohibits price discrimination and destructive price cutting, and ends the long controversy over injunctions in labor disputes.

The third of the great triumvirate of antitrust bills, which passed the House by the enormous vote of 352 to 12, was the Rayburn railway-securities bill, which extends the jurisdiction of the Interstate Commerce Commission to railway stock and bond issues and will put a stop to such high finance as wrecked the New Haven Railroad. Surely the country is not opposed to this bill.

Nor did Congress confine its attention to tariff, income tax, currency, and antitrust legislation. It backed the President in the legislation needed to end the Mexican difficulty without war; it authorized the emergency note issue, and prevented the country being involved in the almost world-wide panic growing out of the European war, this act being needed to tide over the interim until the Federal Reserve Board comes into full operation, and was made possible by the near approach of that time.

It took prompt action to provide for the relief of Americans stranded in the war zone. It started in the great work of building up the American merchant marine, so that by October 1 the American merchant marine had been increased by 54 big ships.

Of recent years there has been much talk of conservation. But it remained for this Congress to start the work of passing constructive conservation bills which should not only conserve the public interests in the public domains for the future generations but should develop those resources for the benefit of the present generation. The Adamson general dam bill, which conserves the water power on navigable streams, passed the House with the support of the Democrats, 35 Republicans, and 4 Progressives, only 47 votes being cast against it. The Ferris-Kent bill for the conservation of water power on the public domain passed by acclamation after a thorough debate. A bill providing a system for leasing coal, mineral, and oil lands on the public domains under proper governmental regulations has also passed the House. These bills are all designed to conserve the public interests while developing these natural resources. Who of the people are opposed to them? Then there has been much legislation to develop the natural resources of Alaska and to checkmate the schemes of big interests to exploit this Territory for themselves. These conservation bills are still before the Senate, but if the people back the President in them, as I believe they will in November, there will be no doubt of their passage by that body.

Nor has this Congress neglected the interests of the farmers. In years to come the Lever agricultural extension act will be praised as having had much to do with increasing the prosperity of the agriculturist. It is even claimed for it that it will double the agricultural productiveness of the country. It provides a large appropriation for experimentation and the presenting to the farmers in concrete practical form the improved methods of farming developed by such experimentation, and the sending of experts into the rural districts to demonstrate improved methods of soil treatment, cultivation, fertilization, crop rotation, and marketing.

Congress has also appropriated half a million dollars to fight hog cholera, a scourge which in 1913 cost the farmers $65,000,000. It has passed a law regulating speculation in cotton futures. It appropriated $200,000 for the new Bureau of Markets to make a close study of the subject of handling, marketing, and utilizing farm products. And the Currency Committee of this House, after much study, is preparing to present to Congress in December a rural-credit bill for facilitating the credits needed by the farmers of the country. Will our opponents in the November elections oppose these measures?

Nor has Congress neglected the child in whom the future of the country rests. A Children's Bureau has been provided, with enlarged means "to promote the welfare of children and to devise means whereby the necessities of the parents can not be used to retard the development of the children." Who opposes this?

Nor have the problems of capital and labor been neglected. The industrial employees' arbitration act made it possible for the President to settle the threatened eastern railway strike in 1913 and the western railway strike in 1914, either of which would have been disasterous to the prosperity of the country. An eight-hour day has been established for all female employees in the District of Columbia, which is as far as Congress has complete power to act. A bill to create a bureau of safety devices has passed the House, designed to supply the best methods for safety of life and limb.

This House has sent to the Senate a bill for the aiding in the construction and maintenance of good roads.

Nor has this finished the list of constructive legislation, but I have not time to speak of the seamen bill, which passed both Houses unanimously after a bitter fight extending over other Congresses, nor of the many other measures which have received our attention.

With our constructive measures so good that our Republican and Progressive brethren in Congress have had to vote for them, the cry has been raised that this has been an extravagant Congress. But the figures do not bear out this contention. Happily there is no dispute over the figures; the Democratic chairman of the Appropriations Committee and the ranking Republican member of the same committee have agreed on the exact figures in their speeches. The seeming contention of our political opponents is made possible by treating the cost of the greatly increased business of the Post Office Department caused by parcel post and a general increase of the mails as an extravagance. The Post Office Department pays for itself. A great increase in receipts, which means a great increase in business, calls for a corresponding increase in the expense of doing that business. The carrying of the mails is the one business that the Government is engaged in that stands by itself, and as this administration has made it a paying business, there are no apologies to offer for an increase in the total expense of the department, because the increased receipts have more than cared for it. Outside of the Post Office Department the annual appropriations for the first year of appropriations by this Congress have been $664,847,703.26, while the annual appropriations for the last year of the last Congress were $685,776,853.28. This shows a reduction in appropriations by this Congress of $20,929,150.02, and this decrease in appropriations has come in spite of the extra appropriations amounting to $8,650,679.98 caused by the Mexican trouble and in spite of the expense of many added agencies of Government which have been taken on to aid in promoting the general welfare of the people.

It is on this record that the Members of this House go before the people for reelection. The question for the people to decide is, Do they think this bad legislation; are they disappointed in President Wilson and President Wilson's Congress; will they, to adopt a phrase of Abraham Lincoln's, "swap horses while crossing a stream," or will they return a Congress that will work in harmony with the President and go on in the great work of building up an American merchant marine to increase our exports and bring greater prosperity to our people and that will take up the many important questions being considered by the various committees? I can not believe that the people will desire the President to have on his hands a hostile Congress while he is engaged in keeping the United States free from the horrors of a world war the like of which no generation has hitherto seen. I take it that the Wilson policies will be given a fair trial in the next two years with a Congress pledged to aid in carrying them out.

In speaking of the necessity of every patriotic man to "stay on his job" and the duty "to stay where his job can best be done" President Wilson has so felicitously written that I can not forbear quoting it:

> The record men make speaks for itself. The country can not be deceived concerning it and will assess it justly.
>
> What it chiefly expects and demands and what it will certainly be most surely won by is the performance of duty without fear or favor and without regard to personal consequences.
>
> And certainly this is a time when America expects every man to do his duty without thought of profit or advantage to himself. America is greater than any party. America can not properly be served by any man who for a moment measures his interest against her advantage. The time has come for great things. These are days big with destiny for the United States, as for the other nations of the world. A little wisdom, a little courage, a little self-forgetful devotion may under God turn that destiny this way or that.
>
> Great hearts, great natures, will respond. Even little men will rejoice to be stimulated and guided and set an heroic example. Parties will fare well enough without nursing if the men who make them up and the men who lead them forget themselves to serve a cause and set a great people forward on the path of liberty and peace.

Review of the Work of the Democratic Party, Sixty-third Congress, First and Second Sessions.

STATEMENT

OF

HON. OSCAR W. UNDERWOOD,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 9, 1914.

Mr. UNDERWOOD. Mr. Speaker, in the national election of November, 1912, the people were thoroughly aroused against the Republican Party, and the Democrats swept the country overwhelmingly, securing full control of the executive and legislative departments of the National Government. On March 4, 1913, the Democratic Party, with Woodrow Wilson in the executive chair, and with a Democratic majority of 6 in the Senate and of 145 in the House, set to work to fulfill its promises to the people.

IMPORTANT LEGISLATION.

When the President called the special session of Congress on April 7, 1913, it was with the intention of giving the people the promised reforms, and with the special plan of securing before adjournment the promised tariff legislation, banking and currency legislation, and supplemental antitrust legislation in the interest of the people rather than the privileged few.

Since the calling of the special session on April 7, 1913, Congress has been continually in session, and the Democratic Party has already given to the country the most remarkable record of constructive legislation known in the history of our Government. It has enacted the following important measures into law:

THE SPECIAL PROGRAM.

First. It has placed a tariff law upon the statute books revising the tariff downward to a revenue basis, establishing a competitive tariff system and levying an income tax to shift a large portion of the burden of taxation from those least able to pay to those most able to pay.

Second. It has enacted a banking and currency law which will prevent panics and which will prevent the country's resources from being held for speculation by Wall Street at the very time money is most needed to conduct legitimate business in the sections from which it is drawn.

Third. It has created an Interstate Trade Commission to have a similar jurisdiction over corporations doing an interstate business to that of the Interstate Commerce Commission over common carriers.

Fourth. It has enacted an antitrust law to supplement the Sherman antitrust law and to prevent monopoly.

LEGISLATION IN THE INTEREST OF LABOR.

Fifth. It has passed an employees' arbitration act, providing for mediation, conciliation, and arbitration in controversies between common carriers and their employees.

Sixth. It has passed a bill to prevent the employment of women in the District of Columbia in manufacturing, mechanical, or mercantile establishments, laundries, hotels, restaurants, telegraph or telephone offices or establishments, or by express or transportation companies more than 8 hours per day or more than 48 hours per week or more than 6 days per week.

Seventh. The antitrust law provides that labor unions shall not be considered in violation of the Sherman antitrust law, and therefore protects the workingman during the period of trade disputes and, besides, guarantees to him the right of trial by jury for alleged contempts of court committed out of the presence of the court.

LEGISLATION IN THE INTEREST OF EDUCATION.

Eighth. It has authorized the appointment of a commission to consider the subject of national aid for vocational education.

Ninth. It has passed a bill providing for cooperative agricultural-extension work between the State agricultural colleges receiving the benefits of the act of July 2, 1862, and the United States Department of Agriculture.

LEGISLATION TENDING TOWARD MORAL UPLIFT.

Tenth. It has enacted into law two opium bills to assist the international convention, so far as the United States has power, to prohibit the use of opium the world over.

Eleventh. It has enacted a law to eliminate houses of ill fame in the District of Columbia.

INVESTIGATIONS.

Twelfth. It has authorized and directed investigations of the conditions in the coal fields of West Virginia and Colorado and in the copper mines of Michigan. It has authorized and directed an investigation of the Shipping Trust and of the maintenance of a lobby in Washington to influence legislation.

EMERGENCY MEASURES BECAUSE OF THE WAR IN EUROPE.

Thirteenth. It has passed an act permitting the admission of foreign-built ships to American registry for the foreign trade.

Fourteenth. It has passed a law creating a Bureau of War Risk Insurance in the Treasury Department.

OTHER LEGISLATION.

Fifteenth. It has made the following liberal special appropriations: Thirty thousand dollars for the relief of destitute natives and residents of Alaska suffering from the action of the storm of October 6 and 7, 1913; $200,000 for the relief of the sufferers from the recent conflagration in Salem, Mass.; $600,000 for the eradication of hog cholera; $480,000 for aid to agricultural colleges; $500,000 for relief and transportation of American citizens in Mexico; $2,750,000 for relief of American citizens abroad, who have been compelled to rely upon the resources of our Government to extricate them from the perils of the war now afflicting the great nations of Europe; and $1,000,000 for the construction of railroads in Alaska.

Sixteenth. It has authorized the construction of a Government-controlled railroad in Alaska.

Seventeenth. It has passed an act providing for the raising of the volunteer forces of the United States in time of actual or threatened war.

Eighteenth. It has enacted a law repealing the provision of the Panama Canal act exempting vessels engaged in the coastwise trade of the United States from the payment of tolls.

Nineteenth. It has enacted into law a bill providing a temporary method of conducting the nomination and election of United States Senators.

Twentieth. A Roads Committee of 21 members, with jurisdiction over matters relating to the construction or maintenance of post roads, has been created in the House.

Twenty-first. It has passed an act prohibiting gambling in cotton futures and providing for the standardization of cotton according to the Government standard grades.

Twenty-second. It has enacted into law an act providing for second homestead and desert-land entries.

Twenty-third. It has passed a law for the benefit of farmers and water users under national reclamation projects by extending from 10 to 20 years the period within which construction charges shall be returned to the Government; by preventing speculation in reclamation lands; and by providing that no increase in construction charges, when once fixed, shall be made without the consent of a majority of the water users to be affected by such increase.

The Reclamation Service has been reorganized in such a way as to eliminate all friction between the service and the water users, establish more cordial relations between them, and give the water users larger voice and more consideration in the management and operation of the projects.

CONSTRUCTIVE MEASURES UNDER WAY.

The Congress now has under way many other constructive measures of general and local importance, including those providing for the following:

MEASURES IN THE INTEREST OF LABOR.

First. The regulation of the immigration of aliens to, and the residence of aliens in, the United States.

Second. The creation of a Bureau of Labor Safety in the Department of Labor.

Third. The prohibition of the importation of articles made by convict, pauper, or detained labor.

MEASURES FOR THE BENEFIT OF AGRICULTURAL DISTRICTS.

Fourth. Government aid for the assistance of the States in building public highways and post roads.

Fifth. A sound system of easier rural credits.

Sixth. The irrigation of western lands.

Seventh. The extension of the time for payment on irrigation lands under reclamation projects.

MEASURES IN THE INTEREST OF THE MINERS.

Eighth. The leasing of coal land in the Territory of Alaska.

Ninth. A commission to codify and suggest amendments to the general mining laws.

Tenth. The encouragement of prospecting, mining, and treating radium-bearing ores in lands belonging to the United States for the purpose of securing an adequate supply of radium for governmental and other hospitals in the United States.

MEASURES IN THE INTEREST OF CONSERVATION AND THE DEVELOPMENT OF COMMERCE.

Eleventh. The betterment of the facilities of commerce through provisions for bridges and dams.

Twelfth. The development of water powers and the promotion of navigation.

OTHER MEASURES.

Thirteenth. The registration of all persons manufacturing or selling opium.

Fourteenth. Stricter regulations to promote the safety of passengers and crews at sea.

Fifteenth. The giving to the Filipinos their independence as soon as a stable government can be established.

Sixteenth. The revision of the laws relating to the judiciary.

Seventeenth. Government supervision over railway capitalization.

THE TARIFF LAW.

On April 22, 1913, the Ways and Means Committee reported to the House the tariff bill. This bill carried the lowest duties of any tariff bill since the famous Walker tariff of 1846. This bill passed the House by a vote of 281 to 139, or with a majority of 142, only 3 less than the entire Democratic majority. It passed the Senate by a vote of 44 to 37, or with a majority of 7 votes. This bill was enacted into law October 3, 1913, and marked the fulfillment of the first step in the administration's

program. This law establishes a competitive tariff system in lieu of the Republican protective tariff system, and represents for the first time in the history of tariff making during the last 50 years a revenue measure drafted by the representatives of the people rather than by the representatives of privilege, in the interest of the consumers rather than in the interest of the protected few.

This measure eliminates the inequalities and abuses of the past systems of tariff taxation, reduces the customs rates to a sound revenue basis, places maximum rates on luxuries and minimum rates, or none at all, on the necessaries of life, and levies an income tax to equalize the tax burden and to give elasticity and productiveness to our revenue system and to make up the loss in revenue caused by the reduction in tariff duties.

CLAIMS FOR REVENUE PRODUCING SUSTAINED.

When the tariff law was written the committee estimated that the customs receipts for the first fiscal year under the new law would amount to $270,000,000. This estimate was reached on June 2, and the return for the remainder of the month brought the customs receipts for the fiscal year up to $292,000,000, or $22,000,000 in excess of the estimates. The last year the Payne law was in operation the customs receipts amounted to $318,000,000. The falling off in customs duties under the present law amounts to the difference between $318,000,000 and $292,000,000, or $26,000,000. Of course, we expected a falling off in the receipts from customs dues, for if we had not we would not have proposed the income tax.

The Treasury Department estimated that the corporation and income tax would yield $95,000,000 during the fiscal year ending June 30, 1914. The returns from the corporation and income tax only amounted to $71,386,156.13. Of this amount the corporation tax returns amounted to $43,079,819.44 and the return from the tax on individuals amounted to $28,306,336.69. Owing to the provision in the income-tax law permitting payment within 10 days after the close of the fiscal year before penalties attach, there was a failure to pay $5,240,108.83 of taxes which had been assessed against corporations and individuals, and which should have been paid before the close of the fiscal year 1914. Had this amount been paid, the income tax on corporations and individuals would have yielded $76,626,264.96.

The income-tax returns for the fiscal year were $71,000,000, which was $24,000,000 under the estimate of the Treasury Department. This amount was more than made up by the excess of customs receipts over estimates of $22,000,000 and by the excess of miscellaneous receipts over estimates of $3,000,000. The income tax in its operation applied to the last 10 months of the calendar year 1913, but it must be borne in mind that a large proportion of incomes upon which no collection of tax could be made accrued and were payable in the months of January and February of 1913. The income-tax assessment upon semiannual incomes payable in January and July only applied in 1913 to a period of four months. The law applied only seven months in 1913 to all quarterly incomes payable in January, July, and October. So it is fair to say that the entire income-tax rates really applied to these large classes of income during one-half of the year available in which to collect the tax.

THE REVENUE.

The Government receipts from all sources, not including the postal receipts, for the fiscal year just closed amounted to $734,000,000, as compared with $724,000,000 for the previous year. From customs we received $292,000,000; ordinary internal revenue, which includes the receipts from the taxes on spirits, tobacco, fermented liquors, oleomargarine, adulterated and renovated butter, filled cheese, mixed flour, and playing cards, yielded $309,000,000; the corporation and income tax, $71,000,000; and all other receipts, $62,000,000.

THE GOVERNMENT EXPENDITURES.

The ordinary disbursements for the fiscal year 1914 amounted to $701,000,000, as compared with $683,000,000 for the preceding year, or an increase of $18,000,000. This increase in expenditures is due to the gradual expansion of the Government and, naturally, of its various departments—the increased appropriations for the improvements of rivers and harbors and the increased expense of the Navy and War Departments incident to intervention in Mexico. The increase in expenditures of the departments over last year is as follows:

Legislative establishment	$165,000
Executive Office	73,000
State Department	245,000
Treasury Department (excluding public buildings)	1,305,000
War Department:	
Military and civilian	5,801,000
Rivers and harbors	7,722,000
Department of Justice	40,000
Navy Department	6,662,000
Department of Agriculture	$1,642,000
Interior Department (excluding pensions and Indians)	906,000
Department of Labor	148,000
Independent offices and commissions	381,000
District of Columbia	149,000
Total	25,239,000

The following departments were able to reduce expenditures for the fiscal year 1914 below their expenditures for the preceding year:

Treasury Department, expenditures on public buildings	$3,180,000
Post Office Department	227,000
Besides reducing expenditures the Post Office Department wiped out a deficit of	1,027,000
Interior Department:	
Pensions	1,993,000
Indians	57,000
Department of Commerce	163,000
Interest on the public debt	35,000
Total	6,682,000

The Panama Canal payments during the fiscal year just closed amounted to $34,827,000. These payments were made from the current revenues, so that the surplus for the year over ordinary expenditures of $33,784,000 was absorbed, leaving the sum of $1,010,000 as a charge against the general fund of the Treasury. The following table shows the ordinary receipts and disbursements, including Panama Canal expenditures, for the fiscal years 1912, 1913, and 1914:

Table showing the ordinary receipts and disbursements, including Panama Canal expenditures, for the fiscal years 1912, 1913, and 1914.

Year.	Receipts.	Disbursements.	Surplus.	Panama Canal.	Surplus or deficit.
1912	$691,778,465	$654,553,963	$37,224,501	$35,327,370	[1] $1,897,131
1913	724,111,229	682,770,705	41,340,524	41,741,258	[2] 400,733
1914	734,343,700	700,559,248	33,784,452	34,826,941	[2] 1,010,058

[1] Surplus. [2] Deficit.

OUR EXPORTS.

Our exports for the fiscal year just closed were $2,364,579,148, and placed the fiscal year 1914 in second place as showing the greatest exports for any year in the Nation's history with the exception of 1913, when the exports were $2,465,884,149. Thus the exports for 1914 show a falling off of $101,305,001. The falling off in exports is largely accounted for by the decreased exportation of breadstuffs, amounting to $45,795,954. Over 45 per cent of the decline in exports is due to the decrease in the exports of breadstuffs, and for this decrease in breadstuffs lessened exports of barley, corn, and oats account for a decline of $41,399,926. There was in addition to the decrease in breadstuffs a decrease in the exports of cottonseed oil of $6,893,793, making a total decrease for these articles of $52,689,747. Thus the short yield of the barley, corn, and oat crops in 1913 was one of the chief factors in placing the exports of 1914 in second place in the Nation's export history.

Much has been said about there being some excess of imports over exports since April. One has only to turn back to the first year the Payne law was in operation to find that the same condition existed. These temporary fluctuations signify nothing with respect to the operations of a tariff law.

The following table shows the exports of domestic and foreign merchandise for the fiscal years 1898 and 1914:

Exports of merchandise, fiscal years 1898 to 1914.

[Compiled from the reports of the Bureau of Foreign and Domestic Commerce, Department of Commerce.]

Year.	Exports of merchandise.		
	Domestic.	Foreign.	Total.
1898	$1,210,291,913	$21,190,417	$1,231,482,330
1899	1,203,931,222	23,092,080	1,227,023,302
1900	1,370,763,571	23,719,511	1,394,483,082
1901	1,460,462,806	27,302,185	1,487,764,991
1902	1,355,481,861	26,237,540	1,381,719,401
1903	1,392,231,302	27,910,377	1,420,141,679
1904	1,435,179,017	25,648,254	1,460,827,271
1905	1,491,744,641	26,817,025	1,518,561,666
1906	1,717,953,382	25,911,118	1,743,864,500
1907	1,853,718,034	27,133,044	1,880,851,078
1908	1,834,786,357	25,986,989	1,860,773,346
1909	1,638,355,593	24,655,511	1,663,011,104
1910	1,710,083,998	34,900,722	1,744,984,720
1911	2,013,549,025	35,771,174	2,049,320,199
1912	2,170,319 828	34,002,581	2,204,322,409
1913	2,428,506,358	37,377,791	2,465,884,149
1914	2,329,684,025	34,895,123	2,364,579,148

The increase in imports during the fiscal year 1914.

The imports of both dutiable and free merchandise during the fiscal year 1914 amounted to $1,893,925,657 as compared with $1,813,008,234 during the fiscal year 1913, or an increase of $80,917,423. This increase represents an increase of importations of 4.46 per cent over the importations of last year, which is not as great an increase in importations as the increase in importation during the first year the Payne law was in operation, when the imports increased 18.68 per cent over the preceding year. We must also remember that our consumption is continually increasing, due to the increase in population. The per capita consumption of imports during the fiscal year 1914 was $19.17, as compared with $18.69 for the last year the Payne law was in operation, or a per capita increase in importations of 48 cents. The following table shows the imports of merchandise, the per cent of free imports, the percentage of yearly increase in imports, the United States population, and the imports per capita from 1895 to 1914:

Table showing the imports of merchandise, the per cent of free imports, the United States population, and the imports per capita, 1895 to 1914.

[Compiled from the reports of the Bureau of Foreign and Domestic Commerce and of the Bureau of the Census, Department of Commerce.]

Year.	Free.	Dutiable.	Total.	Per cent of free.	Percentage yearly increase.	Population June 1.	Per capita.
WILSON TARIFF.[1]							
1895	$363,233,795	$368,736,170	$731,969,965	49.62	11.75	68,934,000	$10.62
1896	369,757,470	409,967,204	779,724,674	47.42	6.52	70,254,000	11.10
1897	381,938,243	382,792,169	764,730,412	49.94	[2]1.92	71,592,000	10.68
DINGLEY TARIFF.[3]							
1898	291,414,175	324,635,479	616,049,654	47.30	[2]19.44	72,947,000	8.45
1899	300,279,810	396,868,679	697,148,489	43.07	13.16	74,318,000	9.38
1900	367,236,866	482,704,318	849,941,184	43.21	21.92	75,994,575	11.18
1901	339,608,669	483,563,496	823,172,165	41.26	[2]3.15	77,612,569	10.61
1902	396,818,871	506,502,077	903,320,948	43.93	9.74	79,230,563	11.40
1903	426,180,979	599,538,258	1,025,719,237	41.55	13.55	80,848,557	12.69
1904	454,130,240	536,957,131	991,087,371	45.82	[2]3.38	82,466,551	12.02
1905	517,442,302	600,070,769	1,117,513,071	46.30	12.76	84,084,545	13.29
1906	549,623,878	676,938,568	1,226,562,446	44.81	9.76	85,702,533	14.31
1907	644,029,761	790,391,664	1,434,421,425	44.90	16.94	87,320,539	16.43
1908	525,603,308	668,738,484	1,194,341,792	44.01	[2]16.74	88,938,527	13.43
1909	599,556,639	712,363,585	1,311,920,224	45.70	9.84	90,556,521	14.49
PAYNE TARIFF.[4]							
1910	755,311,396	801,036,034	1,556,947,430	48.51	18.68	92,174,515	16.89
1911	776,972,509	750,253,596	1,527,226,105	50.87	[2]1.91	93,792,509	16.28
1912	881,670,830	771,594,104	1,653,264,934	53.33	8.25	95,410,503	17.33
1913	987,524,162	825,484,072	1,813,008,234	54.47	9.66	97,028,497	18.69
UNDERWOOD TARIFF.[5]							
1914	1,127,502,699	766,422,958	1,893,925,657	59.54	4.46	98,781,324	19.17

[1] Act of Aug. 27, 1894.
[2] Decrease.
[3] Act of July 24, 1897.
[4] Act of Aug. 5, 1909.
[5] Act of Oct. 3, 1913.

THE FEDERAL RESERVE ACT.

The banking and currency act was enacted into law December 22, 1913, thus completing "the second step toward setting the business of this country free." This bill passed the House by a vote of 287 to 85, being voted for by 26 Republicans and 12 Progressives. It passed the Senate by a vote of 54 to 34. This bill provides that each national bank shall keep a portion of its funds in one of the 12 regional reserve banks. A national bank may in stress borrow at interest from its own reserve and that of the other member banks on the security of its holdings of prime commercial paper and acceptances. This will make possible, without lessening safety, the unlocking for circulation of about half the immense total of bank reserves whenever needed in time of a crisis or to move crops. The act also provides a further means of elastic currency by permitting a regional bank to issue new notes as money, the retirement of the same being insured when extra money is no longer needed by the requirement of a gold reserve of 40 per cent of the note and a commercial paper reserve of 100 per cent. This measure also permits national banks to lend on five-year farm mortgages up to one-fourth of its capital and surplus.

The bankers of moderate capital throughout the country are going to be greatly benefited by the new currency law. In 1893, and again in 1907, many of the largest banks in the country practically suspended payment because they could not get the bank-note currency to meet their depositors' demands. During these panics the New York banks adopted the practice of only paying a limited amount in bank notes to any customer, no matter what the customer's credit or assets might be. These banks were obliged to adopt this practice because they could not get the currency. Under the new law such conditions will be impossible. A merchant having tangible assets and good credit can go to his local bank and borrow money on his personal note properly indorsed. Should his home bankers not have the currency to give him, he may take the merchant's note to the Federal reserve bank in his district and get bank notes for him. Should the Federal reserve bank not have the necessary bank notes, it can secure them from the United States Treasury.

This law will prevent the country's resources from being held by Wall Street for speculation at the very time money is most needed to conduct legitimate business in the sections from which it is drawn. It will provide the necessary accommodations for the moving of crops; it will prevent panics such as those of 1893 and 1907 and will give a new impetus to business.

RURAL CREDIT LEGISLATION.

The Federal reserve act gives the rural districts of the country the benefit of $350,000,000, which was denied them under the previous banking laws. The rediscount provisions of the Federal reserve act furnish unlimited facilities for farming operations of all kinds. As soon as the new system is in full operation no bank will have any excuse for refusing loans to farmers who can give well-secured notes of six months' maturity based on agricultural transactions already consummated or in contemplation. For the exportation of farm products the Federal reserve act furnishes extended credit facilities, making it possible for the farmer to get his money immediately for his products exported instead of having to wait until the return is made from abroad, as was the custom under the old law. The Federal reserve act will have a decided effect in reducing the rate of interest to the farmer and the rediscount provisions will make it possible for the banks to extend credits to a greater extent than they were able to do under the old law.

INTERSTATE TRADE COMMISSION.

The Interstate Trade Commission law abolishes the Bureau of Corporations and turns over the functions and general machinery of that office to the new commission. It gives this commission broad powers of investigation into the affairs of corporations doing an interstate business. All corporations having a capital of $5,000,000 or more must report regularly to the commission. This will enable the Government to keep in close touch with the financial workings of the big business establishments at all times. The President, Attorney General, or either branch of Congress can authorize the commission to investigate any alleged violation of the antitrust law, be the corporation big or small. The commission is authorized to make public all infor-

mation it gathers in the course of its investigations and is to make an annual report to Congress suggesting recommendations for future legislation.

TRUST LEGISLATION.

Big business, foreseeing the trend of public opinion, began to adjust itself to meet the new conditions and to obey the law. In December the American Telegraph & Telephone Co., to escape prosecution, agreed with Attorney General McReynolds (1) to dispose of its Western Union Telegraph stock, so that the telegraph company will be entirely separate from the former and of any other company in the Bell system; (2) that no one of these telephone companies will hereafter acquire control of a competing line; and (3) that all independent telephone companies may obtain toll service over the Bell lines.

Mr. McReynolds also secured settlement with the New Haven Railroad combination, which agreed to give up its control of the Boston & Maine roads, of its trolley lines, of its three vessel lines outside of the Sound, and to cancel its agreement with the Boston & Albany. The administration desired only practicable and beneficial competition by separation of parallel lines.

The Money Trust began to prepare for the necessary adjustment to meet the demands of the administration and the trend of public opinion before the delivery by President Wilson of his trust message. Members of the J. P. Morgan banking firm resigned from 30 of the 63 directorships in 39 corporations, having a total capital of $10,000,000,000. The Pujo report of 1912 showed that the Morgan firm, with its closely allied banks, had 341 directorships in 112 corporations having a total capital of $22,245,000,000. This gives an idea of the stupendous structure held together by interlocking directorates now being unlocked before the new antitrust law is enacted.

E. H. Gary, chairman of the United States Steel Corporation, realizing the growing sentiment against interlocking directorates has already resigned his directorship from all the corporations with which he is identified, with the exception of the United States Steel Corporation and its subsidiaries.

The antitrust measure forbids unfair discrimination in prices whereby certain corporations seek to secure monopoly in trade by destroying competition by selling their goods at a less price in communities where their competitors are engaged in business than at other places throughout the country.

The law prohibits such interlocking directorates as those of—

> Great corporations, in banks and railroads, industrial, commercial, and public-service bodies, which result in making those who borrow and those who lend practically one and the same, those who sell and those who buy, but the same persons trading with one another under different names and in different combinations, and those who affect to compete in fact partners and masters of business.

This law will be a great help to business and the country and will remove the menace of monopoly with little disturbance to business.

THE EMPLOYEES' ARBITRATION ACT.

The employees' arbitration act provides for mediation, conciliation, and arbitration in controversies between employers and their employees. This law provides a means of bringing together the representatives of capital and labor. It has already resulted in averting the greatest railroad strike in the history of our country, which involved every railroad west of the Mississippi and north of the Potomac Rivers, and thousands of railroad employees. This legislation marks a new era in the settlement of industrial disputes, and its application thus far goes a great way toward demonstrating to the country and to industrial workers the wisdom of settling differences without resorting to warfare by an actual strike. Its application has also served to teach that it is better to have a peaceful settlement through mediation, conciliation, and arbitration rather than a great industrial warfare.

AGRICULTURAL-EXTENSION DEPARTMENTS.

The object of this legislation is to establish agricultural-extension departments under the direction of the land-grant colleges of the several States to aid in carrying to the people useful and practical information relating to agriculture and home economics through field instruction, demonstrations, and publications. When one stops to think of the very small per cent of the people enjoying the direct benefits of agricultural colleges it is quite apparent that the system of Federal aid to agriculture is far from complete. The college deals with ideas; the agricultural stations with facts. The colleges teach theories of agriculture; the stations ascertain whether or not the theories are good or bad. The stations gather facts of a practical and scientific nature; the colleges disseminate these facts, but only to a limited extent. This legislation is the next logical and necessary step, and gives this country the most comprehensive system of governmental aid to agriculture in the world. It is believed that this legislation will be instrumental in greatly increasing the productiveness of American farms, and thereby greatly add to the Nation's wealth.

LOBBY INVESTIGATION.

During this Congress a searching investigation has been made into the maintenance of a lobby in Washington for the purpose of influencing legislation, the result of which was to eliminate the lobby from the Halls of Congress and the seat of government.

ALASKAN RAILWAY.

Another act of great importance recently enacted into law was the Alaskan railway bill. This law provides for the construction and ownership by the Government of a railroad in the Territory of Alaska. This law will make possible the development of the resources of Alaska, the establishment of industries, and the utilization of the coal deposits which are to remain under the control of the Government. The law unlocks Alaska's great resources and represents a great step toward the development of Alaska.

EMERGENCY LEGISLATION BECAUSE OF THE WAR IN EUROPE.

The law providing for the admission of foreign-built ships to American registry for the foreign trade.

This measure provides for the admission of foreign-built vessels to American registry, without restriction as to the age of the vessel, "to engage only in trade with foreign countries or with the Philippine Islands and the islands of Guam and Tutuila." Section 5 of the Panama Canal act of August 24, 1912, contained this provision, but with the limitation that such foreign-built vessels, to be entitled to registry, must not be more than 5 years old at the time they apply for registry.

While this measure was approved by the President on August 18, 1914, it really did not go into effect until after the President's order, and during the first month that the law was really in operation 62 vessels which were previously under British, Belgian and German registry and flags were added to the American merchant marine, with a total tonnage of 235,420 tons and a value of upward of $15,000,000.

WAR RISK INSURANCE ACT.

This measure creates a bureau of war risk insurance in the Treasury Department for the purpose of insuring American ships and cargoes shipped therein against loss or damage. This undertaking is merely of a temporary nature and purely to meet the present emergency, and is to be conducted upon a business basis. The Government is to receive premiums for the insurance issued. Great Britain, France, and Belgium are insuring the vessels and cargoes flying their respective flags against war risks.

This measure became necessary because our ships and our cargoes could not get insurance except from a few American companies, who had not the necessary capital and who had not the commercial standing on which they could safely take the risks. American ships laden with American cargoes were in our ports, flying the American flag, prepared to carry the commerce of this country beyond the seas, and were unable to sail because they could not get the insurance which the men who own the cargoes or who finance the cargoes demanded before the ships left our ports. By this act we rise to the necessities of this emergency, and by risking a few million dollars of the people's money make it possible for our crops, our cotton, corn, and wheat to go abroad and bring back gold to the people of the United States.

This act was approved by the President on September 2, 1914, and was in full operation on September 4. Since the law has been in operation the bureau has written war risk insurance amounting to $4,434,241. Applications are now pending amounting to $6,161,000, and the receipts from the insurance issued paid into the Treasury to date have been $43,421.67.

THE EMERGENCY WAR REVENUE MEASURE.

This measure has already passed the House and is now before the Senate. It proposes to raise $105,000,000 by internal-revenue taxes to meet the falling off in customs revenue during the next 12 months because of the probable cessation of importations from the countries at war.

The following table shows the value of dutiable imports into the United States from the European countries at war during the fiscal year ending June 30, 1914, together with the estimated falling off in customs revenue during the next 12 months, computed on the basis of the tariff act of October 3, 1913:

Estimated falling off in customs revenue during the next 12 months because of the European war.

Country.	Dutiable imports, value 1914.	Estimated falling off in revenues during next 12 months.
Austria-Hungary	$15,232,645	$5,267,000
Belgium	21,324,417	5,398,000
France	95,445,062	35,566,000
Germany	119,383,978	38,683,000
Russia in Europe	2,420,602	242,000
Servia and Montenegro	9,627	2,000
United Kingdom	132,173,220	40,653,000
Total	385,989,551	125,811,000

NOTE.—This estimate is made on the assumption that all imports from the European countries at war will cease during the next 12 months. The import values shown represent the dutiable articles imported during the fiscal year ending June 30, 1914. The estimated falling off in revenue is computed by applying the rates of the act of 1913 to the imports for the fiscal year ending June 30, 1914.

THE NECESSITY FOR THIS LEGISLATION CAN NOT BE TRACED TO THE TARIFF ACT OF 1913.

Many have contended that this legislation becomes necessary because of the failure of the new tariff law to provide the necessary revenue, but the facts will not bear out the statement. During the fiscal year 1914 the customs revenue collected amounted to $292,000,000. Of this amount, $85,500,000 was collected before the present law went into effect. The customs revenue collected during the first nine months the new law was in effect amounted to $206,500,000, or $22,900,000 per month. The customs revenue collected during the fiscal year 1913 (the last year the Payne law was in operation) amounted to $318,891,395.86, or $26,600,000 per month. The new tariff law provides an income tax to make up for the reduction in customs revenue because of the lowering of the tariff taxes.

For the last 10 months of the calendar year 1913 there accrued from the income tax on individuals $31,344,539. The amount of corporation, excise, and income tax accruing for the entire calendar year of 1913 was $45,851,028. The total amount of the excise tax on corporations derived by the Treasury for the calendar year 1912 was $35,006,299. The new income-tax law eliminated the corporation exemption of $5,000, added to the tax list many corporations not subject to the excise tax, and also imposed a graduated rate upon corporations holding stock in others. These provisions account for the entire difference between the receipts from corporations for the calendar year 1912 and the calendar year 1913, which difference is $10,844,729. This sum added to the amount of income tax accruing from individuals for the year 1913, namely, $31,344,539, would aggregate $42,189,268, or $4,000,000 per month. Adding the average monthly customs receipts to the average monthly income-tax receipts under the new law gives $26,900,000, as compared with $26,600,000 under the act of 1909. This average monthly comparison only extends to the close of the fiscal year 1914.

For the present fiscal year 1915 the comparison is much more favorable to the new tariff and income-tax law, for the reason that the individual income-tax law only covered 10 months of the year 1913, and in reality only reaching all semiannual incomes payable in January and July for 4 months of that year and all like quarterly income payable in January, July, and October for but 7 months of that year. Considering the unsettled business conditions during the year 1914, largely on account of disturbed international commercial and other conditions, the best obtainable figures as to the estimated amount that will accrue from the corporation tax for 1914 is $42,500,000, while the same estimates from individual income tax is $42,500,000, making a total of $85,000,000. Deducting from this amount $35,000,000 that would otherwise have accrued from corporation excise tax under the act of 1909 leaves $50,000,000, or $4,166,000 per month that would accrue to the Treasury from the income tax for the fiscal year 1915. Adding this average monthly yield to the average monthly yield of the present tariff law gives $27,066,000, as compared with $26,600,000 under the act of 1909. These estimates of the income tax are exceedingly conservative.

The customs revenue collected during the fiscal year 1913 amounted to $318,891,395, as compared with $292,128,527 for the fiscal year 1914. The customs revenue, therefore, fell off $26,762,868, which amount was more than made up by the $31,344,539 accruing from individual incomes, and the $10,844,729 additional tax accruing from corporations, as heretofore explained.

OUR REFORM LEGISLATION SUPPORTED BY REPUBLICANS AND PROGRESSIVES.

There are now 285 Democrats in the House of Representatives, 123 Republicans, 2 Progressive Republicans, 18 Progressives, 1 independent, and 6 vacancies. The Democratic majority, therefore, is 141. In the Senate there are 53 Democrats, 42 Republicans, and 1 Progressive. As shown by the record of the passage votes on the great reform measures, every measure received not only the support of the Democrats, but enlisted the votes of many Republicans and Progressives. The Democratic majority now in the House is 141 and 10 in the Senate. The tariff bill passed the House with a majority of 142 and the Senate with a majority of 7; the Federal reserve act passed the House with a majority of 202 and the Senate with a majority of 20; and the antitrust bill passed the House with a majority of 223 and the Senate with a majority of 30.

The votes.

Measure and party.	Passage vote in—			
	House.		Senate.	
	Ayes.	Nays.	Ayes.	Nays.
Tariff bill:				
Democrats	274	5	42	2
Republicans	3	122	1	35
Progressives	1	8	1	0
Progressive Republicans	2	4	0	0
Independent	1	0	0	0
Total	281	139	44	37
Banking and currency bill:				
Democrats	248	3	47	0
Republicans	26	80	6	34
Progressives	6	1	1	0
Progressive Republicans	6	1	0	0
Independent	1	0	0	0
Total	287	85	54	34
Antitrust bill:				
Democrats	218	1	38	0
Republicans	42	52	7	16
Progressives	13	1	1	0
Progressive Republicans	3	0	0	0
Independent	1	0	0	0
Total	277	54	46	16

DEMOCRATS HAVE EARNED THE CONFIDENCE OF THE PEOPLE.

The Democratic Party is entitled to the confidence of the people because it has kept its pledges with them. It has revised the tariff downward to a revenue basis and through the enactment of the income-tax law has shifted a large portion of the tax burden of the American people from the shoulders of the people least able to pay to the shoulders of those most able to bear the burden of taxation. It has reformed our banking and currency laws, taking the control of the money and the credits of the country out of the hands of the money lenders and speculators of the great cities and placing it in the hands of the Government where it belongs.

It has furnished the necessary supplemental legislation to strengthen and make effective the provision of the Sherman antitrust law to prohibit monopoly with the least disturbance possible to business, and it has further demonstrated that it can efficiently administer the affairs of the National Government.

On Adoption of Conference Report on Antitrust Bill.

EXTENSION OF REMARKS

OF

HON. SILAS R. BARTON,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 8, 1914.

Mr. BARTON. Mr. Speaker, I shall vote to reject this conference report, hoping that we may have an opportunity of sending it back to conference with instructions to the conferees requiring them to insert the penalties in sections 2 and 4 as they were originally in the House bill. I voted for the bill when it passed the House. Now it comes before us shorn of its power, its teeth extracted, a poor, pitiful attempt to please the powers it was intended to punish. The people have demanded trust legislation; they have asked for bread and we

have given them a stone. Do not think they will dwell in ignorance, for they can understand this bill in its final workings, and when they know that it not only gives the rich offender of law a title of security but weakens the Sherman antitrust law, then they will call to account men who have written a trust bill and taken out the penalties.

I have eminent authority for saying criminal action should be visited on the men who rob the people through their monopolies and holding companies and that guilt should be made personal; also that fines meant nothing to these offenders, for they immediately raise the price of their commodity and require the people to pay it when purchasing the things they have illegally monopolized. That statement is true, and when in your conference report you struck out the criminal penalties you not only took the life out of this bill but you weakened the Sherman law.

I do not believe in hypocrisy; and to place a caption of antitrust over this bill is, in my judgment, pure hypocrisy.

Under our law we visit the most dire punishment on the little thief. We send him to our jails and penitentiaries. But this bill says to the big thief, "Stop, or I will have you investigated." And if he does not stop, you will look on with calm complacency and say it is too bad.

One law for the rich, another for the poor! How long will this continue?

I had great faith that when this bill left the House we were going to have written into our laws real trust legislation; that interlocking directorates would be forbidden in banks, railroads, and all other corporations where such conditions jeopardize the interests of the great body of our people was conceded. But now the Pujo committee work, after all the expense incident thereto has been paid, their time and talent given for our guide and benefit, is thrown into the wastebasket. We are now running up the white flag to the potent influence that surrounds these plunderers of public wealth. The Democrats who voted against this conference report in another body deserve our commendation; and I hope there will be Democratic votes enough to order this bill back to conference, so that we may have real trust legislation.

This bill, like most bills, contains some good features. If we could now insert the penalty provisions, I feel quite sure that we would receive almost a unanimous vote of the House, for I know that this body wants a real antitrust bill, and not an immunity bath for these invaders of the people's rights.

Monument on the Wyoming Battle Grounds in the State of Pennsylvania.

EXTENSION OF REMARKS

OF

HON. JOHN J. CASEY,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 9, 1914,

On the bill (H. R. 19115) to appropriate $50,000 to erect a suitable monument on the Wyoming battle grounds, on the Susquehanna River, in the State of Pennsylvania.

Mr. CASEY. Mr. Speaker, for years, quietly, though forcibly, the people of the historic and beautiful valley of Wyoming espoused a movement to have Congress erect a monument to commemorate the spot where the Wyoming massacre occurred.

It is true that a small one, erected by patriotic men and women, the majority of whom are descendants of these real heroes whose gallantry, bravery, and devotion to country remain unequaled in the annals of American history, marks the battle ground. It is true that the names of these brave men, who gave up their lives that their families might live, are regularly inscribed, not only on the stone tablet but in the heart of every patriotic man.

But I believe that it is time that the Federal Government should properly mark the battle ground so that generations which are to come after us will know that we lived in an appreciative age, accorded merit to those who deserved reward, and gave recognition to the men who did not falter, deviate, or postpone, but went out, knowing that the enemy outnumbered them almost five to one, and fought what they knew was sure to be a losing fight in order that their mothers, wives, and children might escape to the mountains and thus be free from perfidy of barbarous enemies.

THE AWFUL SLAUGHTER.

No one can read the story of that awful slaughter without shuddering with horror; no one can tell the story without desiring to bestow upon the brave troop every honor that can be bestowed, and surely it is not much, a memorial that is asked, similar to the ones that had been given to others, and surely Congress will not refuse such a request.

THE WYOMING VALLEY.

The Wyoming Valley has given much to the country, and it will give more. Never was there one moment's hesitation when duty called. And why should it be otherwise? Ever before the mind is the picture of that battle, which resulted in a massacre; ever before the mind is the patriotic impulses which inspired these heroic pioneers, who loved life—yes, but loved their country and families more. Before the mind is the picture of that little fort, where they retired, the mere few of the original 400, to learn if the women and children had escaped, and when informed that all were safe in the mountains they marched out and were again mowed down without quarter. They offered to surrender, asking only that the women and children be spared, if found, fearing possibly that some might yet be overtaken and captured. Their request temporarily was granted, but when they had capitulated the awful devastation continued.

Why should not the Wyoming Valley be a holy spot, for its soil ran red with patriotic blood of martyrs? Why should it not be essentially fitting to record that spot, hallowed with deeds of men and women, who bled and suffered aiding in example and sacrifice to make this the greatest Nation?

BEAUTIFUL WYOMING VALLEY.

It was in this valley that the Indians ran back and forth; it was in the surrounding mountains they danced and played. It was then a wilderness, a wild scene, beautiful here, picturesque there, adorned in its pristine garb; a fresh and fair gift from the Creator. Tribe after tribe came and were evidently inspired by the beauty all about, for they stayed and apparently were content. For did they not go to Philadelphia and tell the illustrious Penn, who was despairing of his grant, of the Skehan-to-na-na, signifying the great field or plain. He did not believe; and delegations from the Minquas, Gandastogues, Andastes, and the Susquehannocks confided the very same story.

This was in 1680, the year that Penn decided to sell Pennsylvania for £12,000. Luckily for him he could not at that moment obtain a purchaser. The story of the Indians impressed him, and with several of his followers he visited the Wyoming Valley, and never after that did anyone ever hear him talk of selling the vast estate deeded to him. It was related of him that he endeavored to establish peace among the Indians, declaring that such a valley was no place for warfare; that God gave it to them and the American people that was to follow them, to enjoy the peace and comfort of life in the beauty of the valley.

THE YANKEE INVASION.

While the followers of Penn were discussing the advisability of settling in that section others heard of its greatness, and the Susquehanna Co., comprised of residents of the unfertile counties of New London and Windham, Conn., was organized.

In the articles of incorporation this company stated that the purpose was to enlarge the English settlement in North America belonging to His Majesty the King of Great Britain, to spread christianity, and to promote the temporal interests of the incorporators by securing possession of a large track of land lying along the Susquehanna River at or near a place called "Chiwau-muck" (Wyoming), an island in the said river.

It was the belief of these men—and they retained the conviction for a generation—that this valley was a part of Connecticut. They arrived in 1762, were moderately welcomed by the Indians, erected huts, built forts, and tilled the soil. During the winter of that year they returned to their former homes, and during the early spring started with their families for the purpose of making their future homes on this chosen spot.

THE INDIAN WAR.

Less than a month after their arrival the war between the Indians and the whites started. They knew nothing of it. They had no means of communication with the outside world; they knew nothing of the hostile tribe of Delawares hovering along the borders of Pennsylvania, destroying life and property as they moved from place to place.

But they did know that the Indians had left the valley. The reason for their departure did not interest them. They were interested in development of the lands and looked forward to a period of prosperity and happiness.

The Indians were greviously hostile. They did not want the white man in that section of the country and, without the slight-

est warning, on October 15, 1763, this tribe swooped down on this unsuspecting band of pioneers, and women and children were killed, scalped, and otherwise mutilated.

The men were laboring in the fields at the time. The screams of the womenfolk were the first signs of a massacre. They had no weapons, but clubs; but with them they went to battle in defense of their homes.

The Indians, with their overwhelming numbers, soon overpowered them, and those that were able escaped—fled over the mountains to a place of safety. As they proceeded some of them turned back and stole a glance at the beautiful valley; the darkness of night had already fallen, and they beheld their homes in flames, and all about they could see the dancing red men celebrating their victory. Thus ended the first massacre of Wyoming.

THE PENN-YANKEE WAR.

It is not my intention, Mr. Speaker, to enumerate the other difficulties and hardships endured by these sturdy men; nor am I going to relate the incessant war between the "Penns," residents of Pennsylvania south of Wilkes-Barre, and the Yankees, so called because they hailed from Connecticut, except to say that for years there was a dispute between them as to whether the Wyoming Valley belonged to Connecticut or Pennsylvania. Both factions claimed title to it—the Yankees by right of purchase and precedent, the Penns by purchase and by grant. This great struggle for ownership was marked by many stirring battles, in which all the horrors of warfare were experienced. It involved the lives of hundreds, was the ruin of thousands, wore out an entire generation, and cost Pennsylvania many millions of dollars.

We know that our Pilgrim fathers were wronged; we know that they fought, bled, and suffered; we know that they led the way—the pioneers and invaders of a new and unknown country. We know that the obstacles they encountered were almost insurmountable. But their pluck, energy, and fidelity prevailed, because they saw, even in that period, a country such as this, big, strong, and great, with thousands of big, strong, and great men presiding over the destinies of a great nation, which is a haven to the poor, the downtrodden, and the persecuted. They realized that they were opening the gates of a land whose resources are unlimited. With these thoughts dominant, they worked on, sacrificing and suffering; but nowhere did our fathers suffer more than in the Wyoming Valley.

Harassed by the Indians, constantly troubled by the French, and sorely tried by their own internal troubles, nevertheless they persisted, hoping eventually that peace would prevail.

UNITED FOR INDEPENDENCE.

Notwithstanding the hatred that existed between the Penns and the Yankees, notwithstanding the land dispute was far from being settled when the Revolutionary War was declared, these sturdy sons united forces and went out and battled for independence. How well they fought history records.

After the war was over, after freedom had been attained, and all realizing that the first great step in the country's advancement had been taken, they returned home only to find, after a short month's sojourn, the same internal war confronting them. It might be said that they were unruly—yes; but they were honest.

While they fought among themselves little did they know that Sir Guy Carleton, the Governor of Canada and commander in chief of His Majesty's forces, was conspiring against them. If they had known that he enlisted the aid of Sayenqueraghts, a leading and noted chief, with 1,000 of his warriors, to accompany the English expedition, they would have been prepared to battle with the invaders, but they did not know.

The arrival of the English and the Indians came as a complete surprise. Still they gathered all of the available men and boys together, armed them the best they could, sent the women and children into the mountains, and went forth to battle. This was on June 30, 1778. It was an unequal struggle; but history records that not a single man hesitated, not one of the heroic band faltered, notwithstanding the fact that each and every one of them realized that an awful death awaited them.

THE WYOMING MASSACRE.

It was a battle—yes—for the perpetuation of our country; it was a battle—yes—for the sacredness of the home. It was a battle in which men gave up their lives in order that their women and children might live—yes—live among their own kind and not die the unwilling slaves of unscrupulous savages. They won the battle that day, even if nearly all felt the sting of the poisoned bullet or the sharp edge of the tomahawk, because those whom they battled for were safe—far in the mountains, beyond the reach of the perfidious and treacherous enemy. When assured of this the survivors repaired to the little fort, then known as Fort Wyoming, and it was decided to surrender, and under the terms of capitulation it was agreed that only the various garrisons and forts would be destroyed. The invaders promised that nothing else would be exacted. Hardly had they handed over their guns when the Indians swept through their depleted ranks, scalping those that they could reach, and very few were able to escape. Nevertheless the desires of these invaders were not satisfied. They went from town to town, village to village, ruthlessly plundering personal belongings, destroying the crops; and when night came, in order to celebrate their victory, they set fire to every house and laid the place in ruins.

PROSTRATED AND DEPOPULATED.

Some days afterwards a few of the survivors returned and found Wyoming Valley prostrated, desolate, and depopulated. What must have been their thoughts, God alone knows. The story of the massacre was told to Washington. He sent a part of his army there; drove out the English and the Indians with them.

The presence of several companies of the Continental Army gave security to the settlers. Others came from Connecticut, and some from southern Pennsylvania, and soon the valley took on a lease of life. But other bands of Indians came, raided the farms, taking cattle and crops, and escaped before punishment could be inflicted.

During this period one of the most dramatic incidents, tragic in its consequences, occurrred. Frances Slocum, 5 years of age, was found by a band of Indians playing in the fields in front of her home. Her parents were working some distance away. She was taken into captivity and was not found again until she was 64 years of age. She had married Miami, an Indian chief, and had two married daughters.

THE HISTORIC WYOMING VALLEY.

Thus it will be readily observed that Wyoming Valley, the heart of the anthracite region, besides being noted for its historic importance, is a place for song and story; famed for its beauty and picturesqueness, its wealth, and the prosperity of its people—people who realize and people who appreciate the valiant acts and heroic deeds of their forefathers; people who believe that the acts of pioneers, be they Penns or Yankees, should be properly commemorated; people who believe that the time is opportune to recognize the worth of the men who overcame every obstacle and made the discovery of anthracite coal possible; people who love their city, their valley, and their country; and people who are asking you, my fellow Congressmen, to place the wreath of Federal recognition upon the brows of these departed heroes, who endured every hardship, made every sacrifice, yes, gave up their lives so that we who are following them should profit by their example; gave up their lives so that we might enjoy the beauty and wealth of that valley. Surely such a request can not be denied.

Philippine Legislation.

EXTENSION OF REMARKS

OF

HON. PATRICK H. KELLEY,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 9, 1914.

Mr. KELLEY of Michigan. Mr. Speaker, this bill clearly illustrates the sobering influence of responsibility. It illustrates again that it is one thing to proclaim and an entirely different matter to do the thing proclaimed. For 14 years the Democratic Party has insisted on immediate Philippine independence. In party platform and from the stump you on that side of the aisle have insisted that we should get out of the Philippines. For 14 years you have declared that our policy in the Philippines does violence to both the Declaration of Independence and the Federal Constitution.

Now for the first time since we acquired the Philippine Islands your party is in control of the lawmaking branches of the Government. Now for the first time since we went into the Philippines you are in position to give them immediate independence. You now have the power to call home our soldiers, our civil officials, our doctors, and our teachers. You now have full power to do all those things which you have declared should have been done as far back as 14 years ago.

Now that you have the power, surely there will be no halting in the matter of Philippine independence. Surely you must have been sincere in your oft-repeated assertion that the Phil-

ippine people are fully able to take care of themselves and that immediate independence should be granted. Unless you are convinced that you have been mistaken, and are ready to admit your mistake, surely you will not defer the matter of Philippine independence until you are again out of power. Permit me to remind you in this connection that the fortunes of politics are uncertain and that you may not long continue in control of all the branches of the Government necessary for the enactment of legislation. If a thing should be done, and you have the power to do it, why put it off? Why leave for the future an action which you have insisted should have been taken 14 years ago?

It is said that this bill now under consideration has been reported to the House as a fulfillment of your party promises relative to the independence of the Philippine Islands. Does this bill grant Philippine independence? Oh, no; it simply declares in the preamble that the United States has always intended that the Philippines should ultimately be given their independence. Does this bill fix the time when independence is to be granted? Oh, no; it is a promissory note without any date of maturity. What has become of the Jones bill, which fixed the time of independence for 1913? What has become of the Jones bill of a later draft, fixing the time of independence for 1920? In this bill you have abandoned all idea of immediate independence or independence at a fixed date, and have simply provided for a little larger participation by the people in their local affairs. By this bill you are merely continuing the policy pursued by the United States from the beginning. You have evidently decided that the Philippine people should be continued longer on trial. You have evidently decided that it will be wiser to see how they handle increased power and responsibility before granting them independence. Although you have repeatedly declared that they have been ready for independence for 14 years, this bill continues them indefinitely as wards of this Government. This bill, in fact, amounts to a complete indorsement of the existing policy in the Philippines. I congratulate you upon the wisdom you have shown in this respect, but in view of your changed attitude I would suggest that the title of this bill should read, "A bill making an apology to the Republican Party for 14 years of Democratic criticism of the policy pursued by the United States in the Philippine Islands."

But while this bill does nothing in the way of granting independence, yet when taken in connection with the oft-repeated declarations of the party in power it has in it possibilities of great mischief and misunderstanding. While Congress makes no declaration in this bill as to when independence shall be granted the people of the Philippine Islands will naturally interpret it in the light of former pledges of the party in power and insist that it is a promise of independence at an early date. The Resident Commissioner evidently holds this view as to the meaning of the bill. When he goes back to the Philippine Islands he will in all probability tell the people that early independence has been promised by this bill. And if independence is not speedily forthcoming, and it will not be, I fear that there may grow up in the minds of the Philippine people a feeling of suspicion and distrust of the good faith of the United States.

The Philippine people may very naturally be suspicious anyhow of the disinterested intentions of an alien Government. It could hardly be expected that they would be otherwise when it is remembered that their Spanish masters governed them with an iron hand for more than three centuries and that their whole history up to the time of the American occupation was a history of promises made only to be broken and of reforms granted in the letter only to be denied in the spirit. It is hardly to be expected that 14 years of altruism on the part of the United States could wipe out a suspicion which is the outgrowth of 300 years of Spanish oppression.

By all means let us deal frankly with the Filipino people. Let us make our declarations so clear that no misunderstanding may grow out of them in the future. Let us make no promises, even by implication, which we do not intend to keep within the time naturally expected by the people to whom the promise is made. When we make a declaration, it should be made without mental reservation. A promise of independence to the Filipino people which we will not be able to keep to the present generation, if made at all, should be made in such a way as will not raise an expectation in them which we do not fully and unreservedly share. We have had one serious rebellion in the Philippines growing out of an alleged promise of the United States to grant independence. This experience should make us careful about not being misunderstood in the future. For this reason I have offered an amendment to the preamble of this bill, making it clear that nothing therein contained, even by implication, shall be interpreted as a promise as to the time when independence is to be granted. If this amendment is adopted, the Filipino people can never charge us with bad faith and point to this bill as a promise of independence at an early date.

If this bill is passed as it stands, in view of former declarations of the party in power, it should be accompanied by legislation looking toward immediate independence or independence at a fixed date. Such legislation, in my judgment, would not pass this House, or if it passed here would not pass the Senate. And if by any chance it passed both branches of Congress, in all probability it would be vetoed by the President. I say this because, as I understand the situation, it was the influence of the President that brought about this marked change in the attitude of the Democratic Party toward Filipino independence. The adoption of my amendment will make our intentions perfectly clear and may prevent serious misunderstanding in the future.

I desire now to say a few words relative to the future relation of the United States to the Philippines whether independence be granted or not. This debate, I think, has disclosed the fact that the attitude of many people toward the Philippine Islands is largely determined by a desire to get rid of them, and thus end all responsibility in connection with them. It has been repeatedly urged here that our responsibilities in the Philippines Islands is largely determined by a desire to get rid of them, and thus end all responsibility in connection with them. It has been repeatedly urged here that our responsibilities in the Philippines are too burdensome, and that, come what may, we should speedily withdraw. Those who hold this view favor Philippine independence, because it offers a method of escape, as they think, from further responsibility. For myself, I do not see how Philippine independence could possibly end our responsibility. On the contrary, I can readily see how it might largely increase our burdens there. Fourteen years ago we started out to make the Philippine Islands a self-sustaining and self-governing community. Our moral responsibilities will not terminate until this object is fully realized. If we decide that this can best be done by giving them independence, we assume the burden of making such an experiment a success. The American people will never accept a failure of self-government in the Philippines. Philippine independence, if given, must be made to succeed. The American people will never consent to an abandonment of the Philippine Islands to either conquest or revolution. These islands would be a rich prize for some ambitious nation greedy for more land. Philippine independence would obviously not lessen our responsibilities, because if we raise the flag of a new republic over the Philippine Archipelago the American people could never permit any other nation to haul down the flag that we put up.

Further, I am not one of those who believe that it is a good thing for any nation to run away from responsibility. If a nation is called upon to enter a difficult situation, it should not retire until its work has been accomplished. The fact that the benefits that are to follow will inure largely to others is no reason why we should scuttle and run away. I am not one of those who believe that we have no obligations to perform in the community of nations, or that we have done our whole duty when we have applied ourselves to the solution of our own problems. In the development of national character, as in individual character, altruistic purposes are needed. Selfishness is so preponderant in human nature that there is but slight danger of indulging in an excess of altruism. It is a good thing for a nation to be engaged in some great purpose where the benefits flow largely to others. Just as every person in a community should contribute something toward the well-being of that community, so every nation should contribute something toward the welfare of the human race.

We, of all people, should be willing to do our share in all great world work having for its purpose the betterment of mankind. Blessed as no other people in all the tide of time, we can well afford to be generous in our contributions to the happiness, the health, and the liberty of our fellow men the world over. Every nation should contribute that with which it has been most richly endowed. Some will contribute art and literature. Some will contribute science. Some will contribute religious philosophy. Some will contribute industrial and social order.

What contribution is America particularly fitted to make to the civilization of the world? I am persuaded that it is the destiny of this mighty Republic to bear to the people throughout the world the evangel of civil and religious liberty as we have developed it here through the instrumentality of republican institutions. To promote the cause of popular government in the world is, in my judgment, the special mission of the

American people. In this connection a great opportunity awaits us in the Orient. The Orient is the darkest corner of the earth. Human life is less sacred there and human liberty is less secure there than elsewhere in the world. If we can make republican institutions in the Philippines mean what they mean here, if we can put into the hearts of the yellow and brown races in the Philippines our conception of human rights, we will have lighted the torch of liberty for hundreds of millions of people in the Orient who are now groping in the dark. It is an opportunity to serve mankind that seldom falls to the lot of any people. Is American character going to measure up to its opportunities to contribute something worth while to the cause of human liberty, or shall we miserably fail through our desire to avoid responsibility? I do not believe that the American people will turn their backs upon this great humanitarian project upon which we have entered in the Philippines, whether independence be granted or not, until we have established popular government as an example and an inspiration to all the Orient on a stable and enduring foundation.

Our success thus far is of such a character as to give us high hope for the future. Under our direction the Filipino people have shown a capacity for improvement unparalleled in our day. Free from the ravages of cholera, free from bubonic plague, free from smallpox and malaria, free from Spanish oppression, the people of these islands are rapidly finding themselves. They are beginning to understand their vast resources of agriculture, of forest, and of mine. They are beginning to catch a glimpse of their possibilities for the future and look forward to the day when these beautiful islands will support a population of 50,000,000 happy and prosperous people. In view of the progress they have made during the last 14 years, it is no wonder to me that they are beginning to dream of the time when there may be a Philippine nation, with her people animated by common hopes, common purposes, common notions of civilization, common ideals of popular rights, common views as to the meaning of liberty, with a common religion, and all bound together by the ties of a common language.

Such an outcome would indeed be a glorious consummation of all that the American people have done, and will yet do, for the Filipino people since the entrance of Dewey into Manila Bay. When order is fully established, when personal rights and property rights are understood and secure, when the power of the ballot is understood, when education is universal, when property holdings become substantial and general, when a larger percentage of the adult population has advanced to a point where it can safely be permitted to participate in the government, when a score of independent tribal groups have been molded into one homogeneous citizenship, capable, hopeful, confident, and self-sustaining, then, indeed, if independence is desired, I can conceive of no more glorious culmination of our work than to raise over the Philippine Archipelago the flag of a new republic, a republic in fact as well as in name, and destined throughout the centuries to come to hold aloft the light of liberty to the brown and yellow races of the earth.

Article by James Gray, of the Minneapolis Journal, reviewing the Democratic Textbook.

EXTENSION OF REMARKS

OF

HON. HALVOR STEENERSON,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, October 10, 1914.

Mr. STEENERSON. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include an article by the correspondent, James Gray, of the Minneapolis Journal, reviewing the Democratic campaign textbook.

The article is as follows:

WOODROW WILSON 98 PER CENT HERO IN BOOK OF THRILLS—CONGRESSIONAL TEXTBOOK DEALS IN MIRACLES OF RESCUES OF MISS F. GOVERNMENT—LITTLE HEROINE HAS A BAD HABIT OF NOT STAYING SAVED AND KEEPS HERO ON JUMP.

[By James Gray.]

WASHINGTON, *September 26.*

The most popular book of the year? What is it?

It differs in different parts of the country, but undoubtedly in Washington it is the Democratic campaign textbook recently issued by the Democratic congressional committee and the Democratic national committee, price 25 cents. The hero of this book is one Woodrow Wilson, who fills 98 per cent of the pages. Two subheroes, Champ Clark and Thomas Riley Marshall, get a page apiece.

BOOK FULL OF THRILLS.

The plot is the rescue of the Government. It is rescued in every chapter and every time by Woodrow Wilson, who appears on the scene in nick of time. The fair young heroine, Federal Government, is often in a bad way. Her hairbreadth escapes remind one of the adventures of Pauline, queen of the movies.

Boom, bang, biff,
They throw her off the cliff;
Now she's floating out to sea;
Now they tie her to a tree—
We wonder what the end will be.

HERO BUSY AS RESCUER.

Woodrow Wilson had no sooner been appointed hero of the piece than he began his rescue work. First, he snatched the heroine from the clutches of the Payne-Aldrich tariff.

He set her free, but she would not stay free.

SAVED BY RESERVE BANK DOPE.

Within a week he discovered that she had fallen into the tentacles of the Money Trust, and had to rescue her with the Federal reserve dope, which he threw full in the face of Relentless Rudolph.

The business trusts got her next, and Woodrow had one awful time untying the thousand knots that bound her to do the will of barons of big business.

KIDNAPPING IS THWARTED.

Besides these major rescues happy escapes from a plot to kidnap the heroine and take her to Mexico are recorded. Then the European war bobbed up, and wise Woodrow had all he could do to keep the girl from taking sides in this affair. He had at last to bribe her with a promise of $100,000,000 more pocket money if she would be neutral and go about her fall shopping as if nothing had happened.

FULL OF "NEW" EPIGRAMS.

The book fairly bristles with epigrams such as have never been seen in a handbook before, such as "party perfidy," "Schdeule K," "record of achievement," "crisp truths culled from speeches," "death knell of Money Trust," "helping hand to the farmer," "recognition of labor," "remedial legislation," "downward revision," "to the end that——."

The volume is not what one would call profusely illustrated.

NOT A PICTURE OF HEROINE.

There is one picture of the hero and one of each of the subheroes, not one of the heroine.

The book is not handsomely bound, nor is it a model of the printers' art. Jeffersonian simplicity has been sought in the mechanical aspect. It luxuriates only in language. It is idolatrous only in praise. It is extravagant only in claims. It is a book of broad purpose, ignoring inconsistencies, which Gladstone happily said were the bugbear of the small minds.

ASSUMES TARIFF LAW SUCCESS.

The volume, judged by this standard, is the product of very great intellect.

It assumes the entire success of the Underwood tariff and ignores the complaint of SERENO E. PAYNE that it is an economic failure, whose lapses from sound maxims have caused it to be supplemented by a $100,000,000 fine on the American people. Nor does it reply in any way to the objection to Underwood law that it gave more imports and less revenue than any predecessor and supports more foreign workers than it does American.

CALLS ITSELF GENIUS.

The Federal reserve act is cackled over as though it was a discovery of Democratic genius. Indeed, it is described in terms as a "miracle of legislation." The Republicans who since 1912 have ceased to believe in miracles reply that before this miraculous legislation was old enough to see the Democrats had revived an old piece of Republican legislation, the Aldrich-Vreeland Act, which they had formerly denounced bitterly.

IGNORES TRUST LAW WEAKNESS.

The trust acts which have been passed—the Clayton and trades commission bills—are believed by many to be mutually destructive, inasmuch as the first gives the commission power to smell out unfair practices and the second declares that it shall not smell in certain directions.

The textbook ignores this fact and also the fact that neither bill has yet shown its usefulness and asserts that the trust question is settled and the business of the country "set free."

KINK IN WATCHFUL WAITING.

The watchful-waiting policy in Mexico, which has had many ups and downs, had assumed such a shape that when the textbook went to press it was deemed safe to assume its entire success. But the assumption once more enforced the wisdom of the adage "Never phophesy unless you know," for the ink was hardly dry on the prophecy before Villa declared war on Carranza. The watchful-waiting policy, however, is so elastic that it can be applied to the new situation as easily as to the old. The administration will stand by the textbook "Watchful Waiting Wins," whether Carranza or Villa comes out on top.

VILLA "LOOKS GOOD" NOW.

Indeed, it is all but openly admitted at the White House that we are sick and tired of Carranza and have hopes that Villa will eliminate him.

The textbook is, however, sound on this proposition that the administration policy has kept us out of war with Mexico and stands a good chance to keep us out. Carranza and Villa, after a few fitful flashes of hostilities, may compose their differences and all yet go well.

REPUBLICANS GLOAT OVER IT.

A curious thing about this textbook is that while it is popular with Democratic Congressmen, Republican Congressmen fairly gloat over it. They have not money to issue a book of their own, but they say they are so well satisfied with the Democratic book that they are going to borrow copies and send them to their constituents. This confidence in the book is based on the fact that one chapter is dedicated to the honor of the Republican Congressmen who voted for Democratic bills. They are so numerous as to create the impression that they were not partisan bills after all, and that neither party has a monopoly of their merits.

TRUE OF MANY ACTS.

This is true of the trust bills, the Trade Commission bill, the seamen's bill, agricultural extension act, the industrial employees' arbitration act, the revived Aldrich-Vreeland Act, conservation of water-powers bill, the Mexican war resolution, and the ship-registry bill.

The record of the Northwest Congressmen on these measures is almost nonpartisan. From the States of Minnesota, North and South Dakota, with 16 House Members, the following number of Republicans voting for Democratic measures is impressive:

For the Federal reserve act: Nine in the House.

For the Rayburn bill: Four in the Senate, nine in the House.

For the Clayton bill: Five in the House.

For tolls-exemption repeal: Three in the Senate, seven in the House.

Trade Commission bill: Passed unanimously in the House and few votes cast against it in the Senate.

ABANDONED BY ADMINISTRATION.

Out of this mass of legislation claimed to have been achieved in the textbook, it is significant that the Rayburn railroad-securities bill was abandoned by the administration after it had passed the House by a huge vote. The Clayton bill still hangs fire in conference.

The ship-purchase bill can not muster enough Democratic friends to get a rule for its consideration, though the President insists it is still on the program of legislation.

The net situation, from a study of these claims and counterclaims, is that the administration has strengthened its position by always keeping something going. The people like to see things done, and the President is with the people in this respect.

There never was a man in the White House who could keep so many strings of legislation in his hands as Woodrow Wilson, nor a man who could keep one-half of the details of bills in his head that he can.

In his semiweekly talks with the press correspondents, he is always keenly questioned about every measure of any importance, and he never is caught napping.

KNOWS HISTORY OF ALL BILLS.

He knows the history of each measure, the changes that have been made in it, the purported effect of amendments, and the desirability of the bill itself. How he does it nobody knows, but the fact that he can do it gives him an obvious advantage in legislation. He knows every piece on the board, its value, and can figure all around Congressmen who know merely a part.

Congressmen always come away from the White House convinced that the President must be something superhuman and that it will be well not to cross him. This impression is created not by a tryannical domination but by a superior analysis of the Congressmen's own pet ideas. They give way to him because they are intellectually overridden. This is why the President manages to have so many bills going all the time and gets so many of them through. The merits of the bills are rather subsidiary.

USES MILITARY TACTICS.

The most peaceable person in the world; he uses military tactics in legislation. His method is to attack, seize new positions, and intrench. He has been marvelously successful in it when you consider that his army of legislators is composed of the disaffected, the unbelieving, and the lazy, as well as the loyal, the zealous, and the brave.

There is no reason why the Democratic textbook should not be 98 per cent Woodrow Wilson. He is 98 per cent of the present moral and intellectual force in the Federal establishment.

Resolutions Adopted at Gettysburg by an Organization of Union and Confederate Veterans, and Remarks Thereon.

EXTENSION OF REMARKS

OF

HON. CHARLES F. BOOHER,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 9, 1914.

Mr. BOOHER. Mr. Speaker, under leave to extend my remarks in the RECORD I avail myself of the opportunity to insert in the RECORD the speech of Col. Thomas S. Hopkins, president of the board of management of the Soldiers' and Sailors' Temporary Home, at the annual inspection of the home by the commander of the Department of the Potomac, Grand Army of the Republic, December 13, 1913; also remarks of Hon. H. ROBERT FOWLER and resolutions adopted on the battle field of Gettysburg July 3, 1913, by the Union and Confederate veterans of the Civil War residing in the District of Columbia.

The matter referred to is as follows:

Remarks of Col. Thomas S. Hopkins, president of the board of management of the Soldiers' and Sailors' Temporary Home, at the dinner following the annual inspection of the home by the commander of the Department of the Potomac, Grand Army of the Republic, on December 13, 1913. Mr. Hopkins was presiding, and among the distinguished guests was the Hon. H. ROBERT FOWLER, Member of Congress from the twenty-fourth district of Illinois.

Among the many duties which devolve upon us in life there are always some that are pleasant and sometimes those that are unpleasant. Occasionally one is permitted to discharge a duty which gives him infinite pleasure, and he glories in the opportunity. Such an opportunity presents itself to me here tonight, and my heart is very glad that this duty has been imposed upon me.

You know, my friends and comrades, of that wonderful gathering that took place upon the battle field of Gettysburg during the first week in July, where men 50 years before had sought to grip each other by the throat, to wound and to kill; where the fierce passions of the human heart, born of relentless war, were given their full play. And how 50 years afterwards on that same battle field there came together more than 50,000 of the men who had worn the blue and the men who had worn the gray, and a reconciliation took place the like of which, I verily believe, the world has never seen. All bitterness, all hatred, all unkindness seemed to have been dismissed from the hearts of those who gathered there, and if ever the Divine Presence hovered over a great assembly it was at Gettysburg. [Applause.]

I had the honor to be the personal representative of the Commissioners of the District of Columbia at the meetings held by the Pennsylvania commission, and I know how earnestly that commission labored with the legislatures of the several States to induce them to provide for the transportation of the soldiers from each State to and from the battle field. Nearly all the Northern and Western States did so. The financial condition of many of the Southern States was such that they could not lend this helping hand, but they did the best they could.

Congress seemed to have no idea of providing transportation for the veterans of the blue and gray residing in the District of Columbia, and no man in Congress seemed to be specially interested in the subject.

An abortive attempt was made by one Member, but there were good and sufficient reasons why his action was ignored by Congress. Only a few days before the 1st of July Representative H. ROBERT FOWLER, of Illinois, introduced a joint resolution providing that all veterans of the Union and Confederate Armies then residing in the District of Columbia should be reimbursed by the Government for any moneys paid out by them for transportation to and from the reunion at Gettysburg. It required unanimous consent. A Member of the House from Texas arose in his seat and persistently objected to the consideration of the resolution of Representative FOWLER. Under the rules of the House that made it absolutely impossible for the resolution to be put upon its passage. Promptly the next morning, when the Speaker's gavel fell and the House was called to order, Representative FOWLER was in his seat, one eye on the Speaker and one on the entrance to the Chamber. The moment the Speaker declared the House in session Mr. FOWLER rose and asked unanimous consent for the passage of his resolution. There was no objection, and in the twinkling of an eye it was passed. Just as its passage had been declared by the Speaker the Representative from Texas came hurrying into the House and down the aisle with his watch in hand. He had failed, and Representative FOWLER had won. [Prolonged applause.]

I was named as one of the three commissioners to reimburse the veterans, and every single one of them received the amount which he had paid out on his Gettysburg trip. I never saw men more grateful, because many of them were of humble means and could not possibly have attended if they had had to pay their own way. [Applause.]

At the reunion Mr. FOWLER's name was on the lip of every veteran from this District, and on the evening of the 3d of July, the anniversary of that great charge of Pickett and its repulse by the Union lines, the veterans from this District held a meeting in the midst of their camp and after many delightful words of commendation of his patriotic course resolutions expressing their feeling on the subject were unanimously adopted and ordered to be engrossed in the most beautiful manner and presented to Mr. FOWLER.

[Turning to Mr. FOWLER:]

I wish, Mr. FOWLER, that you could have been present that evening and witnessed the scene when these resolutions were adopted. It was on the very spot over which Pickett's troops charged across that storm-swept field. Gathered there were these aged veterans, participants in that mighty struggle. Their faces were full of pleasure and beaming with happiness, and when the resolutions had been read and adopted they gave such a cheer as might have been heard on that same spot 50 years ago.

Mr. FOWLER, in presenting these engrossed resolutions, I want to say that they are the genuine expression of the men who adopted them, and that they carry with them the love and affection and the best wishes of all the veterans from this District.

And, if you will permit me, I will express for myself my deep appreciation of that masterly movement, so unexpected by the gentleman from Texas, which resulted in the passage of your resolution. May God bless and keep you; may your ambitions be gratified, and may you long serve your country in the Halls of Congress.

And now I beg of you, my comrades, to rise and join with me in a toast to the prosperity of our good friend and confusion to his enemies. [Prolonged applause.]

RESPONSE BY MR. FOWLER.

Mr. Chairman, Col. Hopkins, and the honored soldiers of the Civil War residing in the District of Columbia, the expression of your feelings toward me, as expressed in these resolutions, fills my heart so full that I scarcely know how to express my deep gratitude to you. Fifty years ago you left your firesides of love and plenty and separated yourselves from your wives and children, fathers and mothers, brothers and sisters, and offered your lives as a sacrifice in the defense of the honor of this Republic. The Nation owes to you a debt it can never pay in dollars and cents. Your bravery, your courage, your patriotism gave to the Union Army a triumphant victory, which resulted in a reunited country, prosperous and great, over which the Stars and Stripes float to gladden the heart of every American freeman. [Applause.]

On the 3d day of July last I had the pleasure of visiting the reunion of the blue and the gray on the battle field of Gettysburg. A more magnificent gathering I have never witnessed. The blue and the gray slept in the same tent, ate at the same table, and walked arm in arm about the historic field discussing what took place there 50 years ago. When I observed this manifestation of brotherhood it seemed to me to be impossible that such men should have engaged in that mighty struggle of blood and death which makes Gettysburg one of the most historic places in the world. Whatever bitterness may have existed during the war certainly has been forgotten now, and to-day the men of the North and the men of the South vie with each other in love and patriotism for the welfare of America. During the Spanish-American War they stood shoulder to shoulder in the cause of liberty and rejoiced together at the birth of a new Republic. [Applause.]

The Battle of Gettysburg was the turning point of the Civil War, but your victory there cost the lives of many brave soldiers. I stood on Seminary Ridge in company with two gentlemen who took part in the memorable conflict. One wore the blue and the other the gray. Both pointed out the various movements of the Union and Confederate forces, describing in detail the maneuvers of the armies under Gen. Lee and Gen. Meade for advantages, one of the most important of which was Gen. Pickett's historic charge across the open field against the breastworks of the Union soldiers; and I wondered how it was possible that men, knowing in advance that death would be certain, could be induced to march voluntarily into the jaws of death, and I asked my companion in gray for an explanation. His reply was that the Confederates hoped such an unprecedented display of their ability to win and their courage to meet death in the open would strike consternation to the ranks of the Union Army. Ordinarily such deeds of heroism might have prevailed, but on this occasion it was a clash of steel with steel, bravery with bravery, Caucasian with Caucasian, and Pickett's charge will go down in history as an exhibition of one of the most daring deeds of warfare, a failure because the generalship and coolness of the Union forces defied defeat at the hands of mortal men.

My comrades, I assure you that my efforts in Congress to provide traveling expenses for you to that wonderful gathering of brave men was one of the greatest pleasures of my life. I saw States making appropriations for the expenses of their soldiers, and I was inspired with the thought that the soldiers of the District of Columbia ought to have a like consideration given them. I did meet with opposition to my resolution, and at times it looked like I should be unsuccessful because of the opposition of the gentleman from Texas, but my determination was only increased with each turning point in the game, and when I caught him away, then I sought the Speaker's eye, which I promptly caught. His kindly face was radiant with the glow of approval, and in his big-hearted, fatherly way he soon announced, "The ayes have it," and my heart was filled with joy. But once since has it been filled to such overflowing, and that is on this occasion.

[Turning to Col. Hopkins.]

Col. Hopkins, permit me to assure you, for yourself and the soldiers of the District of Columbia, that this token of your friendship and approval of my public services will strengthen me in the future to do even more for the soldiers than I have done heretofore. It has always been my greatest pleasure to give my services, voluntarily and without hope of reward, to assist in every way possible in bringing about their comfort and happiness. I have always stood for liberal pensions and verily believe that this country can do itself no greater honor than to provide liberally for the support of the men whose patriotic services have made this country truly great.

My dear Colonel, I beg of you to accept my deep gratitude for these resolutions and for the kind expressions of approval of my efforts in behalf of the soldiers. I assure you that I shall never betray the confidence or trust which is reposed in me as a public servant, and my duty to the soldiers shall always be uppermost in my mind. I also beg of you that you convey to those soldiers who are not present my high appreciation of this mark of their confidence.

I shall preserve these beautiful resolutions and hand them down to my posterity as an heirloom, and explain to them the circumstances under which they were drawn.

Col. Hopkins, your valuable services in handling and disbursing the funds for the benefit of your comrades is in keeping with your distinguished services in the Civil War. I had the honor of selecting the commissioners for the disbursement of the fund, and I urged you, over your protest, to accept the place because of my confidence in your ability to give all of the old soldiers an opportunity to share in its benefits, and to give prompt notice to all of them, so that they might have an opportunity to go to Gettysburg. You have done your duty well, and I congratulate you in securing the attendance of such a large number, and I also congratulate you on the fact that so few were overcome by heat. It looks as though the blessings of Heaven hovered over this reunion of peace and brotherhood as they did 50 years ago over the destinies of the Union Army.

Again let me thank you from the depths of my heart for this mark of kindness, and I assure you that I shall long remember this occasion and the dear friends who surround this festal board. And in parting I desire to wish you many years of peacefulness and happiness, and to express the hope that never again shall the dark shadow of war bring sorrow and desolation to this now glorious Union of States. [Applause.]

RESOLUTION.

At a meeting held on the battle field of Gettysburg, on the evening of July 3, 1913, by the Union and Confederate veterans of the Civil War residing in the District of Columbia, Thomas S. Hopkins presiding, the following resolution was unanimously and enthusiastically adopted:

"Resolved by the veterans of the blue and the gray, assembled for the purpose of commemorating the fiftieth anniversary of the Battle of Gettysburg, That our earnest and hearty thanks are due, and are hereby tendered, to the Hon. H. ROBERT FOWLER, Representative in Congress from Illinois, for his splendid and successful efforts in securing in the face of great difficulties the passage of a joint resolution providing for transportation of all Union and Confederate veterans residing in the District of Columbia to and from Gettysburg during the celebration of the fiftieth anniversary of the battle.

"WANNER L. WILKERSON,
"JOHN FINN,
"THOS. S. HOPKINS,
"ARTHUR HENDRICKS,
"*Committee.*"

Opinion of Daniel Davenport Relative to the Labor Union, Injunction, and Contempt Sections of the Clayton Antitrust Bill.

EXTENSION OF REMARKS

OF

HON. ANDREW J. VOLSTEAD,

OF MINNESOTA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, October 10, 1914.

Mr. VOLSTEAD. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include the opinion of Daniel Davenport relative to the labor union, injunction, and contempt sections of the Clayton antitrust bill.

The opinion is as follows:

"To the Members of the American Anti-Boycott Association:

"Congress has passed the Clayton antitrust bill, so called, the President will sign it, and it will become a law. In the shape in which it finally passed it makes few changes in existing laws relating to labor unions, injunctions, and contempts of court, and those are of slight practical importance.

"First, it does not change in any respect the Sherman Antitrust Act as it has been construed by the Supreme Court relative to those matters. Both the Senate and House Judiciary Committees, which reported the bill, so stated, and its provisions bear them out. The Senate committee in its report said:

"It is well, at the outset, to state the theory of the bill, both as it passed the House of Representatives and as it is proposed to be amended, for the general scope of the House measure is unchanged. It is not proposed by the bill or amendments to alter, amend, or change in any

respect the original Sherman Antitrust Act of July 2, 1890. The purpose is only to supplement that act and the other antitrust acts referred to in section 1 of the bill.

"The Senate committee also quoted from the report of the House committee to the same effect, as follows:

"The bill does not interfere with the Sherman Antitrust Act at all; it leaves the law of conspiracy untouched, and it is not open to effective criticism on any constitutional ground.

"Moreover, the bill in section 4 reenacts, word for word, section 7 of the Sherman Antitrust Act, under which the Loewe case was brought to and decided by the Supreme Court, without excepting that or any other case from its provisions, which action, upon established principles of construction, is an adoption by Congress of the doctrines of that case. In addition section 16 gives every person, without exception, the right to injunctive relief against threatened loss from conduct of anyone in violation of that act, without excepting any case whatever. Read in the light of the foregoing, section 6 of the bill is nothing more than a legislative declaration of the law as it had been laid down by the Supreme Court in the case of Adair *v.* United States (208 U. S., 178), which was under consideration by the court along with the Loewe case and was decided just one week before it, to the effect that Congress under its power to regulate commerce had not prohibited and could not prohibit the existence of labor organizations as such. The court there said:

"Manifestly any rule prescribed for the conduct of interstate commerce, in order to be within the competency of Congress under its power to regulate commerce among the States, must have some real or substantial relation to or connection with the commerce regulated. But what possible legal or logical connection is there between an employee's membership in a labor organization and the carrying on of interstate commerce? Such relation to a labor organization can not have, in itself and in the eye of the law, any bearing upon the commerce with which the employee is connected by his labor and services. Labor associations, we assume, are organized for the general purpose of improving or bettering the conditions and conserving the interests of their members as wage earners—an object entirely legitimate and to be commended rather than condemned. But surely those associations as labor organizations have nothing to do with interstate commerce as such. One who engages in the services of an interstate carrier will, it must be assumed, faithfully perform his duty, whether he be a member or not a member of a labor organization. His fitness for the position in which he labors and his diligence in the discharge of his duties can not in law or sound reason depend in any degree upon his being or not being a member of a labor organization. It can not be assumed that his fitness is assured or his diligence increased by such membership or that he is less fit or less diligent because of his not being a member of such an organization. It is the employee as a man and not as a member of a labor organization who labors in the service of an interstate carrier.

"The right of labor unions as such to exist, and the limitations on their lawful activities, are well defined in the case of Gompers *v.* Bucks Stove & Range Co. (221 U. S., 439), and section 6 of the Clayton bill is but a declaration by Congress to the same effect and is almost a paraphrase of it. The court in that case said:

"Society itself is an organization and does not object to organizations for social, religious, business, and all legal purposes. The law therefore recognizes the right of workingmen to unite and to invite others to join their ranks, thereby making available the strength, influence, and power that comes from such association. By virtue of this right powerful labor unions have been organized. But the very fact that it is lawful to form these bodies with multitudes of members means that they have thereby acquired a vast power in the presence of which the individual may be helpless. This power when unlawfully used against one can not be met except by his purchasing peace at the cost of submitting to terms which involve the sacrifice of rights protected by the Constitution or by standing on such rights and appealing to the preventive powers of a court of equity. When such appeal is made it is the duty of government to protect the one against the many as well as the many against the one.

"In the case of an unlawful conspiracy the agreement to act in concert when the signal is published gives the words 'unfair,' 'we don't patronize,' or similar expressions a force not inhering in themselves, and therefore exceeding any possible right of speech which a single individual might have. Under such circumstances they become what have been called 'verbal acts' and as much subject to injunction as the use of any other force whereby property is unlawfully damaged. When the facts in such a case warrant it, a court having jurisdiction of the parties and subject matter has power to grant an injunction.

"I insert here for comparison with the foregoing declarations of the law by the Supreme Court the words of section 6 of the Clayton bill, that it may be seen that they work no change in the existing law.

"The labor of a human being is not a commodity or an article of commerce. Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations instituted for the purposes of mutual help and not having capital stock or conducted for profit or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof, nor shall such organizations or the members thereof be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

"In this connection it is proper to refer to the legislative history of this section for its better understanding. For 24 years the labor unions had sought specific exemption from the provisions of the Sherman Antitrust Act by an amendment of it stating it should 'not apply to' them, but had never succeeded. When the Clayton bill was before the House several attempts were made to amend this section by inserting in lieu of the words 'shall be construed to forbid the existence, etc., of labor unions, etc.' the words 'shall apply to,' but they were all defeated. This was but a repetition of what was thus described by the Supreme Court in the Loewe case: 'The records of Congress show that several efforts were made to exempt by legislation organizations of farmers and laborers from the operation of the act, but that all these efforts failed, so that the act remained as we have it before us.'

"This section further declares that nothing in the antitrust laws shall be construed to forbid or restrain the individual members of labor unions from lawfully carrying out the legitimate objects thereof. The legitimate objects of the labor unions, of course, are the same as those of other people, the advancement of their own interest by lawful means. This section, therefore, does not affect in the least the restraints of the Sherman Antitrust Act upon the members of such unions from carrying out unlawfully either the legitimate or illegitimate objects thereof.

"When does a labor union become an unlawful combination under the Sherman Act, and what are the means which it and its members are prohibited thereby from using? The answer is to be found in Eastern States R. L. D. Association *v.* United States (234 U. S., 600).

"It broadly condemns all combinations and conspiracies which restrain the free and natural flow of trade in the channels of interstate commerce. * * * In Loewe *v.* Lawler (208 U. S., 274) this court held that a combination to boycott the hats of a manufacturer and deter dealers from buying them in order to coerce the manufacturer to a particular course of action with reference to labor organizations, the effect of the combination being to compel third parties and strangers not to engage in a course of trade except upon conditions which the combination imposed, was within the Sherman Act. In Gompers *v.* Bucks Stove & Range Co. (221 U. S., 418), after citing Loewe *v.* Lawler, this court said (p. 438): 'But the principle announced by the court was general. It (the Sherman Act) covered any illegal means by which interstate commerce is restrained, whether by unlawful combinations of capital or unlawful combinations of labor; and we think also whether the restraint be occasioned by unlawful contracts, trusts, pooling arrangements, blacklists, boycotts, coercion, threats, intimidation, and whether these be made effective, in whole or in part, by acts, words, or printed matter.'

"These principles are applicable to this situation. Here are wholesale dealers in large numbers engaged in interstate trade upon whom it is proposed to impose as a condition of carrying on that trade that they shall not sell in such manner that a local retail dealer may regard such sale as an infringement of his exclusive right to trade, upon pain of being reported as an unfair dealer to a large number of other retail dealers associated with the offended dealer, the purpose being to keep the wholesaler from dealing not only with the particular dealer who reports him, but with all others of the class who may be informed of his delinquencies. 'Section 1 of the act is not confined to voluntary restraint, as where persons engaged in interstate trade or commerce agree to suppress competition among themselves, but includes as well involuntary restraint, as where persons not so engaged conspire to compel action by others, or to create artificial conditions, which necessarily impede or burden the due course of such trade or commerce, or restrict the common liberty to engage therein.' (United States *v.* Patten, 226 U. S., 541.) * * *

"A retail dealer has the unquestioned right to stop dealing with a wholesaler for reasons sufficient to himself, and may do so because he thinks such dealer is acting unfairly in trying to undermine his trade. 'But,' as was said by Mr. Justice Lurton, speaking for the court in Granada Lumber Co. *v.* Mississippi (217, U. S., 433), 'when the plaintiffs in error combine and agree that no one of them will trade with any producer or wholesaler who shall sell to a consumer within the trade range of any of them, quite another case is presented. An act harmless when done by one may become a public wrong when done by many acting in concert, for it then takes on the form of a conspiracy, and may be prohibited or punished if the result is hurtful to the public or to the individual against whom the concerted action is directed.'

"When the retailer goes beyond his personal right and, conspiring and combining with others of like purposes seeks to obstruct the free course of interstate trade and commerce and to unduly suppress competition by placing obnoxious wholesale dealers under the coercive influence of a condemnatory report circulated among others, actual or possible customers of the offenders, he exceeds his lawful rights, and such action brings him and those acting with him within the condemnation of the act of Congress.

"It is to be observed that the foregoing case demonstrates that the distinction between the primary and secondary boycotts has no place under the Sherman Act, for it was a case of what would be termed a primary boycott by those who claim to see something in that distinction at common law.

"This section does not affect in any respect the liability of the members of such unions for the unlawful acts of their officers and agents, when within the scope of their authority, as the same has been established in the Loewe case. Nor does it change in any way the rules of evidence by which the unlawful nature of such combinations is established. The same remain as laid down as follows by the Supreme Court in the Retail Lumber Dealers' case above cited:

"But it is said that in order to show a combination or conspiracy within the Sherman Act some agreement must be shown under which the concerted action is taken. It is elementary, however, that conspiracies are seldom capable of proof by direct testimony and may be inferred from the things actually done; and when, in this case, by concerted action the names of wholesalers who are reported as having

made sales to consumers were periodically reported to the other members of the association the conspiracy to accomplish that which was the natural consequence of such action may be readily inferred.

"Nor does this section sanction the existence of, or remove from the condemnation of the civil and criminal provisions of the Sherman Act, or justify or excuse a conscientious Department of Justice in neglecting to proceed against, such a combination as the American Federation of Labor, whose constitution provides for the declaration of boycotts and establishes a vast machine for their prosecution in interstate commerce, and directs its executive council to secure the unification of all labor organizations so far as to assist each other in making the same effective, and whose principles and methods are thus accurately described in the following report unanimously adopted by its convention of 1905:

"We must recognize the fact that a boycott means war, and to successfully carry on a war we must adopt the tactics that history has shown are most successful in war. The greatest master of war has said that war was the trade of a barbarian, and the secret of success was to concentrate all your forces upon one point of the enemy, the weakest if possible. In view of these facts, the committee recommends that the State federations and central bodies lay aside minor grievances and concentrate their efforts and energies upon the least number of 'unfair' parties or places in their jurisdiction. One would be preferable. If every available means at the command of the State federations and central bodies were concentrated upon one such, and kept up until successful, the next on the list would be more readily brought to terms, and within a reasonable time none opposed to 'fair' wages, conditions, or hours but would be brought to see the error of their ways and submit to the inevitable.

"The Sherman Antitrust Act, having been enacted under the constitutional power of Congress to regulate commerce among the States, is of course the supreme law of the land in all cases within its purview in every State, Territory, and District, and judges of every court, Federal and State, are bound thereby, anything in the constitution and laws of any State to the contrary notwithstanding. Since there is nothing in the Clayton bill which limits in any way the restraints of that act upon the unlawful acts of labor unions or their members, and since it goes still further and specifically grants to any person threatened with irreparable injury from acts forbidden by that act injunctive relief, the protection of the individual, whether employer or employee, instead of being impaired, is greatly increased by it.

"Second. Let us turn next to sections 17, 18, 19, and 20 of the bill, which deal with the subject of the issuance of restraining orders and injunctions by Federal courts.

"There is nothing in the first three of those sections which would justify any extended comment here. They make no material changes in existing law and practice. Such small changes as are made are in provisions which are merely directory, not mandatory, and which the courts will construe as having been intended by Congress to promote the administration of justice, not to impede it, and to secure the rights of all parties.

"There is, however, one thing about these sections which is most noticeable, and that is the total repudiation therein by Congress of the contention made before its committees for the last 20 years in behalf of the labor unions that the Federal courts have no power to enjoin the commission of acts which are crimes, and their equally persistent contention that the issuance of injunctions by the Federal courts to protect any right except property or a property right, defined by them, so as to exclude from its meaning the right to do business, the right to work, to buy and sell labor, or to seek and obtain employment, is a usurpation by those courts which they called upon Congress to forbid. The whole scheme of the trades-commission bill and of the Clayton bill is framed in complete negation of the doctrine that courts of equity can not issue injunctions except to protect property or property rights, so defined, or that they can not enjoin the commission of acts which are also crimes. Indeed, what has been so long denounced as 'government by injunction' has been enormously extended by these two bills. And sections 21 and 22 of the Clayton bill (to be hereafter discussed) specially provide for the enforcement of injunctions issued to forbid acts which are crimes by penalties of unexampled severity. It has made me, who for 10 years have been combating before congressional committees the claims of Mr. Gompers and others, that such injunctions are in violation of the constitutional rights of the citizen and a flat usurpation of power by the Federal courts of equity, stare with amazement to find him, at this session of Congress, clamoring loudly for the passage of this bill, which sanctions and rigorously enforces such injunctions, and threatening with his political disfavor those who should oppose it.

"But section 20 of the Clayton bill calls for special remark, for it is said to be that section which constitutes 'labor's bill of rights.' It singles out for special treatment from the vast field of cases over which, by the Constitution and laws of the United States, the Federal courts have jurisdiction those only which are between employers and employees, or between employees, or between persons employed and persons seeking employment where such relations actually exist at the time suit is brought and an injunction is applied for, which suits involve or grow out of disputes concerning terms and conditions of employment.

"Suits between parties who previously sustained those relations but have ended them, and suits between either of said parties and outsiders are not covered by this section. Suits between an employer and his ex-employees who have struck and boycott cases generally are excluded from this section. Apparently also the class of cases to which the section relates is still further limited by being confined to suits between the specified parties brought to prevent irreparable injury to tangible property or property rights, because the application for an injunction in the specified cases must describe 'with particularity' the property or property right to be protected by the injunction. But whether this last limitation on the class is intended or not, it is clear that suits to protect other rights between such specified parties, and suits between either of such parties and outsiders to protect property or other rights, and suits between parties who have previously sustained the relations specified but have terminated them, are not included in the prohibition against the issuance of injunctions addressed to the Federal courts in this section. The legislative history of this section shows that these exemptions were intentionally made.

"And in the very limited class of cases to which the prohibitions of the section are confined by its terms, what are the acts which the Federal courts are prohibited by this section from enjoining? They are any act or acts which might lawfully be done in the absence of such dispute, including the lawful termination of the relation of employment, the lawful recommending, advising, or persuading others by peaceful means to terminate employment, the lawful attending at any place where it is lawful to be for the purpose of peacefully obtaining or communicating information, the lawful peaceful persuasion of any person to work or to abstain from working, the lawful ceasing to patronize or employ any party to such dispute, and the lawful recommending, advising, or persuading others by peaceful and lawful means so to do, the lawful paying or giving to or withholding from any person engaged in such dispute any strike benefits or other moneys or things of value, and the lawful assembling in a peaceable and lawful manner. It is these acts which the Federal courts are forbidden to enjoin in the limited classes of cases specified in this section, and which 'shall not be considered or held to be violations of any law of the United States.'

"Since the injunctive power of the Federal courts of equity has always been limited to the prevention of irreparable injury from unlawful acts, it will be at once seen that this section does not change in the least the existing law, that it is merely a legislative construction of the law as already declared by the courts, and that 'labor's rights,' like those of everybody else, are secured to it not by this section, but by the Federal and State constitutions and laws of long standing passed in pursuance of both. The section merely provides that in the specified suits between the parties named acts which would be lawful when no 'dispute concerning terms and conditions of employment' existed between them shall not be enjoined or considered or held to be violations of any law of the United States.

"That this is what the section means is shown by the history of the times, to which the courts will look in construing it. It was passed by a Democratic Congress in literal performance of the following platform pledge of the Democratic Party in 1908 and repeated verbatim in 1912.

"Questions of judicial practice have arisen, especially in connection with industrial disputes. We believe that the parties to all judicial proceedings should be treated with rigid impartiality, and that injunctions should not issue in any cases in which injunctions would not issue if no industrial dispute were involved.

"This declaration, it is well known, was inspired and, perhaps, was drawn by Mr. Gompers, who has never ceased for the past 10 years to assert before committees of Congress and in public addresses everywhere and in the magazine of which he is the editor that precisely that discrimination by the Federal courts existed, and that what he demanded was that it should be legislated against, until he had caused multitudes to believe it was true, and perhaps had come to believe it himself.

"That this is the meaning of the section is also shown by its legislative history. The reports of the committees and even the debates in Congress show that there was no intention of legalizing anything which was then illegal, but only to legislatively declare what was then legal. That the several acts specified in this section might be unlawful under certain

circumstances was not denied, and the principles laid down by the Supreme Court in Aiken *v.* Wisconsin (195 U. S., 194) were recognized.

"No conduct has such an absolute privilege as to justify all possible schemes of which it may be a part. The most innocent and constitutionally protected of acts or omissions may be made a step in a criminal plot, and if a step in a criminal plot, neither its innocence nor the Constitution is sufficient to prevent the punishment of the plot by law.

"That this is the meaning of the section is also shown by the fact that if it had been the intention of Congress thereby to amend the existing statutes of the United States it would have repealed thereby the civil-service laws prohibiting the discharge, without cause, of the 200,000 employees in the various departments of the Government, the most vital provisions of the interstate-commerce act, both as to the carriers and their employees in doing the work imposed upon them by it, under severe penalties, and the Sherman Antitrust Act, both as to employers and employees, which act the committees declared that they had left unchanged by the Clayton bill.

"That this is the meaning of the section is further shown by the fact that any other construction of it would render it plainly unconstitutional, and the courts in construing it will not assume that it was the intention of Congress to pass laws that are invalid. The laws creating the courts of the United States give them general jurisdiction, concurrent with the courts of the several States, of all cases, at law or in equity, where the matter in demand exceeds $5,000 in amount, arising under the laws of the United States, and of controversies between citizens of different States of like amount. And the fifth amendment of the Federal Constitution expressly declares that no person shall be deprived of his property without due process of law. Under the Constitution and laws of the United States the citizens who are parties to the several suits mentioned in this section have the inalienable right to resort to the Federal courts of equity for protection of their property when assailed by any or all of the acts specifically enumerated therein, since by such acts such courts have heretofore uniformly held that property and property rights may be unlawfully injured and destroyed. Congress could not by a legislative fiat declaring that the injurious acts destructive of property were not unlawful deprive them of their property. It would violate the fifth amendment of the Federal Constitution. Such a construction would also render the section invalid, because it would invade the judicial power of the Federal courts of equity, which the Constitution declares shall extend to all cases and controversies over which, by the statutes of their creation, they are given jurisdiction. For a statute to say that a court shall have equitable jurisdiction over a certain case or controversy, and then for another statute to deny it, the power to judicially construe previously existing statutes, and also the fundamental essential power to issue and enforce the usual and necessary process required by its jurisdiction, would be a direct invasion by Congress of the judicial department of the Government and totally void.

"It would require a treatise to fully elucidate all this, but I have already extended this communication too long and must hurry to its conclusion.

"Third and lastly, let us take up sections 21, 22, 23, 24, and 25, which contain the regulations of the bill relating to contempts of the Federal courts. These are confined within such a narrow compass that it is difficult to conceive of a case to which they will apply. They are in terms expressly limited to instances of disobedience by a person, not in the presence of the court, or so near thereto as to obstruct the administration of justice, of some lawful writ, process, order, rule, decree, or command of a Federal district court or of any court of the District of Columbia, not entered in a suit brought or prosecuted by or in behalf of the United States, which order, etc., forbids him to do any act or thing which is of such a character, if done by him, as would constitute also a criminal offense under any statute of the United States, or under the laws of the State where committed. Every other act of contempt than this one, so specified, is expressly, specifically, and in terms excepted from the regulations prescribed. Since the Supreme Court has held that every act of disobedience of an order, wherever committed, which obstructs the administration of justice in a court is committed 'so near thereto as to obstruct the administration of justice,' that it is the disobedience which obstructs, and that the place where it occurs is unimportant, whether near by or 1,500 miles away, and legally cuts no figure, it would seem that the very exceptions made cut out from the regulations prescribed every case of contempt which their terms cover.

"But assuming that there may hereafter arise some act of disobedience which does fall within the regulations of these sections, what changes, if any, do they make in the existing law and practice relating to the trial and punishment of it as a contempt? None whatever when such contempt occurs in any suit, not 'within the purview of this act,' which, by the other provisions of the bill, confines the regulations of these sections to those cases only which are brought under the antitrust laws, and possibly the limited class of labor cases mentioned in section 20.

"As to the cases within the purview of this act, section 22 provides that such trial may be by the court or, upon demand of the accused, by a jury, in which latter event the court may impanel a jury from the jurors then in attendance, or the court or the judge thereof in chambers may cause a sufficient number of jurors to be selected and summoned, as provided by law, to attend at the time and place, at which time a jury shall be selected and impaneled as upon a trial for a misdemeanor; and such trial shall conform, as near as may be, to the practice in criminal cases prosecuted by indictment or upon information.

"An attentive consideration of these various provisions will show that the decision whether the trial is to be by the court or jury is left within the discretion of the court, as it always has been, and that the proceedings at the trial, if a jury trial is had, will not differ from those heretofore pursued, and which are well shown in the case of In re Steiner (195 Fed., 303), in which Judge Lacombe made the following order:

"The cause will be taken up for a hearing on Monday, 27th, at 10.30 a. m. As there may be conflicting testimony which will present a question of fact as to what was or was not done, there will be a jury in attendance to whom may be submitted such concrete questions of fact as may at the time seem desirable. This does not mean that the whole case will be tried by the jury. The trial is one for the court, but the court is willing to have a jury decide which of two or more opposing witnesses is truthfully stating the fact.

"That the provisions of these sections in regard to a jury trial are permissive and not mandatory is shown by the history of the times. They were passed by a Democratic Congress in pursuance of a party pledge made in 1908 and repeated in 1912, as follows:

"We reiterate the pledge of our national platforms of 1896 and 1904 in favor of the measure which passed the United States Senate in 1896, but which a Republican Congress has ever since refused to pass, relating to contempts in Federal courts and providing for trial by jury in cases of indirect contempt.

"'The measure' here referred to was the bill unanimously reported on May 4, 1896, by the Senate Judiciary Committee, through Senator David B. Hill, which contained the following provision as to the trial of all cases of indirect contempt:

"But such trial shall be by the court, or, in its discretion, upon application of the accused, a trial by jury may be had as in any criminal case.

"This measure, as thus reported, passed the Senate on June 10, 1896, in the closing hours of the session, when there were only a few Senators present and in the midst of the hurry and confusion usual at such a time, but with an amendment thereto forced into it by two Senators, not members of the committee and not Democrats, striking out the words 'in its discretion' and the word 'may' and inserting in place of it the word 'shall.' This amendment was not considered to be a part of 'the measure' which the Democratic convention approved of. For the provision as reported by the Senate committee the Democratic Party has since always stood, and on May 28, 1900, when the Alaska Civil Code was pending before the House of Representatives, the Democratic Party in Congress offered 'the measure' as a whole as an amendment with this provision in it, as reported by the Senate Judiciary Committee, as covering the whole subject of the trial of all cases of contempt, and, failing in this, actually forced the above-quoted provision that the trial 'shall be by the court, or, in its discretion, upon application of the accused, a trial by jury may be had as in any criminal case,' into section 612 of the code.

"On that occasion Congressman CHARLES L. BARTLETT, of Georgia, himself an enragé against the Federal courts, but thoroughly versed in Democratic doctrines, said:

"The amendment I have offered to this section, Mr. Chairman, is the Senate bill passed by that body June 10, 1896. It was reported from the Senate committee over which at that time presided the senior Senator from Massachusetts, Mr. Hoar. It was reported by the then Senator from New York, Mr. Hill, upon investigation, after a resolution had been offered in the Senate and referred to the Judiciary Committee of the Senate, instructing them to inquire and report such bill as they might deem suitable to meet the difficulties and oppression and wrong that existed in the United States courts when men were arraigned charged with contempt, in having violated injunctions of the courts, to give to such accused persons the right of trial by jury.

"This bill was reported early in May, 1896. It was discussed before the Senate of the United States on various occasions by Senator Hill and other Senators; and no one in that body ever raised his voice against it except the Senator from Connecticut, Mr. Platt, and the Senator from Oregon, Mr. Mitchell. Finally, on the 10th day of June, 1896, this bill which I have offered as an amendment to the proposition now pending was adopted by the Senate of the United States without division. So far as the record of the Senate is concerned, no one appears to have voted against it; and no one ever opposed it upon the

floor of the Senate except, as I have said, the Senator from Oregon and the Senator from Connecticut.

"When the Democratic convention met at Chicago, in 1896, it declared in favor of the bill to which I have called attention in this language:

"'We denounce the arbitrary interference by Federal authority in local affairs as a violation of the Constitution of the United States and a crime against free institutions, and we especially object to government by injunction as a new and highly dangerous form of oppression, by which Federal judges, in contempt of the laws of the United States and rights of the citizens, become legislators, judges, and executioners, and we approve of the bill passed at the last session of the United States Senate and now pending in the House of Representatives, relative to contempts of court, providing for trials by jury in certain cases of contempt.'

"That action of the Democratic Party was heralded from the stump in the subsequent campaign by many Republicans and others who opposed the Democratic nominee as being a plank for 'free riot' and 'an assault upon the courts.' And yet the very bill which the Senate Judiciary Committee reported and indorsed and the passage of which it asked had, on the 10th of June, 1896, passed the Senate of the United States without a division, and had received the approval of every Democratic Senator there, and had been opposed by only two Republican Senators. It was reported from the committee presided over by the distinguished Senator from Massachusetts, Mr. Hoar, advocated by the Senator from New York, Mr. Hill, time and time again upon the floor of the Senate, and but two Senators, Republican or otherwise, raised their voices against it.

"It is this bill, thus passed by the Senate of the United States, thus advocated almost unanimously by the Senate of the United States, thus approved by the Democratic convention of Chicago in 1896, which I have presented as an amendment to this bill and asked that it be adopted. It does not meet the demands of justice in every particular, but is far better than the present law.

"The aforesaid planks in the Democratic platforms are to be interpreted, also, in the light of the other declarations in the platforms of 1908 and 1912, regarding the purposes of the party toward the courts, which were as follows:

"The courts of justice are the bulwark of our liberties, and we yield to none in our purpose to uphold their dignity. Our party has given to the bench a long line of distinguished justices who have added to the respect in which this department must be zealously maintained. We resent the attempt of the Republican Party to raise a false issue respecting the judiciary. It is an unjust reflection upon a great body of our citizens to assume that they lack respect for the courts.

"It is the function of the courts to interpret the laws which the people create, and if the laws appear to work economic, social, or political injustice, it is our duty to change them. The only basis upon which the integrity of our courts can stand is that of unswerving justice and protection of life, personal liberty, and property. If judicial processes may be abused, we should guard them against abuse.

"When the Democratic Party finally got control of the lower House of Congress in 1911, the majority prepared and passed a bill regulating contempt proceedings which failed in the Senate. The Judiciary Committee, which had charge of the matter, had before it 11 bills relating to that matter, every one of which contained the positive requirement that in all cases of indirect contempt 'a trial by jury shall be had as in criminal cases.' One of these bills was introduced by Mr. Clayton himself at the instance of the labor unions, whose counsel had prepared it. Moreover, during this entire period innumerable bills to secure trials by jury in cases of indirect contempt had been introduced, at the instance of the labor unions, in the legislatures of nearly all the States, some of which were actually put upon the statute books in a few States, and every one of these bills use the imperative word 'shall' instead of the word 'may' in the provision for the trial by jury in such cases. All of this was well known to the Senate and House committees, it having been brought to their attention by the opponents of such legislation.

"When the Democratic majority prepared and reported its bill in 1912 it deliberately rejected the word 'shall' contained in the bills which had been before it, and in all other bills which had ever been drawn to make a trial by jury compulsory, and inserted in lieu of it the permissive word 'may.'

"Moreover, during this entire period the Supreme Court of the United States and the supreme courts of many States were rendering decision after decision to the effect that the requirement of a trial by jury in such cases would not only be destructive of the independence of the judiciary and of its power to protect itself from insults and to secure obedience to its orders, but also that, to say the least, it would be of very doubtful constitutionality, because invasive of the independence of the judiciary.

"The Supreme Court in construing these sections will assume that Congress intelligently made this change, and particularly that it heeded its suggestions, in this respect, so often made in its decisions, for the purpose of avoiding such doubts as to their constitutionality and a conflict with that court.

"This principle of construction was adopted by the Supreme Court in Lincoln *v.* U. S. (202 U. S., 498), in which it said:

"Moreover, the act of July, 1902, was passed with full knowledge and after careful consideration of the decisions of this court, and Congress was aware that grave doubts, at least, had been thrown upon its power to ratify a tax under circumstances like the present. De Lima *v.* Bidwell (182 U. S., 199, 200). This affords a special reason for believing that if it had intended to encounter the limitations of that case it would have done so in clear words from which there was no escape.

"Now, as early as May, 1895, just one year before Senator Hill reported from the Judiciary Committee the bill which it had so carefully considered, the Supreme Court, in the Debs case, One hundred and fifty-eighth United States, page 594, which decision was before the committee, had said this:

"The power of the court to make an order carries with it the equal power to punish for a disobedience of that order, and inquiry as to the question of disobedience has been, from time immemorial, the special function of the court. And this is no technical rule. In order that a court may compel obedience to its orders it must have the right to inquire whether there has been any disobedience thereof. To submit the question of disobedience to another tribunal, be it a jury or another court, would operate to deprive the proceeding of half its efficiency.

"This decision was followed at intervals by the numerous decisions of that court to the same effect, until in May, 1911, it decided the case of Gompers *v.* Bucks Stove & Range Co. (221 U. S., 450), in which it specifically laid down the law as follows:

"The power of the courts to punish for contempt is a necessary and integral part of the independence of the judiciary and is absolutely essential to the performance of the duties imposed upon them by law. Without it they are mere boards of arbitration, whose judgments and decrees would be only advisory. If a party can make himself a judge of the validity of orders which have been issued and by his own act of disobedience set them aside, then are the courts impotent, and what the Constitution now fittingly calls the 'judicial power of the United States' would be a mere mockery. This power 'has been uniformly held to be necessary to the protection of the court from insults and oppressions, while in the ordinary exercise of its duties, and to enable it to enforce its judgments and orders necessary to the due administration of law and the protection of the rights of suitors.' Bessette *v.* Conkey (194 U. S., 324, 337). There has been general recognition of the fact that the courts are clothed with this power and must be authorized to exercise it without referring the issues of fact or law to another tribunal or to a jury in the same tribunal. For if there was no such authority in the first instance, there would be no power to enforce its orders if they were disregarded in such independent investigation. Without authority to act promptly and independently, the courts could not administer public justice or enforce the rights of private litigants. Bessette *v.* Conkey (194 U. S., 337). Congress, in recognition of the necessity of the case, has also declared (Rev. Stat., 725) that the courts of the United States 'shall have power to punish by fine or imprisonment contempts of their authority, including disobedience to any lawful order of the said courts.'

"It is not probable that the authors of these sections, with all this before them, used the word 'may' as equivalent of the word 'shall,' or that they intended to make trial by jury in contempt cases compulsory in any instance. Moreover, that they gave full heed to the suggestions of the court and appreciated the folly of disregarding them is shown by the provisions of section 24, by which they limited even the provisions which permitted such trials by jury to such narrow compass that it is difficult to find a case within them. Indeed, this section evinces a profound distrust of jury trials in such cases, and I here quote it, as follows:

"SEC. 24. That nothing herein contained shall be construed to relate to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice, nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of, or in behalf of, the United States; but the same, and all other cases of contempt not specifically embraced within section 21 of this act, may be punished in conformity to the usages at law and in equity now prevailing.

"Many other considerations could be adduced, drawn from the interpretation of such language by the Supreme Court and by other courts in contempt and other cases, and from the use of other expressions in these sections, such as this, 'such trials shall conform as near as may be to the practice in criminal cases,' which the Supreme Court has held to mean that the matter to which they apply is left within the discretion of the court. But enough has been said, I think, to satisfy anyone that the existing law as to the mode of trial is unchanged by these sections of the bill.

"There is, however, in these sections, a provision which does change the existing law and greatly increases the severity of the punishment which may be inflicted upon those who violate the injunctions of the courts in the cases to which these sections are supposed to apply. Under section 22 the court is at liberty to imprison the accused for a period of six months, and also to fine him $1,000, payable to the United States, and to further fine him in amounts equal to the damage which his contempt has caused to the complainant or any other party, and to order that he stand committed until such fines are paid. This is an enormous extension of the power of the Federal courts in contempt cases of this character, for heretofore their power to punish for contempt has been limited to a simple fine or imprisonment of the offender.

"In conclusion, in order to emphasize by contrast the harmlessness of the results embodied in the various sections of the Clayton bill herein discussed, by comparison with the provisions of the other bills for which it is a substitute, and to show the importance of opposing it, I append hereto the short but com-

prehensive and drastic Pearre bill, which the unions have all along wanted and intend yet to get enacted into law:

"SEC. 1. That no restraining order or injunction shall be granted by any court of the United States, or a judge, or the judges thereof, in any case between an employer and an employee, or between employers and employees, or between employees, or between persons employed to labor and persons seeking employment as laborers, or involving or growing out of a dispute concerning terms or conditions of employment unless necessary to prevent irreparable injury to property, or to a property right of the party making the application, for which injury there is no adequate remedy at law; and such property or property right must be particularly described in the application, which must be in writing and sworn to by the applicant or by his, her, or its agent or attorney. And for the purposes of this act no right to continue the relation of employer and employee or to assume or create such relation with any particular person or persons, or at all, or to carry on business of any particular kind, or in any particular place, or at all, shall be construed, held, considered, or treated as property or as constituting a property right.

"SEC. 2. That in cases arising in the courts of the United States or coming before said courts, or before any judge, or the judges thereof, no agreement between two or more persons concerning the terms or conditions of employment of labor, or the assumption or creation or termination of any relation between employer and employee, or concerning any act or thing to be done or not to be done with reference to or involving or growing out of a labor dispute shall constitute a conspiracy or other criminal offense or be punished or prosecuted as such unless the act or thing agreed to be done or not to be done would be unlawful if done by a single individual, nor shall the entering into or the carrying out of any such agreement be restrained or enjoined unless such act or thing agreed to be done would be subject to be restrained or enjoined under the provisions, limitations, and definition contained in the first section of this act.

"SEC. 3. That all acts and parts of acts in conflict with the provisions of this act are hereby repealed.

"DANIEL DAVENPORT, *General Counsel.*"

Ship Registry Act.

SPEECH

OF

HON. CHARLES F. CURRY,

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 9, 1914.

Mr. CURRY. Mr. Speaker, the so-called ship-registry act, approved August 18 of this year, which act provides for the admission of foreign-built ships to American registry for the foreign trade, and the issuing by the President under the authority of said act of an Executive order on September 4, 1914, suspending for two years the provisions of the law requiring survey inspection and measurement by United States officers of foreign-built ships admitted to American registry under said act and suspending for a period of seven years on such ships so admitted the provisions of the law requiring watch officers to be citizens of the United States, were, in my opinion, unnecessary and ill advised.

The enactment of the law and the issuing of the Executive order may have been dictated by patriotic motives, but in the putting of the law and the Executive order into practical operation by the owners of foreign ships taking advantage of the law, patriotism plays a very subordinate part to and is, in fact, completely dominated by commercialism, as I shall attempt to show in my remarks.

Intrusting the protection and the honor of the American flag that is permitted to float over such a ship so admitted to American registry into the custody of her master who is a citizen or a subject of a foreign country certainly can not be called patriotic. But that is not the worst of it; none of the officers and none of the crew are required to be American citizens. The foreign officers and foreign crews of such a ship may retain their positions on the ship without being required to swear allegiance to our country and our flag. In the event of war could this country depend on their allegiance and loyalty? And yet official notice has been given that no American citizen need apply for a position on the newly created uninspected foreign-built American merchant marine engaged in the foreign trade, in pursuance of the exercise of authority conferred upon the President of the United States by the act of Congress approved August 18, 1914, entitled "An act to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes," which act reads as follows:

Be it enacted, etc., That the words "not more than 5 years old at the time they apply for registry" in section 5 of the act entitled "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal, and the sanitation and government of the Canal Zone," are hereby repealed.

SEC. 2. That the President of the United States is hereby authorized, whenever in his discretion the needs of foreign commerce may require, to suspend by order, so far and for such length of time as he may deem desirable, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

Under like conditions, in like manner, and to like extent the President of the United States is also hereby authorized to suspend the provisions of the law requiring survey, inspection, and measurement by officers of the United States of foreign-built vessels admitted to American registry under this act.

SEC. 3. This act shall take effect immediately.

Approved, August 18, 1914.

Upon being vested with the legal power to do so, the President lost no time, but proceeded forthwith and issued the following—

EXECUTIVE ORDER.

SEPTEMBER 4, 1914.

In pursuance of the authority conferred upon the President of the United States by section 2 of the act approved August 18, 1914, entitled "An act to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes," it is hereby ordered:

1. That the provisions of the law prescribing that the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States, are hereby suspended, so far and for such length of time as is herein provided, namely, all foreign-built ships which shall be admitted to the United States registry under said act may retain the watch officers employed thereon, without regard to citizenship, for seven years from this date, and such watch officers shall be eligible for promotion. Any vacancy occurring among such watch officers within two years from this date may be filled without regard to citizenship, but any vacancies which may occur thereafter shall be filled by a watch officer who is a citizen of the United States.

2. That the provisions of law requiring survey, inspection, and measurement, by officers of the United States, of foreign-built ships admitted to United States registry under said act are hereby suspended for two years from this date.

WOODROW WILSON.

By the actions of the President of the United States in suspending the inspection laws for the term of two years the following sections of the United States Revised Statutes become null and void for that period on all vessels admitted to American registry under the provisions of the act approved August 18, 1914. Section 5 of the Panama Canal act is not suspended in so far that the local inspectors of steam vessels shall, upon application before the issue of a register, inspect the vessels so far as may be necessary to determine if the vessel's hull is in such a condition that she can carry dry and perishable cargo with safety.

The following sections are suspended:

Section 4417 of the Revised Statutes reads in part as follows:

SEC. 4417. The local inspectors shall, once in every year at least, carefully inspect the hull of every steam vessel within their respective districts and shall satisfy themselves that every such vessel so submitted to their inspection is of a structure suitable for service in which she is to be employed, has suitable accommodations for passengers and the crew, and is in a condition to warrant the belief that she may be used in navigation as a steamer with safety to life, and that all the requirements of law in regard to fires, boats, pumps, hose, life preservers, floats, anchors, cables, and other things are faithfully complied with; and if they deem it expedient they may direct the vessel to be put in motion, and may adopt any other suitable means to test her sufficiency and that of her equipment. Whenever any inspector or assistant inspector shall, in the performance of his duty, find on board any vessel subject to the provisions of this title, as part of the required equipment thereof, any equipment, machinery, apparatus, or appliances not conforming to the requirements of law he shall require the same to be placed in proper condition by the owner or master of the said vessel, if possible; and if said inspector or assistant inspector shall find on board any such vessel any life preservers or fire hose so defective as to be incapable of repair he shall require that the same be destroyed in his presence by such owner or master. And in any of the foregoing cases local inspectors by whom or under whose supervision said vessel is then being inspected shall have power to enforce the foregoing requirements by revoking the certificate of the said vessel and by refusing to issue a new certificate to the said vessel until the said requirements shall have been fully complied with or until such action of the local inspectors shall have been reversed—

And so forth.

Section 4418 of the Revised Statutes reads in part as follows:

SEC. 4418. The local inspectors shall also inspect the boilers and their appurtenances in all steam vessels before the same shall be used, and once, at least, in every year thereafter, and shall subject all boilers to the hydrostatic pressure. All such vessels shall comply with the following requirements, namely: That the boilers are well made, of good and suitable material; that the openings for the passage of water and steam, respectively, and all pipes and tubes exposed to heat are of proper dimensions and free from obstructions; that the spaces between and around the flues are sufficient; that flues, boilers, furnaces, safety valves, fusible plugs, low-water indicators, feed-water apparatus, gauge cocks, steam gauges, water and steam pipes connecting boilers, means of prevention of sparks and flames from fire doors, low-water gauges, means of removing mud and sediment from boilers, and all other such machinery and appurtenances thereof are of such construction, shape, condition, arrangement, and material that the same may be safely employed in the service proposed without peril to life; and the local inspectors shall satisfy themselves by thorough examination that said requirements of law and regulations in regard thereto have been fully complied with. No boiler or flue pipe, nor any of the connections therewith, shall be approved which is made in whole or in part of bad material or is unsafe in its form or dangerous from defective workmanship, age, use, or other cause—

And so forth.

In order for an American-built, American-officered, and American-manned vessel to obtain a certificate of inspection she must

first be inspected by the United States Steamboat-Inspection Service and comply with all the requirements of law, as set forth in the two preceding sections of the Revised Statutes. But the foreign-built, foreign-officered, and foreign-manned vessels admitted to American registry under the act approved August 18, 1914, and by Executive order are made immune from inspection for two years and all the provisions contained in the preceding sections. Section 5 of the Panama Canal act provides that the hulls of vessels admitted under the act are required to be inspected in order to determine if the vessel is in such a condition that she can carry dry and perishable cargo with safety. That section is not suspended.

Many of the vessels and their equipments that are being admitted under the act are of such an age that great precaution should be taken in the matter of inspection; but no inspection is required of their boilers, boats, pumps, hose, life preservers, floats, anchors, cables, and other life-saving appliances and equipments, or to determine whether or not they have suitable accommodations for passengers and crew or that they are in a condition to warrant the belief that they may be navigated with safety.

The two preceding sections most vitally affect the safety of life at sea. The lives of the crew, according to the ethics of the sea, are a secondary consideration, but the lives of passengers, and more particularly of women and innocent children, who may take passage on vessels admitted to American registry under the act are paramount and should be considered before property, no matter how valuable the cargo.

It is evident that neither Congress nor the people realize the seriousness of the suspension of the United States steamboat-inspection laws on foreign-built vessels admitted to American registry. It seems to have escaped attention that such suspension endangers the lives of the traveling public as well as those of the crew.

At the time the steamers *Titanic, Monroe, Empress of Ireland,* and many others were lost the public and press demanded, in the interest of safety of life at sea, that Congress enact laws that would tend to prevent and would at least minimize the dangers of a repetition of such horrible disasters in the future. The answer to the public demand was the enactment of the law giving the President of the United States discretionary power to suspend by order the provisions of the law requiring survey, inspection, and measurement by officers of the United States of foreign-built vessels admitted to American registry. Exercising the power conferred, the President of the United States, on the 4th day of September, 1914, suspended the law for a term of two years from the date of such order on all vessels admitted to American registry under the act, thereby increasing, in place of decreasing, the dangers to life at sea.

The passenger vessels that are being admitted to American registry under the act were, while sailing under a foreign flag, out of the ports of the United States, subject to inspection, and were inspected by the officials of the United States Steamboat Inspection Service, but when admitted to American registry they are not required to undergo inspection for the period of two years, being exempted by executive order of the President, in accordance with the discretionary authority vested in him by law. Is this right, is it just, is it humane? It is possible the President may have acted under misinformation, that he may have been deceived.

Section 4421 of the Revised Statutes reads in part as follows:

SEC. 4421. When the inspection of steam vessels is completed and the inspectors approve the vessel and her equipment throughout they shall make and subscribe a certificate to the collector or other chief officer of the customs of the district in which such inspection has been made, in accordance with the form and regulations prescribed by the board of supervising inspectors. Such certificate shall be verified by oaths of inspectors signing it before the chief officer of the customs of the district or any other person competent by law to administer oaths. If the inspectors refuse to grant a certificate of approval, they shall make a statement in writing and sign the same, giving the reason for their disapproval. Upon such inspection and approval the inspector shall also make and subscribe a temporary certificate, which shall set forth substantially the fact of such inspection and approval, and shall deliver the same to the master or owner of the vessel, and shall keep a copy thereof on file in their office. No vessel required to be inspected under the provisions of this title shall be navigated without having on board an unexpired regular certificate of inspection or such temporary certificate, etc.

Section 4423 of the Revised Statutes reads in part as follows:

SEC. 4423. Every collector or other chief officer of the customs shall retain on file all original certificates of the inspectors required to be delivered to him, and shall give to the master or owner of the vessel therein named three certified copies thereof, two of which shall be placed by such master or owner in conspicuous places in the vessel where they will be most likely to be observed by passengers and others, and there kept at all times, framed under glass, and the other shall be retained by such master or owner as evidence of the authority thereby conferred, etc.

Section 4424 of the Revised Statutes provides:

SEC. 4424. Whenever any passenger is received on board any steam vessel not having the certified copies of the certificate of approval placed and kept as required by this title, or whenever any passenger steam vessel receives or carries any gunpowder on board, not having a certificate authorizing the same, and a certified copy thereof placed and kept as required, or shall carry any gunpowder at a place or in a manner not authorized by such certificate, such steam vessel shall be liable to a penalty of $100 for each offense.

Section 4463 of the Revised Statutes reads in part as follows:

SEC. 4463. Any vessel of the United States subject to the provisions of this title, or to the inspection laws of the United States, shall not be navigated unless she shall have in her service and on board such complement of licensed officers and crew as may, in the judgment of the local inspectors who inspect the vessel, be necessary for her safe navigation. The local inspectors shall make in the certificate of inspection of the vessel an entry of such complement of officers and crew, which may be changed from time to time by indorsement on such certificate by local inspectors by reason of change of conditions or employment. Such entry or indorsement shall be subject to a right of appeal, under regulations to be made by the Secretary of Commerce, to the supervising inspector, and from him to the Supervising Inspector General, who shall have the power to revise, set aside, or affirm the said determination of the local inspectors.

If any such vessel is deprived of the services of any number of the crew without the consent, fault, or collusion of the master, owner, or any person interested in the vessel, the vessel may proceed on her voyage if, in the judgment of the master, she is sufficiently manned for such voyage: *Provided*, That the master shall ship, if obtainable, a number equal to the number of those whose services he has been deprived of by desertion or casualty, who must be of the same grade or of a higher rating with those whose places they fill. If the master shall fail to explain, in writing, the cause of such deficiency in the crew to the local inspectors within 12 hours of the time of the arrival of the vessel at her destination, he shall be liable to a penalty of $50. If the vessel shall not be manned as provided in this act, the owner shall be liable to a penalty of $100 or, in case of an insufficient number of licensed officers, to a penalty of $500. * * *

Section 4464 of the Revised Statutes reads as follows:

SEC. 4464. The inspectors shall state in every certificate of inspection granted to steamers carrying passengers, other than ferryboats, the number of passengers of each class that any such steamer has accommodations for and can carry with prudence and safety.

Section 4465 of the Revised Statutes reads as follows:

SEC. 4465. It shall not be lawful to take on board of any steamer a greater number of passengers than is stated in the certificate of inspection, and for every violation of this provision the master or owner shall be liable, to any person suing for the same, to forfeit the amount of passage money and $10 for each passenger beyond the number allowed.

Vessels admitted under the act are not subject to the foregoing inspection laws of the United States, therefore they are not required to have a certificate of inspection and they can carry an unlimited number of passengers without being liable to any penalty, as there would be no violation of law as provided in the two preceding sections.

Section 4488 of the Revised Statutes reads, in part, as follows:

SEC. 4488. Every steamer navigating the ocean or any lake, bay, or sound of the United States shall be provided with such numbers of lifeboats, floats, rafts, life preservers, line-carrying projectiles and the means of propelling them, and drags as will best secure the safety of all persons on board such vessel in case of disaster; and every seagoing vessel carrying passengers, and every such vessel navigating any of the northern or northwestern lakes, shall have the lifeboats required by law, provided with suitable boat-disengaging apparatus, so arranged as to allow such boats to be safely launched while such vessels are under speed or otherwise, and so as to allow such disengaging apparatus to be operated by one person, disengaging both ends of the boat simultaneously from the tackles by which it may be lowered to the water. And the board of supervising inspectors shall fix and determine, by their rules and regulations, the character of lifeboats, floats, rafts, life preservers, line-carrying projectiles and the means of propelling them, and drags that shall be used on such vessels, and also the character and capacity of pumps or other appliances for freeing the steamer from water in case of heavy leakage, the capacity of such pumps or appliances being suited to the navigation in which the steamer is being employed. Every vessel subject to the provisions of this title shall, while in operation, carry one life preserver for each and every person allowed to be carried on said vessel by the certificate of inspection, including each member of the crew—

And so forth.

Section 4489 of the Revised Statutes reads as follows:

SEC. 4489. The owner of any such steamer who neglects or refuses to provide such lifeboats, floats, rafts, life preservers, line-carrying projectiles and the means of propelling them, drags, pumps, or appliances as are under the provision of the preceding section required by the board of supervising inspectors, and approved by the Secretary of Commerce, shall be fined $1,000.

There being no certificate of inspection designating the number of persons allowed to be carried on board any vessel admitted under the act, or the number of lifeboats, floats, rafts, life preservers, line-carrying projectiles and the means of propelling them, drags, pumps, or appliances as are under the provision of section 4488 required by the board of supervising inspectors and approved by the Secretary of Commerce, therefore the penalty as prescribed in the preceding section, 4489, becomes null and void for the term of two years on any vessel admitted under the act.

The vessels that are admitted under the act, not being subject to the inspection laws of the United States for the term of two years from the date of the Executive order, are allowed to be navigated with such complement and kind of a crew as may in the judgment of the owner or agent of the vessel be necessary for her navigation, without regards to safety, as provided for

in section 4463, and in case such vessels are navigated with an insufficient number of officers and crew, the owners are not liable to any of the penalties as prescribed in the aforesaid section.

The vessels that are built in the American shipyards by American mechanics, manned by American officers and crews, must be inspected annually by the United States local inspectors of steam vessels, and they must have on board and in their service such complement of licensed officers and crew as may in the judgment of the local inspectors who inspect the vessel be necessary for her safe navigation. They must also comply with all laws and the rules and regulations as laid down by the Steamboat-Inspection Service, when approved by the Secretary of Commerce, as regards to life-saving appliances and all of the other provisions as prescribed in sections 4417, 4418, 4421, 4423, 4424, 4463, 4464, 4465, 4488, and 4489 of the Revised Statutes. It is very essential in the interest of safety that they should be required to comply with all of the provisions contained in those sections, and also the rules and regulations as laid down by the Steamboat-Inspection Service, in order to protect the lives of the traveling public, saying nothing about the lives of the crew.

It only shows the inconsistency on the part of our Government in making fish of one and flesh of the other. There is no justice or cause which warrants such proceedings in the admitting of foreign-built vessels to American registry without being inspected, thereby endangering the lives of the public as well as those of the crew.

The next subject I will discuss is one that directly interests the idle masters, mates, and engineers of our sea-going mercantile marine service, and also their families; it also concerns every citizen of this country. I want to know, and what the public has a right to know, is what the emergency consisted of that made it necessary for the President to issue an Executive order, on the 4th day of September of this year, suspending the law that prescribes "that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States"; and the reason for the suspension at the same time of the law requiring survey, inspection, and measurement by officers of the United States of foreign-built vessels admitted to American registry under the act approved August 18, 1914.

I will first take up the question of the suspending of the law by Executive order as regards to citizenship of watch officers, and in doing so would call the Members' attention to page 14352, of the RECORD of August 3, during the debate on the so-called ship registry bill in reference to the following questions and answers:

Mr. MCKENZIE. Will the gentleman yield?

Mr. ALEXANDER. With pleasure.

Mr. MCKENZIE. Suppose that a vessel is owned by American citizens with a British captain and a Chinese crew. Under this proposed law could the President of the United States suspend the rule and permit that vessel to be registered and continue in the service with the British captain and the Chinese crew in competition with other American vessels that are now handicapped by the laws we have?

Mr. ALEXANDER. If we passed this act, we could.

Mr. STEVENS of Minnesota. Is there any limit to it?

Mr. ALEXANDER. It is a temporary measure—the provision for watch officers—and I hope the President will have no occasion to invoke the power vested in him under this act to suspend the provisions of section 4131, Revised Statutes, as amended by section 1 of the act of May 28, 1898, because, as I have said, I have started the inquiries which I hope will develop the fact that it will not be necessary to suspend the provisions of existing law in that regard.

Knowing Mr. ALEXANDER as I think I do, I doubt if he would have been so anxious for the passage of the bill if he could have foreseen that the President would, immediately he was given the power to do so, suspend the provisions of the law requiring inspection of those ships and requiring that their officers should be American citizens.

I want to state, in all sincerity, that the question propounded by the gentleman from Illinois [Mr. MCKENZIE] was well put and timely. The Executive order suspending the law for seven years opens our doors to such an extent that it would be possible for a so-called American corporation to be organized with a dummy board of directors and purchase a lot of old hulks, and then put them temporarily under the Japanese or Chinese flag in order to officer and man them with Asiatics, then transfer them with their officers and crew to the American flag, and sail them for seven years on the seven seas as floating monuments to the principles of Wilsonian Democracy as applied to the upbuilding of the American merchant marine.

Until the promulgation of the Executive order by the President dated September 4, 1914, and subsequent to December 31, 1792, or for a period of 122 years, no American ship had cleared from an American port whose master was not a citizen of the United States. It remained for President Wilson's administration to intrust the honor of the American flag flying over an American ship into the custody of an alien master and a citizen of a foreign country. Under this order not one of the officers or crew is required to be an American citizen.

The bill was enacted as a temporary and emergency measure, and provided that the President could, when in his discretion the needs of foreign commerce required, suspend the navigation laws that prohibit the employment of foreigners as watch officers on American ships and permit of their employment on foreign-built ships admitted to American registry under the provisions of this act. It seems strange that the President has not taken into consideration the supply of American officers who are ready and prepared and qualified to fill these places and strictly observed the spirit of the act as a temporary and emergency measure.

In looking over the RECORD of August 3, page 14353, I find in the statement made by the gentleman from Missouri [Mr. ALEXANDER] the following quotation from the report of the Commissioner of Navigation (p. 14366 of the RECORD) and from press reports:

Our mariners have had few opportunities to qualify themselves for the command of trans-Atlantic steamships, and it is not surprising, therefore, that there are relatively few men qualified by experience to take command as master or first or second officer—mates of the large steamers which carry our cotton and wheat to Europe. This situation would be serious at any time. It is doubly serious in a time of pending general European conflict, as at present. You have probably noted in the newspapers that even on the British coast the lights on the lightships and lighthouses have been extinguished and buoys and other aids to navigation removed. The press reports may not be correct to-day, but these precautions will undoubtedly be taken very soon if the war is general. Under these conditions ships ought to be trusted only with captains and officers familiar by experience with European coasts and ports, and, of course, shipowners will not risk their vessels with others in command.

In looking over the New York Nautical Gazette of September 16, 1914, under the heading of "Neptune Association of Licensed Masters and Mates of Ocean and Coastwise Steam Vessels," I find the following:

The American-built, commanded, and officered steamship *Creole* arrived home at the port of New York Friday, September 11, after making a voyage across the Atlantic to England and return. Quoting from the New York Herald, Saturday, September 12: "Capt. Benjamin F. Jacobs was very enthusiastic yesterday over the way the ship acted in the two crossings."

WAS VACATION FOR CAPTAIN.

"Though built for the coastwise trade exclusively," said he, "my little ship behaved splendidly. Why, after making coastwise voyages for 21 years, and working in and out of the treacherous coast currents, the Atlantic trip has been a perfect vacation to me."

I ask the House to compare the statement made by Capt. Jacobs with the opinion expressed by the Commissioner of Navigation, that the situation would be serious at any time, and doubly serious at a time of pending general European conflict, for the United States to be compelled to depend on there being a sufficient number of American citizens possessing the necessary experience and ability to act as commanders or officers of the large trans-Atlantic steamships that carry our cotton and wheat to Europe.

I also find under the same heading and on the same date—September 16, 1914—a copy of a letter which was sent to "the Hon. Dudley Field Malone, United States collector of customs, Customhouse, New York," and signed "Robert H. Cowan, secretary-counsel Neptune Association." As it is a very lengthy letter, I will quote only a part of three different paragraphs, which read as follows:

SIR: I respectfully refer to the announcement made from your office on Friday, August 7, about 5 p. m., in which you requested at once the names of all licensed officers, masters, and engineers available for service at once on vessels of the United States engaged in foreign trade, men who are competent to navigate their ships to Asia, Australia, and other foreign countries.

I respectfully call your attention to the fact that I actually obtained the names of 105 masters and officers, giving plainly with each officer's name his age, address, grade of license, also the entire sea experience, as well as the entire experience in the various capacities in which he had had service. These separate and individual records I deposited with Mr. Stuart, of your office.

I respectfully call your attention to the fact that among the 105 separate records, as above, were the names of 57 men who not only hold masters' licenses for ocean steam vessels but had actually had service and had acted in the capacity of master in foreign-going steamships engaged in voyages to any and all ports of the world.

The following telegram was received by Capt. William A. Wescott and given to the gentleman from Missouri [Mr. ALEXANDER] on the 3d day of August, 1914:

SAN FRANCISCO, CAL., *August 1, 1914.*

Capt. W. A. WESCOTT,
National Hotel, Washington, D. C.:

Fifty-three vessels laid up; can furnish 250 licensed deck officers at 2 hours' notice from here; from information received, 100 more from Puget Sound; about 50 from San Pedro.

Capt. W. T. DUERRBECK,
Secretary Masters, Mates, and Pilots of the Pacific.

I desire to state that the above telegram was inserted in the RECORD on August 3 by the gentleman from Missouri [Mr. ALEXANDER], and appears on page 14354 of the RECORD.

In reply to an inquiry made by Hon. E. F. Sweet, Acting Secretary of Commerce, on the 7th of August, Collector of the Port Davis, of San Francisco, reported that there are 500 unemployed licensed masters, mates, chief engineers, and assistant engineers in San Francisco who are immediately available for service on ocean steamers.

There are 250 idle masters and mates in San Francisco anxious to accept positions. Below deck the available men are as follows: One hundred and twenty-five chief engineers, 100 first assistant engineers, 20 second assistant engineers, and 20 third assistant engineers. In addition to this number there are known to be available 100 unemployed deck officers at Puget Sound and 50 unemployed deck officers at San Pedro.

Of the chief mates at present actively employed on American ships in the various trades at least 200 hold unlimited masters' license for any and all oceans.

The following is a copy of a letter which was written by Capt. Wescott to the President of the United States:

NATIONAL HOTEL,
Washington, D. C., August 22, 1914.

Hon. WOODROW WILSON,
President of the United States,
Washington, D. C.

HONORABLE SIR: On behalf of the Ocean Masters, Mates, and Pilots of the Pacific, and also the Neptune Association of New York, whom I have the honor of representing, do most earnestly and respectfully request that there be no suspension of the provision of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

Mr. President, there are at present available no less than 600 idle ocean masters, mates, and second mates holding an unlimited any-ocean United States certificate of license who are citizens of the United States.

We therefore most earnestly and respectfully request that the idle licensed officers in the United States who are citizens of this great country be given a chance to make an honest living for themselves and families. I am, honored sir,

Yours, faithfully,

WILLIAM A. WESCOTT,
President Masters, Mates, and Pilots of the Pacific,
and representing the Neptune Association.

I will now quote a very short paragraph from a personal letter which Capt. Wescott received from Mr. Bruce Gibson, business manager of the Marine Engineers' Beneficial Association, No. 35, of San Francisco, Cal., dated August 25, 1914, which reads as follows:

Shipping is paralyzed here—steamers laid up in numbers—and it looks bad for this winter. We have a large number of men out of work, and I do not know what some of them are going to do.

BRUCE GIBSON.

The Department of Commerce had on file on the 22d day of August, 1914, reports received from collectors of customs from the principal ports on the Atlantic and the Pacific, and those reports show that there are over 2,000 idle masters, mates, and engineers that are and were available for service on vessels engaged in the foreign trade at the same time the so-called ship-registry bill was passed by the House. And I want to say to you, and I believe that you will agree with me, that there was no shortage of certificated masters, mates, and engineers, and that the law that prescribes that all of the watch officers on vessels of the United States engaged in foreign trade shall be citizens of the United States should not have been suspended.

By the statement of the Chief of the Bureau of Navigation, quoted on the floor of the House during the debate on the bill, that the certificated masters, mates, and second mates of our merchant service were probably not qualified to command and officer vessels that are engaged in the foreign trade, and by the action of Congress and the President of the United States admission has been made to the world that the certificate of license issued by the United States Government to masters, chief mates, and second mates are not worth their face value. I do not believe it. The certificate of license that is issued to an applicant by the United States local inspectors of steam vessels after they have passed their examination states very plainly on what waters the holder is qualified to serve, the size of the vessel he is qualified to officer, and the position he is qualified to hold.

I have prepared a list of 109 American ocean steamships that range in size from 4,033 to 20,718 gross tons register which are officered by American masters, mates, and engineers.

I prepared the list for the purpose of comparison with the list of foreign steamships that was inserted in the RECORD by the gentleman from Alabama [Mr. UNDERWOOD] as ships that would more than likely take advantage of the act and obtain American registry for their vessels, for they have qualified officers on deck and in the engine room, in the opinion of the administration, to navigate them, so that our cotton and wheat can be carried to Europe with safety; and also to bring bananas from the Central and South American ports to the ports of the United States.

I note in the list of the 56 vessels that the gentleman from Alabama submitted that 41 of them belong to the United Fruit Co.—British—and they range in size from 2,294 to 7,783 gross tons register, and are of an age from 1 to 10 years, excepting 2 of them which are 21 and 34 years old, respectively. I also note that 5 of the 56 vessels submitted by the gentleman from Alabama belong to the Red Star Line—Belgium—and they range in size from 7,660 to 18,694 gross tons register, and they are from 6 to 21 years old. The other 11 ships of the 56 submitted belong to the New York & Pacific Steamship Co. (Ltd.)—British—and their tonnage ranges from 3,040 to 7,040 gross tons register, and they are from 1 to 21 years old.

In the following list of American steamships which I am submitting, 6 of them are engaged in the Pacific and the oriental trade, 6 of them are engaged in the trans-Atlantic trade, 2 in the San Francisco-Australian trade, and approximately 30 to 40 in the coast-to-coast and Honolulu trade, and the balance in the coastwise trade on the Pacific and on the Atlantic, and also in the Cuban, Porto Rican, and at times in the Central and South American trade.

List of foreign steamships of over 4,000 gross tons register that was submitted by the gentleman from Alabama [Mr. UNDERWOOD]—their ages are from 1 to 14 years, excepting the *Gothland*, which is 21 years:

Foreign steamships of over 4,000 gross tons register.

	Gross tons.		Gross tons.
Lapland	18,694	Santa Marta	5,013
Vaderland	12,017	Zacapa	5,013
Zeeland	11,905	Carillo	5,013
Samland	9,748	Metapan	5,011
Tenadores	7,783	Almirante	5,010
Calamares	7,782	Celia	5,004
Pastores	7,782	Atenas	4,962
Gothland	7,660	Turrialba	4,961
Chipana	7,040	Abangarez	4,955
Chincha	6,395	Heredia	4,944
Curaca	6,386	Parismina	4,937
Cacique	6,202	Cartago	4,937
Patia	6,103	Tortuguero	4,175
Patuca	6,103	Chimu	4,259
Bayano	5,948	Aracataca	4,154
Colusa	5,732	Barranca	4,124
Chagres	5,288	Manzanares	4,094
Carcas	5,067	Reventazon	4,050
Sixaola	5,017	Chirripo	4,050
Tivives	5,017		

Total, 39 foreign vessels of 4,000 gross tons and over.

American steamships of over 4,000 gross tons register engaged in the various trades on the Atlantic and Pacific Oceans.

	Gross tons.		Gross tons.
Minnesota	20,718	Colon	5,667
Manchuria	13,638	Californian	5,707
Mongolia	13,638	Oregonian	5,597
Finland	12,760	Isthmian	5,404
Kroonland	12,760	Santa Rita	5,273
St. Louis	11,629	President	5,218
St. Paul	11,629	Lenapa	5,179
Siberia	11,284	Santa Cruz	5,081
Korea	11,276	Carolina	5,017
New York	10,798	Melrose	5,107
Philadelphia	10,786	City of Montgomery	5,425
Matsonia	9,728	Newton	5,194
Ancon	9,606	Illinois	5,225
Cristobal	9,606	Lurline	5,928
Alaskan	8,671	Panama	5,667
Arizonan	8,671	American	5,591
Texan	8,615	Hawaiian	5,597
Mexican	8,579	Santa Maria	5,318
Columbian	8,579	Governor	5,250
Congress	7,985	Sierra	5,989
Missourian	7,914	Topila	5,125
Virginian	7,914	China	5,060
Kansan	7,013	Malden	5,107
Honolulan	7,059	Texas	5,106
Wilhelmina	6,974	City of St. Louis	5,425
Antilles	6,878	Gulfoil	5,188
Momus	6,878	Monterey	4,702
Creole	6,754	Esperenca	4,702
Georgian	6,657	Mohawk	4,623
Minnesotan	6,655	Lansing	4,560
Montanan	6,649	Bear	4,507
Panaman	6,649	Beaver	4,507
Pennsylvanian	6,649	Nebraskan	4,408
Richmond	6,563	Nevadan	4,408
Brazos	6,399	Denver	4,549
Havana	6,391	Coamo	4,384
Saratoga	6,391	Col. E. L. Drake	4,205
Santa Clara	6,309	Apache	4,145
Santa Catalina	6,309	Arapahoe	4,145
Santa Cecilia	6,309	Capt. A. F. Lucas	4,188
Sonoma	6,279	J. A. Chanslor	4,938
Ventura	6,282	Damara	4,989
Mexico	6,207	Wm. F. Herrin	4,938
San Jacinto	6,069	Henry Buck	4,938
Dakotan	6,606	W. S. Porter	4,901
Kentuckian	6,606	Proteus	4,836
El Mundo	6,008	Comus	4,828
El Occidente	6,008	El Siglo	4,616
El Oriente	6,008	El Alba	4,614
El Sol	6,008	El Dia	4,613
Morro Castle	6,004	El Cid	4,608

	Gross tons.		Gross tons.
El Valle	4,605	Seguranca	4,033
El Norte	4,604	Currier	4,711
El Sud	4,572	Nelson	4,746
Vigilancia	4,155		

This shows a total of 109 American vessels of 4,000 gross tons and over. At my request the Commissioner of Navigation furnished me with the following list of foreign-built vessels admitted to American registry under the act of August 18, 1914:

Foreign-built vessels admitted to American registry under the act of Aug. 18, 1914.

[List furnished by Department of Commerce, Bureau of Navigation, Oct. 6, 1914.]

Official number.	Signal letters.	Rig.	Name of vessel.	Gross tonnage.	Material.	Home port.	Former nationality.
212529	LDNS	Steamship	Oceana[1]	7,796	Steel	New York, N. Y.	British.
212543	LDNV	do	Moldegaard[2]	2,852	do	do	Do.
	LDPF	Bark	Windrush[2]	1,531	do	Boston, Mass.	Do.
212565	LDPJ	Steamship	Tivives[1]	5,017	do	New York, N. Y.	Do.
212566	LDPK	do	Trinidadian[2]	2,450	do	Port Arthur, Tex.	Do.
212568	LDPM	Schooner	Roseway[2]	291	Wood	Mobile, Ala.	Do.
212569	LDPN	Steamship	Santa Rosalia[2]	5,409	Steel	New York, N. Y.	Do.
212570	LDPQ	do	Kentra[2]	4,682	do	do	Do.
212571	LDPR	do	Bantu[2]	4,188	do	do	Do.
212572	LDPS	do	Crofton Hall[1]	5,773	do	do	Do.
212573	LDPT	Bark	Annie M. Reid[2]	2,165	do	San Francisco, Cal.	Do.
	LDPV	Steamship	San Francisco[2]	5,102	do	New York, N. Y.	Do.
	LDPW	do	Buenaventura[2]	4,881	do	do	Do.
	LDQB	do	Charlton Hall[2]	4,749	do	do	Do.
	LDQC	do	Craster Hall[2]	4,319	do	do	Do.
	LDQF	do	Howick Hall[2]	4,922	do	do	Do.
212583	LDQG	do	Zacapa[1]	5,012	do	do	Do.
212584	LDQH	do	Cartago[1]	4,937	do	do	Do.
212585	LDQJ	do	Sixaola[1]	5,017	do	do	Do.
212587	LDQK	do	Brabant (tanker)[2]	2,773	do	Port Arthur, Tex.	Belgian.
	LDQM	do	Foxton Hall[2 3]	4,246	do	New York, N. Y.	British.
212592	LDQN	do	Limon[2]	3,297	do	do	Do.
212596	LDQP	do	Panuco (tanker)[2]	2,556	do	do	Do.
212597	LDQR	do	Pinar del Rio[2]	2,504	do	do	Do.
212600	LDQS	Schooner	C. W. Mills[2]	371	Wood	Mobile, Ala.	Do.
	LDQT	Steamship	Suriname	3,274	Steel	New York, N. Y.	Do.
212601	LDQV	do	Brindilla (tanker)[2]	4,170	do	do	German.
212603	LDQW	do	Turrialba[1]	4,952	do	do	British.
212604	LDRB	do	Metapan[1]	5,011	do	do	Do.
212605	LDRC	do	Heredia[1]	4,943	do	do	Do.
212606	LDRF	do	Esparta[2]	3,297	do	do	Do.
	LDRH	Ship	Avon[2]	1,573	Iron	Boston, Mass.	Do.
212612	LDRJ	Steamship	Abangarez[1]	4,954	Steel	New York, N. Y.	Do.
212613	LDRK	Barkentine	Everett G. Griggs[2]	2,577	Iron	Seattle, Wash.	Do.
212646	LDRM	Steamship	Coppename[1]	3,191	Steel	New York, N. Y.	Do.
	LDRN	Bark	Snowdon[2]	1,111	Iron	Boston, Mass.	Do.
212622	LDRP	Ship	Hilston[2]	2,087	do	Mobile, Ala.	Do.
212627	LDRQ	Steamship	Platuria (tanker)	3,445	Steel	New York, N. Y.	German.
212628	LDRS	do	C. A. Canfield (tanker)[2]	6,350	do	Los Angeles, Cal.	British.
212632	LDRT	do	Parismina[1]	4,937	do	do	Do.
212633	LDRV	do	Almirante[1]	5,010	do	do	Do.
212634	LDRW	do	Atenas[1]	4,961	do	do	Do.
212635	LDSB	do	San Jose[2]	3,296	do	do	Do.
212641	LDSC	do	Montano[2]	2,730	do	do	German.
212642	LDSF	do	Caloria[2]	4,095	do	do	Do.
212647	LDSG	Schooner	Louise M. Richard[2]	441	Wood	Gulfport, Miss.	British.
212649	LDSH	Steamship	Marowijne	3,192	Steel	New York, N. Y.	Do.
212650	LDSJ	do	Saramacca	3,284	do	do	Do.
212648	LDSK	do	Norman Bridge[2]	4,288	do	Los Angeles, Cal.	Do.
212651	LDSM	do	Santa Marta[1]	5,013	do	New York, N. Y.	Do.
212652	LDSN	do	Carrillo[1]	5,012	do	do	Do.
212653	LDSP	do	Pastores[1]	7,781	do	do	Do.
212654	LDSQ	do	Calamares[1]	7,782	do	do	Do.
212655	LDSR	do	Tenadores[1]	7,782	do	do	Do.
212656	LDST	Ship	Brynhilda[2]	1,502	Iron	Boston, Mass.	Do.
212657	LDSV	do	Pass of Balmaha[2]	1,571	Steel	do	Do.
212558	LDSW	do	Rhine[2]	1,690	Iron	do	Do.
212671	LDTB	Steamship	Orleanian	2,293	do	New York, N. Y.	Do.
212672	LDTC	Barge	Glenlui[2]	1,934	do	Port Arthur, Tex.	Belgian.
212673	LDTF	do	France Marie[2]	1,994	Steel	do	Do.
212675	LDTG	Steamship	Wico (tanker)[2]	2,748	do	New York, N. Y.	German.
	LDTJ	do	Dochra[2]	4,309	do	do	British.

[1] Indicates passenger vessels. [2] Indicates freight vessels. [3] Burned at Watling Island, Bahamas, September 23, 1914.

The foregoing list comprises 12 sailing vessels of from 291 to 2,577 gross tons, 2 barges of from 1,934 to 1,994 gross tons, 19 passenger steamers of from 4,937 to 7,796 gross tons, 25 freight steamers of from 2,450 to 6,350 gross tons, 4 steamers not classified of from 2,293 to 3,284 gross tons, a total of 62. Many of them are old vessels, and all of them, including the passenger ships, are exempt from inspection, and all are officered and manned by foreigners. I apprehend that no one will have the temerity to contend that there are not a sufficient number of idle American officers competent and experienced enough to safely navigate those small and medium sized ships. The transfer of the registry of a ship from a belligerent to that of a neutral nation is always looked on with suspicion and regarded as a subterfuge and is in conflict with international law. The ship-registry law of August 18, 1914, and the Executive order of September 4, 1914, makes it possible for a speedy old hulk of belligerent registry to retain her full complement of foreign officers and crew and be admitted to American registry and be used under the protection of the American flag as a blockade runner carrying contraband of war. Under the war-risk insurance act of September 2, 1914, the United States might be made responsible to her owners for the value of the ship and cargo should she be seized by a belligerent power. The acts of such foreign-officered ships sailing under American registry might be construed as prima facie evidence of our violation of neutrality. The following news item published in the Washington Post of October 7, 1914, is an admission that foreign vessels seek American registry in the hope of avoiding the danger of capture by the European powers engaged in war.

SIXTY SHIPS TAKE REGISTRY—UNITED STATES FLAG GAINS SO FAR UNDER NEW LAW 233,781 GROSS TONNAGE.

Sixty foreign-built vessels, with an aggregate of 233,781 gross tons, have been removed from the danger of capture by the European powers involved in the present war by admission to American registry according to an announcement last night by the Department of Commerce. Fifty-four of the vessels previously sailed under the British flag. Four German vessels and two Belgians complete the list.

An analysis of the list shows that 57 of the vessels are in Atlantic waters, the remaining three being Pacific liners. Nineteen are passenger steamers.

The steamship *Oceana*, with a displacement of 7,796 gross tons, is the largest of the vessels transferred to American registry.

I believe that it is due the public that the people should be told what the emergency was, if any, that made it necessary to suspend by Executive order the United States steamboat-inspection laws for the term of two years from the date of such order on foreign-built ships admitted to American registry and thereby endangering human life. So far as I have been able to ascertain, no such emergency existed and no such emergency exists.

Is it possible that the United States local inspectors of the Steamboat-Inspection Service are also incompetent for the same reasons as the masters and mates, by their lack of opportunity,

to qualify themselves in order to inspect such leviathans as those submitted by the gentleman from Alabama [Mr. UNDERWOOD]? I know a great many officers in the Steamboat-Inspection Service, and I have always had the highest regard for their ability and their integrity. To my mind it is almost inconceivable that the United States laws in regard to inspection of ships and citizenship of the watch officers should be suspended. Was it for the purpose of temporarily giving the protection of the flag to the ships of a few American citizens who own foreign vessels, like, for instance, the one who made the statement to a Member of the House of Representatives that if the ship-registry bill passed he would put his vessels under the American flag during the war and then put them back under a foreign flag when the war is over?

Predicating my conclusions on such a statement, it is but fair to assume that that will be the attitude of nearly all owners of foreign vesssels, regardless of their citizenship, who are now availing themselves of the benefits accruing from the suspension, by Executive order, of the inspection and watch officers citizenship laws. The fact should also be borne in mind that such suspension will bring untold hardships on those of our citizens of whom there are many capable, competent, and patriotic who ply the seas for a livelihood.

From the days of John Paul Jones American sailors, officers and men, have led the world in ability in the Navy and in the merchant marine. Man for man they are to-day the superiors as navigators of any other seamen in the world, whether it be abaft the mast, in the engine room, or in the forecastle. Man for man and ship for ship our Navy and our merchant marine are unexcelled.

There is no reason why we should not continue to officer our ships with American citizens.

The War Tax and the Farmers.

SPEECH

OF

HON. JAMES C. McLAUGHLIN,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, October 10, 1914.

Mr. McLAUGHLIN. Mr. Speaker, one can not help wondering what the farmers of the United States will say in answer to the demand of the President and this Democratic Congress that the people of the United States shall pay $105,000,000 additional taxes. The farmers are patriotic and public spirited; they are willing to meet every public duty and pay their full share of every tax necessarily laid upon the people of this country. But what will they say and what should they say when they know and appreciate that the immense deficit which they are asked to meet has been caused by Democratic tariff legislation and by immense appropriations?

This burdensome tax of $105,000,000 is being imposed upon the country when business is depressed and while the people in almost every line of industry are threatened with restricted markets and smaller profits and with reduced wages or shorter hours or by loss of employment altogether. Prices of some farm products are higher now than they were before the war in Europe began, but the agricultural schedule of the Underwood law was framed for the purpose of reducing prices of farm products, and if no war had occurred the law would have been effective in that respect; the prices received by farmers for all or nearly all of their products would have been reduced.

The Underwood law was aimed at the farmer. The framers of that law held the farmer responsible for the "high cost of living," about which Democrats talked so much, and in the opinion of Democrats the only way to reduce the cost of living was to put farm products on the free list or greatly to reduce the duties, and permit the crops and products of foreign farms to be brought into this count., to be sold in competition with the crops and products of our farmers.

The report (No. 5) accompanying the Underwood bill (H. R. 3321) says:

> Probably the most striking economic change since 1897 has been the tremendous increase in the cost of living, a situation which has attracted the anxious attention of economists the world over.

And at page 23 says:

> In the effort to relieve the consumer and to mitigate the high and rising cost of living Schedule G, which deals with agricultural products, has been thoroughly revised and important reductions have been made.

The revision and "important reductions" of which the report speaks will be seen by a glance at the following table, which shows changes of the agricultural schedule made by the Underwood law, and shows that farm products are now admitted free of duty or enter at greatly reduced rates:

Article.	Republican law, 1909.	Democratic law, 1913.
Animals:		
Domestic, for human food	20 per cent	Free.
Horses and mules—		
Valued $150 each or less	$30 per head	10 per cent.
Valued over $150 each	25 per cent	Do.
Sheep—		
Domestic, for human food—		
Less than 1 year old	75 cents per head	Free.
One year old or over	$1.50 per head	Do.
Swine—		
Domestic, for human food	do	Do.
Other live	do	10 per cent.
Barley	30 cents bushel	15 cents bushel.
Beans	45 cents bushel	25 cents bushel.
Buckwheat	15 cents bushel	Free.
Corn	15 cents bushel	Do.
Corn meal	40 cents 100 pounds.	Do.
Dairy products:		
Butter	6 cents pound	2½ cents pound.
Milk	2 cents gallon	Free.
Cream	5 cents gallon	Do.
Flax, not hackled or dressed	$22.40 ton	Do.
Straw	$5 ton	Do.
Flour:		
Buckwheat	25 per cent	Do.
Rye	½ cent pound	Do.
Cattle:		
Domestic, for human food—		
Less than 1 year old	$2 per head	Do.
One year old or over—		
Valued not over $14 each	$3.75 per head	Do.
Valued over $14 each	27½ per cent	Do.
Eggs of fowls	5 cents dozen	Do.
Hay	$4 ton	$2 ton.
Hemp, raw	$22.50 ton	Free.
Lard	1½ cents pound	Do.
Meats:		
Bacon and hams	4 cents pound	Do.
Fresh beef, lamb, mutton, pork, and veal.	1½ cents pound	Do.
Oats	15 cents bushel	6 cents bushel.
Peas	25 cents bushel	10 cents bushel.
Potatoes, from countries—		
Not imposing duty on United States	do	Free.
Imposing duty on United States	do	10 per cent.
Poultry, live	3 cents pound	1 cent pound.
Poultry, dead	5 cents pound	2 cents pound.
Rye	10 cents bushel	Free.
Straw	$1.50 ton	50 cents ton.
Straw, flax	$5 ton	Free.
Tallow	½ cent pound	Do.
Wheat, from countries—		
Not imposing duty on United States	25 cents bushel	Do.
Imposing duty on United States	do	10 cents bushel.
Wheat flour, from countries—		
Not imposing duty on United States	25 per cent	Free.
Imposing duty on United States product.	do	45 cents barrel (196 pounds.)
Wools, hair of the camel, goat, alpaca, or other like animals:		
Class 1—		
Unwashed wool—		
On the skin	21 cents pound	Free.
Not on the skin	11 cents pound	Do.

The following table shows immense increase of importations of a few of our farm products during 10 months from October 3, 1913, the date the Underwood law went into effect, to June 31, 1914. This invasion of our markets can not be laid to the war in Europe, to which all evils which now beset the Democratic Party and the country are commonly laid.

Products.	Oct. 1, 1912, to July 31, 1913.	Oct. 1, 1913, to July 31, 1914.
Animals	$8,649,917	$23,085,695
Breadstuffs	$13,413,772	$34,926,562
Meat and dairy products	$12,460,501	$40,546,512
Oats	[1] 80,521	[1] 22,522,096
Corn	[1] 285,740	[1] 13,607,768
Potatoes	[1] 450,584	[1] 2,932,782
Wool (8 months)	[2] 112,598,337	[2] 227,928,757

[1] Bushels. [2] Pounds.

Importation of potatoes was not as large as was expected, because a quarantine was declared against Canada and some other countries—from which we might expect large quantities of potatoes—on account of dangerous pests and diseases. During these 10 months importation of potatoes, however, increased from 450,584 bushels to 2,932,782 bushels; but the duty was removed with the expectation and intention of permitting free importation of potatoes from Canada and other potato-growing

countries to the very limit of their capacity; and such importation was prevented only by the quarantine. The Underwood law intended that the American potato market should be supplied by foreign producers. The "potato wart" and the "powdery scab," which attack potatoes of Canada, Newfoundland, Great Britain, and Ireland, and some of the countries of continental Europe saved the farmers of the United States from the loss which the framers of the Democratic tariff law intended should be imposed upon them.

It is true that prices of some agricultural products during the last year have not been much, if any, lower than before tariff duties were removed or reduced, but unusual conditions have operated to uphold prices of such products. For example, the quarantine imposed upon Canada and certain other countries has prevented importation of potatoes from those countries, and the shortage of the world's supply of wool has influenced the price of wool in the United States. And it is also true that many farmers of the United States, remembering the destructive effect of the Democratic free-trade law of 1894, sold their sheep as soon as the Underwood law was passed.

Will anyone say that the importation of potatoes—2,482,191 bushels more than last year—did not keep down the price of potatoes, or that the importation of wool—115,330,400 pounds more than were brought in during the same time under the old law—did not keep down the price of wool? Will anyone try to make farmers believe that prices of their potatoes and wool would not have been higher than they are if these immensely increased importations had not reached our markets to be sold in competition with or to the exclusion of the products of their own farms?

It may be difficult to appreciate the full meaning and effect of importations from foreign countries of 3,000,000 bushels of potatoes, or of 22,500,000 bushels of oats, or of 13,600,000 bushels of corn, or of the other large importations, but no one can fail to grasp their significance if he knows that the corn imported would fill 13,607 freight cars and would make a freight train 103 miles long; that the oats imported would fill 15,015 cars and would make a train 114 miles long; that imported potatoes would fill 4,887 cars and require a train 37 miles long; that imported wool would require 14,254 cars and a train 108 miles long; that is, the amount or quantity of only four of the principal products of the farms of the United States would load 47,763 cars and make a train 362 miles in length.

A glance at these facts and figures will enable farmers of the United States to understand the workings of the Democratic tariff law and the manner and extent of the invasion of their markets by foreign producers.

The demand that the "high cost of living" should be reduced was very strong, and the Democratic Party promised to meet the demand. In framing its tariff bill it evidently believed that prices of farm products were too high and that the profits of the farmers were too large, and that the cost of living should be reduced by placing farm products on the free list or by greatly reducing the duties, thereby opening wide our markets and placing our farmers in competition with farmers of foreign countries. This action was taken in face of the fact that profits of farmers of the United States were, and always had been, small, and in face of the fact that prices received by producers of farm products were but a small part of prices paid by consumers.

The Yearbook of the Department of Agriculture for 1910, page 20, has this paragraph:

> From the details that have been presented with regard to the increase of the prices of farm products between farmer and consumer the conclusion is inevitable that the consumer has no well-grounded complaint against the farmer for the prices that he pays. The farmer supplies the capital for production and takes the risk of his losses; his crops are at the mercy of drought and flood and heat and frost, to say nothing of noxious insects and blighting diseases. He supplies hard, exacting, unremitting labor. A degree and range of information and intelligence are demanded by agriculture which are hardly equaled in any other occupation. Then there is the risk of overproduction and disastrously low prices. From beginning to end the farmer must steer dexterously to escape perils to his profits, and, indeed, to his capital, on every hand. At last the products are started on their way to the consumer. The railroad, generally speaking, adds a percentage of increase to the farmer's prices that is not large. After delivery by the railroad the products are stored a short time, are measured into the various retail quantities, more or less small, and the dealers are rid of them as soon as possible. The dealers have risks that are practically small, except credit sales and such risks as grow out of their trying to do an amount of business which is small as compared with their number.

The above quotation from the Yearbook is brief, but contains much truth, and offers explanation of conditions under which farm products are produced and of manifold difficulties under which they pass from the farm to the retail dealer and ultimately to the consumer.

I wish also to insert a table prepared by the Department of Agriculture showing the proportion of selling prices actually received by the farmer at the time the investigation by the department was made:

Commodity.	Unit of sale.	Producer's share.
		Per cent.
Milk	Quart	50
Butter	Pound	87
Poultry	do	50
Eggs	Dozen	69
Cabbage	Head	48
Do	Pound	65
Celery	Bunch	60
Apples	Bushel	56
Do	Barrel	66
Strawberries	Quart	49
Do	Crate	76
Onions	Peck	28
Do	Barrel	58
Oranges	Dozen	20
Do	Box	59
Oats	Bushel	74
Melons	Pound	50
Parsnips	Bunch	60
Potatoes	Bushel	59
String beans	Barrel	80
Sweet potatoes	do	61
Turnips	Bunch	60
Watermelons	Each	34

The above table, which is correct, I believe, shows clearly the truthfulness of the claim made by farmers that the high cost of living is not to be attributed to them or to excess of profits received by them. The cost of living can not be reduced by exposing the business of farming to such competition as the Underwood law permits.

Taxpayers of the United States have reason for their objection to the "war tax," as it is improperly called, because the tax is unnecessary, or would be unnecessary if reasonable economy were exercised. Appropriations for this fiscal year, already made by Congress, are largely in excess of revenues which can possibly be collected, and, if all money appropriated is used, it will be necessary to meet expenditures either by sale of bonds, as is usual under Democratic administrations, or by special taxes, as is being done now.

As proof of the assertion that appropriations largely exceed the revenues which can possibly be collected, I call attention to the following statement of actual appropriations and estimated receipts for this year:

APPROPRIATIONS.

Agriculture	$19,865,832.00	
Army	101,019,212.50	
Diplomatic and Consular	4,309,856.66	
District of Columbia	12,172,539.49	
Fortifications	6,627,700.00	
Indian affairs	9,771,902.76	
Legislative, executive, and judicial	37,630,229.70	
Military Academy	997,899.54	
Navy	144,868,716.61	
Pensions	169,150,000.00	
Post Office	313,364,667.00	
Sundry civil	110,070,227.39	
Urgent deficiency	17,462,457.78	
Deficiency	5,901,128.83	
Miscellaneous	6,000,000.00	
Permanent annual	131,196,407.00	
Rivers and harbors	20,000,000.00	
War risk insurance	5,100,000.00	
For assistance to Americans in Europe	1,000,000.00	
		$1,120,508,777.26

RECEIPTS.

Customs receipts	261,840,000.00	
Ordinary internal revenue	308,613,000.00	
Corporation and income taxes (if business is good)	78,000,000.00	
Postal receipts	308,000,000.00	
Miscellaneous receipts	71,000,000.00	
		1,027,453,000.00
Deficit		93,055,777.26

The above statement as to receipts is, of course, only an estimate, but it is prepared by reliable, if not official, authority. In a speech in the House September 12, 1914, Hon. JOHN J. FITZGERALD, Democratic chairman of the Committee on Appropriations, gave the estimated receipts as $1,036,000,000, only $8,547,000 more than the above estimate.

While speaking in the House a few days ago, I said the serious predicament in which the Democratic Party is placed on account of these immense appropriations would be amusing if the situation were not so serious.

Appropriations this year reach the enormous sum of $1,120,508,777.26, which is $93,825,895.54 more than the sum appropriated during the last year Republicans were in control of the Government; and this excessive appropriation has been made although only $21,000,000 is appropriated this year for the

Panama Canal, whereas under Republican rule it was necessary to appropriate as high as $48,000,000 for this purpose in a single year, and although it is necessary this year to appropriate $11,150,000 less for pensions than last year.

In the light of present conditions, it is interesting to read the "economy" paragraphs of Democratic national platforms. The Democratic platform of 1908 said:

The Republican Congress in the session just ended made appropriations amounting to $1,008,000,000. * * * We denounce the needless waste of the people's money, which has resulted in the appalling increase, as a shameful violation of all prudent considerations of government and as no less than a crime against the millions of working men and women, from whose earnings the great proportion of these colossal sums must be extorted through excessive tariff exactions and other indirect methods. * * * We demand that stop be put to this frightful extravagance, and insist upon the strictest economy in every department compatible with frugal and efficient administration.

The platform of 1912 said:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of the recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic Government and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

In a speech delivered in the House April 10, 1914, Mr. FITZGERALD, Democrat, chairman of the Appropriations Committee, said:

Whenever I think of the horrible mess I shall be called upon to present to the country on behalf of the Democratic Party, I am tempted to quit my place. I am looking now at Democrats who seem to take amusement in soliciting votes on the floor of this House to overturn the Committee on Appropriations in its efforts to carry out the pledges of the Democratic platform. They seem to take it to be a huge joke not to obey their platform and to make ridiculous the efforts of the members of our party who do try to live up to promises they made to the people. * * * They have unnecessarily piled up the public expenditures until the Democratic Party is becoming the laughingstock of the country. * * * Do not continue to vote for these improper and improvident appropriations. Those who propose to continue to do so should at least have the courage openly to assert upon the floor of this House that they believe the professions of the Democratic Party have not been made in good faith, that they can not be carried out, and that we are not entitled to power because of those professions.

In April, Mr. SISSON, of Mississippi, Democrat, member of the Committee on Appropriations, said:

This is the most outrageous and criminally extravagant Congress that ever sat on the American Continent. I want to apologize to the Republicans for having called them extravagant when they were in control of the House. They were modest in comparison with the appropriations that we are now making.

These are not Republican professions or promises of economy in the administration of government, nor have these criticisms been passed upon the present Democratic Congress by Republican Members. The promises of economy were a part of the platform on which the candidates of the Democratic Party ran and are, or were supposed to be, the tenets of their faith in the matter of public expenditures. The speeches criticizing the Democratic majority were made by two prominent members of that party, one the chairman and the other a prominent member of the Committee on Appropriations of the House. It is certainly not necessary for me to say anything myself or to offer further testimony in support of the charge that appropriations made at this session of Congress are very large, that they show inexcusable extravagance, especially at a time when the revenues of the Government are threatened and when the administration is demanding collection of additional revenue by way of special internal-revenue taxes.

I wish to repeat and emphasize what I have heretofore said, that, notwithstanding immense appropriations and failing revenues, there is no good reason for permitting a deficit to arise which will make necessary the passage of this war-tax bill.

It will not be necessary for the departments of Government, for which these immense appropriations have been made, to use all the money provided for them. They can and ought to exercise economy, and by the exercise of economy many, many millions of dollars of the money appropriated will remain in the Treasury. And the Government can recall, as it needs money, the $75,000,000 now on deposit in national banks, placed there by the Secretary of the Treasury ostensibly to "move crops" and to be loaned by the banks for general business purposes. I say "ostensibly" because a very small part of the money has been placed in banks in parts of the country where there is real need of money for moving crops. It is significant that not one dollar of the "crop-moving" money has been deposited in the banks of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, Pennsylvania, Delaware, Maryland, West Virginia, Ohio, Michigan, Wisconsin, Minnesota, North Dakota, South Dakota, Montana, Utah, Wyoming, Nevada, Idaho, Oregon, California, New Mexico, or Arizona. It might truthfully be said that the Secretary of the Treasury has been unduly liberal to banks in Southern States, but if I were to present all the evidence of favoritism and sectionalism displayed in the placing of this money, more time would be necessary than I am permitted to occupy.

But regardless of the location of the banks in which deposits have been placed and regardless of the purpose for which deposits were made, the money was loaned to the banks at 2 per cent interest, subject to call, and now, in the time of the Government's need, it ought to be returned. The President says the business of the country is in such critical condition—not on account of vicious tariff legislation, which paralyzes industry, but, as he says, "on account of the war"—that it will not be safe to withdraw money from banks; but the Secretary of the Treasury says banks are filled to overflowing; that they are hoarding money, accumulating money far in excess of the requirements of law; that banks, lending the Government's money, are making loans at exorbitant rates of interest—from 6 to 12 per cent—that they are refusing to make loans when good security is offered; that they are doing these things for the purpose of embarrassing the business of the country.

If the Secretary is right, the country will say that the deposits ought to be withdrawn from the banks, and that the Government ought to have its money to be used in meeting the "emergency" which confronts us. If the Secretary is right, the Government, with $75,000,000 of money in banks, subject to call, ought not to think for a moment of imposing special and unusual taxes upon the people. With abundant opportunity to reduce the expenses many millions of dollars, and with $75,000,000 of money in banks, subject to call, a levy of $105,000,000, or any other amount, is absolutely inexcusable.

Democratic Condemnations of Democratic Failures to Keep Democratic Promises—A Democratic Symposium of Democratic Senators and Congressmen on "How Not to Do It," or "If You See It in the Democratic Platform, It Isn't True"—Humiliating Confessions of Democratic Incompetency, "Party Perfidy, and Party Dishonor."

EXTENSION OF REMARKS

OF

HON. ERNEST W. ROBERTS,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, October 10, 1914.

Mr. ROBERTS of Massachusetts. Mr. Speaker, I insert in the RECORD excerpts from remarks made in the Senate and in the House of Representatives by prominent and leading Democratic Senators and Members, fearlessly and honestly condemning the Democratic Party for the failure of that party to keep its solemn promises made to the people in the Democratic platform of 1912.

This Democratic symposium reveals to the country humiliating confessions of Democratic incompetency in general, and of "party perfidy and party dishonor" in particular.

The Democratic Party, for this self-confessed record of abject failure and deception, will receive the just condemnation of an indignant people at the elections to be held on the 3d day of November next.

OUR PLATFORM IS NOT MOLASSES TO CATCH FLIES—WILSON.

Our platform is not molasses to catch flies. It means business. It means what it says. It is the utterance of earnest and honest men, who intend to do business along those lines and who are not waiting to see whether they can catch votes with those promises before they determine whether they are going to act upon them or not.

They know the American people are now taking notice in a way in which they never took notice before, and gentlemen who talk one way and vote another are going to be retired to very quiet and private retreat. (President Wilson, at Washington Park, N. J., Aug. 15, 1912.)

TO REPUDIATE A PLATFORM PROMISE IS WORSE THAN DEFEAT—CLARK.

There are many things worse than being defeated for Congress or defeated for the Speakership or even worse than to be defeated for the Presidency, and one of them is to repudiate the platform on which you are elected. (Speaker CLARK, CONGRESSIONAL RECORD, Mar. 31, 1914.)

BRYAN ON PLATFORM PROMISES.

The representative who secures office on a platform and then betrays the people who elected him is a criminal worse than he who embezzles money.

* * * * * * *

I believe that no man should violate his conscience; but that doesn't mean that he should violate his platform.

* * * * * * *

If a man finds his platform is against his conscience—resign. (Bryan at Harrisburg, May 14, 1913.)

THE BROKEN PROMISE NOT TO INJURE OR DESTROY LEGITIMATE INDUSTRY.

* * * We favor the ultimate attainment of the principles we advocate by legislation that will not injure or destroy legitimate industry. (Democratic platform, 1912.)

SENATOR THORNTON (DEMOCRAT), OF LOUISIANA, ON THE DESTRUCTION OF A GREAT AND LEGITIMATE INDUSTRY BY THE DEMOCRATIC TARIFF LAW.

It has been admitted on the floor of the House of Representatives both by Mr. HARDWICK, chairman of the Subcommittee on Ways and Means that took the first testimony on the subject, and by Mr. UNDERWOOD, the chairman of the full committee that took the last, that free sugar would destroy the Louisiana sugar industry, though both feel justified in their course on sugar because they think the general welfare will be subserved by it.

Aside from these special reasons which would prevent me as a Representative of the State of Louisiana from favoring this new-fangled Democratic doctrine of free sugar, I can say with perfect sincerity that I would feel most hostile to the abolition of the sugar duty, not only because of my well-known and often-expressed views in favor of legislation that would advance the agricultural interests of any part of my country, but because of the tariff policy of the Democratic Party, with which I have been identified since I was old enough to cast my first vote.

An effort has been made, however, on this floor to prove that the Baltimore platform of the Democratic Party calls for free sugar, and to justify this legislation on that ground. This is a very far-fetched conclusion, but some justification must be sought for this sudden departure from "the time-honored and time-justified precedents" of the Democratic Party, and this is a case of "any port in a storm."

If the Louisiana cane and western beet-sugar industry of this country that has been built up under "our system of tariff taxation," and which represents over $100,000,000 of capital invested in factories alone, to say nothing of land, teams, and implements, and which in cultivation and harvesting alone gives employment to more than 200,000 laborers, and directly or indirectly contributes to the support of 2,000,000 people of the United States, is not a legitimate industry, I should like to know what is. (Senator THORNTON, CONGRESSIONAL RECORD, July 31, 1913.)

SENATOR RANSDELL (DEMOCRAT), OF LOUISIANA, PREDICTS THAT THE DEMOCRATIC PARTY WILL HEAR FROM THE PEOPLE IN NO UNCERTAIN TONES FOR DESTROYING LEGITIMATE INDUSTRY.

In conclusion, Mr. President, without claiming the gift of prohpecy, I say unhesitatingly that, in my judgment, before the three years have rolled around which will place sugar upon the free list, dismantle the factories of Louisiana, condemn thousands of people there who are now in easy circumstances to poverty and distress, and bring ruin upon a great many engaged in sugar production in our Western States, Hawaii, and Porto Rico, the Democratic Party will hear from the people of this Nation in no uncertain tones. (Hon. JOSEPH E. RANSDELL, CONGRESSIONAL RECORD, 63d Cong., 1st sess., Sept. 8, 1913.)

THE BROKEN PROMISE TO CRUSH PRIVATE MONOPOLY.

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

We regret that the Sherman antitrust law has received a judicial construction depriving it of much of its efficacy, and we favor the enactment of legislation which will restore to the statute the strength of which it has been deprived by such interpretation. (Democratic platform, 1912.)

SENATOR O'GORMAN (DEMOCRAT), OF NEW YORK, IS NOT INSPIRED BY DEMOCRATS EMPLOYING REPUBLICAN TARIFF ARGUMENTS, AND INQUIRES IF CONGRESS IS NOT DEVOTING ALL OF ITS ENERGIES TO THE PROTECTION OF "SPECIAL INTERESTS."

Mr. O'GORMAN. Mr. President, the character of the discussion in the Senate to-day might very well suggest the inquiry as to whether the Congress of the United States is not devoting all of its energies to the protection of special interests rather than to the promotion of the general welfare. That question must suggest itself to every citizen in the country who takes note of what we are doing.

* * * I could scarcely believe my ears and my eyes to-day on hearing Senators professing allegiance to the Democratic creed paraphrasing every stock argument that has been made by Republicans for 20 years back in support of the protective tariff. It is not an inspiring sight to see Democrats employ the arguments which have been used during all these years by Republicans in support of the repudiated, discredited, and un-American system of protection.

* * * But I beg to remind the Senators that when they were really orthodox in their Democracy a year ago in passing the tariff law they found no hesitation in putting sugar on the free list, even though it inflicted a loss upon the industries of the State of Louisiana of $40,000,000. It all depends upon whose ox is gored. Sometimes principle is thrown to the winds and men abandon high purpose and find refuge in expediency. (Hon. JAMES A. O'GORMAN, CONGRESSIONAL RECORD, Aug. 17, 1914.)

SENATOR REED (DEMOCRAT), OF MISSOURI, LIKENS THE SPIRIT OF REPUBLICANS WHO PASSED THE ANTITRUST LAW TO THAT OF THE EAGLE, AND THE SPIRIT OF HIS DEMOCRATIC COLLEAGUES TO THAT OF THE BARNYARD FOWL.

Well, old John Sherman and the Republicans of that day did pass that law. Their "little fingers were bigger than our loins." Theirs was the spirit of the eagle, ours that of the barnyard fowl. "Be careful, do not let it be proven in evidence that a man has plead guilty to violating the Sherman law." So says the worthy conferees. (Senator JAMES A. REED, Sept. 28, 1914, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 17294.)

SENATOR MARTINE (DEMOCRAT), OF NEW JERSEY, DECLARES THAT "SOME INFLUENCE, UNCANNY, DANGEROUS," CHANGED THE "ANTITRUST BILL" UNTIL IT TENDS "TO ADVANCE THE SUPREMACY OF GIANT MONOPOLIES" WE "HAVE PLEDGED OURSELVES TO DESTROY."

* * * I oppose this measure because I believe that some influence—I can not say what influence, but some influence, it seems to me uncanny, dangerous to the Republic—has changed the text and character of the bill until it does not stand for the smaller man or the middle man, but tends to advance to further supremacy the giant monopolies that you and I, in both platforms, have pledged ourself to destroy, and for whose destruction these many years we have struggled. (Hon. JAMES E. MARTINE, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 17696.)

CONGRESSMAN WITHERSPOON (DEMOCRAT), OF MISSISSIPPI, COULD NOT SURRENDER HIS CONVICTIONS TO VOTE FOR A BILL TO INCREASE THE MONOPOLY OF MONEY "BECAUSE SOMEBODY TOLD ME TO DO IT."

* * * To vote for a bill which increases the monopoly of money meant a surrender of all my conceptions of the functions of money and banks and the abandonment of all my convictions as to the political evils of the day and of the proper remedy therefor. I could not do this because somebody told me to do it. (Hon. S. A. WITHERSPOON, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 1733.)

SENATOR VARDAMAN (DEMOCRAT), OF MISSISSIPPI, DENOUNCES THE APPOINTMENT BY PRESIDENT WILSON OF THOMAS D. JONES TO THE FEDERAL RESERVE BOARD AS AN "ACT THAT CAN NOT BE DEFENDED BEFORE THE AMERICAN PEOPLE."

* * * No; I have no objection to the man personally, but his mental attitude, his "big-business" morals totally unfit him for the great constructive, altruistic work to which the President would call him.

The most iniquitous, obnoxious, outrageous, indefensible, predatory trust in all America, a trust that the national Democratic organization denounced, a trust that has laid its predatory hand upon the earnings of every farmer in this country, a trust that we promised as a national political organization to destroy—the International Harvester Trust—we are now to take one of the favorite directors of that iniquitous court-denounced concern and put him at the head of the Federal Reserve Board, or a member of it, which is to prescribe the rules and make the laws for the Government and control of the great banking system of America, which was originally designed to take the money of the country out of the hands of the Money Trust. This is an act that can not be defended before the American people. To my mind it involves a violation of our plighted faith as a party to the people.

* * * My vote against the nomination can not be taken as an affront to the President. It might be taken as a declaration of senatorial independence and intellectual self-respect, which I submit would not be out of place now, but it is not in any respect an affront. (Hon. J. K. VARDAMAN interview in the Washington Post, July 22, 1914.)

SENATOR THORNTON (DEMOCRAT), OF LOUISIANA, SAYS THE SUGAR TRUST, THROUGH "GRATITUDE" OR "SELF-INTEREST" WILL CONTRIBUTE HEAVILY TO THE DEMOCRATIC CAMPAIGN FUND.

The report says "the industrial position of refining requires primary consideration."

Certainly, in so far as the position of the eastern cane-sugar refiners is concerned, they received "primary consideration" in the last sugar-tariff bill and in the present one. They have been given all they asked, and they could not well expect more.

This is the same Mr. Claus Spreckels who contributed $5,000 to the Democratic campaign fund last year, just 50 times what I felt able to contribute, and then compelled to give it in two monthly instalments: but he had a great special interest to be subserved by the success of the Democratic Party, while I had only the general interest of a citizen.

Moreover, he naturally felt sore against the Republican Party, it being through that party he had been sued to return to the Government $119,000 of the sum it claimed his company had defrauded it out of through false sugar weights, as has been shown by my colleague, and besides he knew he could not expect free sugar from the Republican Party. How much more was subscribed by the Sugar Trust under various names I do not know.

It can safely be assumed that these eastern refiners will contribute heavily to the next national Democratic campaign fund, for if gratitude does not compel them to do so, self-interest certainly will. (Senator THORNTON, CONGRESSIONAL RECORD.)

THE BROKEN PROMISE TO KEEP EACH GREAT BRANCH OF GOVERNMENT WITHIN ITS OWN BOUNDS. (EXECUTIVE DICTATION.)

We believe in the preservation and maintenance in their full strength and integrity of the three coordinate branches of the Federal Government—the executive, the legislative, and the judiciary—each keeping within its own bounds and not encroaching upon the just powers of either of the others. (Democratic platform, 1912.)

SENATOR O'GORMAN (DEMOCRAT), OF NEW YORK, REBELS AT EXECUTIVE DICTATION TO CONGRESS AND SEES "GRAVE PERIL" IN IT THAT MAY PRODUCE A "NATIONAL CATASTROPHE."

Those who say we must act because the President so advises have a very erroneous conception of the senatorial office. They forget our powers and responsibilities, as well as the limitation imposed by the Constitution on the Executive. We are too important a branch of the Government to allow our action to be controlled by the request, caprice, or dictation of any other branch of the Government.

Of all the departments the Senate is the only body possessing legislative, executive, and judicial functions. With the House we legislate; with the President we share the duty of making appointments and adopting treaties; and in the impeachment of public officers we perform judicial functions. I shall never tolerate the degradation of the Senate. I shall never consent to making it subordinate or subject to another branch of the Government. The President is discharging his duty as he sees it. He has his duties to perform under the Constitution and I have mine. No one impugns his honor or patriotism. I simply challenge his judgment. It can not be vindicated, and posterity will condemn it.

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If the Congress of the United States is to vote blindly with regard to great public questions, trusting alone to the Executive, and acting on his judgment, whether right or wrong, we invite a danger which may involve this country in grave peril and which may at any time produce a national catastrophe.

No Senator questions the patriotism and high purposes of the President, but if legislation is to be made dependent upon his will alone, no one can predict the mischief to which such a precedent will expose this Government in future years. The welfare of one hundred millions of freemen can not be dependent upon the judgment of one man. For

the making of the laws of the Nation Congress is responsible, and this responsibility can not be evaded. The fathers of the Republic wisely placed a limitation on the power of the Executive, and these limitations can not be disregarded without doing violence to the Constitution which we have all solemnly sworn to uphold. (63d Cong., 2d sess., CONGRESSIONAL RECORD, p. 8539.)

SPEAKER CLARK REFUSES TO BE A "RUBBER-STAMP" REPRESENTATIVE, AND SAYS THE PRESIDENT'S LEADERSHIP HAS ITS LIMITATIONS.

I assume that every Member will vote honestly the way dictated by his intellect and his conscience; but why should I be denied the same privilege? No man here should be a "rubber-stamp" Congressman. I refuse absolutely to be either a "rubber-stamp" Representative or a "rubber-stamp" Speaker. [Applause.] If I did, you would have no respect for me. I stand for the dignity, the privileges, the immunities, the prerogatives, and the good name of the House of Representatives. I do not want to see this House degraded by passing, right or wrong, without any tenable reason, a bill which reverses our solemnly recorded action of two years ago, and which the Democrats indorsed at Baltimore. * * *

* * * * * * *

One of the wisest things the fathers did was to distribute the powers of government among three departments—legislative, judicial, and executive; and they endeavored to so arrange things that no one department should encroach upon the prerogatives of the others.

Under this system of checks and balances certain duties are devolved upon the President which he is sworn to discharge, and, truth to tell, President Wilson shows no reluctance in discharging his duties and exercising his powers to the utmost.

When he was elected governor of New Jersey he declared that he had been elected leader of the people of that State. When he was elected President he declared that he had become, ipso facto, leader of the people of the United States. In both declarations he was correct, but even leadership has its limitations.

I am willing to follow where he leads so long as he is in the White House and so long as he does not ask us to repudiate a plain platform declaration, and there I draw the line.

Under our system a national convention is the grand inquest of a political party, the highest authority for the declaration of party principles, higher than President or congressional caucuses; indeed, higher than President and congressional causes combined. There is no question about that.

The fathers also devolved upon Congress certain duties which we are sworn to discharge faithfully and well, duties which we can not shirk or fail to discharge without self-stultification and the condemnation of the people and of our own consciences.

The President discharges his duties. The question is, Have we the wisdom, the courage, and the patriotism to discharge ours? If not, we should make way for men imbued with the spirit of '76, to the end that we may transmit our priceless heritage of liberty to our children and our children's children unimpaired. (Speaker CLARK, CONGRESSIONAL RECORD, Mar. 31, 1914.)

CONGRESSMAN MOON (DEMOCRAT), OF TENNESSEE, BECOMES IMPATIENT OF EXECUTIVE CONTROL OF CONGRESS AND THE DICTATION OF A DEPARTMENT.

I do not know the origin of that objection. It has been stated upon the floor of this House and elsewhere that the President was utterly opposed to it, and therefore the Members under his direction and control have offered opposition before the Committee on Rules, or before the Democratic portion of it, to the consideration of this question. I do not know whether that is true or not. I am inclined to think that perhaps it is not true. I hope that the President of the United States has not descended to the point where he will demand, as the Executive of this Government, that men shall vote in accordance with his will and not in accordance with their own on this floor. I can not believe that to be true.

But, sir, there have been other influences. There is nobody in public life that I think more of, personally, than the Postmaster General. He is a most estimable, conscientious, and able man, and he has made a splendid Postmaster General, and I have upheld him in the past and propose in the future to uphold and sustain him wherever I can. But I think that when we consider the differences between the coordinate branches of this Government, the power of each, and the necessity of each to refrain from interfering with the functions of each other under the Constitution, the Postmaster General made a slight mistake when he addressed an open letter to me, as chairman of this committee, in opposition to that section. It was well that he might voice to me personally or by letter, or to members of the committee, his objection; but when that objection has gone so far that the Committee on Rules, or the Democratic part of it, shall make a visit to him and take the dictation of the department and decline to report a rule here, it is going a little further than I am willing to see a Democrat or anybody else go.

* * * Let me tell you that no President, however great, however powerful, can, for the purpose of enforcing his policies, directly or indirectly, for a moment attempt to influence, according to his will, another coordinate branch of the Government, without bringing his administration into disrepute.

* * * The great questions upon which the battle between the parties was fought, in my opinion, had no more effect than that one proposition that the Government of the people of the United States was being administered by one man instead of one executive, one legislative, and one judicial branch of the Government.

* * * * * * *

Whether there is any merit in the proposition or not, we must preserve the integrity, the dignity, and power of the legislative branch of the Government or you will sink lower in the estimation of a great and virtuous people than you are now. (Hon. JOHN A. MOON, CONGRESSIONAL RECORD, 2d sess. 63d Cong., pp. 2279, 2280.)

SENATOR SHIELDS (DEMOCRAT), OF TENNESSEE, AGAINST A "CHANGE OF FRONT" AND "REPUDIATION" OF THE DEMOCRATIC DOCTRINE OF STATE RIGHTS DECLARED FOR IN THE DEMOCRATIC PLATFORM.

And the last announcement of the party, in the platform adopted at the convention held at Baltimore in 1912, is in these words:

"Believing that the most efficient results under our system of government are to be obtained by the full exercise by the States of their reserved sovereign powers, we denounce as usurpation the efforts of our opponents to deprive the States of any of the rights reserved to them and to enlarge and magnify by indirection the powers of the Federal Government."

* * * It is now proposed that the Senate, in which the Democratic Party has a majority and under a Democratic administration, enact a law controlling the nomination of candidates for the office of Senator to represent the several States, and thus go far beyond anything that has heretofore ever been even proposed in the interference of the domestic and local affairs of the States. It remains to be seen whether Senators, whose predecessors fought such measures for more than half a century, will change front upon this question, and whether the Democratic Party will repudiate its doctrine that "the Federal Government is one of limited powers, derived solely from the Constitution," and that it is "inexpedient and dangerous to exercise doubtful constitutional powers." (Hon. JOHN K. SHIELDS, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 3412.)

THE BROKEN PROMISE TO MAKE PUBLIC THE RECOMMENDATIONS ON WHICH PRESIDENTIAL APPOINTMENTS ARE MADE.

We commend the Democratic House of Representatives for extending the doctrine of publicity to recommendations, verbal and written, upon which presidential appointments are made. (Democratic Platform, 1912.)

NOTE.—On the vote on the Senate amendment striking out the Cullop amendment, providing for publicity of judgship indorsements, the yeas were 145, nays 137. One hundred and one Democrats voted against publicity. (CONGRESSIONAL RECORD, Feb. 9, 1914, p. 3348.)

CONGRESSMAN SAUNDERS (DEMOCRAT), OF VIRGINIA, ON THE "PUBLICITY" PLANK, SAYS DEMOCRATS ARE TOO READY TO ABANDON THEIR PRINCIPLES AND PROMISES.

Permit me to call the attention of the Democrats of this Chamber to this feature of our party platform. After commending the Democratic House of Representatives for quite a number of things, the platform proceeded to say:

"We commend the Democratic House of Representatives for extending the doctrine of publicity to recommendations, verbal and written, upon which presidential appointments are made."

Nor was the platform limited to a specific indorsement of the Democratic attitude in this respect, but, in order to assure the country that what we had declared that we would do would be done if the opportunity for action was afforded, we concluded that platform in the following terms:

"Our platform is one of the principles which we believe to be essential to our national welfare. Our pledges are made to be kept when in office as well as relied upon during the campaign, and we invite the cooperation of all citizens, regardless of party, who believe in maintaining unimpaired the institutions and traditions of our country."

After emphasizing the things that we commended in the record of the Democratic Party by reciting them in orderly succession, we held out to the people of the entire United States the assurance that if the opportunity for action was given our party would afford to the world an exemplification of a party that not only made promises with a view to getting into power, but of a party that kept and maintained those promises when once this power was attained.

Mr. CAMPBELL. Will the gentleman yield?

Mr. SAUNDERS. Yes.

Mr. CAMPBELL. Has there been any publicity yet of any indorsements that have been made to the President, either written or verbal, for any appointments that he has so far made?

Mr. SAUNDERS. I do not know whether there has been or not.

Mr. CAMPBELL. I ask for information.

Mr. SAUNDERS. I can only reply that I do not know; but the proposition before the House is one which requires a recession on our part from an attitude which we deliberately and with full knowledge assumed on several occasions. I take it that, unless this House is going to make itself ridiculous before the country, we will not yield merely because the Senate stands pat. No sufficient reasons have been afforded why this recession on our part should take place. I am not discussing in this connection the right of Congress to enact a publicity law, for the simple reason that this ground has been covered heretofore; * * * but confine myself for the present to the proposition that when the Democratic Party takes an attitude in a party platform they have pledged their faith to the people of the United States, and that pledge is not to be lightly withdrawn. There is too much present talk about abandoning and too much apparent readiness to abandon the principles and promises that we included in our platform of 1912. "Pledges are made to be kept when in office as well as relied upon during the campaign." (Hon. E. W. SAUNDERS, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 3345.)

CONGRESSMAN THOMPSON (DEMOCRAT), OF OKLAHOMA, DOES NOT UNDERSTAND HOW DEMOCRATIC LEADERS UNDERWOOD AND PALMER CAN ASK DEMOCRATS TO VIOLATE THE "PUBLICITY" PLANK OF THE DEMOCRATIC PLATFORM.

I note, Mr. Speaker, that the distinguished gentleman from Pennsylvania [Mr. PALMER] and the great leader of this House [Mr. UNDERWOOD] voted in favor of the Cullop amendment at that time. I do not understand with what consistency they can come before the House at this time and ask the Democrats to violate a platform pledge made at the Baltimore convention in favor of publicity. Mr. Bryan, the great leader of our party in three great national campaigns—1896, 1900, and 1908—had this to say with reference to the votes of Democrats on that Democratic amendment offered in the Sixty-second Congress by the distinguished gentleman from Indiana [Mr. CULLOP].

The Cullop amendment reads as follows:

"Hereafter, before the President shall appoint any district, circuit, or supreme judge, he shall make public all indorsements made in behalf of any applicant."

* * * * * * *

The distinguished gentleman from Pennsylvania [Mr. PALMER] and the leader of this House [Mr UNDERWOOD] advise us that we have performed our whole duty in voting in favor of the Cullop amendment during the Sixty-third Congress. I am a little slow to follow the leadership of these distinguished gentlemen, in view of the fact that they have consistently voted against publicity during a Democratic administration, while always voting for it when it was impossible during a Republican administration.

For myself, I do not intend to make a promise to the people before election and refuse to live up to it after the election. I think Mr. Bryan more clearly and forcibly stated this proposition than I possibly can when he said:

"A man who really believes that the President should be permitted to make his appointments on secret recommendations can not be trusted

to represent a Democratic constituency." (Hon. J. B. THOMPSON, CONGRESSIONAL RECORD, 63d Cong., 2d sess., pp. 3346, 3347.)

CONGRESSMEN THOMAS (DEMOCRAT), OF KENTUCKY, AND BURGESS (DEMOCRAT), OF TEXAS, ON THE DEMOCRATIC "PUBLICITY" PLANK AND ITS VIOLATION.

Mr. THOMAS. Will the gentleman yield?

Mr. BURGESS. Yes.

Mr. THOMAS. I want to ask the gentleman if it is not a fact that the Baltimore platform specifically declares that the President shall make public all indorsements for district judge?

Mr. BURGESS. Oh, that has nothing to do with this question. I want to talk about the Alaskan railroad.

Mr. THOMAS. Is it not a fact?

Mr. BURGESS. I will not yield for that.

Mr. THOMAS. In other words, the gentleman will not yield when he is asked about anything that violates the Democratic platform.

Mr. BURGESS. Mr. Chairman, I want to say that every Democrat must be bound by every declaration in his platform. If he is not bound, then nobody is bound; and what is the use of making it? (CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 3496.)

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SENATOR JAMES (DEMOCRAT), OF KENTUCKY, AND SENATOR O'GORMAN (DEMOCRAT), OF NEW YORK, CHIDE EACH OTHER ON "DISLOYALTY" TO DEMOCRATIC PARTY OBLIGATIONS.

Mr. JAMES. If I recollect the Democratic national platform of 1912 correctly, there is a provision in it which says that all recommendations of judges made to the President should be made public. My understanding is that a report was made by the committee of which the Senator from New York is a member, which struck that provision from the law; and I should like to ask the Senator whether or not he adhered to the Baltimore platform upon that provision?

Mr. O'GORMAN. * * * It is a poor defense of disloyalty to a party obligation to call attention to the fact that there have been other departures from the pledges made by the party.

Mr. JAMES. It may be a poor defense, but it seems to me that it is quite as poor a defense upon the part of the Senator from New York to cling tenaciously to one principle in the Democratic platform and neglect in legislation other principles in the Democratic platform. (CONGRESSIONAL RECORD, Mar. 27, 1914.)

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THE BROKEN PROMISE OF "FREEDOM OF SPEECH" IN THE HOUSE OF REPRESENTATIVES.

It has, among other achievements, revised the rules of the House of Representatives so as to give to the Representatives of the American people freedom of speech and of action in advocating, proposing, and perfecting remedial legislation. (Democratic platform, 1912.)

NOTE.—The Democratic caucus, on April 8, 1913, by a vote of 167 to 84, decided that its sessions should be in secret behind closed doors.

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MR. UNDERWOOD, DEMOCRATIC LEADER OF THE HOUSE, PROTESTS AGAINST A DEMOCRATIC "GAG" RULE.

I regret, of course, that I differ with the President of the United States and that I am compelled to differ with many of my colleagues here. But I say to you if either you or I are to make a mistake in this matter let it be one mistake. Let us not to-day turn our faces against the principles we fought for; let us not close our ears against a battle cry that first made a Democratic majority in this House possible.

There are 50 men facing me on the floor of this House to-day whose seats would be occupied by Republicans if it had not been for the fight the Democratic Party made in the Sixty-first Congress against an unreasonable exercise of the power of cloture. * * * The American people believe in what I say, and they showed their belief by electing a Democratic Sixty-second Congress.

The majority of this House has the right to legislate, but the minority has a right to be heard and to propose reasonable amendments. When you deny that right to the minority, you deny it in the face of the action of the constituencies that sent you here. * * * You are asked to foreclose your judgment on one of the most important questions that has ever confronted the American people before you have heard the debate and before you have seen the proposed amendments. You are not only asked to adopt a rule that will pass in this House what the President of the United States asks for, to cut away from our coastwise ships the right of free tolls, but you are asked to foreclose this question as to all shipping for all time to come.

I regret to differ with my colleagues, the men on this side of the House who have upheld my hands. I do not question your honesty, because I know that no man ever faced a set of men who possess more honesty and courage than the men I am facing to-day; but, in my judgment, you are making a serious mistake to adopt this cloture rule, and I would not be worthy to hold your commission as the leader on this side of the House if, believing that you are making a serious mistake, I did not have the courage to stand here and tell you so, in spite of everything. (Hon. OSCAR W. UNDERWOOD, CONGRESSIONAL RECORD, 2d sess. 63d Cong., pp. 2956, 2957.)

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SENATOR HITCHCOCK (DEMOCRAT), OF NEBRASKA, BELIEVES THAT THE "DEMOCRATIC CAUCUS HAS DEGENERATED INTO A POLITICAL MACHINE."

To my mind it was, to say the least, a mistake to endeavor in a Democratic caucus to bind the individual to the details, for instance, of the pending section providing an income tax.

It seems to me that the individual Democrat, like the individual Republican, ought to be permitted by his party to stand here and vote for his convictions.

After all, Senators here were elected to the Senate, not to a caucus, and it is in the interest of the public welfare that great questions of this sort be debated in public and decided in public, particularly when we are engaged in formative, fundamental legislation of this sort.

So, Mr. President, it seemed to me a mistake when my party undertook to decide the details of the income-tax bill in the caucus. Still, I did not leave the caucus on that account. I left the caucus when I asked the privilege of being permitted in the open Senate to introduce a legitimate amendment for the taxation of trusts, and that privilege was denied me. I asked it not only for myself but I asked it for other Democrats on this side of the Chamber who believe in the principle and want to see it engrafted upon the pending bill. Those men, if compelled to vote against my amendment, which I am here to-day to urge, will have difficulty in explaining to their constituents why they have done so. It is not right for the party to put them in that position when no great party issue is involved.

It has been an unpleasant sight to me, as it has been to many Democrats during the last few days in this Chamber, when Senators on the Republican side of the Chamber have proposed amendments to the income-tax provision that appeal to the sense of justice and appeal to the judgment of Senators on this side, but who, because of caucus rule, were compelled to vote against such amendments. I do not think that is a worthy sight in the Senate of the United States. I do not believe it is right to bind individual Senators and compel them to vote against their conscience and their judgment upon such amendments when no party policy is involved.

Mr. President, in order to justify myself for the position I am taking, I shall go a little further, and perhaps verge upon the improper in reference to the Democratic caucus of which I was a part. Like all caucuses, I believe the fact to be that our Democratic caucus degenerated into a political machine.

I did not, however, ask the caucus to approve my amendment; I asked to be left free to offer it here in the Senate, and I asked that other Democratic Senators be left free to vote for it according to their consciences and their judgment. I was refused.

The votes have been published, so I am revealing none of the secrets of that caucus when I say that 18 Members of the Senate voted for my amendment and 23 appeared to vote against it. I say "appeared" because it is a fact, which I shall take the liberty of stating, that the nine Democratic members of the Committee on Finance voted as a unit, regardless of their convictions. So we have a wheel within a wheel, a machine within a machine. The inner machine controlled the caucus. The vote cast was not the correct expression even of the caucus. (Senator HITCHCOCK, CONGRESSIONAL RECORD, Aug. 29, 1913.)

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CONGRESSMAN MURRAY (DEMOCRAT), OF OKLAHOMA, DENIES THE RIGHT OF THE PRESIDENT TO DETERMINE WHAT IS DEMOCRACY, AND OPPOSES THE DEMOCRATIC "GAG" RULE ON THE TOLLS REPEAL BILL.

Mr. MURRAY of Oklahoma. Mr. Speaker, like the gentleman from Alabama [Mr. Clayton], I take this position because I am a Democrat. Evidently between us there is a difference in the definition of "Democracy." He doubtless takes the Democracy of this Nation to be the President. I do not. I deny the right either of the President or of this Congress to determine what is Democracy. Democracy is made in a representative convention duly assembled by the people.

We are here asked to violate our pledges twice in the same transaction—first, by a "gag" rule that will not permit the bill to be amended or an amendment to be offered, a thing that every Democratic nominee down to road overseer denounced in the campaign of 1912.

I am opposed to this "gag" rule, moreover, because if we are to stab our own party to death and a national policy of free "sees" of 100 years, we ought to have more time in which to commit the murder. (Hon. WILLIAM H. MURRAY, CONGRESSIONAL RECORD, Mar. 27, 1914.)

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CONGRESSMAN THOMPSON (DEMOCRAT), OF OKLAHOMA, WANTS TO LET IN THE LIGHT ON THE DEMOCRATIC SECRET CAUCUS.

Mr. Speaker, I am in favor of the widest publicity of the actions of this Congress. I am in favor of letting the people know what we do in caucus as well as in Congress. If what I do does not respond to the best interests of the common people—the farmers and the laboring people—they ought to know it, and they ought to send a man here who will in truth and in fact represent their views.

In conclusion, let me say that there ought to be no secret caucus, no vote except when a record is made. The people are entitled to know what we are doing. If we do the right thing, we ought to be glad to let the people know we have done right. If we behind closed doors and without a roll call do the wrong thing, the people ought to kick down the doors and find what we are doing. I for one am willing to stand or fall by what is right. Can those who vote against me say as much? I challenge them to the contest. (Hon. J. B. THOMPSON, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 3347.)

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THE BROKEN PROMISE TO RETURN TO "ECONOMY."

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government, and a reduction in the number of useless offices, the salaries of which drain the substance of the people. (Democratic platform, 1912.)

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SENATOR TILLMAN (DEMOCRAT), OF SOUTH CAROLINA, WARNED THE PRESIDENT EARLY AGAINST DEMOCRATIC EXTRAVAGANCE.

Senator TILLMAN, in a letter to Gov. Wilson, January 21, 1913, said: "This I do know, Mr. President, that if the Democrats are in earnest about reducing expenditures, it is an easy matter to do it, and that, too, without crippling the Government. It will mean the selection of Cabinet officers who will not be complaisant, but intent only on having the Government machine work smoothly, accurately, and effectively for the people's benefit and not for the benefit of the officeholders. The estimates are all made up by the Cabinet officers, and appropriations are always based on estimates, or supposed to be, unless they come as independent propositions from the floor of the Senate itself. I know you understand the importance of a loyal Cabinet in sympathy with this idea of economy." (CONGRESSIONAL RECORD, 1st sess. 63d Cong., p. 31.)

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PRESIDENT (THEN GOVERNOR) WILSON, THE FIRST, LAST, AND ONLY TIME HE IS ON RECORD (ON ECONOMY) SINCE HIS ELECTION AS PRESIDENT, PROMISED TO CONFER WITH HIS "LEGISLATIVE COLLEAGUES," WITH A VIEW TO BRINGING SOME BUDGET SYSTEM INTO EXISTENCE—HIS "LEGISLATIVE COLLEAGUES" TURNED DOWN THE PROPOSITION FOR A BUDGET SYSTEM IN A SECRET DEMOCRATIC CAUCUS.

In his reply to Senator TILLMAN, Gov. Wilson, after naming the Appropriations Committee as the committee on which the Senator, as its head, could "be of the greatest and most constant service," said: "Ever since I was a youngster I have been deeply interested in our methods of financial legislation. Ever since then I have insisted upon the absolute necessity of a carefully considered and wisely planned budget, and one of the objects I shall have most in mind when I get to Washington will be conferences with my legislative colleagues there with a view to bringing some budget system into existence." (CONGRESSIONAL RECORD, 1st sess. 63d Cong., p. 31.)

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SENATOR WILLIAMS (DEMOCRAT), OF MISSISSIPPI, OBSERVES SOME DEMOCRATIC ACROBATIC STUNTS WITH THE "ECONOMY" PLANK.

The Democratic Party gallivanted around the country through its stump speakers and has announced that it proposes to economize in

governmental expenditures. * * * And the minute we have a change in the administration you begin to crowd us to increase the expenditures instead of cutting them off. (CONGRESSIONAL RECORD, 1st sess. 63d Cong., p. 273.)

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SENATOR THOMAS (DEMOCRAT), OF COLORADO, NOT ONLY WOULD APOLOGIZE TO THE REPUBLICAN PARTY, BUT WOULD ACKNOWLEDGE AND CONFESS THAT THE DEMOCRATIC PARTY WAS ENGAGED IN A CAMPAIGN OF DECEPTION IN REGARD TO PUBLIC EXPENDITURES.

* * * If I had been here, I would have said then what I am saying now, my purpose being, so far as I am individually concerned, to record a protest against what seems to me to be a disregard, if not a violation, of one of the planks of the Baltimore platform upon which the Democratic Party came into power. We either meant what we said then or we did not. If we meant what we said, let us try to live up to it; if we did not, the sooner we acknowledge the fact and confess that the Democratic Party was engaged in a campaign of deception in so far as public expenditures are concerned, the better it will be for us and for the country. * * *

The aggregate appropriations of the United States Government are appalling, and they are increasing by leaps and bounds. In fact, the tendency everywhere seems to be to make demands upon the Treasury of the United States, not only for public but for private purposes. The Treasury is regarded as a fountain of mercy, free to all. * * *

* * * I realize the tendency and the direction of the Democratic majority. Unless we place some restriction upon our wholesale and indefinite appropriations—because some of these items are indefinite, as I may show hereafter—the people will very justly and very properly hold us to account, and our opponents will be able to draw a contrast between their own administration of public affairs and ours that will not in the slightest degree be favorable or flattering to us.

* * * We not only accused them [the Republican Party], we denounced them for a "profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations * * * which have kept taxes high and reduced the purchasing power of the people's toil."

That was either true, Mr. President, or it was false. If it was true, we certainly should not pay the Republican Party the compliment of servile imitation. If it was false, we should apologize to the Republican Party for this denunciation upon which we went to the people and asked for their votes.

Mr. SMOOT. Mr. President——

Mr. THOMAS. But we are imitating that policy by increasing all appropriations; in other words, to use a slang expression, we are "seeing the Republican Party and going them one better." I yield to the Senator from Utah.

Mr. SMOOT. Mr. President, I merely wish to suggest to the Senator in that connection that perhaps it would be well to state that the appropriations this year will be at least $100,000,000 more than the appropriations for any one year in the history of this country.

Mr. OVERMAN. How does the Senator know that when the appropriation bills have not been passed?

Mr. SMOOT. I will say to the Senator that if after all the appropriation bills have been passed it turns out that I am mistaken, I would like him to call my attention and also the attention of the Senate to it.

Mr. OVERMAN. I will do so, and I think the Senator will need to make an apology then, because I do not think the appropriations will be anything like the amount he suggests.

Mr. THOMAS. If it should so turn out, I presume we will have to take refuge in Lord Clive's celebrated apology and "stand astonished at our own moderation." (Hon. CHARLES S. THOMAS, CONGRESSIONAL RECORD, 2d sess. 63d Cong., pp. 4951, 4952, 4953.)

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CONGRESSMAN SISSON (DEMOCRAT), OF MISSISSIPPI, PROPHESIES AND APOLOGIZES—"WE WILL EXPEND MORE MONEY THIS YEAR THAN EVER BEFORE IN ANY ONE YEAR"—"WE HAVE WRONGFULLY CRITICIZED THE REPUBLICAN PARTY AND OUGHT TO APOLOGIZE TO THEM."

You all recall that some years ago, within the recollection of every man on the floor of this House, the newspapers headlined a billion-dollar Congress, and it was like a fire bell at night. Mr. Reed was Speaker, and we were spending a billion dollars in one Congress, or $500,000,000 a year. You Republicans will remember how the changes were rung then all over the country against you. You will remember Mr. Reed's laconic reply, to the effect that we had a billion-dollar Government. That was the only answer that could be made to the proposition. Now the Democrats are in power, and I am afraid, gentlemen of the House, that we will expend more money this year than has ever been expended in the history of this Government before in ony one year. Perhaps it may be necessary and the people may be demanding it, but if that is true, we have wrongfully criticized the Republican Party, and we ought to apologize to them for charging them with spending money and being criminally extravagant in the administration of the affairs of this Government. (Hon. T. U. SISSON, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 178.)

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CONGRESSMAN SISSON (DEMOCRAT), OF MISSISSIPPI, AGAIN APOLOGIZES, AND CAN NOT FIND AN ADJECTIVE STRONG ENOUGH TO APPLY TO DEMOCRATIC EXTRAVAGANCE.

Principle has gone to the four winds of the earth, and we are writing ourselves down in the history of the country as being the most outrageously and most criminally extravagant Congress that ever sat on the American Continent * * *. I said that in a speech before in the last session, and when I made that speech Members of the Democratic House came to me and asked me not to put it into the RECORD because it would be used by the Republicans in their campaign book. Let them use it. * * * You may use the statement now, gentlemen, because when Democrats get to be so violently extravagant that it makes its own record look bad as compared to the very marked record of the Republicans, I must apologize to you Republicans for having ever used the words "criminally extravagant" in criticizing the appropriations that you made, for if that expression "criminally extravagant" was proper to apply to you, my God, the English language has never found an adjective strong enough to apply to Democratic extravagance. (Hon. T. U. SISSON, CONGRESSIONAL RECORD, Apr. 3, 1914, p. 6845.)

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SENATOR THOMAS (DEMOCRAT), OF COLORADO, LEARNS THAT THERE WAS NO DISSENT FROM THE "ECONOMY" PLANK OF THE DEMOCRATIC PLATFORM.

Mr. THOMAS. Mr. President, I merely wish to ask the Senator from New York a question. I have discovered in the Democratic platform a plank pledging the party to rigid economy in public expenditures, and I should like to inquire whether at Baltimore there any dissent from that plank in the platform when it was reported out of the committee?

Mr. O'GORMAN. None at all. (CONGRESSIONAL RECORD, Mar. 27, 1914.)

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SENATOR VARDAMAN (DEMOCRAT), OF MISSISSIPPI, SAYS "LITTLE REGARD HAS BEEN SHOWN FOR THE DEMOCRATIC PLATFORM PROMISES ON THE SUBJECT OF ECONOMY."

* * * The high cost of living, the depression in business, and the general demoralization of trade throughout the entire country should cause the Congress to hesitate before taking action and to consider carefully what the effect upon the already overburdened taxpayers will be if this additional tax shall be levied.

The Congress has already appropriated more money than it should have appropriated. Little regard has been shown for the Democratic platform promises on the subject of economy. (Hon. J. K. VARDAMAN, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 17676.)

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CONGRESSMAN COX (DEMOCRAT), OF INDIANA, PREDICTS DIRECT TAXES AS THE RESULT OF DEMOCRATIC EXTRAVAGANCE, AND SAYS, "THESE APPROPRIATIONS ARE COMING HOME TO ROOST UPON US. THEY ARE GOING TO ROOST ON OUR HEADS."

In the appropriation of $500,000 last year that was the regulation required by the Agricultural Department and the Post Office Department, whereby the Government put in a dollar and the State or subdivisions thereof put in $2. These appropriations are coming home to roost upon us. They are going to roost on our heads. Mark what I tell you. Even the Republican Party back in 1908 found that they did not have enough ground on which to stand and meet the expenses of the Government, and so they enacted a corporation tax which brought in $30,000,000 in the way of revenue to the United States. We have revised the tariff, and how large a revenue it is going to bring I do not know. We have enacted an income tax, and as for the amount of revenue that is an experiment, and how much it will bring I do not know, neither does anyone else. We are going to come to this point in a very few years if we adopt this policy of the Government paying half and the State paying half—we are coming to direct taxes. There is absolutely no escape from it, and whenever that time comes the people will ask us, What has become of these appropriations—what have you got to show for it? The moment we reach direct taxation for the support of the Federal Government there will not be a Member of Congress left to tell the tale. Every man will be defeated. (Hon. W. E. COX, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 3366.)

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CONGRESSMAN FITZGERALD (DEMOCRAT), OF NEW YORK, CHAIRMAN OF THE COMMITTEE OF APPROPRIATIONS, IS TEMPTED TO QUIT CONGRESS WHEN HE THINKS OF THE "HORRIBLE MESS" "THIS BAND OF TREASURY LOOTERS" HAS MADE.

Mr. Chairman, it may seem somewhat strange, but I hope it is not out of place, to remind Members on this side of the House that the Democratic platform pledged us in favor of economy and to the abolishment of useless offices; but it did not declare, Mr. Chairman, that the party favored economy at the expense of Republicans and the abolition of useless offices in territory represented in this House by Republicans while favoring a different doctrine wherever a Democratic Representative would be affected. In a few months I shall be called upon in the discharge of my official duties to review the record that this Democratic House shall have made in its authorization of the expenditure of the public moneys. Whenever I think of the horrible mess that I shall be called upon to present to the country on behalf of the Democratic Party I am tempted to quit my place. I am looking now at Democrats who seem to take amusement in soliciting votes on the floor of this House to overturn the Committee on Appropriations in its efforts to carry out the pledges of the Democratic platform. They seem to take it to be a huge joke not to obey their platform and to make ridiculous the efforts of the members of our party who do try to live up to the promises they made to the people. I know that some Members on this side are voting continually for appropriations because they fear the wrath of the public if they do not vote out of the Public Treasury assistance for everything anyone suggests. I have in my hand a letter which is somewhat characteristic of the correspondence which I receive daily.

If I placed my political fortunes above my sworn duty under the law, I would not attempt to carry out the promises of the Democratic platform, but I should place myself at the head of this band of Treasury looters upon every occasion. * * *

It is some effort for me to speak, and I should not attempt to do so if I did not feel that my colleagues upon the floor seem either to be so indifferent to a very perilous situation for our party, or else, which I do not wish to believe, have so far forsaken Democratic practices and Democratic principles as not to deserve to continue in control of this Government. I would not attempt to speak under these circumstances if I did not hope, Mr. Chairman, to awaken them to a realization of what the situation is. * * * If we are to be swayed from our duty by the appeal of every misinformed or misguided man, or if we are to vote appropriations merely because some popular, well-liked, attractive Member of the House urges us to do so, then we shall surely, Mr. Chairman, make such a record in this House as not only to invite but to deserve the condemnation of the country.

We charged the Republicans for 12 years of my service in the House under Republican administration with being grossly extravagant and reckless in the expenditure of the public money. I believed that charge to be true. I believed that my party, when placed in power, would demonstrate that the charges we had made in good faith were true. We are entitled to the help and to the support of the Members on this side of the House in honest efforts to carry out the pledges of the Democratic Party, and in our attempts to show that what we charged in order to get in power was true. We have not had that support. Our Democratic colleagues have not given that support to us thus far during this session of Congress. They have voted against recommendations they should not have voted against. They have unnecessarily piled up the public expenditures until the Democratic Party is becoming the laughing stock of the country. (Hon. JOHN J. FITZGERALD, CONGRESSIONAL RECORD, Apr. 10, 1914.)

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CONGRESSMAN FITZGERALD (DEMOCRAT), OF NEW YORK, UPBRAIDS HIS DEMOCRATIC COLLEAGUES ELECTED ON A DEMOCRATIC "ECONOMY" PLANK WHO PROPOSE AN ENORMOUS INCREASE OF OFFICES AND OF SALARIES.

* * * At least it is true on this side of the House, because the burden is upon our shoulders, gentlemen, and I would like to call atten-

tion to the platform on which we ran the last time, and I would like to call attention to the platform of 1908, when we deliberately burned the Republican Party in words for its extravagance; and yet men who were elected upon that platform last fall come upon the floor of this House here and propose to increase the number of clerks from 2,000 to 7,000, and increase the pay $100 per man. There is no need of it; there is no necessity for it. * * * (Hon. JOHN J. FITZGERALD, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 2055.)

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CONGRESSMAN PAGE (DEMOCRAT), OF NORTH CAROLINA, IN DISGUST AT THE EXTRAVAGANCE OF HIS DEMOCRATIC COLLEAGUES SUGGESTS THE "RECALL" OF THE COMMITTEES HANDLING APPROPRIATIONS.

It seems to me it is time that gentlemen on this side of the House stand by those committees that are endeavoring to carry out the party's pledges, and it is time that Members and organizations, often on the part of men on this side of the House, should cease to attempt to break up an effort to economize in the expenditure of the public funds. I think it is time that some one should say it to the Democratic membership of this House; and I say if the gentleman from Oklahoma [Mr. FERRIS], chairman of the Committee on Public Lands, or any other Member as an individual or representing an organization, can come in here and overthrow the recommendations of the committees that have investigated the needs of the public service, then it is time that you dismiss us; then it is time that you dismiss those committees that have supervision of these appropriations and take the estimates that are sent here by the executive departments of the Government and enact them directly into law. (Hon. R. N. PAGE, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 11879.)

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CONGRESSMAN RODDENBERY (DEMOCRAT), OF GEORGIA, SINCE DECEASED, PROPHETICALLY DECLARED THAT THE DEMOCRATIC PARTY WOULD DEMONSTRATE "THAT WE CAN REDUCE THE TARIFF AND AT THE SAME TIME INCREASE APPROPRIATIONS."

We have reformed the rules of the House so that the people of this country can get action from their Representatives. Why, the gentleman from Illinois, Mr. Foss, who presided over the Committee on Naval Affairs on the Republican side for many years, was never able to get over $123,000,000 for the Navy, and before our President comes into office we have got $140,000,000 under our reformed rules, and we are legislating for the people on economical lines. We are going to demonstrate to the great ex-chairman of the Ways and Means Committee [Mr. PAYNE] that we can reduce the tariff and at the same time increase the appropriations. * * * Oh, do not go about chiding us for discarding our economy platform that said: "We denounce the Republican Party's reckless and profligate expenditure of the people's money." That platform was made * * * to get into office on—and we have won. (Hon. S. A. RODDENBERY, CONGRESSIONAL RECORD, 3d sess. 62d Cong., p. 4618.)

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CONGRESSMAN FITZGERALD (DEMOCRAT), OF NEW YORK, CHAIRMAN OF THE HOUSE COMMITTEE ON APPROPRIATIONS, LECTURES THE EXECUTIVE DEPARTMENTS ON ECONOMY, AND SAYS IF INCREASING EXPENDITURES ARE NOT CURTAILED DEMOCRATS WILL BECOME "THE LAUGHINGSTOCK OF THE COUNTRY."

If that declaration was good Democratic doctrine before election day, Mr. Chairman, it is good Democratic doctrine now that the Democratic Party has come into power. Such promises, however, can not be performed and this pledge can not be kept unless those in the executive branches of the Government cooperate with the legislative branch and conduct the Government efficiently and economically. It is the duty of this House, more than of any other branch of the Government, to scrutinize with care the estimates that are submitted for the conduct of the public service, and to insist that officials in the executive departments shall conduct their various services within the amounts determined by the Congress to be sufficient to meet their needs. Any other system in this country means extravagance run riot.

* * * The control of the purse under the Constitution is primarily in this House, the body which represents most directly the people of the country, and the responsibility is primarily upon this House to see to it that moneys shall only be appropriated for legitimate functions of the Federal Government and shall be expended with that care and frugality which befits a democratic government.

I make this statement at this time, Mr. Chairman, because the time is at hand when the Members of this House, particularly those in the majority, must take some effective steps to curtail the rapidly increasing expenditures of the Government if the party, in view of the declaration in the platform I have just read, is not to become the laughingstock of the country.

Mr. COX. If this extravagance—if it may be called extravagance—these enormous appropriations are not stopped in some way, does not the gentleman believe that in the course of a short period of time the Government will have to come to a system of direct taxation, such as it had in 1861 to carry on the war?

Mr. FITZGERALD. Mr. Chairman, while I do not desire to commit myself to the form of taxation to which it would be necessary to resort in order to meet these increased obligations, I am of the opinion that the Government would not speedily resort to direct taxation. The ingenuity of legislators has not yet been exhausted in devising means to extract money from the people in taxation by such indirect methods that they will not realize that they are paying taxes. * * *

The only unpopular tax is the tax that the individual is convinced he pays himself. He is indifferent to taxation so long as he believes or is convinced that some one else must bear the burden. (Hon. J. J. FITZGERALD, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 4015.)

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SENATOR JOHN SHARP WILLIAMS (DEMOCRAT), OF MISSISSIPPI, SAYS IF THE ALASKAN RAILROAD BILL IS THE MARCH OF DEMOCRATIC ECONOMICAL PROGRESS, HOW ARE INCREASED TAXES TO BE AVOIDED?

Mr. President, I want to say a few words especially to this side of the Chamber. The Democratic Party has just gone into power, and among other things that it has promised is an economical administration of the Government of the United States, as economical as possible consonant with efficiency and consonant with progressive legislation.

Here is a bill to devote $40,000,000—four-fifths of the entire income tax of the United States—to one outlying and poor and unpopulated Territory. If that is the march of economical progress you are going to start upon, where are you going to stop, and when and how are you going to avoid increasing either tariff taxes or income taxes in this country?

I know that in this bill it is covered up, that it is proposed to issue bonds to do it; that you shall tax posterity upon the general principle that "posterity never did anything for you, and therefore you do not need to do anything for posterity." If you are going to pay out money, it ought to be paid out of the money now on deposit in the national banks to the credit of the United States Government. No sensible, sane individual who wanted to spend $40,000,000 and had the $40,000,000 lying in hand would go out and borrow it and pay interest for it. The sole object of the bond provision is to conceal the cost from the present generation—to cover it up and hide it and fool the American people. So much for that branch of the question. (Hon. JOHN SHARP WILLIAMS, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 2174.)

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CONGRESSMAN SHERLEY (DEMOCRAT), OF KENTUCKY, FEARS THE DEMOCRATIC LEADER, MR. UNDERWOOD, IS QUALIFYING FOR SERVICE IN THE SENATE, "WHOSE CHIEF WORK IS NOT IN THE INTEREST OF ECONOMY."

The gentleman from Alabama [Mr. UNDERWOOD] undertakes to make a comparison between the District of Columbia and the Hot Springs Reservation. There is no real, just basis for such a comparison. * * * I fear that the gentleman from Alabama is qualifying himself for service in that other body, whose chief work is not in the interest of economy; and I ask this body, which is charged with the duty of holding down expenditures—I ask those on this side, who have made some claim to economical tendencies—to hesitate before we agree to lay on the Government the entire cost of an elaborate sewerage system, a system more elaborate than is necessary, even if one is built. (Hon. SWAGAR SHERLEY, CONGRESSIONAL RECORD, July 21, 1914.)

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CONGRESSMAN FITZGERALD (DEMOCRAT), OF NEW YORK, SAYS THAT SOMETIMES SOMEBODY SHOULD REMEMBER THE DEMOCRATIC ECONOMY PLEDGE.

I do not believe, Mr. Chairman, that this is the year for the Democratic Party to be indulging in wholesale increase of compensation. This provision only meant a difference of $50 a year to each individual, but it meant $2,700,000 added to the expense of the Postal Department. Among the pledges made by the Democratic Party in the last campaign sometimes somebody should remember that one of them was a pledge to conduct the Government economically. I hope it will be thought of more and more before the session is ended. (Hon. JOHN J. FITZGERALD, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 2282.)

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CONGRESSMAN COX (DEMOCRAT), OF INDIANA, DOES NOT BELIEVE DEMOCRATS "CAN JUSTIFY THIS WILD EXTRAVAGANCE WITH THE PEOPLE'S MONEY."

* * * I have given this question thorough study, and, as a result of my investigations, I unhesitatingly state that the increase in salary is unjustifiable, can not be defended; and, in my judgment, when the people of the Nation wake up to the situation they will hold us responsible for it.

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I do not believe we can justify this wild extravagance with the people's money. While the political exigencies of our party may be great in the way of procuring nominations and reelections to Congress, yet I oppose this way of making appropriations. It is unfair to the taxpayers of this country, and I desire to protest against it in the most vigorous and positive language possible. If I were talking for home consumption, I would keep my mouth shut and say nothing about it, because I have a large number of rural-route carriers traveling all over my district six days in every week, and no doubt they will be electioneering against me. But I can not, in the discharge of my duty, remain idly by and see the people burdened to the extent of practically four and a half millions a year by a class of people that, in my judgment, are already receiving a sufficient salary. Two or three years ago we were denouncing the Republican Party on the floor of the House as plundering the Treasury of the United States in their wild, extravagant appropriations, and we have denounced them time and time again in the most vehement language in our platforms, and I am wondering whether this denunciation upon the floor of the House of the Republican Party for their appropriations and our denunciation of their course in our party's platform were solely for the purpose of getting into power. If the denunciation was in good faith, we ought to live up to it, and live up to our platform promises and pledges. (Hon. W. E. COX, CONGRESSIONAL RECORD, Mar. 6, 1914, 63d Cong., 2d sess., p. 4675.)

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CONGRESSMAN MURRAY (DEMOCRAT) OF OKLAHOMA WOULD NOT "BOW TO THE WISHES OF ANY MAN, HOWEVER GREAT," AND VOTE TO CREATE TWO OFFICES OF MINISTER TO PARAGUAY AND URUGUAY AT $10,000 EACH, FOR "MERE SHOW."

* * * Therefore for one I shall vote against this bill. I happen to know a good deal about that country, because there are men, citizens of my section, who live there now. Others have gone and have returned during the present year. I understand that country thoroughly, and, knowing it, I do not bow to the wishes of any man, however great, who requests me to vote for this bill when I know that it is an expenditure of money for a mere show without any beneficial return therefor. (Hon. WILLIAM H. MURRAY, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 92.)

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CONGRESSMAN SISSON (DEMOCRAT), OF MISSISSIPPI, PLEADS PATHETICALLY, BUT IN VAIN, FOR "A HALT ON APPROPRIATIONS."

* * * The United States now owes nearly $3,000,000,000, upon which our people pay interest, and unless Congress calls a halt on appropriations we will have to add to our bonded indebtedness, and soon our children will be enslaved by the fortunate bondholding class. * * * Let me appeal to Congress in the name of the masses who bear this great burden not to make the load heavier. Let me appeal to our great President and his Democratic Cabinet to aid and assist in carrying out the one plank that has always been in Democratic platforms from its birth, "Economy in public expense, that labor may be lightly burdened." This is the touchstone and true test of Democracy. Do you respect the man that toils? If so, let him keep what he earns. Do not take it from him in excessive taxation. Let us by legislation keep our pledges. This is the plain duty of the party to-day. Will we live up to it? If we will, the Democratic Party will have a long lease of power. If we do not, we will surely go out of power, as we should. (Hon. T. U. SISSON, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 4260.)

CONGRESSMAN HARDWICK (DEMOCRAT), OF GEORGIA, ASKS "WHY SPEND $36,000,000 AT THE NORTH POLE?"—SAYS ALASKA RAILROAD BILL SOCIALISTIC AND NOT DEMANDED BY DEMOCRATIC PLATFORM.

What about this bill? Is it necessary; is it wise; is it a step in the right direction, or is it a step in the wrong direction? If you are to spend $36,000,000, why spend it at the North Pole? Why not spend it at home? Have we so much money, are we so rich, that we would rather send it to the North Pole than send it to the people of our districts? Are we so rich that we can afford to develop Alaska while America languishes? Are we so rich that we can not build battleships and yet can develop a possible coal mine in Alaska, with a view to future Government ownership and operation of coal mines as well as railroad and telegraph lines? I challenge any gentleman who favors this bill to point out, either now or later, what Democratic platform, what Democratic principle, he pins his faith to when he advocates this measure. You can not point it out in the last platform on which we were elected. That platform demanded the opening up of Alaska. That platform when it came to the railroad question was, as it should have been, silent as the tomb. * * *

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It is Socialist propaganda. It rests on the same principle that the Socialists advocate; it rests on the same foundation stones on which they build; but so far as the platform declarations are concerned, I challenge anybody, either now or later, to show a Democratic platform on which it rests. Oh, but they say, the Democratic Party gave subsidies in the past of either money or lands to the great transcontinental railroads. So we may have done. Whether it was wise or not I can not say. (Hon. T. W. HARDWICK, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 3492.)

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CONGRESSMAN FITZGERALD (DEMOCRAT), OF NEW YORK, POINTS OUT SOME INACCURACIES IN OFFICIAL ESTIMATES OF RECEIPTS AND EXPENDITURES AND PREDICTS THAT INCREASED APPROPRIATIONS WILL LEAVE FEW DEMOCRATS IN THE NEXT CONGRESS.

The gentleman says this is only the amount of the estimates for this service. The estimates of money required to conduct the public service during the next fiscal year were $73,681,000 in excess of the estimated revenues of the Government in the next fiscal year. Recently the Secretary of the Treasury pointed out that he had overestimated our revenues by about $20,000,000, so that the estimated sums required to conduct the Government during the next fiscal year are about $100,000,000 over the estimated revenues. This committee did not reduce the appropriation for these services. It continued the amounts that had been carried for a number of years. The gentleman from Oklahoma [Mr. FERRIS] has already increased one item 33 per cent. He proposes to increase this item 33 per cent. If he offers many other amendments, as he promises to do, increasing other items in the same ratio, there will not be many of us on this side of the House in the conduct of the public business in the next Congress. (Hon. J. J. FITZGERALD, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 11880.)

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CONGRESSMAN FITZGERALD (DEMOCRAT), OF NEW YORK, PROPHESIED ACCURATELY THAT "A REVISION OF THE TARIFF DOWNWARD WILL BE THE MOST HOLLOW MOCKERY" ON ACCOUNT OF GROSSLY EXTRAVAGANT APPROPRIATIONS.

I believe that there is in the contingent fund of the House to-day, or there was about a week ago, $100, and there are requests pending for $100,000 to supply the deficiencies for the balance of this fiscal year.

The gentleman from Illinois [Mr. MANN] has not overexaggerated the picture as to what is likely to happen at this session of Congress. No one can tell just how much the appropriations at this session will be, but I think it is a conservative estimate to say, Mr. Speaker, that they will far exceed the appropriations that have been made at any session in the history of the Government.

I have done my part and have done my best in some way to curtail the expenditures; not to interfere with the legitimate functions and services of the Government, but to stop the expenditure of public moneys to gratify every whim and to please every fancy, either of individuals or of Members. Everyone seems possessed, however, of a determination to obtain moneys to maintain and extend that particular branch of the public service in which he or his constituents is particularly interested and then to make fragmentary, spasmodic efforts to save in some other direction in which neither he nor his constituents will be affected.

Such a condition can not long continue. I understand that the bills reported at this session of Congress will probably provide for the expenditure of the $100,000,000 which it is anticipated will be raised by an income tax. It reminds me somewhat of an incident that occurred in the Committee on Appropriations when $27,000 was requested for a certain public service in anticipation of the enactment of some legislation at the next session of Congress.

I want to say, Mr. Speaker, that unless this side of the House wakes up to a sense of its responsibility, not only will the appropriations be grossly extravagant, but they will amount to so much that talk of a revision downward of the tariff will be the most hollow mockery. (Hon. JOHN J. FITZGERALD, CONGRESSIONAL RECORD, 3d sess. 62d Cong., Feb. 11, 1913.)

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CONGRESSMAN BARTLETT (DEMOCRAT), OF GEORGIA, HAS TO PLEAD FOR ECONOMY EVEN AFTER THE HOUSE PASSED THE DEMOCRATIC "WAR" REVENUE BILL "IMPOSING TAXES THAT MUST NECESSARILY BE ONEROUS AND UNUSUAL."

* * * I withhold my support from this bill reluctantly. But this is an effort to increase by one-third the amount originally estimated for by the Department of Commerce for this vessel and authorized by Congress. Now, a vessel may be needed, but the mail of every Congressman, I apprehend, is filled with protests, and the telegraph wires are constantly bringing protests against increased taxation upon the citizens of the country. * * * Let us in this time of stress realize and emphasize that part of the Democratic platform formulated at Baltimore which pledged the people that we would return to the ancient economy of the Democratic Party and not needlessly expend the money of the people. Certainly we ought not needlessly to expend the money of the people when we have within a few days passed through this House a bill, which will soon be a law upon the statute books, imposing upon the country taxes that must necessarily be onerous and unusual. (Hon. C. L. BARTLETT, Oct. 5, 1914, CONGRESSIONAL RECORD, 2d. sess. 63d Cong., p. 17714.)

CONGRESSMAN SISSON (DEMOCRAT), OF MISSISSIPPI, DESCRIBES HIS EXTRAVAGANT BRETHREN AS "CHITLING DEMOCRATS" WHO MAKE THE REPUBLICANS LOOK LIKE THOROUGHBRED ECONOMISTS.

It comes with poor grace from a Democrat to criticize the chairman of the Committee on Appropriations and the committee, who are endeavoring to install and carry out the pledge of the platform. If that criticism came from Republicans, it would be different, but it does not come from them; it comes from Democrats here who in their extravagance make the Republicans look like thoroughbred economists. Ex-Congressman Dickson, of my State, called these Democrats who were of this extravagant type "Chitling Democrats."

Mr. REED (Democrat, of New Hampshire). Mr. Chairman, I would like to ask the gentleman a question. The gentleman has referred to Democrats as a hungry lot of fellows who have just got their noses up to the trough. I want to ask him if the bill is not filled with all sorts of things that seem to indicate that the committee has had its nose to the trough and excluded every other Democrat? (CONGRESSIONAL RECORD, Sept. 4, 1913.)

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CONGRESSMAN SAUNDERS (DEMOCRAT), OF VIRGINIA, SAYS ALASKA RAILROAD BILL NOT JUSTIFIED BY DEMOCRATIC PLATFORM—IS "EXTRAVAGANCE RUN RIOT."

If limited to a cost of $48,000 a mile, this would make an aggregate of $480,000,000. I am unwilling to commit myself even partially to so gigantic a proposition. I am unwilling to go further than the requirements of our Baltimore platform, which merely requires us to open up the coal lands, so that they will not fall into the hands of monopolizing corporations. Even this plank does not commit us to the construction of railroads. The end sought may be effected by private capital under a reasonable leasing system. We are going headlong into a venture that holds out dazzling possibilities of unlimited expenditure by the Government.

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Mr. Chairman, this proposition is fundamentally and radically unsound. It is not justified by our Democratic platform. Holding out no hopeful prospect of definite return, within any time to which we should limit our contemplation, as practical legislators, this measure is not entitled to our support. For one, I shall vote against it.

* * * The credit of the United States will not be strained to the breaking point should it spend $35,000,000 or $135,000,000 in railway construction in Alaska. It is rich enough to commit almost any folly. But why select Alaska as a field in which extravagance shall run riot? There are many States in the West that hold out a promise of "some mineral development," and are entitled to greater consideration than Alaska, if this House is anxious to make a record for chasing rainbows. (Hon. E. W. SAUNDERS, CONGRESSIONAL RECORD, 2d sess. 63d Cong., pp. 3758, 3760.)

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CONGRESSMAN CALLAWAY (DEMOCRAT), OF TEXAS, CRITICIZES HIS DEMOCRATIC COLLEAGUES FOR USING "THE PEOPLE'S HARD-EARNED MONEY" FOR "PORK-BARREL" RIVER AND HARBOR APPROPRIATIONS.

The insincerity and ridiculousness of it all is demonstrated conclusively by the fact that while you are working through Congress and getting up to the White House for the President's final approval this bill appropriating $43,000,000 of the people's hard-earned money, presumably for the purpose of forcing lower freight rates, the administration is quoted in all the big daily papers as in favor of allowing the railroads to raise their freight rates 5 per cent.

In our platform of 1896 we said:

"We denounce the profligate waste of the money wrung from the people by oppressive taxation. We demand a return to that simplicity and economy which benefits a democratic Government."

The appropriation for that year was $457,088,344.72.

In our platform of 1904 we said:

"Large reductions can easily be made in the annual expenditures of the Government without impairing the efficiency of any branch of the public service, and we shall insist upon the strictest economy and frugality."

That year the Republicans appropriated $736,578,402.76.

In our platform of 1908 we said:

"We denounce the needless waste of the people's money as no less than a crime."

And that year the Republicans appropriated $918,362,329.07. In 1912 we denounced the profligate waste of the money wrung from the people by oppressive taxation, while according to the estimates submitted this year by a Democratic administration we will be called on to appropriate $1,250,000,000. Did we mean what we said in our repeated platform declarations? If so, let us do it.

* * * No man can say it will not be a waste. Commerce has left these rivers and canals. We realized that and appropriated a half a million dollars for a commission to make an investigation to see if any craft could be devised that could economically carry the traffic on these waters. That was an admission that we are in the woods at present and do not know that any commerce will be developed by these expenditures. That commission has not yet reported. Let us stop this until we know what we are doing. That is the only way to deal honestly with the public, and we ought to deal honestly with those whose money we are spending. (Hon. OSCAR CALLAWAY, Apr. 6, 1914, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 6752.)

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CONGRESSMAN STEVENS (DEMOCRAT) OF NEW HAMPSHIRE WARNS HIS FELLOW DEMOCRATS AGAINST GOING BACK HOME TO THEIR CONSTITUENTS "WITH A CHUNK OF PORK IN ONE HAND AND A $50,000,000 DEFICIT IN THE OTHER HAND."

There is another reason why I am opposed to this bill, a reason which should appeal to every Member of this House, and particularly to every Democrat. When the revenue bill was reported at the beginning of the special session the Ways and Means Committee estimated that the revenue from the new tariff law and the income tax would give us about $18,000,000 above the estimated expenses of the Government. Now, there are two facts that have happened since that time that we are sure of. The first is that the estimated receipts from the Government are going to be less than were estimated by the Ways and Means Committee.

The second fact, which this House is proving every day, is that the estimated expenditures for the next fiscal year were altogether too low. Every general appropriation bill that will be reported and passed by this House will be above the estimates furnished by the Ways and Means Committee. We have already passed the Lever agricultural extension bill, which provides for an expenditure of $25,000,000. This bill

provides for an expenditure of $25,000,000 more. The increases in the general appropriation bills that are coming later will take up every cent of that $18,000,000, and the real objection to this bill at this time is that you have not got the money.

* * * * * * *

The revenues from the tariff law since it has been in force are less than were estimated by the Ways and Means Committee.

Mr. ASWELL. What is the gentleman's authority?

Mr. LANGLEY. If the gentleman will permit, I wish to say that the figures show that the revenues are not as much as were estimated. The gentleman could easily answer that, and he could further reply that we on this side of the House told the gentleman that that would be so.

Mr. STEVENS of New Hampshire. I have not the figures at hand, Mr. Chairman, but I understand it is a fact that the revenues are less than they were estimated to be, and it is an absolute fact that the expenditures are greater.

Now, a word as to the political considerations. This bill appeals to every man who is in favor of good roads. It appeals to every man who wants the support of his constituents. I have the honor to represent a rural community with a great many rural routes in it. If this bill were passed, we could go back to our homes and say to our constituents, "We have brought back so many thousands of dollars to be expended here for your benefit." That would be a great help to the individual Congressman seeking reelection. But, gentlemen, if you go back home to your constituents with a chunk of pork in one hand and a $50,000,000 deficit in the other hand, you will find it entirely different. (Hon. R. B. STEVENS, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 3423.)

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CONGRESSMAN LONERGAN (DEMOCRAT), OF CONNECTICUT, OPPOSED SPENDING $25,000,000 ON ROADS AS UNNECESSARY AND UNJUSTIFIABLE.

Mr. Speaker, the Democratic platform of 1912 denounced the profligate waste of money taken from the people through lavish appropriations of recent Republican Congresses. I am opposed to the appropriation called for in the bill under consideration. In my opinion the already established appropriations impose enough responsibility upon the country, and the added burden which will result from this entering into new fields in road construction is unnecessary and inadvisable. I believe that I voice the sentiments of my constituents in opposing this bill; therefore I shall register my vote against it. (Hon. A. LONERGAN, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 3762.)

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CONGRESSMAN COX (DEMOCRAT), OF INDIANA, CAN NOT BOAST OF THE DEMOCRATIC RECORD FOR ECONOMY, AND CALLS ATTENTION TO A FORGOTTEN SLOGAN.

The Democratic Party—and I claim to be a member of it—have assailed the Republican Party on every stump, on every occasion when the opportunity presented itself to us, and we have condemned you Republicans for extravagance. The press of the country have condemned you. * * * In the last session we can not boast of our record for economy.

Gentlemen, we are starting in early. Let us see if we can not make a record for economy, especially in view of the fact that the President of the United States recently announced, through the press of the country, that economy would be one of the slogans of his administration. (CONGRESSIONAL RECORD, 1st sess. 63d Cong., pp. 288, 291.)

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CONGRESSMAN SISSON (DEMOCRAT), OF MISSISSIPPI, ASKS WHY DEMOCRATS HAVE THE RIGHT TO DENOUNCE REPUBLICANS FOR EXTRAVAGANCE.

But I want to say to my Democratic colleagues that if they do not want to put a check upon these appropriations to the income of the Treasury to-day, Woodrow Wilson during his second, if not the first, year of his administration will be confronted with a bond issue. * * *

We denounce you because you have expended $90,000,000 more than you expended in the preceding year. The question arises, Why on earth have the Democrats the right to denounce Republicans for extravagance in the future? For the life of me I can not see.

* * * * * * *

And be able to go home and look the honest electorate squarely in the face and say that we have kept the faith. (Hon. T. U. SISSON, CONGRESSIONAL RECORD, Feb. 24, 1913, 62d Cong., 3d sess., p. 2836.)

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THE BROKEN PROMISE TO RETURN TO "SIMPLICITY."

We demand a return to that simplicity and economy which befits a democratic government, and a reduction in the number of useless offices, the salaries of which drain the substance of the people. (Democratic platform, 1912.)

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CONGRESSMAN FITZGERALD (DEMOCRAT), OF NEW YORK, SAYS THE SECRETARY OF LABOR PURCHASED AN AUTOMOBILE FOR HIS PERSONAL USE WITHOUT AUTHORITY OF CONGRESS.

* * * At the last session of Congress it appeared that out of the appropriation of $60,000 for the contingent expenses of the Department of Commerce and Labor $26,100 was transferred to the Department of Labor. In addition to that Congress at the last session appropriated $5,000 additional for the contingent expenses of the Department of Labor. At that time a request was made by the Department of Labor to authorize the Secretary of Labor to purchase three automobiles—a seven-passenger touring car for himself, at $4,500; an electric runabout for the use of himself and others, for $2,500; and an automobile truck.

The committee declined to include that authority in the bill, based upon the fact that authority had never been given to any of the departments to purchase automobiles for the Secretary or others connected with the department. In some way or other the information got noised abroad that such a request had been made, and innumerable Members of this House served notice upon the committee that they would not tolerate such a situation. The authority was not given, and yet it appears that during this session of Congress an automobile has been purchased for the personal use of the Secretary of Labor.

Mr. BUCHANAN of Illinois. Would it not be fair for the gentleman to state that the Secretary of Labor explained that automobiles would be cheaper in operation and to purchase than it would be to purchase teams and rigs as the other departments had?

Mr. FITZGERALD. Suppose he did; Congress did not authorize it, and that is the point. No man in any department of the Government can do as he pleases because he thinks it is desirable. All he can do is to obey the law. (Hon. JOHN J. FITZGERALD, CONGRESSIONAL RECORD, 2d sess. 63d Cong., pp. 4123, 4124.)

MR. FITZGERALD STANDS BY HIS STATEMENT.

* * * I simply wish to add, Mr. Chairman, that every statement and every criticism that I made of the Department of Labor or of any other department of this Government during the conduct of the urgent deficiency bill in this House was thoroughly justified, and I do not retract in a single iota anything I said about them. * * * (CONGRESSIONAL RECORD, 2d sess. 63d Cong., Mar. 11, 1914.)

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CONGRESSMAN HOWARD (DEMOCRAT), OF GEORGIA, SAYS THE PUBLIC PRINTER IS NOT THE ONLY PUBLIC OFFICIAL THAT IS ABUSING THE CONFIDENCE OF A DEMOCRATIC CONGRESS—THE WAR DEPARTMENT IS SHAMEFULLY USING PUBLIC MONEY FOR "SOCIETY STUNTS," HE SAYS.

It seems that under the Democratic economy of the Government Printing Office the present Public Printer was a little bit immodest, in that it took two automobiles to satisfy him. Since this matter was up I have investigated, and I know what these two Rauch & Lang cars cost that he has got down there. I know what they cost in upkeep to the Government, and I do not care what the Public Printer states about it, I am in a position to say that this new car is not used solely for official purposes.

I do not know what this man is doing with these automobiles, and I do not care what he is doing with them; but I lay it down here as a bald-headed proposition that no officer of this character has any right to appropriate the people's money for two electric automobiles that cost over $4,000 apiece. In fairness to the Public Printer, I may add that he is not the only public official that is abusing the confidence of a Democratic Congress. The War Department is shamefully, if not wantonly and willfully, using money appropriated by the people for useful purposes to put on "society stunts" and make a show of what it is to be a commissioned officer in the Army with a swivel-chair assignment. (Mr. HOWARD, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 15984.)

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CONGRESSMAN DIES (DEMOCRAT), OF TEXAS, ON DEMOCRATIC "SIMPLICITY" AND "ECONOMY" IN GENERAL AND AUTOMOBILES FOR DEMOCRATIC CABINET OFFICERS IN PARTICULAR.

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I would be ashamed of myself if I called the attention of this committee to the attempted raid upon the Treasury of $8,000 by a poor 70-year-old soldier out in Minnesota if I did not call their attention to the abstraction of $7,000 from the contingent fund of one of the departments of the Government in violation of the laws of this country by a Cabinet minister.

* * * * * * *

I think he is an honest man, I think he was a good legislator, and I think probably he is making a good Cabinet minister; but no man in this Government is great enough—no man should ever become great enough—to violate the laws of this country and usurp the functions of this body to appropriate the revenues of the Government for its maintenance.

* * * * * * *

The Secretary of Labor and the Secretary of Commerce and Labor did not have any right or any business, in the first instance, to have a crippled-up team to drive around at the public expense. They got it in tacit violation of the laws of the country, and they ought not to have used the money of the people for that purpose.

* * * * * * *

Do you know I feel sorry for my friend the Secretary of Labor in his ambition to have a seven-seated touring car and a $2,500 electric? Because we are setting a mad pace in this simple republican capital. * * *

When a man undertakes to indulge one of these limousine, or "limozeen"—which is it [laughter]—one of these limousine habits with a Ford salary [laughter] he has either got to come to Congress for more money or else he has got to take it out of the contingent fund in defiance of the edict of Congress. * * *

You know we ride around here in these limousines and in these seven-seated touring cars, paid for out of the taxes wrung from toil in this country, and we run over the fellow with the little Ford car; and the man walking on foot, the pedestrian, he has just simply got to hear one honk of the honk-honk and run for his life; and the most ridiculous feature of it all is that when one of these Cabinet ministers alights from his vehicle, paid for by the people, drawn by two snorting bay horses, or alights from his limousine, paid for by the people of this country, he dusts himself and says, "Let the people rule."

Mr. Chairman, this patient will either get better or get worse. If a man to-day, in defiance of Congress, can take $1,600 out of the contingent fund appropriated by Congress for the legitimate functions of government to carry on the government of the people, to-morrow he can take $10,000 as well; and if the Secretary of Labor can buy himself an automobile, then the Fish Commissioner can buy himself an automobile. If one of the dignitaries of this Government can take the funds of the people taken from their taxes to buy an automobile, he can buy a yacht upon the same principle. And if any of our Cabinet ministers or Fish Commissioners or the Commissioner of Education wants to do it he can use this precedent to buy himself an arishiip.

Oh I wish, Mr. Chairman, that we might return to the simple democracy under which this Government grew so great and so grand. * * * I would not be ashamed to see our Secretary of Labor walk up and down the streets of Washington. Why, do you know just a few months ago, on account of the terrible pace that somebody has been setting here in Washington, we heard another Cabinet officer, the great Secretary of State, exclaim in anguish that he could not live on a thousand dollars a month. I am sure he told the truth when he said it. I have great faith in our commoner.

Somebody has made the pace so high in this Capital of our Republic, somebody has set the gauge at so exalted an altitude in this citadel, that one of our servants, the great commoner of the Republic, can not live in this city in befitting style for $12,000 a year. It looks to me, Mr. Chairman, like it is a good time for Cabinet ministers, Senators, and Congressmen to set for the people in this city and Nation the example of old-time simplicity and democracy.

If a Cabinet minister can take a given sum of money in defiance of Congress and buy himself an automobile, what example and what lesson does that teach to the smaller officer, the clerk, and dignitaries around this city? What is the example to a little $1,500 or $2,000 clerk who handles funds and papers and affairs of the Government? Is it not saying to him, "Mr. Clerk, you are authorized to pad your expense bills when traveling for the Government; you are authorized to put in $2 where you spend $1 on the affairs of the Nation, because our Cabinet ministers are settling their accounts by taking money out of the contingent fund for the purchase of automobiles"? If this is peanut

politics, make the most of it. In my humble judgment it is simply old-fashioned democracy, simply old-time honest dealing with our constituents, to say that we will not allow this thing to continue.

If ever my cheeks were mantled with the blushes of shame, it was when I read in the RECORD that every Democrat voted for the taking of an automobile from a Republican Speaker and a Republican Vice President, and that we have not raised our voice against the same things when Democrats occupy these powerful positions. (Hon. MARTIN DIES, Feb. 27, 1914, CONGRESSIONAL RECORD, 2d sess. 63d Cong., pp. 4332, 4334, 4335.)

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CONGRESSMAN DIES (DEMOCRAT), OF TEXAS, TALKS SOME MORE ABOUT AUTOMOBILES AND DEMOCRATIC "SIMPLICITY."

* * * It is being booted about the Chamber that the Public Printer has a couple of passenger automobiles which are not altogether in consonance with the laws of our country. * * *

* * * I would not vote against this increase because the Public Printer has a couple of passenger automobiles to which he is not entitled, but what I desired to find out was if that practice is being continued in that department. That is why I interrogated the gentleman from New Jersey [Mr. KINKEAD]. In response to a letter I addressed to the Auditor for the Treasury Department, he informed me the Public Printer had two passenger automobiles. * * *

* * * I have searched the statutes of the United States carefully, and I found they were not authorized by law; that no vehicle except only for public use is authorized to the Public Printer; and when I found he was supporting two passenger automobiles I had hoped that my friend from New Jersey would be able to say that under the Democratice régime we had cast off these illegal garments and that now we transact the public business in a legal way. I had hoped that I was mistaken, and therefore I appealed in vain to the gentleman from New Jersey, who offered this amendment, to know if this illegal abstraction of public funds had not ceased under Democratic administration.

Mr. KINKEAD of New Jersey. Mr. Chairman, I will answer my friend from Texas by saying the Public Printer has done nothing illegal since he has been in office. I hope I have answered the gentleman's question.

Mr. DIES. Well, I will say to my friend from New Jersey that he is still maintaining two passenger automobiles at public expense, and that is illegal. I challenge the gentleman to find one particle of statute law in this country that justifies the Public Printer in having two passenger automobiles.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. DIES. Yes.

Mr. HUMPHREY of Washington. What does he use the automobiles for?

Mr. DIES. What could he use two passenger automobiles for except to go to theaters and entertainments?

Mr. KINKEAD of New Jersey. Now, my friend is wrong, and I know that he uses these cars in performing his duties as Public Printer.

Mr. DIES. I am a printer myself, and I know that if he wants to carry stationery about he would not want two passenger automobiles to carry it in. Now, if he has to transport heavy products, such as paper and pasteboards, he should get a truck to carry them in.

* * * I know that hundreds of passenger automobiles are being used in this city, according to the Auditor of the Treasury Department, in direct violation of the law.

* * * I can understand, of course, that in paying his respects to Cabinet officers and their families and "crooking the pregnant hinges of the knee where thrift may follow fawning" he might use one, but I wondered how he could use two passenger automobiles in transacting this business of printing letterheads for Congressmen and in printing names for Congressmen on envelopes.

Certainly in all my poor and humble experience as a printer, getting out letterheads and getting out envelopes and pasteboard cards, and handling them around in wheelbarrows, I never dreamed that an humble servant in this Republic would demand, not one passenger automobile to hand them around, but two passenger automobiles. (Hon. MARTIN DIES, CONGRESSIONAL RECORD, 2d sess. 63d Cong., pp. 15981, 15982.)

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Mr. HOWARD. * * * He is no great big "bear cat" in politics, that he should have special privileges that nobody else has. Even if he did come from the great city of Hoboken, N. J., and if he was a union printer at $26 a week before he got this job, why should he have two automobiles? (CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 15984.)

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THE BROKEN PROMISE TO UPHOLD THE MERIT SYSTEM.

The law pertaining to the civil service should be honestly and rigidly enforced to the end that merit and ability shall be the standard of appointment and promotion rather than service rendered to a political party. (Democratic platform, 1912.)

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CONGRESSMAN MOON (DEMOCRAT), OF TENNESSEE, OPENLY ADVOCATES VIOLATION OF CIVIL-SERVICE PLANK OF THE DEMOCRATIC PLATFORM.

I have come now, Mr. Chairman, to a question that from many viewpoints is a delicate proposition. It is not delicate to me. If it were, I would not discuss it here. But it is a proposition concerning which many of us are tender, because of platforms and political promises. I am going to discuss this question in a partisan spirit for a moment or two. * * *

There is a provision in this bill whereby—

"Hereafter any assistant postmaster who may be required by law or by authority or direction of the Postmaster General to execute a bond to the Postmaster General to secure faithful performance of official duty may be appointed by said Postmaster General, who may require such bond, without regard to the provisions of an act of Congress entitled 'An act to regulate and improve the civil service of the United States,' approved January 16, 1883, and amendments thereto, or any rule or regulation made in pursuance thereof, and the Postmaster General shall have power to revoke the appointment of any assistant postmaster and appoint his successor at his discretion without regard to the act, amendments, rules, or regulations aforesaid."

That is what I call a Democratic section of this bill. * * * It is Democratic not in a partisan sense, but Democratic because it is right in view of the conditions that exist on this question. (Hon. J. W. MOON, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 1753.)

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CONGRESSMAN O'SHAUNESSY (DEMOCRAT), OF RHODE ISLAND, REMINDS THE DEMOCRATIC PARTY THAT IT IS A MINORITY PARTY; THAT "POWER DOES NOT GIVE UNBRIDLED LICENSE" TO DO AS THEY PLEASE AND "PROVE ITSELF A DEFAULTER TO ITS PROMISES."

Gentlemen upon this side, we speak about our party being in power. We must remember the fact that power does not give unbridled license to do as we please; and if we are in power we must remember that we are a minority party. The Progressives and the Republicans combined would have left us no opportunity to obtain the power that we possess to-day. * * *

In the last Democratic platform it was said that merit and ability should be the standard of appointment and promotion, rather than service rendered to a political party. Promises must not be like pie crust, easily broken. We must remember that a pledge is a pledge and a promise is a promise. * * *

I believe the Democratic Party should be true to its pledges. I believe the Democratic Party made its latest declaration in the platform at Baltimore, and that it is about to prove itself a defaulter to its promises. (Hon. G. F. O'SHAUNESSY, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 2209.)

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CONGRESSMAN RUCKER, (DEMOCRAT), OF MISSOURI, SAYS HE IS A "SPOILSMAN," AND HAS NO APOLOGY TO MAKE FOR IT.

* * * There are Democrats growing up in the country everywhere who are entitled under a Democratic administration to recognition; and if that means going back to the spoils system, then I am a spoilsman and I have no apology to make for it. [Applause.]

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This committee is not here to bow to the will of the President or to the will of the Postmaster General upon a question upon which they differ. We perform our functions as legislators. If in our wisdom that law ought to be changed, no domination from the Postmaster General nor threat of veto from the President ought to swerve us from the course which we believe to be right.

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If the power were mine, I would put none but Democrats on guard. (Hon. J. W. MOON, CONGRESSIONAL RECORD, 2d sess. 63d Cong., pp. 1750, 1751.)

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THE BROKEN PROMISE OF "FREE TOLLS" TO AMERICAN COASTWISE SHIPS.

We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal. (Democratic platform, 1912.)

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DEMOCRATIC LEADER UNDERWOOD SAYS PRESIDENT'S BILL TO REPEAL FREE TOLLS IS IN DIRECT CONFLICT WITH THE DEMOCRATIC PLATFORM.

The Democratic convention that met in Baltimore and named Woodrow Wilson for President and Thomas R. Marshall for Vice President on the 2d day of July, 1912, promulgated the platform of the national Democratic Party and made the following declaration in reference to the tolls of American ships passing through the Panama Canal:

"We favor the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal. We also favor legislation forbidding the use of the Panama Canal by ships owned or controlled by railroad carriers engaged in transportation competitive with the canal."

There can be no contention as to the meaning of this language. No one can raise the issue that the bill now pending before the House, introduced by the gentleman from Tennessee [Mr. SIMS], is not in direct conflict with the declaration of the Democratic platform. Personally I believe that the party pledge should be lived up to in good faith by those who claim allegiance to party principles. * * *

Let us resolve the issue into the question as to whether the platform of the Democratic Party favoring exemption of tolls of American ships engaged in coastwise trade passing through the Panama Canal is best for the Nation and the people of our country, or whether the gentleman from Tennessee [Mr. SIMS], in the bill now pending before the House repudiating the declaration of the Democratic Party, is proposing legislation that will be most beneficial to our Nation and our people. (Hon. OSCAR W. UNDERWOOD, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 5964.)

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SENATOR O'GORMAN (DEMOCRAT), OF NEW YORK, ON THE VIOLATION AND REPUDIATION OF THE "FREE TOLLS" PLANK OF THE DEMOCRATIC PLATFORM.

I can not stop to contemplate what would have become of Democratic prospects in the last presidential campaign if the free-toll plank of the platform had been rejected or repudiated before the election; but it was not rejected. It was approved and pressed upon the attention of the public in every section of the country. Its economic advantages were pointed out by the nominees of the party and the thousands of public speakers who advocated their cause. It was given prominence in the campaign textbook which was distributed throughout the country by the national Democratic campaign committee, and yet it was as much a subsidy in 1912 as it is now.

Let us not deceive ourselves, Senators. The free-toll plank was the one dominant American note in the campaign of 1912, and its value to the Democratic Party can not be disparaged when it is recalled that the convention of the Progressive Party adopted the same plank, that the nominee of the Republican Party had already pledged himself to the same principle, and that 14,000,000 citizens of this country by their votes have declared their adherence to this principle. We are now asked to repudiate their declaration, to ignore their rights, and to treat them with a contempt to which American citizens will never submit.

When we talk of national honor we may be suspected of insincerity if we do not recognize that a violated party pledge is the rankest kind of political perfidy. We surely owe at least the same good faith to the American people that we profess to feel for a foreign nation.

* * * A party platform should be regarded as a confession of faith by the party promulgating it and should be held sacred and inviolate.

How can we hope to retain the confidence of the American people when we have no respect for our party pledges? To what sinister influence will the people attribute this duplicity on the part of a great political party? It is no defense to say that delicate foreign relations justify the repudiation. There can be no condition in our foreign affairs that can excuse the abandonment of vital national rights. If, as the result of war, a conqueror imposed such terms upon us, we could accept

them as the issue of a struggle, but a self-respecting people can not freely submit to such conditions. Is the Democratic Party prepared to confess itself guilty of a betrayal of a public trust? Will it admit to the country that it secured office by false pretense? What confidence can the people have in such a party so devoid of respect for its own pledges? We secured office under a solemn promise to the American people which we are now asked to repudiate.

For nearly a century the national convention has been the highest authority for the declaration of party principles—the promulgation of the party creed, binding upon all alike. The party doctrine as pronounced by a national convention can be changed only by another national convention. The power is not lodged with a President or a congressional caucus to regulate or modify.

I should prefer to stand with the President, but I have never bolted a Democratic candidate nor a Democratic platform, and I do not intend now to take my place with the repudiators of party pledges. In this emergency every Senator will act according to his own lights. Some may find an excuse for the disregard of party obligations, but as I view it, a party platform is the plighted word of men of honor declaring what their policies will be if they attain power. It is either that or a shifting, dishonest, unconscionable pretense whereby a confiding electorate is misled.

Never until now has the party of Jefferson been exposed to this base imputation upon its honor and integrity. And those who clung to the old Democratic Party in its days of adversity—those who, undismayed by repeated defeats, remained loyal to its candidates and its principles—should not now be asked to do it a wrong greater than any which its avowed opponents are capable of inflicting upon it.

Senators, I beg you to pause while there is still time and avert a disaster which now threatens the party and the Nation. (Senator O'GORMAN, of New York, in CONGRESSIONAL RECORD, 2d sess. 63d Cong., pp. 8537–8538.)

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SPEAKER CLARK SAYS THE AMAZING REQUEST OF THE PRESIDENT FOR THE REPEAL OF "FREE TOLLS, LIKE THE PEACE OF GOD, PASSETH ALL UNDERSTANDING."

We went to the people on that platform containing the free-tolls plank; headed by President Wilson himself we all indorsed it; standing on it we appealed to the voters of the land for their support; and they, responding to our Macedonian cry for help, enabled us to sweep the land from sea to sea by amazing majorities in the Electoral Colleges. And now it is proposed that we reward their faith in us and their support of us by repudiating one of the planks of that platform on which we achieved that astounding victory, a plank so clear that there could be no misunderstanding about it, no possible misconstruction of it. I refuse absolutely to be a party to any such performance. Tell it not in Gath, proclaim it not in the streets of Askalon, that the Democratic Party will not keep faith with a confiding public.

The amazing request of the President for the repeal, like the peace of God, passeth all understanding. If he has any reasons which are not utterly untenable and which impelled him to make the request, he has not vouchsafed them to us as a body or, so far as I am informed, to any Member of the House. If he has adequate reasons and did not deem it prudent to make them known to the world at large, he could have communicated them to us in secret session. With all due deference to the President, it seems to me that we are entitled to those reasons before bolting a Democratic platform, which is generally considered an indefensible, an extra-hazardous performance, frequently fatal in its results. (Speaker CHAMP CLARK, CONGRESSIONAL RECORD, Mar. 31, 1914.)

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SENATOR CHAMBERLAIN (DEMOCRAT), OF OREGON, IN OPPOSING REPEAL OF FREE TOLLS, SAYS DEMOCRATS WENT OVER THE COUNTRY DECLARING FOR FREE TOLLS. "IF PLATFORMS MEAN ANYTHING, IF THEY ARE INTENDED TO STAND ON RATHER THAN TO GET IN ON," THE DECLARATION FOR FREE TOLLS IS A DEMOCRATIC DOCTRINE.

As to being a Democratic doctrine, Mr. President, if platforms mean anything, if they are intended to stand on rather than to get in on, then this declaration of free tolls for coastwise vessels is a Democratic doctrine. It was declared for in the Democratic platform in Baltimore. There is no question about that. If it does not bind the Democratic Party, Mr. President, there is not a single declaration in it that does bind the party. Not only that, but if the expression of opinion by Democrats on the floor of the Senate and on the floor of the House of Representatives means anything at all, it means that they have indorsed this declaration in the platform of the Democratic Party, because clearly all the Democrats in the Senate, and I think probably a majority of the Democrats in the House, voted for this clause of the Panama Canal act.

I may say, further, that in the campaign which followed that declaration in the platform at Baltimore Democrats went over the country and declared in favor of it, and it is impossible to know how many votes were influenced by such declarations.

* * * * * * * *

Who can say, Mr. President, that many of the voters of my State were not influenced by that declaration in the platform? I for one want to say that I do not propose to stultify myself in reference to this subject now nor at any time in the future. I do not propose to go back to my people and say to them that because the distinguished President of the United States happens to differ from me I am going to yield my convictions, my judgment, my conscience, to his view of this subject. * * * I do not know how my friends on this side of the Chamber intend to square themselves with their constituents when they go back to them and say that they have been induced to change their attitude with reference to the Panama-tolls question—I do not mean to say that any of them are going to do so—but I, for one, am not going to do so, Mr. President.

* * * * * * * *

I would rather be a subject of a conquered nation, Mr. President, if you please, with honor, than to enjoy freedom and feel that I had sacrificed every sense of propriety and honor in my action upon any legislation that comes before Congress. (Hon. GEORGE E. CHAMBERLAIN, CONGRESSIONAL RECORD, 63d Cong., 2d sess., p. 3842.)

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CONGRESSMAN HARRISON (DEMOCRAT), OF MISSISSIPPI, CRITICIZES DEMOCRATIC "GAG" RULE ON FREE-TOLLS REPEAL BILL, AND SAYS FREE-TOLLS PLANK WAS NOT "SNEAKED" INTO DEMOCRATIC PLATFORM—PROTESTS AGAINST "SURRENDER" TO THE PRESIDENT.

Mr. Speaker, I had hoped that in the discussion of this very important question sufficient time would be allotted to those who desired to take part in the debate so that they could discuss it fully; but because of the "generous" action of the Rules Committee, sanctioned by this House on yesterday in forcing their rule through, I am forced to content myself with answering only partly and briefly some of the arguments. * * *

I had hoped that in the discussion of this question my Democratic colleagues, at least, would discuss it in such a dispassionate and cool manner as would cause no ill feeling and impute no bad motives to any of their colleagues in this House. But the discussion has taken such a wide range that, forsooth, they have seen fit not only to indict the distinguished committee on resolutions of the Baltimore convention, but they have impunged the motives of those men who in the Sixty-second Congress voted for free tolls with an honest conviction. They have gone further than that, and they have impeached the good intentions of the leaders of our party here. I can not believe that the plank with respect to free tolls was sneaked into the Baltimore platform. I have too much faith in the intelligence and the integrity of the members of my party who made up that committee, dominated by its chairman, the present Secretary of State, Mr. Bryan, to believe any such action was taken.

The report of that committee was sanctioned by that convention, and I can not understand why, when my good friends the distinguished gentleman from Texas [Mr. HENRY] and the distinguished gentleman from Georgia [Mr. HARDWICK] spoke in many parts of this country in the last campaign asking the people to place the Democratic Party in power, and promising them that if they should that party would redeem every pledge of its platform, they did not then raise their voice against this particular plank of the platform. It would, indeed, have come with better grace if they had at that time said that the Democratic Party in convention assembled at Baltimore had played some skin game upon the American people. It comes with bad grace for them to say it now.

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I have never heard a more eloquent speech delivered in this House than that delivered by the gentleman from Pennsylvania [Mr. PALMER] on yesterday. But when he says that the Congress of the United States, made up of the representatives of the American people, should surrender to the President in matters that affect our treaty relations with a foreign country, when that treaty affects the domestic affairs of this Nation, I say he goes too far, indeed. (Hon. B. P. HARRISON, Mar. 28, 1914, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 6048–6049.)

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GENERAL INCOMPETENCY OF THE DEMOCRATIC PARTY.

Our platform is one of principles which we believe to be essential to our national welfare. Our pledges are made to be kept when in office as well as relied upon during the campaign. (Democratic platform, 1912.)

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SENATOR WILLIAMS (DEMOCRAT), OF MISSISSIPPI, SAYS, "THE POOR, DEAR OLD FOOLISH DEMOCRATIC PARTY IS GOING THROUGH THE SAME GAME," AND QUOTES "TOM REED" APPROVINGLY.

The poor, dear old foolish Democratic Party is going through the same game that she can be generally trusted to go through soon after she gets into power.

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That is the Democratic Party, true enough. That is its history. That is what led Speaker Tom Reed to say in 1894 and 1895: "You can't last long, because you are not accustomed to governing anybody or anything; you can not govern the country, because you can not govern yourselves. You are incompetent." (Hon. JOHN SHARP WILLIAMS, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 6853.)

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SENATOR TILLMAN (DEMOCRAT), OF SOUTH CAROLINA, LIKENS THE DEMOCRATS TO "WILD ASSES" WHO HAVE "BROKEN INTO THE GREEN CORN."

The Biblical quotation I used a few days ago will become historical. The "wild asses of the desert, athirst and hungry, have broken into the green corn." That applies all along the line from top to bottom. The Senators themselves are green, and the Democrats of the country have been "out in the cold" so long and have had so little hope or opportunity to get patronage or any of the offices that they are simply wild. (Senator TILLMAN, CONGRESSIONAL RECORD, 1st sess. 63d Cong., pp. 32, 33.)

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CONGRESSMAN FITZGERALD (DEMOCRAT), OF NEW YORK, POINTED OUT THAT THE ESTIMATES OF THE DEMOCRATIC SECRETARY OF THE TREASURY SHOWING AN APPARENT SURPLUS OF $26,000,000 WERE "GROSSLY MISLEADING."

I pointed out early in the session that the estimates of the Secretary of the Treasury, while showing an apparent surplus of $26,000,000 for the next fiscal year, were grossly misleading, because they eliminated all provisions for the sinking-fund requirements, eliminated all provision for deficiencies, and placed to the credit of the Government $13,000,000 which the Secretary of the Treasury estimated had been appropriated, but could not be expended, so that even according to his own figures the surplus revenues for the next fiscal year are but $13,000,000. His estimate eliminated $10,500,000 of deficiency estimates, which are now pending before the Committee on Appropriations. The estimate took no account of the authorization for the Alaskan railroad, $1,000,000 of which is asked at this time, with authorizations up to $35,000,000. It took no account of authorizations for good roads, with a bill pending here for the expenditure of $25,000,000 for that purpose. (Hon. JOHN J. FITZGERALD, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 2055.)

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SENATOR TILLMAN (DEMOCRAT), OF SOUTH CAROLINA, COMPARES DEMOCRATS TO AN "UNTRAINED MOB."

As compared with the Republicans we are an untrained mob with little knowledge of parliamentary law and very little effective knowledge of the rules of the Senate. (Senator TILLMAN, CONGRESSIONAL RECORD, 1st sess. 63d Cong., p. 32.)

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SPEAKER CLARK (DEMOCRAT), OF MISSOURI, DOES NOT KNOW WHETHER THE STATE DEPARTMENT KNOWS WHAT ITS FUTURE POLICY IS GOING TO BE.

The SPEAKER. * * * The Chair does not know whether the State Department knows what its future policy is going to be, and it does not make a bit of difference whether it does or does not. If it should undertake to state what it was going to be, then it would be the expression of opinion and not the statement of a fact, and therefore

obnoxious to the rule. * * * (Hon. CHAMP CLARK, Speaker of the House, CONGRESSIONAL RECORD, Mar. 21, 1914, p. 5611.)

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CONGRESSMAN KINDEL (DEMOCRAT), OF COLORADO, REGRETS THAT THE PRESIDENT IS NOT A BUSINESS MAN, SO THAT HE COULD BE CONVINCED OF THE "SUICIDAL POLICY" OF THE DEMOCRATIC PARTY AS TO THE PARCEL POST.

I was inspired by all that I had read and heard of Mr. Wilson from the declarations made by the President before the election. I was in hopes that the country might depend upon him for wise and conservative action, and thus endeavor to promote legislation that would take into certain consideration the general welfare of the entire body of merchants, manufacturers, and laborers of the country; but regret to find that the tendencies that have thus far been shown are more scholastic than businesslike, as is evidenced by this botch parcel post and the restrictive orders now prevailing in the coal fields of my State. Wherefore, I regret the loss of time that I could not convince him and the Democratic Party of its suicidal policy. Our President is undoubtedly a good man and well-meaning man, but it would have been a blessing to the country if he had had more business experience before he assumed the grave responsibility of the office with which he has been honored and which I took great delight to assist him in. * * * (Hon. GEORGE J. KINDEL, CONGRESSIONAL RECORD, Aug. 11, 1914.)

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CONGRESSMAN BUCHANAN (DEMOCRAT), OF ILLINOIS, THINKS DEMOCRATS OUGHT TO BE AS CONSIDERATE TO THE LABORING PEOPLE AS THE REPUBLICANS WERE.

Mr. CAMPBELL. Has the gentleman any proposition to make as to this—how he can get laboring men to read these reports? I have a great many of them, and I find it difficult to get the men to read, for instance, in relation to mine accidents.

Mr. BUCHANAN of Illinois. I will say this to the gentleman: When I was a laboring man I appreciated information of this sort, and I asked for and got it, even under Republican administration, and it seems to me that the Democratic Party, that has made the declaration that it is for the laboring people, ought at least to be as considerate to the laboring people as the Republicans were. (Hon. FRANK BUCHANAN, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 4246.)

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SENATOR WILLIAMS (DEMOCRAT), OF MISSISSIPPI, SEES THE DEMOCRATIC PARTY EMBRACING SOCIALISM AND SIGHS FOR THE OLD-TIME DEMOCRACY.

* * * Here are Democrats who 20 years ago were fighting populites all over this country when the populites were demanding Government ownership of railroads. We fought them in Mississippi on every hilltop and down in every shadow of every valley, and we whipped them to a finish, because we fought them in the open. Now, here are Democrats standing around and wanting to do just what the populites then asked, wanting to turn this Government over to State socialism—not the socialism of Marx, not the socialism of the French socialists, in which there is some reason, but State socialism—upon the theory that a State can manage transportation, industry, manufacturing, and other things better than they can be managed by private enterprise.

Oh, for the great Democratic Party, the party of Thomas Jefferson, the party of individual enterprise, the party whose cornerstone was that the most sacred thing in the world was the individual and individual enterprise, the party which believed that government was organized solely for the purpose of preventing depredations by one individual upon another and that all that was necessary for government to do was to see to it that every man had a fair field and equal opportunity. * * * (Hon. JOHN SHARP WILLIAMS, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 2175.)

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SENATOR VARDAMAN (DEMOCRAT), OF MISSISSIPPI, DISAGREES WITH HIS DEMOCRATIC COLLEAGUE (SENATOR WILLIAMS) AND SAYS THE POPULIST CREED HAS BECOME THE POLITICAL FAITH OF THE NATION.

In fact, Mr. President, the Populist creed, which has been so much criticized, that platform of principles which they proclaimed at Omaha, has been appropriated by the Democrats and stolen by the Progressives. Really the creed of that much despised and criticized political minority has now become, to a very large extent, the political faith of the Nation. (Hon. J. K. VARDAMAN, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 2234.)

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CONGRESSMAN KINDEL (DEMOCRAT), OF COLORADO, THINKS PRESIDENT WILSON AN AUTHORITY ON SYNTAX AND ETYMOLOGY, BUT IS IGNORANT OF THE SCIENCE OF TRANSPORTATION—HE WOULD SEND THE "BLUNDERING" POSTMASTER GENERAL TO TEXAS "TO PUNCH COWS."

While our Postmaster General takes great credit upon himself, I must say that I can not agree with the distinguished chairman of the Post Office and Post Roads Committee, who thinks that Mr. Burleson is the best man on earth. He may be that, but certainly he has not demonstrated to me that he is the wisest in conducting the parcel post.

* * * * * * *

I have taken the matter up with several Cabinet officers and the honored President himself, and while I have a great regard for the President, who is unquestionably an authority on syntax and etymology, he admittedly knows little or nothing about the science of transportation.

This is not the first time I have made known the inconsistencies and injustices to the powers that be. Besides this being my fourth speech on the subject I have talked almost daily to the various heads and subheads for the past nine months. Some changes have followed, but not one of them in a logical or scientific way.

Until the President realizes his mistake and sends the blundering Postmaster General Burleson and Chairman Clark, of the Interstate Commerce Commission, one of them to punch cows in Texas and one to punch railroad tickets in Iowa, we can not hope for any improvement. (Hon. GEORGE J. KINDEL, CONGRESSIONAL RECORD, 2d sess. 63d Cong., pp. 2508, 2510.)

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* * * *The President has stated that he does not feel at liberty to take a position where the Democratic platform has not taken a position, but he has not stated that he did feel at liberty to repudiate the Democratic platform where it has taken a position.* (Republican Leader JAMES R. MANN, CONGRESSIONAL RECORD, 2d sess. 63d Cong., p. 3344.)

THE BALTIMORE PLATFORM.

I was once a joyous platform, in Baltimore I was made;
The people laughed and hollered and the bands all came and played.
My planks were joined so neatly that the carpenters declared
'Twas a case of clear perfection, and they'd lick the man who dared
Insinuate that I was anything but stanch and good.
And now there's not enough of me for campaign kindling wood.
Where are now those vocal efforts and those sentiments sublime,
Those tunes played gladly out of key and mostly out of time?
Gone into deep oblivion, laid high upon the shelf.
Dear, patriotic speeches, you're back numbers like myself.
They said they made me strong enough to cope with any fate,
And yet I proved as fragile as a chunk of armor plate.
To patriotic fires I'd give some splinters, if I could,
But now there's not enough of me for campaign kindling wood.

Why the Man Who Works is Poor; or, Plain Graft Exposed.

EXTENSION OF REMARKS

OF

HON. A. W. LAFFERTY,

OF OREGON,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 8, 1914.

Mr. LAFFERTY. Mr. Speaker, in one respect I occupy a unique position in this House. I have not the support of a single daily newspaper anywhere. I have neither the support nor the indorsement of any party. For three years anyone feeling that he needed a little leg exercise, especially if he lived in my district, has taken a kick at me.

THANKS HOUSE FOR KIND TREATMENT.

Yet this House has treated me kindly, has passed 32 of my bills in three and one-half years—more than it has passed for any other Oregon Member—and it has acted favorably on three great measures, two of which I was the first Member ever to propose in Congress, to wit, the eight-hour law for women in the District of Columbia and the bill to take over the street railway system of Washington as a Government utility. The third bill in which I took a very active part, and which the House passed, was the parcel post.

CORPORATIONS SAY I AM "UNFIT."

Recently a corporation lawyer of Portland, Richard W. Montague, of Wood, Montague & Hunt, made a speech at a ladies' pink tea at the home of Mrs. Thomas G. Greene, 337 Jessup Street, which speech was printed in the Journal of October 3, and in that speech Mr. Montague told the ladies that since my election to Congress my conduct had been such that no self-respecting man or woman could vote for me for reelection. Mr. Montague lives in a precinct on Kings Heights, which precinct at the late primary gave me only 5 votes to 50 votes for McArthur, so Mr. Montague doubtless voices the sentiment of his high-brow neighbors, who are all corporation people and bankers. But he made the speech in question in East Portland, which went for me in the late primary and where I carried one precinct 20 to 1 against McArthur. I have no fears that the sensible people of East Portland are going to be influenced by pink-tea speeches delivered by this "Romeo" Montague, imported from Kings Heights.

FOR MEN WITH THE OVERALLS.

I stand for the man who wears the overalls. He is the man who has built everything in this world, on land and sea, except what was given to us by Almighty God. The balance of us, if willing to serve the special interests as lawyers, doctors, ministers, and editors, may go through life in ease and comfort, supported, fed, clothed, and cared for by the man in the overalls.

The houses in which we live, the streets upon which we walk, the trains in which we ride, the automobiles in which some of us ride, the steaks and chickens which some of us eat, the ships in which we sail, the temples in which judges hold their courts—and issue injunctions against labor unions—the palaces in which millionaires and high officials reside, the great marble buildings with gold domes in which laws are made, and the cannon with which battles were fought, all come from the man who wears the overalls. That man, of all others, should be honored and respected. That man, of all others, should receive sufficient salary to raise his family with dignity and with comfort.

The great majority work, but the few get the benefits of labor. Oh, yes; they say I am a demagogue. Is any man a demagogue who tells the truth? Is any public official a demagogue who keeps his word. If so, then I am a demagogue.

When I first ran for Congress I said I would stand for specific laws, which I named, to give the people who work a greater share of their product—an absolutely fair share of it. The question most frequently asked me in that campaign was, "Will you stand after election where you stand now?" I said I would, and I have kept the faith. Because I have done so, Mr. Montague says that my conduct since my election has been such that no self-respecting man or woman can vote for me for reelection. He evidently means that no selfish man or woman, who has only his or her private graft in mind, should vote for me.

POWERFUL INFLUENCES BROUGHT TO BEAR.

All the newspapers turning against me and all the "high brows" turning against me has had one decided effect. It has burned the bridges between me and them, and henceforth and forever my entire energies are devoted without qualification, evasion, or exception to the cause of the man with the overalls.

Every grafting special interest in the country makes its influence felt on Members of Congress, Senators, and the President. The power of the press is more potent than any other weapon they have. When I first came here my heart was in the right place, just as it is now, but I would have hesitated long then to antagonize the Oregonian or the Saturday Evening Post lest my political career be cut short by the power of those great publications. But the newspapers assaulted me under the belief that they could retire me to oblivion, and now there is a breach between me and them that can never be bridged over. I am now free to say what I think and to tell the people the whole truth about the newspapers. Every special-privilege corporation and banker in Portland and all whom they can influence are fighting me, and I am free to tell the whole truth about them. I shall now detail some of the graft that goes to make up the high cost of living to the average honest citizen.

BURDENS FROM GRAFT.

Recently we put a new burden on the people by passing the war-tax bill to raise $100,000,000 of revenue. We are giving away nearly that much yearly to the Oregonian, the Journal, the Saturday Evening Post, and the other great papers going to make up the "press."

I have in my hand a letter from the Postmaster General, written this month, saying that for the last fiscal year, ending June 30, 1914, the Oregonian sent through the mails at the 1-cent a pound rate nearly 1,000,000 pounds of papers, the Journal nearly 900,000 pounds, and the Saturday Evening Post over 37,000,000 pounds, and I also hold in my hand the report of the a pound to transport these papers. Therefore we donated last year to the Oregonian $70,000, to the Journal $63,000, and to the Saturday Evening Post $2,590,000. On former occasions I have used figures from the National One-Cent Letter League, of Cleveland, stating that the subsidy to the Saturday Evening Post was $4,000,000 a year, but the figures I now have are official, just received within the last week from the Post Office Department. Heretofore I have estimated upon information furnished by the papers themselves that the Journal and Oregonian received a combined subsidy of $48,000 a year, but the official figures show that they receive a subsidy of $133,000 a year.

REMEDY DEMANDED.

If we would compel all newspapers and magazines to pay cost of transporting their papers, we would not need the "war tax," or if we would apply the saving to the reduction of first-class postage we would have 1-cent letter postage at once. The Oregonian is making a quarter of a million a year. It could well afford to pay the actual cost of transporting its papers, which is all I ask.

The poor people of Portland are now donating to the Oregonian in mail subsidy the enormous sum of $70,000, to the Journal almost as much, and yet those papers refuse to stand by the poor people, but represent the special-privilege corporations, and them alone. How long, I wonder, will the people stand it. Certainly not one minute after a majority of them know the facts.

BANKING GRAFT.

The high-brow bankers of Portland all vote against me and with the Oregonian and the Journal. They have good cause to do so. I am against the banking graft just the same as I am against the newspaper graft. The First National Bank of Portland has "deposits" of $7,804,492, and it has "lawful money" on hand of only $1,727,818, and yet it has loaned out the enormous sum of $7,782,999. This from page 622 of the 1913 report of the Comptroller of the Currency. The bank is merely an agency into which John Jones deposits $1,000 and from which William Smith borrows the same $1,000. The bank charges 8 per cent. If it pays the depositor 4 per cent, it still makes 4 per cent on the transaction. So that on the $7,000,000 and more which the people of Oregon have deposited in the First National, the First National is making yearly a profit of 4 per cent, or $280,000. So it will appear that the banking graft is almost as good as the newspaper graft. The truth is that H. L. Pittock, the shrewd native of England, owner of the Oregonian, and a born exploiter of the people, has recently gone into the banking business also, and he is now president of the Northwestern National. He was not the boy to stand by and see Mr. Ainsworth and Mr. Mills get all the banking graft. The banking business is a legitimate business, if squarely conducted, the same as is the newspaper business, but for heaven's sake leave a little for the people who do the work.

QUICK RELIEF AVAILABLE.

Why does not the Government extend the functions of the postal savings banks? The answer is that it would interfere with the graft of the banks. Now, you can only put $500 all told in a postal savings bank, and not more than $100 in any one month, so it would take you five months to get your $500 deposited. The Government pays you 2 per cent if you leave your money a full year, otherwise nothing. The Government immediately redeposits your money in the local banks at 2½ per cent, and the local banks loan it out at 8 per cent. Why not enlarge the power of the postal savings banks, let them take all the money they can get, and then let the Government loan it to the farmers at 3 or 4 per cent? The answer is it would hurt the banking graft. One bank in New York has deposits of the people's money of over $100,000,000, and the same is true of a bank in Chicago. The interest on that at 4 per cent is $400,000 a year to each bank. Look at the millions that could be saved to the people yearly if the Government would enlarge the postal savings banks and take from private corporations some of the profits of banking. Money is naturally a Government monopoly, and the profits from this monopoly should not all go to private banks.

GRAFT OF PUBLIC UTILITIES.

The graft of the railroads, street car systems, telephones, telegraphs, electric light and gas systems, has been specifically pointed out in former speeches by me. The Portland Railway Light & Power Co. is a fair example. Its gross receipts for 1913, according to Moody's Manual, were $6,723,742; total expenses and taxes, $3,298,319; net profits—over 50 per cent—$3,424,423. So that the profits of this one monopoly amounted to more than $12 per person in Portland, or more than $48 per family. No wonder that a monopoly that is collecting $12 in velvet from each man, woman, and child in Portland yearly is opposed to me, and no wonder one of its corporation lawyers thinks that no self-respecting man or woman could vote for me.

WILL YOU STAND FOR IT?

I am wondering if the people are going to be fooled again by the special-privilege corporations, or will they show that they are really worthy to be American citizens; that they are really free and independent, and not bounden slaves for all the long future.

The interests nominated Mr. McArthur in the late primaries, whom they expect to be elected and to serve them in Congress. A certain Mr. Flegel, for whom the aforesaid corporation lawyer, Montague, was speaking on the occasion mentioned, is also running, as is one Moulton, who formerly worked in my office and who is expected to get the votes of some of my friends.

MOULTON AND FLEGEL OPPOSE GOVERNMENT OWNERSHIP.

Both Moulton and Flegel stand with McArthur in opposing Government ownership. Flegel is the same stripe of conservative as McArthur, and received indorsements, along with McArthur, for nomination at the primaries by the "Voters' Protective League," a sort of A. P. A. organization, and by the "Nonpartisan League," an adjunct of the employers' association. Flegel was a standpatter in the city council and he is a standpatter now. He admits himself that he opposed woman suffrage until after the amendment was adopted—this at the Lincoln High School in May, 1914.

MOULTON AN INGRATE.

Arthur I. Moulton is worse than a standpatter. He is the basest ingrate that ever asked for public office at the hands of Multnomah County. Moulton is only 27 years of age and was formerly a clerk in my office. He came to Portland from Walla Walla, Wash., in January, 1908, to work for me at $75 a month. Instead, I voluntarily paid him $100 a month from the start, and he worked for me until September, 1909—nearly two years. In that period he was admitted to the bar. In that period he was married. In that period he became acquainted with my business and my clients. When I was elected to Congress in 1910 Moulton inherited nearly all of my business. Moulton enthusiastically supported me for Congress in 1910. He was even more enthusiastic in his support in 1912, going all over

Multnomah County with A. C. Marsters, E. E. Jones, and others, making laudatory speeches in my behalf. Moulton was himself a candidate for Republican nomination for the State legislature in 1910 and was properly gloriously defeated. Now Moulton thinks he ought to be Congressman in my place.

MOULTON'S PLATFORM STOLEN.

Every plank in Moulton's platform is stolen bodily from my platform, except that of prohibition, and if Moulton were sincere in his protestations he would be out supporting me now, as he did two and four years ago. Let him state what has happened within the last two years to transform me from a gentleman worthy of his enthusiastic support to one deserving of his cowardly and insinuating abuse. Let him give one specific incident, except the fact that the swell-headed Moulton, 27 years old, my former clerk, who has been made what he is by me, wants the office himself. The answer is that Moulton is merely one of the many ingrates with which this country is filled. He should and will be rebuked.

Analysis of the Clayton Antitrust Law.

EXTENSION OF REMARKS

OF

HON. LOUIS FITZHENRY,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 8, 1914,

On the conference report on the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. FITZHENRY. Mr. Speaker, this was a great measure when it passed the House as originally reported from the Committee on the Judiciary. Upon an extended consideration in the Senate numerous amendments have been made. When the bill came back to this House from the Senate with the latter's amendments, we voted to disagree to the Senate amendments and asked for a conference.

After many weeks of patient and conscientious labor the conferees of the House and Senate have reached an agreement and joined in a report to their respective Houses. The Senate has already concurred in the report of the conferees and the House is now about to do likewise.

No matter what the future may bring to me, I will never cease being proud of the part I have taken, humble as it may be, in the preparation of this law, as a member of the Committee on the Judiciary, and in procuring its final enactment into law.

In a few days it is my firm belief President Wilson will affix his signature to it as a measure which marks the performance of another great platform pledge of the Democratic Party.

Promises which have been liberally made by other political parties regularly with each succeeding national convention have been broken with as much regularity as they were made.

PRIVATE MONOPOLY, COMPETITION, OR SOCIALISM?

As a Government, there are three well-marked economic policies, any one of which we may pursue: (1) That which permits the control of business by private monopoly; (2) that which provides for competitive business; (3) public monopoly, or State socialism.

The first economic policy has been enforced in this country with governmental aid to such an extent that it almost endangered the stability of our free institutions. Our high protective-tariff system has shut out foreign competition while big business has been permitted to annihilate domestic competition to such an extent as to intrench itself as a private monopoly. This system has been effectually repudiated by the American people. We were formerly told that the American market was a great thing for Americans; that if a foreigner wished to enjoy the benefits of the American home market he should pay for it—this upon the foolish theory that the foreigner paid the tariff tax. The people, however, have learned that a prohibitive tariff simply prevented foreign competition, and by actual experience they have learned that the competition in the domestic market has been fettered and destroyed by certain practices leading up to private monopoly; that the consumer not only always pays the tariff tax, but also the tribute to privilege.

As to the third economic policy, I am one of those who believe that the American people are not yet ready to adopt a policy of public monopoly, or State socialism. There are, however, many able writers and thinkers upon this subject who contend that we are now ready and that we should immediately take on socialism.

The American people will never make the radical change of fiscal policies from private monopoly of commerce to that of public monopoly without giving the second policy, which I have just mentioned—that of competitive commercialism—a fair trial.

UNDERWOOD LAW PROMOTES COMPETITION.

The passage of the Underwood revenue law, which became effective October 3, 1913, is a decided step in the direction of competitive commercialism. In fact, that great measure, while a revenue law, was written with the idea of encouraging competition. The beneficial effect of the great Underwood tariff law could not be fully enjoyed by the people generally unless the antimonopoly laws of this country were either rewritten or supplemented so as to make them effective.

The law now upon our statute books—the Sherman antitrust law—has to a certain extent proved ineffectual for several reasons. Among them are these: (1) It made no provision for preventing and punishing the dangerous practices leading up to private monopoly. It gave the injured business man, whose efforts and energies were devoted to acquiring business and serving patrons through efficiency and merit, no relief from the crushing competition of the inefficient and criminal trusts. (2) Prosecutions under the Sherman antitrust law could not be commenced and prosecuted except "under the direction of the Attorney General." The best the most diligent Attorney General of the United States could do in the enforcement of the great Sherman antitrust law was to "scratch around the edges." It has made relief questionable as well as extremely expensive. No ready remedies were provided.

The Clayton anti-trust law, when signed by President Wilson, provides the American people with ample remedies for their speedy relief.

ANALYSIS OF THE PROVISIONS OF THIS BILL.

The first section of this bill is devoted to definitions, making the object and scope of the law plain and unmistakable.

The second section strikes at the practice of discriminating in price between different purchasers of the same commodity with intent to restrain trade and promote monopolies.

Section 3 treats with what is known as "tying contracts," such as are made by the Shoe Machinery Co. whereby it controls its products after sale so that if a purchaser operating a shoe factory refuses to buy all of his supplies, repair parts, and other machinery from this one concern the purchaser can be completely put out of business, as it were, by the withdrawal of all the machinery from the factory by the trust.

Section 4 permits any person injured in his business by anything forbidden by the antitrust laws to sue and recover threefold damages in any district court of the United States.

Section 5 gives to a person injured by the unlawful practices of trusts and combinations in restraint of trade the benefit of a final judgment or decree, as well as the evidence used by the Government to procure the judgment or decree, thus saving the litigant the enormous expense as well as the delay incident to collecting it.

HUMAN LABOR NOT A COMMODITY.

Section 6 is the great "magna charta" to the toiling masses of this country, permitting individuals to organize for all lawful purposes, and announcing the principle that "the labor of a human being is not a commodity or article of commerce." If there was any one issue decided more conclusively than all others in the great conflict of 1861 to 1865 it was that the labor of a human being from that time henceforth should not be a commodity nor an article of commerce in this country. Yet great trusts and combinations, with the assistance of some of the judges of our Federal courts, have made some progress along the line of establishing a system of law by precedents which recognizes that the labor of a human being is a commodity or an article of commerce. This law will forever settle that question.

My district, which is not a large one, at this late day, almost 50 years after the historic scene at Appomattox, contains about 1,400 gallant old veterans, many of whom bear the scars of battle and all of whom now show the ravages of years, who went to the front gladly to lay down their lives to vindicate the doctrine that the labor of a human being should not be a commodity. It is gratifying even at this late day to be able to reassure them that the sacrifices which they made and the suffering which they and their comrades endured in the great conflict have not been in vain.

No; the labor of a human being is not a commodity or an article of commerce, and hereafter nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations instituted for the purposes of mutual help and not having capital stock or conducted for profit, or to forbid or restrain indi-

vidual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

Section 7 deals with holding companies and prohibits their organization and operation for the purpose of lessening competition or restraining it in any one section to the detriment of the people and business of that section, and strikes at a well-known practice by which competition has been destroyed.

INTERLOCKING CORPORATE DIRECTORIES.

Section 8 deals with the general subject of interlocking directorates, and was written in response to the great message of President Wilson delivered before Congress on June 20, 1914, in which he said:

We are all agreed that "private monopoly is indefensible and intolerable," and our program is founded upon that conviction. It will be a comprehensive but not a radical or unacceptable program, and these are its items, the changes which opinion deliberately sanctions and for which business waits:

It waits with acquiescence, in the first place, for laws which will effectually prohibit and prevent such interlockings of the personnel of the directorates of great corporations—banks and railroads, industrial, commercial, and public-service bodies—as in effect result in making those who borrow and those who lend practically one and the same, those who sell and those who buy but the same persons trading with one another under different names and in different combinations, and those who affect to compete in fact partners and masters of some whole field of business. Sufficient time should be allowed, of course, in which to effect these changes of organization without inconvenience or confusion.

Such a prohibition will work much more than a mere negative good by correcting the serious evils which have arisen because, for example, the men who have been the directing spirits of the great investment banks have usurped the place which belongs to independent industrial management working in its own behoof. It will bring new men, new energies, a new spirit of initiative, new blood, into the management of our great business enterprises. It will open the field of industrial development and origination to scores of men who have been obliged to serve when their abilities entitled them to direct. It will immensely hearten the young men coming on and will greatly enrich the business activities of the whole country.

This section deals with some of the remarkable conditions brought to light by the Money Trust investigations of the House of Representatives, which established the fact that a few bankers in New York City controlled, through the medium of interlocking corporate directories, all of the important banks in the money centers of the country. These banks in turn controlled the insurance companies, the railroads, and the great industrial corporations. This system was the medium through which the Wall Street Money Trust controlled the opportunities of the American boy, produced panics at will, and cowed Executives and Congresses, as well as dictating to courts.

RAILROAD OFFICIALS REGULATED.

Section 9 is a provision designed to prevent the officers, directors, and agents of associations and corporations from raiding the properties which they control, and will prevent such transactions as the raiding of the Chicago & Alton Railroad, the New Haven Railroad, and other great institutions so important to the prosperity of our people.

Section 10 requires railroads in making large contracts for construction or maintenance of any kind where the contract amounts to more than $50,000 in any one year to do so by public bidding, preventing conspiracies on the part of the officers of railroads and supply companies to loot the treasuries of the railroads, thereby crippling the arteries of commerce for their personal aggrandizement.

Section 11 apportions the regulation of large interstate business institutions; it confirms the authority of the Interstate Commerce Commission as to common carriers; it authorizes the Federal Reserve Board to prevent unlawful practices by the banks and trust companies of the country; it gives to the Federal Trade Commission the prevention of all unfair and unlawful practices by the great industrial corporations of the country and provides for the enforcement of its lawful orders in the courts.

Section 12 authorizes the commencement of a suit in any judicial district where an inhabitant has been injured as well as in the district where a defendant resides.

Section 13 authorizes subpœnas to run in other districts than that in which the proceeding is pending.

Section 14 makes the guilt of the corporation personal to the director, officer, or agent authorizing the unlawful act.

Section 15 is a reenactment of section 4 of the Sherman Antitrust Act.

Section 16 provides for injunctive relief to persons, firms, or corporations threatened with loss or damage by violation of the antitrust laws.

GOVERNMENT BY INJUNCTION AND CONTEMPT ORDERS.

Sections 17 to 25, inclusive, deal with the procedure and orders in injunction and contempt cases. They limit the application of injunctive relief against working people to such application as would be recognized by the court if no labor dispute were involved, thus making the application of such laws uniform. A trial by jury is authorized in indirect contempt cases. According to the law as recognized at present, the judge is not only authorized to punish for a contempt committed in his court in his presence, but also severely to punish persons who have violated an order at a distance from the court, of which violation the court has no original information, but must hear evidence to determine whether or not a contempt has been committed.

This bill recognizes the great necessity for courts being given ample opportunity and full power to enforce their orders and decrees, but provides that where it is necessary to hear evidence and determine the guilt or innocence of a person charged with violating the order of a court where a penalty is attached a defendant is given the right of trial by jury.

Politicians seeking office, newspapers and magazines, discharging what they conceive to be their duties to the public, and lecturers upon the Chautauqua circuits, for a decade have been denouncing the evils and detailing the consequences of the pernicious practices at which this great measure strikes. Its enactment into law by Congress, its approval by the President, and its rigid enforcement by the Government, as well as the pursuit of the remedies afforded individuals, will do more to guarantee the youth and young manhood of this Nation a fair opportunity in life and to restore healthy business conditions than any measure which has been written into law in half a century.

STAND-PAT POLITICIANS DISAPPROVE THIS BILL.

The school of stand-pat economists and politicians who having been honored with office upon their advocacy of laws granting relief to the people, and have proceeded to enact laws to further intrench private monopoly, does not approve this bill. The ultra advocates of public monopoly or state socialism do not approve this bill, but the great masses of toiling humanity, the little business man who wants the opportunity to grow big, the farmer of America who for years has been obliged to sell his products in the free-trade markets of the world and buy everything that he needs in life and in the operation of his business in a trust-protected, monopoly-controlled market, will be filled with gratitude to those of us who have had a part in the great work which has resulted in this bill.

While in Europe the generations unborn are groaning under the burdens of the staggering war debt now in the making, the future generations of America will be singing the praises of this law and its companion acts for preserving their constitutional rights to life, liberty, and the pursuit of happiness.

"TEETH" NOT EXTRACTED FROM THE BILL.

Since this measure left the conference committee, and while the report of the conferees was under consideration in the Senate, a great deal has been said in the newspapers about the teeth having been extracted from it so that it was as toothless and as harmless as a newborn babe. The authors of such statements evidently have not read the bill. Instead of it being toothless, it is far from it. The gentleman from Arkansas [Mr. FLOYD], one of the conferees, has explained, and probably will do so to this House, that it has a full set of most useful teeth; that there are 26 different new and ample remedies for the relief and protection of the people and the punishment of offenders provided in this law.

SOME READY REMEDIES GIVEN.

It makes guilt personal; it provides not only for mere fines but also imprisonment for those guilty of the practices prohibited; it gives an injured person the benefit of all of the work done by the Government in securing a conviction of a violation of the antitrust laws; in other words, it provides that the evidence procured for public purposes is available to an injured person for his private benefit. Where there has been a conviction of a defendant, a private individual is authorized to plead the judgment or decree of the court. It gives those injured by practices prohibited threefold damages, and authorizes the injured party to sue in his own name and to choose his own forum. It authorizes an individual to seek and have the remedies of the law before his business is destroyed, as well as after.

INJUNCTIVE REMEDY ALSO EFFECTIVE.

The great benefit of some of these remedies will be appreciated when considered in the light of general experience. The railroads of the country were crippling and killing hundreds of thousands of their employees every year when Congress passed what is known as the safety-appliance act. No effort was ever made to enforce the criminal features of that law, but the right of employees to sue and recover damages for injuries received by reason of a failure to comply with the law forced the railroads to equip their cars and engines with automatic

couplers, air brake, and other safety appliances at a tremendous cost and as expeditiously as possible.

In every State the social evil has been unlawful and criminal punishments provided. However, these criminal punishments have not always been effectual, but the recent remedy of injunctive relief provided in some States has been extremely effective wherever applied. Where the only remedy is a criminal remedy, the advisability of prosecution is addressed to the discretion of the law officer of the community. Should he decide that a prosecution is unnecessary or unwise there is ordinarily no relief. However, where the citizen has been given the right to pursue a separate and a private remedy, violations have immediately ceased and the law has been observed.

Under this law every remedy which the Government or any citizen now enjoys has been preserved; in addition, many new and effective remedies for protection and relief are afforded.

COMPETITIVE COMMERCIALISM ONLY POLICY NOW OPEN.

As I said before, the American people have repudiated private monopoly, and they hesitate to embark upon the unknown sea of public monopoly or socialism. The only alternative left is to give competitive commercialism a fair trial.

The Underwood tariff law, destroying trust-breeding special privileges, the Federal reserve act, which has taken the control of the money and credits of the country from the bankers of Wall Street and placed it in the hands of the people through their Federal Reserve Board, making money panics impossible, and the final enactment of this measure into law, will do more to perpetuate our liberties as a Nation and our opportunities as individuals than any system of laws ever written. Why should it not be so when the very corner stone of our Republic is "equal rights to all and special privileges to none"?

CRIMINAL BIG BUSINESS SURRENDERS TO THE PRESIDENT AND "PLEADS GUILTY."

I can not close this discussion without calling the attention of the House to one other material fact. The laws which we have enacted at this session of Congress, to which I have just alluded, fix the rights of our people. No law will enforce itself. The truth of this assertion is established by a mere reflection. Consider the growth and development of the criminal trusts during the 16 years of encouragement which they enjoyed immediately preceding the advent of President Wilson into the White House; think of the neglect of the people's rights; the timidity of the Department of Justice and its sham battles with big business. On the other hand, reflect upon what has happened since President Wilson went into the White House. He is there by the decree of the American people. They know he has the intelligence to understand the rights of the people and ascertain the wrongs inflicted upon them. They also know that he has the courage and disposition to protect them in the enjoyment of their rights. No set of men was quicker to grasp this fact than those who have robbed the people, wrecked railroads, cornered the shipping of the seas, and been the invisible government of this country, for they have shown it by their acts. Shortly after our great peace President became the Chief Magistrate of this Nation the trusts began dissolving and the magnates sought the White House to "plead guilty and take the lowest punishment." By their conduct, prompted, of course, by selfish motives, they paid the most commanding figure in all the world to-day the highest compliment of his great career.

Adoption of Conference Report on Antitrust Bill.

EXTENSION OF REMARKS

OF

HON. CHARLES H. SLOAN,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 8, 1914,

On the conference report on the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. SLOAN. Mr. Speaker, there has been a general demand for trust legislation throughout the country. The several political parties in their platforms pledged support for that character of legislation. The Republican Party declared:

The Republican Party favors the enactment of legislation supplementary to the existing antitrust act which will define as criminal offenses those specific acts that uniformly mark attempts to restrain and to monopolize trade, to the end that those who honestly intend to obey the law may have a guide for their action and that those who aim to violate the law may the more surely be punished. The same certainty should be given to the law prohibiting combinations and monopolies that characterizes other provisions of commercial law, in order that no part of the field of business opportunity may be restricted by monopoly or combination, that business success honorably achieved may not be converted into crime, and that the right of every man to acquire commodities, and particularly the necessaries of life, in an open market, uninfluenced by the manipulation of trust or combination, may be preserved.

The Progressive Party declared:

We therefore demand a strong national regulation of interstate corporations. The corporation is an essential part of modern business. The concentration of modern business, in some degree, is both inevitable and necessary for national and international business efficiency; but the existing concentration of vast wealth under a corporate system, unguarded and uncontrolled by the Nation, has placed in the hands of a few men enormous, secret, irresponsible power over the daily life of the citizen—a power insufferable in a free government and certain of abuse.

This power has been abused in monopoly of national resources, in stock watering, in unfair competition and unfair privileges, and, finally, in sinister influences on the public agencies of State and Nation. We do not fear commercial power, but we insist that it shall be exercised openly, under publicity, supervision, and regulation of the most efficient sort, which will preserve its good while eradicating and preventing its evils.

The Democratic Party declared:

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others, the prevention of holding companies, of interlocking directors, of stock watering, of discrimination in price, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.

I do not urge these as a demand for fulfillment of platform pledges or as a charge of breach of faith upon any political party. Platform pledges during the last 18 months have lost much in the respect which the public has heretofore paid them. It is doubtful if the platform pledge of any party or of any man will receive the credence that such pledges have heretofore been accorded by the American people. The reason for that, of course, is the numerous definite pledges made at Baltimore and the general disregard, violation, or repudiation which have been registered against nearly every plank in that much-discussed document.

The demand for trust legislation has been nonpartisan and a dominant feature of the public mind. It was thought and expected that trust legislation might be approached, worked out, and passed in a nonpartisan way, but that was not to be. Such as was worked out for the use of the House was obtained and considered in secret by the majority members of the Judiciary Committee. The minority members were denied participation in its formulation. The bill presented to the House was ill considered, crude, and of doubtful workability. However, a large number of Members on this side, in view of the general demand for trust regulation, overlooked the partisanship of the measure and voted for its passage. We considered that it would go to the deliberative body of this Capitol and there be improved, finished, and pressed into workable shape and condition so that some wholesome results might be expected from its enforcement. It has been before that body for some time in original consideration, and for a considerable period later in conference.

Here it comes back to us in such form that while it does not repeal the Sherman law, by virtue of its complicated and peculiarly officered means of enforcement, it will practically supersede the application and enforcement of that law. That law, by reason of its study, enforcement, and judicial interpretation, had become to a large extent an effective instrument for the solution and control of the trust problem.

The law as embodied in this conference report will be a medium for compromising and compounding offenses under the Sherman law. The bill we sent over, and which we expected to be improved and finished, has been emasculated and weakened beyond recognition and beyond effective utilization.

It is proposed by this conference report to apply a palliative plaster and a soothing salve where the public has been demanding a surgical operation. The people have demanded legislation adverse to the trusts. Here we are presented a conference report which simply coddles them. A vote for this conference report is a concrete and condensed apology to the trusts, present and future, for having ever opposed them.

This bill, sent by vote of the two Houses to conference, seems to have reached a dental parlor instead of a finishing factory. At least it comes back to us champing its sore, bare, and vacant gums. It should be returned to the conference committee by such an emphatic vote as will be to that committee a command to restore its teeth and make it stand for something.

Principles of the Progressive Party.

Col. Roosevelt's Speech at the Progressive Convention in Bay City, Mich., September 30, 1914.

EXTENSION OF REMARKS

OF

HON. ARTHUR R. RUPLEY

(PROGRESSIVE CONGRESSMAN AT LARGE),

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 14, 1914.

Mr. RUPLEY. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include a speech of Col. Roosevelt, delivered at the Progressive Convention in Bay City, Mich., September 30, 1914, on the principles of the Progressive Party of the Nation, as follows:

Mr. Chairman and you men and women of Michigan, naturally I take a peculiar interest in Michigan. I feel under a peculiar obligation to the people of Michigan, and, wherever else I was unable to go, to Michigan I would go [applause]; and I wish right at the outset to say how particularly glad I am to see in this audience, as in every audience I have addressed during the past fortnight, men who fought in the great war, men who fought in the late fifties and in the early sixties in founding the then progressive party—the Republican Party of that day. And when these as men are being true to the spirit of their youth in acting as they now do, they are being loyal to the same ideals to which they were loyal when they upheld the doings of Abraham Lincoln. Our opponents ask us to be loyal to the party of Abraham Lincoln. I ask you to be loyal to the principles of Abraham Lincoln. Abraham Lincoln was nearly 50 years old when he left the party in which he had spent his entire manhood because that party no longer represented, no longer stood for the vital needs of the country, and he tossed to one side the taunts of the men who jeered at him for leaving the old party ties, because, as he phrased it, his loyalty was due to the people of the United States, and he stood with the party that stood for those needs. I continually meet nice people, worthy people, who say, "Oh, yes; we agree with all your principles, but we don't like to leave the old party. My father was in it, or my grandfather was in it. We don't like to leave the old parties."

Now, I am in the grandfather class myself, I am happy to say, and if 50 years hence the Progressive Party has fallen under the control of men like Mr. Barnes, Mr. PENROSE, Mr. SMOOT, the individuals who stole the convention here two years ago, and their like; if the Progressive Party has then fallen under their control, and my children and grandchildren do not leave it, I will turn in my grave. [Applause.] Our grandchildren can prove their loyalty to us only by acting in our spirit and adopting any instrument necessary in order that they may make their action efficient at that day; and as I trust our grandchildren will act in reference to us, so we must act in reference to our forefathers. Let me just draw an illustration from military life. You see, you veterans of the big war, that Mr. WOODRUFF and I are veterans of the little war. I want you just to look at one perfectly plain, common-sense example from military history. Washington not only was the founder of our Republic, but he was the general who commanded the armies of the infant Republic, and he got his soldiers the best weapons that the day afforded. He got them first-class flint-lock muskets. That is all they had then, and he did mighty well in getting them for them. What would you think of an American general to-day who said that he was going to show his loyalty to Washington by arming the United States soldiers with flint-lock muskets? [Applause.] The American general to-day can not be loyal to the spirit and the principles of Washington except by refusing to adopt the weapons of Washington; and it is just so in civil life; you can not be loyal to the principles of Abraham Lincoln, you can not be loyal to the principles of Thomas Jefferson, except by dropping the Republican and Democratic Parties and coming into and battling for the only party which at this day stands for the democracy for which Jefferson stood, for the principles and policies which Abraham Lincoln represented and which he strove to enact into the Government of our Nation.

And a little later, in what I have to say to you, I am going to speak of the men who now appeal to the memory of Jefferson and to the memory of Lincoln when they appeal to voters whom they address. When these men who are old, whom I see here in the front ranks, were young, the then Progressive Party was formed of men such as Lincoln, who had formerly been a Whig, of Oliver P. Morton, who had formerly been a Democrat, taking them from whichever old party they had formerly been associated with, because they had felt the new life stirring in their veins. In just the same way we make our appeal to the rank and file of both the old parties. We are fighting for them against the machines and the bosses. We ask them to come in in the same spirit in which 60 years ago their intellectual and spiritual forefathers came into the then Progressive Party, the Republican Party of that day, just as Oliver P. Morton, the Democrat, and Abraham Lincoln, the Whig, came together. So I have been speaking in Illinois for our candidate for Senator, who until two years ago was a Democrat, and in Indiana for our candidate for Senator, who until two years ago was a Republican, and Beveridge and Robbins are both in the Progressive Party now. I spoke in Indiana on the same platform with our candidate for Congress in one district, until two years ago a Republican, and Shively, a kinsman of the present Democratic Senator, who is a candidate for Congress in another district. We ask Republicans and Democrats alike, if they believe in the principles for which we stand, to come in with us, for they can render no efficient service in the old parties.

I have been informed that the standpat paper here this morning stated in an editorial designed to show that we were only an adjunct of the Democracy, that I had said that we had accomplished all we wished in Maine by beating the Republican Party. I never made such a statement, but I have long given up denying that kind of misstatement because it is not made from ignorance, it is made with deliberate purpose—to deceive—and when you expose one misstatement they simply make another, and I only call attention to that to aid to point out the fact that our opponents have to rely on misrepresentation to beat us, not on argument but on misstatement of the facts to beat us, and I want to point out this further fact to our standpat friends of the Republican Party. They state that we are the adjunct of the Democracy. The Democracy is in power now only because the standpatters of the Republican Party two years ago stole from the rank and file of the party their right to nominate their own candidate. [Applause.] Two years ago the Republican bosses and leaders, carrying out the dictates of their great sinister masters who stand behind the scenes, the men who in the big business world had used these politicians as their agents, carrying out their dictates. The Republican machine masters stole the convention, they resorted to fraud, and to violence alike. One of the first and most flagrant instances was what they did in this State, and I think it was in this city and in this very building. They stole delegates from Michigan, and then when we got the vote taken before the people we beat them out two to one. [Applause.] Although they had the money, they had the organization, and they were able to make an appeal to party regularity, with those things eliminated we would have beaten them ten to one. The delegates, the standpat delegates, and I wish to call the attention of the standpat newspaper to these statements of fact, the standpat delegates whom it represents and for whom it spoke in the Chicago Republican convention two years ago, represented nothing whatever but successful swindling, successful theft, that is all [applause]; and those people ask us to amalgamate with them! [Applause.] They ask us to come together with them! We will come together with them in exactly the sense that a policeman comes together with a burglar. [Applause.]

I want to call the attention of every Michigan sugar grower to the fact that all protection has been taken off sugar because these men of whom I have spoken, these standpatters, preferred to see the Democracy in power rather than to see the rank and file of their own party control the party organization. [Applause.] They are responsible for everything that has been done, and just one word more as to our friends who say, "Oh, well, we are Progressive Republicans." They are contradictory terms. The organization of the Republican Party is more reactionary than it was two years ago, because they have eliminated the dead-game Progressives from their ranks. The organization is more stand pat, more reactionary, than it was two years ago. It is composed of men like Mr. Barnes in New York, like Mr. PENROSE in Pennsylvania, like Mr. SMOOT in the Rocky Mountains, like the spiritual heirs of Mr. Lorimer in Illinois. They control the organization absolutely, and if a man who has Progressive impulses runs on their ticket and is elected all that we accomplish is to add strength to the old, sinister reactionaries in charge of the Republican Party. He takes away from the strength of the Progressives, he adds to the strength of the reactionary elements among our people. * * *

There is but one way in which efficiently to fight for Progressive principles, and that is through the Progressive Party. [Applause.]

And I call the attention of the older men here, the men of the Civil War who remember the days of Abraham Lincoln, to the fact that in 1858, when Lincoln ran for Senator against Douglas, Douglas made exactly the plea with the near Progressives or would-be Progressives as the Republicans and Democrats make to us. Douglas, as you men may remember, was supported by some Republicans, like Horace Greeley, who says he is pretty good, he is pretty progressive, he has gone quite a distance; and Abraham Lincoln, with his clear, unfaltering logic, pointed out that that type of man simply stood for mischief in a body politic, and that the fact that he gone a little distance merely made him the more dangerous ally. You can do no good as a Progressive if you sit on the mourners' bench under Messrs. PENROSE and Barnes in their party organization [applause], and I wish to call your attention to just this feature of the appeal made to you, you Democrats, you ex-Democrats, you ex-Republicans, to stand by the party of Thomas Jefferson or to stand by the party of Abraham Lincoln, and I shall select Illinois, because in Illinois the things that in almost every State have been done in the darkness were by a fortunate chance dragged out into the light. It is not that the things done in Illinois were worse than those done in my own State of New York or in Pennsylvania, but we were able to get proof of it. Men on the inside, men of intelligence, know that such things have been done in New York and Pennsylvania, but the proof only came as regards Illinois, so that as regards Illinois we have the documents to refer to. A couple of days ago I was there in Illinois, and you remember that six years ago Mr. Lorimer was elected as Senator from Illinois, and his actions—what he had done and the methods employed in electing him—were so flagrant that Lorimerism became a term that we all of us understand throughout the country. At this moment they are running for Senator in Illinois Mr. SHERMAN, whose chief lieutenants were the lieutenants of Mr. Lorimer, and one of these ex-supporters of Mr. Lorimer, who voted for him, is running for Congressman at Large on the ticket with Mr. SHERMAN, and the Democrats are running Mr. Roger Sullivan, whose lieutenants supplied the Democratic votes necessary to send Mr. Lorimer to the United States Senate, and Mr. SHERMAN is very strong on the subject of Abraham Lincoln and Mr. Sullivan correspondingly strong on the subject of Thomas Jefferson.

Now, when Mr. Lorimer was elected he had about half—a little over half—of the Republican members of the legislature, but not enough to elect him. There was a long deadlock, and then one night the lieutenants of Mr. Lorimer and the lieutenants of Mr. Sullivan came together and the next morning enough Sullivan Democrats turned up, joined with the Lorimer Republicans, to send Mr. Lorimer as a nonpartisan candidate to the United States Senate. Now, friends, I want you to think of the next thing that I have to say for yourselves. Do not take my word for it; supply the answer yourselves to my question. The arrangements—I should like to put the word "arrangements" in quotation marks—the arrangements that resulted in the election of Mr. Lorimer and the transfer of the Sullivan Democrats to his support were made overnight in hotel parlors, hotel bedrooms, with the blinds down and the doors locked, or in nooks in saloons where nobody would overhear what was being said. Now, do you suppose that the lieutenants of Mr. Lorimer who are now the lieutenants of Mr. SHERMAN, and the lieutenants of Mr. Sullivan, when, that night in those rooms behind closed blinds and with the doors locked—do you suppose that when they discussed the details of the election of Mr. Lorimer to the Senate they mentioned the names of Abraham Lincoln and Thomas Jefferson? [Applause.] But they are just as strong for party regularity as your standpat newspapers are. Again, at the end of the session a good deal of light was thrown on that legislature, and at the end of the session it appeared that a number of the members, including a considerable number of those who had voted for Mr. Lorimer, came together in similar rooms, with the blinds down, with the doors locked, to divide what was known as the jack pot. Do you suppose when they came together, those Republicans and Democrats, the lieutenants of the men now running for the Senate on the two tickets, the two old party tickets in Illinois—do you suppose that when they came together to divide the jack pot they bothered themselves much about the principles of Abraham Lincoln and Thomas Jefferson? [Applause.] I do not have to answer that question. You answer it for yourselves. Now, do not forget that it is those men and those like them who implore the plain citizens outside never to desert the old party, to prove true to the old party name and stay in the old party organization.

Now, what I ask you to do is just this: The bosses, the master mechanics of the two old machines, in any matter of common interest to them, combine against you. I ask you in the public interest to combine against them. [Applause.] They continually appeal to the names of parties that have lost all right to existence, to the memories of great men who are dead; they continually appeal to those names, those party names, to those names of great party leaders in the past. They know that the average good citizen is pretty busy earning his livelihood and taking care of his wife and children, and that he has not very much time to think of political matters, and that unfortunately a good portion of the press keep him misinformed as to the facts and therefore he is apt to take refuge by saying that he belongs to a certain party and just do whatever the managers of that party tell him to do. We all know that that is the case among people who are our friends and acquaintances. Now, I ask those good people to take the trouble to think of the facts, as I have set them before them this afternoon—to take the trouble to think of the fact that the bosses of the two old machines never have one moment hesitated to come together for their own purposes and to suit their own purposes; never for one moment hesitated to make any kind of alliance in their interest and against the interests of the people as a whole, and the measure they mete out to you do you mete out to them in return. [Applause.] And here in this State I am pleased that I can come to speak not only for the principles of the Progressive Party of Michigan but for the character of the men whom that party has put up. Take Mr. Pattengil, for instance. [Applause.] It augers well for us that we should take a man who has rendered such honorable service as superintendent of instruction and put him up for the highest office in the gift of the State. Our aim is to choose men who render public service rather than men whose service has been that purely of the narrowest machine politics.

It is a pleasure to me to be able to speak for your congressional ticket, for men like Mr. WOODRUFF and Mr. MACDONALD [applause] and their associates, and I ask you, the voters of Michigan, to study the records made by Messrs. WOODRUFF and MACDONALD in the National Legislature, and see the way in which they have made their promises good by their performance. [Applause.] In Mr. MACDONALD'S case, his bill for an employment bureau—and I want the wageworkers to study that bill and see that that was taking one of the steps forward which we said we would take in working for the welfare of the wageworker—and I wish you to study the really remarkable record that Mr. WOODRUFF has made on all questions that have been before the Congress, and as of being of especial interest to you, what he has done in connection with the sugar tariff and with good roads. Now, take the sugar tariff. I am going to make a diversion for a moment, to tell you about my friends in Louisiana, suggested by my speaking of the sugar tariff. I was down two or three weeks ago in Louisiana. I had a perfectly remarkable reception. I believe that two years hence Louisiana will cast her electoral vote for the Progressive Party [applause], and it was an extraordinary thing to see how Louisiana, how the Progressives in Louisiana, with hardly any money, were carrying on such an efficient campaign. I spoke at places from an erected scaffold. The carpenters that had put it up were Progressives, and had given their work free. The draymen who carried the lumber there were Progressives, and had worked free, and they had selected a lumber company whose head was a Progressive, and he had given the lumber free; and I went around in motor cars that belonged to Progressives, and they were given free, and the chauffeurs were Progressives, and they worked free.

If a man could give any money he gave it, and if he could not he worked. It was being managed on a general democratic basis, each man giving what he was able to make the party a success, and the prime factor in bringing over those Louisianians to us was that they had grown tired of having the Democracy say one thing before election and the other thing after election—pledge itself to one course of conduct in its platform, and then after election announce that the platform was only meant to get elected upon, that it was not meant to apply in good faith afterwards, a condition, my friends, of rank political immorality. I have not any more respect for a man who does not tell the truth when he speaks on the stump than when he speaks in private life. If a man will break a promise on the stump you can guarantee that in office he will prove unfaithful to the interests of the people if he thinks it is to his interest to do so. [Applause.] The Louisianians before election had been explicitly assured by those responsible for the management and control of the Democratic Party that their interests would not be hurt, and then all the duty was taken off of sugar. Now, if it had been deemed proper to make a reduction in the duty, that would have been all right, there would not have been any complaint to make; but it was a rank injustice to take the duty off sugar and take it off farm products and still to leave the duty on the manufactured products in other regions. It was not fair play. It was not a square deal, and the result has been

shown in striking fashion this fall, for sugar growers in many places permitted much of their land to go out of cultivation for they could not live with no protection whatever. Then along came the war; the demand for sugar increased, and if the sugar had been produced, as it should have been, everyone would have been better off. You sometimes reap a great deal of advantage for the time being by making a promise that can not be kept, but it is not nice for him when the time for keeping the promise comes.

Two years ago our Democratic brothers told us that if they would be allowed to do what they wished with the tariff and reduce it in the way they wished that they would solve the trust question, reduce the cost of living, and increase the ability of the average man to earn a living. I want to contrast the prophecy with its fulfillment. It reminds me of the famous definition of the French pupil who was asked to define a crab. He said it was a red fish that walked backward, and the professor said that the definition was an excellent one, with three exceptions; that it was all right except that the crab was not a fish, that it was not red, and that it did not walk backward. [Applause.] It is the same way with the Democratic promise about the tariff. It has not affected a single trust in the slightest degree. It has not reduced the cost of living, and it has in places impaired the ability of the average man to earn a living [applause], and the experience with sugar illustrates just what I mean. The tariff was taken off sugar. Every sugar grower in the United States was hurt, and the Sugar Trust was not affected in the smallest degree. The Sugar Trust had no interest one way or the other in the reduction, and the tariff reduction that was supposed to be aimed at the trust left it unaffected and heaped the damage on the small man who was growing sugar. He was not the only man who was unfavorably affected. We paid more for our sugar than we did before. You have put in a draft of your platform that I saw an expression that I have been fond of using, that the Republican policies make some people too prosperous, that the Democratic policies do not make anyone prosperous enough, and it is only by following out the plans that the Progressive Party has promulgated for economic and industrial prosperity and decency that we can achieve satisfactory results.

I am going to take the liberty of telling two stories. The first one can stand on its own merits. In the second story there is one swear word, so I shall mention that it was told me by a Congregational clergyman, which, I think, absolves me. The first one, which illustrates, I think, very well the difference between the Republican and the Democratic and the Progressive Parties in their dealing in industry, relates that there was a certain housewife—and from her subsequent actions she evidently was a Progressive—and to whom some very delicious nuts were sent, and she put them in a handsome glass jar with a narrow neck; and along came a greedy little boy, and when he thought nobody was looking he put his arm down the neck and grabbed all the nuts he could get in his hand, and then found he could not draw out the hand. After a while he began to cry, and said the country was confronted by a business crisis, and along came his Republican uncle and said, "Burst the jar," and along came his Democratic uncle and said, "Cut off his hand," and his mother said, "Oh, no; let Johnny drop the nuts that aren't his and he will get his hand out." [Applause.] Now, that is just what we propose doing in the economic situation. We do not propose to hurt any man, any business man who is doing decent. On the contrary, of all the parties we are the only one which has not any hesitation in saying that we favor the efficient business unit, no matter whether it is big or little, that is necessary to do the business of to-day. [Applause.] We can afford to say that because everyone knows we are trying to give a square deal. Our opponents can not afford to say it, because in their own hearts they know they are not trying to give a square deal, and they try to cover up their paucity of performance by a surplusage of promise. They promise to do what can not be done because their masters will not let them promise to do what can be done. We know that this is the age when there must be bigger industrial units than ever before. You can not manage an electric-light age by tallow-candle standards. You can not go back to the conditions of the middle of the last century unless you are willing to go back to stagecoach and wagon conditions, and we are not willing to go back to those conditions. The big industrial units are necessary. Moreover, it is necessary that business should prosper, not only as a matter of justice to the business man, but because the rest of us do not prosper if the business man does not.

If a business does not prosper, the customers are badly served and the wageworkers get insufficient wages. A concern that is going behind would not treat the general public well and can not treat the men that work for it well. It is our interest to see that the business concern that does well prospers. [Applause.] Now we intend to work. We draw the line never against efficiency. We do not draw the line on size; we draw the line on conduct. [Applause.] There are certain businesses with which we ought actively to interfere. I am going to touch on one type of business in a minute. That is the water power. But as regards general business, the ordinary business, go ahead and succeed. The more you succeed the better pleased we are. If the success is achieved by serving and not swindling the public, we wish you well. We wish you all the efficiency possible. We wish you all the reward of the efficiency; but if it is a big factory owner, a big railroad man, the reward must not all of it stop in the front office. A reasonable proportion must show up in the pay envelopes or else it is not a square deal. [Applause.] Unless there is success it can not show up in the pay envelopes. If you do not leave any of it in the front office, there would not any of it get in the pay envelopes, but it must not all stop in the front office. A reasonable proportion must get through and appear in the pay envelopes, without which the success can not be achieved. Men must realize more and more that the ideal is that of a partnership; that the man who contributes the capital in the business, the man who gives the management, and the man who gives the manual labor, each one of them should regard the others as his partner. [Applause.] Now, that is our idea. We are not going to be able to realize it entirely, but we are to a degree. To do that, friends, we can not use flintlock legislation. Business conditions require high-power, smokeless powder. What ought to be done is to establish a control, supervision and control, by the Government, with the clearly expressed intention that that supervision and control is for the purpose not of hurting the business but of helping it, of helping the business to do well only; also of seeing that he treats his fellows well [applause], that he treats the men with whom he deals and the men who work for him well.

Now, friends, our opponents are fond of calling me an anarchist or a communist or something else attractive. You think yourself of what I have said now about business and ask yourselves if it isn't a common sense way of saying that I want to give a square deal to the business men and to the wageworker, to the employer and to the employed. That isn't anarchy. That isn't communism. It is the antidote to anarchy and communism. [Applause.]

Now, there are some things, however, that the community has to do. Years ago I pointed out, when I was President, that if the country were wise it would keep control of the fee of the water power of the country. [Applause.] There you have a natural monopoly and a monopoly that owes nothing whatever to the men who take it up. The man who takes up water power hasn't thereby rendered any service to the community for which he is entitled to have it. He has simply taken for himself a power which the country ought to prevent his taking for himself, and that is why the great electric trusts that are based on monopoly of water power are so dangerous; and Congressman WOODRUFF among all his varied public services, has rendered no greater public service than that he has rendered in connection with the attitude he has taken about these water-power monopolies. [Applause.] And now, friends, I ask you to remember this: Whenever any man takes a position such as Mr. WOODRUFF took on this subject he incurs venomous hostility on the part of the big interests. Mr. WOODRUFF has incurred that hostility from those big interests that are menaced by his actions, and he is doing it because he is doing you a favor, because he is representing the plain people; and if the plain people don't stand by him, if they don't stand by the men like him, they themselves and their children and their grandchildren will pay the penalty. [Applause.]

Now, friends, I speak of people who ask us to go back to the old parties. I have spoken to you of the Progressives of Louisiana. They can not go into the Republican Party, those people. It has been associated with misgovernment for the last 30 or 40 years in their State, so that they could no more go into it than I could not go back to the party of Mr. Barnes or the Penrose Republican Party in Pennsylvania [applause], and as for the Democratic Party, it is of no earthly use North or South, because its whole history, its development, and its principles forbid it to use power as power must be used under modern conditions. For example, Mr. WOODRUFF has been interested in the subject of good roads. We are told it is not constitutional for the Government to help with good roads. I hold that it is. I hold that the Constitution was made for the people and not the people for the Constitution [applause], that it was designed by our forefathers not as a strait-jacket to prevent us achieving our full growth, but as an instrument devised to, as its preamble states, for the better securing of justice among the people of the United States. You men of the old days, you will remember when they said that Abraham Lincoln

was unconstitutional. They proved that he was unconstitutional to put down secession, but he put it down, and they accused him of being disrespectful because, when the Dred Scott decision was made, he said he would never rest until the people repealed that decision, and the most striking example of the recall of the judicial decision that we have ever had was the recall that Abraham Lincoln finally engineered of the Dred Scott decision [applause], on the ground that it was not properly a judicial decision, on the ground that the Constitution belonged to the people of the United States; that they made it, they lived under it, they fought and died for it; and that it was for them and not for any small body of men, however well-meaning, to declare what that Constitution permitted them to do in securing justice. [Applause.] If I err in my determination about the Constitution and the courts, I err in the company of Abraham Lincoln. [Applause.] In the same way we are told that it is unconstitutional—I shall not discuss the good roads question at length with you.

The proposal of Mr. WOODRUFF is to help each locality, but only on condition that the locality does first-rate work itself; that whatever the locality, be it State, or county, or township, does its best in making a first-class road, a given proportion of the expense shall be paid by the Nation, so that unless the people take the trouble to build good roads they do not get any help; but if they do, the burden is partially lifted from them and as much from the township and from the small people to whom their roads are just as important, as much from them as from the others. That is substantially the plan. I can not go into the details of these plans, but with the general purpose and object I am in the most hearty sympathy. We are told that it is unconstitutional to abolish by national action child labor. Why? Because they said the forefathers did not provide for the abolition of child labor. Of course they did not provide for the abolition of child labor. There was not any child labor in Washington's days. There were not the machines; there were not the factories in which child labor becomes an incident to commercial success. There were not the great institutions where it was possible to commercialize the stunted lives of the children who are to make the next generation, to commercialize the labor of boys and girls 7, 8, and 9 years old, some of them not 7, 8 or 9 years old. I have myself seen children employed in oyster canneries who were 6 and 7 years old, with their hands puffy and swollen from the kind of work they had been compelled to do, and we are told that the United States Government is forbidden by the Constitution to remedy a wrong like that; and my opponents say, to use the language of Mr. Taft, that I "laid impious hands on the ark of the covenant" when I protest against the action of the legislature who says that the Constitution does not permit us to remedy wrongs like that. If they say I attack the Constitution, they err. I defend the Constitution. [Applause.] I defend it from its worst and most dangerous foes when I refuse, as far as I am able to permit it, to be made an instrument for the perpetuation of injustice and wrongdoing such as I have told you. [Applause.]

I hold that we have the right to do what the needs of to-day demand, and that the Constitution was meant for us and that we have the right to use it so as to secure justice. Therefore I hold that the Government should have full power, and I repel the assumption that the power can be denied, whether the assumption is made in the name of State rights or of any other system of philosophy. Regarding State rights, I remember four years ago in arguing for these matters with a man in New York; he met me by saying, Oh, well, he stood for the right of the community and therefore as a New Yorker he objected to the doctrine I was preaching about, the workmen's compensation act; that he objected to it; that New York should have the power to deal in these matters for itself and not be interfered with and overridden by the Nation. I suddenly remembered a little about his private history, and I said, "By the way, where do you sleep?" He said, "In Hoboken." I said, "That is in New Jersey, is it not?" He said, "Yes; but I work in New York." "Where do you vote?" "In New Jersey." I said, "Now, you sleep in New Jersey and you vote in New Jersey, you do your business when you are awake in New York, and you appeal to us not to use the national power because you object to its use in the State of which you are not a citizen." [Applause.]

I have only got a minute or two more; this is the kind of an audience I would like to speak to all of the afternoon. [Applause.] I want to give you an illustration of the kind of thing I mean when I say I want to get and the Progressive Party wants to get power nationally to deal with questions of this nature. I spoke of the workmen's compensation act just now. We had in New York a court that was composed usually of very honest, good people, whose views of the Constitution have, I am sorry to say, in the past too often rested in the flintlock state, and four years ago they denied that we had the right to have a workmen's compensation act in New York.

The Supreme Court of the United States had decided we had a right to have it in the Nation, that we could apply it, for instance, on interstate railways. Other States like Iowa, Massachusetts, and others had decided that we could have it there, but in New York the judges said no, it was unconstitutional in New York. Under those decisions the workmen's compensation law was constitutional on a freight car going from Boston to Buffalo, but not constitutional as regards a freight car going from Albany to Buffalo. So if a train from Boston came along and picked up half a dozen cars at Albany and then went toward Buffalo, and if at Rochester a brakeman fell off he had to pick his car. [Applause.] If he fell off before a Boston car and was injured he could recover damages, but if he fell off before an Albany car it was "laying impious hands on the ark of the covenant" for him to try to recover damages. Now, friends, our proposals are to treat these questions with common sense in a spirit of fair play and justice. We most emphatically do not intend to wrong the railroad. We know the railroad must earn an ample return on its capital, giving an ample earning for the management, but we do not intend that there shall be so much water in it that earning dividends on the water prevents the payment of proper wages or the giving of proper service to the community. We intend that the railroad shall do justice, and we intend it shall receive justice, and I would no more yield to the demagogic claims against the railroad than I would yield to improper pressure on behalf of the railroad. You do not get a square deal unless you give one. Handle the thing in common-sense fashion. Take for example, as illustrated—I mean in the business world—the difference between ourselves and our opponents, the dissolution of the Standard Oil Trust. I asked Congress to give me legislation that would work well while I was President. They would not do it. I had to do the best I could with the flintlock laws that I had. Suit was brought by me against the Standard Oil Co., and some years afterwards, after it proceeded a sufficient length of time, the Supreme Court decided against the Standard Oil Co. It was most emphatic that the managers of the Standard Oil Co. had behaved very badly, criminal, and accordingly it decreed that the Standard Oil Co. should be dissolved. It was dissolved. It was dissolved into, I think, 37 companies, and after it was dissolved and people could catch their breath they found that the result was that the men whom the court had denounced as criminals and wrongdoers had declared heavy extra dividends for themselves.

Mr. Rockefeller had added to his already modest fortune about eight millions of dollars, and that the only effect as regards the people at large was that they paid more for their oil. The price of oil went up to us and the dividends increased to them. That was all that happened from the application of the kind of flintlock legislation in which our opponents put their trust. Now, under our plan there would have been a Government commission with power to supervise everything. They would without hesitation have taken control of the prices in order to see that the fair-play game was carried out. The wolf would have been a long distance from the door of the man at the head of the corporation, and there would have been fair play for the men who would not get fair play on other terms.

Now, friends, I told you I was going to tell you one other story. That is the story for which I have theological authority. It is related of a certain professor that his children did not get along well with their two aunts, and when he was informed that Bill, the oldest boy, had spoken disrespectfully of his aunts, he examined Bill and said, "Bill, I understand you have spoken disrespectfully of your aunts." Bill hung his head. The professor continued, "Bill, I understand that you have said that your Aunt Grace was a fool." Bill looked about and said, "Well, I did say so." The professor continued, "I understand, Bill, that you have said that your Aunt Hannah was a damn fool." Bill said, "Yes, I did say so." The professor paused, then he said, "Well, William, that is the precise distinction I draw between them myself." [Applause.] Now, I shall not pretend to say which of the old parties is Aunt Grace and which is Aunt Hannah [applause], but that is the precise distinction I draw between them, and, friends, I ask you to go with us, because the old parties are looking backward and we are looking forward. I ask you to go with us, because we alone have a sane, a balanced, a reasoned, and a just program of action, because we alone seriously, resolutely, but with common sense, are endeavoring to make this land—this land in which our children and children's children are to dwell—a land which will be a good place for anyone to live in, because it is a good place for everyone to live in.

President's Letter of October 17, 1914, and Reply to Same.

EXTENSION OF REMARKS

OF

HON. OSCAR W. UNDERWOOD,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, October 19, 1914.

Mr. UNDERWOOD. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the President's letter of October 17, 1914, and my reply to same.

The letter and reply are as follows:

THE WHITE HOUSE,
Washington, October 17, 1914.

MY DEAR MR. UNDERWOOD: I can not let this session of Congress close without expressing my warm admiration for the fidelity and intelligence with which the program outlined in April and December of last year has been carried out, and my feeling that the people of the country have been served by the Members of this Congress as they have seldom, if ever, been served before. The program was a great one, and it is a matter of deep satisfaction to think of the way in which it has been handled.

It had several distinct parts and many items, but, after all, a single purpose, namely, to destroy private control and set business free. That purpose was manifest enough in the case of the tariff and in the legislation affecting trusts; but, though perhaps less evident upon the surface there, it lay at the very heart of the currency bill, too. May I not add, even though it lies outside the field of legislation, that that, and that chiefly, has been the object of the foreign policy of the Government during the last 18 months?

Private control had shown its sinister face on every hand in America, had shown it for a long time, and sometimes very brazenly, in the trusts and in a virtual domination of credit by small groups of men. The safest hiding place and covert of such control was in the tariff. There it for a long time hid very shrewdly. The tariff was a very complicated matter; none but experts thoroughly understood its schedules. Many of the schedules were framed to afford particular advantages to special groups of manufacturers and investors. That was the soil in which trade combinations and combinations of manufacturers most readily grew, and most rankly. High prices did not spring directly out of the tariff. They sprang out of the suppression of domestic, no less than of foreign, competition by means of combinations and trade agreements, which could be much more easily contrived and maintained under the protection of a high tariff than without it. The European war came before the withdrawal of this much-coveted opportunity for monopoly could show its full effects and active competition bring prices to their normal level again; but it is clear enough already that the reduction of the tariff, the simplification of its schedules so as to cut away the jungle in which secret agencies had so long lurked, the correction of its inequalities, and its thorough recasting with the single honest object of revenue were an indispensable first step to reestablishing competition.

The present Congress has taken that step with courage, sincerity, and effectiveness. The lobby by which some of the worst features of the old tariff had been maintained were driven away by the mere pitiless turning on of the light. The principle was adopted that each duty levied was to be tested by the inquiry whether it was put at such a figure and levied in such a manner as to provoke competition. The soil in which combinations had grown was removed lest some of the seeds of monopoly might be found to remain in it. The thing had needed to be done for a long time, but nobody had ventured before to undertake it in systematic fashion.

The panic that the friends of privilege had predicted did not follow. Business has already adjusted itself to the new conditions with singular ease and elasticity, because the new conditions are in fact more normal than the old. The revenue lost by the import duties was replaced by an income tax, which in part shifted the burden of taxation from the shoulders of every consumer in the country, great or small, to shoulders more certainly able to bear it.

We had time to learn from the actual administration of the law that the revenues resulting from the double change would have been abundant had it not been for the breaking out of the present war in Europe, which affects almost every route of trade and every market in the world outside of the United States. Until the war ends and until its effects upon manufacture and commerce have been corrected we shall have to impose additional taxes to make up for the loss of such part of our import duties as the war cuts off by cutting off the imports themselves—a veritable war tax, though we are not at war; for war, and only war, is the cause of it.

It is fortunate that the reduction of the duties came first. The import duties collected under the old tariff constituted a much larger proportion of the whole revenue of the Government than do the duties under the new. A still larger proportion of the revenue would have been cut off by the war had the old taxes stood, and a larger war tax would have been necessary as a consequence. No miscalculation, no lack of foresight, has created the necessity for the taxes, but only a great catastrophe world-wide in its operation and effects.

With similar purpose and in a like temper the Congress has sought, in the Trade Commission bill and in the Clayton bill, to make men in a small way of business as free to succeed as men in a big way and to kill monopoly in the seed. Before these bills were passed the law was already clear enough that monopolies once formed were illegal and could be dissolved by direct process of law and those who had created them punished as for crime. But there was no law to check the process by which monopoly was built up until the tree was full grown and its fruit developed, or, at any rate, until the full opportunity for monopoly had been created. With this new legislation there is clear and sufficient law to check and destroy the noxious growth in its infancy. Monopolies are built up by unfair methods of competition, and the new Trade Commission has power to forbid and prevent unfair competition, whether upon a big scale or upon a little, whether just begun or grown old and formidable. Monopoly is created also by putting the same men in charge of a variety of business enterprises, whether apparently related or unrelated to one another, by means of interlocking directorates. That the Clayton bill now in large measure prevents. Each enterprise must depend upon its own initiative and effectiveness for success and upon the intelligence and business energy of the men who officer it. And so all along the line. Monopoly is to be cut off at the roots.

Incidentally, justice has been done the laborer. His labor is no longer to be treated as if it were merely an inanimate object of commerce disconnected from the fortunes and happiness of a living human being, to be dealt with as an object of sale and barter. But that, great as it is, is hardly more than the natural and inevitable corollary of a law whose object is individual freedom and initiative as against any kind of private domination.

The accomplishment of this legislation seems to me a singularly significant thing. If our party were to be called upon to name the particular point of principle in which it differs from its opponents most sharply and in which it feels itself most definitely sustained by experience, we should no doubt say that it was this: That we would have no dealings with monopoly, but reject it altogether; while our opponents were ready to adopt it into the realm of law, and seek merely to regulate it and moderate it in its operation. It is our purpose to destroy monopoly and maintain competition as the only effectual instrument of business liberty.

We have seen the nature and the power of monopoly exhibited. We know that it is more apt to control government than to be controlled by it, for we have seen it control government, dictate legislation, and dominate Executives and courts. We feel that our people are safe only in the fields of free individual endeavor where American genius and initiative are not guided by a few men as in recent years, but made rich by the activities of a multitude, as in days now almost forgotten. We will not consent that an ungovernable giant should be reared to full stature in the very household of the Government itself.

In like manner by the currency bill we have created a democracy of credit such as has never existed in this country before. For a generation or more we have known and admitted that we had the worst banking and currency system in the world, because the volume of our currency was wholly inelastic; that is, because there was more than enough at certain seasons to meet the demands of commerce and credit, and at other times far too little; that we could not lessen the volume when we needed less nor increase it when we needed more. Everybody talked about the absurd system and its quite unnecessary embarrassments, sure to produce periodic panics; and everybody said that it ought to be changed and changed very radically; but nobody took effective steps to change it until the present Congress addressed itself to the task with genuine resolution and an intelligence which expressed itself in definite action. And now the thing is done.

Let bankers explain the technical features of the new system. Suffice it here to say that it provides a currency which expands as it is needed, and contracts when it is not needed; a currency which comes into existence in response to the call of every man who can show a going business and a concrete basis for extending credit to him, however obscure or prominent he may be, however big or little his business transactions.

More than that, the power to direct this system of credits is put into the hands of a public board of disinterested officers of the Government itself who can make no money out of anything they do in connection with it. No group of bankers anywhere can get control; no one part of the country can concentrate the advantages and conveniences of the system upon itself for its own selfish advantage. The board can oblige the banks of one region to go to the assistance of the banks of another. The whole resources of the country are mobilized, to be employed where they are most needed. I think we are justified in speaking of this as a democracy of credit. Credit is at the disposal of every man who can show energy and assets. Each region of the country is set to study its own needs and opportunities and the whole country stands by to assist. It is self-government as well as democracy.

I understand why it was not possible at this session to mature legislation intended specially for the development of a system for handling rural, or, rather, agricultural credits; but the Federal reserve act itself facilitates and enlarges agricultural credit to an extraordinary degree. The farmer is as much a partner in the new democracy of credit as the merchant or manufacturer. Indeed, special and very liberal provision is made for his need, as will speedily appear when the system has been a little while in operation. His assets are as available as any other man's, and for credits of a longer term.

There have been many other measures passed of extraordinary importance, for the session has been singularly rich in thoughtful and constructive legislation; but I have mentioned the chief acts for which this Congress will be remembered as very notable, indeed. I did not mean when I began to write to make this letter so long, and even to mention the other legislation that is worthy of high praise would extend it to an inordinate length. My purpose in writing was merely to express my own great admiration for the industry and the leadership, as well as the wisdom and constructive skill, which has accomplished all these things.

I wish I could speak by name of the many men who have so honorably shared in these distinguished labors. I doubt if there has ever been a finer exhibition of teamwork and of unhesitating devotion to the fulfillment of party pledges—and yet the best of it is that the great measures passed have shown, I venture to say, no partisan bias, but only a spirit of serious statesmanship. I am proud to have been associated with such men, working in such a spirit through so many months of unremitted labor at trying tasks of counsel. It has been a privilege to have a share in such labors. I wish I could express to every one of the Members who have thus cooperated together my personal appreciation of what he has helped to do. This letter may, I hope, serve in some sort as a substitute for that.

I look forward with confidence to the elections. The voters of the United States have never failed to reward real service. They have never failed to sustain a Congress and administration that were seeking, as this Congress and, I believe, this administration have sought, to render them a permanent and disinterested benefit in the shape of reformed and rectified laws. They know that, extraordinary as the record is which I have recited, our task is not done; that a great work of constructive development remains to be accomplished, in building up our merchant marine, for instance, and in the completion of a great program for the conservation of our natural resources and the development of the water power of the country—a program which has at this session already been carried several steps toward consummation. They know, too, that without a Congress in close sympathy with the administration a whole scheme of peace and honor and disinterested service to the world, of which they have approved, can not be brought to its full realization. I would like to go into the district of every Member of Congress who has sustained and advanced the plans of the party and speak out my advocacy of his claim for reelection. But, of course, I can not do that, and with so clear a record no Member of Congress needs a spokesman. What he has done speaks for itself. If it be a mere question of political fortunes, I believe the immediate future of the party to be as certain as the past is secure.

The Democratic Party is now, in fact, the only instrument ready to the country's hand by which anything can be accomplished. It is united, as the Republican Party is not; it is strong and full of the zest of sober achievement, and has been rendered confident by carrying out a great constructive program such as no other party has attempted; it is absolutely free from the entangling alliances which made the Republican Party, even before its rupture, utterly unserviceable as an instrument of reform; its thought, its ambition, its plans are of the vital present and the hopeful future. A practical Nation is not likely to reject such a team, full of the spirit of public service, and substitute, in the midst of great tasks, either a party upon which a deep demoralization has fallen or a party which has not grown to the stature that would warrant its assuming the responsible burdens of state. Every thoughtful man sees that a change of parties made just now would set the clock back, not forward. I have a very complete and very confident belief in the practical sagacity of the American people.

With sincere regard and admiration,

Faithfully, yours,

WOODROW WILSON.

Hon. OSCAR UNDERWOOD,
House of Representatives, Washington, D. C.

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OCTOBER 17, 1914.

MY DEAR MR. PRESIDENT: I write to thank you for your letter commending the work of my colleagues in this Congress. It is a great pleasure to us all to know that the hard work of the past 18 months in carrying out the policy of your administration meets with your cordial approval.

I am sure that I can say for my colleagues, as well as myself, that, although we have striven earnestly to keep our promises to the people and write on the statute books legislation in keeping with the progressive spirit of the times, we feel that it is largely due to your magnificent leadership that we have accomplished in one Congress more remedial legislation in the interest of the American people than has been accomplished by legislation in several decades before this Congress met.

We can not expect that the reforms inaugurated by your administration will immediately demonstrate their worth. After a law is on the statute books, it takes months and often years before the sentiment of the country adjusts itself to the new conditions; but I feel sure that time will prove that the legislation which has been enacted at this Congress is the beginning of a new life for our Nation. We have opened the way to fairer business conditions and established on a firm foundation individual liberty and business freedom for our people. I believe we can now look forward to an era of peace with all foreign nations and prosperity for our people at home as the crowning success of your great administration of the Government of our country.

With kindest regards, I am,

Cordially and sincerely, yours,

O. W. UNDERWOOD.

Hon. WOODROW WILSON,
President of the United States.

Leader Mann Tears Mask from Benevolent Assimilation.

EXTENSION OF REMARKS
OF
HON. WARREN WORTH BAILEY,
OF PENNSYLVANIA,
IN THE HOUSE OF REPRESENTATIVES,
Monday, October 12, 1914,

On the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

Mr. BAILEY. Mr. Speaker, let me hope that it is not altogether presumptuous on my part in this connection to congratulate the minority leader [Mr. MANN] on the courage and candor he has shown in declaring what no other important member of his party has ever had the frankness to declare. There are other Republicans, perhaps, who are as able as this able gentleman. There are others who speak or have spoken with equal or perhaps greater authority. But to him it has been left to speak the word that hitherto has been unspoken. It has been left to him to tear off the mask of benevolent assimilation and imperialistic altruism and reveal the actual purpose of his party in connection with the Philippines, a purpose all others have carefully disavowed or have as carefully concealed.

What is that purpose? To relinquish our sovereignty over the islands? To accord to the Filipinos a right which for 16 years we have disregarded? To abandon our adventure in British colonialism? To help the "little brown brother" to establish in the east a new beacon light of liberty and self-government? Oh, no. No such purpose as this possesses the Republican Party. At least no such purpose possesses the

brilliant, resourceful, and prodigiously industrious leader of the minority. With a candor all too rare among his followers, this capable leader flat-footedly commits himself, as perhaps he commits his party, to a permanent stay in the Philippines and to all that a permanent stay would mean. He has no notion of hauling down the flag. It is no part of his program to relinquish the sovereignty which we have set up in that distant archipelago by force, if not by fraud. In cold, clear, and unreserved language he goes on record in favor of holding the Filipinos in bondage to the great Republic of the west, world without end.

And why is the gentleman from Illinois so determined in his support of the imperialistic idea? Why is he so bent on retaining the Philippines in spite of the disinclination of the Filipinos and in spite of all the professions of his party hitherto? It is merely because he has fallen a victim to William Randolph Hearst and RICHMOND PEARSON HOBSON, has become obsessed with their professed dread of the yellow peril, has surrendered to the doctrine that trade is war, and has conceived the grotesque notion that when the "sleeping giant" in China shall awake it will be with an insatiable desire to gobble up the west and destroy western civilization in a mad race for commercial supremacy.

The gentleman from Illinois is at least faithful to the economic creed which he has adopted and which he has promulgated so assiduously for so many years on this floor and elsewhere. The whole structure of protection is grounded on the theory that in every trade one must gain and the other lose. That buying and selling are reciprocal is not in the economic dream book from which the protectionist draws his inspiration. No superstition since the world was begun ever went further than this of protection in obscuring the vision of those under its curious spell. And so the gentleman from Illinois takes a long look ahead through the haze of this superstition and he sees looming on the horizon of the future a most dreadful apparition, nothing less, in fact, than an awakened China going up and down the earth like a roaring lion seeking whom it may devour.

Of course it has not occurred to the minority leader, nor will it occur to any of those similarly obsessed, that perhaps by the time China wakes up the rest of the world will have so aroused itself that it will no longer rely more on dream books and on economic soothsaying than on common sense and common experience in the every-day affairs of life. No merchant in Chicago, no manufacturer in Philadelphia, no mine owner in Michigan or Montana or Colorado, thinks of trade as war in the sense that the gentleman from Illinois implies it in forecasting the future of the Orient and the peril it presents to our own civilization. Every man engaged in commerce or industry knows that his success depends upon the friendly relations which he is able to establish. He seeks trade by means of favor. He courts those who may become his customers. He does not threaten them, nor does he arm himself against their approaches. He even invites them to travel at his expense to his factory, his mill, his warehouse to inspect his goods, to learn his methods and to acquaint themselves with the advantages which he has to offer. Nor does his competitor get a gun and ambush him. There is sharp rivalry for the customers both hope to gain. But neither builds forts or arsenals or battleships. Each knows that his surest success lies in rendering service for service and in widening the sphere of good will.

Mr. Speaker, the thought in which I rejoice is that it is not China alone which is shaking off the torpor of the ages. If she is awakening, is it not equally true that we ourselves are clearer of eye and less sluggish of mind than we were in that day not so distant when another, if less brilliant citizen of Illinois wished with all the fervor of his great protectionist heart that this country were surrounded by a sea of fire, so that no ship could reach our shores with the pauper goods of other countries? Yet, is the leap from John A Logan to JAMES R. MANN so very great? Are they separated in thought as widely as they are in time? What obsessed the brave general in his day seems equally to obsess the minority leader of this day. The obsession varies only in the form of its expression. Both regard trade as essentially a species of warfare and each would arm with guns and battleships to defend the United States against those who would exchange their products with us. If this is not the logic of the minority leader's remarkable speech the other day, what is the logic of it? No other possible interpretation suggests itself. The yellow peril which haunts the dreams of the gentleman from Illinois is only our old friend, the pauper labor of Europe, stalking in a new guise to affright the timid and to serve as a bogy man for infant industries.

Cotton Crisis—Its Remedy, Both Temporary and Permanent.

REMARKS

OF

HON. WILLIAM H. MURRAY,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, October 19, 1914.

Mr. MURRAY. Mr. Speaker, I desire to discuss the problems of the cotton farmer, the crisis with which he is now confronted, and some of the remedies proposed. In the beginning, however, I desire to state that since the first days of August, or shortly after the beginning of the European conflict, it dawned upon the American cotton producer that if this struggle continued a great crisis in the cotton-growing industry must needs be met. Shortly delegations of farmers—and for the most part representatives of the farmers' union—from all the cotton and tobacco States, led by Charles Barrett, of Atlanta, as president of the National Farmers' Union, came to Washington to urge upon the Congress some emergency legislation to meet an extraordinary condition. Some of us have met on an average of every other night in some conference or other with a view of solving this vexatious problem. I have personally been present at all such meetings, including conferences with farmers' delegates and Members of Congress at the assembly room of the National Hotel, together with them before the Banking and Currency Committee of the House, which has ever maintained an unsympathetic attitude, if not a hostile one, toward any remedy whatsoever, also in a hearing before the Secretary of the Treasury and the regional reserve board and with the President, and also in the meeting with southern governors and Members of Congress.

At last it was thought wise to call a conference of all of the Representatives in Congress from the cotton and tobacco growing States. This was held on Wednesday night, October 7, there being present 83 Members of Congress, which organized by electing a chairman and secretary, and I had the honor to be chosen chairman unanimously by that conference. At length a resolution was adopted authorizing the selection of a committee, to consist of the chairman and one member from each cotton and tobacco growing State, to be selected by the chairman. As chairman I appointed the following committee:

R. L. HENRY, Texas; E. W. POU, North Carolina; K. D. MCKELLAR, Tennessee; H. D. STEPHENS, Mississippi; D. E. FINLEY, South Carolina; E. W. SAUNDERS, Virginia; D. M. HUGHES, Georgia; T. H. CARAWAY, Arkansas; SCOTT FERRIS and WILLIAM H. MURRAY, Oklahoma; J. J. RUSSELL, Missouri; J. B. ASWELL, Louisiana; A. W. BARKLEY, Kentucky; CARL HAYDEN, Arizona; J. T. HEFLIN, Alabama; DUDLEY DOOLITTLE, Kansas; EMMETT WILSON, Florida; WILLIAM KETTNER, California, all of whom were present in the preparation of the bill except the five last named.

On Thursday, October 8, this committee, after an entire day's discussion and deliberation, drafted a bill which obviated the objection urged against a "direct" loan by the Government by providing for Government funds to be loaned by the banks with the rate of interest limited to 4 per cent, in the form of a "directed" loan; and to obviate the objection of the eastern charge that we were attempting to issue "inflated" currency, the bill was drawn so as to provide either for currency or for the sale of Panama bonds, or both, not to exceed $250,000,000. There are now left over unsold of these bonds an aggregate amount upward of $240,300,000 at par. This bill was reported to the congressional cotton conference by Representative RUSSELL for the committee. After two substitutes were offered, followed by heated and prolonged discussion, the bill as drafted by the committee was indorsed, which I introduced on the following day.

I stand for the bill No. 19200. It will solve this cotton problem. There is perhaps money enough, as there always has been, in the South to "move" the cotton crop when turned over and over again by purchase and sale and resale; but there is neither now nor ever has been enough money in the South at crop-moving season to hold the crop or take from the market any great amount of the crop. Money the banks may have they can not afford to loan on long time, probably for a term of 18 months, with which to hold cotton, in view of their deposits and outstanding obligations, because the first duty of a bank is the protection of its depositors; and if they were to exhaust every dollar of their surplus in loaning to hold cotton, it would amount to very little more than the "buy-a-bale" movement, and that will not reach the remedy. None of these remedies, nor all of

them, will solve the problem; nor will ever so much money aid the real farmer, the man who does the work, unless the interest is held to the lowest possible rate, which in this bill we fixed at 4 per cent.

GOVERNMENT AID.

The Government aids the cotton producer for the purpose of production only and has for many years, by making great appropriations for experiment, for seed, and by sending lecturers and demonstrators throughout the cotton belt. Why can not the Government lend its direct aid to finance and market his crop? Why are we met with the charge that this is "paternalism" in government, when the Government has been just as paternalistic in other instances? In this bill there is not a single thing proposed but what has been done in the past. When the Ohio flood came, something like a year ago, and a run was made upon the banks at Dayton, Ohio, the Secretary of the Treasury announced that he would deposit $2,000,000 of currency in the Dayton banks and that he would accept commercial paper as the basis of this currency, and not confine it to bonds—a stretch of the law—and upon that announcement he sent $180,000 to the Dayton banks, and this rendered it unnecessary to send the two million, since this action stopped the run on the banks and saved them from a crash. Just recently Secretary McAdoo placed $1,400,000, half enough to relieve the cotton farmer, in the Park National Bank, of New York, as a depository, with an instruction that this must be loaned to the State of Tennessee, with restrictions upon the security to be accepted. This is a "directed" loan, just as we have provided in this bill, in that we have directed that this money of the Government shall be loaned only to the producer of cotton or the owners of the land upon which it is produced, using it as a basis for currency or—in the case of a sale of the bonds—for security, the only difference being in the class of security and the personnel to which the money is to be loaned; and why should not this benefit of the Government be extended to the farmer just as it was extended to the Park National Bank? All the difference in the security is in favor of this bill. Commercial paper authorized under the Aldrich-Vreeland currency law and in the regional reserve system is certainly not so safe as cotton itself. Cotton is the most stable of products. I presume a loan to a corporation is not "paternalism," while to loan to a farmer is.

COTTON THE MOST STABLE PRODUCT.

After it is ginned and put into the bale it may be thrown into the weather and receive the rain without perceptible deterioration, and times in the past it was the only product by which we could keep the gold reserve, upon which all our money is based, and has always been the only product upon which a balance of trade in our favor has been maintained.

There are those Members of Congress, honest no doubt in their view, who maintain that this would be special legislation. In this they are mistaken. Unless the cotton farmer of the South can sell his product he can not buy the goods from the New England manufacturer, the corn from the Dakotas, Nebraska, and Illinois, the wheat from the wheat plains of the North and West; and without this cotton the New England spinner would be shut down and the laboring man thrown out of employment. It is not a sectional, not a class, not a local problem. Cotton becomes a national problem, and in keeping up our gold reserve an international problem. Driven to the wall on this argument we are confronted by some of our eastern friends with the statement that we ought to "diversify"; that we ought to "quit raising so much of it." In this they display at least an ignorance of fundamental economic problems. The South can not quit growing cotton for any length of time without quitting it forever. I might with the same degree of sense, or rather lack of sense, ask New England, when she urges a protective tariff, "Why do not you quit your manufacturing business? Why do not you close your mills?" The production of cotton as the one crop in the South is an economic and sociological problem which recognizes the law of nature and "survival of the fittest," and exists in the South for the same reason that wheat is grown in Minnesota and corn in Iowa; and just here I might stop to discuss those more personal relations of the cotton farmer, which, however well understood in the South, has never been understood in any State that does not produce cotton.

PROBLEMS OF THE COTTON FARMER.

I am sure an explanation of the cotton farmers' troubles will be of interest to you men of the North and East and will aid in bringing you to his assistance. The personal problems of the cotton farmer are three—its making, its marketing, and its financing—and he must have aid in all the three. The average cotton farmer, the man who does the actual work, can not alone do either without aid. His interest, though not a personal problem, is also involved in the transportation of his crop to the markets of the world, in an American merchant marine, although few of them realize this fact. The actual labor of producing the cotton of the South is performed not by the landowner, but either by a tenant system or share cropper or by labor employed by the landowner, but for the most part by tenant and share-crop system.

And I now make this explanation of the personal troubles and the mode of life of the cotton farmer because of a statement made by the United States commission to investigate European rural credits, wherein the statement was made, notwithstanding two southern Senators, one from my own State, signed this report. The report says:

The average European farmer works his entire family in the field, but this is rarely seen in America.

The facts are it is the exception to see any other rule all over the cotton belt.

The landowner grows something else, and if he rents land he lets his tenants grow the cotton because of the great cost of production. Remember, in producing cotton the land must be prepared with extreme care, particularly as to seed bed and its absence of trash, the seed of which alone costs from 75 cents to $1 an acre, and sometimes, as in this present crop, the seed becomes destroyed and requires the second and even the third planting, adding all the time to the expense. Then it is either "barred" off by throwing the dirt toward the middle or "runaround" with a sweep, and it is then "chopped out"—that is, all the grass and weeds and the cotton, as it must be planted so thick that it has from 20 to 100 times as many stalks as is ever retained on the land—to a partial stand, leaving one or two stalks every foot or so in the drill. This "chopping" is more tedious and more expensive than hoeing corn. Then it is plowed, and plowed again. In fact, when you have plowed corn three times you will have plowed cotton seven, eight, and nine times, and almost surely you will have to give it another hoeing. Then you are ready for it to grow, mature, and fruit, preparatory to gathering, which we call "picking." It will thus be seen that it is the most expensive of crops in the matter of production. Then in the month of August comes the crucial period. It may in July look like it will make a bale to the acre—this is more than double the average—and by the 1st of September show really that it would not make an eighth of a bale, and vice versa, either because of hot winds or insect pests or too much rain, so that it becomes axiomatic that "August makes the cotton crop," except in the extreme South, where the month of July is the crucial period. Then "picking" comes, which means the pulling of the three to five little locks containing the lint and seed from the boll, which has burst forth by maturity and the sun. This costs all the way from 50 cents to $1.25 per 100 pounds in the seed, which means after ginning but scarce one-third this amount of lint, or from $8 to $20 per bale to "pick it," so that cotton at 6 to 7 cents—$30 to $35 a bale—is worth half of it to "pick" it. Now, "theorize" the profit out of this, if you can, to the grower. He gives to the landowner one-fourth as rent, he gives to the picker one-half for picking, leaving him one-fourth for the work in the spring, his seed, "chopping," plowing, and cultivating. Has he a profit? He has not living wages.

I make this explanation of the conditions of the southern cotton farmer, and of the expense of producing it, to remove the prevalent opinion of the North and East that the southern cotton farmer is already too well paid, and to show the North and East that at best prices he makes but a meager profit. The tables I shall later call attention to, showing the production and acreage and price of cotton for the past 100 years, will disclose the fact that prior to the Civil War cotton sold at from 10 to 12 cents and at that time the cost of living was less than half what it is to-day. Then there was a profit, due also to the fact that the Southern States used their credits and resources, and particularly cotton, with which to finance and market their crop, and they could do this again but for the prohibitive 10 per cent tax on State-bank currency.

FINANCING THE CROP-MAKING.

In the case of the employment of labor to make a cotton crop it will readily be seen that the landowner could not balance his ledger. He would not have enough to pay taxes on his land. In the case of the share cropper, who gives one-half for the rent, he is out all of his year's work in producing this crop for his profit. In the case of the tenant farmer, he has practically done the same, which includes the work of himself, his wife, and his children. Remember, again, that the average tenant cotton farmer—he gives one-fourth of the crop as rent for the use of the land, but furnished everything else—and the "share cropper"—who gives one-half of the crop for the use of the land, the mule, tools, feed, and seed—works not only himself but his wife and every child able to walk. It is no uncommon thing in the fall of the year during the picking season or

in cotton-chopping time during the spring to see every member of the family either with a sack over his shoulder dragging it down the row "picking" cotton or in the spring with a hoe, and those who are too young to walk are sitting at the end of the row in the shade of a stump or under the cotton wagon where the water jug is kept until the pickers—or choppers—make the round. These two classes are divided, according to the States, into two other classes. In States like Mississippi and Louisiana the most of the share croppers, and perhaps all of the laborers, consist of negro labor trained to no other work, whereas in States like Oklahoma and Texas the tenants for the most part are white men. But in either case their training and tradition, their environment and heredity, run into the one-crop faculty, to wit, making cotton; and to change this training becomes a sociological problem—a slow growth through training, which it takes a long period of time to accomplish. There are other impediments in the way of a homeless man to do this. Hence we might as well ask, "Why do not you put the hands in the New England textile mills upon the western wheat farms and shut the mills down?" I know what your answer would be to that; but the same answer is involved in the production of cotton in the South. You have too much money invested in your machinery, just as we have too many compresses, too many gins, too much other cotton-making improvements upon every farm in the South all at once to quit the growing of cotton; and should we quit, it would not only be temporary misery to the South but permanent bankruptcy to the East and North. We can not tell what will be the result of this struggle. We may be driven by the neglect of the Government and you men of the North and East to abandon cotton producing, which will in the end be best for us, although disastrous to you. But in the wake of that changed industry hordes of negro laborers in the South who have no other kind of industrial knowledge would hie away to the cities not alone of the South but of the Middle States and of the North, becoming a horde of irresponsible vagabonds, and driven by extreme necessity, a menace to society. In the end a new class of labor would be brought into the South. Changed conditions would follow that would enable us to work out our salvation much easier than New England could work out the problem of getting raw cotton with which to operate their mills and keep their labor employed. Then the dilapidated old cotton gins and cotton compresses would be but monuments to the neglect of this Government, and coequal as such with the smokestacks and chimneys of the New England mills long abandoned as monuments to the folly of the North and East, as well as that of the Government itself, in their failure to aid us to help the cotton farmer or to permit the cotton States to take care of themselves, by giving the farmer a separate financial system and by repealing the 10 per cent tax on State bank currency.

COTTON FARMING A MORTGAGE SYSTEM.

But just a word more as to the farmer's financing his crops. The average tenant farmer invariably makes his crop under a "mortgage," either at the store or at the bank. The less favored ones are obliged to make it at the "credit store" to get supplies—foodstuffs, clothing for his family, and oftentimes feed for his stock—by mortgaging his team, plow tools, and the labor of himself and family upon the crop the following season may bring forth; the merchant undertakes the hazard of carrying him for 12 months, and in order to enable him to do so the profit on his goods must be more than double cash prices. Those tenants who are a little more fortunate are enabled to borrow money at the banks, if their landlords will sign their notes in addition to their putting up their all. In these cases their rate of interest is less than the profits at the credit store, for the reason that the risk, because of the landowner's personal security or the ownership by the tenant of more property, is less hazardous and the payment more probable; but even this class pay interest ranging from 18 to 36 per cent per annum, and this brings to mind another folly of our Government.

RURAL CREDIT SYSTEM.

This brings to mind the fundamental folly of our statesmanship in attempting to force the farmer into the same banking and currency system as provided for the commercial world, and in this our Nation is the only well-developed nation of all the civilized world attempting this course. The farmer can not compete with the commercial world in a commercial system of banking. A wise commercial system of banking presupposes personal security and short-time loans—in itself meaning a higher rate than on long-time loans—with their resources and securities placed in the form of legalized "commercial paper" at the bank for the issue of currency as well as for credit, while the farmer can neither furnish the personal security nor operate on a short-time loan. Ordinarily he should have 18 months or two years' credit with which to make and market a crop—and in the improvement and purchase of a home he may need 20 or 40 or 60 years—and because of the lack of this system, although found throughout Europe, and because of this folly of our Government in an effort to hug the elusive phantom of "nonpaternalism" we have created throughout this Republic by sure but certain growth a tenant system that some day will haunt and plague it, and until we adopt a separate financial system whereby the farmer may have as long or as short a time as he may choose in which to buy or to improve a home and at the same time give his resources like currency value as given commercial paper, but in a separate system as basis for his currency and credit, will the farms of America continue to degenerate, cost of living continue to soar, and finally underproduction and social revolution follow.

Our national policy in banking and currency seems to have been founded upon the principle that our soil and climate are only suited to manufacture and commerce, and that it would be a waste of governmental energy and of statesmanship to attempt to make our Nation feed itself. For the farmer to attempt to place his resources alongside of the balance of the world in a banking and currency system now becoming as centralized and under a control as supreme and plenary as the monarch of a great empire leaves them just as helpless as the minority stockholders in a corporation, and the same is true of all enterprises in all agricultural States of this Republic in their financial struggle. I shall discuss this in greater detail when I come later to discuss its corollary—"Ten per cent tax on State banks."

CAUSE OF NO DIVERSIFICATION.

This is due primarily to a tenant condition, and this tenant condition is due to a lack of a rural credit system and a separate system of agricultural finance from commercial banking and finance, as well as the sociological condition of our people. The sociological condition can not change until the tenant conditions have changed, and these tenant conditions, in turn, can not change until they have a separate system of finance, with long-time loans at a low rate of interest. These things are as axiomatic as the right of men to life, liberty, and pursuit of happiness.

EMERGENCY LEGISLATION.

In this crisis the wise legislator ought not to stop to interpose the objection of "paternalism" or any other theory of government, nor call for "precedent"; and, indeed, no objection save and except alone the clear inhibition of the Constitution of the United States should be raised when a crisis of this kind confronts us, and there is not a man here that can point to any clause in the Constitution that renders any portion of this bill unconstitutional. A crisis like this requires heroic remedies, and if there be no precedent let us make a precedent. Men may say that governments were not instituted to give aid to agriculture, however dire its calamity, and I reply, nor was government created to look after tourists in foreign lands in the event war may arise; but necessity compelled us to appropriate millions of dollars to bring home men and women unexpectedly stranded in foreign lands, and news dispatches inform us that the representatives of the State Department had great trouble to separate some of these good ladies from their pet poodles, which were left on the shores of Belgium. Perhaps it would have been wisest to have reversed the order and brought the dogs back; and yet I am sure there are men who would look with greater favor upon our now making appropriation to rescue these pugs and poodles from Europe than to rescue the cotton farmer, his wife and children, from the dire calamity which this war has brought upon him.

Nor was the Government created to feed the people, and yet we appropriated $200,000 to Salem, Mass., because of a fire, and which was doubtless due to their own negligence in the laws of their own town governing the construction of buildings; just as we appropriated $1,000,000 for the San Francisco earthquake sufferers; just as we appropriated $100,000 to bring back to our shores men who had voluntarily gone to Mexico for settlement; or $2,000,000 for tourists sight-seeing in Europe.

Nor is it one of the functions of government to engage in the insurance business, and yet this very Congress, upon the advice and recommendation of the President, has provided for the establishment in one of the bureaus of the Government of a marine insurance policy to insure merchant ships against war risks, the most hazardous risk that can be imagined just at this time, and which may cost us millions of dollars. Although this policy is a violation of the functions of government, I nevertheless most heartily approve of it as an emergency to meet the situation that confronts our foreign trade and commerce; but when our economic safety is threatened, the objection that it is "paternalism" is removed. For without such insurance no

shipowner would undertake the risk of subjecting his cargo and property to the danger of belligerent nations. No private insurance company would undertake the hazard, and hence the Government did, for without such insurance none of our farm products or manufactured articles could be carried to foreign ports or markets. This would have proved a more aggravated stagnation of our own business by causing the closing down of our manufacturing plants and the fall in price of all products of the farm, and therefore, although this insurance provided by the Government will surely subject the Government to loss, nevertheless in the end it will mean the saving to our own people of millions of dollars by providing transportation to a foreign port, but in principle is "paternalism," yet wise. Now, no bank can afford to finance the farmer, and therefore the Government must do it. In the case of our citizens going to Mexico and the tourists to Europe they themselves were responsible for the condition in which they found themselves, and yet the Government came to their aid—"paternalism" again. The farmer is not responsible for the war nor for the present crisis which creates no demand from abroad for his cotton, and, like the shipping industry, an emergency has arisen which neither the farmer nor any individual can meet, and therefore it is right and wholly proper for the strong arm of the Government to save its citizens from bankruptcy and ruin by the enactment of the bill prepared by the congressional cotton conference I hitherto recited. The Government can not sustain loss, nor will it be subject to any great hazard, such as it will in its policy of marine insurance on war risks. We have not hesitated to appropriate money—an absolute gift—to Salem fire sufferers, just as some years ago the Congress made a like gift of $1,000,000 to the earthquake sufferers of California. What is the distinction between this gift and the aid thus requested for the cotton farmer? The distinction is only this, that in the case of the cotton farmer the money will be returned to the Government, while in the other cases enumerated all the people of the land must return it in the form of taxes.

The argument of some gentlemen as to the powers of government would lead us to believe their contention to be that no money ought to be paid out of the Treasury except to compensate some public officer. I say to you this is one of the least justified uses of public money, and if government can not come to the rescue of any class, and particularly that class who feed the world, who fight all the battles of the world, and upon whom the greatest burden of civilization must needs always rest, then it is not a wise and just government. Then has come the proper time to dissolve the social compact into its original elements and to found a new government upon such forms and under such principles as will meet the ends for which government was created. You interpose the objection "paternalism." Granted that it is even so; but we have, in the payment of pensions, the drainage of swamp lands, the irrigation of the arid lands of the West, the appropriation to suppress the foot-and-mouth disease of the New England States and the cotton-boll weevil of the South, extending aid to European tourists, aiding sufferers from flood, fire, pestilence, and drought, and numerous other ways, already entered upon "precedents" of "paternalism." Do you say that this is not the function of government? What is the function of government, anyway? My conception of government is that government began when the citizen could not aid himself and that government was created to do any and all things for the people which they can not do for themselves; that its purposes is, by mutual aid and assistance and by their combined strength, to provide for mutual defense and protection; to alleviate the hardships of the people, or any portion of their number; to serve the people and make them prosperous and happy. If this is not the end for which government was created, then we have no need for it. If our Government will not permit of this, would it not be the part of wisdom so to change it that it will permit of such mutual helpfulness?

PICKPOCKETS OF COMMERCE.

It is just such a crisis as this that the strong can, under legal form, rob the weak. Always in times of war the crook and the pickpocket has full immunity to pilfer and steal; calling himself the "home guard," he is free to rob his neighbors or, like a thief, picks the pockets and pilfers the dead and wounded upon the battle field. Just so with great financial crises the thieves and pickpockets of commerce take advantage of the man least able to take care of himself, and the thieves and pickpockets among every class will take advantage of just such times as these. This should not be permitted; but only the strong arm of the Government can prevent. Gentlemen may interpose the objection that to do so violates "precedent" and is "paternalistic," but we should prevent such wrongs, if it requires the making of a "precedent" or the adoption for a little while of a bit of "paternalism."

EXPORTED COTTON DEPENDS ON SURPLUS.

It will be shown that in 1893 there was produced in the United States, in round numbers, seven and one-half million bales of cotton, the average price was 7½ cents, and the export of cotton for that year was 5,307,000 bales; while 20 years afterwards, to wit, in 1913, there were more than 14,000,000 bales produced, with an average price above 13 cents a pound, or nearly double the production with nearly double the price; while in 1911, the largest production year in our history, there were 15,600,000 bales produced in the United States and there were exported more than 10,000,000 bales. It is true that while the European war continues the foreign demand for raw cotton will be greatly limited; but the war can not last so long as to render this surplus valueless, and then there will be an increased demand, if the product is in existence for use. Moreover, I call your attention to the fact that twenty-odd years ago Japan took no cotton from us. To-day she takes a half million bales, with a constant annual increase in that demand. We taught the Japanese how to make and eat bread. Up until the opening of the ports in 1863 they lived on tea, fish, and rice. Now she takes millions of bushels of our wheat and has established in Japan several large flouring mills. China is making like strides toward the use of our products, and has begun to use our cotton, and bids fair to make a greater progress in the next 20 years than has Japan in the past 20; and if she does, 20 years from to-day, because of her great population China alone will demand the present cotton production of the United States. With the opening of the Panama Canal, with wise shipping laws and a greater American merchant marine, the logic of events would indicate that 20 years from now the world will demand 30,000,000 bales of cotton, and when the world demands it, or 50,000,000 or 75,000,000 bales, the South can produce it, and this increased demand from the present growth must inevitably follow if we do not invoke an unsound economic policy of trying to destroy the cotton production in the South. The fact that there is a surplus from year to year only will give a greater guaranty to the industries in foreign lands who demand cotton. There must be that constant surplus to insure constant foreign increase in the use of cotton. Spinners have no use for idle mills. Spasmodic production would prove unwise and tend to check such constant demand.

The abnormal surplus during the entire decade from 1890 to 1900, while causing the lowest price of cotton in our history, nevertheless also had its compensatory result in this—it made possible a demand for double the world's use of cotton in 20 years.

We must give foreign spinners abiding faith in our ability and willingness to produce ample supply of the raw cotton if we would expect them to increase their capacity. This is why they called for 10,000,000 bales of the stupendous production of the year 1911. British spinners realized this in their recent proposal that the Governments of Great Britain and of the United States should form some kind of cotton pool to take from the market every year any surplus and hold it for the years when needed. Therefore, from this standpoint, it is economically unsound in the final analysis, for the future prosperity of the cotton grower, to attempt abnormal reduction of the crop. True enough, such reduction now would tend to raise the price of cotton, but in like proportion would it reduce the demand in the years to follow to such an extent that even in the times of peace we would suffer from low price of cotton. The only wise solution is to take from the market enough cotton to bring up the present price that spinners in foreign lands may know that when they are ready to pay a fair and equitable price the raw cotton can be had. Why is this not a governmental function?

ENGLISH SPINNER'S VIEW.

Just to show you the foreign spinner's view, permit me to quote from a letter to A. S. Terrell, of Chicago, written on August 31 by Sir Charles Macara, president of the International Federation of Master Cotton Spinners and Manufacturers' Association, who is considered the highest authority in England on the cotton industry and whose opinion is regarded as the last word upon the subject. He says:

The purpose of this letter is to confirm to you the statement made by our secretary on Saturday that it would be a great calamity if, owing to the European war, the cotton farmers of the United States of America were ruined. Their ruin will certainly be brought about unless steps are taken by the Government of the United States of America, in combination with large financial houses, to hold back several million bales of cotton. It must be borne in mind that if the war lasts longer than the end of this year there will be a surplus of American cotton of some 5,000,000 bales; and this must necessarily have a depreciating effect on the price of American cotton. It is neither to the interest of the cotton spinners of the world nor to that of the United States of America as a nation that the price of cotton be reduced to such a low level as, say, 6 or 8 cents.

I recognize more fully than perhaps anyone else the very serious situation, having—in consequence of my various public positions, and especially as president of the International Cotton Federation—been obliged to give a very close study and attention to the question of the

cotton supply. On the occasion of the tour of 120 cotton spinners and manufacturers of all nationalities which I led in 1907 through the cotton-growing States of America it became evident to me that in years of exceptionally large cotton crops it would be in the interests of the millions of cotton producers and cotton-mill operatives that a scheme for properly packing and warehousing the surplus cotton crop should be initiated, and in view of the certainty that there will be an enormous surplus in this year's American cotton crop such a scheme undertaken by the Government of the United States of America would be a safeguard against dire calamity.

I trust you will submit this letter to President Wilson, who, I am sure, will share my opinion.

There is another side to this question. The wheat farmer in the North will get not only a better price but more in the aggregate for his wheat produced there alone than could be had for the entire production should the South engage in the production of wheat. So a sound reasoning impels us to the belief that the corn grower and the wheat grower of the North and West are vitally interested in the increased production of cotton in the South, that they may raise the wheat and corn.

BEST INTERESTS OF THE MANUFACTURER AND PUBLIC.

Therefore it ought not to follow because we have in this House from the South but 92 Members out of 434, and in the Senate but 22 out of 96, that our cause should fail. I realize that there are from the Eastern or manufacturing States in both Houses of Congress a membership equal to our southern strength, and that you gentlemen of the East imagine that you are interested directly in "panicky" prices for cotton and that such prices will aid your manufacturers; and I also realize that the grain-growing sections imagine that low cost of cotton means low cost of clothing, and that herein lies our difficulty in securing remedial legislation, but sooner or later you men of the East and North will be compelled to aid us in this relief. Personally, I do not think that any man from a cotton or tobacco growing State should vote for adjournment of this House until such relief is provided. Moreover, I say to you gentlemen from the manufacturing States, neither you nor your mills are interested in "panicky" prices of cotton. The mill owners are interested, first, in steady, sure supply of the raw product, and, second, in a stable price, whether that price be a low one or a high one, because by this assurance only can they with any degree of certainty calculate profits from the operation of their mills. Spasmodic prices, with cotton one year at 7 cents and another year at 18 cents, leaves the manufacturer with no method of determining to a certainty whether he shall sustain a profit or a loss, and in the end the consumer must pay higher prices for clothing, because free and wholesome competition, based upon accurate mathematical calculation, can not be made either in the manufacture or sale either in the wholesale or retail trade. It is all speculative, ending in the highest price to the public who buy clothes, and the lowest price for raw cotton. Under a plan I shall later on propose, which considers the possibility of eliminating the sharks and intervening speculator between the cotton grower and manufacturer, a normal and at the same time a profitable price to the grower of cotton can be determined. There is scarcely a year but what the manufacturer pays on an average of 15 to 17 cents a pound, and yet the farmer never receives this amount. All the way from $15 to $30 a bale, which is an unnecessary intervening speculation, are taken from the cotton grower on one side and from the consumer of cotton clothing on the other. A more direct relation between the cotton producer and the spinner would give the cotton grower not only a reasonable profit, but would at the same time provide in the end much cheaper clothing to the consuming public, for the reason that the manufacturer could with accurate calculation determine his profits and meet competition, while with spasmodic production all competitive prices are destroyed. There is no competition under such conditions.

TEN PER CENT TAX ON STATE BANKS.

While the passage of this bill, or one like it, is necessary to meet this emergency, I do not believe that a permanent remedy will ever come to the cotton grower or to the tobacco grower or to any other producer, whether of the field or of the mine of the United States, until the 10 per cent tax on State banks is repealed, whereby all these interests may take care of themselves.

In 1875 the Government, to give a market for the United States bonds and provide for the circulation of the national-bank currency, placed a tax of 10 per cent on all State bank currency, which stripped the South of the only power to take care of itself or use its own resources. In section 2, Article I, of the Constitution of the United States you find this language:

No State shall * * * coin money, emit bills of credit, make anything but gold and silver coin as tender in payment of debts. * * *

Under this clause the State itself can not issue currency or use its resources, but it can authorize by law the State banks to do it but for this 10 per cent tax, which taxes it out of existence. Repeal this State bank tax and we will take care of ourselves without the aid of the Government.

I know the objection that will be raised against such repeal, and that it means "wild-cat" currency, but I submit to you that that tax could be modified to provide that such State bank currency as is based upon sound currency principles should be free from the tax, while all other kinds should be subject to the tax. This would obviate the danger of "wild-cat currency." I have proposed a bill to this effect, combining the principles of the Aldrich-Vreeland Currency Act and the regional reserve system, which would provide that no State bank issue should be subject to such Federal tax of 10 per cent when the currency authorized by the State law is limited to the amount of the capital stock of the bank and to three dollars of such currency to one of gold held in reserve for redemption, such as the old Scotch system, upon which such issue is based; or when issued to an amount not to exceed 75 per cent of the market value of any staple product of the farm, field, or of the mine, with 5 per cent of the issue in gold held in reserve for redemption, as provided for the currency under the Aldrich-Vreeland Act, with such currency further secured by the credit or guaranty of the State. Currency under those conditions would be sound. With that system not only the cotton States but the tobacco States, the copper States, and all others with a valuable product of either the mine or of the farm could use its own resources to finance its one product and make its production profitable to its own citizens without the aid of the Federal Government. The recent establishment of our centralized system, called the regional reserve banking system, makes it more necessary now than ever to provide for the repeal of the tax on State banks.

Although more centralizing than the old banking plan—it is centralized, however, in the Government—which the regional reserve system supplanted, it is, nevertheless, a wholesome system for commerce, as it will not permit the small enterprises to be strangled by the great "captains of industry." Yet to the farmer its benefits are nil.

This centralizing system, to use a political term, is monarchy or imperialism in banking. It is the English bank system, made necessary in the British Isles to have a "string" upon its colonial possessions, so as to guarantee the bringing to the British Isles raw products to feed their people and to supply their manufactures and give its labor employment, and at the same time give a return cargo of the finished manufactured product to their outlying colonies, thus supporting their commerce; but we never have and never can enter upon a colonial system. But I call your attention to the fact that since the establishment of the Bank of England, with its centralizing tendencies, there has been established in her colonial possession of Canada and elsewhere the old Scotch system of decentralizing banking—democracy of banking—made necessary for the Canadian people under their local condition to use their own resources in their commercial and economic struggle. I repeat again the establishment in America of this centralizing commercial system makes it necessary for the establishment of a decentralizing system by the use of State banks. The copper-producing States as well as the cotton and tobacco States, and, sooner or later, the wheat and corn States, will find themselves just as helpless in this new system as the farmer finds himself in attempting to finance his operations in a commercial system of banking, for the reason that with bonds, together with "commercial paper" and other like securities as the basis of currency as provided under the Aldrich-Vreeland Act and the regional reserve system, give the East, and particularly New York, the overpowering financial strength and control in this financial machine. The East holds the larger portion of these bonds and other securities. The East becomes, as it were, the British Isles in this centralized system of currency. It would be just like five men organizing a corporation with two of them owning 60 per cent of the stock. The other three are majority, but the two will control, elect the officers, fix their salaries, declare the dividends, and dominate the other three stockholders' property. The same will prove true of all the agricultural sections of this Republic. * * *

The East has bonds—our bonds; the East has the "commercial paper"—the paper we executed—and the other securities; these are the resources under our commercial banking upon which all currency is issued. While our resources of the South and West consist of products of the farm, the field, and the mine, they have no place under the law for a currency basis. Quite true, we may execute a new note to the East for money with which to carry on our operations, and in turn this note becomes in eastern hands "commercial paper," which in turn is made a basis for more currency to be loaned to us for more interest, and thus the endless chain goes on. Nevertheless, we have cotton, corn, wheat, tobacco, cattle, cop-

per, gold, silver, oil—all these things which are more valuable than our notes (they are prime necessities to civilized man), but of no currency value. Here is where we, the cotton grower and all farm enterprises, and all others of agricultural States. constitute the minority stockholders in this beautiful banking and currency system.

What can the cotton-growing States do, or even the grain-growing States, in a competition where their own bonds are owned in New York and where their own commercial assets are held by the large banks of the East, with only such commercial paper legally used as the basis of currency? The South has values it can not use. The only balance is to permit the issue of currency under a wise and sound State banking system upon assets they possess and using their resources in these States to finance their own operations independent of the centralizing regional reserve system, if the South or any other States of the West and North expect to survive.

I do not wish to be understood as here opposing the regional reserve banking system, but I am trying to point out that however wholesome it is to commerce, that in order to create a balance there must be, as has proven wise in the British system, provision for the decentralizing system. This balance is just as essential in banking and finance as a combination of national power with local self-goverment is essential for the preservation of our Republic. It can be neither all local nor all national. Just so in the banking system. Under the old law which this Congress repealed there was a centralization of money, credits, and finance in the hands of certain big banks and "great captains of finance." The regional reserve system did not decentralize these credits, but transferred to and combined them in the Government through an all-powerful board of seven men, and while I approve the regional reserve banking system as a commercial system, I contend that it does not by any means settle the problem of banking and finance. The final solution has just begun, and this new regional reserve system will but disclose the final exigencies which must be met in order to solve it in the interest of every section—the all-important question of banking and currency and mobilization of credits. Hence we have not solved it, but merely hastened the issue for final solution.

An objection is sometimes interposed to State banks by those who imagine we must have one uniform banking system. There can not be one banking system, and this is best illustrated by the establishment of State banks alongside of National banks in all the years past. There can not be even such a thing as a "uniform" money—no; not even a "national" money. There is and there should be a standard par dollar, and it would only facilitate commerce to have an international money. That standard may be made as you choose. Let it be, if you will, as it now is, the gold standard. Yet gold is not our "national" money, nor is paper, nor silver. The best illustration of this is found in the fact that here in Washington and eastward they have for the most part paper money, and you scarcely ever see a silver dollar, while the reverse is true in my State and all over the South and West, for the very reason that there can not be a "national" money that will circulate everywhere. Money itself is largely local in its functions, whether it be metal or of any kind of paper notes or currency. Hence the East, with its control of "commercial" paper and bonds upon which currency is issued has too much currency, while the agricultural States have not enough, especially during the crop gathering or moving period. Hence the wisdom of State banks to issue this currency in localities where needed at the proper time. So if you consider this question of banking from the standpoint alone of money or currency, all argument is in its favor.

SCOTCH SYSTEM OF BANKING.

This Scotch system to which I have referred, now in force in Canada, and which has been in force in Scotland for 250 years, is the same principle upon which the Missouri State Bank, the New Orleans Bank, and the Suffolk Bank of New England were organized, and there never was inflation of their currency. This system, in short, provided that all the assets of the bank should stand pledged for all the paper currency issued, and that the amount issued should be limited to the amount of the stock.

Second. That for every three dollars of such currency issued there must be one of gold in the vault of the bank for redemption, so primarily the currency was issued upon the amount of gold; and, second, upon its stock. This currency is then secured by at least its equal value to the assets of the bank—if it issued the *maximum* amount—plus one-third its amount in gold; and think how much stronger this would be if there be added the credit of the State.

Under this system the New Orleans bank currency was worth dollar for dollar in gold in the midst of the Civil War, when the Confederate note was worthless. The Suffolk Bank of New England stood up the same way even when the greenbacks went down to 47 cents on the dollar, and the Missouri Bank went out of existence, as did all the others, when the tax of 10 per cent was placed upon its issue in 1875, paying for its currency with gold dollar for dollar. No greater test could be made as to the soundness of a currency than in these tests of its proving solvent and worth equal value to gold in the midst of the Confederacy and in the juggling finances of our own Republic when the greenbacks went down. Suppose you add to this principle that which I have heretofore proposed—that every dollar thus issued should have the guaranty of the State government. Will any man refuse to accept it at par? Give the South this system and we can take care of the three personal problems of the cotton farmer, to wit:

First. The direct marketing of the crop.

Second. The financing of the crop.

Third. The withholding of cotton from a demoralized market.

All this in the end will prove wholesome also to the manufacturer and to the public who buy clothing. And how would I reach this

PERMANENT REMEDY?

By passing a law in each of the cotton States—just as the tobacco States could do for themselves, and likewise the copper or grain States—that the State bank in such emergency should be authorized to issue currency upon 75 per cent of the value of cotton, provided there should be kept in reserve 5 per cent of the issue in gold for redemption, and that the credit of the State should guarantee such currency.

Second. Provide for some State authority which, in conjunction with any other or all of the cotton-growing States, should fix the value of cotton just as absolutely as the New York and New Orleans cotton exchanges fixed the price of cotton, with an additional law that where cotton is selling below that fixed price the State bank shall be authorized to issue currency to 75 per cent of that value so fixed, with a limit upon that currency of the rate of interest for that particular emergency, with a further provision that all such cotton should be stored in bonded warehouses and insured, and that the receipt should pass title to the State or to the bank holding it in trust for the State, and that when that cotton reached the fixed price in the open markets the State fiscal agent could sell all or any portion.

Under such a system suppose the State of Oklahoma were to take off the market during a period of depression 20 per cent of its crop, or 200,000 bales, and that Texas and the other States did the same; suppose a manufacturer wanted 50,000 bales of middling or low middling or high middling, either one of these States would have this amount of cotton of such desired grade and it could be sold direct to the spinner without profit taking by intervening speculators; and thus at once the financing of the crop, the establishing of price, and the guaranty to the manufacturer of a comparatively uniform price would be at one and the same time solved.

I repeat again, give us this emergency bill we here propose, then provide for a rural-credit system for the farmer separate from the commercial system, repeal the 10 per cent tax on State banks to the extent I here propose, and we shall not bother the Federal Government whatever the future emergency may be; but without this we shall be compelled to continue an appeal to Congress and the Federal authority so long as they deny us the use of our own credits and resources, and I warn you that also will the tobacco States, the copper States, and sooner or later will come the wheat and corn States; but take off these shackles and each of these States or group of States similarly interested in a particular product can save themselves. The cotton States can do more; they can, under this system, solve the acreage problem by providing for a contract with the farmer who gets such loan that he will reduce his acreage to the amount agreed upon by the States cooperating for the proper marketing of this crop. However, this will not settle the present emergency. Acreage reduction can not settle it. "buy-a-bale" movement will aid, but it is but a beginning, just as "use a bale" will aid by the Postmaster General buying cotton strings, which annually amounts to enough to consume 4,800 bales by the Postal Department alone; just as using cotton bagging to wrap the cotton crop, which would take up the hulls and linters and give a market for this low grade of cotton, would consume upward of 200,000 bales. Yes, even if the boll worm and other insect pests would get busy with their oft-repeated policy, "eat a bale," it would aid, just as in 1904 the "burn-a-bale" movement aided to hold up the price; but there is only one solution and remedy in this crisis, and that is to "hold the bales," which can be done only by the Government passing the bill above referred to and agreed upon by the southern congressional cotton conference, so as to finance the "holding the bales" until the market is restored; and I repeat again, that neither the cry of "paternalism" or "lack of precedent" should deter our action in meeting this crisis and

giving the cotton farmer money for his crop that he in turn may buy wagons from Cincinnati, cotton fabric from New England, corn and flour from Iowa, Minnesota, and the Dakotas, mules and bacon from Kansas and Missouri, and fruit from California. Deny him this, and all these sections from New England to California must inevitably, whether they will or not, suffer with the cotton farmer.

OVERPRODUCTION FOLLY.

Driven to the last extremity some gentlemen tell us that there is an overproduction of cotton, anyway. I desire to place in the RECORD some figures showing the growth of cotton from 1790 down to and including the year 1913. An analysis of these figures touching the growth of production, its price, and the method by which both the price and production have been increased will be interesting to the man who will fix his attention upon this table long enough to learn the lessons which these figures surely disclose. I shall not attempt to draw all the conclusions which these figures will warrant, but I use them to explode the doctrine of overproduction. It will be shown that the foreign demand for cotton has increased proportionately to the American increased production of that crop, and hence it would seem that it is only with ample production that the establishment of foreign mills can be made possible and constant increase in their capacity can be insured. Here I give the tables:

Cotton production.

PRODUCTION, CONSUMPTION, EXPORTS, AND NET IMPORTS OF RAW COTTON, FOR THE UNITED STATES, 1790 TO 1913.

Production: The production statistics relate, when possible, to the year of growth, but when figures for the growth year are wanting those for a commercial crop which represents the trade movement have been taken. The statistics of production for the years 1790 to 1898, inclusive, have been compiled from publications of the United States Department of Agriculture; for the years 1899 to 1912, inclusive, and for other dates, when available, census figures are used.

Price of upland cotton: For the years 1902 to 1912, inclusive, the price per pound shown for upland cotton represents the average price of the average grade marketed in New Orleans prior to April 1 of the following year; for the years 1890 to 1901, inclusive, it is the average price of middling cotton on the New Orleans Cotton Exchange; and for the years 1790 to 1889, inclusive, it is taken from reports of the United States Department of Agriculture.

Consumption: The statistics of consumption for the years 1790 to 1894, inclusive, have been compiled from publications of the United States Department of Agriculture, and those for the years 1895 to 1903, inclusive, from reports of Latham, Alexander & Co. Census figures are used for the years 1904 to 1911, inclusive, and for other dates when available. The statistics relate to the 12 months during which the crop of the specified year was chiefly marketed, and not to the calendar year specified.

Domestic exports and net imports: For the years 1790 to 1819, inclusive, the statistics have been taken from American state papers, and for the years 1820 to 1910 from the reports on commerce and navigation of the United States, published by the Bureau of Statistics, Department of Commerce and Labor. For the years 1790 to 1842, inclusive, the statistics of exports relate to the 12 months beginning with October 1 of the specified year; for 1843 to 1886, inclusive, to the 12 months beginning with July 1; and for 1887 to 1911, inclusive, to the 12 months beginning with September 1. The statistics of imports relate to the same period as the statistics of consumption.

Year.	Cotton production.		Consumption of cotton and linters (equivalent 500-pound bales).	Exports of domestic cotton (equivalent 500-pound bales).	Net imports, long staple (equivalent 500-pound bales).
	Equivalent 500-pound bales, gross weight.	Average price per pound, upland cotton (cents).			
1913	14,156,486	13.1	.....	.....	.....
1912	13,703,421	12.0	5,630,835	9,199,093	225,460
1911	15,692,701	9.7	5,181,826	10,681,332	229,268
1910	11,608,616	14.7	4,516,779	8,025,991	231,191
1909	10,004,949	14.3	4,559,002	6,491,843	151,395
1908	13,241,799	9.2	5,198,963	8,889,724	165,451
1907	11,107,179	11.5	4,493,028	7,779,508	140,869
1906	13,273,809	10.0	4,974,199	8,825,236	202,733
1905	10,575,017	10.9	4,877,465	6,975,494	133,464
1904	13,438,012	8.7	4,523,208	9,057,397	130,182
1903	9,851,129	12.2	3,980,567	6,233,682	100,298
1902	10,630,945	8.2	4,187,076	6,913,506	149,113
1901	9,509,745	8.1	4,080,287	6,870,313	190,080
1900	10,123,027	9.3	3,603,516	6,806,572	116,610
1899	9,345,391	7.6	3,687,253	6,167,623	134,778
1898	11,435,368	4.9	3,672,097	7,626,525	103,223
1897	10,985,040	5.6	3,472,398	7,811,031	105,802
1896	8,515,640	7.3	2,841,394	6,124,026	114,712
1895	7,146,772	8.2	2,499,731	4,761,505	112,001
1894	10,025,534	5.9	2,983,665	6,961,372	99,399
1893	7,433,056	7.5	2,300,276	5,307,295	59,405
1892	6,658,313	8.4	2,415,875	4,485,251	85,735
1891	8,940,867	7.3	2,846,753	5,896,800	64,394
1890	8,562,089	8.6	2,604,491	5,850,219	45,580
1889	7,472,511	11.5	2,518,409	4,928,921	18,334
1888	6,923,775	10,7	2,309,250	4,730,192	15,284
1887	6,884,667	10.3	2,205,302	4,519,254	11,983
1886	6,314,561	10.3	2,049,687	4,301,542	7,552
1885	6,369,341	9.4	2,094,682	4,200,651	8,270

Cotton production—Continued.

Year.	Cotton production.		Consumption of cotton and linters (equivalent 500-pound bales).	Exports of domestic cotton (equivalent 500-pound bales).	Net imports, long staple (equivalent 500-pound bales).
	Equivalent 500-pound bales, gross weight.	Average price per pound, upland cotton (cents).			
1884	5,477,448	10.5	1,687,108	3,783,319	7,144
1883	5,521,963	10.6	1,813,865	3,733,369	11,247
1882	6,833,442	10.6	2,038,400	4,591,331	4,716
1881	5,136,447	12.2	1,849,457	3,376,521	3,261
1880	6,356,998	11.3	1,865,922	4,453,495	5,447
1879	5,466,387	12.0	1,500,688	3,742,752	7,578
1878	4,745,078	10.8	1,457,266	3,290,167	5,049
1877	4,494,224	11.3	1,458,667	3,197,439	5,046
1876	4,118,390	11.7	1,314,489	2,839,418	4,832
1875	4,302,818	13.0	1,255,712	3,037,650	4,498
1874	3,528,276	15.0	1,098,163	2,504,118	3,784
1873	3,873,750	17.0	1,213,052	2,682,631	3,541
1872	3,650,932	18.2	1,115,691	2,470,590	10,016
1871	2,756,564	20.5	1,146,730	1,824,937	6,374
1870	4,024,527	17.0	1,026,583	2,922,757	1,802
1869	2,409,597	24.0	796,616	1,987,708	3,026
1868	2,198,141	29.0	860,481	1,300,449	1,870
1867	2,345,610	24.9	844,044	1,502,756	345
1866	1,948,077	31.6	715,258	1,401,697	1,035
1865	2,093,658	43.2	614,540	1,301,146	10,322
1864	299,372	83.4	344,278	17,789	68,798
1863	449,059	101.5	219,540	23,998	52,405
1862	1,596,653	67.2	287,397	22,770	67,695
1861	4,490,586	31.3	369,226	10,129	61,731
1860	3,841,416	13.0	841,975	615,032	.....
1859	4,309,642	11.0	845,410	3,535,373	.....
1858	3,758,273	12.1	867,489	2,772,937	.....
1857	3,012,016	12.2	550,708	2,237,248	.....
1856	2,873,680	13.5	761,614	2,096,565	1,678
1855	3,220,782	10.3	731,484	2,702,863	2,295
1854	2,708,082	10.4	641,391	2,016,849	4,425
1853	2,766,194	11.0	663,204	1,975,666	1,141
1852	3,130,338	11.0	736,468	2,223,141	1,423
1851	2,799,290	9.5	617,468	2,186,461	512
1850	2,136,083	12.1	422,626	1,854,474	330
1849	1,975,274	12.3	575,506	1,270,763	485
1848	2,615,031	7.5	586,032	2,053,204	22
1847	2,128,433	8.0	537,427	1,628,549	558
1846	1,603,763	11.2	385,916	1,054,440	122
1845	1,806,110	7.9	363,365	1,095,116	386
1844	2,078,910	5.6	337,730	1,745,812	680
1843	1,750,060	7.7	298,872	1,327,267	517
1842	2,035,481	7.2	278,196	1,584,594	1,835
1841	1,398,282	7.8	222,461	1,169,434	107
1840	1,347,640	9.5	245,045	1,060,408	1,210
1839	1,653,722	8.9	236,525	1,487,882	297
1838	1,092,980	13.4	221,738	827,248	319
1837	1,428,384	10.1	195,100	1,191,905	355
1836	1,129,016	13.2	176,449	888,423	510
1835	1,061,821	16.5	184,731	847,263	427
1834	962,343	17.4	166,523	774,718	1,574
1833	930,962	12.9	149,159	769,436	308
1832	815,900	12.3	142,352	649,397	69
1831	805,439	9.4	130,895	644,430	22
1830	732,218	9.7	129,938	553,960	22
1829	763,598	10.0	89,723	596,918	378
1828	679,916	9.9	84,788	529,674	40
1827	564,854	10.3	84,516	421,181	597
1826	732,218	9.3	103,535	588,620	74
1825	533,473	12.2	.....	409,071	79
1824	449,791	18.6	.....	352,900	26
1823	387,029	14.7	.....	286,739	932
1822	439,331	11.4	.....	347,447	110
1821	376,569	14.3	.....	289,350	196
1820	334,728	14.3	100,000	249,787	427
1819	349,372	17.0	.....	255,720	4,571
1818	261,506	24.0	.....	175,994	4,454
1817	271,967	34.0	.....	184,942	3,086
1816	259,414	26.0	.....	171,299	2,048
1815	209,205	29.0	.....	163,894	44
1814	146,444	21.0	51,778	165,997	266
1813	156,904	15.5	.....	35,458	101
1812	156,904	12.5	.....	38,220	3,133
1811	167,364	10.5	.....	57,775	897
1810	177,824	15.5	35,565	124,116	431
1809	171,548	16.0	33,473	186,523	560
1808	156,904	16.0	.....	101,981	1,601
1807	167,364	19.0	.....	21,261	6,297
1806	167,364	21.5	.....	127,889	1,485
1805	146,444	22.0	.....	71,315	961
1804	135,983	23.0	23,013	76,780	456
1803	125,523	20.0	.....	70,068	183
1802	115,063	19.0	.....	75,424	1,153
1801	100,418	19.0	.....	47,768	170
1800	73,222	44.0	18,829	41,822	8,696
1799	41,841	28.0	16,737	35,580	8,870
1798	31,381	44.0	.....	19,065	7,532
1797	23,013	39.0	.....	18,720	7,761
1796	20,921	34.0	.....	7,577	7,336
1795	16,736	36.5	.....	12,213	8,737
1794	16,736	36.5	.....	9,414	8,592
1793	10,460	33.0	.....	3,565	5,127
1792	6,276	32.0	.....	1,097	5,503
1791	4,184	29.0	.....	277	1,112
1790	3,138	26.0	11,000	379	697

Exports of raw cotton from the United States during the years ending June 30, 1909–1913.

UPLAND AND OTHER.

Exported to—		1909	1910	1911	1912	1913
RECAPITULATION.						
Europe	bales	8,179,392	5,987,274	7,494,282	9,858,774	8,154,861
	lbs	4,243,608,166	3,069,234,541	3,864,790,951	5,112,421,334	4,265,401,303
North America	bales	169,235	151,962	159,773	190,850	168,542
	lbs	87,123,023	77,835,969	81,188,093	99,151,227	86,647,519
South America	bales	1,620			52	452
	lbs	812,827			26,086	227,485
Asia	bales	200,082	92,756	152,454	597,507	388,054
	lbs	105,828,459	47,599,297	79,270,073	312,060,843	205,167,550
Oceania	bales	1,455	1,100	900	1,380	800
	lbs	779,671	578,142	474,434	767,671	429,042
Africa	bales	5		5	10	20
	lbs	2,250		2,517	5,230	10,306

[House bill 19417. Mr. Murray introduced the following bill, which was referred to the Committee on Ways and Means and ordered to be printed.]

A bill to amend the act of February 8, 1875, entitled "An act levying a tax of 10 per cent per annum on every person, firm, association, other than national bank associations, and every corporation, State bank, or State banking association on the amount of their own notes used for circulation and paid out by them."

Be it enacted, etc., That the act of February 8, 1875, entitled "An act levying a tax of 10 per cent per annum on every person, firm, association, other than national bank associations, and every corporation, State bank, or State banking association on the amount of their own notes used for circulation and paid out by them," be, and the same is hereby, amended to read as follows:

"That every person, firm, association, other than national bank associations, and every corporation, State bank, or State banking association shall pay a tax of 10 per cent per annum on the amount of their own notes used for circulation and paid out by them: *Provided*, That any State by legislative enactment may authorize any person, firm, association, or any corporation, State bank, or State banking association to issue such notes for circulation: *Provided further*, That such notes do not exceed the capital stock of such person, firm, association, corporation, State bank, or State banking association, and that all the assets of such person, firm, association, corporation, State bank, or State banking association shall be liable for the redemption of such notes issued for circulation: *Provided further*, That an amount of gold shall be held in reserve for the redemption of such notes equal to $1 for every $3 of such notes so issued; or any State by legislative enactment may authorize such notes for circulation by any person, firm, association, corporation, State bank, or State banking association upon State, county, township, or municipal bonds or bonds lawfully issued by legally organized drainage or irrigation districts, or associations, not to exceed 75 per cent of the par value of such bonds: *Provided further*, That 5 per cent in gold of the face value of such notes for circulation shall be held and maintained in reserve at all times for the redemption of such notes; or any State by legislative enactment may authorize such notes for circulation by any person, firm, association, corporation, State bank, or State banking association upon any staple product of the farm, field, or mine when the same shall have been fully insured against fire or deterioration in value or loss: *Provided further*, That there is held and maintained in reserve at all times 5 per cent in gold of the face value of such notes for redemption of the same: *And provided further*, That the State so authorizing such issue of notes for circulation upon the bonds or staple products herein named shall secure and guarantee with its credit the payment of all such notes upon demand by any holder thereof, and that such notes as herein authorized shall be exempt from all taxes and penalties otherwise prescribed by the act of February 8, 1875."

Defense of National Capital.

EXTENSION OF REMARKS

OF

HON. EDWIN S. UNDERHILL,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 16, 1914.

Mr. UNDERHILL. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include an address by the Hon. JOSEPH A. GOULDEN, of New York, at the exercises in unveiling the splendid monument erected in honor of the Twenty-fifth New York Cavalry in the Battle Ground National Cemetery, Washington, D. C., in memory of those who died in the battle at Fort Stevens July 11 and 12, 1864. The Twenty-fifth New York Cavalry were mustered into the service at Harts Island, N. Y., early in 1864.

The address is as follows:

"Its first engagement was with Early's corps, near Fort Stevens, just north of Washington, July 11, 1864. The regiment stood its ground nobly, although greatly outnumbered. Gen. Alexander McDowell McCook, one of the fighting brothers of that famous name, in command of the defenses, ordered the regiment to retire, which it did in an orderly manner, contesting every foot of the ground until relieved by the Ninth Regiment Veteran Reserve Corps.

"The Twenty-fifth Cavalry undoubtedly checked Early's advance and perhaps saved the Capital.

"Being on the ground near Fort Stevens, as a volunteer, it was my privilege to witness this engagement. I can, therefore, bear testimony to the bravery of the men under fire, to the excellent discipline maintained, and to the soldierly manner in which they slowly fell back under orders of Gen. McCook. I will be pardoned, I am sure, if I digress here to give a brief personal account.

PRESIDENT UNDER FIRE.

"I was stationed in the Washington Navy Yard at the time and vividly remember the intense excitement prevailing Early's famous corps of seasoned veterans of Lee's army was marching on the Capital with nothing but raw troops and thousands of cilivians—laborers, clerks, and so forth—from in and around Washington to oppose the enemy. Clearly I recall marching to Fort Stevens July 10 over muddy roads; of being stationed at Fort Slocum, just to the east of Fort Stevens, heavy guns in the different forts—mere earthworks—and of helping drill as best we could the civilians who were expected to help handle them. It is stated, and I believe truthfully, that President Lincoln was under fire at Fort Stevens on that memorable July 11. Fort Slocum and Fort Totten were under the command of Col. Haskin, a gallant officer. Of the other officers of note who were there I recall Gens. Meigs—the quartermaster general—Augur, Rucker, and Payne.

"The splendid work done by the Twenty-fifth New York Cavalry on the 11th of July saved the day, as it checked Early's advance and enabled the Sixth and a part of the Nineteenth Corps to arrive on the line of defense, which reached from Fort Stevens to Fort Lincoln, a distance of five miles. It is not generally understood, I imagine, what force constituted Early's army, which included a part of A. P. Hill's corps. I think, beyond a doubt, and that was Gen. McCook's estimate, that there were 30,000 men and 60 pieces of field artillery in Maryland in front of Washington.

"I desire to quote the following from the official records of the War Department: 'The first important encounter the regiment had with the enemy was in the repulse of Early's attack on Washington, July 11 to 12, 1864. It had been ordered back from the Army of the Potomac and placed on the picket line in front of Fort Stevens, Washington, D. C. At about noon, July 11, this picket line was attacked by a strong line of skirmishers sent out by Gen. Early. Gen. Alexander McDowell McCook, who was in command in person at Fort Stevens, observing the line was too thin to cope with the enemy's skirmishers, directed them to retire, slowly contesting their ground. The regiment was relieved at 4 o'clock in the afternoon—after having been under continuous fire for four hours—by the Ninth Regiment, Veteran Reserve Corps. The relief was, however, not accomplished until after a brisk fight, in which the Ninth Regiment lost 1 killed and 11 wounded.'"

The official records of the War Department show the following facts on this splendid regiment:

The first important encounter the regiment had with the enemy was in the repulse of Early's attack on Washington, July 11 to 12, 1864. It had been ordered back from the Army of the Potomac and placed on the picket line in front of Fort Stevens, Washington, D. C. At about noon, July 11, this picket line was attacked by a strong line of skirmishers sent out by Gen. Early. Gen. Alexander McDowell McCook, who was in command in person at Fort Stevens, observing the line was too thin to cope with the enemy's skirmishers, directed them to retire, slowly contesting their ground. The regiment was relieved at 4 o'clock in the afternoon by the Ninth Regiment, Veteran Reserve Corps. The relief was, however, not accomplished until after a brisk fight in which the Ninth Regiment lost 1 killed and 11 wounded.

In August, 1864, the regiment went to the Army of the Shenandoah and participated in the following military operations during the Shen-

andoah Valley campaign, August 7 to November 28: Toll gate near White Post, August 11, 1864; Cedarville, Guard Hill, or Front Royal, August 16; Winchester, August 17; Opequan Creek, August 18; near Kearneysville, August 25; Halltown, August 26; Duffield station, August 27; Berryville, September 3; Battle of Winchester, September 19; Fisher's Hill, September 22; Front Royal, September 25; and White Plains, November 27 to 28. It also participated in expeditions into Faquier and Loudoun Counties, November 28 to December 3; to Gordonsville, December 19 to 28, and other points, remaining on duty in the Shenandoah Valley until June, 1865.

The regiment was mustered out at Harts Island, N. Y., June 27, 1865. Official statement furnished to Hon. J. A. Goulden, House of Representatives, June 10, 1914.

By authority of the Secretary of War:

GEO. ANDREWS,
The Adjutant General.

The regiment participated in some 30 engagements and lost, killed in battle and by disease, 104 men during its 18 months of active service. Its record is a highly creditable one, reflecting honor on the bravery of our American Volunteer soldiers. This splendid monument erected by the State of New York and unveiled to-day is but simple justice to its brave patriotic men who here gave up their lives for their country.

Denatured Alcohol.

EXTENSION OF REMARKS
OF
HON. J. A. FALCONER,
OF WASHINGTON,
IN THE HOUSE OF REPRESENTATIVES,

Tuesday, October 13, 1914,

On the bill (H. R. 18479) to provide the Federal aid necessary to demonstrate the practical value of the amendments to the denatured-alcohol laws of the act of October 3, 1913.

Mr. FALCONER. Mr. Speaker, some weeks ago I introduced a bill, H. R. 18479, which provided for an appropriation to demonstrate the possibilities and practical value of the amendment to the denatured-alcohol laws. It is very evident that this subject is very much on the mind of the advanced farmers of the country, for I have received many letters from several different States asking for more detailed information, and some of the communications indicate a very good understanding of the subject, and these letters all are commendatory of the effort being made to bring to a stage of development for practical use the very important commodity, denatured alcohol.

I have read some press comments, too, on the purposes of this legislation, one particularly advancing the suggestion that the effort is hardly worth while, and, in fact, going so far as to discourage the enterprise. The veiled sarcasm of this article gives the reader the impression that a gold brick was handed the farmer in the denatured-alcohol amendment in the Underwood tariff bill.

It is possible, Mr. Speaker, that the friends of this measure are overenthusiastic. It is possible that the American farmer can get along without modern and advanced improvements that go to make farm life more congenial and the income greater. It is possible that the whole scheme of denatured alcohol as a source of light, heat, and power should be abandoned as not being worth while, and were we the pioneers of this enterprise, with no results attained to prove its value, we might become discouraged; but we are not the pioneers in the movement and we do not want for positive proof of its worth, for Germany and France have demonstrated to the satisfaction of students of the subject that the farmers of these respective countries, through their local stills, are producing the product at a low cost, and as a source of power it is invaluable.

The Rural New Yorker on September 5, 1914, published an article in response to a query by one of its readers, Mr. T. W. Rogers. I shall read the article, not for the value of its argument but because it is from the columns of an accredited farm paper and is based upon a letter written to the editor by the present Chief of the Bureau of Chemistry in the Department of Agriculture.

THE DENATURED-ALCOHOL SITUATION.

Tell that Hope Farm man to cut his philanthropy talk and tell us how to make denatured alcohol. You told us a year or so ago that if the tax was only removed we could use all our wastes and run a gas engine for less than nothing. But since the tax has been removed you have forgotten it all.

T. W. ROGERS.

NEW YORK.

The Hope Farm man will do almost anything to help things along, but this is a little too much for him. We have told a dozen times all there is to tell about this alcohol-tax matter. Some years ago a group of manufacturers worked up a nice little scheme to remove the tax on denatured alcohol—that is, grain alcohol to which wood alcohol is added. They were not strong enough to induce Congress to do this, so, as is usual, they worked "the dear old farmer" for the job. Certain lobbyists connected with the National Grange got busy and worked up a great sentiment for denatured alcohol. The money used in working this up evidently came from these manufacturers, and it was a good investment! The papers were full of articles, showing how this cheap alcohol was to revolutionize methods of heating and lighting, A farmer could use his small potatoes, rotten apples, and surplus corn fodder for providing alcohol and thus save coal and kerosene bills. Didn't they do all this in Germany and France?

No one could deny it! Are we to admit that Europeans are smarter than we are? Perish the thought! All we had to do was to "lick a stamp" and make Congress pass the denatured-alcohol bill. The farmer followed these grange "leaders," and did it, and the bill was passed. We have been waiting ever since for cheap alcohol for lighting and heating. It has never come, but those manufacturers got what they wanted for their manufacturing purposes. We pay as much or more for the goods which they make with the cheaper alcohol, and now see that the farmers simply acted as the cat's-paw to pull the chestnuts out of the fire.

Now, why can not farmers in this country make alcohol in small lots, as is done in France and Germany? This Government has spent considerable money in trying to find out, and the following reply by the Chief of the Bureau of Chemistry tells the story as we understand it:

CHEAP ALCOHOL FROM SMALL STILLS.

Referring to your letter requesting information as to how to make alcohol on a small scale out of farm refuse, and pointing out the fact that this has been more successfully worked out in France and Germany than in America, you are informed that it undoubtedly is true that alcohol is being sold cheaper in Germany than in America in spite of the fact that it is made there in plants of small capacity. The difference between German and American prices is plainly due to various causes.

First. In the first place, the low price in Germany is partly due to the German system of governmental regulation of the alcohol industry, which by means of a kind of preferential bounty favors the agricultural distilleries, and especially those which use potatoes for a raw material at the expense of the commercial distilleries and such as use other raw materials.

Second. In addition, the low price in Germany is due in part to the operation of the Centrale fur Spiritus Verwerthung, which distributes about 90 per cent of all the spirit made in Germany, and secures to the consumer a low price in that country in consequence of minimum distributing expenses.

Third. A further explanation of the differences between the cost of producing alcohol in Germany and this country is to be found in the fact that labor is lower paid abroad than here, in consequence of which the initial expense of the distillery, the cost of raw material, and the operating expenses all are lower in Germany than in the United States. It is well recognized in all lines of manufacture that with equally good business management the cost of manufacture or production is always less in a large plant than in a small one. In Germany, however, the small distillery has this disadvantage very materially offset by the fact that the governmental regulations favor the small distiller at the expense of the larger one.

Fourth. The manufacture of alcohol requires the use of ferment organisms, known as yeasts, which in order to produce satisfactory results must be used in fairly pure cultures. These organisms turn sugars, present in the fruits and other waste products, into alcohol. In order to succeed with this project, the farmer would be obliged to carry on fermentation processes under favorable conditions of temperature to give the yeast its opportunity to transform the sugar into alcohol. Any starchy material in the farm refuse could not be fermented without the prior change of these starches into sugars. This change is brought about by the use of malt, which the farmer would certainly find difficulty in preparing for himself, and which he might perhaps find difficulty in purchasing. Assuming an abundance of refuse containing starches and sugars, and assuming that the farmer could have access to malt and yeast, he would have to carry on the fermentation under favorable temperature conditions. He would then be obliged to distill the fermented material. If a cheap still were used, the alcohal obtained would run about 50 per cent strength, being too low to use for light, heat, or power. If he were to obtain alcohol of the necessary commercial strength (90 to 95 per cent), it would be necessary to have a much more complicated distilling apparatus, which would cost several hundred dollars, and which, being very complicated, would require a skilled man to assume responsibility for its operation and care.

C. H. ALSBERG, *Chief.*

Mr. Speaker, I would not question the standing of the chief chemist herein quoted. Holding the position he does in this most important department of our Government we have a right to expect that his qualifications are standard. We also have a right to expect that he has the welfare of the farmer at heart. But, sir, I want to consider a phase or two of his letter, and let the friends of this measure pass judgment as to whether or not he is friendly to the idea of farmers making industrial alcohol on their farms.

The chief chemist makes something of a discussion on ferment organisms known as yeast and the need of the farmer having access to malt, but the whole tone of the letter is disheartening to those who have looked with engaging interest on the achievements of the farmer in Europe.

Has the chief chemist been sufficiently interested in the subject to qualify on an understanding of the amended law? The suggestion is made that a cheap still would produce alcohol of only 50 per cent strength. Well, Mr. Speaker, the friends of denatured-alcohol distilling on the farm would be very well satisfied if the product of small farm stills would average 50 per cent.

Under the law as amended a farmer can produce an alcohol of any strength—10, 50, or 90 per cent, the strength required for denaturing and for use for light, heat, and power. The farmer in his small still can produce a low per cent product and then

take this to the central plant, where it will be redistilled to the strength required for industrial use.

The Underwood tariff-act amendment expressly intended to cover this feature. The letter suggested that if the farmer would obtain alcohol of necessary commercial strength—90 to 95 per cent—it would be necessary to have complicated distillery apparatus, costing several hundred dollars.

It would be a great boon to the waiting farmer if he could be shown where he could get a still for "several hundred dollars" that would produce 90 per cent alcohol. It is generally accepted that a central plant which will produce such a high per cent product would cost several thousand dollars.

To the friends of denatured alcohol this article is not specially satisfactory. The editor of the Rural New Yorker got little practical information from the chief expert of this Government, which "Government has spent considerable money trying to find out."

But I am going to refer the Rural New Yorker to other experts.

Dr. Crampton, a former chief chemist of the Bureau of Internal Revenue, was one of two special commissioners sent by this Government to Europe to investigate the very question of farm distilling. His testimony is taken from the official report, and is as follows:

The greatest ultimate advantage to be reaped from the denatured-alcohol law, however, are its benefits to agriculture, in the shape of increased diversification of crops, enhanced productiveness of unfertile soils, and utilization of what would be otherwise waste crops or by-products of crops.

The one thing we need in our country in this matter more than anything else is the reduction of the cost of making alcohol. The Germans, after 40 years of experience and experiments, use cheap potatoes, while we are yet compelled to use high-priced grain. Our western country—the Dakotas, Nebraska, Minnesota, Montana, Iowa, and Kansas—will be the first to produce alcohol from potatoes and farm molasses, the by-products of the sugar beet.

I wish to quote the testimony of another expert, Dr. Wiley, formerly chief chemist of the Bureau of Chemistry in the Department of Agriculture. Before the Ways and Means Committee, at the free-alcohol hearings, when the first denatured alcohol laws were in process of enactment, he said:

The farmer can grow any amount of starch and sugar that may be wanted for any purpose in the world. There is no limit to the amount of starch and sugar which the farmers of this country can grow, and not a pound of starch or sugar takes one element of fertility from the soil. It is a pure gift of God, and if He had not meant it to be used I suppose He would not have given it to the world. So there is no limit, in my opinion, upon the capacity of the farmers of the country to supply the materials for making ethyl alcohol.

The preponderance of expert testimony is decidedly in favor of the manufacture of industrial alcohol, and tends to encourage a prosecution of the enterprise, and makes plain the practicability and economic importance of the farm distillery. Exceptions to this almost universal sentiment among chemists may be found in those employed by corporations whose monopoly profits might be endangered by the free, independent farmer engaging in the business of producing liquid fuel for heat, light, and power.

Mr. Speaker, the question Mr. Rogers asked the editor of his farm paper, which brought forth such an answer, is the kind of answer farmers all over the country have been getting.

The editors of technical papers, especially of those papers more closely allied with chemists and the chemical industries, look upon the problem with rational understanding and encouragement. In point I refer to a presentation of the question by the Journal of the National Association of Retail Druggists of September 3, 1914, the same week of the published article above referred to in the Rural New Yorker. The Journal of the National Association of Retail Druggists says:

SPREADING THE DENATURING IDEA.

That very good friend of ours, Congressman FALCONER, of Washington State, has introduced a good bill which aims to form a commission to demonstrate the practicability of producing denatured alcohol on the farm. The bill is carefully drawn and would provide that the farmers to be benefited should bear part of the expense of the experimental stills and other operating expenses. Denatured alcohol has furnished a series of mysteries, or betrayals, of the American people.

Every druggist remembers the claims that were made for the future of denatured alcohol when the law was passed. While we may, at first thought, consider those claims exaggerated, serious consideration fails to find a reason why they were. Neither chemical nor mechanical reason has been shown why alcohol should not be produced at trifling cost from what is largely farm waste. And we who are familiar with the common and simple uses of alcohol for generating heat, light, and power will not for a moment believe that American genius is unable to apply it where petroleum products are so universally used.

We remember that shortly after the law for the denaturing of alcohol was passed that a subsidiary of the universal monopoly, a subsidiary of that part then known as the Whisky Trust, started to exploit denatured alcohol on a large scale. True, it exploited it under a trade-marked name, and it controlled the lamps, chafing dishes, and many other practical appliances which it showed. It was self-evident that it started out to and expected to create a denatured-alcohol monopoly. Suddenly it stopped its great advertising campaign, and, apparently at tremendous loss, drew out of the scheme. Why? It seems reasonable to believe that it found that it would be impossible to maintain a monopoly in a substance so easily produced from so many sources. What followed? Not much of anything, so far as denatured alcohol is concerned. What has prevented the development of the wonderful possibilities of denatured alcohol?

Is it not probable that the interests who found they could not monopolize it have been powerful enough to strangle it that they may continue their profitable monopoly of gasoline and the illuminating and motor oils?

Did the 600 "farm demonstrators" who were supposed to be employees of the Department of Agriculture, but who were drawing their salaries from the Rockefeller Educational Fund, help to make the farmers indifferent to denatured alcohol? Did the agricultural college professors, the "farm betterments," the rural-life agitators, and others paid by the "benevolences" of the mail-order branches of the universal monopoly help to keep denatured alcohol in the background? In brief, has the "invisible government" prevented the general production of denatured alcohol?

Mr. Speaker, the editor of this drug journal has a finer appreciation of what is intended and the effort being made to obtain desired results than the writer of the article in the paper previously quoted. And I am convinced that the view of the journal meets more nearly the approval of the farmers of the country.

Certainly there is a work for the Congress to do, and House bill 18479 outlines that work. I am not of the belief that the amendment to the denatured-alcohol laws enacted during the first session of this Congress is useless. I have the opposite view and think it is one of the strong provisions in the bill accruing to the public good, and the farmers who wish for a substantial benefit through the denatured-alcohol still on the farm are of this opinion. The passage of my bill by this Congress will demonstrate that the people of the country are represented, with the result that no monopoly will have power to strangle the enterprise and no invisible government will be able to retard its development.

Only a few thousand dollars by the Government, Mr. Speaker, to make a demonstration and this industry will rapidly advance. States will relieve the Federal Government and eventually the individual and associated farmers' organizations will relieve the States.

It works to an end. The duty of Congress is plain, and certainly before this Congress adjourns this bill should pass. The whole question is presented by the Druggists Journal:

1. What has prevented the development of the wonderful possibilities of denatured alcohol?
2. Is it not probable that the interests who found they could not monopolize it have been powerful enough to strangle it that they may continue their profitable monopoly of gasoline and illuminating and motor oils?
3. In brief, has the invisible government prevented the general production of denatured alcohol?

Mr. Speaker, whatever else may be said of this Congress, it has been known as a Congress of action, and the people of the country have realized on their demand for legislative action.

Among the many things that may be accomplished by the Sixty-third Congress, the legislation herein asked for will, if enacted, hold a prominent place, and the administration will be strengthened, for the welfare of the farmer is the welfare of the Nation. The American public recognizes this fact, and, generally speaking, desire the provisions of H. R. 18479 enacted into law:

A bill (H. R. 18479) to provide the Federal aid necessary to demonstrate the practical value of the amendments to the denatured-alcohol laws of the act of October 3, 1913.

Be it enacted, etc., That there shall be established under the general direction of the Secretary of Agriculture a special industrial alcohol commission, composed of a commissioner, who shall be known as the commissioner of industrial alcohol, and two assistant commissioners, which commission shall have charge of building and operating one or more demonstrating farm industrial alcohol distilling plants composed of small, low-proof stills, on the farm in combination with central redistilling denaturing plants, as provided for in the revised denatured-alcohol laws of the act of October 3, 1913. The commission shall also conduct experimental and research work in the industrial uses of alcohol and establish a bureau of information and educational publicity covering all questions relating to industrial alcohol under such regulations as, with the approval of the Secretary of Agriculture, the commissioner of industrial alcohol may prescribe.

SEC. 2. That the commissioner of industrial alcohol shall be appointed by the President, by and with the consent of the Senate, and shall hold office during the life of the commission, or for a term not exceeding five years, unless sooner removed by the President upon reasons to be communicated by him to the Senate, and he shall be entitled to a salary of $6,000 a year.

SEC. 3. That the Secretary of Agriculture, at the request of the commissioner of industrial alcohol, may appoint two assistant commissioners, who shall be known as the first and second assistant commissioners of industrial alcohol, and who shall each be entitled to a salary of $3,500 per year, and who shall perform such duties under the commissioner as he shall direct. During a vacancy in the office of the commissioner, or during his absence or disability, the first assistant commissioner shall possess the power and perform the duties of the commissioner, and in the absence of both the commissioner and the first assistant commissioner the second assistant commissioner shall possess the powers and perform the duties of the commissioner.

SEC. 4. That there shall be assigned to the commissioner of industrial alcohol by the Secretary of Agriculture rooms for conducting the business of the commission, and the commissioner shall from time to time furnish the necessary furniture, stationery, and other conveniences for the transaction of the business of the commission.

The commissioner shall employ from time to time the necessary clerks, to be appointed and classified by the Secretary of Agriculture, to discharge such duties as the commission shall direct.

SEC. 5. That no demonstration distillery or distillery group provided for in this act shall be built and operated in any community unless a part of the cost of the central plant is subscribed locally and a sufficient number of farmers within a radius of 5 miles of the proposed central distillery to insure the practical success of the demonstration, agree to install on their farms small, low-proof stills, and operate them on such terms and conditions as the commissioner of industrial alcohol, with the approval of the Secretary of Agriculture, may prescribe.

SEC. 6. That for the purpose of carrying out the provisions of this act there is hereby appropriated, out of the money in the United States Treasury not otherwise appropriated, the sum of $100,000, or so much thereof as may be necessary.

Rural Credits.

Address of Judge Robert W. Winston, of Raleigh, N. C., before the North Carolina Farmers' Convention, at Raleigh, N. C., August 27, 1914.

EXTENSION OF REMARKS

OF

HON. JOHN H. SMALL,

OF NORTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 16, 1914.

Mr. SMALL. Mr. Speaker, the intelligent people of the country, regardless of their vocation, have come to appreciate the importance of establishing a system of rural credits, and that it must be undertaken by the Federal Government.

The serious defects of our currency or national banking laws will in large degree, if not entirely, be removed by the Federal reserve act recently enacted by Congress and soon to be in operation; but even this splendid statute will not provide a system of long credits for the farmers, so necessary for the development of agriculture.

President Wilson is committed to the enactment of a law which will effectuate such a purpose, and the appropriate committees of Congress have been studying the subject.

Ex-Judge Robert W. Winston, a distinguished member of the Raleigh (N. C.) bar, and an eminent publicist, has made a valuable contribution to the literature on rural credits in an address before the North Carolina Farmers' Convention at Raleigh, on August 27, 1914, and I esteem it a privilege to publish the same in the RECORD.

The address is as follows:

"Let us first consider whether the Government should make loans on farm lands at all; if so, how it should go about it.

"The latest census shows that the prosperous States of Ohio, Indiana, and Missouri had fewer people upon the farms in the year 1910 than there were in the year 1900 and that in 22 States of the Nation there was a practical standstill of the population upon the farms during the same period. It will perhaps surprise you to know that the State of North Carolina during these 10 years increased in its city population 53 per cent, while the increase in its country population was only 12 per cent. William C. Hunt, chief statistician for population, in a bulletin entitled 'Number and Distribution of Inhabitants,' shows that our cities and towns, taken as a whole, are rapidly growing in population at the expense of the country districts. In 1880 70 per cent of the population of the United States was living upon the farm and only 30 per cent in the cities. In 1910, so rapidly had the cities grown, that the population was divided about half and half between city and country. If this rate continues for 25 years, 90 per cent of the voters will be living in cities and only 10 per cent in the country districts; and the reins of government will have passed from the man who owns the soil to the man who has no interest in the same and who lives in the cities. This condition of affairs calls aloud to us for a change.

MUST PRESERVE OUR LAND FOR WHITE PEOPLE.

"This subject concerns us of the South more vitally than other sections because of the necessity of conserving our white civilization and of the danger of our lands passing into the hands of negro owners. Says Clarence Poe:

"As a result of these conditions the facts are—and they remain facts whether we ignore them or not—that in every Southern State east of the Mississippi, except Florida, the percentage of negroes on the farms is increasing; the negroes are gaining on the white proportionately, and rural districts are becoming blacker instead of whiter. Moreover, not only are the rural sections of the South getting blacker instead of whiter, but the negroes are gaining most rapidly in farm ownership (17 per cent gain in negro ownership to 12 per cent in white), while—most sinister fact of all—it is the white farmers who are fastest becoming tenant class (188,000 gain in white tenants, or 27 per cent, and only 118,000 gain in negro tenants, or 21 per cent).

"AMERICAN AGRICULTURE BEHIND THE TIMES.

"Dr. Wiley says that in agriculture we are 50 years behind Europe, and that the better utilization of our farm resources is one of the most important problems before the country. Acre for acre we are producing less than any nation on earth except Russia. We are beginning to buy our meats from South America and our breadstuffs from Canada. We have more waste and idle land than any nation on earth. In Europe the average farm contains from 15 to 20 acres, while in America the average farm contains more than 100 acres. Ambitious and enterprising families are leaving the farms and rushing to the towns. The army of producers grows smaller and smaller; the army of consumers multiplies daily. In manufacture, in commerce, in railroads, America leads the world, but not so in agriculture. In the matter of fostering and encouraging agriculture the policy of our National Government has been that of 'do nothing.' In this respect we have followed the example of England. England and America have been content to build up factories and great marts of commerce, so that it has come to pass that London, Liverpool, and New York are the mistresses of the commercial world; but both of these nations have neglected agriculture.

"AGRICULTURE DISCRIMINATED AGAINST.

"Until recently there have been no colleges or schools in which farming is taught and no experiment stations; and to this day there is no intelligent financial system built upon the farm as the basis of credits.

"Until the passage of the regional-bank act it was a violation of the law for a Government bank to take a mortgage upon real estate at all, whereas more than 50 years ago Government banks had been established in France based upon farm lands as security, and other continental countries had followed her example with success. But for the troubles in Mexico it is probable that President Wilson would have urged upon Congress the passage of a bill at this session extending credit upon farm lands.

"The policy of our Government has been to foster manufactures by tariff taxes and to build up immense cities and towns. For example, Government funds are deposited in city banks. Magnificent buildings, post offices, courthouses, customhouses, mints, and costly buildings for other purposes have been constructed by our Government in our cities and Government money by millions is paid out to officials of the Government residing in these cities, and for harbors, terminals, and other improvements. It may be true that the Government is under the necessity of furnishing these advantages to the cities and not to rural districts, because by so doing a greater number of the population is conserved, but the fact remains, greatly to the advantage of the one and to the disadvantage of the other.

THE STABILITY OF THE REPUBLIC DEMANDS IT.

"But I maintain that, for a stronger reason, the Government must lend money on farm lands, and that is in order that a majority of the voters shall be interested in the soil.

"The machinery of our Government is so delicately adjusted and requires so much of intelligence and virtue in its management that when 51 per cent of the voters become careless and indifferent to republican institutions the Republic itself will be in danger. Our duty is plain. We should restore the equilibrium between city and country. 'Back to the farm' should be no idle phrase. The unhappy condition of the Governments of Europe as their soldiers rush into battle at the whim of an Emperor, Czar, or King, while the masses of the people suffer and die, should give us occasion to inquire if we fully appreciate our country, and if we are zealous in her behalf, and if we are doing all that we can to make her free institutions perpetual and universal.

DR. HILL ON SCIENTIFIC FARMING.

"When Dr. D. H. Hill asked me what would be the subject of my address I told him the backwardness of American agriculture. 'Now,' said he, 'don't you get down in the mouth on this subject. We have just begun to pay attention to scientific farming in the United States, and in a few years we will excel Europe in agriculture, as in everything else.' I trust that we may, but in order to do so it is necessary to make country life attractive and to carry the comforts, conveniences, and advantages of the town into the country districts.

"This brings me to the important part of what I venture to say to you this morning. To make country life attractive there must be more money, cheaper money, and longer-time money for the farmer.

"When little Paul Dombey turned his old, old face to his father and said, 'What is money, father?' the mercenary Dombey, sr., replied with a start, 'Why, money, money, Paul, can do anything.' Mr. Dombey was mistaken. Money can not do everything. But without sufficient money people can not

be comfortable, and so my first observation is this: In order to make country life attractive and in order to hold the people upon the farms, it is essential that they shall have sufficient ready money to foster cooperation and to build an ideal community—homes with running water, electric lights, illuminating gas, good roads, churches, efficient schools, telephones, horses, automobiles, lecture halls, theaters, daily mails, newspapers, and circulating libraries. The question is how can this money be supplied.

THE SOUTH NOT YET READY FOR COOPERATIVE BANKING.

"I have read all that has been said or written on the subject of agricultural credits—the report of the United States commission, the report of the American commission, and the minority report, the proceedings of the Senate and House joint committees charged with the investigation of rural credits, the debates in Congress, the Fletcher bill and the various other pending bills, including the final word on the subject, as set forth in the Hollis-Bulkley bill—nor have I failed to investigate the system of credits existing in Germany, France, and other European countries. As to the whole matter, I give my opinion—with hesitancy and with becoming modesty, I trust—that the machinery of the various bills pending in Congress seems to me too intricate—certainly for our southern people. As to the Raiffeisen system, by which a dozen or more farmers 'go into cohoot' and on their joint notes and credit borrow large sums of money on long time and at a low rate of interest for their several farming operations, I feel quite sure that this will not suit the genius of North Carolina farmers. I would not advise any friend of mine to go into such an enterprise, whereby he might imperil his estate for the benefit of another.

DIFFERENT SECTIONS REQUIRE DIFFERENT FINANCIERING.

"In dealing with this complex question we must remember that conditions in the South are different from those on the Pacific slope or in the New England and Middle States. Former Gov. Bulkley, of Connecticut, recently said to me that the New England farmers did not stand in need of long-time loans, and that they could get all the credit which they needed through their local banking associations. This is also perhaps true of the Middle States, but it is not true of North Carolina and of the Southern States generally. The North Carolina landowner who has good security, as a general thing, borrows such money as he may need at a reasonable rate of interest, but he can only get it on short time. Banks lend money in this State for 60 and 90 days generally, with the privilege of one or two renewals; but the trouble with the borrower is that when times get hard and money tight with him, it gets tight and hard with the bank also, and the bank calls on him for the money, and he must scuffle around and incur additional expense to get the loan renewed.

"All of the bills now pending before Congress agree in one particular, to wit: That the borrower shall be permitted to pay back a loan, a little at a time, and from year to year.

"The advantage of this plan is so admirably set forth by T. N. Carver, director of rural organization service, in Farm Bulletin No. 593, entitled 'How to Use Farm Credit,' that I urge all persons interested in this subject to read it. Our wise men have discovered a big word to designate this plan of paying back money in broken doses. They call it the 'amortization plan,' which we will consider hereafter.

THE HOLLIS-BULKLEY BILL AND COOPERATION.

"I heartily approve of the passage by Congress of the Hollis-Bulkley bill. It will no doubt be put in successful operation in States like Wisconsin, where the farmers are thoroughly organized and know the value of cooperative societies. But I fear that in the South and in other sections of the Union the machinery of a bill of this kind is so complicated that it would be a dead letter and would not work.

"The organization of cooperative institutions among our farmers will hasten a system of rural credits. I know of nothing more inspiring than the work of the Catawba County farmers along this line. Bulletin No. 119 of the University of North Carolina Record, which treats of the Catawba Cooperative Creamery Co., Catawba Sweet Potato Growers' Association, Catawba Farmers' Union Warehouse Co., Catawba Rural Credit Association, should be in the home of every farmer in the State. But, as pointed out by John Sprunt Hill, a member of the American commission, in his address before the conference for education in the South, at Louisville, on 'Land-mortgage credit associations,' it is difficult to organize a 'joint-stock bank' and it is very difficult to successfully operate land and loan associations in the State of North Carolina. Building and loan associations have done good work at Charlotte and in some other cities, but they have generally either failed or for the lack of patronage accomplished little good.

PLAN SUGGESTED; DIRECT LOANS ON FARM LANDS.

"The minority report of the American commission severely criticizes the European system of cooperative farm loans. I would not undertake to pass upon this delicate question. But I think that all will agree with me that at this time in the South the community spirit is not sufficiently developed to warrant the adoption of such system. Our southern people are self-assertive and individual, and while they are homogeneous in one sense of the word, they are not gregarious, they live in sparsely settled neighborhoods, nor are they of a uniform religious belief.

"If the Hollis-Bulkley bill is not adapted to southern conditions, what financial plan should be adopted? The Government should lend money directly to farmers without any unnecessary machinery or circumlocution. This could be done easily and with safety. My suggestion is that the details of loaning should be worked out by the Federal Reserve Board, as created by the act of Congress of December, 1913, entitled 'the Federal reserve act,' and that some of the machinery of the Hollis-Bulkley bill should be used in making these direct loans—such as the appointment of a farm land commissioner, the purposes for which such loans would be made, the per cent that the loan should bear to the land mortgaged and to the value of the improvements upon the land, and the incorporation into each mortgage of the 'amortization plan.' My first object would be safety. To this end, in each loan district, which might embrace an entire State, a fund of, say, one-half of 1 per cent would be taken from the money lent and set aside to meet any possible losses upon the various mortgages within said loan district. This reserve fund would increase from year to year and could be also loaned out to advantage, and at the end of the amortization period the one-half of 1 per cent so charged against the borrower, together with interest upon the same, should be returned to him if not needed to meet losses. To pay the salary of the land commissioner and of the appraisal committees and to defray the legal expenses, a fund of about one-half of 1 per cent of the amount loaned would be required at first. But as the various States under the supervision of the Reserve Board and land commissioner improve their registration laws this per cent would become much less and might fall to the one-fourth of 1 per cent. If a law of this kind were enacted, containing so many benefits to borrowers, they would be so numerous that the land commissioner would be puzzled in selecting from among them. In France borrowers are selected by lot. Let Congress pass the Hollis-Bulkley bill, by all means. But let it also pass a bill authorizing direct loans on farm lands.

TORRENS LAND SYSTEM.

"We might pause here to consider the reflex good which would result from the improvement of our registration laws. Might we not shortly expect the Torrens land system throughout the Nation? Indeed, the act would provide that the land commissioner should not make loans in any State whose registration laws failed to come fully up to the standard. The rate of interest charged should correspond to the legal rate in each State. For example, the rate of interest in North Carolina would be 6 per cent. Of this sum, as above shown, one-half of 1 per cent would go to the expense account; one-half of 1 per cent to the reserve fund, to be returned to the owner if not needed; and 5 per cent, as the interest charge, would go to the United States Government.

HOW A LOAN WOULD WORK.

"Attached to Farmers' Bulletin No. 953 are amortization tables which show how long it will require to pay off a mortgage for $1,000 at 5 per cent and at 6 per cent by making annual payments of $100, $90, $75, and $70. Let us suppose that a farmer wishes to purchase 100 acres of land, and needs $1,000 to complete the trade.

"He makes application to the local Government agency, and the loan is approved. The mortgage is drawn authorizing him to pay off the whole debt and interest at any time he wishes. But it also allows him, if he desires, to repay the loan of $1,000 by making yearly payments of $100, and it further provides that if he pays $100 each year he can not be molested by the Government. The table shows that in 15 years he will have paid off the entire debt, principal and interest. This allows him the return of one-half of 1 per cent at the end of the period. If he should not get back any part of this one-half of 1 per cent, it would require 16 years to pay back the $1,000 by making an annual payment of $100 a year.

PROBABLE OBJECTIONS TO PLAN SUGGESTED.

"The chief objection to my suggestion that the Government shall lend money to the farmer directly, without the intervention of rural associations or rural banks or other complicated machinery, is that the security offered by the borrower will prove bad and that the Government will lose money by the

transaction. Just one personal word here—for 20 years as attorney for clerks of the court and for trustees, guardians, banks, and a great many prosperous farmers, myself and my associates have negotiated loans on lands amounting to fully a million dollars. I have never lost a cent thereby, nor have I sold out 1 acre of land under mortgage, nor had a lawsuit. All careful attorneys in North Carolina have had the same experience, I am sure. But it is said that the money is not needed in our State. I believe that $5,000,000 could and would be absorbed in North Carolina in six months. This money would be used to take up old mortgages which have been outstanding for a long time, and which have been renewed from year to year, and are a menace to the landowner; and it would also be used by the young men all over the State to purchase lands and 'set up for themselves' rather than continue the tenancy system which is so universal in our State, and by farmers generally to improve their farms. If $5,000,000 were appropriated to our State and loaned out, to be repaid on the amortization plan, this fund would be perpetual, or what is called a revolving fund, to be loaned again and again as it was repaid each year.

"A first-rate illustration of the value of a large revolving fund is in the North Carolina school building and improvement fund, originally about $2,000 and created some 25 years ago. This fund is loaned for the purpose of constructing and improving schoolhouses. The loans are repaid, together with 4 per cent interest, in 10 annual installments. The fund has grown to nearly $500,000, and an endless chain of borrowing and building and building and borrowing, under the wise management of Supt. Joyner, has produced a new schoolhouse every day in the year, Sundays included, from Aycock's administration to Craig's.

"It would not be difficult for the Government to provide money to make these loans. I am advised by the Treasury Department at Washington that the deposits in postal savings banks are nearly $50,000,000 and that the Indian fund is nearly as much. Some or all of this money would be available for farm loans. If necessary, Government bonds should be sold on long time and the proceeds used for farm loans. Some one may say, however, that this would be unconstitutional. But if the Government can constitutionally finance the Centennial Exposition of 1876, the World's Fair of 1893, and the Panama Exposition of 1915, and irrigate western lands under the general welfare clause of the Constitution, surely, surely, that clause is broad enough to warrant Congress in creating and fostering upon the hills and plains of America a training school for good citizenship, where people may be encouraged to raise hogs and cattle and wheat and corn and cotton, rather than to leave the old homestead and rush to the cities, becoming a menace to republican government.

PRESENT PRICES OF COTTON AND TOBACCO.

"A bill of this kind would enable cotton and tobacco farmers to borrow money in the present world crisis and to hold their crops until the mad war in Europe had ended and the prices of these crops had become normal again. The advantage of borrowing from the Government, as we have seen, would be that the borrowers could not be frozen out when cotton and tobacco are selling at less than cost of production. Much has been said in favor of the organization of a huge New York syndicate to lend money to cotton farmers at the rate of $40 a bale.

"It seems to me that this would be putting the head of the lamb in the mouth of the lion! It would tend to keep down the price of cotton, because the mills would know that when the northern syndicate chose to pull the string the cotton market would be flooded by the sale of mortgaged cotton. If, on the other hand, large sums of money were loaned directly by the Government on farm lands, on the 'amortization plan,' the situation would automatically care for itself and the cotton and tobacco farmers would not be playing at a game of 'freeze out.'

"The reason that the banks, both State and national, in our State are unable to advance money at this time on any kind of security is that they are carrying mortgages on farm lands which have become permanent loans and which they do not have the heart to foreclose, amounting to millions of dollars. If the Government would make direct loans on farm lands, this money would be paid into the banks and the banks would be compelled to seek new investments for said funds. In this way millions of dollars would be available in the present money stringency.

RUSSELL, OF THE IRISH HOMESTEAD.

"I do not claim that laws of this character will be a cure for all evils of the times, but they will magnify the farmers' calling and will do much to make rural life attractive and to hold the people together upon the farms. As George W. Russell, of the Irish Homestead, says, 'the fight now is not to bring the people back to the land, but to keep those who are on the land contented, happy, and prosperous.' We must organize the country people into communities, for without some kind of communal life men hold no more together than the sinking sands of the seashore. Our civilizations are a nightmare, a bad dream. They grow meaner and meaner as they grow more urbanized. What could be more depressing than the miles of poverty-stricken streets around the heart of any modern city? The memory lies on one heavy as frost and deep almost as life. It is terrible to think of the children playing on the pavements, the depletion of vitality, with an artificial stimulus supplied by flaring drink shops. The spirit grows heavy as if death lay on it while it moves amid such things. And outside these places the clouds are flying overhead snowy and spiritual as of old, the sun is shining, the winds are blowing, the forests are murmuring leaf to leaf, the fields are green, but the magic that God made is unknown to these poor folk. Truly the creation of a rural civilization is the greatest need of our time. It may not come in our day, but we can lay the foundations of it, paving the way for the great Prophet when he will come."

Economy Needed in Government.

EXTENSION OF REMARKS

OF

HON. FREDERICK H. GILLETT,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 14, 1914.

Mr. GILLETT. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I include an address delivered by Representative WINSLOW at the Republican State convention in Massachusetts:

ECONOMY IMPERATIVE IN GOVERNMENT NOW—COL. WINSLOW SAYS BUSINESS DULLNESS IS DUE TO DEMOCRATIC POLICIES IN FORCE FOR LAST 18 MONTHS—PEOPLE'S MONEY MUST NOT NOW BE SPENT FOR WORK THAT IS UNNECESSARY, AND PLEDGES TO ECONOMIZE MUST BE MORE THAN WORDS.

Col. SAMUEL E. WINSLOW, permanent chairman, addressed the convention as follows:

"Before entering upon the arranged program of this convention I take the liberty of addressing the delegates here as a citizen of Worcester.

"It will be interesting to you to know that in 1854 a political convention was held in Worcester, of which a portion of the delegates referred to themselves as Republicans, marking the first use of the party designation in Massachusetts. In 1855 the first regular out-and-out Massachusetts Republican State convention was held here. From that time until 1882, 26 Republican State conventions, all told, were held in Worcester, nearly all of them in this hall. It is therefore with peculiar interest that Worcester Republicans, and I may fairly say all the citizens, welcome the return of the old Republican Party to the 'Heart of the Commonwealth.'

"Our city may be regarded as a model from the standpoint of an intelligent, law-abiding people, representing upwards of 45 nationalities, and from the viewpoint of educational institutions, and of those social organizations which accomplished so much in our present-day communities. We are thrifty above the average.

"We are essentially a manufacturing city of the most diversified products. Our industries developed from small beginnings now include many world leaders in their lines.

"What better setting could there be for a Republican convention? We furnish here a living monument to the constructive power of that greatest of all Republican economic principles, the protective tariff.

"In proportion to the blessings we have enjoyed from Republican legislation so do we wish you to regard the fullness of our welcome to you here to-day.

"Before considering political matters, I wish to express the deep regret of Massachusetts Republicans because of the recent painful and serious accident to Gov. Walsh, and likewise to extend to him congratulations on the assurance of his speedy and complete recovery.

"In a memorable platform written by Senator Hoar, in 1894, Massachusetts Republicans declared thus as one of their principles: 'Reform of old abuses; leadership along loftier paths; minds ever open to the sunlight and the morning, ever open to new truth and new duty as the new years bring their lessons.'

"Was it not perhaps a failure to live up to such a standard that led many Republicans two years ago to leave our ranks in

the belief that they could establish a political party which would more nearly represent the spirit of the time?

"Those citizens have played their part courageously, and I believe honestly, with a twofold result; first, of opening the eyes of those who preferred to continue under the Republican banner to the fact that there was apparently a need for the 'reform of old abuses'; and, second, without the Republican fundamentals and traditions, in which they have at all times believed, they found themselves unable to accomplish in public affairs the reforms they demanded.

AWAKE TO NEW DUTY.

"To-day the Republican Party, on the one hand, is again awake to 'new truth and new duty' and is acquiring 'leadership along loftier paths,' and on the other hand, those who left us recognize these facts, as we can judge from reports from one end of this land to the other, and they are returning to the family hearthstone. As a constant Republican, I recognize the benefit of the lesson and I welcome the return of my brothers.

"Such an awakening to new strength is not uncommon in commercial enterprises. An old store, for instance, has for many years maintained a reputation for honest goods and fair prices, its customers have been constant and satisfied, its business has been prosperous and substantial.

"But the old store comes to rely too heavily upon its honest goods of established value. Its managers who have seen its fair dealings succeed year after year come to place all their faith in the old methods. A competitor advertises in a novel way, but the old store sticks to its simple announcements. A competitor invests its capital, mainly in show windows, in show cases, in brass and nickel plate, to attract attention. A competitor seeks to supply its customers with new designs of woolens, with the latest odd weave effected by fashion, with shoes of the highest heels, or furniture of queerest shapes, and has only a minor interest in the grade of wool in the woolens, the purity of the silk, the quality of leather in the shoes, the solidity of its furniture. The old concern rests its faith in the attractiveness of its honest goods and fair prices.

"Suddenly, for reasons which the old store fails to foresee and appreciate, but which to observant and wide-awake men seem simple and not to be wondered at, the old concern finds itself losing its supporters. They have drifted away; the business is no longer successful.

"But the old store does not quit. Its assets are too great; its reputation and traditions are too honorable and of too long standing. Up-to-date, aggressive business quickly detects the need. New blood is necessary. Many stockholders, alive to their interests, insist upon it. New men, with 'minds open to the sunlight and to the morning,' are called upon to manage the old store.

"The old concern now presents itself in vigorous and forceful advertising. The old store is remodeled into one of light and attraction. The latest designs of woolens, of shoes, of furniture are offered to its customers. The very history of the old concern leads the new blood to maintain the old standards of honest woolens, of pure silks, of solid furniture. Success is as sure as was the decline. Customers return, new customers come, The old store, awake to the new spirit and possessing the rich and unpurchasable asset of a long history of honest dealing, thrives as never before.

COMING BACK TO FOLD.

"To-day the Republican Party is acquiring 'leadership along loftier paths.' It has a mind 'open to the sunlight and to the morning, open to new truth and new duty.' Its lost supporters are returning, even proud of their part in the awakening, and loyal and earnest for those principles which are ours to-day.

"The Republican Party has, through a primary, nominated its candidates on the State ticket to be voted upon this autumn.

"These nominees merit the best support of the voters of the Commonwealth not only because of their individual qualifications but particularly for the reason that their election as Republicans will be the most effective way of notifying the people of the United States and competing nations that the present Democratic political experiments hold no charm for us.

"A personal complimentary reference to each one of our State candidates would be fitting and agreeable to all of us, but time prevents.

"In the nature of things, our candidate for governor at once becomes our central figure for offensive and defensive political activities. He is so well know by the voters of this Commonwealth and of the Nation as well that extended statement about him is unnecessary.

"Because he has responded to the call of his party; because of his popularity with citizens of every shade of political opinion; because, above all, of his real worth, we shall battle offensively with all our strength for this man, Sam McCall.

"Our method of selecting candidates for office has evolved from the New England town meeting into the present primary system. Our voters undoubtedly hoped that through the primary whatever abuses there were in the caucus and convention system would be avoided, and they believed that the right to vote would be more generally accepted. Moreover, they thought that it would be fairer to the candidate of lesser means.

"Our trial of the direct primary in Massachusetts, however, has not been satisfactory, although it may be difficult to state offhand the form and nature of the changes needed. Modifications of the present system of nominating should be looked into thoroughly and, without undue haste, changes of the law should be made, seeking the same or better results which we so earnestly had hoped to accomplish by direct primaries. The present primary law if allowed to stand without change is ultimately likely to work great evil in our elections, as well as in party nominations.

"Massachusetts legislation in respect to public service, welfare of employees, labor laws, and kindred matters has been more advanced, persistent, and unrelenting in enforcement than has been the legislation of any other States or the Federal Government. The spirit of defense of human rights which placed our Commonwealth in the lead in Colonial and Revolutionary days, in the antislavery movement, and in all causes for humanity has always been in evidence in the discussion of plans for the betterment of our citizens, and none of us would care to see any let-down in the standard of such undertakings.

UNIFORM JUSTICE.

"Yet may it not be that we have been generous without being uniformly just? These developments in legislation have of necessity affected the rates of taxation and the cost of production within our Commonwealth. We rejoice with the beneficiaries for what they have received, and we hope constantly and intelligently to progress along these lines. It is a fact, however, that these frequent changes from one standard to another have caused great inconvenience and financial burdens, particularly when the competition comes from other States whose legislation has not to so great an extent borne down on those whose contribution to the public welfare comes through the useful and legitimate employment of capital.

"The present dull condition of business, with the vast number of people without normal income or even employment, demonstrates better than has been possible for years the fact that the well-being of the employed and the welfare of the employer are essentially one and the same thing and are dependent upon the same fundamental conditions.

"The capital interests of Massachusetts deserve great credit for the generous and hearty manner in which they have largely received and accepted all this legislation, even though it has tended to make operations more difficult and less productive. They must, however, consider their own ways and means. To-day the small as well as the large commercial interests of Massachusetts would like to have intelligent and thorough attention paid to their needs when further legislation is under consideration for the betterment of Massachusetts conditions. When we realize the interdependence of those of us who have only our daily toil and thought as capital, and those who have money to employ properly as capital, there seems to be every reason that Massachusetts, while defending jealously and rigorously the welfare of employed citizens, should be equally careful to safeguard the integrity of the capital interests.

"The present mayor of Boston and his immediate predecessor have both been echoing public feeling when they have been calling for a greater development of Massachusetts industry by a greater investment of Massachusetts capital, but for the continued development of Massachusetts industry capital must find Massachusetts a desirable State to locate and continue in.

"I am aware that it has not been popular to discuss these needs in political utterances or to refer to them save under the full pressure of the soft pedal. I yield to no one in loyalty to the welfare of my fellow citizens, yet it seems to me that the time is at hand when the discussion of legislative action should not be confined to the welfare and advance of this or that one clause, but, on the contrary, our aim should be to give full justice to all, ever mindful that the interest of one is the interest of all and that the best for all is the best for the individual.

INTERESTS IN COMMON.

"What a service will be rendered to mankind if the Republican Party make so-called capital and labor realize that their interests are common, but far better yet, demonstrate it practically by the operations of constructive legislation.

"The times are hard. Individuals and commercial interests know it. Retrenchment in the household and elsewhere is being

practiced by all sane people. In the face of these facts we are justified in demanding the establishment of absolute economy in our State and municipal governments.

"'We favor economy,' etc., has been the constant cry of parties and candidates for years without number, and yet the universal practice has been to the contrary. The reason for the failure is apparent. This community has favored the development of one thing, the next of something else, and so on. Honest people interested in a specific humane or public undertaking have sought appropriations and the strain upon legislators has been great. Expenses have increased, often for meritorious causes, frequently for purposes inspired by humane sympathy and sometimes for the indulgence of pride or artistic taste. Expenses have increased faster than valuations.

"We expect, of course, that our established institutions will be kept up; we would not suggest any backward move along the lines of public health, public education, and such essentials. On the other hand, municipalities and the State have been appropriating great sums of money, which, under ordinary circumstances, have not been in the line of economy, and in times like these present, and still at hand, can be described only by the word 'extravagant.' It is the time now, and everybody knows it, to cut off the nonessentials and appropriate only for the necessities.

"When our people are out of work, with no immediate show of improvement, at a time of reduction of small but necessary incomes, the citizens of Massachusetts have a right not merely to call for and expect, but to demand, a reduction in taxes instead of an increase, a conservation of financial resources and not an extension of obligations.

"At a time when the mother is obliged with her weary fingers to patch the clothing of the children, our Government must not force higher taxes and increased rents upon the father.

ECONOMY IMPERATIVE.

"In times like these the public servant should not be extolled for practicing public economy, but rather be morally condemned and politically ostracized if he doesn't.

"The national Democratic Party has in the last two years shown a brazen disregard for many of the pledges of its Baltimore platform. Minor violations may be passed over, but of some we must take notice.

"They declared:

"We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of the recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toil. We demand a return to that simplicity and economy which befits a democratic government, and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

"In the light of this year's record of unprecedented extravagances, passed and proposed, we commend the Democratic Party to the tender mercies of an all-wise Providence.

"An illustration of the extravagance and sectionalism of this administration is the pending bill before Congress for the development of rivers and harbors. The bill as passed by the Democratic House and as submitted by the Democratic Senate committee was not only one of the most lavish on record, but also the richest in hog product. Patriotic Republican Senators by arousing public indignation successfully attacked this proposed extravagance and so forced the Democrats to cut off practically two-thirds of their expected appropriation.

"This Democratic bill even provides for digging a well to make one Texas river navigable. The tremendous commerce of the rivers and harbors of New England was given scant attention. Alabama, Mississippi, and Florida were each to be given an appropriation almost equal to the whole amount proposed for New England. In a word, it was a comprehensive scheme of southern Senators and Congressmen to grab for their own. As one distinguished public man has said, its purpose was to irrigate rivers in the South.

BROKEN DEMOCRATIC PLEDGES.

"Their solemn declaration defending the integrity of the civil service seemed to ring true, yet every important act of this Congress has carried wholesale raid on the merit system, beginning with the income-tax collectors and continuing along the line to assistant postmasters.

"We believe—

"They declared at Baltimore—

"in the preservation and maintenance in their full strength and integrity of the three coordinate branches of the Federal Government—the executive, the legislative, and the judicial—each keeping within its own bounds and not encroaching upon the just powers of either of the others.

"This is evidently the joker in the pack.

"Time and time again Republicans in both Houses of Congress have sought information from their Democratic associates as to the attitude of the party in power on this or that legislation, almost invariably to receive the answer—

"We don't know; we haven't been told by the White House yet.

"There has been no legislative initiative. On the orders of the President the Democratic Members of Congress have been corralled in secret caucus and the bars put up. All the cross steers have been dehorned, and every one of the herd has been trained at the sign of the leader to 'moo-o-o.'

"The Democrats at Baltimore declared their hostility to gag rules in Congress. Their purpose, they said, was 'to give to the representatives of the American people freedom of speech and of action in advocating, proposing and perfecting remedial legislation.'

"Their unvarying procedure in actual practice is illustrated by their action on the most recent important measure in Congress, namely, the so-called war-tax bill. In the House of Representatives they adopted a rule prohibiting perfecting amendments and limiting the time of debate to 420 minutes for 433 Members. Mark well the living example of the Democratic idea of 'freedom of speech.' But then it only involved a mere hundred millions of dollars.

"Not only did the Baltimore platform expressly pledge the Democratic Party to support the policy of free tolls for American coastwise shipping passing through the Panama Canal, but furthermore the candidates of that party loudly exploited the policy through their entire campaign in every State of the Union.

"The causes of the complete reversal of the present Democratic administration and its adoption of full-charge tolls for American shipping needs to analysis here; the simple fact of their turn about is sufficient to show why the public should distrust any pledge they may make.

LIVING COST STILL UP.

"The Baltimore platform dangled before the people of the United States an assurance of a reduction in the high cost of living. During the first year following, to all demands for the expected relief their answer was, 'Wait, we will soon pass the necessary legislation.' Later on their answer became less assuring. Further on they floundered and side-stepped, until war was declared in Europe. And since that day, from one end of the country to the other, they have flippantly pointed to the war as the cause of the continued high cost of living.

"No sensible man will accept such excuse. Every head of a household in the United States knows what the high cost of living was in July and June and May and April of this year and last year and will not be buncoed.

"Of all their promises and pretensions in the Baltimore platform, this indeed was the extra blank card in the deck.

"It has for some years been the fad to get after business methods through legislation. Without doubt there was reason for the initial steps in this direction, but in the process of time legislation has been sought and passed covering one grievance or another, real or imaginary, until now it almost seems as if the purpose were to make it impossible for commercial enterprises, already injured or paralyzed by other causes, to pick up their broken threads and go on.

"Methods of production, distribution, and selling, on which many concerns have been built up and carried on with little complaint from anybody are to be rendered inoperative. The effort now does not seem to be alone to correct real abuses, but even to stir up imaginary troubles for purely political capital.

"I can sum up the situation no better than by a quotation from a recent utterance on the subject by Hon JAMES R. MANN, Republican leader in the National House of Representatives:

"Let us take the restraining hand of government off proper business enterprise and tell our people to go out and get the trade and that we will bless them for it, instead of awarding threats of penitentiary sentences.

"Fortunately for the American people, just at this time when political follies can receive their deserts, the Democratic Party has unhappily advertised itself to the voters of the United States by proposing an enormous tax, the direct and inevitable result of their two years of absolute direction and control of national legislation.

"They can not longer escape the consequences of their Underwood tariff law, their commercial legislation, and there all-around extravagance, all component parts of their administrative incapacity.

"'At the present hour they are trying to force through the Congress of the United States a long string of new taxes, which they slyly call a war tax, but which might more properly be called a folly tax. They seek to raise by special forms of taxation similar to those which paid for the whole Spanish War more than $100,000,000 in one year, of which Massachusetts people will pay upward of three and a half millions, and they

would have us believe that it is necessary because of reduced revenue owing to the European war.

LOW TARIFF A FAILURE.

"While operations of their tariff law vastly increased our purchase of goods from abroad up to the beginning of the European war, its lowered duties failed to produce sufficient revenue to run the Government for the same period. Not only did we lose all the benefits of production, but meanwhile the Government was losing the revenue.

"Now, when they have brought an industrial depression on the country, have rendered constructive and productive enterprises unprofitable or worse, and have cursed willing hands with idleness, they boldly and unfeelingly deny the condition and proceed to add to the already existing burdens a great special tax to pay for the folly of their legislative indiscretions.

"Oh, 'None so blind as those who will not see!'

"They could get along without this new tax imposition if they would. The way has been pointed out to them. But the President has ordered the passage of the bill, so push it along they must.

"Economy interests them not; extravagance delights. The President asked Congress to make appropriations this year which in amount are a hundred million dollars more than President Taft had asked. Their own chairman of the Committee on Appropriations, Mr. FITZGERALD, of New York, has characterized their expenditure of public money 'a horrible mess.'

"With one single and inconspicuous example each annual supply bill passed in this administration has been the largest one of its class on record, and the total has exceeded the corresponding Republican appropriations by more than $100,000,000 for a year.

"In one conspicuous case, for which we are thankful, namely, the rivers and harbors bill, public indignation has forced them to drop the modest sum of $33,000,000, an amount equal to one-third of what they thus far admit they propose to raise by what they call a war tax.

DIGGING HOLE DEEPER.

"From the standpoint of political expediency, of legislative capacity, of intelligent administration of the Nation's business, the Democrats are in a hole. Their idea of salvation seems to rest in digging a bigger hole.

"Important as other issues are, for all practical purposes the tariff is the one living issue in the coming campaign. Democratic tinkering with the tariff is alone responsible for the economic woes which are oppressing us to-day.

"It is the Democratic theory that a tariff should be imposed on imports to as small a degree as possible, in order that people may buy their supplies at the lowest possible cost, regardless of how and where they can earn money to make their purchases.

"Republicans believe in levying protective duties upon imports sufficient to represent the difference in the productive cost of goods here and elsewhere, not with a view to enabling us to purchase goods at the lowest price in the open markets of the world, but rather to provide opportunity for our people to earn enough money to buy what they need.

"In other words, Democracy says, 'Get goods at the cheapest possible prices and get money to pay for them if you can.'

"Republicanism says, 'Provide the opportunity to earn enough money with which to buy at American prices, for each citizen to pay his share of public expenses, and to lay away a bit now and then for a rainy day.'

"This administration, in order to save a few paltry dollars, has even been willing to buy bunting for the flags of our Navy from foreign manufacturers.

"The Democrats have always insisted that the United States need not fear foreign competition because American workers individually produce more than foreign workmen. Until recently such did seem to be the case, but more lately the foreign manufacturer has been buying American machinery until now foreign workmen are producing as much man for man as workmen here. Worse yet, they have copied our machinery, in some instances they have improved upon it, and are now offering it in this country for less than our prices for the same machines.

"The Democratic idea of the tariff is a mere academic proposition and when tried has always failed.

"The Republican policy is the resultant of hard-headed, successful experience.

"The test of the pudding is in the eating. We had been joyously eating our pudding for 50 years save during one brief but disastrous Democratic period. Another Democratic tariff is now in force. To-day, on its first anniversary, we are eating crow, and the taste of pudding is but a constantly dimming recollection.

"Well, indeed, were the effects of the Underwood bill foreseen by a Democratic Congressman, formerly comptroller of New York City, a successful business man, who twice said to me in the presence of several colleagues during the discussion of that bill: 'No northern business man has any right to be a Democrat in national politics.'

"Does it seem possible that intelligent men, with men's obligations, will be willing for another unnecessary moment to put faith in the hatchings of the Democratic incubator?

TIDE NOW TURNED.

"I do not believe they will. They surely will seize the opportunity of the November elections to reestablish the sound fundamentals of prosperity which have been wrecked by the passage of tariff legislation directly contrary to the declared belief of a majority of the voters of the United States.

"Under the present Underwood tariff law we have seen for the first time in 20 years, for the first time since the soup-house period of 1894, a balance of trade against the United States.

"During the 20 years up to 1914 the balance of foreign trade in our favor was enormous, running around half a billion dollars a year. Since the Underwood tariff law was passed, and under the benign guidance of a Democratic administration, our imports have been increasing and our exports have been decreasing, until April of this year, when we at last bought more than we sold, and we have so continued ever since.

"In the first seven months of this year, right up to the beginning of the unexpected European war now being waged, our imports had increased and our exports had decreased, compared with the year before, to a total value of a quarter of a billion of dollars. This means that a quarter of a billion of dollars of production and work has been lost to the United States, and that all the benefits of such have gone to foreign producers, to support foreign people and maintain foreign institutions.

"Will not one of the numerous Democratic tabulators and expounders of hitherto undiscovered facts kindly point out the advantage accruing to the people of the United States under this system?

"Democratic leaders are trying hard, oh, so hard, to divert attention from the mess they have made, by proclaiming loudly that there are no hard times; that the record of unemployed is all a myth; that the industrial depression is 'all in your eye.' They reject the keen words of a preceding Democratic President, who said, 'A condition, and not a theory, confronts us.' It's psychological, they say.

"They say that only the rich, only the money-grabbers, only the predatory interests which control the heartbeats of common men can discover any misfortune among our people.

"What has this administration to say to the fact that in this city of Worcester in the early summer of this year 700 men were clamoring at 7 o'clock one morning for jobs when 50 men were wanted to dig a cellar?

"What has this administration to say of the report by the State employment bureau in Boston, that on one day last winter it had 2,960 applicants and only 86 jobs, and that labor conditions have been the worst in years?

"What has this administration to say of the official statement of the International Molders' Union of America, published on page 654 of the August, 1914, number of their official magazine, the International Molders' Journal, namely, that 76,262 'out-of-work stamps,' which means remission of dues, were issued to its members in the first six months of this year, which is 19,047 more than were issued in the whole 12 months of 1913?

"What has this administration to say of the determination of the labor unions of New York City in the early summer to abandon for this year their annual Labor Day parade, in order to give the funds to the unemployed?

"Two years ago ours was a highly prosperous country. Positions of employment were seeking people to fill them. Well-provided men, women, and children attested our thrift and abundance. To-day we are without business. The unemployed are on every hand. Incomes have greatly diminished and in many instances have disappeared. People vainly seek work. The unemployed signalize our depressed condition and the finger of want has long since pointed only to the gaping maw of uncertainty and lost confidence.

"No need to seek the cause. A Democratic administration has meanwhile been pouring forth its sweet-smelling but none the less asphyxiating gases over all our commercial life.

"It would be easy indeed to continue this gruesome recital of destructive legislation and its fearful results in the short period of 18 months. I have pointed out enough to establish cause and effect.

G. O. P. STANDARD.

"What have we to say for the Republican Party, to tell the voter why confidence should be reestablished in the Republican Party and power again placed in our hands?

"We are a party which believes that the strong hand of the United States should be above our citizens in foreign lands as in benediction in time of peace and protection in time of storm.

"We are a constructive party. We have never broken down our institutions. We are a party which believes in the welfare of our own country and of all who are of us by birth or adoption. We are a party which frankly believes in fostering our home industries even at the expense of industries abroad.

"We are interested in having the wheels of industry in the United States turn merrily and regularly and profitably.

"We want every laborer within our borders to have constant employment at a liberal wage.

"We want every man in the United States who has ingenuity or capital to be encouraged in working out and developing original ideas, in increasing production, and in extending our national business.

"We want the United States to kill off the forces of depression and of deadening repression and to lead the world in ambition, in energy, and in pioneering, fearless, buoyant progress.

"What better place than in this hall to lay the foundation for the unity of all Republican brothers?

"Here have been held conventions of united Republicans in the stormy period of the sixties. On the side walls of this hall are the faces of Republicans—Andrews, Wilson, and Garfield—in whose eyes I now see expressions of hope and confidence that a united Republican Party will at once come to its own and again be responsible for the welfare of our people.

"In addition to the inspirations from these great accomplishments of Republicans we are all under the spell of those who in their time and since have been the supreme examples of all that is great in the life of our Republic—George Washington, the Father of his Country, on my left, and on my right Abraham Lincoln, the most distinguished of our faith and the most glorious in his belief in the rights and wisdom of the people.

"In such atmosphere in these critical days let us rise to our responsibilities and go forth from this historic hall determined to do our best for our own, our country, and our God."

Review of Our Endeavors to Secure Progressive Legislation—The Progressive (Washington) Party Legislative Program for Pennsylvania—An Honest Effort Made to Carry Out Our Covenants With the People.

EXTENSION OF REMARKS

OF

HON. ARTHUR R. RUPLEY

(PROGRESSIVE CONGRESSMAN AT LARGE),

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 14, 1914.

Mr. RUPLEY. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include a review of the endeavors of the legislative committee of the Washington Party to secure progressive legislation in Pennsylvania.

THE LEGISLATIVE PROGRAM FOR PENNSYLVANIA.

At the 1913 session of the Pennsylvania Legislature the Progressives stood solidly for the following bills, which were defeated by the Penrose combination controlling the senate:

FIRST. WORKMEN'S COMPENSATION BILL, PREPARED BY THE STATE INDUSTRIAL ACCIDENTS COMMISSION.

SECOND. CHILD-LABOR BILL, PREPARED BY THE LEGISLATIVE AND EXECUTIVE COMMITTEE OF WHAT IS NOW THE WASHINGTON PARTY.

THIRD. MINIMUM-WAGE BILL, PREPARED BY THE LEGISLATIVE AND EXECUTIVE COMMITTEE OF WHAT IS NOW THE WASHINGTON PARTY.

FOURTH. CORRUPT-PRACTICES BILL, PREPARED BY THE LEGISLATIVE AND EXECUTIVE COMMITTEE OF WHAT IS NOW THE WASHINGTON PARTY.

FIFTH. AMENDMENTS TO ELECTION LAWS, PREPARED BY THE LEGISLATIVE AND EXECUTIVE COMMITTEE OF WHAT IS NOW THE WASHINGTON PARTY.

Progressives in the State are still united in their determination to work unceasingly for the passage of these laws. All of these bills are essential to the welfare and happiness of our people. They were all passed by the house of representatives in 1913; they were all defeated by the Penrose machine in the Senate.

FIRST. WORKMEN'S COMPENSATION.

Compensation laws are now in force in Europe, in England and her colonies, and in 22 of our States. Had the bill defeated by the senate in 1913 become law, it would have given—

(a) To those dependent on a workman killed at his employment compensation varying according to the wages which he had been earning and the age or relationship of his dependents. For example, a widow without children would have received one-quarter of the previous wages of the deceased; a widow with five children under 16 would have received 60 per cent of the wages. The widow's compensation would have continued for six years or until remarriage; that of the children until they attained the age of 16.

(b) To a workman totally disabled for less than six years by injury at his employment, half wages; if totally disabled for more than six years, he would have received one-half wages for six years and 40 per cent thereafter.

(c) To a workman partially disabled at his employment, one-half the difference between his wages at the time of the injury and the wages he could make thereafter.

In order to make absolutely certain the payment to the workman or his family of the compensation granted an act should be passed requiring the employer to insure. Under proper regulations the employer should have his choice between State insurance and insurance in private companies, mutual or otherwise.

State insurance would give to the employer insurance at cost.

The insurance rates in private companies under the act proposed in 1913 would not have exceeded, including hazardous industries, 2 per cent of the pay roll; for domestic employment and nonhazardous industries the rate would have been about 1 per cent.

SECOND. CHILD LABOR.

The bill defeated by the Penrose machine in the 1913 session of the senate would have prohibited the employment of children under 16 for more than 8 hours a day or 48 hours a week, and before 7 o'clock in the morning or after 6 o'clock in the evening. It would also have prohibited the employment of minors in the messenger service after 8 o'clock in the evening.

Our present child-labor laws are a disgrace to the State. They permit all children over 14 and under 16 to work 10 hours a day. Girls under 16 may lawfully be employed 54 hours a week; boys, 58. Our laws still tolerate the night work of little boys in glass factories, and permit minors to be employed in the messenger service during hours when their work familiarizes them with vice in its most revolting form.

Medical science assures us that it is absolutely injurious to children under 16 to work longer than eight hours per day or during the nighttime. Therefore many States, including the great industrial States of New York, Ohio, Massachusetts, and Illinois, have limited child employment to eight hours, and not one great industrial State permits children to work at night.

Pennsylvania is the great child-employing State of the Union. We employ as many child workers as New York, Ohio, and Illinois combined—twice as many as New York—and yet our laws legalize conditions which injure the health and blight the development of our future men and women.

The defeat of the child-labor bill by the Penrose machine was a reproach to Pennsylvania. There is no measure so important to the future of the State as this one. More than anything else we need a race of strong men and women. We can not afford to overstrain little children at the critical age of their development.

THIRD. MINIMUM WAGE.

We must have a minimum wage law for women. A business which utilizes the full working time of a woman of fair ability should pay her at least a living wage. Every investigation has shown that the wages of large numbers of working women will not support them in reasonable health and comfort. A large majority of the working women in Pennsylvania earn less than $300 per year, or an average of $5.75 per week, while it is impossible to support life in reasonable health in a city like Philadelphia on less than $7.80 a week, or in a city like Lancaster on less than $6.75.

The bill defeated in the 1913 senate would have established a commission to fix the minimum wage for a full day's work in the different industries in which women work. The commission would have fixed a wage rate for work measured by time or piece, so that this law would have become the best weapon with which to combat the evils of the sweatshop.

We believe in prosperity, but we must remember that prosperity depends not only upon a large material production, but also on an equitable distribution of wealth among those who contribute to its creation.

FOURTH. CORRUPT PRACTICES.

The corrupt practices act, defeated by the Penrose machine in 1913, would have limited the amount of money which candidates or their friends might spend in primary or election campaigns. For example, a candidate for governor would have been forbidden to spend more than $10,000; a candidate for senator, more than $1,000. The law was so framed as to make evasion by the formation of "protective unions," or otherwise, virtually impossible. It also included provisions for the publication by the State of an official voter's pamphlet, a copy of which would have been mailed to every registered voter two weeks before election. Not only would this pamphlet have permitted every candidate for office to bring his appeal directly home to the voters, but it would also have given any person objecting to the nomination or election of a candidate an opportunity to state his objections and have them presented to every voter—not merely those who subscribe for a particular partisan newspaper. The expense of issuing the pamphlet would have been borne in part by the respective candidates.

Such a law would be a great step toward clean politics, and the Washington Party heartily indorses it.

FIFTH. AMENDMENTS TO ELECTION LAWS.

One of the amendments to the election laws defeated by the Penrose machine in 1913 would have made it impossible to "assist" a voter unless physically incapable of seeing or marking his ballot. Other changes would have made violations of the election laws felonies punishable by imprisonment. These provisions are essential to the conduct of honest elections.

PART OF A NEW PROGRAM.

The Washington Party favors the prompt repeal of the primary enrollment law passed by the Penrose machine in 1913, and the passage of a nonpartisan ballot law for all local officers.

LOCAL OPTION.

The Washington Party believes firmly in home rule in local government, and we therefore earnestly favor a local-option law, with the county as the unit, to permit the people of each locality to decide whether the sale of liquor shall be licensed in their community. The saloon is an economic and social evil. It is a dead weight; a chain about our necks in the struggle toward better things.

The Washington Party favors local option rather than prohibition, because prohibitory laws are effective only when they have behind them a definite public sentiment. Local option will give every community the right to decide for itself whether to permit the sale of liquor, and the community which votes against liquor will see that its law is enforced.

PUBLIC UTILITIES.

The public-service commission measure which passed the house at the 1913 legislature was a good measure. The Penrose machine in the senate adopted without any consideration every amendment suggested by the public-service corporations, and succeeded in having many of these amendments incorporated into the bill as finally passed. The present act should be promptly restored to the form in which it originally passed the house. In particular among other amendments, the following should be adopted:

First. The commission should be given the right to regulate joint rates and joint routes for street railways exclusively engaged in passenger traffic. This power is now denied by provisos to article 5, section 8, and article 3, section 1 (s).

Second. The commission should be given power to supervise the right of existing companies to build branch lines or extensions. At present any company may procure an exclusive right to build an extension or branch line over particular streets by filing with the recorder of deeds of the particular county and the secretary of the Commonwealth a resolution indicating its intention to build the extension or branch line (act of 1889, as amended June 9, 1901, P. L., 514). Accordingly, any utility can easily prevent other companies from building branch lines or extensions even though it has no bona fide intention of ever building them itself.

Third. The commission should be given the right to compel the joint use of facilities, especially terminal facilities. There is no reason why the first utility in the field should have an exclusive right to the use of the only convenient terminal street or site in a town or city.

Fourth. Under the act as amended in the Senate a municipality can not operate its own public utilities unless (a) the existing utilities are willing to sell their plants to the municipality or (b) the State commission believes that there is need for additional service, and grants to the municipality permission to erect additional plants. This is vicious. Municipalities should always have the right, if they choose, to operate their own public utilities. Whether municipal ownership is wise or unwise depends on local conditions, but any municipality which desires to operate its own utilities should certainly have the right to do so, on buying out existing plants at a fair appraisement.

Fifth. Public-service companies may always charge a "reasonable rate" for the services rendered. This means the legal rate of interest on the capital actually invested. Under the Pennsylvania act, as amended by the senate, the value of the franchise granted by the State may be included in the elements considered in computing reasonable rates. In other words, the people may be made to pay interest on the monopolistic privilege they have granted. This is obviously unfair to the public and should be corrected.

PENSION LAW.

The Washington Party believes that the State should provide for the emergency men of 1863, who went to the defense of the State and the Nation at the call of the governor during the Civil War, who are not pensionable under the Federal laws.

EXTENSION OF REMARKS

OF

HON. RALPH W. MOSS,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 14, 1914.

Mr. MOSS of Indiana. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include a speech made by Representative MORRISON, of Indiana, before the convention that nominated him for Congress.

SPEECH OF REPRESENTATIVE MORRISON.

Mr. MORRISON. Mr. Chairman, representatives of the eight counties of the ninth congressional district, ladies and gentlemen, six years ago yesterday, in the city of Kokomo, the Democracy of the ninth district gave to me my first nomination. No Democrat had ever been elected from the district, although strong men had been nominated and had made aggressive and effective campaigns. Defeat did not mean that they did not deserve to win. It only meant that success was not yet possible.

It soon became manifest that the Democrats and Independent Republicans of the district desired my election and had set themselves to the task of its accomplishment. They only asked of me that I give my full time and energy to the campaign. This I resolved to do. After the day of the convention I accepted no further professional employments. After the election I withdrew from such as I had accepted before the convention. I have, therefore, given all of my time for six years to the work of the three campaigns in which I have sought election as your Representative in the Congress of the United States and to the study and performance of the duties of the office.

I had learned before the time of my first nomination that candidates do not elect themselves, nor does the question of their election depend upon the work they do in carrying on the activities of the campaign. The most that a candidate can do is to assume such an attitude toward public questions as will not put his friends on the defensive, but will leave them free to make all their energy effective in the affirmative features of the plan of campaign. Fortunately, the time had just come, in 1908, when it was possible for a candidate to accept a Democratic nomination, declare freely and frankly his attitude toward the questions then uppermost in the public mind, fairly meet the desires of the delegates that nominated him, and yet be in substantial harmony with the personal convictions of practically all of the voters of the district who were affiliated with other political parties.

For the success with which my friends have three times presented my candidacy to the voters of the district, I neither deserve nor claim credit. No other candidate for public office ever received such loyal and unselfish support before the election nor such disinterested and helpful suggestions and cooperation after election. Those who approved have praised without stint and those who have differed with me have judged with leniency and given to me the benefit of every favorable presumption. It is often said that a man in public life sees the weaker side of human nature and is sure to lose faith in his fellows. I have but limited knowledge of conditions as they existed prior to April 22, 1908, but the six years that have passed since then have revealed to me the nobler side of the men of the ninth district of Indiana and have given to me a firmer faith in my

fellow men, together with a higher hope for the continued advancement of genuine reforms and for the essential integrity and stability of free institutions. My immediate predecessor was accustomed to say that there is not among all the congressional districts of the Republic another one that is the equal of the ninth district of Indiana, measured by all the elements of agricultural, manufacturing, industrial, financial, and commercial advantages and values. His statement was and is literally true. I add to his words the further statement that there is no other district in which the activities of political parties are so nearly free from just censure.

To be permitted to represent a constituency in the House of Representatives of the Congress of the United States is a privilege for which any right-minded man must be grateful. To be permitted to represent the district that excels them all in the elements that go to make a community great and prosperous, an inviting place in which to earn a living, and an ideal place in which to live—this constitutes a privilege for which one must have a sense of gratitude beyond the power of words to express.

For the honors which the people of the ninth district have conferred upon me I owe a debt of gratitude that I can never hope to repay, and have a sense of gratitude that is keen, deep, and abiding.

For the ungrudging favors which the Democrats of the district have showered upon me I have expressed many times my unbounded thanks. For the great honor of this day's nomination I can only say out of an overflowing heart that I thank you one and all, and pledge to you an earnest, honest effort to become more nearly worthy of the favors you have so generously bestowed.

In the campaign of 1908, both of the great political parties were pledged to revise the tariff downward. The people chose the Republican Party as their agent to accomplish the work. The result was the Payne-Aldrich tariff law. Of the more than 4,000 items of the Dingley tariff law the greater number were reenacted without change. Some items were given higher rates and others were given lower rates. When the new law was approved by the President, experts began to calculate the increases and decreases in the rates. The Republican experts reached the conclusion that the average of the rates was slightly lower, and the Democratic experts reached the conclusion that the average of the rates was slightly higher than in the Dingley law.

In the campaign of 1912, the Republican Party asserted that it had revised the tariff downward, and the Democratic Party promised that it would revise the tariff downward. The Republicans asserted that a revision of the tariff by Democrats would bring industrial stagnation and disaster, with falling prices and decreasing values. They had really come to believe that the prosperity of this most favored land under the sun rests on the narrow and insecure foundation of the custom-house. It was our contention that our prosperity rests upon the broader and more permanent foundation of our unequaled wealth of natural resources, together with the inventive genius, integrity, industry, and frugality of 100,000,000 Americans.

The Democratic Party was chosen to do the work in which the people believed that the Republican Party had failed. The result was the Underwood tariff law.

The panic that was prophesied did not come. The business of the country anticipated that the Democratic Congress and President would do substantially what was done and adjusted itself to the new law before it went upon the statute books.

No tariff law ever completely satisfied even those who wrote it. Every thoughtful man is sure to disapprove portions of any tariff law that is passed. He would prefer that some rates be increased and others decreased. The manufacturers of the country have learned that a high tariff is not necessary to enable them to continue in operation. Even the woolen mills, that offered such unanswerable evidence that they could not operate under lower tariff rates, find the orders coming thick and fast and are running full time with the old organization and employees. The business of the country found it easy to adjust itself to the new law. Capital and labor will no longer hesitate to work out needed reforms because they fear that a change of administration will result in a revision of the tariff and that a revision of the tariff will bring industrial disaster. The minds of men have been freed from the narrow restrictions which baseless fear had cast about them.

I voted for the Tariff Board. I had talked with manufacturers, who said that an investigation of the facts would show that our industries, whatever may have been the situation in the past, do not now rest on the customhouse, but, rather, upon the Patent Office, upon American inventive genius, upon the most improved and efficient machinery in the world, and the willingness of American laboring men to adapt themselves to new conditions, to use labor-saving machinery, and in every way to increase the output of the mills of the country, so long as their wages are reasonably increased and the American standard of living can be maintained.

The commission reported on the woolen and cotton schedules. The facts which they learned and reported show that the statements which had been made by the manufacturers above referred to were true. It proved that there is no such thing as a domestic cost of production and a foreign cost of production—the cost of production in the several domestic mills differing as widely among themselves as the domestic and foreign mills differ from each other. That fact and the fact that our industrial supremacy rests on our improved machinery and the intelligent and sympathetic attitude and action of American laboring men expose and set at naught, for this generation at least, many economic heresies that had gained considerable credence among the advocates of high tariff rates. Many men who did not desire a revision of the tariff law approve the course of the Democratic Party in working out the manifest will of the people. They are patriotic rather than partisan. They abide cheerfully the decision of the majority and earnestly hope that the fears they so long entertained may prove to have been ill founded. In a broad sense, therefore, the Congress, including practically all the Democrats, the larger half of the Progressives, and many regular Republicans, have the approval of the people upon the Underwood tariff law for which they voted.

For many years the people of this country have believed that new legislation should be adopted to give our currency the element of elasticity which it so greatly needed. For more than half a century the House Committee on Banking and Currency has been unable to draft a reform measure on which the members of the committee could agree long enough to report it to the House for consideration and action.

The Monetary Commission, of which ex-Senator Aldrich was the chairman, was appointed to investigate the entire monetary and currency question, and to report its findings and recommendations to the Congress. It did much effective work and produced or compiled for American students of the currency question a library of unprecedented scope and value among our public documents. It prepared and tendered to the public the Aldrich currency bill. The public read the bill and rejected it. It appeared to many that the commission had expended public money to no purpose. Such, however, was not the case. The people of the country had studied the question as never before. They desired legislation that would be genuinely constructive and remedial. When President Wilson came to the White House he found all conditions favorable to the consideration of the currency question and the preparation and enactment of a new law that would bring into our currency system the elements which all students of finance had agreed upon as vital. The President put the force of his wonderfully clear intellect and his immense popularity behind the movement. The committees of the House and Senate gave to their duties the most patient, persistent, and efficient labor. The bill was made a party measure only in a limited sense. It was in reality the product of the joint study and labors of men of all political parties. In both Houses it received the votes of practically all Democrats, but it received also the votes of so large a portion of the Republicans and Progressives as to rob the law of every semblance of partisanship.

The people of the country, including the bankers, regardless of their attitude toward the measure while it was a pending bill, have accepted the new law in a patriotic spirit. They all desire it to be a great success. They are all earnestly endeavoring to make it so. No one would now willingly make our currency system a political issue. It is the universal hope that the new law may be the basis of our currency system for many years, subject only to such slight amendments as time and experience may suggest.

No Federal law can set at naught the laws of mathematics nor stop the operation of the law of cause and effect. In the future, as in the past, the man who spends more than he makes will become bankrupt. The man who tries to live by his wits and to eat his bread in the sweat of the faces of other men will come to grief. The man who takes the hazard of speculative transactions will be in constant danger of financial disaster. These are evils for which Congress can furnish no remedy.

The new currency law is intended to vitalize the credit of the country, to make the volume of currency respond to the varying needs of business, and to make it unnecessary for a solvent banking institution to close its doors or even curtail the business activities of its patrons on account of the financial disaster that has come to other banks in the hands of dishonest

or incompetent officers. If the new law shall safeguard the honest and prevent disaster to the industrious and competent it will prove to be one of the most beneficial measures enacted in this generation.

Time would fail me to speak of all the reforms that have been accomplished in recent years. In less than three years the Constitution of the United States has been twice amended, once to give the Federal Government the power to levy an income tax and again to provide for the election of United States Senators by direct vote of the people.

The rules of the House of Representatives have been so amended that the majority of the Members of the House can control the action of the House. Prior to March 4, 1911, no bill could pass the House against the will of the then Speaker, the then Republican floor leader, and the then chairman of the Committee on Appropriations. A few days ago the House passed the bill that is backed by the President to repeal a statute providing for what is commonly referred to as "free tolls." The Speaker of the House, the Democratic floor leader, the chairman of the Committee on Appropriations, and the chairman of the congressional campaign committee all joined in a determined fight against the bill, but the majority of the Members of the House proceeded to work their will with due deliberation, but without unreasonable delay.

Some one has said that the new rules have only transferred autocratic power from the Speaker and floor leader to the Committee on Rules. A few weeks ago the Committee on Rules decided that it would not report a rule for the consideration of a resolution to investigate conditions in the mining districts of Colorado and Michigan. The Democratic Members of the House instructed the committee to report a rule, it obeyed and the investigation was ordered by the House.

So far as the House of Representatives is concerned, power has been restored to the representatives of the people, and they are able truly to voice the sentiment and vote the will of their constituents.

I do not claim that the new order of things is a partisan Democratic victory or achievement. It is true that the reforms accomplished received the votes of substantially all Democrats and received most of their votes from Democrats, but many Republicans, insurgents, and Progressives aided by voice and vote. The new order is the result of the increased interest of the people in public affairs and an aroused public conscience.

Just now a great deal is being said of the proposed repeal of certain statutory provisions for the exemption of vessels engaged in our coastwise trade from the payment of tolls to the Government for passing them from deep water to deep water through the Panama Canal. The exemption or free toll act was passed in the summer of 1912 by a Democratic House and a Republican Senate. The bill to repeal it was introduced the day it became a law.

On March 5, 1914, the President read to the Congress a special message urging the repeal of free tolls, on the ground that the present law is a mistaken economic policy and is also a violation of our Panama Canal treaty with Great Britain, commonly called the Hay-Pauncefote treaty.

On March 31 the repeal bill was passed by the House and is now in the hands of a committee of the Senate.

Several arguments have been urged in support of the policy of free tolls. None of them will bear close examination.

It is said that free tolls will tend to encourage and rehabilitate our merchant marine.

The exemption is limited to vessels engaged in our coastwise trade. Our coastwise trade has been a legalized monopoly for almost a century—more than 99 years. As you will recall, our coastwise trade is that traffic by water transportation which begins at one port of the United States and ends at another. No foreign vessel is permitted to carry freight or passengers between any two ports of the United States. No other nation has so great a coastwise trade, so many vessels engaged therein, or vessels so fine and well equipped. No other American enterprise is more prosperous and profitable. Surely no advocate of the general policy of ship subsidy can justify its application to the coastwise trade.

It is urged upon the people living on the west coast, the east coast, and the Gulf that they will get the benefit of the exemption in the price of the merchandise carried through the canal. If that be true, it is the taxation of all the people for the local benefit of a few. It is not a sure thing that the people of the two coasts will get the benefit. The expert who represented the shipowners before the House committee testified to the character of the goods to be carried through the canal in coastwise vessels. He gave its value and selling prices. The amount of the tolls as fixed by the Government is $1.20 per net ton. He was asked to trace the $1.20 per ton out to the price to be paid by the retail purchaser. He frankly admitted that it could not affect retail prices, but insisted that it would encourage the owners of the ships.

It is said that "we" paid for the canal and ought not to charge tolls to "our own" vessels. The expense of the canal was paid, and is to be paid, by 100,000,000 of American citizens, and they will be taxed to maintain and operate it.

The vessels belong to a very few rich men, firms, and corporations. The "we" who pay the taxes are not identical with the "we" who own the ships. There was never a clearer case of special privilege at public expense.

It is said that exemption or free tolls is not a subsidy out of the Public Treasury.

The canal was estimated to cost $145,000,000. It is known now that it will cost at least four hundred millions. I fully expect it to cost five hundred millions. Shall we ever get back the money paid with interest? Everybody thought so when the work began. No one thinks so now. I heard Col. Goethals say in a public address that the only way to avoid a showing of financial loss will be to charge off the entire cost of the canal to national defense the day the canal is finished. That means, of course, that we can not hope to get back either principal or interest.

On March 31 Hon. JAMES R. MANN, Republican floor leader, said in a speech on the floor of the House that the Government will never receive back either principal or interest of the cost of the canal.

The annual expense of maintenance and operation of the canal will be many millions of dollars. The actual cost to the Government of passing a vessel through the canal will run from $1,500 to $4,000. The only possible source of revenue is the tolls charged for the Government's service in passing vessels through the canal.

It is manifest that exemption is as clearly a subsidy out of the Public Treasury as the payment therefrom upon proper warrant. Surely the taxpayers of the country will not consent to be taxed every year to pay expenses rightfully chargeable to this rich and powerful monopoly.

At last the advocates of free toll assert that it will force a decrease in railroad rates on the transcontinental railroads. If that be true, it but adds to the injustice of the proposition. The whole people will pay not less than $500,000,000 to save to vessels engaged in carrying goods from ocean to ocean 8,000 miles of travel. The tolls as fixed are but the nominal sum of $1.20 per net ton. The benefit commercially can hardly reach east of the Rocky Mountains or west of the Allegheny Mountains. The people of the interior can not hope to share in the commercial benefits. If the railroads are forced to make lower rates, it will affect only such traffic as begins or ends at the seaboard. It is a matter of common knowledge that the total revenues of the railroads is scarcely equal to their necessary current outlay. If less revenue is to be derived from traffic beginning or ending at the seaboard, more revenue must be derived from traffic beginning and ending in the interior. They ask us to give them the free use of the canal in order to reduce freight rates to them and increase the rates which we ourselves must pay.

As an economic proposition free tolls is unwise, unjust, and utterly indefensible.

The defenders of ship subsidy have attempted to raise the issue of alleged cowardice and unpatriotic surrender of American rights to foreign nations.

Special privilege appears in many forms, but it is always actuated by the same spirit and uses the same methods. It holds allegiance to no political party, although it seeks to control them all. It is true to no country, although it seeks to plunder them all. It attempts to coerce the party in power by threatening to cast it out. It seeks to control the party that is out by promising to restore it to power. It always masquerades in the garb of pretended patriotism and with much pomp and ceremony wraps itself about with the flag of the country in which it is operating whenever it is preparing to plunge its arm into the Public Treasury.

The present controversy, so far as the treaty is concerned, grows out of the fact that the President and Secretary of State find themselves charged with the duty of carrying into effect the following provision of the Hay-Pauncefote treaty, which President McKinley began to negotiate, but which was completed, ratified, and proclaimed under President Roosevelt:

> The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation or its citizens or subjects in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

The language of the treaty gives no support to the contention of those who seek to exempt from its provisions the vessels engaged in our coastwise trade. A study of the history of our negotiations with Great Britain in relation to the Isthmian Canal makes it entirely clear that such exemption is a violation of our solemn contract.

In 1850 the United States and Great Britain entered into the Clayton-Bulwer treaty, by which it was agreed that the two Governments should jointly build, control, own, and operate a canal across the Isthmus. By section 8 of the treaty it was agreed that the canal should be open to the citizens and subjects of the United States and Great Britain upon equal terms, and should be open on like terms to the citizens and subjects of every other nation.

The Clayton-Bulwer treaty remained in force until it was superseded by the Hay-Pauncefote treaty, by the express terms of which the general principle set forth in said section 8 is carried forward and continued in full force and effect.

A Democratic President and Secretary of State are charged with a duty growing out of certain treaties negotiated by Republican Presidents, Secretaries of State, and ambassadors to Great Britain. Not in more than half a century had any Democrat been officially connected with any of the negotiations between the United States and Great Britain which resulted in the Hay-Pauncefote treaty.

In 1881 President James A. Garfield initiated negotiations with Great Britain for the purpose of procuring a modification of its provisions. James G. Blaine was his Secretary of State and James Russell Lowell was his ambassador to Great Britain. In the instructions given to Ambassador Lowell by Secretary Blaine are found these words:

Nor does the United States seek any exclusive or narrow commercial advantage. It frankly agrees, and will by public proclamation declare at the proper time, in conjunction with the Republic on whose soil the canal may be located, that the same rights and privileges, the same tolls and obligations for the use of the canal, shall apply with absolute impartiality to the merchant marine of every nation on the globe; and equally in time of peace the harmless use of the canal shall be freely granted to the war vessels of other nations.

Secretary James G. Blaine made it entirely clear that it was the purpose of this Government to continue in force the general principle incorporated in section 8 of the Clayton-Bulwer treaty, that the same tolls for the use of the canal should "apply with absolute impartiality to the merchant marine of every nation on the globe."

President McKinley reopened negotiations with Great Britain for the modification of the Clayton-Bulwer treaty. His Secretary of State was John Hay and his ambassador to Great Britain was Joseph H. Choate. The treaty was almost completed in his lifetime, but was not signed, ratified, and proclaimed until President Roosevelt had come into the White House. Ex-Secretary of War, ex-Secretary of State, and present United States Senator ELIHU ROOT was a member of the Cabinet of both Presidents and doubtless had much to do with the preparation of our present treaty. These are the men who wrote into the Hay-Pauncefote treaty the provision requiring our Government to provide for equal tolls for the vessels of the citizens and subjects of all nations.

It is now claimed that the high officers representing the United States did not intend the language of the treaty to include vessels engaged in the coastwise trade. Happily, evidence is at hand to disprove the assertion.

On January 4, 1904, President Roosevelt sent to the Congress a special message, in which he used these words:

Under the Hay-Pauncefote treaty it was explicitly provided that the United States should control, police, and protect the canal which was to be built, keeping it open for the vessels of all nations on equal terms. The United States thus assumes the position of guarantor of the canal and of its peaceful use by all the world.

The next day, January 5, 1904, Secretary Hay signed a note giving expression to his views. In it are these words:

The Clayton-Bulwer treaty was conceived to form an obstacle, and the British Government therefore agreed to abrogate it, the United States only promising in return to protect the canal and keep it open on equal terms to all nations in accordance with our traditional policy.

ELIHU ROOT asserts, on his responsibility as a Senator of the United States, that all parties to the negotiations intended to make the provision for equal tolls apply to our coastwise trade. As a lawyer—and he is one of the greatest lawyers of his generation—he considers that the language of the treaty is not open to any other construction.

A few days ago Hon. PORTER J. MCCUMBER, United States Senator from North Dakota, wrote a letter to ex-Ambassador Joseph H. Choate asking certain questions in relation to the Hay-Pauncefote treaty. On March 31, 1914, Mr. Choate wrote a letter to Senator MCCUMBER in which these words occur:

8 EAST SIXTY-THIRD STREET, *March 31, 1914.*

DEAR SENATOR MCCUMBER: I have your letter of March 25, in which you ask me to answer two questions in regard to the negotiation of the Hay-Pauncefote treaty of 1901:

First. Was it understood by the State Departments of the two countries that the words "vessels of commerce and war of all nations" included our own vessels?

Second. Was it understood that these words also included our own vessels engaged in the coastwise trade?

I answer both of these questions most emphatically in the affirmative. The phrase quoted—vessels of commerce and war of all nations—certainly included our own vessels, and was so understood by our own State Department and by the foreign office of Great Britain. It was understood by the same parties that these words also included our own vessels engaged in the coastwise trade.

On March 31 the Republican floor leader in the House of Representatives declared in an address to the House that the proposition to establish equal tolls for the merchant vessels of all nations is a cowardly surrender of American rights in our own canal. If his statement is to be taken seriously, it imputes lack of courage and patriotism to every Republican President, Secretary of State, and ambassador to Great Britain that has ever engaged in negotiations with Great Britain in relation to the Isthmian Canal. My Republican friends, are you ready to challenge the courage and patriotism of Presidents James A. Garfield, William McKinley, and Theodore Roosevelt; of Secretaries James G. Blaine, Elihu Root, and John Hay; and of Ambassadors James Russell Lowell and Joseph H. Choate? If you are, no argument based on our treaties and the history of their negotiations would reach your case. If you are not, no argument is needed to convince you of the rightness of the present attitude of President Wilson and Secretary Bryan.

Democratic advocates of ship subsidy assert that the Baltimore platform declared for free tolls and that it should be supreme. It did, but it should not be held to be superior to our treaty obligations, solemnly entered into and proclaimed to all the world.

The free-tolls bill passed the House before the Baltimore convention. Those who opposed the provision did not suspect that any attempt was being made to commit the Democratic Party to the doctrine of ship subsidy, and did not go before the committee on resolutions. Those who favored the bill presented their case to the committee, of which Mr. Bryan was a member. The committee had not learned the history of the free-tolls amendment. They assumed that it was prepared by a Democratic committee and passed by the votes of Democrats. They felt safe to follow such a leadership. Gov. Wilson indulged the same presumptions and advocated free tolls in a public address. It appears that no one had called attention to the fact that the House committee did not prepare the provision for free tolls. It opposed the amendment vigorously, and a majority of the votes cast by Democrats were against free tolls. The provision was in no sense a Democratic policy and had no rightful place in a Democratic platform.

When Candidate Wilson and Committeeman Bryan became, respectively, President and Secretary of State, they found that the new administration had inherited from the Taft administration an international controversy with Great Britain on account of our statute which charges tolls to the merchant vessels which belong to the citizens and subjects of all other nations and exempts from the payment of tolls all vessels engaged in our coastwise trade. Great Britain was asking our Government to submit the question to arbitration. President Wilson and Secretary Bryan gave the entire subject careful investigation and consideration. They reached the conclusion that we could not safely submit to arbitration a controversy in which we had no valid arguments to submit in support of our contention. They found themselves in complete accord with all of their Republican predecessors. They were compelled to choose between the Baltimore platform and their official oaths. They chose to keep their oaths inviolate, made public acknowledgment of their own mistake, and subjected themselves to the embarrassment and criticism involved in their advocacy of the pending bill to repeal the provision for free tolls.

The Democratic floor leader also declared on the floor of the House in an address to the House that the action of President Wilson and Secretary Bryan constitute a cowardly surrender of American rights.

It takes a big man to admit his own mistakes and undertake to correct them. I do not recall in American history a finer exhibition of moral courage by public men than that which Woodrow Wilson and William J. Bryan have displayed in their action and attitude in the matter of free tolls.

My Democratic friends do you doubt the courage or patriotism of Woodrow Wilson or William Jennings Bryan?

President Wilson has not been long in public life, but he has been in long enough to win the respect, admiration, and affectionate regard of the entire country. Mr. Bryan entered public life in 1890. Since then he has made the special interests his bitter enemies. They have accused him of almost every thing else, but I have never heard that they suspected him of having a lack of courage.

Those Democrats who desire to discredit President Wilson and Mr. Bryan have sought in vain to find an adverse precedent set by a Democratic Secretary of State. A very prominent Democrat was advocating free tolls on the floor of the House. He recalled that Richard A. Olney, as Secretary of State during Mr. Cleveland's second term, became exceedingly popular on account of his vigorous and patriotic foreign policy. He decided to use Mr. Olney's popularity to discredit Mr. Bryan. He gave to Mr. Olney high and well-merited praise and tried to leave the impression that if Mr. Olney were now Secretary of State the President could not procure the support of his own highest Cabinet officer. He closed by declaring that Richard A. Olney was the greatest Secretary of State this country has had since Thomas Jefferson. Every Democrat, Republican, and Progressive who is seeking to discredit President Wilson and Secretary Bryan sprang to his feet and cheered until the Hall of the House fairly shook. Almost before the Speaker had yielded the floor the Hon. Andrew J. Peters, a Member of the House from Massachusetts, was recognized. He sent a letter to the Clerk's desk to be read. He stated that he had written a letter to his most distinguished consituent asking his advice as to the duty of a Member of Congress in relation to the bill to repeal free tolls. He desired the House to hear the letter he had received in answer to his own. The letter referred to the request of Mr. Peters. It then proceeded to give it as the opinion of the writer that it is the duty of a Member of Congress in the present instance to give to the President his cordial support and vote for the repeal of free tolls.

The fact that the letter was from some prominent man made the scene one of great interest, but it became dramatic when the Clerk had finished the body of the letter and came to the name of the writer, for it was none other than the name of Richard A. Olney, whose courage and patriotism the enemies of President Wilson and Mr. Bryan had so recently certified that the echoes of their lusty shouts had scarcely died out.

As an economic policy, my friends, the free-tolls proposition is utterly indefensible. As a proposition based on patriotism and national honor it can not live in the mind of any man a single minute after he has learned the whole truth.

In Indiana there is no politics involved in the controversy. When the bill for free tolls passed the House Hon. Edgar D. Crumpacker, a Republican, represented the tenth Indiana district. Every vote from the State, Republican and Democrat, was cast against free tolls. When the repeal bill came to a vote, on March 31, no Democrat changed his vote, and Hon. JOHN W. PETERSON, who now represents the tenth district, voted as his predecessor had done.

Regular Republicans will find it difficult to criticize the President and the Secretary of State. Six months ago there were just two Republicans in the country the nomination of either one of whom for President by the Republican Party would have aroused enthusiasm and inspired confidence. There was no other Republican whose leadership could have made the party a coherent, aggressive, and militant organization. One of these two men was ex-Secretary of War, ex-Secretary of State, and present United States Senator ELIHU ROOT. He was a member of the Cabinet which approved the Hay-Pauncefote treaty, and it is probable that he himself is its author. He led the fight in the Senate against free tolls and is now leading the fight for the repeal of the free-tolls statute. But some weeks ago he announced that his physical health was not such as to enable him to accept a nomination for the Presidency. His self-elimination left to the Republican Party but one man available for their national leadership. That one man is none other than our own ex-United States Senator and ex-Vice President Charles Warren Fairbanks.

On the evening of May 1, 1913, at St. Louis, he delivered an address before the American Peace Congress. His address was published in the Indianapolis News of May 2, 1913. In his address he gave a summary of our prior and existing treaties with Great Britain in relation to the Panama Canal, together with a history of our negotiations in relation to the treaties. He referred to the statute exempting vessels engaged in our coastwise trade from the payment of tolls, and demonstrated from the provisions of the treaty and the negotiations which resulted in its adoption and ratification that "free tolls" are a violation of the letter and spirit of our solemn international agreement with Great Britain for the use and benefit of all the nations of the world. Great Britain had suggested that the matter in dispute be referred to arbitration. Mr. Fairbanks urged that we eliminate the question by our own action, which can be done only by the repeal of the statute providing for free tolls. He favored arbitration for all real disputes between nations, but he was not willing to put another nation "to the trouble of resorting to an arbitral tribunal to determine a question which has no basis either in fact or in good conscience." If the men now in control of the Republican Party shall seek to gain a partisan advantage by attacking the present attitude of President Wilson and Secretary Bryan, and if they shall ever again face the responsibility of a party in power, they will themselves face the embarrassment incident to the choice of their official oaths as against their ill-advised and unpatriotic platform declarations.

The name of Col. George W. Goethals, the maker of the Panama Canal, has been mentioned in connection with the Republican nomination for President. I personally do not expect him ever to become a candidate for public office, but many Republicans have hoped to find in him a nominee for President that would bring back into the party organization those who have gone into other parties.

He knows more about the canal than any other living man. He made it. He has studied every question in any way related to it. The Senate committee in charge of the pending repeal bill asked him to give the committee the benefit of his knowledge and judgment. His personal presence was required on the Canal Zone to hasten the work necessary to be done to prepare for passing our vessels of war through the canal. He therefore sent to the committee a written statement of his views. Senator SIMMONS read his statement to the committee. He discussed the several matters involved and closed his statement with the following paragraph:

You will observe that the man who is to be charged with the defense, maintenance, and operation of the canal did not so much as refer to the arrant nonsense indulged in by those gentlemen who assert that Great Britain is seeking to interfere with our management and control of the canal. He knew that such talk is intended purely for partisan purposes and does not deserve to be mentioned in a serious discussion of the pending bill.

After discussing the cost of the canal and its annual maintenance, he said:

To secure this amount through tolls it will be necessary to charge all shipping as indicated in report quoted. Established steamship companies fix rates after conference, and as they are in the business for profit, will demand the highest rates the traffic will bear. These rates will be independent of tolls. It follows that exemption from tolls will not give cheaper rates from coast to coast to either shipper or receiver, but will increase profits to shipping companies. The same is applicable to rates from interior points to either coast. Agreements will be made between railroads and ships for through rail and water rates, same as at present, and rates divided between two interests as per agreement. Again, exempted tolls will not give lower rates to shipper or receiver. Therefore free tolls to vessels engaged in coastwise trade result in a subsidy to a class of shipping already fully protected and not in need of subsidy. I do not believe in exemption of tolls for coastwise trade, first, because this amounts to a subsidy to a class of shipping and will benefit stockholders and not shippers; second, because this canal will need all revenue it can get to pay its current expenses and indebtedness.

The most acute situation which the administration faces just now is that relating to our unhappy neighbor, the Republic of Mexico. Gen. Huerta holds the southern portion of Mexico largely within his power. Other soldiers have more or less control over the portion to the north. It seems probable that none of them are prompted by a higher motive than that of personal aggrandizement, and that every one of them will seek to compel intervention by the United States in preference to the success of his rivals.

The President does not desire to use armed forces in dealing with this situation, nor does any thoughtful and patriotic American citizen. He is exercising almost infinite patience with the insolence and recklessness of the usurpers, pretenders, and bandits who are oppressing and plundering a helpless people. Many men have criticized his delay and inaction; others criticize his final request for a resolution justifying the use of our Army and Navy to compel a wholesome and proper respect for our flag, our national sovereignty, our Army and Navy, and the rights of our citizens. As to what the future has in store, I express no opinion. This I know, that the President will remember that we are a powerful nation dealing with a weak and prostrate neighbor; that he will act without malice and only after due deliberation; that he will withhold nothing from the Congress and the country; and that his supreme purpose shall be for Mexico the earliest possible restoration of law and order and for us the earliest possible restoration of friendly relations with our neighboring Republic on the basis of mutual respect and confidence. In the meantime our Government must meet the responsibilities that rest upon it and maintain peace with honor, if that be possible. If that be impossible, it will be compelled to resort to force in order to lay the foundation for permanent peace for Mexico, for the United States, and for the Western Hemisphere. I trust that those of us who are radical will exercise self-control; that those of us who are ultraconservative will be reconciled to the demands of existing conditions; and that we shall all stand as one man for a national

policy that will demonstrate to the world that in our dealings with a weak and prostrate people this great Republic has the strength of a giant, the courage of a crusader, the sensitive conscience of a Christian gentleman, and the tender heart of a woman. In no other way can we so truly obey the Pauline injunction, given to the Christians who resided in the capital city of the Roman Empire, but equally applicable to all men and all nations:

If it be possible, as much as lieth in you, live peaceably with all men.

To each convention that has nominated me I have given a pledge in substantially the same words. I hold a commission to represent this district until March 4, 1915. If I shall be elected in November, the period of my public service will be extended until March 4, 1917. In any event, my duty to the district will remain the same until the end.

Democrats, Republicans, and Progressives have said to me that they only ask one promise, that I will continue to support the policies of President Wilson and Secretary Bryan. Of course I have done that, and of course I shall continue to do so. Indeed, I have found that the best way to keep my convention pledge has been to support the President and his administration. I have also found that the best way to support President Wilson and Secretary Bryan has been to keep my convention pledge.

It is in the light of that fact that I feel free to renew the pledge I have three times given to the conventions that have nominated me and to the people of the district.

This, then, is my supreme pledge:

I will give my time, thought, and energy whole-heartedly to the study and performance of my official duties; I will seek to know and protect your rights; I will endeavor to learn and execute your will and to cast a series of votes that will fairly represent the judgment and conscience of the people of the ninth district of Indiana.

The Cotton Situation.

EXTENSION OF REMARKS

OF

HON. J. B. THOMPSON,

OF OKLAHOMA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 14, 1914.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I wish to call the attention of the House and the high officials of the Nation to a condition confronting the cotton growers of the country which, if not remedied, and that speedily, will result in financial disaster and bankruptcy not alone to the farmers but, as well, to those of our fellow citizens engaged in all other kinds of business. The cotton farmers of my district and the entire cotton-growing section suddenly and without warning are brought face to face with a condition for which they are in no sense responsible. A war involving the nations of Europe, which have heretofore used 58 per cent of our cotton crop, has resulted in a stagnation of business and paralysis of market that threatens the prosperity and happiness not alone of the 30,000,000 people who reside in the cotton-growing section but, as well, the entire citizenship of our country. This situation, however, is but temporary and will last only while the war is in progress. As soon as peace is declared and business abroad resumes its normal course, the demand for cotton and the prices obtainable will inevitably exceed those prevailing in normal years.

Were there adequate means for the storage of the crop, and were cotton planting established on a firmer financial basis, the crisis would not be so acute. Moreover, the situation is further complicated by the inadequate methods of financing the crop during the growing period. In the past the bankers in the North have not taken a great interest in this matter. They have rather left it to the cotton-growing section, where money is scarce and high rates of interest prevail. It has been customary for the country merchant or banker to furnish the requisite supplies and money attendant upon the production of a crop until its harvesting, and for the planter to rely upon the quick sale of his cotton to meet his obligations, reimbursing his banker or merchant as he sells his crop, the security for such loans not being such as would be discounted by the Federal reserve banks.

The condition then confronting the cotton planter at the present time is such that if upon the harvesting of his crop he is required to meet his pressing obligations, he will be forced to sell his cotton at a price in many instances less than it cost him to produce it. The result of this will be that the cotton-growing section, which has been making such rapid strides in economic development in recent years, will suffer an irreparable setback, and the cotton-growing industry will dwindle to such amounts as will be insufficient to meet our home demands. The situation then is most serious. Its gravity can not be overestimated. Bearing in mind that the loss of the European market is but temporary, it is readily seen that what is needed is the devising of some means whereby the cotton planters may secure relief from their creditors and may be enabled to store their crop and reap the benefit of the increased market that the close of the war will bring. Private efforts have proven unavailing for the proper financing of the crop. It is then imperative that the Federal Government extend aid to the cotton growers at this time.

This calamity broke upon our people without warning, and just as they began to gather their cotton. Had it come six months earlier or postponed its arrival six months later the cotton producers could have taken care of the situation themselves. If a foreign foe had landed on our Gulf coast and wrought ruin and devastation in our cotton fields, such as our people are experiencing because they happen to occupy the position of innocent bystanders while the war in Europe goes on, every dollar of our resources and the lives of every one of our citizens would be forthcoming to stay the ruthless tramp of the invader and protect the property of our citizens. The destruction being wrought by this foreign war is no less harmful to our people because the scene of hostilities is oversea. The need for national aid and defense is no less real because the war is confined to foreign soil.

It is well that we pause and inquire the cause of the frightful condition into which our people will soon be plunged if a remedy is not forthcoming. It is very simple and plain to anyone who will take the trouble to go over the banking and currency legislation enacted by the Congress since the establishment of the Government. The Congress has never seen fit to recognize the scientific and fundamental difference between a system of banking and currency adapted to the users of commercial business and a system adapted to the needs of agriculture. During the consideration of the Owen-Glass bill, which will soon be put in operation, and on September 16, 1913, I pointed out that the bill failed to care for those of our people engaged in agriculture. I then said:

The enormous excess rate of interest paid by the farmers and producers of the country for the use of money is not because the class of security offered by any other industry of our country is safer than the security which they offer, but it is because under our banking and currency laws the class of security which they can offer for a loan is not recognized as a liquid asset. In other words, their business and their occupation would not permit them to borrow money for short time or on call.

The banking and currency bill which we are now considering is not a banking and currency act for the great producing masses of this country. It is a banking and currency act for those classes of our citizenship engaged in commercial occupations. I believe, as declared in the Democratic platform, that the banking and currency act should take care of the interests of every class of our citizenship—those engaged in the farming industry as well as in commercial and other industrial occupations.

Those who are responsible for eliminating from that bill a rural-credit system which many of us desired should be written into it ought to consider the matter of granting temporary and emergency relief to the farmers seriously in the light of the failure of the Federal reserve act to respond to the demands created by the present emergency. The requirements of a system of banking and currency which will provide for the necessities of commercial banking are entirely distinct from those which will prove adequate for the needs of agricultural credit. The commercial bank does business on the funds of its depositors; its obligations are in great part demand obligations, and from the very necessity its assets must be liquid assets—short-time loans, easily convertible into cash, that the bank may be able to pay its depositors at any time demand is made. These conditions restrict the commercial bank to short-time personal or chattel loans—loans that can be readily and quickly converted into cash in time of stress. Another fact must not be lost sight of in this connection, a fact that all know exists. During times of financial stress and panics people with money horde instead of depositing, and many who have funds on deposit become frightened and withdraw them from the bank. I have made these observations that we might understand that the people are not going to be deceived by a wholesale denunciation of the banks of the country. That man little understands the intelligence of the American people if he believes they do not know at whose door to lay the blame for the present paralyzed condition of the cotton market.

They know that Congress is the only body in this country that possesses power to coin money and fix the value thereof. They know that Congress, by levying a tax of 10 per cent on the circulation of State banks, has rendered the States powerless to provide relief for their citizens in a crisis such as they are now experiencing. They know that the National and State banks under existing law are unable to furnish them with relief without Federal aid. They know that during all the years of our national life, extending over a period of more than a century and a quarter, that Congress has failed to enact a system of currency and credits adapted to agricultural needs. They know that while those engaged in other lines of business have been able to secure money at from 4 to 6 per cent for such time as they desired, that the farmer has been forced to pay from 12 to 36 per cent on such short time as inevitably meant the sacrifice of his property. They know that the destruction of half the value of the products of their toil would not now be threatened had this Congress forced the Banking and Currency Committee to report a bill establishing a system of rural credits, as I insisted last June it should do. Inasmuch, however, as there is no permanent system which will care for the present emergency, it is the duty of this Congress to provide temporary relief for cotton farmers in this hour of their distress. The responsibility for the present paralyzed condition of the cotton market rests on the Congress by reason of its failure to provide against such an emergency, and it is the solemn duty of Congress to see that loss is not sustained by those who are the innocent victims of its negligence.

The plan proposed by the representatives of the farmers who have come here to ask relief from Congress is contained in the bill prepared at a conference of those representatives and Members of Congress representing cotton-growing sections, and the bill reads as follows:

Be it enacted, etc., That the Secretary of the Treasury shall deposit in national banking associations and State banks situated in States producing cotton or tobacco, or both, $250,000,000, or so much thereof as may be necessary to carry out the purposes and under the terms and conditions of this act, to be advanced to the producers of cotton or tobacco or owners of lands upon which the same was produced, upon cotton or tobacco produced during 1914, at a rate of interest not exceeding 4 per cent per annum. The deposits herein authorized shall be advanced upon the terms prescribed in this act and under rules to be prescribed by the Secretary of the Treasury. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton and pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture.

SEC. 2. That the Secretary of the Treasury shall make and enforce rules and regulations not inconsistent herewith for carrying out the purposes of this act. Said Secretary of the Treasury may fix the compensation for the banks for their services in lending said sums of money.

SEC. 3. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of $250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe; or he may sell not exceeding $240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 3½ per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as is herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate $250,000,000: *Provided*, That such United States notes, should the Secretary of the Treasury conclude to issue them, deposited under this act and not used as prescribed herein, shall be returned to the Secretary of the Treasury and shall be destroyed.

SEC. 4. That this act shall take effect and be in force upon its passage.

SEC. 5. That this act shall expire by limitation on the 31st day of December, 1915.

Mr. Speaker, this is not a visionary scheme. It presents no unusual request. The farmers ask the Government to take no chance. In the Federal reserve act Congress provided for the issuance of currency to be advanced to the banks through the agency of the regional reserve banks on their assets—commercial paper—at 2 per cent. Cotton is safer security than commercial paper. It is not a sectional crop nor a national crop. It is a great international crop—a world-wide necessity. The 11 cotton producing States by its production add annually more than a thousand million dollars to our national wealth. Its exportation abroad brings to our shores more than $600,000,000 in gold annually, and establishes the balance of trade in our favor. If it were not for this great product the balance of trade would be against us, and instead of being a creditor we would become a debtor nation.

It is indestructible except by fire, and if properly warehoused will be as valuable a century hence as the day on which it is baled. The average value of middling cotton during the last 5 years has been in excess of 12 cents per pound or $60 per bale; for the 9 years preceding its average price was more than 9½ cents per pound or $47.50 per bale; and during the past 14 years its average price has been 11⅛ cents per pound or $56 per bale. The farmers are asking an advance of only two-thirds of the value of their product. We all know that the world must be clothed regardless of the duration of the European war. If that conflict continues the cotton must be manufactured here and shipped abroad as a manufactured article instead of raw material. A great war emergency exists. The relief sought is but temporary; the security is ample; what will Congress do? Will it respond to the distress signal and extend relief to our farmers or will it give no heed to their petitions and permit five hundred millions in value to be taken from the pockets of those who produce this great world-wide necessity? If there were any other method by which this loss could be averted I am sure every friend of the farmer would be glad to consider it, but we had as well face the fact, for fact it is, that there is but one organization with back strong enough to carry the load, and that is the United States Government itself. If five hundred millions in value of the property of any other class of our citizens were threatened with destruction the country would witness the enactment of a statute by the Congress with marvelous speed to avoid that loss.

Mr. Speaker, it is not amiss to call the attention of the House and the country to a few of the performances of this and previous Congresses where vast sums have been appropriated where the urgency and necessity were not half so pressing and justifiable as now. The railroads have lately appealed to the Interstate Commerce Commission for permission to increase their rates because of the decrease in business caused by the war. Their business being of a public nature they can legislate for themselves by increasing their freight and passenger rates, and thereby collect from the people sufficient funds to insure a profit on their investments. Not so with the farmer. There is no way whereby he can tax others to insure a reasonable return on his investment and his toil. We see a few thousand rich tourists spending a holiday in Europe when the war broke upon them. This Congress with blinding rapidity, on the 5th day of August, introduced, reported from the committee, and passed through both Houses a bill appropriating two and one-half million dollars for their relief, and two warships bearing a high official of the Government, the Assistant Secretary of War, and a corps of clerks were dispatched posthaste, supplied with gold, to hunt out and bring them in safety to our shores. A bill creating a Bureau of Insurance in the Treasury Department and appropriating $5,100,000 was rushed through this Congress at top speed when war was declared to care for the risks of those engaged in ocean commerce. In 1907, when a panic broke on the stock market in New York in the midst of our gathering season, when crops were abundant and yielding a good return, and when the country banks were bulging with deposits, the Secretary of the Treasury rushed $40,000,000 of Government funds to J. P. Morgan to distribute among the financial institutions on Wall Street to save them from bankruptcy. A bill has just been rushed through this Congress under whip and spur raising an additional revenue of $105,000,000, and what for? Not because the Government needs the money, for there is nearly $130,000,000 in the Treasury now, but that the $75,000,000 now deposited in banks may not be withdrawn and the financial safety of those institutions imperiled.

Last year when the great flood swept through the streets of Dayton, Ohio, carrying wreck and ruin in its path, leaving business prostrate in its wake, and the ruin of the national banks of that city were threatened, the Secretary of the Treasury sent a representative and authorized the designation of every national bank as a fiscal agent of the Government and signified his intention to deposit $2,000,000 of public funds in those banks to provide against financial ruin. The mere announcement restored confidence, and it never became necessary to deposit the $2,000,000. So in this emergency, when it becomes known that there will be sufficient money to handle the farmers' cotton and maintain a price of 10 cents per pound, the consumers will take the product at that price. A few years ago Congress passed what was known as the irrigation act, and in order to protect the people of the 15 Western States it was provided that the funds obtained from the proceeds of the sale of public land should be used in constructing great irrigation plants there for the benefit of the people of those States, and the people were allowed to execute notes for this money and to use the water impounded in those irrigation plants in order that they might develop their farms, and nearly $80,000,000 of the funds belonging to the public—the proceeds of the sale of this public land—was thus invested.

Only a few days ago we passed a bill extending and practically remitting all interest on this vast sum because these people were distressed and could not pay, and I doubt if the time ever comes when that money, principal and interest, will be refunded to the people and returned to the Treasury of the

United States. Indeed, Mr. Speaker, I do not think that money could have been better spent than in the way it was applied in developing homes for our people. On August 13 of this year, less than 15 days after war was declared, a resolution was introduced in the United States Senate providing for the purchase of 25,000,000 ounces of silver bullion at 58 cents an ounce; and for what purpose? Senator SMOOT in submitting the resolution said:

I wish to say that at this time, on account of conditions existing in the financial world, brought about by the war in Europe, the immediate demand for silver has ceased. There is no question that in a month or two there will not only be the usual demand for silver by the countries of Europe, but I anticipate a larger demand for it than we have ever had. History has shown that during and following the conclusion of a great war the demand for silver has always increased. Under such conditions people prefer metallic to paper money.

Mr. President, many of our mines in the West are in such shape that they can not suspend operations without a great loss to the mining companies. In some of the mines we have to contend with water, and unless the mines are in operation all the time they become flooded and the machinery badly damaged.

And further on the Senator said:

Mr. President, if conditions were normal, if we had the transportation facilities at hand and the financial situation in the world were such that business and trade could be conducted in regular order, we would not be asking for the Government to anticipate the purchase of a single ounce of silver. * * * We can get along if we can only provide work for the men in our mines, for mining is one of the greatest, if not the greatest, industry in the intermountain country. In view of the fact that the Senate yesterday voted an appropriation of several million dollars to provide war-risk insurance, and it is expected to vote measures involving many millions more to enable the Government of the United States to enter the transportation business and assist other industries of the country, the request for the advancement of three or four million dollars, as provided in the pending bill, is a mere bagatelle.

Senator PITTMAN, of Nevada, in supporting the resolution, said:

About two weeks ago the Treasury Department purchased 1,300,000 ounces of silver, and announced that the Treasury Department intended to protect silver at 52 cents. What was the result? The day that announcement was made silver was down to 50 cents; the minute the Government made that announcement silver went up to 56 cents. Why was that? It was not on account of the purchase of 1,300,000 ounces of silver; that was infinitesimal; it was because the buyers of bullion in this country knew that they would not be able to go to the little mill man and to the little smelter man and offer them any price they wanted to offer for their bullion. They knew that they had the Government of the United States standing between them and their victim, and saying, "You will have to pay at least 52 cents an ounce for that bullion or you can not have it," and therefore they were compelled to cease their bear tactics. Does it not look like that? Does this Government mind authorizing the Secretary of the Treasury to make an advance purchase of bullion if it will protect against such a trust as that?

Mr. Speaker, this resolution for the purchase of silver was proposed on the 13th day of August, referred to a committee, reported back to and passed by the Senate on the 22d day of August, on a vote of 39 yeas to 11 nays, with an amendment reducing the amount of the purchase from 25,000,000 to 15,000,000 ounces, and the sum of $8,700,000 was thereby appropriated for the purchase, in order to relieve the distressed condition of the mine owners of the West. We heard no denunciation of the Senate as wild paternalists when that resolution was passed.

But when an effort is made to extend aid to the thousands of weary and toil-worn men, women, and children who have labored to produce a product to supply a world demand, those who favor such a measure are denounced as populists, socialists, paternalists, and anarchists, and the farmers are told that their request is visionary and beyond the power of the Government.

Mr. Speaker, government, according to my conception, is an association of people organized and acting together for mutual benefit and protection. When one class is threatened with financial or physical destruction it is the highest duty of organized society to protect that class from injury. If this is not true, of what benefit is government?

Mr. Speaker, the Democratic Party in Oklahoma favors direct governmental aid to our farmers. I am just in receipt of a letter from the Hon. R. L. Williams, the Democratic nominee for governor of our State, favoring this relief. Judge Williams, under date of September 21, wrote me as follows:

OKLAHOMA CITY, OKLA., *September 21, 1914.*

Hon. JOSEPH B. THOMPSON, M. C.,
Washington, D. C.

DEAR JOE: I notice that you are one of the 21 members of Congressman HENRY'S committee to devise ways and plans for the Federal Government to aid the farmers in holding their cotton for a reasonable market price on account of the depression in price through the war in Europe.

Every agency should be utilized possible to aid and facilitate not only the holding of the present crop, but also to reduce the acreage of next year's crop. This can best be brought about (1) by governmental aid and governmental influence; (2) by the action of the farmer; (3) by the assistance and aid of the banker, or the private individual that aids in the holding of the cotton and the financing of such crops.

During the past few months I have looked on with pleasure at the purpose and effective action shown by the present administration toward reconstructing the currency system, and also toward establishing a rural-credit system for the farming population. At the same time I have been pleased at the action of Congress in extending the Federal Agricultural Department with a view of developing efficiency in farming, but now this acute emergency has arisen, which was brought about by this foreign war and which could not be reasonably anticipated. The banker who has the advantage of the emergency currency through the agency of the Federal Treasury Department must loan this money at a very low rate of interest in order for this cotton to be held to the advantage of the farmer. Every limitation that the law permits must be imposed by the Treasury Department on the banks, so as to insure its being loaned at a low rate, and every patriotic impulse certainly appeals to the banker not to try to make any appreciable profit out of this great and unfortunate world-wide calamity. I am engaged in farming to some extent, and absolutely my cotton crop during the next season will be cut down half.

I was in a bank last Saturday, and the managing officer of the bank told me that he was going to furnish the money to pick the crop of his customers without any interest and extend all of their indebtedness for 30 days without any interest, and that then it was his purpose to make reextensions until the close of the next year on a reasonable basis. I do hope that the bankers of the country will realize that now is the time to perform a real public service by not attempting to make any profit out of the holding of the cotton, but merely act reasonable so as to protect themselves whilst they are aiding in holding the present crop.

But so much for this. What I started to write you about is that I hope that a bill will be passed along the Henry plan—that is, for the Federal Government to provide ways for extending relief to the farmer direct—say, for the farmers to organize themselves into cotton-holding associations and store their cotton in warehouses and the Federal Government to advance so much money upon so many bales of cotton, say, on every 100, and advance this money at 3 per cent to the farmer direct, plus the expense in handling the matter under safe rules and regulations. This cotton situation amounts to a public calamity, and the Government, as a rule, comes to the relief of the country in times of great calamity.

On account of our association in the past and also on account of the fact that you are a member of this Henry committee, I address this letter to you, and urge that Congress take some speedy action and that it make an appropriation of a sufficient amount of money, up into the millions, so as to insure the holding of this cotton crop under such rules and regulations as will bring a reasonable price.

Very sincerely, yours.

R. L. WILLIAMS.

In conclusion, Mr. Speaker, I am glad to say that powerful forces are coming to realize the enormous losses that will be sustained, not alone by the people who produce the cotton, but by every line of industry and business in our country, if the Government does not come to the aid of the cotton growers in this crisis. The Washington Post, a great daily paper of this city, has for the past 10 days carried on a warfare in behalf of the producers in its editorial columns, and from some of these I desire to quote. Likewise the New York American, the Boston American, Cincinnati Inquirer, Chicago Journal, San Francisco Examiner, and practically the united press throughout the cotton-growing section, circulating in many million homes throughout this country, are lending their powerful aid in bringing mighty pressure to bear in behalf of the immediate enactment of this legislation.

Under date of October 6 the Washington Post editorially said:

The only dark spot on the business horizon of the United States is the cloud to be found upon the cotton-producing States, through the failure of foreign demand for that agricultural product.

The conditions existing in those States threaten disaster to all business in their territory, and if permitted to continue will not fail to affect adversely the many industries of the North and East, which are dependent largely upon the buying power of the people of the South.

Business in the South can not suffer paralysis without deranging financial, commercial, and industrial conditions in all the other section of the Union.

This impending calamity in the South is therefore one that endangers national prosperity, and calls for and justifies national action to prevent it.

Not a nation on earth but would act promptly in any case of this kind to protect the interests of its people, and the administration and the Congress should cooperate in the fullest and the most cordial manner in the relief measures necessary to prevent the bankruptcy of the cotton planters and the resultant demoralization and ruin to the majority of the commercial and industrial interests of that section of our country.

* * * * * * *

If our financial institutions are unwilling or unable to save the cotton planters of the South in this crisis, the Government should do it, and $200,000,000 or $400,000,000 of United States notes issued to save the South from ruin and the Nation from danger can be carried soundly, safely, and securely by the Treasury reserves of gold.

For the Congress to adjourn in the face of this financial danger to the people of the cotton States would be heartless, unwise, unpatriotic.

For the administration and the southern Members of the Senate and the House to sanction adjournment under existing conditions in the cotton States can not be deemed possible for a moment.

It is a national duty to relieve the cotton planters of the South in this crisis thrown upon them by the European war to help them at once, to act speedily, and provide aid in the most ample way.

And again, under date of October 8, it said:

Exports of cotton this season to date amount to 181,721 bales. Last year in the same period 1,323,854 bales were exported.

This is the story of cotton in a nutshell. It shows the terrible danger that confronts the South. If this danger be not averted, it will bring about a collapse that will affect every person in the United States.

The South can not suffer without the East, North, and West suffering also. The country is one body, with four members. Just as the body suffers when an arm is cut off, so the Union suffers if the South is injured, or the West ruined, or the North devastated.

As it is the duty of the whole man to protect his members, so it is the duty of the Nation to protect all its parts. It can not thrive in one part while another part is stricken.

The United States is rich enough to protect itself against the threatened ruin of the South. It has the vitality with which to meet and withstand this economic shock.

On October 9 it again commented editorially, as follows:

The mails from every cotton State are bringing the country to a closer realization of the widespread and serious disaster which the sudden failure of demand for cotton is bringing upon the people of the South.

True, though it is, that within a few weeks, or, at most, months, there will be demand for the fiber, probably large and pressing demand, the fact remains that at this time neither the people of the South nor the financial institutions of the South are in position to ward off wreck and ruin to the commercial and agricultural interests of the South without the aid of the administration and the Congress of the United States.

As well raise an umbrella or don a raincoat to escape the deluge of the falls of Niagara as for the people of the South, with their present financial resources, to attempt to save themselves through their local monetary supplies or local credits. These will aid, but they are not at all sufficient for the task, which is of national magnitude and demands national assistance, and every business man of the South realizes this, and every business man of the Union will be convinced of it if he studies conditions.

From August 1, 1913, to October 5, 1913, exports of cotton from our ports were 1,307,000 bales, of an approximate value of $85,000,000.

From August 1, 1914, until October 5, 1914, there were exported but 152,000 bales of cotton, of an estimated value of $6,000,000.

Can any member of the administration or any Senator or Representative in Congress fail to perceive and to sense what that means to the cotton planters, to the merchants, to the transportation companies, to the people of the South?

And, again, on October 12 it said:

The agriculturists of one of our most important sections are facing bankruptcy and ruin by reason of an unexpected cessation of the demand for cotton.

Their crop of cotton is made, is valuable, is needed by the world; but the banking institutions of their section have not the funds to properly care for the planters' interests for the future months, and the financial institutions of the other sections of the country are not in position to extend the aid which the South needs, should have, and must have to preserve it from a great disaster and the North and East from being compelled to share in the national depression which is sure to follow.

The South can only be saved through favorable action by the administration; only can the entire business structure of the South be preserved by immediate relief of the cotton planters by those in control of national power.

The Senators and Representatives of the South should not be compelled to go home to face their constituents amid poverty, woe, and distress, and tell them that a Federal Reserve Board could approve of shipping $100,000,000 of gold out of the country to cover maturing obligations of bankers and corporations; could authorize a syndicate, a pool, to be formed for that purpose, a pool which is already counting its profits upon the transaction; but that the Federal administration could not approve of an issue of currency by the Government to alleviate their financial distress.

That is a situation for the Senators and Representatives of the South that must not be created.

* * * * * * *

The Federal Government should aid the South, for aid to the South now is safety and security to all sections of the Union.

The New York American, under date of October 8, 1914, in an editorial, said:

Not within the present decade—probably not within the quarter century—has the Government at Washington fronted a more serious financial crisis and responsibility than that presented by the conditions of the cotton crop in the South.

The President, the Secretary of the Treasury, and the Congress share alike in the tremendous responsibility of meeting it.

A great staple crop worth every year more than a thousand millions of dollars, which affects the vital prosperity of more than 30,000,000 people and touches deeply the financial life of the entire Republic, is for the moment unsalable. This situation certainly transcends in interest every other matter now before the Government.

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It is better far that the Congress should indefinitely postpone its adjournment, and that the President and Secretary McAdoo should have no holiday than that this vast and pressing business should be left as it is.

* * * * * * *

The representatives of the whole farming interests of the South are in Washington fighting to get a favorable report to-day or to-morrow. The southern delegation in Congress will support the life-and-death measure to a man. The President has so far committed himself to this statement: "I am in sympathy with Government aid for farmers so far as it is consistent with the welfare of the whole country."

But this vast and vital emergency calls for something more definite from the President.

The administration and the Treasury went promptly and properly with the Treasury millions to the relief of Dayton, Ohio, when the flood swept that city with destruction.

And surely in this far greater emergency—where the loss is quadruple, the numbers a hundredfold, and the suffering prolonged and extended—the same Government can safely reach out its helping hand to avert the ruin threatened among the millions of the South.

Mr. Speaker, I have received letters and petitions from more than 2,000 citizens of my district, setting forth the terrible suffering that is sure to follow if some relief is not given. These petitions are too numerous and would consume too much space to insert here, and without printing I call them to the attention of the House to illustrate the widespread and well nigh universal demand for governmental assistance. The dismay which present conditions have created in the minds of the men and women of my section of the country can be very easily imagined, and they feel and feel very keenly that they are justified as American citizens in calling upon the Government of the United States at this crisis to do something to relieve the tensity of the situation.

Mr. Speaker, much pressure is being brought to bear for an early adjournment of this Congress, but I can never consent to it unless some relief is extended to our stricken cotton growers. It would be better that we remain here and by proper legislation give this relief and all go down to defeat, than that we go home and be reelected amid the suffering and distress which are sure to follow if we fail to do our plain duty and pass this bill.

Mr. Speaker, I maintain that this Government was set up by the fathers for the benefit and protection of the people, and no matter to me what others may say, how others may think or vote, or with what denunciation I may be met, I am convinced in a crisis like this the very highest impulse of patriotism and administrative public policy dictate such action on the part of the Government as will preserve the prosperity and happiness of the men, women, and children of my section.

Mr. Speaker, if my support for this bill condemns me, I am ready for the sentence.

Speech of Speaker Clark Delivered at the Opening of State Campaign at Atlantic City, N. J., Saturday, October 10, 1914.

EXTENSION OF REMARKS

OF

HON. THOMAS L. RUBEY,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 15, 1914.

Mr. RUBEY. Mr. Speaker, under leave to extend my remarks in the RECORD, granted me to-day, I desire to present a speech made by my distinguished colleague, Speaker CLARK, delivered at the opening of the State campaign at Atlantic City, N. J., Saturday, October 10, 1914.

The speech is as follows:

CHAMP CLARK'S SPEECH, DELIVERED AT ATLANTIC CITY, N. J., SATURDAY, OCTOBER 10, 1914.

We have fought a good fight; we have kept the faith. (St. Paul.)
Peace hath her victories no less renowned than war. (John Milton.)

The result of the congressional elections this year will be a prophecy of the result of the presidential and congressional elections in 1916.

In my judgment a majority of the American people indorse the achievements of the Democratic administration and of the Democratic Congress. If the voters go to the polls, their indorsement will elect a Democratic House on the first Tuesday after the first Monday in November—a consummation devoutly to be wished.

The only hope our opponents have as to the approaching congressional elections is that Democrats are so certain of winning, because they deserve to win, that enough of them will stay at home on election day to permit Republicans to slip in. To use an expression more illuminating than elegant, they hope to throw a monkey wrench into the Democratic machinery, thereby preventing the enactment into law of the outstanding promises of the Baltimore platform.

Overconfidence has lost more battles of every sort than any other cause since the world began. Our Republican brethren are depending for success on Democratic overconfidence. Let us hope that Democratic voters will dash Republican hopes to the ground by every mother's son of them going to the polls and voting for the Democratic candidates.

Most assuredly, New Jersey Democrats should need no persuasion to vote this year.

The Democratic national convention at Baltimore paid New Jersey the high compliment of nominating her governor for the greatest office ever devised by the wit of man, and in November, 1912, the American people indorsed and magnified that compliment by electing him—the first New Jersey President.

No district in America has a more faithful, industrious, patriotic Representative than this one has in the person of Hon. J. THOMPSON BAKER. He is courteous, patient, indefatigable, and absolutely loyal to the great principles of Democracy.

He is my personal friend, and I want to see him reelected to represent the district in which my father was born, and I believe that the people of this magnificent district will show their appreciation of his services by giving him another term.

He is not only my personal friend, but he is a close friend to the President and a stanch upholder of the President's policies. The longer he remains in Congress the more valuable will his services be.

In this contest we stand confidently on our record. It is an old saying: "Judge a tree by its fruit." That rule was established by highest authority. It is a wholesome rule grounded in justice. We are willing to be judged by it. In our great achievement President Wilson did his part; the Democratic House did its part; and the Democratic Senate did its part. As Admiral Schley said, touching the famous naval victory off Santiago: "There is glory enough for all."

This Congress has been in session more days, barring the approaching short session, than any that ever met. Through summer's heat and winter's cold we have worked industriously to give the people better government by redeeming Democratic promises. It was the habit for years to sneer at Democrats as merely a party of negation, as a party utterly destitute of the wisdom or power for constructive legislation. By our splendid performance we have completely answered that idiotic sneer, for we have put upon the statute books in one session of Congress more constructive legislation than was ever passed by any other Congress in the entire history of the Republic, except the First Congress.

For years our opponents said that we could do nothing. Now they vociferously assert that we are doing too much. Certainly they are hard to please. Wherefore?

I do not love thee, Doctor Fell,
The reason why I can not tell;
But this alone I know full well,
I do not love thee, Doctor Fell.

The change of Republican opinion from their old claim that we could do nothing to the assertion that we are doing too much reminds me of a tale that Hon. Charles B. Landis used to tell. He said that when a new railroad was built into western Pennsylvania an old backwoodsman and his wife, neither of whom had ever seen a locomotive engine, went to the terminal station to take a peep at the railroad and rolling stock. After the old man had looked the engine over, he said to his wife, "Sarah, they'll never start her." When the train went whizzing down the track at a gait of 40 miles an hour, the old man said to his wife, "Sarah, they'll never stop her." Evidently our Republican critics have taken a leaf out of that old man's book.

But we are pleasing the vast majority of the American people, which is a great and abiding consolation. "None are so blind as those who will not see," an adage which applies with peculiar fitness to those who are carping at the Democratic administration and the Democratic Congress.

It is a remarkable fact while Republican newspapers are busy criticizing what we have done, nearly every great measure which we have placed upon the statute books received a handsome percentage of Republican and Progressive votes in both House and Senate. For instance, they could muster only 54 votes out of their 145 Members against the conference report on the antitrust bill. Yes; we are not only willing that the Democratic tree be judged by its fruit, for they are good to the taste and wholesome in result, but we are proud of our record; upon it we gladly submit our claims to the grand inquest of the Nation, serenely confident of the plaudit, "Well done, good and faithful servants."

For 18 years Republican legislation formed the bone of contention in campaigns and in politics. They held every post of vantage—White House, Senate, and House of Representatives. During all those years we could not place upon the statute books any law whatsoever, for no man is possessed of ingenuity enough to devise a scheme whereby one Member of House or Senate can outvote two, because that is an impossibility in nature. Consequently for nearly two decades, standing outside the breastworks, it was our privilege and our duty to criticize the handiwork of our political opponents and theirs to explain and defend their conduct, which they did with great arrogance and great plausibility, frequently making the worse appear the better cause. Listening to them I often recalled the statement by Charles Dickens, of blessed memory, that when a reporter he sat under the gallery of the House of Commons night after night recording prophecies that were never fulfilled, predictions that never came to pass, and explanations that were only meant to mystify. For years it was the regular practice for Republicans to point with pride and for Democrats to view with alarm.

Now, all that is changed. Positions are reversed. The shoe is on the other foot. We are at the bat. We hold every post of vantage—White House, Senate, and House of Representatives. Our legislative handiwork is on trial at the bar of public opinion. We must answer for our deeds done in office, defending, explaining, upholding. Our political opponents are on the outside of the breastworks criticizing and with powerful searchlights are looking out for flaws in our legislation. It goes without saying that our enactments are not perfect, for no creation of human hands, human minds, and human hearts is perfect; but notwithstanding the spots which astronomers have discovered on the sun, that great luminary continues to light, warm, and fructify the earth, and Democratic legislation, notwithstanding such flaws as may be discovered, will bless and prosper the American people.

Incidentally, it may be appropos to state that critics have their proper function and serve a useful purpose, while those who are faultfinders—merely that and nothing more—are public nuisances and should be abated for the public good.

I am not complaining because our Republican friends criticize us, if they can find anything upon which to base their strictures legitimately. I could not complain with a straight face and a clear conscience, for I criticized them for a quarter of a century for what I deemed their sins of commission and omission; but I am firmly convinced that we had more and better reasons for criticism than they have.

In any country whose institutions are based on popular suffrage the Government is necessarily and inevitably a government by parties. In my judgment, the sole function of a political party is to promote the prosperity, the happiness, and the glory of the American people. If it fails to do that, it has no reason for being. Democrats are striving unceasingly to improve the conditions under which we live by distributing both the benefits and burdens of government justly and impartially among the people, giving to all an equal opportunity in the battle of life. I am fain to believe that all Americans are patriotic. While we all earnestly desire to promote the public weal, we differ as to what measures will accomplish it, and upon these differences as to what is best for our beloved country political parties are founded; and the political party which serves the country best is the best political party. It goes without saying that I believe the Democratic Party the best; otherwise, I would not belong to it.

Toward the end of his heroic career, St. Paul uttered his proud boast:

I have fought a good fight. I have kept the faith.

Democrats can, without exaggeration or bad taste, adopt as their own those inspiring words of the great Apostle to the Gentiles.

By sinking personal differences, by subordinating private ambitions to the public welfare, by adhering closely to principle, exercising the widest latitude in nonessentials, by moderation in council, thrashing out our differences in a spirit of brotherly love, we have surprised ourselves and astounded our foes by the quantity and quality of the work accomplished—all, as we hope, for the good of the Republic. Verily, "We have fought a good fight. We have kept the faith."

The Baltimore platform contains a multitude of promises. We have redeemed several of them, are in process of redeeming others, and purpose to redeem them all, as honest, courageous, patriotic men are in duty bound to do. While all promises should be religiously redeemed, they differ in importance, even as one star differeth from another in glory.

We promised to revise the tariff downward. We have done that. There was no occult meaning in the promise. There was no hesitancy in its redemption. We passed the best tariff bill ever placed upon the statute books. The income-tax feature alone would entitle the Underwood bill to the place of honor among revenue bills, if it possessed no other merit. That bill goes far to remove taxes from things which people consume and to place them upon what people possess. I predict now and here, without the slightest fear of successful contradiction, that even should the Republicans ever return to power, they will not dare to repeal the income tax. As a feature of our fiscal system it has come to stay.

The Underwood bill was bringing in ample revenue to run the Government until the European war cut off a large proportion of our receipts from the tariff and forced the special tax bill, which passed the House and is now being considered by the Senate, and by which it is proposed to raise the hundred millions a years asked for by the President. Some persons solemnly asseverate that the Underwood bill was not producing sufficient revenue to conduct the Government and that we are passing this war-tax bill to conceal the deficiency, but the official figures flatly contradict their assertions.

While nobody desires to pay taxes and while it is always an unpleasant duty to levy taxes, no good citizen desires to see the Government crippled in any of its legitimate functions or to see its credit injured even in the slightest degree. Josh Billings, in his homely philosophy, said: "The best place to have a boil is on the other fellow." So with taxes, and the debate in the

Senate is a struggle as to locating the tax. Every intelligent person knowing that the Old World war created the necessity for the extra tax bill, I am fully persuaded that our friends, the enemy, will have hard sledding in their endeavor to make political capital out of the special tax bill. It is not the first case wherein a drowning man has caught at an unavailing straw.

We promised to remodel and improve our currency and banking system. We have done that. The old system was antiquated, inadequate, a thing of shreds and patches. The new system is admitted by all who have studied it to be a vast improvement on the old one, better for home uses, much better for increasing our foreign trade, one of the most important and necessary tasks that lie before us.

We promised to enact a more stringent antitrust law, and we have done that.

We promised to pass sane and just conservation laws, and we have done that.

We promised to pass laws for the purpose of securing fair elections, clean elections, free from the corrupt and excessive use of money, to the end that the Republic may endure and that poor men as well as rich men may aspire to office, and we have done that.

We promised to pass laws to improve the condition of our sailors and the laborers of the land, and we have done that.

Many other promises have been redeemed, and we will redeem the rest if the people give us a chance by electing a Democratic House. Rome was not built in a day, and it was not possible to redeem all the promises of the Baltimore platform in 18 months, for the capacity of men to labor has its limitations.

Abraham Lincoln said that it is a bad plan to swap horses in the middle of the stream, a saying which fits the present political case like a glove. In 1912 the American people placed Democrats in power because they were weary of Republican policies and desired a trial of Democratic policies. We are in the midst of an honest and successful effort to enact Democratic policies into law, and we ask the voters of the land not to cut us off in midcareer by doing the unwise thing of swapping horses in the middle of the political and legislative stream—unwise according to the greatest Republican that ever lived, one of the greatest of all Americans.

PEACE.

Perhaps—who knows?—when President Wilson has finished his course as Chief Magistrate of this mighty Republic, and when historians come to assign his place in the pantheon of fame, they will pass over the great domestic measures of his administration, such as tariff revision, currency legislation, and so forth, and declare that his successful efforts to keep the United States out of war constitute his clearest title to the gratitude of his country.

In his famous first inaugural address, which has become a classic, and which every boy and girl should commit to memory as a literary exercise, Thomas Jefferson stated our ideal relations with foreign nations in these words: "Peace, commerce, and honest friendship with all nations; entangling alliances with none"—words fitly spoken, and therefore "like apples of gold in pictures of silver."

That is the sum and substance of our international creed, to which we have adhered without the shadow of turning. A wiser or a nobler creed no nation ever had.

Its latest exposition is found in the terse, luminous, emphatic, opportune neutrality message of President Woodrow Wilson—a proclamation which all good and sensible citizens, of whatever persuasion, political or religious, uphold and applaud.

Americans are a peace-loving people. We believe in John Milton's fine saying: "Peace hath her victories no less renowned than war." President Wilson expressed with great delicacy and felicity the sentiments of all true Americans when he tendered his kindly offices to the belligerent powers in order to stop the titanic struggle across the sea. Fortunate in his coign of vantage, happy in the confidence of a powerful people, let us hope that he will succeed in his philanthropic endeavors, and that upon him will rest the blessing vouchsafed to the peace makers in the sermon on the mount.

When a boy back in the hill country of Kentucky I attended an election for the first time and saw four men shot during the day. One man fired six bullets at another man, and, missing his intended victim, wounded an innocent bystander in the leg. In this astounding Old World conflict America is the severely injured innocent bystander, and from a natural desire not to be injured any more, as well as from motives of friendship and humanity, we wish to see a speedy end to hostilities.

The first reason why we desire peace in trans-Atlantic countries is that we are all akin to somebody over there, and our hearts go out to our kindred in their sore distress. This applies to us all, whether our ancestors came over 300 years ago, as mine did, or at a later time. It applies with peculiar force to our 10,000,000 citizens who were born in the countries now in battle array.

Another reason why we want peace is that the war has disturbed almost every business in which any of our people are engaged, entailing sorrow, suffering, and want on millions of Americans who had no hand whatsoever in precipitating the awful situation.

Who started it no man seems to know. What it is about appears equally obscure. In his celebrated poem, "Blenheim," Southey caused old Caspar to give his grandson, Peter Kin, a glowing account of the battle, whereupon the boy propounded the pertinent and far-resounding question, "What good came of it at last?"—a question which has not been answered to this day. So, perhaps, it will be with this war—the bloodiest in all the hoary register of time.

No matter who got it up, no matter what it is about, we fondly hope and fervently pray for its early conclusion, not only for the sake of humanity and civilization, but for the sake of our own prosperity and happiness. We take both an altruistic and a selfish view of it.

In 1823, when the Greeks rebelled against the Turks, Daniel Webster in a memorable speech appealed to "the moral sentiment of the world," which has never been appealed to in vain.

That is what this mammoth audience is doing here to-night. That is what millions of American citizens have done in other meetings for the last month all over the land. That is what almost the entire American people did last Sunday, when, at the call of the President, they assembled with one accord in their usual places of worship and prayed to Almighty God for peace.

The noblest words that ever fell from martial lips were Gen. Grant's—"Let us have peace!"

Good men and good women will continue their unselfish and humane labors for peace till this stupendous struggle is closed and until—

> The war drums throb no longer,
> And the battle flags are furled
> In the Parliament of Man—
> The Federation of the World.

On Mount Ararat.

EXTENSION OF REMARKS
OF
HON. WILLIAM E. COX,
OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 16, 1914.

Mr. COX. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include a speech made by the Hon. John Skelton Williams before the Indiana Bankers' Association at Indianapolis a few days ago.

The speech is as follows:

ON MOUNT ARARAT.

[Address of John Skelton Williams, Comptroller of the Currency, before the annual convention of the Indiana Bankers' Association at Indianapolis, Ind., Sept. 29, 1914.]

Mr. President, Gov. Ralston, and members of the Indiana Bankers' Association, as you are bankers, with the public as your customers, and I am Comptroller of the Currency, with you as my customers and bosses, it is inevitable that any talk between us shall be of banking, currency, finance, and allied subjects. We are associated mysteries. As all of you know, the conception of the average citizen regarding your functions, powers, and duties is very vague, and as to what I am supposed to be and to do officially the ideas of some of our statesmen are dim.

Your distinguished fellow citizen, the second officer of the Republic, to whom I am largely indebted for the honor and very great pleasure of being here, said that in accepting the Vice Presidency he sentenced himself to four years of silence. With the American people generally I am glad his buoyant spirit and bubbling thought force him occasionally to issue himself a parole and let us hear from him, for always when he does talk for publication he talks wisely, strongly, incisively, and with a delightful flavor of the American and Indiana humor that is effective, because it is common experience put into words and common sense expressed pithily and shrewdly. As his office imposes a certain amount, at least, of silence, mine means protracted periods of obscurity. I am the trouble wagon called

out for emergencies, a force I hope sometimes felt, but rarely seen, and yet more rarely heard, except now and then at some quiet, friendly gathering like this. It was but a few days ago that a relative of mine from a New England State, being in Washington, called up the Treasury Department by telephone to inquire if I worked there, or if not, if they knew where I did work.

Among ourselves as mysteries talking together, we will discuss some special phases and aspects of banking, currency, and business, and especially their relations to present conditions in the world—the unprecedented situation and dangers, tremendous responsibilities—even more tremendous opportunities and promises before us.

Before beginning on the broader and more general lines I ask to be allowed to say a few words of local application. I am a Virginian. You may not suspect it, but it may as well be confessed that we Virginians are a vain people. We like to boast—there is no use denying it—of the men and women our State has given the country and the world, and we delight when we can claim some ownership in, and kinship with, all the successes that develop. If we can not exactly prove that they are products of our soil and air and water—and some other elements of life we have been in the habit of furnishing, such as mint and its natural allies and companions, but from which recent events threaten separation—we glory in assertions that any large success is of our blood and stock and breed. Therefore we are happy to consider Indiana as one of Virginia's daughters and one of the favored and most beautiful of them all, just now approaching the perfection of her glory and growth, although two years hence she will attain the respectable age of 100 years as a State. We are not content with exulting in the President as a son, but insist on having it known that, although Indiana actually bred and reared and presented the Vice President and a very distinguished and honored Senator, both are grandsons of Virginia.

This is not a political address intended to reproach or exalt any party, but all of us of all parties realize now that wretched mistakes were made when the judgment of the country was disturbed 40 years ago, in the processes of reconstruction, by natural but bitter and dangerous sectional feeling. No southern man or Virginian who lived in that time can forget, or should forget, that in our misery and fear, when the foundations of our civilization were threatened and when thick clouds obscured our hopes, Indiana was one of the Northern States to which we looked with confidence for help, whose powerful hand we felt was friendly while so many other hands were lifted to smite us. That time is buried and gone; but the duty gladly performed of forgetting old animosities does not carry with it forgetfulness of old friendships and affections, and gratitude for comfort and aid, given when both were sorely needed. We like to think that much of the conservatism and solidity and directness and force of thought that have guided your people are attributable to your Virginia lineage. We are very proud of this daughter of ours and of her many achievements, of her material greatness and intellectual activities. Perhaps one of your most remarkable feats is your bestowal upon a homely and derisive word like "Hoosier," dignity and beauty—a name fastened on you by some ancient and buried enemy. By sheer power of merit, of fine and rich thought, exquisite imagination, and noble workmanship your men and women have added great contributions to English literature, destined to live; have won for the State a high place in the love and respect of the reading people of this generation and of generations to come; have taught the world that the word "Hoosier" connected with verse or story or essay is almost a guarantee of excellence, of sweet or stirring appeal to its interest, its sensibilities and appreciation.

Now, having gratified my own vanity as a Virginian with a well-deserved and utterly inadequate tribute to your virtues and excellencies, I shall hope to detain your attention with some compressed thought on a vast and ever-widening subject.

Nowhere in the history of the world is there a record of such a situation as that of which we here in this room to-day are a living and potent part. Never before has any country been in a position in which our country is. The possibilities before us, pressing upon us ready for our thought, work, and faith to make them realities, are of immensity and grandeur almost beyond human conception.

Never before since civilization took shape and society began to order itself have the banking interests and directors of finance and commerce of any country had such power to do wonderful work of patriotic and broad, permanent construction, or to allow confusion and failure or force ruin, as is in your hands and the hands of your fellow bankers of America.

This Republic is the Mount Ararat of a universe overwhelmed by a deluge of blood, of confusion, and raging strife, of wild desolation. This is the one sure, established place where hope is springing instead of being destroyed. Everywhere else the hideous harvests of death are being gathered by day and by night; here we are garnering the harvests of peace and life and freedom.

We may pause a moment to recall that to the thinkers of bygone ages the one assurance of stability was centralized, concentrated, absolute power in the keeping of one strong man. To them self-government by the people meant chaos. To-day the solitary, stable, unshaken, and undisturbed part of the earth to which humanity may turn its eyes and its thought is that governed by a hundred million free individual rulers, and the centers of the horror and storm are where hereditary absolutism is accepted as the safest and the ideal government.

Surely the majestic dream the dreamers dreamt of a powerful people ruling and regulating themselves is vindicated. Surely the higher, wider, sweeter dream of such a people leading and lifting up all the nations, by methods gentle but irresistible, causing tyranies to vanish, banishing war, righting wrongs, and sending where the four cardinal points of the compass direct the conquering inspirations of liberty and love is nearer to realization than ever before. Considering our daily lives and our contact with the small and ignoble, the base and petty things of human nature, and of our local and State and general politics, the most hopeful of us sometimes are tempted to discouragement and to the thought that we have failed; that the old dreams of the fathers and builders and prophets never can come true. That thought is a treason of the moment, born of weakness and weariness and the political disappointments that come to all of us. It is treason to the time, to the facts, to the crowding events of this pregnant stirring period, to ourselves, our fathers, and our children. Such thoughts, I say, are treason to the flag and the traditions, the lessons, and the deathless and hallowed purposes it represents on every sea and beneath all the variant skies They are treason to the deathless and God-created principle of the Republic, of free and representative self-government; treason to ancient aspirations and present duties and new and assured hopes.

It is the task of us practical, money-handling, plain men, trained to definite action and the handling of affairs, to build to strong actualities the visions of the best and boldest of mankind. We must work and toil with real things. The Government, the bankers, and the financial leaders, the thinkers, the men active in politics, and the masses of the people must unite thought and effort to the ends desired by all and necessary for all. The idealist, with his high conceptions, sometimes apparently misty and vague, is helpless without the practical man, accustomed to working with the knowledge that 2 will come to 4, and that no proposition will find lasting favor unless a prospect of substantial advantage, benefit, or profit of some kind can be demonstrated. The practical man without ideals and something beyond his immediate daily concerns becomes a sordid and useless machine. All of us Americans are here together on this Mount Ararat of ours, established for us and by us, this great land of peace and abundance and hope, this country touching on each side another nation, with hundreds of miles of frontier lines and not a foot of fortification on either side.

We must work to give as well as to take. We are, as regards the fearful wars of Europe, put, almost without act or will of our own, in the position of a benevolent Iago, "Now, whether he kill Cassio or Cassio him, or each do kill the other, every way makes my gain."

We have the right to use thriftily what fortune or the follies or crimes of others may send for our advantage, but we have the plain duty to use our peculiar conditions and the strength they give us to try to make the world and the human race happier and better. As we do that, the reflex action and results must make our own Nation happier, better, richer, and more prosperous. No other people has been permitted, as we are now, to offer rescue to mankind, to be the firm foundation for the rehabilitation of civilization and order, to deserve and win the gratitude, the confidence, and the affection of every nation, of every tongue.

Our first step and duty has been and is to assure our own safety, to establish our own strength, to care for our own people. Through the years of a long peace we have been interwoven with all the countries by commercial and social connections and ties, by association, by mutual interest and dependence. For us the rapidly succeeding declarations of war and the immediate consequences were like a sudden and violent amputation. Holding steadily to the maxim bequeathed to us by the far-seeing Washington, we had avoided entangling political alliances; but in business we were in partnership with all the countries which without warning began to tear and destroy each other. When

the history of this bewildering and fearful time comes to be written in the tranquillity of restored peace and reasoning resumed, one of the most wonderful facts will be the serenity and firmness and ready resource with which the business and the Government of the United States endured the shock of severance in a day of thousands of ligaments and nerves and points of contact binding us to the old countries. Yet we had thrown before us a multitude of unprecedented problems and unexampled and unforeseen conditions. Almost automatically, as a man throws up his arms to fend his face when he sees a blow coming, the great exchanges were closed. That was a simple, we might say, instinctive and defensive measure, but it was heroic and effective.

As we stood we were subject to drains on our resources and demands on our credit by the cables under the sea and the wireless in the air, through the heavens above and the waters which are under the earth; and along the surface of the sea we could send nothing of our heaped-up stores of actual substance to bring money or credits. Our money assets were assaulted by invisible forces of suction. The closing of the exchanges here and the moratorium declared in Great Britain were like anesthetics to stop nerve action and prevent death from shock and strain. The results so far have been the striking contrast of no panic or ruin here with eight declarations of war among powerful nations within a week and paralysis of all international traffic, whereas in 1893 dangers in no way comparable to those we have recently faced brought a procession of failures and bank suspensions, the closing down of mercantile houses and industries, and terrific losses, extending from one ocean to the other.

Yet, while the methods used were prompt and heroic, they would have done harm rather than good, would have spread demoralization and given new impetus to fast-spreading fright, but for one great, solemn, beautiful fact, underlying everything and representing the real philosophy and strength of the Republic. That fact is the confidence of the people in themselves and in their Government. The American people naturally are fearless in the presence of any danger they can see and face and understand. That fearlessness and dauntless courage, not to be alarmed by any emergency, proceeds from their confidence in themselves and in their own power and honesty. When they know they are in direct control of their own affairs through their Government, that their interest and welfare are the first thought of sagacious and chosen rulers, no disaster or threat can stampede them.

I am not here to talk politics or to ask approval for the administration, but I think all of us business men—Republicans, Democrats, and Progressives—know in our hearts that but for the clearing up we have had, the knowledge the Republic has been given of the limitations of the power of great corporations, financial institutions, and leaders, and the conviction that this Government of ours of the people, by the people, and for the people is now ready and able to protect us from unnecessary or artificially created stringencies, we would have had dismay instead of assurance, and frantic anxiety and demoralization instead of quiet optimism.

It is not out of place, I trust, to say just a few words of our new banking and currency law which will go into effect in a few days.

The Federal reserve act is not a measure which serves only banks and their customers, but it is destined, I firmly believe, to exert a powerful influence for good on the lives and fortunes of all classes of our population. It is the instrumentality through which the American people will be freed from the domination of a financial oligarchy. It restores to the channels of commerce and industry hundreds of millions of dollars of money which was drawn from the sections where it was most needed to lie idle in the vaults of the big banks in two or three cities, or else be loaned by those banks largely on demand loans in the stock market. It provides for a system to meet completely and effectively the requirements of expanding or contracting business according to the seasons and the varying conditions, and it accomplishes along the most natural lines the mobilization of the bank reserves, and devises the methods by which they can be most safely and fairly utilized.

It practically removes from honestly and capably managed banks all fears of runs or the dread of suspension or failure by providing the means for quickly converting into currency the commercial paper in which its funds may have been invested.

By the system of clearings which the bill provides for it is estimated that several hundred million dollars heretofore kept in transit and in unavailable balances will be released for the needs of business while the delay and expense of making collections of checks will both be eliminated.

It opens the way for the establishment of branches of our national banks in foreign countries so as to secure for this country a larger share of the world's commerce. It removes the barrier which prevented the national banks from lending on real estate and makes improved real estate acceptable as a basis for loans under conditions clearly and conservatively defined so as to bring into active commercial use one of the most substantial of all securities.

A curious and unforeseen ramification of the blessings of the new system was called to my attention the other day when one of the Government's most important health officers told me that he had hailed with the deepest satisfaction the passage of the Federal reserve act, "because," said he, "I feel that in its operation it is going to contribute largely to the public health." As I was a little slow in seeing the connection, he explained that his study of the measure had convinced him of its supreme and far-reaching value and that he believed it would effect a gentle revolution and social reorganization which would bring about a stable prosperity in which the masses of the people would share more equitably and more liberally than they ever had before; that their scale of living would be raised; and that they would be in a position to give attention to matters of health and hygiene more than they have been able to give under the exigencies and conditions in which they have lived in the past. That is incidental, but it goes to confirm the teaching that a good and wise law blesses and helps, as a bad or ill-considered or outlived law cramps and afflicts the people who must live under it, in every department and interest of their lives.

I shall now ask your indulgence while I review briefly a few recent leading financial events of these historic times.

Although this country had shipped abroad between May 1 and August 31, 1914, in payment of securities sold here for foreign account and in payment of debts due abroad, including balances due by importers, more than a hundred and sixteen million dollars of gold, the outbreak of the war found us with debts falling due in European countries between August 1 and January 1, 1915, amounting, as far as can be estimated to between three hundred and four hundred million dollars. The largest portion of this indebtedness due by any one borrower was represented by the loans placed abroad of the city of New York, amounting to some $82,000,000. Had the world been left at peace our exports of cotton, of food products, and other merchandise between August 1 and January 1, 1915, normally would have amounted to more than $1,000,000,000, or enough to pay off the floating debt to Europe, to settle for all imports during the same period, and show a handsome balance due us. But when the 1st of August came, instead of launching our fleets of merchantmen laden with the fruits of our most bountiful harvests of cotton, wheat, and other merchandise, we faced the forbidding clouds of war, suddenly gathered. All Europe seemed to rush to convert our securities, offering as they did better hope than any other for realization into gold, while all markets were closed against what we had to sell. It was necessary for us to seal our exchanges against our bonds and shares, as Europe had closed hers to our cotton, wheat, minerals, and manufactures. By this action one pressing and imminent danger was met and averted.

On Saturday, August 1, following the dumping upon the market for foreign account of an avalanche of bonds and shares held by foreigners, the reserves of the New York banks fell more than $40,000,000 below legal requirements. The stock exchange had been closed, but the drain upon the resources of the New York banks had set in from many directions and there was alarm and cause for it. Responding promptly to urgent appeals, the Secretary of the Treasury went over to New York Sunday afternoon, August 2, and held a conference that night with a score or more of the presidents of the leading banks and trust companies of the metropolis. He heard their statements, analyzed the situation quickly, saw what was necessary to enable the banks to meet the demands upon them and to restore confidence, which had been so racked by the world-shaking events of the week. Confidence in the Government, the people, and the ultimate resources of the country was absolute, but there was need to meet immediate and urgent emergency. Knowing that confidence and the soundness of the basis for it, the Secretary announced that the Government would supply the New York banks forthwith with as much as $100,000,000 of additional currency if it should be needed. Anticipating the situation as it was laid before him at that conference, he had that Sunday morning, before leaving Washington, directed the shipment by express to the Subtreasury in New York, for the New York banks, of $40,000,000, and the Treasury forces and the express companies at that moment were taxing their resources in hurrying the execution of the order.

The announcement that the Treasury had arranged to give the New York banks a hundred millions of currency was flashed that night over the wires to every section of the country, along with the assurance that the New York City banks were prepared

to honor all requests of their country bank correspondents for shipments of currency against their balances. Therefore there was no suspension of currency payments or premium on currency, as in the comparatively limited stringencies of 1893 and 1907.

A few weeks later leading bankers from New York came to Washington to ask if the Government would lend its support in enabling New York City to raise through a syndicate of bankers the funds necessary to provide for the city's loans of $82,000,000 just maturing abroad. They were assured by the Secretary of the Treasury that the Government would cooperate by providing the banks with a further amount of currency and would accept a fair proportion of New York City's new notes or bonds as the basis for such currency, in order to help the bankers carry out the plan for the funding of the city's floating indebtedness, and since that time the Treasury Department has actually furnished to the New York banks $50,000,000 of additional currency, making the total amount accorded to the banks of that city from the Treasury since August 1 more than $140,000,000.

Is it not deeply significant and enheartening, as indicative of a new policy on the part of our Government, that in this emergency the administration of the restorative was not, as in the past, confined to the banks in New York City? For under the direction of Secretary McAdoo more than $160,000,000 of currency has already, since August 1, with impartial hand, been distributed to the national banks in every section of the country where it has been needed, from Boston to San Francisco, and from the Great Lakes to the cities on the Gulf, helping to dispel and neutralize the poisonous fumes of distrust, alarm, and fear which had begun to manifest themselves.

In its efforts to provide for present and to guard against further and future demands the country has been steering a cautious course between two perils. Money enough for ordinary and extraordinary requirements incident to conditions unprecedented, and not only to move the crops but to hold some crops, the normal demand for which was suspended, was urgently needed. Yet such inflation of the currency as might threaten our gold reserve and impair our public credit and the value of our money would be suicide. Self-preservation demands first the preservation of our credit. With that wounded we would be unable to maintain ourselves; miserably powerless to help others, left impotent and feeble and shamed, while opportunity turned its back on us. If we allowed the currency supply to become inadequate for our requirements, we might inflict the penalties of confiscation and ruin on the innocent many to the enrichment of the designing and remorseless few.

If we should allow inflation of the currency away from safe and solid bases of actual and irreproachable value, we would be like a man drinking himself to frenzy and torpor while his honor and the safety of his home depended on his steadiness and strength. Therefore we have felt and tested and studied and have striven to work and build swiftly but carefully; to act promptly, but with thoughtful provision for the situation as it is, while keeping alert eyes on the possibilities of the days and months to come.

In this work all of us have united. It is deeply gratifying to me to be able to certify how much the country owes of its growing prospects and increasing stability to the genius, skill, and generous, patient, broad patriotism of its bankers in all sections. Those of New York, Chicago, and other large cities have been not only willing but zealous in cooperation and with valuable and timely service. Most of them have tendered their resources and their services to help the public interest. But the people of all grades and sections have, as a general rule, done what they could to forward a difficult and complicated labor.

The administration has been given full cause to feel gratefully and exultantly that, when the common defense and the general welfare are involved, the free citizens of the United States have no lines of differences in politics, in sections, in social grades, or the distribution of the favors of fortune. The people, regardless of party, have given cordial and cheerful sanction to every movement and act approved by their reason as being for the good of the Republic.

The work of adjustment and of getting the machinery of business on perfect foundations and oiled and leveled is not completed, but it is well started with safe and efficient methods. We and our business machinery will be required to work not only for ourselves, but for the world. The task is enormous, but it is in conjunction necessarily. In protecting our own stability, we protect the world's finance and commerce. In conserving the interests of the other nations, we conserve our own and improve the opportunities that practically are forced upon us. Along with illimitable responsibilities, the prospect of illimitable expansion confronts us. Just now and because of the sudden halting of our delivery service and closing of the markets, we are a debtor people. We are taking days of grace because we have assets with which to pay and know that they will be needed desperately, and soon.

Europe is believed still to hold several billions of our securities; exactly what amount, it is quite impossible to determine accurately.

If we opened the stock exchanges and allowed this indefinite mass to be unloaded on us with the frantic purpose to get our gold at any cost, no one can quite foretell what the consequences would be. There are only three methods by which our international debts can be paid; by shipments of gold or silver, by shipments of merchandise, or by the sales abroad of securities. If American securities owned abroad should amount to, say $4,000,000,000, and all holders should offer them for sale and demand gold for them, our entire gold supply of one and seven-eighths billion dollars, by far the largest gold holdings of any nation on earth, would be insufficient to pay for half of them; therefore it is preposterous to talk of taking them all back at once and settling for them now in gold.

It is equally idle to talk of paying for them by the sale abroad of other securities; therefore it is evident that if Europe wants to send back to us our securities, she must take payment in merchandise, in the equivalent of gold. When the European countries bought our securities, they did not pay for them in actual gold; they paid for them in merchandise, and should take merchandise in payment when they sell them back.

It is not believed that the American securities owned abroad as late as 1883 amounted to as much as $500,000,000, probably considerably less. The securities at this time owned in foreign countries have therefore nearly all been acquired since 1883.

Now, from 1883 to 1914 we have brought in from foreign countries only $11,000,000 more gold than we have sent abroad; therefore, if Europe has accumulated since 1883, say three and a half billions of American securities, it is evident that they could not have been paid for in gold, but were paid for in trade balances and merchandise.

From 1883 to 1913 the figures show that the total value of merchandise and silver exported from this country exceeded in value the merchandise and silver imported by nearly $10,000,000,000. In other words, the net balance of trade in our favor for the past 30 years has averaged more than $300,000,000 per year. If we add to this the sale and shipment to Europe of, say, an average of a hundred millions of securities per annum for the past 30 years, there would be a total apparent balance of trade in our favor, arising from the movements of gold, merchandise, and securities, of more than $400,000,000 a year, which vast sum, it is claimed, has been offset and consumed principally by the sums we have had to pay for ocean freights and by the huge sums spent annually by tourists abroad and the amounts paid for interest and dividends to foreign investors. From these figures it would appear that it has taken practically our entire trade balance and the proceeds of all securities sold abroad during this period to recoup the annual expenditures made by the two to three hundred thousand American tourists in Europe; to pay the carrying charges to foreign ships for the transportation of American commerce, and for foreign interest and dividends.

My study of the problem has led me to the conclusion that we will not find it difficult to adjust ourselves to buy back in the course of a few years—if they should be offered to us—and pay for all the American securities that Europe has or which it may desire to sell. We have in abundance the raw material for the food and the clothing that Europe, Asia, and Africa must buy. With these and other products needed and demanded by the world, we can cancel our obligations and redeem our securities at fair prices to their holders instead of sacrifice and panic prices.

In the eight years following our Civil War here, notwithstanding the havoc it made in the South, there was through the North and West, as we all know, bewildering growth, development, and activity, until they went too fast and too far, and the development and business activity culminated and collapsed temporarily in the disaster of 1873. Judging by all experiences of the past and all the visible facts and signs of the present, a time of growth and expansion, of creation and extension in all directions, is just ahead of us. The Panama Canal of itself promised us new opportunities which dazzled foresight and made prediction lose itself in an infinity of possibilities. Now, just as we have completed this new, short highway of commerce from one side of the globe to the other, we are confronted with a new and endless universe of problems, and in each problem opportunity to bless mankind and ourselves. Strong and powerful, but just and compassionate, we must be prepared to meet the rush of people fleeing to us from war and

war taxes and war ruin; the rush of demand for bread and meat and clothing; for fuel and building materials; the rush of demand for money for restoration and new beginnings where war will leave chaos and emptiness.

Our task is not only to hold ourselves steady and secure, but presently to help feed and clothe and shelter and finance the nations, because we are the one sure, solid, established place of peace and of production with power unimpaired. We must look not only to our foundations, but to indefinite enlargement and elasticity of our power and facilities for doing business.

You bankers—you of Indiana and of all the other States of our Heaven rescued and maintained land—must do a very large share of the preparation, the adjustment, the doing, and the establishing.

We can prove ourselves honest and kindly debtors and merciful and considerate creditors. We will soon be looked up to as the storehouse of the world. Our cotton fields already furnish two-thirds of the cotton which clothes the human race, while from our harvest fields is already being shipped the grain to supply bread to the millions of Europe who have now become dependent upon us for their food supply. By the ways of peace and the uses of commerce we can and will not only strengthen our influence where it exists already and tighten our hold on those with whom we have traded and exchanged, but we will widen our sphere of operations through a great part of this great Western Hemisphere and send our flag and our agencies where they are strangers now. Our conditions for doing all of this great work are better than ever before in our life as a country.

We are correcting the tendency toward huge consolidations, to inordinate individual accumulations, and to isolation, and the bludgeoning and suppression of individual enterprise and initiative. We are calling back and restoring the dash and daring and restless alacrity that spring from free and fair competition. We are distributing ambition among all of our citizenship by restraining the facilities for acquisition by small and select minorities. We are sweeping away many clouds of doubt and distrust, the more dangerous because by imagination and exaggeration they are magnified and given shapes of dread portent. We are breathing a cleaner and more stimulating atmosphere.

I believe—and those of you who do not agree with me now will, I think, share my faith within a year or two—that our new banking and currency laws give us noble and powerful machinery with which to change dangers to blessings and enable us to deal with the most rapidly widening demands on our energy and resources.

We have a Government founded on broad, far-seeing, sagacious thought, on the highest philosophy and noblest purposes. It is established on the love and confidence of a free-born and intelligent people. Fast as we have gained in wealth and strength, we have gained more and faster in breadth, in spirit, in the true religion that recognizes human brotherhood and our obligations to each other, in that purest of piety that teaches service as our highest function and magnanimity and justice as the first and best achievements of a great people.

So we stand among the turbid surges of a troubled and stricken world as a mountain of peace and rest and refuge, or, in the words of the Psalmist, "as the shadow of a great rock in a weary land."

We will be the gathering place for the renewal and distribution of hope and purpose, for the restoration and purification of a civilization drowned in blood and wrecked and dismantled by furious and reckless passion.

Tragic and pitiful as it is, we may find gratification and hope in the constant appeal made to us by one strong people or another on the means and methods used by brave men of different tongues and birthplaces in deadly strife with each other. God forbid from us the vanity that would assume for ourselves superiority over any of these, our brethren, at war. May God and our memories protect us against the sin and arrogance of self-complacency or the Pharisee's thanksgiving that we are not as other men. We need not look back far to know of our own sins and weaknesses and follies, blessed and kept and led as we have been. In profound gratitude to the Power that has delivered us from the consequences of them and in deep humility we may find our gratification in the hope that the dove of peace, once sent winging over the deluge, may find a resting place here and carry from us an acceptable olive branch.

We do not invite such opportunity, but we would welcome it, and all of us—I am speaking only for and to representatives of the conservative and thinking people of our country—would unite in the ambition that we might be the means of helping not only toward permanent peace in the world, but toward actual justice and the betterment of mankind. We can afford to speak for peace, because we have proved sternly that we do not fear war when it is necessary and just.

Our voice for peace is not soprano expostulation. It has the deep, harsh, masculine note of big guns, well served at efficient target practice. If the time comes for us to urge or invite or help toward peace, it will be not because our interests require it or because we are nervous or fearful, but because as a community of free and peaceful people we desire very earnestly the deliverance and advancement of our brother man. We will talk peace as strong and prepared men talking, face to face, to strong men.

In any case we will stand a living monument to the truth that the statesmanship of peace and patience is the most successful, that the diplomacy of mercy and exact honor is the wisest, because directed by the spirit of eternal wisdom.

Equipped for emergency as we never before had been, we have met this fearful stress undisturbed. We meet opportunity such as never has come to a people with purposes higher and wider and purer, we trust, than any people ever have felt—with the power gathered of peace, the resources derived of honest industry, and the will born of our own self-searching, to lead the world, to be its dominating influence, and to use that influence to bless and brighten, lift, and comfort all humanity.

National Issues—Why Republican Legislators Should Be Returned to Congress.

EXTENSION OF REMARKS

OF

HON. THOMAS S. BUTLER,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 16, 1914.

Mr. BUTLER. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include a communication entitled "National issues, or why Republican legislators should be returned to Congress," by Prof. A. S. Boles, of Haverford, Pa.

The communication is as follows:

NATIONAL ISSUES.

WHY REPUBLICAN LEGISLATORS SHOULD BE RETURNED TO CONGRESS.

[By Prof. A. S. Boles, of Haverford, Pa.]

If the appalling war that has smitten Europe is extending its baneful effects to the remotest parts of the earth the millions living in our favored land are realizing the blessings of peace as they have never realized them before. Compared with this awful struggle to destroy life, how petty seems the contest among ourselves for the choice of men to legislate and rule. Nevertheless, every political election is an important event and should not be lightly regarded. There is a difference between men, parties, and policies; and though the consequences of neglect or misdoing may not be seriously felt to-morrow, they may, if disregarded long enough, accumulate until the people are rent by another war like that which tore them asunder half a century ago. Every whirlwind and tornado starts with a zephyr.

USURPATION OF LEGISLATION BY THE PRESIDENT.

The first issue to be noticed is the usurpation by the President of the legislative power. The Constitution has separated the three great functions of government into the legislative, the judicial, and the executive, and the wisdom of time has sustained this distribution of power. It is the business of the legislative to make the laws, of the judicial department to expound them, of the executive department, either alone or in harmonious working with the judicial, to execute them. This system has been in operation for a century and a quarter and has worked so successfully that not until a recent period has any thoughtless invader appeared. Not until the advent of President Roosevelt did any President ever seriously overstep the lawful boundary. As we all know, he was loud and forceful and, unable to content himself by doing the part assigned to him by the organic law, invaded the legislative department and sought to take the work of legislating away from its lawful keepers. President Taft, with a more conscientious regard for his duties, kept himself within proper constitutional limitations; but President Wilson, in utter disregard of them, is seeking to play the parts both of executor and legislator.

The Constitution provides what the President may do in the way of legislation. He may recommend by general or special

message that bills be passed; he may also veto bills that have passed for specific reasons, or, indeed, he may express his disapproval without giving any reason for his action. His power, however, goes no further. Neither he nor any member of his Cabinet, who are simply his assistants, has a right to prepare a bill and send it to either branch of Congress for its consideration.

On rare occasions this has been done, but Congress has always promptly frowned on such an invasion of its power. Still more clearly forbidden are the President and his assistants from enforcing their views on Members of Congress through personal interview or by granting political rewards and favors for compliance or meting out party damnation for refusal. No trace of such great and dangerous power can be found embedded in the fundamental law, and it was wisely excluded. It was never intended that the President, alone or with his assistants, should combine both functions of making and executing the laws. Nor can the President justify himself in the circumstances of the present day for assuming the rôle of lobbyist, as President Wilson has done; of conveying intelligence to legislators who differ from him in opinion that they must yield or suffer dire consequences. Yet these things have been done ever since the tariff bill was launched in the lower House of Congress. From the outset the President was a persistent director of the bill throughout its journey. There was not a moment when the President was not cracking his whip over legislators while it was on the way.

It was not only undignified for the holder of the presidential office to thus descend into the legislative arena and become a mere lobbyist; it was also contrary to his own preaching.

His friends seek to justify his conduct as a lobbyist on the ground that he only lobbies for good measures which ought to become laws. This is not safe ground. Assuming they are needed, a future President, intent on bad ends, might work great harm. Nor can one safely say the President may act as lobbyist to attain good ends but not bad ones. To yield so much to him is to transform him into both actor and judge and reduce the people to mere critics and sufferers.

It is sometimes said in justification of the President in thus taking on the duties of lobbyist to his other duties that it is the only way he can obtain the needed votes of his party to pass the desired measures. This, however, is no justification for his infringement. If his party will not pass the proper measures from the presidential point of view, the correct remedy is to elect men who will. If the people are unwilling to elect such men, that is strong proof that the President is wrong. In any case, the remedy is one for the people to employ—not for the President. If they wish different legislation from the President, it is not within his province to take the business away from them and make them simply puppets to register his wishes and decrees.

There is, then, no excuse for such usurpation of power by the President. Why, then, does he thus act? Is the reason really a failure of legislators to heed the will of the people? Nothing of the kind. It is the love of power, of domination, of running things. That is the nature of the man. Thus he acted as president of Princeton University until the majority, at least of the board, wearied of his rule. Thus he acted as governor of New Jersey. Like other strong-minded men, his greatest pleasure is in exercising his imperious will. Yet there is no reason for assuming that a strong will is a good will or a right will. Napoleon had a strong will, but for 25 years he terrified Europe.

HARMFUL TARIFF LEGISLATION.

The second issue that may be raised against the President and his party is for making unwise and disastrous changes in the tariff. The new law may be regarded from two points of view, the first as a political expedient to win voters. The assertion will hardly be questioned that the President and his party supposed that by reducing the tariff rates prices of many things would decline, and they would be hailed by consumers as deliverers. This was the chief end the Democratic Party had in view in amending that measure. Such, indeed, had been the effect on all previous occasions of remitting duties; a similar result, it was believed, would follow in the present case.

With few exceptions, no such result has followed. One of the most noteworthy exceptions is viola flannel imported from Great Britain. On this there has been an appreciable reduction. On linen, for example, on which there was a large reduction in duties, the retail figures have not been changed. The same remark applies to most of the things imported and subject to duty. On a very small number there have been slight changes, not enough to afford appreciable relief to consumers.

What, then, has happened? The foreign producers have obtained most of the benefit by adding all the reduction, or the larger part of it, to the prices of their products; and importers and purchasers from them have taken the remainder. That, in a general way, is the result of the changes in the law.

In 1872 it was proposed to remove the tariff from tea and coffee, whereby everyone was to have a "free cup." That had a joyous, exhilarating sound. There were objectors who assured the people that they would lose $19,000,000 of revenue without receiving any corresponding benefit. They declared that very likely tea and coffee consumers would pay quite as much as before. Their words fell on unlistening ears. That year there was a shortage of coffee, and the coffee growers very promptly added the amount of the duty to their product and the consumer paid the old price. There was a slight reduction on some kinds of tea. Nor can any subsequent change in the price of coffee or tea be traced to the removal of the tariff on these articles.

It may be contended that ultimately there will be a reduction in price springing from these tariff changes. This contention loses sight of the changed conditions of production and sale. The accumulation of wealth and expansion of credit enjoyed by producers have radically changed their condition. They are no longer under the necessity of selling, as they were at an early day, to the first customer in order to meet the ever-pressing demands of lenders to whom they were indebted for the means to produce. In other words, the modern producer has become independent, has ample means or credit, or both, and consequently has a more perfect command over the market than ever before. Formerly the consumer, in consequence of the needs of the producer to realize on his product as soon as possible, to a large degree had command of the market; now that control has passed largely and permanently to the producer.

This is the correct explanation of the fiasco which the President and his party have made in tariff legislation as a relief to consumers. The defenders of the President contend that he ought not to be blamed for not foreseeing this result, as a reduction in prices had followed all previous reduced tariff changes. The President's party may, indeed, be excused for not foreseeing them; indeed, for not seeing much of anything, since so many of them are recent attendants at Congress. The President, however, can not be spared, for he professes to know so much, and on that ground tries to justify his usurpation of the legislative province.

Anyhow, the failure of tariff legislation to bring relief to consumers is complete; the cold facts of prices, daily registered, are the unanswerable proof. Will time bring favorable changes? There is no solid ground for such a deduction. Possibly not all the price effects of the tariff changes on everything have appeared, but surely all the more important ones there are now known. Whitehouse Moses, therefore, has not found the promised land for consumers nor raised the slightest foundation for the hope that he ever will find it for them.

From another point of view, the President and his party have sacrificed a large revenue without any corresponding benefit to the people. On sugar $60,000,000 have been lost without any appreciable gain. The price of sugar was very reasonable before the tariff went into effect, and Mr. UNDERWOOD, chairman of the Ways and Means Committee, the most thoughtful Democratic Member of the House, was opposed to throwing away this vast amount of revenue, collected at small expense and borne so easily by the people. Other members of his party thought like himself, but the President was unyielding, and the huge cut was made. Had that been retained and expenses been kept within the proper limit, as the Republicans contend should be done, no new war tax would be required.

To what extent our impaired production is caused by the tariff and what by the war can not in all cases be easily determined. Nevertheless it is true that before the outbreak the production of some goods, especially hosiery, had been seriously affected by German imports. While consumers have not had the benefit of lower prices, importers have been sufficiently favored in the way of reductions to lead them to make large purchases, and thus American production has fallen off. This movement has not yet become general, and perhaps will not be, for, rather than have it succeed, producers, with the acquiesence of their employees, may cut wages. Ultimately one consequence or the other is impending—increased imports at prices that will attract importing purchasers, or a cut in wages large enough to diminish the cost of production and lessen prices. If in the end consumers should get the benefit of the reduction, it would be at the cost or loss of the workingman. This is the present aspect of the problem—if production is preserved and prices lessened, the workingmen must be the real sufferers.

DECLINE OF PROSPERITY.

The President and his party may be justly charged with checking the long period of prosperity that had prevailed, and of blighting the prospects of the industrial world. Two facts

can not be denied: At the close of President Taft's administration the country was everywhere soundly prosperous; to-day dullness in business and diminished faith in industrial enterprise is everywhere apparent. While it may be admitted that the war has hastened the downward movement, none will deny that the tide immediately changed with the incoming of the present administration. Faith in the future is quite as needful to sustain a sound industrial condition as present industrial activity. The moment the industrial world ceases to renew and expand decline begins. There is no plain on which the great industrial engine can long safely wait; it must always be in constant movement. If that movement is not forward, it is in the other direction. The President may term the unwillingness of men to embark in new enterprises a psychological movement; faith, no matter about name, it is a very real thing, and if that thing declines or dies, the effect is experienced by the individual, the community in which he lives, and by his country. And this change has happened; it is everywhere noted; the ill consequences are too clear and strong to be ignored. Business is drooping, dying like the closing event of the summer season.

There is a class of persons who have no patience with those who talk about prosperity, and who measure their country's greatness and happiness by this standard. They assert that this is a low, material, false standard; that the prosperity wishers have quite enough already, and will not suffer if their dividends are passed or reduced. We may at once dismiss this class of critics as well as those criticized with the remark that the latter is a very small class compared with the millions to whom material prosperity does possess a deep meaning.

To the toiling millions prosperity has a meaning which no well-wisher of them can deride. It means steady employment, wages earned and paid, food, shelter, clothing, and contentment for themselves and their families. Destitution in the essentials of living cuts into the very foundations of national existence and happiness. The man who thinks or talks lightly about prosperity in the largest sense is extremely shallow in his thinking and indifferent to the sorrows and miseries of his fellow men.

Since 1860, 54 years ago, the Republicans have been in power continuously, with the exception of two four-year periods. After recovery from the terrible blight of the Civil War there has been no long period of business and industrial depression except during these two Democratic administrations. On both of these occasions the stream of prosperity was interrupted by the changed policies of the administration. Tariff tinkering and the undermining of the faith of men in the future yielded baneful results. No one who has lived through these periods or who has carefully studied them has failed to discover the causes. The change began with somewhat lessened production, faith in the industrial future weakened, then capital was withdrawn from new undertakings, and industrial torpor spread over the land.

It may be unfortunate that an administration can do so much to preserve, stimulate, or check prosperity; the fact can not be denied. With the passing of the years the effect of the policy of the national administration on business for good or for ill has become more and more pronounced. Possibly it is not so great as is imagined, but the great mass of business men have come to think that way, and they have come to associate the prosperity and happiness of the millions more and more with the policy and rule of the Republican Party. Consequently with the advent of President Wilson business began to feel untoward effects from the change. President Wilson was not slow to see them, and at once assured the business world that he was not the enemy of business. The business world believed him, because it wished to believe him; unhappily he has acted otherwise, and has continued his declarations of friendliness to business and unfriendliness in action until the business world has lost faith in his professions and promises.

One noteworthy exception may be made. At least he is showing some regard for the railroads, which have suffered so severely from enforced unwise expenditure, too drastic legislation, and singularly inefficient public regulation. In every other regard President Wilson's words of friendliness to business have proved delusive and disheartening. Consequently business has become depressed, a vast body of men are working on short time or out of employment because the administration has shown in no uncertain terms that it is unfriendly to the existing ways and methods of production, exchange, and distribution, with which the people have become familiar and on the continuation of which they believe prosperity depends.

SOCIALISTIC TENDENCY OF THE ADMINISTRATION.

Another charge that must be made against the President and his party is their strong socialistic policy. The true moral and material advance in government, we believe, lies in the other direction. There are those—perhaps many—who think the people would be gainers were the Government to do various things for them—manage the telephones, telegraphs, express companies, railroads, own and operate the coal mines, and the like. To the unthinking it seems as if the public might be the gainer by the public administration of these things; even the briefest account of the method of doing the public business ought to convince one that the truth is on the side of private enterprise.

In the first place, the greater number of Government employees are not the most efficient persons. Those who fill the higher offices and are led to accept them because attracted by honor and the sense of public duty rather than by the pecuniary rewards are usually zealous and efficient servants. Others also, who are interested in special fields of work, especially sociologic, statistic, economic, or scientific, are drawn and kept in the public service and render a satisfactory return. By far the larger number possess only moderate ability and render only a moderate return. Whenever one develops unexpected or unusual ability his public service is brief, for he is soon attracted into private service by the allurement of higher compensation and the hope of promotion. Thus there is retained for conducting the public service for the most part only persons of moderate ability and experience.

How can an efficient and economical public service be expected of such persons? Carlyle's aphorism may be recalled: "Given a set of knaves to produce an honesty of action." The thing can not be done. With men of moderate ability, only poor, disappointing, and expensive telephone, telegraph, or railroad service will be rendered. If we had space, abundant facts could be adduced in proof of the statement. Such a service would be no protection against strikes, for State employees can strike quite as well and hard as others, as the strikes on the French railways have shown. Such a service is no guaranty of permanence of service or fixedness of compensation, for public employees can resign and demand higher rates as easily and as often as others. They are no guaranty that at times of peculiar exigency the public will be more surely served, for experience has shown that they are quite as much inclined to take advantage of such exigencies to make new demands as others. In short, there is not a single reason for assuming that when one enters the public service his conscience or ability in any way is improved by the change.

If these assertions are true, which could be easily verified, they set at naught all hope of improving existing conditions by transferring the service now rendered by individuals to the Government. Nevertheless, the President, who professes to be a very wise man, is showing an increasing tendency to widen the sphere of Government. His approval of a bill to spend $30,000,000 or more on a railroad in Alaska is a sad proof of this tendency. Some of the Senators who voted for it defended themselves by saying they did so to show that the Government could not build and operate a railroad successfully. Thirty million dollars is a huge sum to pay for such a demonstration. Would not the example of the Railway of the West in France, and other public enterprises conducted by the Government, serve as effective examples without such a vast expenditure? If the railroad is needed and will pay, there is abundant private capital and brains to build and conduct it; if it is not needed, the enterprise should not be undertaken simply to make place for Democratic employees and to give contracts to Democratic contractors.

The delusion still persists, notwithstanding its constant exposure, that whatever is obtained from the Government is clear gain—if the Delaware or Mississippi is to be improved, not the dwellers on the borders of these streams pay the bills; if a public building is to be erected in the city, the people elsewhere pay the expense. Somebody must pay, that is a certainty. If the money is borrowed, payment may be postponed but is not escaped. If the charge for carrying a parcel is enough to pay the cost, the Government loses nothing; if the charge is not adequate, the people must pay the deficiency or it must be borne by the railroad companies. Sooner or later the people must pay; and as a public service of almost every kind is higher than a private service of similar quality, it follows that in the end the people lose by having the Government do for them what they can obtain through individuals.

Notwithstanding this, the President is eager to have the Government buy ships and through its servants sail the seas. To-day there are sufficient ships to transport every bushel of wheat that can be spared for foreign markets; there is not the slightest evidence of any dearth of transportation facilities. No producer of wheat is calling on the Government to transport it for him; the idea is simply a part of the President's socialistic policy. Happily, a very considerable part of his own party

balks at this last demand on their intelligence and independence. The only ones who are eager for this latest and wildest scheme are the owners of German ships now lying silent and useless at American wharves. Nevertheless, our presidential lobbyist, while announcing his willingness to cease effort for a season, has also announced his determination to proceed with his measure at the next session of Congress.

THE PRESIDENT'S ATTITUDE TOWARD WORKINGMEN.

Closely related to his socialistic tendencies is the President's conduct toward workingmen. Everyone believes that an association among employees of a corporation is just as natural and proper as united action by the contributors of capital to form the corporation itself. Whatever may be said about the employers of labor in other countries, in our own country employers generally desire to treat their employees fairly. Most of them have risen from the ranks and have not forgotten their early days and associations; and this is especially true of all the larger employers, particularly the corporations.

There is a large body of workingmen—much larger, in the aggregate, than those belonging to labor unions—who, for reasons deemed wise and satisfactory to themselves, remain outside the pale of all labor organizations. One of these reasons is expense. The expenses of management are large, also the amounts lost through unsuccessful strikes. Even if the ends are gained, the cost may have been so great that a long period may elapse before it can be made good. Hence the pecuniary gains of unionism, reckoned for a long period, have not been enough to lead to the abandonment of the individualistic for the collective principle.

The President, however, has clearly shown not a desire to be broad-minded in this great business, not a desire to "play fair," but to exploit labor unions for narrow party advantage. Probably no man sees through this thinly veiled action by the President to curry favor with organized labor to the disadvantage of unorganized labor more clearly than Mr. Gompers. In the end the President and his party will lose by trying to aid one section of the great working class at the sacrifice of the other. In the end this unfair action will be clearly discerned, and the sense of fair play, which, after all, has a firm throne among the American people, will condemn the President and all who follow him in this low business of trying to make partisan capital at the expense of a great body of workingmen. It is true that the workers outside labor organizations have no journals or orators to voice their rights, but most of them are endowed with intelligence enough to discover the President's willingness to sacrifice them for party advantage. The Republican Party stands for fair play, for the treatment of all on the same terms, whether members of labor associations or outside them, of whatever race or color.

OUR FOREIGN DIPLOMACY.

Another charge that may be justly made against the President and his party is the demoralization and disintegration of our Diplomatic and Consular Service. For many years the Republican administration had steadily improved the foreign service. The poorer representatives had been retired, the more efficient had been retained, many promotions had been made, based on efficiency; in short, foreign service based on merit had been established. The people were rejoicing in the hope that this greatly improved service was secure; alas, they knew not the real Wilson and Bryan. Within a few short months most of our foreign representatives, well fitted for their places by long tried experience, have been supplanted, and who now fill their places? A leaf from the South American story may be given. At the close of President Taft's administration everyone who represented us in those countries spoke the language of the country to which he was accredited, and was in every way qualified for his place. What has happened? Everyone of them, with a single exception, has been supplanted by inferior men, editors of Democratic newspapers, without any knowledge whatever of the country to which they have been sent, ignorant of their duties; a worse selection was never made. Col. Harvey, the editor of the North American Review, a zealous promoter of the nomination of Dr. Wilson for President, thus describes the change in the February number of the Review:

> The average experience of the former ministers to these South and Central American Republics was 15½ years, and their average age at the time of their expulsion was 47. All spoke the language of the countries to which they were accredited. The average age of the new ministers is 54½, five being past 60; no one of them, we believe, understands Spanish, and none, of course, has had diplomatic experience. In other words, 12 trained and capable representatives, several of whom entered the service under competitive examination and all of whom had long since forsaken partisanship, are superceded by mere party hacks, whose ages clearly disqualify them for continuance in office for sufficient time to equip themselves for proper performance of their duties. A clearer case of partisan political debauchery can not be imagined.

What is the meaning of this degeneracy in the Diplomatic Service? As the Secretary of State is an ardent believer in the old-fashioned doctrine to the victor belongs the spoils, he has had the courage to overthrow the civil service and return to the ancient method of dividing the spoils. It is true that before his election Dr. Wilson professed to be an ardent believer in civil service, yet his profession has not squared with his subsequent practice. With an inconsistency which can not be justified, he chose for the head of his Cabinet a man who is the open and shameless enemy of civil service, who has not feared or hesitated to put his belief into practice.

There is no sign that any check has been put on Mr. Bryan by his superior. All the more competent men in his office have been forced out. As a consequence our Diplomatic Service has fallen into sad repute. The garden of diplomacy, so carefully cultivated during the former administration, is now filled with strange specimens. Other nations are examining these curious heads and wondering what has happened. Without question Bryan is the most variegated bloomer the country has ever produced; long may it be before such a rank growth again appears.

The Postal Service has been invaded in several ways. One would have supposed that in adopting the new banking system, in which the absence of party politics is indispensable to its efficient working, President Wilson would have remained true to his profession. But his party, eager to grab all the places possible, in the last days of amending the bill added a clause whereby the appointees to the various positions are kept outside the civil service and within control of Democratic influence. Thus partisan politics is to have its baneful sway in an agency of government whose successful operation requires the best talent and the most disinterested service. The banking machinery should, of all the public agencies, be kept far from partisan politics. Men of the highest character and ability are required to conduct this business successfully, and no other excuse can be made for this invasion of the civil service save the demands of the Democratic politicians. The defenders of the President say that, though a believer in civil service, he must do some things to please his party, and the destruction of the civil service is one of them. To this contention two answers may be given. The President is a man of unusual forcefulness, is always sure that he is right, and insists on having his own way. He is not only the dominating factor of his party, but does control his followers whenever he brings his teeth together. There is no reason for supposing that he could not have his way in these matters as well as in others if he were really intent on preserving the civil service.

The other answer is, if he yields because required by party exigencies, is not this a confession that his party is not worthy of support? The maintenance of our civil service is an essential of efficient government, and any man or party assuming a hostile attitude toward it is not worthy of place or power in our political system.

FINANCE AND ECONOMY.

Besides enacting the tariff measure, President Wilson sought at an early day to improve the banking and monetary system of the country. He knew what ought to be done; he had studied these matters as well as the tariff and was just as ready to force his ideas on Congress with respect to them. So Congress was kept together until a bill embodying the essence of the Wilsonian wisdom was passed. In vain the more thoughtful Members of that body pleaded for delay. In vain they declared it was a great measure, affecting vast interests, and should be carefully considered. The chairman of the House committee, a mere tyro, declared that he and others knew just as much about the business as they would know by longer delay and investigation, and the President displayed his shallowness by sustaining this view.

The great measure that was to improve so quickly our monetary and banking arrangements was passed, and what has happened? As we all know, the President spent several months in selecting members of the Federal Board. He appointed a very questionable official Comptroller of the Currency, who, ex officio, is a member of that board, while those who knew most concerning his business career dared not make their objections known, fearing the consequences. At last the board was completed, and what is speedily discovered? Not a concentrated banking system, whereby the reserves of the banks can be mobilized, which is one of the principal needs of a better system; in truth, the most important thing of all desired by its projectors, but 12 banks, whose separate interests are stronger than the general interest, and consequently weakness is appearing where there should be strength; a clash where harmony should prevail. Very likely the system will be amended; at present and during the immediate future the great assistance expected from its creation is not in sight.

Meanwhile the much-derided Aldrich-Vreeland plan, the creation of the Republicans while forming the congressional majority, is furnishing substantial relief to the country. Without setting up a vast machinery and creating new plans, a way has been provided for furnishing quickly an ample amount of new currency, commanding as much value as the old, and effectively banishing all fears of a monetary stringency. Indeed, this plan, though intended to serve only a temporary purpose, might be amended and perfected and substituted for the Democratic plan as a simpler and more workable scheme, and with less danger of invading business interests and the banking world in the interest of partisan politics.

REPUBLICAN AND DEMOCRATIC RULE COMPARED.

In 1800 the Democratic Party came into power and for 60 years, save with a short 4 years' period, controlled political affairs of the country, and completed its rule by plunging the people into a 4 years' war, whose consequences are still felt by the annual payment of $160,000,000 of pensions, a large public debt, and by sorrowing thousands, whose hopes and joys were crushed by the loss of those who fell in that awful sacrifice.

The Republican Party, from 1861 to 1913, a period of 52 years, excluding the two terms of President Cleveland, have been in power, leaving a record of progress, prosperity, and contentment of which the world knows no parallel. Of this an unanswerable proof is that vast wave of immigration, the millions who during those years of Republican rule have come hither and become a part of our people. While this record of progress and prosperity has not been equal and uniform, the current of newcomers during all those years has always been blowing in this direction. Had those immigrants not known of the greater freedom and opportunity here they would not have come; had false hopes arisen after their arrival they would have returned. The world's El Dorado under Republican rule has been found here, and its preservation is best secured by continuing that party's power. To that end all voters should seek to secure a good working majority of Republicans in both Houses of the next Congress.

The Philippine Islands.

EXTENSION OF REMARKS

OF

HON. CYRUS CLINE,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 16, 1914,

On the bill (H. R. 18459) to declare the purpose of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for the Philippine Islands.

Mr. CLINE. Mr. Speaker, I am unqualifiedly for the bill under consideration. There are many reasons why it is proper to consider it now. I do not believe it is to be termed an "emergency measure." On the other hand, there are no reasons why it may not be considered even with the European war in the foreground. This is distinctively a political problem, made so by the minority contingent when it was in power. It will continue to be a political question because of the two theories of political thought upon this floor. We on this side of the House believe in the doctrine announced by Jefferson, the doctrine of self-government in its largest possible application. You on the other side are examples of Alexander Hamilton. You believe that the great masses of the people are incapable of direct self-government, and through all of your practical applications of civil government run the theory of bureaucracy. We on this side are anxious to express ourselves as to our duty to the subjugated races in the Philippines by direct statement and to extend to them every possible element of autonomy. You on your side refuse to concede to them these functions of government of which they are capable and veil the future to them as to your purposes. We are pursuing in this bill the course of conduct consistent with our theory of government and consistent with our history as a party. The unselfish purpose expressed by those who believe in this bill is to liberate both the Filipino and ourselves from the present environment of the situation. Many considerations move us to the adoption of the bill under consideration. Not only should we look to the well-being of the Filipino, but it is not selfish to provide for our own national safety.

There are broad ethnological facts and social principles elementary in the very existence of races and color that ultimately shape the whole trend of national and race life. We can not change them. They have been recognized in all history and will continue to remain fixed. All we can do and what we should do is to observe these well-intrenched facts and principles of race and color and shape our destinies within the rule. There is a mysterious element in human life that demands equality and resists crushing domination in the application of every system of government or economics, whether it be a highly developed system or not. Representative government is the only sure guaranty of any character that personal liberty and personal rights will be protected. The wholesale intrusion of the individual into the political structure of the State government is an American idea of the construction of civil institutions. A strong centralization of power either in the hands of an usurper or in the government itself can not exist with our theory of popular government. A coordinate branch of the Government invading the constitutional rights and prerogatives of another coordinate branch of a representative government and assuming to discharge its functions with a strong hand can not exist in a true democracy. That the doctrine of the right to control a different people than that participating directly in the Government, either by conquest or purchase, implies a force of arms can not be disputed, and that it is an European and not an American doctrine is also proven. There never has been a conquest of territory except by force of arms, and that conquest rarely maintained except by a force of arms resident in the subjugated territory. Some facts with reference to races and governments are as well settled as any principle in mathematics. Europe will never be overrun by the blacks of southern Asia, nor will the yellow man or the brown man burden the soil of this Republic, either as a citizen or as a subjugator of our personal liberties. The entire trend of thought has turned away from that of colonization and conquest to that of methods of government in which are vested and recognized the rights of the citizens composing the Government. To show the trend of thought in this direction I quote from a speech made by Secretary Root in 1906 on his visit to Rio Janeiro.

No student of our time can fail to see that not America alone, but the whole civilized world is swinging away from its old governmental moorings and intrusting the fate of its civilization to the capacity of the popular masses to govern. By this pathway mankind is to travel whithersoever it leads. Upon the success of this, our great undertaking, the hope of humanity depends.

And I may well add an extract from another speech made on the same visit which has peculiar significance to us in our relation with the Philippines. Secretary ROOT said:

We deem the independence and equal rights of the smallest and weakest member of the family of nations entitled to as much respect as those of the greatest empire; and we deem the observance of that respect the chief guaranty of the weak against the oppression of the strong.

Through some unaccountable source we exercise control over and possession of the Philippine Islands, with practically a total population of 8,000,000—a little more than twice as many people as we had when we denounced England for our own subjugation—these lands, wholly populated by a race different from ours, more than 7,000 miles away, differing in religion and history, in color and civilization, have nothing in common with us except the desire to manage their own affairs and govern themselves as we do ourselves. We have nothing in common with the Filipinos, and never can have, because of race differences that are insurmountable. Projected into the character of the Filipino that has become a constituent part of his nature, and that of all Asiatic races, through centuries of heredity, are differences of religion, civilization, and fundamentals in morals and government. These people are opposed to us in every essential of life, character, and personality; yield to us a suspicious obedience, view us with an increasing aversion, while we proclaim to them and to the world our belief in the essential principles of personal liberty. Development of social life and government have a uniform basis. Mutual dependence is everywhere forced on all classes. All have the same aspirations, the same intellectual aptitude, the same inclinations—the only difference is in degree, and all are the products of natural evolution. We have no announced future policy in the Philippines. The time is ripe to inquire not only for our own safety, but in justice to the residents of the Philippines what our purpose is. One great political party so long in power refuses to answer the call of the brown man when he asks of this enlightened Christian Nation what the destinies of himself and his children are to be in his own land now held from him by a strong, powerful Government. The Republican Party has never given a concrete statement of its attitude on the Philippine problem or informed that struggling people what may be expected from it. I quote

as the last declaration of the party on this subject in the Chicago platform of 1912:

The Philippine policy of the Republican Party has been and is inspired by the belief that our duty toward the Filipino people is a national obligation which should remain entirely free from partisan politics.

A more studious attempt to avoid the whole question could hardly have been made. Since it became a certainty that the Democratic Party would be returned to power every possible agency that could be invoked—political, commercial, or otherwise—has been drafted to create public sentiment against the ability of the Filipino people to administer a more autonomous government. A cabal of interests involving many persons in the civil service in the Philippines have joined in their efforts to prevent legislation that would remove from power the domination of an oligarchial and probably exploiting minority in the archipelago. The press has been filled with letters until recently from people connected with the administration in the Philippines that a mere cursory examination will disclose the product of concerted design. None of these letters give any credit to the Filipino people for their successes in attempting to patriotically and honestly advance the material interests of the country. No credit has been given to the Filipino men and women scattered everywhere throughout the islands, fired by patriotic devotion for the permanent and social uplift of their people. All credit is taken by the administration, and after a complete exposition of the Moro Provinces, in which all of the discreditable conditions imaginable are charged to the Filipino people, these letters express the deep solicitude that the Filipinos shall be given their independence "when they are fitted for it."

But, Mr. Speaker, this discussion has wandered far from the provisions of the bill. Excepting the able discussion by the chairman, no man has pretended to discuss the several provisions contained in it. We have had the same old talk doled out to us as on former occasions when this subject was under consideration, the burden of which has been self-complimentary patriotism. Last Monday we were regaled with hours of discussion predicated upon false premises. No man can hope to compete with the gentleman from Ohio [Mr. FESS] in the acrobatic feats of his imagination. He started out with the unfounded statement that there were 10,000,000 people in the Philippines.

The Census Office says that in 1903 there were 7,600,000; that from 1893 to 1903 the increased average was 40,000 a year. And the estimate of the Census Bureau is that 8,000,000 would include every inhabitant of the Philippines. But what figure does a misstatement of 2,000,000 people make with the gentleman from Ohio when he is discussing the Philippine question? His next assertion was that 85 per cent of the Philippine people were illiterate. No grosser misstatement connected with the Philippine problem has been made in this House in the last five years. I shall have some difficulty to convince myself that they were not made with an evil purpose. Now, what are the facts? In the first place, in determining the degree of literacy a test is universally made by including in the calculation persons of 10 years of age and over. That is universally true, not only in this country but in all others. That purpose did not suit the gentleman from Ohio. He not only included the babies in the mothers' arms, but added 2,000,000 people to the actual number, according to the Census Bureau, that did not exist for the sole purpose of discrediting a struggling and patriotic people in the far-away Pacific. Now, I am going to quote from the message of Acting Gov. Gilbert, of the Philippines, to the legislature, under date of October 12, 1912. I quote from page 2, as follows:

Not in Manila alone but throughout the archipelago may be found earnest and able men devoted to the cause of the people and fired with the highest ambitions for the material, mental, and moral uplift of those about them. No wonder, then, that with limited revenues and conditions untoward in many respects, the results of their labors and ambitions are marked to-day by a condition of well-being and opportunity heretofore unknown in the Philippine Islands.

That is not a statement made with reference to an ignorant, illiterate, and unpatriotic people. Let me quote again from page 4 of the same document:

A general educational system was inaugurated in the beginning. More than half a million children are attending school as these lines are written. For several years the average has been nearly as great, so that we can say that between three and four million students—and by this time 5,000,000 students—have had greater or less advantages in the public schools of the Philippine Islands. Many private schools are also serving the people. Each year adds to the number of those of mature age who have received some school training. In these modern days every civilized country is developing in democracy. Whatever form this government may assume it must be based on the democratic idea of a government by the people.

I make this quotation from an ardent standpat Republican, a capable gentleman, a neighbor and friend of mine for many years. I quote it because it is in striking contrast with the bombast from the gentleman from Ohio on this important subject. I think I better read another paragraph from Gov. Gilbert's message. I quote from page 7, where he is discussing the law making English the language of the court:

I therefore recommend, as earnestly as I may, not that the law be repealed which makes English the language of the court, and thereby postpone the achievement of Philippine desires for more complete naturalization (if I did this I should regard my action as contrary to the desires of the majority of the Filipinos and should proclaim myself as an enemy of Filipino autonomy), but that the law be amended so that all safeguards may be provided, so as to permit the judge or lawyer or litigant to elect whether in the particular case that is to be tried the proceedings or any part thereof shall be conducted in Spanish.

But, Mr. Speaker, I propose to get further into the question of literacy. We took a census of the Philippines in 1903, more than 11 years ago. Of the population 10 years of age and over at that time there were 2,211,443 who could read or write, or both, or 44.5 per cent of that population. Acting Gov. Gilbert in his message to the Philippine Assembly in 1912 said that between three and four million children and adults have had the benefit of English education in the school system of the islands since American occupation. Undoubtedly that number has now reached 5,000,000. In the report of Commissioner of Education Wright for 1913 he states that more than 100,000 boys and young men were engaged in agriculture and gardening. What country can make a better showing? That in the fall of 1913, because of increased revenues set aside by the Governor General for educational purposes, 1,000 new schools throughout the islands would be opened, into which it was expected to admit 100,000 additional pupils. Out of more than 9,000 teachers employed in the public schools in the Philippines more than 8,000 of them are Christian Filipino teachers. What sort of people are the Filipinos who so readily grasp and appreciate the great forces of national growth and material sovereignty that they should meet such a charge of illiteracy and incompetency as has been pronounced by the gentleman from Ohio, Mr. FESS? Not only that. Every province in the islands, more than 80 in number, that corresponds to our counties or municipalities, is governed by Filipino officers elected by the people. Eighty members of the Filipino Legislature are elected by the inhabitants of the islands, and what is more singular, every member is a college-bred representative and lives in the district he represents. I may say in passing, that we held the Filipino's abilities in such high regard that we commissioned him to represent 90,000 people in his legislative capacity. The Congress of the United States was in existence for more than 60 years before a Member of this House represented that number of people.

But, Mr. Speaker, this is not a question of literacy or illiteracy. It is not a question of immediate independence for the Philippine Islands. The problem for us to decide in this bill is the limitation of self-government that we are to permit the Filipino to exercise. Neither is it a question whether we want to extend to him this larger self-government. We have passed beyond that period in our "benevolent assimilation." We can not educate the Filipino to the full understanding of his civil rights as we enjoy them and then refuse to let him exercise them. As has been well said by the gentlemen on this floor, particularly by the leader of the minority, Mr. MANN, "these people must be our friends." They must understand that we are the most patriotic, self-sacrificing, and disinterested friends that they can have on either hemisphere. There loom up in the future, in my opinion, the most serious complications for this Government in the retention of the Philippine Islands. We are compelled by the very force of our location, our history, our political teaching, to bind them to us by the most enduring ties of friendship. Let this be distinctly understood. We can not teach the Filipino his civil and religious rights, teach him that he is capable of managing his domestic affairs, and then refuse to permit him to exercise authority over his own property, assess his people, collect his taxes, construct his public improvements, and educate his children without alienating him from us. If we do not permit them to exercise these functions of government, their capability of which is no longer any question, is it too much to assume that the Filipino people will secretly form an alliance with some great portion of the Malay race that will wrest their sovereignty from us and exercise it themselves?

The vastness of the Pacific Ocean, with its uninhabited islands scattered a thousand miles apart, is too great to aid in spanning the supremacy of our power. Our supremacy in the Eastern Hemisphere will remain safe only when we can have that friendly, equal commercial intercourse with the increasing millions of people that engage in over-seas commerce. I can not close this discussion without incorporating at this time a paragraph from a speech delivered by the Republican leader, Mr. MANN, on this subject on October 1. I quote:

We command the Pacific Ocean to-day with the islands which we possess in the sea, with the land we have on this side, and with the Philippines on the other side. Will we surrender our command? I say, "No; never." [Applause on the Republican side.] If we should let the Philippine Islands go to-day without a string tied to them, they would

belong to some other country inside of 10 years. But if they could keep their independence for 25 or 50 or even 100 years, in the end they would be used against us instead of in our favor in this inevitable conflict between competing races. I am opposed to giving the Philippine Islands independence.

Mr. Speaker, that, in my opinion, is the most astounding proposition that has been presented on the floor of this House since the Civil War. In the 16 years that we have been in the Philippines until that declaration no man, speaking from high official authority, either for himself or for his party, has ever declared it to be the purpose of his party or himself to permanently retain sovereignty over the Philippines. Such a declaration reverses not only the whole history of this Republic, but those principles that we laid deep beneath the structure of American democracy. For more than 150 years it has been the province of this Republic to illustrate to the world one principle—the principle of self-government anchored within the doctrine of personal liberty. In the language of that renowned French publicist, Bagehot, we have "exaggerated the idea." We have given all the prominence that a mighty people could summon. We have filled the public mind, not only of our own land but of all lands, with the theory that we are bound to each other by that cement which flows from an all-engrossing, overwhelming purpose. We have had but one object in view, to which we have given the highest consideration and self-committed devotion. Men with matchless fortitude and unequalled bravery have dared to sacrifice all and do all to perpetuate and exalt the cause of human freedom. It is the ideal toward the perfection of which we have bended every energy and every hope.

We have written across the canopy of our ambitions, "If the American democracy be lifted up, it will draw all nations unto us." This has been our engrossing purpose. But if we are to adopt the constitutional exegesis of the Republican leader we shall tear out of our history the Bill of Rights and repudiate the Declaration of Independence. We are to swap our Constitution of civil and personal liberty for a constitution of colonial subjugation. It never has been and never will be the purpose of this Republic to subjugate alien races on the other side of the globe. In the riot of the imagination of the gentleman from Illinois we are to open and protect our trade in the Far East by the sword. We are to sow to the wind by declaring our purpose to always retain the Philippines under subjection, and reap the whirlwind of our folly in yielding to the greed of commercialism. I do not believe the people will retreat from the vantage ground of destiny they now occupy. I can not persuade myself that the fathers were wrong in their controlling purpose to teach the world that the sovereignty of one people over another people was a violation of every principle of justice.

It is contended that the preamble in which we declare it to be the purpose of this Government to give the Filipino independence ought to be stricken from the bill. The preamble should remain, expressive, without equivocation, of our ultimate purpose to do for the Filipinos as we have promised them to do. We can in no other way so well express our intentions. The Republican side of the Chamber ought to greet this opportunity. Presidents McKinley, Roosevelt, and Taft, leading successively the Republican Party to power, and speaking for it in public addresses, declared it to be the purpose of this party to ultimately grant independence to the Philippines, to give it to them as soon as they were capable of setting up and maintaining a stable government. The Democratic Party can not refuse, now that it is in power, to unreservedly declare in a legal way what it has often declared in its party conventions. In our last four national conventions we have taken a definite stand on the Philippine question. The Filipino expects us to declare our purpose, and he has a right to expect it. Gentlemen say this is no place to make the declaration. We are writing a new organic law under which the inhabitants of the Philippine Islands may rightfully assume that as they shall prove themselves worthy a larger and more complete autonomy will be extended to them. We may well say what we shall do when they shall have proven themselves able to efficiently discharge the important duties that we are now committing to them. To refuse to say now to the Filipino what the future destiny of himself and his children is to be in his own land would not only be to deceive him, but it would be an act of the grossest perfidy. It would take away from him every hope and incentive to a larger realization of complete personal liberty. I want the Filipino to know that a bow of promise to be fulfilled spans his political horizon. I want him to understand that the American people shun fraud and deception on such vital questions as affect the liberty of 8,000,000 of people under our flag who expect us to deal with them as men and not as subjects. I would as soon tear out of the political fabric of our Government the Bill of Rights and the Declaration of Independence as to abandon our promise when we have the power to declare what our purpose is. Let the preamble stand.

The Philippine Islands.

EXTENSION OF REMARKS
OF
HON. FREDERICK H. GILLETT,
OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 14, 1914,

On the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands and to provide a more autonomous government for those islands.

Mr. GILLETT. Mr. Speaker, when the appropriation to pay $20,000,000 to Spain for the Philippine Islands came before this House, I introduced a resolution that we should declare, in connection with that appropriation, that when the inhabitants of the Philippines were capable of self-government we would give it to them. I did this not so much out of regard for the Philippines as for the United States. I was opposed to taking them, but I thought that if we were compelled to take them we ought to do as we had done with Cuba, and bind ourselves to free them as soon as it was feasible; and I felt that the only way to assure that was to make the declaration a part of the contract with Spain in purchasing the islands.

Any declaration by Congress now is an empty form, because it does not bind any future Congress, but a declaration at that time as a part of the contract would have been binding.

I was not acting from altruistic motives or for the good of the Philippines so much as for the good of the United States. I believed then—and it seems to me events have justified my belief—that they would be a burden and an expense to us rather than a benefit. I believed also that it was incongruous for a Republic which professes a belief in universal self-government to exercise jurisdiction and absolute power over distant peoples, and that the tendency of such a connection would be to unconsciously diminish our faith in the principle of self-government. So for both material and moral reasons I thought it was wise for us to commit ourselves conclusively to the doctrine that when they were capable of governing themselves, self-government should be granted to them.

I hold the same belief now. I shall vote for the preamble of this bill, and yet I do it without enthusiasm, because I recognize that it has no binding force, that it is introduced as a mere pretense, to indicate that the Democratic Party has not abandoned the principle on which it fought one campaign and which it has asserted in theory, though never in practice, ever since, and that it is a mere expression of our individual opinion and does not have any effective force.

With a recognition of the great advance which has been made in the Philippines in education and appreciation of law and order and of the development of men of high qualities of leadership, I do not believe that they are as yet at all fitted for independence or self-government. I believe that the methods of administration which have been followed so far under Republican auspices have been wise and beneficial and should not now be departed from. I think it is still impossible to predict how soon they ought to have self-government, but that it will not be in the immediate future, and that the agitation of the question is most unfortunate for the islands.

The position which the Democratic Party has taken on that issue has excited hopes and ambitions there which can not be realized and which will give rise to undue disappointment and resentment. This very bill shows the insincerity of Democratic professions. When they were in a minority they proclaimed their eagerness for Philippine independence in such a way as to justify the Filipinos in believing that they would give them speedy self-government. Two years ago, when the Democratic Party controlled this House, but knew that the Republican Senate and President would never allow their projects to be enforced, the same Democratic committee which has reported this bill, which fixes no date and gives no promise of early independence, reported a bill promising independence in eight years, which would be only six years from now. How sincere they were in that action is evidenced by the fact that now, when they are in power and have the responsibility and can do as they please, they abandon that bill, disappoint the expectations which they had aroused, and content themselves with this bill, which simply extends somewhat the self-governing privileges which they already had. That is but a fair specimen of the contrast between Democratic profession and Democratic performance.

I think the steady, if slow, extension of rights of suffrage and government to the Filipinos which has proceeded under the

Republican administrations has been reasonable and wise and has progressed fast enough. I do not believe this bill is wise, and I believe that the administration of the islands of late has been most imprudent and most unfortunate in its results. All accounts which I have received agree that its effect upon the prosperity and development of the islands has been disastrous. An exceedingly intelligent constituent of mine, without any predisposition to either approve or criticize, visited the islands this summer and was most outspoken in his condemnation of the results of the present policy.

Of course, the Filipinos desire independence. Any school children would always like to be rid of the restraint of the wisest and kindest teacher and to be allowed to determine their own discipline. The scholarly leaders among the Filipinos, like their representative here, must, of course, to preserve their popularity and influence, advocate independence, even if the hope of high office and control when independence was achieved did not of itself appeal to their selfish ambitions. But I think successful self-government requires an appreciation of law and order and the subordination of immediate gratification to future advantage, which takes more than one generation to achieve. I think we have advanced quite rapidly enough in giving them the development which comes from the exercise of power and that this bill is not wise or necessary.

I shall vote for the preamble, because I believe that they ought to have independence when they are ready for it, and that is what I understand the preamble to say, although I doubt very much the wisdom of our stating it and perhaps thereby encouraging them to believe that it means a speedy enfranchisement. But I shall vote against the bill itself, because I do not think its provisions are yet called for, nor can I repress a suggestion of the inconsistency which it seems to me exists in the men who are most eagerly advocating this bill on the ground that these people have an inalienable right to self-government when the same men in their own States are absolutely forbidding any participation in suffrage or self-government to a large portion of their fellow citizens because they are of a different race.

Woman Suffrage.

EXTENSION OF REMARKS
OF
HON. CARL HAYDEN,
OF ARIZONA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, October 13, 1914.

Mr. HAYDEN. Mr. Speaker, that the position of the Democracy of Arizona on the question of woman suffrage may be made known, I desire to print in the RECORD the following extract from the platform adopted by the Democratic Party council at Phoenix on September 30, 1914:

"We congratulate the women of Arizona on the acquirement of equal suffrage, and call attention to the fact that this reform was made possible and brought about through the machinery of popular government established by the Democratic Party.

"We note with approval that the women have registered and generally exercised their right of franchise at the recent primary election. We unqualifiedly indorse the principle and practice of woman suffrage and pledge our candidates for United States Senator and Representative in Congress to vote at all times in favor of national woman suffrage."

The Republican State platform is silent on equal suffrage, but the declaration of principles of the Progressives of Arizona contains this statement:

"We condemn the action of our Representatives in Congress and in the Senate who voted against the national enfranchisement of women."

I am confident that no member of the Progressive Party in Arizona would intentionally do an injustice either to Senator SMITH or myself, and I therefore presume that this language was adopted under a misunderstanding of the facts.

On March 19, 1914, a vote was taken in the Senate on Senate joint resolution No. 1, by Mr. CHAMBERLAIN, of Oregon, proposing an amendment to the Constitution of the United States extending the right of suffrage to women. I quote the following from the CONGRESSIONAL RECORD of that date:

"Mr. ASHURST (when the name of Mr. SMITH of Arizona was called). I desire to announce that my colleague [Mr. SMITH of Arizona] has been called to the Interior Department upon a very important matter in reference to the reclamation act, and therefore he is unavoidably detained from the Senate. * * * I desire further to announce that if present my colleague would vote 'yea.'"

As to my own record as a Representative in Congress, permit me to say that, at a hearing held on January 31, 1913, I addressed the House Committee on Election of President, Vice President, and Representatives in Congress in behalf of H. R. 26950, a bill by Mr. FRENCH, of Idaho, to protect the rights of women citizens of the United States to register and vote for Members of the House of Representatives. On April 21, 1913, I introduced House joint resolution No. 70, proposing an amendment to the Constitution of the United States extending the right of suffrage to women. My resolution is identical in terms with House joint resolution No. 1, by Mr. MONDELL, of Wyoming, which is now pending on the House Calendar. The language of my proposed amendment to the Constitution of the United States is as follows:

"ARTICLE —.

"SECTION 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex.

"SEC. 2. The Congress shall have power, by appropriate legislation, to enforce the provisions of this article."

THE DEMOCRATIC CAUCUS.

The journal of the Democratic caucus held on February 3, 1914, for the purpose of considering House resolution 22, by Mr. RAKER, of California, to create a Committee on Woman Suffrage, shows that I voted against the substitute offered by Mr. HEFLIN, of Alabama, the adoption of which resulted in the defeat of the Raker resolution. In this connection I wish to say that no resolution was offered in the caucus instructing the Democratic Members of the House to vote against woman suffrage. If such a resolution had been adopted, I would have refused to have been bound by it, and would have immediately taken advantage of that provision of the Democratic caucus rules which reads as follows:

"That no Member shall be bound upon questions involving a construction of the Constitution of the United States or upon which he made contrary pledges to his constituents prior to his election, or received contrary instructions by resolutions or platform from his nominating authority."

UNION NOT AFFILIATED WITH ASSOCIATION.

The National American Woman Suffrage Association was organized in 1869 by consolidating the National Woman Suffrage Association and the American Woman Suffrage Association. For over 45 years this association has labored diligently as a nonpartisan organization in behalf of the cause of equal suffrage, with the result that the women of nine States and the Territory of Alaska now possess the right to vote at all elections. The national headquarters are located at 505 Fifth Avenue, New York, and the principal officers of the association at the present time are:

President, Dr. Anna Howard Shaw, Moylan, Pa.

First vice president, Jane Addams, Hull House, Chicago.

Chairman congressional committee, Mrs. Medill McCormick.

The Congressional Union for Woman Suffrage, of which Miss Alice Paul is chairman, was organized in May, 1913. The Congressional Union is not affiliated with the National American Woman Suffrage Association, and the National Association does not approve of the English militant suffragette methods that are employed by this new organization.

CONGRESSIONAL UNION MAKING NO HEADWAY IN WESTERN STATES.

I am sure that the Members of the House will read with interest the following statement, which was recently given to the press by the National American Woman Suffrage Association:

"The anti-Democratic campaign of the Congressional Union's workers in the equal-suffrage States has thus far proven a failure, according to a statement given out at the local headquarters of the National American Woman Suffrage Association yesterday. The union is lining up all the women voters possible against Democratic candidates for Congress in the nine States where women now are entitled to vote. This is because of the attitude of the Democrats in Congress toward the Bristow-Mondell resolution that would enfranchise at one stroke all the women of lawful age in the United States.

"Reports from workers now in the field in seven Western States for the National Association state that for several reasons women everywhere are resenting the efforts of the union's campaigners.

DR. SHAW IN THE FIELD.

"The National Association, with its president, Dr. Anna Howard Shaw, herself in the field, is concentrating its energies at present upon the fight for woman suffrage in Ohio, Missouri,

Nebraska, the Dakotas, Montana, and Nevada. The question will be voted upon in all of these States this fall.

"This is the big work at present of the National Association's leaders, and it is hoped it will result in a Federal amendment that will enfranchise all the women of the United States. Since September 1 Dr. Shaw has been speaking successively in each of the campaign States, devoting 10 days to each.

UNION CAMPAIGN AN OBSTACLE.

"A great present obstacle, however, in Missouri and elsewhere, according to the leaders, also prominent women of Colorado, California, and the other equal-suffrage States, is the anti-Democratic campaign now being conducted in the equal-suffrage States by the Congressional Union for Woman Suffrage. The influence upon the election of the Democratic candidates in those States is reported to be negligible; but in the States across the border, where a nonpartisan votes-for-women campaign is being waged by the State and national forces, the influence is very serious indeed.

"Senator Helen Ring Robinson, of Colorado, writing to Mrs. Medill McCormick, September 20, says:

"Out here we are not disturbed by the Congressional Union's campaign. I mean we Democrats, and I can not think that at this particular time it will have any appreciable influence in the Colorado situation, since suffrage is in no sense an issue with us.

"Discussing the subject more fully with reference to the nonsuffrage States, Senator Robinson wrote Dr. Shaw in a previous letter as follows:

"Since my return to Colorado I have canvassed with some thoroughness the feeling of Democratic women in regard to any possible attempt by any suffrage organization to defeat Democratic candidates for Congress in the equal-suffrage States as a rebuke to the national administration for its stand on the suffrage question. I can find no sentiment in favor of such a move. The only women who declare themselves in favor of administering such a rebuke are Republicans and Progressives. My inquiries among the large class of independent voting women show that these women approve highly of the present national administration and would be loath to do anything to cripple its influence. I believe, therefore, that such attempts would probably prove futile, at least in Colorado.

"Advices from Nevada and Montana, where suffrage amendments are now pending, are to the effect that any concerted suffrage propaganda of an anti-Democratic order would inevitably unite the Democratic forces in those States solidly against the suffrage amendments. That would mean their failure in both States. What would it profit the eastern suffragists to defeat a friend of suffrage in an equal-suffrage State—Senator THOMAS, for example—and to lose a star which might otherwise have been added to the suffrage flag?

"I am not theorizing on the subject, I am merely telling you why a close contact with facts have convinced me that the best strategy will be for suffrage workers to confine their efforts to the campaign States or to the defeat of certain enemies of suffrage at the primaries in Eastern and Southern States.

"That the logic of Senator Robinson's views has been confirmed by the events in the campaign States is the unanimous report of the National and State leaders in the campaign States. The anti-Democratic propaganda, which, confining itself to suffrage States and Democrats who are suffragists and the best friends of national suffrage in Congress, is vigorously repudiated by the national association. This organization regards it as not only illogical and unjust but short-sighted and inexpedient to the last degree. To win national suffrage, say the national association leaders, there must be, first of all, more equal-suffrage States, so that there may be more representatives in Congress committed to the cause. Therefore nothing can be so important right now as to win the suffrage fight in the States where the question is to be voted upon in November.

"From equal suffrage States also come protests. The Kansas president, who telegraphed Dr. Shaw at once upon arrival of the Congressional Union representatives, was naturally opposed to a partisan propaganda in a State where all political parties and all candidates are pledged to vote for the national suffrage amendment. From California leaders came an appeal to Dr. Shaw that she herself come and speak in that State to refute the impression that suffragists in general had adopted this policy, and to counteract the Congressional Union propaganda. Senator Helen Ring Robinson reiterated her disapproval of the policy by declining to be hostess at a tea announced in honor of the Congressional Union's representatives. Arizona, through her president, also protested."

MAY COURT DEFEAT.

Mrs. Medill McCormick, chairman of the congressional committee of the National American Woman Suffrage Association, has also made the following statement for publication:

"The anti-Democratic propaganda directed against the Democratic candidates in equal-suffrage States, and therefore against the best friends of national suffrage in Congress, of course is vigorously repudiated everywhere by the national association speakers. If we are to win in the campaign States, suffrage must receive the votes of men in those States who are Democrats, Republicans, Progressives, Socialists, Prohibitionists, and all the rest. To antagonize any one party is to court defeat.

"Yet into Missouri, for instance, from just over the border in Kansas, comes a propaganda from the Congressional Union calling for the defeat of Democrats as Democrats in the interests of suffrage, and Missouri, Speaker CLARK's State, is almost solidly Democratic. Our speakers report that the voters to whom they are appealing are naturally confused and the speakers themselves must stop to explain this abnormal situation instead of devoting themselves to the real and urgent issue—votes for women.

"The thing is dreadful folly, and there is no telling how much harm it may not do the suffrage cause."

About a month ago the National American Woman Suffrage Association gave out the following to show the attitude of that organization:

"NOT IN CONGRESS FIGHT—DR. SHAW MAKES CLEAR POSITION OF NATIONAL SUFFRAGISTS—OPPOSED TO POLICY OF CONGRESSIONAL UNION IN ITS WARFARE UPON DEMOCRATIC MEMBERS.

"On September 13 the Congressional Union announced its policy of sending speakers and organizers to the equal-suffrage States to oppose Democratic candidates for reelection because of the opposition of that party to congressional action on woman suffrage.

"The confusion caused by the conflicting policies of the National American Woman Suffrage Association and the Congressional Union has caused the national association to make public the following telegram received by Dr. Anna Howard Shaw from Mrs. Cora G. Lewis, member of the Kansas board of administration, to emphasize the fact that the Congressional Union has no connection with the National American Woman Suffrage Association. Kansas has been an equal-suffrage State since 1912.

"TOPEKA, KANS., *September 22, 1914.*

"Dr. ANNA HOWARD SHAW,
"National Suffrage Headquarters:

"Do you indorse Woman's Congressional Union sending women to Kansas to work against Democratic Party? Every Democratic candidate for Congress and Senate pledged to national suffrage. State platform demands it. Present Democrat governor loyal. Has appointed 25 women officials superintendents institutions and State boards. Women here creating bitter feeling are Miss Trax and Mrs. Latimer, who made partisan speeches with Roosevelt. Said they represented national suffrage organization. Answer immediately, my expense.

"CORA G. LEWIS,
"Member Kansas Board Administration.

"Dr. Shaw sent the following reply:

"SEPTEMBER 23, 1914.

"CORA G. LEWIS, *Topeka, Kans.:*

"National association does not indorse the Congressional Union's plan of working against Democratic Party. The Congressional Union is not a member of the national association and has no connection with it. The national association is strictly nonpartisan and opposed to working against Democrats or members of any other party as such. You can not state too strongly that I, as well as other national officers, oppose policy of Congressional Union. Mrs. Latimer and Miss Trax do not represent National Suffrage Association.

"ANNA HOWARD SHAW."

"POLITICAL TREASON AND A MORAL CRIME."

The situation in California is illustrated by a telegram sent on October 1 by Mrs. A. Caminetti to Dr. Anna Howard Shaw:

"Dr. ANNA SHAW, *Elko, Nev.:*

"Our mutual friend, Kate Waller Barrett, located you for me. California State Democratic central committee invites you to defend Democrats against unfair attack of Congressional Union. Our California Democrats championed suffrage years in advance of other parties. Will you honor us by going? Answer, my expense.

"Mrs. A. CAMINETTI."

Mrs. Caminetti received the following reply on October 3, 1914:

"Mrs. A. CAMINETTI,
"Care Suffrage Headquarters, Munsey Building,
"Washington, D. C.

"The Congressional Union is in no way connected with the National Suffrage Association, which greatly deplores their misguided attacks on Democratic friends of suffrage. Personally I consider their attacks political treason and a moral crime. My pledged engagements in campaign States prevent me from taking the field to defend loyal Democrats, for whose aid we are deeply grateful.

"ANNA H. SHAW."

Mrs. Eugene Brady O'Neill, of Phoenix, Ariz., a member of the Arizona Equal Suffrage Central Committee that conducted the successful campaign for woman suffrage in my State in 1912, recently sent the following telegram to Dr. Anna Howard Shaw, addressed to the National Suffrage Headquarters, Washington, D. C.:

"Do you indorse Woman's Congressional Union sending women to Arizona to work against Democratic Party? Senator SMITH and Congressman HAYDEN, who seek reelection, pledged to national suffrage. State platform indorses same. Miss Pincus represents Congressional Union here. Is this organization part of the Suffrage Association?"

On October 9, 1914, Mrs. O'Neill received a reply signed by Mrs. Medill McCormick, chairman of the congressional committee of the National Woman Suffrage Association, which is as follows:

"Have forwarded your telegram to Miss Shaw. Miss Shaw does not indorse policy of Congressional Union. The National American Woman Suffrage Association does not attack any political party. The Senators and Congressman from Arizona stood by our national amendment splendidly, and we are appreciative and grateful for all they did."

ARIZONA EDITORIAL COMMENT.

I also desire to print the following extracts from editorials that have lately appeared in some of the leading newspapers of Arizona relative to the anti-Democratic campaign that is now being conducted in Arizona by representatives of the Congressional Union for Woman Suffrage:

[From the Douglas Daily International.]

WOMAN SUFFRAGISTS ARRIVE IN PHOENIX.

The Congressional Union for Woman Suffrage, of Washington, D. C., has sent a delegation of field workers to Phoenix, where headquarters are to be opened for the purpose of influencing the women of Arizona to vote against Senator MARK SMITH and Congressman CARL HAYDEN, because the Democrats at Washington have refused to pass the national woman suffrage constitutional amendment. It is not likely that the women of Arizona will heed the call from the women who have been sent into this State on this political mission.

Suppose, for the sake of argument, that these two Democrats were defeated, would that be any guaranty that the woman suffragist amendment would be any nearer passage than it was when the matter came up in Washington during the present year?

This paper believes that the women of Arizona appreciate what has been done for them by the Democrats in the matter of granting them the ballot in Arizona, and we believe that they also appreciate the fact that in nearly every county this year the name of a woman appears on the Democratic tickets for office.

—

[From the Bisbee Daily Review.]

WOMAN SUFFRAGE POLITICS.

The American public is rather inclined to the notion that women, like hereditary monarchs, should be superior to partisan politics. It may be a foolish prejudice; and yet the fact is obvious that the astonishing progress made by the suffrage movement thus far has been accomplished by ignoring party lines and appealing to basic principles of citizenship.

Recently the suffrage leaders have shown a marked disposition to "play politics" in their campaign for nation-wide suffrage. Their latest move is to declare war on the Democratic Congressmen of the nine suffrage States because the national Democratic Party will not champion their plan for a suffrage amendment to the Federal Constitution.

Whether or not the 13 Democratic Congressmen whose seats are threatened by the women deserve reelection, their fitness had better be determined on other grounds.

Many sincere friends of woman suffrage are grieved to see the leaders deliberately antagonizing any party. They can gain nothing by such action, and may set the cause back for years.

—

[From the Mesa Daily Tribune.]

AGITATION WITHOUT CAUSE.

Arizona women have the ballot and know how to use it; the women in charge of the campaign against the State's faithful representatives do not have the privilege of voting at their own homes. Is it due to such tactics as these that this right has been denied them? It would be well for them to go back home and get their own house in order before endeavoring to create strife where none should be.

There is no logic in the union's grievance, but it will be extremely interesting to watch the methods it employs. It will be hard to weave a fabric of argument out of what these women have at hand. Maybe they can have more influence with Arizonians than they are able to exert at home, but the chances are rather slim.

—

[From the Yuma Morning Sun.]

MISTAKEN WOMEN.

While it is easy to see that not much is to be gained by such a movement as this, the loss may be serious enough to check the whole suffrage enterprise for years to come. Thus far the women have made rapid progress by courting the favor of both of the great parties. To antagonize one of these organizations in the nine States in which women now have the ballot is to make sure of the hostility of that party in all the other States in which the issue is yet to be decided.

—

[From the Arizona Gazette.]

AS TO NATIONAL SUFFRAGE.

Readers of the Gazette need no announcement of the fact that it is a believer in woman suffrage. Believing in woman suffrage for the State, it naturally believes in national suffrage, and is willing to do all in its power to bring it about.

It does not believe that it is the paramount question, though, before the American people. Important as it is, there are other questions which affect the welfare of the whole people far more than whether the women of the entire country shall vote. The voters of the country placed a Democrat in the Chief Executive's chair and elected a majority of the Members of both branches of Congress to look after these affairs. Very many of them were incorporated in the platform of the party, and Members of Congress as well as others connected with the administration are faithfully carrying out the pledges made to the people in reference to them.

The Gazette believes in the present administration and certainly gives its freest and fullest support to it, regardless of any convictions its members may have on this or any other subject which does not strictly come within the purview of a discharge of a political duty.

Senator SMITH and Representative HAYDEN have discharged all obligations they have owed to the party, as they have come up, and have never overlooked an opportunity to perform a service for the State, and however voters may differ from them on one or two subjects, they owe them an obligation for the discharge of duty well performed, which entitles them to a reelection.

Defense of National Capital.

EXTENSION OF REMARKS

OF

HON. EDWIN S. UNDERHILL,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 16, 1914.

Mr. UNDERHILL. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include the speech of Hon. DANIEL J. GRIFFIN, representing Gov. Martin H. Glynn, of New York, at the unveiling of a monument at Battle Ground National Cemetery, Washington, D. C., September 19, 1914, to the members of the Twenty-fifth New York Volunteer Cavalry who lost their lives July 11, 1864, at Fort Stevens, in defense of the Nation's Capital.

The speech is as follows:

"Mr. Chairman, Defenders of the Flag, Ladies and Gentlemen: To-day within the shadow of the Capitol, in peace and prosperity, we have assembled to render a grateful tribute to the heroic conduct and the patriotic sacrifices of those soldiers of the Twenty-fifth New York Volunteer Cavalry who lost their lives July 11, 1864.

"These sacred precincts have been hallowed by the heroism and the blood of those dashing cavalrymen who gave up their lives in defense of the Nation's Capital.

"Their supreme act of immolation is characteristic of the spirit that animates the volunteer soldier of America. He loves his country, its flag, and its free institutions. To perpetuate them, he is ever ready to sacrifice his life. With such a spirit existing and known from one end of the civilized world to the other, the peace and tranquillity of the American people are assured.

"A half a century has rolled by since those brave New York lads went gallantly to their death. No scars remain from that

fratricidal strife. North, South, East, and West are united inseparably under the starry emblem of freedom and humanity.

"The people of a united North and South have assembled here this afternoon at the Battle Ground National Cemetery to honor those New York martyrs, whose blood cemented the Union of States.

"Representing his excellency, the Hon. Martin H. Glynn, governor of the State of New York, it is my privilege to present to the United States this monument of enduring granite—New York's tribute to the valor, patriotism, and the self-sacrifice of her sons who died in defense of the Nation's Capital."

Sundry Political Subjects—What Has Watchful Waiting Won—The Panama Tolls Surrender—The Glass Currency Bill—The Surrender to the Trusts—The President and the Congress.

EXTENSION OF REMARKS

OF

HON. FRANK W. MONDELL,

OF WYOMING,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 14, 1914.

Mr. MONDELL. Mr. Speaker, the Democratic textbook for 1914, issued a short time ago, carries on the front cover in large letters the following inscription:

"War in the East." "Peace in the West." "Thank God for Wilson."

This cryptic inscription will, as no doubt was expected, be variously interpreted. The interpretation which most naturally comes to one's mind is that we are expected to give thanks because President Wilson has not involved this country in the European war.

President Wilson is a Christian gentleman of high character and patriotic motives, even as other American Presidents have been, and I have some doubts whether the President, had he been consulted about the matter, would have entirely approved the assumption that, overlooking what an all-wise Providence has had to do with the matter, he is entitled to the credit for our not being embroiled in the unhappy conflict on the other side of the ocean.

The President is a man of judgment and discretion, as men called to the high office of Chief Executive of this great Nation are wont to be; and I have no doubt he realizes as fully as do his countrymen, other than the writer of this Democratic bible, that isolated and separated as we are from this awful conflict, friends and well-wishers as we are of the nations involved; sympathizing as we do with the millions—soldiers and civilians, men, women, and little children—who must suffer from its horrors, it is unthinkable that an American administration, whoever might be at the head of it, would assume the questionable attitude or perform the hostile acts which alone could even raise the question of our becoming involved in this great and calamitous war.

The President very properly admonished our people, in harmony with our inclination, of our duty to maintain an attitude of unprejudiced neutrality individually as well as nationally. So long as we maintain such an attitude, there is not the slightest reason, there is no possible excuse, for our becoming involved in this European conflict.

Following the advice of Washington, we have, through all the years, kept free from foreign alliances, and the wisdom of that policy was never so clearly apparent as at this day. The only danger to our peace lies in some action, legislative or administrative, which would call our neutrality into question. The only suggestions or proposals liable to thus involve us have come from the administration or the administration's side of Congress.

Happily the ship-registry act has not, so far, seriously disturbed our foreign relations, though the attempted transfer to American registry of the ship *Robert Dollar* revealed the dangers to which we are exposed by that legislation.

The ship-purchase act, recently pressed with such vigor by the administration, has fortunately, for the time at least, been abandoned, and thus a very serious menace to our peace averted. I cheerfully award their share of credit for this fortunate escape from threatened complications to those Democrats who labored to dissuade the administration from insisting that Congress approve this questionable enterprise.

We have not questioned, and do not question, the patriotism of the administration or its desire to keep the ship of state upon a safe course. We realize, as all thinking people must, that only the most reckless and criminally careless navigation could divert us from the clear, calm, and well-charted course of safe neutrality which our position among the nations and our wise national policies have secured for us.

If there were any cause for solicitude, it would arise out of the fact that the only proposals or departures from a course of neutrality and security have been at the instance or with the approval of the administration. We are not at war, because there is no conceivable reason why we should be, because an all-wise Providence and great good fortune have placed an ocean between us and the scenes of conflict, because our forefathers in their wisdom bade us keep free from entangling alliances, because our people love and desire peace.

THE MEXICAN SITUATION.

It is possible that I have not correctly interpreted the inscription which is my text. Perhaps the Democratic textbook writer had in mind Mexico rather than Europe when he bade us give thanks for "peace in the West," not to Providence, but to the President. This textbook was written some little time ago. Just at that time Mexicans of one breed and another were not taking pot shots at our citizens and soldiers on the border, and the governor of Arizona had not called out the militia; that has occurred since. The thunders of the siege guns in Europe for the time drowned the rattle of the rifles in Mexico. But then as now we had a great fleet in the Gulf, 7,000 sailors and marines at Vera Cruz, 15,000 armed men on the border, and were holding 4,000 interned Mexicans prisoners of war in Texas.

All of this reminds me that the Democratic textbook assures us at great length that "watchful waiting has won," as do also numerous buttons, which, by the way, are less numerous than they were. The watchword of the hour in our relations with Europe is neutrality. It is approved by all. What a contrast it presents to the attitude of the administration in the affairs of Mexico. "Watchful waiting" is a misnomer as applied to that attitude. The administration did watch—it had no end of superserviceable and intermeddling watchers, official and unofficial—but the waiting was brief and soon developed into active, eager partisan support of one of the factions in the contest.

NORTHERN VERSUS CENTRAL MEXICO.

Throughout all northern Mexico, controlled and overrun by pillaging armies, or bandit bands of so-called constitutionalists, our citizens and other foreigners whose protection we had assumed were pillaged and plundered, their homes and their properties looted and raided, they suffered untold indignities, humiliation, torture, and in some cases death at the hand of these rebel forces. An attitude of strict neutrality would have enabled us to put a stop to these outrages without intervention, but our attitude of partisanship, the removal of the embargo on the importation of arms, tied our hands, and our protests to Villa, Carranza, and Obregon were superciliously ignored or answered with insolent evasion or studied insult.

In central and southern Mexico, under the control of the federal Government, every effort was made by the authorities, and, in the main, with remarkable success, to protect the persons and property of American and other foreigners. But one day a boatload of marines landed at a wharf at Tampico, the use of which had been forbidden because it was in the line of fire of rebel forces besieging the town. A subordinate Mexican officer, whose duty it was to enforce the order prohibiting the use of the pier, took the landing party into custody. Within the hour a superior officer released the party with explanations and apologies. The Mexican Federal Government at once expressed regrets and offered the salute of 5 guns, usual in cases of unintentional offense, but declined a salute of 21 guns, on the ground that such a salute under the circumstances would be an admission of an intentional affront, which could not be admitted because not intended.

FIVE OR TWENTY-ONE GUNS.

The administration's insistence upon 21 rather than 5 guns has sad and solemn emphasis in 19 graves in various parts of the country in which lie the bodies of the gallant American youths who fell at Vera Cruz. It cost the lives of over 300 Mexican citizens and soldiers. Let us not forget that these were not the people or the forces that had been looting and outraging our people in northern Mexico, but their enemies in arms and their opponents in sympathy. Let it be remembered no American citizen or other foreigner had suffered in his person or property at the hands of Mexican federal forces or in the region they controlled.

A. B. C. CONFERENCE.

The conference at Niagara Falls, sought by us, followed the taking of Vera Cruz. We were ably represented there, as was the Mexican Federal Government. The mediators decided, and our representatives agreed, that we were not entitled to and would not claim a war indemnity or other satisfaction for what occurred. In the face of this official announcement by mediators we had suggested and representatives the administration had appointed, is it unreasonable to suggest that those 18 valuable young lives might have been saved and that the eight or ten millions of dollars which were spent would come handy just now, when new and burdensome taxes are proposed. Villa and Carranza scoffed at and ridiculed the A. B. C. conference, were not parties to it, are not bound by its decisions, and the administration's announced intention to evacuate Vera Cruz halts because Carranza declines to promise to protect either the lives or the property of his own people or of foreigners. And Carranza, let it be remembered, is a so-called Constitutionalist we helped into power. It seems that he can not even be bribed into common decency by the million and a half of collected revenue it is proposed to turn over to him.

I realize that different people take different views of things. To me the country's honor is as much involved and offended by an indignity or outrage to the humblest citizen in apron or overalls as to a man wearing the uniform. To my mind our dignity, the respect due our flag, was infinitely more vitally assailed in the humiliations and violence visited upon American citizens, settlers, miners, men, women, and children in northern Mexico than by the temporary restraint of a few American marines at Tampico, during which not a button was lost and, so far as we know, not a uniform or a temper was ruffled.

WHY WE ARE NOT AT WAR.

We have not been at war in northern Mexico because no insult or indignity offered to our flag or our citizens, no matter how flagrant, coming from the constitutionalists or their partisans could disturb our serenity. We are not at war with all Mexico, because when we took Vera Cruz, to weaken the Federal Mexican Government, that Government no longer had the strength to fight, and because as our armed invasion was at the time to the advantage to the constitutionalists it was not resented by them. Mexico is clearly not Belgium.

Our abandonment of a policy of neutrality in Mexico did eliminate Huerta. There is no doubt about that. That much was accomplished, and by the same token we became responsible for Villa and Carranza. Our espousal of the cause of these worthies was, we are assured, based on our love and championship of constitutional government. Behold the outcome. Nowhere in Mexico, from the Rio Grande to the Isthmus of Tehuantepec, is there any government which even lays claim to being constitutional. The whole of that great and fair land is in a state of chaos or in the grip of military despotism—Villa in the north, Carranza in the center, Zapata in the south vie with each other in their forced levies on the property of native and foreigner alike, in the murderous activities of their firing squads. Fortunately, perhaps, the stories of torture, indignity, and outrage of men and women, priests and nuns, of forced levies on and use of property, of organized blackmail, the daily roll of military murders, is crowded out of the papers or into obscure corners by the awful cataclysm in Europe.

CHAOS AND DESPOTISM.

Nevertheless we get news enough to remind us of the frightful reign of chaos and despotism which hold sway throughout the land. All now realize what I predicted more than a month ago on this floor, that there will either be an amicable allotment of spheres of plunder and domination among the military chieftains or, failing to agree on the populations and the areas which each may pillage and exploit, there will be incessant or frequently recurring warfare between them as each seeks to exterminate the other. Poor unhappy Mexico, our hearts go out to her and to her people. As for our own people we find it difficult to speak with patience or in phrases polite or parliamentary as we think of the wrongs they and those of other nationalities whom, under the Monroe doctrine we assumed to protect, have suffered. And these wrongs, these sufferings, have, let us not forget, befallen almost entirely in the regions controlled by the so-called constitutionalists, practically none in the region or through the forces under the control of the Huerta or Federal Government.

WHO IS RESPONSIBLE?

The author of the Democratic textbook points with apparent pride to the conditions in Mexico; takes credit for it to the administration, points to it boastingly as what "watchful waiting" has won. I am a better friend of the administration than he is. I decline to charge, much less to accept the charge, that the administration is responsible for all the horrors in Mexico; for the pillaging and the plundering, for the confiscations, for the outrages to person and property, for the daily military murders, for the awful reign of crime and chaos. My sincere and profound regret is that the administration is so considerably responsible that its official spokesman, the writer of the campaign textbook, makes the administration responsible for it all.

THE PANAMA TOLLS SURRENDER.

The last Democratic national platform declared in favor of the exemption from tolls of American ships engaged in coastwise trade passing through the Panama Canal. The Democratic presidential candidate, now President of the United States, assured the voters of the country that his party's platform was not "molasses to catch flies," but a statement of promises to be fulfilled. During the campaign Mr. Wilson emphasized this plank of the platform, approved it, and asked for support for his party on account of the benefits which he said it would bring. Mr. Bryan, now Secretary of State, eloquently proclaimed how criminal it would be for a party to violate its platform pledges.

At the very time the Democratic national convention made the declaration to which I have referred Congress was considering a bill for the operation and maintenance of the Panama Canal which contained a provision in regard to canal tolls, and before the declarations and appeals of candidate Wilson to which I have referred were made free tolls had been practically agreed upon, and August 24, 1912, President Taft signed the Panama Canal act, with a provision as follows:

No tolls shall be levied on vessels engaged in the coastwise trade of the United States.

I voted against the exemption of American coastwise ships from the payment of tolls, and in so doing I was duly and properly belabored by the Democratic press, which just at that moment was supporting the Democratic platform. I opposed this exemption because I did not believe it to be a sound economic policy or necessary to grant this concession to ships between our two coasts, which have no competition except among themselves. My opinion was that if any American ships were given this preference it should be ships in our foreign trade, which must compete with all the world.

I did not change my views with regard to the matter, viewed from its economic aspects, and I was therefore somewhat gratified to hear along last spring that the President was inclined to view the remission of tolls as a mistake. I was prepared, therefore, as were others who took the same view, to support the President should he recommend the repeal of the free-tolls provision as a matter of policy, though I doubted if he would ever do it, in view of the party declaration.

On the 5th day of March, 1914, came the President's message recommending the repeal of the clause giving American coastwise ships free passage through the canal. The message came like a thunderbolt; not for what it recommended, that had been expected, but for the extraordinary reasons which the President gave, reasons which immediately changed the question from one of domestic policy to one of national right and honor.

ENGLAND'S PROTEST.

It was known that England had protested against the exemption. The President gave out the impression that other nations had also, but it has been proven that such was not the fact. The President asked Congress to amend the law on the ground that our right to favor our own ships had been challenged, and that "right or wrong" we should surrender our position "without question." And particularly he asked Congress to do this "ungrudgingly" as a favor to him on account of matters of "nearer consequence and greater moment" having to do with our foreign relations. This latter, it was assumed, referred to Mexico and the Mexican situation, as at that time there were no other foreign questions pending.

The story how, under whip and spur, against the protest of powerful Democratic leaders in the House and Senate, by the use of all the powers of patronage and persuasion and through the medium of a binding party caucus the President finally compelled his unwilling party to bend to his will is too new to need review in detail. No such dragooning of the representatives of the people by a President has occurred in the memory of living man, but in spite of angry and indignant protests the surrender was accomplished and party and platform pledges repudiated.

To require coastwise ships to pay tolls is, in my opinion, economically sound, but the reasons and arguments made for repeal were such that, as the President himself admitted, the economic questions involved were entirely overshadowed by the larger questions as to our right to control our own canal and as to whether we should surrender our sound views on the subject "without question" on the demand of a foreign power.

The arguments made and reasons given for repeal of the tolls provision place us in position where we never can favor either our coastwise or our over-seas commerce in the use of the canal. What a blessing it would be if at this time, when a great European war affords us an opportunity and we are passing questionable legislation to increase our foreign trade, if we were free to grant our ships engaged in commerce between our seaboard and the coasts of South and Central America favorable tolls through the canal. I have always believed that it was our foreign and not our coastwise trade that was entitled to this advantage. But having repealed the coastwise provision on the claim of the President and his advisers and supporters that we have no right under our treaty to give preference to our own ships, we are now barred from giving preference to those ships that really need it in competition in foreign trade with the ships of Great Britain and other nations.

OUR RIGHT TO PASS WARSHIPS AND FORTIFY CANAL INVOLVED.

But this surrender and foreclosure of our rights in the matter of tolls is the more serious because the same treaty interpretation, the same line of reasoning, which questions or denies our right to give any or all our ships preferential treatment in the use of the canal embarrasses, prejudices, and limits our control over the canal in other respects. It involves the question of our right to pass our warships through the canal without payment of tolls. More important still, it brings into question our right to fortify the canal, our right to protect it under certain contingencies. In other words, unless we now interpret the treaty in one way respecting our right to grant our ships preferential tolls and another way with regard to our warships and our right to fortify we shall find our control over the canal seriously jeopardized and endangered.

GIVING COLOMBIA RIGHTS WE DENY OURSELVES.

A curious sidelight on the present Democratic position is afforded by the fact that while the President was proclaiming and his party carrying out his theory that we were without authority to grant preferential terms in the use of the canal, which we built and paid for, to our own ships the administration was negotiating and later presented to the Senate for ratification a treaty with Colombia apologizing for building the canal, giving her $25,000,000 for our having done so, and giving her free passage through the canal for her war vessels and her merchant fleet. It is no credit to the administration that the storm of protest which greeted this treaty from all over the country led to its being temporarily withdrawn.

Lack of time prevents me from quoting the withering sarcasm, the impassioned eloquence, and the bitter denunciation with which Democrats, including the gentleman from Alabama [Mr. UNDERWOOD], the gentleman from New York [Mr. FITZGERALD], and the gentleman from Missouri, the Speaker of the House, as well as many members of the President's party in the Senate, characterized the surrender of our treaty rights in the Panama Canal. It is significant that in the elections which have occurred since the passage of the repeal bill those who have attempted to defend it have fared badly at the hands of the people. Our people do not desire to do anything we do not have a right to do under our treaty, but the people believe we have a right to control the canal, that we have not surrendered that right by our treaty with Great Britain, and that we should not surrender our valuable rights as owner and builder of the canal "without question" at the demand or request of a foreign power whose shipping trade will be greatly benefited by our surrender.

THE GLASS CURRENCY AND BANKING ACT.

The national banking act and the system which has developed under it is one of the best illustrations we have of the constructive capacity of the Republican Party. It was born of the exigencies of the Civil War and of the necessity of providing a sound banking and currency system to take the place of the wildcat State bank system of the Democratic Party. It met with the abusive and determined opposition of Democrats for many years, but it stood the test of time, gave the people a safe and sound currency, and sustained the public credit. It grew and expanded and met the multiplying necessities of the most marvelous and fundamentally sound national growth, development, and expansion that the world has ever seen.

As the years passed, however, it became clear that the system required new features for its proper expansion and machinery for the efficient coordination of its units. During the past 10 years as a result of much study and discussion public sentiment gradually crystallized as to the essential features of the enlargements and the additions to the national banking act, which were necessary. In May, 1908, Congress passed the Vreeland-Aldrich emergency currency act, a measure intended to carry us safely over any temporary emergency which might arise until Congress could provide permanently for such amendments and extensions of the national banking act as might be deemed necessary and advisable. As a preparation for such permanent legislation the Vreeland-Aldrich Act provided for the creation of a national monetary commission.

This commission appointed by President Taft investigated banking and currency systems and conditions at home and abroad, published many volumes of great value and interest, and submitted their recommendations in the form of proposed legislation. The change of administration prevented legislation on the subject until the matter was taken up by Congress at the special session last year. The Glass currency and banking bill, as the measure enlarging the scope of the national banking act was called, was based primarily on the report of the Monetary Commission, though the plan adopted varied from that of the commission, in detail at least, in many particulars. Some of the modifications of the Monetary Commission plan were probably improvements, but many of them and their details were faulty, obscure, and dangerous in the extreme, as was evidenced by the greatly modified form in which the bill became a law.

There was much speculation when the Glass bill was first reported as to its authorship, which I referred to in a speech delivered while the bill was under consideration.

Quite recently—that is, on August 31—this question of authorship was cleared up by the gentleman from Iowa [Mr. GOOD]. I was discussing the Alaska coal bill and calling attention to the habit that our Democratic friends have fallen into of having their bills written for them by the Government departments. Interrupting me, the gentleman from Iowa said:

Mr. GOOD. I want to ask the gentleman from Wyoming if he is sure that all of these bills have been drawn by some department head or chief? The record discloses, so far as the currency bill was concerned, the bill was drawn by H. Parker Willis, of Wall Street, and that this Congress has paid him $4,814.50 for his services, and I want to ask the gentleman if he has any assurance that there will not be other bills which will come to Congress from the heads of departments with such bills for drafting?

A NONPARTISAN QUESTION.

It is difficult to imagine any legislative question more nonpartisan in its character than the currency question. It is one of the great questions as to the details of which at least divisions of opinion do not run along party lines, and yet following the practice which they had adopted immediately on coming into power the Democratic majority in the House of Representatives proceeded to treat it as a partisan question in committee, and later to enforce the committee mandate on the Democratic Members by a binding caucus rule. The echoes of that stormy caucus still linger in the Democratic primaries in a number of States when the administration forces fought strenuously, but without success I am told, to punish certain Democrats who declined to be run over roughshod in the caucus and rebelled under the party lash.

The Democratic majority were, however, finally whipped into line, and under the caucus rule not an amendment was allowed to be made to the bill, except such as were prepared by the little coterie of gentlemen who were officiating as ringmasters. The gentlemen who were in charge of the bill, secure in their mastery of their caucus-bound brethren, were resentful of the criticisms aimed at the bill from the Republican side and rejected most of the amendments offered; a notable exception was an amendment offered from the Republican side to protect and sustain the gold standard and the gold reserves. This vital amendment was reluctantly adopted, but in the main amendments were bowled over, no matter how clear their value and their virtue was proven, and they passed their bill through the House, declaring it to be perfect. In the Senate the bill was amended in numerous and important respects, and the Democrats in the House were finally compelled to accept in the conference report many of the amendments they rejected when the bill was before the House. The currency law, with all its faults, is therefore a much better piece of legislation than the bill which passed the House.

DEMOCRATS IN EMERGENCY TURN TO REPUBLICAN LEGISLATION.

It is a curious commentary on this much-vaunted currency law that eight months after it was placed on the statute books it was not yet in working condition, and to meet the severe strain put upon our financial and banking institutions by the European war our Democratic friends found it necessary to have recourse to and take advantage of the Vreeland-Aldrich Act. Under this Republican legislation, which when it was enacted was viciously denounced by Democrats, a Democratic administration has issued three hundred millions of emergency currency which is enabling our country to withstand the suspension of gold payments by the leading nations of the world and the dumping on our markets of hundreds of millions of dollars of American securities. Thus has a Democratic administration been compelled to acknowledge the failure of its much-vaunted currency

bill to meet a critical situation and the virtue of Republican legislation in saving the credit of the country.

We all hope that the new currency law when put into effect will prove workable and successful. As it passed the House it was impossible as a working system. As amended by the Senate, under Republican hammering and largely by Republican votes, it is to be hoped it will work satisfactorily, at least until it can be amended by a Republican Congress.

ORGANIZATION BOARD.

The fundamental defects of the Glass currency bill lie largely in the political and partisan character of the organization it provides and the vast power over our national banking and credits it places in the hands of a partisan reserve board. The partisan plan and purpose of the legislation was fully illustrated by the acts of the partisan organization board appointed to organize the system. In the selection of reserve cities and the mapping of reserve districts there was every evidence of the prostitution of our banking and credit interests to partisan and personal ends. The plain intent of the law was violated in ignoring the natural course of business in the selection of reserve cities and fixing the boundaries of reserve districts. Complaints arising from many localities were ignored, or, if a hearing was given to complaints, as in the case of my own State, our people were in effect told they did not know what was good for them.

EXTREME PARTISANSHIP.

When it came to the selection of the membership of the Federal Reserve Board the partisanship and favoritism which marked the passage of the legislation through the House and the acts of the organization board were further exhibited. The first selections made for this important board were all Democrats, and, incredible as it may seem, had the President's nominees been confirmed by the Senate the probability is that this board, with its enormous powers and influence over the banks and the credits of the country, would all have been of the President's party. Among those nominated by the President for membership on the reserve board were Paul M. Warburg, a member of a great New York and international banking firm. Mr. Warburg's appointment was confirmed by the Senate, and no doubt properly. I only mention him to suggest that had a Republican President nominated a member of a great Wall Street banking house to a position of this kind every demagogue in the Democratic ranks would have howled himself hoarse about it. The President was not so fortunate, however, with one of his nominees, Thomas Jones, officer of the International Harvester Co., otherwise known as the Harvester Trust, an organization recently convicted by a Federal court as an unlawful combination in restraint of trade.

THE HARVESTER-TRUST APPOINTEE.

In connection with Mr. Jones's nomination the President took the most unusual step of writing a letter vouching for him and explaining that Mr. Jones had gone upon the board of the Harvester Trust as a reformer to assist it in mending its ways. When, however, a Senate committee interrogated Mr. Jones, he refused to pose as a reformer, declared he became a member of the governing board because he was in harmony with the policy of the corporation at that time and still remained so. Of course this frank avowal of Mr. Jones created an embarrassing situation, and after some delay, realizing that he would not be confirmed by the Senate, the President withdrew his name. Then it was, and then only, that the President presented the name of a Republican as a member of the board.

I am of the opinion, as I have frequently stated, that the Federal Reserve Board has too much authority, too much power, and when it is under partisan control, as it is now, there is danger that its power and authority will be used to build up a great partisan machine. There is danger that intentionally or unconsciously it will use its power in a way to serve partisan purposes harmful to the general interests of the country.

DANGER OF POLITICS AND INFLATION.

At this very time I fear that the board as constituted will be largely under influences which seek a great and dangerous inflation of the currency of the country. The Democratic Party has never been free from the influence of its greenbackers and fiat-money men. The Democratic cotton-growing South is notoriously inclined to wildcat currency. Southern Members of Congress are clamoring for the repeal of the prohibitive 10 per cent tax on State-bank issues so as to start anew a flood of the State-bank wildcat currency which disgraced the country and impoverished the people in the good old Democratic days before the Civil War.

Among the many schemes of inflation which have been proposed are several bills by Mr. HENRY, of Texas, chairman of the Committee on Rules. One of these makes it mandatory on the Comptroller of the Currency to immediately deposit in Federal reserve banks in cotton-growing districts $300,000,000 of Federal reserve notes, and requires that the Federal Reserve Board shall on demand loan such moneys on cotton bills of sale at the rate of 12 cents a pound. That is equivalent to a proposition for the Federal Government to purchase at from 2 to 5 cents a pound above its value $300,000,000 worth of cotton, which cotton, it is further provided, shall be retained in the hands of the seller. Another bill by Mr. HENRY provides for the issuance of $500,000,000 of Federal reserve notes to be used for so-called loans, but in fact for purchases of cotton at 12 cents a pound. It is now selling at from 6 to 10 cents a pound. Still another bill by Mr. HENRY would authorize the use of Federal reserve notes for the same purpose to the extent of 50 per cent of the capital stock of all national banks throughout the country. All the country is to be drained for loans on the property of southern cotton planters far beyond its value. If this kind of legislation were proposed by some unknown Member of Congress, it might not excite much comment, but coming as it does from a man of long service and of responsible position we may well pause and wonder what other astounding and sectional uses the Democrats may propose for the issues under the new Federal reserve act.

It is my opinion that if the European war does not revive the industries and the business of the country and does not to a large extent relieve the country from the ill effects of Democratic administration and legislation a powerful effort will be made to use the new currency law as the vehicle of a vast inflation of credits and currency in the hope that it will for a time make things hum and start a temporary and unhealthy boom in business which will last until the inevitable crash comes. Is it a fear of these dangers ahead and of the inevitable wreck under the demands of radical Members of their party which prevents the starting of the machinery under the new currency law? More than 10 months have passed since the law was signed and yet no effort has been made to operate under it. Are our Democratic friends afraid of their own currency legislation? Apparently they are, or they would begin to do business under it.

RURAL CREDITS.

The Democratic national platform pledged the party to a system of rural credits. It is true they were not as fortunate when they came into power in the matter of rural credits as in the matter of commercial banking legislation, for in the latter the questions involved had been largely solved for them in advance, and they could not go altogether wrong, blunder as they might. When it came to the matter of rural credits, however, a matter in regard to which they had promised the farmers speedy action, they found themselves all at sea. Long hearings were had, subcommittees labored, bills were introduced, and then the trouble began. The story of what happened between the President and members of the committee and in the Democratic caucus leaked out, because certain gentlemen were so incensed at the President as to openly charge him with bad faith and so angry at their colleagues that they threatened to bolt the caucus or ignore it, but they did not. They accepted the situation, the mandate of the President and of the caucus, just as meekly as they had been doing this entire Congress.

The subcommittee, or a majority of it, wanted a rural-credits bill that would be immediately and widely useful and effective in extending credits on farm lands at low rates of interest. The President did not approve the plan. According to the Washington newspapers at the time, he said he would veto it if it passed Congress. Mr. UNDERWOOD, as the caucus boss, in spite of the impassioned protests of certain Democratic Members, cut the rural-credits bill out of the Democratic program in the caucus with a vote of about 180 to 20, so it was reported, and so the Democratic promise to the farmers went into the discard along with sundry and diverse other promises broken or unfulfilled.

THE SURRENDER TO THE TRUSTS.

Never in American history has a party so completely and utterly failed to live up to its promises or carry out its declarations as has the Democratic Party in the matter of trust legislation. Never has a party been more severely or caustically criticized for an act of surrender than were the Democratic conferees on the Clayton antitrust bill by members of their own party, particularly by Senators REED, of Missouri; MARTINE, of New Jersey; and LANE, of Oregon, all of whom voted against the conference report and voted to recommit the conference report as did Senators VARDAMAN and WILLIAMS, of

Mississippi, and Senator THOMAS, of Colorado. The fact is the Democratic majority without wisdom or information started on a crusade alleged to be aimed at monopoly, but in fact prejudicial to all business. Their acts and utterances combined with the effect of their tariff legislation brought business in so many lines to a standstill that they became terrified at the effect. There were conferences at the White House, attended by Wall Street bankers and great manufacturers. Later the Clayton bill got into the hands of the conferees, the Democratic members of which proceeded to perform a dental operation on the bill and removed all its teeth by striking out several clauses providing heavy fines and imprisonment. I take the liberty of inserting some remarks I made at the time the conference report was under consideration in the House, as follows:

"For a year and more the trade and business interests of the country have been in a constant state of alarm and terror as the Cossacks of Democratic radicalism have charged and countercharged with blare of trumpets and waving of banners, with declarations of implacable hostility to trusts and monopoly, and of fixed determination to put an end to all acts and practices in business which their medieval fancy disapproved. Their indiscriminate condemnation and Falstaffian fury inspired terror everywhere, but more particularly among those of energy and enterprise against whom no charge could be laid except that they had been successful. Honest and legitimate enterprise halted as the country awaited the expected blow, uncertain whether real wrongdoers and malefactors or inoffensive citizens and innocent bystanders were to be the most severely punished.

"So far as the real offenders against sound public policy and real oppressors of the people are concerned, it is all over. The Democratic conferees have sounded the retreat; the raiders have been called in. Their trumpetings no longer alarm the real enemies of commercial freedom, and we behold these erstwhile terrors of the countryside for what they really are—tin soldiers with toy guns and wooden swords. [Laughter and applause on the Republican side.] Behold before you the trophy of their sham battling against the trusts and the trade oppressors—a soiled and trailing flag of truce and a declaration of absolution and immunity.

"But how about the innocent bystander—the legitimate business enterprise, the undertaking to which fair practice, faithful and efficient service has brought success? Do they participate in the fruits of compromise and surrender? Not at all. They find themselves, in the words of a newspaper of this city, in 'a vast labyrinth of prohibition and restriction, through which every concern above the level of a corner grocery will have to feel its way. The inevitableness of contravention of some clause by almost any business man is evident, until the whole field of affairs is plotted and mapped by means of administrative rulings and court decisions.' The conference report presents, therefore, one of those strange anomalies of legislation through whose loopholes the real culprit may pass unscathed, but whose meshes tangle every footstep of the honest and well meaning who have the energy and enterprise to tread the paths of commerce where its snares are laid.

"This conference report, if adopted will not accomplish or advance the abatement of unfair and oppressive practices in trade and enterprise. It is, on the contrary, a backward movement; a confession of incompetency, if nothing worse; a confusion of the issues by the belated confession of its apologists and defenders. It is now not even claimed to be an effective instrument against trusts and monopolies established and intrenched or hereafter formed. Heralded as a battery of heavy trust-busting artillery, it now develops that its instrumentalities, far from having any effectiveness for those purposes, is an aggregation of smooth-bore hot-air guns, its projectiles the dimensions of a shriveled pea and the consistency of a blue-mass pill. As an irritant and an obstruction to the enterprising and law abiding it has, however, all of the efficiency of a barbed-wire entanglement reenforced by hidden mines and concealed pitfalls.

"Some gentlemen imagine that some will be cajoled or coerced into voting for this apology to the trusts—this fraud and sham, as it has been characterized in another body—because of some provisions I have supported which are desired by some labor organizations. One of the best friends of labor in public life has characterized those provisions as the 'cheapest sop that has ever been offered to a laboring man.' Another has described them as 'taffy.' I do not altogether agree with that characterization, but everyone knows that these provisions are not what the representatives of labor sought or asked for, that they have been clipped, trimmed, diluted, and toned down until they are in the main but declarations of present law and practice. Laboring men have infinitely more interest in preventing unfair trade practices and the curbing of monopoly than they have in any mere declaration of an existing fact. They are the last people in the world to ask or expect that any provision of legislation of questionable advantage to them be made the excuse for complete surrender to the trade sharks which infest the waters of commerce, destroying competition, and the monopolies which enhance the cost of living for all. [Applause on the Republican side.]"

The defeat of the conference report would have in no wise endangered the provisions on the bill that were approved by organized labor. Those provisions had been adopted by both Houses and could not therefore have been eliminated or modified by the conferees within their authority. Could the bill have been sent back to conference the conferees could have reinserted the penal provisions that had been dropped out by them and returned the bill to both Houses within an hour, but the majority had definitely determined that no real effective antitrust legislation should be enacted, and in accordance with the terms of their surrender they voted for the conference report.

THE TRADE COMMISSION BILL.

Whenever a Democratic Congress sets out to fulfill a Republican platform pledge it does a wise thing, and should be commended, even though its product is imperfect. The last Republican national platform approved the creation of a Federal Trade Commission. A Democratic Congress, with the aid of the Republican minority, has carried out that pledge. Naturally Republicans voted for the Federal Trade Commission bill, though many of them were not entirely pleased with the form in which the bill was finally enacted. The Federal Trade Commission will, however, it is hoped, by its operations and through the prohibition of unfair competition carried in the bill, put an end to many unfair practices which now injure and harrass legitimate business.

THE PRESIDENT AND CONGRESS.

Our Federal Constitution provides for a government consisting of three independent coordinate branches—the executive, the legislative, and the judicial—and the theory of that great instrument is, and our belief has always been, that these three branches should, to secure the best results in government, operate independently; neither unduly influenced by the others, but each in its respective field performing its peculiar functions.

It is true that it is the duty of the President to make recommendations to Congress, and it is clearly the duty of Congress to give due weight and proper consideration to the recommendations of the President. Of all our political parties the Democratic has perhaps laid the greatest stress on the necessity of independence of thought and action on the part of the legislative branch of the Government; and yet it is a notorious fact that under the present Democratic administration Congress has subordinated its views and its opinions to those of the Executive to an extent hitherto unknown in our Government. It may be claimed that the judgment of the President is in all things better than the combined judgment of his party as represented in House and Senate. Certainly such a claim does not reflect credit on the Democratic Congress.

COMPLETE SUBSERVIENCY.

Time and again during this prolonged session the President's party in Congress has clearly demonstrated its complete subserviency to his views and opinions—on one important subject, the Panama Canal tolls, to the extent of reversing its own action and violating its platform pledges. It is true that this subserviency has not always been without protest. In a number of important matters some of the strongest members of the President's party have rebelled and protested; but through the powerful influences which a President controls the party caucus has decreed, and a majority has been wheedled or coerced into, support of the President's views. We have thus seen a Democratic Congress surrender its views on certain features of a tariff bill, of currency, and other important legislation. Most recently of all, the insistent demand of the President has compelled his party in Congress to accept his views with regard to the laying of unusual burdens on the people through direct taxes in time of peace.

THE DEMOCRATIC CONGRESS.

For years Democratic platforms, Democratic spellbinders, and demagogues generally, inveighed against the alleged control and domination of Congress by certain leaders, and behold

this first Democratic Congress for 20 years, with the party in control of all branches of the Government, has been dominated and controlled, so far as the House of Representatives is concerned, by its leaders and its organization to an extent hitherto unknown in American history. The binding party caucus, rarely utilized by Republicans, and never in recent years, has been invoked time and again. The party lash has been used without stint or limit, and the majority has been compelled to accept the caucus mandate without regard to the individual views of its members. In 16 years of service in Republican Congresses I remember but two occasions where the binding caucus rule was invoked, but in this Congress Democrats have been bound time and again to support measures and to vote against amendments contrary to their will and judgment. How empty and hollow and insincere Democratic outcries against Czarism, Cannonism, and bossism appear in the light of the action of the leaders and the bosses in this Democratic Congress. In the passage of the recent so-called war revenue bill no opportunity for amendment and little for debate was given. It is true that the Speaker has less power than formerly, but the power of which he was shorn has all and more been vested in the majority leader and a little coterie of which he is the head. The Speaker himself has invoked with emphasis the most extreme rulings of "Czar" Reed, the while proclaiming the virtue and the necessity of such rulings. Democratic gag and boss rule in Congress puts to shame anything ever dreamed of by Republicans.

THE REIGN OF RHETORIC.

This is the reign of rhetoric. Things are not as they are, but as we are told in smoothly turned phrases they should be and really would be if we could only bring ourselves to so view them. Rhetoric is sometimes mighty persuasive, particularly if it is uttered in high places. Some people are persuaded by it that their ills are only psychological, or, leastwise, that other people's ills are of that character. A few aptly turned phrases convince some folks that a party pledge is best kept by being broken. Still others can be persuaded by it that creeping paralysis in Federal revenues, observed by all for months, is in fact a sudden stroke induced in an instant by the war in Europe.

PARTISANSHIP.

Perhaps the greatest recent triumph of rhetoric, of a happy style of phraseology, of charming diction, has been in the creation and the maintenance of the idea that this is an administration idealistically devoted to the public welfare without regard to party interests. I am a believer in party responsibility, and therefore I would be the last to criticize the strengthening of party lines as a means to public service. Our last Republican President delighted to honor men outside his party, and he called Democrats not only to his Cabinet but to other places of honor and responsibility. He overdid his bipartisanship, and he never received any credit for it. No such charge will ever be made against the administration of President Wilson. If any Republican has ever received an appointment at his hands, he is a rare bird enough to be valuable for exhibition purposes. Even the Progressives, to whom the Democrats owe so much, have been entirely overlooked when it came to the distribution of patronage. None but Democrats need apply. "Put none but Wilson Democrats on guard," has been the slogan, and when there were not places enough to go around in the old offices vacated and the juicy new ones created, enough places have been lifted out of the civil service to meet any reasonable demand. But the demand has not been reasonable, and therefore is still unsatisfied.

Under Republican administrations Democrats have felt free to express their views and opinions to heads of Government departments and at the White House; in fact, advice and expression of opinion outside of the party were frequently sought or, at least, gladly received. But times have changed. Suggestions from Republicans in official life would now receive about the same consideration at the White House as would advice from the White House butler on how to handle the Mexican situation. I do not know the political faith of a considerable number of "captains of industry" and Wall Street magnates who of late have, by invitation or otherwise, been such frequent visitors at the White House, but it is not of record that any Republican or Progressive in official life has felt that his advice or suggestions on any subject whatever would be welcomed at the White House. In other words, this is the most intensely partisan administration of which men have any recollection, and narrow in its partisanship at that. That is something that should be kept in mind both in giving credit and in laying blame.

Eulogy on the Dog, by Senator Vest, of Missouri.

EXTENSION OF REMARKS
OF
HON. CLEMENT C. DICKINSON,
OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 16, 1914.

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech made at Warrensburg, Mo., in the district which I have the honor to represent, by a distinguished Missourian, a former United States Senator, Hon. George G. Vest, a matchless orator and leader of the Democracy of his State, a great character, admired because of his great ability and fearless courage and integrity, to be accompanied by a letter from Judge John F. Philips, his former law partner, and a former distinguished Representative of this House, reciting the circumstances of said speech—a tribute to the best friend of man:

EULOGY ON THE DOG.

[By Senator Vest, of Missouri.]

"Gentlemen of the jury, the best friend a man has in this world may turn against him and become his enemy. His son or daughter whom he has reared with loving care may prove ungrateful. Those who are nearest and dearest to us—those whom we trust with our happiness and our good name—may become traitors to their faith. The money that a man has he may lose. It flies away from him, perhaps when he needs it most. A man's reputation may be sacrificed in a moment of ill-considered action. The people who are prone to fall on their knees to do us honor when success is with us may be the first to throw the stone of malice when failure settles its cloud upon our heads. The one absolute, unselfish friend that man can have in this selfish world—the one that never deserts him, the one that never proves ungrateful or treacherous—is his dog.

"Gentlemen of the jury, a man's dog stands by him in prosperity and in poverty, in health and in sickness. He will sleep on the cold ground, where the wintry winds blow and the snow drives fiercely, if only he can be near his master's side. He will kiss the hand that has no food to offer, he will lick the wounds and sores that come in encounter with the roughness of the world. He guards the sleep of his pauper master as if he were a prince. When all other friends desert, he remains. When riches take wings and reputation falls to pieces he is as constant in his love as the sun in its journey through the heavens. If fortune drives the master forth an outcast in the world, friendless and homeless, the faithful dog asks no higher privilege than that of accompanying him to guard against danger, to fight against his enemies. And when the last scene of all comes, and death takes the master in its embrace, and his body is laid away in the cold ground, no matter if all other friends pursue their way, there by his graveside will the noble dog be found, his head between his paws, his eyes sad but open in alert watchfulness, faithful and true even to death."

Judge John F. Philips, United States judge of the western district of Missouri (retired), and a former law partner of Senator Vest, gives the following account of the circumstances that occasioned this famous tribute to the dog:

"In the early seventies a Kentuckian residing in Johnson County, Mo., owned a noted hound named Old Drum, imported from Kentucky. He was always reliable; when he made outcry on the hunt, it was an assurance that the trail of the fox or deer was scented hot, and he led the pack in the chase. The owner had for the faithful dog a devotion akin to affection. One morning Old Drum was found shot to death near a neighbor's house. Circumstances of small evidential import pointed to that neighbor as the assassin of Old Drum, which induced a suit in justice of the peace court to recover $150 damages, the maximum sum recoverable in that jurisdiction. After one or more hung juries, there was a verdict for the defendant. The plaintiff appealed the case to the higher court. The costs had piled up enormously, and the hot blood of the litigants was up. Eminent counsel were employed on either side. Among those for the plaintiff was Col. Wells H. Blodgett, for many years the general solicitor of the Wabash Railroad Co. When the case was up for the second trial Vest chanced to be in attendance upon the court. Blodgett persuaded his client to employ Vest, who was waiting to try some important case. His fondness for the good dog obtained his assent.

"The trial had already begun; Vest merely sat by as if a spectator during the examination of the multitude of witnesses. The discussion before the jury by the other counsel had consumed the short winter day; and the court, insisting that the case should be given to the jury that evening, took a recess until after supper. 'The dog case' had attracted the attention of all Warrensburg; and the fact that George Vest was to speak that night 'in a dog case' filled the court room almost to suffocation with men, women, and boys.

"One of the counsel for the defendant had derided such a lawsuit about a hound dog of little value if not a neighborhood nuisance. Vest paid little attention to the evidence or law of the case, but leveled the whole artillery of his genius to a vindication of the dog's invaluable traits. So vibrant with pathos was his voice that men and women wept, and the jury was swept from deliberation, and returned a verdict at once for the plaintiff for $500, when the sum sued for was only $150. The excess was remitted and 'the dog case' was closed; but Vest's tribute to the dog is immortal."

The Cotton Situation in the South.

EXTENSION OF REMARKS

OF

HON. JOHN L. BURNETT,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 16, 1914.

Mr. BURNETT. Mr. Speaker, in great crises legislators ought not to haggle or split hairs over fine-spun theories as to the Constitution. Constitutions are made by the people, and they ought to be subservient to the needs of the people.

A financial crisis is upon the people of the South such as has not existed there since the dark days of war and reconstruction.

The bow of prosperity hung over my people for the last two years, until the war clouds of Europe obscured it and brought ruin and desolation upon us.

A few days before war was declared cotton was selling at 13 cents a pound; a few days afterwards it dropped far below the cost of actual production.

The European countries involved in the war buy about two-thirds of our cotton, while our mills in the United States manufacture about one-third of it. An extraordinarily large crop has been grown, and the war has shut us out from all the European countries except England. England is so demoralized by the war that as yet it has not begun to buy anything like its usual quota of our crop.

Republican spellbinders in the South are trying to make the people believe that a Democratic administration has brought this disaster on our main crop. That declaration is an insult to the intelligence of our people. Any sane man knows that it would be impossible, after the Democratic Party had been in power nearly two years, with cotton high all that time, for the administration to reduce it half in one short week. In the able speech just delivered, Mr. MANN, the great leader of the Republican Party in the House, who will probably be the next Republican nominee for President, said:

> The European war has created a situation where it seems to be certain that we really can not in a normal time consume the cotton now in existence. Ordinarily the cotton crop and the raisers of cotton must depend upon the market for cotton, upon the use of cotton for manufacture, but we have reached this situation where we know that the market will not absorb all of the cotton and will not use all the cotton. Even if cotton were to sell for a cent a pound, even if the raisers of cotton were to give it away, it could not and would not all be used within the normal time for its use—that is, the crop of cotton, or what is now in existence.

This great Republican leader places the responsibility for conditions on the European war, where all reasonable men know it belongs.

Immediately after Mr. Wilson's election two years ago the price of cotton began to rise, and two crops have been sold at the largest price that we have realized for years.

Some Republican and Progressive speakers try to charge the low price of cotton to the Underwood tariff bill. Everybody knows that this is absurd. The Democratic Party came in pledged to a reduction of the tariff. Everybody knew that this would be done. Then, if the reduction of the tariff could have had any such effect on cotton, does not any sane man know that it would have immediately declined? Instead of that it began at once to rise. The Underwood bill became a law on the 3d day of October, 1913, and yet all through that year and 1914, until this war was declared, cotton brought a good price.

This shows the absurdity of the contention of those who would deceive the people with such sophistry.

Those who advance such arguments are not fair enough to remind the people that in the falls of 1904 and of 1907 cotton went to 7 cents per pound. If the farmers will refer to their cotton bills, they will see that this is true, and that under the full force of the Dingley high-protective tariff bill.

No Republican then loved the South well enough to propose any measure that would save the Southern cotton grower. How different now. When the European war has utterly destroyed our market, the Members of Congress from the South are crying aloud for Congress to come to the rescue of our southern farmers. Many meetings have been held by the Members from the cotton States to try to evolve some plan by which our people may be enabled to escape the destruction which hangs over them. I do not question the sincerity of gentlemen who believe that Congress has no right to pass laws to aid the distressed cotton growers by direct aid, but I do insist that they are wrong. Often we have gone to the rescue of those who are in dire distress. When San Francisco was overwhelmed by an earthquake we did not haggle over our constitutional right to go to her relief. When the rivers in Ohio had overflowed their banks and destroyed towns and farms, no one questioned the right of Congress to give them direct aid.

When the little town of Salem, Mass., fell before the fire fiend, our President sent a special message asking Congress to go to their relief, and no one then interposed the Constitution against that bill. Many more instances of a like kind I might cite, but will desist.

I do not doubt the right of Congress to give relief to the southern farmer in some way like that prescribed in the Henry bill, and, as for myself, I shall vote against any resolution to adjourn unless something like it is passed. I may be voted down, and adjournment may be had without relief to our stricken South, but as for me, I intend to stay here and vote against adjournment until the Speaker's gavel falls.

Republican speakers are in my district trying to compass my defeat, but my post of duty is here, and here will I stay till a majority votes me down. I will trust to God and my people to take care of me, as they have so often done.

In the Senate Senator SMITH has offered an amendment somewhat like the Henry bill pending in this House. Senators SMOOT and MCCUMBER, two standpat Republican leaders, are trying to load it down and defeat it by providing for the purchase of copper and of wheat and oats and barley. Senator MCCUMBER denounced the bill for the relief of our stricken farmers as paternalism. Mr. Speaker, if saving my people from bankruptcy and ruin be paternalism, then I pray God for more paternalism.

The standpat Republicans have never been the friends of our cotton farmers. I once heard the gentleman from New York [Mr. PAYNE], the author of the Payne tariff bill, criticize our farmers' organizations of the South as trusts, and say that cheap cotton was in the interest of his people.

The representatives of the farmers' union have been here day after day to try to aid us in securing relief for our stricken people. I have met with them time and again, as have many other Members from the South, in trying to solve this grave question, and the Henry bill, which I will insert as part of my remarks, is the result of these meetings; and I intend to vote for it or something like it if the opportunity is given me. Mr. Barrett, the great president of the Farmers' Union, Mr. Ford, the worthy Alabama State president of that great body, and many others have been with us and can testify to my activity and zeal and that of other southern Members.

I am sure, Mr. Speaker, that some relief will soon come to the southern farmer without the Henry bill, but not to the extent that I know they deserve. They ought to have at least 10 cents a pound for their cotton to pay the actual expense of production.

The Federal reserve organization will be completed by the 15th of November, and then at least $150,000,000 will be placed in southern banks, and loans on cotton can be had.

The Festus Wade pool will be completed in the next week or so, and $150,000,000 more will be available for loans on cotton. The buy-a-bale movement will take 2,000,000 bales off the market and help some, and thus, without this bill, I believe that cotton will go back to 9 or 10 cents per pound by November 15. But, Mr. Speaker, our people are entitled to some profit on their sweat and brawn, and with the passage of the Henry bill cotton would go to 12 cents in less than 30 days.

The English and American mills, in my opinion, are in a deep conspiracy to keep down the price of the product of the farmer's toil. These mills are fast consuming their supply of cotton and in less than a month will need many hundred thousand bales. If our people can hold out, the price is bound to improve. The Henry bill, Mr. Speaker, will help them to hold.

Not only is the southern farmer's crop in dire distress, but in speaking for him I am speaking for the merchant and banker whom he owes, the banker whom the merchant owes, and the great northern banker whom the southern banker owes. The cotton grower is the prime foundation on which the others rest. If he goes down, bankruptcy and ruin await all of those above him.

Do not say we can not do this. We can do it; and let us all pull together for the weal of the toiling millions who look to Washington for aid. These people have been my friends. Whenever I have sounded the call to arms they have rallied to the standard which I have borne, and now when they raise the Macedonian cry I am with them heart and soul. [Applause.]

A bill (H. R. 19245) for the temporary relief of cotton and tobacco growers of the United States.

Be it enacted, etc., That the Secretary of the Treasury shall deposit in national banking associations and State banks situated in States producing cotton or tobacco, or both, $250,000,000, or so much thereof as may be necessary to carry out the purposes and under the terms and conditions of this act, to be advanced to the producers of cotton and tobacco, or owners of lands upon which the same was produced, upon cotton or tobacco produced during the year 1914, at a rate of interest not exceeding 4 per cent per annum. The deposits herein authorized shall be advanced upon the terms prescribed in this act and under rules to be prescribed by the Secretary of the Treasury. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton and pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture.

SEC. 2. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of $250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe; or he may sell not exceeding $240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 3½ per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as is herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate $250,000,000: *Provided*, That such United States notes, should the Secretary of the Treasury conclude to issue them, deposited under this act and not used as prescribed herein shall be returned to the Secretary of the Treasury and shall be destroyed.

SEC. 3. That this act shall take effect and be in force upon its passage.

SEC. 4. That this act shall expire by limitation on the 31st day of December, 1915.

The Philippine Islands.

EXTENSION OF REMARKS

OF

HON. MOSES P. KINKAID,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, October 19, 1914,

On the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

Mr. KINKAID of Nebraska. Mr. Chairman, assuredly I do not rise for the purpose of launching an extended argument. My purpose is rather to avail myself of a substitute for the privilege which is allowed a member of the legislature in Nebraska, which State I have the honor to in part represent, to explain his vote in the RECORD when he does not make a speech upon the pending question, but that mode is not allowed by our House rules, but an explanation must appear in speech form.

Mr. Chairman, it will be with some reluctance that I shall vote against, first the preamble to the bill, and then the bill itself, because at first blush the preamble expresses my genuine sentiment that the Filipino people will be entitled to their independence when they shall show themselves qualified for self-government. But the language of the preamble is entirely too indefinite. I should vote for the preamble if made definite by an amendment expressing the convictions of Members who have always believed in the future independence of the Philippines when their peoples should become qualified for the exercise of self-government. But, Mr. Chairman, it is foregone that the amendments offered by the gentleman from Minnesota to this end and such other amendments as may properly be offered to accomplish the same purpose will be voted down. Besides, we all recognize that the preamble performs no office so far as conferring rights upon the Filipinos may be concerned. It will be no part of the act when the bill is passed. It will have no legal efficiency whatever. If it may be contended that it constitutes a pledge or a promise, it is objectionable in that it goes so far in meaning beyond the act which follows it, but my principal objection to it as a pledge or promise is that it is too indefinite and so liable to be misconstrued by the larger percentage of the natives of the Islands who are not qualified to comprehend the meaning of such a production as are the more advanced and better qualified Filipinos.

Mr. Chairman, from the time of the victory of Admiral Dewey in Manila Bay I have been unqualifiedly opposed to the United States extending its territorial jurisdiction permanently over the Philippine Islands and their inhabitants. It would be thoroughly incompatible with our traditions and institutions that we should embark permanently on a colonial policy, and the inconsistency would be emphasized if we should go across the Pacific Ocean to do so. In fact, it would be even unconstitutional that we should extend our territory over a foreign people with a view to subjecting them permanently to the control of our Government without securing to them the right to erect States and adopt and live under State constitutions as do the people of the States of our Republic, with equal rights of our present States and their people. Were we to create States in the Philippines and accord them Representatives and Senators, where then should the line be drawn on other orientals?

Mr. Chairman, my judgment upon this question was formed very early, but it is in accord with the announcements of our party leaders, assuming the President of the United States to be ex officio the leader of his party. One of the first utterances of President McKinley after the treaty with Spain was adopted was to the effect that the islands were to be governed for the benefit of the Filipinos, and as they developed fitness for self-government it should be gradually extended to them. Every act of the McKinley Administration, also of the Roosevelt Administration, was in conformity with that utterance. Let me quote a few excerpts from the last annual message of President Roosevelt. He said:

> The Filipino people, through their officials, are therefore making real steps in the direction of self-government. I hope and believe that these steps mark the beginning of a course which will continue till the Filipinos become fit to decide for themselves whether they desire to be an independent nation.
>
> All we can do is to give them the opportunity to develop the capacity for self-government. If we had followed the advice of the foolish doctrinaires who wished us at any time during the last 10 years to turn the Filipino people adrift, we should have shirked the plainest possible duty and have inflicted a lasting wrong upon the Filipino people. * * * Under the present system of just laws and sympathetic administration we have every reason to believe that they are gradually acquiring the character which lies at the basis of self-government, and for which, if it be lacking, no system of laws, no paper constitution will in anywise serve as a substitute. * * * I trust that within a generation the time will arrive when the Filipinos can decide for themselves whether it is well for them to become independent or to continue under the protection of a strong and disinterested power able to guarantee to the islands order at home and protection from foreign invasion. But no one can prophesy the exact date when it will be wise to consider independence as a fixed and definite policy. It would be worse than folly to try to set down such a date in advance, for it must depend upon the way in which the Filipino people themselves develop the power of self-mastery.

President Taft, who was the first Governor General of the islands and administered their affairs in a way highly creditable to the United States, expressed himself as follows:

> What should be emphasized in the statement of our national policy is that we wish to prepare the Filipinos for popular self-government. This is plain from Mr. McKinley's letter of instructions and all of his utterances. It was not at all within his purpose, or that of the Congress which made his letter part of the law of the land, that we were merely to await the organization of a Philippine oligarchy or aristocracy competent to administer the government and then turn the islands over to it.

Mr. Chairman, I am in accord with these statements made by the three Republican Presidents as to the future independence of the Filipino people. Neither do I harbor any mental reservation of doubt of their obtaining ultimate independence by reason of their want of qualifications therefor. That they will become so qualified is neither impossible nor improbable, but it is quite reasonable and in conformity with the natural laws of advancement of the human race. But mere legislation can not qualify them for self-government. Necessarily their advancement must be gradual. The young athlete did not attempt to lift an ox at the start, but commenced on the calf, carrying it daily until it was a yearling, then a 2-year-old, and finally a great ox. Similarly gradual increase of political local autonomy conferred upon the Filipino people will stimulate and further develop their qualifications for self-government and eventually they will attain an adult degree.

Mr. Chairman, it is not my belief that the United States is to arbitrarily prescribe the form of permanent self-government

which the Filipino people shall adopt for themselves. On the contrary, it is my view that the Filipinos must be left free to choose their own form of permanent self-government. My advice to them would be that they adopt a conservative representative form of government to start with, making it more democratic, if they should choose, as the average qualification should rise; but I grant to them that it will be their prerogative to choose a representative form, or even a pure democracy or a government of mixed forms of several kinds, according to their liking. Consistently, if they are to be a free people, they will be entitled to choose their own form of government to the same unqualified extent that our forefathers chose our form of government when we were emancipated from the monarchial form.

Mr. Chairman, I have never wavered from my convictions instinctively formed when the question first arose that the future welfare of the United States would not be conserved by our permanent possession of the Philippine Islands and political control of their peoples, and I shall be most happy that the time shall arrive when we may honorably and respectably find it to the interests and welfare of the Filipino people that they assume unto themselves the right of self-government as one of the independent nations of the world. To the inhabitants of the islands thus qualified I shall be glad to say, "God speed to your new-born National State."

Cotton.

EXTENSION OF REMARKS

OF

HON. KENNETH D. McKELLAR,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 21, 1914.

Mr. McKELLAR. Mr. Speaker, I ask unanimous consent to insert as a part of my remarks representative letters and petitions from some of my constituents on the subject of cotton. They show the conditions down there better than we can portray them here. I know these people and know they would not write this way without cause. I get these letters every day. They need the legislation we are seeking here, and they need it right away. It will not do the producer any good after 60 days. I have said all along that I shall never vote to adjourn until we get a vote on this measure of relief, and I never shall. The letters and petitions follow:

MASON, TENN., No. 1, *October 17, 1914.*

Hon. K. D. McKELLAR, *Washington, D. C.*

DEAR SIR: I am in receipt of yours of October 14, contents noted. I thank you for promptness. I am sending herewith a request from a few planters I have met this morning, urging the passage of some bill looking to the relief of the planter. If the producer gets any relief, it must be given quickly, for he will be compelled to sell in the next 30 days to meet his obligations. I certainly hope Congress can pass a bill that will give relief. If relief does not come, the cotton States will be almost bankrupt. I know you are in full sympathy with the planter, but you can not appreciate the conditions unless you are on the ground. I am sure if Congress understood the conditions as they exist some measure of relief would pass instanter.

Yours, very truly,

JNO. D. McCLANAHAN.

—

MASON, TENN., No. 1, *October 17, 1914.*

Hon. K. D. McKELLAR, *Washington, D. C.:*

We the undersigned citizens and planters of cotton urge you to use your greatest efforts to secure the passage of a bill for the relief of the producers of cotton.

Jno. D. McClanahan, G. W. Hood, G. M. Turner, Samuel Williams, Jno. Y. Wilson, Henry Frost, James Cross, H. C. Holloway, E. G. Cothran, C. B. Cothran, E. W. White, Henry Brown, Ike Parks, Lee Key, Dupree Frazier, S. W. Beddingfield, E. R. Clifton, W. E. Clifton, A. B. Wellborn, J. D. Byrd, V. Byrd, Joe Tinsdale, J. T. Dickerson, Ed. Barres, Jno. Barret, Mack Goode, Robert Goode, W. W. Simpson, S. A. Burkhart, W. A. Clement, G. A. Burkhart, Jim Simpson, T. H. Forgery, J. R. Marshall, M. O. Shinault, T. C. Cade, B. V. Fields, George Smith, O. V. Poindexter, B. L. Marsh, M. W. Winberry, Robert Flowers, James Watkins.

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MASON, TENN., *October 17, 1914.*

Hon. K. D. McKELLAR, M. C.,
Washington, D. C.

GREETING: We, the people of the cotton district, petition you to use your best endeavors and influence to bring about legislation at once to relieve the situation that confronts us in this the distressed cotton districts.

G. W. Marsh, postmaster; G. K. Gray, E. N. Lackey, J. E. Barton, R. C. Turner, J. L. Cathron, D. P. Trousav, W. M. Williamson, W. T. Williamson, W. E. Frawley, S. H. Smith, Dr. W. D. Gray, W. F. Carter, S. L. Delaney, J. G. Hamblet, Dale Hamblet, J. L. Hamblet, B. J. Barton, R. T. Hendrick, W. J. Cody, C. A. Yarbro, A. T. Sanders, M. F. White, W. G. Jackson, Dr. E. A. Tanneter, O. T. Marshall, I. S. Clement, B. L. Hamblet, O. T. Marshall, jr., Charles T. Booker, J. E. Shelton, R. T. Seay, J. W. L. Poindexter, J. M. Marshall, J. R. Marshall, J. N. Moseley, W. H. Trout, C. T. Poindexter, W. D. Hunt, S. M. Shelton, G. A. Taylor, Dr. A. C. Somervell, W. B. Clement, E. F. Steward, F. L. Myers, R. E. Rogers, Clarence Faulk, W. J. Faulk, J. T. Korney, A. B. Harris, J. S. Philips, L. L. Wilder, and W. Somervell.

MEMPHIS, *October 18, 1914.*

Hon. K. D. McKELLAR, *Washington, D. C.*

MY DEAR McKELLAR: On yesterday we had a conference of governors here. Six States were represented. The cause of meeting was the cotton situation. They did just as nearly nothing as could have been done.

When this trouble first came I thought the fact that the whole South was involved directly and our whole country indirectly that surely something would be devised to remedy the conditions that are rapidly growing worse. Cotton has sold here in last week for 6¾, and in Mississippi County, Ark., for 5 cents, and in South Carolina as low as 4¾. This is bad, but even at these prices it is salable only in small lots. Our paper will show you on cotton page how the stock of cotton is piling up here. Emerson says that a monarchy is like a ship that is either well or poorly manned. It sinks or makes port, as the case may be. That a republic is a raft that can not sink, but it keeps one's feet wet all the time. This comparison has occurred to me frequently of late. I understand that England is having her mills use Egyptian cotton and has passed laws for Egypt cutting down acreage next year 50 per cent. If this is needed by a country that only grows 1,000,000 bales, where will we be if something is not done?

If the United States Government could have seen its way to lend directly to the producer and take, in addition to the note for loan, an obligation that would reduce cotton acreage next year, I feel sure the condition here would have been quite different. For example, say that I should have presented warehouse receipts for 100 bales, upon which $4,000 was loaned. I would also give an obligation in the sum of $4,000 that in 1915 I would only plant 50 per cent of my present acreage in cotton, and let this obligation be a first lien on my crop wherever grown. In this way there would be a reduction by contract, and thus avoid all questions of legislative reduction. Again, the merchant or banker who supplied me next season would know that my reduction obligation was a first lien and that for his supplies he could only have a second lien, and so he would see that all of his customers complied with their obligations to reduce.

In years gone by in time of panic our Government has gone to the help of Wall Street. It donated liberally to San Francisco, and did the same to care for flood sufferers in the Mississippi Valley and around Dayton, Ohio.

I firmly believe that something must and will be done sooner or later at Washington, but the great pity is that whereas what is done now will help the producer directly, what may be done later will help him very much less and when he is less able to help himself than now if some value could be given to his crop. Of course, many of us will be able to push along in a limping way or be sold out, as the case may be, but there are hundreds of thousands of good people who will be, and are now, in a fearful condition, both for the balance of this winter and next year.

It seems that Mr. McAdoo thought the banks should do the helping. Take this city; 2,000,000 bales of cotton are produced within a radius of 135 miles of Memphis. If Memphis banks had tried to take care of 500,000 bales, or one-fourth, it would at 8 cents have required $20,000,000; far more than our banks could have borrowed, even if it had been wise to do this on four-months' paper. This crop in this section has cost not less than 8 cents to produce it. The cotton factors and banks here already have large sums out for the making of this crop.

I understand a few days ago a man who had warehouse receipts for 15 bales of cotton was unable to secure a loan on this from the banks that he applied to, and finally a cotton factor told him that he would lend $15 per bale, or 3 cents per pound, provided he was at liberty to sell the cotton speedily and not hold it. The cotton crop is the one crop that each year has put the balance of trade in our favor, and why there is any sound financiering in forcing the South, and thus the United States, to lose at least one-half of its value I can not see.

A few days ago I saw in a paper that Sir Charles Macara, chairman of the British Master Spinners' Association, stated that it would be well for England to join the United States and with a fund of $350,000,000 buy up enough cotton to adjust values and hold it against years when a short crop might make a shortage of cotton for spinners. I see no objection to this, but the delay is what is going to do so much harm.

I have written you a ream, but I suppose you have similar letters from others in your district.

I would appreciate it if you would drop me a line and give me the benefit of your information on this subject. With best regards,

Yours, truly,

LEM BANKS.

—

MEMPHIS TERMINAL CORPORATION,
Memphis, Tenn., October 19, 1914.

Mr. K. D. McKELLAR,
House of Representatives, Washington, D. C.

DEAR MACK: My trip to Washington clearly convinced me my idea of the Government financing the cotton situation had no standing whatever with the administration. However, day by day since then I have seen the financial lines drawing the situation nearer and nearer to disaster.

I have just returned from W. A. Gage & Co.'s office. Mr. Gage told me that Mr. Reed told him Saturday he would not take cotton—I suppose middling average—at 3 cents per pound as collateral. This commodity has cost the South 8 to 9 cents per pound to raise, and, in my opinion, if there ever was in the history of this Nation a time that needed legislation for the protection of her people, certainly that time is now.

Mr. McAdoo can hold to his idea of making the banks shoulder this burden, but he has been unable to accomplish anything so far. I believed he was wrong when I was in Washington, and to my mind the situation has proven it beyond a doubt, and that you Congressmen and Senators from the cotton States should do something on the situation before Congress adjourns. If you do not, I am afraid it will be too late when Congress convenes again to do anything much for us.

I now understand there is a possibility of the pool of the $150,000,000 not going through. I do not know for a fact, but my information of the cause of this was too much red tape at Washington.

Unless the Government comes forward and does something to relieve the situation, I believe this cotton crop will sell for 5 cents or less. The situation looks far more worse than when I was in Washington, and I now believe it will require a pool of $300,000,000 to restore cotton to a price of 8 cents or better. I do not think it would be necessary for the pool to warehouse $10,000,000 bales at $30 per bale, but to give any strength to the situation they would have to be in a position to do so if necessary.

My advise is try and do something before you leave Washington, for when you get here and get a good case of the blues with the rest of us you will certainly not be in a position to enjoy your vacation.

Can you not use Sternberger's plan, so far as advancing the money to the States on their bonds and then the State treasurers loan direct to the owner of the cotton. In that way you are able to reach the little man. I believe the southern people are closely approaching a point where their legislators will be called upon to do something with the situation.

As matters stand at present there is a billion and one-half, if not more, of debts awaiting to be paid out of $300,000,000 which is about to be lost on this crop, and the South is not the only one going to get hurt if the $300,000,000 is lost.

Yours, very truly, B. L. MALLORY.

P. S.—The S. O. S. signal can be heard in every direction. Do you think any chance for help?

The Philippine Islands—Ship-Purchase Bill.

EXTENSION OF REMARKS

OF

HON. JAMES W. BRYAN,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 14, 1914,

On the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands.

Mr. BRYAN. Mr. Speaker, the ship-purchase bill now pending on the calendar provides for possible trade on the ships to be purchased with the Philippine Islands, and while these comments are more especially designed as a reference to the ship-purchase bill and not to Philippine Island trade, still I consider the subject near enough related to associate what I have to say with that subject and extend, under the general permit as was provided for under that rule for the consideration of that bill.

The ship-purchase bill has been reported on favorably by the Committee on the Merchant Marine and Fisheries, of which I am a member. It provides for the creation of a corporation, to be owned by the Government, to engage in ocean shipping and passenger traffic. The bill provides that 51 per cent of the stock shall be owned by the Government, and private parties shall have the privilege of owning 49 per cent. It is generally conceded that the Government will own all the stock, on the ground that no private party will care to enter into a partnership of this kind. The seeker after dividends prefers a Morgan or a Rockefeller as a business partner to Uncle Sam. This is very natural, and it is devoutly to be hoped the situation in that respect will remain unchanged.

It is said that President Wilson is supporting this bill, and it is freely predicted that it will become a law during the December session. The bill ought to have the support of every patriotic American citizen. It is the most hopeful piece of merchant-marine legislation that has been presented since the days of Thomas Jefferson. It is not only designed as an opening of the way to a real American merchant marine, but it should give hope to the merchants, the manufacturers, and the laborers of this country who look to export trade for their happiness and prosperity.

The passage of this bill will throw open wide the door left ajar by the passage of the Alaska railroad bill. The United States Government has spent tremendous sums in surveying the coast, in locating the dangers to navigation and in marking them, in establishing lighthouses, in improving the harbors, and in all kinds of aids to navigation. Marine officers are licensed and hulls and boilers are inspected. Large sums of money are spent to safeguard the lives of those who go down to the sea and to protect the shippers and the shipowners from loss. Specially equipped boats stand by to aid vessels weather the storm and succor the distressed, and the Navy is kept in readiness to protect the commerce of the sea from any kind of hostile attack. All this is done at public expense. But when it comes to collect the fares or whenever any revenue is coming in it always goes into private pockets.

There is no class of money makers that have been given such a free hand as the shipowners. They shift from flag to flag and demand privileges of every kind. The mere fact that in case of war they may be needed as transports is made a pretext by them to force terms from the Governments of the earth. Ocean shipping is run on a profit basis. Love of flag has no more part in the consideration of a ship-owning company than the latest Parisian styles have at an Igorot festival. It is not a matter of flags, it is a matter of gold. It is not a matter of form of government, it is a question solely of financial returns. They want the cheapest labor and the conditions which will promote dividends, not standards of humanity. To escape liability they will buy an unsafe boat and then form a corporation, giving the corporation the name of the boat, seeing to it that the only property the corporation owns is the boat. They then insure the vessel and put a crew on board with a cargo of freight. If the boat goes down, they collect the insurance, and by outrageous liability laws are permitted to pocket the money, and when the dependents of the outraged crew file their claims and the owners of the cargo demand reparation, they get from the shipowners an "I should worry" for their pains.

Notwithstanding all these aids to navigation by public expense, notwithstanding the freedom from restraint with which the open sea and the rivers and other waters are given to these interests, still they are ever complaining, always wanting more freedom. They want to escape every American requirement as to labor. They want permission to make unconscionable contracts, and then they want United States marshals to arrest any one of their workmen who quit for a better job. They demand the right to violate liquor and gambling laws by operating on practically all of their vessels grogshops and poker games for those with big rolls and crap games for the crew. I do not mean to indict or berate all of our ships, but I want to impress the fact that they are unregulated. They know but little law, and they are ever seeking to throw off the few restraints established.

Our America shipbuilders say they can not build ships in this country as cheaply as they are built in foreign yards, and that the shipping men will not patronize them on this account; so they procure from Congress a law that no foreign-built ship can carry coastwise traffic. Then the shipowners say the foreign vessels are willing to carry freight from point to point on the coast so cheaply that they can not compete and make any money; so they get Congress to pass a law prohibiting foreign vessels from carrying freight or passengers from point to point in coastwise traffic. Then these coastwise steamers, with their gigantic monopoly of coastwise traffic, see the construction of the Panama Canal and have tendered them a new traffic from ocean to ocean of immense tonnage—all foreign nations shut out, and the entire monopoly of the traffic in their hands. The people build the canal at public expense, and these coastwise shipping monopolists procure the passage of a law giving them free use of the canal, while all other ships were required to pay tolls.

Growing with gigantic strides the great coastwise shipping interests and the great railroads of the land are found to be all Morganized together. The same men who own transportation agencies on the land own them on the sea, but where some great undertaking is required like a Panama Canal, a Mississippi River improvement, an inland waterway, the people generally, the taxpayers, the eaters of bacon and beans, the buyers of clothes and of the plainest and simplest of manufactured articles, are compelled to throw in a widow's mite on every pound of edibles they buy and on every article they use till $400,000,000 is raised, and the canal is built or similar sums are raised for other improvements. As the laborers work in the factories, the farmer tills the soil, the miners go down into the earth, and the builders mount their scaffolds, these transportation men demand their toll from all.

No laborer can lie down on a bed to rest till he contributes to the dividends of these transportation men, this Morganized group who cover the land and the sea. As the laborer sleeps to gain renewed tissue and strength of body and limb for the next day's work the shingles in the roof over his head, the lumber in the walls which protect him from the weather and the dangers that lurk without, have been made a source of dividend to the magnates and stock gamblers who revel and command. Every mouthful that he eats of his humble meal in the morning—which he has not produced at home—has been levied upon by the Morgan crew, and the beans and the bacon

his good wife puts in his dinner pail have all contributed profits to New York bankers and to men who bear and bull the stock market.

And so in every walk of life. The rich and the poor are assessed by this Morganized transportation interest. The Government exempts certain property from taxation—the churches and charitable institutions—but not so with the shippers. No gasping invalid can have a taste of refreshment till the freight, both expense and profit, thereon has been paid. The Morgan right in the pulpit behind which the preacher prays must be paid in advance.

Those who hold the transportation agencies of the land in their grasp have a cinch. They are not middlemen. They are all-over men. They are on top and under, in, out, and everywhere. They have taken away from the people billions and billions of their wealth in this land and have produced nothing in return. They have carried people and things. Transportation is their finished product, like the carrying of the mails is the only function of the Post Office Department. The post office takes no profit, demands no toll, but the transportation interests, not content with profit, demand and take unlimited loot. They have robbed and despoiled the people of inestimable wealth of public domain in the West. The New Haven reeks with fraud and the Rock Island has been one huge agency to despoil the people. The same story is told in all the railroads, and the story of transportation by water is worse. Ask the steamships for a freight rate to Alaska and see the hand of Guggenheim and Wall Street and Morgan demanding the toll of a heartless ogre. Try to ship lumber from Puget Sound to Australia, to Mexico, to South America, to coastwise points, and report what is the toll of profit demanded. Go on the proud vessels that fly the American flag in our coastwise traffic and see if our coastwise Morganized steamship men are hiring American sailors or orientals. Investigate the contracts for labor and see if they do not consider the dollar before they do the man. In most significant irony fate has named the principal ship owned on the Pacific "Bob Dollar," and I must admit he is a pretty good Bob as Bob Dollars go, for a' that.

The point I am trying to impress with all possible earnestness is a deep-seated conviction with me that private individuals have no right to levy dividends on transportation; that transportation is a governmental function. To all those seeking transportation subsidies, freedom from ordinary charges, land grants, or governmental aid I would say, "You are out of place in the transportation business; go and produce something. The Government will see that your product is conveyed to the consumer for absolute cost."

I hold that the transportation toll taken is a barnacle on labor and industry, and I want to knock that barnacle off; and I would like to copper cover and red ocher the spot, so that another such growth is impossible. The product of labor should be carried to the consumer at cost. If there is any profit, it should all go to the producer, the brain and the brawn that created it. The fight to bring about this condition will be the economic Armageddon of the immediate future. Other economic issues are going to fall into insignificance compared with this issue.

The railroads take nearly a billion dollars a year from industry and labor for interest and dividends, and the steamships take a vast additional sum. Louis Brandies says a million dollars a day could be saved in railroad management. There is no doubt of the truth of this when you consider the stock-jobbing, as well as the useless offices and the duplications of officers and all kinds of expenses, that would be avoided if the Government owned the railroads in one great monopoly. Two million dollars a day would be saved to labor and industry from the very start.

I am enthusiastically for the ship-purchase bill now pending, because I want the Government to own all the coastwise traffic and collect the revenues therefrom as well as to own the Panama Canal and pay the expenses thereof. I want the lighthouses and the buoys and the bells and the submarine signals to be paid for by the traffic that is guided safely into port by them. I want the hulls that are inspected by the Government to be owned by the Government, and the sailors and the officers on the merchant vessels that steam and sail over the watery right of way of all the people to serve the people, and not the Morganized interests on Wall Street. I want necessary improvements of the harbors made and the necessary canals dug, but I do not want them used as a means of creating parasites on labor and industry—men to stand at the wharves and docks of the land and say to labor and to industry, "You have got to share with me or you lose all you have produced." Harry Thaw could own a steamship company—and he may for all I know—why can not the United States Government? They say that widows and orphans owned most of the New Haven & Hartford.

When we join in the lament—and it is lamentable—that the American merchant marine has been driven from the high seas these Bob Dollar knights of Neptune say:

"Well, I told you so; Japan and Belgium use coolie labor and lascars, but you do not want us to do that. Why do you not repeal statutes as to labor standards?

"Public opinion frowns on arresting sailors for deserting a merchant ship for a better job; do you not know that tends to abridge profit making?"

"You will not make the people pay us a few millions gold for subsidy. Do not you know that causes us to put our money in foreign ships?" They cite one instance, the Pacific Mail Steamship Co. It is stated that the gross earnings of this company in the last 36 years have been $150,596,000, and the net earnings $15,259,000. I suppose the net earnings allow for a liberal charge off for depreciation and all interest on investment. I do not know the basis of the figures and can not vouch for their accuracy. I get them from the Pacific Marine Review, a very reliable publication. The citation, however, does not go into details, and the bookkeeping methods by which the figures are arrived at are uncertain. The profits do not seem very alluring, but the concern is owned by the Southern Pacific Railroad and has, no doubt, found substantial business reasons for standing by the flag and the traffic. I also learn from the Pacific Marine Review that the Pacific Mail Steamship Co. was about to build four large passenger liners at a cost of $3,000,000 each for the traffic between San Francisco and New York when the Panama Canal act, prohibiting railroad-owned boats from going through the Panama Canal, interfered.

Some who oppose the ship-purchase bill say it will bring on international complications. They base this argument, first, on the story of the proposed purchase of certain German liners, and, second, they say our vessels in foreign ports would stir up rivalry and complications between the nations. As to the first proposition, it is unworthy of consideration, for the corporation to be formed does not need to purchase the German liners, and President Wilson would not stand for their purchase unless they are greatly desired, and we are strictly and unquestionably within our rights in so doing. I think the second argument is extremely absurd. It is, in substance, that Japan, England, Germany, and other nations may subsidize their merchantmen by tremendous payments annually in gold and send these vessels into the ports of the world and permit them to run our merchantmen off the seas by underbidding and by cutting freight rates, which they are able to do because of the Government subsidy, and that we can not take exception to that; but that if a merchantman owned by this Government should go into a foreign port and take on a cargo, that rivalries would at once ensue that might result in war. So they say pay us Morgans $2,000,000 a year gold and let us pocket that as profits, together with the substantial profits we are already making, as illustrated in the $15,259,000 profits of the Pacific Mail Steamship Co., already referred to, and we will edge in on the foreign nations and take the trade from their subsidized vessels, and, lo, we steamboat owners, we Morgans and Rothschilds, will all lie down in peace and brotherly love together. That does not appeal to me at all. Merely to state it is to refute it. Are we a Nation of imbeciles and cowards? Is it possible we are afraid to take our own goods to market in our own delivery wagons and bring back what we want in the same conveyances? Are we like the major in the Civil War who said to his men, "Boys, the enemy is in sight coming over the hill yonder; they are fresh troops and we are tired; there's two of them to one of us, and I order that you fire two or three rounds and then run; as I am a little lame, I'll start now"? When we get into that frame of mind we will not last long as a Nation. We are a long way from that now.

SOUTH AMERICAN TRADE INVITES US.

So far as the trade argument goes, to me the South American trade is the most alluring. I will not attempt to go into details, but there is presented to us now the golden opportunity of all the years of our existence to bind ourselves to South America by establishing trade relations and monetary exchanges that will do more to protect and make effective a real Monroe doctrine or Pan American Union than can be accomplished by diplomacy and peace treaties, howsoever skillfully negotiated or planned. We have no steamship routes to and from South American ports to speak of. Steamship companies will not go there ahead of the trade, and the trade will not come ahead of the transportation facilities. The Government can afford to make calls at a line of South American ports with her own first-class merchantmen for a year or more at a loss in order to get that trade and establish the healthful commercial and political relations that will necessarily be associated. One line should run from Seattle south and one from New York south. The Panama Canal Zone should provide a free port at each

end of the canal for the transfer of merchandise. With our boats into South American cities should go our bankers, and under the provisions of the new banking act new exchange arrangements should be perfected. Goods should be transported at cost, based on the time when we will have full cargoes. Nobody will object to such a concession as that to an infant trade route by the Government, but they will not consent to give $2,000,000 a year to steamboats in cash subsidies. Will such vessels go on runs where we are trying to build up trade? Not at all. Let us knock off of transportation the parasites that suck the blood out of industry, that take from labor its just reward for its product. The merchant in our cities has a free delivery wagon and he goes into the byways with the goods he has sold, and so we must get into South America. I am tired of talking exclusively of tariffs to protect us from the foreigner. I want us to get to work and make our money selling to the foreign trade. They have talked for protection against German goods, and prayed for a wall of protection against foreign imports. They certainly have protection to-day. No danger from Germany or the pauper labor of Europe now. What good does it accomplish? The trouble is that labor is ridden to death, and its energy is consumed by such parasites as the shipping interests who never produce anything. Let us get transportation down cheap like postage.

I shall not attempt to detail the South American situation. It is the demands of South America that appeal to me most. I want us to maintain close relations with Australia and New Zealand and with our own possessions in the Pacific, but the great demand of the present lies to the south. I shall insert here a statement from John Barrett, of the Pan American Union, which sets forth the details of the South American situation:

THE SOUTH AMERICA-UNITED STATES SITUATION AS AFFECTED BY THE EUROPEAN WAR.

As the executive officer of the Pan American Union, the organization of the American Republics devoted to the development of commerce, friendship, intercourse, and good will among them all, I appeal to the banking, shipping, manufacturing, exporting, and importing interests of the United States to give at this moment every possible aid and attention to the critical South American situation brought on by the European war. I also ask the newspapers, in both their editorial and news columns, to give all publicity possible to this matter, so that their constituents interested in this situation may be informed of their responsibility and opportunity.

While everybody must profoundly regret that a condition of war and the sufferings of European nations engaged in a great conflict should in any way be exploited for the selfish gain of the United States, its business interests have a duty and responsibility in this crisis which must be met, even if it may bring them vast material benefits. Looking at the situation in a thoroughly unselfish way, it presents demands upon the United States from South America which can not be neglected, but which, if responded to in the right spirit, will be enormously beneficial to South America and the United States alike. The problem divides itself into four heads—imports, exports, ships, and loans.

SOUTH AMERICAN IMPORTS.

All South America is an enormous purchaser of the manufactured products of Europe. A large portion of this supply will be shut off during the next six months, and possibly during the next year or two if the war continues. As many South American countries depend largely upon Europe for their absolute necessities, and a major part of these orders are placed but a short time ahead because of the excellence of the regular shipping facilities, they are now face to face with an immediate famine in the articles which they most generally import. According to the latest available figures collated in the Pan American Union, the 10 South American countries—Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, and Venezuela—annually import products valued at $961,000,000. Of this there come from Europe products valued close to $660,000,000. While Great Britain supplies products of this total to the value of approximately $273,000,000, Germany, which is completely cut off by the war, supplies $180,000,000; France, $84,000,000; Italy, $54,000,000; Belgium, $47,000,000; Austria-Hungary, $8,000,000; Netherlands, $8,000,000; Switzerland, $6,000,000, and other European countries lesser sums. For comparison it can be stated that the average imports from the United States of these 10 countries of South America amount to approximately $155,000,000. Bearing the fact in mind that the commercial relationship of South America and Europe has been so well organized and systematized that 75 per cent of these imports are only ordered about a month or two months ahead of their delivery, it can be realized how soon the present supplies on hand in South America will be exhausted, and that she must depend upon the United States to make up the deficiency. If the United States manufacturers and exporters will exert every effort to supply this emergency demand without increase of prices or unnecessary delay, they will accomplish great permanent good for themselves and the South American business interests alike.

SOUTH AMERICAN EXPORTS.

The same compilation of figures shows that South America annually exports to foreign countries products valued at approximately $1,177,000,000. Of this total nearly $700,000,000 go to Europe. Of these products Great Britain takes approximately $270,000,000; Germany, $157,000,000; France, $104,000,000; Belgium, $60,000,000; Netherlands, $44,000,000; Italy, $27,000,000; Austria-Hungary, $22,000,000; with the remaining amount divided among different countries.

For comparison it can be stated that these 10 countries of South America export to the United States annually products valued at approximately $250,000,000.

With, therefore, their principal markets for their raw products temporarily closed against them, these 10 countries are looking for a place to dispose of their accumulating stores, and if the importing interests of the United States, including the manufacturers of raw material, can relieve the situation by increasing their purchases they may save the South American business interests from a financial crisis.

SHIPS FOR THE SOUTH AMERICAN TRADE.

As nearly 90 per cent of the exports and imports of these South American countries are carried in German, British, and other European bottoms, which are now withdrawn from the sea, all of their principal ports, like Rio de Janeiro, Montevideo, Buenos Aires, Valparaiso, Callao, and La Guaira are in a state equal to that of a formal blockade. The majority of these vessels will be absolutely unable to operate for many months, and possibly for several years, unless the situation is quickly remedied. There is no limit to the sufferings that will come to these countries and ports if their facilities for sending out their exports and bringing in the necessary imports are cut off. In this crisis it is to be sincerely hoped that the bill now being passed by the United States Congress may be of great assistance in relieving the situation. That, however, can only point out the way. There must follow the placing upon the high seas to operate between the United States and the principal South American ports a fleet of vessels flying the American flag, and this can only be done by United States companies taking advantage of this act of Congress and carrying out the provisions of this bill.

NATIONAL LOANS.

Just as war was declared several of the principal countries of South America were negotiating loans in the European financial capitals. These loans are inspired by the pressure of local conditions and are absolutely necessary for the welfare of countries concerned. For the present and probably for a long period it will be impossible to float such loans in Europe. Under the circumstances these Governments will naturally turn to the banking and financial interests of the United States, which heretofore have seldom subscribed for South American loans or shown much interest in them. By endeavoring to help out these Governments in this crisis they can not fail to perform not only a great service to such Governments, but place themselves in a favorable position to obtain other loans in the future and favorable consideration from the Governments concerned.

In conclusion, it is gratifying to state that the Department of Commerce of the United States with commendable energy has already started an organization to relieve this situation, but far-reaching results can only be accomplished by the direct action and interest of the entire financial and commercial interests of the United States, and if the Pan American Union can give any information which will be helpful to those who may be interested it will be glad to supply all the data within its power.

GOVERNMENT MONOPOLY FEARED.

They say, "Once start the Government into ship operations and we will soon have a Government monopoly." Good! God speed the day. I am in favor of the pending bill for the very reason that it opens the way to a governmental monopoly of American shipping. The proponents of the administration measure do not suggest their approval of a Government monopoly of any class of shipping. They favor this only as an emergency measure, and hope to go out of the business and dispose of the ships as soon as the immediate emergency has ceased to exist. My views are embodied in House bill 18313, introduced by me before the pending bill. My bill provides for the Government acquiring such ships as are necessary to take all offerings of freight and passenger traffic on the Great Lakes, the coastwise trade, and South and Central American export trade, and to prohibit any vessels hereafter built or registered under the American flag to enter into the coastwise trade. Of course, under a statute of that kind it would not be many years before a Government monopoly would be an accomplished fact. I should delight in that result; but that is not contemplated in the administration bill. Still the shipowners generally are vigorously opposing this bill, although it especially exempts the vessels from the coastwise trade. They will go into South American trade and in the trade with our insular possessions and the foreign trade so far as deemed advisable. I shall here insert a portion of an article from the Pacific Marine Review. Under the heading, "It could not go further," the Review, after copying a portion of my bill (H. R. 18313), says:

We do not think there is any imminent danger of this bill getting anywhere, but it is highly interesting as it discloses the result of a certain method of reasoning now prevalent among a fair-sized minority in both Houses of our Government. It is absolutely certain, however, that the passage of any measure looking to the entry of the Government into the steamship business must eventually be carried to an absolute monopoly or else fail miserably.

If a Government line is started, it will not pay, and the Government, in its efforts to vindicate its business sense, will set up a monopoly and make the business pay at all costs. There is only one basis upon which to build up an assumption that Government ownership of merchant vessels, either as a monopoly or in competition with private concerns, will prove a financial failure, and that is the result of past performances along this line. If the proof of the pudding is in the eating, then it is true that the English people, having built up the greatest merchant marine in the world, know as much about steamship operation as any nationality on earth. Every effort made by English Governments to operate state-owned ships on commercial routes has proven as absolute failure. As long as shipping questions in this country are, as far as Washington is concerned, purely political in nature we will have no foreign-trade merchant marine. Should the present Democratic administration succeed in establishing a Government shipping monopoly, the next Republican administration would take a keen delight in destroying it in the sacred names of patriotism and party politics.

Were you ever in a city election to purchase the water or light plant? If you were, then you have heard this over and over again: "It can not possibly pay; past experience has proven that fact." They say Germany is losing money on the state-owned railways, but the fact is far different. I do not know about English experience, referred to by the Review. The statement may be correct, but we are not talking about England, but about the United States. If these vessels will not pay in

the foreign trade we can use them in the coastwise trade. The United States is not without experience along this line.

THE PANAMA RAILROAD'S EXPERIENCE.

The Panama Railroad Co. is a corporation entirely owned by the United States Government. The Panama Railroad Steamship Line is a department or subdivision of the Panama Railroad Co. Under this arrangement the Government is now operating five steamships—the *Ancon*, *Colon*, *Panama*, *Allianca*, and *Advance*. The *Cristobal*, which the company has been operating has been turned over to the Quartermaster's Department to bring home American tourists from Europe. The story of the operation of these vessels is a long one and rather complicated, but the facts so thoroughly refute the silly and absurd claim that the Government can not operate a steamship line as well as widows and orphans, and Kittie Greens and Harry Thaws, acting through a Morganized syndicate that stays up nights devising schemes to New Haven the treasury and Rock Island the earnings that there is nothing left to be said.

When the Government acquired this company and went into the ocean traffic between New York and Panama certain conditions existed which have since then been changed solely on account of activities of the Government line. For instance:

The rate was $8 per ton. The Government line reduced it at once, and still maintains it, at $3.50 per ton on rough goods and $4.50 per ton on general cargo, an average reduction of 50 per cent. Not so bad for America against Morgan for a starter.

Points contiguous to the Canal Zone were paying the $8 per ton rate when Uncle Sam began business. The private companies at those points where our vessels do not compete directly have come down to $6 per ton, a 25 per cent reduction. In this they follow the Jim Hill philosophy of "all the traffic will bear." If they held it up at $8 shippers would consign their freight to the Canal Zone and then reship. It will hardly pay to do this on a $6 rate.

But in addition to this low rate for the public, Uncle Sam has been getting the benefit of practically free transportation for canal employees to and from the Canal Zone, these vessels charging $20 and $30, as against a $75 rate prevailing on all other lines, and on freight for canal construction, supplies, and so forth, Uncle Sam was charged so law a rate that his freight bill was only 17.60 per cent of the company's freight revenue, although his freight constituted 82.40 per cent of the tonnage carried. This represents a tremendous saving. A private shipowner would have made enough out of this one feature to have endowed a daughter for marriage to a foreign count.

But these are only slight intimations of the savings made by Uncle Sam, this incompetent old fool, if you would believe the lovers of the looting system, the subsidy seekers, the sure-thing gamblers. Look at this, and if this does not make the scales drop from some of your eyes, then there is no use trying. Remember, we want to get into South American trade, and in order to do it we have to compete with Europe.

Now listen, when Uncle Sam went into this steamship side line, the rate on high-grade cargo, such as laces, ribbons, silks, and so forth, was $9.94 (nine gold dollars and ninety-four cents) higher per ton form the United States to Central and South American ports than from Europe, although the distance was 1,000 miles less. On cotton goods, domestics, linens, and so forth, the rate was $7.39 per ton higher; on canned goods, $9.82 per ton higher; on edible cargo, such as crackers, meal, flour, sugar, and so forth, $3.82 per ton higher. On shipments of clean coffee from these ports the rates to the United States were $3 to $3.80 per ton higher than to Europe, 1,000 miles farther away; on sugar, $5.43 higher; on hides and skins, $13.30 per ton higher. What do you say about that? You laboring men who want to have your product sold in South America, so as to increase the demand for American labor, and you manufacturers, how do you like to be held up by a Morganized parasite, that only smokes good cigars, rides in yachts, and marries his sons to actresses and his daughters to foreign counts? The influence of the Government in the operation of these ships adjusted these rates in the main.

I am under obligation to Mr. E. A. Drake, vice president of the Panama Railroad Co., for much of the information I have gathered on this subject, and I cheerfully acknowledge that fact.

I can not go further with this at this time. I will have more to say when the measure comes up for debate, but it does make me want to fight to read from these privilege seekers that the United States Government can not operate a steamboat. This Congress has been wonderfully progressive, but there are some more big things to be done, and I hope the passage of the ship-purchase bill will be accomplished, because I think it will in itself accomplish wonders and, above all, that it will open the door to the accomplishment of much greater things in the future.

Some of the Great Accomplishments of the Treasury Department During the Present Administration.

EXTENSION OF REMARKS

OF

HON. MICHAEL F. PHELAN,

OF MASSACHUSETTS,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 15, 1914.

Mr. PHELAN. Mr. Speaker, Since President Wilson was inaugurated on the 4th of March, 1913, the continuous session of Congress, which is without a parallel in the history of the country, with all the important legislation which it has been considering, the Mexican trouble, the war in Europe, and the many other matters of great public interest which have been discussed have so absorbed the public mind that altogether too little attention has been given to the high efficiency, to the progressive development, and to the remarkable accomplishments of the various executive departments of the Government under President Wilson's administration. I regret that I have not the opportunity to say something about all these departments.

I should like to speak of the extraordinary showing of the Post Office Department, which completed the fiscal year ending June 30, 1914, with a surplus of $3,800,000, compared to an apparent surplus of $219,118.12, which in reality should have been a deficit of $732,301.90, under a Republican administration in 1911; which has steadily and speedily extended the parcel post by transporting larger parcels, by transporting produce direct from the farmer to the consumer, and which has in many other ways provided greatly increased postal accommodations for the people of the country.

A whole speech might well be devoted to the great service rendered trade and commerce by the Department of Commerce under Secretary Redfield, and of the great impetus he has given to the development of our foreign trade; of what Secretary Lane, of the Interior Department, has done for conservation, for the development of Alaska and of our public lands and water power, in the extension of the work of the Bureau of Education, in the Pension Bureau; of the great work done by the Attorney General for the preservation of fair competition in trade and the prevention of monopoly; of the extraordinary achievements of the State Department in securing a score and a half of peace treaties with the nations of the world, and its cooperation with President Wilson in his great statesmanship in handling the Mexican affair, and in averting trouble in the present crisis of war in Europe; of the rapid extension of service to the farmer in the Agricultural Department, as, for example, the inauguration of an Office of Markets as an intelligence bureau for the rural public as well as the public at large; of the high efficiency of the Department of Labor and its great aid by its cooperation in the enactment of the great labor program of the present Congress; of the brilliant successes of the Navy Department in breaking the Steel Combine's monopoly over armor plate, projectiles, and structural steel used by the Navy, thereby saving the Government $1,000,000; in providing a means whereby boys entering the Navy may learn trades according to their choice; of the introduction of the system whereby ordinary seamen may receive promotions, be allowed to enter the Naval Academy at Annapolis, and become officers; of the great economies in the War Department, even under extraordinary conditions, and of the efficiency and capacity of this department under the trying conditions during the trouble in Mexico.

I intend, however, to speak of the almost unparalleled success of the Treasury Department in the administration of this complex, trying, and difficult branch of our Government. With the possible exception of the State Department, the Department of the Treasury is the most important Cabinet office in the Government. During the past year and a half of President Wilson's administration the Secretary of the Treasury has had more business to do, has had more perplexing problems to deal with, and has had to meet more difficult situations than any other Secretary of the Treasury since the Civil War. The masterly manner in which he has handled every situation, in which he has solved every problem, in which he has administered the business of this all-important Government office, has been such as to compel universal admiration.

Let us examine some of the things which he has done since he took this office and consider whether or not I have not spoken with reference to this work within the bounds of moderation.

Almost at the beginning of his assumption of his office, the banking and currency act came up for consideration before the

Committee on Banking and Currency. As a member of this committee I was in a position to know something of what was transpiring during this period. It is a well-known fact that the big banking interests of this country were bitterly opposed to the passage of the bill which was ultimately enacted as the Federal reserve act. With the tremendous power over money and credit which these financial interests held they were in a position where they could contract credit and thus embarrass the administration by depressing business. There are sufficient facts on record to demonstrate that in the summer of 1913 there was something more than a suspicion that they did wield their power to bring about contraction and stringency. The Secretary of the Treasury met their move without hesitation and without vacillation. He acted with the utmost promptness and with unfailing courage and prudence. When announcement was made that financial stringency threatened, he immediately announced that there were $500,000,000 of bank notes in the Treasury, the whole or any part of which he was ready to put in circulation without delay upon application, accompanied by the deposit in the Treasury Department of commercial paper or other proper securities. The financial distress which had threatened disappeared overnight. Within 24 hours big banks in the country made public announcement of their readiness to extend loans, and subsequently did extend loans, and conditions became normal again. Thus the Treasury Department by promptness, by courage, and by a wide-visioned conception of conditions met successfully a problem which for the moment threatened serious trouble.

Subsequently, in the fall of the same year—1913—when the time for crop moving approached, the annual stringency and contraction which appears at this period of the year seemed imminent. At an early date the Secretary of the Treasury announced that he had $50,000,000 of Government funds which he was ready to deposit in banks in any section of the country where needed, with particular reference to the rural sections—the Northwest, the West, the South, and the Southwest. Although every demand was met, the actual amount needed and deposited was $37,386,000. The crops were moved without the usual annual drain upon the banks in the financial centers, particularly in the East. There was an absence of the contraction in the East and the North which had been anticipated with apprehension, and these sections of the country were benefited by the absence of a contraction of loans and credits, while the rural sections had currency in sufficiency, although the crops were extraordinarily large.

An innovation of the Treasury Department was that inaugurated in June, 1913, when banks were required from that date onward to pay 2 per cent interest on Government deposits. Individuals had been getting their 2 per cent interest on deposits from the banks, but the whole people of the country, as represented by the Government, had been allowing the banks to receive their deposits and profit from them without paying anything for the use of the Government's money. The banks were getting the use of the people's money free. With the exception of what were known as inactive accounts, which received 1 per cent interest and which were a comparatively small item, no interest had been paid upon Government deposits. During the first year in which this interest has been required from the banks by the Treasury Department the Government has received an income of $1,400,000 from this source. In the previous five years, under Republican administration, the total amount received for the five years was only $715,000. Thus the Government has lost millions of dollars by the failure to charge interest on deposits, and the action of the department under this Democratic administration means the addition of millions of dollars in receipts.

The most striking demonstration of the extraordinary capacity of the Secretary of the Treasury to administer the financial affairs of this Nation has been made since the 1st of August this year, when the colossal war in Europe suddenly and unexpectedly broke out, causing an upheaval in the commercial, industrial, and agricultural conditions all over the world. The United States, in common with every other civilized nation in the world, was vitally affected, with hardly a moment's notice. Millions of dollars of American securities owned abroad were dumped upon our stock market, producing a situation little short of panic. Necessarily the stock exchange was immediately closed, and has remained closed ever since, an extraordinary and startling event. For a short period international commerce was almost entirely suspended, and up to the present date has been curtailed to an alarming degree. Trade and business and agriculture have been tremendously upset all over the Nation. To no part of the business of the Nation has the shock been greater than to the financial organization of the country. The earthquake, which had shaken the whole world to its very foundation and whose shock was felt with such tremendous force in the United States, threatened the stupendous financial structure of this Nation, upon which all the business of our vast country rests. The most profound alarm and apprehension seized the great financial leaders in the business world. Men familiar with the situation dreaded a colossal panic and financial disaster such as the Republic had never before experienced.

It was an appalling crisis, which demanded from the Secretary of the Treasury a combination of qualities which are seldom found combined in one individual. That Secretary McAdoo possessed this rare combination events have already clearly proved. He met the crisis with extraordinary promptitude, with aggressive courage, with vast resourcefulness, with prudent foresight, and with a cool confidence which was contagious and which of itself did much to allay dread.

At the beginning he secured the active cooperation and complete support of President Wilson who, in this financial crisis as in every crisis he has to confront, has been the masterful statesman, dominating every situation, guiding and directing the Nation's course along the one path to safety and security, a leader providentially vouchsafed the Nation in this time of danger and peril.

The first thing which had to be done was to provide sufficient currency to meet the demands of business. The demands of foreign creditors had started an alarming export of gold from this country. In the face of approaching peril the thousands of banks in the country, and individuals as well, were sure to withdraw gold for the purpose of hoarding. Moreover there was the annual demand for currency to move the crops. The resulting contraction in currency and credits must be averted by an issue of additional currency in large amounts.

The Secretary of the Treasury promptly announced that the Treasury Department was ready to issue immediately the $500,000,000 of bank notes which had lain idle in the vaults of the Treasury Department for so many years. Immediately succeeding this announcement it was suggested that an amendment to the Aldrich-Vreeland Act be introduced in the House whereby the limitation in this act that no bank notes provided for thereunder could be issued to any bank which did not have already outstanding circulating notes secured by United States bonds to an amount equal to 40 per cent of its capital stock would be removed. Such an amendment was necessary, because some of the largest banks in the country which most needed additional currency and through which additional currency could most advantageously be issued did not have outstanding notes to an amount equal to 40 per cent of their capital stock. I distinctly remember the promptness with which this suggestion was made because I was present with the majority leader [Mr. UNDERWOOD] and with Chairman GLASS of the Banking and Currency Committee at a conference which we held in Mr. UNDERWOOD'S office, at which it was decided that the proposed amendment should be offered to the House on Monday, August 3. This amendment was offered and was passed in the House on August 3.

In the meantime, on the afternoon of Sunday, August 2, Secretary McAdoo, after consultation with the President and after a series of conferences in Washington, boarded a train in Washington, in company with the Comptroller of the Currency and other members of the Federal Reserve Board, and went to New York. There he held a council with the New York financiers, who were in a state of deepest alarm. Secretary McAdoo's plainly evident capacity to handle the situation inspired these great financial leaders with confidence and assurance, the one essential required perhaps more necessary than any other. Acting together in cordial cooperation, plans were laid out to meet the situation, with the result that on Monday morning confidence had been restored and definite assurance had been secured that the financial situation would be saved.

From that moment on one step after another has been taken to take care of the financial situation. By August 4 the amendment to the Aldrich-Vreeland Act as introduced into the House had become a law. In its final form it not only removed the 40 per cent limitation, which I have already referred to, but also increased the amount of bank notes which any bank might issue to 125 per cent of its unimpaired capital and surplus. It further provided that each bank and currency association should maintain on deposit in the Treasury of the United States a sum in gold sufficient, in the judgment of the Secretary, for the redemption of such notes, but in no event less than 5 per cent of them, thus enabling the Secretary of the Treasury to maintain a sufficient gold reserve to meet all demands for redemption.

Up to the close of business on October 9, 1914, there had been actually issued $341,387,170 of emergency currency. This

vast amount of currency issued is the best evidence of the need for the action taken by the Secretary of the Treasury working in conjunction with Congress.

In every emergency even to small details which has arisen since, the officials of the Treasury Department have been ready to meet the situation. While serious distress and embarrassment still prevail in the business of the country, the financial structure is sound and secure.

In the brilliant administration of the Department of the Treasury credit is due not alone to the Secretary but also to the distinctively able, capable, and efficient associates who have so cordially cooperated with him—the Comptroller of the Currency and the Assistant Secretaries, and recently the members of the Federal Reserve Board.

The Comptroller of the Currency all through the present administration has occupied a position of tremendous responsibility. He has not only proved equal to every demand made upon him, but, through the power of his intellect and the strength of his personality, he has undoubtedly been an impressive factor in the great accomplishments of this great department.

The Treasury Department has unquestionably contributed generously to the great success of the Wilson administration, but it is, after all, only one part of the administration. It is, however, only when we examine the several parts that we have any conception of the magnitude of the achievements of the whole administration.

Men have been ready to judge the President's acts almost before he has acted. He has scarcely attempted a constructive act that severe criticism has not been forthcoming from some quarters. But he has not yet done one act which has not received universal approval when sufficient time has elapsed to permit that act to have a fair chance to operate.

All during his "watchful waiting" Mexican policy he was obliged to endure every manner of criticism and even abuse. He was under constant pressure of the severest kind to abandon his peaceful policy and rush into war. But he was patient, persevering, and resolute in his determination not to plunge his country into war.

To-day while Europe is devastated by war the American people are at peace. No European ruler or brilliant general in the world's greatest war can achieve the glorious victory which President Wilson has achieved for this Nation—the preservation of peace.

The whole country recognizes now that President Wilson was right in his Mexican policy. If they will watch and wait, they will find that he is right in all his other policies

Water Power.

SPEECH

OF

HON. JOHN E. RAKER,

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, August 13, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto.

Mr. RAKER. Mr. Chairman and gentlemen of the committee, this legislation is intended to cover many objections that have been made to the present law in regard to the granting of water power. All three political parties last year stated that they were in favor of conservation and in favor of a law governing the control and handling the public lands to the end that the people generally might get the best use there was from those lands. There ought not to be any great feeling over a question of conservation as to what it means, but there is a distinction just as broad and as deep as the chasm between "reservation" and "conservation." Our friends in the East and in the South, while not intending in any way to retard the development of the West, make a misconception as to the difference and distinction between "conservation" and "reservation." "Conservation" ought to be the watchword of every public man and every citizen. Where you can conserve a public property or private property or conserve the public health you ought to be in favor of it. No man can stand one minute and say that he is not in favor of getting the best utilization out of the property that this Government has for the benefit of its citizens generally. That is what we mean by conservation.

Mr. JOHNSON of Washington. Will the gentleman yield for a question?

Mr. RAKER. I yield to my distinguished friend from Washington.

Mr. JOHNSON of Washington. In case of the Appalachian Mountain Range being purchased by the United States Government, is that a case of reservation or conservation?

Mr. RAKER. I am going to get at that in a moment.

Mr. JOHNSON of Washington. Therefore if the people of these Appalachian Range States are now clamoring that some form of revenue be devised to give them something in lieu of the taxes that are lost, is not that somewhere near the situation of the Western States?

Mr. RAKER. I will get to that more definitely a little later on. What has been interfering with the development of the West is the reservation of large territories, territories larger than the Eastern States, without use of the water that flows over the land or a permitting of its use or the use of the land by the homesteaders and the desert-land claimants and the mineral people and the miners. Their rights have been stopped to a more or less degree. But being in favor of conservation, instead of reserving it merely to keep it from being used, we believe that every miner should have the opportunity to mine that land to the very utmost of the capacity of the people that might go there. We believe that every tract of land in that reserve that can be used for a homestead ought so to be used and put into private ownership and put on the tax roll. We believe that every piece of land that can be put there in the way of desert-land claimants should be dealt with in the same way; and the same with regard to the timber that can be developed on these public timber lands. All the timber that can be used to keep down prices ought to be disposed of to the general public, so that they could have the use of it.

The idea of conservation is for its use for one purpose and not its use for another, and when our people talk about opening up this land and using the water rights and the soil and the minerals people think we are trying to take it from the Government and keep it from use. As a matter of fact, we want to put it to the highest use possible, just as men do with the land in the Eastern States, whether it is land in public ownership or private ownership.

Mr. BOWDLE. Mr. Chairman, will the gentleman permit an interruption there?

The CHAIRMAN. Does the gentleman from California yield to the gentleman from Ohio?

Mr. RAKER. Yes.

Mr. BOWDLE. How does it come that the gentleman from Washington [Mr. JOHNSON] is down on it and the gentleman from California [Mr. RAKER] in favor of it? Is it through a misunderstanding?

Mr. RAKER. Absolutely a misunderstanding of the conditions; and I will make it plain.

Mr. JOHNSON of Washington. I do not want it to go into the RECORD that I am down on conservation. Conservation is here, and, in my judgment, it is here to stay.

Mr. RAKER. This country ought to be ashamed of the way in which it has disposed of its timber and given it to monopolies. The idea of conserving these lands for the time being was to hold off the hands of these ravagers of the public domain, to the end that Congress might enact legislation so that we could put out the lands to those who wanted them and needed them. And it is the same way in regard to mineral lands. Men were filing mineral claims upon whole counties. One association of 10 men would be filing practically upon all the land, timber and mineral, in a county, never intending to use it legitimately. Eight men would file on 160 acres apiece here and there, until they would practically cover all of it.

Mr. JOHNSON of Washington. In what State?

Mr. RAKER. In California. And you will find it in other States just the same. It was the same way in regard to the oil lands, where it was the hope of some to give to one great corporation or organization an absolute control and monopoly of those great properties in order that they might control not only the timber and the land and the water, but every other resource that was in that country.

Now we are coming down to the question of how we are going to use it. The timber proposition is being relieved. It is not being turned over to a few individuals and corporations as it was formerly. The mineral land under the present laws can be utilized and ought to be utilized to the very utmost. The only complaint our people have on the mineral proposition is that in the reserves they are trying to restrict them as to the mode and method of mining, and they contend that they ought to be relieved from that.

Now, coming to the question under consideration—and that is the water-power bill—this bill provides that it shall not affect and shall have no relation in any shape or form to the water of the streams. That is a matter that is under State control,

and this bill does not intend to affect the disposition or the handling of the water of these streams. The Government does retain great areas of public domain. The Government is the sovereign over it, and the Government owns it, just as you own your property, to dispose of it under the provisions of the Constitution in a legitimate and in a proper way. Men have gone upon these streams and filed for miles and miles various claims or bought them all up. They want to control great possibilities for irrigation and for electric power. They have been buying up these lands on either side—some public land and some private land—for a small consideration, and the Government has said that we ought to have some control over this matter.

There have been upon the statute books for the last 16 years what are known as the "rights-of-way bills" for construction of electric lines and poles and also for irrigation. Those bills only permit the Secretary of the Interior to give a revocable permit, so that a man or an institution, in absolutely good faith having expended $100,000 or $200,000 in developing its plant, buying land, building ditches, and obtaining water rights after it had obtained the Government's consent, might have its rights swept away by the revocation of the permit. For an infinitesimal objection the Government could deprive it, with one signing of the pen by some individual in the department, of that entire property. No man is ready and willing to invest his money and property in such an enterprise, to be controlled solely at the dictation of one individual, who can say that he did not like the color of his hair, he did not like the people he associated with, or a thousand trivial matters, whereby all his earnings and those of his friends might be snuffed out. The people believe in conserving this power and the possibilities of it in themselves, to the end that they might control it and fix the price and see to it that there was not an absolute monopoly in the hands of a few.

Now, this bill permits them to retain these rights, and there is only one question—as to whether or not it should be in the discretion of the Secretary or whether it should be mandatory on him to grant the right when the first applicant applies. But in the wisdom of the committee and the majority they have said that it should be in the discretion of the Secretary.

Now, it gives the man in the first instance an opportunity to make his application to see whether or not he wants to deveolp, to see whether or not he ought to survey, to see whether or not he can get capital, and this bill gives him a year in which to lay out his plans and specifications and determine what he can do.

And then it may give him another year; and after he has secured the information and data he desires and has secured enough money to go on with the plant, after he has investigated the supply of water, after he has investigated the surrounding country as to the private lands, he can go to the man who owns a ditch and water right, and in connection with what he knows he can have an option on that. He can have his matter of ownership determined, whether or not it is feasible, whether or not he ought to go into that business. That is all that is for, and it is wise and proper, and the latter part of it provides that he shall have a prior right to make the application. Now, ought he not to have it?

Mr. CLINE. May I ask the gentleman a question?

Mr. RAKER. Yes; I yield.

Mr. CLINE. What was the purpose of putting the rate in the temporary permit? Does that language have anything to do with the rates that apply under the permanent permit?

Mr. RAKER. Absolutely. I will answer that directly after I have finished this sentence. Now, at the expiration of the permit period the party shall have a preference right to lease the land embraced in the permit. That is an absolute valid right. He ought to have it. A good many of the committee and many of the best engineers of the land and those who have investigated water powers believed, and presented their belief fully to the committee, that the first applicant, in applying to the Secretary of the Interior, should be given the absolute right. That was avoided by making it discretionary with the Secretary of the Interior to determine whether or not he should give them a lease for 50 years, but the committee said before that was done this man ought to have some consideration. If he has done all the preliminary work he ought to have a preference right to get the lease for 50 years if he comes within the purview of the law. How? Now listen:

Upon the terms, conditions, and limitations authorized by this act.

He gets it under those terms, conditions, and authorizations.

Again, the Secretary figures in that preliminary permit so much per horsepower or kilowatt, so much of the expenses, whatever they may be, that he has to pay. The man then knows exactly what he is going into, if he can secure the other conditions. He can secure capital. Capital will know what it has to pay. Those who own the capital will then be in a position to determine whether or not they want to invest their money in that enterprise.

Mr. BOWDLE. Will the gentleman yield?

Mr. RAKER. I yield to the gentleman.

Mr. BOWDLE. Does not the gentleman know that it takes at least one year's observation to know how a stream performs, and therefore the Government would probably be tying itself up by this permit without such knowledge?

Mr. RAKER. A year is not time enough. The Government has had observations for the last 10 years on practically every stream in which it is interested. The Government knows practically all of these available water-power sites, knows the run of water, knows the elevation, knows about what can be done, and no man to-day can point to any piece of the public domain in the country and say "this is an entirely new thing."

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. I yield to the gentleman one minute more.

Mr. RAKER. I want to call the attention of gentlmen to the fact that in all our public filings to-day on public lands the first person in time is first in right. That has been the law and is the law to-day in practically every State where the public lands are in regard to water, homestead, desert, mineral claims, and all.

Now we have changed it in this bill, and we allow the Secretary of the Interior to have that discretion; but we say a man shall have two years—one year certainly, and two years if the Secretary desires to give him the time—to determine whether he wants to do business.

We want to develop these water powers. We want these streams developed that to-day are going to waste, the water running unused into the ocean.

We want them developed so that the people in these communities may have electrical energy for the purpose of running their machinery, for the purpose of doing their plowing, for the purpose of lighting up their homes and their cities, for the purpose of lighting up their barns, in order that they may have some of the comforts of the city in the country, and in order that electrical energy may be furnished at a reasonable cost, and that the department may regulate it where there is no public utility commission in the State. That will develop every community. It will give the mining corporation or the association that has the plant a fair value for its money and a fair return, and that is all anyone ought to have.

Mr. HUMPHREY of Washington. Is the gentleman in favor of this bill?

Mr. RAKER. Why, yes.

An Injustice to the Civil War Pensioner.

EXTENSION OF REMARKS

OF

HON. EDMUND PLATT,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 14, 1914.

Mr. PLATT. Mr. Speaker, I desire to occupy only a few minutes in calling attention to some recent happenings or rulings in the Pension Bureau, which, it seems to me, are resulting in injustice and even, in some cases, in great hardship to many of the veterans of the great war for the preservation of the Union. There was passed in May, 1912, what is known as the Sherwood Pension Act, under which every veteran of the Union Army who served 90 days or more may receive a pension, the amount depending upon the length of his service and upon his age. The maximum pension under this act is $30 a month, which is paid only to those who served two years or more and have reached the age of 75 years. On March 4, 1913, an amendment to this act was passed so as to make the increases for advancing age automatic. Every Member of this House knows the terms of the act. A veteran who served two years and is 62 years of age receives $15 a month. When he reaches 66 years he receives $17. At 70 he receives $23 a month, and when he reaches 75 he is entitled to $30. Before the amendment of March 4, 1913, had been passed application had to be made to the Pension Bureau for each increase, but since that time applications have been, theoretically at least, unnecessary. The officials of the Pension Bureau have prepared, in accordance with the terms of the amendment, a system by which they may know when each pensioner reaches the age for an increase without his asking for it.

It is just because of the system devised that trouble has arisen for some of the older pensioners who were pensioned many years ago under the various early pension acts for wounds or disabilities received in the service. In order to know the ages and the Army records of each pensioner the Pension Bureau has recently completed a card index of every pensioner, and in doing this work or in looking over the records involved mistakes made many years ago have been discovered, and in cases where these show that more money has at some time in the distant past been paid to a pensioner than by present interpretations of the laws he was entitled to the amounts are being deducted in a lump from pensions now paid. Two such cases have come to my attention from my district—one of them involving a refund of about $100 from a man who is receiving but $24 a month. In the case I took up with the Commissioner of Pensions he readily admitted that the mistake was no fault of the old soldier, who could not have known that he was being overpaid two or three dollars a month 40 years ago. Yet, now, when he is old and unable to work and absolutely dependent upon his pension, it is entirely taken away from him at the approach of winter for a period of more than four months. I think this is an unnecessary hardship to inflict for the sake of correcting a blunder made by the Government itself many years ago. It seemed to me rather picayune business for the great Government of the United States to be collecting these debts, which would have been long outlawed from any other creditor, debts which were the result of its own blunders, from the old soldiers at a time when they were least able to pay; but I asked only that the deductions, if they must be made, should be made in small installments so as to cause as little hardship as possible. This, I was informed, was impossible as the law required the collection of the money at once. It seems to me that this is outrageously unfair, and I wish to protest strongly against it. If the law really requires it, the law should be changed as soon as possible. None of the earlier pensioners, men who received their pensions because of wounds received in battle, can be sure that some more or less technical errors may not be found in the payments made in small sums to him years ago.

Kaibab National Forest.

EXTENSION OF REMARKS
OF
HON. JAMES W. BRYAN,
OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, September 5, 1914.

Mr. BRYAN. Mr. Speaker, a few weeks ago I introduced a bill providing for a Government railroad from Marysvale, Utah, to the heart of the Kaibab National Forest in northern Arizona. I submitted estimates to show that this road could be built and equipped for $3,000,000. I also showed that the Government owned 2,000,000,000 feet of timber in the Kaibab Forest and that 1,000,000,000 feet of this timber was ripe and ready for market, and would be marketed except for want of transportation.

I submitted further figures to show that the increase in value of this timber, if transportation were afforded, would be $4,000,000—more than the cost of the road. In addition to this market would be afforded for the ripe timber and it would be saved from loss and decay. It would seem from these facts clearly demonstrable that the Government would be $1,000,000 the winner if it were to build this railroad and get the benefit that it would afford to the Government timber holdings, even though the entire construction cost would be lost. In other words, the Government would be $1,000,000 in if it were to construct the railroad at a $3,000,000 expense, and then give the railroad away to private parties.

As is always the case knockers have made their appearance against this proposition. Up to this time I have not had the support of any member of the Utah delegation here in Washington. It may be that these gentlemen are better posted about some of the features than I; but it is impossible for me to ignore the reports of the Forest Service, the Reclamation Service, the United States surveyor general at Salt Lake City, and other facts that have been presented to me by parties in interest.

The records show extensive coal properties in this district which will be affected by the general leasing bill.

I express the hope that the people of Arizona, who are writing me and showing such great interest in this measure, will take the matter up with their Representatives and with other western Members. If this be done with sufficient earnestness, I believe we can accomplish the purpose of the bill. I have received a great deal of help and encouragement in this matter through the efforts of Mr. Arthur Woolley, who came to me for the first time after I had introduced the bill. He has not only called to my attention reports setting forth the resources of the country through which this railroad would traverse, but he has shown me many kodak pictures of items of interest which demonstrate the richness of this region. I have received from Mr. I. C. Thoresen, United States surveyor general, two letters, one dated September 25, which I here insert as a part of my remarks. This letter shows something of the merits of the proposition and gives details of interest.

DEPARTMENT OF THE INTERIOR,
OFFICE OF UNITED STATES SURVEYOR GENERAL,
Salt Lake City, Utah, September 25, 1914.

Hon. J. W. BRYAN,
House of Representatives, Washington, D. C.

MY DEAR SIR: In reply to your letter of September 21, will state that I have not, personally, explored the south-central part of Utah over which the proposed railroad will be built, beyond Marysvale; although I recently had permission of the department to take a trip into that section, but after reaching Marysvale we found we were unavoidably compelled to return to Salt Lake, with the understanding that the trip would be undertaken again in the near future, for which I asked permission of Commissioner Tallman. I am, however, quite thoroughly acquainted with the southwestern part of the State and the northwestern part of Arizona, as well as the eastern part of Nevada, and will state that the two most practical routes to reach the Kaibab Forest Reserve are your choice over a comparatively easy grade practically due north to Marysvale, Utah, and the other west and southwesterly down the Rio Virgin, passing Kanab and St. George in Utah, and following the course of the river through the northwest corner of Arizona, down said river to St. Thomas in Nevada, at the junction of the Muddy with the Rio Virgin, from which point there is a branch railway connecting with the main line of the San Pedro at Moapa, Nev. I have, however, heard a number of statements by men that have explored this section and its resources, including the timber, and also the chances of a railway from Marysvale south, all of whom give very good reports thereof, and that the said route is practical and can be built with less than 2 per cent grades. I have on file in this office a report by a former United States deputy surveyor, Mr. A. D. Ferron, giving the general descriptions of the sections which said railroad will open, and through the central part of which it will pass, copy of which I inclose herewith.

I was recently handed a report on a manganese property in that locality, which apparently exceeds in quality and quantity any and all deposits of such kind yet discovered in any part of the world. I am inclosing a copy of said report made by Mr. N. Jennings, a gentleman with whom I am personally acquainted and who has spent many years in said sections. Besides the manganese, Mr. Jennings informs me that there are immense bodies of low-grade copper for miles in different directions from the location of said manganese claims, and also iron deposits and coal, which, however, have not been explored on account of its location being so far from the railroad. I have also a report of an extensive copper property near the south boundary of Utah, in this same locality, called the Pahreah Consolidated Copper Co., made by John J. Hines, a mining expert of Colorado. This property is owned and has been worked for years by residents of Pahreah and vicinity, and some of the high-grade ore has been shipped, but the low grades could not be shipped at a profit so far from railway service. I am inclosing you excerpts from said report.

Relative to the coal deposits in the north part of this section, between 50 and 75 miles south of Marysvale, a friend of mine, who is a very competent expert, wrote me last February as follows:

"I take pleasure in calling to your attention a large and extensive coal deposit in south central Utah, on the southern rim of the Great Salt Lake Basin. This tract covers an area of 150,000 to 200,000 acres, but in my opinion a judicious location of, say, 50,000 acres, would control the situation.

"The geological horizon of the coal is the Colorado Cretaceous, and it may be correlated with the coal deposits of southern Wyoming, northern Utah, and southern Utah; and it forms the main and most valuable part of the last mentioned. So far four workable seams have been discovered, 25, 4, 8, and 17 feet thick, respectively, upward from the bottom, but in some places the lower seam reaches a thickness of over 50 feet.

"This coal is bituminous and contains from 3 per cent to 7 per cent ash, about one-half per cent to 1 per cent sulphur, and 40 per cent to 45 per cent fixed carbon, the balance being volatile carbon and moisture. The uppermost seam I consider a 'steaming coal.' In some places the lower seam is underlain by a fine seam of 'cannel coal,' varying in thickness from 3 to 8 feet. This coal can be shipped north to Marysvale, about 60 miles, but the natural outlet and market for it is southern Utah, Nevada, California, and also Pacific Ocean shipping. It would need the building of about 100 miles of railroad to connect it with present railroad facilities in southeastern Nevada, and, I think, could then be laid down, say at San Diego, for about $3.50 to $4 per ton. Similar coal is selling now, I am told, on the Pacific coast at from $10 to $15 per ton by the carload.

"The land is unsurveyed and hence the absolute title still remains with the Government. It has consequently never been classified by the Geological Department.

"I am well acquainted with every foot of the country under consideration and have known this deposit since 1876."

This is all the data I have at hand, but expect in the near future to receive reports on other resources in the locality and shall also secure a statement from a gentleman who has recently explored the country quite thoroughly, especially observing the chances for constructing a railway from Marysvale to the Kiabab Forest and also to other timber tracts in southern Utah.

You are at perfect liberty to use my name in connection with any of these reports, and, if necessary, I shall be pleased to give you the names and addresses of my informants or any other information that will assist in making a success of your meritorious undertaking.

Yours, respectfully,

I. C. THORESEN,
United States Surveyor General for Utah.

I replied on September 30, 1914, with the following letter to Mr. Thoresen:

SEPTEMBER 30, 1914.

Mr. I. C. THORESEN,
United States Surveyor General for Utah,
Salt Lake City, Utah.

MY DEAR MR. THORESEN: I am just in receipt of yours of the 25th instant containing data concerning the proposed railway to the Kaibab National Forest. I thank you very much for this, and assure you that the information you have given me is very valuable, and I will make good use of same. I intend to advertise this proposition all I can, with the result, I think, that these properties of the Government will be developed and that general development of such properties will be stimulated.

Assuring you of my appreciation of this or any further data you can furnish me, I remain,

Very truly, yours,

J. W. BRYAN.

I also insert here reports which have been furnished me that have a bearing on the matter.

[A. D. Ferron, 553 Eighth Avenue, Salt Lake City. Filed Jan. 18, 1910.]

JANUARY 17, 1910.

Hon. THOMAS HULL,
United States Surveyor General for Utah.

DEAR SIR: I have recently returned from a trip to southern Utah and beg leave to make a short report on a section of the State which has hitherto had but little attention from your office, owing, no doubt, to the fact that the section in question lies in the wildest and most inaccessible part of our State.

I found a valley nearly 50 miles long, from 5 to 10 miles wide, and embraced approximately in township 36 south, ranges 4 and 5 east; township 37 south, ranges 4, 5, and 6 east; township 38 south, ranges 5, 6, and 7 east; township 39 south, ranges 6, 7, and 8 east; township 40 south, ranges 8 and 9 east; and township 41 south, ranges 8 and 9 east.

The survey designations I have obtained from the General Land Office map of Utah in accordance with the topography as there laid down. The valley may be described as lying between the straight cliffs on the northeast side of the Kaiporowits Plateau and the Escalante River. It has an average elevation of less than 5,000 feet above sea level, and is especially adapted for raising all kinds of fruit, grapes, peaches, apricots, etc., alfalfa, corn, and all the cereals. Measurements are now in progress to obtain the amount of water supplied by all the affluents of the Escalante River, which run in deep canyons, with a view of creating a large lake at and around the town of Escalante in order to raise the water sufficiently high to throw it on the land in question. As soon as the water question is settled, the land described will all be claimed by settlers.

The following townships, embracing the Kaiparowits Plateau—T. 36 S., Rs. 2 and 3 E.; T. 37 S., Rs. 3 and 4 E.; T. 38 S., Rs. 3 and 4 E.; T. 39 S., Rs. 4 and 5 E.; T. 40 S., Rs. 5, 6, and 7. E.—afford some of the finest grazing lands in the State, where ordinarily stock can graze all winter.

The following townships, approximately, are all underlain by Colorado-Cretaceous coal, comprised in four veins or beds, the series approximately having a thickness of 50 feet. The coal is of good quality, low in ash, with hardly any sulphur: T. 35 S., Rs. 1 and 2 E.; T. 36 S., Rs. 1, 2, and 3 E. and 1, 2, and 3 W.; T. 37 S., Rs. 1, 2, 3, and 4 E. and 1, 3, and 4 W.; T. 38 S., Rs. 1, 2, 3, and 4 E. and 1, 2, 3, and 4 W.; T. 39 S., Rs. 1, 2, 3, 4, 5, and 6 E. and 1, 3, and 4 W.; T. 40 S., Rs. 1, 2, 3, 4, 5, 6, and 7 E. and 1, 3, 4, and 4½ W.; T. 41 S., Rs. 1, 2, 3, 4, 5, 6, and 7 E. and 1 W.; T. 42 S., Rs. 1, 2, 3, 4, 5, 6, and 7 E. and 1 W.; T. 43 S., Rs. 1, 2, 3, and 4 E. and 1 W.

These coal townships are mostly all good grazing land, and the surface should be sold separate from the mineral contents.

Besides coal, there are also asbestos and copper veins in the country and inexhaustible supplies of gypsum and natural cement rock.

Respectfully,

AUGUSTUS D. FERRON,
United States Deputy Surveyor.

REPORT ON ROUTE FOR RAILWAY FROM MARYSVALE TO KAIBAB FOREST.

Mr. N. Jennings, of Levan, Juab County, Utah, writes me, October 8, 1914, as follows concerning the route for a railroad from Marysvale south to the Kaibab Forest.

Mr. Jennings has traveled over this route several times, and has prospected the country quite thoroughly, and is very familiar with the topography of the country and also its mineral resources. He has traveled over the country by team and on horseback, and is a very practical, reliable citizen. His statement is as follows:

Regarding the route for the proposed railroad from Marysvale south, will state that if same is started from Marysvale there is a natural grade southerly by the Sevier River to the divide, passing Junction and Panguitch. From there the country slopes south to the Buckskin Mountains, but by taking a southeasterly course from Panguitch along the watershed or divide a nearly level route could be followed to the reserve. This latter route would have an unlimited mineral wealth in copper, manganese, coal of several kinds, iron, and other minerals, together with a vast timber belt on the Buckskin Mountains, and also pass near the southwestern part of the Powell National Forest in Utah.

I consider this the best and most practical route to reach said forest reserve, and also to tap the mineral belt above referred to, as it would have practically no divides to cross and would be on a gradual slope the entire distance. This route is both nearer and much more feasible than the route that has been proposed, going northwest from the forest down to St. George, which is very much lower, then up over at least two divides, and connect with the San Pedro at Lund in the western part of the State, and thence northeasterly to Salt Lake.

However, for an outlet from this section to the coast, the proper route would be westward, following down the Rio Virgin to St. Thomas, Nev., and connect with a branch railway already built from that point to Moapa, on the San Pedro.

I have made no surveys in this section, nor have I taken elevations of any of the different places named; but having passed over the country so many times with my team and on horseback, I can see no reason why an excellent route for a railroad can not be secured between these two points, and that a railroad can be cheaply built, and I am positive that the resources of the section that it will cross will make such a road very profitable, aside from the timber in the Kaibab Forest.

When this proposition was first suggested the Commercial Club at Salt Lake City gave its hearty approval and wired me that the plan was not only a good one for Utah, but that it involved the right economic principles since the Government retained ownership of the property. If the Government retains the timber, coal, and the other extensive resources, it is impossible, as the Commercial Club clearly reasoned, to get private capital to build the railroad.

The next development was a series of knocks. A report was sent out that the Forest Service would not recommend the construction of the road. Standpat newspapers who had more regard for traditional connections with standpat political organizations than they seemed to have interest in the community began to show a disposition to knock the enterprise. This situation makes it necessary that the people of Utah get busy and see to it that those who inspire the thought of the Utah newspapers get in line for this bill.

The Forest Service, of course, is not going to make any campaign for any bill, but I can say to those who have read reports to the contrary that the Forest Service has no objection to this enterprise whatever and will throw no stone or hindrance in its way. I have received the following letter from Mr. I. C. Thoresen, the United States surveyor general at Salt Lake City:

DEPARTMENT OF THE INTERIOR,
OFFICE OF UNITED STATES SURVEYOR GENERAL,
Salt Lake City, Utah, October 13, 1914.

Hon. J. W. BRYAN,
House of Representatives, Washington, D. C.

MY DEAR SIR: Your letter of the 30th ultimo received and appreciated. According to my promise in my letter of the 25th ultimo, I inclose herewith two reports of the proposed railroad routes between the Kaibab Forest and Marysvale from men of practical experience and thorough acquaintance with this section of our State.

I also inclose a map of this section, giving the location of said proposed railroad routes, and showing the watersheds and drainage toward the respective river systems. Said map has been compiled from the best and most authentic data within my reach, and has been checked by the gentlemen whose reports are inclosed and who have personal knowledge of this section.

The following statement was published in the Deseret News the 17th instant:

"A Washington dispatch says that sentiment in the House of Representatives is that favorable action will not be taken on the proposition of Federal construction of a railroad into the Kaibab National Forest. The Forest Service, the report says, will not recommend that the Government build the road, but recommend that rates on timber be made so low that private capital will be induced to construct the line."

I have noticed other similar items in said paper; also in the Herald-Republican of this city, both of which papers are more or less dependent for Washington news upon the Utah congressional delegation; hence I am inclined to believe that said delegation is not friendly to the building by the Government of said proposed railway. I am also aware that the railway companies operating in this State are against such a move. I am also indirectly informed that private capital is making investigations relative to the building of a railway over this route. But, as stated in my first letter to you, I hope that your bill will be made law and that the Government itself will construct—and I hope operate—a railway in this State not only for the profit that is in it but also for the moral effect of elevating the standard of railroading in this section.

Wishing you success, I beg to remain,

Yours, very truly, I. C. THORESEN.

P. S.—Map mailed under separate cover.

I. C. T.

The letter contains the following interesting reports:

EXCERPTS OF REPORT OF THE PAHREAH CONSOLIDATED COPPER CO.

This property is located 6 miles south of Pahreah settlement, Kane County, State of Utah, 125 miles south of Marysvale; it is on the east slope of the Buckskin Plateau; good wagon road to property; altitude about 6,000 feet; altitude at Paria River 4,000 feet.

The property consists of 12 full claims, unpatented.

The country rock, or formation, consists of red sandstone and a decomposed porphyry and limerock footwall for the veins, which are highly mineralized, with every space and crevice filled with mineral.

There are three distinct fissure veins following the mineral zone with a northeast and southwest strike, with an easterly dip of about 80 degrees. All three veins are copper ore and will carry a little gold and silver. These veins have been traced over 100 miles along this mineralized zone. It is quite conspicuous, demarking the division between the lime and porphyry and the native red sandstone, and is taken as the mineral guide by the prospectors for that section of the country.

Seven hundred and fifty feet of tunnel driven to cut main vein, cuts vein in tunnel 13 feet wide, that will go from 6 to 15 per cent copper. A 200-foot tunnel on east side cuts a 22-foot vein at 150-foot depth that will average from 10 to 30 per cent copper.

A crosscut tunnel in ore 120 feet on a 13-foot vein, which will go from 6 to 18 per cent copper. About 10,000 tons of ore in sight, which will average 10 per cent.

There are several blow-outs along top of ridge that will average better than 70 per cent copper. I firmly believe the whole mountain will average 6 per cent.

Beyond doubt the fissure veins are the ore mecca, as they were the vents from the great depths for the mineral which was brought up in gases and hot solutions and forced into the contact and other wall spaces. No work has been done under 150 feet of depth.

The ore shows to be continuous at all openings in depth and of a higher grade than above; then why is it not reasonable to suppose

that as valuable mineral exists below as has been taken out above, for the veins all increase in width as you go deeper on them.

Plenty of timber for mining purposes near the property.

Plenty of water in Paria River for mining and smelting purposes; never less than 500 inches and up to 3,000 inches, and more at time of spring thawing.

The mineral zone was first shown to a white man by the name of Shirtz by the Navajo Indians; their old trail crosses the property.

Your company, beyond doubt, have a valuable property, which is located for economic operation and with possibilities of developing a very rich mine at a moderate outlay under competent management. Samples of ore accompany the report.

Respectfully submitted.

JOHN J. HINDES.

REPORT ON RAILWAY ROUTES FROM KAIBAB NATIONAL FOREST.

Mr. E. W. Smith, residing at 274 South Tenth Street, Salt Lake City, Utah, makes the following statement relative to the railway routes from the Kaibab Forest. Mr. Smith is a very practical man with many years' experience in both mining and timber business. At the request of certain eastern lumbermen, with whom he is associated, he made a thorough investigation of the timber of the Kaibab Forest, and also of route for railway from said timber, especially to connect with the Denver & Rio Grande at Marysvale. In this examination he was assisted by Mr. Lang, a practical engineer connected with the Forest Service, and they secured the elevation of various points along said route, as well as studied the topography of the country closely, in order to obtain the most feasible and cheapest route for a railway from said forest to Marysvale.

Mr. Smith's statement is as follows:

"The timber of the Kaibab National Forest I found entirely satisfactory as to quality and quantity. I found the elevation at Bright Angel Point, in the southeastern part of the forest, to be 8,000 feet, and the highest point north of there, on what may be termed as a divide in said forest, 9,000 feet; while at Jacob Lake, in the northern part of the forest, the elevation was 7,500 feet.

"In my opinion the most feasible route for railroad out of said forest would be taking a northeasterly course from Jacob Lake to the northeast point of the forest, thence along the divide between the watersheds of the Paria River on the east and Johnson Creek on the west, in practically a straight course, about 15° west of north along said divide to Panguitch, Utah. No point of this distance would exceed an elevation of 7,500 feet, and would not be lower than 6,500 feet, which is the elevation at Panguitch. The course over this distance would encounter no rough country, and the work would be principally earth grading. From Panguitch the course would follow the West Fork of the Sevier River on a gradual grade, passing Junction with an elevation of 6,000 feet to Marysvale with an elevation of 5,839 feet. In this latter distance the Sevier River would have to be crossed a number of times, but being a small, narrow creek, well defined, with plenty of timber in the vicinity, the said bridging would be perfectly safe and could be cheaply constructed and a gradual grade be maintained.

"The said route from the timber to Marysvale would thus avoid all high divides and tunneling, and would maintain a very direct course; the distance, in our best judgment, is about 125 miles from Marysvale to Jacob Lake.

"Besides the timber of the Kaibab Forest, this route would pass just west of the southeast part of the Powell National Forest of southern Utah, in which, I am informed by good authority, there is an immense quantity of excellent timber and which I intend to explore in the near future. Aside from the timber and the excellent grazing quantities of the section, as well as very fine farming land, I saw much evidence of minerals, especially copper and coal, and I feel quite confident that a railroad constructed over said route would open up many resources, aside from the timber, that would make it one of the best-paying propositions that could be found anywhere in the country.

"I have also examined the route by way of Kanab and St. George to Lund or Modena, on the S. L., L. A. & S. P. R. R., and will state that in my candid opinion said route, for an outlet to the timber from the Kaibab Forest, is not practicable, for the reason that the grade lost in going to St. George, which is 5,000 feet lower than the Jacob Lake, and then the ascent up over the divide through a very rough mountainous country would be very expensive in construction as well as in maintenance, and the distance to the Utah market, as well as markets east, west, and north of Salt Lake, would be considerable farther. This route as regards first cost, maintenance, and distance could not be consistently compared with the route direct to Marysvale.

"However, if an outlet to the west for this timber, and especially for the immense coal deposits of this section, is desired, the same could follow the course of the Rio Virgin via Kanab, St. George, Utah, Bunkerville and St. Thomas, Nev. At the latter place it would connect with a branch of said S. L., L. A. & S. P. R. R., between St. Thomas and Moapa on the main line; but this latter road, in my opinion, would be a matter of the future; but for the present and for a market for the timber the Marysvale route to Utah points and other connections, as first proposed, is the only route that can consistently be considered.

"I have made a recommendation of this route to my associates and to others that have made inquiries of me concerning this matter."

REPORT.

SALT LAKE CITY, UTAH, *September 22, 1914.*

On four manganese mining claims, being Blue Bell, Nos. 1, 2, 3, and 4, situated in Kane County, Utah, about 100 miles south of Marysvale, which is the nearest railroad station at present, but the surveys of railroad proposed pass near these claims. This deposit of manganese covers about 80 acres and crops out nearly all over this area. The ore is practically the same in all parts of this deposit, and 10 or 12 feet down being the depth of explorations to date. Assays give an average of 65 per cent manganese and only a small percentage of silica. The native formation is porphyry and sandstone. Clay or talc is intermixed with the manganese on the surface. I submit herewith a fair sample of the ore.

Good water for domestic use within 1 mile of the property and for power purposes within 10 miles.

This ore can be mined and freighted by team to railroad (Marysvale) for $20 per ton. It is now worth $150 per ton.

The nearest town to the claims is Pahreah, which is 10 miles east of the property. The nearest ranch is 6 miles northeast of the claims.

These four claims are located and recorded, but little development work done.

N. JENNINGS.

Cotton and the South versus Copper and the West.

EXTENSION OF REMARKS

OF

HON. GEORGE J. KINDEL,

OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 21, 1914.

Mr. KINDEL. Mr. Speaker, my remarks on the cotton question will be brief as well as frank and in a friendly spirit toward my colleagues of the South, though I disagree with them most emphatically on the proposition of Government aid to cotton and tobacco growers to the exclusion of all other industries.

I fully realize the hardship and distress that the cotton growers of the South are subjected to as the result of the European war, which has practically destroyed the cotton as well as many other markets.

I sympathize with them as I do with every direct and indirect sufferer of this beastly, murderous, and civilization-destroying war, the baneful influences of which are spreading to all parts of the globe.

If we as legislators are to extend financial aid to sufferers in our country, it must not be to any one section or industry to the disadvantage of another. Incontrovertible justice makes it our urgent duty to equalize; therefore I would have suggested, if the rules had permitted it, an amendment to aid the copper industry, which, like the cotton industry, has suffered to the verge of bankruptcy.

Why should not copper instead of tobacco be listed with cotton for our aid?

Why not give aid to distilleries, whose product, whisky, is a twin to tobacco?

The present commendable and relentless internal war on whisky will soon put whisky and its allies out of business; then what is to become of our "baron" distillers if the Government does not extend to them a helping hand?

The gentleman from Texas [Mr. HENRY], when marshaling his facts in his "cotton-special-rule" plea of yesterday, mentioned, among other items, that the Government in the past has come to the rescue of western States and extended $82,000,000 credit in order that they might have homes and firesides for their families. Why did he not mention what the Government has done for the people of the South in the way of rivers and harbors and internal improvements?

In the West these advanced moneys are paid back directly to the Government, while in the South it is given without even expectation of direct return.

In this administration southern Democracy is unquestionably in the saddle. The House is controlled by 57 chairmen of committees, none of whom reside west of the one hundred and fifth meridian, which embraces 15 great Western States.

The following are the most important 13 committees, namely:

1. Ways and Means.
2. Interstate Commerce.
3. Post Office and Post Roads.
4. Agriculture.
5. Appropriations.
6. Judiciary.
7. Rivers and Harbors.
8. Foreign Affairs.
9. Territories.
10. Insular Affairs.
11. Naval Affairs.
12. Military Affairs.
13. Merchant Marine and Fisheries.

Out of a possible 226 Democratic committeemen on the above committees, the West, west of the hundredth meridian, has but 1 committeeman.

To think of it, only one Democratic member on these important committees in the West, which is the gentleman from California [Mr. KETTNER], on the Rivers and Harbors Committee.

This discrimination against western representation on the above important committees in part explains why we of the West are subjected to the most outrageous freight, express, and parcel-post discriminations.

Why should we in the West pay from 100 to 300 per cent higher freight rates per ton per mile than our brothers in the East or South?

Why should we in the West pay 23 cents per unit per hundred pounds on express rates while our eastern brothers pay but 10 cents per unit?

Why should we in the West pay from 50 to 150 per cent higher parcel-post rates than mail-order houses can ship in for on the same train?

At present there is a vacancy on the Interstate Commerce Committee. I, who was elected by 5,000 more votes than any

of my Democratic colleagues, applied for this committeeship, but was flatly denied the place, because, as it was claimed, this place is reserved for *another gentleman Member from the South.*

Is this fair? Is this justice to the Democratic West?

Why not practice the golden rule and extend a helping hand to the West as well as to ask one now *exclusively* for the South?

Why not treat copper, a western product, as you would cotton, a southern product? Why discriminate in favor of tobacco as against copper?

Copper will keep and is not subject to fire or corrosion, while tobacco and cotton are subject to deterioration by weather and fire. Therefore neither cotton nor tobacco would be as good Government security as copper. Hence I contend that copper and the West ought to be given at least an equal chance with cotton, tobacco, and the South.

On Adoption of Conference Report on Antitrust Bill.

EXTENSION OF REMARKS

OF

HON. HENRY D. FLOOD,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 7, 1914,

On the conference report on the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. FLOOD of Virginia. Mr. Speaker, through the kindness of some one in sending me a record of my recorded votes in the House, I find that on June 5 I am not recorded as having voted on H. R. 15657 and H. R. 15686, whereas I was present in the House on that day and voted for the passage of both of those bills. I was not aware of the fact that in the RECORD I was so recorded until a short while ago. For the purpose of correcting the RECORD I make this statement.

The Philippine Islands.

EXTENSION OF REMARKS

OF

HON. CHARLES H. SLOAN,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 16, 1914,

On the bill (H. R. 18459) to declare the purpose of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for the Philippine Islands.

Mr. SLOAN. Mr. Speaker, the most serious objection to the proposed legislation is the fact of its existence and its being pressed at this particular time.

With a large part of the civilized world engaged in the most gigantic martial struggle known to history; and those nations with countless and intricate interests touching in one way or another the various peoples of the globe, and with the high tension of feeling now animating every cabinet, parliament, and people, the time is inopportune to call for any declaration of intention as to what the future course of this country may be.

The policy of this country, so far as the party now out of power and under whom the islands were taken, needs no reiteration. The Philippines have been assured the full measure of representative government up to which they can measure as time proceeds, and the measure of government accorded to them is wisely left to themselves to be wrought out by their own progress and genius.

When in the course of time the people of the Philippine Islands shall have advanced and coordinated their progress one with the other, and have developed along material lines so that they can assume independence and thereafter maintain it, I believe it to be the policy of the American people to extend it to them.

But with war being waged in the Philippine quarter of the globe, and with events now fast ripening with probable large and numerous changes to be made in the map of the world, and every part of it, except the American Continent, it is indeed ill-advised, in the interest of the Philippines and the Americans, to be making the very loose and uncertain preamble statement involved in this legislation.

If, as it seems clear from the debate which has taken place, that several of the leading peoples of those islands, involving millions in the aggregate, are opposed to Filipino rule at this time or in the immediate future, it is not out of the range of strong possibilities that those peoples not in accord with the Filipinos will attempt to aid grasping nations in their greed for all or part of the territory included in this rich archipelago.

Mr. Speaker, it would be much better for this Government to explain, as it does in certain features of this bill, new rights, privileges, and prerogatives of the Filipino people, and repress the vague and uncertain promises involved in the preamble of this bill.

Cotton Situation Brought About by the European War.

EXTENSION OF REMARKS

OF

HON. FRANK PARK,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 21, 1914.

Mr. PARK. Mr. Speaker, a section of this country 400 miles wide by 1,500 miles long has been set apart by Him who established all things to produce material with which to clothe mankind.

Thirty millions of people dwell in this land, and in accordance with our Creator's will they have planted and tilled and harvested by patient labor over 7,000,000,000 pounds of cotton at a cost of production of $600,000,000.

The farmer who produced it, the merchant and banker and manufacturer who supplied him, are at the mercy of a declining market, gripped in conditions not foreseen and produced by circumstances beyond control.

A few may profit; multitudes will suffer. The poor will be hungry, cold, and suffer privation.

The farmer, the merchant, the banker, who have saved a competency, but have risked all in the cotton industry, are to see their life's work swept away when too late to renew the struggle.

From best information this is the condition: A low market has reduced selling prices below cost of production; the farmer can not pay the merchant and banker, the merchant can not pay the manufacturer, the banker and manufacturer can not pay the larger supply banks.

Commercial ruin stares hard into the face of the lately prosperous cotton States, with all the attendant train of suffering, reckless conduct, crime, and misery.

The cotton States have learned to produce the staple abundantly. They have neglected food crops, and have looked to the West for food supply.

The West temporarily can dispense with the cotton States trade, having a richer market at present in war-distressed Europe; they see no present pressing reason to assist the habitual consumer of their crops.

The Eastern manufacturer will not buy, because he waits for lower prices, and cold business says "wait."

Apparently there is no force outside the United States to help, and seemingly none at present for other sections of the United States. There is no help outside or inside the United States unless the Government shall devise a plan.

By a bill I asked that the 10 per cent penalty on State banks be suspended for a while, to permit the States to help themselves, but the suspension of this tax seems not to meet with favor. Various bills have been offered; none meet with favor. What must the cotton States do? I feel that Members of Congress, if duly impressed by the real danger, will enact remedial legislation. If relief be legal, we want it and need it now.

What objection can be urged to State currency that will be retired as the cotton goes to manufacturers and foreign ports?

If it be "wildcat currency," as some say, they do not have to take it in exchange for what they have to sell.

One hundred dollars issued by State banks as emergency currency will pay many debts and finally return to the bank that issued it.

It can not injure the national credit. It is not national currency, but intended to forestall imminent ruin. Its strength is founded on the faith in cotton of those who use it.

The situation appears to one who lives in the cotton States as if there is no willingness in other sections to lend a helping hand. This may be unjust to those sections who view the situation from a different angle. One secure on the bank of a turbulent stream sees the frantic efforts and hears the cries for help of one about to perish in the stream from a different angle. The one is struggling for life, the other is sympathetic, but not enough to risk to save him. A picture shapes itself on my vision and appeals to me.

The southern ox, full-blooded, heavy muscled, has toiled beneath the sun with neck bent to the heavy yoke, has made the crop and drawn it to the barn built of timbers he dragged from the forest; is now inside the stockade constructed of material which his strength hauled for the purpose.

Now, the big barn is locked against him by hands he has served, and the stockade is barred by the 10 per cent penalty on State banks for issue of currency. His blood is paling, his muscles weakening, he suffers; and it will take the strong arms and back of the Nation to put him on his feet.

The Nation will suffer because he suffers. The gold reserve will lessen. This is a national as well as cotton States' problem. The cotton States suffer first and longest. We are muzzling the southern ox. We should not muzzle the ox that treads the corn.

Mr. Speaker, in event no legislation is enacted for relief, I offer a remedy and a plan put in operation in Screven County, Ga., that has worked well.

CITIZENS & SCREVEN COUNTY BANK,
Sylvania, Ga., October 17, 1914.

HON. FRANK PARK,
House of Representatives, Washington, D. C.

MY DEAR SIR: I appreciate very much your kindness in reminding me of the proposed publication of the Screven County plan for cotton-crop relief in the CONGRESSIONAL RECORD. I feel assured that this wide publicity will be productive of great good, as upon the universality of the use of this plan depends much of its success. Were it absolutely universal throughout the cotton States, the price of cotton would be fixed at the loan value of the warehouse receipts exchangeable for the cotton certificates.

You are undoubtedly working on the right line, and I sincerely trust your efforts will meet with the success they deserve.

Our plan is working admirably in Screven County, using, as you know, a warehouse company in the place and stead of the clearing house. With kindest regards, I am,

Yours, very truly,

W. J. WALKER, *President.*

THE SCREVEN COUNTY, GA., PLAN TO PROTECT ITS 1914 COTTON CROP.

THE PLAN.

It is proposed that each county in the cotton States shall immediately form a warehouse company where such county contains two or more banks which are willing to cooperate in this plan. This company should be a general partnership, unincorporated, composed of at least 12 of the most representative business men of the county, whose integrity is unquestionable. This will insure at the outset a healthy credit for the company and will cause its securities to pass current at par wherever the men composing the warehouse company are known.

Immediately after organization each company shall select an approval committee vested with authority to pass upon collaterals and property to be used as hereinafter set out, which approval committee shall promptly select for said company some representative official—suggested in Georgia as the ordinary of the county—as trustee, with duties as hereinafter set out. After the selection of such trustee the approval committee of the company shall designate such warehouses in their several counties as they shall deem best as storage warehouses for members of said company, selecting only such warehouses as shall be eligible to full fire insurance for cotton stored therein. When all the proper arrangements for the storage of cotton and the insurance thereof shall have been made and the trustee for such company selected, each company shall be entitled to issue cotton certificate or cotton bond upon the following basis and plan, to wit:

There shall be delivered to the trustee in blank a sufficient amount of lithographed or printed certificates to supply the company, in the tentative form submitted herewith, which said certificates when countersigned by the trustee and the treasurer of the company shall be accepted by those indorsing the plan as legal tender at their face value.

HOW CERTIFICATES ARE ISSUED.

When any owner of cotton shall wish certificates issued, such party shall offer to the approval committee of the warehouse company satisfactory collateral attached to his promissory note, or other evidence of indebtedness, on the basis of 7 cents per pound for middling cotton for the amount of certificates desired, whereupon if said collateral shall satisfy a majority of the approval committee evidence of such satisfaction shall be given to the trustee and the said collateral deposited with him, attached to said owner's note payable to said warehouse company, with interest at the rate of 7 per cent per annum due on the date of redemption of certificates issued against such security. When this shall have been done, the said trustee shall countersign a corresponding amount of cotton certificates or cotton bonds in such denominations as are requested by the owner applying, and such owner shall then be entitled to the use of said certificates as legal tender as aforesaid, it being only necessary for such certificates to be signed also by the treasurer of the company.

When the approval committee of the warehouse company shall select storage warehouses, such warehouses shall proceed to have printed or prepared a form of receipt for cotton, to be issued to each person, firm, or corporation storing cotton in said warehouse, which receipt shall show the number of bales stored, the name of the owner of such cotton, the number of pounds in each bale, and the grade of each bale so stored, and which shall also certify that each of said bales is fully protected by fire insurance in a company acceptable to the approval committee. Attached to said receipt shall be a certificate from the agent of such insurance company showing that the cotton so stored is fully protected, and, where it is possible to do so, the policy of insurance shall also be attached or deposited with the trustee. When such receipt and evidence of insurance shall be presented to the approval committee of the company, the warehouse company shall indorse such receipt, through its approval committee, and place a valuation upon the cotton represented by such receipt at the rate of 7 cents per pound for middling, and thereupon the trustee shall be authorized to issue a corresponding amount of cotton certificates or cotton bonds to the amount shown as the value of the cotton represented by the receipt at the said value of 7 cens per pound for middling cotton, in bales.

When any owner of cotton against which certificates have been issued desires to redeem his receipt pledged with said trustee, he shall be entitled to do so upon the surrender of a corresponding amount of cotton certificates with costs of insurance and storage, etc., to the trustee.

The trustee should be paid a reasonable sum for his services.

THE PROTECTION AFFORDED.

There should be a warehouseman for each company, to have physical charge of the cotton and warehouses. He should be placed under a sufficient bond, the condition of which should be to produce the cotton, of the grade he certifies it to be, when called upon to insure the cotton, and see that it is always fully insured and that it is well protected from the weather.

As security the holder of any cotton certificate or cotton bond will have the legal title to the cotton stored in the warehouse. He will be insured that it is properly graded, stored, and insured by a warehouseman under good and sufficient bond, with solvent security. The value of the certificate will be guaranteed by the farmer (owner of cotton). It will be indorsed by 12 or more solvent business men of the county where the warehouse is located. The certificates will be conveniently subdivided. They automatically go out as circulating medium as cotton comes in and are automatically retired as cotton goes out for sale. The title will be investigated and certified to by the approval committee of the company. The certificate or cotton bond will bear 6 per cent interest from the date of its issue to its redemption, and may run 6 or 12 months.

GENERALLY.

It is suggested that inasmuch as the cotton is stored from time to time with the warehouse company and not all within one month, the cotton certificates or cotton bonds should have their maturities fixed at intervals of 30 days apart, in even lots of thousands or multiples of thousand dollars, beginning not earlier than April 1, 1915, and then following May 1, June 1, etc. This will make their redemption less burdensome and not cause the cotton to be forced on the market in large quantities.

FORM OF COTTON CERTIFICATE USED IN SCREVEN COUNTY, GA.

Consolidated Warehouse Co., Sylvania, Ga.

No. ———. No. ———.

This certifies that there has been deposited with the Hon. J. C. Overstreet, ordinary of Screven County, Ga., as trustee for the said Consolidated Warehouse Co., approved warehouse receipts attached to farmers' notes on the basis of 7 cents per pound for middling upland cotton, to secure to the bearer hereof the payment by the said Consolidated Warehouse Co. of the sum of $1 (or $5 or $10) in lawful money of the United States of America, payable six months after October 1, 1914, with interest from October 1, 1914, at the rate of 6 per cent per annum. The cotton securing this certificate is insured against loss by fire at the rate of $45 per bale, and the receipt representing same is issued by a bonded warehouseman. Certificates payable at Citizens and Screven County Bank or Sylvania Banking Co., Sylvania, Ga., on April 1, 1915.

JACK C. REDDICK,
Treasurer Consolidated Warehouse Co.
J. C. OVERSTREET,
Ordinary, Screven County, Ga.

[Reverse side.]

This cotton certificate will be accepted on deposit by the banks named below and checks against same paid in like funds, at the option of the bank; it will also be accepted at par in payment of any obligations due said banks, to wit, Citizens and Screven County Bank, Sylvania Banking Co., W. J. Walker & Co., bankers.

This certificate, being fully secured and payable to bearer with interest, will also be accepted at par by the following merchants in $1 payment of any obligations due them, and may be freely used by any other merchant or individual in the same manner: All merchants in Sylvania, Ga.; all merchants in Newington, Ga.; Sylvania & Girard Railroad Co.; Farmers' Oil & Fertilizer Co.; Screven Telephone Co.; Telephone Publishing Co.; W. A. Mallory & Bro.; J. T. Averitt; L. P. Pearson & Son; A. R. Roberts; J. L. Limerick; C. C. Limerick Co.; M. L. Parker; J. C. Dixon; U. A. Zeigler; A. D. Lewis; H. B. Walker & Co.; H. & J. C. Reddick.

The following is a copy of the original contract or articles of copartnership entered into by the parties in Screven County, Ga., organizing the Consolidated Warehouse Co.:

GEORGIA, SCREVEN COUNTY.

This contract and agreement made and entered into on this, September 17, 1914, between J. H. Evans, W. P. Williams, H. S. White, W. J. Walker, J. T. Walker, S. F. Cooper, J. A. Mills, J. C. Reddick, J. E. Hart, S. J. Newton, all of said State and county.

Witnesseth: That the parties hereto have this day formed a general partnership, to be conducted in the city of Sylvania, said State and county, on the following terms and conditions:

ARTICLE 1.

The name and style under which said partnership business shall be conducted shall be "Consolidated Warehouse Co."

ARTICLE 2.

The general nature of the business intended to be transacted by the said partnership is that of receiving and keeping on storage cotton in bales, insuring the same, charging storage and insurance therefor, issuing receipts therefor, grading and weighing said cotton, and issuing certificates for the value of said cotton not to exceed a valuation of 7 cents per pound, basis middling, as hereinafter explained.

ARTICLE 3.

Said partnership shall commence on this date, and shall terminate 12 months from this date.

ARTICLE 4.

The place of business shall be in Sylvania, Screven County, Ga.

ARTICLE 5.

The profits of said business and losses of said business, if any, shall be borne by the parties hereto equally.

ARTICLE 6.

Each party hereto, who owns a warehouse in the city of Sylvania, said State and county, hereby turns same over to the warehouse company, and agrees that same becomes a part thereof, and obligates that he will not receive on storage any cotton in said warehouse other than as herein provided, at the rates herein provided.

ARTICLE 7.

Said warehouse company shall receive on deposit and for storage any and all cotton that may be presented to it which is merchantable and which the owner can deliver free from any lien or encumbrances, and which the owner has good title thereto. Same shall be received and kept on storage for 12 months, or shorter period of time, as the owner and warehouse company agree, but in no event for a longer period than 12 months. Said cotton so received shall be securely and safely kept, protected from the weather, from the time received on deposit, and shall be insured at the rate of 9 cents per pound so long as insurance companies will insure same at that valuation, and thereafter insure at the best price obtainable, with the privilege, if said cotton be destroyed by fire, other cotton of similar grades shall be substituted therefor if the warehouse company prefers. For such storage and insurance the said warehouse company and all the members thereof and the parties hereto shall charge the following rates, which shall be uniform, to wit: Fifty cents for the first month; 25 cents for each month thereafter on each bale so stored, payable when said cotton is finally sold or redelivered to the owner.

ARTICLE 8.

There shall be a general manager of said warehouse company, who shall be an expert cotton grader and classifier, to be paid such salary as may be agreed upon by him and with the approval of the committee hereinafter named and provided for, which salary shall be paid out of the profits of said company, i. e., moneys received for storage of cotton. He shall receive cotton for said warehouse company at one place only, to wit, on the public square, in the open park, just north of the Confederate Monument in the city of Sylvania. There he shall weigh and grade, mark same with a tag, and shall personally see that the cotton so received is deposited in one of the warehouses of the parties to this contract, which warehouse shall be under his, said general manager's, exclusive control and direction. Said general manager shall be under bond, with good and solvent sureties, in a sum not less than $5,000, the conditions of which shall be to faithfully and accurately account and deliver to the parties hereto, on demand, all cotton evidenced by receipts issued by him and all moneys and other property coming into his possession as said general manager.

ARTICLE 9.

Said general manager shall keep an accurate record of each bale of cotton received, from whom received, when received, the grade and weight, and place upon each bale a tag or mark of identification so that each bale of cotton can be readily and easily located. He shall issue, in duplicate, receipts bearing his own signature for each bale of cotton so received, which shall show the name of the owner of each bale, the date delivered to the warehouse, the weight, the grade, and the identifying mark placed thereon. Said receipt shall be issued in duplicate, shall each bear a number—the same number—and shall be issued in serial numbers. One of said receipts—the original—shall be delivered to the party delivering the cotton to the warehouse and the duplicate shall be retained by the general manager.

ARTICLE 10.

Said warehouse company shall issue its promissory notes, due six months after date, payable to the bearer, with interest at the rate of 6 per cent per annum from date, for cotton receipts, as provided in article 9 hereof, based on a valuation of 7 cents per pound, basis middling, in the following manner: Such notes or certificates shall be lithographed and in various denominations, from $1 to $20. They shall be delivered in blank, unsigned, to the ordinary of Screven County, Ga., who is hereby made trustee for the issuance of such certificates and for their safekeeping. When an owner of cotton desires to have certificates issued therefor, he shall apply to the Citizens' and Screven County Bank or the Sylvania Banking Co., or any member of said warehouse company, and surrender to them the cotton receipts that have been issued to him. He shall, in addition, give his promissory note to said warehouse company, due, likewise, six months after date, with interest from October 1, 1914, at the rate of 6 per cent per annum, and transfer said receipt to said company as security for said note. His note shall be for the amount he desires certificates to be issued. Thereupon said warehouse company shall deliver said note and cotton receipt to said trustee, who thereupon shall be authorized to sign and issue such certificates, in the name of said warehouse association, as are herein provided for, and said trustee shall retain the said note of the owner of said cotton and his cotton receipt so long as the certificates therefor remain outstanding. Such certificates shall be countersigned by the treasurer of the company, who shall satisfy himself that the note and cotton receipt are actually in the hands of the ordinary at the time of issuance of such certificates.

ARTICLE 11.

There shall be an approval committee for said warehouse company, whose duty it shall be, before any certificates or warehouse notes for cotton issued, to investigate and determine that the party who desires to have the certificates issued is the true owner of such cotton; that it is unencumbered and free from all liens; that it is merchantable and of the grade and weight shown by his receipt. Said committee shall report in writing to said trustee the result of their investigation before said trustee is authorized to issue said certificates. It is agreed that said approval committee shall be composed of W. J. Walker, S. F. Cooper, and J. H. Evans, subject to change that may be at any time made by a majority of the parties hereto.

ARTICLE 12.

The parties hereto each obligates to receive such warehouse certificates or notes in their respective business at par, before maturity, at any time in payment of debts due them or in exchange for merchandise or other articles they may have for sale, without condition or limitation, and pledge themselves to induce others to do likewise.

ARTICLE 13.

It shall be the duty of said general manager to see that all cotton or storage is properly insured and properly protected from fire.

ARTICLE 14.

For the purpose of convenience of handling the affairs of the company, J. H. Evans is hereby denominated president, as chief executive officer; S. J. Newton, as secretary, to look after correspondence; and J. C. Reddick, as treasurer, to sign the notes or certificates with the said trustee and to safely keep and account for all the funds of the company; but such persons so denominated are to have no authority except as given herein.

ARTICLE 15.

When the owner of the cotton stored desires to pay his promissory note and secure possession of his warehouse receipt, he shall apply to the approval committee of said company, and the trustee shall redeliver to said approval committee, and to it only, the note of the owner of the cotton and the warehouse receipt, and said approval committee shall surrender to said trustee an equal amount of certificates therefor, and same shall thereupon be immediately canceled by said trustee and safely filed away.

ARTICLE 16.

Each owner of warehouses shall pay the premiums of fire insurance and collect the storage on all cotton stored under the rules of this company.

ARTICLE 17.

The expenses of operation of this company shall be borne by assessment on the owners of the warehouses, which assessment shall be made by the approval committee, according to and in proportion to the number of bales stored by each of them.

ARTICLE 18.

No cotton deposited in said warehouses shall be surrendered unless storage and insurance charged for three months are paid.

In witness whereof, the parties hereto have hereunto set their hands, affixed their seals, and delivered these presents in triplicate, either of which copies may be treated as the original, on the day and year first herein written.

J. H. EVANS.	[L. S.]	J. T. WALKER.	[L. S.]
W. P. WILLIAMS.	[L. S.]	J. A. MILLS.	[L. S.]
W. J. WALKER.	[L. S.]	J. C. REDDICK.	[L. S.]
S. F. COOPER.	[L. S.]	S. J. NEWTON.	[L. S.]
H. S. WHITE.	[L. S.]	J. E. HART.	[L. S.]

Signed, sealed, and delivered in the presence of:

———— ————.

———— ————.

—

GEORGIA, SCREVEN COUNTY.

Whereas the organization of a warehouse company in Sylvania, upon the plans outlined in the attached agreement, will be of great benefits to the banks of Sylvania in the collection of indebtedness due them.

Now, therefore, in order to induce the organization of such company, and in consideration of the benefits that will flow to said banks from such company, it is hereby agreed by the Sylvania Banking Co. and the Citizens' & Screven County Bank, of Sylvania, Ga., that the warehouse certificates or notes, provided for in the attached agreement, will be received by said banks on general deposit at par before maturity or after maturity, but that checks drawn against same so deposited shall only likewise be payable in such certificates, and shall be accepted at par in payment of any indebtedness due any of said banks.

This agreement is made pursuant to a resolution regularly adopted by the directors of each bank.

This September 17, 1914.

SYLVANIA BANKING CO.,
By J. H. EVANS.

Attest:

W. S. WILLIAMSON.

CITIZENS' & SCREVEN COUNTY BANK,
By W. J. WALKER, *President.*

Attest:

G. P. PEARSON, *Assistant Cashier.*

Signed in the presence of—
C. A. STEWART.

—

GEORGIA, SCREVEN COUNTY.

I, J. C. Scott, do hereby accept employment from the Consolidated Warehouse Co., of Sylvania, Ga., as general manager and agree that my duties shall be as specified in the foregoing contract, which I have carefully read, and I obligate to faithfully perform the duties therein required and specified for such general manager.

I understand that my term of employment shall be for six months from the 19th day of September, 1914, and that my salary shall be $100 per month, payable at the end of each month of my service. I consent to give the bond required of me in the within agreement.

Witness my hand and seal, September 18, 1914.

JOHN C. SCOTT. (L. S.)

Signed in the presence of—
V. B. NEWTON.

The Consolidated Warehouse Co., of Sylvania, Ga., hereby employs J. C. Scott as its general manager, as above set out, for the term stated and the salary stated, he to perform the duties specified in the foregoing agreement and to furnish the bond required of such general manager.

This September 18, 1914.

CONSOLIDATED WAREHOUSE CO.,
By J. H. EVANS.
W. J. WALKER,
S. F. COOPER,
Approval Committee.

Signed in the presence of—

———— ————.

—

GEORGIA, SCREVEN COUNTY:

I, J. C. Overstreet, have read the within contract and articles of agreement organizing the Consolidated Warehouse Co., of Sylvania, Ga., and I agree to act as trustee for the issuance and safe-keeping of the

certificates of said warehouse company, as therein provided, and to be bound by the rules and conditions stated therein, and not to vary from them in any manner.

This, September 18, 1914.

J. C. OVERSTREET,
Ordinary, Screven County, Ga.

The question has arisen in the minds of some as to whether or not these cotton certificates are subject to the Federal tax of 10 per cent under the acts of Congress, and appended hereto is an opinion of Garrard & Gazan, attorneys at law, of Savannah, Ga., upon this question.

In re: Certificates—Consolidated Warehouse, Sylvania, Ga.

SAVANNAH, GA., *October 2, 1914.*

Mr. JACOB S. COLLINS,
President National Bank of Savannah,
Savannah, Ga.

DEAR SIR: You have submitted to us letter from Messrs. White & Lovett, of Sylvania, to you, dated September 24, and also the documents which they turned over to you at the same time covering the articles of agreement and copartnership of J. H. Evans et al., showing the formation of a general partnership known as the Consolidated Warehouse Co., also the form of receipt given by the Consolidated Warehouse Co. for cotton delivered to it, and also copy of certificate issued by said company.

This letter from Messrs. White & Lovett desires to know if you will accept these certificates as collateral security for loans which you have to banks in Sylvania.

We have examined very carefully the papers submitted to us, and we find that the contract of agreement and partnership between J. H. Evans et al. is exceedingly well drawn, and this, together with the other documents submitted to us, show conclusively to our minds that this concern—Consolidated Warehouse Co.—is organized upon a good business basis, and its obligations are entitled to credit; that is to say, for value as per their face.

As to the issuance of these certificates, there can be no danger, so far as the trustee is concerned, for Mr. Overstreet is well known as being a man of high integrity, therefore he would not issue a certificate unless it was fully warranted.

As to Mr. J. C. Scott, who is stated to be the party who weighs and grades all cotton received by the company, we are not prepared to agree as to whether he is an expert from the statements made to us by several factors in Savannah; but whether he is so or not, if he misjudges the grade of cotton in a given instance so that the company lends 7 cents per pound upon the same as middling and it should turn out to be low middling or some lower grade, the loss would fall upon the warehouse company, which is bound by its certificates, whether its cotton is properly graded or not.

We are therefore of the opinion that these certificates, secured as they are by cotton insured in a warehouse, they appear to be, and no doubt are, good for their face value.

But another question arises and of considerable importance, namely, whether or not your bank by receiving these certificates as collateral security and holding them as such and not using the same or paying them out and in no wise aiding in their circulation is liable to the United States Government for the tax of 10 per cent under the act of February 8, 1875, chapter 36, sections 19, 20, and 21, touching tax on circulation by persons, firms, or banks other than national banks.

After carefully considering this matter and examining the statute and authorities under it we are satisfied that no liability can attach to your bank for simply holding these certificates as collateral security. Whether they are intended to be used for circulation or not, they will not be paid out by you in the process of such circulation.

Now, as to whether the Consolidated Warehouse Co. is liable for such tax of 10 per cent is a question not strictly germane to the province of this opinion, and yet we understand from Mr. White in submitting this matter to us that he would like to have our views on the subject.

Section 19 of this act of Congress of February 8, 1875, is in these words:

"That every person, firm, association other than national bank associations, and every corporation, State bank, or State banking association shall pay a tax of 10 per cent of the amount of their own notes used for circulation and paid out by them."

This section under all of the decisions relates to persons, firms, corporations, or State banks that put forth a circulating medium. In other words, it relates only to the issuer of such, the language of the act being "used for circulation and paid out by them."

The other section, touching tax on banks who pay them out or aid in the circulation of such demand notes, is section 20 of the act, and is as follows:

"That every such person, firm, corporation, association, State bank, or State banking association, and also every national banking association shall pay a like tax of 10 per cent on the amount of the notes of any person, firm, association other than national banking associations, or any corporation, State bank, or State banking association, or of any town, city, or municipal corporation, used for circulation and paid out by them."

There have been several decisions under section 19 which we shall refer to. Several of these decisions decided that the notes put out by the concern and payable in goods, not in money, do not meet the requirements of the statute, and therefore the tax does not lie.

For example, in a case in the Sixteenth Federal Reporter, page 370, the obligation was to pay the bearer 5 cents "in goods at our store," which simply gave the holder the right to exchange this obligation for goods.

So in a case in One hundred and eleventh United States, page 62, the Supreme Court held that an order issued by the Zion's Cooperative Mercantile Institute to pay the bearer $5 in merchandise at retail was not in purview of the statute, and no tax could be imposed.

So that it is clearly decided that the notes or circulating obligations must be payable in the money of the United States.

Now, when we come to examine cases relating to obligations payable in money we find as follows:

In the case of the United States *v.* Warrick (25 Fed. Rep., p. 138) Judge Bradley held in the Circuit Court of New Jersey that an obligation of Warrick & Stranger reciting that "five years after date we promise to pay the bearer at our store in Glassboro, N. J., 5 cents in lawful money of the United States, for value received," and reciting that this promissory note "will be taken by us at or before maturity for the amount named in payment of any debt due us," was an instrument condemned by the statute, and therefore tax was properly enforceable, the note in question being practically one payable on demand.

So, in Third Woods Reporter, page 553, the obligation under consideration was that of a savings bank in Mobile, Ala., which issued it, promising to pay to bearer $2 on return of this voucher, and notes were issued in the denomination of $1, $2, $3, $5, $10, $20, $50, etc., and the circuit court held that this was clearly in contravention of the statute, and that the tax was due and payable on the same at 10 per cent.

We come now to another class of cases, which more nearly apply to the certificates in question, to wit:

In the Nineteenth Federal Reporter, page 401, is the case of Philadelphia & Reading R. R. Co. *v.* Pollock, a decision made under section 19 of the act of 1875.

In that case the Philadelphia & Reading Railroad Co. issued a lot of wages certificates in the following form:

THE PHILADELPHIA & READING RAILROAD CO.

(Wages certificate.)

No. ———. PHILADELPHIA, *December —, 1878.*

The Philadelphia & Reading Railroad Co. promises to pay to the bearer hereof the sum of ——— dollars, on the ——— day of ———, 1879, with interest from date, without defalcation, for value received. This note is issued for wages due by the Philadelphia & Reading Railroad Co., and will be received either before or at its maturity for the amount due thereon in payment of freight or toll bills of the Philadelphia & Reading Railroad Co., for coal bills of the Philadelphia & Reading Coal & Iron Co., or any other debts due to either of said companies.

F. B. GOWEN, *President.*
S. BRADFORD, *Treasurer.*

This was a bill in equity whose object was to enjoin Pollock, collector of internal revenues, from endeavoring to enforce payment of the 10 per cent tax on the Philadelphia & Reading Railroad Co.

The lawyers for the railroad company contended that these were simply interest-bearing promissory notes, payable at a fixed time, resembling somewhat warrants issued by municipalities, and differing from obligations which circulate as money in that the latter are payable on demand.

The court in delivering its opinion held that the 10 per cent tax did not apply to these certificates, and enjoined the collector from proceeding.

On page 404 the court notes that these obligations are to pay the bearer a certain sum on some future day, with interest, and that when they were paid they were canceled and not reissued. They were therefore not used for circulation by the company who issued them, and they were only evidence of indebtedness by the company to other parties.

It seems that they were afterwards used by the parties who received them in payment of their own debts, etc., and this did not mitigate against the company issuing them.

Now, it is to be noted by the articles of agreement in the matter before us, these certificates of the Consolidated Warehouse Co., by article 15, when paid, are thereupon immediately canceled by the trustees and safely filed away, and are in no event to be reissued.

It is to be further noted that there is no reason upon the face of the certificate, as there is in some of the cases we have cited, why the issuer puts them forth to be used as circulation.

It can be of no moment to the Consolidated Warehouse Co. whether the farmer borrows $35 on a bale of cotton, takes a certificate bearing 6 per cent interest for the whole sum or for said sum cut up in smaller amounts. What the farmer does with them after he gets them can not possibly be a matter for consideration of the Consolidated Warehouse Co. He does not buy any goods from the warehouse company with them, except to pay his debt.

This last-named case was decided upon a ruling of the United States Supreme Court in the case of the United States *v.* Wilson (105 U. S., p. 620), where certificates were in the following form:

"No. 3491.

"ST. LOUIS & SOUTHEASTERN RAILWAY CO.

"Certificate of indebtedness, good for $20, to H. W. Gardener, paymaster, or bearer, payable at the office of the treasurer, St. Louis, Mo., four months after date, with interest at the rate of 10 per cent per annum. Good only when countersigned by the paymaster of the company.

"J. F. ALEXANDER, *Treasurer.*

"I. P. HAINES, *Auditor.*
(On margin) "Countersigned,

"H. W. GARDENER, *Paymaster.*

"148. $20.
"Due December 6, 1874.
"Twenty-five per cent of freight bills due the company may be paid in these certificates at their face value before maturity thereof."

It will be noted that this last-named certificate was payable at a time after date, bearing interest, and was issued by the railroad company, evidently during the panic of 1873–74, for labor, supplies, and machinery furnished the company.

It could be of no consequence to the railroad company in this last-named case what was done with the certificates. It certainly was of no benefit to it that they should be circulated around and pass from hand to hand. The railroad company did not have the money to pay the laborers, and for supplies or material, but they could give the certificate, payable four months after date, bearing 10 per cent interest per annum, and pay same, no doubt, when due.

In the matter of the Consolidated Warehouse Co. before us we take it that the farmer who gets these certificates desires them issued in small amounts, no doubt because he believes that he can prevail upon other people to take these certificates, bearing interest and well secured as obligations, good for their face value, at the same time being an investment for six months at a fairly profitable rate of interest for a secured indebtedness.

The warehouse company on account of the scarcity of money at this time, by reason of the war conditions, can only accommodate the farmers by delivering to them its secured certificates, and the farmers are willing to take them.

It does not seem to us, under the decision of the Supreme Court quoted above from the One hundred and sixth United States, and under that quoted from the Nineteenth Federal Reporter, that these certificates come under the category condemned under the act of 1875 as against the issuer.

We are clear that no tax of 10 per cent would be imposed upon your bank in taking them as collateral security.

The Supreme Court of the United States in One hundred and first United States, page 6, held that this statute was intended to destroy the use of obligations other than national-bank notes, and therefore

under section 20 of the act it is "the banker who helps to keep up the use by paying them out; that is, employing them as the equivalent of money in discharging his obligations, who is taxed for what he does."

We are sending a copy of this opinion to Messrs. White & Lovett, at Sylvania, Ga., inclosing back to them the papers which they handed us.

Very truly, yours,

GARRARD & GAZAN.

Copy to Messrs. White & Lovett, attorneys at law, Sylvania, Ga.

In conclusion I wish to say that I have witnessed and borne part of the privation of the southern people succeeding the War between the States. It dwarfed the country and its blooming prosperity. It would seem that I must witness it in no less stringent form again, and for how long I can not foretell; but very long, I fear.

The Southern States have been "hell-hacked" by conditions since the war, of which other sections have not the faintest idea. They will suffer again without fault of theirs; but they will come forth from the struggle with clear eyes and firm purpose to put Dixie where she belongs in the Union—in front rank, if battle scarred.

Speaker Clark's Letter.

EXTENSION OF REMARKS

OF

HON. EDWARD W. TOWNSEND,

OF NEW JERSEY,

IN THE HOUSE OF REPRESENTATIVES,

Friday, October 16, 1914.

Mr. TOWNSEND. Mr. Speaker, I avail myself of the privilege extended to me to print in the RECORD the following interesting letter written by Mr. Speaker CLARK to one of his constituents.

The letter is as follows:

SPEAKER CHAMP CLARK'S LETTER TO JOE BURNETT, ONE OF HIS CONSTITUENTS.

SPEAKER'S OFFICE, *Washington, D. C., October 1.*

JOE BURNETT,
Editor Ralls County Record.

DEAR JOE: I most heartily thank you for your fine editorial compliment to Congress and its work.

The Lord knows there have been few enough bestowed, and yet this Congress has done more hard work, and better work, and stayed on the job longer than any other Congress that has ever been elected.

We have been in session ever since the 7th day of April, 1913, and we have not only been in session longer, but we have put in more days of actual work.

MEETING NEARLY EVERY DAY.

It is the rarest kind of a thing that we are not in session every day, and yet your paragraph is one of the very few that I have seen that evinced the least disposition to give any credit to hard working, conscientious, industrious, faithful, patriotic Congressmen.

No set of men was ever more faithful, and I am proud of the splendid record which we have made. Nearly all of our great bills were so good that they not only received the support of Democrats, but also the support of a large percentage of Republicans and Progressives.

Of course there were a great many things promised in the Baltimore platform, and we have been doing our everlasting best to redeem those promises, and it seems to me that we are entitled to a fair share of the praise.

It looks like we are stuck here until the 4th of March. If that is true, I will not be able to get home at all to participate in the campaign, which I regret exceedingly, for I would like to get among the good people of the ninth district and find out what they think and what they want. If we do not get away, I can not participate in the campaign at all and must depend entirely upon my friends for reelection, except what little I can do from here; but I have abiding faith in the justice and good sense of the people of that district, and if they go to the polls I have no doubt about my reelection.

URGES ALL TO GO TO POLLS.

Votes are the thing that count in an election, and the various committees and other people interested in the election will have to see to it that the voters are at the polls.

Anybody that has paid the slightest attention to figures knows that Missouri is an exceedingly close State. Overconfidence has lost more battles of every sort than any other cause since the world began, so I hope that our friends will see to it that the voters go to the polls.

Your friend,

CHAMP CLARK.

The Late Representative Timothy D. Sullivan, of New York.

MEMORIAL ADDRESS

OF

HON. JOHN J. FITZGERALD,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Sunday, June 21, 1914.

The House had under consideration the following resolutions (H. Res. 549):

"Resolved, That the business of the House be now suspended, that opportunity be given for tribute to the memory of Hon. TIMOTHY D. SULLIVAN, late a Member of this House from the State of New York.

"Resolved, That the Clerk communicate these resolutions to the Senate.

"Resolved, That the Clerk send a copy of these resolutions to the family of the deceased.

"Resolved, That at the conclusion of to-day's proceedings the House, as a particular mark of respect to the memory of the deceased and in recognition of his distinguished public career, do stand adjourned."

Mr. FITZGERALD. Mr. Speaker, among the oldest customs of this House is that of commemorating the lives, character, and public services of men who die while serving in its membership. However this custom may have originated, it is particularly appropriate that it should be perpetuated and followed by the House. In this era public men are subjected to so much criticism, and so much evil is attributed to them, so many sinister motives are charged as characterizing their every public act, that it is highly fitting that their intimate associates in public life should at some time make a record of the good things for which such men have been noted and the good they have been able to accomplish.

It is difficult for anyone who is not familiar with the complex life of the great metropolis of this country to understand and appreciate such a character as the late TIMOTHY D. SULLIVAN. Many of those living to-day in the great city, unfamiliar with the conditions prevailing 30, 40, or 50 years ago, can have little understanding of the influences that not only made possible but imperatively forced such a man into domination in political affairs. New York is a great cosmopolitan community, to which come the poor and the oppressed from every clime in the civilized world. They naturally seek the help, friendship, and the assistance of some strong, dominant personality.

Mr. SULLIVAN was born in the lower part of the city of New York, but his activities were identified with the lower East Side, a section of the city much discussed but so little understood by idealists who attempt the impossible in the reformation of human nature. He was brought up in a school where strong men naturally force their way to the front. A man of great courage, of big heart, of winning personality, with sympathy always ready to extend to the unfortunate and the oppressed, he very quickly attracted to himself the loyal support of many persons who, indifferent to his political views, were attached to him because of the innumerable secret kindnesses which were extended through his bounty.

It is somewhat interesting to recall that the elements of his strength and his wonderful power in the politics in the city of New York were due to the same characteristics and conditions that first made Tammany Hall a dominant political force in that city.

The Columbian Order or Tammany Society was organized in 1789. It is a charitable and a patriotic society. Its purpose is to inculcate deeply in the hearts of the people the principles on which our Government is founded, to cultivate the patriotic spirit, and to help those who are unfortunate or in distress. From the early days in the history of the country the society was noted for the patriotic part it took in the effort to have suitable burial provided for the remains of the men known as the martyrs of the prison ships who, during the Revolutionary War, were taken prisoners by the British Army and imprisoned in a number of old sugar-cargo ships that were anchored in what is known as Wallabout Bay, the site of the present navy yard in the city of New York. By degrees this society, because of its patriotic aspirations and its lavish charities, attached to itself an innumerable following. It was the wonderful genius of Aaron Burr which first appreciated the political possibilities attaching to an organization that had so great a hold upon the ordinary people of the community and realized that such a society could be instrumental and dominant in the political affairs of the community. If I recall correctly, although he was neither a grand sachem nor a sachem, nor even a member of that organization, by association and affiliation with the dominant spirits in it he repeatedly utilized his friendships with such men so that the society exerted considerable influence in political affairs.

Mr. SULLIVAN lived in accordance with this traditional spirit of the organization. The poor, the oppressed, those in distress in that great lower east-side section of the city of New York knew that he was a friend, one to whom an appeal was never made in vain.

In that wonderful community, with its magnificent businesses, its temples, its palaces, its culture, its refinement, and its wealth, the flotsam and jetsam of humanity is there cared for by wise dispensations of official and private organizations, but much of the distress is seldom reached except through the individual effort of some one in whom these derelicts of human nature have unbounded confidence. His was a charity that was not openly and publicly displayed. While there were innumerable ways in which he participated in the open and known charities, it was through the quiet and secret kindnesses that he extended to the distressed and the unfortunate, that a great body of men and women and children came to love him and respect him as their friend. A member of the Tammany Society and a member of what is known to-day as Tammany Hall—which, although it comprises in its membership the officials of the Columbian Order or Tammany Society, is still the term which is properly attributed to the official organization of the Democratic Party in the county of New York—his power and influence grew as his life was extended along the lines of somewhat useful endeavor. At the very outset of his career he was a power in local politics. He served eight or nine years in the lower house of the Legislature of the State of New York. He served a number of years in the senate of the State of New York. He was elected to this House, retired, and reelected. Perhaps not many outside of his colleagues from his own State and those who had met him in other fields had become acquainted with him in this House. This was not his field. He was successful in the other bodies in which he had served, because his peculiar talents, his indefatigable industry, and his intimate knowledge of the business transacted by those bodies made him an effective and influential member of them.

It is true, as has been said, that the good that men do is interred with their bones while the evil, if any, lives after them.

Judged by many standards Mr. SULLIVAN perhaps might not satisfy those who could not appreciate the peculiar conditions under which he had lived and worked. He acquired great political power in his community and in the organization of which he was a member, and it was due to the peculiar characteristics for which he was noted and without which no man can attain to political power in that organization and retain it, or attain power in politics in the great city of New York and retain it. Perhaps the chief of these characteristics is that a man must be truthful. TIMOTHY D. SULLIVAN was a truthful man. He hated sham, and he avoided it. He was noted for his truthfulness of statement and with the accompanying and necessary corollary that his word, when once given, was better than any bond or other security. Once his word was pledged there was nothing that would induce him to break it. There was a story current in New York that illustrates that characteristic of the man. Within a not very distant past and under conditions with which I am somewhat familiar, it is said that he had pledged his word to an important official to aid in preventing the nomination of a certain person for a high position in our State. The official to whom the assurance was given was so doubtful of the sincerity of the pledge that Mr. SULLIVAN remarked that if this man were nominated he would not be a candidate upon the same ticket with him. In the course of a few months the person discussed was nominated for the office mentioned, and the official to whom the statement was made reminded Mr. SULLIVAN of his promise. He thereupon declined to be a candidate for the State senate. The situation occasioned considerable curiosity and amazement. Those who claim to know the real facts insisted that it was merely an ordinary act of Mr. SULLIVAN in keeping his word regardless of the effect upon himself personally.

In political life in the city of New York there is not much else that men have upon which they can build their reputations and acquire power except the reputation for veracity, the knowledge that their plighted word is sacred, and an unswerving loyalty to their friends and associates. Whatever the turn of the wheel of fortune may be, men like Mr. SULLIVAN remain loyal to their friends. No matter what trouble overtakes them, no matter what criticism is provoked, no matter what personal sacrifice may be necessary, they are loyal to their followers and to their friends. My experience in politics leads me to believe that it is the very best and the most essential characteristic for success in public men. We frequently see the cold, selfish, keen, able man ready to sacrifice everyone and every principle that contributes to his success so long as his advancement will be furthered; but the rare and enduring characteristic of the men of lasting power and influence in public life is the strong sense of loyalty always in evidence, which makes their friends, their associates, and their followers know that they will not be deserted in the time of travail and trouble. Mr. SULLIVAN was a big man. The popular nickname indicated the feeling of the people generally. He was "Big Tim." He was big physically, big hearted, big in his sympathies for the unfortunate, for the distressed, and big in the desire to serve and to advance the welfare of his fellow man. This virtue has seldom been attributed to him. He was the subject of vicious criticism. His faults—and he had them, as his friends know—were continually emphasized; but he was a humane man, with a great, large, overflowing heart. His memory is cherished sacredly in many humble homes where he has been of inestimable service. No one will ever know the number of young men and young women whom he has saved from a life of distress and of crime.

His helping hand was ever ready to lift up the unfortunate. He did not push them back because they had once erred. He knew his great East Side as few men knew it, and its people appreciated the better qualities which made up his personality.

Others of my colleagues will speak in more detail of his services to his country. Perhaps one of the last and most noted acts in his official career was the passage of a law which has been much discussed in our State. One of the things that contributed much to the misfortune and to the crime of the city of New York was the growing tendency upon the part of young men and of older men in certain sections in the city to acquire the habit of carrying firearms. Knowing the result that inevitably follows the carrying of firearms by men of quick temper and quicker impulses and passions, he had enacted a law which he hoped would eliminate that evil from our civil life. Others may point out some of the many other acts of legislation for which he was responsible, but this one sought to reach a widespread evil which few men who are aspiring to statesmanship would have considered and but few would have known how to remedy. I knew Mr. SULLIVAN for 25 years. I became acquainted with him when I was quite a young man and I got to know him intimately. I learned to know and to love the good qualities and the good parts in his make-up. His memory is properly revered. The good which he has done should be emphasized and praised. We can kindly and in charity do what we all hope will be done when we pass away—draw a veil to cover whatever defects there may be in our lives—and we can join with those who have reason to cherish his memory in paying this brief tribute to the personality and character of a man who under the most disadvantageous circumstances rose to power, influence, and domination in the great metropolis of this country, and who in a quiet but effective way rendered many valuable services and kindnesses to many who would otherwise have been neglected.

Cotton.

EXTENSION OF REMARKS
OF
HON. CHARLES G. EDWARDS,
OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 21, 1914.

Mr. EDWARDS. Mr. Speaker, several weeks ago, when it was apparent that the war in Europe would destroy the prices of cotton, I introduced a bill authorizing the Government to make loans directly to cotton producers upon cotton as a collateral. The bill I introduced is very similar to the Henry bill. My bill provides for the issuance of $500,000,000, to be loaned to the farmers of the country, and fixes a loan value of not less than 10 cents per pound on short or upland cotton and a loan value of not less than 25 cents per pound on long or sea-island cotton. The language of the bill is very clear, and, in my opinion, this would solve the cotton question if it were enacted. The bill is as follows:

A bill for the temporary relief of cotton growers in the United States.

Be it enacted, etc., That the Secretary of the Treasury shall deposit in national banking associations and State banks situated in the following States, to wit: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia, $500,000,000, to be advanced to the producer of cotton, or owner of lands upon which the same was produced, at a rate of interest not exceeding three per cent per annum. The deposits herein authorized shall be advanced upon the terms prescribed in this act. The deposits herein authorized shall be apportioned among the several States above mentioned in accordance with the number of bales of cotton produced therein during the year 1913, as ascertained by the Department of Agriculture.

SEC. 2. That the Secretary of the Treasury shall immediately cause to be prepared United States notes to the extent of $500,000,000, to be used for the purpose of making the deposits in compliance with this act; and said notes shall have all the legal qualities of the United States notes now outstanding and shall be of such denominations as the Secretary of the Treasury may prescribe: *Provided*, That all United States notes deposited under this act and not used as prescribed herein shall be returned to the Secretary of the Treasury and shall be canceled.

SEC. 3. That when such deposits shall have been so made as prescribed in section 1, the said banks are hereby authorized and directed to pay out the same as follows: Whenever any producer of cotton or owner of lands upon which the same was produced shall present to the national banking association or State bank within which State the said bank may be situated a bill of sale in writing to cotton in bales grown in 1914, in such form as may be prescribed by the Secretary of the Treasury, said bill of sale to be signed and sworn to by the producer or person upon whose land the same was produced, giving the number, mark, weight, classification, and location of said cotton, it shall be the duty of said banks to advance a part of said deposits on said cotton at not less than 10 cents per pound for middling upland cotton and not less than 25 cents per pound for sea-island cotton.

SEC. 4. That thereupon title to said cotton shall pass to and be vested in the national banking association or State bank making the advances. The said bank receiving such deposits shall pay the same over to the producer, or person upon whose land the same was produced, and shall thenceforward hold said cotton as custodian, with the right and power to appoint as many deputy custodians, with actual possession, as said custodian may deem proper and necessary; and among said deputy custodians may be included the producers of said cotton or owners of the land upon which the same was produced, said custodian to take in all cases from the deputy custodian a forthcoming bond and an acknowledgment in writing of the facts that said deputy custodian holds the same as custodian of public property with the common-law liabilities of warehousemen. The bank acting as custodian shall keep all cotton so held insured against loss by fire, loss, if any, payable to the said national banking association or State bank, and shall keep a correct and itemized account of insurance and storage actually paid; and upon the sale of said cotton, as hereinafter provided, shall have said expenditures refunded, together with interest on the same at the rate of 6 per cent per annum. Payments of insurance and storage are to stand, until paid, in the nature of an obligation of the United States. When said cotton is sold, as hereinafter provided, said bank shall, in addition to the refunding just provided for, be paid for its labor and services as custodian 50 cents per bale, and as custodian shall be responsible only for gross negligence or breach of trust. All cotton upon which advances have been made, as hereinbefore provided, with such deposits, shall be and remain the property of said bank until sold, at the pleasure of the Secretary of the Treasury, when and after middling upland spot cotton sells in the open market at Savannah, Ga., at 12 cents per pound, and when sea-island cotton sells at 28 cents per pound in the same market, or upon request of the person or persons from whom title passed to the national banking association or State bank.

SEC. 5. That whenever the said bank, under the conditions named in the foregoing section, shall sell said cotton, interest shall be calculated on the original sums advanced by the bank at the rate of 3 per cent per annum, and principal and interest shall be remitted to the Secretary of the Treasury. The custodian shall prepare under oath and furnish the Secretary of the Treasury an account showing the amounts actually paid for insurance and storage and interest thereon, as hereinbefore provided, and also showing its compensation as herein allowed. These items the custodian shall retain to pay itself, and the balance of the proceeds arising from the sale of said cotton shall be paid over to the producer or person upon whose land the same was produced, and from whom title passed to the said bank, or to the legal representative of such person receiving such loan.

SEC. 6. That this act shall take effect and be in force upon its passage.

SEC. 7. That this act shall expire by limitation on the 30th day of June, 1916.

My bill, along with the many others on the same subject, was referred to the Committee on Banking and Currency. No action was taken on these cotton-relief bills by the committee.

On the night of the 8th of this month very nearly all of the Members of Congress from the Southern States met in conference in the majority room in the House Office Building and practically all of us agreed upon a bill which we would support. This bill that we agreed upon contains some of the provisions that were in my bill, and, in fact, closely follows in its general purpose the Henry bill, which has been urged by the president and legislative committee of the farmers' union, and which had met with the approval of other leading agricultural representatives from the South. While, of course, I much preferred the bill I had prepared and which I have quoted above, at the same time I was willing to make any reasonable concessions in order that we might get together upon some specific proposition to offer in the House which the southern Members could and would support. The bill we agreed upon in the conference I have just referred to is House bill 19200, and is as follows:

That the Secretary of the Treasury shall deposit in national banking associations and State banks situated in States producing cotton or tobacco, or both, $250,000,000, or so much thereof as may be necessary to carry out the purposes of this act and under the terms and conditions herein prescribed, to be loaned by said banks to the producers of cotton or tobacco, or owners of lands upon which the same was produced during the year 1914, at a rate of interest not exceeding 4 per cent per annum. The deposits herein authorized shall be advanced upon the terms prescribed in this act and under rules to be prescribed by the Secretary of the Treasury. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton and pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture.

SEC. 2. That the Secretary of the Treasury shall make and enforce rules and regulations not inconsistent herewith for carrying out the purposes of this act. Said Secretary of the Treasury may fix the compensation for the banks for their services in lending said sums of money.

SEC. 3. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of $250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe; or he may sell not exceeding $240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 3½ per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as herein prescribed; or, in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate $250,000,000: *Provided*, That such United States notes, should the Secretary of the Treasury conclude to issue them, deposited under this act and not used as prescribed herein, shall be returned to the Secretary of the Treasury and shall be destroyed.

SEC. 4. That this act shall take effect and be in force from and after its passage.

SEC. 5. That this act shall expire by limitation on the 31st day of December, 1915.

Under the rule, we are to vote upon still another proposition, but which has the same general purpose, being an amendment offered by Mr. HARDWICK, which is as follows:

Add the following at the end of section 2:

"SEC. 3. That the Secretary of the Treasury shall deposit in national banking associations and in State banks situated in States producing cotton or tobacco, or both, the sum of $250,000,000, or so much thereof as may be necessary, to carry out the purposes of this act. The said Secretary shall make such deposits under the terms of this act and under such rules and regulations as may be prescribed by him to carry out this act. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton or pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture. The Secretary of the Treasury, in lieu of the securities he is now authorized or required by law to exact of the banks in which the funds of the United States are deposited, is authorized and hereby directed to accept as security for the deposits directed to be made in this act cotton warehouse and tobacco warehouse receipts, where the cotton or tobacco thereby represented has been fully insured, at a valuation that represents the fair market value of the cotton or tobacco covered by such receipts. The deposits herein directed to be made shall be made only on the condition that the banks accepting such deposits will loan the same, under reasonable terms and conditions, at a rate of interest not to exceed 4 per cent per annum, to the producers of cotton or tobacco, or the owners of lands upon which the same was produced during the year 1914, and the said Secretary of the Treasury is hereby authorized to make all necessary rules and regulations concerning the terms and conditions under which these deposits shall be loaned by the banks that accept the same.

"SEC. 4. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of $250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe, and said notes shall bear interest at the rate of 2 per cent per annum from the date of their issuance and shall be payable in gold coin of the United States or its equivalent on January 1, 1916; or he may sell not exceeding $240,000,000 of Panama Canal bonds, heretofore authorized by law, at a rate of interest not exceeding 4 per cent per annum, and the act or acts heretofore passed authorizing the disposition of said bonds are hereby amended so as fully to authorize the disposition and use of such bonds as herein prescribed; or in his discretion, the Secretary of the Treasury may use both the proceeds of the bonds and the notes in order to carry out the purposes of this act, not to exceed in the aggregate $250,000,000.

"SEC. 5. That the Secretary of the Treasury shall not require the repayment of any deposit made under the provisions of this act prior to December 31, 1915.

"SEC. 6. That when the deposits herein authorized are called in by the Secretary of the Treasury the same shall be and become a part of a special fund, to be kept and held separate and apart from the general funds of the Government, for the redemption and retirement at maturity of the Panama Canal bonds in such cases and to such extent as the proceeds of such bonds have been used to make the deposits herein provided."

While I favor, first, my own bill, secondly, the bill we agreed upon in conference, yet there is no chance for a vote on either of these propositions under the parliamentary situation. The Hardwick amendment has the same general purpose, namely, to relieve the distress in the South. I heartily favor the amendment and hope that it will pass. I appeal to our friends from the North, the East, and the West to join hands in this patriotic movement that has as its purpose to prevent wreck and ruin in the cotton-producing States. It is not sectional in its purpose, nor will it be sectional in its effect—this is not a sectional or local question, but, to the contrary, it is a national question and world-wide in its importance—and if it is enacted it will not only save the day for the South, but it will prevent many a "tight squeeze" in financial matters in every quarter of the United States.

The world-wide importance of cotton is beautifully, eloquently, and clearly set forth in the imperishable words of the late and beloved Henry W. Grady, of Georgia, as follows:

What a royal plant it is! The world waits in attendance on its growth. The shower that falls whispering on its leaves is heard around the earth. The sun that shines on it is tempered by the prayers of all people. The frost that chills it and the dew that descends from the stars is noted, and the trespass of a little worm on its green leaf is more to England than the advance of the Russian army on her Asian outposts. It is gold from the instant it puts forth its tiny shoot. Its fiber is current in every bank, and when loosing its fleeces to the sun it floats a sunny banner that glorifies the field of the humble farmer;

that man is marshaled under a flag that will compel its allegiance of the world and wring a subsidy from every nation on earth. It is the heritage that God gave to this people forever as their own when He arched our skies, established our mountains, girt us about with the ocean, loosed the breezes, tempered the sunshine, and measured the rain. Our's and our children's forever. As princely a talent as ever came from His hand to mortal stewardship.

It has been claimed by certain gentlemen that there is no precedent for the step we are asking to be taken. They are mistaken in this. They are also mistaken and ungenerous in the statement that the South is asking charity. The South is not asking for a gift. She is merely asking that certain funds be deposited in southern banks, with the understanding that those funds are to be loaned upon cotton as collateral, in order to relieve the greatest distress that our people have known since the War between the States.

No one can truthfully deny that this is an emergency; no one will attempt to assert it is not a serious condition that needs relief. I cite here several cases in which the Government has gone much further than we are asking in order to give relief, and none of the cases are stronger than the one that now engages our serious consideration:

Statement of emergency and special relief appropriations made by Congress, fiscal years 189¼ to date.

Payments on account of Ford's Theater disaster:		
1895	$125,000.00	
1896	131,850.00	
1898	34,755.00	
1900	5,000.00	
1915	1,000.00	
		$297,605.00
Relief of people in mining regions of Alaska, 1898		200,000.00
Relief of sufferers from wreck of United States steamers at Apia (indefinite appropriation for year 1891):		
1894	$308.77	
1896	1,125.75	
1897	447.45	
1898	270.25	
		2,152.22
Recovering remains of officers and men and property from wreck of U. S. S. Maine, 1898		200,000.00
Removal of remains of officers and men who perished by destruction of U. S. S. Maine, 1898		10,000.00
Relief of sufferers by destruction of U. S. S. Maine (indefinite):		
1898	$83,358.19	
1899	34,074.73	
1900	5,733.00	
1901	192.00	
1902	660.00	
1903	432.00	
		124,449.92
Relief of destitute American citizens in Cuba, 1897		50,000.00
Relief of sufferers from overflow of Mississippi River, etc., 1897		200,000.00
Tents for sufferers from floods in Mississippi Valley:		
1897	$7,837.97	
1899	329.55	
1902	42.26	
		8,209.78
Transporting contributions for famishing poor of India (indefinite):		
1900	$20,000.00	
1901	20,000.00	
		40,000.00
Transportation of destitute miners from Alaska, 1901		920.00
Relief of citizens of the French West Indies, 1902		200,000.00
Supplies furnished destitute natives of Alaska during an epidemic in 1900, 1904		26,913.40
Payment for losses in suppressing bubonic plague, Hawaii, 1903		1,000,000.00
Relief of distress in the Philippines, 1903		3,000,000.00
Transportation of destitute citizens from Alaska, 1903		13,690.10
Relief of sufferers from earthquake, Pacific coast, 1906		2,500,000.00
Relief of sufferers from cyclone in Southern States, 1908		250,000.00
Relief of sufferers from earthquake in Italy, 1909		800,000.00
Protecting lands and property in the Imperial Valley, Cal., 1911		1,000,000.00
Relief of sufferers from famine in China, 1911		50,000.00
Relief of sufferers from floods in the Mississippi and Ohio Valleys:		
1912		1,239,179.65
1913		4,500.00
Fighting and preventing forest fires in emergency:		
1912	$1,000,000.00	
1913	200,000.00	
1914	200,000.00	
1915	100,000.00	
		1,500,000.00
Relief of sufferers from volcano, Kodiak, Alaska, 1913		30,000.00
Transportation of refugee American citizens from Mexico, 1913		100,000.00
Investigating claims of American citizens for damages, insurrection in Mexico, 1913		5,000.00
Relief of sufferers from flood in Allegheny River in 1907, 1913		17,577.88
Relief of flood sufferers in Ohio and Indiana and on Ohio and Mississippi Rivers, etc., 1914		130,940.38
Relief of sufferers from floods, tornadoes, and conflagrations in the Mississippi and Ohio Valleys, etc., 1914		654,448.49
Transportation and caring for interned Mexican soldiers and military refugees:		
1914	$500,000.00	
1915	170,000.00	
		670,000.00
Relief and transportation of destitute American citizens in Mexico, 1914		$240,152.47
Relief and transportation of American citizens in Mexico, 1914		500,000.00
Relief of sufferers from fire at Salem, Mass., 1915		200,000.00
Relief, protection, and transportation of American citizens in Europe, 1915		2,750,000.00
Representation of interests of foreign Governments growing out of hostilities in Europe, etc., 1915		1,000,000.00
Under act authorizing the establishment of a Bureau of War-Risk Insurance in the Treasury Department (Public, No. 193, Sept. 2, 1914), 1915:		
Salaries and expenses, Bureau of War Risk Insurance	$100,000.00	
Losses on war-risk insurance of American vessels, their cargoes, etc	5,000,000.00	
		5,100,000.00
Estimated additional expenditures on account of occupation in Mexico:		
Army	$3,730,000.00	
Navy	291,000.00	
		4,021,000.00

Not only have relief measures been passed by Congress, but time and time again under this and previous administrations the funds of the Government have been placed in banks in various sections of this country to avert panics and serious business crashes. Now, that the South in its hour of greatest need has asked that funds be sent to that section to help our people, gentleman halt for the lack of precedents and talk about "safe" and "sane" plans. They shelter behind the convenient dodge of "questionable constitutionality." If it were the North, East, or West, these same gentlemen would not be found "balking," nor would you find the southern Members of Congress "dodging" and hunting for excuses to keep from helping a stricken section of our great common country, but you would find the southern Members, as they have been found in the past, standing by measures that would give relief.

The principal cotton-growing States have a population of over 20,000,000 people, and the crop of cotton affected is worth over a billion dollars, as is shown by the following table:

Population of cotton-growing States, as returned at the census of 1910.

State.	Population.	Value of crop.
Principal cotton-growing States:		
Alabama	2,138,093	$110,000,000
Arkansas	1,574,449	77,000,000
Georgia	2,609,121	173,000,000
Mississippi	1,797,114	96,000,000
North Carolina	2,206,287	60,000,000
Oklahoma	1,657,155	61,000,000
South Carolina	1,515,400	103,000,000
Tennessee	2,184,789	27,000,000
Texas	3,896,542	287,000,000
Louisiana	1,656,388	32,000,000
Total	21,235,338	1,026,000,000

From this table it will be seen that in the State of Alabama there is a population of 2,138,000 and an annual income from the cotton fields of $110,000,000.

Arkansas, with a population of 1,574,000, has an annual income of $77,000,000.

Georgia, with a population of two and a half millions, has an annual income from this source alone of $173,000,000.

Mississippi, with a population of one million and a half, has an annual income of $96,000,000.

North Carolina, with only a part of her territory planted in cotton, with a population of two and a half millions, has an annual income of $60,000,000.

South Carolina, with a population of one and a half millions, has an annual income of $103,000,000.

Tennessee, with only a small portion of her territory planted in cotton, has an annual income of $27,000,000; a population of 2,184,000.

The State of Texas, with 3,800,000 people, has an annual income of $287,000,000, and a like pro rata in the different States, making a total of $1,043,000,000 annual income.

This war, that is the most horrible history has known, has paralyzed business in many ways. It has destroyed the demand for cotton, and there is no market or price for it. With over a billion dollars taken away from our people, leaving them in debt, and in many cases in dire want, the condition is too horrible to conceive. I can not understand how Americans can oppose this proposition, which is one not only to relieve the South, but for the benefit of our whole country. Over two-thirds of our cotton is exported. The countries that use this cotton are now engaged in war, and they do not want nor can they use the cotton. Conditions that are responsible for our sad plight arose without notice to us, and we have no control over those conditions. It is believed that if our country will come to the relief of its citizens and enable them, through per-

fectly legitimate banking and business, to hold a great part of the cotton crop that the market will be steadied and better prices will result.

If the South ever needed the aid of an administration, it needs that aid now. The solid South was the backbone of the movement that made the present Democratic administration. The South gets no consideration under Republican administrations, because such administrations owe the South nothing. Now, shall it be under a Democratic administration that the South will not get due consideration because the South is with the administration and is solidly Democratic, whether it is given relief or not?

Certain gentlemen on the Republican side have tried to inject petty politics into this matter and have tried to argue that the depression has been caused as a result of the tariff. Everybody knows that the war in Europe, and that alone, is responsible for the disturbance in business and for the low prices of cotton. Certain demagogues in the South are trying to hold southern Members of Congress responsible for not getting through legislation. No men were ever more patriotic or untiring in their efforts to get at a solution of this matter than we have been, and the record on this vote will show where every man stands, and the record will show even a fool why it is that we have been unable to get legislation. The southern Members and Senators have stood together and worked faithfully, but we are but a small part of the whole Congress. Out of 435 Members of the House only about one-fifth of them come from cotton-producing States. Out of 96 Senators only about 20 come from cotton-producing States. Let the blame fall where it belongs. Give every man credit with what he is entitled to.

Too long has the people's money been used for stock speculations and Wall Street transactions. If great shipments can not be made to Wall Street, there are those selfish individuals who will not let it go elsewhere, while there are those, too, who believe that for a dollar to be valid money it must first be sent to New York and circulated from there at high rates of interest. Even when Tennessee wanted a loan the Treasury Department placed the funds, or a large part of them, in a New York bank, so that the transaction could pass through New York banks. The people have submitted too long and too patiently to such proceedings, and to-day you will find the sentiment of the New York Members, almost to a man, against the proposition, before the House, intended to relieve the South.

This is a matter that should appeal to the sympathy and conscience of gentlemen. Those gentlemen who are talking about "safe" and "sane" propositions, who are not supporting this because they do not think it "sound," offer nothing in its place. Let them propose something that is "safe" and "sane." This proposition is "safe," "sane," and sound. It will give relief, and God knows that relief can not come too soon, for already our people have suffered and lost beyond description.

I appeal to Members not to deny us this relief, for which there are plenty of precedents. Congress ought not to adjourn, and I will vote against adjourning until some measure of relief is given the South.

The Famous Race Between the "Lee" and the "Natchez."

EXTENSION OF REMARKS

OF

HON. BENJAMIN G. HUMPHREYS,

OF MISSISSIPPI,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 22, 1914.

Mr. HUMPHREYS of Mississippi. Mr. Speaker, in 1870 the Mississippi River was in many respects the greatest highway of commerce in all the world. The great passenger steamers which plied it then were a part of the life of the valley people. The *Katie*, the *Pargoud*, the *Lee*, the *Natchez*, and many other veritable floating palaces held a place in their hearts and affections difficult now to understand. In the evolution of things, under the new dispensation, they have all passed away, but the story of the days of their glory is still a theme to conjure with when told by the lessening few who lived them, and whose pulse beats are quickened even now by the flood of memories which the bare mention of these old names revives.

These are the ones I really had in mind when I asked consent to print the articles from the Waterways Journal, but the story of the great race which stirred the whole valley to a pitch of excitement unequaled by any prior or subsequent event is well worth the perusal of the student who would understand the vital and intimate relation which the river bore to the daily lives of the people up to a quarter of a century ago.

The articles referred to are as follows:

THE FAMOUS RACE BETWEEN THE "LEE" AND THE "NATCHEZ."

(By Capt. Wes. Connor, pilot of the *Lee*.)

[Reprinted from the Waterways Journal, December 13, 1913.]

NEW ALBANY, IND., *August 10, 1906.*

"Remember '70? Well, yes! People that's been excited about that race of the German liner *Deutschland* and the Frenchman *La Provence* across the eastern duck pond perhaps forget about the *Lee* and the *Natchez*," said Capt. Wes. Connor to a New Albany (Ind.) paper.

Old "Cap" Wesley Connor, who, according to the newspaper reports out of New Albany, has been sort of lingering around death's door for about three years, but is still here, peered out in front of him as he did out of the pilot house of the *Robert E. Lee* 36 years ago when he stuck her nose out into the Father of Waters and started her from New Orleans in the greatest race in the history of American "riverin'."

"There she goes, guided by a tiller that obeyed a whisper; had a prow like the beak of an eagle. She split the water between New Orleans and St. Louis quicker than it was ever done before or since. And back there was the *Natchez* taking our smoke, it is true, but a racer just the same. Remember '70? Huh!"

Thirty-six years ago, on the last of June, the wharves and Canal Street in New Orleans were crowded with people. At last the question that had taken the place of political and reconstruction debates along the river from New Orleans to St. Louis and up the Ohio from Cairo to Cincinnati was to be settled. Smoke was belching from the smokestacks of the *Robert E. Lee* and the *Natchez*, and their fires were roaring and crackling most unusual. Which would get to St. Louis first? How long would it take? Money piled up "mountain high" in the old Hawkins clubroom, the great hang out of the rivermen at New Orleans, showed that there was a division of opinion among them and that they were willing to back their various opinions.

The Hawkins Club betting board only reflected the interest of the Mississippi Valley. The fires that lighted the night courses of the racers on both sides of the river from New Orleans to St. Louis, the cannon that thundered salutes from every town and city, the people that gathered along the course, both day and night, to see the racers pass, and the crowded trains that were run from Cincinnati, New Albany, and Louisville to Cairo to see the boats reach that point, all gave but slight indications of the widespread interest that centered in the race.

It was especially intense here—the home of the *Lee*. Here she was built; here she was manned—yes, and here she was wrecked—wrecked a quarter of a mile downstream from the Southern Railroad station and within a few feet of where she was built. This was the way the race came about: The *Lee* was known as "the New Albany boat." She had been built here in 1866 for Capt. John W. Cannon by Capt. John C. Howard—who died across the river last November—for the trade between St. Louis and New Orleans.

EXCITED JEALOUSY.

The *Lee* had not especially been built for speed but for the straight passenger and freight business. The idea that was preeminent in her construction was that she could be easily handled. It did not take more than one or two trips, however, to show that she was much faster than the average steamer on the Mississippi, and her speed soon began to attract attention and to arouse the envy of the managers and owners of opposition boats.

She passed every craft afloat on the river. Finally this became unbearable to Capt. Thomas P. Leathers, of New Orleans, who was in command of the principal competing steamboat line in the Mississippi River trade, and who finally declared that he would have a boat built that would swim little circles around the *Lee* while the latter was under full head of steam.

Leathers was considerable of a blusterer, and he aroused the ire of New Albany, the birthplace of the pride of the river, by ridiculing her shipbuilding geniuses. Declaring he would not have a skiff built here, he passed up the river to Cincinnati, where he let the contract for the boat that was to make the *Lee's* speed look like a canal-boat pace. He placed his contract with Perry Thorpe, who added to the fuel that was burning in the proud hearts of New Albany people by declaring that he "would build her fast enough to pass the *Lee* or he would not charge a cent."

The *Natchez* in due time was brought into service and was put into the trade. Both boats had been running on the Mis-

sissippi several months, and the discussion over which was the faster spread out from centers such as New Albany, New Orleans, Memphis, Natchez, Cairo, and St. Louis all over the country. Finally the boats landed in New Orleans together, and were scheduled to leave New Orleans for St. Louis on the afternoon of June 30.

The crowd that flocked to the wharves and filled Canal Street was divided in sentiment. Business generally was suspended in and around New Orleans, and, besides the crowd that gathered on the wharf and in Canal Street, thousands flocked to the levees upstream or had gone up the river on excursion boats to see the racers under headway.

INTERESTING CROWDS.

Every movement of the muddy-water greyhounds was closely watched by the crowd, which divided its cheers for Capt. Cannon and Capt. Leathers and for the pilots, Wesley Connor and James Pell, of the *Lee*, and Frank M. Cayton and Morgan (Dad) Burnham, of the *Natchez*, whenever they appeared. Connor was widely known as the man who had started the *Shotwell* on her trip from New Orleans to New Albany, when she beat the *Eclipse*. Pell was also noted as the old pilot of the famous *Robert I. Ward*. The records show that there was absolutely no excitement on the *Lee*, while, on the contrary, there was more or less nervousness on the *Natchez*.

Neither boat had any cargo except its fuel, largely made up of pine knots. On the bowsprit of the *Lee* was an iron mule bearing the inscription, "Shoo, fly, don't bother me." The captain of the *Natchez* also fastened a tin mule to her bowsprit, with the inscription, "We brush the flies as we go by."

It was shortly before 5 o'clock when the bells in the engine room of the *Lee* clanged nervously. Then followed a swift movement on the part of the negro deck hands. The great wheels revolved, and at 4 minutes before 5 the *Lee* swung out into the stream, and, pointing her nose up the river, started on what proved to be probably the most noted race of any kind in the history of this country up to that time.

Scarcely had the *Lee* started on her trip when there was another clanging of bells, and the crowd of people began to cry, "Look! Look!" There was the majestic *Natchez* backing out. Like the *Lee* her nose was pointed north in a short time and she began to spill the waters. It was a race from the first. The start was ideal. The two boats plowed past St. Marys Market—from which point all boats took their time—and the *Lee* as she passed fired her gun at precisely 4 minutes past 5. The *Natchez* boomed her parting salute at precisely 7 minutes after 5. The two boats passed the excursion steamers as if they had been shot out of a cannon. Between two points of observation it was discovered that the *Natchez* had gained eight seconds, and this caused bets of odds on the *Natchez* being made, though up to this time the *Lee* probably had a slight lead as the favorite.

For four days and four nights the country, and especially New Albany, had its center of attention on the Father of Waters. The excitement along the Mississippi was intense. At all times on the 1,200-mile dash people stood on the banks and waved banners and handkerchiefs or built great bonfires or fired cannon. From the time the smoke of the racers could be seen down the river until they passed business was practically suspended in Vicksburg, Memphis, Cairo, and other cities and towns along the river, and there was no work on the plantations miles back from the stream.

AT NATCHEZ PEOPLE WEPT.

Of course at Natchez, the first city on the race course, the feeling was almost unanimous in favor of the steamer that had been named for the city. A magnificent pair of elk horns had been purchased, to be presented by the mayor to the captain of the steamer when she should win the race with the *Lee*, which the Natchez people were confident she would do. For weeks the horns had been displayed conspicuously on the city wharf, and had especially been displayed to the officers and owners of the *Lee*.

Natchez was in celebration; the boats were expected to arrive before noon. A band played, cannon were loaded, and there was great excitement, when the smoke of the approaching racers was seen down in the timberland. The sight was pathetic as the *Robert E. Lee* poked her nose into view; and as she went by the wharf boat like a frightened swan Capt. Cannon, who stood well forward with a grin on his face, shouted to the wharfmaster, "Take down those horns." He was greatly surprised when his order was promptly obeyed. The people cried, the band did not play, and the cannon were not fired.

Ah, but it was a race though. There was the *Natchez* splitting the water just behind the *Lee*, though 17 hours had passed since the boats had left New Orleans. According to the official record kept by John Kouns, of the *Lee*, the *Natchez* had only fallen behind 3 minutes in the first 17 hours, the *Lee* having run to Natchez in 17 hours and 11 minutes; the *Natchez* in 17 hours and 14 minutes. According to these figures the *Lee* passed the Natchez wharf at a quarter past 10 in the morning on July 1, and the *Natchez* at 21 minutes after 10.

At Natchez the famous horns of the *Princess* were delivered to the leader by a flatboat lying in the stream. The *Princess* had made the record time from New Orleans to Natchez, and her horns had been placed over the wharf with the inscription, "*Princess'* time to Natchez, 17 hours, 30 minutes. Beat this and take the horns." They had been unclaimed for 15 years, but when it was seen that the *Lee* would beat the time, they were sent out in the stream for her to pick up. The *Lee's* time was 19 minutes better than that of the *Princess*.

Vicksburg was the next goal to race for, and the *Lee* beat the *Natchez* there, showing a gain in running time of 18 minutes over her rival. It was the end of the first day, the *Lee* passing Vicksburg wharf at 18 minutes to 6—according to the Kouns record—on the afternoon of July 1, and the *Natchez* passing at 3 minutes after 6. The *Lee* ran up along the upper wharf boat and discharged a few passengers and started off, picking up two coal floats in the river. Coal heavers swarmed over them and they were cast off minus the coal in a few minutes. In doing all this the *Lee* lost only 8 minutes. The *Natchez* tried the same feat, but got one of the barges across her bow, and she was delayed several minutes. The end of the first full day of the race closed with the race still in the balance, but with the *Lee* 18 minutes in the lead.

The *Lee* was in Memphis at 4 minutes after 11 the next night—the night of July 2. In the 35 hours since she had left Vicksburg she had begun to show that she was almost a sure winner. She was out of Memphis a minute after she arrived. The *Natchez* was 10 miles behind. The *Natchez* cleared for the north at 13 minutes after 12 o'clock, and the dash was on for Cairo.

The *Lee* passed the mouth of the Ohio, 3 miles from Cairo, at 4 minutes after 6, the afternoon of July 3, and took on coal and pilots running at almost full speed. The *Natchez* passed at quarter past 7. The pilots picked up by the *Lee* to take her to St. Louis—Connor not being familiar enough with the river above the mouth of the Ohio—were "Cap" Jesse T. Jamison and Enoch King. Jamison, who is now 75 years of age, lives in St. Louis. Recently, reviewing the race after he had taken Connor's place at the wheel, he said: "We'd just left Cairo and daylight behind when a fog settled down.

STOP FOR A FOG? NOT MUCH!

"You bet, we'd a' run that fog if we'd a' known Uncle Charon was waitin' for us midway," said Jamison, grimly. "When it began dropping down on us as we shot by Devils Island, Enoch—my pard at the wheelhouse, Enoch King—turned to me and said:

"'We'll cut right thru it, Jesse?'

"'Of course,' I said.

"The news that we got the next morning that the *Natchez* had tied up dazed us. She had been holding on like a bulldog to a book agent clear up to Cairo, and when Enoch and I were wafted out into midstream on a coal scow to board the *Lee* and hunt easy water for her into St. Louis we could look down the bend and see the *Natchez's* smoke filling the air like the battle of Waterloo. The river then between Cairo and St. Louis comprised about 200 miles of the toughest piloting you ever saw around these parts anywhere. There wasn't a lighthouse from end to end of the run, and there were snags, bars, and overhanging trees enough to discourage a Pilgrim ghost. Jim Pell and Wes. Connors, who had steered all the way out of New Orleans, were as tickled as schoolboys to see us. You see, they had only studied the river to Louisville, and we were sent down by rail to take the racer into the St. Louis terminal.

"The fog shook hands with us at Devils Island. We supposed, as a matter of course, the *Natchez* would tackle it, and we never thought of doing anything else. At that stage of the game a blowup wouldn't have been worse than to have trailed in behind.

"The uncertainty of that night turned my hair gray. We hadn't a ghost of an idea where the other boat was and dreaded every moment that we'd hear her ploughing through the gloom ahead of us. About 15 miles below St. Louis we sighted a fleet of steamers and tugs that had come down to meet us. There was the *Harry Johnson*, the *Eagles*, and every crack boat that happened to be at the St. Louis wharf at the time. Before we got to them they turned around and headed back up the river with every ounce of steam they could carry. We beat 'em to town—every one of 'em—so far we lost sight of 'em."

The *Lee* was tied at the dock at St. Louis at 34 minutes past 11 on July 4—and it was a Fourth that St. Louis will always remember. She had finished the 1,200-mile course in 3 days 18 hours and 14 minutes, according to Mark Twain's official figures. The *Natchez* did not come into sight down the river until late in the afternoon, after most of the celebration was over. Her 6-hour tieup in the fog had settled her. Her time was 4 days and 47 minutes. Her owner, Capt. Leathers, at the celebration banquet that night, showed that he died hard by announcing that, deducting the 6 hours she had tied up in the fog and 30 minutes which, he asserted, had been lost in repairing a pump below Helena, the *Natchez* "beat" the *Lee* some 20 minutes. The men who had won their money on the *Lee* only sang—

Shoo, fly; shoo, fly; don't bodder me;
I done bet mah money on de *Robert E. Lee.*

A couplet that, both as a song and a jingle, became international.

Replying to Leathers's previous statement that he would not have a skiff built at New Albany, some one propounded the question, "If a 4-year-old water-soaked boat which has been laid up on the ways twice, one time falling off her blocks and twisting herself badly, can easily beat a new boat like the *Natchez* on a race of 1,200 miles, what might be expected of a new New Albany boat, like the *Lee*, in a similar race?"

The *Natchez* was completely vanquished, and the *Lee* was the queen of the river. But she passed, as do all things. She made her last trip up to the very yards where she was built, and here, along in the later seventies, she was wrecked by her former builders, and most of her went into the second *Robert E. Lee.*

The *Lee* had boilers that were very light and cylinders 40 inches in diameter. Her engine had a 10-foot stroke, and her driving wheels measured 38 feet in diameter. The *Natchez* had even a greater wheel, it being 43 feet in diameter, but her cylinders were only 34 inches. She also had a 10-foot stroke. The *Natchez* was 3 feet longer and 3 feet narrower than the *Lee.* "Thirty-four could not cope with forty,"—this is the story in a nutshell—the difference in size of her cylinder. Other boats have for short distances beaten the average time of the *Lee*, but to this day the steamer holds the record for the full trip between St. Louis and New Orleans, and the story of this race is the greatest in American river history.

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THIRTY-EIGHTH ANNIVERSARY OF GREATEST RIVER RACE—WHEN "ROBERT E. LEE" AND "NATCHEZ" FOUGHT FOR THE SUPREMACY OF THE MISSISSIPPI RIVER—A PASSENGER ON THE WINNER RECALLS THE INCIDENTS OF THE FAMOUS EVENTS 38 YEARS AGO.

[Reprinted from Waterways Journal, July 4, 1908.]

Capt. Andrew G. Swain, himself a famous river man, was a passenger on the *Robert E. Lee* when she won the famous race to St. Louis against the *Natchez*, says the New Orleans Picayune. To-day is the thirty-eighth anniversary of the great river event, still exploited in song and story. Capt. Swain is now retired, living in peace at Rosedale, in Iberville Parish, but thrills whenever the experience of 1870 is recalled. A few years ago he consented to tell the tale for the Picayune for the benefit of the new generation which lives in hope of the revival of the glorious days on the Mississippi. The description of the race and many little-known matters in connection with it is given in the gallant captain's own words, as follows:

"The steamer *Robert E. Lee*, owned and commanded by Capt. John W. Cannon, was built at New Albany, Ind., for the New Orleans and Vicksburg trade, leaving New Orleans regularly every Tuesday for Vicksburg. The steamer *Natchez*, built at Cincinnati in 1869, was owned and commanded by Capt. Thomas Leathers. She also was a regular Vicksburg boat, leaving New Orleans every Saturday.

"In the spring of 1870, the cotton season being nearly over, the *Lee* was withdrawn from the trade and a smaller boat took her place to accommodate her patrons during the summer months, the *Lee* entering the Louisville trade. The *Natchez* was also withdrawn from the trade, placing a small boat in her place to represent her during the dull months, the *Natchez* entering the St. Louis trade. Each boat was advertised and scheduled to leave New Orleans four or five trips ahead—*Natchez* for St. Louis, *Lee* for Louisville. The 'ad' was in all the leading papers in New Orleans, Natchez, Vicksburg, Memphis, St. Louis, Louisville, and Cincinnati, thus giving passengers opportunity to engage their passage and staterooms a trip or more ahead.

"In those days boats were crowded with passengers going North and East to spend the summer. The boats were like palaces—the fare 'fitten for a king.' The trip was thoroughly enjoyed by everyone who traveled on these palatial steamers.

"According to their advertised scheduled date, each boat was due to leave New Orleans on the same day, June 30, 1870, the *Natchez* for St. Louis, the *Lee* for Louisville. They arrived on time, discharged their freights, and were getting ready for another departure. The speed of the two boats was the talk of steamboat men from one end of the river to the other. The most important question was, if there was to be a race; if the boats were going to prepare for a race—a race to Natchez, St. Louis, or to Louisville? The friends of both boats were anxious to know if there was to be a sure-enough race for speed. Capt. Cannon, of the *Lee*, was not in favor of giving up his business trip to Louisville to make a race for glory with the steamer *Natchez.* He said, 'I know I can beat her, but it will cost me $7,000 or $8,000 to give up my trip and prepare for a race to St. Louis.' His friends prevailed on him to make the race, so he abandoned the Louisville trip and went to work arranging and planning every detail necessary to make the race to St. Louis. Capt. Leathers, of the *Natchez*, was eager for the race, so confident was he his boat was the fleetest of the two. He told his friends to string themselves out along the river front above the city and they would see the *Natchez* pass the *Lee* before she got out of sight of the city.

"Thousands and thousands of people did line the river front to see the racers pass by. Several boats crowded with people went up the river above Carrollton to see the boats pass. Such enthusiasm and interest was never manifested in any boat race before, not only in New Orleans, but all over the country. Especially at the shipyards where the two boats were built the enthusiasm was at fever heat and the betting ran high on their favorite boat.

"Every preparation had been made by the captain of each boat. The dunnage plank was taken out of the hold of the boats. This was to take the stiffness out of the hull, make it free and easy, limber, and flexible. The splash door and bulkhead, aft of the water wheels, were taken down on each boat. This was to give a free clearance for the water as the wheels revolved. The small wheelhouse derricks were also taken down to prevent catching wind. Both boats were groomed for the race. Coal, pine wood, and rosin were put aboard; arrangements were made at different places along the route to have tugboats run alongside with coal flats, the coal taken off while running under 'half head,' thus losing little time taking the necessary fuel aboard.

"Everything in readiness; time was drawing near. Thousands of people on the levee anxiously waiting to see the two boats back out. Suddenly and like a flash the mate of the *Lee* was heard to say, 'Launch stage' (there was no steam-hoisting stage rigging then), and with one lurch the roustabouts had the stage across deck. The lines were cast off, the pilot of the *Lee* rang the backing bells, and the crowd on the levee waved handkerchiefs, hats, and coats, and cheered. Scarcely had the *Lee* backed out when the *Natchez* rang her bells and was backing out amid the cheers from her friends. The *Lee* straightened up the river and got under way at 5 p. m. Thursday, June 30, 1870. The *Natchez* got under way three minutes behind. She blew her whistle several short blasts, which was taken to mean, 'Look out, *Bob Lee*, I am going to pass you sure.' 'Come on,' answered the pilot of the *Lee* with short blasts of the whistle. It was a beautiful start. Both boats passed St. Marys Market, from which point all boats take their time, the *Lee* firing her gun off the given point at precisely 5.03, the *Natchez* firing hers at precisely 5.06. Smoke was belching from the smokestacks of the *Robert E. Lee* and the *Natchez*, and they were running like scared wolves. Such a grand sight was never witnessed before on the Mississippi River.

"After the boats passed Carrollton it was very evident that the *Lee* was the faster boat. Slowly but surely the gap was widened. The *Lee* had 75 passengers on board, and, strange as it may seem, there was no excitement among them. They walked about the cabin, out on the guards, chatted with each other, discussing the speed of the two boats, and were as unconcerned, apparently, as though they were not on a boat that was making a 1,200 mile race with the great steamboat *Natchez.* After supper the lady passengers were enjoying music in the ladies' cabin, while some of the other passengers amused themselves playing euchre, poker, and other games.

"At 12 o'clock at night the *Lee* turned Conrads Point, which is the foot of a long reach below Baton Rouge. When the *Lee* was opposite Scotts Bluff, 4 miles above Baton Rouge, the *Natchez* was turning Conrads Point, a distance of 9 miles, a pretty good gain in a 17-hour run. Several passengers went up on the upper deck to see the lights and smoke of the *Natchez* at the foot of the reach. Some remarked: 'The *Natchez* ain't in it. She will never see us until she reaches St. Louis.' But lo, at 1 o'clock a. m., July 1, in Prophets Island chute, 144 miles above New Orleans, bad news is reported from the engine room. 'What is it? What can be the trouble?' came from the now ex-

cited passengers, who had not yet retired. Upon investigation it proved to be one of the rivets of the mud drum blew out, which necessitated cooling down and run along under half head of steam while an iron band was put on the drum to stop the leak. The *Lee's* speed was considerably reduced while repairs were being made, which consumed about three hours. The passengers expressed their sympathy with Capt. Cannon for having an accident to the machinery after making such a fine run. He answered in a self-confident manner: 'It's all right. We will have it repaired after a while. If we can only get through before the *Natchez* catches us, is all I care for.'

"While these repairs were being made the *Natchez* was crawling up, getting nearer and nearer, and for a while it looked like she would catch up and pass by. But the *Lee's* engineers, Perkins, Barry, and their assistants, were hard at work, knowing how much depended on them. At 4 a. m. the repairs were finished. The engineer rang his bell over the fire doors to fire up. Soon steam commenced to go up and everything was working O. K. again. The passengers were tickled and delighted that the *Natchez* did not go by while repairs were being made and running under half head of steam. She did gain about what she had lost, coming about as near to the *Lee* as when they left New Orleans.

"When the *Lee* had all the steam necessary, after repairs, she commenced leaving the *Natchez* and was running like a deer. Capt. Cannon gave his chief engineer, Perkins, an order, or rather a request, which should be known by every steamboat man on the Ohio and Mississippi Rivers. He said: 'Perkins, don't crowd or shove this boat any more. We are not running for time. We can beat that boat easy; you know that. So let her go along moderately. Just keep ahead of her; that is all I want to do.'

"Perkins replied: 'All right, Capt. Cannon, I will keep ahead of her.'

"This accounts for the *Lee* not beating the *Natchez* more than she did to Natchez and all other points. These are facts not generally known except to those who are now living and made the trip on the *Lee* in that memorable race.

"The accident to the machinery of the *Lee* at Profit Island caused the loss of thousands of dollars, as there were many bets made on the time to Natchez. Bets were made that the *Princess's* time, 17 hours and 30 minutes, would not be beaten. Some bet it would be beaten 30 minutes. Bets were made that the *Lee* would beat the *Natchez* to Natchez 15 minutes; some 30 minutes; some 45 minutes. As it was the *Lee* beat the *Natchez* only 8 minutes. There were also thousands of dollars bet that the *Natchez* would beat the *Lee* to Natchez. There was no money bet between the two owners of the boats. The race was to test the speed of the two rival boats. The *Lee* showed her superiority, and would have easily reached Natchez half an hour ahead of her rival had it not been for the unfortunate accident to the *Lee* at Profit Island, causing her to run under half head 3 hours, and not being pushed to her limit after repairs were made. The *Lee* arrived at Natchez on July 1, at 10.15 a. m. Time, 17 hours and 11 minutes from New Orleans. The famous horns of the steamer *Princess* had been on the wharfboat for 15 years, with the inscription: '*Princess's*' time from New Orleans to Natchez, 17 hours and 30 minutes. Beat this and take the horns.' Capt. Holmes, an old-time captain in the New Orleans and Vicksburg trade, sent the horns out on a flat to Capt. Cannon, who received them modestly amid the booming of cannon, blowing of whistles, and cheering of thousands of people gathered on the bluff to witness the boats pass on.

"After very little delay the *Lee* proceeded up the river with two coal flats in tow. Coal being transferred to the boat in short order they were turned adrift. As the *Lee* turned the point above town the *Natchez* reached the wharfboat, 8 minutes behind the *Lee's* time. She also received an ovation from the thousands of people waiting to greet her. She lost no time there and proceeded up the river in the wake of her rival.

"The *Lee* passed Vicksburg at 4.42 p. m., and the *Natchez* was not in sight then.

"One of the most interesting incidents that occurred on the trip was the meeting of the steamer *Frank Pargoud*, commanded by Capt. Alex. McVey, in the bends above Vicksburg. Capt. Cannon had arranged to have 125 cords of pine knots on the *Pargoud*. The boats met at 11 p. m. When securely lashed alongside of each other with a 6-inch hawser both proceeded up the river under half head of steam while the wood was being transferred. The mates made the roustabouts go in a run, transferring the knots to the *Lee*. Capt. McVey had invited several planters, shipping clerks, and other friends living on the river to go down on his boat to meet the *Lee*. As soon as the boats were lashed together the guests of Capt. McVey went on board the *Lee*. A number of them had a bottle of champagne, with which they sprinkled the decks, saying nothing is too good to wash the decks of the steamer *Bob Lee*. After the pine knots were taken aboard the lines were cast off, and the *Lee* was once again off on her race.

"July 2 the *Lee* reached Memphis at 11.04 p. m. She was greeted with the booming of cannon, whistles from steamboats, tugs, and factories. Great bonfires, rockets, and fireworks were displayed at the steamboat landing. The excitement and enthusiasm ran high. The *Lee* did not tarry but a minute or two, and left amidst the cheering and thundering of cannon and tooting of whistles. It reminded one of the noise made in New Orleans on New Year eve. The excitement along the whole route on the river was intense. People stood on the banks in groups and crowds at different places to see the great racers go by. Old ex-Confederates living several miles from the river on the Arkansas side came in to the river bank and camped, waiting to see the steamboat, named for their beloved commander, Robert E. Lee. They gave the 'rebel yell' when their favorite passed up in the lead.

"Several miles below Cairo we overhauled the local packet *Idlewild*, landed alongside and transferred several passengers and their baggage booked for Louisville. In daytime along the whole route steamboats stopped and floated with the current while they dipped their flags in honor of the boat bearing the name of *Robert E. Lee*, which was gracefully acknowledged by the pilot with several short blasts of the whistle. A number of boats met at nighttime, made a display of fireworks, sending up rockets, blowing whistles, etc., in honor of the fleetest boat on the western waters. There was no lull in the enthusiasm all hours of the day or night.

"The *Lee* reached Cairo at 6.03 o'clock in the evening, three days and one hour out from New Orleans, the quickest time on record. The *Lee* was drawing 6½ feet of water, and Capt. Cannon, knowing the shoal and snaggy condition of the river between Cairo and St. Louis, knew how necessary it was to keep his boat in the channel, some of the sand bars having but 7½ feet of water. He had taken the precaution to engage the services of two well-known pilots, Jesse Jamison and Enoch King, to 'knock the block out' of the channel to St. Louis, as it was a matter of piloting and not speed the balance of the trip, owing to the low stage of water. These two pilots were on two coal flats the *Lee* picked up at Cairo. As soon as they were landed alongside they at once stepped aboard and reported to Capt. Cannon for duty. He told them to go up and take the wheel, relieving the Louisville pilots, Wes. Connor and Jim Pell, who had acquitted themselves so well in the run from New Orleans to Cairo. There was little time lost taking coal from the flats and they were turned adrift, and the *Lee* was again off on her run.

"A few miles above Cairo, running at a lively gait, the *Lee* turned her stern from shoal water on a sand bar and ran off like a deer. The pilot stopped both engines and set her to backing and straightened the boat up on her course under half head of steam. There were a few prominent steamboat owners and captains on board who weakened and were ready to give up the race when they saw the boat stopping, ringing bells, handling the boat, and apparently losing time in shoal water. But cool and calm, as he had been at all times on the trip, Capt. Cannon said to them: 'Don't be disheartened and give up. No boat can run "full tilt" on shoal water. We are a long ways ahead of the *Natchez*. She will never catch us. I have just instructed these new pilots we took aboard at Cairo to let her run along under half steam. The race for speed with the *Natchez* is won. It is with the pilots from now on. Son, don't worry any more.'

"During the night signs of fog showed up and finally thickened so it was necessary to run under slow bells, and run along very carefully. Captain, mates, and pilots were on the lookout. At Devils Island it began to clear up a little. After several hours' running in fog without an accident a little wind sprang up and blew it off, the boat then being above Devils Island.

"Soon after breakfast the boat, running along at a moderate rate, approached the beautiful home known as Kennett's mansion. When opposite the front of the house, waving of handkerchiefs, flags, and banners and cheers came from the ladies and gentlemen standing on the balcony, in the windows, and on the housetop. A moment later a large Confederate flag was unfurled from the balcony, reaching nearly to the ground. It was an agreeable surprise, and enjoyed by everyone on board of the *Lee*. Capt. Cannon hurried to give the mate orders to load the little cannon that was on the lower deck by the bitts. 'Hurry up,' he said, 'before we get by, and give them a salute.' Bang! belched the little gun in acknowledgment of displaying

the Confederate flag and to those who participated and aided in doing honor to the steamer *Robert E. Lee.*

"About 10 or 15 miles below St. Louis we met a fleet of steamers and tugs crowded with people. They came down to meet and to do honor to the victorious steamer, *Robert E. Lee.* They turned around and started up the river with all the steam they could carry, the *Lee* leaving them far in the rear, while the roustabouts sang:

"Shoo fly, don't bodder me;
You can't keep up wid the *Bob Lee.*

"The *Lee* arrived at St. Louis at 11.33 o'clock on the morning of July 4, finishing a 1,200-mile run in 3 days, 18 hours, and 13 minutes, the best time on record.

"The wharf boat, housetops, and the whole river front were crowded with people to welcome the great steamboat. Such cheers and other demonstrations and enthusiasm was never before witnessed. Wild with excitement and anxious were the thousands of people to go on board and see the cabin. Particularly were they eager to get a glimpse of Capt. Cannon, whom they had heard so much about. The police had to be called in to keep the swarm of people back for fear they might cause the upper deck and skylight to give way. Capt. Cannon was the center of attraction and was indeed the hero of the day. He was congratulated by his many friends for the successful run his boat had made. The *Natchez* arrived late in the evening, six hours after the *Lee*, and tied up at the wharf. Most of the big celebration was over, but Capt. Leathers was accorded a royal welcome from his friends and the thousands of people who remained at the river to see the *Natchez* come in. Capt. Leathers tied his boat up in the fog and lost four or five hours. This was the cause of his being so far behind at the close of the race.

"A banquet was given by captains and officers of the boats in the evening at the rooms of the board of trade. Miss Mary Lee, daughter of Gen. Robert E. Lee, was visiting friends in the city. She and other lady friends were invited to attend the banquet. When Capt. Cannon met Miss Lee she said, 'Captain, I congratulate you for having such a beautiful steamer and arriving safely after such a long run.' Capt. Cannon thanked her for the compliment and invited her and her friends to visit her father's namesake. She, in her modest and gentle manner, accepted.

"Later Miss Lee and her friends went to the river and boarded the boat. Capt. Cannon took great pride in showing his guests all over the craft. Miss Lee was perfectly charmed with the steamer named for her father. She said:

"'Captain, my father must certainly see this beautiful boat. It is a perfect palace.'

"He replied, 'There is nothing would give me more pleasure than to meet your father. When you go back home, tell your father to come down here in the fall and make a trip with me up the Mississippi on his namesake.'

"'I certainly will, and will insist on it. I am sure he will be delighted to do so.'

"After partaking of a beautifully served luncheon the guests returned to their homes highly delighted with their visit on board of the *Robert E. Lee.*

"July 5, the *Lee* left St. Louis for Mound City, a few miles above Cairo, where arrangements had been made to haul her out on the ways to be overhauled and repaired, to be ready to reenter her trade at the opening of the cotton season in the fall.

RACE FOR TIME TO NATCHEZ.

"It is not generally known that these two boats made another trial of speed to Natchez, Miss., in the following fall. Capt. Leathers had made changes in the furnaces of his steamer which greatly improved her capacity for making steam, and he started for Natchez Sunday, October 16, 1870, to beat the *R. E. Lee's* time to Natchez, arriving there in 16 hours, 51 minutes, and 30 seconds, beating the *Lee's* time 21 minutes. The citizens of Natchez gave Capt. Leathers an enthusiastic reception, bands playing, fireworks, etc.

"Capt Cannon learned the news by wire, and when the two boats met at Bayou Sara, Capt. Cannon took the famous horns over to the steamer *Natchez*, lying a few feet above, and presented them to Capt. Leathers, saying, 'Tom, take good care of these horns. I want them next week.'

"Capt. Leathers replied, 'All right, John. You'll never beat 16 hours, 51 minutes.'

"The next Tuesday the *Lee* left to make the run, but was prevented by storm, losing 15 or 20 minutes, reaching Natchez in 16 hours, 59 minutes. The 'Old War Horse' not being satisfied to have the trophy on any other boat than the *Robert E. Lee*, he started the *Lee* out Tuesday, October 29, 1870, to regain the treasured horns. Notwithstanding meeting a rise and the river full of drift above the mouth of the Red River, the *Lee* arrived at Natchez in 16 hours and 36 minutes, with her water wheels badly broken on the running drift, beating the fast *Natchez* 24 minutes, which time stands to-day the best on record.

"When the *Natchez* met the *Lee*, Capt. Leathers sent the horns back to Capt. Cannon. Some time in the seventies the *Lee* made her last trip up the river to New Albany, where she was built, and there wrecked by her former builders. The machinery was placed on a new boat being built for Capt. Cannon, which was also named *Robert E. Lee.*"

Memorial Address on the Life and Services of Hon. Seaborn A. Roddenbery.

MEMORIAL ADDRESS

OF

HON. CHARLES L. BARTLETT,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Sunday, February 8, 1914.

On House resolution 407, as follows:

"*Resolved*, That the business of the House be now suspended that opportunity may be given for tribute to the memory of Hon. SEABORN ANDERSON RODDENBERY, late a Member of this House from the State of Georgia.

"*Resolved*, That as a particular mark of respect to the memory of the deceased, and in recognition of his distinguished public career, the House, at the conclusion of the exercises of this day, shall stand adjourned.

"*Resolved*, That the Clerk communicate these resolutions to the Senate.

"*Resolved*, That the Clerk send a copy of these resolutions to the family of the deceased."

Mr. BARTLETT. Mr. Speaker, I can add but little to the tribute that has been paid here to-day by my fellow Members to the memory of my departed friend and colleague, Judge RODDENBERY. It would be impossible in the time allotted for these eulogies to present in more than briefest outline the principles which guided and controlled the conduct of our late comrade in both his public and private life. Mr. Speaker, the excellencies of mind and heart which characterized him in his more intimate personal relations were truly reflected in his larger relation to the body politic as a public man and servant of the people. Loyalty, not only to friend and fellowman, but to ideal and conviction, was the great directing force of his energies in whatever sphere of action they were employed. Too often we hear the complaint that the man of lofty ideals, however competent he may be to resist evil in the restricted sphere of his private dealings and relations, is unable to cope with the far more complex and potential forces which beset the man in public life and too often tempt him to sacrifice honest conviction to political expediency. On every hand we hear that good men are prone to be weak in the open advocacy of that which they truly believe to be right, and that the bold and courageous efforts of men are most frequently directed to the service of quite selfish ends. Mr. Speaker, as a complete refutation of the cynical notion, so often expressed nowadays, that the man in public life must run counter to his own truest thought and conviction, let me point to the life of our departed friend, replete as it was with good deeds performed for the public weal under conditions requiring the exercise of moral courage of the very highest order. Here was a man who never compromised the truth as he saw and believed it, and never did he enlist his splendid talents in a cause that did not command his truest thought and sympathies.

From early manhood his naturally combative mind had been trained in that severest of all forensic schools, the courtroom, and when he reached this Hall, though young in years, he was an intellectual foeman worthy the most seasoned debater's steel. To him political virtue consisted in something more than mere subscription to the tenets of his party's faith; to him it meant action, ceaseless and dynamic action, to bring to his fellow men the actual and present realization of the blessings of good government; to him it meant the putting on of the full armor of righteousness and uncomprising warfare on the cohorts of special favor and privilege. Public office and station represented something more to him than the mere realization of personal ambition; it represented to him opportunity to serve his fellow men, and I need not say how well that opportunity was improved.

Judge RODDENBERY was truly a man free from envy, hatred, or malice. In both private life and public station he followed the injunction of the great Apostle that—

Whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are

lovely, whatsoever things are of good report, if there be any virtue and there be any praise, think on these things.

So did he travel through life's common way in cheerful godliness.

Cut off at a comparatively early age, our friend has been called from this Hall, almost upon the threshold of his duties here, but we are comforted by the thought that in the everlasting halls above his freed spirit awaits the final convocation of the just.

Hardwick Amendment to Relieve Cotton Situation.

EXTENSION OF REMARKS

OF

HON. JAMES R. MANN,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 21, 1914,

On the bill (S. 6398) to amend section 1 of an act approved May 30, 1908, entitled "An act to amend the national banking laws."

Mr. MANN. Mr. Speaker, there have been four amendments offered by the gentleman from Georgia [Mr. BARTLETT] to the Hardwick amendment, which Bartlett amendments have been agreed to, thus modifying the Hardwick amendment.

Under the leave to print which has been granted, I desire to insert in the RECORD the Hardwick amendment as thus amended. One can not tell by reading the RECORD just what the Bartlett amendments provide, as they refer to lines and pages of the Hardwick amendment as offered and not as appears in the CONGRESSIONAL RECORD.

As the record vote on the Hardwick amendment will be on that amendment as amended, I insert in the RECORD the Hardwick amendment as amended upon which the record vote will be had, which is as follows:

SEC. 3. That the Secretary of the Treasury shall deposit in national banking associations and in State banks situated in States producing cotton or tobacco, or both, the sum of $250,000,000, or so much thereof as may be necessary to carry out the purposes of this act. The said Secretary shall make such deposits under the terms of this act and under such rules and regulations as may be prescribed by him to carry out this act. The deposits herein directed to be made shall be apportioned among the several States in accordance with the number of bales of cotton or pounds of tobacco produced therein during the year 1913, as ascertained by the Department of Agriculture. The Secretary of the Treasury, in lieu of the securities he is now authorized or required by law to exact of the banks in which the funds of the United States are deposited, is authorized and hereby directed to accept as security for the deposits directed to be made in this act cotton warehouse and tobacco warehouse receipts, where the cotton or tobacco thereby represented has been fully insured, at a valuation that represents the fair market value of the cotton or tobacco covered by such receipts. The deposits herein directed to be made shall be made only on the condition that the banks accepting such deposits will loan the same, under reasonable terms and conditions, to the producers of cotton or tobacco, or the owners of lands upon which the same was produced during the year 1914, and the said Secretary of the Treasury is hereby authorized to make all necessary rules and regulations concerning the terms and conditions under which these deposits shall be loaned by the banks that accept the same.

SEC. 4. That the Secretary of the Treasury shall, in his discretion, either immediately cause to be prepared United States notes to the extent of $250,000,000 to be used for the purpose of making the deposits in compliance with this act, which said notes shall have all the legal qualities of the United States notes now outstanding, and shall be of such denominations as the Secretary of the Treasury may prescribe, and shall be payable in gold coin of the United States or its equivalent on January 1, 1916.

SEC. 5. That the Secretary of the Treasury shall not require the repayment of any deposit made under the provisions of this act prior to December 31, 1915.

Cotton.

EXTENSION OF REMARKS

OF

HON. DUDLEY M. HUGHES,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, October 21, 1914.

Mr. HUGHES of Georgia. Mr. Speaker, I never occupy the time of the House unless I believe my duty compels me so to do. On the great question presented by the cotton situation silence on my part would be an indifference, if not an injustice, to a great cause of supreme importance to my district, State, and the Union, and I therefore rise in behalf of a cause I know is just and to plead for a remedy which I believe to be right.

Cotton is essentially the money crop of the Union. Never before has this staple entered the field of commerce and found no market. But such was the case early in September of this year, just as the crop should have commenced to move. It is a crop of prime necessity to all the civilized peoples of the world, for it clothes about 70 per cent of the world's inhabitants. Up to this sad hour it has been the equivalent of gold, for gold would be exchanged for it wherever commerce existed, wherever civilization ruled. It is the great national crop of the Republic, and in its production the United States has no competitor. Its production belongs to this Union, a gift divine, and it is indigenous to only 15 States of this country, known as the Southern States. The cereal crops, in which the United States leads, have competition, but cotton has none worth the while beyond the borders of this Union.

Hence, cotton is nature's especial gift to this Union, and as such occupies a distinct place in national products. It can not be placed in the same category with any other product of this Nation, for it stands separate and alone.

Cotton and its by-products are worth annually to this Government $1,000,000,000 in gold. Two-thirds of this great crop is exported, and keeps intact the gold reserve of the United States. This sum is paid for the raw material, and when manufactured into the finished products its value is several billions.

The cotton lands of the South which produce this staple are worth more to the United States than all the gold, silver, iron, and copper lands combined, for as time passes, with scientific care of the soil, these lands increase in productive capacity. The rich veins of gold, silver, and other minerals can be exhausted, regardless of all efforts of scientists, but the cotton lands of this Union never. They can be made to yield more to the acre as time passes and become richer with the ages. It is the one great agricultural gift with which God has blessed our country.

While in this natural monopoly we have a priceless heritage, it is a crop which is costly to produce. It requires 12 months of incessant labor in its production. It can neither be thinned nor put to a stand by machinery. This must be done by a hoe in hand, and when the harvest is ready every lock must be handled by the finger tips. Hence the cost of production is great, owing to hand culture and gathering. Human ingenuity has snatched the very lightning from the clouds and made it a utility for man with wonderous power, but there has yet arisen no Edison to supplant man's fingers in plucking from the clinging boll this fleecy staple, making it ready for the gin, the press, and to go into the markets of the nations to keep the balance of trade on our side.

Until the outbreak of the European war "its fiber was current in every bank, and when loosing its fleece it floated as a sunny banner that glorified the fields of the humblest farmer and marshaled under a flag that compelled the allegiance of the world." But, alas, alas, the producer of cotton finds himself within the walls of an air-tight vault, with this snowy treasure on all sides, and the door securely locked. This Government, and this Government alone, has the key that can release, relieve, and save him. Will you hearken to his cry for help, or will you ruthlessly turn a deaf ear, and leave the South, your neighbor, one of you, to destruction and ruin, a catastrophe worse than all the earthquakes, fires, and floods ever known in this country?

This great gold crop has been afflicted more seriously and directly by the terrible conflict beyond the waters than all the other crops of the Nation combined. All food products enjoy a stimulated, increased demand and market. The purchase of clothes can be temporarily deferred until the supply in the closets and stocks is exhausted, but the purchase of food for the millions in the contending armies can not be put off for a day, and the United States, the international storehouse, must and will supply any deficit in the crops of other nations and meet the pressing demands of Germany and the allies.

The time will come, whether within three months or three years, when the demand for cotton will again be great, but at present there is no demand. The European hands that were turning the spindles in peaceful commerce are now clutching the rifle in deadly conflict. The workers that wove the cloth to clothe humanity are now gone, not to create, but to destroy. The hum of the mills in their songs of industry in now stilled, and in its place is the cry of battle, the screams of those who, tortured with pain, have fallen. Commerce is paralyzed. At present there is no demand for cotton.

The European war, like lighting from a cloudless sky, a thunderbolt from the blue heavens, broke over the world, and absolutely closed at once temporarily the then prevailing foreign demand for two-thirds of the cotton of the United States. Our mills can consume 6,000,000 bales and they have a supply of

15,000,000 from which they may purchase, presumably at any price they might offer. The South was as surprised and taken as unaware of conditions which we are now facing as was the world over the outbreak of the most disastrous war in history. The South has matured a magnificent crop of cotton, after nearly 12 months of incessant labor, at a heavy cost to the grower. Cotton is necessarily a credit crop. The grower is indebted to the country merchants and State banks for loans advanced, and without a moment's warning his cotton was found without a market. Bankruptcy and ruin stare us in the face and demoralization everywhere over the South—60 days ago happy, contented, and prosperous.

The situation is growing more acute with each passing day, and chaos, ruin, and want are threatening to lay hold upon us. Should the cotton crop be placed on the market as it is gathered the price would scarcely pay for the picking, ginning, and marketing. Rather than this, it would pay the growers to leave 9,000,000 bales on the stalk to fall and decay on mother earth, for then would the 6,000,000 bales consumed in this country bring more net to the producer than the sacrifice of the 15,000,000 bales.

This bill is the relief measure urged by the representatives of the cotton growers after careful consideration. It is not a bill that would be suggested and considered in time of peace. It is an emergency war measure. We earnestly ask you to consider it. It is for immediate relief to save one section of the Union, the salvation of which is of vital interest to every State—North, South, East, and West. All are concerned, all are interested. The "buy-a-bale" movement to retire a portion of the crop from the market at 10 cents has met approval in all parts of the Nation. It shows a praiseworthy interest and spirit, and several thousand bales are said to have been bought and withdrawn from the market, but the situation is such that producers of 15,000,000 bales need help to tide them over and save them from the distress of a glutted market.

The producers of cotton do not ask a donation, but they do ask this Government to loan them a sufficient amount of currency to meet an emergency so great that it threatens not only the South but the business of the whole Nation; and asking this loan, we give you the best security; we give you cotton, which is the equal of gold, and all must concede it will be exchanged for gold at the end of the European war. The demand for the 15,000,000 bales, while deferred, is sure.

The emergency has not been met by Government deposits in national banks, some of whom are hoarding the currency and keeping it out of circulation. The recent action of the Secretary of the Treasury should have brought some relief, but it did not meet the emergency. Recently a prominent resident of my district told me that in one of the most prosperous and enterprising cities in the district he recently saw a man of good credit go into one of the banks of the town and endeavor to secure a loan of $15 per bale on cotton, and was unable to obtain it. Another cotton producer wrote me to know if I could secure a loan of $1,500 on real estate with a value of $15,000. I cite these two instances merely to show how pressing is the need, how great the demand, for ready cash, emergency currency.

The Secretary of the Treasury states that he has the power to issue $1,000,000,000 of additional currency, if required. Yet in my own district, one of the greatest farming districts in this Union, men of good financial standing are unable to secure $1 in cash on $10 worth of security or $15 on the best security—a bale of cotton. A great deal more money than has yet appeared is needed to meet and check the coming ruin. While there appears to be an abundance of available money, no adequate system is in operation to meet the heavy demands of this terrible emergency through the agency of which the money can be had by the farmer.

Hence we urge the passage of this bill or some other measure which will save the producer of cotton and prevent 9,000,000 bales from falling into the hands of the speculators and combines, thereby working the ruin and poverty of the grower.

We ask you to loan us on good security, a transaction in which you run no risk. This Government has gone to the relief of different sections, suffering from earthquake, fire, and flood. This was commendable, and the aid given was supported by every Member from the Southern States, as I think the record will show. These appropriations were unstinted, and they were just, patriotic, and right.

We present to you a request for a loan, bearing interest, with the best collateral. Will you refuse and permit ruin to follow? Or will you accept our secured paper and save us? This is the question.

When the wealth of the Nation was threatened with panic, the aid of the Treasury has been repeatedly sent to the relief of the bankers that wealth might be saved and panic averted. And this was a wise policy. Now that the creators of all wealth—the farmers—are facing catastrophe, will the great Government of equal rights be less generous?

Cotton, in its intrinsic value to the world, is on a parity with gold. In saving cotton to the South you save gold to this country. One is of not less importance than the other.

I address this House with a heavy heart, burdened with a sorrow I can not express for the people I represent, who hold the result of their year of toil temporarily without a market, but only temporarily. Unless, however, the market or relief comes soon, it will be too late for the good of the growers, for they can not hold their crop indefinitely. They offer their labor, the sweat of their brow, the raw material, as security for a loan. Cotton, in peace or war, is not only the equal but the superior as a security of any two names of the highest financial rating, the two names that will be taken as a security under the new currency law.

We ask you to make this war loan in this emergency and take the security of the borrower. Declare any just and equitable terms, and the farmer will meet the requirements.

The States were joined together in solemn compact for mutual good. The South is a party to that compact. A great crisis surrounds her, and as a part of you she asks your aid. If you refuse, you allow a consuming fire to destroy your neighbor's house, thereby endangering your own; and you do this when you have the control of the water which can easily extinguish the flame.

Should you say nay, we must bear the hardship with all the fortitude and bravery of a courageous people, with that same nobility of spirit which characterized the South during the distressing years of the past. Though you stand and watch the structure that a great people has builded burn to ashes for the want of a friendly hand, that great section will rise again in all her majesty and strength, for her trial, though it be one of the most severe she has ever known, can be met and will be met, but it will require a decade for her to overcome that which you can avert in one hour.

If our Southland has to make the fight alone, there will be scars of conflict to mark the terrible struggle, the pinch of poverty will again be in her cheek, the sadness of disappointment at the failure of her sister States to measure up to their friendship will be in her eye, but in the end there will rest upon her brow the crown of victory from a contest that should not have been required.

Conservation—National Forests.

EXTENSION OF REMARKS

OF

HON. JOHN E. RAKER,

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, October 15, 1914.

Mr. RAKER. Mr. Speaker, the question of conservation has been a vital and an important matter pending before this Congress, as well as before the Sixty-second Congress. In 1910, and again in 1912, on the question of conservation, in a statement made by me on the floor of the House I used the following language:

I am * * * in favor of conservation of our natural National and State resources, and a progressive upbuilding policy, honestly and economically enforced; that we control our natural resources and use them now—in the present—but still control them so the future use of them will be saved for the people of this Nation—keep them from the hands of the few.

I also stated in regard to keeping platform pledges and promises, as follows:

I believe it is but proper and right for me at this time to say a few words upon the important question of the duty of those who seek to represent the people of this great Nation or any branch of it, as well as one of the sovereign States, to fully carry out their preelection promises and platform. The promises made by a man when seeking to obtain the suffrage of the people for any office within their gift should not be lightly made, and when made should not be broken. He should be at all times ready and willing to let the public know, as near as he can, his position upon public questions and matters of public concern. When thus made they should be considered as a moral and legal pledge between the public and himself, binding upon him, and to be truly and fully executed.

I have heretofore acted upon and tried to fulfill such promises and shall continue to do so in the future. One who violates his preelection promises and platform is not entitled to the support of any constituency. He is a poor and faithless public servant. He has obtained a high position by fraud and deception if he takes any other course. His title to the office would be obtained and held by committing an offense, while not punishable by any known law yet enacted, though grossly guilty under the moral code. Though his conviction is not always had, it

most generally follows when he next appears before the people for their judgment. While not so certain of condemnation in the past, in the future it will be, because the people are taking a closer inventory of their public servants and are now more fully appreciating their rights and the means with which they can execute them.

There can be no moral or legal excuse for a want of fulfillment of preelection pledges.

I made promises to the people of the first (now second) congressional district two years ago. Those promises have been observed and executed by me to the fullest extent of my knowledge, power, and ability.

This platform has been carried out. The House has passed the Alaskan coal bill; the water-power bill; the coal, oil, and gas bill, and many other conservation measures.

The conservation of our National and State resources and our forest policy are now live questions before the American people.

The national forest policy has come to stay. Public opinion in California has always been in its favor because the majority of Californians understand that the prosperity of the State will suffer if mountainous timberlands are laid waste without regard for the public interest. The national forests help the settler. They promote the upbuilding of the community. They provide for the needs of the small man. They pay revenues to the State. They prevent the conversion of land most valuable for the production of timber and for water conservation into worthless and untaxable wilderness through forest fires and destructive lumbering. They give stability to the stock industry, the lumber industry, the various wood-using industries, and to irrigation development. They hold the door of opportunity open for the prospector. They restrict land and timber speculation, which tie up resources until the man who is ready to make use of them will come through with the price. They obtain for the State the benefit of national expenditures for the protection and administration of lands on which it is good policy to spend at the present time more money than they are yielding in revenue to the Government. They are not reservations, but public works, of which California gets the main benefit.

The principal beneficiaries of private timber ownership are the big timber companies, which to-day hold off the market a large part of the timber in the West, bought in at low prices. They are holding the timber in order to sell it later, when the public demand for timber has sufficiently enhanced the stumpage value, at a better profit. National forest timber, on the other hand, is for sale now, at a reasonable price, wherever anyone sees a chance to operate profitably. It is the national forests which give the poor man, the small dealer, any show. When the Department of Commerce investigated the ownership of private timberlands in California it found that, out of 7,386,000 acres of timber in the State, 1,939,000 acres, or more than one-fourth, was owned by three companies, and that companies or individuals owning 60,000,000 feet or over, each, had five and a half million acres, or nearly three-fourths of the acreage, and over five-sixths of the stand. In the national forests of California last year, out of 723 commercial timber sales made, only 4 were to purchasers of over $5,000 worth of timber, while 682 were to purchasers of less than $100 worth. In addition, there were 135 sales of timber to settlers at cost and 2,915 free-use permits. Miners on and near the Klamath National Forest petitioned the Government in 1911, when it was proposed to eliminate a part of the forest, against the elimination on the ground that the timber would be acquired and held by speculators and they would be unable to obtain the material needed to develop their mines as they now do from the Government. The national forests are the best protection that residents of California have against the evils of timberland speculation and monopoly.

In the national forests of the second congressional district of California the Forest Service has in the last three years made 1,261 timber sales, of which 1,249, or over 99 per cent, were for not over $5,000 worth of timber. The man who buys even $5,000 worth does not have to pay the full amount in advance, but puts it up in small installments as he goes along. Any man who wishes to engage in the lumber business can start on far less capital and with more favorable conditions on the national forests than he can outside. The forests make for diffused prosperity as against the results of concentrated ownership of great areas and great enterprises. They carry out the same fundamental purpose which the homestead act embodied—the American principle of equal opportunity for all.

If the national forests were abolished, the result would be not to promote the development of northern California, but to retard it. The same thing would happen with this timber which has happened with the timber already taken up by private speculators. It would speedily be gathered into great holdings and held for a rise in price. Does anyone suppose that if the great timber companies had been in possession of these forests during the last three years they would have made the 1,249 sales which the Forest Service made to purchasers of $5,000 worth of timber and less? Would they have sold timber, as the Forest Service did, in 1,720 separate transactions, to people who wanted less than $100 worth of timber apiece? Would they have allowed last year 97 settlers and farmers to buy whatever timber they needed for improving their farms at cost, and given away 4,500,000 feet of timber under free-use permits? Would they have put more money in circulation and provided more of a market for the farmers' products than the Government's timber sales have done, or less? With a few exceptions, what are the big owners of private timber doing to develop northern California?

When a small mill begins to operate in national forest timber the owner knows that there will be additional timber for him to cut after what he has bought has gone. Local industries and communities know that their future needs as well as their present will be provided for at a reasonable price. No one will be able to corner the market and take advantage of their necessities. Private ownership would mean a timber policy aiming not at provision for public needs but at the swelling of private profits.

The national forests do not pay direct taxes, but they pay into the county funds 25 cents on every dollar that the Government receives for timber that is cut. The people of the United States pay out of the taxes raised by the entire country all the cost of keeping the timber from burning up and all the cost of supervising the cutting and of attending to various kinds of national forest business. The Nation cares for these California forests free of cost to the people of California and then hands over to the people of California one-fourth of the gross receipts, although the forests are at present a source not of net income but of net expense. The national forests of the second congressional district of California contain 80,000,000,000 feet of timber. If it sells for not more than $1.50 per thousand, this timber will bring into the county funds $30,000,000. Further, it will also give the Secretary of Agriculture $12,000,000 more to spend in road building for the benefit of the public.

But this is not the whole story. If these forests were privately owned they would largely cease to be value-producing after they had once been cut over. The history of the great lumber regions of the Lake States would reproduce itself. There the sites of once-flourishing towns are now empty wastes, and lands formerly covered with the most valuable stands of timber that the American lumberman has ever laid low are now not worth paying taxes on at a valuation of a dollar per acre. National Forest timber is cut by methods which insure a new growth and future yields. Public ownership protects both the timber-using and the water-using public. Those who would persuade the people of California to seek the abolishment of the National Forests would persuade them to act against their own best interests. This the people of the State well know. The National Forests can not be abolished because the public does not want them abolished. To talk of doing away with them is folly. Their opponents are backing the wrong horse. The forests have come to stay because they ought to stay. The more the public finds out about them the more firmly established has the principle which they embody become.

In regard to the conservation bills that have passed the House, a few words in explanation of the carrying out of those bills, when enacted into law, would be profitable at this time.

For several years past many organizations have been campaigning for or against the adoption of a leasing system and the final adoption of what is known as the conservation policy of the United States. These organizations, notably the National Conservation Association, the American Conservation Congress, the American Mining Congress, the National Irrigation Association, the Public Lands Conservation and others have attracted the attention of the American public quite generally, and there is no doubt that the general sentiment both east, west, north, and south is in favor of the enactment into laws of the Alaska coal-leasing bill, the oil-leasing bill, and the water-power leasing bill.

Will these people, many of whom are leaders of the country and many of whom have been devoting years of thought and study, stop now in their efforts merely because laws have been enacted or are about to be enacted? The mere passing of a law is not an end, but the means to an end. The ultimate object of these leasing laws was that the public lands should be utilized, but that the resources upon the public lands should not be wasted or monopolized. The enactment of the law permitting the leasing system is only a step. Will these men and women, the best brains of the country, now cease to think upon these subjects, now cease to worry upon these matters, and will they allow inexperienced, uneducated, untrained clerks to draft the regulations under which these laws are to be put into effect, and will they permit individuals in bureaus and departments to

draft and redraft regulations as they see fit and dispose of applicants with unrestrained, arbitrary, high-handed, and, at the same time, ignorant will? Will those who have devoted years of study and thought leave the administration of the laws to the caprice of bureau chiefs and allow untrained individuals to hold in their hands, and to pick and choose, governed only by their own opinions unrestrained by any but their own feelings, the rights of applicants and interests?

Let these conventions continue, let these associations continue, and with more independence than ever, with more definiteness than ever. Now that the legislation is enacted, demand intelligible, sensible, and reasonable regulations which the Supreme Court of the United States says have the effect of laws. Let these associations continue and review the work of these bureaus in the past, and hold up to the inspection of the country every act, good or bad. It is only in this way that the leasing law will be effective. Whether the leasing law will succeed does not depend upon conditions of race, color, nationality, or religion; it depends upon the way in which the laws are administered. If administered arbitrarily and capriciously it is doomed. If it is administered wisely, broadly, and judicially it will succeed. If success in the making of an application where there are several conflicting applicants depends upon the caprice, whim, or arbitrary ipse dixit then the leasing system is doomed. If the selection of the successful applicant over the conflicting applicants is by well-ascertained procedure the law will succeed.

Panama Canal Tolls Question.

EXTENSION OF REMARKS

OF

HON. WILLIAM E. HUMPHREY,

OF WASHINGTON,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, October 24, 1914.

Mr. HUMPHREY of Washington. Mr. Speaker, the American people have just successfully completed the greatest material achievement in the world's history. The Panama Canal is a reality. This great work is built upon American soil. The American flag floats over it and will as long as the Republic shall last. The American people have constructed it at a cost of almost half a billion dollars. The American people are pledged to operate and maintain and protect it for all time. No other nation has contributed anything in its construction. No other nation has assumed any responsibility in regard to it. No other nation has given a dollar toward this mighty achievement, but now that the work is finished the claim is made that the United States, the builder, the protector, and the defender shall have no more rights or privileges in regard to the canal than any other nation. It is urged that we can give no preference to our own ships in the use of the canal. In fact, it is urged by many that the United States shall have fewer privileges with the canal than other nations of the world. It is now contended that we must be content with the glory of the achievement, while the material benefit goes to those who have borne none of the burden of the undertaking. We have brought the crop to the ripening; we must now step aside and see other nations reap the harvest.

Let it be made clear and plain that this claim that other nations shall share equally with us in the benefits of the canal is not made now and never has been made by any other nation of the world. It has been made only by the transcontinental railroads, the Carnegie Peace Foundation propaganda, and their sympathizers. Certainly, under the circumstances, if the other nations of the world have an equal right with us to the use of the Panama Canal, then that claim by every rule of equity and justice must be clear and beyond dispute.

THE HAY-PAUNCEFOTE TREATY.

The claim is made that under treaty obligations other nations have the same rights to the use of the canal as the United States. Here is another strange fact of great significance that should not be forgotten. No foreign nation has ever claimed such right under the Hay-Pauncefote treaty. This claim has only been made by those who directly or indirectly come within the sphere of the transcontinental railroads or the Carnegie Peace Foundation. All these claims come from our own people. These claims are made at home and not abroad.

The claim of equal rights for all nations is made under the provisions of the Hay-Pauncefote treaty. Let us examine this treaty and see upon what foundation this contention rests. It is to be noted that those who make the most strenuous claims that we are violating that treaty seldom refer to its terms.

A treaty is a contract between two nations. Nothing more nor less. It is subject to ordinary rules of construction of contracts. A treaty is made by the contracting parties the same as all other contracts, in view of the circumstances that exist at the time the contract is made and such conditions as might reasonably be anticipated by the parties at the time the contract is made. If the conditions change, then either party has the right to refuse to be further bound by such contract. The treaty becomes voidable at the instance of either party. This is the law; this is justice.

Let us apply this rule to the Hay-Pauncefote treaty. That treaty was signed in 1901. At that time we believed that we would construct that canal on foreign soil, but two years thereafter Panama rebelled and became a separate nation. The United States purchased from Panama the canal strip upon which that work is now constructed. This strip became American territory. There is no dispute upon this question.

The Supreme Court of the United States in the case of Wilson *v.* Shaw (204 U. S., 33) has decided the sovereignty of the United States extends over the Canal Zone just as it extends over every other part of the United States. The British Government in its second note of protest in regard to the canal admitted our sovereignty. This territory having passed from a foreign nation and become American territory since the execution of the Hay-Pauncefote treaty, it is too plain for argument that conditions have changed, and that either party was at liberty to refuse to be further bound by the treaty. No one will argue that either England or the United States at the time that treaty was signed could have reasonably anticipated this change. All admit that conditions did change. This being true, the United States in all justice was no longer bound by the treaty and we were under no obligations whatever to regard it.

The moment Panama became American soil it was no longer subject to treaty regulations. Treaties are negotiated by the President and ratified by the Senate. When the Panama Canal Zone became domestic territory it passed from the realm of treaty regulations to the control of Congress, under the provisions of section 3 of Article IV of the Constitution of the United States, which says:

> The Congress shall have power to dispose of and make the needful rules and regulations respecting the territory or other property belonging to the United States.

I can not see, in view of these changes, in view of the admitted facts by England, the other party to the contract, and by all other nations, how it can be maintained that the United States is to-day in any way bound by the Hay-Pauncefote treaty.

Suppose England had secured the canal strip instead of the United States, will anyone entirely sane pretend that he believes that England would have consented to be still bound by the Hay-Pauncefote treaty and would have permitted the United States to construct the canal on English soil and to control it and fortify it and make rules and regulations for its use? Suppose we had owned the Canal Zone prior to making of the Hay-Pauncefote treaty, as we own it to-day, would anyone for a moment contend that we would then have made the Hay-Pauncefote treaty, or any other treaty, in regard to our right to construct the canal upon our own territory? It would be no more absurd to contend that we would to-day enter into a treaty with any other nation of the world to construct a canal across any State of the Union.

If there could be any question in regard to our right to abrogate the Hay-Pauncefote treaty after it became our own territory, then we have the high authority of Great Britain upon this point. Great Britain did precisely this thing in regard to the Suez Canal. After Egypt became British territory Great Britain refused longer to be bound by certain provisions of the treaty. It is illuminating that Lord Pauncefote, the joint author of the Hay-Pauncefote treaty, should have taken this exact position. Lord Pauncefote, in defending the British Government in its refusal to be bound by treaty obligations, used this language:

> That Egypt, having become British territory since the construction of the canal and the agreement between the powers, Great Britain could not be bound by the neutrality provisions adopted, so far as they affected Egypt, because it was a recognized principle of international law that treaties are only operative so long as the basic or fundamental conditions upon which they are based continue, and that in the event of a fundamental change, such as a change of sovereignty of the soil, any nation which is a party to such treaty could honorably contend that it was inoperative as to her newly acquired territory.

Certainly no other evidence is needed to show, both by common justice and by the action of England herself, that the United States, after acquiring the Panama Canal Zone, was no longer bound by the terms of the Hay-Pauncefote treaty.

But suppose, for the sake of the argument, that the Hay-Pauncefote treaty is still in full force and effect, is it in violation of that treaty for the United States to pass American ships through the canal without the payment of tolls or on different terms from those given to other nations? This entire controversy is based upon rule 1, article 3, of the Hay-Pauncefote treaty, which reads as follows:

The United States adopts, as the basis of the neutralization of such ship canal, the following rules, substantially as embodied in the convention of Constantinople, signed the 28th October, 1888, for the free navigation of the Suez Canal; that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

Let it be noted "that the United States adopts these rules." Not England and the United States, but the United States alone. The United States, the proprietor, the one who has the authority to do so, adopts rules for the government of the canal. In other words, it says that under certain conditions other nations may use the canal which it has built. For the United States does not say it will treat all other nations alike, but that it will treat all nations alike that observe "these rules."

The language in treaties is given its ordinary meaning. It would be absolutely foolish to say that in the ordinary meaning of the English language that a person owning and controlling a piece of property and desiring to permit that property to be used by other persons would, in the making of the rules prescribing the terms upon which it should be used, say that he would treat all persons alike that observe these rules and that he would treat himself the same way as he treated other people and obligate himself to obey his own rules.

Suppose a man owned a piece of land and that for the benefit of the public and himself he construct upon that piece of land at great expense a bridge, and that he would then have posted at either end of that bridge a sign saying "all persons" that will pay $1 may cross this bridge. Does that mean that the owner, the man who made the rules, will charge himself a dollar each time he crosses his own bridge? How can a man pay himself anything? How can the United States pay to itself anything for using its own canal?

Suppose that a man owns a piece of land and he posts a notice on that land saying "that all persons crossing this land will be prosecuted." Does the term "all persons" mean himself? Does it mean that he will prosecute himself for walking across his own property? Is such the ordinary meaning given to such language?

But some contend that if the United States, in making the treaty, did not intend to include itself in the term "all nations," then it should have said that it would treat "all nations alike that observe these rules except itself." They would have the bridge owner say I will charge every one that crosses my own bridge a dollar except myself. They would have the landowner say I will prosecute anyone that walks upon my own land except myself. This contention is more absurd than the first one that the term "all nations" includes the owner. Such is not the ordinary use of the English language.

When the United States made the rules regulating the Panama Canal she made them for other nations to observe and not for herself. When she said that she would treat all nations alike, she meant just what she said—that any other nation that would observe the rules that she prescribed would receive equal treatment. But she was not making rules to be observed by the United States.

If these words "all nations" include the United States, then the United States must observe not only rule 1, but all admit that she must also observe the other rules prescribed in section 3. From this conclusion there would be no escape. Let us see for a moment where it will lead if we contend that the United States is included in the expression "all nations observing these rules." Rule 2 says:

The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it.

So that if the United States is included in "all nations," she can not, even in time of war, prevent an enemy from destroying the canal that she has constructed. She can not commit an act of hostility to defend herself or to prevent the destruction of the canal itself, that has been built for the benefit not only of the United States but all mankind. Will anyone contend for such absurd and unjust construction of the Hay-Pauncefote treaty?

Rule 3 says:

Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

If the United States is included in the term "all nations," then we are absolutely prohibited from taking on stores in the canal. We are absolutely prohibited from keeping any stores there for the use of our naval vessels. We can not stop our naval vessels in the canal. Will anyone contend for so dangerous and ridiculous a construction of the Hay-Pauncefote treaty?

Rule 4 says:

No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

If the United States is included in the term "all nations," then we can not keep troops upon the canal; we can make no preparations to defend it; we can not disembark troops upon the canal. Will anyone contend for such foolish and absurd construction of the Hay-Pauncefote treaty?

Rule 5 provides:

The provision of this article shall apply to waters adjacent to the canal, within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time.

If the term "all nations" includes the United States, then we can not keep our vessels of war within 3 marine miles of the canal or in the neighborhood of the canal longer than 24 hours at any one time. If we shall be at war with any nation, we shall not pursue them for 24 hours after they depart from the canal. We will be compelled to let any nation pass their naval vessels through the canal, even to attack us, and then give them 24 hours after they get through the canal before we dare pursue them.

If "all nations" includes the United States, then if we were at war with Germany and she desired to attack the Pacific coast she could bring her fleet to the entrance of the Panama Canal on the Atlantic coast and we would then be compelled to let her pass her vessels through the canal on exact terms that we would pass our own, although we knew she was taking her ships through for the purpose of attacking us. And after she passed through the canal, if we had our battleship fleet on the coast ready for that purpose, we would not dare pursue her vessels for 24 hours thereafter. It does not seem to me possible that any sane patriotic American can contend for a construction of the Hay-Pauncefote treaty so unjust and dangerous, so absurd and idiotic; and yet this must be the conclusion that you must reach if you contend that the term "all nations" used in section 1, article 3, of the treaty includes the United States, for if the United States is bound to observe one rule in that section she must observe all.

Again, it is perfectly clear that if the term "all nations" includes the United States, and if we can not pass through the canal free our vessels of commerce, that we can not pass through our vessels of war, for the two are treated exactly the same, the provision of the treaty being the canal shall be free and open to "vessels of commerce and of war"; so if it is a violation of the treaty to pass a commercial ship through the canal, it is a violation of the treaty to pass a naval vessel through the canal.

In the name of the American people who have paid the enormous sum for the construction of this canal, what have we constructed it for, if we are to accept the contention of the transcontinental railroads and Great Britain, that we are bound by the terms of the Hay-Pauncefote treaty, as they construe it?

TERMS OF ENTIRE EQUALITY.

But, again, let us suppose that the treaty does mean that the words "all nations observing these rules" includes the United States, and that all nations, including the United States, shall use the canal "on terms of entire equality," does that mean that all vessels of all nations, including the United States, shall be charged the same tolls? Does charging the same tolls mean that the vessels of all nations would then be using the canal "on terms of entire equality." The United States has invested in the canal some $400,000,000. Other nations have invested nothing. The United States will pay $27,000,000 per year in the operation and the maintenance of the canal, if a reasonable charge upon the capital invested is included. Other nations will pay nothing. It is estimated that it will cost the United States $17,000,000 annually more for the maintenance of the canal than she will collect in tolls from other nations and from her own ships. Is it fair to the United States to place all these great burdens upon her that the other nations of the world do not bear and still

charge her as much as other nations for the use of the canal? Would that be putting the United States upon terms of entire equality? I submit that it would take a twisted mentality under such conditions to contend that the United States was being treated by herself in the use of her own canal upon terms of entire equality if she carried all these vast burdens and still charged herself the same rate of tolls that she charges the vessels of other nations.

NEUTRALIZATION OF THE CANAL.

Again, it will be observed that article 3 and all the rules thereunder of the Hay-Pauncefote treaty refer to what shall be done in time of war and not in time of peace. The words are, "The United States adopts, as the basis of neutralization of such ship canal." "Neutralization" means to keep it neutral, to keep it from being used by belligerents in time of war, except in accordance with rules and regulations that the United States shall prescribe. To say that these rules are adopted as a basis of neutralization for nations in time of peace would be a contradiction of terms.

It seems to me that the whole controversy in regard to rule 1 of article 3 rests upon a false foundation. This rule was made to protect the canal in time of war, and has nothing to do with the vessels of commerce in time of peace. Article 2 provides for the control of the canal in time of peace. It reads:

> It is agreed that the canal may be constructed under the auspices of the Government of the United States, * * * the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

It will be observed that the United States has the exclusive right of providing for the management and regulation of the canal, and in addition "shall have and enjoy all the rights incident to such construction." If to use the canal for the use of our own ships is not a "right incident to construction," then what is? From a commercial standpoint the right to use the canal for the passage of our own ships is the main purpose. Under that provision of the treaty certainly the United States has the right to pass her ships through the canal as she sees fit, or else the rights "incident to construction" mean nothing.

I can not understand how anyone can read these two sections of the treaty together and still contend that we can not pass our ships through the canal free, even if the Hay-Pauncefote treaty is still in full force and effect, without violating any provisions of that treaty.

We made a treaty with Panama on November 18, 1903, and in that treaty we gave Panama the right to pass her vessels through the canal "at all times without paying charges of any kind." This provision is in express violation of the terms of the Hay-Pauncefote treaty, that all nations should be treated alike in regard to the canal, but Great Britain did not protest against this provision, and no other nation protested. Evidently at that time Great Britain and all other nations believed that as the ownership of the canal had come to us that we had a right to do as we pleased with it. In other words, that the Hay-Pauncefote treaty was no longer in force.

In 1909 we negotiated a treaty, which was signed but not ratified, with Colombia. In that treaty in article 2 it was agreed that the Republic of Colombia should have the right—

> at all times to convey through the ship canal now in course of construction * * * troops, materials for war, and ships for war without the payment of tolls or charges.

This treaty was negotiated by the Hon. ELIHU ROOT, then Secretary of State. It demonstrates what construction Mr. ROOT placed upon the treaty when he was charged with the great responsibility of this great office and when he represented the interest of his country. He believed then, evidently, that the United States was not bound by the provisions of the Hay-Pauncefote treaty, for the provision quoted is in express violation of the terms of that treaty.

Mr. ROOT at that time recognized that when we acquired the Canal Zone and it became American territory that the Hay-Pauncefote treaty became at once voidable. At that time he believed that the United States had a right to do what she pleased with her own canal, constructed on her own soil. However much Mr. ROOT may strive, as the mouthpiece of the Carnegie Peace Foundation, to discredit his own work when Secretary of State, the people of this country have more confidence in his opinion and his patriotism when he was under the great responsibility, when the matter was fresh in his mind, as expressed in the solemn treaty with Colombia, than they have as expressed in his widely circulated speech upholding the attitude of the transcontinental railroads and the British contentions.

Is it not strange that Mr. ROOT thought that we could extend to other nations the right to pass their ships through the canal free, but could not extend that privilege to our own? The American people have more confidence in the opinion of Mr. ROOT, Secretary of State, than in the opinion of Mr. ROOT, attorney.

THE CLAYTON-BULWER TREATY.

It is contended by some who claim that we are violating our treaty obligations that those obligations are contained in section 8 of the old Clayton-Bulwer treaty, signed July 5, 1850. A reading of that old treaty and the Hay-Pauncefote treaty shows that such contention is exceedingly technical and uncertain and has no foundation in fact. There was no reason whatever why we should have referred to the Clayton-Bulwer treaty and the Hay-Pauncefote treaty, so far as constructing the canal across the Isthmus of Panama is concerned. In the first place, the Clayton-Bulwer treaty does not apply to the Isthmus of Panama.

The main contention in regard to the Hay-Pauncefote treaty, taking into consideration the terms of the Clayton-Bulwer treaty, is that England yielded some valuable concessions to the United States that she had under the Clayton-Bulwer treaty when she made with us the Hay-Pauncefote treaty. There is no foundation whatever for any such contention. All this argument is swept away absolutely by the fact that is generally forgotten that in 1846 we made a treaty with Colombia that gave us the right to construct a canal across the Isthmus of Panama. All this talk about England yielding some valuable right under the Clayton-Bulwer treaty is demonstrated to be mere pretext when you recall that we had the right to construct the Panama Canal four years before the Clayton-Bulwer treaty was made.

But it is only necessary to read the first section of the Hay-Pauncefote treaty to forever dispose of any claim that may be made under the Clayton-Bulwer treaty. The first article of the Hay-Pauncefote treaty says, referring to the Clayton-Bulwer treaty:

> The high contracting parties agree that the present treaty shall supersede the aforementioned convention of the 19th April, 1850.

Those plain words forever settle all claims that England has any right under that old treaty.

COASTWISE TRADE.

Another question that is much debated is whether or not even if the Hay-Pauncefote treaty is in full force and effect, is it violated by the United States passing her ships through the canal in the coastwise trade without the payment of tolls? This is the exact question involved in the proposed repeal of the present law. The claim that to pass our ships through the canal free in the coastwise trade would be a violation of the treaty is based upon the language already quoted in rule 1 of section 3 of the Hay-Pauncefote treaty, when it says:

> The canal shall be free and open to vessels of commerce and of war of all nations observing these rules on terms of entire equality.

Our present law says:

> No tolls shall be levied upon vessels engaged in the coastwise trade of the United States.

The present bill in Congress proposes to strike these words from the law.

Our coastwise trade is our domestic trade. Only vessels flying the American flag are permitted to engage in it. It is reserved entirely for American ships. Does it then violate rule 1 of the Hay-Pauncefote treaty above quoted, even if we give the construction to it contended for by those who favor the repeal of the present law?

In 1815 we made a treaty with England, and that treaty is now and has been in force ever since. That treaty says:

> That no higher or other duties or charges shall be imposed in any of the ports of the United States on British vessels than those payable in the same ports of the United States, nor in the ports of any of His Britannic Majesty's territories in Europe on the vessels of the United States than shall be payable in the same ports on British vessels.

Compare the language of that treaty with the much-discussed language in rule 1 of the Hay-Pauncefote treaty, which says:

> The canal shall be free and open to vessels of commerce and of war of all nations observing these rules on terms of entire equality.

No one will for a moment contend but what the language of the treaty in 1815 is much more specific and emphatic in saying that each nation shall treat the vessels of the other the same as their own than is the language in the Hay-Pauncefote treaty. In the treaty of 1815 it specifically says that "no higher or other duties shall be charged" American vessels in British ports in Europe than are charged to British vessels.

If we would violate the Hay-Pauncefote treaty by charging British vessels more than we charge our own for passing through the Panama Canal, then England violated that treaty of 1815 every day up until a few years ago when she admitted all vessels to engage in her coastwise trade in Europe. For

almost a century in spite of that treaty, every time an American vessel entered a British port it paid "higher and other duties and charges" than did a British ship of the same character engaged in the coastwise trade. Yet the treaty plainly and specifically says that Great Britain shall not charge American vessels any higher duties or charges than she does British vessels, and still she did it as long as she had a coastwise trade. Yet when we propose to do the same thing with British vessels passing through the Panama Canal under a treaty where the language is not nearly so clear or so strong, her worshipers in this country preach and prate about national honor.

England contends and always has contended that where the word "vessels" is used in any treaty, it means "only vessels engaged in foreign trade." She has always contended that the coastwise trade is entirely domestic commerce; that it concerns only the nation to which it belongs and is not subject to treaty, and is never within the purview of treaty obligations. England has always contended that any nation had a right to do as it pleased with its coastwise trade, and that by so doing it would not violate any treaty obligations for the reasons already stated.

In this position that coastwise trade was entirely domestic, and that any nation had the right to do with that trade as it pleased, and that it was not covered by treaty stipulations, England has always been in exact accord with the United States. No other contention was ever made until the attorneys for the transcontinental railroads and the Carnegie Peace Foundation raised it in this Panama Canal controversy in an effort to stop American ships that would be competitors with the railroads from passing free through the canal. Fortunately, the exact question that is now attracting so much attention has been directly and specifically decided by the highest legal authority of the world, the Supreme Court of the United States. The State of Texas imposed "higher and other duties or charges" on foreign vessels entering her ports than she did on American vessels engaged in the coastwise trade. A British vessel owner thought that such treatment was in violation of the language of the treaty of 1815, above quoted, and brought suit. The case went to the Supreme Court, and the exact point is decided in the case of Olsen *v.* Smith (195 U. S., 332). The court held that although the treaty said that "no higher or other duties or charges shall be imposed in any of the ports of the United States on British vessels than those payable in the same ports of the United States," that Texas did not violate that treaty by imposing duties and charges upon foreign vessels for entering her ports and by permitting American vessels in the coastwise trade to enter her port free from all charges. This is the exact question now in controversy. Judge White, now Chief Justice of the Supreme Court, and one of the greatest lawyers that this Nation ever produced, wrote the opinion. He disposed of the contention of those who are now making so much disturbance about violating our treaty rights and have so much to say about "national honor" in a single sentence in that decision. He says:

> Neither the exemption of coastwise vessels from pilotage resulting from any law of the United States nor any lawful exemption of coastwise vessels created by the State law concerns vessels in the foreign trade, and therefore any such exemptions do not operate to produce a discrimination against British vessels engaged in foreign trade and in favor of vessels of the United States in such trade.

Thus, England and the United States, the parties to the Hay-Pauncefote treaty, have both decided, and daily follow that decision, that every nation can impose upon foreign ships such charges or duties as it may see fit, for the use of its ports, rivers, or canals, or any other waters, and grant that same privilege free to their coastwise vessels without in any way infringing treaty rights, no matter what the treaties may provide about equal treatment for the vessels of other nations, because "vessels" in a treaty does not include vessels in the coastwise trade. The reasons given by Judge White for such construction are unanswerable. It does not take a lawyer to understand them. He states that coastwise trade, being reserved entirely for American vessels, and foreign vessels not being permitted to engage in it under any circumstances, it is impossible for there to be a discrimination against a foreign vessel.

This is the law, this is justice, and this is plain common sense, and all the arguments of learned corporation lawyers made to mislead and confuse and all the high-browed criticism of that class ever ready to denounce the attitude of their own country in any contest with foreign nations, under the impression that such action shows great intellectual superiority, can not prevail against it.

Secretary Hay and Lord Pauncefote were both familiar with the language of the treaty of 1815 and the construction that both countries placed upon it. This treaty was before them when they were drawing the Hay-Pauncefote treaty; they knew the construction given it by both countries, and if it had been intended that the Hay-Pauncefote treaty should apply to American vessels in the coastwise trade they would have specifically so provided. No other construction of their actions under the circumstances is possible.

And finally let it be emphasized over and over again that England does not now and never has contended that to pass our ships in the coastwise trade through the canal free would be in violation of the Hay-Pauncefote treaty. There is wide misapprehension upon this point. The general impression seems to be that England is making a great protest in regard to this law giving that right to our coastwise ships on the ground that it violates our treaty. This is not so. England is not making any such contention. This protest is made only by British worshipers in this country and not by England herself. It may be strange, but it is true, that while some in this country are shouting that we are discredited, that we are violating national honor and our solemn treaty obligations with England if we do not repeal the present law, yet England, the party to the contract, the nation that is supposed to be outraged and wronged, makes no such claim. She could not honestly and consistently do so in view of her own practice for a century, and she does not do so. She leaves that high moral duty to her friends and defenders in this country.

Not only has England, nor any other nation, never claimed that it is a violation of the Hay-Pauncefote treaty for the United States to pass her coastwise ships through the canal free, but England has expressly admitted that under the terms of the treaty and under the construction that England herself places upon that treaty we have that right. The British Government admitted that right in the most formal and solemn manner when, in the second note to our State Department in regard to this controversy, it was stated:

> If the trade should be so regulated as to make it certain that only bona fide coastwise traffic, which is reserved for United States vessels, would be benefited by this exemption, it may be that no objection could be taken.

So all this protest and noise, all this sound and fury about treaty obligations, about national honor, about national humiliation, comes to this, that England, the party to the contract, the quickest and most persistent nation in all the world to demand every right—technical, real, or imaginary—admits that we have a right to do exactly what we have done. England admits this right and admits it without protest.

For almost two years the law giving us this right has been upon the statute books, and England and every other nation of the world has accepted this law and recognized our right to do what we have done. Nowhere in all the world is this right disputed, except in this country by so-called Americans. Is it the patriotic duty of American citizens, and especially of American public officers, to cry out that we are violating our treaty rights, that we are violating national honor, that we are playing a dishonorable part, when no other nation of the earth is making any such claim? Is such action on the part of some of the public men in this country most truthfully described by the term "patriotic" or by the term "treasonable"? It seems almost incomprehensible that any public official could be so misled by the influence of the transcontinental railroads and the Carnegie Peace Foundation Society as to take such attitude.

SUMMARY IN RELATION TO THE TREATY.

To sum up, the Hay-Pauncefote treaty is not violated by passing our vessels through the Panama Canal without the payment of tolls, for the following reasons:

First. Because since the execution of that treaty conditions have changed, and such change released the United States from all obligations under that treaty.

Second. The Panama Canal is built on American territory, and under the Constitution Congress has the power to deal with it as it wishes, the same as that of other domestic territory, and such territory is not covered by treaty stipulations.

Third. Even if it is admitted that the Hay-Pauncefote treaty is in full force and effect, the term "all nations," used in rule 1 of article 3, means only "all foreign nations," and does not include the United States, the owner that makes the rules.

Fourth. Even if the construction placed by those in favor of repeal upon the Hay-Pauncefote treaty is admitted, under the practice followed by both England and the United States for a hundred years the treaty does not include coastwise trade, and does not, therefore, interfere in any way with the United States passing ships in the coastwise trade through the canal free.

Fifth. Article 3, and all the rules thereunder, of the Hay-Pauncefote treaty applies only in time of war and not in time of peace.

Sixth. The United States Supreme Court has specifically decided the question in controversy and has held that for the United States to pass her vessels engaged in the coastwise trade through the canal would not violate the Hay-Pauncefote treaty, even if it is in full force and effect and given the construction that those in favor of repeal place upon it.

Seventh. England, the other party to the Hay-Pauncefote treaty, specifically admits that under that treaty the United States has the right to pass her vessels in the coastwise trade through the canal free.

Eighth. Neither England nor any other nation has protested, or is protesting against the present law upon the statute books giving the United States the right to pass vessels in the coastwise trade through the canal without the payment of tolls.

After a study of the treaty and the law and the facts and circumstances, and the right and justice of the case, and the admission of England and the other nations of the world, it seems almost incredible that anyone should seriously contend that the United States has not the right to pass through her own canal her own ships engaged in her own domestic trade upon any terms that she might see fit. Such contention is made to-day only by those who are within the sacred zone of the influence of the transcontinental railroads, or breathe the holy atmosphere of the Carnegie Peace Foundation. May He who directs the destiny of all save our country from the pure and patriotic guidance of such unselfish, self-appointed, "holier than thou" guardians of our Nation's honor and our Nation's welfare.

ARBITRATION.

The question, of course, is naturally asked why should not this difference in relation to the Hay-Pauncefote treaty between the United States and Great Britain be submitted to arbitration.

I am opposed to arbitration, because, in the first place, we would be compelled to submit our claims to a prejudiced court. The jury would be packed against us. It would be to the interest of every other maritime nation of the world to decide against our contention. Under such circumstances we could not expect justice in submitting to arbitration.

Again, I am opposed to arbitration because the control of the Panama Canal is a domestic question. We can not submit to arbitration questions concerning our internal affairs without renouncing the right of sovereignty. When we submit to arbitration domestic questions we cease to be a Nation.

Our arbitration treaty with Great Britain contains this language:

Provided, nevertheless, That they do not affect the vital interests, the independence, or the honor of the two contracting States, and do not concern the interests of third parties.

I think this question does vitally affect the independence and the honor of the United States, and for this reason we should not arbitrate.

But however we may disagree about other matters, certainly there can be no contention that we could not submit this question to arbitration under the provision above quoted, which says that this can not be done when the interest of the third party is concerned. Panama is even more vitally interested in this question than the United States. Under our arbitration treaty we could not with honor arbitrate this question without we first obtained the consent of Panama. Can we afford to disregard the vital rights of Panama because it is a weak and small nation at the request of England, whose interests at most are not vitally affected, because she is a great and powerful nation? Certainly those who have had so much to say about maintaining national honor can not consistently advocate arbitration unless that request comes from Panama as well as from Great Britain.

SUBSIDY.

Many of those who are opposed to the present law in relation to the Panama Canal tolls finding that they can not hide behind the treaty seek other reasons for their opposition to their country's interests and for breaking their platform promises and their pledges to the people. They have discovered in this extremity that to grant free passage to our coastwise vessels through the canal is a subsidy paid to coastwise vessels. Those who make this argument are either insincere or muddy-minded. Reason demonstrates absolutely the fallacy of their contention.

It will not benefit ships in the coastwise trade to have free tolls, or injure them to pay tolls. Our coastwise trade is a monopoly reserved exclusively for American ships. Each ship in that trade will bear exactly the same burden of each of its competitors; therefore they will all be upon an equality. No vessel will be under any disadvantage. This being true, all vessels being on an equality, they will simply pass the burden on to the shipper and the shipper will pay the tolls, and in return the shipper will pass this burden to the consumer. To illustrate: Suppose that two companies owned all the vehicles that did all of the transfer work in a city and no other competitor would be permitted under any circumstances to enter this field, and that city imposes a license of so much for each vehicle operated by each of these companies, and each company had the undisputed right to fix the rate that they charge. Will anyone argue that the payment of this license is a burden upon the companies having the monopoly and that these companies will not consider the license they will be compelled to pay in fixing their rates? If coastwise vessels pay a toll and being entirely safe from outside competition, is anyone so simple as to think that they will not take this into consideration in fixing freight rates?

If the present law is repealed, then a 5,000-ton ship passing from coast to coast will pay about $6,000 tolls for going through the canal. Suppose that a lumberman on Puget Sound wishes to charter a ship of that character to carry a cargo of lumber to New York. Does anyone believe that the owner of such vessel will not consider that toll that he must pay of $6,000 in fixing the rate of charter that he will charge the Puget Sound lumberman? If any such there be, then the only fitting place for him is in the asylum for the feeble-minded. Of all the insincere, ridiculous, and cowardly excuses for doing an unjustifiable and unpatriotic thing, this cry saying "free tolls is a subsidy" for the benefit of the vessels in the coastwise trade has never been surpassed. I know that coastwise shipowners do not care whether a toll is charged or not, so far as their business is concerned. I know it by being for many years in close acquaintance with this great industry. I know it because I know that the men in that industry possess at least ordinary intelligence. To say that the shipowner, if he pays the tolls, will not include it in his freight charges is to discount human selfishness and insult childish credulity.

THE RAILROADS AGAIN.

There are many strange things about this subsidy cry, and one of the most strange and sinister is the earnestness with which it is promulgated by the transcontinental railroads. Never before has such protest come from that source. If this is a subsidy, then the more than $40,000,000 that we pay annually to improve our rivers and harbors is a subsidy. We have paid to improve the Mississippi River and its tributaries more than we have to build the Panama Canal. This vast sum is a subsidy.

Let it be remembered that no American ship in the coastwise trade pays one cent to use any American harbor or river or canal or other waterway, although we pay millions of subsidy annually to improve them. We have 12 canals in this country, exclusive of the Panama Canal. We pay more than $2,000,000 annually for their maintenance and operation, and not one penny of tolls is paid by any ship under the American flag in the coastwise trade for using them. Certainly if a free canal at Panama constitutes a subsidy, then these other free canals constitute a subsidy. The 12 other canals are the same in all respects as the Panama Canal.

The Government has paid millions of dollars to construct the great Soo Canal, and they are paying millions of dollars annually to maintain it and to operate its great locks. Through it passes the greatest commerce in all the world. This commerce is borne almost entirely by ships that belong to the Steel Trust and to the railroads and other gigantic monopolies. These vessels pay nothing, and no one of the "subsidy" opposers now making such vigorous protests in regard to subsidy at the Panama Canal is opposing the subsidy paid to these vessels. Why is it that they are so much opposed to subsidy at the Panama Canal and are in favor of it at the Soo Canal? Why should not the vessels belonging to the railroads, the trusts, and combines that pass through the Soo Canal pay a sufficient toll to meet the expense of the maintenance of that canal and the operation of its locks?

We have paid more than $800,000,000 in improving our rivers and harbors, and every American ship in the coastwise trade uses them without paying one penny. Why should an exception alone be made in reference to the canal at Panama? Where is the difference?

Let me again point out that no subsidy-denouncing, monopoly-hating, railroad-loving patriot that has shouted and foamed about the subsidy at Panama has dared to even introduce a bill to stop this gigantic subsidy that is paid to all the other waterways of the Nation. Why this oversight on the part of these zealous guardians of the Nation's honor and the Nation's Treasury? Is it to be found in the fact that practically all of the subsidy that is paid on all the other waterways of the Nation go to railroad-owned vessels? The railroads of this country own or

control practically all the vessels now engaged in the coastwise trade that now have the free use of our canals, our rivers, and our harbors. These vessels have for years received without protest what the enemies of the present law are pleased to call a "subsidy."

The subsidy—if it is a subsidy—that will go to the ships that will pass through the Panama Canal under the present law will go to independent vessels, vessels that are competitors of the railroads. Is here to be found the real explanation of this sudden protest against the subsidy at Panama while favoring all the other subsidy that is paid? If not, it is at least due that these new-found and noisy enemies of subsidy explain their position.

I repeat that for years we have been paying without protest millions of dollars of subsidy for the benefit of railroad owned and controlled vessels without objection from the same gentlemen who are now crying out and making such patriotic protests the moment we propose to pay the same kind of a subsidy in the same way to the independent steamship lines that will become competitors of the transcontinental railroads and the ships owned by the railroads.

Is a subsidy to be condemned when paid to independent steamship lines and commended when paid to railroad-owned lines? Are we to have free tolls on all the waterways of the country where it will benefit the railroads, and not on those waterways where it will benefit independent companies?

At every point and at every turn in regard to the Panama Canal you meet the railroad influence. Who is it to-day that is crying subsidy? The attorneys of the transcontinental railroads, the very men that have all their lives favored and fought for special interests. Who else? The friends and champions of the Canadian Pacific Railroad. Who else? Those who are interested in the British owned and controlled Tehuantepec Railroad in Mexico. Who else? All those who have been flattered and influenced by the Carnegie Peace Foundation. Who else? All those who think it shows intellectual superiority to take sides against the United States in any controversy with Great Britain. Who else? Democratic officeholders who in fear and humiliation are looking for some excuse to give to the people for repudiating their platform and breaking their promises. These, and these only, are to-day shouting "subsidy."

DEMOCRATIC PLATFORM.

Does the exemption from tolls of ships in the coastwise trade passing through the canal constitute a subsidy? The Democratic platform says:

> We believe in fostering, by constitutional regulation of commerce, the growth of a merchant marine which shall develop and strengthen the commercial ties which bind us to our sister Republics of the south, but without imposing additional burdens upon the people and without bounties or subsidies from the Public Treasury.
>
> We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal.

Clearly, the intention of the language quoted from the Democratic platform was to give the impression that the exemption of the tolls was not a subsidy, for it declares against a subsidy and for the exemption of the tolls. If, then, the exemption of the tolls is a subsidy, the Democratic platform is both dishonest and hypocritical and purposely drawn to deceive the American people. If the Democratic Party believed that the exemption was a subsidy, then in its platform it deliberately sought to secure votes under false pretenses. If free tolls is a subsidy, then the Democratic Party stands before the world discredited and convicted of dishonesty and fraud.

Of all the weak, maudlin, discreditable explanations ever yet given for repudiating the Democratic platform, the weakest and most discreditable is the one put forth by some of those high in Democratic authority that the first part of the platform having declared against "subsidy," that part declaring for "free tolls" must be disregarded. That plank in the platform means either that the Democratic Party did not regard the exemption as a subsidy or that it was trying to deceive the people and to make them think it was not a subsidy in order to get the votes of both those who oppose the subsidy and those who favor a subsidy. Democrats who say that free tolls is a subsidy are trying to prove their virtue now by showing their duplicity and dishonesty at Baltimore.

DEMOCRATS AND SUBSIDY.

What is there in the record of the Democratic Party that shows its sincerity when they denounce subsidy? We pay millions of subsidy annually to help special interests and no Democrat opposes it. The Agricultural bill is a striking illustration. Here we pay millions of dollars of subsidy, and this subsidy always receives the enthusiastic support of the Democratic Party. We pay a subsidy of $63,000,000 a year directly to the magazines and other publications in this country. This is paid to a special interest. This is a gift from the Public Treasury to a special interest to make it profitable. In return for this enormous subsidy the Government receives nothing. No public service is even attempted to be performed in return for these millions paid to a special interest. A Republican President called the attention of the country to this immense subsidy and urged that it be no longer paid. The Democratic Party unanimously favored the paying of this subsidy then, and they favor it now. No word has come from a Democratic President denouncing this subsidy, although he denounces one, small and insignificant by comparison, that his platform specifically favored, and that he favored when he was a candidate, that is to be paid to the competitors of the transcontinental railroads to reduce the freight rates throughout the country.

The Democratic Party favors all the great subsidies that are paid to improve our rivers and harbors. The Democratic Party favors a subsidy to destroy the cotton-boll weevil. It favors a subsidy to kill the cattle tick. The Democratic Party favors any subsidy where all or a substantial part of it can be used in the South, and always has.

The Democratic Party favors paying millions of dollars subsidy to any and every industry, except to certain ships that are competitors of the railroads. It favors paying a subsidy to every coastwise vessel in the United States that is owned or controlled by a railroad. Why does the Democratic Party oppose this one subsidy paid to the independent shipping competitor of the railroads and favor all the others? For two reasons: First, because the railroads oppose this subsidy, therefore the Democratic Party opposes it; and, second, because no part of this subsidy can be directly expended in any Democratic congressional district.

I speak according to the record when I say that, with all the denunciation of subsidy by various Members of Congress of all parties in the last decade, never has any Member of Congress in either the House or the Senate—Democrat, Republican, or Bull Moose—ever opposed any subsidy that was to be expended in his own district. As defined by the votes and voice of every Member of Congress—Senator or Representative—a subsidy is "a wise and necessary expenditure of public money if I get it, and it is a graft paid to a special interest if you get it."

THE DEMOCRATIC SHIP SUBSIDY.

Is the Democratic Party sincere when it cries out against subsidy? The Underwood tariff law, recently written upon the statute books, contains a subsidy for ships. This is the most indefensible subsidy ever written on the statute books of a civilized nation. This subsidy will not cause a single American ship to be built. It will not cause a single American ship to make an additional voyage. This Democratic subsidy, passed by a Democratic Congress, approved by a Democratic President, actually pays more to a slow, antiquated tramp vessel for bringing a single case of champagne from Europe than it pays to a modern steamer to bring a cargo of rubber and coffee, worth millions of dollars, from South America. This Democratic subsidy law actually pays more to an old tramp vessel for bringing a single bottle of cheap perfume from Europe to this country than it pays to one of the mighty steamers on the Pacific to bring a cargo of 20,000 tons of tea and meat from the other side of the world to our shores. And yet in the face of this most discreditable of all subsidies the President and other Democratic leaders, seeking some way to cover up their platform repudiation, their betrayal of the people, their cowardly surrender to British influence and the transcontinental railroads, piously shudder at a subsidy to be given to the independent steamship lines of the country, the only competitors of the transcontinental railways that would pass through the Panama Canal. Never before in the history of American politics has there been so much sniveling hypocricy in high places as there is in the Democratic Party to-day.

WHO GETS THE TOLLS?

It is known by all men that the railroads did everything within their power to prevent the construction of the Panama Canal. They are doing everything within their power now to restrict its use as far as possible. They never work against their own interests.

If a ship in the coastwise trade pays tolls, it simply adds that much to the freight charges, and the consumer and the purchaser—the American people—pay it. But, say some of the so-called experts, the tolls will be so low that they will be no burden on commerce, and the shipowner alone will bear it. If that be true, then a tax is no burden. If $1.25 per ton is not a burden on commerce, will $2.50 per ton be? At just what point will the shipowner begin to place the burden on the consumer? Certainly it is axiomatic that all tolls are a burden on commerce. If not, then all the vessels upon all our waters and all

the railroads that span our country should pay tolls, for they alone would bear the burden. If this is true, then the vast problem of taxation is forever solved. Such economical nonsense does not deserve serious consideration. The experience of mankind demonstrates that every tax is a burden and every toll is a tax. The tax at the canal could be increased until it would as completely close the canal as if the giant locks were torn from their firm foundation.

But are the present charges so small as to constitute but little burden upon our domestic commerce? The toll charges on a thousand feet of lumber carried from Seattle to New York, if the present law is repealed, will be $1.50 per thousand. One dollar and fifty cents per thousand would be a large profit for the manufacturer of the lumber.

But the greatest economical fact is not the $1.50 per thousand paid upon the lumber that is carried through the canal, but this: A $1.50 will be added to every thousand feet that is carried by the railroads from Seattle to New York. The Panama Canal tolls will not only be added to the freight carried through the canal, but it will be added to every ton of freight that is carried by the railroads to competitive points. It was to escape this mighty tribute to the railroads that the demand for free tolls for American ships in the coastwise trade was made by the American people. Probably ten times as much freight will be carried to competitive points by the railroads as will be carried by coastwise vessels passing through the canal. Therefore every dollar that we would compel the ships to pay into the National Treasury under the delusion of helping to pay the expense of the canal we would compel the people to pay $10 into the treasury of the transcontinental railroads.

By the imposition of tolls on American coastwise trade we enable the railroads to add $60 per car for every carload of lumber or canned salmon or wheat or other freight that is carried from the Pacific to Atlantic markets. Is that an insignificant burden? By repealing the present canal-tolls law we will enable the railroads to charge $60 additional for every carload of steel or dry goods or furniture or other freight that they carry from the Atlantic to the Pacific coast. Is that a tax so small as to constitute no burden? It is this great increase of freight rates by the railroads that the imposition of the tolls will permit that is the most important commercial factor in this great question. By imposing tolls we pay a subsidy to the railroads ten times as great as the tolls themselves, and place an unjust burden upon all our citizens for the benefit of the railroads. Here you have the real reason why the railroads are opposed to a free canal for American ships.

It is not the treaty nor the national honor nor the desire for peace that has worked up the repeal sentiment in this country. It is the railroads. No protest was heard from any quarter against the proposal to pass our coastwise vessels through the Panama Canal free until we also included a provision that would prohibit railroad-owned vessels from passing through the canal.

The railroads own or control practically all of the vessels in the coastwise trade. As long as they were permitted to pass these vessels through the canal they were satisfied. They would simply still be doing what they had always done, be competing with themselves, as President Wilson said in his famous speech when a candidate approving free tolls for American ships. Of course, to this happy condition the railroads have no objection, but the moment the provision against railroad-owned ships went into the law trouble began. The Canadian Pacific Railway was hit by this provision. Immediately a delegation from Canada went to England to protest, and then for the first time, after 10 years of silent acquiescence on her part, England began talking about the violation of the Hay-Pauncefote treaty.

There never has been any real competition in this country between the water and rail transportation. The people believed that this "consummation so devoutly to be wished," for which they had worked so long and paid so much, would be a reality with the completion of the Panama Canal. But again they are to be betrayed. Again their hopes are shattered. Again the railroads have triumphed. You may look at the canal question from any angle, upon any phase of it, and always and ever it presents the same question, the railroads versus the people.

DEMOCRATIC PROMISES.

Never before in all the history of American politics is there to be found such brazen betrayal of party promises and party pledges as is now shown by the Democratic Party in regard to the Panama Canal tolls question. The Democratic platform at Baltimore says:

> We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal.

There can be no mistake about that language. The only way to escape from it is to shamelessly repudiate it, as the Democrats have done. The President, when he was a candidate seeking votes, said of that plank in the platform, when speaking on August 16, 1912:

> Now, there is another matter. You know, we are digging a tremendous ditch across the Isthmus of Panama. It is predicted by the engineers in charge of that colossal enterprise that we shall be able to open it to the ships of the world by the year 1915. What interest have you in opening it to the ships of the world?
>
> One of the great objects in cutting that great ditch across the Isthmus of Panama is to allow farmers who are near the Atlantic to ship to the Pacific by way of the Atlantic ports; to allow all the farmers on what I may, standing here, call this part of the continent to find an outlet at ports of the Gulf or the ports of the Atlantic seaboard and then have coastwise steamers carry their products down around through the canal and up the Pacific coast or down the coast of South America.
>
> Now, at present there are no ships to do that, and one of the bills pending—passed, I believe, yesterday by the Senate as it had passed the House—provides for free toll for American ships through that canal, and prohibits any ship from passing through which is owned by any American railroad company. You see the object of that, don't you? [Applause.] We don't want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent.

The President could see the sinister railroad influence then, when he was a candidate; why can he not see it now? When he exclaimed, "You see the object of that, don't you," it was received with applause. Evidently the audience to which he was speaking saw what the candidate for President then saw, that the object of giving American ships the right to pass through the Panama Canal without the payment of tolls was to get competition between these ships and the transcontinental railroads in order to reduce freight rates. You will notice that he said that what we desired was—

> To be perfectly sure that you are going to get better rates around the canal than you would across the continent.

He did not then denounce that plank in the platform as a subsidy when he was seeking the votes of the people. He understood it perfectly then. What has come over the "spirit of his dreams"? Why does he denounce as a subsidy now what he commended then? In that same speech the President used the following language:

> Our platform is not molasses to catch flies. It means business. It means what it says. It is the utterance of earnest and honest men, who intend to do business along those lines, and who are not waiting to see whether they can catch votes with these promises before they determine whether they are going to act upon them or not.
>
> They know the American people are now taking notice in a way in which they never took notice before, and gentlemen who talk one way and vote another are going to be retired to very quiet and private retreat.

If the plank in regard to free tolls in the Democratic platform was not used as "molasses to catch flies," what was it used for? If it was made to be kept, why has it been so quickly repudiated?

Suppose Candidate Wilson on that August day had taken the position he now takes, squarely repudiating his platform and his promises to the American people, would his utterances have been received with applause? Would he have ever been called President Wilson? One thing is certain, the chances were so great in taking the attitude that he now takes when he was a candidate that he did not dare to do it.

In the closing sentence the President warned those who did not keep their platform promises that the people would retire them to private life.

Mr. Bryan, not to be outdone by the candidate for President in denouncing those who do not keep faith with the American people by holding fast to platform promises, declared that "a man who violates the party platform is a criminal worse than the man who embezzles money."

Both these great Democrats and every Democrat in America subscribed to the final plank in the Democratic platform, which says:

> Our platform is one of principles which we believe to be essential to our national welfare. Our pledges are made to be kept when in office as well as relied upon during the campaign, and we invite the cooperation of all citizens, regardless of party, who believe in maintaining unimpaired the institutions and traditions of our country.

The Democratic Party has broken that promise. They have brazenly and openly repudiated that platform in their desire to do the bidding of the transcontinental railroads and to purchase the friendship of England. Yet, in the face of this perfidy and repudiation, they still claim to be serving the American people and still ask the confidence and support of the American people. No wonder that courageous and patriotic Democrats prefer honorable political death to such unspeakable degradation.

MAY MEAN WAR.

No nation ever added permanently to the peace of the world by cowardly and unjust surrender. The present law will create a feeling between the United States and Great Britain that will

grow more intense as the days go by. Every British vessel that goes through the canal will increase that irritation. Every time an American ship is required to stop and pay tolls it will add to the dissension. Every day that goes by the American people will become more impatient and resentful of this great wrong perpetrated upon them.

The present law will not be the end of the trouble; that will be just the beginning of the fight. The American people do not believe that the British demands are fair or just or entirely honest, and they are not going to surrender to them. Just as certain as the tides continue to ebb and flow, if Congress persists in conceding to British demands, just that certain is it going to lead to trouble. Let no one be misled in this matter. The American people own the canal; they have paid for it; they are responsible for it; and they are going to control it. The passage of this bill will delay, but it will not defeat, that purpose. The American people, if the present law is repealed, will demand an absolute abrogation of the Hay-Pauncefote treaty. It may lead to dissension and dispute and to serious consequence, but this will not turn the people from their purpose. Those who are to-day pleading the cause of Great Britain are not pleading for peace, but for war.

THE PRESIDENT'S ATTITUDE.

On the 5th of last March the President appeared before the Houses of Congress in joint session and pleaded for the repeal of the present law giving American ships in the coastwise trade the right to pass through the canal without the payment of tolls. That message consisted of just 13 sentences. In the last three and most important ones he said:

> We ought to reverse our action without raising the question whether we were right or wrong, and so once more deserve our reputation for generosity and for the redemption of every obligation without quibble or hesitation.
>
> I ask this of you in support of the foreign policy of the administration. I shall not know how to deal with other matters of even greater delicacy and nearer consequence if you do not grant it to me in ungrudging measure.

That is the most remarkable statement that was ever made by a President of the United States in a public document. It is remarkable in its declaration that we should do his will without raising the question whether we were "right or wrong." It is remarkable for the confession, "I do not know how to deal with other matters of even greater delicacy and nearer consequence if you do not grant it to me in ungrudging measure." Congress was astonished and perplexed as these words came from the President. No explanation whatever was given of these "other matters of even greater delicacy and nearer consequence." No explanation of the facts were made. What these conditions were no one knew then and no one knows to-day.

Conceded that the President is a great man and his judgment has great weight, how much greater is he now than he was a little more than a year ago, when every Senator in his party upon roll call in the Senate that voted upon the proposition voted against the present attitude of the President? Who would have said a little more than a year ago that the judgment of Woodrow Wilson should outweigh that not only of any one man but of all men combined, and that that judgment should be accepted without question and regardless of whether we were acting "right or wrong"? A little over a year ago the judgment of Woodrow Wilson, the candidate, was squarely opposed to the judgment of President Wilson now.

Several months have gone by and none of the direful things predicted by him has happened. The people generally and Congress believed that there was some vigorous and threatening protest against this law being made by some foreign nation, and that the President could not, for policy's sake, give this information to the public. This is now demonstrated to be absolutely wrong. No other nation has made any objection to the law that he thought was vital to his foreign policy. Upon this fact there can be no question. Senator STONE is a Democrat and is chairman of the Committee on Foreign Affairs in the Senate. He is standing with the President upon this question. Yet, when speaking upon the floor of the Senate on May 5 last, Senator STONE said:

> No foreign Government is now asking us to repeal this law; no foreign Government has filed or presented any protest since its enactment.

No language could be plainer or more emphatic. No protests or objections have come from any foreign nation.

From whence came the influence that caused the President to so suddenly and emphatically reverse his attitude and yet refuse to give any reason for his actions? We do not know, but we do know that it must have come not from abroad but from home.

Was it the subtle influence of the great transcontinental railways that has caused the President to believe that international trouble lay ahead if we did not yield our position and permit the main benefits of the canal to go to other nations? We do not know.

Was it that the President was embarrassed by the brutal murder of Benton by the administration's pet assassin, the bloody-handed Villa, and wished to placate England? We do not know.

Was it that the President had seen an unfriendly shadow on the Pacific and in fear and dread was seeking to purchase British friendship? We do not know.

Was it to secure the influence of Great Britain in upholding our blundering Mexican policy? We do not know.

Was it that certain prominent men of that class of superior individuals, the "intellectually unintelligent," had persuaded the President that by rising above all selfish interests of his own country and taking this altruistic stand for all mankind that he would stand among the immortals? We do not know.

The President has insisted, and still insists, that his word be taken without explanation or question. He insists that his judgment shall stand unchallenged against the great majority of all the public men of all parties.

It may be said that the President could not perhaps well make public the real facts in a matter of this character. This may be true, but he could have communicated with the Senate and the House in executive session. If he were afraid of that procedure, he could have called into conference some of the leading men of both parties, and a word from them would have been accepted as justifying his course. If still fearful that he could not trust those of opposite political faith, he could have called in a few of the leading men of his own party, but even this he did not do. He trusted no man. He took no man into his confidence. Speaker CLARK, who in many respects occupies the second place in power and influence in this Nation, publicly stated that the President had given him no information as to the facts upon which he based his request. A word from Speaker CLARK would have given the President a solid vote in the House of Representatives and would have saved one of the most bitter political fights in the history of this country. It would have saved much criticism and much misunderstanding. The President owed this much to his party and to his friends, to say nothing of his duty to his country.

As the days go by, the American people with a feeling of sincere regret and humiliation are slowly being forced to the conclusion that the reason the President did not lay before Congress the facts upon which he based his action was because there were no facts to be given. More and more it is becoming the settled conviction of the American people that the dangerous condition to which the President alluded that so confounded him and filled him with dread and fear was at least very largely "psychological."

We do know that to follow the dictates of the President was in the interest of foreign countries and against the interests of our own country. We do know that to do his bidding was against the interests of the American people and in favor of the transcontinental railroads. To all these arguments and statements and to all requests by Congress for facts he has made but one reply—"Do as you are told."

The President can not complain whatever motive may be ascribed to him as influencing him in taking his present attitude. He can not complain if he is misrepresented. There is not now, and there never has been, any good reason why he should not tell the facts. Having failed to do this he should not complain if his motives are misunderstood.

Congress, cringing and cowardly, bowed to the will of the Executive. The power of patronage and the fear of political defeat has been irresistible to the majority of the Democratic Party. Only a few of the stronger, the real leaders of the Democratic Party, such as Speaker CLARK, UNDERWOOD, KITCHIN, DOREMUS, O'GORMAN, and CHAMBERLAIN were brave enough to stand against this force. All honor to these giants among men that prefer political deaths to such unspeakable degradation!

But I mistake greatly the temper of the American people if it be not the cowards instead of the brave that shall by public wrath be doomed to political oblivion.

They will stand helpless when the demand is made upon them to answer why they have surrendered their judgment, repudiated their platform, and betrayed their country's interests who can only answer, "He commanded it."

To those who have surrendered to the dictates of the President, "without raising the question whether we were right or wrong," I commend for their prayerful consideration the words uttered upon the floor of Congress by that consistent and peaceful patriot, William Jennings Bryan, when he exclaimed:

> To whom are we responsible? It is before the tribunal established by our constituencies, and before that tribunal only, that we must ap-

pear for judgment upon our actions here. When we each accepted a commission from 180,000 people we pledged ourselves to protect their rights from invasion and to reflect their wishes to the best of our ability, and we must stand defenseless before the bar if our only excuse is, "He recommended it."

THE EFFECT OF REPEAL ON THE PACIFIC COAST.

The Pacific coast will be more greatly injured by the repeal of the law giving American ships in the coastwise trade the right to pass through the Panama Canal free than any other part of the Nation. The Puget Sound country will be struck the heaviest blow of all. If this act of the present administration was to remain permanently upon the statute books, it would be absolutely fatal to the future greatness of Seattle. It would be the end of all our dreams of future commercial supremacy.

The repeal of the present law means an increase in the freight rates of $1.50 for every thousand feet of lumber sent from Seattle to the Atlantic coast through the canal. It means an increase of $1.50 in the freight rate on every thousand feet of lumber sent from Seattle to the Atlantic coast by rail. This $1.50 per thousand would start our mills running again at full capacity and bring a large measure of prosperity to the entire Puget Sound district.

Again, the repeal of the present law means that the Puget Sound shipper will have to pay $60 more for every carload of freight that he sends to the Atlantic coast; it means that every buyer in Seattle will have to pay $60 more on every carload of freight brought from the Atlantic coast; it means a like increase, in proportion to distance, in freight to all inland competitive points. The injury that this repeal will do to the prosperity and the development of the State of Washington no mind can measure.

But this increase in freight rates is not the only injury to Seattle nor the greatest danger. The really great markets that the Panama Canal will open up to the people of the Pacific coast is the eastern markets of our own country. The canal will be of little advantage to us in securing markets in other parts of the world. The British Columbia lumberman can charter a cheap foreign vessel to reach our eastern markets. The Washington lumberman can not. He can use only American vessels that have been built by American labor and are manned by sailors receiving by comparison high wages. This difference will be a handicap to the American lumberman so great that it can not be overcome. It will amount to approximately $2 per thousand feet. Every other American industry will be under a similar handicap. Our great markets of New York, Boston, Philadelphia, Baltimore, and other Atlantic cities will be largely taken from us by British Columbia.

Nor is this all. Vancouver is to become the great commercial city of the Pacific Northwest, and not Seattle, if American ships are to receive no advantage in the use of the Panama Canal. It would be a costly mistake for us in a spirit of misguided egotism or of local pride to deceive ourselves in this matter. The stubborn facts are against us. Trade knows little patriotism. Commerce is not largely controlled by sentiment.

Here is the situation: A builder in Spokane buys a thousand tons of structural steel from the east coast. If American ships could pass through the canal free, that steel would be brought to Seattle and then sent to Spokane, but if an American ship must pay the same as a foreign ship to pass through the canal that steel will be sent on a cheap foreign ship to Vancouver, and from Vancouver it will be sent to Spokane. Remember this can be done without the payment of a cent of duty. Again, the producer of eastern Washington, if he wishes to send his products to Atlantic Coast States, if the American ship has no advantage through the canal, will ship them to Vancouver—not to Seattle—and there they will go by a foreign cheap ship, with its foreign cheap crews, to its destination. These foreign cheap vessels can not come to Seattle, but the shipper, by going to Vancouver, can get every advantage of this foreign cheap tonnage. The freight rates between Spokane and Vancouver are exactly the same as the rates between Spokane and Seattle.

Many labor under the delusion that for a foreign ship coming with goods from an American port and taking these goods to a foreign port and then sending them back into this country by rail is either in violation of our navigation laws or that the goods would be subject to duty. Such is not the case. The trade between Spokane and New York through Vancouver, using a foreign vessel, is just as free as the trade between Spokane and New York through Seattle, using an American vessel. They are controlled by exactly the same rules and regulations.

The wayfaring man can see, must see, what the result will be. All the trade of the Pacific Northwest that will pass through the Panama Canal, except that along the water's edge of Puget Sound, will pass through Vancouver. Vancouver will be the place where rail and water traffic will meet. Vancouver, and not Seattle, will be the great commercial city of the North Pacific.

I have been criticized by some because of the severity of my denunciation of the repeal of the law favoring American ships. I admit the intensity of my feelings in this matter. I admit that I have a feeling of bitterness and resentment when I see my own country injured and ruined and the great benefit that is justly ours taken from us and given to British Columbia and to the transcontinental railroads because of the unsubstantial fears of a scholarly dreamer or to cover up our unparalleled blundering and stupidity in Mexico. I think the price is too great to pay for "watchful waiting" or for railroad influence or for British friendship.

For years we have waited and hoped and planned for the day when the Panama Canal would be completed. We confidently believed that this day would mark the beginning of our greatest prosperity. We believed that this day would assure the commercial supremacy of Seattle. But our dreams are shattered; our prospects are gone.

The Democratic Party alone is to blame. By false pretenses they have put us in the position in which we are to-day. We believed we could rely upon the Democratic Party when it solemnly wrote its promise into its national platform. We believed we could rely upon what Woodrow Wilson said when he was a candidate and seeking votes. We believed that we could rely upon the public promises made by William Jennings Bryan. We believed that we could rely upon the record that the Democratic Party had made in Congress. We believed that we could rely upon the pledges and promises made by the Democratic Members of the United States Senate and the House of Representatives. We believed that we could rely upon the assurances of various Democratic candidates throughout the Nation when they were seeking reelection. We did rely upon these promises. We did rely upon the assurances of the Democratic Party and its representatives. The people of the Pacific coast, believing these promises, spent millions of dollars in preparing for the opening of the Panama Canal and have contracted to spend many million dollars more. The Democratic Party has deceived, betrayed, and robbed the people of the Pacific coast. The attitude of this administration would indeed be the end of all our hopes, our prosperity would have received a deathblow, but for the fact that the people will at the first opportunity drive the Democratic Party from power. It brought ruin and poverty to its own country and rejoicing and prosperity only to our foreign competitors.

The fight has not ended. It is just begun. If the Republican Party carries the next Congress, as they probably will, I believe that they will immediately pass a bill exempting American shipping from the payment of tolls. If the Republican Party elects the next President, as it certainly will, I believe that it will at once write upon the statute books a law that will give every American ship the right to pass through the canal absolutely free. To this end and to this purpose I will strive and fight every day, until it is realized, as long as I remain in Congress.

In the success of the Republican Party lies the only hope of the Puget Sound country. Our future prosperity depends, as does that of the entire country, upon the success of that party. The Democratic Party has repudiated its platform, broken every pledge, been false to every promise and betrayed every trust, demonstrated its utter incapacity, discredited and humiliated us abroad, and brought disaster, uncertainty, depression, and poverty at home. It has learned nothing. It has forgotten nothing. It is still the Democratic Party.

THE LARGER QUESTION.

The Democratic Party in its platform, in the most emphatic and solemn manner, declared its position upon one of the greatest questions that has ever come before the American people—the right of this Government to control the canal that it owned and had constructed. The American people believed that promise, as they had a right to believe it. Under that promise the Democratic Party came into power. Through party alone is the only way yet known under our form of government whereby the people can express their will.

No one can certainly say that the Democratic Party would have succeeded in the last campaign if it had been known that it was going to reverse its position upon the Panama Canal question. If the Democratic Party can now repudiate the promises of their platform and the promises of their candidates who were elected upon that platform and live, then our form of government is a failure. If a party is not bound by its platform, or by the promises of candidates, then that is the end of political honesty. If there is no way that the people can know what a political party will do when they place it in power, then our

form of government is no longer one controlled by the people. This action of the Democratic Party places popular government on trial; it strikes at the very foundation of our institutions. If there is no party regard for promises made to get votes, if there is no party honesty, if there is no party integrity, if party promises and party pledges are made only to be repudiated and to secure power, then republican government must end. This is not a question of keeping faith with the other nations of the world; it is a question of far greater import—of keeping faith with the American people.

Stop the War—Prepare the Way for Italo-American Mediation—Union of White Race and Universal Peace.

EXTENSION OF REMARKS
OF
HON. FRANK O. SMITH,
OF MARYLAND.

IN THE HOUSE OF REPRESENTATIVES,

Saturday, October 24, 1914.

On House joint resolution 373, introduced by Mr. SMITH of Maryland October 16, 1914.

"Whereas American mediation in the present war should be offered as soon as there is a fair prospect of its being accepted, and meantime every effort should be made to prepare the way for successful mediation; and

"Whereas the war is due to the uncompromising attitude of European nations on certain burning questions which divide them; and

"Whereas these questions can only be settled by mutual concessions on the principle of 'Do unto others as you would they should do unto you'; and

"Whereas the most persuasive and most inoffensive way to advocate mutual concessions is by example; and

"Whereas our mediation will become a mere formality unless we prove that we ourselves are willing to make concessions, to 'do unto others as we would they should do unto us'; and

"Whereas the narrow coast strip of southeastern Alaska, shutting off one-third of western Canada from free access to the Pacific, has for years been a source of irritation to the Canadians and is bound to become more and more irritating as population and commerce increase in the country behind it; and

"Whereas this situation bears a close resemblance to the burning questions which have caused the present war; and

"Whereas a unique opportunity is thus presented to the United States to set before the eyes of the world the shining example of a model concession to Canada and thus to prove the sincerity and earnestness of our mediation, to make it more effective and impressive and a source of immortal honor to our country: Therefore be it

"Resolved, etc., That the President be, and he is hereby, requested to make an offer to the British and Canadian Governments to negotiate in regard to the transfer of southeastern Alaska to Canada by sale or exchange, or both."

Mr. SMITH of Maryland. Mr. Speaker, I wish to say a word regarding House joint resolution No. 373, requesting the President to make an offer to the British and Canadian Governments to negotiate regarding the transfer of southeastern Alaska to Canada by sale or exchange, or both. The purpose of the resolution, as stated in the preamble, is to set an example in the policy of mutual concessions between nations and thus to prepare the way for quick and effective mediation in the present war. The idea is to draw the beam out of our own eye, in the hope that our brothers in Europe may thereby be made to perceive the advantage of drawing the motes out of their eyes. Of course, we can not negotiate on the subject of Alaska while the war is going on; we can only offer to negotiate. The negotiation itself will have to be postponed till after the war.

THE ELOQUENCE OF CANNON.

You are aware that a resolution of this nature was introduced four times during the past two years—twice by Mr. STEPHENS of Texas and twice by myself. As explained by me in the CONGRESSIONAL RECORD of November 7 last, the resolution was intended to serve as an entering wedge to remove the causes that have led to this dreadful war. The few comments that were made indicated that neither the press nor the Members of Congress were at that time disposed to treat the matter seriously. Now that our minds have been awakened by the thunder of a thousand cannon, it is to be hoped that a renewed effort may aid at least in shortening the war. Hindsight, while generally clearer than foresight, is a good deal less useful, but still it is better than no sight.

OUR OWN FATE IS AT STAKE.

In ordinary times it is notoriously difficult to gain the public ear for a proposition which constitutes a new departure. But we are not living in ordinary times. We can not afford to be dozing now or to give a random, snapshot answer, when our answer may determine our safety or our ruin. The war which is now raging threatens to become the greatest calamity that ever befell not only Europe but also America. We must stop it at any cost, and if there is any means at our disposal that may strengthen our hands for that effort we must use it, not only for the sake of humanity, but principally to save our own skins.

UNION OF THE WHITE RACE OUR ONLY HOPE.

Why must we stop this war? Because the people who are killing and ruining each other are those on whom we have to rely for aid in the approaching struggle with Asia. Their resources are our resources, and in wasting them they are wasting our means of defense. In Asia there are 800,000,000 people, who demand the privilege of admission to all lands of the globe. These 800,000,000 are not united now, but their common demand for the privilege of admission is sure to unite them before long. For that matter, more than half of them are already united. It would be an idle boast, "the valor of ignorance," to say that we could resist 800,000,000 when they are armed at the same rate as Japan. The entire strength of the united white race will be needed to cope with this danger. Our foremost duty to ourselves, therefore, if we wish this Nation to remain a white Nation and to maintain the ideals of white civilization, is to work for the union of the white race. Our first line of defense is not on the Pacific coast, but on the frontiers of India and Siberia.

IF BRITAIN LOSES INDIA, WHITE SUPREMACY CEASES.

You can readily see what will happen if this sickening war is protracted. It must speedily reduce our prospective allies to a state of exhaustion. It is supposed to cost something like $50,000,000 a day. Germany is reported to be putting 6,000,000 soldiers in the field, 1 out of 11 of her population, leaving only the women, children, old men, and invalids at home. The other nations are doing approximately the same. What is to become of their industries, which are the source of their strength—that is to say, the source of our strength? At any moment we may expect the news of a life-and-death struggle between the British and German Navies, which will most likely cripple both. If the remnant of the British Navy is thereupon forced to confine itself to home waters, to protect the commerce upon which Britain depends for food, who will patrol the Indian Ocean and prevent unscrupulous dealers, yellow and white, from smuggling firearms into India? And when the 315,000,000 natives of India have got possession of, say, half a million rifles, perhaps a few cannon, how long will the 75,000 white troops be able to maintain the British rule? If Britain loses India, she can never regain it in the enfeebled condition in which a protracted European war would leave her. India, made rich by Britain, blest by her with peace for the first time in history, endowed by her with railways, canals, telegraphs, and great educational institutions, will at once join her force to that of the Mongolians, not only in ousting the white man from Asia but in demanding free access to all lands, especially the lands of high wages—Australia, New Zealand, Canada, and the United States. France will lose Indo-China, Holland will lose her East Indian possessions, Russia will lose Siberia, and then the united Asiatics will number not eight hundred but one thousand millions, able to build ten war ships to every one of ours. In a word, we must stop this war at all costs, and at once; and if it requires extraordinary measures, we must wake up and use them. The feeling between our parent nations in Europe is even now too bitter to admit of their early union; we must not allow it to become still further embittered by additional mutual injury; we must, if possible, show them how the bitterness may be allayed. An excess of lemon juice calls for an extra quantity of sugar.

AMERICAN NEUTRALITY.

It is idle at this moment to inquire who is responsible for this catastrophe. We can not look behind the diplomatic curtain. When all the facts are known, if they ever become known, they will most likely be found totally different from what is now rashly surmised. Such being the case, it is foolish on the part of Americans to take sides one way or another, to lay the blame on this or that nation. It is worse than foolish, it is pernicious, for it renders our mediation more difficult. Our vital interests require us to offer that mediation as soon as there is the slightest prospect of success, and meantime to use every means to predispose the warring nations to accept mediation.

THE DEVILISH WORK OF THE AUTOMATIC NO-SAYERS.

That is the purpose of my resolution—to prepare the way for early and effective mediation. You are, of course, aware that this war is not the outcome of a sudden burst of rage, but represents the explosion of forces which have for years been accumulating under pressure. The cause of this pressure is well known; it is the iron shirt of habit, the inertia of accomplished facts, the obstinacy inherent in those unwieldly human conglomerates called nations, which causes them to refuse to

make the slightest concession to the demand of a neighboring nation, even when that demand is most reasonable and equitable. Nations professing to be Christian have refused to obey the fundamental law of Christianity: "Do unto others as you would they should do unto you." A number of burning questions, dividing the nations of Europe, have been allowed to remain unquenched, till they have burst into a general conflagration. No matter how peace is made, it will not be secure unless the nations are willing to make mutual concessions in regard to these burning questions. We are told that this war was inevitable. That is a quotation from the dictionary of superstition.

The war could easily have been avoided if a few prominent men had had the courage to brave the sneers and insults of the rowdies and fling themselves resolutely into the fray in behalf of these mutual concessions. Physical courage seems to be plentiful as mud; moral courage, rare as gold. We wish to see a permanent settlement, as the indispensable condition of that union of the white race on which depends our hope of future safety. We can not tell the European nations what mutual concessions they should make, for we can not afford to pose as instructors, presuming, at a distance of 3,000 miles, to solve problems in which we have never been practically concerned. But we can do something far better; we can preach the doctrine of mutual concessions by example, and thus furnish palpable proof of the sincerity and earnestness of our mediation. Actions speak louder than words. If we wish to exhort other people to be reasonable, we must first be reasonable ourselves.

PEOPLE WHO LIVE IN GLASS HOUSES.

Let us confess that we, too, have been unreasonable toward one of our neighbors—Canada. We, too, have allowed our mental machinery to be clogged by the inertia of a wrongly accomplished fact; we, too, have not been energetic enough to unbutton the iron shirt of habit. We have been deaf to the complaints of the Canadians, just as European nations have been deaf to one another's complaints. The question of the Alaska Panhandle is a burning question to Canada, although we have ignored it. Any one that has eyes in his head can see at a glance what a nuisance it must be to a young and vigorous nation to have one-third of her western provinces and territories shut off from free access to the Pacific by a coast strip 536 miles long in a straight line and in some places only 8 miles wide. In a few years the country behind that coast strip will have several hundred thousand inhabitants. Settlers are now pouring in at the rate of 40,000 a year, about half of them being Americans.

Their commerce will naturally seek the nearest outlet to the sea. Imagine their feelings, even of the American settlers, when they find that they can not get their goods to and from the sea except by passing them in bond through a barbed-wire fence of customhouses strung along a zigzag line for 760 miles, almost everywhere in sight of the sea. What would be our feelings if a Canadian panhandle 536 miles long, 8 to 20 miles wide, stretched from eastern Maine down to Atlantic City, if all the ports on that coast, Portland, Boston, Providence, Newport, New York, Jersey City, were Canadian cities, deriving their wealth from the American country behind them, yet contributing not a cent toward American taxes, if not a pound of freight could be sent from the interior to the sea for export, except in bond? What would be the feelings of the people of Augusta, Me., or Worcester, Mass., on reading in some Canadian paper this brilliant advice: If you do not like to cross Canadian territory to get to the sea, all you have to do is to go to Philadelphia! That advice was actually given to the Canadians by an American paper: If the people of Yukon Territory and northern British Columbia do not like to cross American territory to get to the sea, all they have to do is to go to Prince Rupert. How brilliant! How gentlemanly! We, too, profess to be a Christian nation, yet we, too, have refused to obey the fundamental rule of Christianity, which, for that matter, is also the fundamental law in the gentleman's code—do unto others as you would they should do unto you.

THE BEAM IN OUR OWN EYE.

If I dared specify some of the burning questions that have brought about the present war, you would see at once that they are exactly of the same nature as this burning question between us and Canada. This question has been urged on the attention of the American public for nearly five years, but has not hitherto been treated seriously, for the reason, perhaps, that moral courage is not much more plentiful in this country than in Europe. Everybody admitted that the Alaska Panhandle is a nuisance to the Canadians, but the usual comment was that "the United States is not in the selling or swapping business." That, of course, is no argument at all, but simply a display of the iron shirt of habit, an outcrop of the same unholy, pernicious, brutal spirit of obstinacy and thick-skinned callousness that has opposed all mutual concessions among European nations or even the mere discussion of these concessions, and has thus brought about the present dreadful catastrophe. The dominant note in the American press at this moment is one of breathless astonishment that 10,000,000 men should be shooting at each other for no earthly reason that the average American mind can discover. How did it come about? Let me tell you how it came about. To all their neighbors' pleadings for concessions the European nations have steadily replied, year after year: "No! We are not in the selling or swapping business, and we don't propose to discuss the subject." That is exactly the reply which some of our brilliant fellow citizens make to the suggestion of a concession to Canada. If, in offering mediation, we wish to approach our excited brothers with a clear conscience, if we wish to advocate by example those mutual concessions which we dare not openly specify, for fear of seeming presumptuous, we can not refuse to make this model concession to Canada, which we would have made long ago if we had given the matter serious thought, if we had not been too busy with other things. We should be guilty of a piece of glaring and brazen hypocrisy if, while entreating our brothers to be reasonable toward their neighbors, we refused to be reasonable toward our neighbor. No one ever suggested that we donate this panhandle to Canada; the only thing proposed was that we exchange it for an equivalent. Very likely we can get something for it that would be far more useful to us. The thrifty men in this country are decidedly in the selling and swapping business whenever they find that they can thereby add to their possessions. If you had a chance to buy a gold watch for a dollar, you would be a fool if you hesitated to surrender your dollar. The following equivalents for the Panhandle have been suggested:

POSSIBLE EQUIVALENTS FOR ALASKA PANHANDLE.

First. A sum of money. A Canadian capitalist is said to have remarked that "if Uncle Sam will let us have this panhandle for $50,000,000, we can raise the money right here in Vancouver." Fifty million dollars would be a magnificent endowment for a national university.

Second. British Honduras, which might be offered to Mexico in exchange for Lower California, including the important naval base of Magdalena Bay, and enough of Sonora to give Arizona a port on the Gulf of California.

Third. A strip of Yukon Territory to enable us to build a much-needed all-American railway from Haines to Kennicott Mines and Tanana River, Alaska, which would not be blocked by snow in winter.

Fourth. The repeal of the Hay-Pauncefote treaty; that is to say, absolute control of the Panama Canal. Even those of our citizens who say that we have absolute control now would doubtless be glad to have it in black and white.

Fifth. The immediate construction of a railway connecting the United States with Alaska. The strategic importance of such a railway was pointed out by Representative ALBERT JOHNSON in the CONGRESSIONAL RECORD of September 10, 1913. As you are aware, Sir Richard McBride, prime minister of British Columbia, expressed the opinion that the transportation of American troops over that railway in case of necessity might be arranged for by treaty. In this way the railway would protect not only Alaska but our entire Pacific coast. Branches would, of course, be built from the main line to all the ports of the panhandle, causing these ports to develop in a few years into important cities, which would mean a fortune to every owner of real estate in those ports.

ALL GAIN AND NO LOSS.

At the same time we should lose nothing, for we could doubtless retain every advantage we now enjoy through the possession of the panhandle. On this point a member of the Canadian Parliament is reported to have made this statement:

> If you are willing to let us have this piece of land, you can name any conditions, and we will agree to everything. If you wish free trade with the panhandle for a certain number of years, we will let you have it as long as you like. If you wish preferential treatment for your citizens in the matter of franchises and concessions in the panhandle, we will agree to that. Of course, all American citizens residing in the panhandle will have the option of retaining their American citizenship.

But this is a matter which need not be discussed now. The all-important object to-day is to stop the war as soon as possible; to make our mediation effective; to take away every possible ground for the suspicion that it is a mere formality. Actions speak louder than words.

WHAT WOULD A GENTLEMAN DO?

One brilliant remark sometimes made on this subject is this: "If the Canadians want this Panhandle, it is their business to come to us and ask for it." Doubtless the people who talk that

way would be highly offended if some one questioned whether they were gentlemen; yet if they reflected a moment they would perceive that they are advocating the very thing which the gentleman scrupulously avoids. Knowing how unpleasant it is to be forced to complain, the gentleman does not wait till his neighbor is reduced to that extremity. As soon as he perceives that he is subjecting his neighbor to a nuisance which can be removed without inconvenience to anyone, he goes to him and apologizes for his thoughtlessness in having allowed the nuisance to continue so long. We are gathered here to look after the rights of our fellow citizens. Their foremost right is the right to be ladies and gentlemen not only individually but collectively. To assume that the American people would prefer to wait till Canada complains would be a mortal insult, for it would be equivalent to saying that our fellow citizens are not ladies and gentlemen. The only reason why they have not yet made the model concession to Canada is because the matter has not been sufficiently brought to their attention.

THE MAGIC OF EXAMPLE.

Imagine the impression which the offer of the Alaskan Panhandle would make in Canada and Britain. These are the very countries where our mediation is most likely to be welcomed and to find the strongest support. They will welcome it with tenfold eagerness and consider it with tenfold attention when it is preluded by such a concession, giving tangible proof of our earnestness and an example in the policy of settling international disputes on the basis of the gentleman's code. Britain engaged in this war with the utmost reluctance. Though she must of course fight with all her might so long as she is in, she would like nothing better than to be out. She knows that victory would be almost as disastrous to her as defeat, for when Germany is prostrate neither Britain nor France will have any force to oppose to Russia's dictation, except by imploring Japan to help them and paying her a good price, Manchuria surely, and possibly eastern Siberia, or by begging Germany's forgiveness and asking her to spend her remaining strength in behalf of those that crushed her. Numerous voices in Britain are asking whether it is good policy to kill your best friend first and then to resurrect him. Moreover, Britain knows that her slender garrisons in India, Egypt, and South Africa are sitting on volcanoes, the caps of which may be blown off at any moment. She knows that she could not reinforce these garrisons if her main force were facing huge armies on European battlefields and if her navy by that time were crippled. Lord Kitchener has been in India, Egypt, and South Africa. He knows how deep is the discontent in those three countries and how instantly the white garrisons and the white colonists would be massacred if ever the natives got the idea that the Motherland could send no help. For that very reason it is highly improbable that Britain will send more than 200,000 men against the Germans.

ITALO-AMERICAN MEDIATION.

If Italy maintains her neutrality and thus keeps her military strength intact while the fighting nations are wasting theirs, a day will soon come when Italy and the United States can jointly offer their mediation. Italy and Britain combined will then be practically in a position to compel the combatants to agree to a conference. If meantime we place before the eyes of the world the shining example of a model concession to Canada, there is good reason to hope that the parties to the conference may be willing to make those mutual concessions that are needed to give permanence to the work of the conference and thus prepare the way for that union of the white race which is our only chance of salvation. Would not our permanent security be an ample equivalent for the Alaska Panhandle?

MAKE THE OFFER NOW; NEGOTIATE LATER.

As already noted, the negotiations regarding the panhandle could not be well conducted while the war is going on. They will have to be postponed till peace is restored. All that is needed now is that we make the offer; that we show our willingness to negotiate on this subject. That offer in itself will constitute the model concession. Our brothers in Europe will be more willing to draw the motes from their eyes when they see us preparing to draw the beam from our own eye. Actions speak louder than words. If we intend to ask our kindred to be reasonable, we must make up our minds to be reasonable ourselves.

DELAY MIGHT BE FATAL.

Our mediation ought to be offered at the earliest possible moment, as soon as there is the slightest prospect of success, for, as I said, we can not afford to let our white kindred, our natural allies, ruin each other; we can not afford to let them waste the resources which are ours as well as theirs, for they constitute the silent reserve whose mere existence affords us the best protection against Asia. Their cannon are our cannon, their battleships are our battleships, their money is our money. We can not afford to sit idle while France is devastated, stricken with paralysis from which she could not recover for many years, leaving French Indo-China an easy prey to the Mongolians. We can not afford to wait till Kiaochau is taken and another blow dealt to the prestige of the white race. We are told that this war will not end till one side is prostrated. That would be a disaster to us, and it would be a disaster to the victors, for the cost of the victory would immeasurably exceed the value of any advantage they might derive from it. Some people seem to take pleasure in the thought that the strongest white nation, the most highly educated nation, is to be crushed by a combination of other white nations. That would be the most atrocious form of race suicide. From all accounts it seems that neither side wanted war, but that they blundered into it from mutual suspicion and bluff, just as we blundered into our Civil War. If neither side wanted war, why should it continue?

ANGLO-GERMAN FRATRICIDE.

In particular we have the most urgent motive to see Britain extricated from this horrible and unnatural fight against her white kindred, the world's schoolmasters, whose universities are the Meccas of all students, especially Russians. You know how horrible it seemed to us during our Civil War to be forced to fire at our own fellow citizens. I am sure every British soldier has somewhat the same feeling when firing at German soldiers, defenders of the land which was the original home of Englishmen and Anglo-Americans, the land which for hundreds of years has been England's constant ally, and with which she has never before been at war. It is nauseating to hear the German armies referred to as "hordes," when everybody knows that there is not an illiterate among them, which is more than can be said of their opponents. Some phrase maker the other day called Germany "a menace to civilization." How can the mainspring of the watch be a menace to the watch? All the dispatches are filled with accounts of the incredible bravery of the German soldiers. It seems to me that every Englishman must by this time be proud to think that he is a kinsman of these brave people. Many an Englishman must be saying to himself, "Can it be that the cause which inspires such devotion is a bad cause? Would these highly intelligent people fight so heroically if their aim were mere wanton aggression? Are they not perhaps sincere in saying that they are simply fighting for independence, and not merely for their own, but also for England's independence? Can it be that England is making war on her best friend? Would it be an honor for England to take part in crushing such a brave nation, the land of books, the land of universities, England's own mother? Is it not an everlasting pity that this magnificent courage is displayed against England instead of for her? What could be better for England than an alliance with this marvelously efficient nation? After all, neither England, nor any nation would hesitate to disregard a scrap of paper if she saw no other means of escape from ruin. In 1807, in a far less desperate situation, England did not hesitate to attack Denmark, a neutral nation, without warning, to bombard Copenhagen, and carry off the Danish fleet."

INTERNATIONAL EXECUTIVE POWER.

An Anglo-American alliance, which has long been urged by many earnest people on both sides, is impossible in the face of the solid opposition of the German-Americans. Now, it seemed highly probable only four months ago that Britain and Germany would form an alliance. That would have led almost inevitably to the Anglo-American alliance, the virtual reunion of the two fragments of the English-speaking nation. The German-Americans would have been foremost in demanding it as their only means of reunion with the Fatherland, lending to it the immense advantage of American support. A compromise between France and Germany would have followed—some of the wisest and most prominent people in Britain were working for it with might and main as the essential condition of a durable Anglo-German understanding—and thus the four most enlightened nations—Britain, France, Germany, and the United States—would have been combined into that international executive power advocated both by Mr. Carnegie and by Col. Roosevelt, a power strong enough to keep the globe at peace forever; for, once united, the four nations would be kept forever united by the immense advantage of union. One-tenth of their present armaments would suffice to accomplish this object, and no nation would welcome that reduction of military expenditure more eagerly than Germany. In fact, it seems impossible to imagine how eternal peace could be secured in any other way than through an international executive power consisting of the four freest, strongest, most enlightened nations. That dream has been shattered for the present, but who would have the heart to

say that it has been shattered forever? If we can revive it by means of the proposed concession to Canada, would not that achievement alone be worth a thousand Panhandles? As for Anglo-American reunion, its advocates ought to see that the German-Americans will become its inexorable opponents if Germany is crushed by Britain's aid.

FIGHT YOUR ENEMIES, NOT YOUR FRIENDS.

Britain can not withdraw from the war except by bringing it to a close, but we know that she would like nothing better than to bring it to an honorable close at once, without further bloodshed, and that she would be eternally grateful to us for any assistance we could lend her in that effort. It is essential to us that Britain should be free once more to employ her full force for the protection of her colonies, for Britain's danger in India is our danger. It is equally essential to us that Russia should not exhaust her strength in the gruesome and not very promising effort to crush her white brothers, her own teachers, the land of universities, but that she should concentrate all her powers on her essential task, to strengthen the frontier of Siberia, our own first line of defense.

THE FICTION OF GERMAN MILITARISM.

We are told that Germany will not accept mediation unless she is either completely crushed or completely victorious, and that in the latter case her demands will be exorbitant. I believe, on the contrary, that Germany, even if completely victorious, will surprise the world by her moderation. All she asks is "a place in the sun," a permanent position abreast, not ahead, of the other great nations. Her "grasping" character is best illustrated by the fact that she has only 1.7 square miles of colonial land to every 100 souls of her home population, while Russia has 10 square miles; France, 12; Belgium, 12; Holland, 13; Spain, 26; Britain, 37; Portugal, 69, counting both present and former colonies. Who has done the grasping? The bigger the beam in a man's eye the more he seems to be shocked at the mote in his brother's eye.

Evidently if Germany does not acquire additional colonies, she can not remain a great power. She will soon be at the mercy of her neighbors. This is ample explanation of her so-called militarism, which, if you will calmly consider it, is simply imposed on her by the inexorable necessity of self-defense. All you have to do is to open a book on statistics and you will find that Germany's expenditure for war preparation is a good deal less, all things considered, than that of the other great nations. Her military efficiency is simply part of her all-around efficiency. Why should a nation be punished for being efficient? The mythical character of the prevalent belief in German militarism is strikingly illustrated by a letter signed "E. G. S." in the New York Evening Post of September 7:

KRIEGSHERR NOT WAR LORD.

The phrase in traditional German "Der oberste Kriegsherr" is ancient, much older than William I or Frederick the Great, for that matter. Every sovereign and autonomous state has an "oberster Kriegsherr," as George V in England, Nicholas II in Russia, or Woodrow Wilson in these our United States. The term means merely "chief commander of the forces.' The superlative in the adjective is not absolute, of course, but relative; in the given country all of it a current and proper expression. But some 20 years ago, not so very long after the accession of the present Emperor of Germany, some smart aleck conceived it would be supremely funny and grotesque to take the "oberster Kriegsherr," dress it up in a literal extravaganza version, and so bestow upon our generation the "supreme war lord," which has been a mighty ally for all those who detested "Prussian militarism," so called. The injury which this winged word, caricature though it be, has done to the peace of the world and as a means to unbalance the sentiments of millions ignorant of the German idiom is simply ineffable.

According to the immortal Barnum, the American people like to be humbugged. A great many of them have once more been humbugged to their hearts' content by a phrase.

THE ELITE HAS THE BEST RIGHT TO EXPAND.

A member of the Canadian Parliament recently said: "The German farms in Pennsylvania are the finest in the United States, and the German farms in Ontario are the finest in Canada." It does seem cruel that the country which furnishes the best colonists should have practically no colonies of its own (home land 208,780 square miles, colonies 1,128,640 square miles), but be compelled to send its emigrants to foreign countries to strengthen them in the competition with the Fatherland. Her neighbors tell her that she ought to be resigned to the decree of fate; that she has come too late, because there are no more lands to be occupied; yet even while preaching this gospel of resignation they continue to add extensive areas to their already overgrown colonial empires. Shall the land of universities be called "grasping, arrogant, impudent, overbearing" because she tries to glean the few crumbs left after the banquet?

If it be true that there exists a compact among certain nations to prevent Germany from gleaning these crumbs, it would be an atrocious piece of ingratitude on the part of the pupils toward the teacher, a crime against eugenics. Our own consuls, as well as the British consuls, tell us that Tsingtau, which the Japanese are now trying to take away from Germany, has under German rule become the model city of the Far East, the favorite resort of Britons and Americans, a blessing to the natives far and wide. All students of municipal institutions go to the German cities as the classic models, where neither graft, nor bossism, nor rings exist, but everything is clean, honest, scientific, efficient, up to date. Can you imagine anything more preposterous, more heinous, more insane than that the very people who are trying to imitate these institutions should band together to prevent the expansion of the system which produces such institutions, nay, to crush that system in its own home? The essential agency in human progress has been the consolidation of small tribes into great nations, able to concentrate their force on the achievement of common objects. What would this country be if instead of one great nation it contained 48 little nations? What would the various parts of the British Empire be if they were independent? What would France be if Normandy, Brittany, Burgundy, Provence were separate nations? Nothing could be more conducive to human progress than the consolidation of the remaining small nations of the Old World into a great empire, under the leadership of the most highly educated, most scientific, most laborious, most systematic nation, with local home rule, of course. The so-called "sacred independence" of small States, the pet kitten of the phrase makers, is nothing but a relic of barbarism, which can not resist the stream of evolution. It is a platitude to say that technical rights often stand in the way of moral rights, and thus become the seeds of cataclysms.

TAXATION WITHOUT REPRESENTATION.

The interests of the entire white race, in the struggle to maintain its supremacy, clearly require that the power of the strongest white nation be enlisted to its fullest extent by allowing her to acquire an adequate stake in the patrimony to be defended; and if there is nothing left but the Near East, the interests of the white race clearly require that the protectorate of the Near East be conceded to Germany. In fact, what could be better for any backward country than to be taken under the guardianship of Germany and benefit by her administration, confessedly the most efficient in the world? Some people have been virtually saying to Germany: "It is your duty as a white nation to join us in defending our possessions, but we can not allow you to acquire any possessions of your own, because we intend to take everything ourselves. You are the strongest nation now, but we intend to keep you from growing, while we continue growing ourselves till we have you at our mercy. It is your duty to send your soldiers, if necessary, to fight for Russia in Manchuria, for Britain in India, but all the fruits of your exertions are to be ours, and you shall have no reward except the satisfaction of having done your duty." In other words, the world's teacher is to be the unpaid drudge of her pupils; the nation best qualified to have a voice in shaping the world's destiny is told that she must confine herself to humble requests. If Germany is afflicted with "militarism," as the phrase makers would have us believe, has she not ample motive for it? The logical way to "crush" that militarism is to remove its cause; to allow Germany to acquire enough land to assure her future as a great power. In Germany, as in all countries, there are, of course, plenty of fire eaters, who want armaments simply for the purpose of intimidation and aggression; but they would quickly be silenced by the sober sense of the taxpayers when these find that they are no longer compelled to put their hands in their pockets in order to assure their country's future. German militarism is simply a part of European militarism, which is the necessary consequence of the ungentlemanly, un-Christian, inhuman doctrine of "No concessions!" If we wish to see that militarism crushed, let us set the example in the policy of mutual concessions.

THE OTHER GREAT NATIONS HAVE ENOUGH LAND.

Now, Czar Nicholas I declared more than 50 years ago that "Russia has enough land; she does not care to acquire more, but only to develop what she has." That statement would seem to be even more correct to-day, when Russia owns 9,783,586 square miles (including last year's acquisition, the 912,000 square miles of outer Mongolia), assuring her position as a great power forever, if she will but do her share in uniting the white race and in strengthening the frontier of Siberia. The United States owns only 3,743,318 square miles, yet President Wilson was right in saying that no responsible person in this

country wants to acquire another inch of territory, for, although our area is but little more than one-third that of Russia, we, too, feel our position as a great power forever secure—if we can keep this country white. Last year Mr. Asquith proclaimed a similar self-denying ordinance for the British Empire (area, 13,220,000 square miles), and he hinted in fairly plain terms that Germany is welcome to take any land that may still be in need of a strong civilized master. In return for that declaration Germany had practically agreed to a limitation of armaments on the basis of British naval supremacy, and British public opinion was beginning to give credence to the ceaseless assurances of German statesmen that Germany never dreamed either of invading Britain or annexing the smallest British colony. As a result of these mutual explanations and concessions an Anglo-German alliance seemed imminent only four months ago. So close were we to eternal peace! It is a sad commentary on human nature that two nations which only four months ago were tossing compliments to and fro should now be spitting venom at each other. One of the minor evils of war is that it opens every foul mouth and closes many a clean mouth.

GERMAN VERSION OF CATASTROPHE.

At this point it may be well, in the interest of impartiality, to quote the German account of the origin of the war. Commenting on the recent Russian slogan "The way to Constantinople passes through Berlin," the Germans allege that the real cause of the Russian mobilization was the rapid drift of Britain and Germany toward an alliance, and the efforts made by British statesmen to bring about a compromise between France and Germany, which would have isolated Russia, blocked her path to world dominion, and, in particular, balked her millennial ambition to own Constantinople—a Greek city, 300 miles from Russia, the occupation of which would necessarily involve the annexation of Roumania, Bulgaria, and Asia Minor, perhaps Servia and Greece, and would place both Germany and Britain at the mercy of Russia. To avoid such a check, which would have disgraced the Russian Government in the eyes of its subjects and thus have afforded the revolutionists their long-desired opportunity, prompt action was necessary before Britain and Germany were fully cured of their mutual distrust. Having to choose between revolution on the one hand and new popularity and world dominion on the other, the Czar and his advisers chose the latter and mobilized, expecting, most likely, to achieve their object without war, simply through the exhibition of overwhelming force, soon to become still more overwhelming through the virtual annexation of the Balkan Peninsula. They probably calculated that Germany, even though aware that her future as a great nation was at stake, could not expose her immense industrial and commercial interests to the shock of war, and hence would not dare make good her protest without Britain's support, which, it was correctly surmised, Britain would not be ready to lend, through fear of breaking up the laboriously constructed triple entente before the ripening Anglo-German alliance had developed into a dependable fact. The Germans seem to have taken it for granted that in this matter Britain would necessarily side with them or at least remain neutral while they pulled her chestnuts out of the fire, and they can not understand why she should punish them for defending her vital interests. Whether this intricate web of motives had any real existence or is the product of the German imagination, it is, of course, impossible to say; but in view of the general tendency to lay the blame on Germany, it seems a matter of simple justice to listen to her excuse.

ANGLO-GERMAN ALLIANCE—THE KAISER'S HOBBY.

At any rate the whole world knows that union with Britain, as the prelude to European union, to ward off the yellow peril, has been the Kaiser's constant theme for 20 years, ever since he wrote: "Völker Europas, wahret eure höchsten Güter!" Not long ago he said: "The day may come when Britain will be glad that Germany has a navy, when they fight side by side in the great questions of the future." I believe that he is as ready to-day as he was four months ago to enter into that most natural, God-ordained alliance with Britain, which, as the first step toward the union of the four great free nations, would at once bestow eternal peace on the world.

BRITAIN THE UMPIRE.

Britain has now the same magnificent opportunity by which she profited so wisely and so brilliantly in 1815. Having fought France for 20 years and taken the leading part in her overthrow, Britain saved her from mutilation. At the congress of Vienna some of the powers insisted that France must be so reduced in size that she could never become dangerous again. Britain protested that to dismember so glorious a nation would be not only a crime but a folly, for the fragments would forever be trying to get together again, and Europe would have no rest till they were reunited. As a result, France was left intact within the boundaries that she had before the revolution, and Britain's reward was a long period of good feeling between the two countries, of the greatest profit to both. In the present war Britain has already accomplished her main purpose. Her intervention has saved France from being overwhelmed, which would have enabled Germany to hurl her full strength against Russia. Britain can now earn the lasting friendship of both France and Germany by mediating between them. For the past four years the wisest men in England have urged France and Germany to settle their burning question in the only way in which it can be permanently settled—by compromise. That was the most statesmanlike, the most urgently needful work ever undertaken by British statesmen, and it is more needful now than ever. Let Britain insist that whatever be the outcome of the war there shall be no mutilation on either side, no new burning question substituted for the old, but that the old one be settled for good and all—by compromise. In that way the Anglo-Franco-German alliance so long and so devoutly prayed for by every friend of humanity may shortly become an accomplished fact. It would at once have the tacit adherence, soon perhaps the formal adherence, of the United States, and then the international executive power would be complete.

THE SINISTER POWER OF THE AUTOMATIC NO-SAYERS.

The situation recalls a passage from Benjamin Franklin's autobiography. In 1754 he drew up a plan for the union of Britain's American colonies, with a view to the better support of the mother country. Had this plan been adopted there would have been no Revolution; the United States would to-day be British territory, its 100,000,000 inhabitants loyal British subjects, like the Canadians, Australians, New Zealanders; world-wide peace, under Anglo-Saxon supervision, would have become an established fact 50 years ago; there would have been no navy but the Anglo-Saxon navy; Anglo-Saxon supremacy would by this time be accepted throughout the world as one of the immutable laws of the universe. The "practical men" in the British cabinet thought the plan "too democratic," while the "practical men" in the colonial assemblies saw in it "too much prerogative." Thereupon Franklin, pondering over the terrible responsibility of those who rejected his advice, remarks with tragic solemnity:

> History is full of the errors of states and princes. Those who govern, having much business on their hands, do not generally like to take the trouble of considering and carrying into execution new projects. The best public measures are, therefore, seldom adopted from previous wisdom, but forced by the occasion.

In fact, the union of the American colonies, planned by Franklin's "previous wisdom" for the better support of the mother country, was "forced by the occasion" 20 years later through the tempest of the Revolution against the mother country.

A GRAND OPPORTUNITY LOST.

We are "those who govern," and some of us are sadly aware of "having much business on their hands." Are we sure that this circumstance has never prevented us from governing with "previous wisdom"? The dangerous character of the Alaska Panhandle as a breeder of irritation between us and Canada was forcibly brought to public attention during the seven years' controversy which was terminated by the London award on October 20, 1903, just 11 years ago. The proposition to exchange the Panhandle for an equivalent has been discussed in the press during the past five years, particular stress being laid on the value which that transaction would have in setting the example of those mutual concessions which are needed to solve the burning questions that keep the white nations at discord. Had we made the model concession to Canada there is reason to think that the movement for the union of the four great free nations into an international executive power, stimulated by our example, would by this time be so far advanced that the war would have been impossible. We were too busy with "more important matters." Now the mutual concessions are being "forced by the occasion" through a wild cyclone of destruction and agony which threatens to put an end to the supremacy of the white race. Instead of the useful concessions a number of harmful ones will probably be extorted. New fuel will be stored up for the next conflagration, till Asia is ready to overwhelm us all.

DO THE NEXT BEST THING.

We did not have enough "previous wisdom" to adopt "the best public measure"; let us at least gather what wisdom we can from the pangs of a neglected opportunity. Having failed to prevent the war, let us at least do the next best thing—stop

the war as quickly as possible. It is probably true that none of the warring nations would accept our mediation now. There is thus good reason why the mediation itself should be delayed till we feel fairly sure that it will be welcomed; but there is no reason whatever why we should delay a moment to set the example which is to lend weight to our mediation. Even at best it will take some time for the news of our example to circulate in Europe and make the desired impression; and meantime the horrible slaughter goes on. I request therefore that this resolution, designed to prepare the way for early mediation, receive early attention.

SUMMARY.

In conclusion let me present the argument in a nutshell. Sensible people, wishing to remove an effect, try to remove the cause. The man who has a thorn in his thumb will waste his time if he tries to ease the pain with bandages and plasters; the only cure is to draw out the thorn. So long as the nations of Europe are divided by burning questions you will waste your time if you merely discourse on the beauties of peace; the only cure for the war peril is to solve the burning questions. If we were to hint to the European nations what mutual concessions they should make on these burning questions, some of our quick-spoken brothers on the other side of the water would gleefully tell us to mind our business. Happily we need not say a word about it. By making a model concession to Canada we can inculcate the policy of mutual concessions far more effectively and yet make it impossible for the most carping critic to accuse us of meddling.

If a Canadian panhandle extended along our coast to Atlantic City, we should long ago have found the situation intolerable and we should have been furious if the Canadians had waited in dull, boorish silence till we were forced to complain. Now, the fundamental law of Christianity, as well as of the gentleman's code, is the Golden Rule: "Do unto others as you would they should do unto you." Whoever refuses to obey that law is neither a Christian nor a gentleman, however loudly he may claim both titles. I prefer to think that the great majority of our fellow citizens are both Christians and gentlemen.

GIVE THE CELTS THEIR DUE.

I should like to stop at this point, but in the interest of accuracy I feel compelled to add an explanation. The terms "Anglo-Saxon," "Anglo-German," "Anglo-American," in the way they are commonly used, are untrue and unjust, since everybody knows that the United Kingdom is half Celtic, and that the armies which won her victories for the last 100 years consisted mostly of Irishmen, Welshmen, and Scotch Highlanders. Some years ago Mr. Carnegie suggested that this well-known truth be acknowledged by substituting the euphonious and singularly appropriate name "Celtanglia" for the clumsy term, "The United Kingdom of Great Britain and Ireland." How handy it would be to call Englishmen, Scotchmen, Welshmen, Manxmen, Irishmen by the common name of "Celtanglians" instead of the monstrous name "Unitedkingdomofgreatbritainandirelanders!"

The leading men in the British Empire—Celtanglian Empire, I mean to say—Asquith, Grey, Lloyd-George, Churchill—are Celts. They could not do anything more just, more graceful, more statesmanlike, more progressive, more conducive to reconciliation between the English and the Irish and Irish-Americans than to adopt a name which would tell the truth. That inexpensive little act would do more to consolidate the Empire than the dreadfully expensive measures they are now adopting. It would be one of the most effective means to promote Anglo-American reunion. At the same time the fact that the United Kingdom is only half Germanic does not make the present war less fratricidal, for Celts and Germans are brothers, members of the same Aryan family. And since I am adding this postscript in the interest of accuracy, and since there is so much talk nowadays about scraps of paper, it may not be amiss to recall a certain scrap of paper signed on October 3, 1691, just 223 years ago, which was torn up not from dire necessity, but apparently from the convenient assumption that a contract made with Catholics was not binding. I refer, of course, to the scrap of paper associated with the name of Limerick. However, since that mistake has been almost completely mended, it ought not to stand in the way of brotherly feeling, if Britons will but treat their Irish brothers as equals and not ask them to turn against their other white brothers. Remembering how heartily German-Americans and Irish-Americans have fraternized of late, every Irishman must grow sick to think that some of his kindred in the British Army are to-day shooting at the Germans. I am sure every Irishman will do what he can to stop that wretched business.

Cotton.

EXTENSION OF REMARKS
OF
HON. SAMUEL M. TAYLOR,
OF ARKANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, October 24, 1914.

Mr. TAYLOR of Arkansas. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include a short resolution of citizens of my district touching pending legislation on the cotton situation.

The resolution is as follows:

LONOKE, ARK., *October 21, 1914.*

To the Hon. SAM M. TAYLOR, *Washington, D. C.:*

Whereas about 500 cotton-growing citizens of Lonoke County, at the courthouse assembled; and

Whereas a resolution was offered by one of those present asking the chairman to appoint a committee of five, which was unanimously adopted by the convention, to draw up resolution asking the Representatives in Congress to urge the passage of the cotton relief bill of $240,000,000 now pending before the House for the cotton-growing States of the South; Now, therefore, be it

Resolved, That we, the committee appointed by the chairman, respectfully request of you as our Representative in Congress assembled to do all that is in your power to urge the passage of the above bill.

W. K. OLDHAM,
J. W. COOK,
W. E. GLOVER,
L. L. BELL,
C. W. TURNER,
Committee.

General Coal, Oil, and Gas Leasing Bill.

SPEECH
OF
HON. JOHN E. RAKER,
OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, September 12, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 16136) to authorize exploration for and disposition of coal, phosphate, oil, gas, potassium, or sodium.

Mr. RAKER. Mr. Chairman and gentlemen of the committee, this bill is a companion bill, in a way, of legislation for the disposition and use of part of the public domain. For the last 16 years there has been a want of development, there has been a want of legislation, and some legislation that possibly prevented development. In the last two years there has been a bill to extend the rights of the homesteader and desert-land claimants so that they might use the land. Within the last few months we have passed what is known as the reclamation-extension bill. This House has passed the Alaskan coal bill, so that great Territory might be opened up. Within the last few months this House has passed what is known as the Adamson dam bill and also the Ferris water-power bill to relieve the conditions as they were then in existence. There has been much other legislation in regard to the public domain having for its object and purpose its proper utilization. Much of the public domain has been held and is at present being held in reserve, being withdrawn from settlement by homesteaders, from use by desert-land claimants. Much mineral land has been tied up so that it could not be used, prospected, or developed. Much coal land has been in the same way—millions of acres—and the same way with oil lands and with the phosphate, sodium, and other lands, with the idea that reservation means conservation.

There seems to be an idea that if you prevent the taking of Government land or the use by anybody for anybody for any time you are conserving the rights of the present generation and looking out for those that may come in the second, third, and fourth and many generations beyond instead of providing proper conditions for those who are here as well as looking out reasonably, as we ought, for the future. But when you talk conservation it seems to apply only to Government lands, when, as a matter of fact, as it is understood in the East and as it is practiced, it is conserving everything that has been going to waste—the failure to use that part of the coal that has been put on the dumps and burned; timber that has been wasted and destroyed and could have been manufactured and put into a proper use.

The same way with the water that has been going to waste for years in these old settled States. The people are coming to realize now that they can use those streams in every endeavor and effort of human life and even in material things. They realize that that power hitherto has been squandered and not properly used. The use of those streams—the use of every bit of them—means conservation.

When I use that word "conservation" a great many people think that because the Government has some public domain, has some public lands—think that because there are some oil wells and there is some oil belonging to the Government, as well as coal and phosphate and other products that may be valuable—you are conserving it if you prevent its use. There is no question but what there ought to be every effort made to give the consumer cheap products of all kinds—coal, oil, lumber, and every other thing that comes from the soil. You ought to regulate the laws so that he shall have to work only a reasonable length of time, so that he will get the very best results from his efforts. The laws ought to be so drawn that he will have an equal opportunity with every other man, and a few should not be allowed to take and hold land, whether it is in a public-land State or in a State where practically all the public domain has been taken; and to admit that you must use the sovereign power of the Government as a whip hand, to say that a man shall only work eight hours a day, to say that he shall only dispose of his coal or his oil in a certain way, and that he shall only sell it under certain conditions and under certain circumstances, and that he must not combine with anyone to sell or handle or work that coal, is an admission of inefficiency in legislation and of a lack of proper laws to control the output of oil and the output of coal. If you admit it can not be done by proper legislation you will have to admit that all the Eastern and Southern States, where there is coal and oil and gas, can not be regulated, because that land for many, many years has been in private ownership.

In the same way the water powers over which the streams flow are in private ownership; and to admit that you have to go to the Government's sovereign power to regulate all these matters simply as they apply to the West is an admission of weakness that this Congress and no other governmental body or the State legislature or the National Government ought to admit, and, as a matter of fact, none does admit it. The Government could not admit it and still maintain its efficiency as a Government as it ought to be maintained. But the sentiment has grown so strong and there has been so much said about the development of the West that many believe honestly and candidly that the public domain, having been held and being held as it is by the Government, should be administered by the Government in such a way as that its citizens might make the best use of it and have it go into private ownership, and then regulate its control, its disposition, and regulate the products that come from it—regulate it so that those who sell the oil and the coal and the gas and the phosphate shall not oppress the consumer and shall not maintain monopolies on it. That is all that could be asked.

But the West believes that there is an opportunity in sight for the development, for the opening up of its resources; and therefore, for one, I was in favor of passing the Alaskan coal bill, and instead of tying up those resources there, of opening them up, so that the people can use them and get the benefit of them to-day.

The same way with the water-power bill. Our public domain ought to be used, and used legitimately, and it should not be in the hands of a few men. When men have spent from $100,000 to $200,000 or $500,000 in a legitimate enterprise, after having carried their machinery and their outfits miles and miles over mountain trails in wagons and then on horseback or on mule-back, they ought to be encouraged, to the end that they might develop the power and light the surrounding cities and open up the mines and develop them and save the forests that are on the mountain sides, and instead of neglecting them, develop electricity, in order that you may light the city and furnish power for the mine and light your mine and develop it. Because a stream happens to run across a small tract of land, a quarter of a mile, absolutely worthless, upon the side of a hill covered with rocks and sagebrush, no use could be made of it, and it has been permitted under the laws to be absolutely held out and thus prevent development.

We believe that this pending legislation ought to pass; and while we have to take a lease, it is better than want of development. We believe that that country will develop; that men with brains and intelligence and money, with friends behind them, will insist upon using the water power on those sites and pay a reasonable price for them, and that in the long run the country will develop.

The same way in regard to the coal lands. It is better to have a lease and try it and permit it to be opened and permit regulations to be placed upon it, as is done by this bill—regulations which are right and proper and ought to be put into effect by every law beyond all question. Thereby we shall get some use. Instead of being a dog in the manger, and saying, "This is public domain, and therefore it ought not be be used, and ought not to be handled," we propose to go out upon the public domain and put part of it in use. That is conservation. To go out and develop electricity from the streams and generate electricity to run machinery and furnish light. That is conservation and development of the West.

In the same way it is proposed to use these coal lands that have been lying idle, and the same way in regard to the oil. This bill does not apply, as a matter of fact, to the great oil fields of California, because those known oil fields are practically all claimed by private individuals.

Mr. STEPHENS of Texas. Mr. Chairman, will the gentleman yield there?

Mr. RAKER. I do.

Mr. STEPHENS of Texas. Does this apply also to forest reservations in the West, of which you have a great many?

Mr. RAKER. It does. It sweeps the whole thing, and it does not allow the land to be withdrawn for forests—land that is valuable for coal and oil and other purposes. It takes it all in and permits it, under this bill, to be used.

Mr. STEPHENS of Texas. Does it apply to Indian reservations or Indian lands?

Mr. LENROOT. Not unless they become public lands of the United States.

Mr. RAKER. I think we changed the other bill, and we shall have to change this one in the same way.

Mr. STEPHENS of Texas. Is not the gentleman in favor of applying this law to the Indian reservations and Indian lands?

Mr. RAKER. Why, certainly; yes.

Mr. STEPHENS of Texas. Is there any reason why it should not be so applied?

Mr. RAKER. There can not be any reason on earth, and the water-power bill applied to Indian reservations, and was so intended, and my understanding is that this applies to all except a few designated spots.

Mr. LENROOT. Will the gentleman yield?

Mr. RAKER. I yield to the gentleman from Wisconsin.

Mr. LENROOT. As both bills left the committee they applied only to the public lands of the United States, and the Indian reservations are not public lands of the United States.

Mr. STEPHENS of Texas. I propose at the proper time to offer an amendment putting the Indian reservations under the operation of this law.

Mr. RAKER. That was discussed; and my recollection is that the way the bill came from the committee it did include Indian lands. The chairman of the Committee on the Public Lands wanted it to apply to Indian lands and thought it ought to apply to them. Then you segregated a few particular tracts, so that the bill did not apply to them. Now, this bill ought to apply to all the lands of the United States.

Mr. STEPHENS of Texas. I shall offer amendments to make it include Indian lands.

Mr. RAKER. Let me read the bill:

That deposits of coal, phosphate, oil, gas, potassium, or sodium owned by the United States, including those in national forests, but excluding those in national parks, military or other reservations—

It excludes Indian lands at present.

Mr. STEPHENS of Texas. I propose to include them by an amendment which I shall offer.

Mr. RAKER. The idea is that in order to have the bill workable all the lands ought to be included; and I will say to the gentleman from Texas that there is a growing sentiment, a strong feeling in the West, as is shown by letters from individuals and the expressions of organizations, that the Indian lands, reserved or in use, that have oil, coal, phosphate, and other minerals in them ought to be used to-day, to the end that the land may be developed and the Indians get something to maintain them and help them along, and that it will build up the community surrounding the Indians in the same way. That is the way I feel about it, and if that provisicn is not included in the bill, I feel that it ought to be included.

In regard to the oil lands in California, all the known fields practically are under claim, those that are reserved and those that are not reserved, known as the naval reserve. The committee before reporting this bill reported a bill known as the urgency bill, for those who were practically prohibited from selling their oil, in order that they might dispose of it.

The second bill is known as the permanent lease bill, which was reported by the Committee on the Public Lands (H. R.

15661), which bill and the report upon it I will insert in my remarks. The bill is as follows:

A bill (H. R. 15661) authorizing the Secretary of the Interior to lease to the occupants thereof certain unpatented lands on which oil or gas has been discovered.

Be it enacted, etc., That upon relinquishment or surrender to the United States, within six months from the date of this act, by any locator or his successors in interest of his or their claim to any unpatented oil or gas lands included in an order of withdrawal, upon which oil or gas had been discovered, was being produced, or upon which drilling operations were in actual progress January 1, 1914, and the claim to which land was initiated prior to July 3, 1910, the Secretary of the Interior may in his discretion lease on such reasonable terms and conditions as he may prescribe to such locator or his successors in interest the said lands so relinquished, not exceeding, however, the maximum area of 640 acres to any one person, association, or corporation, said leases to be conditioned upon the payment by the lessee of a royalty of not exceeding one-eighth of the oil or gas extracted or produced from the leased premises or the proceeds thereof, each lease to be for a period of 20 years, with the preferential right in the lessee to renew the same for succeeding periods of 10 years, upon such reasonable terms and conditions as may be prescribed by the Secretary of the Interior.

SEC. 2. That the Secretary of the Interior is hereby authorized to perform any and all acts, and make such rules and regulations as he may deem necessary and proper for the purpose of carrying the provisions of this act into full force and effect, and all leases or assignments of leases shall be subject to such rules and regulations, and the failure of any lessee or of his successor or successors to comply with the terms and conditions of the lease shall work a forfeiture of the same, to be declared by a court of competent jurisdiction.

The idea was that that bill would be passed and disposed of before the general leasing bill was acted upon, to the end that those who had filings upon oil lands in California and were actually developing those lands might, if they so desired, relinquish their claims and go under leases.

I want to say that practically no man appeared before the committee in regard to coal. It seems to be a kind of general concession that coal lands ought to be leased. That is the way it seems to me now.

The greater part of the hearings revolved around the question of oil and gas, and it is my recollection, from being present at the hearings and from reading them since, that there was an unanimous sentiment among all the interests that appeared that the Government ought to enter upon a leasing system so far as oil lands are concerned, disposing of those that have claims upon them now, permitting them to release if they desire and accept leases, and that they will then be protected, and all the future development of gas and oil will be protected. In the bill it is provided that if it is in an unknown field, a certain distance from a known field, after discovering oil they will receive out of the original application 640 acres and obtain a patent to it, and the Government will get the balance, to lease or dispose of as it sees fit. If it is within the 10-mile limit the man will get a lease or a permit for 640 acres, and if he discovers oil he will then get a patent to 160 acres.

Mr. STEPHENS of Texas. Will the gentleman yield?

Mr. RAKER. I yield to the gentleman from Texas.

Mr. STEPHENS of Texas. Is it not a fact that under the present law, in the way it is administered, the lands containing oil are taken up under some kind of a fiction of law as placer claims, and that the claimants are endeavoring to evade the law by holding as placer claims claims that are not placer and that have no gold whatever in them, but which contain oil, coal, and other minerals?

Mr. RAKER. The placer claims have been held applicable to oil lands. The placer-claim law permitted eight individuals to join and file upon 160 acres of land, and repeat it as often as they wanted to, so long as they developed their filings in succession and complied with the law; but there were many cases where two or three men handled the concern and used the names of their friends or of dummies to make up the other six. They would keep repeating that until they had obtained large tracts of land without any intent of all eight to comply with the law. They permitted this placer-claim law to apply to oil lands. Two or three men would use the names of their friends and others and then get an assignment of their claims or practically get a retransfer, and a few men in that way would be able to handle large tracts of land; whereas if each had legitimately and honestly been a locater and complied with the law a patent would have issued to all eight, each having his proportion; and if the law had been complied with and carried out, and wells actually drilled upon each tract, there would have been no detriment to the Government or to the locality or to the individual, because it has been demonstrated in the oil fields of California, as in the placer and in the lode mining claims of the West, that as much money has been put into mining claims as ever has been taken out. But it was the use of dummies, some few fraudulent, but many of them honestly used. A man would use the name of his daughter, his wife, his son, or others, and they would get a patent to a tract of land.

Lately the department has held that that was a dummy entry, after it had been in practice many years. Now, this especial general-relief bill reported by the committee permits those who have their claims thus obtained or their assignees to relinquish the entire claim and obtain a lease from the Government not exceeding 640 acres. That will protect the Government and protect the individual. The California people are satisfied with that course.

Mr. STEPHENS of Texas. Will the gentleman yield?

Mr. RAKER. Yes.

Mr. STEPHENS of Texas. Is it not a fact that the term "placer" applied only to gold originally, but by some fiction they afterwards included in it oil and even town sites? And is it not a fact that some towns are established and located on mining claims, and are held in that way?

Mr. RAKER. I will concede that originally it was intended to apply to placer gold and that they afterwards interpreted it to apply to oil as a mineral. I do not know of any place where they have taken a town by a placer claim, because anybody in that western country can honestly and legitimately take a placer claim and get gold out of it. The only question is whether you want to work it. But it is only applied improperly to oil claims and has been used there legitimately and all participated in it, and if all received benefit from it there would be no question. But that is all past and gone. The people appeared before our committee and wanted relief, and the Government ought to give them relief. There should be development.

Mr. STEPHENS of Texas. Will the gentleman again yield?

Mr. RAKER. Certainly.

Mr. STEPHENS of Texas. Is the gentleman aware that in many portions of the West, where stock raising and especially sheep raising is the main industry, springs have been located as a mining claim and a number of springs, covering 10 or 20 miles of service, will be held under mining claims?

Mr. RAKER. I have been over the mining territory, as perhaps no other man has been, and I must say that I have never heard yet of a spring being located as a placer claim and held without being worked.

Mr. STEPHENS of Texas. A mining claim.

Mr. RAKER. Or a mining claim.

Mr. STEPHENS of Texas. Usually it is a lode claim.

Mr. RAKER. That is under a different law.

Mr. STEPHENS of Texas. All it requires is the digging of a hole 10 feet deep.

Mr. RAKER. You must find the lode, and it must be of a merchantable quality and value, so as to produce gold or other mineral. You have to stake your claim on the ground, and you can only get a claim not exceeding 1,500 feet long and 300 feet wide on each side of the lode, and you have to do the assessment work to the amount of $100 each year and maintain it, and then pay $2.50 per acre when you get your patent.

Mr. STEPHENS of Texas. Yes; but can not they make it 1,500 feet, so as to cover the springs?

Mr. RAKER. I never heard of a lode-mining claim being located in a spring as a mining claim.

Mr. STEPHENS of Texas. Has the gentleman ever been in Arizona or New Mexico?

Mr. RAKER. Yes; I have been in Arizona and New Mexico and old Mexico. I have not been in Guam or Tutuila. I have missed those two. The idea that there have been great frauds in mining and the development of the country is a great myth. There have been some mistakes, I know. I do not know of a higher class of citizenship in the United States than these miners and their families. There has been no class of citizens that has done more to relieve the country in time of stress and need than the miners. According to the report from the Geological Survey, issued within the last two weeks, there is not an enterprise to-day that has advanced so much, that has spent energy and exertion better to the interests of this country that silver and precious metals might be produced than has this mining industry. God speed their efforts in every line that their work may continue! They have been the salvation of the country three times in its distress, and we believe again at this time they are going to be its savior. In every legitimate enterprise in the West the farmer and the miner and the sheepmen and the cattlemen and the oilmen and the men that labor ought to be given an opportunity to develop it, and not preserve it and tie it up. I admit that there are places that ought to be reserved, and those are the natural wonders of the great West that ought to be preserved and made natural parks, so that every man, woman, and child in the United States may go and see the wonders in their primitive state. The Government can do well to develop them.

One more thing and I am through. The question of the proceeds of these leasings is of vital importance. I shall not go into it. As I view it, very few have given the subject thought as to where the money should go. The bill provides that it shall go to the reclamation fund, and after being used once, one-half to the State and one-half to the general fund. Everybody that has observed the development of large States knows that a community is developed because of the mines. The taxation of these mines ought to go to these localities to develop. I believe candidly that wherever and however this proposition works it is going to be an advantage and a great change from what we have had, and if there are any imperfections in it Congress can correct it and place it so that every gallon of oil and every bit of coal will be used.

Mr. STEPHENS of Texas. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Yes.

Mr. STEPHENS of Texas. What is to be done with the revenue derived from this conservation idea under this bill?

Mr. RAKER. Under this bill, as in the other bill, it is used once for the reclamation fund, and one-half of it thereafter having been used once goes into the State treasury and one-half to the general fund of the Treasury of the United States. I thank you, gentlemen.

The Scarcity of Cattle.

EXTENSION OF REMARKS

OF

HON. JOHN E. RAKER,

OF CALIFORNIA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, October 24, 1914.

Mr. RAKER. Mr. Speaker, under permission given me to extend my remarks on the question of the scarcity of cattle in the United States I am inserting an article by S. A. Baldus, which is as follows:

IS THERE AN ALARMING SCARCITY OF CATTLE?

1. THE PACKERS' CASE STATED.

All kinds of meats are to-day approximately 100 per cent higher in price to the consumer than they were 15 or 20 years ago. Why? The packers say it is because there is a scarcity of cattle. Not only this, but they tell us the situation is most alarming, and that, consequently, the prices are going still higher, and that if the shortage continues the American public will within 10 years have to choose between eating horse flesh or paying $1 a pound for porterhouse steak.

Against the packers' statement that there is an alarming scarcity I enter an absolute denial. There is no scarcity of cattle. The per capita supply is greater than formerly and more than normal. But before proving my contention let us hear the packers' side of the case.

J. A. Spoor, chairman of the board of directors of the Union Stock Yards and Transit & Chicago Junction Railroad, in an article published in the Chicago Record-Herald January 1, 1913, said, among other things: "There is a world shortage of live stock, especially cattle. The populations of all civilizations are growing much faster than the general meat food supply," etc.

Here's an extract from an editorial entitled "Supply and Demand," recently published in the National Provisioner, which is the official organ of the American Meat Packers' Association: "Meat prices are high—almost abnormal—and the public has been taught to blame the meat trade for it. This belief persists, despite the dawning consciousness in the public mind that there is a world shortage of meat. * * * Meat will be cheaper when we raise more of it," etc.

In August, 1913, the United Master Butchers of America held their twenty-eighth annual convention in Boston. President John T. Russell, of Chicago, delivered an address. Here are a few sentences culled from it: "The latest statistics show that we have in the United States about one-third of a beef steer per capita—deducting the breeding cattle it will be considerably less per capita—to provide for the population. * * * Consumption has overtaken production in the race, and in less than 10 or 12 years meats will not only be a luxury but a matter of history," etc.

In September, 1913, the Eighth Annual Convention of the American Meat Packers' Association was held in Chicago. The opening report of the executive committee speaks of the "crisis confronting packer, producer, and consumer." The following extracts are taken from the National Provisioner, September 27, 1913—the meat packers' official organ: "The American meat-packing house situation and that of consumers of meat for production in this country are both of them more precarious than at any other time in our history. * * * President Bischoff puts it picturesquely in his opening address when he says, referring to past periods of meat plentifulness, 'Those conditions of abundance have now utterly changed, and the surplus of cattle this Nation boasted of 15 or 20 years ago has been wiped out, and in its stead there is the gaunt specter of a beef famine staring us in the face'; and he added: 'Should this percentage of decrease—in our beef and cattle supply—continue until 1923, porterhouse at a dollar a pound retail will be cheap.'"

This keynote of a present crisis and a pending calamity at the meat packers' convention developed into a veritable diapason; at least it was struck by every speaker in the convention, some going so far as to predict that the day is not far distant when the people of the United States will be compelled to eat horseflesh.

But the biggest lesson of the meat packers' convention, as far as the public is concerned, and which, more than anything else said by any speaker, was calculated to again impress the public mind with the gravity of the situation and the seriousness of the crisis was the resolution passed on the last day, by virtue of which the meat packers "resolved" to spend $500,000 at the rate of $100,000 a year to revive the "languishing" cattle industry. This "news" item was flashed across the country; scarcely a newspaper reader that did not see it—scarcely a reader that was not impressed as the meat packers desired.

I could quote from hundreds of addresses, newspaper interviews, statistical items, and special articles, etc., to show by what astute methods the public mind has been cudgeled into the belief that there is a scarcity of cattle. Probably the most effective means of "officially" impressing the public with the seriousness of the shortage of cattle situation is the publication of interviews with or statements by the heads or employees of Government bureaus or departments. The Bureau of Animal Industry especially has been assiduous in spreading the "scarcity" propaganda. Officials and attachés of this bureau are frequent contributors to the National Provisioner, official organ of the American Meat Packers' Association. As an example: In the issue of November 22, 1913, there is an article by B. N. Rawl, Chief of Dairy Division, United States Bureau of Animal Industry, entitled "Farmers can furnish ample meat supply, but they must be shown how to produce at a profit," in which all the platitudinous utterances concerning the "scarcity" of cattle situation are repeated.

In this same issue of the National Provisioner we are told editorially that "Secretary Houston has taken steps to study the beef-production problem. He understands the need to increase the beef supply and keep prices from soaring to the point when a steak will be a luxury."

In an article entitled "Marked decline in beef production—Rise in prices natural result of shortage," published in the Missouri and Kansas Farmer of November 1, 1913, James M. Pickens, of the Bureau of Animal Industry, is quoted as follows: "The high cost of meat is a serious reality, and it is now obvious that the rise in prices in recent years is the material result of a shortage in production."

About a year ago Dr. A. D. Melvin, of the Bureau of Animal Industry, was sent to South America "to investigate the slaughtering and meat-preserving processes in vogue in the packing plants." He was quoted in the New York Commercial as having said before sailing: "We no longer have the former abundant supply of cattle raised chiefly on the free range. The range is being put up and fenced off into farms or devoted to sheep grazing. In addition, there is a great increase in the price of corn and feed, which have made cattle feeding a risky and expensive undertaking. Estimates by one Bureau of Statistics show that in the last six years the number of beef cattle in the United States has fallen from 51,566,000 to 36,030,000, a decrease of 15,500,000, or 30 per cent. * * * The home demand for meat, on the other hand, has been increasing along with the population, and according to the census we have 29,000,000 more people to feed than we had 20 years ago. Americans are great meat eaters," etc.

Who, after reading almost daily statements by so-called authorities, specialists, and experts—statements and prophecies—repeated in varying forms and under various guises over and over again, would not get the impression that there is indeed an alarming scarcity of cattle? And who so bold as to deny the truth of the pessimistic utterances of authorities, specialists, and experts, especially since the statistics seem to confirm them?

There is a class of men in this world who, as Artemus Ward has said, "know so many things that ain't so." The packers, their allies and cohorts, belong to this class. I know of no publicity campaign that has been so successfully carried on as this one of the packers to persuade the public mind into the belief that there is an alarming scarcity of cattle. Against all their claims, contentions, and predictions I place this simple statement: There is no scarcity of cattle and certainly no cause for alarm; no reason why the prices of meat should be as high as they are; and certainly no justification for still higher prices. And these things I will prove in subsequent articles.

2. WHEN DID THE "SCARCITY" BEGIN?

The packers have said that there is an alarming scarcity of cattle, and I assert just as positively that there is no scarcity and certainly no cause for alarm. The packers are pessimists; I'm an optimist. That is the difference. They have assiduously used every method, employed every means, and overlooked not a single opportunity to foster their pessimistic propaganda. Hercules labored no harder to clean the Augean stables than I shall labor to shoot light through their gloomy claims and predictions.

If the packers are so cocksure that there is an alarming scarcity of cattle, surely it is pardonable to ask them:

When did the scarcity begin? When did it assume alarming proportions? When did the supply cease to be adequate? When did it fall below normal?

These are certainly fair questions. The packers can not object to them. The statistics they quote do not show that there is an alarming situation. I have carefully examined and correlated all available data on the subject and have been unable to find the beginning of the scarcity. On the contrary, my computations, based on Government statistics and the packers' own reports, show that far from a shortage the per capita supply of cattle is greater than in former years—more than adequate, and certainly not below normal.

The statistics show that in 1870 the supply of cattle was 23,820,608; the population was 35,558,371. Consequently, a per capita supply of 0.66, or 3.30 head per family of five persons.

In 1909, or 40 years later, the supply of cattle was 71,099,000; the population was 90,556,521. Consequently, a per capita supply of 0.78, or 3.90 head per family.

But I do not consider it either fair or scientific to make comparisons of two separate census years. I hold that conclusions based on such a comparison are, to say the least, misleading, if not dishonest. Yet it is by doing this very thing that the packers have arrived at their erroneous conclusion that there is a scarcity of cattle; and I can't make myself believe that they are so unsophisticated.

I do not consider it fair to compute increase or decrease in production by comparing either census years or single years. Such comparisons prove nothing; they are worthless. There is a better way in which to obtain an approximate understanding as to the status of the cattle industry, and that is to compare periods of years. Let's try it and see what the result will be.

Let us divided the 40 years from 1870 to 1909 into decades, then make our computation.

From 1870 to 1879 the yearly average number of cattle was 27,872,790; average population, 45,737. Consequently, the per capita supply was 0.64, or 3.20 head per family

From 1880 to 1889 the yearly average number of cattle was 42,947,951; average population, 55,606,574. Consequently, the per capita supply was 0.77, or 3.85 head per family.

From 1890 to 1899 the yearly average number of cattle was 50,471,687; average population, 68,390,375. Consequently, the per capita supply was 0.73, or 3.65 head per family.

From 1900 to 1909 the yearly average number of cattle was 64,197,947; average population, 83,275,548. Consequently, the per capita supply was 0.77, or 3.85 head per family.

In the light of these conditions I am impatient for the information as to when the scarcity of cattle began. Certainly not prior to 1909. Yet the calamity cry about "scarcity" is older than that, and the high prices of meats, owing presumably to the "scarcity," began before 1909.

While it is very important that we determine once and for all just when the "scarcity" began, we must not, in our eagerness to prove that there is no scarcity, ignore the fact that the statistics show a considerable falling off of cattle within recent years. Granted. But this falling off does not prove that there is a "scarcity" of cattle. Let us take the last 13 years (from 1900 to 1912, inclusive); let's divide them into periods of 5, 5, and 3 years. By doing this we obtain the following results:

	Cattle, average per year.	Population, average per year.	Head, per capita.	Head, per family.
1900–1904	50,094,928	79,330,573	0.632	3.160
1905–1909	68,600,685	87,320,533	.785	3.925
1910–1912	62,513,667	93,792,509	.666	3.330

Alas and alack! Do not these results verify the packers' claim that there is an alarming scarcity of cattle? No; and again, no! They prove nothing of the kind. On the contrary, they show that there was a considerable increase in the period 1905–1909; and that this period of excessive production was followed by a necessary decline, thus bringing us nearer to a normal basis again.

That is the lesson the above figures emphasize. Let there be no talk of a shortage, for there is none. And please observe also that the per capita supply for the three years from 1910 to 1912 was greater than for the five years from 1900 to 1904. Consequently there is little justification for the calamity howl of the packers at the present day.

The packers, however, have read their jeremiads around the statistics showing a decline within the past few years, and like "Rachel weeping for her children," refuse to be comforted. It is for this reason that I will bring to their attention a most important fact.

Let them remember that cattle production jumped from 43,902,414 in 1900 to 62,333,870 in 1901—an enormous increase of nearly 19,000,000 head in a single year. For the next few years the stock on hand at the end of the year, as the statistics show, hovered around 61,000,000, increasing to 66,861,522 in 1906; and again increasing to 72,533,997 in 1907.

Consequently there were three enormous increases in the decade 1900 to 1909; the first in 1901, an increase of 18,431,356 head over the preceding year; the second in 1906, an increase of 5,619,615 head over the preceding year; the third in 1907, an increase of 5,672,474 head over the preceding year.

These three tremendous increases gave to the country an abnormally large supply of cattle. Decline was bound to follow. To attach undue importance to it is wicked. To cry over the decline and entirely ignore the three great increases above noted is worse than wicked. Balance the former increases against any present decline and you can not by any legitimate method of computation read into the results that there is a "scarcity" of cattle.

3. THE GROWTH OF THE MEAT-PACKING INDUSTRY.

The growth of the slaughtering and meat packing industry is the best proof that there is no scarcity of cattle. In the preceding article I asked, "When did the scarcity of cattle begin? And when did the cattle situation become alarming?" etc. To some these questions may have seemed irrelevant and asked for no definite purpose. Those who formed this impression are wrong, as this article will show. They will also see why it is important for the packers, who have so zealously labored to inform the whole world that there is an alarming scarcity of cattle, to give a fairly good answer. It is clear that they had not made their pessimistic discovery of a cattle scarcity by 1902; for in the packers' trial held in Chicago about three years ago it was shown that three of the Chicago packers had entered into a contract May 31, 1902, "for the formation of a $500,000,000 company to buy all smaller packing companies." (The deal was not consummated.)

Moreover, it is clear that they were not aware that there was a scarcity of cattle by 1907, for in that year, as shown at the packers' trial, a combination of Chicago packers whose legitimate assets liberally estimated by themselves were said to be worth $182,000,000 attempted to raise their capitalization to a total of $773,000,000, an increase of over a half billion dollars. (This scheme also failed of consummation.)

It is difficult to understand what species of business sagacity could have suggested so enormous an increase of capitalization in order to gain control of an industry which we are told by those engaged in it is languishing on account of scarcity of raw material.

That there was no scarcity of cattle as late as 1909 is clear from a comparison between 1904 and 1909, published in the Abstract of the Thirteenth Census (1910), showing the growth of the packing industry, from which I will take the following as having a direct bearing on the subject under discussion:

In 1904 there were 1,221 slaughtering and meat packing establishments; in 1909 there were 1,641; an increase of 34.4 per cent.

In 1904 there were 88,819 persons engaged in the industry; in 1909 there were 108,716; an increase of 22.4 per cent.

In 1904 there were 12,096 salaried employees in the industry; in 1909 there were 17,329; an increase of 43.3 per cent.

In 1904 the average number of wage earners was 75,399; in 1909 the average number was 89,728; an increase of 19 per cent.

In 1904 the primary horsepower of the industry was 119,311; in 1909 it was 209,707; an increase of 74.9 per cent.

But it would not be fair to the packers to give only Government figures. For this reason let us take the packers' own reports as published in the Price Current Annual of 1913, and which show the growth of the slaughtering and packing industry. Thus we learn that the total number of cattle slaughtered at four western centers, viz, Chicago, Kansas City, St. Louis, and Omaha, rose from a total of 2,362,000 head in 1888 to 4,292,000 in 1912, an increase of nearly 82 per cent. (The increase in the population for the same period was less than 60 per cent.)

From further statistics in the Price Current Annual we can trace the increase in the slaughtering of the four western centers:

	Chicago.	Kansas City.	St. Louis.	Omaha.
In 1888	1,643,000	374,000	211,000	134,000
In 1912	1,681,000	1,069,000	963,000	599,000
Increase, per cent	2.26	185.82	356.39	347.01

The increase in the wholesale slaughter and packing of cattle is furthermore emphasized when we consider that according to the statistics in the Price Current Annual the number of cattle slaughtered during the past 25 years in the four western centers total an annual average of 3,448,100 head for the decade from 1888 to 1897, an annual average of 4,451,800 for the decade from 1898 to 1907, and an annual average of 4,527,800 for the five years 1908 to 1912, inclusive—a steady and progressive increase in each period.

Remember, please, that these averages cover only the four cities above specified. In other words, they do not include the slaughter in the allied wholesale slaughtering and packing establishments throughout the United States, the extent of which may be judged from the statistics for 1909—the only year for which complete data are available—and according to which 8,114,640 head of cattle and 2,504,728 calves were slaughtered by the wholesale packers and slaughterers in 1909.

Thus from governmental sources as well as from a computation of the packers' own statistics we learn that the scarcity of cattle is purely hypothetical. The steady and progressive growth of the slaughtering and meat-packing industry accurately reflects the steady and progressive increase in cattle production.

4. WHAT IS NORMAL PRODUCTION?

Here are the statistics upon which the packers have based their statement concerning an alarming scarcity of cattle:

1900	43,903,414
1901	62,333,870
1902	61,424,599
1903	61,764,433
1904	61,049,315
1905	61,241,907
1906	66,881,522
1907	72,533,996
1908	71,267,000
1909	71,099,000
1910	69,080,000
1911	60,502,000
1912	57,959,000

Please note again, as previously pointed out, that there were three great increases from 1900 to 1907. Please observe, too, that the year 1907 was the year of maximum production. See what a tremendous leap from 43,903,414 head of cattle in 1900 to 72,533,996 in 1907, an increase of nearly 29,000,000 head in seven years. If there were another such enormous numerical increase in the following eight years, the resulting overproduction would paralyze the industry. But because there is no such increase in sight, because, on the other hand, there is observable a gradual decline from the high figure reached in 1907 to the more normal basis of former years, the packers have turned prophets of evil days to come.

Some statisticians, not content with the showing made by the above statistics, make a distinction between steers and milch cows. Thus Mr. John T. Russell, of Chicago, president of the United Master Butchers of America, and whom I quoted in my first article, emphasized that "the latest statistics show that we have only about one-third of a beef steer per capita to provide for the population." Of course Mr. Russell was very careful not to say anything about the species of cattle that can not be classed as "steers." It may be chivalry that prompts Mr. Russell and other packer statisticians to hesitate admitting that female cattle is brought to the shambles; nevertheless it is obviously unfair not to include milch cows when discussing the visible cattle or meat supply, since every milch cow, unless she dies of old age, is finally converted into meat and sold over the counter at fancy prices to the consumer.

There is no excuse for separating the steers from the milch cows unless the statistician desires to put the worst possible interpretation upon the situation.

This brings us to the question, What is normal production? If the packers know or pretend to know, we are interested to hear their answer. In the meantime the absence of any authoritative statement with regard to this point leaves us free to base our computations on the figures at hand.

In 1870 the cattle production, based on the Government statistics alone, gave us 0.66 per capita, or 3.10 head per family. Let us compare this with the per capita and per family production in a few of the years given above:

	Head per capita.	Head per family.
1900	0.579	2.895
1904	.740	3.700
1907	.830	4.150
1909	.785	3.925
1910	.749	3.745
1912	.607	3.035

Now, as a matter of fact, the per capita and per family production is considerably greater than here indicated. The statistics given in the beginning of this article, and upon which the packers principally base their claims that there is a scarcity of cattle, do not represent the total supply of cattle. They merely show what is left after the year's slaughtering has been deducted. They show "stock on hand" on January 1 of each year. Remember that! It is very important.

Consequently if one is truly desirous to discover what the actual cattle production is per capita or per family, it is necessary to add to the "stock on hand" January 1 of a given year the number of cattle killed in the preceding 12 calendar months. The results thus obtained

will show a remarkably healthy situation in the cattle industry even at the present time.

Let us take one year. The most complete statistics ever gathered by the Government were for the year 1909. During that year the slaughter of cattle and calves was 20,183,447. Add to this the stock on hand December 31, 1909, or, as the statistics put it, January 1, 1910, and we have the enormous total of 89,263,447; in other words, the per capita supply for 1909 was 0.985, or 4.925—nearly 5 head—per family.

This, it would seem, is large enough production. Indeed, it may be seriously questioned whether it is desirable to materially increase the present output. What reasons can be advanced for a larger production, and who would benefit thereby? The producer would not benefit, for there would be no increase in cattle prices for him. The consumer certainly would not benefit, for the whole history of meat prices during the past 15 years emphasizes this one point: That the larger the production of cattle the higher the prices of meats to the consumer.

Briefly, then, the claim that there is a scarcity of cattle is pure fabrication, a prodigious fiction compiled from a single set of incomplete—I had almost said irrelevant—figures, the most damnable statistical lie of the twentieth century, and when employed to explain why prices of meats are high it becomes the grossest economic falsehood ever foisted on a supposedly intelligent people.

5. INCREASE IN CATTLE PRODUCTION GREATER THAN INCREASE IN POPULATION.

While the emphasis is laid on the scarcity of cattle situation, some more or less ingenious arguments have been advanced to bolster up the contention. Chief among these is the claim that during the past census decade the population has increased 21 per cent while cattle production has declined about 32 per cent. This would indeed be alarming if it were true, but the situation is saved by the fact that it is not true. Like the rumor concerning Mark Twain's death, there is here gross exaggeration. One part of the statement is true—the population of the United States has increased by 21 per cent.

But the cattle situation can not be computed by comparing the "stock on hand" in 1900 with the "stock on hand" 10 years later. If John Smith went into business in 1907 with a capital of $100,000, built and equipped his plant, established a profitable business, and his 1910 inventory reveals that he has only $75,000 in bank—that is, $25,000 less than he began with—does he conclude that he is bankrupt or that his affairs are in an alarming condition? Yet this is precisely what we are doing when we cry calamity, because there were fewer cattle in 1910 than in 1907.

To say that the population in the last 10 years has increased 21 per cent and the supply of cattle has declined 32 per cent is the flimsiest kind of statistical lie. It is so childish, so absurdly grotesque, that I marvel it has not been exposed before now. But it seems to have escaped detection. "Expert" statisticians have not put their finger on this inherent weakness in the packers' jeremiad. So-called authorities seem to have deemed it beneath their notice. Statistical "specialists" have ignored it. And yet the absurdity of the statement is so palpable, so gross, so rank, that it is difficult for me to believe that it was either ignorantly or innocently overlooked. The lie has done its unholy work long enough; it deserves to die an ignominious death.

The decline in cattle production began in 1907. Prior to that time the supply of cattle rose steadily until it reached its maximum in 1907. Hence the decline was only 3 years old in 1910. But the decline is only apparent, not real, for, as a matter of fact, the yearly average for the three years, 1908–1910, was greater than for the three preceding years. Here are the figures:

	Average.
1905–1907	66,885,808
1908–1910	70,482,000

Now, as a matter of fact, in the whole history of cattle production increase in production has been almost uniformly greater than the increase in population. Thus, for example, the increase in cattle production from 1870 to 1909 was 198.40 per cent, while the increase in population for the same period was only 154.66 per cent. But, as stated before, it is unscientific to make comparisons between census years or single years.

In a previous article I divided the 40 years from 1870 to 1909 into decades, which is altogether a more scientific comparison. Here are the results:

	Cattle increase.	Population increase.
	Per cent.	*Per cent.*
1870–1889	54.1	30.1
1890–1899	17.4	22.8
1900–1909	27.2	12.2
Cumulative increase	98.7	65.1

From this we glean the information that with the exception of the decade 1890–1899, during which the percentage of increase for cattle was 5.2 per cent less than the percentage of increase for population (and which was more than regained the following decade), the increase in cattle production was greater than the increase in population.

Now let us institute comparison for the last two census decades:

	Cattle.	
	Yearly average.	Increase.
		Per cent.
1891–1900	48,787,049	.....
1901–1910	65,845,574	34.93

	Population.	
	Yearly average.	Increase.
		Per cent.
1891–1900	69,695,058	.....
1901–1910	84,893,542	21.79

Ponder on these results; they are obtained in the only way I deem legitimate. They not only disprove that there has been a decrease of 32 per cent during the past 10 years, they prove, on the contrary, that there was an increase of nearly 35 per cent in cattle production over the preceding decade. And more than that, that the increase in production was greater than the increase in population.

You may recall that in the first article of this series I quoted from an interview that Dr. A. D. Melvin, of the Bureau of Animal Industry, gave to the New York Commercial just about a year ago. In this interview appears the following remarkable statement:

"Estimates by one bureau of statistics show that in the last six years the number of beef cattle in the United States has fallen from 51,566,000 to 36,030,000, a decrease of 15,500,000, or 30 per cent."

In the above figures Dr. Melvin did not include milch cows, taking cognizance only of what are designated in the statistics as "other cattle." He also makes his comparison of other cattle than milch cows between the year of greatest production, viz, 1907 and 1913, the year of least production, which is obviously unfair and unscientific.

But even taking "other cattle" than milch cows into consideration, Dr. Melvin is by no means justified in giving the pessimistic interpretation contained in the reported interview. For as a matter of fact the yearly average of "other cattle" for the six-year period 1902–1907 was 45,881,600, while for the six-year period 1908–1913 it was 44,950,000, which would show only a slight decrease for the latter period. But this decrease is more than offset by the increase in "milch cows," comparative averages of which are as follows:

For the six-year period 1902–1907, a yearly average of 18,259,362.
For the six-year period 1908–1913, a yearly average of 21,122,333.

Here are the rock-bottom facts concerning the total cattle situation for the six-year period mentioned by Dr. Melvin as compared with the six-year period preceding it:

All cattle, yearly average.

1902–1907	64,145,962
1908–1913	64,405,666

Certainly it disproves Dr. Melvin's claim that there has been a decrease of 30 per cent in the last six years.

6. THE PASSING OF THE RANGE NO CALAMITY.

We have seen that there is no reason whatever for saying that cattle production has declined 32 per cent during the past 10 years. No such phenomenon has taken place and there is nothing in the present cattle situation to cause either gloom or apprehension. The statistics when fairly analyzed prove this beyond the shadow of a doubt.

But there is, as is well known, a group of individuals who for reasons best known to themselves, deem it desirable to cover the brightest canvas with black daubs. They can't be happy unless they are miserable.

On a par with the flimsy statistical lie that cattle production has declined 32 per cent is the shallow "argument" that the free range has disappeared—and that this fact is in a large measure responsible for the present "scarcity" of cattle. Gallons of tears have been shed by packer statisticians over the passing of the range. Why not also lament the passing of the prairie schooner? Why not weep over the disappearance of the stagecoach?

It is quite true that the free ranges have given way to farms; but that is progress, not retrogression. As Dr. Melvin expressed it a year ago: "The range is being put up and fenced off into farms." This change in conditions has affected the cattle situation, indeed; but for the better. If you don't believe it, examine the statistics, which show conclusively that the per capita or aggregate production has been greater since the passing of the range. There are, indeed, fewer ranges and fewer ranchmen, but the number of farms and cattle producers has increased considerably. Raising cattle for the market is no longer the specialized industry of a few thousand; it is to-day the regular pursuit of millions. And the change from several thousands ranchmen to several million cattle raisers, far from having a depressing effect upon the industry, has been stimulating, as the statistics will amply prove. Remember that the maximum production was reached in 1907, at a time when the free ranges might be said to have been pretty well broken up.

The claim that the cattle industry languished as the ranges began to disappear has not even the merit of being a clever statistical lie; it is so stupid an argument, so crude a deception as to be scarcely worthy of serious consideration. Yet it has been employed so frequently and unblushingly by so-called authorities that it deserves to be nailed just as a common lie. The simple truth is that as the ranges began to disappear the cattle industry began to flourish. I do not ask you to accept my ward for it—just see for yourself; examine the statistics.

With greater show of logic the packers and other parties interested in maintaining the impression that "the gaunt specter of a beef famine is staring us in the face" might attempt to explain that the prices of meats are high because cattle fed on land worth a few dollars per acre can be sold cheaper than cattle raised on land valued at $150 to $250 an acre.

The weakness of such an explanation would, of course, be that the consumer is paying just as much of an increase for meat that is produced on the high-priced farm as for meats produced on the cheaper land. The consumer does not know, and he is not told, whether the meat he consumes was range fed or farm fed.

Moreover (and it is a singular thing, too), according to the statistics given in the Yearbook of the Department of Agriculture (p. 682, table 146), cattle coming from the range States—that is, from States where land is comparatively cheap—is valued higher than cattle coming from farm States, where land values are high, to prove which I have selected a few from the complete list given in the Yearbook of the Department of Agriculture. Just take a glance at them and draw your own conclusion:

The average price (January 1, 1912) per head for cattle in Wyoming is given as $38.80; Montana, $38.40; Colorado, $34.10; Nevada, $33.30; Oregon, $32. In the States where land is valued from $100 to $250 an acre: The average price in Iowa was $33; Illinois, $31.50; Indiana, $30.10; Ohio, $29.80; Wisconsin, $21.70. The average price for Texas cattle is given as $22.60. The number of head of cattle in the above States on January 1, 1912, was as follows: Wyoming, 506,000; Montana, 717,000; Colorado, 921,000; Nevada, 433,000; Oregon, 452,000; Iowa, 2,607,000; Illinois, 1,228,000; Indiana, 686,000; Ohio, 814,000; Wisconsin, 1,135,000; Texas, 5,022,000.

Whether this difference in the average price for range and farm fed cattle is to be accounted for by a difference in weight or quality, or both, does not concern us at the present moment. It is quite possible that Wyoming is furnishing a better grade and a heavier weight of cattle than Wisconsin, but that is not the point under discussion. We are dealing at present with numbers only and with the very important fact that the passing of the range has, indeed, affected the cattle situation, but decidedly for the better. All statistics bearing on this point prove this over and over again.

Thus, one after another, the "arguments" that generally accompany the claim that there is an alarming scarcity of cattle and which are given as ancillary reasons for the high prices of all meats fall to the ground.

7. ARE WE KILLING TOO MANY CALVES?

In the effort of the packers and interested parties to prove that there is a shortage of cattle, in their endeavor to explain why the prices of meats are high, and their attempt to justify a still further increase in meat prices, much emphasis is placed on the slaughter of calves. We are told that we eat too much veal. Mr. Spoor, previously quoted, declared that "the slaughter of calves increased 600 per cent in the last 10 years." Others more conservative place the increase in calf slaughter anywhere from 100 to 400 per cent.

Neither Mr. Spoor nor any of the writers who have touched upon the item of calf slaughter advance any figures to prove that there has been a great percentage of increase in calf slaughter. They content themselves with simply making the statement; to adduce proof seems beneath them. There are no separate statistics on the total calf slaughter for the United States; if the packers have such statistics they have not been made public; they do not even appear in the Price Current Annual. The only data we have concerning calf slaughter are those for federally inspected cattle at the principal packing plants. These would seem to indicate that there is a falling off rather than an increase in calf slaughter. Thus in 1909 the packers killed 2,504,728 calves; in 1911 only 2,219,908.

In the absence of complete and authentic statistics on the subject we may seriously question not only the accuracy but also the trustworthiness of the computation and deductions of the persons who claim that the calf slaughter has increased anywhere from 100 to 600 per cent. There are so many things that seem to give the lie to the cry about enormous calf slaughter.

In the first place, if the calf slaughter were abnormally high, the decline in cattle production would be greater than it is; whereas, as a matter of fact, milch cows are more numerous than formerly. In the second place, an increase in the number of calves slaughtered does not necessarily raise the percentage of slaughter, for it must be remembered we are raising considerably more cattle than we did 10 or 15 years ago; consequently we can, without disturbing the equilibrium or the proportion, kill considerably more calves.

The few known facts about calf slaughter lead me to believe that it is not excessive and not disproportionate. The only year for which reliable statistics concerning total calf slaughter are available are for the year 1909. The total slaughter of calves in 1909 was 6,500,562. Of this number only 2,504,728, or 38.53 per cent of the total, were killed by the wholesale slaughterers or packers (44.07 per cent was retail and commercial slaughter and 17.40 per cent was farm slaughter).

The total number of calves born during 1909 was 18,164,447. Consequently we might say that approximately for every calf killed two were kept alive. I am not aware that this is an alarming proportion. Please observe that the wholesale packers alone have been aggressive in pointing out that we are slaughtering too many calves; yet how can they logically do this, considering that in 1909 their killing amounted to only one calf out of every eight or nine born. Of the total number of calves killed in 1909 the wholesale slaughterers and packers killed only 38.53 per cent, yet they are doing 100 per cent of the calamity howling concerning the slaughter of calves.

It may not be uninteresting to note here that Representative FRED H. BRITTEN, of Chicago, on September 8, 1913, introduced a bill in Congress seeking to prohibit "the killing and interstate shipment for slaughter of beef cattle under 2 years of age." Congressman BRITTEN had prepared a lengthy speech on the subject, which gave him a splendid opportunity to repeat all the statements and statistics to again prove to the public that there is an alarming scarcity of cattle, and that if it continues porterhouse steak will cost $1 a pound by 1923.

Nothing came of the bill, but some of Mr. BRITTEN'S pessimistic utterances were published in the daily press. Here are a few:

"The beef supply of the future is being so alarmingly curtailed as to become a distinct menace. * * * The number of calves slaughtered has increased 100 per cent in the last 10 years. There were 51,500,000 head of cattle in this country January 1, 1907, while at the beginning of the present year there were but 36,000,000. In these figures it is easy to see the effect the enormous slaughter of calves has had upon the beef industry of the United States," etc.

If we are killing so many more calves than formerly, an excessive number, this should have the effect of considerably lowering the price of veal, but no such phenomenon is observable.

If the packers are really worried about any excessive calf slaughter, they have the remedy in their own hands. Let them offer the producer 2 cents a pound for calves and fix the price of veal at $2 a pound. This will effectually stop calf slaughter and veal consumption.

8. THE DECLINE IN CATTLE AND MEAT EXPORTS.

Beyond a doubt there has been a marked decrease in our cattle and meat exports within recent years, but not owing to any scarcity of cattle. There are other causes that have produced this result; scarcity of cattle is not one of them. In corroboration of my contention I point to the statistics. These show conclusively that production and exports are unrelated. Thus, for example:

In 1900, when our cattle numbered 43,903,414 head, we exported 397,286 head of cattle and 434,258,032 pounds of canned, fresh, salted, pickled, and other cured beef meats.

Whereas in 1907 (the year of biggest production), when our cattle numbered 72,533,996 head, we exported only 423,051 head of cattle and 361,159,919 pounds of beef meats.

In other words, in the year of smallest production our volume of export of both cattle and beef meats was not only as great but proportionally greater than in the year of maximum production, proving conclusively that there is no relation whatever between production and exports. If you care to go over the whole list of statistics, not only for cattle and meats, but for all food products, and compare them year for year, you will find this fact illustrated over and over again.

Consequently to attempt to explain the decline in our cattle and meat exportations to the somewhat smaller volume of production of the past few years is illogical, unfair, and unscientific.

But has the decline in our exports of cattle and beef meats been really so tremendous? Let us institute an inquiry. The statistics show that the average number of head of cattle exported annually, when computed in periods of 5 years for the last 25 years, was as follows:

Cattle exported.

1886–1890	144,934
1891–1895	349,476
1896–1900	398,136
1901–1905	483,099
1906–1910	340,694

A moment's study of these figures will show that our cattle exports were greater for 1901–1905 than during the next five years, although the aggregate cattle production was greater during the latter period.

The average number of pounds of canned, fresh, salted, pickled, and other cured beef meats exported during the last 16 years, computed in periods of four years, yield the following yearly average:

	Pounds.
1897–1900	393,169,228
1901–1904	419,787,332
1905–1908	351,649,523
1909–1912	107,189,665

In connection with these results it is to be observed here that if the volume of exports is dependent upon volume of production the maximum limit would have been reached between 1905 and 1908, but such was obviously not the case.

The figures for beef meats exported during the last four years, 1909–1912, certainly show a marked decline. But as stated before, it can not be explained by a decrease in the volume of cattle production. We must look for the underlying causes elsewhere, and we need not search long to find them. I will state the two principal causes for the decline:

1. Consumption of meats abroad has fallen off considerably.
2. The foreign supply is obtained elsewhere.

In reference to the first cause: For nearly every country our consuls report that "the laboring classes have to abstain from all but the cheapest kind of food." An examination of the Daily Consular and Trade Reports for 1913 will most emphatically establish the fact that meat eating in all the foreign countries has greatly declined.

Thus from the Daily Consular and Trade Reports of March 5, 1913 (No. 52, p. 1112), we learn that in England "the advance in retail prices of food continued throughout the year, and the index number for the year was 5.1 per cent higher than for 1911, being the greatest increase in any year since statistics on the subject have been kept. There was an increase in the prices of 1912 of 14.9 per cent as compared with 1900," etc.

From the Daily Consular and Trade Reports of June 18, 1913 (No. 141, p. 1428), we learn that in Germany "an advance in the prices of meat made itself keenly felt. Pork attained the highest average recorded in four years, and beef, veal, and mutton were all more costly than in 1911. Meat prices reached such a level around the middle of the year that the fear was seriously entertained that the masses could not provide themselves with sufficient nutrition, and the Government was moved to a relief measure by which the larger cities were permitted to import foreign meats under reduced import duties," etc.

Under these world-wide conditions so unfavorable to an expansion of trade, the falling off of our exports (meats as well as other products) is not anomalous, for the volume of exports necessarily contracts in the same proportion that the power of the people to purchase diminishes.

In reference to the second cause: Foreign countries importing cattle and meats are drawing their supply from other sources, notably South America. In this connection I desire to call attention to a few statistics concerning Argentine cattle and meats given in Price Current Annual for 1914. From these we learn that the slaughtering of cows, steers, and calves was as follows (the figures for calves are for 1911; no figures for 1912 are given):

	Cows.	Steers.	Calves.
1904	359,367	988,811	108,454
1912	1,155,985	2,225,497	340,158

Please note the tremendous increase.

Argentine exports of live cattle increased from 129,275 head in 1904 to 261,416 head in 1912. Exports of beef increased from 215,489,000 pounds in 1904 to 755,849,315 pounds in 1912. Draw your own conclusions.

Moreover, the zenith of our export trade for cattle meats, as well as other articles of food and merchandise, must be reached some time. There is a limit beyond which we can not go. Our exports can not expand indefinitely; they can not increase at a fixed percentage year after year. That is quite clear.

Whatever interpretation you may read into the item "exports of cattle and beef meats," one thing is quite certain, that you can not explain the observable falling off in volume by saying that there is a scarcity of cattle. All known statistics show the futility of any such attempt.

9. JUST A FEW WORDS ABOUT MEAT PRICES.

Not one of the several "arguments" advanced to prove that there is a scarcity of cattle is sound. I have shown that the average per capita cattle production is not only as great as ever but greater, and that the supply is altogether normal. I have shown that the increase in production has been greater than the increase in population. I have shown that the much-lamented passing of the range has affected the aggregate cattle situation for better, not for worse. I have shown the growth in the slaughtering and meat-packing industry and that the percentage of growth has been greater than the percentage of increase in population. I hold that we are not killing an undue proportion of calves, and that the decline in our cattle and beef exports can be explained by perfectly natural causes—causes that have nothing whatever to do with the fabled cattle shortage. In short, there is no "gaunt specter of a beef famine staring us in the face."

In view of all these things, the consumer may well ask, "Then why are meat prices so high?"

In answer one and only one legitimate explanation can be offered, and that is that the packers are paying a higher price for cattle now than in former years. And this, indeed, was the reason given for the advance in meat prices until some one discovered that there was an alarming "scarcity" of cattle. Then the old explanation was dropped. It was high time, too, for the farmer was beginning to get on his ear; was getting tired of being blamed for the outrageously high meat prices.

There is no doubt whatever that stock raisers are receiving better prices than they did, say, 15 years ago; and, indeed, I believe that the packers are quite willing to pay a better price. Why shouldn't they, since the increase comes not out of their pocket but out of the purse of the consumer? If the packers had not been willing to pay higher prices for the cattle—scarcity or no scarcity—they could not have raised the prices of meats. The farmer—that is, the producer—would have been the first to protest against an increase of prices in which he did not share, and the consumer would have put the entire blame on the packers; and the packers would have been unable to put up a plausible defense.

How much more are the packers paying for cattle than in former years? What are the average prices paid for cattle? Let us not guess or theorize on this very important point, for we have the packers' own reports to settle this question authoritatively.

You will find them in the Price Current Annual for 1914, on page 11, where the "yearly average prices at Chicago of native beef steers, fat cows, and heifers per hundred pounds, as stated by Drover's Journal," are given:

	Steers.	Cows.
1901	$5.25	$4.05
1902	6.20	4.70
1903	4.80	3.95
1904	4.95	3.55
1905	5.05	3.65
1906	5.30	3.70
1907	5.80	3.85
1908	6.10	4.10
1909	6.35	4.25
1910	6.80	4.60
1911	6.40	4.35
1912	8.40	5.25
1913	8.25	6.10
Average	6.11	4.31

Let these figures speak for themselves. I will not make any further comment on them than to say that they prove beyond a doubt that a higher price is being paid for the various kinds of cattle. Of course, if we could know just why the average price of steers jumped 2 whole cents in one year, i. e., from $6.40 per hundred pounds in 1911 to $8.40 in 1912, it would no doubt be illuminating. But this knowledge is not essential to our inquiry. The big fact is that there has been an increase of several cents per pound. Let us liberally say that cattle prices have advanced an average of 2½ cents a pound.

But the increase to the consumer has been from three to eight times 2½ cents per pound—that is to say, there has been, as every consumer knows, an increase of from 8 to 20 cents a pound for beef meats.

Why? I neither know nor can I understand why there should be so tremendous a difference between the increase in prices of cattle and the increase in the prices of meats. It is a mystery not exactly unfathomable, but beyond the comprehension of the average man and woman.

The packers claim that there is no profit in meats—that if it were not for the by-products they would have to go out of business. One can not help but wonder how the butchers of 30 or 40 or 50 years ago—in the days when no by-products were utilized and the prices of meats only about half of what they are to-day—managed to exist.

One of the Chicago packing firms inserts a 4-line weekly advertisement in the dailies of the country informing the readers what the average price of beef netted them.

Thus in a recent item we are told that the sales of beef—domestic—in Chicago for the week ending June 27 averaged 11.67 cents per pound.

These articles must not be construed as an attack on the packers. The whole purpose of this series is to discover the truth and find the remedy. But since the packers are the big controlling force of both the cattle and meat situation we must turn to them for explanation and relief.

I have recently examined thousands of invoices of several retail meat dealers for a period covering 10 years and found that the wholesale prices of beef rose gradually—one-eight or a quarter of a cent at a time—from $4.75 per hundred pounds to $14.50 per hundred pounds. This rise of nearly 10 cents per pound in prices asked of the retail dealer can not be satisfactorily explained. Certainly it is not justified by any advance in the price of cattle.

Remember that the average increase in the price of cattle has been less than 3 cents per pound. This constitutes an increase of, let us say liberally, 100 per cent over former cattle prices. The wholesale price of beef has advanced from 6 to 10 cents per pound; let us say, in round numbers, that the retail dealer is paying 100 per cent more for meats than in former times—in reality he is paying at present approximately 200 per cent higher prices. Now, it is not unnatural that the retail dealer under the circumstances has raised his prices to the consumer 100 per cent. In other words, the consumer is compelled to pay at least three separate 100 per cent increases—and this is the real explanation why the prices of meats are so high. The high prices the retail dealers are charging are the direct result of the considerably higher prices demanded by the wholesale dealers.

It is clear that a tremendous mistake in arithmetic has been made by packers and retail dealers, and the packers are to blame. It must be remembered that the cry "scarcity of cattle" was raised and given world-wide currency by the packers. The organized packers, not the retail meat dealers, are predicting that in another 10 years "porterhouse steak at a dollar a pound retail will be cheap."

The crux of the whole matter is that the maximum slaughter per capita of cattle and calves, as well as other animals, measured by the consumer's ability to purchase volume was reached a dozen or so years ago. Under prevailing conditions of limited incomes that are not likely to become enlarged materially the former maximum consumption can not be maintained, and certainly not increased. Hence the necessity for higher prices in order to maintain and increase the former volume of profits.

10. THE LAW OF SUPPLY AND DEMAND AND THE CONSUMER.

There is a wonderful and mysterious law in economics called the law of supply and demand, whose special function seems to be to give a series of jolts to the consumer. Personally, I hold that "there ain't no such thing" as a "law" of supply and demand; but for the purpose of this article I will accept it as popularly employed, insisting only that it is not of divine origin.

The law of supply and demand can not be urged in explanation of the high prices. As far as the cattle and meat situation is concerned, there is not only one "law" of supply and demand, but two:

1. The "law" of supply and demand as regards the quantity of cattle raised on the farms and ranges.

2. The "law" of supply and demand as regards the quantity of cattle offered in the market.

From the joint operation of these two "laws" there is no escape for the consumer: they are the millstones between which the contents of his purse are being ground to powder. Let us take a look at the operation of these two "laws."

The supply of cattle on the farms and ranges, we have been told rather insistently within recent years, is insufficient for the national requirements. Of course it isn't, but we have been told this so often that millions of people believe it; or, at least, they can not refute it, and so they have accepted it as the complete explanation as to why the prices of all kinds of meats are so high.

We have seen in a previous article that the packers are paying an average of less than 3 cents a pound more for cattle than in former years. This increase, however, as the statistics amply show, was not the result of any dearth in the supply of cattle. As a matter of fact, the increase in prices for cattle began at a time when cattle production was decidedly on the increase. If, for example, the price of cattle were regulated by the supply on the farms and ranges, the price should have been lowest in 1907.

A careful analysis of data pertaining to cattle production and prices paid in the market demonstrates that there is absolutely no connection between the price of cattle and the visible supply. Consequently, the law of supply and demand can not be urged in explanation of the higher prices. Did anyone notice that meat prices were low in 1907—the year of greatest production?

And is anyone so unsophisticated as to imagine that even though the supply of cattle on the farms and ranges were excessive, let us say double the present amount, that he could escape the operation of the second law, viz, supply and demand in the market?

If you have ever studied the cattle market reports in your daily paper you must have observed this one thing, that the maximum or minimum market price for cattle is not based upon the supply on the farms and ranges, but upon the quantity offered in the market. This quantity can be, and indeed is, regulated. But let us ignore this for the present, and say that it fluctuates naturally from day to day. Thus there are times when for uncontrollable reasons, such as drought in one or the other State, the amount of cattle offered considerably enlarges the market supply. Then, too, weather conditions and other considerations sometimes naturally increase or lessen the so-called normal offerings.

Market prices fluctuate indeed, but not markedly. The fluctuation seems to be from 10 cents to 75 cents per hundred above or below the fixed standard market price. Anyone of several natural or artificial causes can produce either a fall or rise in quotations. The thing to be emphasized here is that a rise in price generally applies to only a comparatively small quantity of the better grades of cattle; it does not include all grades of cattle. In other words, quality rather than supply is the fundamental factor employed to produce mercurial quotations in the market. And it is this somewhat higher price paid for a small quantity of better quality that still further increases the price for all meats. The "law" of supply and demand has nothing whatever to do with it.

Now, the question is this: Why should the consumer be penalized because on four or five days in a given month the market offerings happen to be slightly below what is considered normal? Why should the whole Nation be made to pay a penalty all through the year because there are 40 or 50 days in a year when a perfectly natural market condition prevails in five or six cities? And why should the whole 100 per cent of the population be penalized for the full 100 per cent of meats, although the packers handle annually only about 50 per cent of the country's cattle slaughtering? Why? That is the question.

The answer is simple enough. The market prices of cattle, as well as the prices of meat, are arbitrarily fixed regardless of supply of cattle on the farms or ranges or that offered in the market.

The additional increase that the packers are paying for cattle over prices of a decade or two ago was not, as previously seen, forced by any condition in the cattle situation on the farms and ranges. Consequently it must be considered more in the nature of a voluntary offering, a highly profitable investment for the packers. As a result of this increase in cattle prices, the packers have been enabled to do some wonderful things. Not only have they conciliated the cattle raiser, and incidentally silenced the complaining consumer by repeatedly telling him of this increase; what is more important here is that they have created a situation that is equivalent to a practical cornering of the Nation's cattle supply. I will state my point as briefly as possible.

We have seen that the wholesale packers handle less than 50 per cent of the annual slaughter of cattle and calves. Yet they dominate the entire cattle and meat situation, practically dictating the prices for the full 100 per cent, and all by the simple process of paying a few cents more than formerly for cattle. As a result they have, in effect, a perpetual, nation-wide option on all the cattle in the country. The local butcher—and I am now referring in particular to the still fairly numerous butchers in the small towns—can obtain only what the cattle producer is willing to let him have, and that at the prices quoted in the Chicago market, or, all things considered, at prices equally favorable to the producer.

Hence we find the local butcher in the rather awkward position of being surrounded by ample supply, yet compelled to pay prices fixed by persons who can not possibly be interested in him or his welfare. Consequently it is not on account of scarcity of cattle or limited supply that the local butcher is finding it increasingly more difficult, not only to purchase his necesesary supply but also to cope with existing conditions. Add to this the fact that he can not, like his competitor—the big packer—utilize the waste, and it is not difficult to foresee that the small butcher will in course of time entirely disappear from the field and that the big packers will naturally dominate the entire situation.

I am not projecting a vision: I am telling of events now actually transpiring, events as I had opportunity to observe them in a half a dozen States. I estimate that the work of crowding out the local butcher will be completed by A. D. 1923. This, you will recall, is the year when we have been told that "porterhouse will cost $1 a pound retail."

The "law" of supply and demand. What a wonderful, mysterious "law." It is the dust thrown into the eyes of the consumer. It is the cloak under which a multitude of sins is committed.

11. THE LESSON OF 1909.

The Bureau of Animal Industry, in its twenty-eighth report, says:

"The data gathered in connection with the last decennial census (1910) make it possible for the first time to present complete statistics of a year's slaughter and consumption of food animals in the United States, based on definite information."

The data are for the year 1909. The report is most interesting and illuminating. From it we glean some valuable information bearing on the cattle and beef-meat situation. Thus we learn that the total num-

ber of head of cattle slaughtered in 1909 in the United States was 13,628,875, divided as follows:

	Head of cattle.
Wholesale slaughter and packing	8,114,640
Retail and commercial slaughter	4,159,375
Farm slaughter	1,408,640

Consequently wholesale slaughter and packing was 59.31 per cent; retail and commercial slaughter, 30.40 per cent; and farm slaughter, 10.29 per cent.

	Calves.
Wholesale slaughter and packing	2,504,728
Retail and commercial slaughter	2,864,234
Farm slaughter	1,131,600

Consequently wholesale slaughter and packing of calves was 38.53 per cent; retail and commercial slaughter, 44.07 per cent; farm slaughter, 17.40 per cent.

It will, no doubt, surprise some to learn that the wholesale packers kill less that 60 per cent of the cattle and less than 39 per cent of the calves, or less than 50 per cent of a year's total slaughter of cattle and calves.

The report for 1909, when analyzed, permits of some most interesting correlations of statistics and some most conclusive deductions.

Thus, when we remember that the number of cattle and calves alive and on foot January 1, 1909, was 71,099,000, and that the year's slaughter of cattle and calves totaled 20,183,447, leaving a balance alive and on foot at the end of the year of 50,915,553, we observe that we kept alive about 2½ head for every head killed—this is, of course, exclusive of births. And the question arises: Is this a disastrous proportion? Let those who feel competent to do so answer.

And when we remember that the number of cattle and calves alive and on foot January 1, 1910, was not 50,915,533, as above indicated, but 69,080,000, as the published statistics show, we can readily compute that 18,164,447 calves were born during the year 1909. From this we derive the great satisfaction of knowing that the total visible supply of cattle and calves for the year 1909 was not 71,099,000 head but 89,263,447 head, yielding an actual supply of 0.985 head per capita, or 4.925 per family.

The slaughter was 0.223 head per capita, or 1.115 per family.

Is that an alarming situation? Who will answer this question in the affirmative?

It is at this point that I desire to reiterate how tremendously fallacious and altogether misleading it is to estimate the cattle situation from the single item "stock on hand." I protest most emphatically: It is not fair. And the proper governmental authorities should call a halt. No true estimate of the actual cattle situation can be obtained from the statistics showing the number of cattle on foot January 1 of the various years. Any calculations based on them are bound to be misleading. But, worst of all, the public is paying a tremendous price for these deliberate miscalculations.

It is rather singular that from the same set of statistics from which the packers' Jeremiahs have figured that there is an alarming scarcity of cattle, I have been able to compute that there is a healthy abundance. True, the old proverb tells us, "As the statist thinks the bell clinks"; and we know that there are those who, for what reason I do not care to analyze at this moment, are desirous to give the worst possible interpretation of the cattle situation. But the time has come when such raw methods at statistical perversion must cease.

Carlyle has reminded us that "a judicious man looks at statistics not to gain knowledge, but so as not to have ignorance foisted on him." Ignorance, nay, worse than ignorance, has been assiduously foisted upon us. The average man and woman has not the time to inquire deeply into the subject, nor have they the statistics at hand that would enable them to discover the truth for themselves. For this reason I have gone to the trouble of examining, computing, comparing, correlating the various sets of statistics bearing on the cattle and meat situation, and the results are herewith given in the hope that the information will help the Nation to thrust off the load of "ignorance" that has been foisted upon it on account of the preposterous claim that there is a sarcity of cattle and that "the gaunt specter of a beef famine is staring us in the face."

12. THE NECESSARY DECLINE IN MEAT CONSUMPTION.

It can not be established by any legitimate process of computation that there is an alarming scarcity, or even a scarcity, of cattle in this country. On the contrary, all the various sets of statistics, considered separately or correlated, proclaim that the supply of cattle is not only adequate and normal but even greater than in former decades.

But let us by a tremendous stretch of the imagination assume for a moment that there is a scarcity of cattle—a decided shortage and an alarming decline in production. This condition would be more than offset by the fact that the high cost of living has cut the ability to purchase volume practically in half. The dollar of to-day purchases only about half the quantity of meat that it could purchase 15 years ago.

In a general way the meat consumers in the United States may broadly be divided into two classes: 1. Those who eat as much meat as formerly, paying double the former prices for the same quantity. 2. Those who spend as much as formerly, receiving only half the former quantity for their money.

Here are a few simple statistics that will help us to better comprehend the situation:

The population of the United States in round numbers is 100,000,000.

There are approximately 20,000,000 families.

Over 50 per cent of the families have an income of less than $500 a year.

Less than 3 per cent of the families have an income in excess of $2,000 a year.

The balance have an income between $500 and $2,000.

The average income per family in the United States is $800. (This is inclusive of all increases in wages and salaries up to date.)

Statistics recently published by the Department of Labor show that the retail prices of meats were higher in 1913 than at any other time during the last 23 years. On August 15, 1913, prices as compared with the average cost between 1890 and 1900 show the following increases for a few items of meat: Bacon increased 139 per cent; pork chops, 124 per cent; round steak, 108.4 per cent; smoked ham, 92 per cent; sirloin steak, 79.3 per cent; rib roast, 76.5 per cent; lard, 69.8 per cent. The general average of increase for all meat would probably exceed 100 per cent.

With these data before you it is not difficult to understand that the average family, or rather the aggregate people, can not purchase as much quantity as in former years. Their ability to purchase a maximum quantity was reached a dozen or so year ago. Their limited and inelastic income precludes the possibility of purchasing as great a quantity as formerly. The per capita consumption of meats has necessarily declined not on account of any scarcity of cattle but on account of prohibitive prices.

Hitherto in these articles I have confined myself exclusively to a consideration of the cattle and beef meats situation. It becomes necessary, however at this moment to depart a moment from this rule. The twenty-eighth annual report informs us that the per capita consumption (or rather slaughter) of all kinds of meats in 1909 was as follows:

Per capita consumption, or rather slaughter, of all kinds of meats in 1909.

	Pounds.
Beef	80.34
Veal	7.54
Pork	67.61
Sheep	6.58
Goat	.13
Total	162.20
Lard	10.06

Since we may approximately figure five persons to a family, we obtain the following results per family: Beef, 401.70 pounds; veal, 37.70 pounds; pork, 338.05 pounds; mutton, 32.90 pounds; goat meat, 0.65 pounds; total, 813 pounds. Lard, 50.30 pounds.

It will not be difficult for each family to determine whether or not the constituent members consume their full per capita quota. Let them remember, however, that poultry, fowl, fish, game, etc., are not included in the above 813 pounds.

Those "expert" statisticians, who by basing their calculation on the "stock on hand" item have erroneously computed that the number of beef cattle has decreased by 32 per cent in the last decade, lay great stress on the fact that in the same period the population has increased 21 per cent. But they fail to add that most of the increase was the result of immigration and births among the poorer class—the class that, as far as I have been able to discover, does not, for obvious reasons, consume its per capita allotment of meats. (Immigration during the decade of 1900 to 1909 was 8,204,879 persons—over one-half of the increase of population in that decade.)

In a small way I recently collected data concerning per capita meat consumption. I have reports from 20 different States covering about 400 families whose annual incomes range from $8 to $30 a week. I requested each family to keep account of prices, quantity, and kinds of meat consumed in a calendar month. The information thus obtained corroborated the views I had previously held, that the actual per capita consumption in the average family falls considerably below the per capita allotment as reported by the Government figures for 1907. While I do not consider my private statistics as scientifically conclusive or as applicable to the whole population; nevertheless I believe that the results shown hold good for all the families having an income of less than $1,500 a year. In the private statistics I have computed, the per capita consumption of meats is a trifle less than 10 pounds a month, or about 120 pounds a year, hence about 210 pounds less per family than the statistical quota.

But if any be tempted to treat the statistics I have gathered, or my computations and deductions therefrom, with contempt, I refer them to an investigation made by the Government some years ago to ascertain the "Conditions of living among the poor." The result of this investigation was published in the bulletin of the Bureau of Labor—No. 64, May 10, 1906, pages 593 to 698.

The investigation included 19 families composed of 123 persons. Incomes ranged from $7 a week to $3 a day. In five weeks these 19 families purchased $142.42 worth of meats. According to the quota of the Twenty-eighth Annual Report of the Bureau of Animal Industry they were entitled to 26,923 pounds for the year. Draw your own conclusions.

13. SOME THINGS THAT MUST BE EXPLAINED.

It is rather remarkable that the packer prophets of evil days to come are at the present time confining their jeremiads exclusively to the shortage of cattle situation. But this supposed cattle shortage does not explain the excessively high prices of pork, mutton—in fact, all kinds of meat. Surely they do not pretend that there is also a scarcity of hogs and sheep.

Ham and bacon are more expensive than spring chicken or turkey. Think of it, the retail price of ham and bacon 35 cents a pound!

Pigs' feet (perhaps my taste is plebian, but I'm fond of pigs' feet if properly cooked and pickled), 75 cents per dozen, and not so much as a vestige of the shank. And yet 15 or 20 years ago I bought them for 20 cents a dozen, and a fair portion of the shank. Why this tremendous advance? Explain it if you can. I can't.

Perhaps a little incident from life will throw a ray of light on the situation. I have traveled through several of the Western States a half a dozen times within the past six or eight years and have many friends among the farmers and cattle raisers and dealers. A stockman told me the following:

"A few years ago the hog market was flooded; the packers had bought and killed an excessive quantity. Their cellars were full; large quantities had to be temporarily stored in sheds and even on the pavement. (This, of course, was in winter.) I had eight or nine carloads of hogs to sell. I went to one of the packers and offered him the lot.

"'Don't want them,' he said. 'Have so much meat on hand I can't take care of any more.'

"I wanted to get rid of them; I needed the money; the packer knew it. He offered me 4½ cents for the lot; fine hogs they were, too. I sold them at that price.

"I have a large family and always butcher three or four hogs a season, but I concluded that under the circumstances it would be cheaper to buy pork than to kill my usual quota. After I had unloaded my hogs I went to the office to get my money.

"'What will you charge me for a hundred pounds of bacon?' I asked of the same man to whom I had sold the hogs.

"'Well, we are a little short on bacon just now. I couldn't let you have it for less than 22 cents a pound.'"

Is any comment needed?

Beyond a doubt, provable by an avalanche of data and statistics, the hogs and sheep situation is even more satisfactory than the cattle situation. At any rate, there is no "scarcity" of either. Then, why are prices so high A patient and long-suffering public is hungry for a satisfactory answer. Who will give it?

I have studiously avoided touching points in these articles, not immediately connected with the cattle and beef meat situation, but it seems desirable at this moment to mention a few allied points that will help us to obtain a focus on the crux of the situation.

The National Provisioner, in its recent editorial entitled "Supply and demand," said, among other things: "The packer, visualized to the newspaper-reading public as the 'infamous Beef Trust,' is made to bear the burden of odium for the heavy tax on the meat-eater's pocketbook. If meat is a luxury now, what would it be without the economies and advantages of the modern packing house? The average diet would be sowbelly and salt beef."

When I was a boy there were no "modern packing houses." The small butcher was a fixed institution in the community in which I lived. But I don't remember ever to have eaten what the National Provisioner disparagingly calls "sowbelly" or "salt beef." If we have other meats than these two elemental varieties, they are not the invention of the modern packing house. But that is not the point I wish to discuss. I wish merely to say that the "economies and advantages of the modern packing house" have not accrued to the benefit of the consumer's purse.

Two or three decades ago the average price for cattle—to say nothing of hogs and sheep at this time—was 2½ to 3 cents less than at present. In those days beef meats were sold for one-half the prices charged at the present day; in other words, the dollar that will buy three pounds of a certain kind of meat bought six pounds then. And in those days, be it remembered, there was much waste—by-products were practically unknown. How do you explain the tremendous advance in meat prices over the prices of 20 or 30 years ago?

The "economies" of the modern packing house have been a rather costly item as far as the consumer is concerned. The utilization of what was formerly wasted alone could have offset the necessity for raising the price of meat on account of the 2½ to 3 cent advance in the price of cattle. These are some things that need a lot of explaining.

The packers are on record as saying that they make absolutely no profit on their meats, that all their profits are derived from their by-products. This claim is really too disingenuous to merit lengthy comment. But if the small butcher of three or four decades ago, killing 10 or 12 hogs or 3 or 4 head of cattle and several calves, a week, and using none of the by-products, could sell his meats at half the present prices and yet make a profit sufficient to raise his family decently and lay aside a few dollars against the proverbial rainy day, then the vaunted "economies" of the "modern packing house," with its improved methods and supposed greater efficiency, deserve to be called by some other and a harsher name.

I have no desire to embarrass the men who own and control our modern packing houses, but when I remember that the consumer is being put to the necessity of reaching deeper and deeper into his purse for the meats he purchases, I feel that these gentlemen could explain many things concerning which they have hitherto preserved a rather stoical silence. The list of questions to which a speedy and effective answer is desired is daily growing longer.

14. THE SITUATION REVIEWED.

In my discussion of the cattle and beef-meat situation I have touched only the high spots, studiously avoiding everything not immediately relevant to the questions involved. Had I attempted to treat the subject in its entirety, overlooking nothing, however seemingly trivial, it would have required a vast array of statistics, and the series would have extended over a period of months. I feel, however, that I have given you a fairly complete compendium of the situation and enough data and statistics to enable you to make intelligent comparisons. A brief review of the principal points treated will help you to fix them firmly in your mind.

Those who claim that there is an alarming scarcity of cattle have not proven it. The statistics they have used in the attempt are incomplete and distorted. The method they have employed is both unfair and unscientific.

If there is an alarming scarcity of cattle, we have a right to ask, When did the "scarcity" begin? And it is important that this question be definitely answered. One thing is established beyond doubt, and that is that meat prices ascended as our cattle supply increased.

If the present supply is insufficient, when did it cease to be adequate; when did production fall below normal? Unless this question can be answered authoritatively, it is clear that no one has a right to say that there is an alarming scarcity of cattle. If there is a scarcity of cattle, how can the increase in the slaughtering industry be explained? If there is a scarcity of raw material, how can the increase in equipment, with the resultant "greater efficiency," be explained?

The ancillary "arguments" generally accompanying the claim that there is an alarming scarcity of cattle are unsound.

1. The increase in cattle production has been almost universally greater than the increase in population. The statistics, fairly computed, prove this beyond peradventure of a doubt.

2. The passing of the range has not been disastrous to the cattle industry, for the statistics show that as the ranges began to disappear the farms increased cattle production. The few thousand ranchmen raising cattle on a fairly huge scale were followed by a million producers on a small scale, the aggregate production became larger.

3. It can not be proven that we are killing too many calves. The present ratio is one killed out of three born. There is no way in which it can be estimated whether this proportion is injurious to the cattle industry, since no comparisons with definite statistics are possible. Numerically we are perhaps killing more calves than formerly; quite naturally, for we are raising more cattle; but it can not be proved that there has been an increase either in the percentage of calf slaughter or in the ratio to cattle slaughter. Furthermore, the considerably greater number of milch cows would seem to argue an increase in births of calves, consequently an increase in cattle production. Fewer calves were killed in 1911 than in 1909. The packers kill only one out of every eight or nine calves born in a year.

4. The decline in cattle and meat exports proves nothing as regards cattle or meat production and exports. As our cattle production increased our volume of exports of cattle and meats decreased. The decline in exports can easily be explained by the fact that decline in consumption is world-wide.

A still more significant factor explaining the falling off of cattle and meat exports is the growth of both industries in South America. The American consumer is not benefited in the slightest degree by a large volume of exports; on the contrary, he is penalized, for every pound of meat exported is withdrawn from the home market, and consequently reduces the supply and increases the prices of meats.

The simple truth is that there is no scarcity. The calamitous cry of the packers is based entirely on the statistics for "stock on hand" at the end of the year after the year's slaughter has been deducted. These statistics do not give a fair idea of the actual cattle supply, and it is not permissible to employ them for the purpose of proving a scarcity. But if they are employed to show that there has been a decline it is dishonest not to emphasize the fact that the decline necessarily followed the year of maximum production in 1907. It is dishonest, too, not to emphasize the fact that cattle production jumped from 43,903,414 head in 1900 to 72,533,996 head in 1907, a tremendous increase of nearly 29,000,000 head, or an average increase of over 4,000,000 head a year. As a bit of interesting cattle history at this point let it be remembered that the increase in cattle production rose from 23,820,608 in 1870 to 54,067,590 in 1892, and that the average increase for these 22 years was only 1,375,000 a year, or about one-third as great as for the 7 years from 1900 to 1907. Only one who is a deliberate pessimist, or something worse, can read calamity into the cattle situation as shown by the statistics pertaining to "stock on hand." The decline observable is bringing us nearer to a normal basis of supply—that is all that the "decline" signifies.

The only complete statistics we have for the calf and cattle slaughter and meat production are for the year 1909. The total cattle supply in that year was equivalent to nearly 1 head per capita, or nearly 5 head per family. The total slaughter of the country was only about one-fourth of the year's supply—certainly a healthy situation; certainly nothing to be alarmed about.

There is no reason whatever for the prevailing high prices of meats. The packers' declaration that prices will go still higher can not be justified; their prediction that the maximum retail price will be reached by 1923 is a prophecy of evil intent, nothing more.

The packers are paying an average increase of less than 3 cents a pound for the better grades of cattle, but the prices for all grades of meats have advanced from 8 to 20 cents a pound to the consumer. Why? God and the packers know, but nobody else. Not a single reason or argument can be advanced in justification. It is significant, though, that while the wholesale packers slaughter less than 50 per cent of calves and cattle, they have been doing 100 per cent of the calamity howling.

But even granting for a moment that there is an alarming scarcity of cattle—which is absurd—this "scarcity" would be more than offset by the fact that the purchasing power of the dollar has been practically cut in half as regards meats. The per family quota of meats for 1909 was 831 pounds. This does not include poultry, fowl, or fish. There are no doubt some families who consume more than their quota, but by far the vast majority are consuming less; a conclusion not at all exaggerated when we consider that one-half of the families in the United States must necessarily live on less than $500 a year and that the average income for all the families in the United States is $800 a year. I assert that both here and abroad meat consumption is steadily falling off and is bound to contract still further as prices ascend.

Scarcity of cattle? Those who say this can not prove it. But, taking them at their word, let us devise a remedy—an effective and a saving remedy.

15. A SIMPLE AND EFFECTIVE REMEDY.

The cattle situation is most satisfactory, but the beef-meat situation is not. However, we will meet the packer pessimists on their own ground. If they prefer to take a gloomy view of conditions as they are, we shall be put to the necessity of giving some kind of relief, applying, as it were, a remedy to help them out of their dilemma.

Importation of beef from Argentina has proven ineffective, thus verifying the packers' predictions that meat importations will not lower the prices of meats. Almost before the first shipment of beef was received in the United States the National Provisioner, official organ of the American Meat Packers' Association, declared that there will be no reduction in meat prices as a result of increased volume of meat importation. And this declaration is repeated almost weekly with every new cargo received. Nor is this at all strange when we reflect that our own packers control the foreign cattle and meat situation, as far as the United States is concerned, as the following item, taken from the Price Current, November 20, 1913, plainly shows:

"Sulzburger & Sons, it is reported, have made arrangements to build a packing house in Brazil and another plant in Uruguay. With the entrance of this company in the South American field, three of the big American packers will be operating there, Swift and Armour already having plants in Argentina."

If the wholesale packers were to quit exporting cattle and beef meats—that is, sending them out of the country—together with the importations from South America, it would certainly help to relieve the situation of scarcity of cattle and meat supply which they tell us exists. But it is certain that my proposal to stop exporting will not be favorably received by them. Personally I would rather sell to the American people than to any other nation on earth. If I would seek foreign markets at all, it would be only to enable me to increase my output and my profits. But if the supply of raw material were curtailed alarmingly my patriotism would suggest that I serve my countrymen first, and the foreign market could go hang.

I am groping to find a remedy, and if the packers will tell me authoritatively just how serious is the present scarcity of cattle situation, if they will tell me how much of an increase in cattle production is necessary before what they consider a normal supply is attained, and if they will assure me that the prices of meats will go down to the prices of two or three decades ago, I'll promise them that I will find a remedy that is a remedy, a remedy that I believe the American people will willingly cooperate to carry to a successful termination.

I anticipate their answer. Nay, I quote their answer, for they seem to have the uncanny faculty of answering questions before they are put, of solving difficulties before they are encountered—their answer has already been given. It is this, that "no matter how much cattle we may raise prices of meats will never be materially lowered."

Prices of cattle have advanced less than an average of 3 cents a pound during the last 15 years, while prices of meats have advanced from 8 to 20 cents a pound. However, if the supply of cattle were to become excessive—so large as to bring down the market price 3 cents a pound—the consumer has already been repeatedly informed that there would be no appreciable reduction in meat prices.

And the reason for this fixity of prices is not far to seek. We are told that it is because the price of corn—grain and cereals—is higher than in former years. But let us not forget that the prices of grains and cereals are, as is pretty generally known, arbitrarily fixed not on the farms but in the Chicago Board of Trade, not by the producers but by nonproducers, practically the same group of men that arbitrarily fixes the price of cattle and the prices of meats. Consequently it is not difficult to understand that no matter how large the supply of cattle and no matter how abundant the crops, the prices of meats will not be lessened much—will remain, even under the most favorable conditions, practically as high as they are now.

On July 9 the morning papers of the country published the governmental crop report for 1914, showing an increase of 13.6 per cent over the grain harvest of 1913. One of the Chicago evening papers of the same date contained statements from several Chicago packers that, notwithstanding this fact, the price of beef meats will be raised. Here

are a few of their frank statements. They are interesting if not consoling:

One says: "The price of meat will undoubtedly rise soon; the 16-cent price to the butcher will be reached if the present supply keeps up. There is an extreme shortage of cattle."

Another declared: "The prices will rise, which is only natural under the present circumstances. Cattle are scarce. * * * The dry summer experienced out West last year is really the chief cause."

Still another said: "The people are eating just as much as they have been, while the supply has diminished considerably. Naturally, when the demand is greater than the supply, the prices are bound to rise."

And so forth.

The packers' pessimism continues undiminished. Well, then, what is the remedy? It is very simple; it entails no hardship on anyone, requiring only a slight personal sacrifice on the part of the average consumer. During recent years protests have been made in various sections of the country against the high cost of living, especially against the ascending prices of meats. These protests generally took the form of abstaining entirely from meats. Such campaigns are short lived, futile, and ineffective. I will counsel no such course. My remedy is simpler. Briefly put, it is this:

Let every family compute how much meat it is consuming at the present time. This ascertained, let it cut down its purchase by one-half, pursuing the course of buying the same quantity of meat as formerly for a meal, but reducing the number of days on which meat is eaten. Thus a family eating meat seven days a week would hereafter eat meat on alternate days, etc.

The remedy is so obvious and pertinent as to require no further elucidation at my hands. It is the only remedy that will effectively lower the price of all kinds of meat. It will force the "gaunt specter of a beef famine" to a precipitate flight. Moreover, the effects will be salutary to the consumer and his purse. But, above all, since we are told that there is an alarming scarcity of cattle, it would within a surprisingly short time give to the country a more than adequate supply of cattle, and consequently considerably lower prices of meats. It is a rational solution for what the packers would have us believe is a desperate situation.

A Holy Cause.

SPEECH

OF

HON. MANUEL L. QUEZON,

OF THE PHILIPPINE ISLANDS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, September 28, 1914.

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands and to provide a more autonomous government in those Islands.

Mr. QUEZON. Mr. Chairman, I shall not now discuss the merits of the pending bill except perhaps incidentally, and only as such discussion may be required for the proper understanding of what I intend to say. I wish to address myself to some of the remarks just made by the gentleman from Minnesota [Mr. MILLER] in his elaborate and eloquent speech, which I could not fail to admire, however much I might disagree with him.

The gentleman from Minnesota [Mr. MILLER] said that the Filipino people are against this bill, so much so that at a great meeting held in Manila at the instance of friends of Speaker Osmeña, my colleague [Mr. EARNSHAW], and myself, for the purpose of indorsing Mr. EARNSHAW's work and mine as Resident Commissioners, there was almost a riot because the immense majority of the people gathered at that meeting insisted that in the resolution or vote of confidence presented there a provision be included instructing the Resident Commissioners to urge the Congress to set a fixed date at which independence should be granted. To an accompaniment of cheers, says the gentleman from Minnesota, this last provision was attached to and became a part of the resolution as finally adopted by the meeting. My friend from Minnesota read to us some newspaper accounts of that meeting, as well as some comments referring to this bill as affecting or surely to affect the future of the political party to which I am proud to belong. Among these comments I particularly noticed the prediction that the absence from the bill of a fixed date for the granting of independence will prove to be but the death sentence of the Nationalist Party—my party.

Mr. Chairman, I thank my friend from Minnesota [Mr. MILLER] for the courteous expression of his hope that that prediction might not prove true. I want to tell the gentleman, however—and this comes from the very bottom of my heart—that if the enactment of this bill, meaning as it will the authoritative recognition of the inherent right of the Filipino people to be independent and the solemn declaration that they shall be granted that independence, that thereafter the Filipino people shall have the power, as it is their right, to say what must and what must not be done in their country; that the happy end of a foreign oligarchical government in the Philippines shall arrive; that the Filipinos shall no longer be considered the least and the last factor in the counsels of the government of the Philippine Islands, even ignored by those who are but their guests; in other words, that they shall be foreigners no more in their own land. If, I say, the enactment of this bill and its conversion into law, with all and more than all this wealth of significance, shall prove to be the death sentence of the Nationalist Party—much as I love my party, to which I have belonged ever since it was founded; much as I care for the political fortune of my comrades, many of whom are the dearest friends I have; much as I love myself, who would go down into oblivion together with both my party and my comrades—I emphatically say, let that death come when it will. I welcome it. For, over and above my party, over and above my comrades, over and above myself, I love my people, their welfare and their rights. [Applause on the Democratic side.]

Ah, Mr. Chairman, I have already staked too much in this noble task to which I have consecrated my life to permit myself to hesitate as to my course, now that the goal is within sight, whether for partisan or for other selfish considerations. I took the field when little more than a mere boy, suffering hunger, fatigue, and every kind of privation, and exposing myself in many a battle; I have been for six months walled in as a prisoner of war; I have been for a long time a sick man as a result of the miserable life I led in the mountains during those years that I was a soldier. All these hardships and dangers I have gladly gone through that I might see my fatherland the arbiter of its own destinies. And when I failed to accomplish my aim through that means, I have carried on my campaign in this country with tongue and pen; and now, when the great onward step toward the realization of my ambition is to be taken, should I be so cowardly, so faint-hearted, so false to myself as to withdraw for party's sake? No, never!

Mr. Chairman, the work wherein I am engaged, together with the membership of my party, is not a political affair. To the rank and file of my party, to its leaders—and in speaking of these leaders I can not refrain from mentioning by name the foremost of them all, the patriotic, the industrious, the brilliant man to whom more than to anyone else the Nationalist Party owes its success, Speaker Osmeña, of the assembly—to them and to me this work is not a political enterprise, in the common sense of that term. It is a patriotic undertaking, that affects our national honor, our national rights—indeed, our very national life. It is the question of all questions. It is a cause—a great, holy cause. [Applause.]

Mr. Chairman, must we go down to defeat? Must we go out of office? If we must, so as to secure at this time more governmental powers and more liberty for our people than they now enjoy, then we shall willingly go down to defeat, we shall gladly go out of office. Must the party which alone stood by the people through thick and thin, in the hours of trial, of tribulation, of danger, be rent asunder? If it must be so, that we may obtain a solemn promise that the ideal for which that party is fighting—the independence of the Philippines—shall be realized, then let that party be destroyed. After all, when this bill shall have been passed, the Filipino people can well afford to dispense with the services of the Nationalist Party, because while independence will not yet have been granted, its consummation will nevertheless have been assured. It would only be a matter of time and dependent solely upon the Filipino people themselves. After this bill shall have been passed, it would be an easy, perhaps, a profitable, effort to bring about the actual declaration of Philippine independence. Thereafter, men of proven patriotism, who could be induced neither by fear nor cupidity to betray the legacy of our martyrs, will not be needed. Others who in easy and comfortable times respond to the call of their country may then serve the public need as well.

Mr. Chairman, the allurements of public office are not so strong as to be irresistible. Men can live without being listed on a pay roll. In fact, many a time those who have some capacity and some desire to work would be better off both economically and otherwise if engaged in private pursuits, and that is the truth.

The Nationalist Party does not care for power or for offices, as is evidenced by the fact that many of its members would not take, in the beginning of American occupation, positions offered to them by the American Government. The Nationalist Party has entered the political arena for a purpose nobler and higher than that of gaining power and drawing salaries for its members. It is in the political arena because at one time—in days that tried men's souls—there was offered to the world the sad but not unprecedented spectacle of a handful of Filipinos filling the Government positions in the islands who joined our adversaries in the claim that independence was neither wanted by the Filipino people nor should be granted them, because they were incapable of governing them-

selves. Squarely and fearlessly to face this untrue and unjust proposition, the Nationalist Party came into existence. It went before the people with the cause of immediate independence as its standard, so that the Filipino electorate might at the polls choose whether the lives of those who died that their country might live should have been wasted. It sought for its members the elective offices of the Philippine Government so that it might show through them the capacity of the people for self-government. Thus to secure these offices was for that party a necessary means to a noble end. The Filipino people in every popular election spoke their mind and their feeling. Theirs was the ideal of the Nationalist Party. This question decided, the party labored for the realization of that ideal. Its members when in office gave eloquent testimony of the capacity of the Filipino people. In the municipal and provincial governments they proved to be equal to their tasks. In the Philippine Assembly first, and later in the Philippine Commission, they demonstrated by their wisdom, by their devotion to duty, by their unselfishness, that the Filipino people actually are capable of governing themselves; and while this demonstration was thus being made, the party, through its own memorials, through assembly resolutions adopted by the votes of Nationalist members, and through the personal representations of the Nationalist Resident Commissioner, urged the Congress of the United States to grant the Philippine Islands immediate independence.

The Nationalist Party has kept faith with the people; it has done its duty and its best to promote their cause. And it is now discharging that duty and doing its best to promote that cause by indorsing this bill.

Mr. Chairman, I wish I could have been spared the necessity of singling out any one political party in the Philippine Islands upon the floor of this House. I am here, though a Nationalist, as the representative of all the Filipino people. It has been my honor to receive the unanimous vote of the members of the Philippine Assembly regardless of their political affiliations, and in return for that honor I have invariably represented the interests of my people at large, and never, since I have been Resident Commissioner, have I ever done or said anything in this country for the advancement of the interests of my party. The remarks of the gentleman from Minnesota [Mr. MILLER], however, have compelled me to defend my comrades and associates, as it was my obvious duty to do so, because they have been very loyal to their constituency. Sir, without fear of successful contradiction, I say here that the Nationalist Party in the Philippine Islands has been the faithful guardian of the ideals of our people, and the loyal advocate of their rights.

Mr. Chairman, it is true that the meeting alluded to by my friend from Minnesota did take place in Manila, and that thousands of people participated in that meeting. It is also true that the sentiment of the majority in that meeting was very strong against this bill. I have given my word, and I am now redeeming it, that I should inform the Congress as to their desire that a fixed date for independence be set in this bill. But this is all I am ready to do in deference to them. I shall not oppose this bill. I should have preferred the former Jones bill and the Filipino people would have preferred that bill. There was not a single dissenting vote among them when that bill was introduced. I did everything in my power to have that bill reintroduced and enacted. I did more than that—I submitted to some of the powers that be the proposal that Speaker Osmeña, in consultation with the leaders of our party, both in and out the assembly, had in mind as the best measure for Philippine independence. I could do no more. Is it desired that, having failed in that effort, I should, rather than accept this bill, suffer the old order of things to continue in the islands, so that if another President of the United States should be elected and be deemed best to do so he could reappoint a majority of Americans in the Philippine Commission? Is it desired that, rather than accept this bill, I should allow the Philippine Commission to continue in existence, with the exclusive power of governing one portion of the archipelago and with the right to dispose, of its own free will, of the funds raised from the Filipino people for that portion of the country under its exclusive jurisdiction? Is it desired that, unable to get a promise of independence, with a fixed date, I should let the Congress of the United States stand absolutely noncommittal on this most vital question affecting the future of my people? No; I could not do that. I will not do that. I should betray the confidence of my constituency. I should fail in my grave task. I should not discharge an imperative duty. Moreover, I should be a traitor were I to follow such a course; and rather than do any of these things I should tear to pieces my commission; I should resign and go home and with a conscience free of remorse retire to my native village.

Mr. Chairman, were it true that the majority of the Filipino people were against this bill, I, as their representative, could not, and I should not, have advocated this bill. But I am so convinced that its enactment into law is to the interests of my fatherland that sooner than obey a mandate of my constituency to oppose the bill, when my firm conviction is contrary to their wishes, I should have given them the opportunity of sending here another Commissioner. I would not have misrepresented them by favoring what they did not want. I shall never be untrue to them; but neither shall I ever be untrue to myself, happen what may. The fact, however, is that the immense majority of the Filipino people are for this bill. They have taken the sensible and patriotic view that, since the former Jones bill could not be enacted, it would have been the height of folly, it would be a useless, stupid kind of suicide, to defeat this bill. So they have instructed me to support this bill. They have instructed me to do all I can to have it passed. They have instructed me not to spare any effort to secure its speedy enactment. Two hundred and forty-seven municipal councils, four assemblies of municipal presidents, eight provincial boards, seventy mass meetings, and the executive national committee of the Nationalist Party, which is the majority party in the Philippines, have all indorsed this bill, while only the meeting in Manila and two or three municipal councils are against it. In compliance with these instructions, therefore, quite as truly as in accord with my own conviction, I shall support this bill.

Mr. Chairman, the gentleman from Minnesota [Mr. MILLER] said that he believes I have kept faith with my people, but that he knows that the Democratic Party has not kept faith with me. If I may say so myself, I will tell the gentleman that I did keep faith with my people. Since I first came to the United States as a Resident Commissioner, with the mandate that I work for the immediate independence of the Philippine Islands, I have done everything in my power to discharge that duty. With my hand upon my heart I feel that I can lift my head and say I have done my best as God gave me the light to see it. [Applause on the Democratic side.] But while the gentleman's belief about me is true, I am not prepared to admit that what he says he knows about the Democratic Party's not keeping faith with me is also true.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUEZON. May I have three minutes additional?

Mr. JONES. I yield the gentleman three minutes more.

Mr. QUEZON. Mr. Chairman, I am not a Democrat nor a Republican, nor even a Progressive. The Filipinos take no sides in your partisan differences. My words, therefore, on behalf of the Democratic Party, which, I am sure, the party does not need, are not dictated by a partisan motive. The Democratic Party has kept faith, and is keeping faith, with the Filipino people.

Both the administration at Washington and in the islands, as well as the Congress, are entitled to the good will and the gratitude of the Filipino people. In so far as the administration is concerned, I can say this: President Wilson had not been fully six months in the White House when he appointed as Governor General for the Philippine Islands a man so sympathetic with the ideals of my people and so deeply interested in their advancement and welfare that he is now idolized by them. President Wilson had not been a full seven months in the White House when he announced in an unmistakable way to the Filipino people, in a message delivered to them by his appointee, the new Governor General, his policy as regards the Philippines. In that message the President made the promise that as a first step toward the performance of his policy he would place in the hands of Filipinos by the exercise of his executive power of appointment the control of the upper house of the Philippine Legislature, thus giving the people of the islands all the legislative power vested in their government. Hardly one month had elapsed since that promise was made when President Wilson appointed a majority of Filipinos in the Philippine Commission. If we bear in mind the very serious and delicate questions, both foreign and domestic, that the President had to meet immediately upon his assumption of office, we shall have to admit that he has exceeded what reasonably could have been expected from him under ordinary circumstances.

And it is not the President alone who has thus acted toward the Filipino people so justly and with such a manifest regard for their interests. The men under him, through whom his announced policy is being carried out, are acting toward the Filipino people as does the President. The Secretary of War, Hon. Lindley M. Garrison, in everything he says and does shows that to him the Philippine question is a moral, not a partisan, question, and it is with the highest of motives that he deals with every phase of that question that goes to him for solution.

Gov. Gen. Harrison, the representative of this administration and of the American people as well in the Philippine

Islands, has already done too much to promote our ideals and our welfare to need any comment.

As to the Congress, we have now here, pending before the House and brought forward with a special rule, this bill—a bill that the gentleman from Iowa [Mr. TOWNER], the ranking member of the minority in the Committee on Insular Affairs, denounces as a partisan measure, because it has a preamble which is a copy of the Philippine plank of the Democratic platform. If we remember that this is only the first regular session of the first Congress Democratic in both branches, and if we further remember that there were many important measures that had to be speedily passed, as demanded by the American people, and others still pending that also require prompt attention, the leaders of the Democratic Party in Congress may properly say that they are promptly redeeming the preelection promises of their party. This bill is, indeed, under the circumstances a strenuous effort to comply in a timely way with the Philippine plank of the Democratic platform. And while I am speaking of the Congress, it is my pleasure and my duty to give public testimony of the sincere affection and love that every Filipino—man, woman, and child—has for the chairman of the Committee on Insular Affairs, the gentleman from Virginia, Hon. WILLIAM ATKINSON JONES. Mr. Chairman, the gentleman from Virginia has served on the Committee on Insular Affairs continuously since that committee was organized, and during all that time, first as the ranking minority member of that committee and now as its chairman, he has unflinchingly stood by the rights of the Filipino people and defended their interests both in and out of season. Every municipality and Province of the Philippines records in its archives a resolution of thanks, of love, for Mr. JONES, and Mr. JONES deserves it. I have seen him working hard on his former bill. I have seen him this very year, when he knew that he could not secure the passage of that bill, drafting the present bill, ill as he was, and doing everything he could to urge it to an early consideration. Mr. JONES has indeed endangered his own health to redeem the pledges of his party in the interest of the Filipino people. And I should say, in passing, that the mere fact that he has introduced this bill instead of his former bill, when I know that he has not changed his opinion about the points at issue, is the conclusive proof that this bill is the best measure we can obtain at this time, that it has genuine intrinsic merit, and that we should accept it. And it is really so, for this bill is a long step in the right direction. Needless it is to say that the majority members of the Insular Committee, in particular the distinguished gentleman from Tennessee [Mr. GARRETT], have all actively helped their chairman.

Mr. Chairman, I am not singing the glories of this Democratic administration and of this Democratic Congress for the benefit of Democratic candidates. My words on this occasion shall not be printed in the CONGRESSIONAL RECORD until perhaps a few days prior to your elections. Indeed, I do not believe my words could change, in any event, even a single vote. Neither have I spoken for the purpose of gaining favor with the party in power. I expect nothing, I want nothing for myself, from the administration. I deem it my duty to make these statements because it is to the interest of the Filipino people themselves as much as to that of the Government of the United States that the people of the islands shall not lose their faith in your administration and in your Congress. Mr. Chairman, I know that it is a part of the political game to claim for oneself all the credit and to blame one's opponents for all the evil in the world, and it is but natural that in the midst of an electoral campaign the speakers on each side of this House should throw stones at one another on every occasion that may arise. But, if I may be permitted to advance a suggestion, let me say, Mr. Chairman, that the Philippine bill is not the proper opportunity for making these campaign speeches. Every speaker should bear in mind that there are two main parties to this question—the American Government and people on the one hand, and the Filipino people on the other. What you say about yourselves works. It will be taken seriously there; very seriously, indeed.

The CHAIRMAN. The time of the gentleman from the Philippines has expired.

Mr. QUEZON. I would like one minute more.

Mr. JONES. I yield the gentleman one minute more.

Mr. QUEZON. If you should unguardedly say something about your parties, your administration, and your Congress that would create distrust, lack of confidence, on the part of the Filipino people in your Government and your people, your already difficult problem in the Philippines will be made insoluble. Mr. Chairman, I am earnest in my desire that the membership of this House should not treat the Philippine question as a partisan question, because their words—though, of course, we who are familiar with your politics all know that those words are not meant as they sound—may have a very bad effect in the Philippines. I do not want my people to lose or to slacken their confidence in the United States when there is no reason therefor. No party in the United States has any base design to betray the Filipino people; no party would do it if it could. I have several times crossed this country from one end to the other; I am in contact with the general sentiment of Americans regarding the Filipino people; I have conversed with Americans occupying high places in public life, both Republicans, Democrats, and Progressives, as well as with persons in private life; I have addressed American audiences, large and small, on the subject of the Philippines, and my observation gives me the right to say unreservedly that the feeling of the American people in general toward the Filipinos is one of friendship, of real interest for their aspirations and for their welfare. There is no question in my mind that when Americans say that the United States in dealing with the Filipinos is imbued solely with altruistic purposes or motives, their statements truly describe the situation. Of course, this does not mean that there may not be some Americans here and there who have selfish interests and who are influenced by selfish purposes in connection with the islands. I know some of them by sight and by name; but these are few and the exception to the rule. I have been serving in this House now for four consecutive years, first under a Republican majority and now under Democratic control. I can say without hesitation that the membership of the Congress—Republicans, Democrats, and Progressives alike—are as friendly, as interested, and as altruistic in their feeling and ideas toward the Filipinos as are the American people at large. With me it has been a question of finding out who among you are in the highest sense our friends, not who are our enemies. I am fully convinced that such differences of opinion as exist in Congress regarding the kind of legislation to be passed for the Philippines are due solely to your differences of opinion as to what is best for the Filipinos themselves and not what may be to the interest of Americans in the islands or of the United States. There is, therefore, no cause for any recrimination, and you all know that there is none. You are all our friends, and you are all trying to do your best for us.

It would be a tragedy, and the main losers would be the Filipinos themselves, should they have no faith in this great Nation. Already, as I understand, the argument advanced in favor of a fixed date for the granting of independence is that in that case the Filipino people can rest assured that when that date shall have arrived independence shall be granted.

Mr. Chairman, I want to say to those Filipinos who thus think, and who because of these arguments are not disposed to take this bill which contains no fixed date for independence, that the redemption of the pledge to grant the Philippines independence does not depend on the detail whether there is or there is not any fixed date therefor. The redemption of that promise will depend purely and exclusively upon the good faith of the American people. If the promise is authoritatively made, as it would be should this Congress approve the preamble of this bill, that would settle the issue. The promise will be redeemed. The greatness of this Nation rests upon its scrupulous fulfillment of national obligations as contracted by this Government through its branches constitutionally empowered to assume those obligations. Should the American people be unwilling to redeem a promise made under such circumstances, the fixing of a date would help matters in no respect. Were the Filipino people in position to demand by force the performance by the American people of their promises, I should say that a promise with a fixed date for its completion would perhaps be better than one without it, for we should then know when the day of reckoning would begin. But as we are powerless to enforce the redemption of the promise in one case just as we are in the other, the date of the fulfillment is of no, or of very little, consequence. We have learned through the hardest of lessons that we can gain nothing by force from the people of the United States, and it is well-nigh time that we should know that nothing would more assuredly defeat our hopes for the future than any attempt at the use of violence to secure the recognition of our independence. We are absolutely at the mercy of this powerful Nation, and we can only appeal to the sentiments of justice and fair dealing of the American people if we are ever to reach the goal of our ambition. Mr. Chairman, I wish to take advantage of this opportunity to give in all earnestness a word of advice to my own countrymen. They should have faith in this country, and should demonstrate it by their deeds as well as by their words. [Applause.]

American Registry for Vessels.

EXTENSION OF REMARKS
OF
HON. WARREN WORTH BAILEY,
OF PENNSYLVANIA,
IN THE HOUSE OF REPRESENTATIVES,

Monday, August 3, 1914.

Mr. BAILEY. Mr. Speaker, my only objection to this bill is that it does not go far enough, for, as I understand it, vessels to be admitted to American registry under its provisions are excluded from the coastwise trade.

While we have been making progress under Democratic rule toward the extirpation of monopoly, curbing here or destroying it there, we have left it completely undisturbed in this particular phase of development. For more than a hundred years our coastwise shipping has been afforded an exclusive privilege. It has been fostered by law at the expense of all other industries. It has enjoyed immunities and favors denied to shipping in general and to the common activities of the people.

The policy of protection, as it relates to manufactures, has been pretty well discredited. It no longer has a solid party support behind it, for at bottom the revolt in the Republican Party, in 1912, was based on dissatisfaction with the Payne-Aldrich tariff and on the scandalous favoritism to which Cannonism had committed the party during its long reign. But this same policy, as it relates to coastwise shipping, stands still unchallenged, even the Democratic Party thus far having failed to apply the logic of its high position to this particular interest. For some reason which remains to be explained the coastwise shipping industry has been singled out for favor, vested with a special privilege, clothed with the power to levy upon the commerce it carries all that the traffic will bear. It is shielded absolutely from competition, and we know to what insolent girth it has grown under the stimulus of a favoritism which is at war with every principle of our free institutions.

Americans should have the same right to buy ships in any market and to sail them in any sea that they have to buy any other commodity and to transport it whithersoever they will in the pursuit of honorable gain. American capital desiring to engage in coastwise shipping should not be penalized by being compelled to buy ships in a cornered market, nor should this capital when invested in a foreign-built vessel be denied the right to enter into competition for traffic between our own ports.

But this bill marks a tremendous step in the right direction, and for this reason I shall vote for it gladly, even with enthusiasm, hoping and believing it will be followed by another step which will open our coastwise traffic to the same free competition which we demand in other fields.

Reclamation Projects.

EXTENSION OF REMARKS
OF
HON. WILLIAM J. MacDONALD,
OF MICHIGAN,
IN THE HOUSE OF REPRESENTATIVES,

Wednesday, July 22, 1914.

Mr. MacDONALD. Mr. Speaker, the following historical data, furnished by Harry A. Slattery, secretary of the National Conservation Association, I believe will be of some value in this debate:

WATER-POWER POLICY FOR NAVIGABLE STREAMS.

The germ of the Federal control and regulation policy which began in the Forest Service under Gifford Pinchot grew to national importance as a great national question with the preliminary report of the Inland Waterways Commission on February 3, 1908. This commission, which began an epoch in our Nation's economic viewpoint, laid down the conservation principle as applied to our water power in these words:

Locks and certain other works designed to improve navigation commonly produce head and store water in such manner as to develop power available for industrial purposes, while works designed to develop power on navigable and source streams affect the navigation and other uses of river systems, and these uses must necessarily be considered together. Information concerning water power in the several States and sections is incomplete; yet it is known to be a vast and intrinsically permanent asset, which should be utilized for the benefit of the people of the country, in whose interests it should be administered with careful regard for present and prospective conditions. The facts ascertained in certain specific cases furnish a basis for the claim that the value of the power would pay the cost of all engineering and other works required in such cases to control the streams for navigation and other uses. In the light of recent progress in electrical application it is clear that over wide areas the appropriation of water power offers an unequaled opportunity for monopolistic control of industries. Wherever water is now or will hereafter become the chief source of power the monopolization of electricity produced from running streams involves monopoly of power for the transportation of freight and passengers, for manufacturing, and for supplying light, heat, and other domestic, agricultural, and municipal necessities, to such an extent that unless regulated it will entail monopolistic control of the daily life of our people in an unprecedented degree. There is here presented an urgent need for prompt and vigorous action by State and Federal Governments.

In transmitting this report to Congress, President Roosevelt in his special message of February 26, 1908 (S. Doc. No. 325) forcibly brought before the country the great importance of a reversal of our former laissez faire policy relative to our water powers. It was self-evident that such a policy would inevitably lead to monopoly and extortion. The President in his message said:

Among these monopolies there is no other which threatens, or has ever threatened, such intolerable interference with the daily life of the people as the consolidation of companies controlling water power. I call your special attention to the attempt of the power corporations, through bills introduced at the present session, to escape from the possibility of Government regulation in the interests of the people. These bills are intended to enable the corporations to take possession in perpetuity of National Forest lands for the purpose of their business, where as they please, wholly without compensation to the public. Yet the effect granting such privileges, taken together with the rights already acquired under State laws, would be to give away properties of enormous value. Through lack of foresight we have formed the habit of granting, without compensation, extremely valuable rights amounting to monopolies on navigable streams and on the public domain. The purchase at great expense of water rights thus carelessly given away without return has already begun in the East, and before long will be necessary in the West also. No rights involving water power should be granted to any corporations in perpetuity, but only for a length of time sufficient to allow them to conduct their business profitably. A reasonable charge should, of course, be made for valuable rights and privileges which they obtain from the National Government. The values for which this charge is made will ultimately, through the natural growth and orderly development of our population and industries, reach enormous amounts. A fair share of the increase should be safeguarded for the benefit of the people, from whose labor it springs. The proceeds thus secured, after the cost of administration and improvement has been met, should naturally be devoted to the development of our inland waterways.

In confirmation of the policy announced in his message President Roosevelt wrote a letter on March 13, 1908, to the Senate Committee on Commerce in which he put Congress on notice that in the future bills granting water-power franchises to private interests would be vetoed.

THE RAINY RIVER VETO.

Congress, however, despite the public interest aroused throughout the country by the water-power problem, went serenely on its way with the passage of these private water-power bills. It was therefore necessary for the President to veto, on April 13, 1908, House bill 15444, for the construction of a dam across the Rainy River in Minnesota. In the veto message President Roosevelt again forcibly called the attention of Congress and the country to the water-power question in these words:

We are now at the beginning of great development in water power. Its use through electrical transmission is entering more and more largely into every element of the daily life of the people. Already the evils of monopoly are becoming manifest; already the experience of the past shows the necessity of caution in making unrestricted grants of this great power.

The present policy pursued in making these grants is unwise in giving away the property of the people in the flowing waters to individuals or organizations practically unknown, and granting in perpetuity these valuable privileges in advance of the formulation of definite plans as to their use. In some cases the grantees have apparently little or no financial or other ability to utilize the gift, and have sought it merely because it could be had for the asking.

A long and hard fight was made over the President's veto both in the House and Senate. In defense of the veto, in a formidable speech, Minority Leader WILLIAMS, of Mississippi, said:

It is admitted that this power to erect dams in navigable streams can not be exercised by anybody except by an act of Congress to permit any man to put a dam in a navigable stream. These two things follow: Congress should so exercise power in making that grant as, first, to prevent any harm to the navigability of the stream itself; and, secondly, so as to prevent any individual or private corporation from securing through an act of Congress any uncompensated advantage or private profit.

An amendment to the Rainy River bill authorizing the Government to fix a limitation of time and impose a charge was proposed by the War Department.

The Senate Committee on Commerce, after considering the present veto message and the amendment, reported the bill to the Senate rejecting the policy of the President as a "new departure from the policy heretofore pursued in respect to legis-

lation authorizing the construction of such dams." The committee report also contained an elaborate legal argument to show that the Federal Government had no power to impose any charge for the granting of these privileges.

The company seeking this legislation, by an agreement in writing which met the approval of the War Department, subsequently promised to abide by conditions imposed by the Secretary of War, including the time limit and a reasonable charge. It was only because of this compliance with this policy that the bill finally became a law.

The power interests now saw clearly that the public had been aroused upon the water-power question and began a campaign of their own to offset a policy which meant death to their former glorious days of grabbing. They made strenous efforts to convey to the country the general impression that Congress had overturned the President's veto and his announced policy had been knocked into a cocked hat.

The old days of unrestricted grants and free hand to special privilege without any disapproval from any source were gone. The water-power question, from being one of local concern—with simply a grant to a constituent of mine, with no consideration by Congress—had become a national and a burning one. Great corporations had for several years with vision and foresight begun the acquisition of these valuable franchises, and Congress, the guardian of the public interests, perhaps unwittingly and guilelessly—at least in hopeless ignorance—assisted these bold buccaneers to the Nation's mines of "white magic." But while Congress slept the people had been aroused through the announcement of the policy of the conservation of our water powers.

In the Rainy River veto the issue had been joined on the policy of conserving the remaining water powers in the interest of the public. It was evident the policy announced would have strong opposition in and out of Congress. A hard fight was just beginning.

THE JAMES RIVER VETO.

In the second session of the Sixtieth Congress a bill of the old type was again passed authorizing one William H. Standish and associates to construct a dam across the James River in Stone County, Mo. The President on January 15, 1909, promptly vetoed this bill on the ground that it gave "the grantee the full privilege which by its very nature is monopolistic and does not contain the conditions essential to protect the public interests." Accompanying the veto was a carefully prepared legal memorandum in answer to the claim that the power of the Federal Government did not extend to the regulation of the use and development of the waters of navigable streams. With this special message was also transmitted a report of the Commission of Corporations, which for the first time brought to the attention of the country the danger "of a monopoly far more powerful, because in far closer touch with domestic and industrial life, than anything known to our experience." In the report of the commissioner it was pointed out that 13 companies then controlled 33 per cent of the developed horsepower of the country. In this message the President gave this warning:

> To give away without condition this, one of the greatest of our resources, would be an act of folly. If we are guilty of it, our children will be forced to pay an annual return upon the capitalization based upon the highest price which "traffic will bear." They will find themselves face to face with powerful interests. * * * Long before that time they may, and very probably will, have become a consolidated interest controlled from the great financial centers, dictating terms upon which the citizen can conduct his business or earn his livelihood and not amenable to the wholesome check of local opinion.

The veto of this bill brought to a close the first chapter in the fight begun to conserve the water powers of the country in the interest of the public and not in the interest of private corporations. The power interests have received their first check. Congress, however, still held to a legal doctrine which was playing into the hands of the power interests. The power interests were therefore hopeful.

THE WATER-POWER POLICY IN THE TAFT ADMINISTRATION.

The power interests hoped for a return of the old free-grant days in the Taft administration. They based their hopes upon the stand of Mr. Taft, whose "judicial mind" as Secretary of War had been legally in sympathy with those in and out of Congress who held the Federal Government under the Constitution had no authority to control or regulate power developed on navigable streams. The hopes of the power interests were soon confirmed. It was not very long before Congress began again to pass these private bills, and the Executive veto this time was not forthcoming. Congress again began grinding out the bills for the power interests and the President's signature made them law. These were days of rejoicing for the power interests. But while all went well for them in Congress and with the Executive, under the title of "conservationists" a body of men were arousing the country to the reversal of the water-power policy.

It was a coincidence that the fight should again swing around the granting of the site on the James River in Missouri, which President Roosevelt had vetoed. Senator STONE'S bill to grant this franchise—Senate bill 74—was the first bill which passed Congress and received the Executive signature, early in the Sixty-second Congress, a return to the old method of unrestricted free grants. Shortly after its passage the dam site covered by the bill was sold by the grantees for a nominal sum to the Ozark Water & Power Co., a New York corporation with many millions of capital, and which has monopolized the water powers of this State.

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